STAKE

Ambition Report

2025 Exploring the mindset that divides the nation

Half of Australia invests. Half does not. Guess which half is more positive about their situation and outlook.

In May 2025, we surveyed just over 2,000 Australian adults for Stake's Ambition Report. 53% turned out to be investors and 47% don't invest at all (except for super).

Our deep dive into their attitudes uncovered – among other gripping stats – that investors are 41% more likely than non-investors to believe they can succeed financially despite a challenging economy.

They possess what we're calling *Investor EQ*: an emotional assurance allowing them to navigate challenges and see investing as a path to control and independence. This more positive, ambitious mindset cuts through age and income.

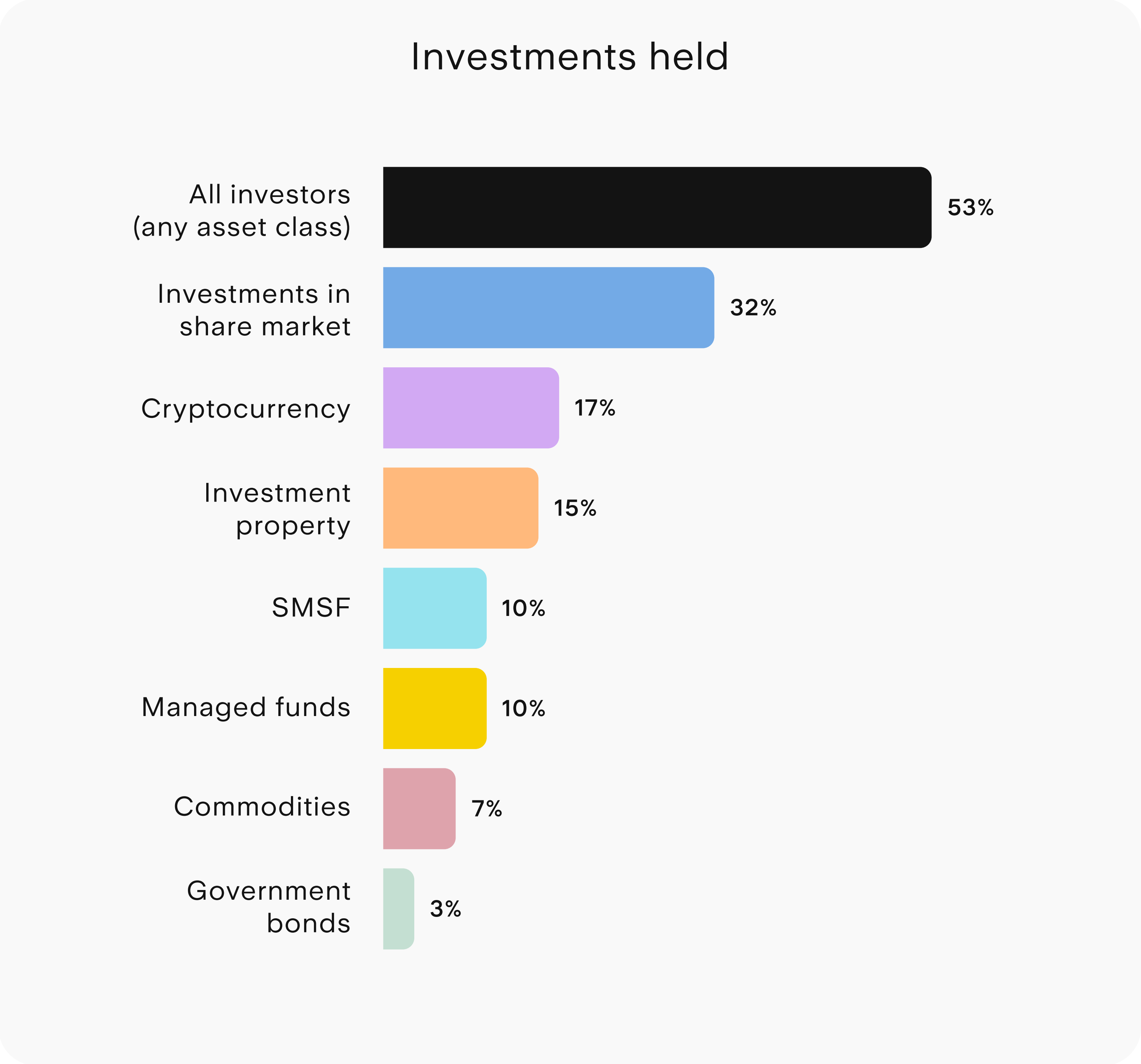
For too long, the narrative around investing has focused on rational barriers like knowledge and income. Our research reveals a far more compelling insight: the real blockers are psychological.

Although a lack of capital is cited as the top barrier to investing, the money is often there. It's just earmarked for savings or debt repayment, mainly due to emotional barriers like the fear of losing money.

This Ambition Report challenges conventional wisdom and provides actionable insights for fostering a more ambitious Australia. It demonstrates that, as traditional paths to financial progress become inaccessible, investing presents not just a practical alternative but a powerful driver of optimism.

I invite you to explore the full report to understand how we can empower more Australians to bridge this 'Ambition Gap' that separates them from investors, and from their own financial goals.

— Matt Leibowitz, Founder & CEO, Stake



Key themes

1

The overlooked benefits of investing

Regardless of income or returns, investors feel more satisfied, confident, secure and optimistic than non-investors.

Page 5

2

The mindset that propels investors

Investor EQ helps to overcome emotional barriers to investing. Without it, half of Australians hold themselves back.

Page 13

3

The forces that point to investing

As the old roadmap to getting ahead fades and an ‘inheritocracy’ creeps in, investing is seen as the path onwards.

Page 23

Bridging the Ambition Gap

To empower non-investors, our appendix covers the most common emotional biases, investing strategies and investments. **Page 34**

This Ambition Report reveals that Australia's divide between investors and non-investors represents a tension between optimism and pessimism. Action and inertia.

On one side, investors who feel in control of their future. They're the Starters.

On the other, those who don't invest and feel defeated by circumstances. The Stallers.

Between them, there's an **Ambition Gap**. And it's defined not by income, but by mindset.

How do investors feel?

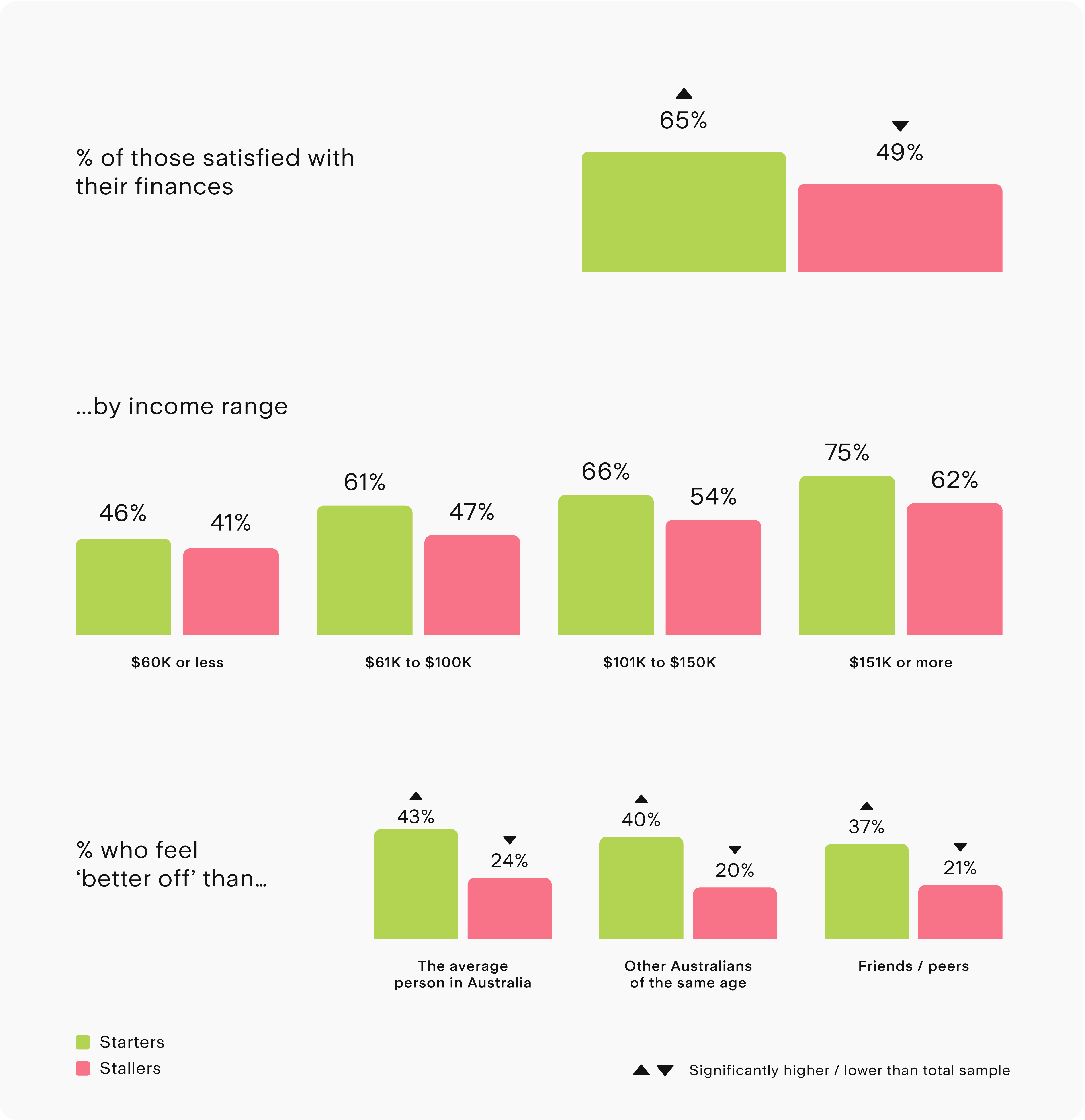
They find comfort in controlling
what they can control.

