

2020

INVESTING STATISTICS

WHAT PERCENTAGE OF THE UK
POPULATION INVESTS IN THE STOCK
MARKET?

ANALYSIS BY

FINDER.COM/UK

WHO OWNS UK SHARES?

Shares in the UK are traded on the London Stock Exchange (LSE). These shares are available to buy by any individual or company around the world. So who owns the most?

- The number of UK shares owned by individuals has been increasing, with individuals now owning 13.5%.
- The majority of shares are owned by people or businesses overseas, at 54.9%.

Owner	2018	2016	2014	2012
Rest of the world	54.90%	53.90%	53.70%	53.30%
Individuals	13.50%	12.30%	12.40%	10.60%
Unit trusts	9.60%	9.50%	9.10%	9.50%
Other financial institutions	8.10%	8.10%	7.10%	6.60%
Insurance companies	4.00%	4.90%	5.90%	6.20%
Private non-financial companies	2.60%	2.20%	2.00%	2.30%
Pension funds	2.40%	3.00%	3.00%	4.70%
Banks	2.10%	1.80%	1.40%	1.90%
Investment trusts	1.40%	2.10%	1.80%	1.70%
Public sector	0.90%	1.10%	2.60%	2.50%
Charities	0.50%	1.00%	1.10%	0.60%

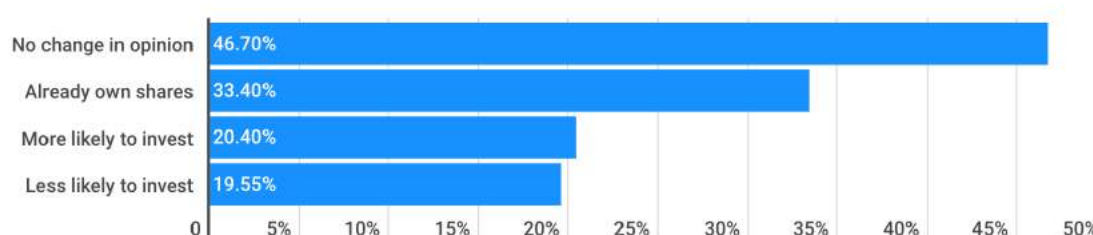
WHO IS AND WHO ISN'T BUYING STOCKS AND SHARES?

Two-thirds of Brits are planning to buy stocks and shares in the future. However, the risky world of stocks and shares isn't for everyone, so who is and who isn't buying shares in the UK?

- According to our 2020 survey, 33% of Brits owns shares.
- 2.2 million people in the UK were subscribed to a stocks & shares ISA account in 2019.
- Only 43.5% of these ISAs were held by women (957,000).
- While 56.5% of stocks & shares ISAs were held by men (1.25 million).
- The average stocks & shares ISA account is worth £27,000.
- Men have slightly more money in their stocks & shares ISAs, at £29,500 compared to £25,800 for women.

CORONAVIRUS AND INVESTING

After COVID-19 hit the world and made most of us housebound, many people used their time to invest, or at least to consider it. The results from a Finder survey done in May 2020 revealed that 20% of Brits thought the pandemic was a good time to invest, while equally as many thought to wait a bit longer.

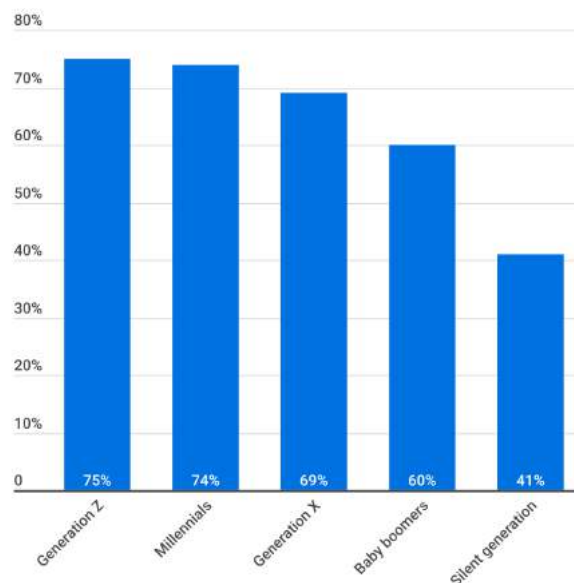


THE GENERATION MOST LIKELY TO INVEST

While share trading was once the preserve of an elite minority, the democratisation of trading via online trading and investing apps is leading to a huge number of people now considering investing.

