

Q4 2021 Retail Client Sentiment Report

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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.
- Q4 study was fielded at the beginning of the quarter: October 7-19, 2021

Gender		Affluence		Active Trader	
Male	1,157 (76%)	HNW (\$1M+)	288 (19%)	Active	550 (36%)
Female	298 (20%)	Affluent (\$250K-<\$1M)	405 (27%)	Not Active	971 (64%)
No answer	66 (4%)	Foundational (<\$250K)	828 (54%)		
Life Stage		Financial Consultant Relationship		Employment Status	
Younger Investor (<40)	428 (28%)	Has Financial Consultant	302 (20%)	Employed full-time	798 (53%)
Mid-Life (40-55)	403 (27%)	Does not have Financial Consultant	1,219 (80%)	Employed part-time	55 (4%)
Mature (55+ not retired)	305 (20%)			Self-employed	126 (8%)
Retired	349 (23%)			Retired/semi-retired	439 (29%)
				Other	67 (4%)
				No answer	36 (2%)

Sample sizes for respondents who were asked the Investment Sentiment section of the survey (n=1,521)

Q4 2021 Executive Summary

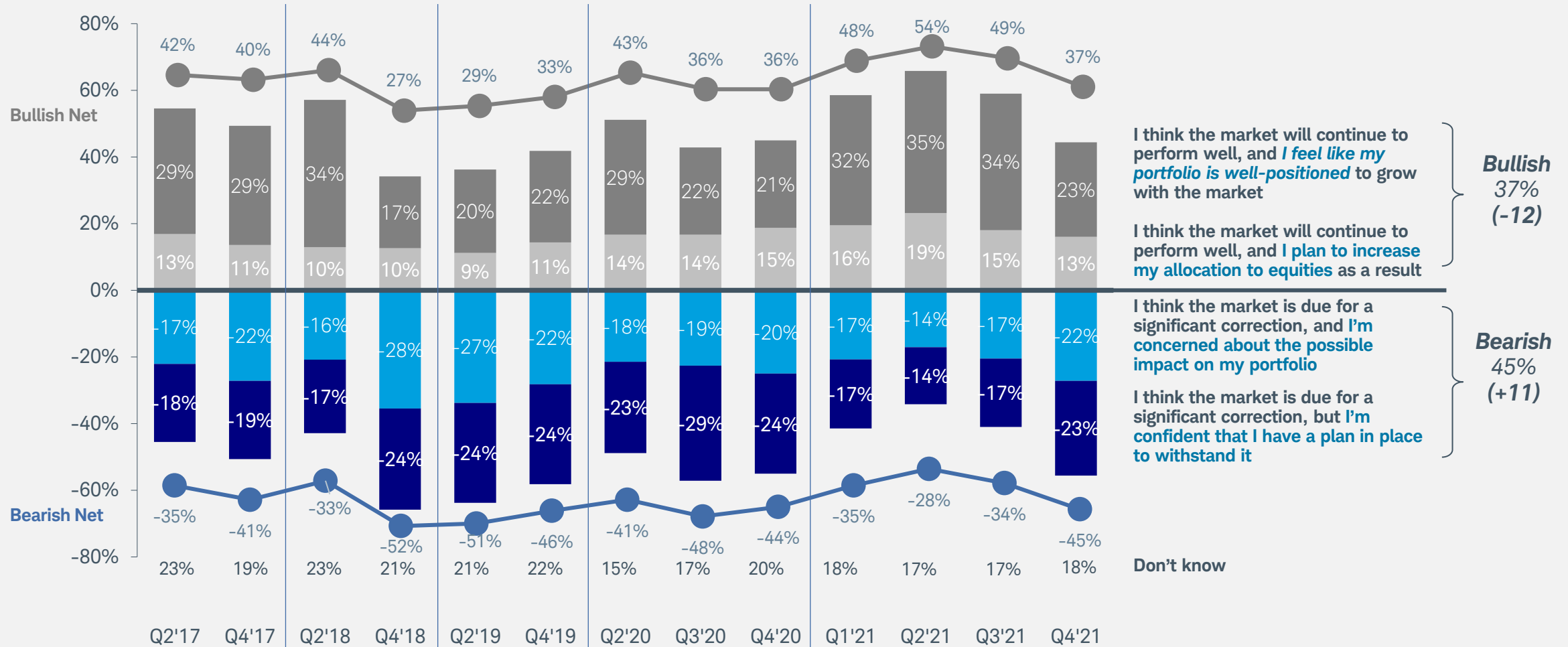
The bears are outrunning the bulls for the first time in a year, and retail investor clients are increasingly cautious about investing. But there is overall economic optimism and clients are beginning to return to normal living and spending behaviors after the last year and a half.

