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SCHWAB

Man and Machines:

How Different Generations
Approach the Use of Technology in
their Personal and Investing Lives

May 2015

Methodology

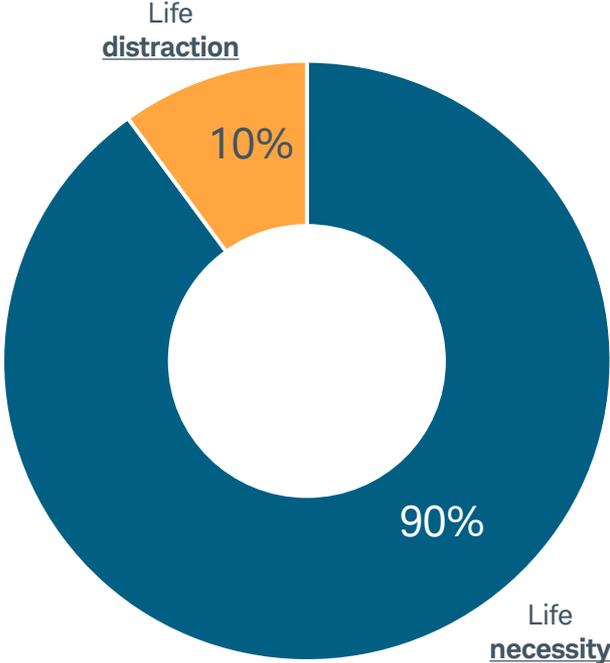
What	<ul style="list-style-type: none">▪ An online study among a sample of affluent investors was conducted by Koski Research.▪ Koski Research is neither affiliated with, nor employed by, Charles Schwab & Co., Inc.
When	<ul style="list-style-type: none">▪ The study was fielded February 18th – 26th, 2015.
Who	<ul style="list-style-type: none">▪ 1,808 respondents completed the survey in total, in two phases:<ul style="list-style-type: none">▪ First, 1,002 respondents were surveyed from the following quota groups:<ul style="list-style-type: none">▪ 301 Millennials (Ages 25-35, \$100,000+ income, and \$50,000+ IA)▪ 300 Gen X (Ages 36-50, \$250,000+ IA)▪ 300 Boomers (Ages 51-68, \$250,000+ IA)▪ 101 Matures (Ages 69+, \$250,000+ IA)▪ Second, 806 respondents were sampled, with approximately 200 respondents each in Washington, D.C., Seattle, Dallas, and Chicago.▪ The sample was drawn from online sample sources.

Reliance on Technology and People in Investing and Beyond

Nine out of 10 Americans view technology as a life necessity and rely on it to make decisions, but many still value support from people

