



Investing among three generations

Report for Trade Republic

Project: 24-030007
Rijen, 4 July 2024

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Introduction



Your challenge

Main question to answer

How do generations differ in their attitude and behaviour towards investing and saving?

What we need to understand to answer this:



1. Investing

- What are the triggers for investing and barriers for not investing?
- In what kind of products are they investing? And to what investment horizons are their investments allocated? How is this divided over their total investment portfolio?
- How often are investments made and checked?
- What is the expected return per category?
- Do they invest periodically?



2. Saving

- How much savings interest is currently received?
- Are people satisfied with this?
- How high or low is the intention to switch between banks for a higher interest rate? Why would one not switch?
- Is there a willingness to transfer savings to a foreign bank if it offers higher interest rates?



3. Influencers

- Who helps with investment decisions? In case of external advisors: how do they rate their advice?
- Who do investors think can give them the best investment advice?
- Do they have parents that invest(ed)?
- What information sources do they use?



4. Sustainability

- What role does sustainability play when investing?
- How important is sustainability in relation to return on investment?

Over all subjects: are there differences between generations and genders?

How we set this up



What was our approach

- Online quantitative questionnaire with a completion time of about 8 minutes.
- Conducted on Ipsos I&O and GfK panels. The target group was identified within the panels through some screening questions in Ipsos I&O's May 2024 screening survey.
- Data collection took place from 3 to 17 June 2024.



Who we spoke with

- Three generations: Gen X, Gen Y and Gen Z who are either investors or non-investors.
- The questionnaire was completed by $n = 1.008$ respondents. To reach enough completes within each cell (investors and over the generations), we targeted and classified respondents as follows:

	Investors	Non-investors	Total
Generation X (1961-1980: 44 years and older)	112	224	336
Generation Y (1981 – 1995: 29-43 years)	112	223	335
Generation Z (1995 – now: 28 years and younger)	112	225	337
<i>Total</i>	336	669	1.008

- **Please note that this is a stratified sample and therefore the ratio of investors and non-investors over the generations is artificial and does not represent distribution among the Dutch population.**
- To be able to make statements on a total level, the sample was weighted by the distribution of these generations and the distribution of investors vs. non-investors. Weighting targets are based on the weighted results of the screening study on our panel.

Conclusions





1. Investing

Current investors aim for asset growth and pension supplementation, while risk aversion is the primary barrier for non-investors

Total

Investors

- Current investors are mainly investing to grow assets and to supplement one's pension.
- Most often, investments are made in investment funds or individual stocks on the Dutch stock market, just as in 2022, although the expected return in these categories is relatively low. Highest return is expected on cryptocurrencies, which investments are also checked most frequently.
- Almost half of the investment portfolio is invested with an investment horizon of 5 years or longer.
- Almost half of current investors invest periodically. From the ones who do not, a third shows interest.

Non-investors

- 4 out of 10 non-investors are not ruling out starting investing.
- Risks form the main barrier to start.

Gen X

Investors

- Compared to Gen Z, Gen X invest relatively often to supplement their pension and to achieve a high return.
- The largest share within their investment portfolio is invested in investment funds, which is a higher share than Gen Y and Gen Z.
- Have a relatively long investment horizon compared to Gen Z.
- Invest relatively little periodically and also relatively little interest in doing so.

Non-investors

- Relatively hesitant to start with investing.
- The non-investors from Gen X are mostly deterring from investing because of the risks. Compared to the other generations they are also relatively often withheld from investing because of transaction costs.

Gen Y

Investors

- Gen Y relatively often invest to supplement their pension, to achieve a high return, to generate income or to save for a large expense.
- Compared to Gen X, Gen Y often invest in ETFs/Index Trackers, Crypto and Bonds.
- Have a relatively long investment horizon compared to Gen Z.
- Relatively often invest periodically, and if not, they often have the intention to do so.

Non-investors

- From the three generations they are most often open to start with investing.
- Gen Y is deterring from investing mostly because of the risks, but also relatively often because of a lack of knowledge on what to invest in and lack of time to learn about it. Not investing due to a preference for saving is relatively unimportant for Gen Y.

Gen Z

Investors

- Compared to the older generations, Gen Z often invest because they find it fun/interesting and to save for a large expense.
- They often invest in ETFs/Index Trackers, Crypto and Bonds.
- Have a rather short investment horizon.
- Relatively often invest periodically, and if not, they have the highest intention to do so of the three generations.

Non-investors

- Compared to Gen X, non-investors from Gen Z are more often open to start with investing.
- Gen Z name multiple reasons for not investing. Compared to other generations, it is often because of a lack of time or knowledge, having better destinations for their money or their impression that now is not the right time to start.



2. Saving

While a noticeable dissatisfaction is present around one's current interest rate on savings accounts, there is a limited appeal towards foreign banks offering a higher interest rate

Total

- An interest rate between 1-2% is most common on a savings account.
- 6 out of 10 people are dissatisfied with their current interest rate at their savings account. Due to this dissatisfaction, 18% expressed an intention to switch between banks.
- Those who do not have a switch intention, say switching is too much effort for a little difference.
- The willingness to deposit savings with a foreign bank with a higher interest rate is low but grows when money is covered by the (European) deposit guarantee scheme, or when the difference in interest rates is big enough.

Gen X

- Most receive an interest rate of 1-2%, but they relatively often have an interest rate of 3-4%.
- Compared to the younger generations, Gen X is quite often dissatisfied with their current interest rate.
- But they also state that it is 'very unlikely' they'll switch between banks because of a low savings interest rate. Especially because it's a lot of effort for little. More than within the other generations, they also often feel that interest rates will go down again soon and therefore will not switch.

Gen Y

- Most receive an interest rate of 1-2% on their savings account, but they relatively often receive an interest rate of 2-3%.
- Gen Y is, compared to Gen Z, more often dissatisfied with their interest rate.
- Gen Y is from the three generations most open to deposit their savings with a foreign bank without any conditions if they offer higher interest rates. Also, when their money is covered by the (European) deposit guarantee scheme, they are open to deposit their savings with a foreign bank.

Gen Z

- Compared to the older generations, they often receive a lower interest rate on their savings account.
- However, they are more often satisfied with it and their switch intention based on interest rate is quite low, compared to Gen X and Gen Y.
- As a reason not to switch they relatively often state they've never looked into it before.
- Gen Z shows a lower willingness to deposit their money with a foreign bank that offers a higher interest rate, compared to Gen Y.



3. Influencers

Most investors highlight the importance of their own analyses within investment decisions but also consult (financial) websites and family/friends. Out of Dutch political party leaders, they would mostly trust advice from Omtzigt

Total

- One's own analyses and (financial) websites are the most used and most important sources for investment decisions.
- For 4 out of 10 current investors, their parent(s) have also invested.
- Pieter Omtzigt outperforms Timmermans, Yeşilgöz, Wilders and Van der Plas in being a trusted party leader for investment advice.

Gen X

- Gen X relatively often does not use any sources for investment decisions at all.
- They also most often do not have parent(s) who invested.
- Of the three generations, Gen X is most sceptical about party leaders being investment advisors but do choose Omtzigt as best.

Gen Y

- Compared to Gen X, Gen Y more often consults family/friends, social media or influencers for investment decisions.
- More often than Gen X, they have parents who ever invested.
- They are sceptical about a Dutch political party leader being a good investment advisor but choose Omtzigt most often as the best option.

Gen Z

- Compared to Gen X, Gen Z more often consults family/friends or social media for investment decisions.
- Among the three generations, Gen Z most often has parents that invested.
- They are mostly ignorant about which party leaders should be the best investment advisor, but those who did choose one, mostly go for Omtzigt.



4. Sustainability

Sustainability is of secondary importance for most current investors, as they often prioritise good returns over contributing to a sustainable world

Total

- Sustainability is important for a quarter of current Dutch investors. For a third of them, it plays no role at all.
- Half of Dutch investors considers a good return just as important as contributing to a sustainable world. 38% think a good return is more important. Only a small group (9%) places sustainability over good return.

Gen X

- Sustainability often does not play a role in the investment decisions of Gen X, compared to the younger investors.
- A third of them think a good return is more important than contributing to a sustainable world. A relatively large share of Gen X thinks good return and sustainability are equally important.

Gen Y

- For 23% of investors from Gen Y, sustainability is an important or decisive factor in their investment decisions, but for 24% it plays no role.
- Gen Y attaches little importance to sustainability relative to return. A relatively large share thinks a good return to be way more important than contributing to a sustainable world.

Gen Z

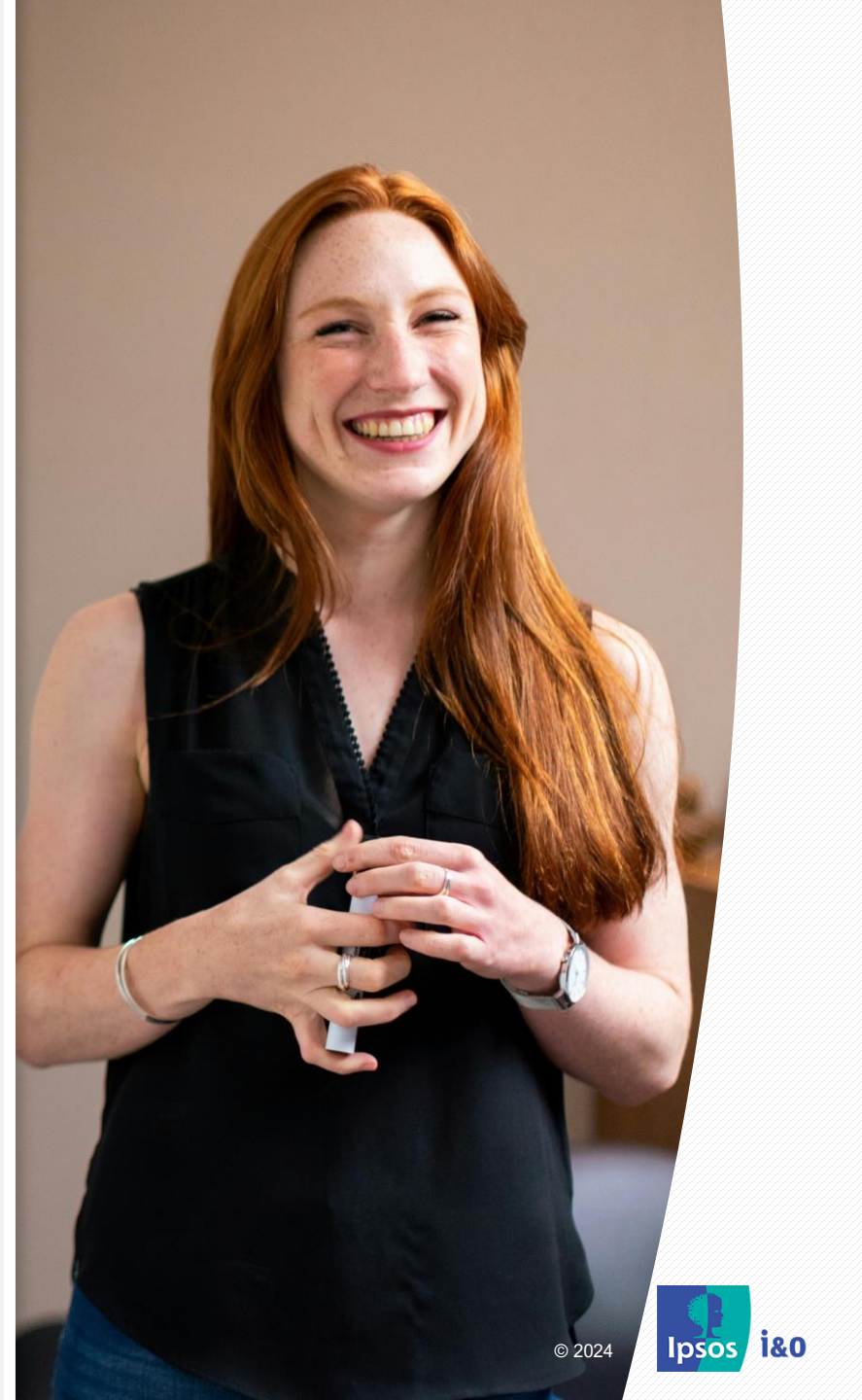
- For Gen Z, sustainability is slightly more important, while for half of them, it plays a limited role in their investment decisions, which is more than within the older generations.
- 39% think a good return is more important than contributing to a sustainable world, and 10% prioritises sustainability.

