

Press Release

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This Halifax ISA Savings Report is part of a series of research pieces published by the Group examining savings trends in the UK. Halifax is the UK's leading savings provider with more than 16 million savings customers. This analysis is based on cash ISA accounts held with Halifax in October 2008 and average earnings data from the ONS in 434 UK local authorities (LAs). The figures in this report, by their very nature, exclude people who have no savings. Figures from the ONS's Financial Resources Survey 2006-07 shows that 24% of households have no savings (see Table 5.9).

CASH ISA SAVINGS ARE HIGHEST IN EPSOM & EWELL

- **Average cash ISA balances are highest in Epsom and Ewell (£9,343), followed by Derbyshire Dales (£9,231) and South Buckinghamshire (£9,021). These areas have an average balance that is significantly above the UK average ISA balance of £6,953**
- **With the exception of Derbyshire Dales only two areas outside southern England feature amongst the 25 local authorities (LAs) in the country with the highest average ISA balances; Fylde in the North West (£8,655) and Hambleton in Yorkshire and the Humber (£8,565)**
- **There are marked regional differences in the average level of ISA savings. Savers in East of England have the largest average ISA balance (£7,606). The smallest average balance is in Scotland (£5,572)**
- **Savers in the Dorset local authority of Christchurch have the highest average ISA balances relative to local average earnings. The average ISA balance of £8,565 is equivalent to 45% of local average annual gross earnings**
- **ISA account holders in Wales have the highest balances in relation to average regional earnings with ISA savings equivalent to 32% of average annual gross earnings. ISA savers in London have the lowest balances on this measure (20%)**
- **There is virtually no difference in ISA savings by gender with men having an average ISA balance of £6,980, just 1% higher than the average ISA savings balances of women of £6,891**

KEY FINDINGS

Largest average savings balances (Tables 1 & 3)

The biggest ISA savers in the UK are in Epsom and Ewell with an average balance of £9,343. The Surrey LA is followed by Derbyshire Dales (£9,231), South Buckinghamshire (£9,021), Richmond upon Thames (£8,891) and Spelthorne (£8,858). The average balance in all of these areas is significantly above the UK average ISA balance of £6,953.

Table 1: Areas with the largest average savings balances

Local Authority	Region	Average ISA Balance (£) ¹
Epsom and Ewell	South East	9,343
Derbyshire Dales	East Midlands	9,231
South Buckinghamshire	South East	9,021
Richmond upon Thames	London	8,891
Spelthorne	South East	8,858

Note: ¹ Includes ISA fixed, variable and direct.

