

ING International Survey on Savings 2013



International report: Savings under pressure in Europe;
widespread evidence of spending being cut in the last year



International report prepared by
TNS NIPO on behalf of ING



Table of contents

- 1 **Overview of results** 2
- 2 **Executive Summary** 3
- 3 **Infographic: Savings are under pressure: How are we cutting back?** 4
- 4 **Theme 1: Savings is under stress** 5
 - › Do you have savings?
 - › Ranking: Where is “most comfortable” with savings?
 - › Brits and Turks most likely to be adding to savings
 - › Emergency savings: almost half could pay their bills for three months if income drastically fell
- 5 **Theme 2: Making ends meet** 10
 - › What have you cut back on?
 - › Regular is best, but most of us simply save when we can
- 6 **Theme 3: Divorce and money** 13
 - › Divorcees less likely to have a savings stockpile
 - › Comfort with savings reverses with divorce; divorced men less comfortable than divorced women
- 7 **Theme 4: What are we saving for?** 16
 - › An emergency fund is the top most important goal for savers – children and houses also rank highly
 - › Under 25s tend to save for education, while older age groups save for homes and children
 - › Less than half saving enough to meet their home buying goals; more hitting emergency fund target
 - › Piggy banks are more popular among younger people, Turks and Romanians
- 8 **Contact details** 21
- 9 **Disclaimer** 22

Overview of results of ING International Survey on Savings 2013

- Fourteen countries are compared in this report.
- This report includes information about 'the European consumer' based on the weighted average of the European countries.
- Approximately 1,000 respondents in each country were surveyed.
- The survey was conducted by TNS NIPO between November 8th and November 22nd.



Executive Summary

The ING International Survey on Savings 2013 shows the following main conclusions:

1. Asked if they have any savings, almost one-in-three (30%) in Europe say they don't. This is a **worrying snapshot** of the state of savings. Fewer than half (49%) of European consumers could pay for three months of regular spending – the lower end of a common guideline for a sensible goal for the size of an emergency fund. Most who are adding to savings are doing so when they can – rather than committing to add regularly to their money stockpile.
2. Our **league table** ranks countries by the level of comfort with savings. The Netherlands tops the table for 2013 as the most comfortable with their financial situation, up one place from a year earlier. Italy is at the bottom of the table for the second consecutive year. The question is a useful guide because it taps into feelings around money, comfort and security.
3. The large **financial repercussions of divorce** are also exposed in the results for the degree of comfort with the level of savings. Fewer divorced men are comfortable with their savings level than divorced women, reversing the result for the full survey sample.
4. Respondents are **changing their lifestyles** to cope with the pressure on savings. Overall, 53% of European consumers are cutting back on leisure and entertainment – so the likes of the cinema, dining out and sports events are being enjoyed less often. The second most popular category to cut back on is clothing and personal grooming.
5. Despite the pressure on savings, **people still have clear goals** on what they want to save for. Emergency funds are the most common, followed by children and housing. It is comforting to see that different age groups have different savings goals that follow their life cycles.

- Ian Bright, ING senior economist

Infographic: Savings are under pressure

SAVINGS ARE UNDER PRESSURE: HOW ARE WE CUTTING BACK?

Pay packets are having to stretch even further for many people this year. ING polled 14,000 people in 14 countries in Europe to find out how they are making ends meet.



of European consumers are cutting back on leisure and entertainment – so the cinema, dining out and sports events are enjoyed less often



46%

are cutting back on clothing and personal grooming



are cutting back on mobile phones and internet

See the full infographic at www.economics.com/iis – or contact us for a copy

1.

