

# Young Money Matters

ROMANIA · 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 currently 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 prepared by Cook Communications.

GfK polled 500 Romanians aged 18–35, with the largest single group (38%) being 30–35 years old (Millennials). The other three groups (predominantly Gen Z) were: 18–21 (20%), 22–25 (23%) and 26–29 (19%).

In terms of education, 31% of respondents were university educated, 53% were educated to high school level, and 15% received some kind of post-high school or vocational education. Those quizzed resided in a diverse size range of villages, towns and cities across Romania. The gender balance of respondents was 50% male, 50% female.

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

Source: IMF World Economic Outlook 2024, national statistics



## Key Findings

- 55% of survey respondents are employed full-time, while almost half (49%) earn below RON 3,000 (about €600) a month, with that figure rising to 77% in the 18-21 age bracket.
- Young Romanians spend most of their income on food (28%), followed by utilities (16%) and savings (12%). Those in the highest earning group (17%) and 18-21 age group (18%) save more than they spend on either of the latter two.
- 54% have savings covering less than a month of living expenses; just 9% have savings of six months or more. Men tend to save and invest more than women.
- Almost half (49%) of Romanians aged 18-35 said their standard of living has improved over the past year; however, the vast majority of them (72%) foresee living costs rising over the next 12 months.
- Cash/current accounts (57%) and credit cards (42%) are the two most popular financial products among young Romanians; 34% use a savings account.
- The most important financial aspirations for young Romanians are: the ability to provide for themselves and their family, not having to worry about paying the bills, and to own their own home. 81% consider their aspirations to be achievable.
- 61% of young Romanians have been forced to delay an important life decision for financial reasons; that figure rises to 71% of women.
- Most (61%) live with their spouse or children, while a third (32%) still reside with their parents. Just 13% live in rented accommodation.
- Parents (45%) and internet searches (42%) are the main sources of information on money management for young Romanians; one in five follows at least one financial influencer.
- 27% of Romanians aged 18-35 have either experienced financial product fraud themselves or know someone who has. Cryptocurrency-related frauds were the most frequently cited incidents.

# Jobs and Income

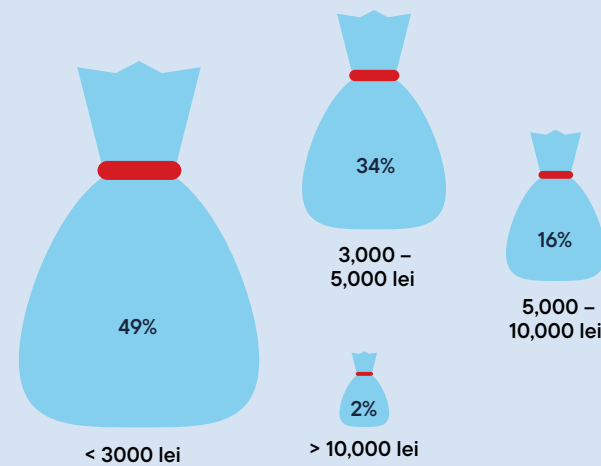
In our Young Money Matters survey, more than half of respondents (55%) were employed full-time, with the highest prevalence in the 26–29 age group (67%) and the 30–35 age group (70%). Other categories – part-time employed (6%), self-employed (5%), family supported (4%) – were all below 10% in our survey. Students made up 12% of respondents.

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

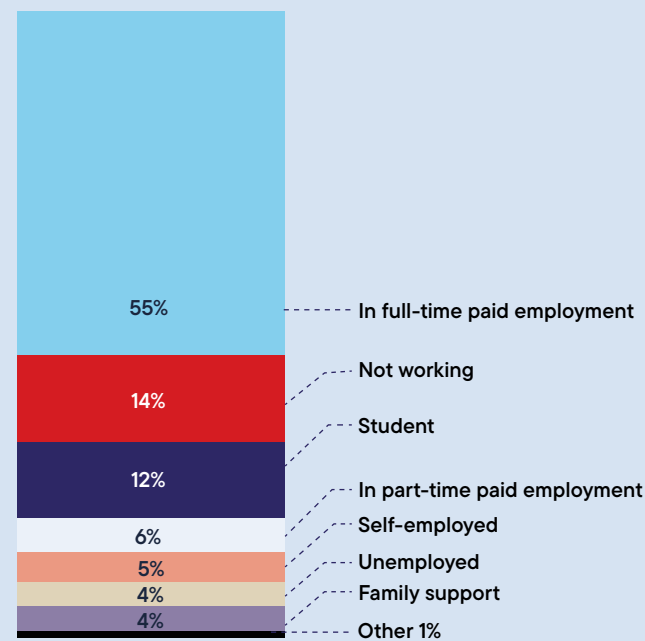
Women and Gen Z aged 18–21 feature particularly in the lowest-income group in our survey that earn under RON 3,000 (about €600) a month. Compared with 49% who earn below that level, the figure rises to 58% for women and 77% for the 18–21 age group. No surprise, therefore, that 61% of young Romanians said they have had to delay at least one important life decision due to financial factors, circumstances that affect more women (71%) than men (50%).

