

Media Release  
Monday 11<sup>th</sup> May 2015

## **Savings Index declines slightly in April as the environment for saving remains challenging**

**Nationwide UK (Ireland) Savings Index decreases by 3 points**

The Nationwide UK (Ireland) / ESRI Savings Index, which measures overall sentiment towards saving, decreased to 114 in April, from 117 in March.

The Savings Environment sub-index, which asks if people believe that the current period is a good time to save and whether government policy encourages people to save, decreased by 3 points. This decreased to 101 in April, from 105 in March.

The share of respondents who believe now is a good time to save fell marginally to 32 per cent in April. This represents consumers becoming more cautious regarding the savings environment. There was also a decrease in the proportion of respondents who believe now is a bad time to save, from 35 per cent to 31 per cent this month. Meanwhile, the proportion viewing government policy as being encouraging of saving decreased to 7.6 per cent in April from 9.2 per cent in March.

The Savings Attitude sub-index, which asks respondents about their saving behaviour and how they feel about the amount they save, fell from 129 in March to 125 in April. However, the three-month moving average rose from 123 to 125 in April.

The proportion of those who save regularly continued to rise to 43 per cent, from 40 per cent in March. This increase appears to be driven mainly by the decrease in the proportion of those who previously did not save, which dropped from 37.9 per cent to 34.5 per cent this month. The share of those satisfied with the amount they save decreased from 20 per cent in March to 17 per cent in April.

When asked about their preference as to how they might allocate any money over and above their everyday needs, the share of respondents who report that they would use the surplus to pay off debts, including their mortgage, increased slightly to 42 per cent from 41 per cent in March. A further 9 per cent said they would spend it, while 10 per cent said they would invest it. The proportion of respondents who would choose to save the money remains at 40 per cent for the third month in a row.

Commenting on the Index, **Brendan Synnott, Managing Director of Nationwide UK (Ireland), said:** *"This month the Index has followed the underlying trend observed over the last few months, with more people saving regularly, but there is evidence of some discontent as to whether the current period is a good time to save."*

*"As the financial health of the economy improves, we are seeing that more people are saving with specific purchases in mind as opposed to saving with a precautionary motive. We are also seeing a slight increase in preference to spend any spare funds available, which may translate to an increase in consumer spending. Overall, these are positive trends in re-establishing a normal saving and spending pattern in the economy despite the challenging savings environment."*

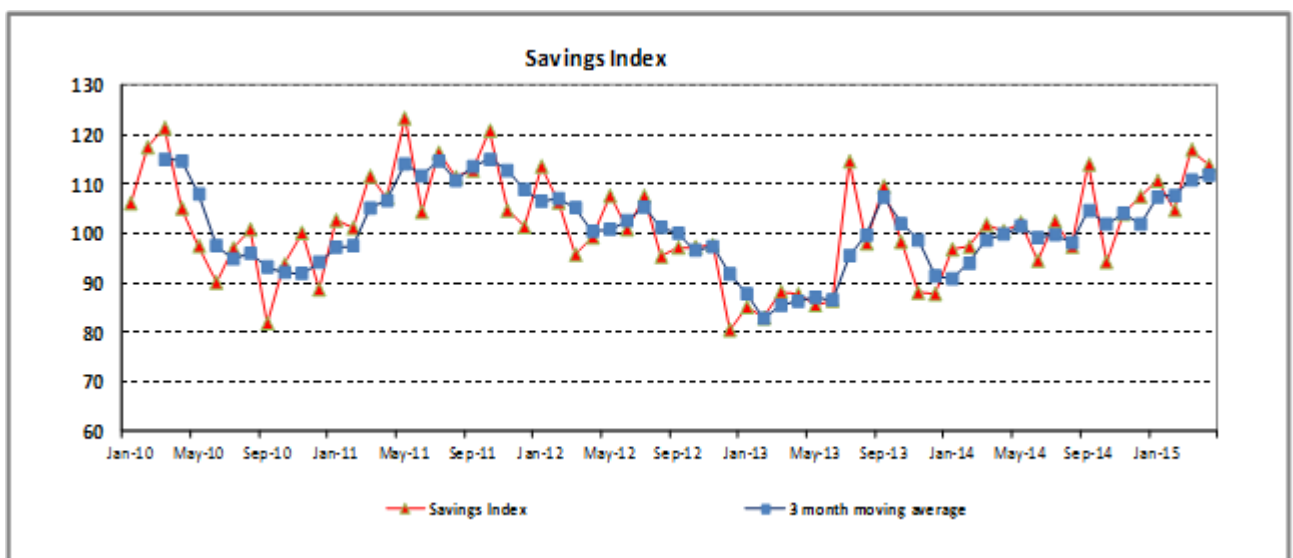
**ENDS**

## Savings Index data

Month	Savings Index	Savings Attitudes index	Savings Environment Index
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
Dec-14	107	125	90
Jan-15	111	121	100
Feb-15	105	120	89
March-15	117	129	105
April-15	114	125	101

