

Lockdown sparks surge in young investors

- **One in 10 Brits have started investing since the start of the pandemic**
- **A quarter (24%) of new investors have started as a result of having more time**
- **More than a third (39%) still too scared of losing money to invest**

With more time and money on their hands, Brits have been using lockdown to enter the world of investment, as nearly one in 10 (9%) have begun investing for the first time since the start of the pandemic.

According to research from Halifax Share Dealing, more than one in 10 (16%) of young people aged 18 to 24 took their first steps into stocks and shares since the start of the pandemic .

When it comes to reasons for this surge, having more spare time was the main factor. Almost a quarter (24%) say they have more time to research options and almost one in five (16%) have more time to arrange investments. Having more disposable cash is also a factor for almost one in four (17%) Brits.

Out of those who had more extra money, the most popular investment options were bonds (16%) followed by stocks and shares (14%) and trusts (10%).

Staying at home over the last 12 months has also influenced existing investors. Almost one in four (19%) have increased their investments since the start of the pandemic, and the same per cent of investors have diversified their investment products since the start of the pandemic.

Despite this boost in engagement with the stock market, one of the biggest barriers for those who have not started are being scared of losing money, which is putting off more than a third of people (39%), up 6% from last year.

This is followed by not knowing enough about the stocks and shares market (34%), up 5% from last year.

The research has also highlighted a gender gap in attitudes, with more women than men hesitant to dabble in stocks and shares. Almost half (49%) of women said they were too scared of losing money to invest versus 30% of men. When it comes to not knowing enough about the stocks and shares market, more women (42%) than men (25%) said this is a barrier.

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Manuel Pardavila-Gonzalez, Managing Director, Halifax Share Dealing, said:

“Lockdown has been a challenging experience for many households, however there have been some positives such as the opportunity to save money on day-to-day spending and to think more about long-term finances.

“Although no investment is risk-free, this spike in trades suggests that people with more spare time and cash have used it to start dipping their toe into the world of investment or increase their portfolio

“We saw record numbers of trades on our platform throughout lockdown as people turned to the stock market for financial planning for the future.

“Our research showed that stocks and shares are among the most popular investment options, and we’ve seen that banking, utilities and travel companies were some of the most sought after sectors.

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“Investing in global firms has become more popular, particularly American companies, although the majority (90%*) are still investing in UK businesses.

“Taking the first step into investing may feel daunting for some people, most commonly because they don’t feel like they know enough about stocks and shares. However, putting some time aside to research and even starting with a small amount every month could not only help build up people’s confidence as investors, but also over time help people reach their financial goals over the longer term.”

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Editors' Notes

Research details:

Online research conducted by Opinium amongst 2,006 UK adults between 9th – 15th February 2021 and 2,006 UK adults between 22nd – 26th November 2019. Both data sets have been weighted to nationally representative criteria.

*Internal data based on trading volumes over the last 12 months

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