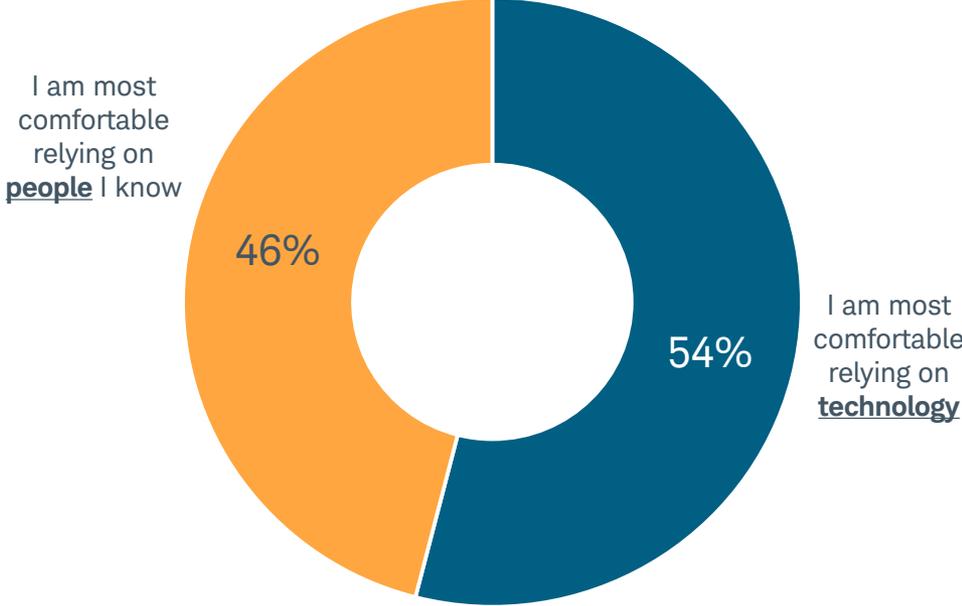
Current Relationship with Technology

All Respondents



Life Decisions: Technology vs. People

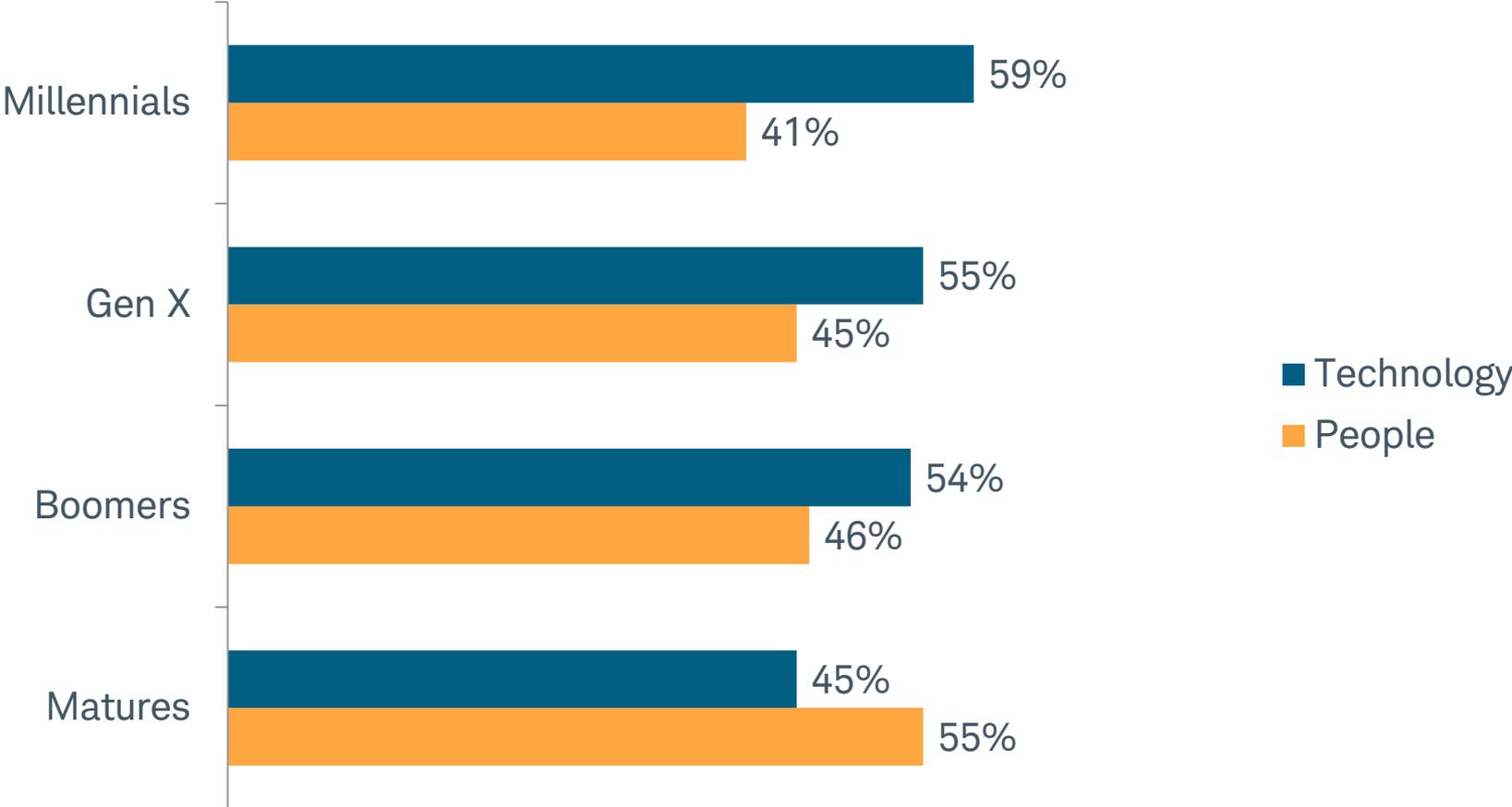
All Respondents



Q2 Which of the following best describes your current relationship with technology?
Q1 When you are responsible for making decisions about things important to you- from home repairs to shopping to your finances - which statement describes you best?
(Base: All Respondents = 1,808)

Technology has an edge for all generations except matures

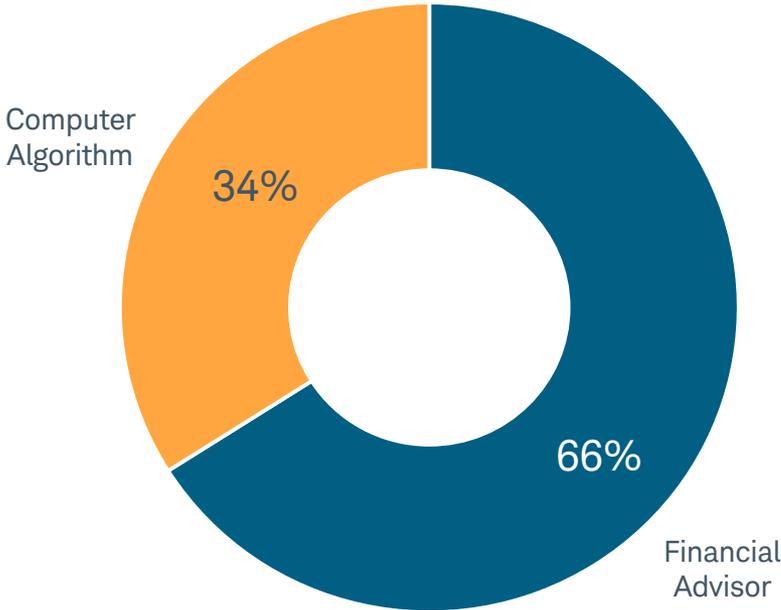
Life Decisions: Technology vs. People All Respondents



Q1 When you are responsible for making decisions about things important to you- from home repairs to shopping to your finances - which statement describes you best?
(Base: All Respondents = 1,808; Millennials = 422, Gen X = 506, Boomers = 611; Matures = 269)

When it comes to managing an investment portfolio, most still prefer the human touch

