



Not for broadcast or publication before 00:01 Hrs on Wednesday 25th January 2011

This Halifax Rural Savings Report highlights savings patterns in rural Britain. The research is based on data from Halifax's deposit savings database. Halifax is one of the UK's leading savings providers with £90bn of savings on deposit and over 11.5 million savings customers. The **analysis is based on savings accounts held with Halifax in October 2011** and average earnings data from the ONS in 115 rural local authorities. The figures in this report, by their very nature, exclude people who have no savings. Figures from the ONS's Financial Resources Survey 2009/10 show that 30% of households have no savings (Table 4.9 - Households by amount of savings and investments).

BRITAIN'S RURAL SAVERS HIT THAT SAVINGS HABIT

Savers in rural communities "outsave" customers in urban areas

Savers in rural Britain are not only outsaving their counterparts in urban areas but are also putting away more in relation to their earnings, according to latest research from Halifax.

Savers in rural areas have an average balance of £9,202, almost £1,300 – or 16% - more than savers in urban areas (£7,906). Rural savers in Britain have an average savings balance equivalent to 36% of their gross annual earnings: 4% more than urban savers who have an average balance of 32% of their earnings.

Largest Balances

Across all regions in Great Britain, rural savers have a larger average savings balance than urban areas savers. Whilst the average difference between savings balances in rural and urban is 16% for the whole of Britain, the variance is much greater in some regions. In rural Scotland, the average balance is 29% higher than in urban areas of the country (£8,805 vs. £6,846); in the West Midlands, rural balances are 25% higher than urban balances (£9,203 v £7,338); and there exists a 22% difference in favour of rural savers in the North (£8,898 vs. £7,296) and Wales (£8,812 v £7,211).

In contrast, in southern England, the rural over urban savings premium is significantly smaller: South East (10%), South West (10%) and East Anglia (12%). [See Table 3]

The largest average balances amongst rural local areas are held by savers in the Chilterns (£12,451), followed by Derbyshire Dales (£11,410), Hambleton (£11,316), Waverley (£11,119) and New Forest (£11,091).

While the rural premium is smaller in the southern England overall, 14 of the top 20 savings areas are nonetheless in the South. In addition to Derbyshire Dales and Hambleton, high savings areas outside the South include Ryedale (£10,661), Rutland (£10,621), Eden (£10,250) and the Malvern Hills (£10,232). [See Table 4]

The largest savers in rural Wales are in Powys (£9,675). The biggest savers in rural Scotland are in Aberdeenshire in Scotland (£10,191).

Lowest Balances

The nation's lowest rural savers are in East Ayrshire with an average savings balance of £5,450: 40% below the GB average. [See table 5]

The other lowest savings rural areas are North Warwickshire (£6,373), Forest of Dean (£6,897) and Pendle in Lancashire (£6,974).

Savings balances and average earnings: the hotspots

Savers in Hambleton in North Yorkshire have the biggest average balances relative to earnings. The average savings balance of £11,316 in Hambleton is equivalent to 58% of average annual earnings in the area. This is the highest proportion across all local area districts (LAD) in Britain, including urban areas. [See Table 1]

Savers in three other rural local areas have average balances equivalent to at least half their annual earnings: the Cumbrian areas of Eden (51%) and Allerdale (50%), and Ryedale in North Yorkshire (50%). These are all popular retirement areas, which partly explains the relatively high average level of savings amongst inhabitants.

The lowest rural savers in relation to earnings are in East Ayrshire (24%), North Warwickshire (25%), East Hertfordshire, Forest of Dean and Waverley in Surrey (all 26%). [See Table 2]

Martin Ellis, economist at Halifax, comments:

"Some of the rural areas of Britain have an older population profile, many attracting relatively affluent retirees. These savers have had a long working life to build up their savings pot compared to younger savers. This would appear to be a key factor explaining the typically higher level of savings in rural areas compared with urban ones."

