Press Release

GfK expects moderate rise in Germans' 2013 purchasing power

12 December 2012

Cornelia Lichtner
Public Relations
GfK GeoMarketing
T +49 7251 9295 270
F +49 7251 9295 290
cornelia.lichtner@gfk.com

Stefan Gerhardt
Corporate Communications
T +49 911 395-4143
F +49 911 395-4041
stefan.gerhardt@gfk.com

Nuremberg, 12 December 2012 - The 'GfK Purchasing Power Germany 2013' study shows that in 2013, Germans will have around €554 more per capita in nominal disposable income than in 2012. However, there are strong regional variations in the consumption potential of the German population. For the first time, Baden-Württemberg will overtake the federal state of Hesse to take third place in the ranking.

For 2013, GfK forecasts a purchasing power of €1,687.7 billion for Germany as a whole. This corresponds to an increase of 2.9 percent on the (revised*) 2012 total. This means that Germans can expect an average of €20,621 per capita and €554 more than in the previous year to spend on consumption, rental and other general living costs in 2013.

Purchasing power corresponds to the population's disposable net income, including government subsidies such as pension payments, unemployment assistance and child benefit.

In light of the Deutsche Bundesbank's inflation forecast of 1.5 percent, Germans will not only enjoy a nominal, but also a minor real increase in their purchasing power of around 1.4 percent. Consequently, a slight rise in consumption is to be expected for next year. However, not all sectors of the population will benefit. For example, the increase in pensions is anticipated to remain below the rate of inflation, which means a loss of purchasing power in real values. But the income development is predicted to remain favorable in many industries.

Germany's federal states: Baden-Württemberg overtakes Hesse

With 110.4 index points, the city-state of Hamburg will maintain its lead over Bavaria (index: 109.2). Hesse (index: 107.1) loses its customary third place to Baden-Württemberg (index: 107.2). Six of the 16 German states have an above-average per capita purchasing power. Rhineland-Palatinate marks the national average. The federal states in eastern Germany are still ranked below the national per capita average. Saxony-Anhalt brings up the rear with a purchasing power of €16,970 per capita.

Top 5 German federal states in 2013

2013 ranking	German state	Inhabitants	GfK Purchasing Power 2013 per inhabitant	Index per inhabitant *
1	Hamburg	1,798,836	€22,769	110.4
2	Bavaria	12,595,891	€22,508	109.2
3	Baden-Württemberg	10,786,227	€22,115	107.2
4	Hesse	6,092,126	€22,084	107.1
5	Schleswig-Holstein	2,837,641	€20,769	100.7

Source: GfK Purchasing Power Germany 2013 *100 = country average

District ranking: Hochtaunus loses top ranking to Starnberg

The top ten urban and rural district rankings remain stable, apart from a change at the top, where Starnberg (index: 147.9), knocks Hochtaunuskreis (index: 146.3) off the top spot. In the past, the two districts switched positions at the top several times. Starnberg was last ahead of Hochtaunus in 2008.

Top 10 urban/rural districts 2013

2013 ranking	Urban/rural district	Inhabitants	GfK Purchasing Power 2013 per capita	Index per inhabitant *
1	Starnberg rural district	131,591	€30,509	147.9
2	Hochtaunus rural district	228,332	€30,165	146.3
3	Munich rural district	327,962	€29,099	141.1
4	Main-Taunus rural district	228,471	€28,465	138.0
5	Munich urban district	1,378,176	€28,247	137.0
6	Ebersberg rural district	130,818	€27,731	134.5
7	Fürstenfeldbruck rural district	206,733	€25,989	126.0
8	Erlangen urban district	106,326	€25,808	125.2
9	Dachau rural district	140,219	€25,648	124.4
10	Stormarn rural district	231,092	€25,127	121.9

Source: GfK Purchasing Power Germany 2013 * 100 = country average

Munich and Erlangen are the only urban districts in the top 10 ranking, all the rest being rural districts. This reflects that people with a high purchasing power often still prefer to live outside the city areas.

