

Gemini State of UK Crypto Report 2021



“our mission is to empower the individual through crypto...”

2020 was a year unlike any other and an exciting time for cryptocurrency. The market hit new records, with the price of bitcoin reaching highs above £26,500 (over \$29,000) and continued breaking records into 2021. Interest exploded in a wide range of decentralised finance (DeFi) tokens that represent further viable use cases for crypto. Consumers shifted away from crypto platforms with less sophisticated risk management practices to those with proper safety measures and higher compliance and legal controls. Importantly, institutional investors and corporates also made meaningful cryptocurrency investments, signifying long-term confidence in the asset class.

At Gemini, our mission is to empower the individual through crypto, by building thoughtfully designed products and services that are easy to use and have strong compliance and security at their core. As the crypto sector continues to mature rapidly, and with Gemini expanding internationally, we aim to help shape understanding of the industry’s evolution.

To this end, in early Q4 2020, we launched a nationally representative survey of 2,000 UK respondents, which looked at the profile of the crypto investor, the reasons consumers engage

with or avoid digital assets, how the COVID-19 pandemic has impacted various behaviours, and more broadly, the motivations that drive decisions on personal finance in general.

The most surprising data the survey returned reveals insights that upend long-held stereotypes, for example, in relation to the typical gender split of UK crypto traders and investors. Other trends identified in the research conform to expectations, but provide further illuminating detail, such as on the nature of crypto investors’ tech adoption.

This research was conducted in October 2020, so it reflects the situation before the extraordinary market dynamics at the very end of the year. Nevertheless, the data demonstrates an increasingly diverse consumer base engaging with digital assets and indicates how the market is likely to evolve over the longer term.



Blair Halliday


Head of UK, Gemini

The profile of UK cryptocurrency investors

In December 2019, there was a significant increase in people currently or previously holding cryptocurrencies — from 3.0% to 5.35%, compared to the previous year — according to research conducted by the UK's Financial Conduct Authority (FCA). Despite this increase in ownership, the typical profile of those investing had changed very little. Until recently, most digital asset holders were male, in a higher household income bracket, and working in tech.

Gemini's 2020 research found that 13.5% of respondents are current or previous investors in digital assets, representing a 152% increase from the previous study by the FCA. Currently, 3.7% are active cryptocurrency investors, with another 9.8% holding crypto in the last few years. Additional data we collected on UK cryptocurrency traders and investors also shows considerable shifts in demographics, behaviours, and other characteristics.

 **2000** total respondents

 **13.5%** Cryptocurrency investors

 **2 in 5** women

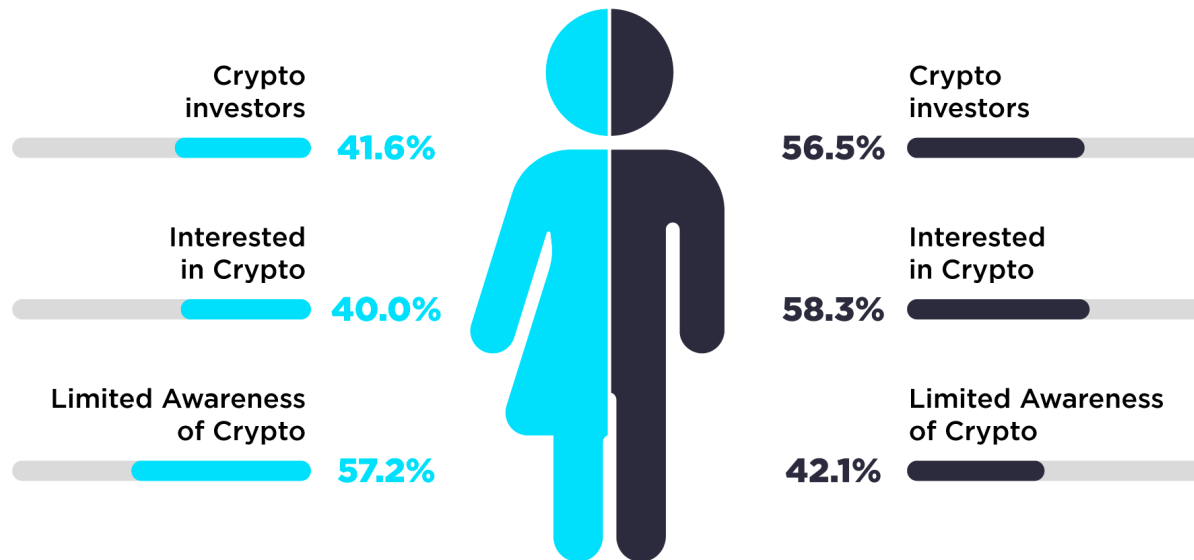
Five major trends emerged:

- 1. The genders, ages, and family status of cryptocurrency holders challenge the traditional investor profile.**
- 2. The education, employment, and income levels of cryptocurrency investors are diverse.**
- 3. Although London remains a hotspot for crypto, there is a broader distribution of investors across the UK.**
- 4. Cryptocurrency investors are exceptionally early adopters of technology, including green and smart technologies.**
- 5. Cryptocurrency investors are saving and investing more of their income, despite the economic impact of the COVID-19 pandemic.**



1.

