

# **Savings Index increases as consumer attitudes to savings continue to improve**

## **Nationwide UK (Ireland) Savings Index increases 10 points**

The Nationwide UK (Ireland) / ESRI Savings Index, which measures overall sentiment towards saving, increased to 104 in November, up 10 points on last month.

The overall increase is driven by the Savings Attitude index, which asks respondents about their saving behaviour and how they feel about the amount they save, which increased to 127 in November versus 107 in the previous month.

The proportion of people saving regularly increased to 37% in November. This compared to 32% last month and a year ago. At the same time, the proportion of people not saving at all has fallen to 33% from 41% last month, and 44% this time last year.

Optimism for the future is strong with an increasing amount of consumers happy with the amount they are saving. Over 90% of people say that in six months' time they expect to be able to save the same amount or more than they do at present, compared to 85% a year ago. At the same time, 54% of people are saving as much as or more than necessary. This compares to 49% last month and 46% a year ago.

Meanwhile, the Savings Environment sub-index, which asks if people believe that the current period is a good time to save and whether they think government policy encourages people to save, remained unchanged in November at 81. This is two points ahead of the level recorded one year ago.

In November, 29% of people believe now is a good time to save, the same as last month and an increase from 23% a year ago. At the same time, 40% of people believe that now is a bad time to save, the same as last month but a decline from 51% a year ago. The proportion of people who say that government policy encourages saving remained at 6% in November, compared to 10% a year ago.

When asked about their preference on how they might allocate any money over and above their everyday needs, the proportion of people who use the surplus to pay off debts, including their mortgage, increased marginally to 44% compared to 43% a year ago. A further 11% said they would spend it, compared to 13% a year ago; 8% would invest it, an increase from 6% a year ago while 37% would save it, down from 39% a year ago.

Commenting on the Index, Brendan Synnott Managing Director of Nationwide UK (Ireland), said: *"This month the index has returned to the underlying trend observed throughout 2014 with more people saving regularly and increasing contentment with the amount being saved.*

*"The negative views expressed last month across all measures are not repeated this month which may indicate that the confirmation of reduced water charges plus the pending income tax reductions, which become effective from January, have eased the concerns reflected last month."*

**ENDS**

## Savings Index data

Month	Savings Index	Savings Attitudes index	Savings Environment Index
Nov-13	88	97	79
Dec-13	88	101	74
Jan-14	97	111	82
Feb-14	97	110	85
Mar-14	102	104	100
Apr-14	101	105	96
May-14	102	109	95
Jun-14	95	109	80
Jul-14	102	127	78
Aug-14	97	112	82
Sep-14	114	126	102
Oct-14	94	107	81
Nov-14	104	127	81

### About the Savings Index

The Savings Index is constructed from monthly research on the attitudes of Irish consumers towards saving.

The Index measures peoples' responses to questions on their attitudes and behaviour towards saving (Savings Attitude Index) and conditions in the wider environment (Savings Environment Index).

***The Nationwide UK (Ireland) Savings Index is produced monthly from a minimum sample of 800 consumers aged 15 years and above. The ESRI carries out the Savings Index research to ensure the indices represent a national sample.***

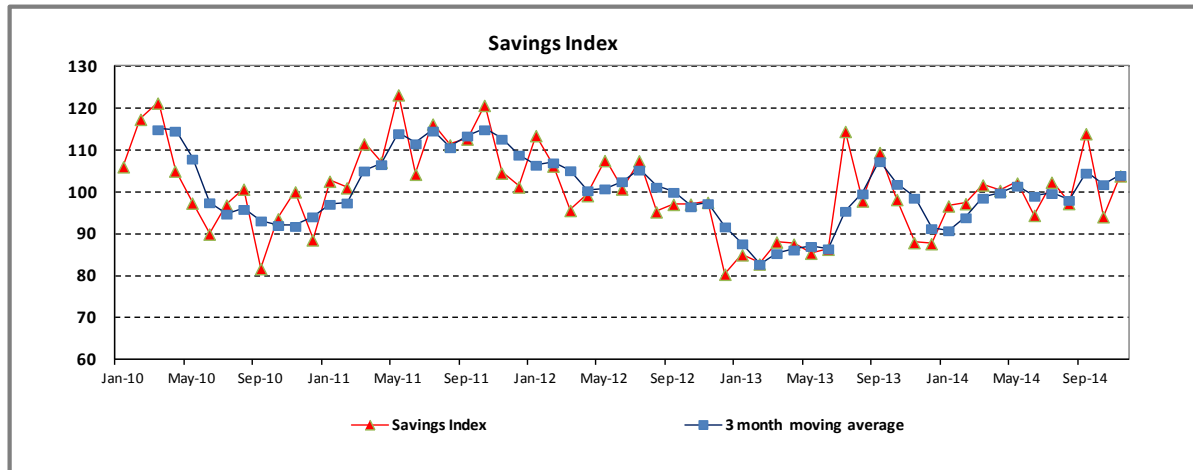
**Note:** Prior to January 2011 the Nationwide (UK) Ireland Savings Index was constructed using quarter one, 2010 as its base period. From January 2011, The Index has been rebased using the year 2010 as the base period. The method for calculating the savings attitudes sub-index has been altered to reduce short-term volatility as the impact of small changes in the number of responses was being overstated when the number of respondents in a category was low.

