



(German) Perspectives on Inflation and Real Rates

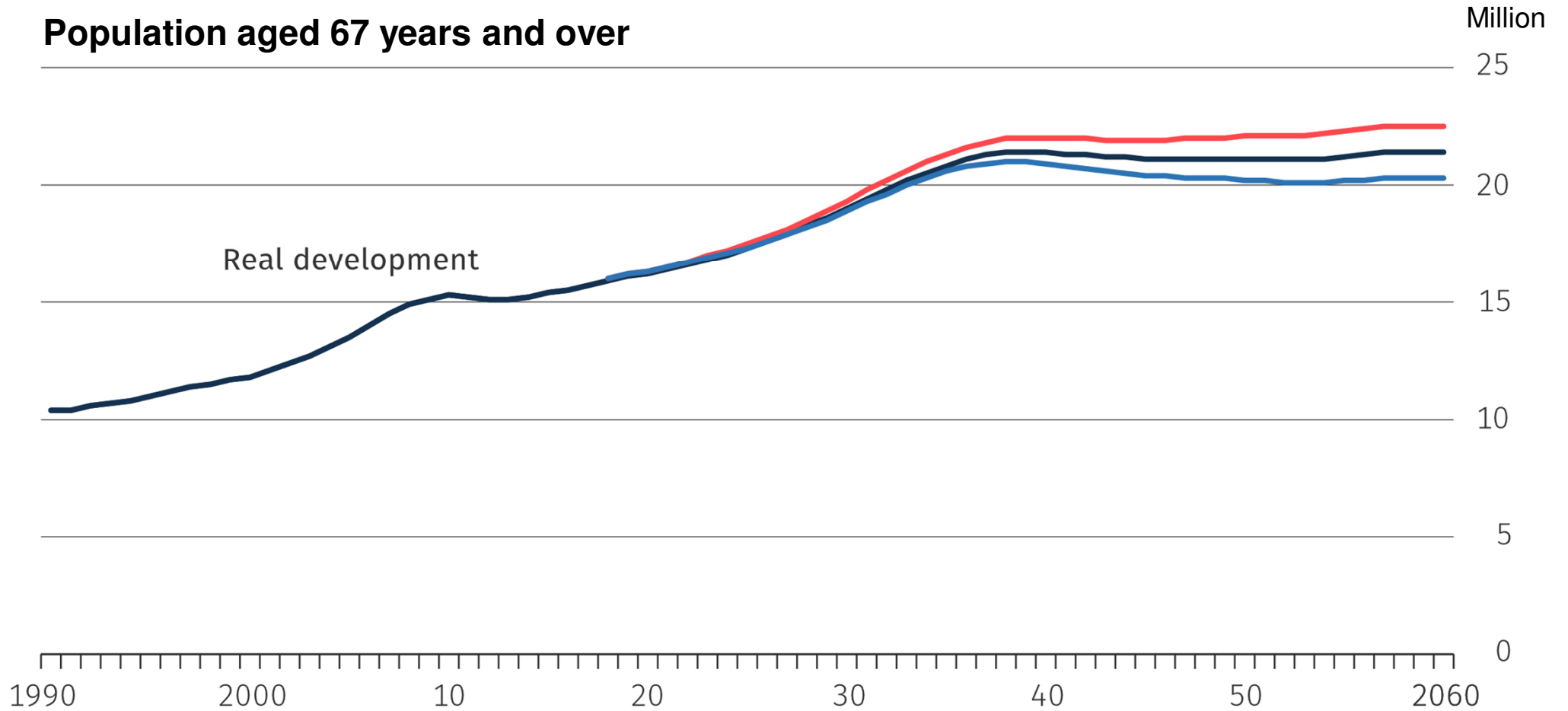
Andreas Strauch, 20.05.2021

Germany is an aging nation of risk-averse savers

Source: Statistisches Bundesamt (Destatis)



