

Black Investor Survey

Additional findings based on race, gender and age

OCTOBER 2021

(Based on data collected December 1-14, 2020)



Ariel-Schwab Black Investor Survey

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Research Objectives

Identify similarities and differences between middle-class Black and white Americans with regard to savings and investing:

- Examine the factors, particularly past influences and underlying beliefs, that may impact how Black and white Americans think about financial matters
- Identify and understand the influences of the pandemic on investing trends
- Assess the expectations and sentiment that Black and white Americans face in their financial future
- Determine any shifts in attitudes or behaviors that have occurred over time

Methodology

An online survey of approximately 18 minutes in length was conducted during the period of December 1-14, 2020, with sample provided by opt-in consumer panels.

Recruiting criteria:

- Mix of genders*
- Age 18+*
- \$50K+ household income in 2019
- Primary or shared decision maker for household financial decisions

A total of 2,104 surveys were completed as follows:

- 1,007 among those identifying as Black
- 1,097 among those identifying as white

Ariel Investments/Charles Schwab were not identified as the sponsors of the research.

Research conducted by Helical Research Inc.

* Soft quota ranges set for age and gender within race with income of \$50K+ in order to be aligned with US Census data and previous research

Highlights

Women have missed out on a historic stock market run.

- Only two-thirds of women (66%) reported being currently invested in the stock market, compared to 73% of men.
- White men are the most likely of all groups to be invested, and Black women are the least likely. Just 50% of Black women are currently invested, compared to 68% of white women, 63% of Black men, and 74% of white men.
- Older Black women are missing out on stock market growth more than any other group surveyed. Only 41% of Black women older than 60 report having any money invested in the stock market.

Women are less likely to have learned about the stock market growing up, and more likely to associate negative emotions with investing.

- One-third of all men (33%) report talking about the stock market growing up. That's 2x more than all women (15%), and 3x more than Black women (11%).
- When asked about the emotions individuals associate with investing in the stock market, anxiety was one of the top emotions women identified (37% of women vs. 28% of men).
- More men associate the stock market with optimism (45% of men vs. 38% of women) and satisfaction (40% of men vs. 26% of women).

The pandemic impacted women differently.

- 13% of all women dipped into their emergency funds to support themselves during the pandemic (vs. 8% of all men). This was higher among Black women (19%).
- 23% of all women (vs. 18% of all men) said their financial situation worsened somewhat or substantially during the pandemic. More than half of all women (55%) surveyed expect their personal financial situation will stay the same in 2021.
- Black men were most likely to have added to stock market investments as a direct result of COVID-19's impact on the economy (32%), while white women were least likely (12%).
- Almost one-third (29%) of Black women talked to children about finances during the COVID-19 pandemic, compared to just 16% of white women.

There is hope on the horizon and opportunity for the financial services industry.

- Black women under 40 were just as likely as their white counterparts to be invested in the stock market (57% vs. 58%).
- However, women are less likely to work with a financial advisor (37% of women vs. 48% of men), and Black women are least likely of all groups (20% of Black women vs. 40% of white women).