In other income brackets, 34% of young Romanians said they earn between RON 3,000 and 5,000 a month; 16% earn between RON 5,000 and 10,000; and another 2% earn more than RON 10,000 (about €2,000). Unsurprisingly, most represented in the highest income brackets (>RON 5,000) were men (21%) and those in the oldest age bracket of 30–35 (21%).

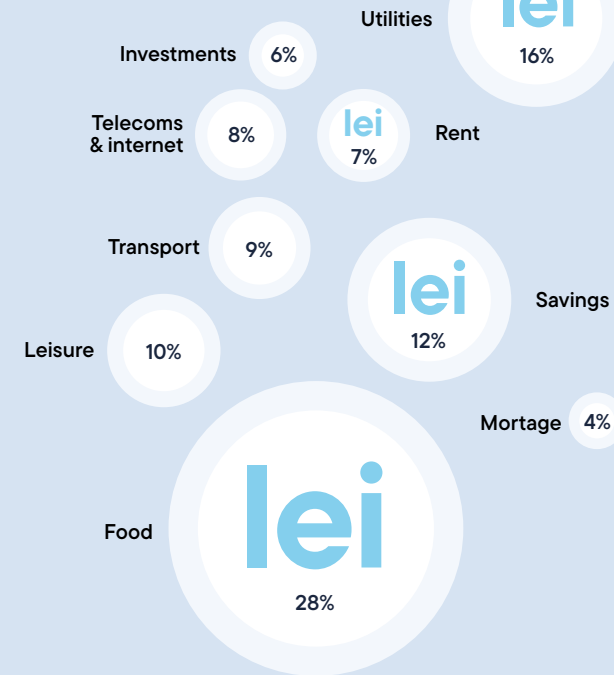
## Monthly income



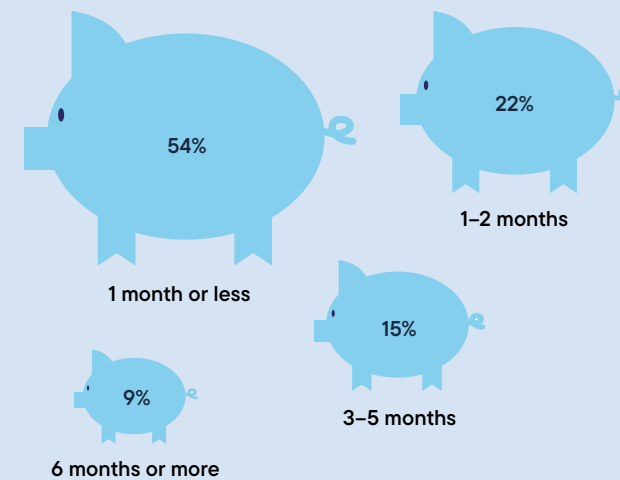
## Employment



## My spending...



## My savings will cover...



# How They Spend It

With almost half earning below RON 3,000 (about €600) a month, money is obviously tight for many Romanian Gen Z/Millennials. So, how are they allocating their monthly salaries?

Our survey found young Romanians spend most of their money on food, just like their Czech and Polish counterparts. On average, 28% of their monthly income goes on eating, with this percentage being higher among women and those in the 30–35 age group (30% each).

Spending on utilities was the second-highest item at 16%, despite the Romanian government in late 2022 introducing state aid measures to shield citizens from excessive energy prices after Russia’s invasion of Ukraine, which caused a sharp spike in energy bills. Those price caps on electricity and gas are set to remain in place until at least March 2025.

