

Next Generation Finance Survey 2024 **(Overview)**

December 2024

SBI Financial and Economic Research Institute

0. Survey Overview

Purpose: This survey aims to examine individuals' asset selection behavior and the factors influencing their choices, focusing on new digital financial products such as Crypto assets (CA), Stablecoins (SC), Security tokens (ST), and Non-fungible tokens (NFT), while comparing them with traditional risk-based financial products such as stocks and bonds

Survey: Conducted from late August to early October 2024, targeting individuals aged 20 and older in Japan, the U.S., Germany and China with 10,000 participants from Japan and 4,000 participants from each of the other three countries, for a total of 22,000 participants

Questions: Four categories: (1) Attributes of the participants; (2) Risk-based financial products: awareness, investment experience, perceptions, and past investment performance; (3) New digital financial products: awareness, investment experience, perceptions, amount held, recent investment trends, and investment purpose; (4) Financial literacy, risk aversion and other factors that may influence asset selection decisions

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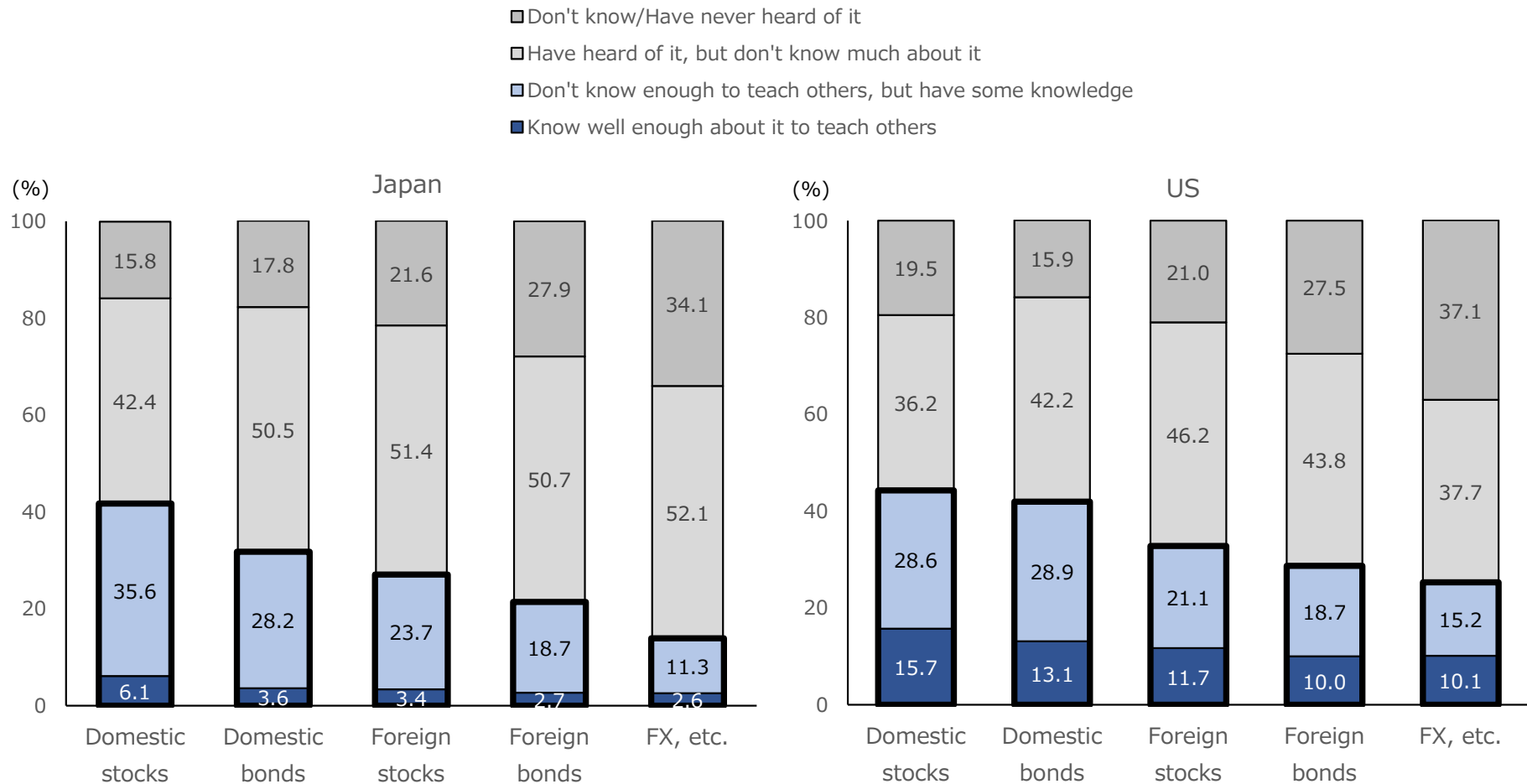
This document has been prepared for explanatory purposes only.

For citations, please refer to the original text of "Next Generation Finance Survey 2024".

1. Awareness of Financial Products

Risk-based financial products (Domestic stocks, Domestic bonds, Foreign stocks, Foreign bonds, FX, etc.)

- Japan has the lowest awareness of all products compared with the other three countries. Domestic products are more widely recognized than foreign ones. Stocks have higher awareness than bonds.

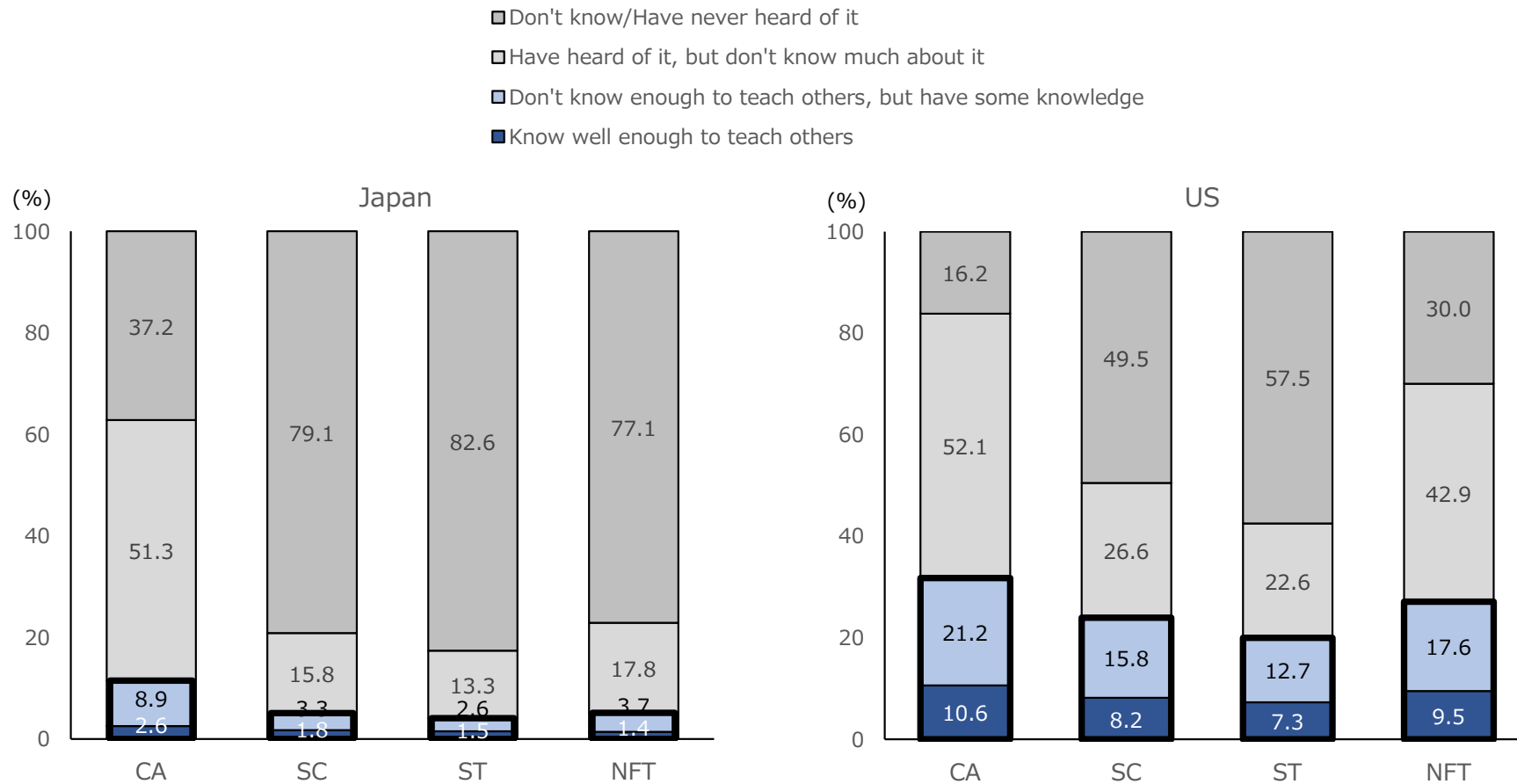


Q9. How familiar are you with each of the following financial products?