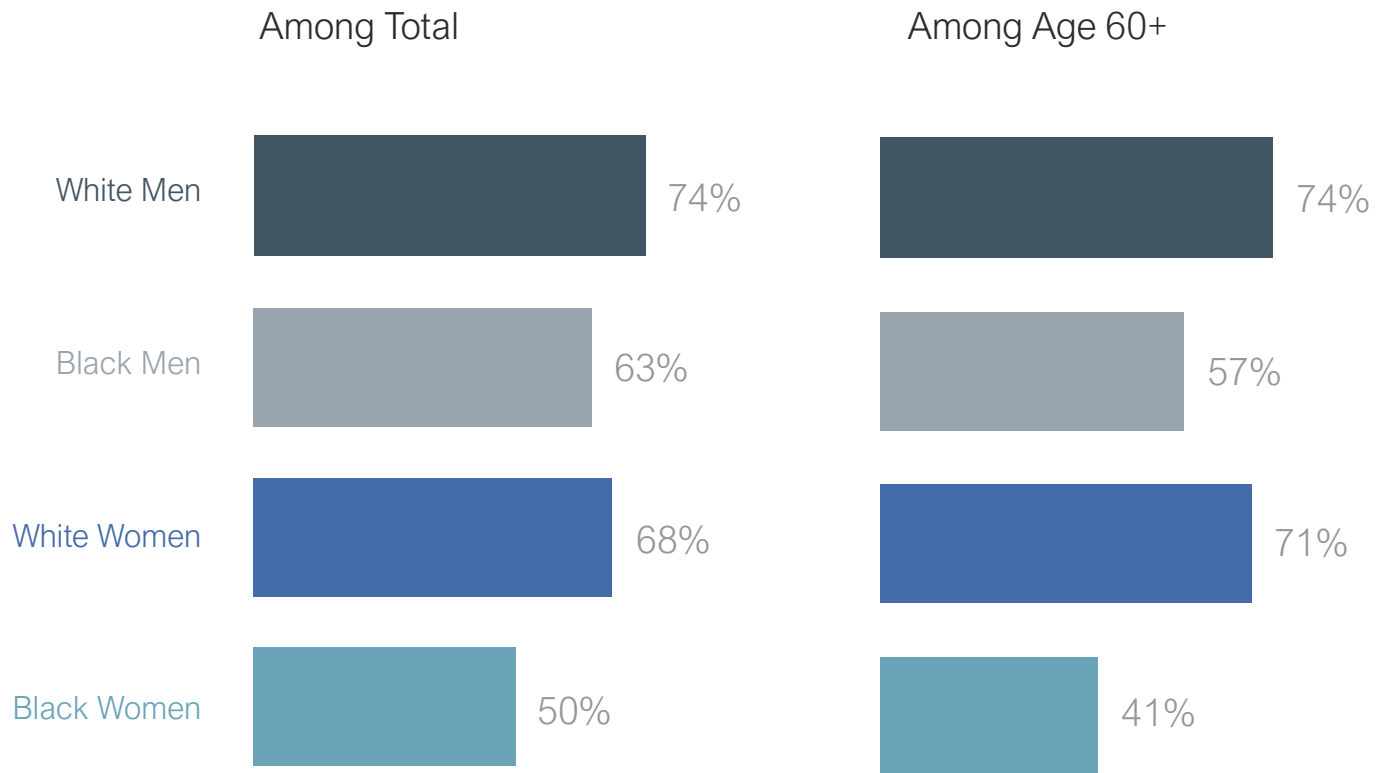
Trust remains an issue.

- Only 33% of Black women feel that financial firms treat them with respect (vs. 59% of white women). This cuts across genders: only 35% of Black investors feel that the financial services industry treats them with respect vs. 62% of white investors.
- This feeling of disrespect may be impacting opinions of the financial industry – nearly one-quarter of Black women (22%) say that financial institutions are untrustworthy. This number increases among Black women under 40 (33%).
- 71% of Black women agree that there are not enough Black role models in the financial community, however only 39% of white women agree with this statement.
- Following the pandemic, only 14% of women received advice from a financial professional, compared to 24% of men.

Detailed Results

Stock Market Current Investor Status

Do you personally (or with a spouse/partner) have any money invested in the stock market right now, either in individual stocks or in a stock mutual fund or ETF?



Emotions Associated with Stock Market

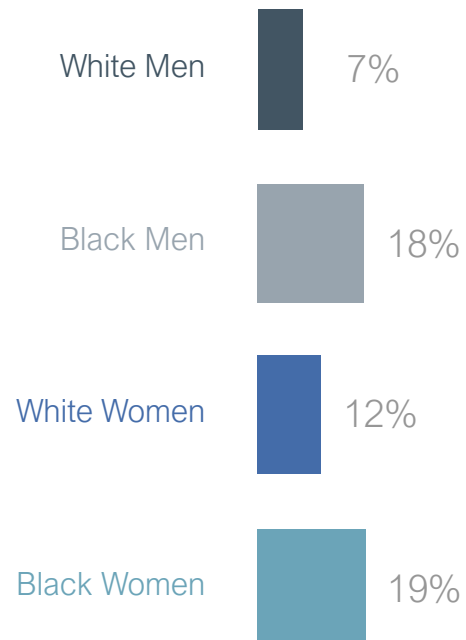
Which of the following emotions do you most associate with investing in the stock market?

