





- **Introduction**
- Summary
- Financial resourcefulness
 - Financial literacy
 - Literacy segmentation
 - Be better at money
 - Attitude and motivations
 - Money skills & behavior



ING Consumer Resourcefulness study results into financial knowledge, attitudes and behavior

ING and Financial Literacy and Resourcefulness

- ❑ Helping customers manage their financial future and making finance easier to understand have been fundamental parts of ING's mission for many years.
- ❑ Many ING businesses have successfully launched initiatives in their markets to allow consumers to educate themselves on a variety of financial topics. This in response to consumers struggling to find relevant, easy to understand and trustworthy financial information and advice.
- ❑ Most of these initiatives have created considerable success and empowered consumers to better manage their financial situation today and in the future. At the same time ING realizes that more publicity around financial literacy topics will create additional interest and participation, while highlighting ING's commitment to making finance easier.

A global survey on consumer's financial knowledge, attitudes and behavior

- ❑ This report contains the results of an international consumer survey on the relationship between Financial Literacy (introducing the 'FQ' as a statistically valid new global metric to measure financial literacy and intelligence levels of consumers) and attitudes & emotions towards finance, actual financial behavior and resourcefulness with regard to managing their day to day finances. In contrast to many other studies on financial education and literacy, the survey has been designed to strike a positive tone by highlighting what kind of resourceful solutions people around the world use to manage their finances (rather than on how little knowledge they might have).



ING Consumer Resourcefulness study results into financial knowledge, attitudes and behavior

- ❑ The objectives of the survey are to gain a better understanding of how consumers' financial literacy level influence their attitudes and behaviors. And what the potential similarities and differences are across countries, age, gender etc. The expectation is that the insights will allow ING to better tailor its information, advice and educational initiatives to consumer needs.
- ❑ At the same time the expectation is that the survey will generate many interesting and newsworthy insights that could generate more publicity around literacy topics.



ING Consumer Resourcefulness study a global deep dive into consumer resourcefulness

Global versus country findings

- This report is a subset of the global report and highlights the local findings of the global Consumer resourcefulness study. The objective is to point-out the similarities and differences between global average and country results.
- Since the knowledge segmentation is stable and consistent across countries we focused on the more overall findings. For all insights behind the literacy segments we refer to the global report.
- The local results are directly connected to the questions asked in the research. We leave the Interpretation of the results to the individual countries (other than highlighting remarkable findings in the summary) and again refer to the global to challenge these against the global insights.

Contact

- If anything is missing or unclear, you can contact Epiphany directly via a dedicated e-mail address ingresearch@epiphany-rbc.com.
- When you would like to discuss this report in person with the lead consultants at Epiphany, please contact Chris Kersbergen at ING to arrange for a (conference call) meeting.



FINANCIAL LITERACY

The ability to understand finance. More specifically, it refers to the set of skills and knowledge that allow an individual to make informed and effective decisions through their understanding of finances . (*Wikipedia*)

FINANCIAL RESOURCEFULNESS

The way consumers manage their finances. More specially, it refers to individual levels of financial literacy, motivations and forthcoming behavior (*This study*)



ING Consumer Resourcefulness study sample definition

A total of 10 countries participated



Americas
USA and Mexico



Europe
The Netherlands, Romania, Poland
Belgium and Spain

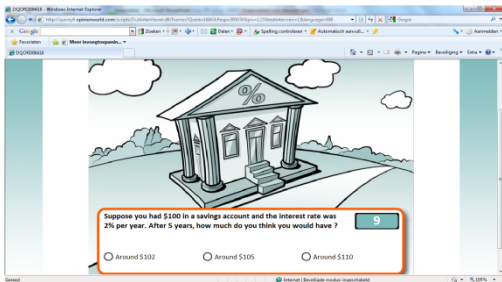


Asia
India, Korea and Japan

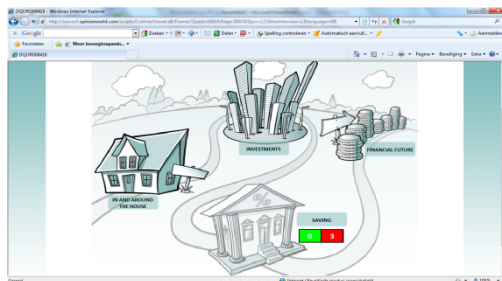
- ❑ Online research, n=500 per country, representative on age, gender and income
- ❑ Average duration to complete questionnaire 21 minutes
- ❑ In field between November 5 – 23, 2010
- ❑ Translated in local languages, checked by local ING staff
- ❑ CAPI research in India (*computer assisted personal interviews*)



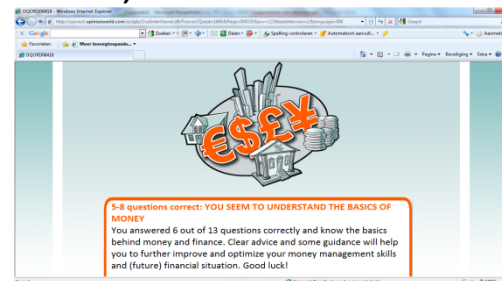
ING Consumer Resourcefulness study topics of online 'conversation'



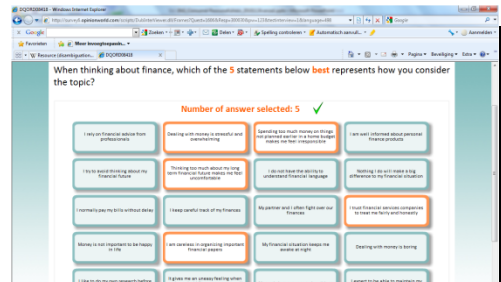
13 QUESTIONS
with each 13 seconds to answer



SAVINGS, INVESTMENTS, FINANCIAL
FUTURE, IN & AROUND THE HOUSE



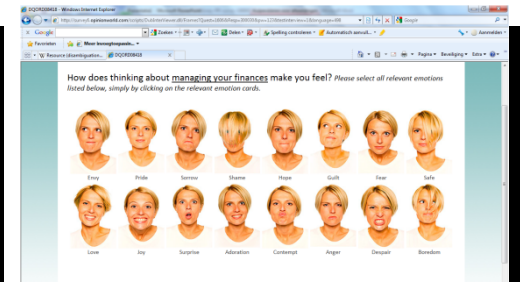
INSTANT FEEDBACK



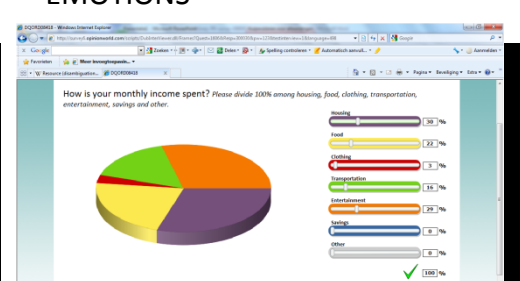
ATTITUDES



LITERACY SELF ASSESSMENT



EMOTIONS



HOUSEHOLD FINANCE

'finally a survey that's useful to me' (US, male, 25 y.o.)
'I'd like to do the test again' (Romania, female, 41 y.o.)
'I need to get better at money!' (Mexico, male, 28 y.o.)



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summary

- ❑ An important element of this consumer resourcefulness study is the self-assessment of consumers on their financial literacy. Just prior to this test the Polish are not that convinced of their own money skills (44% versus 50% global).
- ❑ Today 63% the Polish have a Basic financial literacy level. This makes them 7th out of 10 countries, just before Spain but behind Belgium.
- ❑ After the self-assessment 48% of the Polish is satisfied with their score compared to 54% globally
- ❑ 93% of the Polish has the intention to be better at money versus 89% globally.
- ❑ the Polish postpone activities to become better at money (36% versus 26% global) and feel that they don't have the time (25% versus 20% global).
- ❑ Actively managing their finances brings forward the same emotions as globally felt: hope, pride and safety. The Polish different than the global average experience fear as well. When it comes to emotions around debt the Polish feel anger significantly more often than the global average.
- ❑ In Poland approximately 59% would not find the means to pay for an unexpected bill of the Polish equivalent of Eur. 1000,-. This is consistent with 46% of the households not having an emergency fund (versus 33% global).



summary

- ❑ 61% of the Polish keeps a household budget (30% global) and among them 37% keeps a budget on their PC (44% global).
- ❑ Compared to average consumer the Polish manage their finances in a not so organized manner. 46% feels less organized versus 36% globally.
- ❑ When there is not enough money left the Polish are likely to borrow money (24% versus 16% global).



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Literacy segmentation a self-assessment tool, grading financial literacy

Validation of an online self-assessment tool

□ With the objective to understand more about consumers' financial literacy we created a self-assessment tool and integrated this tool in the overall research

□ From desk research and interviews with economists (i.e. eZonomics) we found 13 questions to cover :

- Financial future
- 'In and around the house'
- Savings
- Investments

□ With over 5.000 assessments conducted in 10 countries (this study), ING now has a globally validated assessment tool to measure literacy

□ Four literacy segments were found, each segment with it's own unique character and profile

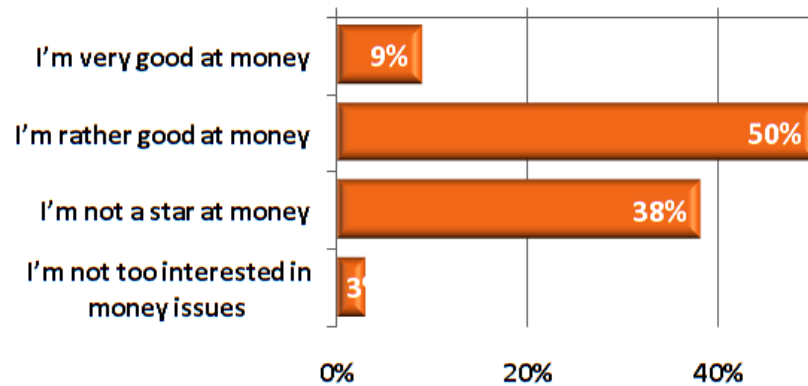
□ For the purpose of this study we named the segments Poor, Basic, Good and Excellent



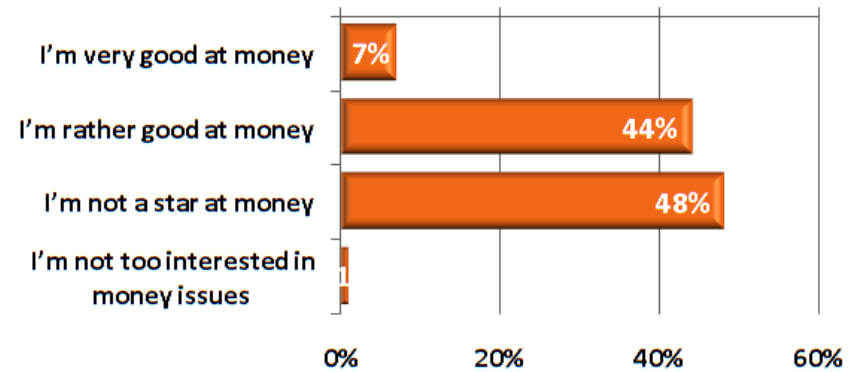
LITERACY SEGMENTS AS A RESULT OF ONLINE SELF-ASSESSMENT TOOL



Literacy segmentation in which profile do you expect to fit?





