



Young Money Matters

CZECH REPUBLIC, POLAND & ROMANIA
SEPTEMBER 2024



Publisher's Letter

Young Money Matters is the first survey of its kind, looking at young people and their money, to have been undertaken simultaneously in the Czech Republic, Poland and Romania, the three largest markets in which Cook Communications operates. It is also truly independent. The questionnaires upon which the surveys are based were developed in-house by our teams in Prague, Warsaw and Bucharest. We then commissioned GfK to conduct the actual surveys in each country. And we turned to an experienced financial journalist to take the raw data and transform it into comprehensive and readily understandable reports.

The idea for Young Money Matters arose some time ago during an inspiring conversation with the good folk at MRM in London, with whom we had a mutual client in the retail financial services sector. Cook Communications has since its founding in 2003 advised clients requiring financial PR in banking, capital markets, investor relations, M&A, private equity, and retail financial services. Young Money Matters is a natural extension of our broader financial communications work.

We have taken an inquisitive, journalistic approach to Young Money Matters. Our questionnaires were designed to harvest basic information, to identify patterns of behaviour, and to raise topics that could be examined in closer detail. In addition to our proprietary data, our reports reference official statistics and other recent surveys to provide context, supplementary information and to corroborate, or challenge, our own surveys' findings. In conclusion, we outline what we have learned and posit a few thoughts, and we then look forward to next year's Young Money Matters.

This report takes a comparative look at our findings from the Czech Republic, Poland and Romania, and is by necessity more selective and concise than the more in-depth individual country reports. While there are similarities between the three countries, there are also some differences. The Czech Republic is much smaller in size and population than Poland and Romania, which have large rural populations. Poland has by far the largest economy, more than double that of Romania's, which in turn is larger than the Czech economy, and yet the Czechs have by quite a margin the highest GDP per capita.

We hope that our inaugural Young Money Matters reports stimulate debate within the financial services sector, in the media, and among educators, regulators and, above all, young Czechs, Poles and Romanians.

Joe Cook



Editor's Letter

It's with great pleasure that I introduce the inaugural editions of Young Money Matters. Together with the three individual country reports for the Czech Republic, Poland and Romania, this particular report is a comparative look at the three countries.

Obviously, there are as many similarities as there are differences between the young people in each of the three countries. As digital natives, the internet and influencers are clearly an important source of information on personal finance matters for them; young Romanians have a greater appetite for debt than their peers in either the Czech Republic or Poland.

But looking at this from the point of view of a parent and an adult in his 50s, I was particularly struck when compiling this report by how, probably like many people of my age, my belief that I know young people and what they are thinking is misplaced. Like previous generations, we never really understand the youth as much as we might pretend.

There are many common misconceptions about young people out there, not least that they have neither any appreciation of money nor much knowledge about how to manage it. This is not helped by competing research that says, for example, Gen Z is either the wealthiest generation at the same age or the poorest with little chance of ever owning their own home.

Yet contrary to expectations, this report shows a much more mixed picture, with today's youth in the Czech Republic, Poland and Romania not only saving money when and where they can, but are also very interested and engaged in where they invest it and how they spend it.

Another common misconception is that today's youth is the unhappiest generation ever. Yet our survey finds a general optimism and confidence among young people in the three countries about their personal ambitions, their financial aspirations and their future in general. And all this despite a series of pandemic lock-downs, a cost-of-living crisis, and a housing market that has put home ownership beyond the reach of many. And despite most accepting that the cost of living is set to continue rising for at least another year.

I hope you enjoy reading this comparative report on the three countries as much as we enjoyed preparing it – and can learn something new about how today's young people in the Czech Republic, Poland and Romania view their financial situation and how best we can help them improve it.

Nicholas Watson

Introduction

The main objectives of the Young Money Matters reports were to identify the current financial situation, attitudes towards money and financial products, and the sources of information on money management that are used by young people aged between 18 and 35 in the Czech Republic, Poland and Romania.

The quantitative studies that served as the basis for our Young Money Matters reports were carried out by GfK in late May 2024, using questionnaires that were prepared by Cook Communications.

GfK polled 500 people aged 18–35 in each of the three countries. The largest single group were in the 30–35 age bracket (Millennials). The other three groups (predominantly Gen Z) were: 18–21, 22–25 and 26–29. Respondents were educated to a variety of levels, from high school to university. Those quizzed resided in a diverse range of villages, towns and cities across the three countries. The gender balance of respondents in each survey was about 50% male, 50% female.

Key Findings

- Around half of young Czechs and Romanians are in full-time employment, while 65% of young Poles are.
- 50–60% of young Czechs and Poles earn less than their national average monthly wage, while almost half (49%) of young Romanians earn below RON 3,000 (about €600) a month.
- Young Czechs, Poles and Romanians allocate the largest share of their income to food (24–28%). Savings is in the top three allocations for all three countries.
- Young Poles are the most diligent with their finances, with just a quarter having savings of a month or less of living expenses; about half of young Czechs and Romanians have savings covering less than a month of expenses.
- Around a quarter of young Poles and Czechs have savings covering more than six months of expenses; just 9% of Romanians do.
- Living with spouse or children is the most common type of household in all three countries (56–61%), while one-third of our respondents in each country still live with their parents.
- Cash/current accounts and savings accounts are the two most popular financial products among young Czechs and Poles. After cash/current accounts, young Romanians use credit cards the most.
- Company shares (12–21%) and cryptocurrencies (11–16%) were among the most popular financial products that respondents expressed an interest in.
- Over a quarter (27%) of young Romanians have either experienced financial product fraud themselves or know someone who has; this falls to 13–15% of young Czechs and Poles. Crypto-related fraud was the most common in all three countries.
- More than a fifth of young Czechs, Poles and Romanians follow at least one financial influencer.

Czech Republic

GDP \$326.5 billion; Population 10.9 million; GDP per capita \$29,801

Poland

GDP \$845 billion; Population 38.17 million; GDP per capita \$23,801

Romania

GDP \$369.97 billion; Population 19.05 million; GDP per capita \$19,530

Source: IMF World Economic Outlook 2024, national statistics



Jobs and Income

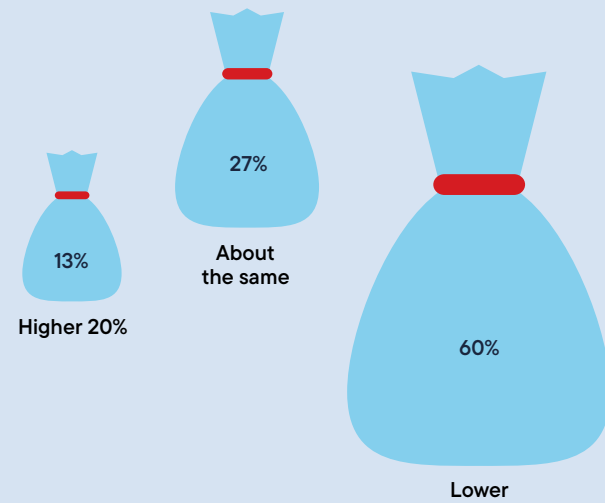
In our survey, around half of Czech and Romanian respondents (49%, 55%) were employed full-time, with the highest prevalence in the 26–29 and 30–35 age groups. In Poland two-thirds (65%) of young Polish people were in full-time employment, with the highest percentage again being in the older age groups. Other categories outside studying – self-employed, part-time employed, unemployed – were all below 10% in all three countries.

In Romania, 14% said they were not working (rising to 20% among women) and 4% were unemployed. This chimes with Romania's low employment rate, which in 2023 was 68.7%. Romania has a lower employment rate than Poland at 77.9%, and the Czech Republic at 81.7%. This reflects lower wages, especially for young people and women. In fact, Romania's employment rate for women is one of the lowest in Europe, standing at 59.5% in the first quarter of 2024, according to Eurostat, the statistical office of the European Union (EU).

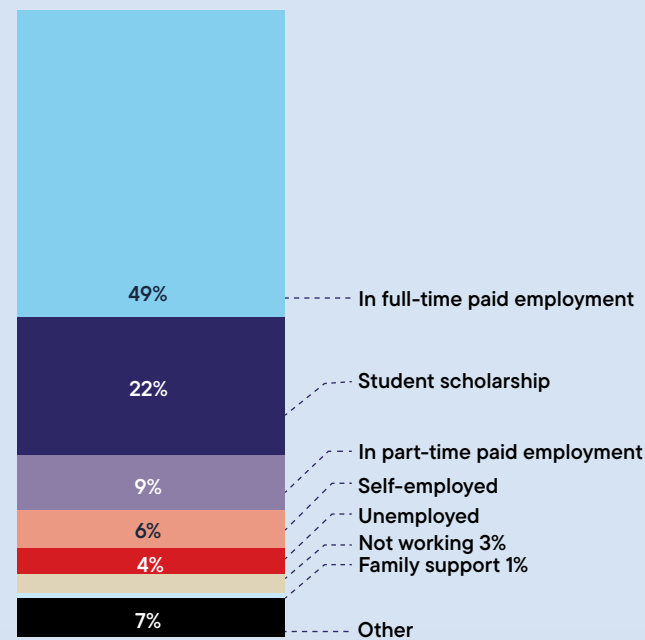
Despite low unemployment rates and generally tight labour markets, the income of more than half of our Czech and Polish respondents was lower than their national averages, while around half of young Romanians earned less than RON 3,000 (about €600) a month. Women and Gen Z aged 18–21 featured particularly in the lowest-income groups in all three countries.