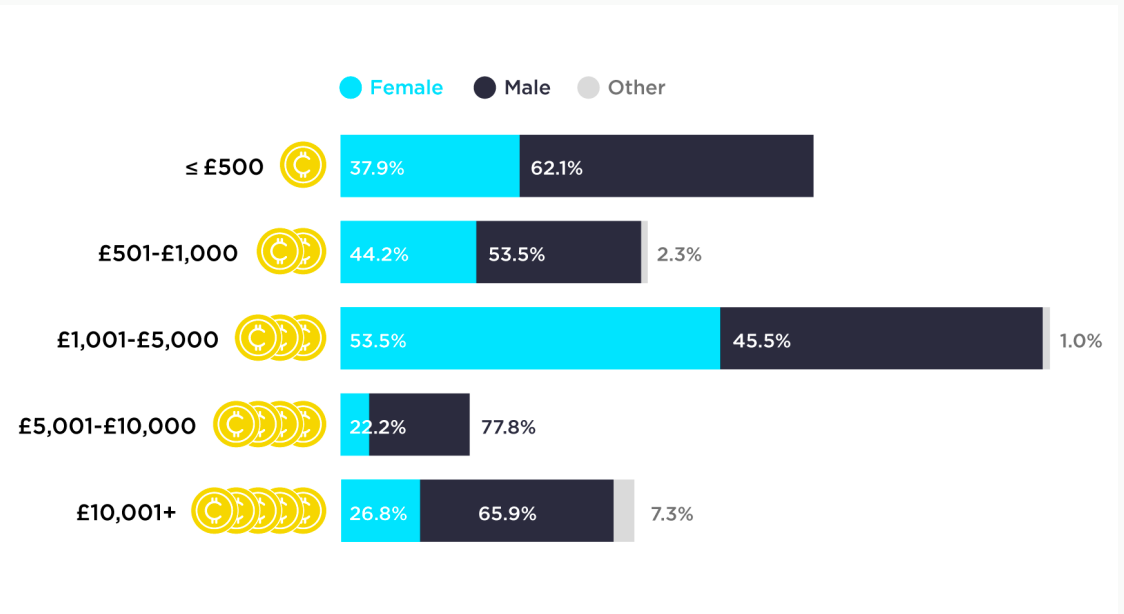
The genders, ages, and family status of cryptocurrency holders challenge the traditional investor profile



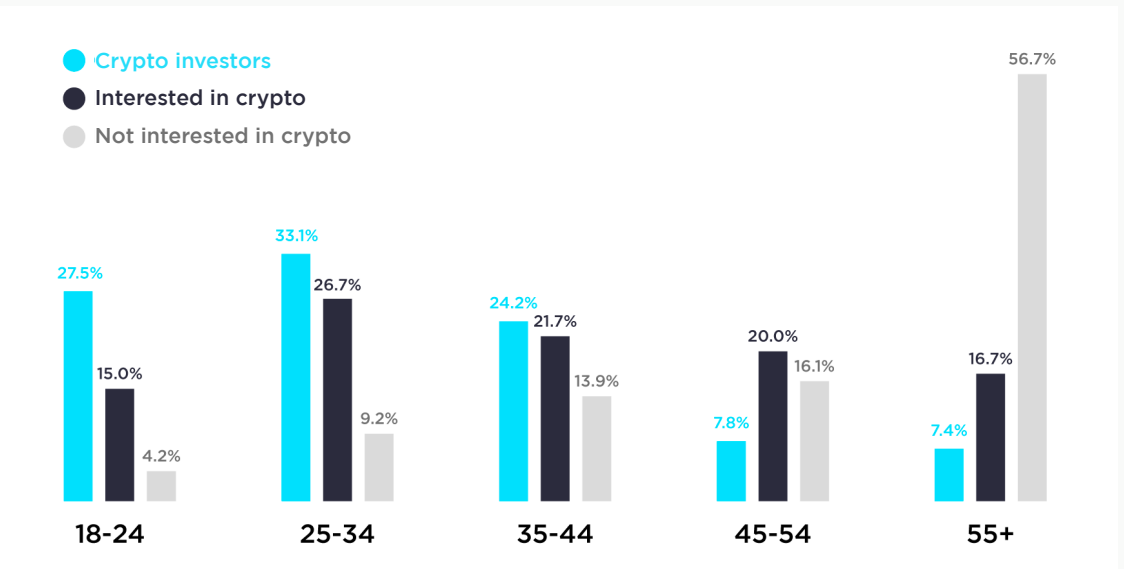
This new data represents a significant shift in the gender dynamics of UK crypto investors, with more women investing in digital assets in 2020. Of the 13.5% of respondents who are current or previous crypto investors, 41.6% are women. Of the 9.0% of those who are planning to invest, 40.0% are women. With previous research suggesting only 21.0%-22.0% of cryptocurrency investors were female, these new figures clearly demonstrate that more women are actively engaging with digital assets than ever before.



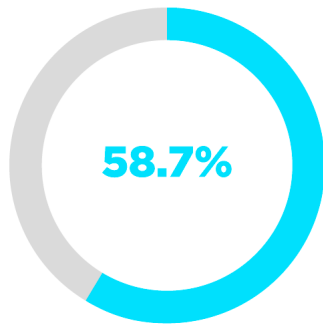
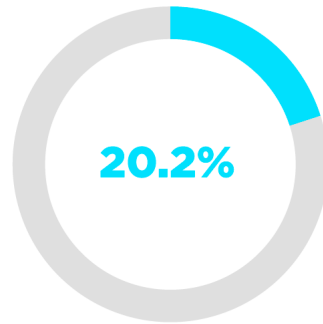
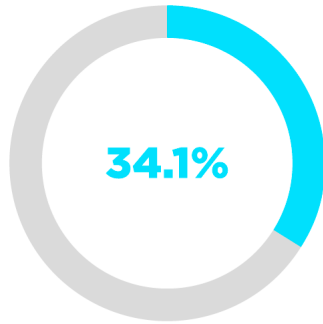
When they do buy digital assets, women are also investing at higher levels. Overall, two in five (40.9%) cryptocurrency investors hold less than £1,000 in investments on average, while 37.1% hold between £1,000 and £5,000 in crypto assets. Women make up more than half of the total investors (53.4%) investing between £1,000-£5,000. Men typically hold more cryptocurrency than women in either of the categories over £10,000 (65.8%) or under £500 (62.1%). Only 22.1% of all cryptocurrency investors have more than £10,000 in assets.



