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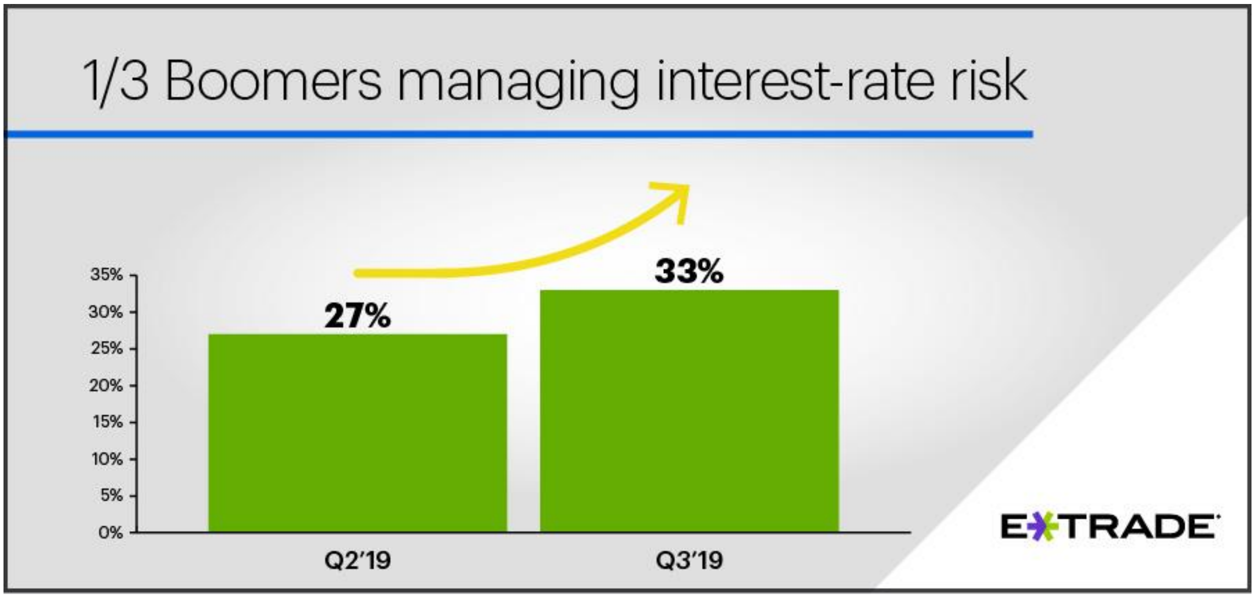
E*TRADE STUDY REVEALS RETIREMENT-AGE INVESTORS MORE CONCERNED ABOUT INCOME AMID RETURN TO LOW RATE ENVIRONMENT



Retirement-age investors shift toward dividends in a renewed search for income

NEW YORK, August 26, 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 show challenges abound for retirement-age investors in search of income as the Fed returns to a more dovish posture.

- **Interest-rate risk is a growing concern for Boomers.** One third of Boomers (33%) say they are actively managing interest-rate risk in their portfolio, up six percentage points since last quarter.
- **Dividend-paying stocks are center stage.** Dividend-paying stocks are the top choice for Boomer investors (40%), and interest in fixed income investments slipped seven percentage points since last quarter to only 16%.
- **Health care sector continues to be an area for opportunity.** Almost three out of five Boomers (58%) say the traditionally defensive and dividend-heavy health care sector has the most potential this quarter, up three percentage points since last quarter.

"Investors approaching retirement traditionally turn to bonds to provide a steady stream of income for their portfolio. That said, with bond yields under pressure in this low rate environment, it is forcing some to get a bit more creative," said Mike Loewengart, VP of

Investment Strategy at E*TRADE Financial. "Defensive sectors like health care and dividend-paying stocks like blue-chips and large-cap companies could offer investors better yields right now."

Mr. Loewengart offered the following observations for investors exploring dividend payers.

- **Yield is just one of many characteristics**. When researching dividend payers, investors tend to zero in on the highest yield, but that's not always prudent. Even the highest yielding equities can get beat up. Investors should look at the bigger picture and dig into the fundamentals of the stock.
- **Understand dividend growth potential.** Dividend growth should not take a back seat to yield. While certain funds may seem to offer dividends similar to the S&P, the stocks held by those funds may be very different. Given this diversification, they tend to help investors weather market volatility. These investments are also constructed to help outpace inflation.
- **International dividend payers may offer opportunities.** International and emerging markets are often overlooked when it comes to dividends. Beyond adding an additional level of diversification to a portfolio, they could also pay higher dividends.

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 July 1 to July 11 of 2019 among an online US sample of 908 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 Dynata. 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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Investing outside the United States involves additional risks, including: currency fluctuations, economic and political differences, and different accounting standards.

There are risks involved with dividend yield investing strategies, such as the company's not paying a dividend or the dividend's being far less than what is anticipated. Other risks include market risk, price volatility, liquidity risk, risk of default, and risk of loss.

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Referenced Data

What risks are you actively managing right now when it comes to your portfolio?			
	Total	**Q3’19 55+**	**Q2’19 55+**
Market volatility	42%	46%	**45%**
Political instability	32%	30%	33%
Interest rates	30%	33%	27%
Recession	27%	23%	21%
Inflation	21%	17%	17%
Armed conflict, war, or terrorism	17%	14%	6%
Flattening/inverted yield curve	16%	14%	21%

Are you shifting your investing strategy toward any of the following tactics amid the Fed's accommodative posture pause in rate hikes?			
	Total	**Q3’19 55+**	**Q2’19 55+**
Dividend-paying stocks	31%	40%	57%
Real estate investment trusts (REITs)	20%	12%	16%
Fixed income	19%	16%	23%
Money market funds	15%	14%	22%
Property/real estate	15%	7%	12%
CDs	12%	14%	17%
Annuities	9%	5%	10%
Master Limited Partnerships	9%	3%	3%

What industries do you think offer the most potential this quarter?			
	Total	**Q3’19 55+**	**Q2’19 55+**
Health care	48%	58%	55%
Information technology	47%	53%	53%
Energy	41%	35%	50%
Financials	35%	39%	32%
Utilities	26%	20%	24%
Consumer staples	25%	29%	22%
Communication services	23%	24%	21%
Industrials	21%	16%	19%
Consumer discretionary	18%	15%	14%
Materials	16%	10%	11%