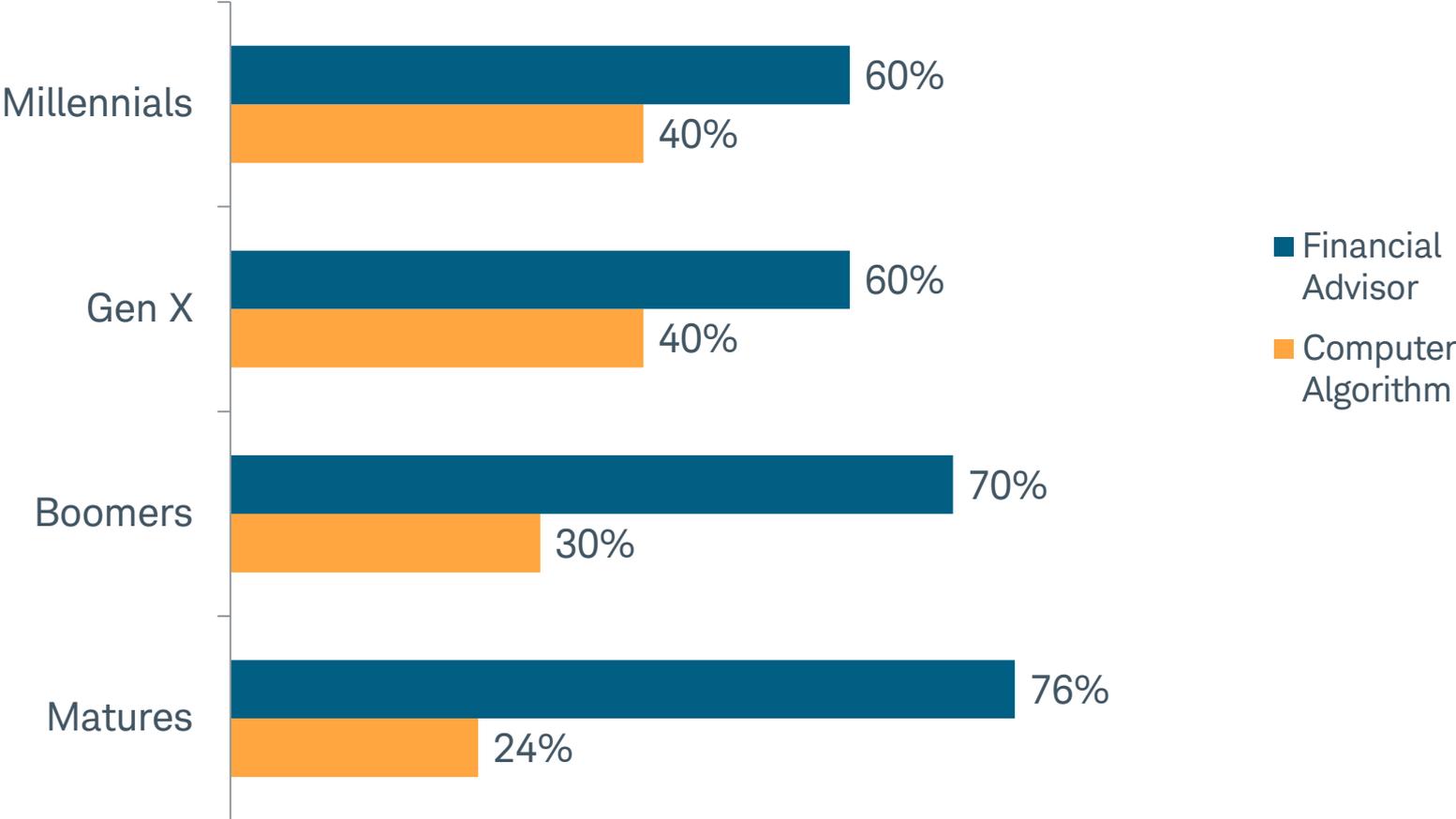
Investment Portfolio Preference
All Respondents



Q12 If you had to choose between an investment portfolio that is based on a sophisticated computer algorithm and an investment portfolio developed by an experienced financial advisor which would you choose?
(Base: All Respondents = 1,808)

Millennials and Gen X are more likely to prefer a computer algorithm than Boomers or Matures

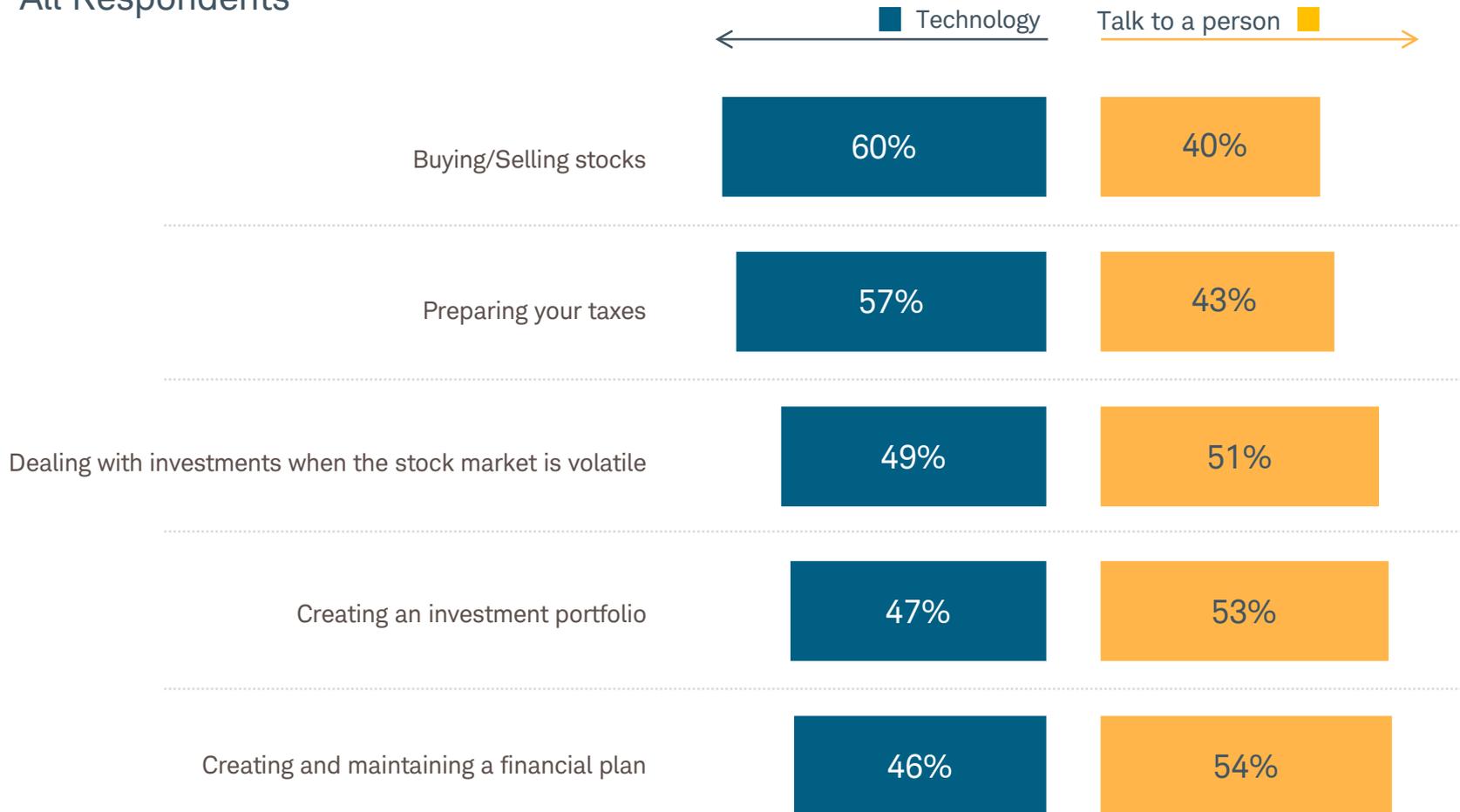
Financial Advisor vs. Algorithm All Respondents



