

# Q4 2020 Retail Client Sentiment Report

*charles*  
SCHWAB

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# Methodology and Respondent Demographic Profile

## Methodology:

- This data is collected quarterly for Schwab by [Directive Analytics](#), via an online survey among clients with Retail Assets of at least \$2,000 (excluding Chairman’s Club clients)
- 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 6 – 18, 2020

<b>Gender</b> Male 640 (67%) Female 249 (26%) No answer 63 (7%)	<b>Affluence</b> High Net Worth (\$1M+) 156 (16%) Affluent (\$250K-<\$1M) 287 (30%) Foundational (<\$250K) 509 (54%)	<b>Active Trader</b> Active 282 (30%) Not Active 670 (70%)
<b>Life Stage</b> Younger Investor (<40) 210 (23%) Mid-Life (40-55) 260 (29%) Mature (55+ not retired) 257 (28%) Retired 184 (20%)	<b>Financial Consultant Relationship</b> Has Financial Consultant 233 (25%) Does not have Financial Consultant 719 (75%)	<b>Tenure</b> 2-10 Yrs. 283 (30%) 11-25 Yrs. 355 (37%) 25 Yrs.+ 205 (22%)
		<b>Employment Status</b> Employed full-time 488 (51%) Employed part-time 25 (3%) Self-employed 101 (11%) Retired/semi-retired 237 (25%) Other 62 (6%) No answer 39 (4%)

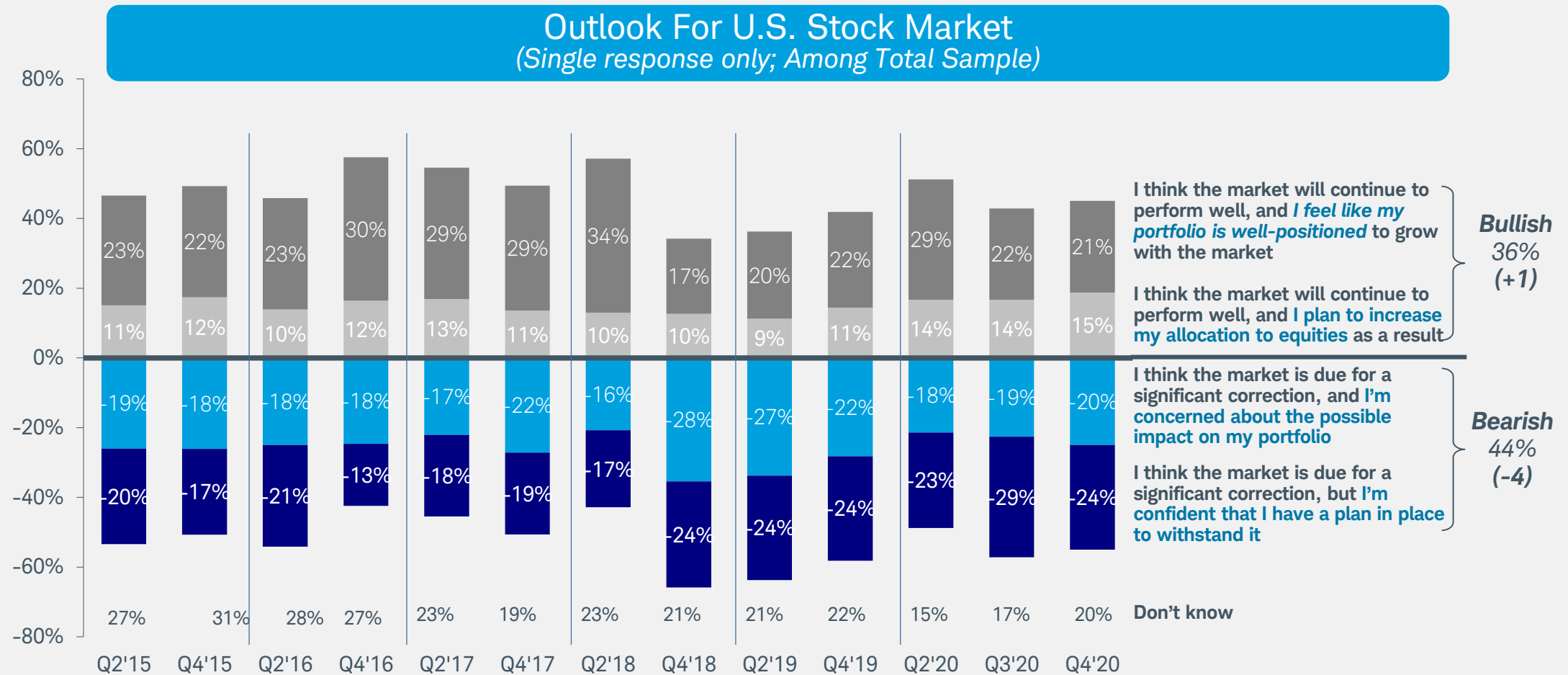
# Q4 2020 Executive Summary

## Retail investors remain bearish; 2020 election causes increased concern around investing

### Key themes

- Client concern around the stock market remains mostly steady – 44% now feel bearish compared to 48% in Q3 2020
- Young investors feel more bullish than they did in Q3 2020; they are also more bullish than mid-life and mature investors
- Number of clients who feel better off financially up slightly from Q3 2020
- Clients expect market volatility to increase through end of 2020
- Top concerns around investing include the 2020 election and COVID-19; clients predict the election will have bigger impact on their finances than other events

