Charles Schwab ETFs and Beyond Study

2025

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Background

Charles Schwab has conducted a study about ETF investing for over 10 years with independent research company, Logica Research*. This ongoing research study has uncovered trends in ETF investing and shed light on investors' knowledge of, and behaviors around, ETFs.

The 2025 ETFs and Beyond Study survey was fielded from July 25th to August 14th, 2025.

- 2,000 investors completed the study
    - 1,000 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)

* Logica Research is neither affiliated with, nor employed by, Charles Schwab & Co., Inc.

ETF Appetite

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Most ETF investors agree that ETFs are a necessary part of their portfolio and are their investment vehicle of choice

Agree with statements about ETFs
ETF investors

ETFs are a necessary part of my portfolio **93%**

ETFs are my vehicle of choice **82%**

Q26: Please select how much you agree or disagree with the following statements.
(Base: Total ETF Investors = 1,000)

Most ETF investors increased their allocations to ETFs in 2025, and three-quarters are extremely likely to purchase an ETF in the next two years

Adjustments to ETF allocations in 2025

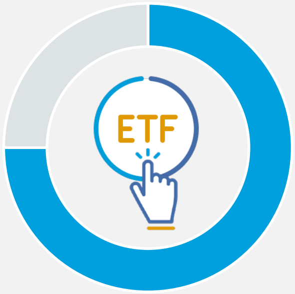
ETF investors

61%

Increased allocations to ETFs

Likelihood to purchase ETF in next two years

ETF investors



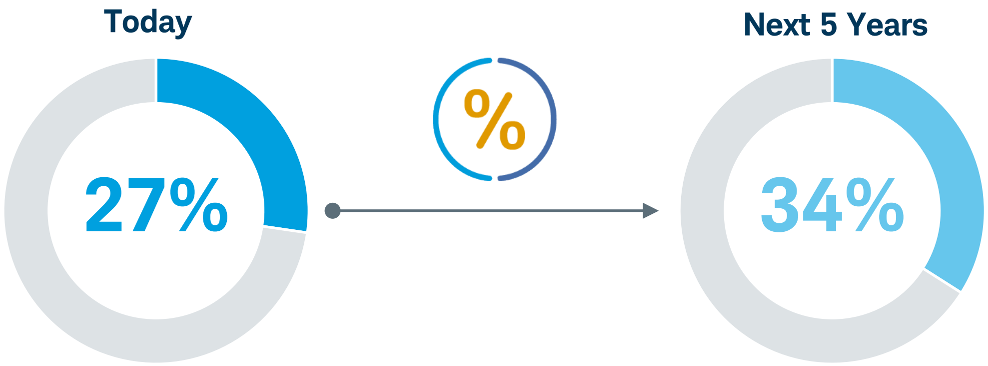
75%

Extremely likely to purchase an ETF

Q29: How did you adjust your ETF allocations in 2025?
Q7: How likely are you to consider purchasing an ETF in the next two years?
(Base: Total ETF Investors = 1,000)

ETF investors predict that a third of their portfolio will be in ETFs in five years, up from about one quarter today

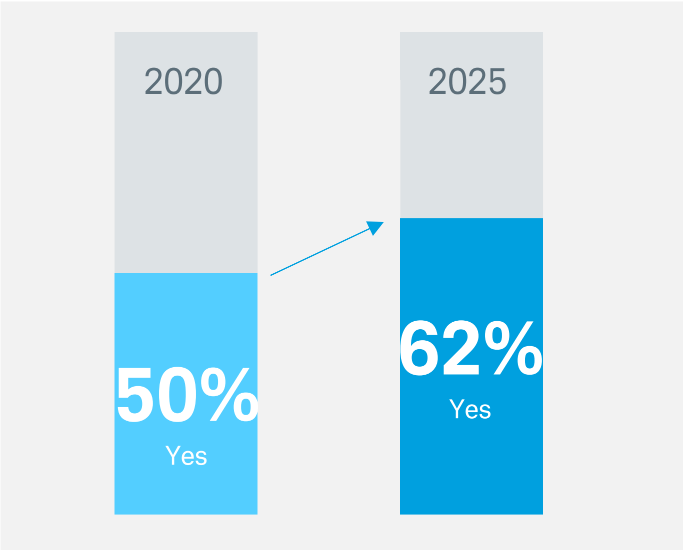
Average percentage of investments in ETFs
ETF investors



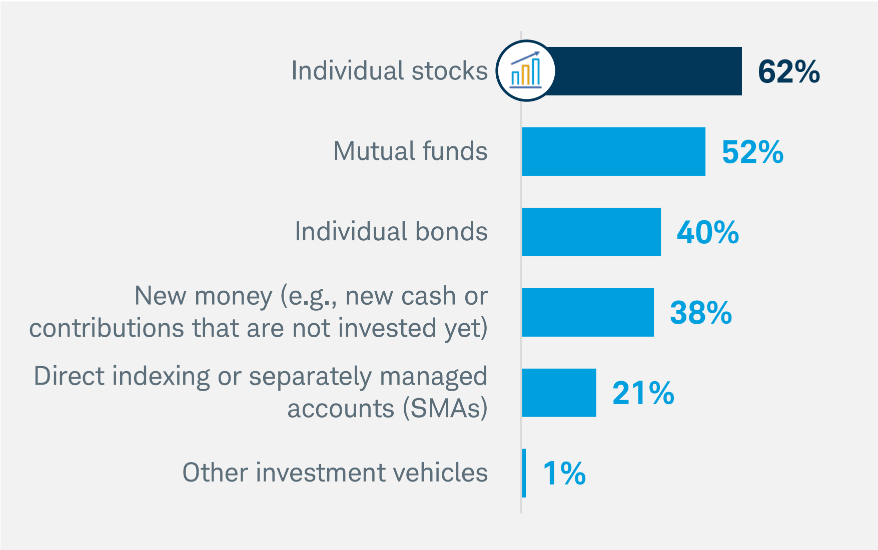
Q12: What percent of all of your investments are in ETFs today, if any?
Q13: Looking ahead five years, what percent of your portfolio do you expect will be in ETFs?
(Base: Total ETF Investors = 1,000)

More ETF investors can envision putting their entire portfolios into ETFs compared to five years ago; Nearly two-thirds would pull money from stocks to invest more in ETFs

Consider putting entire portfolio in ETFs
ETF investors



Sources of money for new ETF investments
ETF investors



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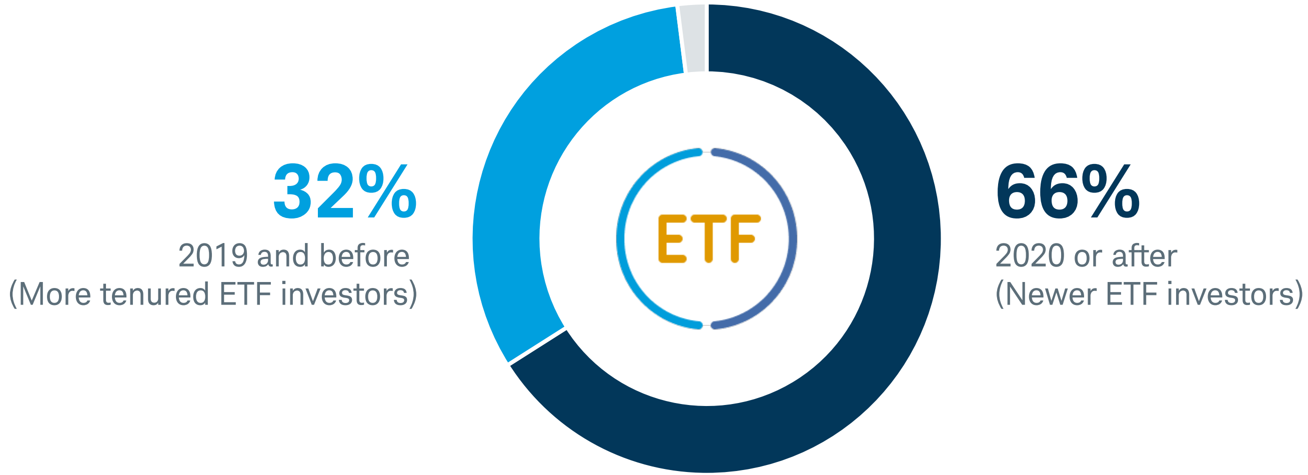
Q13a: Would you consider placing your entire investment portfolio (excluding cash holdings) in ETFs?
Q13b: If you were to invest more of your assets in ETFs, where would that money likely come from?
(Base: Total ETF Investors, 2025/2020 = 1,000/1,000)