1. Awareness of Financial Products

New digital financial products (Crypto assets, Stablecoins, Security tokens, Non-fungible tokens)

➤ Awareness in Japan is significantly lower than in the U.S and other countries for all products.

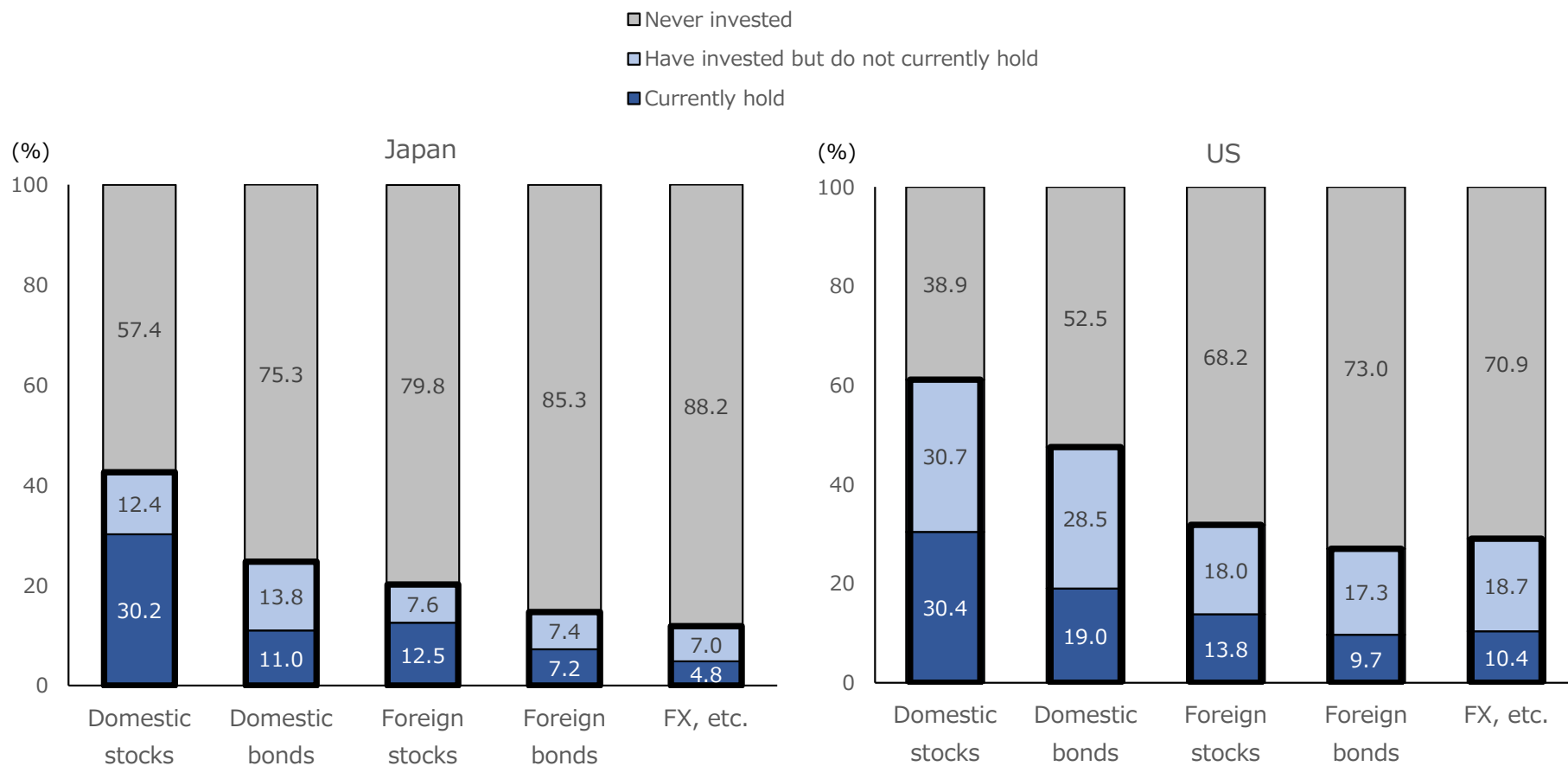


Q17. How familiar are you with each of the following (Crypto assets, etc.)?

2. Investment Experience in Financial Products

Risk-based financial products (Domestic stocks, Domestic bonds, Foreign stocks, Foreign bonds, FX, etc.)

- Japan has less investment experience compared with the U.S. and other countries across all types of products. Domestic products are more commonly invested in than foreign ones, and stocks are more popular than bonds.

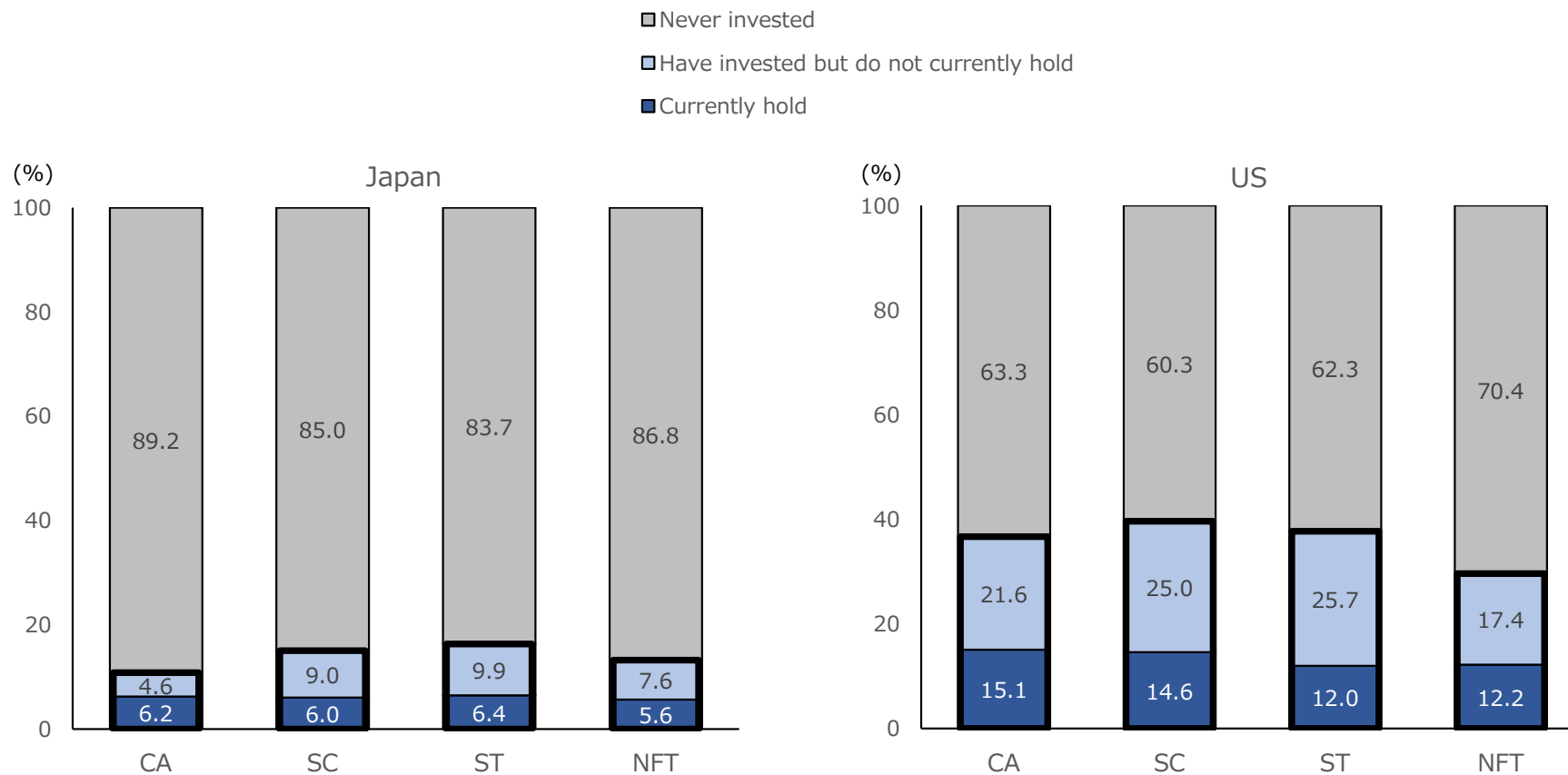


Q10. Please indicate your investment experience in the following financial products.

2. Investment Experience in Financial Products

New digital financial products (Crypto assets, Stablecoins, Security tokens, Non-fungible tokens)

- Japan has significantly less investment experience in all products compared with the U.S. and other countries.



