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Report

From intention to action:
Why people don’t start investing?

BACKGROUND

Despite increased access to investment products, platforms, and information, a significant share of people who have the financial capacity to invest still do not do so. To understand this gap, it is not sufficient to focus solely on products, regulations, or technical barriers. Instead, there is a need to look more closely at human behaviour, intentions, and the psychological and cultural contexts in which financial decisions are made.

Supporting people in their financial lives requires an understanding of how they think and feel about money, how they make sense of the economic world, and how confident they feel in navigating it. These factors are not static. They evolve over time, shaped by changing social, technological, and economic environments. As such, insights into financial behaviour must be continuously revisited rather than treated as fixed truths.

One example of this changing environment is the growing role of social media as a source of financial knowledge. Today, platforms such as Instagram, TikTok, and YouTube are not only used for entertainment but also for guidance on investing, saving, debt, and everyday financial decisions. In recent years, the emergence of so-called "finfluencers" has further influenced how people learn about and relate to investing. These environments shape not only what people know, but also how they perceive risk, possibility, and their own competence.

It is important to understand, the economy is not a neutral or pre-existing entity that people simply observe. It is continuously constructed and reconstructed through communication — ranging from everyday conversations to media narratives, expert commentary, and official statistics. Research often refers to this as economic imaginaries: the mental images, cultural stories, and shared assumptions people use to make sense of the economy. These imaginaries influence mental models of investing, such as who investing is "for," what feels risky or safe, and whether long-term financial outcomes — such as pensions — are perceived as something individuals can meaningfully influence.

Against this backdrop, the project set out to explore a central question: Why do people not invest, when they have the financial capacity and even express an intention to do so? The focus was on individuals with stable incomes and average to good salaries — people who could state that they know investing would benefit them in the long run, increase their sense of security, or support future goals, yet still they do not take the first step.

To investigate this gap between intention and action, the project combined insights from academic research with qualitative interviews. Before conducting the interviews, a review of existing research was undertaken to identify key themes that influence whether people begin investing. These themes included prior experience with investing, perceived purpose and meaning of investing, emotional responses, identity and belonging, and constraints related to cognitive load and perceived ability.

Previous research highlights several recurring barriers. One is perceived exclusion, where individuals feel that investing is "not for people like me," due to socio-economic, cultural, or psychological factors. Another is lack of experience, particularly when people have only encountered negative stories — through personal networks or media coverage of financial crises — which can heighten perceived risk. Cognitive overload also plays a significant role: the abundance of options and the absence of a clearly "right" first step can make decision-making feel overwhelming.

Psychological research further shows that people are typically loss-averse, meaning that potential losses feel more painful than equivalent gains feel rewarding. This helps explain why the fear of losing money can outweigh the anticipated benefits of investing, even though people routinely take other, less visible financial risks in everyday life. At the same time, research on financial well-being suggests that individuals can also be motivated less by maximizing returns and more by achieving security, autonomy, and peace of mind. For these individuals, investing becomes meaningful only when it is clearly connected to personal goals, values, and long-term stability.

Finally, prior studies point to wilful disengagement, where some individuals actively avoid financial topics due to emotional discomfort, distrust, or moral concerns about financial markets. Together, these insights raise fundamental questions about accessibility, inclusion, and what genuinely people-centered investing could look like.

Building on this academic foundation, the project sought to deepen the understanding of how these factors play out in people's lived experiences. Through qualitative interviews, the study explored how individuals themselves describe their thoughts, feelings, and hesitations around investing, and where they see opportunities — or obstacles — to taking their first step.

HOW DID WE APPROACH IT?

Interviews

We conducted semi-structured interviews with 26 participants from 12 different countries. The interviews were conducted in the participants' native languages and lasted an average of half an hour. To ensure that the data captured perceptions and barriers specifically at the entry point into investing, participants were eligible if they had a stable or regular income but had not yet invested in an investment product. We synthesized the interview material into a needs-based structure that organizes recurring themes into barriers and drivers.

