

THE  
INVESTMENT  
ASSOCIATION

# 2024 ISA BAROMETER

Research conducted by Opinium

Fieldwork 13<sup>th</sup> to 19<sup>th</sup> March 2024

Base: 1000 UK retail investors

START →



# Executive Summary

- **Saving for retirement remained the top savings goal for stocks and shares ISA investors in 2024** – 46% of investors are saving for their retirement. This rises to 52% among the over 55 age group and 54% for the middle age bracket whilst 23% of young people opted for this saving goal. 44% of younger investors were saving to buy a property, and this was the most significant savings goal for younger investors. This fell to just 5% for the over 55s.
- **Investors remain motivated by the belief that investing will deliver a better long-term return than cash** - Half (50%) of investors cited their primary motivation for investing as the better return over the long term compared with cash ISAs. This rose to nearly two-thirds among the over 55s and was the top choice for 35 to 54 year olds. Younger investors value the flexibility of ISAs - the highest percentage of younger investors (30%) cited being able to access their investments before they retire.
- **For those investing less this tax year, high energy bills and transport costs** remains the top factor cited by 38% of investors. We have seen a significant jump in rising mortgage or debt repayments as a driver of lower investment levels among respondents– a key factor for 27% of investors in 2024 compared with 9% in 2023.
- **The average amount invested in the 2023/24 tax year is £6,690** - Nearly half (48%) of investors surveyed intend to invest more in the next tax year. Two-thirds of investors aged 18-34 intend to invest more in the next tax year, compared with 59% of the middle age group and 28% of the over 55s. The over 55s may be less likely to invest more in the next tax year because they invest the maximum allowance each year already or because they prefer to commit consistent amounts annually.



