

The wiser, grey pound

Elderly investors prevail among owners of stocks and shares, and are still not keen on investing their cash in health insurance plans and pension funds, JAMES DEBONO finds out

MALTATODAY'S second survey on consumption patterns reveals that pensioners prevail among owners of stocks and shares.

It also shows that most Maltese – even those who have enough money to invest in stocks and shares – are not keen on investing money on health insurance and pension funds: 57.8% of respondents who have bought shares in private companies, and 62.5% of those who bought government stocks or bonds, lack private health insurance cover.

The majority of Maltese people, especially working class respondents, depend exclusively on the state for their healthcare and pensions.

While only 15% invest their money in shares, 7% do not have a bank account – most of them working class respondents. Furthermore, over 30% have accounts with different banks.

The two banking giants BOV and HSBC emerge as equally popular among the Maltese, although younger age groups tend to prefer HSBC.

Methodology
413 respondents were contacted by telephone between Tuesday 28 and Thursday 30 July, of whom 300 accepted to participate. The results were weighed to reflect the age and sex distribution of the population. The survey has a margin of error of +/-5.7%.

Legend

- AB - Managerial/Professional
- C1 - Clerical, vocational, technical
- C2 - Skilled workers
- DE - Unskilled workers/unemployed
- SE - Self Employed

SAVING FOR THE FUTURE

DESPITE looming doubts on the sustainability of the healthcare and pension systems, only 36% of the Maltese have a pension fund and only 21% are covered by

Which of the following insurance covers do you have? (%)

	Yes	No
Pension plan/life insurance	36	64
Health Insurance	21	79

Insurance according to educational level (%)

	Tertiary/Post-sec	Secondary/Primary
Have a pension plan/life insurance	46.5	32.3
Have a health insurance	25.9	14.5

Insurance according to occupational group (%)

	AB	C1	C2/DE
Have a pension plan/life insurance	60.5	46	29.5
Have a health insurance	28	24	13.6

Insurance according to age (%)

	16-34	35-54	55+
Have a pension plan/life insurance	38.6	47.3	17.1
Have a health insurance	25.4	20.7	12

health insurance.

The most likely to have a pension plan or a life insurance policy are middle-aged respondents aged 35-54. Among this age group nearly half are covered with a pension plan or a life insurance to supplement their state pensions after retirement.

60.5% of those in managerial and professional posts also have a private pension plan.

On the other hand most working class

respondents will have to rely exclusively on State pensions. Only 30% engaged in skilled or unskilled jobs are covered with a private pension.

The situation is more acute with regards to health costs with only 14% of working class respondents being covered by a private insurance.

Those aged under 34 are more likely to have a private insurance than older people.

With which company are you insured? (%)

(Among respondents who have a health insurance)

Middlesea	40.5
BUPA	24.1
HSBC	12.7
Atlas/PPP	6
Others	16.7



THIRD-AGE INVESTORS

WHILE younger people are more likely to invest in their future security through pension funds and health insurances, older people are more likely to invest in stocks and shares.

Surprisingly, the majority of those who own stocks and shares lack a private pension plan or health insurance.

A staggering 63% of those buying government stocks are not covered by a private health insurance.

While only 3% of those aged under 34 invest in government stocks, 14% of those aged over 55 do likewise.

None of the working class respondents in the survey possess any shares and only 2.3% possess any government stocks.

The most likely to invest in government stocks and company shares remain the elderly. In fact, 40% of those who bought shares, and 42% of those who bought government stocks, were pensioners.

Most owners of stocks and shares have not been to university, although a significant portion has attended some form of post secondary education.

