

## **Savvy Young Brits spend March Bonus on ISAs**

This year's March bonuses will not be spent on shopping sprees and shiny new cars. More than two in seven people (16%) plan to invest their bonus in an ISA instead, showing a more financially cautious approach in credit crunch Britain, according to new research by Selftrade, the online stockbroker.

Compared to this time last year when consumer confidence and spending was high, research now shows the purse strings are being tightened as the current economic climate takes its toll on Brits and they start to take better care of their money.

Dispelling the myth that the younger generation are more frivolous with their money, it is in fact these strapped for cash youngsters who plan to act the most sensibly by taking advantage of these tax efficient savings - one in four (25%) say they will invest their bonus in an ISA. This compares to just 14% of 45-55 year olds – those more typically thought to have money put aside for a rainy day.

With the ISA deadline around the corner, Selftrade asked a GB representative sample of over 2,000 people, what they are most likely to do with their bonus and pay rise this year.

### **Key Findings**

#### ***Counting the Pennies***

- Just one in 20 people (5%) plan to treat themselves with a shopping spree and only 3% of females plan to take themselves off on a spree, despite their well known love for shopping.

- Only 2% plan to buy a new luxurious car with their bonus, and more than four in five people (83%) are holding back and not spending their bonus on a holiday.
- One in eight Brits (13%) plan to use the extra money to help pay more of their mortgage and in the mood of the current housing market, only 2% are willing to put their bonus towards buying a second property.

### ***Investing the pounds***

- More than one in five people living in Wales (22%) plan to save using an ISA or invest their money in unit trusts or shares, and almost one in five Londoners (19%) plan to save using an ISA or invest their money in unit trust or shares.
- Almost one in five men are likely to save using an ISA (17%), compared to 13% of females.

***Stephen Barber, Head of Research at Selftrade commented*** – “It is encouraging that Brits are observing the current economic challenges by taking advantage of these tax efficient savings accounts. The young generation is clearly prioritising their financial future, and as an independent provider of ISAs we would advise them to shop around for an ISA to suit their financial needs.”

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FD Consumer Dynamics

For more information on Selftrade visit their website - [www.selftrade.co.uk](http://www.selftrade.co.uk)

The research was carried out by YouGov amongst a GB representative sample of 2,187 people in March 2008. Additional research is available on request.

- Selftrade provides a range of investment services and is one of the UK's largest execution-only stockbrokers
- Customers can manage their investments in Dealing, self-select ISA, PEP and SIPP Dealing accounts. Child Trust Funds, Child SIPP, Company Dealing accounts are also available. A CFD and spread betting service is provided by City Index.
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