

# Q2 2021 Retail Client Sentiment Report

*charles*  
SCHWAB

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# Methodology and Respondent Demographic Profile

## Methodology:

- This data is collected quarterly via an online survey among clients with Retail Assets of at least \$2,000.
- Note: There is oversampling in order to achieve adequate sample sizes for sub-group analysis, and then application of a weighting scheme to create a total respondent population that is representative of Schwab’s client base. Counts noted below are prior to weighting to show the sample sizes used for the subgroup analysis.
- Q2 study was fielded at the beginning of the quarter: April 6-15, 2021

<b>Gender</b>		<b>Affluence</b>		<b>Active Trader</b>	
Male	840 (69%)	HNW (\$1M+)	225 (19%)	Active	293 (24%)
Female	309 (26%)	Affluent (\$250K-<\$1M)	253 (21%)	Not Active	919 (46%)
No answer	463 (5%)	Foundational (<\$250K)	734 (61%)		
<b>Life Stage</b>		<b>Financial Consultant Relationship</b>		<b>Employment Status</b>	
Younger Investor (<40)	184 (16%)	Has Financial Consultant	241 (20%)	Employed full-time	528 (44%)
Mid-Life (40-55)	305 (26%)	Does not have Financial Consultant	971 (80%)	Employed part-time	32 (3%)
Mature (55+ not retired)	318 (27%)			Self-employed	101 (8%)
Retired	372 (32%)			Retired/semi-retired	445 (37%)
				Other	68 (6%)
				No answer	38 (3%)

Sample sizes for respondents who were asked the Investment Sentiment section of the survey (n=1,212)

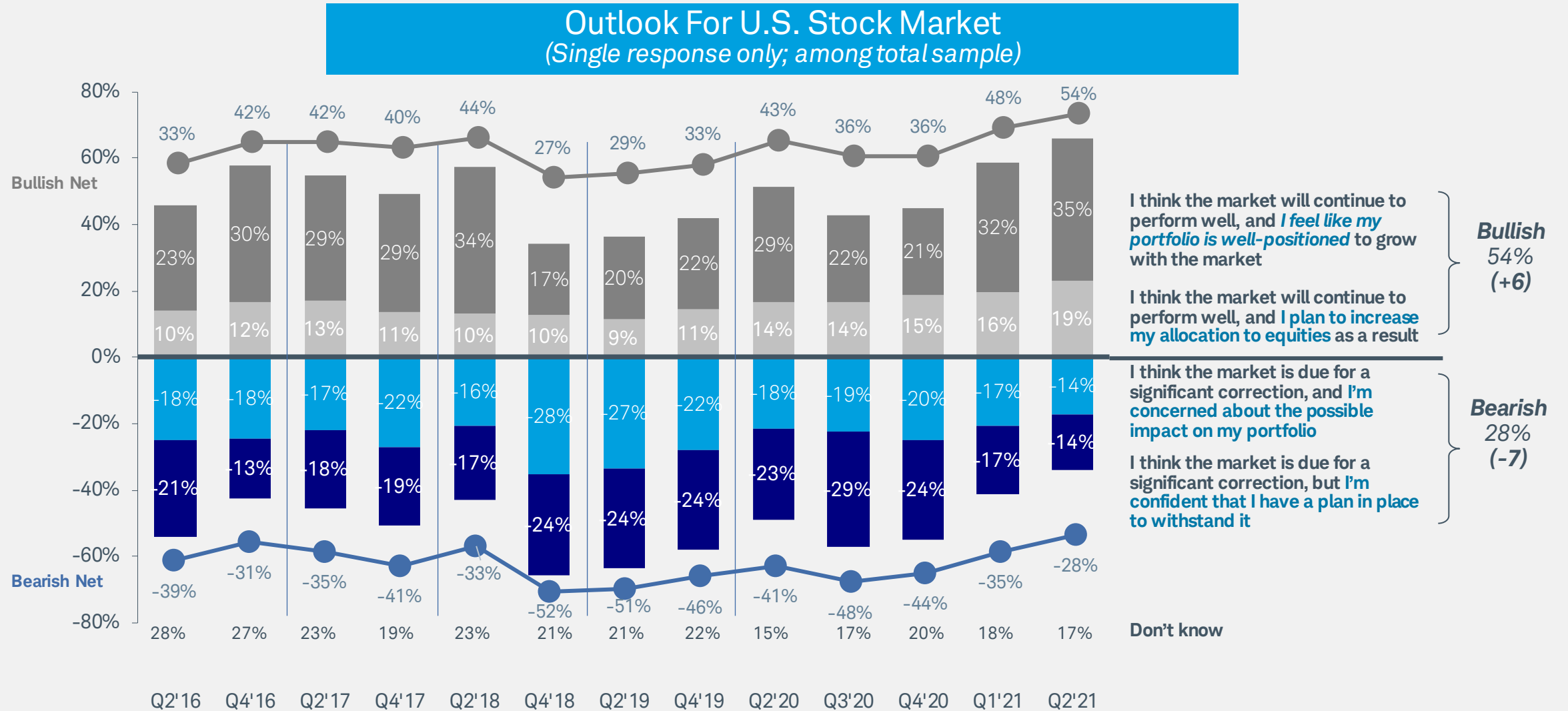
# Q2 2021 Executive Summary

**Q2 bullish market sentiment hits highest point since Schwab started tracking in 2013; COVID-19 begins to subside as top concern among investors**

