

Q1 2024 Retail Client Sentiment Report

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Q1 2024 Executive Summary

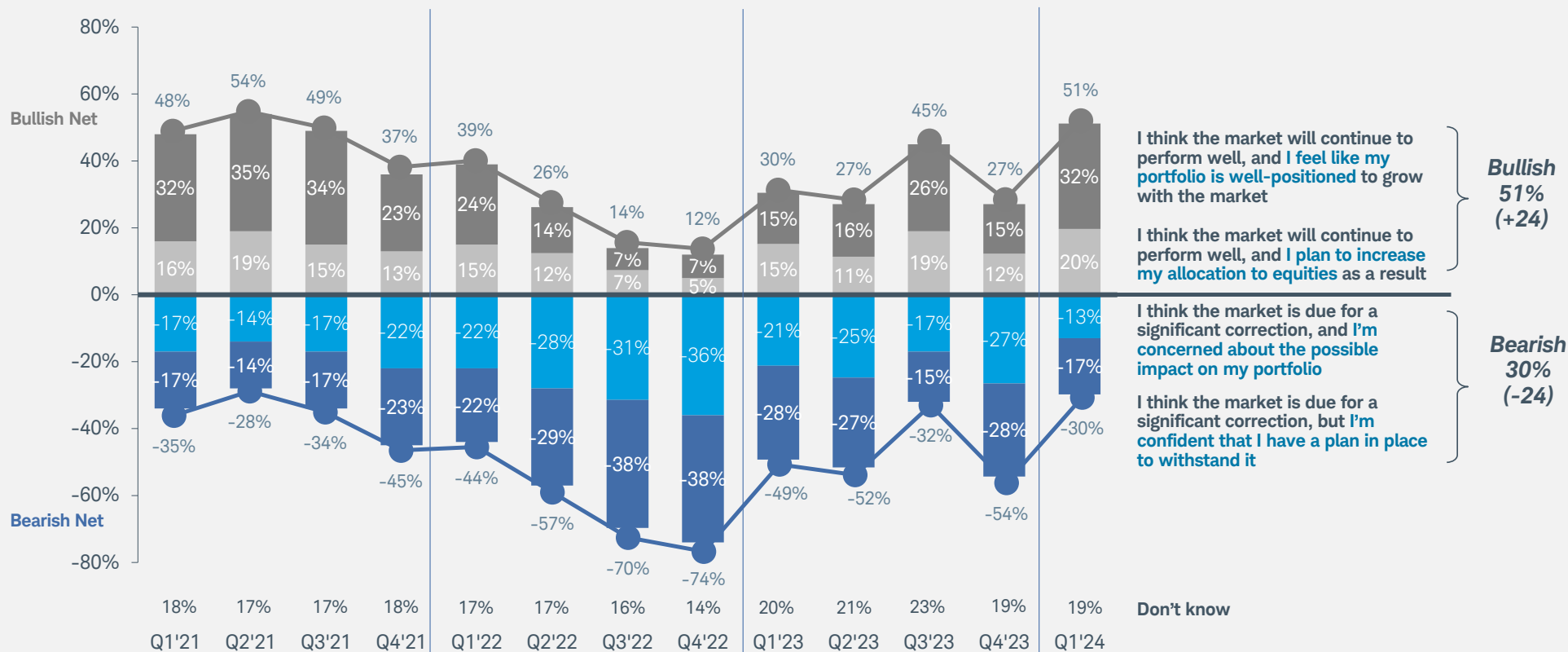
Retail investor sentiment is beginning to rebound, with more than half of respondents reporting a bullish outlook on the U.S. stock market for the first time since 2021. Just over half of investors feel that now is a good time to invest and are confident in their decision making. Nearly half of retail investors plan to add money to their portfolio, and they are more likely to seek investing guidance and advice than in previous quarters.

Key Q1 themes

- The outlook for the U.S. Stock Market has rebounded to levels not seen since Q3'21, with an increase in bullishness among Investors across all life stage cohorts.
- Concerns about the political landscape in Washington D.C. remain at the top among retail investors, while worries about geopolitical or global macroeconomic issues are on the rise and concerns about inflation and a potential of a recession decline.
- Looking ahead, retail investors are most likely to add money to the stock market, take advantage if higher interest rates and consider tax-efficient investing strategies through the course of the year.

Retail investor sentiment is beginning to rebound, with more than half of respondents reporting a bullish outlook on the U.S. stock market for the first time since 2021.

