

# E\*TRADE from Morgan Stanley Q2 2022 StreetWise Report

Insights from the E\*TRADE quarterly tracking study of ~900 experienced investors

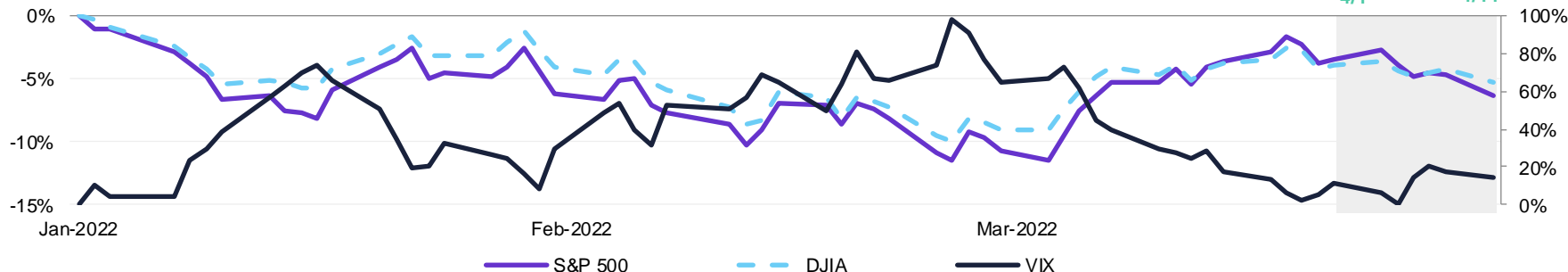
# Q2 2022 Survey Methodology and Background

## Methodology

This wave of the survey was conducted from April 1 to April 11 of 2022, among an online US sample of 913 self-directed active investors who manage at least \$10,000 in an online brokerage account. 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.

## Q2 2022 Survey Timing Mapped Against Major Market Indexes

S&P 500®/DJIA



This study looks into the minds and behaviors of self-identified experienced investors

- They self-select as having moderate to professional investing experience
- They take charge of their investments
- They believe they understand the markets, investment products, and asset classes



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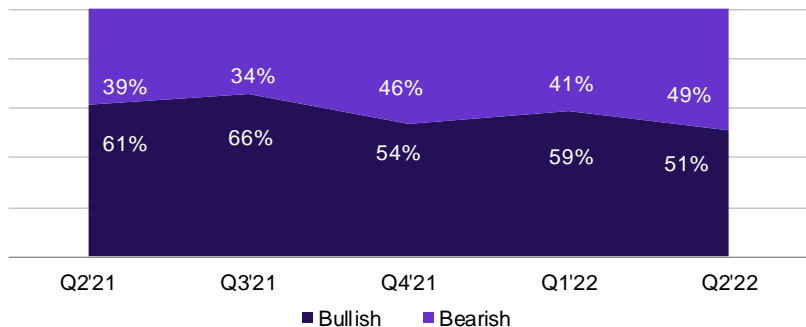
## **Sentiment**

Views on the market and where opportunities lie

# Views on the market

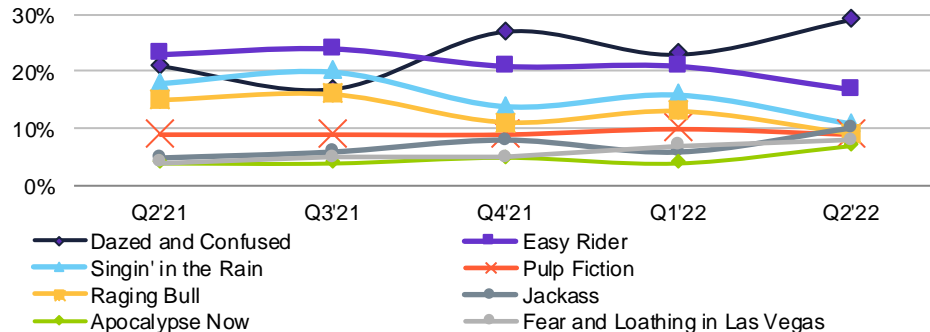
## Bullishness drops

When it comes to the current market, are you...?



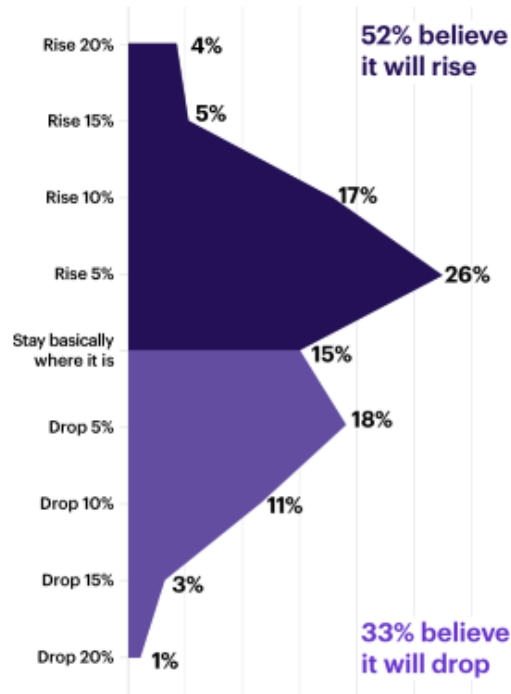
## Investors are feeling more "Dazed and Confused"

If you had to pick a movie title that best describes how you personally feel about the market this quarter, which would it be?