## **Key themes**

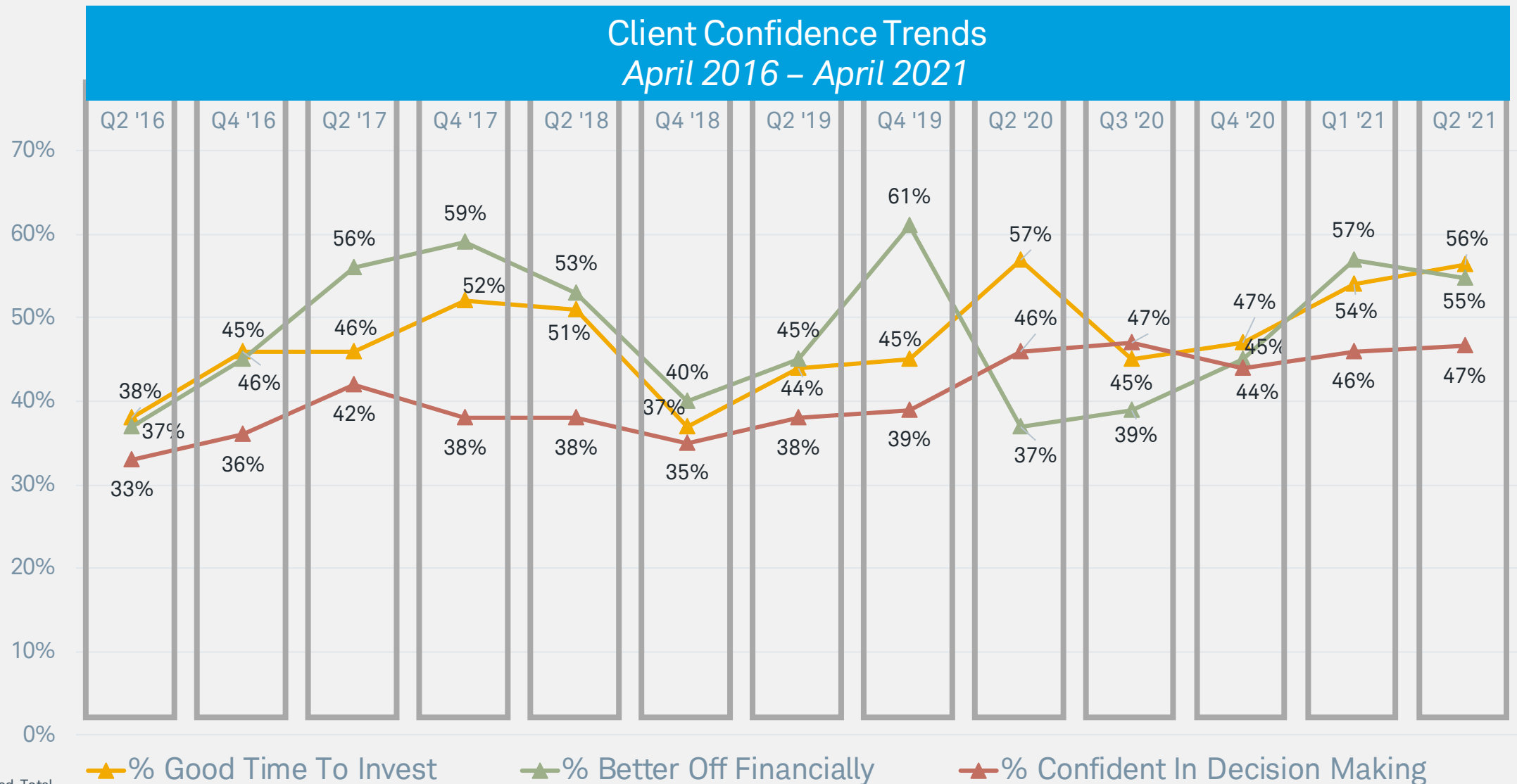
- Sentiment around the stock market continues to improve since last quarter; 54% now feel bullish compared to 48% in Q1 2021
- Market sentiment among younger investors is highest of any age group with 61% feeling bullish
- Investors feel more confident that now is a good time to invest than they have in the past 12 months
- Market and economic worries overtake COVID-19 and the political climate as biggest investor concerns
- Travel and dining out at restaurants top investors' post-COVID spending plans

# Q2 bullish market sentiment hits highest point since Schwab started tracking in 2013



Base = Weighted Total  
Q6. Thinking about the next 3 months, which statement best describes your outlook for the U.S. stock market?