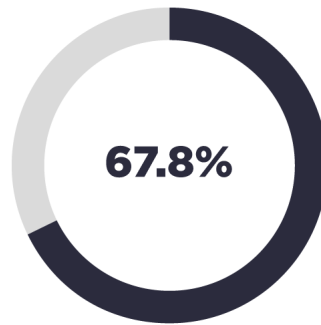
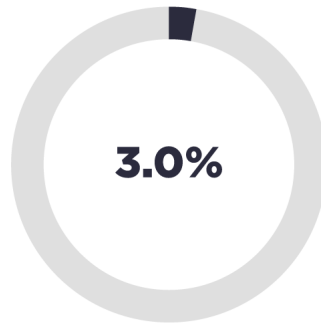
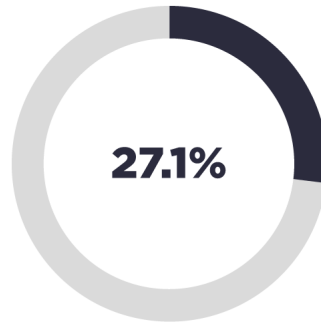
Reinforcing earlier studies, most current or previous cryptocurrency investors fall within three main age categories: 18-24 (27.5%), 25-34 (33.1%), and 35-44 (24.2%). However, the average age of prospective investors in the UK is older than previously thought and spread somewhat evenly between 18-54. In fact, 20.0% of those interested in crypto investments are 45-54 and another 16.7% are over 55. Despite this, the vast majority of those who expressed no interest in cryptocurrency investments at all are over 55 (57.0%).



Crypto



Non-Crypto



Current and previous crypto investors are more likely to have at least one child or dependent living at home (34.1%) than any other household make-up, perhaps indicating they either have younger children or those who have yet to enter employment and live independently. The next most common living arrangement for crypto investors is to live with housemates (20.2%), compared to only 3.0% of those who are not interested in cryptocurrency. Crypto investors were also less likely to live with only a spouse or partner (12.7%). By comparison, those not interested in cryptocurrency are most likely to live with a partner (38.2%), live with children or dependents (27.0%), or live alone (25.1%).



The majority (56.9%) of crypto investors are in relationships — either married, in a civil partnership, or living with a partner — compared to 34.5% who are single. However, those who are not interested in cryptocurrency are significantly more likely to be coupled up, with 68.1% in a relationship and far fewer being single (17.6%).



Cryptocurrency investors are also less likely to own their own home (58.4%) than those not interested in cryptocurrency (67.8%).

Overall, the data shows that the UK crypto investor and those interested in engaging with digital assets are:



18-44

Most likely to be aged 18-44



Split more evenly between genders



More likely to be in a relationship than not



Less likely to own their own home



More likely to have children/dependents at home



These findings show a divergence from the persistent view of the crypto investor as single, male, and childless. This is consistent with wider trends reported in 2020 of women showing strong interest in investment platforms in general. It is also indicative of how the crypto industry is reaching more diverse audiences as it develops. For example, it is now easier than ever for consumers to use their debit card or bank to buy crypto through simple and safe mobile apps or desktop exchanges. We expect this trend of the industry becoming more accessible to a wider population to continue, boosted by positive market dynamics, consumer demand for alternative sources of income, and institutional and corporate involvement in the sector.

Blair Halliday

Head of UK, Gemini

2.

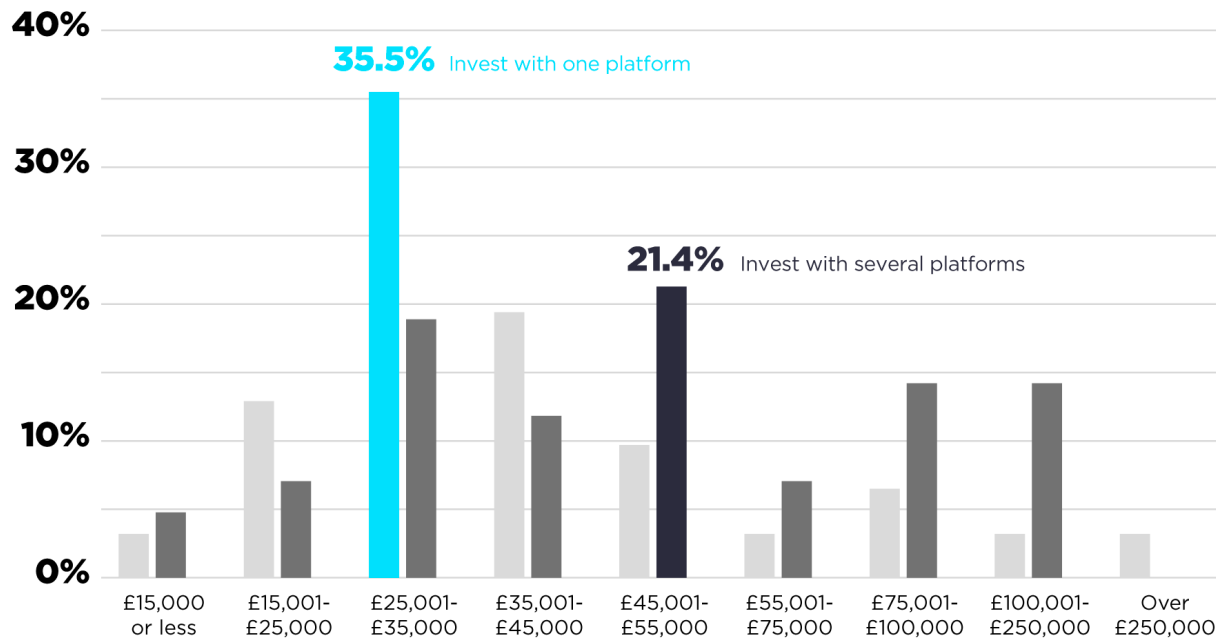
The income levels, education, and employment of cryptocurrency investors are diverse

When it comes to the average household income of crypto investors, it is not only the uber wealthy or those with high earnings who are engaging with digital assets.

