



Mind and the Market Investor Sentiment Survey Findings



Orion Advisor Solutions

September 2022

Objectives



The purpose of this survey was to gauge the general mood of investors and outlook on their financial futures.

Specifically, this research aimed to:

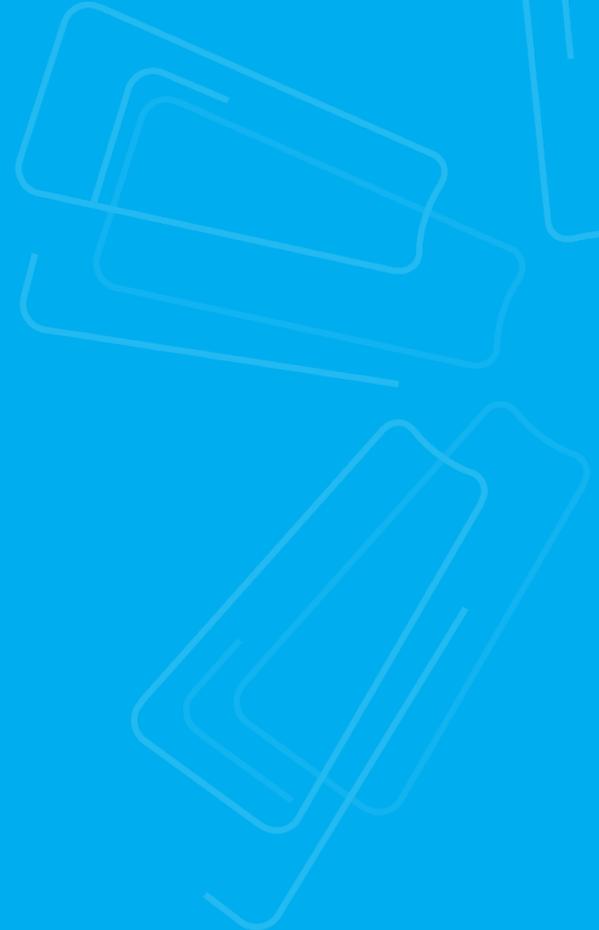
- Evaluate the financial outlook of respondents and measure the impact of perceptions of the economy on investment habits and behavior
- Understand how external factors like the COVID-19 pandemic impact investing behavior

Methodology



TRUE Global Intelligence, the in-house research practice of FleishmanHillard, fielded a 7-minute survey from Aug. 22 – Aug. 26, 2022, of 500 U.S. residents with annual household incomes of at least \$150K.

Respondents must also have investments in, at a minimum, one of the following areas: stocks, bonds, or mutual funds.



Key Takeaways



1. Despite having pessimistic outlooks for the U.S. and global economies and the U.S. Stock Market over the next six months, two-thirds of investors indicated a positive mood regarding their individual financial futures, often describing their mood as “confident.”
 - Following the COVID-19 pandemic, investors were slightly more likely to have a more negative outlook than a positive one on their investments and ability to reach their financial goals than they had a year ago. The pandemic motivated investors to commit to saving and investing for the future and to focus more on wealth preservation and the safety of their assets rather than on seeking higher returns.
2. Top concerns for investors center around market conditions, including inflation, market volatility, and the U.S. political climate.
3. To address concerns about meeting their financial goals, investors are primarily focused on saving money, specifically by holding off on big purchases and reducing discretionary spending. Some have also adjusted their retirement plans and/or contributions.

Generational Differences



1. Compared to Gen X and Baby Boomers, Millennials have much more positive outlooks on the U.S. economy, global economy, U.S. Stock Market, and their own financial future.
2. Inflation is the top market concern among investors across generations. Millennials are more concerned than Gen X and Baby Boomers with rising interest rates and healthcare costs, but Gen X and Baby Boomers are more concerned than Millennials about the potential for a recession and the U.S. political climate.
3. Following the COVID-19 pandemic, investors across generations changed their investment goals to focus more on wealth preservation and saving. Similarly, investors across generations are often reducing spending in response to their financial concerns. However, Millennials are more likely than Gen X and Baby Boomers to say they are increasing investment in the stock market, in line with this generation's more positive economic outlook.