# Investors feel more confident that now is a good time to invest than they have in the past 12 months



Base = Weighted Total

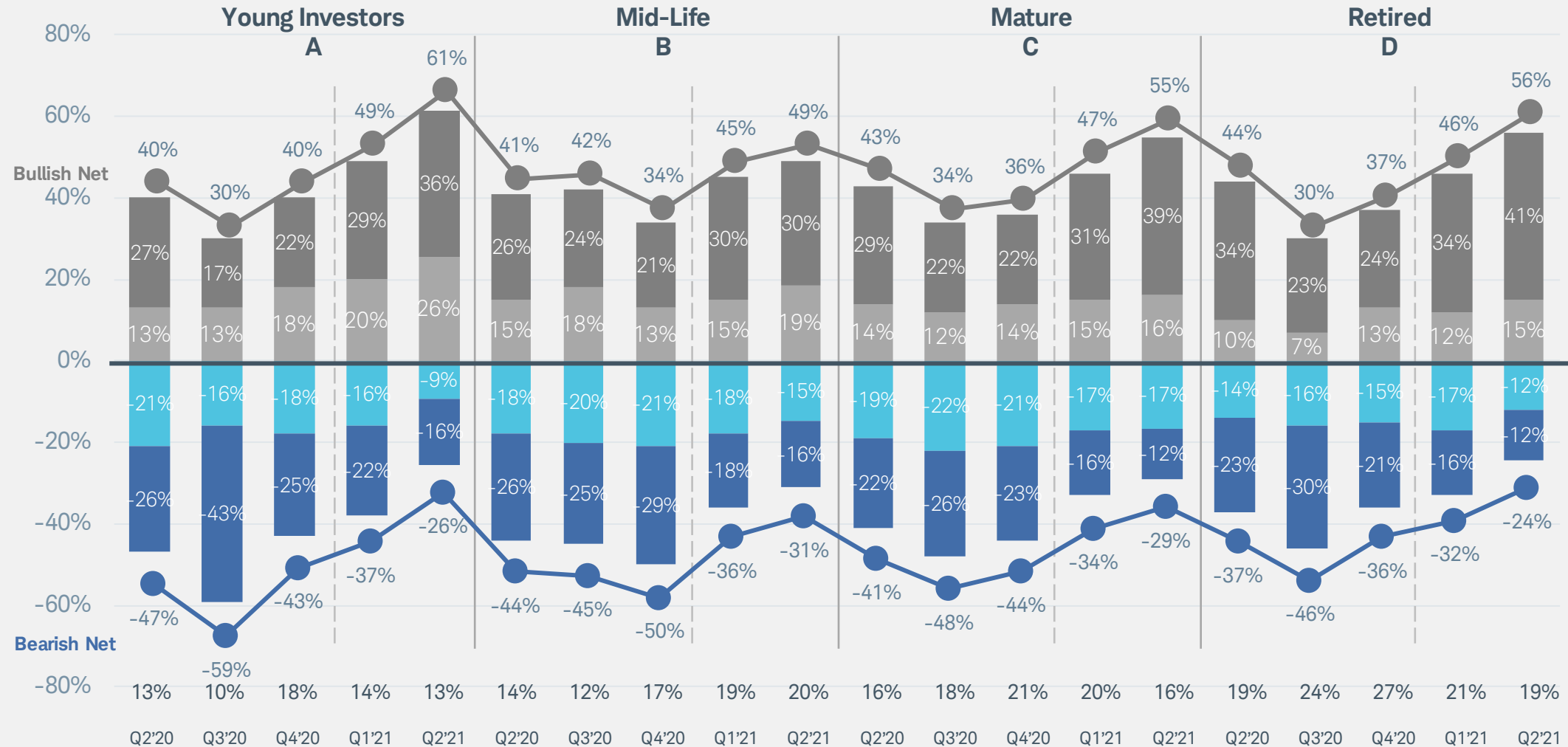
Q1. In your opinion, is this a good time or bad time to invest in stocks, mutual funds and other equity-based investments?

Q3. In terms of how you are getting along financially, compared to a year ago, are you...?

Q4. How confident are you in making investment decisions for your household?

# Bullishness across generations increases significantly – especially among young investors and retirees

## Outlook For U.S. Stock Market By Life Stage (Single response only; among total sample)



I think the market will continue to perform well, and I feel like my portfolio is well-positioned to grow with the market.

I think the market will continue to perform well, and I plan to increase my allocation to equities as a result.

I think the market is due for a significant correction, and I'm concerned about the possible impact on my portfolio.