# Executive Summary

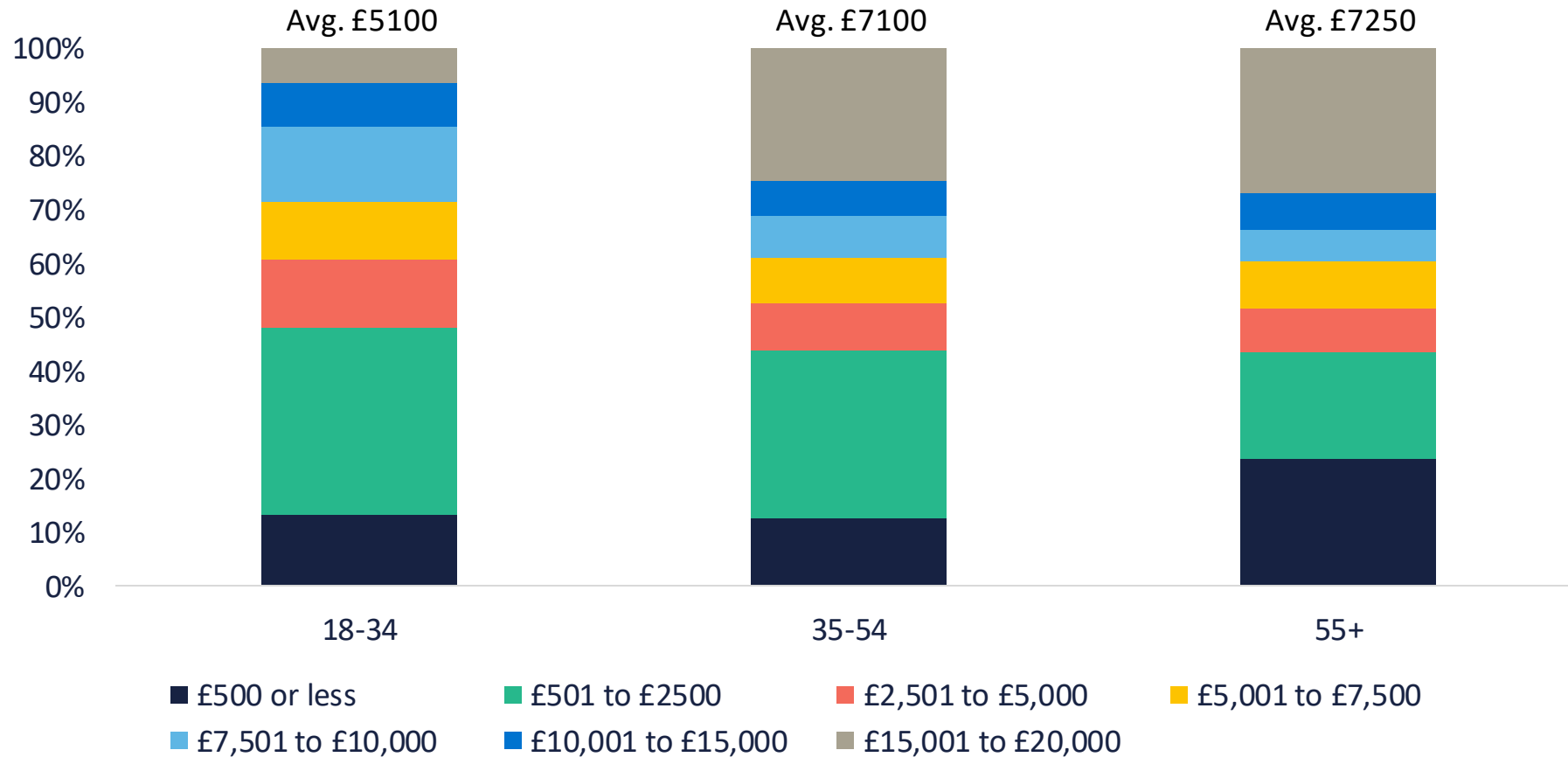
- **Investors are generally positive about the UK ISA** with almost four out of five (78%) saying they'd consider opening a UK ISA. 45% of investors found the additional £5000 tax free allowance the most appealing feature, whilst 15% felt that it was most appealing to invest into UK companies – a combination of the two factors appealed to 36% overall. Breaking this down by age, 21% of young investors were attracted by exclusively investing in the UK compared with just 9% of over 55s but the additional tax advantage was still the most important draw for 50% of 18 to 34 year olds.
- **Younger investors are the most positive about investing in UK companies** - Overall, 60% of investors are confident that investing in UK companies will help them to meet their investment goals, 70% of investors had confidence in investing in global companies. Younger investors, aged 18 to 34 years, felt particularly strongly about investing in UK equity. It was very important for 29% of younger investors that they could invest in UK companies through their stocks and shares ISA compared with 9% of the over 55s.
- **Younger investors are more actively seeking out sustainable funds than the over 55s** - Sustainability remains important to investors with nearly half of investors actively seeking out funds that are sustainable. This is particularly true for younger investors with two thirds (66%) actively seeking sustainable funds, in comparison with 28% of those aged over 55 years. Younger investors are also more confident that sustainable funds will help to meet their investment goals. Nearly a quarter strongly agree that they can meet their financial goals investing sustainably compared with 7% of over 55s.
- **Investors remain cautious about cryptocurrencies** - Two thirds (64%) of investors agree that traditional assets would deliver a better return than crypto currencies over the next three years - a finding which is consistent between men and women and across age groups. Only 7% of investors strongly disagreed that traditional assets would deliver a better return over 3 years than crypto currencies.