Emotions Associated with Stock Market	Men	Women
Optimism	45%	38%
Satisfaction	40%	26%
Anxiety	28%	37%
Enthusiasm	23%	17%
Curiosity	21%	19%
Fear	19%	20%
Confusion	15%	26%
Pride	14%	7%
Mistrust	13%	12%
Indifference	10%	8%
Intimidation	9%	16%
Anger	4%	2%

Activities Driven by COVID-19

As a direct result of COVID-19's impact on the economy, which of the following have you done or experienced?

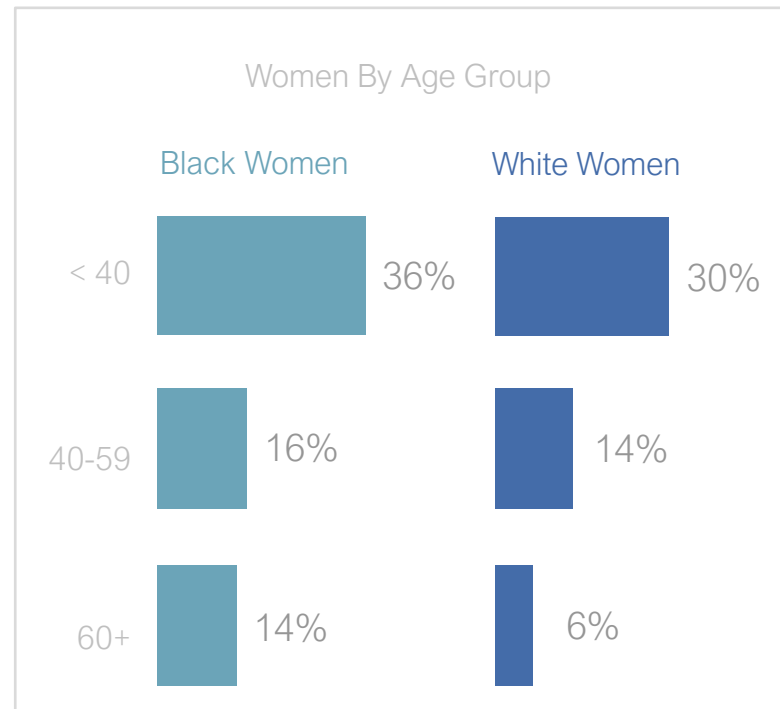
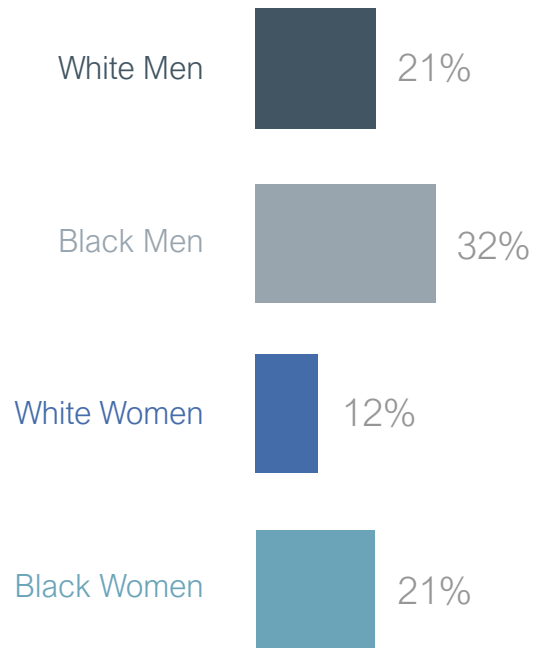
% Dipped into Emergency Fund



Activities Driven by COVID-19

As a direct result of COVID-19's impact on the economy, which of the following have you done or experienced?

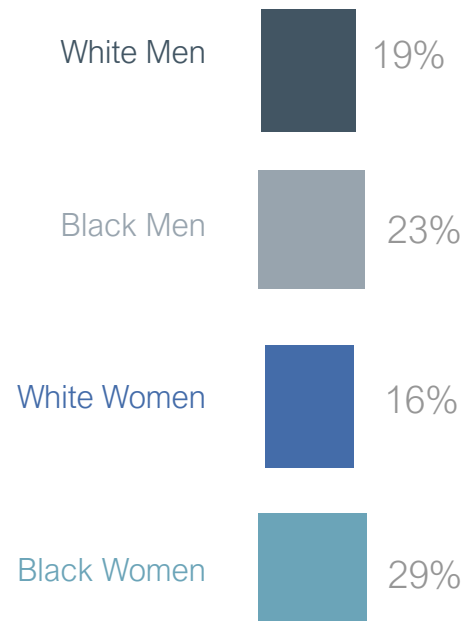
% Added to Stock Market Investments



Activities Driven by COVID-19

As a direct result of COVID-19's impact on the economy, which of the following have you done or experienced?