Most important insights



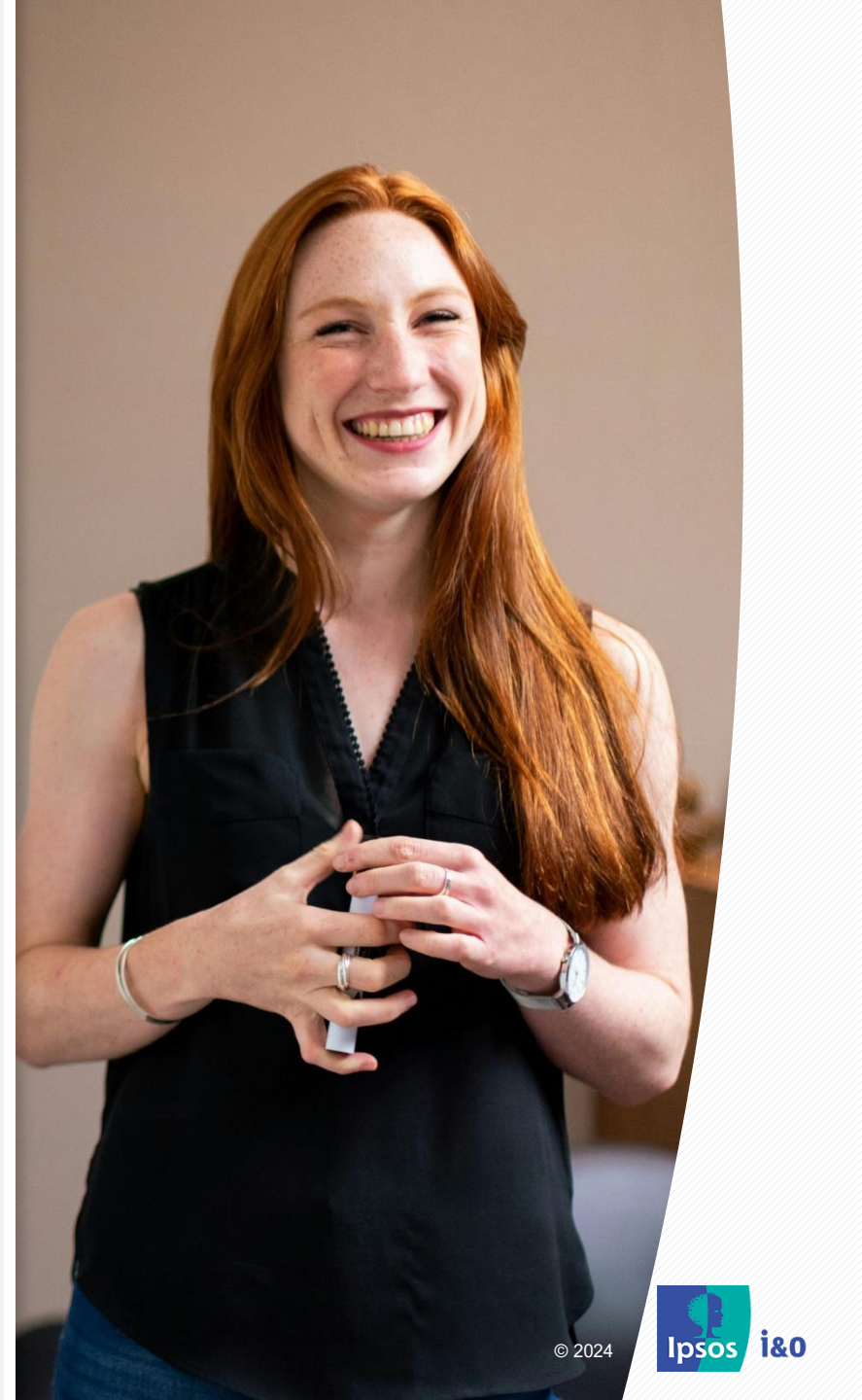
1.

Investing



1a.

Investors about investing



Growing assets and supplementing one's pension are most mentioned motivations for investing

Triggers for investing

	Total	Gen X	Gen Y	Gen Z
Grow assets	63%	60%	70%	63%
To supplement my pension	51%	56%	46%	29%
Achieve a high return	38%	39%	38%	21%
Generate income	30%	25%	38%	29%
Fun/interesting to be involved with investing	28%	25%	29%	45%
Protect assets against inflation	22%	21%	25%	21%
To be able to retire early	21%	18%	24%	26%
To save for a large expense*	20%	14%	29%	31%
To pay off my mortgage	9%	11%	6%	5%
Other	1%	0%	3%	1%
I don't know	1%	1%	0%	0%

*such as buying a house, paying for a child's education, going on a big trip, etc.

Differences between generations:

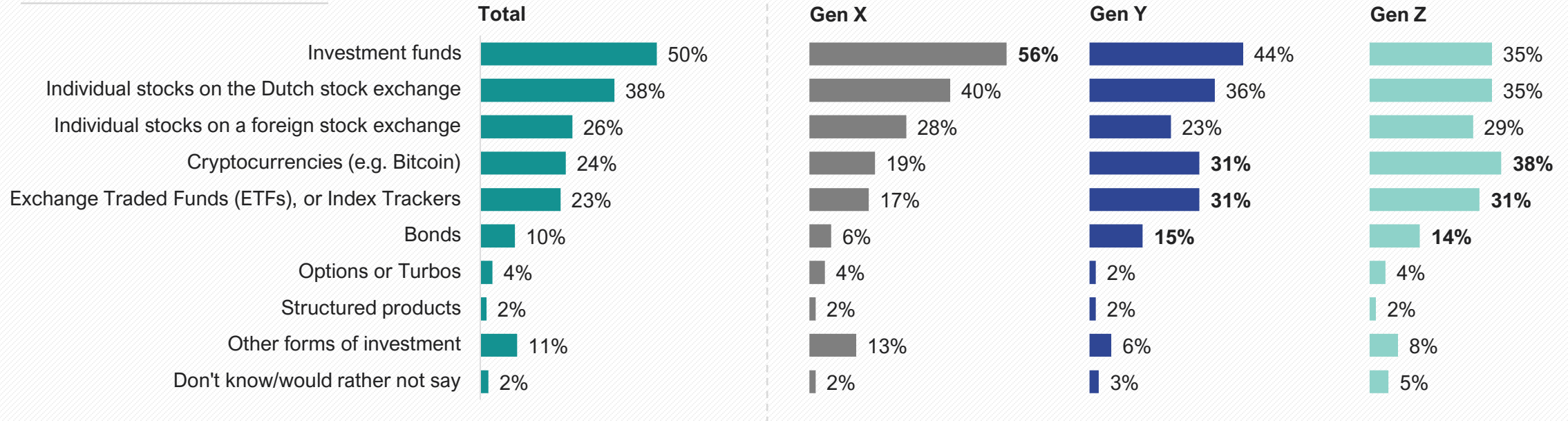
- Gen X and Gen Y are often mentioning supplementing for one's pension (56% and 46%) and achieving a high return (39% and 38%) as reasons for investing.
- For Gen Y, generating income (38%) is also a relatively important reason for investing. More than Gen X, they are investing to save for a big expense (29%).
- Gen Z finds being involved with investing more often than the older generations just fun or interesting (45%). More often than investors from Gen X, they are investing to save for big expenses such as buying a house, paying for a child's education, going on a big trip, etc. (31%).

Differences between genders:

- Men are more often than women investing because they find it fun/interesting to be involved with it (31% vs. 20%). On the other hand, women are more often investing to save for a large expense (30% vs. 16%).

Most often, investments are made in investment funds or individual stocks on the Dutch stock market

Forms of investments



Differences between generations:

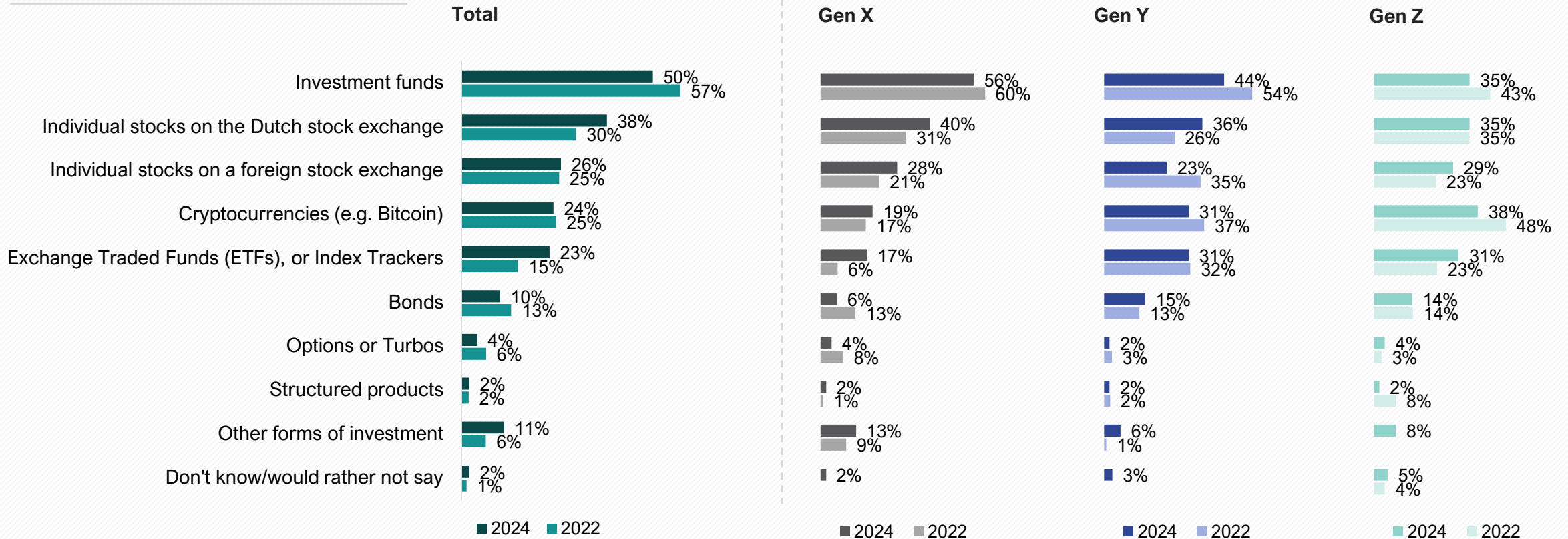
- Gen X relatively often invests in investment funds (56%), compared to Gen Y (44%) and Gen Z (35%).
- Gen Y and Gen Z are, in comparison to Gen X, more often involved with investing in Cryptocurrencies, ETFs/Index Trackers and Bonds.

