

Charles Schwab Investing & Technology Survey 2021

A study of how U.S. investors are adopting technology in the 'new normal', and when human guidance remains critical

The Charles Schwab logo, featuring the word "charles" in a white script font above the word "SCHWAB" in a white, all-caps, sans-serif font, both set against a blue square background.

charles
SCHWAB

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Methodology

The Charles Schwab Investing & Technology Survey 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 June 14 to June 28, 2021, among a national sample of 1,000 American investors aged 18 to 75 and an augment sample of 200 investors who began investing in 2020 or 2021, as well as an augment sample of 200 affluent investors.

- 1,400 adults completed the study
 - 1,000 adults nationally representative of the U.S. investor population
 - 200 oversample of new investors (started investing in 2020 or 2021) – “Gen I”
 - 200 oversample of affluent investors (have investable assets of \$1M or more)

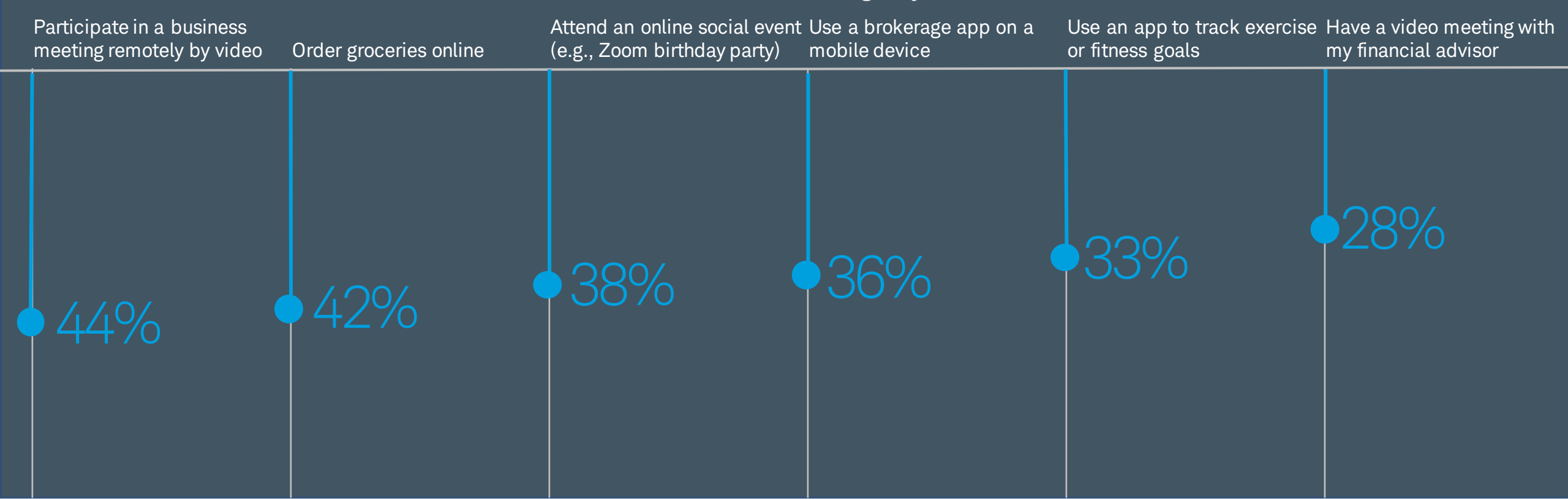
- Generational definitions
 - Gen Z: 1997-2003 (18-24)
 - Millennials: 1981-1996 (25-40)
 - Gen X: 1965-1980 (41-56)
 - Boomers: 1946-1964 (57-75)

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American Investors' Technology & Investing Experience

COVID-19 has accelerated the adoption of technology across many aspects of life

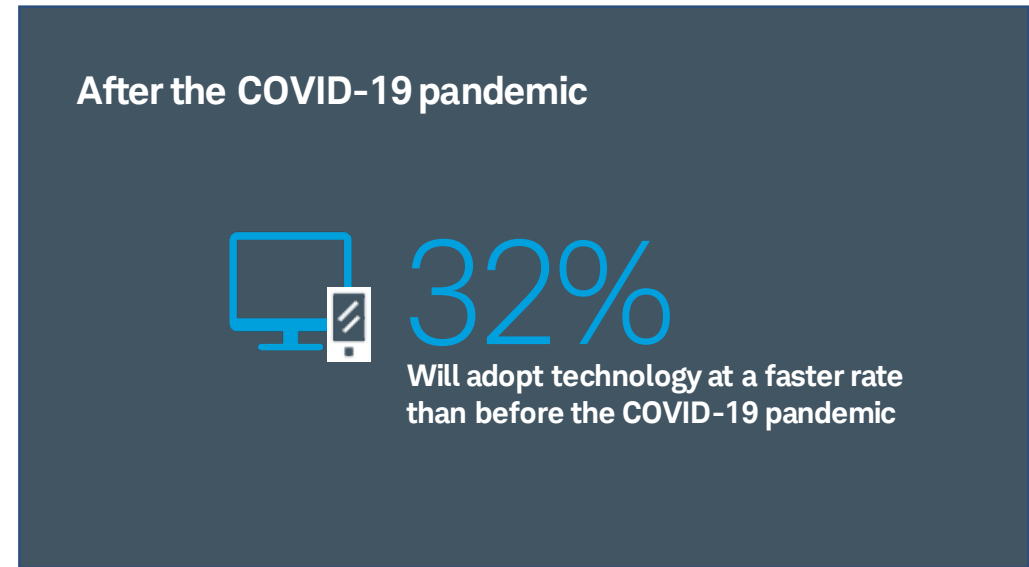
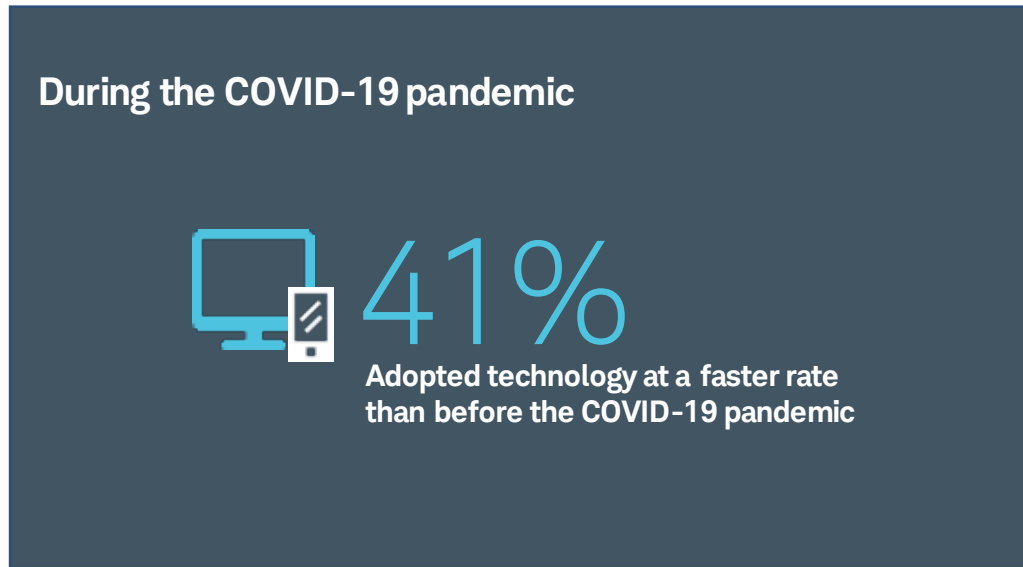
Activities that investors did more digitally due to COVID-19