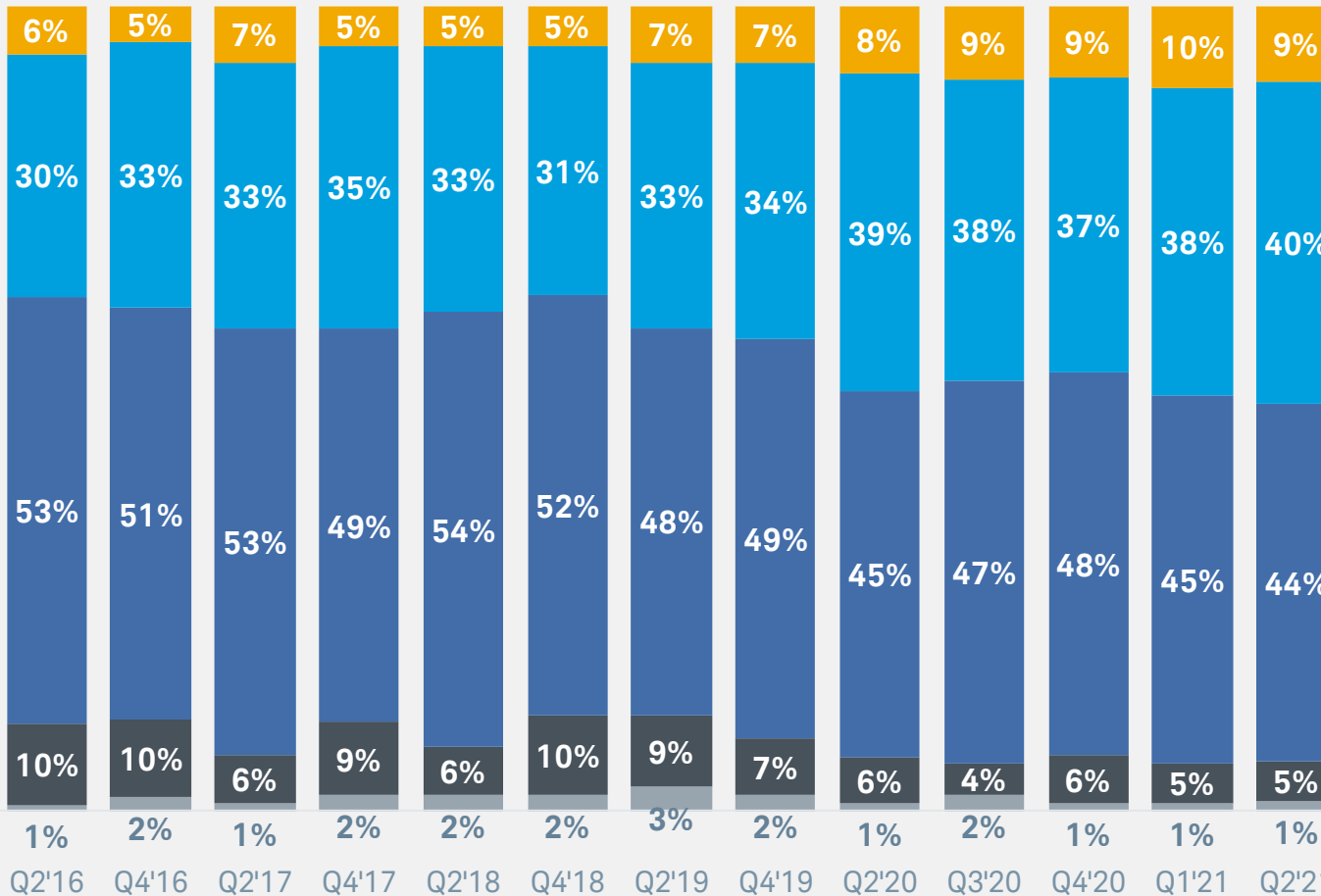
I think the market is due for a significant correction, but I'm confident that I have a plan to withstand it.

**Don't know**

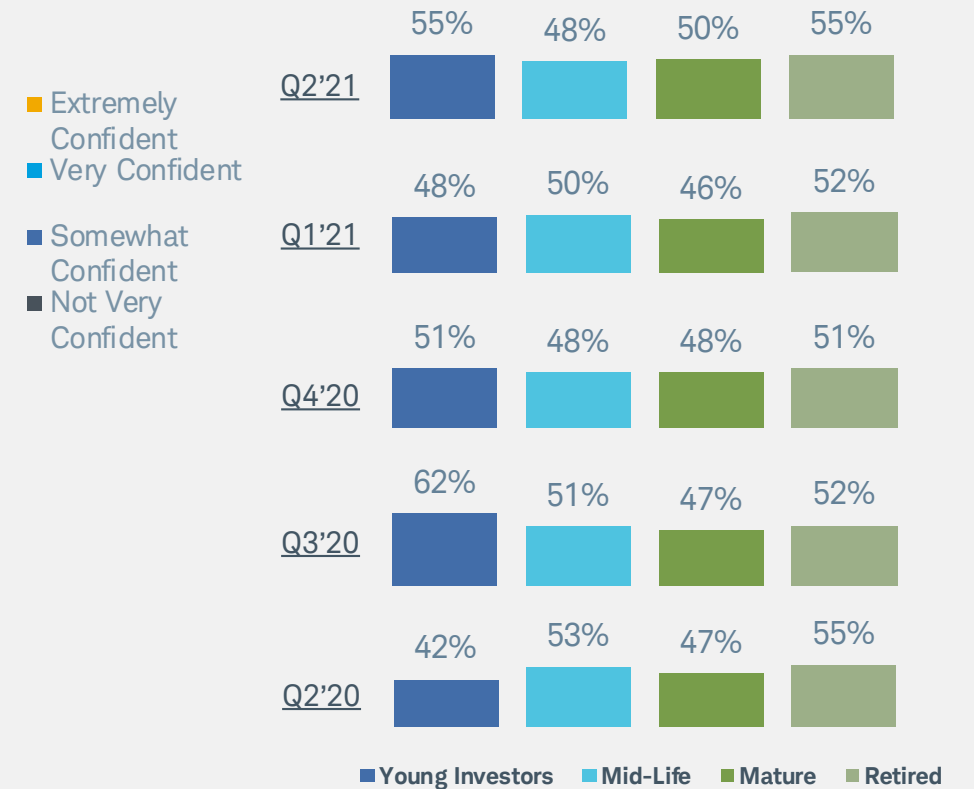
Base = Weighted Total  
Q6. Thinking about the next 3 months, which statement best describes your outlook for the U.S. stock market?

