RATHBONES

The family funding gap

How rising education costs are reshaping wealth across generations

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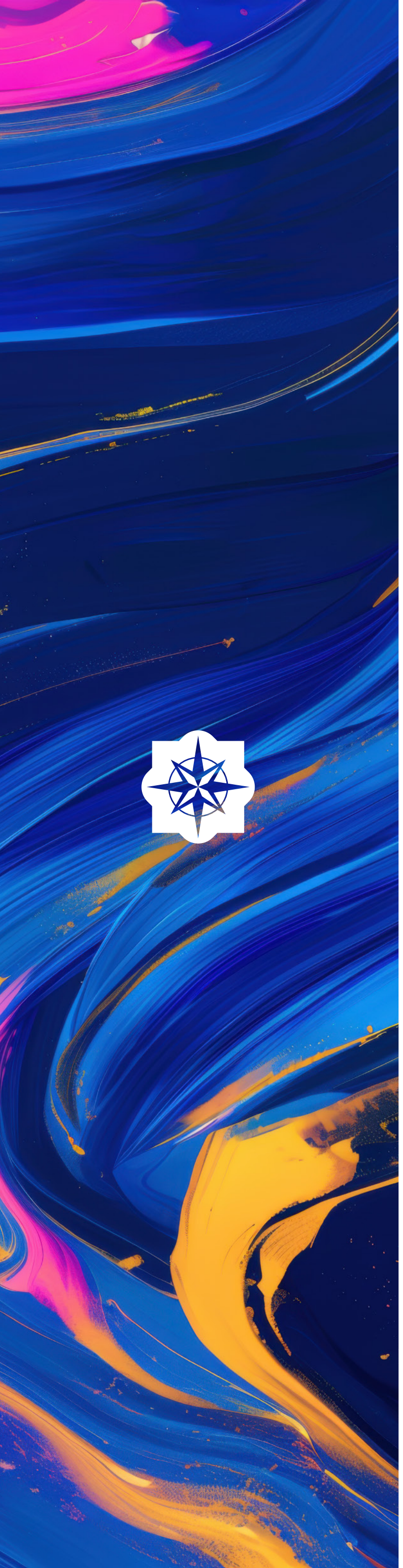

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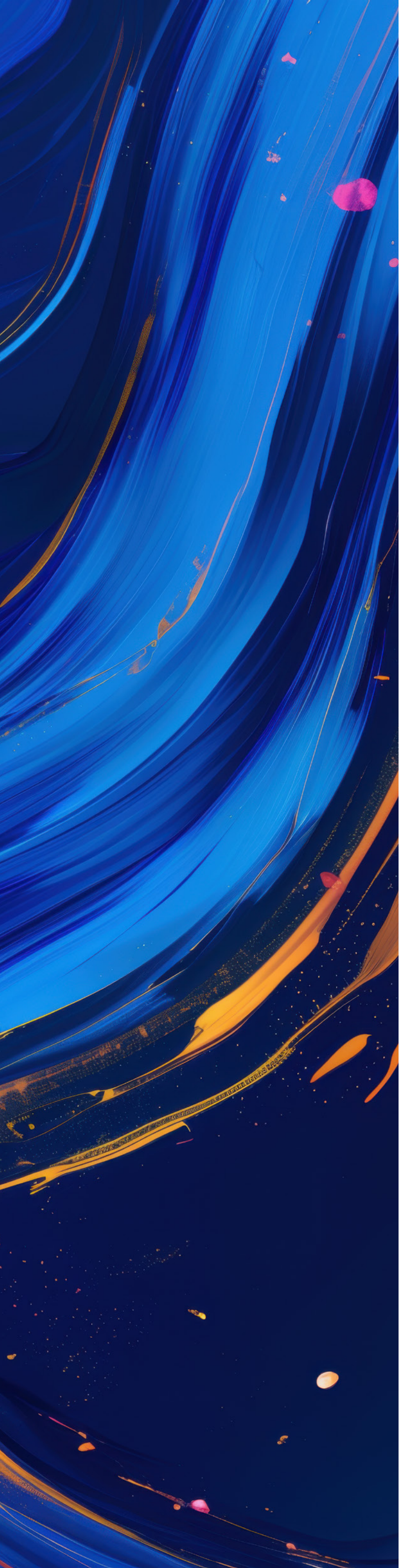
How rising education costs are reshaping family wealth

> 81% believe rising education costs are making life chances increasingly dependent on family wealth.



A snapshot of how British families are adapting to the growing cost of educational opportunity.

01

Parents are becoming Britain's second student finance system

- **69%** expect to fund at least half of university costs.
- **26%** expect to contribute more than £50,000 per child.
- **11%** expect to contribute more than £100,000.
- **65%** expect to provide ongoing support for living costs.

02

Education remains a priority

- **48%** would still encourage university despite rising costs.
- **71%** continue to view education as one of the best long-term investments.
- **Only 1% would actively discourage child or grandchild from going to university**

03

The hidden financial trade-offs

- **46%** say education costs will affect retirement planning.
- **24%** expect to reduce pension contributions as a result of funding education costs,
- **58%** expect education costs to place pressure on household finances.
- **10%** expect to borrow to fund university costs

04

The rise of intergenerational funding

- **65%** receive financial support from grandparents.
- **67%** of grandparents say inheritance tax changes makes lifetime gifting more attractive.

Opportunity

Educational opportunity is becoming increasingly linked to family wealth.

Retirement

Parents are funding education by sacrificing future financial security.

Grandparents

Education is becoming an increasingly important mechanism for intergenerational wealth transfer.

Planning

Education funding should be considered alongside retirement, inheritance and long-term wealth planning - not in isolation.

Education is no longer simply an education issue. It has become one of Britain's defining intergenerational financial planning challenges.

Executive summary

Funding education has long been regarded as one of the most valuable investments a family can make. Yet for a growing number of British households, that investment has become one of the most significant financial planning challenges they will ever face.

This research comes at a pivotal moment. Rising university costs, continued debate around the value of higher education, increasing private school fees following the introduction of VAT, and changes to inheritance tax treatment of pension wealth are reshaping how families think about supporting the next generation.

Our findings suggest Britain has not lost faith in education. Parents and grandparents continue to believe that education can transform life chances, improve career prospects and create opportunities that might otherwise be out of reach. What has changed is the extent to which families themselves are expected to bridge the gap between aspiration and affordability.

Increasingly, parents are becoming a second student finance system. Rather than relying solely on tuition loans and maintenance support, many now expect to fund substantial elements of university education themselves, from tuition fees and accommodation to everyday living costs. For some, this means contributing tens of thousands of pounds per child over many years.

That commitment comes at a price. Families report redirecting savings, drawing on investments, reducing pension contributions and delaying retirement plans to fund education. In effect, many are sacrificing future financial security to create opportunities for the next generation.

These findings reflect what we hear from clients. Education funding is no longer viewed as a one-off expense but as a long-term financial commitment that sits alongside retirement planning, wealth preservation and estate planning.

The burden is also becoming increasingly intergenerational.