Satisfied

65% of the Starters (investors) reported being satisfied with the current state of their finances. Significantly higher than 49% of the Stallers (non-investors).

It's not that investors have more money to begin with. The difference in satisfaction is there at every income range.

People who invest are also nearly twice as likely to see themselves as better off financially – whether compared to the average Aussie, others of the same age or friends/peers.



Confident

In the context of a challenging economy, **69% of Starters are confident they'll still succeed financially**, compared to 49% of Stallers.

Similar numbers separate their confidence in their financial future.

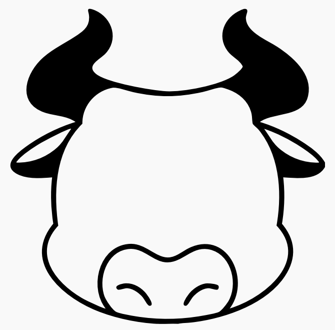
Starters are also 55% more confident (65% v 42%) that they'll have enough money to retire when the time comes.

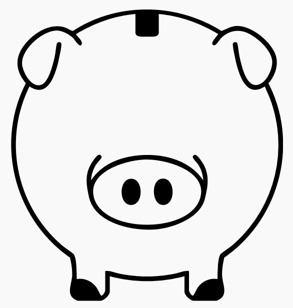
This too is consistent regardless of income.

"I believe I can succeed financially, despite a challenging economy"

% who agree

Confident in their financial future		Confident they will have enough money to retire	
71% ▲	51% ▼	65% ▲	42% ▼





Starters
Stallers

▲▼ Significantly higher / lower than total sample

“Investing is not just about growing money; it's about taking accountability for your own future. It gives you the confidence to question and understand what your money is doing to better your life.”

— **Lisa Whitman**

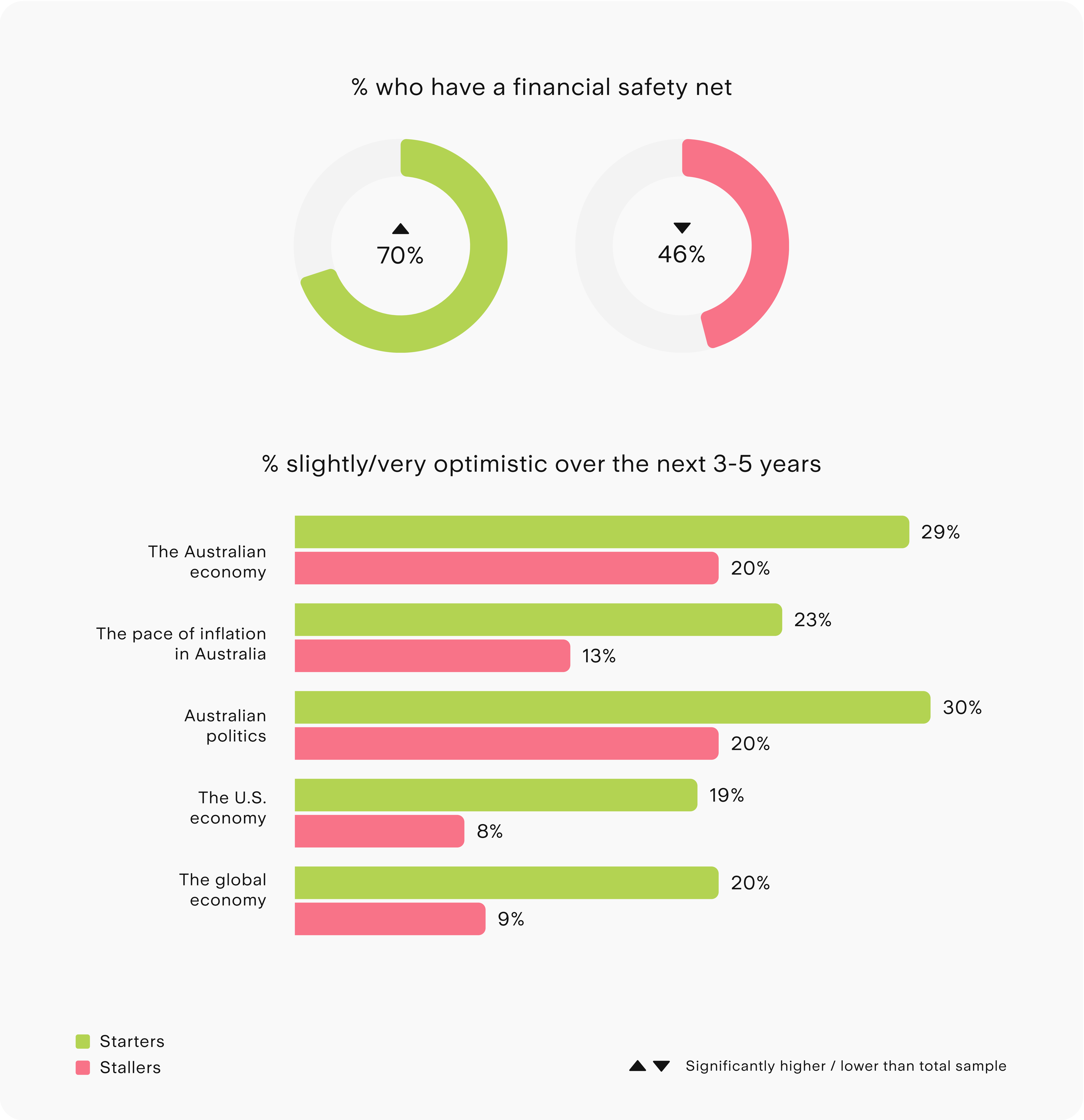
Stake customer

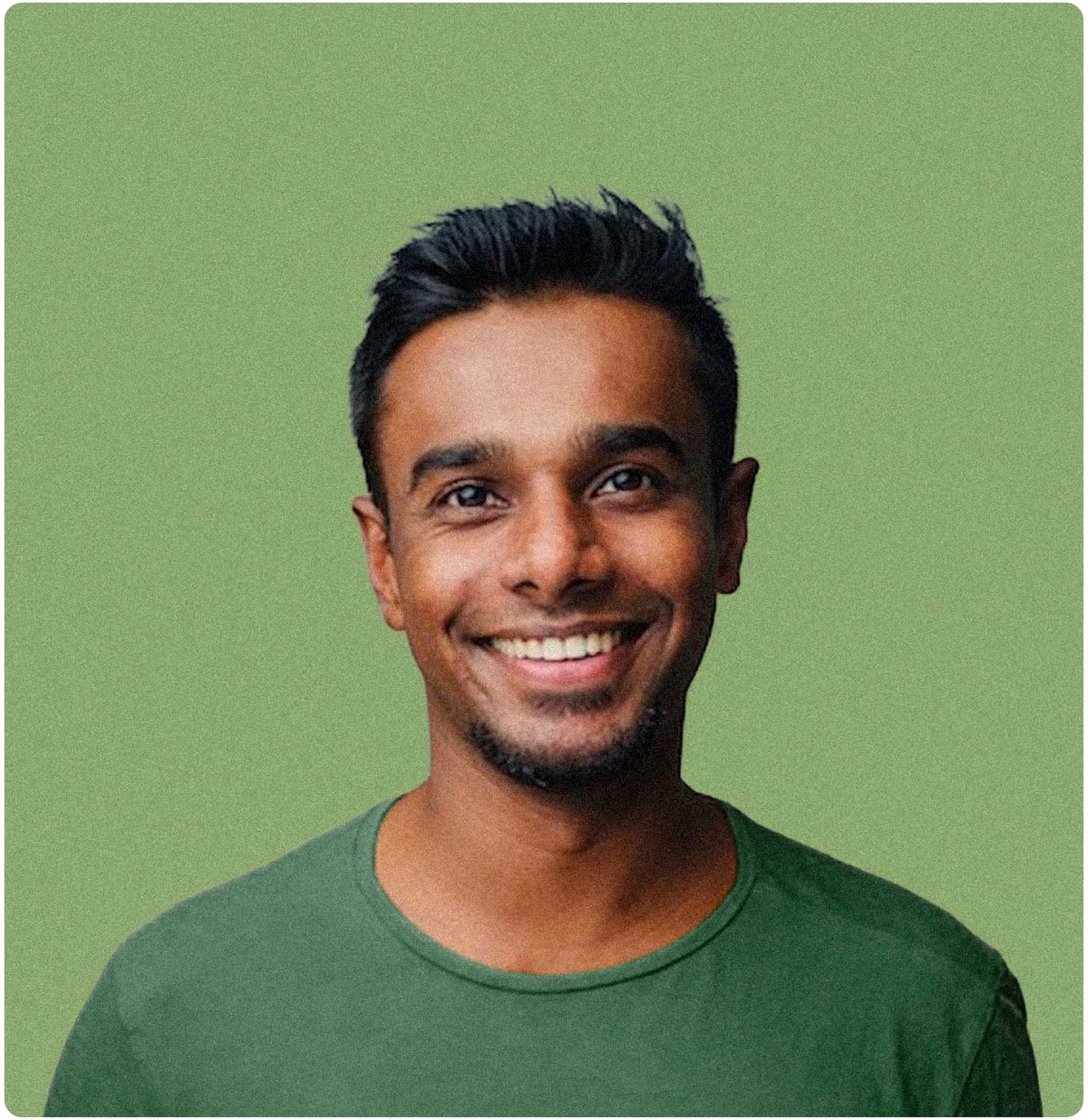
Secure and optimistic

70% of Starters have a financial safety net. Fewer than half of Stallers can say the same.

