

Study: Austrian Savers Put EUR 165 Aside Every Month

[Back](#)

11.10.2010

- Record level: 8 out of 10 Austrians have savings passbooks
- Motivation to save decreases slightly anyway to 41%
- 1.1 million Austrians visit their savings and commercial banks on Worlds Savings Day
- Many young Austrian are unable to explain financial terms

The “incentive to save” has diminished slightly among Austrians. After rising to a record level last year (49%), this year only 41% of the population assessed saving money as important. In a popularity ranking of investment products, the savings passbook has risen again from 78% to 83% since 2009. The monthly savings amount was stated by the persons surveyed at EUR 165 which is EUR 10 more than in the preceding year. A share of 57% of investors is satisfied with this savings amount. In response to the question why save money at all, the response in 86% of the cases stated “financial security” as of predominant importance. 1.1 million Austrians are planning to visit their banks on this year’s World Savings Day. According to the survey, many Austrians have difficulties explaining terms from the world of finance such as inflation, foreign exchange and the ATX. These are the results of a representative survey conducted by the polling institute IMAS on behalf of Erste Bank and Sparkassen.

Savings on the rise, but significance is sinking

If one asks Austrians how important it is to “save” money, 41% consider it very important. By comparison, the pre-crisis value in 2006 was 36%, but in 2009 when insecurity was higher, it was 49%. “This shows us that something similar to normality is gradually returning. The era of squirreling away money is over,” said Peter Bosek, CEO of Erste Bank Oesterreich for retail and corporate customers. Nonetheless, there was an increase in the volumes saved versus the previous year: In 2009, EUR 155 per month was saved, while this year the average per month was EUR 165. The most eager savers of the nation live in Vorarlberg with a record level of EUR 187 (+17%); in Vienna the average is EUR 163 (-5%), while the laggards live in Styria with EUR 155 (+27%) per month. More than half (57%) are satisfied with their current savings levels.

The savings passbook is the “nest egg for emergencies”

As regards type of savings, the oldest form of putting money aside, the savings passbook holds first place in popularity. A share of 83% of the persons surveyed hold savings passbooks or a savings card account, which means a gain of 5% versus the previous year. Second place is taken by building society savings schemes with a share of 58%, and 43% have life insurance policies. Securities and funds are still quite popular investment products among one-fourth of the Austrian population, while only three percent rely on saving their money at home. “The fact that only three percent of Austrians keep their money at home or in a safe shows that the trust placed in banks is not all that low,” said Bosek.

The majority of savers (86%) put aside money to provide for “financial security”. This reason for saving money has risen by 10 percentage points in the last 10 years. A second reason given is retirement provisioning (49%) followed closely by the goal of saving money for larger acquisitions such as for an automobile or new home (46%).

Despite the high savings ratio, Austrians are still worry about the security of their savings. More than two-thirds fear rising inflation in the near future, and 56% fear a plunge on stock markets.



[Download \[jpg: 488.6 KB\]](#)

Savings ratio shrinks in Austria

After a record savings ratio of 12% in 2008 - still 11% in 2009 – the ratio in 1Q 2010 dropped to only 9.8%, and therefore around the level of 2005. However, in European comparison the Austrian ratio is nonetheless high. According to Statistik Austria, the net savings ratio in the EU27 member states was 5.5% in 2008, 7.8% in 2009, and 7.6% in 1Q 2010. “This decline during a phase of low interest rates is a perfectly normal phenomenon,” explained Mr. Bosek. Erste Bank and Sparkassen reported deposits of over EUR 53 billion in the first half-year of 2010.



[Download \[jpg: 257.6 KB\]](#)

World Savings Day: 1.1 million visitors

World Savings Day is still a special day: All in all, 1.1 million Austrians (16%) declared that they would visit their bank. Among the 15 to 21-year olds, the incentive is even greater: nearly 163,000 (23%) of young people intend to visit their bank on this day. Nearly three-quarters of people visit the bank on World Savings Day for traditional reasons, and four out of ten take advantage of this day to take their children and nephews on an outing, while for nearly one-third the incentive is the World Savings Day gift. “Intensive and personal contacts with customers are particularly important for the employees of the savings banks. The World Savings Day is a good

opportunity to talk to customers in a setting outside of official business,” said Michael Ikrath, Secretary General of the Austrian Association of Savings Banks (Österreichische Sparkassenverband).

Frequent difficulties in explaining financial concepts

How well are Austrians informed of more or less everyday concepts from the world of finance? Based on the widespread significance of the topic, the John and Jane Does of Austria were asked to explain a number of concepts. The results delivered a mixed picture: One-third was not able to explain or only incorrectly explain the concept of interest, and half did not know what foreign exchange means. Approximately every second Austrian was not able to give any information on what gross domestic product or the ATX is. Only the word inflation was explained correctly by 79%, but 15% did not know what inflation is. The situation is a bit more dramatic in the group of 15 to 21-year-olds: 83% do not know what foreign exchange is, two-thirds have no idea what the ATX is and 75% cannot explain gross domestic product.

Surveys in other EU countries have arrived at similar findings, and as a consequence the EU has requested the member states and the companies in those states to do something about the lacking knowledge and the resultant problems such as overdrawn accounts, indebtedness among youths and a general carelessness in money matters. “The savings bank group doesn’t need to wait for this request: each member of the savings bank group has long since been contributing to this effort and they offer a range of projects. This is the only way that our school children will be able to grow up to be responsible, independent and conscientious consumers and to teach them as best as possible to be critical towards consumer goods, financial products and in daily business dealings,” said Michael Ikrath, Secretary General of the Austrian Association of Savings Banks (Österreichische Sparkassenverband).



[Download \[jpg; 506.7 KB\]](#)

[Back](#)