A needs-based analysis

Our research focused on a specific behavioral turning point: the entry point into investing. This is defined as the moment when an individual transitions from thinking "I might" or "I should" to taking the first real step towards investing. Rather than compiling reasons for or against investing, the analysis identifies the conditions that must be met for an intention to translate into action. The central finding is a framework of four needs. For each need, the analysis distinguishes between barriers (what holds people back) and drivers (what helps them move forward). Overall, the decision to start investing rarely hinges on a single obstacle; rather, it depends on whether a small set of needs is met to the extent that the first step feels possible, safe, and worthwhile.

WHAT DID WE FIND?

Overview of the four needs

Interview themes were condensed into four underlying needs:

1. **Cognitive clarity**: reducing information overload and enabling a coherent procedural understanding of how to begin.
2. **Social scaffolding**: trustworthy human guidance, social proof, and a sense of belonging in the investing space.
3. **Safety and protection**: perceived security at the entry point, including emotional vulnerability and trust in rules and providers.
4. **Impact expectations and alignment**: alignment between investments and personal expectations regarding returns and societal/environmental impact.

Cognitive clarity

Barriers

A dominant pattern is not a rejection of investing, but rather, a lack of knowledge about the procedural entry – a clear, step-by-step route that makes the starting process understandable. When steps are not clearly connected, the process remains opaque, and people postpone starting. A second barrier is scattered information. People struggle to understand what products are, where money goes, and how to evaluate risk and return. The problem is not just access to information, but also the absence of a coherent mental model of how investing works. Third, jargon increases cognitive effort and impedes comprehension. People want to understand the process, not the vocabulary. In short, without cognitive clarity and a clear process, willingness often does not translate into action.

Drivers

Across interviews, drivers converged on a simple principle: filter out the noise. Rather than more information, people need a short, curated procedural path in plain language that makes the first step concrete and manageable. Two recurring strategies were highlighted. First, micro-examples supported by visuals, such as a step-by-step walkthrough of a small transaction, can reduce uncertainty by enabling mental rehearsal of the process. Second, curated information in plain language – a small set of pre-selected products explained with practical details (e.g., custody, fees, withdrawal rules) – supports decision readiness without overwhelming users. When complexity is filtered out and the first steps are made visible, cognitive clarity increases, making starting more likely.

Illustrative example: small-sum bias and cognitive reframe

A frequently mentioned barrier is small-sum bias, which is the belief that small amounts “are not worth it”. When small sums feel meaningless, indi-

viduals may not only postpone investing but also avoid engaging with the process because the effort feels unjustified. A key driver of change is a cognitive reframe, shifting the meaning of a micro-investment from "too small to matter" to "enough to start". This reframe is enabled by a procedural understanding that goes beyond facts and terminology. It provides a mental model of the investing journey from the first step onward, making the logic of compounding easier to grasp by showing how it unfolds over time. The goal is not to claim that small sums alone are decisive, but rather, to make the process feel worthwhile because the rules and logic are clear.

Social scaffolding

Barriers

Although investing seems like an individual decision, the initial step is heavily influenced by social factors and reassurance. A clear finding from this study is that many people do not want to start alone. Without a trusted human reference point, the first step can feel overwhelming. Participants described a lack of "hand-holding", such as having a trusted advisor, relatable mentor, or reassurance from peers or family. A second barrier concerns belonging and identity: investing can feel like entering a world to which one does not belong. This is not only informational, but also identity related. People have vivid images of what an "investor" looks like. If those images feel distant or unappealing, they implicitly signal "this isn't for me". Four recurring investor stereotypes illustrate this images:

- the **competent expert** (highly knowledgeable and strategic; admired but out of reach),
- the **risky speculator** ("finance/wall street bro" associated with hype or gambling; sometimes morally off-putting),
- the **privileged surplus investor** (invests because basic needs are secured and extra money is available),
- the **everyday portfolio checker** (constantly monitoring markets; disciplined to some, anxiety-inducing to others).