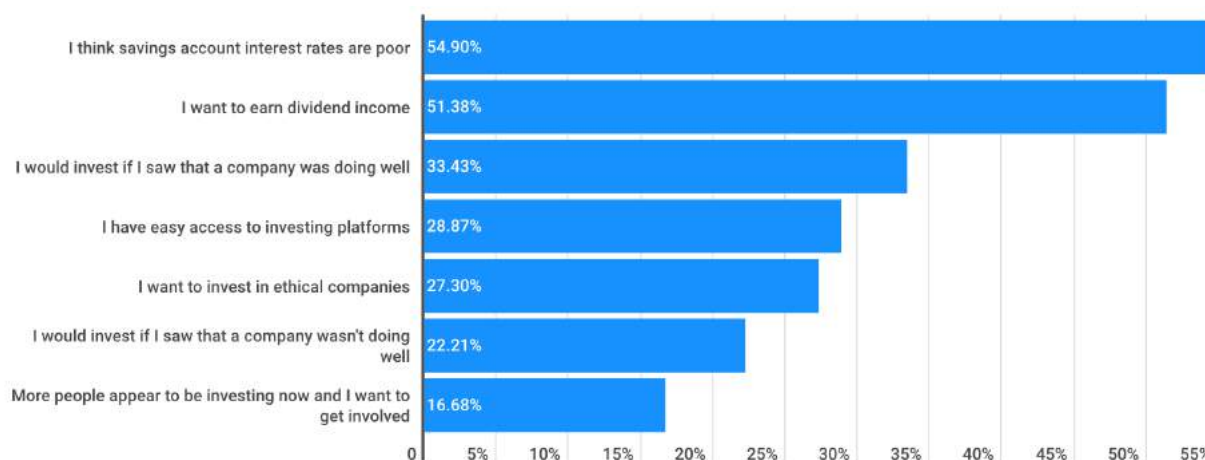
Finder's survey shows that three quarters of both generation Z and millennials (75% and 74%) already have or would consider investing during or after the COVID-19 pandemic.

Despite being the generation that you might typically associate with share trading, only 60% of baby boomers said that they would consider investing in the future, while the figure drops to just 41% for the silent generation.



REASONS TO INVEST

The most popular reason for investing overall (55%) was due to the fact that savings accounts offer poor interest rates. 33% are intrigued by companies that do well and would be more likely to invest if they saw one doing well. 22% found that it was a good time to get involved in investing while many companies aren't doing well.



GENERATIONAL: REASONS TO INVEST

Why is the interest in investing higher now than before? Fundamental shifts are happening in retail investing: younger generations seem to be embracing the idea as it becomes more accessible via apps.

Generation	It's more accessible due to apps	The apps are cheaper	I want to invest while prices are cheaper
Postmillennial/Generation Z (Born after 1996)	27%	17%	25%
Millennials (Born 1981-1996)	32%	24%	23%
Generation X (Born 1965-1980)	16%	11%	12%
Boomers (Born 1946-1964)	11%	8%	10%
Silent (Born 1928-1945)	8%	9%	4%

WHY AREN'T WOMEN INVESTING IN SHARES?

What is causing fewer women than men to invest in the UK? Research from Scottish Friendly suggests that 2.6 million women have been put off investing by the number of funds available to them.

- 43% of women say they haven't invested because there are too many funds to choose from.
- 70% say getting back their original investment is more important than achieving big financial gains.
- Of the women surveyed, 40% were unaware you could save in more than one type of ISA in the same tax year.