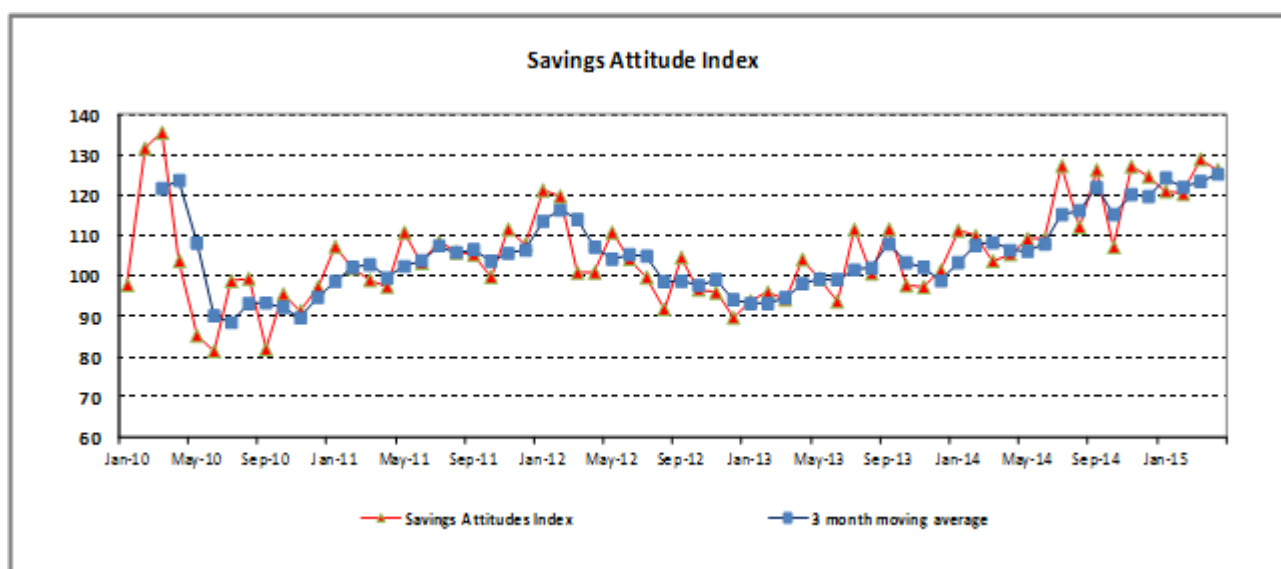
## The Nationwide UK (Ireland) Savings Index (Graph 1)

- The Savings Index fell in April to 114, from 117 in March. The three-month moving average continues to rise from 111 in March to 112 this month.
- The Savings Environment sub-index also decreased in April to 101 from 105 in March. The Savings Attitude sub-index fell from 129 in March to 125 this month.



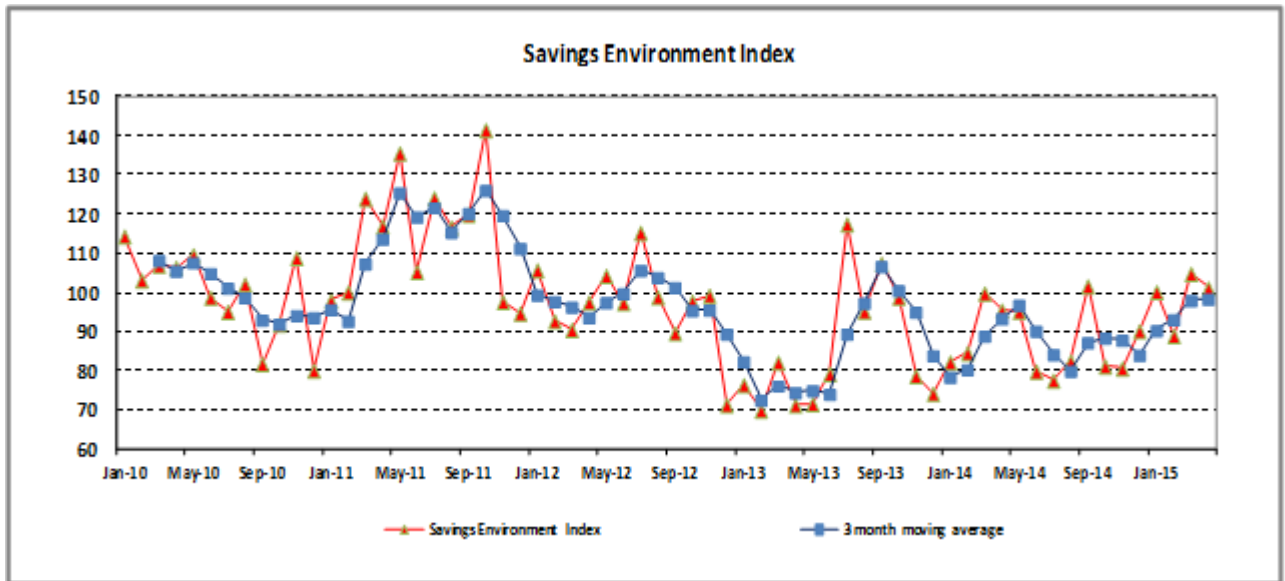
### The Savings Attitude Index (Graph 2)

- The Savings Attitude sub-index asks respondents about their saving behaviour and how they feel about the amount they save.
- In February, the sub-index fell from 129 in March to 125 in April. However, the three-month moving average rose from 123 to 125 in April.
- The proportion of those who save regularly continued to rise to 43 per cent, from 40 per cent in March. This increase appears to be driven mainly by the decrease in the proportion of those who previously did not save, which dropped from 37.9 per cent to 34.5 per cent this month. The share of those satisfied with the amount they save decreased from 20 per cent in March to 17 per cent in April.