Czech

Monthly income v national average gross monthly salary

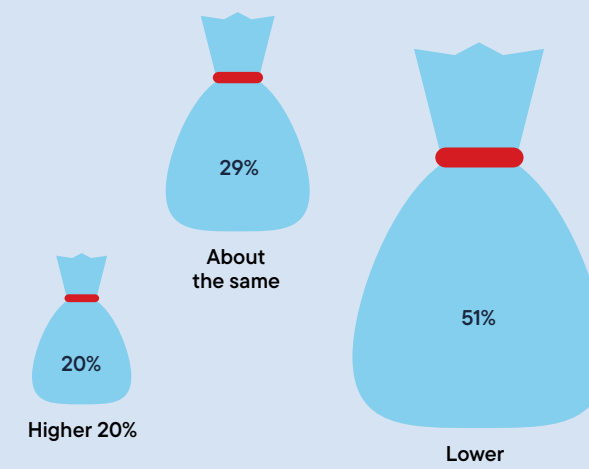


Employment

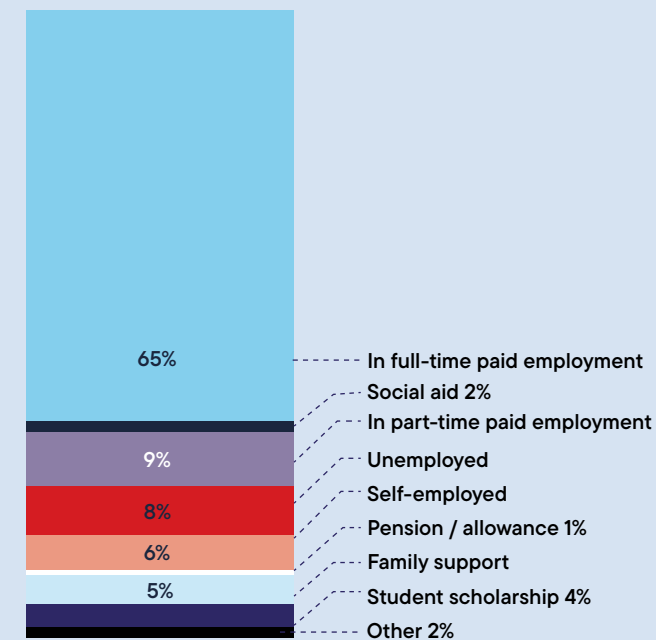


Poland

Monthly income v national average gross monthly salary

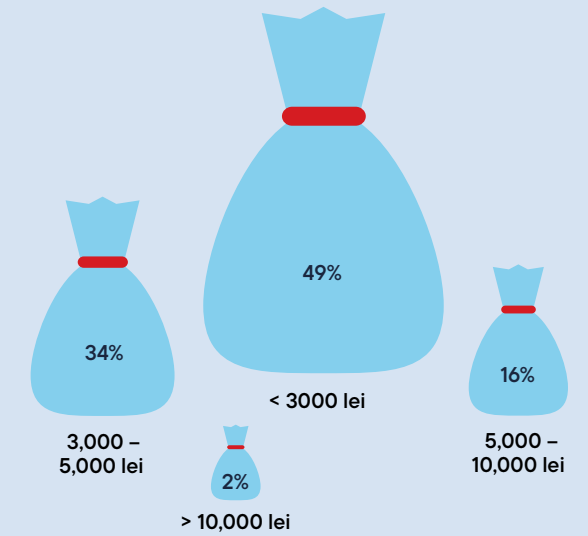


Employment

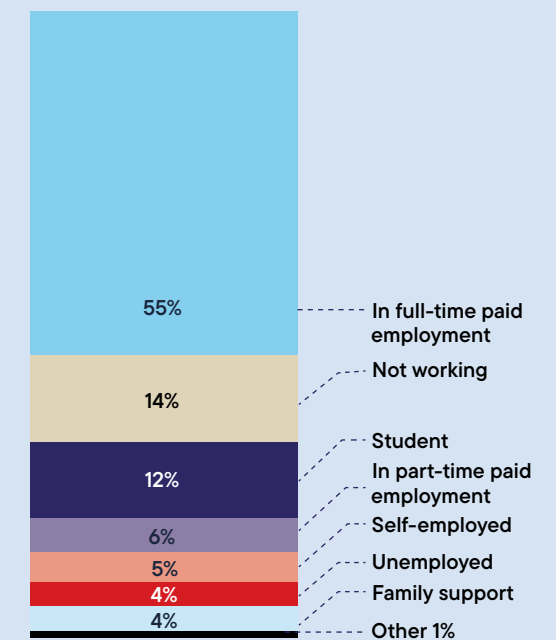


Romania

Monthly income



Employment



How They Spend It

With so many Gen Z/Millennials earning below their national average salaries, money is obviously tight. Some 40% of young Czechs, 41% of young Poles and 61% of young Romanians said they have been forced to delay an important life decision due to financial factors. So, how do they allocate their monthly incomes?

Our survey found that young Czechs, Poles and Romanians spend most of their money on food. On average, about a quarter of their monthly income goes on eating, with this percentage being notably higher among women in all three countries.

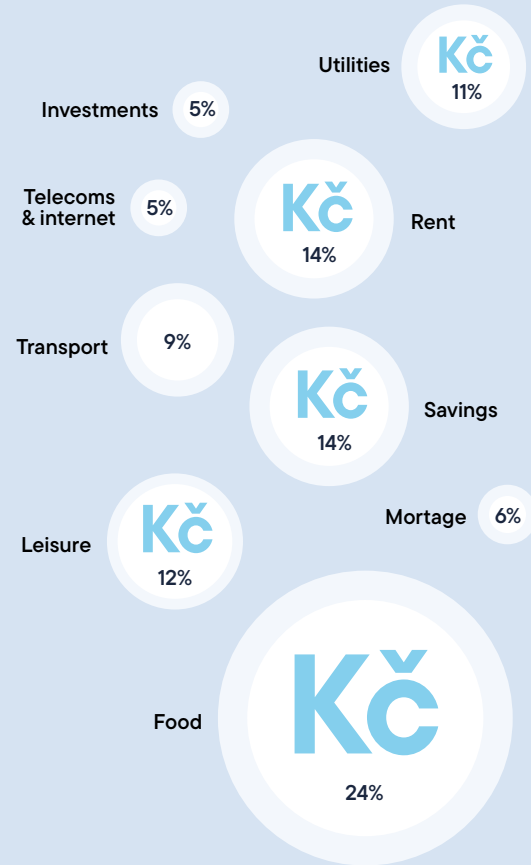
Remarkably, savings were listed as either the second or third largest expenditure (12-17% of income) by respondents. Obviously, those in the higher income bracket save the most (17-21% of salary); less obviously, it was the youngest age group that said they save the most (18-20% of salary for the 18-21 age group). While other studies also point to younger generations saving more than previously, some experts caution that young people in general tend to overestimate the amount they save. And, of course, a few diligent savers tend to skew the average results and mask the far greater number who skate by each month.

Indeed, our Young Money Matters surveys found that the largest group, 25% of Polish, 32% of Czech and 54% of Romanian Gen Z/Millennials, have only enough savings to cover just a month, or less, of living expenses, something which is especially true for women and those in the 18-21 age group. This suggests that saving money is difficult for those in the lowest income groups, despite what they might say otherwise. The Czechs and Poles are the most diligent savers, with 23-25% having enough savings to cover more than six months of living expenses; this figure is just 9% among Romanians.

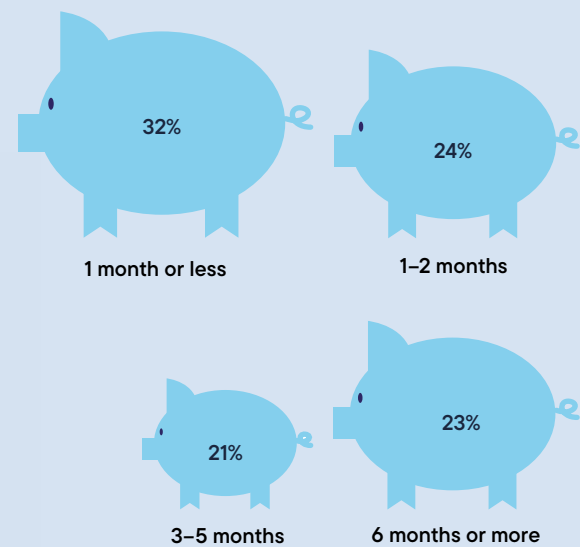


Czech

My spending...