In which of the following profiles do you expect to fit, looking at your knowledge on money and finance?
(n=5380)







Literacy segmentation top 5 questions answered correct

			
1st	<i>The earlier you start saving for retirement, the more money you will have because the money has more time to grow.</i>	89%	91%
2nd	<i>Financial educators recommend you to have an emergency fund that covers 3 to 6 months of your expenses?</i>	77%	56%
3rd	<i>Buying a single company's stock usually provides a safer return than a stock mutual fund.</i>	71%	71%
4th	<i>Joan has money set aside for emergencies. She also has a credit card with an outstanding balance of \$ 3,000 and a further \$ 3,000 in the bank earning 0.5% per year. What should Joan do?</i>	67%	69%
5th	<i>Suppose you had \$100 in a savings account and the interest rate was 2% per year. After 5 years, how much do you think you would have?</i>	59%	54%

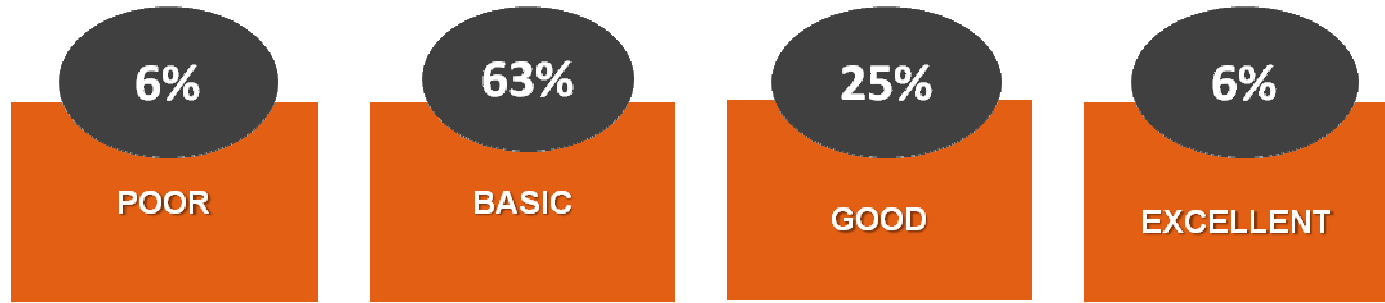


Literacy segmentation bottom 5 answers answered correct

			
1st	<i>How much money should someone save before he is 65 years old in order to have an extra income of \$100 per month for the rest of his life? The average life is 76.</i>	50%	51%
2nd	<i>In January Tom buys a share for \$10. In December he sells it for \$11. In the meantime he received \$1 dividend. How much money did Tom make with his share?</i>	50%	52%
3rd	<i>Tom buys a financial product with which he loans money to a company. What product did Tom buy?</i>	49%	36%
4th	<i>If you would pay 5% interest on an interest-only mortgage of \$ 100.000 (30 years), would you pay more or less than \$ 500,- per month?</i>	35%	37%
5th	<i>One saving account offers 12% compounded each year and another 1% compounded each month. Which offers the higher rate of return at the end of the year?</i>	34%	41%



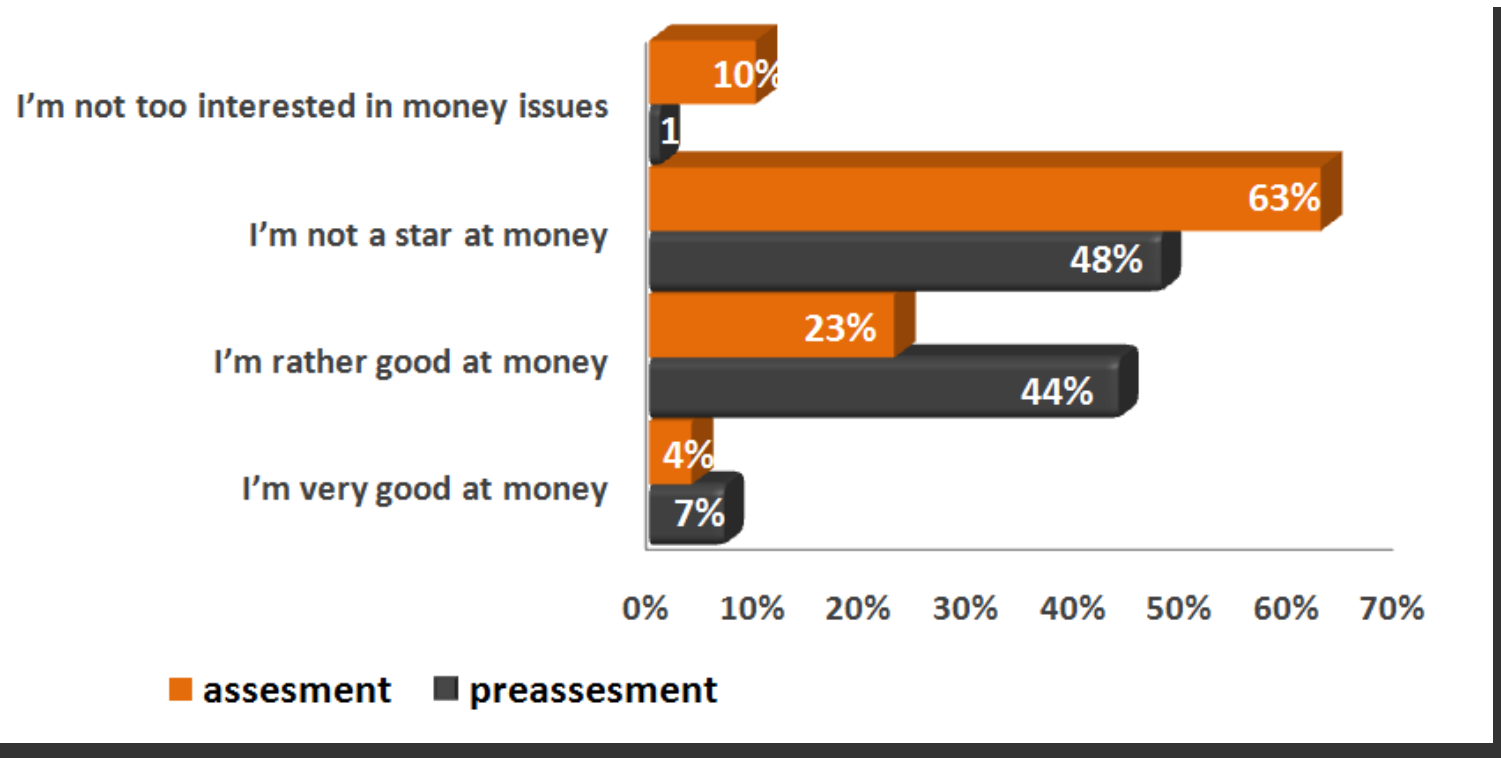
Literacy segmentation percentage of questions answered correct



	POOR	BASIC	GOOD	EXCELLENT		POOR	BASIC	GOOD	EXCELLENT
	5%	62%	27%	7%		6%	58%	29%	7%
	10%	71%	16%	3%		6%	69%	21%	3%
	8%	69%	20%	3%		10%	63%	23%	4%
	4%	52%	36%	8%		7%	66%	23%	5%
	3%	60%	26%	11%		4%	57%	27%	13%

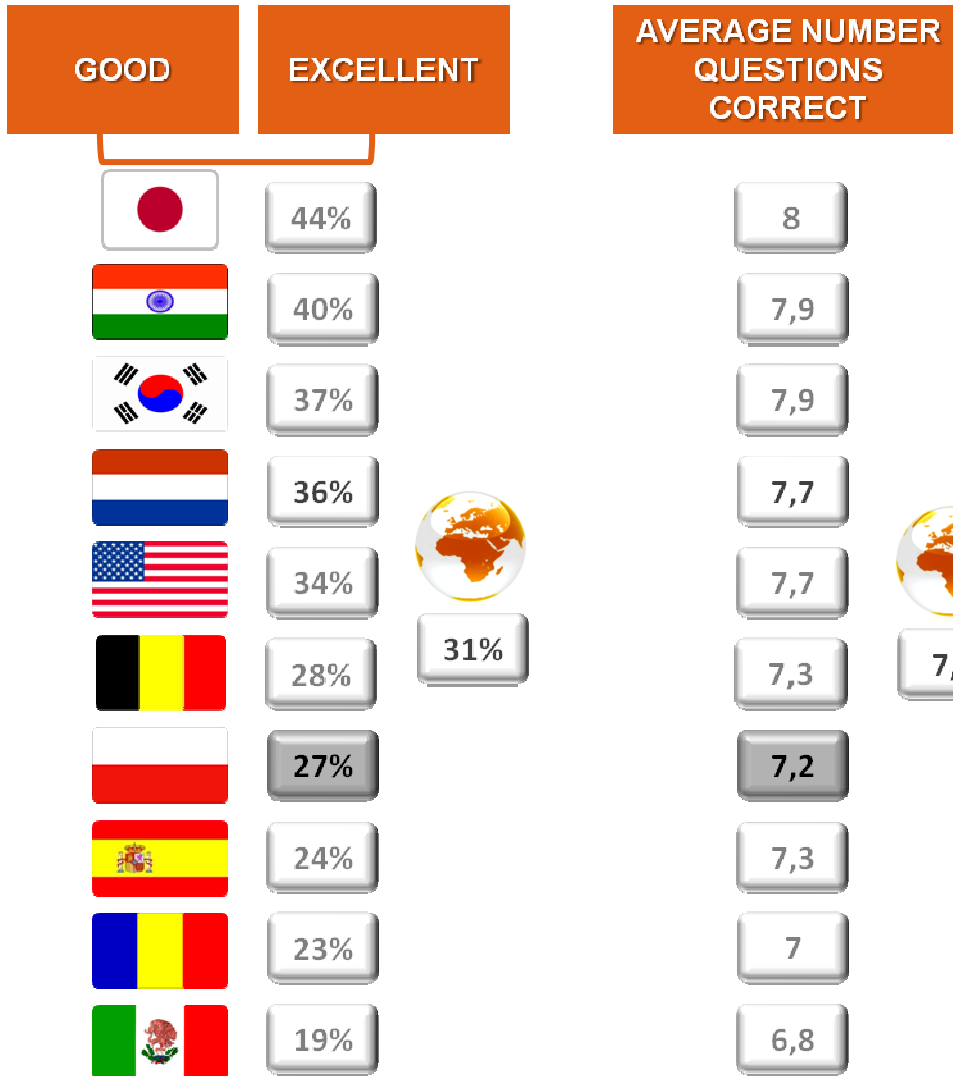


Literacy segmentation pre-assesment expectations and assesment results





Literacy segmentation percentage of questions answered correct



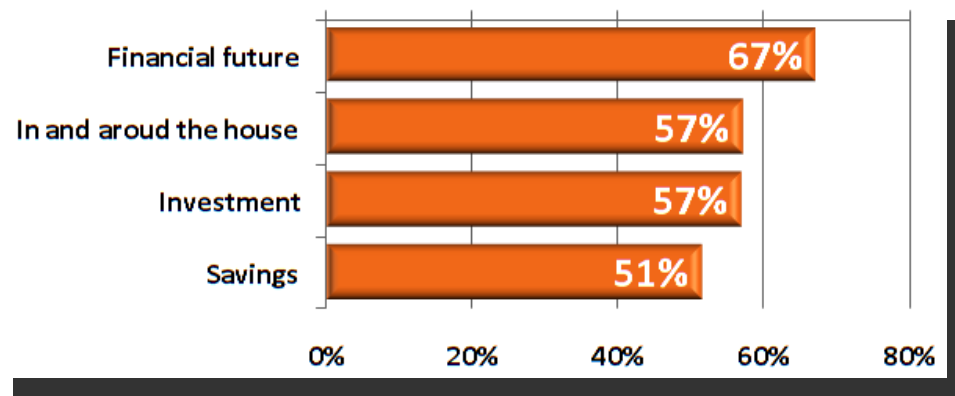
Comparing countries on top-2 literacy segments and number of questions correct we learn that Asians are most financial literate, followed by the Polish and Americans.

We did not find a potential bias from education, age or level of income.

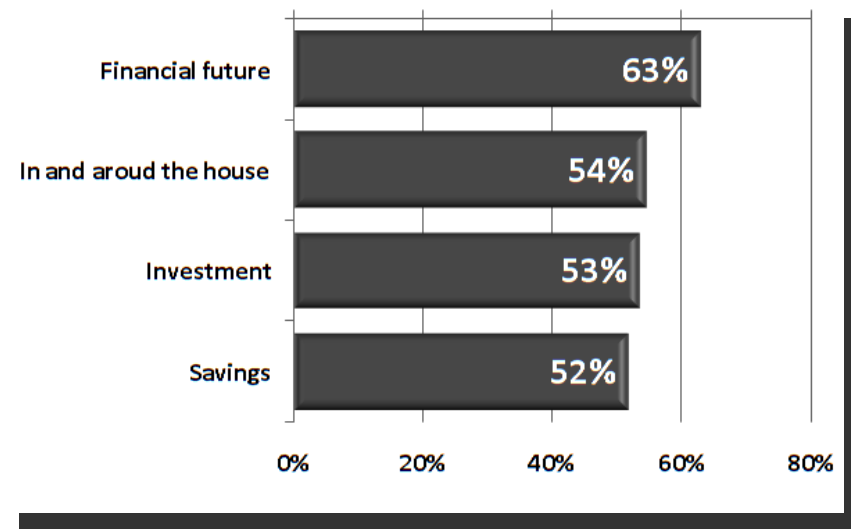


Literacy segmentation percentage questions answered correct

AVERAGE 58% CORRECT ANSWERS



AVERAGE 55% CORRECT ANSWERS





Literacy segmentation four pre-defined segment descriptions

Element of the self-assessment tool is instant feedback on the final score (out of 13 questions). We prepared the descriptions below and asked if they feel the description indeed defines their today's understanding of finance.