Key Q4 themes

- Less than 40 percent of clients feel bullish about the U.S. stock market, down to similar levels as the second half of 2020.
- Clients are more bullish on the overall U.S. economy looking ahead to 2022.
- Despite increasing caution about the stock market, nearly a third of clients still plan to add money into individual stocks over the next three months.
- Forty percent of clients say they have returned to normal spending behavior at this stage of the pandemic.
- The political landscape in Washington D.C. and inflation are top client concerns in Q4.

Bullish market sentiment drops to nearly the same level as end of 2020

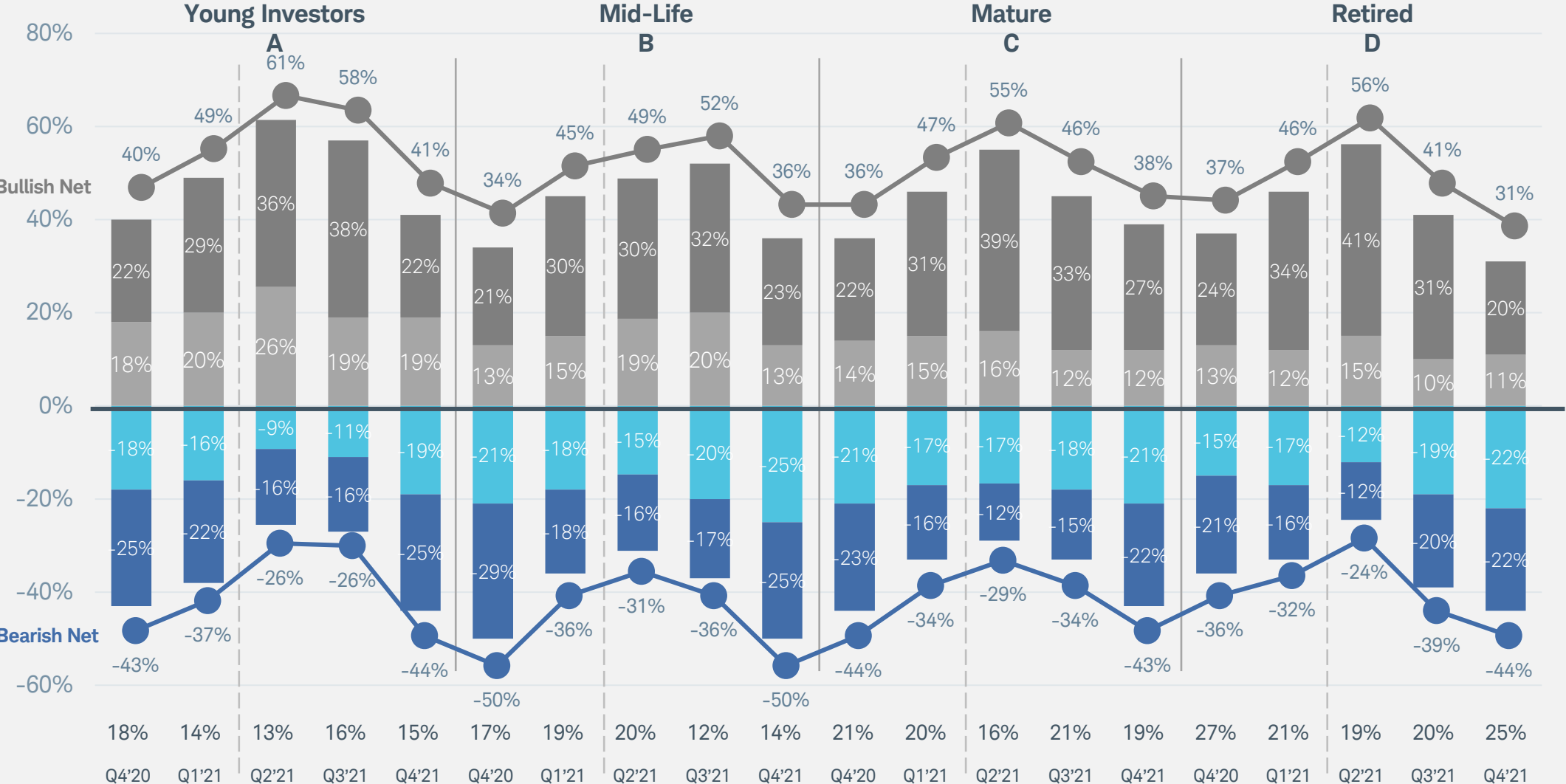
Outlook For U.S. Stock Market (Single response only; Among Total Sample)



