

Opinion Poll

Personal savings used to survive lean times



IAN
McSHANE
ANALYSIS

Poll's findings suggest that, on average, every Irish adult has €8,000 in savings on deposit

IN TODAY'S coverage of the 2009 *Irish Times* Behaviour & Attitudes Poll, we look at people's views of various aspects of the socio-political landscape and the degree to which each is more, or less, important to them now compared to a year ago.

We also analyse attitudes towards immigration and emigration and expected patterns of net inward and outward migration as the jobs market continues to contract over the remainder of this year and into next year.

First however, we turn our attention to the amount of savings Irish people have in banks, building societies and credit unions.

One of the most patent conclusions to be drawn from coverage and analysis of this year's poll so far is that individuals have adopted a range of cost-saving devices to derive as much value as possible from their diminishing household incomes.

At the same time, economic commentators have consistently intimated that there are millions of euro locked away in personal savings accounts, the release of which via consumer spending could play a significant role in kick-starting the economy.

Estimates as to the total value of this pool of savings have been hard to come by, with no single source of information available as to what it might be.

Today's poll would suggest that the average Irish adult has just under €8,000 in savings. It is important to point out that this is a mean (ie average) estimate across the entire Irish population, with considerable variation across the different gender, age, and socio-economic status groupings.

For example, over one-third of all 18-24-year-olds have no personal savings, while a further one-quarter of them have less than €500. At the opposite end of the scale, those aged 55-64 (the classic "empty nesters", whose household bills are often under control, with the mortgage more often than not paid off) hold on average €15,000 each in savings.

When this estimated average savings figure is extrapolated to the total 3.362 million Irish adults in the country, we have an estimated €27 billion sitting on deposit. The implication is that, once consumer confidence begins to pick up, most likely in our

opinion in or around the third-quarter of 2010, there should be a significant uplift in activity for sectors such as the motor trade, hospitality and housing-related businesses, all of which were devastated by the collapse of the last 18 months.

The fact that over 60 per cent of those with any savings indicate they intend to use them either for day-to-day living expenses or as a buffer until the economy picks up, is further evidence to suggest that significant amounts of revenue are likely to be injected into the economy through consumer spending once tangible signs of an uplift appear.

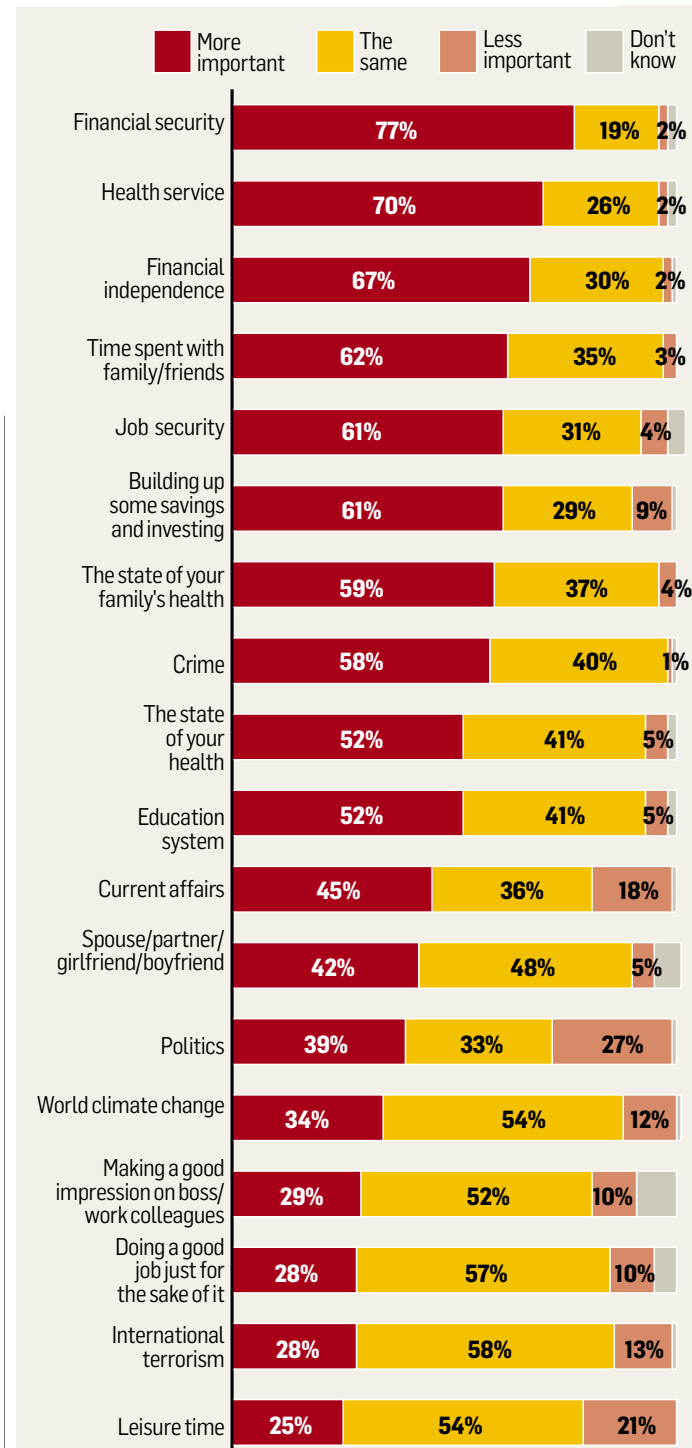
A whole range of factors will need to coalesce before consumer sentiment improves to the levels required to spark a significant increase in spending activity. A stabilisation of the jobs market is probably the most critical of these factors, along of course with news of a broader global recovery.