POOR

It appears like money and finance are topics that you have no real interest for. If you want to learn more, it is really not that difficult. We'd recommend you to invest some time in mastering some financial basics or find some financial advice.

BASIC

You know the basics behind money and finance. Clear advice and some guidance will help you to further improve and optimize your money management skills and (future) financial situation. Good luck!

GOOD

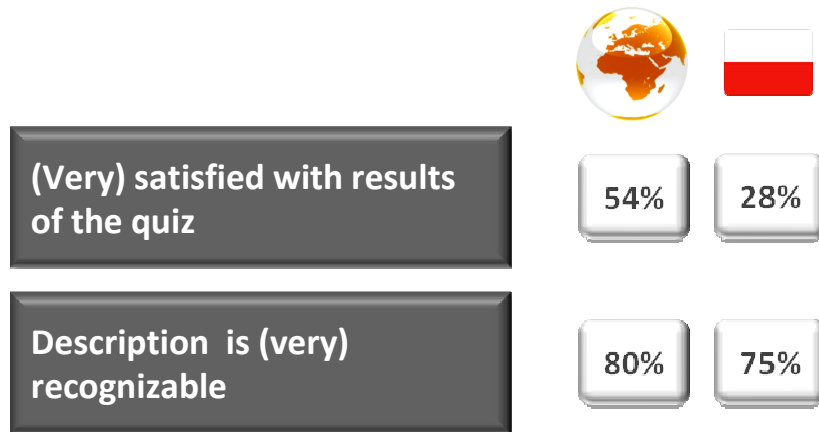
You are likely to feel comfortable managing your money and finance. After collecting all relevant information you feel very capable to make your own decisions. Good for you!

EXCELLENT

You must be a financial wizard! Money and finance hold no secrets for you. With your knowledge level it is most likely that you have great financial control and are a trusted advisor to your family and friends. Keep it up!



Literacy segmentation is your score satisfying and recognizable?



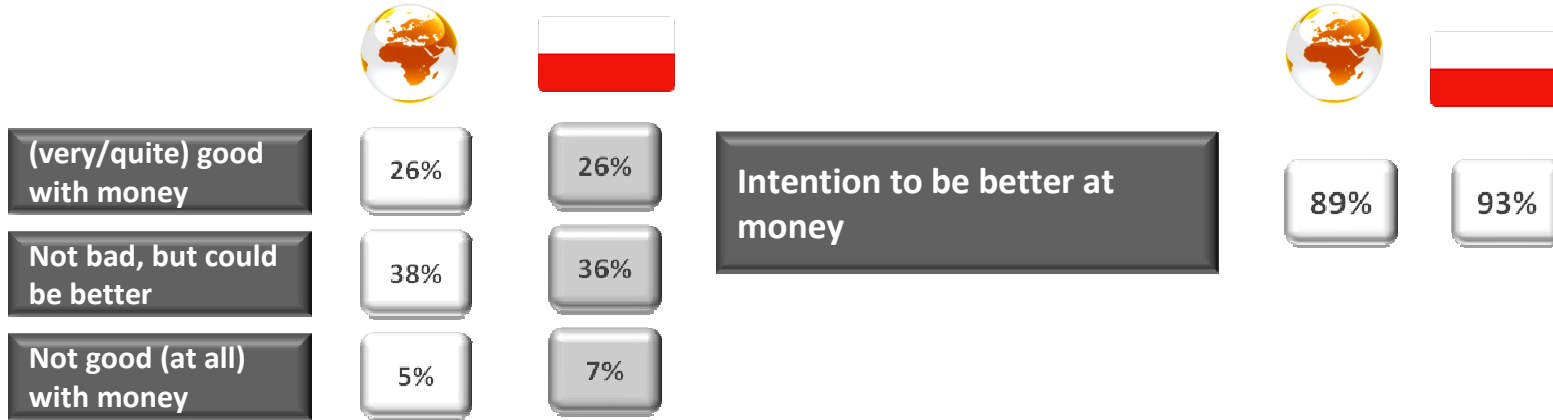
- *How satisfied are you with your final score compared to the number of questions you expected to answer correctly before you took the quiz?*
- *Do you recognize yourself in the description fitting your total score?*



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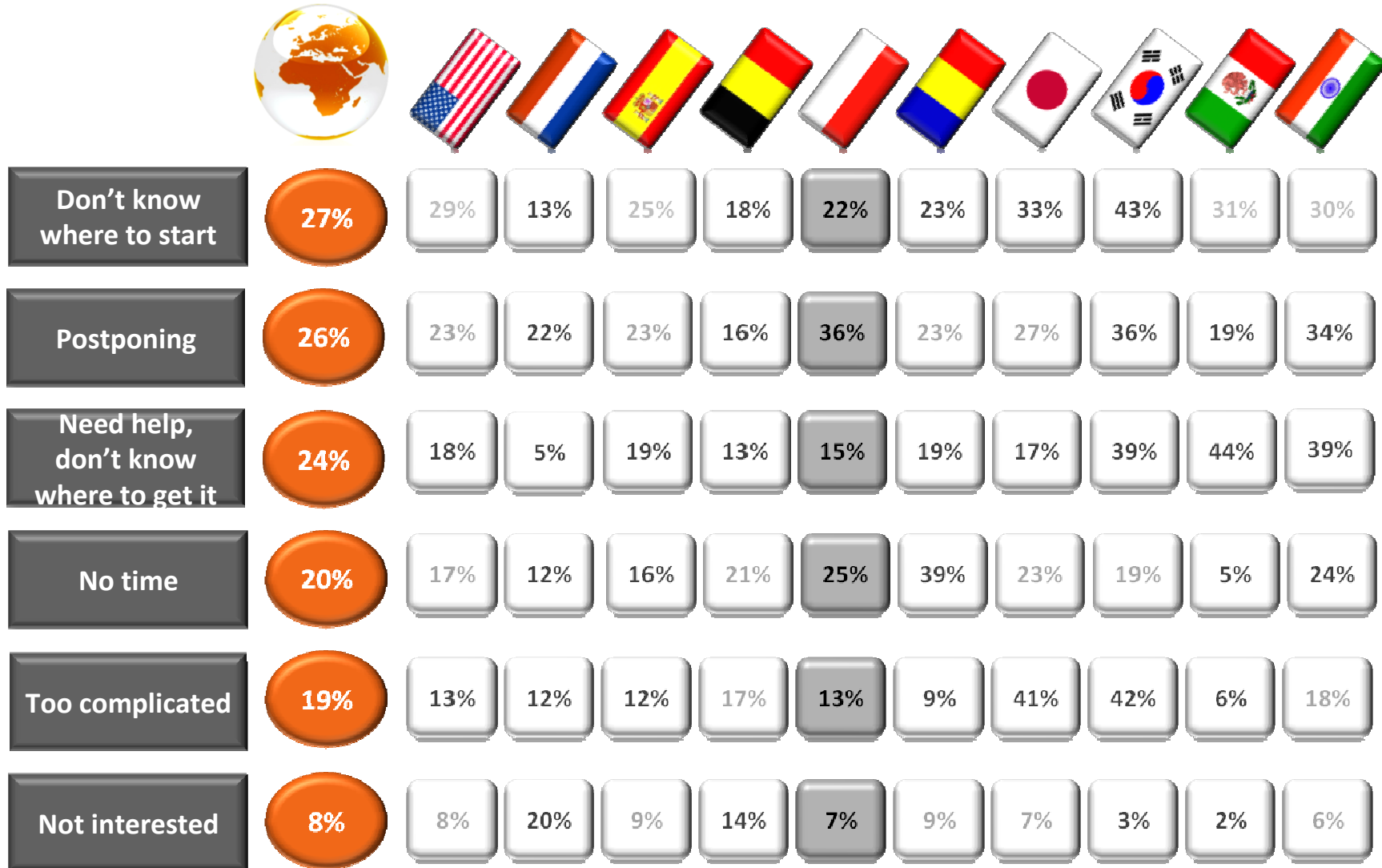
Be better at money good with money and want to become better?



*Are you good with money?
Do you want to be better at money?*



Be better at money what prevents being better at money?



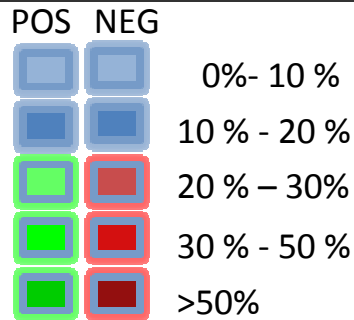
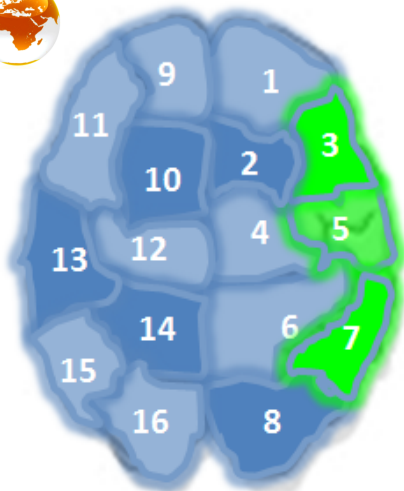


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Attitude and motivations how do you feel about managing your finances?

Emotuning™ is a methodology developed by Epiphany to capture the emotions of consumers worldwide. Thinking about finance triggers a feeling of pride (when managed well), hope (for a better financial situation) and safety (looking at the future).

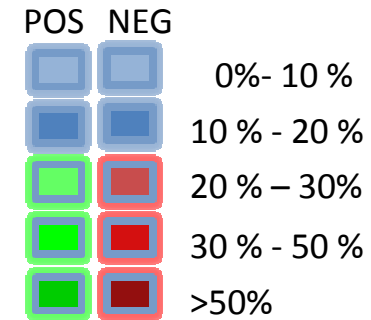
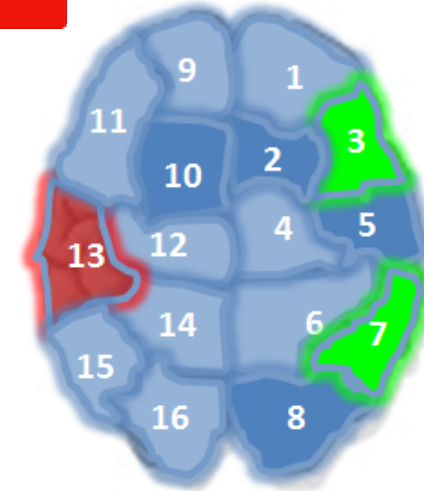


POSITIVE EMOTIONS

1. Surprise
2. Joy
3. Hope
4. Love
5. Pride
6. Adoration
7. Safe

NEGATIVE EMOTIONS

8. Sorrow
9. Guilt
10. Anger
11. Boredom
12. Shame
13. Fear
14. Despair
15. Contempt
16. Envy

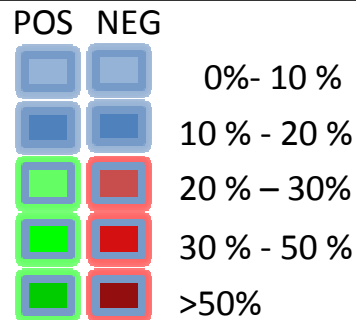
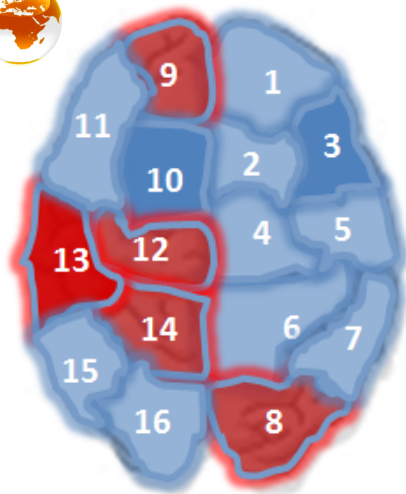




Attitude and motivations

how does thinking about having debt make you feel?