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



Base = Weighted Total (n=942)

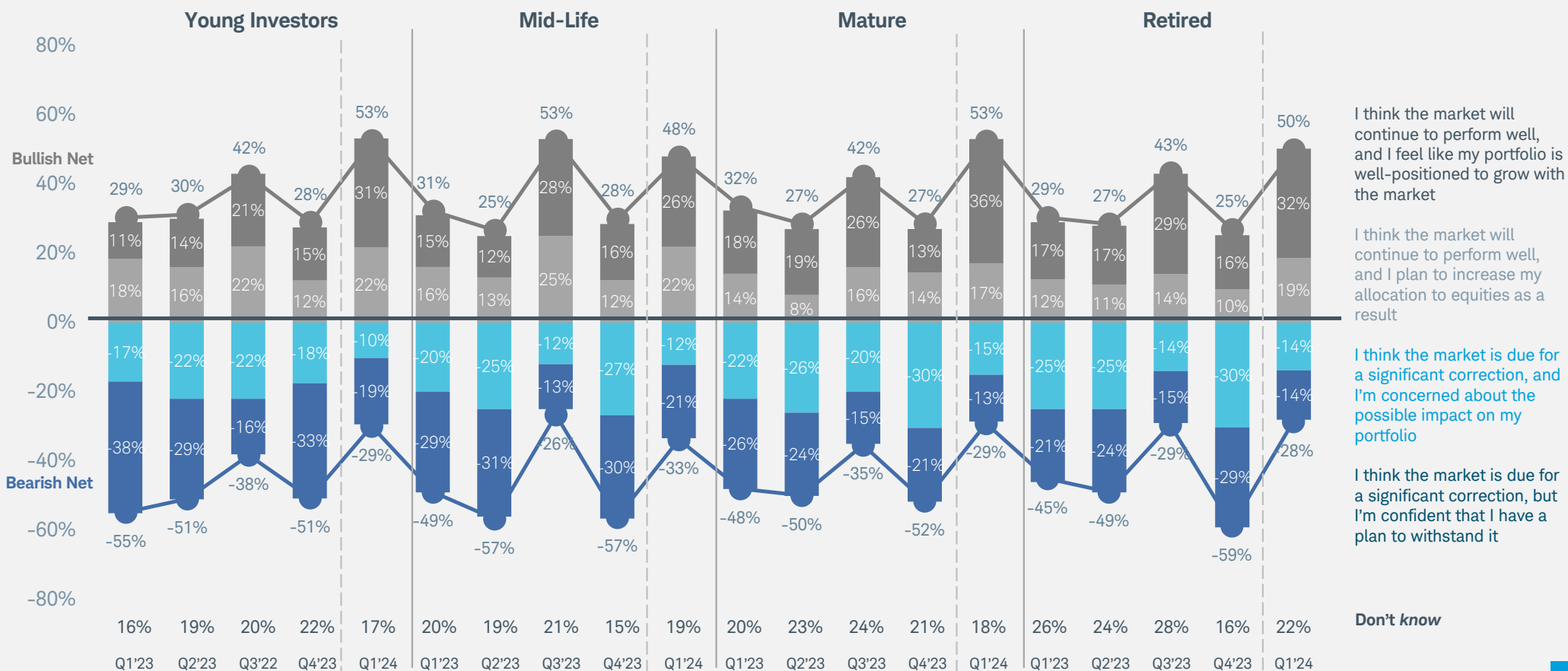
Q6. Thinking about the next 3 months, which statement best describes your outlook for the U.S. stock market?

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Bullishness is on the rise among retail investors across life stages, but mature and retired investors feel strongest that their portfolios are well positioned to grow with the market.

Outlook For U.S. Stock Market By Life Stage

(Single response only; Among Client 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 (n=942)

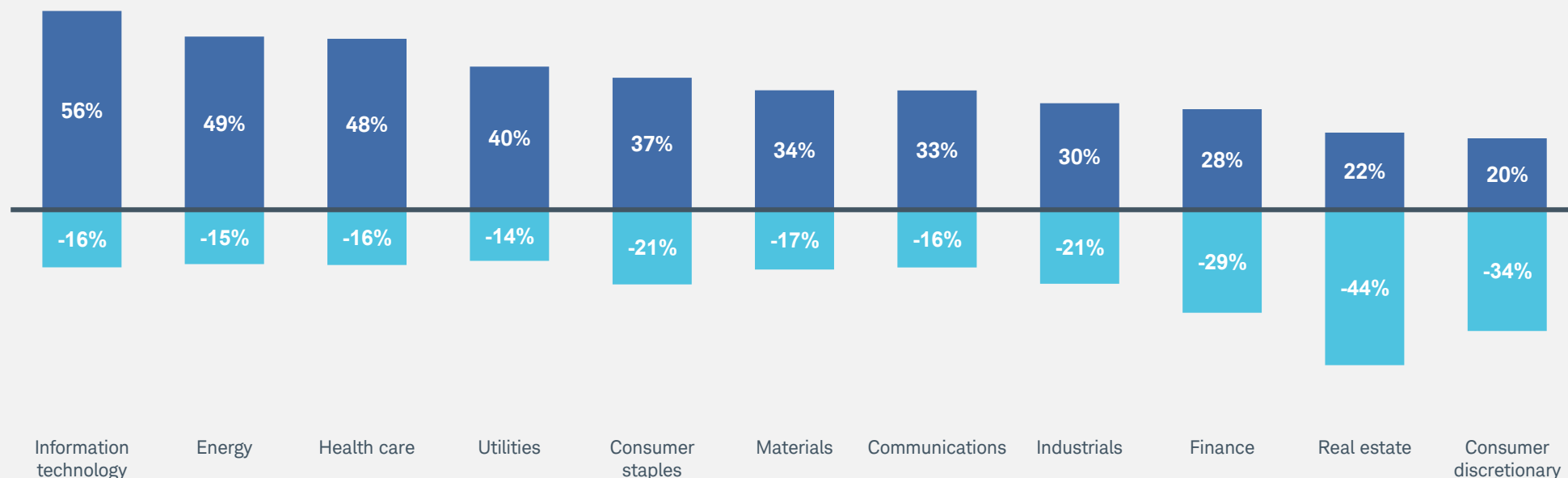
Q6. Thinking about the next 3 months, which statement best describes your outlook for the U.S. stock market?