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

While positive market sentiment is down across all client types, younger investors remain the most bullish by a narrow margin

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.

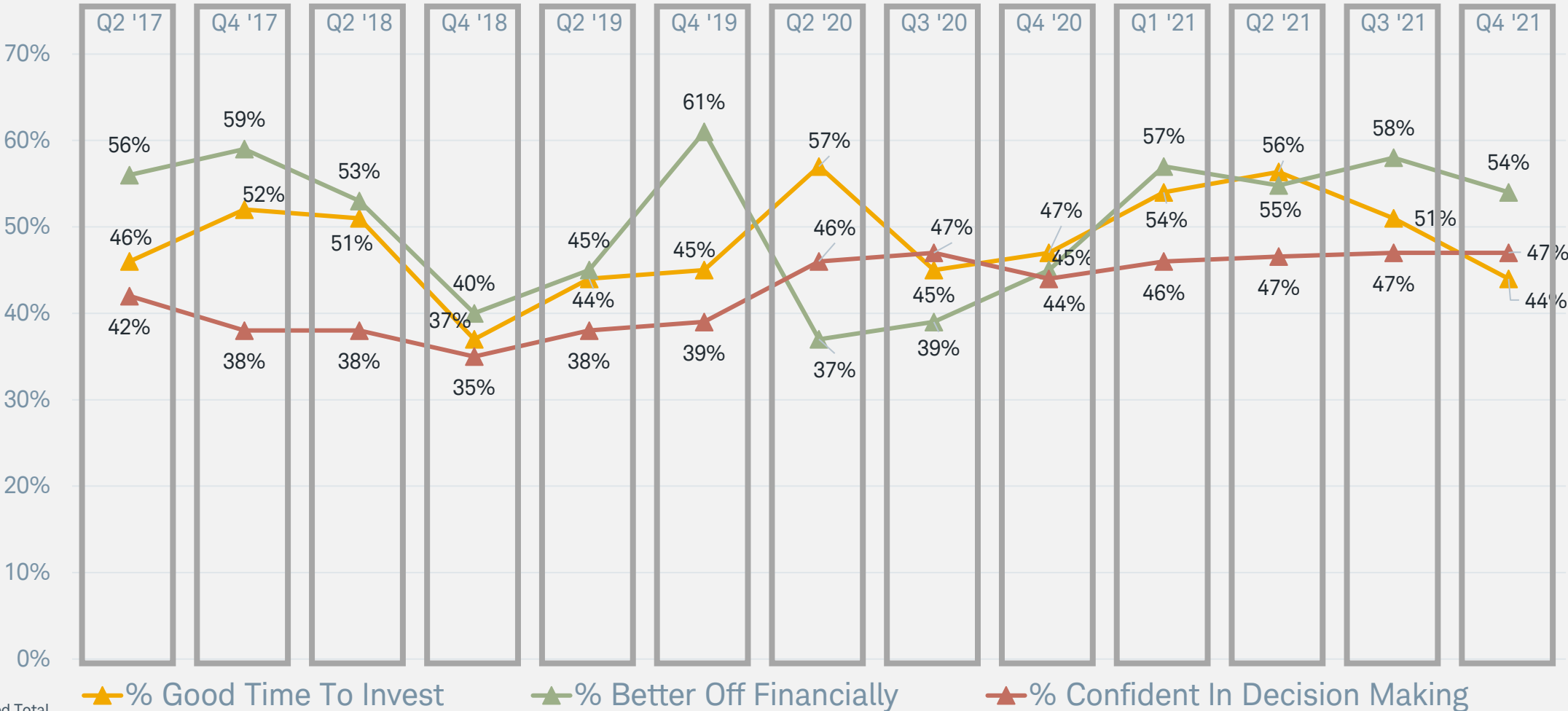
Don't know

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

More than half of clients feel better off financially compared to a year ago, but less than half think right now is a good time to invest

