Introduction

> I am not a yuppie. I never have been one. And I swear I'll never turn into one. . . . I know I certainly got called a few names the time I first suggested to Maggie (my wife) that we buy shares in British Telecom. She was dead set against it. What did I know about the Stock Market?
>
> Eventually . . . I took the plunge. Of course, the overnight success made me unbearably smug about the whole thing. . . . And slowly, I realised that I was getting hooked. . . .
>
> If I wanted to invest in something all I had to do was ring up the bank and tell them. I didn't have to write cheques or fill in forms. They took care of everything. . . . I must confess, though, I'm still only a part-time, fair-weather investor. Most of the time I lie back and do nothing.

This tale of a fictional investor appeared across the British press in October 1987. It was part of a Lloyds Bank advertisement for its high-interest checking account and linked Sharedeal facilities. Running under the strapline of "Some days I speculate. Other days I just accumulate," the lengthy confessional was accompanied by an image of a man lounging next to a lake in a hammock, newspaper shading his face (figure 1). It gave readers a snapshot of the "good life" in late twentieth-century Britain. For historians, it unveils a culture of investment that on the face of it came to life almost overnight in the mid-1980s. Before the privatization of British Telecom (BT) in 1984 only around 3.5 percent of the adult population owned shares.[1] Just four years later, that number had risen to 21 percent.[2] Some put this figure even higher, indicating that nearly a third of

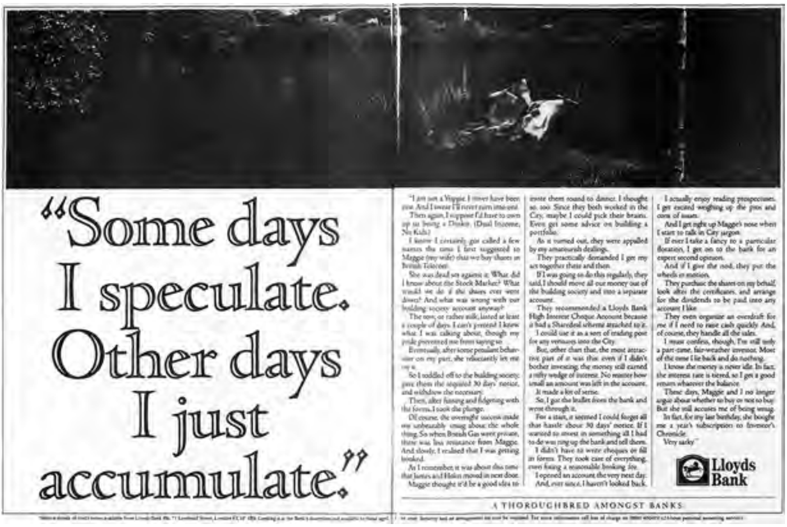

FIGURE 1. Lloyds Bank High Interest Cheque Account advertisement, c. October 1987. Courtesy Lloyds Banking Group Archives.

adults owned shares by 1989.[3] The early privatizations of Margaret Thatcher's Conservative government thus gave many Britons a first taste for the thrills and spills of stock market investment, even if only vicariously through a daily diet of news stories that accompanied the "sale of the century."[4] During the six months leading up to the 1984 privatization of BT, there was a 50 percent increase in the number of people expressing an interest in investing shares.[5] It appeared as though a new era in the relationship between finance, investment and the individual—sometimes referred to as neoliberal financialization—had been born.[6]

But explaining how the public got the shareholding "bug" in the 1980s requires looking beyond this burst of activity to a more protracted and complex expansion of investment culture across the preceding century.[7] In many respects this transformation was the climactic moment in a series of developments that began with the railway speculation boom of the mid-1800s. Buttressed by their role in colonial expansion, London's "gentlemanly" financiers cemented the city's position as a major financial center across the second half of the nineteenth century.[8] In the 1880s the arrival of "New Financial Journalism" from America marked the start of a financial press interested not only in reporting prices, but in providing advice and gossip from the City. Meanwhile, technological innovations such as the telegram created markets made up of increasingly disparate investors. Between them these developments pioneered the steady emergence of an investing public that included many skilled workers and women.[9] Yet, across the twentieth century, investment was still far from a feature of everyday life for most people. Only 2.2 percent of the population were investors in 1913.[10] By the 1960s this figure rose to somewhere between 3.3 and 4.1 percent, a range that remained fairly consistent up until the mid-1980s.[11] What emerges, therefore, is a picture of gradual and then very sudden change. The focus of *Are We Rich Yet?* is how we explain this without falling into the trap of assuming the inevitability and immutability of right-wing political reform under the Thatcher governments after 1979.