Most ETF investors began investing in ETFs within the past five years

First ETF purchase
ETF investors

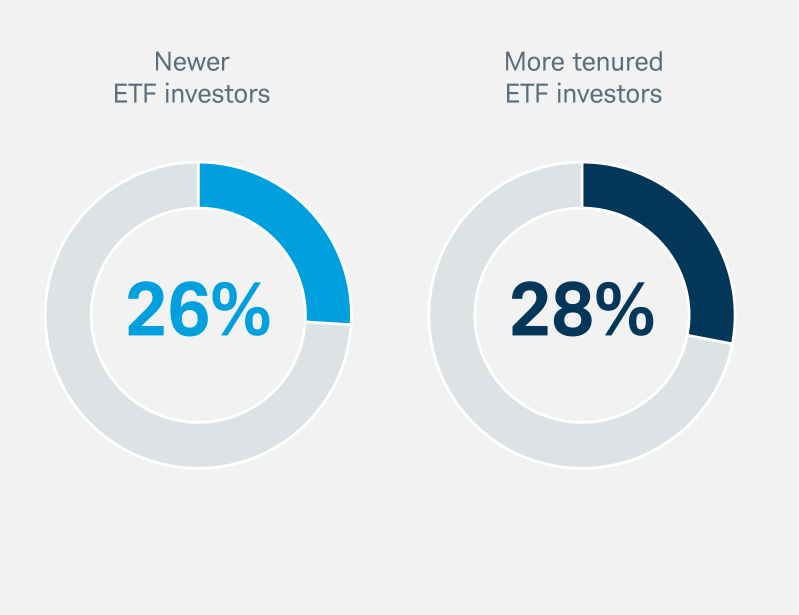


Q6a: When did you purchase your first ETF?
(Base: Total ETF Investors = 1,000)

Newer ETF investors are eager to invest more in the products, and many have already dedicated a similar share of their portfolio to them as more tenured ETF investors

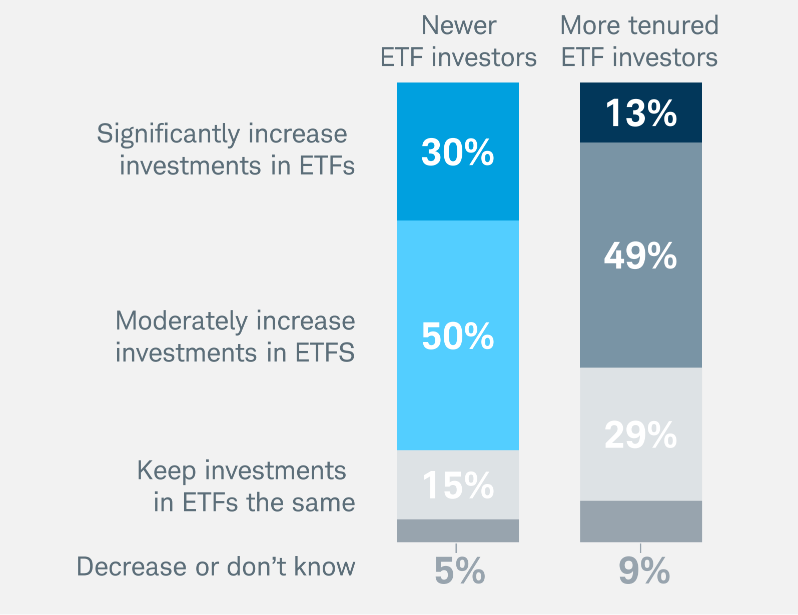
Average percentage of investments in ETFs today

ETF investors



Plans for ETFs in the next year

ETF investors



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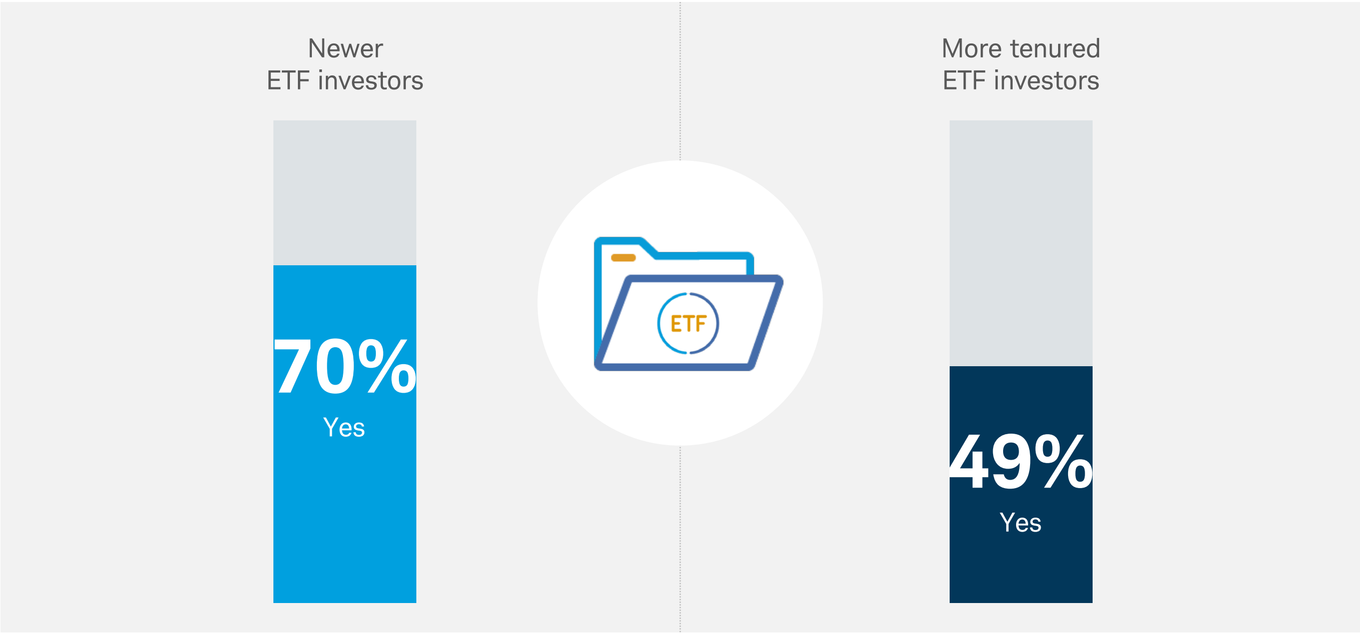
Q12: What percent of all of your investments are in ETFs today, if any?
Q16: In the next year, which of the following do you expect to do, if any?
(Base: Newer ETF Investors = 661: More Tenured ETF Investors = 319)

Classification: Public

Many newer ETF investors would consider placing their entire portfolio in ETFs

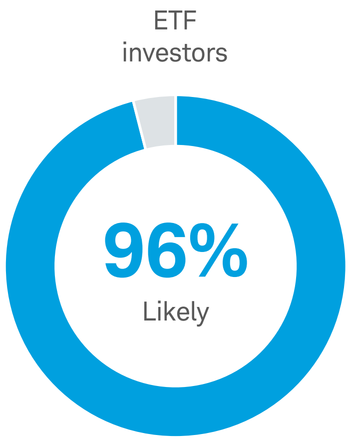
Consider putting entire portfolio in ETFs
ETF investors

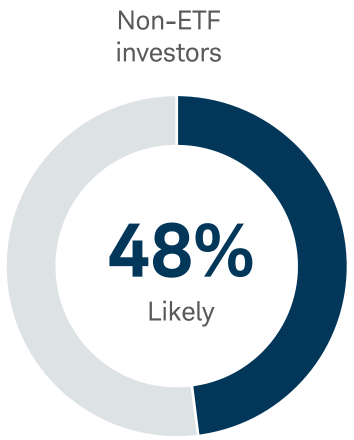


Q13a: Would you consider placing your entire investment portfolio (excluding cash holdings) in ETFs?
(Base: Newer ETF Investors = 661: More Tenured ETF Investors = 319)

