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Asset Formation Amongst Young People Nurtured by Smartphone Securities Companies: Challenges for the Future

New trend in digital transformation of financial services 25-years after launch of Internet securities trade in Japan

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Summary

- According to the Ministry of Internal Affairs and Communications' 2019 National Survey of Family Income, Consumption and Wealth, the percentage of securities held by those aged 29 or under and those aged 30-34 increased significantly from the previous survey in 2014. In addition, the proportion of "Tsumitate NISA (Dollar-Cost Averaging NISA)" accounts held by individuals in their 20s and 30s has been increasing year by year. A positive stance toward securities investment has begun to emerge among the younger generation, whose accumulation of financial assets other than deposits has not progressed in the past.
- The five main factors that support securities investment by young people are: (1) tax incentives for small investments; (2) heightened concerns about retirement and preparations for the future; (3) the coronavirus crisis, which provided an opportunity for new entries into investment; (4) competition amongst Internet brokerage firms which brought reduced fees; and (5) a new investment channel, namely smartphone securities companies, which have an increasing presence.
- Issues regarding future asset building among young people include difficulty in reaching the target financial asset amount in the future due to small investments, and efforts to diversify risks over time through long-term periodic investments. For smartphone securities companies, the biggest focus is the problem of monetization from the viewpoint of business sustainability.

Attention

This report is a summary translation. The official document is only in Japanese.

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