# Bearish market sentiment continues in Q4 2020

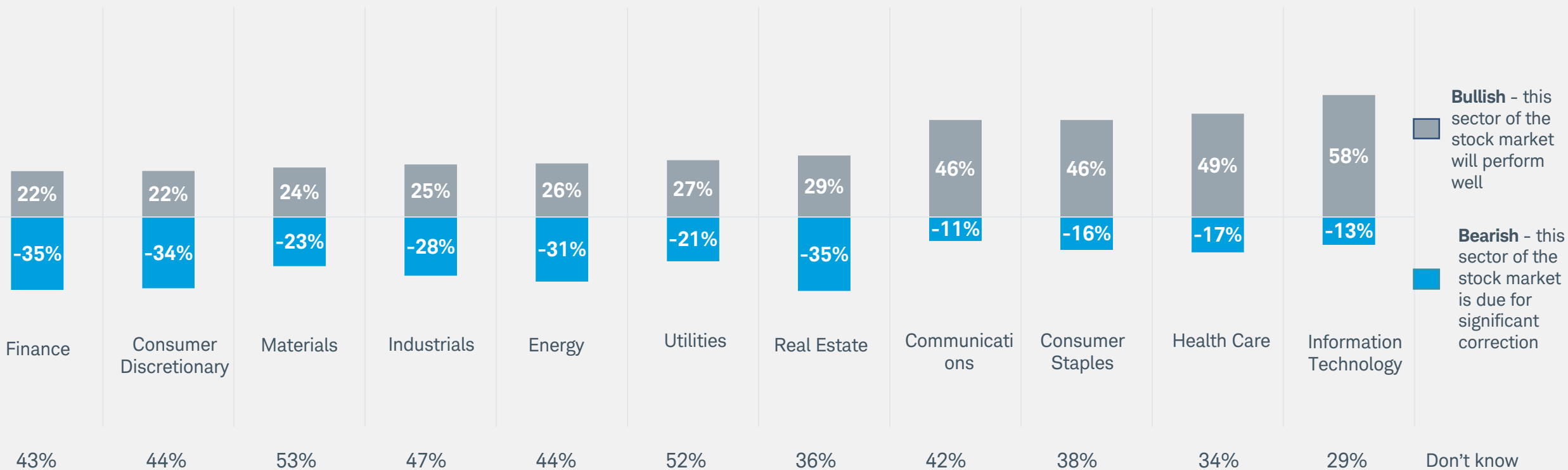


Base = Weighted Total

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

# Clients feel most bullish on the health care and information technology sectors

**Bullish/Bearish Perceptions by Industry**  
(Single response only; Among Total Sample)

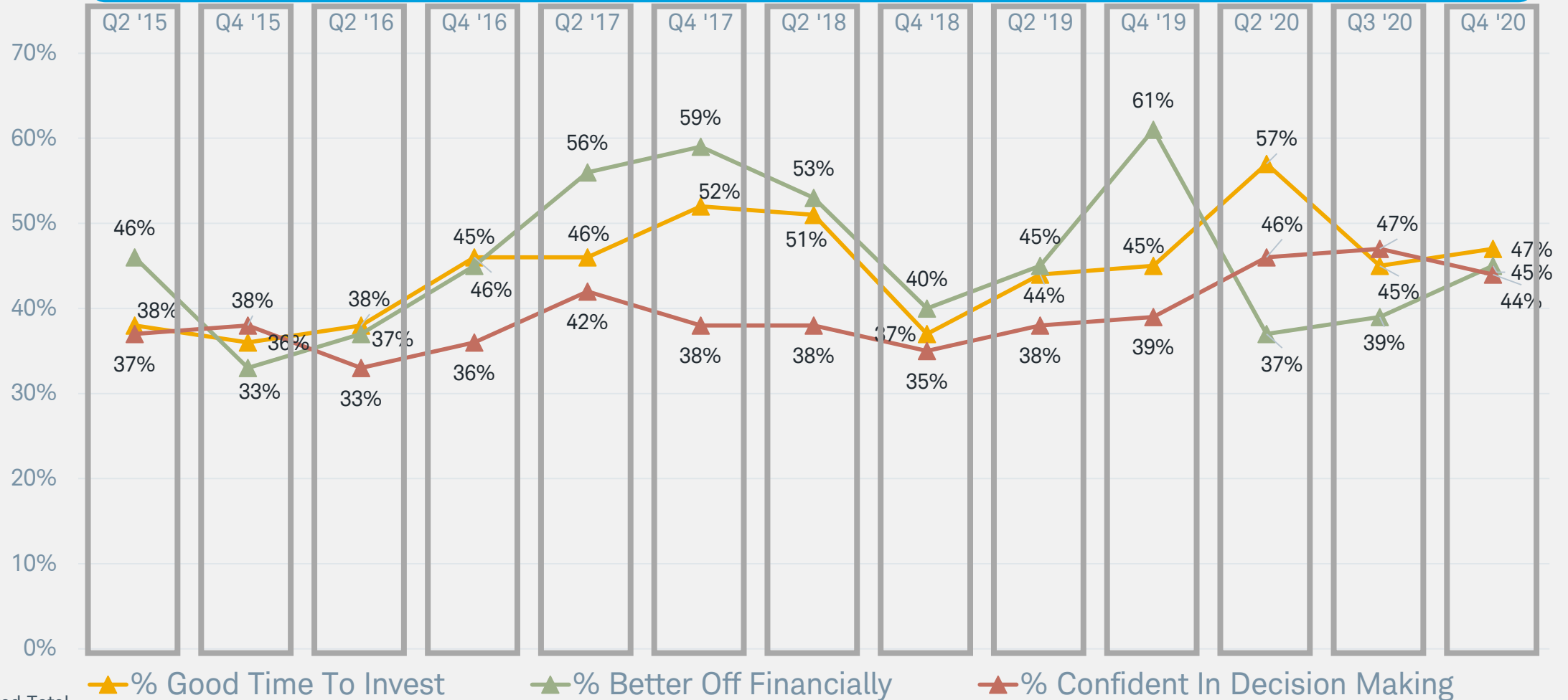


Base = Weighted Total (n=952)