That the late twentieth century was substantially determined by the growing prevalence of financial markets, institutions, and services is clear to see. The credit industry fundamentally reshaped postwar British society by facilitating a political economy that prioritized personal consumption and individual choice in relation to both private and public services.[12] By the 1980s and 1990s the transfer of public assets and services into private ownership had become a central ambition of government policy. This, too, relied upon financial services in almost all cases—from the privatization of industry and the sale of housing stock, to the rise of personal portable pension schemes.[13] Meanwhile, Conservative Party visions of the dutiful citizen clearly imagined this to be someone who accumulated goods, property, and capital assets to avoid reliance on taxpayer-funded welfare services.[14] Reflecting in 1989 on the Party's policy of selling council houses to tenants, a Bow Group Research Paper intimated that the "Right to Buy" enabled people to "take on responsibilities which they were previously denied, and thereby share the normal experiences of their fellow citizens."[15] In the latter half of the twentieth century, the lives and fortunes of Britons were increasingly tied to the credit, insurance, pension, and mortgage industries as they replaced the work previously done by state-run support systems. Today we find ourselves living in a society in which the ownership and tactical management of appreciating financial assets has become a major determinant of class position. By purchasing shares, homes, and pensions, we are invited to feel as though we have a stake in the present socioeconomic order.[16]

It is time, then, that we treat the financial reforms of late twentieth-century Britain as more than mere economic backdrop to the socio-political upheaval of the period. The financialization of British society has a history of its own and *Are We Rich Yet?* tells it. It argues that financialization was driven by particular kinds of cultural transformation and the evolution of new types of social relations. It thus sets about identifying the historical forces that produced them: a search not best begun in the corridors of Whitehall or at political party conferences, but in the pages of the daily press, the programming of weekly television schedules, and the product ranges of high street banks. Here an array of actors, from brokers, banks, and traders to company promoters, goods manufacturers, marketing departments, production companies, and hundreds of thousands of ordinary men and women shaped the terrain upon which political and economic reform occurred. We must grapple with the interactions between these groups—between structural and institutional reform, and the rhythms of daily life—if we are to understand the ascendancy of neoliberalism as something other than the inescapable outcome of a carefully orchestrated right-wing political revolution.[17]

Indeed, although government privatization opened the floodgates in the 1980s, this sudden and significant rise in share ownership was made possible by three parallel longer-term developments from beyond the political sphere. These were: the emergence of a mass investment culture that offered experiences of investment (both real and vicarious) to the British public; the growth of a heavily institutionalized form of financial consumption; and the forging of financialized subjectivities.

The following chapters trace these developments through the stories of the historical actors that drove them. In the rivalry that existed between banks and building societies, the quest for increased readerships by financial journalists, and the pursuit of a hit gameshow by production companies we can begin to see just how far institutional action reshaped social relations and cultural practices in ways that molded financialization as an economic process.

A MASS CULTURE OF INVESTMENT

British investment culture expanded far beyond the scope of political marketing. Encouraging more people to become investors was neither limited to the Conservative Party nor to the 1980s. Long before Thatcher's first privatization advertisements hit the nation's television sets, an established financial press had spent most of the postwar period courting readerships of small investors. Just as significantly, large financial institutions eager to divert the nation's savings into equities after the inflation of the 1970s and 1980s, shrewdly pounced upon the opportunity presented by privatization to secure their already tightening grip on domestic retail markets. They repurposed phrases that had originated earlier in the century like "property-owning democracy" and used them to sell self-serving visions of popular investment to the British public. Their focus was on converting one-off encounters with privatization and big-name flotations into a steady stream of regular business. Joining banks, brokers, and building societies in this endeavor was a vast industry of financial advisers, investment gurus, and no small number of fraudsters. They, too, saw that there was money to be made by producing a widespread body of investors.

These companies, institutions, and individuals championed the cause of popular investment, fighting over the status that came with leading the apparent democratization of access to capital. They sought to be seen as the face of a more inclusive market, adeptly serving the needs of all types of customers. In doing so, institutions of various kinds added to an emerging mythology that investing was for everyone, even while it predominantly remained the purview of the white middle classes and an institutionalized financial elite.

