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Expected Inflation and Saving in Categories *

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Abstract

This paper examines how inflation expectations relate to household saving behavior across saving categories. We apply a generalized ordered logit model to survey data from 4,824 German households during a high inflation period (March 2023). We find that income and precautionary motives dominate substitution effects: higher inflation expectations are associated with maintaining or increasing overall savings. Our disaggregated analysis reveals a non-linear threshold effect — only households with strongly elevated inflation expectations exhibit economically significant behavioral responses, consistent with flight-to-liquidity behavior toward cash. Decomposing saving shifts by inflation expectation level reveals further heterogeneity: the cash-bond substitution documented in the full sample is driven exclusively by low inflation expectation households, while high inflation expectation households accumulate both instruments simultaneously, reflecting broad portfolio expansion rather than reallocation. We further find that only dynamic — not static — inflation expectation formation is associated with behavioral responses. These findings have ambiguous implications for bank funding stability.

Keywords: Saving behavior, Households, Deposits, Saving shifts, Financial Stability

JEL classification: E31, G21.

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1 Introduction

Since 2022, the surge in inflation coupled with rising interest rates has prompted questions about how depositors adjust their savings portfolios to elevated inflation expectations. Understanding how household saving intentions relate to elevated inflation expectations is crucial for both macroeconomists modeling consumption-saving decisions and financial practitioners managing liquidity risks and safeguarding financial stability (Schlueter, Sievers, and Hartmann-Wendels, 2015; Kalkbrenner and Willing, 2004; Witzany and Diviš, 2021). The existing literature offers mixed findings on the relationship between inflation expectations and saving behavior. Some studies report a negative relationship, suggesting that higher inflation expectations lead to lower savings as households increase current consumption (Dräger and Nghiem, 2021; Duca-Radu, Kenny, and Reuter, 2021; Koch and Scheiber, 2022). In contrast, other studies find a positive relationship, indicating that households save more in anticipation of higher future prices or financial uncertainty (Coibion, Georgarakos, Gorodnichenko, and van Rooij, 2023; Rondinelli and Zizza, 2020; Coibion, Georgarakos, Gorodnichenko, Kenny, and Weber, 2024).¹

In addition to the conflicting findings regarding overall savings, there is limited academic research on how inflation expectations influence households' decisions to rebalance their financial portfolios across multiple categories.²

The gaps and partial contradictions in the existing literature underscore the need for a disaggregated analysis of saving decisions across various saving categories to uncover underlying mechanisms and behavioral patterns. Understanding both the general dynamics of savings and rebalancing decisions is particularly relevant, as inflation expectations and interest rate shifts associated with inflation dynamics generate complex deposit movements. For instance, between January and April 2023, German households withdrew €91 billion from sight and short-term deposits while increasing term deposits by only €78 billion (European Central Bank, 2023).

To address these gaps and shed light on the seemingly contradictory findings in the literature, this paper examines the relationship between inflation expectations and household saving behavior in Germany. Specifically, we analyze how these expectations are associated with savings across different categories, including cash, demand deposits, short-term deposits, long-term deposits, and various market investments. Our focus is on the period immediately following 2022, when inflation reached its highest levels in decades (Statista, 2023), leading to greater variation in inflation expectations.

Several factors make Germany a particularly suitable setting for our study. First, retail deposits constitute a crucial component of bank funding in Germany, meaning that any shifts in household deposits have significant implications for the banking sector's funding structure, bank lending, and the broader real economy. Notably, before the surge

¹This literature is broadly related to the literature on how interest rates impact portfolio allocation (Gilkeson, List, and Ruff, 1999; Athanassakos and Waschik, 1997; Stanhouse and Stock, 2004). A key finding in this literature is that higher interest rates tend to encourage safer asset choices (Barro and Santomero, 1972; Edmister and Merriken, 1984; Hutchison and Pennacchi, 1996; Klein, 1974; Zarruk, 1989; Dănuțu, Iuga, and Socol, 2014; Corovei and Socol, 2019).

²To our knowledge, only few working papers have addressed this issue so far, suggesting that households with higher inflation expectations are more likely to shift from safe to risky assets (Yang, 2022), or respectively, that households with lower inflation expectations are more likely to rebalance their portfolios towards bank deposits (Agarwal, Chua, Ghosh, and Song, 2022). Another working paper is focusing on whether, but not how, households intend to adjust their saving behavior in response to inflation expectations (Arnold, Dräger, and Fritsche, 2014). Several studies were found focusing on single saving categories such as stocks or bonds (e.g., Basse and Wegener (2022); Ameriks and Zeldes (2004)).

in inflation expectations in 2021-2022, approximately 90% of retail deposits in Germany were held in non-interest-bearing sight deposits, which are especially sensitive to changes in interest rates and inflation expectations. Moreover, given that German households have historically been highly sensitive to inflation, they were likely to have adjusted their inflation expectations rapidly as inflation began rising.

Our analysis relies on household survey data from the Bundesbank Online Panel Households (BOP-HH) from 2023, a period characterized by historically high inflation. We examine both overall saving decisions and category-specific allocations. Given the ordinal nature of saving intentions, we model the impact of inflation expectations on household savings and portfolio allocation decisions using a generalized ordered logit model. Specifically, we address two key questions: (1) How do inflation expectations correlate with overall household saving decisions – whether to save more, the same, or less? and (2) How are these expectations associated with saving behavior across specific categories?

Our baseline analysis of overall saving decisions shows that households with higher inflation expectations are more likely to maintain or increase their overall savings, with modest effect sizes for the continuous inflation expectations measure. Importantly, we document a non-linear threshold effect: only households with strongly elevated inflation expectations exhibit economically meaningful behavioral responses, with a pronounced increase in the probability of saving more in cash, consistent with flight-to-liquidity behavior. Additionally, we document saving shift patterns between categories. The most pronounced full-sample finding is a bidirectional substitution between cash and bonds. Decomposing these patterns by inflation expectation level reveals important heterogeneity: the cash-bond substitution is driven exclusively by low inflation expectation households, while high inflation expectation households accumulate both instruments simultaneously, reflecting broad portfolio expansion rather than reallocation. A maturity extension pattern — from demand deposits toward long-term deposits — also emerges from this decomposition, but exclusively among low inflation expectation households, suggesting yield-seeking behavior under moderate inflation concerns rather than inflation-driven precautionary motives. Across both groups, households primarily maintain stable overall saving amounts while systematically reallocating funds between categories.

Next, we investigate whether the mechanism of inflation expectation formation — static versus dynamic — modifies the impact of inflation expectations on saving decisions. Our results indicate that static inflation expectations do not correlate with saving behavior, suggesting that dynamic inflation perceptions play a more critical role. We also examine household portfolio inertia by analyzing how existing saving stocks are associated with future allocation decisions. Our findings reveal that households engage in segregated portfolio management: while savings flows exhibit rebalancing behavior for most asset categories (with lower allocations to categories where stocks are higher), liquid instruments such as cash and demand deposits show persistent accumulation patterns independent of existing balances. Households with higher relative concentrations in liquid deposits continue allocating to these categories, suggesting they serve dual functions as transaction media and precautionary buffers.

Our findings contribute to the broader understanding of household saving behavior, inflation expectations, and their implications for financial stability. First, we extend the literature on household saving dynamics by providing empirical evidence that inflation expectations shape not only the overall level of savings but also their allocation across financial instruments. Unlike previous studies that primarily assess the aggregate ef-

fect of inflation expectations on savings, e.g., [Dräger and Nghiem \(2021\)](#), [Duca-Radu et al. \(2021\)](#), and [Coibion, Gorodnichenko, and Weber \(2022\)](#), our analysis offers a more granular perspective by distinguishing between cash, demand deposits, short-term deposits, long-term deposits, bonds, shares, and digital savings. Second, we contribute to the debate on how inflation expectations correlate with household financial decisions, demonstrating that the relationship is non-linear: only households with strongly elevated inflation expectations exhibit economically meaningful responses, primarily through precautionary cash accumulation consistent with flight-to-liquidity behavior. This extends findings by [Bachmann, Berg, and Sims \(2015\)](#), who suggest that inflation expectations can trigger precautionary saving motives, by showing that this mechanism operates primarily at the upper tail of the expectation distribution. Third, we contribute to the literature on household portfolio reallocation by documenting heterogeneous saving shift patterns across inflation expectation groups. The substitution between cash and bonds — a prominent full-sample finding — is shown to reflect the behavior of low inflation expectation households, while high inflation expectation households treat these instruments as complements, accumulating both simultaneously. This distinction between reallocation and portfolio expansion as responses to inflation concerns is, to our knowledge, novel in the literature. Fourth, our results inform the literature on banking sector stability ([Kalkbrenner and Willing, 2004](#); [Gerritsen and Bikker, 2020](#)) by highlighting shifts in household deposits — particularly between sight deposits and savings with agreed maturity — which have direct implications for bank liquidity and funding management.

The rest of the paper is structured as follows: [Section 2](#) presents a discussion on the mechanisms underlying the relationship of saving and expected inflation and the derived hypotheses. [Section 3](#) describes the data source and data preparation steps conducted. [Section 4](#) introduces the methodology and variables applied and provides some summary statistics. [Section 5](#) presents the results. [Section 6](#) details the complementary robustness regressions performed and [Section 7](#) concludes.

2 Mechanisms and Hypotheses

Household saving behavior is grounded in the Life-Cycle Hypothesis ([Modigliani and Ando, 1957](#); [Ando and Modigliani, 1963](#)) and Permanent Income Hypothesis ([Friedman, 1957](#)), which establish that households smooth consumption based on expected lifetime income. These frameworks generate distinct motives—precautionary, bequest, and target saving ([Le Blanc, Porpiglia, Teppa, Zhu, and Ziegelmeier, 2014](#); [Choi, Lugauer, and Mark, 2017](#))—that vary across demographics ([Kochaniak, 2016](#)). Inflation expectations affect saving by altering real values and intertemporal consumption prices ([Cecchetti, Fantino, Notarpietro, Riggi, Tagliabracchi, Tiseno, and Zizza, 2021](#)).

The relationship between inflation expectations and household saving behavior operates through two competing theoretical mechanisms that generate opposing predictions for the sign and magnitude of the effect. The substitution effect emerges from intertemporal optimization considerations, whereby higher inflation expectations effectively increase the relative price of future consumption and reduce saving. This mechanism reflects the diminished purchasing power of nominal savings under inflationary conditions, creating an incentive to accelerate consumption timing. Empirical support for this channel is provided by [Dräger and Nghiem \(2021\)](#) and [Vellekoop and Wiederholt \(2019\)](#), who document negative relationships between inflation expectations and household saving rates. [Vellekoop and Wiederholt \(2019\)](#) quantify this effect among Dutch households, finding

that a one-percentage-point increase in inflation expectations reduces annual saving by approximately €250, representing a substantial economic magnitude. Conversely, the income effect operates through precautionary motives, as households may interpret rising inflation expectations as a signal of increased macroeconomic uncertainty requiring enhanced financial buffers. Under this mechanism, higher inflation expectations trigger precautionary saving behavior as households seek to self-insure against future economic volatility. This interpretation finds empirical support in [Coibion et al. \(2023\)](#) and [Rondinelli and Zizza \(2020\)](#), who demonstrate that inflation expectations can generate positive saving responses, particularly during periods of heightened macroeconomic uncertainty. These findings suggest that when households perceive inflation as symptomatic of broader economic instability rather than merely a price-level phenomenon, they respond by augmenting their precautionary savings buffer to maintain consumption smoothing capacity under uncertain future conditions.

Empirical evidence reveals that the dominance of substitution versus income effects varies systemically across household characteristics and economic contexts, generating heterogeneous responses to inflation expectations within the population. Financial constraints constitute a moderating factor in determining which mechanism prevails. [Diao \(2021\)](#) demonstrates that inflation expectations increase consumption — thereby reducing saving — only among unconstrained households with adequate access to credit markets. In contrast, financially constrained households exhibit statistically insignificant consumption responses to inflation expectations, suggesting that liquidity constraints override intertemporal substitution motives and neutralize the standard theoretical predictions. This finding highlights how credit market frictions can fundamentally alter the transmission mechanism from inflation expectations to saving behavior.

Wealth levels further modulate this relationship, though the evidence presents some puzzling patterns. [Premik and Stanisławska \(2017\)](#) document that wealthier Polish households exhibit a negative relationship between inflation expectations and saving rates, consistent with the substitution effect dominating among households with greater financial flexibility. However, their concurrent finding of a negative correlation between inflation expectations and consumption creates an empirical puzzle that warrants further investigation. [Lieb and Schuffels \(2019\)](#) provide additional nuance by showing that the relationship between expected inflation and consumption is moderated by financial portfolio composition, with the effect being amplified among lower net wealth households while being dampened by higher levels of financial investment. Financial literacy emerges as an additional moderating factor. [Koch and Scheiber \(2022\)](#) establish that financial literacy strengthens the negative relationship between inflation expectations and saving, suggesting that more sophisticated households demonstrate enhanced responsiveness to inflation signals, possibly due to superior understanding of the real value implications of nominal savings.

The broader economic environment also shapes these relationships in systematic ways. [Rondinelli and Zizza \(2020\)](#) observe that in high-inflation regimes, the substitution effect tends to dominate household responses, likely reflecting stronger incentives to convert monetary holdings into real goods when persistent inflation erodes purchasing power. Conversely, [Bachmann et al. \(2015\)](#) find that inflation expectations exert statistically significant negative effects on spending attitudes — and thus positive effects on saving — only during zero lower bound periods and otherwise constitute a non-significant relationship, suggesting that monetary policy regimes influence the channels through which inflation expectations operate. However, the empirical literature also reveals substantial

heterogeneity in findings across contexts. [Burch and Werneke \(1975\)](#) report statistically insignificant relationships between inflation expectations and saving decisions, emphasizing the variability in household responses and suggesting that other economic factors may dominate inflation considerations in certain institutional or temporal environments.

Despite these insights, a significant gap remains in the literature’s treatment of saving behavior. Most empirical studies focus primarily on consumption, spending attitudes, or consumption sub-categories such as durable goods or nondurables, rather than examining saving decisions directly (e.g., [De Gregorio, J., Guidotti, P. E., & Végh, C. A. \(1998\)](#); [Crump, Eusepi, Tambalotti, and Topa \(2022\)](#); [Burke and Ozdagli \(2023\)](#); [Andrade, Gauthier, and Mengus \(2023\)](#)), so that implications for saving can only be drawn indirectly. This emphasis is confirmed by [Jumena, Siaila, and Widokarti \(2022\)](#), whose systematic literature review of factors influencing household saving decisions notably omits inflation expectations as an identified determinant, underscoring the limited attention devoted to this relationship in the existing literature.

The theoretical mechanisms and empirical evidence presented above generate competing predictions regarding both the level and allocation of household saving in response to inflation expectations, with outcomes depending critically on household-specific characteristics and prevailing economic conditions. For overall saving levels, the literature demonstrates that financial constraints, wealth levels, and macroeconomic environments determine whether substitution effects or income effects dominate household responses to inflation expectations. The substitution effect predicts reduced saving as households accelerate consumption to avoid future price increases, while the income effect predicts increased precautionary saving as households build buffers against inflation-related uncertainty. The relative dominance of these competing mechanisms remains context-dependent and empirically unresolved. Based on these theoretical foundations and unresolved nature of the empirical evidence, we formulate the following hypothesis where we intend to test which effect dominates:

Hypothesis 1 on inflation expectations and overall saving behavior (H_1): “Inflation expectations correlate with overall saving behavior, with the direction depending on whether the substitution effect (higher inflation expectations reduce real interest rates, discouraging saving) or the income effect (higher inflation expectations erode future wealth, encouraging precautionary saving) dominates.”

Beyond influencing overall saving levels, inflation expectations systematically affect the allocation of savings across different categories through multiple theoretical channels that operate simultaneously within household portfolio decisions. The fundamental theoretical framework governing intertemporal allocation decisions is provided by the Euler equation together with the Fisher equation ([Fisher, 1930](#)), which establishes that optimal consumption-saving-allocations across periods depend on real interest rates and individual time preferences. Under these frameworks, rising inflation expectations with constant interest rates effectively reduce real returns, generating substitution effects that decrease saving incentives. However, the empirical framework reveals more complex temporal dynamics than static theory suggests. [Ichiue and Nishiguchi \(2015\)](#) document time-dependent effects whereby inflation expectations initially stimulate consumption but subsequently encourage saving, indicating that households may exhibit delayed adjustment processes or learning effects in response to inflation signals.

The liquidity preference theory, originally formulated by [Keynes \(1936\)](#) and subsequently formalized by [Tobin \(1958\)](#), provides additional theoretical foundations for understanding portfolio reallocation under inflation uncertainty. This framework posits that rising inflation expectations increase uncertainty about future purchasing power, thereby heightening household demand for liquid assets that can be rapidly converted to consumption goods without incurring significant transaction costs or capital losses. The portfolio theory literature establishes that uncertainty about future economic conditions systematically shifts household preferences toward more liquid financial instruments, as liquidity provides valuable option value under uncertain future states.

Empirical evidence supports the liquidity preference mechanism through documented sensitivity of household portfolio choices to interest rate differentials. [Corovei and Socol \(2019\)](#) analyze the determinants of deposit growth rates across Eurozone countries between 2003 and 2019, finding that interest rates exert significant and positive effects on deposit accumulation, consistent with households responding to yield incentives in their allocation decisions. This relationship is quantified more precisely by [Gerritsen and Bikker \(2020\)](#), who demonstrate that Dutch households reallocate between 3% and 6% of their deposit savings in response to each percentage point differential in interest rates, indicating substantial portfolio sensitivity to return differentials. For equity-based savings, [Hurd, van Rooij, and Winter, \(2011\)](#) establish that expected returns constitute a primary determinant of allocation decisions, suggesting that households systematically incorporate return expectations into their portfolio optimization process across different asset categories.

Understanding reallocation patterns requires consideration of behavioral frictions that may impede optimal portfolio responses. Deposit market inertia represents a relevant behavioral friction in the context of saving reallocation. [Kiser \(2002\)](#) documents that households face substantial switching costs when reallocating funds between financial institutions and deposit instruments, creating price insensitivity that can persist even when economic fundamentals would justify portfolio adjustments. Persistent saving behavior is documented by [Horioka and Wan \(2007\)](#), which may potentially delay optimal portfolio responses to changing inflation expectations, mute the theoretical substitution and income effects or create asymmetric adjustment patterns. Loss aversion constitutes another behavioral mechanism that may impede optimal portfolio reallocation under inflation uncertainty. [Dimmock and Kouwenberg \(2010\)](#) establish that higher degrees of loss aversion significantly reduce household equity market participation and systematically bias portfolio allocation decisions toward safer instruments. Their findings indicate that loss-averse households maintain sub-optimally low proportions of risky assets, demonstrating preference for familiar instruments even when this strategy yields inferior expected returns. In the context of inflation expectations, loss aversion may inhibit households from reallocating savings away from traditional deposit products toward potentially superior inflation hedges, as the perceived risk of switching may outweigh the anticipated benefits. Present-bias provides an additional behavioral mechanism affecting intertemporal saving decisions. [Beshears, Choi, Harris, Laibson, Madrian, and Sakong \(2015\)](#) identify consumers who systematically invest in longer-term deposits despite the availability of equally compensated but more liquid alternatives, suggesting that behavioral biases can override purely economic considerations in deposit allocation decisions. [Kapounek, Korab, and Deltuvaite \(2016\)](#) documents irrational saving behavior of households. However, behavioral constraints are not insurmountable, as market conditions can provide sufficient incentives to overcome decision-making inertia, as evidenced by [Lin \(2020\)](#).

Despite the theoretical foundations and behavioral frictions outlined above, empirical literature examining the relationship between inflation expectations and household savings shifting behavior remains notably limited, as also highlighted by [D’Acunto, Malmendier, and Weber \(2023\)](#), with only a small number of working papers addressing this important gap. [Yang \(2022\)](#) examines household shifting behavior between safe and risky assets in response to inflation expectations using panel data from the DNB Household Survey spanning 1995 to 2020. Taking equity participation as the dependent variable and inflation expectations as the key explanatory variable, the study finds that households with higher inflation expectations demonstrate increased likelihood of reallocating from safe to risky assets. [Agarwal et al. \(2022\)](#) provides corroborating evidence on household portfolio reallocation behavior, utilizing three quarterly data points from 2014 to 2015 that combine inflation expectations from the RBI Inflation Expectations Survey of Households with transaction-level banking data from a major Indian financial institution. The study matches household expectations data with transaction flows across several major cities using geographical identifiers, categorizing financial flows into consumption (including cash withdrawals), changes in bank deposits, and risky investments (encompassing mutual funds and equities). Their findings indicate that households exhibit greater propensity to rebalance portfolios from risky assets toward bank deposits when inflation expectations decline. [Arnold et al. \(2014\)](#) adopt a different methodological approach, examining portfolio reallocation intentions rather than actual behavior through a survey of households in a single German city. The study investigates whether inflation expectations influence stated intentions to adjust saving portfolios and explores the underlying motivations for such adjustments, including inflation protection and interest rate considerations. Their results suggest that higher inflation expectations increase the likelihood of intended portfolio changes, though these adjustments appear to be driven primarily by expected interest rate movements rather than direct inflation hedging motives.

These studies, while providing valuable initial insights, leave significant gaps in the understanding of household saving reallocation patterns. Most critically, existing research lacks disaggregated analysis of household allocation decisions across a comprehensive range of saving categories, particularly regarding different maturity structures of deposit instruments. Given the varying implications of deposit maturity for bank funding, distinct treatment of these deposits within regulation ([Basel Committee on Banking Supervision, 2019](#)) and monetary policy transmission, a more granular analytical approach is warranted. This paper addresses this literature gap by providing comprehensive analysis of household saving reallocation behavior across multiple categories with explicit attention to maturity differentiation in deposit holdings.

As presented above, portfolio reallocation decisions face a complex theoretical landscape with competing mechanisms operating simultaneously. The direction of reallocation under rising inflation expectations depends on which of two primary forces dominates household decision-making. The liquidity preference mechanism predicts flight-to-liquidity behavior, whereby rising inflation expectations trigger household preferences for more liquid financial instruments that preserve capital flexibility and minimize transaction costs during uncertain periods. This preference is reinforced by the typical positive correlation between inflation expectations and interest rate expectations, which enhances the relative attractiveness of shorter-maturity instruments that can be reinvested at potentially higher rates as monetary policy adjusts to inflationary pressures.

Conversely, the inflation hedging mechanism predicts that households shift toward riskier assets that potentially offer superior real return protection during inflationary

periods. The erosion of real returns on nominal fixed-income instruments may prompt households to increase exposure to assets with inflation protection characteristics, particularly equity products that may benefit from firms’ pricing power. The limited empirical evidence from recent working papers provides support for the inflation hedging mechanism, with [Yang \(2022\)](#) and [Agarwal et al. \(2022\)](#) documenting household shifts from safe deposits toward equity investments when inflation expectations rise, suggesting that real value preservation may outweigh liquidity considerations under certain economic conditions.

The relative strength of these competing mechanisms – both for overall saving levels and portfolio allocation – likely depends on household-specific characteristics, the magnitude and persistence of inflation expectations, the broader macroeconomic environment, and institutional factors such as financial market development and monetary policy credibility. These considerations make both the level and directional effects of inflation expectations on household saving behavior empirical questions requiring systematic investigation. Survey-based subjective expectations have proven to constitute meaningful measures, as evidenced by the systematic relationship between household characteristics and cross-sectional variation in stated expectations ([D’Acunto and Weber, 2024](#)).

Hypothesis 2 on inflation expectations and category-specific saving allocation (H_2): “Higher inflation expectations are associated with systematic portfolio reallocation among household savings, with the direction and the magnitude of shifts between liquid and illiquid instruments, and between safe and risky assets, determined by the relative dominance of liquidity preference versus inflation hedging motives.”

Testing our hypotheses will illuminate the complex mechanisms through which inflation expectations are associated with both the level and composition of household saving, providing insights into the implications for financial institution funding stability and monetary policy transmission effectiveness.

3 Inflation Expectations and Saving Behavior

3.1 The Bundesbank Online Panel Households

We utilize data from the Bundesbank Online Panel Households (BOP-HH), a representative survey of German citizens aged 16 to 80.³ The BOP-HH survey includes core questions on individuals’ expectations regarding macroeconomic variables, such as inflation and interest rates, alongside a comprehensive set of socio-demographic factors. For a detailed description of the key features of BOP-HH, we refer to [Deutsche Bundesbank \(2024\)](#). In addition to the core questions included in every wave, we proposed incorporating project-specific questions for a single wave to support our research objectives.

