

\*\*\*NEW MONTHLY SAVINGS INDICATOR – ISSUED TUESDAY 27 MAY 2008\*\*\*

## Consumers struggle to save

### The importance of saving

New research\* from Nationwide Building Society shows that 90% of consumers think saving is important with those aged between 16-24 and 55-64 years of age thinking it most important. Additionally, two-thirds (66%) of people think it very important for people to save regularly with almost a quarter (24%) thinking it fairly important. When asked whether it is personally important for people to save, 85% of consumers agreed that it is.

### How regularly people save

Despite consumers thinking saving is important, only half (54%) save regularly with a quarter (27%) putting money aside occasionally and a fifth (19%) not saving at all. Interestingly, more than half (58%) of those aged between 16-24 years of age are saving regularly, although 54% admit they are not saving as much as they should be. The research also reveals that a third (31%) of people think they are saving nowhere near as much as they should with a further 24% saving a bit less than they should. Just 15% of people think they are saving more than they need to.

Even though more than half of consumers do not think they save enough, 46% of people think they'll be saving the same amount of money in six months' time. Less than a quarter (23%) of people see themselves saving more in the future than they do now and, 27% of people think they'll be saving less.

### The current savings environment

Just 28% of consumers think now is a good time to save. Rising fuel costs, increased food prices and reduced savings rates may be a cause of this negative saving sentiment as consumers have less disposable income available to put into savings

### Does Government policy encourage people to save?

Over recent years the Government has launched or improved a number of initiatives that have been designed to encourage people to save: the Child Trust Fund launched in 2005, ISA improvements announced last year and the commitment to the Savings Gateway confirmed in this year's Budget. Despite these best efforts, almost half (46%) of consumers think Government policy discourages them from saving.

**Matthew Carter, Nationwide director for savings, said:** "Rising food and fuel costs are causing a significant dent in people's wallets meaning that few people see themselves increasing the amount they save in six months' time. It seems a shame that whilst so many think saving is incredibly important, the reality is that many aren't saving as much as they want to, even at a time when some providers are offering the most attractive deals for a number of years.

"Now is a particularly important time to save if consumers are to weather the storm. As the Governor of the Bank of England warns of harsher times, it's worrying that while consumers have a will to save, they haven't put this into action. This is not only a concern for savers, but also for the industry and the Government.

We hope people have not lost confidence in saving over the longer-term but it is particularly encouraging to see that younger people place so much store on saving. However, it seems that higher living costs are hitting home and affecting consumers' ability to save. We wait with interest to see how consumer attitudes change over the next few months."

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	<p align="center"><b>Nationwide savings barometer</b></p>	
<p align="center"><a href="http://www.nationwide.co.uk/mediacentre">www.nationwide.co.uk/mediacentre</a></p>		<p align="center"><b>April 2008</b></p>

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**Notes to editors:**

\* Data was collected between 18-20 April 2008 by TNS, a global market information and insight group. 1,005 people were questioned. Research will continue to be collected on a monthly basis.

\*\* Nationwide Consumer Confidence Index (NCCI) released 7 May 2008 available to view via the following link:

[http://www.nationwide.co.uk/NR/rdonlyres/DCE845FA-36CF-4254-88C9-7BBBA50B47CA/0/AprilNCCI\\_7May2008.pdf](http://www.nationwide.co.uk/NR/rdonlyres/DCE845FA-36CF-4254-88C9-7BBBA50B47CA/0/AprilNCCI_7May2008.pdf)

The NCCI Index was first published in May 2004

Percentage of consumers who think it's important for people to save regularly, divided by age group:

Those aged between 16-24:	95%
Those aged between 25-34:	89%
Those aged between 35-44:	83%
Those aged between 45-54:	88%
Those aged between 55-64:	95%
Those aged 65+:	91%