

Irish Life launches major research into savers plans for SSIA windfalls

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67% of savers say they are likely to continue saving after their SSIA matures

More than half still have no plans for their money but

- **euro2.3 billion of SSIA money to be spent on home improvements**
- **euro1 billion on holidays and**
- **euro1.2 billion on home and overseas property**

Friday 12th May 2006. The SSIA boom has kick-started a savings habit which will continue after the SSIA's mature according to a major piece of research published today by Irish Life.

The research which was conducted by Behaviour and Attitudes for Irish Life explored the attitudes and plans of the 1.1 million SSIA investors. Amongst its findings were that 67% of SSIA investors indicated that they expect to continue saving after their product matures. Of this 67%, two thirds (77%) indicated that they will save the same or more as they saved in their SSIA.

The survey also found more than half the investors still have no definite plans on what they will do with their savings. While almost a quarter are considering investing some of their SSIA in pensions and other long-time savings products.

Of those who have made plans for their windfall, holidays, home improvements, cars and property feature most prominently. The survey shows that older people and working-class savers are more likely to spend their SSIA's while more "economically confident" people are more likely to keep their savings intact. The first SSIA's will mature this month with the balance maturing over the next year.

The survey of 1,200 adults is the first in a planned series of bi-monthly surveys aimed at determining the plans and intentions of SSIA holders. The survey is structured to reflect Ireland's adult population in terms of sex, age, social class, region and area of residence.

While more than half of SSIA holders still have no definite plans on how to spend their savings, the survey shows that those who encash in the first month, (May) are more definite about their plans than who will encash in subsequent months.

According to the survey, one in every three SSIA holders will use some of their savings on home improvements and some 20% of the total value of SSIA's or euro2.3 billion, is likely to be spent on the home.

The survey shows that 27% of account-holders will spend on a holiday and this will account for just over euro1 billion of the total saved in SSIA's while a further 16% of account-holders will spend euro820 million on cars. Property investment will feature prominently with one in every nine account-holders planning to invest in Irish property while 3% of the survey's respondents said they plan to invest in overseas property. Overall, the survey suggests that in excess of euro1.22 billion may be invested in home and overseas property by SSIA account-holders.

But the survey also shows that a large number of SSIA-holders have been bitten by the savings bug and will continue to save or will invest in pensions or other long-term savings products. More than euro1.75 billion worth of SSIA funds may be rolled over, a further euro554 million may be reinvested in pensions while some euro1.2 billion may be invested in other long-term savings products.

Of the 16% of account-holders who might consider non-pension long-term savings products, a quarter each said that they might invest in shares or managed funds while 19% might invest in a property fund.

According to the research, half of all SSIA savers are now saving the maximum but the monthly savings average stands at euro188.