

Three Out Of Four Saving Nearly €300 A Month

Contributed by Millward Brown

Three-quarters of adults are squirreling away money every month, with the average individual putting €283 into their savings accounts.

And savvy consumers are also doing their best to reduce the mountain of money they owe, with a quarter of adults surveyed saying they took steps to reduce their debts last year.

Householders are planning to continue to reduce their debts this year as well.

However, the amount of money being saved is down from an average of €344 this time last year, the Postbank savings index shows.

This probably reflects the impact of the past three savage Budgets and pay cuts imposed on both public and private sector workers.

Women are more likely to be savers rather than men, but men tend to save larger amounts.

Pensions saving, however, has been shattered - with a 50pc decline in the amount of money being put aside as retirement income since the index began in late 2008.

There has been a fall in the number of people planning to dip into their savings to meet day-to-day spending, which may indicate a modest increase in confidence, John Donegan of Postbank said.

The motivation for people to save so hard is to keep a "rainy day fund" in case of emergencies.

This phenomenon has been a constant over the last year and accounts for over one-third of savings, according to the survey carried out by Millward Brown Lansdowne.

Good news for travel agents is that saving for a holiday has risen to 16pc, the highest level recorded in the last 15 months.

The amount of people saving for a home loan trebled from 2pc to 6pc in the last year, indicating that some people may be preparing to enter or re-enter the housing market.

Spending looks likely to take a further hit in 2010, with more than half of adults planning to spend less in 2010.

Women in particular will be cutting back, with 56pc planning to trim their budgets this year.

The 35-49 age group is the most spending-conscious for 2010 as they tackle the cost of living and reduced budgets.

When quizzed on where the cutbacks would be made, mini-breaks, fashion, concerts and alcohol were the big losers.

Cinema tickets, beauty treatments and a coffee-to-go were the least likely to be cut.

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