Q12 If you had to choose between an investment portfolio that is based on a sophisticated computer algorithm and an investment portfolio developed by an experienced financial advisor which would you choose?
(Base: All Respondents = 1,808; Millennials = 422, Gen X = 506, Boomers = 611; Matures = 269)

Technology is preferred for transactions and people have an edge for creating portfolios and plans

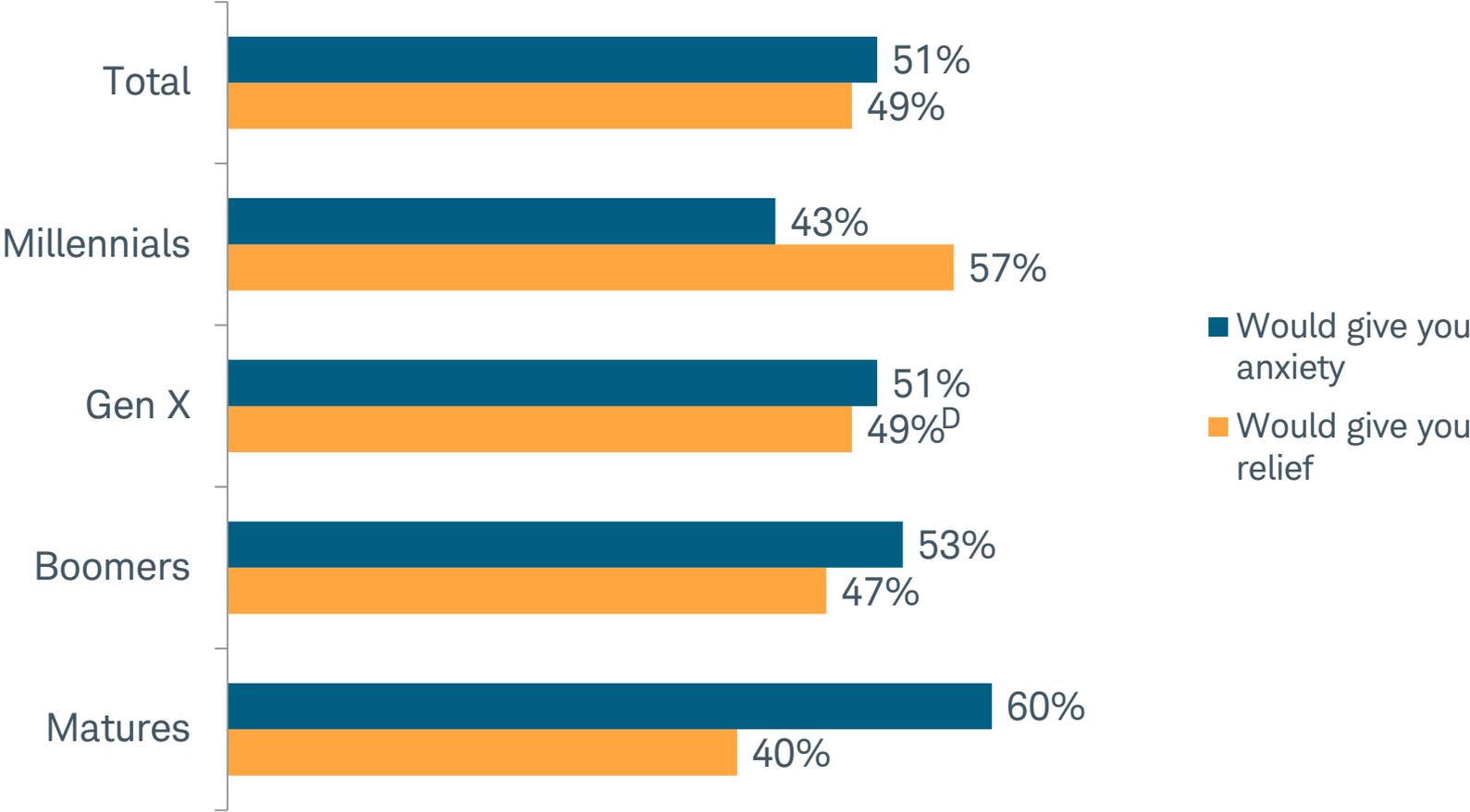
Advice: Technology vs. People All Respondents