INVESTOR BEHAVIOUR

The stock market is in constant transition, and over time, investor behaviour has changed.

- Investors are now holding onto their shares for 0.8 years on average before selling them. In 1980, the average was 9.7 years, representing a decline of 91.75%.
- What method has worked out the best so far in 2020? We decided to start the year with £1,000* placed in some of the most popular investments from last year, in the best savings account available on Finder, and under our mattress. [Follow our live tracker to see which method is currently winning.](#)

MOST POPULAR WAYS TO INVEST: MOVERS AND SHAKERS

Fintech is quietly revolutionising retail investing in much the same way that challengers like Revolut, Monzo and Starling Bank have transformed banking – by breaking down the biggest barriers to entry: ease-of-use and cost.

The aptly-named Robinhood was the first to offer commission-free trading for US retail investors in 2015, and this has since been replicated by other disruptors, primarily as a way to attract new customers.

Top direct platforms by assets under administration (AUA), September 2019

1. Hargreaves Lansdown (£98.4 billion)
2. interactive investor (£30.2 billion)
3. Fidelity Personal Investing (£18.8 billion)
4. Halifax Share Dealing (£13.5 billion)
5. Barclays Smart Investor (£12.8 billion)
6. AJ Bell YouInvest (£11.1 billion)

Top 5 most downloaded trading apps, March-April 2020

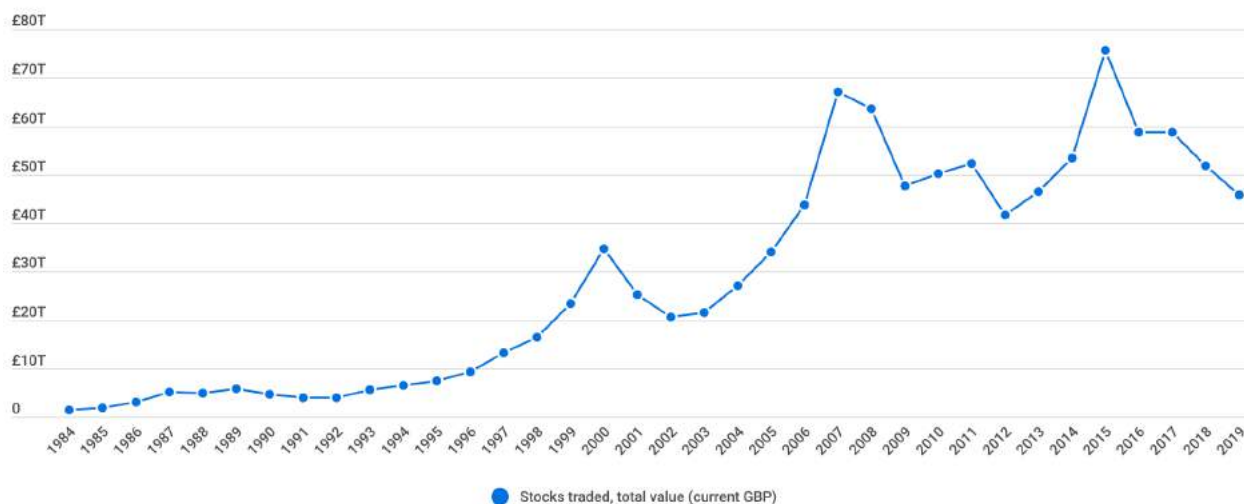
1. Trading 212
2. Plus500
3. Plum
4. Hargreaves Lansdown
5. Coinbase

The drop in fees has been accompanied by an “appification” of investing platforms, both among established platforms like Hargreaves Lansdown, AJ Bell and Fidelity, and challengers like Trading 212, Degiro and eToro. The fast-growing challengers still have a long way to go to catch the incumbents, but their influence is changing the whole market.

The next big challenge is engaging a new audience, and it seems the time is right. A survey we ran in 2018 showed that only 22% of Brits owned stocks and shares and 49% had no plans to invest. In 2020, 33% said they owned shares and only 33% said they had no plans to invest. In the space of two years, we've seen the proportion of Brits who invest leap by 11 percentage points. This is likely to increase, but it will take work.

