ChatGPT IDENTIFIED AS KEY INFLUENCER FOR UK INVESTORS

Wednesday 21 June, 2023

A move towards AI as a trusted ‘advisor’; the impact of the cost of living crisis and a move away from ethical investing are just some of the key findings published today from the **Investor Index** - an annual study of UK investors.

Now in its fourth year, the Investor Index is an in-depth survey of investor behaviours conducted among 1100 UK adults (18+) with a minimum of £10,000 invested. Conducted jointly by London-based communications agency **AML Group** and the research and planning experts, **The Nursery**, the study has established itself as a rigorous barometer of investor behaviour based on hard data.

Chatbots – the future of investing?

73% of UK investors believe that **ChatGPT** could give reliable financial advice in the future with 42% of younger investors (18-34) stating that they have already used the infamous AI chatbot for advice. Considered ‘clever’ by some and ‘dangerous’ by others, ChatGPT is a global phenomenon that currently has 100 million users generating monthly website visits upwards of 1.8 billion (according to latest available data published by Reuters, February 2023). And whilst early adoption from younger investors may have been expected, the research has also revealed that just over half (54%) of UK investors aged 65+ also believe that ChatGPT could be the future of financial advice.

Robo-advisors are also being used by UK investors to make financial decisions with 46% stating that they are the future of investing and 34% saying that they would prefer to use a Robo-advisor than a financial advisor.

Commenting on the findings, Sarah Nunneley, Senior Strategist at AML Group says: *“While ChatGPT is currently not regulated, its perceived promise as a source of advice in the future across age groups is remarkable. This is most significant among younger investors – but you would be amiss to dismiss this group as ‘just kids’, this can be people in their late 30s and 40s, with money to invest and confidence in their choices. The ‘new’ generation of investor is already here and they are looking at what is on offer, weighing up their options and it seems Robo-advice and AI are coming up on top. ”*

What cost the cost of living crisis?

Whilst 72% of all UK investors consider property to be the ultimate investment, 59% of younger investors (18-34) have stated that the cost of living crisis has stopped them from being able to buy a property. The research has also seen a significant decrease in younger investors investing to purchase a property - dropping from 38% in 2022 to 24% this year.

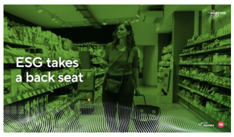
The rise in the cost of living has also galvanised UK investors to seek out better deals. 69% said that they were actively ‘shopping around’ with 45% saying that they were considering financial providers they had not previously heard of.

Commenting on the findings Emma Harries, Account Director at The Nursery, says: “*Nobody is immune from the cost of living crisis and this is evident across all the research we do. The state of constant crisis seen over the past few years has led to an increasing belief that people have to take control of their own future – they cannot rely on experts or the government to do this for them. The sense of control that people crave, has led them to investment as an intriguing way to earn wealth especially for younger investors who increasingly see property as unattainable*.”

A move away from ethical

In the current economic climate, today’s UK investor is less focused on the ethical, environmental and social impact of their investments than they were 12 months ago. Just over one-third of UK investors (38%) in this year’s study stated that ESG investments were important to them - down 6% from 2022. There has also been a shift in prioritising those investments with vegan-friendly hit hardest dropping 16% from 38% to 22% and LGBTQ+ focused causes/investments dropping 4%. The demographic least focused on ethical investing is those aged 65 and over - with only one-quarter (24%) prioritising ethical investments.

Media:



Related Sectors:

Business & Finance :: Crypto Currency :: Personal Finance ::

Related Keywords:

Investor :: Investing :: AI :: Cryptocurrency :: ChatGPT :: Funds :: Finance :: Investment :: Money :: ESG :: Property :: Mortgage :: Returns :: Financial :: Advisor ::

Scan Me:

"*The shift we're seeing away from ESG priorities can be interpreted in several ways and will be an important trend to watch in the coming years. In qualitative sessions, younger investors told us that they wanted their investments to do good for the world but not at the expense of personal gain. The areas they were most interested in supporting were new green initiatives and future focused tech solutions like AI and robotics, but fully expect that these are good for profit as well as people and planet. There was less belief in the likely return from areas such as vegan and LGBTQ+ friendly investments but the findings do not necessarily show a drop in care about these causes, but rather that they can be supported in other ways, not necessarily investment*." Pauline McGowan, Head of Strategy, The Nursery.

Introducing the self-reliant (selfish?) investor

When it comes to financial guidance, the study has revealed that UK investors are more likely to rely on their own research with 54% adopting a self-reliant approach - up 11% from last year. And of those who have never paid for financial advice, 29% of investors believe they can get all the information they need online. Investors also feel that the cost of living crisis has taught them what they need to know about investing - with 79% of younger investors (18-44) confident in a largely autonomous approach.

Christian Barnes, Head of Strategy at AML, said*: "In this, our 4th annual study, we're seeing the cumulative effect of relentless bad news - pandemic, war, cost of living - in increasing investors' belief in their ability to make investment decisions – be they prioritising away from ethical for now or simply minimising risk, adding high interest savings accounts or keeping their portfolios the same. Self-reliance is the new selfishness"*

OTHER KEY FINDINGS:

- Cryptocurrency as an investment choice remains unchanged (year-on-year) with 18% of UK investors still engaged with the volatile currency.
- 60% of investors believe long-term investments are more important than ever before.
- 37% of investors have been withdrawing funds from their current investments
- 54% have recently opened a high-interest savings account and 23% took money out of other investments to fund it.
- Investor confidence is at its highest level since the pandemic
- 31% of younger investors (18-34) are focusing on short term returns

Company Contact:

Tank Top PR

T. 07775945913
E. chris@tank-top.co.uk

View Online

Additional Assets:

Newsroom: Visit our Newsroom for all the latest stories:
https://www.tank-top.pressat.co.uk