Client Confidence Trends

June 2016 – October 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?

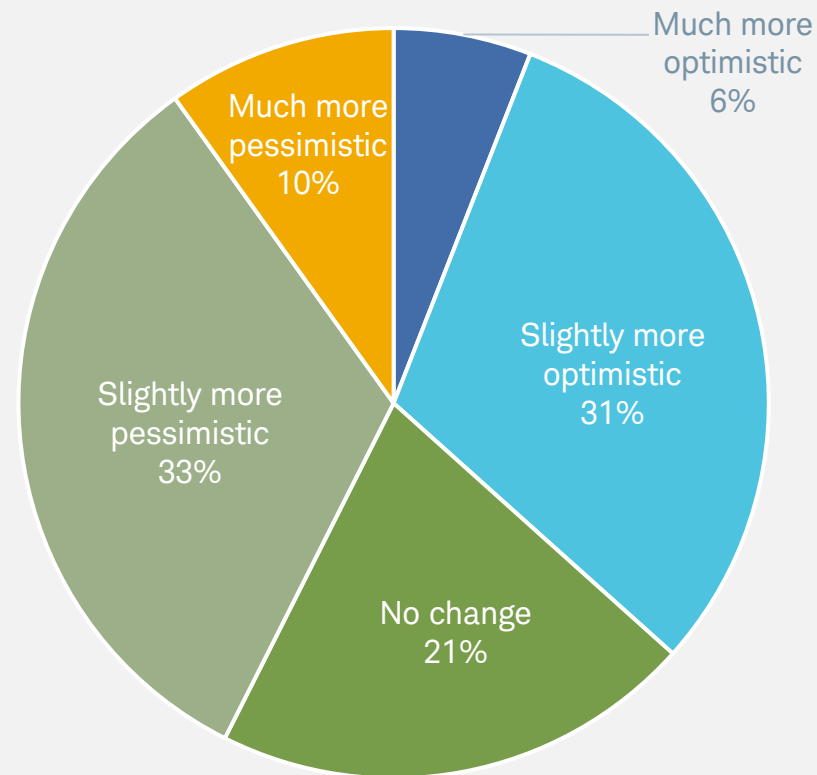
Q3. In terms of how you are getting along financially, compared to a year ago, are you...?

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

Despite softening market sentiment, 37 percent of clients feel optimistic about the overall U.S. economic outlook next year