Remarkably, given the low levels of pay in Romania, savings were listed as the third largest expenditure by respondents, at 12% of their monthly salary. Investments were at an average of 6%, meaning a combined 18% of monthly income on average goes into assets of one form or another. Obviously, those in the higher income bracket save the most (17%); less obviously, it was the youngest age group that said they saved the most (18% of salary for 18–21s). 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 survey found that the largest group in our survey, 54% of Romanian Gen Z/Millennials, have one month or less of their monthly expenses put aside, with that number heavily concentrated in the lowest income group (65%), among women (62%) and those in the 30–35 age bracket (61%). This suggests that saving money is difficult for those in the lowest income groups and perhaps those with families, despite what they might say otherwise.

Another 22% of respondents said they have between one and two months of expenses saved, 15% have three to five months of saved, and 9% (15% in the highest income bracket) have savings equal to half a year’s expenses, or more. The low percentage of those with more than three months of expenses saved (24%) compared with the Czechs (44%) and Poles (47%) is indicative of the relatively low salaries in Romania.



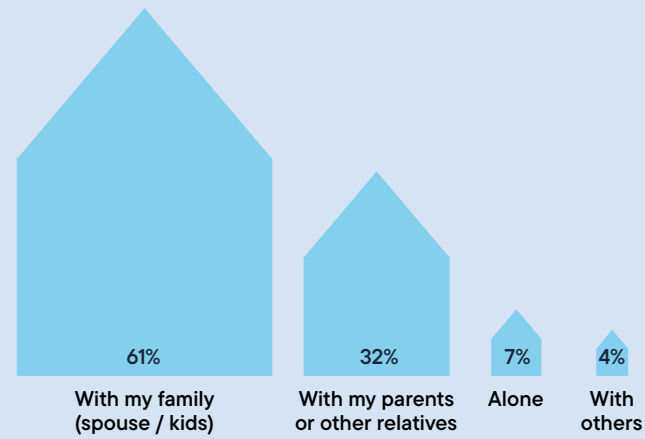


Housing payments, particularly rent at just 7% of the monthly salary on average, are lower compared with the Czech Republic and Poland, at 20% and 16% respectively. Much of this is down to the significant number of respondents (52%) who live in their own property; this figure is above 60% for those in the higher age and income brackets. In fact, living with family (spouse/kids) is by far the most common household type 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.

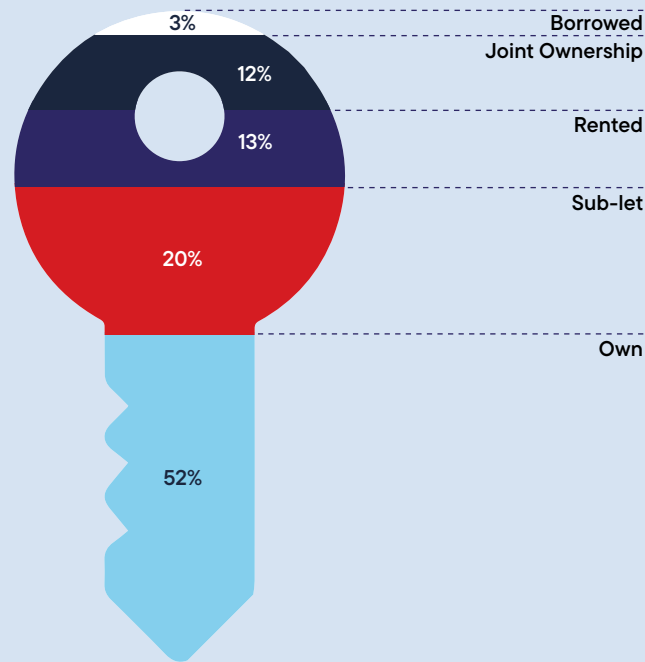
Property prices in Romania, like other countries in Central and Southeast Europe, have risen significantly over the last decade, but remain relatively affordable. Deloitte's most recent *Property Index report*, which calculates the affordability of owner-occupied housing by looking at the number of average gross annual salaries required to purchase a standardised new home with an average size of 70m<sup>2</sup>, puts Romania in 16th place at 6.3 annual salaries, far behind top-placed Slovakia at 14.1 annual salaries and Czech Republic in second at 13.3 annual salaries.

