

## The Nationwide UK (Ireland) Savings Index May 2015

The Savings Index increased in May to 123, from 114 in April. The three-month moving average continues to rise since December and now stands at 118 compared to 118 last month.

The Savings Environment sub-index also increased in May to 112 from 101 in April. The Savings Attitude sub-index increased to 129 from 126 in April.

### The Savings Attitude Index

The Savings Attitude sub-index asks respondents about their saving behaviour and how they feel about the amount they save. In May, the sub-index increased from 126 in April to 134 in May. The three-month moving average also rose from 125 in April to 130 this month.

The proportion of those who do not save at all continues to fall this month. The proportion of those who now save occasionally or regularly has increased to 68 per cent from 65.5 per cent in April. This represents the largest proportion of respondents in this category since March 2012.

### The Savings Environment Index

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 substantially to 112 in May from 101 in April. The three-month moving average also increased to 106 this month from 98 in April.

The share of respondents who believe now is a good time to save increased in May and now stands at 35 per cent with is the highest recorded since June 2011. The data suggest that those who once thought the saving environment was unchanged are now tending towards either end of the spectrum with the proportion moving into the “very bad” and “very good” categories increasing by 4 and 2 per cent respectively.

Chart 1: Savings Index

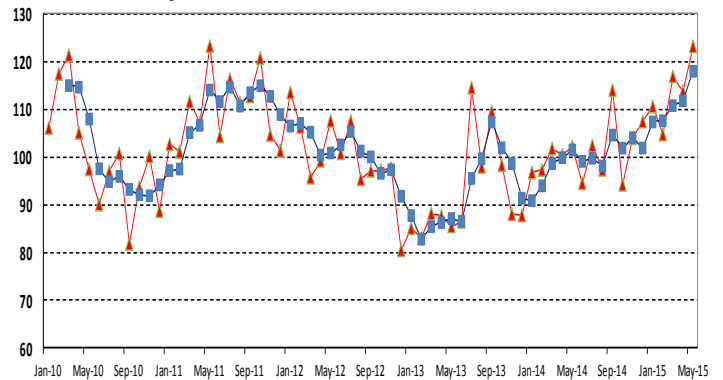


Chart 2: Savings Attitude Index

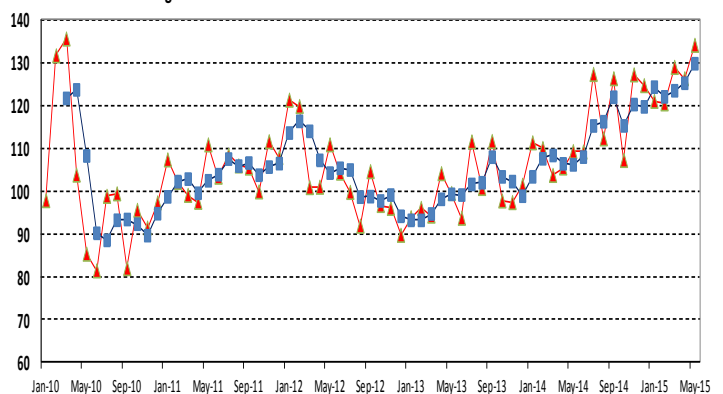
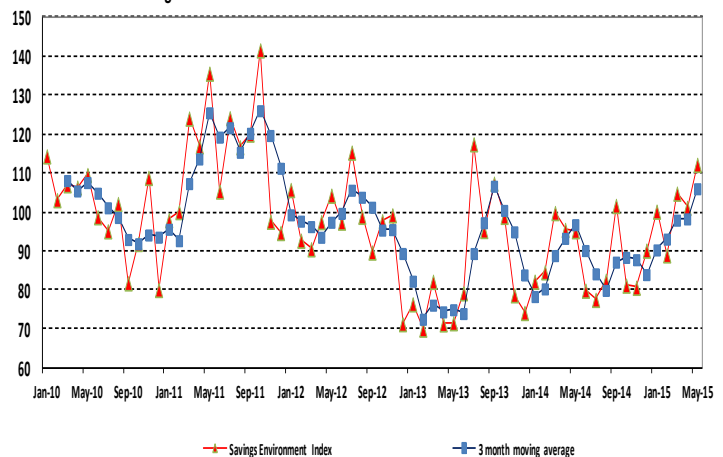
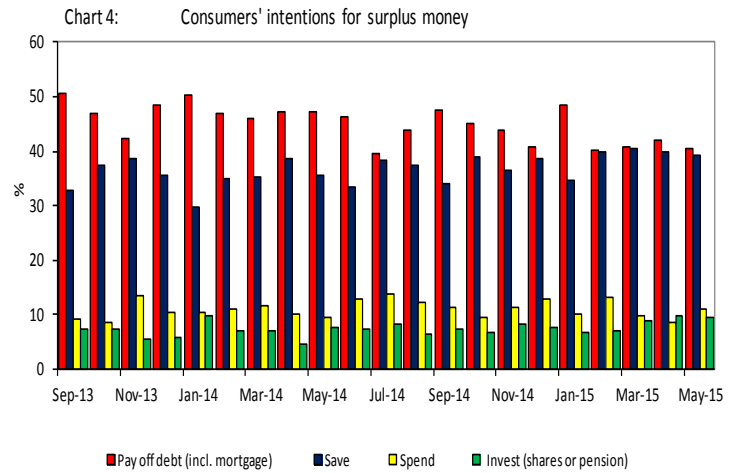


Chart 3: Savings Environment Index



## Consumer's intentions for any surplus money

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, decreased slightly to 40 per cent from 42 per cent in April. A further 11 per cent said they would spend it while 9.5 per cent said they would invest it. The proportion of respondents who would choose to save the money remains largely unchanged 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.