

ETF investors use ETFs to cut costs

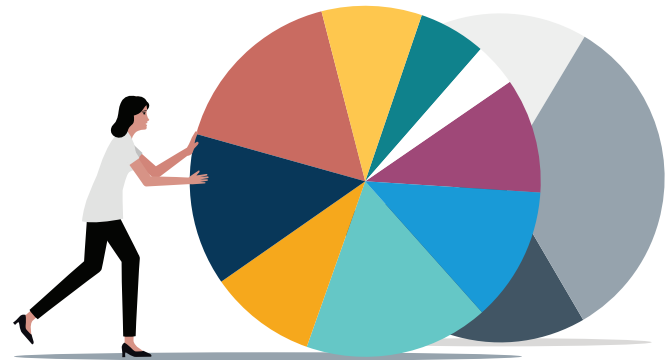
ETF investors are at the forefront of an evolving investing landscape and they are using ETFs – which now outnumber individual stocks* – for low-cost core portfolio investments as well as an entry point to explore the expanding universe of investment products and strategies.



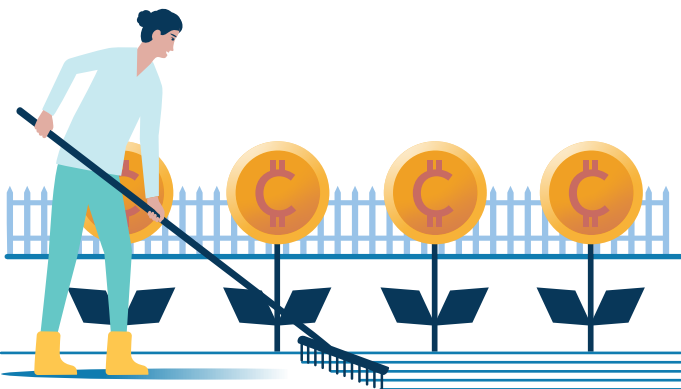
Continuing the momentum: ETFs cut costs and broaden investment horizons



Half of ETF investors strongly agree that ETFs allow them to try investing in more niche or targeted strategies separate from their long-term portfolio (49%), and 46% strongly agree that ETFs help them invest in asset classes they normally wouldn't be able to.



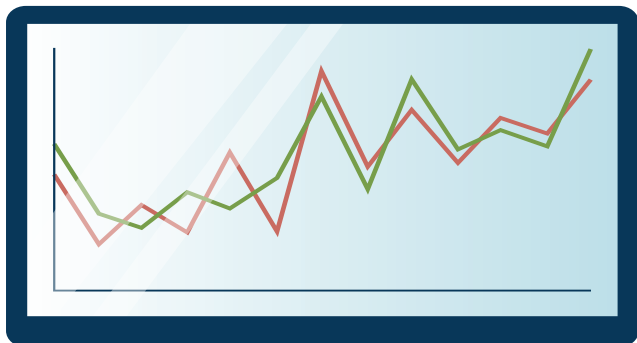
Millennials are most likely to invest in a broad range of specialty ETFs in the next year, including spot cryptocurrency ETFs (44%) and single-stock ETFs (43%).



ETF investors consider it extremely important to have more control over their investments (66% ETF vs 61% non-ETF investors) and a greater ability to customize their investments (62% ETF vs 54% non-ETF investors).



ETF investors are confident in their use of ETFs, and many plan to put more money into them in response to anticipated market and economic trends like AI growth potential (51%), market volatility (42%), and high interest rates (40%).



Most ETF investors got started within the past five years – and those newer ETF investors tend to be younger and eager to add to their ETF holdings. 30% of newer ETF investors plan to significantly increase ETF investments in the next year, compared to 13% of tenured ETF investors.



About the study

Schwab Asset Management's ETFs and Beyond Study was conducted online by Logica Research from July 25 to August 15, 2025, among a national sample of ETF and non-ETF investors. Survey respondents were not asked to indicate whether they had accounts with Schwab. All data is self-reported by study participants and is not verified or validated. Logica Research is neither affiliated with nor employed by Schwab Asset Management.

2,000 investors completed the study

- 1,000 general ETF investors
- 1,000 non-ETF investors

To qualify for the study, investors had to:

- Be 25 to 75 years old
- Have a minimum of \$25,000 in investable assets (ETF and non-ETF investors)
- Have purchased or sold an ETF in the past two years (ETF investors)
- Be at least somewhat familiar with ETFs (non-ETF investors)

Generation definitions

- **Millennials**
Ages 29–44
- **Gen X**
Ages 45–60
- **Boomers**
Ages 61–76



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Investment returns will fluctuate and are subject to market volatility, so that an investor's shares, when redeemed or sold, may be worth more or less than their original cost. Shares of ETFs are not individually redeemable directly with the ETF. Shares are bought and sold at market price, which may be higher or lower than the net asset value (NAV).

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*US ETFs Eclipse Total Number of Stocks in Paradox of Choice for Investors – Bloomberg

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