Households’ Saving Mobility in Poland

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Abstract

In this paper we analyse the saving mobility of Polish households, e.g. the mobility between classes of households with different saving rates. This is a part of an ongoing research of the polish households’ savings structure initiated in Liberda (2000).

The analysis is based on the household budget panel data of 3001 Polish households surveyed in the same month during four consecutive years (1997-2000).

We apply the Markov mobility matrices. The long term ergodic structure of households with regard to saving rates is estimated. It illustrates the probability of a household to fall into one of the saving rates range.

We also study the relation between the change of saving rates of households (moving to higher or lower saving level group) and the change of the self-perception of the own material status by the household (improvement or worsening).

Our results show that during four consecutive years (1997-2000), one third of the households which saved less than 10% of the household disposable income had not left their class. In the class of households that saved more than 20% of the household disposable income half of the households kept these high saving rates.

In the long term, the probability of falling into a group of households with lowest saving is 0.2. The highest probability (0.3) was to get into a group that saved more than 20% of the household disposable income. It shows the tendency towards polarization of households with regard to saving rates.

The self-perception of the material status by the household is one of the saving determinants. However, low and high saving rates of the households do not exactly match the good or bad perception of the household’s material status.

Our research show that two thirds of households did not change the self-perception of own material status irrespective of whether saving rates grew, fall or were at the same level as in the year before.

On the other hand, in the group of households that registered a fall in the saving rates during two following years, the share of households which self-perception of own material
status worsened was higher than a share of households which self-perception of welfare improved. The opposite happened in the group that registered the increase of saving rates.

Key words: household, income, saving, mobility, self-perception, panel analysis
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