Grandparents are playing an increasingly important role, supporting both university and private school costs. For many grandparents, contributing towards education represents an opportunity to help younger generations when financial assistance can have the greatest impact and to see the benefits during their lifetime, while also responding to forthcoming changes to inheritance tax rules affecting pension assets.

Taken together, these findings highlight an important social and economic trend. As parents and grandparents assume a greater share of education costs, access to university and private education risks becoming progressively more dependent on the financial resources available within a family rather than academic ability or ambition alone.

This represents an important shift: education funding can no longer be considered in isolation. Decisions about university costs, private school fees, retirement planning, wealth preservation and intergenerational gifting are becoming increasingly interconnected, requiring families to balance competing priorities over many years rather than responding to individual milestones as they arise.

The families best placed to navigate these challenges are likely to be those that begin planning early, understand the trade-offs involved and view education funding as part of a broader long-term financial strategy.

Ultimately, this report tells the story of families whose commitment to education remains remarkably resilient despite rising costs and growing financial pressures. Britain still believes in the value of education, but the responsibility for funding opportunity is shifting steadily from institutions to families, making it one of the defining intergenerational financial planning challenges of our time.

Get in touch at

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Five key insights

1. **Parents are becoming Britain's second student finance system**
   Families are increasingly bridging the gap between the cost of higher education and the support available through student finance. Nearly seven in ten parents expect to fund at least half of university costs, with many contributing substantial sums towards tuition fees, accommodation and living expenses.

2. **Confidence in education remains strong, but families are becoming more selective**
   Despite growing concern about affordability and student debt, education continues to be viewed as one of the most valuable investments families can make. Increasingly, however, decisions are based on expected outcomes, career prospects and long-term value rather than tradition alone.

3. **The hidden cost of education is financial security**
   Education is increasingly being funded through sacrifices elsewhere. Many families expect educational costs to affect retirement plans, reduce pension contributions or delay long-term financial goals, highlighting the growing competition between supporting children today and maintaining financial resilience tomorrow.

4. **Grandparents are becoming a third pillar of education funding**
   The Bank of Grandma and Grandad is playing an increasingly important role in supporting educational opportunity. Educational gifts are becoming part of wider conversations around wealth transfer, inheritance planning and helping younger generations when support can make the greatest difference.

5. **Opportunity is becoming increasingly dependent on family wealth**
   Perhaps the most significant finding is the growing perception that educational opportunity is becoming increasingly linked to financial capacity. As family support becomes more important, questions around social mobility and equality of opportunity are likely to become even more prominent in the years ahead.

Chapter one: families are becoming britain's second student finance system

What we're hearing from clients

In the past, conversations about education funding often focused on Junior ISAs or setting aside money for university. Today they're increasingly about balancing education costs with retirement planning, deciding how much support is sustainable, and understanding the long-term consequences of helping children financially. Families want to give the next generation the best possible start – but they also recognise that doing so shouldn't come at the expense of their own financial security.

Who is funding education today and at what cost?

The cost of education has always required careful planning. What is changing is not simply the amount families are expected to contribute, but the extent to which responsibility for funding educational opportunity is shifting towards parents and grandparents themselves.

For decades, student finance has been presented as the primary mechanism through which higher education is funded. Tuition fee loans and maintenance loans remain central to the system, but our research suggests that they are increasingly only one part of the funding picture. Behind the official system sits a second, largely invisible one: families.

Parents are no longer simply providing occasional financial support. Many now expect to shoulder a substantial proportion of the overall cost of university, covering tuition fees, accommodation, living expenses and, increasingly, postgraduate study. As education costs continue to rise, family support is becoming less of a helping hand and more of an essential source of funding.

This marks an important change in how educational opportunity is financed. Rather than replacing student finance, families are increasingly supplementing it – often to an extent that fundamentally alters their own long-term financial plans.

The family funding gap is widening

The national debate around higher education has become increasingly focused on affordability and value for money.

In July 2026, the Treasury Committee argued that successive governments had effectively “mis-sold” student loans, reflecting wider concerns about the long-term burden of graduate debt and whether prospective students fully understand the financial implications of borrowing. At the same time, families continue to face rising accommodation costs, higher everyday living expenses and tuition fees that remain a significant financial commitment.

Previous analysis by Rathbones found that graduates on middle incomes can end up repaying more in cash terms than higher earners because they remain in the student loan system longer and accumulate interest for decades. The analysis identified a “student loan danger zone” for graduates earning around £45,000 to £50,000. Under current Plan 2 rules, a graduate starting on around £47,000 with a £50,000 student loan could repay approximately £136,000 over the life of the loan - almost three times the amount originally borrowed.

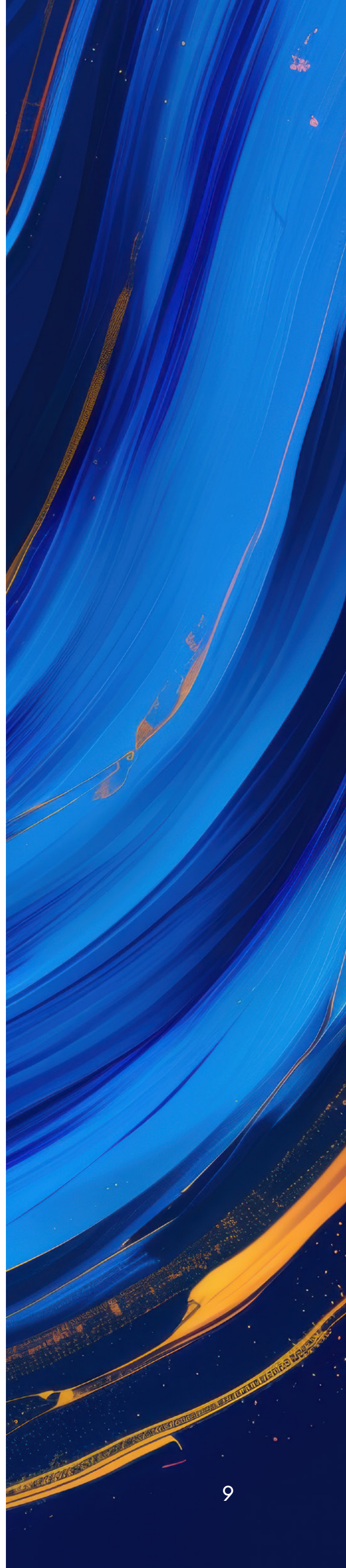
Against this backdrop, families are increasingly stepping in. Nearly seven in ten expect to fund at least half of the total cost of university, including 15% who expect to pay all or almost all costs and 31% who anticipate an equal split between student loans and parental support. The figures suggest that what was once viewed as discretionary support has become an expected part of modern family life.

The scale of expected family support is striking. More than one quarter of parents who currently contribute, or expect to contribute, towards university costs anticipate providing more than £50,000 for each child. More than one in ten expect their contribution to exceed £100,000.

For parents and grandparents, this creates a difficult planning dilemma. Every pound allocated towards tuition fees or accommodation is a pound that cannot simultaneously be invested for retirement, retained as emergency savings or used to achieve other family goals.

