

Charles Schwab Survey: Generation Investor

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Methodology

This is an online study conducted for Charles Schwab by Logica Research. Logica Research is neither affiliated with, nor employed by, Charles Schwab & Co., Inc. The online study was conducted from February 1st to February 16th, 2020 among a national sample of Americans aged 21 to 75 and an augment sample of 200 new investors who began investing in 2020 (Gen I).

- 1,200 adults completed the study
 - 1,000 adults nationally representative of the U.S. population
 - 200 oversample of new investors
- To qualify for the study, new investors had to
 - Be 21 to 75 years old
 - Have an investment/brokerage account or retirement plan (401(k), IRA,...)
 - Began investing in 2020
- Generational definitions
 - Gen Z: 1997-1999 (21-23)
 - Millennials: 1981-1996 (24-39)
 - Gen X: 1965-1980 (40-55)
 - Boomers: 1946-1964 (56-74)
 - Matures: 1945 (75)

1

Generation Investor Profile

Generation Investor: 15% of U.S. stock market investors started investing in 2020

First put money into the stock market...

Pre-2020 Investor

85%
Began investing
before 2020

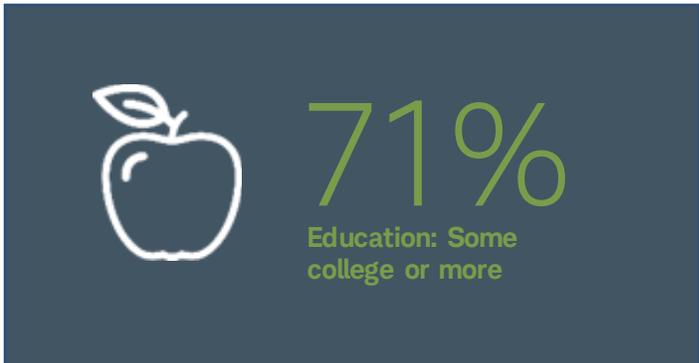
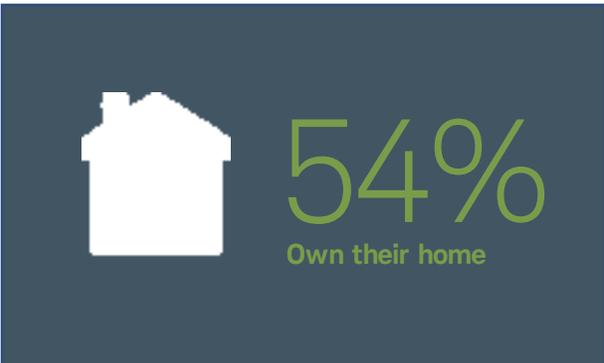
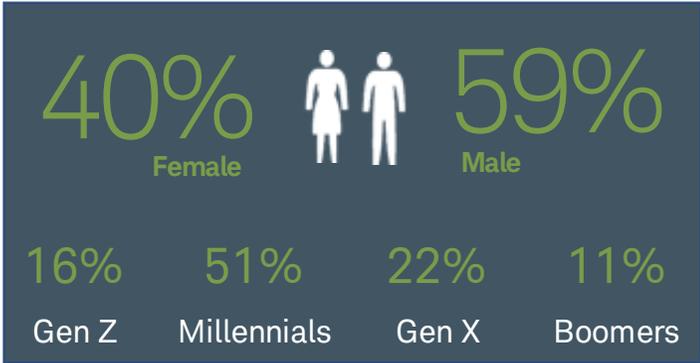
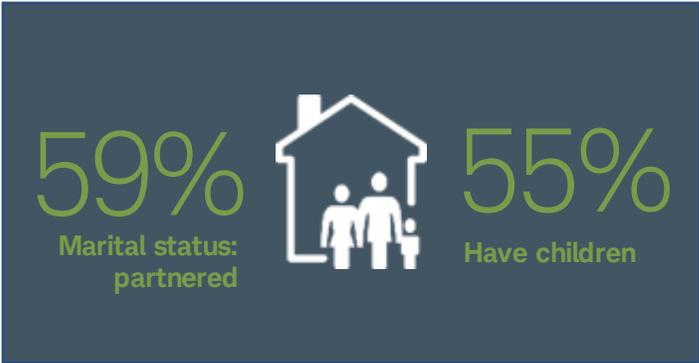


