

# Your 30s are your savings peak



- Thirtysomethings are the most disciplined savers, putting away nearly 60% of their disposable income per month
- And it's older generations who are the big spenders, saving just over a third of their income
- But more than one in 10 have never opened a savings account, rising to one in five in their 20s

New research from Charter Savings Bank<sup>1</sup> reveals that those in their 30s are the savviest savers, setting aside 58% of their disposable monthly income each month – 16 percentage points more than the national average of 42%.

The average monthly disposable income for a 30-something is £486 (after paying bills), and the amount saved each month is £280. They have a higher disposable income on average than the UK as a whole which comes in at £452.

But their disciplined approach to saving means they save nearly 50% more than the national average of £191 a month.

Charter Savings Bank's study found big differences in the disposable income of men, at nearly £600, compared with women at just over £300, with women saving £134 a month compared with men saving £252.

The research found 11% of adults have never opened a savings account - the equivalent of around 5.7 million people. The number of non-savers rises to 20% among those in their 20s.

UK adults can perhaps be a bit more disciplined – just a tenth (10%) save a set amount of money each month which they don't touch.

The average size of a savings pot in the UK is £23,629. Those in their 70s have the most, at £44,542, while those in their 20s have just £5,440. There is a big gender savings gap with men having £12,000 more in savings than women at £29,549 compared to £17,611.

The table shows how saving breaks down across the decades – people in their 70s save the lowest proportion of their income but have the highest disposable income, while those in their 50s and 60s save just 35% of disposable income.

## Age breakdown of saving habits

Age Group	Monthly disposable income	Average saved each month	Average saved each year	% of disposable income saved each month	Average total savings
20s	£361	£191	£2,290	53%	£5,440
30s	£486	£280	£3,364	58%	£10,212
40s	£488	£213	£2,557	44%	£20,675
50s	£389	£136	£1,634	35%	£30,105
60s	£457	£159	£1,904	35%	£39,968
70s	£506	£145	£1,735	29%	£44,542
<b>UK</b>	<b>£452</b>	<b>£190</b>	<b>£2,291</b>	<b>42%</b>	<b>£23,629</b>

The main reason to save for all age groups is having cash for an emergency – but this becomes more important with age, with 63% of people in their 70s saving for a rainy day compared to 44% of people in their 30s. It’s not all about worries though - holidays are the second key factor for saving for people in their 40s, 60s and 70s. Long term financial security is the second most important factor for people in their 20s, while 30-somethings want short term financial security.

**Paul Whitlock, Director of Savings, Charter Savings Bank**, said: “It’s interesting to see that, no matter what age we are, a potential emergency is our primary motivator for setting money aside. Beyond that, everyone will have different priorities for how much they can afford to save and what they are saving for, depending on what stage of life they’re at.

“The important thing is to try and save as much as you can afford to, from as early an age as possible, and seek out the best rates possible. It may not seem worth putting a small sum away each month, but it’s a brilliant habit to get into, plus that money soon grows.”

### Age difference in motivating savings factors

Motivating savings factors	UK	20s	30s	40s	50s	60s	70s
In case of an emergency	52%	45%	44%	49%	56%	57%	63%
Holidays	31%	27%	25%	33%	31%	36%	36%
Long term financial security	30%	33%	23%	30%	37%	31%	26%
Retirement	23%	15%	15%	22%	32%	36%	23%
Short term financial security	20%	22%	28%	18%	19%	15%	16%
Home improvements	16%	10%	19%	17%	14%	18%	17%
For children/grandchildren later in life	12%	9%	14%	11%	10%	11%	20%
Property deposit	10%	26%	16%	11%	4%	3%	2%
Cars	8%	7%	9%	8%	7%	9%	6%
Luxury items	6%	10%	12%	5%	2%	4%	2%
Private investments	4%	8%	4%	4%	3%	4%	3%
Education fees for children/grandchildren	4%	3%	6%	7%	3%	2%	2%

<sup>1</sup>Opinium conducted research among 2,004 adults living in the UK on behalf of Charter Savings Bank between 12th – 16th October 2018