Q.7: Which of the following activities, if any, did you do during the pandemic? (Base: Total = 1,000)

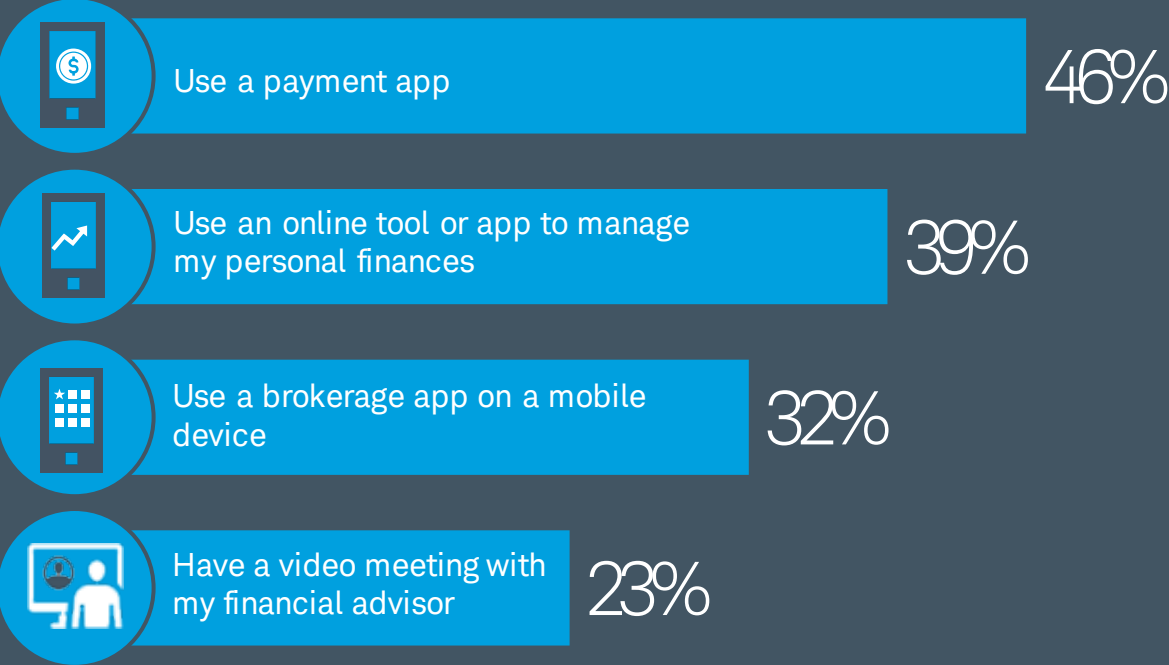
Investors used technology to manage their finances more during the COVID-19 pandemic than ever before, and a third say they will continue to adopt technology at a faster rate post-pandemic

Adoption rate of technology and digital tools to manage finances



Q.4: Did the COVID-19 pandemic force you to use technology and digital tools to manage your money more, same or less than you would have otherwise?
Q.5: How do you anticipate that you'll adopt technology and digital tools to manage your money in the future...?
(Base: Total = 1,000)

Many investors plan to continue conducting a range of financial activities digitally after the pandemic subsides

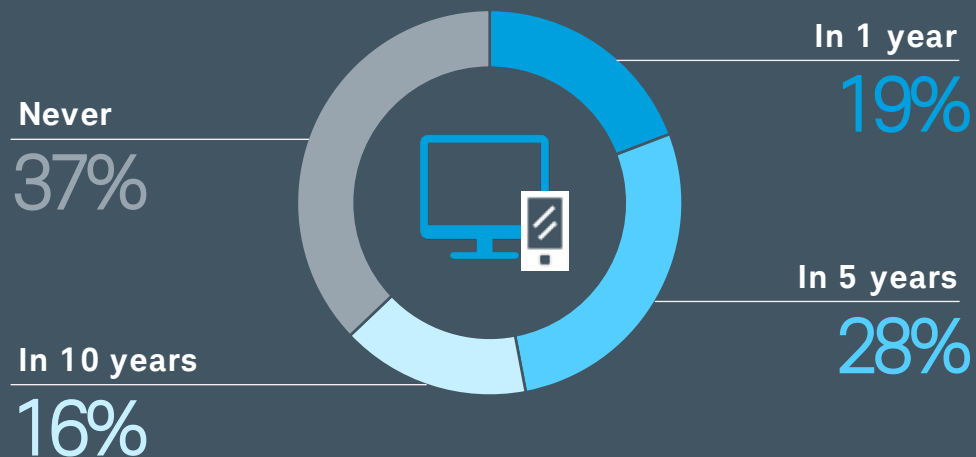


Q.7: Which of the following activities, if any, do you plan on doing after the pandemic? (Base: Total = 1,000)