Non-ETF investors demonstrate strong interest in moving into ETFs; half say they are likely to consider purchasing an ETF in the next two years

Likely to consider purchasing an ETF in the next two years
ETF and Non-ETF investors





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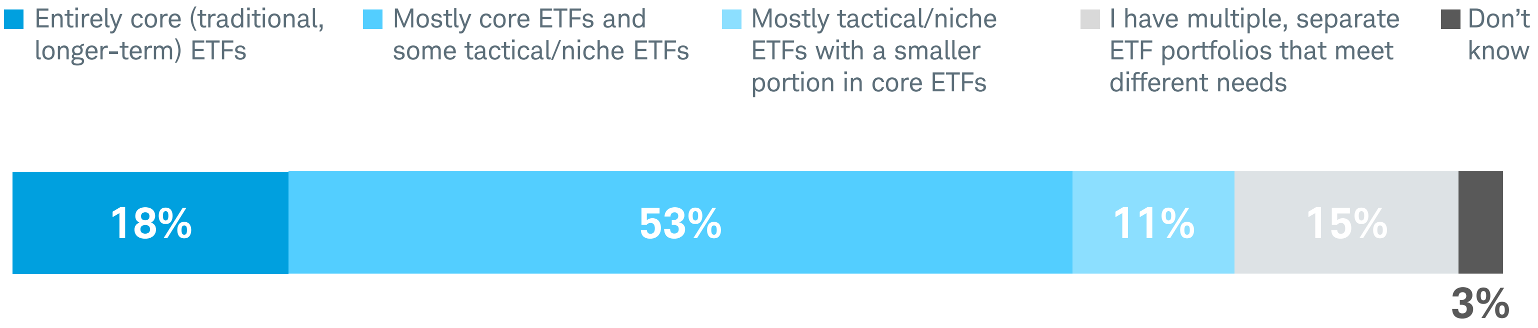
Q7: How likely are you to consider purchasing an ETF in the next two years?
(Base: Total ETF Investors = 1,000, Total Non-ETF Investors = 1,000)

The Portfolio

Just over half of ETF investors currently describe their ETF investment portfolio as mostly core with some tactical/niche ETFs investments

Description of ETF investment portfolio
ETF investors



Q31a: Which of the following best describes your ETF investment portfolio?
(Base: Total ETF Investors = 1,000)

Two-thirds of ETF investors plan to purchase index and active ETFs

ETF types planning to invest in next year
ETF investors

Q22a: Which ETF types do you plan to invest in over the next year?
(Base: Total ETF Investors = 1,000)

Most ETF investors (62%) currently hold actively managed ETFs, which represent about a third of their ETF investment portfolio today

Current investments in actively managed ETFs
ETF investors

32%

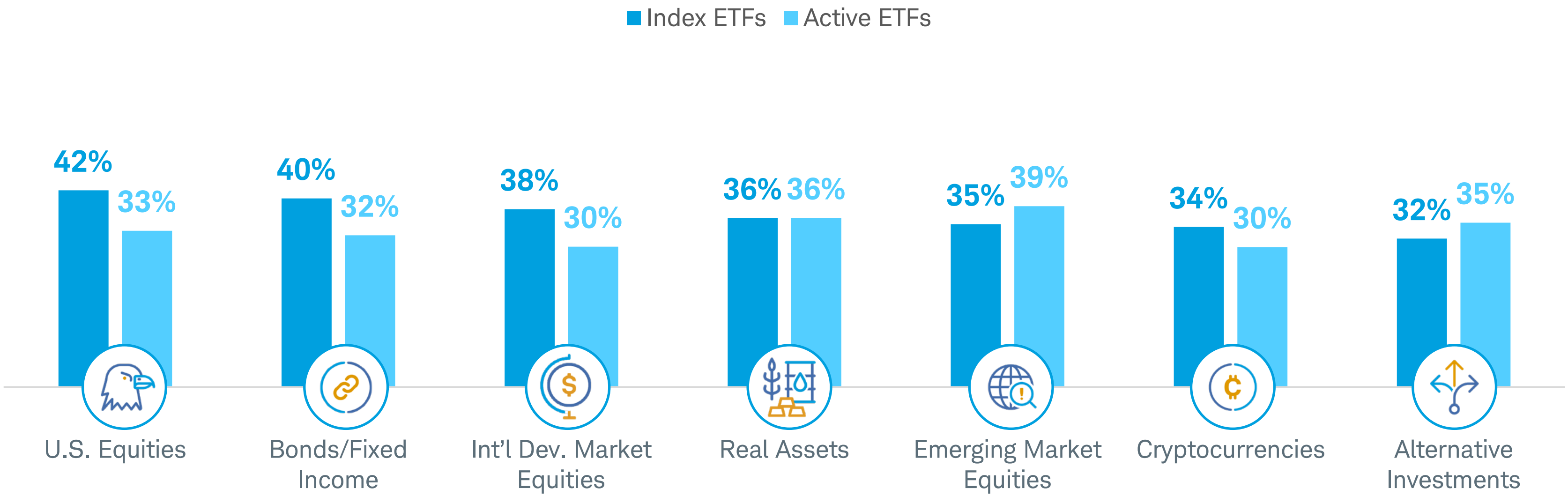
Average percent of ETF investments in actively managed ETFs today

Q25a: What percent of your ETF investments are in actively managed ETFs?
Q31: For each of the following types of ETFs, please select the response that best describes you.
(Base: Total ETF Investors = 1,000)

Whether ETF investors prefer index to active ETFs depends on the asset class

Preference for index and active ETFs by asset class

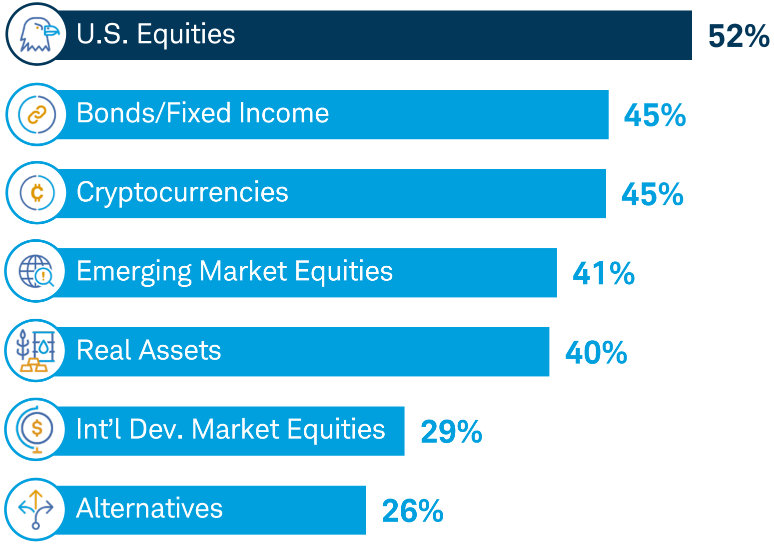
ETF investors



Q22b: For each of the following asset classes, which response best describes you:
(Base: Total ETF Investors = 1,000)

U.S. equity is still the #1 asset class that ETF investors plan to invest in via ETFs

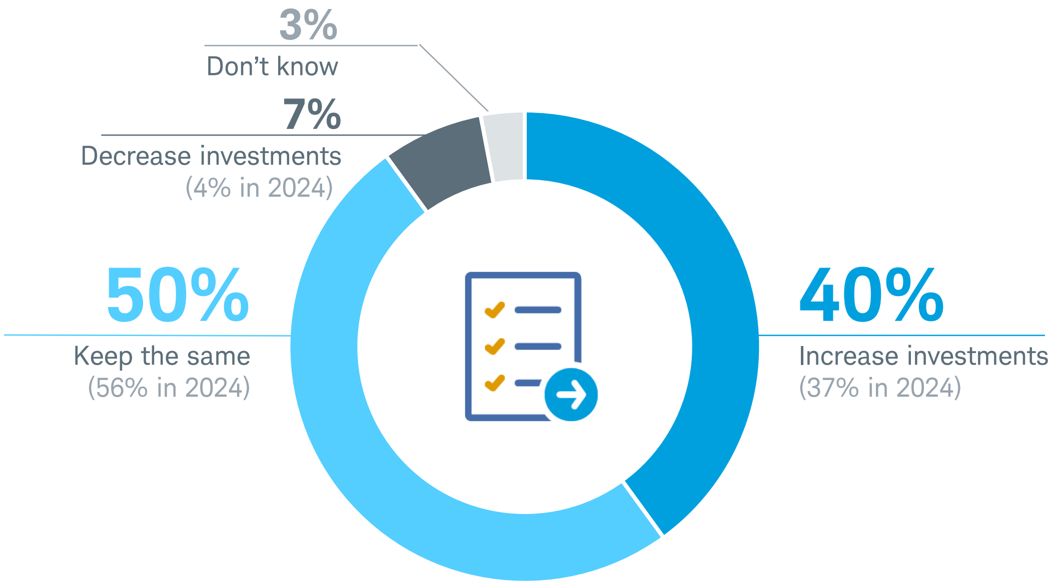
Asset classes plan to invest in via ETFs
ETF investors