³The online survey has been conducted monthly since April 2020, with a minimum sample size of 2,000. It is administered by forsa Gesellschaft für Sozialforschung und statistische Analysen mbH using computer-assisted web interviewing in German. The sample comprises panelists, refreshers and one-off participants. Panelists are randomly selected from forsa’s online panel of 100,000 individuals, while refreshers are sampled based on quotas for socio-demographic factors. Panelists typically participate for three consecutive months before pausing for the subsequent three months. Interviews are conducted within a two-week window in the second half of each month, with an average duration of 15 minutes per interview.

Specifically, we introduced additional questions related to saving categories, which were added to wave 39 of BOP-HH conducted in March 2023. This wave was administered between March 15 and March 30, 2023, with 4824 households completing the survey.

Our analysis employs specific questions from the BOP-HH survey that capture both inflation expectations and household saving behavior. Complete question wording and response categories are provided in [Appendix A.1](#).

Our primary dependent variable derives from the BOP-HH core question measuring households’ overall saving intentions: whether respondents plan to save more, the same, or less over the next twelve months relative to the previous twelve months. For category-specific analyses, we employ analogous measures across seven distinct saving categories. We construct our independent variable inflation expectations using a two-stage elicitation process. Households first indicate whether they anticipate inflation or deflation over the next twelve months, then specify the expected percentage change. We combine these responses into a single continuous variable representing inflation expectations, with deflation expectations coded as negative values.

We augmented the standard BOP-HH questionnaire with four additional questions designed to capture granular saving behavior. Question 1 (Q1) elicits retrospective saving flows across seven categories over the preceding twelve months: cash holdings, demand deposits, short-term deposits (maturity until one year), long-term deposits (maturity greater one year), bonds (including associated funds and ETFs), shares (including equity funds and ETFs), and digital investment formats. Response options are detailed in Table 9 in [Appendix A.1](#). Question 2 (Q2) captures prospective saving intentions across these same categories, asking respondents whether they plan to save less, the same, or more in each category relative to their past behavior. This question serves as our dependent variable for category-specific analyses and provides the foundation for examining portfolio reallocation patterns. Questions 3 and 4 (Q3-Q4) collect detailed information on existing asset stocks to facilitate our analysis of portfolio inertia (Section 5.1). While the core BOP-HH survey elicits broad asset allocation across major categories (bank deposits, securities, properties), our supplementary questions disaggregate these holdings by maturity structure for deposits and asset class for securities. This granular stock data enables us to examine how existing portfolio positions are correlated with subsequent allocation decisions across the saving categories analyzed in Q1 and Q2.

3.2 Data Preparation

We implement several data cleaning procedures to ensure analytical consistency and logical coherence. We standardize the ordering of saving intention responses to reflect ascending preferences (saving less, saving the same, saving more). We exclude observations exhibiting logical inconsistencies in reported saving behavior using two criteria. First, we remove households whose stated overall saving intentions (less or more) are inconsistent with their category-specific intentions. This criterion identifies 477 households reporting intentions to save less overall without corresponding reductions in any specific category, and 162 households reporting intentions to save more overall without corresponding increases in any category. Second, we exclude households reporting zero past savings in a category while simultaneously indicating intentions to reduce savings in that same category — a logical impossibility. This criterion affects 47 observations for cash, 56 for demand deposits, 44 for short-term deposits, 39 for long-term deposits, 40 for bonds, 15 for shares, and 8 for digital formats. These data quality controls result in the exclusion

of 888 observations (18.4% of the original sample), yielding a final analytical sample of 3,936 households with internally consistent saving intention profiles.

4 Empirical Setup

4.1 Methodology

We employ a generalized ordered logit model (Williams, 2006, 2016) to accommodate the ordinal nature of our dependent variable, which assumes three discrete values: saving less, saving the same, and saving more. The generalized ordered logit framework offers several advantages over alternative specifications for ordinal data. Unlike standard ordered logit models, it relaxes the proportional odds assumption, allowing coefficients to vary across outcome categories — a flexibility that proves essential given the distinct behavioral mechanisms underlying different saving decisions. Relative to multinomial logit models, our approach preserves the inherent ordering of saving intentions while avoiding the restrictive assumption of equal spacing between categories.

The generalized ordered logit model can be expressed as:

$$P(Y_i > j) = \frac{e^{(\alpha_j + X_i \beta_j)}}{1 + e^{(\alpha_j + X_i \beta_j)}}, \quad j = 1, 2, \dots, M - 1 \quad (1)$$

where $P(Y_i > j)$ denotes the probability that household i 's saving intention exceeds saving decision category j , with j indexing the ordered saving decision categories saving less, the same or more, and M representing the total number of categories (three in our case). The parameter α_j is the constant for each estimation, X_i is a vector of control variables for household i , and β_j represents coefficients vectors that are permitted to vary across j . The model estimates $M-1$ comparisons, modeling the probabilities of exceeding each threshold. In our application with three saving decisions, the model estimates two equations: the probability of saving the same or more (versus saving less), and the probability of saving more (versus saving the same or less). This specification is particularly well-suited to our analysis as diagnostic tests confirm violation of the proportional odds assumption, indicating that explanatory variables exert differential effects across saving decisions. This heterogeneity aligns with theoretical expectations, as the factors influencing decisions to reduce savings (potentially driven by liquidity constraints) may differ substantially from those affecting decisions to increase savings (reflecting precautionary or investment motives), as noted by Fullerton and Dixon (2010).

This methodology has been successfully applied in similar contexts by Abela and Gatt (2021), who employed generalized ordered logit models to examine saving intensity patterns across Maltese households categories of savers and dissavers.

Our three-category specification generates two sets of coefficient estimates corresponding to the binary comparisons described above. The first set represents the log odds of saving less versus saving the same or more, while the second captures the log odds of saving less or the same versus saving more. The sign interpretation of coefficients follows standard conventions: positive coefficients in the first equation indicate that the explanatory variable increases the likelihood of maintaining or increasing savings (relative to reducing savings), while positive coefficients in the second equation suggest the variable increases the probability of saving more (relative to saving less or the same). Given the limited intuitive appeal of log odds ratios, we compute marginal effects to facilitate

economic interpretation of our results. These marginal effects represent the change in probability of each saving outcome associated with a unit change in the explanatory variable, holding all other variables at their means. For dichotomous variables, marginal effects capture the discrete change in probability when moving from zero to one.

A note on causal interpretation is warranted. Our cross-sectional design identifies associations between inflation expectations and saving intentions, but cannot establish causal direction. Inflation expectations and saving intentions may be simultaneously determined by common factors — such as macroeconomic pessimism, income uncertainty, or household-level economic shocks — that are only partially absorbed by our control variables. We therefore interpret all results as conditional correlations rather than causal effects, and frame our hypotheses and findings accordingly throughout.

4.2 Variables

This section describes the construction and measurement of our key variables. Additional variables introduced for specific analyses are detailed in the relevant sections where they are first employed.

4.2.1 Dependent Variable

Our primary dependent variable captures households’ saving intentions over the next twelve months, with three ordered outcomes: saving less, saving the same, and saving more relative to the previous twelve months.

Our analysis uses stated saving intentions as the dependent variable, which provides a forward-looking measure of household saving behavior. Research demonstrates that saving intentions serve as significant predictors of subsequent actual behavior. [Shim, Serido, and Tang \(2012\)](#) document that intentions measured at one time point significantly predict saving behaviors at a later time point using a two-wave panel study design. Recent evidence further confirms meaningful associations between saving intentions and subsequent behavior ([Van, Ngo, Son, and Le, 2024](#)).

However, the translation from intention to behavior is dependent from several elements. [Rabinovich and Webley \(2007\)](#) demonstrate that successful implementation depends critically on factors such as time horizon and expenditure control techniques, while [De Corte, Cairns, and Grieve \(2021\)](#) establish that stated intentions consistently overpredict actual behavior across multiple domains, suggesting that while the direction of relationships remains informative, the magnitude of intended changes may not fully materialize in actual behavior.

For the purposes of this study, our cross-sectional design captures household attitudes and planned responses when inflation reached historically high levels. Given that our dependent variable measures ordinal saving choices (saving less, the same, or more) rather than continuous quantities, the systematic relationships between intentions and behavior documented in the above-mentioned prior research support the validity of our approach for identifying the direction and relative ordering of household saving responses to changes in inflation expectations.

For examining saving behavior within individual categories, we employ analogous three-category measures of saving intentions for each of the seven saving instruments. These regressions incorporate the same control variables as the overall saving model, supplemented with indicator variables for saving decisions in other categories to analyze cross-category reallocation patterns.

Our analytical sample comprises 3,923 households reporting overall saving intentions, including 796 households with zero savings in the previous twelve months. Among these non-savers, 520 indicated no intention to save in the future, while 276 expressed intentions to begin saving. We retain both groups in our overall analysis as our research question examines how inflation expectations is associated with households’ ordinal saving intentions, which encompasses the full spectrum of saving decisions, including the choice to continue not saving. In addition, from a policy perspective, understanding how inflation expectations are correlated with all households — not just current savers — is essential for assessing the distributional effects of monetary policy. Unreported robustness checks excluding non-savers confirm our main findings.

Category-specific analyses employ a more restrictive sample, including only households that either saved in the specific category during the previous twelve months or expressed intentions to do so in the future. We deem this approach methodologically appropriate for two reasons. First, category-specific regressions focus on portfolio allocation decisions among households already engaged with particular saving instruments. In contrast to the overall saving decision, including non-participants for category-specific saving intentions would fundamentally alter the nature of these regressions from examining reallocation patterns to examining participation decisions, conflating two distinct economic phenomena. Second, the statistical properties of our ordered dependent variable require sufficient variation across categories. Including non-participants would create severe imbalance, with the vast majority concentrated in the middle category (“saving the same”), effectively eliminating statistical power to detect meaningful reallocation effects.

4.2.2 Independent Variable

Our primary explanatory variable is households’ inflation expectations over the next twelve months, constructed from survey responses encompassing both inflationary and deflationary expectations. We code deflation expectations as negative values and inflation expectations as positive values, creating a continuous variable spanning the full spectrum of price-level expectations. We impose no upper or lower bounds on reported expectations, a decision justified by the survey timing during a period of historically elevated inflation (7.8% in March 2023). This high-inflation environment makes substantial inflation expectations economically plausible, contrasting sharply with the preceding decade of persistently low inflation when researchers typically applied restrictive bounds, such as capping expectations at twenty times the actual inflation rate (Bachmann et al., 2015). To enhance measurement reliability, the BOP-HH survey provides respondents with explicit definitions of inflation and deflation next to eliciting expectations, following best practices recommended by Bruine de Bruin, van der Klaauw, Topa, Downs, Fischhoff, and Armantier (2012) and Weber, D’Acunto, Gorodnichenko, and Coibion (2022). This approach minimizes measurement error arising from conceptual misunderstanding and ensures comparability across respondents.

4.2.3 Control Variables

We include a comprehensive set of demographic and expectational control variables, detailed as follows: *College degree* is a binary indicator equal to one for respondents holding bachelor’s, master’s/diploma’s, or doctoral degrees, and zero otherwise. *Household income* is the respective midpoint in Euro of one of in total thirteen categorical bands ranging from EUR 0 – 500 to greater than EUR 10,000. For the last categorical band we take

10,000. *Household size* captures the number of household members. *Living with partner* indicates whether the respondent cohabits with a spouse or partner. *Age-centered* represents respondent age (16-80 years) centered at zero. These demographic variables control for established determinants of inflation expectations and saving behavior (D’Acunto et al., 2023; Di Giacomo and Angelico, 2019; Das, Kuhnen, and Nagel, 2020; Arioli, Bates, Dieden, Duca, Friz, Gayer, Kenny, Meyler, and Pavlova, 2017).

Household net wealth accounts for wealth effects on saving decisions (Kaplan and Schulhofer-Wohl, 2017; Ehrmann, Pfajfar, and Santoro, 2018). We construct this variable using BOP-HH data on household assets (bank deposits, securities, properties, company ownership, other assets) and liabilities (secured and unsecured debt). For each category, we assign midpoint values to reported ranges, compute net wealth as total assets minus total liabilities, and create decile rankings to minimize the influence of outliers.

We include *expected economic growth* and *expected interest rate* as theoretically motivated controls representing distinct channels through which households form saving decisions. Diagnostic tests confirm no multicollinearity concerns (mean VIF = 1.39). *Expected economic growth* captures qualitative expectations about economic conditions, as research shows households often link inflation and growth expectations (Candia, Coibion, and Gorodnichenko, 2020; Ehrmann et al., 2018). *Expected interest rate* measures anticipated changes in interest rates on savings accounts over the next twelve months, controlling for the potential influence of monetary policy expectations on saving decisions.

4.3 Summary Statistics

Of the 3936 households participating in BOP-HH wave 39 (after exclusion of inconsistent replies), 3923 provided complete responses regarding overall saving intentions for the next twelve months. The distribution reveals strong inertia in saving behavior: 3474 households (88.6%) planned to maintain current saving levels, while only 71 (1.8%) intended to save less and 378 (9.6%) planned to save more, as illustrated in Figure 1. Among all respondents, 752 households indicated no plans to save, of which 520 had also not saved in the previous twelve months.

The vast majority of households (3560, or 90.7%) anticipated inflation over the next twelve months, while 354 households (9.3%) expected deflation. The distribution of expectations spans from -23% to 100% , with a mean of 6.65% and a 90th percentile of 10% . These figures reflect the high-inflation environment prevailing at the time of data collection (March 2023, when German inflation stood at 7.8% per March 2023 and 9.3% per February 2023). Inflation expectations exhibit modest variation across saving intention groups: households planning to save less reported mean expectations of 5.72% , those maintaining current levels had mean expectations of 6.69% , and households intending to save more averaged 6.46% . Table 1 presents comprehensive summary statistics for all variables employed in our analysis.

Figure 1 further illustrates household saving intentions across the seven individual saving categories. Consistent with the overall pattern, the data reveal pronounced inertia in category-specific saving behavior, with the majority of households planning to maintain current allocation levels across all instruments. Notably, among households indicating intentions to adjust their category-specific saving, substantially more plan to increase rather than decrease allocations within each category. This asymmetric pattern suggests that active portfolio adjustments during the high-inflation period favor saving expansion

Table 1: **Summary Statistics - Sample BOP-HH Wave 39**

The table presents summary statistics for the most relevant variables of the BOP-HH survey sample, wave 39, March 2023. "n" indicates the number of households that responded to the respective question and is provided for each variable. For continuous, metric and ratio variables, average value ("mean"), standard deviation ("sd"), minimum ("min") and maximum ("max") are provided. For ordinal variables on intended saving, "less", "same" and "more" reflect the number of households intending to save less, the same, or more overall or in the respective saving category. For ordinal variables on expected economic growth and interest rate, the five reply categories were condensed to 3 by keeping the middle category as in the survey and combining the two lowest and the two highest categories. For binary variables (i.e., college degree, living with partner), "one" reflects the proportion for which the dummy equals one and "zero" for which the dummy equals zero. Household income is denoted in Euro, net wealth in decile bandwidth from zero to nine. Statistics based on consistent replies only.

	n				
Total observations in wave 39	4824				
Inconsistent replies (excluded from this study)	888				
Observations used for this study	3936				
	n	mean	sd	min	max
Expected inflation	3883	6.6536	5.7101	-23	100
of households saving less	70	5.7214	3.6953	-5	12
of households saving the same	3431	6.6928	5.8947	-23	100
of households saving more	373	6.4595	4.102	-8	20
Household size	3920	2.15	1.03	1	6
Household income	3764	3945.67	1923.72	250	10000
Age_centered	3936	40.892	15.314	0	64
Household net wealth	3154	4.5684	2.8341	0	9
	n	less	same	more	
Overall saving intention	3923	71	3474	378	
Cash saving intention	1587	122	1209	256	
Demand deposits saving intention	2563	186	1759	618	
Short-term deposits saving intention	1524	56	1074	394	
Long-term deposits saving intention	1147	47	819	281	
Bonds saving intention	891	26	673	192	
Shares saving intention	1571	101	1035	435	
Digital saving intention	426	34	343	49	
	n	decrease	remain	increase	
Expected economic growth	3928	1300	1532	1096	
Expected interest rate	3930	302	1183	2445	
	n	one	zero		
College degree	3914	1411	2503		
Living with partner	3932	2574	1358		

over contraction, potentially reflecting precautionary motives or portfolio rebalancing toward preferred instruments.

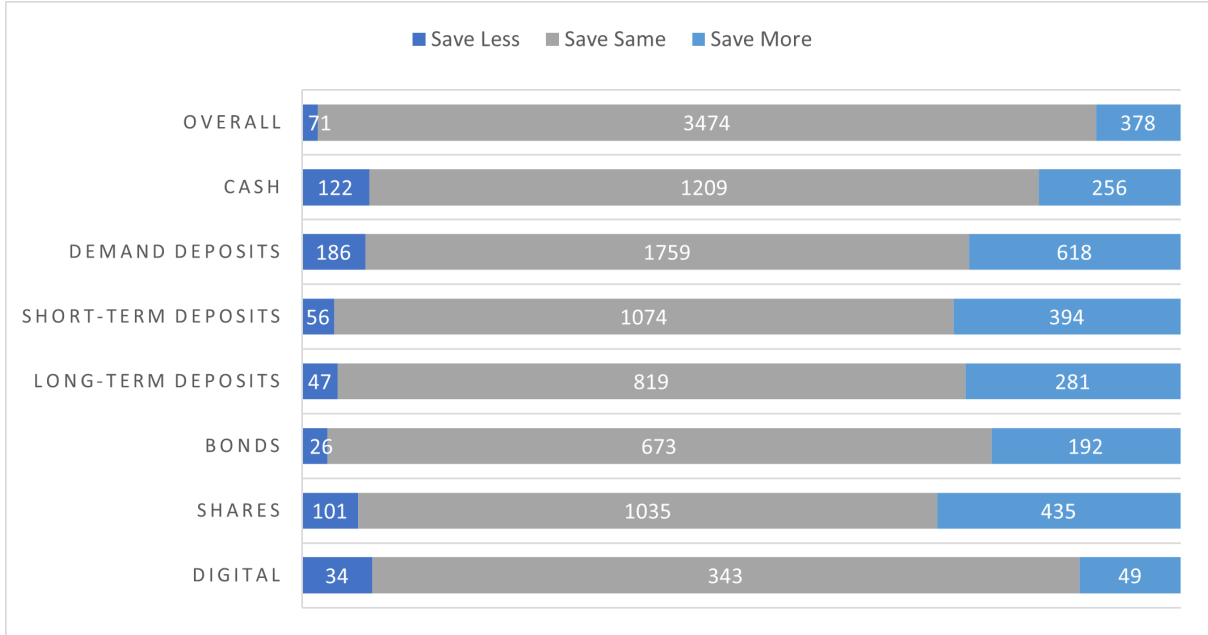


Figure 1: Saving intentions (overall and per category)

Note: This figure illustrates household saving intentions based on the survey data as a 100% stacked bar chart, with numbers displaying observations per response category. "Demand Deposits" refers to deposits without fixed maturity, "Short-Term Deposits" denotes deposits with maturity up to one year, "Long-Term Deposits" refers to deposits with maturities greater than one year.

5 Results

This section presents our main empirical findings in two parts. [Section 5.1](#) examines how inflation expectations is associated with household saving decisions, analyzing both overall saving behavior and category-specific allocation patterns. We investigate the effects of continuous inflation expectations and high inflation expectations, and explore portfolio inertia through the relationship between existing saving stocks and future allocation decisions. [Section 5.2](#) analyzes cross-category reallocation patterns, identifying how households redistribute savings across different instruments in relation with changing inflationary expectations.

5.1 The Role of Inflation Expectations

Higher inflation expectations are significantly associated with reduced likelihood that households decrease their overall saving, indicating they are more likely to maintain or increase saving levels, with marginal effects displayed in [Table 2](#) and plotted margins in [Figure 2](#).⁴ This result supports Hypothesis 1, with the income effect dominating the substitution effect — households with higher inflation expectations exhibit precautionary

⁴Regression results can be found in [Table 11](#) in [Appendix A.2](#).

saving motives rather than intertemporal substitution. The finding aligns with [Coibion et al. \(2022\)](#) and [Rondinelli and Zizza \(2020\)](#), who document reduced spending associated with elevated inflation expectations. However, Table 2 reveals that while statistically significant, the marginal effects for continuous inflation expectations are economically modest.⁵ A one percentage point rise in inflation expectations corresponds to a 0.1 percentage point increase in the likelihood that households maintain or increase their overall savings. Looking at the plotted margins, the nearly flat line for saving more indicates that few households plan to increase their savings regardless of inflation expectations, suggesting limited responsiveness in this category. By contrast, the lines for saving less and saving the same show more pronounced movements, indicating that adjustments in saving intentions mainly occur among those maintaining or reducing their savings.

The disaggregated analysis reveals heterogeneous responses across saving instruments. Inflation expectations are significantly correlated with decisions in demand deposits and digital formats, with higher expectations reducing the probability of saving less in these categories. However, the marginal effects are negligible, suggesting limited economic significance for continuous inflation expectations across saving categories. A one percentage point rise in inflation expectations corresponds to a 0.3 percentage point (or 0.6) increase in the likelihood that households maintain or expand their savings in demand deposits (or digital formats).

The summary statistics reveal a potentially non-linear relationship, with households intending to save less reporting the lowest inflation expectations while those maintaining current levels exhibit the highest expectations — a pattern consistent with [Lehmann-Hasemeyer, Neumayer, and Streb \(2023\)](#). To explore this non-linearity, we construct a binary indicator for high inflation expectations, defined as the fourth quartile of the inflation expectation distribution in the analytical sample of 3,883 households with internally consistent saving profiles and reported inflation expectations, and re-estimate our models. Households in the fourth quartile report a mean inflation expectation of 12.3%, compared to 5.0% for households in the first through third quartiles, with the threshold set at 8.5 percentage points.⁶

⁵We estimated a series of specifications with increasing sets of controls, starting with a univariate regression model. The coefficient on inflation expectations is consistently positive and similar in magnitude (0.036-0.049), but reaches statistical significance only in the full specified model including demographic and socio-economic variables. This pattern suggests a suppression effect, where the correlation between inflation and our socio-economic variables interest rate expectations and expected economic growth obscure the relationship in simpler models, and the effect of inflation expectations becomes detectable only once socio-economic variables are jointly controlled for.

⁶To formally test for non-linearity, we replace the continuous inflation expectations variable with quartile dummies (Q1 as reference category) and re-estimate the baseline specification across the four categories examined in Table 2: overall saving, cash, demand deposits, and digital formats. Results are reported in Table 13 in [Appendix A.3](#). The quartile dummy specification reveals a non-monotonic pattern for cash. Households in the second quartile are significantly less likely to save more in cash relative to the first quartile, while the third quartile shows no significant effect. Only households in the fourth quartile exhibit a strong and significant increase in the probability of saving more in cash (8.6 percentage points, $p < 0.01$) and a corresponding decrease in the probability of saving less (5.5 percentage points, $p < 0.01$). This threshold pattern explains why the continuous specification yields an economically modest and statistically insignificant coefficient for cash: averaging the effect linearly across the full distribution masks the concentration of the effect at the upper tail. For overall saving, demand deposits, and digital formats, the quartile dummies do not reveal the sharp Q4 threshold pattern observed for cash. For overall saving, a modest Q3 effect is detected, consistent with the significant result under the continuous specification in Table 2. For demand deposits, a marginal Q4 effect on saving more is found (4.3 percentage points, $p < 0.1$), though substantially smaller in magnitude than the corresponding cash effect and only marginally significant. For digital formats, no significant quartile effects are found.

Table 2: Marginal Effects of Inflation Expectations for Saving Overall and by Categories

The table displays marginal effects, representing the change in the probability of being in each saving category (saving less, the same, or more overall and within saving categories (dependent variable)) for a one-unit change (equalling one percentage point) in inflation expectations (independent variable), holding all other variables at their means. Columns sum up to zero (rounding effects might occur). Standard errors are shown in parentheses. "Demand Deps" refers to deposits without fixed maturity, "ShortTerm Deps" denotes deposits with maturity up to one year, "LongTerm Deps" refers to deposits with maturities greater than one year. Control variables from the baseline scenario were included in the regressions but are omitted from the table for improved readability.

