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E*TRADE STUDY REVEALS PARENTS BANK ON THEIR BETTER HALF FOR FINANCIAL DECISIONS



Juggling work, family, and finances, parents are more likely to feel comfortable letting their partners make investing choices

ARLINGTON, Va, February 12, 2020 — 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. As Valentine's Day approaches, the study looked at how parent couples handle their financial decisions:

- **Parents exhibit trust in their partner's investment knowledge.** Three out of four parents think their partner is helpful in financial decision making (75%), compared to 73% of the total population.
- **They are also more likely to relinquish financial control to their partner.** Three out of four parents said they feel comfortable with their partner executing on investment decisions without their input (75%), compared to two-thirds (67%) of the total population.
- **But they can go rogue when it's time for an investment decision.** More than 40% of parents said they often make money moves without informing their partner (42%), compared to one-third (34%) of the total population.
- **Parent guilt is real when it comes to finances.** Nearly two in five parents said they frequently felt guilty about making an investment decision without telling their partner (39%), compared to a quarter of the total population (26%).

“Children create a completely new set of financial obligations for couples, and it’s encouraging to see these complex decisions being made in stride,” said Mike Loewengart, VP of Investment Strategy at E*TRADE Financial. “With the mounting demands put on parents today, collaborating with their partner on financial decisions is critical to creating a financial strategy that works for their family, and potentially the opportunity to pass those habits down to the next generation. When it comes to family financial planning, parents should examine their entire financial picture—from investments and college savings plans to mortgages and emergency funds. Understand your time horizon, risk tolerance, and financial goals to help plot a roadmap for the future.”

Mr. Loewengart provided additional steps that parents may consider in planning for their family’s future:

- **Surprise expenses abound—plan ahead.** Building a family is certainly an exciting time but can come with unexpected expenses. Build an emergency fund by saving a little each week—three to six months of living expenses is a good goal. Though it may be tempting to dip into that account, look but don’t touch—it will likely pay off in the long run.
- **Start saving for education now.** The cost of education has skyrocketed in the last few decades, and with history as our guide tuition will likely only continue to rise. Fortunately, young parents have time on their side to start funding a dedicated education account for their children. And with the power of compounding, that investment can potentially lessen the burden of student loans for the next generation.
- **Consider working with a professional.** While there are many digital tools and self-help resources out there, sometimes it can be too much to manage your household’s finances on your own. Given the complex financial needs of families, consider speaking with a certified financial planner or investment advisor to map out your investment goals and discuss strategies to help meet them.
- **Designate your retirement plan beneficiaries.** Retirement saving should remain a core part of your investing plan, but don’t underestimate the importance of designating a beneficiary for this account. Big life events, like having children, may affect your beneficiary choices, and updating a beneficiary is quick and easy. In fact, beneficiary designations are often included in the account opening process. Review your beneficiaries at least annually to make sure they’re consistent with your intentions.

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 trading and investing platforms and tools, visit 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 January 1 to January 10 of 2020 among an online total US sample of 909 self-directed active investors, of which 301 are parents, 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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E*TRADE Financial Corporation engages Dynata to program, field, and tabulate the study. Dynata provides digital research data and has locations in the Americas, Europe, the Middle East and Asia-Pacific. For more information, please go to www.dynata.com.

Referenced Data

How helpful is your partner in financial decision making?		
	Total	W/ Kids
	Q1'19	25-34
Top two box	73%	75%
Very helpful	29%	21%
Somewhat helpful	44%	54%
A little helpful	21%	19%
Not helpful	6%	6%
Bottom two box	27%	25%

How comfortable are you with your partner making an investing decision without your input?		
	Total	W/ Kids
Top two box	67%	75%
Very comfortable	15%	18%
Somewhat comfortable	52%	57%

Somewhat uncomfortable	22%	17%
Very uncomfortable	11%	8%
Bottom two box	33%	25%

How often, if at all, do you make investing decisions that you do not inform your partner about?		
	Total	W/ Kids
Top two box	34%	42%
Always	5%	7%
Frequently	29%	35%
Sometimes	29%	34%
Rarely	21%	14%
Never	16%	10%

How frequently do you make investing decisions without telling your partner that you later felt guilty about?		
	Total	W/ Kids
Top two box	26%	39%
Always	5%	9%
Frequently	21%	30%
Sometimes	17%	25%
Rarely	19%	13%
Never	38%	23%