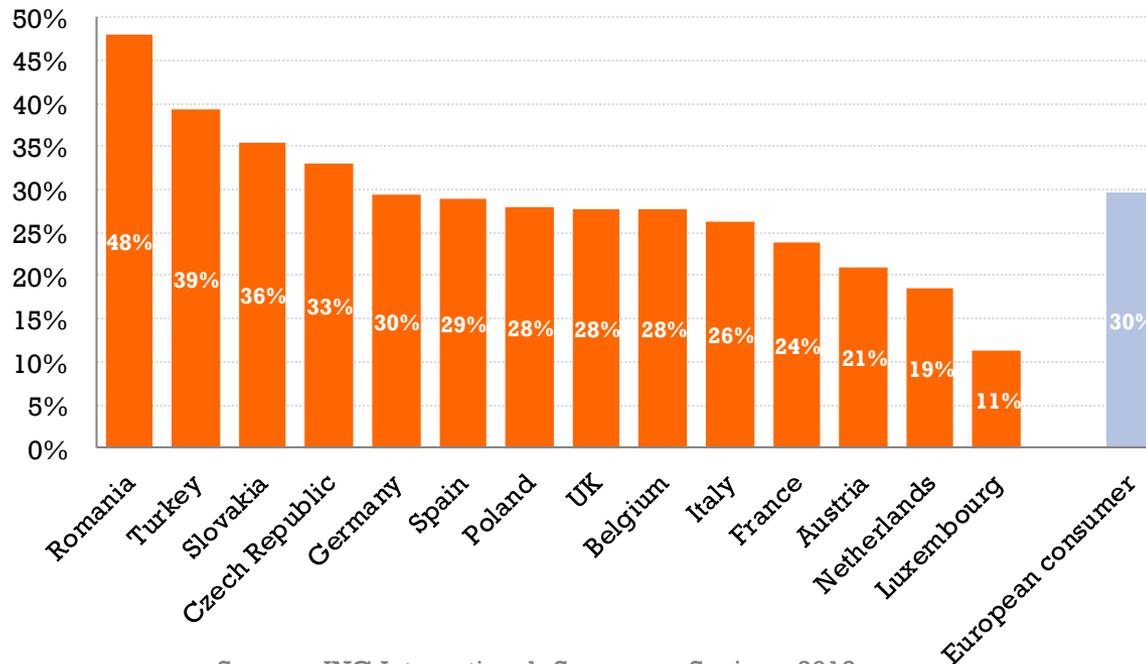
**Saving is
under stress**



Savings are under pressure; 30% in Europe say they don't have any

Asked if they have any savings, almost one-in-three in Europe say they don't. This is a worrying snapshot of the state of savings. Romania (48%) had the most saying they didn't have savings, followed by the other emerging markets of Turkey (39%) and Slovakia (36%). Because savings often take years to build, this chart could well reflect habits built up over years and cultural attitudes to savings.

Do you have any savings?
percent answering "no"



Source: ING International Survey on Savings 2013

Ranking: Where is “most comfortable” with savings?

This year and last year, respondents were asked how comfortable they are with their savings – a question that taps into feelings around money. The Netherlands tops the league table this year with the highest proportion saying they are (very) comfortable, up one place from second in the ranking last year. The biggest movers are Poland, down seven, and Turkey, up six.

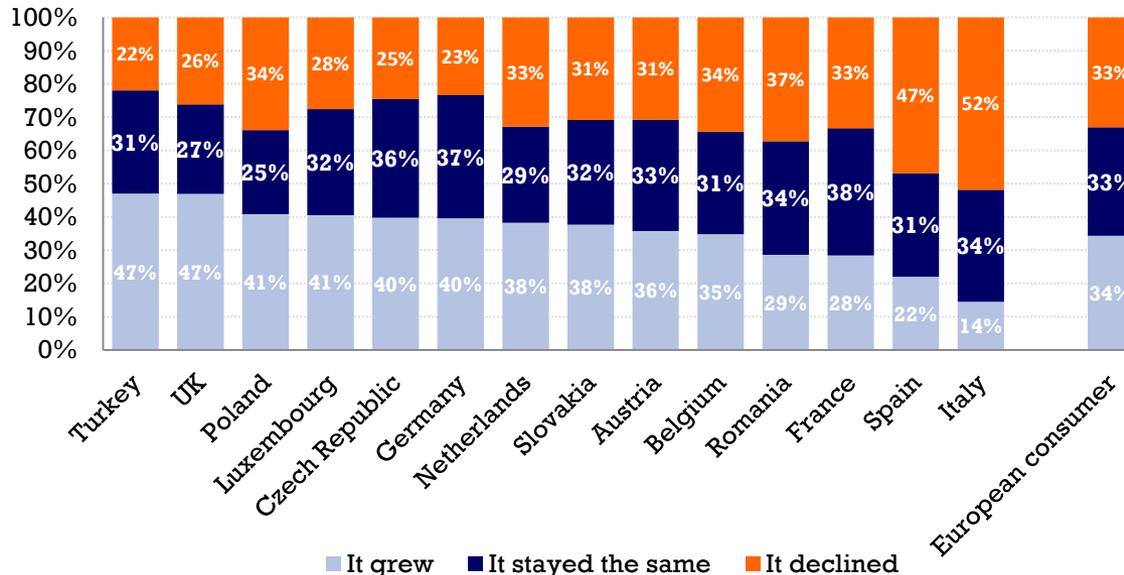
	2013	2012	Change
the Netherlands	1	2=	+1
Germany	2	4	+2
Luxembourg	3	1	-2
Austria	4	6	+2
Turkey	5	11	+6
United Kingdom	6	9	+3
Belgium	7	not available	not available
Spain	8	7	-1
Poland	9	2=	-7
Romania	10	5	-5
France	11	8	-3
Slovakia	12	12	no change
Czech Republic	13=	10	-3
Italy	13=	13	no change