Our data shows that 91.8% of current and previous cryptocurrency investors have a household income under £100,000.

The research also uncovered divergences in how people from different income brackets invest, and various details about the demographics of each group.

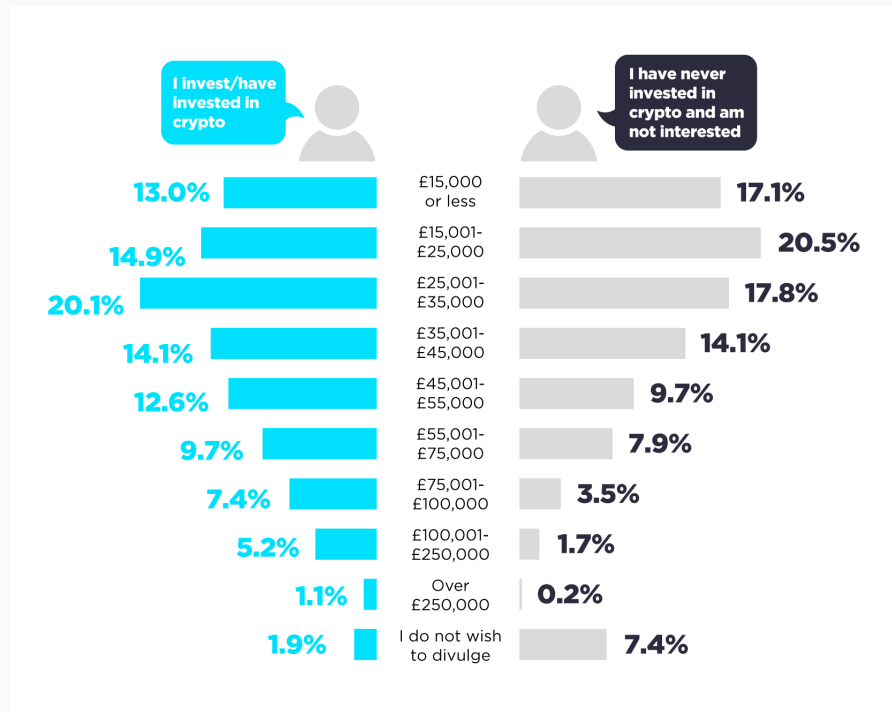
Income levels did affect whether crypto investors trade on multiple platforms or only one. Investors with a slightly higher average household income of £45,000-£55,000 (21.4%) tend to use more than one crypto platform, while those with a lower average household income of £25,000-£35,000 (35.5%) tend to trade on only one platform. Overall, current investors are more likely to invest on several platforms (57.5%).



Additionally, 70.6% of previous or current investors with incomes exceeding £100,000 typically own more than £10,000 in cryptocurrency, while over half (58.8%) hold more than £50,000 in cryptocurrency. Interestingly, this group is also predominantly male (82.4%) between the ages of 35-54 (52.9%).



Although crypto investors with higher household incomes typically hold higher average amounts of cryptocurrency, 70.0% of all investors holding more than £10,000 in crypto have a household income of less than £100,000. Despite the record breaking trading values of bitcoin this year, crypto investors in the UK are not all in the top income brackets.



Despite what recent studies have shown, there is no longer strong evidence to suggest that significantly more crypto investors have an advanced or university degree, especially in the UK. In fact, there is a wide spread of educational attainment. While some current and previous investors have higher levels of education, with nearly a third (29.1%) achieving a bachelor's degree or equivalent, around half (50.1%) have no university or advanced degree.

