

# Q3 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.
- 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.
- Q3 study was fielded at the beginning of the quarter: July 7-19, 2021

<b>Gender</b>		<b>Affluence</b>		<b>Active Trader</b>	
Male	640 (73%)	HNW (\$1M+)	186 (21%)	Active	253 (29%)
Female	212 (24%)	Affluent (\$250K-<\$1M)	248 (28%)	Not Active	629 (71%)
No answer	30 (3%)	Foundational (<\$250K)	448 (51%)		
<b>Life Stage</b>		<b>Financial Consultant Relationship</b>		<b>Employment Status</b>	
Younger Investor (<40)	102 (12%)	Has Financial Consultant	205 (23%)	Employed full-time	364 (41%)
Mid-Life (40-55)	217 (25%)	Does not have Financial Consultant	677 (77%)	Employed part-time	29 (3%)
Mature (55+ not retired)	233 (27%)			Self-employed	72 (8%)
Retired	312 (36%)			Retired/semi-retired	368 (42%)
				Other	24 (3%)
				No answer	25 (3%)

Sample sizes for respondents who were asked the Investment Sentiment section of the survey (n=882)

# Q3 2021 Executive Summary

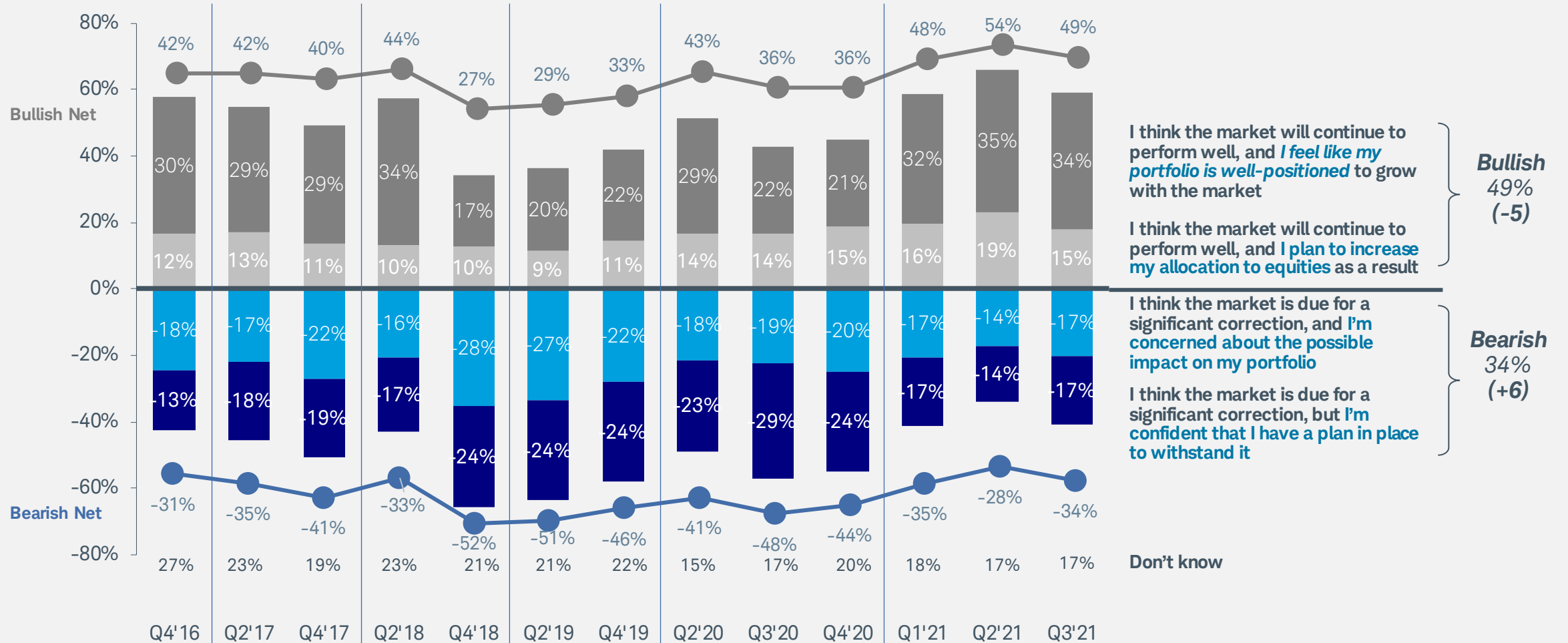
**Bullish market sentiment is beginning to soften, particularly among retired investors, but remains near last quarter's all-time high; Worries about a looming correction and volatility are top concerns among investors**

