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## Our savings and investments survey results

**8 in every 10** people who are working **save an average of €299** each month but the majority still borrow rather than save for a large purchase.

**9 in 10** say that **cost of living increases** has had an **impact on their ability to save**.

Working adults are spending more on savings than on clothes, socialising or holidays according to a survey conducted by Millward Brown IMS on behalf of EBS on Savings and Investment Behaviour. The survey found that security is the main motivation for saving with people saving an average of € 299 each month. The survey did indicate, however, that although savings are important to the majority of Irish workers, 1 in every 5 don't save regularly and the majority of those surveyed said that they would borrow rather than save for a larger purchase.

Despite the significant level of activity in the market over the past 18 months due to the

maturing of SSIA's, only two thirds of the people surveyed felt well informed on the issue of saving. Only one third of regular savers know their interest rate and most still seek advice about savings, with many seeking advice from a variety of sources.

60% of regular savers believe that they should save more money each month. Already 1 in every 5 regular savers have cut back on their socialising to increase the amount that they save each month, however 9 in 10 savers say that the cost of living increases has impacted their ability to save.

The survey highlights that educating people about pensions continues to be a challenge – only half of the respondents say that they are informed about pensions. This only rises slightly among those who already have a pension. Only one third of respondents could say how much the state pension actually is, with many overestimating it. Only 17% of those surveyed felt that they could survive adequately on the state pension, however, 6 in 10 of those who do not have a pension say that they are likely to take one out.

**Speaking about the results, Dara Deering, Head of Retail Business, EBS said:** "The impact of the SSIA saving scheme can be seen in the relatively higher level of consumer understanding about savings compared to their knowledge of pensions. Eight in every ten people are saving regularly - a figure that is higher than anticipated and is likely to be related to the fact that habits were created through the establishment of the SSIA Scheme. Overall the savings ratio in Ireland at over 9% is higher than our European counterparts. The trend is that people will borrow for larger purchases rather than save however 27% of those surveyed save regularly without saving for anything in particular.

"More worrying is the lack of understanding in relation to pensions despite the fact that pension's awareness campaigns have been quite prevalent in recent years. The key messages do not seem to be resonating with Irish adults. Only 17% of Irish adults believe that they will be able to survive

on the state pension, yet half of the respondents – all of whom were aged between 25 and 50 years and in full employment – do not have a pension. These figures are consistent with figures released from the CSO that indicate that only 59.8% of the adult Irish Workforce between 45-54 years of age currently have private pension coverage. EBS believes that a renewed focus is required to encourage adults to invest in their pension."

**Other key findings of the Savings & Investment Behaviour Survey include:**

- Just over one quarter of savers are not currently saving for anything in particular.
- Almost one third say they are saving for a rainy day and 1 in 5 say they are saving for their children's education.
- Among those who are saving for something specific many appear to be saving for more than one thing.
- There does not appear to be a trend in terms of what age regular savers start saving. 3 in 10 were under 18, a further quarter started between 18 and 20 and a further 4 in 10 were 21+.
- Perceptions of saving versus their parents are polarised – almost 4 in 10 say they are better than their parents whilst 4 in 10 say that they are worse.
- Among those who have a partner, only a minority (13%) have savings that their partner does not know about; this is slightly higher amongst women than men
- 9 in 10 agree that the cost of living has had an impact on their ability to save; they also agree that financial institutions should make their savings and investment products easier to understand.
- Just over half of respondents think that they have adequately provided for the future financially.
- Only 1 in 5 however say they prefer not to think about savings.