Q21: Which asset classes do you plan to invest in over the next year via ETFs?
(Base: Total ETF Investors = 1,000)

Interest in fixed income remains strong among ETF investors, with many expecting to increase their investments in fixed income

Plans for investments in bonds/fixed income
ETF investors



Q36g: In the next year, what do you expect to do with your investments in bonds/fixed income?
(Base: Total ETF Investors who are investing in bonds/fixed income 2025/2024 = 897/870)

ETF investors are significantly more likely to say they are increasing fixed income investments because they expect to be in a high interest rate environment for the foreseeable future

Top reasons ETF investors are increasing bonds/fixed income

ETF investors

61%
(59% in 2024)
For income

59%
(56% in 2024)
For diversification

56%
(50% in 2024)
To reduce the level of risk in my portfolio

48%
(37% in 2024)
High interest rate environment for the foreseeable future

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Q36h: Which of the following best describes why you will increase fixed income investments within your portfolio in the next year?
(Base: Total ETF Investors who are increasing investments in bonds/fixed income, 2025/2024 = 354/319)

About half of ETF investors strongly agree that ETFs let them invest in niche strategies as well as invest in asset classes not typically available

Strongly agree with statements about ETFs
ETF investors

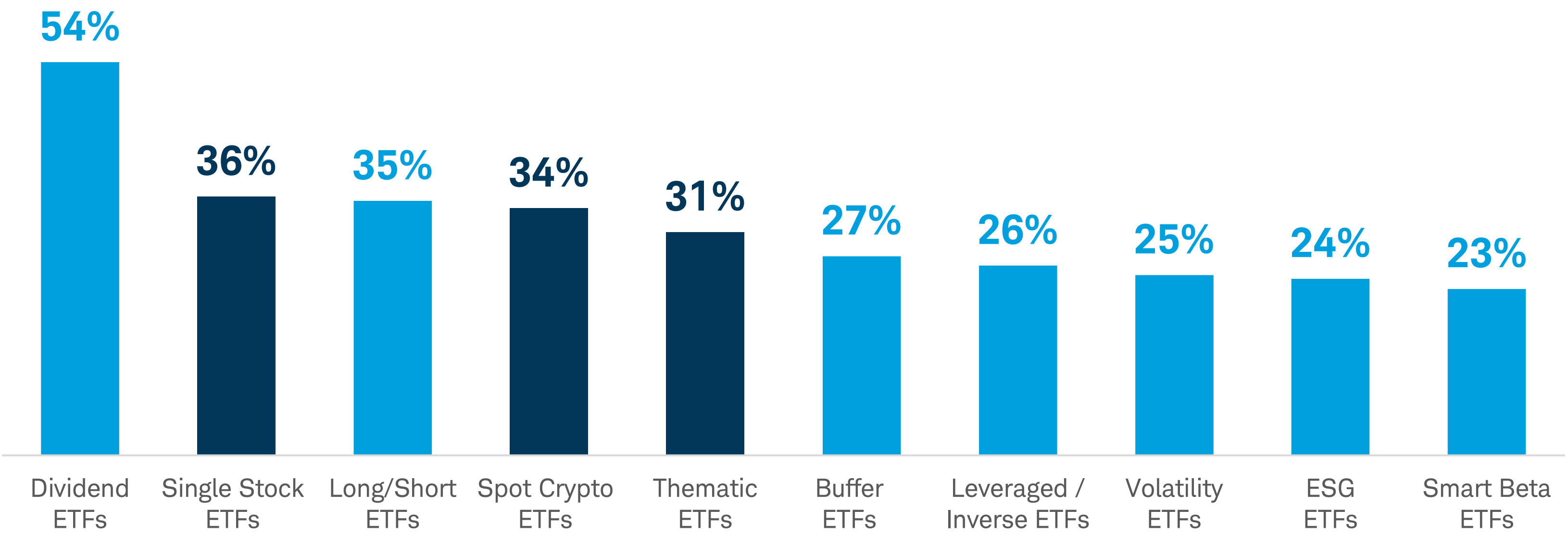
49%
ETFs allow me to try out investing in targeted/niche asset classes or strategies separate from my long-term portfolio

46%
ETFs help me invest in asset classes I normally wouldn't be able to

Q26: Please select how much you agree or disagree with the following statements: < Summary of Strongly agree >
(Base: Total ETF Investors = 1,000)

ETF investors plan to explore a range of ETF categories, including single stock, spot cryptocurrency and thematic ETFs

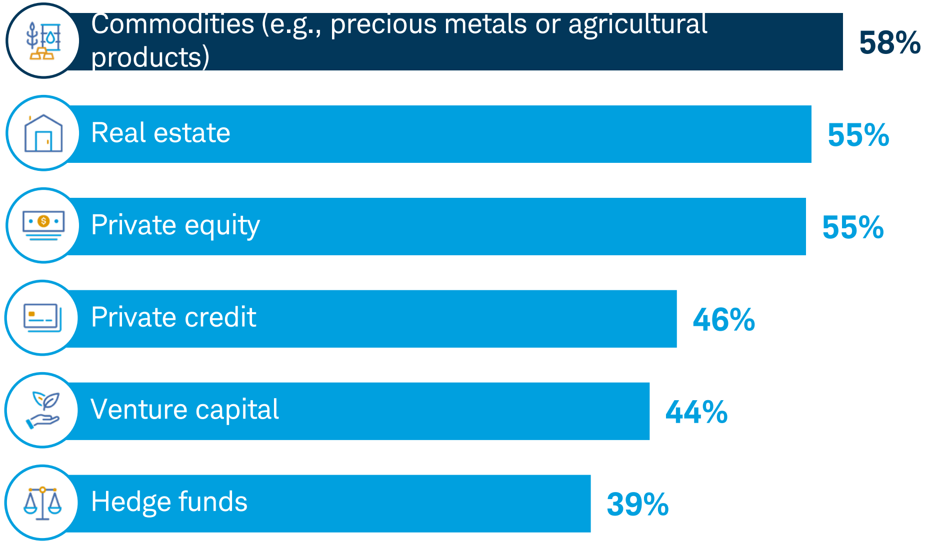
Types of specialty ETFs investors plan to invest in
ETF investors



Q23: Which types of specialty ETFs do you plan to invest in over the next year?
(Base: Total ETF Investors = 1,000)

When it comes to alternative investments, ETF investors are most likely to invest in commodities, real estate and private equity

Alternative investments that ETF investors plan to invest in via ETFs
ETF investors who plan to invest in alternatives



Q21a: Which alternative investments do you plan to invest in over the next year via ETFs?
(Base: Total ETF Investors who are planning to invest in alternatives = 255)

How They Choose

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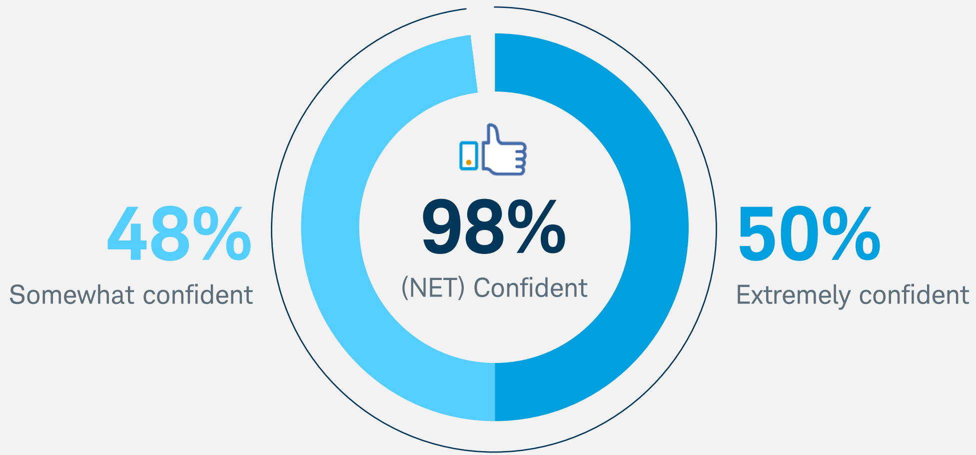
The majority of ETF investors are confident in their ability to choose ETFs that help them achieve their investment goals

