



Celebrating the challenges

Time to party – or is more recovery time required?

ING International Survey special report – Christmas and New Year 2016

thinkforward



This survey was conducted
by Ipsos on behalf of ING



About the ING International Survey

The ING International Survey aims to gain a better understanding of how retail customers – and potential customers – of ING Bank around the globe spend, save, invest and feel about money. It is conducted several times a year, with past reports online at

www.ezonomics.com/iis.

This survey was conducted by Ipsos between 8 October and 29 October 2015 using internet-based polling.

European consumer figures are an average, weighted to take country population into account.

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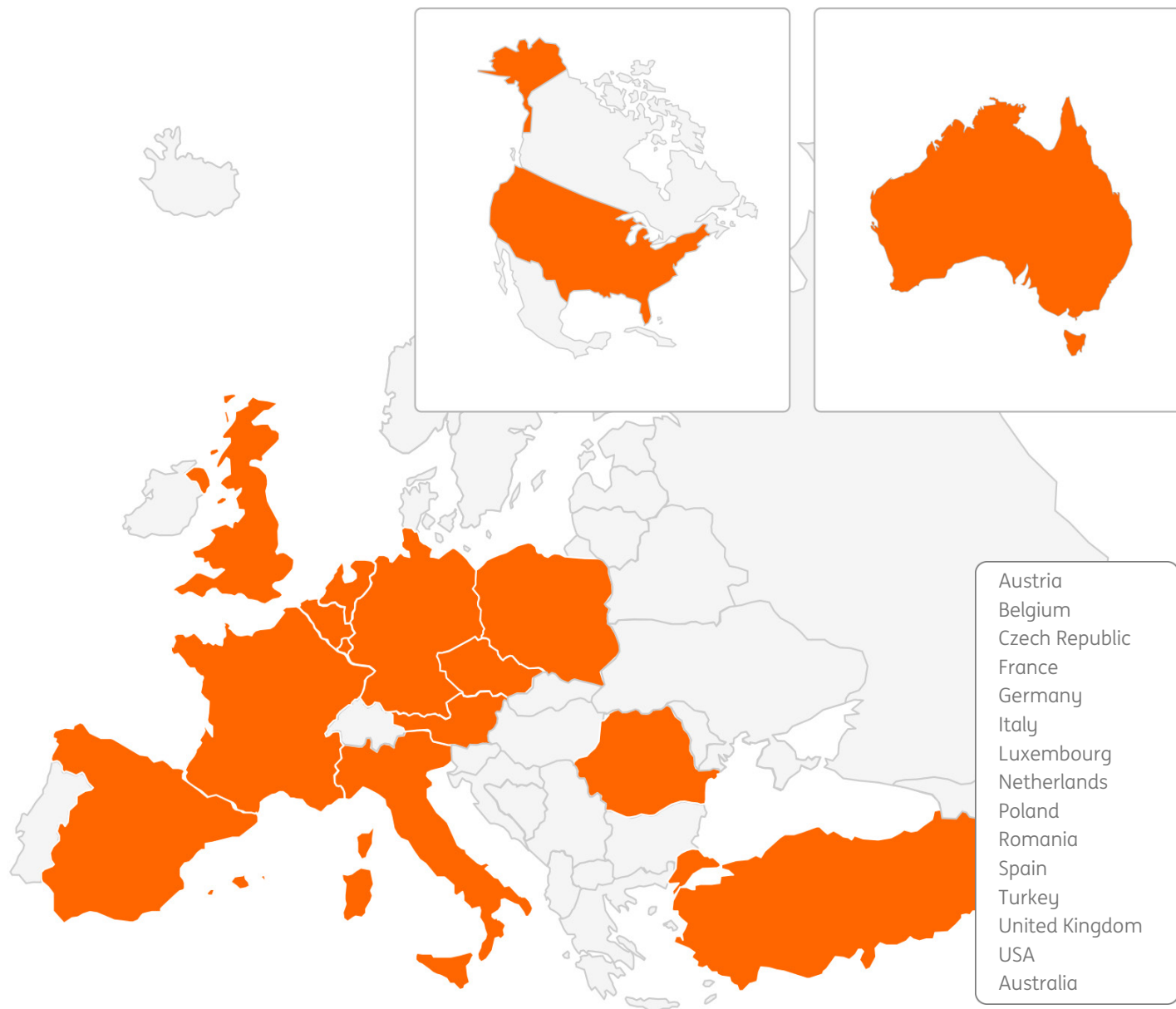
countries are compared in this report.

