

The Money Charity

Press Release – **Embargoed until 19 September 2017**

(BEGINS)

THE MONEY STATS – A lifetime to save for a deposit?

Historically low saving rates and negligible returns on cash pots – not just rising house prices - make home ownership an ever more distant dream for many.

If someone on the average salary saved an average proportion of their income in the average-interest instant access savings account, it would take **68 years** to save the £33,806 deposit a first-time buyer typically puts down on a house.

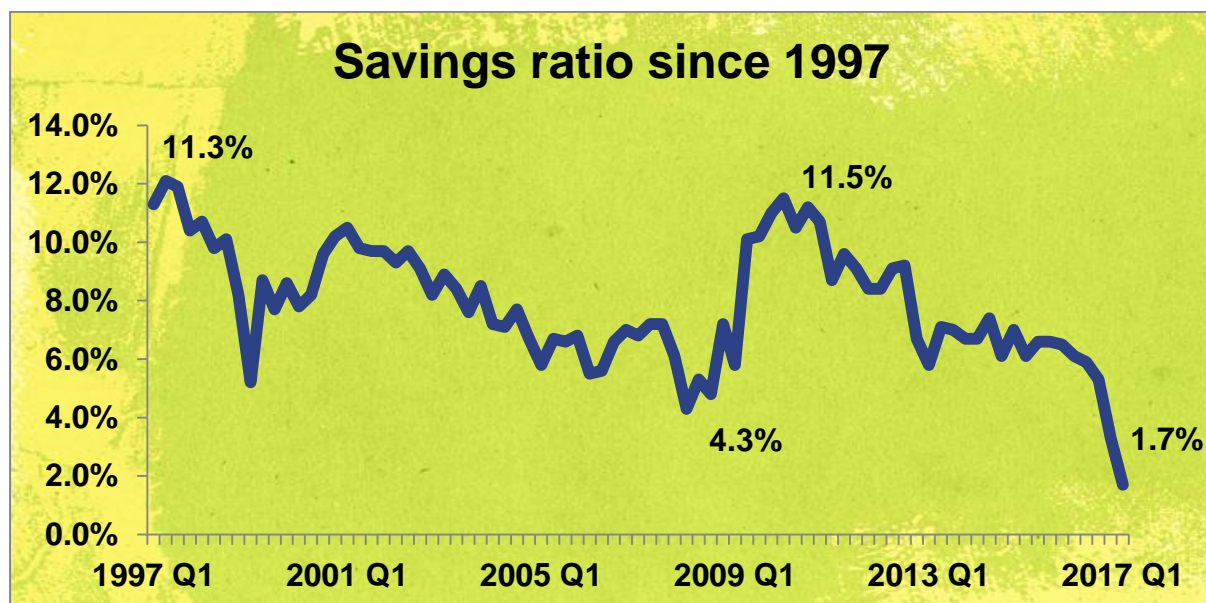
Yes, the “average person” does not really exist, but this gives you a sense of how far many people are from home ownership. This is the highest figure we’ve since The Money Charity began calculating the statistic.

Though they are rising, big driver is not deposits. The ever harder task of getting on the housing ladder has been driven by record low savings rates and returns on saving pots.

In the first three months of 2017, the average adult was saving just **1.7%** of their income. This is the rate of saving since the early 1960s, and less than a quarter of the long term average of 8%.

Making the situation tougher still for savers is the very low rates of return you get from instant access savings accounts - 0.12% in July. For a cash ISA, this was 0.32%.

This means that if someone on the average salary saved 1.7% of their income in an average instant access savings account for a year, they would receive **70p** in interest after tax. If they saved it in an average cash ISA, they would receive **£3.58**. Once you consider the inflation rate of 2.3%, these returns actually represent saving pots getting smaller.



Source: ONS

Steph Hayter, Chief Executive of The Money Charity says:

“We recognise that these figures are volatile, but the trend is clear: home ownership an ever more distant dream for those who don’t get financial help.”

“This should not put you off saving today. Just because one big goal might seem a long way off for a lot of people, it does not mean that saving is not a worthwhile thing to do. If you can put anything side it will make you more secure and put you in a better position to achieve your life goals.”

Other key points from the March Money Statistics include:

- Nationwide estimate that house prices fell by **0.1%** during August 2017, but were up **2.1%** on 12 months ago.
- Public Sector Net Borrowing (excluding public sector banks) was in surplus of **£0.2bn** in July 2017, meaning that the Government took in an average of **£6.5m per day** more than it spent during the month (equivalent to **£75 per second**).
- Outstanding consumer credit lending was **£201.524 billion** at the end of July 2017.

Get the full picture, and many more fascinating facts about money in the UK in our monthly Money Statistics.

(ENDS)

Notes to Editor:

- Full Money Stats will be updated at 7.30AM on 19th September
- Use #MoneyStats
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