Banc Ceannais na hÉireann
Central Bank of Ireland
Eurosystem

Retail Investor Participation in Ireland
Consumer Research and Analysis

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Contents

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Wealth and investment participation

- Net wealth of Irish households has more than doubled in last decade.
- Households hold 38% of their wealth in cash and deposits.
- Wealthier households account for the majority of participation in capital markets.

Demographic profile of Irish retail investors

Irish retail investors are more likely to be/have:

- Part of "Social Grade ABC1"
- Graduate/ postgraduate education
- In employment
- Higher income levels
- Male
- Aged between 35 and 54
- Living in greater Dublin area

Key barriers for those who do not invest

Psychological and emotional	Knowledge and understanding
Low risk appetite, fear of losing money, fear of making a mistake	Lack of knowledge about options Poor understanding of basic concepts
Perception that investing is not for everyone	Perception of complexity Overwhelmed by options available
Lack of trust in financial institutions	Insufficient guidance and advice

Key factors for success

- Product availability and choice
- Access to advice and support
- Strong investor protection
- Tax incentives
- Pension framework
- Financial literacy
- Available income

Executive Summary

Retail investment in capital markets can deliver two important outcomes - providing opportunities for households to secure their long-term financial well-being and providing a critical source of funding for growing businesses, enhancing overall productivity across the broader economy. EU Member States, including Ireland, tend to have relatively high household savings levels but low levels of retail participation in capital markets. This report focuses on the first of these outcomes and seeks to establish a clearer understanding of the drivers of and barriers to retail investor participation in Ireland, drawing on examples of successful capital markets ecosystems internationally.

Retail Investor Participation in Ireland

Ireland has among the lowest levels of direct retail participation in capital markets in the EU through listed equity, debt securities and investment funds. Irish households held around 38% of their financial assets in cash and bank deposits While Ireland may have similar trends in relation to retail investment as other EU Member States, some of the context and drivers of this are unique to Ireland.

In this report:

- **We consider Ireland's distinctive cultural and historical context** and the impact that a history of limited levels of household wealth and the more recent boom-bust cycles, may have had on retail participation in investment markets.
- **We review existing data on Irish wealth and asset distribution** to enhance our understanding of how Irish consumers allocate their wealth and how this compares to other EU households.
- **In order to hear the consumer voice, we consider outputs from a detailed consumer insights survey we undertook in this area, to gain a better appreciation of the profile of investors and behaviour and attitudes to investment among the Irish population**. We also use a data estimation model to understand how different factors including demographic factors, attitudes, behavioural traits and levels of financial literacy, affect investment behaviour.

The overall net wealth of Irish households has more than doubled in absolute terms in the last decade. In terms of the asset allocation of this wealth, as of Q2 2025 Irish households held around 38% of their financial assets in cash and bank deposits. When we compare data on the financial assets of Irish households against other EU countries, we see that Ireland has among the lowest levels of direct participation in capital markets through listed equity, debt securities and investment funds. However, Irish households' indirect participation in capital markets, including via pensions, is above the EU average.

Wealthier households are responsible for the vast majority of direct and indirect participation in capital markets. Our analysis confirms these households also have higher levels of diversification in their allocation of wealth. A significant proportion of investors report owning crypto-assets – these are predominately young males who are making relatively small investments.

Examining the demographic characteristics of retail investors in Ireland, our research and analysis highlights that they are more likely to be part of the demographic 'Social Grade ABC1',[1] have a higher level of educational attainment, be in employment, have higher income levels, be male, be aged between 35 and 54 and live in the greater Dublin area.

Drivers and Barriers

Individuals are motivated to start investing by both practical and aspirational financial goals. One of the most significant motivations for investors is securing retirement income. Our data estimation model identifies gender and level of educational attainment as the most significant demographic factors influencing investment. In terms of the impact of behavioural traits, our model shows that a person's attitude to risk is the most predictive trait for investment participation. In terms of attitudinal drivers of investment, our analysis identified macroeconomic factors (such as the prevailing level of inflation and interest rates), shared values[2] and third-party influences (including financial advisors), as the most significant drivers of investment behaviour.

The key barriers to investment identified include **a perceived lack of financial resources, psychological barriers (such as fear and lack of trust), lack of knowledge and understanding about investment and lack of support and advice**.

Key Factors for Success

Our research and analysis indicate that a number of factors need to be in place to deliver an ecosystem that exhibits a strong investment culture and higher levels of retail investment participation. We assess international experience, in both Australia and Sweden, countries noted for their relatively high levels of retail investor participation, which highlights the effectiveness of key factors including:

- Product availability and choice
- Access to advice and support
- Strong investor protection
- Tax incentives
- Pension framework
- Financial literacy
- Available income

This report considers the extent to which these key indicative 'factors for success' are in place in Ireland. In doing so we take into account the existing structure of the Irish retail investment market in terms of products, providers, delivery channels, access to information, support and advice, the regulatory framework and taxation and the pension framework.

We show that while there is a broad level of investment product choice available in the Irish market, access to the full range of products and asset classes seems to be limited to wealthier households. Linked to this, our consumer research points towards a perception of exclusivity in relation to investing. There seems to be a sense that investment it is not accessible to all but is the preserve of wealthier cohorts in society – in short, a perception that investment is not for everyone.

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[1] The definitions for Social Grades of A, B, C1, C2, DE and F are as per the Association of Irish Market Research Organisations (AIMRO) social class grading guidelines: A - Professional, Senior Management; B - Newly qualified professional, Middle Management; C1 -Junior Managers, Clerical; C2 - Skilled Workers; D - Semi or unskilled workers; E - State Benefit, Social Welfare only; F - Farming, depending on farm size in acres.
[2] Shared thoughts and values are defined under our data estimation model as a range of attitudes to investing including the associations people make with investing which are aligned with personal beliefs and values.

Our research highlights the role for support, assistance and advice as an enabler for retail investor participation and identifies knowledge and understanding gaps as key barriers preventing individuals from investing.

The Government's Funds Sector 2030 report highlights issues around the complexity of the taxation regime for investment products and the disparity of treatment between funds and other savings and investment products which distorts decision-making for investors.[3] While taxation was not identified in our consumer research as a significant consideration for Irish consumers who do not invest, those who do invest cite it as a factor in their decision-making.

In terms of the pension framework in Ireland, while holdings of pension assets among Irish households is relatively high when compared with some other EU countries, it is well behind other international comparators including the UK and the US. Additionally, previous research undertaken by the Central Bank of Ireland (Central Bank) highlighted that consumers often underestimate their retirement needs, increasing the risk that they will 'under provide' for their retirement – and many Irish consumers still do not have a private or occupational pension.[4]

Overall, a picture emerges of a wealthier cohort in society in Ireland well-served by the existing structures of the investment market, which provides them with access to a full range of products and to appropriate levels of advice and support, including through personalised portfolio management services. However, a large cohort of Irish consumers are not accessing investment opportunities as a result of issues around accessing information and advice, risk aversion, perceptions of exclusivity and low levels of financial literacy.

EU Context

To realise its strategic priorities linked to competitiveness, security and the digital and green transitions, EU policy is aiming to unlock and remove structural barriers that are impacting on the EU single market. Public policy proposals highlight the important role that capital markets can play in channelling savings and capital into productive investments that can boost competitiveness, innovation and sustainable growth and give EU citizens the opportunity to invest their savings more productively in Europe.

The limited levels of retail participation in EU capital markets have been identified as a key issue. This is reflected in the €10 tn of EU citizens' savings that are currently held as bank deposits. By reallocating a portion of their savings into productive investments, EU citizens can benefit from higher returns and build their household wealth, better preparing for long term future needs. This would also provide vital funding to meet the EU's long term investment needs including the green and digital transition, estimated to be an additional €750-800 bn annually by 2030, noting likely additional funding requirements for increased defence needs.[5]

The European Commission's Strategy and Blueprint for Savings and Investment Union (SIU) seeks to ensure that citizens who wish to do so have better opportunities to invest in capital markets.[6]

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[3] Department of Finance (October 2024): *Funds Sector 2030 A Framework for Open, Resilient and Developing Markets -Final Report*

[4] Central Bank of Ireland (July 2024): *Consumer Research Report – Pensions and retirement income key challenges for consumers*.

[5] Mario Draghi (September 2024): *The future of European competitiveness* – Part B – In-depth analysis and recommendations.

[6] European Commission: (March 2025): *Communication on the Savings and Investments Union: A Strategy to foster citiznes' wealth and economic competitiveness in the EU.*

This means making sure that citizens are financially literate, have easy, simple and low-cost access to a wide variety of investment opportunities and that they are treated fairly. A key aspect of the SIU agenda is its emphasis on joint efforts by the public and private sectors at EU and national level. This recognises the need for complementary measures by EU Member States to foster opportunities for households across the EU to invest and facilitate access to finance for their firms locally.

Conclusion

Both EU and domestic policies recognise the importance of increasing retail investor participation for both the financial well-being of EU and Irish households and the broader provision of funding to growing businesses and the economy.

Overall, our research and analysis suggest a need to ensure that investment markets are serving the needs of all potential retail investors and that individuals are empowered to engage with retail investments. A fully functioning retail investment market needs to provide the full spectrum of potential retail investors with appropriate products that meet their needs and with appropriate levels of advice, support and information. While in many cases Irish households have the financial capacity to invest, our historical experience means that many of these households do not have the necessary knowledge or level of comfort with investment options. Further work needs to be undertaken in terms of examining and addressing the various drivers and impediments.

Measures are required to empower and incentivise consumers and to ensure that the market is offering an appropriate range of products and services, via appropriate delivery channels with adequate support and advice that meets the needs of all potential retail investors. All of this must take place under a robust investor protection framework. Simple, cost-efficient investment options, effectively delivered, with appropriate protections, to individuals, who are empowered with the necessary financial knowledge and skills, are crucial to supporting citizens who wish to invest their savings in capital markets to serve their long-term financial needs.

Section 1: Irish Household Wealth, Assets and Investments

This section explores the Irish historical context and how this has influenced the attitudes of Irish consumers to investment in capital markets. We look at Irish household wealth trends and what asset classes Irish households invest in and how this compares to households in other European countries.

Historical Context

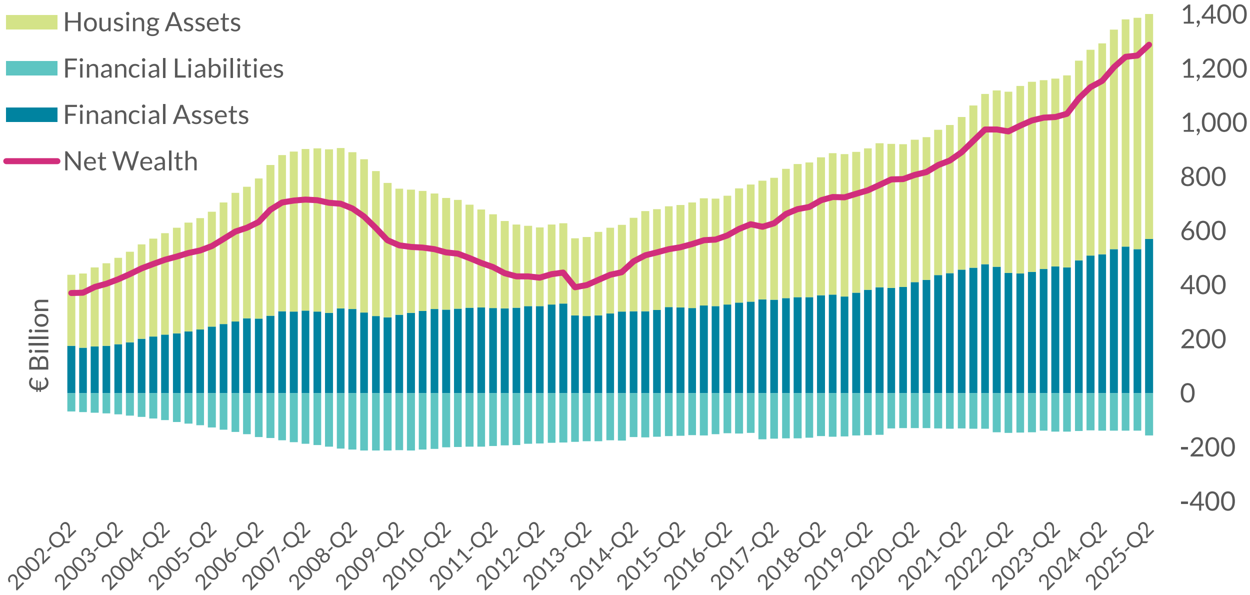
Ireland has a distinctive cultural and historical context that influences the attitudes of Irish consumers to investment in capital markets. For generations, participating in capital markets was viewed as the preserve of a small community of wealthy investors and as such, was not considered to be an option for most consumers.

In terms of our economic history, from independence in 1922 up to the late 1960s, the Irish economy experienced a long period of economic stagnation, when living standards lagged behind those of most developed Western European countries. Since the 1970s, Ireland has transformed from a small economically isolated country, with a high dependence on the UK as a primary trading partner, to a prosperous member of the EU.[7]

From the mid-1990s until the early 2000s, the economy grew rapidly, and this led to convergence in living standards with the rest of Europe.[8] However, Ireland has also experienced periods of financial instability and crisis (boom-bust cycles), such as the 2008-2013 economic and financial crisis. This history of limited levels of household wealth and more recent boom-bust cycles, may have impacted retail market participation, and driven a wariness and scepticism amongst many Irish consumers about putting their savings at risk through investment. Trust and confidence are important factors here.

Irish household wealth trends

Figure 1 - Households net wealth



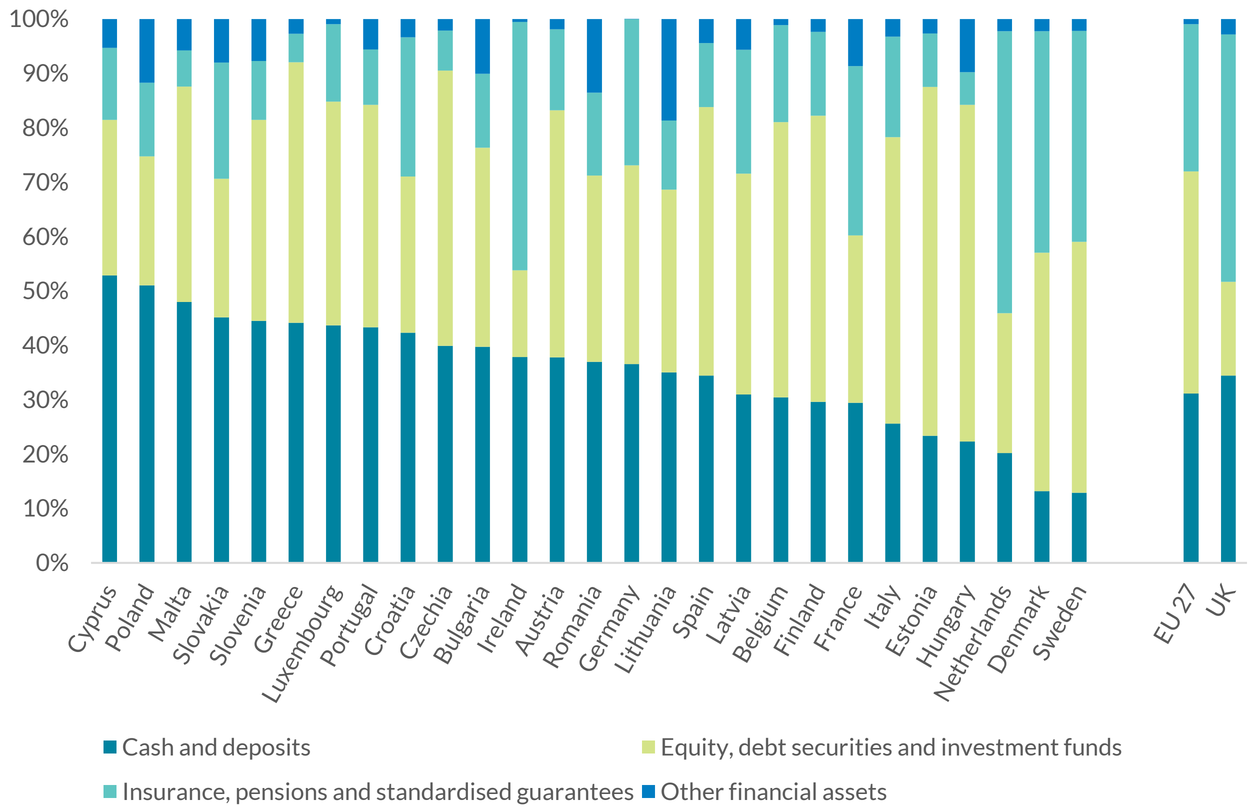
Source: Quarterly Financial Accounts and Distributional Wealth Accounts.

[7] CSO: (October 2004) *Ireland and the EU 1973-2003, Economic and Social Change*.
[8] Governor Makhlouf, Central Bank of Ireland (30 January 2024): *Looking over the horizon: the long term outlook for the Irish economy*.

The net wealth of Irish households has more than doubled in the last decade to €1,288bn.[9] To examine household holdings of financial assets, we assess data from the Quarterly Financial Accounts (QFA) and to gain insights on total assets and explore trends in Irish household wealth, we analyse data from the Distributional Wealth Accounts (DWA).[10] Unlike the QFA, total assets in the DWA include housing assets and non-financial business wealth but do not currently include pension assets.[11] As illustrated in Figure 1, the 2008-2013 financial crisis had a material impact on Irish household net wealth. However, there has been a strong rebound and upward trend since then.

Allocation of financial assets

Figure 2 - Breakdown of financial assets



Source: Quarterly Financial Accounts / Eurostat.

In Ireland, 38% of financial assets are held in cash and deposits, above the EU average of 30%. QFA data provides a breakdown of the financial assets held by Irish households.[12] The data provides insights into how Irish households allocate their wealth and how this compares with other EU households. Figure 2 shows that across the EU, while direct and indirect retail participation in capital markets varies considerably, households across Europe tend to hold a significant proportion of their financial assets in the form of cash and deposits - with 30% of EU household financial assets held in

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[9] Central Bank of Ireland (November 2025): *Quarterly Household Wealth Report, Q2 2025.*

[10] The QFA present a complete and consistent set of financial balance sheets for all sectors of the Irish economy, including households. The DWA combines information from QFA with the HFCS (Household Finance Consumption Survey).

[11] Central Bank of Ireland (February 2025): *Quarterly Household Wealth Report – Publication Notes*.

[12] This is split into cash, time and transferrable deposits, listed, unlisted, and other equity, short and long-term debt securities, money market funds and non-money market investment funds, unit-linked and non-linked life insurance, non-life insurance, defined-benefit and defined contribution pension schemes, and other financial assets (derivatives, trade receivables).

cash and deposits. This is significantly lower than the weighting for US households who hold only 11% of their assets in cash and deposits.[13]

More specifically, cash and deposits account for around 50% of total financial assets in Cyprus, Poland and Malta. By contrast, cash and deposits account for 20% of total financial assets in the Netherlands, 13% in Denmark and Sweden.

Irish households hold just 2.3% of their financial assets in direct investments such as listed equity and debt securities, compared to the EU average of 7.5%. Analysis of the underlying data for the categories of 'listed equity, debt securities, investment funds' and 'insurance, pensions and standardised guarantees' provides additional insights into the direct and indirect participation of households in the EU.[14] Allocation to listed equity is highest in Finland (close to 14%), followed by Sweden (8%) and Germany (7%). In Ireland, this allocation is less than 2%. Hungary and Malta exhibit the highest weightings to debt securities at 13% and 11%, respectively, followed by Italy at 8%. In Ireland, the weighting to debt securities is less than 0.4%.[15]

Ireland has one of the lowest levels of holdings in investment funds in the EU with a weighting of just above 2.2%.[16] For investment funds, households in Belgium and Spain have the highest weighting to investment funds at around 17%, with Sweden at 11%.[17] As noted in the Government's Funds Review, while Ireland is a leading global domicile for investment funds internationally, there is a very low retail participation in financial assets including funds.[18] The Funds Sector 2030 report includes a number of recommendations for changes to the taxation of Irish-domiciled funds including aligning taxation of investment undertakings and life assurance investment products with taxation of other assets.

Indirect participation in capital markets such as investments through insurance, pensions and standardised guarantees are the leading category of financial assets in the Netherlands (52%), followed by Ireland (46%) and then Denmark (41%). The EU average weighting for this asset category is 26%.

