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TNS Sofres survey for the Autorité des Marchés Financiers: the French public and employee savings

The Autorité des Marchés Financiers (AMF) is publishing the results of a TNS Sofres Survey ⁽¹⁾ of the French public's understanding of employee savings schemes and reactions to them. With over €117 billion in outstandings, and representing several million employees ⁽²⁾, are these schemes properly understood and managed? Who are the savers involved? How are such savings regarded and used? The survey sheds valuable light on all these issues at a time when many employees need to decide how they want to allocate bonuses or gains from profit-sharing arrangements.

As part of its mission to protect and inform the general public, the AMF uses its Household Savings Observatory to monitor and improve its knowledge of savers' behaviour and needs. The regulator was keen to look closer at employee savings schemes, from which millions of French people benefit via their employers. These schemes fall into two categories: PEE company savings plans and PERCO collective retirement savings plans.

What does the typical saver look like?

More than one in four employees currently benefit from at least one employee savings scheme. The most prevalent schemes are PEE company savings plans, which cover 23% of employees. PERCO collective retirement savings plans cover 9% of employees. The amounts held in these schemes vary widely. The average valuation of €11,900 masks the fact that half of savers have less than €3,900, while 20% declare sums in excess of €15,000. Savers in these schemes are mostly male and employees of major firms. Specifically, almost six out of ten savers are men, and the employee savings ownership rate varies from 48% in companies with more than 500 employees to just 11% in firms with fewer than 50 employees.

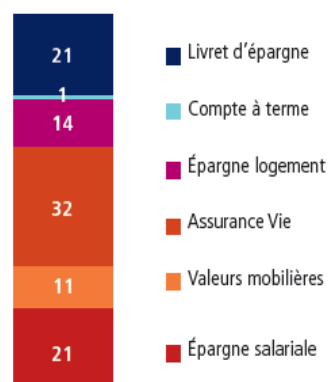
What part do employee savings play in household wealth?

26% of savers in employee savings schemes declare a household income of over €4,000 per month. Note that only 16% of the active French population falls into this category. With relatively high incomes, employee savings beneficiaries estimate their overall financial wealth at an average €50,000. These savings account for around a fifth (21%) of their total wealth.

The typical beneficiary of an employee savings scheme is also a more active investor in financial products. 25% of such savers own financial securities (equities, bonds or fund units), for example, compared with only 9% of employees outside these schèmes.

