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COVID-19 INCREASES DESIRE FOR SUSTAINABLE INVESTING FOR HALF OF UK ADULTS

- Pandemic prompts half (51%) of advised UK adults surveyed to move into sustainable investing – rising to 60% for Millennials, 44% for Gen X and 35% for Baby Boomers
- 61% of respondents admitted they now care more about the environment and the planet than they did before the pandemic
- 45% confirmed they now only want to invest in ethical companies and funds, yet well over a third (36%) have no idea what they are currently investing in

COVID-19 has prompted a desire to move into ethical and sustainable investing for more than half (51%) of advised UK adults, according to the second chapter of Prudential UK's Family Wealth Unlocked report. And while the trend is common across the generations, it's Millennials who are leading the charge.

The report, which looks at intergenerational planning and wealth transfer between advised families amid the financial volatility and insecurity of the pandemic, found that 61% now care more about the environment and the planet than they did before the pandemic. More than a quarter (26%) of respondents admit they are more concerned than they've ever been. And one in five (21%) say they are more worried now that they have children/grandchildren.

The pandemic has undoubtedly fuelled investor demand for sustainable investing and this is trickling down amongst generations - 60% of Millennials, 44% of Gen X and 35% of Baby Boomers confirmed that COVID-19 has increased their appetite for sustainable investments. And many investors go further. 45% confirmed that since the pandemic they now only want to invest in sustainable companies and funds.

Despite the desire for ethical and sustainable investing, more than a third (36%) of UK adults admit they actually have no idea what their current investments - including workplace and private pensions - are invested in, as they have little to no control.

For many, the crisis has shifted their financial priorities prompting more to seek financial advice. One in two (53%) respondents said they had either already sought advice – or were planning to because of the pandemic. And just over one in five (21%) were seeking advice to ‘begin their ‘investment journey’, potentially fuelled by individuals who had built up savings, not having the traditional outlets for spending their income.

Catriona McNally, investment expert at Prudential UK, said: “With £5.5tn in personal wealth due to be passed to the next generation by 2047, the role intergenerational planning advice played, prior to the pandemic, was already a significant one.ⁱ Yet the crisis has reframed financial priorities. Not just for those later in life with IHT liabilities, but for all generations.

“Once perhaps viewed as a fad, sustainable investing is becoming normalised, making it a fundamental building block within intergenerational financial planning. It also enables clients to leave their children more than just a financial legacy in terms of planet, environment, and society.”

“With two in five advised clients surveyed confirming they expect to increase the amount they invest in ESG investments over the next five years, incorporating responsible investments into recommendations will become increasingly critical and provides advisers with an exciting opportunity.”

A full version of Prudential UK’s new *Family Wealth Unlocked* report can be found

<https://www.pruadviser.co.uk/knowledge-literature/insights-hub/igp-hub/wealthunlocked/>.

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Methodology

Research was carried by Opinium among a UK representative sample of 1,000 advised families. The study was completed in November 2020.

Notes to editors

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Its purpose is to help people live the life they want by managing and growing their savings. And by helping to direct how and where people invest their money, it can help make the world a little better.

ⁱ **Data source:** *Kings Court Trust's Inheritance Economy Research Papers; Passing on the Pounds and Wealth Transfer in the UK. Research conducted by The Centre of Economics and Business Research.*