## Key themes

- Sentiment around the stock market reversed for the first time in a year; 49% are now feel bullish compared to 54% in Q2 2021. Bearish sentiment is highest among retired investors, while younger investors are most optimistic.
- Investors feel better off financially and remain confident in reaching their goals, but they are split over whether it's a good time to invest in the market.
- Worries about a market downturn and volatility are the biggest investor concerns, followed by the political landscape

# Bullish market sentiment softened, but remains near an all-time high

## Outlook For U.S. Stock Market (Single response only; Among Total Sample)

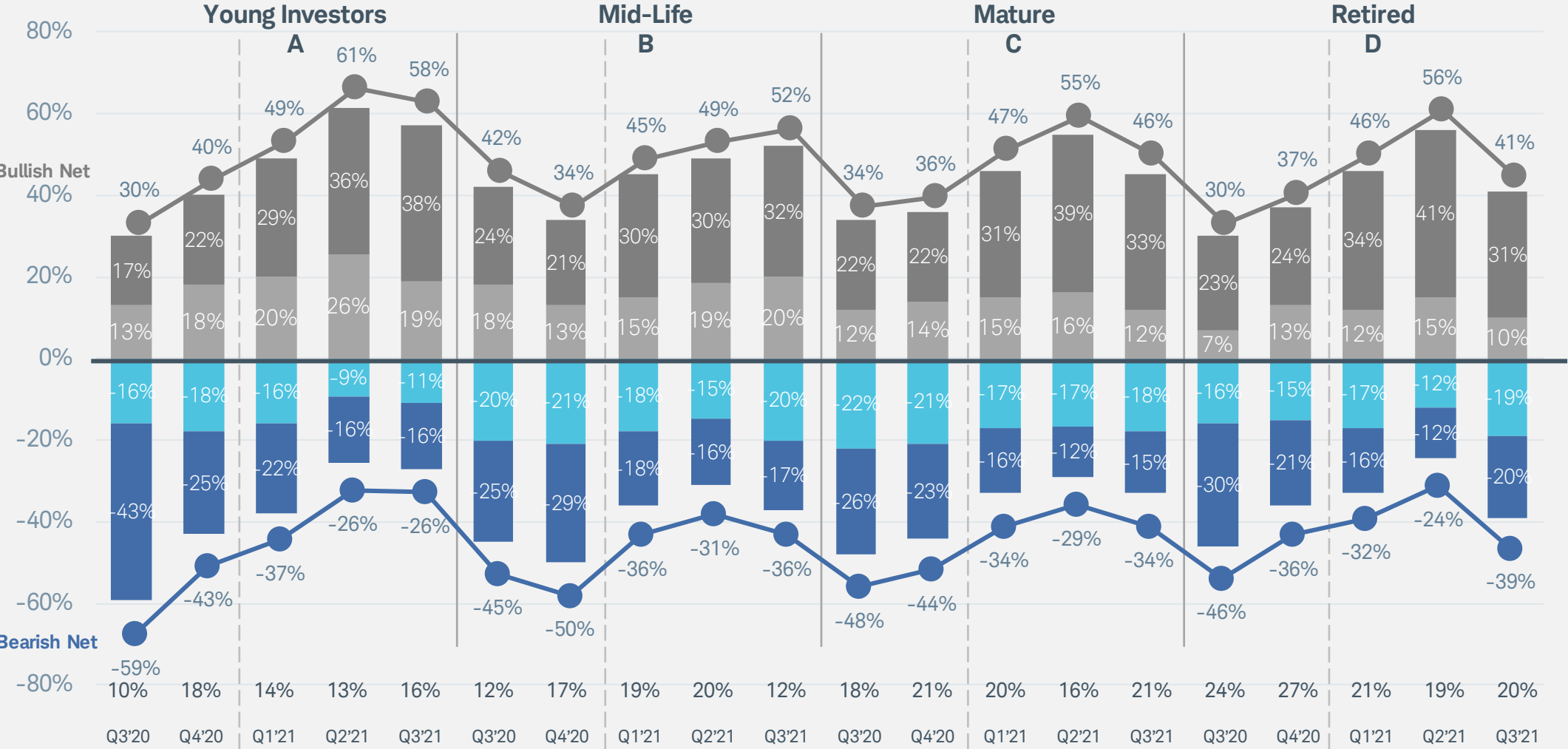


Base = Weighted Total

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

# While they're less bullish than last quarter, younger investors are the most optimistic about the market compared to older generations