Investors working with a financial advisor have more positive outlooks on the economy and their financial futures than investors who are not working with a financial advisor



1. Four in 10 (42%) investors working with an advisor have an optimistic outlook for the U.S. economy over the next six months, compared to 24% of investors not working with an advisor.
2. Thirty-seven percent of those working with an advisor have a positive outlook on the stock market over the next six months, compared to 20% of those not working with an advisor.
3. Thinking about their investments and ability to reach their financial goals, 31% of those working with a financial advisor have a more positive confidence level compared to a year ago, compared to 21% of those not working with an advisor.

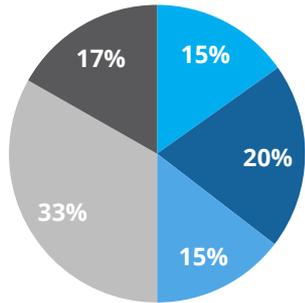
Investors are pessimistic about the economic outlook of the U.S. and global economy over the next six months



Economic Outlook Over the Next Six Months

■ Very optimistic ■ Somewhat optimistic ■ Neutral ■ Somewhat pessimistic ■ Very pessimistic

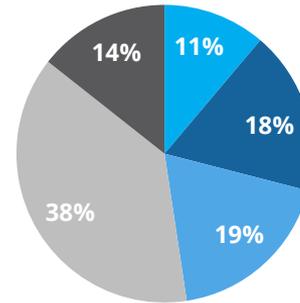
U.S. Economy



Total Optimistic **35%**
Total Pessimistic **50%**

Optimism about the U.S. economy is *higher* among **Millennials** (64%) than among **Gen X** (35%) and **Baby Boomers** (22%)

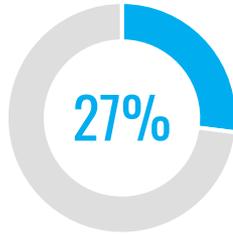
Global Economy



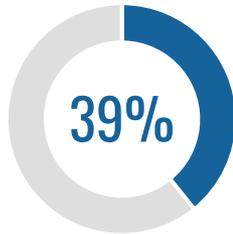
Total Optimistic **29%**
Total Pessimistic **52%**

Optimism about the global economy is also *higher* among **Millennials** (61%) than among **Gen X** (32%) and **Baby Boomers** (11%)

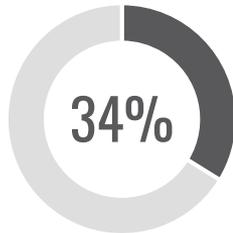
Slightly more investors indicate having a more negative outlook on their investments than a more positive one



of respondents have a **more positive** outlook on their investments and ability to reach financial goals than they did a year ago.



of respondents' outlook on their investments and ability to reach financial goals **has not changed** compared to a year ago.



of respondents have a **more negative** outlook on their investments and ability to reach financial goals than they did a year ago.

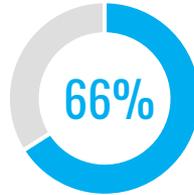
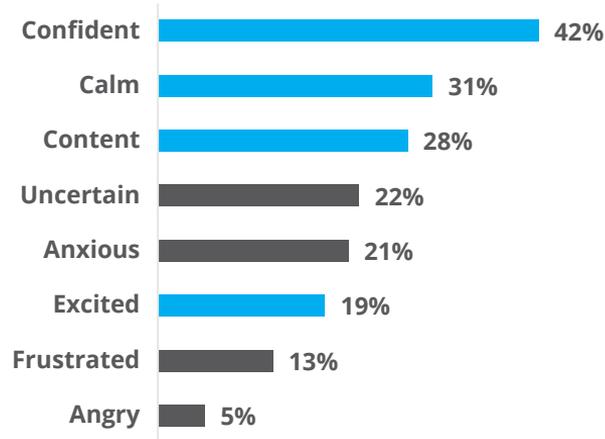
Millennials have a more *positive outlook* on their ability to reach financial goals (67%) than **Gen X** (27%) or **Baby Boomers** (6%).