Having debt triggers a strong feeling of fear (for the future), guilt (not being able to take care of themselves) and shame (towards family and friends).

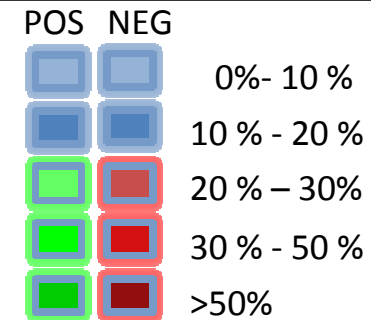
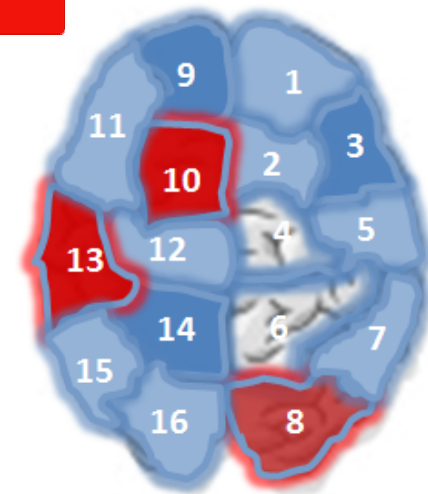


POSITIVE EMOTIONS

- 1.Surprise
- 2.Joy
- 3.Hope
- 4.Love
- 5.Pride
- 6.Adoration
- 7.Safe

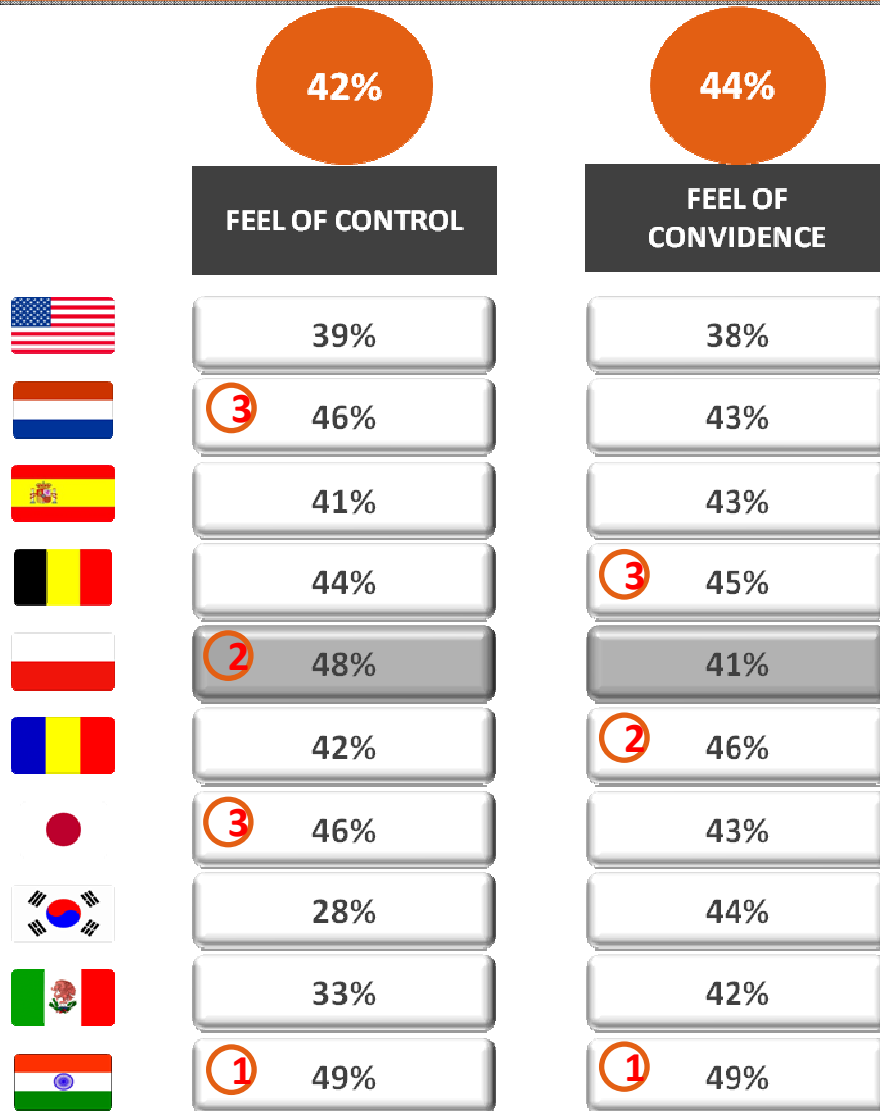
NEGATIVE EMOTIONS

- 8.Sorrow
- 9.Guilt
- 10.Anger
- 11.Boredom
- 12.Shame
- 13.Fear
- 14.Despair
- 15.Contempt
- 16.Envy





Attitude and motivations do you feel in control and confident of your finances?

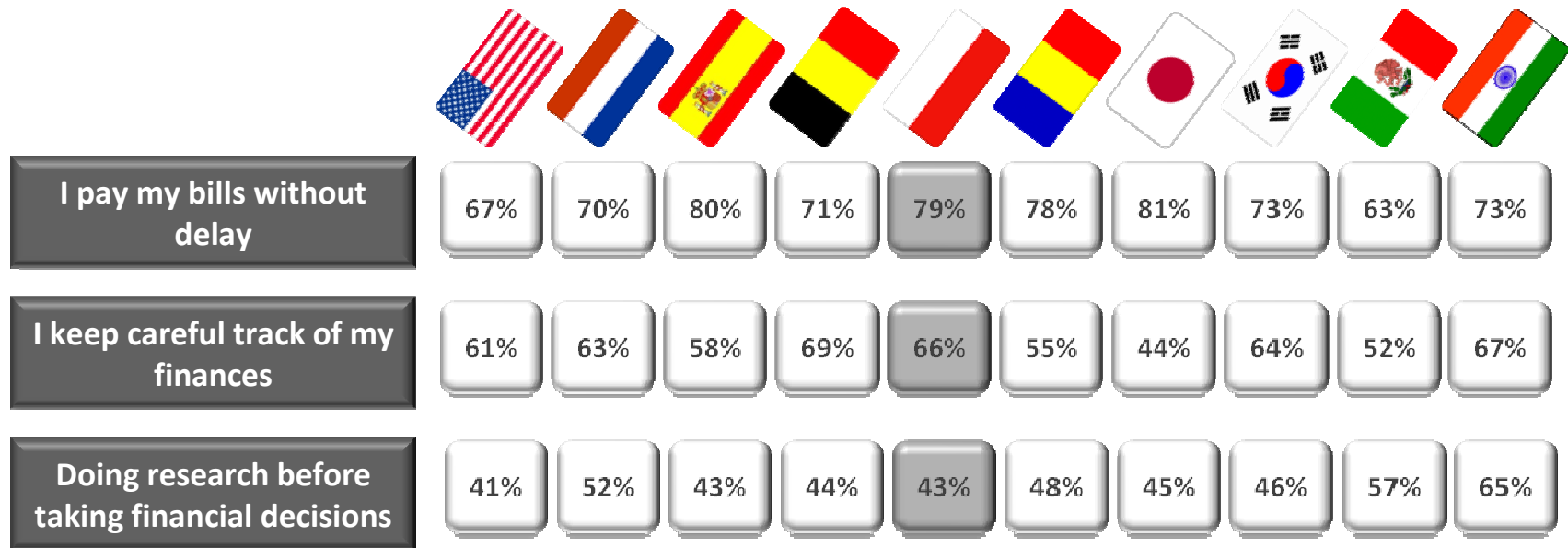


Do you feel in control of your finances?

How confident do you feel when making an important financial decision?



Attitude and motivations which statements represent how you look upon the topic?

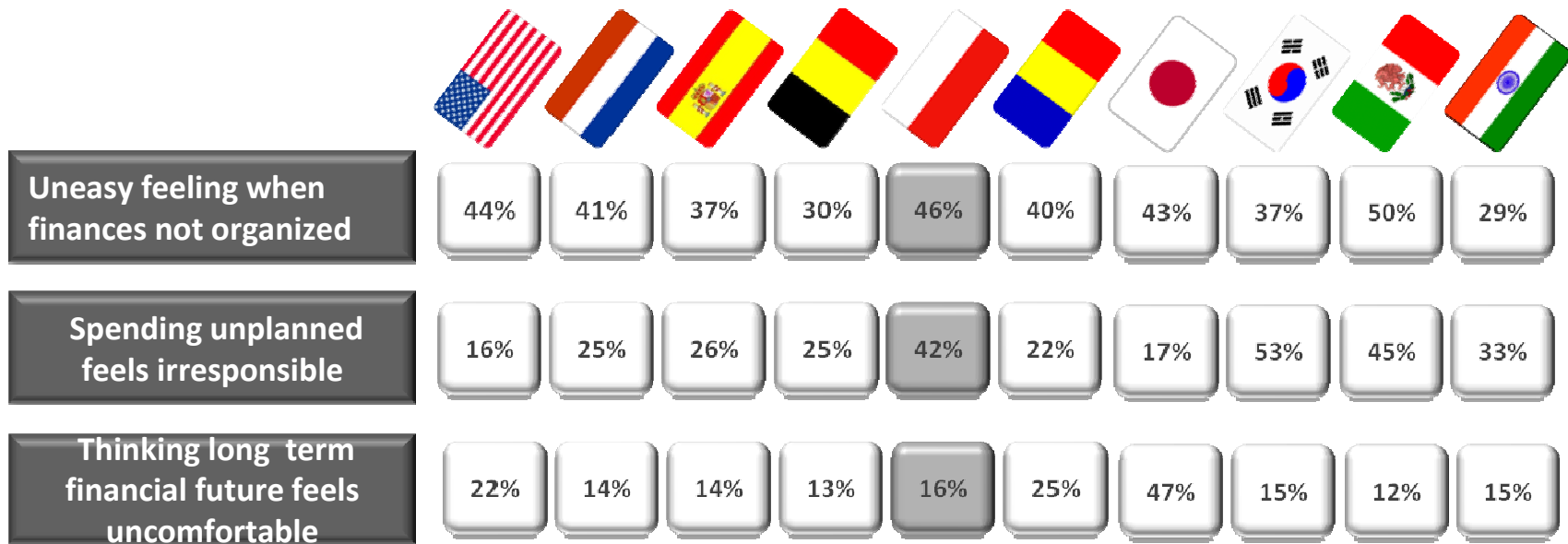


Statements best represents how you consider the topic

When thinking about finance, which 5 of the statements shown below best represent how you look upon the topic?



Attitude and motivations which statements represent how you look upon the topic?



Statements best represents how you consider the topic

When thinking about finance, which 5 of the statements shown below best represent how you look upon the topic?



Attitude and motivations imagine you have EUR 100, how would you spend it?