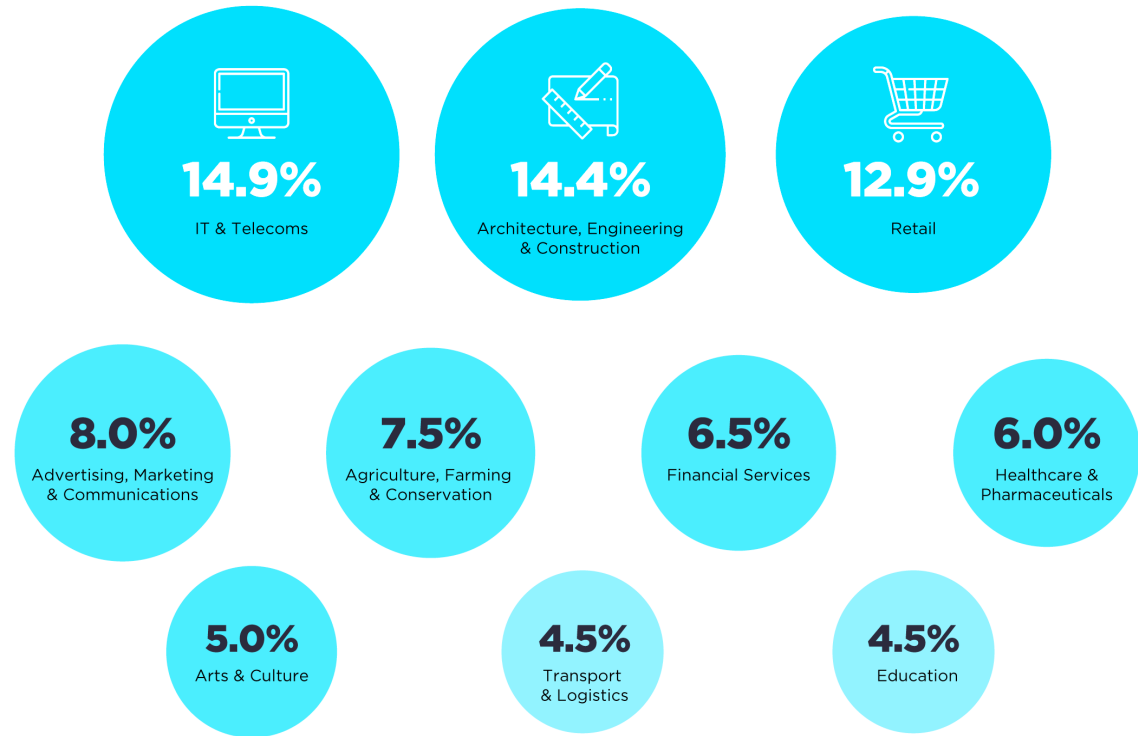




In terms of their employment, the majority (64.4%) of current UK crypto investors are employed full time, for 40+ hours per week. Only about one-tenth (11.0%) of current investors are employed part time. As a comparison, just under half (49.0%) of previous crypto investors are employed full time and a quarter (24.5%) are employed part time. A further tenth (9.7%) of previous investors have said they are currently unable to work, unemployed, or are on zero-hour contracts.



Traditionally, cryptocurrency investors have been in the IT and Telecoms industry. Our latest research indicates that the UK crypto investor works in a wide array of industries, with the top sectors including IT and Telecoms (14.9%), Architecture, Engineering & Construction (14.4%), and Retail (12.9%). Nearly half of investors work across sectors ranging from Advertising to Financial Services to Healthcare.



Top ten sectors of crypto investors

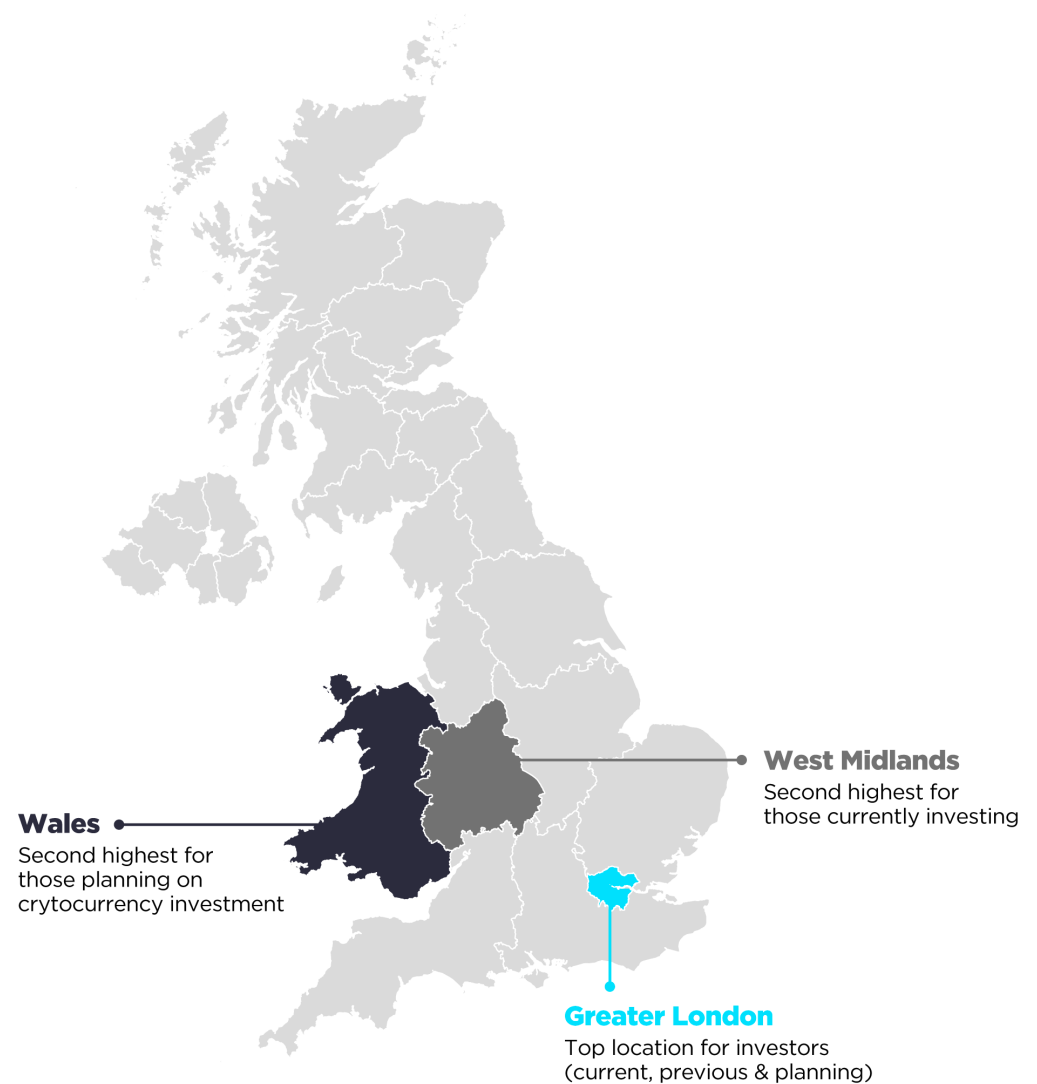
Overall, the data shows that UK crypto investors are working in a **wide range of industries**, predominantly in **full-time employment**, with more **varied education levels**. Most active investors **hold varied amounts of crypto across multiple platforms**.