Which of the following investments do you have? (%)

(All respondents)

	Yes	No
Shares in companies	15	85
Government stocks/bonds	10.7	89.3

Investments according to level of education (%)

	Tertiary/Post Secondary	Secondary/Primary
Have shares in companies	19.6	8.9
Invested in government stocks	15.2	7.3

Investments according to occupational group (%)

	AB	C1	C2/DE
Have shares in companies	23.3	16	0
Invested in government stocks	16.3	8	2.3

Investments according to age group (%)

	16-34	35-54	55+
Have shares in companies	11.3	13.5	19.7
Invested in government stocks	2.8	11.7	13.7



Warren Buffett – at 78, he is the most famous investor of all time

THE TYPICAL SHARE OWNER

53.3% also possess government stocks
73.3% haven't been to university
40% are pensioners
22.2% are managers or professionals
17.8% are in vocational, clerical and technical jobs
57.8% do not have a health insurance
48.9% do not have a pension plan
73.3% have an account with BOV
62.2% have an account with HSBC

THE TYPICAL STOCK OWNER

77.4% also possess shares in companies
83.9% haven't been to university
41.9% are pensioners
22.6% are managers or professionals
9.6% are in vocational, clerical and technical jobs
62.5% do not have a health insurance
45% do not have a pension plan
71.9% have an account with BOV
62.5% have an account with HSBC

THE DIGITAL DIVIDE

Have you done any shopping on the internet in the past month? (%)

	All	18-34	35-54	55+
Yes	28.8	39.4	32.2	8.4
No	71.2	60.6	67.8	91.6

By education (%)

	Tertiary	Post Secondary	Secondary	Primary
Yes	52.1	35.9	19.4	6.6
No	47.9	64.1	80.6	93.4

What did you buy? (%)

(Among respondents who bought from the internet)

Clothes	28.9
Books	19.7
DVD/CD	11.8
Games	6.6
Jewellery	5.3
Computer gadgets	7.9
Mobiles	3.9
Airline Tickets	3.9



IN what appears as evidence of the growing digital divide, while 40% of younger respondents have shopped over the internet in the past month, only 8% of elderly respondents have done likewise.

The digital divide is also reinforced by an educational divide between those who attended university and those who did not get past the secondary level.

While 52% of tertiary educated respondents have done some internet shopping, only 19% of those who have completed their schooling at secondary level have done likewise.

Clothes were the most likely item to be bought on the internet, followed by books and DVDs.



THE BANKING DUOPOLY

WHEN asked in which bank they have an account, 32% mentioned more than one bank, and 28% invested their money in both HSBC and BOV.

While overall an equal number of respondents has accounts in the two banking giants, HSBC tends to be slightly more popular among tertiary educated, younger and AB

respondents.

On the other hand BOV tends to be slightly more popular than HSBC among owners of stocks and shares.

Lombard Bank emerges as the third most popular bank among ABs, while APS is the third most popular bank among all other occupational categories.

Significantly, nearly one fifth of working class respondents claimed that they do not even have a bank account in their name – an indication that they are simply living for the day.

A slight majority of respondents with an account in more than one bank deem BOV to offer the best service.

Banking choices according to age (%)

	16-34	35-54	55+
BOV	56.3	60.4	58.8
HSBC	59.2	60.4	53.2
APS	5.6	4.5	7.2
Others	1.4	5.4	2.5



According to occupational group (%)

	AB	C1	C2/DE	PE	SE
BOV	70	66	45.5	57.7	45.5
HSBC	74.4	52	48.5	48.5	72.7
APS	2.3	8	1.5	7.2	18.2
Lombard	7	0	0	3.1	0
Banif	2.3	0	0	0	4.5
None	0	2	19.1	9.3	0

According to education (%)

	Tertiary	Post Secondary	Secondary	Primary
BOV	64.6	57.8	57.3	55.7
HSBC	66.7	59.4	54.8	45.9
APS	10.4	6.3	4.8	3.3
Lombard	4.2	1.6	1.6	1.6
Banif	0	1.6	0.8	0
None	0	3	8.1	9.8

In which bank/s do you hold a bank account? (%)

BOV	57.7
HSBC	56
APS	6.7
Lombard	1.9
Banif	0.8
Other	0.8
None	6.8

(Note: total is greater than 100% because 32% mentioned more than one bank)

Which bank offers the best service? (%)

(Among 32% who claimed having more than one bank account)

BOV	42.6
HSBC	38.2
APS	7.6
Lombard	4
None	7.6

