

Saving Competences of Individuals

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The aim of this paper is to identify factors affecting the capability of an individual to save income. Our hypothesis is that saving competences of individuals are based as much on social, cultural and psychological attitudes as on demographic and human capital variables. We test our hypothesis using a method of decision tree (Exhaustive search Chi χ^2 ; squared Automatic Interaction Detection) to identify the saving competences of individuals. This theoretical approach is applied to micro data from the specially constructed survey on civilization competences of individuals in local communities in Poland. The survey was conducted in 2009 in five local communities preselected from five clusters in different regions of Poland. The analysis is based on a sample of 2500 respondents randomly selected at the level of a municipality (500 respondents in each municipality). The survey was run by the Warsaw University, Poland, within the COMPETE Grant financed by the EEA and Norway Grant.

The standard demographic and human capital determinants of saving capabilities such as age, gender, education and goals for saving brought the expected results for saving decision. The results of the decision tree analysis have shown other social, cultural and psychological factors that are conducive, neutral or not conducive for saving. We found factors which are not often identified in the context of saving such as: fairness, tolerance, trust, social risk aversion, own health evaluation or readiness to ask for advice. Variables listed in the decision tree seem more significant for saving competence than the standard demographic and human capital determinants such as age, gender or education level which did not appear in the answer tree although they were used as predictors.

Keywords: saving, capability, competence, income, municipality, Poland

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