Overall, Irish households have relatively high indirect exposure to capital markets through life insurance and pension products (compared to households in other EU countries). However, as is the case with many other EU households, they hold a significant portion of their assets in cash and deposits with notably low direct exposure to listed shares and debt securities. The following section analyses the distribution of wealth in Ireland and how households in different wealth cohorts allocate their wealth across various asset classes.

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[13] Based on data published by the Federal Reserve (September 2025): Financial Accounts of the United States, *Q2 2025.* These US household accounts are analogous to those compiled by Eurostat for EU households. Additional analysis of this data was then carried out by the Central Bank to arrive at this estimate.

[14] In order to carry out this further analysis, two sub-categories were removed. Unlisted and other equity was removed from 'Equity, debt securities and investment funds'. The QFA defines 'unlisted equity' as 'equity securities with prices that are not listed on a recognised stock exchange or other form of secondary market' and defines 'other equity' as 'all forms of equity other than those classified in sub-categories listed and unlisted shares.' Non-life insurance was removed from the category of 'insurance, pensions & standardised guarantees.'

[15] Eurostat *(November 2025) Quarterly Financial Accounts, Q2 2025* - A more targeted analysis of these accounts was undertaken to ascertain figures for listed equity, investments funds and debt securities, as well as life insurance and pension assets.

[16] Ibid.

[17] Ibid.

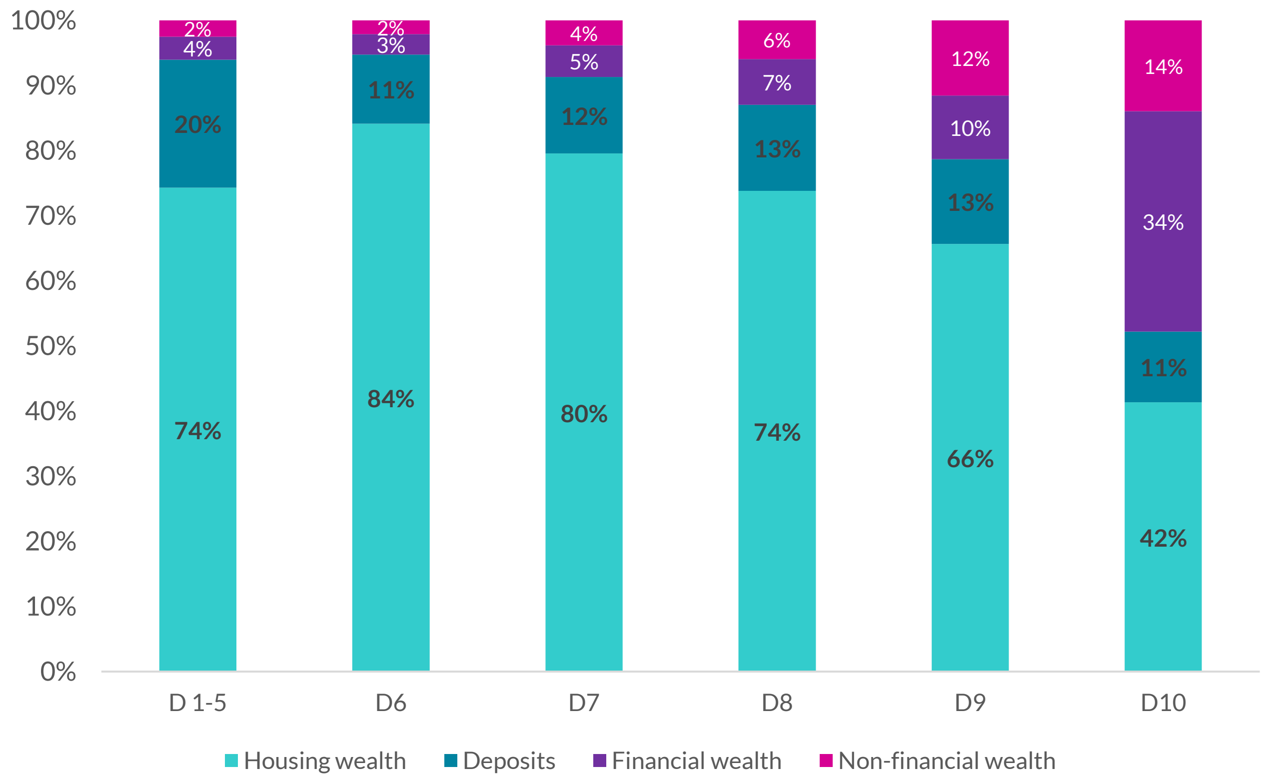
[18] Department of Finance (October 2024): *Funds Sector 2030 A Framework for Open, Resilient and Developing Markets -Final Report*.

Wealth distribution and composition of households' balance sheets

The increase in net wealth over the last decade has been accompanied by a reduction in wealth inequality.[19] For households in the bottom 50% of the net wealth distribution, the increase in wealth was primarily driven by a reduction in debt liabilities, while increases in the value of assets (especially property) benefitted households in the top 10% of the net wealth distribution. As of Q2 2025, the wealthiest 10% of Irish households hold almost half of total net wealth in Ireland.[20]

Housing represents the most important asset for Irish households. However, it accounts for varying proportions of total assets depending on levels of wealth: representing 42% of total assets for the wealthiest 10% of Irish households compared to 74% of total assets for other households.[21] Notably the assets of the wealthiest 10% of the population (see decile 10 or 'D10' bar in Figure 3 below) are significantly more diversified than other households, with significantly lower concentrations in bank deposits and higher concentrations in listed shares, debt securities, life insurance and annuity entitlements and investment funds.

Figure 3 - Asset allocation across wealth cohorts[22]



Deposits play a particularly important role for Irish households in the bottom 50% of the net wealth distribution, standing at around 20% of total assets in Q2 2025 (see 'D1-5' bar in Figure 3).

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[19] Marco Moreno (March 2024): Central Bank of Ireland, Quarterly Bulletin - *Inequality and wealth distribution among Irish households: introducing new Distributional Wealth Accounts* (See Figure 1, Figure 2, Figure 3).
[20] Central Bank of Ireland (November 2025): *Quarterly Household Wealth Report, Q2 2025*
[21] Comprising residential dwellings and their underlying land.
[22] This figure is based on Chart 5 from the *Quarterly Household Wealth Report, Q2 2025*. It has been slightly amended to focus on total assets only (so liabilities are excluded here). Decile 1-5 represents the bottom 50%, D6-9 represent the "middle" 40% of the population and D10 represents the top 10% of the Irish population. Financial wealth refers to holdings of listed equity, debt securities, investment funds, life insurance and unlisted/other equity. Non-financial wealth refers to holdings of property, tangible and intangible assets used for business purposes.

This compares with 12% for households in the middle 40% and 11% for the top 10% of the net wealth distribution.

Overall direct and indirect participation in capital markets is concentrated in households in the top 10% of the net wealth distribution. They account for 78% of the direct participation in capital markets (via listed equity and debt securities) and 80% of the indirect participation (via investment funds and life insurance - noting that this data does not include pension entitlements).

There are also differences in the composition of wealth of households when broken down by employment status. For example, Irish retirees display a higher allocation to deposits (16% of total assets) as of Q2 2025. In the case of the unemployed, their main category of financial assets is deposits (16% of total assets), which likely reflects precautionary savings in current accounts, followed by life insurance (5% of total assets).[23] As might be expected, business wealth, either financial (11%) or non-financial (23%), is more significant for the self-employed.

Conclusion

As is the case with other EU households, Irish households hold a significant proportion of their financial assets in cash and deposits. While Irish households have relatively high indirect participation in capital markets via life insurance and pension products, direct participation in capital markets via listed shares and debt securities and participation through investment funds are not prominent features of the overall Irish retail investment market. Both direct and indirect participation is concentrated in households in the top 10% of the net wealth distribution. The remainder of this report looks at the profile of retail investors in Ireland and explores how consumer attitudes and behaviours and the structure and operation of the Irish retail investment market may be impacting participation.

[23] Simone Saupe and Maria Woods (July 2022): Central Bank of Ireland, Economic Letter - *The Future of Irish Household Deposits: A European Perspective*.

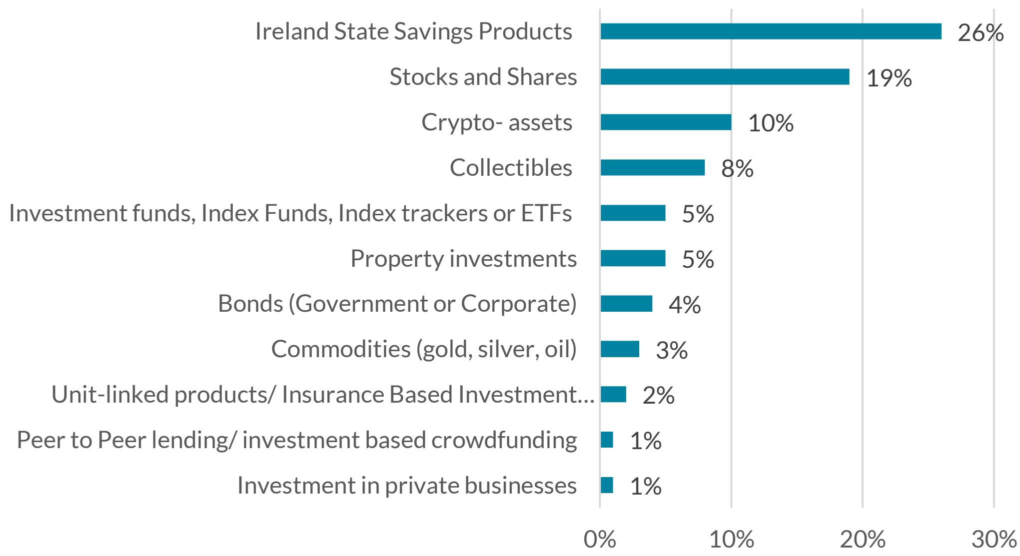
Section 2: Profile and Characteristics of Retail Investors

Irish consumers who participate in capital markets share certain demographic characteristics across social grade, gender, age, employment status, income level and educational attainment. In this section we examine the profile of retail investors in Ireland, consider the types of investments they invest in and identify some key characteristics that distinguish investors from non-investors.

Who is considered to be investor in Ireland in our research?

Our consumer research identifies that 36% of the Irish population report that they hold or own at least one investment product while 53% of the population report that they do not currently invest. [24] In order to identify the proportion of the population who participate in retail investment, our consumer research survey presented all respondents with a pre-defined list of savings and investment products and asked which, if any, they currently own. We classified a person as an investor if they reported that they owned at least one of the products listed in Figure 4. As noted in Section 1, housing represents the most important asset for Irish households, however this has not been included as a savings or investment product for the purposes of this analysis. We have also excluded those who **only** hold Irish State Savings from our classification as an investor for this analysis - 11% of respondents - given the specific characteristics they display.[25] As crypto is an emerging product that people describe as an investment, we have included this in our analysis to support our understanding of consumer behaviours in relation to crypto.

Figure 4 - Investment Product owned by National Population[26]



[24] A consumer insights survey was conducted among a nationally representative sample of 3,020 Irish adults. Fieldwork took place between 22 May and 6 June 2024 via an online survey - see Annex 1 for more details on the research methodology.

[25] Described in the survey questionnaire as Ireland State Savings Products (e.g. Savings Bonds, National Solidarity Bonds, Prize Bonds). These consumers are not classified as 'investors' in our research as they display characteristics and attitudes unlike 'investors', 'non-investors' or those who may consider investing in the future. Respondents who hold Ireland State Savings Products and at least one other investment product are classified as an investor' in our analysis.

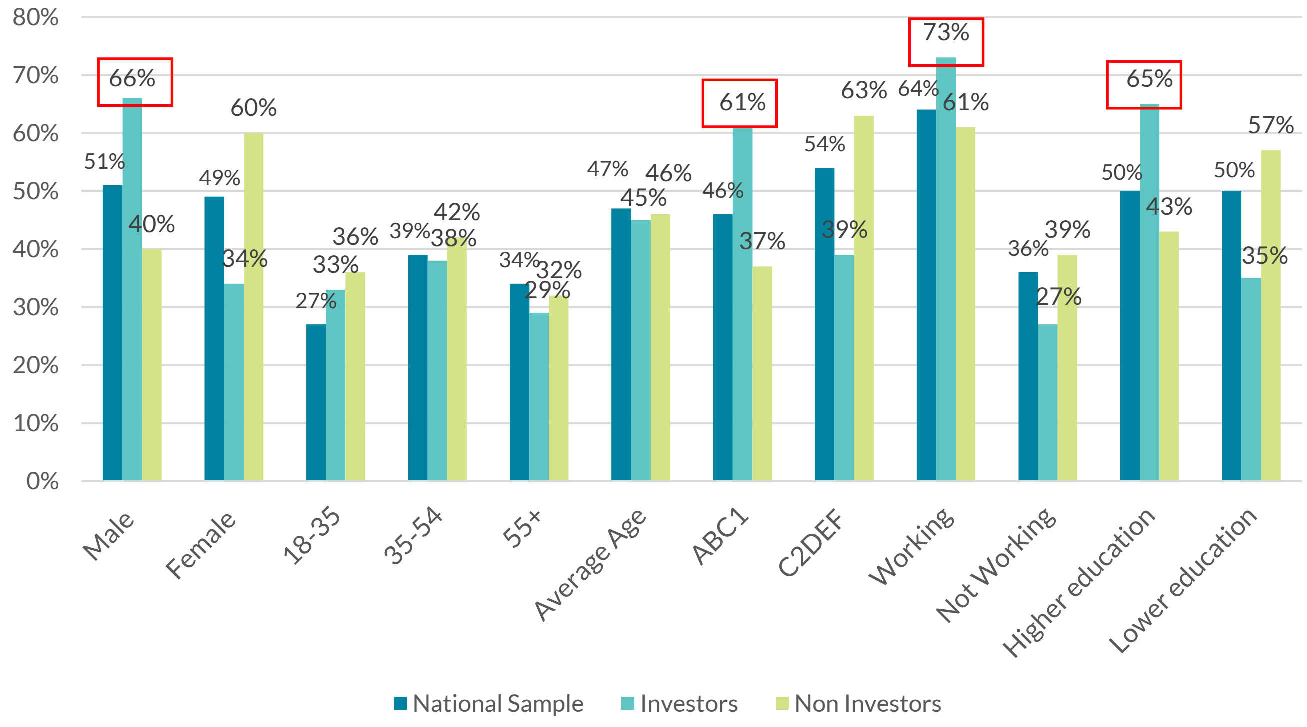
[26] The specific nature of crypto asset investment is outlined in more detail in the Spotlight on Crypto section on page 18.

Source: Central Bank Research. Q. Which of these do you currently own? Base: All respondents: n=3020.

Demographic Characteristics of Investors and Non-Investors

We examine the demographic characteristics of both those who invest and those who do not, highlighting several key differences between these cohorts.[27] **Our consumer research shows investors are more likely to be male, aged between 35-54, be part of the demographic social grade ABC1,[28] be working, have higher gross household income, have a higher level of educational attainment and live in Greater Dublin** (see Figure 5 below - Annex 2 provides further detail on the demographic characteristics of the general population, investors and non-investors). We examine some of these characteristics in more detail below.

Figure 5 - Profile of Investors/non-Investors compared to population



= Investor with significant difference vs national population

Source: Central Bank Research: Q. Which of these do you currently own? Base: All respondents: n=3020.

Differences between genders

Women are less likely to invest than men, with women only representing 34% of investors. This may reflect notable attitudinal differences between genders in relation to investing.

In terms of investment knowledge on a ten-point scale,[29] females report to be, on average, 4.2 on the investment knowledge scale compared to 5.4 for males. In terms of risk appetite, females report being more risk averse than men in relation to their finances with the average reported level on the

[27] Profiling a sample in a quantitative survey involves gathering demographic and other relevant data about respondents to identify and categorise them based on specific circumstances.
[28] The definitions for Social Grades of A, B, C1, C2, DE and Fare as per the Association of Irish Market Research Organisations (AIMRO) social class grading guidelines: A - Professional, Senior Management; B - Newly qualified professional; Middle Management; C1 - Junior Managers, Clerical; C2 - Skilled Workers; D - Semi or unskilled workers; E - State Benefit, Social Welfare only; F - Farming, depending on farm size in acres.
[29] 10 point scale where 10 = very knowledgeable about investments and 1 = Not knowledgeable at all.

risk scale standing at 3.5 compared to 4.8 for men.[30] 74% of female non-investors surveyed, agreed with the statement 'Investing is complex and I would prefer to have financial advice before investing' compared to 60% of male non-investors. Female investors are less likely to agree with the statement 'I prefer to invest online rather than in person or by phone' (36% of females agree compared to 51% of males). Female investors are also less likely to agree with the statement 'I have made a conscious effort to diversify what I am investing in' (43% of females agree compared to 57% of males).

Age profile of investors

Investors are more likely to be in the 35-54 age bracket. While a reasonably large proportion of investors fall within the range 18-35 years, it is important to note that our research does not reflect the financial value of investments being undertaken - noting the likelihood that younger investors make smaller investments in monetary terms as part of the typical investment lifecycle. While not addressed in our research, it may be that younger people are more engaged through the increasing availability of online channels for investment. Lastly our consumer research below shows younger investors are engaging in crypto-asset investments, in smaller value levels.

Social grade, employment status and income

Investors are more likely to be part of the demographic social grade ABC1 with 61% of investors part of this social grade vs 37% for non-investors. Investors are also more likely to be working and have higher gross household income than the national population and those who do not invest. Investors report an average gross annual income of €72,994 compared to the national average of €58,155. Those who do not invest report an average gross annual income of €50,557.

Educational attainment

Investors are more likely to have a higher level of educational attainment with 65% of investors having attained 'higher education' compared to 43% for non-investors. We examine the impact of the level of educational attainment and financial literacy on investment participation further in Section 3 based on findings from our estimation model.

Living in Dublin

Investors are also more likely to live in Dublin (36% of investors reside in Dublin compared to 29% of the national population).

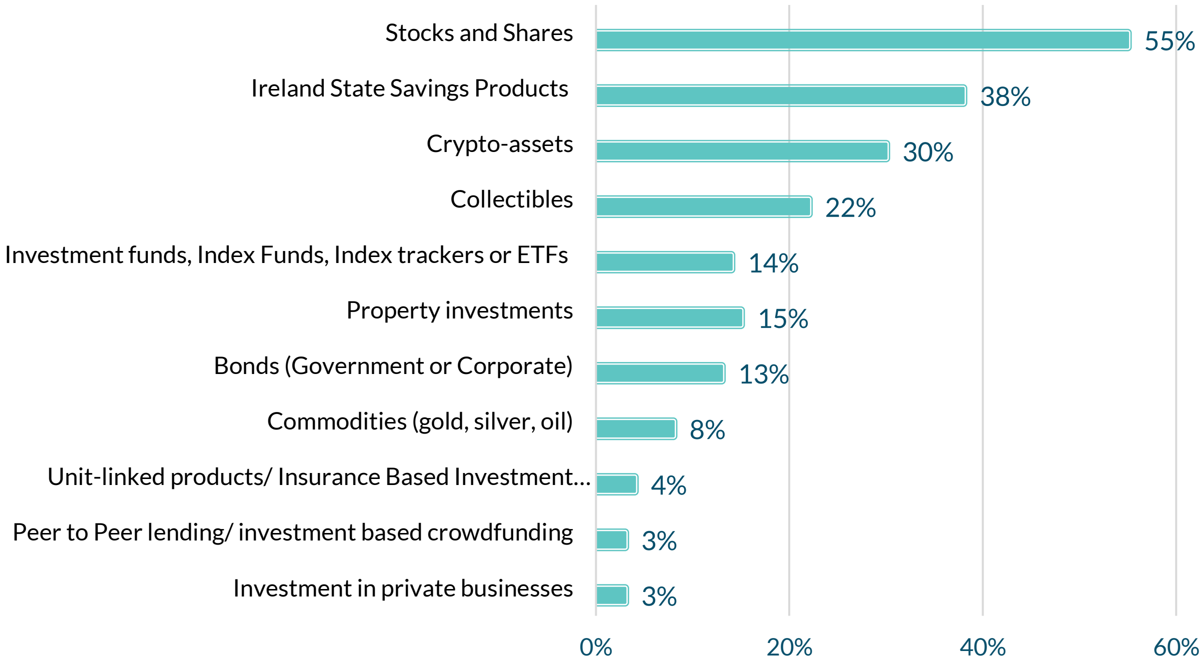
Reported ownership of savings and investment products

Our consumer research identified the savings and investments products investors report holding - Stocks and shares (55%), Irish State Savings products (38%), crypto-assets (30%) and collectibles (22%) feature most prominently in the products held by investors. [31]

On average, investors hold 2.1 saving and investment products. It is notable that reported holdings of unit-linked and insurance-based investment products is low when compared to data from the QFA - this may reflect a degree of confusion amongst respondents on the naming and categorisation of these products. **Given the relatively high proportion of investors who hold crypto-assets we have set out some further analysis on crypto-asset investment activity in the Spotlight Box on page 18.**

[30] On a scale of 1-10 where 10 means 'Takes high risks' and 1 means 'Takes no risks at all'.
[31] Note: the term crypto-currency investments was used in the survey questionnaire.