1,000

About 1,000 respondents were surveyed in each, apart from Luxembourg, with 500.

14,837

is the total sample size of this report.



Christmas and New Year add pressure for many – are you financially fit?

Many people in Europe, the US and Australia aim to improve their finances through savings or debt reduction this New Year; seasonal aspirations may push the cost up for some people

End of year celebrations at Christmas and New Year represent a time of joy and peace for many people.

For others, this season can become rather stressful – not least because of the potential shock to the wallet.

Our Christmas and New Year 2016 report reveals a certain share of the population can be tempted to stretch finances almost to breaking point for festivities.

Forever in your debt?

One of the more interesting findings is that the UK and Romania are the countries in Europe most likely to save for Christmas and to spend more this year on presents.

People in these two countries are also more likely to go into debt to do so.

In Romania, 16% agree they went into debt to pay for Christmas 2014. In the UK, 15% agree with the statement.

More positively, only nine percent of all the people polled say they went into debt for Christmas 2014.

In terms of what individuals plan to spend this year on presents, the amounts cited are little different to the figures from last year's report.

The UK comes out on top, with a median planned spend of EUR420. The US – included for the first time this year, along with Australia – is second overall, with a planned spend equivalent to EUR360.

Luxembourg is not too far behind, with a median gift

budget for Christmas 2015 of EUR300.

Young people aged 18 to 24 appear to be slightly more frugal than their elders when it comes to buying Christmas presents.

Men are somewhat (20%) more likely to say they will pay more on Christmas 2015 than women (13%).

Resolve to succeed financially

Another striking finding is that more than seven in 10 people in Europe who plan to make New Year resolutions for 2016 will include a financial goal.

By far the most popular choice of resolution is “I want to save more” – 41% of people in Europe who plan to make a resolution for 2016 selected this option.

“More than seven in 10 people in Europe who plan to make New Year resolutions for 2016 will include a financial goal”

Second choice among people in Europe, the US and Australia is “I want to reduce my debt”.

Money resolutions are most popular in Turkey, where 86% of people polled who say they'll mark New Year 2016 this way choosing to do this.

The Netherlands takes a number-two spot, with 82% of resolution-makers planning to focus on money matters in January 2016.

People in Spain appear the least likely to opt to make a finance-based New Year resolution for 2016.

Could making a resolution be a good way to improve one's financial situation?

About 52% of people in Europe say they managed to keep financial New Year resolutions made in 2015, while 48% admit they did not.

A New Year resolution may be just one way of using a special occasion for “mental accounting” to make a plan or a fresh start – and the value of such goal setting is well known.

Our survey does confirm that many people in Europe, the US and Australia aim to plan well ahead of time for this typically busy time of year.

This suggests a great many people are in fact rather prudent and careful about festive finances.



Ian Bright, senior economist

Eat, drink and be merry – for tomorrow the bills arrive

The UK and Luxembourg lead the Christmas spending league in Europe, with people planning to spend EUR300 to EUR420. People living in Poland, Romania, and the Czech Republic spend less at Christmas.

Average wage, relative cost of living and currency exchange rates may be a reason. Of course, presents can be cheaper to buy in some countries too – spending less does not necessarily mean people are going without.

Country rankings and the amounts people plan to spend are similar to last year. The US is second and Australia sixth equal – these countries are in the survey for the first time this year.

Turkey – where fewer people celebrate Christmas – is not included.

The report confirms that many people do not know in advance how much they will spend at Christmas.

Yet pressure to spend at this time of year can be intense. Some do outline budgets for the season months beforehand; planning ahead of time can reduce the financial load later on.

Dutch Christmas takes back seat to Sinterklaas

Some countries hold Christmas-type celebrations at different times. In the Netherlands, Sinterklaas on 5 and 6 December – the feast of St Nicholas – means less may be spent on 24 and 25 December than in some countries. In other places, the main festive meal and gift-giving is on 24 December instead of Christmas Day.

The question

How much do you plan on spending this year on Christmas presents?