	Saving overall	Cash	Demand Deps	Short Term Deps	Long Term Deps	Bonds	Shares	Digital
saving less								
inflation expectations	-0.001* (0.00)	-0.002 (0.00)	-0.003** (0.00)	0.000 (0.00)	0.001 (0.00)	0.000 (0.00)	-0.001 (0.00)	-0.006** (0.00)
saving the same								
inflation expectations	0.001 (0.00)	-0.000 (0.00)	0.002 (0.00)	0.002 (0.00)	0.005 (0.00)	0.003 (0.00)	0.003 (0.00)	0.005 (0.00)
saving more								
inflation expectations	-0.001 (0.00)	0.002 (0.00)	0.001 (0.00)	-0.002 (0.00)	-0.005 (0.00)	-0.003 (0.00)	-0.002 (0.00)	0.001 (0.00)
Observations	3087	1271	2045	1185	892	691	1255	330

* $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$

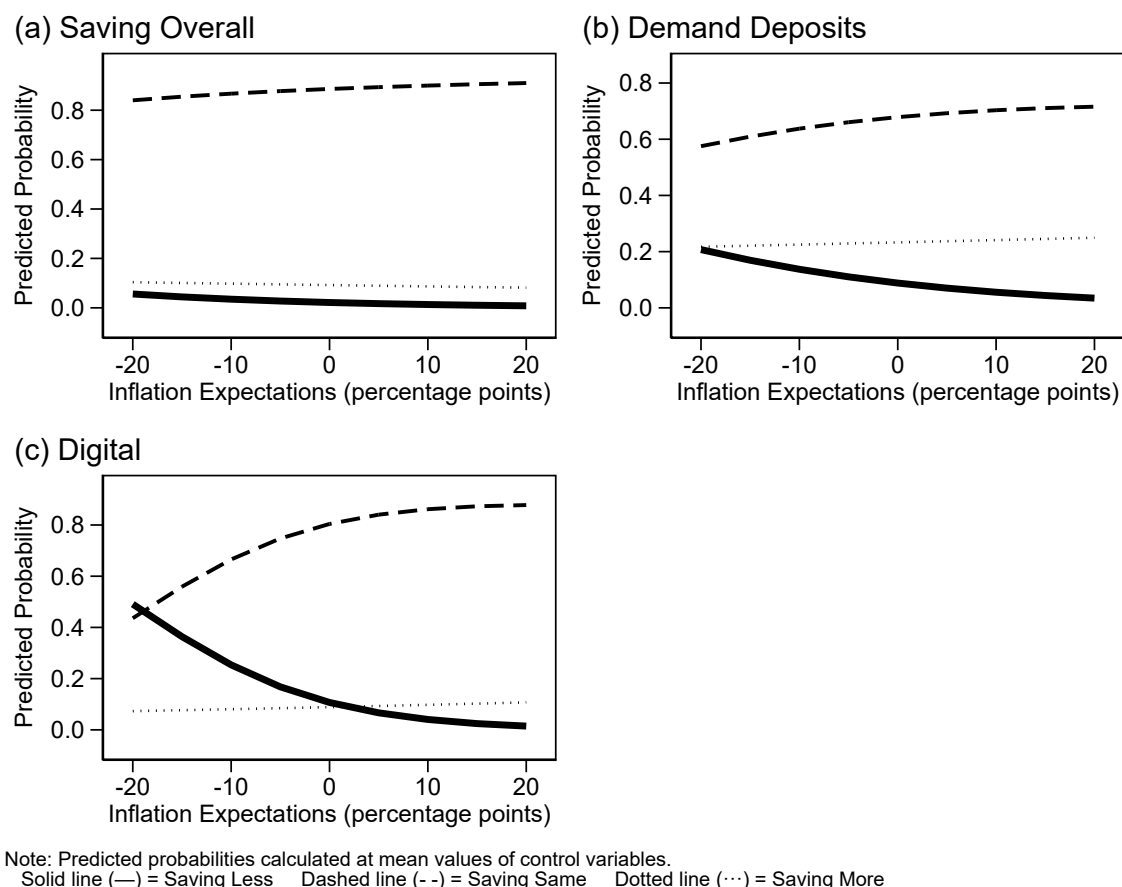


Figure 2: Predicted probabilities of saving behavior by inflation expectations for overall saving, demand deposits, and digital formats

Margins displayed in Table 3 reveal that high inflation expectations generate economically significant effects in liquid saving categories⁷. Households with high inflation expectations exhibit a 6.2 percentage point increase ($p < 0.01$) in the probability of saving more in cash and a 5.6 percentage point increase ($p < 0.01$) in the probability of not reducing cash holdings. For short-term deposits, these households demonstrate a 6.8 percentage point decrease ($p < 0.1$) in maintaining savings, indicating active portfolio rebalancing, though this effect is only marginally significant and loses significance under survey weighting (see Section 6).

The pronounced increase in cash holdings among households with high inflation expectations reflects flight-to-liquidity behavior consistent with the precautionary motive. This pattern aligns with the theoretical predictions of liquidity preference theory (Keynes, 1936; Tobin, 1958) and empirical evidence from Coibion et al. (2023), who document increased precautionary saving when households perceive greater economic uncertainty.

The active reallocation within short-term deposits likely reflects households' dual optimization: maintaining liquidity while positioning for potential interest rate increases

These results confirm that the pronounced non-linear threshold effect at Q4 is specific to cash holdings, while the remaining categories show at most modest and marginally significant relationships.

⁷Regressions results are shown in Table 12 in Appendix A.2.

Table 3: Marginal Effects of High Inflation Expectations

The table presents marginal effects of high inflation expectations (dummy variable), representing the change in the probability of being in each specific saving category (saving less, the same, or more overall and within saving categories (dependent variable)) when moving from low to high inflation expectations, holding all other variables at their means. Standard errors in parentheses. Columns sum up to zero (rounding effects might occur). Control variables from the baseline scenario were included in the regression but dropped from the table for the sake of better readability. "Demand Deps" refers to deposits without fixed maturity, "ShortTerm Deps" denotes deposits with maturity up to one year, "LongTerm Deps" refers to deposits with maturities greater than one year.

	Saving overall	Cash	Demand Deps	Short Term Deps	Long Term Deps	Bonds	Shares	Digital
saving less								
High expected inflation	-0.003 (0.01)	-0.056*** (0.02)	-0.005 (0.02)	0.011 (0.01)	0.017 (0.02)	0.018 (0.01)	-0.016 (0.02)	-0.008 (0.04)
saving the same								
High expected inflation	-0.001 (0.01)	-0.007 (0.03)	-0.020 (0.03)	-0.068* (0.04)	0.007 (0.04)	-0.012 (0.05)	0.023 (0.04)	0.036 (0.05)
saving more								
High expected inflation	0.005 (0.01)	0.062*** (0.02)	0.025 (0.02)	0.057 (0.04)	-0.024 (0.04)	-0.007 (0.05)	-0.007 (0.04)	-0.028 (0.04)
Observations	3087	1271	2045	1185	892	691	1255	330

* $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$

that typically accompany inflationary periods. This behavior is consistent with [Gerritsen and Bikker \(2020\)](#), who document substantial households sensitivity to interest rate differentials in deposit allocation decisions.

These findings provide strong support for Hypothesis 2 by resolving the predicted directional ambiguity in favor of the liquidity preference mechanism. The clear reallocation toward liquid, short-term instruments demonstrates that liquidity motives dominate inflation hedging considerations in our German household sample.

We find no significant relationship between high inflation expectations and saving decisions in demand deposits, long-term deposits, bonds, shares, or digital investments.

To examine whether households with high inflation expectations exhibit consistent behavior across categories, we analyze the intersection of high inflation expectations with overall saving decisions. We construct two indicator variables: one identifying households with both high inflation expectations and intentions to save less overall, and another for those with high expectations who plan to save more overall. Results presented in [Appendix A.3](#) reveal strong consistency between overall and category-specific saving decisions among households with high inflation expectations. Those planning to save more overall demonstrate significantly increased saving across all traditional categories (excluding digital formats).

Conversely, households intending to save less overall exhibit significantly reduced saving in nearly all categories, with two notable exceptions: cash and digital formats. These findings demonstrate that households with high inflation expectations exhibit coherent saving behavior, with category-specific decisions aligning systematically with overall saving intentions across traditional instruments. The preservation of cash holdings among households reducing overall saving provides additional evidence for precautionary motives, suggesting cash serves as a protected emergency reserve. The similar pattern for digital formats may reflect the nascent nature of these instruments and their limited integration into traditional portfolio optimization frameworks.

5.1.1 Complementary Regressions

We investigate whether the mechanism of inflation expectation formation affects saving behavior by distinguishing between static and dynamic expectations. The mechanism matters because static expectations—where households maintain unchanged beliefs—may not capture persistent inflation dynamics, while dynamic expectations reflect active updating in response to evolving conditions. This distinction is key to understanding which households perceive inflation as sufficiently persistent to warrant behavioral adjustments. Following [Mankiw, Reis, and Wolfers \(2003\)](#) and [Carroll, Crawley, Slacalek, Tokuoka, and White \(2020\)](#), who document household reliance on outdated information in expectation formation, we construct a binary indicator for static expectations. This variable equals one if a household’s reported inflation expectation falls within 200 basis points of their stated belief about current actual inflation, indicating potential anchoring to recent information rather than forward-looking assessment. Results in [Appendix A.3](#) show that static inflation expectations exert no significant relation with overall saving decisions, suggesting that dynamic expectation formation are associated with the observed overall saving responses.

Additionally, we examine whether personal inflation experience moderates saving responses, as prior research demonstrates that households incorporate lifetime inflation experiences into expectation formation ([Ehrmann and Tzamourani, 2012](#); [Malmendier and Nagel, 2016](#); [Draeger and Lamla, 2018](#)). Following [Bachmann et al. \(2015\)](#), we con-

construct a binary indicator for inflation experience that equals one for respondents aged 63 or older who have resided in Germany since before 1989, capturing individuals who experienced the high-inflation episodes of the 1970s oil crises during their formative years. We exclude households that immigrated to Germany after 1989 to avoid conflating German inflation experience with potentially different inflationary histories in countries of origin. Results in [Appendix A.3](#) reveal no significant relationship between historical inflation experience and current overall saving decisions. This finding suggests that recent inflation dynamics dominate historical experiences in shaping household saving behavior, potentially reflecting the prolonged period of low inflation (2010-2021) that may have diminished the salience of earlier high-inflation episodes in household decision-making.

Furthermore, we investigate the role of financial literacy in household saving decisions. Prior research has demonstrated that financially literate households exhibit lower inflation expectations ([Lusardi, 2008](#); [Bruine de Bruin, Vanderklaauw, Downs, Fischhoff, Topa, and Armantier, 2010](#)), suggesting that financial knowledge may influence intertemporal saving choices. Accordingly, we examine whether financial literacy constitutes a significant determinant of household saving behavior in our regression specifications. We construct a binary indicator variable that serves as a proxy for financial literacy, coded as one if a household’s stated current inflation expectation falls within a 10 percentage point band around the actual inflation rate as of February 2023, and zero otherwise. However, our analysis reveals that financial literacy is not statistically significant for overall saving decisions or across individual saving categories.

In supplementary unreported analyses, we examine whether regional differences between former East and West Germany influence household saving behavior, given prior evidence that East Germans maintain systematically higher inflation expectations than West Germans ([Goldfayn-Frank and Wohlfart, 2020](#)). We estimate regression specifications that include binary indicator variables for households that resided in East Germany prior to 1989 and, separately, for those that resided in West Germany prior to 1989. However, we find no statistically significant effects of regional background on overall saving decisions.

5.1.2 Households’ Inertia

To examine the role of existing portfolio positions in shaping future saving decisions, we analyze how absolute and relative saving stocks across categories relate with households’ stated saving intentions. This analysis provides insights into whether households exhibit inertia, i.e. continuing past patterns, as documented and modelled by [Reis \(2006\)](#); [Moscarini \(2004\)](#); [Gomes, Haliassos, and Ramadorai \(2021\)](#), or engage in active portfolio rebalancing. We run separate regressions for each saving category, incorporating control variables representing either the absolute or relative saving stock of the respective saving category.⁸

⁸The saving stocks we apply correspond to the saving categories, with two exceptions. First, there is no specific saving stock for cash. In BOP-HH, households were asked to report on “other deposits” as a residual category, following questions on deposits without maturity, deposits with maturities up to one year, and deposits with maturities exceeding one year. We allocate the “other deposit” stock to the cash saving category. Second, the “other securities” stock – calculated as the total securities stock held by a household minus the stocks allocated to bonds and shares – is assigned to the digital formats category.

Table 4: **Inertia in Households' Saving (Marginal Effects)**

The table presents the marginal effects of the logarithms of absolute and relative saving stocks on overall saving behavior and saving in categories (dependent variable). Margins are calculated at means, as the change in the probability of being in each saving category (saving less, the same, or more overall or within a specific saving category) for a one-unit change in the logarithm of the respective absolute or relative saving stock (independent variable), holding all other variables at their means. Standard errors are reported in parentheses. Related columns sum up to zero (e.g., the margins of the absolute saving stock for "Deposit stock other" for saving less overall, saving the same overall, and saving more overall add up to zero). The upper part of the table reports margins for overall saving, while the lower part provides results for saving behavior within specific saving categories. All other control variables were included in the regression but dropped from the table for the sake of better readability. "Demand Deps" refers to deposits without fixed maturity, "ShortTerm Deps" denotes deposits with maturity up to one year, "LongTerm Deps" refers to deposits with maturities greater than one year, "rel." represents relative saving stocks, "abs." refers to absolute saving stocks, "cat." refers to saving category, "Obs." represents observations.

		Other Deposits	Demand Deps stock	Short Term Deps stock	Long Term Deps stock	Bonds stock	Shares stock	Other securities stock
saving overall less	abs. stocks	0.000 (0.00)	0.000 (0.00)	-0.000 (0.00)	0.001 (0.00)	0.000 (0.00)	0.001*** (0.00)	0.001 (0.00)
	rel. stocks	-0.043** (0.02)	-0.024** (0.01)	-0.036** (0.02)	-0.014 (0.02)	-0.026 (0.02)	-0.008 (0.01)	0.000 (.)
saving overall the same	abs. stocks	0.003* (0.00)	-0.003* (0.00)	-0.003** (0.00)	-0.001 (0.00)	0.004** (0.00)	0.001 (0.00)	0.003 (0.00)
	rel. stocks	-0.014 (0.07)	-0.103* (0.06)	-0.117* (0.06)	-0.102 (0.07)	0.058 (0.08)	-0.082 (0.06)	0.000 (.)
saving overall more	abs. stocks	-0.003* (0.00)	0.003* (0.00)	0.003** (0.00)	0.001 (0.00)	-0.004** (0.00)	-0.003** (0.00)	-0.004* (0.00)
	rel. stocks	0.057 (0.06)	0.126** (0.06)	0.153** (0.06)	0.115* (0.07)	-0.032 (0.08)	0.090 (0.06)	0.000 (.)
Obs.	abs.	3033	3033	3033	3033	3033	3033	3033
	rel.	2874	2874	2874	2874	2874	2874	2874
		Other Deposits	Demand Deps stock	Short Term Deps stock	Long Term Deps stock	Bonds stock	Shares stock	Other securities stock
saving less per cat.	abs. stocks	0.003 (0.00)	0.005** (0.00)	0.004*** (0.00)	0.002** (0.00)	0.002*** (0.00)	0.005*** (0.00)	0.005 (0.00)
	rel. stocks	0.012 (0.03)	0.002 (0.02)	0.012 (0.02)	0.021 (0.02)	0.017 (0.02)	0.062*** (0.02)	0.157* (0.09)

Continued on next page

Inertia in households' saving (marginal effects) (continued)

		Other Deposits	Demand Deps stock	Short Term Deps stock	Long Term Deps stock	Bonds stock	Shares stock	Other securities stock
saving the same per cat.	abs. stocks	-0.002 (0.00)	-0.001 (0.00)	-0.002 (0.00)	-0.003 (0.00)	-0.008** (0.00)	0.001 (0.00)	-0.005 (0.01)
	rel. stocks	-0.092** (0.04)	-0.092*** (0.03)	-0.052 (0.05)	0.015 (0.07)	0.041 (0.09)	0.035 (0.04)	-0.126 (0.16)
saving more per cat.	abs. stocks	-0.000 (0.00)	-0.004 (0.00)	-0.002 (0.00)	0.001 (0.00)	0.005 (0.00)	-0.007** (0.00)	0.000 (0.01)
	rel. stocks	0.080** (0.04)	0.090*** (0.03)	0.040 (0.05)	-0.036 (0.07)	-0.058 (0.09)	-0.097** (0.04)	-0.031 (0.14)
Obs.	abs.	1252	2021	1171	881	680	1238	323
	rel.	1190	1954	1132	854	662	1221	312

Note: Margins for absolute saving stocks shown in upper rows, relative saving stocks in lower rows.

For category-specific saving, margins calculated only for the corresponding saving stock (e.g.,

"Deposits stock (other)" for saving in cash or "Shares stock" for saving in shares).

* $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$

The results reveal distinct behavioral patterns depending on asset characteristics and portfolio concentration. For most saving categories, households demonstrate inertia: higher absolute saving stocks predict reduced future allocation to the same category. Specifically, a one-unit increase in the logarithm of absolute saving stock increases the probability of saving less in that category by 0.3 to 0.6 percentage points across deposits with different maturities, bonds, and shares. This pattern suggests households actively avoid over-concentration in individual instruments.

However, liquid deposit categories exhibit markedly different dynamics when considering relative portfolio shares. Households with higher relative stocks in cash and demand deposits demonstrate saving persistence rather than rebalancing, with a one-unit increase in relative saving stocks increasing the probability of continued allocation by 8 to 9 percentage points. These liquid deposit concentrations also strongly predict increased overall saving propensity, with marginal effects of 4.3 percentage points for cash (probability of not saving less overall) and 12.6 percentage points for demand deposits (probability of saving more overall).

Shares exhibit the strongest rebalancing tendency among all categories. Households with higher relative share concentrations are significantly more likely to reduce future share allocations (6.2 percentage point increase in probability of saving less) and less likely to increase them (9.7 percentage point decrease in probability of saving more), indicating active portfolio rebalancing away from equity positions.

These findings suggest that households engage in segregated portfolio management that distinguishes between asset categories based on liquidity characteristics and risk profiles. While larger absolute positions across most categories reach apparent saturation points, households maintain persistent preferences for liquid deposits that serve dual functions as both transaction media and precautionary buffers. The pronounced rebalancing away from equity positions, combined with the persistence in liquid deposit allocation,

indicates that households prioritize liquidity over return-seeking during uncertain periods. This asymmetric behavior between asset categories reinforces the liquidity preference mechanism identified in our main analysis and provides evidence that households actively manage portfolio risk through selective allocation patterns across asset categories.

5.2 Saving Shifts

We analyze cross-category saving reallocation patterns to assess their implications for bank funding and financial stability, as sudden large-scale shifts in household deposits can create liquidity and funding risks for single banks or the banking system. Our analysis proceeds in two stages: first examining the consistency between overall and category-specific saving decisions, then identifying specific reallocation patterns across instruments.

We begin by testing whether saving decisions within individual categories align with overall saving intentions. Using overall saving as the dependent variable, we include indicator variables for saving less or more in each category alongside our standard controls. Results confirm strong alignment for most categories: saving less (more) in individual categories significantly correlates with saving less (more) overall.

Two exceptions merit attention. For bonds, saving less shows no significant correlation with overall saving reductions, suggesting bond holders make allocation decisions somewhat independently of broader saving decisions.⁹ For short-term deposits, both saving increases and decreases correlate with higher overall saving, though the small sample size (56 observations) limits interpretation.

Table 5 descriptively examines opposite combinations where households save more (less) in specific categories while saving less (more) overall. These misaligned behaviors affect at most 1.4% of observations per category, confirming that category-specific and overall decisions are largely consistent. This finding has important implications: If saving shifts across categories occur, these results suggest that they occur predominantly among households maintaining stable overall saving levels rather than those altering total saving behavior.

To identify specific reallocation channels, we estimate 60 separate regressions examining how saving intentions in each category relate to decisions in other categories. We exclude digital formats due to insufficient observations. The modified regression specification, here exemplified with saving intention in cash as dependent variable and its relationship with saving less in bonds, takes the form:

$$P(Y_i^c > j) = \frac{e^{(\alpha_j + X_i^c \beta_j + B_l \beta_B^l)}}{1 + e^{(\alpha_j + X_i^c \beta_j + B_l \beta_B^l)}}, \quad j = 1, 2, \dots, M - 1 \quad (2)$$

In equation (2), $P(Y_i^c > j)$ represents the probability that the outcome of Y^c (saving in cash) for household i falls into a category greater than j . The added dummy variable for saving less in bonds is denoted as B_l , with β_B^l as its coefficient. We run regressions for each combination of saving categories, resulting in five combinations per category. This yields 30 regressions with the inclusion of "saving less" dummies and another 30 regressions with the inclusion of "saving more" dummies, totaling 60 regressions. In the following, we present the results, focusing both on general insights and the specific implications for banks' balance sheets.

⁹This observation suggests a potential association with enhanced financial literacy. However, preliminary analysis (results not reported) indicated that financial literacy did not constitute a statistically significant explanatory variable for the observed behavior.

Table 5: **Overview of Cross-Products for Saving Shifts Between Saving Overall and in Categories**

The table summarizes the results of cross-products for each saving shift combination across saving categories and overall saving. For each household that saves more (or less) in a specific saving category while simultaneously saving less (or more) overall, the respective dummy variable (cross-product) is assigned a value of one; otherwise, it is assigned a value of zero. The last column displays the percentage of ones relative to the total number of zeroes. "Demand Deps" refers to deposits without fixed maturity, "ShortTerm Deps" denotes deposits with maturity up to one year, "LongTerm Deps" refers to deposits with maturities greater than one year, "Digital" refers to digital formats.

Variable	Amount of zeroes	Amount of ones	Percentage ones/zeroes
increase_Cash_decrease_overall	1583	1	0.06
decrease_Cash_increase_overall	1562	22	1.41
increase_DemandDeps_decrease_overall	2552	7	0.27
decrease_DemandDeps_increase_overall	2543	16	0.63
increase_ShortTermDeps_decrease_overall	1516	5	0.33
decrease_ShortTermDeps_increase_overall	1515	6	0.40
increase_LongTermDeps_decrease_overall	1139	7	0.61
decrease_LongTermDeps_increase_overall	1145	1	0.09
increase_Bonds_decrease_overall	885	4	0.45
decrease_Bonds_increase_overall	885	4	0.45
increase_Shares_decrease_overall	1558	12	0.77
decrease_Shares_increase_overall	1565	5	0.32
increase_Digital_decrease_overall	424	2	0.47
decrease_Digital_increase_overall	421	5	1.19

Table 6 reveals two distinct types of saving shifts. Most relationships are complementary: households saving more (less) in one category tend to save more (less) in others, suggesting coordinated portfolio expansion or contraction. However, we identify specific shifts indicating substitution behavior. The most pronounced substitution occurs between cash and bonds. Households reducing bond holdings exhibit a 15.0 percentage point higher probability of increasing cash savings, while those decreasing cash investments show a 12.9 percentage point higher probability of increasing bond holdings. This bidirectional relationship suggests households treat these instruments as substitutes, possibly reflecting risk-return preferences or liquidity management strategies. However, this relationship is considered to have limited relevance for banks' balance sheets.

A second notable pattern involves demand deposit reallocation. Households reducing demand deposits demonstrate significantly higher probabilities of increasing long-term deposits (18.6 percentage points) and bonds (12.8 percentage points). The shift from liquid to less liquid instruments represents a maturity extension with ambiguous implications for the banking sector. On one hand, this transition may enhance aggregate funding stability by reducing rollover risk and extending liability duration—strengthening banks' asset-liability management. On the other hand, this reallocation imposes higher funding costs through interest rate premiums on term deposits, compressing net interest margins and eroding profitability. Moreover, from an individual bank's perspective, the shift toward rate-sensitive term deposits may precipitate institution-specific liquidity shocks

Table 6: **Overview of Saving Shifts - Full Sample**

This table summarizes the results of 60 regressions analyzing the margins of households saving less (or more) in one saving category and their corresponding saving decisions in another category. Rows represent the dummies for saving more or less in a specific saving category, serving as the independent variable. Columns represent the dependent variable, capturing saving decisions per category. The symbols denote the following: "+" indicates significance at the 90% level or higher for saving more, "-" indicates significance at the 90% level or higher for saving less, "-/+ " indicates that a significant relationship (at least 90%) was detected for both saving more and saving less, "°" indicates that the generalized ordered logit model produced at least one result with a negative predicted probability. However, re-estimating these regressions using partially merged saving decision categories confirmed the results. "Demand Deps" refers to deposits without fixed maturity, "ShortTerm Deps" denotes deposits with maturity up to one year, "LongTerm Deps" refers to deposits with maturities greater than one year.

