INVESTOR CONFIDENCE RETURNS - NEW RESEARCH

Wednesday 30 June, 2021

Confidence levels are up, Millennials make their mark and interest in ethical investing hits new highs.

Confidence levels amongst UK investors have risen 20 points (62 - 82) in the last 12 months according to new research amongst 1100 UK investors (£10k+).

The *Investor Index*, now in its second year, is conducted jointly by London-based communications agency **AML Group** and research agency **The Nursery Research and Planning** and was launched in April 2020 to assess the immediate impact of Covid 19 on investors and the UK investment marketplace. The first report of its kind to provide an objective overview of the industry based on hard data - the study was welcomed as a barometer of post-Covid investor behaviours.

One year on, and still in the grip of the pandemic, the 2021 study has revealed some significant changes and 'recalibrations' amongst investors.

Confidence returns – but not to pre-pandemic levels

Over the past 12 months, confidence levels have risen most amongst older investors (55+) up 30 points (54 - 84), investors that are retired up 27 points (57 - 84), those that use financial advisers up 31 points (65 - 96) and investors with a portfolio of £200k+ - up 38 points (55 - 93).

The study has also revealed a disparity in gender confidence levels - with men indicating a 25 point rise over the last 12 months (61- 86) compared to a rise in confidence levels of just 10 points among female investors (65 - 75).

However whilst the results are cause for some degree of optimism - investor confidence levels are still 18 points down from pre-Covid levels.

Gen Z/Millennials Vs Baby Boomers – the emerging generational divide

10% of UK investors have started investing since the pandemic began - and of those new investors three-quarters (74%) are under 35s.

It's a changing landscape with the younger investor bringing different attitudes and priorities to the investor table.

89% of under 35s have changed their investment strategy over the last year vs. 31% of 55+ investors. Younger investors are also increasingly looking to ESG products - with 27% including responsible investments in their portfolio compared to only 4% of investors aged 55 and older. Younger investors are also more focused on the long game - with 30% looking to longer term investments compared to 8% of investors 55+.

When it comes to investment decisions, younger investors are increasingly turning to family (40%), banks (30%) and friends (27%) for advice.

It's a gift - investors demonstrate a change of attitude

57% of UK investors have changed their investment strategy since the pandemic started - with a focus on products offering 'long term growth' (46%) over 'short term growth' (30%).

Investors are increasingly concerned about their children's financial security. 70% of investors are aware of the £3,000 wealth transfer allowance with 38% having given £500 or more over the last 12 months - with children the biggest recipients (72%). Indeed the average amount gifted in 2020 was £8087 compared to £5421 pre pandemic (2019) - a 49% increase and a clear indicator of the want for investors to safeguard futures for loved ones.

How *invested* is the UK investor in Responsible Investing?

Investors feel that ethical/socially responsible financial products are more important now than at the same time last year - up 9 percentage points (23% - 32%) with three in ten of those surveyed stating that they believe that these products will be more important in the future - up six percentage points (24% -

Media:



Related Sectors:

Business & Finance ::

Related Keywords:

INVESTOR :: INVESTORS :: ETHICAL INVESTING :: PORTFOLIO :: WEALTH TRANSFER :: FINANCIAL ADVISER ::

Scan Me:

30%).

However despite investors acknowledging the importance of ESG/RI there is a continuing perception, despite contrary evidence, that it carries a performance penalty with investors 'prioritising financial security over wider ethical considerations' - up five percentage points (23% - 28%).

Younger investors look to DIY platforms

Since the start of the pandemic in March 2020, four in ten investors under 35 (39%) have invested more with DIY platforms - compared to just 14% of 55+. And while the younger investor has indicated a 'happy to do it myself' attitude regarding financial planning and investments they are less confident when it comes to their feelings about the industry. Just under one-third of under 35s (29%) are confident markets will bounce back compared to more than half (52%) of investors aged 55+.

Perhaps predictably, younger investors are more tapped into trends and news stories connected to investing.

39% of under 35s cited an awareness of the growth in DIY platforms with 44% familiar with the story around Reddit users driving up the share price of Game Stop and 31% aware of the rise in silver prices. Investors aged 55+ recorded significantly lower awareness across all trends.

Top 10 findings:

1. Investor confidence levels (overall index score) – 82 (up 20 points)

2. Confidence levels amongst men – 86 (up 25 points)

3. Confidence levels amongst women – 75 (up 10 points)

4. Confidence levels amongst under 35s – 74 (up 4 points)

5. Percentage of investors who have increased amounts invested since Covid-19 – 36%

6. Changed Investment strategy since the start of the pandemic – 57%

7. Ethical products considered more important now – 32% (up 9 percentage points)

8. Percentage of all new investors (in the last 12 months) that are women – 63%

9. Under 35s who have increased DIY investments since Covid – 39%

METHODOLOGY: 1,100 nationally representative interviews were conducted online in April 2021 from an adult sample with £10,000+ of investments. Respondents were recruited from Dynata's online access panels. 7 in-depth interviews were conducted with a mix of IFAs and Wealth Managers – also in April 2021.

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