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Similarly to previous quarters, retail investor sentiment are most bullish about the information technology, energy and health care sectors, and most bearish towards the consumer discretionary and real estate sectors.

Sector Sentiment Over Next 3 Months (Among Client Sample)

■ Bullish ■ Bearish

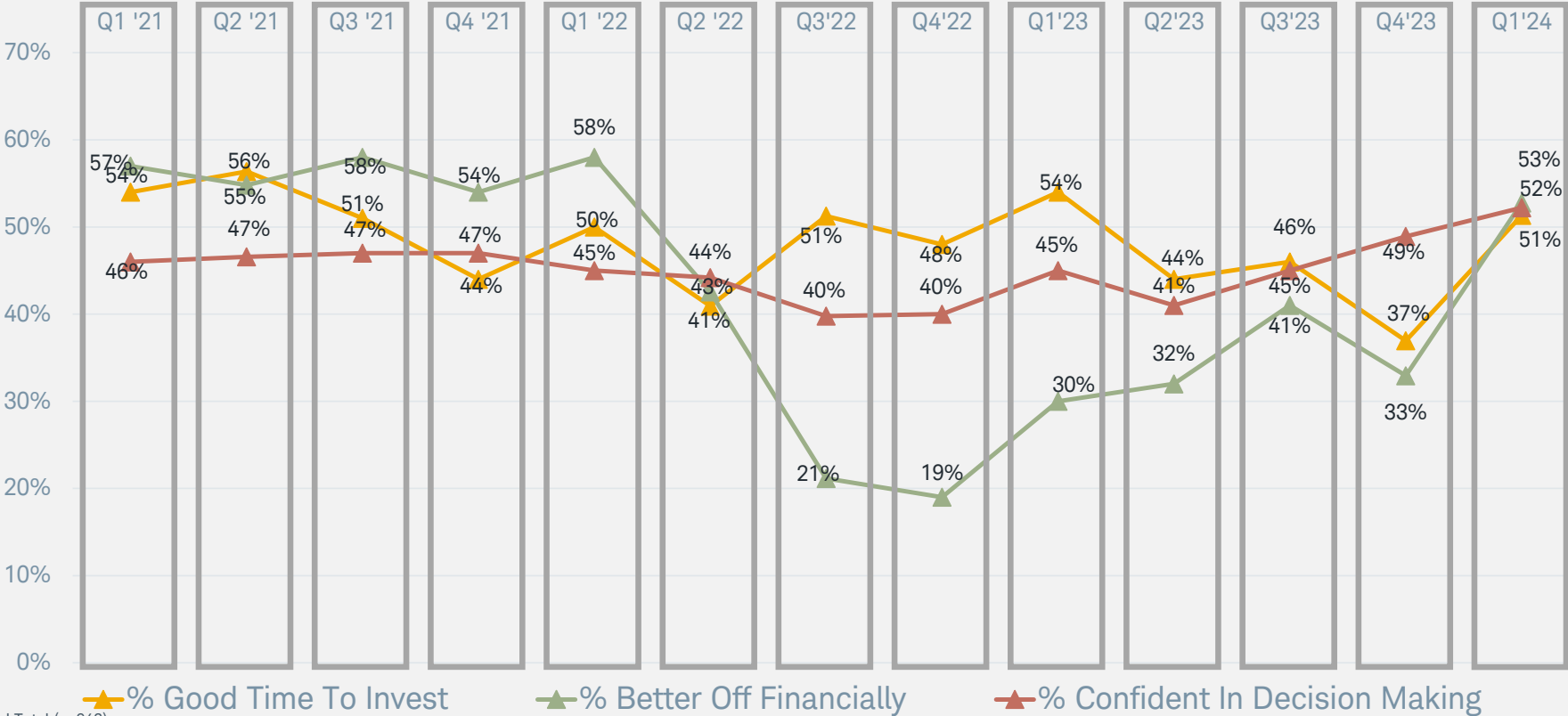


Base = Weighted Total (n=942)
Q23A. In your opinion, which term best describes the U.S. stock market for each of the following sectors over the next three months?