QSI\_Q420\_1. In your opinion, which term best describes the U.S. stock market for each of the following sectors over the next three months?

# Investor confidence measures have held mostly steady although more feel better off financially

## Client Confidence Trends June 2015 – October 2020



Base = Weighted Total

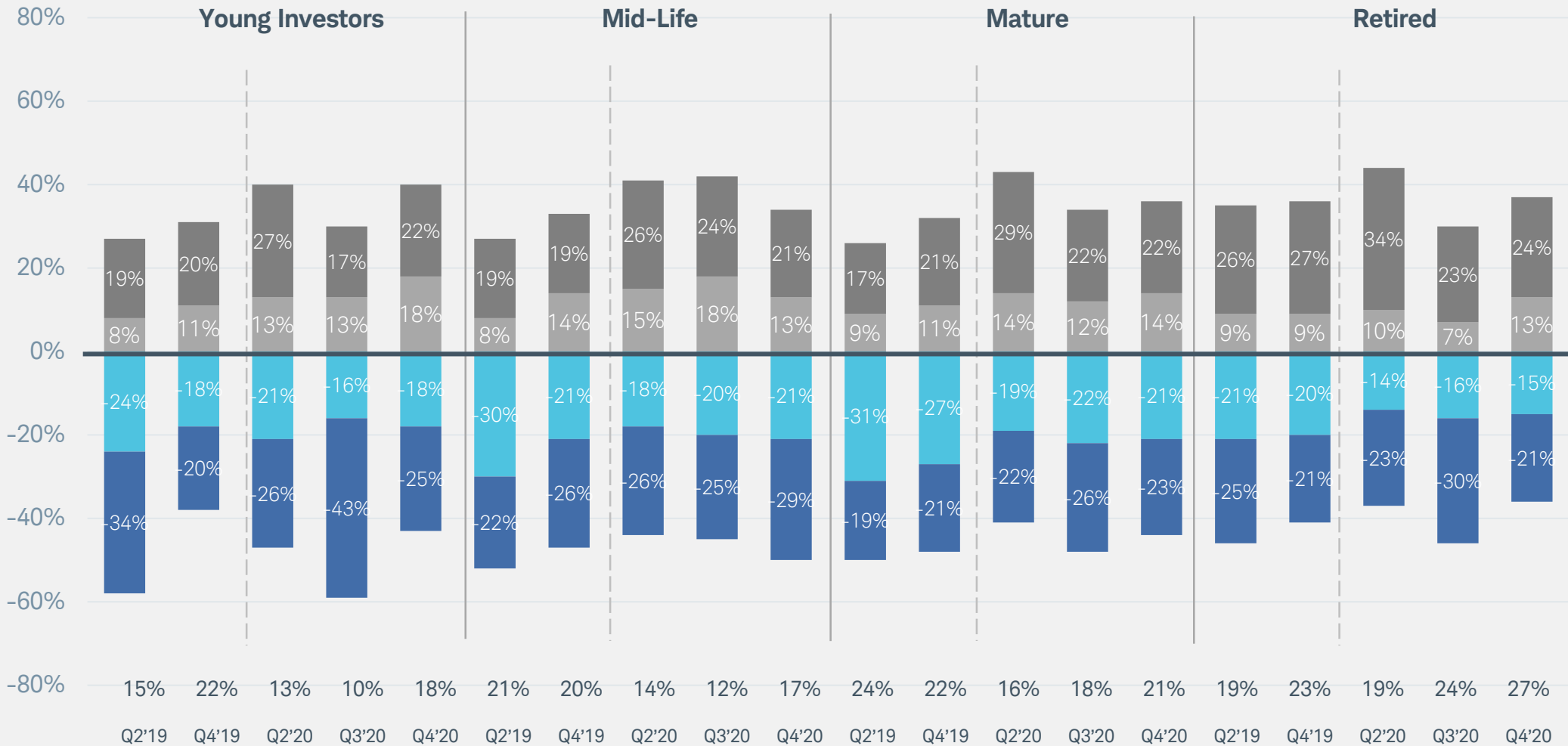
Q1. In your opinion, is this a good time or bad time to invest in stocks, mutual funds and other equity-based investments?

