

Young Money Matters

POLAND · SEPTEMBER 2024





Publisher's Letter

Young Money Matters is the first survey of its kind to look 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.

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 edition of Young Money Matters. As a parent and an adult in his 50s, and like many people of my age, I often think that I know young people and what they are thinking. But editing this report has taught me that, probably 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. Yet contrary to expectations, this report shows that today's youth in the Czech Republic, Poland and Romania are not only saving money when they can, but are also interested and engaged in where they invest it and how they spend it. Some extra hours' education on personal finance matters would not go amiss, however.

Another common misconception is that the youth of today are the unhappiest generation ever. Yet our survey finds a general optimism and confidence among young people 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 report as much as we enjoyed preparing it – and can learn something new about how today's young people view their financial situation and how best we can help them improve it.

Nicholas Watson

Introduction

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

The quantitative study that was used as the basis for the Young Money Matters report was carried out by GfK in late May 2024, using questionnaires that were created by Cook Communications. GfK polled 500 Poles aged 18-35, with the largest single group (41%) being 30-35 years (Millennials). The other three groups (predominantly Gen Z) were: 18-21 (13%), 22-25 (23%) and 26-29 (22%).

In terms of education levels, 51% of respondents were university educated, 21% were educated to high school level, 19% attended a technical school and 9% attended a vocational school. Those quizzed resided in a diverse size range of villages, towns and cities across Poland. The gender balance of respondents was 51% male, 49% female.

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

Source: IMF World Economic Outlook 2024, national statistics



Key Findings

- 65% of respondents aged 18-35 are in full-time employment. Around half have an income that is lower than the national average of PLN 7,768* (about €1,800), 30% have comparable earnings, and 20% have a higher income.
- Young Polish people allocate the largest share of their income to food (26%), followed by savings (17%) and utilities (13%). The fifth who earn more than the national average, though, spend more on savings than on food.
- A quarter have savings equivalent to just one month of living expenses or less, while another quarter have savings sufficient for more than six months. The remainder (50%) have savings worth two to five months of expenses.
- 32% live with their parents; the largest proportion (56%) live with their families (spouse and/or kids).
- Cash remains the predominant form (72%) in which Polish Gen Z/Millennials hold their assets, while savings accounts are the most common financial product (58%).
- 14% said they would put their money into cryptocurrencies, and this financial product, together with shares, commodities and bonds, are the ones that young Poles said they are most interested in investing in (15-21%).
- 15% said they have themselves experienced financial product fraud or know someone who has. Cryptocurrency-related frauds were the most frequently cited incidents.
- Most (66%) said they rely on the internet for information on financial products and investing, with almost a quarter following at least one financial influencer online. Just 8% said they receive financial advice and information from school.
- When it comes to sustainability, a fifth said it was a high priority in their daily life, yet more than half said they are unfamiliar with the concept of ethical investing.
- Despite most respondents (58%) expecting the cost of living to rise over the next year, 70% say they are confident they can achieve their financial aspirations. Only 1 in 10 (11%) of those surveyed consider their aspirations unachievable.

*Average monthly gross salary in January 2024, Statistics Poland



Jobs and Income

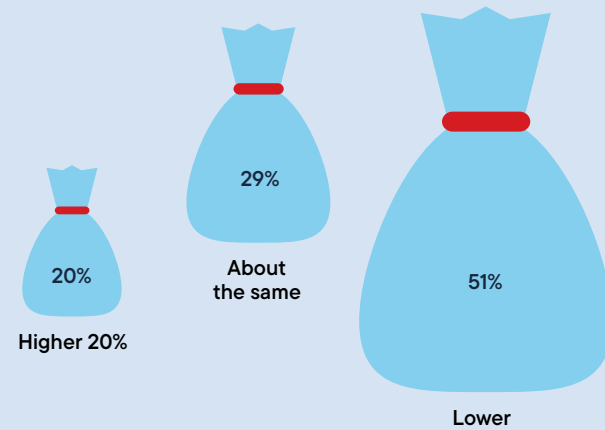
According to our survey, two-thirds (65%) of young Polish people were in full-time employment, with the highest percentage being in the older age groups of 26-29 and 30-35 at 76% and 77% respectively. Other categories – self-employed, part-time employed, family supported, still in education – were all below 10%.

This accords with the employment rate in Poland, which stood at 78.1% at the end of March 2024. This is more in line with the high rate in the Czech Republic (81.7%) than the low rate in Romania (69.4%), and reflects the limited labour supply and reluctance of companies to cut jobs.