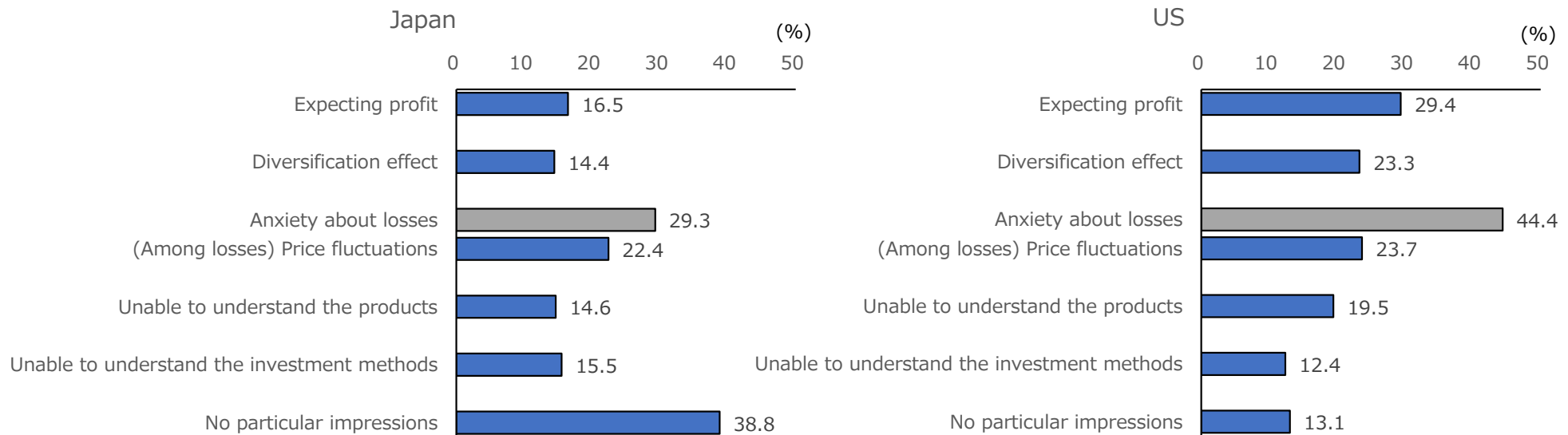
Q18-1. (Only for those who are aware of new digital financial products)

Please indicate your experience investing in and using new digital financial products.

3. Perceptions of Financial Products

Domestic stocks, etc.

- People in all four countries have a very high concern about “Anxiety about losses.” Among them, “Price fluctuations” is the most common reason, particularly in Japan.
- In the U.S., Germany, and China, “Expecting profit” is more common than “Anxiety about losses (Price fluctuations).” However, this is not so in Japan.



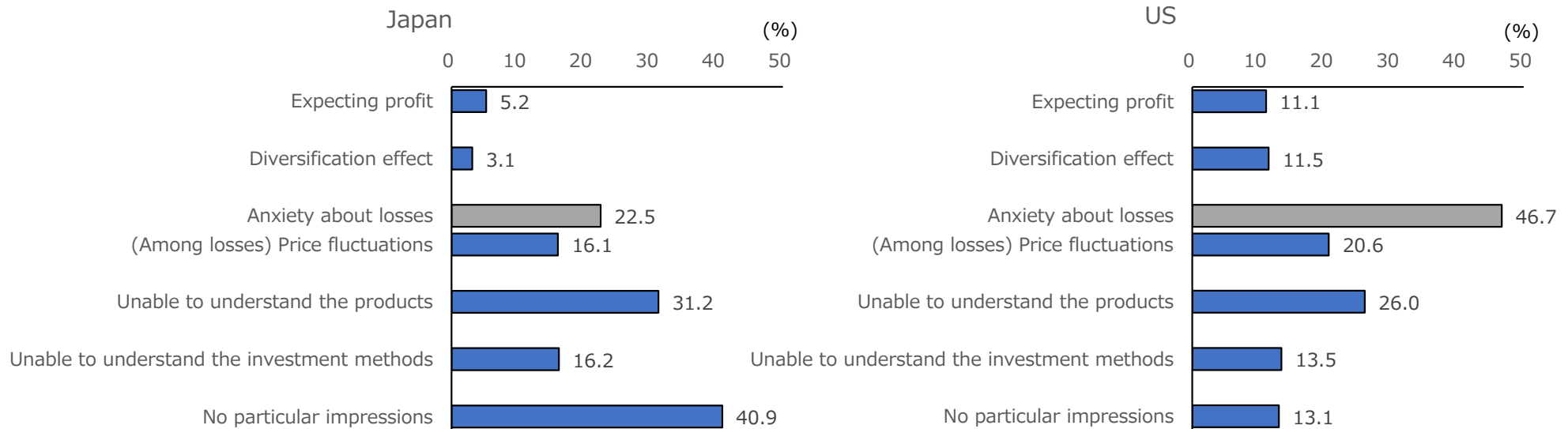
Note: “Anxiety about losses” refers to the percentage of respondents who chose that option for one of four reasons; Price fluctuations, Conflicts of interest, Accounting irregularities, or Unfair trading practices.

Q13. What do you think about the following financial products? (Multiple answers allowed)

3. Perceptions of Financial Products

New digital financial products

- Each country has a very high percentage of responses indicating “Unable to understand the products.”
- Negative responses (“Anxiety about losses,” “Unable to understand the products,” etc.) are more common than positive ones (“Expecting profit,” “Diversification effect,” etc.) in all countries, with a particularly large difference in Japan.



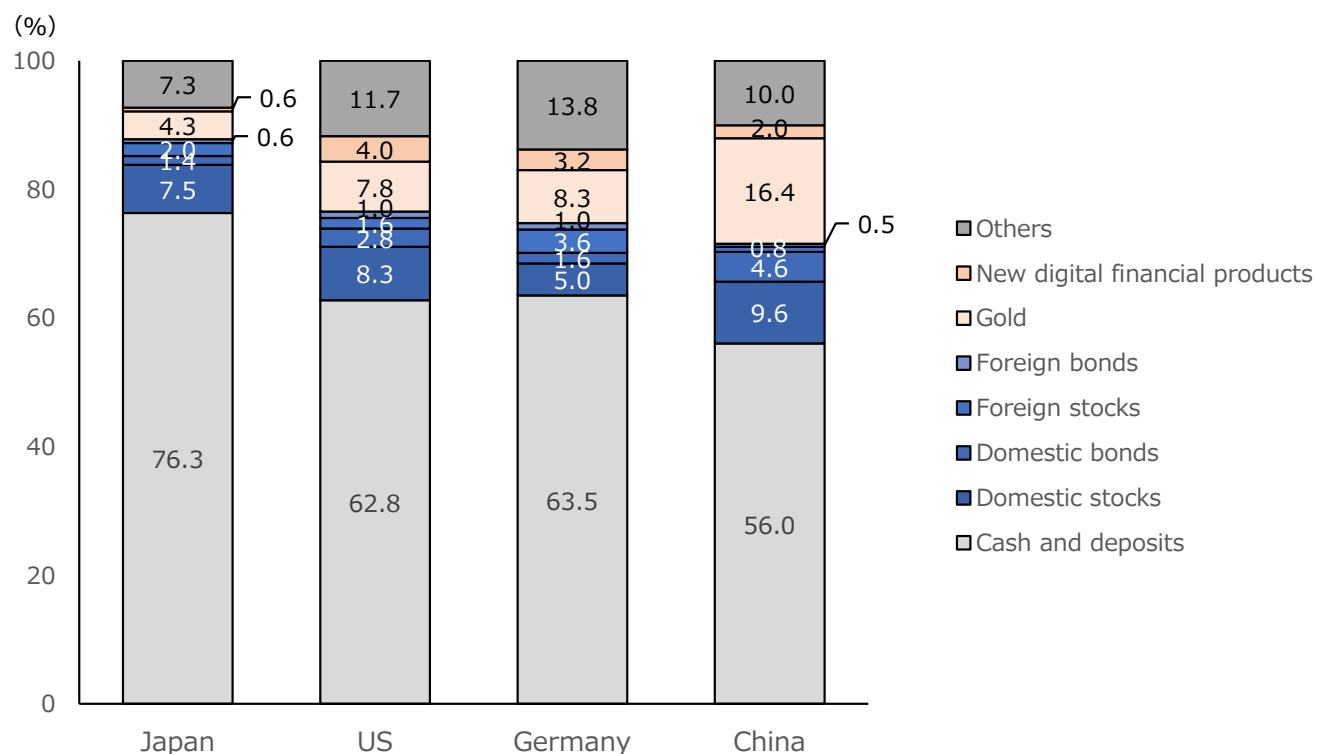
Note: “Anxiety about losses” refers to the percentage of respondents who chose that option for one of four reasons; Price fluctuations, Conflicts of interest, Accounting irregularities, or Unfair trading practices.

Q23. What do you think about the following new digital financial products?

4. Trends in Financial Asset Holding

Current portfolio

- Japan has a high proportion of cash and deposits, with a low proportion of risk-based financial products.
- The proportion of new digital financial products in Japan is very low, lower than in other countries.