As well as making broader retirement trade-offs – which we will explore later - one in 10 (10%) of parents expect to borrow, while a similar proportion expect to rely on financial support from wider family members to help meet education costs.

Helping a child through university is no longer simply an annual expense. For many households, it has become a long-term funding strategy spanning several years.



Private education presents similar pressures

The same pattern is emerging in private education. The introduction of VAT at the standard rate of 20% on private school fees from January 2025 has significantly increased costs for many families and prompted a reassessment of long-term affordability.

Rathbones' findings show that 23% say the introduction of VAT was the main reason they decided not to send a child or grandchild to private school. A further 12% say rising private school fees were a factor, but not the main reason.

Among those affected by rising fees, 31% say they have dipped into savings or investments, 29% have cut back on other spending, 16% have reduced pension contributions and 12% have changed schooling plans.

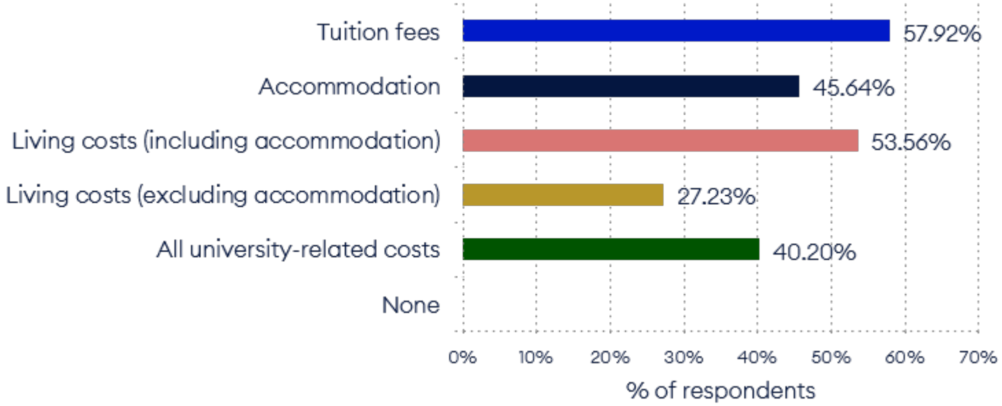
The response to VAT is equally telling: 24% absorbed the cost with financial strain, 16% delayed enrolling a child in private school and 10% moved, or plan to move, a child out of private school.

The hidden cost of private education is therefore not only the fee itself. It is what families give up to keep paying it.

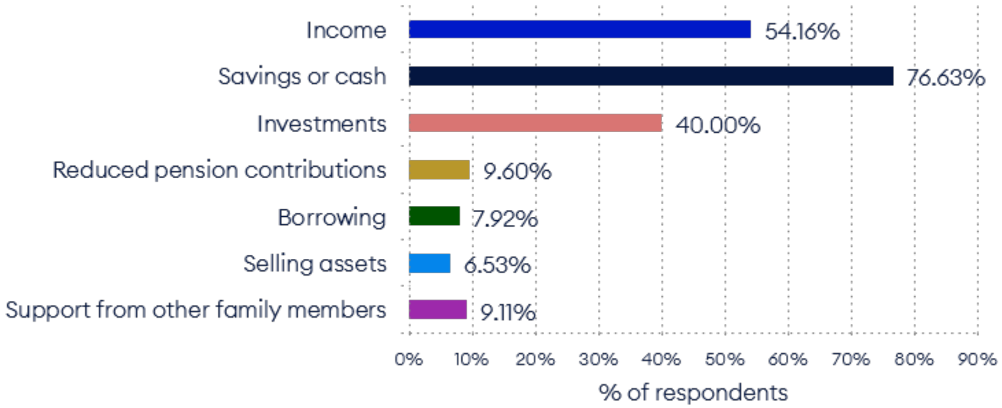
Key takeaway

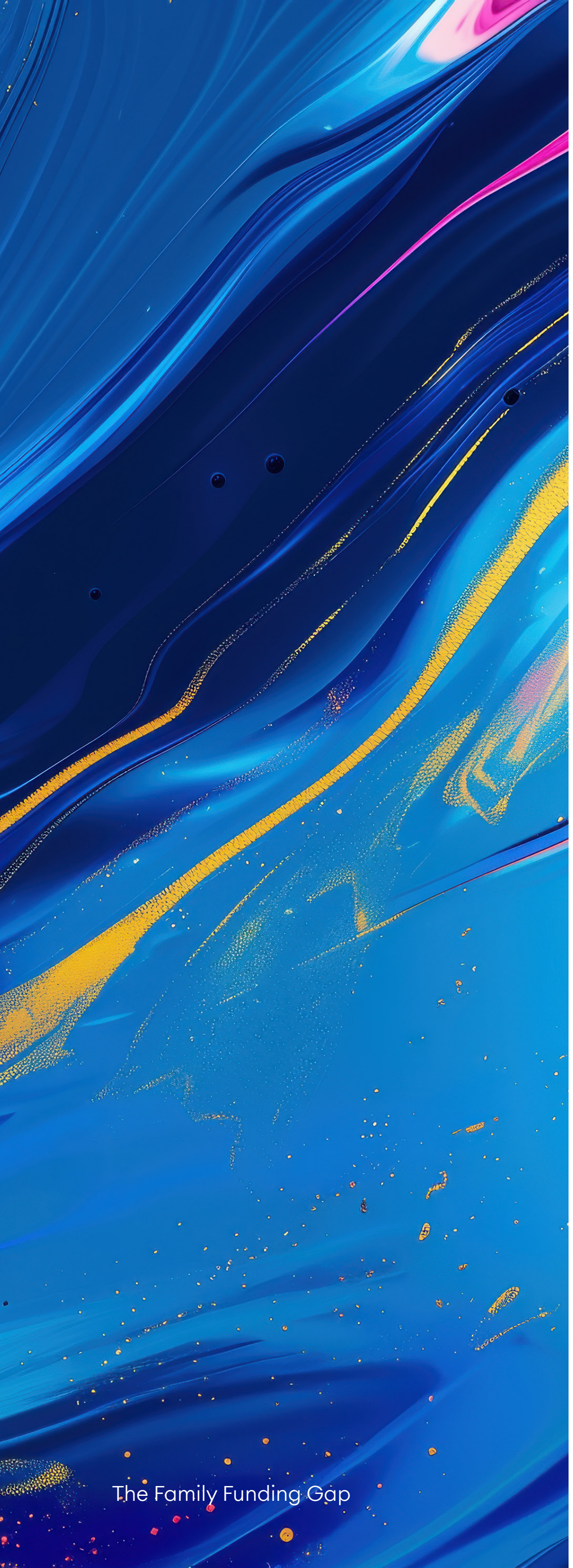
As university costs rise and private school fees come under pressure, families are playing an ever-greater role in funding educational opportunities. The result is a growing "family funding gap", where access to education increasingly depends on the willingness and ability of parents and grandparents to contribute. Education may still be seen as an investment in the next generation, but it is increasingly being funded through sacrifices made by the current one.

