

Erste Bank Savings and Credit Outlook

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Austrians: only one third expect an improvement in Europe's economic situation this year

Planned amount of savings at €5,700

Planned average credit amount at €78,800

2013: 35% expect an improving economy

Austrians on average plan to save and (re)invest about €5,700 in various investment products in 2013 (+4.4% compared to the previous year). The desire to take on credit has increased slightly as well, 13% plan to take out a loan with an average size of €78,800 (+14.5%). Regarding the economic recovery in Europe, Mr. and Mrs. Austria are only moderately optimistic: approximately one third expect the economic situation to improve this year.

Savings Amount on the Rise

At the beginning of the year, Austrians are once again keen to save. Approximately €5,700 are on average available for (re)investment in the coming 12 months. Compared to last year this is a notable increase of €240. If one looks back by only one quarter, the increase is even more pronounced: at the end of September only €4,250 were available (+34%) for the upcoming 12 months. At the beginning of the year the amount available for savings is traditionally higher, according to Peter Bosek, member of the management board: *"At year end many savings books mature, respectively a lot of rebalancing and renewed investment is undertaken when investment portfolios are checked at the end of the year."*

In what form Austrians save hasn't changed much, in spite of the low interest rate environment: the top spot is taken by the savings book at 66%, the building savings account loses a bit at 55% (-5%) and life insurance policies are in third place among the preferred types of saving at 40% (-4%). Investment funds at 18% (+3%) and bonds (+4%) showed strong increases.

Forecast: Savings and credit

Planned purchases and investments in the next 12 months
Situation in Q4 2012

Investments

Share of population



plan to invest money

Average amount intended to be saved

5,700 Euro (+4.4%) ↑

Major purchases

Share of population



plan major purchases

by taking out loans



Average amount intended to be borrowed

78,800 Euro (+14.5%) ↑



Source: Integral and Erste Bank

1,000 persons over 14 years old interviewed
In comparison with Q4 2011 ↑ ↓ ↔

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Credit Amount Increases

More than a third (35%) of Austrians are planning big ticket purchases in the next 12 months. 13% want to finance those with a bank loan, whereby the average amount clocks in at €78,800. Exactly one year ago the situation was still a bit different: only 31% had planned cost-intensive undertakings, 15% of which wanted to employ credit financing, however the average amount was somewhat smaller at €68,800. "Many people are exploiting the low level of interest rates to put planned projects into effect. However, hedging the currently low interest rate with a fixed rate agreement is in my opinion still an important step", Bosek says further.

State of Europe's Economy

With regard to the economic situation in Europe, the trend for more optimistic expectations for 2013 hasn't yet taken hold in Austria. Only one third believe that the economic situation will improve, the rest still see no recovery ahead. It is noteworthy that especially the country's younger people (ages 18-29) tend to have a more positive view: to wit, 44% of this group expect the economic recovery to happen already in 2013. Moreover, men are in a more upbeat mood (41%) than women (29%) in this country.