International: A surge for investment securities

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Findings of the Investment Barometer on the assets of private investors in Europe and the USA
Nuremberg/Frankfurt, July 13, 2007 â€“ Western European investors are showing far greater interest in investment securities while savings are falling behind. The proportion of non-savers in this region continues to increase and has almost matched the US quota for the first time. These are the findings of the current Investment Barometer survey carried out by GfK Custom Research Worldwide on behalf of the Wall Street Journal Europe.

Compared with the last survey conducted in the autumn of 2006, the savings behavior of private consumers has changed only marginally. Most people still prefer low-risk investment options. However, the proportion of those who said that they had savings deposits decreased in Western Europe from 47% to 39%. This is the lowest quota for years. A significant rise from 7% to 13% was recorded for bonds. In the UK , the proportion has increased from 16% to 40%. Overall, 34% of Western European savers currently invest in life insurance and pension funds. This represents a reduction of 3 percentage points compared with autumn 2006. At the same time, an increase of 3 percentage points to 22% of savers was recorded with regard to shares and stock-based investments.

Swedes and Belgians are the top savers
For the first time in the history of the Investment Barometer, the proportion of non-savers in Western Europe (44%) and the USA is almost identical. Just one year ago, 47% of Americans questioned were not investing in any of the options listed. This figure now amounts to 43%. The countries with most savers are once again Sweden and Belgium. Only 10% and 16% of respondents respectively indicated that they do not invest in any of the investment options listed. At 66%, the reluctance to save remains widespread in Central and Eastern Europe.

Based on the general trend in Western Europe , the proportion of non-savers has increased slightly in Germany. In spring 2006, 40% used none of the savings options mentioned. Today, this group accounts for 42%. Germans continue to favor savings deposits as an investment for their money. However, the proportion of the population saving in this way decreased from 46% one year ago to currently 44%. As before, Germans remain averse to investing at higher risk by buying shares. The proportion of those who said that they held shares amounts to 6%, which is well below the Western European average of 12%.

Shares popular in the USA
The number of American shareholders is relatively stable at 22%. In Europe, a comparable proportion of shareholders exist only in Sweden, Belgium , the UK and Switzerland. Concurrently, the demand for equity funds was slightly down by 1 percentage point to 16% in the USA. However, savings deposits cannot match the popularity recorded in the period from 2003 to 2005. While in the autumn of 2005 40% of American respondents indicated that this was how they invested their money, the figure has decreased to 32% today. At 24%, life insurance policies are at the prior yearâ€™s level. Pension funds lost 3 percentage points and now account for 23%.

Regional differences when it comes to future finances
As part of the Investment Barometer, the subjects concerned were also asked about whether they thought that they would be able to save more or less in the coming twelve months. The response highlighted considerable differences between the various regions. The assessment of Western Europeans has changed somewhat compared to the prior year. Overall, a third of respondents currently believe that they will be saving less compared with 37% in the same period of the prior year. Only 18% thought that they would be able to save more than before.

The optimism among Brits is waning. Where one third previously assumed that they would be able to save more, only 22% state this today. Spaniards and Germans are far less pessimistic about their financial future. In both countries, respondents believed that they would be able to put aside more cash in future.

In Central and Eastern Europe the figure has not changed, with only 9% believing that their savings will improve. Almost two thirds of Hungarians assume that they will be saving less in the next twelve months, with a mere 5% expecting the situation to improve.

In line with recent years, the USA is the most optimistic of all nations. In the spring of 2005, almost one in three Americans expected to be able to save more in the following year. Today, approximately every other American believes this to be the case.

The Survey
Since 1999, the Investment Barometer survey has been carried out twice a year to provide information about the

investment attitude and behavior of European and American consumers. Survey questions include how much money private individuals invest, how they would invest 50,000 euros (USA : 50,000 US dollars, Central and Eastern Europe : 25,000 euros) and how they would rate their own future in terms of savings. The current survey was carried out by GfK Custom Research Worldwide on behalf of The Wall Street Journal Europe and with the financial support of GfK-NÃ¼rnberg e.V. in March and April 2007, and comprised a total of 11,445 people in 15 countries.

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