Figure 6 - Investment products owned by Investors

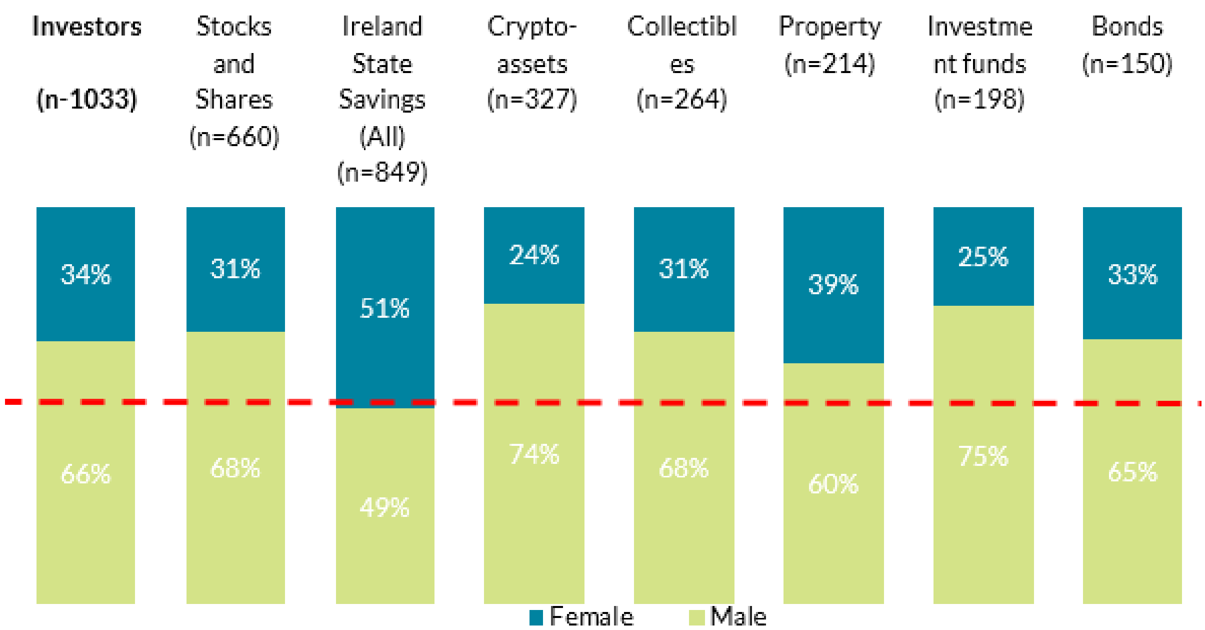


Source: Central Bank Research: Q. Which of these do you currently own? Base: All investors: n=1033.

Profile of investors by product owned

We also looked at the profile of investors by specific products owned. **Investors who are social grade ABC1, are most likely to own all investment products** with the exception of Irish State Savings products which show a relatively even split between holdings by ABC1s and C2DEs. Investors whose household incomes exceed €100,000 are more likely to own Bonds - Government or corporate (22% compared to 13% among the national population). **In terms of gender, all investment products are more likely to be owned by males - a bias particularly prominent in crypto-assets and investments in funds.**

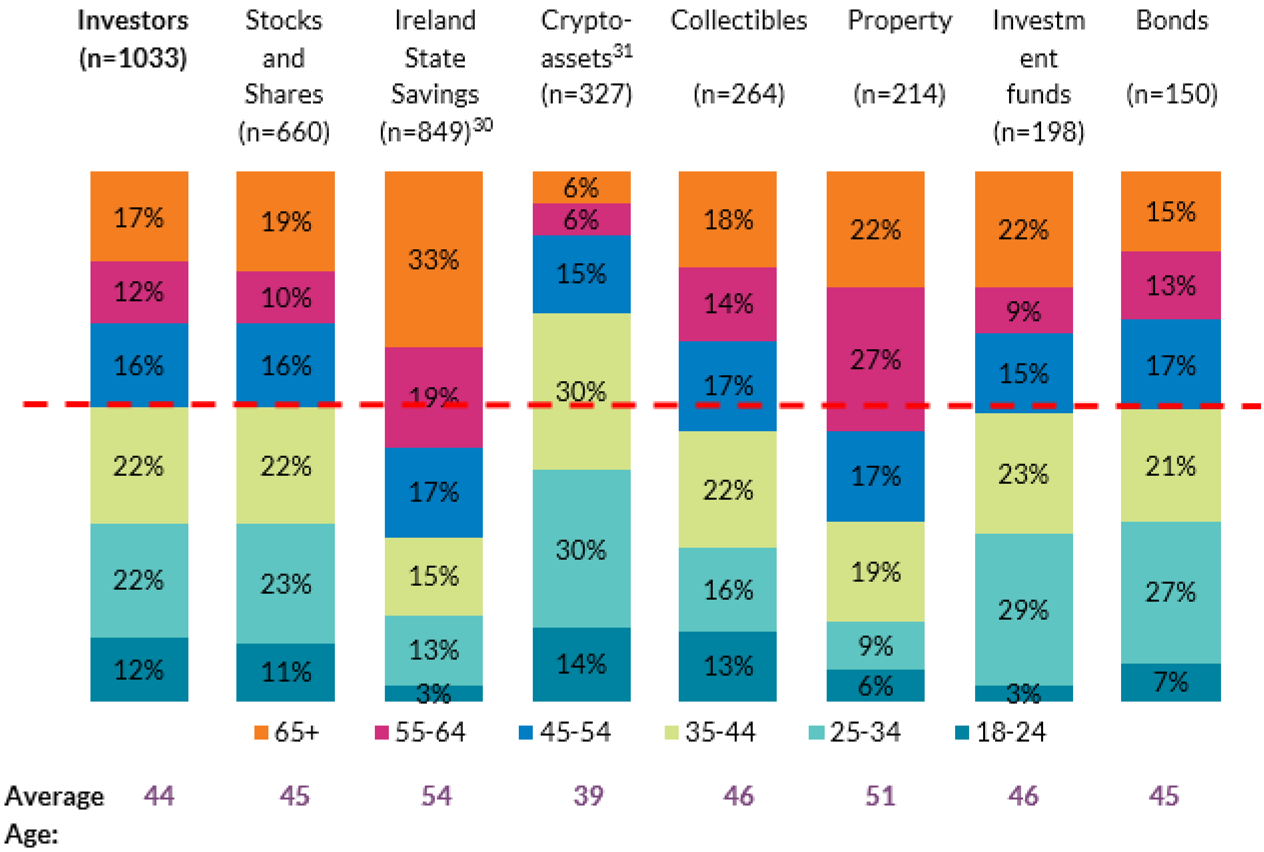
Figure 8 - Gender Profile of Investors by product owned



Source: Central Bank of Ireland Research: Q. Which of these do you currently own? Base: All respondents: n=3020; All investors: n=1033.

In terms of age profile, crypto-assets are more likely to be held by those in younger age groups, with 44% of crypto-asset investors aged between 18 and 34, while property investors tend to be older with 49% aged over 55.

Figure 7 - Age distribution of investors by product owned

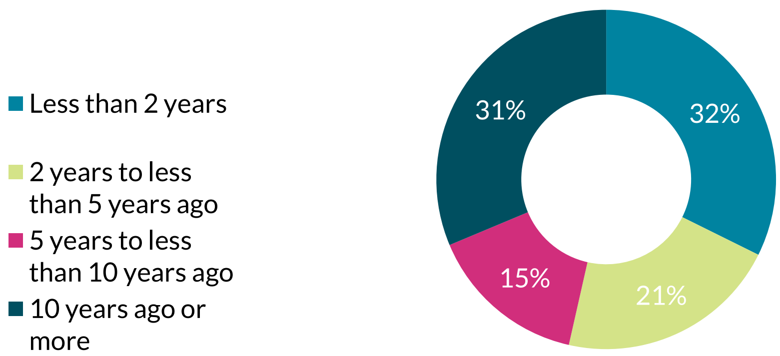


Source: Central Bank of Ireland Research: Q. Which of these do you currently own? Base: All respondents n=3020; All investors: n=1033.

Investment start date

Among the investor population, 32% have commenced investing in the previous two years, suggesting that new investors are entering the market.

Figure 9 - Investment Start Date



Source: Central Bank Research: Q. When did you first start investing in any investment products? Base: All investors: n=1033.

New investors (less than 2 years) are most likely to be male (66%), 18-35 (56%), working (71%); and have higher educational attainment (55%). There are no discernible differences in product ownership between new investors and the investor population in general with stocks and shares, State Savings products and crypto-assets the most commonly held products by both new investors and more established investors. The younger profile of new investors may reflect the growth in online platform participation by younger investors.

Spotlight on Crypto

Crypto-assets are a digital form of asset or a digital representation of value. It is important to differentiate between 'backed crypto' and 'unbacked crypto'. 'Backed crypto', such as Electronic Money Tokens (EMTs) and Asset Reference Tokens (ARTs), has the potential to provide benefits, where appropriate reserves and controls are in place, but consumers should be aware these products are not risk free. On the other hand, 'unbacked crypto' (including poorly or unreliably backed crypto) represent a very significant risk for consumers.

The EU Markets in Crypto-Assets Regulation (MiCAR) has introduced a new regulatory framework for European crypto-assets. Not all crypto-assets are regulated and where they are in scope of MiCAR this does not eliminate all risks. In short, holding crypto-assets often represents a speculative activity.

Our survey research indicates 10% of the population own crypto-assets. This increases considerably among the investor population with 30% of surveyed investors indicating they own crypto-assets.

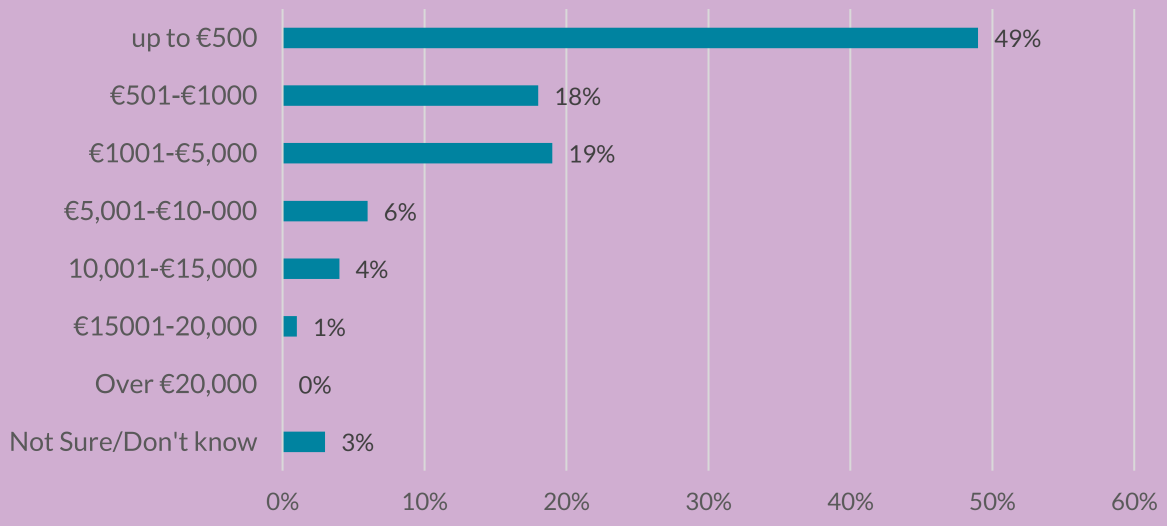
Crypto-asset investors share key characteristics. Younger age cohorts dominate crypto-asset participation, with 44% of crypto investors aged 18-34. Investors in crypto-assets are also predominately male with men representing 74% of crypto-asset holders.

It is notable that awareness of crypto-assets is significantly higher than other products with 74% of the general population reporting that they are aware of crypto-assets, compared to 53% for investment funds. **5% of the national population report that they invest in investment funds, whereas 10% report that they invest in crypto-assets.**

This seems to suggest that the level of coverage and commentary on crypto-assets in both traditional media and social media channels, raises both awareness and interest in these products compared to more traditional investment products that do not get the same level of coverage or attention.

Investments in crypto are typically recent, with half of crypto-asset holders entering the market within the past two years. Exposure is typically modest in scale, with our research showing that original investment amount averaged €2,266 among current crypto-asset holders.

Figure 10 - Original Investment in Cryptocurrency

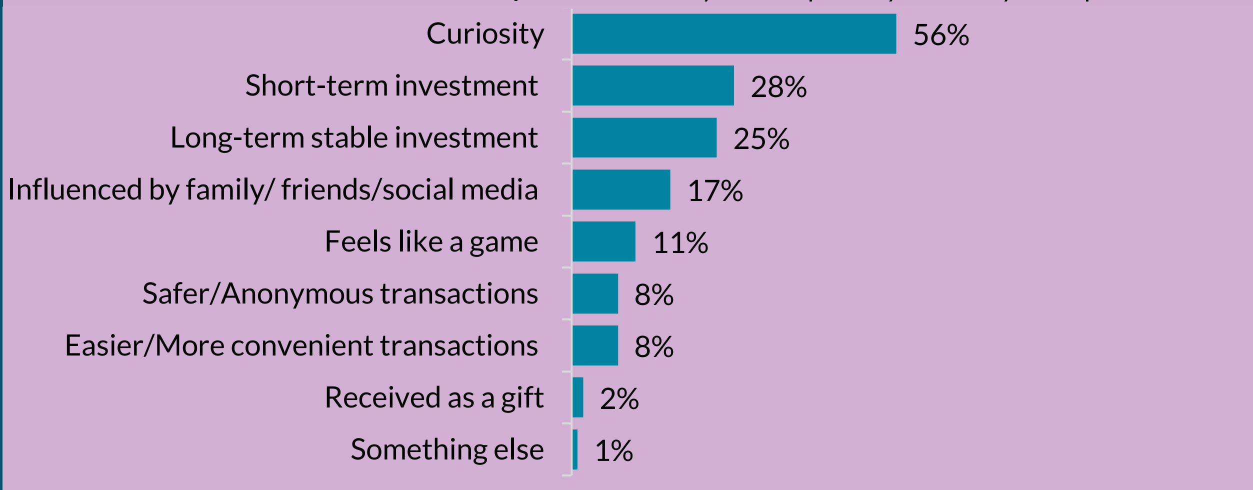


Source: Central Bank of Ireland Research: Q. Roughly, how long have you been investing in cryptocurrencies? What was your original investment in cryptocurrency? Base: All crypto-assets investors: n=327.

We asked respondents a specific set of questions on crypto-asset behaviours including what their reasons for investing in crypto-assets were. **Crypto-asset investment is typically motivated by curiosity (56%) – although 28% viewed it as a short-term investment opportunity. A further 11% report it 'feels like a game' suggesting that some crypto-asset investors may view or behave in a speculative way or adopt a 'gambling' like approach to this activity.**

Figure 11 - Reason for investing in crypto-assets

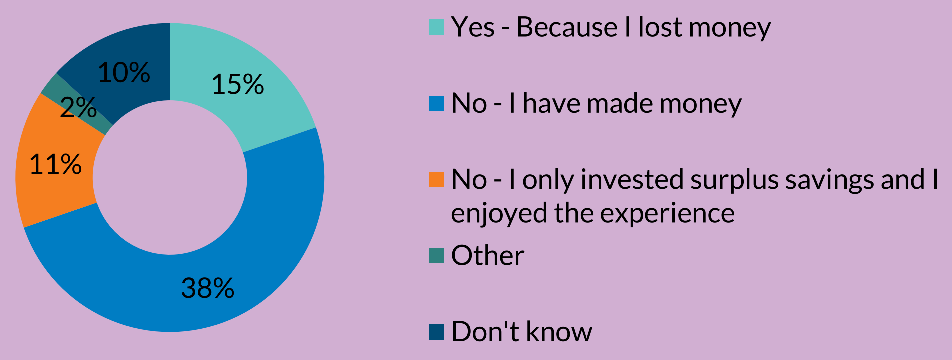
Source: Central Bank of Ireland Research: Q. What would say are the primary reasons you acquired the



cryptocurrency? Base: All crypto-assets investors: n=327.

Crypto-asset investors report little sign of regret for choosing this investment type to date – only 15% express regret due to a loss on their investment, possibly driven by the relatively modest amounts originally invested and the initial reason for investing.

Figure 12 - Regret experienced purchasing crypto-assets



Source: Central Bank of Ireland Research: Q. Do you regret purchasing cryptocurrency? Base: All crypto-assets investors: n=327.

Overall, while a significant proportion of consumers have taken the step to put funds into crypto, they share key characteristics and typically the amounts are small, akin to amounts that consumers hold as excess cash in current and overnight deposit accounts. This along with the reasons cited for this activity suggests that crypto does not yet represent an alternative for traditional investment products.

Conclusion

Our research provides insights into the characteristics of those who invest and those who do not, with clear differences evident across, gender, age, social grade, employment status, income, level of educational attainment and location. Positively, 32% of investors started investing in the last 2 years, indicating that new investors are entering retail investment market. In terms of the products that respondents reported holding stocks and shares were the most commonly held investment products. A high proportion of investors report holding crypto-assets and our research provided some interesting insights into attitudes towards crypto-assets and motivations for investing in crypto assets. It seems clear that there are opportunities to broaden investor participation beyond the cohort of the population who are currently investing.

Section 3: Attitudes and Behaviours towards Investment

The decision to invest is driven by a complex interplay of factors ranging from prevailing economic conditions, to personal financial circumstances and to attitudes and behaviours, including psychological biases. We explore the key drivers and motivations that lead people to invest in capital markets and identify key barriers that prevent consumers from investing.

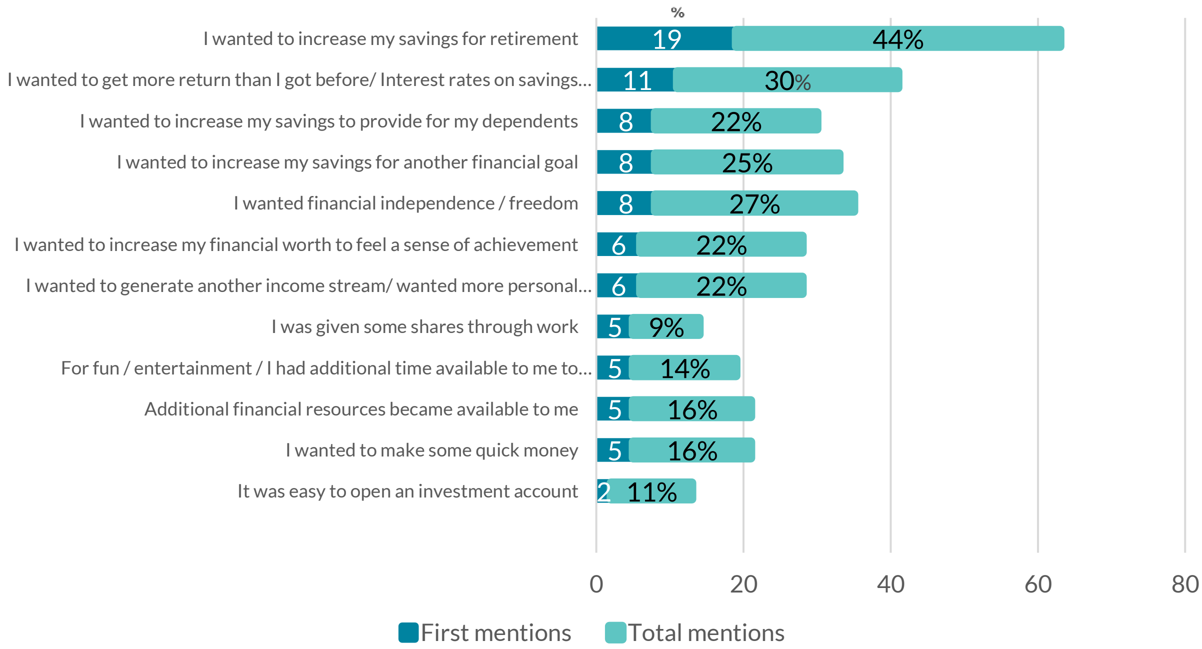
Investment motivations and goals

Individuals are motivated to start investing by both practical and aspirational financial goals. One of the most significant motivations for investors is securing retirement income, with 44% of investors reporting this as a reason for starting to invest.[32]

Some investors recognise returns on savings have been low and the importance of seeking enhanced returns. 30% of investors reported: 'I wanted to get more return than I got before/Interest rates on savings accounts were too low' - demonstrating their desire to protect/increase wealth over time.

