

Media Release
9th March 2015

Savings Index declines as positive feeling towards government policy on saving fades

More than half of consumers dissatisfied with the amount they save

The Nationwide UK (Ireland) / ESRI Savings Index, which measures overall sentiment towards saving, decreased to 105 in February, from 111 in January 2015.

The overall decrease 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 government policy encourages people to save. This fell to 89 in February from 100 in January.

The primary reason for this is that the proportion viewing government policy as encouraging of saving fell 4.6 per cent in February to just 5.4 per cent, the lowest recorded level since February 2013. However, there was also a decrease in the number of people who believe now is a bad time to save (37.1 per cent in January versus 32.9 per cent in February).

Meanwhile, the share of respondents who believe now is a good time to save increased to 33 per cent in February from 28 per cent the previous month. This is the highest level since May 2014.

The Savings Attitude sub-index, which asks respondents about their saving behaviour and how they feel about the amount they save, decreased marginally to 120 from 121 in January. The three-month moving average also fell to 122 from 124 in January.

The proportion of those who save either regularly or occasionally fell to 61 per cent, from 65 per cent in January. Similarly, the share of those dissatisfied with the amount they save fell to 55 per cent, from 59 per cent in January.

Consumers are also asked about their preference as to how they might allocate any money over and above their everyday needs. The share who say they would use the surplus to pay off debts, including their mortgage, fell to 40 per cent from 48 per cent the previous month. A further 13 per cent said they would spend it, while 7 per cent said they would invest it. There was an increase in the proportion of respondents who would choose to save the money, from 34.7 per cent in January to 40 per cent in February.

Commenting on the Index, Brendan Synnott Managing Director of Nationwide UK (Ireland), said: *"While this month's data shows a reversal of the recent improvement in attitudes towards government policy on saving, the underlying trend is still positive. This month, a third of people expressed the view that now is a good time to save which is the highest level recorded since May 2014.*

"A further positive dynamic is the change in preferred use for spare funds. Preference to pay down debt is declining while more people say they would spend, which may well translate to an increase in retail sales."

ENDS

Savings Index data

Month	Savings Index	Savings Attitudes index	Savings Environment Index
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
Jan-15	111	121	100
Feb-15	105	120	89

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.

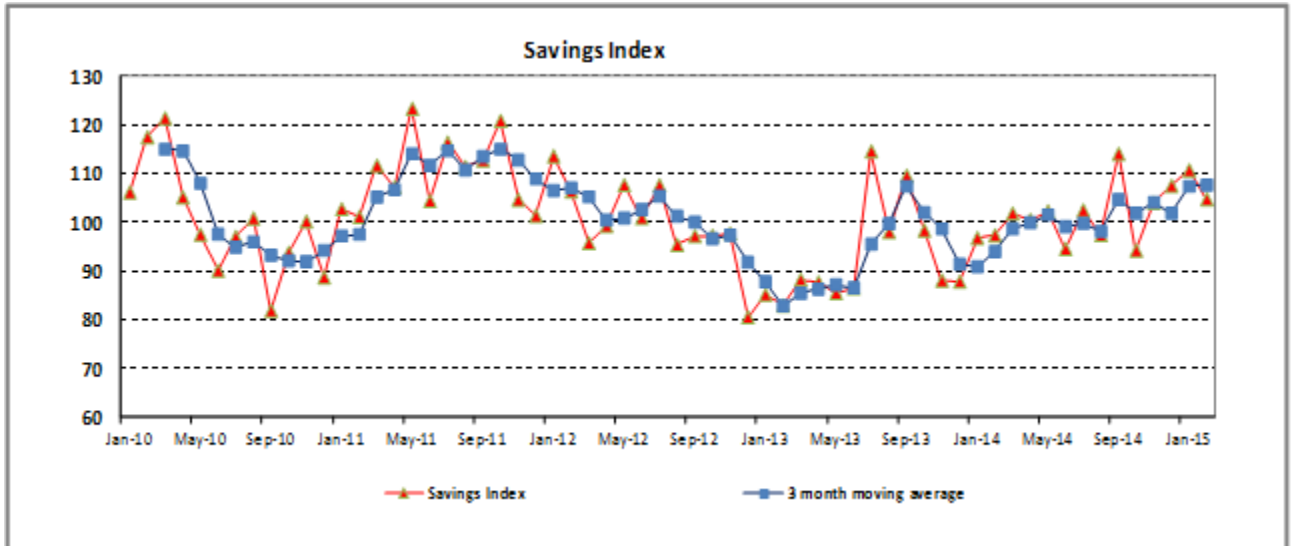
For media queries or interview opportunities, please contact:

