

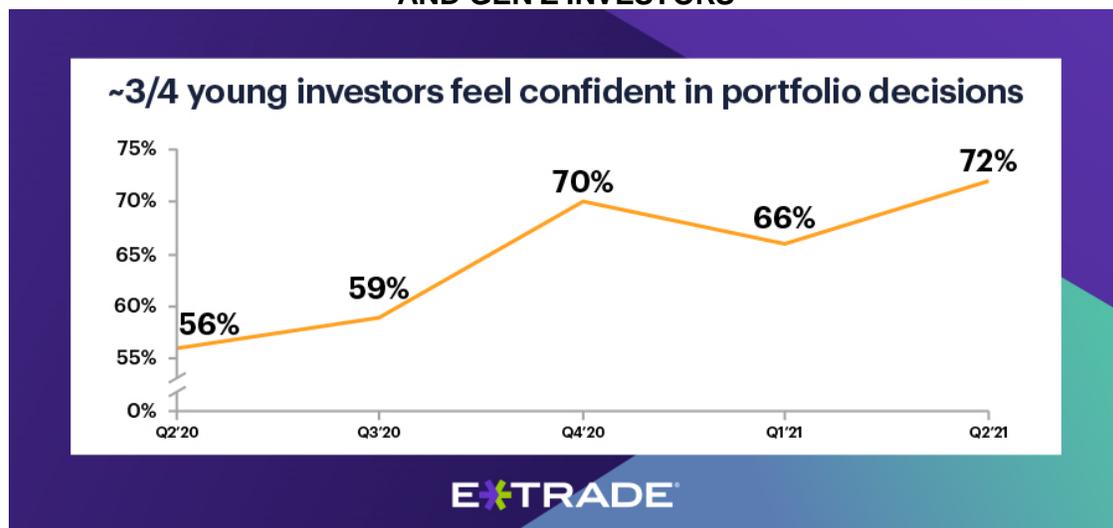
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E\*TRADE Media Relations

646-521-4418

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

## E\*TRADE STUDY REVEALS SIGNIFICANT CONFIDENCE BOOST AMONG MILLENNIAL AND GEN Z INVESTORS



*Risk tolerance among young investors also increased, hitting a record high*

**ARLINGTON, Va, June 4, 2021**— E\*TRADE Financial Holdings, LLC today announced results from the most recent wave of *StreetWise*, the E\*TRADE quarterly tracking study of experienced investors. Results show confidence spiked, risk tolerance grew, and engagement increased among Gen Z and Millennial investors during the pandemic:

- **Over a year into the pandemic, confidence has been building.** Nearly three out of four investors (72%) under the age of 34 said they are confident in their portfolio decisions, 16 percentage points higher than last year and 15 percentage points higher than the total population.
- **Risk tolerance reaches a pandemic high.** More than two in three Gen Z and Millennial investors (70%) said their risk tolerance increased within the last three months of the pandemic, 19 percentage points higher than Q3 2020—the first quarter the question was asked—and 23 percentage points higher than the total population.
- **And they say they're trading more often.** Over half of investors under the age of 34 said they are trading equities (58%) and derivatives (55%) more frequently, compared to 40% and 36% of the total population, respectively.
- **Mobile trading activity also saw a jump.** More than three quarters of Gen Z and Millennial investors (76%) said they trade at least once a week on their smart phone, up 14 percentage points from a year ago and 27 percentage points higher than the total. Nearly three in five (59%) said they are more likely to rely on their mobile device to trade during the last three months of the pandemic, compared to 39% of the total.

“Over a year into the pandemic, trading activity remains robust, especially among young investors,” said Chris Larkin, Managing Director of Trading and Investment Product at E\*TRADE Financial. “While the market has continued to rise during most of the pandemic, keep in mind

that volatility is par for the course. It's critical for investors to stay committed to a disciplined trading approach during the dips and consider valuations and the fundamentals of any one name before swooping in on a new buying opportunity."

Mr. Larkin offered additional guidance to young investors getting started with trading:

- **Do your homework before committing.** It's easy to get caught up in the latest stock fad, so dig into fundamental and technical indicators of a stock before diving in. Investors may use fundamental analysis to narrow down the choice of stocks and compare companies side by side, while technical analysis may come into play as they enter and exit positions and manage risk.
- **Education is key.** With barriers to trading lower than ever and an abundance of information to be found, emerging investors can easily arm themselves with investing and trading insights. Keep [up-to-date with webinars, videos, and articles](#) on trading strategies and macro investing trends.
- **Test drive trading ideas.** Many firms offer paper trading that allows traders across experience levels to test-drive any investing idea—from simple equity trades to complex options strategies—without committing actual capital. Monitor a paper trading portfolio and easily modify positions to analyze new scenarios after executing a trade.