Confidence in choosing ETFs
ETF investors



Q28: How confident are you in your ability to choose an ETF that can help you achieve your investment objectives?
(Base: Total ETF Investors = 1,000)

Total cost remains the top factor when choosing an ETF

Important factors in choosing an ETF

ETF investors (Extremely important)

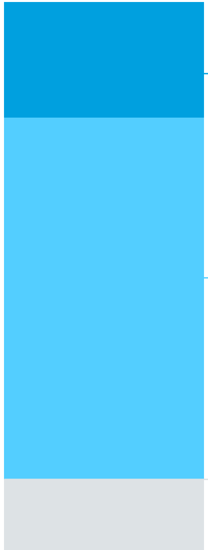
		2024
Total cost	59%	57%
Reputation of the ETF provider	55%	51%
Historical returns of the ETF	53%	49%
The portfolio manager's experience/track record	53%	51%
How well it tracks to its index	52%	51%
Low expense ratio	51%	52%
Tax efficiency	50%	47%
Access/exposure to a specific part of the market	49%	47%
Total assets in the ETF	47%	44%
Liquidity/trading volume of the ETF	47%	45%
The ETF's objectives and holdings align with my values and beliefs	46%	41%
A well-known ticker/the brand name of the ETF	40%	39%
Approach to investment stewardship/proxy voting	39%	31%

Q27: When choosing an ETF, how important to you is each of the following?
(Base Total ETF Investors, 2025/2024 = 1,000/1,000)

Across generations, most ETF investors say cost is one of the important factors they consider, though Millennials are more likely to say cost is the most important factor

Importance of cost when choosing an ETF

ETF investors



	ETF investors	Millennial	Gen X	Boomers
Cost is the most important factor	21%	28%	16%	7%
Cost is one of the important factors I consider	66%	59%	71%	78%
Cost is less important than other factors	13%	13%	13%	15%

Q27d: When choosing an ETF, which of the following describes you?
(Base: Total ETF Investors = 1,000: Millennials = 428: Gen X = 345: Boomers = 161)

ETF investors overwhelmingly agree that ETFs help them keep costs down in their portfolio

Agree with statements about ETFs
ETF investors

94%
ETFs help me keep costs down in my portfolio

Q26: Please select how much you agree or disagree with the following statements
(Base: Total ETF Investors = 1,000)

Many ETF investors would consider purchasing an actively managed ETF for its potential to outperform traditional index ETFs or to access alternative strategies

When to consider purchasing an actively managed ETF
ETF investors

63%	51%	45%	43%
For the potential to outperform/achieve higher returns than traditional index ETFs	To access alternative strategies or asset classes not typically available through traditional index ETFs	For potential downside protection in volatile markets	To access specific fund managers I trust or follow

Q27e: Actively managed ETFs typically have higher costs than index ETFs. When would you consider purchasing an actively managed ETF over an index ETF?
(Base: Total ETF Investors = 1,000)

Market Environment and Sentiment

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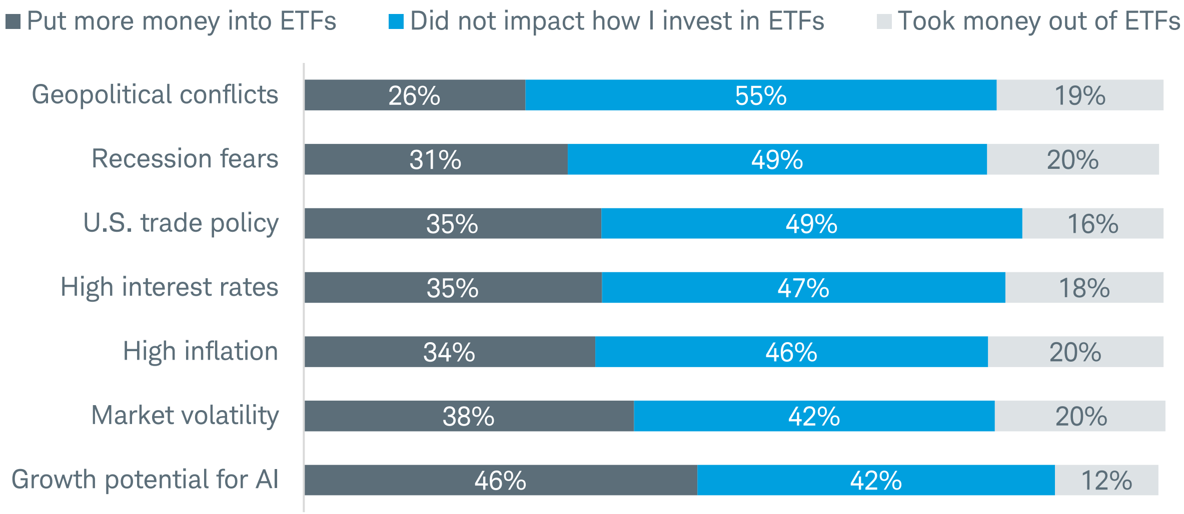
ETF investors have largely stayed the course with their ETF investments – or added to ETF holdings – in the face of a variety of market-driving events

Impact of market drivers on ETF investing

ETF investors

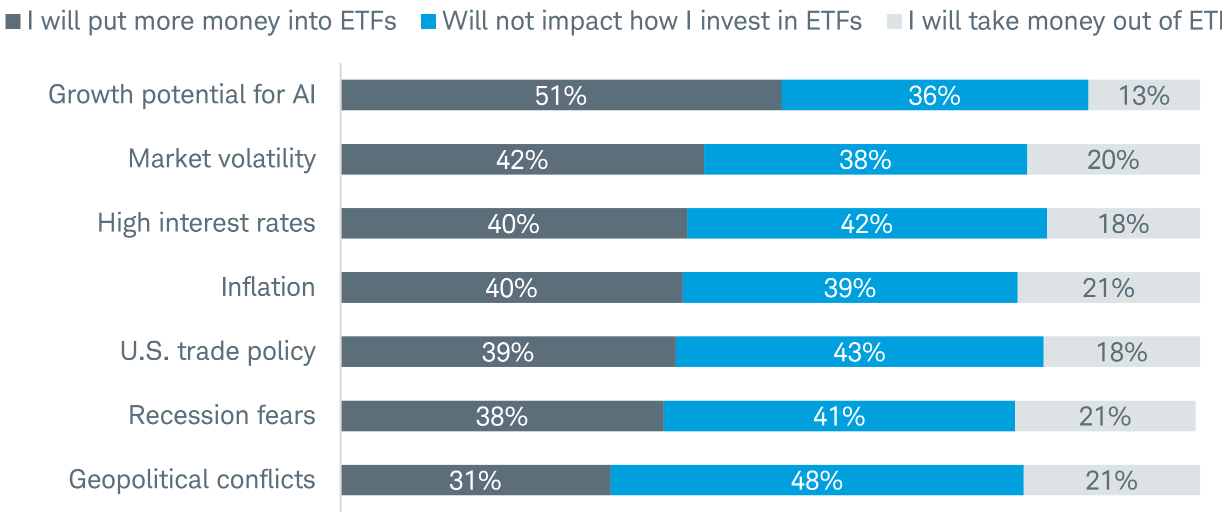


Q18: How much have each of the following events impacted your ETF investing so far in 2025?
(Base: Total ETF Investors = 1,000)

Looking ahead, ETF investors plan to put more money into ETFs or maintain their ETF allocation in response to market drivers