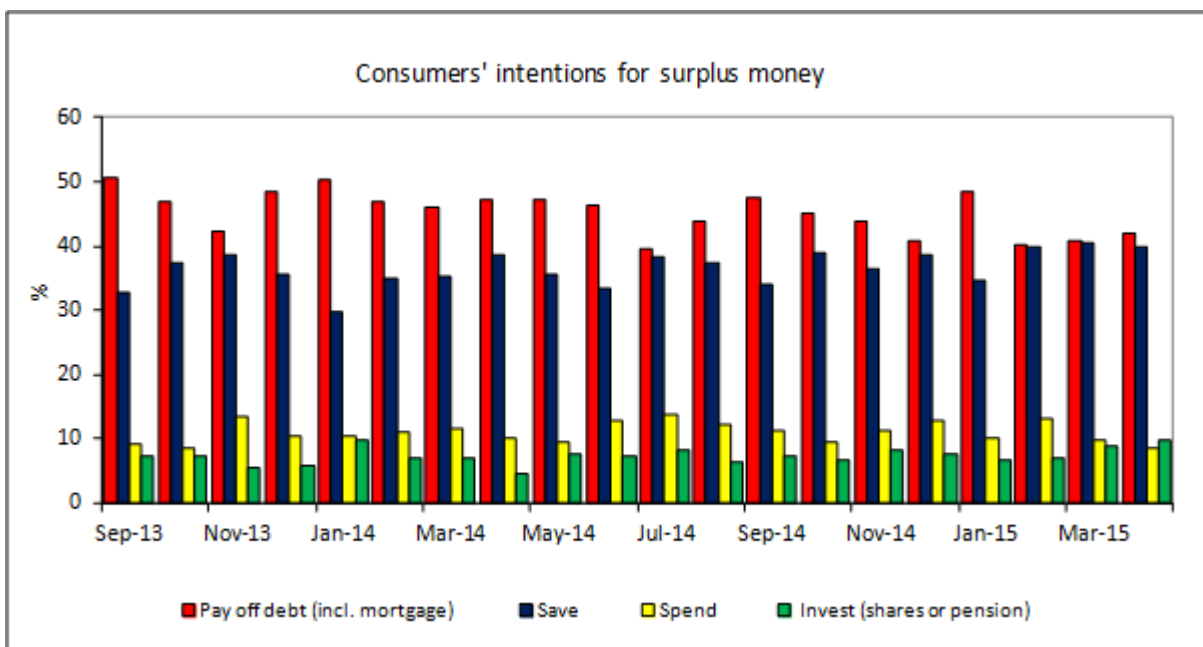
### The Savings Environment Index (Graph 3)

- 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 decreased to 101 in April from 105 in March. The three-month moving average remained stable at 98 in April.
- The share of respondents who believe now is a good time to save fell marginally to 32 per cent in April. This represents consumers becoming more cautious regarding the savings environment. There was also a decrease in the proportion of respondents who believe now is a bad time to save from 35 per cent to 31 per cent this month. The proportion viewing government policy as encouraging of saving decreased to 7.6 per cent in April from 9.2 per cent in March.



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

- Consumers are also asked about their preference as to how they might allocate any money over and above their everyday needs. The share of respondents who report that they would use the surplus to pay off debts, including their mortgage, increased slightly to 42 per cent from 41 per cent in March. A further 9 per cent said they would spend it while 10 per cent said they would invest it. The proportion of respondents who would choose to save the money remains at 40 per cent for the third month in a row.



Note: Prior to January 2011 the Nationwide (UK) Ireland Savings Index was constructed using quarter 1, 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 was altered slightly so as to reflect a constant share of respondents who reported saving about what they should in the positive and negative categories so as to reduce short-term volatility.

**Natalie Tennyson / Account Manager**  
**PSG Plus**

**Corporate Communications & Reputation Management**

Cranford House, Montrose,  
Donnybrook, Dublin 4.  
E: [natalie.tennyson@psgplus.ie](mailto:natalie.tennyson@psgplus.ie)  
M: +353 831271277  
T: +353 1 6342558  
@: PSG\_Plus / @n\_tenn

[Website](#) / [LinkedIn](#) / [Twitter](#)

Registered Office: PSG Communications Limited, Cranford House, Montrose, Donnybrook, Dublin 4. Registered in Ireland: No. 92844