3.

Although London remains a hotspot for crypto investors, there is a broader distribution across the UK

Crypto investors are spread out across the entire country and typically live in urban or suburban rather than rural areas.

Although most crypto investors are in Greater London (21.9%), the West Midlands have 14.6% of current investors, a disproportionate figure given the percentage of the UK population that lives in that region (8.9%).





Those who said they are interested in investing in crypto are also most likely to live in Greater London (22.2%). However, notably 8.3% of those interested in crypto are from Wales, a disproportionately high figure relative to the proportion of the total UK population that lives there (4.7%). Another 11.1% of interested investors are in the North West.

Of those who are not interested in crypto, most respondents are from the South East (17.3%), which is somewhat higher than the percentage of the UK population living there (13.7%).



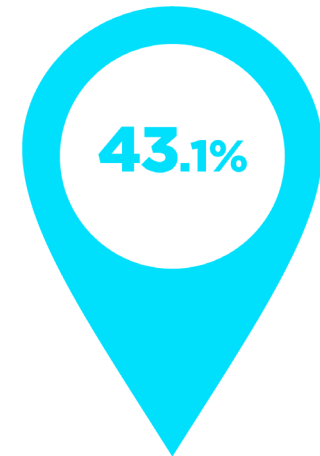
of current and previous crypto investors live in

rural areas



of current and previous crypto investors live in

urban areas



of current and previous crypto investors live in

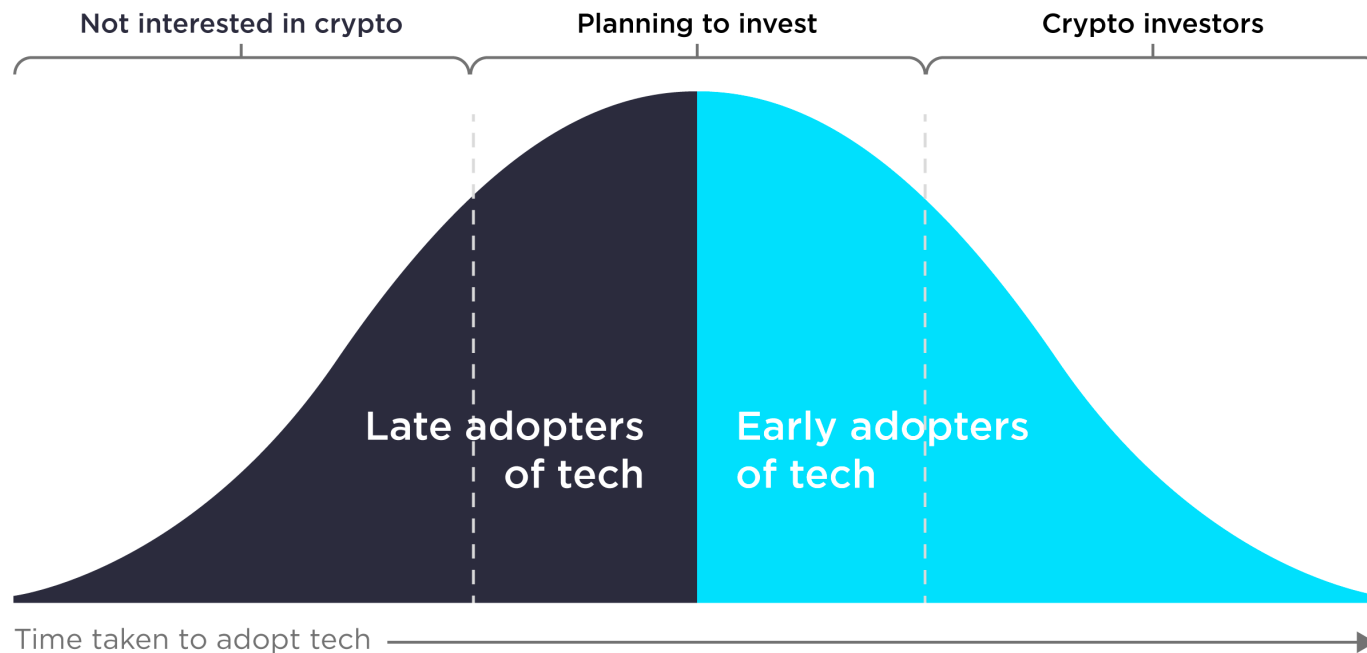
suburban areas



65.2% of current investors are equally split (32.6% respectively) across urban or suburban areas in the UK. Interestingly, however, those planning to invest in the future were more likely to live in suburban areas (47.8%).

4.

Cryptocurrency investors are exceptionally early adopters of technology, including green and smart technologies.



It was no surprise that our research demonstrated that 62.5% of current and potential investors are early adopters of new technology. A notable 48.2% will even adopt new technology at launch. In fact, cryptocurrency investors are 30-50% more likely to have smart appliances, home assistants, smart security, and accessories around the home. The data unveils further interesting details about the types of technologies they use.