Which university related costs have you helped to pay for, or expect to help to pay for? Please select all that apply



How are these costs being paid, or how do you expect to pay them? Please select all that apply





Chapter two: education still matters. Families are simply becoming more selective.

What we're hearing from clients

Families rarely ask whether education matters, instead, they ask more searching questions about value. Which qualifications are likely to deliver the strongest long-term outcomes? Is university the right choice for every child? How should educational aspirations be balanced against the financial sacrifices required to achieve them? These conversations increasingly reflect careful planning rather than unquestioning acceptance.

Britain has not lost faith in education

For generations, education has been viewed as one of the most reliable routes to opportunity, higher earnings and social mobility. That belief remains remarkably resilient. Yet a growing national conversation about student debt, graduate outcomes, apprenticeships and the rising cost of education is prompting families to ask tougher questions about value for money.

Despite the challenges, the findings show that families have not lost faith in education. Nearly half (48%) of respondents say they would encourage a child to attend university despite the cost, while a further 22% would encourage university but with significant concerns about the financial implications.

But attitudes are becoming more nuanced. The growing debate around value is also increasing interest in alternative pathways.

Nearly one-third (32%) of respondents believe apprenticeships and vocational routes are now equally valuable alternatives to university. Meanwhile, 25% believe university is only worth the cost for some careers rather than as a default route into employment.

This reflects a broader shift in attitudes. As skills shortages emerge in certain industries and employers place increasing emphasis on experience and technical expertise, apprenticeships are gaining visibility as a viable route into well-paid careers without the burden of student debt.

At the same time, rapid advances in technology and artificial intelligence are creating new questions about the future value of some degrees. Around 16% of respondents believe advances in technology and artificial intelligence threaten the long-term value of many university qualifications.

None of this suggests that families are abandoning higher education. Rather, they are becoming more selective and strategic, weighing the likely return on investment more carefully than previous generations.

The question of value extends beyond university. As explored in the previous chapter, the introduction of VAT on private school fees has brought renewed attention to the cost of independent education. Yet despite these pressures, many families continue to prioritise private education where they believe it provides a meaningful advantage. As with university, the debate is less about abandoning education and more about determining whether the perceived benefits justify the increasing financial sacrifice required.

Education remains worthwhile, but not at any cost

Perhaps the most telling finding is that families remain optimistic about education while becoming more pragmatic about how it is funded.

More than four in ten respondents (42%) believe education is still worth the cost even if it requires significant financial sacrifice. However, a further 34% believe education is only worth the cost in specific circumstances. Just 13% say education costs now outweigh the benefits altogether.

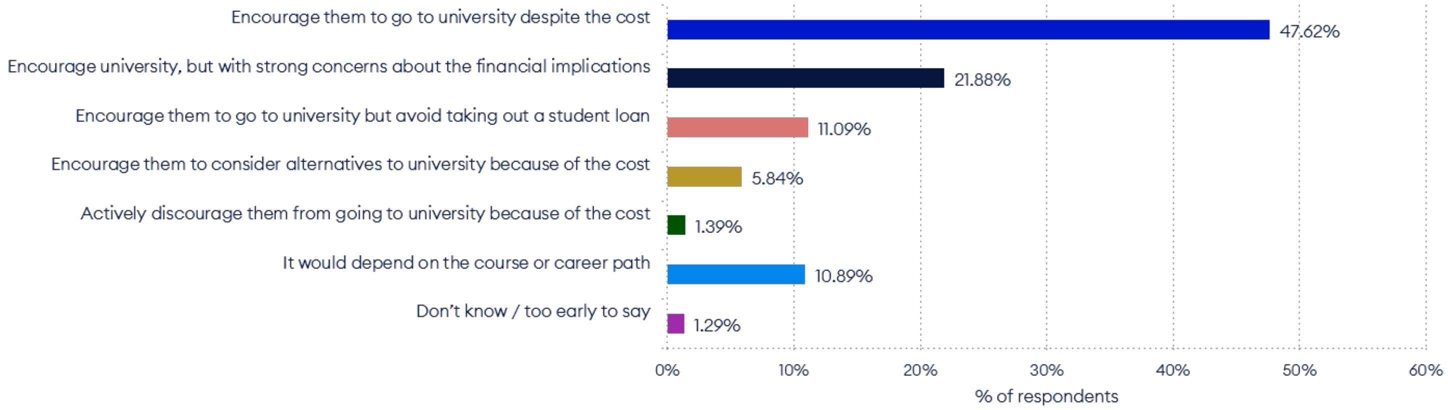
This suggests Britain has not lost faith in education. Rather, families are becoming more discerning consumers of it.

Where previous generations may have viewed university or private education as an unquestioned investment, today's families are increasingly evaluating educational decisions alongside competing financial priorities, including housing, retirement planning and long-term financial resilience.

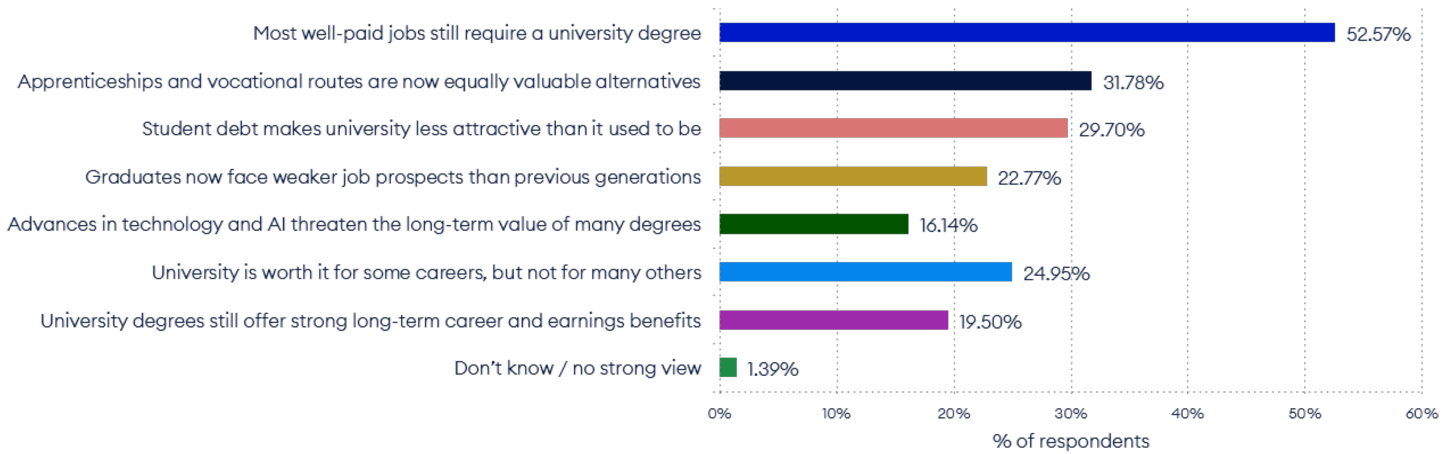
Key takeaway

The national conversation about education is shifting from access to value. Student debt concerns, changing career pathways, the growth of apprenticeships and rising private school costs are prompting families to look more closely at the return they receive on their educational investment. Yet despite growing scrutiny, support for education remains strong. The challenge for many families is no longer deciding whether education is worth it but determining how much they are willing to pay for the opportunities it may provide.