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?

# Young investors and retirees feel more bullish compared to last quarter

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



## Bullish

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.

## Bearish

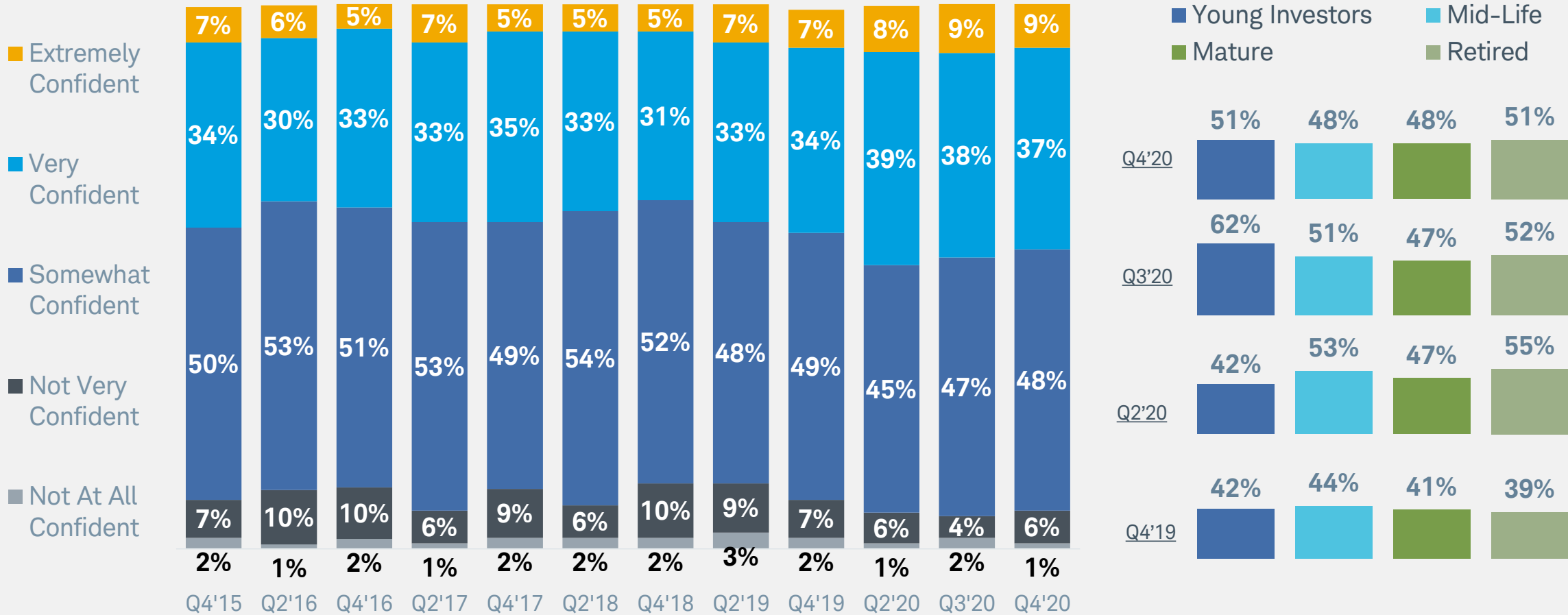
## Don't know

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 across all generations

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