## Just over half believe the market will rise this quarter

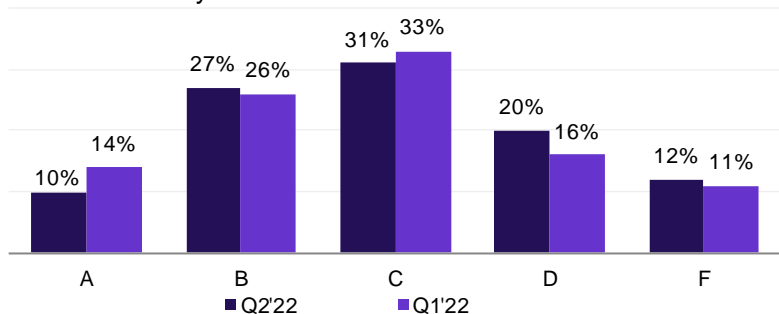
Where do you predict the market will end this quarter?



# Views on the economy and rates

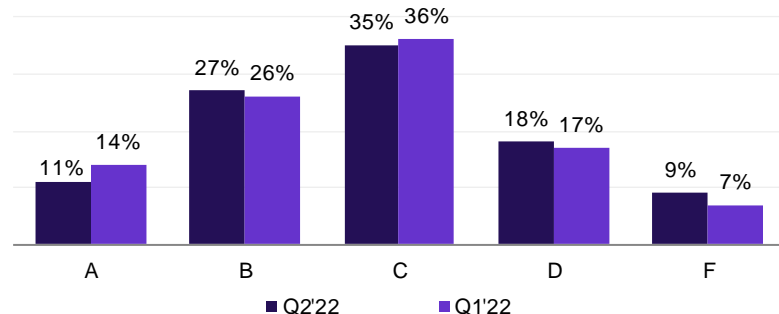
## Nearly three out of five would give the Fed a B or C

What grade would you give the Fed for how it is handling the economic recovery?



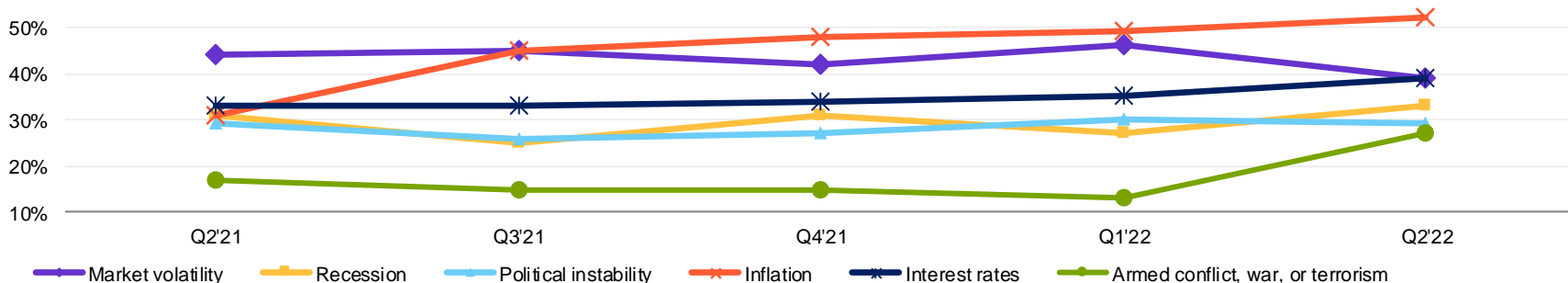
## Over three out of five would grade the economy a B or C

What grade would you give the current state of the US economy?



## Inflation remains top concern

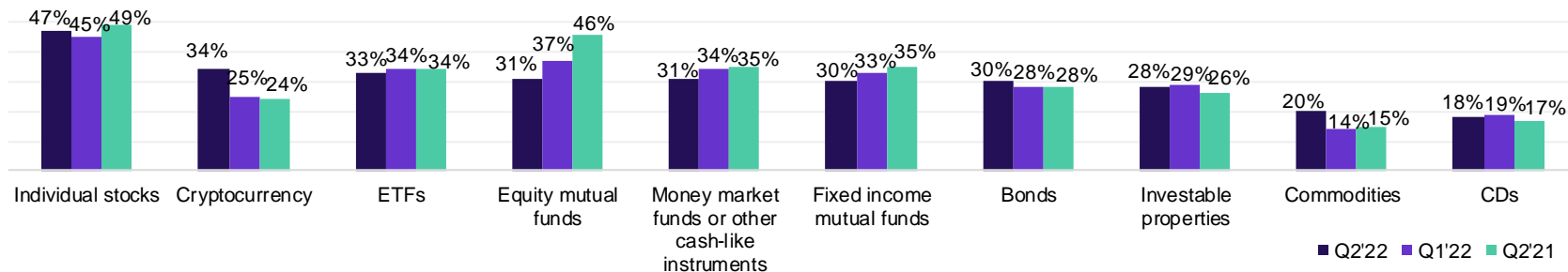
What risks are you actively managing right now when it comes to your portfolio? (Select all that apply)



