MODULE 5

OLD-AGE PROVISION & ASSETS

WIRTSCHAFTSWISSEN
FÜR JEDERMANN LEICHT GEMACHT

SINCERE

WELCOME

Do you feel the same?

You have financial difficulties. This is about the questions of how you deal with the money you earn.

In this brochure you can inform yourself and make yourself smarter in the economic area.

> “Money is the opposite of the weather.
>
> Nobody talks about it, but everyone does something with it.”

Rebecca Johnson

TABLE OF CONTENT

THE WIWI PROJECT IS A FINANCIAL PROJECT.
IN THIS TRAINING PROGRAM YOU CAN LEARN IMPORTANT INFORMATION THAT WILL EXPAND YOUR FINANCIAL KNOWLEDGE.

01

CHARACTERS


WOW!!
WIRTSCHAFTSWISSEN
FÜR JEDERMANN
LEICHT GEMACHT
2022

MAIN CHARACTERS

In all modules we show figures. The figures are imaginary and wear clothing from the middle ages. They should help to explain, so that the topic is easier for you to understand. The figures were chosen so that you don't confuse them with real people.

The Farmer

That’s you, if you are a male.

The Midwife

That’s you, if you are a female

The Mayor

The mayor always comes to explain difficult technical things to you.

EXACTLY/ SPECIFIC

The Judge

The judge always explains something important to you with: **„IMPORTANT!“**

The Knight

The knight always explains what you have to watch out for with:

“DANGER / CAUTION”.

02

WHY OLD-AGE PROVISION?


Warum muss ich schon jetzt an meine Alters-Vorsorge oder Rente denken? Und zusätzlich ansparen.
Um ein bisschen Geld zu haben wenn wir alt sind. Wir müssen damit ganz Früh anfangen!
Ich zahle doch jeden Monat in die gesetzliche Rente ein. Das ist doch völlig ausreichend!
Leider nicht. Sonst würden man nicht von den 3 Säulen sprechen Für die Alters-Vorsorge.
Was ist das?
Wir haben eine gesetzliche Rente.
Die zahle ich jeden Monat mit meinem Gehalt.
Ja, dann die betriebliche Vorsorge oder Rente.
Das zahlt der Chef, stimmt?
Ja, und die private Vorsorge. Hier bestimmen wir, wieviel wir jeden Monat sparen. Damit wir mehr Geld haben, wenn wir alt sind. Stimmt – das höre ich auch immer. Damit müssen wir uns jetzt auch mal damit befassen – auch wenn das doch noch soooooooo lange hin ist.

WHY OLD-AGE

PROVISION ?

There are three pillars of OLD AGE PROVISION (often also referred to as pension). We present them to you in this module:

Unfortunately, the statutory pension (state provision) is not always sufficient in old age.

Life is getting more and more expensive. The statutory pension will be increased slightly, but will not be as high as your last net salary.

NOTES

03

THE LEGAL PENSION

THE LEGAL
PENSION

What are the causes of occupational disability?

The legal pension is compulsory. It's a state pension. It is administered by the state. It is for all employees.

EXACTLY/ SPECIFIC

What is the pension level?
The pension level describes the relationship between the income from employment and the later pension in retirement.
The OECD study only includes pension benefits from public and private compulsory pension systems and no personal old-age provision.

Attached is a table with the net pensions for an average earner. In module 4 we showed the average net income.

		Renten-Niveau Durchschnitts-Verdiener	Durchschnittliches Netto-Einkommen pro Monat	Durchschnittliche Renten pro Monat (nach 45 Arbeits-Jahren)
	Schweiz	44,3%	€ 5.842	€ 2.588
	Luxemburg	90,1%	€ 3.549	€ 3.197
	Deutschland	51,9%	€ 2.639	€ 1.370
	Belgien	66,2%	€ 2.508	€ 1.660
	Niederlande	80,3%	€ 3.116	€ 2.499
	Frankreich	73,6%	€ 2.214	€ 1.629
	Österreich	89,9%	€ 2.694	€ 2.422
	Italien	91,8%	€ 1.802	€ 1.654
	Spanien	83,4%	€ 1.804	€ 1.504
	Schweden	53,4%	€ 2.859	€ 1.527
	Polen	35,1%	€ 818	€ 287
	Tschechien	60,3%	€ 977	€ 589

Source: OECD


Mein Vater hat nur die Gehalts-Rente und dem reicht das Geld.
Klar - aber unsere Alters-Rente ist nicht mehr auf unser Gehalt basiert, sondern auf das Geld das wir eingezahlt haben plus ein paar anderen Faktoren. Das heißt, unsere Rente ist beitragsabhängig - also was wir eingezahlt haben an Beiträgen. Meine Rente ist nur 323,00 € im Monat und Du bekommst nur Euro 439!
Wovon sollen wir als Rentner später leben? Soviel kostet schon unsere Wohnung!
Das ist das Thema. Deshalb musst Du Dich um eine zusätzliche Rente kümmern. Es geht um die 3 Säulen der Rente!

How is the legal pension calculated?

In any case, what you get when you retire depends very much on the number of years that you have paid contributions in. Otherwise you have a coverage gap for this time. Your pension will then be much lower than in the table.

The state legal pension is:

1) based on the amount you paid
2) linked to the pension entitlement period. That means how much you paid and how long you paid.

Retirement costs money. How much everyone has to pay depends on the level of earnings. The basic rule is: small earnings, small contribution - high earnings, high contribution. Together with your employer, you always pay a share of your gross salary as a contribution to the state pension.

With your contributions, you become entitled to a state pension. You can find out how much pension you can expect from your pension notification. It will usually be sent to you once a year.

EXACTLY/ SPECIFIC

In most EU countries you must have to pay contributions for at least 5 years. You can have the paid contributions refunded if you have paid less than 5 years and have reached your retirement age. In many cases, however, it can be cheaper to make up for the missing periods with voluntary special payments and to secure a pension.

Unfortunately, the legal pension (state provision) is not always sufficient in old age. Life is getting more and more expensive. The legal pension is constantly being slightly increased, but in most countries it remains far below your last net salary.

EXACTLY/ SPECIFIC

Regardless of your pension, it is also important that you save regularly. A small fortune can also be the starting point for buying a property. Or that serves as a risk buffer if something happens to you. And if you just save it, that's good for your life in retirement too. As a pensioner, you also need money – sometimes even more, for example if you become chronically ill.

What you get as a pension depends very much on the number of years you have paid into it.

Pensions will come under pressure in the next few years as baby boomers retire. Baby boomers are people who were born in the cohorts with a lot of children. These are the vintages 1955-1969. The EU countries want to alleviate the problem by working longer.

In the future, however, pension payments could increase despite working longer - with a further increase in life expectancy. Women who have children are disadvantaged. A reduction to 50% working hours, unemployment or short-time work have an impact on your future statutory pension. Your pension is lower if you don't make any contributions. Therefore: No matter in which country you work, it is important to have additional personal old-age provision.

IMPORTANT

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04

THE COMPANY PENSION PLANS

THE COMPANY PENSION PLANS

What does operational mean?

The company old-age pension (provision) is an additional pension in addition to the statutory pension. As an employee, you can top up your future pension with a company pension plan. This is also known as a company pension or pension fund.