**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.

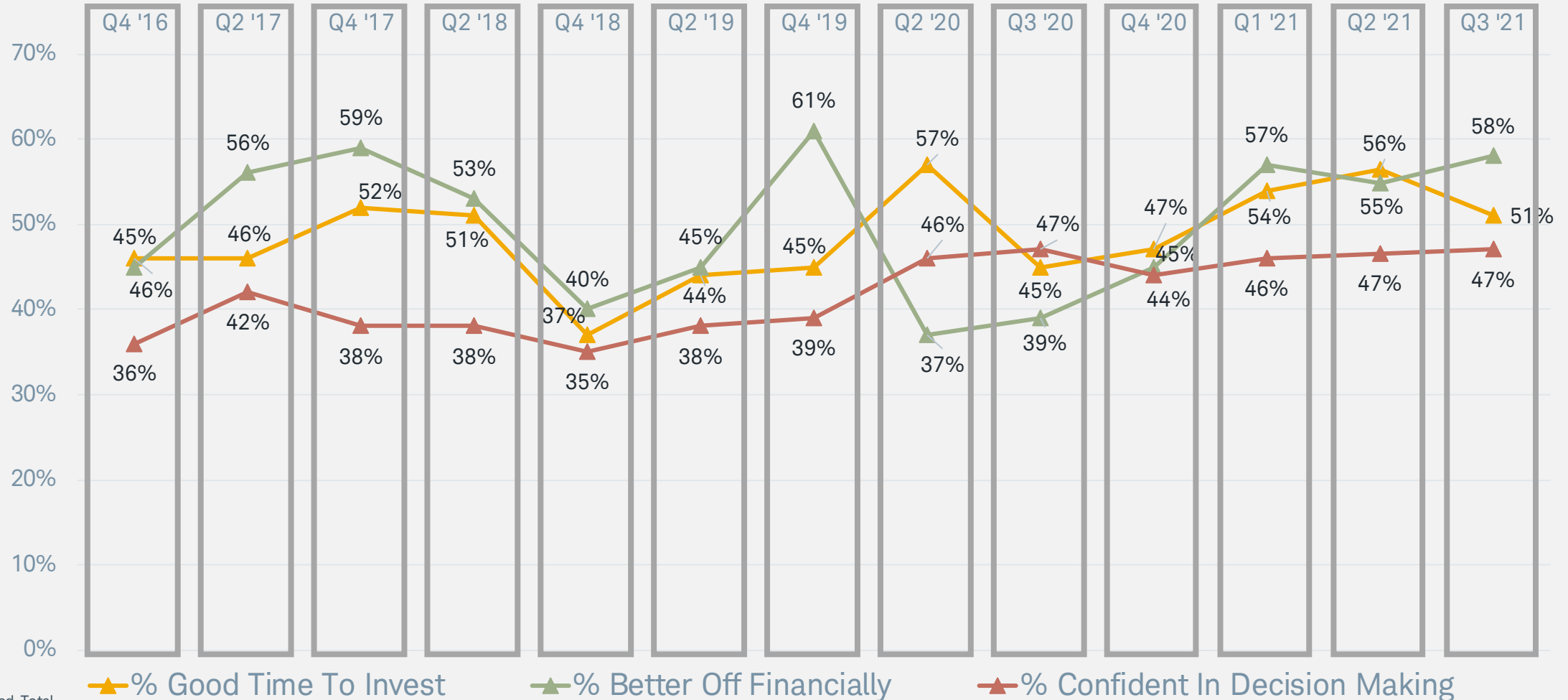
**Don't know**

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

# Investors feel better off financially, but fewer think it's a good time to invest in the market compared to earlier this year

## Client Confidence Trends

April 2016 – July 2021



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?