Together, these stereotypes shape a practical question, "Who is investing for?", and when the implicit answer is "not people like me", information alone is insufficient. Social scaffolding thus captures credible guidance and belonging, not only knowledge.

Drivers

Drivers for social scaffolding are centered on a human reference point that makes entry feel guided, normal, and socially supported. A first driver is an approachable, available personal advisor, not necessarily a perfect expert, but someone relatable, able to provide continuity, answer questions without judgment, and offer a second opinion when uncertainty arises. A second driver is proactive outreach with follow-ups, especially in the first weeks and months when motivation can drop and doubts return. A third driver is social proof (e.g., stories from peers or family) that makes investing feel realistic and signals that "people like me do this too". Overall, scaffolding emerges from trusted guidance, proactive continuity, and relatable examples.

Safety and protection

Emotional trajectory: pre- vs. post-investment

To explain why intentions often stall at the entry point, we focused on the emotional expectations participants expressed while considering a first investment. We asked: How do people describe their emotional responses when imagining themselves as investors? A consistent pattern was that participants contrasted the emotions they experience now, prior to any investment, with the emotions they anticipate they would feel after making a first investment, suggesting that the entry point is framed as a psychologically distinct phase. During the pre-investment phase, fear and stress about losing money dominate. Underlying these fears is a broader layer of uncertainty and distrust. This includes not fully understanding the system, not knowing whom to trust, and not being sure whether the rules are fair or transparent. Consequently, these factors are rooted in psychological safety rather than numbers alone. However, in the post-investment phase, the emotional tone can shift toward peace of mind, hope, and personal development, such as greater confidence and satisfaction from having taken action and learned how the system works. Thus, the need is not only to reduce objective risk but also to reduce perceived vulnerability at the entry point and enable the emotional benefits that may follow.

Barriers

Three barriers were emphasized. First, perceived self-interest and impersonality of banks can erode trust early, especially when the relationship is experienced as asymmetrical (“they benefit, but I carry the risk”). Second, fraud and scam fear is salient: people are sensitive to “too good to be true” cues, and if products are hard to verify, avoidance becomes the safest default for newcomers. Third, lock-up aversion combined with low surplus: when budgets are tight, tying up money feels uncomfortable, and penalties or withdrawal fees amplify the fear of losing flexibility. Together, these barriers explain why pre-investment fear and stress can remain persistent: safety is not experienced as a given.

Drivers

A central finding is that perceived safety serves as the entry ticket. For beginners, reassurance must often be made visible by clarifying both protection and potential risk. Three drivers stood out. First are anti-fraud signals, such as credible track records, transparent verification, and communication that avoids exaggeration. Importantly, tone is considered part of trust-building. Second are fee and liquidity clarity. Clear and predictable rules regarding withdrawal and penalties increase perceived safety. Third are “pillow investments”: entry options that provide a sense of security. Examples include starting with short-term investments that can later be converted into long-term commitments or maintaining a secure core while allocating only a small portion to higher risk. These options serve psychological and financial functions by reducing feelings of being trapped or overexposed.

Impact expectations and alignment

Core insight and segmentation

Even when clarity, support, and safety are in place, people often ask a final question: Does this investment align with my values and expectations? This includes expected monetary returns as well as the perceived impact on nature and society. The analysis identifies three groups differing in value- versus profit-orientation:

1. **Value-oriented**: willing to sacrifice yield for meaningful impact.
2. **Return-oriented with impact preference**: demands stable returns but still wants positive impact; the dominant requirement is transparency regarding what happens to the money.
3. **Profit-oriented**: prioritizes financial returns; impact is not central, but legality is a clear boundary conditionAcross groups, a shared demand is traceability (which sectors and companies are involved). Overall, enabling people to start also requires offering investment choices that align with their priorities while satisfying transparency expectations.