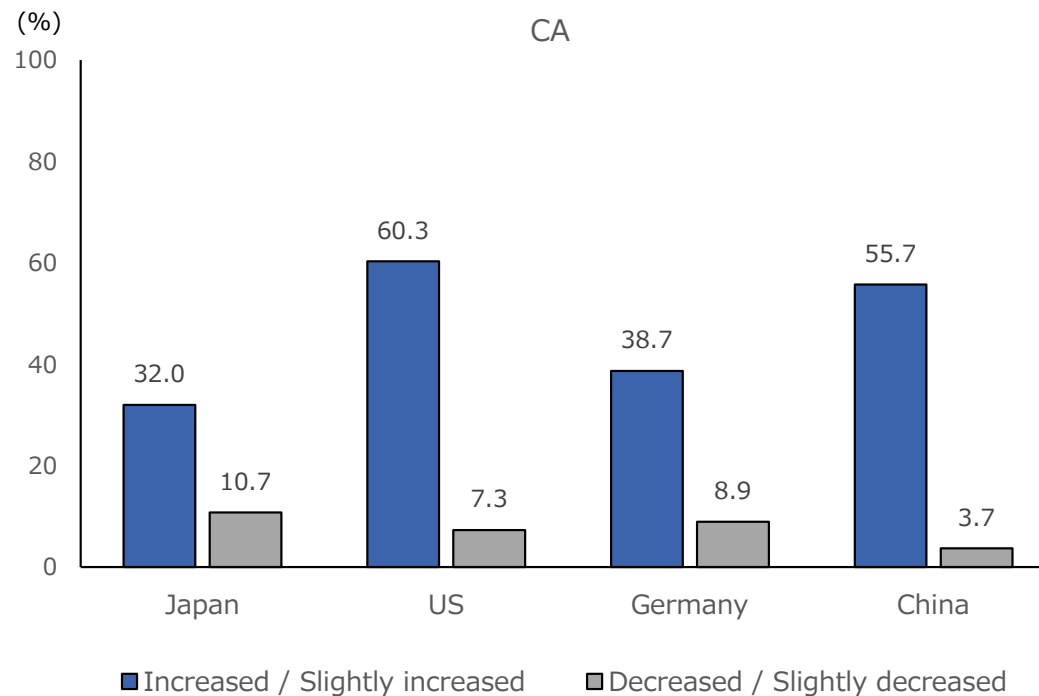


Q20. Please indicate your current portfolio.

4. Trends in Financial Asset Holding

Investment in new digital financial products over the past year

- The holders of new digital financial products have increased their investments across all countries.



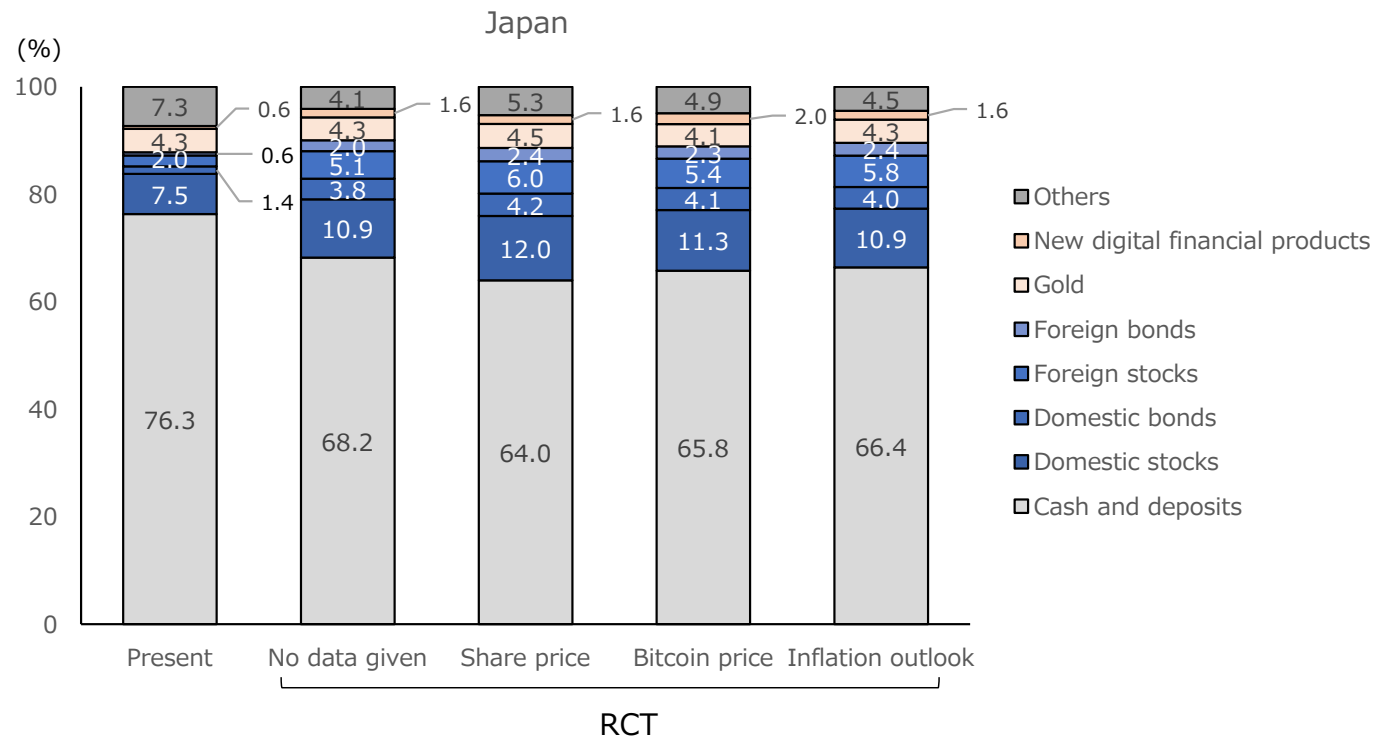
Q21. (Only for those who currently own new digital financial products)

How has your investment in the following new digital financial products changed over the past year?

4. Trends in Financial Asset Holding

Ideal future portfolio

- There is a trend of reducing the proportion of cash and deposits while increasing that of risk-based financial products and new digital financial products (i.e., “from savings to investments”).
- Providing information influences the choice of financial products. Providing information on stock prices encourages greater investment in stocks, while presenting bitcoin price data boosts investment in new digital financial products. When presented with inflation forecasts, more people reduce the proportion of cash and deposits.



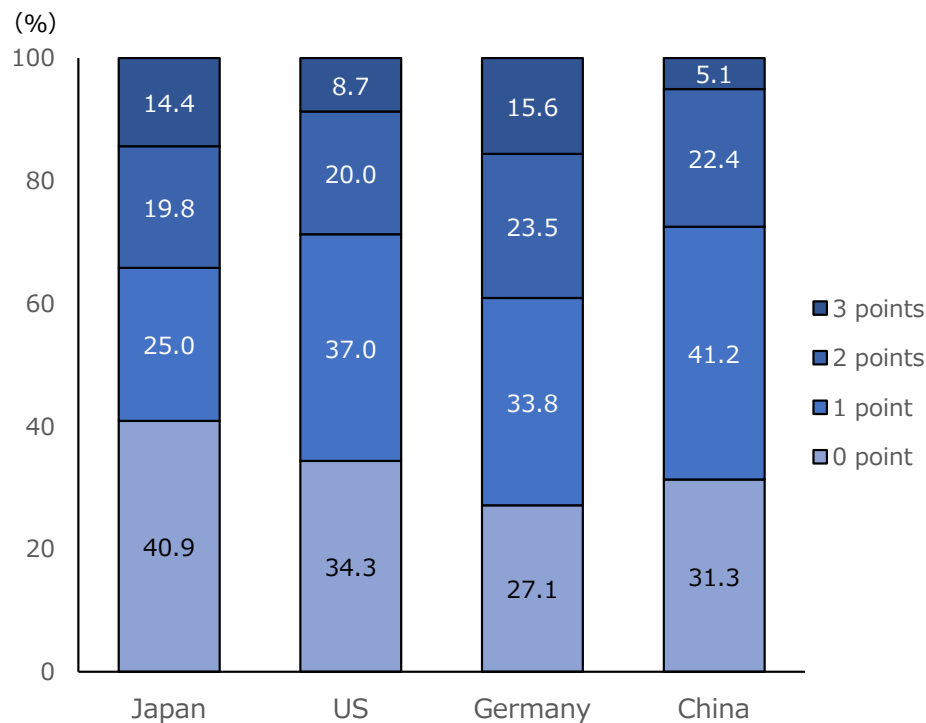
Note: RCT stands for Randomized Controlled Trial.

Q37. Please indicate your ideal portfolio one year later.