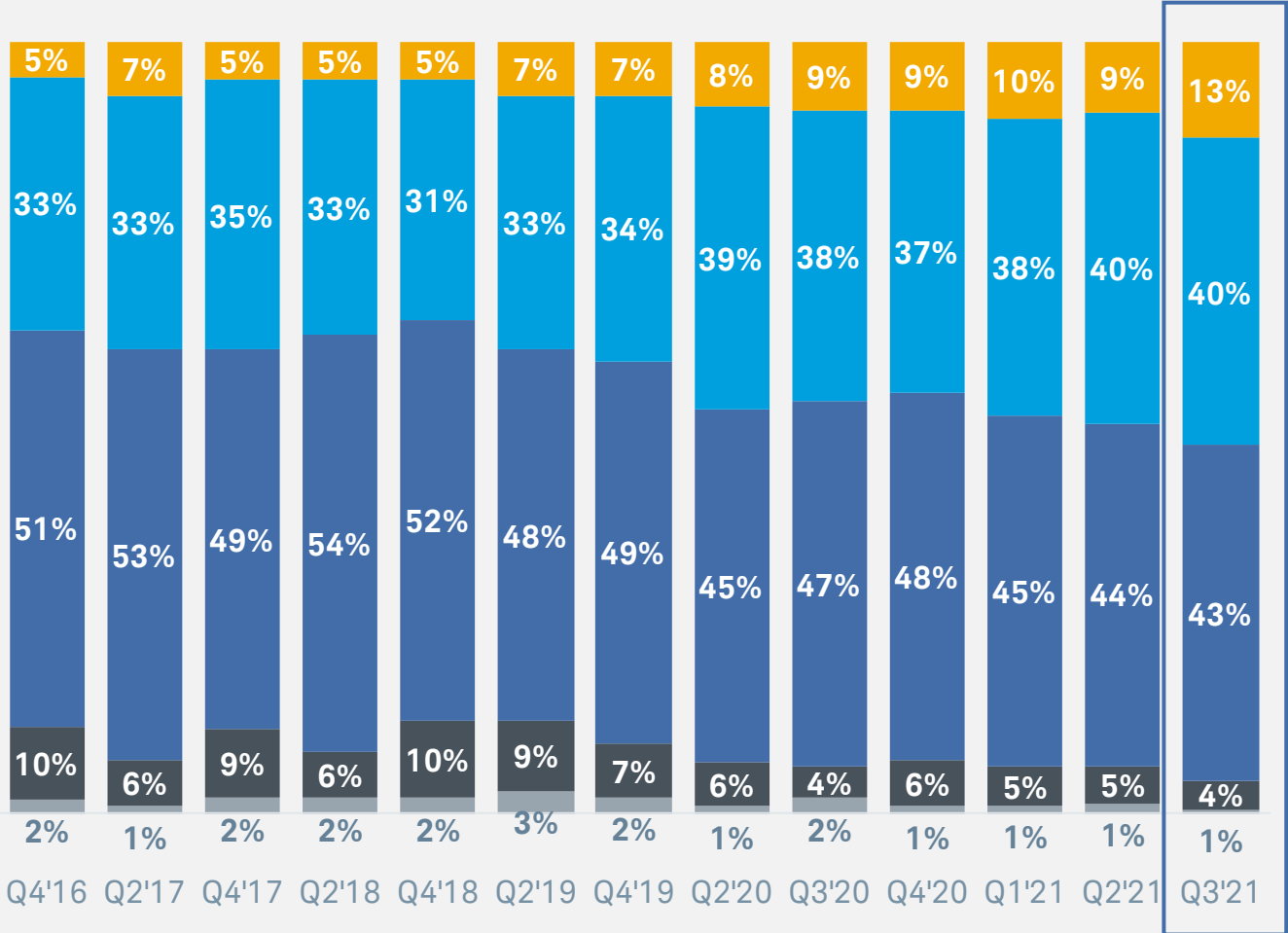
Q3. In terms of how you are getting along financially, compared to a year ago, are you...?

