THE AMF HOUSEHOLD SAVINGS OBSERVATORY NEWSLETTER

AUTORITÉ DES MARCHÉS FINANCIERS

AMF

CONTENT: AMF Saving and Investment Barometer (8th edition) p. 1-4

No. 60 JANUARY 2025

EDITORIAL

The intention to invest in equities remains at a high level

This latest edition of the Savings and Investment Barometer confirms the trends observed over the last two years.

In autumn 2024, intentions to invest in equities were at their highest level since the Barometer was launched in 2017. 30% of those questioned said they would consider investing in equities in the next 12 months (compared with 27% in 2023).

This intention to invest is still primarily true of the under-35s. 53% of them plan to invest in equities, compared with 42% in 2023 (see page 2).

In line with their intentions to invest, fewer younger people than older people consider equity investments to be high-risk, while more younger people expect potentially high returns (page 3).

The AMF Barometer also uses new questions to explore the relationship between financial advisors and retail investors. Half of those surveyed (51 %) felt that they receive enough advice about their savings. 93% of those who had received a savings review or advice in the last 3 years felt that the advice they received was suited to their situation (page 4).

Younger peoples' growing enthusiasm for investment confirms the need for the AMF's financial education strategy to target young investors[1].

As part of the strengthening of this strategy, one of the AMF's priority actions in 2025 will include new pedagogical content.

[1] In October 2024, the AMF, in cooperation with the OECD and with the support of the European Commission, launched a major financial education campaign dedicated to young investors, entitled The Mysteries of Investipolis. The campaign has been posted both on social media and on a dedicated website.

FOCUS

The current climate encourages people to save

It seems likely that the general climate is encouraging the French to save more. Young people tend to opt for investment more often than their elder counterparts.

In October 2024, asked about the impact of inflation on their savings returns, 23% of French people said they planned to increase their savings over the next 12 months. In 2023, this proportion was 18%.

This approach is more common among the under-35s: 43% say they plan to save more (27% in 2023), compared with 8% of over-55s (9%).

Only 10% of French people said they were planning to reduce their savings (13% in 2023).

In addition, when asked to consider the global climate, 33% of respondents said they wanted to save more[1] (53% of under-35s, 17% of those aged 55 and over).

[1] New question in 2024 : "And more generally, would you say that the current national or global context encourages you to... "

Investments planned in the next 12 months

Investment security remains sought, even if intentions vary according to age. French people aged over 55 prefer guaranteed investments, while those under 35 are more inclined to make non-guaranteed investments.

People who want to continue saving in the coming months are planning the following investments.

- Guaranteed investments: 40% (34% of under-35s, 46% of over-55s);
- Financial investments: 12% (19% of under-35s, 5% of over-55s);
- Crypto-assets ("crypto-currencies"): 7% (10% of under-35s, 3% of over-55s);
- Diversified real estate investments: 7% (10% of under -35s, 5% of over-55s);
- Crowdfunding: 2% (4% of under-35s, 0% of over-55s);
- Other miscellaneous investments (non-financial and non-real estate): 5% (5% of under-35s, 3% of over-55s).

Investment intentions up again

Interest in equity investments and intentions to invest remain at a high level.

As it has done every year since 2017, the Newsletter summarises changes in French people's investment preferences, attitudes and intentions.

2,044 people representative of the French population aged 18 and over were surveyed in October 2024[1].

Interest in equity investments remains high

After rising between 2022 and 2023, in 2024, interest and confidence in equity investments remained at a high level. 32% of those questioned said they were interested in these investments. These people tend to be:

- men: 43% of men (22% of women),
- the under-35s: 47% (20% of over-55s),
- people from higher socio-economic categories: 45% (34% of people from lower socio-economic categories, and 22% of retired and non-working people).

Confidence in equity investments remained stable at 28% of respondents. Once again, this is particularly true of men (37% of them compared with 20% of women) and the under -35s (41% compared with 18% of over-55s).

As in 2023, 43% of French people (57% of the under-35s) believe that equity investments will be profitable in the next five years (37% in 2022). This proportion is 71% among holders of listed shares (67% in 2023).

