



# E\*TRADE FINANCIAL Q3 2019 STREETWISE REPORT

Insights from the E\*TRADE quarterly tracking study of 900+ experienced investors

# Q3 2019 survey methodology and background

## Methodology

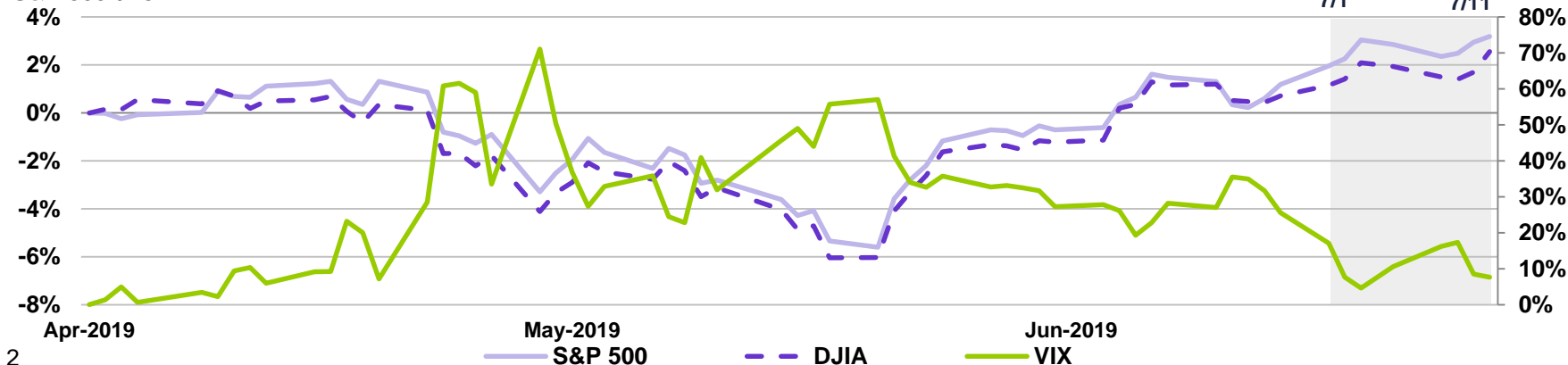
This wave of the survey was conducted from July 1 to July 11 of 2019 among an online US sample of 908 self-directed active investors who manage at least \$10,000 in an online brokerage account. The survey has a margin of error of  $\pm 3.20$  percent at the 95 percent confidence level. It was fielded and administered by Research Now. The panel is broken into thirds of active (trade more than once a week), swing (trade less than once a week but more than once a month), and passive (trade less than once a month). The panel is 60% male and 40% female, with an even distribution across online brokerages, geographic regions, and age bands.

## This study looks into the minds and behaviors of self-identified experienced investors

- They self-select as having moderate to professional investing experience
- They take charge of their investments
- They believe they understand the markets, investment products, and asset classes

## Q3 2019 survey timing mapped against major market indexes

### S&P 500®/DJIA



# SENTIMENT

VIEWS ON THE MARKET AND WHERE  
OPPORTUNITIES LIE

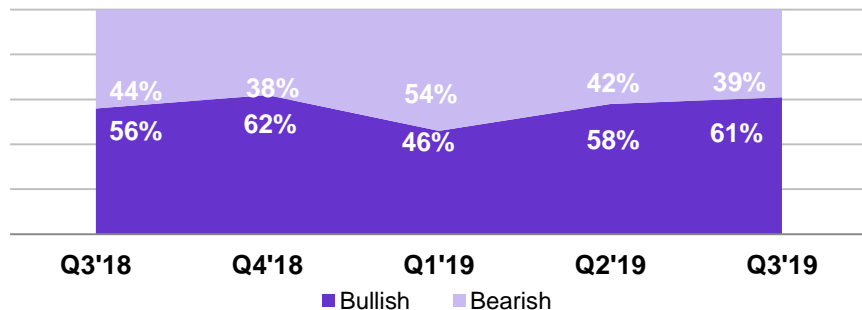




# Views on the market

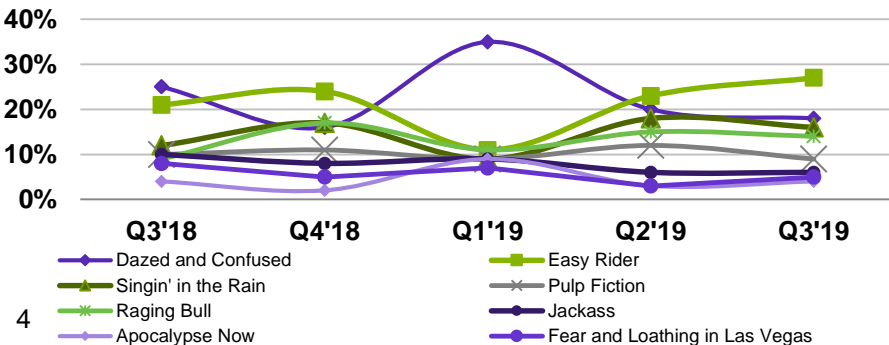
## Bullishness ticked up this quarter

When it comes to the current market, are you...?



