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EBS release its latest consumer savings sentiment research

A NATION OF SAVERS: 85% OF IRISH ADULTS ARE MAKING AN EFFORT TO SAVE

4 in every 5 people state that they will not use their credit card to pay for their holiday this year

According to the findings of the most recent EBS Consumer Savings Sentiment Research Irish people are continuing to save money: 85% of 1,000 people polled stated that they save - an increase of almost 10% since August 2008. Interestingly, under 25's are getting into the savings habit with 93% of this age-group now stating that they save on a regular basis or when they can, versus 78% in January of this year – an increase of 15%.

While the amount of people saving has increased, the amount being saved is continuing to decrease; saving per annum fell by a further 9% between January and May of this year. Since August 2008, estimated annual savings have fallen from €4,612 to € 3,667 – or almost € 1,000 over a 22-month period. One in ten respondents stated that they used to save but can find it difficult to afford now.

Irish people are now more likely to save before a significant purchase, rather than borrowing or using a credit card, than in previous times: 4 in every 5 people said that due to the recession they will save for a large purchase with this increasing to 9 in every 10 of those aged 16 – 24 years. 80% of respondents stated that this summer they will save for their holiday, rather than borrowing to fund it or putting it on a credit card.

Irish people are more confident about their money management: almost 7 in every 10 people believe that they are better at managing their money this year than last. This falls slightly for those respondents living in Dublin – with 6 in 10 believing that they are better this year than last, perhaps due to the cost of living in the capital. Confidence in one's own financial situation has also increased, albeit from a low level: 51% of respondents are more confident about their economic well-being compared to this time last year an increase of 17% since January of this year.

Speaking about the findings, Aidan Power, Head of Marketing, EBS said: "When we consider the trends over the past two years we see that the country has truly become a nation of savers. People are not going to purchase a big-ticket item on credit and worry about it later, as may previously have been the case – now people are saving and planning their expenditure.

"People are continuing to have to dip into their savings to fund day-to-day expenses but we are seeing this fall off slightly. One encouraging finding is how the younger age bracket – between 18 – 24 years – have developed a savings habit. In May 2008, 75% of this age group were savers, now 93% of them are saving, furthermore 83% stated that they intend to save more this year than last.

"At EBS we continue to find that many people have not reviewed their savings options, and considered the kind of savings product that is right for them in recent years. As people's financial needs change it is important that they consider the most appropriate savings product to meet those needs. For some people having immediate access to their savings is important while for others, the opportunity to save a regular amount each month while earning a strong rate will be a priority. That is why we ensure at EBS that we have significant choice available for our members."

EBS has a wide range of savings products, such as the *EBS 12 Month Fixed Savings Account* with 3.35% Gross PA/AER. The account has a minimum lump sum of €20,000 and offers great value to consumers seeking a high interest rate at a secure institution.

Another alternative is the *EBS Family Savings Account* which allows you to save regularly with the benefit of a competitive fixed rate.

"At EBS we believe that it is critically important to help our members plan effectively for their family's future. Providing competitive financial services for the whole family is core to the founding principles of the Society. Our trained financial experts are ideally placed within local communities throughout the country to offer free, independent advice on the best savings plan for you and your family," he concluded.

Other key findings from the EBS Consumer Savings Sentiment Research:

- Among savers almost 40% save regularly with the balance of approximately 60% saving when they can
- Since January 2009, there has been no real change in the number of savers in overall terms or as to whether they are regular savers or ad hoc savers
- 24% of those who have dipped into their savings are claiming to have used those savings for general living expenses / bills (the most common usage). Holidays are now the second most likely reason followed closely by car purchase or unforeseen household costs.