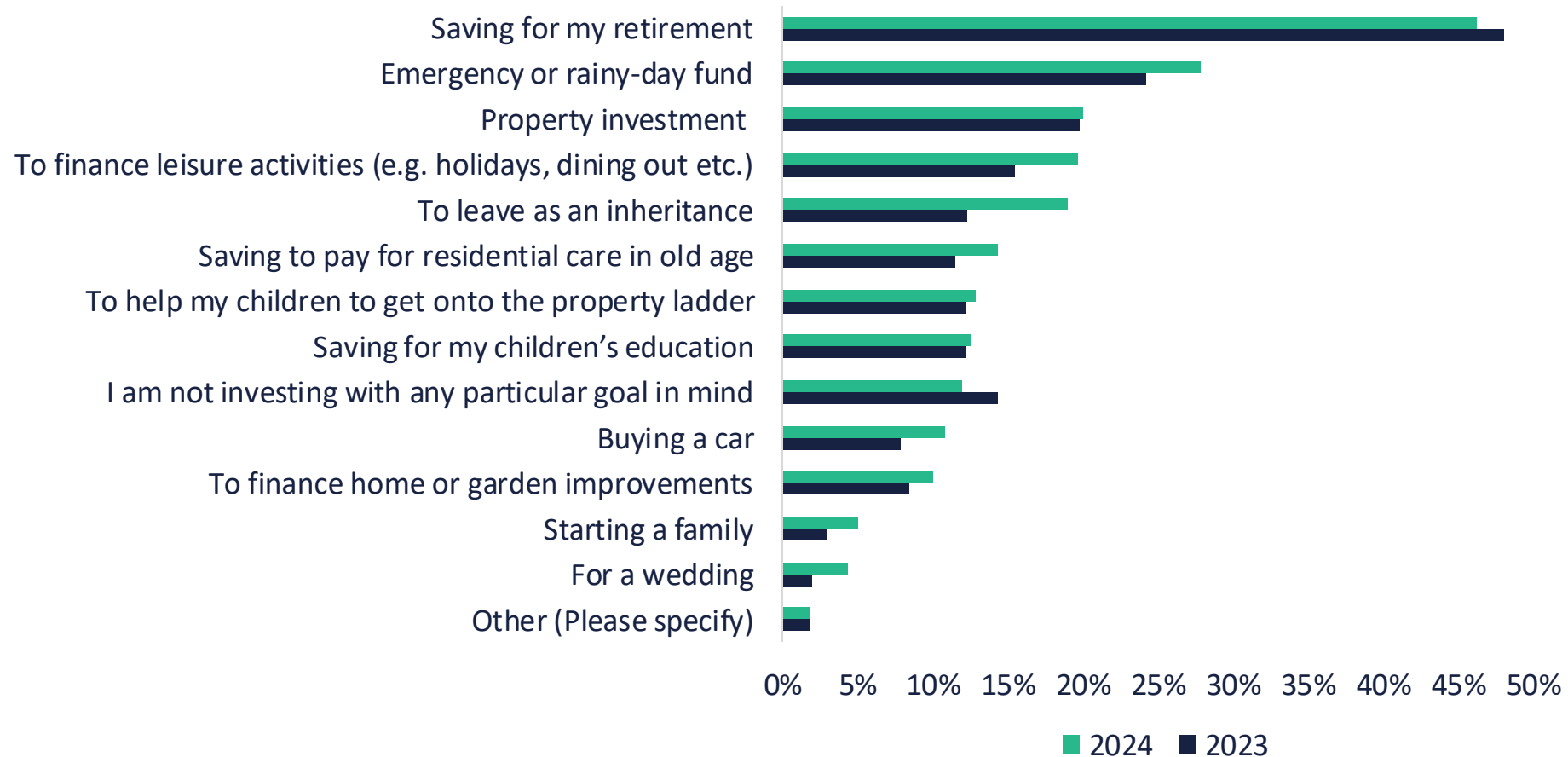
# Key findings in 10 charts



£6,690 is the average amount invested in a stocks and shares ISA in the tax year 2023/2024, with 78% of investors investing less than £15,000.