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

# Confidence in reaching financial goals remains steady

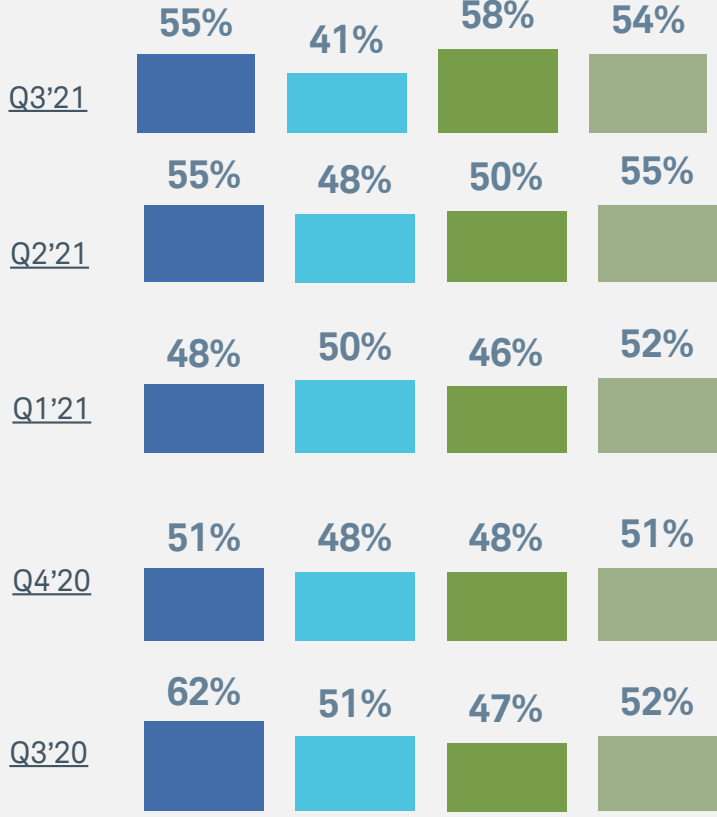
## Confidence in Reaching Financial Goals (Single response only; Among Total Sample)

- Extremely Confident
- Very Confident
- Somewhat Confident
- Not Very Confident
- Not At All Confident