Differences between genders:

- Compared to women, men relatively often invest in individual stocks on the Dutch stock market (44% vs. 27%).

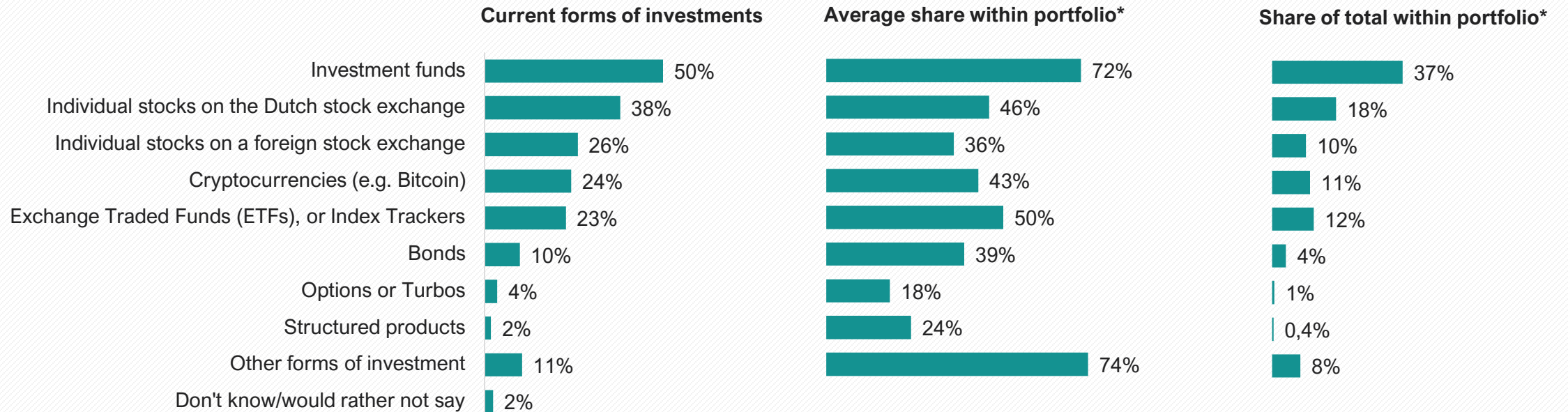
Investment funds and individual stocks on the Dutch stock market were most popular in 2022 as well

Forms of investments – 2024 vs. 2022



Investment funds most popular investment category: half of the investors have it in their portfolio, and it generally takes the largest share

Forms of investments and share within portfolio

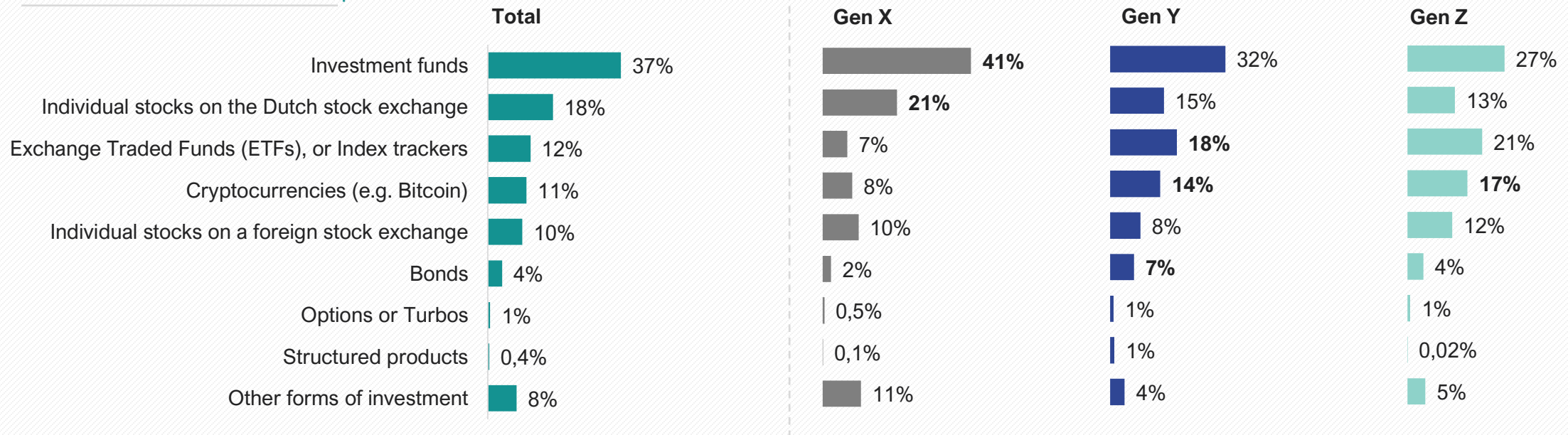


*** Average share within portfolio vs Share of total within portfolio:**
 Those who invest in investment funds, invest on average 72% of their total invested assets in this category. And 37% of the total invested assets of all respondents together, is invested in Investment funds.

! Base sizes too low to display results for Gen X, Gen Y and Gen Z separately.

Over a third of the total invested assets, is invested in investments funds

Share of total within investment portfolio

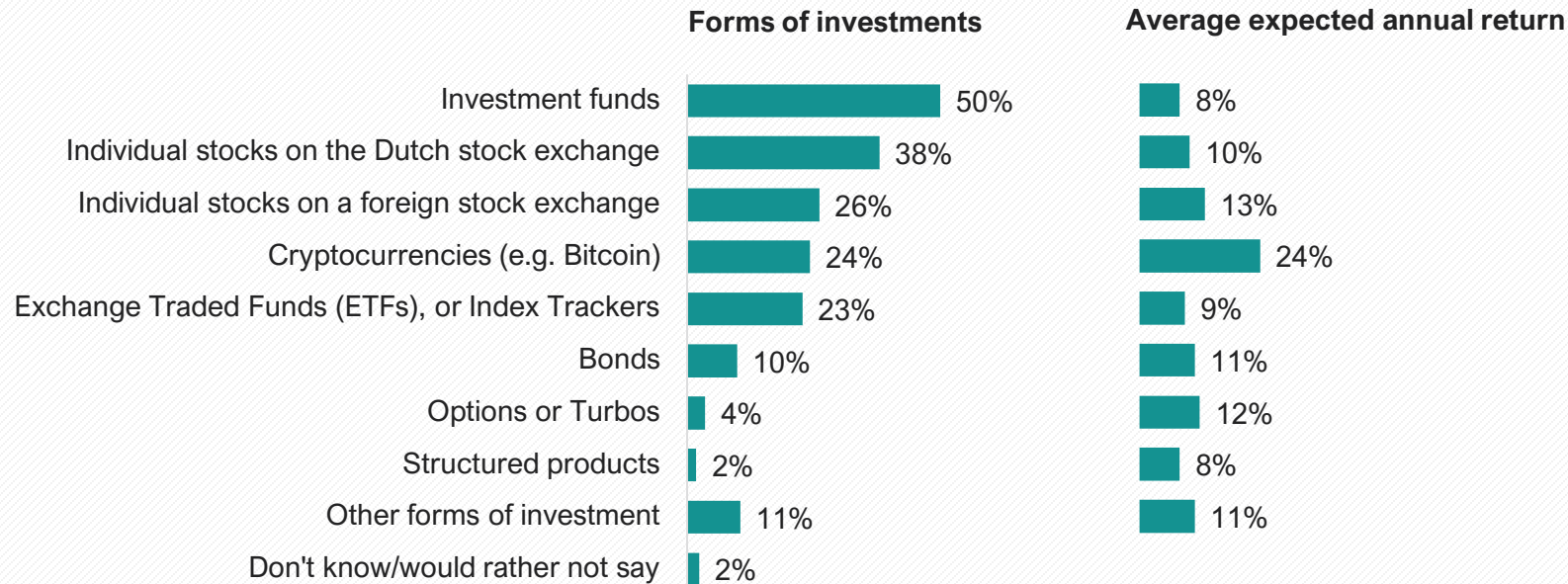


Differences between generations:

- The investment portfolio of Gen X mostly consists of investment funds: 41%. This is a higher share than within the investment portfolio of Gen Z. Compared to Gen Z, a large share of the total invested assets from Gen X goes to either individual stocks on the Dutch stock exchange or 'other forms of investments'.
- Both Gen Y and Gen Z have, compared to Gen X, a larger share of their total invested assets invested in ETFs/Index trackers or Cryptocurrencies.
- Compared to Gen X, Gen Y also has a larger share of their investment portfolio invested in Bonds.

While investors most often invest in investment funds, expected return in this category is the lowest, highest expected return on Cryptocurrencies

Forms of investments and expected return

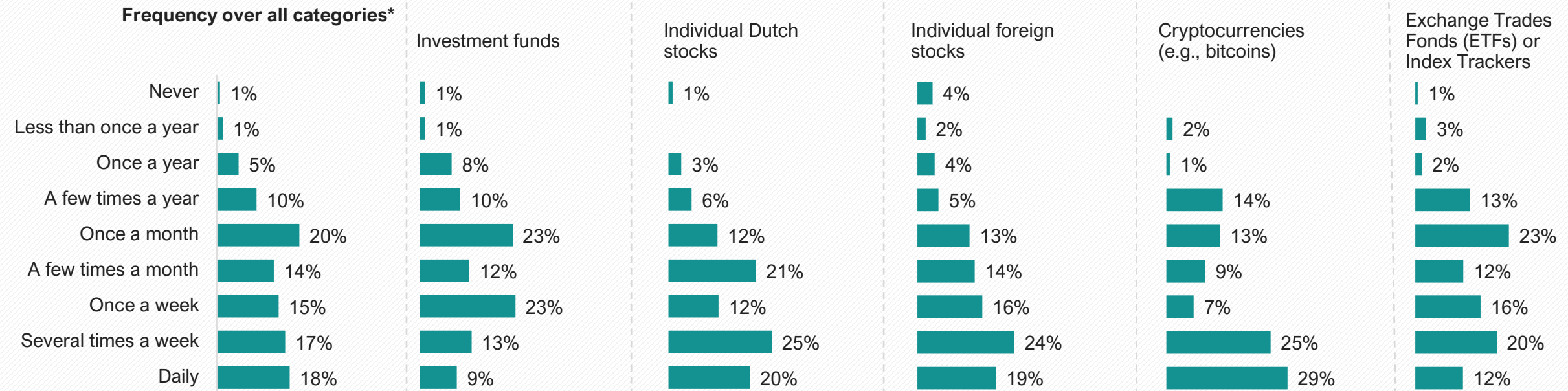


! Base sizes too low to display results for Gen X, Gen Y and Gen Z separately.