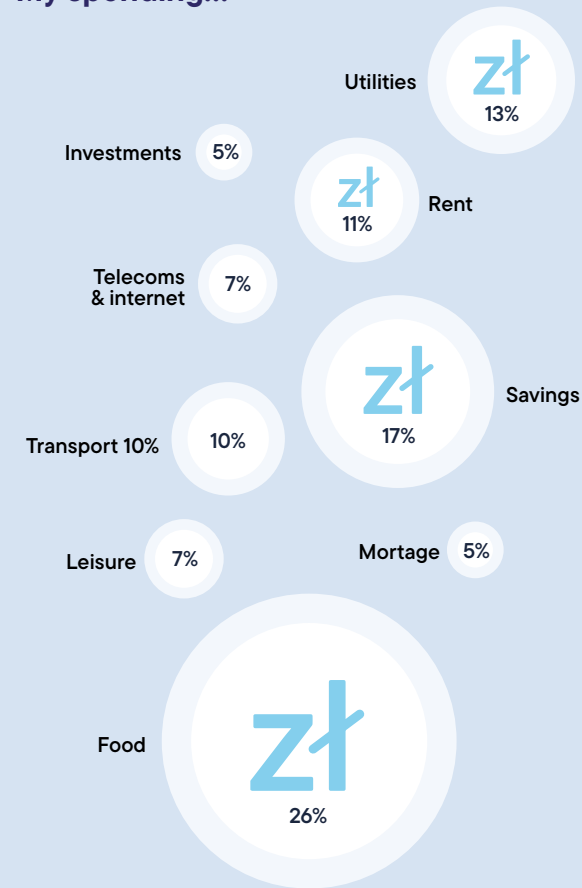


My savings will cover...

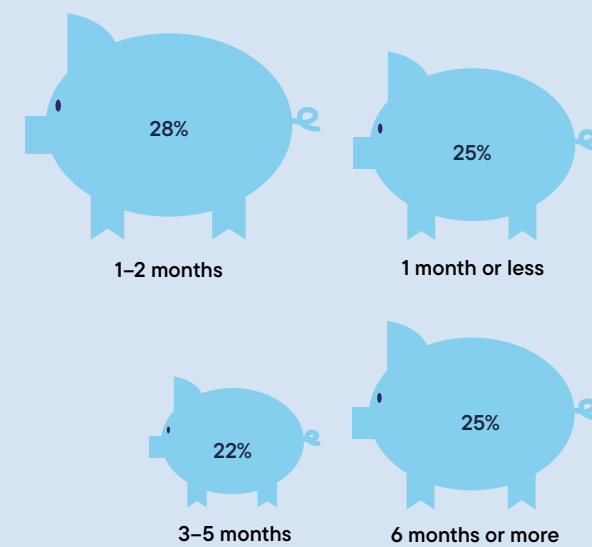


Poland

My spending...

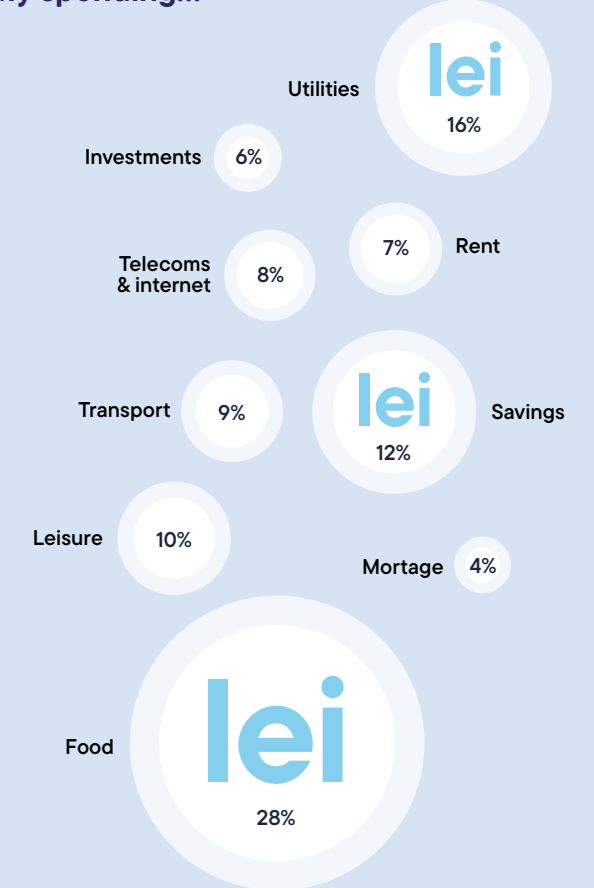


My savings will cover...

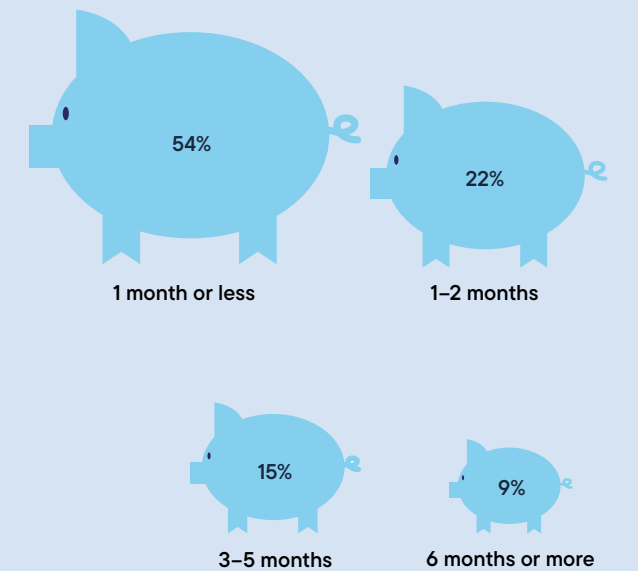


Romania

My spending...



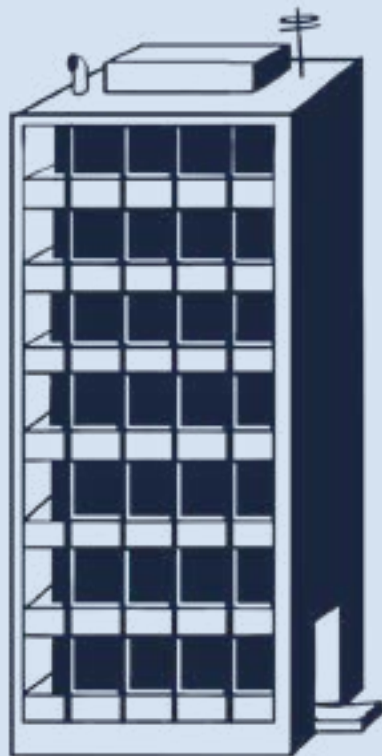
My savings will cover...



Housing costs (rent and mortgage payments) are lower in Romania than in the Czech Republic and Poland, with them accounting for 11%, 20% and 16% of monthly income respectively. Much of this is down to the significant number of Romanian Gen Z/Millennials (52%) who live in their own property; this figure is above 60% for those in the higher age and income brackets. In fact, living with family (spouse/kids) is by far the most common household type among Romanians at 61%; the second highest is living with parents or other relatives at 32%, roughly in line with the situation in the Czech Republic and Poland.

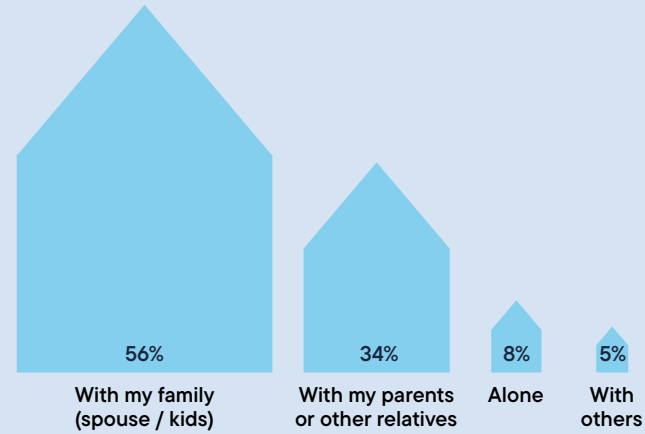
Property prices in Romania have risen significantly over the last decade, just as they have in the Czech Republic and Poland. Even so, they remain relatively affordable. Deloitte's most recent *Property Index report*, which calculates the affordability of owner-occupied housing by looking at the number of average gross annual salaries required to purchase a standardised new home with an average size of 70m², puts Romania in 16th place at 6.3 annual salaries, far behind the Czech Republic in second place at 13.3 annual salaries and Poland in 11th at 8.1 annual salaries. A look at the average value of the mortgages taken out shows why Romania has one of the highest home ownership rates in Europe: the average mortgage value in 2023 was about €62,000, while the average price of a property traded through a mortgage loan was €85,000.