Outlook Of U.S. Economy for 2022

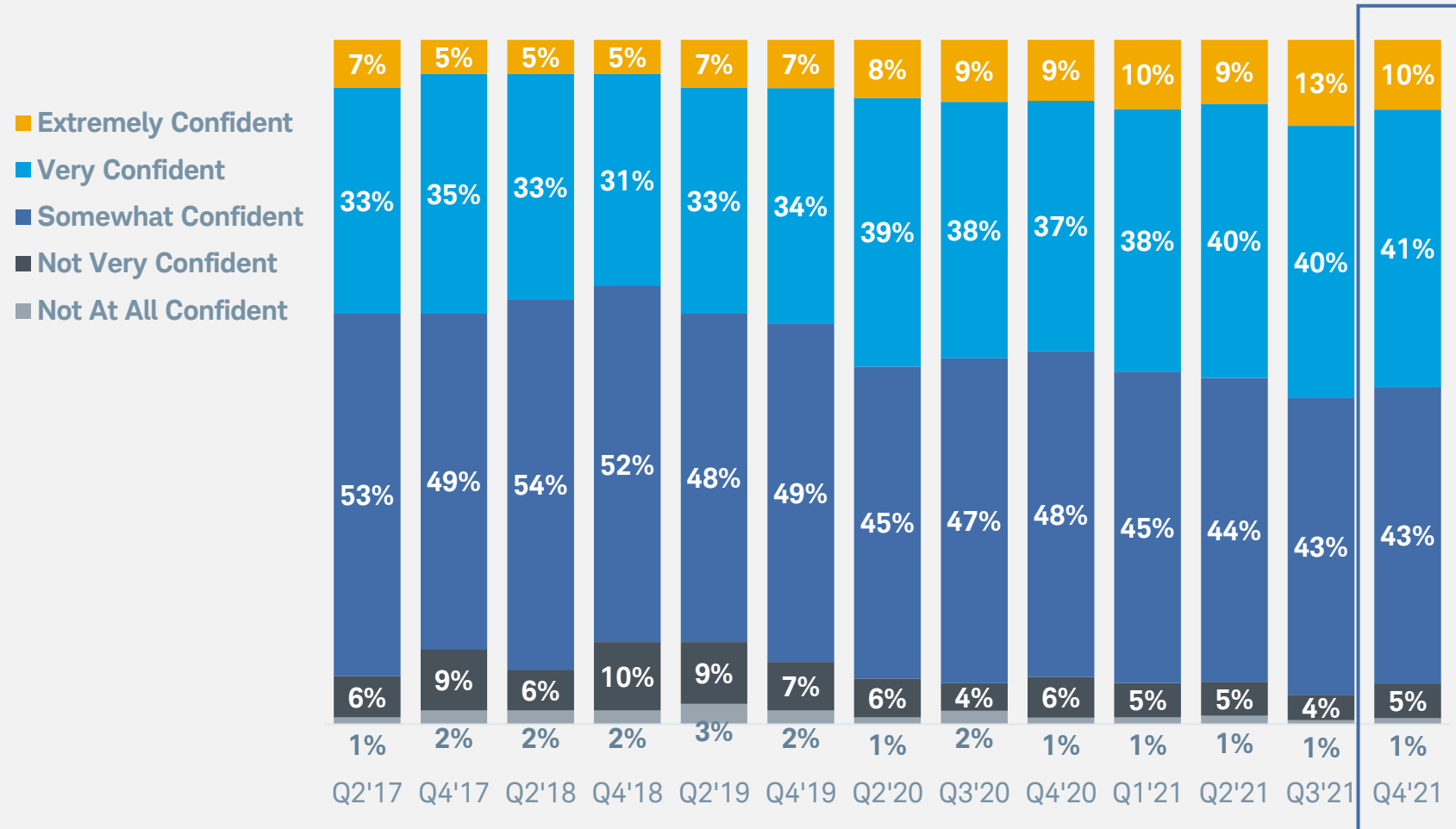
(Single response only; Among Client Sample)