# Asset class interest

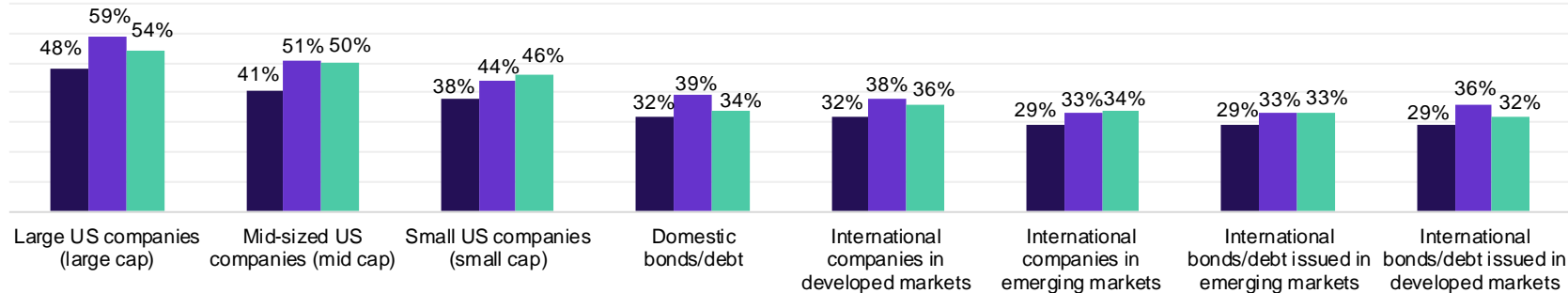
## Outsized interest in individual stocks continues as interest in crypto rises

If you could give one piece of advice to a friend or family member who is thinking of investing right now, would it be to get into...  
Select your top four.<sup>1</sup> (Top 10 shown.)



## Interest across asset classes ticked down

How interested/comfortable are you with investing in each of the following sectors this quarter?<sup>1</sup> (% Very/extremely interested; base=all)

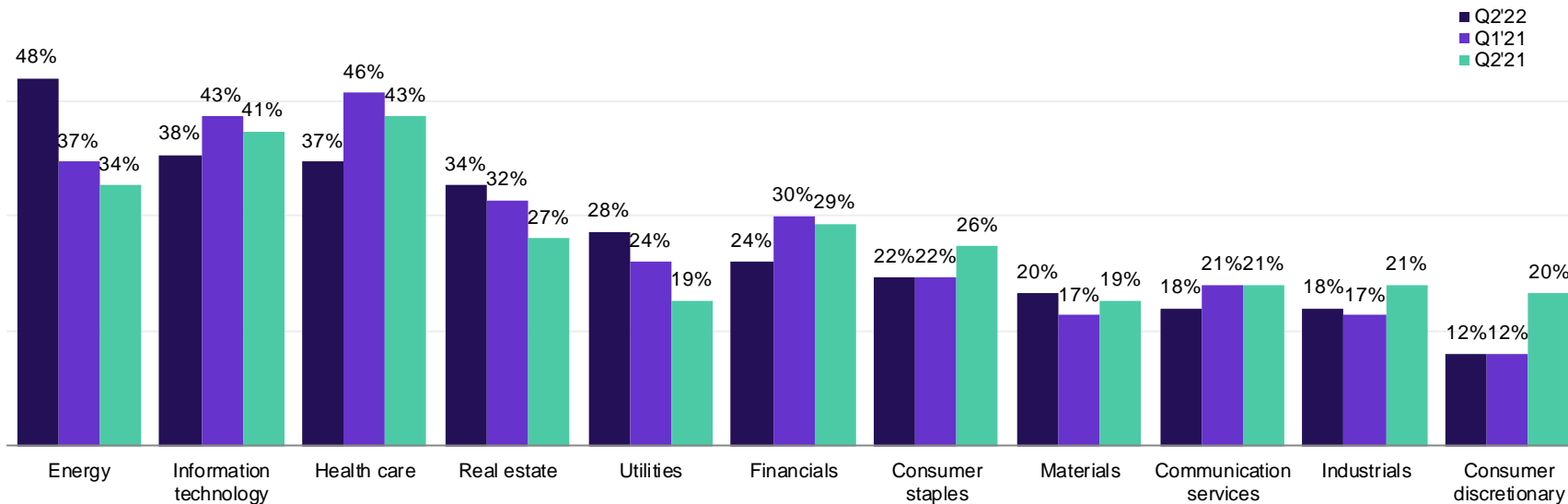


1. Focuses on y/y and q/q—other quarters available upon request.

# US sector interest

## Interest in energy jumped up this quarter, while IT and Health Care dropped

What industries do you think offer the most potential this quarter? Select your top three.<sup>1</sup> (Top 10 shown.)