### **About the Survey**

This wave of the survey was conducted from April 1 to April 12 of 2021 among an online US sample of 957 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. The <34 data set is comprised of 273 investors between the ages of 18 and 34.

### **About E\*TRADE Financial Holdings, LLC and Important Notices**

E\*TRADE Financial Holdings, LLC and its subsidiaries provide financial services including brokerage and banking products and services to retail customers. Securities products and services are offered by E\*TRADE Securities LLC (Member SIPC). Commodity futures and options on futures products and services are offered by E\*TRADE Futures LLC (Member NFA). Managed Account Solutions are offered through E\*TRADE Capital Management, LLC, a Registered Investment Adviser. Bank products and services are offered by E\*TRADE Bank, and RIA custody solutions are offered by E\*TRADE Savings Bank, both of which are national federal savings banks (Members FDIC). More information is available at [www.etrade.com](http://www.etrade.com).

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### **Referenced data**

<i>How confident are you that you are making the right decisions for your portfolio?</i>						
	TOTAL	AGE <34				
	Q2'21	Q2'20	Q3'20	Q4'20	Q1'21	Q2'21
<b>Top 2 Box</b>	<b>57%</b>	<b>56%</b>	<b>59%</b>	<b>70%</b>	<b>66%</b>	<b>72%</b>
Extremely confident	21%	27%	24%	30%	25%	30%
Very confident	36%	29%	35%	40%	41%	42%
Somewhat confident	36%	33%	35%	24%	26%	25%
Only a little confident	6%	10%	5%	4%	7%	2%
Not confident at all	1%	1%	1%	2%	1%	1%
<b>Bottom 2 Box</b>	<b>7%</b>	<b>11%</b>	<b>6%</b>	<b>6%</b>	<b>8%</b>	<b>3%</b>

<i>My risk tolerance has _____ within the last three months of the pandemic.</i>					
	TOTAL	AGE <34			
	Q2'21	Q3'20	Q4'20	Q1'21	Q2'21
<b>Top 2 Box</b>	<b>47%</b>	<b>51%</b>	<b>65%</b>	<b>65%</b>	<b>70%</b>
Greatly increased	17%	20%	23%	20%	27%
Somewhat increased	30%	31%	42%	45%	43%
Stayed the same	41%	31%	25%	26%	23%
Somewhat decreased	9%	14%	9%	8%	5%
Greatly decreased	3%	4%	1%	1%	2%
<b>Bottom 2 Box</b>	<b>12%</b>	<b>18%</b>	<b>10%</b>	<b>9%</b>	<b>7%</b>

<i>Within the last three months of the pandemic, would you say you are trading equities...</i>		
	TOTAL	AGE <34
	Q2'21	Q2'21
<b>Top 2 Box</b>	<b>40%</b>	<b>58%</b>
Much more frequently	16%	26%
Somewhat more frequently	24%	32%
About the same	49%	34%
Somewhat less frequently	7%	8%
Much less frequently	4%	--
<b>Bottom 2 Box</b>	<b>11%</b>	<b>8%</b>

<i>Within the last three months of the pandemic, would you say you are trading derivatives...</i>		
	TOTAL	AGE <34
	Q2'21	Q2'21
<b>Top 2 Box</b>	<b>36%</b>	<b>55%</b>
Much more frequently	15%	23%
Somewhat more frequently	21%	32%
About the same	49%	34%
Somewhat less frequently	8%	10%
Much less frequently	7%	1%

<b>Bottom 2 Box</b>	<b>15%</b>	<b>8%</b>
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<b>Approximately how often do you use an investing and trading app on your smart phone?</b>				
	<b>TOTAL</b>		<b>AGE &lt;34</b>	
	<b>Q2'20</b>	<b>Q2'21</b>	<b>Q2'20</b>	<b>Q2'21</b>
<b>At least once a week (Top 3 Box)</b>	<b>40%</b>	<b>49%</b>	<b>62%</b>	<b>76%</b>
At least once per day	11%	13%	17%	20%
2-3 times each week	12%	19%	21%	28%
About once per week	17%	17%	24%	28%
2-3 times each month	11%	10%	18%	12%
About once per month	6%	5%	6%	6%
Less than once per month	9%	7%	3%	2%
I do not have/use an investing/trading app	34%	29%	11%	4%

<b>Within the last three months of the pandemic, when it comes to managing your accounts, have you found yourself...</b>		
	<b>TOTAL</b>	<b>AGE &lt;34</b>
	<b>Q2'21</b>	<b>Q2'21</b>
More likely to rely on a mobile app to trade	39%	59%
More likely to use a sophisticated software like a dedicated trading platform	38%	57%
More likely to seek out financial advice from an investment professional	40%	50%
More likely to use an automated investment solution like a robo advisor	13%	16%
None	33%	8%
Other	2%	1%

**Gen Z and Millennials (young investors) are defined as age 18–34 years.**