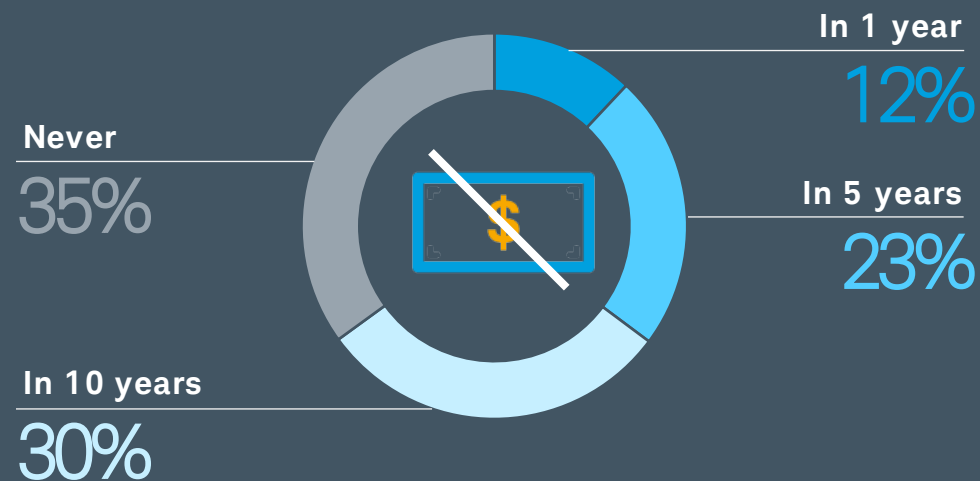
One in five investors believes that their investment portfolio will be fully managed by technology within a year

Estimated timespan of financial experiences

Have my investment portfolio purely managed through technology



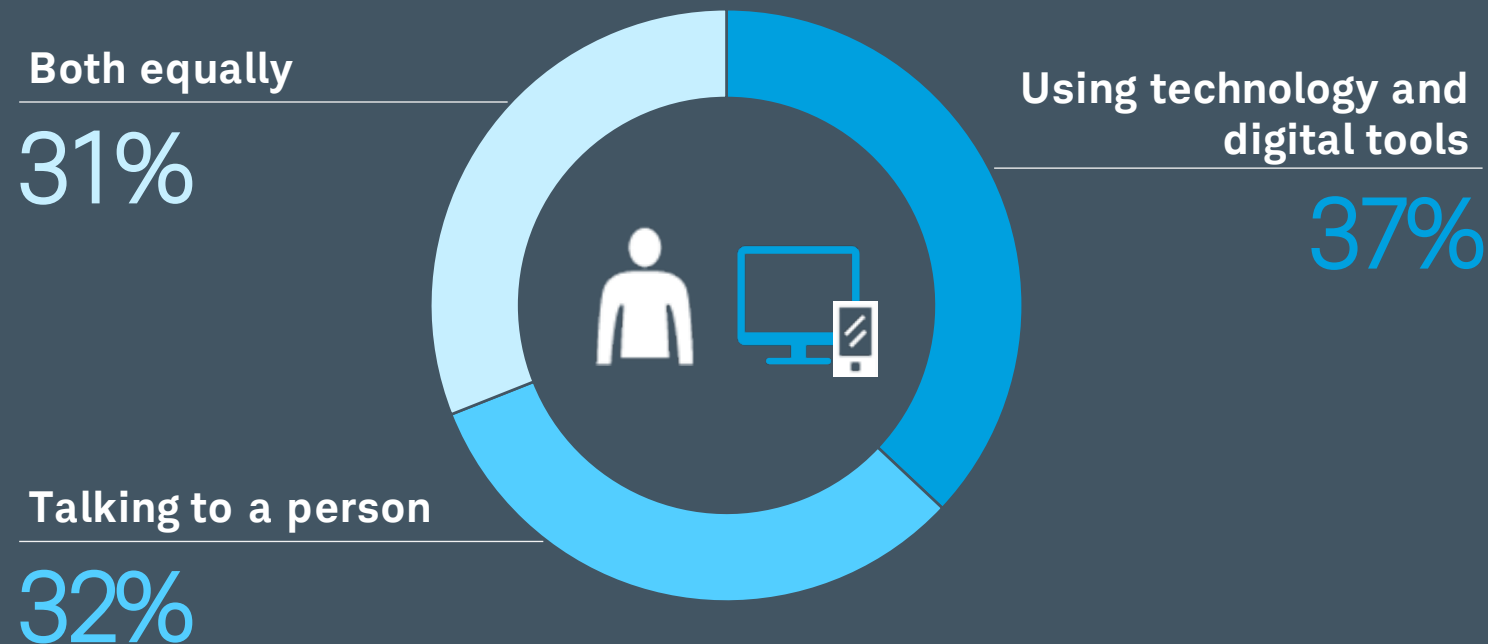
No one uses cash anymore



Q.10: When do you think you are likely to experience the following? Have my investment portfolio purely managed through technology/No one uses cash anymore
(Base: Total = 1,000)

When it comes to interacting with a financial institution, investors fall into three evenly divided groups

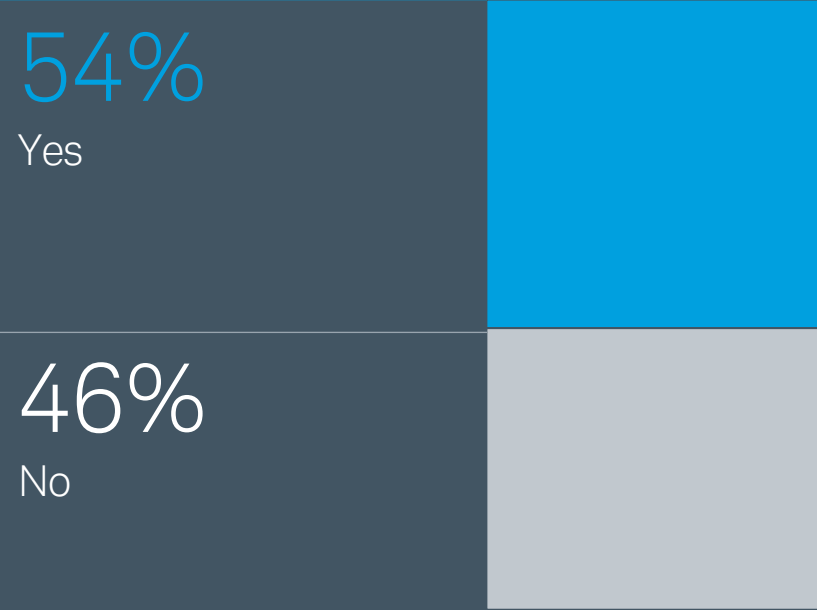
Preference for interacting with financial institution through technology or people



Q.3: How do you prefer to interact with your financial institution to help you manage and grow your money? (Base: Total = 1,000)