Saving account

Crazy night out

100%

Neutral

100%



Lend to a friend who needs it

Ask some friends for dinner



Saving account

Buy great electronic gadget



Visit favorite shop

Saving account



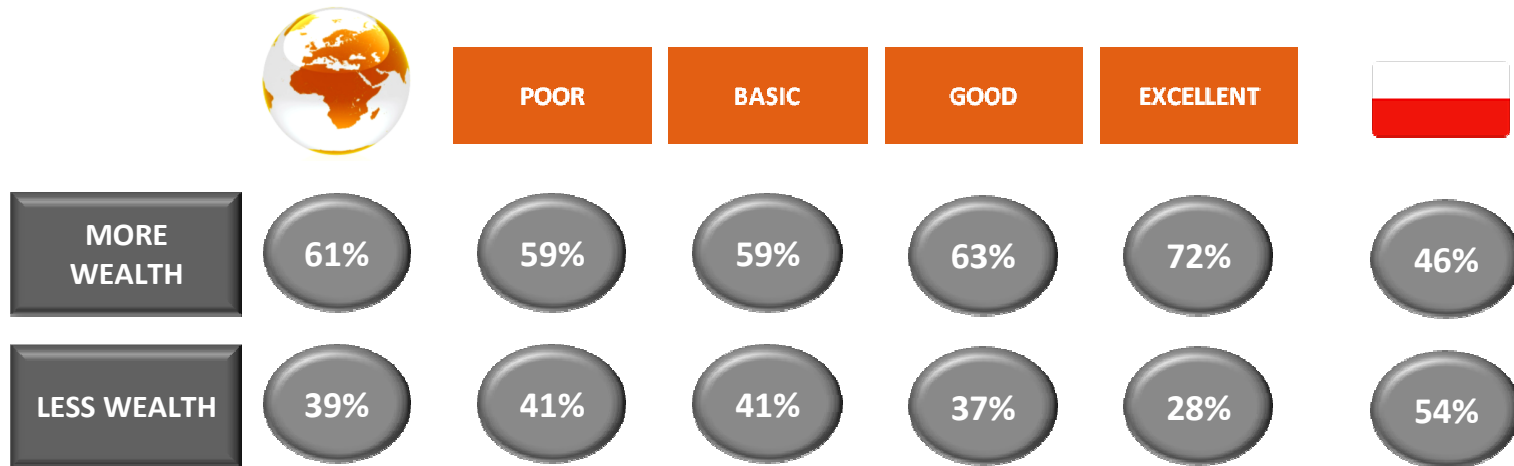
Pay down debt

Give it to charity

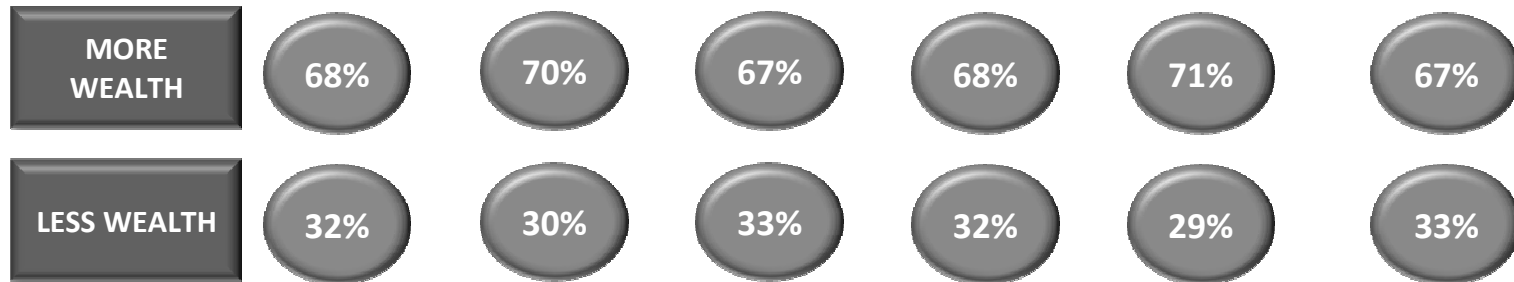




Attitude and motivations when you retire; more or less wealth than your parents?



Do you believe that, when you retire you will have more or less wealth than your parents?



Do you believe that, when your (future) kids retire they will have more or less wealth than you?



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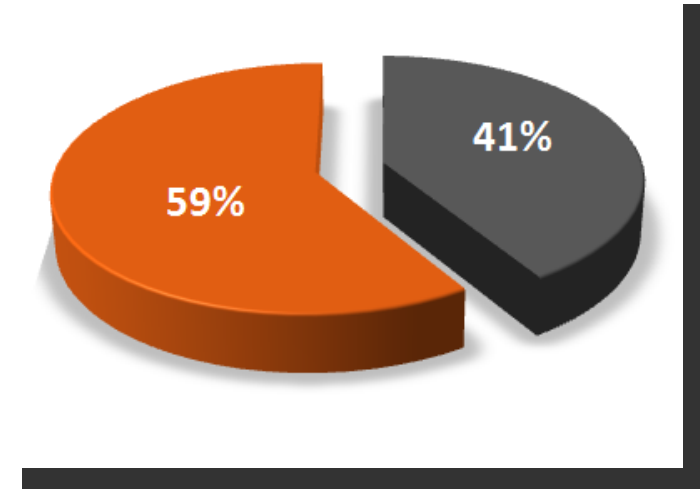
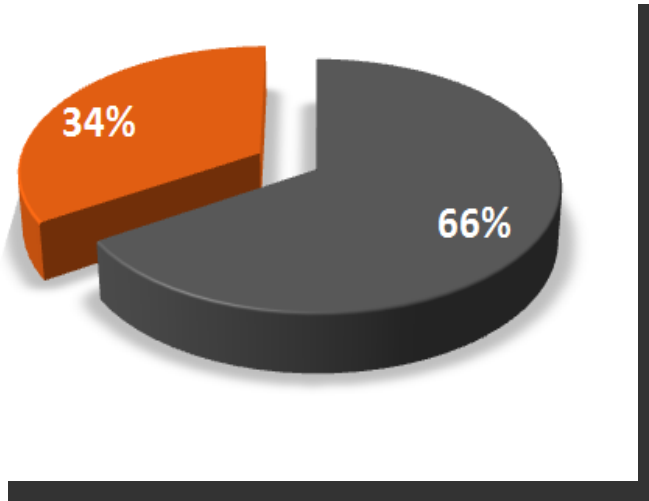
Money skills & behavior would you have EUR 1000 available to get car repaired?

If your car broke down and needed EUR 1.000 for repairs, would you have the money available to get it repaired?



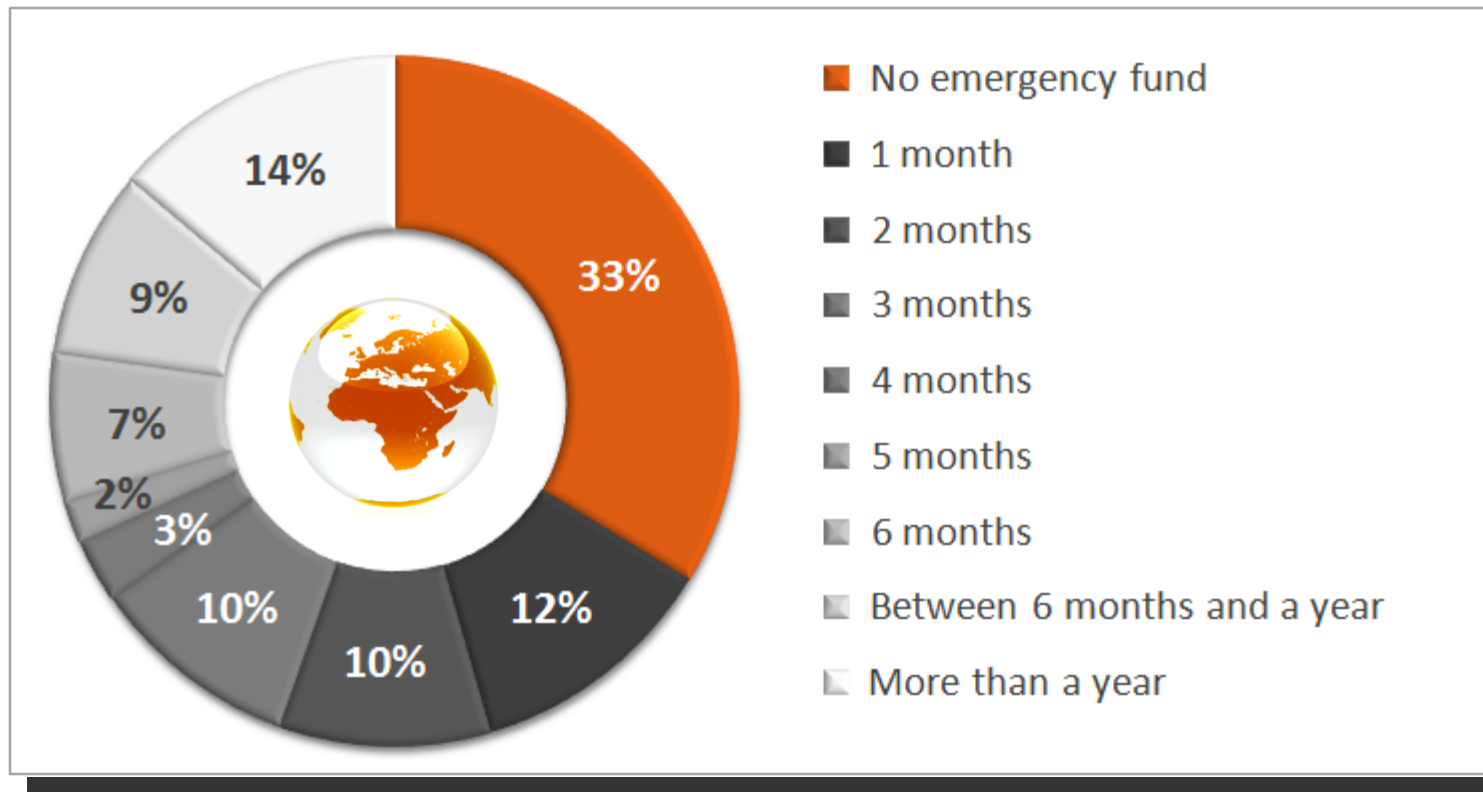
■ Yes

■ No





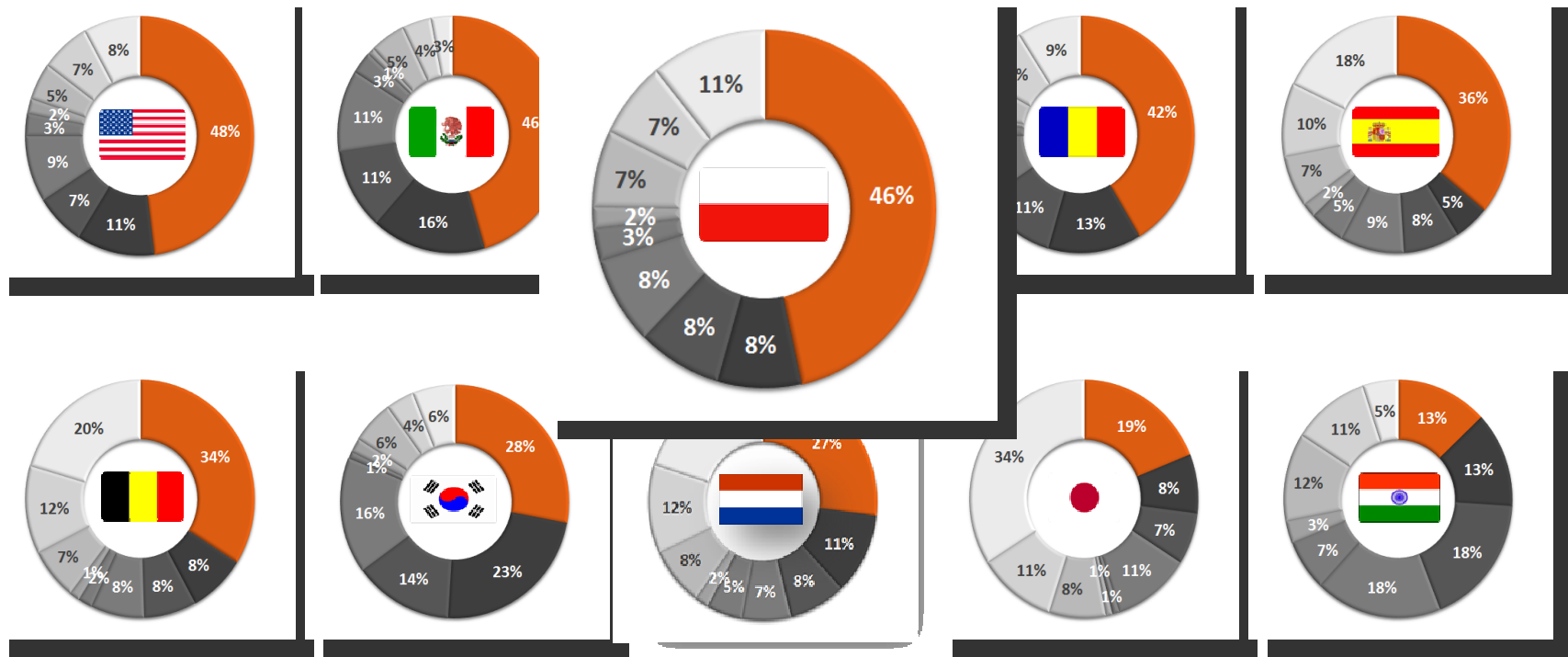
Money skills & behavior do you currently have an emergency fund?