Future impact of market drivers on ETF investing

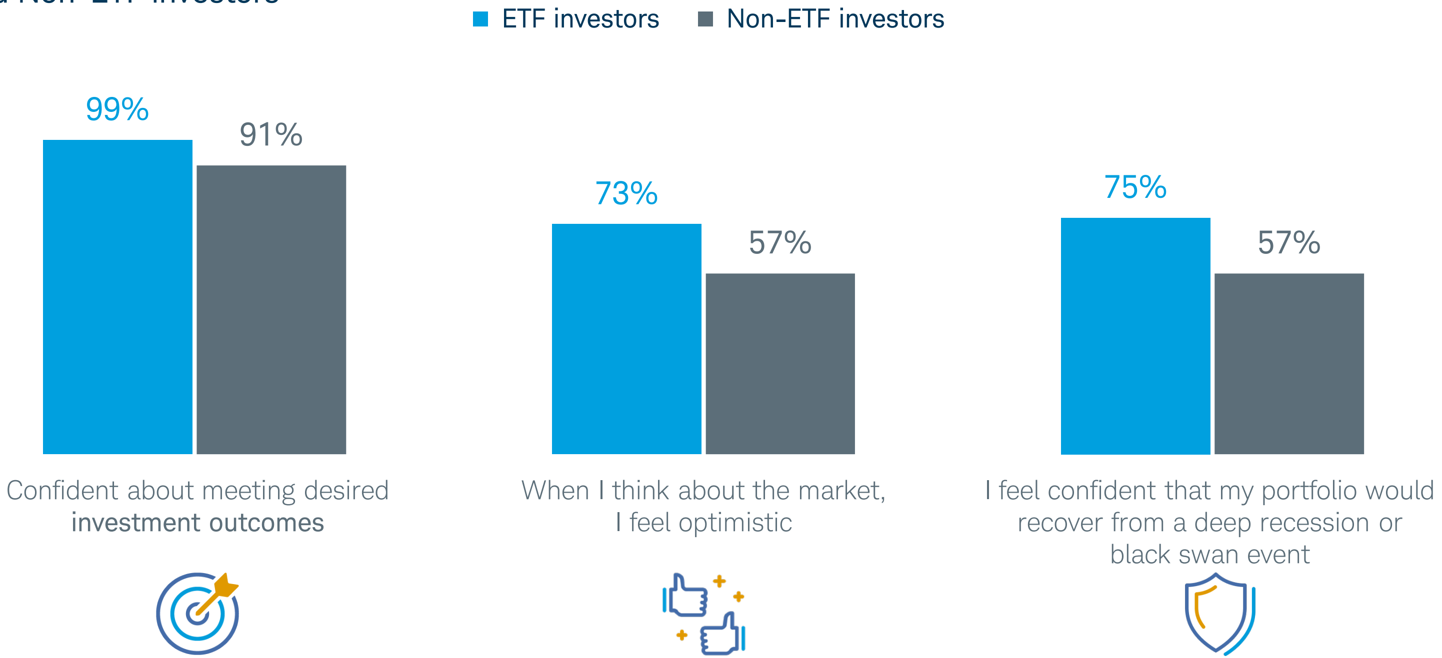
ETF investors



Q30: How do you expect each of the following events to impact your ETF investing in the coming months?
(Base: Total ETF Investors = 1,000)

Most ETF investors are optimistic about the markets and confident they will meet their investment goals or recover from a black swan event

Investor sentiment and confidence
ETF and Non-ETF investors



Q30b: Thinking about your opinions on and approach to investing broadly, please select the one which describes you best for each of the following statements.
Q44: How confident are you that you can meet your desired investing outcomes?
(Base: Total ETF Investors = 1,000: Total Non-ETF Investors = 1,000)

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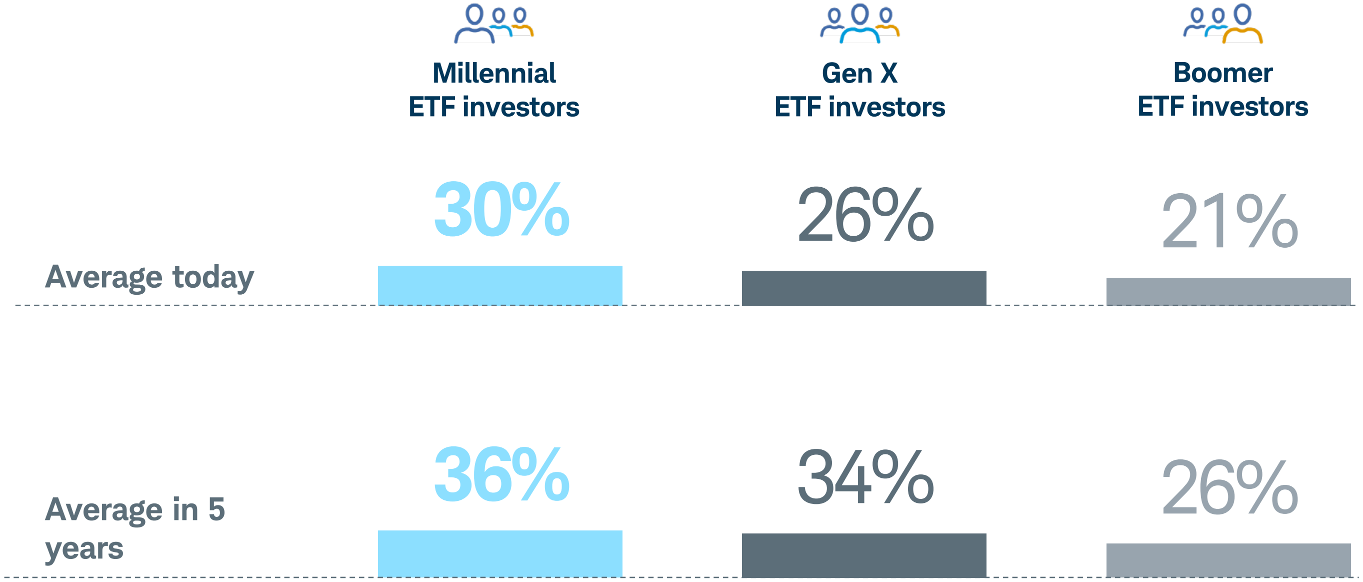
Classification: Public

Millennials

Asset
Management

Millennials continue to allocate the greatest share of their portfolio to ETFs and have higher expectation for their future investments in ETFs

Average percentage of investments in ETFs
ETF investors



Q12: What percent of all of your investments are in ETFs today, if any?
Q13: Looking ahead five years, what percent of your portfolio do you expect will be in ETFs?
(Base: Total ETF Investors = 1,000, Millennial ETF Investors = 428, Gen X ETF Investors = 345, Boomer ETF Investors = 161)

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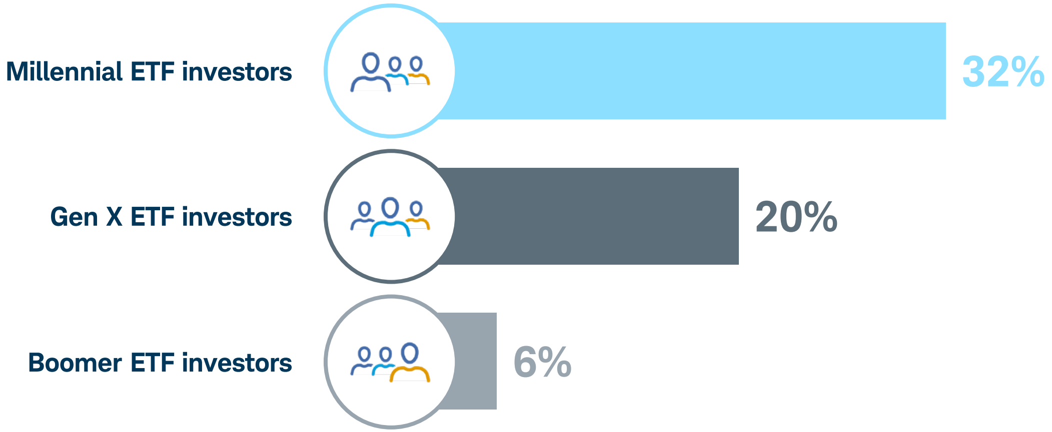
In the next year, Millennials expect to increase ETF investments more than other generations