This is reflected in Romania's mortgage market. Data shows that in 2023 a total of €6.4 billion in mortgages were granted, of which about half were estimated to be new mortgages. In the first quarter of this year, the volume of mortgages (including refinancing, conversions, transfers and restructurings) was €2.15 billion, up 95% year-on-year. 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.

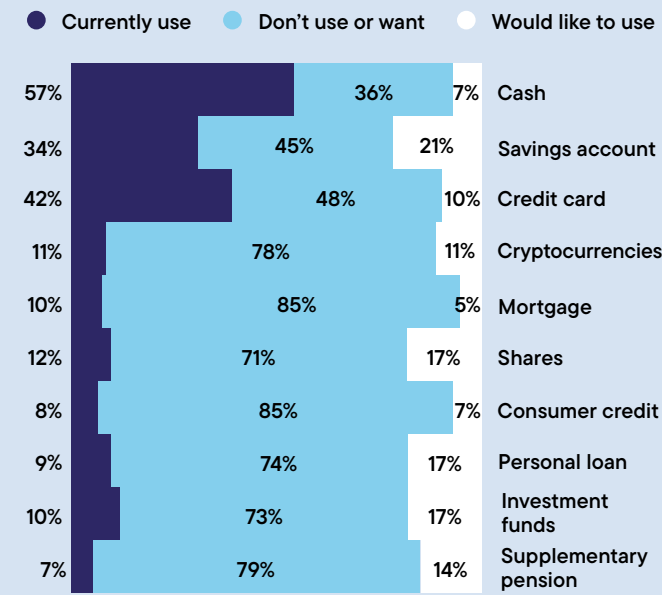
### Where I live...



### Property ownership



### My financial products...



## Where They Save It

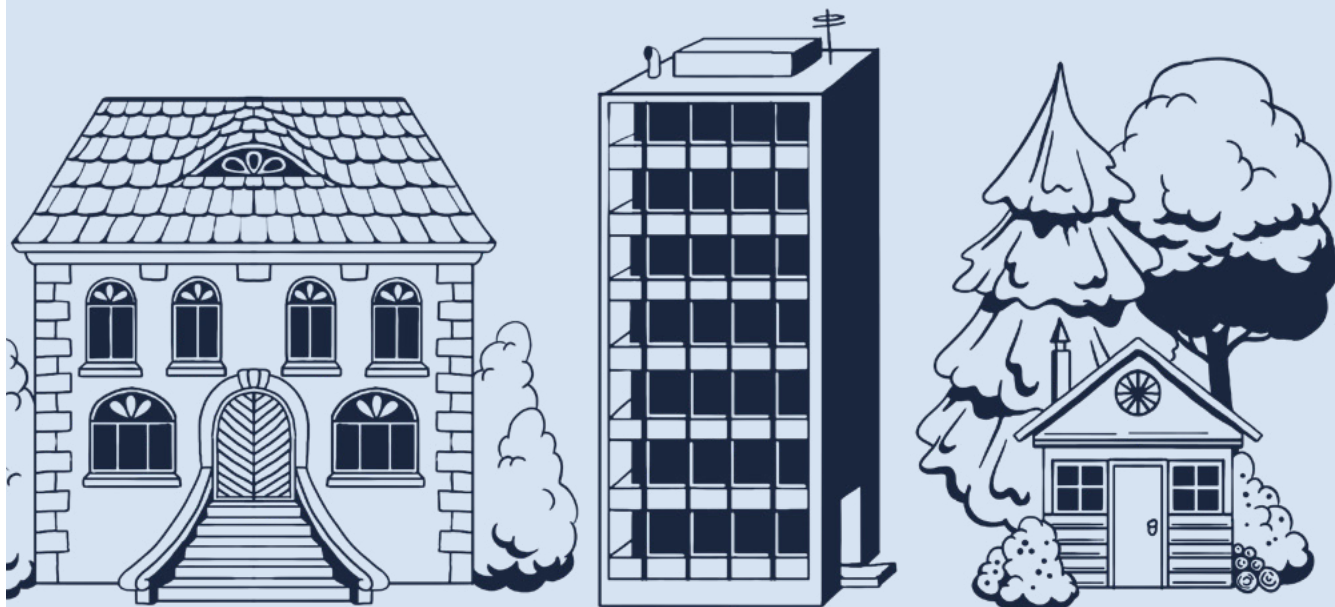
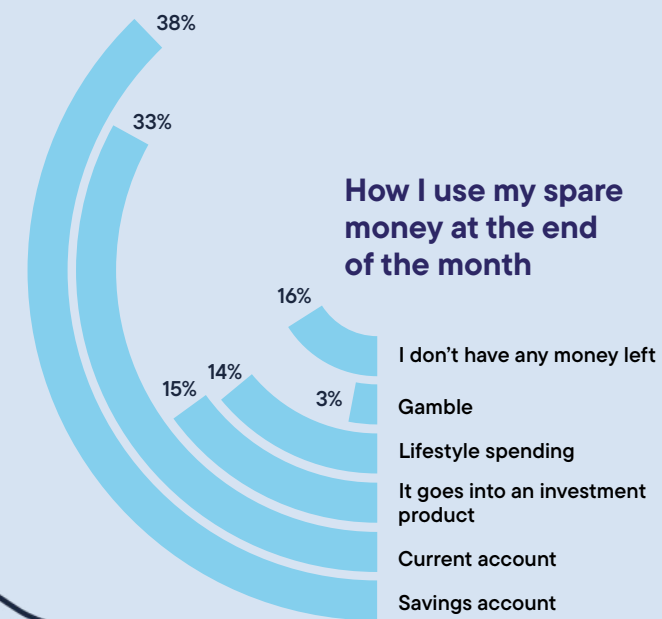
A tendency to overestimate how much they set aside each month notwithstanding, where do young Romanians save and invest their money?