Of course, what each group meant by "wider share ownership" varied enormously. Their reasons for championing higher levels of share ownership also differed. The purveyors of popular investment were driven by ideology, political pragmatism, profit margins, or the desire to stay one step ahead of competitors. Often their motivations were a complex mix of all four. The result was a series of novel responses to age-old questions about who should and could become investors. As the protagonist in Lloyds' 1987 ad suggested in his mildly horrified denial of being a "yuppie," the investment culture cultivated by financial institutions in 1980s and 1990s Britain was overseen by, but not exclusively targeted at financiers, businessmen, and white-collar professionals. Rather, financial institutions—particularly those that constituted Britain's rapidly expanding retail investment market—explicitly courted a mass-market audience of "ordinary" men and women.

For Britons unable to participate in the buying and selling of shares, an immense period of cultural production in the 1980s and 1990s provided other ways of engaging with the world of stocks and shares. Television programming contained dramas, soap story lines, and even gameshows based on the highs and lows of the market. Meanwhile families chose to spend their Sunday afternoons playing fun financial board games together. Perhaps most significantly, the City and its workers became icons of British cultural life. The dress, style, and accessories associated with "City Slickers" or "yuppies" filled fashion magazines, pop music videos, and high street clothing stores. Even beloved sitcom characters like Del Boy Trotter of the BBC's hit show, *Only Fools and Horses*, could be seen adopting the Filofaxes, pinstriped shirts, and red suspenders of stock market traders. For those looking for it, goods, information, and entertainment associated with the world of investment were everywhere. For those who were not, they could still be hard to avoid.

In sum, British investment culture came to incorporate more people than simply those whose names appeared on share registers.

Britain's *mass* investment culture consisted of both a vastly expanded number of people with assets held in shares *and* a widespread cultural engagement with the stock market by investors and non-investors alike. This cultural fascination with the market legitimized and cemented the growing prevalence of financial institutions in Britain's political economy.

FINANCIAL CONSUMERISM

The changing nature of investment culture in 1980s Britain was not only a question of scale. As the number of people engaging with investment practices grew, the character of their interactions with financial institutions also altered. The big story at the heart of *Are We Rich Yet?* is the well-documented rise of institutional investors in Britain's equity markets. The argument that follows stresses the importance of what I have termed the rise of financial consumerism to this process by highlighting the reimagination of financial services and products as part of wider consumer society in this period.

By 1990 Britain contained more individual shareowners than ever before, it is true. But collectively they owned proportionately less than they had done only thirty years earlier. In 1963 individual shareholdings in British companies equated to some 54 percent of available equity. This declined to 38 percent in 1975 and continued to fall, arriving at 20 percent by 1990.[18] By comparison, UK insurance companies and pension funds between them accounted for approximately half of all UK shares at that time.[19] Meanwhile, the internationalization of the London Stock Exchange drove a stark rise in the number of overseas investors (figure 2). Britain's mass investment culture did not, in other words, equate to a diverse population of investors with extensive portfolios. Some 55 percent of Britain's eleven million shareowners in 1989 owned only one shareholding.[20]

The public's apparent appetite for buying and selling company shares in the mid-1980s also quickly stalled before falling into decline. As of 2009, 15 percent of the British population owned equities or investment funds. By comparison, in the United States that percentage

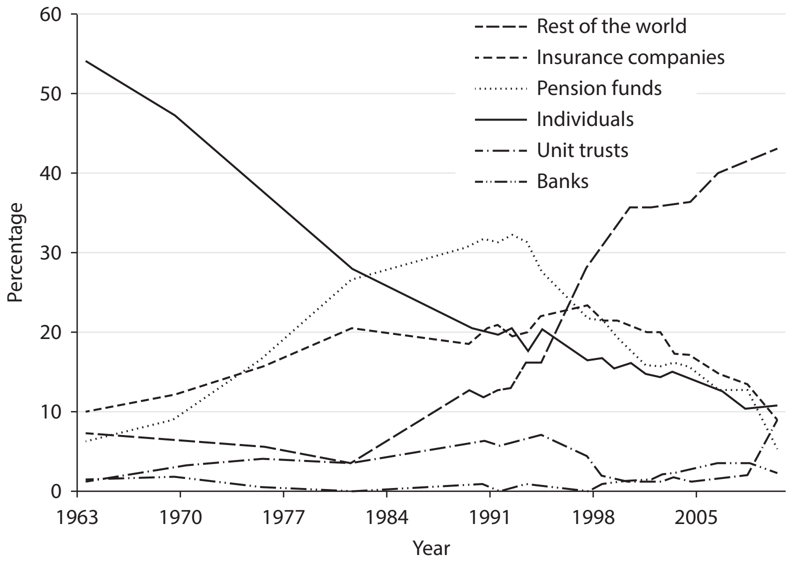

FIGURE 2. Percentage of total market value of UK quoted shares by sector of beneficial owner, 1963 to 2010. Data Source: Office for National Statistics, "Ownership of UK Quoted Shares: 2016," 29 November 2017, https://www.ons.gov.uk/economy/investmentspensionsandtrusts/bulletins/ownershipofukquotedshares/2016 [accessed: 30/06/2021].