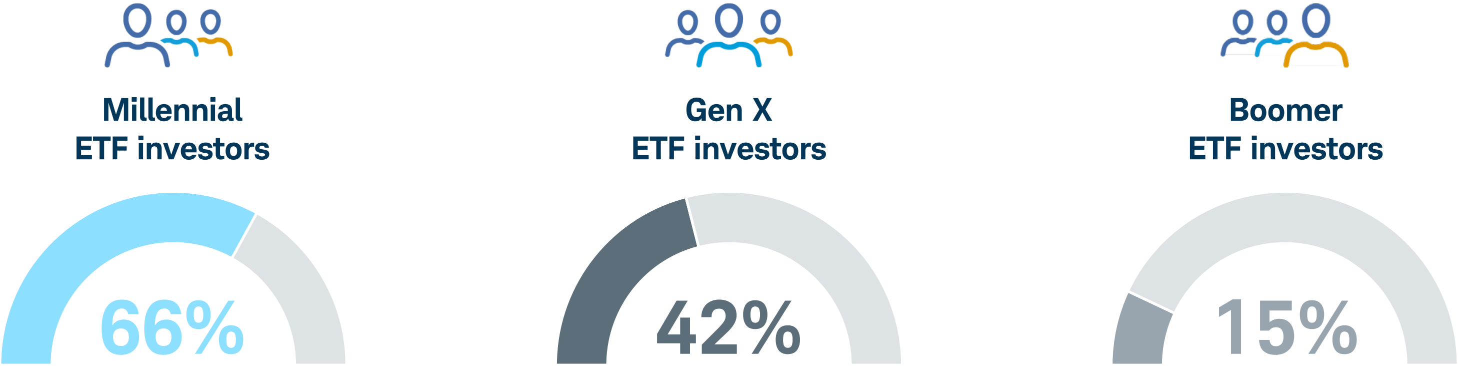
Plan to significantly increase ETF investments in the next year
ETF investors



Q16: In the next year, which of the following do you expect to do, if any?
(Base: Total ETF Investors = 1,000, Millennial ETF Investors = 428, Gen X ETF Investors = 345, Boomer ETF Investors = 161)

Millennials are also most likely to consider putting their entire portfolio in ETFs

Consider placing entire investment portfolio in ETFs in next five years
ETF investors



Q13a: Would you consider placing your entire investment portfolio (excluding cash holdings) in ETFs?
(Base: Total ETF Investors = 1,000, Millennial ETF Investors = 428, Gen X ETF Investors = 345, Boomer ETF Investors = 161)

Millennials are most likely to invest in a broad range of specialty ETFs, including spot cryptocurrency and single stock ETFs

Types of specialty ETFs investors plan to invest in

ETF investors

	Millennial ETF investors	Gen X ETF investors	Boomer ETF investors
Dividend	48%	61%	57%
Spot Cryptocurrency ETFs	44%	33%	11%
Single Stock ETFs	43%	33%	17%
Long/Short	40%	31%	27%
Thematic	34%	35%	18%
Volatility	34%	21%	8%
ESG	33%	22%	8%
Buffer ETFs	32%	29%	14%
Leveraged	32%	25%	14%
Smart Beta	30%	20%	6%

Q23: Which types of specialty ETFs do you plan to invest in over the next year?
(Base: Total ETF Investors = 1,000, Millennial ETF Investors = 428, Gen X ETF Investors = 345, Boomer ETF Investors = 161)

Millennials demonstrate higher interest in several asset classes, including cryptocurrencies, real assets, fixed income and alternatives

Asset classes plan to invest in via ETFs

ETF investors

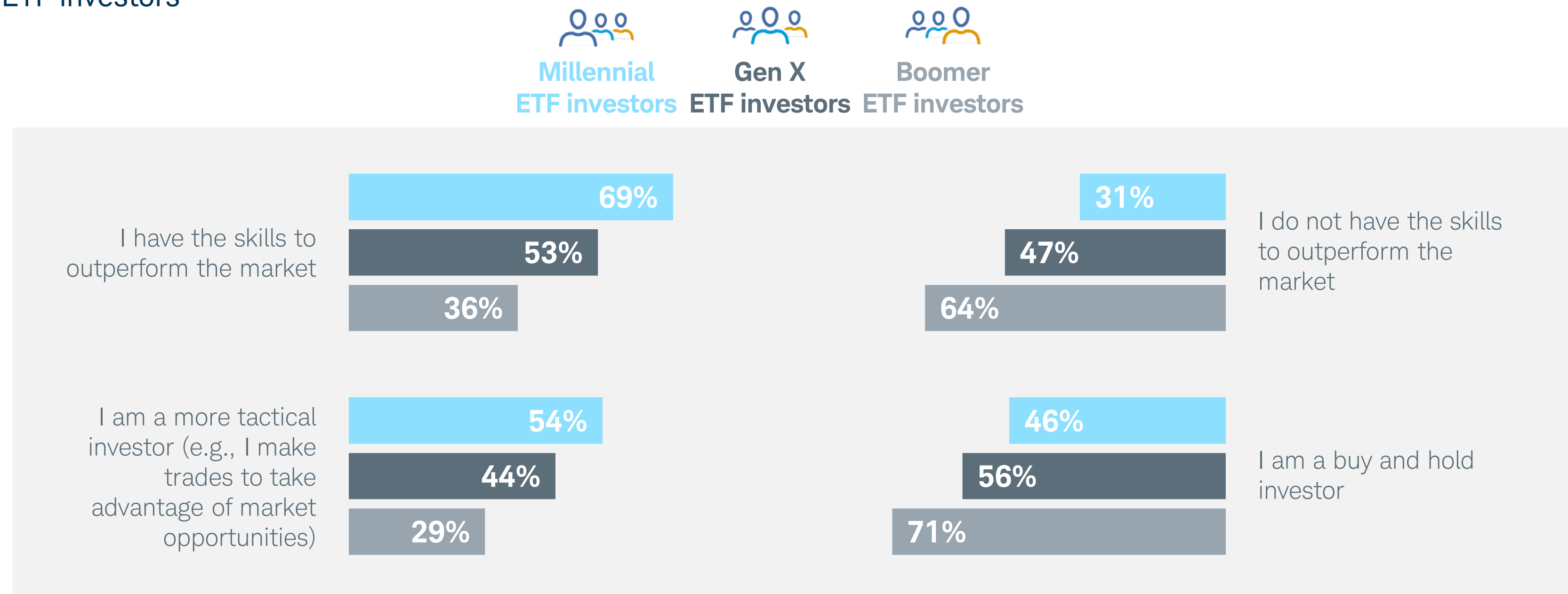
	Millennial ETF investors	Gen X ETF investors	Boomer ETF investors
Cryptocurrencies	57%	41%	15%
U.S. Equity	50%	55%	55%
Real Assets	50%	37%	22%
Bonds/Fixed Income	50%	43%	35%
Emerging Market Equities	41%	48%	30%
International Developed Market Equities	34%	25%	22%
Alternative Investments	33%	23%	12%

Q21: Which asset classes do you plan to invest in over the next year via ETFs?
(Base: Total ETF Investors = 1,000, Millennial ETF Investors = 428, Gen X ETF Investors = 345, Boomer ETF Investors = 161)

Millennial ETF investors say they have the skills to outperform the market and that they are tactical investors; Boomers are more likely to be buy-and-hold investors

ETF investor attitudes and confidence

ETF investors



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Q30b: Thinking about your opinions on and approach to investing broadly, please select the one which describes you best for each of the following statements.
(Base: Total ETF Investors = 1,000, Millennial ETF Investors = 428, Gen X ETF Investors = 345, Boomer ETF Investors = 161)

Personalization

Most ETF investors consider it extremely important to have more control over their investments and a greater ability to customize their investments

Factors rated extremely important when it comes to investments
ETF and Non-ETF investors

	ETF investors	Non-ETF investors
Have more control over their investments	66%	61%
Have greater ability to customize their investments	62%	54%
Investments are optimized for tax liabilities	61%	59%

Q37d: When thinking about your investments, how important to you is each of the following?
(Base: Total ETF Investors = 1,000: Total Non-ETF Investors = 1,000)

ETF investors are extremely interested in optimizing for potential tax savings, investing in long-term trends, managing unique risks and aligning investments with their values