Generation Investor (Gen I)

15%
Began investing
during 2020

Q.S10: When did you first put money in the stock market? (Base: Total Investors = 476)

Generation Investor (Gen I) Profile

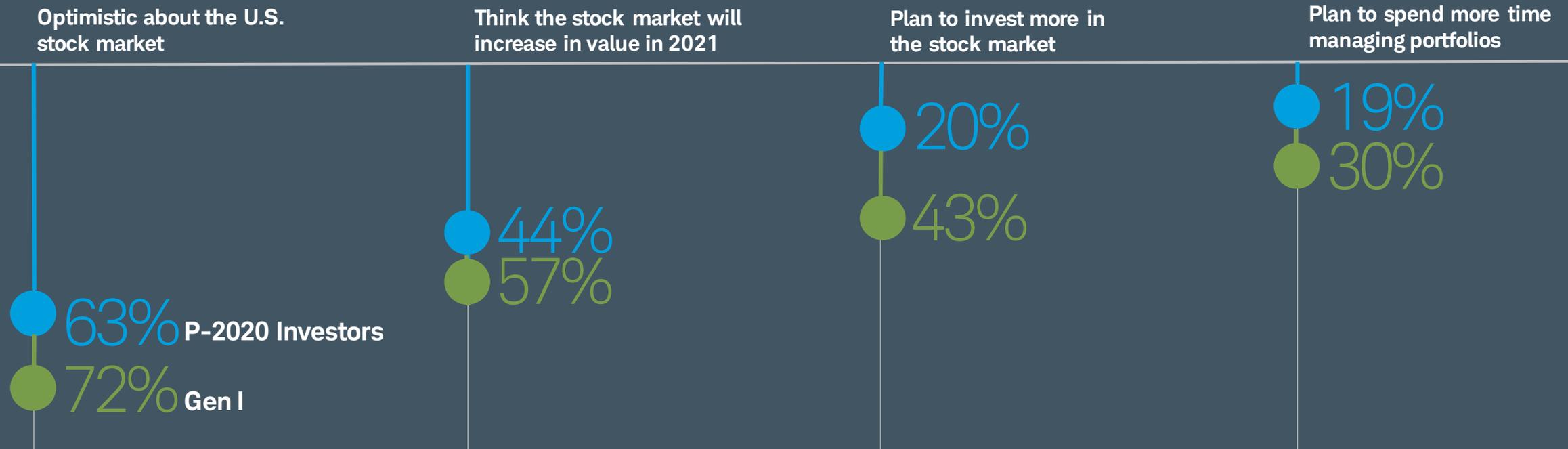


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Generation Investor Key Findings

These new investors (Gen I) are more bullish about their financial future and market than pre-2020 investors

Investment mindset and plans



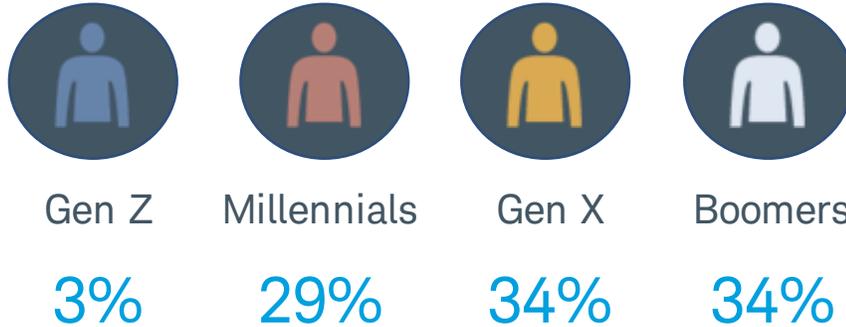
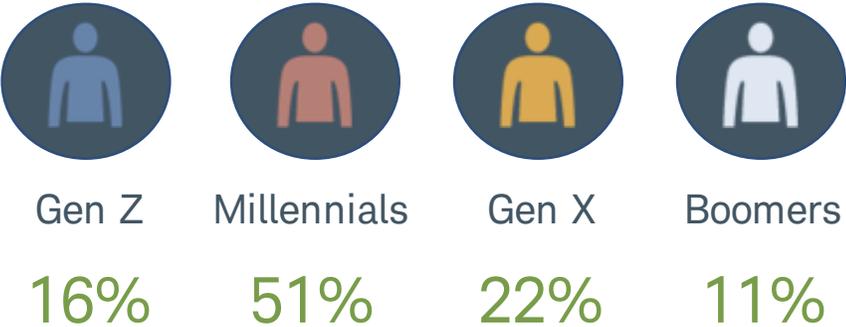
Q.6: How are you feeling about each of the following for 2021: the U.S. Stock Market

Q.24: What do you think the stock market will do in 2021? Will it...?