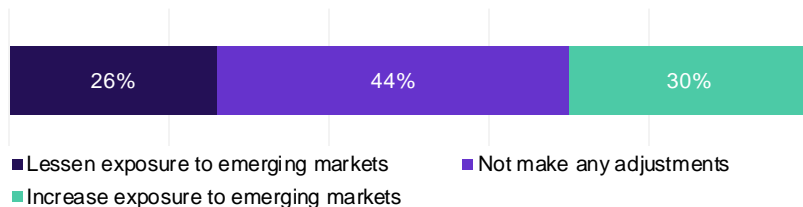


1. Focuses on y/y and q/q—other quarters available upon request.

# International and emerging market interest

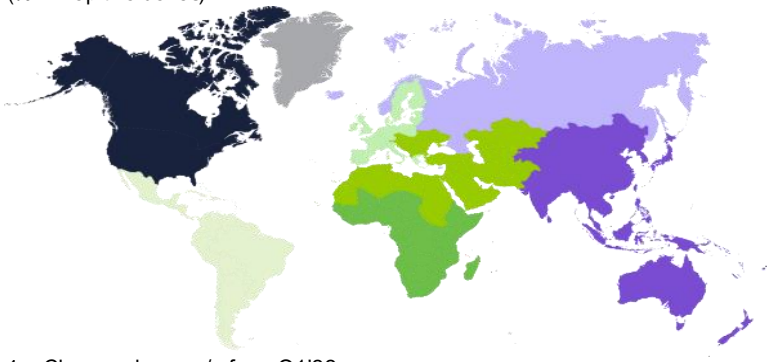
## Over half of investors plan to change EM exposure

Thinking about your investment approach specific to emerging markets, which of the following adjustments do you plan to make over the next quarter?



## Interest in EU decreased

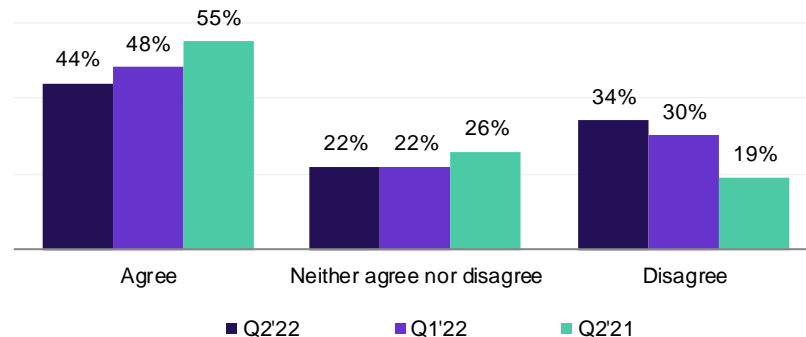
Which regions do you think offer the greatest investment potential this quarter?<sup>1</sup>  
(% = Top two boxes)



1. Change shown q/q from Q1'22.

## Interest in markets outside the US continues to tick down

Markets outside the US appeal to me as an investor this quarter.  
(% = Strongly/somewhat)



	% Interested	Q/Q Δ
United States and Canada	74%	+1%
European Union	32%	-4%
Asia and Pacific	28%	-3%
Middle East and Central Asia Region (including North Africa)	15%	+2%
Central, Eastern, and Southeastern Europe (including Russia)	14%	-2%
Latin America and the Caribbean	14%	+1%
Sub-Saharan Africa	5%	N/C





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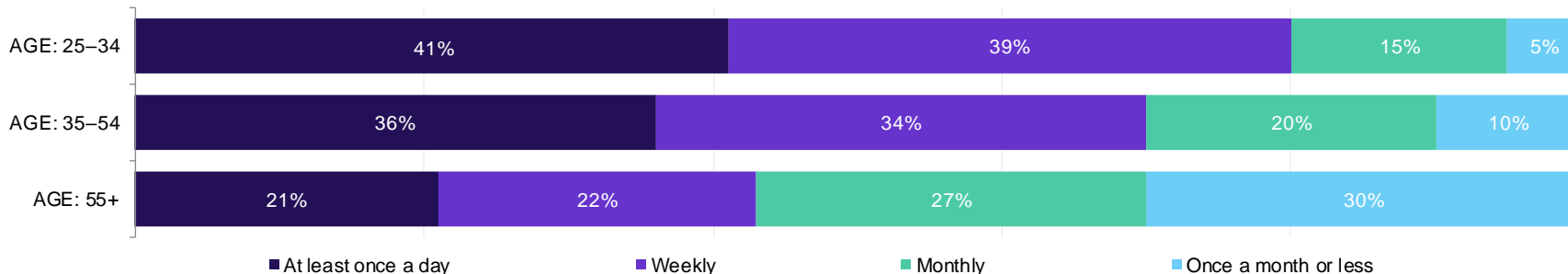
# Portfolio Management

