

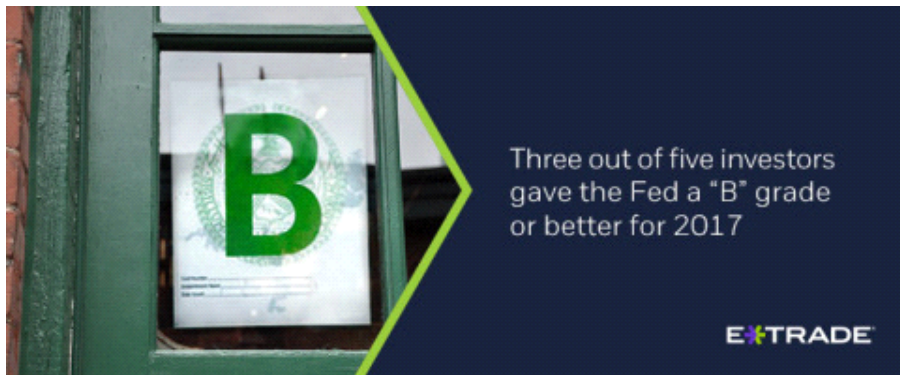
## Amid a Busy Year, E\*TRADE Study Reveals Investors Give the Fed Passing Grades

*Investors also express significantly different views across generations on Fed actions*

NEW YORK--(BUSINESS WIRE)-- E\*TRADE Financial Corporation (NASDAQ: ETFC) today announced results from the most recent wave of *StreetWise*, the E\*TRADE quarterly tracking study of experienced investors. Results indicate that despite a relatively positive assessment, some investors may be looking for change as the Federal Reserve (the Fed) Chair-elect Jerome Powell takes the reins:

This press release features multimedia. View the full release here:

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(Photo: Business Wire)

half of investors (51 percent) agree with the pace at which the Fed raised rates this year.

"Monetary policy is top of mind for many investors these days, especially as we approach the last Fed meeting of the year," commented Mike Loewengart, VP of Investment Strategy at E\*TRADE Financial. "Interest rate hikes and the Fed's balance sheet were dominating themes in 2017. As we embark on a new chapter of the Fed defined by new leadership, many are eager to see if Fed Chair-elect Powell's brand of monetary policy is in fact more of the same, as widely expected, or if a new path is on the horizon."

Mr. Loewengart also offered some observations on how views of the Fed can vary by generation:

- | **Boomers are most likely to want to stay the course.** More than two out of five (45 percent) Boomers think a change in leadership is negative for the economy—the most out of any age group. This group is also the most likely to think the rate hikes were correctly paced.
- | **Millennials are more likely to think the Fed raised rates too quickly.** 44 percent of Millennials—nearly double the percentage of Gen Xers and nearly five times that of Boomers—think the pace of rate hikes this year was fast. Having spent the majority of their financial lives in a low rate environment, Millennials may be concerned about investing conditions if interest rates rise significantly.
- | **...and Millennials are also most likely to welcome new leadership.** 63 percent of Millennials believe a change in Fed leadership is positive for the economy.

E\*TRADE aims to enhance the financial independence of traders and investors through a powerful digital offering and professional guidance. To learn more about E\*TRADE's trading and investing platforms and tools, visit [etrade.com](http://etrade.com).

For useful trading and investing insights from E\*TRADE, follow the company on Twitter, [@ETRADE](https://twitter.com/ETRADE).

### About the Survey

This wave of the survey was conducted from October 1 to October 12 of 2017 among an online US sample of 918 self-

- | **Grades are good...but not aces.** When grading the Fed on its management of monetary policy in 2017, just 13 percent of investors gave the Fed an "A", slightly less than half (48 percent) gave the Fed a "B", and nearly two out five (39 percent) gave the Fed a "C" or lower.
- | **Investors are split on whether new Fed leadership could benefit the economy.** Slightly more than half of investors (51 percent) believe a change in Fed leadership is positive for the economy.
- | **Investors are also split on the pace of rate hikes this year.** Slightly more than

directed active investors who manage at least \$10,000 in an online brokerage account. The survey has a margin of error of  $\pm 3.24$  percent at the 95 percent confidence level. It was fielded and administered by Research Now. The panel is broken into thirds of active (trade more than once a week), swing (trade less than once a week but more than once a month), and passive (trade less than once a month). The panel is 58 percent male and 42 percent female with an even distribution across online brokerages, geographic regions, and age bands.

## Referenced Data

### *What grade would you give the Federal Reserve for its management of monetary policy this year?*

	AGE			
	TOTAL	25-34	35-54	55+
A	13%	11%	12%	19%
B	48%	46%	51%	49%
C	29%	33%	30%	21%
D	7%	7%	5%	9%
F	3%	4%	2%	3%

### *When it comes to the economy, do you think a change in Federal Reserve leadership would be...*

	AGE			
	TOTAL	25-34	35-54	55+
<b>Positive (Top 2 Box)</b>	<b>51%</b>	<b>63%</b>	<b>52%</b>	<b>37%</b>
Very positive	10%	14%	9%	8%
Somewhat positive	41%	49%	43%	29%
<b>Unsure</b>	<b>14%</b>	<b>10%</b>	<b>14%</b>	<b>18%</b>
Somewhat negative	26%	23%	25%	30%
Very negative	9%	4%	9%	15%
<b>Negative (Bottom 2 Box)</b>	<b>35%</b>	<b>27%</b>	<b>34%</b>	<b>45%</b>

### *Do you think the pace at which the Federal Reserve raised interest rates this year was...*

	AGE			
	TOTAL	25-34	35-54	55+
<b>Fast (Top 2 Box)</b>	<b>27%</b>	<b>44%</b>	<b>23%</b>	<b>9%</b>
Very fast	4%	11%	1%	2%
Somewhat fast	23%	33%	22%	7%
<b>Neither too fast nor too slow</b>	<b>51%</b>	<b>41%</b>	<b>54%</b>	<b>63%</b>
Somewhat slow	19%	13%	20%	24%
Very slow	3%	2%	3%	4%
<b>Slow (Bottom 2 Box)</b>	<b>22%</b>	<b>15%</b>	<b>23%</b>	<b>28%</b>

"Millennials" defined as age 25-34 // "Gen X" defined as age 35-54 // "Baby Boomers" defined as age 55+

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