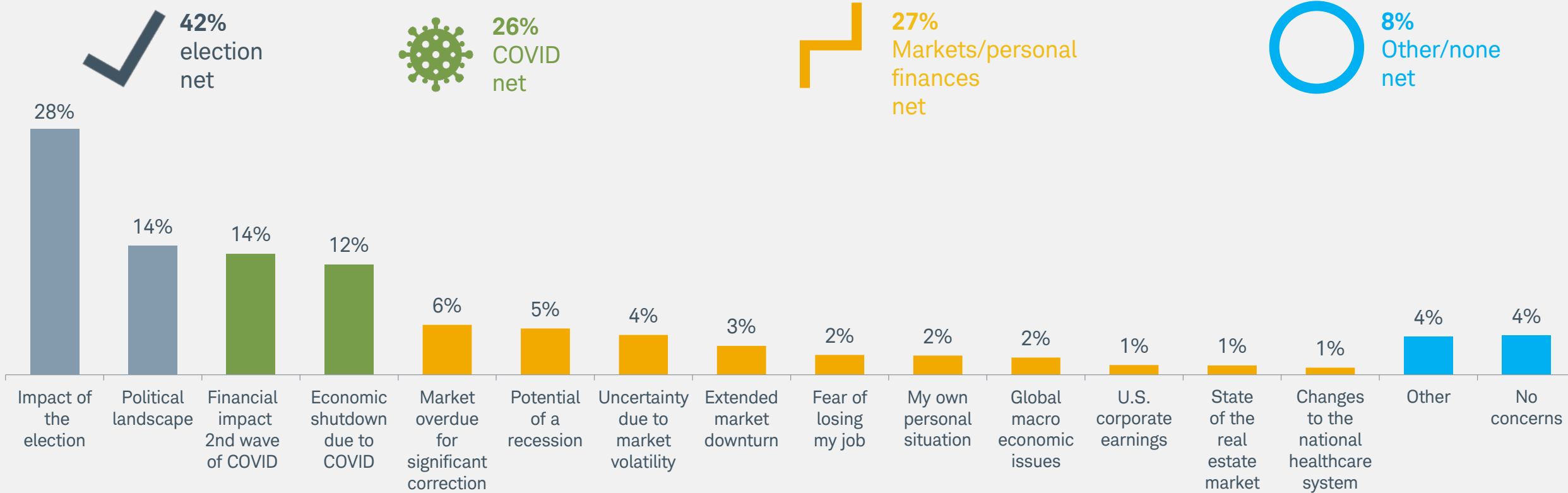


Base = Weighted Total  
Q10. Which statement best describes your confidence in reaching your financial goals?



# The 2020 election tops investors' list of concerns

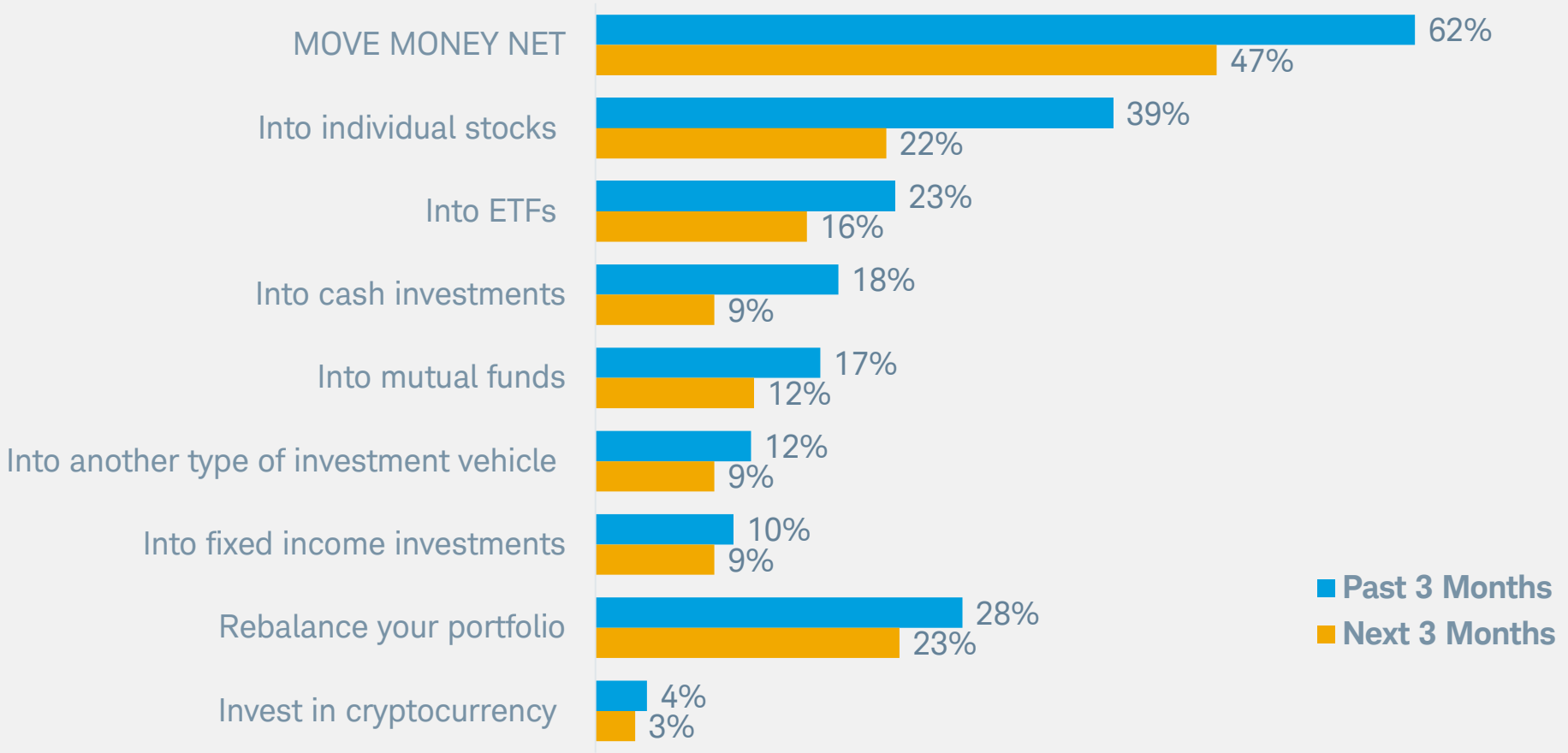
## Primary Concern About Investing (Single response only; Among Total Sample)



Base = Weighted Total (n=952)  
 Q7. What is your primary concern around money and investing within the next 3 months?