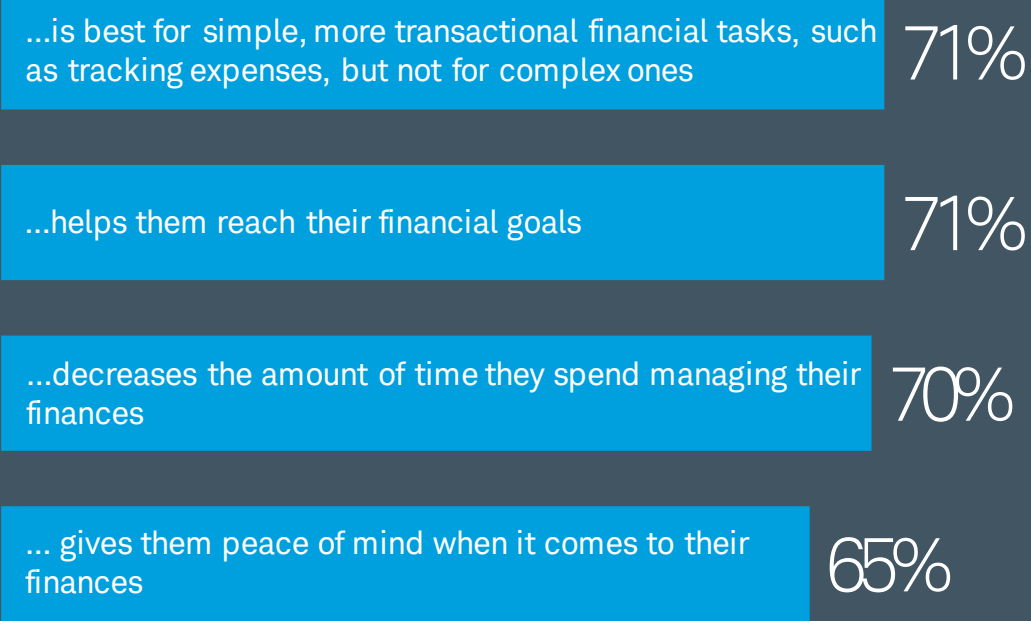
Over half of investors think it is possible to have a personal relationship with a financial company through tech alone, and the majority see benefits in using technology to manage finances

Personal relationship with financial company is possible with tech only



Attitudes toward technology's impact on finances

Technology...



Q.12: Do you think you can have a personal relationship with a financial company when interacting with them online or in a mobile app without talking to a person?
Q.9: For each of the statements below, please indicate whether you agree or disagree.
(Base: Total = 1,000)

In contrast, investors want to lean on financial professionals when their finances get complicated

Activities that investors say are very important



Being able to talk to a professional when I have questions

59%



Having access to a financial professional to provide periodic or ongoing help and guidance

51%



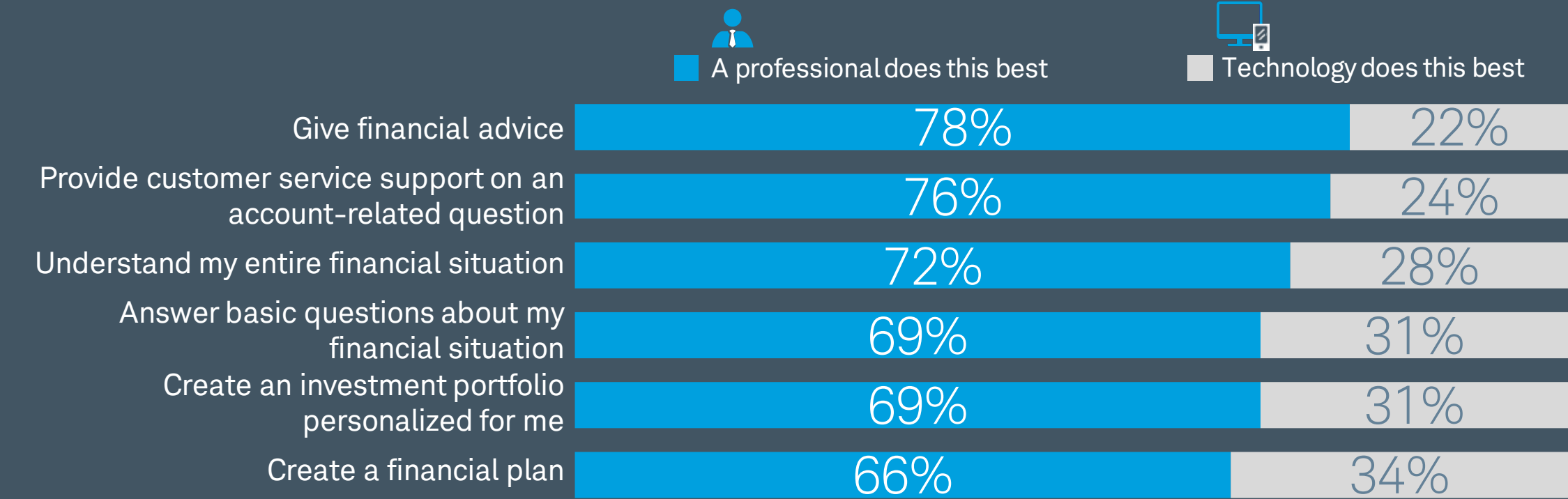
Being able to talk to a person when the stock market has large gains or drops

50%

Q.23: When investing, how important is each of the following for you?
(Base: Generation Investor = 393)

Most investors prefer a financial professional over technology when it comes to complex tasks

Sentiment around financial professionals vs. technology



Q.8: People and technology help us with various tasks. In your opinion, which does each of the following best? (Base: Total = 1,000)