Do you currently have an emergency fund and how many months of your expenses does it cover?



Money skills & behavior do you currently have an emergency fund?



Do you currently have an emergency fund and how many months of your expenses does it cover?

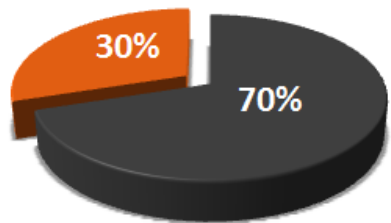
- No emergency fund
- 1 month
- 2 months
- 3 months
- 4 months
- 5 months
- 6 months
- Between 6 months and a year
- More than a year



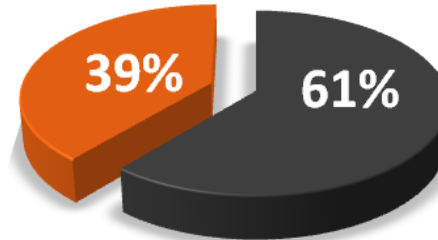
Money skills & behavior do you keep a household budget?



Household budget
Global



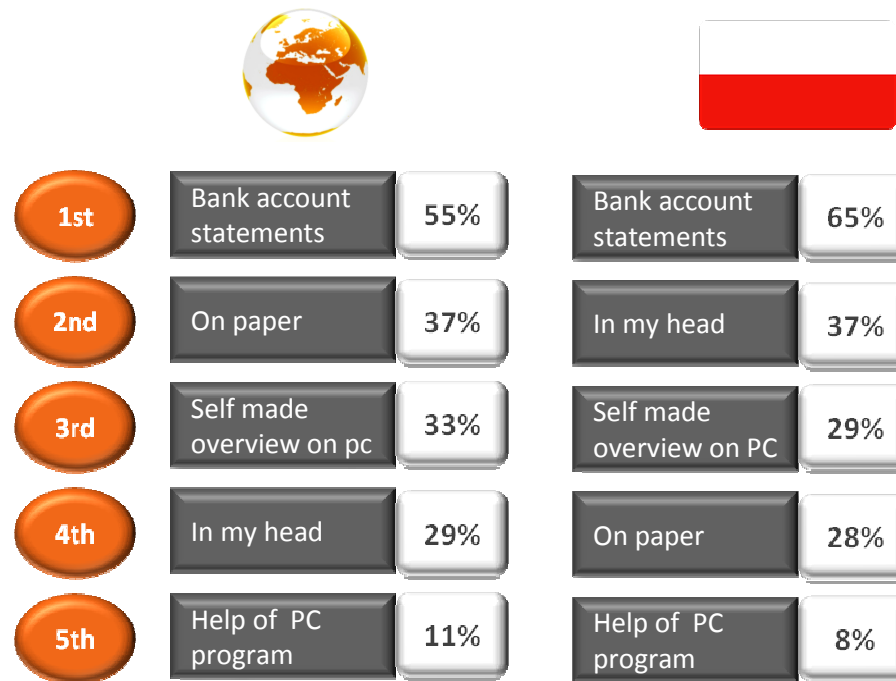
■ Yes
■ No





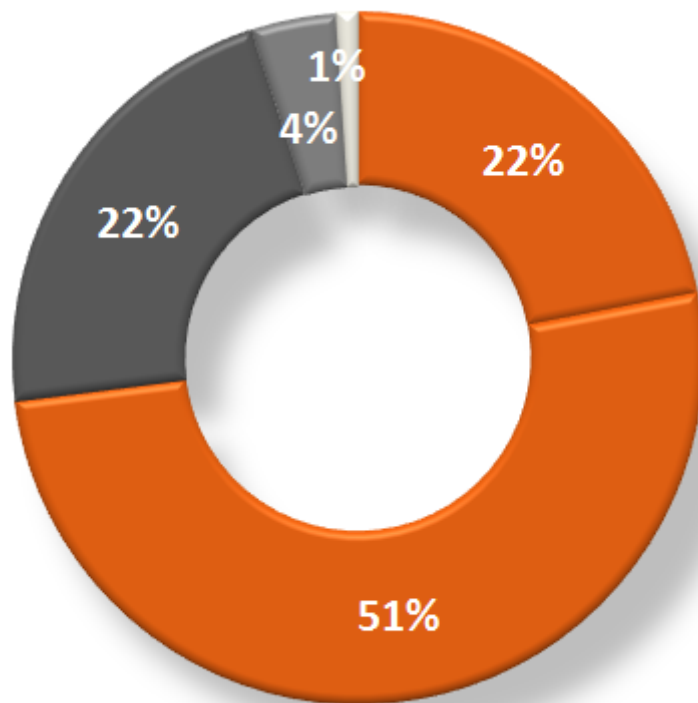
Money skills & behavior

how do you keep your household budget?





Money skills & behavior do you manage to stay within/respect your budget?

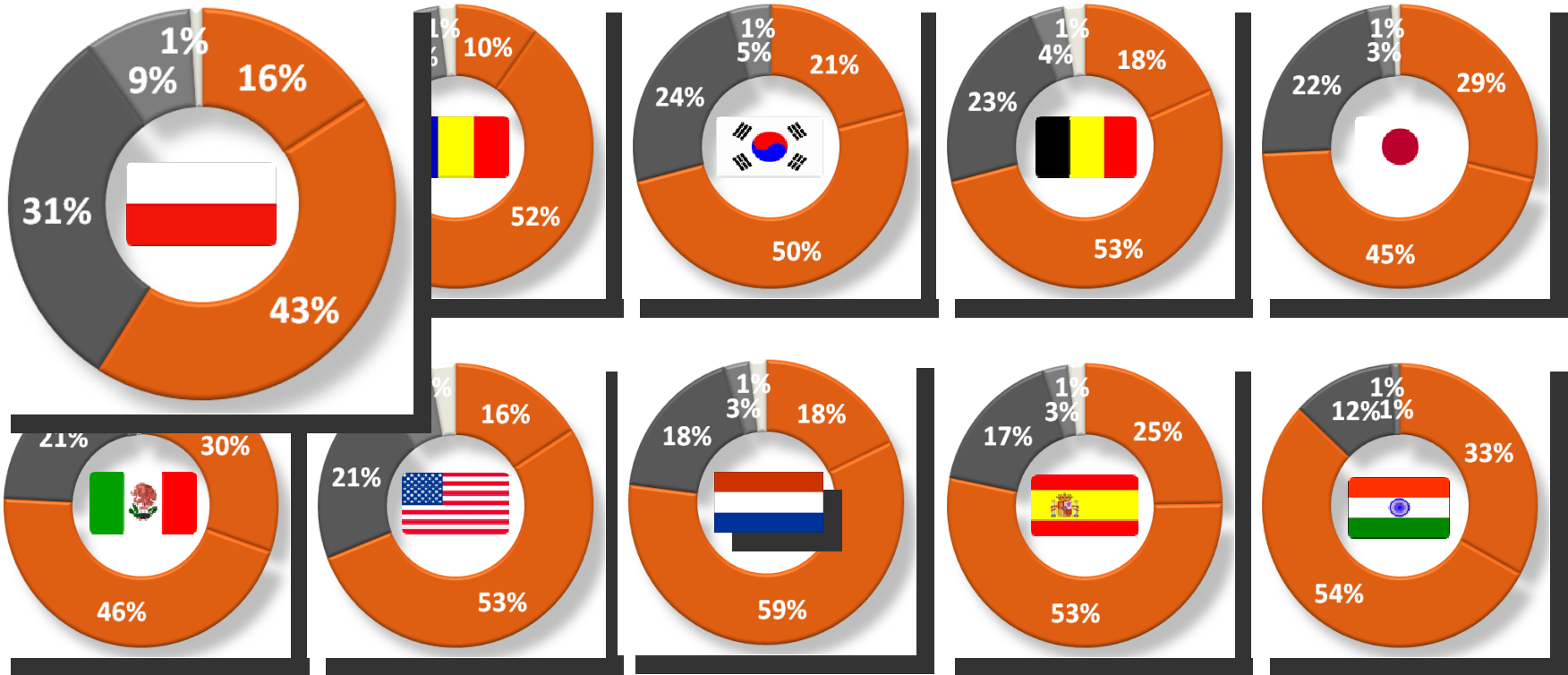


- Yes, all the time
- Yes, most of the time
- No, sometimes I overspend
- No, I always overspend
- I really don't know





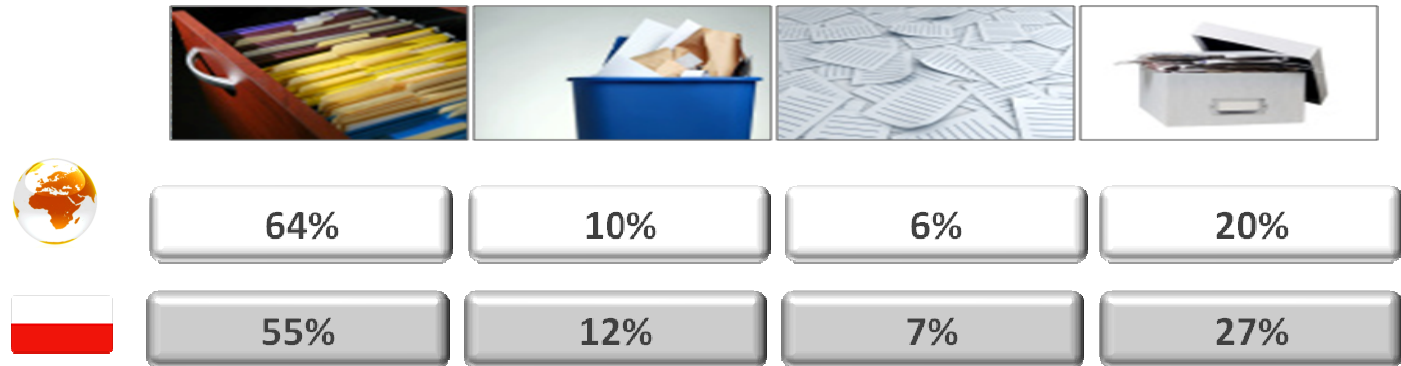
Money skills & behavior do you manage to stay within/respect your budget?





Money skills & behavior

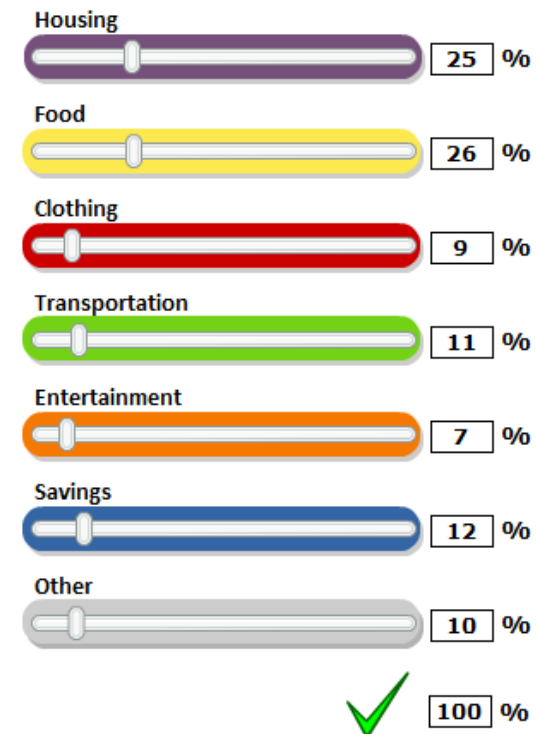
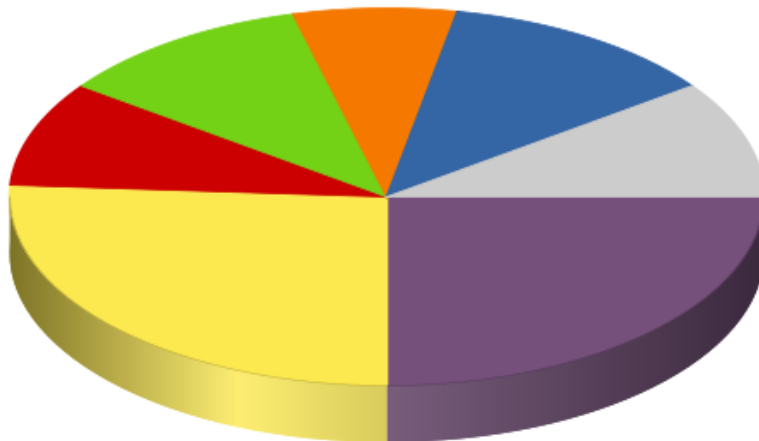
which situation best depicts your management style?