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


- Young Investors
- Mid-Life
- Mature
- Retired




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

# Worries about a market downturn and volatility are the biggest investor concerns, followed by the political landscape

## Primary Concern About Investing (Single response only; Among Those With A Concern)

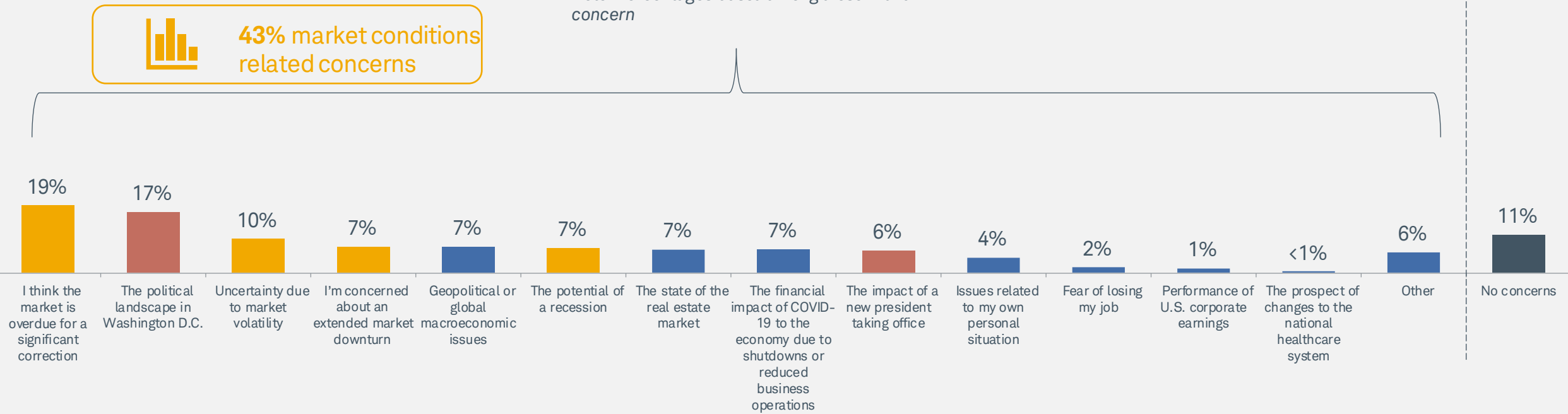


**23%** political related concerns



**43%** market conditions related concerns

Note: Percentages based among those with a concern



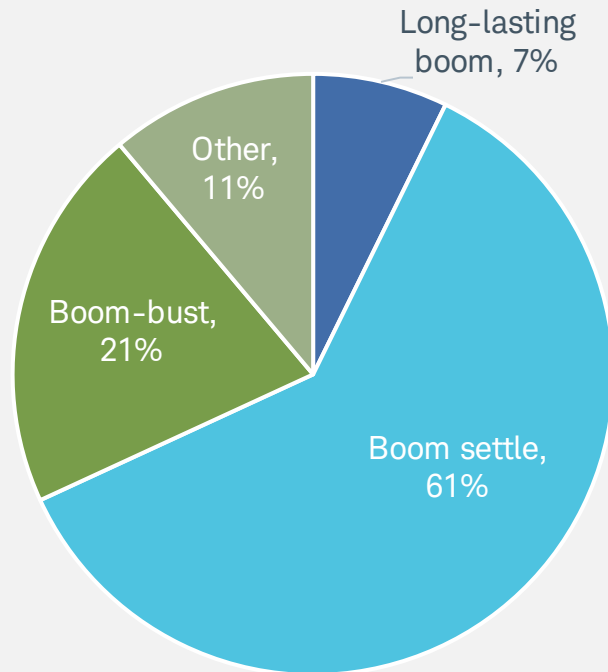
Base = Weighted Total (n=882)  
Q7. What is your primary concern around money and investing within the next 3 months?



# Most investors predict the U.S. is in a “boom settle” economic cycle

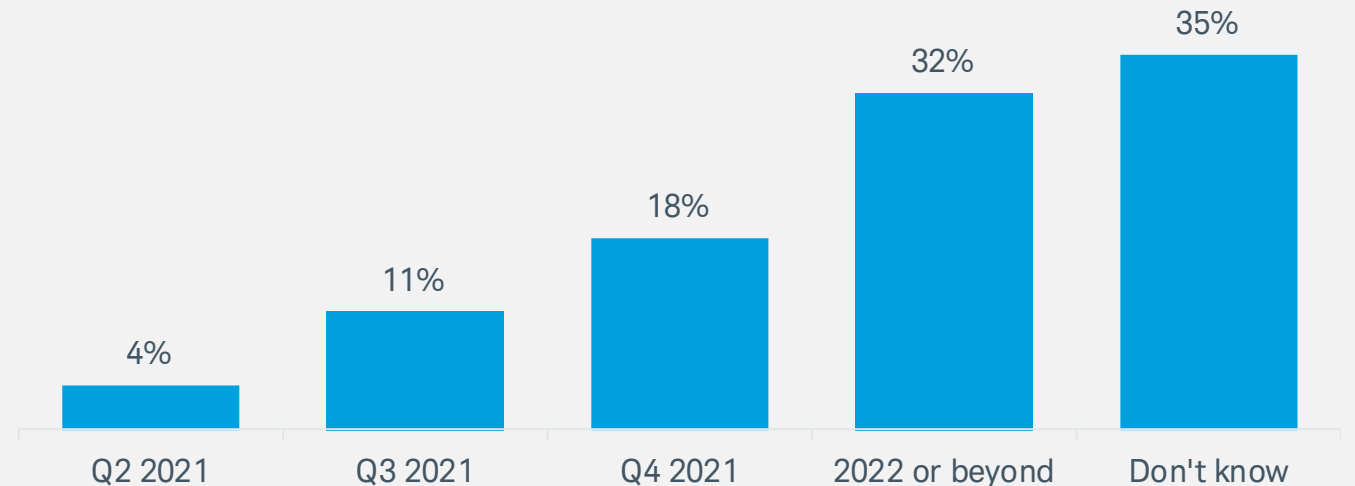
## Current Economy Outlook

(Single response only; Among Total Sample)