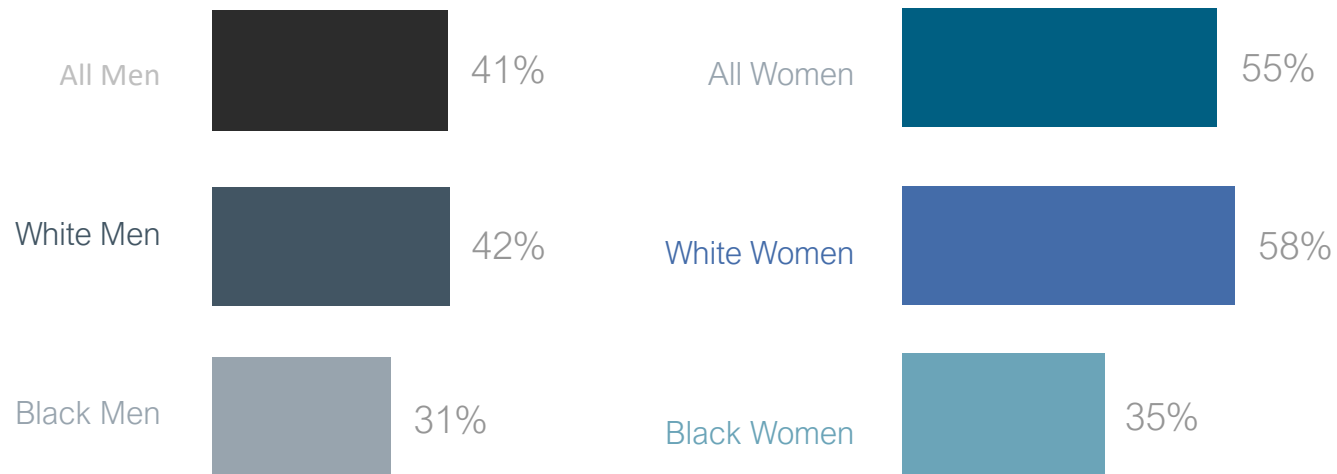
% Talked to Children/Family About Finances



Activities Driven by COVID-19

Do you expect your situation will stay the same in 2021 as it was in 2020?

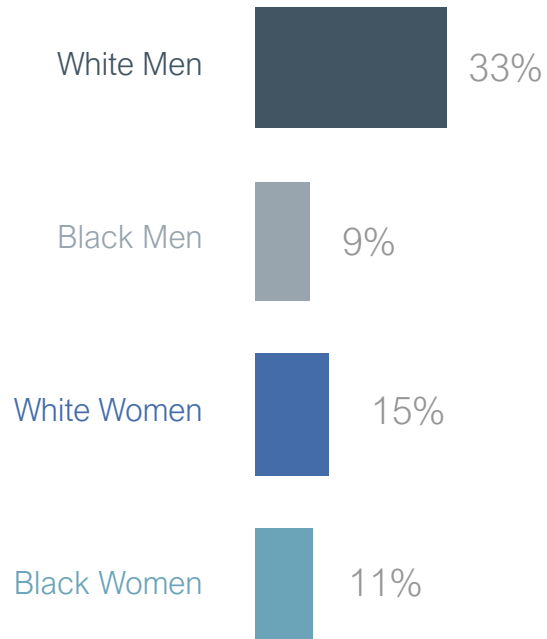
% Expecting Situation Will Stay the Same



Discussed Stock Market Growing Up

Did your family talk about the stock market when you were growing up?