Intention to invest up again

The proportion of French people who said they might consider investing in equities within 12 months rose again in 2024, to 30%. 53% of under-35s said this, compared with 42% in 2023. Among the 35-54 age group this figure is 34%, compared with 31% in 2023. Only 12% of people aged over-55 said that they might (15% in 2023).

Over the next 12 months, might you consider investing in equities?
Percentage of "Yes" responses

Source: AMF Barometer, October 2024

These intentions are shared by 46% of those in the higher SECs and 62% of those with investments in the financial markets (equities, funds, etc.), particularly holders of listed shares (70%) and ETFs (76%).

The report on new investment practices is available on the AMF website under Reports, research and analysis.

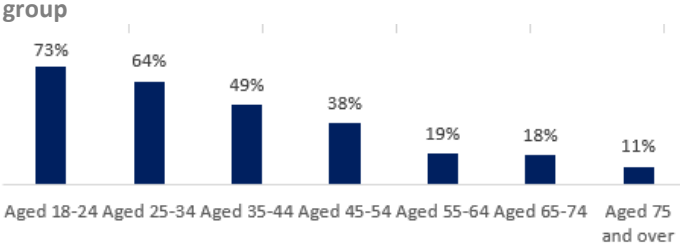
If we include those who might consider investing in equities in the longer term, the proportion of French people who say they are likely to invest in equities in the short or longer term rises to 38% (36% in 2023).

They represent two-thirds of under-35s (67%), compared with 44% of 35-54 year-olds and 17% of the over-55s.

Trends in short- and long-term intentions to invest in equities among the under-35s

Source: AMF Barometer, October 2024

Short- and long-term intentions to invest in equities, by age group



Source: AMF Barometer, October 2024

Trends in younger people's openness to risk

The proportion of French people who say they are prepared to take risks with their savings remained at a relatively high level in 2024, at 44%.

The under-35s are over-represented here; 57% of them say that they are prepared to take risks. Following a sharp rise in 2023, this percentage remained stable in 2024. ■

Evolution of the proportion of people under 35 accepting a share of risk[2]

Source: AMF Barometer, October 2024

[2] **When it comes to managing your savings and investments, which profile best describes you?**

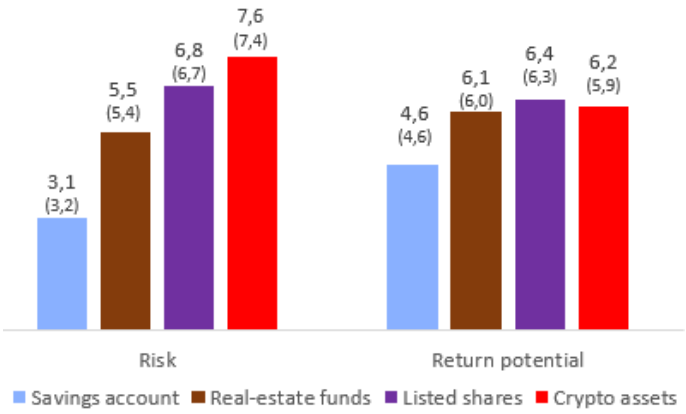
Cumulative total of: "You are prepared to accept a little risk in the hope of getting a better return than for risk-free investments" and "You are prepared to accept a greater share of risk in the hope of getting the best possible return"

Perception of investment characteristics

Generally speaking, the way in which the French perceive the main characteristics of savings accounts, real estate investment funds (SCPIs, etc.), listed shares and crypto-assets has remained stable over the past year.

However, the levels of risk and potential return are deemed to be slightly higher in 2024, particularly for crypto-assets.

Perceptions of risk and return in 2024 (in 2023), average score out of 10



Source: AMF Barometer, October 2024

The level of perceived risk has risen slightly over the past year. **Crypto-assets** are considered risky by 66% of French people (score of at least 7/10, stable in relation to 2023). Among 18-24 year olds, 59% consider them risky.

Furthermore, 72% of investors in the broadest sense of the term (stock market, crowdfunding or crypto-assets) believe that the crypto-asset risk is significant.

Listed shares are considered risky by 57% of French people (stable) and by 62% of holders of stock market investment products (equities, funds, etc.).

