sharefound
inspiring young people in care

Tuesday 12th March 2019

The Share Foundation's four point plan for recovering the Child Trust Fund

On Wednesday 13th March at 4pm Parliament will host a debate on Child Trust Funds (CTF) in Westminster Hall. The debate, tabled by Helen Goodman MP, is a major opportunity to draw attention to the need to wake up the CTF, which is the driving purpose of The Share Foundation's four point plan.

The first two points address the needs of young people in care, for whom The Share Foundation runs the CTF and Junior ISA schemes for the Department for Education. Working closely with HM Revenue & Customs, it has already reconciled over 10,000 CTFs valued at c. £12 million for children without a 'person in a position of parental responsibility'. Meanwhile a system is currently under construction to find CTFs for those with a responsible adult – the second point.

The third point focuses on the needs of children and young people in families in receipt of Child Tax Credit, where it is estimated that nearly 450,000 accounts are 'Addressee Gone Away', and that the same number again are as yet unclaimed by their contact person. If its proposals are accepted, The Share Foundation will work with the Department for Work and Pensions and HM Revenue & Customs in order to find the accounts for these, the most disadvantaged 17% of the population, and provide access to financial education.

Finally, The Share Foundation has launched its 'CTF Ambassador' programme, calling for volunteers to visit their local secondary schools and wake up the CTF scheme across the UK. The first batch of the attached leaflets has been printed ready for distribution to young people, and The Share Foundation looks forward to raising awareness significantly.

Gavin Oldham OBE, Chair of The Share Foundation said: "When launched, the CTF was a significant initiative designed to help children get into the habit of saving and to help them understand personal finance. However unless young people connect with their CTF and, if missing, find their accounts swiftly, its impact will be lost – which is why at The Share Foundation we are working to wake it up. Please help us do this, for the sake of the next generation!"

https://www.ctfambassadors.org.uk/   https://sharefound.org/

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Notes to editors: The Share Foundation: is a registered charity which operates two major schemes on behalf of the Department for Education designed to improve the life skills and financial resources of Looked-After children throughout the United Kingdom: the Junior ISA (since Q4 2012) and Child Trust Fund (since Q4 2017) schemes. These arrangements have thus far benefited over 118,000 children and young people in care, and include an incentivised learning programme, the 'Stepladder of Achievement', for those aged 15- 17.

Are you one of the fortunate 8 to 16 year olds?

If you were born in the United Kingdom between 1st September 2002 and 2nd January 2011, you will almost certainly have a Child Trust Fund. It's a pot of money that the Government put in an account for you personally, either via your parents/guardian or directly.

What it's worth now depends on three things:

- How much the Government put in: this was typically between **£250** and **£1000;**
- Whether anyone else put money in, perhaps a member of your family;
- How much it's grown in value over the years.

The money is in an individual account for you with a Child Trust Fund provider. Most of the accounts were invested in the stock market, and will have grown significantly in value. Some were held as cash deposits and, because interest rates have been so low, these will not have seen so much growth.

But the money is yours, and from your 16th birthday onwards you can control the account. If you wish, you can then withdraw the money at 18, or leave it to grow in value.

So - do you know where your account is? If not:

1. Ask your parents/guardian;
2. If they don't know where it is, set about finding it yourself: visit tiny.cc/findCTF.

Once you've found it, you can take control of the account from your 16th birthday. To do this you'll need to contact your account provider and tell them. They'll probably ask for your contact details and, of course, your identification to check that they're talking to the right person.

Then - make sure you're happy with how it's invested. For example:

- If you're likely to keep it invested after your 18th birthday it might make sense to leave it in an investment fund, if it's already in one;
- If you're likely to draw the money out at 18, you might prefer to put it in cash now in case market prices fall between now and then;
- Or - you might prefer to learn about investing and choose the investments yourself, in which case you might need to transfer the account to an account provider who offers self-selection;
- Or you might prefer to transfer it to a Junior ISA, another type of savings account.

Lots of choices! Welcome to the new world of investing ...

Finally, if you haven't had much financial education at school, now is the time to get more familiar with money: there's a special eight-week radio course offered by Share Radio in partnership with the Open University which is designed to make it easy to learn about money.
Here's the link to Managing My Money: tiny.cc/mmmoney .

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