5. Financial Literacy

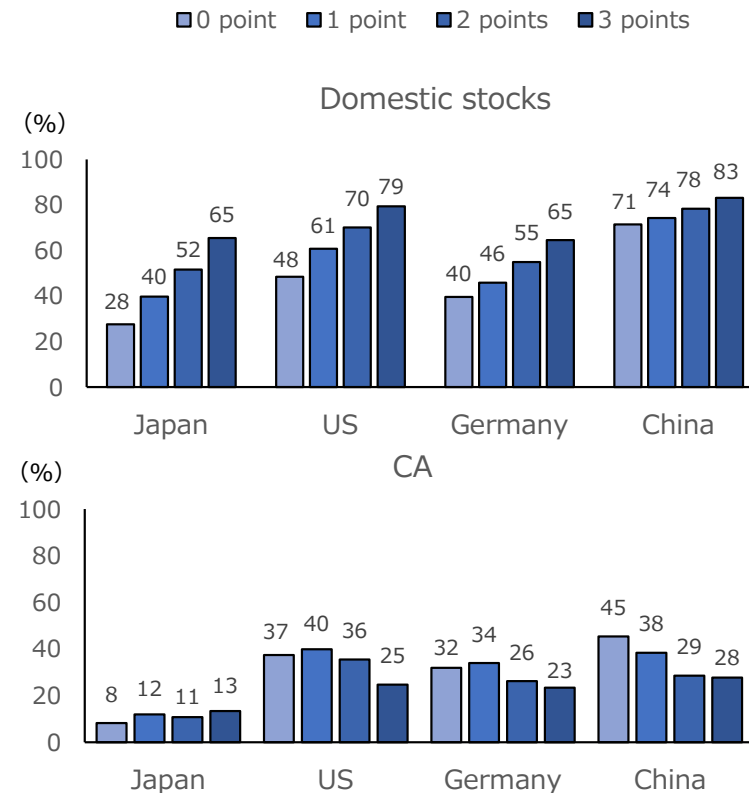
Financial literacy index

- Germany ranks higher on average, while the other countries are at similar levels.



Financial literacy index and investment experience

- People with higher financial literacy tend to have more experience investing in domestic stocks and other securities, but less experience investing in new digital financial products, including crypto assets.



Financial literacy index: Defined using the correct response rate to four questions related to simple interest calculations, compound interest calculations, the real value of financial assets, and the effects of diversification

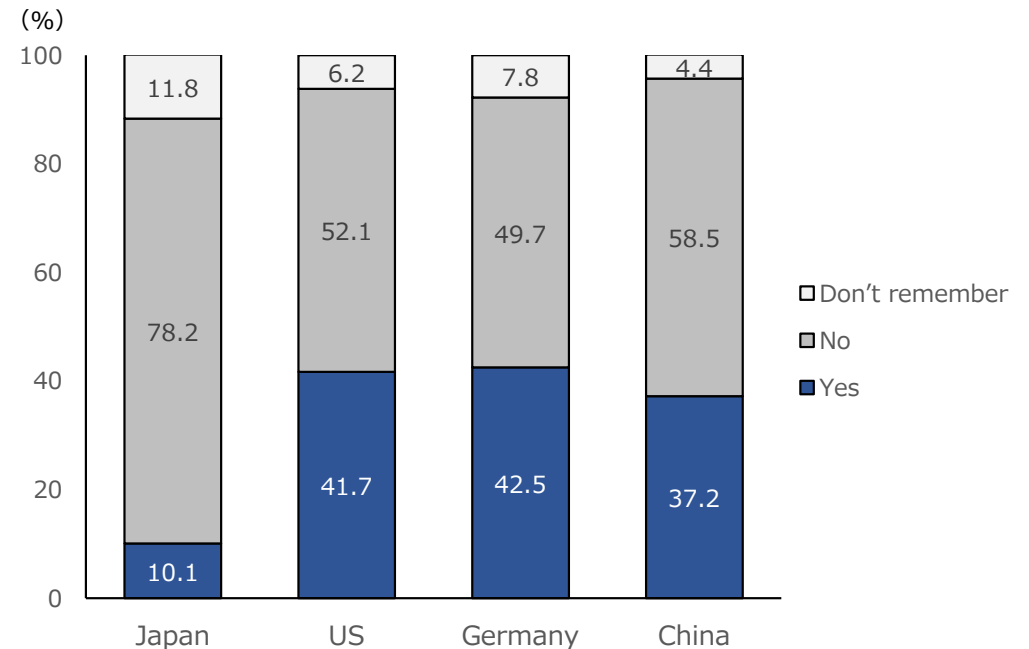
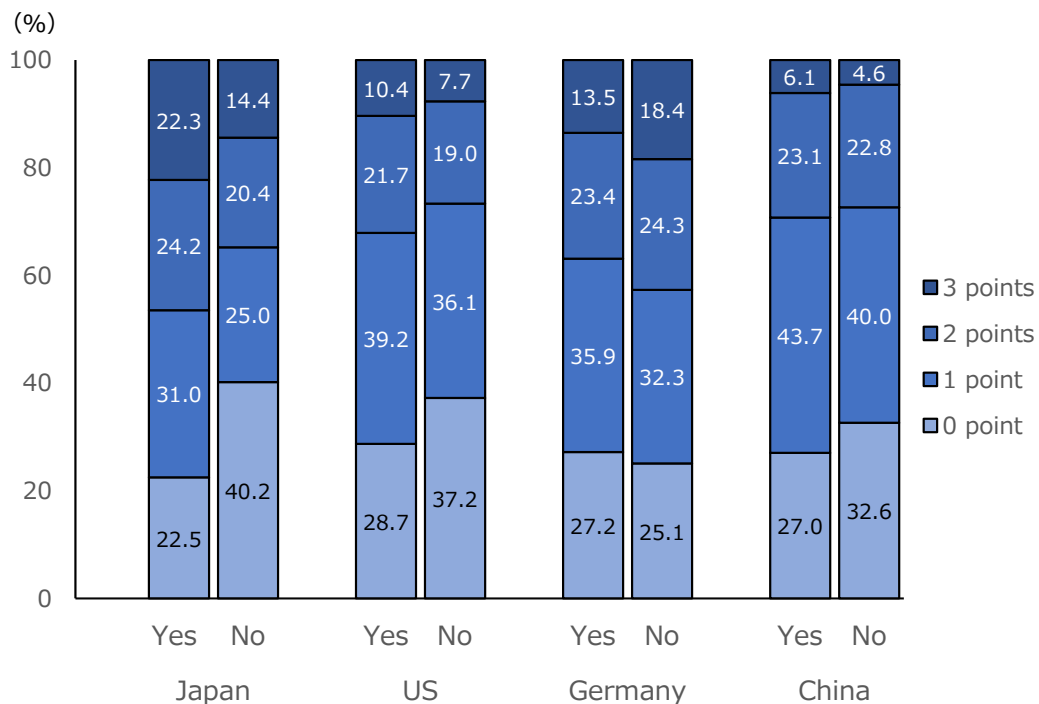
5. Financial Literacy

Financial education and financial literacy index

- Financial literacy plays a key role in driving the shift “from savings to investments.” It tends to be higher among those who have received financial education.

Financial education experience

- The proportion of people with financial education experience is low in Japan.

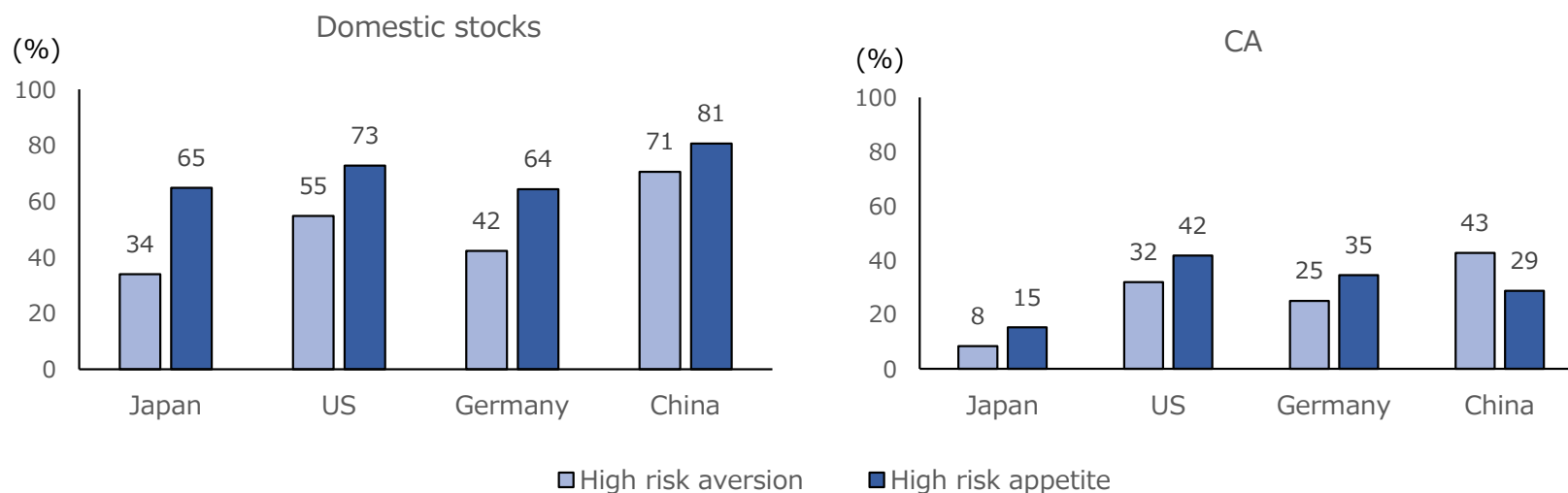


Q12. Have you ever received financial education at home, school, or work?