Just over half of investors feel that now is a good time to invest and are confident in their decision making. A similar proportion are feeling better off financially, rebounding to the highest level in two years.

Client Confidence Trends

January 2021 – January 2024
(Among Client Sample)



Base = Weighted Total (n=942)

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

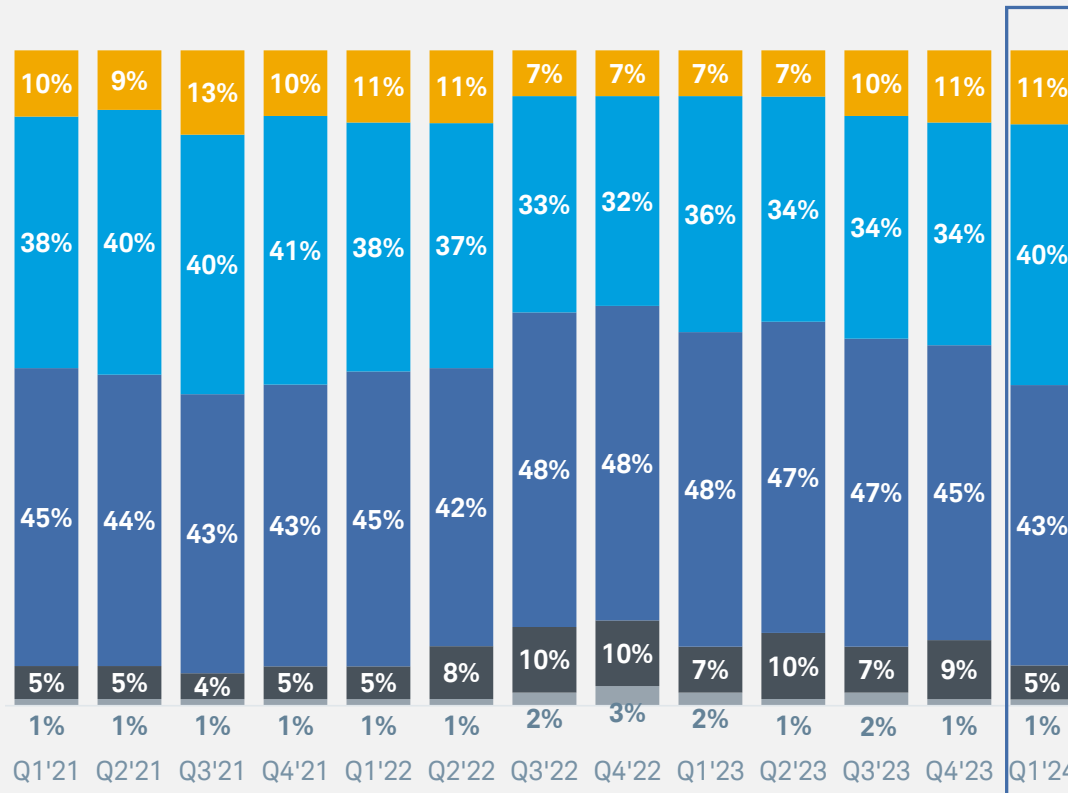
Q3. In terms of how you are getting along financially, compared to a year ago, are you...?

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

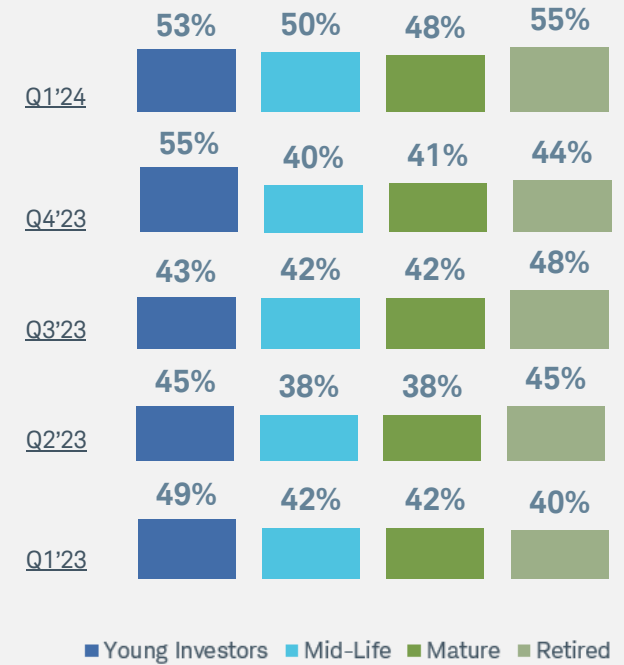
Retail investor confidence in reaching financial goals continued to rise, with the largest boosts among retired and mid-life investors.

