

2010 provisions study: Austrians pay provisions of 111 Euros/month and bequeath assets worth 80,000 Euros

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17.06.2010

- 74% of interviewees did not change their attitude towards provision payments despite the crisis
- One in two Austrians also provides for their family
- Just under EUR 80,000 are bequeathed, but only one in five people has settled inheritance matters

The new “2010 family provisions study” conducted by GfK-Austria on behalf of s Versicherung und Erste Bank & Sparkasse has yielded surprising results: The 1,000 Austrians surveyed, aged between 25 and 60 years, have a very modern perception of the family concept. Along with the traditional family, 62% of those interviewed also consider patchwork families and committed co-habitation relationships as fully-fledged family. Heinz Schuster, executive of s Versicherung says that “Austrians have a very modern perception of the family concept. However, the idea today is to have a career or experience other things first before having children. This means people are starting families much later than 20 years ago.” There are also astonishing results with regards to inheritance: On average, Austrians expect an inheritance of 80,000 Euros – in the form of savings, property and other assets.



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71% believe family is very important for a fulfilled life

Austrians are clear family people. For 71% of those interviewed, family is the most important factor for a fulfilled life. 63% of Austrians consider a partnership to be important, and 56% place importance on having their own children. What is interesting here is that career and free time are only considered important for a fulfilled life by 27% and 23% of the interviewees respectively. Despite a modern family concept, traditional values such as health, time for another and mutual help continue to play a central role even today.

67% of families unaffected by the crisis

The study produced surprising results for the question of whether the latest financial crisis has had a negative effect on private/family life: 67% do not consider themselves to be affected by it. Around 51% of interviewees do, however, mention impacts on their financial situation, and 47% state that the crisis caused job-related stresses. The surprising thing here is that the economic crisis’ negative impact on jobs and finances clearly did not have a domino effect on private life and family, Heinz Schuster adds.

Various attitudes towards provision payments depending on age, but no change as a result of the financial crisis

In total, 74% of the interviewees did not change their attitudes towards provision payments despite the crisis. Indeed, 8% of Austrians even want to spend more money on pension planning in future. There are vast differences here depending on age group. The number of 25 to 29-year-olds wanting to increasingly spend money on pension planning in future is more than twice that of the 30 to 39-year-olds. This is summarised by Peter Bosek, Erste Bank Oesterreich private customer executive: “Austrians know that the



crisis will pass. Young Austrians in particular are now already very sensitised and are concerned about their state pension, and are therefore making more provisions for it”.

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Family provisions are a matter of course for one in two Austrians

The Austrians’ distinctive family-oriented nature is also evidenced financially. 49% of the interviewees consider it a matter of course to provide for one’s own family. 36% are also confident that the financial services utilised by them will be well suited to their family provisions. It is also astonishing that a remarkable 37% of the population would like to do more to provide for their family, but believe they cannot afford to do so. “People definitely need to be told that retirement provisions do not need to be large sums. The only thing that matters is to start early”, says Bosek, who adds that “only 6% of the interviewees would rather indulge themselves and leave their offspring to build their own future”.



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Austrians would spend 72 Euros on providing for others, and 111 Euros on themselves

On average, the Austrians would spend 111 Euros on making provisions for themselves. A good, but hardly surprising, result. What is more astonishing, however, is the fact that the people are also very generous when it comes to providing for others: They would spend a remarkable 72 Euros a month on this.

50% have provided for their partner or children

Austrians are keen when it comes to providing for themselves. A substantial 82% have already made provisions for themselves. It is thus all the more surprising that only 50% of the interviewees have also provided for their children. 23% state that they cannot currently afford to make financial provisions for their offspring. “A surprisingly small number will also provide for their extended family such as nieces, nephews and other relatives. Only 4% make financial provisions for a relative, and only 4% would like to do so”, Schuster says.

One in two people do not believe in state pensions

The study has shown that every second Austrian (51%) believes the state does not adequately provide for families. At the same time, Austrians are particularly dubious of the security of state pensions, which is why 84% of the population consider private old-age pension an important matter. “We are seeing – particularly in recent years – a drastic change in awareness here, especially among young people. Hardly anyone expects to be able to live purely off the state old-age pension in the latter years of their life”, Schuster adds.

Provision instruments: Life insurance on top, premium-aided models and building society savings plans popular – security continues to be the main priority

Three quarters of the interviewees (75%) immediately associate the term financial provisions with life insurance. Life insurance primarily scores here because of its security and stability. With 56% of mentions, protecting one’s family – along with providing for oneself – is the clear focus here.

The Austrians’ great emphasis on security is also reflected in their financial provision solutions. 43% of interviewees consider life insurance to be the best product for retirement provisions. 41% rely on premium-aided retirement planning. According to insurance expert Schuster, “simple insurance products with longer terms are very popular among Austrians when it comes to old-age provisions”. However, 38% of people also like building society savings plans as a retirement planning product. Company pension schemes lead a shadowy existence in this country. Only 8% of the population considers this to be the ideal product for retirement planning.

56% of the interviewees have been involved with the “bequeathing” issue – only 20% already have everything arranged

The issue of inheritance is of major importance among the population. 56% have already been involved with it. One in five people (19%) have not yet addressed it, but are sure they will bequeath something at some point. The reason for this is clear: Austrians today are a “generation of heirs”: Expected inheritances total an average of 79,896 Euros, whereby the 25 to 29-year-olds expect an average inheritance in cash or assets worth 87,000 Euros, while this is 71,000 Euros for the 50 to 60-year-olds. “56% assume they will inherit a savings bank book or cash. 46% leave behind a single-family home, and 37% life insurance”, says Peter Bosek. The local population would rather not spend an inheritance on luxury items (4%), but instead re-invest it in financial protection for their family (48%). The 25 to 29-year-olds are also surprisingly cautious here. 45% of this group would save the inheritance for their old age.

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