To what degree are you comfortable about the amount you have available in savings?

Brits and Turks most likely to be adding to savings; Italy only country where most say their savings fell

Looking back at whether savings grew, stayed the same or fell in the last year is a helpful barometer of pressure on household finances. Brits and Turks are most likely to have increased their savings stockpile in the last 12 months (correlating to rises in the comfort league table on p7). Third are Poles, who actually slipped down the comfort league – indicating they may be rebuilding wealth after the fall. At the other end of the savings spectrum are France, Spain and Italy, where unemployment was at 10.4%, 26.2% and 11.1% according to October 2012 Eurostat figures. This correlates to the falls for France and Spain and the bottom ranking for Italy in the comfort league table.

How has your savings level developed over the past year

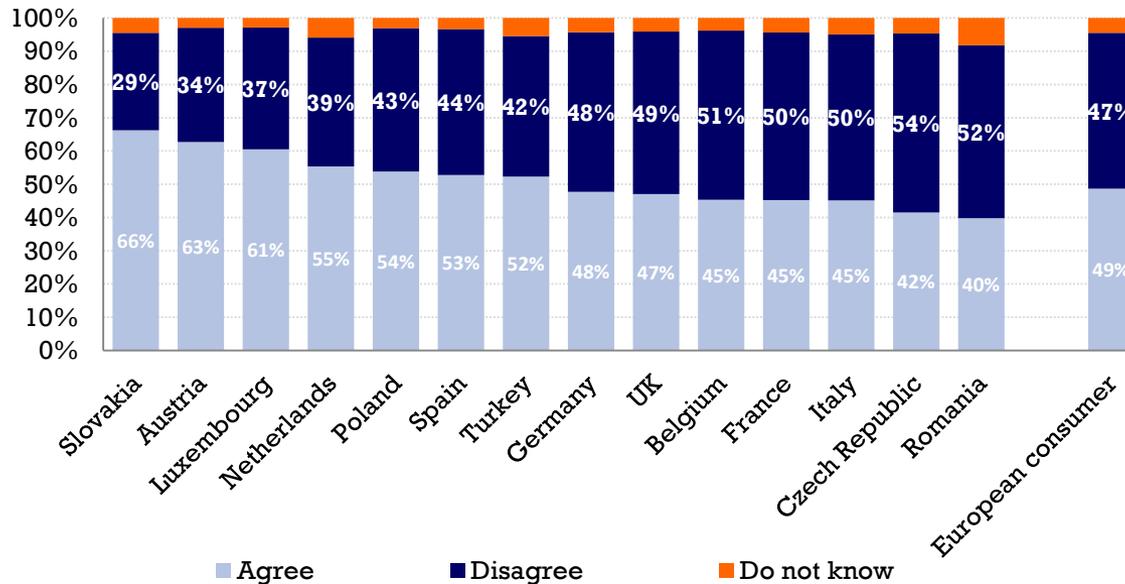


Source: ING International Survey on Savings 2013

Emergency savings: almost half could pay their bills for three months if income drastically fell

Personal finance experts recommend people have at least three-to-six months of income saved to call on when an emergency strikes. Almost half (49%) of European consumers could pay for three months of regular spending. Slovakia is home to the highest proportion. The question is particularly helpful as it eliminates purchasing power parity and foreign exchange currency difficulties associated with asking the exact amount saved.

