



What people think,
feel and do



The Investment Association

Investor Sentiment



Key findings

4 April 2023



OPINIUM RESEARCH

58 Great Sutton St
London, EC1V 0DG
T +44 (0)20 7566 3190
helloUK@opinium.com



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Project details

PROJECT NUMBER	OP23503
PROJECT NAME	Investor Sentiment
CLIENT COMPANY NAME	The Investment Association
PROJECT MANAGER NAME	Molly Maclean
SAMPLE	1000 UK Investors
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Stocks and Shares ISAs

Nearly half of those with a Stocks and Shares ISA are saving for their retirement

When asked the reason for saving into a Stocks and Shares ISA, the investors surveyed most commonly cited long term goals. Half (48%) of those that have a Stocks and Shares ISA said it's for retirement, with this rising to 55% among 35+ year olds.

A quarter (24%) of all those with a Stocks and Shares ISA, said it was for an emergency or a rainy day, while 15% said it is to finance leisure activities (e.g., holidays, dining out etc.), rising to 18% of 18-35s.

One in five (20%) said it was to buy a property, including a first home (7%), new primary home (8%) or buying a new property as an investment e.g., buy-to-let (7%).

Investors were least likely to be using their Stocks and Shares ISA to invest for a wedding (2%) or to start a family (3%).

Almost three in ten say they're investing in Stocks and Shares ISAs because cash savings are losing value

The main reason the investors surveyed gave for saving in a Stocks and Shares ISA is to get a better long-term return than a cash ISA (55%). In line with this 31% that said it's because rising inflation means that cash savings are losing value. Only 20% said it's so they can access the money before they retire.

In terms of who and what they are investing in, a further one in five (19%) said it allows them to invest in innovative companies, tax efficiently, with this rising to 25% of those who invest in individual shares through their Stocks and Shares ISA account. A slightly smaller proportion (16%) said it's because it allows them to invest in sustainable companies, tax efficiently. In fact, when looking at all of the investors surveyed, not just those with a Stocks and Shares ISA, 35% said they have changed their investment portfolio to include more sustainable investment funds over the last tax year.

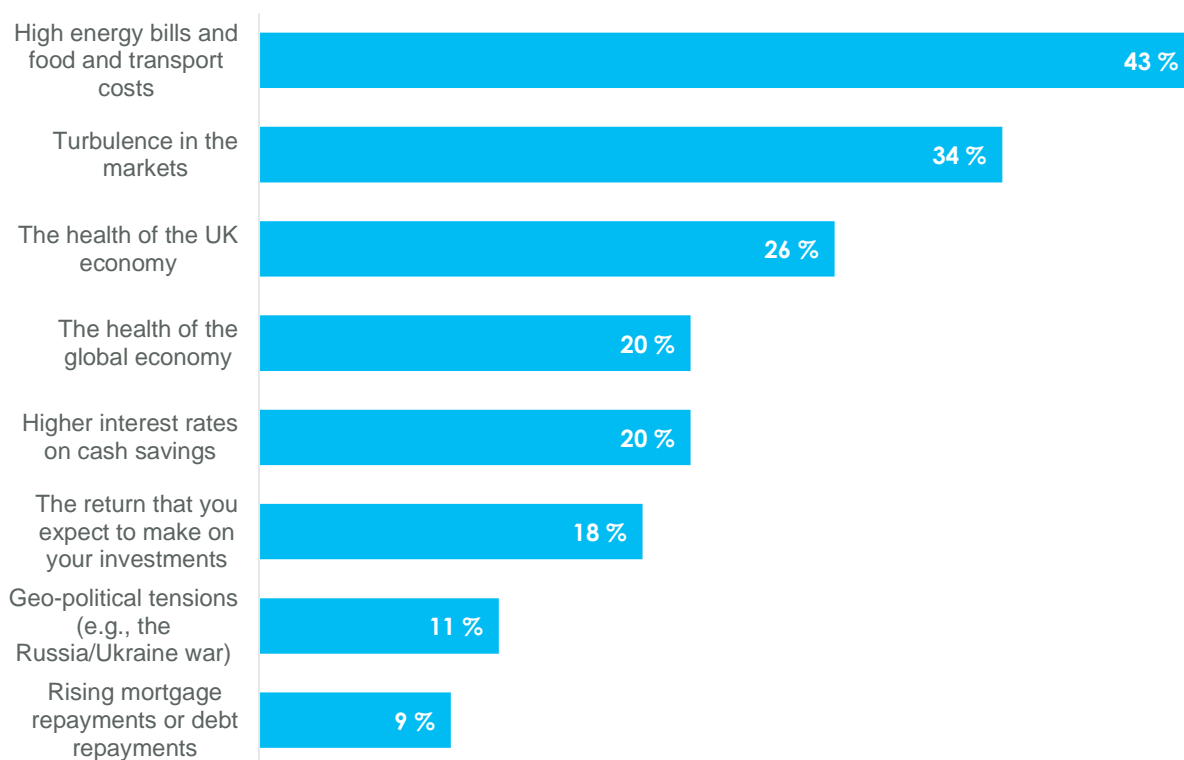
Two in five have not changed their Stocks and Shares investments in the last tax year, whereas the same proportion have increased them

Two fifths (41%) of investors with Stocks and shares ISA's have invested more this financial year (April 2022- 2023) than the previous financial year (April 2021-2022). Meanwhile, almost the same proportion (40%) reported that there has been no change in the amount they invest. Only 15% have invested less this financial year when compared to the last.

For those who have invested less into their Stocks and Shares ISA this financial year, two fifths (43%) cite either high energy bills, food, or transport costs as the main reason.

Other likely reasons include turbulence in the markets (34%), the health of the UK economy (26%), the health of the global economy (20%) and higher interests rates on cash savings (20%).

Reasons for saving less into a Stocks and Shares ISA, among those who reduced their contribution in this financial year (April 2022 to April 2023)



Four in five will remain invested even if their investments fall

There is a positive attitude toward investing among the investors surveyed. Across all of them, not only those with a Stocks and shares ISA, 81% said they would remain invested even if their returns fall this year - with a quarter (24%) strongly agreeing with this statement. In line with this, 79% said they take a long-term view of investing irrespective of the rise and fall of market.

However, this doesn't mean that investors are not worried about the impact of UK economic outlook on their investments. Only 36% are not worried about this whereas 39% are.

The investors surveyed tend to take a risk adverse approach to investing. Two in five (40%) would sacrifice higher growth for stable, secure investment returns. This could be why nearly three quarters



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of (71%) of investors believe that investing in traditional assets (e.g., Stocks and shares/ bonds) will give them a better return than investing in crypto currencies over the next three years.

Meanwhile, change in investment portfolios can be seen in several areas. Just under a third of the investors surveyed (31%) have changed their investment portfolio to include more funds investing in UK companies over the last tax year, while 27% have changed their portfolio to invest in more bond funds over the last tax year.

About Opinium

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www.opinium.com | research@opinium.com | 0207 566 3190