

## Study: Every tenth Austrian wants to invest in securities

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62% expect the highest returns from gold and real estate

One out of ten Austrians are willing to buy securities

EUR 50,000 available for investing: real assets and savings accounts top the list

### Ready to invest?

In the current setting of low effective interest rates on savings accounts, the topic arises if people in Austria are (again) ready to invest in securities. Every tenth Austrian investor is expressing a high to medium degree of willingness to buy securities in the coming 12 months. The rest reject the idea of buying securities in the near future. The reasons given are mainly insecurity created by the financial crisis (84%) and insufficient information on securities (80%). *“Apparently a lot of communication work still needs to be done,”* said Mr. Schaufler, investment expert at Erste Group. The best returns are attained by savers and investors when their investments are broadly diversified. *“It is always a mistake to put all your eggs in one basket,”* added Mr. Schaufler. This is true for savings accounts as well as for investments in securities. Austrians traditionally tend to be conservative in money matters. The average Austrian considers the riskiest investments to be shares (77%), funds (53%) and bonds (44%). Savings passbook accounts and building society schemes are viewed as the most secure form of investing; only 5% consider these highly risky.



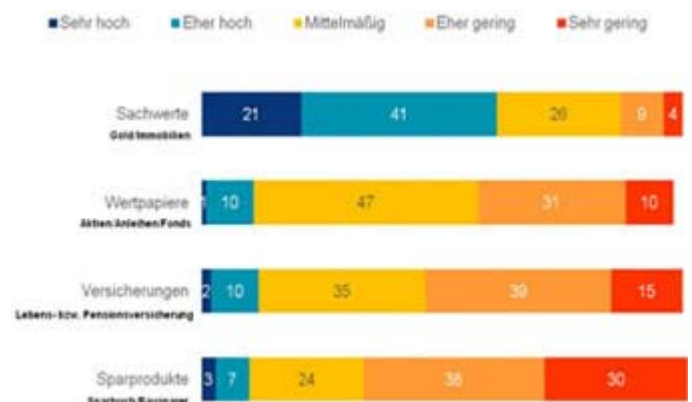
Thomas Schaufler,  
investment expert at Erste  
Group

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### The right mix is what generates returns

*“Investments with moderate risk that beat inflation are what most investors wish for right now in times of low interest,”* explained Mr. Schaufler. According to a current survey, Austrians expect to earn the highest returns on investments in gold and real estate (62%). Securities (11%) along with insurance policies (12%) rank only in the middle range as regards earnings expectations. Only 7% expect to earn high returns on savings passbook accounts and building society schemes, but almost every Austrian has one anyway.

The trend to invest in real assets has been observed for some time now. *“But gold serves at most as admix making up 5% to 10% of total assets. With respect to real estate though, prices have meanwhile risen to exaggerated levels and caution is advised,”* explained Mr. Schaufler.



Estimated returns (figures in %)

### Surviving the crisis

From the oil crisis in 1973 until the financial crisis of 2008, those investors fared the best that diversified their assets widely.

There is no segment in which trends move only upwards. For this reason, it is important to diversify broadly. Selecting the right asset class determines the success of an investment by more than 90%. Distributing assets according to a specific strategy minimises investment risk and increases the potential of higher returns. Since 1 January 2000, for example, the price of oil has risen 277%. *“Many people keep track of this, but do not invest,”* said Mr. Schaufler. Just like the needs of customers vary (rent, transport costs, food), investments should also be widely diverse. The aim is to not “only” to secure the nominal value, but to create the possibility of value stability that covers the needs of daily life. *“We expect interest rates to remain low in the coming years. In other words: If you do not want to live with negative real interest, now is the right time to think about how to distribute your savings,”* expounded Mr. Schaufler. The top priority must always be given to theme of risk. *“Times of high returns during which hardly any attention was paid to the theme of risk have long since been over. Customers now ask more questions, they want to understand precisely how a product works and it is our job as banks to explain this well.”*

### **How Austrians would invest EUR 50,000**

Assuming an inheritance of EUR 50,000, Austrians would invest the money as follows now. 43% in gold and real estate, 24% in savings accounts and building society savings schemes, and 18% in insurance policies. EUR 5,000 would also be invested in securities.

Here, it is recommended to increase diversification. An investment that in addition to interest-bearing products (building society savings schemes, savings, bonds) also includes stocks, currencies and commodities, creates the stability in a portfolio needed in times of crisis. Our special offer: customers that transfer their securities portfolios to Erste Bank or increase the funds in an existing portfolio can earn a bonus of up to EUR 500 (offer good until 31 July).