More *negative outlooks* are more common among **Baby Boomers** (43%) and **Gen X** (39%) than **Millennials** (12%).

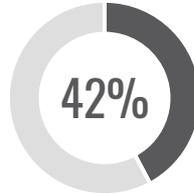
Two-thirds of investors feel positively about their personal financial future



Moods Toward Financial Future



of respondents have a **positive** mood about their financial future.



of respondents have a **negative** mood about their financial future.

Confidence is *higher* among **Millennials** (60%) than **Gen X** (42%) and **Baby Boomers** (34%).

Gen X (22%) are *more likely* than **Millennials** (10%) and **Baby Boomers** (10%) to feel **frustrated**.

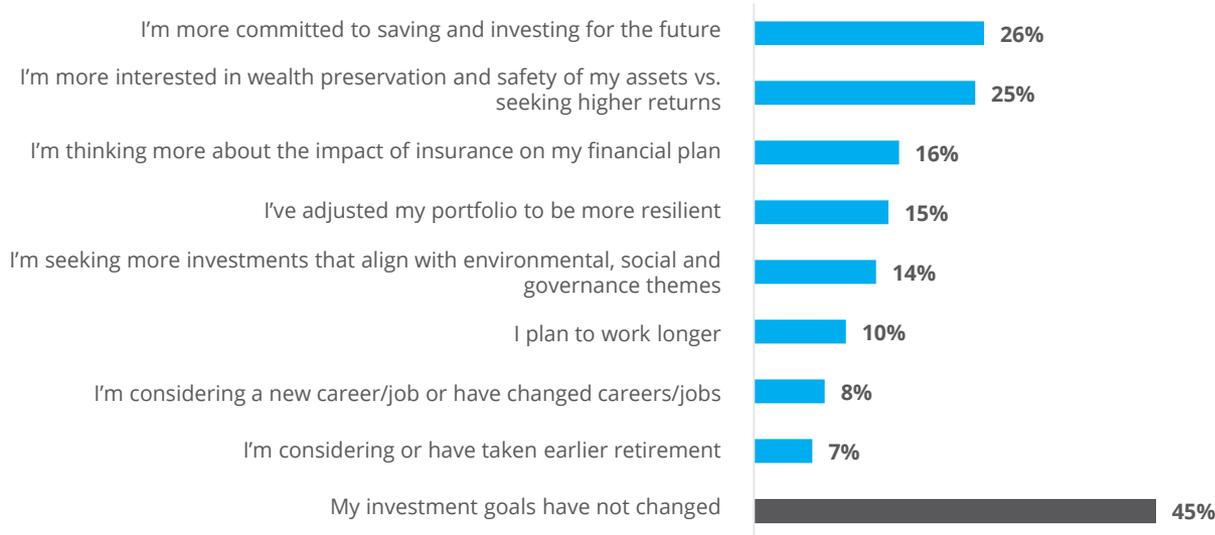
Baby Boomers (31%) *more frequently* expressed **uncertainty** than **Millennials** (13%) and **Gen X** (15%).

Overall, **Millennials** (82%) are *much more likely* to have a **positive** mood regarding their financial future, compared to **Gen X** (61%) and **Baby Boomers** (59%).

Wealth preservation and saving for the future are more important to investors post-COVID