Rank	Country	Median spend (in euros)	Do not know
1	United Kingdom	420	42%
2	USA	360	33%
3	Luxembourg	300	45%
4=	Austria	250	38%
4=	France	250	42%
6=	Australia	200	44%
6=	Germany	200	37%
6=	Italy	200	40%
6=	Spain	200	46%
10	Czech Republic	180	39%
11	Belgium	150	50%
12	Romania	110	40%
13	Poland	70	50%
14	Netherlands	40	41%

Sample size: 13,633

How annual Christmas spend may change with income

It might be natural to assume wealthier people spend more at Christmas.

The survey does suggest a relationship of income levels to the amount spent on Christmas presents.

People with higher incomes do appear to spend more on Christmas presents than those with lower incomes within the same country.

However, the spending by lower income groups – the first and second quartiles – rises with the total amount spent in a country .

This may reflect cultural factors and also peer pressure – meaning people with less income may feel obliged to spend more.

It should be noted that planned spend may not mirror what is actually spent. Moreover, a budget may expand for a range of reasons.

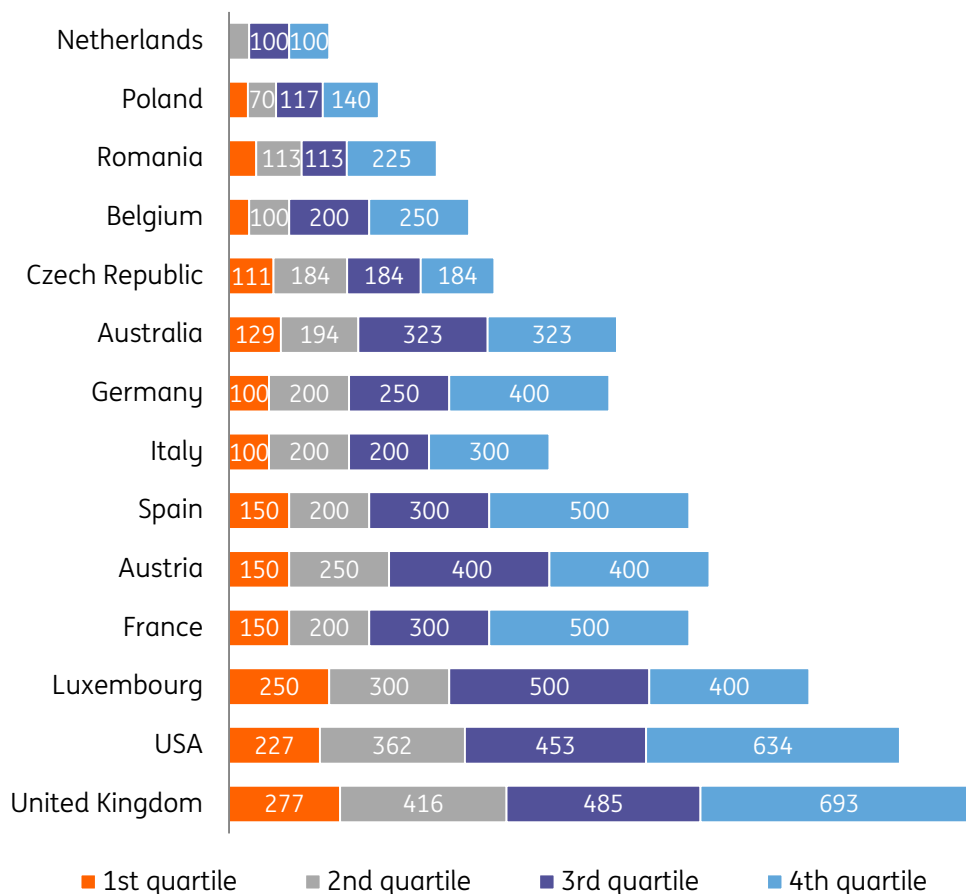
Can age mean more than a number?

Some may think young people spend much less than their elders on Christmas presents. But median budgets in each age category and for men versus women are similar. EUR135 is the median for the 18 to 24s. The 35 to 44s median is EUR233, possibly due to children. However, for all other age categories, as well as for men and women, the median gift budget for Christmas 2015 is EUR200.

The question

How much do you plan on spending this year on Christmas presents?

Median spend per income quartile, by country



Sample size: 7,289

I'll save for Christmas – and I'll do it my way

Holidays like Christmas and New Year can be expensive for many people, so it's not surprising that some choose to make special arrangements to cover costs.