Thinking about the cost of university today, which of the following best reflects what you would be most likely to advise your child? Please select one



Are university degrees still worth the cost today? Please select up to three



Chapter three: the hidden cost of education

What we're hearing from clients

The conversations we have with families are increasingly about competing priorities rather than individual financial decisions. Parents are trying to support children through university while continuing to build pension wealth. Grandparents are asking whether helping today may be more valuable than leaving a larger inheritance later. Increasingly, education funding is no longer a standalone objective - it sits alongside retirement, wealth preservation and supporting multiple generations.

The hidden price of investing in the next generation

Throughout this report, one message has emerged consistently: families continue to place enormous value on education.

Parents and grandparents are willing to contribute substantial sums towards university costs and private school fees because they believe educational opportunities can transform future prospects.

Yet while public debate understandably focuses on the rising cost of tuition fees and private school charges, our research suggests the greatest financial impact often lies elsewhere.

The true cost of education is not always measured by the amount paid to schools or universities. Increasingly, it is measured by what families choose to give up in order to afford those opportunities.

Savings intended for retirement are redirected towards university costs, investment portfolios built over many years are drawn upon earlier than planned, pension contributions are reduced during the very years when they could have the greatest long-term impact and retirement itself is postponed.

The result is a growing tension between supporting the next generation today and protecting financial resilience tomorrow.

The pressure extends beyond household budgets

Nearly six in ten respondents say education costs have placed, or are expected to place, significant pressure on household finances. Meanwhile, savings and cash remain the most common source of funding, followed by income and investments, highlighting the extent to which families are drawing on their own resources to support educational ambitions.

The impact is evident across both university and private education. For some, borrowing is also becoming part of the equation. What was once considered a manageable expense increasingly resembles a major financial commitment comparable to purchasing a home or funding retirement.

In conversations with clients, we often hear that education remains an absolute priority, even during periods of economic uncertainty. Yet many are acutely aware that every pound directed towards education is a pound that cannot simultaneously be invested towards other financial goals.

Retirement is becoming the hidden casualty

Perhaps the most striking finding is the extent to which educational funding is affecting retirement planning.

Nearly one in four (24%) respondents expect to reduce pension contributions as a result of funding education costs, while 22% expect to delay retirement. A further 21% expect to retire on a lower income or lower standard of living than originally planned.

For many families, these trade-offs appear to be accepted reluctantly as the cost of helping younger generations succeed.

The challenge is particularly acute because retirement planning and education funding often compete for the same pool of resources. Parents in their forties and fifties are frequently trying to build pension wealth during what should be their peak saving years at the same time as helping children through university or paying private school fees.

The findings suggest many are prioritising immediate educational opportunities over future retirement security.

The rise of the education sandwich generation

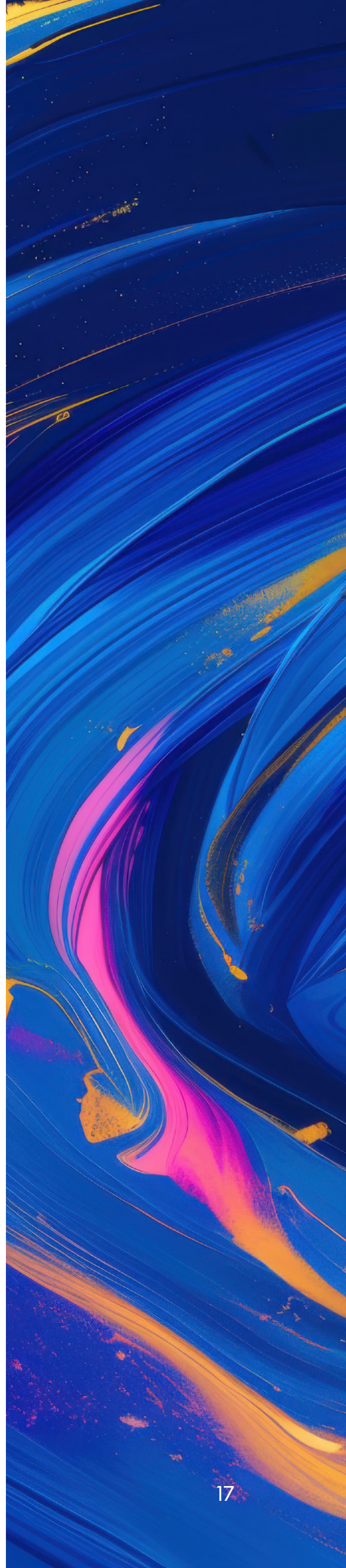
The pressure does not end with supporting children. An increasing number of individuals find themselves caught between multiple financial responsibilities, helping children or grandchildren while also supporting ageing parents.

The research shows that 57% are currently helping to fund, or expect to fund, university costs, while 40% are helping with private school fees. At the same time, 29% are helping with day-to-day living costs for their parents and 9% are contributing towards parental care costs.

These overlapping commitments are creating a new form of financial pressure.

Almost two-thirds (65%) agree that supporting children's education while helping parents has placed significant strain on their finances. More than six in ten (61%) expect the combined pressures to delay retirement.

The consequences are tangible. Among those supporting multiple generations, 43% have cut back on holidays and leisure spending, 36% have reduced long-term savings and investment contributions, and 23% have reduced pension contributions.



Education and the widening wealth divide

The rise of family-funded education raises important questions about social mobility. Education has long been seen as one of the most powerful routes to opportunity, but access increasingly depends on family support. Across this report, we have seen parents helping with tuition fees, accommodation and living costs, while grandparents are stepping in through gifts, direct payments and wealth transfers. For many families, this support helps unlock opportunities that might otherwise be out of reach.

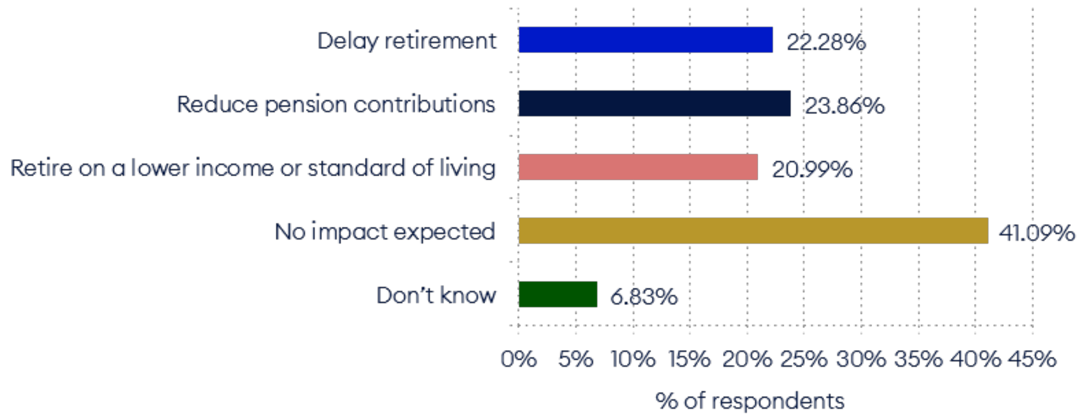
Yet not every family has access to these resources. As parental and grandparental support becomes more important, educational opportunities are increasingly shaped not only by ability and ambition, but also by financial capacity. Families remain overwhelmingly positive about the value of education, but there is a growing perception that educational success and family wealth are becoming more closely linked.