Q.17: Which of the following financial activities will you do after the COVID-19 pandemic has subsided? Invest more in the stock market; Spend more time managing my investment portfolio.

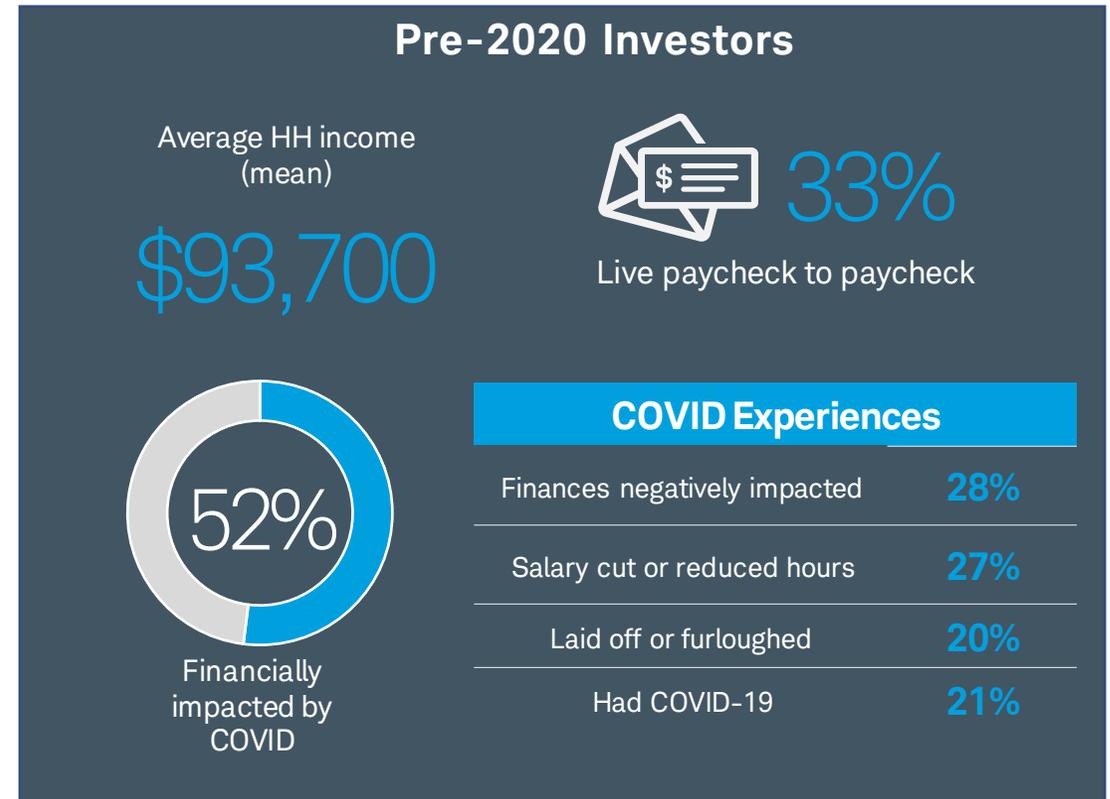
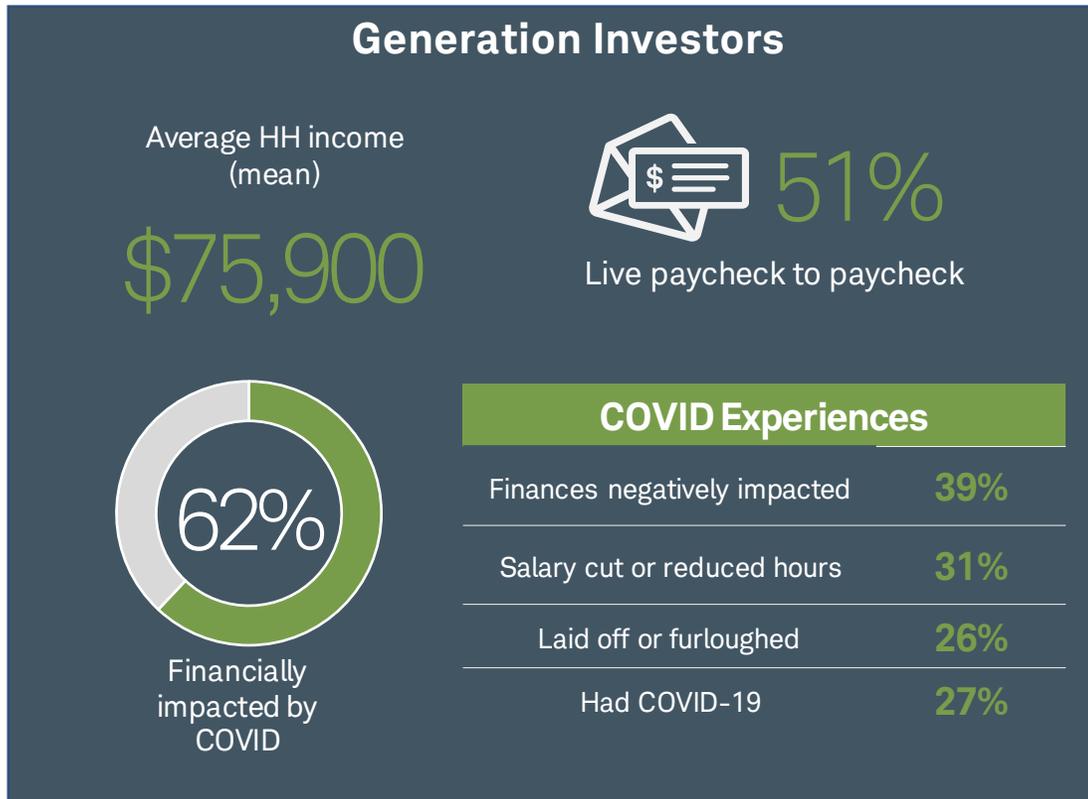
(Base: Generation Investor = 270; Pre-2020 Investors = 406)