Money skills & behavior how is your monthly income spent?

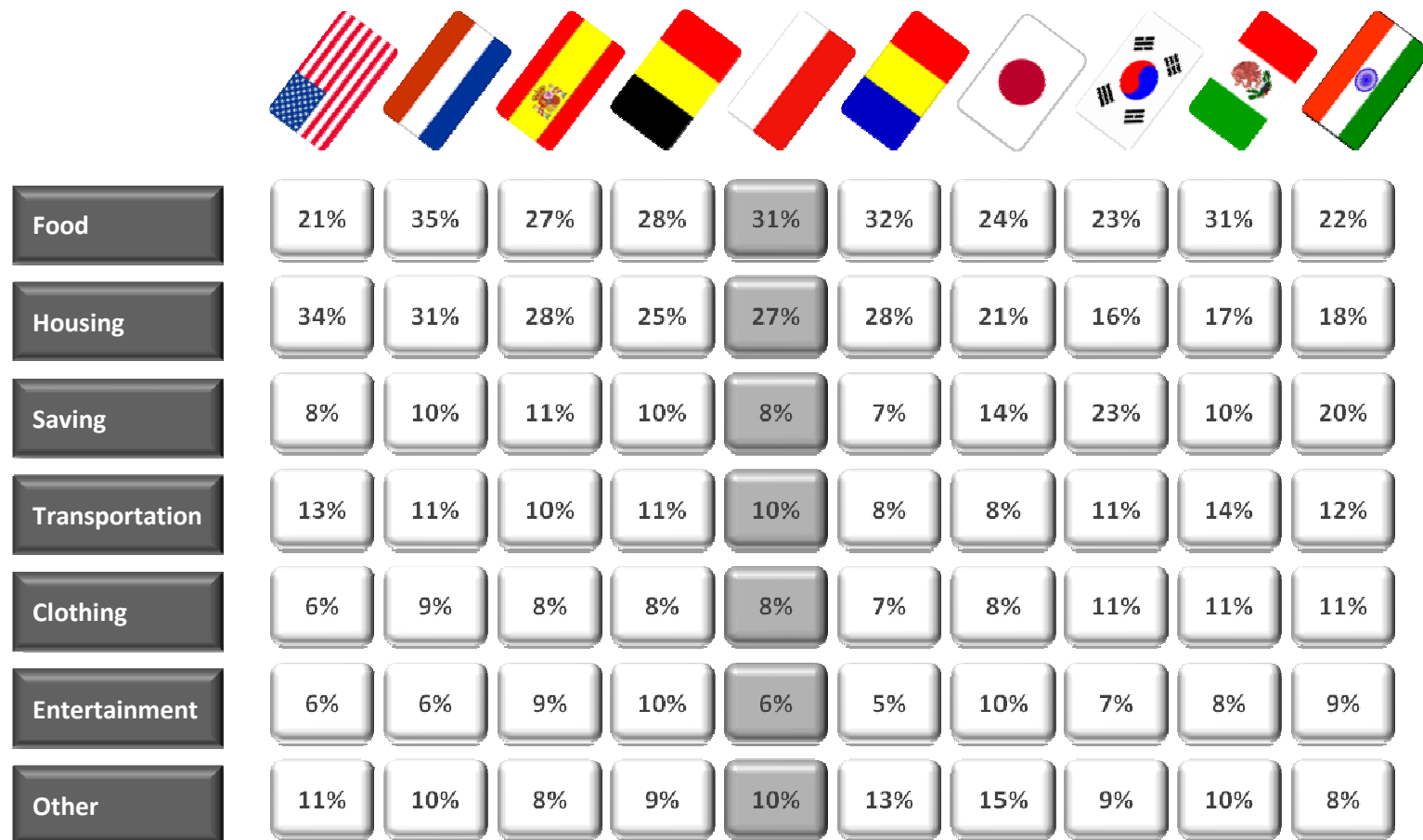
Like presented below consumers were asked to indicate how they spend their income. By moving the sliders they could indicate how much percent is spend on a category relative to their total income.





Money skills & behavior

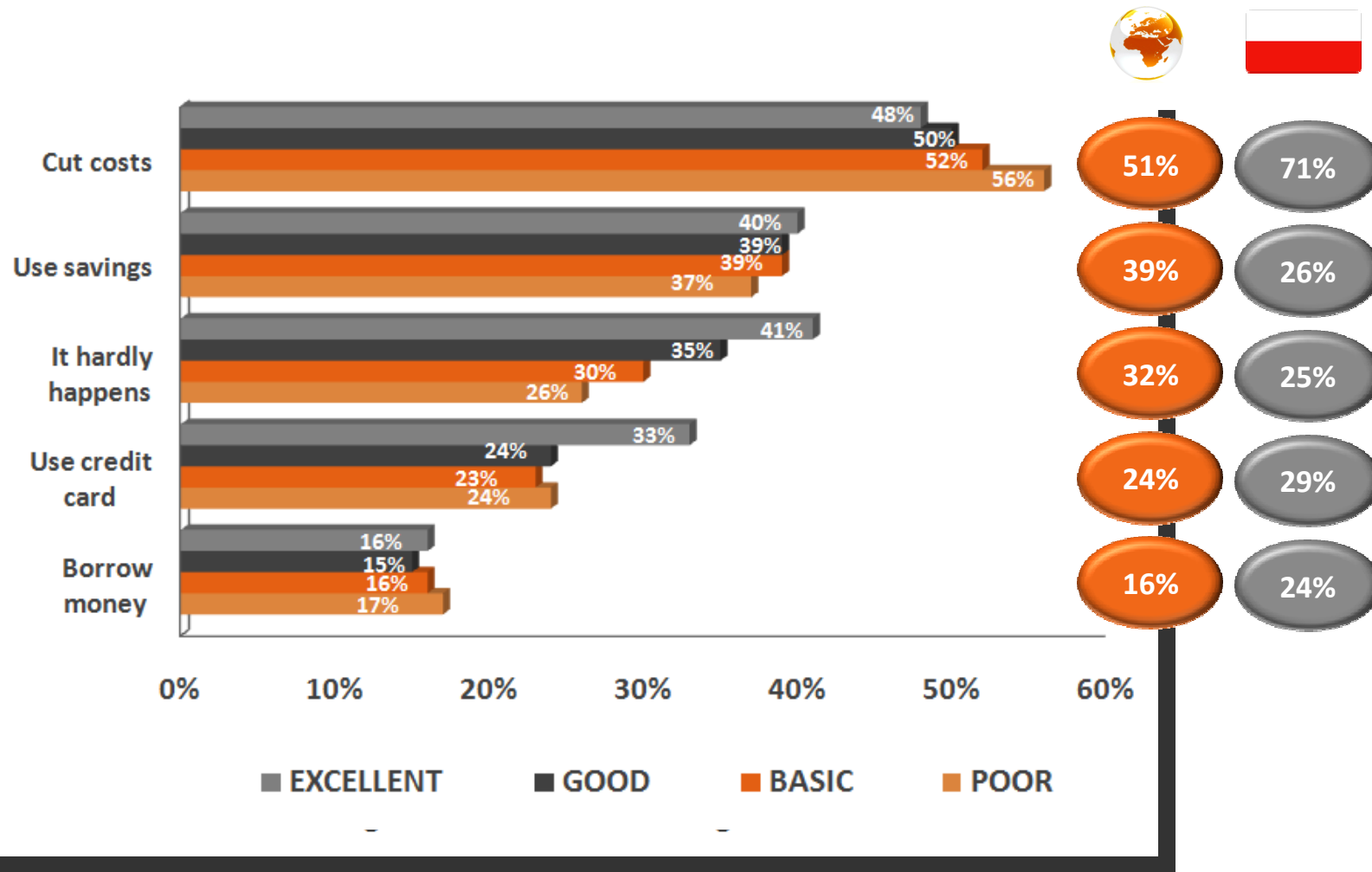
How is your monthly income spent?





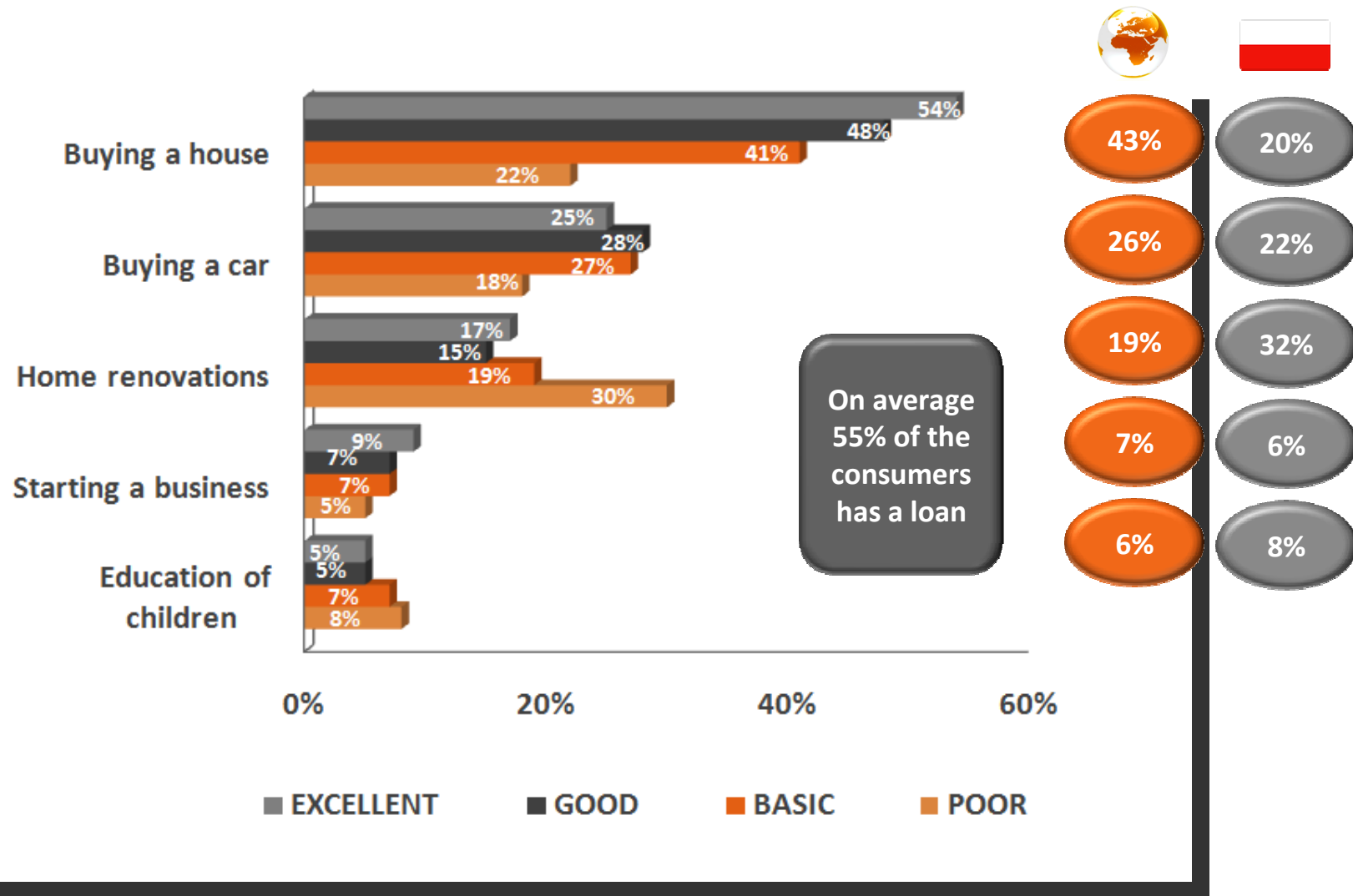
Money skills & behavior

what do you do if you don't have enough money left?