A look at how different age groups manage their investments

# Millennial, Gen X, and Baby Boomer portfolio management

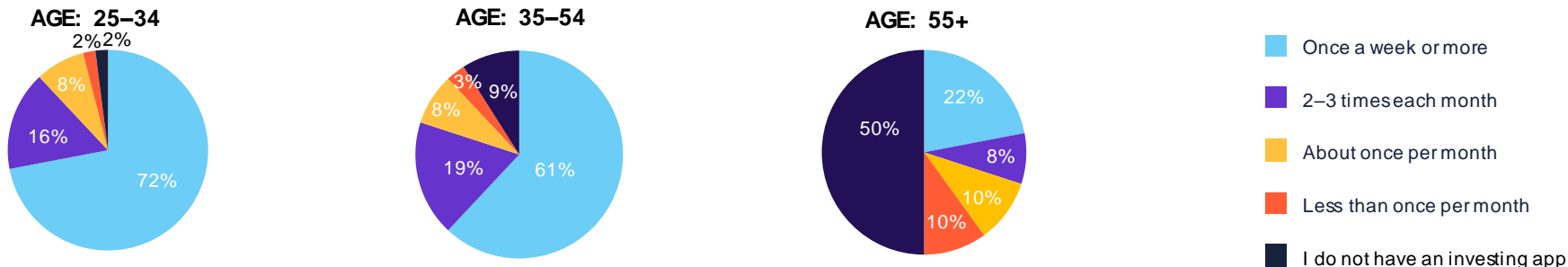
**Over two in five Millennials check their portfolio at least once a day**

How often do you evaluate the positions in your portfolio?



**Nearly three out of four millennials use an investing app once a week or more**

Approximately how often do you use an investing and trading app on your smartphone?

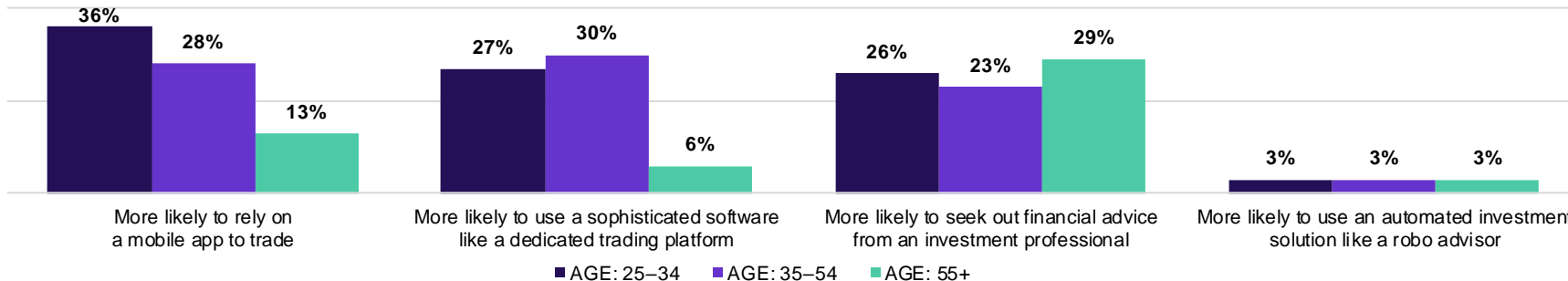


"Millennials" defined as age 25-34, "Gen X" defined as age 35-54, "Baby Boomers" defined as age 55+.

# Millennial, Gen X, and Baby Boomer portfolio management

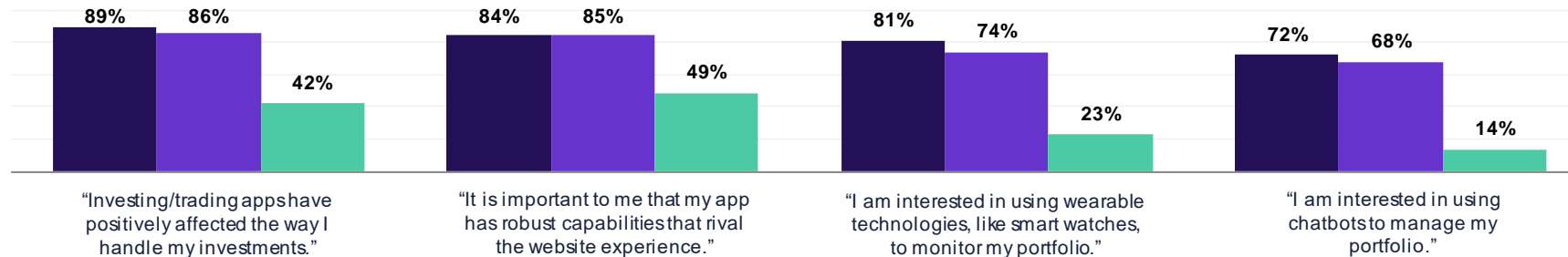
## Millennials are more likely to rely on a mobile app

Within the last three months, when it comes to managing your accounts, have you found yourself... (Select top two)



## Over four out five Millennial and Gen X investors say it's important to them that their investing app's capabilities rival the website experience

To what extent do you agree or disagree with the following statements... (% = Strongly/Somewhat agree)