Young Czechs and Poles spend more of their monthly income on average (14% and 11%) on rent than Romanians, given that more of them rent and rents are higher. According to Deloitte's *Property Index report*, Prague's average monthly rental cost is €14.4/m², just behind that of Warsaw at €15.2/m².

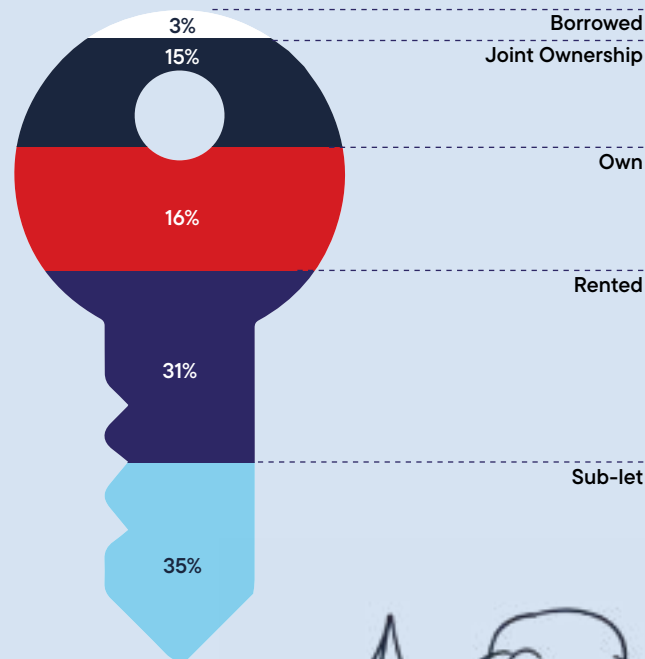


Czech

Where I live...

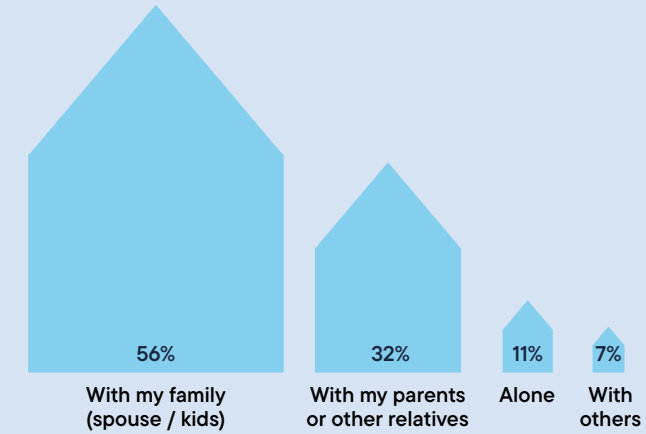


Property ownership

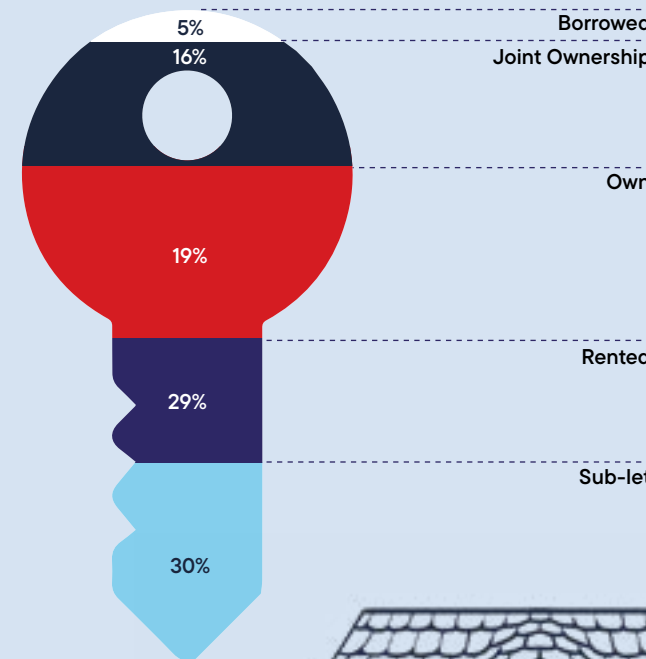


Poland

Where I live...

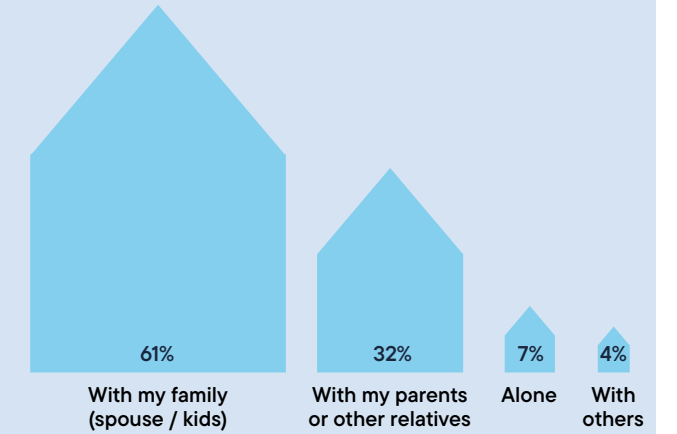


Property ownership

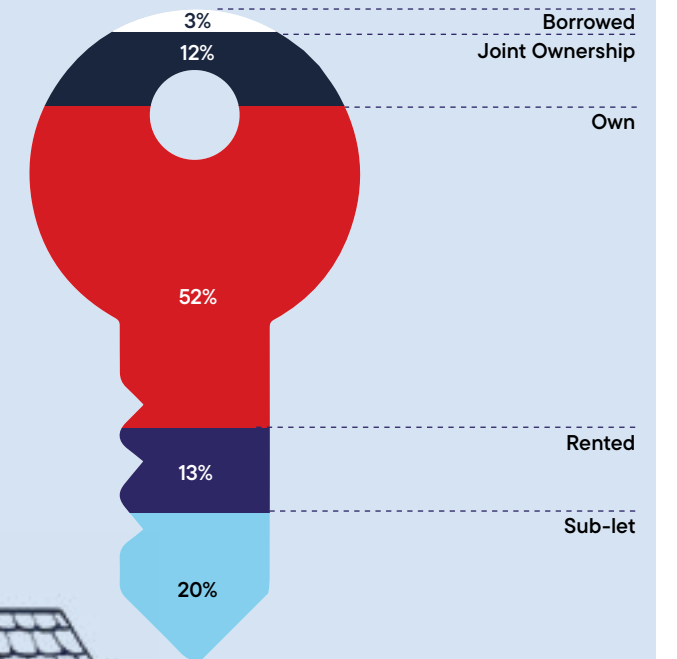


Romania

Where I live...



Property ownership



Where They Save It

A tendency to overestimate how much they set aside each month notwithstanding, where do young Czechs, Poles and Romanians save and invest their money?

Cash or current accounts and savings accounts are two of the three most popular financial instruments for young people in all three countries: in the Czech Republic 74% and 69% respectively; in Poland 72% and 57%; and in Romania 57% and 34%. As other surveys have shown, too many young people still consider cash or a current account to be the most suitable way to save money, meaning they lose part of their savings to inflation, which was especially high in 2022 and 2023. The Young Money Matters surveys found that the second most popular choice in all three countries for savings is to leave it in a current account (30–33%).