While Gen I is younger than pre-2020 investors, this new generation of investors spans all age groups



Q.S2: What year were you born? (Base: Generation Investor = 270; Pre-2020 Investors = 406)

Gen I earns less than pre-2020 investors and has been hit financially harder by COVID-19



Q.S7: Which one of these categories best describes your household income in 2020 before taxes?

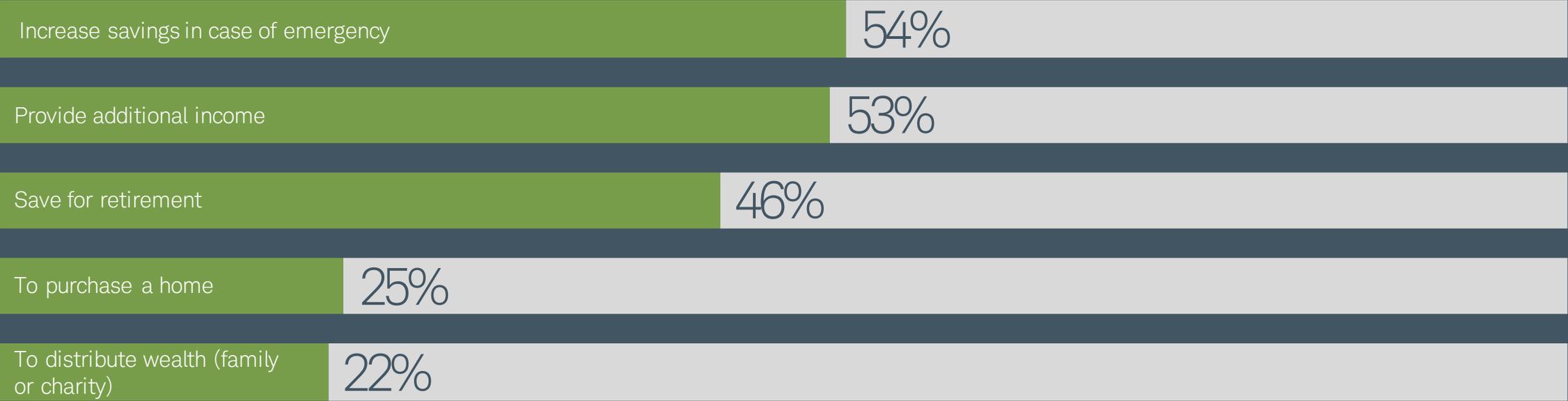
Q.31: Please select which statement best describes you.