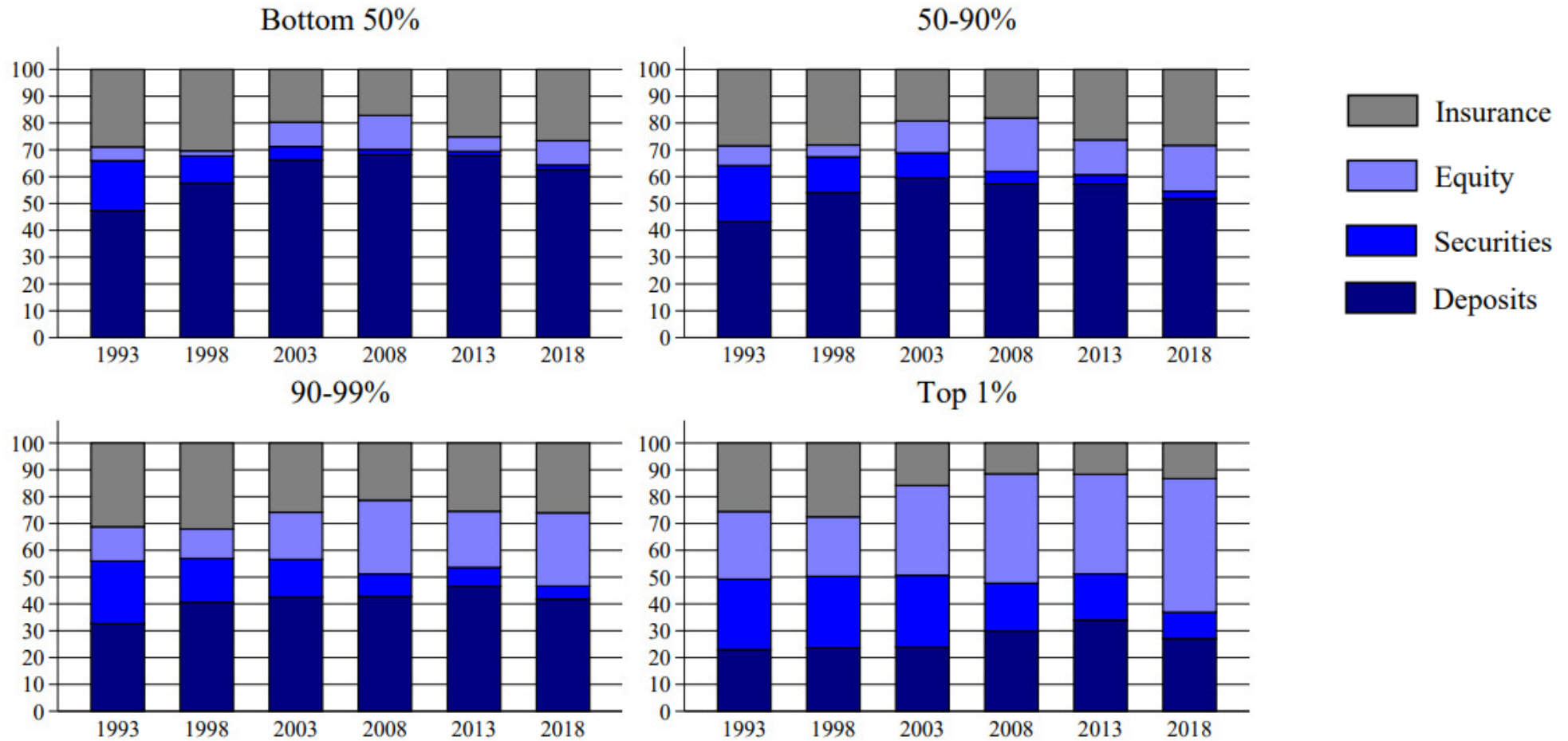
Population aged 67 years and over



More than half of the financial wealth of the bottom 90% consists of deposits



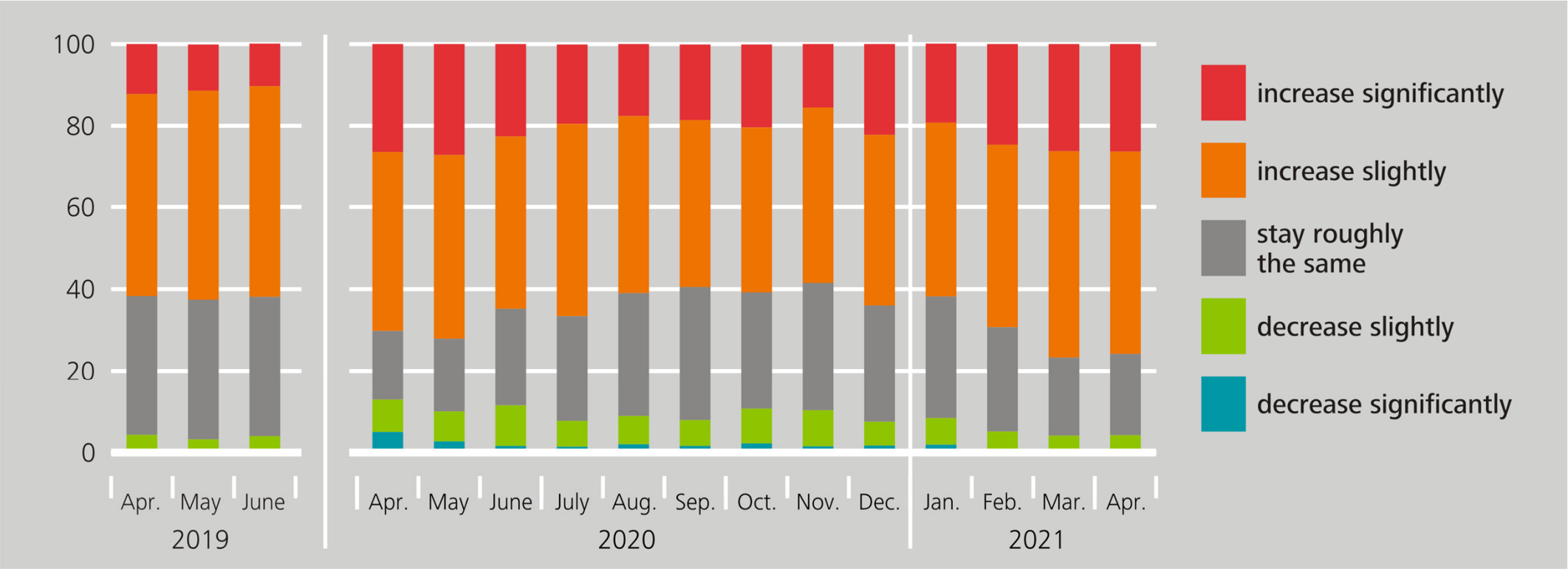