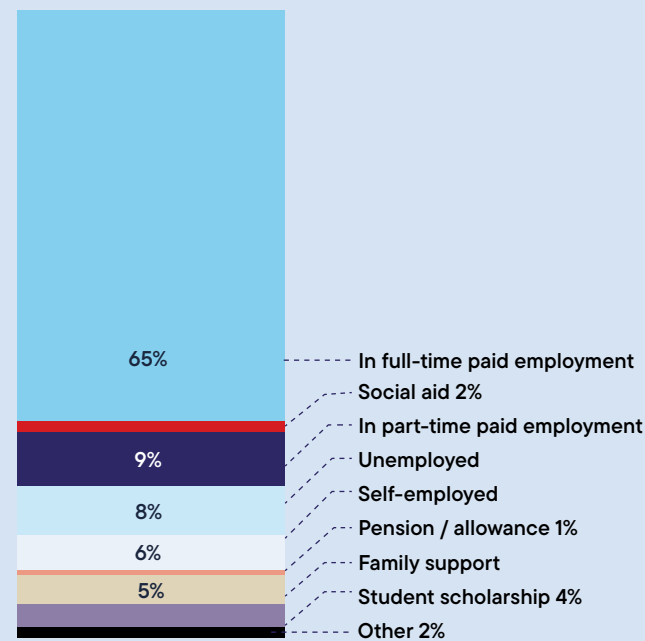
Despite the record low unemployment rate and tight labour market conditions, the income of more than half of our respondents (51%) was lower than the national average of PLN 7,768, with the youngest age group (18-21) and women faring comparatively worse. This is despite annual wage growth, in real terms, staying strong since the early 2000s, in particular between 2015-2019. Average salaries in the business sector rose 11.3% year-on-year in April, for example, as a result of low unemployment and hikes in the minimum wage.

More than half of Polish young women (56%) earn less than the average salary compared with 45% for men, while 32% of men and 27% of women earn about the same as the average salary, which would roughly accord with a gender pay gap of 4.5% measured by the European Union (EU) in its latest data. This is among the lowest in the (EU) and well below the EU average of 13%, which includes countries where pay discrimination between the sexes is likely to be greater.

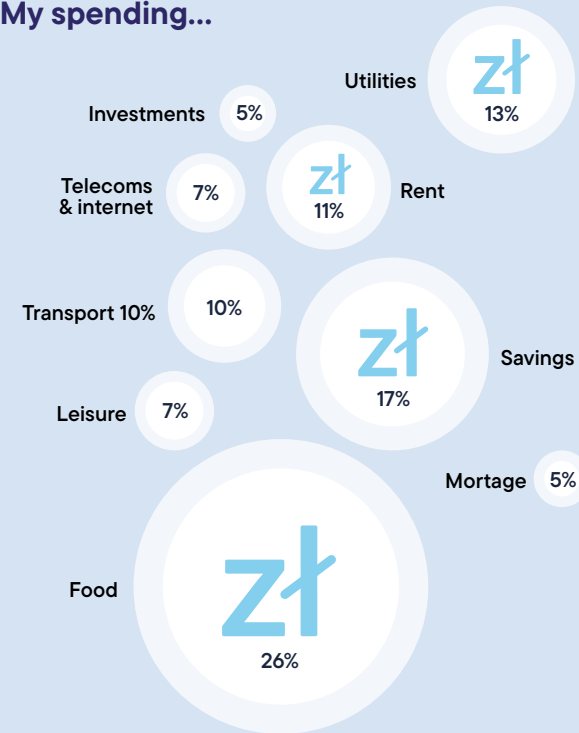
Monthly income v national average gross monthly salary



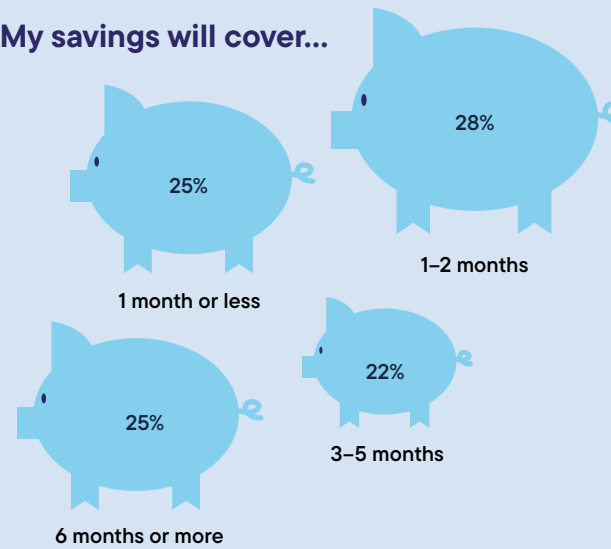
Employment



My spending...



My savings will cover...



How They Spend It

With money obviously tight for many Polish Gen Z/Millennials, how are they allocating their monthly salaries?