Natalie Tennyson, PSG Plus
Tel: 01 634 2558 / 083 127 1277

E: Natalie.tennyson@psglus.ie

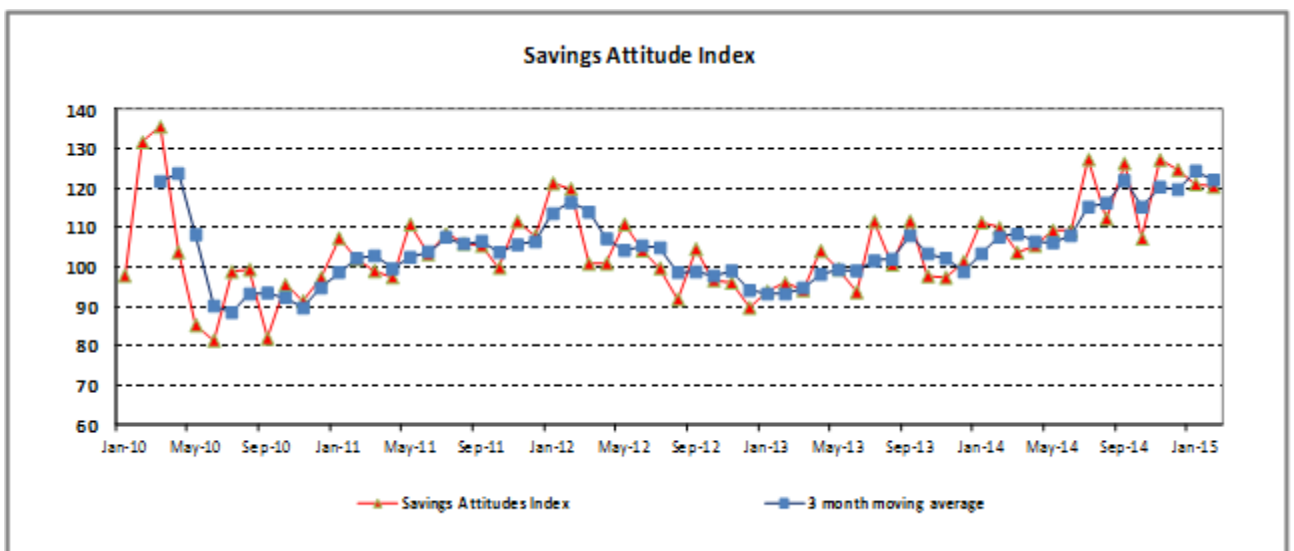
The Nationwide UK (Ireland) Savings Index (Graph 1)

- The Savings Index decreased in February to 105, from 111 in January. The three-month moving average rose from 107 in January to 108 this month.
- The Savings Environment sub-index also decreased in February to 89 from 100 in January. The Savings Attitude sub-index fell marginally from 121 in January to 120 in February.



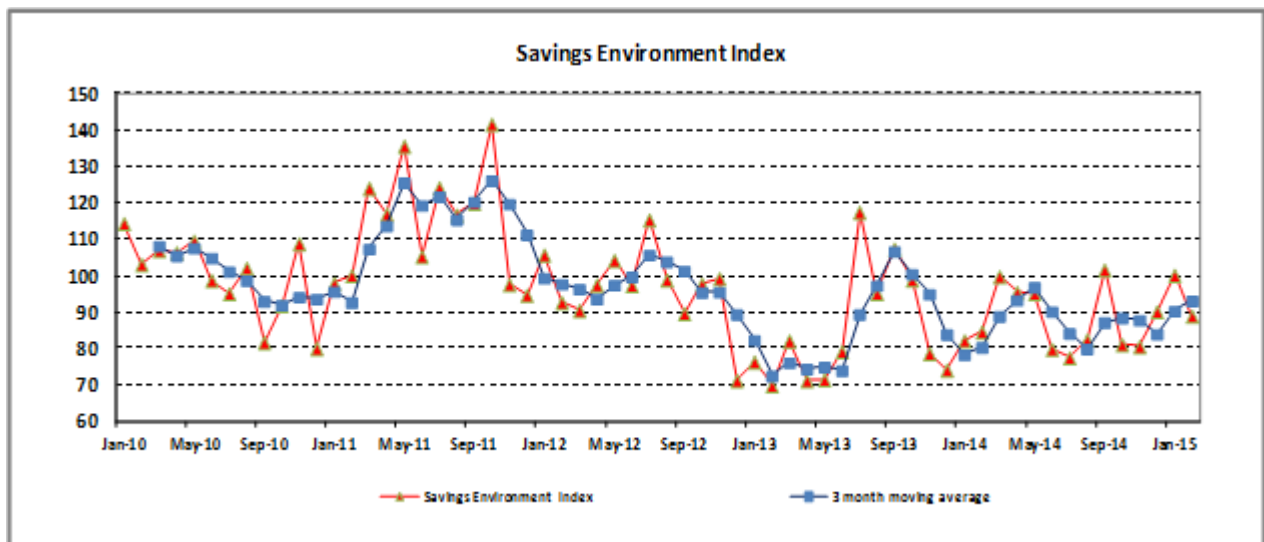
The Savings Attitude Index (Graph 2)