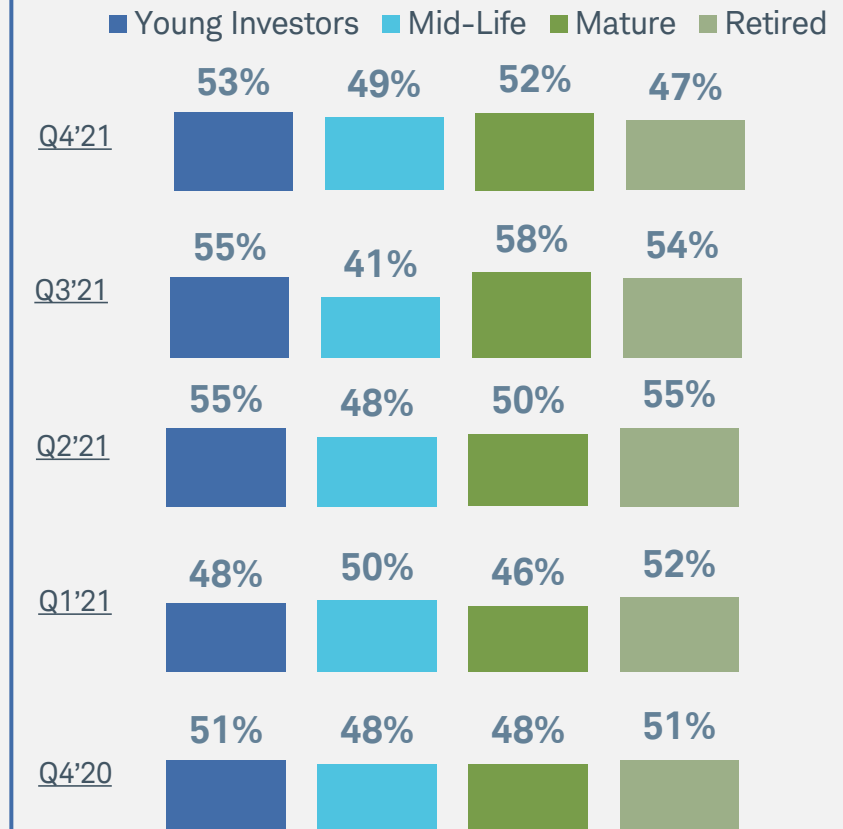
Base = Weighted Total (n=1,521)
QSI_Q421_2. When it comes to the U.S. economy overall, what is your outlook for 2022 compared to this year?

Client 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



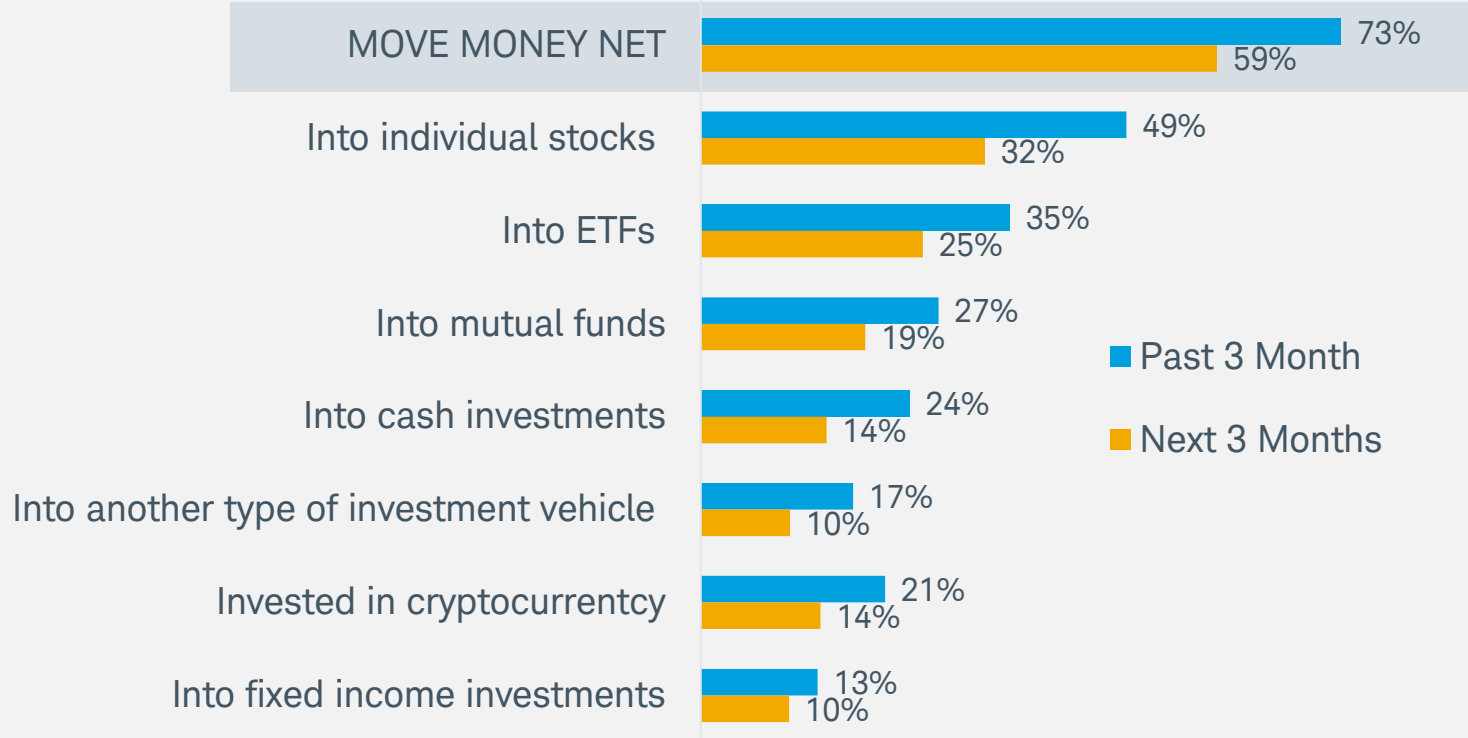
Base = Weighted Total (n=1,521)

