

ING International Survey

April 2014

The “me” generation: In control of financial goals and pursuing their dreams



This survey has been prepared
by Ipsos on behalf of ING



Interest is high in financial matters but managing money is becoming more difficult

1. When asked in the ING International Survey on Mobile Banking, Social Media and Financial Behaviour 2014 where the primary responsibility for their financial decisions lies, most of the 12,403 people surveyed say it is with them not with their bank. It suggests that **these self-directed individuals are in control of financial goals and pursuing their dreams.**

2. Almost four-in-five – or 79% – disagree with the statement “I am not interested in financial matters”. It sends a clear signal that **money does matter to the vast majority.**

3. Despite this passion for managing their financial futures, people in Europe are facing challenges. Most say **managing money is more difficult now than it was 10 years ago.** The financial landscape has changed a lot in the last decade, with the global financial crisis hitting employment rates in many places and technology (such as mobile and contactless) providing new ways to manage money.

4. One important way **banks can help their customers is by trying to stop them making mistakes.** The top three most popular features people in Europe say they would use if they were available are alerts – to flag up if their balance falls below a set amount, if they are overspending or if debt is not being paid off as quickly as planned.

5. These findings come from a set of questions on financial decision making included in the ING International Survey on Mobile Banking, Social Media and Financial Behaviour 2014. More than 12,403 people in 13 countries in Europe were surveyed by Ipsos between 20 February and 14 March 2014.

Who's responsible for financial decisions?

When asked where the primary responsibility for their financial decisions lies, 73% of people say it is with them not with their bank. A further 21% say it is split between "me" and "my bank" and 5% say "the bank".

People who say the primary responsibility for financial decisions...



lies with "me"

- Are half as likely to argue with family and friends about money
- Are more in control of their money and less likely to regularly buy items on impulse
- Are less likely to have trouble making ends meet and are less likely to regularly be overdrawn on their bank accounts
- Are more likely to be interested in financial matters and to have the time to manage their money



is split between "me" and "my bank"

- Are most likely to already be using an alert if their balance falls below set amount
- Are most likely to live a low cost lifestyle
- Are least likely to add regularly to their savings



lies with "my bank"

- Are more than twice as likely to say the financial decisions of friends and family heavily influence their own
- Are more likely to agree managing money is more difficult now than it was 10 years ago – and to think cashless payments are making it more difficult
- The majority have studied to increase their qualifications
- Are more likely to keep a household budget and to have followed a course on budgeting

Financial decisions are a priority

People across Europe are interested in financial matters, with almost four-in-five – or 79% – disagreeing with the statement “I am not interested in financial matters”.

It sends a clear signal that money does matter to the vast majority.

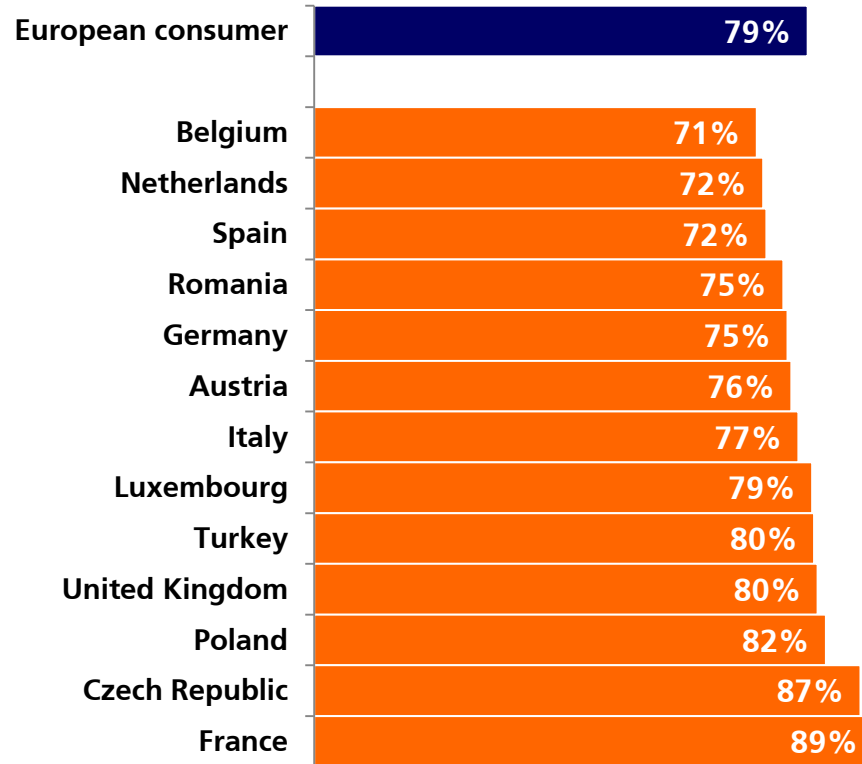
The strongest disagreement with the statement (and, therefore, the most interest in financial matters) is in France, closely followed by the Czech Republic.

