

Nationwide SAVINGS INDEX



Comprehensive monthly insight into the behaviours of individual savers across the UK

www.nationwide.co.uk/savingsindex

11 January 2010

No embargo

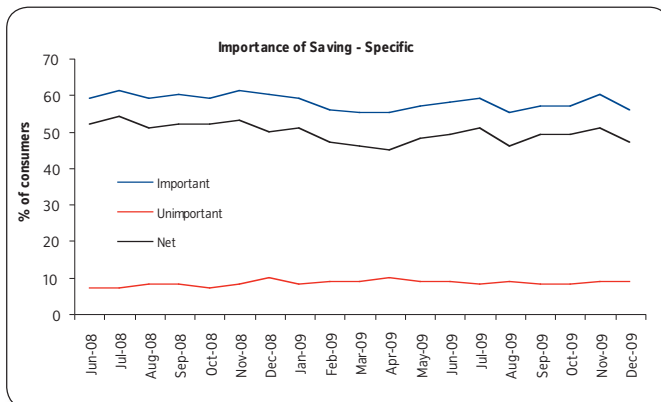
CONSUMERS CHOOSING TO SAVE LESS

- Importance of personal saving dipped in the run-up to Christmas.
- One quarter of people not saving at all.
- Nationwide would like to see consumers get back into the habit of saving after festive spending.
- A reduction in the frequency of saving, as well as more negative attitudes to current savings and the savings environment, have driven down the Savings Index by four points.

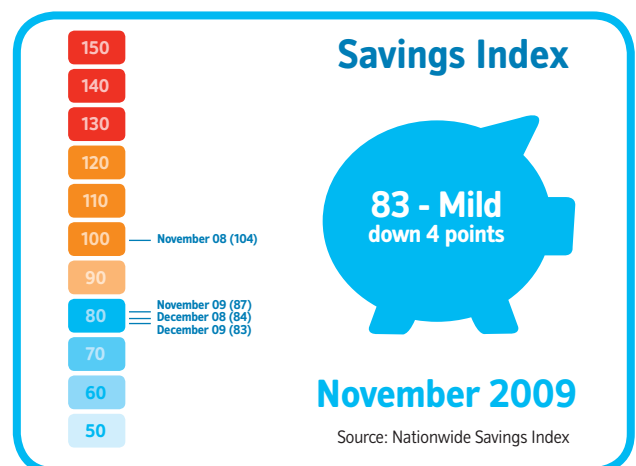
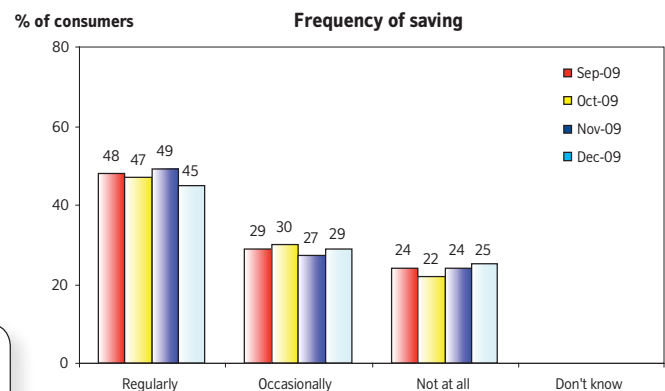
	Dec 2009	Nov 2009
SAVINGS INDEX	83 (-4)	87
Importance of Savings Index	86 (-12)	98
Savings Environment Index	81 (+5)	76
Future Savings Index	124 (same)	124

Importance of saving dipped in the run-up to Christmas

- Consumers see saving money as less important than they have in previous months, particularly when asked how important it is for them to personally save.
- Christmas shopping and the then upcoming VAT increase are likely factors in people seeing saving as less important.



- Only 45% of consumers (a reduction of 4% from the previous month) save regularly.
- 25% of consumers (an increase of 1% from the previous month) are not setting aside any money at all.



Andy Hutchinson, head of savings at Nationwide, says:

"December is clearly a busier month for retailers, so there is no surprise that the importance of saving decreased in the run-up to Christmas. It is possible that this was also exacerbated by the fact that December 2009 was the last month before VAT increased back up to 17.5% from 15%, encouraging some customers to make those bigger purchases before the New Year."

Andy Hutchinson, says:

"Discouragingly, the number of those who are saving regularly is at its lowest point since the Index began in May 2008. On the other hand, this could be because of seasonal fluctuations – as mentioned earlier – and we mustn't forget that the Base Rate is lower now than it was 12 months ago. Nevertheless, it's still worrying that a quarter of us are not saving any money at all."

Nationwide SAVINGS INDEX



Nationwide is now encouraging consumers to get back into the habit of saving after festive spending

- The fall in the Savings Index marks a disappointing end to 2009 for the Savings Index, which had seen relatively strong figures in the previous three months.
- The Index is now at a similar level to 12 months ago.
- The Savings Environment Index has risen by five points compared to November 2009.