If my income fell a lot, I have enough savings for three months spending



Source: ING International Survey on Savings 2013



2.

**How we are
making ends meet**

Savings are under pressure. How are people cutting back?

53% of European consumers are cutting back on leisure and entertainment – so the cinema, dining out and sports events are enjoyed less often

46% are cutting back on clothing and personal grooming. The figure is higher for women (**53%**), Italians (**62%**) and parents (**50%**)

23% are cutting back on mobile phones and internet costs

19% are cutting back on transport costs, the fourth most popular category

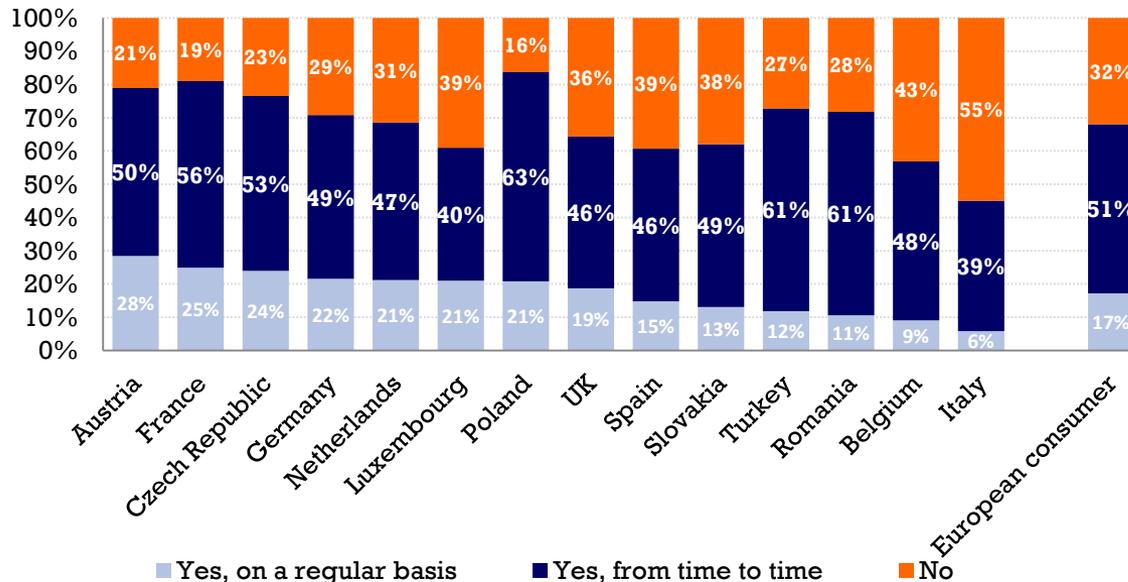
16% are cutting back on utility bills, such as gas, electricity and water

31% have not cut their spending at all. This rises to **51%** in Germany and falls to **17%** in Spain and Italy

Regular is best, but most of us simply save when we can

One of the most efficient ways of building savings is to regularly direct debt money into dedicated accounts – but only 17% on average in Europe say they save regularly, the least popular answer. Most (51%) add to their savings on an ad hoc basis, answering that they do so “from time to time”. Italy is the only country surveyed where the majority are not putting extra money into savings.

Are you currently putting extra money into your savings?



Source: ING International Survey on Savings 2013

3.