Table 1: 10 Rural Areas with highest average savings balance as a proportion of earnings

Local Authority District	Region	Average Balance* as % of Average Earnings (All)	Average Balance* as % of Average Female Earnings	Average Balance* as % of Average Male Earnings
Hambleton	Yorkshire & The Humber	58%	64%	45%
Eden	North	51%	65%	44%
Allerdale	North	50%	66%	41%
Ryedale	Yorkshire & The Humber	50%	79%	35%
Waveney	East Anglia	49%	66%	38%
Ceredigion	Wales	47%	59%	38%
Herefordshire	West Midlands	46%	65%	34%
Arun	South East	45%	65%	32%
Powys	Wales	45%	56%	38%
North Norfolk	East Anglia	45%	64%	34%
Rural GB		36%	51%	28%
Urban GB		32%	39%	27%

Source: Halifax (October 2011) and the ONS (April 2011)

Table 2: 10 Rural areas with the lowest average savings balance as a proportion of earnings

Local Authority District	Region	Average Balance* as % of Average Earnings (All)	Average Balance* as % of Average Female Earnings	Average Balance* as % of Average Male Earnings
East Ayrshire	Scotland	24%	31%	21%
North Warwickshire	West Midlands	25%	37%	19%
East Hertfordshire	South East	26%	39%	20%
Forest of Dean	South West	26%	38%	21%
Waverley	South East	26%	47%	17%
South Oxfordshire	South East	27%	46%	18%
Maldon	South East	27%	48%	20%
South Northamptonshire	East Midlands	28%	41%	20%
East Hampshire	South East	28%	41%	21%
Aylesbury Vale	South East	28%	45%	21%

Source: Halifax * October 2011

Table 3: Average Savings Balances by Region – Rural v Urban Areas

Region	Rural Average Balance (£) *	Urban Average Balance (£) *	Difference rural above urban
North	8,898	7,296	22%
North West	8,796	7,475	18%
Yorkshire & The Humber	9,217	7,940	16%
West Midlands	9,203	7,338	25%
East Midlands	9,071	7,579	20%
East Anglia	9,465	8,437	12%
South East	9,766	8,851	10%
South West	8,802	7,981	10%
Scotland	8,805	6,846	29%
Wales	8,812	7,211	22%
Rural GB	9,202	7,906	16%

Table 4: 20 Rural Areas with Largest Average Savings Balances

Local Authority District	Region	Average Balance (£) *
Chiltern	South East	12,451
Derbyshire Dales	East Midlands	11,410
Hambleton	Yorkshire & The Humber	11,316
Waverley	South East	11,119
New Forest	South East	11,091
Tandridge	South East	10,961
South Cambridgeshire	East Anglia	10,942
East Dorset	South West	10,864
West Dorset	South West	10,793
Vale of White Horse	South East	10,671
Ryedale	Yorkshire & The Humber	10,661
Rutland	East Midlands	10,621
Uttlesford	South East	10,535
South Oxfordshire	South East	10,517
East Devon	South West	10,433
Waveney	East Anglia	10,272
Suffolk Coastal	East Anglia	10,257
Eden	North	10,250
Malvern Hills	West Midlands	10,232
Mid Sussex	South East	10,231

Source: Halifax * October 2011

Table 5: 10 Rural Areas with Lowest Average Savings Balances

Local Authority District	Region	Average Balance (£) *
East Ayrshire	Scotland	5,450
North Warwickshire	West Midlands	6,373
Forest of Dean	South West	6,897
Pendle	North West	6,974
Thanet	South East	7,004
Melton	East Midlands	7,382
Fenland	East Anglia	7,568
North Lincolnshire	Yorkshire & The Humber	7,784
Mendip	South West	7,826
East Northamptonshire	East Midlands	7,936

Source: Halifax * October 2011

Editors' Notes**Note:**¹ Halifax customers for October 2011.

The data used in this research refers to balances at the end of October 2011 and relates to the balances per customer (i.e. it is an aggregate of all accounts held by the individual with Halifax).

Average earnings data is based on the ONS Annual Survey of Hours and Earnings figures for April 2011.

This analysis was undertaken using the Office for National Statistics (ONS) Urban Rural classification. This classification defines an area as a Rural Area if it lies in a town or village of less than 10,000, or as an urban area if it lies in a town or city of 10,000 or more. A rural local authority is one where the majority of people live in rural areas.

"This report is prepared from information that we believe is collated with care, however, it is only intended to highlight issues and it is not intended to be comprehensive. We reserve the right to vary our methodology and to edit or discontinue/withdraw this, or any other report. Any use of this report for an individual's own or third party commercial purposes is done entirely at the risk of the person making such use and solely the responsibility of the person or persons making such reliance." © Bank of Scotland plc all rights reserved 2012

For further information:

Halifax Press Team:

Clare Mortimer	01902 302252 / 07768 541555	claremortimer@halifax.co.uk
Emma Partridge	01902 325180 / 07824471951	emmapartridge1@halifax.co.uk
Nick Osbourne	0207 356 1714 / 07872819065	nicholas.osbourne@halifax.co.uk

Housing Economics Helpline No: 08456 045404

Email: housingeconomics@lloydsbanking.com