- 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 decreased marginally from 121 in January to 120. The three-month moving average also fell to 122 from 124 in January.
- The proportion of those who save either regularly or occasionally fell to 61 per cent, from 65 per cent in January. Similarly, the share of those dissatisfied with the amount they save fell to 55 per cent, from 59 per cent in January.



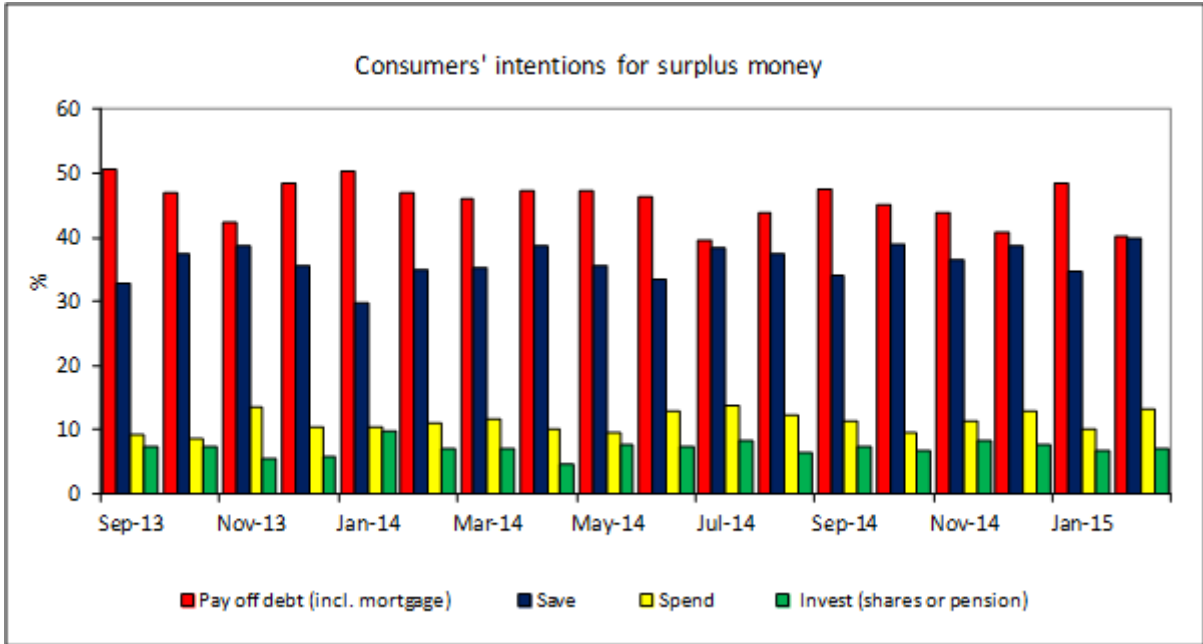
The Savings Environment Index (Graph 3)

- 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 89 in February from 100 in January. The three-month moving average continued to rise however, from 90 in January to 93 in February.
- The share of respondents who believe now is a good time to save increased to 33 per cent in February from 28 per cent the previous month. This is the highest level since May 2014. There was also a subsequent decrease in the proportion of respondents who believe now is a bad time to save from 37.1 per cent in January to 32.9 per cent this month. The proportion viewing government policy as encouraging of saving decreased to 5.4 per cent from 10 per cent in January, the lowest recorded level since February 2013.



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, fell to 40 per cent from 48 per cent the previous month. A further 13 per cent said they would spend it while 7 per cent said they would invest it. There was an increase in the proportion of respondents who would choose to save the money from 34.7 per cent in January to 40 per cent in February.



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
 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