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INDEPENDENT NEWS FROM RUSSIA

As Recession Looms, More than 60% of Russians Have No Savings

New survey reveals precarious position of Russian households as economic effects of coronavirus start to bite.

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Russians under 24 were the most likely to have savings, Otkritie Bank found. **Maria Dmitrienko / TASS**

As Russia's battle against the coronavirus steps up with strict quarantines being rolled out across major cities, a new report has shown that six in 10 Russians have no savings at all.

Otkritie Bank found that only 36% of Russians have a financial cushion, with the rest reporting no savings whatsoever. The findings raise concerns about how Russia's households would fare in a prolonged or sharp economic slowdown.

Related article: How Much of a Hit Will Russia's Economy Take From the Coronavirus? It's Anybody's Guess.

A third of Russian firms have already started reducing wages, cutting hours or letting staff go, a report found last week — before Moscow announced its own shelter-in-place policy and told non-essential shops to close.

Russians under the age of 24 were most likely to have savings, despite an average income of around 50,000 rubles ($640) a month. Moscovites were also more likely to have a financial safety net, with the capital being one of the few regions where more than half of residents have savings.

The Kremlin has so far held back from a large-scale stimulus package to support the economy, instead targeting its assistance at the unemployed and through child benefit payments. Various government departments are pushing for stronger measures, including extensive tax holidays and commercial rent amnesties for small firms, as well as a salary support scheme which would see the government pay most of an employees' wages if they are unable to work due to the lockdown.

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