Q3 For each of the following scenarios, choose whether you would be more likely to use technology or seek advice from a person.
(Base: All Respondents=1,808)

Millennials would find relief in a vacation without internet access while older generations would be anxious

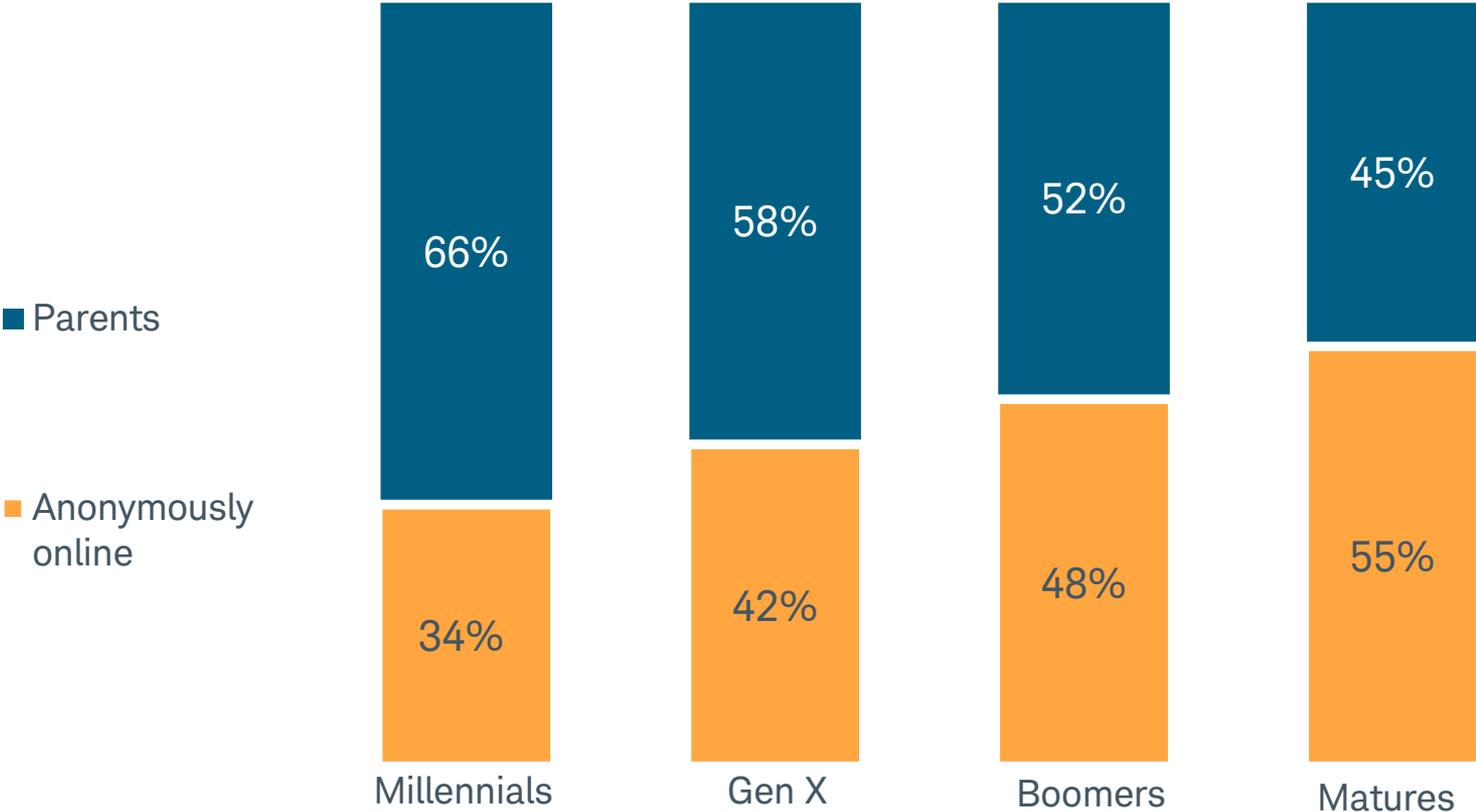
Going on a Vacation Without Technology All Respondents



Q5. Would going on a vacation without internet access?
(Base: All Respondents = 1,808; Millennials = 422, Gen X = 506, Boomers = 611; Matures = 269)

Millennials are more likely than other generations to turn to their parents for advice on financial matters vs seeking answers online