## Expected Peak Of The Economy

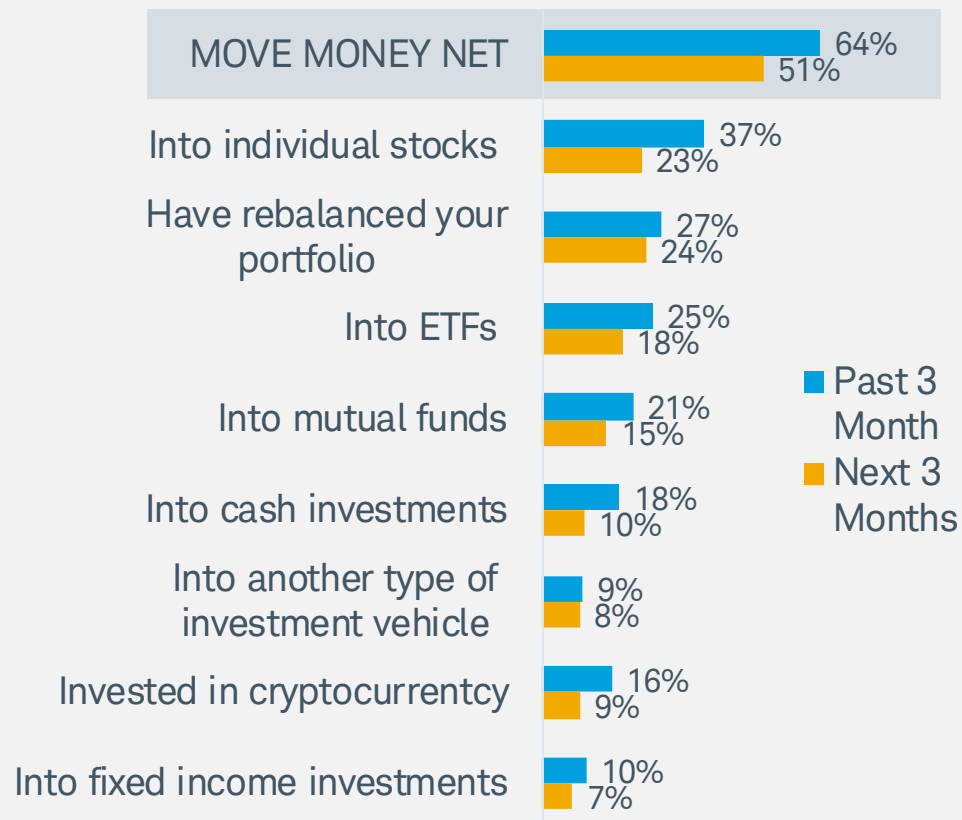
(Single response only; Among Total Sample)



# Fewer investors plan to make portfolio changes over the next three months compared to the prior quarter

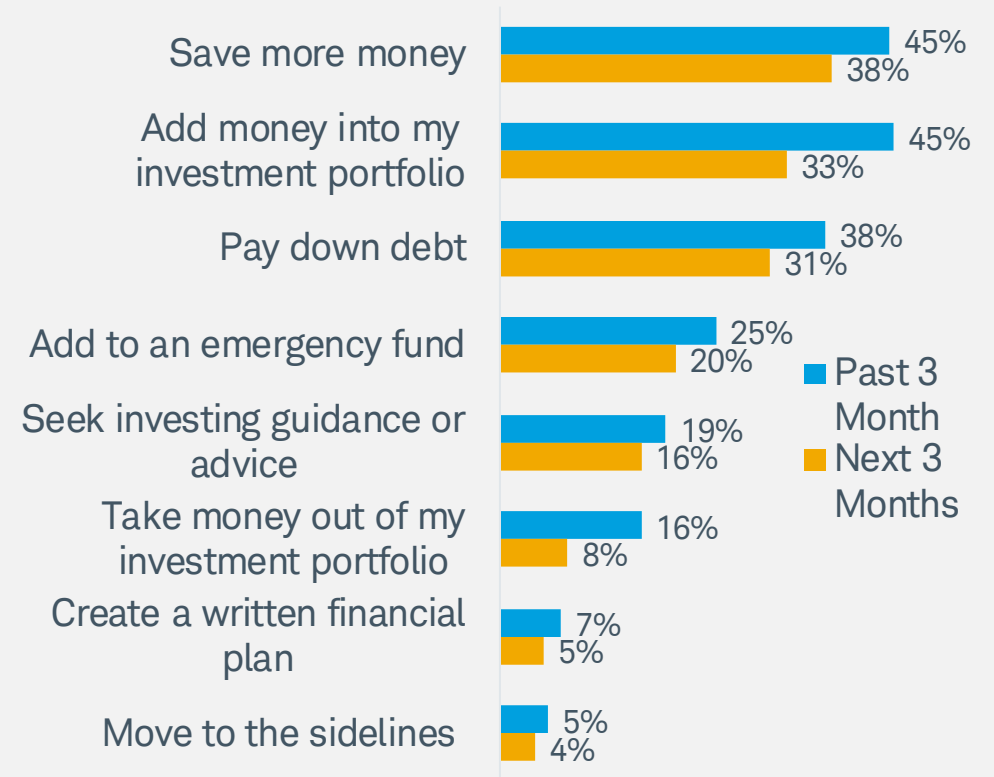
## Portfolio Changes - Past 3 Months & Planned in Next 3 Months