	Cash	Demand Deps	ShortTerm Deps	LongTerm Deps	Bonds	Shares
Cash (more)		+	+		-	
Cash (less)		-	-	-	- / +	- / +
Demand Deps (more)	+		+	+	+	+
Demand Deps (less)	-		- / +	+	+	- / +
ShortTerm Deps (more)	+	- / +		+	- / +	+
ShortTerm Deps (less)	-	-		-	-	- / +
LongTerm Deps (more)		- / +	-° / +		+	+
LongTerm Deps (less)	-					-
Bonds (more)	-	- / +	+	+		+
Bonds (less)	- / +		- / +	-		-
Shares (more)	- / +	- / +	- / +	+	+°	
Shares (less)	-	-	-	-	-	

when depositors migrate to competitors offering superior rates, thereby transforming what appears as sector-level stability into potential fragility at the bank level.

We identify several additional significant relationships between saving categories that provide insights into household portfolio coordination mechanisms. The strongest pattern emerges among the most liquid instruments. Households treat cash, demand deposits, and short-term deposits (up to one year) as an interconnected pool, with bi-directional relationships indicating substitution patterns among these categories. Saving more in cash increases the likelihood of saving more in demand deposits and short-term deposits by 20.5 and 9.2 percentage points, respectively. This clustering behavior suggests households view these highly liquid instruments as close substitutes serving similar transaction and precautionary functions.

A particularly notable finding concerns equity behavior: saving more (or less) in any category, except cash, is consistently associated with increased (or decreased) share allocation. This pattern suggests that households increasing savings in specific categories simultaneously intensify their equity market participation, and vice versa, potentially reflecting either optimistic economic expectations and heightened risk tolerance during periods of wealth accumulation, or beliefs regarding equities' effectiveness as an inflation

hedge.

Households increasing share allocations demonstrate active adjustment of liquid holdings, with strong reduction effects on cash (6.1 percentage points more likely to decrease cash savings), demand deposits (11.3 percentage points more likely to increase, 4.4 percentage points more likely to decrease demand deposit savings) and short-term deposits (17 percentage points more likely to increase, 2.8 percentage points more likely to decrease short-term deposit savings). This suggests equity investment is funded through complex reallocation among liquid instruments.

To more directly link saving shifts to inflation expectations, we re-estimate the 60 regressions separately for households above and below the median inflation expectation (7%), yielding two subgroups of comparable size¹⁰. Results are presented in Tables 7 and 8.

Several patterns emerge from this comparison, some confirming and some extending the findings discussed above. First, the cash-bond relationship differs between groups. Among low inflation expectation households, saving more in bonds is associated with a 6.0 percentage point higher probability of saving less in cash ($p < 0.05$), and vice versa, saving less in bonds is associated with a 13.3 ($p < 0.05$) percentage point higher probability of saving more in cash, consistent with the substitution behavior documented in the full sample. Among high inflation expectation households, this relationship reverses: saving more in bonds is associated with an 8.4 percentage point higher probability of saving more in cash simultaneously ($p < 0.1$), and saving less in bonds even with a 25.1 ($p < 0.05$) percentage point higher probability of saving more in cash¹¹. Regardless of the direction of bond allocation, high inflation expectation households tend to increase cash holdings, suggesting that cash accumulation is the dominant motive and that these households treat cash and bonds as complements rather than substitutes, potentially reflecting broad portfolio expansion driven by inflation concerns.

Second, the demand deposit reallocation toward long-term deposits — suggesting maturity extension — appears exclusively among low inflation expectation households. Among this group, reducing demand deposit saving is associated with a 23.0 percentage point higher probability of increasing long-term deposit saving ($p < 0.01$), indicating that this behavior reflects yield-seeking under moderate inflation concerns rather than inflation-related precautionary motives. The shift from demand deposits toward bonds shows a more mixed pattern among high inflation expectation households, with both increasing and decreasing bond allocations observed, suggesting greater uncertainty in portfolio reallocation decisions among this group.

Third, high inflation expectation households exhibit cleaner and more consistent complementary patterns overall — the saving more block is dominated by positive significant relationships, indicating coordinated portfolio expansion across categories, with the notable exception of bond-related categories where negative relationships emerge, suggesting that bonds occupy a distinct role in the portfolios of high inflation expectation

¹⁰Our main analysis in Section 5.1 identifies a nonlinear threshold effect at the fourth quartile of the inflation expectation distribution (above 8.5 percentage points). One might expect the subgroup decomposition to use this same threshold. However, splitting at Q4 would assign only 25% of households to the high-expectation group, and when further restricted to households participating in specific saving categories, several subgroups would contain fewer than 100 observations — insufficient for the ordered logit model to produce stable estimates. We therefore use the median (7%) as the split point for the decomposition analysis.

¹¹This latter estimate was re-estimated using collapsed saving decision categories due to sparse cells in the original specification.

Table 7: **Overview of saving shifts — Low inflation expectations (at or below median)**

This table summarizes the results of regressions analyzing saving shifts for households with inflation expectations at or below the median (7%). Rows represent dummies for saving more or less in a specific saving category, serving as the independent variable. Columns represent the dependent variable, capturing saving decisions per category. The symbols denote the following: “+” indicates significance at the 90% level or higher for saving more, “-” indicates significance at the 90% level or higher for saving less, “-/ +” indicates that a significant relationship (at least 90%) was detected for both saving more and saving less. “Demand Deps” refers to deposits without fixed maturity, “ShortTerm Deps” denotes deposits with maturity up to one year, “LongTerm Deps” refers to deposits with maturities greater than one year. For 4 regressions, sparse observations in one outcome category produced negative predicted probabilities under the unconstrained ordered logit. These regressions were re-estimated collapsing the dependent variable to two categories. Results were qualitatively confirmed in the majority of cases; updated significance patterns are reflected in the table. ° indicates cells where the corrected estimates confirmed the original result unchanged.

	Cash	Demand Deps	ShortTerm Deps	LongTerm Deps	Bonds	Shares
Cash (more)		+				
Cash (less)		-/+		-	+	+
Demand Deps (more)	-/+		+	+	+	+
Demand Deps (less)	-		-/+	+	+	-/+
ShortTerm (more)		-/+		+	+	+
ShortTerm (less)		-				-/+
LongTerm (more)		-/+	+		+	+
LongTerm (less)	-		-		-	-
Bonds (more)	-	-/+	+	+		
Bonds (less)	+		+°			-
Shares (more)	-	-/+	-/+	+	+	
Shares (less)		-	-	-	-	

households. Low inflation expectation households display substantially more bidirectional (-/+) patterns, suggesting greater heterogeneity in saving behavior within this group.

Fourth, the equity accumulation pattern — whereby saving more in liquid categories, except cash, is associated with increased share allocation — is present in the low expected inflation group, and partially in the high inflation expectation group, mostly for saving more. The pattern does not extend to bonds, where no significant relationship with share allocation is found in either subgroup, suggesting that bond and equity accumulation are not systematically linked regardless of inflation expectations. The stronger and more consistent equity accumulation among low inflation expectation households suggests that this behavior reflects general portfolio expansion driven by wealth accumulation or risk tolerance rather than inflation-driven motives — households with moderate inflation concerns appear to coordinate saving increases across liquid instruments and equities simultaneously. Among high inflation expectation households, the partial nature of the pattern — limited to saving more rather than bidirectional — is consistent with

Table 8: **Overview of saving shifts — High inflation expectations (above median)**

This table summarizes the results of regressions analyzing saving shifts for households with inflation expectations above the median (7%). Rows represent dummies for saving more or less in a specific saving category, serving as the independent variable. Columns represent the dependent variable, capturing saving decisions per category. The symbols denote the following: “+” indicates significance at the 90% level or higher for saving more, “-” indicates significance at the 90% level or higher for saving less, “-/+” indicates that a significant relationship (at least 90%) was detected for both saving more and saving less. “Demand Deps” refers to deposits without fixed maturity, “ShortTerm Deps” denotes deposits with maturity up to one year, “LongTerm Deps” refers to deposits with maturities greater than one year. For 20 regressions, sparse observations in one outcome category produced negative predicted probabilities under the unconstrained ordered logit. These regressions were re-estimated collapsing the dependent variable to two categories. Results were qualitatively confirmed in the majority of cases; updated significance patterns are reflected in the table. ° indicates cells where the corrected estimates confirmed the original result unchanged.

	Cash	Demand Deps	ShortTerm Deps	LongTerm Deps	Bonds	Shares
Cash (more)		+	+		-	
Cash (less)					+°	+
Demand Deps (more)	+		+	+		+
Demand Deps (less)			+		-/+	-
ShortTerm (more)	+	+				+
ShortTerm (less)		-		+	+	
LongTerm (more)		+	-		+	+
LongTerm (less)			-			
Bonds (more)	+	-	-	+		
Bonds (less)	+°	-				
Shares (more)		-/+	+	+	+	
Shares (less)		-				

these households prioritizing cash accumulation over broader portfolio coordination, leaving less room for simultaneous equity expansion. The absence of a bond-equity link in both groups further supports this interpretation: bonds and equities appear to serve distinct portfolio roles that households do not systematically combine, irrespective of their inflation expectations.

A limitation in interpreting portfolio shifts affecting bonds and shares should be noted. While our control for interest rate expectations partially addresses return considerations—capturing how yields affect bond returns and discount rates affect equity returns—it does not capture all asset-specific return expectations households may form. To the extent households develop distinct return expectations for these instruments beyond general interest rate movements, and these expectations correlate with inflation expectations, we cannot fully disentangle inflation-driven portfolio shifts from return-seeking behavior. This is particularly relevant for the cash-bond substitution pattern, where reallocation could reflect inflation-driven precautionary motives, changing bond

return expectations, or both. This limitation is mitigated by our finding that inflation expectations show no significant relationship with allocation decisions for most risky assets. This null result suggests that omitted return expectations are unlikely to substantially confound our main findings regarding overall saving behavior and liquid deposit allocations.

6 Robustness

We conduct a range of robustness checks to verify the stability of our main findings across alternative specifications and sample restrictions. The results are provided in [Appendix A.7](#).

A. Longer-term expected inflation

We test whether our results depend on the specific time horizon of inflation expectations by replacing twelve-month expectations with longer-term measures: expected inflation one year ahead and expected inflation over the next five years. Both alternative specifications yield insignificant coefficients, confirming that short-term inflation expectations are the primary driver of short-term saving intentions. Results are reported in [Table 44](#).

B. Winsorized expected inflation

To ensure our results are not driven by extreme outliers, we re-estimate our models using inflation expectations winsorized at the 1st and 99th percentiles. The coefficient magnitudes and significance levels remain largely unchanged, confirming that our findings are not sensitive to extreme values in the expectation distribution. Results are reported in [Table 45](#).

C. Inflation-only sample

We verify robustness by excluding households reporting deflation expectations and focusing exclusively on those anticipating inflation. The positive and significant coefficient on inflation expectations persists, indicating our main results are not driven by the inclusion of deflation-expecting households or the coding of deflation as negative inflation. Results are reported in [Table 46](#).

D. Ordered Probit

We compare our generalized ordered logit results with standard ordered probit estimation. The ordered probit model yields insignificant coefficients for inflation expectations, demonstrating the importance of relaxing the proportional odds assumption. This comparison validates our methodological choice and confirms that the relationship between inflation expectations and saving decisions varies systematically across outcome categories, as captured by our specification. Results are reported in [Table 47](#).

E. Survey Weights

We re-estimate our baseline and high inflation expectations models — covering overall saving and all seven saving categories — applying BOP-HH survey weights to assess whether our findings are driven by the compositional structure of the sample. Results are broadly robust. Most notably, the key finding of flight-to-liquidity behavior among households with high inflation expectations is confirmed and if anything strengthened, with the probability of increasing cash holdings rising from 6.2 to 10.3 percentage points,

and an additional statistical significance is observed, with a probability of increasing demand deposits of 7.0 percentage points for high inflation expectations. Additionally, the weighted specification reveals a statistically significant positive effect of high inflation expectations on bonds reductions (1.9 percentage points, $p < 0.05$), a result that was directionally consistent but insignificant in the unweighted baseline, suggesting this effect may have been attenuated by sample composition. Some differences emerge however: the effect of continuous inflation expectations on overall saving loses statistical significance under weighting, though the magnitude remains negligible. Also, the short-term deposit effect of not keeping the same savings level for high inflation expectations becomes marginally insignificant. The changes concern results that were already modest or borderline significant in the baseline, leaving the core conclusions unchanged. Results are reported in Tables 48 and 49.

F. Qualitative Inflation Expectations

As a further robustness check on the measurement of inflation expectations, we re-estimate the baseline specification replacing the continuous point forecast of inflation expectations with dummies derived from a qualitative measure of inflation expectations. Specifically, households were asked whether they expect the inflation rate to strongly decrease, somewhat decrease, stay the same, somewhat increase, or strongly increase over the next twelve months. Given the small number of households expecting a decrease ($n=54$), we combine the two decrease categories into a single reference group and construct three dummies for expecting prices to stay the same, somewhat increase, or strongly increase. To ensure comparability with the baseline, we restrict the sample to households with non-missing point forecasts ($n=3,881$).

The qualitative specification confirms our main finding for cash: households expecting prices to strongly increase exhibit a 6.4 percentage point higher probability of saving more in cash ($p < 0.05$) and a 5.6 percentage point lower probability of saving less in cash ($p < 0.1$), relative to households expecting price decreases. Households expecting only a moderate price increase show no significant effect on cash saving, consistent with the non-monotonic threshold pattern documented in Section 5.1.

For overall saving, the qualitative specification does not replicate the significant result found under the continuous specification. This divergence likely reflects the difference in statistical power between a continuous measure — which exploits the full variation in point forecasts — and a coarser categorical measure that compresses this variation into three groups. The effect of inflation expectations on overall saving was already economically modest under the continuous specification (0.1 percentage points per percentage point increase in expected inflation), and the qualitative dummies appear insufficiently granular to detect an effect of this magnitude.

For short-term deposits, the qualitative specification yields a pattern that differs from the baseline result. Households expecting prices to stay the same show a 7.8 percentage point higher probability of maintaining their short-term deposit saving ($p < 0.05$) relative to the decrease reference group, while households expecting somewhat or strongly increasing prices show no significant effects. This stands in contrast to the baseline finding, where households with strongly elevated point forecasts are more likely to adjust short-term deposit allocations. A direct reconciliation of these two results is not straightforward. The continuous point forecast exploits fine-grained variation in expectation intensity and captures threshold effects at the upper tail of the distribution, while the qualitative measure compresses this variation into broad categories that may not

adequately distinguish between moderate and strongly elevated expectations. The significant result for the stable expectations category likely reflects the composition of the reference group — households expecting deflation — rather than a systematic behavioral response to stable inflation expectations per se. Given this ambiguity, we do not draw strong conclusions from the qualitative specification for short-term deposits and note that the relationship between inflation expectations and short-term deposit saving appears sensitive to the measurement approach, in contrast to the robust cash finding.

For demand deposits, long-term deposits, bonds, and shares, no significant relationships are found across any qualitative expectation category, consistent with the insignificant results in the baseline specification.

Taken together, the qualitative specification robustly confirms the key finding on cash accumulation — the result most central to our conclusions — while null results for demand deposits, long-term deposits, bonds, and shares remain unchanged. The short-term deposit result represents an anomaly that resists straightforward interpretation and points to the sensitivity of this particular relationship to the operationalization of inflation expectations. We follow this approach as a robustness check on the measurement of inflation expectations rather than a formal instrumental variables strategy, as the exclusion restriction required for a valid instrument — that qualitative inflation expectations affect saving behavior exclusively through the quantitative point forecast and not through any direct channel — is difficult to defend given that both measures capture the same underlying expectation and could plausibly influence saving decisions through identical mechanisms. Results are reported in Table 50.

G. Selection into Category-Specific Samples

A potential concern with the category-specific analyses is that the restriction to households currently saving or intending to save in a specific category may introduce selection bias if inflation expectations systematically predict inclusion in these samples. To assess this, we estimate seven probit models where the dependent variable indicates whether a household is included in each category-specific sample, with inflation expectations and baseline controls as independent variables. Results are reported in Table 51.

Inflation expectations do not significantly predict inclusion in five of the seven category-specific samples — cash, demand deposits, short-term deposits, long-term deposits, and bonds. For shares and digital formats, statistically significant but economically negligible effects are found: a one percentage point increase in inflation expectations is associated with a 0.5 percentage point lower probability of inclusion in the shares sample and a 0.3 percentage point lower probability of inclusion in the digital sample ($p < 0.01$ in both cases). Crucially, our main results show no significant relationship between inflation expectations and saving behavior in either of these two categories, meaning that even if mild selection were present, it would not bias findings that are already null. Taken together, these results indicate that selection into category-specific samples is not systematically driven by inflation expectations in any economically meaningful way, supporting the validity of our category-specific analytical approach.

7 Conclusion

This study provides novel insights into the relationship between household inflation expectations and saving behavior through the first comprehensive disaggregated analysis across seven saving categories. Using unique data from 4,824 German households during

a period of historically high inflation, our findings contribute new evidence on key theoretical questions while suggesting sophisticated household portfolio management patterns with implications for financial stability.

Our disaggregated analysis provides new evidence on how inflation expectations are associated with household saving behavior and suggests substantial heterogeneity that aggregate measures would miss. Between two competing mechanisms — the substitution effect (which predicts reduced saving as households accelerate consumption) and the income effect (which predicts increased precautionary saving) — we find evidence that the income effect dominates in German households’ overall saving decisions. Households with higher inflation expectations exhibit a significantly lower likelihood of decreasing their overall saving, a pattern consistent with precautionary saving motives under increased economic uncertainty. However, while statistically significant, these effects are economically modest for continuous inflation measures. Formally testing for non-linearity using quartile dummies confirms a threshold effect: only households in the fourth quartile of the inflation expectation distribution exhibit economically meaningful responses, with a pronounced increase in the probability of saving more in cash, consistent with flight-to-liquidity behavior. This pattern contrasts with recent working papers suggesting movement toward riskier assets during inflationary periods, instead indicating that German households with strongly elevated inflation expectations prioritize financial flexibility during uncertain periods.

Our analysis reveals segregated portfolio management that distinguishes between asset categories based on liquidity characteristics. While households demonstrate rebalancing behavior for most asset categories by reducing allocation to categories with higher absolute stocks, they exhibit persistence in liquid instruments like cash and demand deposits. Households with higher relative concentrations in these liquid deposits continue allocating to these categories, suggesting they serve dual functions as transaction media and precautionary buffers.

We also find that the mechanism of inflation expectation formation matters: static inflation expectations exert no significant relationship with saving behavior, suggesting that dynamic expectation formation drives the observed responses.

Our results show that households primarily maintain stable overall saving amounts while systematically reallocating funds between categories, suggesting that saving shifts occur largely among households who do not alter their total saving level. We identify several specific reallocation channels. In the full sample, we document bidirectional substitution between cash and bonds: households reducing bond holdings exhibit a 15.0 percentage point higher probability of increasing cash savings, while those reducing cash holdings show a 12.9 percentage point higher probability of increasing bond holdings. Additionally, households reducing demand deposits demonstrate significantly higher probabilities of increasing long-term deposits (18.6 percentage points) and bonds (12.8 percentage points), representing a maturity extension with ambiguous implications for bank funding management. Decomposing these patterns by inflation expectation level reveals important heterogeneity. Among low inflation expectation households, this cash-bond substitution is confirmed — saving more in bonds is associated with a 6.0 percentage point higher probability of saving less in cash ($p < 0.05$) — alongside maturity extension from demand deposits toward long-term deposits, with households reducing demand deposit saving showing a 23.0 percentage point higher probability of increasing long-term deposit saving ($p < 0.01$), suggesting yield-seeking behavior under moderate inflation concerns. Among high inflation expectation households, the cash-bond relationship reverses: saving more

in bonds is associated with an 8.4 percentage point higher probability of simultaneously saving more in cash ($p < 0.1$), reflecting broad portfolio expansion rather than reallocation between instruments. Additionally, reducing bond holdings is associated with a 25.1 percentage point higher probability of increasing cash among high inflation expectation households, suggesting that cash accumulation is the dominant motive regardless of the direction of bond allocation. These reallocation patterns carry ambiguous implications for bank funding management. While maturity extension enhances the banking sector’s funding stability by reducing rollover risk and extending liability duration, it also creates additional funding cost burden. For individual banks, the shift toward term deposits could precipitate liquidity shocks when depositors migrate to competitors offering higher rates. Policymakers should interpret these findings as early indicators of household sentiment rather than predictions of immediate liquidity pressures. Given that our dependent variable captures intentions rather than realized behavior, these implications are necessarily indicative rather than quantitative.

Extensive robustness checks confirm the stability of our core findings across various specifications. We verify robustness to winsorized inflation expectations, exclusion of deflation expectations, an ordered probit estimator, and re-estimation with BOP-HH survey weights — the latter strengthening the cash flight-to-liquidity result. We formally document a non-linear threshold effect using quartile dummies, confirming that the cash accumulation response is concentrated at the upper tail of the inflation expectation distribution. Replacing the continuous point forecast with a qualitative measure of inflation expectations corroborates the main cash finding, with households expecting strongly increasing prices showing a significant increase in cash saving. For short-term deposits, the qualitative specification yields a pattern that resists straightforward interpretation and points to sensitivity of this relationship to the operationalization of expectations. Null results for remaining categories are unchanged. Finally, selection probit analyses confirm that inflation expectations do not systematically predict inclusion in category-specific samples in any economically meaningful way, addressing potential concerns about sample selection in the category-specific analyses.

Several further limitations warrant acknowledgment. First, our cross-sectional design captures household intentions at a single point in time — March 2023 — during a historically anomalous inflation episode. German inflation stood at 7.8%, interest rates were rising rapidly, and macroeconomic uncertainty was unusually elevated. This setting offers valuable variation in inflation expectations but limits the generalizability of our findings. In low-inflation or moderate-inflation regimes, the distribution of expectations would be substantially compressed, precautionary motives may be less salient, and the threshold effects we identify at the upper tail of the expectation distribution may not arise. Our results should therefore be understood as characterizing household saving responses during a high-inflation regime rather than as general laws of saving behavior. Whether the patterns documented here — particularly the flight-to-liquidity behavior and the cash-bond heterogeneity by expectation level — persist outside such regimes is an important open question for future research using panel data spanning multiple inflation environments. Second, the survey timing in March 2023 — after inflation had been elevated for over a year — may have missed initial saving adjustments. Furthermore, our analysis does not include direct measures of expected returns for bonds and shares, as these variables are not available in the BOP-HH survey. While our control for interest rate expectations captures an important dimension of return expectations across asset classes — particularly relevant during March 2023 when monetary policy was actively tightening — this remains

an imperfect proxy for household-specific return expectations for these instruments. Interest rate expectations would influence expected returns for both bonds (through yield changes and capital effects) and shares (through discount rate effects), providing partial control for return considerations. However, to the extent that households form distinct return expectations for these instruments beyond general interest rate movements, and these expectations correlate with inflation expectations, this represents a limitation in interpreting our findings for portfolio shifts involving bonds and shares. Finally, this study focuses on the level of inflation expectations, leaving open the role of inflation expectation uncertainty — for instance measurable through density forecast questions — in shaping both overall saving decisions and portfolio reallocation. Disentangling the effects of expected inflation levels from the precautionary responses driven by uncertainty around those expectations represents a promising avenue for future research.

A Appendix

A.1 Questions added to and applied from BOP-HH wave 39

Table 9: Overview of Specific Questions Added to Wave 39 of BOP-HH

Q = Question, A = Answering options, V* = Variable as labeled in the survey, V** = hint on the relevance of the variable for this paper, C = explanation of how the answering options are coded.