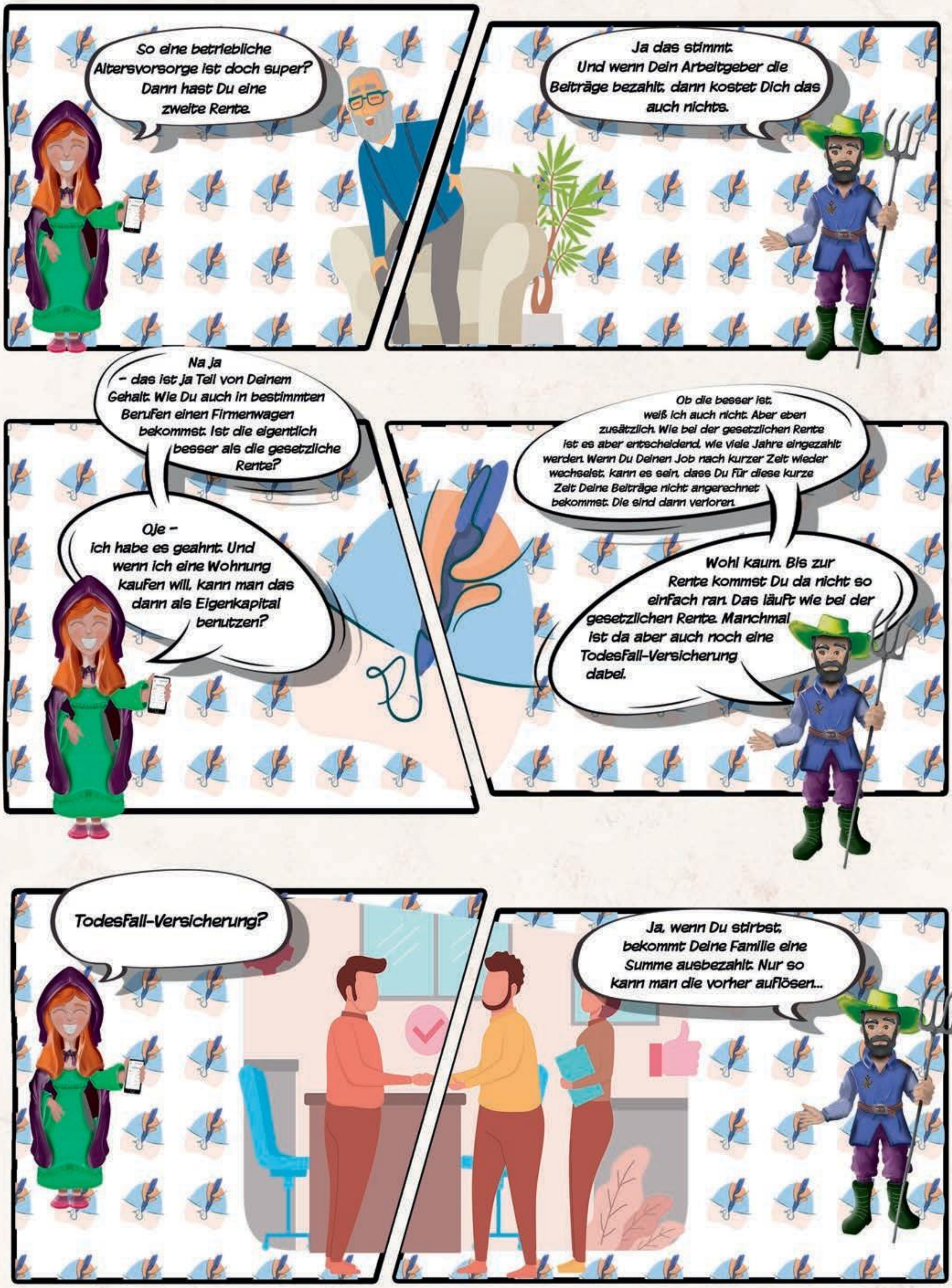
Your employer – i.e. your boss – pays the contributions as part of your salary. You don't get paid for it. But later in old age you will get paid for it. Either in one sum or as an additional monthly pension.

The company pension is administered either by your employer or by a private insurance company. With company pension schemes, your employer can take out insurance to manage the funds.

There are very strict legal regulations in all countries. And employers must comply with them.

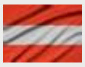
In the case of company pension schemes, your employer usually has a contract with an insurance company. But even he cannot choose freely. As you have learned, interest rates for life insurance are practically 0%. There are very strict legal regulations in all countries. And employers must comply with them.
Since your employer pays you either all or part of your installment every month, that's good. On the other hand, company pension schemes are extremely complex. Unfortunately, there are so many different models.

IMPORTANT


So eine betriebliche Altersvorsorge ist doch super? Dann hast Du eine zweite Rente.
Ja das stimmt. Und wenn Dein Arbeitgeber die Beiträge bezahlt, dann kostet Dich das auch nichts.
Na ja – das ist ja Teil von Deinem Gehalt. Wie Du auch in bestimmten Berufen einen Firmenwagen bekommst. Ist die eigentlich besser als die gesetzliche Rente?
Ob die besser ist, weiß ich auch nicht. Aber eben zusätzlich. Wie bei der gesetzlichen Rente ist es aber entscheidend, wie viele Jahre eingezahlt werden. Wenn Du Deinen Job nach kurzer Zeit wieder wechselst, kann es sein, dass Du für diese kurze Zeit Deine Beiträge nicht angerechnet bekommst. Die sind dann verloren.
Oje – ich habe es geahnt. Und wenn ich eine Wohnung kaufen will, kann man das dann als Eigenkapital benutzen?
Wohl kaum. Bis zur Rente kommst Du da nicht so einfach ran. Das läuft wie bei der gesetzlichen Rente. Manchmal ist da aber auch noch eine Todesfall-Versicherung dabei.
Todesfall-Versicherung?
Ja, wenn Du stirbst, bekommt Deine Familie eine Summe ausbezahlt. Nur so kann man die vorher auflösen...

By the way: As a self-employed person - especially as a solo self-employed person - you have no company pension scheme. However, if your company is larger and has a few employees, you can also introduce a company pension scheme for you and your employees.

There are also differences from country to country in Europe. Here is a brief overview:

	Country	What's the name?	Who pays the installments?
	Liechtenstein	Pension fund	Employers and employees
	Switzerland	Pension fund	Employers and employees
	Austria	Employer-funded pension	Employer
	Germany	Employer-funded pension	Employers and employees
	Italy	Trattamento di Fine Rapporto (Severance Pay)	
	Belgium	Group insurance	Employer

ATTENTION !
What do I need to pay attention for?

Basically, the following applies: If your employer pays the installments for the company pension scheme, that's always a good thing. Then this old-age pension is also part of your salary.

EXACTLY/ SPECIFIC

Tax advantage or pension disadvantage?
If you pay part of the installments voluntarily, you have to calculate exactly. It is always argued with the tax advantage. This means that you save taxes on your voluntary contributions to the company pension scheme because this is transferred directly "from the gross". Then you tax less gross and pay less tax.
But this also means that you pay less into the state pension scheme, because that depends on your gross income. This is now lower if you pay voluntary contributions.

In addition, when you retire, you will have to pay tax on these pension payments again. It's all very complex. That's why you should seek advice on voluntary contributions to company pension schemes. But not from the insurance agent, but rather from consumer protection.

Company pension schemes are very complex. There are so many variants. Even if this exists for all employees in countries like Switzerland and Liechtenstein, there are also differences in the contracts from employer to employer.

In principle, a company pension scheme is always great if your employer pays all or part of the contributions. This is also part of your salary. However, this will only be paid out when you retire. You have to open that
definitely take it with you. The rule is: the more your employer pays, the better. The less he pays, the worse.

Unfortunately, company pension schemes are not flexible. There are high-yield, but also low-yield company pension schemes. That depends on what the employer has chosen. You have no influence on this and most of the time this is invested in life insurance.

The company pension scheme in no way replaces your private pension scheme. You cannot dissolve or "tap" them if you want to use the money for a property, for example.

