

Saving for pleasures

Warsaw, 14.06.2013 - Can saving and pleasures go hand in hand? Apparently yes. In its online survey Bank Millennium found that 38% of respondents said they put money aside exactly with a view to pleasures.

Another 26% save for no specific purpose - simply for the future; 19% are putting money aside for a rainy day. Finally buying a house and educating the kids were indicated as the purpose of their saving by 12.7% and 4.5% respectively.

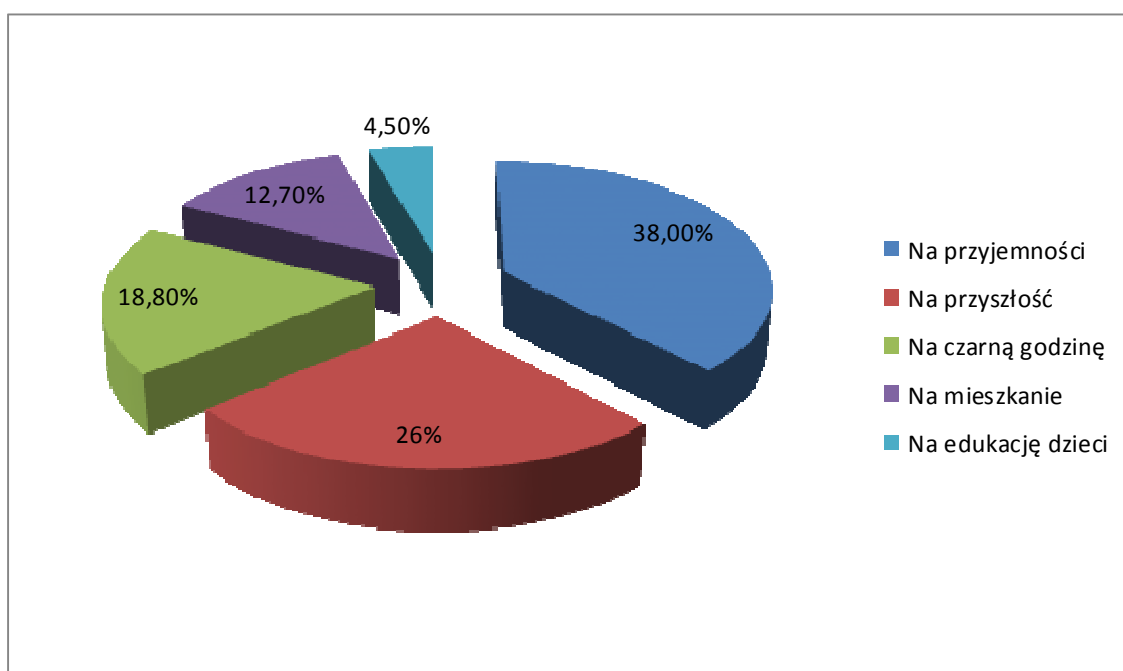


Chart 1: What are we saving for? Data from a Bank Millennium survey made in May 2013 on a sample of 409 people.

The results of our survey can provide excellent guidance for people who would want to start saving, at the same time avoiding the feeling of resigning from favourite things. If saving is to be for something nice, say ... summer holidays, then it will be much easier to put money aside every month - says Marek Ubysz, Head of the Savings Products Sub-unit in Bank Millennium.

The goal and habit are most important in saving

Linking saving with the thought that the money saved will be used for pleasures is an effective motivator for putting even small amounts on a regular basis. It is equally important to define a clear goal. The Konto Oszczędnościowe *Twój Cel* savings account can be quite helpful. Bank Millennium data indicate that people who use specific purpose savings accounts are more willing to specify what they would like to spend the saved money on in the future. 68% of them choose one of the goals proposed by the bank - it is usually the pension (16%), travel (13%), unforeseen expenses (12%), child education (9%) and buying a car (8%). One out of three holders of Konto Oszczędnościowe *Twój Cel* defines the goal personally. These people declare that they are saving for the wedding or first communion, a

business project or “the big goal”. Some customers save money for the family, even giving the goal the name of a dear person.

Defining the saving goal, preferably associated with something pleasant, can help in instilling the habit of putting even small amounts aside. Regularity is even more important than the interest rate. As Warren Buffett, an American investor, businessman and philanthropist says - *Do not save what is left after spending, but spend what is left after saving.*

What matters most in saving is regularity and the proper habits. However especially for those who are now in the process of forming these habits in them, product flexibility is important. The optimum solution for beginners is a savings account, which on the one hand permits growing of savings, on the other hand providing free access to the money - Marek Ubysz, Head of the Savings Products Sub-unit in Bank Millennium explains.

Savings accounts are growing in popularity. In Bank Millennium savings accounts are used actively by 400 000 customers. Money accumulated on these accounts is already a third of savings in banks and it continues to grow, approaching the level of funds kept on traditional bank deposits.

Poles vs. saving

In the present time we have a plethora of temptations and spending opportunities affecting us. This is why putting even a part of our income aside is perceived to be difficult. However saving does not mean separating ourselves from the “world of consumption” but rather controlling it - if only by developing the habit of regularly setting aside small amounts at the beginning of the month. After a time, with use of appropriate banking services, the accumulated amount can truly surprise us.

CBOS research shows that as many as 67% Poles think it makes sense to save for the future. Thus as far as declarations go we are reasonable and anticipating. An analysis of the structure of assets gathered in Bank Millennium shows clearly that declarations are followed by deeds. Half of the Bank’s customers have savings. Every third one actively uses a savings account while money kept on such products has grown over 20% since the start of the year.

For years now Bank Millennium has been consistently promoting saving habits and offers solutions, which facilitate putting money aside. Savings Centre provides customers not only with savings accounts, PLN and FX deposits. Internet and mobile banking also give access to Term Deposit Auctions and Happy Hours special offers, which can yield an extra 1% on top of the regular interest rate.

