

MEDIA RELEASE

Thursday 12th November 2015

Irish consumers feeling most negative about saving in eight months – survey shows.

Nationwide UK (Ireland) Savings Index Falls to 108 Points, Lowest Level since February.

The Nationwide UK (Ireland) Savings Index, which measures overall sentiment towards savings, fell to its lowest level in eight months in October as consumers expressed more pessimism about the overall savings environment and their ability to save.

The main Index fell to 108 in October from 129 the prior month, the lowest reading since February.

- The Savings Environment sub-index, which asks respondents if they feel now is a good time to save, fell to 113 points from 119 points in September.
- The Savings Attitude sub-index, which asks about savings behaviour, saw a monthly fall of 35 index points to 104 points in October.

The overall fall in savings sentiment was largely driven by the decline among those who felt they could save at an appropriate level. In October 21.6 percent of respondents said they were saving nowhere near as much as they should, compared to 15.5 percent of respondents who felt the same way in September.

In the Savings Attitude sub-index, some 50.2 percent of those who are saving felt they are saving nowhere near or a little less than they should be.

In the Savings Environment sub-index, the number of people feeling less positive about the current savings environment appears to have been largely driven by the perception of older respondents. The number of people who believe now is a good time to save fell by 12.5 index points. In the over-50 age group there was a fall of 9 percent in those who believe now is quite a good time to save, while those who believed now was quite a bad time to save rose by 4 percent.

Overall, around a third (32.6 percent) of respondents felt negative in October about the current savings environment, compared to 31 percent who felt positive.

In terms of consumers' intentions for any surplus money, 45 percent said they would use extra cash to pay off debts including their mortgage. That compares to 40 percent in September. A further 10 percent said they would spend the surplus money, down from 16 percent the prior month, while 8 percent said they would invest it.

The proportion of respondents who would chose to save the money increased in October to 35 percent, from 33.5 percent in September.

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

“It seems that post-budget, consumers' attitudes toward savings have dipped. In part the change in sentiment can be explained by seasonal factors. With Christmas approaching consumers are under more pressure to spend money and many will expect outlay to increase in the coming weeks. This is reflected in the results, which show an increase in those who don't feel they can save enough.”

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Month	Savings Index	Savings Attitudes index	Savings Environment Index
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
Mar-15	117	129	105
Apr-15	114	125	101
May-15	123	134	112
Jun-15	116	127	105
Jul-15	112	103	121
Aug-15	114	130	98
Sep-15	129	139	119
Oct- 15	108	104	112

Chart 1 shows the Savings Index, which measures the overall sentiment towards savings. It fell to 108 in October from 129 the prior month.

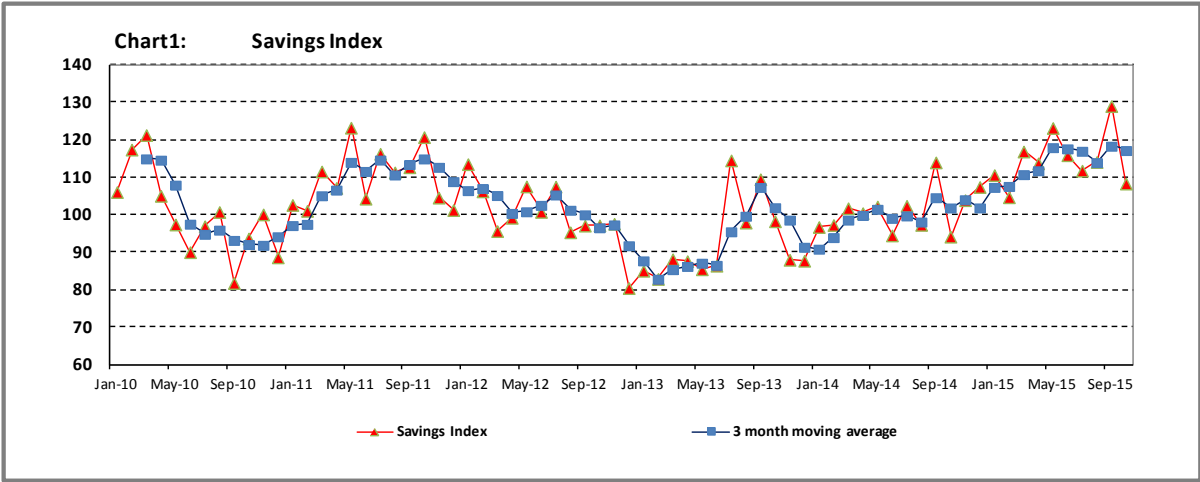


Chart 2 shows the Savings Attitude Index, which asks respondents about their saving behaviour and how they feel about the amount they save. The sub-index fell to 104 in October from 139 in September.