TOTAL VALUE OF GLOBAL STOCKS TRADED

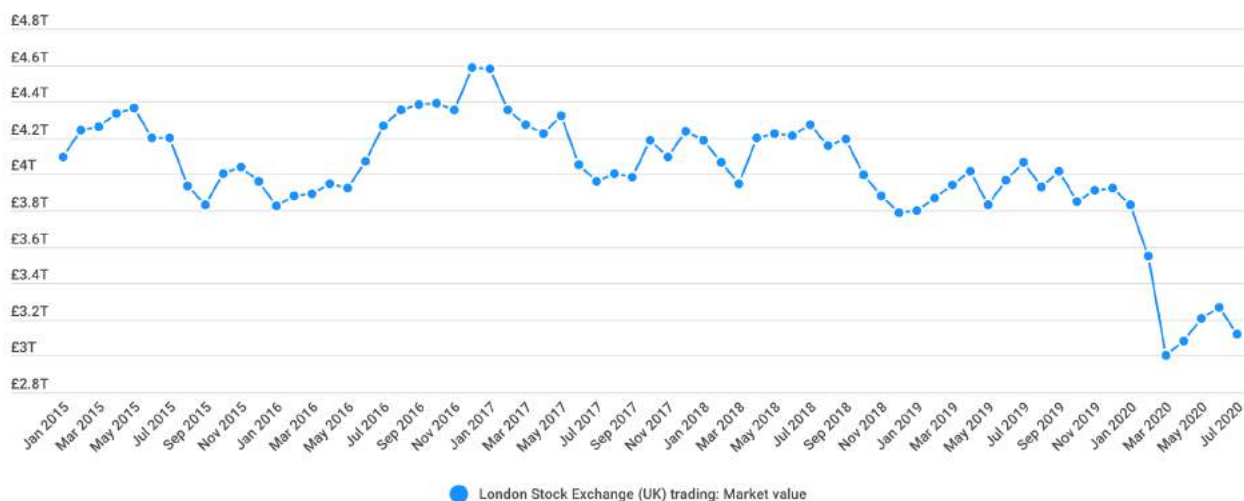
- The total value of all stocks traded globally in 2019 was £45.75 trillion (\$60.36 trillion).
- That is almost eight times more than it was 30 years ago (1989) when the total value of stocks globally was £5.84 trillion (\$7.70 trillion).



LONDON STOCK EXCHANGE (UK) TRADING: MARKET VALUE

The London Stock Exchange (LSE) is the main stock exchange in the UK and the biggest in Europe. The total market value of companies trading on the London Stock Exchange fluctuates over time. Since 2015, the highest total market value of London Stock Exchange trading came in December 2016 at £4.58 trillion.

Following this, the London Stock Exchange has been falling in market value. In particular, the London Stock Exchange has taken a nosedive during 2020, due in most part to a mass selling of shares generated by the concerns surrounding the coronavirus pandemic. Since July 2019, the London Stock Exchange has seen a fall of £950 billion (-23.3%).



UK FOREIGN DIRECT INVESTMENT

Foreign Direct Investment (FDI) is an investment made by a firm or individual in one country into business interests located in another country. So how much money has been invested by the UK and into the UK?

- Inward FDI fell from £80.6 billion in 2017 to £49.4 billion in 2018.
- The USA accounted for the most FDI into the UK, contributing £39.5 billion (80%).
- Outward FDI totalled £6.3 billion in 2018, down from £99.5 billion in 2017.
- The UK's highest overall investment was in the Netherlands (£5.4 billion) followed by Hong Kong (£3.9 billion).

SOURCES

- [Finder Investing white paper](#)
- Stock Market Clock
- House of Commons Library
- World Bank
- Scottish Friendly
- Block-Builders
- Gov.uk

FURTHER RESEARCH & ENQUIRES:

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