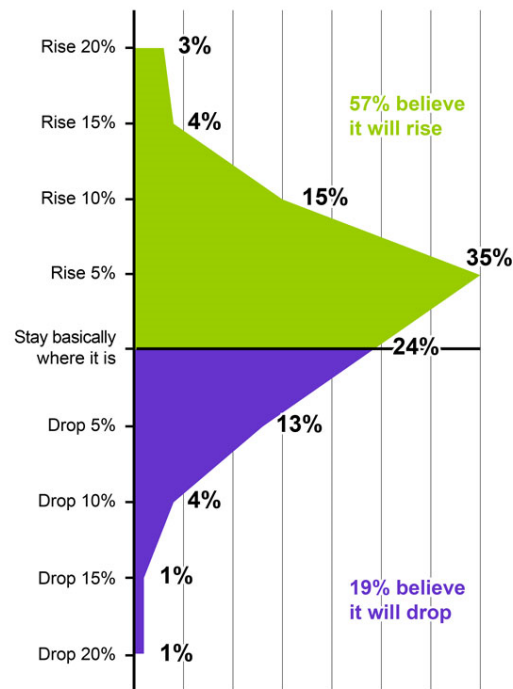
## At quarter open, investors more "Easy Rider"

If you had to pick a movie title that best describes how you personally feel about the market this quarter, which would it be?



## Most believe the market will rise in Q3 2019

Where do you predict the market will end this quarter?

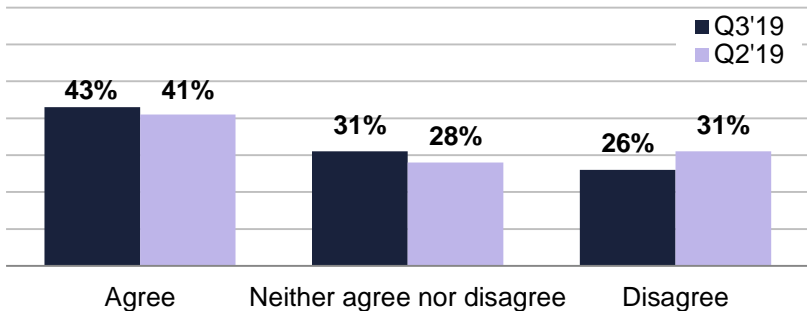




# Views on the economy and rates

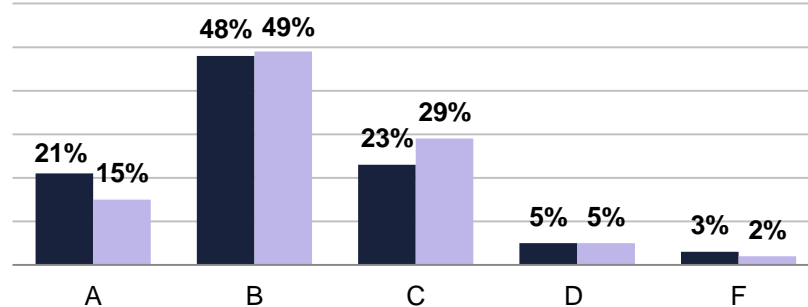
## Investors are more likely to think the economy is healthy enough for more rate hikes

Is the US economy healthy enough for the Fed to enact additional rate hikes this quarter? (%=Strongly/Somewhat)



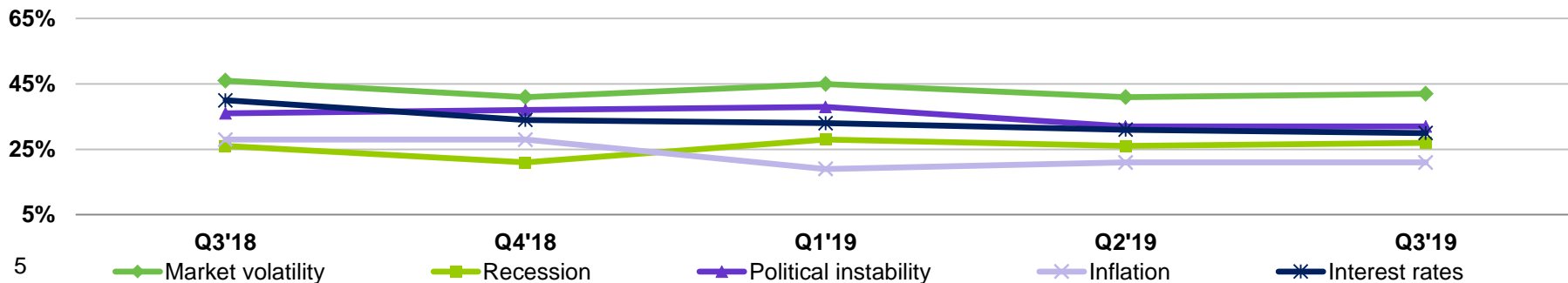
## Majority of investors would give the economy an A or B grade

What grade would you give the current state of the US economy right now?



## Market volatility remains as the top concern for investors

What risks are you actively managing right now when it comes to your portfolio?