The pursuit of '…financial independence' was identified as a motivation by 27% of investors. Many are motivated to start investing to achieve their 'financial goal' (25%) or to build savings for their dependents (22%). Interestingly the availability of time and the fun or entertainment derived from investing, was identified as a motivator for 14% of investors.

Figure 13 - Motivations to start investing (among Investors)



Source: Central Bank Research: Q. Thinking about when you first started to invest, which of the following best describes the reasons why? Base: All those currently investing n=1033.

[32] Our survey presented respondents with a pre-defined list of reasons. Respondents were asked to select their first option based on the question 'which of the following best describes the reasons why'. This is presented in the data chart as First mention. Respondent were then asked 'Any other reasons'. Respondents could choose as many options from the list relevant to them. All first mentions and other mentions are totalled and presented in the data chart as total mentions.

When we asked investors what their investment goals were, similar motivations were evident with 39% identifying 'supplementing their pension or pensions savings', 38% identifying 'wealth retention or capital growth'. 27% identified 'Children's future' as a goal, with 17% identifying 'Paying off mortgage' and 16% identifying 'Future healthcare costs', as their investment goals.

Drivers for investment participation

To understand what influences the decision to invest, we utilised a data estimation model to explore how demographic factors, attitudes, including attitude to risk, behavioural traits and financial literacy, impacts on investment participation. This analysis allowed us to take account of the influence of multiple background factors simultaneously and to isolate the specific contribution or correlation of individual factors on investment behaviour. Based on this analysis we were able to identify specific drivers that significantly influence investment participation.

The impact of demographic factors

Gender and level of education had the most significant influence on investment participation with being male and having a higher level of educational attainment, influencing higher levels of investment participation.

The impact of behavioural traits

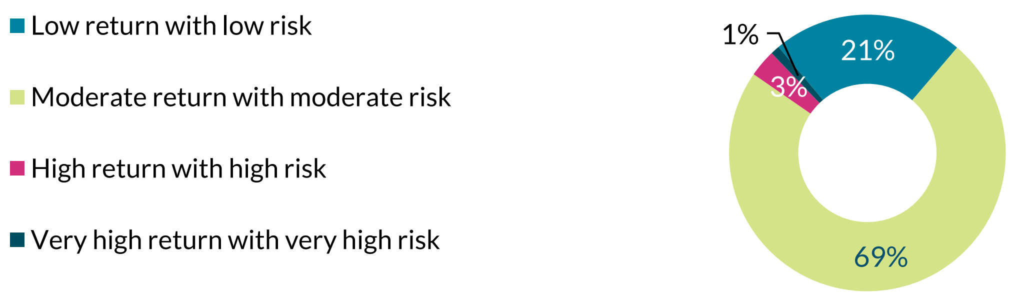
Behavioural traits, characteristics that consistently describe a person's behaviour, also influence the decision to invest. These include characteristics such as attitudes to money management or confidence with money, attitudes to risk generally and financial risk, impulsivity characteristics, views on trust and confidence in financial markets and attention to media.

Our research shows that a person's attitude to risk is the most predictive behavioural characteristic. People with a greater willingness to accept risk are more likely to engage in investments with uncertain outcomes, seeking potential higher returns.

We also observed significant differences in risk appetite and tolerance for losses between investors and non-investors. Investors' greater risk tolerance and acceptance of loss as being normal outcome of investing, were key factors differentiating them from those who do not currently invest.

However, it is notable that most Irish investors have a relatively moderate risk appetite. 69% of respondents focused on moderate risk/return and 21% reported 'low return with low risk' as their investing approach. Additionally, the 'risk level of an investment product' is the most important factor (42%) for investors when choosing to invest in an investment product, ranking above other factors such as 'expected return' (27%).

Figure 14 - Investment focus and risk



Source: Central Bank of Ireland Research: Q. As an investor, are you focusing on investments with...? Base: All investors: n=1033.

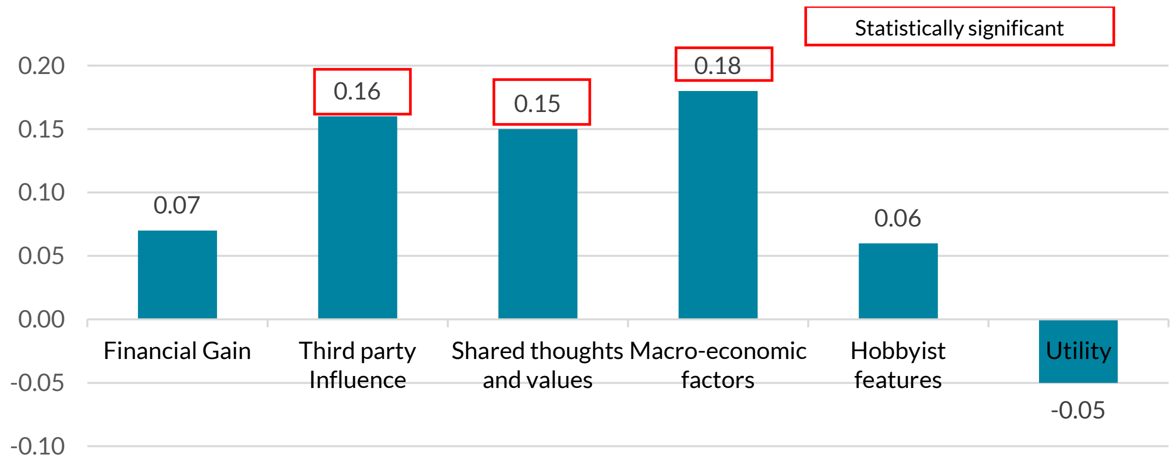
The impact of financial literacy

Levels of financial literacy alone are not a very strong driver for investment participation. We used our data estimation model to explore the extent to which financial literacy levels influence investment participation. This modelling approach provides additional controls on other demographic factors such as age, income, educational attainment and social grade, that might influence financial literacy levels. When these factors or influences are controlled in our model, we observe that a 10% increase in financial literacy results in a 0.25% increase in investment participation.[33] Though this effect is statistically significant, it suggests that levels of financial literacy alone are not a very strong driver for investment participation. **This seems to indicate that while financial literacy may be a necessary condition for investment participation, it may not be a sufficient condition to drive investor participation on its own, i.e. it needs to be in place along with other key conditions or factors.**

The impact of attitudinal drivers of investment

Our analysis shows that macroeconomic factors, shared thoughts and values, and third-party influences, are the strongest attitudinal drivers prompting people to invest (see Annex 1 for additional information on our methodology and analysis of attitudinal drivers).

Figure 15 - Attitudinal Drivers of Investment Behaviour



Source: Central Bank of Ireland Research. Dependent variable: Investment participation: (1-16). Mean & SD =2.19 [1.31]: Base: All investors n=1033.

'Macroeconomic' factors are identified as the strongest attitudinal factor or driver influencing the decision to invest with inflation and the current interest level identified as key drivers. This suggests that investors recognise the impact of lower interest rates on savings and the impact of inflation in eroding the real value of deposit savings over time. Investors appear to identify investing as offering a greater opportunity for wealth preservation and creation.

Third-party influences also play a role in driving investor participation. Third-party influences can come from a range of sources, including from one's immediate family or friends, financial advisors or media sources such as the financial market media. Such sources can play a role in driving the decision to invest by providing information, guidance and social validation to retail investors. In the context of

[33] The dependent variable in these regressions is Investment Participation (1-16), defined as the number of financial products respondents own at the time of the interview. Controls include gender, age, education, employment status, region, marital status, household size, and income.

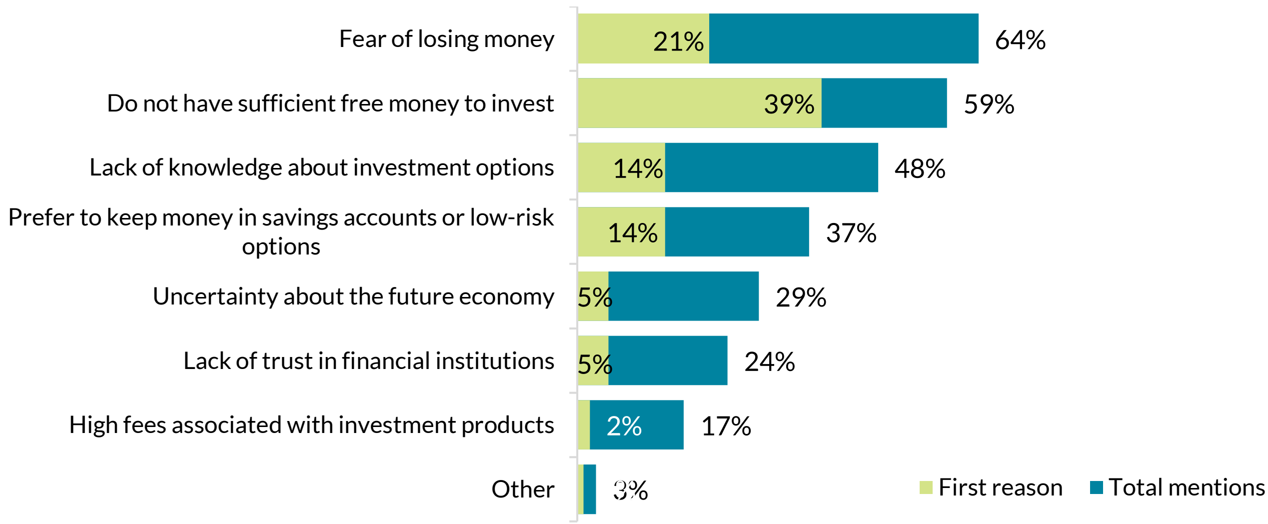
third-party influences, the strongest individual driver or motivation to participate in investment is a recommendation from financial analysts and advisors.

'Shared thoughts and values' are defined under our data estimation model as a range of attitudes to investing including the associations people make with investing which are aligned with personal thoughts, values and beliefs. These include 'because I want to be part of a community of investors'; 'because it aligns with my personal thoughts, values and beliefs'; 'because I have positive feelings towards investments'; and 'from an identity standpoint, I want to be associated with investment'. Our research shows the extent to which individuals report strong social or personal identification as an investor influences the degree and extent of their participation.

Barriers and obstacles for non-investors

Alongside key drivers, our research also sought to identify barriers to investing for those who do not invest. Considering both *drivers* for those who do invest and the *barriers* for those who do not invest, is key to understanding retail investor participation. To support this analysis, we asked non-investors to identify their key reasons for not investing.

Figure 16 - Reasons for not investing (all non-investors)[34]



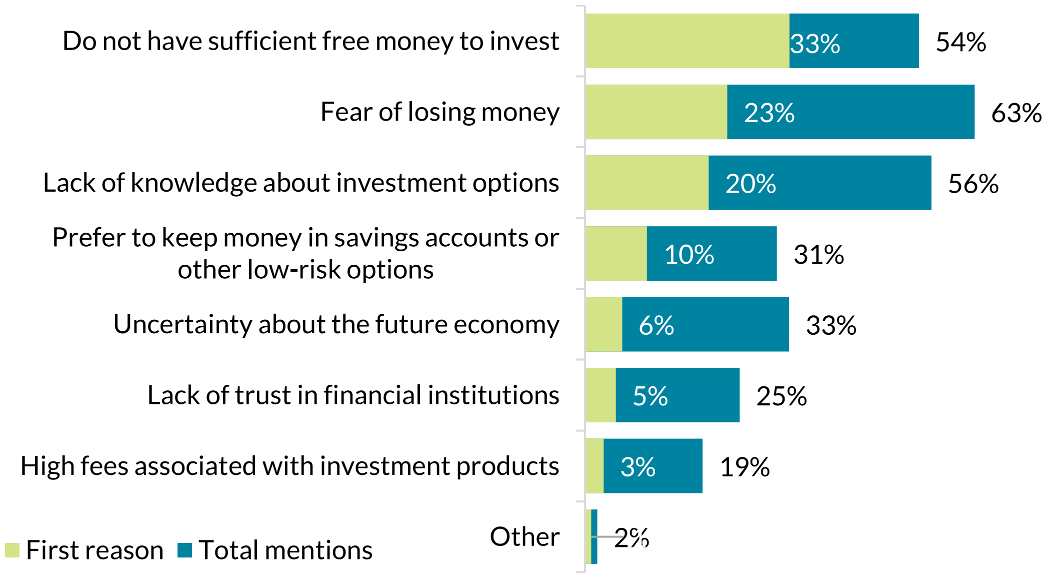
Source: Central Bank of Ireland Research: Q. If you have not invested in investment products, please select the reasons that applies to you? Base: All currently not investing: n =1536.

Fear of losing their money and a lack of available resources are seen as key reasons for not investing. As shown in Figure 16, other responses highlighted issues around knowledge gaps, uncertainty regarding the future outlook, trust in industry and value for money.

We also asked potential future investors what their reasons for not investing were. Their responses show some notable differences when compared to all non-investors. A lower proportion cited not having sufficient free money to invest and a higher proportion cited lack of knowledge about investment options as reasons for not investing. However overall, broadly similar themes emerge for non-investors and those considering investment.

[34] Our survey presented respondents with a pre-defined list of reasons. Respondents were asked to select their first option based on the question 'which of the following best describes the reasons why'. This is presented in Figure 16 as First mention. Respondent were then asked for 'Any other reasons'. Respondents could choose multiple options from the list. All first mentions and other mentions are presented as total mentions.

Figure 17 - Reasons for not investing (among those currently considering investment)



Source: Central Bank of Ireland Research: Q. If you haven't invested in investment products, please select the reasons that applies to you: n=737.

Psychological or emotional barriers

Psychological or emotional factors, including lack of trust and low risk tolerance and attitudes to loss, can represent significant barriers to investments. A perception that investing is not for everyone can also act as a barrier with only 35% of those not currently investing agreeing with the statement 'investing is for everyone'. This implies a prevailing sense or perception that investment is not suitable or accessible to all.

Risk tolerance and attitude to loss

Our research highlights that 'fear of losing money' is reported by 64% of those not currently investing as a reason for not investing (see Figure 16 above). Our research explored the role of risk tolerance, risk appetite and attitudes to risk and loss, for those who do not invest. In terms of specific reasons for not investing, non-investors also indicated a preference for 'keeping money in savings accounts or other low-risk options' with 37% of non-investors citing this a reason for not investing with 14% citing it as their main reason. When asked what factors have prevented you from investing 50% of those considering invested cited, 'Fear of making a mistake'.[35]

While investors have a relatively moderate risk appetite as noted above, a higher risk appetite and level of risk tolerance is a key characteristic distinguishing them from non-investors.

The impact of trust

Levels of trust can influence investment decisions - when trust is high, people are more willing to invest and take on risk, and conversely, a lack of trust can make investing appear risky, leading to suboptimal investment decisions.[36]

As shown in Figure 16, lack of trust in financial institutions was mentioned as a reason for not investing by 24% of non-investors. More generally, when we examine the challenges experienced or

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[35] Source: Central Bank of Ireland Research: If you have considered investing but haven't done so yet, what factors have prevented you from investing?
[36] Kalish, Ira and others, 2021: *The link between trust and economic prosperity*, Deloitte Insights.

envisaged by those considering investing in the future – 'Not knowing if product providers would act in my best interest' is cited by nearly half of this cohort.

Additionally, 21% of those not currently investing report that 'if there was greater trust in the financial system' that it may encourage them to invest in the future. It seems likely actual financial loss experienced, or the perception of financial loss or volatility associated with investment during and after the financial crisis, may have had a long-term impact on public perceptions about investment and levels of trust.[37]

Knowledge, understanding and advice

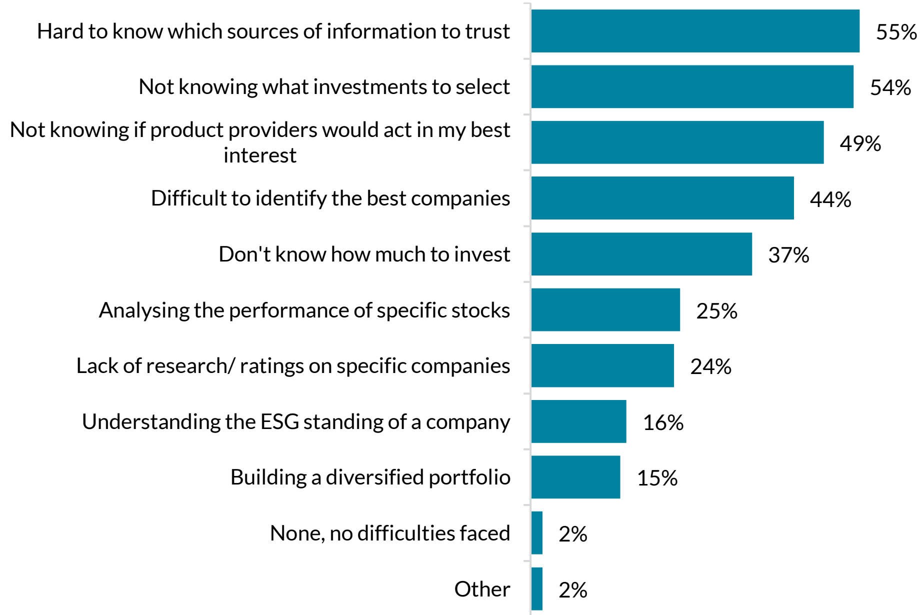
Our research highlights issues for non-investors around lack of knowledge, lack of understanding, challenges in accessing support and advice and a perception that investment is complex with the range of options overwhelming non-investors.

Knowledge

48% of those not currently investing surveyed cited lack of knowledge about investment options as a reason for not investing. Amongst those who do not currently invest but may do so in the future, 55% indicated that *difficulty knowing which sources of information to trust* was a challenge when making investment decisions while 54% indicated that *not knowing what investments to select* was an issue.

Other challenges identified by this cohort included difficulties associated with identifying the best companies (identified by 44%); not knowing how much to invest (identified by 37%); and the challenge of analysing the performance of specific stocks (identified by 25%).

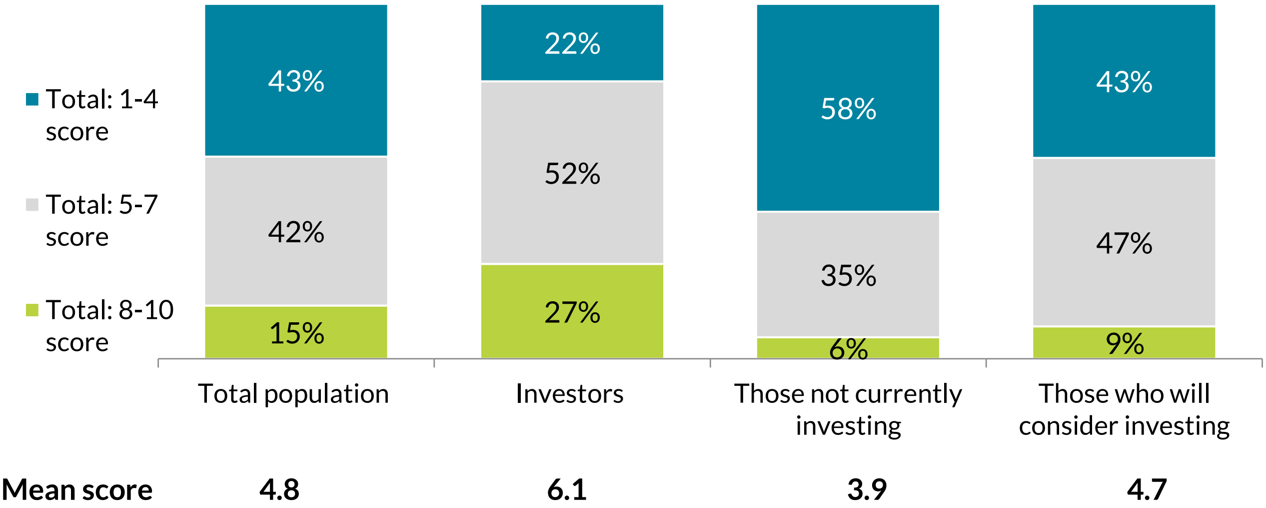
Figure 18 - Challenges when making investment decisions for those considering investment



Source: Central Bank of Ireland Research: Q. What do you find challenging when making investment decisions? Base: All respondents who are investor considers: n=737.