Q.41: Which of the following, if any, have you or a close family member experienced due to COVID-19?

(Base: Generation Investor = 270; Pre-2020 Investors = 406)

Gen I started investing to build an emergency fund and to gain an additional source of income

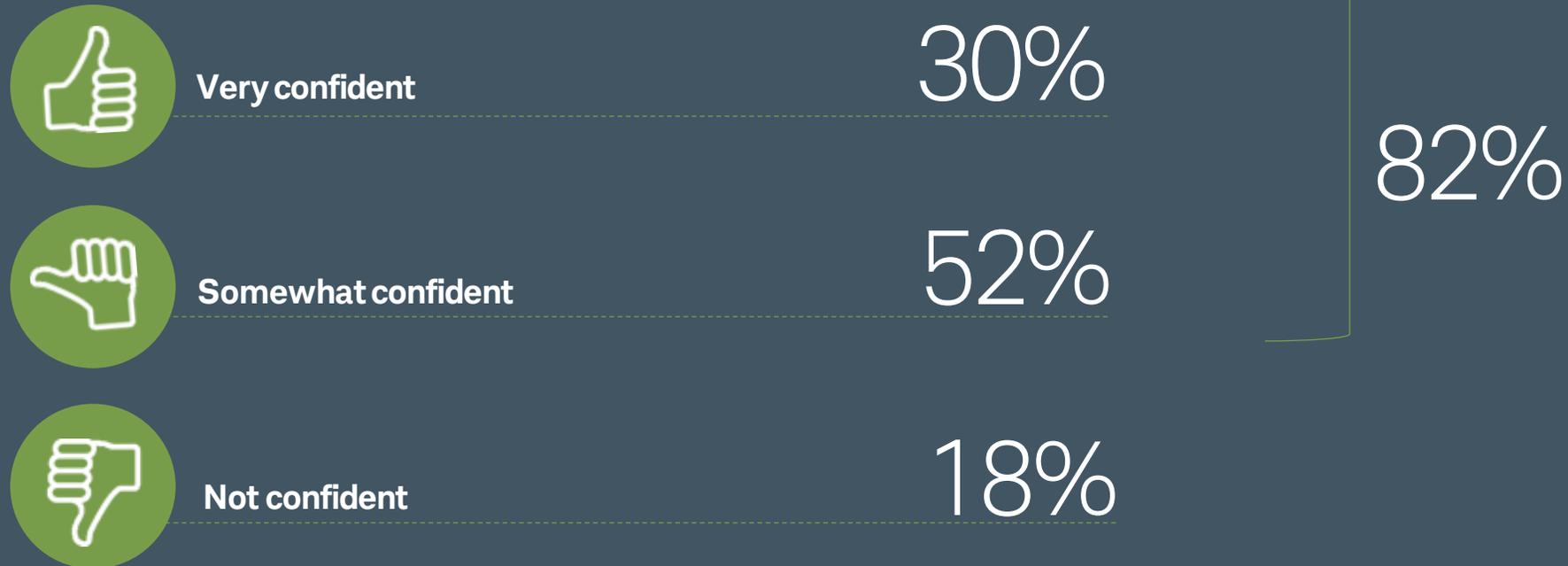
Top reasons to invest



Q.23: Which of the following are the main 3 reasons you invest? (Base: Generation Investor = 263)

A vast majority of Gen I are confident they will reach their financial goals

Confidence in ability to reach financial goals



Q.40: How confident are you that you will reach your financial goals? (Base: Generation Investor = 270)

Gen I turned the COVID challenge into an opportunity by keeping better track of their savings and finances in comparison to pre-2020 investors

Biggest challenge experienced in past year during pandemic



Q.14: Over the past year, what are the biggest changes you have experienced since the onset of the COVID-19 pandemic? (Base: Generation Investor = 270; Pre-2020 Investors = 406)