2

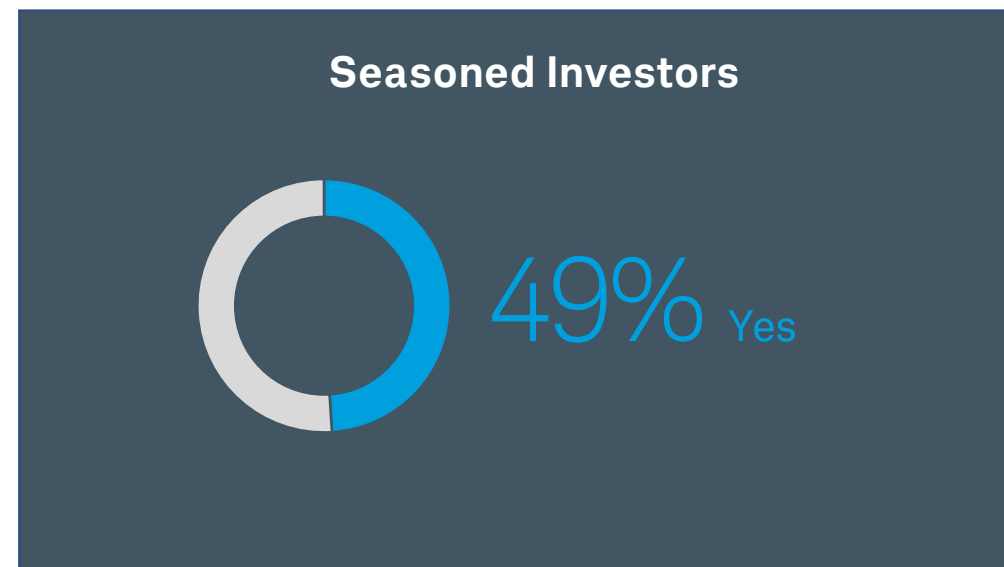
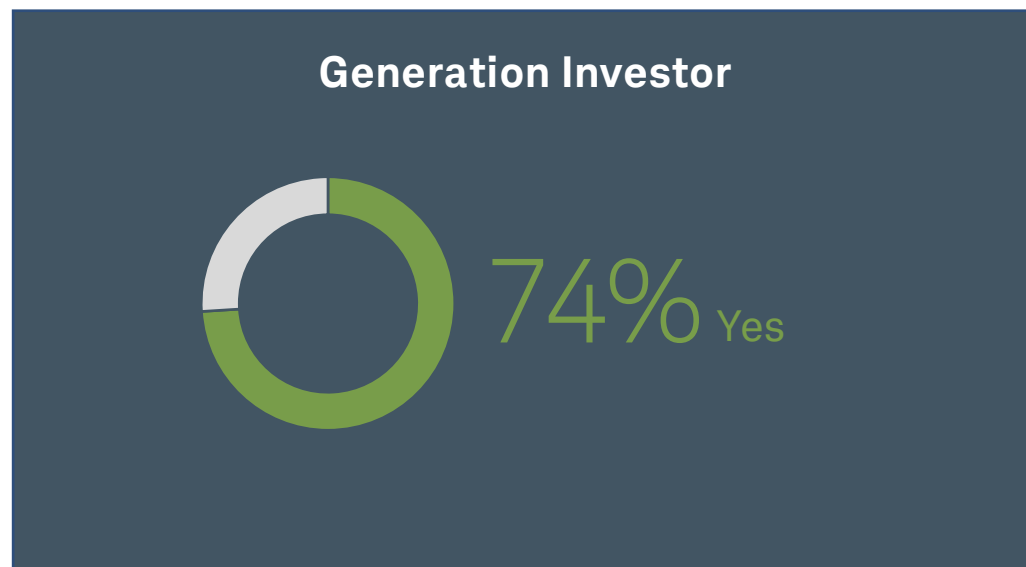
Generation Investor's Technology & Investing Experience

Generation Investor (Gen I): New investors who got into the market during 2020 and 2021

Seasoned Investors: Investors who got into the market prior to 2020

Most of Gen I thinks they can have a personal relationship with a financial company by interacting with them only through a mobile app or online

Personal relationship with financial company is possible with tech only



Q.12: Do you think you can have a personal relationship with a financial company when interacting with them online or in a mobile app without talking to a person? (Base: Generation Investor = 393; Seasoned Investors = 807)

Gen I will continue to adopt technology at a faster rate post-pandemic

Adoption rate of technology and digital tools to manage finances after the COVID-19 pandemic

Generation Investor



45%

Will adopt technology at a faster rate post-pandemic than before the COVID-19 pandemic

Seasoned Investors



29%

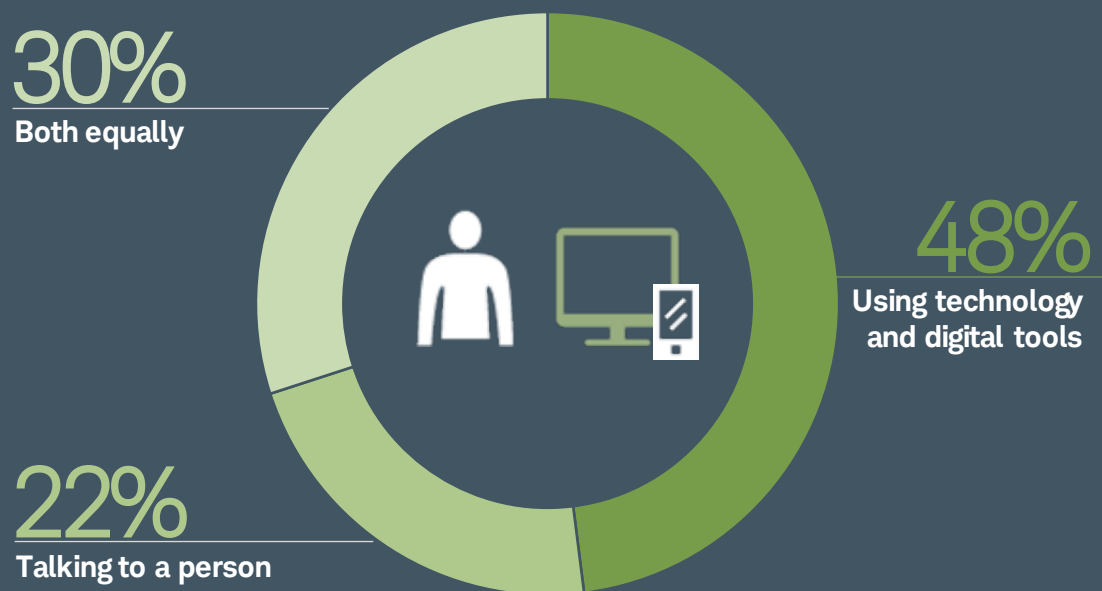
Will adopt technology at a faster rate post-pandemic than before the COVID-19 pandemic

Q.5: How do you anticipate that you'll adopt technology and digital tools to manage your money in the future...?
(Base: Generation Investor = 393; Seasoned Investors = 807)