Cash or current accounts and savings accounts are two of the three most popular financial products for young Romanians, at 57% and 34% respectively. Although Romanians consider cash or a current account to be the most suitable way to save money, they lose part of such savings to inflation, which was especially high in 2022 and 2023. The Young Money Matters survey found that while moving any leftover money into a savings account is the most popular choice, at 38%, leaving it in a current account is the second most popular choice, at 33%. This strategy is common among all age brackets. This is backed by other recent surveys that show Romanian Gen Z/Millennials increasing their cash assets. They cite "having easy access" to their money as the reason for doing so.

Spending any leftover money on lifestyle choices was chosen by 14% of respondents, but just above this, at 15%, was the search for a financial investment product. This figure rose to 19% for men vs. 10% for women, and 27% for those in the highest income bracket.

After current accounts, the second most popular financial product are credit cards, which together with 17% choosing a personal loan suggests a tendency of respondents to rely on credit, or in other words to live beyond their means. After all, 16% of respondents said they never have any money left over at the end of the month, with that figure rising to 20% of women. For many young Romanians, making ends meet is a serious challenge.

Shares (12%), cryptocurrencies (11%) and investment funds (10%) are among the three most popular financial products used, as well as among the most desired assets among respondents (17%, 11% and 17%). Supplementary pension/pension insurance is among the most wanted financial products at 14%, but just 7% currently invest in this area and 79% said they don't use and don't want to use such products.



# Knowledge and Learning

Given that young people are digital natives, and given the rise of cryptocurrencies, it is not surprising that young Romanians' financial safety is susceptible to online fraud. Over a quarter (27%) of Romanians aged 18–35 have been or know someone who has been a victim of fraud in financial products. 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 reported in the previous 12 months.

Perhaps unsurprisingly, frauds involving cryptocurrencies appear to be the most common (10 percentage points of that 27%), followed by frauds involving foreign currency, shares, bonds and real estate (5–7 percentage points each). Almost a quarter (24%) of the highest earning income group said they invest in cryptocurrencies.

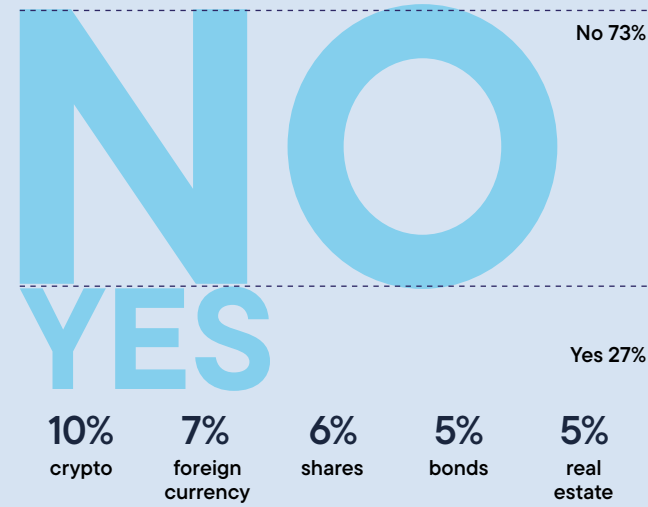
Given this level of financial crime, it is more important than ever that young people, in Romania and elsewhere, receive adequate education about managing their money and investments. Parents are the primary source of information about managing personal finances for young Romanians (45%), followed by internet searches (42%), social networks (31%), friends (28%), and banks or other financial institutions (24%).

