

Young people 'make best savers'

Young single people make the best savers, according to a National Savings and Investments (NS&I) survey.

- 1 - People in the 16 to 24 age range save the highest proportion of their salary, the survey of 1,500 people found. However, young people are saving for more than four years, twice as long as a decade ago, for a deposit on a house.

- 5 - At the other end of the scale, people in the 35 to 44 age range put the least aside, because of the struggle to bring up families and pay mortgages.

Contradiction : People in the 16 to 24 age range save nearly 10% of their salary, far more than people in the 35 to 44 age grouping. However, people in their 30s and 40s are putting much more away in cash terms, as their salaries are higher on average.

- 10 - "The fact that members of the 16 to 24 age group are so willing to save contradicts the often held view that young people don't understand the value of money and are addicted to credit," Dax Harkins, senior savings analyst at NS&I, told BBC News.

"They seem to have taken the message on board that you have to save for what you want."

Hope : Generally, younger people are saving for near-term objectives such as university fees, a new car or a deposit on a house rather than for their old age.

- 15 - Nevertheless, young people are finding it harder than ever to clamber onto the property ladder. On average it takes four and a half years for a young person to save enough for a deposit on a home.

However, Mr Harkins draws comfort from the fact that young people are saving so much.

"The hope is that this propensity to save carries on into their 30s and 40s, that could help solve the UK's pension problems," Mr Harkins said.

- 20 - But people at the top end of the earnings scale, such as professionals, senior managers and judges, are putting away 7% of salary, about half the recommended level, the survey found.

"These people may not be saving enough to maintain their high living standards in retirement," Mr Harkins warned.

Propensity to save by age

Age range	Avg gross monthly salary	% Salary saved
16-24	£778	9.8%
25-34	£1,391	8.0%
35-44	£1,485	6.3%
45-54	£1,449	5.9%
55-64	£1,117	7.2%
Over 65	£924	4.6%

Source: National Savings and Investments (NS&I)

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