This better positions Starters to withstand economic volatility.

Starters also have a more positive economic outlook over the next few years – underlining their confidence regardless of external factors at play.





“I like that investing is black and white: the numbers show the impact of your decisions, good or bad. In the short term it can teach you resilience. As you go and see progress, it makes you more optimistic.”

— **Navin Dev**

Stake customer

Less stressed

It follows that **Starters aren't as stressed out by their finances as the Stallers.**

This stress is most prominent among younger and female cohorts: 76% of Stallers in Gen Z say their finances make them feel stressed, same as 68% of women who don't invest.

Even the cost of living is felt more by the Stallers. 68% mention the cost of everyday goods as a barrier to reaching their financial goals – compared to 54% of Starters.

"Thinking about my personal finances makes me feel stressed"

Starters	Stallers
59% ▼	64% ▲

Gen Z non-investors: 76% ▲
Female non-investors: 68% ▲

"Everyday goods cost too much"

as a barrier to reaching their financial goals

Starters
Stallers

▲▼ Significantly higher / lower than total sample

Recap

Investing is more than a financial activity – it's a powerful driver of positivity.

Just by engaging with the opportunities, Starters get a psychological buffer against economic pessimism.

So why don’t more people invest?

There are rational barriers.
But even more emotional ones.

Perceived lack of funds

56% of Stallers claim the main reason they don’t invest is not having enough money.

But even high earners feel this way:
38% of Stallers who make $150K+ per year.

This, combined with other reported reasons, suggests that **Stallers could in fact be prioritising other uses for their funds**.

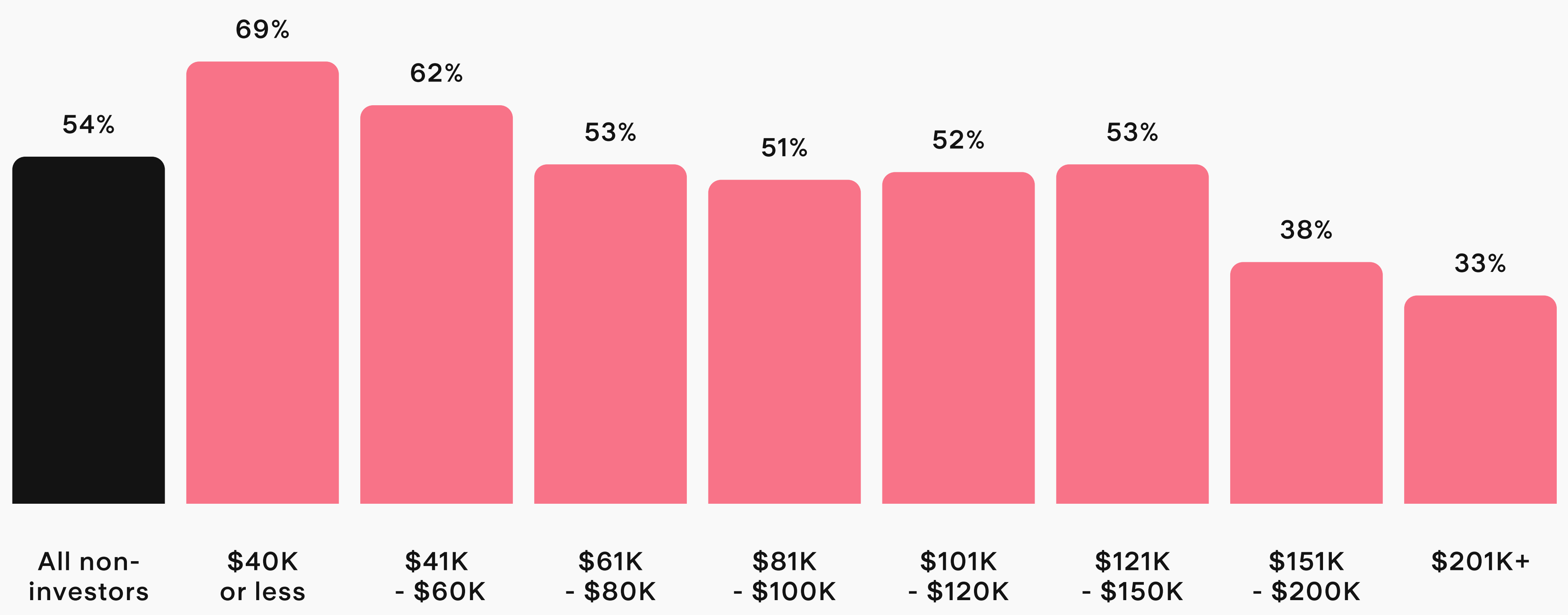
What at first sounds like a rational barrier might be more rooted in emotions – what we call *Investor EQ*.

Top 5 reasons non-investors aren’t investing today

1	**I don’t have enough money to invest**	56%
2	I’m worried about losing money	36%
3	I prefer to keep my savings in my account	35%
4	I am not confident making decisions about investments	28%
5	I’m paying down debt instead	23%

“I don’t have enough money to invest”

by annual household income



“The research shows that, to overcome behavioural barriers and build wealth, a confident mindset or emotional state is at least as important as sheer financial acumen.”

— **Belinda Aanensen**

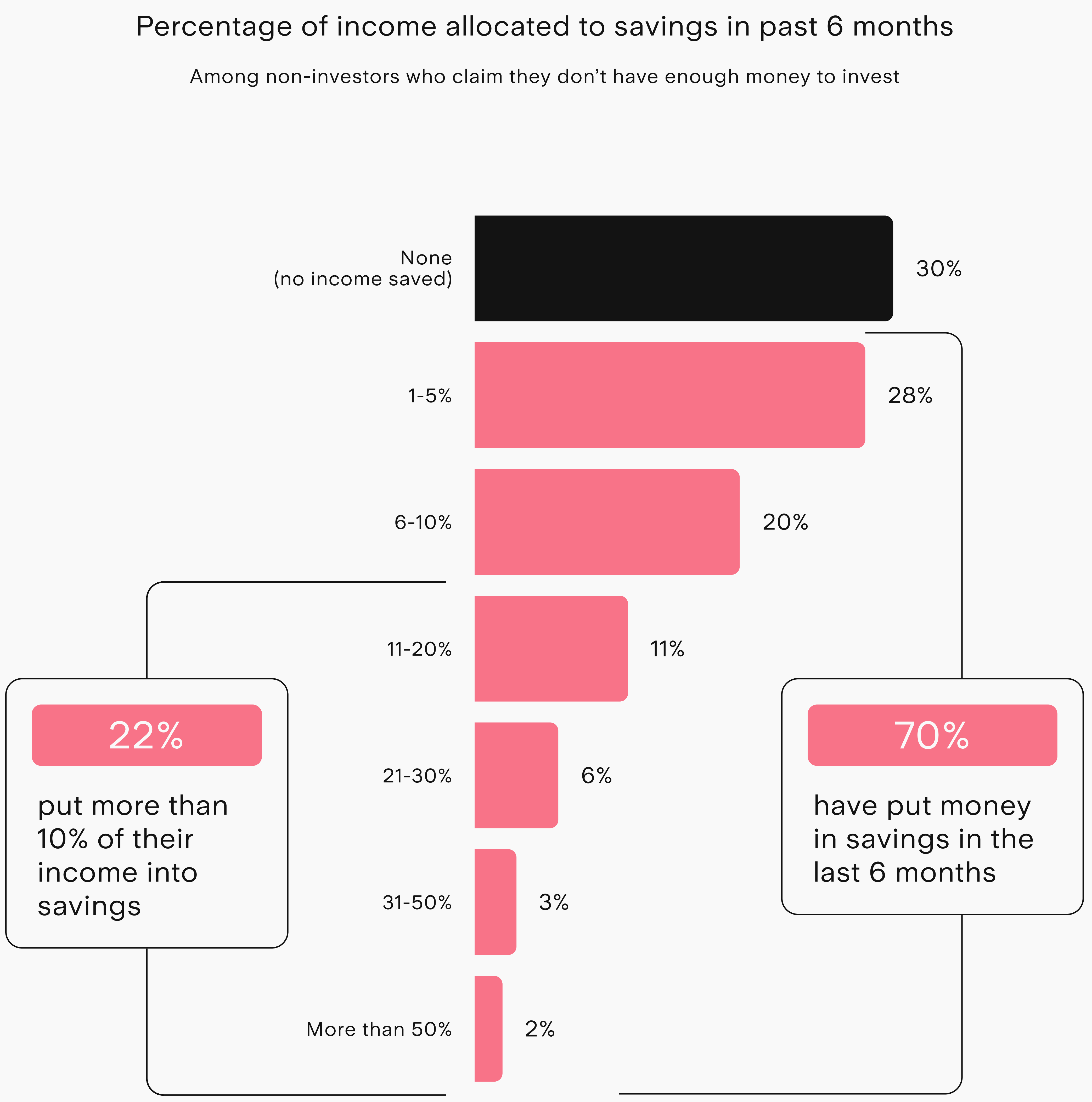
Partner, The Behavioural Architects

Prioritising savings

Of those who claim they don't have enough funds to invest, **70% have put money into savings over the last six months**. 22% managed to save more than a tenth of their income.

The money is there. The mindset isn't. That's the Ambition Gap at play.

And so **35% of all Stallers prefer to keep their savings** – the third most cited reason not to invest.