[37] Lucey, Brian M., Mulholland, M., and Larkin, Charles J. (September 2012): Risk Tolerance and Demographic Characteristics: Preliminary Irish Evidence - examining the risk tolerance of Irish adults over pre and post financial crash, Lucey and Mulholland observe that Irish adults showed marked and significant decreases in risk appetite across most demographic categories over the course of the crisis.

Figure 19 - Knowledge of investment products



Source: Central Bank of Ireland Research: Q. How knowledgeable would you say you are about investment products? - Respondents were presented with a scale where 10 = Very knowledgeable and 1 = No knowledge. Base: All respondents: n=3020.

Reported knowledge of investment products is relatively low across all consumer categorisations. Only 15% of the national population consider themselves to have high levels of knowledge of investment products while only 27% of investors report a high level of knowledge.

Levels of understanding

Both investors and those who do not currently invest have gaps in their understanding of basic principles and practices involved. In order to assess levels of understanding of investment, we presented respondents with a series of statements on some of the principles and practices commonly held to be true in relation to investment and respondents were asked to indicate if the statements were correct or incorrect or whether they were unsure.[38] Results suggest that investors and non-investors have significant gaps in their knowledge.

Access to guidance and advice

A substantial number (53%) of those not currently investing identified 'Clear guidance on how to start investing' as a factor that would encourage them to start investing. 52% identified 'Better understanding of investment options' as a factor. 'Assurance of professional assistance or advice' was identified by 34% of those not currently investing as a factor that would encourage them to start.

Complexity and excess choice

Our research also suggests that perceived complexity across the range of investment options is seen as a barrier for potential investors. 75% of those surveyed who do not currently invest but may do so in the future, perceive investing as complex.

The scale and range of investment options available can also be challenging, with 68% of those considering investing in the future reporting that they feel overwhelmed.

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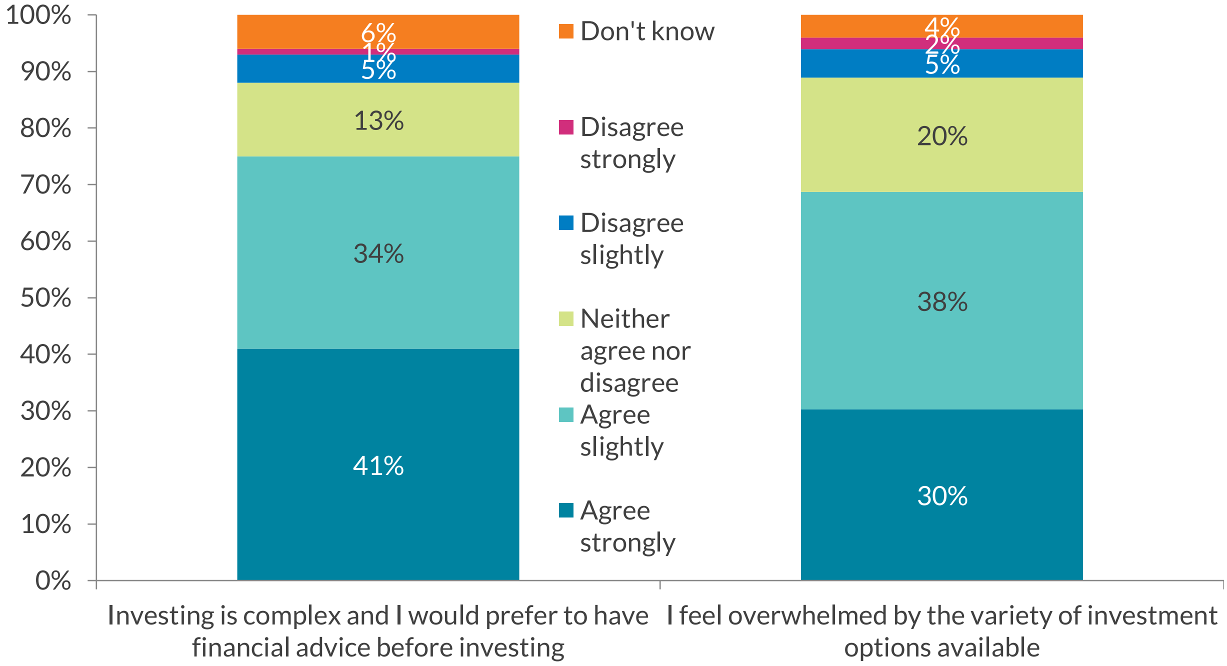
[38] For example, respondents were asked if spreading investments across various assets will reduce risk with 78% of investors answering correctly and 52% of non-investors answering correctly. Respondents were also asked if compounding helps a sum of money grow faster than if just simple interest were calculated on the principal alone with 62% of investors answering correctly while only 29% of non-investors answered correctly.

Figure 20 - Attitudes to investment (among those not currently investing but may consider investing in the future)



Source: Central Bank of Ireland Research: Q. Here are some things people have said about investing. Please indicate your level of agreement for each statement. Base: all who do not currently invest but may consider investing in the future: n =737.

Conclusion

Investment participation is shaped and influenced by a complex interplay of factors and influences. Our research identified key motivations and goals for investment which include increasing savings for retirement and providing for dependents. To further understand what influences the decision to invest, we utilised a data estimation model to explore how demographic factors, attitudes, behavioural traits and financial literacy impact on investment participation.

This analysis identified gender, level of education, attitude to risk, macro-economic factors, shared thoughts and values and third-party influences as important drivers influencing the decision to invest.

Key barriers for those who do not invest were also identified. These include reported lack of financial resources, psychological barriers, including fear and lack of trust, and issues around lack of knowledge and understanding about investment, along with lack of supports and advice.

Facilitating increased retail investor participation requires the necessary drivers to be in place and for identified barriers to be removed. Consumers need to be empowered to distinguish between speculative and unsuitable products and appropriate products that can assist them in meeting their financial goals.

Our findings suggest enabling retail participation requires the building of greater knowledge and understanding of the role investment can play in securing long-term financial wellbeing, through education to uplift financial literacy and by having accessible information, advice and support.

Section 4: Key Factors for Success

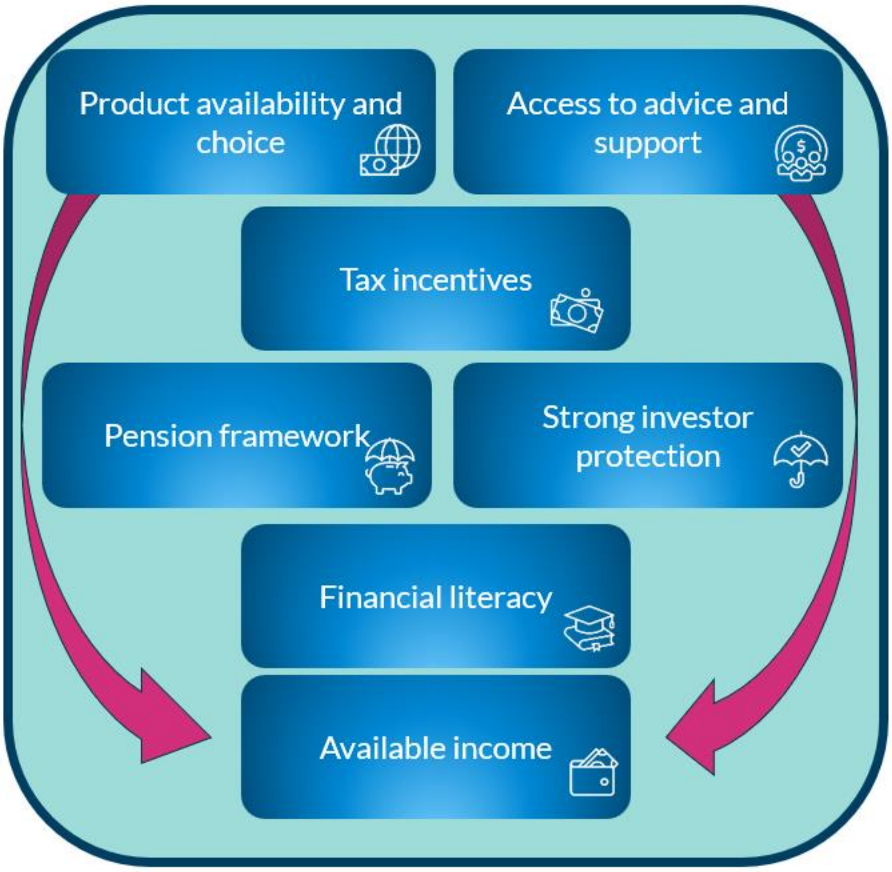
Internationally Australia and Sweden are viewed as examples of jurisdictions with advanced pension frameworks and capital markets which exhibit relatively high levels of retail participation.[39] In this section we examine the conditions which led to this higher level of engagement by consumers in those countries, with the aim of identifying the key 'factors for success', in order to consider the same in an Irish context.

Key Factors for Success

Key factors working in concert can deliver an ecosystem that underpins a strong investment culture, where habits are formed that support retail investor participation:

- **availability and choice** of suitable products, providers and delivery channels;
- access to **advice and support**;
- **robust investor protection regulatory frameworks** that engender trust in capital markets;
- key domestic structural measures concerning **taxation and pensions**; and
- high levels of **income and financial literacy**.

Figure 21 - Key Factors for a successful retail investment ecosystem



[39] OECD (April 2025) *The Swedish Equity Market*, notes that Sweden has one of the largest and most active equity markets in the European Union with high levels of household engagement. Australia has the 55th highest population in the OECD but has the fourth largest pool of pension assets.

Key factors for success in practice

Both Sweden and Australia are recognised for their relatively high levels of retail participation in capital markets.

Sweden has the lowest allocation to cash and deposits in the EU at 13% - well below the average EU and Irish levels of 30% and 38% respectively.[40] Direct participation of Swedish households in listed shares, debt securities and investment funds represents around 19% of overall financial assets; almost five times more than in Ireland.

In Australia, about one-fifth of households' financial assets are held in listed and other equity[41] with the allocation to cash and deposits standing at 22%.[42] A 2023 Australian study found that 51% of Australian adults hold investments other than their primary residence and their superannuation pension.[43]

Both countries historical contexts and levels of wealth may have played a role in these high levels of participation. Sweden experienced a banking crisis in the early 1990s, which prompted the public authorities to take action to restore confidence in the financial system, and to embark on a range of structural reforms and pro-investment policies.[44] This helped Sweden build a successful capital markets ecosystem domestically under a similar EU-based investor protection regulatory framework as Ireland. In Australia, an over reliance on public pension provision prompted a concerted policy response focused on a combination of tax-based incentives and education and awareness initiatives, aimed at increasing the provision of, and participation in, employer and private pensions.

Both Sweden and Australia are included in the high income cluster of countries according to indices developed by the World Bank Group.[45] A recent OECD report on Sweden's equity market, noted that one of the factors driving Swedish household involvement in capital markets is higher income levels.[46] The report notes that as economic output rises, household income tends to increase, enabling households to allocate a smaller portion to essential expenses and direct more of their earnings towards savings, which in turn influences investment in capital markets.

Availability and choice

Analysis of the Australian and Swedish markets suggest that deep and active markets providing access to a broad range of suitable products through multiple delivery channels is a key enabler for retail investment.

Sweden has one of the deepest capital markets in Europe, with more than 500 initial public offerings (IPOs) over the past ten years.[47] This level of domestic activity generates awareness of investment markets and investment opportunities at retail level.

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[40] Eurostat, *Quarterly Financial Accounts, Q2 2025*
[41] Australian Bureau of Statistics. *Australian National Accounts: Finance and Wealth: June 2025.* This data does not give a split between listed and unlisted equity.
[42] Australian Bureau of Statistics*: Australian National Accounts: Finance and Wealth: June 2025.*
[43] ASX, *Australian Investor Study 2023*.
[44] Martin Andersson and Staffan Viotti – Sveriges Riksbank: (January 1999), *Managing and Preventing Financial Crises – Lessons from the Swedish Experience.*
[45] *World Bank: World Development Indicators by income and region.* The World Bank Group classifies economies for analytical purposes into four income groups: low, lower-middle, upper-middle and high income.
[46] OECD(April 2025): The Swedish Equity Market: Institutional Framework and Trends.
[47] Nikou Asgari (April 2024), FT Insights, *How Sweden's stock market became the envy of Europe*.

Large financial groups such as banks, insurance companies, fund managers, as well as digital platforms and smaller scale intermediaries provide access to a diverse spectrum of savings and investment products, providing both domestic and international exposure. Retail investors in Sweden are more likely than most EU comparators to opt for non-traditional products.

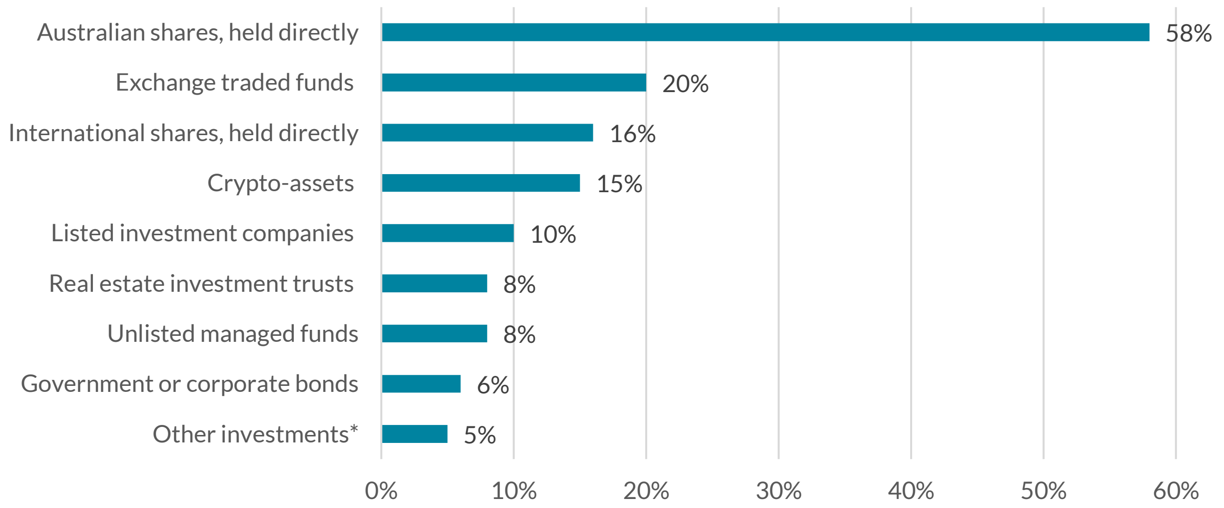
Investment funds are particularly popular in Sweden, where a number of initiatives have been introduced over the years to support investment fund participation including the launch of 'tax-save' funds in the late 1970s, the launch of the "Allemansspar" in 1984 (where funds were positioned as a savings alternative to consumers) and the introduction of the 'premium pension' (allowing investment in funds) as part of the public pension system in 1994.[48]

The Australian market is also characterised by a highly developed and active capital market. As of December 2024, there were around 2,000 companies listed on the Australian Securities Exchange (ASX), with the value of the domestic capital market approaching AUD 3 tn.[49]

Australian investors participate in a broad range of investment products as illustrated by Figure 22, accessing these through multiple channels.[50]

A significant number of new Australian retail investors have entered the market in the last five years, taking advantage of the growing availability of Exchange Traded Funds (ETFs) as a relatively affordable way to start investing.[51] The Stockbrokers and Investment Advisers Association in Australia has noted that its members have observed an increase in the sophistication of investors with larger numbers seeking exposure to a more diversified range of assets classes.[52]

Figure 22 - Overview of investments most widely owned by Australian investors[53]



Notes: (1) **Other investments** (less than or equal to 5%) include infrastructure funds, hybrid securities, exchange-traded options, funds, futures and warrants. The ASX study on which the above chart is based also indicates there are high levels of investment in residential investment property (35%).

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48 OECD (April 2025): *The Swedish Equity Market: Institutional Framework and Trends*.
49 ASIC (February 2025): *Australia's evolving capital markets: A discussion paper on the dynamics between public and private markets*.
50 ASX (June 2023), *Australian Investor Study 2023.*
51 Ibid.
52 Stockbrokers and Investment Advisers Association (April 2025): *Response to the ASIC's DP on Australia's evolving capital markets: A discussion paper on the dynamics between public and private market*.
53 Based on Figure 2 in the ASX Australian Investor Study 2023.

The ASX's 2023 investor study highlights that the majority of Australian investors (70%) use online brokers to place trade orders for shares and listed assets. Other options availed of by investors include through a financial adviser, a full-service broker, robo-advisers and micro-investing apps (an emerging trend that automates investing by placing small, regular or irregular payments into low-cost ETFs or fractional shares).

Access to investment advice and information

Both Swedish and Australian consumers benefit from having access to advice, multiple sources of high-quality information and active investor advocates. This plays an important role in empowering consumers to make the decision to invest.

Swedish consumers can access advice from a range of sources including investment firms and banks, insurance firms and insurance intermediaries.[54] Commission-based advice remains the norm in Sweden while independent advisory services are still limited in availability by comparison.[55]

Interestingly, Swedish investors are more likely to invest without advice than EU peers.[56] A number of factors may be behind this, including Sweden's longer history of retail investment participation and its higher levels of financial literacy. The availability of trustworthy and accessible information may also be a factor given its role as a broader enabler for retail investing.

There are two self-regulatory bodies for brokers and advisors in Sweden, who along with the Swedish Consumers' Banking and Finance Bureau provide impartial information and guidance to retail investors, free of charge.[57][58] The Swedish Investment Fund Association provides simple information about funds to the public via a website and app with 'smart' tools.[59] Additionally, the Swedish Shareholders' Association, founded in 1966, promotes private investments in shares and related products through local clubs and engagement with school students via its affiliated youth organisation "Young Shareholders."[60]

Australian retail investors can access advice from a broad range of providers: commission-based advice is not permitted in relation to pensions and investments, as a result of a ban introduced in July 2012.[61]

The 2023 ASX investor study provides detailed insights into where Australians access advice from and noted that **48% of investors had received some professional advice and sought this from a number of sources.**[62] 26% of investors received investment advice from a professional financial planner or adviser. c.18% sought this from their accountant, and 7% used a full-service stockbroker as a source of advice. A small percentage (4%) received advice from a lawyer, while 3% used a robo-advice tool.

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[54] Finansinspektionen, (February 2020) *Consumer Protection Report*.
[55] Finansinspektionen (May 2024), *Consumer Protection Report.*
[56] European Commission (May 2022): *Final report: Disclosure, inducements, and suitability rules for retail investors study.*
[57] *Swedsec* and *Insuresec*.
[58] *Swedish Consumers Banking and Finance Bureau*.
[59] Fondbolagens forening, Swedish Investment Fund Association: *Education means stronger savers.*
[60] Better Finance (Consumer Association) - information page on Aktiespararna - Swedish Shareholders Association, *Better Finance website: Aktiespararna*.
[61] ASIC, Australian Securities and Investment Commission (November 2024): Regulatory Guide 246 - *Conflicted and other banned remuneration.*
[62] ASX (June 2023), *Australian Investor Study 2023*. This question asked about whether advice was received over the 12 months preceding the study.

Legislative reforms to strengthen transparency and streamline fee documentation (informed by the 2022 Quality of Advice Review) were enacted in July 2024.[63] Consultation on additional reforms focused on cutting red tape and expanding access to financial advice for all Australians closed in May 2025.[64] One of the proposed reforms under the expanded advice model is a new class of financial advisers who will fill the advice gap (currently filled by 'finfluencers' on social media platforms). The new class of financial adviser will be required to meet education standards, be focused on providing advice on simple matters, and be prevented from charging a fee or commission.[65] The implementation of these reforms are expected to improve the quality and availability of financial advice, particularly in the pension's context.