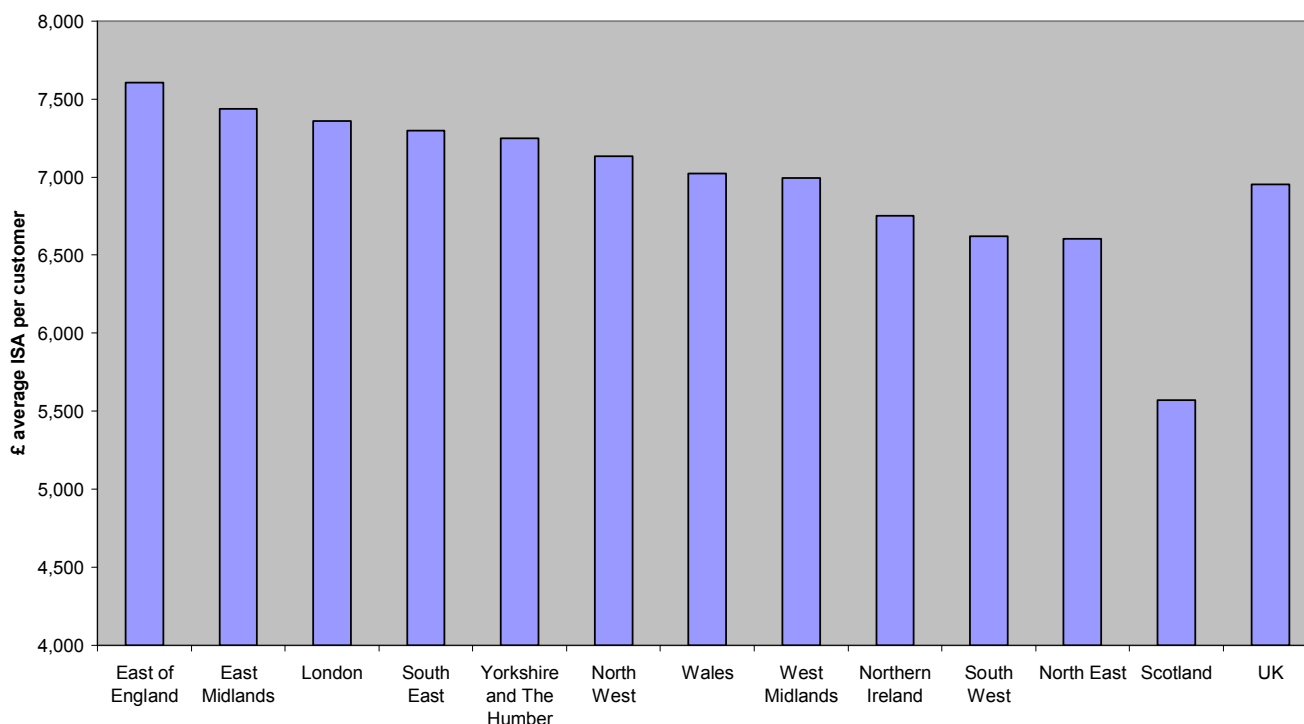
Apart from the Derbyshire Dales in East Midlands, there are only two other areas outside southern England among the 25 areas with the highest average ISA balances; Fylde in Lancashire (£8,655) and Hambleton in North Yorkshire (£8,565).

Many of the areas with the highest ISA saving are in the South East with nine LAs in the region among the national top 25. These include Runnymede (£8,768), Elmbridge (£8,596) and Chiltern (£8,587). A further six LAs are in the East of England including Brentwood (£8,682) and St. Albans (£8,549).

There are some marked regional differences - savers in East of England have the highest average ISA balance (£7,606) and the smallest average balance is in Scotland (£5,572). Eight regions have average balance above that of the UK average (£6,953); East Midlands (£7,439), London (£7,361), South East (£7,296), Yorkshire and the Humber (£7,251), North West (£7,133), Wales (£7,024) and West Midlands (£6,996).

Chart 1

Average ISA Balance -October 2008



Savings balances as a proportion of earnings (Tables 2 & 4)

ISA savers in the Dorset LA of Christchurch have the highest savings balances relative to local earnings in the UK. The average ISA balance of £8,565 is equivalent to 45% of local average annual gross earnings.

ISA savers in North Norfolk have the second highest average savings balances in relation to local earnings (43%), followed closely by Waveney (42%) in the East of England, Boston in the East Midlands and Wyre in the North West (both 41%).

The 25 local authorities with the highest average ISA balances as a percentage of local earnings are dispersed across most regions. Five are in the East of England, four in each of the East Midlands and Wales, three in each of the North East and South West, two in each of the North West and West Midlands and one in both the South East and Yorkshire and the Humber. Several of the areas with high ISA savings relative to local earnings have a relatively high proportion of older residents and are popular retirement areas.