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

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



Top 2 Box Confident



- Young Investors
- Mid-Life
- Mature
- Retired

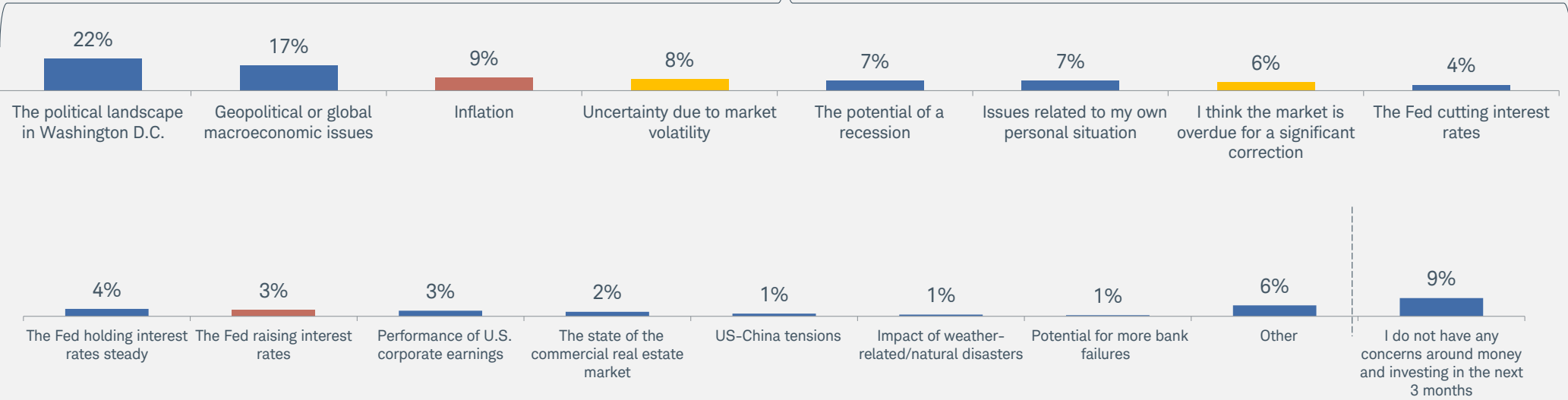
Base = Weighted Total (n=942)
Q10. Which statement best describes your confidence in reaching your financial goals?

Concerns about the political landscape in Washington D.C. remain at the top among retail investors, while worries about geopolitical or global macroeconomic issues are on the rise and concerns about inflation and a potential of a recession decline.

