

Press release

Germans' 2017 purchasing power to climb 1.7 percent

December 6, 2016

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Bruchsal, Germany, December 6, 2016 – Germans' 2017 per-capita purchasing power will increase nominally by 1.7 percent to €22,239. The country's 25 most populous districts alone comprise one-fourth of Germany's total purchasing power. These are some of the findings of the 2017 GfK purchasing power study released today.

GfK forecasts a total purchasing power of €1,827.5 bil. for Germany in the coming year, which corresponds to a 2.9 percent nominal increase over the previous year. This equates to an average per-capita purchasing power of €22,239 that Germans have available in 2017 for spending on consumer purchases, accommodation, recreation and saving.

Purchasing power is a measure of the population's disposable net income, including government subsidies such as pension payments, unemployment assistance and child benefit. Rising wages in many industries and the positive development on the employment market will lead to higher incomes, which has a beneficial effect on purchasing power levels. On the other hand, Germany's population grew by 1.2 percent from 2015 to 2016. This explains why Germany's overall purchasing power is increasing by a substantial 2.9 percent, while the per-capita purchasing power is growing only moderately by +1.7 percent. The real-value amount that remains from this nominal increase depends on how consumer prices develop in 2017.

Regional distribution of purchasing power

Little changes at the level of Germany's federal states. Among the country's city states, per-capita purchasing power in Berlin increases by +2.0 percent. More modest growth characterizes Hamburg and Bremen at +1.3 and +1.1 percent, respectively.

The list of Germany's top ten districts is mostly unchanged from last year. As in previous years, the rural district of Starnberg remains Germany's district with the highest per-capita purchasing power. With €32,194 per person, inhabitants of Starnberg have around 45 percent more purchasing power than the national average. The urban district of Munich overtakes Main-Taunus-Kreis to assume fourth place. With €17,496 per person, the rural district of Görlitz continues to be in last place among Germany's 402 districts. The rural district of Ahrweiler represents the national average.

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Germany's top ten urban and rural districts in 2017

2017 ranking	urban district (UD) / rural district (RD)	inhabitants	GfK Purchasing Power 2017 per inhabitant in €	purchasing power index*
1	Starnberg RD	133,621	32,194	144.8
2	Hochtaunuskreis RD	233,427	31,561	141.9
3	Munich RD	340,003	30,907	139.0
4	Munich UD	1,450,381	30,136	135.5
5	Main-Taunus-Kreis RD	232,848	29,931	134.6
6	Ebersberg RD	137,421	29,512	132.7
7	Fürstfeldbruck RD	213,481	27,868	125.3
8	Erlangen UD	108,336	27,356	123.0
9	Dachau RD	149,370	27,291	122.7
10	Stormarn RD	239,614	26,675	119.9

source: GfK Purchasing Power Germany 2017

* index per inhabitant; 100 = national average

Comparison of purchasing power volumes

For retail, it is relevant to know not just the average per-capita consumer potential, but also where purchasing power is most geographically concentrated. Among Germany's 402 districts, the 25 most populous counties alone comprise one-fourth of the nation's total purchasing power.

The purchasing power volume of a district is of course closely related to its number of inhabitants. Even so, the urban district of Munich outranks the more populous urban district of Hamburg in terms of total purchasing power thanks to its above-average per-capita purchasing power. However, with the exception of Munich, none of Germany's most populous districts reaches the per-capita values of the top ten districts. Together, the 25 most populous districts have a per-capita purchasing power only around 4.6 percent above the national average.

Many of the urban districts that are among the 25 most populous districts and have very high purchasing power volumes feature below-average per-capita purchasing power. These large urban districts are home to many inhabitants with significantly lower purchasing power, such as students in university cities. For example, the urban district of Duisburg is one of the country's 25 most populous districts, but its per-capita purchasing power is 15 percent below the national average. Bremen and other urban districts in the Ruhr region such as Dortmund and Essen as well as the city region of Aachen also have below-average purchasing power. The three most populous districts in eastern Germany – Berlin, Leipzig and Dresden – also have per-capita purchasing power levels that range from 8 to 13 percent below the national average. But thanks to their dense concentrations of purchasing power, these areas as well as the other populous districts offer attractive conditions for retail locations.

Purchasing power of Germany's 25 most populous districts

population ranking	urban district (UD) / rural district (RD)	inhabitants (1.1.2016)	2017 purchasing power total in mil. €	2017 purchasing power index*	purchasing power index ranking
1	Berlin UD	3,520,031	71,773	91.7	286
2	Hamburg UD	1,787,408	43,488	109.4	53
3	Munich UD	1,450,381	43,708	135.5	4
4	Hannover Region RD	1,144,481	26,330	103.4	115
5	Cologne UD	1,060,582	25,498	108.1	71
6	Frankfurt am Main UD	732,688	18,707	114.8	27
7	Stuttgart UD	623,738	15,509	111.8	40
8	Recklinghausen RD	617,807	13,114	95.5	226
9	Düsseldorf UD	612,178	16,162	118.7	16
10	Rhine-Sieg-Kreis RD	596,213	14,371	108.4	66
11	Dortmund UD	586,181	12,041	92.4	272
12	Essen UD	582,624	12,722	98.2	177
13	Leipzig UD	560,472	10,826	86.9	336
14	Bremen UD	557,464	11,658	94.0	251
15	Aachen city region	553,922	11,528	93.6	256
16	Dresden UD	543,825	10,997	90.9	293
17	Rhine-Neckar-Kreis RD	541,859	13,260	110.0	49
18	Ludwigsburg RD	534,074	13,767	115.9	21
19	Esslingen RD	524,127	13,505	115.9	22
20	Nuremberg UD	509,975	11,796	104.0	107
21	Duisburg UD	491,231	9,277	84.9	351
22	Mettmann RD	483,279	12,173	113.3	35
23	Rhine-Erft-Kreis RD	466,657	11,265	108.5	63
24	Wesel RD	462,664	10,320	100.3	157
25	Rhine-Kreis Neuss RD	450,026	11,443	114.3	30

source: GfK Purchasing Power Germany 2017

* index per inhabitant; 100 = national average

About the study

GfK Purchasing Power is defined as the sum of the net income of the population, as measured at the place of residence. These 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 these 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 rising costs

for 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 relating to state benefits as well as forecasts provided by economic institutes. GfK releases the purchasing power prognosis for the new year in January. As of that time, the new GfK purchasing power data is available for all of Germany's urban and rural districts, municipalities and postcodes. The purchasing power data for street segments is updated in the second half of the year.

Applications of purchasing power

Regional GfK purchasing power data serves as an important planning basis for sales and marketing endeavors among companies from a diverse range of industries. These applications require an accurate illustration of the regional distribution of purchasing power. The focus of the GfK study is consequently not on tracking data trends over the years, but rather on providing a prognosis that reflects this regional distribution. It is therefore not advisable to compare current figures with data from previous years.

Additional information on GfK's regional market data can be found at www.gfk.com/marketdata.

Print-quality illustrations can be found [here](#).

About GfK

GfK is the trusted source of relevant market and consumer information that enables its clients to make smarter decisions. More than 13,000 market research experts combine their passion with GfK's long-standing data science experience. This allows GfK to deliver vital global insights matched with local market intelligence from more than 100 countries. By using innovative technologies and data sciences, GfK turns big data into smart data, enabling its clients to improve their competitive edge and enrich consumers' experiences and choices.

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