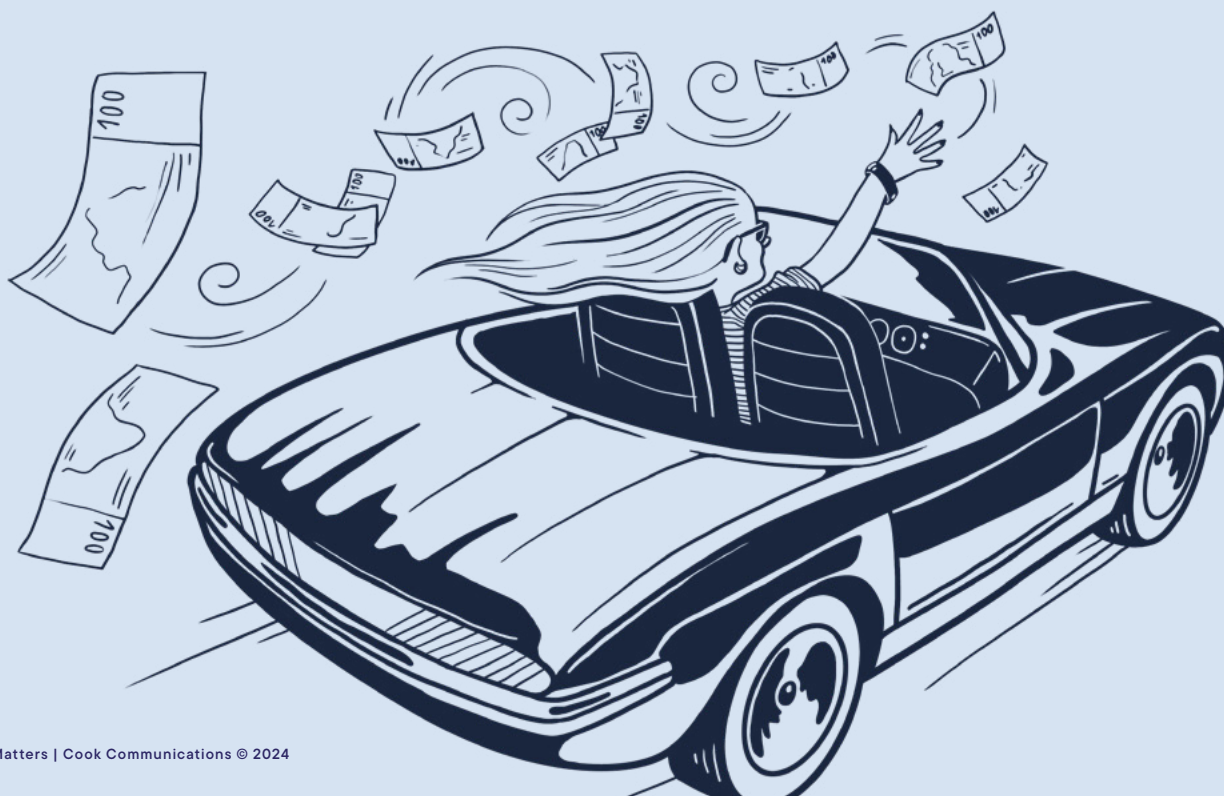
Our survey found that young Polish people spend, on average, about a quarter (26%) of their monthly income on food. That was consistent across age, gender and income groups.

Remarkably, savings were listed as the second largest expenditure by our respondents, who on average save 17% of their monthly salary. Together with various investments at an average of 5%, that makes a combined 22% of monthly income being salted away. Even more remarkably, it was the youngest age groups that said they save the most (20% of salary for the 18-21 group, 19% for the 22-25 group). Those in the highest income band said they save 21% of their salary, more than the 20% they spend on food.

While other studies by Polish banks suggest that nowadays young people are 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 survey found that a significant number of young people in Poland, a quarter, have saved the equivalent of just one month or less of their living expenses, with this number rising to 41% of 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. Another 28% of respondents on average have one to two months of living expenses saved, 22% have three to five months saved, and 25% (32% of the highest age bracket and 37% of the highest income group) have savings equal to half a year's living expenses, or more.

Perhaps the high percentage of those with more than three months of savings suggests that the turmoil from the Covid pandemic, with its layoffs and lock-downs, has instilled some monetary caution in today's youth.

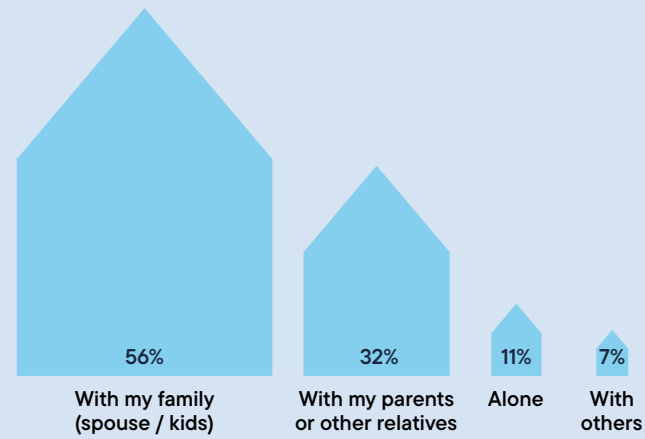


Housing costs were the third highest monthly expenditure at a combined 16% of salary, with rent at 11% and mortgage payments at 5%. The only surprise is that this came in third behind savings and investments. Poland, like other countries in Central and Southeast Europe, is experiencing a housing crisis, as high demand for homes and low supply of new dwellings have caused a surge in prices, both in the rental and buyers' markets. The arrival of millions of refugees from Ukraine has only exacerbated an already tight situation, albeit perhaps temporarily.

