



PRESS RELEASE

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Female ISA subscriptions continue to fall sharply but number of younger women opening stocks and shares ISAs jumps by more than 200%, says Scottish Friendly

- The number of women subscribing to ISAs has fallen by 14% in a single year
- In 2017-18, there were 674,000 fewer female ISA subscribers than in the previous financial year
- But the number of women aged under 25 opening stocks and shares ISAs jumps three-fold

The number of female ISA subscribers is continuing to fall sharply despite a surge in the number of younger women investing into stocks and shares ISAs, analysis of official HMRC data by mutual Scottish Friendly has found.

The latest figures show that between 2016-17 and 2017-18 the number of female ISA subscribers declined by 674,000. This follows a record fall in 2016-17, when the number of women subscribing to ISAs dropped by 786,000 on the previous year.

The current downward trend is largely being driven by fewer women opening cash ISAs, as the number fell by almost a fifth (19%) year-on-year in 2017-18.

However, the number of women subscribing to a stocks and shares ISA has increased by 7% or 68,000 to reach one million for the first time since the 2010-11 tax year.

There has also been an increase in the number of male subscribers of stocks and shares ISAs, but this figure increased by just 4% during the same period, up from 1.24m to 1.3m in 2017/18.

Although stocks and shares ISAs are generally heavily favoured by older age groups, there is currently a surge in demand among younger, female investors.

The number of women aged under 25 who opened a stocks and shares ISA in 2017/18 increased by more than 200% in 2016/17, while the number of female subscribers between 25 and 34 rose by 66%.

Together they represent 8% of all female stocks and shares subscribers in 2017/18, which is double the 4% share from 2016/17.

Men and women under 25 are now the fastest growing demographic in terms of stocks and shares ISA subscriptions, followed by those aged 25-34, which suggests perceptions among younger savers are beginning to change.

Number of women subscribing to ISAs in 2017/18:

	Cash ISA (000's)	Stocks & Shares ISA (000's)	All subscriptions (000's)
Under 25	392	25	429
Age 25-34	811	60	902
Age 35-44	554	124	721
Age 45-54	590	241	895
Age 55-64	559	266	884
Age 65 and over	679	309	1,037
Total	3,585,000	1,025,000	4,869,000

Source: HMRC ISA statistics published 25 June 2020

Number of women subscribing to ISAs in 2016/17:

	Cash ISA (000's)	Stocks & Shares ISA (000's)	All subscriptions (000's)
Under 25	368	8	380
Age 25-34	924	36	978
Age 35-44	643	124	790
Age 45-54	741	246	1,031
Age 55-64	755	260	1,062
Age 65 and over	985	284	1,302
Total	4,416,000	957,000	5,543,000

Source: HMRC ISA statistics published 25 June 2020

Jill Mackay, savings and investment specialist at Scottish Friendly, provides some insight for first-time female investors:

- You may want to consider getting started at an early age, even if you only have small amounts to invest. A little and often approach to investing can soon add up
- Many people are unaware that you can have more than one type of ISA so even if you already have a cash ISA ,you may also want to consider investing
- The 'stepping stone' approach could be used as and when you have more disposable income. For example, start from £10 a month and if you can, increase it by what you can afford every year
- If you have a Junior ISA for your children, once it's open anyone can contribute so why not ask the family to get involved. Grandparents may have more disposable income to invest towards their grandchildren's future

Mackay adds:

"There has been an obvious shift away from cash ISAs from both men and women, which is unsurprising given the low rates of interest on offer from many savings providers.

"Nonetheless, we must keep a close eye on the share of female ISA subscribers overall. Despite the recent fall in numbers, this does seem to be stabilising more recently.



“Women are more likely to be financially disadvantaged by career breaks to raise a family or to care for relatives. But there are promising signs that younger women are choosing to invest into stocks and shares ISAs, which is an area where there has always been gender disparity.

“If we are to help close the long-term gender savings gap which widens over the course of a lifetime then it is younger, female savers that we must encourage to diversify from cash to a more balanced portfolio that includes investments.

“Even putting small amounts away to begin with, such as £10 a month into a stocks and shares ISA, can help to make a big difference over time. Every year of saving or investing can significantly boost your financial prospects in the long run, so it’s best to try and start as early as possible.

“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.*

-ENDS-

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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.

www.scottishfriendly.co.uk

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