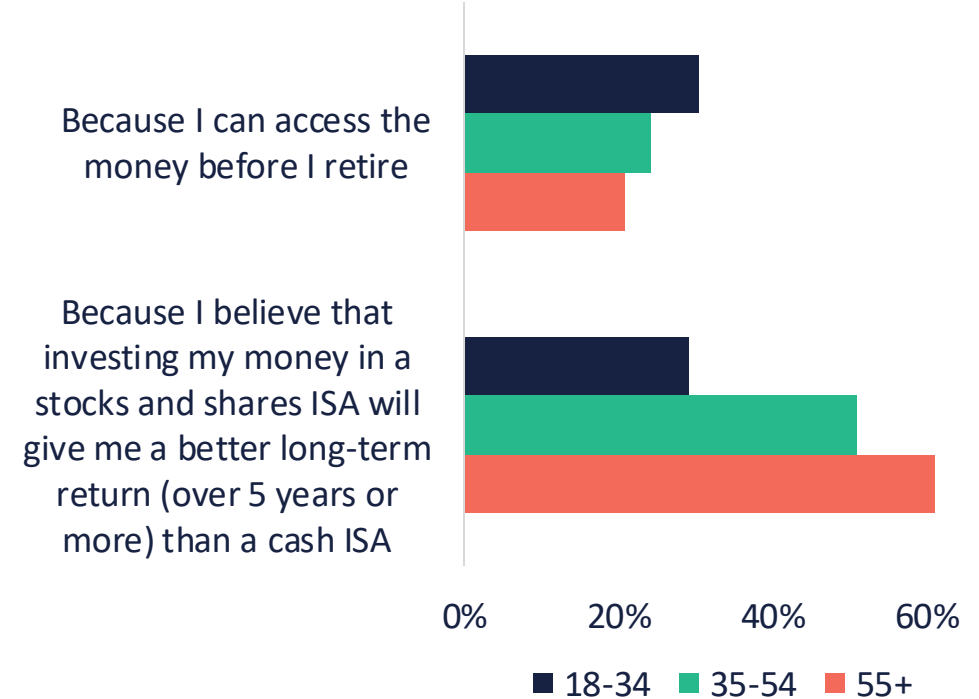
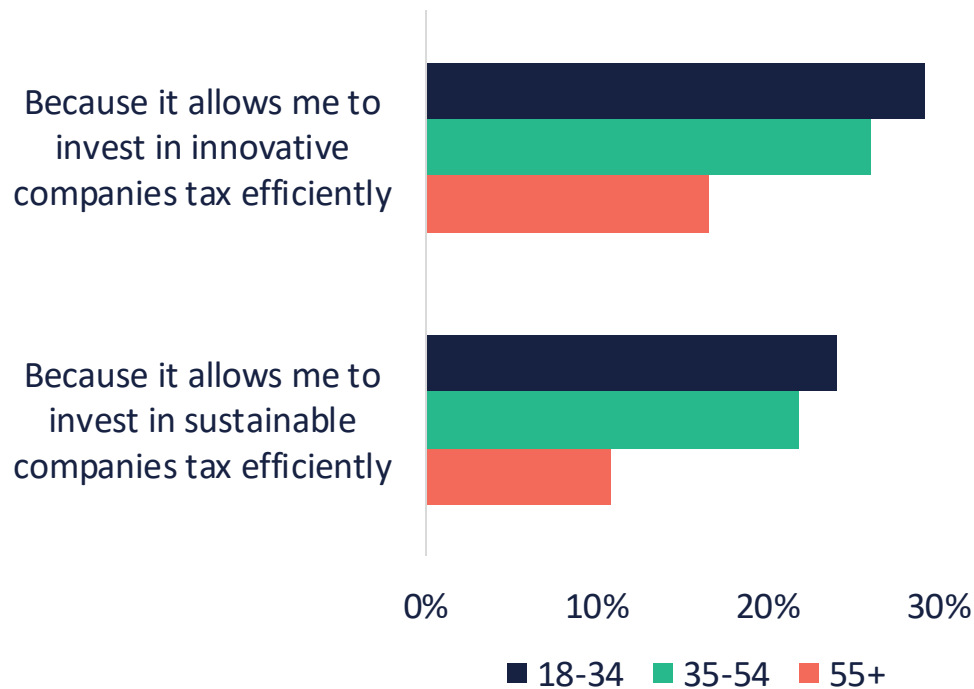
Saving for retirement remained the top savings goal for investors in 2024 when asked why they were investing in a stock and shares ISA.



# High energy bills and transport costs remains the top reason why some respondents invested less in the current tax year, cited by 38% of investors.