6. Risk Aversion/Appetite

Risk aversion/appetite and investment experience

- Greater risk appetite is generally associated with more experience in investing in risk-based financial products and new digital financial products.



Note: “High risk appetite (or aversion)” refers to respondents who provided answers higher (or lower) than expected value in both Q29 and Q30.

Q29. Suppose there is an investment product that offers a 50% probability of receiving \$1,200, and a 50% probability of receiving \$800.

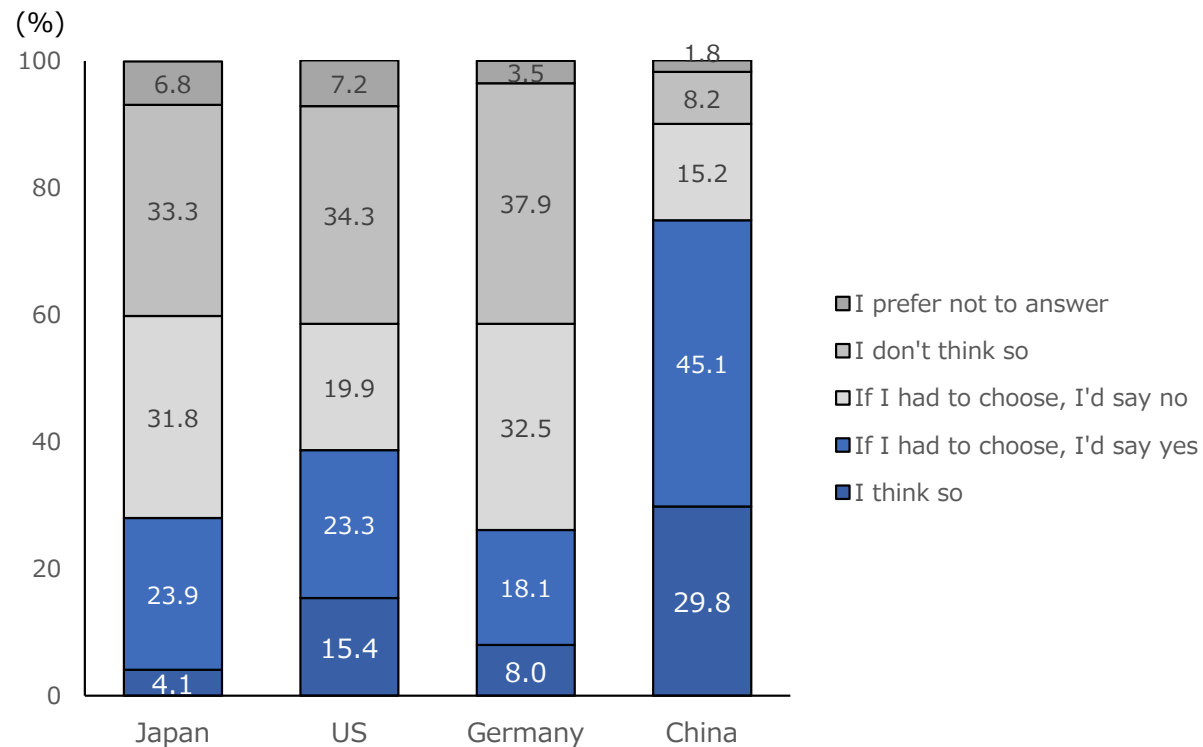
How much would you be willing to pay for this investment product?

Q30. Suppose there is an investment product that offers a 10% probability of receiving \$10,000, and a 90% probability of receiving \$1,000.

How much would you be willing to pay for this investment product?

7. Gender Norms

- China has a significantly higher percentage of individuals with male-dominated gender norms, followed by the U.S.
- Japan and Germany are at similar levels.

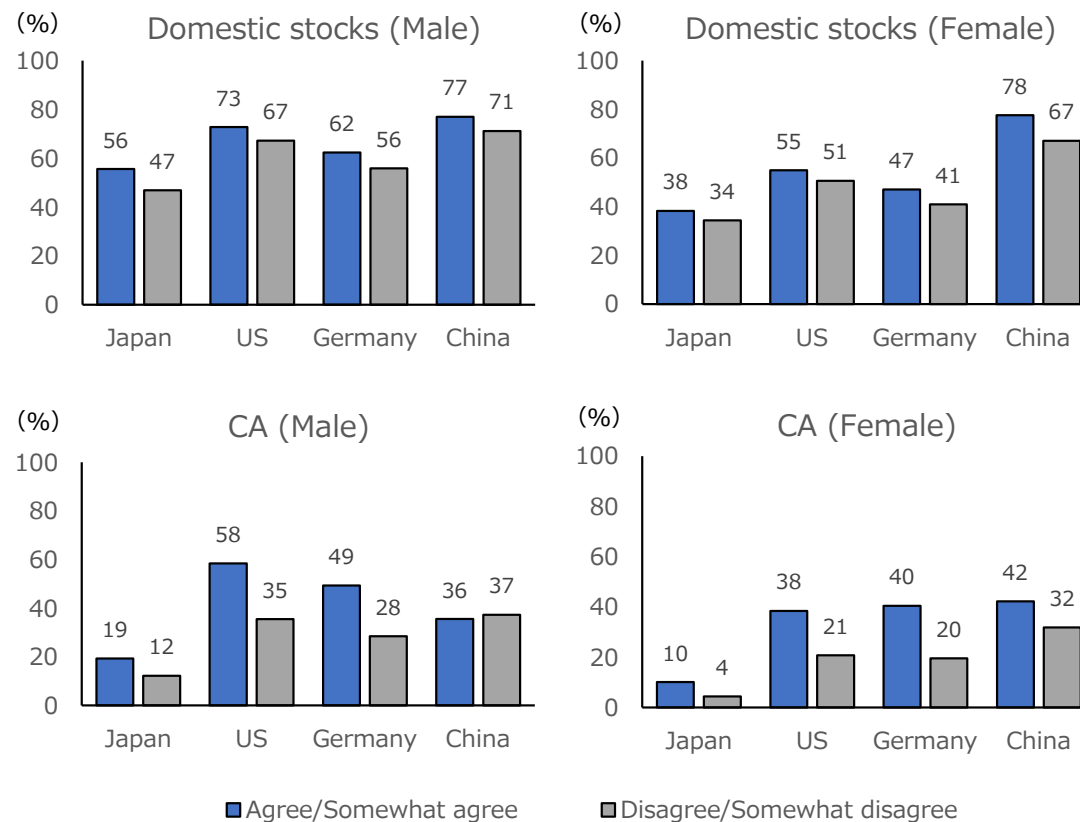


Q33. What do you think about the following statement? Please choose the one that best reflects your feelings. "Men are better suited to be leaders of organizations."

7. Gender Norms

Male-dominated gender norms and investment experience

- Men are more likely than women to invest in risk-based financial products and new digital financial products.
- Both men and women with male-dominated gender norms tend to have more investment experience.