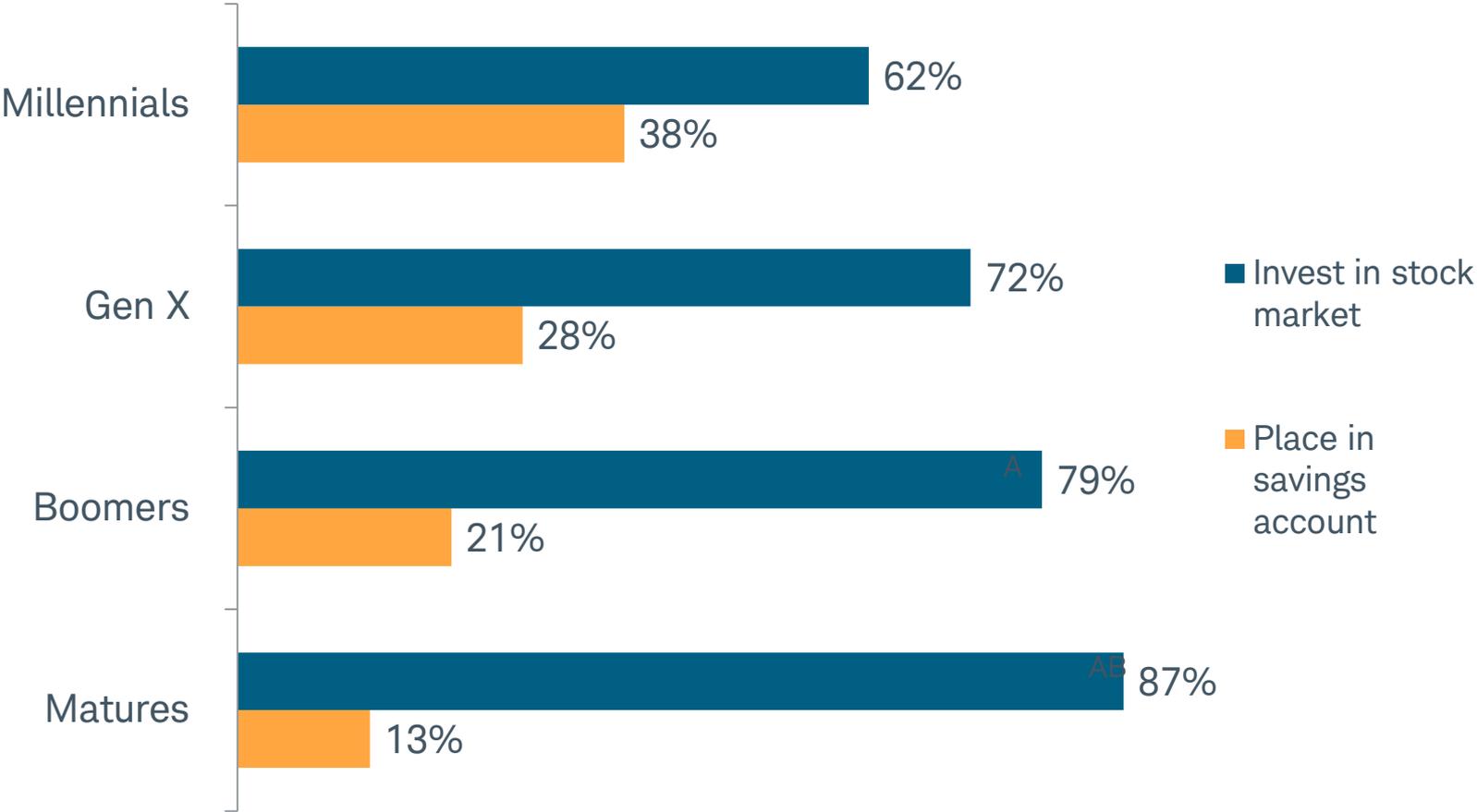
Advice on Personal Finances All Respondents



Q10 If you wanted advice about challenges you are having with money and romantic relationships, where would you turn first?
(Base: All Respondents = 1,808; Millennials = 422, Gen X = 506, Boomers = 611; Matures = 269)

Millennials are less likely to invest in the stock market and more likely to put their money in a savings account