# Fewer clients plan to move money into equities over next three months

**Portfolio Allocation Changes Made During Past 3 Months & Planned in Next 3 Months**  
*(Multiple responses allowed; Total Sample)*

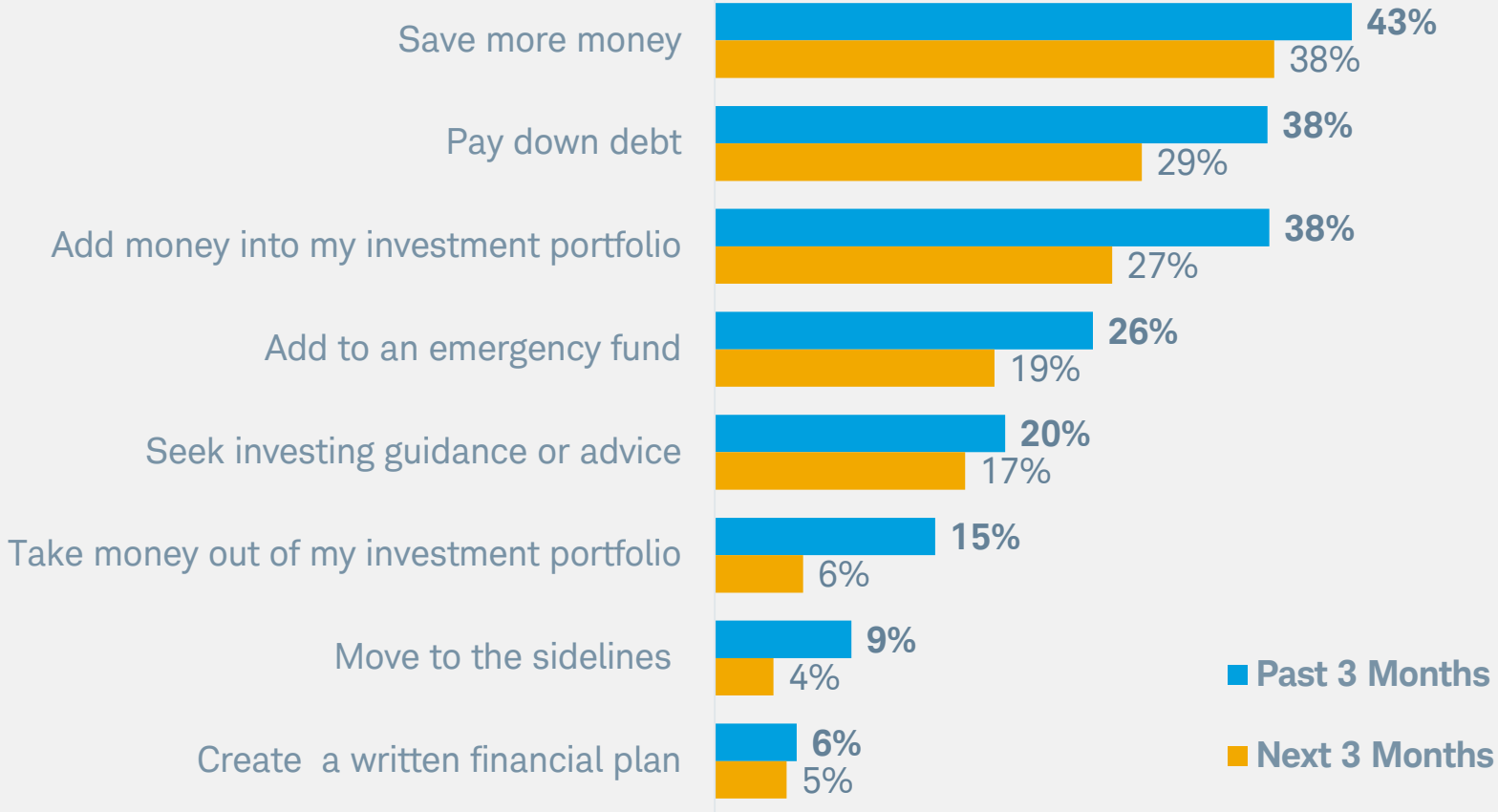


Base = Weighted Total (n=952)

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?

# Fewer clients plan to add new money to investment portfolios over next three months

**Financial Habit Changes Made During Past 3 Months & Planned in Next 3 Months**  
*(Multiple responses allowed; Total Sample)*



Base = Weighted Total (n=952)

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?

