

## FOR IMMEDIATE RELEASE

### E\*TRADE Media Relations

646-521-4418

[mediainq@etrade.com](mailto:mediainq@etrade.com)

## E\*TRADE POLITICS & PORTFOLIOS STUDY REVEALS ECONOMIC AND MARKET VIEWS AMONG REPUBLICAN AND DEMOCRAT INVESTORS POST ELECTION

*While Republicans and Democrats diverge on economic outlook, a significant portion of both parties is not bullish on the market*

**ARLINGTON, Va., November 24, 2020** — E\*TRADE Financial, LLC today announced results from its *Politics & Portfolios* study on voting investor sentiment after the presidential election:

- **Both parties muted on market performance.** While the majority of Democrats skew more positive, 44% are either bearish or believe the market will stay the same as a result of the election. Among Republicans, 62% are bearish or believe the market will remain flat.
- **Republicans brace for volatility.** Republicans (64%) are significantly more likely than Democrats (47%) to expect more market volatility after the election.
- **Both parties are eager to revisit portfolios.** Roughly three out of five of both Republicans (61%) and Democrats (58%) plan to make changes to their portfolio after the election.
- **Democrats see shorter runway to recovery.** More than three out of four Democrats (77%) believe election results will accelerate an economic recovery. On the other hand, half of Republicans (51%) expect the economy to decelerate.

“Traditionally there tends to be more stability in the markets after an election—but this year was anything but traditional,” said Mike Loewengart, Managing Director, Investment Strategy at E\*TRADE Financial. “Investors continue to contend with big unknowns—the pending stimulus bill, the velocity of the ongoing pandemic, and even a contested election outcome. All these factors could remain significant drivers of volatility. While it may be tempting to play with portfolio allocations right now, it bears repeating: When it comes to politics and investing, try to tune out the noise. Keep financial decisions mapped to your personal timeline, goals, and risk tolerance.”

The survey also explored views on sector opportunities as a result of the presidential election:

- **Health care:** Though President-elect Biden advocated for the expansion of the Affordable Care Act, a split Congress could pose headwinds for sweeping reform. That said, 68% of the total surveyed see potential in the health care sector. Amid significant strides on the vaccine front, intrepid investors could be on the hunt for growth potential.
- **Energy:** Since a sustainable economy was another top campaign point from President-elect Biden, 40% of surveyed respondents believe the sector could stand to benefit especially in green alternatives.
- **Information technology:** The red-hot tech sector ranked third among investors. While the stay-at-home economy boosted tech names, almost 40% of surveyed investors think there’s more room to run as states reinstitute lockdowns. This sector tends to be highly scrutinized in the Beltway and a divided Congress could keep significant changes in regulation at bay.

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](http://etrade.com).

For useful trading and investing insights from E\*TRADE, follow the company on Twitter, [@ETRADE](https://twitter.com/ETRADE).

To learn more about the findings, view the [Politics & Portfolios infographic](#).

### About the Survey

This wave of the survey was conducted from November 9 to November 17 of 2020 among an online US sample of 789 self-directed active voting investors who manage at least \$10,000 in an online brokerage account. The survey has a margin of error of  $\pm 3.50$  percent at the 95 percent confidence level. It was fielded and administered by Dynata<sup>®</sup>. The panel is 50% Republican and 50% Democratic, as well as 40% female and 60% male, with a distribution across online brokerages, geographic regions, and age bands.

### Referenced Data

<i>As a result of the presidential election, what is your outlook on the US financial markets?</i>			
	Total	Democratic	Republican
<b>More bullish</b>	<b>46%</b>	<b>56%</b>	<b>38%</b>
Much more bullish	15%	18%	13%
Somewhat more bullish	31%	38%	25%
<b>No change</b>	<b>26%</b>	<b>27%</b>	<b>24%</b>
Somewhat more bearish	19%	14%	22%
Much more bearish	9%	3%	16%
<b>More bearish</b>	<b>28%</b>	<b>17%</b>	<b>38%</b>

<i>As a result of the US presidential election, do you think market volatility will...</i>			
	Total	Democratic	Republican
<b>Increase</b>	<b>55%</b>	<b>47%</b>	<b>64%</b>
Greatly increase	22%	19%	25%
Somewhat increase	33%	28%	39%
<b>Stay the same</b>	<b>26%</b>	<b>29%</b>	<b>22%</b>
Somewhat decrease	16%	21%	10%
Greatly decrease	3%	3%	4%
<b>Decrease</b>	<b>19%</b>	<b>24%</b>	<b>14%</b>

<i>As a result of the presidential election, which of the following strategies are you planning to deploy?</i>			
	Total	Democratic	Republican
Move out of current positions and into cash	21%	19%	23%
Move out of cash and into new positions	18%	21%	15%

Change the allocations in my portfolio	20%	18%	23%
Make no changes to my portfolio	39%	41%	37%
Other	2%	1%	2%

<i>Do you think the results of the election will ____ economic recovery?</i>			
	<b>Total</b>	<b>Democratic</b>	<b>Republican</b>
<b>Accelerate (Top 2 Box)</b>	<b>55%</b>	<b>77%</b>	<b>33%</b>
Greatly accelerate	23%	33%	14%
Somewhat accelerate	32%	44%	19%
<b>Neither accelerate or decelerate</b>	<b>16%</b>	<b>16%</b>	<b>16%</b>
Somewhat decelerate	15%	5%	25%
Greatly decelerate	14%	2%	26%
<b>Decelerate (Bottom 2 Box)</b>	<b>29%</b>	<b>7%</b>	<b>51%</b>

<i>Which sectors do you think will benefit most from the presidential election? (Top three)</i>			
	<b>Total</b>	<b>Democratic</b>	<b>Republican</b>
Health care	68%	74%	61%
Energy	40%	44%	37%
Information Technology	39%	38%	41%
Financials	30%	35%	26%
Consumer Staples	26%	28%	25%
Consumer Discretionary	23%	23%	23%
Communication Services	19%	15%	25%
Industrials	16%	15%	16%
Utilities	16%	9%	22%
Materials	14%	11%	17%
Real estate	9%	9%	8%

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