Q1	Roughly how much in euro did you put into the following savings categories over the past twelve months?
A1	a Savings in cash (at home or in a safe deposit box at a bank) b Accounts with no fixed maturity (e.g., instant access savings accounts) c Savings deposits with maturity up to one year (e.g., savings books, fixed-term deposits, time deposits) d Savings deposits with a maturity of more than one year (e.g., fixed-term deposits, time deposits) e Bonds including bond funds and ETFs f Shares including equity funds and ETFs g Digital forms of investment (e.g., Bitcoin, NFTs)
V*	savelastye_a to _g
V**	Basis for Q2
C	Euro amount or nor relevant if saving category is not used
Q2	‘How do you plan to hold your savings? Are you likely to put more or less into the following savings categories over the next twelve months than in the last twelve months? What about...’
A2	(same as A1)
V*	saveintend_a to _g
V**	dependent variable for saving in categories
C	1 = saving more, 2 = saving about the same, 3 = saving less, 4 = not relevant; for the purpose of this paper the replies were recoded from 1 to 3 so that the saving intention is reflected in an ascending order while answers "not relevant" are recoded as missing
Q3	‘How are your bank deposits distributed among the listed account types in percent?’
A3	a Accounts with no fixed maturity (e.g., instant access savings accounts) b Savings deposits with a maturity of up to one year (e.g., savings books, fixed-term deposits, time deposits) c Savings deposits with a maturity of more than one year (e.g., fixed-term deposits, time deposits) d Other account types
V*	savestock_a_detail_a to _d
V**	feeds into control variables on relative and absolute savings stock
C	Percentage, summing up to 100

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Q4	‘How are your securities assets distributed among the listed asset classes in percent?’
A4	a Bonds including bond funds and ETFs b Shares including equity funds and ETFs c Other investment formats
V*	savestock_c_detail_a to _c
V**	feeds into control variables on relative and absolute savings stock
C	Percentage, summing up to 100

Table 10: **Questions Applied from BOP-HH Wave 39**

CM002	Inflation or deflation expectations
Question	Do you think inflation or deflation is more likely over the next twelve months? <i>Note: Inflation is the percentage increase in the general price level. It is mostly measured using the consumer price index. A decrease in the price level is generally described as deflation.</i>
Answer options	1 inflation more likely 2 deflation more likely
CM003	Inflation expectations quantitative
Question	What do you think the rate of inflation/deflation will roughly be over the next twelve months?
Answer	[Input field] percent (with option of one decimal place)
CM006	Planned expenditure
Question	Are you likely to spend more or less on the following items over the next twelve months than in the last twelve months? What about...
Answer options	1 Plan to spend more 2 Plan to spend the same 3 Plan to spend less Please select one answer for each row. a Major purchases (e.g. car, furniture, electrical appliances, etc.) b Essential goods (e.g. food and beverages, non-food items such as cleaning products or similar) c Clothing and footwear d Entertainment/recreation (e.g. restaurant visits, cultural events, gym) e Mobility (e.g. fuel, car loans and running costs, bus and train tickets) f Services (e.g. hairdresser, childcare, medical costs) g Travel, holidays h Housing costs (e.g. rent, mortgage, ancillary costs) i Savings (e.g. savings account, shares, bonds)

A.2 Regressions on saving overall and by categories

Table 11: **Regression Results on Saving Overall and by Categories**

The table presents the estimated betas (with standard errors in parentheses) for expected inflation and control variables (independent variables), analyzing their effects on the probabilities of saving less, the same, or more overall and by saving category (dependent variable). "Demand Deps" refers to deposits without fixed maturity, "ShortTerm Deps" denotes deposits with maturity up to one year, "LongTerm Deps" refers to deposits with maturities greater than one year.

	Saving overall	Cash	Demand Deps	Short Term Deps	Long Term Deps	Bonds	Shares	Digital
saving less								
Expected inflation	0.049* (0.03)	0.027 (0.03)	0.050** (0.02)	-0.009 (0.03)	-0.016 (0.04)	-0.005 (0.05)	0.026 (0.03)	0.104** (0.05)
College degree	-0.222 (0.28)	-0.147 (0.24)	-0.381** (0.19)	0.034 (0.33)	0.145 (0.37)	0.423 (0.54)	0.125 (0.25)	0.591 (0.45)
Household size	0.015 (0.16)	-0.090 (0.13)	-0.056 (0.10)	-0.034 (0.19)	-0.014 (0.21)	0.006 (0.30)	0.130 (0.16)	-0.457** (0.21)
Living with partner	0.224 (0.34)	0.383 (0.28)	-0.075 (0.24)	0.310 (0.41)	-0.397 (0.48)	0.005 (0.68)	0.015 (0.33)	0.335 (0.59)
Household income	0.000 (0.00)	-0.000 (0.00)	0.000 (0.00)	-0.000 (0.00)	0.000 (0.00)	0.000 (0.00)	0.000 (0.00)	-0.000 (0.00)
Age_centered	0.027*** (0.01)	0.018** (0.01)	0.011* (0.01)	-0.002 (0.01)	-0.007 (0.01)	0.007 (0.02)	0.005 (0.01)	0.030 (0.02)
Expected economic growth	0.277* (0.15)	-0.251* (0.13)	0.037 (0.10)	0.088 (0.18)	-0.040 (0.20)	-0.158 (0.29)	0.215 (0.14)	-0.288 (0.25)
Expected interest rate	-0.296 (0.21)	-0.026 (0.16)	0.078 (0.13)	-0.480* (0.27)	-0.336 (0.30)	-0.074 (0.42)	-0.429** (0.21)	-0.148 (0.33)
Household net wealth	-0.115** (0.06)	-0.069 (0.05)	-0.079** (0.04)	-0.089 (0.07)	-0.212** (0.08)	-0.295** (0.12)	-0.122** (0.06)	-0.134 (0.09)
Constant	3.343*** (0.96)	2.882*** (0.75)	2.187*** (0.60)	5.255*** (1.23)	5.726*** (1.50)	5.065*** (1.90)	3.133*** (0.94)	4.322*** (1.50)
saving the same								
Expected inflation	-0.007 (0.01)	0.016 (0.01)	0.004 (0.01)	-0.010 (0.02)	-0.029 (0.02)	-0.016 (0.02)	-0.009 (0.01)	0.011 (0.04)
College degree	0.036 (0.13)	-0.314* (0.19)	-0.017 (0.11)	0.228 (0.14)	0.201 (0.17)	0.254 (0.20)	0.223 (0.14)	-0.383 (0.41)
Household size	0.002 (0.07)	0.086 (0.09)	0.066 (0.06)	-0.061 (0.09)	0.001 (0.09)	-0.126 (0.11)	-0.005 (0.07)	-0.187 (0.21)

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Regression results on saving overall and by categories (continued)

	Saving overall	Cash	Demand Deps	Short Term Deps	Long Term Deps	Bonds	Shares	Digital
Living with partner	-0.098 (0.16)	-0.083 (0.20)	-0.404*** (0.14)	-0.248 (0.18)	-0.091 (0.22)	0.330 (0.26)	-0.262 (0.18)	-0.300 (0.47)
Household income	0.000 (0.00)	-0.000 (0.00)	0.000 (0.00)	0.000 (0.00)	0.000 (0.00)	0.000 (0.00)	0.000 (0.00)	0.000 (0.00)
Age_centered	-0.034*** (0.00)	0.000 (0.01)	-0.022*** (0.00)	-0.004 (0.01)	-0.007 (0.01)	-0.024*** (0.01)	-0.030*** (0.01)	-0.026* (0.01)
Expected economic growth	0.133* (0.07)	-0.342*** (0.09)	-0.023 (0.06)	0.062 (0.08)	0.004 (0.09)	0.027 (0.11)	0.012 (0.08)	-0.234 (0.22)
Expected interest rate	-0.059 (0.08)	-0.144 (0.10)	-0.081 (0.07)	0.255** (0.10)	0.088 (0.12)	-0.017 (0.14)	-0.036 (0.10)	-0.029 (0.25)
Household net wealth	-0.040 (0.03)	-0.121*** (0.03)	-0.056** (0.02)	0.033 (0.03)	0.044 (0.04)	-0.060 (0.04)	0.027 (0.03)	-0.032 (0.08)
Constant	-0.887** (0.39)	0.243 (0.47)	0.351 (0.35)	-2.059*** (0.49)	-1.341** (0.58)	-0.523 (0.64)	0.017 (0.45)	-0.116 (1.11)
Observations	3087	1271	2045	1185	892	691	1255	330

Interpretation: The coefficients (Betas) for "saving less" represent the log odds of being in the "saving less" category compared to being in "saving the same" or "saving more" categories. Similarly, the coefficients for "saving the same" represent the log odds of being in either the "saving less" or "saving the same" category compared to "saving more". Positive coefficients indicate higher log odds of being in higher categories (for "saving less") or a higher category (for "saving the same"), while negative coefficients indicate higher log odds of being in the lower category (for "saving less") or lower categories (for "saving the same").

* $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$

A.3 Further Regressions on baseline scenario

Table 12: **Role of High Expected Inflation on Saving Overall and by Saving Category**

The table presents the estimated betas (with standard errors in parentheses) for high inflation expectations (independent variable), analyzing their effect on the probabilities of saving less, the same, or more overall and by saving category (dependent variable). Expected inflation is replaced with a dummy variable indicating high inflation expectations. All other control variables were included in the regression but dropped from the table for the sake of better readability. "Demand Deps" refers to deposits without fixed maturity, "ShortTerm Deps" denotes deposits with maturity up to one year, "LongTerm Deps" refers to deposits with maturities greater than one year.

	Saving overall	Cash	Demand Deps	Short Term Deps	Long Term Deps	Bonds	Shares	Digital
saving less								
High expected inflation	0.217 (0.37)	0.931** (0.38)	0.077 (0.24)	-0.334 (0.40)	-0.496 (0.46)	-0.981 (0.63)	0.310 (0.40)	0.123 (0.58)
saving the same								
High expected inflation	0.060 (0.16)	0.496*** (0.18)	0.139 (0.14)	0.296 (0.18)	-0.130 (0.24)	-0.039 (0.28)	-0.036 (0.20)	-0.334 (0.53)
Observations	3087	1271	2045	1185	892	691	1255	330

* $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$

Interpretation: The coefficients (Betas) for "saving less" represent the log odds of being in the "saving less" category compared to being in "saving the same" or "saving more" categories. Similarly, the coefficients for "saving the same" represent the log odds of being in either the "saving less" or "saving the same" category compared to "saving more". Positive coefficients indicate higher log odds of being in higher categories (for "saving less") or a higher category (for "saving the same"), while negative coefficients indicate higher log odds of being in the lower category (for "saving less") or lower categories (for "saving the same").

Table 13: Marginal Effects of Quartile Inflation Expectations

The table presents marginal effects of quartiles of inflation expectations (dummy variable), compared to the first quartile, representing the change in the probability of being in each specific saving category (saving less, the same, or more overall and within saving categories (dependent variable)) when moving from the first to the respective quartile of inflation expectations, holding all other variables at their means. Standard errors in parentheses. Columns sum up to zero. Control variables from the baseline scenario were included in the regression but dropped from the table for the sake of better readability. "Demand Deps" refers to deposits without fixed maturity, "Q2", "Q3" and "Q4" denote the respective quarters.

	(1) Saving overall	(2) Cash	(3) Demand Deps	(4) Digital
Inflation expectation Q2				
Saving less	-0.005 (0.01)	-0.006 (0.02)	-0.017 (0.01)	-0.033 (0.03)
Saving same	0.017 (0.01)	0.070** (0.03)	0.024 (0.02)	-0.004 (0.05)
Saving more	-0.012 (0.01)	-0.064** (0.03)	-0.007 (0.02)	0.037 (0.04)
Inflation expectation Q3				
Saving less	-0.002 (0.01)	0.001 (0.02)	-0.014 (0.01)	-0.061 (0.04)
Saving same	0.040** (0.02)	0.019 (0.03)	0.025 (0.03)	0.063 (0.06)
Saving more	-0.038** (0.02)	-0.020 (0.03)	-0.011 (0.03)	-0.002 (0.05)
Inflation expectation Q4				
Saving less	-0.008 (0.01)	-0.055*** (0.02)	-0.022 (0.01)	-0.006 (0.03)
Saving same	0.014 (0.01)	-0.031 (0.03)	-0.021 (0.02)	0.022 (0.06)
Saving more	-0.006 (0.01)	0.086*** (0.02)	0.043* (0.02)	-0.016 (0.05)
Observations	3923	1587	2563	426

Table 14: **Households with High Inflation Expectations Saving Overall Less: Saving Behavior in Categories**

The table displays the estimated betas (with standard errors in parentheses) for a dummy (DummyOLHIE, independent variable), analyzing its effects on the probabilities of saving less, the same, or more by saving category (dependent variable). The dummy turns one if the respondent's inflation expectations are high, i.e. if inflation expectations are in the fourth quartile of the inflation expectations of all participants of our survey, and at the same time if the respondent saves overall less, and zero otherwise. All other control variables were included in the regression but dropped from the table for the sake of better readability. "Demand Deps" refers to deposits without fixed maturity, "ShortTerm Deps" denotes deposits with maturity up to one year, "LongTerm Deps" refers to deposits with maturities greater than one year.

	Cash	Demand Deps	Short Term Deps	Long Term Deps	Bonds	Shares	Digital
saving less							
Dummy	-0.962	-3.735***	-2.765***	-2.647**	-3.206**	-2.953***	-18.242
OLHIE	(1.14)	(0.72)	(0.98)	(1.34)	(1.55)	(0.84)	(1039.30)
saving the same							
Dummy	-0.084	-14.276	-0.451	-12.223	-13.024	-0.263	0.000
OLHIE	(1.13)	(660.38)	(1.13)	(475.04)	(727.41)	(0.86)	(.)
Observations	1271	2045	1185	892	691	1255	330

* $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$

Interpretation: The coefficients (Betas) for "saving less" represent the log odds of being in the "saving less" category compared to being in "saving the same" or "saving more" categories. Similarly, the coefficients for "saving the same" represent the log odds of being in either the "saving less" or "saving the same" category compared to "saving more". Positive coefficients indicate higher log odds of being in higher categories (for "saving less") or a higher category (for "saving the same"), while negative coefficients indicate higher log odds of being in the lower category (for "saving less") or lower categories (for "saving the same").

Table 15: **Households with High Inflation Expectations Saving Overall More: Saving Behavior in Categories**

The table displays the estimated betas (with standard errors in parentheses) for a dummy (DummyOMHIE, independent variable), analyzing its effects on the probabilities of saving less, the same, or more by saving category (dependent variable). The dummy turns one if the respondent's inflation expectations are high, i.e. if inflation expectations are in the fourth quartile of the inflation expectations of all participants of our survey, and at the same time if the respondent saves overall more, and zero otherwise. All other control variables were included in the regression but dropped from the table for the sake of better readability. "Demand Deps" refers to deposits without fixed maturity, "ShortTerm Deps" denotes deposits with maturity up to one year, "LongTerm Deps" refers to deposits with maturities greater than one year.

	Cash	Demand Deps	Short Term Deps	Long Term Deps	Bonds	Shares	Digital
saving less							
Dummy	1.230	0.562	12.977	13.364	12.028	12.401	-1.764
OMHIE	(1.04)	(0.73)	(590.21)	(999.15)	(752.05)	(440.62)	(1.10)
saving the same							
Dummy	1.218***	1.905***	2.579***	2.113***	2.170***	1.685***	0.496
OMHIE	(0.33)	(0.30)	(0.43)	(0.48)	(0.60)	(0.44)	(1.06)
Observations	1271	2045	1185	892	691	1255	330

* $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$

Interpretation: The coefficients (Betas) for "saving less" represent the log odds of being in the "saving less" category compared to being in "saving the same" or "saving more" categories. Similarly, the coefficients for "saving the same" represent the log odds of being in either the "saving less" or "saving the same" category compared to "saving more". Positive coefficients indicate higher log odds of being in higher categories (for "saving less") or a higher category (for "saving the same"), while negative coefficients indicate higher log odds of being in the lower category (for "saving less") or lower categories (for "saving the same").

Table 16: **Role of Static Inflation Expectations**

The table presents the estimated betas (with standard errors in parentheses) for expected inflation and static inflation expectations (independent variables) on the probabilities of saving less, the same, or more overall (dependent variable). The dummy variable for static inflation expectations equals one if a household's inflation expectation falls within ± 200 basis points of their stated belief about the actual inflation rate at the time of the survey, and zero otherwise. All other control variables were included in the regressions but are omitted from the table for improved readability.

	Saving overall
saving less	
Expected inflation	0.056* (0.03)
Static inflation expectations	-0.154 (0.30)
saving the same	
Expected inflation	-0.003 (0.01)
Static inflation expectations	-0.179 (0.13)
Observations	3087

* $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$

Interpretation: The coefficients (Betas) for "saving less" represent the log odds of being in the "saving less" category compared to being in "saving the same" or "saving more" categories. Similarly, the coefficients for "saving the same" represent the log odds of being in either the "saving less" or "saving the same" category compared to "saving more". Positive coefficients indicate higher log odds of being in higher categories (for "saving less") or a higher category (for "saving the same"), while negative coefficients indicate higher log odds of being in the lower category (for "saving less") or lower categories (for "saving the same").

Table 17: **Role of Inflation Experience**

The table displays the estimated betas (standard errors in parentheses) for expected inflation and a dummy on inflation experience (independent variables) on saving less, the same or more overall (dependent variable). The dummy on inflation experience turns one if the respondent is at least 63 years old and did not move to Germany after 1989, and zero otherwise. All other control variables were included in the regression but dropped from the table for the sake of better readability.

	Saving overall
saving less	
Expected inflation	0.052* (0.03)
Inflation experience	-0.786 (0.50)
saving the same	
Expected inflation	-0.007 (0.01)
Inflation experience	0.067 (0.22)
Observations	3052

* $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$

Interpretation: The coefficients (Betas) for "saving less" represent the log odds of being in the "saving less" category compared to being in "saving the same" or "saving more" categories. Similarly, the coefficients for "saving the same" represent the log odds of being in either the "saving less" or "saving the same" category compared to "saving more". Positive coefficients indicate higher log odds of being in higher categories (for "saving less") or a higher category (for "saving the same"), while negative coefficients indicate higher log odds of being in the lower category (for "saving less") or lower categories (for "saving the same").

A.4 Regressions on absolute and relative saving stocks

Table 18: **Inertia in households' saving (absolute saving stocks)**

The table presents the estimated betas (with standard errors in parentheses) for the logarithm of the absolute saving stocks (independent variable), analyzing their effects on the probabilities of saving less, the same, or more overall and per saving category (dependent variable). All other control variables were included in the regressions but omitted from the table for improved readability. "Demand Deps" refers to deposits without fixed maturity, "ShortTerm Deps" denotes deposits with maturity up to one year, "LongTerm Deps" refers to deposits with maturities greater than one year, "sec." refers to securities.

	Saving overall	Cash	Demand Deps	Short Term Deps	Long Term Deps	Bonds	Shares	Digital
saving less								
Deposit stock (other)	-0.006 (0.04)	-0.043 (0.03)						
Deposit stock (Demand Deps)	-0.011 (0.04)		-0.076** (0.03)					
Deposit stock (ShortTerm Deps)	0.011 (0.03)			-0.140*** (0.04)				
Deposit stock (LongTerm Deps)	-0.039 (0.04)				-0.077** (0.04)			
Bonds stock	-0.000 (0.04)					-0.158*** (0.06)		
Shares stock	-0.083*** (0.03)						-0.110** (0.04)	
Other sec. stock	-0.053 (0.04)							-0.089 (0.06)
saving the same								
Deposit stock (other)	-0.036* (0.02)	-0.002 (0.02)						
Deposit stock (Demand Deps)	0.035* (0.02)		-0.022 (0.02)					
Deposit stock (ShortTerm Deps)	0.036** (0.02)			-0.010 (0.01)				
Deposit stock (LongTerm Deps)	0.010 (0.02)				0.005 (0.02)			
Bonds stock	-0.049** (0.02)					0.032 (0.02)		
Shares stock	-0.034** (0.01)						-0.035** (0.02)	
Other sec. stock	-0.047* (0.03)							0.005 (0.06)
Observations	3033	1252	2021	1171	881	680	1238	323

* $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$

Table 19: **Inertia in Households' Saving (Relative Saving Stocks)**

The table presents the estimated betas (with standard errors in parentheses) for the logarithm of the relative saving stocks (independent variable), analyzing its effects on the probabilities of saving less, the same, or more overall and per saving category (dependent variable). All other control variables were included in the regressions but are omitted from the table for improved readability. "Demand Deps" refers to deposits without fixed maturity, "ShortTerm Deps" denotes deposits with maturity up to one year, "LongTerm Deps" refers to deposits with maturities greater than one year, "sec." refers to securities, "rel." represents relative saving stocks.

	Saving overall	Cash	Demand Deps	Short Term Deps	Long Term Deps	Bonds	Shares	Digital
saving less								
Rel. deposit stock (other)	3.028** (1.29)	-0.184 (0.49)						
Rel. deposit stock (Demand Deps)	1.658** (0.83)		-0.031 (0.25)					
Rel. deposit stock (ShortTerm Deps)	2.550** (1.19)			-0.385 (0.56)				
Rel. deposit stock (LongTerm Deps)	0.949 (1.10)				-0.648 (0.72)			
Rel. bonds stock	1.790 (1.33)					-0.873 (1.15)		
Rel. shares stock	0.573 (0.83)						-1.260*** (0.40)	
Rel. other sec. stock	0.000 (.)							-2.835* (1.71)
saving the same								
Rel. deposit stock (other)	0.734 (0.82)	0.668** (0.30)						
Rel. deposit stock (Demand Deps)	1.623** (0.76)		0.499*** (0.15)					
Rel. deposit stock (ShortTerm Deps)	1.970** (0.79)			0.207 (0.24)				
Rel. deposit stock (LongTerm Deps)	1.480* (0.85)				-0.195 (0.40)			
Rel. bonds stock	-0.417 (1.05)					-0.344 (0.56)		
Rel. shares stock	1.162 (0.78)						-0.498** (0.22)	
Rel. other sec. stock	0.000 (.)							-0.351 (1.57)
Observations	2874	1190	1954	1132	854	662	1221	312

* $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$

A.5 Regressions and Marginal Effects on Saving Shifts (Full Sample)

Table 20: **Cash Savers' Reallocation Decisions**

The table presents the estimation results from ten separate regressions, displaying the estimated betas (with standard errors in parentheses) for a dummy on saving more (or less, respectively) in a specific saving category (independent variable), analyzing their effect on the probabilities of saving less, the same, or more in cash (dependent variable). For the five saving categories apart from cash, regressions are run for each of the two dummies on saving more and saving less in a specific saving category. The dummies for saving in a saving category are created as follows: one dummy indicating whether a household saves more in the respective category (equals one if true, and zero otherwise, "More" in the table) and another dummy indicating whether a household saves less (equals one if true, and zero otherwise, "Less" in the table). Regressions were conducted separately for each dummy, resulting in two regressions per saving category, i.e. ten in sum. The general ordered logit model estimates betas for two comparisons: saving less in cash (versus saving the same or more, referenced to in the column "Cash less") and saving less and the same in cash (versus saving more, referenced to in the column "Cash same"). The last two columns specify the reference categories for these estimated betas. Control variables from the baseline scenario were included in the regressions but are omitted from the table for improved readability. Standard errors are reported in parentheses. "Demand Deps" refers to deposits without fixed maturity, "ShortTerm Deps" denotes deposits with maturity up to one year, "LongTerm Deps" refers to deposits with maturities greater than one year, "cat." represents saving categories.

Dummy per saving cat.	Demand Deps	ShortTerm Deps	LongTerm Deps	Bonds	Shares	Cash less	Cash same
More	-0.359 (0.26)	-0.311 (0.33)	-0.162 (0.41)	-0.910** (0.43)	-0.799*** (0.29)	x	
Less	-1.047*** (0.34)	-1.226** (0.61)	-1.822*** (0.59)	-1.325* (0.75)	-0.806* (0.45)	x	
More	1.154*** (0.19)	0.535** (0.26)	0.415 (0.32)	0.520 (0.38)	0.423 (0.28)		x
Less	-0.611 (0.48)	-0.347 (0.79)	0.753 (0.59)	1.911*** (0.67)	0.321 (0.51)		x
Observations	1094	697	553	440	673		

* $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$

Table 21: **Marginal Effects on Cash Savers' Reallocation Decisions**

The table presents the estimation results from ten separate regressions, displaying marginal effects at means (with standard errors in parentheses), representing the change in the probability of saving less, the same, or more in cash relative to the remaining two saving decisions (dependent variable) when saving more (or less, respectively) in a specific saving category (independent variable), with all other variables held at their means. The dummies for saving in a saving category are created as follows: one dummy indicating whether a household saves more in the respective category (equals one if true, and zero otherwise, "more" in the table) and another dummy indicating whether a household saves less (equals one if true, and zero otherwise, "less" in the table). Regressions were conducted separately for each dummy, resulting in two regressions per saving category, i.e. ten in sum. Control variables from the baseline scenario were included in the regressions but are omitted from the table for improved readability. "Demand Deps" refers to deposits without fixed maturity, "ShortTerm Deps" denotes deposits with maturity up to one year, "LongTerm Deps" refers to deposits with maturities greater than one year, "cat." represents saving categories. Columns sum up to zero for each dummy, i.e. all margins of the dummy saving more (and saving less, respectively) per saving category add up to zero.