A03: In which of the following investment forms do you currently invest? | A08: What annual return (expressed in %) do you expect to achieve per category?
Base: investors who are aware of their annual return per category (n=325)

Most investors check their investments at least once a month. Cryptocurrencies are checked most frequently

Frequency of checks on investments per category



* **Frequency over all categories** is calculated with the highest given frequency from all investment forms a respondent has. These results should be interpreted with caution as the actual frequency might differ. For example, investors checking two categories once a month can either mean checking all their investments categories once a month at the same time, or checking each category at different times, which then effectively means twice a month. In this chart, that is now shown as once a month.

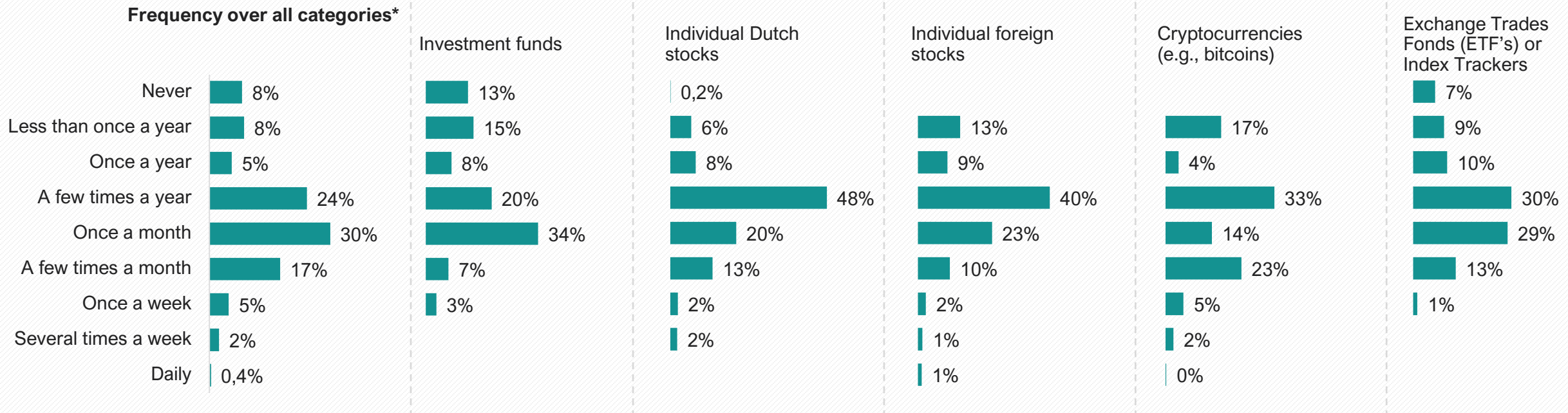
! Base sizes too low to display results for Gen X, Gen Y and Gen Z separately.

A07a: How often do you check (the status of) your investments on average?

Base: investors in: Investment funds (n=151), Individual Dutch stocks (n=124), Individual foreign stocks (n=90), Cryptocurrencies (n=98), ETFs or Index Trackers (n=89)

Investment transactions mostly take place once a month or a few times a year

Frequency of investment transactions



* **Frequency over all categories** is calculated with the highest given frequency from all investment forms a respondent has. These results should be interpreted with caution as the actual frequency might differ. For example, investors making transactions once a month can either be one transaction over all categories, or one transaction per category. In this chart, that is now shown as once a month.

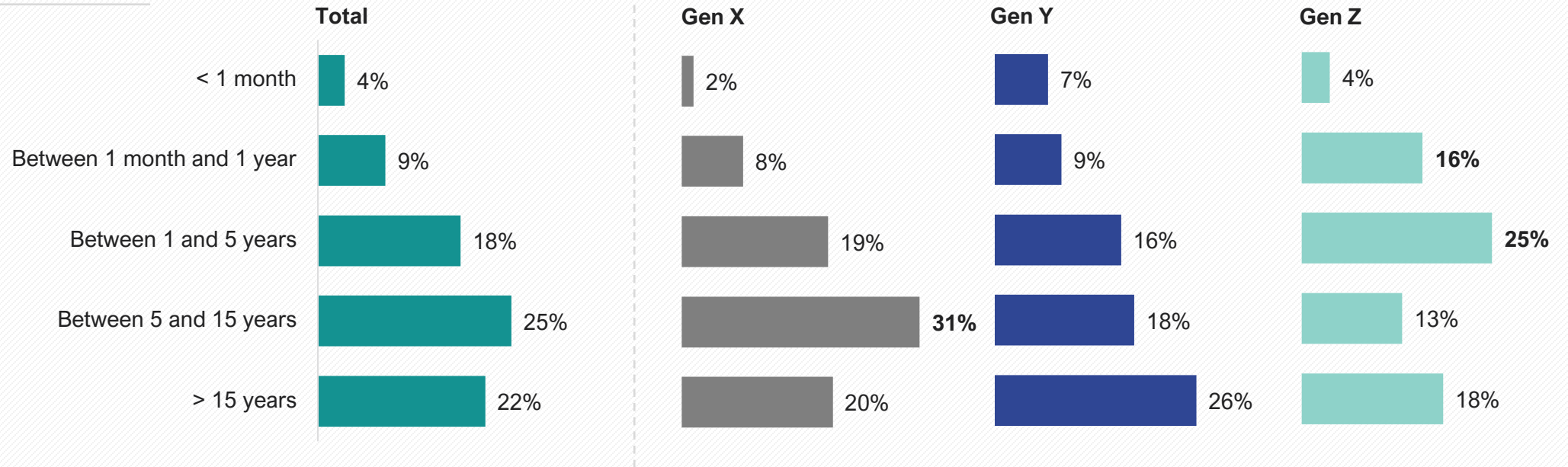
! Base sizes too low to display results for Gen X, Gen Y and Gen Z separately.

A07b: How often do you make an investment transaction on average?

Base: investors in: Investment funds (n=151), Individual Dutch stocks (n=124), Individual foreign stocks (n=90), Cryptocurrencies (n=98), ETFs or Index Trackers (n=89)

Almost half of the average investment portfolio is invested with an investment horizon of 5 years or longer

Investment horizon

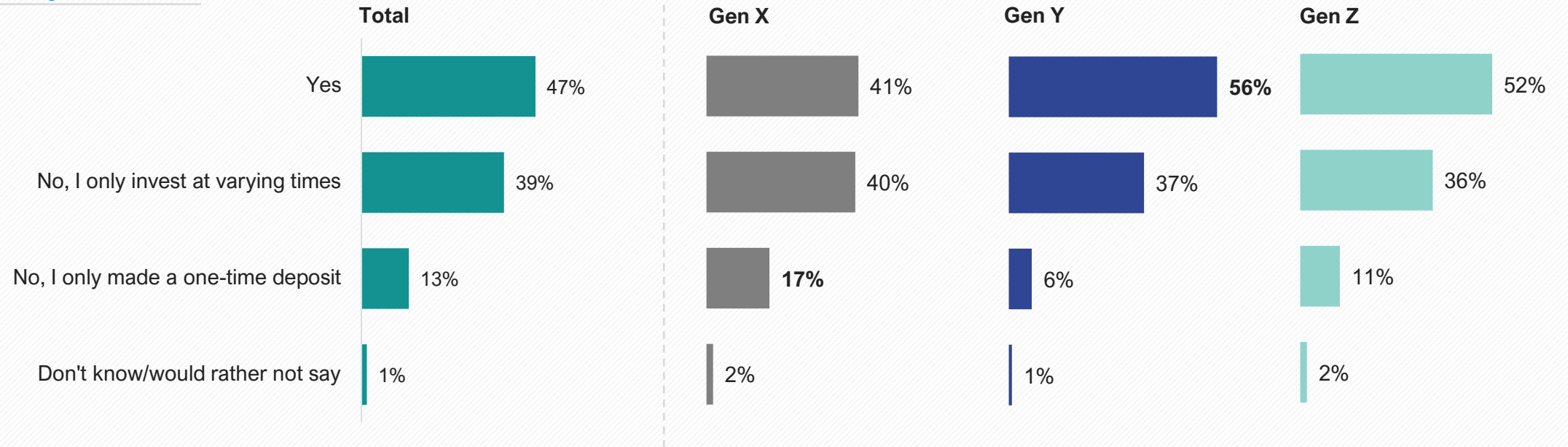


Differences between generations:

- A relatively large share of the total investment portfolio of Gen X is, in comparison to the younger generations, invested for 5 to 15 years.
- Gen Z has slightly shorter investment horizons in their investment portfolio. More often than the older generations, their investments are made with an investment horizon between 1 month and 1 year, or between 1 and 5 years.

Almost half of current investors invests periodically, 39% only at varying times, 13% only through a one-time deposit

Periodic investing



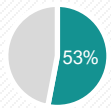
Differences between generations:

- Gen X is, in comparison to younger generations, relatively often not involved in periodic investing, but more often invests by making a one-time deposit (17%).
- Among Gen Y, more than half of current investors is periodically investing. That is more often than amongst the older generation.

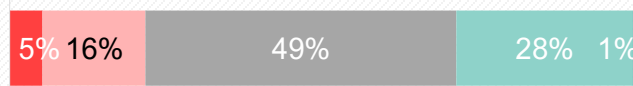
Among non-periodic investors, a third is interested in periodic investing

Interest in periodic investing among non-periodic investors

% not investing periodically
(see previous page)