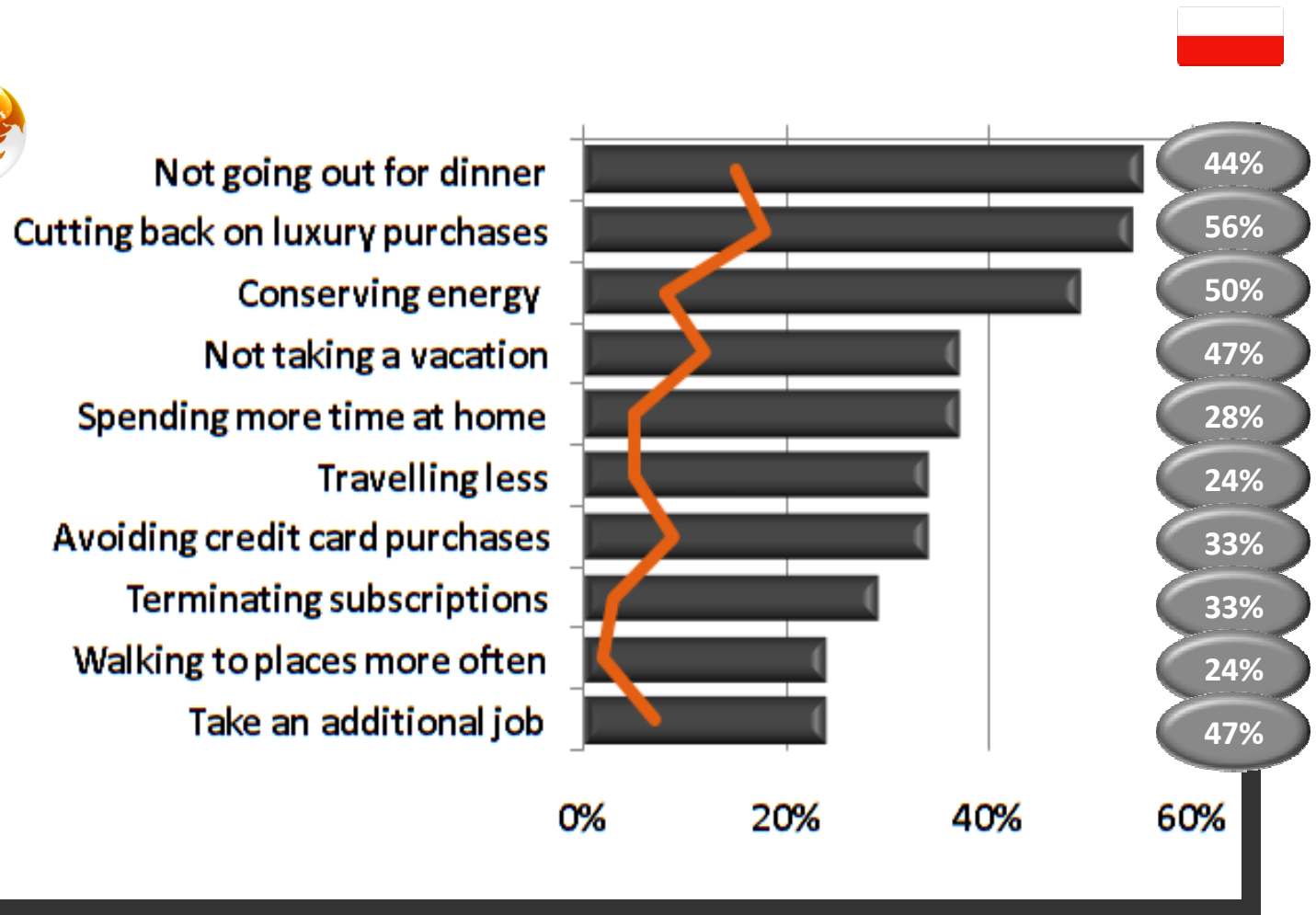


Money skills & behavior what is the purpose of your loan(s)?





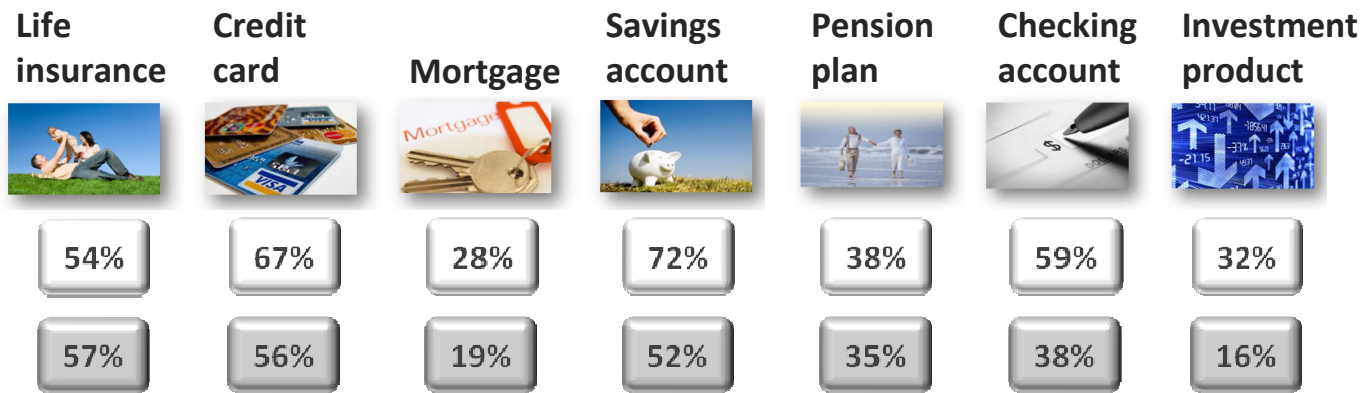
Money skills & behavior if your monthly income goes down, what would you do?



Imagine your monthly income goes down by 20%. What would you do in order to stay within your monthly budget?
Of these things that you have previously selected which item would you choose first to stay within your monthly budget? (orange line)

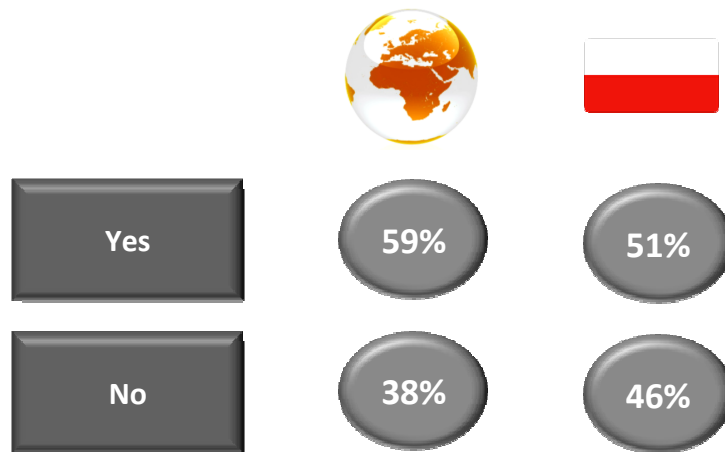
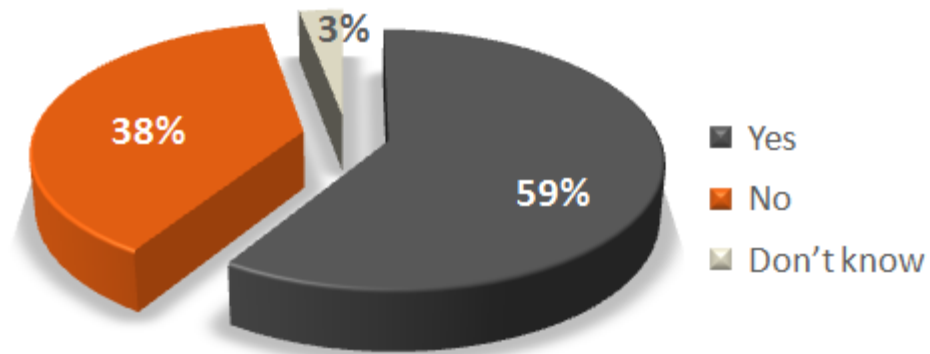


Money skills & behavior which financial products do you currently own?



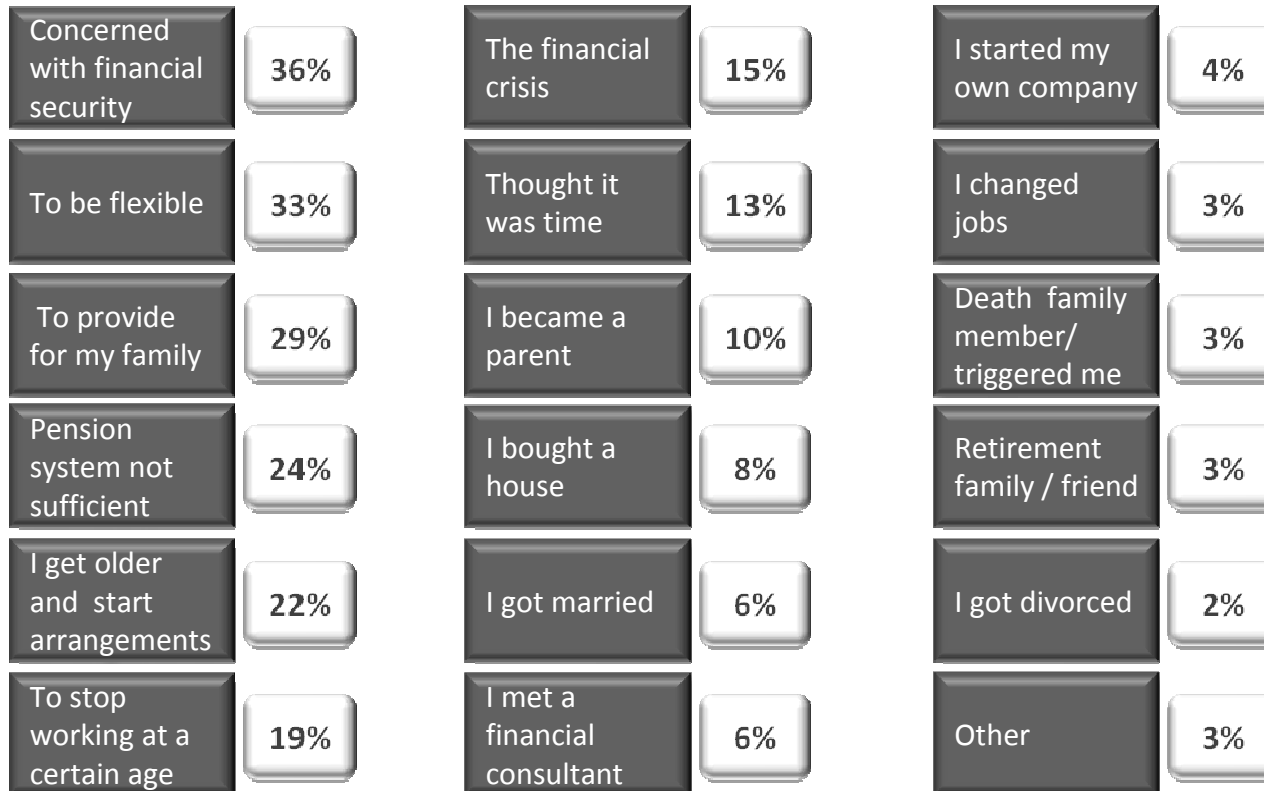


Money skills & behavior saving for retirement?





Money skills & behavior key motivations for planning your financial future?





Money skills & behavior

key motivations for planning your financial future?

What are your key motivations for planning your financial future?