	Dummy per saving cat.	Demand Deps	ShortTerm Deps	LongTerm Deps	Bonds	Shares
saving less in cash	more	0.023 (0.02)	0.018 (0.02)	0.009 (0.02)	0.051** (0.02)	0.061*** (0.02)
	less	0.065*** (3.06)	0.071** (1.99)	0.094*** (3.04)	0.077* (1.74)	0.063* (1.81)
saving the same in cash	more	-0.144*** (0.02)	-0.072** (0.03)	-0.046 (0.03)	-0.093*** (0.04)	-0.097*** (0.03)
	less	0.003 (0.06)	-0.036 (-0.43)	-0.161*** (-2.98)	-0.227*** (-3.99)	-0.090* (-1.78)
saving more in cash	more	0.122*** (0.02)	0.054** (0.03)	0.037 (0.03)	0.042 (0.03)	0.036 (0.02)
	less	-0.068 (-1.28)	-0.035 (-0.44)	0.067 (1.28)	0.150*** (2.86)	0.027 (0.63)
Observations		1094	697	553	440	673

* $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$

Table 22: **Demand Deposit Savers' Reallocation Decisions**

The table presents the estimation results from ten separate regressions, displaying the estimated betas (with standard errors in parentheses) for a dummy on saving more (or less, respectively) in a specific saving category (independent variable), analyzing their effect on the probabilities of saving less, the same, or more in deposits without fixed maturity (dependent variable). For the five saving categories apart from deposits without fixed maturity, regressions are run for each of the two dummies on saving more and saving less in a specific saving category. The dummies for saving in a saving category are created as follows: one dummy indicating whether a household saves more in the respective category (equals one if true, and zero otherwise, "More" in the table) and another dummy indicating whether a household saves less (equals one if true, and zero otherwise, "Less" in the table). Regressions were conducted separately for each dummy, resulting in two regressions per saving category, i.e. ten in sum. The general ordered logit model estimates betas for two comparisons: saving less in deposits without fixed maturity (versus saving the same or more, referenced to in the column "Demand Deps less") and saving less and the same in deposits without fixed maturity (versus saving more, referenced to in the column "Demand Deps same"). The last two columns specify the reference categories for these estimated betas. Control variables from the baseline scenario were included in the regressions but are omitted from the table for improved readability. Standard errors are reported in parentheses. "Demand Deps" refers to deposits without fixed maturity, "ShortTerm Deps" denotes deposits with maturity up to one year, "LongTerm Deps" refers to deposits with maturities greater than one year, "cat." represents saving categories.

Dummy per saving cat.	Cash	ShortTerm Deps	LongTerm Deps	Bonds	Shares	Demand Deps less	Demand Deps same
More	0.639 (0.48)	-0.646** (0.25)	-1.026*** (0.27)	-0.869*** (0.34)	-0.621*** (0.23)	x	
Less	-1.106*** (0.34)	-1.596*** (0.41)	-0.346 (0.56)	-1.029 (0.68)	-0.968*** (0.35)	x	
More	.141*** (0.19)	1.258*** (0.17)	0.907*** (0.20)	0.860*** (0.25)	0.768*** (0.17)		x
Less	0.353 (0.26)	-0.231 (0.50)	0.249 (0.48)	-0.083 (0.78)	0.238 (0.33)		x
Observations	1094	1024	811	610	1043		

* $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$

Table 23: Marginal Effects on Demand Deposit Savers' Reallocation Decisions

The table presents the estimation results from ten separate regressions, displaying marginal effects at means (with standard errors in parentheses), representing the change in the probability of saving less, the same, or more in deposits without fixed maturity relative to the remaining two saving decisions (dependent variable) when saving more (or less, respectively) in a specific saving category (independent variable), with all other variables held at their means. The dummies for saving in a saving category are created as follows: one dummy indicating whether a household saves more in the respective category (equals one if true, and zero otherwise, "more" in the table) and another dummy indicating whether a household saves less (equals one if true, and zero otherwise, "less" in the table). Regressions were conducted separately for each dummy, resulting in two regressions per saving category, i.e. ten in sum. Control variables from the baseline scenario were included in the regressions but are omitted from the table for improved readability. "Demand Deps" refers to deposits without fixed maturity, "ShortTerm Deps" denotes deposits with maturity up to one year, "LongTerm Deps" refers to deposits with maturities greater than one year, "cat." represents saving categories. Columns sum up to zero for each dummy, i.e. all margins of the dummy saving more (and saving less, respectively) per saving category add up to zero.

	Dummy per saving cat.	Cash	ShortTerm Deps	LongTerm Deps	Bonds	Shares
saving	more	-0.032	0.037***	0.067***	0.055***	0.044***
less		(-1.36)	(2.60)	(3.94)	(2.67)	(2.71)
in	less	0.054***	0.090***	0.024	0.068	0.069***
Demand Deps		(3.22)	(3.78)	(0.62)	(1.51)	(2.77)
saving	more	-0.173***	-0.214***	-0.187***	-0.159***	-0.157***
the same		(-4.63)	(-8.66)	(-6.69)	(-4.94)	(-5.98)
in	less	-0.118***	-0.056	-0.058	-0.058	-0.105**
Demand Deps		(-2.64)	(-0.76)	(-0.83)	(-0.58)	(-2.12)
saving	more	0.205***	0.177***	0.120***	0.103***	0.113***
more		(6.13)	(7.41)	(4.53)	(3.49)	(4.59)
in	less	0.064	-0.034	0.034	-0.010	0.036
Demand Deps		(1.38)	(-0.46)	(0.52)	(-0.11)	(0.72)
Observations		1094	1024	811	610	1043

* $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$

Table 24: **Short-term Deposit Savers' Reallocation Decisions**

The table presents the estimation results from ten separate regressions, displaying the estimated betas (with standard errors in parentheses) for a dummy on saving more (or less, respectively) in a specific saving category (independent variable), analyzing their effect on the probabilities of saving less, the same, or more in deposits with maturity up to one year (dependent variable). For the five saving categories apart from deposits with maturity up to one year, regressions are run for each of the two dummies on saving more and saving less in a specific saving category. The dummies for saving in a saving category are created as follows: one dummy indicating whether a household saves more in the respective category (equals one if true, and zero otherwise, "More" in the table) and another dummy indicating whether a household saves less (equals one if true, and zero otherwise, "Less" in the table). Regressions were conducted separately for each dummy, resulting in two regressions per saving category, i.e. ten in sum. The general ordered logit model estimates betas for two comparisons: saving less in deposits with maturity up to one year (versus saving the same or more, referenced to in the column "ShortTerm Deps less") and saving less and the same in deposits with maturity up to one year (versus saving more, referenced to in the column "ShortTerm Deps same"). The last two columns specify the reference categories for these estimated betas. Control variables from the baseline scenario were included in the regressions but are omitted from the table for improved readability. Standard errors are reported in parentheses. "Demand Deps" refers to deposits without fixed maturity, "ShortTerm Deps" denotes deposits with maturity up to one year, "LongTerm Deps" refers to deposits with maturities greater than one year, "cat." represents saving categories.

Dummy per saving cat.	Cash	Demand Deps	LongTerm Deps	Bonds	Shares	ShortTerm Deps less	ShortTerm Deps same
More	0.371 (0.77)	0.477 (0.50)	-0.879** (0.42)	-0.825 (0.66)	-0.687* (0.38)	x	
Less	-1.206* (0.62)	-1.640*** (0.40)	-3.119*** (0.51)	-2.611*** (0.85)	-1.422*** (0.47)	x	
More	0.526** (0.26)	1.282*** (0.17)	2.759*** (0.23)	1.823*** (0.29)	1.046*** (0.21)		x
Less	0.336 (0.33)	0.661*** (0.25)	-0.544 (0.56)	1.802*** (0.62)	0.059 (0.38)		x
Observations	697	1024	703	466	664		

* $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$

Table 25: **Marginal Effects on short-term Deposit Savers' Reallocation Decisions**

The table presents the estimation results from ten separate regressions, displaying marginal effects at means (with standard errors in parentheses), representing the change in the probability of saving less, the same, or more in deposits with maturity up to one year relative to the remaining two saving decisions (dependent variable) when saving more (or less, respectively) in a specific saving category (independent variable), with all other variables held at their means. The dummies for saving in a saving category are created as follows: one dummy indicating whether a household saves more in the respective category (equals one if true, and zero otherwise, "more" in the table) and another dummy indicating whether a household saves less (equals one if true, and zero otherwise, "less" in the table). Regressions were conducted separately for each dummy, resulting in two regressions per saving category, i.e. ten in sum. Control variables from the baseline scenario were included in the regressions but are omitted from the table for improved readability. "Demand Deps" refers to deposits without fixed maturity, "ShortTerm Deps" denotes deposits with maturity up to one year, "LongTerm Deps" refers to deposits with maturities greater than one year, "cat." represents saving categories. Columns sum up to zero for each dummy, i.e. all margins of the dummy saving more (and saving less, respectively) per saving category add up to zero.

	Dummy per saving cat.	Cash	Demand Deps	LongTerm Deps	Bonds	Shares
saving less in ShortTerm Deps	more	-0.007 (-0.49)	-0.014 (-0.96)	0.026** (2.15)	0.014 (1.21)	0.028* (1.83)
	less	0.022* (1.84)	0.043*** (3.78)	0.075*** (4.25)	0.040** (2.20)	0.056*** (2.98)
saving the same in ShortTerm Deps	more	-0.085* (-1.85)	-0.227*** (-6.81)	-0.395*** (-12.37)	-0.243*** (-6.68)	-0.198*** (-5.90)
	less	-0.081 (-1.43)	-0.170*** (-3.67)	0.015 (0.16)	-0.287*** (-3.50)	-0.066 (-1.08)
saving more in ShortTerm Deps	more	0.092** (2.04)	0.241*** (7.41)	0.368*** (11.07)	0.229*** (6.24)	0.170*** (5.10)
	less	0.059 (1.02)	0.127*** (2.63)	-0.090 (-0.97)	0.247*** (2.86)	0.010 (0.16)
Observations		697	1024	703	466	664

* $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$

Table 26: **Long-term Deposit Savers' Reallocation Decisions**

The table presents the estimation results from ten separate regressions, displaying the estimated betas (with standard errors in parentheses) for a dummy on saving more (or less, respectively) in a specific saving category (independent variable), analyzing their effect on the probabilities of saving less, the same, or more in deposits with maturity greater one year (dependent variable). For the five saving categories apart from deposits with maturity greater one year, regressions are run for each of the two dummies on saving more and saving less in a specific saving category. The dummies for saving in a saving category are created as follows: one dummy indicating whether a household saves more in the respective category (equals one if true, and zero otherwise, "More" in the table) and another dummy indicating whether a household saves less (equals one if true, and zero otherwise, "Less" in the table). Regressions were conducted separately for each dummy, resulting in two regressions per saving category, i.e. ten in sum. The general ordered logit model estimates betas for two comparisons: saving less in deposits with maturity greater one year (versus saving the same or more, referenced to in the column "LongTerm Deps less") and saving less and the same in deposits with maturity greater one year (versus saving more, referenced to in the column "LongTerm Deps same"). The last two columns specify the reference categories for these estimated betas. Control variables from the baseline scenario were included in the regressions but are omitted from the table for improved readability. Standard errors are reported in parentheses. "Demand Deps" refers to deposits without fixed maturity, "ShortTerm Deps" denotes deposits with maturity up to one year, "LongTerm Deps" refers to deposits with maturities greater than one year, "cat." represents saving categories.

Dummy per saving cat.	Cash	Demand Deps	ShortTerm Deps	Bonds	Shares	LongTerm Deps less	LongTerm Deps same
More	-0.828 (0.59)	-0.078 (0.47)	0.544 (0.56)	-0.817 (0.62)	0.202 (0.49)	x	
Less	-1.702*** (0.58)	-0.351 (0.56)	-3.643*** (0.54)	-4.760*** (0.88)	-2.471*** (0.49)	x	
More	0.410 (0.32)	0.913*** (0.20)	2.738*** (0.22)	2.125*** (0.29)	1.701*** (0.22)		x
Less	0.230 (0.41)	1.015*** (0.27)	0.950** (0.42)	0.803 (0.78)	-0.119 (0.45)		x
Observations	553	811	703	471	609		

* $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$

Table 27: **Marginal Effects long-term Deposit Savers' Reallocation Decisions**

The table presents the estimation results from ten separate regressions, displaying marginal effects at means (with standard errors in parentheses), representing the change in the probability of saving less, the same, or more in deposits with maturity greater than one year relative to the remaining two saving decisions (dependent variable) when saving more (or less, respectively) in a specific saving category (independent variable), with all other variables held at their means. The dummies for saving in a saving category are created as follows: one dummy indicating whether a household saves more in the respective category (equals one if true, and zero otherwise, "more" in the table) and another dummy indicating whether a household saves less (equals one if true, and zero otherwise, "less" in the table). Regressions were conducted separately for each dummy, resulting in two regressions per saving category, i.e. ten in sum. Control variables from the baseline scenario were included in the regressions but are omitted from the table for improved readability. "Demand Deps" refers to deposits without fixed maturity, "Short-Term Deps" denotes deposits with maturity up to one year, "LongTerm Deps" refers to deposits with maturities greater than one year, "cat." represents saving categories. Columns sum up to zero for each dummy, i.e. all margins of the dummy saving more (and saving less, respectively) per saving category add up to zero.

	Dummy per saving cat.	Cash	Demand Deps	ShortTerm Deps	Bonds	Shares
saving	more	0.020	0.002	-0.014	0.020	-0.008
less		(1.36)	(0.17)	(-0.98)	(1.34)	(-0.41)
in	less	0.039**	0.011	0.058***	0.086***	0.083***
LongTerm Deps		(2.52)	(0.63)	(3.31)	(2.92)	(4.24)
saving	more	-0.087*	-0.169***	-0.410***	-0.321***	-0.270***
the same		(-1.70)	(-4.55)	(-10.85)	(-8.03)	(-7.27)
in	less	-0.077	-0.197***	-0.227***	-0.212*	-0.062
LongTerm Deps		(-1.18)	(-4.11)	(-3.12)	(-1.79)	(-0.83)
saving	more	0.066	0.167***	0.424***	0.300***	0.278***
more		(1.29)	(4.53)	(11.24)	(7.29)	(7.90)
in	less	0.037	0.186***	0.170**	0.126	-0.021
LongTerm Deps		(0.57)	(3.82)	(2.24)	(1.03)	(-0.27)
Observations		553	811	703	471	609

* $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$

Table 28: **Bonds Savers' Reallocation Decisions**

The table presents the estimation results from ten separate regressions, displaying the estimated betas (with standard errors in parentheses) for a dummy on saving more (or less, respectively) in a specific saving category (independent variable), analyzing their effect on the probabilities of saving less, the same, or more in bonds (dependent variable). For the five saving categories apart from bonds, regressions are run for each of the two dummies on saving more and saving less in a specific saving category. The dummies for saving in a saving category are created as follows: one dummy indicating whether a household saves more in the respective category (equals one if true, and zero otherwise, "More" in the table) and another dummy indicating whether a household saves less (equals one if true, and zero otherwise, "Less" in the table). Regressions were conducted separately for each dummy, resulting in two regressions per saving category, i.e. ten in sum. The general ordered logit model estimates betas for two comparisons: saving less in bonds (versus saving the same or more, referenced to in the column "Bonds less") and saving less and the same in bonds (versus saving more, referenced to in the column "Bonds same"). The last two columns specify the reference categories for these estimated betas. Control variables from the baseline scenario were included in the regressions but are omitted from the table for improved readability. Standard errors are reported in parentheses. "Demand Deps" refers to deposits without fixed maturity, "ShortTerm Deps" denotes deposits with maturity up to one year, "LongTerm Deps" refers to deposits with maturities greater than one year, "cat." represents saving categories.

Dummy per saving cat.	Cash	Demand Deps	ShortTerm Deps	LongTerm Deps	Shares	Bonds less	Bonds same
More	-2.113*** (0.71)	-0.125 (0.79)	-1.709*** (0.62)	-0.434 (0.71)	0.342 (0.67)	x	
Less	-1.419** (0.71)	-0.894 (0.69)	-2.664*** (0.84)	-4.279*** (0.81)	-3.246*** (0.62)	x	
More	0.527 (0.37)	0.896*** (0.25)	1.836*** (0.29)	2.124*** (0.29)	3.165*** (0.26)		x
Less	0.943** (0.43)	0.793** (0.33)	0.820 (0.63)	0.732 (0.62)	0.381 (0.47)		x
Observations	440	610	466	471	606		

* $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$

Table 29: **Marginal Effects on Bonds Savers' Reallocation Decisions**

The table presents the estimation results from ten separate regressions, displaying marginal effects at means (with standard errors in parentheses), representing the change in the probability of saving less, the same, or more in bonds relative to the remaining two saving decisions (dependent variable) when saving more (or less, respectively) in a specific saving category (independent variable), with all other variables held at their means. The dummies for saving in a saving category are created as follows: one dummy indicating whether a household saves more in the respective category (equals one if true, and zero otherwise, "more" in the table) and another dummy indicating whether a household saves less (equals one if true, and zero otherwise, "less" in the table). Regressions were conducted separately for each dummy, resulting in two regressions per saving category, i.e. ten in sum. Control variables from the baseline scenario were included in the regressions but are omitted from the table for improved readability. "Demand Deps" refers to deposits without fixed maturity, "ShortTerm Deps" denotes deposits with maturity up to one year, "LongTerm Deps" refers to deposits with maturities greater than one year, "cat." represents saving categories. Columns sum up to zero for each dummy, i.e. all margins of the dummy saving more (and saving less, respectively) per saving category add up to zero.

	Dummy per saving cat.	Cash	Demand Deps	ShortTerm Deps	LongTerm Deps	Shares
saving less in bonds	more	0.038*** (2.75)	0.002 (0.16)	0.021** (2.18)	0.006 (0.61)	-0.007 (-0.51)
	less	0.029* (1.93)	0.016 (1.27)	0.036** (2.18)	0.036** (2.07)	0.042*** (3.07)
saving the same in bonds	more	-0.110** (-2.17)	-0.146*** (-3.60)	-0.236*** (-7.00)	-0.240*** (-7.43)	-0.353*** (-9.71)
	less	-0.159*** (-2.74)	-0.144*** (-2.73)	-0.143* (-1.78)	-0.132 (-1.64)	-0.103 (-1.38)
saving more in bonds	more	0.073 (1.42)	0.144*** (3.66)	0.214*** (6.32)	0.234*** (7.29)	0.360*** (10.16)
	less	0.129** (2.20)	0.128** (2.41)	0.107 (1.31)	0.095 (1.19)	0.061 (0.81)
Observations		440	610	466	471	606

* $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$

Table 30: **Shares Savers' Reallocation Decisions**

The table presents the estimation results from ten separate regressions, displaying the estimated betas (with standard errors in parentheses) for a dummy on saving more (or less, respectively) in a specific saving category (independent variable), analyzing their effect on the probabilities of saving less, the same, or more in shares (dependent variable). For the five saving categories apart from shares, regressions are run for each of the two dummies on saving more and saving less in a specific saving category. The dummies for saving in a saving category are created as follows: one dummy indicating whether a household saves more in the respective category (equals one if true, and zero otherwise, "More" in the table) and another dummy indicating whether a household saves less (equals one if true, and zero otherwise, "Less" in the table). Regressions were conducted separately for each dummy, resulting in two regressions per saving category, i.e. ten in sum. The general ordered logit model estimates betas for two comparisons: saving less in shares (versus saving the same or more, referenced to in the column "Shares less") and saving less and the same in shares (versus saving more, referenced to in the column "Shares same"). The last two columns specify the reference categories for these estimated betas. Control variables from the baseline scenario were included in the regressions but are omitted from the table for improved readability. Standard errors are reported in parentheses. "Demand Deps" refers to deposits without fixed maturity, "ShortTerm Deps" denotes deposits with maturity up to one year, "LongTerm Deps" refers to deposits with maturities greater than one year, "cat." represents saving categories.

Dummy per saving cat.	Cash	Demand Deps	ShortTerm Deps	LongTerm Deps	Bonds	Shares less	Shares same
More	-0.280 (0.51)	-0.187 (0.33)	-0.050 (0.39)	0.174 (0.46)	-0.527 (0.52)	x	
Less	-0.897** (0.45)	-0.983*** (0.35)	-1.494*** (0.47)	-2.423*** (0.50)	-3.315*** (0.62)	x	
More	0.464* (0.28)	0.796*** (0.17)	1.039*** (0.21)	1.677*** (0.22)	3.194*** (0.26)		x
Less	0.812*** (0.29)	0.594** (0.23)	0.686* (0.38)	-0.061 (0.48)	-0.264 (0.68)		x
Observations	673	1043	664	609	606		

* $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$

Table 31: **Marginal Effects on Shares Savers' Reallocation Decisions**

The table presents the estimation results from ten separate regressions, displaying marginal effects at means (with standard errors in parentheses), representing the change in the probability of saving less, the same, or more in shares relative to the remaining two saving decisions (dependent variable) when saving more (or less, respectively) in a specific saving category (independent variable), with all other variables held at their means. The dummies for saving in a saving category are created as follows: one dummy indicating whether a household saves more in the respective category (equals one if true, and zero otherwise, "more" in the table) and another dummy indicating whether a household saves less (equals one if true, and zero otherwise, "less" in the table). Regressions were conducted separately for each dummy, resulting in two regressions per saving category, i.e. ten in sum. Control variables from the baseline scenario were included in the regressions but are omitted from the table for improved readability. "Demand Deps" refers to deposits without fixed maturity, "ShortTerm Deps" denotes deposits with maturity up to one year, "LongTerm Deps" refers to deposits with maturities greater than one year, "cat." represents saving categories. Columns sum up to zero for each dummy, i.e. all margins of the dummy saving more (and saving less, respectively) per saving category add up to zero.

	Dummy per saving cat.	Cash	Demand Deps	ShortTerm Deps	LongTerm Deps	Bonds
saving less in shares	more	0.014 (0.55)	0.010 (0.57)	0.003 (0.13)	-0.007 (-0.38)	0.017 (1.02)
	less	0.044** (2.02)	0.049*** (2.86)	0.081*** (3.14)	0.085*** (4.17)	0.088*** (3.77)
saving the same in shares	more	-0.102* (-1.90)	-0.169*** (-4.98)	-0.183*** (-4.83)	-0.273*** (-7.31)	-0.575*** (-11.42)
	less	-0.198*** (-3.79)	-0.169*** (-3.83)	-0.202*** (-3.23)	-0.074 (-0.88)	-0.037 (-0.29)
saving more in shares	more	0.088* (1.67)	0.159*** (4.77)	0.180*** (5.02)	0.280*** (7.76)	0.559*** (10.36)
	less	0.154*** (2.83)	0.119** (2.56)	0.121* (1.80)	-0.011 (-0.13)	-0.051 (-0.39)
Observations		673	1043	664	609	606

* $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$

A.6 Regressions and Marginal Effects on Saving Shifts for High vs. Low Inflation Expectations

Table 32: **Cash Savers' Reallocation Decisions with High and Low Inflation Expectations**

The table presents the estimation results from twenty separate regressions, displaying the estimated betas (with standard errors in parentheses) for a dummy on saving more (or less, respectively) in a specific saving category (independent variable), analyzing their effect on the probabilities of saving less, the same, or more in cash (dependent variable), on the subset of households with inflation expectations at or below the median ("low IE") or above the median ("high IE"). For the five saving categories apart from cash, regressions are run for each of the two dummies on saving more and saving less in a specific saving category. The dummies for saving in a saving category are created as follows: one dummy indicating whether a household saves more in the respective category (equals one if true, and zero otherwise, "More" in the table) and another dummy indicating whether a household saves less (equals one if true, and zero otherwise, "Less" in the table). Regressions were conducted separately for each dummy, resulting in two regressions per saving category per inflation expectation split, i.e. twenty in sum. The general ordered logit model estimates betas for two comparisons: saving less in cash (versus saving the same or more, "Cash less") and saving less and the same in cash (versus saving more, "Cash same"). Control variables from the baseline scenario were included but are omitted for readability. Standard errors in parentheses. "Demand Deps" refers to deposits without fixed maturity, "ShortTerm Deps" denotes deposits with maturity up to one year, "LongTerm Deps" refers to deposits with maturity greater than one year, "IE" denotes inflation expectations.