Just 13% said they receive personal finance 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. Encouragingly, this figure rises to 28% for the youngest age group (18–21), which may suggest that the deficiency is being slowly addressed.

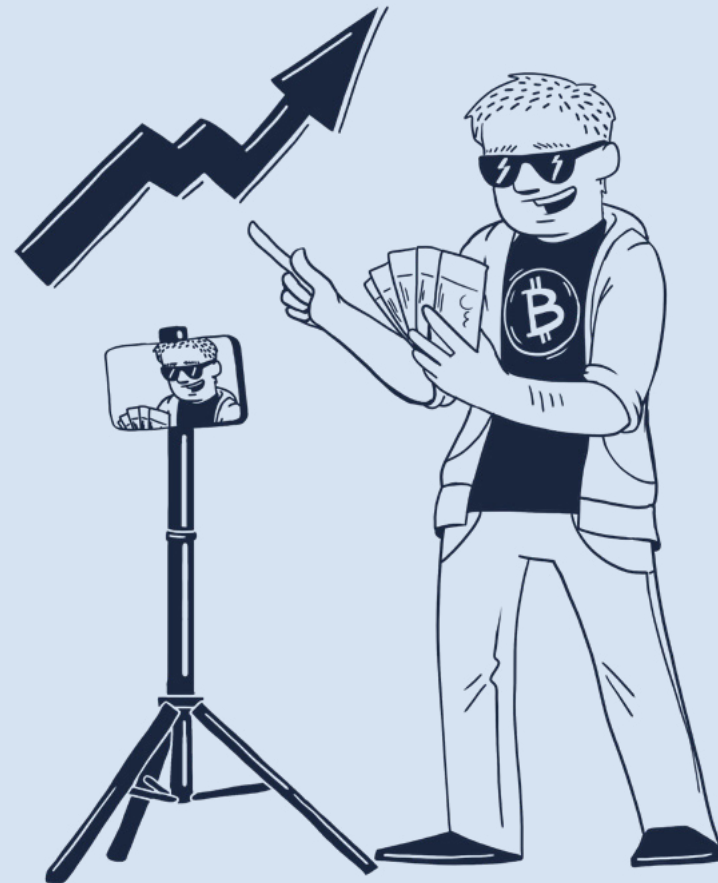
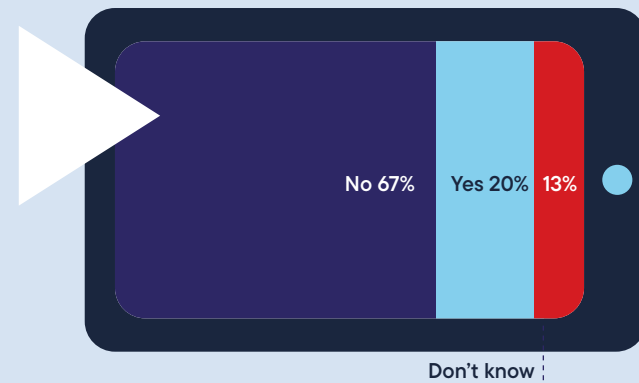
The rise of the financial influencer/blogger, the so-called 'finfluencer', is also noticeable among young Romanians. One-fifth (20%) of respondents follow at least one financial influencer online (that rises to 25% of men, 28% of those aged 18–21 and 34% of the highest earners), with the top three: Selly (22%), Dorian Popa (13%) and Marilu Dobrescu (5%). Three-quarters (75%) of those who follow a financial influencer trust their advice, and the vast majority (88%) claim that it's evident when their posts include paid promotions.

It is worth noting that in Romania, 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.