Only 49% of 18-24 year olds consider their risk to be significant (61% of 35-54 year olds).

34% of French people see **real estate investment funds** as risky (stable). This is the case for 37% of holders of these real estate funds (41% in 2023).

The potential perceived return on these investment products also rose slightly between 2023 and 2024.

The potential returns on **listed shares** are considered to be slightly higher than on crypto-assets or real estate paper.

In 2024, as in 2023, 49% of French people believe that listed shares have high potential. In 2024, more holders think this is the case (65% compared with 55% in 2023), as do the youngest people: 56% of under-35s share this view (43% of over-55s).

48% of those surveyed believe that there are high potential returns from **crypto-assets** (42% in 2023), particularly the holders of these assets (68% of them, as in 2023).

In addition, 40% of respondents believe that **real estate investment funds** has high potential, representing 52% of holders. These perceptions have remained stable since 2023.

Perceived availability of invested money

The liquidity of **real estate funds** is considered to be good by 29% of respondents (stable). This proportion is 32% for investments in listed shares (34% in 2023) and 33% for crypto-assets (32% in 2023).

When it comes to real estate paper, 41% of under-35s think that the availability of the money invested is good (49% in 2023). This is also the case for 36% of holders.

The liquidity of **listed shares** is considered to be high by 43% of holders (stable) and by 42% of under-35s (stable).

57% of holders of **crypto-assets** consider them to be liquid, compared with 49% in 2023. The figure is 40% for the under-35s (stable).

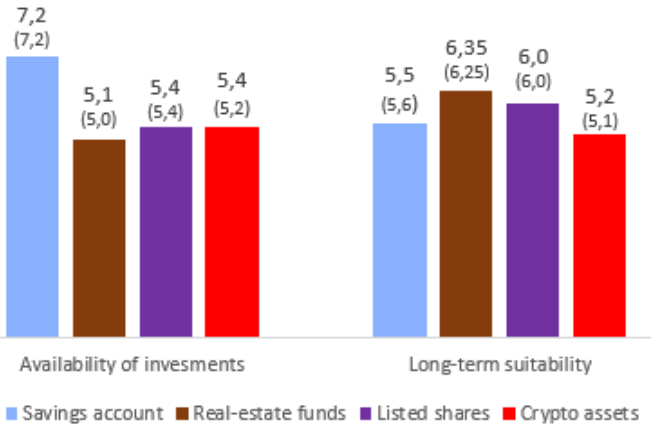
Perception of long-term suitability

Real estate investments are considered to be suitable for a long-term objective by 46% of respondents (66% of their holders). Only 40% of respondents believe that listed shares are suitable for such an objective (56% of their holders).

31% of respondents believe that crypto-assets are suitable in the long-term (51% of holders).

These assessments have not changed since 2023.

Perceptions of liquidity and long-term suitability in 2024 (in 2023), average score out of 10



Source: AMF Barometer, October 2024

Perceptions of equity investments are changing favorably

A majority think that they are only for "those who have a lot of time to devote to them" (76%) and for "people who know enough about them" (80%). Similarly, three quarters believe that "investments are too risky" (76%), with women and the over-55s more likely to hold this view.

These perceptions have remained stable since 2017. However, some changes are emerging.

Thus, 75% of respondents now believe that these investments are the most attractive over the long term, compared with 64% in 2017. Only 28% of them think that they “don’t pay off in the end”, compared with 42% in 2017.

Finally, 66% of respondents believe that "investing in equities allows you to make sustainable investments", compared with 54% in 2019. ■

Investment advice appreciated

Half (51%) of French people believe that financial institutions provide them with sufficient investment advice. This group are more likely to be aged 55 and over (54% of this age group, compared with 48% of those under 35). Two-thirds of holders of investment products or those with at least €100k in financial investments believe they receive sufficient advice.

49% of those surveyed said they had already received a savings review, advice or a recommendation from a professional, half of them (23%) in 2023 or 2024. In 6 out of 10 cases (63%), an in-depth review was carried out.

Recommendations considered suitable by the vast majority of those advised

In 93% of cases, advice recipients felt that the advice they had received was suited to their situation.