IMPORTANT

NOTES

05

THE PERSONAL OLD-AGE PROVISION

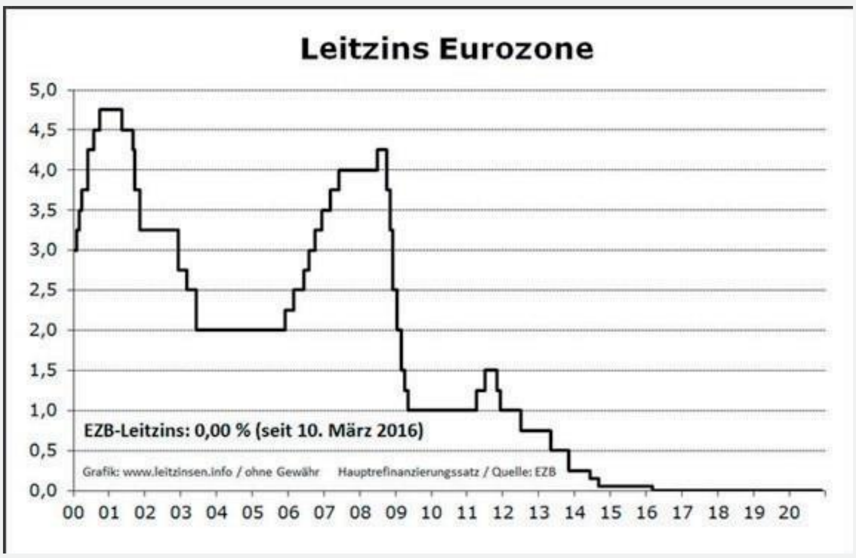
THE PERSONAL OLD-AGE PROVISION

Personal old-age provision is the third pillar. This is absolutely important, but you have to take care of it completely on your own. You can choose the best product for this. We are now introducing these products.

What does a savings account do?

The savings account is the classic way of saving. Even though there hasn't been any interest for years, most people still love their savings account. Why? People want security - not risk.

Since 2016 there has been practically no interest. The interest rate for your savings account is based on the key interest rate of the European Central Bank [ECB]. And it has been at 0.0% since 2016. For bank deposits, the interest rate is even negative.



If you're lucky, you'll find a bank that will pay you 0.1% interest per year on your savings account. But that is only on revocation or for a short time. If you have saved a lot of money, then you even have to pay penalty interest.

EXACTLY/ SPECIFIC

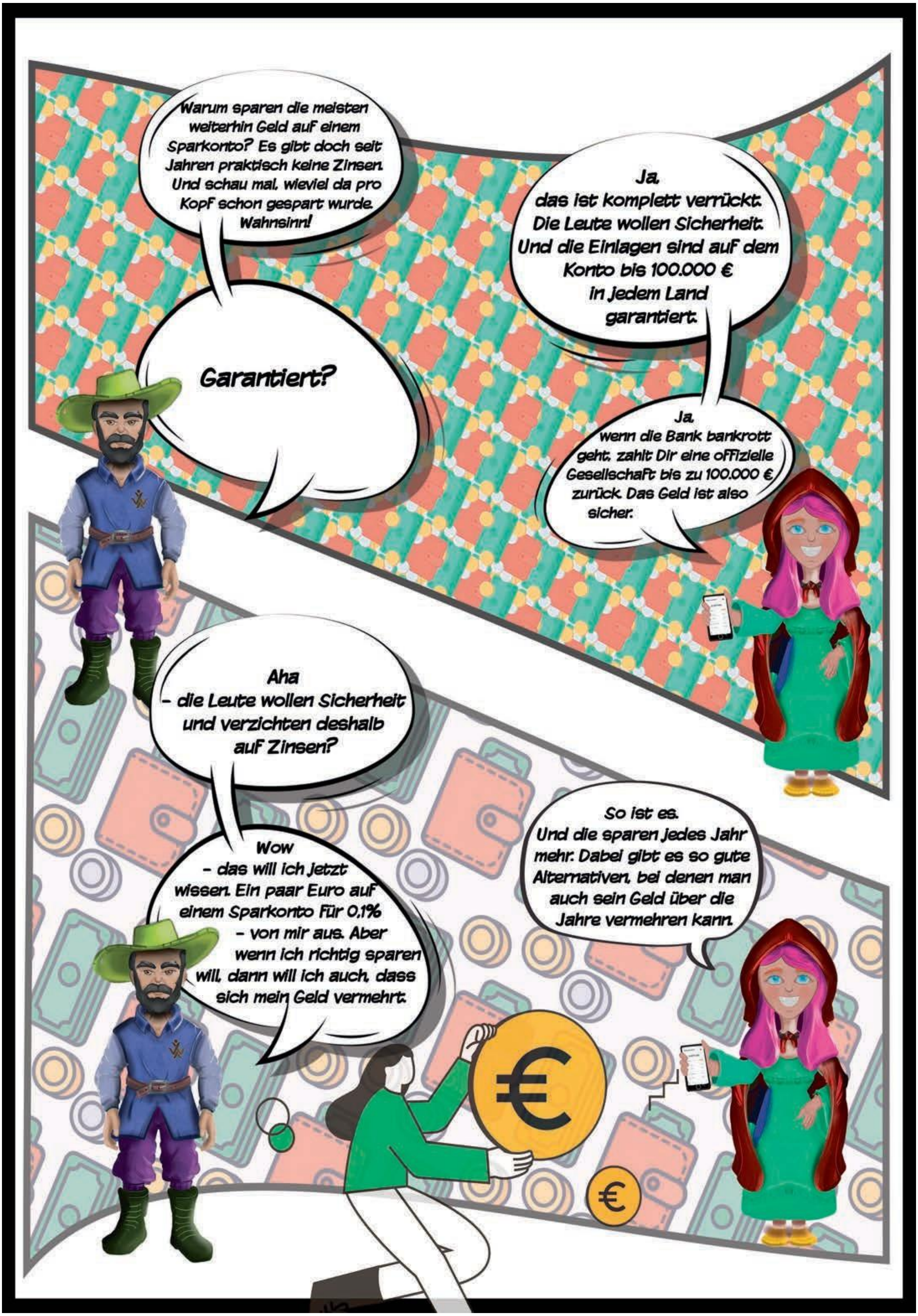
Are savings deposits safe?
Most savers with a savings account want security.
And there are savings accounts:
Bank customers in a European country or
Switzerland have an EU deposit guarantee. the
Savings deposits are protected up to €100,000 per
bank and customer. For this were taken by the
banks
so-called security funds set up in the federal
states. They guarantee this sum of €100,000.00
for each saver for their deposits.

So even though there is no interest, most savers continue to put their money in their savings account. Here are a few figures showing how much wealth everyone has privately saved on average:

	Country	Financial assets of personal households	Resident	Wealth saved per inhabitant
	Liechtenstein	6 Billion Swiss francs	39.000	154.000,00 Swiss francs
	Switzerland	1.248 Billion Swiss francs	8,8 Billion	141.818,00 Swiss francs
	Germany	6.738 Billion €	82,7 Billion	81.475,00 €
	Austria	556 Billion €	8,9 Billion	62.472,00 €
	Italy		60,5 Billion	
	Belgium	588 Billion €	11,5 Billion	51.130,00 €

All dates from 2020 - 2021

Sources: Germany - Statistica 2021 / Belgium: Grenzecho 2021 / Austria: Austrian National Bank (OeNB) / Italy: / Switzerland: Federal Statistical Office (BfS) - money, banks, insurance companies


Warum sparen die meisten weiterhin Geld auf einem Sparkonto? Es gibt doch seit Jahren praktisch keine Zinsen. Und schau mal, wieviel da pro Kopf schon gespart wurde. Wahnsinn!
Ja, das ist komplett verrückt. Die Leute wollen Sicherheit. Und die Einlagen sind auf dem Konto bis 100.000 € in jedem Land garantiert.
Garantiert?
Ja, wenn die Bank bankrott geht, zahlt Dir eine offizielle Gesellschaft bis zu 100.000 € zurück. Das Geld ist also sicher.
Aha – die Leute wollen Sicherheit und verzichten deshalb auf Zinsen?
So ist es. Und die sparen jedes Jahr mehr. Dabei gibt es so gute Alternativen, bei denen man auch sein Geld über die Jahre vermehren kann.
Wow – das will ich jetzt wissen. Ein paar Euro auf einem Sparkonto für 0,1% – von mir aus. Aber wenn ich richtig sparen will, dann will ich auch, dass sich mein Geld vermehrt.

Will interest rates rise?