Table 2: Areas with highest ISA savings balances as % of local average earnings

Local Authority	Region	Average ISA Balance (£)¹	Average Annual Gross Earnings 2008 (£)²	Average Balance as % of Average Earnings
Christchurch	South West	8,565	18,914	45%
North Norfolk	East of England	8,269	19,113	43%
Waveney	East of England	8,526	20,429	42%
Boston	East Midlands	7,798	18,860	41%
Wyre	North West	8,393	20,386	41%

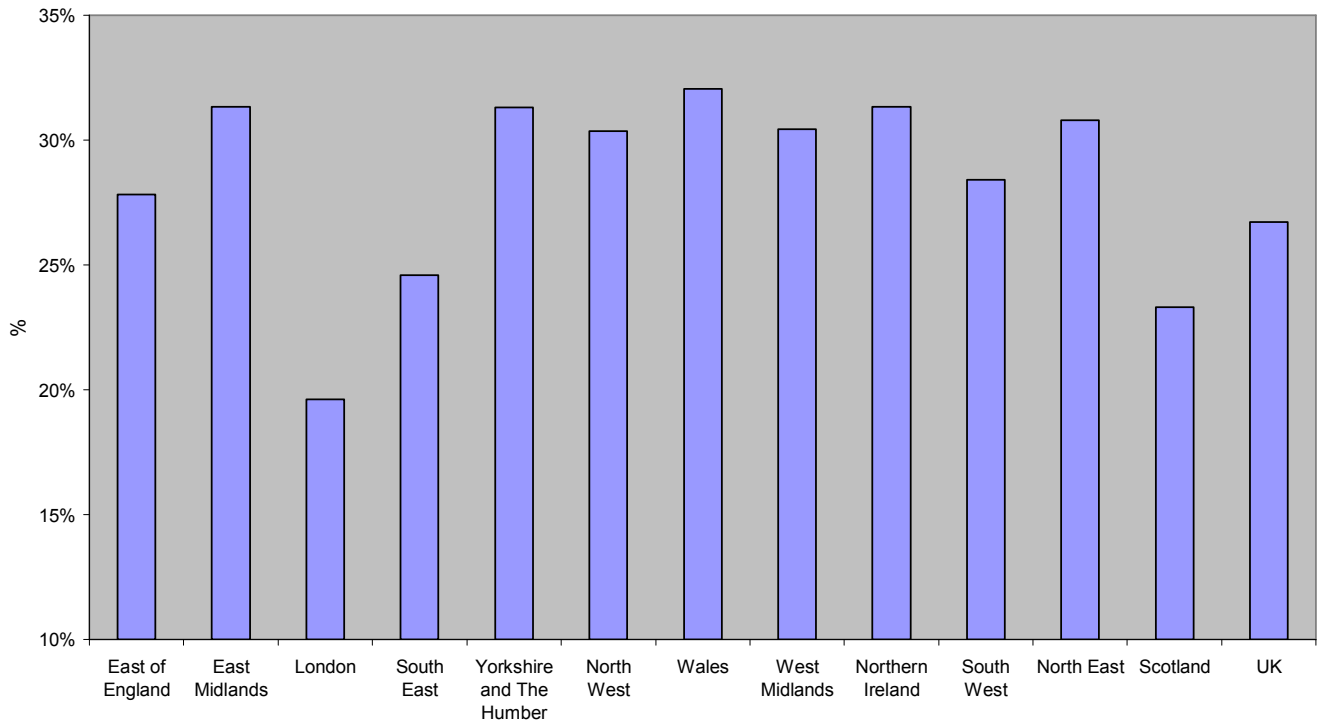
Note: ¹ Includes ISA fixed, variable and direct. ² Based on Annual Survey of Hours and Earnings (ONS) April 2008

Regionally, there is no clear link between the level of average earnings and the size of average ISA balances. London and South East have levels of average earnings that are above the UK average, but average ISA savings balances in relation to regional average earnings are 20% and 25% respectively - lower than the UK average of 27%.

On the other hand, average earnings in Wales are amongst the lowest in the UK but, on average, ISA savings balances are equivalent to 32% of average gross annual earnings – the highest proportion in the UK.

