

## Press release

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### **Germans' per capita purchasing power amounts to €23,766 in 2020**

**Nuremberg, January 22, 2020 – Germans have an average per capita purchasing power of €23,766 in 2020 according to GfK's latest purchasing power study. Based on the revised value from last year, this corresponds to an increase of 2.9 percent per person.**

GfK forecasts a total purchasing power of €1,973.0 bil. for Germany in 2020. Germans will consequently have an average per capita purchasing power of €23,766 available for consumer purchases, living expenses, recreation and saving in 2020.

Purchasing power is a measure of the population's disposable net income, including government subsidies such as pension payments, unemployment assistance and child benefits. But the actual amount available from this nominal purchasing power increase depends on how consumer prices develop over the course of 2020.

#### **Regional distribution of purchasing power**

There has been a change at the level of Germany's federal states in 2020 compared to last year: With a per capita purchasing power of €25,982, Bavaria takes first place, ousting the previous year's forerunner of Hamburg to second place. Along with Bavaria and Hamburg, Baden-Württemberg and Hesse continue to have above-average purchasing power, while all other federal states have below average purchasing power.

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2020 ranking (previous year)	federal state	inhabitants	2020 per capita purchasing power in €	purchasing power index*
1 (2)	Bavaria	13,076,721	25,982	109.3
2 (1)	Hamburg	1,841,179	25,981	109.3
3	Baden-Württemberg	11,069,533	25,792	108.5
4	Hesse	6,265,809	25,002	105.2
5	Schleswig-Holstein	2,896,712	23,646	99.5
6	North Rhine-Westphalia	17,932,651	23,445	98.6
7	Lower Saxony	7,982,448	23,294	98.0
8	Rhineland-Palatinate	4,084,844	23,241	97.8
9	Saarland	990,509	22,329	94.0
10	Brandenburg	2,511,917	21,718	91.4
11	Berlin	3,644,826	21,687	91.3
12	Bremen	682,986	21,441	90.2
13	Saxony	4,077,937	20,327	85.5
14	Thuringia	2,143,145	20,280	85.3
15	Saxony-Anhalt	2,208,321	20,102	84.6
16	Mecklenburg-Western Pomerania	1,609,675	20,093	84.5

source: GfK Purchasing Power Germany 2020

\*index per inhabitant; 100 = national average

### Purchasing power in Germany's districts

As in previous years, the Bavarian rural district of Starnberg leads the way among Germany's 401 urban and rural districts: With €33,977 per person, inhabitants of this district have 43 percent more purchasing power than the national average. The urban district of Munich is the only urban district in the top ten. With a per capita purchasing power of €31,979, this district has almost 37 percent more purchasing power than the national average, putting it in fourth place.

Changes from the previous year have occurred in the top-ten rankings with respect to places seven through ten. The rural districts of Dachau (ranked seventh) and Fürstfeldbruck (ranked eighth) switch places, which is also the case for the rural districts of Böblingen (ranked ninth) and Miesbach (ranked tenth). The rural district of Görlitz in Saxony brings up the rear in the district rankings with a per capita purchasing power of €18,613, which is around 78 percent of the national average.

2020 ranking (previous year)	urban/rural district (UD/RD)	inhabitants	2020 per capita purchasing power in €	purchasing power index*
1	Starnberg RD	136,092	33,977	143.0
2	Hochtaunuskreis RD	236,564	32,534	136.9
3	Munich RD	348,871	32,486	136.7
4	Munich UD	1,471,508	31,979	134.6
5	Main-Taunus-Kreis RD	237,735	31,014	130.5
6	Ebersberg RD	142,142	30,936	130.2
7 (8)	Dachau RD	153,884	29,148	122.6
8 (7)	Fürstfeldbruck RD	219,320	29,144	122.6
9 (10)	Böblingen RD	391,640	28,522	120.0
10 (9)	Miesbach RD	99,726	28,505	119.9

source: GfK Purchasing Power Germany 2020

index per inhabitant; 100 = national average; UD = urban district; RD = rural district

### Purchasing power in the most populous urban districts

Germany's 25 most populous urban districts together comprise more than one-fourth of German's total purchasing power. Even so, this does not mean that all large cities in German have above-average purchasing power. The capital city of Berlin has a per capita purchasing power that is around nine percent below the national average, with Dortmund and Dresden coming in at a similar level. Leipzig is even further below the national average (-13 percent), while Munich and Düsseldorf are significantly above it (around 35 and 17 percent, respectively).