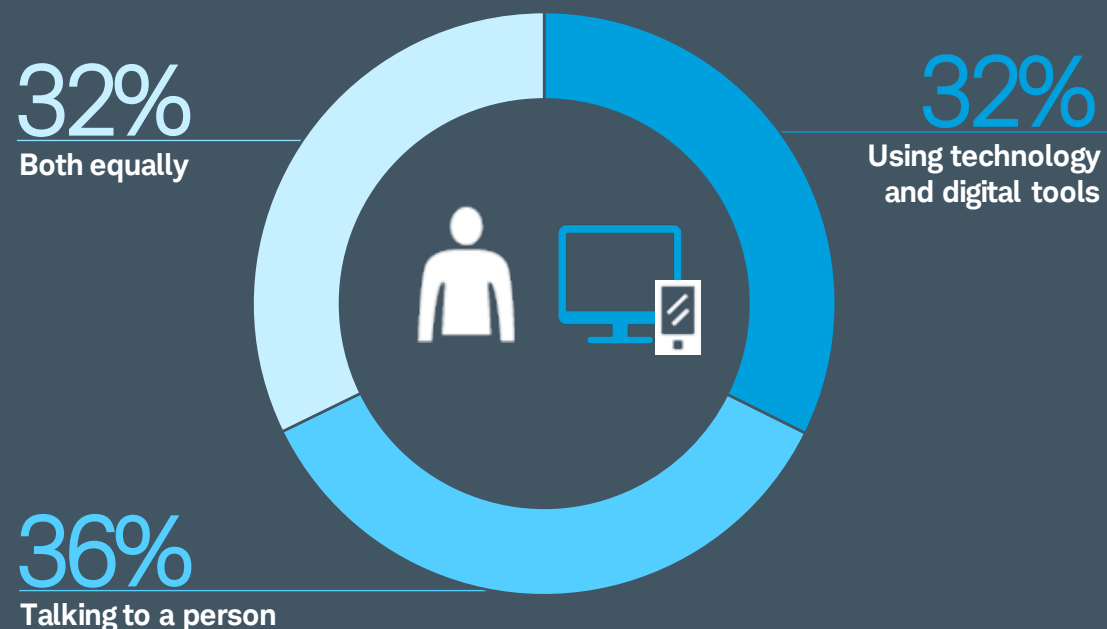
Gen I prefers to engage with their financial institution through technology more than through people

Preference for interacting with financial institution through technology or people

Generation Investor



Seasoned Investors



Q.3: How do you prefer to interact with your financial institution to help you manage and grow your money?
(Base: Generation Investor = 393; Seasoned Investors = 807)

Over one third of Gen I believes that technology will fully manage their investment portfolio within a year

Estimated timespan of financial experiences



Have my investment portfolio purely managed through technology

Never

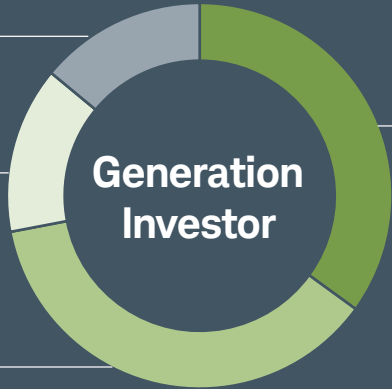
14%

In 10 years

14%

In 5 years

37%



Generation Investor

In 1 year

35%

Never

15%

In 10 years

16%



Seasoned Investors

In 1 year

15%

In 5 years

26%

Q.10: When do you think you are likely to experience the following? Have my investment portfolio purely managed through technology
(Base: Generation Investor = 393; Seasoned Investors = 807)

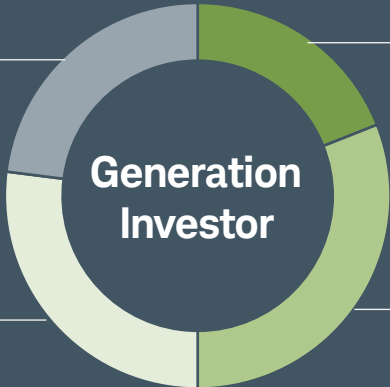
One fifth of Gen I believes that no one will use cash within a year

Estimated timespan of financial experiences



No one uses cash anymore

Never
23%



Generation Investor

In 1 year
19%

In 5 years
31%

In 10 years
27%

Never
39%



Seasoned Investors

In 1 year
10%

In 5 years
20%

In 10 years
31%

Q.10: When do you think you are likely to experience the following? No one uses cash anymore (Base: Generation Investor = 393; Seasoned Investors = 807)

Access to financial professionals is also critical to Gen I when it comes to more complex or customized aspects of investing

Sentiment around financial professionals vs. technology



Q.8: People and technology help us with various tasks. In your opinion, which does each of the following best? (Base: Generation Investor = 393)

Although they are comfortable interacting digitally, Gen I also likes knowing a financial professional is available when needed

Activities that Generation Investor says are very important



Being able to talk to a professional when I have questions

52%



Having access to a financial professional to provide periodic or ongoing help and guidance

48%



Being able to talk to a person when the stock market has large gains or drops

45%

Q.23: When investing, how important is each of the following for you?
(Base: Generation Investor = 393)

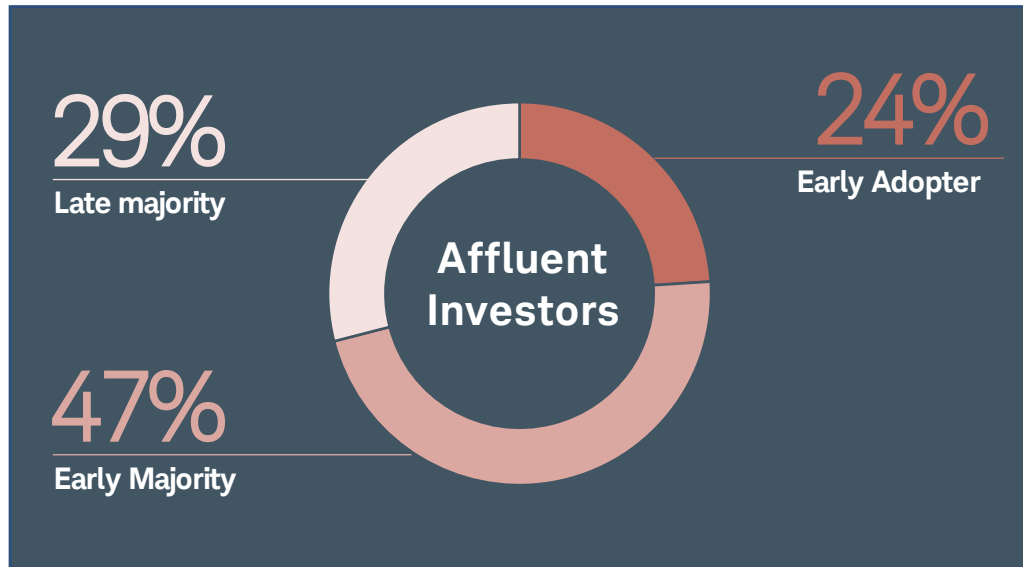
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Affluent Investors' Technology & Investing Experience