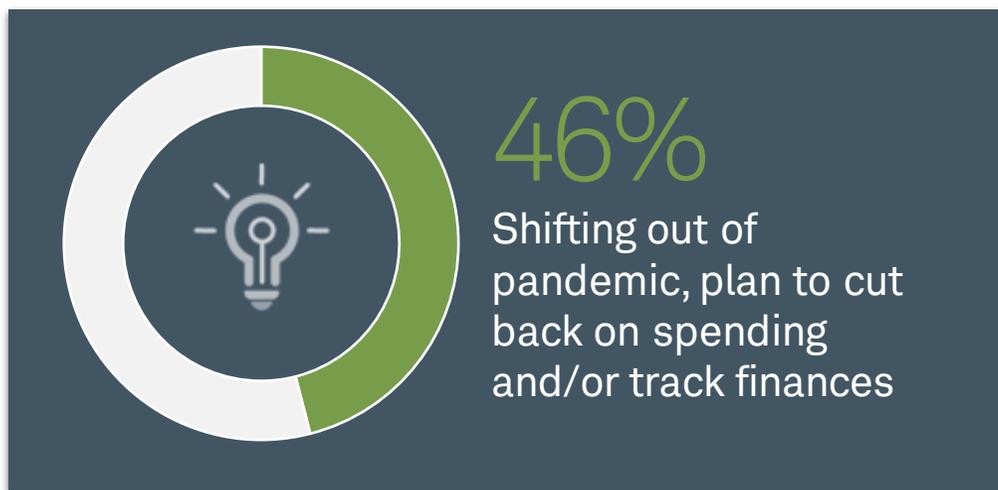
Gen I members are hungry for access to investing education and advice

Importance when selecting investments



Q.27: When selecting investments, how important is each of the following for you? (Base: Generation Investor =270)

Looking ahead, Gen I members plan on keeping track of their finances, saving more, investing more, reducing their debt and building an emergency fund



After pandemic, will...



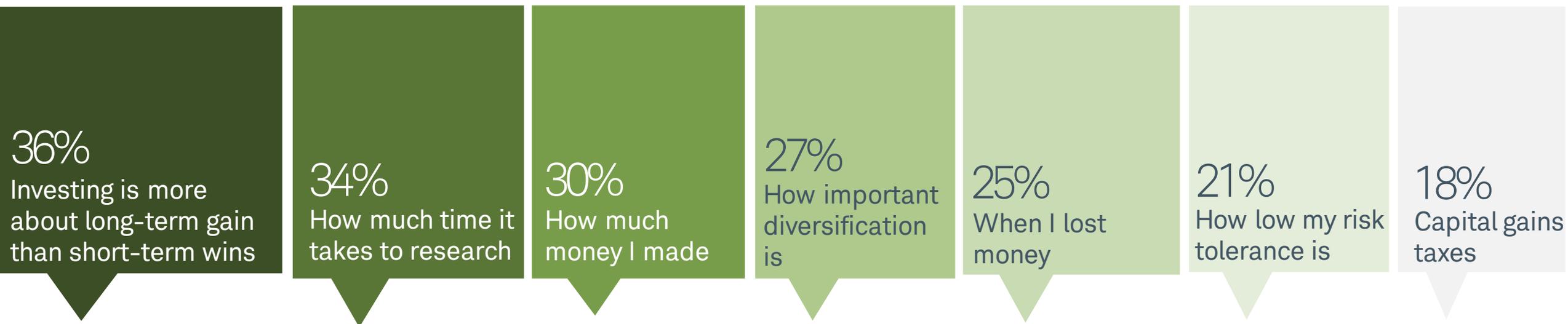
Q.15: As you reassess your priorities coming out of the COVID-19 pandemic, do you plan to make any of the below lifestyle shifts in 2021?

Q.17: Which of the following financial activities will you do after the COVID-19 pandemic has subsided?

