

Erste Bank Savings and Credit Forecast Survey: Austrians prefer to spend rather than save their money

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45% would rather spend, 35% prefer to save

Average 12 month savings amount: EUR 5,100

Credit amount declines to EUR 47,400

Austrians currently prefer spending their money (45%) rather than saving it (35%). The amount which is to be put aside over the coming 12 months stands at 5,100 euro, with the popularity of the savings book

in decline. Those who plan to take out a loan expect a lower financing volume than a year ago: 47,400 euro (-27%). This is according to the current savings and credit forecast, a survey conducted quarterly by INTEGRAL on behalf of Erste Bank und Sparkassen.

The favorite book of Austrians...

...declines in popularity. Only 59% want to put their money into a savings book in the coming year, a year ago this percentage was still at 65%. Building savings accounts remain stable at 52% (-2), similar to life insurance policies, which 4 out of 10 want to take out. Around one third intend to invest in a pension plan, 11% want to buy stocks, 14% investment funds and 9% bonds. In spite of its price correction, gold remains an investment choice for 10% and real estate is highly popular with 16%. Since 2012, savings deposits in Austria have declined by approximately EUR 5 bn., while sight deposits ("payable on demand") have increased by EUR 14 bn.[1]

[1] Source: IHS, incl. forecast to year-end 2014

Saving or Spending?

The amount Austrians intend invest or reinvest stands at 5,100 euro, last year it was at 4,500 euro. Low interest rates currently dampen the desire of Austrians to save. This is an effect the European Central Bank definitely welcomes, as it would prefer to see the money of savers being used for consumption in order to boost the economy. 45% of Austrians indeed prefer spending over saving (35%) at present, 18% feel no pressure to do either the one or the other. "In spite of low interest rates, one should keep investing in mind", says Peter Bosek, member of the management board at Erste Bank. Whether it is to have short term liquidity at one's disposal for the emergencies of everyday life, or with a view toward the future, such as a longer term investment for retirement purposes. In light of the current interest rate environment it seems in any event sensible to discuss the possibilities for beating inflation with one's bank advisor.



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Credit, yes please...

...but a little less. That appears to be the current motto of Austrians. An unchanged approximate one third plan major expenditures over the coming 12 months. 13% (-5) want to finance them by taking out a loan. 8 out of 10 want to use their own savings, while borrowing money privately is the choice of 6%. In terms of interest rates on loans, the low point seems to have been reached: *"3 month Euribor has a zero before the decimal point for the third year running already. Fixed interest rate loans are definitely advisable, in order to be able to incorporate foreseeable credit repayment rates in one's household budget"*, Bosek states. At some point, global interest rates will rise again, even though at present no-one can precisely forecast when this will happen.



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About the study: Integral has interviewed 1,000 Austrians via telephone (representative of the population above the age of 14) and asked them about their intended savings and investment plans as well as their financing requirements. The survey has taken place between 09. May and 30. June 2014. Unless stated otherwise, the comparative figures refer to same quarter of the previous year.

[Presentation \[pdf; 114.3 KB\]](#)

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