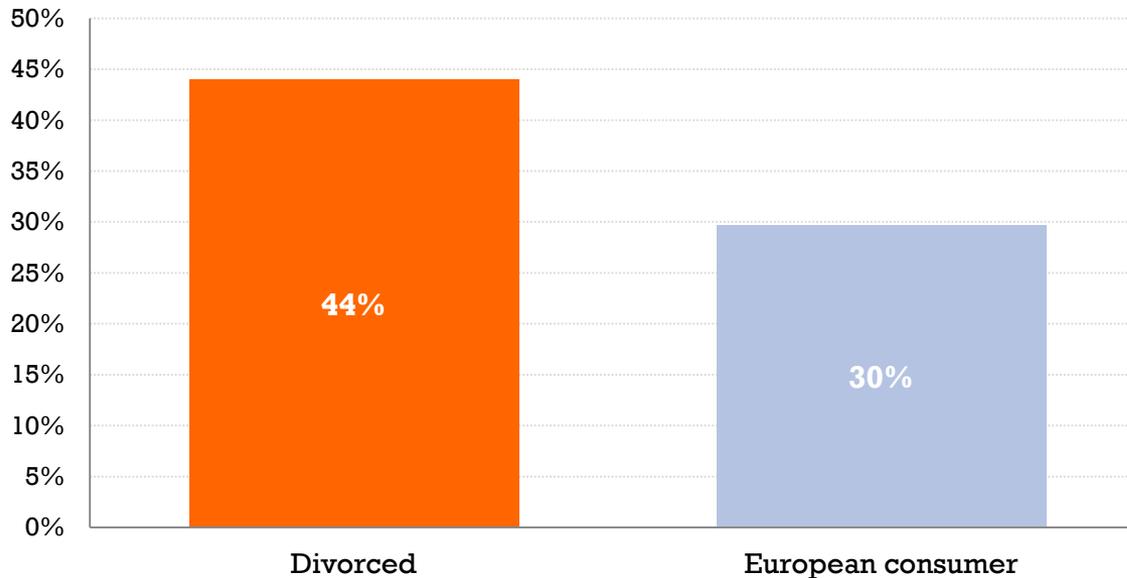


**Divorce and
savings**

Divorcees less likely to have a savings stockpile

The end of a marriage typically carries a large emotional toll – and added to that can be large financial repercussions from divorce. Divorced respondents are much more likely to say they do not have savings, 44% compared with 30% for the average European consumer. Divorced respondents are also less likely to have enough saved to cover three months spending (38% compared with 49% for the European consumer) and less likely to be comfortable with their savings level (26% v 36%).

Do you have any savings?
percent answering "no"

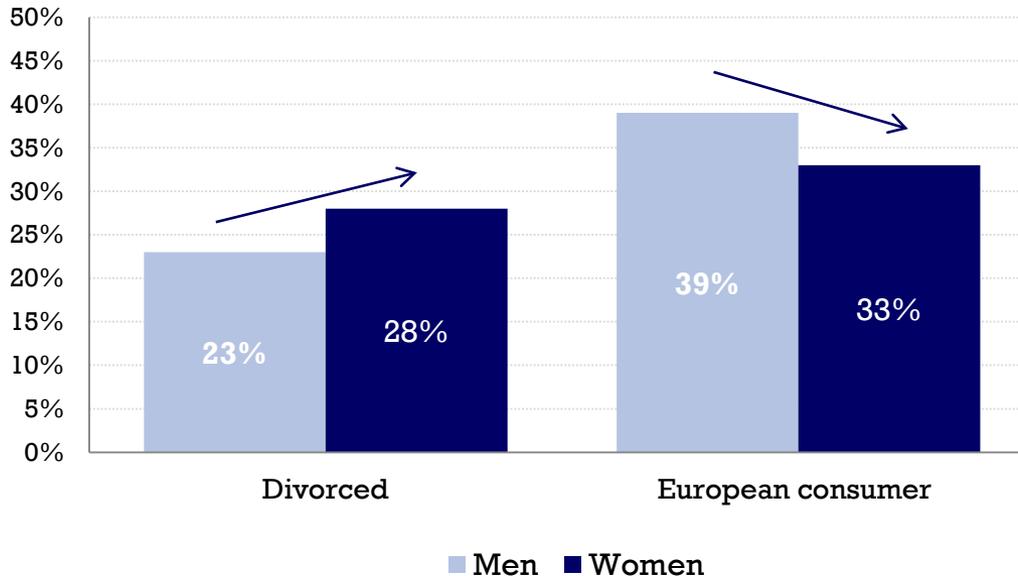


Source: ING International Survey on Savings 2013

Comfort with savings reverses with divorce; divorced men less comfortable than divorced women

In the full survey sample, women are less comfortable about the amount they have saved – with 33%, compared with 39% for men. For divorcees, it reverses. Fewer divorced men (23%) are comfortable with their savings than divorced women (28%).

Proportion comfortable with their level of savings by gender



Source: ING International Survey on Savings 2013

4.