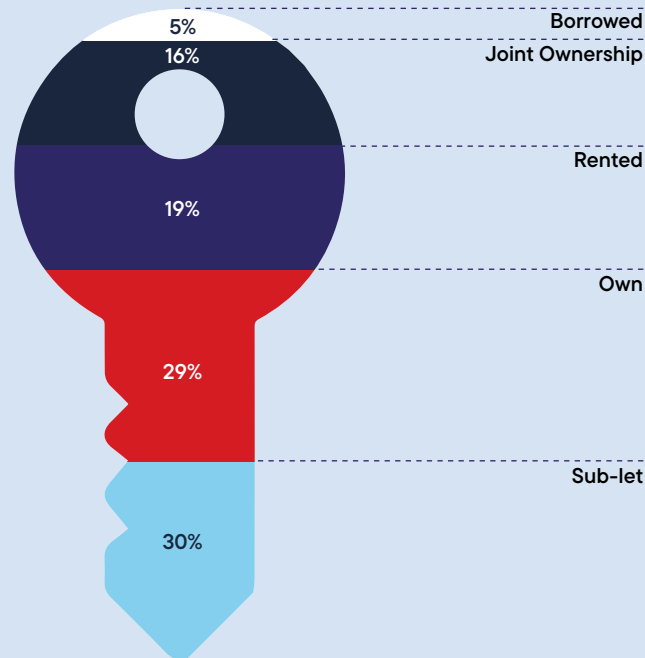
Deloitte's most recent *Property Index report*, which calculates the affordability of owner-occupied housing by looking at the number of average gross annual salaries required to purchase a standardised new home with an average size of 70m2, puts Poland as the 11th most expensive European country at 8.1 annual salaries. This compares with Slovakia in first place at 14.1 salaries, the Czech Republic in second at 13.3 salaries and Romania in 16th at 6.3 salaries. Rents in Warsaw at €15.2/m2 are higher than they are in the Czech capital of Prague, at €14.4/m2.

Unsurprisingly, then, 32% of those surveyed still live with their parents or other relatives, with the majority being men. This is backed by new data from GUS, Poland's statistical office, that showed one-third of Poles aged 25-34, the majority men, have yet to start their own family and live with their parents. The largest proportion in our survey (56%) reside in a household with their families (spouse and/or kids), 29% live in their own property (more often men, aged 30-35, with incomes close to the national average or higher), while 19% are in rented accommodation.

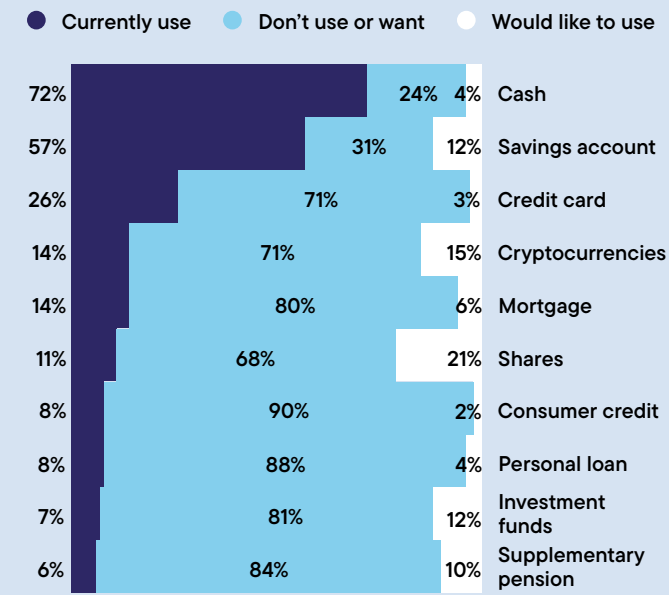
Where I live...



Property ownership



My financial products...