% Talked About Stock Market Growing Up

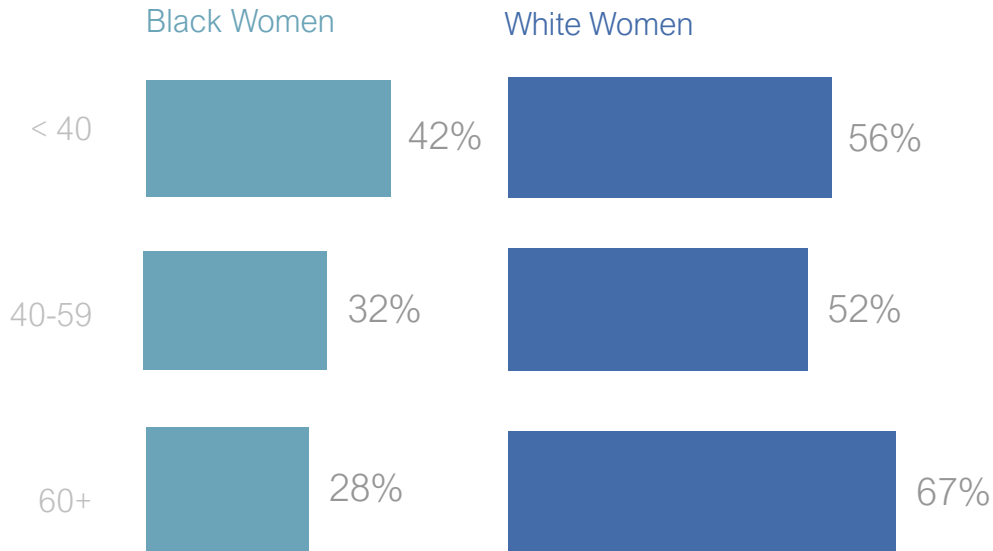


Financial Advisor Usage

Agreement with the statement: Financial services firms treat people like you with respect.
Agreement with the statement: Financial services firms are not trustworthy.

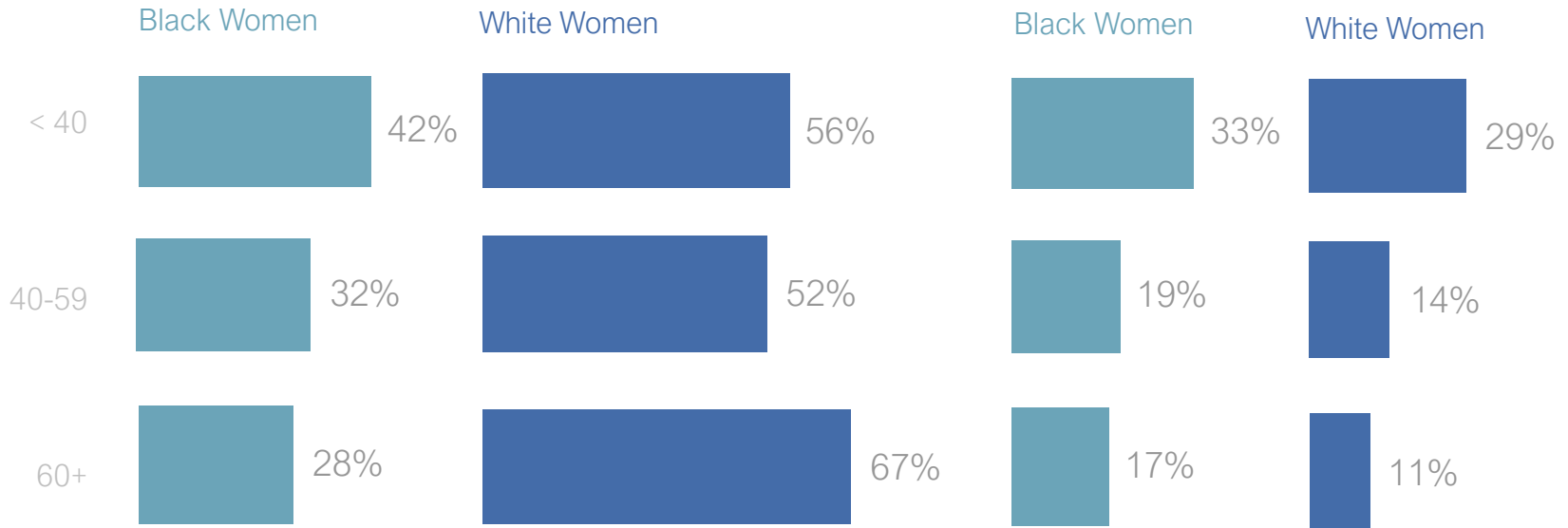
% Agree Financial Services Firms Treat You With Respect