sat at around 21 percent. And yet, the number of British households with a stake in the market remained high. In 2006, 46 percent of the population held shares indirectly as pension fund members.[21] In America too, the percentage of households owning stock (either directly or indirectly) rose from 19 percent in 1983 to 50.3 percent in 2005.[22] As early as 1995, the London Stock Exchange seemingly acknowledged the shifting nature of share ownership when a committee led by Prudential chief executive and "life assurance supremo" Sir Mark Weinberg, changed its definition of the term to include "unit trusts, life assurance and pension policies as well as direct shareholdings."[23] In short, more people than ever had some kind of investment in the stock market in both Britain and America. *How* they made these investments, however, had changed considerably.

A 2012 government review of the United Kingdom's equities markets—the Kay Review—labeled the shift in popular investment practices from direct equity investment to saving and investing via pension funds, unit trusts, and life insurance policies as the "explosion of intermediation." This phrase aptly described an increasing gap between investors and the companies in which their money was invested: a space occupied by "registrars, nominees, custodians, asset managers, managers who allocate funds to specialist asset managers, trustees, investment consultants, agents who 'wrap' products, retail platforms, distributors and independent financial advisers." The Kay Review outlined the negative impacts of this situation as including: rising costs, a loss of information and control for savers, and incongruities between savers' interests and those of the fund managers in charge of their assets.[24] Aled Davies, meanwhile, rightly describes this rise of institutional investment as having undermined the foundations of the postwar social democratic settlement.[25]

The analysis in *Are We Rich Yet?* fleshes out this story by explaining how institutional investors carved out their domain and established such a stronghold over domestic capital markets. Specifically, it shows that financial institutions' construction of an inclusive vision of investment-as-consumption was essential to this process.[26] Financial services institutions had long since depicted their products as a way for individuals to purchase traditional consumer goods (e.g., through credit, hire purchase, and loans). But from the mid-twentieth century they also began to sell investment products as consumer commodities in their own right—something with which to impress friends over dinner and to serve as an identity marker. Brokers, clearing banks, and building societies keen to divert growing levels of affluence and material aspiration into credit agreements, savings, and investments thus made consumer narratives a central feature of production, promotion, and distribution processes.

The mounting contest over domestic retail markets climaxed in the mid-1980s following the Financial Services Act, the Building Societies Act, and the introduction of computerized trading in the "Big Bang" of 1986. Each accelerated the disintegration of traditional barriers between saving and investment, further pushing building societies, merchant and investment banks, stockbrokers, and mortgage lenders into direct competition for the business of retail customers. No longer happy to rely on a clientele of well-informed and wealthy private investors, financial institutions aggressively courted the cautious and largely uninformed everyman (and increasingly woman). This was the kind of customer who would just as soon "lie back and do nothing" as sit around reading company prospectuses. Even without the references to yuppies and privatization, Lloyds' 1987 ad could hardly have come from any period other than the 1980s and 1990s. The mass-market-oriented package on sale was typical of the time, as Britons turning on their televisions or opening the pages of their daily newspaper found themselves inundated with advertisements for catchily named investment services like Barclayshare and ShareCall, many of which cost as little as £20 a month.

Financial institutions not only began to experiment with standardized, consumer-oriented products, but also new spaces in which to consume them. Investment in the 1980s moved out of the wood-paneled offices of London's Square Mile, and onto Britain's high streets. Retail banks transformed themselves into financial supermarkets, willing to cross-sell an array of branded products to customers walking into their local branch. Traditional stockbrokers launched new phone-dealing services and set up share shops. Meanwhile, companies better known as consumer goods retailers, such as Marks and Spencer and Sainsbury's, began to offer savings and investment services. People out buying perfume, furniture, or clothes could even wander up to salespeople at the shares and investment counter of their nearest Debenhams.

In reality, many of these new products and services directed Britain's financial consumers toward managed funds and away from direct stock market investment. Being part of an institutionalized investment culture meant less, not more, access to the market for many investors. But the small profit margins in private-client business made the production of standardized mass-market mutual funds a far more appealing prospect for large financial institutions. It gave them greater control over investment decisions, and a steadier