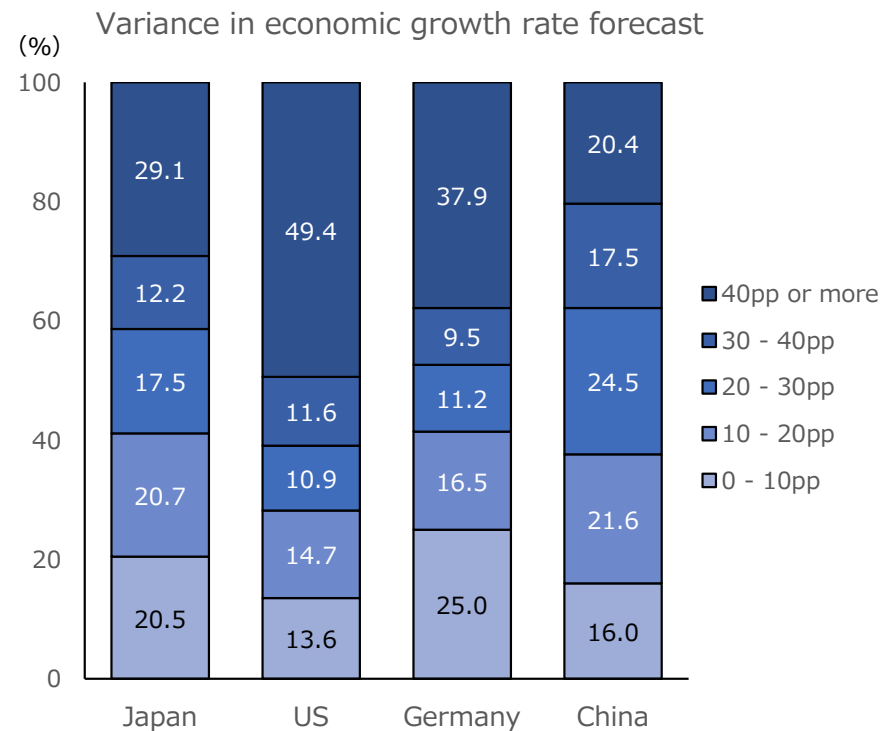
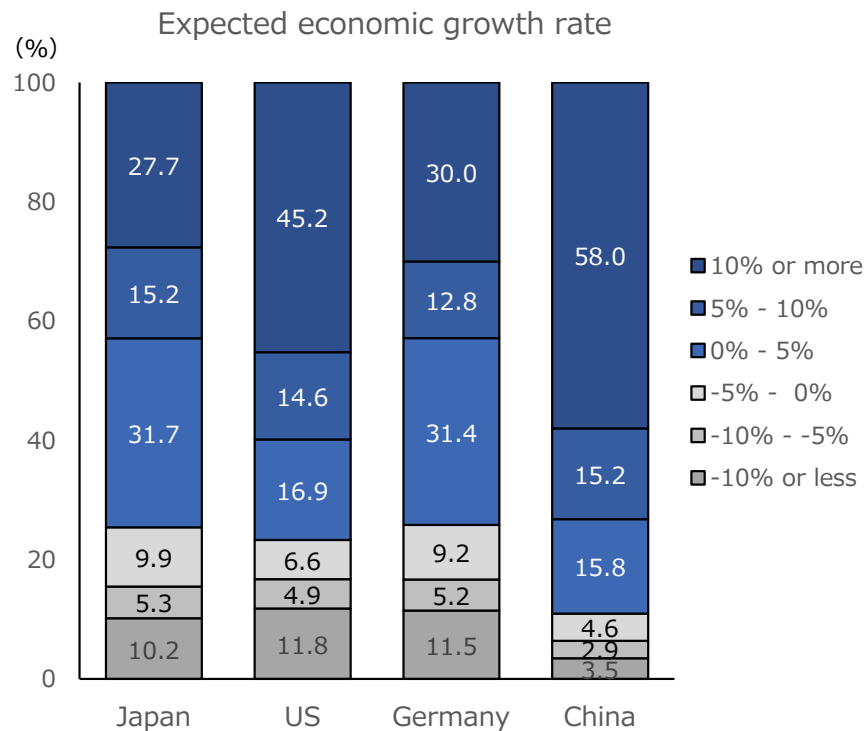


Q33. What do you think about the following statement? Please choose the one that best reflects your feelings. "Men are better suited to be leaders of organizations."

8. Economic Growth Rate Forecast

Economic growth rate expectations and variance

- Japan has the lowest expected economic growth rate, with the second-lowest variance, following China.



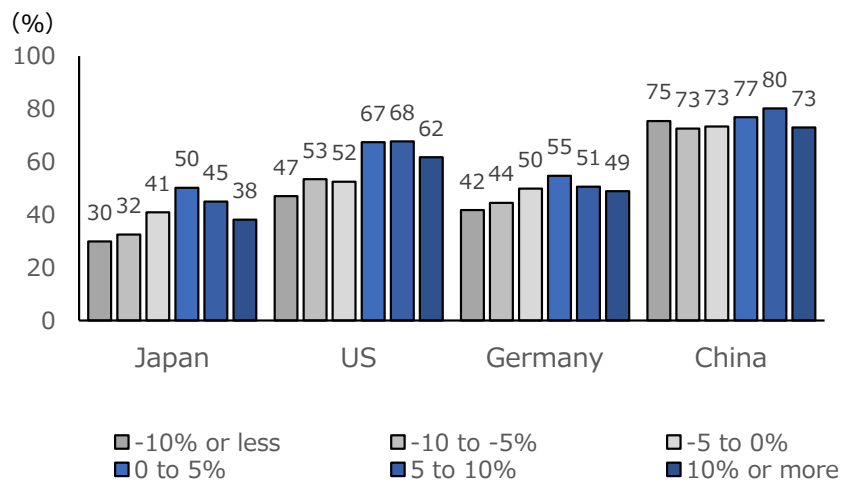
Q34. What do you expect the economic growth rate to be over the next year?

8. Economic Growth Rate Forecast

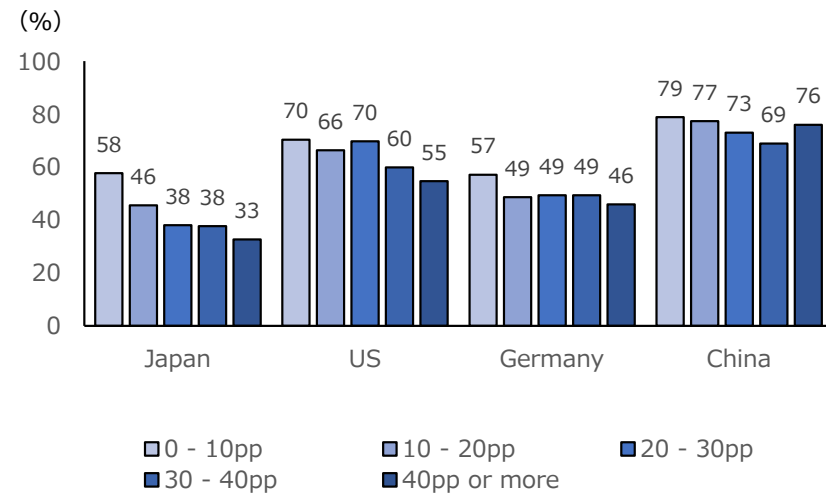
Expected economic growth rate, its variance and investment experience (Risk-based financial products)

- Higher expected economic growth rate is associated with more investment experience in domestic stocks, while greater variance in growth forecasts tends to associate with less investment experience in domestic stocks.

Domestic stocks (Expected economic growth rate)



Domestic Stocks (Variance in economic growth rate forecast)

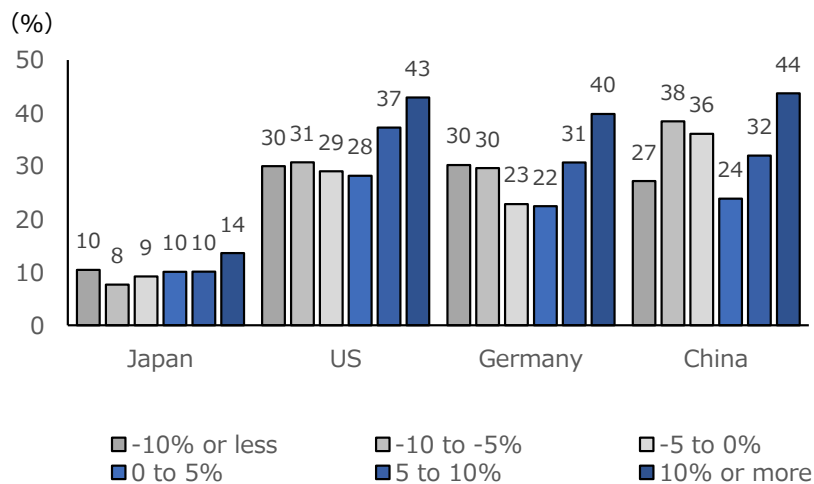


8. Economic Growth Rate Forecast

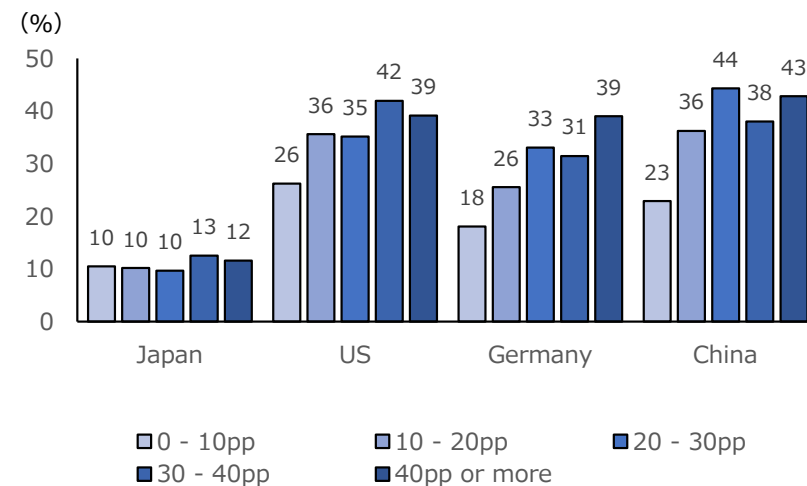
Expected economic growth rate, its variance and investment experience (New digital financial products)

- Higher expected economic growth rate and its greater variance tends to be associated with more experience investing in crypto assets and other new digital financial products.