Women By Age Group



% Agree Financial Services Not Trustworthy

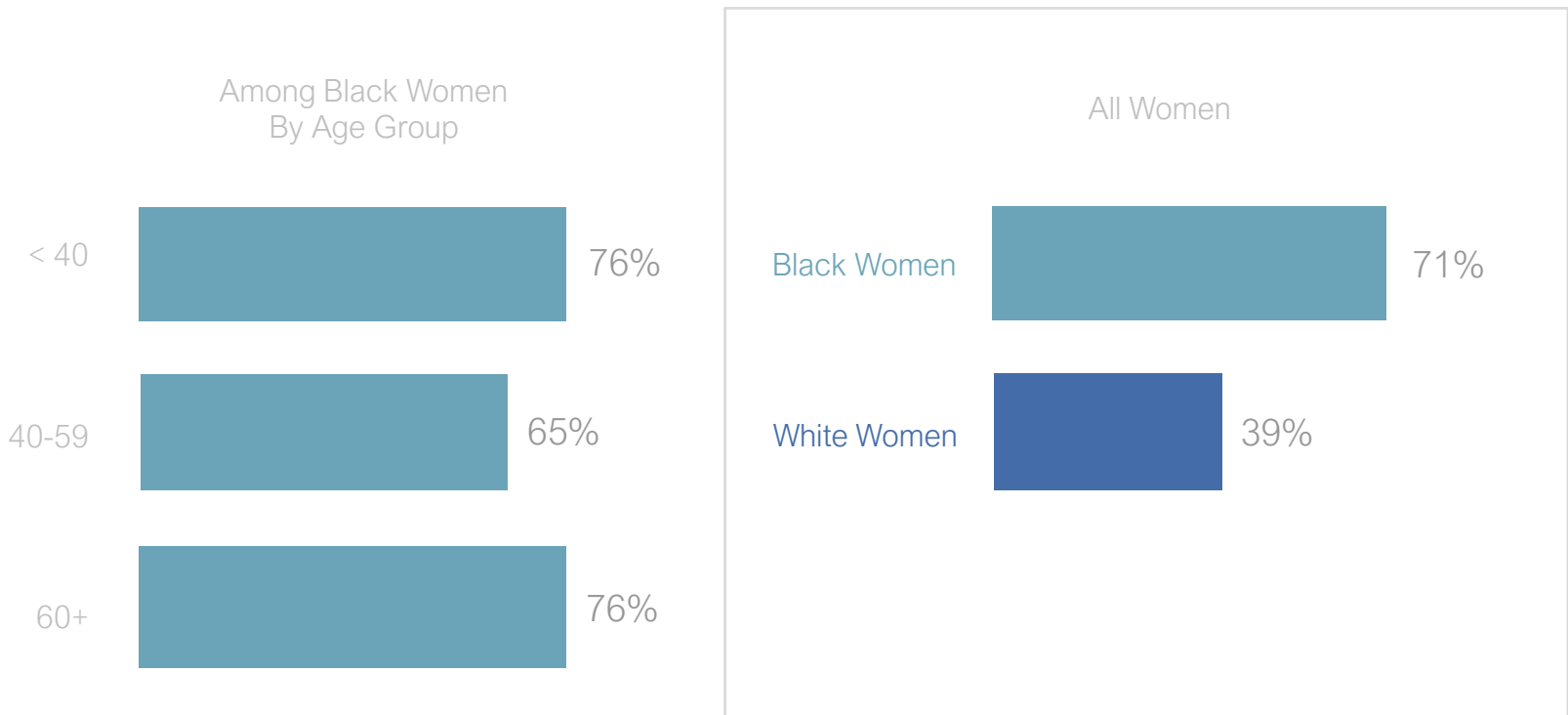
Women By Age Group



Financial Role Models

Agreement with the statement: There are not enough Black role models in the financial community.

