

Abstract

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*Bequest motivation, investments and old-age pocketmoney – but no life-cycle-strategies.
Saving in a 19th century northwestern German municipality*

The paper deals with the two most influential concepts of savings behaviour: the life-cycle-hypothesis and the concept of bequest-motivated saving. Main aspects of both concepts are to be operationalized and tested on basis of 19th century Westphalian micro-level data. Methodically the approach is characterized by a reconstruction of the savings accounts of inhabitants of a rural parish and record linkage to biographical and economic data. Rural saving is supposed to be a promising object, because on the one hand the old system of family transfers is expected to have disappeared, on the other hand the Bismarckian reforms did not concern rural population.

The life-cycle-hypothesis is shown to be inadequate to explain both the savings behaviour of the rural population and the function of the savings bank in a rural context. Accounts did not provide old-age-security. Not until the End of the 19th century few account holders started to retain savings even after handing over the farm and stipulating a retirement benefit. Since maintenance was ensured, these savings were probably used as additional "pocket-money" for individual purposes. This can be interpreted as a nucleus of individual asset management in combination with a continuing transfer system.