Changes to Investment Goals Post-COVID



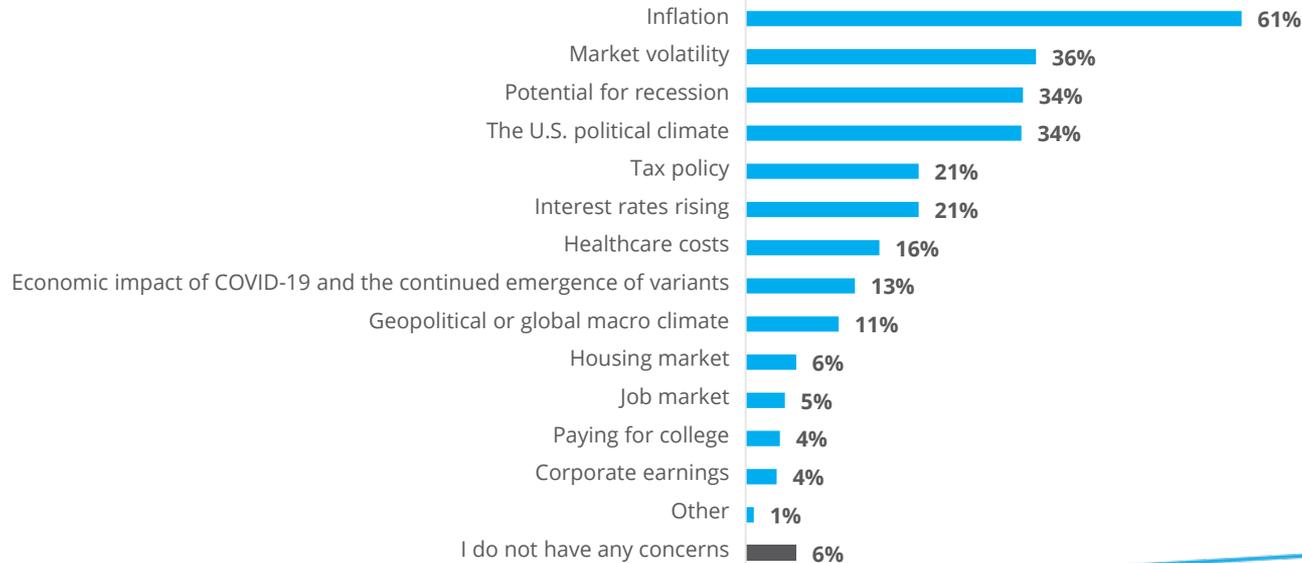
Baby Boomers experienced the least change in investment goals post-COVID: 67% of **Boomers** say their **goals haven't changed**, compared to 34% of **Gen X** and 13% of **Millennials**.

Compared to **Gen X** and **Baby Boomers**, **Millennials** are *more likely* to say they're **seeking ESG-aligned investments**, are **interested in wealth preservation**, are more **committed to saving for the future**, and are **thinking about the impact of insurance** on their financial plan.

Inflation and other market-related conditions are leading causes of concern among investors



Top Concerns Regarding Money and Financial Goals



Inflation is the top concern among all generations.

Baby Boomers (40%) are the generation most concerned by the potential for a recession, compared to **Gen X** (35%) and **Millennials** (26%).

Rising interest rates are of greater concern to **Millennials** (36%) than to **Gen X** (20%) and **Baby Boomers** (15%).

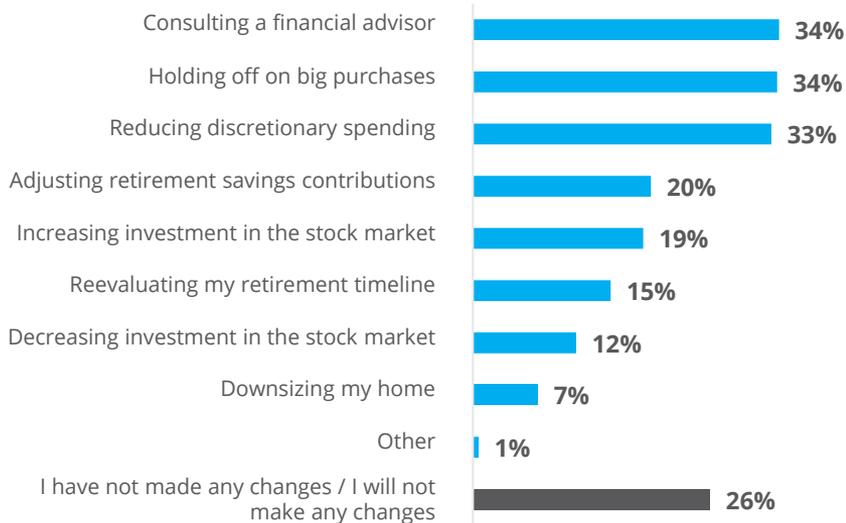
Millennials (26%) are also more concerned than **Gen X** (16%) and **Baby Boomers** (13%) about **healthcare costs**.