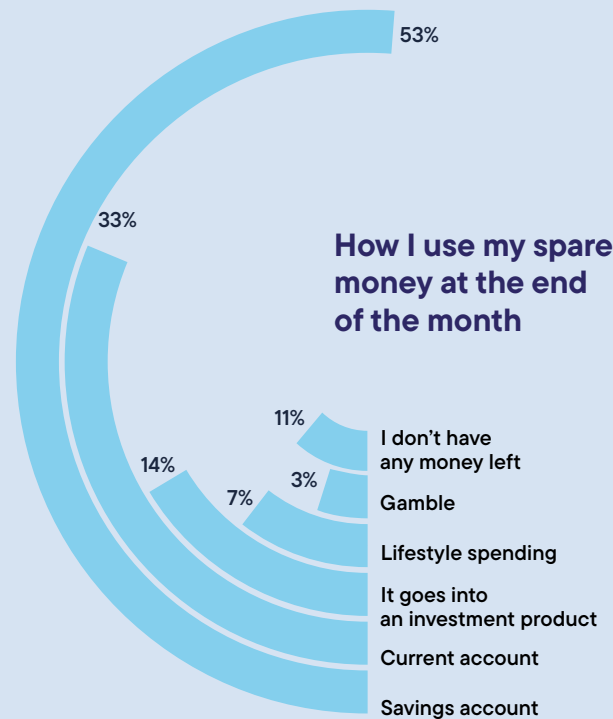
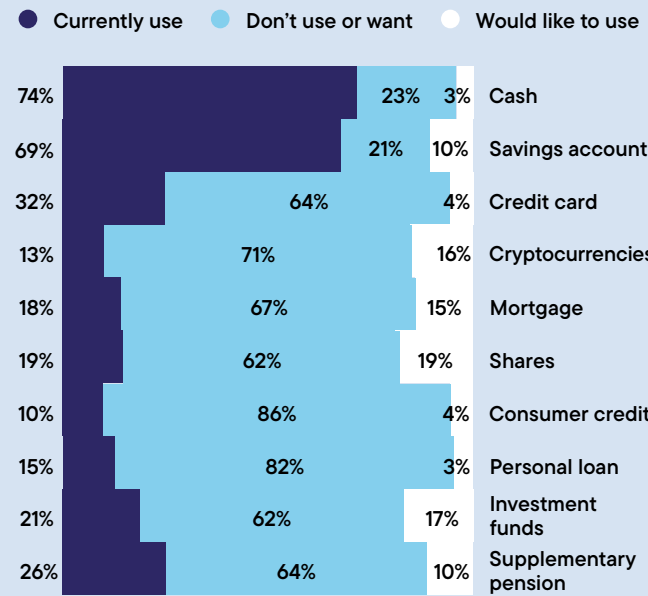
The third most popular choice among young Czechs, Poles and Romanians is to seek out an investment product. Individuals aged 30–35 and those with incomes above the national average are more likely to use financial products compared to other subgroups.

Among the financial products that respondents in all three countries said they would be most interested in investing are listed company shares (17–21%), investment funds (12–17%), and cryptocurrencies (11–16%). Mortgages at 15% in the Czech Republic suggests the desire to buy a property is still strong, even if rather out of reach for many.

Where Czechs and Poles diverge the most from their Romanian peers is debt. After current accounts, the second most popular financial product for young Romanians is a credit card (42%), which together with 17% choosing a personal loan suggests a tendency among young Romanians to rely on credit, or in other words to live beyond their means. After all, 16% of Romanian respondents said they never have any money left over at the end of the month, with that figure rising to 20% of women. By comparison, just 26% of young Poles and 32% of young Czechs have a credit card, and just 3% and 4% respectively are interested in applying for one. Likewise, just 15% of young Czechs use a personal loan and 10% use consumer credit, while 82% say they have no interest in taking out a personal loan and 86% do not want consumer credit.

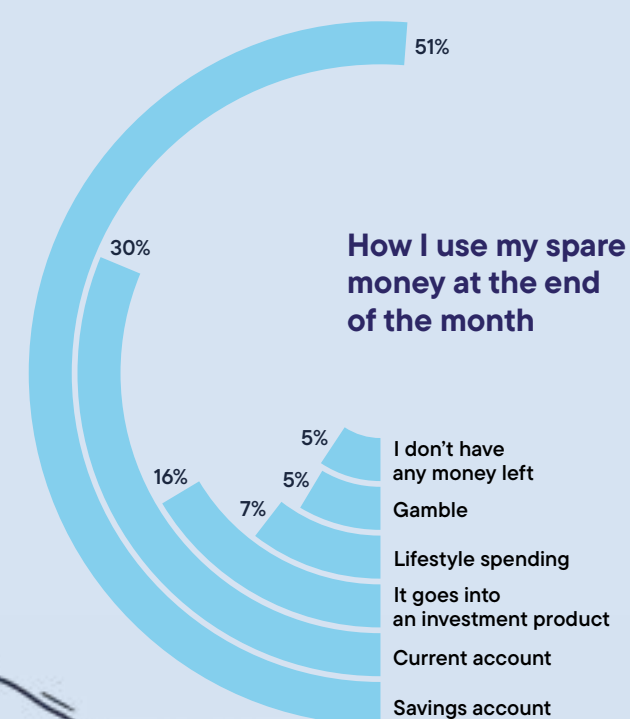
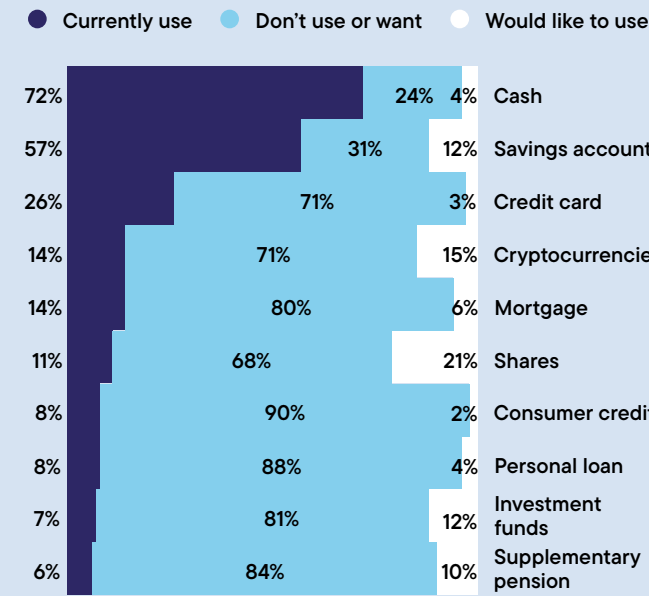
Czech

My financial products...



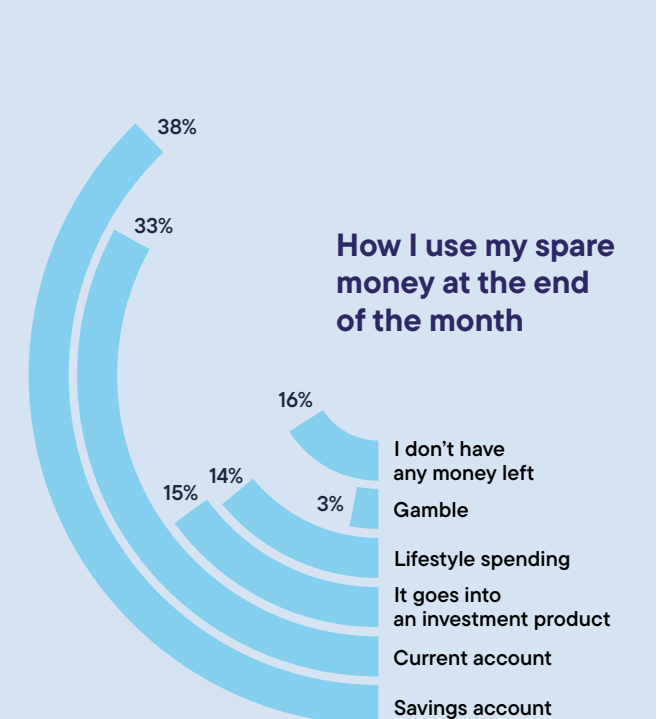
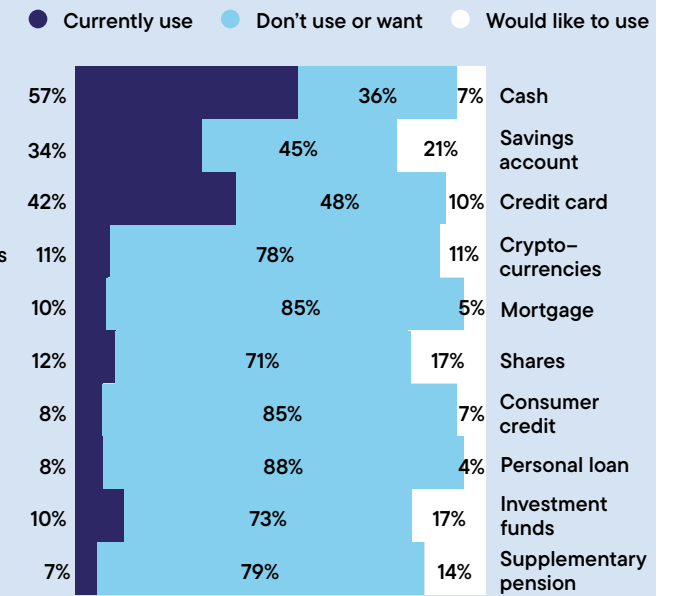
Poland

My financial products...



Romania

My financial products...