Australian investors can access information and guidance from multiple sources, including the Government-backed 'Moneysmart' website which seeks to support consumers in making financial decisions with information, free tools and calculators.[66] Information is also provided through public information campaigns such as the campaign that accompanied the introduction of the premium pension in Australia. The Australian's Shareholder Association also provides education programmes alongside their advocacy for investors. They engage through local meetings across Australia, via newsletters and podcasts, and by providing online courses and resources to support retail investors. The ASX website also provides a range of resources specifically designed for retail investors, including information on how to find a broker or a financial adviser.[67]

Looking at the international experience, consumers in jurisdictions with high levels of retail investment participation have access to a range of advice. This can meet the needs of a broad range of retail investors with different levels of experience, objectives and resources. This range of advice includes the following key offerings:

Integrated 'advice' – this is not personalised advice; it involves products designed to meet the needs of specific cohorts of retail investors, i.e. products which align with specific risk appetites or growth objectives on a cohort basis. These can be accessed through in-person or digital channels.

Robo advice – digital or robo advice allows retail investors to access automated advice through digital channels or platforms. These can gather information about the retail investors and use this to recommend investment products that align with their investment needs and objectives. While robo advice reflects a degree of personalisation, by its nature it cannot provide the same level of personalisation associated with in-person advice.

Investment advice – investment advice involves the provision of personal recommendations to a retail client. It is often done on a product-by-product basis, and the client makes the final decision on whether to proceed with a transaction on the basis of the investment advice received.

Portfolio management – portfolio management involves discretionary management of investments for retail investors, including the selection of an appropriate mix of assets that can optimise returns taking account of an individual's risk appetite and short- and long-term financial goals. As with investment advice, this service is specifically tailored and personalised to an individual's circumstances and investment needs.

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[63] Australian Ministers Treasury portfolio, *Media releases*, and Australian Government (December 2024); *Ensuring access to quality and affordable financial advice*
[64] Australian Government (May 2025); *Improving access to affordable and quality financial advice*
[65] Australian Government (December 2023): Media Release-*Government unveils comprehensive financial advice*.
[66] *Moneysmart*, by the Australian Government.
[67] ASX: *Find a broker or adviser*.

Full spectrum wealth management – this type of advice goes beyond portfolio management and reflects comprehensive financial advice across a full range of assets, including capital market investments and other investment products or opportunities, and encompasses broader financial planning including taxation and estate planning.

Interestingly, as retail investment markets and investors mature, the need for advice may fall away for some, as their knowledge and confidence to engage directly with capital markets grows. As noted above, there is some evidence of this in Sweden where investors are more likely to invest without advice than their EU peers.

Robust investor protection

Both Sweden and Australia have robust investor protection frameworks focused on the resilience and stability of the financial system and protection of consumers. This is critical to underpinning trust and confidence in financial services providers, products and markets.

Sweden has a single financial supervisory authority, Finansinspektionen (the Swedish Financial Supervisory Authority). **Its role is to promote stability and efficiency in the financial system as well as to ensure sustainability and effective consumer protection.**[68] As an EU Member State, the regulatory framework in Sweden is largely similar to Ireland.[69] Both benefit from a comprehensive regulatory framework based on laws decided at EU level or nationally, supported by robust national risk-based supervision.

In Australia, the Australian Prudential Regulation Authority (APRA) and the Australian Securities and Investments Commission (ASIC), are responsible for financial regulation.[70] APRA is the financial safety regulator, with a focus on the financial soundness and stability of authorised deposit-taking institutions. As the conduct regulator, ASIC focuses on preserving market integrity, conduct and investor protection.

Taxation

Both Australia and Sweden have applied taxation-based incentive measures aimed at encouraging retail investment and simplifying the administrative burden associated with taxation of investments.

Sweden has introduced many initiatives to incentivise retail investment participation over the years. The first tax incentives for retail investors 'aktiesparfonder' were introduced in 1978, with the aim of broadening share ownership in Sweden by allowing for deductions against personal income tax for a proportion of amounts invested and tax free returns for up to five years.[71] [72] In the mid-1980s, this was replaced by 'allemansfonder', another tax-incentivised form of savings which could be used for participation in investment funds (UCITS became available in Sweden in 1991). This enabled monthly savings to be invested in capital markets-based products which has become commonplace.[73] By 1990, there were 1.7 million 'allemansfonder' accounts in Sweden.[74]

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[68] The Swedish Riksbank oversees the central participants in the financial infrastructure in Sweden (as well as companies that are closely linked to the financial infrastructure) and cooperates with Finansinspektionen where their roles overlap. See *Oversight of the financial infrastructure*.
[69] Riksbank (September 2024), *The Swedish Financial Market*.
[70] APRA (February 2020): *APRA and ASIC: a new era in cooperation*.
[71] Government Offices of Sweden (April 2025): *Sweden's capital markets journey*.
[72] The Swedish Investment Fund Association (May 2009): *30 Years of Investment Funds* .
[73] Government Offices of Sweden (April 2025):, *Sweden's capital markets journey*.
[74] Swedish Investment Fund Association: *How Sweden became a world leader in fund saving*.

The investeringssparkonto ("ISK") retail product was introduced in 2012.[75] This is an investment account which gives access to listed equity and investment funds, has no lock-in periods and is subject to flat-rate annual tax.[76] The administrative burden of the ISK is low, with a simple form of taxation automatically reported to the Swedish tax authorities. The ISK has proven to be very successful, with more than one third of the population currently participating in it.

In Australia is there is a Capital Gains Tax (CGT) reduction of 50% for gains on assets held for more than 12 months.[77] Capital losses also can be offset against capital gains made in the year the loss occurs or carried forward to offset future gains.[78] Tax paid on profits from disposing of assets such as property, shares, ETFs and crypto assets is normally at the same rate as the individual income tax rate.[79] Concessionary tax rates apply for contributions to pensions. A maximum tax rate of 15% applies for investment earnings in one's pension and a 10% rate for capital gains while there is no tax on withdrawals from one's pension for the majority of Australians over the age of 60.

Pensions

Both Sweden and Australia have well-developed pension frameworks that encompass mandatory and voluntary elements and provide opportunities for pension holders to participate in investment decisions concerning their own pension funds.

In common with pension structures internationally, the Swedish pension system consists of three pillars: a national public pension from the state, an occupational pension through an employer and personal savings or assets.[80] The public pension comprises an income pension system, a pension premium and a non-earnings related guarantee pension financed by general tax revenues.[81] [82] The 'pension premium' is mandatory and employees contribute 2.5% of their income to this defined contribution pension scheme. **Employees have the choice to invest their contribution in a variety of pension funds, with a default option also available.**[83] This gives citizens the opportunity to engage with, and make decisions on, the investments made in the pension premium.

In Sweden, most employees in the public and the private sector are also covered by semi-mandatory occupational pension schemes based on collective agreements between the unions and the employers' confederations. Similar to the public premium pension fund, while there is a default fund choice, it is also **possible for individuals to choose among a number of funds and investment**

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[75] Government Offices of Sweden (April 2025): *Sweden's capital markets journey*.
[76] This rate changes but is based on government borrowing costs, plus a percentage.
[77] Australian Taxation Office (updated January 2025): *CGT discount*
[78] Australian Taxation Office (updated June 2025): *When you can claim losses on shares and units*.
[79] Australian Taxation Office (updated June 2025): *List of CGT assets and exemptions* and *Share investing versus share trading*, *interest, dividend and other investment income deductions* and *Capital gains tax-what is capital gains tax*.
[80] Pensions Myndigheten (October 2025): *The Swedish pension system*.
[81] The largest component is the income pension system. Each year, 18.5% of working individuals' pensionable income, up to a maximum of 7.5 income base amounts (IBA) is withheld. See OECD (April 2025): *The Swedish Equity Market: Institutional Framework and Trends*.
[82] The guaranteed pension either tops up a low basic pension or is offered on a stand-alone basis to people without acquired pension capital. See European Commission (July 2019), Hanna Aspegren, Jorge Durán and Maarten Masselink: *Pension reform in Sweden: Sustainability and Adequacy of Public Pensions*.
[83] European Commission (July 2019): Hanna Aspergren, Jorge Durán and Maarten Masselink, *Pension Reform in Sweden: Sustainability & Adequacy of Public Pensions*.

strategies.[84] These occupational pension schemes, financed through employers' contributions, provide a supplement to the public system.[85]

The high levels of active participation in pensions in Sweden, through the three pillars of the system, promotes indirect and direct participation in capital markets and contributes to awareness and understanding of investments, particularly investment funds.

Australia's retirement income system is also based on three pillars. It comprises a means-tested state provided pension, compulsory employee pensions (referred to as superannuation) and voluntary savings and investments.

In the 1980s, pension provision was not widespread in Australia. However, since the introduction of pension reforms in 1992, which made employee pensions compulsory, the pension sector has expanded considerably. [86] Employers must pay pension contributions equivalent to a percentage of an eligible employee's earnings.[87] The employer contribution has increased over the years from 3% to 12% on 1 July 2025.[88] Employees can also make contributions through salary deductions.

The occupational pension system in Australia provides for choice and some decision-making on the part of the member. Most occupational pension funds let members choose from a range of investment options. If an employee does not make a choice, they are defaulted into a 'MySuper' product which allocates funds to simple, low-cost products - either a single diversified investment option or a lifecycle option - depending on the fund - which usually have a balanced or growth approach. [89]

Financial literacy

Both Sweden and Australia also have relatively high levels of financial literacy supported by a sustained focus over many years from government, regulators and the financial services industry.

27% of Swedes have a high level of financial literacy compared to the EU average of 18%. The Finansinspektionen seeks to improve consumers' understanding of their personal finances through educational initiatives.[90] In 2021, a national initiative 'Like Your Finances' evolved into the Swedish National Network on Financial Education. This network, co-ordinated by Finansinspektionen, facilitates collaborative work between public, private and the non-profit sector and allows for a broader, more effective reach across the entire country.[91] Stakeholders in the financial system, such as the Swedish Shareholders' Association, play an active role in financial education. Swedish trade unions also seek to educate their members on financial literacy issues (particularly pension savings).[92]

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[84] OECD (April 2025): *The Swedish Equity Market: Institutional Framework and Trends*.
[85] Regeringskansliet (December 2020): *The Swedish pension system and pension projections until 2070*. European Commission (July 2019); Hanna Aspegren Jorge Durán and Maarten Masselink, *Pension Reform in Sweden: Sustainability & Adequacy of Public Pensions*.
[86] The Superannuation Guarantee is the mandatory savings system for workplace pensions in Australia, equivalent to the 2nd pillar of occupational pensions in Europe or the 401(k) plan in the US.
[87] The Australian Prudential Regulation Authority (APRA): *Superannuation in Australia: a timeline*.
[88] Australian Government: Australian Taxation Office: (updated October 2025): *How much super to pay*.
[89] AFSA (July 2025): *Superannuation Statistics.*
[90] Finansinspektionen: *Consumer Protection: Education*.
[91] Finansinspektionen Report (September 2024): *FI's Work with Financial Literacy*.
[92] Government Offices of Sweden (April 2025): *Sweden's capital markets journey.*

Australia also has relatively high levels of financial literacy, with adults who are financially literate standing at close to 65% - it is also high in global rankings.[93] Financial literacy has been supported by a number of measures and initiatives introduced by government, regulators and the financial services industry. ASIC has provided consumer education to Australians since the late 1990s. In 2011, ASIC published the first National Financial Literacy Strategy.[94] This coincided with the launch of the 'Moneysmart', online resource. ASIC has continued to evolve the strategy including the introduction of a practical framework for action in 2014.[95] In 2022, the Australian Treasury took over responsibility for the National Financial Capability Strategy from ASIC and released an updated National Financial Capability Strategy reflecting a commitment to build the financial capability of Australians.[96]

Other stakeholders in the Australian financial system also provide financial education, including the ASX Investor Education Hub, which provides courses, podcasts, games and brochures with a financial education focus. Australia's large scale superannuation funds also provide financial education supports to citizens through podcasts, videos and seminars.

Conclusion

A combination of the key 'factors for success' have helped to build a strong investment and retirement savings culture in Sweden and Australia. Around 87% of Swedish and 78% of Australian households' financial assets are exposed to capital markets, through direct and indirect exposure to financial instruments and products, such as funds, securities, pensions and insurance. For Ireland, this figure is c.62%.

Consumers in both countries have been encouraged over the years to invest rather than holding their savings in bank deposits through various public and private sector initiatives. Government initiatives, including mandatory pension schemes, which include an element of investment choice and decision making on the part of consumers, have increased retail level participation and contributed to broader awareness and understanding of investment products.

Tax incentivised savings schemes such as the ISK in Sweden have helped to embed widespread awareness of investing as a means of achieving financial goals and ensuring long-term financial wellbeing. These initiatives have helped to foster a strong investment culture which is also underpinned by high levels of income and financial literacy and access to a range of products, providers and delivery channels, along with access to a range of advice options supported by high quality information.

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[93] Insights from the Standards and Poor's ratings services global financial literacy survey (2014) and Insights from HILDA Data, Professor Alison Preston, UWA Business School (March 2020), *Financial Literacy in Australia*.
[94] ASIC (March 2011): *National financial literacy strategy*.
[95] ASIC (August 2014): *ASIC launches National Financial Literacy Strategy*.
[96] Australian Government (February 2022): *Australian National Financial Capability Strategy*.

Section 5: Irish Retail Investment Ecosystem

We have outlined the key 'factors for success' that can deliver an ecosystem that supports high levels of retail participation in capital markets. In this section we examine the Irish retail investment ecosystem, consider if these key factors for success are evident and whether there are gaps in an Irish context.

Access to investment products and services for Irish consumers is driven by existing retail investment market structures, including the range of products and services available, the firms providing, manufacturing and distributing products and services and the delivery channels being utilised.

While there is a relatively broad range of products available in the Irish retail investment market, significant asset types, including investment funds, are not widely held by Irish retail investors.

Direct and indirect participation in capital markets is concentrated in wealthier households. The combination of perceptions of exclusivity and lack of access for potential investors to suitable products and independent advice and supports may be impacting on overall levels of retail participation.

In Ireland there is currently no tax incentivised investment savings account available to investors to help bridge the gap between savings and investment. The recently published EU blueprint for Savings and Investment Accounts (SIAs), includes a recommendation for Member States to apply simplified and advantageous tax treatments to SIAs. The Government has committed to consider these recommendations as it develops its approach to encouraging retail investment.

Availability and Choice - Firms providing investment services in Ireland

The main providers of retail investment in Ireland are investment firms, retail intermediaries, insurance undertakings, credit institutions and fund managers.[97]

Investment firms

The investment firms sector encompasses a diverse range of businesses of varying sizes, providing investment services to retail and institutional clients. These include traditional stockbrokers, wealth and portfolio managers, online platforms, and firms offering pension-related services.

Investment firms can act as both manufacturers and distributors of investment products. There are currently 31 investment firms authorised by the Central Bank providing investment services to retail clients in Ireland. Activity at retail level is concentrated in a small number of larger firms who specialise in wealth management type services including personalised portfolio management. Such services are generally only available to clients above minimum capital value thresholds.

In addition to firms based in Ireland, investment firms authorised in the EU can also provide services to Irish retail clients on a cross-border basis using their Home State authorisation - such providers are becoming increasingly significant in the Irish market.[98]

[97] Firms authorised in other EU Member States may also provide services into Ireland under EU frameworks such as MiFID, the IDD and EU funds legislation.
[98] ESMA (July 2024): *Report on the 2023 Cross-border Provision of Investment Services to Retail Clients in the EU and EEA.*

Retail Intermediaries

The retail intermediary sector is a key distribution channel for insurance, pensions and investments, and mortgage products to consumers in Ireland. They act as distribution channels for investment products manufactured by insurance undertakings, credit institutions and investment firms.

A notable feature of the Irish market is the role retail intermediaries play in the distribution of insurance-based investment products (IBIPs). While banks are the predominant distributors of IBIPs across many EU Member States including larger markets such as France, Germany and Belgium, in Ireland, retail intermediaries are the main distributor of IBIPs.[99] Household data (see Figure 2, Section 1) shows that insurance-based products and pensions are a more popular investment product than investment funds, shares and debt securities. Their availability via retail intermediaries as well as pension schemes may play a role in this feature of the domestic market.[100]

There are currently c.2,500 authorised intermediaries. These are primarily small- and medium-size insurance intermediaries, investment intermediaries and mortgage intermediaries. The majority are smaller firms servicing a relatively small number of customers (almost 90% have less than 5,000 clients), through traditional delivery channels (face-to-face, telephone etc.). There are a small number of larger firms with hundreds of thousands of clients.

Insurance undertakings

Insurance undertakings are manufacturers and distributers of IBIPs. As noted above, most IBIPs are sold by retail intermediaries, with a proportion sold directly by insurers.

Credit Institutions

Credit institutions can sell investment products directly to consumers. They also act in an intermediary role and sell products on behalf of other investment product manufacturers.

Fund Managers

Fund management companies can sell investment fund units directly to retail investors, however, for the most part in Ireland fund managers manufacture fund units for distribution by others, in Ireland and abroad.

Digital products and delivery channels

Digitalisation is transforming investment products and how they are delivered. Traditionally, investment services have been delivered on a face-to-face basis or over the telephone in Ireland. However, more recently investment services have been characterised by the emergence of new products (notably crypto-based products), tokenisation of digital assets, digital distribution channels and the availability of robo-advice.

This can bring benefits for consumers by enhancing availability and choice and enhancing the customer experience, with improved ease and speed of access. This has the potential to open up investment opportunities to a broader range of consumers. For example, tokenisation has the potential to allow small investors to participate in markets previously dominated by large institutional and high-net-worth individual investors.

This rapid transformation raises some investor protection concerns including the impact that "gamification" and the speed and ease of on-line processes can have on consumer decision making. This combined with the potential for consumers to be directed to inappropriate investments via

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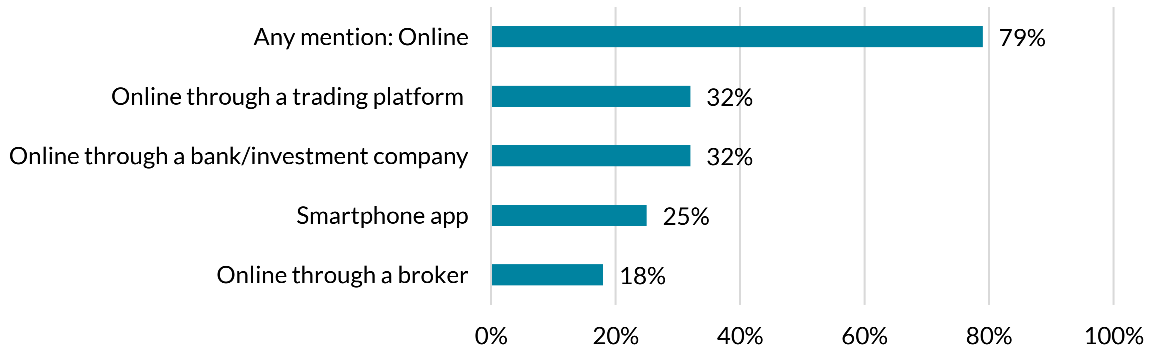
[99] EIOPA (April 2025): *Costs and Past Performance Report*.
[100] Central Bank of Ireland (September 2025): *Pension Fund Statistics*.

social media and influencers, may result in retail investors making poor decisions to invest in complex or risky products, without appropriate advice, which may not align with their current financial position or their long-term financial goals.

Figure 23 - Distribution channels – methods used to make an investment



Source: Central Bank of Ireland Research: Question: What methods do you usually use to make an investment? Base: All investors n=1033.

Our retail participation research shows that 79% of Irish investors report using online methods to invest (including use of mobile applications). Analysis of investment methods for specific products shows that 92% of investment in crypto-assets is undertaken online while online investment in equity is also commonplace, with 65% of direct equity investment made using online methods.