### Urban districts with more than 500,000 inhabitants

2020 ranking	urban district (UD)	inhabitants	2020 purchasing power in mil. €	2020 per capita purchasing power in €	purchasing power index*
286	Berlin UD	3,644,826	79,044.0	21,687	91.3
58	Hamburg UD	1,841,179	47,835.5	25,981	109.3
4	Munich UD	1,471,508	47,056.8	31,979	134.6
98	Cologne UD	1,085,664	27,124.2	24,984	105.1
34	Frankfurt am Main UD	753,056	20,314.8	26,976	113.5
33	Stuttgart UD	634,830	17,135.7	26,993	113.6
24	Düsseldorf UD	619,294	17,147.3	27,688	116.5
338	Leipzig UD	587,857	12,194.9	20,745	87.3
280	Dortmund UD	587,010	12,781.4	21,774	91.6
212	Essen UD	583,109	13,305.7	22,819	96.0
275	Bremen UD	569,352	12,431.8	21,835	91.9
297	Dresden UD	554,649	11,944.5	21,535	90.6
105	Nuremberg UD	518,365	12,835.7	24,762	104.2

source: GfK Purchasing Power Germany 2020

\*index per inhabitant; 100 = national average; UD = urban district

## **High purchasing power density in hotspot areas**

Given their concentrations of purchasing power, Germany's most populous cities and particularly the large metropolitan regions are indispensable target markets for retailers and service providers. Purchasing power density, or the available purchasing power in millions of euros per square kilometer, is very high in cities such as Berlin, Hamburg and Munich as well as in the Ruhr region and the greater metropolitan areas of Stuttgart and Frankfurt/Main. High purchasing power density means that companies with the ability to motivate their target groups can tap significant purchasing power potential within a small geographic area, even without considering shoppers coming from further afield.

## **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 benefits 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 necessarily mean that each individual has more actual money at his or her disposal, as sometimes rates for the above-mentioned expenditures can exceed any purchasing power increases. It is also important to note that the purchasing power of a given region reflects an average value 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 tax rates, statistics on government benefits as well as forecasts provided by economic institutes. GfK releases the purchasing power prognosis for the new year in January. From that point onward, GfK purchasing power data is available for all of Germany's urban and rural districts, municipalities and postcodes. GfK updates its purchasing power data at the level of street segments in the second half of the year.

## **Applications of purchasing power data**

Regional GfK purchasing power data serves as an important planning basis for sales and marketing endeavors among companies from a diverse range of industries. A key insight provided by the data is an accurate depiction of the regional distribution of purchasing power. The focus of GfK's study is consequently not on tracking data trends over the years, but rather on providing a prognosis that reflects this regional distribution. GfK therefore strongly advises against comparing current figures

with data from previous years.

**Additional information**

on GfK's regional market data can be found [here](#).

**Print-quality illustrations**

can be found [here](#).

**About GfK – extracting the signals from the noise.**

In a world of data overflow, disruption and misuse, picking up the right “signal from noise” is key to win. We at GfK have more than 85 years of experience in combining data and science to help you make the right business decisions. Together with our attention to detail and advanced AI, we provide you with world-class analytics that delivers not just descriptive data but actionable recommendations always-on at your fingertips. As a result, you can make key business decisions with confidence which help you drive sales, organizational and marketing effectiveness. That's why we promise to you “Growth from Knowledge”. For more information, please visit [www.gfk.com](http://www.gfk.com) or follow GfK on Twitter [www.twitter.com/GfK](https://www.twitter.com/GfK).