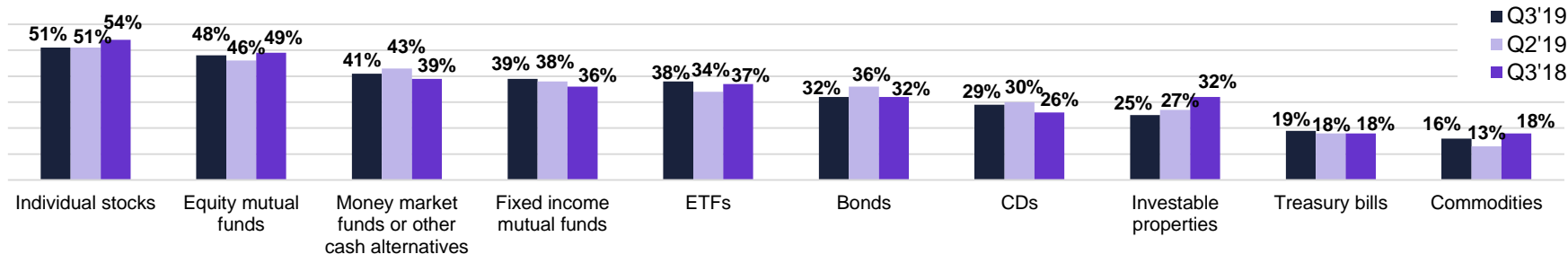




# Asset class interest

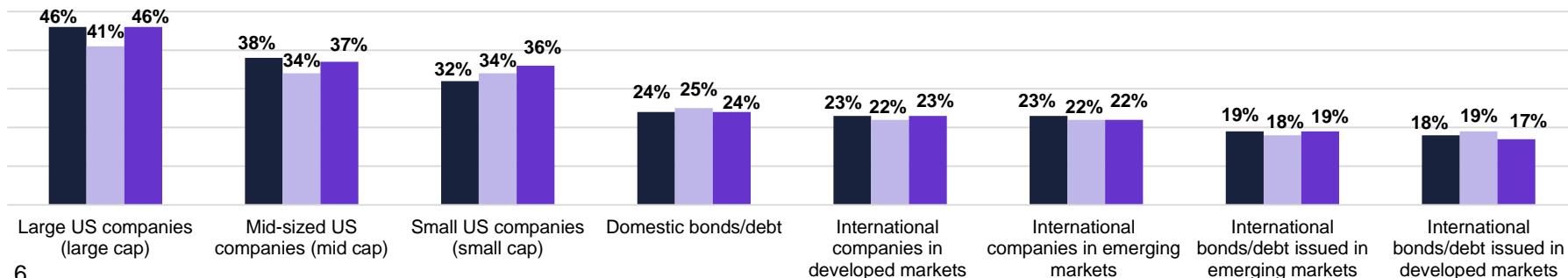
## Interest in stocks remains high

If you could give one piece of advice to a friend or family member who is thinking of investing right now, would it be to get into...  
Select your top four.<sup>1</sup> (Top 10 shown.)



## Interest in large- and mid-caps increased since last quarter

How interested/comfortable are you with investing in each of the following sectors this quarter, without taking into account the investment products which you can invest through?<sup>1</sup> (% Very/Extremely interested; base=all)



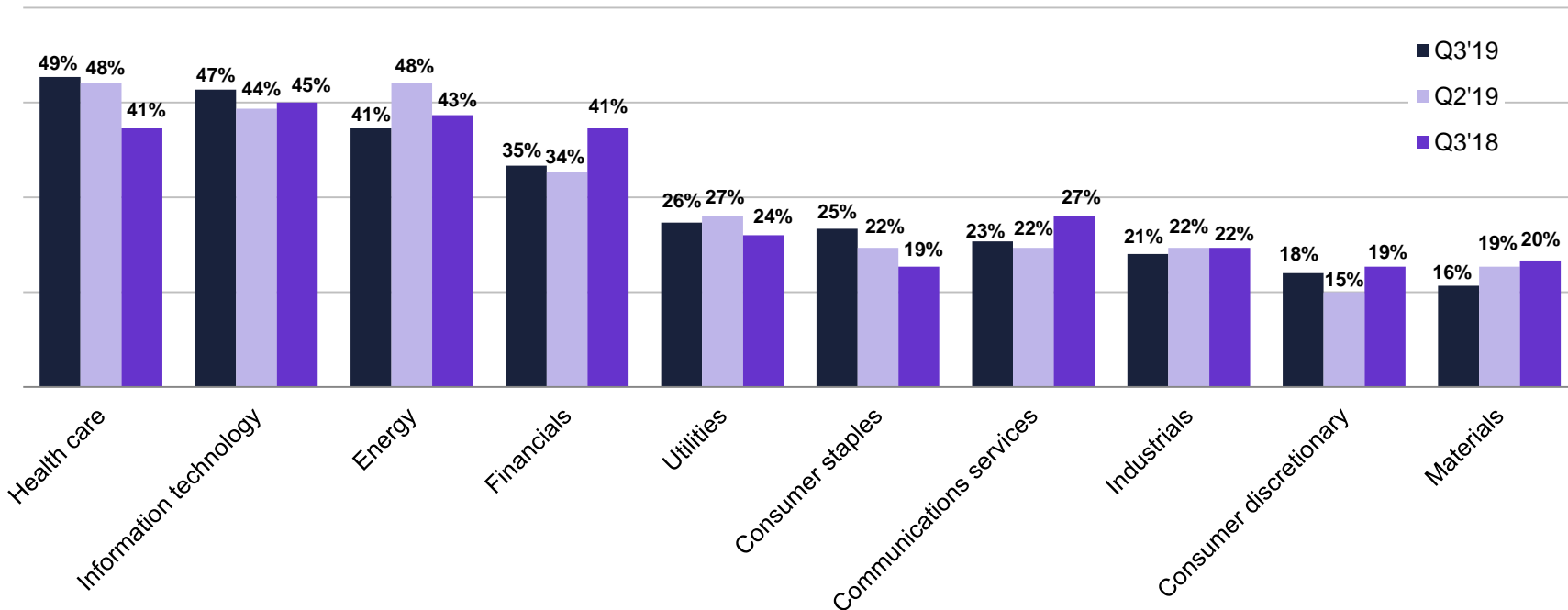
1. Focuses on y/y and q/q—other quarters available upon request



# US sector interest

## Interest in health care and IT ticked up while energy declined

What industries do you think offer the most potential this quarter? Select your top three.<sup>1</sup> (Top 10 shown.)