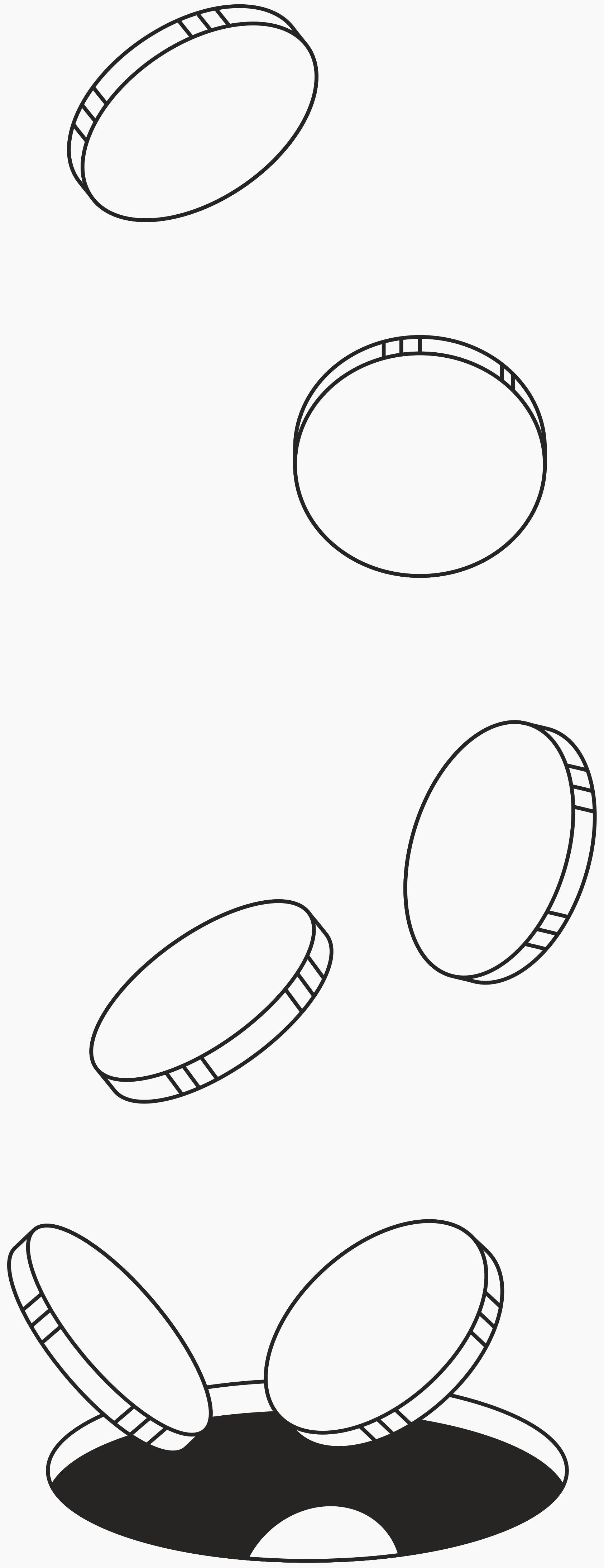


Loss aversion

The second most common barrier to investing is the fear of losing money.

This is linked to loss aversion: the idea that we overvalue what we already have and hate losing it. Typically, a loss hurts twice as much as an equivalent gain feels good.

To compound this perceived risk, **Stallers are much more likely to see share investing as gambling**.



36% of non-investors fear they may lose money by investing

36% see investing in shares as gambling (vs 23% of investors)

52% of those who fear losing money *have* lost money in the past by investing, including:

12% ▲ of Boomers

10% ▲ of males

▲▼ Significantly higher / lower than total sample

“While savings accounts might feel psychologically safer, they don’t come close to beating inflation in the long term. This means you’re quietly losing money every year.”

— Simonelle Mody

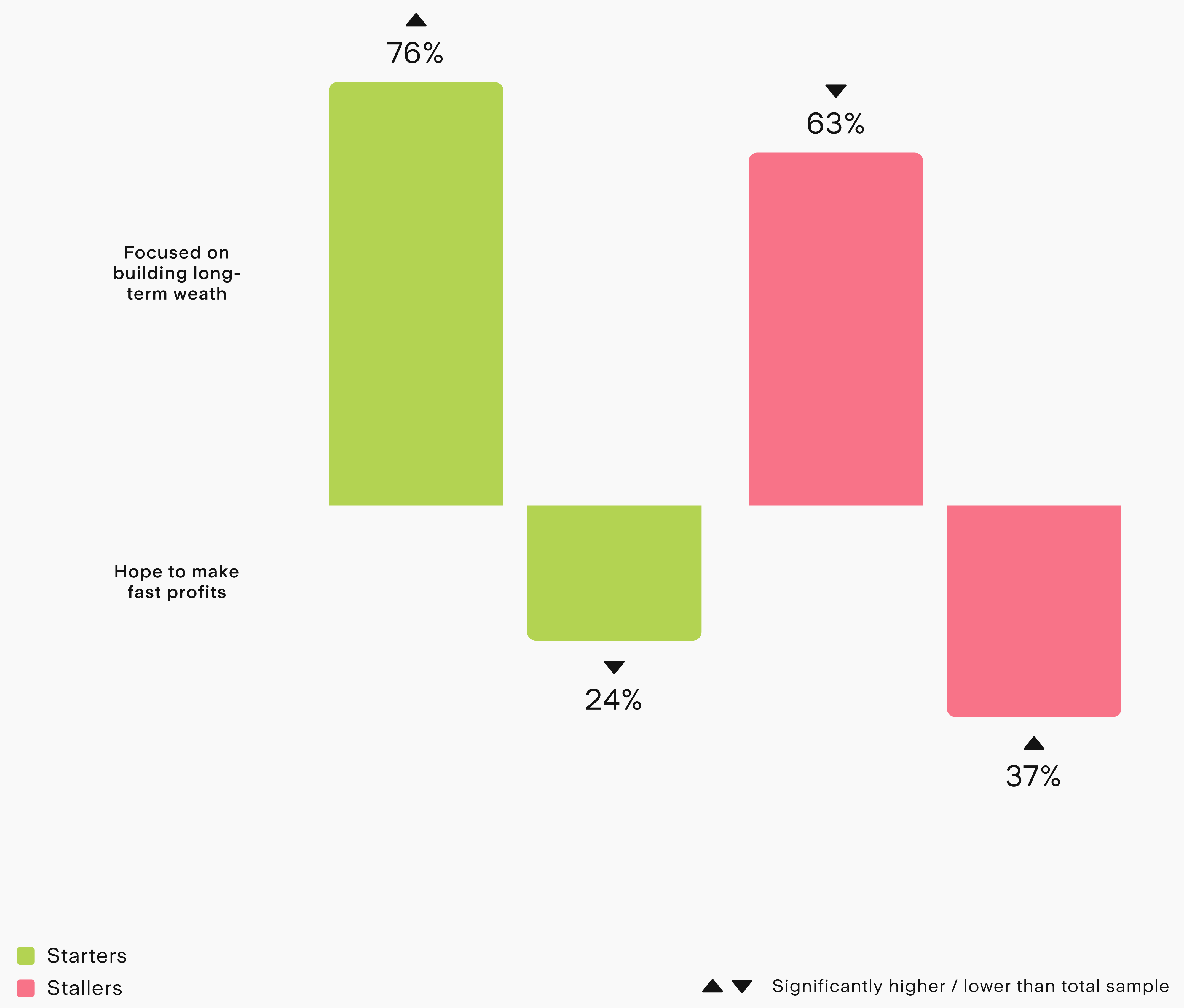
Associate Investment Specialist, Morningstar

Expectation paradox

Loss aversion can make people demand unrealistically high returns to justify the risk associated with investing. Especially if there's no safety net, as is more likely among Stallers.

Those unrealistic expectations show when **more Stallers than Starters say they'd hope to make fast profits** via investing.

Since no single financial product offers both fast profits and the safety of savings accounts, these conflicting desires cause paralysis for Stallers.



"People may look at the returns on savings accounts vs the share market over one year, instead of over ten years. This can hold them back. If they reset expectations away from quick wins, they might benefit from compounding returns over the long term."

— **Samy Sriram**

Market Analyst, Stake

Lack of confidence

As the fourth biggest barrier, **28% of Stallers are simply not confident making investment decisions.**