Savings interest is a percentage that you get per year for having your money in the savings account.
Savings interest has been around 0% for years. Some hope that interest rates will rise again. Will this happen soon?
The European Central Bank [ECB] decides on the key interest rate in the EURO countries. Due to the Corona crisis, all countries have become heavily indebted. A lot of short-time work benefits and compensation had to be paid to companies. Many countries were already heavily indebted anyway.
In addition, the European Union and the ECB are "pumping" more and more money into the market. So don't get your hopes up for rapidly rising interest rates on savings. These will probably remain at 0% for the next 10 years.

IMPORTANT


Also die Zinsen bleiben bei 0%. Sparkonto ade. Was sind die Alternativen?
Stimmt, dann profitieren wir auch einmal von den niedrigen Zinsen.
Na ja – wie schon in den anderen Modulen erklärt, kann man sich doch bei den niedrigen Zinsen jetzt eine Immobilie kaufen.
Oder eine Alternative zum Zins, der ja 0% ist. Aktien kaufen!? Was ist eigentlich genau eine Aktie?
Also eine Aktie ist doch ein Anteil an einem Unter-nehmen. Hast Du eine Aktie, gehört Dir ein kleiner Teil vom Unternehmen.
Was Aktien, Börse! Ich will doch nicht spekulieren!
Stopp – nicht so schnell. Es geht nicht um Spekulieren, sondern um Investieren. Aber ich weiß, das ist alles nicht unsere Welt. Wir sollten uns das trotzdem mal näher anschauen. Vielleicht ist das nicht so komplex.

What is fund saving?

Investing is long-term! Speculating is short term!

Unfortunately, many people immediately think of speculating when they think of stocks. As the name Fonds-Sparen says, it is about saving. And saving in stocks is actually investing and not speculating!

We're just looking at investing now.

By the way: We show how stocks work in the intensive course on stocks and funds.

IMPORTANT

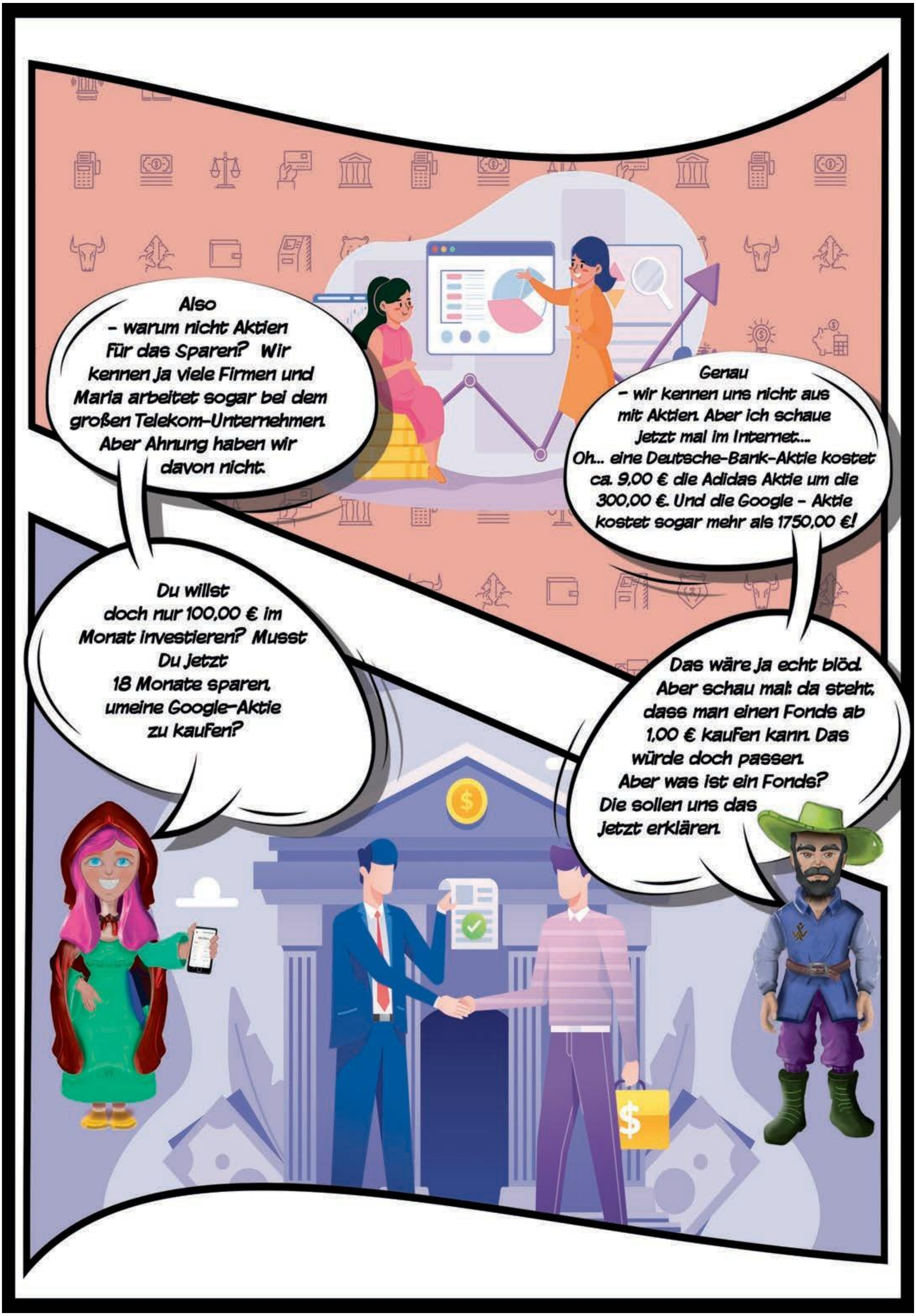
What are stocks and an ETF?

Maybe you've gotten the urge to invest money in stocks. Let's say €100.00 a month. But you don't know which shares and it's actually too risky for you. You've never dealt with stocks before.
So you want to save exactly €100.00 each month in stocks. You don't just want stocks from one company, but from many companies: You have to diversify!

You can't invest exactly €100.00 a month in stocks because that doesn't exactly match the prices (courses) of the stocks.

But that's exactly what funds were designed for. With fund saving, the money is not invested in a savings account but in share funds. Funds are "baskets" of stocks. There are two different types of funds:

- The active funds – managed by real portfolio managers.
- The passive funds – which perform automatic buying and selling of the stocks as in the index. These are called Exchange Traded Funds (ETF). These are equity funds that are traded on the stock exchange and can therefore be bought and sold every day. The basis is always a share index.



Also - warum nicht Aktien Für das Sparen? Wir kennen ja viele Firmen und Maria arbeitet sogar bei dem großen Telekom-Unternehmen. Aber Ahnung haben wir davon nicht.
Genau - wir kennen uns nicht aus mit Aktien. Aber ich schaue jetzt mal im Internet... Oh... eine Deutsche-Bank-Aktie kostet ca. 9,00 € die Adidas Aktie um die 300,00 €. Und die Google - Aktie kostet sogar mehr als 1750,00 €!
Du willst doch nur 100,00 € im Monat investieren? Musst Du jetzt 18 Monate sparen, umeine Google-Aktie zu kaufen?
Das wäre ja echt blöd. Aber schau mal: da steht, dass man einen Fonds ab 1,00 € kaufen kann. Das würde doch passen. Aber was ist ein Fonds? Die sollen uns das jetzt erklären.

EXACTLY/ SPECIFIC

What is a stock index:
An index is actually a register – that also applies to books. You can search for terms and words there.
A stock index is a basket of stocks. This covers either an entire market or part of it. The Index tracks the performance of this market. It serves investors or fund managers as a benchmark for comparison with other indices – that is, with other markets.
The share indices are calculated either by the stock exchange or by special index providers. The calculation is therefore objective and is not carried out by the banks or fund companies.

IMPORTANT

But why can you buy a fund share for €1.00? Because this is a fund. Money is collected from many savers and investors. Many millions to billions of euros come together. And the fund - either the fund manager for active funds or the program for ETFs - then buys shares. With the large sums, the fund never has problems with the share prices. They always buy and sell very large quantities.