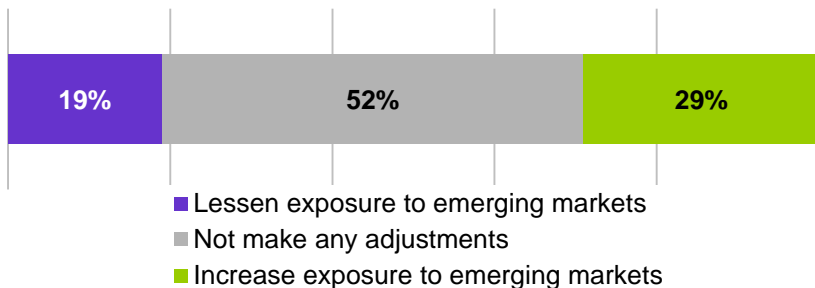




# International and emerging market interest

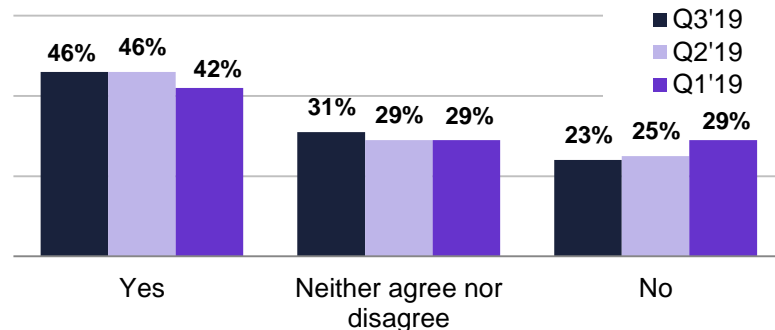
## The majority won't be changing their EM exposure

Thinking about your investment approach specific to emerging markets, which of the following adjustments do you plan to make over the next quarter?



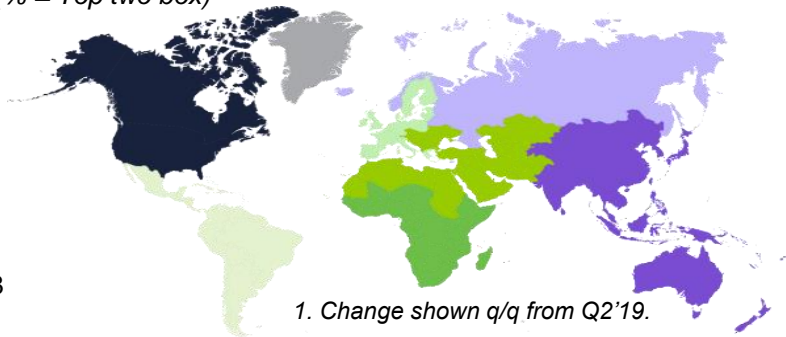
## Investors skew positive on opportunities abroad

The health of the markets outside the US appeals to me as an investor. (% = Strongly/Somewhat)



## Interest in North America, APAC, and EU decreased

Which regions do you think offer the greatest investment potential this quarter?<sup>1</sup>  
(% = Top two box)



1. Change shown q/q from Q2'19.

Region	% Interested	Q/Q Δ
United States and Canada	68%	(2%)
Asia and Pacific	44%	(1%)
European Union	26%	(1%)
Central, Eastern, and Southeastern Europe (including Russia)	13%	+2%
Middle East and Central Asia Region (including North Africa)	15%	+1%
Latin America and the Caribbean	14%	+1%
Sub-Saharan Africa	6%	+1%