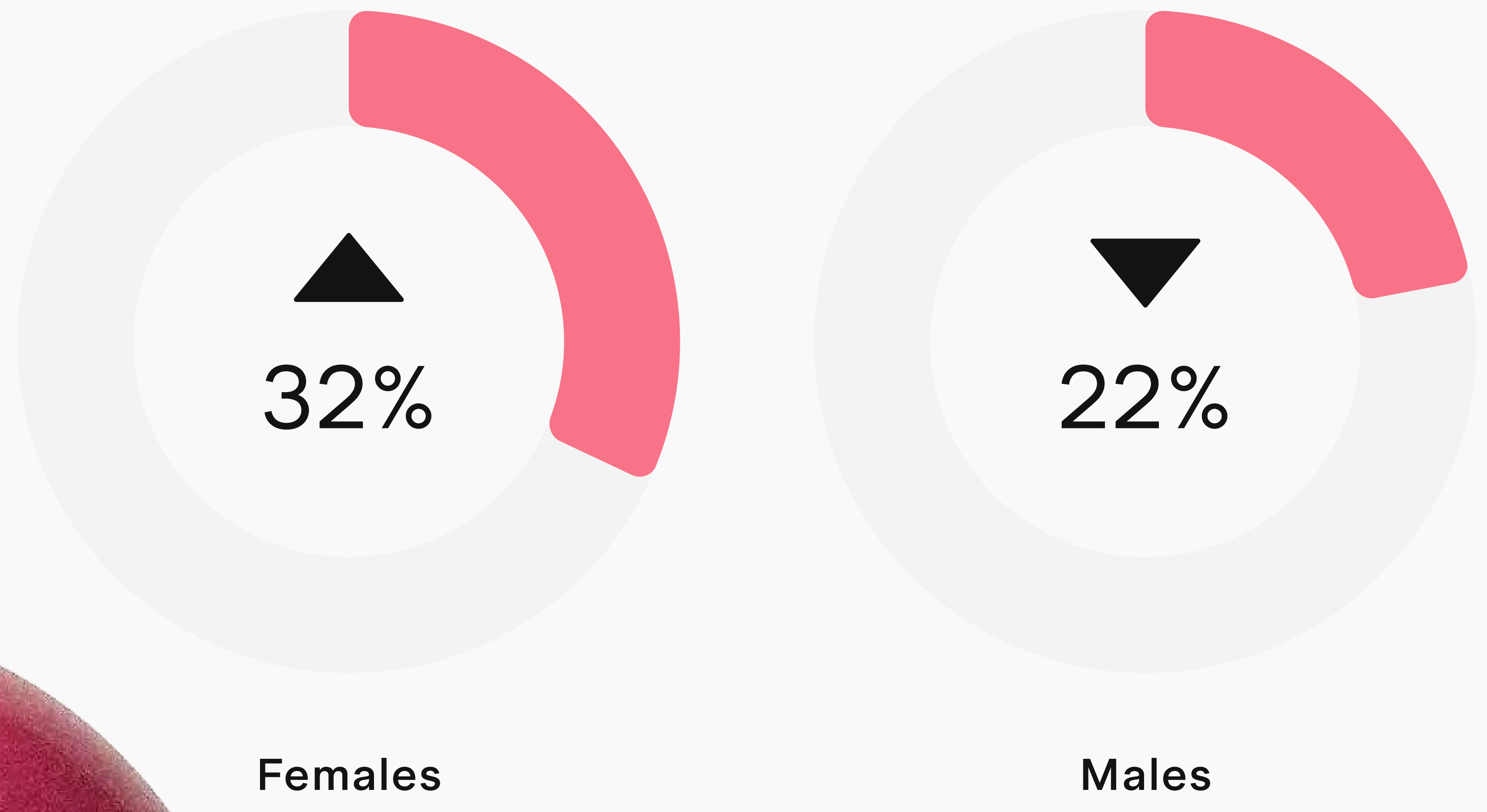
This was cited as the *main* barrier by 32% of women compared to 22% of men, pointing to a gender gap in self-efficacy.

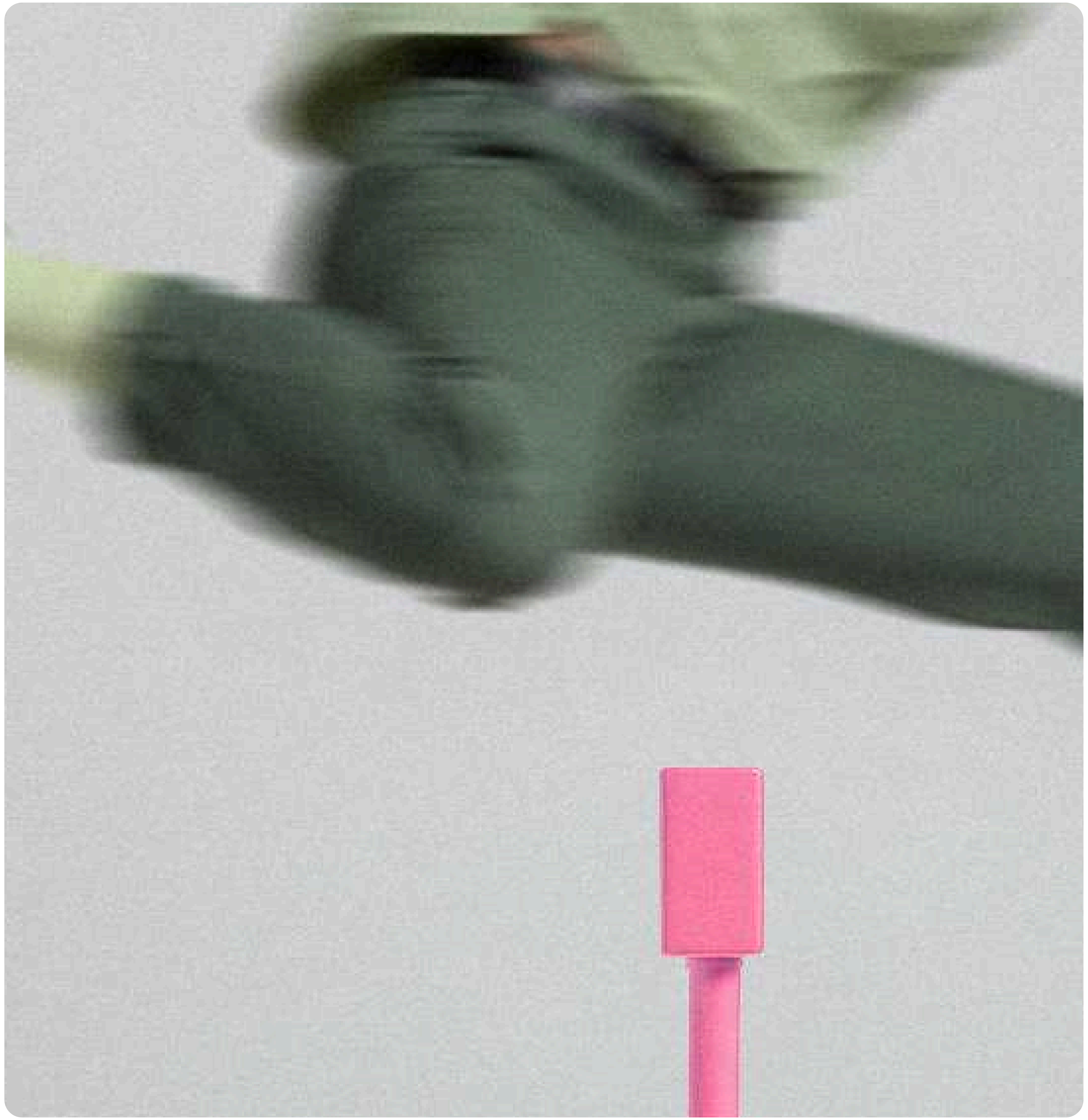
This is not related to income nor age. Despite equal or even superior financial knowledge (Investor IQ), women often rate their own capabilities lower.

It's a shortcoming in *Investor EQ*, and it leads to lower engagement with investing among women.

"I am not confident making decisions about investments"

% selected as a main reason for not investing





Recap

To improve financial outcomes, Australians should face the emotional barriers to investing, not just the rational ones.

More than knowledge or capital, we need *Investor EQ* – a mindset of agency and self-determination.

Why is investing seen as the way forward?

Because the traditional paths to wealth creation are eroding.

Moving goal posts

49% of Millennials feel their wages aren't keeping up with inflation. Gen Z is the most concerned about the intergenerational wealth gap. And automation is threatening their careers.

Older generations, Boomers in particular, are far less concerned about these issues.

Barriers to achieving financial goals	% who agree Gen Z	Millennials	Gen X	Boomers
"My wages aren't keeping up with costs"	47%	49% ▲	45%	31% ▼
"The growing wealth gap between generations"	26% ▲	21% ▲	13% ▼	11% ▼
"AI and automation are putting my job/career at risk"	6%	10% ▲	6%	4% ▼

▲▼ Significantly higher / lower than total sample

Assets over work

In response, the preferred strategy for getting ahead financially continues to evolve through the generations.

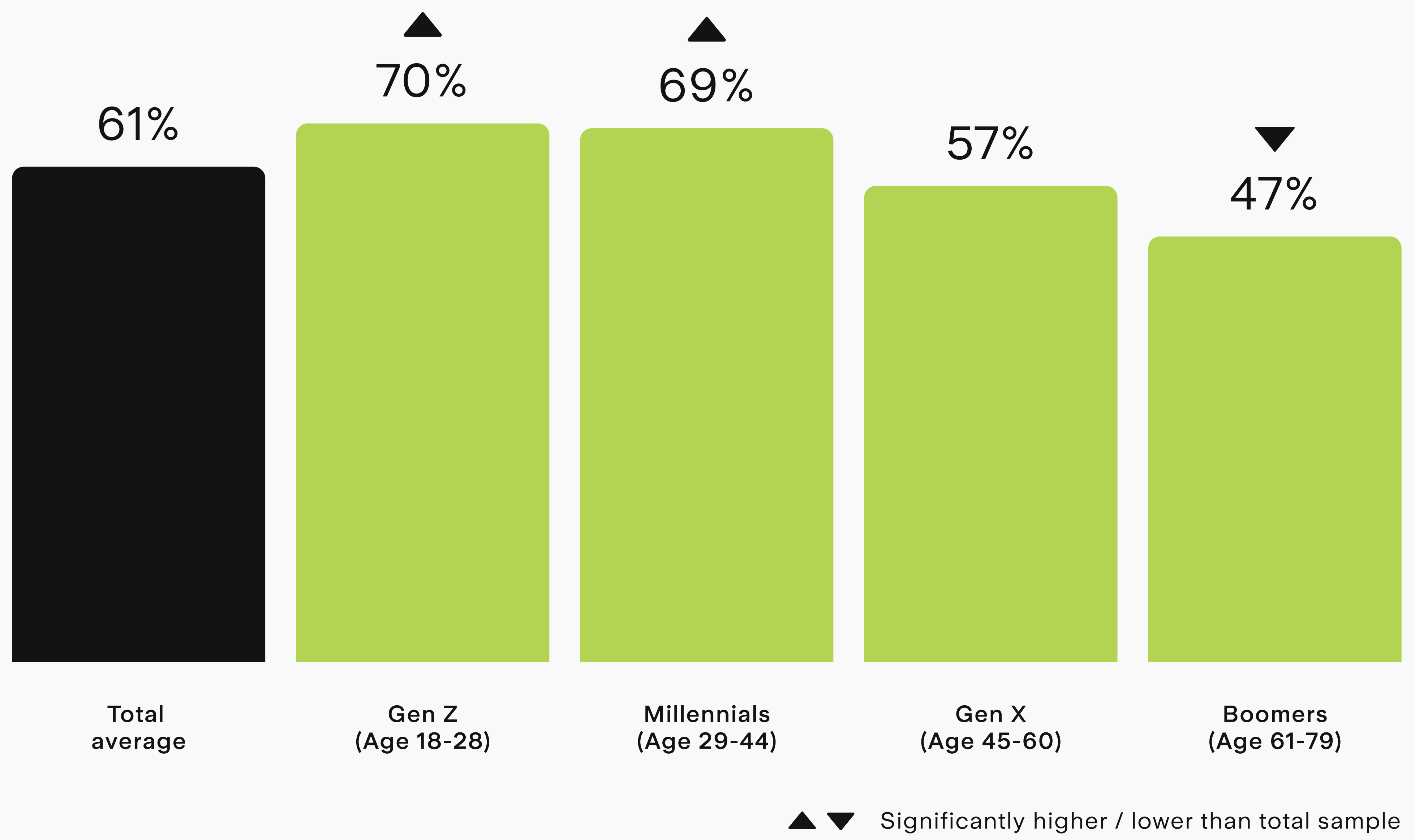
70% of Gen Z and Millennials believe in asset ownership as a financial ladder over career progression.

