

*** MONTHLY SAVINGS BAROMETER – ISSUED WEDNESDAY 18 JUNE 2008***

Savers are feeling the pinch

Nationwide Building Society's second issue of the savings barometer reveals that consumers are not saving as much as they want to.

New research¹ from Nationwide Building Society shows:

- Three-quarters (74%) of consumers think saving is important, however, only half (50%) of consumers save regularly;
- Despite 83% of people saving regularly or occasionally, nearly three-fifths (57%) of consumers are not saving as much as they think they should;
- Even though more than half of consumers do not think they save enough now, just 41% of people are optimistic and think they'll be saving what they should be in six months' time;
- Nearly a third (31%) of consumers think they won't be saving enough in six month's time;
- Nearly half (49%) of people think it is a bad time to save given the current economic climate – an increase from 40% seen in April's² report;

Matthew Carter, Nationwide director for savings, said: “As food and fuel prices continue to rise, and people feel gloomier³ about the economy, more consumers think it is a bad time to save. This is a shame given many savings providers are offering highly competitive and attractive rates at the moment and illustrates the current squeeze on consumers' ability to save. The products available mean it's a good time for savers so it's incredibly unfortunate that would-be savers haven't the spare money to put aside.

“It is encouraging however, that three-quarters of people think saving is important, although it is disappointing consumers don't feel they can afford to save as much as they need to.”

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Notes to editors:

¹ Data was collected between 30 May and 1 June 2008 by TNS, a global market information and insight group. 1,010 people were questioned. Research will continue to be collected on a monthly basis.

² Previous month's data (April 2008 report, issued 27 May 2008) was collected between 18-20 April 2008 by TNS, 1,005 people were questioned.

³ Nationwide Consumer Confidence Index (NCCI) released 4 June 2008 available to view via the following link:

http://www.nationwide.co.uk/NR/ronlyres/E733AD0F-BF2F-4C6E-85D5-E35243D92634/0/MayNCCI_4_June_2008.pdf

The NCCI was first published in May 2004

The percentage of consumers who think they'll be saving more in six months' time compared to what they currently save:

16-24 year olds:	53%
25-34 year olds:	43%
35-44 year olds:	25%
45-54 year olds:	15%
55-64 year olds:	10%
65+:	8%

	<p align="center">Nationwide savings barometer</p>	
<p align="center">www.nationwide.co.uk/mediacentre</p>		<p align="center">May 2008</p>

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Additional results:

- 81% of those aged over 65 think saving is important compared to 71% of 55-64 year olds and just 65% of 16-24 year olds.
- 77% of those aged between 55-64 and 74% of those aged between 16-24 thought saving was important in April*.
- When asked whether people think it is personally important for them to save, 71% agreed that it was in May.
- There has been a significant, but encouraging, shift from the number of people who save occasionally – 27% in April compared to a third (33%) in May.
- Despite three-quarters of consumers thinking saving is important, nearly a fifth (17%) of consumers do not save at all (19% in April).
- Of those that think they are saving more than necessary a fall of just one per cent is seen – 15% of consumers in April compared to 14% in May.
- The 16-34 year olds seem to be the most optimistic as they think they will be able to save more in six months' time.
- More than half (52%) of consumers think Government policy discourages them to save. This is an increase from April's result which showed consumers' negative sentiment at 46%.
- Just under one fifth (19%) of people think current Government policy encourages them to save which remains unchanged from April's report.

*A slight change has been made to the method in collating the data about how important consumers think saving is. In May's report, a five point scale was used. In this report and moving forward a 10 point scale is used.