Q10. Which statement best describes your confidence in reaching your financial goals?

Nearly a third of clients plans to move money into individual stocks in the next three months, the most of any asset class

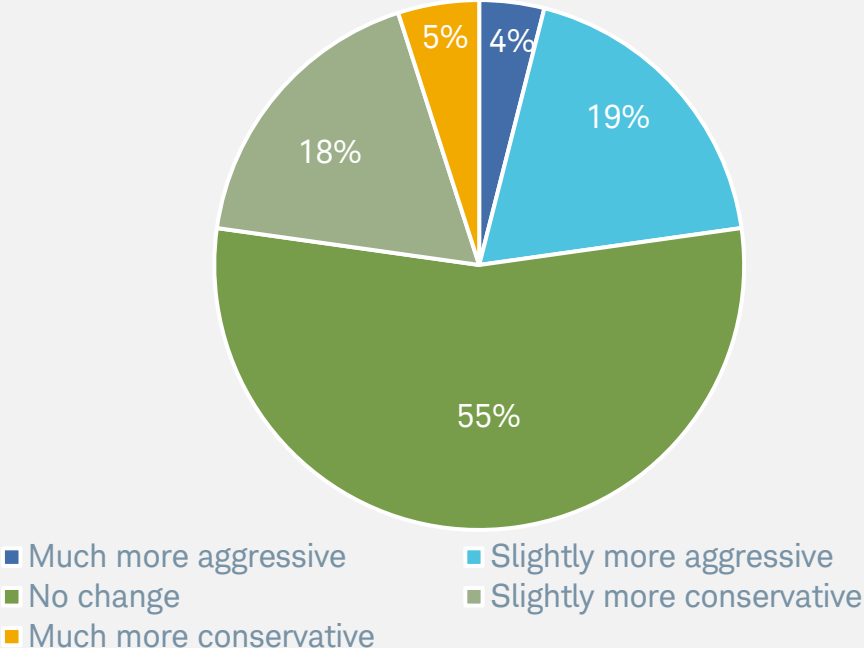
Portfolio Changes - Past 3 Months & Planned in Next 3 Months

(Multiple responses allowed; Total Sample)



Approach To Level Of Risk In Investment Portfolio In Next Three Months

(Single response only; Among Client Sample)



