

Opinion | 8 September 2026

Europe's Pitch Book: Europeans still prefer to invest at home

Despite widespread pessimism on Europe's economy and outlook, Europeans are still keen to invest here

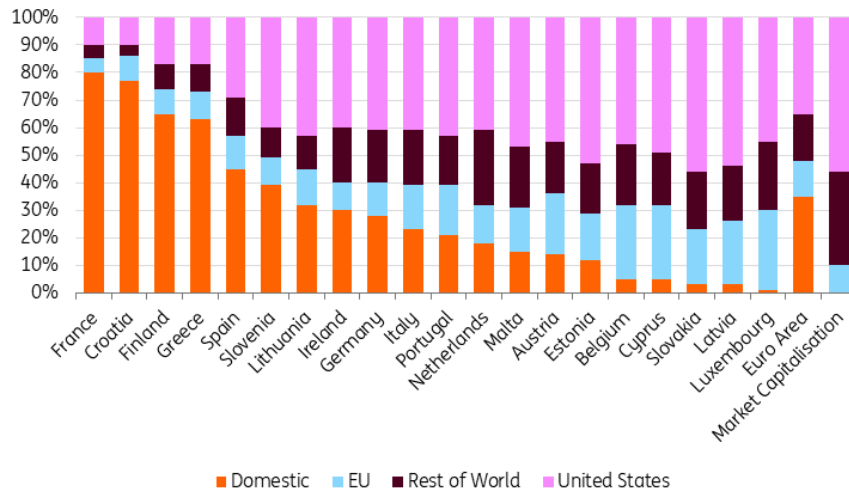


One of the key reasons for writing this series is to challenge some of the overly negative assumptions about Europe and reflect on the continent's strengths, which are often overlooked. This matters because perceptions influence investment decisions. My thinking is simple: if we focus too heavily on the negatives, who would want to put their money to work here? Wouldn't Europeans decide to invest their money abroad instead? And that has broader implications: weaker investment means less capital available to support European companies, innovation and growth.

First, let's look at what Europeans actually do. The [European Central Bank found](#) that by the end of 2024, about half of the equity holdings of eurozone households had been invested in EU-issued equity. Yet EU-issued equity makes up only about 10% of global market capitalisation. This implies a significant home bias, with Europeans investing about five times more in Europe than we would expect to see if they picked a globally diversified portfolio.

Eurozone household equity holdings, by issuer region

(4Q24 percentage points of total)



Source: ECB (SHS), LSEG, and ECB calculations

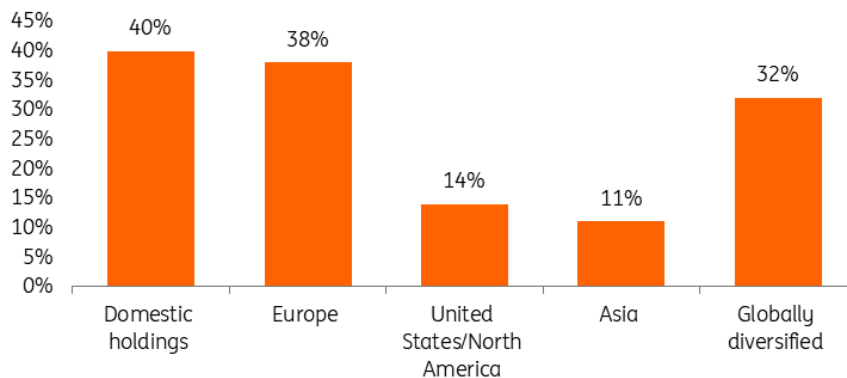
Listed shares held by euro area households (institutional sectors S.14, S.15, and S.1MU) by issuer region for the 20 euro area countries at the end of Q4 2024. The dataset includes only listed shares issued by non-financial corporations (institutional sector S.11) and banks (institutional sector S.122) held by households directly, by purchasing shares in them or via investment fund shares. Investment fund holdings are analysed on a look-through basis.

Still, things may have changed since then. So secondly, let's see what Europeans have to say today. Over the summer, we conducted a consumer survey in Germany, France, Italy, Spain, the Netherlands and Belgium. This is part of a deep dive into their saving and investment behaviour, which we are publishing this week (stay tuned!).

Here's a sneak peek: we asked people where they (would) prefer to invest. The results showed that 40% preferred to invest in their own country, while 38% preferred Europe. A globally diversified portfolio was preferred by a third of respondents, while 14% and 11% preferred the US and Asia, respectively.

I would prefer to invest (or would invest) mainly in my own country

Percentage of respondents saying they (fully) agree they would prefer to invest in their own country



Source: ING Consumer Survey

There are two ways of looking at this. For an optimal investment portfolio, global diversification is the preferred option. But if the objective is to increase the availability of risk-bearing capital within Europe, a stronger home bias would be more supportive.

Increasing the relative availability of risk-bearing capital is one of the key objectives of the Savings and Investments Union. If more money were invested in European equities, this could help to support the valuations of European companies relative to those in the US, for example. Higher relative valuations support the growth of scale-ups, as they provide venture capitalists with a more attractive exit strategy i.e. a higher valuation when a company eventually goes public.

Looking at the glass half full, despite a lot of negativity surrounding the economic outlook for Europe, a large share of Europeans would prefer to put their money to work here.

That is, *if* they invest. Whether they do invest is another question. We'll be covering that in depth later this week.

Author

Marieke Blom

Chief Economist and Global Head of Research

marieke.blom@ing.com

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