One third of people in Europe save for Christmas – but only 16% say they save into a separate account. These proportions are about the same as in last year's survey – when 36% saved for Christmas and 17% put the money into a dedicated account.

In the Netherlands, just 11% choose to save money for this festival – perhaps reflecting the emphasis on Sinterklaas.

Half of those polled in the US save for Christmas. Just 19% save into a separate account.

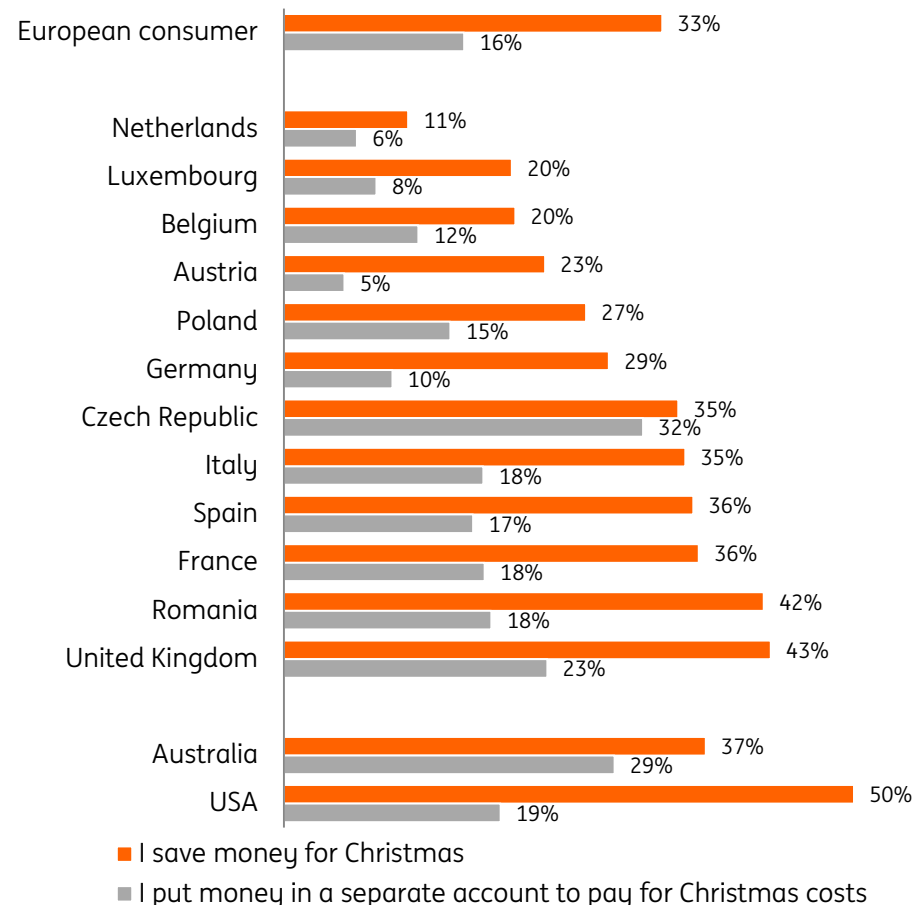
The use of a dedicated Christmas account is more common in Australia, where 29% choose this option.

Earmarking money for a specific purpose can make it easier to plan or limit spending – taking advantage of what behavioural scientists call mental accounting.

The question

“I save money for Christmas” / “I put money into a separate account on a regular basis to pay for Christmas costs”

Percent answered “agree” or “strongly agree”



Sample size: 13,633

Some plan to splash out more on Christmas 2015

Asked if they plan to spend more money on Christmas 2015, only 16% agree.

A similar share of people in Italy, France and the Czech Republic also indicated they would spend a larger amount than in the previous year.

However, about one quarter of people in the US, Romania and the UK say they'll spend more during the festive season in 2015.

The results are similar to last year's findings.

People in the UK and Romania are more likely to say they will spend a larger amount than last year.

Respondents in these countries are also more likely to say they save for Christmas.