**What are we
saving for?**



An emergency fund is the top most important goal for savers – children and houses also rank highly

#1 the most popular savings goal in Europe is an **emergency fund** for unexpected expenses, with **31%** selecting it

#2 is **children**, picked by **11%** of European consumers (and it was the most popular answer among respondents living with children – picked by **30%** of that group)

#3 is **housing**, named by **10%**. This rises to a high of **17%** in the Czech Republic and a low of **5%** in France and Germany

#4 is **regular bills**, picked by **9%** of European consumers as their most important savings goal

#5 is **paying debts**, selected by **7%**

Under 25s tend to save for education, while older age groups save for homes and children

Different age groups have different savings goals they consider as the “most important”. It gives an insight into how savings goals mirror life cycles.

Education is the most important savings goal for **17%** of **under 25s** compared with **5%** for the all ages European consumer

Housing is the most important savings goal for **16%** of **25-to-34-year-olds** compared with **10%** for the all ages European consumer

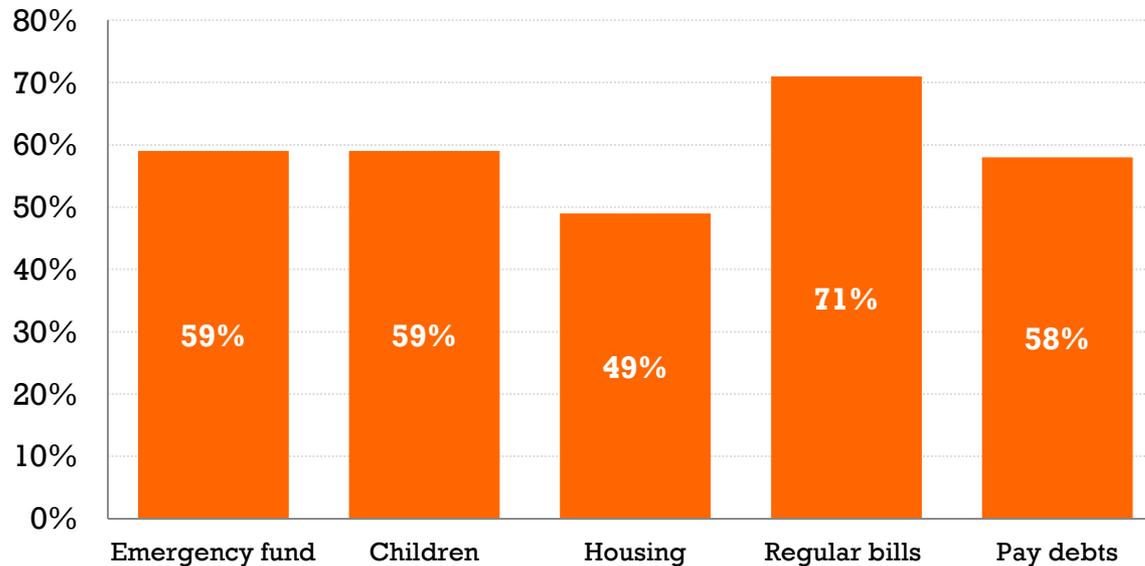
Children are the most important savings goal for **22%** of **35-to-44-year-olds** compared with **11%** for the all ages European consumer

An emergency fund is the most important savings goal for **40%** of **over 55s** compared with **31%** for the all ages European consumer

Less than half saving enough to meet their home buying goals; more hitting emergency fund target

Savers are struggling to meet their targets for the top five most important savings goals. Of respondents who are saving for an emergency fund, only 59% are saving enough to achieve their goal. The figure drops below half for those saving for a home. Interestingly, the full report figures show it is not common to have a dedicated account to use to save for specific goals – despite the widely-held view that separate accounts make it easier to track savings progress and achieve financial goals.

