Drivers of Economic Growth in Europe: The Role of Education and Household Savings (2013–2023)

- **<u>Business question</u>*:* European policymakers aim to identify effective strategies to support long-term economic growth. This analysis examines whether increasing tertiary education attainment or household savings rates is more strongly associated with higher future GDP per capita across European countries**
- **<u>Data & Methods</u>** Using data from Eurostat, I combined:
  - Household saving rates
  - Tertiary education levels(levels 5-8)
  - Real GDP per capita (chain-linked values,2020 euros)
- Data were cleaned and merged in R, validated in SQL, and analyzed in R again using linear regression. Afterwards, an interactive dashboard was created in Tableau, and a 5-year forward GDP variable was created to explore long-term associations
- **<u>Key findings:</u>**
  - Higher household savings rates are strongly associated with higher GDP per capita five years later, explaining ~28% of variation across countries
  - Tertiary education attainment has a statistically significant but weaker relationship with savings rates, explaining ~9% of variation
  - Countries with stronger savings cultures tend to demonstrate more robust long-term economic outcomes
- **<u>Recommendations:</u>**
  - Promote household savings through tax initiatives, financial literacy programs, and retirement savings schemes
  - Continue investing in higher education, as it supports financial stability and workforce productivity
  - Adopt country-specific strategies, as economic patterns vary significantly across Europe
- **<u>Limitations:</u>**
  - This analysis identifies statistical associations rather than causal relationships. GDP outcomes are influenced by multiple factors not included in this model, such as investment, policy, and demographic trends
  - This analysis was conducted in one day, and due to the time constraint, it is possible that some information may have been overlooked