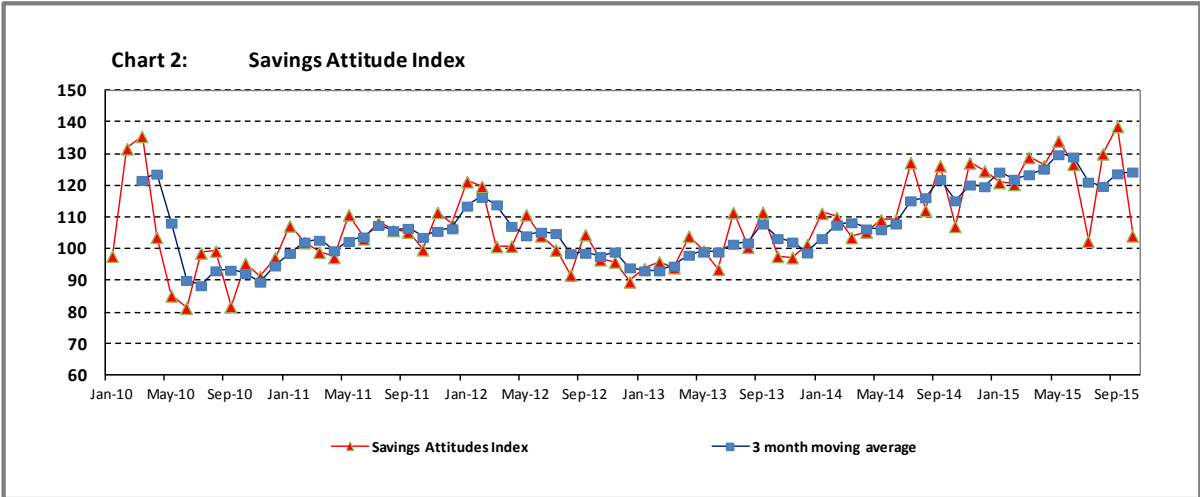


Chart 3 shows the Savings Environment Index, which asks respondents whether or not they believe the current period is a good time to save and whether they think government policy encourages people to save. The sub-index fell to 113 points in October from 119 points in September.

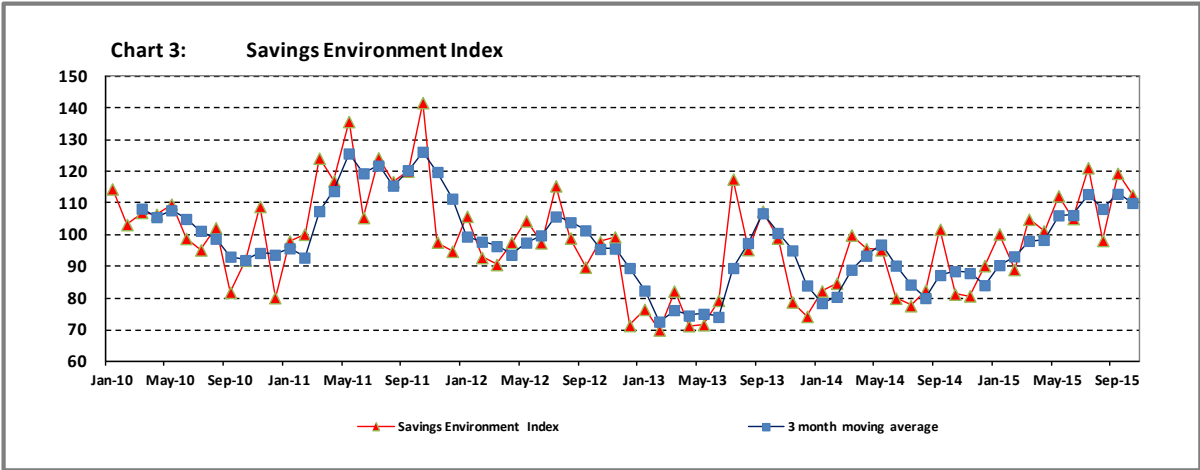


Chart 4 shows the Consumers intention for surplus money. It asks respondents how they might allocate any money over and above their everyday needs.