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

 **12% Inflation/Increase Rate Related Concerns**

Note: Percentages based among those with a concern

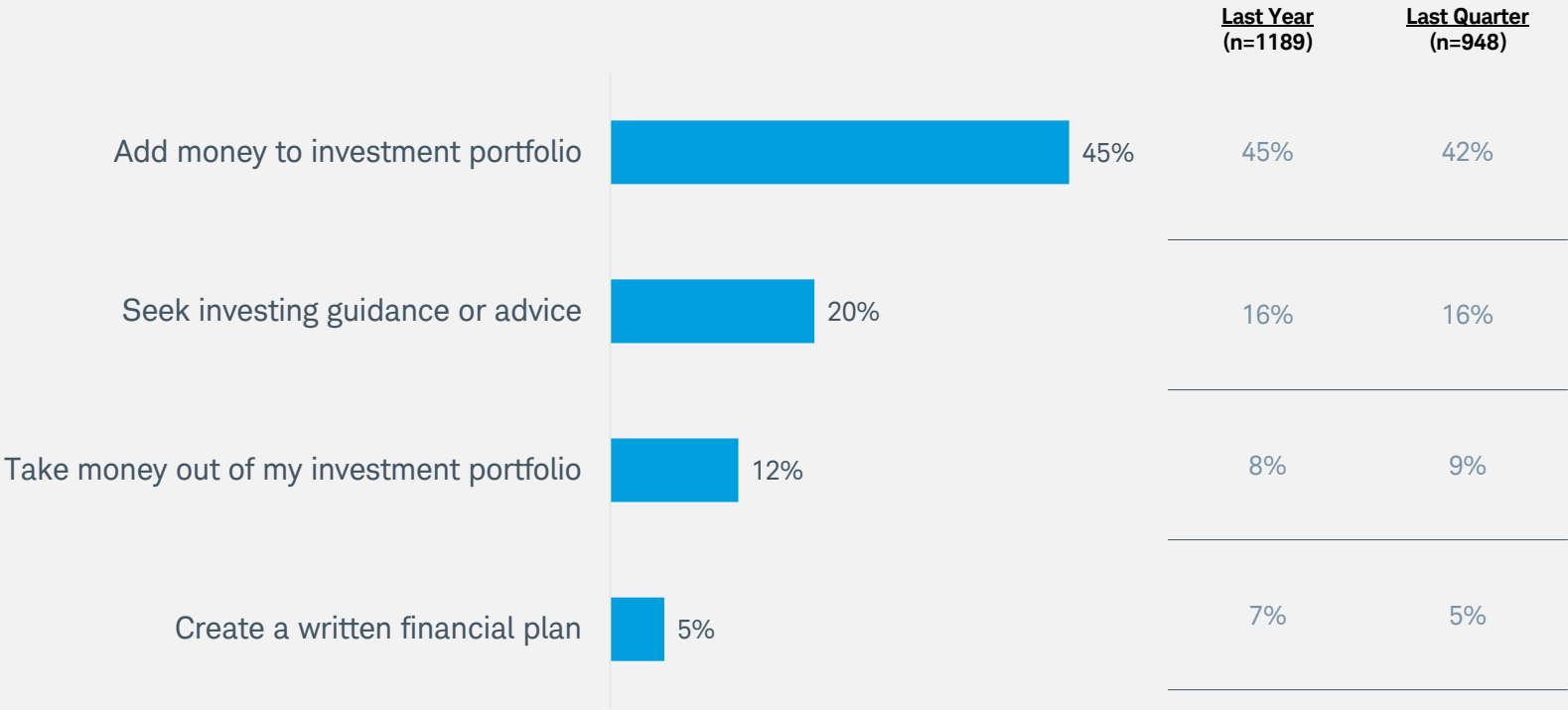


Base = Weighted Total (n=942)
Q7. What is your primary concern around money and investing within the next 3 months?

Nearly half of retail investors plan to add money to their portfolio, and 20 percent also plan to seek investing guidance and advice.

Portfolio Changes Planned in Next 3 Months

(Multiple responses allowed; Among Client Sample)

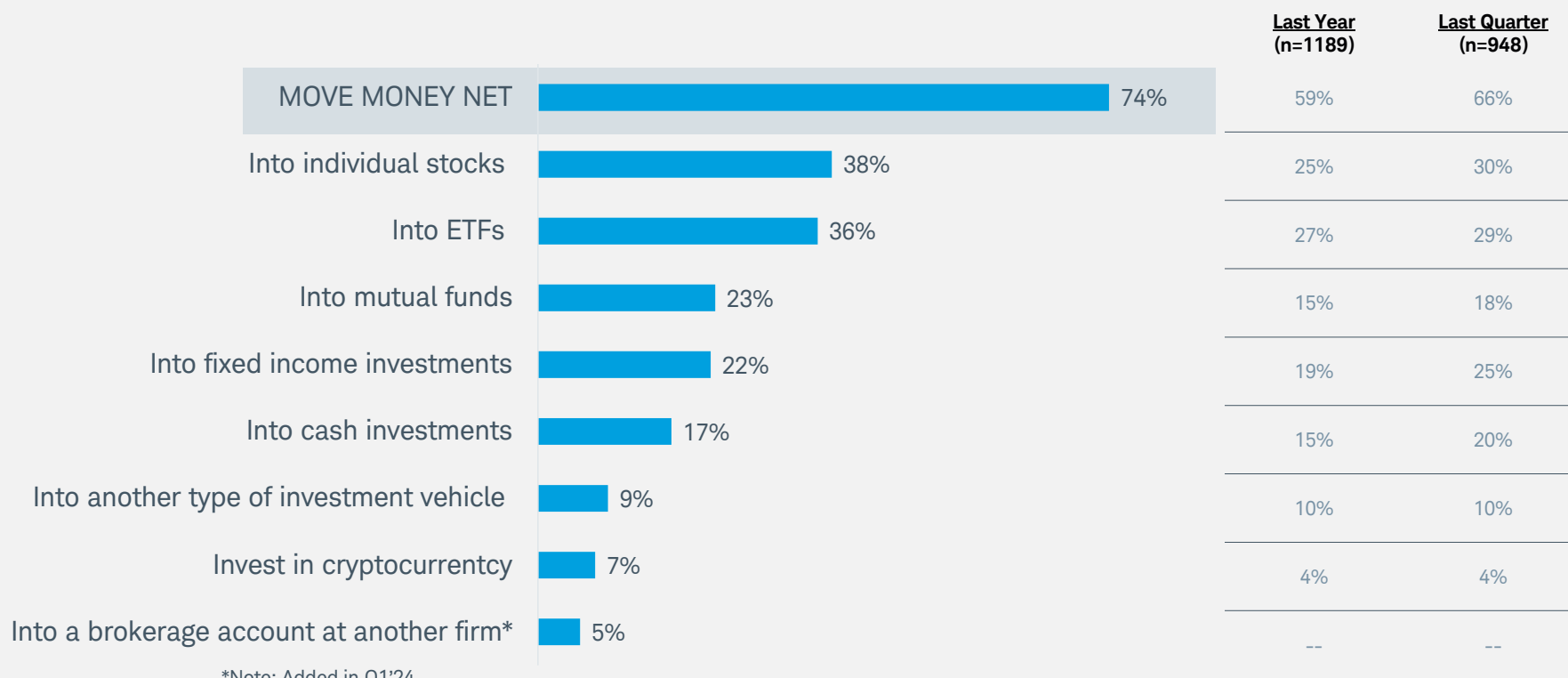


Base = Weighted Total (n=942)
 Q20. Which of the following actions do you plan to do over the next 3 months?

