PRESS RELEASE

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FOR IMMEDIATE RELEASE

Scottish Friendly hails investing boom among those in their 20s and 30s

- Official figures show huge growth in the number of people in their 20s and 30s subscribing to a stocks and shares ISA
- Number of Millennials and Generation Z's investing in ISAs increased by an astonishing 92% in just a year

The number of people in their 20s and early 30s choosing to invest in the stock market is skyrocketing, analysis of official HMRC data by mutual Scottish Friendly found.

In an apparent investing boom among young people, the number of Generations Zers and Millennials subscribing to a Stocks & Shares ISA leapt 92.3%, from 131,000 to 252,000 between the 2016/17 and 2017/18 tax years.

Analysis of the latest HMRC annual ISA data by Scottish Friendly shows that under 25s are now the fastest growing demographic in terms of Stocks & Shares ISA subscriptions, followed by those aged 25-34.

In the 2016/17 tax year, just 22,000 under 25s subscribed solely to a Stocks & Shares ISA, compared to 66,000 the following year – a stunning 200% increase.

That number increases further when also considering the number of under 25s with both a Stocks & Shares ISA and a Cash ISA, which rose 138% from 13,000 to 31,000 over the same period.

Further, the number of people aged 25-34 subscribing to a Stocks & Shares ISA leapt 71% from 109,000 to 186,000 between the 2016/17 and 2017/18 tax years.

By comparison, the number of people aged 35-44 and those aged 65 and over who subscribed to a Stocks & Shares ISA rose just 4% and 5%, respectively, over the same period.

Conversely, the number of people aged 45-54 and 55-64 subscribing to a Stocks & Shares ISA actually fell over the course of the year.

While the absolute number of savers with Stocks & Shares ISAs increases by age, it is clear these savings and investing vehicles are becoming much more popular among younger people than they were before. For example, 649,000 people aged over 65 subscribed to a Stocks & Shares ISA in 2017/18, compared with 252,000 under 35s.

Number of people subscribing to a Stocks & Shares ISA by age between 2016/17 and 2017/18:

	2016/17 tax year	2017/18 tax year	% increase/decrease
Under 25	22,000	66,000	200%
Age 25-34	109,000	186,000	71%
Age 35-44	305,000	311,000	2%
Age 45-54	560,000	540,000	-4%
Age 55-64	575,000	573,000	-0.3%
Age 65 and over	633,000	649,000	3%
Total	**2,204,000**	**2,324,000**	**5%**

Source: HMRC ISA statistics published 25 June 2020

Number of people subscribing to both a Stocks & Shares ISA and a Cash ISA by age between 2016/17 and 2017/18:

	2016/17 tax year	2017/18 tax year	% increase/decrease
Under 25	13,000	31,000	138%
Age 25-34	54,000	90,000	67%
Age 35-44	57,000	92,000	61%
Age 45-54	92,000	122,000	33%
Age 55-64	97,000	118,000	22%
Age 65 and over	73,000	91,000	25%
Total	**385,000**	**544,000**	**41%**

Source: HMRC ISA statistics published 25 June 2020

Kevin Brown, Savings Specialist, Scottish Friendly says: "It is very encouraging to see so many young people engaging with money and investing, many of whom are probably dabbling with the stock market for the first time.

"What these figures show is that investing is not just for older people with higher incomes and more savings; it can be for anyone and everyone who wants to grow their money over the long-term.

"The introduction of the Lifetime ISA, which gives subscribers a 25% Government top-up on their savings, is at least partly responsible for the uplift in the number of under 35's trying their hand at investing.

"But also, the rise in the number of options for beginner investors, or for younger people who want to invest but are keen to keep their costs down, has clearly helped.

"Those two reasons combined mean it is now arguably easier and cheaper than ever for young people to invest for their futures.

“Of course, investing can seem daunting, particularly if you are doing it for the first time. That is completely understandable.

“If you feel that way, then perhaps start by investing small amounts until you feel more comfortable. When you do, then you can gradually increase the amount you invest over time.”

“Of course, history doesn’t provide us with certainty to make future decisions and you must remember that the value of investments can go down as well as up and you could get back less than you paid in.”

** Tax treatment depends on individual circumstances which can change in the future.*

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Editors notes:

About Scottish Friendly
Scottish Friendly is a leading UK mutual life and investments organisation. It provides investors and their families with a wide range of investment and protection solutions and provides life and investment products and services to other financial organisations.

Scottish Friendly has roots stretching back to 1862. Established as the City of Glasgow Friendly Society, its name changed in October 1992 when it took over Scottish Friendly Assurance.

In recent years Scottish Friendly has significantly restructured its business. The Group has flourished through a three-part growth strategy of organic growth, mergers and acquisitions, and business process outsourcing.

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