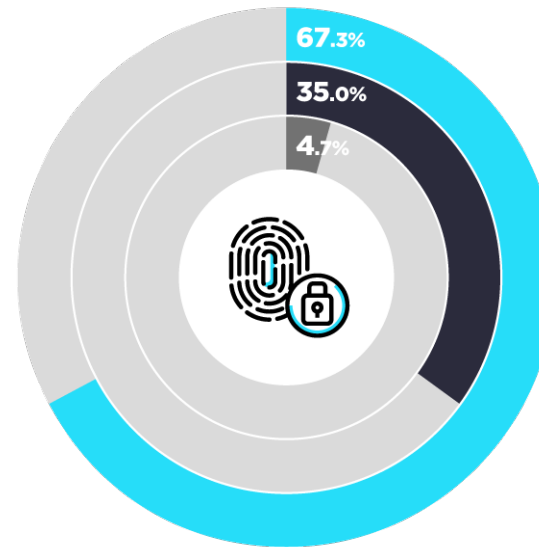


More than two-thirds (67.3%) of current or previous crypto investors have invested in biometric or digital locks, while another 62.5% own an electric or hybrid vehicle. This is considerably higher than the 35% of potential investors who have biometric or digital locks, and 33.9% who have an electric or hybrid vehicle. Even more stark a comparison is with those not interested in cryptocurrency, of which only 4.7% have installed biometric or digital locks, and 6.9% have electric or hybrid vehicles.



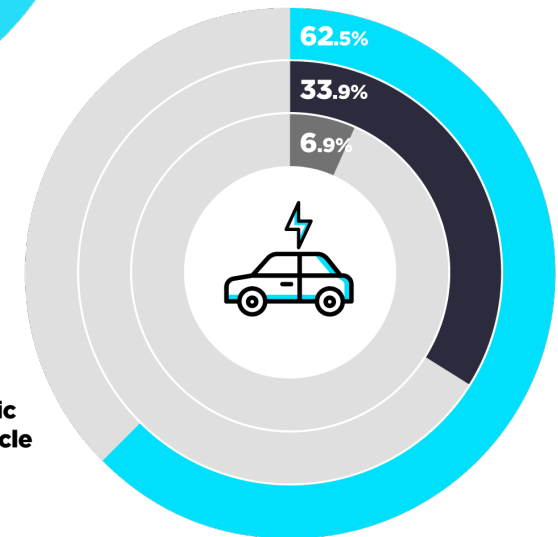
About a quarter (24.5%) of current and previous investors and 21.1% of those interested in investing in crypto have upgraded their homes by purchasing new technology. More than a third of respondents who had no interest in crypto (37.4%) have said they didn't change their technology adoption at all over the last few months (during the COVID-19 pandemic) compared to 5.2% of current and previous investors

Just under a third (31.2%) of current and previous cryptocurrency investors and 36.7% of those interested in crypto are watching or reading more content online.



% with biometric or digital locks

- Current and previous crypto investor
- Interested in investing in crypto
- Not interested in investing in crypto



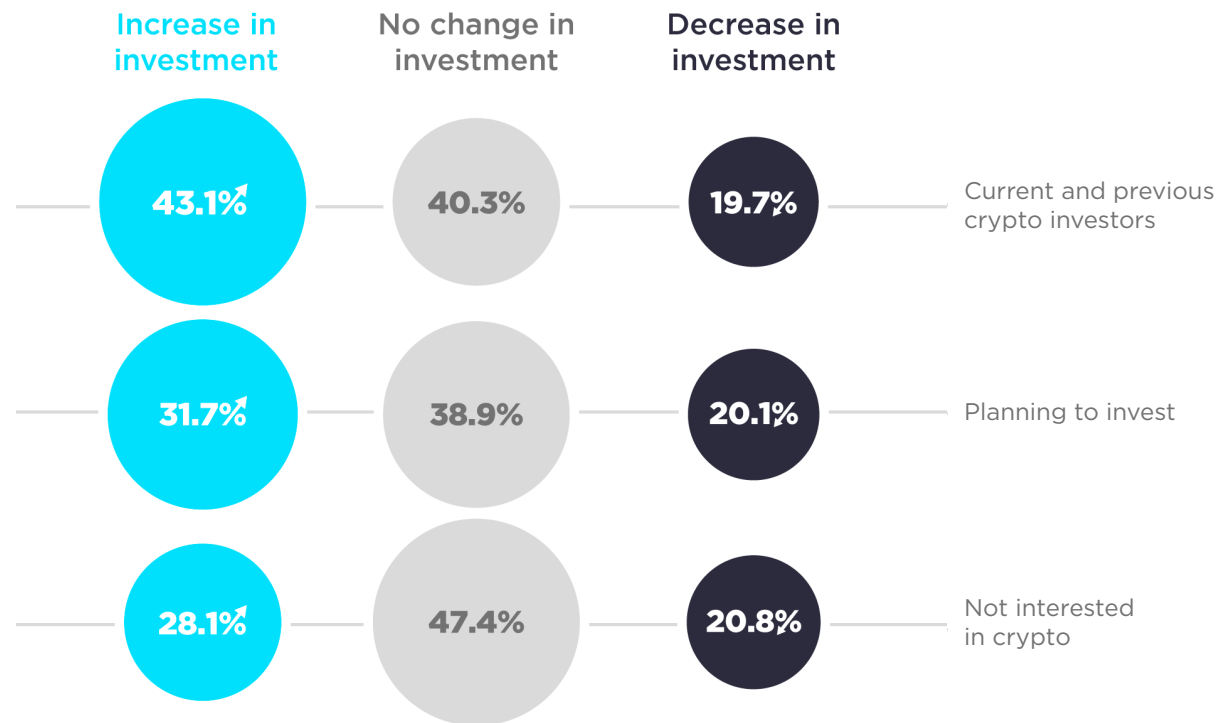
- Current and previous crypto investors
- Interested in investing in crypto
- Not interested in investing in crypto

% with an electric or hybrid vehicle

The **speed of technology** adoption of current and previous investors is far higher than other groups. The results also show what this means in terms of the technologies that **early adopters install in their homes**, the amount of content consumed online, and even the types of vehicles they drive.

5.