Fewer **Millennials** (21%) than **Gen X** (33%) and **Baby Boomers** (39%) are concerned with the **U.S. political climate**.

Most investors are open to making changes in order to reach their financial goals



Addressing Concerns About Financial Goals



72% of respondents have reduced or plan to reduce spending of some kind.

47% of respondents have changed or plan to change their retirement plans or contributions.

45% of respondents have altered or plan to alter their investment habits.

Millennials (38%) are more likely than **Gen X** (23%) and **Baby Boomers** (7%) to see **increasing investment in the stock market** as a potential solution to their concerns. **Millennials** (50%) are also the most likely to **consult a financial advisor**, compared to **Gen X** (32%) and **Baby Boomers** (27%).

Altering retirement plans and contributions is more common among **Millennials** and **Gen X** than **Baby Boomers**.

Baby Boomers (38%) were the most likely to say they haven't made or don't plan to make any changes, compared to **Millennials** (10%) and **Gen X** (17%).



More than one-third of respondents are expecting poor market performance over the next six months



31% of respondents have a **positive** outlook on the U.S. Stock Market over the next six months.



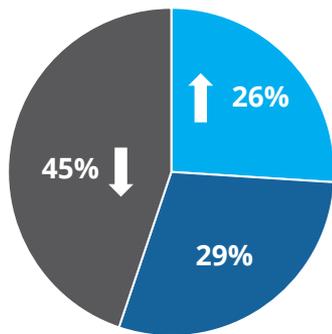
33% of respondents have a **neutral** outlook on the U.S. Stock Market over the next six months.



36% of respondents have a **negative** outlook on the U.S. Stock Market over the next six months.

Change in Investment Returns, 2022 vs. 2021

■ Higher ■ The same ■ Lower



Expected Return on Investments in 2022

Average	13.7%
Median	5.00%

Millennials (62%) are *more likely* to indicate a **positive outlook** on the U.S. Stock Market than are **Gen X** (30%) or **Baby Boomers** (14%).

A larger proportion of **Millennials** (58%) than **Gen X** (23%) or **Baby Boomers** (9%) expect higher investment returns this year. **Baby Boomers** (59%) and **Gen X** (43%) are *more likely* than **Millennials** (20%) to expect lower returns.

Q10: What is your outlook on the U.S. Stock Market over the next 6 months?

Q18: Are you expecting your investment returns to be lower, higher, or the same as they were in 2021?

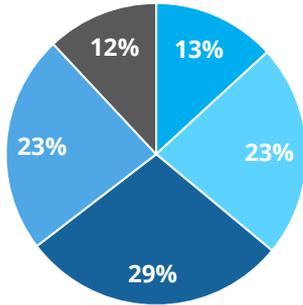
Q19: What is the average percent return you are expecting on your investments in 2022? (n=500)

Of the two-thirds of respondents who monitor markets outside of the U.S., more than half pay attention to China



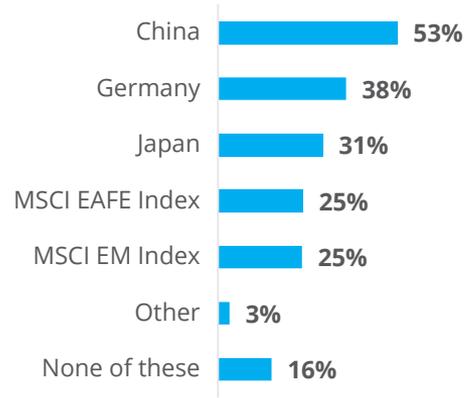
Pay Attention to Equity Markets Outside of the U.S.

■ Always ■ Often ■ Sometimes ■ Rarely ■ Never



65% of respondents at least sometimes pay attention to equity markets outside of the U.S.