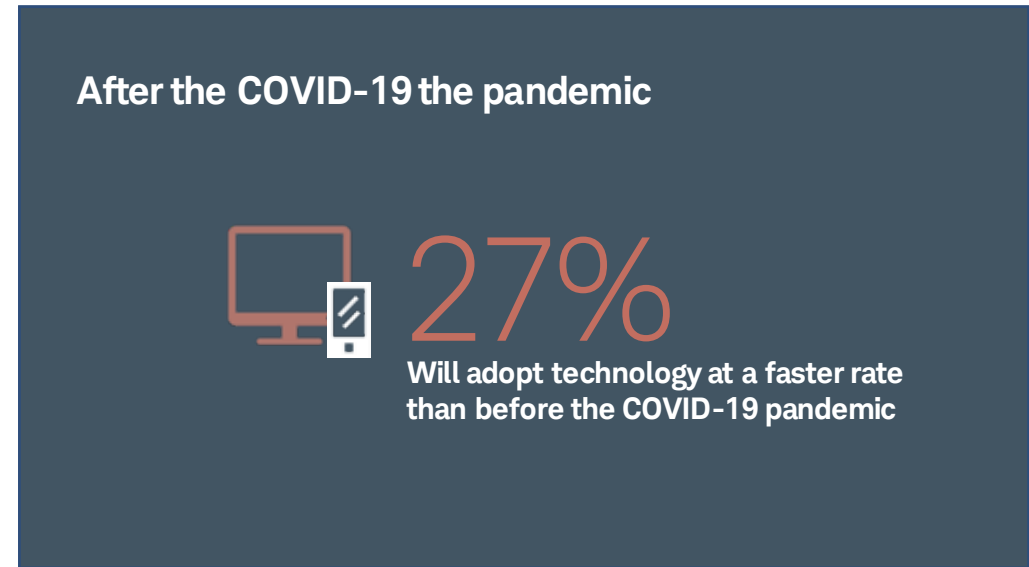
Affluent Investors: Investors with \$1 million or more in assets

Most Affluent Investors are not early technology adopters, however about a quarter anticipate they will adopt technology at a faster rate than before the COVID-19 pandemic to manage finances

Adoption rate of technology and digital tools in life generally



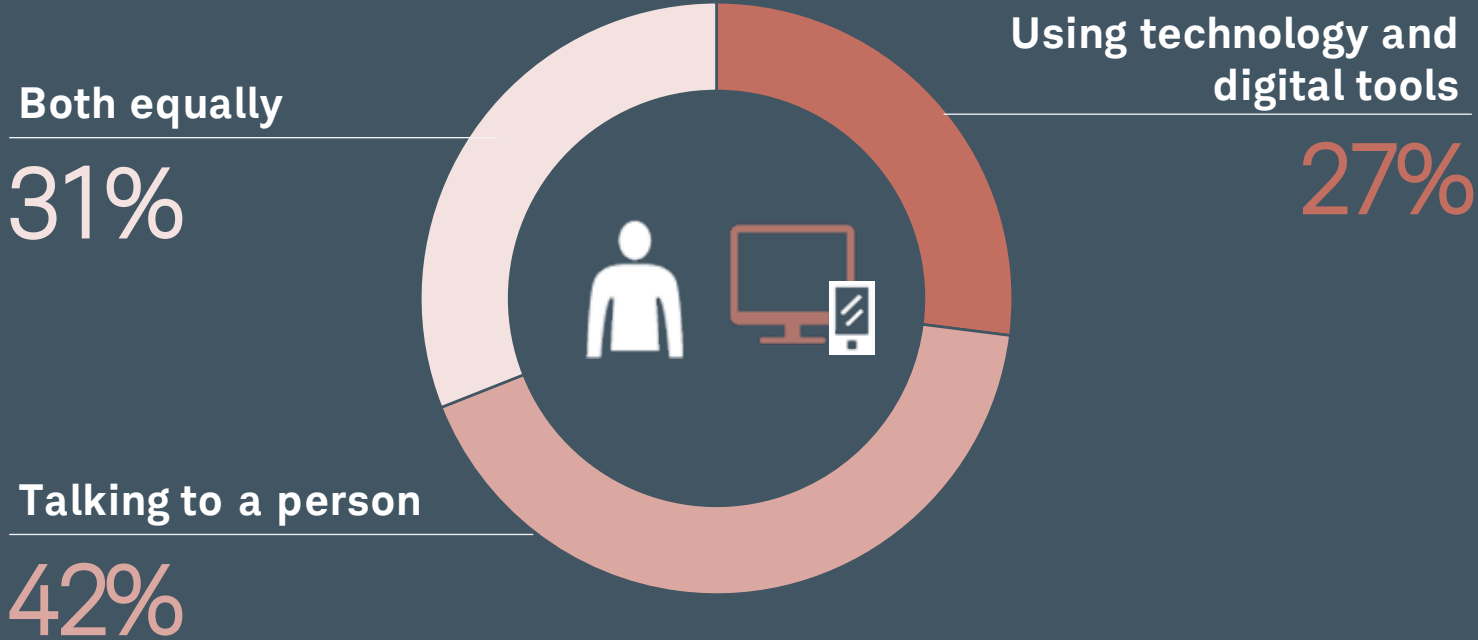
Adoption rate of technology and digital tools to manage finances



Q.1: Compared to people you know, how would you describe yourself in terms of technology adoption?
Q.5: How do you anticipate that you'll adopt technology and digital tools to manage your money in the future...?
(Base: Affluent Investors = 284)

When it comes to interacting with a financial institution, Affluent Investors prefer to engage primarily through a person

Preference for interacting with financial institution through technology or people

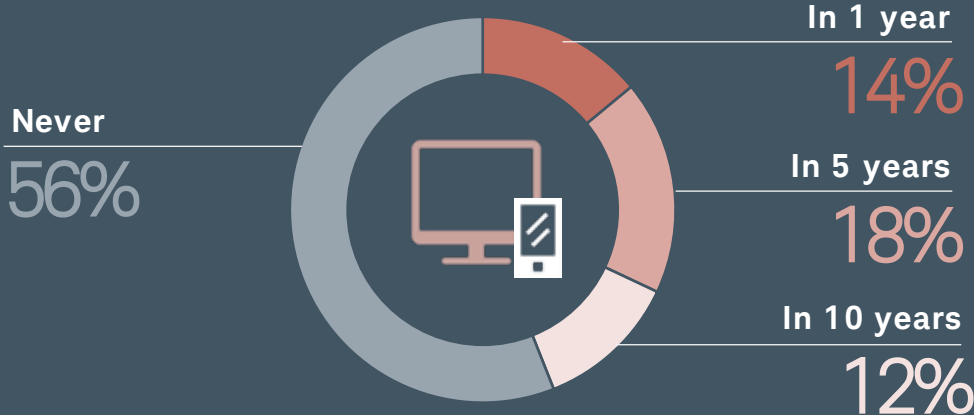


Q.3: How do you prefer to interact with your financial institution to help you manage and grow your money?
(Base: Affluent Investors = 284)