Key takeaway

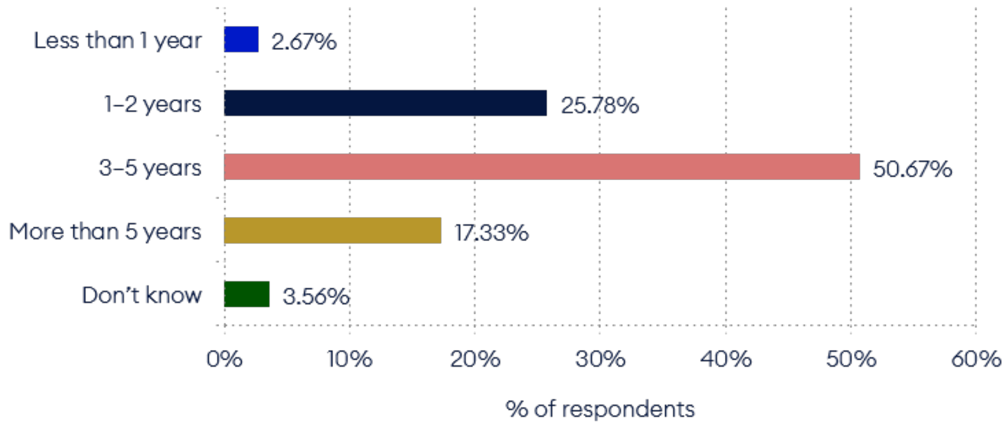
The hidden cost of education is rarely the fee itself. It is the retirement delayed, the pension contribution reduced, the investment withdrawn, the financial resilience weakened.

Families continue to place education among their highest priorities, but the research suggests they are increasingly funding tomorrow's opportunities by compromising their own long-term financial security today. Understanding those trade-offs - and planning for them early - has become one of the defining challenges facing modern family wealth planning.

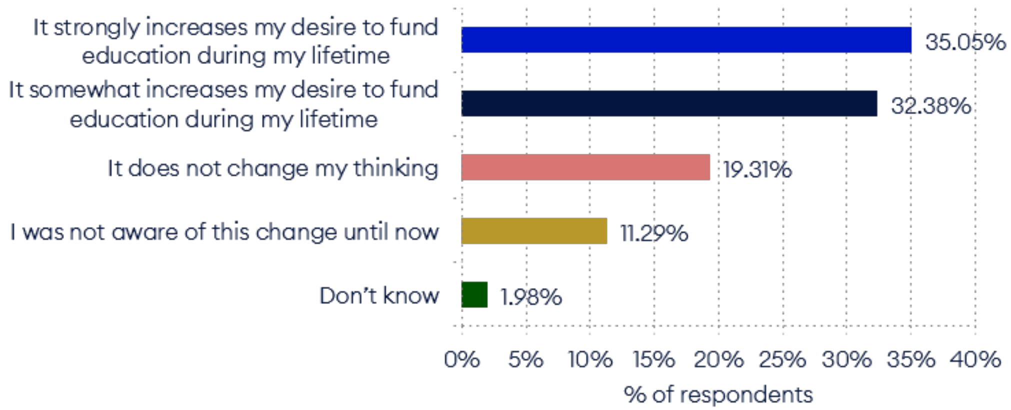
Has funding education costs affected, or do you expect it to affect, your retirement plans? Please select all that apply



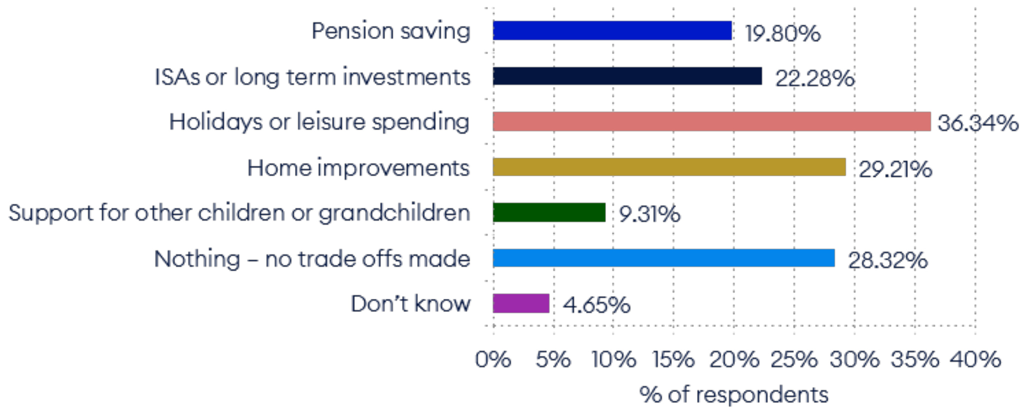
If you expect to delay retirement, by how long? Please select one



From April 2027, unused pension funds are expected to be included within inheritance tax calculations for the first time. To what extent does this change influence your thinking about funding education costs during your lifetime, rather than passing money on later? Please select one



Which, if any, of the following have you prioritised less in order to afford private school fees? Please select all that apply



Chapter four: the rise of intergenerational education funding

What we're hearing from clients

Increasingly, grandparents tell us they would rather help when the impact is immediate than leave larger inheritances later. Education has become one of the most common ways families transfer wealth across generations because it allows them to see the difference their support can make while also fitting within broader estate planning conversations.

The rise of the third pillar of education funding

For decades, the "Bank of Mum and Dad" has played a central role in helping younger generations navigate financial milestones such as buying a home, paying for childcare or getting on the property ladder. Increasingly, however, another institution is stepping into the spotlight: the Bank of Grandma and Grandad.

As education costs continue to rise, grandparents are becoming an increasingly important source of financial support for both university and private school education. What was once primarily a parental responsibility is evolving into a multi-generational effort, reflecting both the scale of modern education costs and the growing role of family wealth in funding opportunity.

The findings suggest this trend is already well established. Nearly two-thirds (65%) of respondents say grandparents contribute, or are expected to contribute, towards education costs either regularly or occasionally. Far from being an occasional source of additional support, grandparents are becoming an increasingly important part of the education funding ecosystem.

Education is becoming a family affair

The scale of financial support required to fund modern education helps explain why grandparents are increasingly being drawn into the conversation.

As explored in earlier chapters, many parents now expect to contribute tens of thousands of pounds towards university fees, accommodation and living costs, while others are grappling with rising private school fees following the introduction of VAT. At the same time, many families face competing financial pressures, from housing costs and childcare to retirement planning.

Against this backdrop, grandparents are increasingly helping to bridge the gap.