At the other end of the spectrum is Belgium, the Netherlands and Spain, but even in these countries there are large numbers interested in their financial futures.

THE QUESTION

“I am not interested in financial matters”

Percent who answered “strongly disagree” or “disagree”



“I am responsible for my financial future – not my bank”

When asked where the primary responsibility for their financial decisions lies, most people say it is with them not with their bank.

It suggests that these self-directed individuals are in control of financial goals and pursuing their dreams.

This emphasis on personal responsibility perhaps also feeds into wider discussion about greater autonomy, including the push in many countries for individuals to take more responsibility for funding their retirements.

The view is most widespread in the United Kingdom, Austria, the Czech Republic, the Netherlands and Germany. At the other end of the spectrum are Turkey, Spain and Italy.

Among the under 25s, 66% give the answer “me”, compared with 77% for those aged 55 and above, reflecting a clear upward trend as the age of respondents rise.

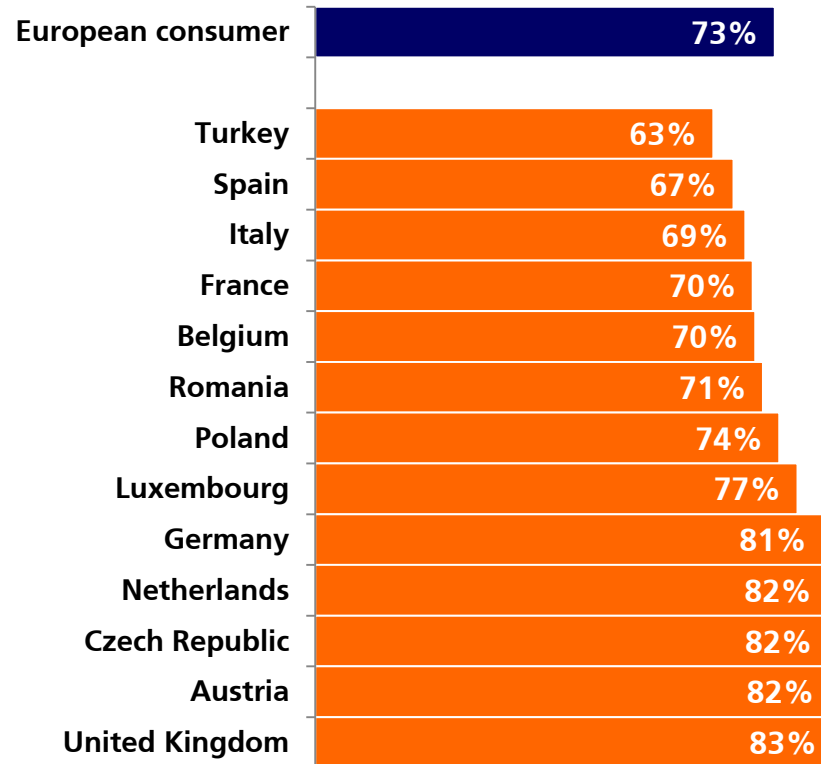
In this question, respondents were given a scale of 1-to-10, with “me” at the low end and “my bank” at the high end.

Those who answered 1, 2 or 3 are categorised as saying “me”.

THE QUESTION

The primary responsibility for my financial decisions lies with...

Percent who answered “me”



The “me” generation is different

The vast majority of people in Europe – or 73% – say the primary responsibility for their financial decisions lies with “me”. This group is distinctive from the small number who, at the other end of the spectrum, say the primary responsibility lies with their bank.

83%

have enough time.

The majority of people who say the primary responsibility for financial decisions lies with “me” also disagree that they don’t have enough time to properly manage their finances.

It shows these self-directed individuals are more likely to have time to manage their money than the rest of the people surveyed, of who 73% disagreed they didn’t have enough time.