Total

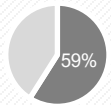


% (very) uninteresting

% (very) interesting

22%

29%

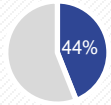


Gen X



30%

20%



Gen Y



6%

44%



Gen Z



8%

54%

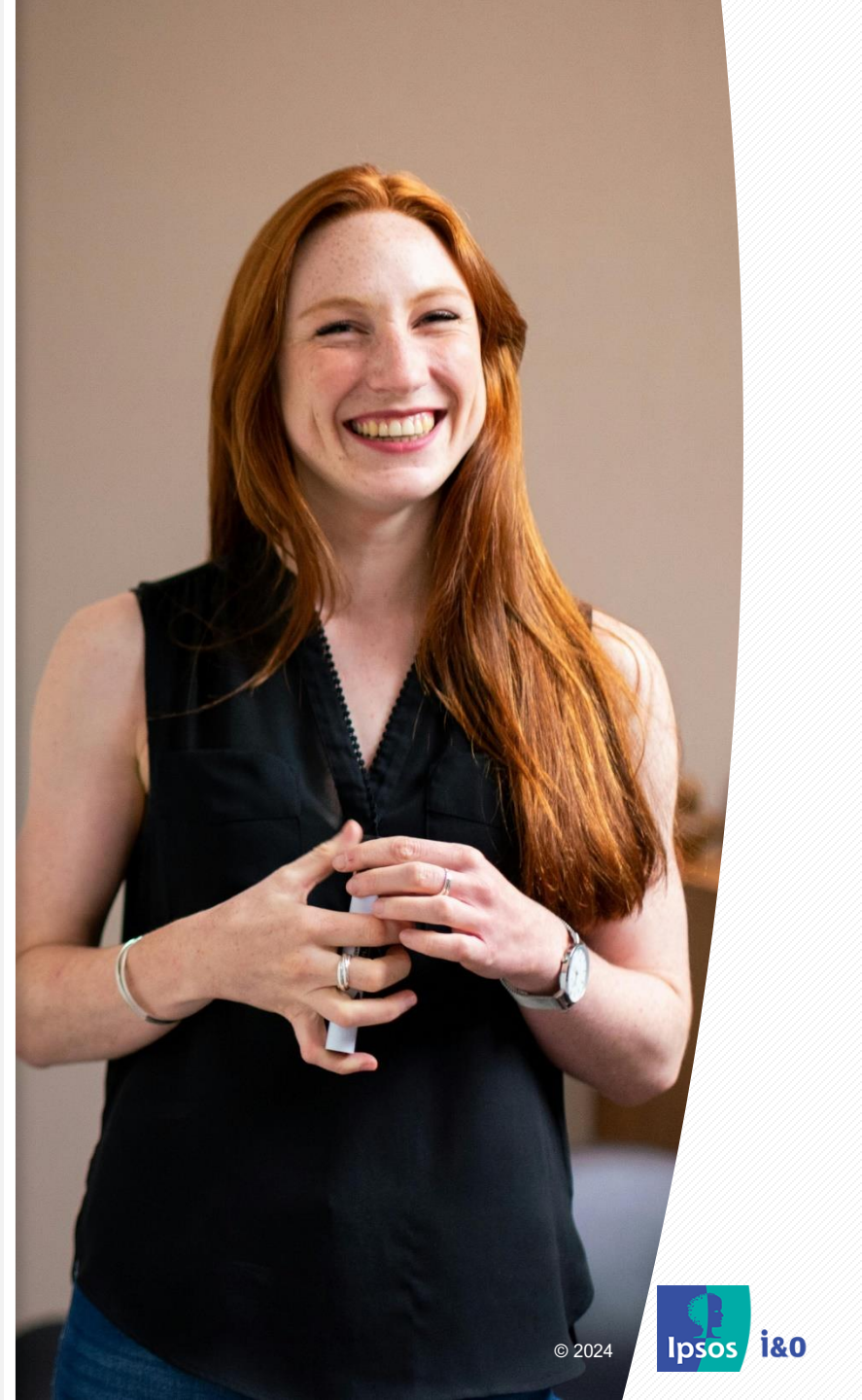
- Very uninteresting
- Uninteresting
- Neither interesting nor uninteresting
- Interesting
- Very interesting

Differences between generations:

- Among investors who are not currently periodically investing, Gen X is least interested in this (20%) and Gen Z most (54%).

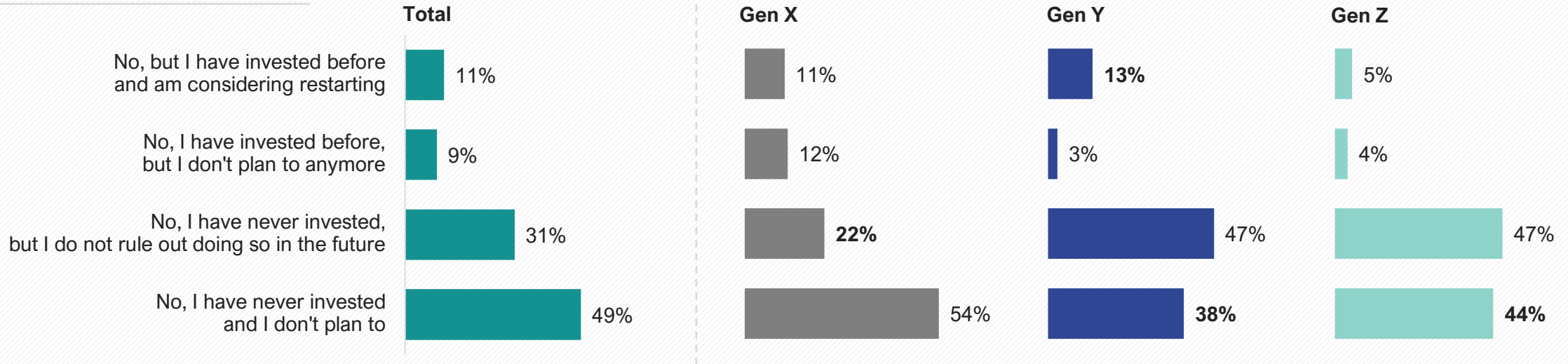
1b.

Non-investors about investing



4 out of 10 non-investors are not ruling out starting investing

Non-investors' take on investing



Differences between generations:

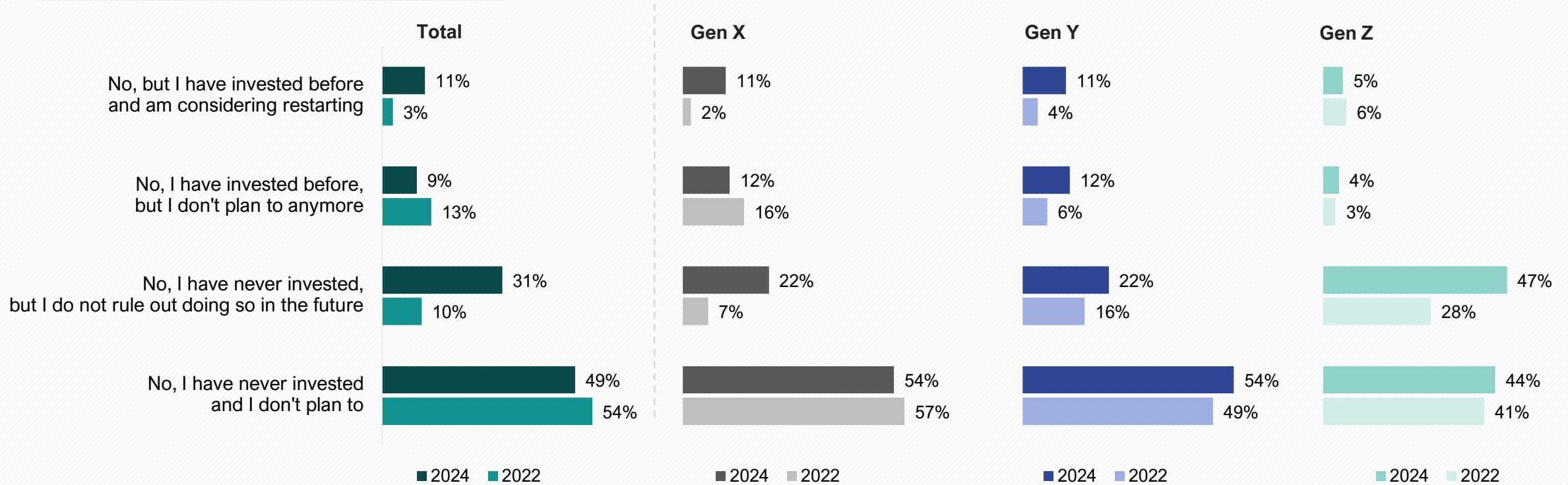
- Gen X is more often than younger generations not going to (re)start investing: 12% have invested in the past but have no intention to restart, and 54% never invested before and don't plan to do so.
- In comparison to non-investors from Gen X, non-investors from Gen Y and Gen Z are often not ruling out to start with investing (Gen X total: 33%, Gen Y total: 59%, Gen Z total: 52%). Additionally, Gen Y has the smallest share among the generations that has never invested and who are neither planning to start (38%).

Differences between genders:

- Men are currently more often investing (part of) their assets, compared to women (41% vs. 13%).

Among non-investors, the interest to start investing has grown since 2022

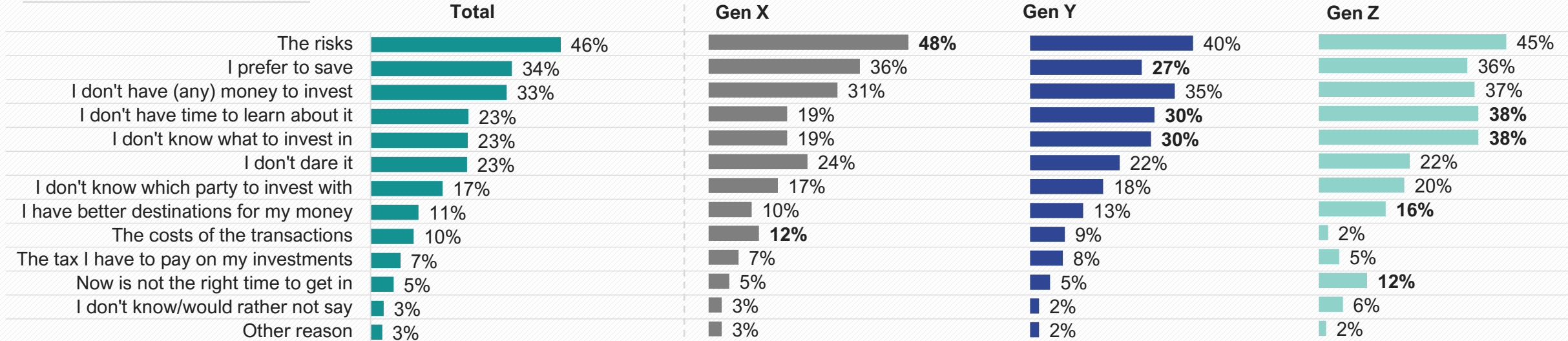
Non-investors' take on investing – 2024 vs. 2022



- In 2022 15% of the non-investors had invested in the past. Now that is 20%.
- In 2022 13% of the non-investors was open to start investing. Now that has grown to 42%, especially the ones without investment experience.