Knowledge and Learning

Given that young people are digital natives, and given the rise of cryptocurrencies, it is not surprising that their financial safety is susceptible to online fraud. In our survey, 13% of young Czechs, 15% of young Poles and 27% of young Romanians said they either personally have been, or know someone who was, a victim of financial fraud. Frauds involving cryptocurrencies were most common in all three countries surveyed. Oddly, a recent [survey](#) found that although far more tech-savvy than other generations, Romanian Gen Z/Millennials represented almost 74% of victims of scams.

Given this level of financial crime, it is more important than ever that young people receive adequate education about managing their money and investments. Parents and internet searches are the primary sources of financial management information for young people in all three countries, according to our surveys. Just 8-14% said they receive personal finance education at their school, suggesting a lot of scope for the authorities to better prepare young people on how to manage their finances.

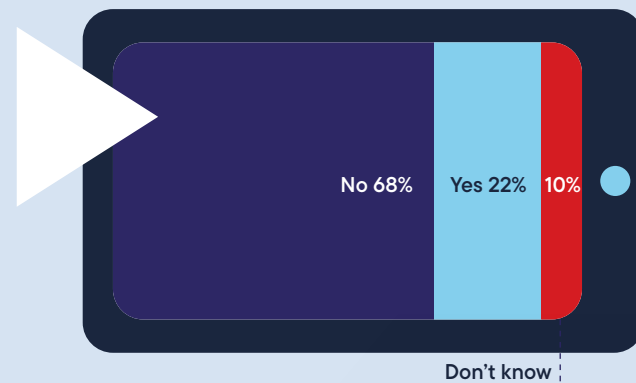
The rise of the financial influencer/blogger, the so-called 'influencer', is also noticeable among young people in all three countries. A fifth and more (20-23%) of respondents said they follow at least one financial influencer online. 70-75% of young Czechs and Poles who follow any financial influencers said they trust their advice, but this falls to just 56% among Romanians. None of the countries require financial influencers to undergo any formal training or to adhere to any code of practice, and while financial influencers could fall foul of the financial regulations in each country, they are not formally regulated.

Czech

Are you a victim of financial fraud?



Do you follow an online financial influencer?

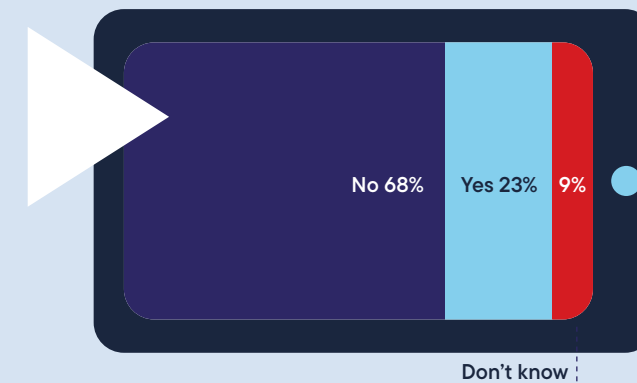


Poland

Are you a victim of financial fraud?

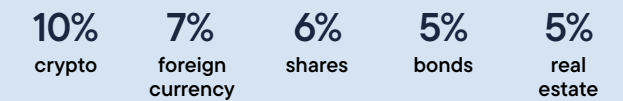


Do you follow an online financial influencer?

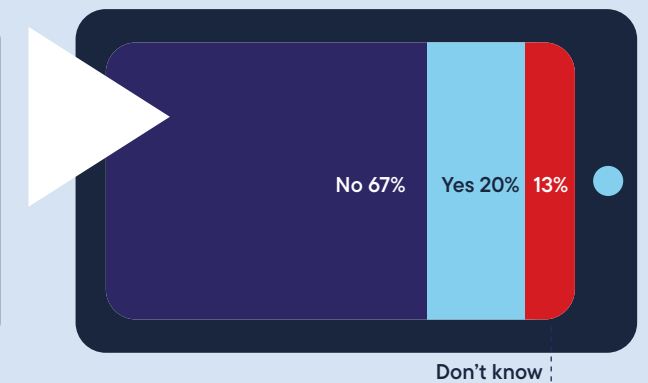


Romania

Are you a victim of financial fraud?



Do you follow an online financial influencer?



Green Living, Green Investing

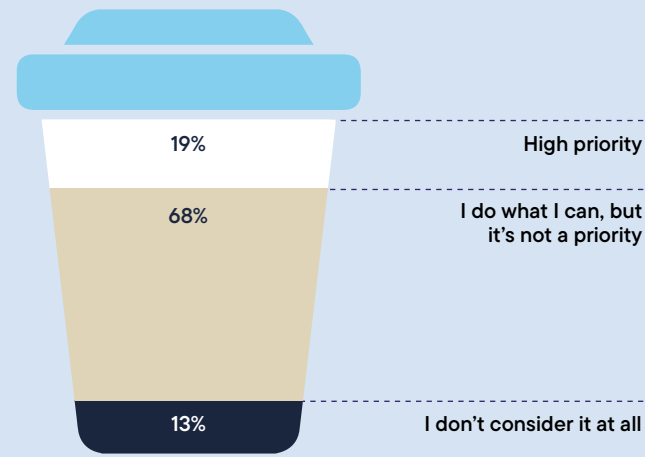
Young Romanians are significantly more sustainability-conscious than young Czechs and Poles. Sustainability is a high priority for 42% of Romanian Gen Z/Millennial compared with just 21% of young Poles and 19% of young Czechs, though this figure does diminish slightly with age and income. Another 53% of Romanians said sustainability is not a priority but they do what they can, compared with 68% of young Czechs and 62% of Poles.

This strong environmental commitment among Romanian Gen Z/Millennials carries through to attitudes towards green or ethical investing. A significant majority of young Romanians said they are aware of ethical investing (just 37% said they are not cognizant of it), which compares with around half of Czech and Polish Gen Z/Millennials who said they are not familiar with the concept.

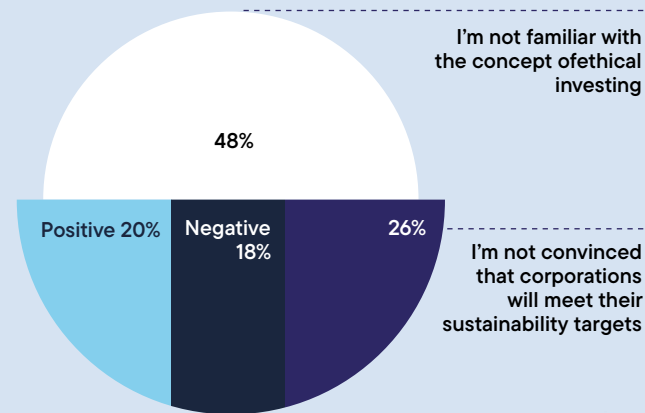
Young Romanians also tend to be a little less sceptical than their Czech and Polish peers: 40% of the former have a positive view on ethical investing, compared with just 20–22% of Czechs and Poles. Likewise, just 15% of young Romanians are not convinced corporations will actually do their bit for the climate and meet their sustainability targets, but this rises to 21–26% of young Poles and Czechs.

Czech

Is sustainability important to you?

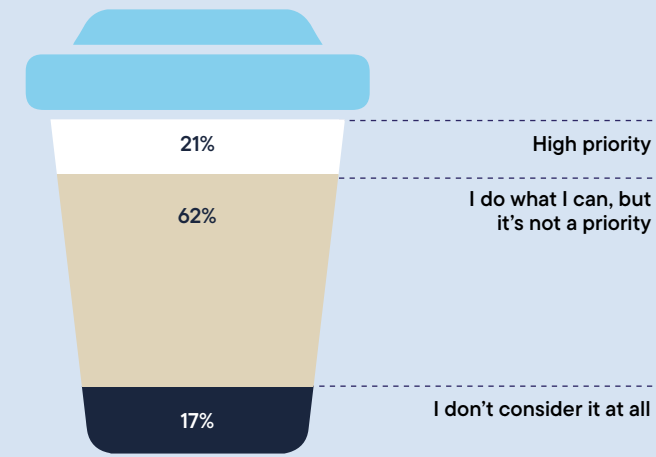


What is your attitude towards ethical investing?

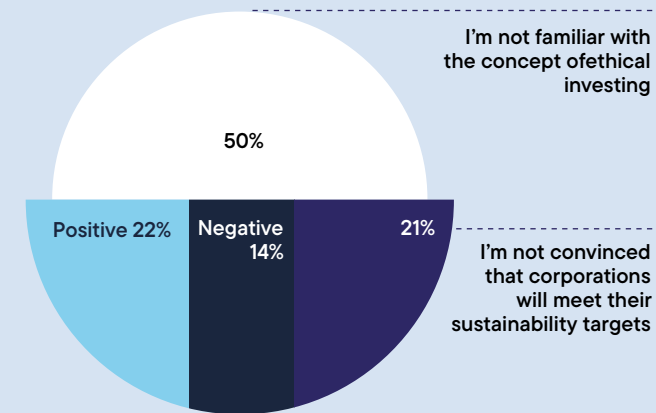


Poland

Is sustainability important to you?