Source: Th. Albers, Ch. Bartels, M. Schularick (2020): The Distribution of Wealth in Germany, 1895-2018.



Most Germans (always) expect rising inflation



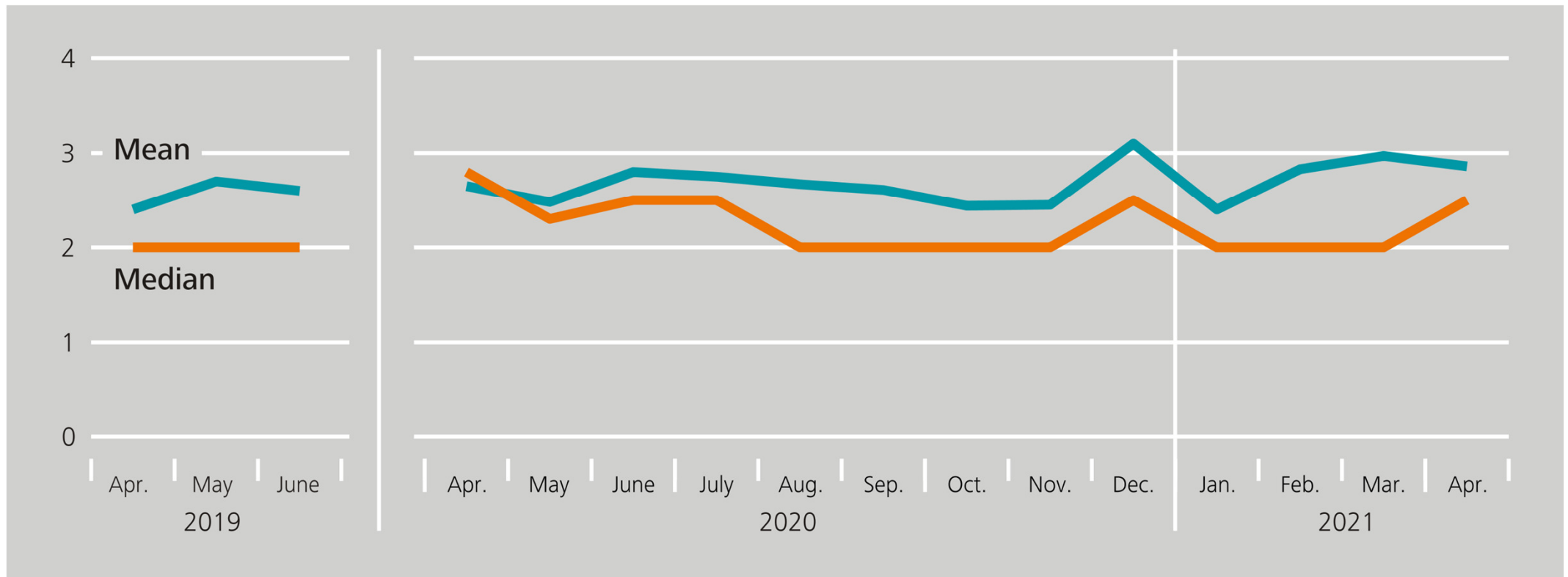
Source: Deutsche Bundesbank Online Panel Households