Where They Save It

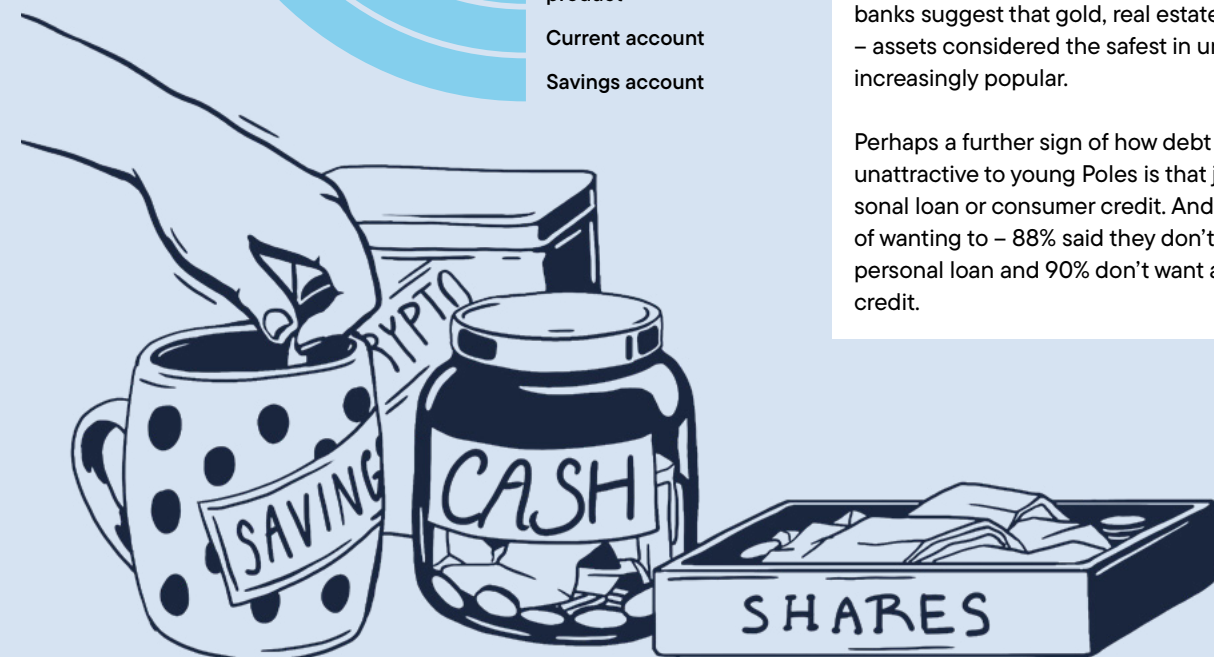
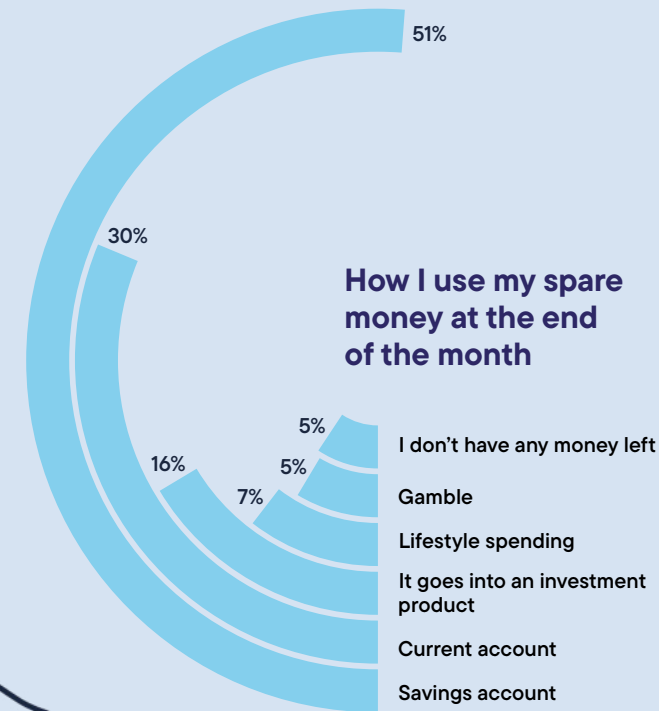
A tendency to overestimate how much they set aside each month notwithstanding, where do young Polish people save and invest their money?

Cash or current accounts and savings accounts are the most popular financial instruments for young Polish people, at 72% and 57% respectively. If there is any money left over at the end of the month, 51% said they would move it into their savings account while 30% would leave it in cash or on their current account. Another 7% of our respondents said that they would spend any leftover money on lifestyle choices – Polish Radio recently reported on a survey that found 17% of Poles intend to allocate between PLN 3,000 (€699) and PLN 4,000 (€932) on their vacation, with savings the most common source of holiday funding, cited by 58% – while 5% would gamble it! And 5% of those surveyed said they never have any money left over at the end of the month.

That leaves 16% who would seek out a financial product. Interestingly, men are significantly more likely to invest leftover money (21%) or spend it on gambling (10%), with 10% of women saying they would invest leftover money, and not a single woman said they would gamble with money. This could suggest that, particularly with the ubiquity of mobile apps, in the minds of some men the two activities – investing and gambling – may have become somewhat synonymous.

After current and savings accounts, the most popular products are often obligatory insurance policies – home, life or liability. Then comes credit cards, term deposits and mortgages. Of those surveyed, 14% said they put money into cryptocurrencies, and this financial product, together with shares, commodities and bonds, are the ones that young Poles said they are most interested in investing (15-21%). Other surveys by banks suggest that gold, real estate or foreign currency – assets considered the safest in uncertain times – are increasingly popular.

Perhaps a further sign of how debt has become unattractive to young Poles is that just 8% use a personal loan or consumer credit. And few show any signs of wanting to – 88% said they don't want to take out a personal loan and 90% don't want access to consumer credit.



Knowledge and Learning

Given that young people are digital natives, and given the rise of cryptocurrencies, it is not surprising that young Poles' financial safety is susceptible to online fraud. No less than 15% of Poles aged 18-35 said they personally have been, or know someone who was, a victim of financial fraud. Perhaps unsurprisingly, frauds involving cryptocurrencies appear to be the most common (7 percentage points of that 15%), followed by frauds involving shares or foreign currencies (4 percentage points each).