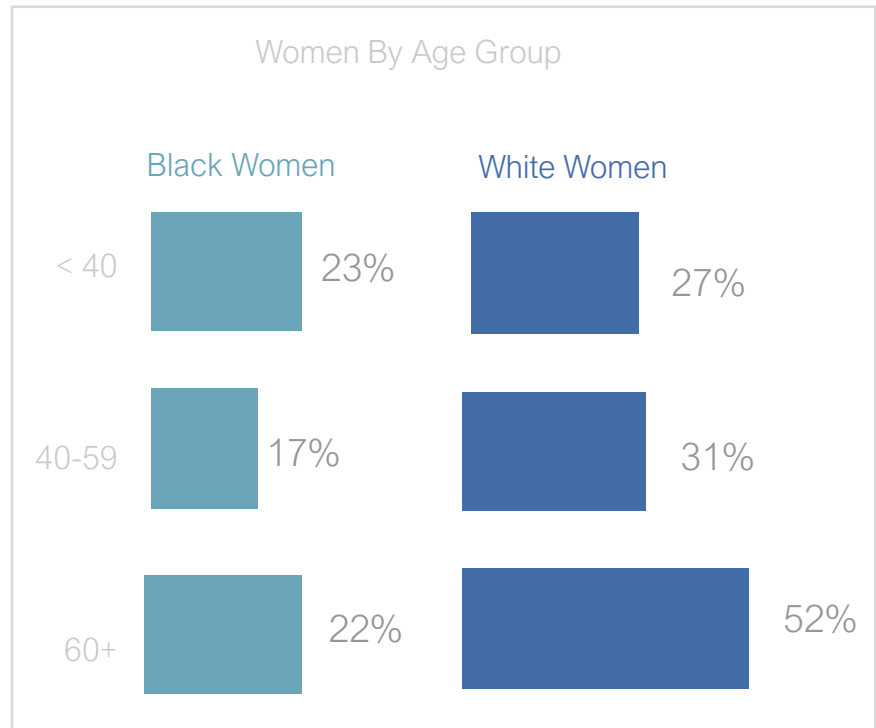
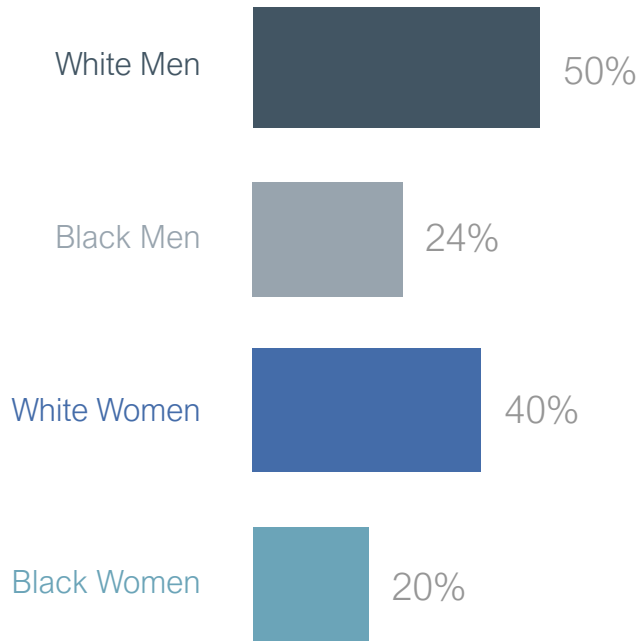
% Agree Not Enough Black Role Models in Financial Community



Financial Advisor Usage

Do you currently work with a financial advisor?