Median 12-month inflation expectations are close to, but above 2%



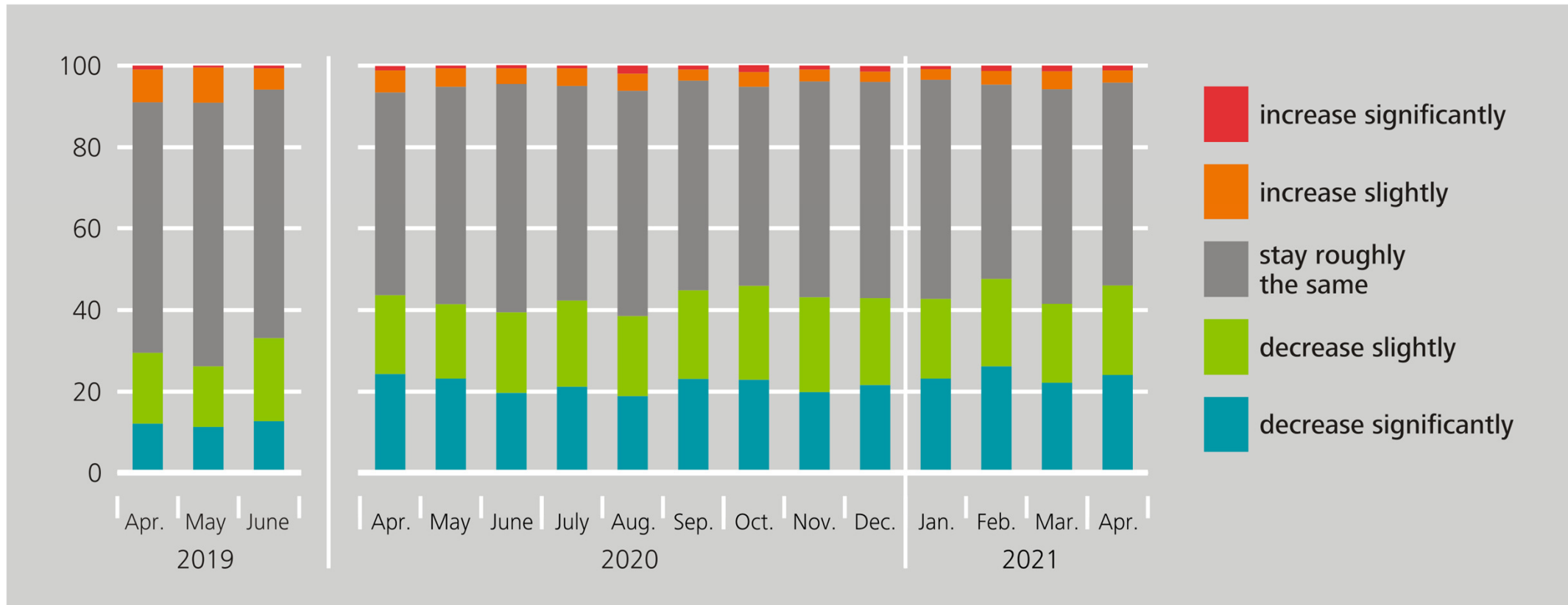
Source: Deutsche Bundesbank Online Panel Households