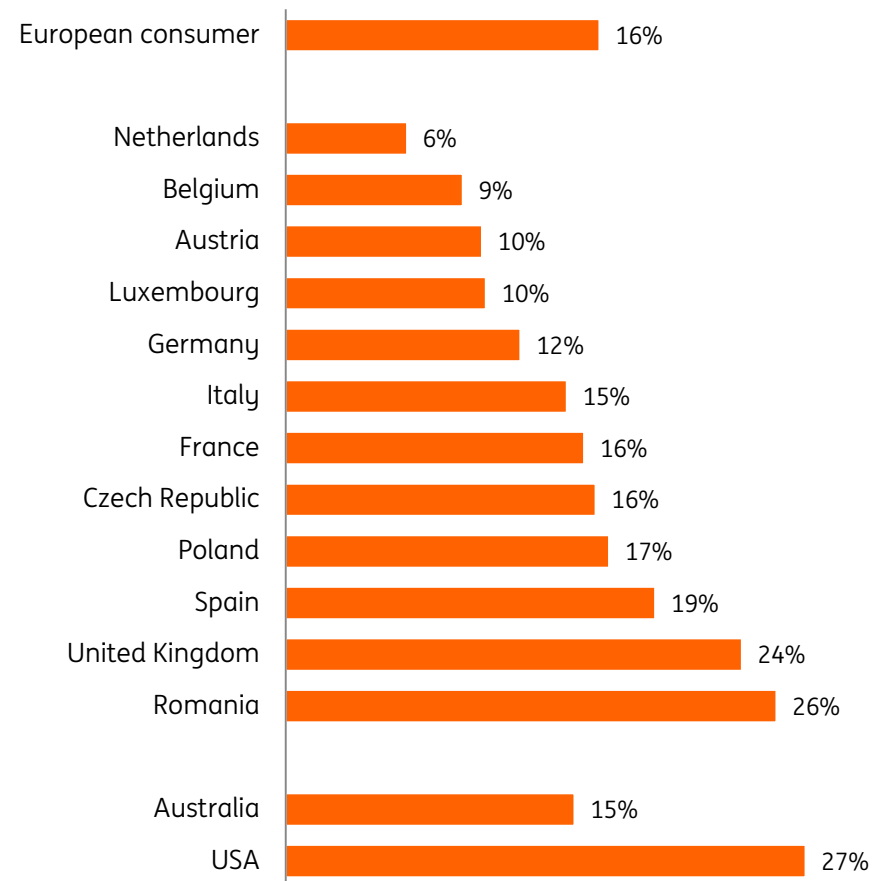
Do women really spend most at Christmas?

Folk wisdom sometimes has it that women are more concerned with family traditions. In the survey, however, men (20%) are somewhat more likely to say they will be paying more for this year's Christmas celebrations than women (13%). This may reflect differences in income, with men earning more than women.

The question

"I am planning to spend more money on Christmas than last year."

Percent who answered "strongly agree" or "agree"



Sample size: 13,633

Victory for common sense as few take on festive debt

Just nine percent of people say they went into debt to pay for Christmas last year – the same as in 2014.

In the Netherlands this year, three percent say they used credit to cover the previous year's costs.

In Romania, 16% agree they went into debt for Christmas 2014. That compares with 20% – one in five – who indicate they used credit to cover 2013's festivities.

Romania and the UK appear to be the countries where people are most likely to go into debt to pay for Christmas.