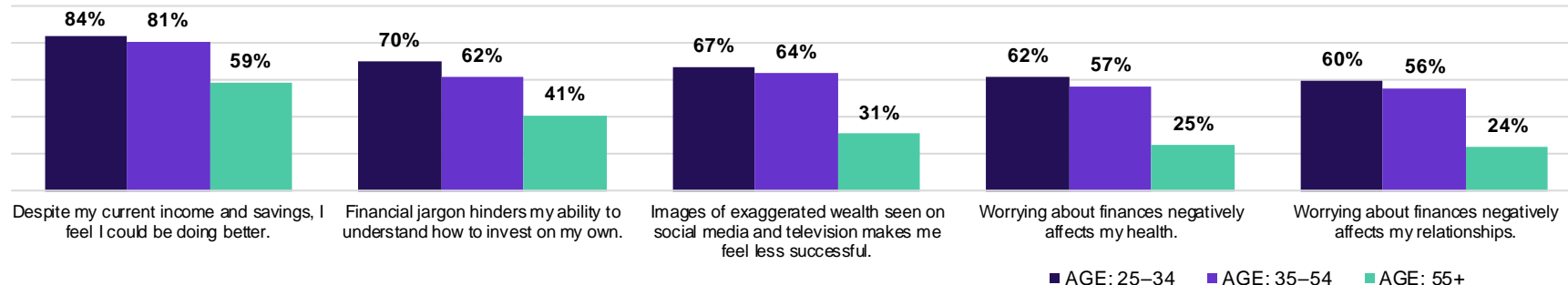


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# Millennial, Gen X, and Baby Boomer portfolio management

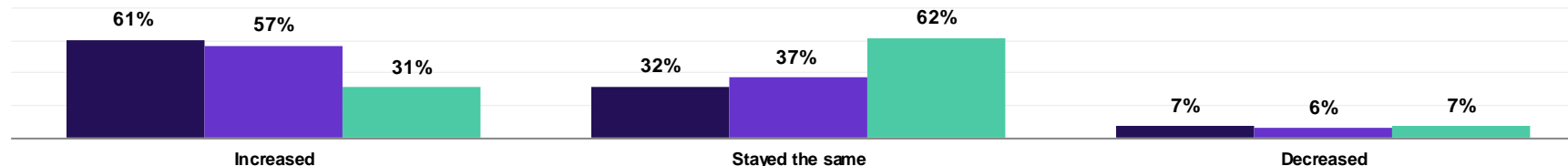
## Majority of Millennials and Gen X Investors say financial jargon hinders their ability to invest

Please rate how much you agree or disagree with the following statements?



## More than half of Millennial and Gen X investors are spending more time on their portfolio

The time I devote to my portfolio has \_\_\_\_\_ within the last three months.



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



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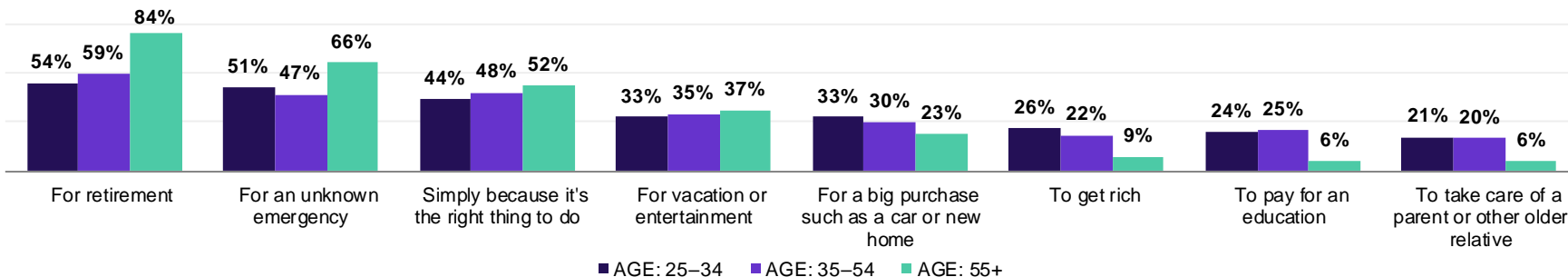
## Views on Retirement

How experienced investors think about retirement investing

# Retirement investing among Millennials, Gen X, and Baby Boomers

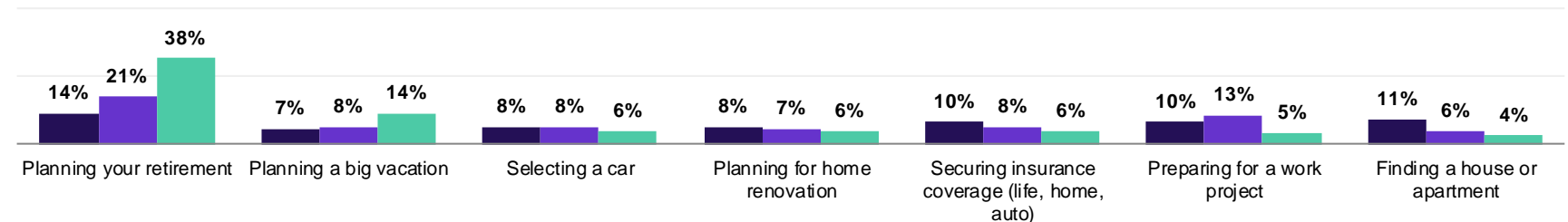
## All generations see retirement as the main reason for saving