Interest rates on savings are expected to stay low or decrease

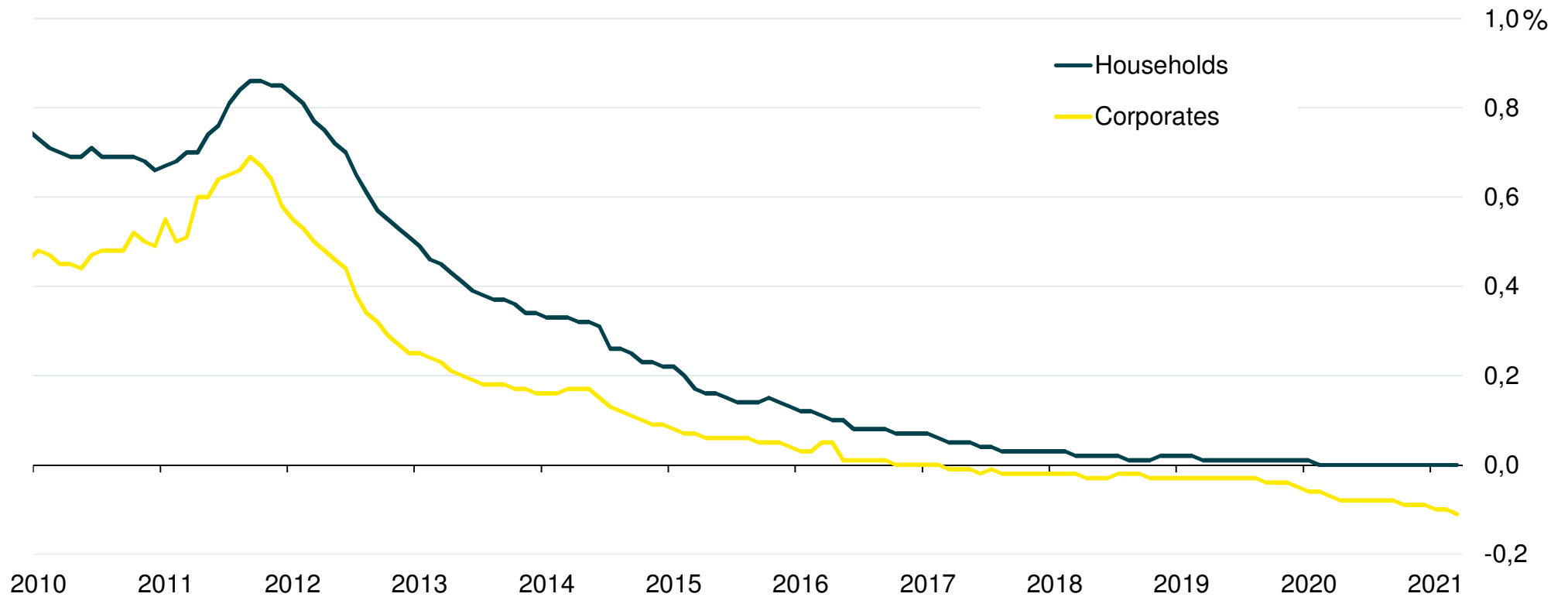


Source: Deutsche Bundesbank Online Panel Households



Effective interest rates on new sight deposits have become negative

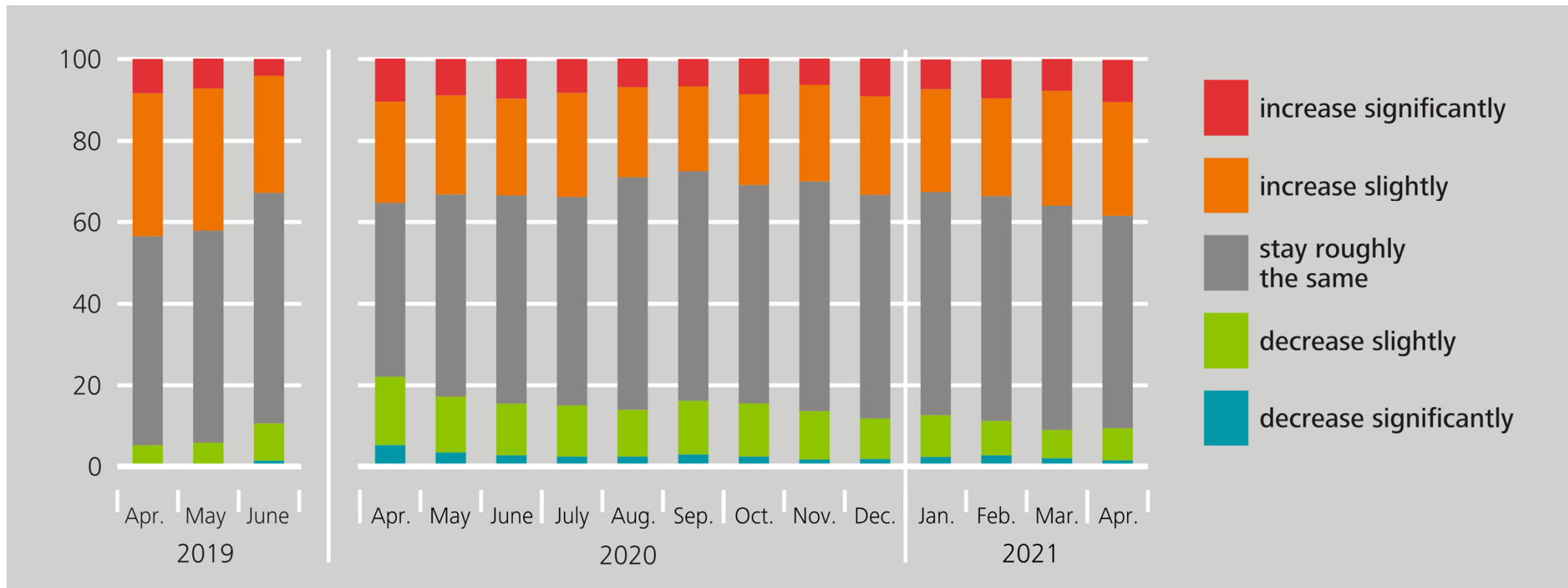
Source: Deutsche Bundesbank