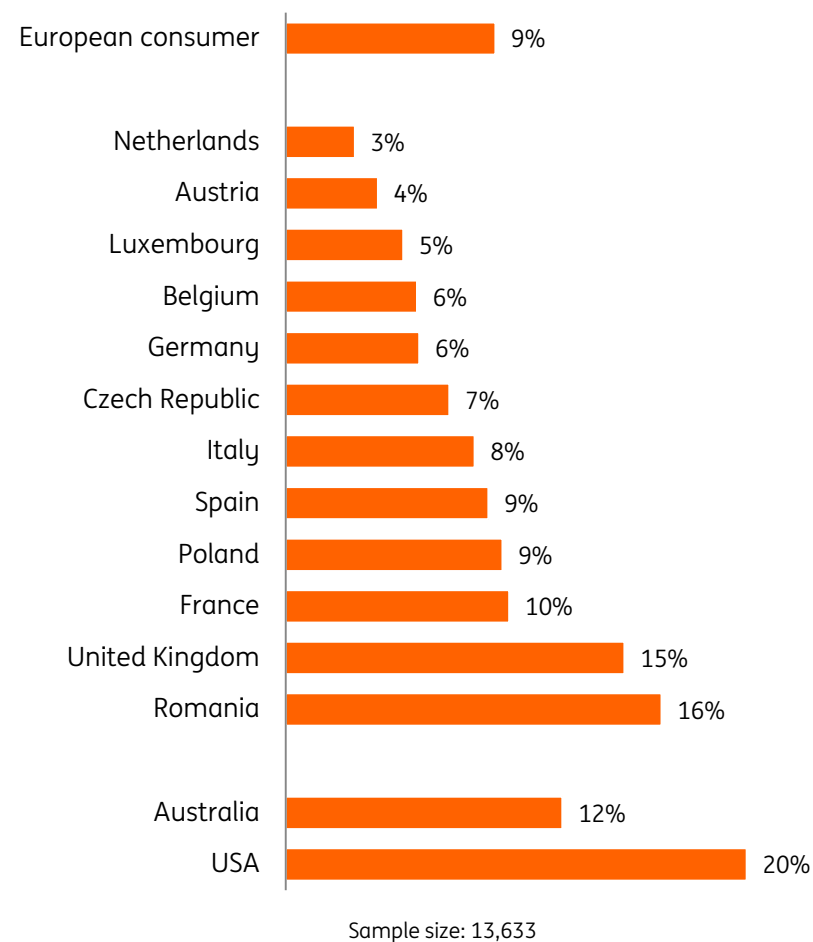
These two countries are also the most likely to save for Christmas and the most likely to spend more this year.

However, that only a minority in the survey go into debt for the festive season suggests most people are financially prudent at such times.

The question

“Last year I went into debt to pay for Christmas”

Percent who answered “strongly agree” or “agree”



Financial New Year resolutions to the fore

Are people aiming to change their “luck” with finances next year? More than seven in 10 people in Europe who plan to make New Year resolutions for 2016 will include a financial goal, our research reveals.

This is about the same as last year (77%).

People in Turkey appear keenest to set a goal in this way, with 86% of those opting to make New Year resolutions for 2016 saying they'll include one on money matters.

The Netherlands and Luxembourg are closest behind, with 82% and 81% shares respectively.

In Spain, people seem least interested in financial resolution-making as an opportunity, with just six in 10 choosing to do this for 2016.

For people's self-reported success at keeping resolutions for New Year 2015, see page 12 of this report.