# Confidence in reaching financial goals remains steady

## Confidence in Reaching Financial Goals (Single response only; among total sample)



## Percentage that feels 'very' or 'extremely' confident by generation



Base = Weighted Total  
Q10. Which statement best describes your confidence in reaching your financial goals?

# Market and economic worries beat out politics and COVID-19 as biggest investor concerns

## Primary Concern About Investing (Single response only; among those who have a concern)



**6%**  
Personal financial situation net



**12%**  
COVID-19 net



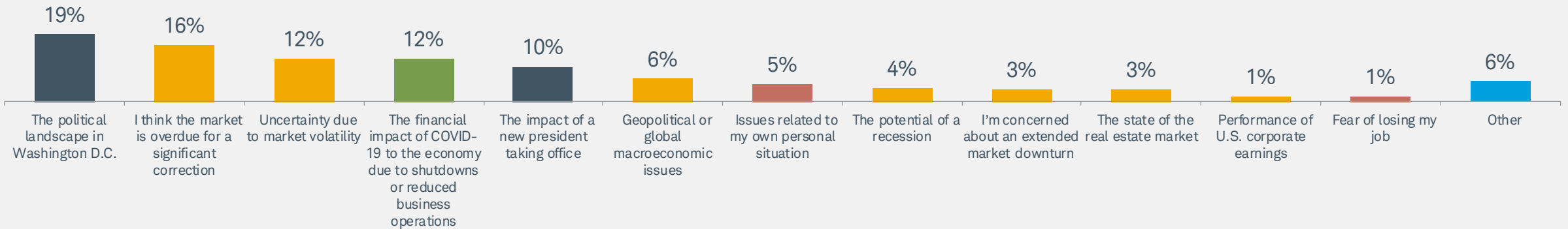