Dummy per saving cat.	Demand Deps		ShortTerm Deps		LongTerm Deps		Bonds		Shares		Cash less	Cash same
	high IE	low IE	high IE	low IE	high IE	low IE	high IE	low IE	high IE	low IE		
More	0.016 (0.49)	-0.527* (0.31)	0.636 (0.80)	-0.552 (0.39)	-0.394 (0.85)	-0.255 (0.48)	-0.415 (0.81)	-1.160** (0.58)	-0.312 (0.58)	-0.992*** (0.34)	x	
Less	0.227 (1.08)	-1.513*** (0.39)	-1.704 (1.24)	-1.006 (0.74)	-1.698* (1.02)	-1.858** (0.78)	-2.895** (1.37)	-0.945 (1.22)	-0.920 (0.85)	-0.691 (0.53)	x	
More	1.219*** (0.27)	1.157*** (0.27)	0.956** (0.39)	0.095 (0.39)	0.415 (0.53)	0.470 (0.42)	0.920* (0.56)	0.062 (0.58)	0.468 (0.45)	0.378 (0.38)		x
Less	-0.129 (0.66)	-1.016 (0.74)	-0.526 (1.18)	-0.037 (1.08)	0.952 (0.91)	0.623 (0.82)	2.879** (1.14)	1.971** (0.93)	0.867 (0.75)	-0.245 (0.78)		x
Observations	444	650	267	430	200	353	164	276	235	438		

* $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$

Table 33: **Marginal Effects on Cash Savers' Reallocation Decisions with High and Low Inflation Expectations**

The table presents the estimation results from twenty separate regressions, displaying marginal effects at means (with standard errors in parentheses), representing the change in the probability of saving less, the same, or more in cash relative to the remaining two saving decisions (dependent variable) when saving more (or less, respectively) in a specific saving category (independent variable), with all other variables held at their means, for households with low and high inflation expectations (median). The dummies for saving in a saving category are created as follows: one dummy indicating whether a household saves more in the respective category (equals one if true, and zero otherwise, “more” in the table) and another dummy indicating whether a household saves less (equals one if true, and zero otherwise, “less” in the table). Regressions were conducted separately for each dummy, resulting in two regressions per saving category for each, low and high inflation expectations, i.e. twenty in sum. Control variables from the baseline scenario were included in the regressions but are omitted from the table for improved readability. “Demand Deps” refers to deposits without fixed maturity, “ShortTerm Deps” denotes deposits with maturity up to one year, “LongTerm Deps” refers to deposits with maturities greater than one year, “cat.” represents saving categories, “IE” denotes inflation expectations. Columns sum up to zero for each dummy, i.e. all margins of the dummy saving more (and saving less, respectively) per saving category per low / high inflation expectation add up to zero.

	Dummy per saving cat.	Demand Deps		ShortTerm Deps		LongTerm Deps		Bonds		Shares	
		high IE	low IE	high IE	low IE	high IE	low IE	high IE	low IE	high IE	low IE
saving	more	-0.001	0.036*	-0.029	0.030	0.014	0.013	0.011	0.060**	0.019	0.077***
less		(0.02)	(0.02)	(0.04)	(0.02)	(0.03)	(0.02)	(0.02)	(0.03)	(0.03)	(0.03)
in	less	-0.011	0.099***	0.076	0.056	0.057	0.083**	0.063	0.052	0.054	0.057
cash		(0.05)	(0.03)	(0.06)	(0.04)	(0.04)	(0.04)	(0.04)	(0.07)	(0.05)	(0.04)
saving	more	-0.155***	-0.138***	-0.091	-0.038	-0.057	-0.049	-0.095*	-0.065	-0.067	-0.104***
the same		(0.04)	(0.03)	(0.06)	(0.03)	(0.06)	(0.04)	(0.05)	(0.05)	(0.05)	(0.03)
in	less	0.029	-0.005	-0.008	-0.053	-0.156*	-0.132**	-0.313***	-0.185**	-0.143*	-0.040
cash		(0.10)	(0.07)	(0.15)	(0.09)	(0.09)	(0.07)	(0.10)	(0.08)	(0.08)	(0.07)
saving	more	0.156***	0.101***	0.120**	0.007	0.043	0.036	0.084*	0.004	0.048	0.026
more		(0.03)	(0.02)	(0.05)	(0.03)	(0.05)	(0.03)	(0.05)	(0.04)	(0.05)	(0.03)
in	less	-0.018	-0.094	-0.068	-0.003	0.099	0.048	0.251**	0.133**	0.089	-0.017
cash		(0.09)	(0.07)	(0.15)	(0.08)	(0.09)	(0.06)	(0.10)	(0.06)	(0.08)	(0.05)
Observations		444	650	267	430	200	353	164	276	235	438

* $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$

Table 34: **Demand Deposit Savers' Reallocation Decisions with High and Low Inflation Expectations**

The table presents the estimation results from twenty separate regressions, displaying the estimated betas (with standard errors in parentheses) for a dummy on saving more (or less, respectively) in a specific saving category (independent variable), analyzing their effect on the probabilities of saving less, the same, or more in demand deposit (dependent variable), on the subset of households with inflation expectations at or below the median ("low IE") or above the median ("high IE"). For the five saving categories apart from demand deposits, regressions are run for each of the two dummies on saving more and saving less in a specific saving category. The dummies for saving in a saving category are created as follows: one dummy indicating whether a household saves more in the respective category (equals one if true, and zero otherwise, "More" in the table) and another dummy indicating whether a household saves less (equals one if true, and zero otherwise, "Less" in the table). Regressions were conducted separately for each dummy, resulting in two regressions per saving category per inflation expectation split, i.e. twenty in sum. The general ordered logit model estimates betas for two comparisons: saving less in demand deposits (versus saving the same or more, "DemandDeps less") and saving less and the same in demand deposits (versus saving more, "DemandDeps same"). Control variables from the baseline scenario were included but are omitted for readability. Standard errors in parentheses. "Demand Deps" refers to deposits without fixed maturity, "ShortTerm Deps" denotes deposits with maturity up to one year, "LongTerm Deps" refers to deposits with maturity greater than one year, "IE" denotes inflation expectations.

Dummy per saving cat.	Cash		ShortTerm Deps		LongTerm Deps		Bonds		Shares		Demand Deps less	Demand Deps same
	high IE	low IE	high IE	low IE	high IE	low IE	high IE	low IE	high IE	low IE		
More	0.137 (0.67)	1.014 (0.74)	-0.764 (0.50)	-0.600** (0.30)	-0.500 (0.52)	-1.193*** (0.32)	-1.235* (0.67)	-0.719* (0.40)	-0.745* (0.45)	-0.606** (0.28)	x	
Less	0.327 (1.07)	-1.526*** (0.39)	-2.011*** (0.75)	-1.220** (0.50)	-1.132 (0.87)	0.037 (0.77)	-2.652** (1.07)	-0.066 (1.10)	-1.689** (0.66)	-0.845** (0.43)	x	
More	1.166*** (0.27)	1.111*** (0.27)	1.506*** (0.32)	1.187*** (0.21)	1.667*** (0.36)	0.470* (0.26)	0.582 (0.44)	1.059*** (0.31)	0.642** (0.32)	0.824*** (0.20)		x
Less	-0.021 (0.47)	0.538* (0.31)	-14.012 (694.61)	0.184 (0.52)	-0.734 (1.10)	0.680 (0.55)	-0.504 (1.21)	-0.245 (1.10)	0.167 (0.68)	0.168 (0.38)		x
Observations	444	650	369	655	279	532	212	398	331	712		

* $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$

Table 35: **Marginal Effects on Demand Deposit Savers' Reallocation Decisions with High and Low Inflation Expectations**

The table presents the estimation results from twenty separate regressions, displaying marginal effects at means (with standard errors in parentheses), representing the change in the probability of saving less, the same, or more in demand deposits relative to the remaining two saving decisions (dependent variable) when saving more (or less, respectively) in a specific saving category (independent variable), with all other variables held at their means, for households with low and high inflation expectations (median). The dummies for saving in a saving category are created as follows: one dummy indicating whether a household saves more in the respective category (equals one if true, and zero otherwise, “more” in the table) and another dummy indicating whether a household saves less (equals one if true, and zero otherwise, “less” in the table). Regressions were conducted separately for each dummy, resulting in two regressions per saving category for each, low and high inflation expectations, i.e. twenty in sum. Control variables from the baseline scenario were included in the regressions but are omitted from the table for improved readability. “Demand Deps” refers to deposits without fixed maturity, “ShortTerm Deps” denotes deposits with maturity up to one year, “LongTerm Deps” refers to deposits with maturities greater than one year, “cat.” represents saving categories, “IE” denotes inflation expectations. Columns sum up to zero for each dummy, i.e. all margins of the dummy saving more (and saving less, respectively) per saving category per low / high inflation expectation add up to zero.

	Dummy per saving cat.	Cash		ShortTerm Deps		LongTerm Deps		Bonds		Shares	
		high IE	low IE	high IE	low IE	high IE	low IE	high IE	low IE	high IE	low IE
saving	more	-0.005	-0.056	0.032	0.037**	0.028	0.078***	0.051*	0.052*	0.046*	0.043**
less		(0.02)	(0.04)	(0.02)	(0.02)	(0.03)	(0.02)	(0.03)	(0.03)	(0.03)	(0.02)
in	less	-0.011	0.080***	0.080**	0.076**	0.063	-0.003	0.106**	0.005	0.102**	0.061**
demand deps		(0.04)	(0.02)	(0.03)	(0.03)	(0.05)	(0.06)	(0.05)	(0.08)	(0.04)	(0.03)
saving	more	-0.221***	-0.131**	-0.237***	-0.204***	-0.249***	-0.139***	-0.113**	-0.179***	-0.136***	-0.165***
the same		(0.05)	(0.06)	(0.04)	(0.03)	(0.05)	(0.03)	(0.05)	(0.04)	(0.05)	(0.03)
in	less	0.015	-0.172***	1.489	-0.104	0.041	-0.086	-0.053	0.026	-0.125	-0.087
demand deps		(0.09)	(0.05)	(53.63)	(0.08)	(0.16)	(0.08)	(0.13)	(0.15)	(0.09)	(0.06)
saving	more	0.225***	0.187***	0.205***	0.167***	0.221***	0.061*	0.062	0.127***	0.090**	0.121***
more		(0.05)	(0.04)	(0.04)	(0.03)	(0.05)	(0.03)	(0.05)	(0.04)	(0.04)	(0.03)
in	less	-0.004	0.092*	-1.569	0.027	-0.104	0.088	-0.054	-0.031	0.024	0.025
demand deps		(0.09)	(0.05)	(53.63)	(0.08)	(0.16)	(0.07)	(0.13)	(0.14)	(0.10)	(0.06)
Observations		444	650	369	655	279	532	212	398	331	712

* $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$

Table 36: **Short-Term Deposit Savers' Reallocation Decisions with High and Low Inflation Expectations**

The table presents the estimation results from twenty separate regressions, displaying the estimated betas (with standard errors in parentheses) for a dummy on saving more (or less, respectively) in a specific saving category (independent variable), analyzing their effect on the probabilities of saving less, the same, or more in short-term deposits (dependent variable), on the subset of households with inflation expectations at or below the median (“low IE”) or above the median (“high IE”). For the five saving categories apart from short-term deposits, regressions are run for each of the two dummies on saving more and saving less in a specific saving category. The dummies for saving in a saving category are created as follows: one dummy indicating whether a household saves more in the respective category (equals one if true, and zero otherwise, “More” in the table) and another dummy indicating whether a household saves less (equals one if true, and zero otherwise, “Less” in the table). Regressions were conducted separately for each dummy, resulting in two regressions per saving category per inflation expectation split, i.e. twenty in sum. The general ordered logit model estimates betas for two comparisons: saving less in short-term deposits (versus saving the same or more, “ShortTerm Deps less”) and saving less and the same in short-term deposits (versus saving more, “ShortTerm Deps same”). Control variables from the baseline scenario were included but are omitted for readability. Standard errors in parentheses. For regressions where sparse observations in one outcome category produced negative predicted probabilities, the dependent variable was collapsed to two categories — saving less or the same versus saving more (for dummies on saving more) and saving less versus saving the same or more (for dummies on saving less) — and the regression was re-estimated; corresponding cells in the overview tables reflect the corrected estimates. “Demand Deps” refers to deposits without fixed maturity, “ShortTerm Deps” denotes deposits with maturity up to one year, “LongTerm Deps” refers to deposits with maturity greater than one year, “IE” denotes inflation expectations.

Dummy per saving cat.	Cash		Demand Deps		LongTerm Deps		Bonds		Shares		ShortTerm Deps less	ShortTerm Deps same
	high IE	low IE	high IE	low IE	high IE	low IE	high IE	low IE	high IE	low IE		
More	1.324 (1.39)	0.373 (1.07)	15.644 (1463.42)	-0.029 (0.52)	-1.109 (0.72)	-0.726 (0.52)	-2.631* (1.36)	-0.697 (0.91)	-0.300 (0.79)	-0.830* (0.45)	x	
Less	-2.188 (1.45)	-1.012 (0.76)	-2.179*** (0.77)	-1.395*** (0.48)	-3.412*** (0.96)	-3.285*** (0.67)	-4.661** (2.28)	-3.952*** (1.47)	-3.897*** (1.17)	-0.993* (0.59)	x	
More	0.961** (0.39)	0.103 (0.38)	1.543*** (0.31)	1.197*** (0.21)	3.543*** (0.49)	2.549*** (0.26)	1.825*** (0.53)	1.883*** (0.36)	1.884*** (0.42)	0.766*** (0.25)		x
Less	-0.580 (0.79)	0.535 (0.39)	0.815* (0.49)	0.593** (0.29)	-0.175 (0.83)	-0.847 (0.79)	2.664** (1.27)	1.779** (0.80)	0.781 (0.75)	-0.118 (0.45)		x
Observations	267	430	369	655	235	468	155	311	210	454		

* $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$

Table 37: **Marginal Effects on Short-Term Savers' Reallocation Decisions with High and Low Inflation Expectations**

The table presents the estimation results from twenty separate regressions, displaying marginal effects at means (with standard errors in parentheses), representing the change in the probability of saving less, the same, or more in short-term deposits relative to the remaining two saving decisions (dependent variable) when saving more (or less, respectively) in a specific saving category (independent variable), with all other variables held at their means, for households with low and high inflation expectations (median). The dummies for saving in a saving category are created as follows: one dummy indicating whether a household saves more in the respective category (equals one if true, and zero otherwise, “more” in the table) and another dummy indicating whether a household saves less (equals one if true, and zero otherwise, “less” in the table). Regressions were conducted separately for each dummy, resulting in two regressions per saving category for each, low and high inflation expectations, i.e. twenty in sum. Control variables from the baseline scenario were included in the regressions but are omitted from the table for improved readability. “Demand Deps” refers to deposits without fixed maturity, “ShortTerm Deps” denotes deposits with maturity up to one year, “LongTerm Deps” refers to deposits with maturities greater than one year, “cat.” represents saving categories, “IE” denotes inflation expectations. Columns sum up to zero for each dummy, i.e. all margins of the dummy saving more (and saving less, respectively) per saving category per low / high inflation expectation add up to zero.

	Dummy per saving cat.	Cash		Demand Deps		LongTerm Deps		Bonds		Shares	
		high IE	low IE	high IE	low IE	high IE	low IE	high IE	low IE	high IE	low IE
saving	more	-0.006	-0.008	-0.018	0.001	0.032	0.020	0.009	0.000	0.008	0.034*
less		(0.01)	(0.02)	(3.73)	(0.02)	(0.02)	(0.01)	(0.01)	(0.04)	(0.02)	(0.02)
in	less	0.009	0.022	0.037**	0.041***	0.072**	0.070***	0.032	0.001	0.063**	0.041*
short-term deps		(0.01)	(0.02)	(0.02)	(0.01)	(0.03)	(0.02)	(0.03)	(0.22)	(0.03)	(0.02)
saving	more	-0.143**	-0.010	-0.237	-0.238***	-0.299***	-0.424***	-0.184***	-0.251***	-0.253***	-0.167***
the same		(0.06)	(0.07)	(3.75)	(0.04)	(0.05)	(0.04)	(0.05)	(0.07)	(0.05)	(0.04)
in	less	0.082	-0.119*	-0.178**	-0.160***	-0.050	0.084	-0.314**	-0.260	-0.177	-0.020
short-term deps		(0.12)	(0.07)	(0.08)	(0.06)	(0.10)	(0.14)	(0.14)	(0.28)	(0.11)	(0.08)
saving	more	0.149**	0.019	0.256***	0.237***	0.267***	0.405***	0.176***	0.251***	0.245***	0.133***
more		(0.06)	(0.07)	(0.05)	(0.04)	(0.05)	(0.04)	(0.05)	(0.05)	(0.05)	(0.04)
in	less	-0.091	0.097	0.141*	0.119**	-0.022	-0.154	0.282**	0.259**	0.114	-0.021
short-term deps		(0.12)	(0.07)	(0.09)	(0.06)	(0.10)	(0.14)	(0.14)	(0.12)	(0.11)	(0.08)
Observations		267	430	369	655	235	468	155	311	210	454

* $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$

Table 38: **Long-Term Deposit Savers' Reallocation Decisions with High and Low Inflation Expectations**

The table presents the estimation results from twenty separate regressions, displaying the estimated betas (with standard errors in parentheses) for a dummy on saving more (or less, respectively) in a specific saving category (independent variable), analyzing their effect on the probabilities of saving less, the same, or more in long-term deposits (dependent variable), on the subset of households with inflation expectations at or below the median (“low IE”) or above the median (“high IE”). For the five saving categories apart from long-term deposits, regressions are run for each of the two dummies on saving more and saving less in a specific saving category. The dummies for saving in a saving category are created as follows: one dummy indicating whether a household saves more in the respective category (equals one if true, and zero otherwise, “More” in the table) and another dummy indicating whether a household saves less (equals one if true, and zero otherwise, “Less” in the table). Regressions were conducted separately for each dummy, resulting in two regressions per saving category per inflation expectation split, i.e. twenty in sum. The general ordered logit model estimates betas for two comparisons: saving less in long-term deposits (versus saving the same or more, “LongTerm Deps less”) and saving less and the same in long-term deposits (versus saving more, “LongTerm Deps same”). Control variables from the baseline scenario were included but are omitted for readability. Standard errors in parentheses. For regressions where sparse observations in one outcome category produced negative predicted probabilities, the dependent variable was collapsed to two categories — saving less or the same versus saving more (for dummies on saving more) and saving less versus saving the same or more (for dummies on saving less) — and the regression was re-estimated; corresponding cells in the overview tables reflect the corrected estimates. “Demand Deps” refers to deposits without fixed maturity, “ShortTerm Deps” denotes deposits with maturity up to one year, “LongTerm Deps” refers to deposits with maturity greater than one year, “IE” denotes inflation expectations.

Dummy per saving cat.	Cash		Demand Deps		ShortTerm Deps		Bonds		Shares		LongTerm Deps less	LongTerm Deps same
	high IE	low IE	high IE	low IE	high IE	low IE	high IE	low IE	high IE	low IE		
More	-1.099 (0.94)	-0.786 (0.82)	0.873 (1.07)	-0.545 (0.56)	0.446 (0.88)	0.714 (0.78)	-0.960 (0.98)	-0.644 (0.85)	0.543 (0.85)	0.062 (0.61)	x	
Less	-1.728 (1.07)	-1.801** (0.78)	-0.920 (0.87)	-0.041 (0.78)	-5.260*** (1.41)	-3.761*** (0.74)	(.) (.)	-4.429*** (1.12)	-3.335*** (0.97)	-2.487*** (0.61)	x	
More	0.400 (0.53)	0.479 (0.41)	1.691*** (0.36)	0.470* (0.26)	3.597*** (0.50)	2.531*** (0.26)	3.249*** (0.64)	1.997*** (0.35)	2.292*** (0.45)	1.589*** (0.26)		x
Less	0.195 (0.83)	0.390 (0.49)	0.523 (0.53)	1.212*** (0.32)	1.723** (0.80)	0.943* (0.54)	0.000 (.)	0.998 (0.83)	1.085 (0.96)	-0.440 (0.52)		x
Observations	200	353	279	532	235	468	155	316	198	411		

* $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$

Table 39: **Marginal Effects on Long-Term Savers' Reallocation Decisions with High and Low Inflation Expectations**

The table presents the estimation results from twenty separate regressions, displaying marginal effects at means (with standard errors in parentheses), representing the change in the probability of saving less, the same, or more in long-term deposits relative to the remaining two saving decisions (dependent variable) when saving more (or less, respectively) in a specific saving category (independent variable), with all other variables held at their means, for households with low and high inflation expectations (median). The dummies for saving in a saving category are created as follows: one dummy indicating whether a household saves more in the respective category (equals one if true, and zero otherwise, “more” in the table) and another dummy indicating whether a household saves less (equals one if true, and zero otherwise, “less” in the table). Regressions were conducted separately for each dummy, resulting in two regressions per saving category for each, low and high inflation expectations, i.e. twenty in sum. Control variables from the baseline scenario were included in the regressions but are omitted from the table for improved readability. “Demand Deps” refers to deposits without fixed maturity, “ShortTerm Deps” denotes deposits with maturity up to one year, “LongTerm Deps” refers to deposits with maturities greater than one year, “cat.” represents saving categories, “IE” denotes inflation expectations. Columns sum up to zero for each dummy, i.e. all margins of the dummy saving more (and saving less, respectively) per saving category per low / high inflation expectation add up to zero.

	Dummy per saving cat.	Cash		Demand Deps		ShortTerm Deps		Bonds		Shares	
		high IE	low IE	high IE	low IE	high IE	low IE	high IE	low IE	high IE	low IE
saving	more	0.010	0.019	-0.024	0.015	-0.011	-0.013	0.030	0.013	-0.027	-0.002
less		(0.01)	(0.02)	(0.03)	(0.02)	(0.02)	(0.01)	(0.03)	(0.02)	(0.04)	(0.02)
in	less	0.015	0.040**	0.026	0.001	0.065*	0.045**	0.000	0.056*	0.128**	0.071***
long-term deps		(0.02)	(0.02)	(0.03)	(0.02)	(0.04)	(0.02)	(.)	(0.03)	(0.05)	(0.02)
saving	more	-0.069	-0.100	-0.250***	-0.105**	-0.430***	-0.411***	-0.273***	-0.337***	-0.215***	-0.291***
the same		(0.08)	(0.07)	(0.06)	(0.05)	(0.07)	(0.05)	(0.06)	(0.06)	(0.06)	(0.05)
in	less	-0.044	-0.106	-0.116	-0.231***	-0.339***	-0.223**	0.000	-0.229	-0.270**	0.014
long-term deps		(0.12)	(0.08)	(0.09)	(0.06)	(0.13)	(0.10)	(.)	(0.14)	(0.11)	(0.10)
saving	more	0.058	0.080	0.274***	0.090*	0.441***	0.424***	0.243***	0.324***	0.242***	0.293***
more		(0.08)	(0.07)	(0.06)	(0.05)	(0.08)	(0.05)	(0.06)	(0.06)	(0.05)	(0.05)
in	less	0.029	0.066	0.090	0.230***	0.274**	0.178*	0.000	0.173	0.143	-0.085
long-term deps		(0.12)	(0.08)	(0.09)	(0.06)	(0.13)	(0.10)	(.)	(0.14)	(0.13)	(0.10)
Observations		200	353	279	532	235	468	155	316	198	411

* $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$

Table 40: **Bonds Savers' Reallocation Decisions with High and Low Inflation Expectations**

The table presents the estimation results from twenty separate regressions, displaying the estimated betas (with standard errors in parentheses) for a dummy on saving more (or less, respectively) in a specific saving category (independent variable), analyzing their effect on the probabilities of saving less, the same, or more in bonds (dependent variable), on the subset of households with inflation expectations at or below the median (“low IE”) or above the median (“high IE”). For the five saving categories apart from bonds, regressions are run for each of the two dummies on saving more and saving less in a specific saving category. The dummies for saving in a saving category are created as follows: one dummy indicating whether a household saves more in the respective category (equals one if true, and zero otherwise, “More” in the table) and another dummy indicating whether a household saves less (equals one if true, and zero otherwise, “Less” in the table). Regressions were conducted separately for each dummy, resulting in two regressions per saving category per inflation expectation split, i.e. twenty in sum. The general ordered logit model estimates betas for two comparisons: saving less in bonds (versus saving the same or more, “Bonds less”) and saving less and the same in bonds (versus saving more, “Bonds same”). Control variables from the baseline scenario were included but are omitted for readability. Standard errors in parentheses. For regressions where sparse observations in one outcome category produced negative predicted probabilities, the dependent variable was collapsed to two categories — saving less or the same versus saving more (for dummies on saving more) and saving less versus saving the same or more (for dummies on saving less) — and the regression was re-estimated; corresponding cells in the overview tables reflect the corrected estimates. “Demand Deps” refers to deposits without fixed maturity, “ShortTerm Deps” denotes deposits with maturity up to one year, “LongTerm Deps” refers to deposits with maturity greater than one year, “IE” denotes inflation expectations.

