

## Savings Index maintains momentum in January

The Nationwide UK (Ireland) / ESRI Savings Index, which measures overall sentiment towards saving in Ireland, increased in January to 111 from 107 in December. The January increase maintains the momentum from previous months and the three-month moving average rose from 102 in December to 107 in January.

The overall increase is driven by 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. In January, the Savings Environment Index jumped to 100 from 90 in December. This continues the trend in previous periods with the three-month moving average also rising from 84 in December to 90 in January.

The share of respondents who believe now is a good time to save increased moderately to 28 per cent in January from 26 per cent in December. There has also been a decrease in the proportion of respondents who believe now is a bad time to save from 39.2 per cent in December to 37.1 per cent in January. While still low, the proportion of respondents who view government policy as encouraging of saving also increased to 10 per cent from 9 per cent in December.

Meanwhile, the Savings Attitude sub-index asks respondents about their saving behaviour and how they feel about the amount they save. In January, the sub-index decreased to 121 from 125 in December. However, the three-month moving average rose to 124 in January from 120 in December. The proportion of those who save either regularly or occasionally rose to 65 per cent, from 61 per cent in December. The share of those dissatisfied with the amount they save rose to 59 per cent, from 54.3 per cent in December.

Consumers are also asked about their preference as to how they might allocate any money remaining once they have met their everyday needs. The share of respondents who report that they would use the surplus to pay off debts, including their mortgage, rose to 48 per cent from 41 per cent in December. A further 10 per cent said they would spend it while 7 per cent said they would invest it.

Commenting on the Index, Brendan Synnott Managing Director of Nationwide UK (Ireland), said:

***“The positive momentum in the Savings Index established in the second half of 2014 has continued into 2015 with just under two thirds of people saving occasionally, but the share of those dissatisfied with the amount that they can save has risen to 59%. After the traditional increase in spending over the Christmas period the proportion of people who said that they would spend any excess cash has reduced from 13% in December to 10% in January. This will not help the economy return to the desired better balanced spending to saving ratio.”***

**ENDS**

Month	Savings Index	Savings Attitudes Index	Savings Environment Index
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
Dec-14	107	125	90
<b>Jan-15</b>	<b>111</b>	<b>121</b>	<b>100</b>

