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EBS releases its quarterly consumer savings sentiment research

Saving is all the rage: Almost 1 in 2 plan to save more in 2010 than last year

Amount saved has fallen by 9% in the last year but has increased quarter on quarter

22nd February 2010– The latest EBS Consumer Savings Sentiment Research, released today found that more people are saving now compared with 2008. According to the research only 15% of adults now say that they do not - or cannot - save. This compares with almost one in five not saving in 2008. In addition to this, people plan to save more in the year ahead, with 46% of respondents stating that they planned to save more in 2010. Those aged between 18 – 35 years were the most determined to save, with 62% stating that they would be saving more in 2010. While more people are saving, the manner in which they save and the amount that they are saving has changed.

There has been a slow erosion of the proportion of regular savers - those who put aside a specific amount each month into a dedicated account - with only 33% of respondents now doing this compared with 36% in August 08. Also, the amount being saved has fallen significantly – down 9% in the last quarter from €4,612 per annum this time last year to € 4,039. However this figure has increased since the last Quarterly Consumer Sentiment Research was undertaken in September when the average annual figure was €3,661.

People are dipping into their savings more regularly with one in five doing so to support general living expenses. Half of all savers state that they have had to start using their savings to compensate for lost income – an unfortunate trend that is on the increase.

Confidence in the economy continues to be a sentiment coming through the research with only a third of respondents claiming that they are now more confident in their own economic wellbeing. 7 in 10 people say that they are concerned about spending money in 2010.

There continues to be an increase in the level of importance placed on savings, particularly with those under the age of 35, with as many as 46% of respondents saying that they hope to save more in 2010 than they did last year. Indeed one key positive of the recession is that the majority of adults think that their children will have a better appreciation of the value of money because of it, with this number continuing to consolidate and grow.

Speaking about the findings, Aidan Power, Head of Marketing, EBS said: "The increase in the overall number of people saving is positive news as people take a responsible approach toward planning for unforeseen events as well as saving prior to committing to large purchases.

"It seems that one of the impacts of the recent economic instability is that we have changed from being a nation living beyond our means to a nation of savers. One area of particular concern,

however, is the fall in the number of people saving on a regular basis. The index results show that saving has become very ad hoc. Financial advisors, such as those in EBS, are available to work with members of the public to help them to develop savings plans and packages that meet their needs. Our advice is that a regular savings plan is important to help provide peace of mind as well as resources that might be required in the event of an unanticipated event happening. I would encourage consumers to avail of a free financial review in any EBS office throughout the country to explore how much they might be able to save each month and to have a general financial health check."

EBS has a wide range of savings products, including the new EBS 9 Month Fixed Savings Account, a short term lump sum savings account with a market leading rate of 3.5% Gross Rate, a minimum lump sum €20,000, maximum €500,000 and the EBS Family Savings Account, a short-term regular fixed savings deposit account that offers a fixed rate of 4% Gross PA/AER and is designed to help families develop a regular savings habit by saving between €100 and €1,000 each month.

"At EBS we believe that it is critically important to help our members plan effectively for their family's future. We have been helping Irish families save for their future and purchase their homes for the past 75 years. 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 Ireland to offer free, independent advice on the best savings plan for you and your family," he concluded.