Extremely interested in personalizing investments for specific objectives

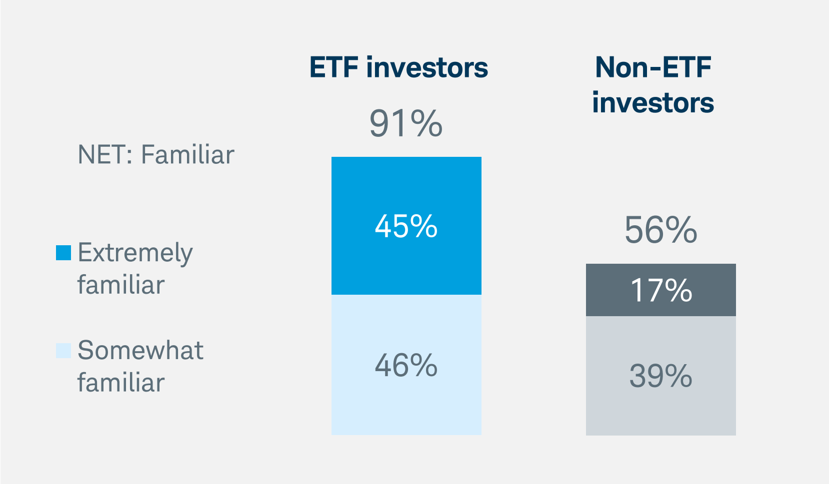
ETF and Non-ETF investors

	ETF investors	Non-ETF investors
Optimize potential tax savings	60%	49%
Invest in long-term trends or macro themes	55%	39%
Manage unique risks in your portfolio	51%	36%
Align investments with personal beliefs and/or values	46%	36%

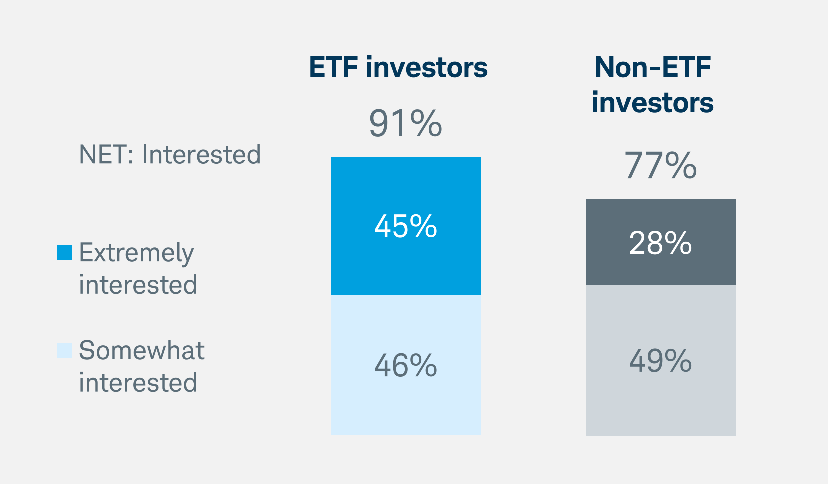
Q41: We would like to explore your level of interest in personalizing your investments to achieve specific investment objectives. What is your level of interest in being able to…
(Base: Total ETF Investors = 1,000: Total Non-ETF Investors = 1,000)

ETF investors are more familiar with direct indexing and more likely to want to learn about it compared to non-ETF investors

Familiarity with direct indexing
ETF and Non-ETF investors



Interest in learning more about direct indexing
ETF and Non-ETF investors



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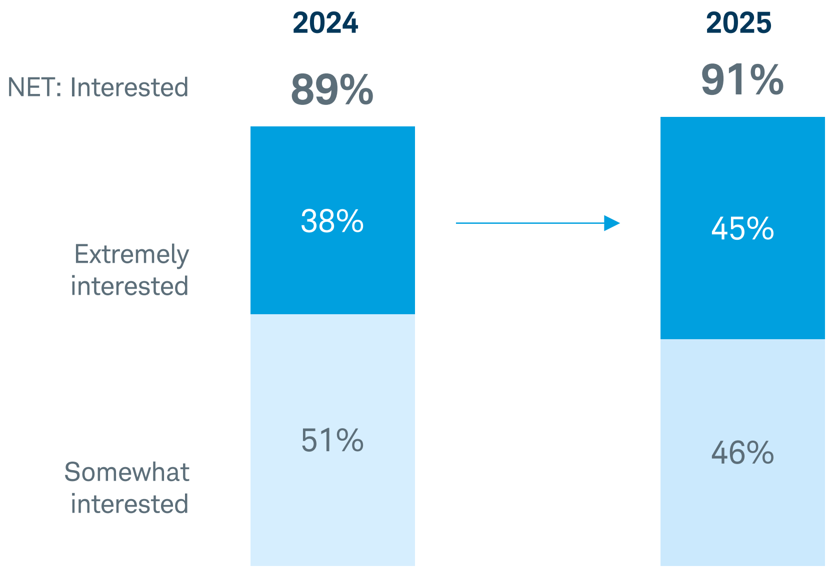
Q46a: How familiar are you with the following terms?
Q46b: How interested are you in learning more about this product?
(Base: Total ETF Investors = 1,000: Total Non-ETF Investors = 1,000)

More ETF investors are extremely interested in learning more about direct indexing compared to last year

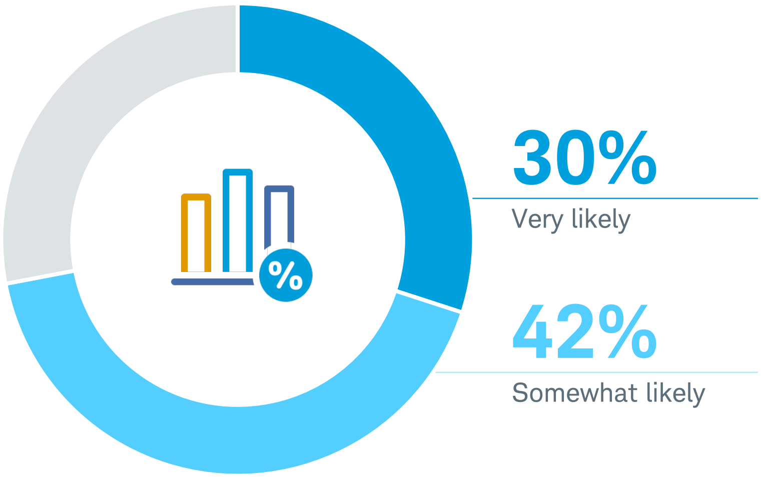
Interest in learning more about direct indexing
ETF investors



Q46b: How interested are you in learning more about this product?
(Base Total ETF Investors, 2025/2024 = 1,000/1,000)

Nearly one-third of ETF investors are very likely to invest in direct indexing in the next 12 months

Likelihood to invest in direct indexing in the next 12 months
ETF investors



Q46c: How likely are you to invest in direct indexing in the next...
(Base: Total ETF Investors = 1,000)

Appendix

Asset Management

Demographic Snapshot

ETF investors

Gender

Men	Women
63%	37%

Generations*

Millennials	Gen X	Boomers
43%	35%	16%

Generations* by ETF Tenure

	Millennials	Gen X	Boomers
Newer ETF investors	49%	32%	11%
More tenured ETF investors	34%	40%	24%

HH income

Mean	Median
$124K	$113K

Investable assets

Mean	Median
$785K	$375K

Employment

Full-time	Part-time	Retired	Other
78%	4%	10%	8%

Non-ETF investors

Gender

Men	Women
54%	46%

Generations*

Millennials	Gen X	Boomers
35%	33%	27%

HH income

Mean	Median
$94K	$88K

Investable assets

Mean	Median
$375K	$75K

Employment

Full-time	Part-time	Retired	Other
54%	10%	19%	17%

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Base: Total ETF Investors = 1,000: Newer ETF Investors = 661: More Tenured ETF Investors = 319; Total Non-ETF Investors = 1,000
*Generations: Millennials: 1981-1996; Gen X: 1965-1980; Boomers: 1948-1964

Important information

Investing involves risk including loss of principal. The information provided here is for general information purposes only and should not be considered an individualized recommendation or personalized investment advice. The investment strategies mentioned here may not be suitable for everyone. Each investor needs to review an investment strategy for his or her own particular situation before making any investment decision.

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.

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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