Access to advice, information and support

Role of advice

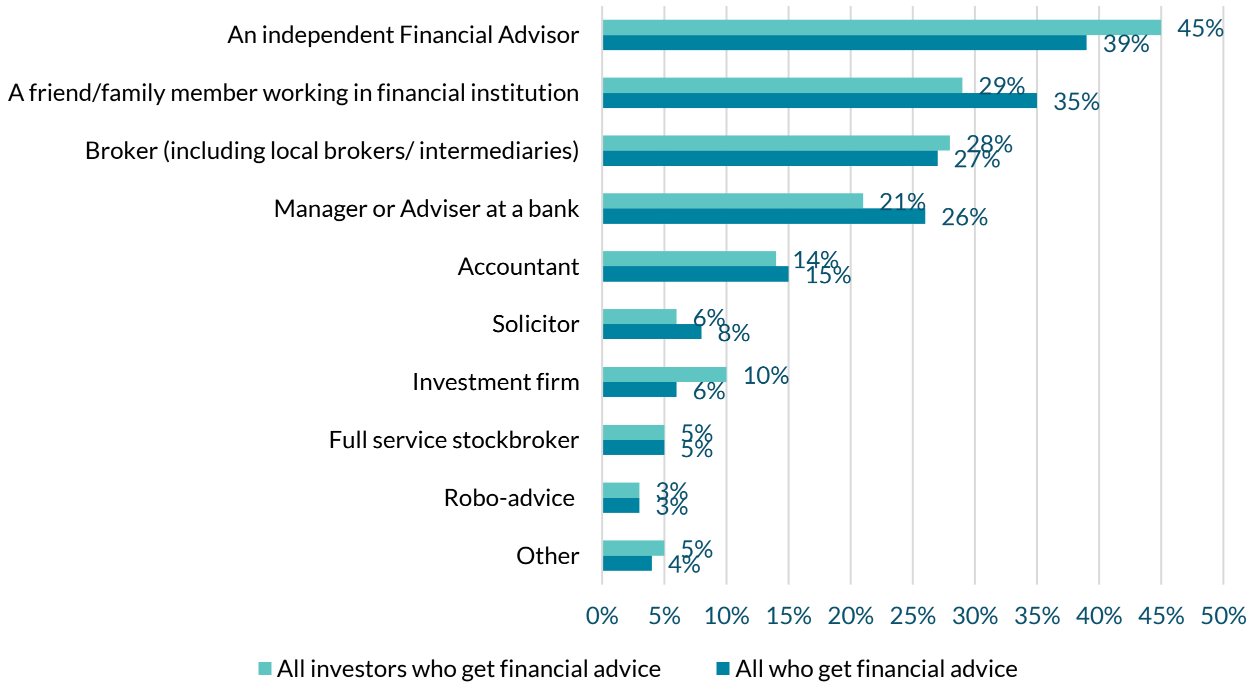
Access to an appropriate range of supports and advice is a key factor for success in advancing retail participation in capital markets. Such support and advice help consumers to initially bridge the gap from savings to investment and ultimately to diversify their funds across the full range of capital markets products including through personalised portfolio management.

Our consumer research highlights the role assistance and advice can play as an enabler for retail investor participation. A significant proportion of those not currently investing identify: '*Clear guidance on how to start investing*', '*Better understanding of investment options*' and '*Assurance of professional assistance or advice*', as factors that would encourage them to start investing. Our research also highlights issues for consumers around lack of knowledge, lack of understanding along with challenges in accessing support and advice and a perception that investment is complex.

Types of advice

Our consumer research shows that investors access advice through multiple channels including, independent financial advisors (39%), friends/family working in the financial services sector (35%), brokers (27%) and bank managers/advisers (26%).

Figure 24 - Sources of advice for those who get advice (some respondent's selected more than one response)



Source: Central Bank of Ireland Research. Question: From which of the following sources does the advice come from? Base); All respondents getting financial advice (n=777) All investors getting financial advice (n=339)

Advice Gap

The findings from our analysis of data on household wealth and outputs from our consumer research raises the question of whether there is a gap in readily available independent advice in Ireland, particularly for less wealthy consumers with smaller amounts to invest.

The intermediation and distribution model in Ireland limits access for smaller investors to fully independent advice with retail intermediaries incentivised to direct consumers to certain products. These intermediaries are typically limited to providing products from one or more product producer who remunerates the intermediary through inducements, when they sell a producer's product. This seems to have resulted in a skew in the Irish market towards IBIPs produced by life assurance companies and distributed by retail intermediaries. Additionally, as noted in our 2025 Regulatory and Supervisory Outlook, the incentivised remuneration model in the retail intermediary sector presents an inherent conflict of interests that needs to be carefully managed.[101]

While some digital investment services are emerging, these do not provide access to personalised independent advice and to date take up has been relatively low in Ireland.

Additionally, many investment firms have minimum capital value thresholds for access to their wealth management or portfolio management services, excluding many potential retail investors from these services.

It is important that the market serves the full spectrum of potential retail investors by providing access to appropriate products, independent advice and information and support that meet their needs and aligns with their knowledge and objectives. Irish consumers do not currently have full access to the full range of advice identified in section 4. There is access to products with integrated

[101] Central Bank of Ireland (February 2025): *Regulatory and Supervisory Outlook Report*.

advice, but the distribution model and tax framework creates a skew towards certain products. While some digital services are emerging, access to portfolio and wealth management services remains limited to wealthier cohorts in society.

Quality of information

Non-advised investing places a higher emphasis on the quality of the information disclosed to investors. Product information, and the ability to make comparisons between investment products, is an important component of the investor journey.

However, significant differences have been observed in firms' disclosure of key information. This includes examples of poor risk warnings, particularly for complex products, and examples of disclosure of information that does not align with the principle of being fair, clear and not misleading.[102] **Poor information presentation can distort consumers' ability to assess the benefits and risks of financial products and can undermine trust and confidence in capital markets.**

Regulatory framework

Trust in the providers of investment products and services plays an important role in the decision to invest and can influence an individual's willingness to engage in risk-taking activities, including investing in capital markets. High-quality regulation is critical to underpinning the trust and confidence of consumers.

The Irish consumer protection framework comprises a range of EU and domestic legislation. Consumers are protected through macro-prudential requirements, designed to ensure the financial system is stable, and micro-prudential requirements, designed to ensure individual firms are stable and resilient to shocks. Additionally, consumers and retail investors are afforded specific protections under EU and domestic retail conduct frameworks. These provide consumer and investor protections including requirements around clear and honest communication, assessments to ensure products are suitable and meet the needs of the consumer, and appropriate levels of product oversight and governance.

Regulatory frameworks continue to evolve both domestically and at an EU level. Domestically, the Central Bank has recently published an updated and modernised Consumer Protection Code[103] that reflects the services and delivery channels that consumers are accessing today.

As noted above, EU policy makers are seeking to address key barriers to the development of capital markets in the EU through the SIU. This is a key priority at EU level to leverage private savings with a focus on supporting people to save and invest for their future, while fostering capital for innovation, unlocking digital finance, ensuring the competitiveness of the financial sector and harnessing sustainable finance. The EU's Retail Investment Strategy[104] will bring forward proposals to enhance and modernise investor protections, including a focus on value for money for investors.

Taxation

Taxation can impact various aspects of investing including the cost of transactions and the income and capital gains received by retail investors. The table below sets out taxes currently applicable to some retail investment classes in Ireland.

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[102] Central Bank of Ireland (February 2024): *Regulatory and Supervisory Report*.
[103] Central Bank of Ireland (March 2024): *Consumer Protection Code 2025*.
[104] Council of the European Union (updated March 2025): *Retail investment strategy*.

Figure 25 - Taxation of common investment products in Ireland[105]

	Direct Irish Equity / bonds	Irish domiciled funds*	Irish domiciled IBIPs*
Tax on gains	33% CGT	41% exit tax	41% exit tax
Ability to offset losses against gains	Yes	No	No
Deemed disposal after 8 years	No	Yes	Yes

*Note that offshore funds/ IBIPs are subject to a different basis of taxation

As noted in our response to the Funds Sector 2030 Review, a key consideration for retail investors is whether financial products deliver value which is primarily related to the cost of investing in terms of fees and taxation, both of which can impact significantly on the return investors receive.[106] In our research, **35% of investors report tax as a factor when considering an investment product**. It is notable that the approach to taxation in jurisdictions with high levels of retail participation in funds, including Sweden and Belgium, seems to play a significant role in encouraging this participation.

The Funds Sector 2030 report, published in October 2024, notes that the taxation of investment funds and life assurance policies was identified as the most significant barrier to investment in funds, in the majority of responses to the consultation undertaken for the review, and highlights issues around the complexity of the taxation regime for investment products and the disparity of treatment between funds and other savings and investment products which distorts decision-making for investors.[107]

The report includes a number of recommendations for reforms to the taxation of Irish-domiciled funds. These include the proposed removal of the eight-year deemed disposal requirement, which taxes unrealised gains made on ETFs and other investment funds in Ireland if the investment has been held for 8 years without any disposals of the investment. The report also recommends alignment of the Investment Undertaking Tax (IUT) the Life Assurance Exit Tax (LAET) (both at 41%) with the CGT rate (currently at 33%) and the removal of the 1% Life Assurance Levy currently in place for Irish domiciled life products. The Government has committed to publishing a roadmap in 2026 setting out the approach to simplify and adapt the tax framework to encourage retail investment.

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[105] This Figure is compiled based on information from Revenue, Irish Tax and Customs, see *Capital Gains Tax (CGT) on the sale, gift or exchange of an asset*. It should also be noted that the exit tax for domestic life assurance policies and certain investment funds will reduce from 41% to 38% from 1 January 2026 in accordance with changes made within Budget 2026, see Revenue press office – budget 2026 information summary.
[106] Central Bank of Ireland (October 2023): Perspectives on the Evolution of the Investment Funds Sector in Ireland, *The Central Bank of Ireland's response to the Department of Finance Funds Sector 2030 Review*.
[107] Department of Finance (October 2024): *Funds Sector 2030 A Framework for Open, Resilient and Developing Markets -Final Report*.

Taxation and EU competitiveness

When examining the root causes of low investment financing in Europe, the Draghi report states that one of the three main fault lines to building a Capital Markets Union is related to taxation noting that "*to unlock private capital […] the EU should continue to eliminate taxation obstacles to cross-border investing.*" [108] Similarly, the Letta Report stresses that "*tax barriers in cross-borders investments must be lifted, concerning withholding taxes on dividends on holdings of equities and on the interest on holdings of bonds paid to investors who live abroad. This will ensure a more uniform tax environment, simplifying the current complexities and reducing internal fiscal competition within the EU.*" [109]

The potential role for taxation has also been noted by European Securities and Markets Authority (ESMA);[110] the Eurogroup's Statement on the Future of Capital Markets Union; and the EU Commission's Strategy for the SIU – including endorsement of preferential tax rates for retail investment products and other measures to help simplify tax processes. The EU Commission has recently published a blueprint for Savings and Investment Accounts (SIAs) for small investors, which includes a recommendation for Member States to apply simplified and advantageous tax treatments to these accounts.[111]

Overall, the tax treatment of investments can influence consumers' appetite to invest, what assets they invest in, and their investment horizon. Taxation measures, focused on incentivising investment and making taxation of investment simpler and more consistent, have a potential role in driving retail investor participation. The success of the ISK in Sweden demonstrates how both simplification of taxation (reducing the administrative burden for investors) and tax incentives, can encourage retail investors to invest in investment products for the long term.[112]

Pensions

While holdings of pension assets among Irish households is relatively high, this is concentrated in wealthier householders and many consumers still do not have access to, or have not made adequate provision for, a private or occupational pension. The Irish pension framework consists of 3 pillars, a state pension, occupational pensions and personal pension savings. Irish consumers have access to a range of pension products with associated tax incentives, including PRSAs, which represent a tax-efficient product, approved by the Pensions Authority, for those who do not have access to an occupational scheme.

Auto-enrolment – My Future Fund

'Auto-enrolment' in a pension is due to be introduced in Ireland in 2026 so that individuals who do not have an occupational or private pension will no longer have to rely solely on the State pension when they retire.[113] This is a Government-backed retirement savings scheme, which people will automatically be enrolled in once they meet certain criteria. This will complement existing pension products, adding to choice and accessibility of pensions.

Individuals who do not have a pension scheme, earn more than €20,000 per year and are aged between 23 and 60 will be automatically enrolled into the scheme – My Future Fund. Employees will

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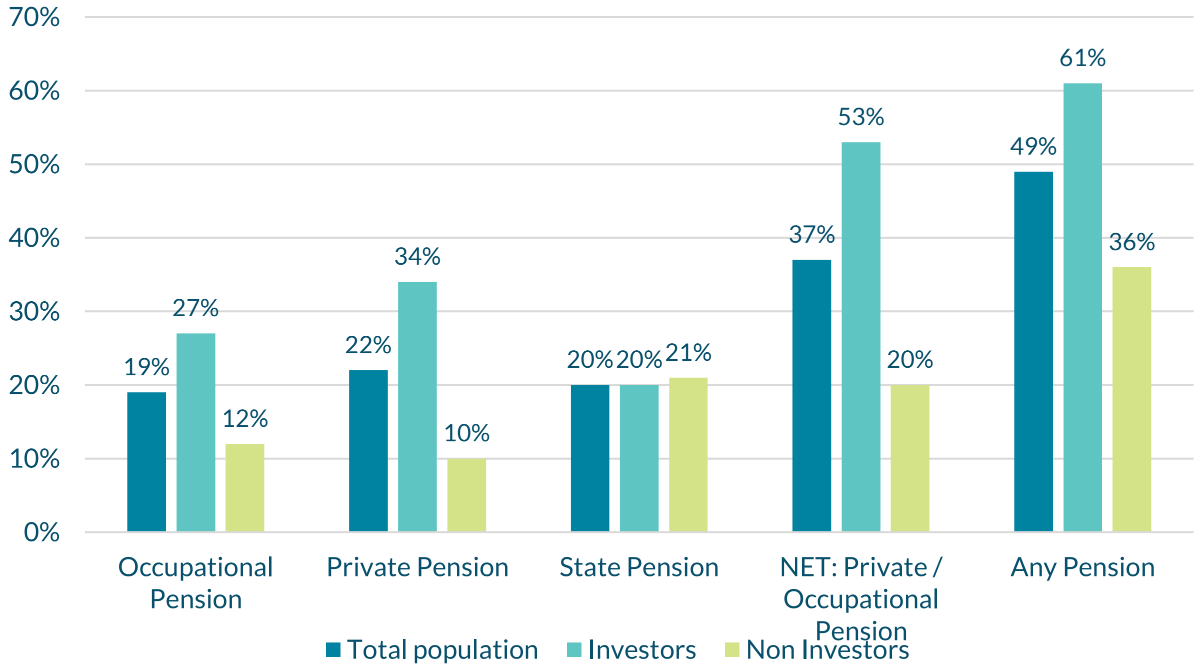
[108] Mario Draghi (September 2024): *The future of European competitiveness*.
[109] Enrico Letta (April 2024), *Much more than a market*.
[110] ESMA, Position Paper (2024), *Building more effective and attractive capital markets in the EU*.
[111] European Commission (September 2025): *Recommendation on Increasing the Availability of Savings and Investment Accounts with Simplified and Advantageous Tax Treatment*.
[112] European Stability Mechanism (May 2025): *Capital markets union redux: towards a deeper and more accessible savings and investments union.*
[113] Press release, Department of Social Protection (10 October 2024): *Minister Humphreys signs commencement order for launch of Auto Enrolment Retirement Savings System on 30th September 2025*.

initially be required to contribute 1.5% of their annual salary to the scheme (increasing to 6% over a 10-year period). Employers will be required to match employees'/members' contributions up to an eventual maximum of 6%, subject to an earnings threshold of €80,000.[114] The State will also contribute by way of a top-up payment equal to one-third of the employee contribution equivalent to 25% tax relief.[115] The scheme will operate a default investment strategy, which will be operated on a 'lifecycle' basis.

Figure 26 - Pension types held



Source: Central Bank of Ireland Research. Question: Which, if any, of the following products do you currently have, either in your own name or jointly with someone else? Base: All respondents: n=3020.

Tax aspects of pensions

Pensions are a tax-efficient way to invest in Ireland. When paying into a Revenue-approved pension arrangement, contributions are exempt from income tax up to certain limits. Individuals can also receive tax free lump sums from their pensions on retirement with cumulative pension lump sums received since 1 January 2011 tax free up to €200,000. Amounts between €200,000 and €500,000 are taxed at 20% and the balance at the marginal rate of income tax.

However, since December 2005, there has been a limit on the cumulative value of retirement benefits people can take from Revenue-approved pension schemes, known as the standard fund threshold (SFT). If a pension fund at retirement exceeds the SFT (currently €2m), the excess will be liable to a chargeable excess tax of 40%.[116] The Minister for Finance published the de Butléir report in September 2024 and announced that phased increases in the SFT of €200,000 per year will begin in 2026 and run till 2029 after which the level of SFT will converge with the applicable level of wage growth.[117]

[114] Department of Social Protection (August 2024): *Auto-enrolment retirement savings system for employers*.
[115] Citizens Information, Ireland: *Auto-enrolment pension*.
[116] Revenue, Irish Tax and Customs: *Taxation of Pensions*.
[117] Department of Finance (September 2024), *Minister Chambers announces changes to Standard Fund Threshold*.

EU approach to pensions

As highlighted in the Draghi report, pension savings in the EU are comparatively low compared to the US and the UK[118]. In 2022, the level of pension assets in the EU was 32% of GDP compared to 142% of GDP in the US and 100% of GDP in the UK.[119] Private pension assets in the EU are concentrated in a few Member States (the Netherlands, Sweden and Denmark) while most other European households continue to rely primarily on public pay-as-you-go social security systems. Household data (see Figure 2, Section 1) shows that Irish households held around 27% of their financial assets in pensions.

There remains large potential for growth of pension savings in the EU and Ireland. Growth can be enabled through structural pension reform and by incentivising EU consumers to contribute to their overall financial well-being by increasing their pension contributions.

The Draghi report highlights the role for pensions in channelling household savings to productive investments. It is noted that the EU should encourage retail investor participation through the offer of second pillar pension schemes, replicating the successful examples of some EU Member States [120] and provision of tax exemptions for a fixed share of pension contributions.

Draghi also recommends the use of transparent and simple pension dashboards which would allow consumers to track the build-up of their assets and increase their awareness of their future pension levels. The European Insurance and Occupational Pensions Authority (EIOPA) and the strategy for SIU have also noted the need for greater use of pension dashboards and auto-enrolment in occupational pension schemes to address protection gaps.[121] The SIU strategy also includes plans for a review of the existing frameworks for the Pan-European Pension Product (PEPP) and Occupational Retirement Provision (IORPs).

Wealth and income levels

While Irish household wealth has increased significantly in the past decade, our consumer research tells us that lack of availability of financial resources is an important reported barrier to retail investment. The Irish historical experience may have contributed to the psychological and emotional barriers identified in our research, which indicate that fear of loss and general risk aversion deter many from investing. The perception that investing is not for everyone, highlighted in our research, also seems to act as a barrier.

Financial literacy

Low levels of financial literacy can act as a barrier to investment participation. As noted by the OECD, strong basic literacy and numeracy skills are important foundations for making sound and effective financial decisions across a range of financial contexts.[122] Our consumer research shows that individuals with higher levels of financial literacy are more likely to invest. It also highlights issues concerning knowledge and understanding suggesting that poor financial literacy represents a barrier to retail investor participation for some.