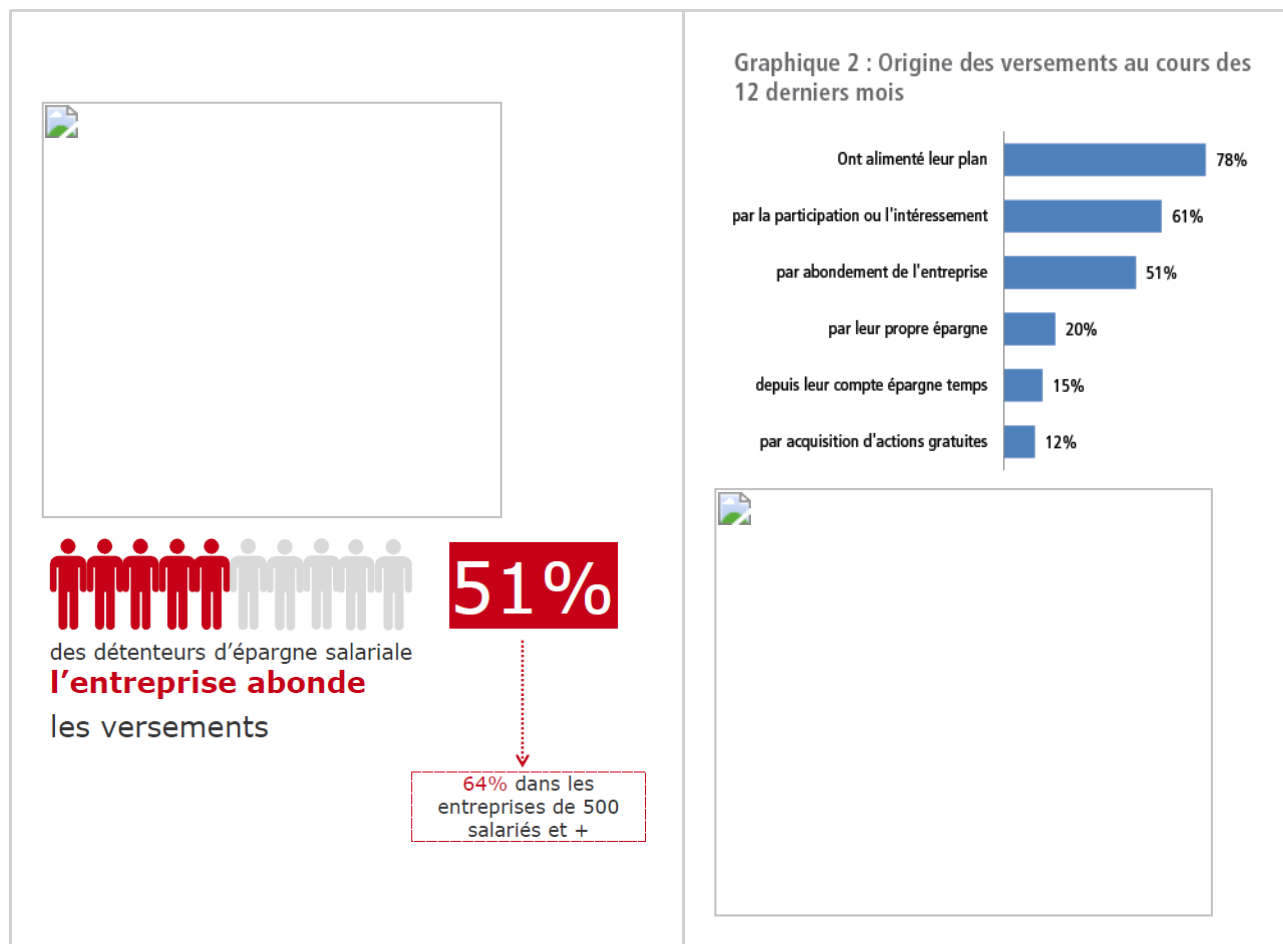


Graphique 1 : Structure du patrimoine financier des détenteurs d'épargne salariale (en %)



What are the sources of employee savings, and how are they invested?

Employee savings schemes are funded mainly by profit-sharing arrangements, bonuses and voluntary contributions. For 51% of employee savers, employers have made voluntary, top-up contributions. That rate rises to 64% for large companies. Furthermore, one in five savers has made a voluntary contribution of their own to their employee savings plans in the past 12 months.



In terms of investment choices, most savers opt for risk-free investments (46%) or conservative allocations (42%). A third opt for "dynamic" investments, whose value can fluctuate more widely. Four in ten savers admit that they do not know the nature of the funds they have chosen, while 30% say they have invested in money market funds, 18% in conservative diversified funds and 17% in equity funds.

Savers' need for information heightened by the Macron Act

Although not fully understood (56% of respondents said they understood the risks, 34% their costs and only 38% claimed to understand everything), employee savings are considered "a good investment" by the majority of their beneficiaries. At this time of year, with employees are faced with annual allocation choices, we should remember that 2016 has already been affected by legislative changes. The so-called Macron Act will introduce new rules on allocating bonuses, which are now paid into employee savings plans by default.

In the light of this survey, the AMF is keen to provide the public with the information it needs to understand and manage employee savings schemes better. Computer graphics, videos and other material are available.

About the AMF

The AMF is an independent public authority responsible for ensuring that savings invested in financial products are protected, providing investors with adequate information and supervising the orderly operation of markets. Visit our website www.amf-france.org.


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[1] TNS Sofres survey of 1,868 French employees carried out by post between 30 November 2015 and 11 January 2016.

[2] Source: Association Française de Gestion – March 2016.

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