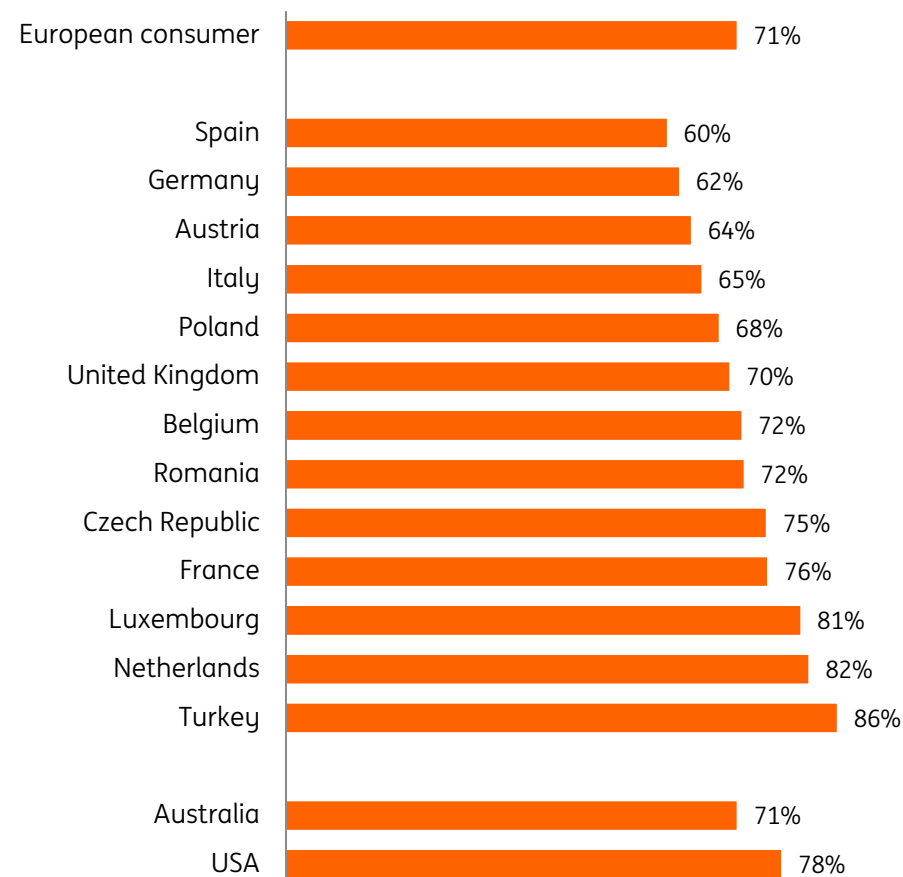
Oaths of loyalty and duty

New Year, a commonly celebrated event worldwide, is considered to begin on different dates in some countries. Resolution-making probably goes back thousands of years: in Babylon people reaffirmed their loyalty to the king at new year. Roman magistrates had to affirm they had followed the law; city leaders and soldiers had to take an oath of loyalty, according to modern historians.

The question

Do you plan to have any resolutions for 2016? Do you plan to have any New Year resolutions for 2016 on financial matters?

Percent who answered “yes” to both questions



Sample size: 8,777

If only I could save more money this year

One sobering result is that a large number of people continue to cite a desire to save more money. Years may come and go with many falling short of savings goals.

Italy tops the rankings this year, with 56% saying they want to increase their savings.

Debts and money management are also high priorities when it comes to 2016. This may be related to a desire to repair personal finances as economies recover.

Debt reduction is slightly more important than saving more for people in Poland and Turkey, where nearly one third (31%) also cite better money management as a top goal.

Romania and France have money management as top choice of financial New Year resolution.

When asked to volunteer “other” preferred resolutions, options included “open a business”, “get a job”, and “buy a home”.