Fewer than half of Boomers feel that way – a sign of their belief in previously tried-and-true methods.

Financial attitudes and behaviours

“In today’s society, acquiring investments/assets is more important to get ahead financially than career progression”

% who agree



“I work hard and my business is growing, but I have no doubt my investments will make much more of a difference in my financial future than my earnings.”

— Brandon van der Kolk

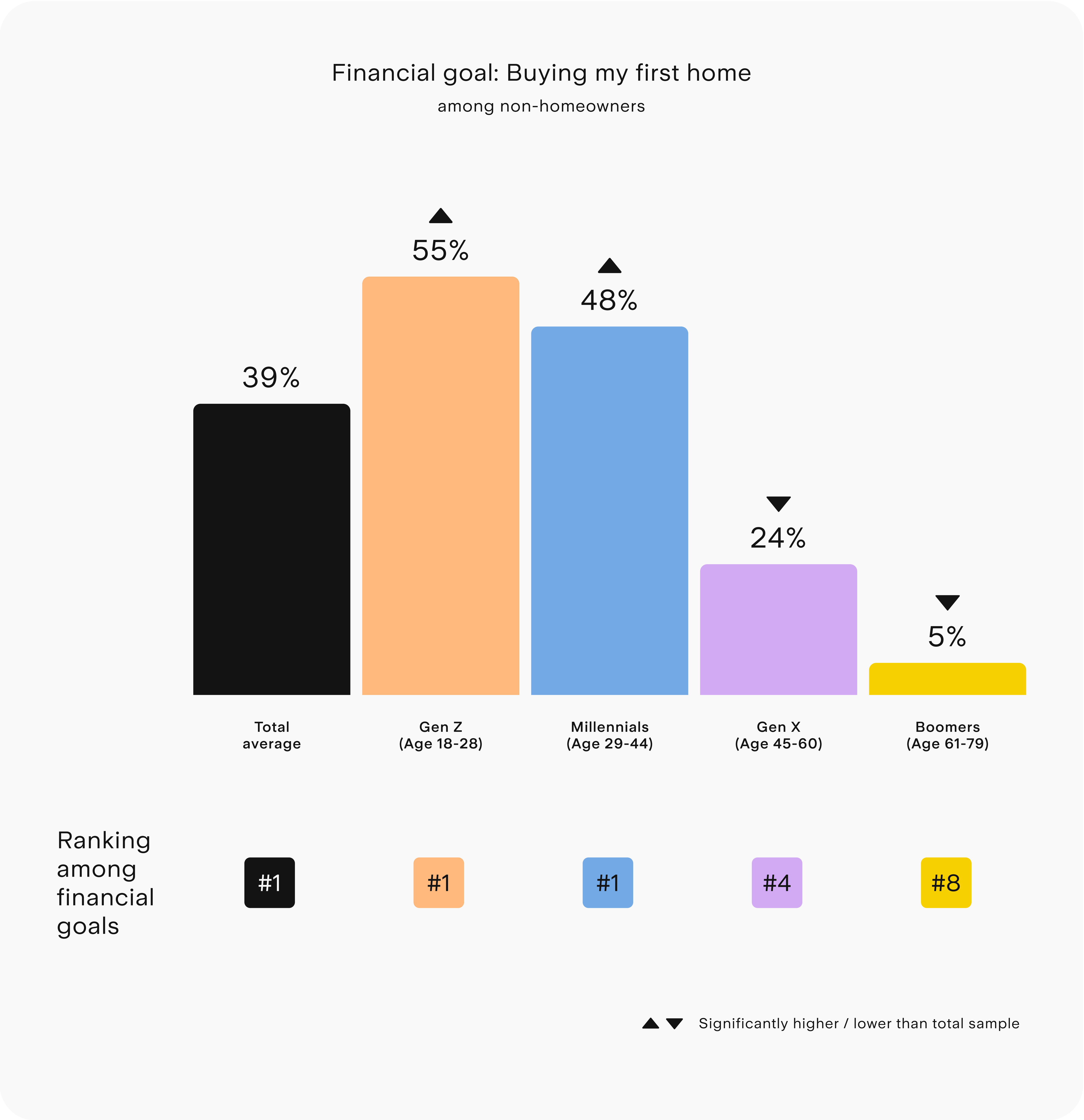
Founder, New Money

Property market

The most desirable asset to own is still property. **For Gen Z and Millennials who haven't bought a home yet, this is the main financial goal**.

As people age without owning property, this may feel permanently out of reach. Other priorities take over, such as building a financial safety net, saving for a one-off purchase or paying down other debt.

The traditional route to financial progress has not been accessible to them – making alternative paths even more important.



“You can’t afford not to invest. Not only is inflation reducing the purchasing power of your money, but we’re living longer. Your quality of life depends on investing early, sensibly and with your financial goals in mind.”

— Shani Jayamanne

Director, Investment Specialist, Morningstar
and co-author of the book ‘Invest Your Way’

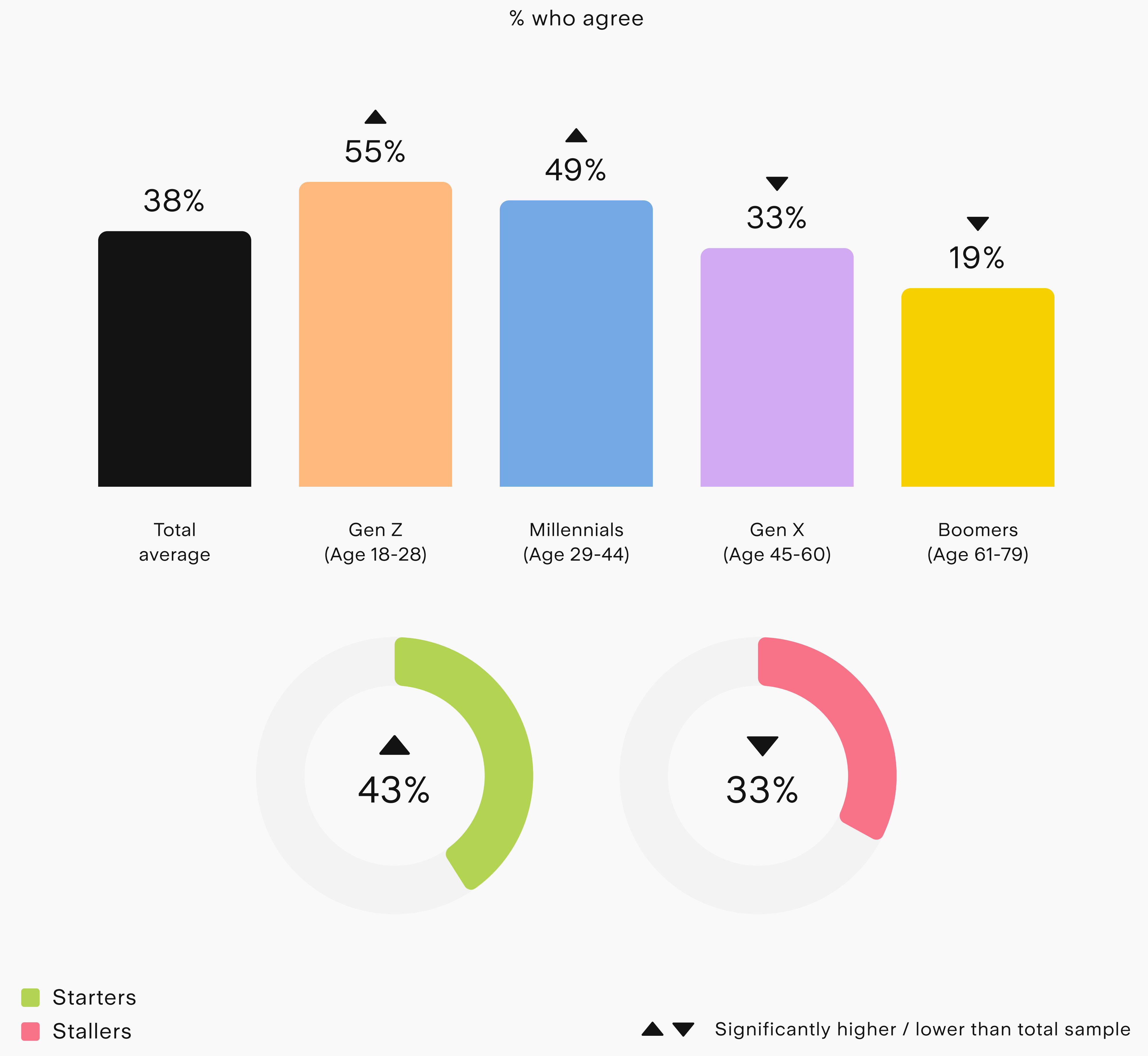
Inheritocracy

Younger generations are more convinced there's an 'inheritocracy' at play in Australia. A sense that hard work is no longer enough to unlock financial progress, and an inheritance is now a requirement.