**29%**  
Political landscape net



**45%**  
Markets/economy net



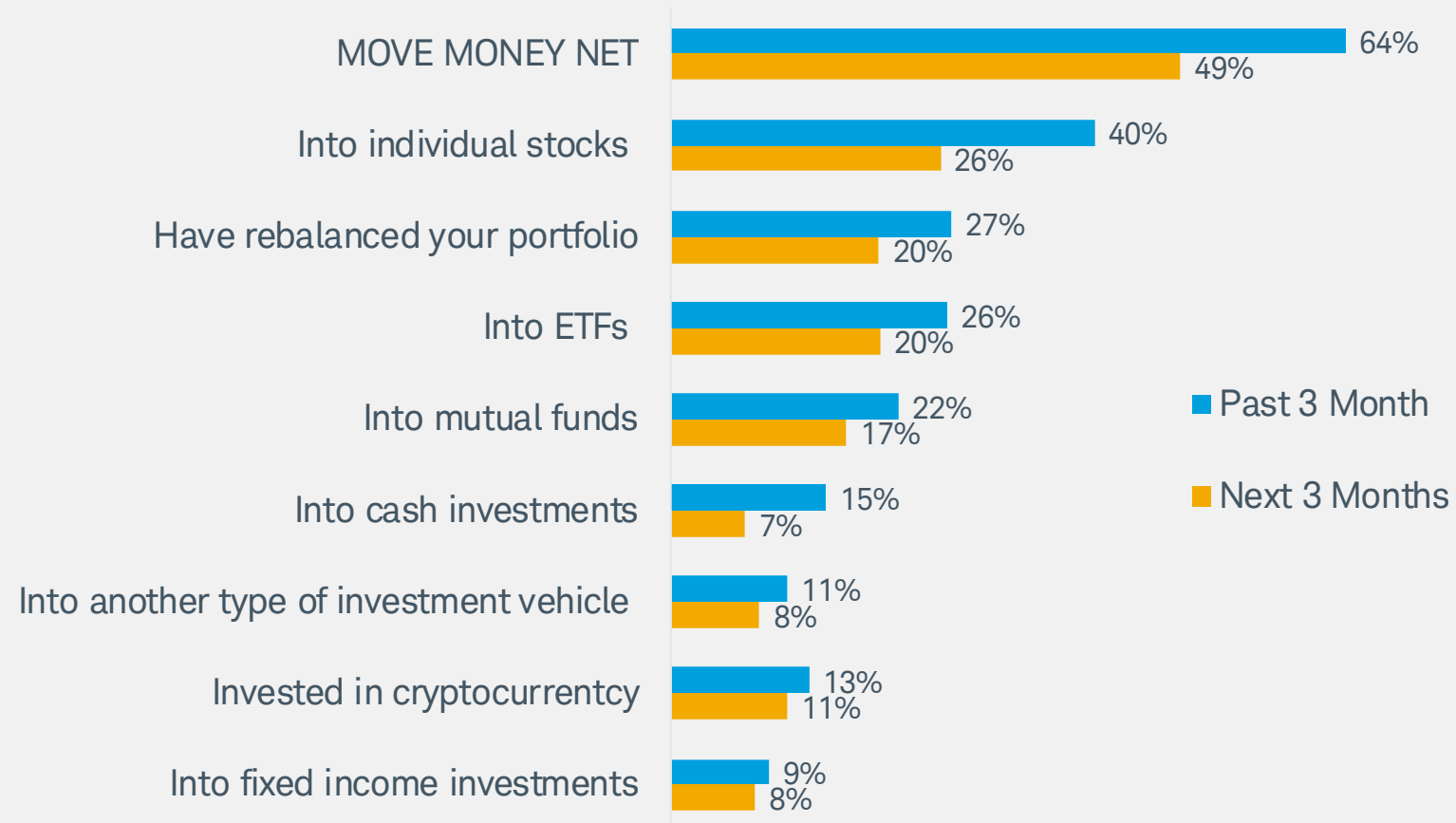
**6%**  
Other





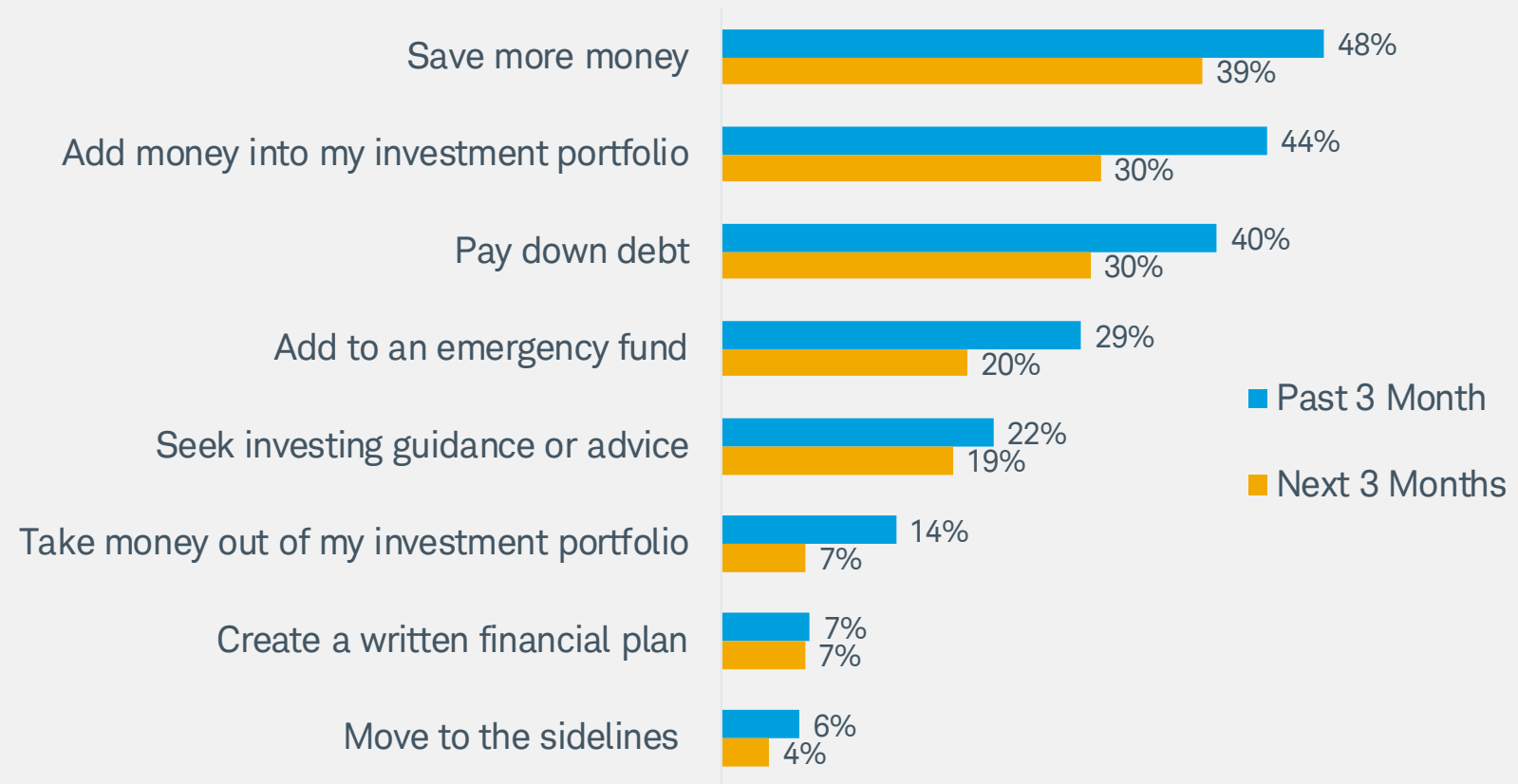
# Half of investors plan to move money over the next three months

## Portfolio Allocation Changes Made During Past 3 Months & Planned in Next 3 Months (Multiple responses allowed; total sample)



# Nearly one-third of investors plan to add money to their investment portfolio over the next three months

## Financial Habit Changes Made During Past 3 Months & Planned in Next 3 Months (Multiple responses allowed; total sample)