Just over half of the advice was followed by a subscription to the recommended investment. With hindsight, 8 out of 10 subscribers felt that the recommended product was "good value for money".

Knowledge of advisors' remuneration

In response to the question as to whether, as a general rule, financial advisors are remunerated through the fees levied on subscribed investments, 50% of those questioned responded in the affirmative (46% in 2023). 35% of people said they didn't know.

More under-35s responded in the affirmative (56%, compared with 48% in 2023). Only 44% of people aged 55 and over shared this view.

63% of investors (stock market, crowdfunding or crypto-assets) responded in the affirmative (20% in the negative, 17% don't know). In 2023, this figure was just 59%.

Knowledge of the advisor's obligations before making an investment recommendation

Furthermore, 59% of respondents are aware that the advisor must, in particular, assess their financial knowledge and experience before recommending an investment (55% in 2023). Only 24% of respondents said they did not know how to answer this question.

68% of the under-25s answered the question correctly, as did 74% of holders of investment products. 17% of these holders replied that there was no obligation to carry out this assessment, and 9% said they did not know.

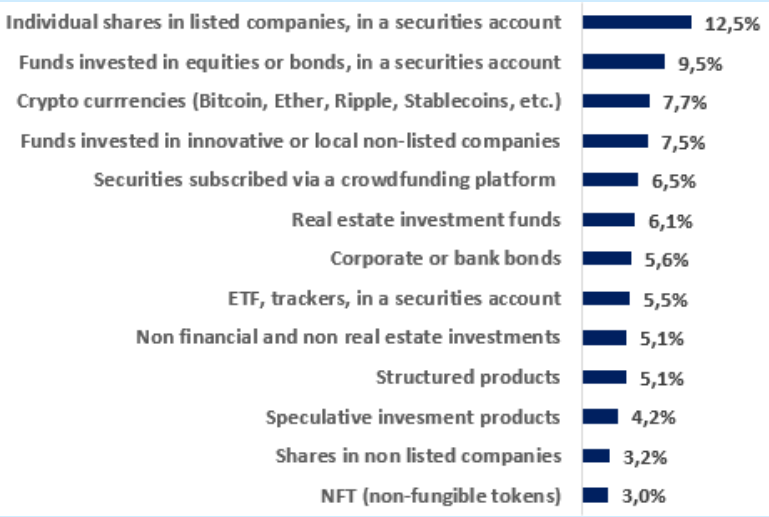
Holding investment products

The households of 4 out of 10 French people do not hold any investment products.

32% of those surveyed (31% in 2023) said they held at least one investment product, either in a securities account (27%), in crowdfunding (6%) or in crypto-assets (9%, including NFTs).

The other holders of non-guaranteed investments have only invested in life insurance, retirement savings or employee savings schemes (27% of French people).

Investment products held in the household



Source: AMF Barometer, October 2024

Investor renewal

In the case of listed shares, 50% of holders invested in these for the first time in the past three years. This is the case for 66% of ETF holders and 53% of crowdfunding investors.

Many under-35s say they have invested in listed shares (15%) and crypto-assets (15%), but also ETFs (11%), venture capital fund units (11%), miscellaneous assets (10%) and crowdfunding (10%).

Estimating investment product holding rates: what is the margin of error?

Surveys of French people are used to estimate investment holdings. These are based on peoples' statements. When it comes to investments, holders are not always familiar with the names of the products they hold, and these products are often held within legal and fiscal packages.

In addition, these estimates are associated with statistical margins of error. For example, for listed shares, in 2024, the rate is estimated at 12.5% within the household (rather than individually), with a range of 11.1% to 13.9% (95% confidence interval). ■

AUTORITÉ DES MARCHÉS FINANCIERS
AMF

Editor-in-Chief: Pauline Briand • **Editor**: Olivier Eon, Myriam Merbah
Contacts: Communication Directorate • Tel.: +33 153 456 025. Email: directiondelacommunication@amf-france.org • **Design and production**: AMF • The AMF Household Savings Observatory Newsletter provides a non-exhaustive overview of topics.
The AMF Household Savings Observatory Newsletter / ISSN 2428-405X