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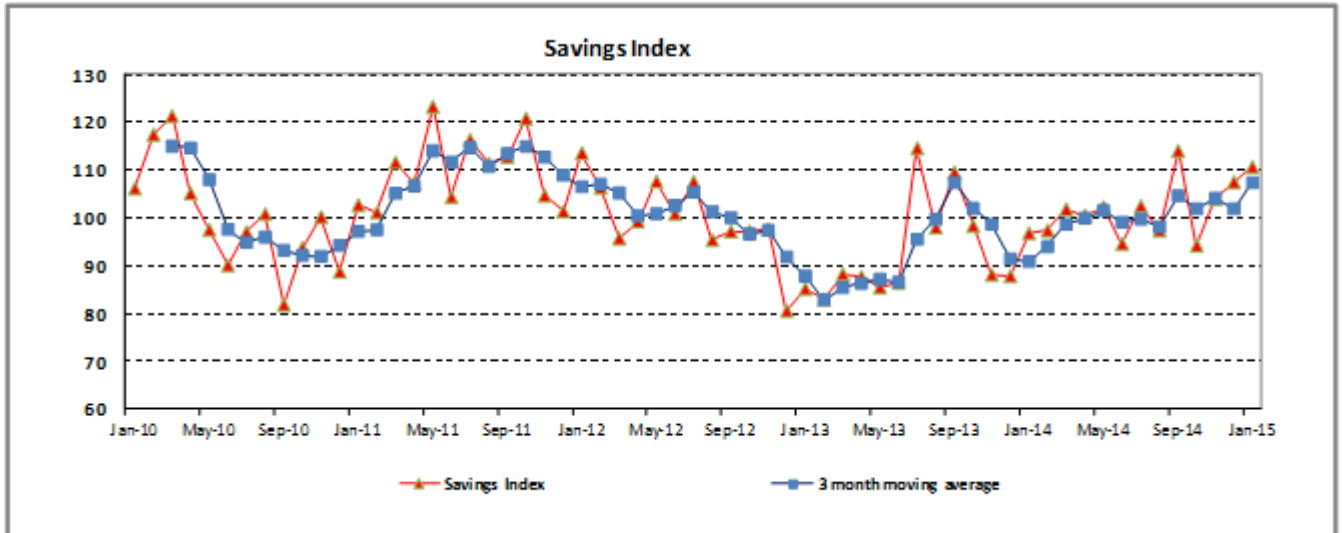
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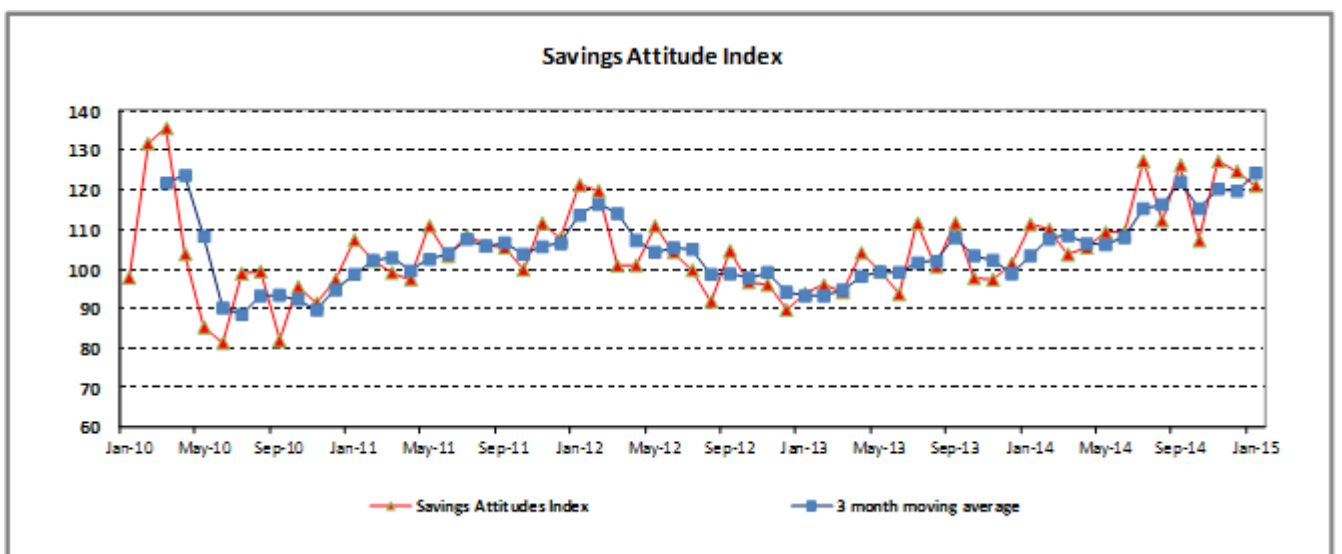
## The Nationwide UK (Ireland) Savings Index (Graph 1)

- The Savings Index increased in January to 111, from 107 in December. The three-month moving average rose from 102 in December to 107 in January.
- The Savings Environment sub-index increased in January to 100 from 90 in December. The Savings Attitude sub-index fell to 121 in January from 125 in December.



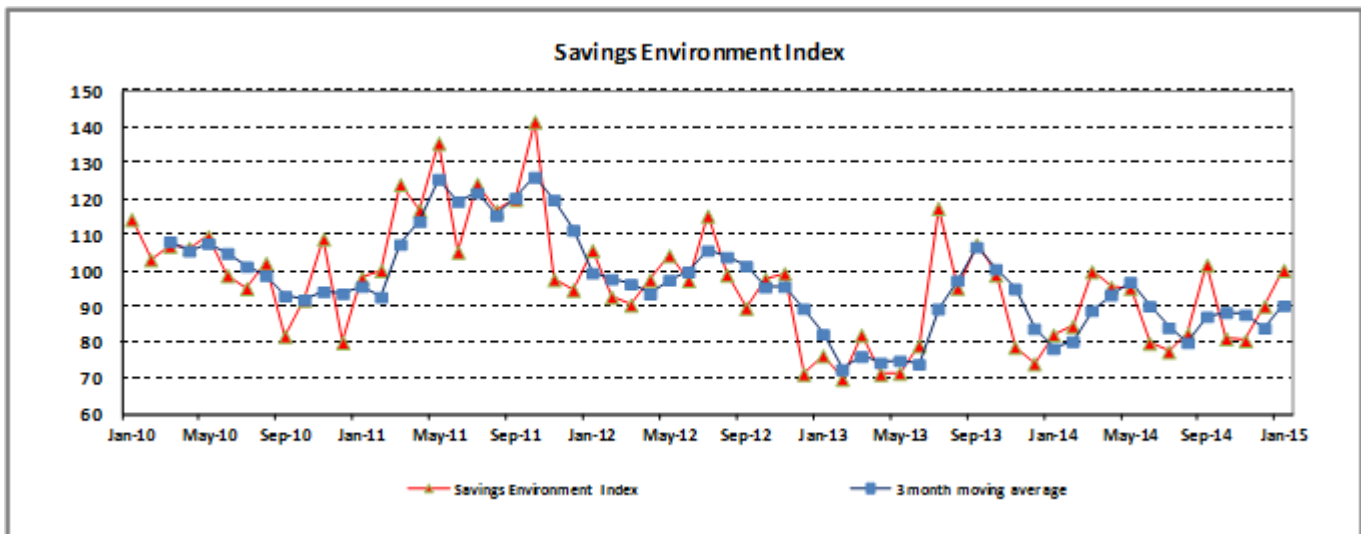
## The Savings Attitude Index (Graph 2)