20%

go overdrawn regularly.

Only 20% of people who say the primary responsibility for financial decisions lies with “me” are regularly overdrawn on their bank account. This is much lower than the 32% of people who say “the bank” is primarily responsible who regularly go into overdraft on their bank account.

16%

regularly argue about money.

Only 16% of people who say the primary responsibility for financial decisions lies with “me” also agree they often argue with their partner, friends or family about money. This is almost half the 30% share of people who say “the bank” is primarily responsible.

9%

have studied budgeting.

Yet only 9% of people who say the primary responsibility for financial decisions lies with “me” have followed a course on budgeting – fewer than the 17% of people who say “the bank” is primarily responsible who have. They are also less likely to keep a household budget and to have studied to increase their qualifications.

I made the decision, and it was good

Of respondents who have followed a course on budgeting, 81% say doing so had a positive impact on their financial position. But only one-in-ten – or 10% – had actually done this, suggesting many more people could benefit.

Adding regularly to savings was the financial decision that has the largest share of respondents saying it was positive – an overwhelming 94% of those who regularly add to their savings say it is positive for their financial position.

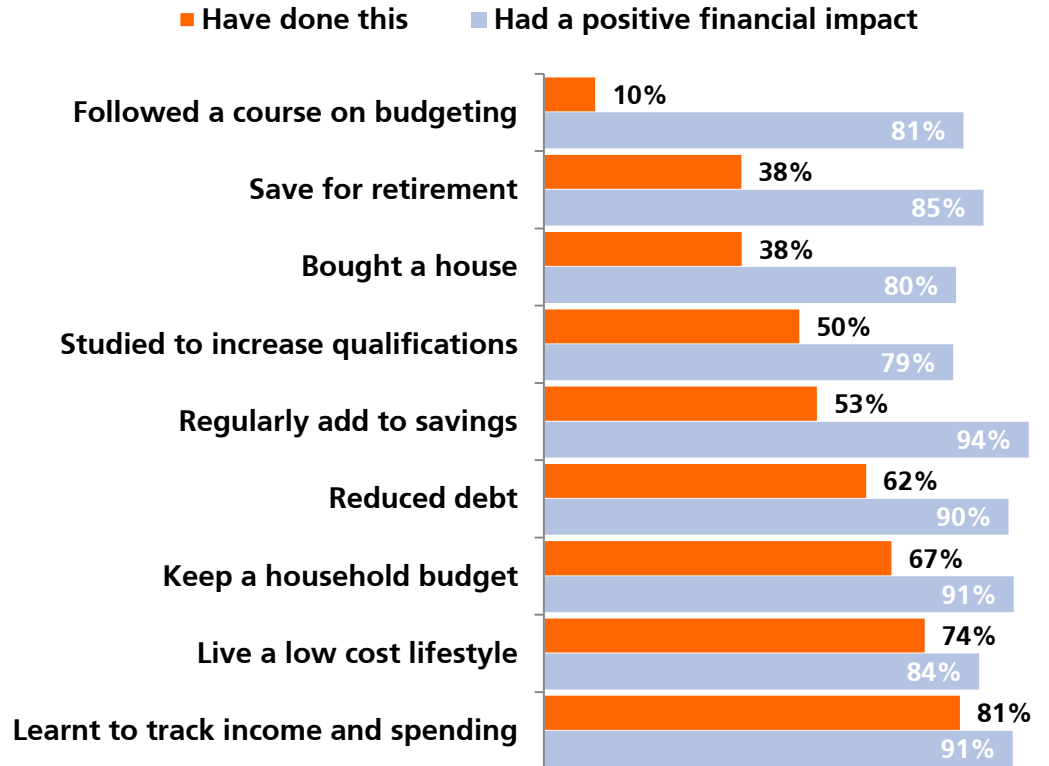
The most widespread financial decision is learning to track income and spending, made by 81% of respondents, of who 91% say it had a positive impact on their financial position.

The relatively low share of people who say they are saving for retirement may reflect the maturity of some markets – after all, if the majority of the population in a country are in compulsory or workplace schemes, they may not consider that they have made a decision about saving for retirement.

THE QUESTION

Which of these financial decisions have you made/Was it positive or negative for your financial position

Percent who answered/Percent who said it had a “very positive” or “positive” impact on their financial position



Managing money is more difficult

Most respondents say managing money is more difficult now than it was 10 years ago.