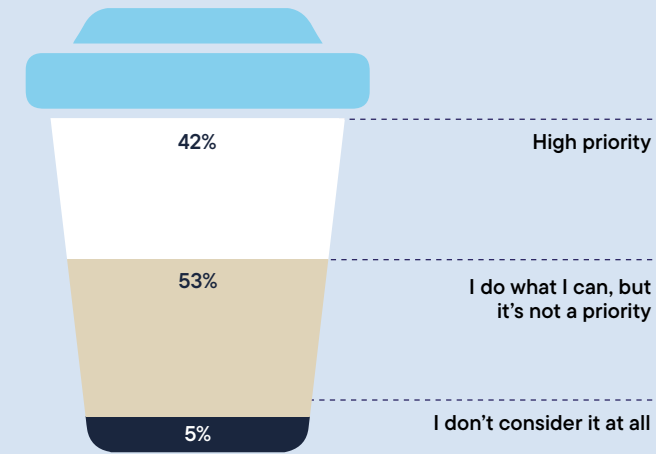
## Are you a victim of financial fraud?



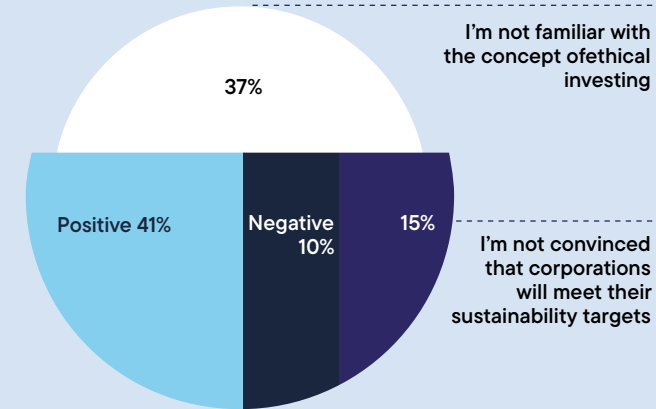
## Do you follow an online financial influencer?



## Is sustainability important to you?



## What is your attitude towards ethical investing?



# Green Living, Green Investing

Young Romanians are significantly more sustainability-conscious than their regional peers. 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% said sustainability is not a priority but they do what they can.

This strong environmental commitment carries through to attitudes towards green or ethical investing. A significant majority said they are aware of ethical investing (37% said they are not cognizant of it) and 41% hold a positive view on it, with 19% of those saying they believe it represents a strong investment opportunity and 17% expressing an interest in investing in such assets.



## Staying Positive

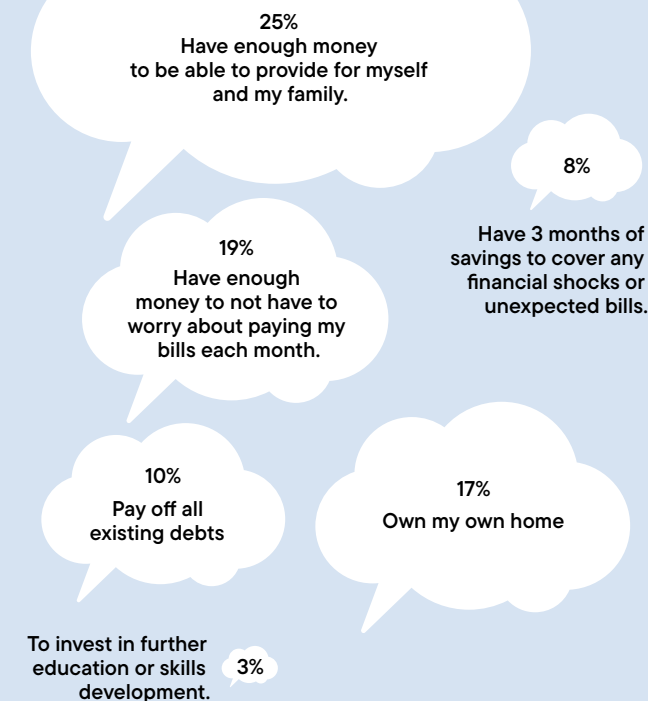
For all the worries about the climate emergency, the cost-of-living crisis and the growing unaffordability of housing, young Romanians – despite what the headlines often suggest – are remarkably optimistic about the future, and generally positive about meeting their financial aspirations. This is borne out in other global surveys too, 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.

Young Money Matters found that for almost half (49%) of Romanian Gen Z/Millennials, the standard of living has improved over the past year. Subgroups declaring improvement more often than others were men and those aged 22-25. A greater proportion of the higher income groups also reported an improved standard of living over the last year.