Stock Market vs. Savings Account All Respondents

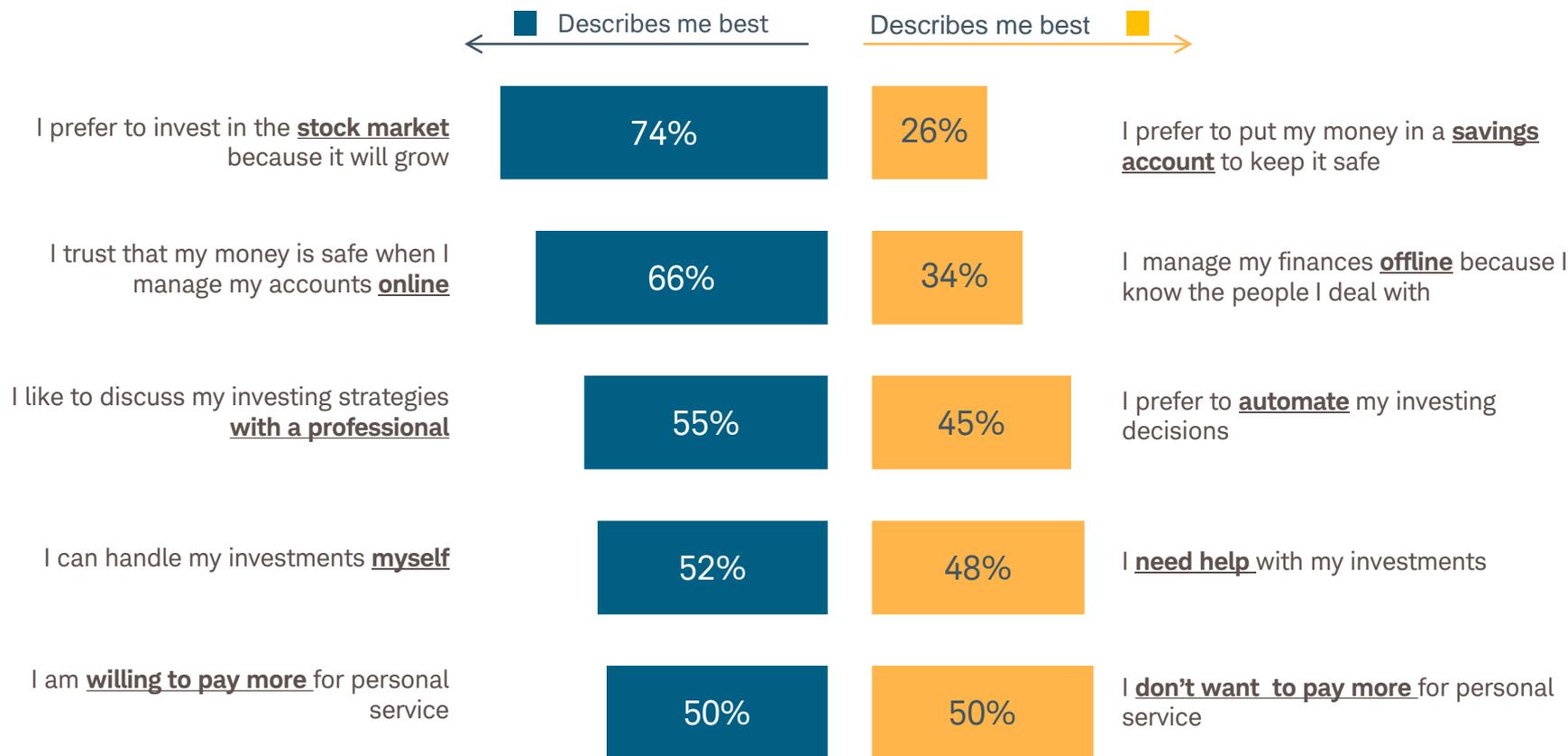


Q4. Please select which statement describes you best
(Base: All Respondents = 1,808; Millennials = 422, Gen X = 506, Boomers = 611; Matures = 269)

Most Americans prefer to invest in the stock market and trust that their money is safe when banking online; paying more for personal service is a split decision

Personal Descriptions

All Respondents

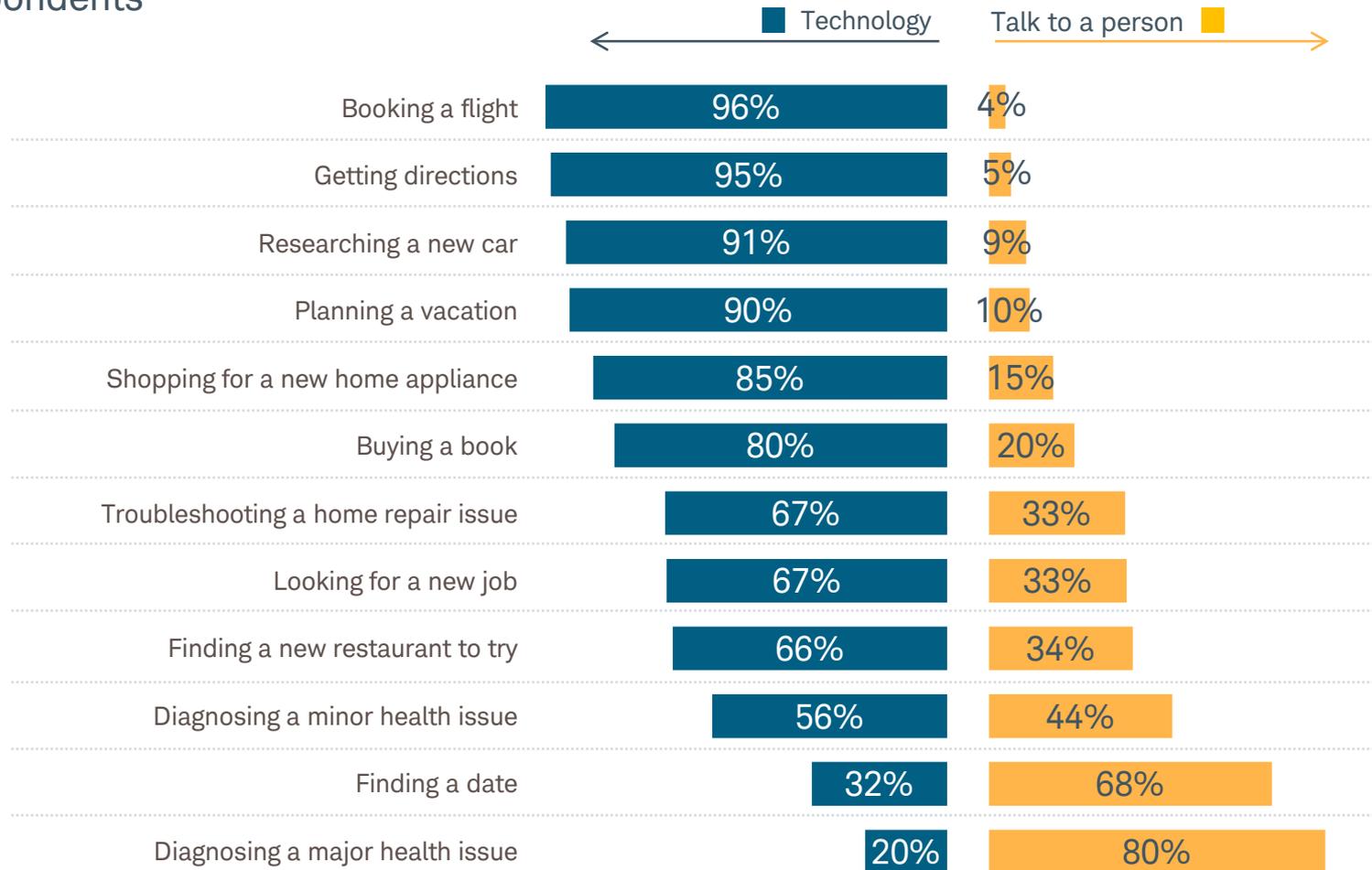


Matures (56%) and Boomers (55%) are fine with paying for service, while Millennials (44%) and Gen X (47%) would rather not.