Interestingly, **Starters are even more likely than Stallers to believe that what you inherit has more impact**.

This awareness could be spurring them to invest as a way to get ahead without waiting or relying on a wealth transfer.

"What you inherit from your family is more important than how hard you work in Australia today"



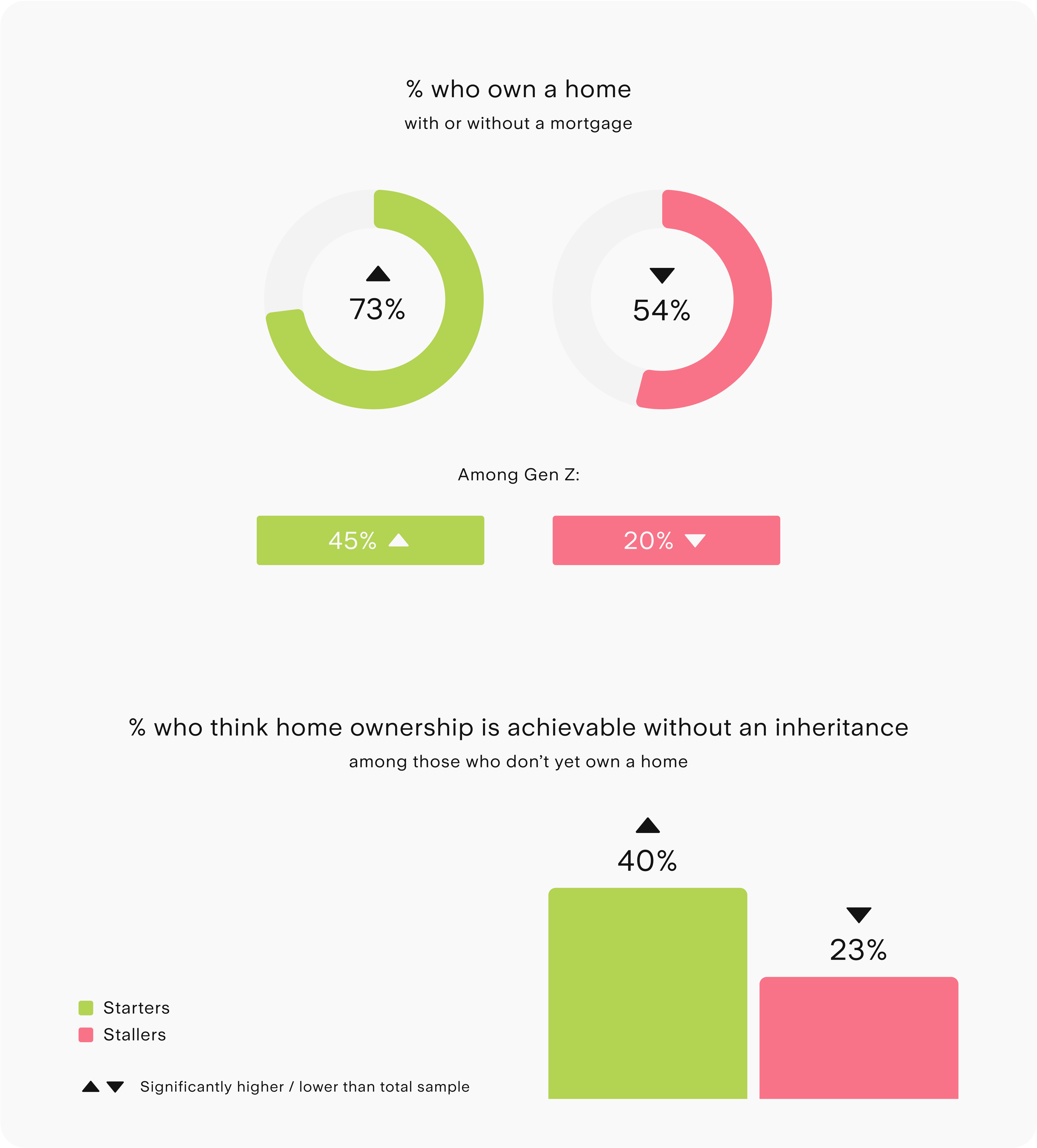
Investing to get there

Indeed, **Starters are much more likely than Stallers to own a home** (with or without a mortgage).

This holds true across generations and suggests that investing may play a role in enabling home ownership.

Among those who don't yet own a home, **Starters are more confident they'll be able to buy one without an inheritance**.

This brings us back to one of the key benefits of investing: the confidence that comes from taking charge of your own outcomes, regardless of broader shifts that may impact others negatively.



Recap

Investing is a key tool for forging a path to financial progress when the old roadmap no longer applies.

Summary

Emotional barriers to investing

1. The greatest barrier to financial progress isn't a lack of capital, but a lack of a resourceful and ambitious mindset, or *Investor EQ*.

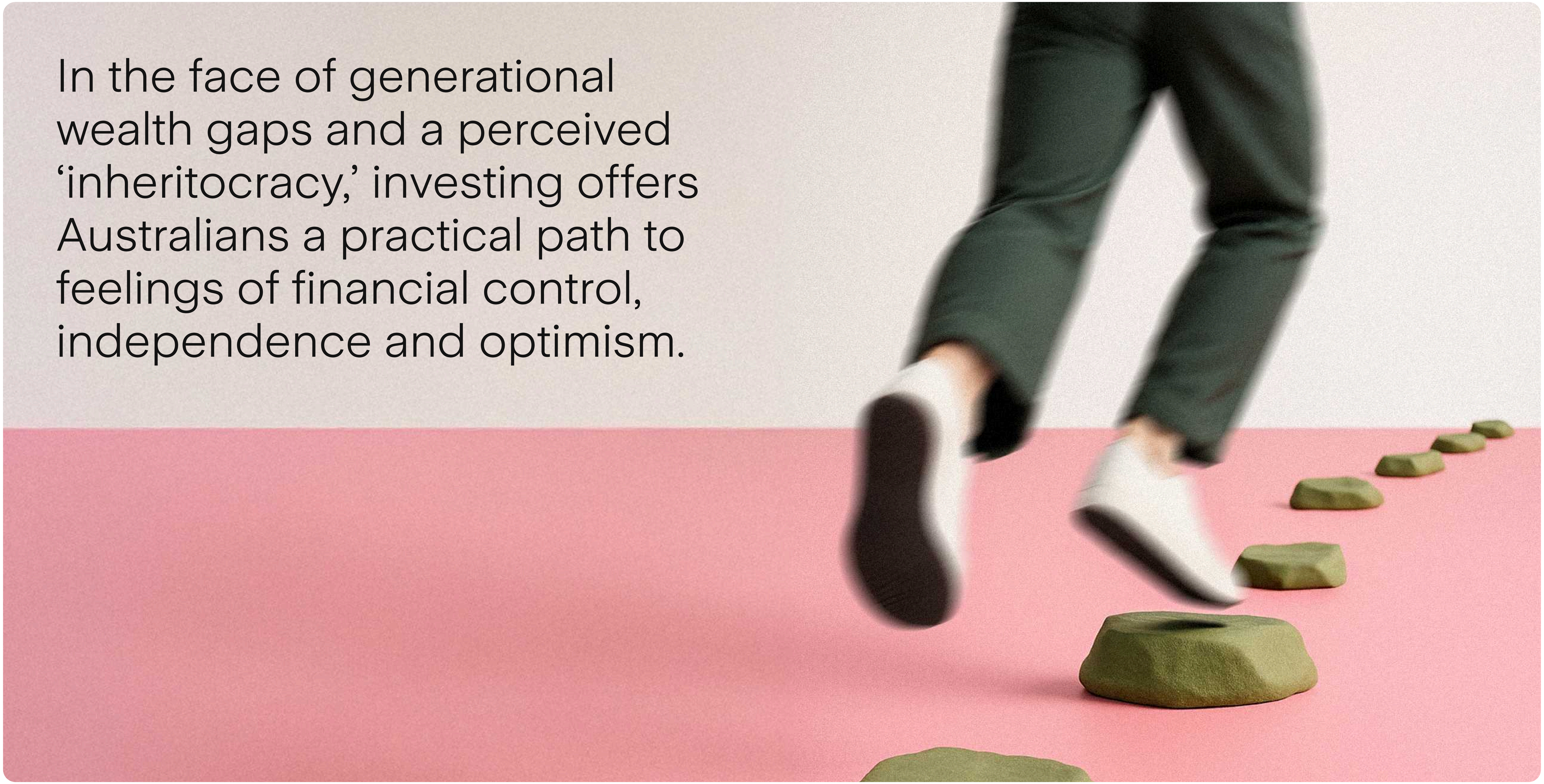
2. A difference in *Investor EQ* is what creates the 'Ambition Gap' between Starters and Stallers. It makes Stallers rank investing below other priorities – even when they have spare money – because they fear losses, prefer to save or pay debt and aren't confident enough to invest.

Emotional benefits to investing

3. Meanwhile, there's a clear psychological upside for those who prioritise investing over saving. They report less financial stress, more economic optimism and greater satisfaction.