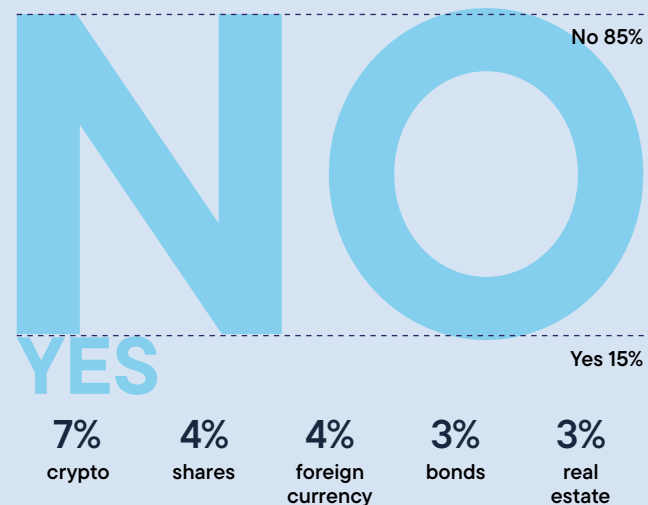
Given this level of financial crime, it is more important than ever that young people, in Poland and elsewhere, receive adequate education about managing their money and investments. A National Bank of Poland survey published in 2020 found that while Poles' self-assessment of their economic knowledge had increased from the previous survey in 2015, it was still "rather low", with only 8% evaluating their knowledge as quite good and not a single person evaluating their knowledge as very good.

Two-thirds (66%) of the respondents in our Young Money Matters survey said that they get advice and information on managing their finances through internet searches. Other important sources of information chosen by young Poles were social networks (32%), their parents (27%), friends (25%), banks or other financial institutions (23%), or the media (22%). But just 8% said they receive financial education at their school, suggesting there is a lot of scope for the authorities to better prepare young people on how to manage their finances.

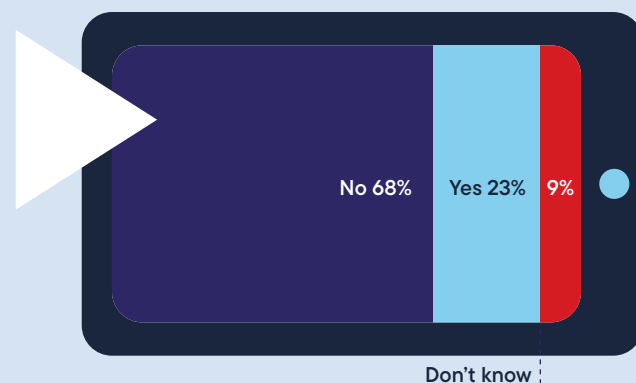
The rise of the financial influencer/blogger, the so-called 'finfluencer', is also noticeable among young Poles. Nearly one-quarter (23%) of respondents follow at least one finance influencer online, with the top three: Pani od Oszczędzania (38%), Marcin Iwuć (17%) and Dorota Sierakowska (11%). More than half of those (56%) trust the advice that these influencers provide, and the vast majority (89%) claim it is clear when their posts include paid promotions. Women are more likely to follow financial influencers than men.

It is worth noting that in Poland, as in many countries, financial influencers are not legally required to undergo any formal training, nor are they required to adhere to any code of practice, and while they could fall foul of financial regulations, they are not formally regulated. Poland's financial services and market regulator, the Polish Financial Supervision Authority, or KNF, said: "We can only publish warning campaigns on this topic addressed to investors, and we do it."

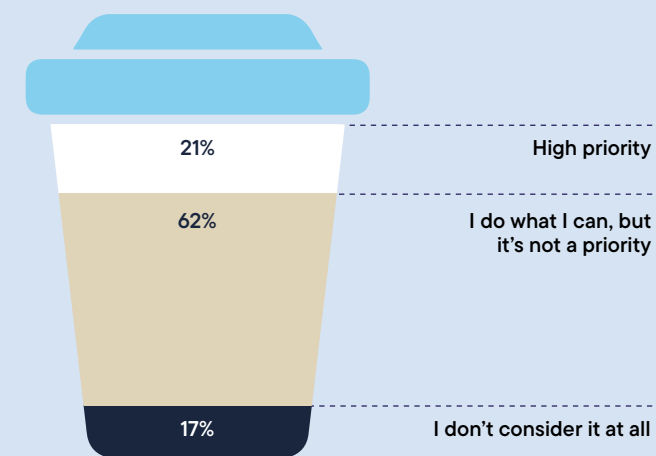
Are you a victim of financial fraud?