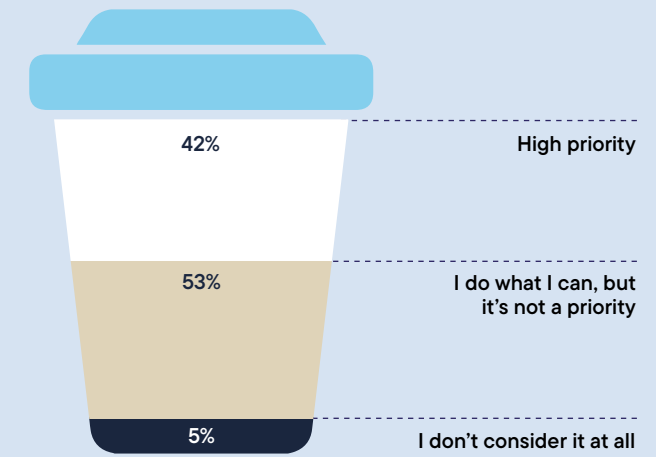


What is your attitude towards ethical investing?

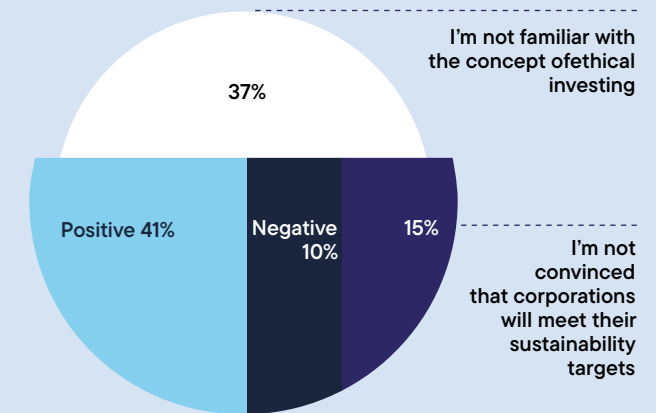


Romania

Is sustainability important to you?



What is your attitude towards ethical investing?



Staying Positive

For all the worries about the climate emergency, the cost-of-living crisis and the growing unaffordability of housing, the young people that we surveyed – despite what media headlines often suggest – are remarkably optimistic about the future, and generally positive about meeting their financial aspirations. This is borne out by other global surveys, such as [Deloitte's 2024 Gen Z and Millennial Survey](#), which found that nearly half of Gen Zs (48%) and four in 10 Millennials (40%) expect their personal financial situations to improve over the next year.

Although 58% of young Czechs and Poles and 72% of young Romanians said they expect the cost of living to rise over the next year, our Young Money Matters survey also found that over two-thirds (67–81%) of respondents feel that their financial aspirations are attainable.

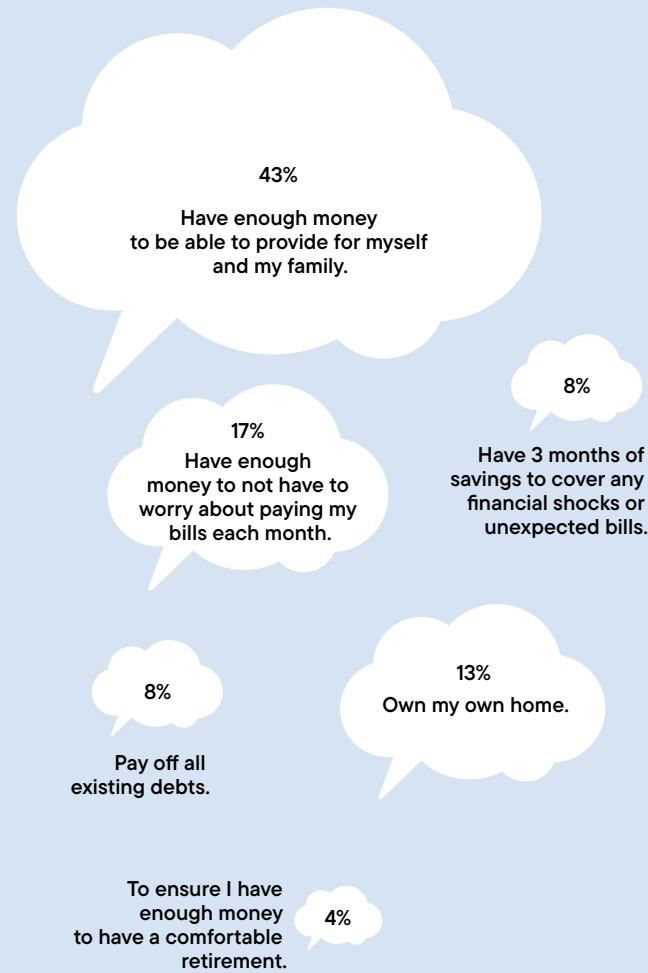
Among the 7–14% who perceive them as unachievable, the most common justifications were the high cost of living, the inability to earn sufficient income and house prices being too high. Frustratingly for many young people, house price rises in Prague, Warsaw, Bucharest and other big cities have far outpaced the growth in wages; as such, savings simply cannot keep pace. According to Deloitte's most recent [Property Index report](#), the average transaction price of a new dwelling in the Czech Republic in 2022 stood at €3,753/m², which is more in line with the United Kingdom than Romania or Poland.

Fortunately, while owning their own home is among the top priorities for most young people (top one for 13% of young Czechs, 17% of young Romanians, 24% of young Poles), there are other, more important aspirations: to “have enough money to be able to provide for myself and my family” followed by to “have enough money to not have to worry about paying my bills each month and to have some spare money for non-essential costs”.

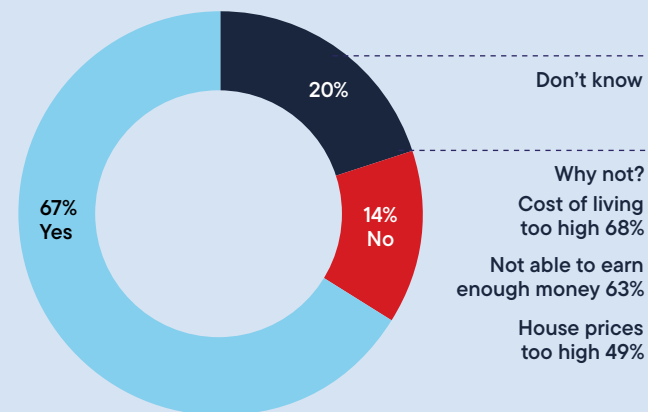
Unsurprisingly, given young Romanians' relative willingness to get into debt, to “pay off all existing debts (such as credit cards, student loan, personal loan, etc.)” was chosen by 10% as a top aspiration, compared with 7–8% of Czechs and Poles.

Czech

My financial aspirations...

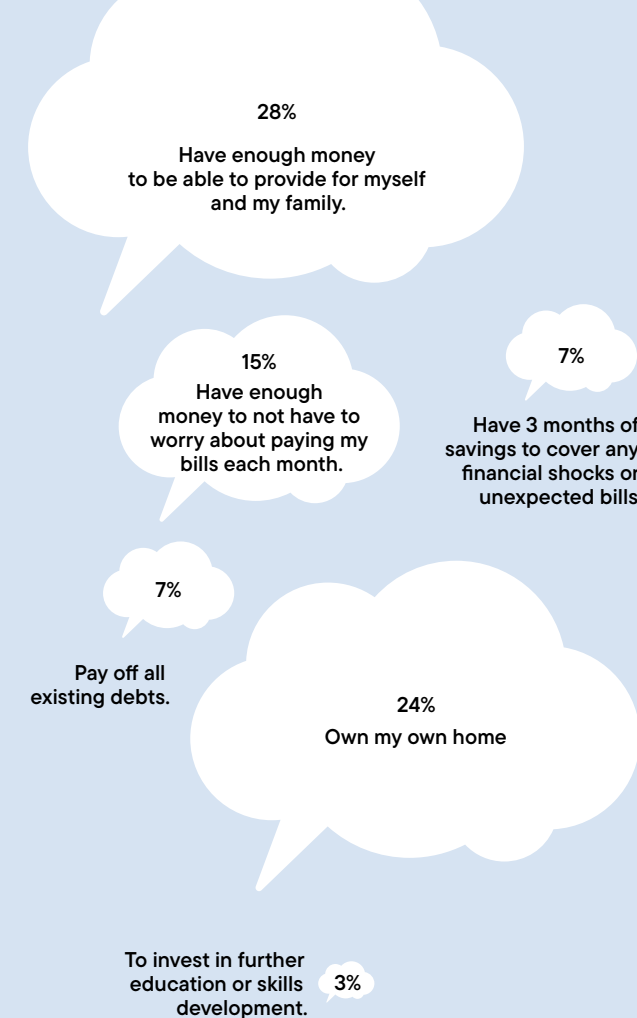


... and can I achieve them?