# PORTFOLIO MANAGEMENT

A LOOK AT HOW DIFFERENT AGE GROUPS MANAGE THEIR INVESTMENTS

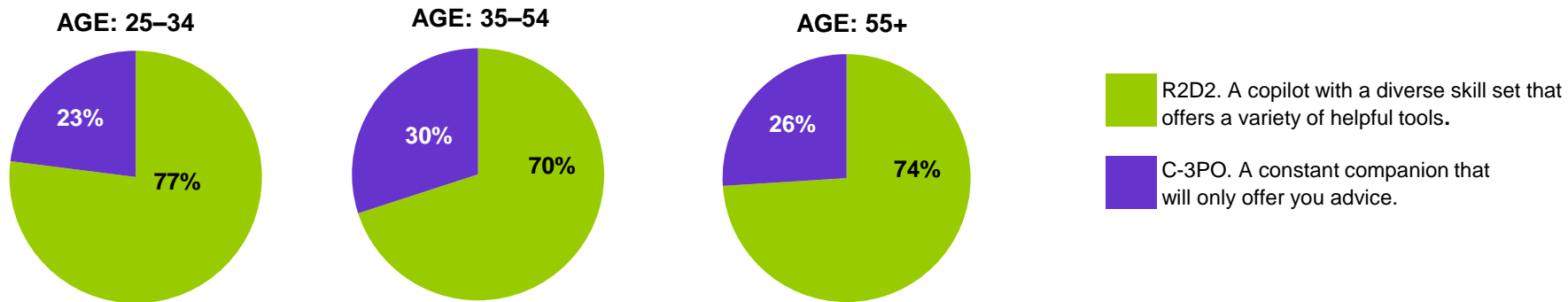




# Millennial, Gen X, and Baby Boomer broker preferences and portfolio management

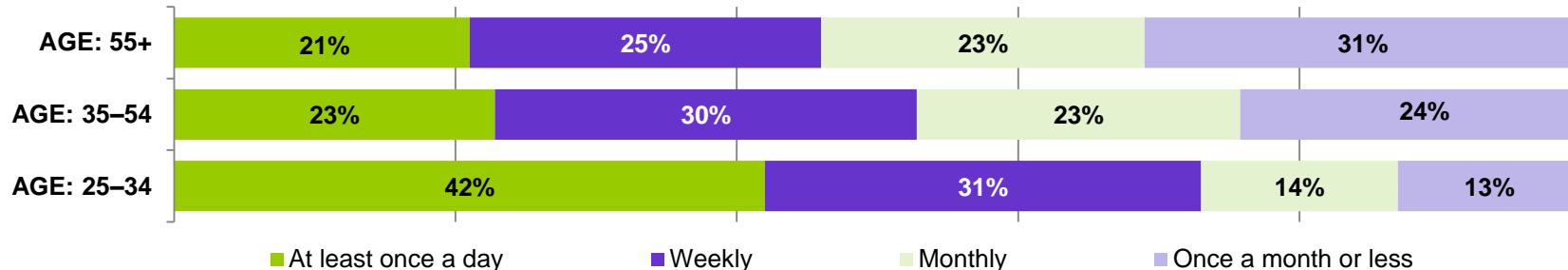
## Investors of all ages prefer a broker like R2D2, offering a variety of helpful tools

Which of the following characters better represents the type of relationship you want with your broker?



## Two out of five Millennials check their portfolio daily

How often do you evaluate the positions in your portfolio?

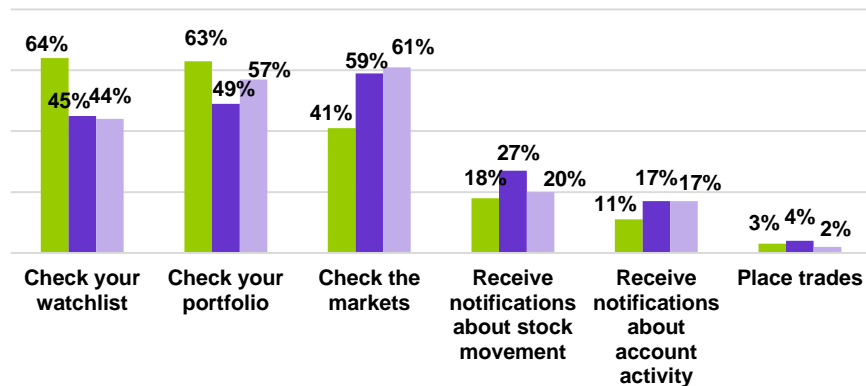




# Mobile usage among Millennials, Gen X, and Baby Boomers

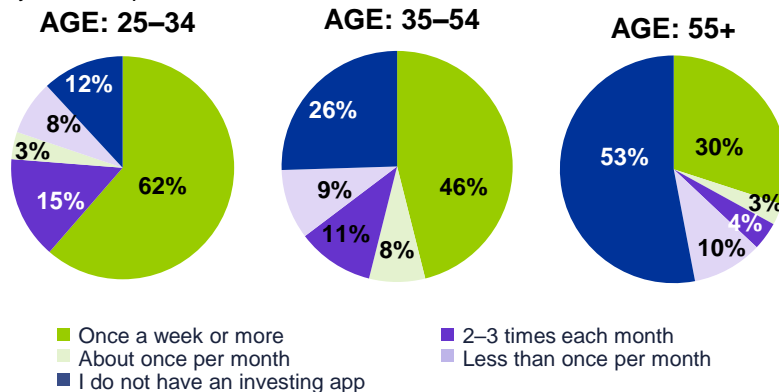
## Almost two out of three Millennials would use a voice assistant to check their watchlist & portfolio

Which of the following would you be most likely to use a voice assistant (e.g., Siri, Amazon Alexa) to do, when it comes to investing and trading? (Select top two)