Three in four investors plan to move money, primarily into individual stocks and ETFs.

Portfolio Changes Planned in Next 3 Months

(Multiple responses allowed; Among Client Sample)



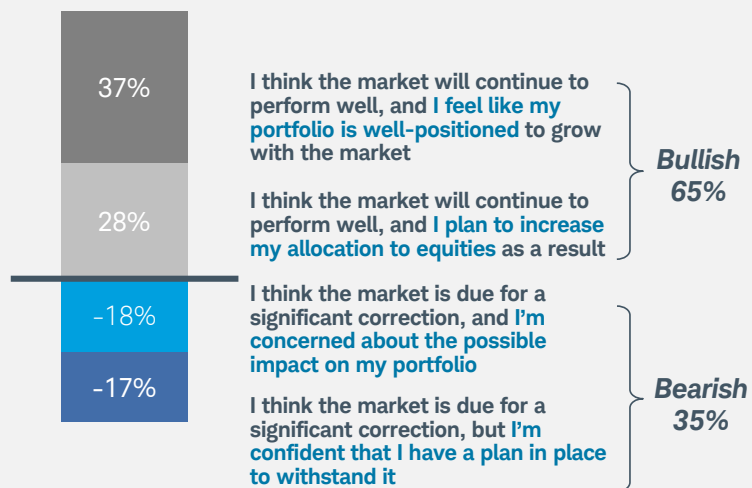
*Note: Added in Q1'24

Base = Weighted Total (n=942)
 Q20. Which of the following actions do you plan to do over the next 3 months?

Looking ahead, retail investors are mostly bullish about the U.S. stock market for 2024. They are most likely to add money to the stock market, take advantage if higher interest rates and consider tax-efficient investing strategies through the course of the year.

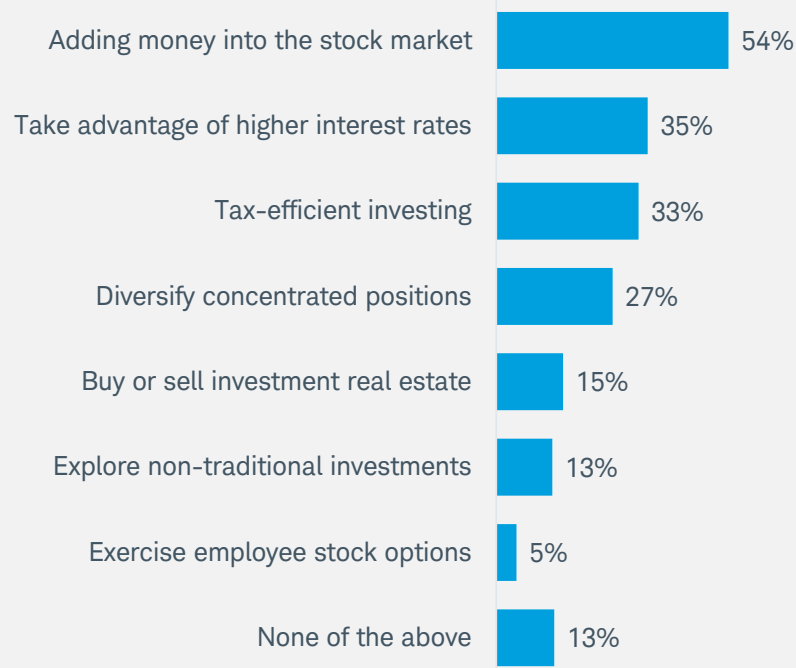
Outlook For 2024

(Single response only; Among Client Sample)



Consideration of Wealth Building Strategies in 2024

(Multiple response; Among Client Sample)



Base = Weighted Total (n=942)

QSI_Q124_1. Thinking about the full 2024 year ahead, beyond just the first three months, which statement best describes your outlook for the U.S. stock market?

