

Erste Bank Savings and Credit Outlook

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60% of Austrians say “The European debt crisis doesn't affect my personal finances”

Planned amount of savings drops further to €4,250

Planned average credit amount at €83,100

Sovereign debt crisis: 60% see no effect on their personal financial situation

How much do Austrians actually have left over to sock away in savings? A continually decreasing amount of currently 4,250 euro. That is how much survey respondents state they want to save or invest over the coming 12 months. In the comparable period of last year, this amount was still at 5,720 euro, so this is a decrease of 26%. The credit amount is almost unchanged at 83,100 euro. The European sovereign debt crisis so far doesn't bother Austrians. 60% think that it doesn't affect their personal financial situation. This is according to the most recent INTEGRAL survey, which is conducted on behalf of Erste Bank und Sparkassen four times a year.

Less Desire to Save

In what forms and how much do Austrians actually want to save in the coming 12 months? About 4,250 euro are left over on average for investment. Compared to this point in time exactly one year ago, a massive decline of 26%, as back then 5,720 euro were still available for this purpose. “A trend that has been in effect since the beginning of the year”, remarks Peter Bosek, Member of the Management Board. In the second quarter of 2012 the amount was still at 4,716 euro and at the beginning of the year even at 5,085 euro. Not surprisingly, the savings book remains the top choice, as seven of ten Austrians want to continue to rely on this well-established form of saving. “It is a trusted, safe form of saving. We recommend keeping about three monthly salaries in a savings account in order to be prepared for the emergencies of everyday life”, says Bosek. 60% swear by building savings contracts, and four out of ten want to put their savings into life insurance policies. However, lower interest rates on savings books and a current inflation rate of 2.8% also give savers an incentive to look for alternative forms of investment. In coming months Austrians also plan to invest in real estate (19%), gold (12%), bonds (12%) and stocks (11%). Only 14% plan not to invest any money at all in the near future.



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Constant Credit Demand, Amount Increases

At present 35% of Austrians are planning for big ticket purchases such as an apartment of their own, a new car or renovations. The majority (86%) will finance these with their own savings. A constant number of 14% however finances such purchases by means of credit. The average credit amount is 83,100 euro, which is slightly more than in the comparable time period of 2011 (81,800 euro). Interest rates on loans continue to be at a low level, it is however urgently recommended to hedge long term interest rate risk so as not to be faced with unaffordable repayment installments in case interest rates rise a few years hence.

Crisis, What Crisis?

The European sovereign debt crisis is on everyone's lips. While countries like Spain, Portugal or Italy are clearly feeling the strain, Austrians are evidently still only marginally affected by it. Almost 60% are of the opinion that the sovereign debt crisis in Europe has no impact on their personal financial situation. Although Austrians are only able to save about a quarter less than a year ago, they apparently see no connection with the developments in the euro area.

About the survey's design: Integral has interviewed 1,000 Austrians (representative of the population above the age of 14) via telephone about their planned savings and investments as well as their credit requirements. In addition they were asked about the impact of the European sovereign debt crisis on their personal financial situation. The survey has taken place between September 12 to September 26 2012.