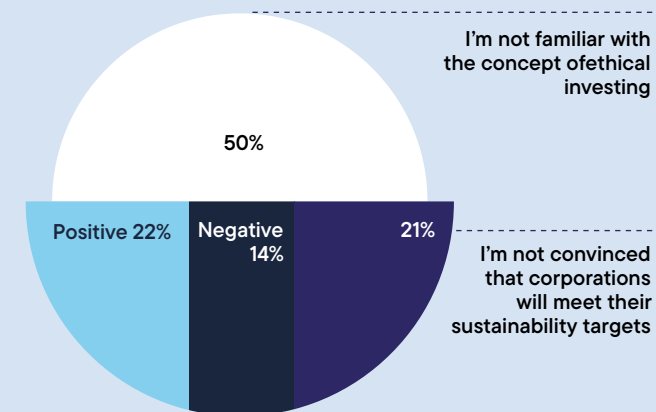
Do you follow an online financial influencer?



Is sustainability important to you?



What is your attitude towards ethical investing?



Green Living, Green Investing

Survey after survey show that young people, including those in Poland, rank the climate and environment high on their list of concerns. A 2023 survey by the European Investment bank found that over three-quarters of Poles in their twenties (79%), which is far above the EU average, said that they are convinced that their own behaviour can make a difference in addressing the climate emergency.

Yet our survey found a more nuanced picture. Nearly two-thirds of our respondents, or 62%, do indeed claim to do what they can in terms of sustainability, with this approach more common among women than men (69% vs 55%), but they don't consider it a priority. In fact, 17% don't consider sustainability at all. Only a fifth of respondents, 21%, consider it a high priority, and this decreases with age – from 34% in the 18-21 age band to 14% in the 30-35 band.

This carries through to attitudes towards green or ethical investing. Fully half of those surveyed (50%) said that they were not even familiar with the concept of ethical investing, while another 21% said they remain sceptical that corporations will do their bit for the climate and meet their sustainability targets.

For the 22% of respondents who have a positive view on ethical investing, 11% believe it presents a strong investment opportunity. Just 8% expressed an interest in ethical investing, while even fewer, 6%, said they had actually made an ethical investment.



Staying Positive

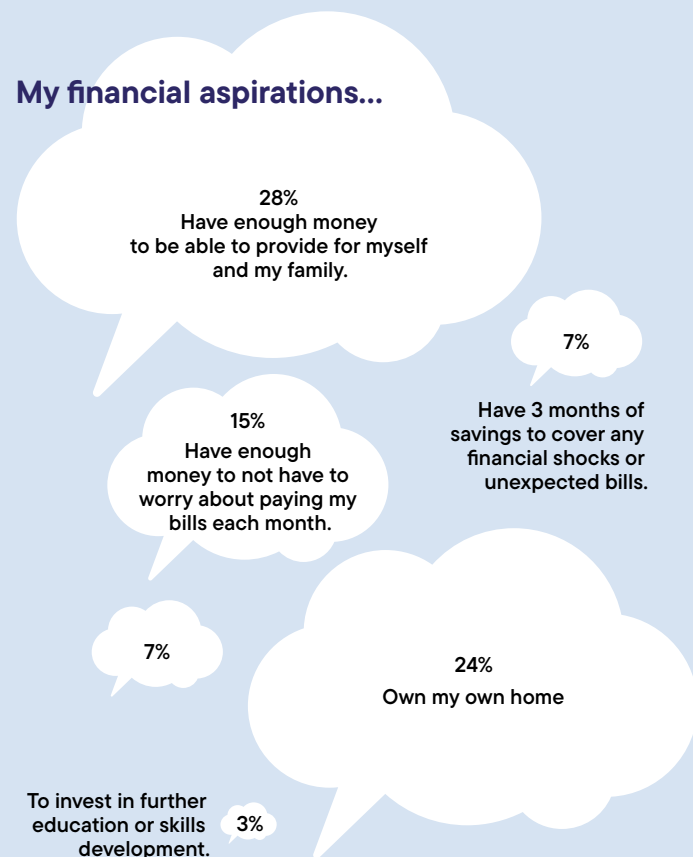
For all the worries about the climate emergency, the cost-of-living crisis and the growing unaffordability of housing, young Polish people – despite what the headlines often suggest – showed in our survey a remarkable optimism over the future, and were generally positive about meeting their financial aspirations. This is backed 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 situation to improve over the next year.

In our Young Money Matters survey, despite most young Poles (58%) expecting the cost of living to rise over the next year, fully 70% of respondents were confident they could achieve their financial aspirations, with 19% saying they don't know.