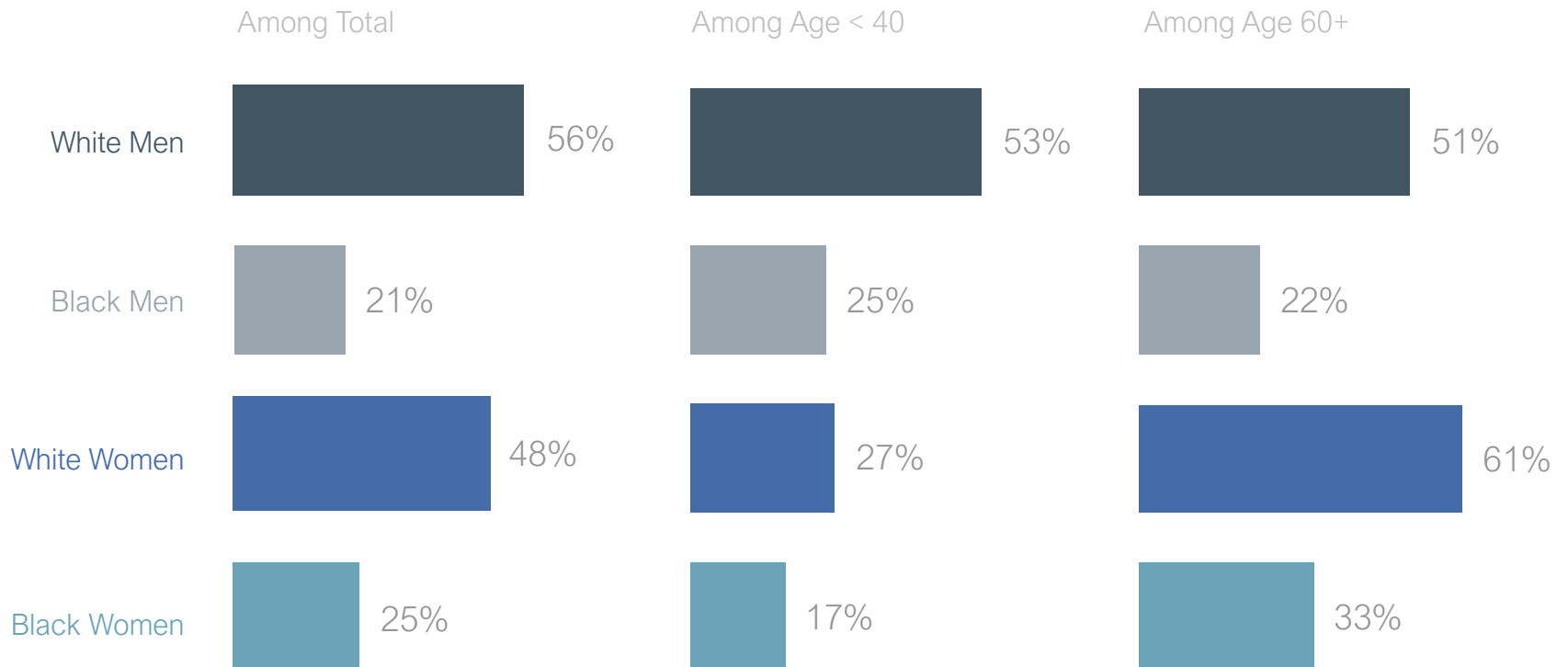
% Have a Financial Advisor



Inherited Money

Have you ever inherited money?

% Has Inherited Money



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Demographic / Financial Profile

Demographic/Financial Profile

	Black Americans	White Americans
Age		
18-24	3%	2%
25-29	5%	2%
30-34	8%	3%
35-39	9%	6%
40-44	11%	14%
45-49	11%	6%
50-54	11%	13%
55-59	13%	12%
60-64	11%	15%
65+	18%	27%
Average	50 yrs	54 yrs
Gender		
Female	64%	52%
Male	36%	48%
Marital Status		
Married	47%	76%
Single	27%	9%
Divorced, separated, widowed	19%	11%
Partnered	7%	4%
Family Composition		
Children <18 at home	34%	33%
Children 18+ at home	22%	15%
Children 18+ but <u>not</u> at home	34%	40%
Adult other than spouse/partner at home	21%	16%
Educational Attainment		
High school graduate or less	11%	11%
Some college	26%	19%
College graduate	40%	37%
Postgraduate study	23%	33%

	Black Americans	White Americans
Respondent Employment Status 2020		
Employed full-time	60%	50%
Retired	20%	31%
Unemployed	9%	5%
Employed part-time	6%	8%
At-home parent	4%	5%
Furloughed	2%	2%
Student full-time	1%	1%
Student part-time	1%	0%
Total HH Income 2020		
<\$25K	1%	0%
\$25K-<\$50K	4%	4%
\$50K-<\$75K	43%	29%
\$75K-<\$100K	24%	25%
\$100K-<\$150K	18%	23%
\$150K-<\$250K	8%	15%
\$250K+	2%	4%
Average	\$94K	\$111K
Total Value of Savings and Investments		
<\$5K	21%	6%
\$5K-<\$25K	19%	8%
\$25K-<\$50K	11%	8%
\$50K-<\$100K	17%	13%
\$100K-<\$250K	15%	18%
\$250K-<\$500K	10%	21%
\$500K-<\$1 million	5%	14%
\$1 million+	2%	12%
Average	\$146K	\$381K