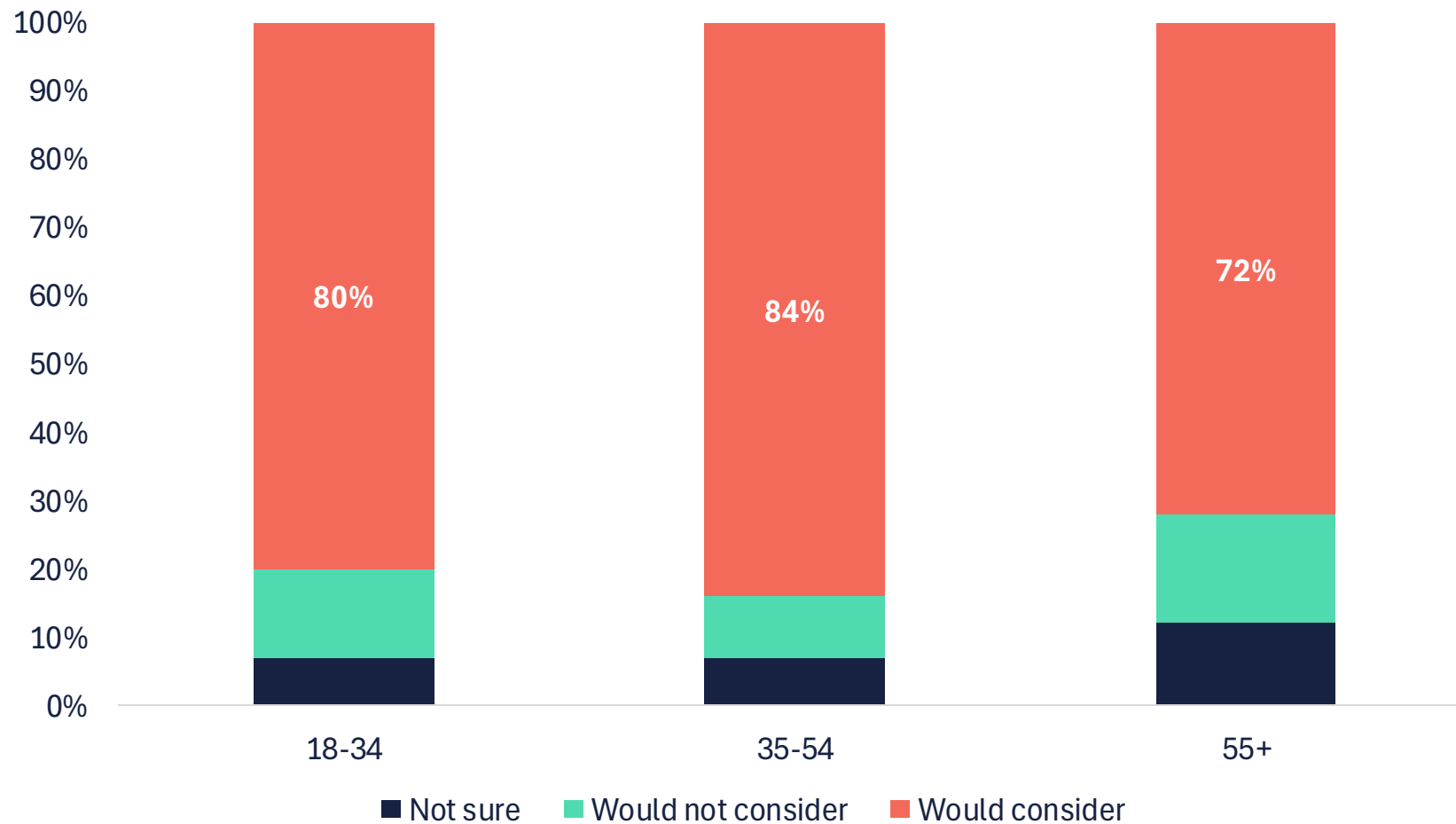


# Younger people are motivated to invest in stocks and shares ISAs because they can access the money before they retire and want to invest in innovative and sustainable companies

