ING

Press release

Economics Department

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Half now expect to keep earning in retirement as savings crisis shows no sign of recovery

- 54 percent of Europeans expect they will need to keep earning in retirement
- 58 percent of these expect this will be though short-term or temporary employment
- Just 26 percent of those not yet retired expect to have the same standard of living in retirement
- Fintech does not yet appear to be having a large influence on investing, with just one-in-five (21 percent) in Europe having used a mobile app to make an investment

Half of people in Europe now anticipate they will have no choice but to keep earning during retirement, with more than half of those (58 percent) expecting to turn to short-term, temporary work.

These were the findings of global bank ING, which published its eighth ING International Survey on Savings today. The study of 14,695 respondents in 15 countries, including 13 across Europe, suggests that the notion of a 'traditional retirement' is fast becoming obsolete. Indeed, almost a third of those not yet retired don't know when they will retire (29 percent), and an additional 11 percent believe they will work for the rest of their lives.

These stark expectations of the need to continue earning in retirement come despite relatively high consumer awareness of the pitfalls of inadequate retirement savings, with 61 percent of Europeans not yet retired, worried about whether they will have enough money in retirement.

ING's findings also suggest that despite the excitement around fintech, just 21 percent of people in Europe use mobile apps for making investments, while only a quarter (25 percent) use them to view long-term investments. Of these, many say the impact has been positive, with 39 percent viewing them more often, a quarter (26 percent) reporting "better performance", and 37 percent saying they feel "more confident" viewing investments this way. But mobile apps are more likely to be used for spending or transferring money (50 percent), indicating that driving the development and uptake of tools that can positively impact long-term savings remains an opportunity.

Jessica Exton, Behavioural Scientist at ING, said: *"These findings shine a light on the true extent of the problems many face in reaching long-term savings goals. Most people across Europe report that they track their day-to-day spending in some way, but many still agree they face financial challenges, such as expecting to need to earn in retirement. Long-term planning is difficult when many are facing short-term savings challenges, a trend seen across all countries surveyed.*

"Increased focus on the tools we use to monitor spending and how they influence our behaviour may help to address savings hurdles and support planning for retirement. Given the uptake of spending and transferring apps, compared to those for making or viewing longer-term investments, building positive financial habits through the use of technology may lie in day-to-day support, rather than facilitating longer-term planning. We need technology to back behavioural change if we are to truly shift attitudes towards retirement savings."

– ENDS –

About the research
The ING International Savings Survey was conducted by Ipsos using internet-based polling. Fifteen countries were surveyed: Austria, Belgium, Czech Republic, France, Germany, Italy, Luxembourg, the Netherlands, Poland, Romania, Spain, Turkey, the United Kingdom, Australia and the United States of America. Polling took place between 17 October and 2 November 2018. The full report is available at www.ezonomics.com/iis and www.slideshare.net/ING

The ING International Survey is produced several times a year by ING eZonomics. It is about money and life - combining ideas around financial education, personal finance and behavioural economics to produce regular and practical information about the way people manage their money - and how this can affect consumers' lives.

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