Cryptocurrency investors are saving and investing more of their income



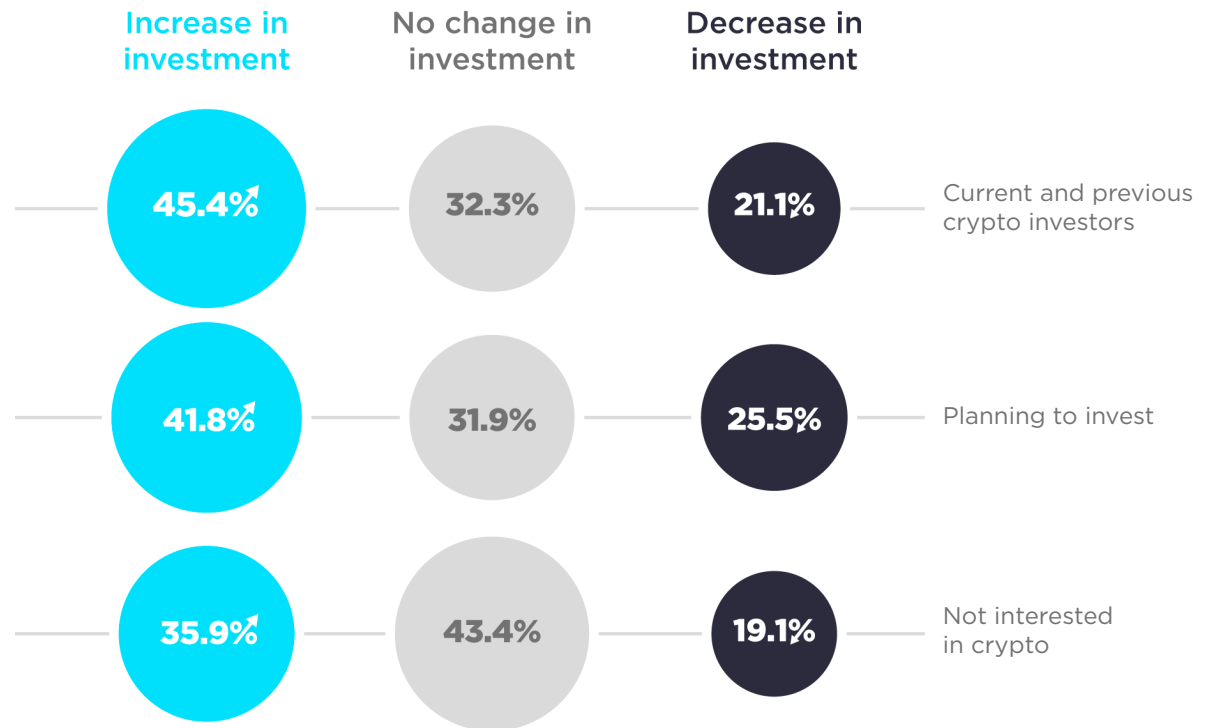
On average, one-third of all UK respondents said they planned to increase investments over the coming 12 months. However, among current and previous cryptocurrency investors, nearly half (47.4%) plan to increase their investments over that same timeframe.

A further 45.4% of current and previous cryptocurrency investors said they planned to increase their savings in the coming 12 months.

Cryptocurrency investors were also more likely to have changed their investments in the past six months. Overall, one-third of UK respondents had increased investments during the past six months, compared to two-thirds of cryptocurrency investors, with 57.0% saying they increased their savings as well.



Those who are not interested in cryptocurrency were less likely to make changes to their savings and investment portfolios. Just under half (48.5%) of this group neither increased nor decreased investments in the past six months, and another 41.8% said they did not change their savings. Similar numbers of these respondents said they do not plan to change their savings or investments in the coming 12 months.



Current and previous crypto investors are more likely to have **increased their savings and investments** over recent months, **despite the economic impact** of the COVID-19 pandemic. They are also more likely to be planning to increase savings and investments in the coming year.

Conclusion

The data shows an increasingly diverse range of consumers either currently investing or planning to invest in crypto, in terms of gender, location, and other characteristics. In some ways, the research reinforces existing ideas about who is engaging with digital assets, for example, those who are highly technologically savvy. Perhaps unsurprisingly, the data confirms how the COVID-19 pandemic has undoubtedly changed behaviours, from technology usage and content consumption to investment decisions and intentions.

Many of these trends are influenced by the economic and social impact of the pandemic, such as the initial exodus of people from cities into the countryside, a small portion of people having more disposable income due to decreased commuting and other expenses, the need for others to supplement income, and the demand to create a more diverse portfolio as yields on other traditional investments waver or decline.

Nevertheless, looking ahead, the data shows glimpses of how crypto's reach is continuing to broaden beyond its earlier audience. The results also remind us that there is huge potential for the industry to educate the 38.7% of respondents who said they either do not know anything at all about crypto, or do not know enough to invest.

We are seeing momentum growing in the crypto market across the board, with consumer interest supported by additional factors like the increasing activity from institutional investors, the more positive tone of current news stories about the asset class, as well as the proliferation of easy, safe and secure platforms to invest. These long term trends point to a sustainable future for crypto as part of any balanced investment strategy.

Onward and Upward!





Reference: The Gemini State of UK Crypto research was conducted in October 2020 as a nationally representative survey with 2,000 respondents. This report includes additional data and insights from the following sources:

[“Cryptoasset Consumer Research”](#), Financial Conduct Authority, 30 June 2020

[“Population estimates for the UK, England and Wales, Scotland and Northern Ireland: mid-2019, using April 2020 local authority district codes”](#), Office for National Statistics, 2020

[“Personal and household finances”](#), Office for National Statistics, 2020

[“Understanding Cryptocurrency Holders in Europe”](#), GWI, July 2019

[“Women outpace men in signing up to investment platforms”](#), Financial Times, 1 Dec 2020