The (perceived) risks form the main barrier for investing, besides a preference for saving and a lack of money to invest

Barriers for investing



Differences between generations:

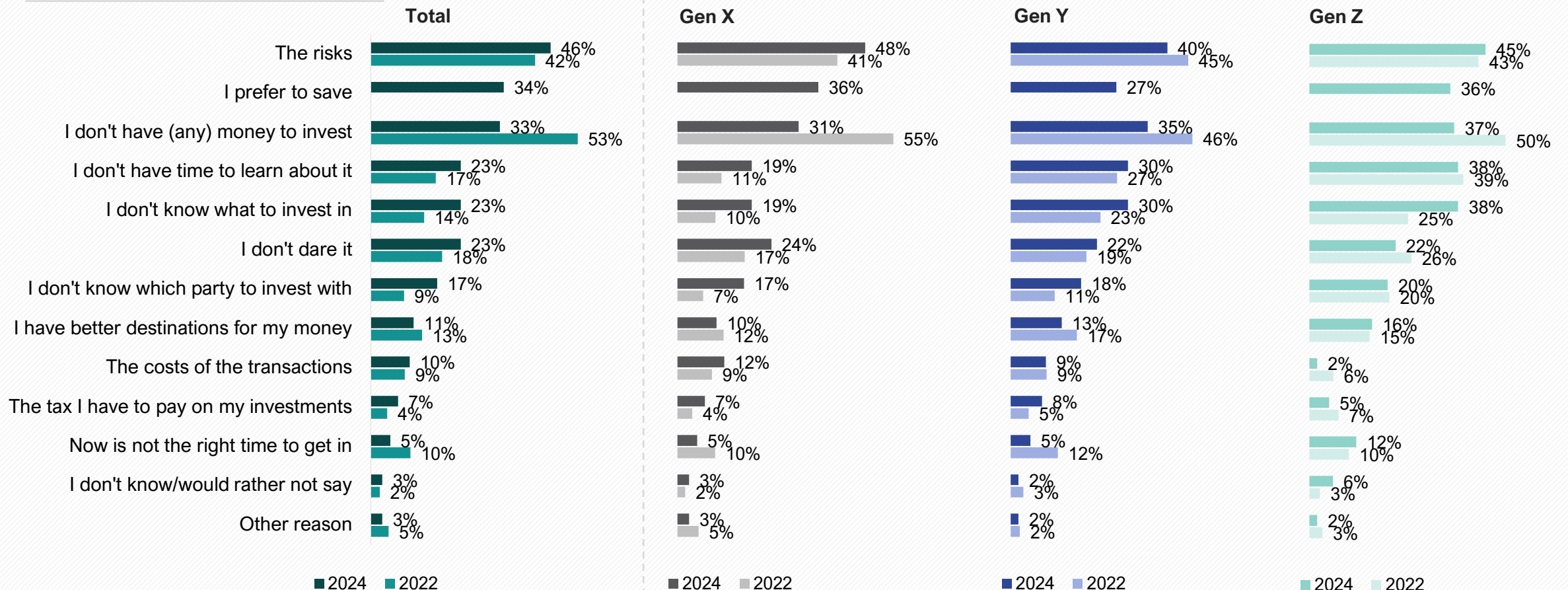
- Gen X will often not (re)start with investing because of risks (48%). Compared to the other generations, they are also often withheld by transaction costs (12%).
- Gen Y is less likely than Gen X and Gen Z to prefer saving (27% vs. 36% in the other generations).
- When comparing the youngest generation to the other generations, Gen Z often does not know what to invest in (38%) or does not have time to learn about it (38%). Additionally, they more often have better uses for their money (16%) and/or think that now is not the right time to get in (12% vs. 5% in the other generations). All in all, Gen Z experiences quite a lot of obstacles to (re)start investing.

Differences between genders:

- Women are more often than men refraining from investing because of the risks (49% vs. 39%) or because they don't know what to invest in (27% vs. 15%).

In 2022 barriers for investing were primarily regarding insufficient funds, where the risks are more crucial in 2024

Barriers for investing – 2024 vs. 2022



A01: You indicated that you are not currently investing. What are your obstacles to (re)starting investing?
 Base: non investors from 2024: n=672 (n=226 per generation), and 2022: n=782 (Gen X: n=181, Gen Y: n=397, Gen Z: n=204).

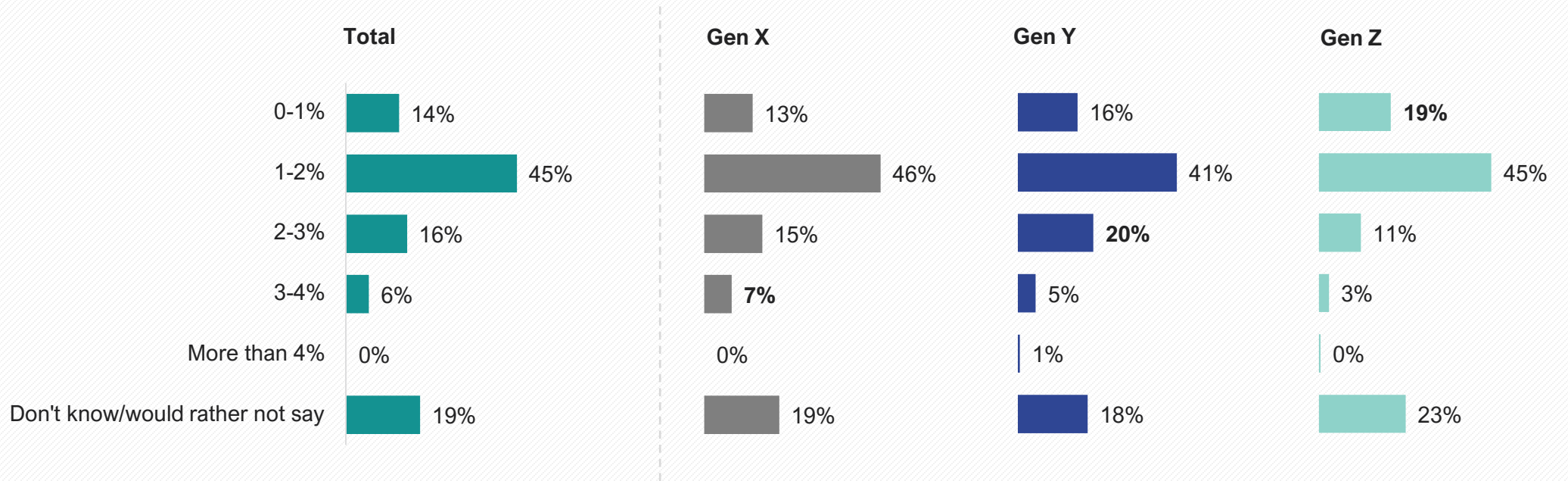
2.

Saving



An interest rate between 1-2% is most common on a savings account

Current interest

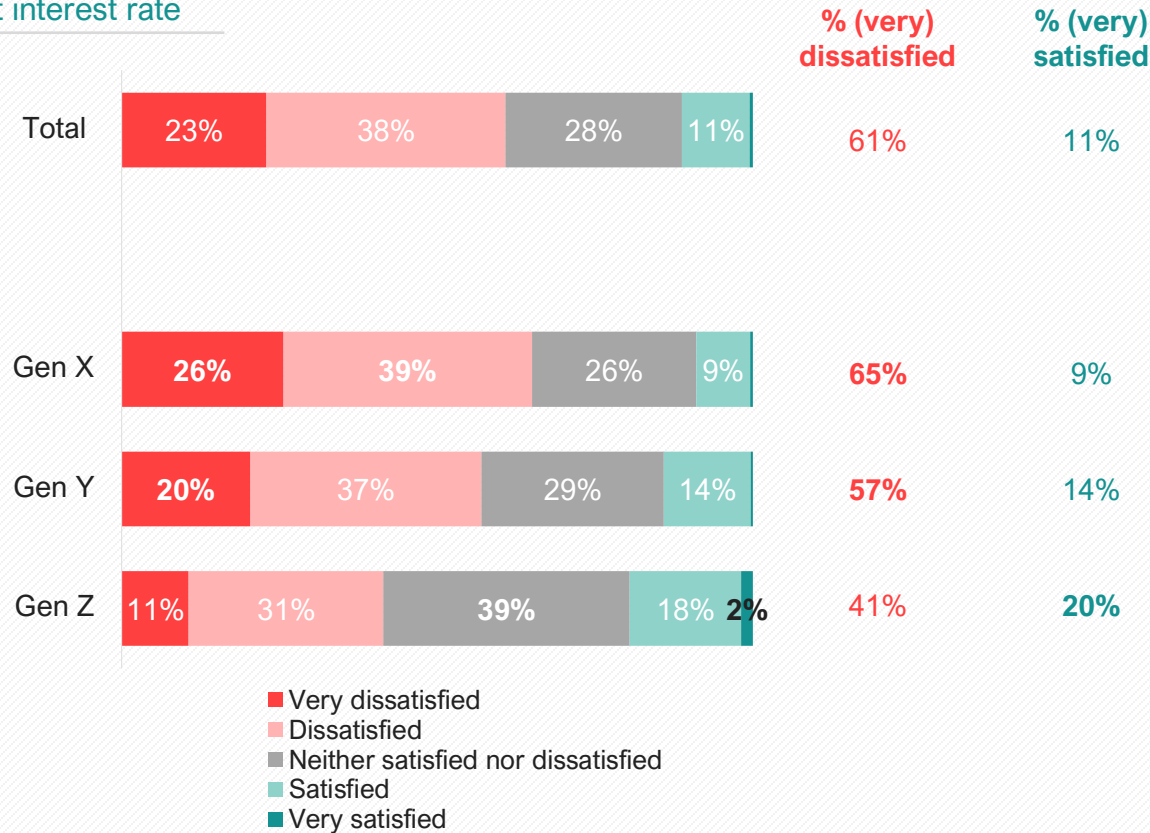


Differences between generations:

- Gen X indicates more often than Gen Z receiving an interest rate between 3 and 4% (7% vs. 3%). Gen Y indicates more often than Gen Z that they receive an interest rate between 2 and 3% (20% vs. 11%).
- Among Gen Z, there is a relatively large share indicating that they currently receive only 0 to 1% interest from their bank (19%).

6 out of 10 people are dissatisfied with the interest rate they are currently receiving on their savings account

Satisfaction with the current interest rate

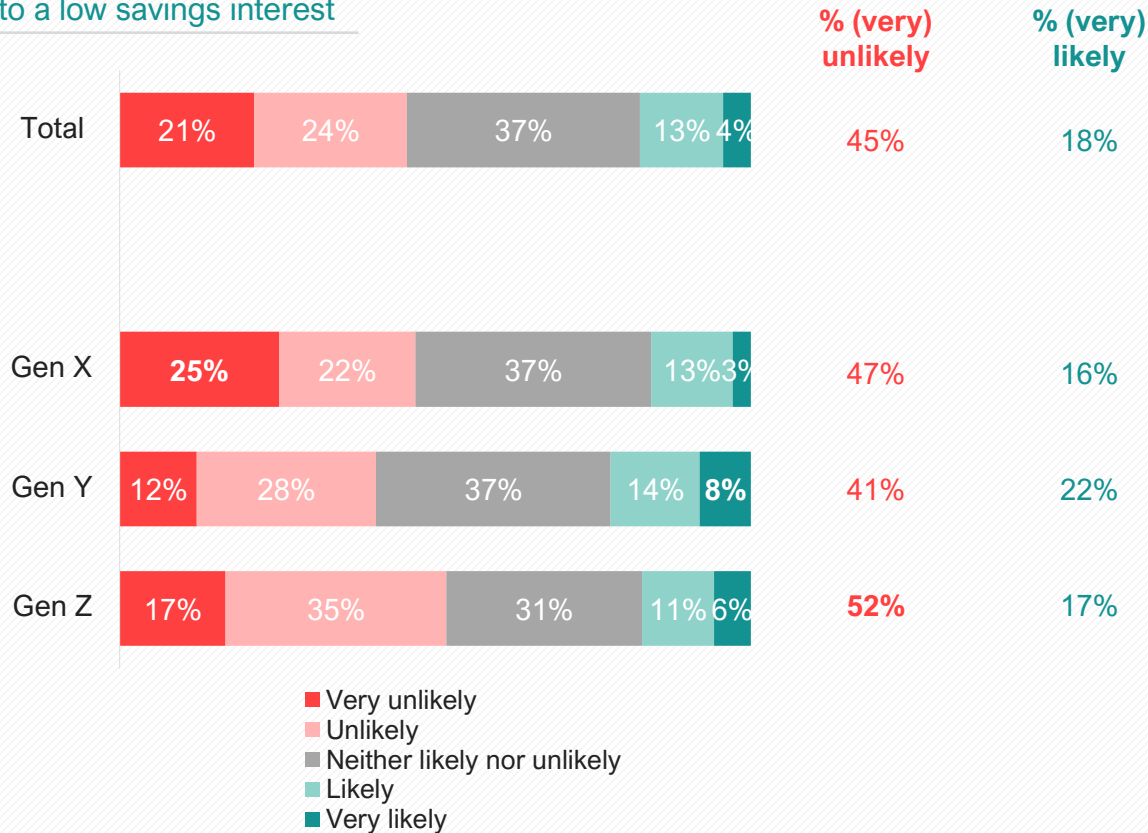


Differences between generations:

- Gen X and Y are, compared to Gen Z, more often (very) dissatisfied with their current interest rate (65% and 57% vs. 41% in Gen Z).
- Among Gen Z, there is a larger share indicating some level of satisfaction about their current savings interest rate (a total of 20% is (very) satisfied).