The support takes many forms. Around 37% say support is provided through cash gifts directly to grandchildren, 36% through gifts to parents and 34% through direct payments to schools or universities. A similar proportion have money set aside in savings or investments specifically intended to support education costs.

This illustrates an important shift. Educational funding is no longer simply a question of parents helping children. Increasingly, it is becoming an intergenerational financial commitment that spans three generations.

More than generosity

While family support remains motivated by a desire to help younger generations succeed, the research suggests this is not solely a story about generosity.

For many families, education funding is increasingly becoming part of a broader approach to wealth transfer.

More than two-thirds (69%) of respondents say inheritance tax considerations influence their decisions around education funding, including 25% who describe it as a major factor and 44% who say it is one of several factors they consider. Meanwhile, 31% say educational gifts should be viewed as both a way to support family today and as part of a wider estate-planning strategy.

This reflects a growing desire among older generations to see the benefits of their wealth during their lifetime rather than waiting until assets are passed on through inheritance.

In our conversations with clients, we increasingly hear from grandparents who want to provide meaningful support when it can make the greatest difference. Helping to fund private education, reducing the need for student borrowing or contributing towards accommodation costs can have an immediate and tangible impact on future opportunities.

Pension/IHT reforms are changing behaviour

Forthcoming changes to inheritance tax rules may further strengthen this trend.

From April 2027, unused pension funds are set to be included within inheritance tax calculations for the first time. The policy has prompted many families to reassess how and when wealth is transferred to future generations.

The findings suggest this change is already influencing thinking. More than two-thirds (67%) say the change either strongly or somewhat increases their desire to fund education costs during their lifetime rather than pass money on later. This includes 35% who say it strongly increases their desire to do so and 32% who say it somewhat increases it.

For some grandparents, education funding represents an opportunity to

achieve two objectives simultaneously: providing meaningful support to children and grandchildren when it is most valuable while potentially reducing future inheritance tax liabilities.

As a result, educational support is increasingly being viewed not merely as a family expense, but as a form of intergenerational planning.

The growing importance of family wealth

The expanding role of grandparents raises a broader societal question about the future of educational opportunity.

For families with access to wealth accumulated over multiple generations, rising education costs may be manageable, even if they require sacrifices. University costs can be supplemented by parental support. Private school fees can be shared across generations. Grandparents can draw on accumulated wealth to help bridge funding gaps.

The experience is likely to be very different for families without those resources.

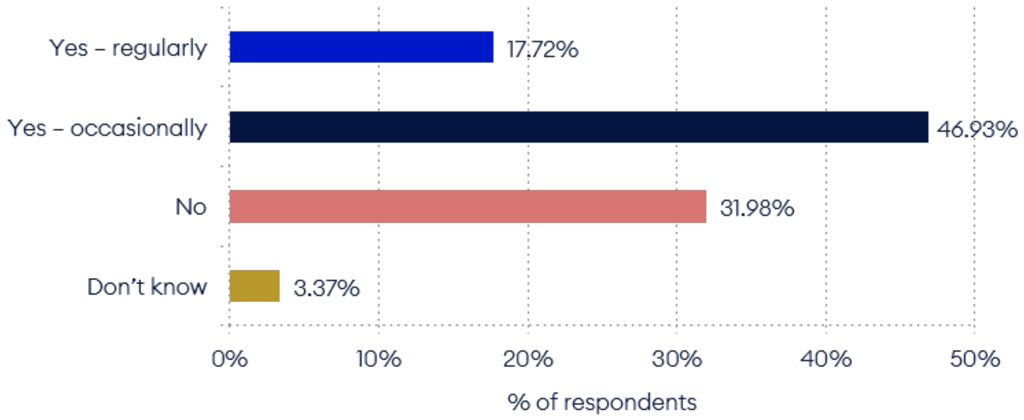
Indeed, one of the strongest findings in the study relates to this concern. More than eight in ten respondents (81%) agree that rising education costs are making life chances increasingly dependent on family wealth.

This is perhaps the most significant implication of the growing role of the Bank of Grandma and Grandad. While intergenerational support can create opportunities for some, it may also widen the gap between families with the resources to fund education and those without.

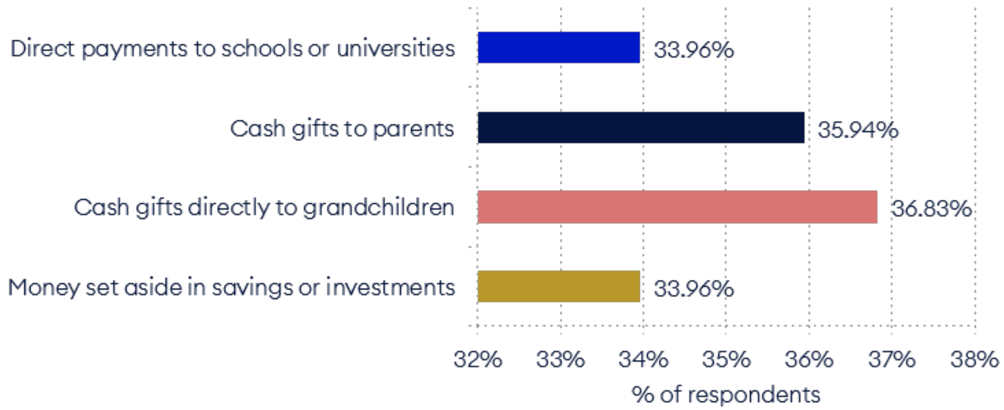
Key takeaway

The Bank of Grandma and Grandad is no longer primarily associated with helping younger generations buy their first home. Increasingly, it is helping to fund educational opportunity. As education costs rise and inheritance tax considerations become more prominent, grandparents are playing a growing role in supporting children and grandchildren through both private education and university. While this reflects families' enduring commitment to education, it also highlights a growing divide: access to opportunity increasingly depends not only on academic ability and ambition, but on the financial resources available within the family.

Do grandparents contribute, or are they expected to contribute, financially to education costs? Please select one



How is this support provided? Please select all that apply



What families should consider now

Throughout this report, one message has emerged consistently: families remain deeply committed to creating opportunities for the next generation. Rising education costs have not diminished that ambition. Instead, they have changed the way families think about achieving it.

Education is increasingly competing with other long-term financial priorities, including retirement, housing, wealth preservation and supporting older relatives. As these decisions become more interconnected, successful planning is becoming less about finding additional money and more about making informed choices over many years.

There is no single solution that will be right for every family. Circumstances, priorities and resources differ considerably.

Start planning earlier than you think you need to

Education funding is often viewed as something that begins when children reach secondary school or start applying for university. In reality, the financial decisions that have the greatest impact are frequently made much earlier.

Starting early provides more options. Savings and investments have longer to potentially grow, contributions can be spread over many years and families have greater flexibility to adjust their plans if circumstances change.

Perhaps most importantly, early planning reduces the likelihood that education costs become an unexpected financial shock requiring difficult decisions at precisely the wrong moment.

Education may last only a few years. Planning for it often spans decades.

Understand the trade-offs before making them

One of the clearest findings from this research is that education is increasingly being funded through compromise.