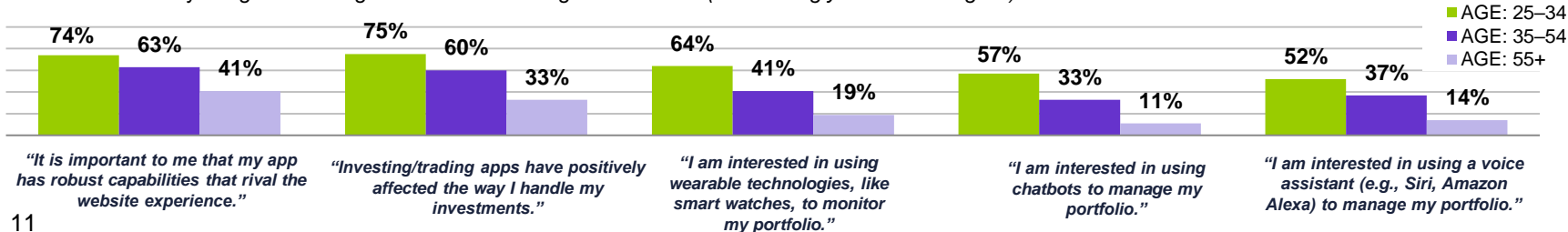
## Almost two-thirds of Millennials use an investing app once a week or more

Approximately how often do you use an investing and trading app on your smartphone?



## Three out of four Millennials want their app to rival their desktop in functionality

To what extent do you agree or disagree with the following statements... (% = Strongly/Somewhat agree)



# VIEWS ON RETIREMENT

HOW EXPERIENCED INVESTORS THINK  
ABOUT RETIREMENT INVESTING

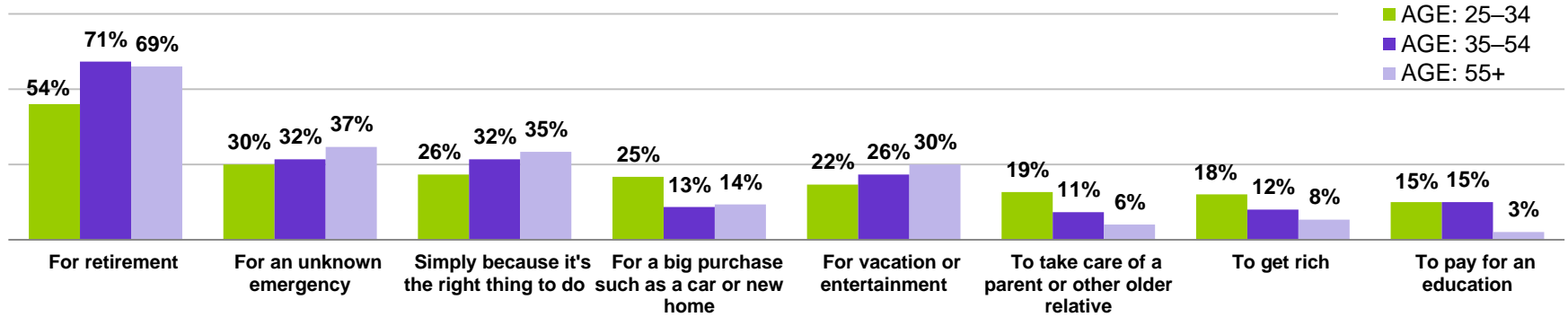




# Retirement investing among Millennials, Gen X, and Baby Boomers

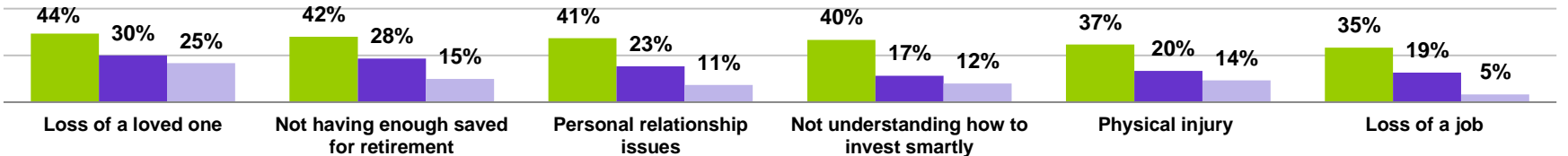
## Retirement is the highest single priority for long-term saving, although significantly less so for Millennials

What are the main reasons you are saving for the long term? (% = Selected as a top three choice.)



## Saving for retirement nearly as much of a concern as loss of a loved one

How often do you worry about each of the following? (% = Always/Frequently)



