

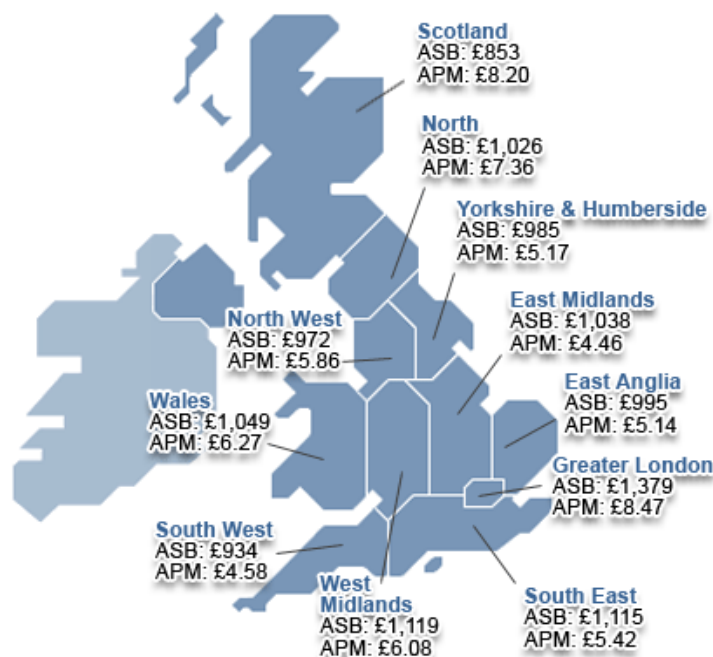


East Mid's kids have highest savings balances in proportion to pocket money

New research from Halifax has found that children living in the East Midlands have the highest savings balances in proportion to pocket money. These super savers have managed to amass an average balance of £1038 despite receiving pocket money of just £231.92 a year. This equates to more than four and a half years of saving every penny of their pocket money.

It would take children in the South East almost four years of saving all their pocket money (£281.84) to accrue the regional average savings balance of £1115, and the same amount of time for children in the South West to accumulate their average balance (£934) from their annual pocket money of £238.16.

Average Children's Savings balances and pocket money:



ASB (Average UK Savings Balance): £1,049
APM (Average UK Pocket Money): £6.13

Savings and pocket money facts

- Despite having the second highest pocket money average (£426.40), Scottish children have the lowest average savings balance at £853.
- Unsurprisingly, children in Greater London have the highest average savings balance (£1379) and the highest amount of pocket money (£440.44).
- Only three other regions hold the same ranking for pocket money as they hold for savings balance, Wales (4), Yorkshire & Humberside (8) and the South West (10).
- It would take children in most regions more than three years of savings all their pocket money to reach the regional average balance.

Speedy savings for wee Scots

It would take Scottish children just two years to save the average balance of £853 from their annual pocket money of £426.40. Similarly, children in the North would have to save for two and a half years to reach their average balance of £1026.

The next generation of savers

Children with the highest savings balances live in Greater London (£1379), the West Midlands (£1119) and the South East (£1115).

At the opposite end of the scale, Children in Scotland have an average balance of £853, some way behind the South West at £934, and the North West at £972.

Pocket money petites

Children in the East Midlands receive the least amount of pocket money at £231.92 per year, with the South West getting £238.16 a year and East Anglia £267.25.

Unsurprisingly, London tops the ranking as receiving the most pocket money at £440.44, closely followed by Scotland at £426.40. No other region receives an average pocket money above £400.

Ken Stannard, head of savings at Halifax said:

"It is heartening to see that children are saving. It is important to encourage a good savings habit at an early age and explain the need of financial planning for the future."

Table 1: Children's average saving balances and pocket money

Region	Average Savings Balance*	Top Savings balance ranking	Average yearly pocket money amount	Pocket money amount ranking*	Years saving pocket money to reach average savings balance
East Midlands	£1038	5	£231.92	11	4.48
South East	£1115	3	£281.84	7	3.96
South West	£934	10	£238.16	10	3.92
East Anglia	£995	7	£267.28	9	3.72
Yorks & Humber	£985	8	£268.84	8	3.66
West Midlands	£1119	2	£316.16	5	3.54
Wales	£1049	4	£326.04	4	3.22
North West	£972	9	£304.72	6	3.19
Greater London	£1379	1	£440.44	1	3.13
North	£1026	6	£382.72	3	2.68
Scotland	£853	11	£426.4	2	2.00
UK Average	£1049		£318.76		3.29

*1 is the highest amount, 11 is the lowest

Ends.

Note to Editors'

Pocket Money research carried on by tns from 3rd to 10th July 2008. 1180 children across Great Britain aged 8 to 15 were interviewed.

Average savings balances from Halifax data.

Some children's savings accounts are held in the name of the adult trustee until the child reaches 16. Other accounts can be opened in the child's sole name when a legible signature can be provided (age 7 upwards is recommended). The figures in this report, by their very nature, exclude children who have no savings.

Halifax Children's Regular Saver

Halifax Children's Regular Saver is available for adults saving on behalf of children under 16, with one account per adult on behalf of each child allowed. Earning a rate of **8.00% AER/gross p.a.** fixed for one year, you can save between £10 and £100 each month, for 12 months. Once the twelve month term is up, the money saved and the interest earned will be automatically transferred into your nominated account, or a Halifax save4it account.

Save4it

Save4it is a passbook pocket money savings account designed especially for children up to 16 year olds. Accounts can be opened with as little as £1 and the maximum balance is £5,000. Interest is payable annually on any chosen day (e.g. birthday) and the child can choose the name of the account, e.g. 'Sarah's Account' or 'First Bike Account'. **The current interest rate is 3.55% AER/gross p.a.**

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