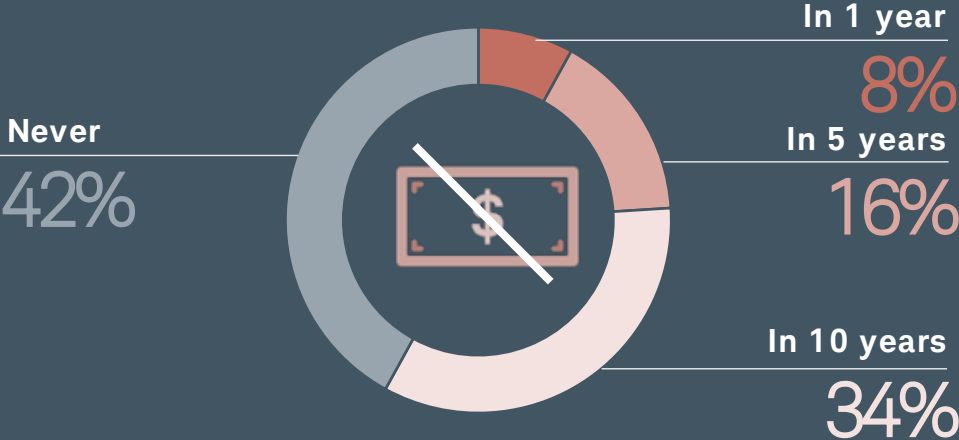
Over half of Affluent Investors believe that technology will never fully manage their investment portfolio

Estimated timespan of financial experiences

Have my investment portfolio purely managed through technology



No one uses cash anymore



Q.10: When do you think you are likely to experience the following? Have my investment portfolio purely managed through technology/ No one uses cash anymore (Base: Affluent Investors = 284)

Access to financial professionals is critical to Affluent Investors for most aspects of money management with about eight in ten feeling that professionals manage these activities better than technology

Sentiment around financial professionals vs. technology



Q.8: People and technology help us with various tasks. In your opinion, which does each of the following best? (Base: Affluent Investors = 284)

When investing, Affluent Investors heavily rely on personal interaction for their financial needs

Activities that Affluent Investors say are very important



Being able to talk to a professional when I have questions

68%



Being able to manage the tax implications of my investments

64%



Having access to a financial professional to provide periodic or ongoing help and guidance

63%

Q.23: When investing, how important is each of the following for you?
(Base: Affluent Investors = 284)

Three quarters of Affluent Investors agree that technology is best for simple financial tasks but not for complex ones and find technology can be creepy or intrusive in some ways



73%

agree that technology is best for simple financial tasks but not for complex ones



69%

agree that technology can feel intrusive when it tells them what they should be doing all the time



71%

agree that technology can be creepy when it makes suggestions based on tracking their activity



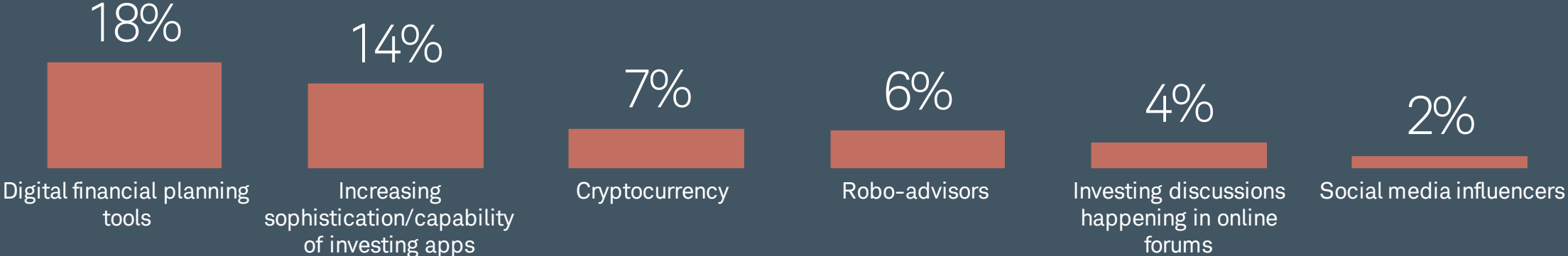
59%

agree that technology gives them peace of mind when it comes to their finances

Q.9: For each of the statements below, please indicate whether you agree or disagree?
(Base: Affluent Investors = 284)

For Affluent Investors, digital financial planning tools will have the biggest impact on how they invest in the next two years

Biggest impact on investments in next two years...



Q.24: Which of the following do you think will have the biggest impact on how you invest in the next 2 years?
(Base: Affluent Investors = 284)

6 Appendix

Demographic Snapshot – All investors

Gender



Male	Female
63%	37%

Generations



3%

Gen Z



30%

Millennials



28%

Gen X



39%

Boomers

HH income



Mean	Median
\$88K	\$88K

Investable assets



Mean	Median
\$419K	\$175K

Employment



Working full-time	Working part-time	Retired	Other
59%	9%	24%	8%

Demographic Snapshot – Gen I and Seasoned Investors

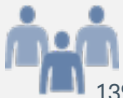
Generation Investor (Gen I)

Gender



Male	Female
62%	38%

Generations



13%

Gen Z



58%

Millennials



22%

Gen X



7%

Boomers

HH income



Mean	Median
\$82K	\$68K

Investable assets



Mean	Median
\$331K	\$75K

Employment



Working full-time	Working part-time	Retired	Other
73%	11%	4%	12%

Seasoned Investors

Gender



Male	Female
63%	37%

Generations



2%

Gen Z



23%

Millennials



28%

Gen X



47%

Boomers

HH income



Mean	Median
\$90K	\$88K

Investable assets



Mean	Median
\$446K	\$175K

Employment



Working full-time	Working part-time	Retired	Other
55%	9%	30%	6%

Demographic Snapshot – Affluent Investors

Gender



Male	Female
69%	31%

Generations



0%

Gen Z



11%

Millennials



18%

Gen X



71%

Boomers

HH income



Mean	Median
\$159K	\$125K

Investable assets



Mean	Median
\$2.4M	\$1.75M

Employment



Working full-time	Working part-time	Retired	Other
47%	7%	41%	5%

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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Diversification strategies do not ensure a profit and do not protect against losses in declining markets.

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