Chart 2

Average ISA Balance as % of Average Earnings



Gender Differences in Average ISA Balances (Table 7)

There is virtually no difference in ISA savings by gender with men having an average ISA balance of £6,980, just 1% higher than the average ISA savings balances of women of £6,891

Martin Ellis, chief economist at Halifax, comments:

"The level of savings invested in ISAs varies significantly across the country. Everyone has an annual allowance of £3,600 to place in a cash ISA, which will earn interest free of tax.

ISAs are the principal tax free savings vehicle for most people and provide an important tool for those looking to plan for the future especially in the current economic climate."

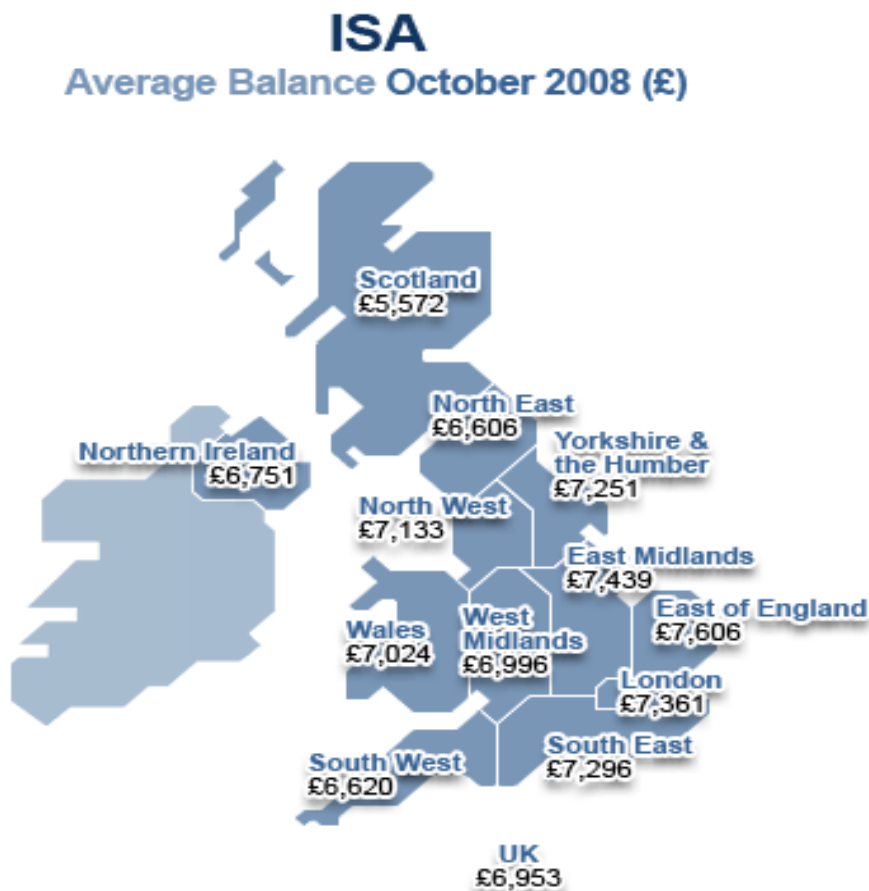
Editors' Notes

The data used in this research refers to balances held in Halifax ISA products at the end of October 2008 and relates to the balances per customer

Average earnings data are provided by the ONS and refer to April 2008 (published November 2008). Figures used refer to the average for all employees (full-time and part-time) and annual gross earnings.