### For media queries or interview opportunities, please contact:

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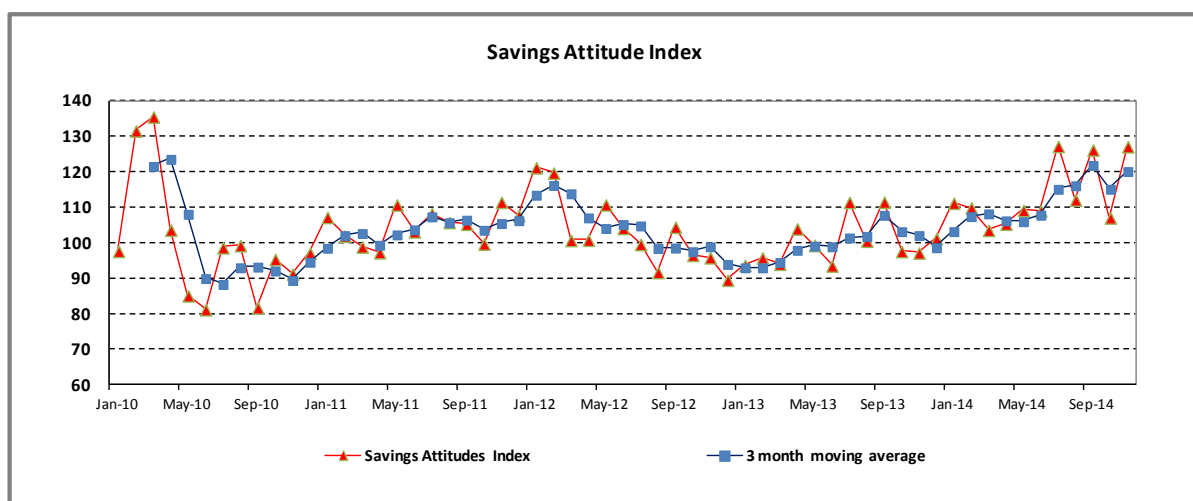
## The Nationwide UK (Ireland) Savings Index (Graph 1)

- The Savings Index increased to 104 in November, from 94 in October and 88 a year ago. The three-month moving average increased to 104 in November from 102 in October.
- The Savings Attitude sub-index increased to 127 in November from 107 in October and 97 a year ago.
- The Savings Environment sub-index is unchanged versus last month at 81 and slightly up from 79 a year ago.



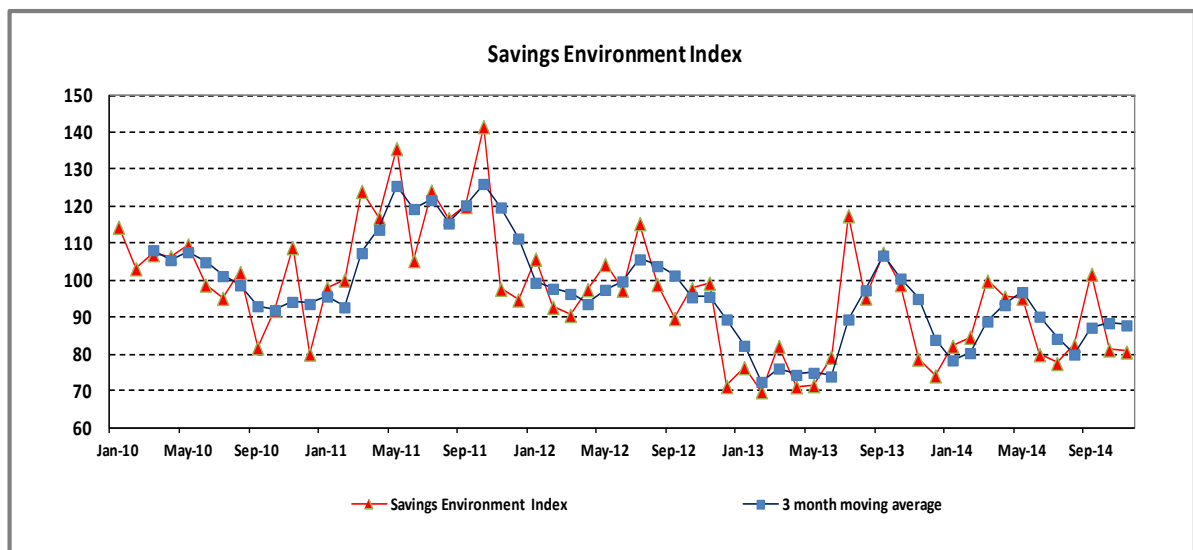
## The Savings Attitude Index (Graph 2)

- The Savings Attitude sub-index asks respondents about their saving behaviour and how they feel about the amount they save.
- In November, the sub-index increased to 127 from 107 in October. The three-month moving average increased to 120 in November from 115 in October.
- The proportion of people saving regularly has increased to 37% in November. This compared to 32% last month and a year ago. At the same time the proportion of people not saving at all has fallen to 33% from 41% last month and 44% this time last year.
- People are also increasingly happy with the amount they are saving with 54% saying they are saving as much as or more than necessary. This compares to 49% last month and 46% a year ago.
- Over 90% of people say that in six months' time they expect to be able to save the same amount or more than they do at present; this compares to 85% a year ago.



### The Savings Environment Index (Graph 3)

- The Savings Environment sub-index asks whether or not respondents believe that the current period is a good time to save and whether they think government policy encourages people to save.
- This sub-index remained unchanged in November at 81 and two points ahead of the level recorded a year ago.
- In November, 29% of people believe now is a good time to save, the same as last month and an increase from 23% a year ago.
- At the same time, 40% of people believe that now is a bad time to save – the same as last month but a decline from 51% a year ago.
- The proportion of people who say that government policy encourages saving remained at 6% in November, compared to 10% a year ago.



### Consumer's intentions for any surplus money (chart 4)

- When asked about their preference on how they might allocate any money over and above their everyday needs. The proportion of people who would use the surplus to pay off debts, including their mortgage, increased marginally to 44% compared to 43% a year ago. A further 11% said they would spend it, compared to 13% a year ago; 8% would invest it, an increase from 6% a year ago while 37% would save it, down from 39% a year ago