Equity Markets



Millennials pay the most attention to equity markets outside of the U.S. 86% of **Millennials** at least sometimes pay attention to outside markets, compared to 70% of **Gen X** and 51% of **Baby Boomers**.

Q20: When it comes to your investment strategy, how frequently do you pay attention to equity markets outside of the U.S.? n=500

Q21: Which equity markets outside of the U.S., or broad ex-U.S. indices, do you pay attention to? (Of those who pay attention to equity markets outside of the U.S. at least sometimes, n=323)



Appendix



Respondent Profile



Age	
Gen Z (18-25)	2%
Millennial (26-41)	25%
Gen X (42-57)	23%
Baby Boomer (58-76)	41%
Silent Generation (77+)	9%

Gender	
Male	50%
Female	50%

Children	
Average # under 18	1
Average # 18 or older	0

Ancestry / Racial Heritage	
White	88%
Black / African-American	2%
Hispanic / Latino	3%
Asian / Asian American / Pacific	5%
Other	1%
Prefer not to answer	<1%

Region	
Northeast	27%
Midwest	15%
South	30%
West	28%

Household Income	
\$150,000 to \$199,999	53%
\$200,000 to \$249,999	20%
\$250,000 to \$299,999	13%
\$300,000 plus	15%

Education Level	
Less than a high school diploma	<1%
High school diploma / GED	2%
Trade school / Apprenticeship / Professional certification	1%
Some college, no degree	6%
Associate degree	4%
Bachelor's degree	37%
Graduate degree	51%

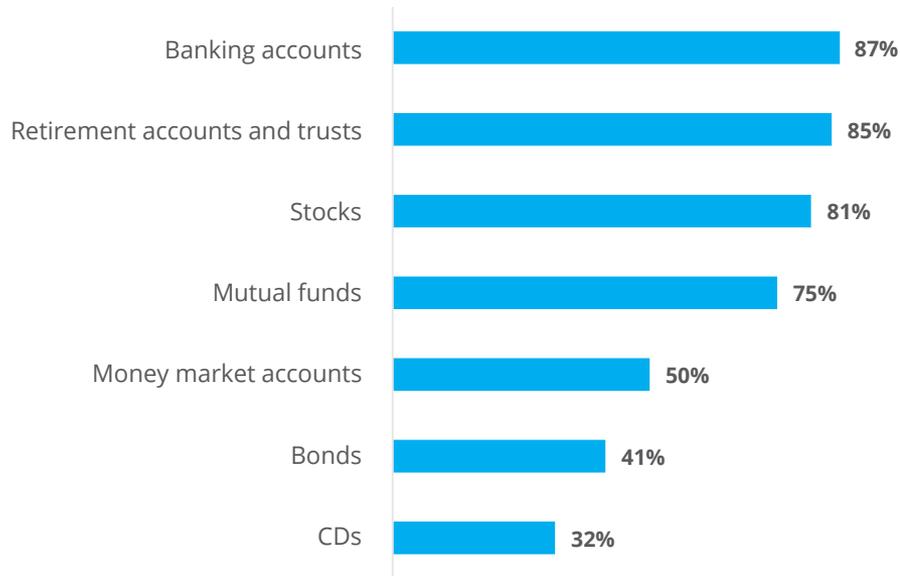
Financial Advisor Use	
Have never worked with a financial advisor	23%
Have worked with a financial advisor in the past	15%
Currently work with a financial advisor	62%

Relationship Status	
Single	4%
In a relationship	4%
Engaged	<1%
Married	87%
Separated	0%
Divorced	2%
Widowed	3%

Investment Areas & Asset Values



Investment Areas



Average Asset Value	Median Asset Value
\$183,069.92	\$50,000.00
\$1,056,255.75	\$400,000.00
\$1,063,201.08	\$100,000.00
\$574,198.89	\$100,000.00
\$1,046,495.84	\$50,000.00
\$247,425.66	\$50,000.00
\$216,909.42	\$50,000.00





Thank You

