65% of Wealthy Savers and Investors have been hit by COVID-19 Pandemic

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20% of consumers who own any savings or investment products in the UK are considered wealthy, that is they have a minimum of £75,000 held in investment or saving products. Most of the Wealthy (80%) have saving and investment wealth of £100,000 or more

65% of Wealthy savers and investors have been negatively impacted by the COVID-19 pandemic, with the value of their money held in savings and investment products declining. Not surprisingly, given the impact of the crisis on stock market values worldwide, individuals with the greatest levels of wealth (i.e. £500,000 and above) have felt the negative effects of COVID-19 the most.

Among Wealthy savers and investors, COVID-19 has led to a sharp downgrading in sentiment regarding the growth of wealth over the past year. Pre-crisis, over seven-in-ten Wealthy savers and investors were happy with the growth of their wealth, compared with just under half today. Despite this, around half of Wealthy savers and investors have decided to take no action because of COVID-19 and effectively ride out the storm rather than change how they Save and Invest.

Despite the wealthiest savers and investors being the most adversely impacted by COVID-19, they still enjoyed the highest return on their savings and investment over the past year. Over the past year, the typical Wealthy saver and investor earned a return of around 5.8%, but this increased to 9.8% for those with £500,000 or more in wealth.

These findings come from the IRN Research report *Wealthy Savers and Investors 2020.* The aim of this report is to study UK consumers with wealth held in saving and investment assets of £75,000 and above. It considers how these individuals invest their money and obtain and judge the advice they receive when they make financial investments. Wealth in this context is taken to include money invested in risky investment products and money held as cash. For this report, IRN Research commissioned Made in Surveys Group (MIS) to conduct a survey among its online panel, drawing on a nationally representative sample of 2,076 UK adults aged 18+, which generated a sample of 397 individuals who can be considered as wealthy.

Examples of other findings from this report are:

The Wealthy are characterised as being:

- More likely to be male rather than female
- Individuals of greater affluence, as measured by income
- Individuals from the higher social grades
- Older than the Not Wealthy, although a comparatively large percentage of the wealthiest fall into the 35-44 age group.
- More likely to live in London compared with the Not Wealthy.

When investing and saving money, the Wealthy are characterised by being more likely than the Not Wealthy to:

- Establish clear motives for saving/investing (whatever they may be)
- Have the financial comfort to be able to save/invest regularly – i.e. to have a certain level of household income.
- Be more likely to be saving and investing over the longer-term (e.g. retirement/old age) and medium-term.
- Be more confident they can reach their saving and investing goals.
- Be looking for capital gains over the medium to long-term rather than short-term income.
- Be financially secure in the short-term, having already put away enough money to cover unexpected events and short-term financial needs
- Plan ahead
- Be more willing to invest in lump sums rather than amounts each month
- More willing and financially able to accept risk and financial losses and hence invest in assets carrying higher returns and higher risk, but at the same time minimising their risks by holding highly diversified portfolios
- More likely to check and monitor their savings and investments on a monthly basis.

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- More likely to take professional financial advice and hence are less likely to be Under-Advised

But like less wealthy savers and investors, the Wealthy can also be vulnerable to financial scams and product mis-selling.

The report costs £1,700 and can be purchased from http://www.irn-research.com/market-research-reports/wealthy-investors-consumer-research-report-2020/ which also have more information on the report.

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