

THE AMF HOUSEHOLD SAVINGS OBSERVATORY NEWSLETTER



**Semaine
de l'Épargne
Salariale**

On the occasion of the 2023 Employee Savings Week

EDITORIAL

The employee savings scheme satisfies its holders but is still not sufficiently understood

The *Semaine de l'épargne salariale* (Employee Savings Week), of which the AMF is at the initiative, has published a new survey on employees' awareness and perception of employee savings schemes,¹ three years after the first study conducted in 2020.

The findings show that awareness and possession of employee savings schemes have progressed and that the holders, who represent around half of the employees surveyed, are mostly satisfied (78% of them).

However, knowledge of the schemes and their potential remains limited, in particular the possibility of voluntary deposits or the types of investment vehicle. Investment holders have a significant lack of knowledge regarding funds, their risk levels and their fees.

Accordingly, 39% of investment holders feel they are not capable of choosing their investments and 63% of them express a need of support.

After focusing educational initiatives on the difficulties faced by savers and increasing their knowledge, in particular regarding the possible ways of releasing these savings, it is now necessary to go further and provide better support for employee savers.

Financial education communications should now be focused on the main characteristic of the employee savings scheme, which is as a suitable investment for the medium and long term, in order to develop savers' ability to choose the funds and management styles that are best suited to them. ■

¹ Study performed by OpinionWay for La Semaine de l'épargne salariale (Employee Savings Week). A sample of 1,004 French people aged 18 and over, employees (in the private and public sectors) and self-employed workers working in a company having at least one employee, surveyed online from 25 January to 2 February 2023.

FOCUS

Awareness and possession of employee savings schemes have progressed since 2020

The very great majority of employees know about employee savings schemes. Around one out of two of them have one, usually in large firms.

Around 9 out of 10 employees say they know about employee savings schemes

86% of the employees surveyed know one of the employee savings schemes (PEE, PER Col plan or shares of the employer company) at least by name, versus 83% in 2020. Awareness of the PER Col plan in particular has increased in the past three years: 71% of investors knew of this type of plan in 2020, and the figure is now 77%.

The sources of funding, mandatory and optional profit-sharing schemes, are also well known: 90% of employees know these schemes at least by name (stable).

However, no more than two-thirds have more precise knowledge regarding the schemes (58%) and the sources of funding (67%).

In particular, awareness of the employer's contribution, which is not provided for in all the firms, remains low: 54% of employees say they know it at least by name, and 37% actually know what it is.

One in two employees have an employee savings scheme

47% of the employees surveyed replied that they have at least one employee savings scheme, versus 43% in 2020. One out of ten employees hold shares of their employer company.

Declared holdings (% of investment holders)



Source: OpinionWay survey for Employee Savings Week, March 2023

NB: The margins of uncertainty of the findings range from 1.5 to 3 percentage points for a sample of 1,000 respondents.

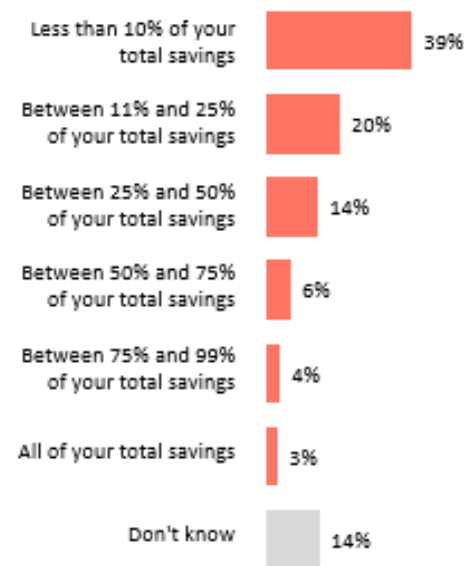
A larger number of employees of large firms declare that they hold an employee savings scheme. From 23% in very small firms (less than 10 employees), the declared rate of ownership rises to 65% in firms with more than 500 employees.

The amounts of holdings are modest

The amounts invested in employee savings schemes are still often modest: less than €5,000 for 47% of holders, and between €5,000 and €20,000 for 25% of them (14% did not answer this question).

For 6 out of 10 investment holders, the amounts held in their employee savings scheme represent less than 20% of the total amount of investments they hold.

How much, approximately, is this employee savings as a proportion of your total savings (liquid savings, including your current accounts, PEA plan/securities account, life insurance, etc.)?



Source: OpinionWay survey for Employee Savings Week, March 2023

For most investment holders, the employee savings scheme covers their medium-term needs

For 57% of the holders of an employee savings scheme, these savings primarily enable them to own a capital after several years (for children's education, purchase of the main home, life's unforeseen circumstances, etc.). For 26%, this is a long-term investment with a view to their retirement.

These motives are the same for the holders of PEE and PER Col plans.

Investment opportunities are grasped by one-quarter of investment holders

While 72% of holders say they know the range of investment vehicles at least vaguely, only 24% say they have detailed knowledge of it.

Only half of the investment holders (49%) say they choose themselves the investment vehicles in which they invest within their employee savings scheme.

Funds, their risks and fees, not very well known

There is a relatively significant lack of knowledge regarding funds, their risk levels and their fees. These figures have not fallen since 2020.

Question to investment holders: do you have the impression of knowing your employee savings scheme with regard to... ?

Don't know	2020	2023
Fees	62%	63%
The types of funds in which to invest	58%	55%
Its risk level and potential return	46%	46%
The various ways of funding it	39%	39%
Cases of release of funds	35%	32%

Source: OpinionWay survey for Employee Savings Week, March 2023

Relatively cautious investments

Half (49%) of investment holders saying they are independent in their choices invest chiefly in funds that are "low-risk, even if their return is low". Of the others, 39% invest in funds that are "moderately risky, whose value may fluctuate somewhat", and 11% in "risky funds whose value may fluctuate more significantly".

When questioned more precisely on the types of investment funds in which they have invested, 42% of independent investment holders said they invested in diversified funds according to a known risk level (risk-profiled) and 26% in equity funds.

Question to investment holders choosing their investments themselves: in what type(s) of funds/ investment vehicles have you invested?

	2020	2023
A diversified fund chosen according to a known risk level (cautious, balanced, dynamic)	45%	42%
A fund invested in equities	24%	26%
A money market fund	25%	23%
A solidarity or responsible fund	20%	22%
A fund invested in bonds	19%	17%
Don't know	18%	14%

Source: OpinionWay survey for Employee Savings Week, March 2023

The detailed study report is available on the AMF website in the [Publications/Reports, Research and Analysis section](#)