How does fund saving pay off?

Fund saving means that you save the same amount every month - e.g. €100.00 – invest in funds. Always the same amount every month. In return you get shares in the fund. In the custody account you can therefore also see the shares that you have bought, e.g. 45 shares in January. With a fund or ETF savings plan, your entire sum is always invested. If the price for the fund or ETF share does not match exactly, only fractional shares of a share are bought. But everything is invested:

Example:
Your money - here the €100.00 - is always fully invested in fund savings every month in the middle of the month.

January:
Share price ETF €18.21 on January 15 Buy
shares this month: 5.49 shares

February:
Share price ETF €17.00 on February 15
Buy shares this month: 5.88 shares

March:
Price share ETF €19.00 on March 15th
Purchase shares this month: 5.26 shares

April:
Share price ETF €21.00 on April 15th
But you really need the money now.
Fund value: 5.49+5.88+5.26= 16.63 x €21.00 = €349.23
You get €349.23. That's also good, because you only paid in €300.00.
However, if the ETF share price in April is only €17.00 (5.49+5.88+5.26= 16.63 x €17.00 = €282.71)
you only get €315.97 although you have paid in €300.00.

IMPORTANT

Stock market prices go up and down. In the long term, it shows that prices are going up. A fund savings plan is therefore also an investment in your retirement provision. And investing is always long-term. That's why you should only save in a fund savings plan if you won't need the money for at least the next 6-7 years.

Dividends when saving funds?

If you invest in an active fund with stocks or in an ETF, many companies also pay dividends. Dividends are the income that the company generates. As a shareholder, you get this credited to your account. What happens to the dividends if I buy a fund or ETF?

There are two options here: And you can choose:

The fund or ETF reinvests the dividends over and over again. The price rises because the fund or ETF has now received the dividends from all stocks and immediately reinvests them in stocks. The price of your shares then even increases independently of the prices of the shares.

This is called accumulating in a fund or ETF. If you want the dividends to be reinvested straight away, you have to choose "accumulating" funds or ETFs for your savings plan.

Then there are funds or ETFs that pay out dividends. Since the fund or ETF holds a large number of stocks and the dividend dates are different for each stock, the dividends are collected and paid out twice a year or every quarter. You will then receive the dividends of all shares credited to your account several times a year.

That's called pouring out. If you want to regularly have these dividends in your account, you have to choose "distributing" funds or ETFs for your savings plan.

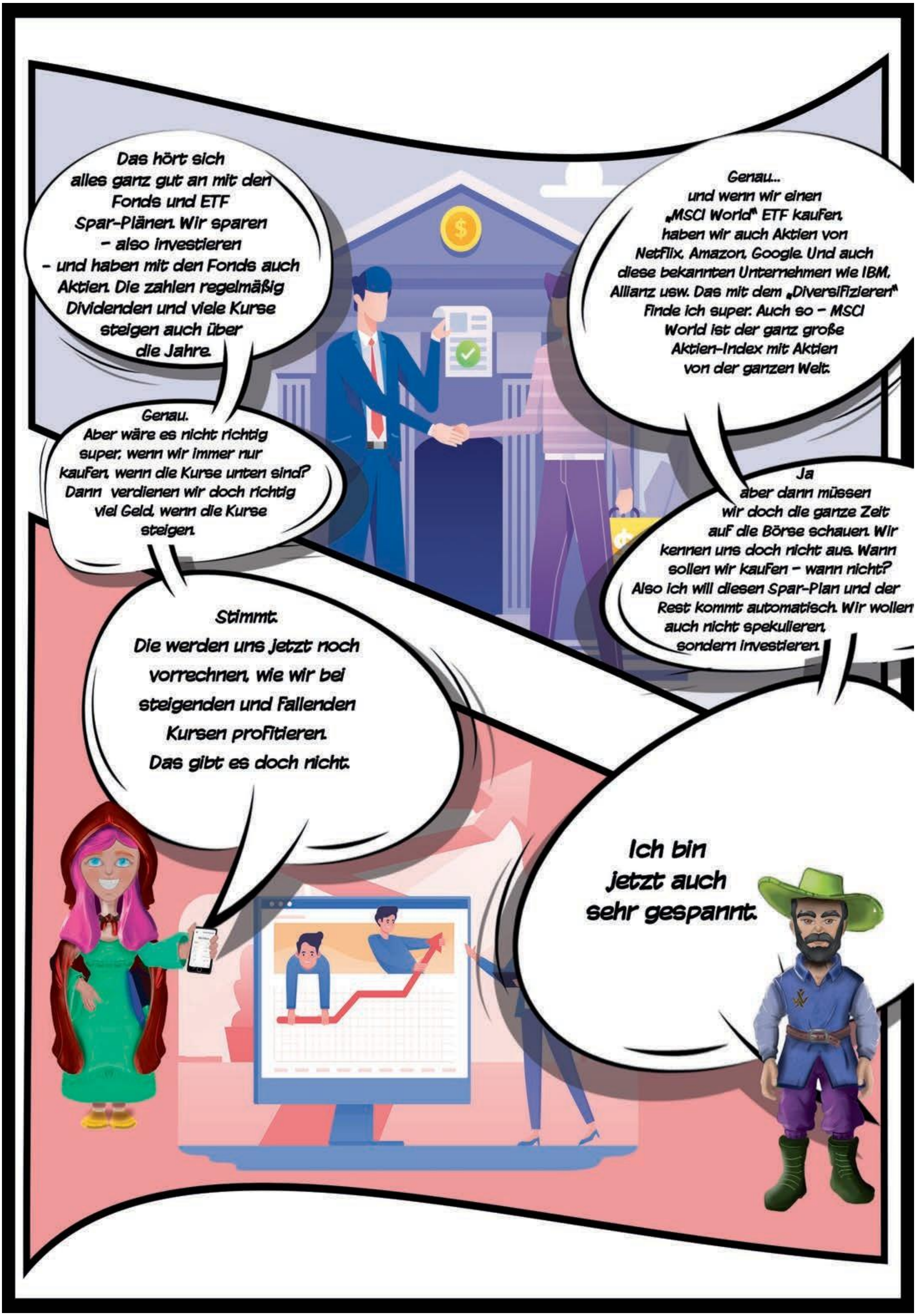
With a fund or ETF savings plan, your entire savings amount is always invested every month. When the prices per share are not exactly right, fractional shares are bought.

When you do the savings plan, you have to select funds or ETFs. So in which markets or industries you want to invest. With active funds, you also determine the proportion of shares and bonds. That depends on your risk tolerance. It is always queried.

With an ETF savings plan, many today choose the "easiest way to diversify": ETF on MSCI World with the 1600 largest companies worldwide. We explain this in detail in the intensive course.

Finally, you still have to decide whether you want to have the dividends paid out or automatically reinvested. If you still have a long way to go until you retire, you want to use it to build up your retirement provision and you don't actually need the dividends, you should choose accumulating funds or ETFs.

IMPORTANT


Das hört sich alles ganz gut an mit den Fonds und ETF Spar-Plänen. Wir sparen - also investieren - und haben mit den Fonds auch Aktien. Die zahlen regelmäßig Dividenden und viele Kurse steigen auch über die Jahre.
Genau... und wenn wir einen „MSCI World" ETF kaufen, haben wir auch Aktien von Netflix, Amazon, Google. Und auch diese bekannten Unternehmen wie IBM, Allianz usw. Das mit dem „Diversifizieren" finde ich super. Auch so - MSCI World ist der ganz große Aktien-Index mit Aktien von der ganzen Welt.
Genau. Aber wäre es nicht richtig super, wenn wir immer nur kaufen, wenn die Kurse unten sind? Dann verdienen wir doch richtig viel Geld, wenn die Kurse steigen.
Ja aber dann müssen wir doch die ganze Zeit auf die Börse schauen. Wir kennen uns doch nicht aus. Wann sollen wir kaufen - wann nicht? Also ich will diesen Spar-Plan und der Rest kommt automatisch. Wir wollen auch nicht spekulieren, sondern investieren.
Stimmt. Die werden uns jetzt noch vorrechnen, wie wir bei steigenden und fallenden Kursen profitieren. Das gibt es doch nicht.
Ich bin jetzt auch sehr gespannt.