(Multiple responses allowed; Total Sample)



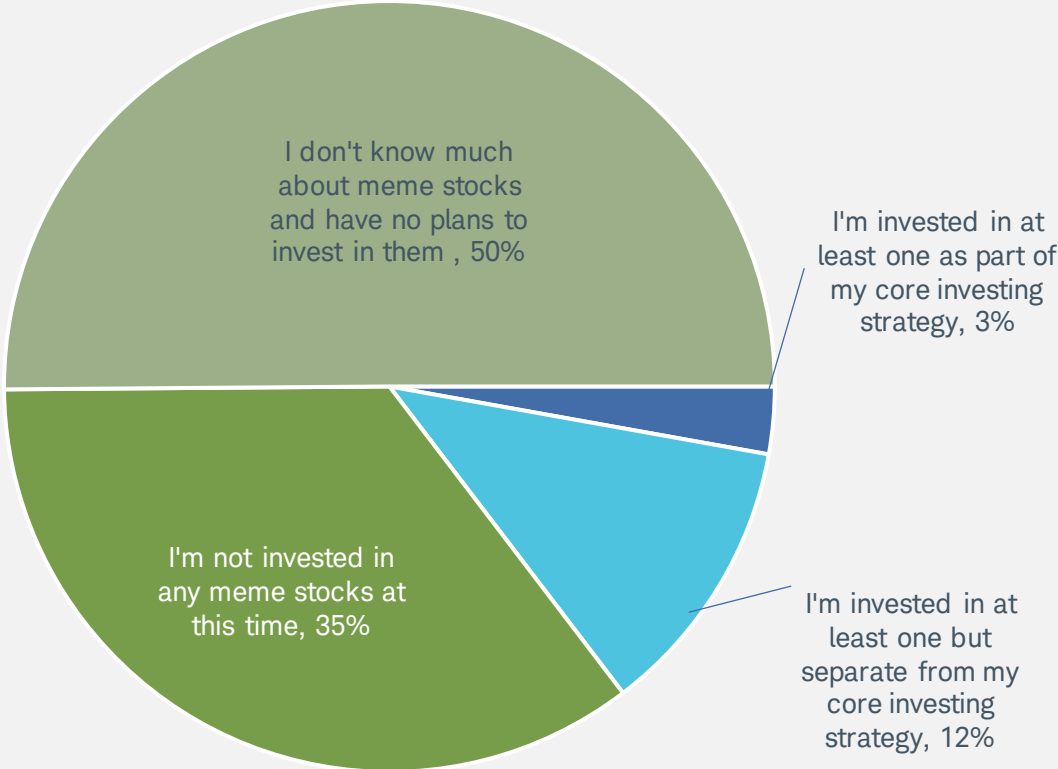
## Portfolio Changes - Past 3 Months & Planned in Next 3 Months

(Multiple responses allowed; Total Sample)



# Most investors have not participated in the meme stocks trend

## Meme Stock Investing Approach (Single response only; Among Total Sample)



Base = Weighted Total (n=882)  
QSI\_Q321\_7. When considering inflation, do you plan to increase your allocation in any of the following investments over the next three months? /  
QSI\_Q321\_8. How would you describe your approach to investing in or considering meme stocks (GME, AMC, etc.)?

## Disclosures:

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(0821-1LPS)