Interest rates on loans are expected to stay low or increase

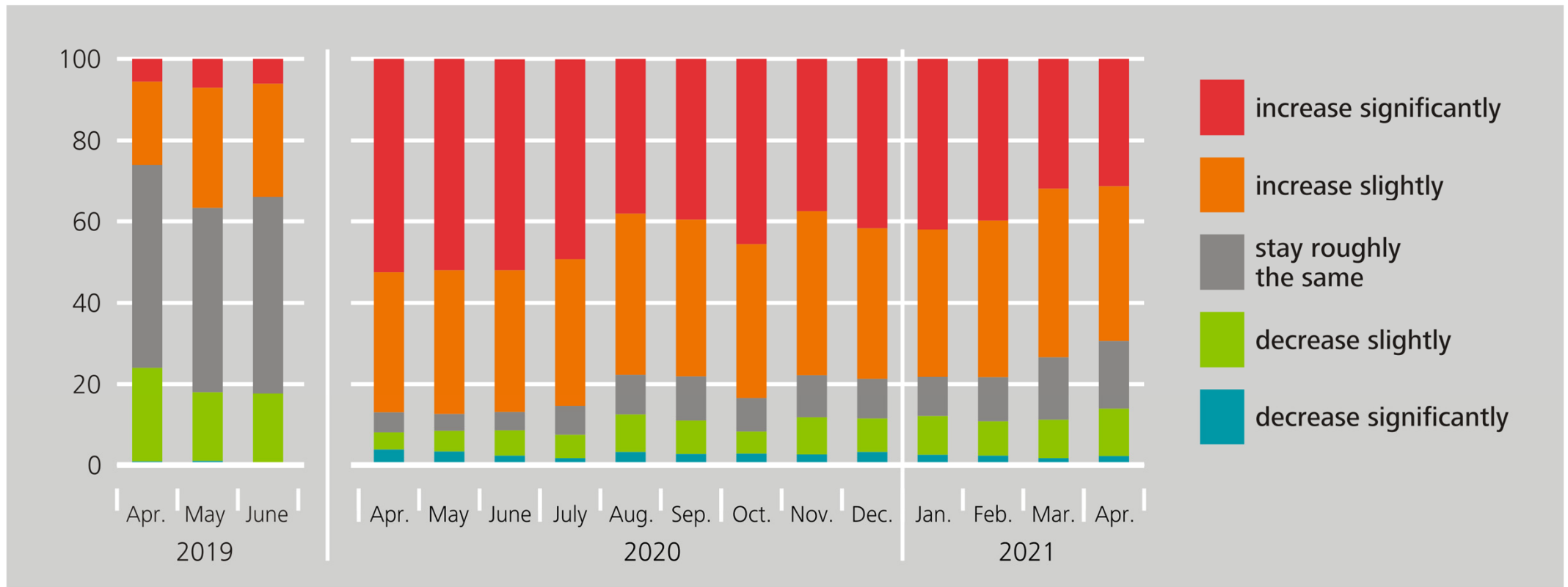


Source: Deutsche Bundesbank Online Panel Households



The unemployment rate is expected to go up

Source: Deutsche Bundesbank Online Panel Households





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