- The Savings Attitude sub-index asks respondents about their saving behaviour and how they feel about the amount they save.
- In January, the sub-index decreased to 121 from 125 in December. The three-month moving average rose to 124 in January from 120 in December.
- The proportion of those who save either regularly or occasionally rose to 65 per cent, from 61 per cent in December. The share of those dissatisfied with the amount they save rose to 59 per cent, from 54.3 per cent in December.



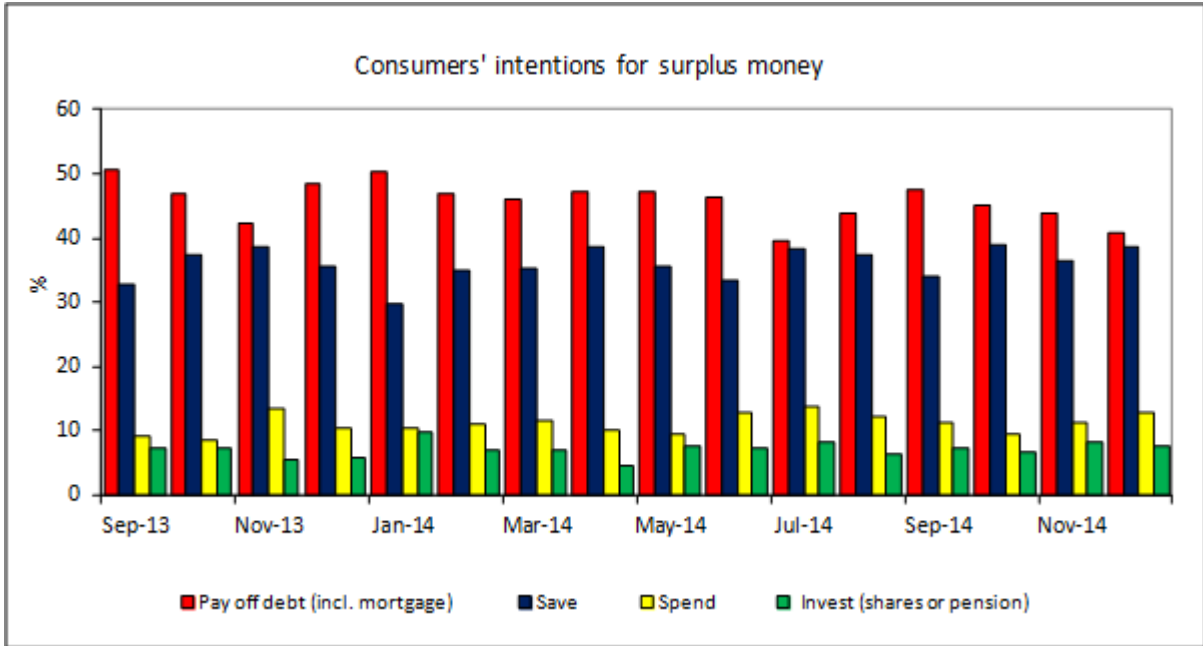
### The Savings Environment Index (Graph 3)

- 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 increased to 100 in January from 90 in December. The three-month moving average also rose from 84 in December to 90 in January.
- The share of respondents who believe now is a good time to save increased moderately to 28 per cent in January from 26 per cent in December, with a decrease in the proportion of respondents who believe now is a bad time to save from 39.2 per cent in December to 37.1 per cent in January. The proportion viewing government policy as encouraging of saving increased to 10 per cent from 9 per cent in December.



### 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, rose to 48 per cent from 41 per cent in December. A further 10 per cent said they would spend it while 7 per cent said they would invest it. There was a small decrease in the proportion of respondents who would choose to save the money from 38.6 per cent in December to 34.7 per cent in January.



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.

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