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AMID GRADUATION SEASON, E*TRADE STUDY REVEALS YOUNG INVESTORS CITE EDUCATION EXPENSES AS A TOP REASON FOR EARLY RETIREMENT WITHDRAWALS

Data also suggest early withdrawals for education have doubled since 2016

NEW YORK, May 28, 2019 — 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 reveal concerning trends regarding education costs and saving for retirement:

- **Education is a top retirement saving roadblock.** Tied with rent or mortgage, education expenses, including student loans, are one of the biggest barriers when it comes to saving, with six out of 10 young investors choosing it first or second. In fact, concern about these costs has increased nearly 20 percentage points over the past four years.
- **They're making early withdrawals to pay for school.** Three out of five young investors have made an early withdrawal from their retirement account, with education as the most oft-cited reason.
- **Yet they think they're financially savvy.** Nearly two-thirds of young investors feel extremely or very capable when it comes to managing their finances, and 80% say they've had moderate to heavy exposure to personal finance and investing.

“It’s no secret that education expenses can get in the way of saving for retirement, but clearly tapping into a retirement fund early is a serious issue that needs to be addressed,” said Mike Loewengart, Vice President of Investment Strategy at E*TRADE Financial. “Fortunately, there are a number of tools and vehicles designed to help make saving for retirement easier, and the reality is younger investors have time on their side. When one factors in compounding interest, a little can in fact go a long way.”

Mr. Loewengart offered some tips on how recent grads can start off on the right foot when it comes to saving and investing:

- **Don’t miss out on your employer’s 401(k) plan.** Many employers offer a retirement plan, which is a great place to kick-start investing, especially if it offers a matching contribution, which is as close to free money as one will ever come in the investing world.
- **When it comes to contributions, you can set it and forget it.** Automatic investing plans allow investors to deposit a fixed amount at regularly scheduled intervals. It takes the emotion out of the equation and helps reduce risk through dollar-cost averaging by taking advantage of the natural ups and downs of the market.
- **You don’t need to pay a lot for a diversified portfolio.** Fortunately, today there are myriad ETFs with expense ratios that have never been lower, hundreds of which are offered commission-free, and deliver broad exposure to the market.

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.

For useful trading and investing insights from E*TRADE, follow the company on Twitter, @ETRADE.

About the Survey
This wave of the survey was conducted from April 1 to April 11 of 2019 among an online US sample of 917 self-directed active investors who manage at least $10,000 in an online brokerage account. The survey has a margin of error of ±3.20 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 60% male and 40% female, with an even distribution across online brokerages, geographic regions, and age bands.

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Referenced Data

When it comes to saving what you want for retirement, how much of a barrier is each of the following? (Top 2 box)		
	Total	**AGE: <34**
Healthcare costs	52%	60%
Rent or mortgage	43%	61%
Day-to-day living expenses like food or utilities	39%	60%
Wanting to live for today	35%	55%
Education costs	38%	61%
Paying down student loans	34%	61%
Having a parent move in with you	30%	52%
Childcare	26%	51%
Having an older child move back in with you	25%	45%

When it comes to saving what you want for retirement, how much of a barrier is each of the following? (investors under 34)		
	Education Costs	**Student Loans**
Q2 2016	44%	44%
Q2 2017	56%	58%
Q2 2018	65%	69%
Q2 2019	61%	61%

Have you ever taken out money from an IRA or 401(k) before the age of 59.5, and, if so, for what?		
	Total	AGE: <34
No, I have never taken out money from an IRA or 401(k) before the age of 59.5	65%	40%
Yes (Net)	35%	60%
Yes, to make a large purchase	12%	18%
Yes, for a medical emergency	11%	22%
Yes, because I became unemployed	10%	22%
Yes, to pay for education	10%	24%
Yes, to simply spend on myself or my family	8%	17%
Yes, to spend on a vacation	3%	5%
Yes, for holiday expenses	2%	3%
Yes, Other	2%	1%

Have you ever taken out money from an IRA or 401(k) before the age of 59.5 and, if so, for what? (Investors under 34)		
	Yes	For Education
Q2 2016	32%	12%
Q2 2017	48%	18%
Q2 2018	60%	24%
Q2 2019	60%	24%

How capable do you feel you are when it comes to managing your finances?		
	Total	AGE: <34
Extremely capable	20%	20%
Very capable	45%	43%
Somewhat capable	31%	32%
A little capable	3%	4%
Not capable	0%	1%

How much exposure do you feel you had to personal finance, investing, or markets topics during your educational career?		
	Total	AGE: <34
Heavy exposure	15%	23%
Moderate exposure	47%	57%
Minimal exposure	29%	16%
No exposure	10%	4%

"Young investors" defined as age 18–34