# Impact of 2020 Election

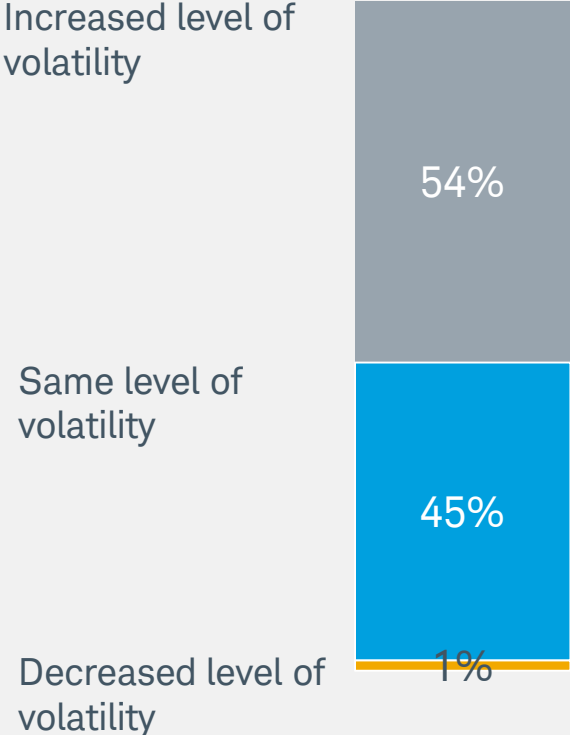
Clients share sentiment around how 2020 election will impact markets and their personal finances

# Clients expect market volatility to increase through end of 2020

Current Sentiment Around Level of Market Volatility  
*(Single response only; Among Total Sample)*



Prediction Around Level of Market Volatility through end of 2020  
*(Single response only; Among Total Sample)*



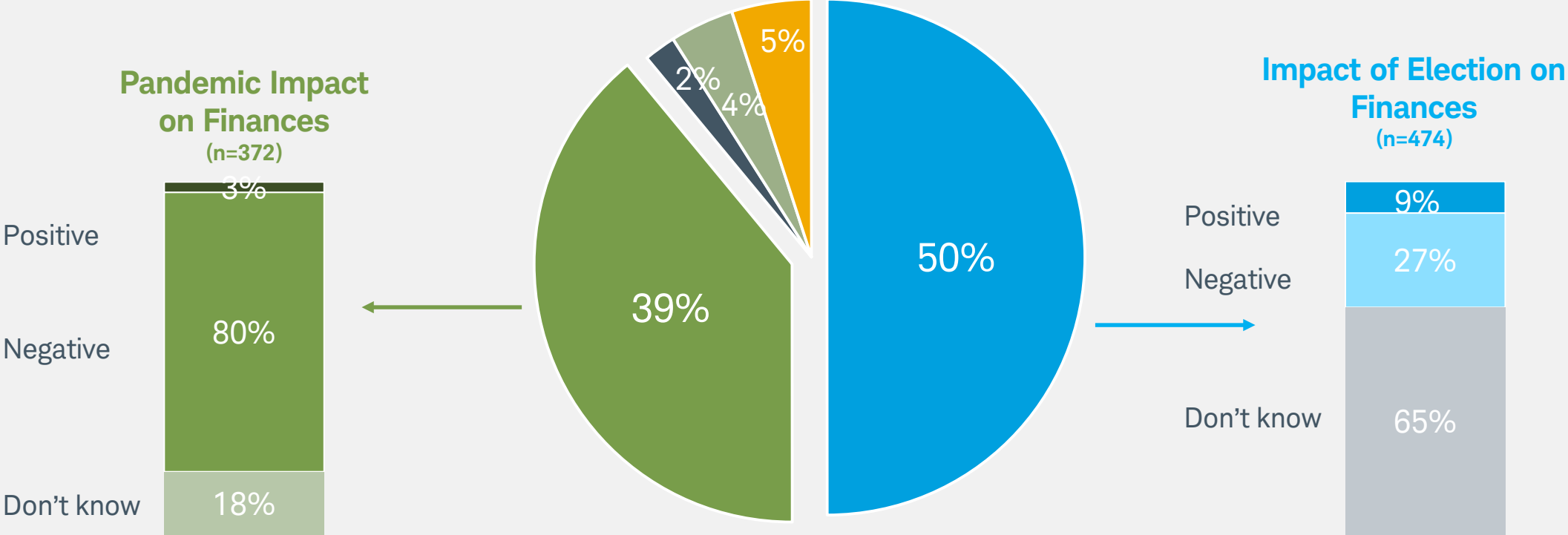
Base = Weighted Total (n=952)

QSI\_Q420\_2. Do you currently see the market as...?/QSI\_Q420\_3. Which of the following volatility scenarios do you expect between now and the end of the year?