Q4 Please select which statement describes you best (Base: All Respondents=1,808)

Technology is preferred for more transactional aspects of life, while people like to depend on people for more personal issues

Advice: Technology vs. People All Respondents



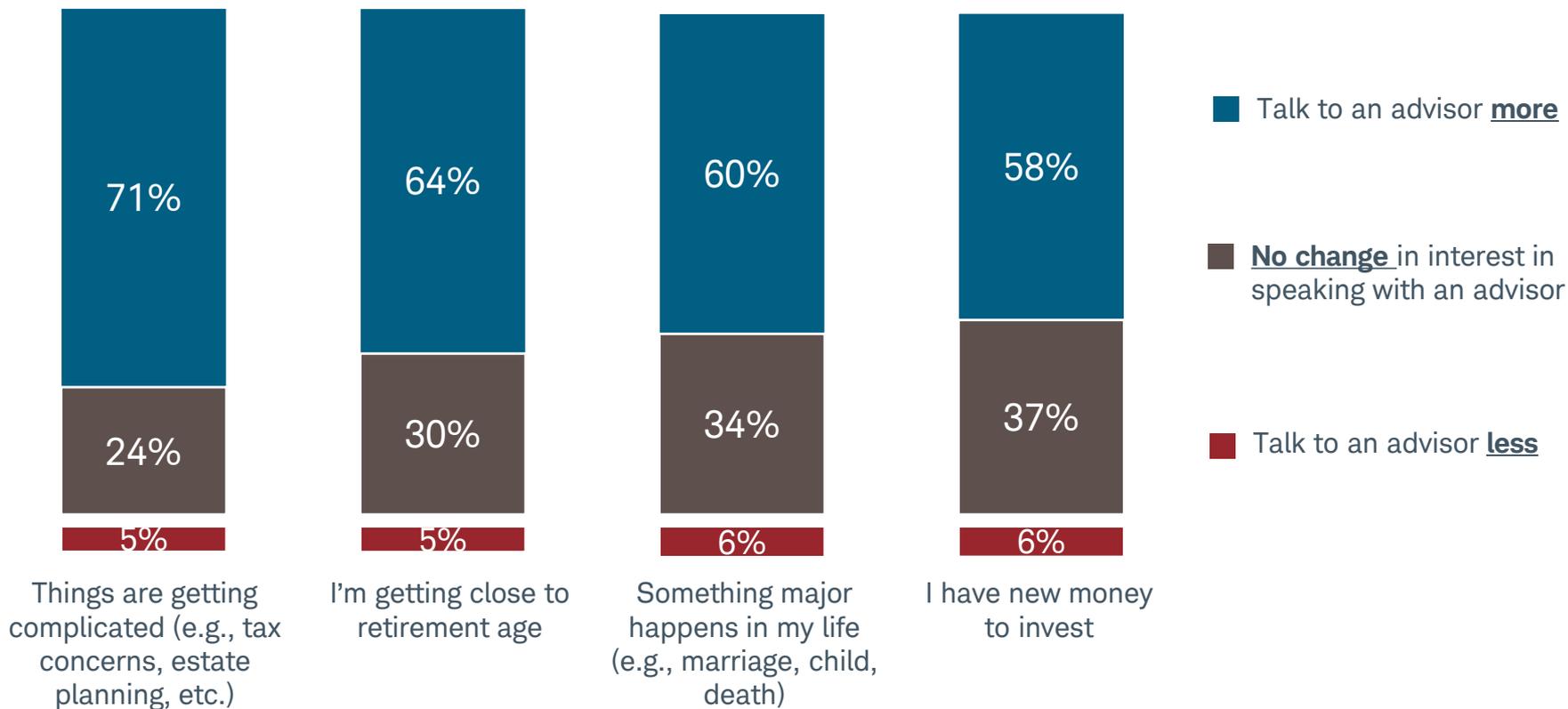
Q3 For each of the following scenarios, choose whether you would be more likely to use technology or seek advice from a person.
(Base: All Respondents=1,808)

Complications and planning needs are likely to lead to wanting to talk with an advisor

How Interest in Speaking with an Advisor Changes When Life Circumstances Happen

All Respondents

Matures are less likely to want to talk to an advisor more and more likely to stay the course



Q17 Thinking about changes that might happen in your life, how would your interest in speaking with an advisor change under the following circumstances?
(Base: All Respondents = 1,808)

Demographics

	All Respondents (n=1,808)
Gender	
Male	55%
Female	45%
Generation	
Millennials (21-33)	23%
Gen X (34-49)	28%
Boomers (50-68)	24%
Matures (Over 68)	15%
Marital Status	
Married/living with partner	88%
Not married/not living with partner	12%
Children	
<u>Have children</u> (Net)	<u>67%</u>
Under age 18	25%
Over age 18	37%
Both over and under age 18	5%
No children	33%
Education	
Some college or less	10%
College graduate	40%
Post graduate school	50%

	All Respondents (n=1,808)
Employment Status	
<u>Employed</u> (Net)	<u>71%</u>
Full-time	64%
Part-time	7%
Unemployed, looking for work	2%
Homemaker or student, not looking for work	5%
Retired, semi-retired	22%
2014 Household Income	
<\$150K	35%
\$150K to <\$250K	45%
\$250K or more	20%
Mean	\$183K
Total Assets	
<\$250K	15%
\$250K to <\$500K	34%
\$500K to <\$1M	28%
\$1M+	33%
Mean	\$1.2M

Disclosures

Data here is obtained from what are considered reliable sources; however, its accuracy, completeness or reliability cannot be guaranteed.

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