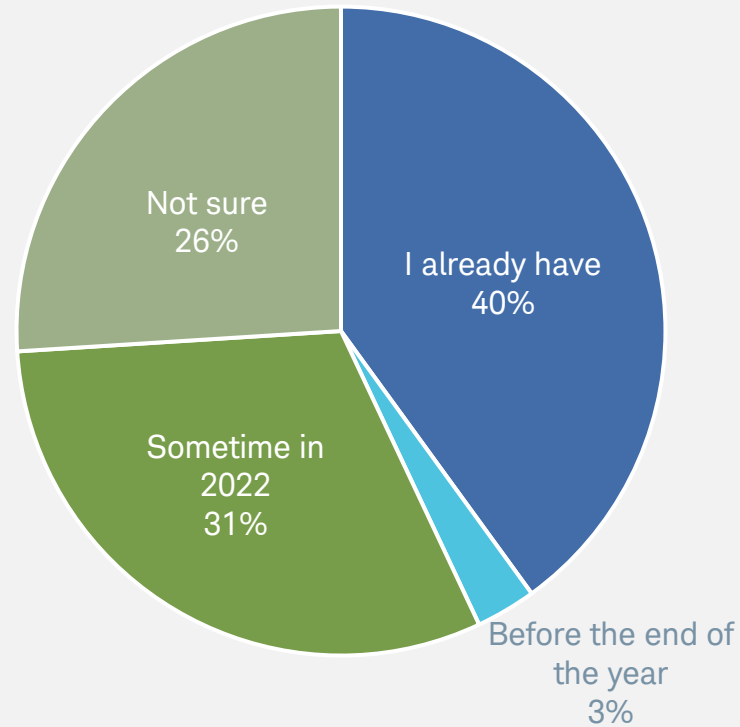
Base = Weighted Total (n=1,521)

Q5. Which of the following actions have you taken, if any, in the past 3 months? / Q20. Which of the following actions do you plan to do over the next 3 months?
 QSL_Q421_1. Which of the following best describes your approach to the level of risk you will take in your investment portfolio over the next three months?

Forty percent of clients say they have returned to normal spending behavior

Time Period Expect To Return To Normal Living & Spending

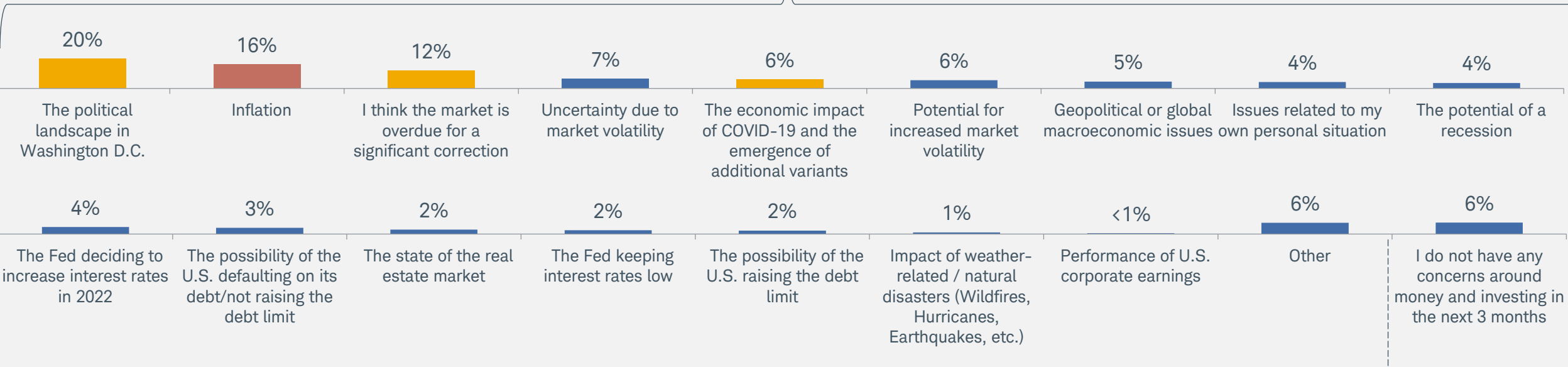
(Single response only; Among Client Sample)



The political landscape and inflation are top investor concerns

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

Note: Percentages based among those with a concern



Base = Weighted Total (n=1,521)
Q7. What is your primary concern around money and investing within the next 3 months?

Disclosures:

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