Dummy per saving cat.	Cash		Demand Deps		ShortTerm Deps		LongTerm Deps		Shares		Bonds less	Bonds same
	high IE	low IE	high IE	low IE	high IE	low IE	high IE	low IE	high IE	low IE		
More	-2.439** (1.14)	-2.648** (1.08)	-0.150 (1.26)	-0.011 (1.10)	-4.392* (2.43)	-1.516* (0.78)	12.946 (2082.75)	-0.675 (0.77)	1.242 (1.40)	0.058 (0.85)	x	
Less	-2.272* (1.20)	-0.820 (1.17)	-2.643*** (0.99)	0.130 (1.12)	-4.767** (2.27)	-2.604** (1.09)	-67.296 (5587.11)	-3.587*** (0.91)	-8.651** (3.63)	-3.129*** (0.78)	x	
More	0.979* (0.54)	0.196 (0.56)	0.579 (0.44)	1.133*** (0.31)	1.793*** (0.53)	1.932*** (0.36)	3.184*** (0.61)	2.020*** (0.35)	3.803*** (0.51)	2.876*** (0.31)		x
Less	0.496 (0.74)	1.222** (0.58)	1.128* (0.64)	0.668* (0.40)	1.310 (1.09)	0.515 (0.85)	1.786 (1.11)	0.461 (0.85)	1.608* (0.93)	0.095 (0.60)		x
Observations	164	276	212	398	155	311	155	316	203	403		

* $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$

Table 41: **Marginal Effects on Bonds Savers' Reallocation Decisions with High and Low Inflation Expectations**

The table presents the estimation results from twenty separate regressions, displaying marginal effects at means (with standard errors in parentheses), representing the change in the probability of saving less, the same, or more in bonds relative to the remaining two saving decisions (dependent variable) when saving more (or less, respectively) in a specific saving category (independent variable), with all other variables held at their means, for households with low and high inflation expectations (median). The dummies for saving in a saving category are created as follows: one dummy indicating whether a household saves more in the respective category (equals one if true, and zero otherwise, “more” in the table) and another dummy indicating whether a household saves less (equals one if true, and zero otherwise, “less” in the table). Regressions were conducted separately for each dummy, resulting in two regressions per saving category for each, low and high inflation expectations, i.e. twenty in sum. Control variables from the baseline scenario were included in the regressions but are omitted from the table for improved readability. “Demand Deps” refers to deposits without fixed maturity, “ShortTerm Deps” denotes deposits with maturity up to one year, “LongTerm Deps” refers to deposits with maturities greater than one year, “cat.” represents saving categories, “IE” denotes inflation expectations. Columns sum up to zero for each dummy, i.e. all margins of the dummy saving more (and saving less, respectively) per saving category per low / high inflation expectation add up to zero.

	Dummy per saving cat.	Cash		Demand Deps		ShortTerm Deps		LongTerm Deps		Shares	
		high IE	low IE	high IE	low IE	high IE	low IE	high IE	low IE	high IE	low IE
saving	more	0.033	0.022	0.003	0.000	0.012	0.016	-0.000	0.010	-0.017	-0.001
less		(0.02)	(0.01)	(0.02)	(0.01)	(0.02)	(0.01)	(0.11)	(0.01)	(0.02)	(0.01)
in	less	0.040	0.011	0.037*	-0.002	0.040	0.028	0.000	0.041*	0.015	0.024*
bonds		(0.03)	(0.02)	(0.02)	(0.01)	(0.04)	(0.02)	(0.00)	(0.02)	(0.02)	(0.01)
saving	more	-0.178**	-0.046	-0.096	-0.178***	-0.218***	-0.238***	-0.346	-0.215***	-0.399***	-0.328***
the same		(0.08)	(0.07)	(0.07)	(0.05)	(0.06)	(0.04)	(0.34)	(0.04)	(0.08)	(0.04)
in	less	-0.115	-0.157**	-0.218**	-0.106	-0.204	-0.096	-0.258	-0.097	-0.280*	-0.039
bonds		(0.11)	(0.07)	(0.10)	(0.06)	(0.14)	(0.11)	(0.16)	(0.10)	(0.15)	(0.09)
saving	more	0.145*	0.024	0.093	0.178***	0.206***	0.222***	0.347***	0.206***	0.417***	0.329***
more		(0.08)	(0.07)	(0.07)	(0.05)	(0.06)	(0.04)	(0.08)	(0.04)	(0.08)	(0.04)
in	less	0.075	0.146**	0.181*	0.107*	0.164	0.068	0.258	0.056	0.265*	0.015
bonds		(0.11)	(0.07)	(0.10)	(0.06)	(0.14)	(0.11)	(0.16)	(0.10)	(0.15)	(0.09)
Observations		164	276	212	398	155	311	155	316	203	403

* $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$

Table 42: **Shares Savers' Reallocation Decisions with High and Low Inflation Expectations**

The table presents the estimation results from twenty separate regressions, displaying the estimated betas (with standard errors in parentheses) for a dummy on saving more (or less, respectively) in a specific saving category (independent variable), analyzing their effect on the probabilities of saving less, the same, or more in shares (dependent variable), on the subset of households with inflation expectations at or below the median (“low IE”) or above the median (“high IE”). For the five saving categories apart from shares, regressions are run for each of the two dummies on saving more and saving less in a specific saving category. The dummies for saving in a saving category are created as follows: one dummy indicating whether a household saves more in the respective category (equals one if true, and zero otherwise, “More” in the table) and another dummy indicating whether a household saves less (equals one if true, and zero otherwise, “Less” in the table). Regressions were conducted separately for each dummy, resulting in two regressions per saving category per inflation expectation split, i.e. twenty in sum. The general ordered logit model estimates betas for two comparisons: saving less in shares (versus saving the same or more, “Shares less”) and saving less and the same in shares (versus saving more, “Shares same”). Control variables from the baseline scenario were included but are omitted for readability. Standard errors in parentheses. For regressions where sparse observations in one outcome category produced negative predicted probabilities, the dependent variable was collapsed to two categories — saving less or the same versus saving more (for dummies on saving more) and saving less versus saving the same or more (for dummies on saving less) — and the regression was re-estimated; corresponding cells in the overview tables reflect the corrected estimates. “Demand Deps” refers to deposits without fixed maturity, “ShortTerm Deps” denotes deposits with maturity up to one year, “LongTerm Deps” refers to deposits with maturity greater than one year, “IE” denotes inflation expectations.

Dummy per saving cat.	Cash		Demand Deps		ShortTerm Deps		LongTerm Deps		Bonds		Shares less	Shares same
	high IE	low IE	high IE	low IE	high IE	low IE	high IE	low IE	high IE	low IE		
More	-0.585 (0.73)	0.129 (0.77)	-0.010 (0.71)	-0.196 (0.39)	-0.475 (0.78)	0.097 (0.45)	-1.245 (0.98)	0.492 (0.53)	-3.464** (1.69)	-0.095 (0.65)	x	
Less	-1.096 (0.85)	-0.749 (0.54)	-1.638** (0.67)	-0.922** (0.42)	-3.155*** (0.98)	-1.029* (0.60)	-3.196*** (1.03)	-2.216*** (0.60)	-4.008*** (1.23)	-3.188*** (0.77)		x
More	0.582 (0.43)	0.363 (0.38)	0.714** (0.31)	0.852*** (0.20)	1.833*** (0.41)	0.775*** (0.25)	2.317*** (0.45)	1.577*** (0.26)	4.000*** (0.55)	2.876*** (0.31)	x	
Less	0.375 (0.55)	0.996*** (0.34)	0.707 (0.45)	0.635** (0.27)	0.618 (0.79)	0.841* (0.45)	-0.352 (0.82)	0.082 (0.59)	-0.858 (1.33)	-0.034 (0.84)		x
Observations	235	438	331	712	210	454	198	411	203	403		

* $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$

Table 43: **Marginal Effects on Shares Savers' Reallocation Decisions with High and Low Inflation Expectations**

The table presents the estimation results from twenty separate regressions, displaying marginal effects at means (with standard errors in parentheses), representing the change in the probability of saving less, the same, or more in shares relative to the remaining two saving decisions (dependent variable) when saving more (or less, respectively) in a specific saving category (independent variable), with all other variables held at their means, for households with low and high inflation expectations (median). The dummies for saving in a saving category are created as follows: one dummy indicating whether a household saves more in the respective category (equals one if true, and zero otherwise, "more" in the table) and another dummy indicating whether a household saves less (equals one if true, and zero otherwise, "less" in the table). Regressions were conducted separately for each dummy, resulting in two regressions per saving category for each, low and high inflation expectations, i.e. twenty in sum. Control variables from the baseline scenario were included in the regressions but are omitted from the table for improved readability. "Demand Deps" refers to deposits without fixed maturity, "ShortTerm Deps" denotes deposits with maturity up to one year, "LongTerm Deps" refers to deposits with maturities greater than one year, "cat." represents saving categories, "IE" denotes inflation expectations. Columns sum up to zero for each dummy, i.e. all margins of the dummy saving more (and saving less, respectively) per saving category per low / high inflation expectation add up to zero.

	Dummy per saving cat.	Cash		Demand Deps		ShortTerm Deps		LongTerm Deps		Bonds	
		high IE	low IE	high IE	low IE	high IE	low IE	high IE	low IE	high IE	low IE
saving	more	0.021	-0.007	0.000	0.011	0.014	-0.006	0.024	-0.023	0.036	0.004
less		(0.03)	(0.04)	(0.03)	(0.02)	(0.02)	(0.03)	(0.02)	(0.02)	(0.03)	(0.02)
in	less	0.037	0.040	0.059**	0.049**	0.073**	0.063*	0.047*	0.095***	0.054*	0.100***
shares		(0.03)	(0.03)	(0.02)	(0.02)	(0.03)	(0.04)	(0.02)	(0.03)	(0.03)	(0.03)
saving	more	-0.128*	-0.062	-0.139**	-0.183***	-0.294***	-0.133***	-0.389***	-0.243***	-0.697***	-0.512***
the same		(0.08)	(0.08)	(0.06)	(0.04)	(0.06)	(0.05)	(0.07)	(0.05)	(0.12)	(0.06)
in	less	-0.107	-0.228***	-0.196**	-0.178***	-0.176	-0.215***	0.014	-0.110	0.108	-0.094
shares		(0.10)	(0.06)	(0.08)	(0.05)	(0.13)	(0.08)	(0.14)	(0.10)	(0.25)	(0.15)
saving	more	0.107	0.069	0.138**	0.172***	0.280***	0.139***	0.365***	0.267***	0.661***	0.509***
more		(0.08)	(0.07)	(0.06)	(0.04)	(0.06)	(0.04)	(0.07)	(0.04)	(0.12)	(0.06)
in	less	0.070	0.189***	0.137	0.129**	0.102	0.152*	-0.061	0.015	-0.162	-0.007
shares		(0.10)	(0.06)	(0.09)	(0.06)	(0.13)	(0.08)	(0.14)	(0.11)	(0.25)	(0.16)
Observations		235	438	331	712	210	454	198	411	203	403

* $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$

A.7 Robustness Regressions

Table 44: **Longer-Term Inflation Expectations**

The table presents the estimated betas (with standard errors in parentheses) for longer-term inflation expectations (independent variable), analyzing their effects on the probabilities of saving less, the same, or more overall (dependent variable). Two regressions are run: One with expected inflation over the next five years ("Expected inflation 5y") and another one with expected inflation for one year in one year ("Expected Inflation Mar25 "). All other control variables were included in the regressions but are omitted from the table for improved readability.

	Saving overall	Saving overall
saving less		
Expected inflation 5y	0.049 (0.06)	
Expected Inflation Mar25		0.025 (0.05)
saving the same		
Expected inflation 5y	-0.010 (0.02)	
Expected Inflation Mar25		-0.033 (0.02)
Observations	1553	1505

* $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$

Interpretation: The coefficients (Betas) for "saving less" represent the log odds of being in the "saving less" category compared to being in "saving the same" or "saving more" categories. Similarly, the coefficients for "saving the same" represent the log odds of being in either the "saving less" or "saving the same" category compared to "saving more". Positive coefficients indicate higher log odds of being in higher categories (for "saving less") or a higher category (for "saving the same"), while negative coefficients indicate higher log odds of being in the lower category (for "saving less") or lower categories (for "saving the same").

Table 45: **Winsorized Inflation Expectations**

The table presents the estimated betas (with standard errors in parentheses) for expected inflation (independent variable), analyzing its effects on the probabilities of saving less, the same, or more overall (dependent variable). Expected inflation has been winsorized at the 1st and 99th quantiles. All control variables from the Baseline scenario were included in the regressions but are omitted from the table for improved readability.

	Saving overall
saving less	
Expected inflation winsorized	0.057* (0.03)
saving the same	
Expected inflation winsorized	0.003 (0.02)
Observations	3087

* $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$

Interpretation: The coefficients (Betas) for "saving less" represent the log odds of being in the "saving less" category compared to being in "saving the same" or "saving more" categories. Similarly, the coefficients for "saving the same" represent the log odds of being in either the "saving less" or "saving the same" category compared to "saving more". Positive coefficients indicate higher log odds of being in higher categories (for "saving less") or a higher category (for "saving the same"), while negative coefficients indicate higher log odds of being in the lower category (for "saving less") or lower categories (for "saving the same").

Table 46: **Inflation Expectations Excluding Deflation Expectations**

The table presents the estimated betas (with standard errors in parentheses) for expected inflation (independent variable), analyzing its effects on the probabilities of saving less, the same, or more overall (dependent variable). Expected inflation excludes deflation expectations. All control variables from the Baseline scenario were included in the regressions but are omitted from the table for improved readability.

	Saving overall
saving less	
Expected inflation (without deflation)	0.106* (0.06)
saving the same	
Expected inflation (without deflation)	-0.018 (0.02)
Observations	2806

* $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$

Interpretation: The coefficients (Betas) for "saving less" represent the log odds of being in the "saving less" category compared to being in "saving the same" or "saving more" categories. Similarly, the coefficients for "saving the same" represent the log odds of being in either the "saving less" or "saving the same" category compared to "saving more". Positive coefficients indicate higher log odds of being in higher categories (for "saving less") or a higher category (for "saving the same"), while negative coefficients indicate higher log odds of being in the lower category (for "saving less") or lower categories (for "saving the same").

Table 47: **Ordered Probit**

The table presents the estimated betas (with standard errors in parentheses) for expected inflation, estimated using an ordered probit model. The dependent variable represents the probability of saving less, the same, or more overall. All control variables from the Baseline scenario were included in the regressions but are omitted from the table for improved readability.

	Saving overall
Expected inflation	0.001 (0.01)
College degree	-0.002 (0.06)
Household size	-0.004 (0.03)
Living with partner	-0.002 (0.07)
Household income	0.000 (0.00)
Age_centered	-0.011*** (0.00)
Expected economic growth	0.082*** (0.03)
Expected interest rate	-0.049 (0.04)
Net wealth	-0.027** (0.01)
/	
cut1	-2.594*** (0.19)
cut2	0.822*** (0.18)
Observations	3087

* $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$

Table 48: **Marginal Effects of Inflation Expectations for Saving Overall and by Categories: Unweighted vs. Weighted**

The table compares marginal effects of inflation expectations on saving behavior with and without BOP-HH survey weights. Marginal effects represent the change in the probability of being in each saving category (saving less, the same, or more overall and within saving categories (dependent variable)) for a one-unit change in inflation expectations (independent variable), holding all other variables at their means. Columns sum up to zero. Standard errors are shown in parentheses. "Demand Deps" refers to deposits without fixed maturity, "ShortTerm Deps" denotes deposits with maturity up to one year, "LongTerm Deps" refers to deposits with maturities greater than one year. Control variables from the baseline scenario were included in the regressions but are omitted from the table for improved readability. Columns labeled "W" denote weighted estimations.

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
	Overall	Overall	Cash	Cash	Demand	Demand	ShortTerm	ShortTerm	LongTerm	LongTerm	Bonds	Bonds	Shares	Shares	Digital	Digital
		W		W	Deps	Deps W	Deps	Deps W	Deps	Deps W		W		W		W
Saving less	-0.001*	-0.000	-0.002	-0.003*	-0.003**	-0.003*	0.000	-0.000	0.001	0.001	0.000	0.000	-0.001	-0.000	-0.006**	-0.006**
	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
Saving same	0.001	0.001	-0.000	-0.000	0.002	0.001	0.002	0.003	0.005	0.005	0.003	0.002	0.003	0.001	0.005	0.008
	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.01)
Saving more	-0.001	-0.000	0.002	0.003	0.001	0.002	-0.002	-0.003	-0.005	-0.006	-0.003	-0.002	-0.002	-0.001	0.001	-0.003
	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.01)
<i>N</i>	3087	3087	1271	1271	2045	2045	1185	1185	892	892	691	691	1255	1255	330	330

* $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$

Table 49: **Marginal Effects of High Inflation Expectations: Unweighted vs. Weighted**

The table compares marginal effects of inflation expectations on saving behavior with and without BOP-HH survey weights. Marginal effects of high inflation expectations (dummy variable) represent the change in the probability of being in each specific saving category (saving less, the same, or more overall and within saving categories (dependent variable)) when moving from low to high inflation expectations, holding all other variables at their means. Standard errors in parentheses. Columns sum up to zero. Control variables from the baseline scenario were included in the regression but dropped from the table for the sake of better readability. "Demand Deps" refers to deposits without fixed maturity, "ShortTerm Deps" denotes deposits with maturity up to one year, "LongTerm Deps" refers to deposits with maturities greater than one year. Columns labeled "W" denote weighted estimations.

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
	Overall	Overall W	Cash	Cash W	Demand Deps	Demand Deps W	ShortTerm Deps	ShortTerm Deps W	LongTerm Deps	LongTerm Deps W	Bonds	Bonds W	Shares	Shares W	Digital	Digital W
Saving less	-0.003 (0.01)	0.001 (0.01)	-0.056*** (0.02)	-0.068*** (0.02)	-0.005 (0.02)	-0.011 (0.02)	0.011 (0.01)	0.007 (0.02)	0.017 (0.02)	0.003 (0.02)	0.018 (0.01)	0.019** (0.01)	-0.016 (0.02)	0.007 (0.02)	-0.008 (0.04)	-0.017 (0.03)
Saving same	-0.001 (0.01)	-0.022 (0.02)	-0.007 (0.03)	-0.035 (0.03)	-0.020 (0.03)	-0.059 (0.04)	-0.068* (0.04)	-0.052 (0.05)	0.007 (0.04)	0.006 (0.06)	-0.012 (0.05)	-0.045 (0.06)	0.023 (0.04)	-0.070 (0.05)	0.036 (0.05)	0.033 (0.08)
Saving more	0.005 (0.01)	0.022 (0.02)	0.062*** (0.02)	0.103*** (0.03)	0.025 (0.02)	0.070** (0.03)	0.057 (0.04)	0.045 (0.05)	-0.024 (0.04)	-0.009 (0.06)	-0.007 (0.05)	0.026 (0.06)	-0.007 (0.04)	0.063 (0.05)	-0.028 (0.04)	-0.016 (0.07)
<i>N</i>	3087	3087	1271	1271	2045	2045	1185	1185	892	892	691	691	1255	1255	330	330

* $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$

Table 50: **Marginal Effects of Qualitative Inflation Expectations on Saving Behavior**

The table presents marginal effects at means from seven separate ordered logit regressions, one per saving category. The continuous point forecast of inflation expectations is replaced by three dummies derived from a qualitative measure of inflation expectations, with households expecting prices to decrease or strongly decrease serving as the reference category. Marginal effects represent the change in the probability of saving less, the same, or more in each category (dependent variable) when belonging to the respective qualitative expectation group, with all other variables held at their means. The sample is restricted to households with non-missing point forecasts ($n = 3,881$) to ensure comparability with the baseline specification. Control variables from the baseline scenario were included but are omitted for readability. Standard errors in parentheses. Columns sum to zero within each dummy. “Demand Deps” refers to deposits without fixed maturity, “ShortTerm Deps” denotes deposits with maturity up to one year, “LongTerm Deps” refers to deposits with maturities greater than one year.

		Overall	Cash	Demand Deps	ShortTerm Deps	LongTerm Deps	Bonds	Shares
Stay the same	Saving less	−0.003 (0.01)	−0.004 (0.02)	−0.002 (0.01)	−0.025* (0.01)	0.004 (0.01)	−0.000 (0.01)	−0.003 (0.02)
	Saving same	0.011 (0.01)	0.020 (0.03)	0.024 (0.03)	0.078** (0.03)	0.039 (0.04)	0.018 (0.04)	−0.031 (0.03)
	Saving more	−0.008 (0.01)	−0.016 (0.03)	−0.022 (0.03)	−0.053 (0.03)	−0.043 (0.04)	−0.018 (0.04)	0.034 (0.03)
Somewhat increase	Saving less	−0.002 (0.01)	0.003 (0.02)	−0.007 (0.01)	0.004 (0.01)	0.017 (0.01)	0.005 (0.01)	−0.003 (0.02)
	Saving same	−0.001 (0.01)	−0.019 (0.03)	0.011 (0.03)	0.007 (0.03)	0.009 (0.04)	−0.031 (0.04)	−0.007 (0.04)
	Saving more	0.003 (0.01)	0.016 (0.03)	−0.004 (0.03)	−0.012 (0.03)	−0.026 (0.04)	0.027 (0.04)	0.010 (0.04)
Strongly increase	Saving less	−0.011 (0.01)	−0.056* (0.03)	−0.006 (0.02)	0.004 (0.02)	0.012 (0.02)	−0.010 (0.02)	−0.000 (0.02)
	Saving same	0.017 (0.02)	−0.008 (0.04)	0.000 (0.04)	0.002 (0.05)	0.018 (0.06)	0.007 (0.06)	−0.014 (0.05)
	Saving more	−0.006 (0.02)	0.064** (0.03)	0.005 (0.03)	−0.006 (0.05)	−0.029 (0.05)	0.003 (0.06)	0.015 (0.05)
N		3,087	1,271	2,045	1,185	892	691	1,255

* $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$

Table 51: **Selection into Category-Specific Samples**

The table presents marginal effects at means from seven separate probit regressions, one per saving category. The dependent variable is a binary indicator equal to one if a household is included in the category-specific analytical sample — defined as households that either saved in the specific category during the previous twelve months or expressed intentions to do so in the future. The key independent variable is the continuous point forecast of inflation expectations. Baseline control variables were included in all regressions but are omitted from the table for readability. The sample is restricted to households with non-missing inflation expectations (n=3091 after listwise deletion of missing controls). Marginal effects represent the change in the probability of inclusion associated with a one percentage point increase in inflation expectations, holding all other variables at their means. Standard errors in parentheses. "Demand Deps" refers to deposits without fixed maturity, "ShortTerm Deps" denotes deposits with maturity up to one year, "LongTerm Deps" refers to deposits with maturities greater than one year, "Digital" denotes digital formats.

	Cash	Demand Deps	ShortTerm Deps	LongTerm Deps	Bonds	Shares	Digital
Inflation expectations	0.000 (0.00)	-0.002 (0.00)	-0.003 (0.00)	-0.002 (0.00)	-0.001 (0.00)	-0.005*** (0.00)	-0.003*** (0.00)
N	3091	3091	3091	3091	3091	3091	3091

* $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$

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