There is, however, a spectrum of other micro-level elements that people feel, to varying degrees, will influence the timing and extent of an end to the recession. One of these is the scale of net outward migration accounted for by non Irish-born immigrants to the country, and the extent to which this may ease pressure on the jobs market.

When asked what their personal preferences would be with regard to the number of non Irish-born immigrants who may or may not leave the country within the next few years, 43 per cent stated that they would like to see some, but not all such immigrants leave the country, with a further 26 per cent preferring the number of immigrants to remain as it is.

A core 29 per cent (or just under one million individuals

PRIORITIES IN LIFE: ARE THE FOLLOWING ISSUES MORE IMPORTANT TO YOU, LESS IMPORTANT TO YOU, OR OF THE SAME IMPORTANCE TO YOU AS COMPARED TO A YEAR AGO?



altogether) suggest, however, that they would like to see most non-Irish born immigrants to leave Ireland. This arguably less tolerant view is more pronounced in rural Ireland, where approaching half of all inhabitants would like to see most immigrants

leave. Younger people (ie aged 18 to 24 years) are the least tolerant of all age groups on this issue, as are those in the C2DE socio-economic category (blue-collar workers and those reliant on social welfare).

Incidentally, just under one in 10 of all respondents identified themselves as non-Irish born, a proportion which rises to 15 per cent in the 25-34 age group.

Respondents were also asked how likely they were to emigrate to a different country over the next five years.

In response, a surprisingly high 13 per cent, the equivalent of 440,000 people, say they are inclined towards emigration.

Further analysis of the data reveals the vast majority of those who feel they are likely to emigrate in coming years are aged 18 to 34 years, with one-quarter of them claiming to have already lost their job due to the recession.

It is also of note that 35 per cent of those identifying themselves as non-Irish-born immigrants expect to leave Ireland over the coming years, with presumably quite a number of these likely to return to their country of birth.

Our poll also provides some understanding of the factors shaping the views and opinions of those 18-34-year-olds who are most likely to emigrate. In fact, the only factors that have become more important to 18-34-year-olds over the last year compared to all other age groups relate to a desire for financial independence, job security, and building up some secure savings and investments.

