ING

Press release

Corporate Communications
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Under-25s embrace financial prudence

- Under-25s believe young people have a more uncertain future than older generations did when they were young
- Majority of 14-21 year olds are afraid of being in debt
- Under-25s are saving more than any other generation, and reining in spending as a result

Young people are rejecting the credit happy ways of their parents and embracing the austerity values of their grandparents.

The ING study[1], *"Money Attitudes of a New Generation",* conducted with Professor Noreena Hertz of University College London, reveals a major generational shift in financial attitudes, as the children that lived through the financial crash of 2008 reach early adulthood.

Today's under-25s are saving more of their income than any other generation, including their 'baby boomer' grandparents who are now in their 70s[2].

Fearful about the economic future and fearful of debt, focus groups among 16-18 year olds revealed that all respondents are actively saving for the long term and forgoing short-term needs.

"It's about being independent and being self-reliant in the future"." – Adam, 18

The study found almost three quarters (72%) of 18-24 year olds in Europe believe that young people have a more uncertain financial future than older generations did when they were young. And firmly believing that if they don't look after themselves financially when they are adults, no one else will - this new generation has the desire to be independent and self-reliant.

"*You can only support yourself if you have personally saved." – Jessica, 16*

Revealing an unprecedented level of anxiety, almost three quarters of 14-21 year olds (72%) worry about being in debt – and not in relation to just student loans, but cars and mortgages too.

"The stuff that we'll want [in the future]." – Amanda, 17

Mindful of the consequences, this new generation is consciously trying to rein in its spending and is more likely to use debit rather than credit cards in order to help manage their finances.

These 1950s attitudes to saving and thriftiness are matched by a very 21st Century approach to banking, with young people beginning to bank exclusively via mobile devices, which they say helps them gain financial control.

"Online banking is the best thing ever. You can go out shopping and be able to check your bank account right there" – Mehdi, 17

A sentiment that is in keeping with 85% of adults in Europe, who list mobile banking as one way of helping to improve their money management.

ING chief economist, Mark Cliffe commented: "This young generation grew up in the midst of the challenges of the financial crisis, but they are also smartphone natives. They are therefore uniquely positioned to take advantage of fintech innovations that are coming through to help them make smarter decisions."

The report, *'Money Attitudes of a New Generation'* is part of a series being produced for the Think Forward Initiative (http://www.thinkforwardinitiative.com), a programme ING is working on, which aims to gain a deeper understanding of personal finance decision-making and use those insights to help people make decisions that are better for them, and ultimately better for society. A full copy of this report can be downloaded here: https://www.ezonomics.com/pdf/iis/ING-International-Survey-Generation-K.pdf.

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Note for editors

[1] Qualitative and quantitative data analysis of:

- One to one interviews and two focus groups among 16-18 year olds in London in February 2016, conducted by ING
- ING International Survey on Financial Behaviour Unveiled 2015
- ING International Survey on Mobile Banking 2015
- 2000-person survey among 14-21 year olds conducted in the US and UK in 2015, by economist Noreena Hertz
- Additional desk research conducted by ING

[2] NS&I Quarterly Savings Survey / Economist data

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