The financial landscape has changed a lot in the last decade, with the global financial crisis hitting employment rates in many places and technology (such as mobile and contactless) providing new ways to manage money.

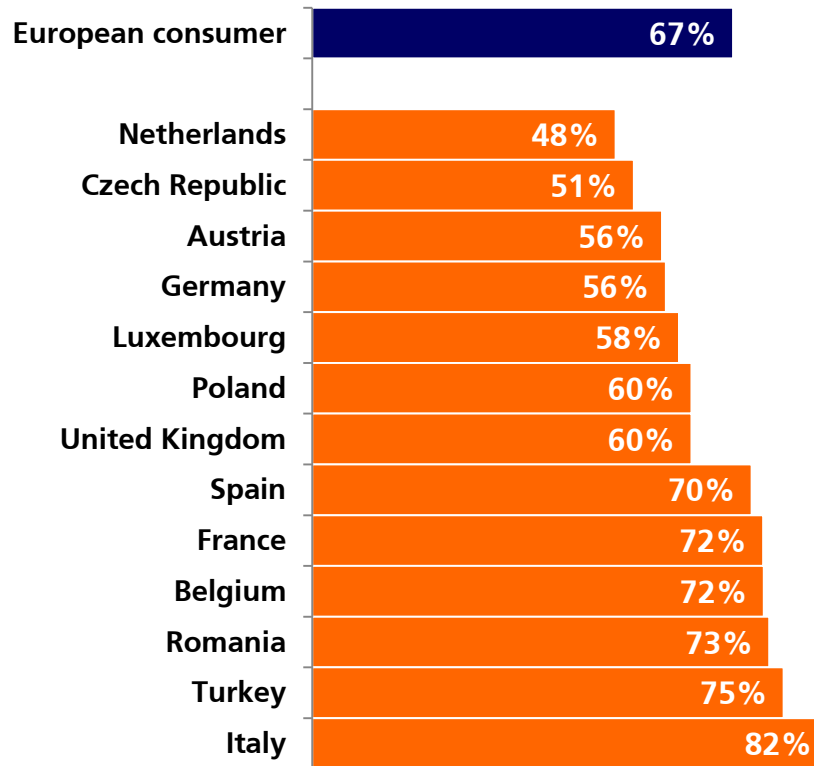
Italy is home to the highest share who agree managing money is more difficult now than it was 10 years ago, followed by Turkey.

The Netherlands is the only country surveyed where fewer than half of the respondents agree.

THE QUESTION

"Managing money is more difficult now than it was 10 years ago"

Percent who answered "strongly agree" or "agree"



Warn me if I am off-track with my money

Alerts to warn customers if their finances are off-track is the feature respondents are most likely to use, if their bank made it available.

The features most respondents say they would use include an alert if their balance falls below a set amount, an overspending alert and an alert if debt is not being paid off as quickly as planned. These types of alerts could be categorised as tools aimed at stopping customers making mistakes.

Few respondents actually use these alerts now, perhaps because they are not widely offered.

A tool to set specific savings goals is the fourth most commonly-cited feature customers would use, followed by graphics to show progress towards specific savings goals.

For all features, under 35s showed significantly higher numbers saying they would use them.

	Would use	Already use
1	An alert if my balance falls below a set amount (54%)	An alert if my balance falls below a set amount (8%)
2	An alert to tell me if I am overspending (50%)	Automatic categorising of my spend on clothes, meals out and other costs (8%)
3	An alert if I am not paying off debt as quickly as planned (42%)	An account that ring-fences my fixed expenses on payday (6%)
4	A tool to set specific savings goals (41%)	Tips, e-mails and videos about managing money (5%)
5	Graphics to show my progress towards specific savings goals (40%)	Graphics to show my progress towards specific savings goals (5%)
6	Graphics to show how quickly I am paying off debt (39%)	A tool to set specific savings goals (5%)
7	An account that ring-fences my fixed expenses on payday (37%)	An alert to tell me if I am overspending (5%)
8	Tips, e-mails and videos about managing money (35%)	Graphics to show how quickly I am paying off debt (5%)
9	Automatic categorising of my spend on clothes, meals out and other costs (34%)	An alert if I am not paying off debt as quickly as planned (5%)
10	Comparisons to show how my spending compares to people like me (25%)	Comparisons to show how my spending compares to people like me (3%)

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