(Base: Generation Investor = 270)

Gen I's biggest surprise during their first year of investing was learning that investing is more about long-term gains than short-term wins

Gen I's biggest surprise during first year of investing



Q.30: What came as a surprise during your first year of investing? (Base: Generation Investor = 270)

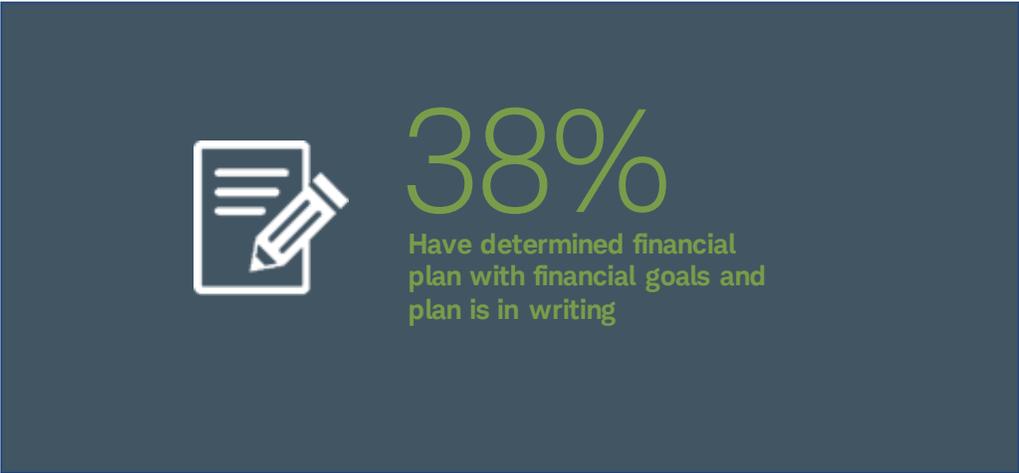
When it comes to an investing strategy, Gen I is currently buying to hold for the long-term and more plan to shift to this strategy in 2021



Q.28: When you invested in 2020, did you...?
Q.29: In 2021, when you invest will you...?
(Base: Generation Investor = 270)

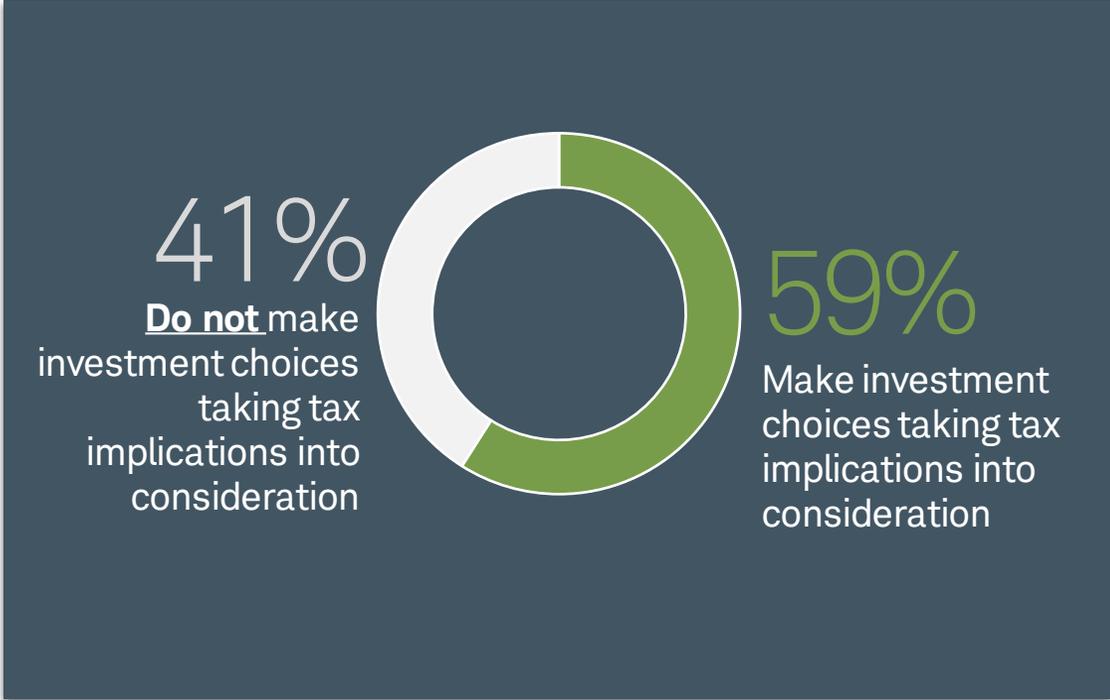
More than one-third of Gen I has a written financial plan

Approach to financial planning



Q.32: Which of the following best describes your approach to financial planning?
(Base: Generation Investor = 270)

More than 40 percent of Gen I members admit they have not thought about the tax-efficiency of their investment portfolio



Tax considerations...