Consolidated result statement

Taken together, the results suggest that the likelihood of initiating investment increases when the following four needs are sufficiently met: (1) the entry process is cognitively clear, providing a vivid mental model of the procedural path; (2) entry is socially supported, offering trusted guidance and a sense of belonging to a circle of investors; (3) the entry point feels safe, offering visible safety signals, predictable rules, and cushioned options; and (4) available choices align with personal priorities regarding returns and sustainability impact, providing transparency and traceability.

DISCUSSION

The findings suggest that barriers to first-time investing stem not only from missing prerequisites (as defined by the four-needs framework) but also from internal contradictions in how individuals understand investing at the initial stage. One useful interpretive lens is that people can simultaneously hold multiple mental models of the same financial concept (e.g., pensions, investing, debt). An example can be pensions: people may rationally understand that checking or engaging with their pension is beneficial, while simultaneously feeling a strong desire to avoid it and "live happily in the unknown". This tension between knowing and feeling runs through several aspects of investing behavior, and the dominant mental model depends on the context and may conflict with others – leading to hesitation even when individuals cognitively endorse the value of investing.

Five recurring contradictions illustrate how such conflicts can become "hidden blockers" that complicate professional support. First, participants frequently defined safety as traceability and comprehensibility: knowing where money goes, understanding the business model, or even knowing the people behind an investment. This subjective definition conflicts with the financial industry's notion of "safe" investments, which often emphasizes diversification (e.g., broad index or global funds) and thus reduces visibility into specific business models or allocations at a granular level. Conversely, investment options that feel psychologically safe because they are understandable and personally traceable (e.g., investing in a familiar company) may entail substantially higher exposure. This divergence suggests that "risk" is not primarily interpreted as volatility but as a function of perceived control, transparency, and time horizon. Closely related, liquidity emerged as a safety signal: keeping money in a savings account may not feel unsafe even when participants understand that it loses value, because immediate access provides psychological protection. In practical terms, this makes the clarification of liquidity rules (e.g., when and how money can be withdrawn, how long transfers take, and what fees apply) a critical component of perceived safety.

Second, many participants expressed a preference to start with someone, such as learning from and following trusted others, while also indicating discomfort with talking about money. This tension implies that social scaffolding is desired but may remain inactive because disclosure and conversation are socially sensitive. Support formats may therefore need to reduce interpersonal friction (e.g., normalize questions, lower embarrassment costs, and provide structured prompts for money conversations).

Third, participants often endorsed proactive outreach from advisors or institutions, yet described that outreach alone frequently does not translate into action. This indicates that contact is experienced as supportive but insufficient when uncertainty or avoidance patterns re-emerge. Effective outreach may therefore depend on pairing relational support with concrete procedural facilitation–turning "check-ins" into guided micro-steps.

Fourth, participants commonly described waiting for a "perfect moment" to begin investing, while rarely specifying what that moment would entail. The "right time" appears to operate as an undefined threshold–clearly not now, but also not operationalized. This suggests that interventions could benefit from making the starting moment explicit and actionable, for instance by defining what a first step looks like, what conditions are "good enough", and how to begin with bounded commitments.

Fifth, a strong fear of losing money coexisted with an anticipated sense of long-term benefit and emotional payoff (e.g., relief, hope, pride). Notably, when investing did not feel risky, it could also feel "too good to be true", which triggered suspicion. This polarity frames investing as either dangerous or dubious, leaving little room for a credible middle ground. Addressing this tension likely requires realistic framing, transparent communication, and visible protection signals that reduce both fear and suspicion simultaneously.

Overall, the four-needs framework captures key conditions for enabling a first investment step, but the contradictions observed in the interviews suggest that needs may be partially met while action still stalls due to competing mental models.

From a practical perspective, this implies that support should not only provide information or encouragement, but also explicitly surface and resolve these conflicts, particularly around what safety, risk, guidance, timing, and credibility mean to first-time investors. To move forward, these contradictions must be addressed more explicitly and with greater precision.

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