Among those who are dissatisfied with their current savings interest rate, 18% show an intention to switch banks due to this dissatisfaction

Likelihood of switching due to a low savings interest



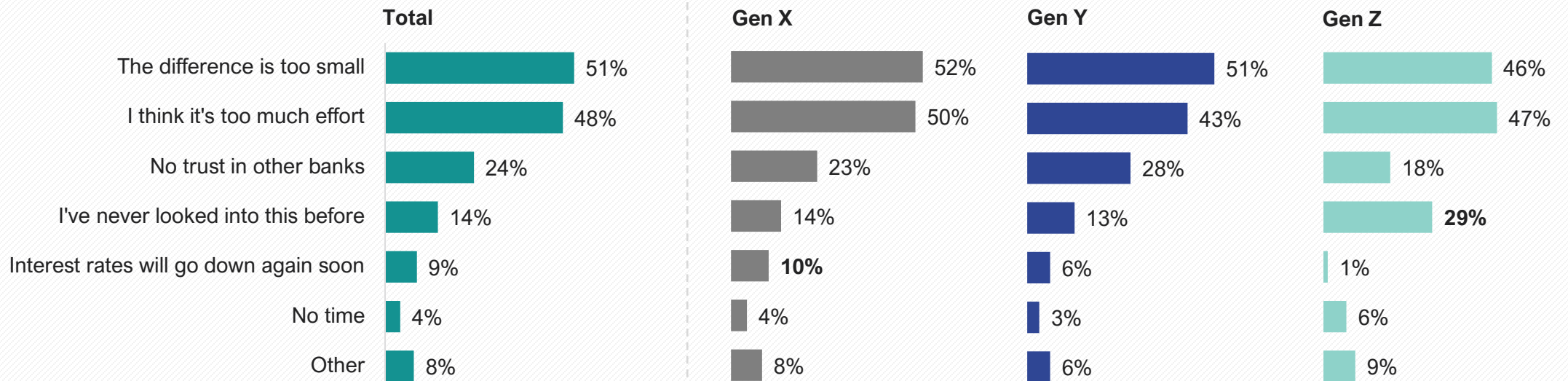
Differences between generations:

- A quarter of Gen X indicates that it is very unlikely they will switch between banks because of a low savings interest rate at their current bank, which is more often than within the younger generations.
- On a total level, Gen Z indicates more often than Gen Y that it is unlikely that they would switch to another bank because of a low savings rate at their current bank (52%).

D03: How likely is it that you will switch to another bank because of a low savings interest rate at your current bank?
 Base: all respondents are dissatisfied about their savings interest rate (Total: n=454, Gen X: n=181, Gen Y: n=158, Gen Z: n=115)

For a lot of people changing banks for a higher interest rate is too much effort for little

Reasons for not switching

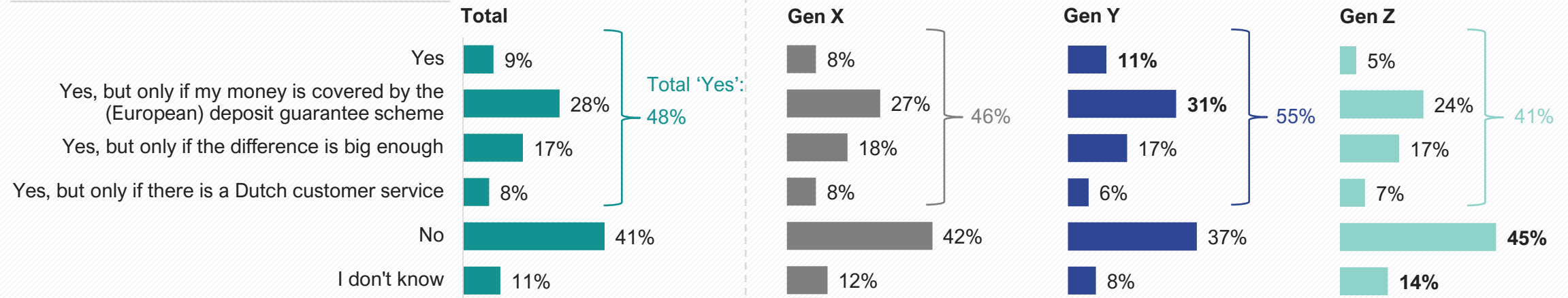


Differences between generations:

- For Gen X, the reason for not switching to another bank because of a low savings rate at their current bank, is more often than in the younger generations the belief that interest rates will fall again soon (10%).
- Gen Z on the other hand, mentions as reason for not switching the fact that they've never looked into it before (29%), more often than the older generations.

Willingness to deposit savings with a foreign bank with a higher interest rate is low, but grows when money is covered, or when the difference is big enough

Willingness to deposit savings with a foreign bank that offers a higher interest rate



Differences between generations:

- From Gen Y, 11% are without any conditions open to deposit their savings with a foreign bank if they offer higher interest rates, which is higher than within Gen X and Z.
- Of the three generations, Gen Y attaches most importance to the (European) deposit guarantee scheme.
- Gen Z shows a lower willingness to deposit their money with a foreign bank that offers a higher interest rate, compared to Gen Y (45% 'no' vs. 37% of Gen Y).

Differences between genders:

- Men are more open without any conditions to deposit their savings with a foreign bank if this bank offers a higher interest, compared to women (12% vs. 7%). When the difference is big enough, men are even more likely to make this switch with their savings (21%), which is again more than women (15%).

Differences between investors vs. non-investors:

- In general, investors are more likely to switch to a foreign bank for a higher interest rate than non-investors (total 87% vs. 54%). Especially when the difference is big enough (24% vs. 15%) and when their money is covered (38% vs. 25%), investors have a higher willingness to switch.

D05: Would you deposit your savings with a foreign bank if this bank offered a higher interest rate?

Base: respondents who are not dissatisfied about/unlikely to switch due to low interest rates (Total: n=804, Gen X: n=253, Gen Y: n=271, Gen Z: n=280)

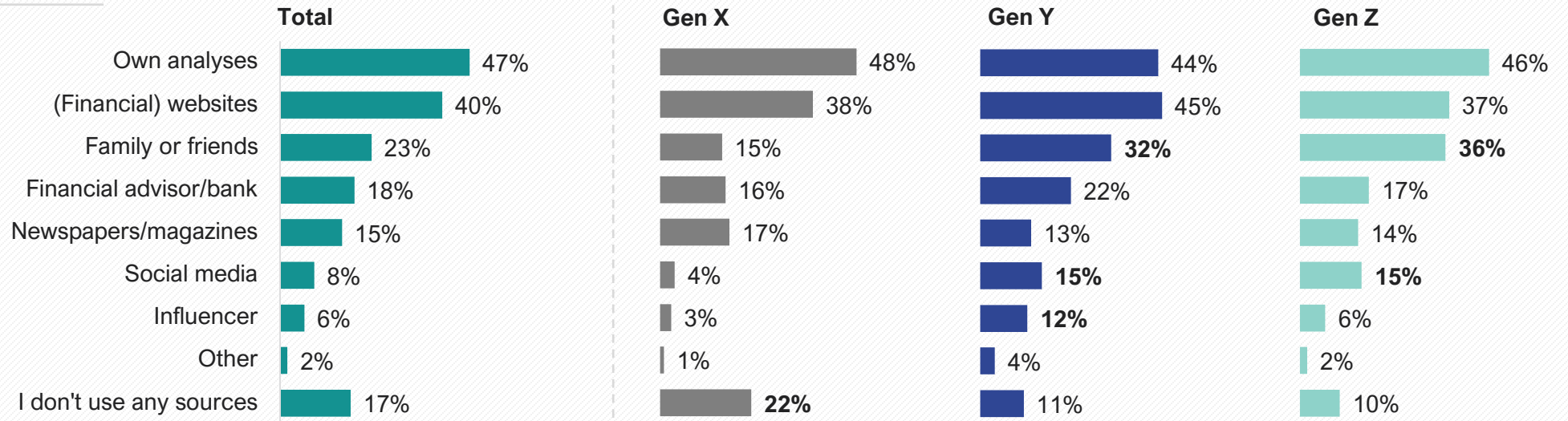
3.

Influencers



Investors most often use their own analyses and (financial) websites as sources for investment decisions

Sources for investment decisions



Differences between generations:

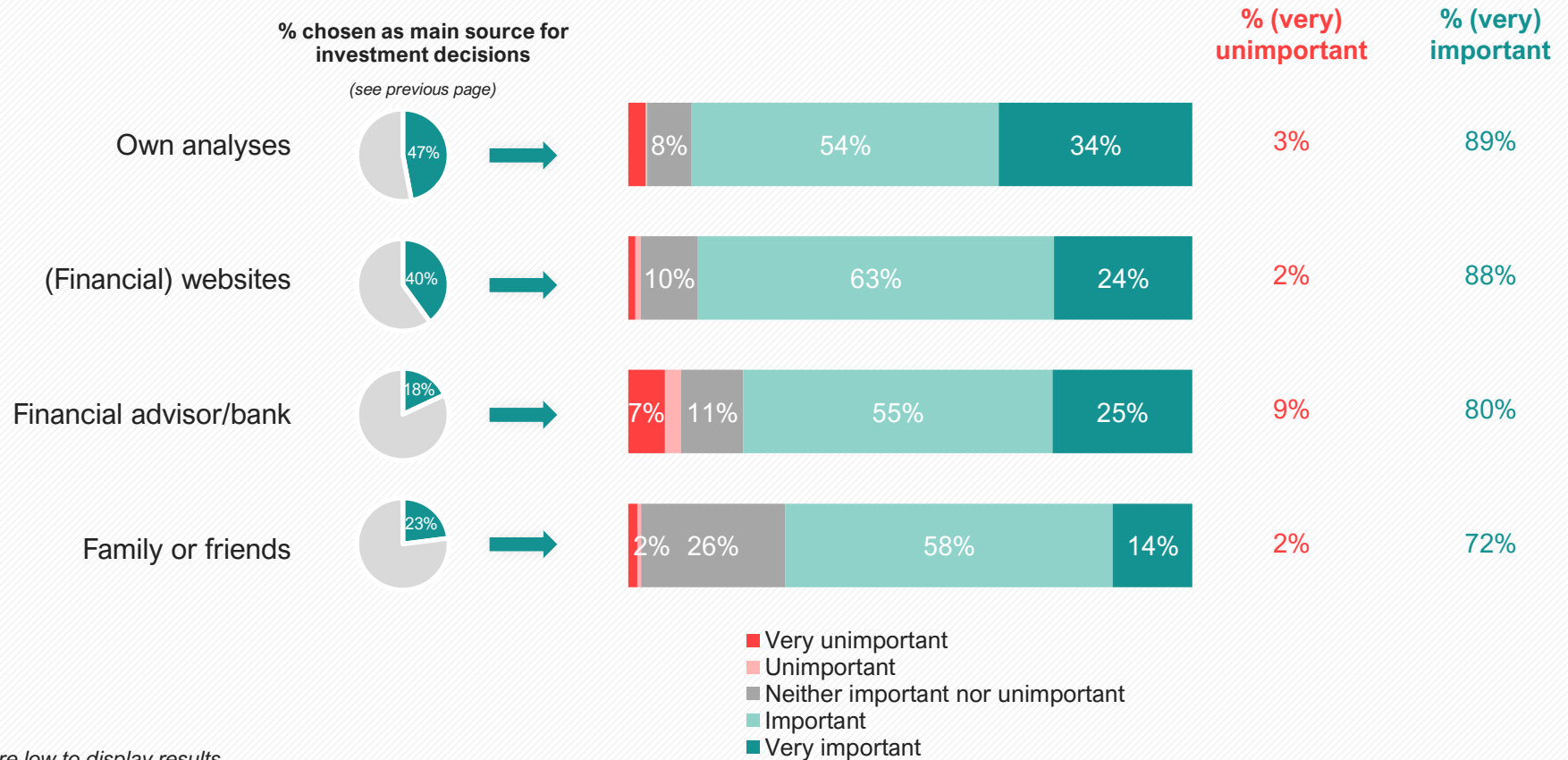
- Within Gen X, people relatively often do not use any sources at all (22%).
- Gen Y and Z are, in comparison to Gen X, often consulting family or friends and social media as sources for investment decisions.
- Gen Y makes relatively often use of influencers, in comparison to both the older and younger generation.

Differences in genders:

- Men use their own analysis (52%), (financial) websites (44%) and newspapers/magazines (19%) more than women (respectively (35%, 31% and 8%). Women relatively often turn to family or friends (32% vs. 18%) and to a financial adviser or bank (24% vs. 16%).

One's own analyses and (financial) websites are more important sources than family or friends when making investment decisions

Importance of main sources for investment decisions



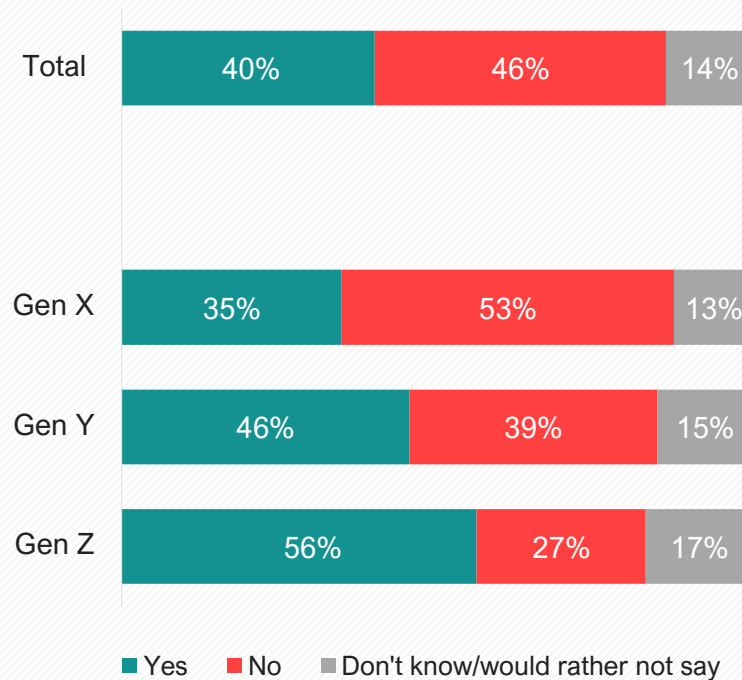
! Base sizes of the other sources are low to display results, or to display results for Gen X, Gen Y and Gen Z separately.

B02a: How important is this source to you?

Base: investors that uses source for investment decisions (own analyses: n=155, (financial) websites: n=133, family or friends: n=93, financial advisors/bank: n=62)

For 4 out of 10 current investors, their parent(s) have also invested

Parent(s) who invested

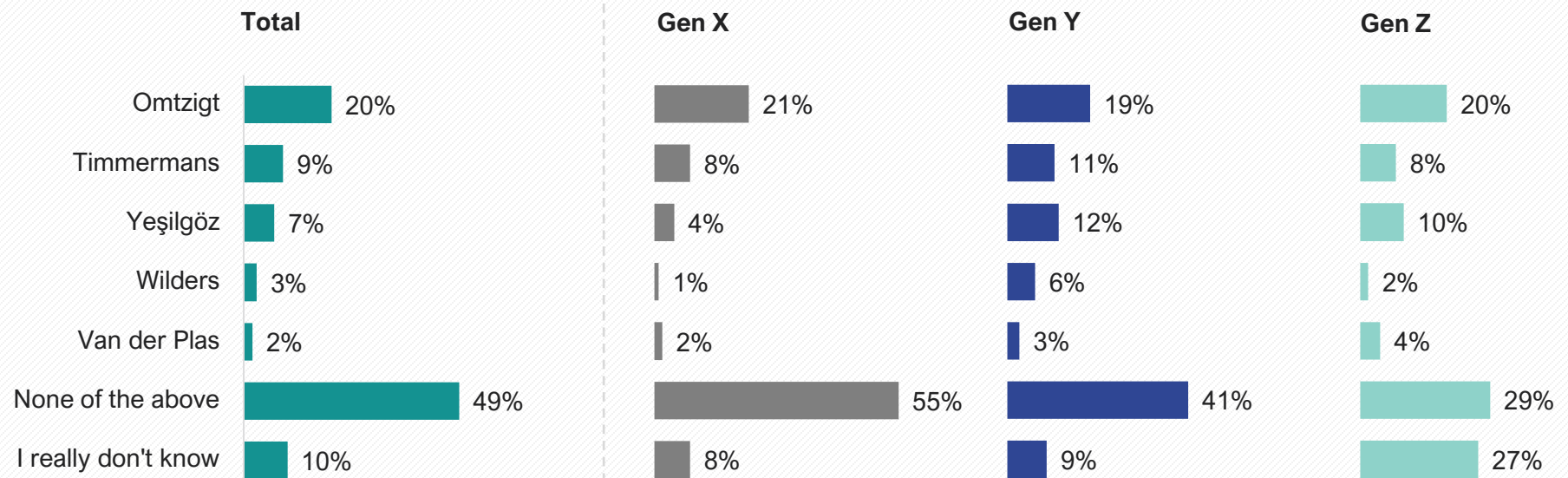


Differences between generations:

- Investors from Gen X, more often than the younger generations (especially Gen Z), do not have parents who ever invested in the past.

Pieter Omtzigt outperforms Timmermans, Yeşilgöz, Wilders and Van der Plas in being a trusted party leader for investment advice

Investment advice from Dutch party leaders



Differences between generations:

- Among investors in Gen X, compared to investors from the younger generations, a relatively large share thinks that none of the party leaders can give them good investment advice.
- Investors from Gen Z relatively often indicate not knowing which party leader can give them the best investment advice.

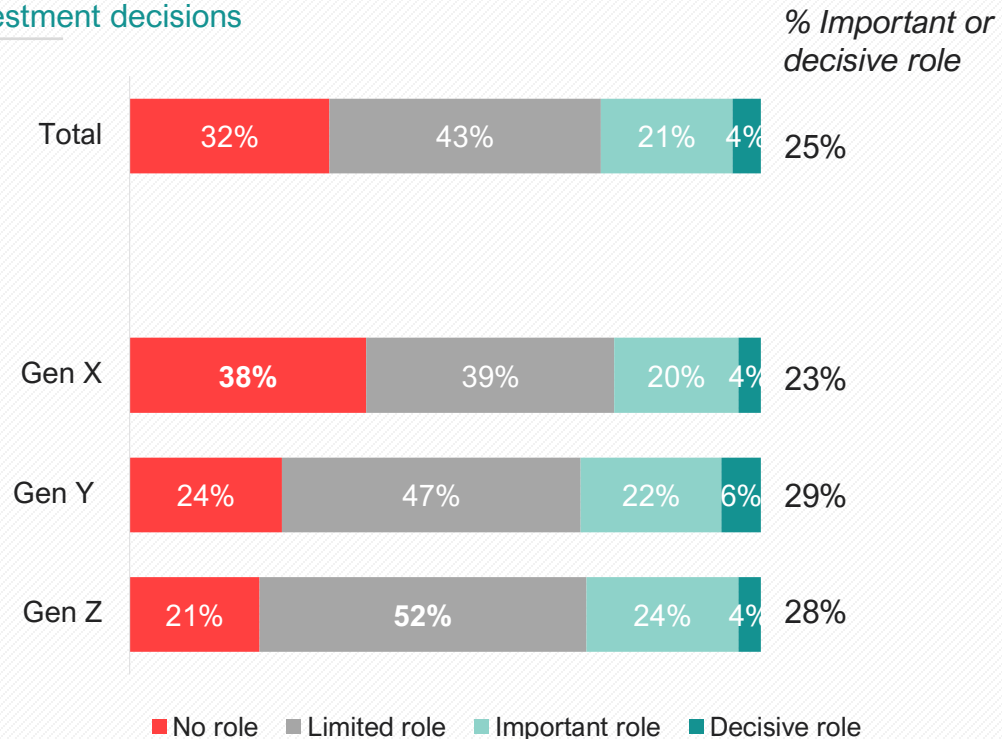
4.

Sustainability



Sustainability is important for a quarter of current Dutch investors, for a third of them, it plays no role at all

Role of sustainability in investment decisions



Differences between generations:

- Sustainable investments relatively often do not play any role in the investment decisions of Gen X (38%).

Differences in genders:

- For men, sustainability often plays no role in their investment decisions, compared to women (39% vs. 14%). For more than half of women who are currently investing, it more often plays a limited role (55% vs. men: 38%).

Half of Dutch investors consider a good return just as important as contributing to a sustainable world, 38% think good returns are more important

Role of sustainability in comparison to good return



Differences between generations:

- Among the investors within Gen X for who sustainability does play a role, there is, compared to the younger generations, a large part that finds a high return as important as contributing to a sustainable world (57%).
- Compared to the other generations, Gen Y attached little importance to sustainability relative to return (46% consider a high return as more important).

C01: What role does sustainability play in your investment decisions?

Base: investors for who sustainability plays a role within their investment decisions (Total: n=224, Gen X: n=70, Gen Y: n=85, Gen Z: n=89).



**BE
SURE.
ACT
SMARTER.**

**Thank
you**