What are the main reasons you are saving for the long term? (% = Selected as a top three choice)



## Baby Boomers spend significantly more time planning retirement than other generations

Please rank the following from most to least time spent... (% = ranked as first choice)



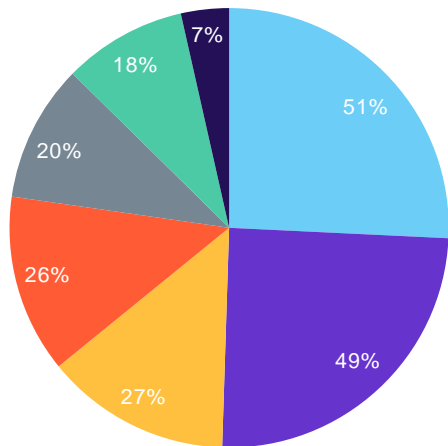
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# Retirement investing among Millennials, Gen X, and Baby Boomers

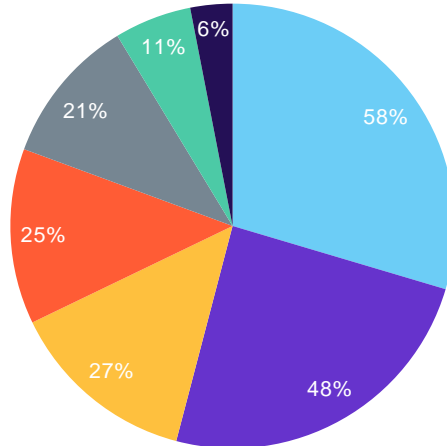
## Millennials and Gen X investors rely more on 401(k)s when it comes to retirement

Please rank in order how important each of the following are in meeting your goal for retirement, with one being the most important. (% = Selected as most important)

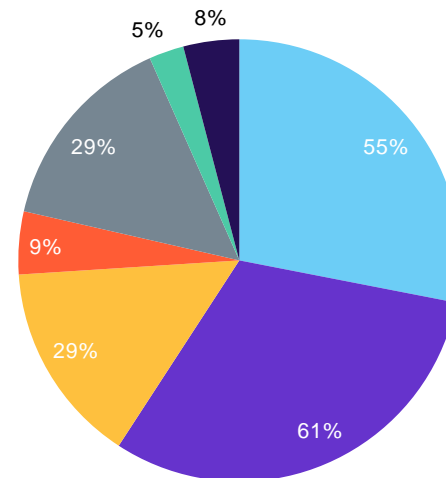
**AGE: 25–34**



**AGE: 35–54**



**AGE: 55+**



401(k)  
Personal savings/IRA

Pension  
Annuity

Social Security  
Equity compensation

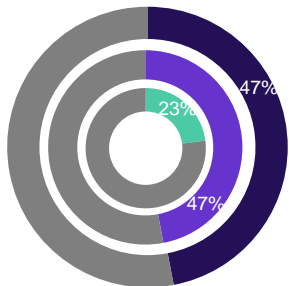
Other/None of the above

"Millennials" defined as age 25–34, "Gen X" defined as age 35–54, "Baby Boomers" defined as age 55+.

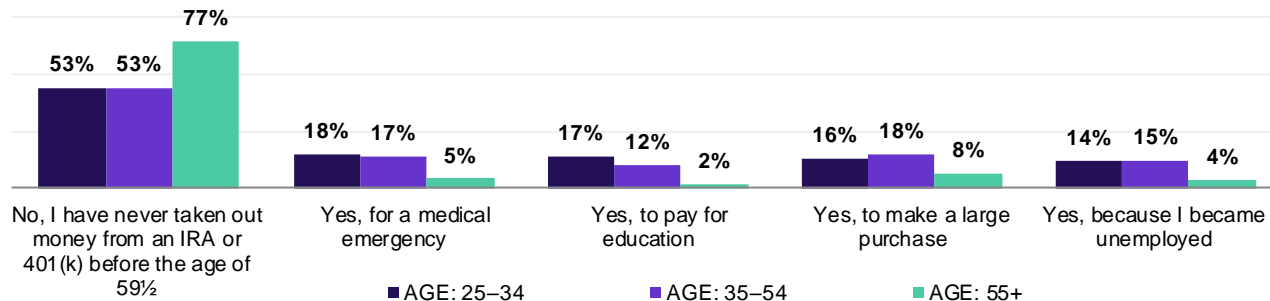
# Retirement investing among Millennials, Gen X, and Baby Boomers

Despite reliance on retirement accounts, nearly half of Millennial And Gen X investors made an early withdrawal

Have you ever taken out money from an IRA or 401(k) before the age of 59½ and, if so, for what? (Select all that apply)



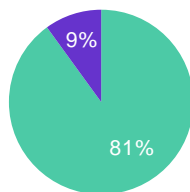
Percentage who have taken out money from an IRA or 401(k) before the age of 59½



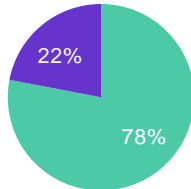
Majority of Millennial and Gen X investors regretted their decision to take early retirement withdrawals

Have you ever regretted your decision to take money from an IRA or 401(k) before the age of 59½?