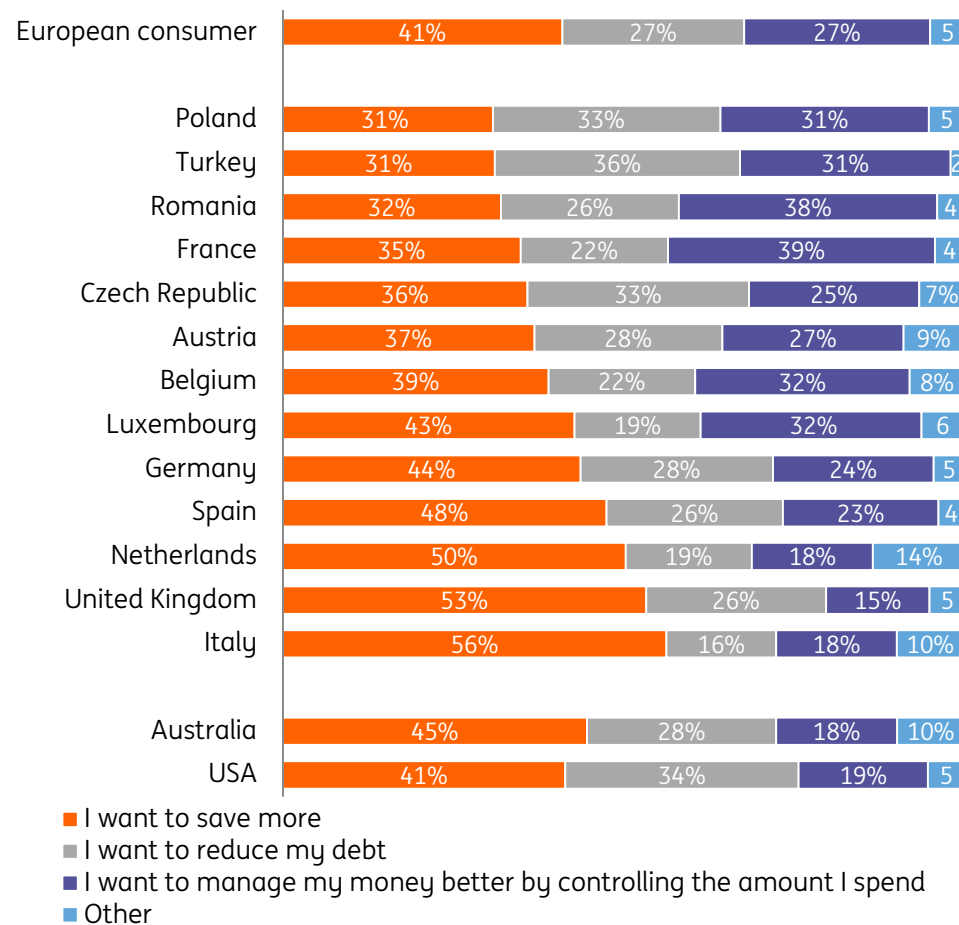
Keep your mind on the money

Research by behavioural economist Katherine Milkman with Hengchen Dai and Jason Riis in 2014 at the University of Pennsylvania finds setting goals on special dates can be helpful. Dates like New Year may not only mark time but enable the creation of “new” mental accounting periods – tools to boost resolve. Perhaps this “fresh start” concept could be used more when developing financial education programmes.

The question

“Which of the following resolutions do you prefer most?”

People were asked to select their top choice from four options



Sample size: 6,158

Finances can change – but are resolutions the right tool?

About half who made a resolution on financial matters for New Year 2015 managed to achieve the goal – a slightly smaller share than last year.

People in some countries had more success with money resolutions made for New Year 2015 than others – including Germany, Austria, Luxembourg, and the UK.

These countries, with the addition of the Netherlands, also led the rankings for meeting 2015's New Year goals when the question was asked in 2014.

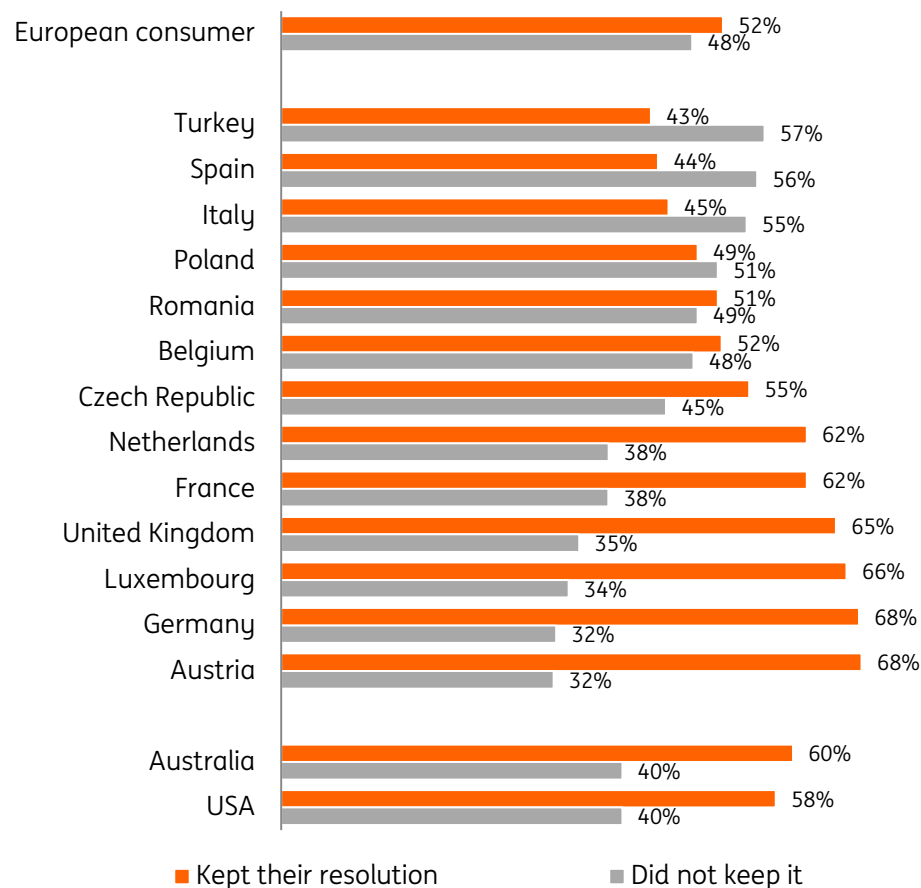
Some 58% of those who opted to participate in the tradition say they made no financial New Year resolutions at all for New Year 2015.

Results are not distinctly different for males, females, or across different age groups.

The question

Did you have financial New Year resolutions in 2015?

Percent who had a financial resolution in 2015 and answered “yes, and I kept it” or “yes, but I did not keep it”



Sample size: 5,896

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