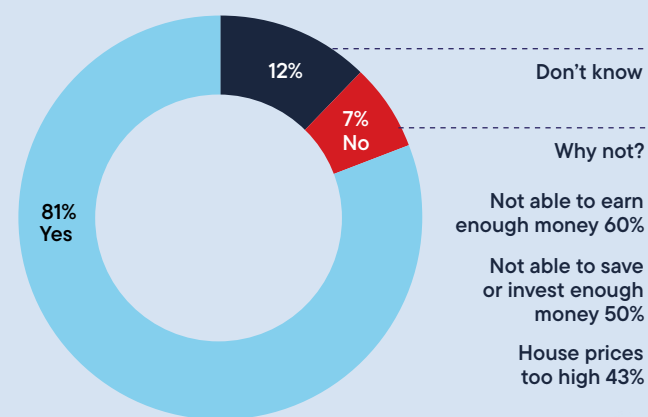
Although 72% of young Romanians expect the cost of living to rise over the next year, our Young Money Matters survey also found that four out of five young Romanians (81%) think that they can achieve their financial aspirations. Among the 7% who perceive them as unachievable, the most common justifications were not being able to earn enough money (60%), not being able to save or invest enough money (50%), and house prices being too high (43%). According to Deloitte's most recent *Property Index report*, the average transaction price of a new dwelling in Romania in 2022 stood at €1,417/m<sup>2</sup>, up 12% from the previous year.

While owning their own home is the top priority of 17% of young Romanians (and in the top three aspirations of 33%), the most important aspirations are to "have enough money to be able to provide for myself and my family" (25%) and 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" (19%). Reflecting the higher levels of debt among young Romanians, "pay off all existing debts (such as credit cards, student loan, personal loan, etc.)" was chosen by 10% of respondents.

### 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 house price rises, have undoubtedly proved challenging for young Romanian people. Even so, almost half of young Romanians reported that their standard of living had improved over the past year, and despite most expecting the cost of living to continue to rise over the next year, they remain remarkably optimistic about the future and positive about meeting their financial aspirations. Four out of five young Romanians (81%) think they can achieve their financial aspirations.

Meeting them will still be hard for many young Romanians. Over half of the sample have only one month of living expenses saved; 16% say they never have any money left over at the end of the month. Among those who do have savings, too many keep their money in cash/current accounts. Savings accounts are the third most popular financial product, but only 34% have one. But with real interest rates negative in Romania – inflation is outpacing nominal interest rates – young Romanians really need to find better places to put their savings. Young Romanians also have a worrying propensity for debt: the second most popular product is a credit card; 17% have a personal loan and another 74% would like one.

Which brings us to knowledge and learning, or rather the lack of it. Our survey reveals that just 13% of young Romanians receive any form of education about personal finances at school. This might be better than in say, Poland, but there is still a lot of room for improvement.

Once young Romanians leave school, most tend to rely on informal channels for advice and information: parents (45%) are the main source of financial advice; 42% of respondents said they rely on the internet for information on financial products and investing; 31% on social networks; and 28% on their friends. Banks or other financial institutions at 24% are halfway down the list.

Worryingly, the popularity of the financial influencer/blogger, the so-called 'finfluencer', is very noticeable among young Romanians, especially young men. One in five respondents follow at least one financial influencer online, including some very questionable figures. 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 Romanian Financial Supervisory Authority, and thus bear legal accountability for their actions and the advice they dispense, these 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 Romanian 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 27% 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

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### Further reading

[https://ec.europa.eu/eurostat/statistics-explained/index.php?title=EU\\_labour\\_market\\_quarterly\\_statistics#Employment\\_rate\\_up\\_in\\_the\\_EU](https://ec.europa.eu/eurostat/statistics-explained/index.php?title=EU_labour_market_quarterly_statistics#Employment_rate_up_in_the_EU)

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

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<https://universul.net/young-investors-dash-for-cash-18-34-year-olds-twice-as-likely-as-their-parents-to-have-upped-cash-allocation/>

<https://curierulnational.ro/revolut-si-un-expert-britanic-in-cyber-fincrima-atentioneaza-genz-si-milenialii-sunt-tot-atat-de-vulnerabili-la-scam-uri-ca-boomerii/>

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

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