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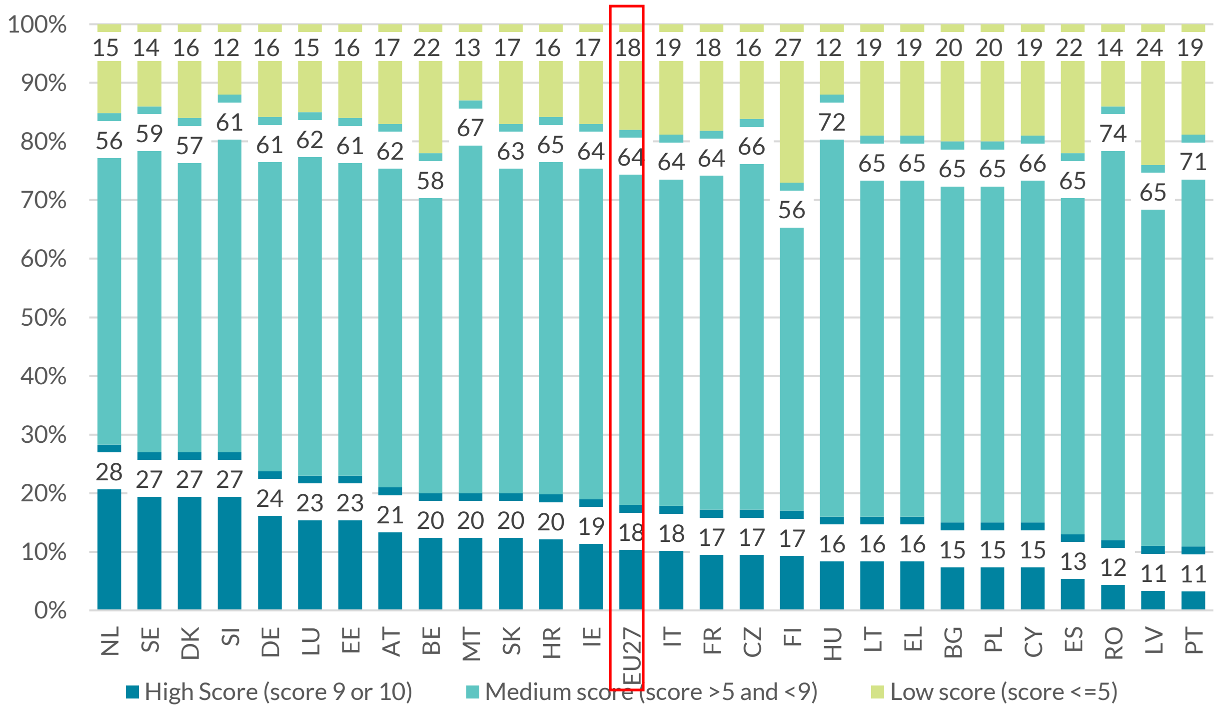
[118] Mario Draghi (September 2024): *The future of European competitiveness*.
[119] OECD (December 2023): *Pension Markets in Focus 2023*.
[120] Mario Draghi (September 2024): *The future of European competitiveness*.
[121] EIOPA (April 2004): *How European insurers and pension funds can contribute to further strengthen the Capital Markets Union*.
[122] OECD (2020): *Trends Shaping Education Spotlight 20 – Money matters: Ensuring financial well-being*.

Levels of financial literacy in Ireland

A 2023 EU Research report[123], which examined the levels of financial literacy across the EU, showed that only 18% of EU citizens have a high level of financial literacy, 64% a medium level, and the remaining 18% a low level of financial literacy.[124]

There are wide differences across Member States, but Ireland is slightly above the EU average with 19% of the population having a high level of financial literacy. This aligns with findings from the OECD International Survey of Adult Financial Literacy, published in December 2023, which showed Ireland's financial literacy score was above the OECD average.[125]

Figure 27 - Financial literacy across EU Member States, 2024



Source: European Commission.

As noted in section 3, both Australia and Sweden have high levels of financial literacy, which have been supported by a sustained focus over many years on financial literacy initiatives in both countries. These include the evolving National Financial Literacy Strategy in Australia, and the National Network on Financial Education in Sweden.

A number of initiatives have been launched by bodies in the EU and domestically to improve financial literacy. This includes the development of the Financial Competence Framework by the EU Commission, in collaboration with the OECD[126] and the recently published EU Commission Strategy on Financial Literacy.[127]The European Council has welcomed the development and implementation

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[123] Eurobarometer (July 2023): *Monitoring the level of financial literacy in the EU*
[124] Ibid
[125] OECD (2023): *"OECD/INFE 2023 International Survey of Adult Financial Literacy".*
[126] European Commission (September 2023): *Financial literacy: Commission publishes joint EU/OECD Financial Competence framework for children and youth*.
[127] European Commission(2025): *Communications on a Financial Literacy Strategy for the EU.*

of national financial literacy strategies in several EU Member States, encouraged other EU Member States to do similarly, and highlighted the importance of focusing on financially vulnerable groups.[128]

The Irish Government launched Ireland's first National Financial Literacy Strategy in February 2025.[129] This is a 5-year plan to support consumers in their day-to-day financial transactions and enhance overall financial well-being with key priorities and actions for implementation of the strategy set out in annual action plans. The Strategy will be implemented by multiple stakeholders involved in the financial literacy ecosystem, co-operating and co-ordinating work to support greater overall financial wellbeing and resilience. The Central Bank is taking a key role in the implementation of the strategy alongside the Department of Finance and the Competition and Consumer Protection Commission (the state agency with a specific role under legislation to provide personal finance information and education to consumers).

The National Financial Literacy Strategy recognises that financial literacy helps provide savers with the knowledge they need to confidently connect their savings with investment opportunities. It also recognises that increasing the financial literacy of existing and potential retail investors provides them with a better understanding of how to invest responsibly and to adequately balance the risks and benefits linked to investing. Reflecting this, one of the key objectives of the Strategy is to establish effective retail investor education, particularly for adults, with one of the actions identified in the 2025 action plan being to support the delivery of financial literacy initiatives that encourage consumers to prepare for their retirement and to plan ahead.

Conclusion

Overall, our analysis suggests that Ireland does not yet have all of the key indicative 'factors for success' fully in place. Further work needs to be undertaken in terms of examining and addressing the various drivers and impediments. The Irish investment ecosystem serves high-net-worth individuals well by providing a broad range of products and access to appropriate levels of advice and support. However, there remains a significant cohort of consumers who are not actively participating in retail investment by comparison to some other countries. This suggests that the ecosystem is not effective in reaching the full population of potential investors meaning Irish households may not be getting the full benefit of what financial services could do to help them provide for their future.

International experience indicates tax-based incentives and structural reforms - such as the introduction of SIAs and other pensions reforms (including rolling out of auto-enrolment) - can have an important role to play in broadening retail market participation in Ireland

Potential investors also need to be empowered in Ireland through improved levels of financial literacy and investment knowledge. The implementation of the National Financial Literacy Strategy and other financial education initiatives are important steps towards building the required investment culture seen internationally.

Lastly, consumers need to have trust and confidence in capital markets to invest - underpinned by high quality EU and domestic-based investor protection regulatory framework which continues to evolve under SIU.

[128] Council of the EU (May 2024): *Capital markets Union: Council approves conclusions on financial literacy*.
[129] Department of Finance (August 2023): *National Financial Literacy Strategy*.

Section 6: Key Conclusions

In this report, we have set out our analysis on the extent to which Irish consumers currently participate in retail investment, both directly and indirectly. We have also considered the drivers for, and barriers to, retail investment, and considered what are the key 'factors for success' to deliver an ecosystem that supports high levels of retail participation in capital markets and examined the experience in Sweden and Australia.

Drivers and Barriers

The decision to invest is driven by a complex interplay of factors, including economic conditions, personal financial circumstances and psychological biases. It is notable that historically, participating in capital markets has not been viewed as an option for most Irish consumers. This combined with periods of significant market volatility may have played a role in the development of a financial culture with relatively low levels of trust and risk appetite, which favours cash and deposits over investments.

Our research indicates that individuals are motivated to start investing by both practical and aspirational financial goals. The most significant motivations for investment are providing for retirement with wealth accumulation, providing for future healthcare needs and children's futures also identified as key motivations.

Our analysis identified gender and level of educational attainment as the most significant demographic factors influencing investment. In terms of the impact of behavioural traits, our research shows that **a person's attitude to risk is the most predictive trait for investment participation.** In terms of attitudinal drivers of investment, our analysis **identified macroeconomic factors, shared thoughts and values and third-party influences, including financial advisors, as the most significant drivers**.

In terms of barriers for non-investors, our research highlights a lack of financial resources, psychological or emotional barriers and knowledge and understanding gaps as key barriers preventing individuals from investing.

Key Factors for Success

International experience indicates a set of key factors or drivers for an ecosystem that can deliver high levels of retail participation in capital markets including: availability and choice of providers, products and services, access to advice and high quality information and independent advice, appropriate tax incentives and well developed pension frameworks, a robust regulatory framework and high levels of income and financial literacy which together can underpin a strong investment culture.

Analysis of both Sweden and Australia, where high levels of retail market participation persist, demonstrates how these key factors can work in practice. **Investor participation in both jurisdictions has been driven by multiple factors and initiatives taken over decades.** These include pension reforms, tax measures and incentives and financial literacy initiatives, which have fostered a strong investment culture which has driven higher rates of retail participation.

The Irish Ecosystem

Irish household wealth has grown in aggregate terms, but different households are in different circumstances. While many Irish households have exposure to real property and hold significant

sums in cash and deposits, participation in capital markets-based investments is low and many are not adequately providing for their long-term future.

A picture emerges of a wealthier cohort in society well-served by the existing structures of the investment market. These include opportunities for bespoke and independent investment advice and portfolio management services which are not readily available to all (for example, due to minimum capital thresholds). This is reflected in a perception of exclusivity in relation to investing. This seems to indicate that there is a sense that investment it is not accessible to all and that it is the preserve of wealthier cohorts in society. As a result of this many households in Ireland are not getting the full benefit of what financial services could do to help them provide for their future.

Policy Response

Both EU and domestic policies recognise the importance of increasing retail investor participation for both the financial wellbeing of EU and Irish households and the broader functioning of capital markets.

Appropriate products

There is a role for products specifically targeted at retail investors that are simple, low cost and have appropriate risk/return profiles for retail investors with consideration of how the tax treatment of these products can drive and incentivise participation. This is highlighted in both the Eurogroup's Statement on the future of Capital Markets Union and the EU Commission's Strategy for the SIU. The EU has recently published a blueprint for Savings and Investment Accounts (SIAs) for small investors, which includes a recommendation for Member States to apply simplified and advantageous tax treatments to these accounts.[130] The SIA presents an important opportunity to consider how a lost cost, easily accessible investment product might enhance the options available to consumers (in particular those outside of higher income brackets).

There is also a focus on pensions including auto-enrolment, developing and improving the pan-European pension product (PEPP)[131] along with the provision of pension tracking systems and dashboards, to provide individuals with better information on their pensions.

In an Irish context, consideration should be given to utilisation of existing products given the low levels of investment by Irish retail investors in investment funds, including UCITS. As noted in the Government's Funds Review, the tax treatment of funds is a factor

Access to products, information and advice

As highlighted in the Eurogroup's Statement, creating an attractive, easy-to-use and consumer-centric investment environment is a priority. In an Irish context, consideration should be given to how the 'ecosystem' can work more effectively for all potential retail investors by ensuring that individuals **have access to a range of appropriate products with appropriate independent advice and supports**.

Financial literacy

It is evident that consumers need to be empowered and educated to understand and participate in capital markets - knowledge and understanding gaps were identified as key barriers to investment in our research. As part of the strategy to delivery SIU, the EU Commission has published a financial

[130] European Commission (September 2025): *Recommendation on Increasing the Availability of Savings and Investment Accounts with Simplified and Advantageous Tax Treatment*.
[131] European Commission (November 2025): *Communication on enhancing supplementary pensions sector to improve retirement income*

literacy strategy in 2025, to empower citizens, raise awareness and increase their participation in capital markets, with the aim of creating a retail investment culture.

In an Irish context, the Government's recently published National Financial Literacy Strategy seeks to provide a framework for multiple actors to work in a co-ordinated and collaborative way to support greater overall financial wellbeing and resilience. **It will be important that the Financial Literacy Strategy maintains a focus on investments and pensions**.

A fully functioning retail investor market needs to reflect the needs and expectations of all potential investors. While in many cases Irish households have the financial capacity to invest, our historical experience means that many of these households do not have a level of knowledge or comfort with investment options for their savings.

Measures are required to empower and incentivise consumers on the one hand and to ensure that the market is offering an appropriate range of products and services, via appropriate delivery challenges with adequate support and advice that meets the needs of retail investors. **We believe that simple, cost-efficient, investment options, effectively delivered, with appropriate protections, to individuals who are empowered with the necessary financial knowledge and skills, are crucial to supporting citizens who wish to invest their savings in capital markets to serve their long-term financial needs.**

Annex 1 - Consumer Research Methodology

A consumer insights survey was conducted for the Central Bank, by Red C, to gain a better understanding of consumer behaviour and attitudes in relation to investments among the Irish population.[132] This research, carried out between 22 May and 6 June 2024, was conducted among 3,020 Irish adults using an on-line research method with a nationally representative sample. The survey questionnaire length was just under 23 minutes on average.

Categorisation of consumers

Our investment participation research considered consumer attitudes and behaviours to investment for:

- the national population
- investors - those who own more than one investment product
- non-investors - those who do not currently invest

For those who do not currently invest we looked at attitudes and behaviours for both those who may consider investing in the future and those who are not considering investing in the future. Our research and analysis sought to understand the attitudes and behaviours of each of these groups to understand key motivations, drivers and barriers to investments.

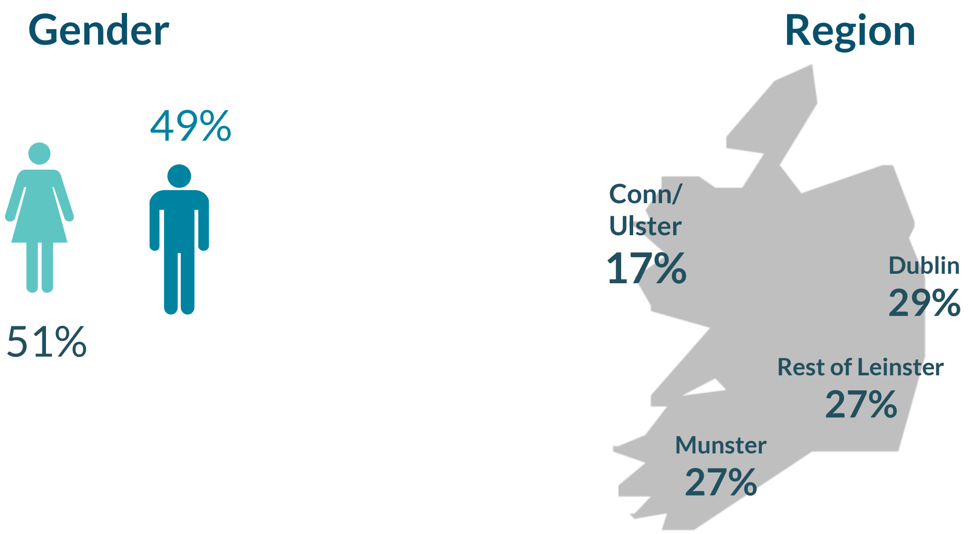
Sample selection and description

An initial nationally representative main sample of 1,500 was researched and then supplemented with a further boost sample of 1,520 adults. The boost sample of 1520 respondents was created to capture robust numbers of investors.

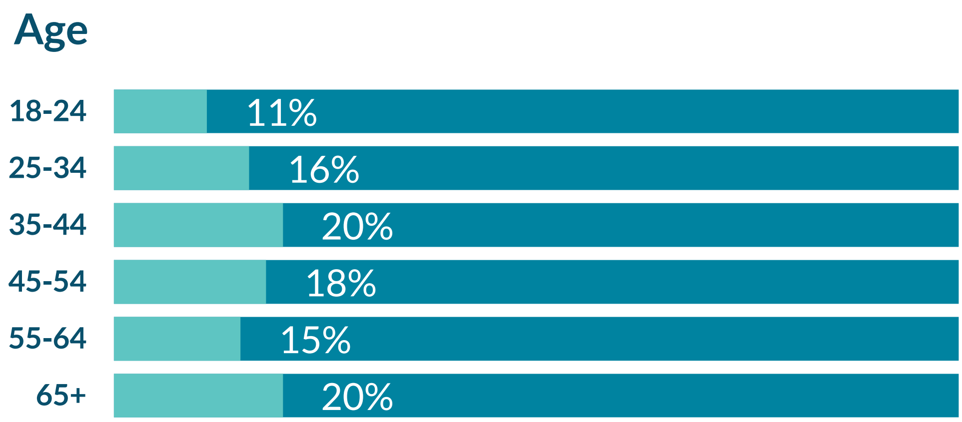
Based on our analysis of the nationally representative sample, the investor population was known to skew towards ABC1s and these were targeted in the boost phase of interviewing. The boost sample was subsequently weighted back into the correct proportions at the analysis stage.

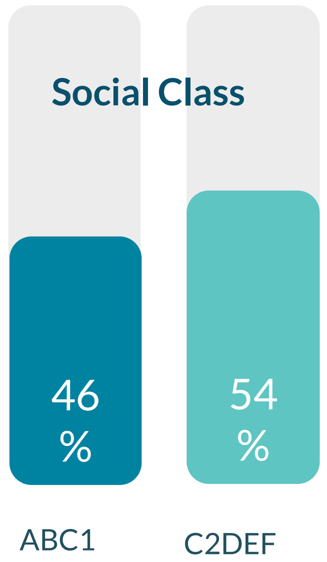
We also took deliberate actions in our data collection approach to ensure older people; those outside Dublin and C2DEF were recruited.

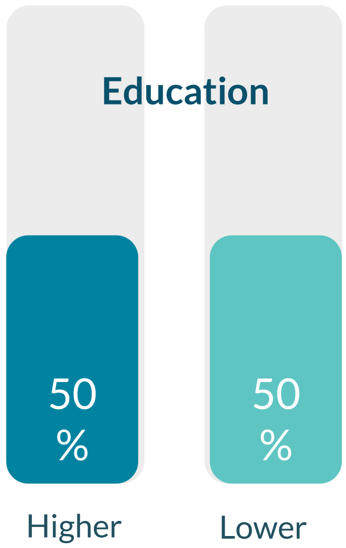
The demographic characteristics of those interviewed and their proportions are set out below:



[132] RED C carried out the data collection and management of the research panel on behalf of the Central Bank.







The Survey

The survey collected information about the socio-economic, demographic, behavioural, and attitudinal characteristics of respondents. It also collected information relating to respondents' experiences and patterns of engagement with investment.

Use of attitudinal statements in survey

The survey presented a number of attitudinal statements, informed by a review of international research on investment participation and behaviours, to respondents to identify what attitudinal factors influence their decision to invest. These statements were then grouped into six broad categories of 'drivers' (these statements and grouping are set out in the table below).

Driver categories	Survey questionnaire statements
Financial gains	• I want to generate high returns • I aim for financial gains • I believe it's price will increase • I want to build wealth • I expect to make a profit
Third party influence	• I saw it in the news • I got recommendations from acquaintances • people whose opinion I value think I should do so • analysts/advisors think I should do so • my friends/family members do it too • Recommendation from a financial influencer I follow online
Shared thoughts, values and beliefs	• I want to be part of a community of investors • it aligns with my personal thoughts, values and beliefs • I have positive feelings towards investments • from an identity standpoint, I want to be associated with invest
Macroeconomic environment	• of the current level of inflation • of the current level of interest rates
Hobbyist features	• I like the excitement of it • I like to pastime with this activity • I like to be busy with money • it's fun/entertaining/enjoyable to do
Utility	• I want to use them for doing transactions • I want to use them for purchasing goods or services • I want to invest for a particular purpose • I want to discover how I can use them

Estimation Model

To further understand what influences the decision to invest, we utilised an estimation model to explore how demographic factors, attitudes, including attitude to risk, behavioural traits and financial literacy impact on investment participation. This analysis allowed us to take account of the influence of multiple background factors simultaneously and to isolate the specific contribution or correlation of individual factors on investment behaviour. Based on this analysis we were able to identify specific drivers that significantly influence investment participation. All regression analysis conducted are Ordinary Least Squares. Logit models were used in the demographic predictors of investment behaviour.

Annex 2 - Profile of national population, investors and non-investors

	National Sample (%)	Investors (%)	Those not currently investing
Male	51	66	40
Female	49	33	60
18-35	27	33	26
35-54	39	38	42
55+	34	29	21
Average Age	46.9	44.7	39.9
ABC1	46	61	37
C2DEF	54	39	63
Working[133]	64	73	61
Not Working[134]	36	27	39
Higher education[135]	50	65	43
Lower education[136]	50	35	57
Dublin	29	36	22
Rest of Leinster	27	25	31
Munster	27	26	26
Ulster/Connacht	17	13	21
Gross annual household income (average)[137]	€ 58,155	€72,994	€ 43,136

[133] Respondents who reported: Working full time (30+ hours) or Working part time.
[134] Respondents who reported: Unemployed, Home maker, Housekeeper or House person; Full time student; Retired.
[135] Respondents who reported: Post Leaving Certificate; Third level degree or Third level postgraduate
[136] Respondents who reported: Primary School level; Lower secondary – Junior Certificate; Higher Secondary – Leaving certificate.
[137] Reported income based on survey question: Could you please tell me your total gross annual household income from all sources?

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