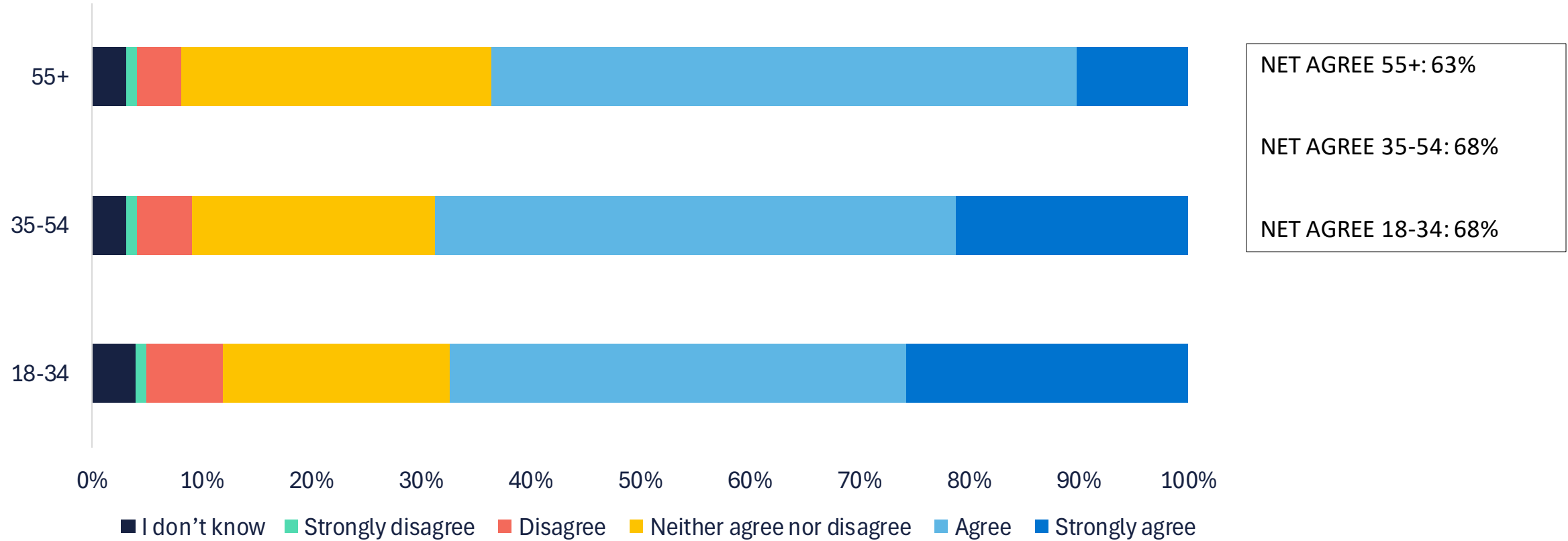




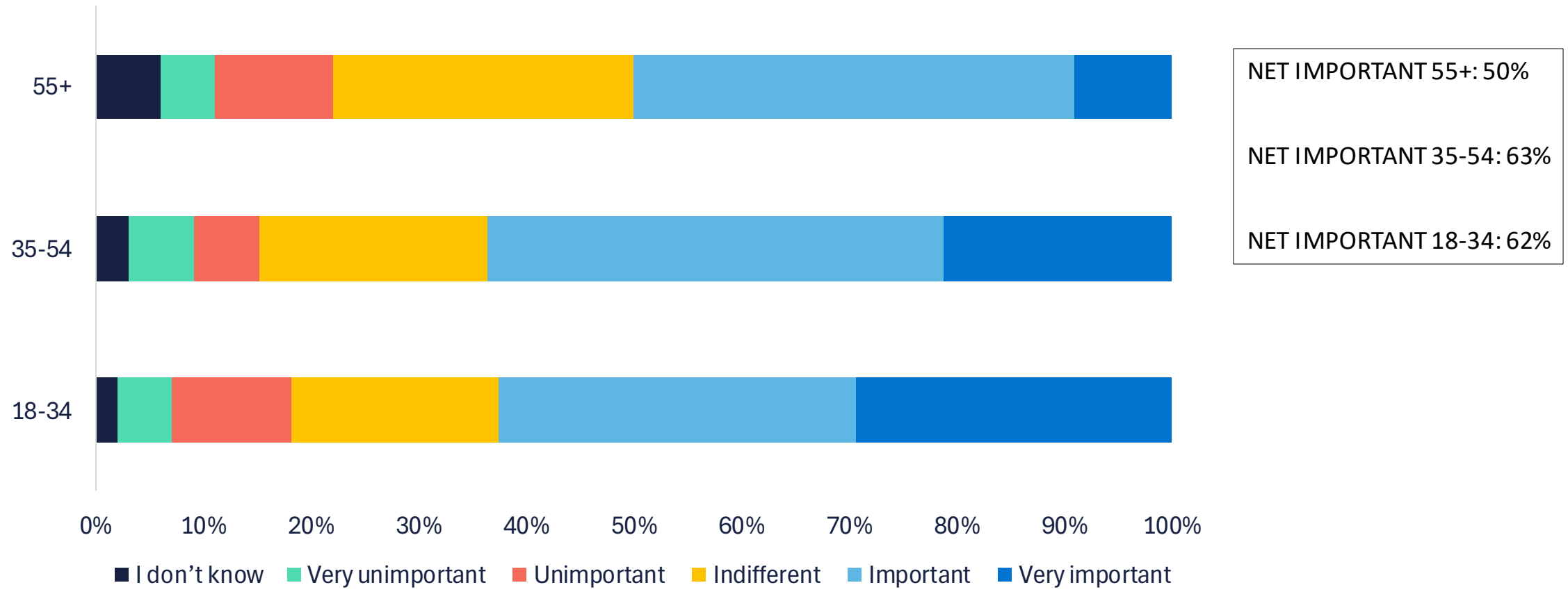
In all age groups the majority when asked would consider opening a UK ISA, but investors under the age of 55 