As you can see from price charts, the stock market goes up and down. The good news is that over a long period of time - say 20 years

– the courses have always increased. Even the major stock market crashes, such as in the corona crisis during the first lockdown in March 2020, were quickly caught up by the major indices. The prices of the ETFs are the same as those of the indices, because the ETF reflects the index.

Some stocks even went through the roof like Amazon, others didn't. But we don't want to speculate, we want to invest and diversify with the fund!

Dividends when saving funds?

There is still very good news for the savings plan! This is not a current news that will no longer apply tomorrow, but is pure mathematics. And this always applies:

If you regularly invest in shares with a savings plan, you benefit from rising and falling prices!

Here's the proof:

You invest €100.00 every month with a savings plan in funds or ETFs. The courses over 4 months are as follows:

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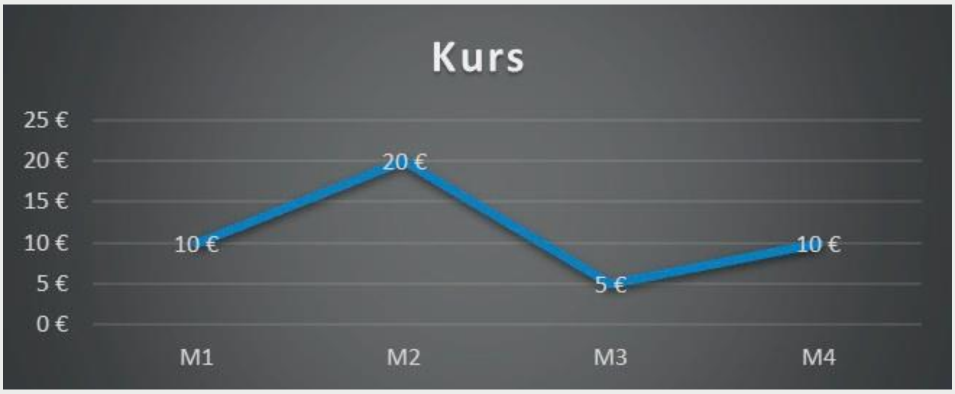
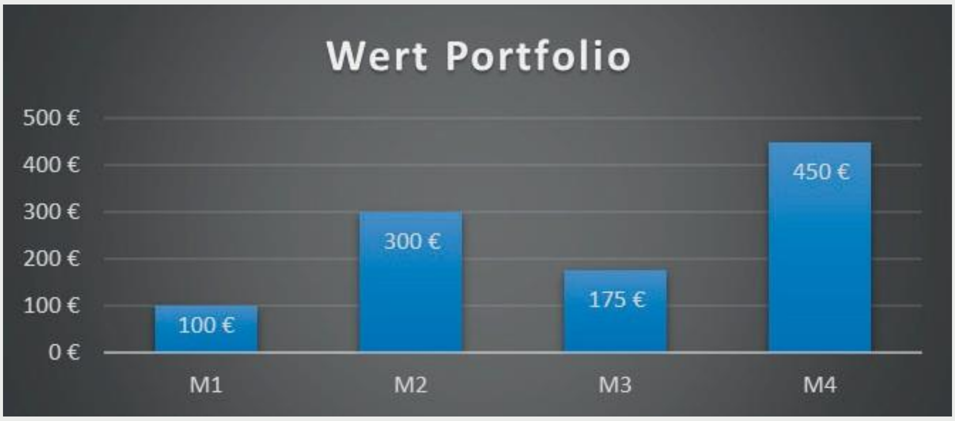


Month 1: Course €10.00 -> for €100.00 you automatically buy 10 shares
Month 2: Course €20.00 -> for €100.00 you automatically buy 5 shares
Month 3: Course €5.00 -> for €100.00 you automatically buy 20 shares
Month 4: Course €10.00 -> for €100.00 you automatically buy 10 shares

What does your savings plan look like after 4 months?

Your investment after 4 months:	400,00 €
Your number of shares purchased:	45
Your average price per share:	8,89 € [400/45]
Your value savings plan in month 4:	450 € [45* €10]
Your return after 4 months	12,5% [50/400]

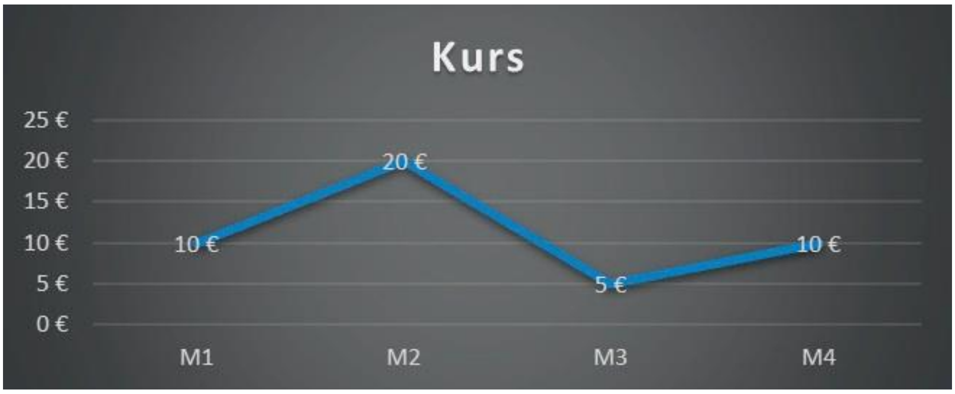


The value of your deposit – i.e. your savings plan – fluctuated wildly back and forth – but in the end you made a lot of money.


Was?
Ich werde verrückt?
12,5% Rendite obwohl die Kurse hoch und runter gegangen sind?
Und am Ende ist es doch der gleiche Kurs wie am Anfang!?
Ich verstehe nur Bahnhof.
Das ist eben Mathematik.
Weil Du immer den gleichen Betrag von € 100,00 € pro Monat investierst, ist Folgendes passiert: Als der Kurs ganz unten war – also bei 5,00 € hast Du 20 Anteile bekommen, weil Du trotzdem 100,00 € investiert hast. Als die Anteile ganz teuer bei 20,00 € waren, kaufst Du mit den 100,00 € nur 5 Anteile.
Ach so – verstehe: Ich profitiere von niedrigen Kursen, weil ich für das gleiche Geld mehr bekomme. Und ich kaufe weniger, wenn die Kurse oben sind. Am Ende schaue ich, was ich an Anteilen insgesamt gekauft habe und freue mich über diesen Effekt
Super – das ist eben der Vorteil, wenn Du immer regelmäßig investiert.

Now let's do the counter calculation:

You always invest in 10 shares of the fund or ETF each month. The courses over 4 months are as follows:



Month 1: course 10 € -> You buy 10 shares for €100.00

Month 2: Course €20 -> You buy 10 shares for €200.00

Month 3: course €5 -> You buy 10 shares for €50.00

Month 4: Course €10 -> You buy 10 shares for €100.00

What does it look like after 4 months:

Your investment after 4 months:	450,00 €
Your number of shares purchased:	40
Your average price per share:	11,25 € [450/40]
Your value deposit in month 4:	400 € [40* €10]
Your return after 4 months:	-11,11% [-50/450]

EXACTLY/ SPECIFIC

What is the effect of average prices?

What you saw in the example is the effect of average cost. In English: Cost-Average-Effect. Average cost effect - is an effect that occurs when regularly saving the same amount as in a savings plan in investments with fluctuating prices. After that, you automatically buy more securities in low-price phases (bear) than in high-price times (boom). As a result, there is always a disproportionately large number of “cheaply” purchased shares in the portfolio. Your average price per share decreases. You don't have to worry about the "right" time (timing) to buy. Timing becomes irrelevant.
You benefit from rising and falling prices! This is also an important argument for a fund savings plan with shares.

