PRESS RELEASE

CHARLES STANLEY

Millennial investors' risk appetite increases post Budget

- 47% of millennial DIY investors are looking to take a high level of investment risk in the next 3 months
- This is an increase on the 39% who said the same just five months ago
- Gen Z investors remain the most adventurous generation in their investment approach
- 33% of DIY investors have increased their exposure to the Alternative Investment Market, up from 28% who said the same in July 2024

Millennial DIY investors' are looking to take on more investment risk following the Chancellor's Budget in October. Nearly half (47%[1]) of millennial DIY investors (age 28-43) are looking to take a high level of investment risk in the next 3 months, increasing from 39% who said the same just 5 months ago, according to new research from Charles Stanley Direct.

The Chancellor announced a number of fiscal changes in her Budget announcement in October, with some measures having taken immediate effect and others yet to come into action in spring 2025. While many consumers shared their concerns over what Chancellor Reeves was going to announce, clearly millennial DIY investors emerged from the Budget feeling more bullish when it came to their investment appetite.

17% of millennial self-directed investors - dubbed DIY investors, in that they actively choose their own investments - are looking to take a 'very high' level of risk in the next 3 months, and 30% a 'high level'.

Of those who are taking some level of investment risk in the next 3 months, 64%[2] millennials say this is higher than their usual level of risk, as opposed to the 52% who said the same five months ago during the summer.

Looking across the generations, Gen Z remains the most adventurous in their approach to risk, with 56%[1] looking to take a high level of investment risk in the next three months. Interestingly though, this is marginally lower than those who said the same in July 2024 (61%), signifying a slightly more cautious approach post-Budget.

Stock market confidence…

Investment risk appetite can be attributed to expectations of the stock market. UK stock market confidence remains steadily optimistic among DIY investors, with a majority (71%[3]) thinking that the stock market will rise in the next 6 months. A minority (12%[4]) believe the FTSE will fall in the next six months, a minor increase from 5 months ago (10%).

Among millennial investors, 81%[3] think the stock market will rise in the next six months, while 7%[4] think the FTSE will fall.

…translating into action

[1] 'A very high level of risk' and 'A high level of risk' responses combined
[2] 'Significantly higher' and 'Somewhat higher' responses combined
[3] 'Stock prices will rise significantly' and 'Stock prices will rise slightly' responses combined
[4] 'Stock prices will fall significantly' and 'Stock prices will fall slightly' responses combined

With an overall optimistic view of the stock market, this has influenced a positive shift in where investors are putting their money. DIY investors are increasing their exposure to different stocks on the FTSE. 43%[5] have increased their exposure to the FTSE 100 in the last three months, compared to the 40% who said the same 5 months ago.

38%[5] have increased their exposure to the FTSE 350, a rise from 35% who said the same previously. 33%[5] have increased their exposure to the Alternative Investment Market (AIM), up from 28% who said the same in July 2024 - perhaps taking advantage of its IHT relief ahead of restrictions coming into effect in 2026.

The research also showed DIY investors increasing their exposure to corporate bonds (34%[5] vs 32%) and UK government bonds/gilts (36%[5] vs 34%).

Rob Morgan, Chief Investment Analyst at Charles Stanley Direct, comments: "Despite the financial policy changes announced in Rachel Reeves' Budget, this has by no means knocked DIY investors' confidence or appetite to risk, particularly for millennials. With a number of measures yet to come into effect, this perhaps shows a savvyness among DIY investors to take advantage of the opportunities in the UK stock market, which currently has low valuations, especially against an overheated US market. This may result in readjusting their portfolios at a later stage, taking a leaf out of Gen Z's book of high risk, high reward.

"Even with a revised level of confidence in their risk-taking approach, it is important that DIY investors make considered and practical decisions with their investments that suit their personal circumstances and needs. Taking a riskier approach - which investors may well reap the rewards from - could also impact their financial future if not thought about and managed carefully. The same rules apply to all investors here, whether doing it themselves or having investments managed for them; investing is for the long term and should be diversified in order to mitigate any chances of large losses from portfolios."

ENDS

Methodology

The research was conducted by Censuswide with 1,000 18+ DIY Investors across the UK Research conducted between 08.11.2024 - 12.11.2024. A separate survey was conducted by Censuswide with 1007 DIY Investors in the UK ('Self-Directed'), defined as; investors who actively choose their own investments, making their own asset allocation decisions, aged 18+ between 05.07.24 – 10.07.24.

Censuswide abide by and employ members of the Market Research Society which is based on the ESOMAR principles and are members of The British Polling Council.

Generational divides are as follows: Gen Z (18-27), Millennial/ Gen Y (28-43), Gen X (44-59), Baby Boomers (60-78), Silent Generation (79+). Responses were not high enough in the Silent Gen to be statistically significant.

For further information please contact:

Olivia Nelson / Sam Peploe
Teamspirit
Charles-Stanley@teamspirit.uk.com
07392 106925 / 07810 512006

Joanne Higginson / Lucy Cotter
Charles Stanley
media@charles-stanley.co.uk

[5] 'Significantly increased my exposure' and 'Somewhat increased my exposure' responses combined

PRESS RELEASE

About Charles Stanley

Charles Stanley is a leading UK Investment Management Company. Its origins trace back to 1792. It provides services direct to private clients, charities, trusts and professional institutions. It also works with financial advisers, legal, accountancy and other professional services firms, supporting them with their client objectives.

It is dedicated to providing clients with the highest standard of service and peace of mind at every step of their financial journey, delivered by over 800 staff located in 26 offices across the UK. Its services comprise:

- **Investment Management Services**, offering personal discretionary, advisory and execution-only services.
- **Asset Management,** providing investment solutions serving retail, institutional and intermediary clients, such as our model portfolio service (MPS), mutual funds and fiduciary management.
- **Financial Planning**, advising clients on how to plan their finances to meet current and future lifestyles.
- **Direct Investment Service**, an award-winning digital execution-only platform that makes investing in a portfolio of funds and shares simple and cost-effective.

Charles Stanley & Co. Limited is authorised and regulated by the Financial Conduct Authority and is part of the Raymond James Financial, Inc. group of companies.

www.charles-stanley.co.uk