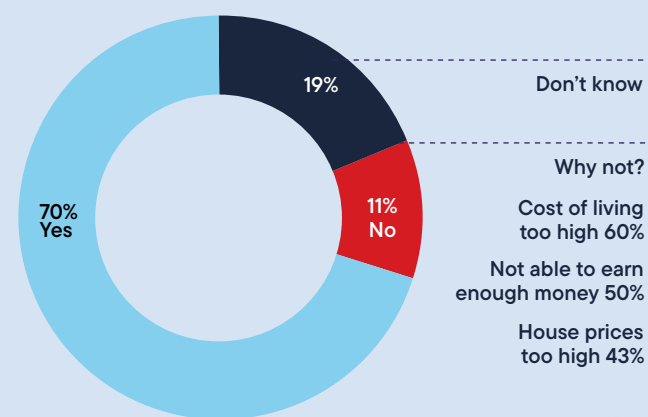
Only one in ten (11%) considered their aspirations unachievable. Reasons given for that include the cost of living being too high (60%), not able to earn enough (50%), high house prices (43%), and an inability to save/invest enough (31%). Frustratingly for many young Poles, house price rises in Warsaw and other big cities have far outpaced the growth in wages; as such, savings simply cannot keep pace. According to Deloitte's latest *Property Index report*, the average transaction price of a new dwelling in Poland reached €1,975 per m² in 2022, up by 14% on the 2021 report.

Still, young Poles have other financial aspirations besides owning their own home (24%). The most important of which is having "enough money to be able to provide for myself and my family" (28%). After owning their own home, the other top aspirations were: to have enough to not worry about paying my bills each month (15%); to have three months of savings to cover any financial shocks or unexpected bills (7%); and to pay off all existing debts such as credit cards, student loan, personal loan, etc. (7%); to ensure I have enough money to have a comfortable retirement (4%); and to have enough money to spend on luxury goods (4%).

My financial aspirations...



... and can I achieve them?



What We Learned: Education Matters

The last few years, with its pandemic lock-downs, high inflation, cost-of-living increases and worsening housing crisis, have undoubtedly proved challenging for young Polish people. Even so, a good majority of respondents to our survey (70%) said they are confident they can achieve their financial aspirations – and that's despite most respondents (58%) expecting the cost of living to rise over the next year. In fact, only 1 in 10 (11%) of those surveyed consider their aspirations unachievable.

Meeting these financial aspirations, though, will be hard. Too many young Poles still keep their money in cash/current accounts, though savings accounts are the most popular financial product. However, with Polish real interest rates (i.e. those that take inflation into account) so low – hovering around 1.45% – there are clearly better places for young Poles to park their savings.

And they do have savings. The young Polish people surveyed are remarkably conscientious about their personal finances, with a high proportion having savings that cover more than three months of living expenses. A quarter have savings sufficient for more than six months.

Which brings us to knowledge and learning, or rather the lack of it. Our survey reveals that just 8% of young Poles receive any form of education about personal finances at school. This is a poor figure by any measure: the Polish education system might have its faults like any other, but in the latest edition of the PISA survey, the average score of Polish students in mathematics was 489 points; among EU countries, only Estonian students achieved a better score.

Once young Poles leave school, most, unsurprisingly, tend to rely on informal channels for advice and information: 66% of respondents said they rely on the internet for information on financial products and investing; 32% on social networks; and 25-27% on their friends and parents. Way down the list are banks or other financial institutions – just 23% of respondents look there for financial information. More worryingly, the popularity of the financial influencer/blogger, the so-called 'finfluencer', is very noticeable among young Poles, especially women. Nearly a quarter (23%) of respondents follow at least one financial influencer online. Clearly, a substantial number of young people are seeking guidance and advice on money matters. But whereas banks and financial institutions are regulated by the KNF, 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.

Is it 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 products, how often, and how much, do they genuinely invest in educating their target customers? Surely, the big Polish financial institutions have no shortage of 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 15% of our respondents say they 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?

Let's talk... call or write to Joe, Anna or Alex

Czech Republic & region

Joe Cook
(420) 602 683 230
j.cook@cook-comm.com

Poland

Anna Ziubińska
(48) 663 171 033
a.ziubinska@cook-comm.com

Romania

Alexandru Alexe
(40) 729 851 969
a.alex@cook-comm.com

Further reading

Eurostat

ec.europa.eu/eurostat/databrowser
www.gov.pl/web/family/unemployment-rate-on-the-decline-record-result-in-may
commission.europa.eu/document
www2.deloitte.com/content
stat.gov.pl
www.polskieradio.pl
nbp.pl/wp-content/uploads/2022/09/wiedza-ekonomiczna-polakow.pdf
www.eib.org
www.deloitte.com/global/en/issues/work/content/genz-millennialsurvey.html

Statistics Poland

stat.gov.pl
Polish Financial Supervision Authority

Young Money Matters was written by Nicholas Watson, and translated from the English by our teams in Bucharest, Prague and Warsaw. We are indebted to Andrew Appleyard and Chris Tuite at [MRM](#) in London for their encouragement and an early draft questionnaire that stimulated lively debate in our offices, and which was further developed, collectively, by Alexandru Alexe, Daliana Bărbuică, Marie Chaloupková, Joe Cook, Aleksandra Jagoda, Agata Koczowska, Simon Kubat, Mateusz Rolewski, Vit Šubrt, Nicholas Watson and Anna Ziubińska. Our questionnaires were then used for the surveys conducted by [GfK](#). Soňa Daňková and Lukáš Honzák at [Ginger & Fred](#) in Prague prepared the info-graphics, design and layout. Young Money Matters is published by and is the copyright of [Cook Communications](#) © 2024.