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Erste Bank und Sparkasse presents results of large-scale private investment study 2007.

The increasing life expectancy, the general level of prosperity and the fact that the government is reducing its role in providing for its citizens have brought about a need for changes in Austria including the need to save towards a secure financial future. The tendency among Austrians to privately save has continued to increase – about 74 per cent of Austrians regularly save their money. Men, women, parents and grandparents are all saving. Austrians save an average of €87 a month. This accounts for 6 per cent of the average net monthly income of around €1,400. The residents of the provinces of Burgenland and Vorarlberg are the biggest savers in the country, saving €101 a month. However, about 26 per cent of all Austrians (1.8 million) are not yet saving for the future. Erste Bank und Sparkasse wants to increase the awareness of this issue and have therefore made private investment the focus of this year's World Savings Day on October 31. The results of a large-scale representative study of private investment behaviour, conducted by IMAS International, were presented at a nationwide press conference today.

"Savings accounts remain the most popular form of investment," said Peter Bosek, director of the retail customer division at Erste Bank. Eighty-three per cent of Austrian households use this savings option. This is followed by building society savings agreements – 69 per cent of Austrian households invest in these. Fifty-five per cent of households regularly make payments to a life insurance plan, although this varies drastically among different age groups. The middle-aged group (30–49) are the biggest investors in life insurance. Forty-four per cent of the population also invests in real estate (property, freehold flats or houses). This varies considerably by region: while only about 27 per cent of the Viennese own real estate, the number jumps to 58 per cent of the population in Burgenland. House building also plays a more important role in Salzburg, Vorarlberg and Lower Austria, where real estate ownership is at about 50 per cent.

"Youth savings-oriented, seniors secure"

In regard to future savings prospects, a sense of optimism generally prevails: 17 per cent of all Austrians think that they will be able to save more in the future. Sixteen per cent believe that they will be able to save less. The majority (67 per cent) are confident that they will be able to maintain their current level of savings. What is remarkable here are the vast differences among age groups. Forty-six per cent of the younger age group (15–29 year olds) say that they will be able to save more, whereas only 4 per cent of people over 50 say the same. "Young people are savings-oriented, the seniors already feel secure," said Bosek.

Retirement security is the most important motive for private investment

Building up a nest egg for retirement is cited as the most important reason for private investment by 70 per cent of Austrians. One reason for the importance of private retirement investment is the uncertainty of government retirement plans. Thirty to forty-nine year olds are the most concerned about retirement.

Nevertheless, Manfred Bartalszky, product manager at Erste Bank, sees the average Austrian as more of a "reasonable saver" than a "worry saver." He said, "Indeed, some of the information suggests 'worry saving', but overall, the reasons given for saving are very reasonable."

When asked what they want to do with their savings aside from saving for their retirement, most people said they want to travel (26 per cent). Taking care of children and grandchildren was the second most popular answer at 12 per cent. Ten per cent of Austrians want to use the money to renovate or remodel their homes.

The Erste Bank product manager sees the reason for the increased status of savings mainly in the many public retirement debates in recent years. According to Bartalszky it seems that "retirement and financial security are extremely important in Austria." People save for the future in order to avoid financial hardship and uncertainty. Above all, the motives are to "improve retirement funds," to "maintain a certain standard of living," or to be prepared in case of "sickness or the necessity of nursing care." About half of all Austrians are saving for other people in addition to themselves. This is particularly true for the middle-aged group. They are saving primarily for their children and partners. A quarter of the 50+ generation are saving for their grandchildren.

As of now, about a fourth of Austrians (26 per cent) have not yet started saving for the future at all. The main reason for this is that it is "not financially possible." This holds true particularly among women (35 per cent).