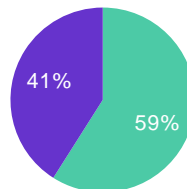
AGE: 25-34



AGE: 35-54



AGE: 55+



Very much/somewhat/and a little bit regretted

Did not regret at all

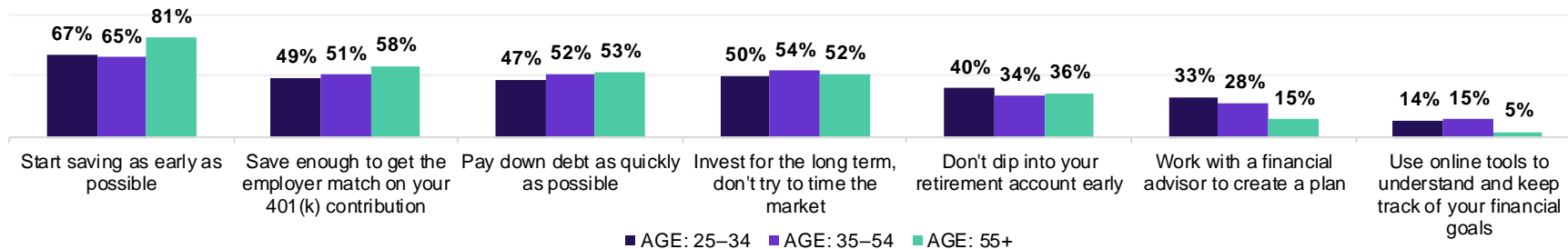
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# Retirement investing among Millennials, Gen X, and Baby Boomers

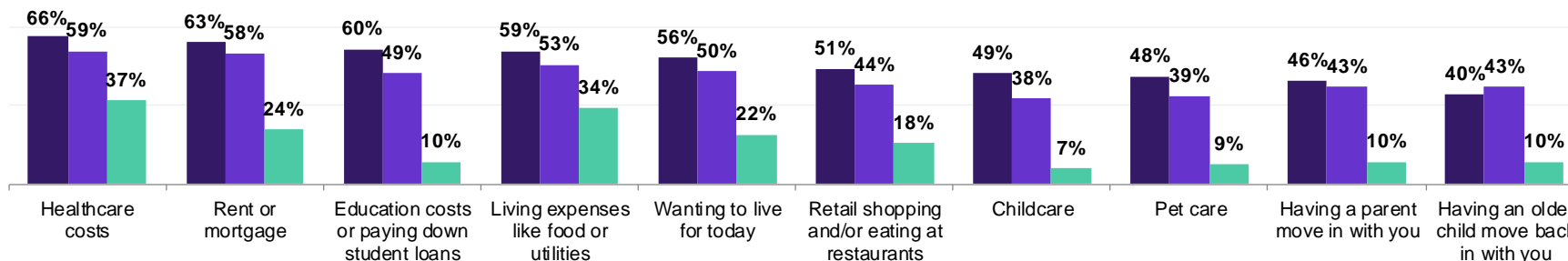
## All generations recommend saving as early as possible

If you could offer a younger investor financial advice, what would it be? (Select top three)



## Millennials and Gen X investors cite healthcare and rent or mortgage as top barriers to retirement

When it comes to saving what you want for retirement, how much of a barrier is each of the following? (% = Significant/somewhat of a barrier)



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

# Please Read the Important Disclosures Below

**This presentation presents data from April 1 – April 11, 2022.**

The data from this and past quarters reflects the opinions of this population only from the time of fielding, which is typically the first two weeks of each quarter. It does not represent opinions of the full quarter.

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Past performance is no guarantee of future returns. The performance of an index is not an exact representation of any particular investment, as you cannot invest directly in an index.

**Dow Jones Industrial Average:** Computed by summing the prices of the stocks of 30 companies and then dividing that total by an adjusted value—one which has been adjusted over the years to account for the effects of stock splits on the prices of the 30 companies. Dividends are reinvested to reflect the actual performance of the underlying securities.

**S&P 500® Index** is a market capitalization-weighted index of 500 widely held stocks often used as a proxy for the US stock market.

All components of the S&P 500 are assigned to at least one of eleven S&P Select Sector Indexes, which track major economic segments and are highly liquid benchmarks. Stock classifications are based on the Global Industry Classification Standard. The Select Sector Indexes are: Communication Services Select Sector, Consumer Discretionary Select Sector, Consumer Staples Select Sector, Energy Select Sector, Financials Select Sector, Health Care Select Sector, Industrials Select Sector, Materials Select Sector, Real Estate Select Sector, Technology Select Sector, and Utilities Select Sector.

**VIX®** is the ticker symbol for Cboe Volatility Index®. The index, also called the fear index, is calculated by Cboe and generally measures expected volatility of the US market in the next 30 days. The higher the number, the more bearish the market is in general. The VIX is used to calculate the put/call ratio.

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