Andy Hutchinson, says:

“We know that December can be an expensive month for families, so I would encourage them to get back into a savings habit as quickly as possible in January 2010.”

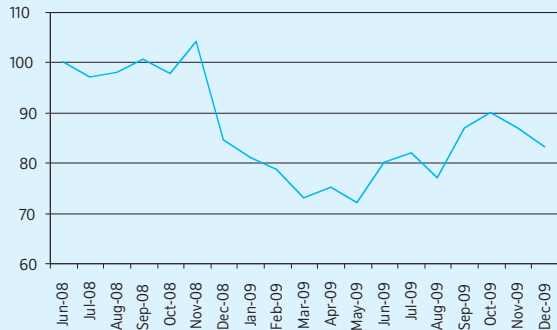
Savings indices - since the beginning

Index	Savings Index	Importance of Savings Index	Savings Environment Index	Future Savings Index
Jun-08	100	100	100	100
Jul-08	97	106	95	94
Aug-08	98	99	97	87
Sep-08	101	105	101	95
Oct-08	98	104	100	91
Nov-08	104	105	94	84
Dec-08	84	94	78	96
Jan-09	81	90	71	97
Feb-09	79	80	63	105
Mar-09	73	76	58	104
Apr-09	75	77	58	101
May-09	72	88	59	111
Jun-09	80	85	65	101
Jul-09	82	98	71	106
Aug-09	77	86	66	105
Sep-09	87	91	77	121
Oct-09	90	88	85	119
Nov-09	87	98	76	124
Dec-09	83	86	81	124

Nationwide SAVINGS INDEX

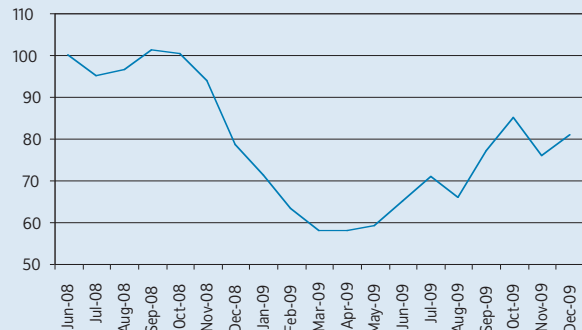


Chart 1. Nationwide Savings Index



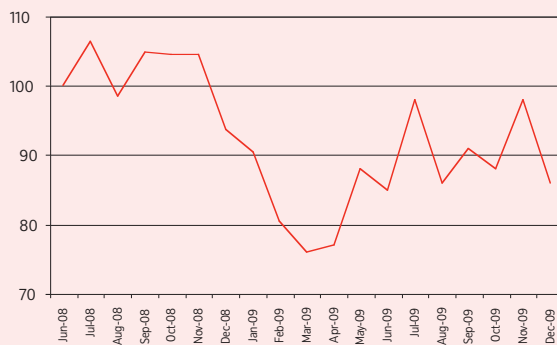
The Savings Index (principal index): made up of consumer opinion about the frequency of saving, current feelings about their current levels of saving, whether it's a good time to save given the external environment and thoughts on government policy.
Source: TNS-R1 research for Nationwide

Chart 3. Savings Environment Index



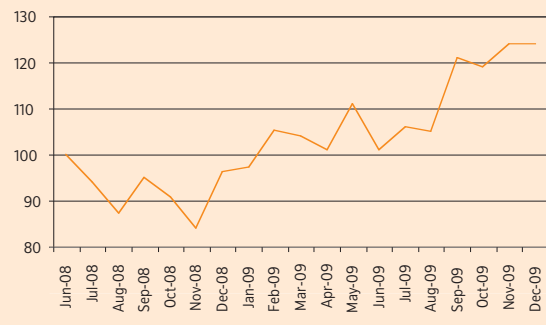
The Savings Environment Index (sub index): made up of consumer opinion about whether it's a good time to save given the economic environment and whether government policy encourages people to save.
Source: TNS-R1 research for Nationwide

Chart 2. Importance of Saving Index



The Importance of Savings Index (sub index): made up of consumer opinion about the importance of saving both generally and personally.
Source: TNS-R1 research for Nationwide

Chart 4. Future Savings Index



The Future Savings Index (sub index): made up of consumer opinion about whether they think they'll be saving more, less or about the same in six months' time, than they do now.
Source: TNS-R1 research for Nationwide

Note to editors:

Nationwide's Savings Index is based on a monthly survey representative of the UK population. For December 2009, the TNS-R1 research for Nationwide took place from 23 November 2009 to 19 December 2009 with 1,014 people.

*The Nationwide Savings Index began on 19 May 2008.

Media enquiries to:

Jennifer Williams, **01793 655354**, jennifer.williams@nationwide.co.uk

Stuart Williamson, **01793 654756**, stuart.williamson@nationwide.co.uk



Proud to be a building society

Media enquiries to: Jennifer Williams, **01793 655354**, jennifer.williams@nationwide.co.uk
Stuart Williamson, **01793 654756**, stuart.williamson@nationwide.co.uk