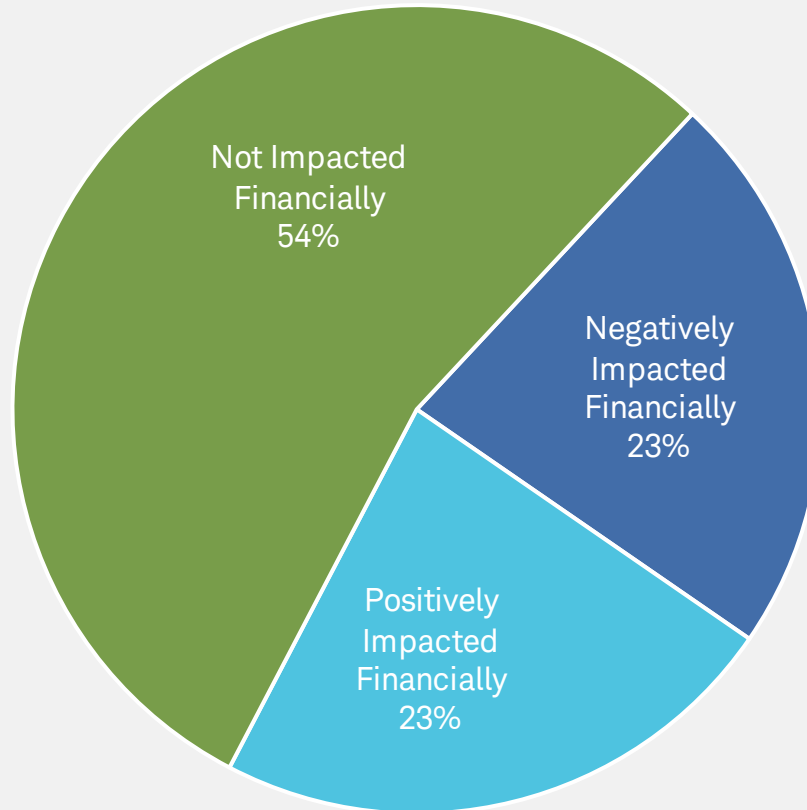


# 2021 Outlook

Clients share sentiment around ongoing financial implications of COVID-19 pandemic and other topics

# Majority of clients were not impacted financially by COVID-19, while just under a quarter were impacted either positively or negatively

**Financial Impact of COVID-19 in 2020**  
*(Single response only; among total sample)*



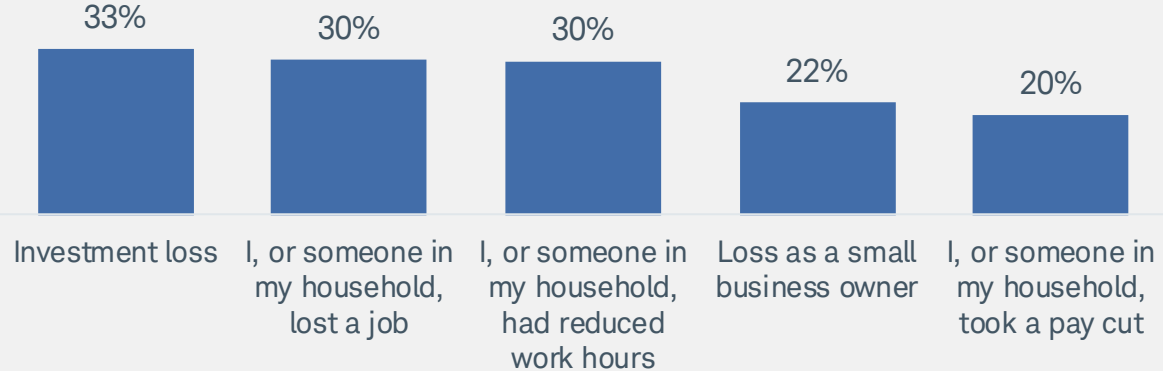
Base = Weighted Total (n=1,212); Base = Q2'21 and Negatively Impacted By COVID-19 In 2020^ (n=275)  
QSI\_Q221\_1. To what extent were you financially impacted by COVID-19 in 2020? / QSI\_Q221\_2. How were you negatively impacted? /  
QSI\_Q221\_3. You indicated you experienced a negative financial impact in 2020 due to COVID-19. How much have you recovered at this time?

# A majority of negatively-impacted investors have not fully recovered

## 2021 Recovery From Negative Financial Impact of Pandemic (Single response only; among those negatively impacted<sup>^</sup>)



