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No embargo

A FIFTH OF CONSUMERS DO NOT SAVE

Nationwide reveals new research about consumers' savings habits

Nationwide Building Society today issues its latest savings research. The results reveal that in July, just a third (33%) of consumers thought that saving was very important. Although a little higher than last month, this is significantly below the results seen in April and May where nearly half (46% and 49% respectively) of consumers thought saving was very important. The current economic situation seems to be having an impact on consumers' propensity to save as food and fuel prices continue to rise.

Results remain virtually constant for whether consumers think it is personally important for them to save, with just under a third (31%) of consumers thinking it very important compared to 29% in June.

The frequency with which consumers save hasn't changed since June, yet ground still hasn't been made up following the falls seen since April as shown in *Figure A*:

How regularly consumers save

	April 2008	May 2008	June 2008	July 2008
Regularly save	54%	50%	46%	46%
Occasionally save	27%	33%	33%	33%
Never save	19%	17%	20%	20%
Don't know	0%	0%	1%	1%

Figure A

The research also reveals:

- Nearly two-thirds (62%) of consumers save less than they think they need to;
- Nearly half (46%) of consumers are optimistic that in six month's time they will be saving what they need to;
- Just a third (35%) of consumers think they'll be saving less than they need to in six month's time;
- When asked whether people think it's a good time to save given the current economic situation, 31% of consumers thought it was whilst 41% thought it wasn't. A quarter (26%) of people think it's neither a good nor bad time to save;
- Nearly a fifth (18%) of consumers think Government policy encourages people to save whilst nearly half (45%) of consumers think it discourages them to save. A third (33%) of consumers are indifferent.

Lee Raybould, head of savings at Nationwide, says: “Consumers seem to be feeling the effect of the current economic situation, as over a third think they are unable to save as much as they need to. Equally, with around half of people saving regularly, consumers may find if situations get tougher, they won’t have any savings to help them through harder times. It’s also worrying that a fifth of consumers – potentially 12 million people – never save.

“We are working hard to engage people about the importance of saving and look towards the Government to communicate to consumers about their schemes such as the Child Trust Fund and ISAs, which have the potential to make a real difference to household wealth. We hope to soon see consumers thinking Government policy does encourage them to save.”

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Notes to editors:

* Data was collected between 23 June – 20 July 2008 by TNS, a global market information and insight group. 1,000 people were questioned. Research is collected on a monthly basis and this is the fourth such release using the data collated.

Previous releases are available via the following links:

June data release issued 14 July 2008:

http://www.nationwide.co.uk/mediacentre/PressRelease_this.asp?ID=1230

May data release issued 18 June 2008:

http://www.nationwide.co.uk/mediacentre/PressRelease_this.asp?ID=1219

April data release issued 27 May 2008:

http://www.nationwide.co.uk/mediacentre/PressRelease_this.asp?ID=1210

**June’s data was collected between 19 May-22 June 2008 by TNS – 1,000 people were questioned.

May’s data was collected between 30 May-1 June 2008 by TNS – 1,010 people were questioned.

April’s data was collected between 18-20 April 2008 by TNS – 1,005 people were questioned.