

# BORROWED YEARS

A spotlight briefing on  
young people and borrowing  
from family & friends



**MONEY**  
ADVICE TRUST



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## Foreword

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Earlier this year the Money Advice Trust launched a series of spotlight briefings, 'Borrowed Years', exploring the experiences of young people with credit, debt and borrowing. Our [first briefing](#) showed that many young people are building up debt early in their adult life, while half are regularly worrying about money.

In this second briefing, we present our findings on one debt type of particular relevance to many young people – borrowing from family and friends.

Our findings confirm that this informal borrowing is acting as a vital 'safety net' for many young people. Two thirds of 18 to 24 year olds have borrowed from family and friends, with the total average borrowed standing at £2,248 and 39% having borrowed to cover basic living costs.

This will be a familiar tale to many parents, in particular, and further underlines the money management challenges facing many young people – in addition to our concern that far too few under 25s are seeking the free advice that could help in these crucial years.

Later this year we will complete our 'Borrowed Years' series with our final set of findings on young people, mobile phones and financial difficulty.

In the meantime I look forward to continuing to discuss the [policy ideas](#) we have recently put forward – and to exploring with partners what more we can all do to support 18 to 24 year olds to manage their money with confidence.

**Joanna Elson OBE**

Chief Executive, Money Advice Trust

## Research findings

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### Family and friends

Our research, based on a survey of 2,042 18 to 24 year olds conducted online by YouGov, found two thirds are borrowing from family and friends, including to help them cover basic living expenses.

- Two thirds (67%) of 18-24 year olds have borrowed money from family and friends
- Those who have been lent money by family and friends reported having borrowing an average of £2,248 overall
- The most common sources of family and friend borrowing are parents (57%), friends (23%) and brothers or sisters (17%), with some young people also borrowing from their partners (14%) and grandparents (9%)



### Borrowing for the basics

The findings show that many young people are turning to family and friends to meet even their basic living expenses.

- A quarter of 18-24 year olds (25%) have borrowed from family or friends to pay for food
- 15% have borrowed to cover one or more rent payments, with other housing costs also driving informal borrowing including deposits (9%) and moving costs (4%)
- A similar proportion (15%) have borrowed to cover travel costs

## Research findings

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### Vital safety net

The findings also paint a picture of family and friends providing a vital safety net for many 18 to 24 year olds, helping them to avoid financial difficulty.

- More than a quarter (29%) of 18-24 year olds who have borrowed money from family or friends say that this helped them to avoid financial problems
- 63% had either repaid the money they had borrowed, or were confident that they would be able to repay it in the future
- However, one in 10 (10%) said it had taken or was taking longer than expected to repay



### Impact on relationships

While a significant minority found their borrowing from family or friends difficult to discuss, the findings reveal little negative impact on relationships as a result.

- 13% of 18 to 24 year olds who had borrowed from family or friends said they had found it awkward or embarrassing to discuss paying the money back
- However, only 3% reported that the borrowing had a negative effect on their relationship with the person in question
- 51% had been offered the money without having to ask



For more on our Borrowed Years series

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## Policies that could help young people

In our first 'Borrowed Years' briefing we presented a selection of policy ideas – for consideration by government, financial services firms, schools, colleges, universities, charities and other organisations – designed to stimulate discussion on what more can be done to support young people to manage their money with confidence.

These included earlier, more co-ordinated financial education, timely support for first-time borrowers, practical reforms to student finance payments, a bigger role for employers, help with building up a credit history and improved access to banking and savings.

For more information read our first 'Borrowed Years' spotlight briefing at [www.moneyadvicetrust.org](http://www.moneyadvicetrust.org)

## Ten top tips for under 25s

Read and share National Debtline's ten top tips on money and borrowing for under 25s at [www.nationaldebtline.org/borrowedyears](http://www.nationaldebtline.org/borrowedyears)

### Ten top tips

Under 25? Worried about money?  
You're not alone. Here are our ten  
tips to help you get back on track.



## Methodology

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The research findings presented in this briefing are based on a survey of 18-24 year olds commissioned by the Money Advice Trust and conducted online by YouGov. All figures, unless otherwise stated, are from YouGov Plc. Total sample size was 2,042 adults. Fieldwork was undertaken 16-25 August 2016. The survey was carried out online. The figures have been weighted and are representative of all GB young adults (aged 18-24).

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