are more open to the prospect.



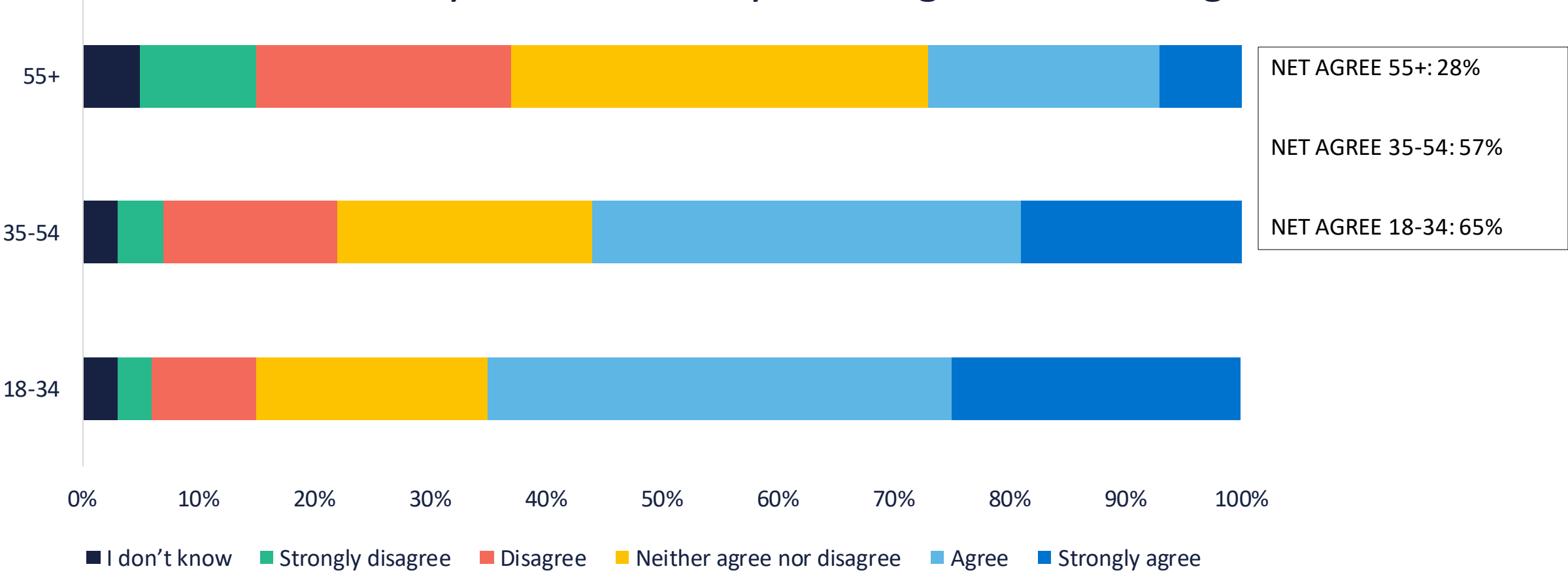
# All ages groups agreed that it was important to boost the flow of capital to British businesses by investing in them.



