**Media Release**

**Australians target a $15,200 savings nest egg**

*Mortgage comfort hits record high as Aussies turn to savings*

***Wednesday 23 January 2013:*** The ING DIRECT Financial Wellbeing Index shows Australians plan to keep a lid on debt and build a substantial savings buffer over the coming year.

Households’ comfort with mortgage debt has hit a record high with 64% of Australians ‘very comfortable’ with their mortgage. It comes as one third prioritise building cash savings over the year ahead.

**Key findings for Q4 2012 (surveyed in January 2013):**

* 32% are aiming to build savings - rising to 39% of Gen Y households (aged 18-34)
* Among those who plan to save more in 2013:
	+ 51% are aiming to build a financial buffer
	+ The average savings target is at least three months’ worth of wages - around $15,200[[1]](#footnote-1).
* 93%of Australian home owners are ‘comfortable’ with their mortgage - 64% are ‘very’ comfortable.
* 49% of households with a mortgage are ahead with repayments - the highest proportion since tracking began.
* 34% of households are better off than a year ago while less than 1 in 4 (24%) are worse off.

**Savings and debt reduction key goals for 2013**

Paying down or avoiding debt is the primary financial goal for 37% of Australians – a figure that rises to 46% among Gen X households (aged 35-49).

One in three households (32%) plan to save more in 2013. Younger Australians are the nation’s keenest savers with 39% of Gen Y (18-34) households aiming to build savings.

**Why we’re saving**

 51% of households want to build a buffer of spare cash. Other reasons for saving more include:

* 21% can now afford to save more now
* 18% are able to save now because they have paid down debt
* 16% are worried about job security
* 10% say the global financial crisis (GFC) was a wake-up call

**How we’ll save**

Among households planning to save:

* 41% will follow a stricter budget
* 39% will cut discretionary spending
* 29% plan to save on a regular basis
* 15% will take fewer holidays away.

John Arnott, Executive Director Customer, ING DIRECT says, “Australians have focused on debt reduction for much of 2012 and while this remains a priority a growing number of households are now turning to savings.”

“A target of $15,200 is a lot of money but it represents 3 months of average income and to have that sort of buffer in cash savings is a good thing for peace of mind,” Mr Arnott says

**-ENDS-**

For a copy of the full Report, go to the ING DIRECT [Online Newsroom.](http://ingdirect.wieck.com/channels/Finacial-Wellbeing-Index/releases)

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**Research methodology**

The ING DIRECT Financial Wellbeing Index was compiled by Galaxy Research from the online responses of 1,016 households between 3 January and 9 January 2013. The data was weighted by region and household size to reflect the Australian household population based on the 2006 census. The level of savings reported in the study is also calibrated to APRA national bank total deposits (households) to ensure accuracy of household savings levels.

**About ING DIRECT**

ING DIRECT began operating in Australia in 1999. By doing business online, over the phone and through intermediaries, ING DIRECT keeps it overheads low and passes the savings onto customers in the form of competitive rates. Today, it has grown to become Australia’s fifth largest retail bank, with $26 billion in deposits, more than $38 billion in loans and around 1.4 million customers.

**Please note ING DIRECT is never abbreviated to ING.**

1. *Based on national average after-tax income of $5,068 per month, according to the Q4 2012 Financial Wellbeing Index.*  [↑](#footnote-ref-1)