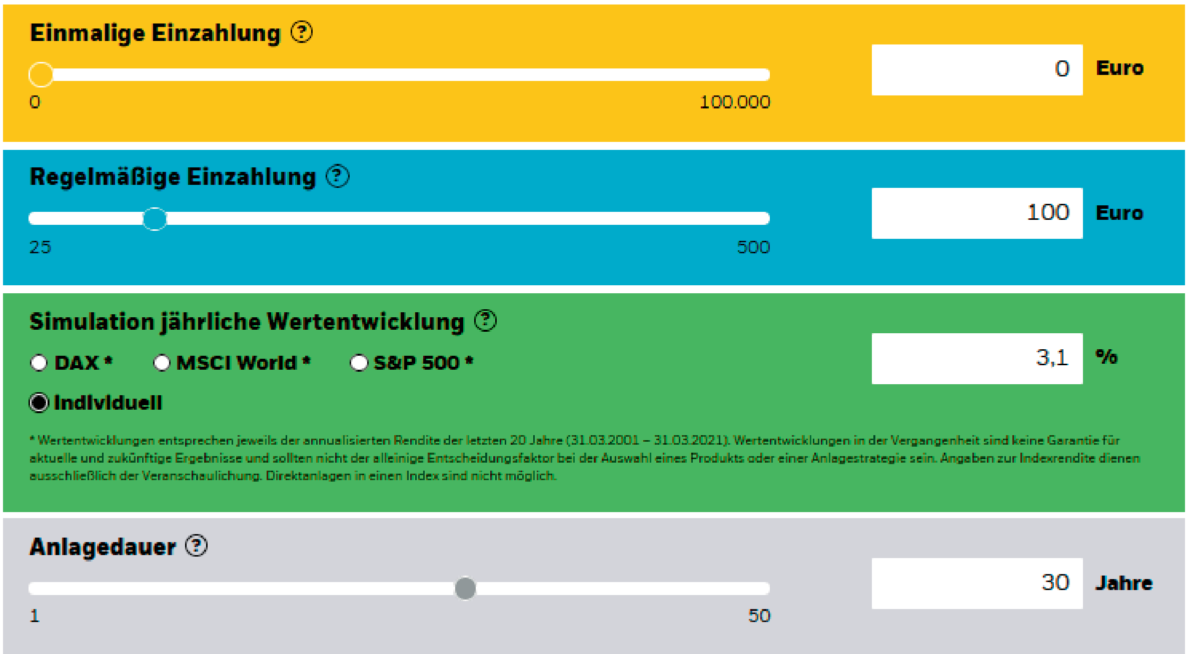

„Was? Ich werde verrückt -11,11% negative Rendite? 450,00 € ausgegeben und das Depot ist nur 400,00 € wert. Nur weil ich immer 10 Anteile gekauft habe?
Das ist eben Mathematik. Entscheidend ist nicht, wer gekauft hat. Entscheidend ist, dass Du immer die gleiche Anzahl Anteile jeden Monat gekauft hast. Da ist Folgendes passiert: Als der Kurs ganz unten war – also bei 5,00 € hast Du nur 10 Anteile gekauft – also auch nur 50,00 € anstatt 100,00 € investiert. Als die Anteile ganz teuer bei 20,00 € waren, kaufst Du trotzdem 10 Anteile und hast 200,00 € investiert
Ach so – verstehe: ich habe nicht von den niedrigen Kursen profitiert und nur wieder 10 Anteile gekauft. Als der Kurs ganz oben war, habe ich trotzdem wieder 10 Anteile gekauft.
Ich liebe Mathematik! Damit haben wir jetzt noch einen weiteren Grund für einen Sparplan mit Aktien. Wir „besiegen" die Börse!

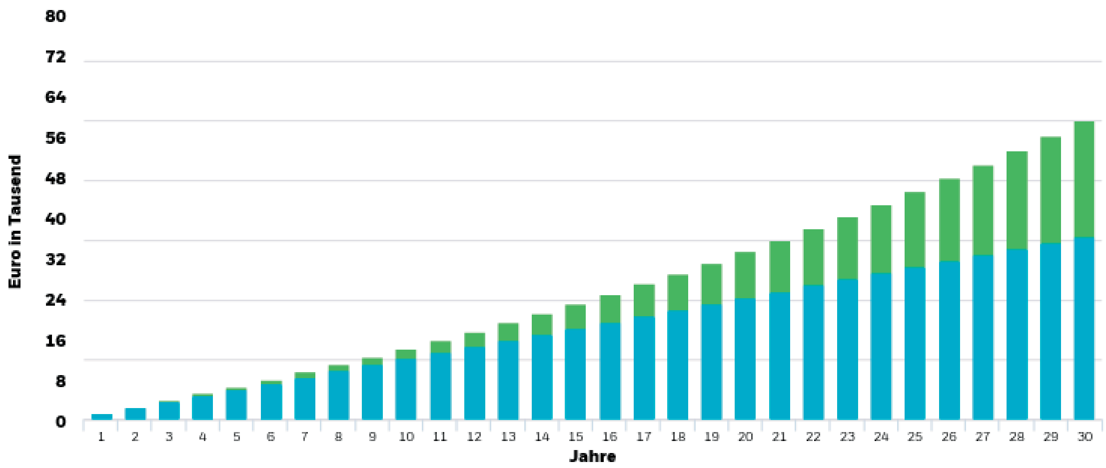
A fortune with monthly savings?

Now you are probably still interested in how you can build up a small fortune for your retirement provision. So that you can make Pillar 3 of old-age provision really big. You can find many such calculators on the internet. We continue with our example:

- You make a savings plan with €100.00 per month
- The savings plan invests in the ETF MSCI World
- The ETF is accumulating
- You plan for 30 years

Here the result:





Einmalige Einzahlung:	0,00	**Euro**
Summe monatliche Einzahlungen:	36.000,00	**Euro**
Summe Rendite:	22.844,29	**Euro**

Gesamtsparleistung: 58.844,29 **Euro**

Source: https://www.ishares.com/de/privatanleger/de/anlegen/sparen-mit-etfs/etf-sparplanrechner

You have invested €36,000.00 in the savings plan over the 30 years [30*12*€100]. After 25 years you have a profit of €22,844.29.
That makes a return of 63.46% in 30 years [58,844.29/36,000 -1]

That only makes an average return of 2.11% per year? It says that the MSCI World alone is up 3.1% per year. No! You can't calculate it like that. You save over the years. Unfortunately, the "mathematics" does not work with a calculation of the return per year.

A fortune with monthly savings installments and a one-off payment?

So now an example separately with savings plan and one-time investment:

Einmalige Einzahlung

0 — 100.000

10.000 **Euro**

Regelmäßige Einzahlung

25 — 500

100 **Euro**

Simulation jährliche Wertentwicklung

○ **DAX *** ○ **MSCI World *** ○ **S&P 500 ***

● **Individuell**

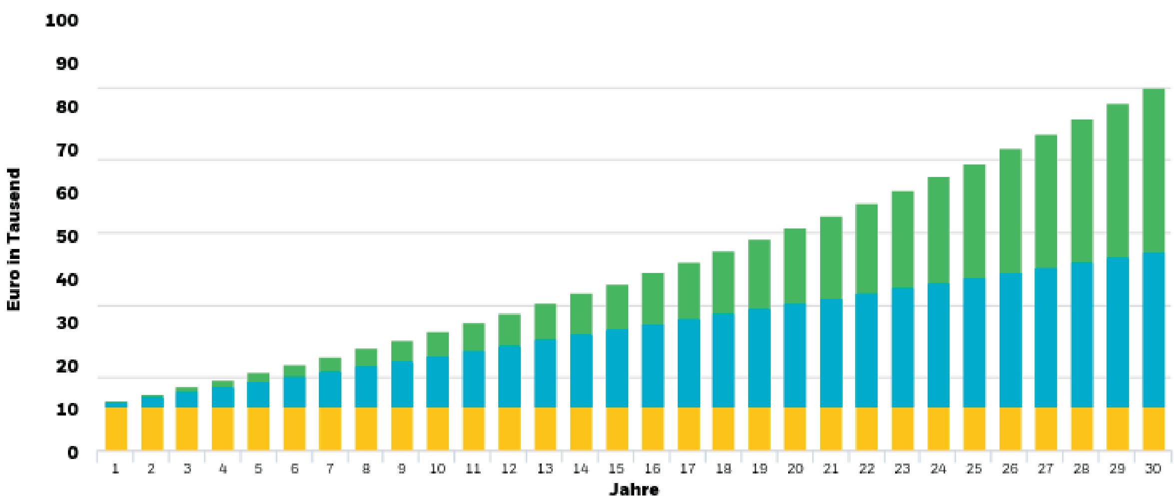
3,1 **%**

* Wertentwicklungen entsprechen jeweils der annualisierten Rendite der letzten 20 Jahre (31.03.2001 – 31.03.2021). Wertentwicklungen in der Vergangenheit sind keine Garantie für aktuelle und zukünftige Ergebnisse und sollten nicht der alleinige Entscheidungsfaktor bei der Auswahl eines Produkts oder einer Anlagestrategie sein. Angaben zur Indexrendite dienen ausschließlich der Veranschaulichung. Direktanlagen in einen Index sind nicht möglich.

Anlagedauer

1 — 50

30 **Jahre**



Einmalige Einzahlung:	10.000,00	**Euro**
Summe monatliche Einzahlungen:	36.000,00	**Euro**
Summe Rendite:	37.833,93	**Euro**

Gesamtsparleistung: 83.833,93 **Euro**

Now it gets complicated, so now step by step:

1. You have invested €36,000.00 in the savings plan over the 30 years [30*12*€100].
2. At the beginning you paid in €10,000.00 directly from an inheritance.
3. After 30 years, you have a total profit of €37,833.93.
4. Of that – just like above – €22,844.29 profit on your monthly savings installments of €100.00. Nothing changed about that.
5. And the rest – i.e. €14,989.64 – is your return on your one-time deposit of €10,000.00. That is 149.90% on the €10,000.00.
6. That makes a total return on the savings plan of 82.25% over 30 years [83,833.93/46,000 -1].

And one more explanation:

You can see the return with the effect of accumulation – all dividends are automatically reinvested – on the €10,000.00. That's a 149.90% return in 30 years!

So you have more than doubled your deposit of €10,000.00 in 30 years. That now makes a return of 4.99% [149.90%/30] per year for this deposit.


Zahlen, Zahlen, Zahlen. Ist das anstrengend. Aber es geht ja um unser Geld. Und wir werden dann am Ende auch viel Geld haben, das uns im Alter zur Verfügung steht
Ja, das sagen die auch immer. Altersvorsorge muss man früh anfangen. Und das Vermögen baut sich langsam auf.
Ich habe aber nicht verstanden, warum die Rendite auf diese 10.000 €, die am Anfang einbezahlt wurden, nach 30 Jahren 4,99% ist? In der Berechnung steht doch für den MSCI World eine jährliche Rendite von nur 3,1%?
Das ist eben dieser Effekt der Thesaurierung. Da sind nämlich die Dividenden immer wieder neu investiert worden. Also zusätzlich zu unseren 100,00 € jeden Monat kommen dann noch die Dividenden von allen Aktien in dem ETF dazu.
Wow. Also dann investieren wir neben unseren 100,00 € jeden Monat auch noch das Geld, das uns diese Aktien-Unternehmen an Gewinn auszahlen.
So ist es. Und die Mathematik zeigt uns, dass nach vielen Jahren das sich immer weiter vermehrt.

Here is another example: you and your wife put €200.00 into a mutual fund/ETF savings plan every month and start with €10,000.00. After 30 years you have a small fortune of €142,678.

Einmalige Einzahlung ⓘ

0 — 100.000

10.000 **Euro**

Regelmäßige Einzahlung ⓘ

25 — 500

200 **Euro**

Simulation jährliche Wertentwicklung ⓘ

○ **DAX *** ○ **MSCI World *** ○ **S&P 500 ***

● **Individuell**

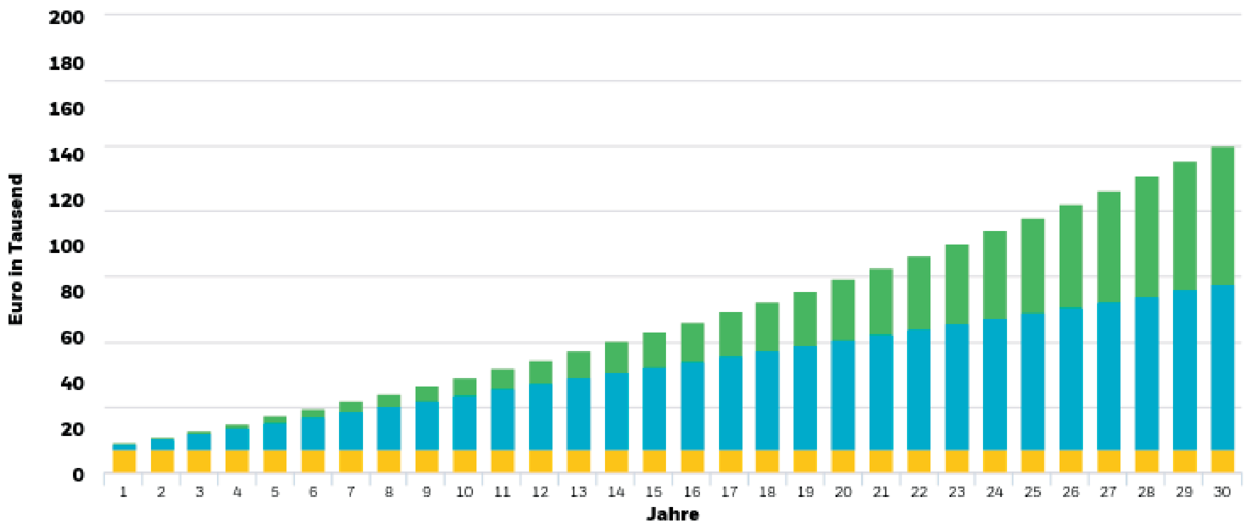
3,1 **%**

* Wertentwicklungen entsprechen jeweils der annualisierten Rendite der letzten 20 Jahre (31.03.2001 – 31.03.2021). Wertentwicklungen in der Vergangenheit sind keine Garantie für aktuelle und zukünftige Ergebnisse und sollten nicht der alleinige Entscheidungsfaktor bei der Auswahl eines Produkts oder einer Anlagestrategie sein. Angaben zur Indexrendite dienen ausschließlich der Veranschaulichung. Direktanlagen in einen Index sind nicht möglich.

Anlagedauer ⓘ

1 — 50

30 **Jahre**



Einmalige Einzahlung:	10.000,00	**Euro**
Summe monatliche Einzahlungen:	72.000,00	**Euro**
Summe Rendite:	60.678,22	**Euro**

Gesamtsparleistung: 142.678,22 **Euro**

In these examples you can see the positive effect of the fund savings plan if it runs for a very long time. You must start saving for retirement provision as early as possible. 30 years seems forever. But the cost averaging effect and the accumulation of dividends increase your wealth very impressively. You can increase the fund savings plan at any time - i.e. pay in more per month - a one-off payment if you inherit - or sell all or parts of it. This can be useful if you want to buy a property before it expires. Then you already have equity. This also gives you the third pillar of old-age provision.

IMPORTANT

And the life insurance?

We have already presented life insurance [LV] in Module 3 Insurance. Because the insurance companies for life insurance give practically no or only a very small guarantee of approx. 0.5% per year, life insurance is not suitable for saving assets and for old-age provision.

The costs of taking out life insurance and the running costs are too high compared to funds or savings funds. You can read about this in detail in Module 3.

NOTES

NOTES

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WIRTSCHAFTSWISSEN
FÜR JEDERMANN LEICHT GEMACHT

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