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This Halifax Savings Report highlights savings patterns in the UK. 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 387 UK local authorities.

The figures in this report, by their very nature, exclude people who have no savings. Figures from the ONS Financial Resources Survey 2009/10 show that 30% of households have no savings (Table 4.9 - Households by amount of savings and investments).

## SAVINGS STACK UP IN THE SOUTH AS DIVIDE WITH NORTH EMERGES

**Women save 17% more of their gross annual earnings than men**

**When it comes to savings, customers in southern<sup>1</sup> England are outsaving those in northern regions by almost 13%, according to latest research from Halifax.** Customers in southern England have an average balance of £8,734 compared to £7,759 in northern areas of the UK.

### **Largest Balances**

There is a wide variation in average balances between regions; the biggest savers are in East Anglia with an average balance of £9,172; the lowest average balances are in Scotland (£7,332) – a difference of 25%. The average for the UK is £7,788<sup>2</sup>. [See Table 1]

At a local level, the highest average balances are held by residents in South Buckinghamshire (£13,500); followed by Kensington and Chelsea (£13,366) and Mole Valley (£13,002). Eighteen of the top twenty savings areas are in southern England. The two exceptions are Derbyshire Dales (£11,410) and Hambleton (£11,316). [See Table 2]

The highest average balance in Scotland is in Aberdeen (£10,640). In Wales it is in Powys (£9,675) and in Northern Ireland in Coleraine (£9,148).

### **Lowest Balances**

The nation's lowest savers are in North Lanarkshire with an average savings balance of £3,579; over 50% below the UK average, and almost 75% below the average in South Buckinghamshire.

Whilst five of the ten lowest savings areas are in the capital - including Hackney (£4,256), Newham (£4,624) and Lewisham (£5,141) - the other areas are all outside the south. These include West Dunbartonshire (£4,614), Glasgow (£4,885), Midlothian (£4,986) and Manchester (£4,992). [See Table 3]

The majority of areas with a savings balance below the UK average of £7,788 are outside southern England.

### **Savings Balances and Gender**

Nationally women (£7,981) just edge men (£7,657) with slightly higher savings balances – a difference of just four per cent. Regionally the biggest differential is in the South East (6%) and East Anglia (5%) where women have a

higher average savings balance than men. The only regions where men outsave women are Scotland (14%) and the North (1%).

There are, however, some marked differences within local areas. For example, in Waverley in Surrey average female balances are 28% higher than those held by men (£12,385 compared to £9,709). Waverley is followed by Adur, where the difference is 24% (£8,271 compared to £6,655) and Oadby and Wigston 22% (£8,941 compared to £7,336).

In contrast, there are several areas where men have substantially higher average balances than women, such as in East Lothian where the difference is 49% (£10,433 compared to £6,981); followed by Inverclyde (38%, £10,630 compared to £7,678) and Omagh (32%, £9,454 compared to £7,147).

### **Savings balances and average earnings**

Female savers in the UK have an average savings balance equivalent to 40% of their gross annual earnings – 17% more than male savers who have an average balance of 23% of their earnings.

Women save a bigger proportion of their earnings than men across all regions in the UK. The research shows that women have a savings balance equivalent to almost half (48%) of their earnings in the South West; closely followed by Yorkshire and the Humber, East Midlands and East Anglia (all 47%). Savings by men are highest in proportion to earnings in Northern Ireland (31%). The lowest levels of savings relative to earnings are in London for both women and men (31% and 18% respectively). [See Table 4]

Savers in Hambleton in North Yorkshire have the biggest savings balances relative to earnings. The average savings balance of £11,316 is equivalent to 58% of average earnings in the area. Savers in five other local authority districts (LADs) have average balances equivalent to at least half their earnings; Eden in Cumbria (54%), Christchurch in Dorset (52%), North Norfolk (51%), Waveney in Suffolk (50%) and West Devon (50%). These are all popular retirement areas, which serves to boost the average level of savings amongst inhabitants.

In contrast, savers in Islington have an average balance of £7,133; equivalent to just 12% of average local earnings – the lowest in the survey. Nine of the ten LADs with the smallest levels of savings to earnings are in London; the exception is North Lanarkshire in Scotland (16%).

There are two factors that are likely to be boosting women's savings: firstly, tax benefits; higher tax rate paying husbands transferring savings into their wives' names to reduce the amount they pay in tax and secondly, elderly single females who are left with the savings when their husbands die.

### **Martin Ellis, economist at Halifax, comments:**

“Two key themes emerge from the Halifax savings survey. Firstly, there is a wide variation in regional balances and secondly women appear to be saving more than men. Whilst women typically have slightly higher savings balances than men, the difference as a proportion of earnings is quite substantial. Female savers seem to be managing to devote more of their earnings to savings.

“Saving habits can differ greatly, with many savers putting away spare cash for an event such as a holiday or wedding, however, it is still important to plan for the long-term future, such as saving for retirement.”