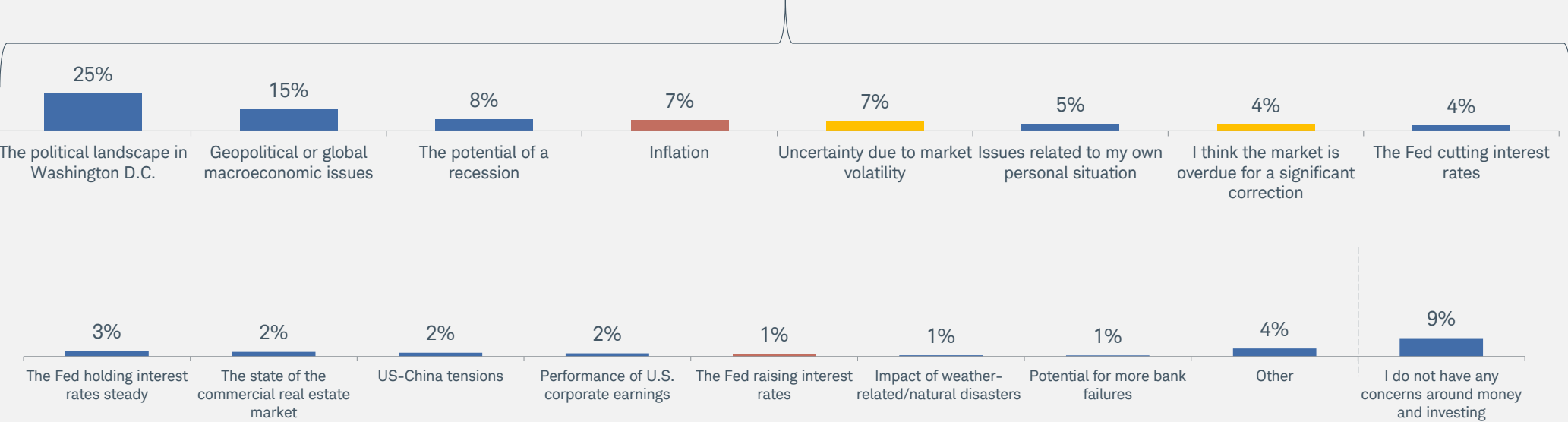
QSI_Q124_4. Which of the following wealth building strategies do you plan to consider in 2024?

The political landscape in Washington D.C. and geopolitical or global macroeconomic issues are top concerns among investors for 2024.

Primary Concern About Investing for 2024 (Single response only; Among Client Sample)

 **9% Inflation/Increase Rate Related Concerns**

Note: Percentages based among those with a concern

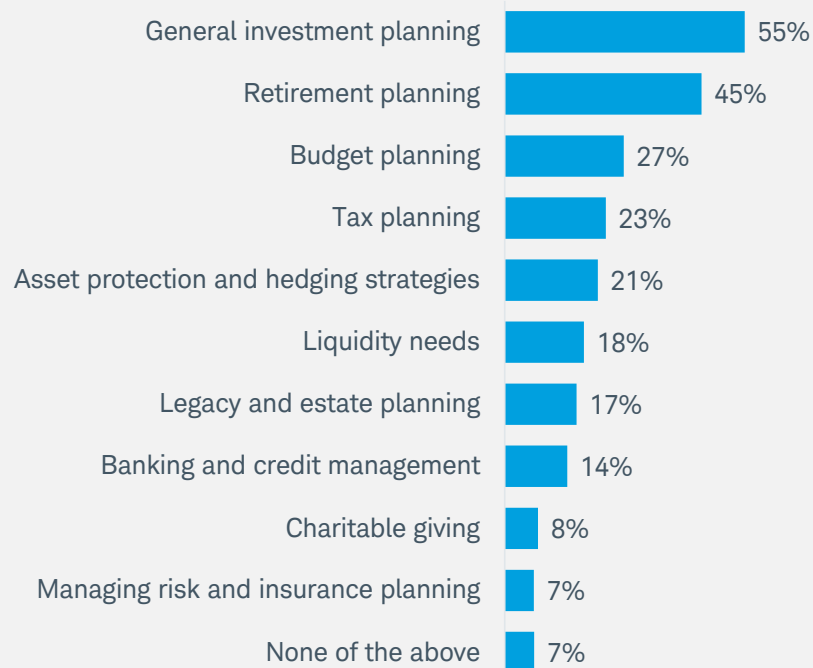


Base = Weighted Total (n=942)
QSI_Q124_2. What is your primary concern around your finances and investing for the full 2024 year ahead, beyond just the first 3 months?

General investment planning, retirement planning and budget planning are the top priorities among retail investors for 2024.

Top Three Priorities for 2024

(Select up to three responses; Among Client Sample)



Base = Weighted Total (n=942)

QSI_Q423_3. What are your three biggest financial planning and wealth management priorities in 2024?

Methodology and Respondent Demographics

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.
- The data was weighted by Life Stage and Investible Assets/Affluence to reflect the Schwab client population.
- Q1 study was fielded on January 12th – January 27th, 2024

Gender Male 728 (77%) Female 170 (18%) No answer 44 (5%)	Affluence UHNW (\$10M+) 2 (<1%) HNW (\$1M-<\$10M) 63 (7%) Mass Affluent (\$250K-<\$1M) 329 (35%) Core (<\$250K) 548 (58%)	Employment Status Employed full-time 420 (45%) Employed part-time 23 (2%) Self-employed 81 (9%) Retired/semi-retired 351 (37%) Other 38 (4%) No answer 29 (3%)
Life Stage Younger Investor (<40) 131 (14%) Mid-Life (40-55) 255 (28%) Mature (55+ not retired) 255 (28%) Retired 280 (30%)	Financial Consultant Relationship Has Financial Consultant 175 (19%) Does not have Financial Consultant 767 (81%)	

Sample sizes for respondents who were asked the Investment Sentiment section of the survey (n=942)