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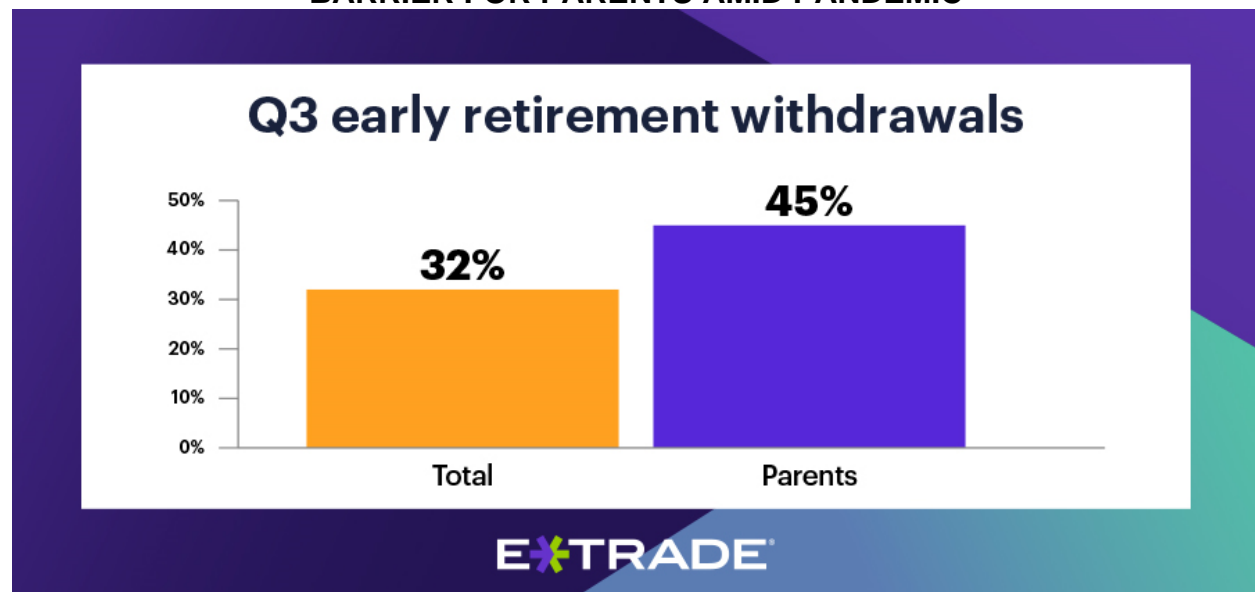
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**E\*TRADE STUDY REVEALS CHILDCARE IS A MAJOR RETIREMENT SAVINGS BARRIER FOR PARENTS AMID PANDEMIC**



*Parents are ~1.4x more likely than the total population to withdraw early from retirement accounts*

**ARLINGTON, Va., September 23, 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. Results indicate the pandemic may have a significant impact on parents' retirement savings:

- **Childcare is a major barrier to retirement.** Nearly half of parents (46%) said childcare is a barrier to retirement—a 6 percentage point increase since Q1, before the pandemic, and 20 percentage points higher than the total population.
- **Retirement preparedness dropped among parents.** The percentage of parents who feel prepared to retire in the event of an unforeseen circumstance dropped 8 percentage points from the first quarter to 65%.
- **And nearly half have made early retirement withdrawals.** Almost half of parents (45%) have dipped into their retirement accounts early, compared to just 32% of the total population.
- **Amid back to school, education is cited as the top reason to withdraw early.** Nearly one in five parents (17%) who have taken early withdrawals from their retirement accounts note education costs as the top reason, compared to just 10% of the total population.

“It’s human nature for a parent to prioritize children over their own financial wellbeing, but in practice they can best help their children’s financial futures when they create a solid financial foundation for themselves,” said Deniz Ozgenc, Executive Director of Financial Product Management at E\*TRADE Financial. “As we settle into the new normal, many families face new financial challenges, a lot of unknowns, and plenty to juggle. But retirement planning doesn’t need to take a backseat amid the chaos. Savings may seem like a monumental task but setting a little aside now on a consistent basis can set up a solid financial future for the whole family.”

Ms. Ozgenc offered additional guidance for parents planning for their financial futures:

- **Surprise expenses abound—plan ahead.** The pandemic may have caused a bump in the road when it comes to budgeting, and children can certainly add to unexpected expenses. Saving a little each week in an emergency fund can help—three to six months of living expenses is a good goal.
- **Consider automatic investing.** One way to build good financial habits is to set up automatic deposits into a retirement account. While you cannot control the market or your investing returns, you can control how much you add to your account. By enabling automatic investing, you can also reduce risk in your portfolio through dollar-cost averaging—potentially benefiting from the inevitable ups and downs of the market.
- **Start saving for education now.** The cost of education has skyrocketed in the last few decades, and though the future may be in limbo, history tells us that tuition will likely remain high. Funding a dedicated education account like a Coverdell Education Savings Account for children at a young age can help lessen the burden when the time comes and can potentially provide some tax advantages. And the power of compounding can be a tremendous asset for those with a long-term goal in mind.

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](https://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 July 1 to July 9 of 2020 among an online US sample of 873 self-directed active investors who manage at least \$10,000 in an online brokerage account. The women with children population is made up of 135 respondents this quarter. The survey has a margin of error of  $\pm 3.20$  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.

### **About E\*TRADE Financial and Important Notices**

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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](http://www.dynata.com).

## Referenced Data

<i>When it comes to your personal ability to save for retirement, how much of a barrier is each of the following?</i>				
	TOTAL		Parents	
	Q1'20	Q3'20	Q1'20	Q3'20
<b>Healthcare costs</b>	50%	44%	62%	59%
<b>Rent or mortgage</b>	43%	40%	53%	56%
<b>Education costs or paying down student loans</b>	34%	33%	54%	54%
<b>Living expenses like food or utilities</b>	40%	37%	49%	53%
<b>Childcare</b>	23%	26%	40%	46%
<b>Retail shopping and/or eating at restaurants</b>	33%	31%	45%	46%
<b>Wanting to live for today</b>	36%	32%	47%	49%
<b>Having an older child live with you</b>	23%	26%	38%	40%
<b>Having a parent live with you</b>	26%	25%	39%	41%

***If you were forced to retire early for an unforeseen circumstance, how prepared do you feel financially?***

	TOTAL		Parents	
	Q1'20	Q3'20	Q1'20	Q3'20
Prepared	75%	73%	73%	65%
Very prepared	32%	33%	24%	22%
Somewhat prepared	43%	40%	49%	43%
Neither prepared nor unprepared	13%	13%	15%	17%
Somewhat unprepared	8%	10%	8%	11%
Very unprepared	4%	4%	4%	7%
Unprepared	12%	14%	12%	18%

***Have you ever taken out money from an IRA or 401(k) before the age of 59.5 and, if so, for what?***

	TOTAL	Parents
	Q3'20	Q3'20
Yes	32%	45%
No, I have never taken out money from an IRA or 401(k) before the age of 59.5	68%	55%
Yes, to pay for education	10%	17%
Yes, to make a large purchase	12%	15%
Yes, for a medical emergency	8%	14%
Yes, because I became unemployed	9%	12%
Yes, to simply spend on myself or my family	7%	11%
Yes, to spend on a vacation	4%	7%