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UK ISA Savings Map – October 2008



Source: Halifax

Table 3: 25 LAs with the highest average savings balances

Local Authority	Region	Average Balance (£)
Epsom and Ewell	South East	9,343
Derbyshire Dales	East Midlands	9,231
South Buckinghamshire	South East	9,021
Richmond upon Thames	London	8,891
Spelthorne	South East	8,858
Runnymede	South East	8,768
Brentwood	East of England	8,682
Fylde	North West	8,655
Elmbridge	South East	8,618
Mole Valley	South East	8,596
Chiltern	South East	8,587
Hambleton	Yorkshire and The Humber	8,565
Christchurch	South West	8,565
St Albans	East of England	8,549
Harrow	London	8,531
Waveney	East of England	8,526
Westminster	London	8,518
Rother	South East	8,511
Isles of Scilly	South West	8,511
Windsor and Maidenhead	South East	8,493
Hertsmere	East of England	8,481
Three Rivers	East of England	8,468
East Hertfordshire	East of England	8,456
City of London	London	8,453
Barnet	London	8,436

Source: Halifax

Table 4: 25 LAs with the highest ISA balances as a proportion of earnings

Local Authority	Region	Average ISA Balance £	Average Earnings 2008 £	Average ISA Balance as % of Average Earnings
Christchurch	South West	8,565	18,914	45%
North Norfolk	East of England	8,269	19,113	43%
Waveney	East of England	8,526	20,429	42%
Boston	East Midlands	7,798	18,860	41%
Wyre	North West	8,393	20,386	41%
Great Yarmouth	East of England	7,761	18,912	41%
Powys	Wales	7,811	19,295	40%
King's Lynn and West Norfolk	East of England	7,750	19,560	40%
Berwick-upon-Tweed	North East	6,173	15,656	39%
North Cornwall	South West	6,723	17,080	39%
Ceredigion	Wales	7,641	19,488	39%
Breckland	East of England	7,352	19,320	38%
Scarborough	Yorkshire and The Humber	7,313	19,407	38%
Mansfield	East Midlands	7,297	19,416	38%
Shrewsbury and Atcham	West Midlands	8,166	21,799	37%
Durham	North East	8,331	22,258	37%
Adur	South East	7,197	19,240	37%
North East Derbyshire	East Midlands	8,178	21,891	37%
Gwynedd	Wales	6,935	18,632	37%
Blackpool	North West	6,926	18,620	37%
Wyre Forest	West Midlands	7,358	19,831	37%
Weymouth and Portland	South West	7,262	19,580	37%
West Lindsey	East Midlands	7,978	21,659	37%
Middlesbrough	North East	7,000	19,018	37%
Carmarthenshire	Wales	7,548	20,519	37%

Note: ¹ Includes ISA fixed, variable and direct. ² Based on Annual Survey of Hours and Earnings (ONS) April 2008

Source: Halifax and ONS

Table 6: Regional ISA balances and average earnings

Region	Average ISA Balance (£)	Average Earnings 2007	Average ISA Balance as % of Earnings
East of England	7,606	27,344	28%
East Midlands	7,439	23,747	31%
London	7,361	37,508	20%
South East	7,296	29,676	25%
Yorkshire and The Humber	7,251	23,166	31%
North West	7,133	23,495	30%
Wales	7,024	21,919	32%
West Midlands	6,996	22,988	30%
Northern Ireland	6,751	21,553	31%
South West	6,620	23,307	28%
North East	6,606	21,463	31%
Scotland	5,572	23,908	23%
UK	6,953	26,020	27%

Source: Halifax and ONS

Table 6: Gender Differences in ISA Balances

Region	MEN		WOMEN	
	Average ISA Balance £	Average ISA Balance as % of Average Earnings	Average ISA Balance £	Average ISA Balance as % of Average Earnings
East of England	7,628	28%	7,549	28%
East Midlands	7,519	32%	7,340	31%
London	7,324	20%	7,339	20%
Yorkshire and The Humber	7,292	31%	7,192	31%
South East	7,247	24%	7,283	25%
North West	7,194	31%	7,053	30%
West Midlands	7,106	31%	6,876	30%
Wales	7,064	32%	6,944	32%
North East	6,733	31%	6,465	30%
Northern Ireland	6,674	31%	6,715	31%
South West	6,634	28%	6,570	28%
Scotland	5,517	23%	5,553	23%
UK	6,980	27%	6,891	26%

Source: Halifax and ONS