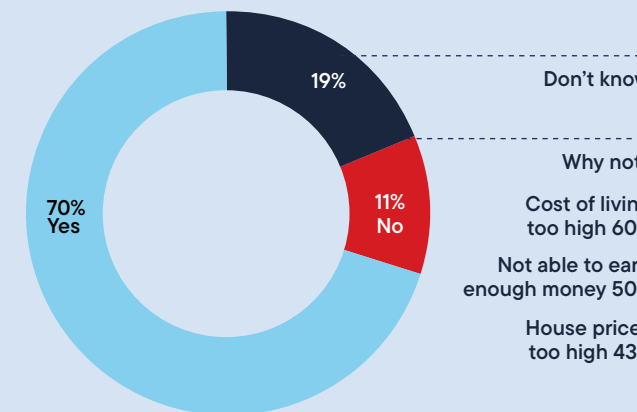


Poland

My financial aspirations...

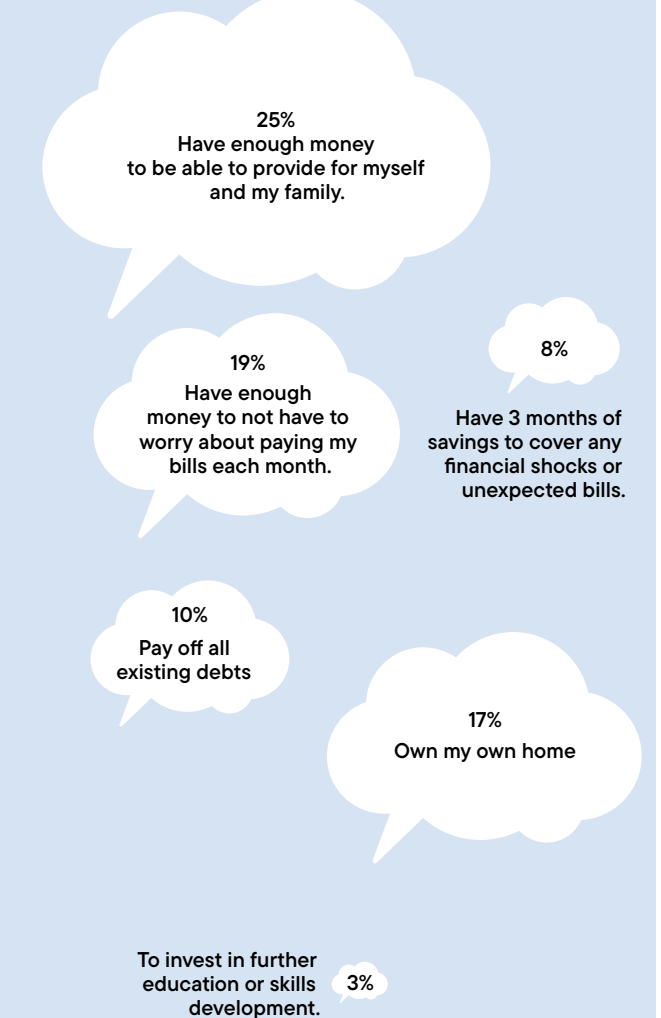


... and can I achieve them?

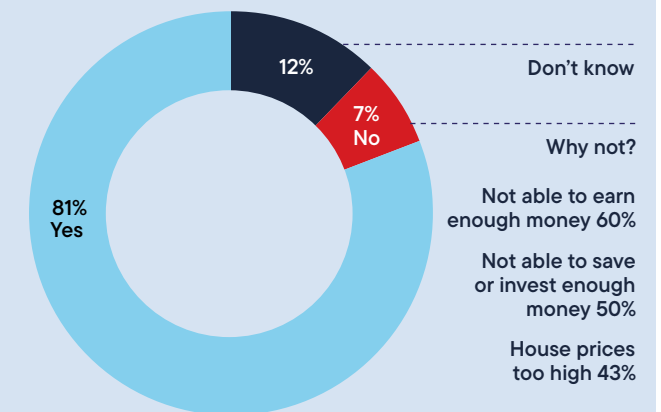


Romania

My financial aspirations...



... and can I achieve them?



What We Learned: Education Matters

Despite the economic pressures of recent years – soaring inflation, lock-downs, high energy prices, the cost of housing – the majority of young Czechs (67%), Poles (70%) and Romanians (81%) remain broadly optimistic about their ability to achieve their financial aspirations.

Meeting those aspirations, however, could be a challenge. For starters, young people in all three countries share the aspiration of their parents to own their own home, but house prices in all three countries continue to rise at a rate that savings cannot keep pace with, even if a high percentage of a monthly salary is put by. It must be very frustrating for young people.

Also, too many young people still keep any money left over at the end of the month in their current or savings accounts. This means they lose some of their savings to inflation, which is needlessly self-defeating given that numerous alternative savings and investment options are available on the market.

And they do have savings. Our survey found that young Czechs, Poles and Romanians are fairly conscientious about their personal finances, with savings appearing in the top three allocations for monthly salaries in all three countries. Around a quarter of young Poles and Czechs even have savings covering more than six months of expenses. On the flip side, low wages and high costs of living mean that about half of young Czechs and Romanians have savings covering less than a month of expenses.

Which brings us to knowledge and learning, or rather the lack of it. Our survey reveals that just 8-15% of respondents said they receive any form of education about personal finances at school. Once young people leave school, most tend to rely on informal channels for advice and information. Unsurprisingly, being digital natives, surfing the internet was either the top or second most used source of information on financial products and investing, ranging from 42% to 66%. Parents weren't far behind, chosen by between 27-45% of respondents. Further down the list were banks or other financial institutions at 23-37% of respondents.

Perhaps more worryingly, the popularity of the financial influencer, or 'finfluencer', is very noticeable among young people in all three countries. Between 20-23% of respondents follow at least one financial influencer online. But whereas banks and financial institutions are regulated, and thus bear legal accountability for their actions and the advice they dispense, online 'influencers' need no formal training or qualifications, and are largely unregulated.

It's clear that both the government and the financial services industry are falling short when it comes to providing financial education and advice to aspirational youngsters. Surely it is not too much to ask for schools to insert a weekly hour on the rudiments of household budgeting during the final year of school? And while banks and financial institutions continuously bombard the marketplace with ads for their savings, insurance and mortgage products, how often, and how much, do they genuinely invest in educating their target customers? The large financial institutions in the Czech Republic, Poland and Romania surely have the resources available to invest in the provision of advice and education to their future customers.

If more youngsters received solid budgetary advice while at school, followed by some genuine guidance – rather than sales spiel – from the financial services industry that aims to serve them as they set out in life, perhaps they would feel more informed and empowered, less likely to fall prey to fraudsters (as 13-27% of our respondents said they and others have), and thus more likely to achieve their financial aspirations.



... What We Will Explore Next Time

In our next Young Money Matters we will revisit some of the topics addressed in this survey and consider new areas to look at...

- Housing – rent, lease or buy?
What are the costs and benefits of different housing options?
- Starting a family and having children...
The economics behind the ultimate commitment.
- Career opportunities and choices, and income levels
Seek employment, pursue a vocation, chase a career, start a business? Income levels: expectations vs reality. The gender pay gap.
- Financial products...
Which ones make your money work for you?
- Rest and play
Discretionary spending.
- Borrowing...
When it makes sense, when it doesn't.

build your brand awareness
raise your profile get your news out **argue your case**
enhance your reputation monitor your competitors
analyse the media **tell your story**
map your stakeholders
enter new markets explain your position
maintain your visibility
support your business development
address your audiences **& plan your event**
promote your product or service
act as your media office

How can we help you?

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Further reading

<https://csu.gov.cz/>

<https://stat.gov.pl/en/>

<https://insse.ro/cms/en>

<https://ec.europa.eu/eurostat>

<https://www.cnb.cz/en/>

<https://www.knf.gov.pl/en/>

<https://asfromania.ro/en/>

<https://genderdata.worldbank.org/en/economies>

https://commission.europa.eu/document/download/61252380-e608-4157-818d-e81619715310_en?filename=equal_pay_day_factsheet_2022_en_1_0.pdf

<https://www.deloitte.com/global/en/issues/work/content/genz-millennialsurvey.html>

<https://www2.deloitte.com/content/dam/Deloitte/cz/Documents/real-estate/property-index-2023.pdf>

<https://www.eib.org/fr/press/all/2024-248-greater-climate-change-awareness-among-czechs-over-30-than-younger-cohorts-eib-survey-finds>

<https://www.imf.org/en/home>

<https://www.worldbank.org/en/home>

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