# Clients think the 2020 election will have a bigger impact on their finances than COVID-19 and other events

Biggest Impact On Finances  
(Single response only; Among Total Sample)

■ Election ■ Pandemic ■ Natural disasters ■ Other ■ None

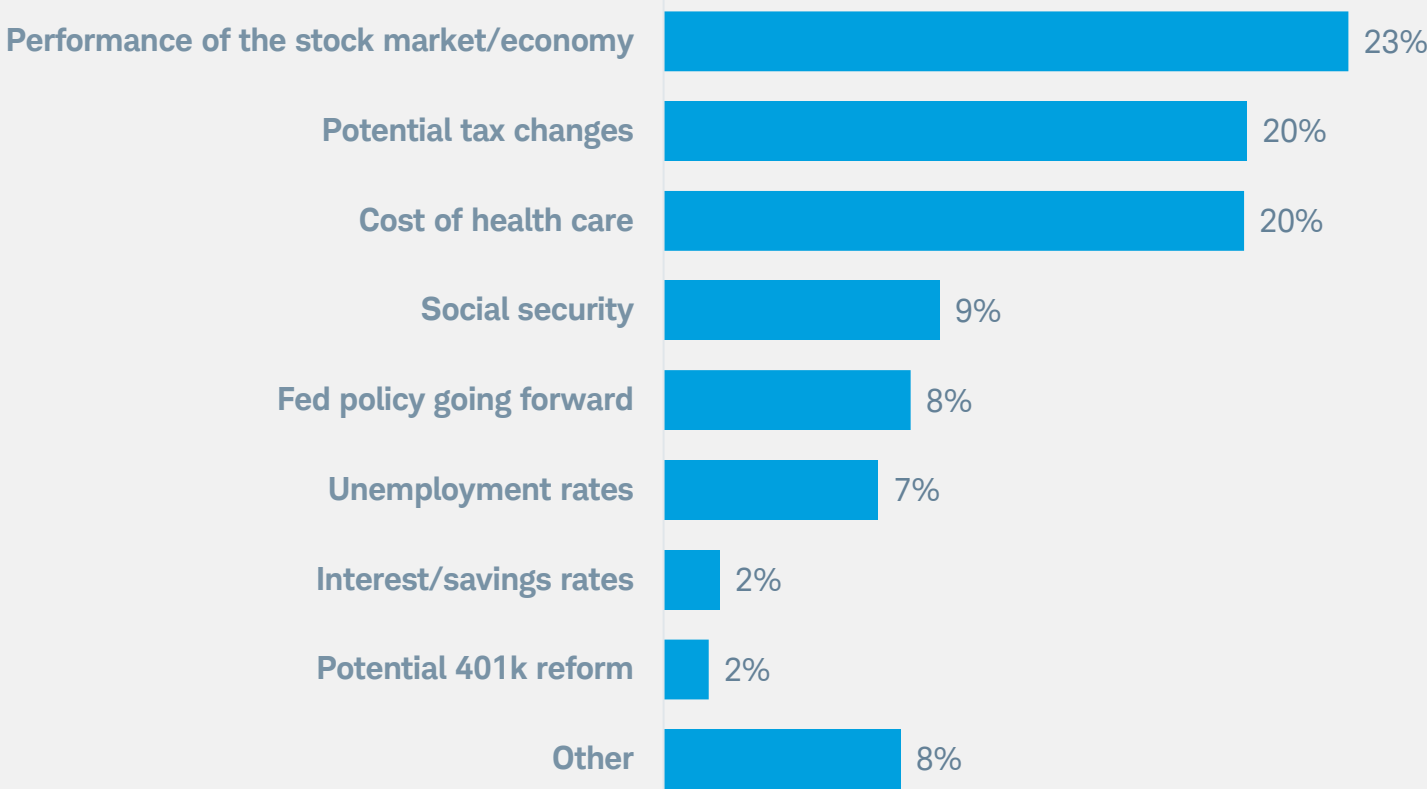


Base = Weighted Total (n=952)

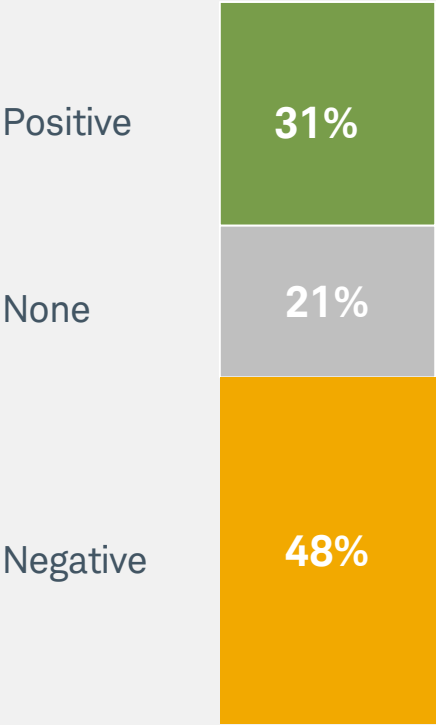
QSI\_Q420\_4. Which of the following current events do you think will have the biggest impact on your finances?/QSI\_Q420\_5. Will the impact of [PIPE ANSWER FROM QSI\_Q420\_4] be mostly...?

# As voters, investors prioritize the stock market, tax changes and health care costs

Voter Financial Priorities  
(Single response only; Among Total Sample)



Impact of Election on Economy  
(Single response only; Among Total Sample)



## Disclosures:

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