Top 10 urban districts 2013

2013 ranking	Urban/rural districts	Inhabitants	GfK Purchasing Power 2013 per capita	Index per inhabitant *
1	Munich urban district	1,378,176	€28,247	137.0
2	Erlangen urban district	106,326	€25,808	125.2
3	Dusseldorf urban district	592,393	€25,033	121.4
4	Baden-Baden urban district	54,461	€24,640	119.5
5	Frankfurt / Main urban district	691,518	€24,310	117.9
6	Landshut urban district	64,258	€23,854	115.7
7	Ingolstadt urban district	126,732	€23,635	114.6
8	Stuttgart urban district	613,392	€23,568	114.3
9	Wolfsburg urban district	122,583	€23,420	113.6
10	Wiesbaden urban district	278,919	€23,415	113.5

Source: GfK Purchasing Power Germany 2013 * 100 = country average

The city-state of Hamburg, Germany's second most populous district, comes at the top of the ranking in the federal state comparison. However, the regional differences at the district level are stronger. Consequently, in the comparison of all the districts (urban and rural), Hamburg is only ranked 54th; in the urban district ranking, it holds 18th place.

At the lower end of the district ranking there is also some change, which is mainly due to a district reform in Mecklenburg Western-Pomerania. Several districts with a notoriously low per capita purchasing power have been merged and restructured. As a consequence, the last rank no longer lies in Germany's north east, but in Saxony, in the rural district of Görlitz. The Elbe-Elster district in Brandenburg (index: 77.3) and the Kyffhäuser district in Thuringia (index: 77.4) are approximately in the same league.

The wealth gap

The population of the Görlitz district has an average per capita disposable income of €15,687 (index: 76.1). This is just a little over half that of the per capita average in Starnberg, Germany's wealthiest district.

The purchasing power distribution range, that is, the gap between Germany's rich and poor, extends from just under 50 percent above the national average in Starnberg to around 24 percent below the national average in Görlitz.

Rich and poor often live side by side. For instance, the average per capita purchasing power in the urban district of Dusseldorf is almost €7,100 higher than that of its neighboring district Duisburg.

About the study

GfK Purchasing Power is defined as the sum of the net income of the population according to place of residence. The purchasing power figures take into account income related to self and non-self-employment as well as capital gains and government subsidies, such as unemployment assistance, child benefit and pension contributions. Not included in the calculations are expenditures related to living expenses, insurance, rent and associated costs such as utilities (gas and/or electricity), clothing and savings plans. As a result, a nominal increase in purchasing power does not mean that each individual has more actual money at his or her disposal if the above-mentioned expenditures exceed the purchasing power increase. Also important to note is the fact that the purchasing power of a given region reflects an average value among the inhabitants living there rather than the purchasing power of specific individuals, households or the associated income distribution and gap between ‘rich’ and ‘poor’.

Calculations are carried out on the basis of reported income and earnings, statistics on state taxes and deductions as well as economic forecasts provided by leading economic institutes. GfK has been calculating purchasing power since 1937. GfK GeoMarketing releases the purchasing power prognosis for the new year on 1 January. GfK purchasing power data is available for all of Germany's urban and rural districts, municipalities and postcodes. GfK purchasing power studies are also available for 42 European countries.

Data applications

The regional GfK Purchasing Power data serves as an important planning basis for sales and marketing endeavors among companies from a diverse range of branches. In order to ensure that the data yields an accurate illustration of the regional distribution of purchasing power, the focus of the study is not on tracking data trends over the years. As the data reflects a prognosis, it is therefore not advisable to carry out a 1:1 comparison of the figures with those of previous years.

***Note to editors: rates of increase published only in this press release**
The 2012 values mentioned in this press release for means of comparison are based on revised values. At the end of 2011, a per capita purchasing power of €20,014 was forecasted for 2012. The actual inflation rates and figures on income growth available at the end of 2012 have led to an adjustment in the average 2012 nationwide purchasing power to €20,066. Based on this revised value, a nationwide nominal (i.e., not inflation-adjusted) growth of 2.88 percent, or 2.76 percent in terms of the per capita value, is predicted for 2013. However, purchasing power growth in individual regions is dependent on numerous factors, including changes in the regional job market and demographic profile.

Further information on GfK Purchasing Power can be found at www.gfk-geomarketing.com/purchasing-power.

Illustrations in print resolution are available at www.gfk-geomarketing.com/purchasing_power-2013.

About GfK

GfK is one of the world's largest research companies, with more than 12,000 staff working to discover new insights into the way people live, think and shop, in over 100 markets, every day. GfK is constantly innovating and using the latest technologies and the smartest methodologies to give its clients the clearest understanding of the most important people in the world: their customers. In 2011, GfK's sales amounted to €1.37 billion.

For further information, visit our website: www.gfk.com.
Follow us on Twitter: www.twitter.com/gfk_en