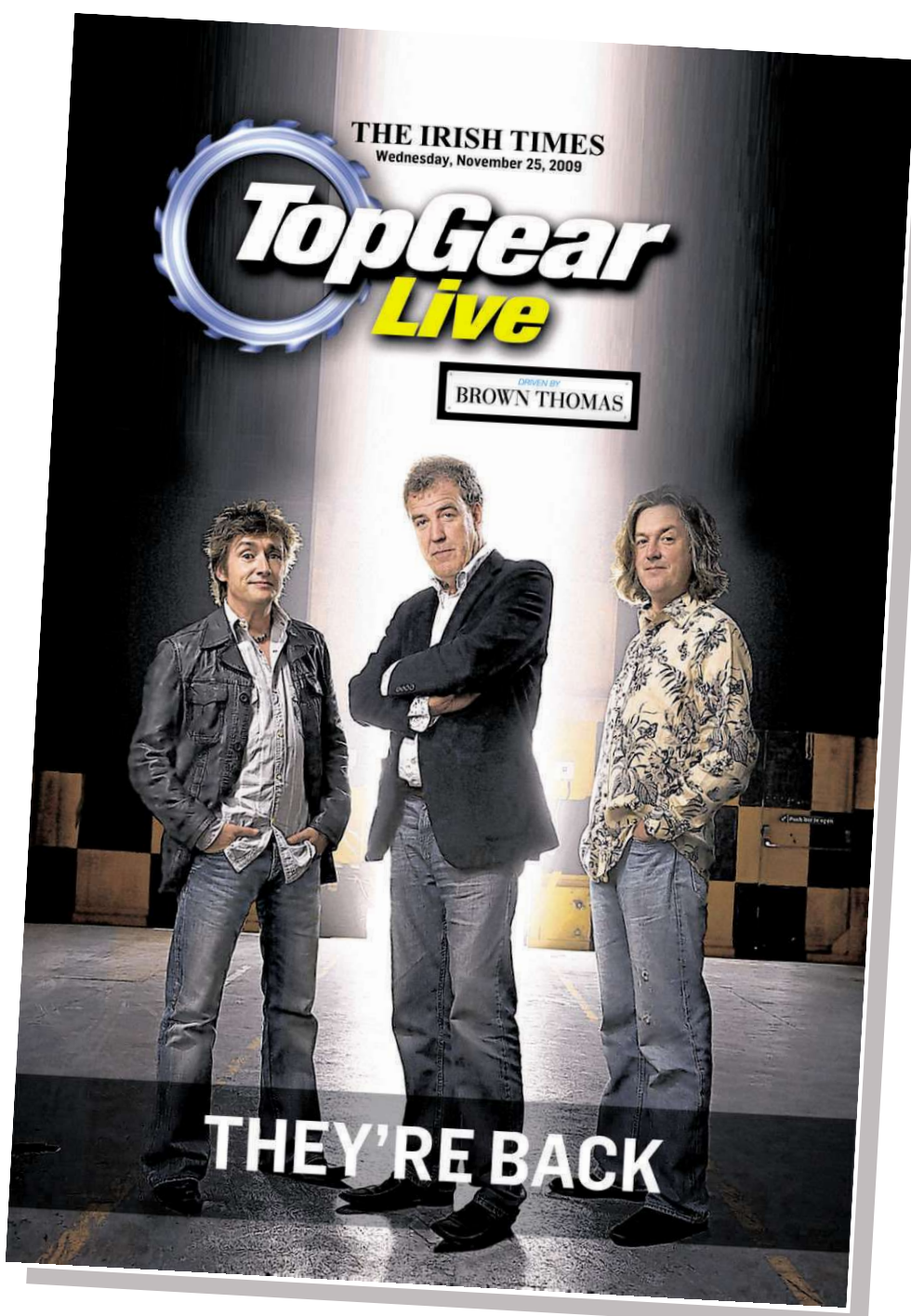
Clearly, many of them have decided they cannot afford to wait for an Irish recovery if they are to realise these objectives.

Ian McShane is managing director of Behaviour and Attitudes



A stabilisation of the jobs market is the most critical of factors

OUT TOMORROW The Official Show Guide



Top Gear Live – The Official Show Guide: a packed 32-page guide to the cars, the stunts and the three big kids who will lead the mayhem at this year's Dublin show. Kilian Doyle takes you behind the scenes to meet the drivers and producers. Plus interviews with Clarkson, May and Hammond.

Free with The Irish Times tomorrow, the must-have guide to Top Gear Live.



This survey in the Republic of Ireland was conducted exclusively on behalf of *The Irish Times* by Behaviour & Attitudes, among a national quota sample of 1,004 Irish adults, in strict accordance with Aimro (Association of Irish Market Research Organisations) and Esomar (European Society for Opinion and Market Research) guidelines.

Fieldwork was conducted in-home at 100 different locations, with the sample controlled by region, age, working status and socio-economic status. The survey findings are accurate to within approximately plus or minus three percentage points. Interviewing was conducted between October 12th and 26th, 2009.

Super Sale to Scandinavia!
More low fares than ever. Book before 30 November.

Dublin → From (one-way)
Copenhagen €69 €59
Oslo €69 €59
Stockholm €79 €69
Bergen* €100 €90
Gothenburg* €137 €99
Helsinki* €170 €119

Always with SAS
No hidden fees. Free 20 kg baggage.
Free online check-in. EuroBonus points.
25% child discount.

flysas.ie



*Bergen, Gothenburg and Helsinki via Copenhagen. All fares one-way incl. taxes, correct at time of printing and subject to availability. Terms and conditions apply. Travel 5 January – 15 March 2010.