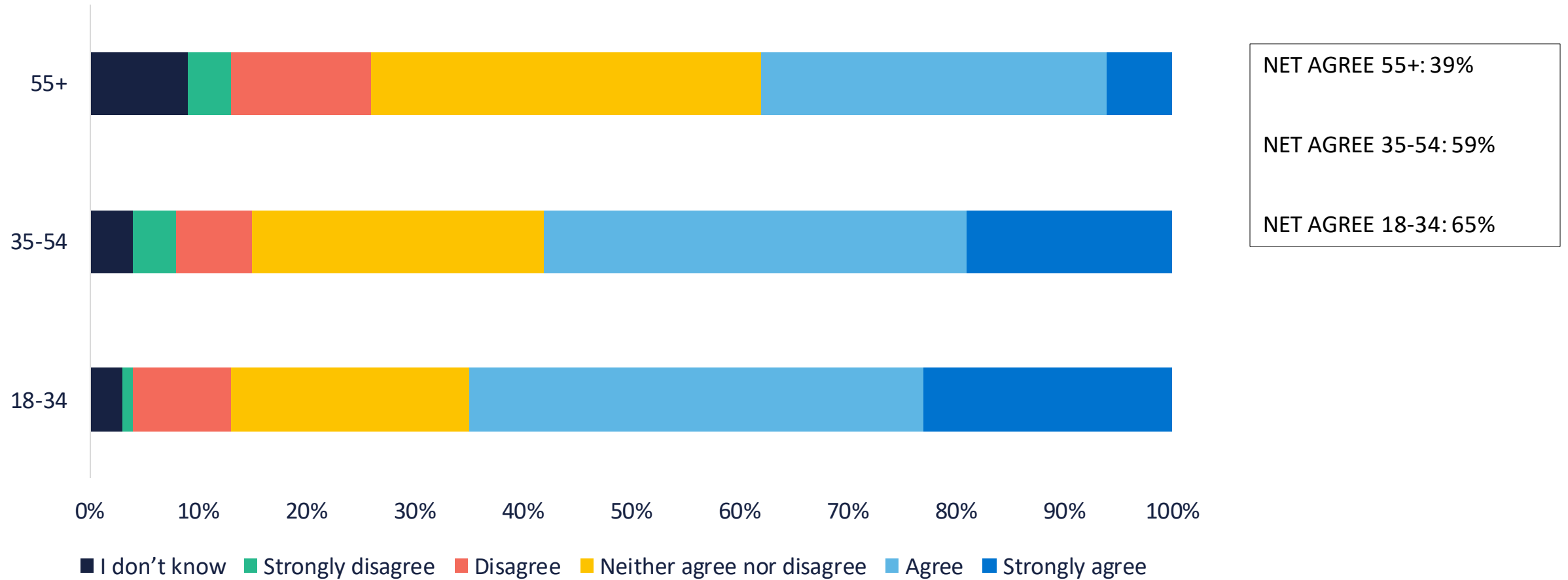
# 29% of younger investors see it as very important that they can invest in UK companies in their stocks & shares ISA compared with 9% of over 55s



Two thirds of younger investors seek out sustainable funds compared with just over a quarter of over 55s, when asked if they actively seek out funds that are sustainable because they invest in a way that aligns with their goals.



Investors aged 18-54 are more confident that sustainable investing will help them to meet their financial goals.



Two thirds (64%) of investors agree that traditional assets would deliver a better return than crypto currencies over the next three years - a finding which is consistent between men and women and across age groups.

