INVESTMENT INTELLIGENCE FOR THE FUND PROFESSIONAL
INVESTMENT EUROPE
aop Digital Publisher of the Year 2010

The debt crisis has changed the way Italians save and invest, Intesa Sanpaolo finds

By: Chiara Albanese
19 Jun 2012

In Italy, the saving process has reached an all-time low in 2012, with non-savers constituting more than 61% of a population sample compared to 52.8% in 2011, according to research released by Italian bank Intesa Sanpaolo.

Between January and February 2012, in a joint project with Centro Einaudi, the bank surveyed 1,053 families with bank current accounts to assess the impact of the financial crisis on people's investment decisions and savings capacity.

According to the results of the ‘Survey of the Savings and Financial Decisions of Italians', the crisis has hit the 87.5% of Italian families.
The majority of the sample (61.5%) declared saving to be an extremely useful, or an indispensible form of behaviour, but this was almost 10 percentage points down on the 2011 figure (71.1%).

The crisis has also led to a change in the reasons why people save, with a strong decrease in the interest to purchase a home.

The economic crisis and the recent pension reform in the country have also led to a reduction, from 26% to 20.5%, in the balance between those who expect their pension income to be sufficient and those who expect it to be insufficient.

Only 10.5% of the interviewees subscribe to an open or closed pension fund. Subscription to a pension fund is highest among those in their thirties (13.6%), those in their fifties (14.3%), those living in the North-West (15.1%), and those earning more than €2,500 a month (19.6%). About half of the sample opt for cash funds, in order to safeguard their capital.

Finally, almost half the sample declared that investing has become more difficult than it had been the previous year with the principal difficulty mentioned was understanding the risks associated with different forms of investment.

The main objective is now security (53%, compared with 34% in 1988), followed by immediate returns (16.6%, a sign of the need for coupons and dividends in difficult years) and liquidity (15.8%). Less importance is given to the medium/long-term growth of one's capital (7%), both because such growth is subordinate to prudential objectives, and because in the past the promises offered by long-term investments have not always been maintained, Intesa Sanpaolo said.

Bonds remain the preferred form of investment in Italy. Following the sovereign debt crisis, those who believe bonds are always a safe form of investment has fallen from 23.7% to 17.8%, while the proportion of interviewees who consider them to be highly risky has risen to 28.5%. The share of capital invested in bonds is 24.2%, with no significant differences between the various age groups.