Proportion saving enough to meet selected financial goals

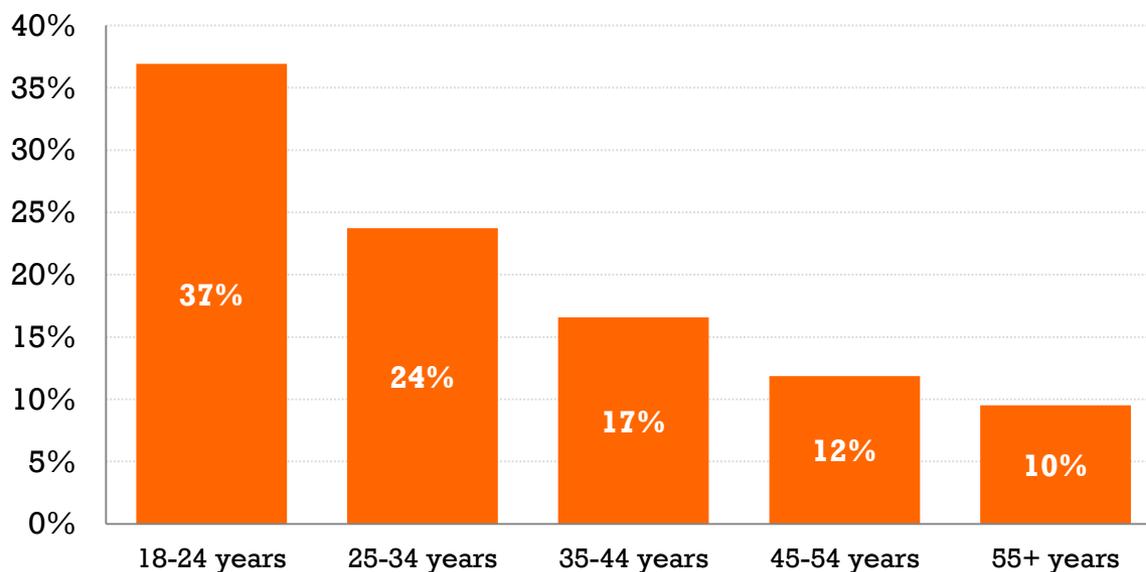


Source: ING International Survey on Savings 2013

Piggy banks are more popular among younger people, Turks and Romanians

Holding actual cash is surprisingly common, with 17% of European consumers saying cash (such as in piggy banks or vaults) is one of the methods used to store savings. It is most popular among younger respondents (37% for under 25s), declining with age, and in Turkey and Romania (31% in each country). Be aware that holding cash is considered by many to be inefficient because piggy banks and vaults do not pay interest on savings – and there can be heightened security risks.

Proportion who hold savings as cash (such as in piggy banks or a vault)



Source: ING International Survey on Savings 2013

Contact list

Country	Contact Name	Contact Phone	Contact Email
	Pia Kain	+43 1 68000 50181	pia.kain@ing-diba.at
	Liesbeth Van De Craen	+32 2547 6490	liesbeth.van-de-craen@ing.be
	Robert Chmelar	+420 25747 4097	robert.chmelar@ing.cz
	Maire Ginhoux	+33 60 7566 2022	maire.ginhoux@ingdirect.fr
	Patrick Herwarth von Bittenfeld	+49 6927 2226 6886	P.HerwarthvonBittenfeld@ing-diba.de
	Silvia Colombo	+39 02 5522 6645	silvia.colombo@ingdirect.it
	Ananda Kautz	+35 2 4499 9259	ananda.kautz@ing.lu
	Ian Bright	+44 20 7767 6656	Ian.Bright@uk.ing.com
	Ewa Szerszen	+48 2 2820 4117	Ewa.Szerszen@ingbank.pl
	Ana Oglindoiu	+40 3 1406 7118	ana.oglindoiu@ing.ro
	Lukáš Mořovský	+42 12 5934 6379	lukas.motovskyy@ing.sk
	Patricia Leiva Asenjo	+34 91 634 9244	patricia.leiva@ingdirect.es
	Buket Okumus	+90 21 2335 1066	buket.okumus@ingbank.com.tr
	Martin Rutland	+44 11 8938 1969	Martin.Rutland@ingdirect.co.uk
	Ian Bright	+44 20 7767 6656	Ian.Bright@uk.ing.com
	Robbert Keller	+31 20 5225 963	robbert.keller@tns-nipo.com

Disclaimer

The opinions expressed in this publication are based on information gathered by ING and on sources that ING deems reliable. This data has been processed with care in our analyses. Neither ING nor employees of the bank can be held liable for any inaccuracies in this publication. No rights can be derived from the information given. ING accepts no liability whatsoever for the content of the publication or for information offered on or via the sites. Authors rights and data protection rights apply to this publication. Nothing in this publication may be reproduced, distributed or published without explicit mention of ING as the source of this information. The user of this information is obliged to abide by ING's instructions relating to the use of this information. Dutch law applies.