Q.26: When making investment choices, do you consider the tax implications? (Base: Generation Investor = 270)

More than half of Gen I members say they do not fully understand how basic investing fees and costs work

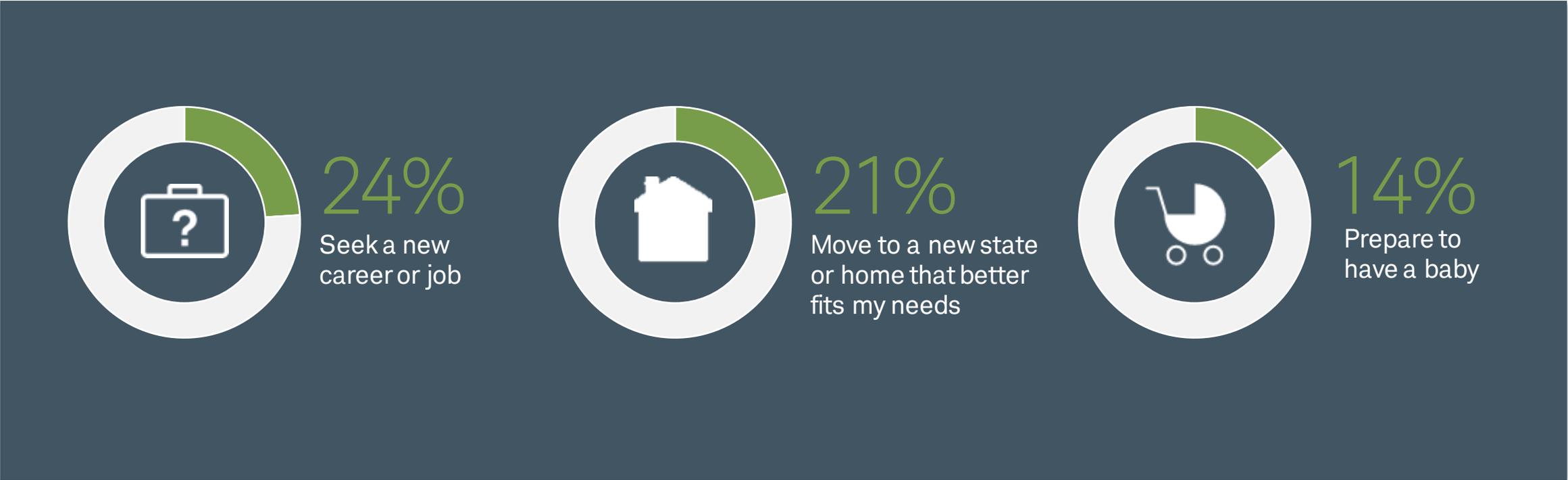
Understanding of fees and costs of investments



Q.38: Are you aware of the fees and costs of your investments? (Base: Generation Investor = 270)

Gen I members are having important life events as they reassess their priorities coming out of the pandemic

Planned lifestyle shifts coming out of pandemic...



Q.15: As you reassess your priorities coming out of the COVID-19 pandemic, do you plan to make any of the below lifestyle shifts in 2021? (Base: Generation Investor = 270)

6 Appendix

Demographic Snapshot

Generation Investor (Gen I)

Gender



Male	Female
59%	40%

Generations



16%

Gen Z



51%

Millennials



22%

Gen X



11%

Boomers

HH income



Mean	Median
\$76K	\$55K

Investable assets



Mean	Median
\$191K	\$75K

Employment

Working full-time	Working part-time	Retired	Other
63%	16%	4%	17%

Pre-2020 Investors

Gender



Male	Female
65%	35%

Generations



3%

Gen Z



29%

Millennials



34%

Gen X



34%

Boomers

HH income



Mean	Median
\$94K	\$88K

Investable assets



Mean	Median
\$424K	\$175K

Employment

Working full-time	Working part-time	Retired	Other
63%	12%	17%	8%

Important information

The information provided here is for general informational 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.

All expressions of opinion are subject to change without notice in reaction to shifting market conditions. Data contained herein from third-party providers is obtained from what are considered reliable sources. However, its accuracy, completeness or reliability cannot be guaranteed.

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