## UK Savings Male and Female Average Balance



Source: Halifax

**Table 1: Average Savings Balance by Region**

Region	All Customers Average Balance (£) *	Female Average Balance (£) *	Male Average Balance (£) *
North	7,595	7,568	7,632
North West	7,522	7,597	7,453
Yorkshire & The Humber	8,094	8,255	7,936
West Midlands	7,667	7,732	7,613
East Midlands	8,233	8,326	8,165
East Anglia	9,172	9,389	8,941
Greater London	8,289	8,452	8,194
South East	9,041	9,311	8,757
South West	8,408	8,514	8,296
Scotland	7,332	6,836	7,911
Wales	7,650	7,739	7,562
Northern Ireland	7,846	7,932	7,774
<b>UK</b>	<b>7,788</b>	<b>7,981</b>	<b>7,657</b>

Source: Halifax

**Table 2: Largest Average Savings Balances**

<b>Local Authority</b>	<b>Region</b>	<b>Average Balance (£) *</b>
South Buckinghamshire	South East	13,500
Kensington and Chelsea	Greater London	13,366
Mole Valley	South East	13,002
Elmbridge	South East	12,771
Chiltern	South East	12,451
Christchurch	South West	12,398
Richmond upon Thames	Greater London	12,326
Windsor and Maidenhead	South East	12,289
St Albans	South East	11,992
Epsom and Ewell	South East	11,722
Wokingham	South East	11,617
Derbyshire Dales	East Midlands	11,410
Harrow	Greater London	11,388
Barnet	Greater London	11,350
Hambleton	Yorkshire & The Humber	11,316
Cambridge	East Anglia	11,192
Sevenoaks	South East	11,140
Brentwood	East Anglia	11,131
Waverley	South East	11,119
New Forest	South East	11,091
<b>UK</b>		<b>7,788</b>

Source: Halifax \* October 2011

**Table 3: Lowest Average Savings Balances**

<b>Local Authority</b>	<b>Region</b>	<b>Average Balance (£) *</b>
North Lanarkshire	Scotland	3,579
Hackney	Greater London	4,256
West Dunbartonshire	Scotland	4,614
Newham	Greater London	4,624
Glasgow City	Scotland	4,885
Midlothian	Scotland	4,986
Manchester	North West	4,992
Lewisham	Greater London	5,141
Barking and Dagenham	Greater London	5,245
Southwark	Greater London	5,431

Source: Halifax \* October 2011

**Table 4: Average savings balance as a proportion of earnings**

	Average Balance* as % of Average Earnings (All)	Average Balance* as % of Average Female Earnings	Average Balance* as % of Average Male Earnings
North	34%	43%	28%
North West	31%	41%	25%
Yorkshire & The Humber	35%	47%	27%
West Midlands	32%	43%	26%
East Midlands	34%	47%	27%
East Anglia	33%	47%	25%
Greater London	22%	31%	18%
South East	30%	45%	23%
South West	35%	48%	28%
Scotland	30%	35%	26%
Wales	34%	43%	28%
Northern Ireland	36%	44%	31%
<b>UK Average</b>	<b>29%</b>	<b>40%</b>	<b>23%</b>

Source: Halifax and the ONS

### Halifax Savers Prize Draw

The first Halifax Savers Prize Draw will be drawn in the coming week and will give Halifax savers the chance to win a range of cash prizes ranging from £100,000 to £100. This innovative scheme will see Halifax savers, with balances of £5,000 or more, gain the opportunity to win a cash prize in a series of monthly draws.

Halifax Savers Prize Draw details:

- Prizes each month: three x £100,000, 100 x £1,000 and 1,000 x £100
- The first monthly prize draw will be held in early December 2011
- Monthly draws take place in the first three working days of each month
- All prizes awarded are in addition to any interest paid

Entry Criteria

- Customers must hold an aggregate balance of £5,000 in one or more qualifying savings accounts<sup>2</sup>
- Customers must register to be entered into the draw
- Customers must be 18 or over and be resident in England, Scotland or Wales
- One entry per customer

Registration is quick and easy. Customers can register by filling in a form at [www.halifax.co.uk/saversprizedraw](http://www.halifax.co.uk/saversprizedraw) or calling the dedicated phone line on 0844 571 50 76.

### Editors' Notes

<sup>1</sup> Southern England is made up of Greater London, South East, South West and East Anglia. The North includes the remaining English regions, as well as Wales, Scotland and Northern Ireland.

<sup>2</sup> Halifax customers for October 2011.

<sup>3</sup> Halifax savings accounts not eligible for the draw include accounts held for, or on behalf of children, including child-specific accounts such as Save4it, Children's Regular Saver and Young Saver, the Halifax Christmas Saver and any accounts held for non-personal reasons such as a club, charity or business account. Bank of Scotland savings accounts are also eligible.

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 2010.

"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."

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