Parents are drawing on savings that might otherwise have strengthened financial resilience, investment portfolios are being reduced and retirement plans are being postponed.

These decisions are often made willingly because families place such a high value on educational opportunity. However, understanding the long-term consequences of those choices is just as important as understanding the immediate cost of tuition fees or school bills.

Helping children should not unintentionally create financial vulnerability later in life.

Think about the whole family - not just one generation

Perhaps the most striking development highlighted by this report is the increasingly intergenerational nature of education funding. Parents are contributing more and grandparents are becoming more involved.

At the same time, many households are also supporting ageing parents while preparing for retirement themselves.

Financial planning therefore increasingly involves balancing the needs of three generations rather than two. Bringing those conversations together can often produce better outcomes.

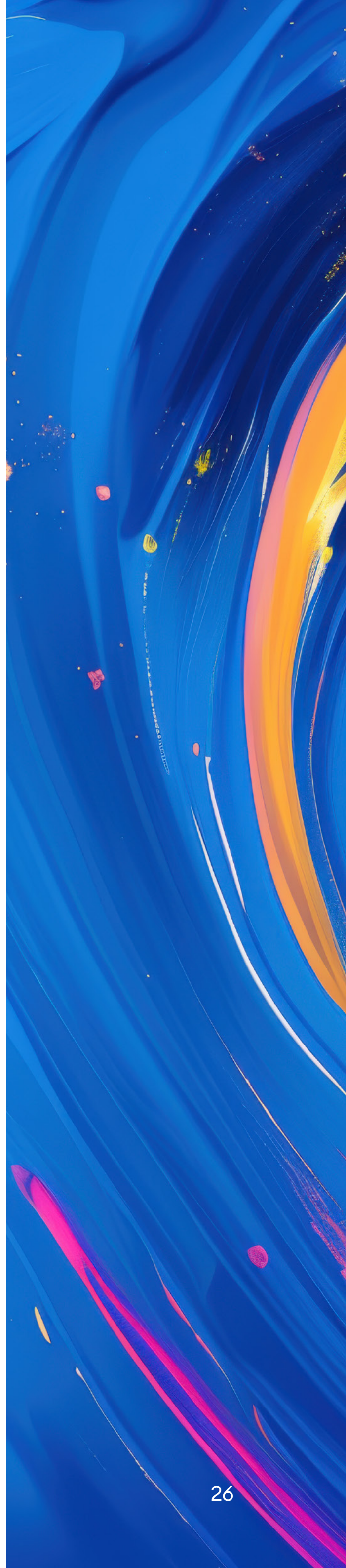
Rather than making decisions independently, families may benefit from discussing educational ambitions alongside retirement objectives, estate planning and longer-term wealth transfer.

These conversations are not always straightforward. Increasingly, however, they are becoming necessary.

Remember that education is only one life goal

Education remains one of the most valuable investments many families will ever make. It is also one of several important financial priorities, which may include: buying a home; building retirement security; supporting wider family members; maintaining financial resilience. Each competes for the same pool of resources.

Successful financial planning recognises that achieving one objective should not unnecessarily prevent progress towards another.



Recognise that value matters as much as cost

The findings throughout this report suggest families are becoming more thoughtful in the way they evaluate education. Increasingly, discussions centre not simply on affordability but on expected outcomes.

Which educational pathway best suits the individual? What opportunities is it likely to create?

How does it compare with alternative routes? These questions acknowledge an important reality.

Educational value cannot be measured solely by price, nor should it be assumed. Every family's circumstances, and every child's aspirations, are different. The strongest educational decisions are therefore those made with both ambition and realism.

Make education part of a wider financial plan

Perhaps the most important conclusion emerging from this research is that education funding should no longer be viewed in isolation.

University costs, private school fees, retirement planning, investment strategy, tax planning and intergenerational wealth transfer are becoming increasingly interconnected.

Considering each independently risks missing opportunities - or creating unintended consequences. Looking at them together enables families to make more informed decisions, understand trade-offs more clearly and build plans that remain resilient as circumstances change.

As education funding becomes one of the defining financial challenges facing modern families, integrated planning is likely to become increasingly valuable.

Questions every family should ask

While every family's circumstances are different, the findings in this report suggest several questions are worth considering before significant education funding decisions are made.

- What level of financial support can we provide without compromising our own long-term security?
- How might education funding affect retirement plans over the next twenty years?
- Should grandparents play a role in supporting educational costs, and if so, how should that support be structured?
- Are we considering all educational pathways and evaluating them according to likely outcomes rather than tradition alone?
- Have we considered how today's education decisions fit within our wider financial objectives, including estate planning and wealth transfer?

There may be no universal answers to these questions. However, asking them early - and revisiting them regularly - may prove as valuable as any individual financial product or investment strategy.

Ultimately, successful education planning is not simply about paying fees. It is about creating opportunities for the next generation while preserving the financial wellbeing of the current one.

Conclusion: education in an era of rising costs

Education in an era of rising costs

The findings in this report paint a picture of families who remain deeply committed to investing in education, despite rising costs and growing financial pressures.

Parents are increasingly acting as a second student finance system, while grandparents are stepping in not only to fund educational opportunities but also to pass on wealth more strategically. Education is no longer simply a household expense. It has become an intergenerational financial planning challenge.

For many families, the challenge is balancing educational opportunities against retirement security, wealth preservation and broader family responsibilities. The earlier those priorities are considered together, the greater the likelihood of achieving successful outcomes across all of them.

This is where financial planning can make a meaningful difference.

At Rathbones, we regularly work with families navigating these questions. Every family's circumstances are different, but successful approaches often have one thing in common: planning early, taking a long-term view and considering education funding as part of a broader financial strategy.

Final thought

Education remains one of the most powerful investments a family can make. Increasingly, however, making that investment requires balancing the needs of three generations at once: helping children, supporting ageing parents and protecting retirement security. The families that plan ahead are likely to be best placed to support future generations while protecting their own financial wellbeing.

Start the conversation

Education funding decisions rarely happen in isolation. They sit alongside retirement planning, estate planning, and the wider financial goals of your family. If you'd like to explore what this could mean for you, we're here to help.

If you're already a Rathbones client, please speak to your usual contact.

Call us: 0330 390 9191
(weekdays from 9am-5pm)

Submit an enquiry online:
rathbones.com/contact-rathbones

Survey methodology

This report is based on research conducted by Pureprofile on behalf of Rathbones among 1,010 UK parents and grandparents who currently contribute, or expect to contribute, towards private school fees and/or university costs for a child or grandchild.

The study explores attitudes towards:

- Education costs and affordability
- University funding and student debt
- Private school fees and VAT
- Intergenerational support
- Inheritance planning and wealth transfer
- Retirement planning and financial resilience

Percentages may not always sum to 100 due to rounding or where respondents were able to select multiple responses.

About Rathbones

Rathbones Group Plc is one of the UK's leading wealth and asset management groups. Rathbones provides investment management, financial planning and related services to individuals, families, charities, trustees and professional partners, helping clients preserve, grow and transfer wealth across generations.

For more information, visit Rathbones.