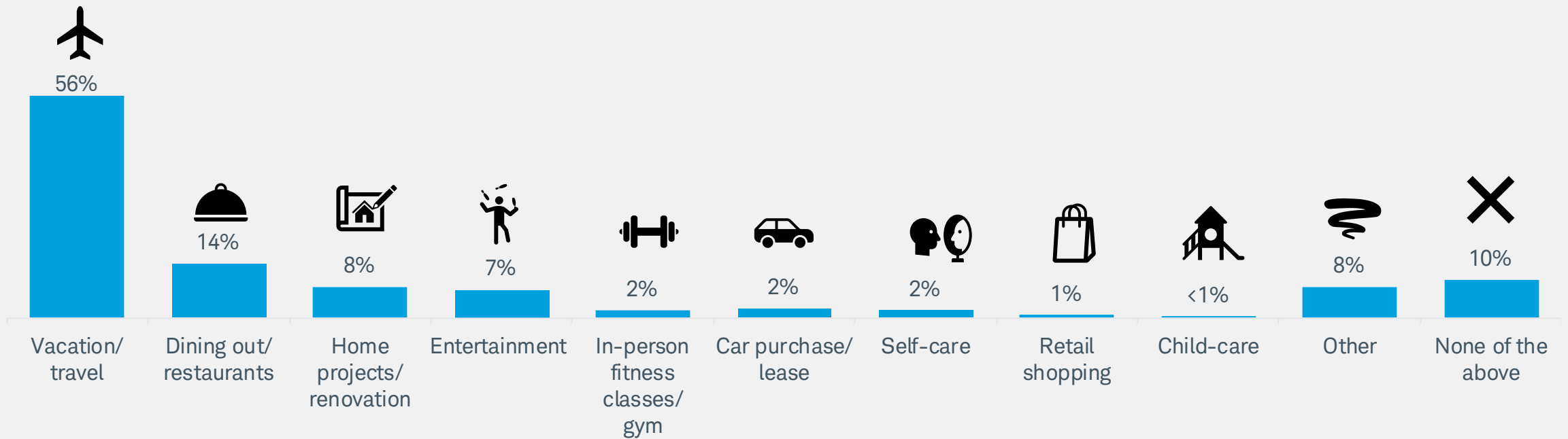
## Negative Financial Impacts Experienced Due to Pandemic (Multiple responses allowed; among those negatively impacted<sup>^</sup>)



Base = Weighted Total (n=1,212); Base = Q2'21 and Negatively Impacted By COVID-19 In 2020<sup>^</sup> (n=275)  
 QSI\_Q221\_1. To what extent were you financially impacted by COVID-19 in 2020? / QSI\_Q221\_2. How were you negatively impacted? /  
 QSI\_Q221\_3. You indicated you experienced a negative financial impact in 2020 due to COVID-19. How much have you recovered at this time?

# Travel tops investors' plans for post-COVID spending, followed by dining out at restaurants

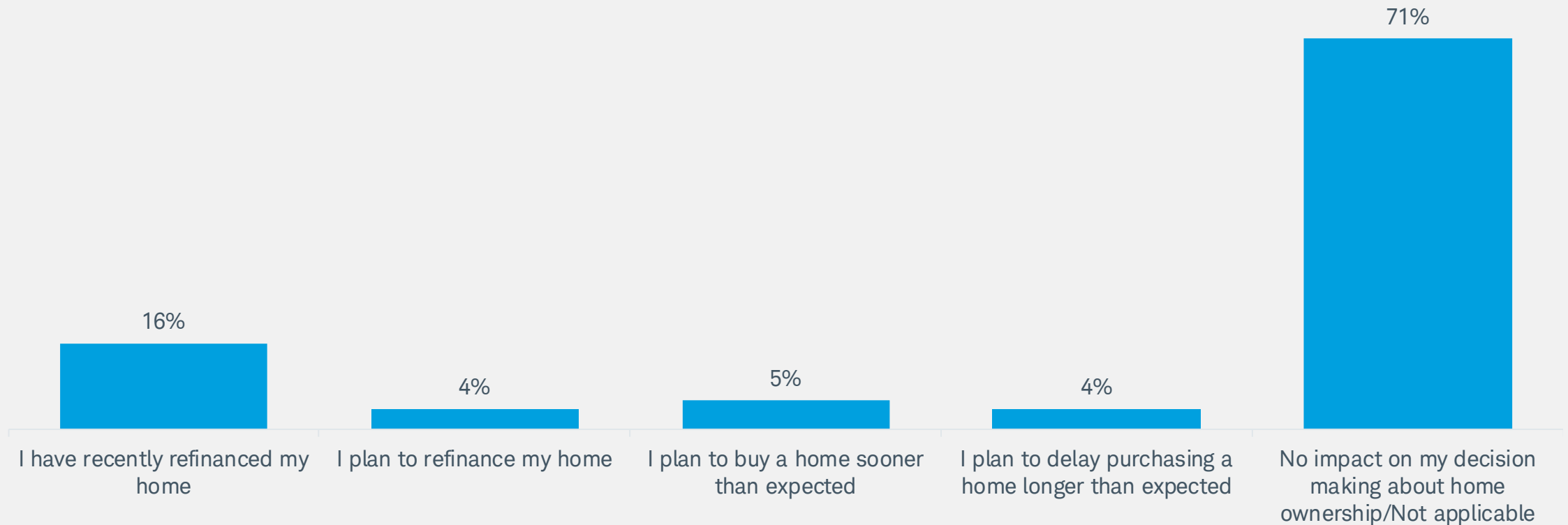
**Plans for Post-COVID Spending**  
*(Multiple responses allowed; among total sample)*



Base = Weighted Total (n=1,212)  
QSI\_Q221\_5. What category are you most excited to spend on once the COVID-19 pandemic restrictions are lifted and/or the risk level is lower?

# One in five investors has recently (or plans to) refinance their home due to current interest rate trends

## Interest Rate Effect on Home Ownership *(Single response only; among total sample)*



## Disclosures:

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