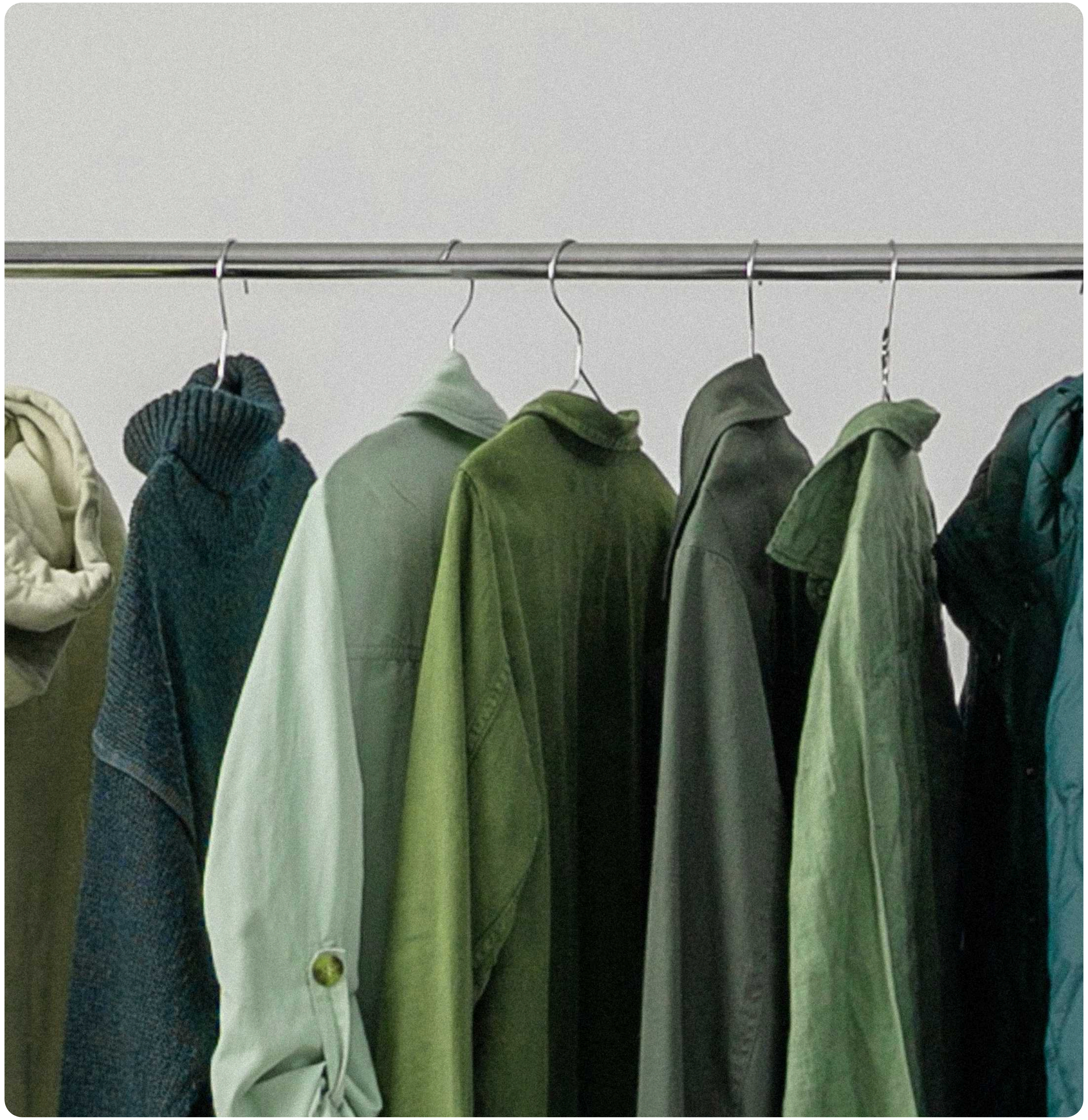
4. Starters are much more likely than Stallers to feel better off (43% vs 24%), have a financial safety net (70% vs 46%) and feel confident about retirement (65% vs 42%).

In the face of generational wealth gaps and a perceived ‘inheritocracy,’ investing offers Australians a practical path to feelings of financial control, independence and optimism.



From ambivalent to ambitious

Here are some steps Stallers can take to improve *Investor EQ*, close the Ambition Gap and start making moves.



Recognise the emotional biases

Be on the front foot about the most common mental traps in investing.

1

Loss aversion

What it is

Prioritising the protection of what you have because, for most people, the pain from losing is roughly twice as strong as the joy from gaining the same amount.

How to spot it

You feel intense anxiety or discomfort when your investments are down, and you're tempted to sell to stop the pain, even if that means locking in a loss.

How to overcome it

Remember that a drop in share price isn't a realised loss unless you sell. Instead of reacting to the fear, focus on your long-term strategy and financial goals. Acknowledge that market fluctuations are normal and fleeting.

2

Herd mentality

What it is

The psychological urge to follow the crowd, often driven by a fear of missing out (FOMO) or a fear of being wrong by acting alone.

How to spot it

You find yourself buying into a stock or asset simply because 'everyone is doing it', without a clear understanding of its fundamentals.

How to overcome it

Stick to your own research and investment strategy. Just because a trade is popular, doesn't mean it's smart. In fact, a great investor once said: 'Be fearful when others are greedy and greedy when others are fearful.'

3

Recency bias

What it is

Short-term memory and the belief that recent trends will continue indefinitely into the future.

How to spot it

You think a bull market will never end, and so you buy at inflated prices. Conversely, you might believe a bear market will drop forever, causing you to sell out near the bottom.

How to overcome it

Understand that market cycles are natural. Don't build your strategy around short-term trends. Anchor your decisions to long-term plans and historical data, which shows that markets generally recover over time.

Recognise the emotional biases (cont.)

Be on the front foot about the most common mental traps in investing.

4

Confirmation bias

What it is

The tendency to seek out and 'cherry-pick' information that confirms your existing beliefs, while ignoring or dismissing conflicting evidence.

How to spot it

You primarily read articles or listen to commentators that agree with your investment hunch or decision.

How to overcome it

Deliberately challenge your own thinking. Actively seek out information that presents a 'bear case' for a stock you like. Ask yourself what would need to happen for you to change your mind about an investment.

5

Anchoring bias

What it is

Latching on to an arbitrary number, such as your purchase price, and letting it unduly influence your future investment decisions.

How to spot it

You cling onto a losing stock in hopes it will return to the price you paid for it. You might also refuse to buy a great company because its current price is higher than it was in a previous opportunity.

How to overcome it

Realise the market doesn't care what number you have in mind. Your investment decisions should be based on the company's current and future prospects. Reassess your holdings with a fresh perspective, without fixating on the past.

Know your strategy

Understanding famous investing strategies can help you focus on the bigger picture with more confidence.

Buffett's 90/10 strategy

In a nutshell

This strategy allocates 90% of a portfolio to a low-cost S&P 500 index fund and 10% to short-term government bonds.

Why you may consider it

You might choose this strategy if you're looking for a simple, low-cost way to participate in the long-term growth of the U.S. stock market without needing to research individual companies. It's ideal for those who prefer a 'set and forget' approach, with a higher tolerance for risk, since a large portion is in stocks.

Dalio's all-weather portfolio

In a nutshell

This strategy aims to perform well in all economic climates by diversifying across various asset classes: stocks, long-term bonds, intermediate-term bonds, gold and commodities. The goal is to minimise risk and protect capital.

Why you may consider it

Suitable if your main goal is portfolio stability, even in significant downturns. It's designed to be less volatile than a stock-heavy portfolio and to perform consistently whether the economy is growing, in a recession, or experiencing inflation or deflation.

Bogle's three-fund portfolio

In a nutshell

A straightforward, low-cost strategy that uses just three index funds: a total U.S. stock market fund, a total international stock market fund, and a total bond market fund. The proportions are adjusted based on your risk tolerance.

Why you may consider it

For investors who want to achieve broad global diversification with an easy-to-manage portfolio. It balances exposure to both U.S. and international markets with the stability of bonds, all while keeping costs low.

Find inspiration

Here's how Starters invest. But beware of herd mentality and do your own research.

Shares in Australian listed companies	70%
ETFs (Exchange-traded funds)	41%
Shares in international listed companies	25%
Employee shares or options	12%
Listed Investment Companies/Trusts (LICs, LITs)	8%
Real Estate Investment Trusts (REITs or A-REITs)	7%
Exchange-traded bonds	6%
Hybrid securities	3%
Other	1%

Among Stake customers (1 Jan - 30 Jun 2025):

Top 5 most bought ASX stocks

1. FMG - Fortescue Ltd
2. BHP - BHP Group Limited
3. DRO - DroneShield Limited
4. ZIP - Zip Co Limited
5. MIN - Mineral Resources Limited

Top 5 most bought Wall St stocks

1. NVDA - Nvidia Corp
2. TSLA - Tesla Inc
3. PLTR - Palantir Technologies
4. AAPL - Apple Inc
5. AMZN - Amazon.com Inc

Top 5 most bought ASX ETFs

1. IVV - iShares S&P 500 ETF
2. VAS - Vanguard Australian Shares Index ETF
3. VGS - Vanguard MSCI Index International Shares ETF
4. NDQ - BetaShares NASDAQ 100 ETF
5. DHHF - BetaShares Diversified All Growth ETF

Top 5 most bought Wall St ETFs

1. VOO - S&P 500 Vanguard ETF
2. SPY - S&P 500 ETF Trust SPDR
3. TSLL - Direxion Daily TSLA Bull 2x ETF
4. QQQ - Invesco QQQ Trust Series 1
5. MSTY - YieldMax MSTR Option Income Strategy ETF

About the Ambition Report

Stake, in partnership with The Behavioural Architects, conducted a research study in May 2025. It involved a nationally representative survey of 2,002 Australians aged 18+, who are not retired, including both investors and non-investors. The study aimed to understand the benefits of investing, along with the rational and emotional barriers to investing.