CA (Expected economic growth rate)



CA (Variance in economic growth rate forecast)



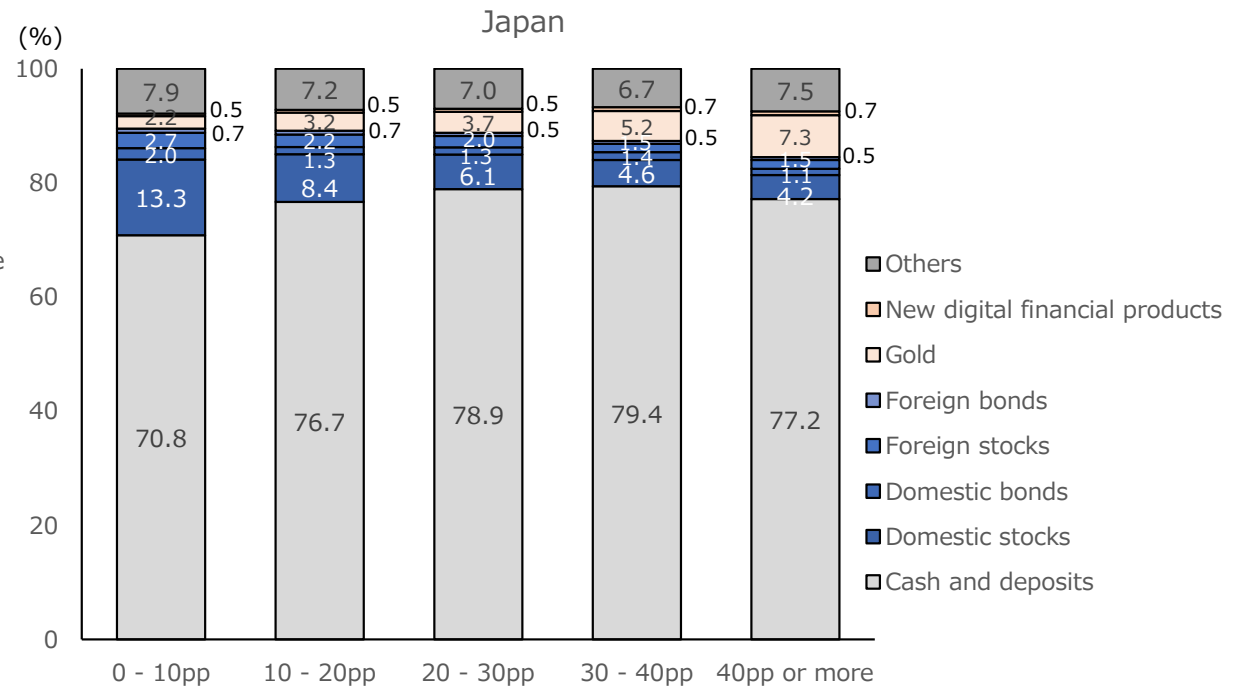
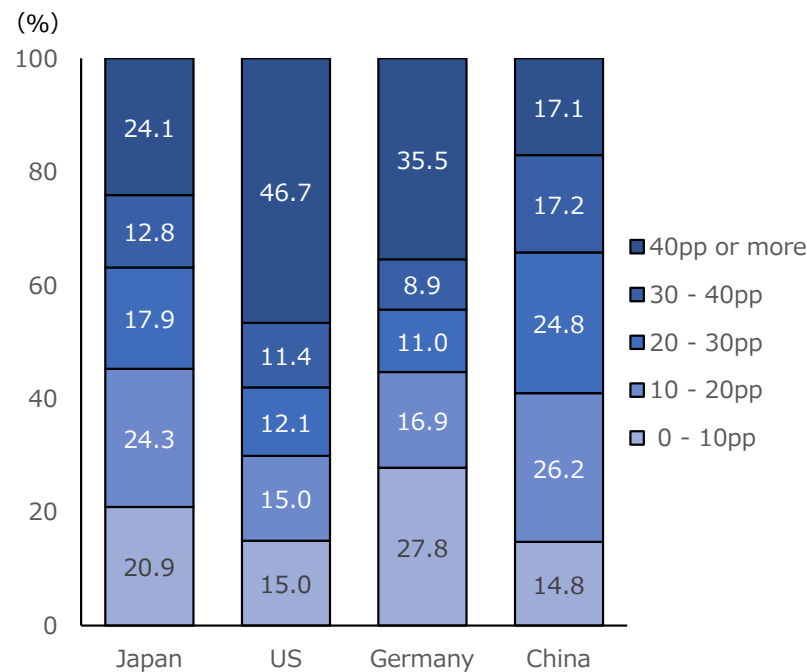
9. Inflation Forecast

Inflation forecast variance

- Japan has the smallest variance.

Variance in inflation forecast and the current portfolio

- Greater variance tends to associate with a higher percentage of gold holdings.

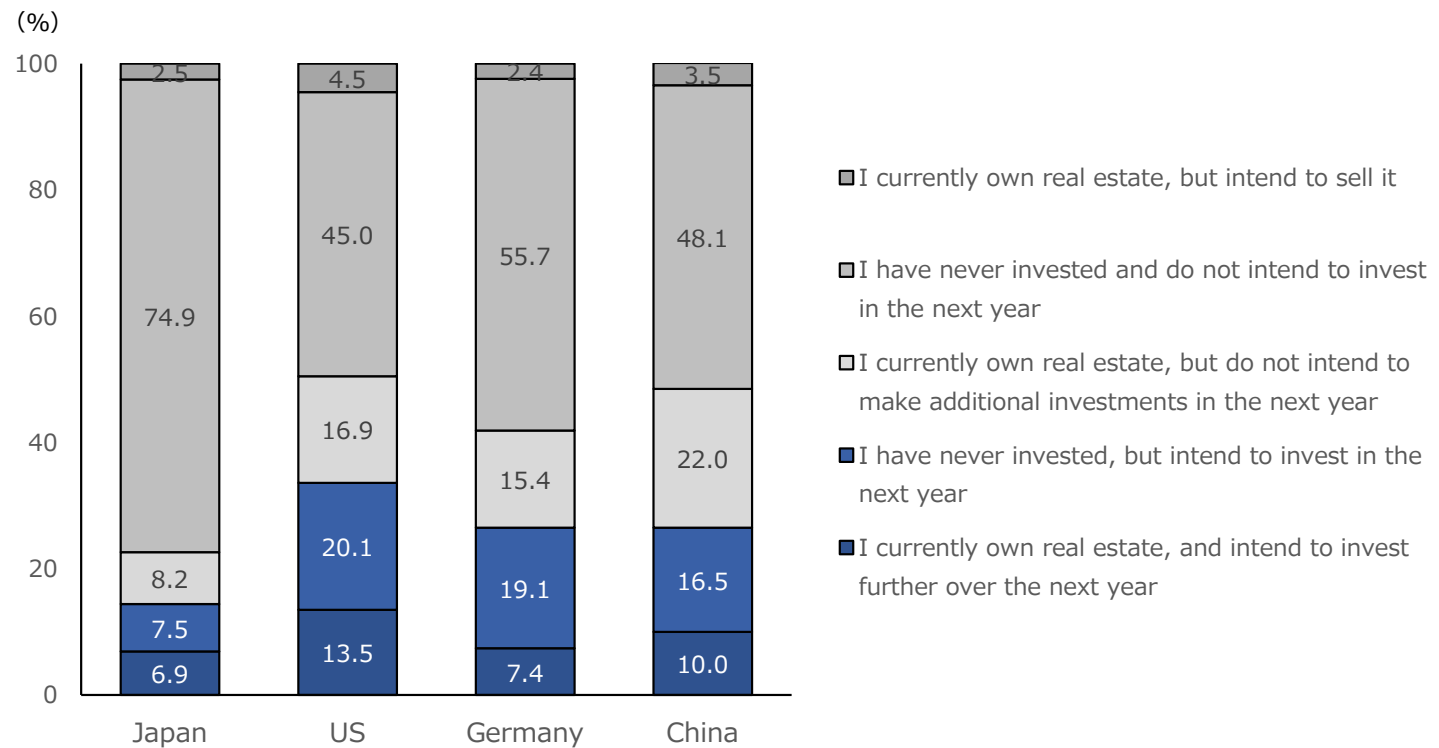


Q35. How do you expect prices to change over the next year?

10. Real Estate Investment

Investment trends in real estate

➤ Interest in real estate investment is low in Japan.



Q38. Please indicate your investment in real estate for investment purposes (real estate acquired by individuals for investment purposes).