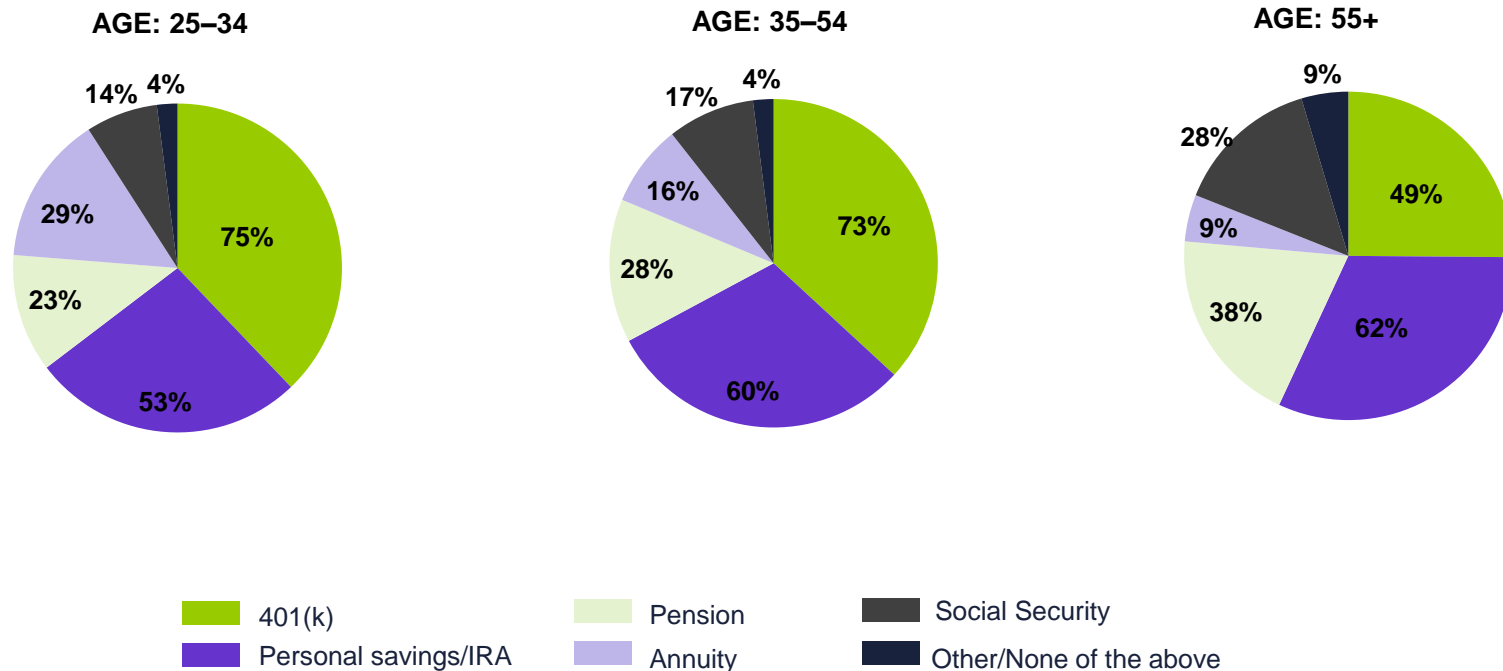


# Retirement investing among Millennials, Gen X, and Baby Boomers

## Boomers most reliant on personal savings/IRAs compared to other generations

Please rank in order how important each of the following are in meeting your goal for retirement, with one being the most important.

(% = Selected as most important)

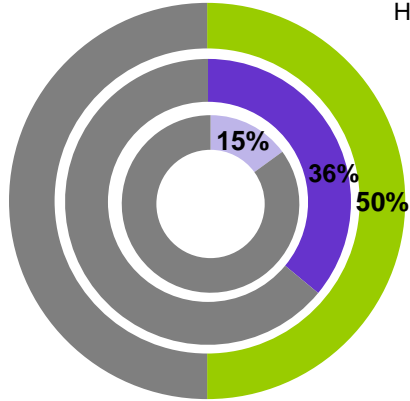




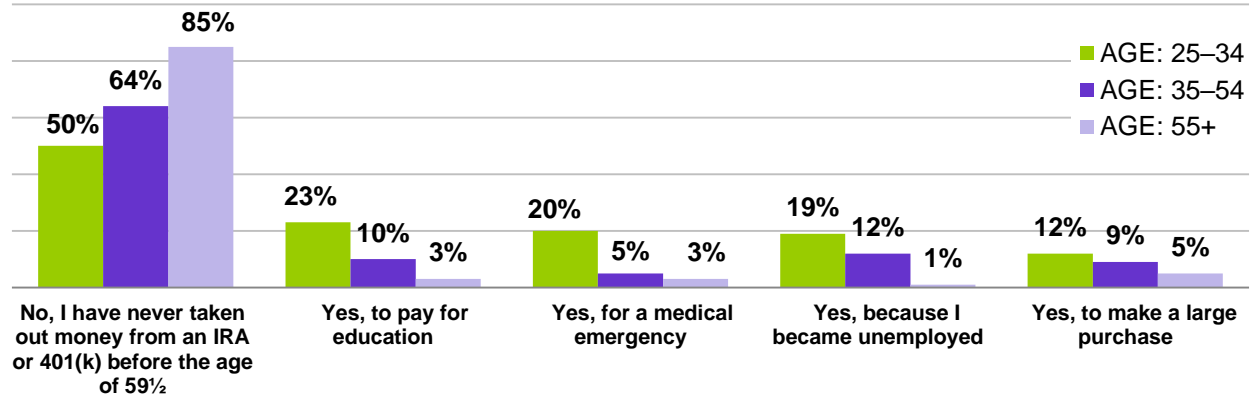
# Retirement investing among Millennials, Gen X, and Baby Boomers

Despite their reliance on retirement accounts, half of Millennials have already taken out money from an IRA or 401(k)

Have you ever taken out money from an IRA or 401(k) before the age of 59½ and, if so, for what? (Select all that apply)



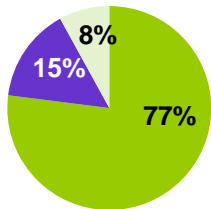
Percentage who have taken out money from an IRA or 401(k) before the age of 59½



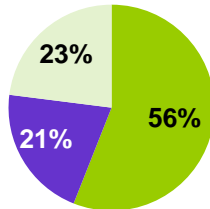
Almost eight out of 10 Millennials later regret the decision to take early withdrawals

Have you ever regretted your decision to take money from an IRA or 401(k) before the age of 59½?

