

17.10.2006

Encouragements to save and statements on the importance of a nest egg for unforeseen events and for the future in general have been prevalent for a number of years. Because the government is reducing its role in providing for its citizens, general savings behaviour will play an increasingly important role in financial security after retirement.

Data collected by the Austrian National Bank (OeNB) indicates that savings behaviour in Austria has changed over the last 25 years. Most notable is the tendency to tie up savings for longer periods and to put money into riskier investment forms to increase earnings. The traditional „overnight“ base-rate sav-ings account has declined in importance, and more money was already deposited in security portfolios than in savings accounts at the end of the last century. In 2005, 11 per cent of Austrians held invest-ment certificates or bonds, and 15 per cent stocks. Insurance savings is growing by double-digit rates every year, and life and pension insurance accounts already comprise over 5 per cent of total wealth.

Saving did not decline in importance in 2006, either. Thirty-six per cent of those polled view saving as very important, 36 per cent as important, and 28 per cent as less or not important. The three traditional forms of saving, savings accounts, building association savings agreements and life insurance, have made further gains in importance in recent years. Significant in this development is the increased awareness of a the need for a secure financial future and increasing uncertainty with regards to pen-sions.

The descriptions that savers give regarding their own behaviour show that ensuring a secure financial future is a key motivation in their saving behaviour. Financial security with regards to unforeseen emer-gencies is of primary importance for 56 per cent. With regards to the actual act of saving, two-thirds set money aside regularly, and one-third irregularly depending on whether or not extra funds are available. The average amount saved per Austrian per month is €132.

Only eight per cent of Austrians are currently „non-savers“, whereby three-fourths of these persons in-dicate that they do not have sufficient income for saving. Half of this group also believes that their sav-ings situation will not improve in the next five years. But for this group as well, the primarily potential savings goal is setting up a financial safety net.

Fourteen per cent of Austrians are very satisfied with the amount of their savings, 36 per cent are satis-fied, and 50 per cent indicated that they are not entirely satisfied. The most prevalent savings goals are ensuring a basis for living, 76 per cent want to increase their financial security, and 44 per cent are sav-ing concretely for life after retirement. Roughly half of all savers intend to finance a specific purchase or home renovations.

In general, roughly one-third of the Austrian population views saving positively, and the most commonly indicated goals are financial security and covering future needs. Thoughts of increasing or maintaining wealth are secondary to establishing a financial base for retirement and one's own children.

50 Years of the „Sparefroh“

The savings banks introduced a mascot for International Saving Day in 1956 to remind people to save: the Sparefroh. What they could not know then was that they created one of the best known symbols of the Second Republic, with a current recognition rate of 96 per cent.

The Sparefroh, who's name can be roughly translated as the „Happy Saver“, was designed in the 1950s to signal that saving not only means going without now to have more in bad times, but that one could also happily save to purchase home appliances and furniture. The Sparefroh came into being at the beginning of what we now call the „economic miracle“ of the 1960s and 1970s, a period marked by a manifold increase in savings deposits that fuelled investments by businesses and consumption by private households. The little man with the red hat and yellow coin in the middle of his body was long a symbol of saving, and his name has become a common word in the German language. Even today, people who are thrifty are frequently called „Sparefroh“.

In the subsequent 50 years, the Sparefroh became a symbol for saving, was the mascot of the largest youth magazine in Austria and came to symbolise especially thrifty people. His cult status is also un-der-scored by the fact a 10

centimetre PEZ dispenser in a Sparefroh outfit recently changed hands for €1,300. Even though he has not been actively present for the last 20 years, the Sparefroh has not dis-appeared as many feared but is now celebrating a great comeback at Erste Bank and all Sparkasse banks. Eighty-three percent of those asked still recognise the Sparefroh, and even 100 per cent of per-sons older than 50. The nostalgic element is an important factor in the re-launch. The Sparefroh was given a makeover and a new job for his 50th birthday: he is to remind people of the current importance of saving and ensuring future financial security, and will show the wide range of products available for this.

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