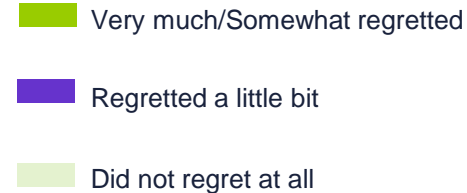
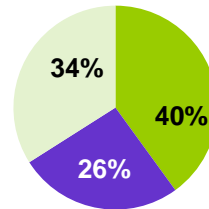
AGE: 25-34



AGE: 35-54



AGE: 55+

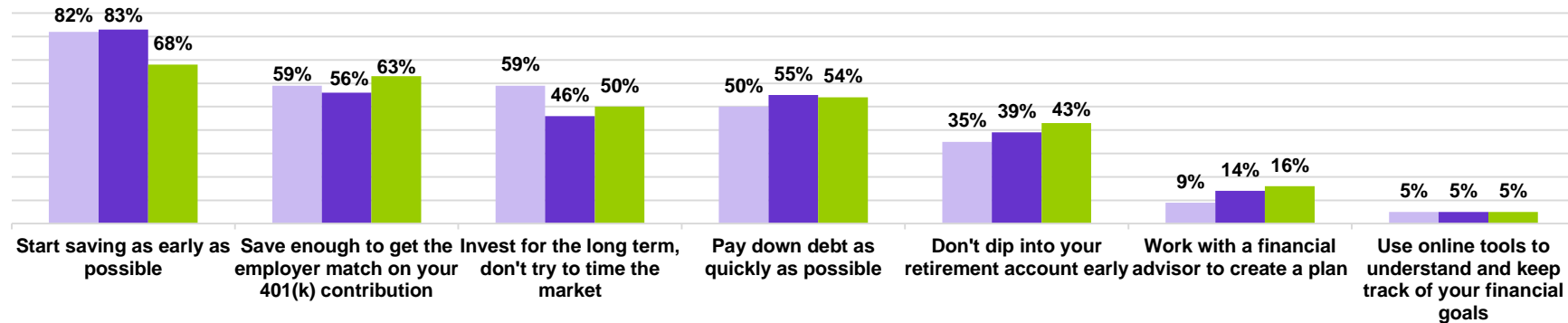




# Retirement investing among Millennials, Gen X, and Baby Boomers

## Boomers recommend starting early, getting the match, and avoid market timing

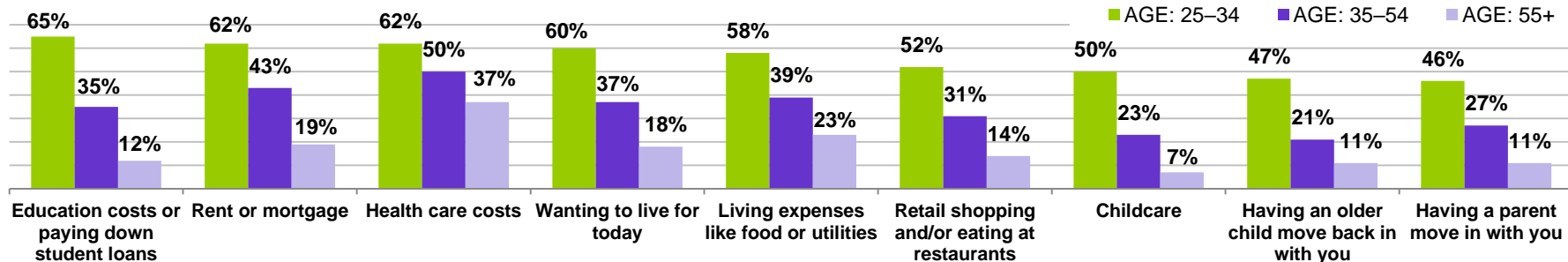
If you could offer a younger investor financial advice, what would it be? (Select top three)



## Majority of Millennials cite several roadblocks, education costs topping the list

When it comes to saving what you want for retirement, how much of a barrier is each of the following?

(% = Significant/Somewhat of a barrier)





# Please read the important disclosures below

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This presentation presents data from July 1–July 11, 2019.

The data from this and past quarters reflects the opinions of this population only from the time of fielding, which is typically the first two weeks of each quarter. It does not represent opinions of the full quarter.

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**Dow Jones Industrial Average:** Computed by summing the prices of the stocks of 30 companies and then dividing that total by an adjusted value—one which has been adjusted over the years to account for the effects of stock splits on the prices of the 30 companies. Dividends are reinvested to reflect the actual performance of the underlying securities.

**S&P 500® Index** is a market capitalization-weighted index of 500 widely held stocks often used as a proxy for the US stock market.

All components of the S&P 500 are assigned to at least one of eleven S&P Select Sector Indexes, which track major economic segments and are highly liquid benchmarks. Stock classifications are based on the Global Industry Classification Standard. The Select Sector Indexes are: Consumer Discretionary Select Sector; Consumer Staples Select Sector; Energy Select Sector; Financials Select Sector; Health Care Select Sector; Industrials Select Sector; Technology Select Sector; Materials Select Sector; Telecommunication Services; and Utilities Select Sector.

**VIX®** is the ticker symbol for Cboe Volatility Index®. The index, also called the fear index, is calculated by Cboe and generally measures expected volatility of the US market in the next 30 days. The higher the number, the more bearish the market is in general. The VIX is used to calculate the put/call ratio.

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