

Investors in the United States – Top Takeaways

A Report of the National Financial Capability Study

- 01 Investment knowledge is low:** Only a third of investors are able to answer more than half of 10 investing quiz questions correctly.

- 02 Investment fees are confusing to many investors:** Thirty-one percent of investors either believe they do not pay any fees or do not know how much they pay in fees for their non-retirement investments.

- 03 Younger investors are interested in cryptocurrencies:** Eighty-five percent of investors are aware of cryptocurrency investments, and 12% are already invested in them. Younger investors are much more likely to invest in cryptocurrencies than older investors—31% for the 18 to 34 age group vs. 2% for the 55+ age group.

- 04 Investor preferences for receiving disclosures are shifting:** The percent of investors preferring to receive their disclosures by postal mail dropped sharply from 49% in 2015 to 36% in 2018. Conversely, the percent preferring to receive their disclosures via email increased from 27% to 33%.

- 05 Three-quarters of investors feel they have access to the information needed to make investment decisions:** Free online services, websites, and blogs are the most frequently cited channels for obtaining investment information, followed closely by newspapers, magazines, and books. Social media is not yet a major source of information for investors.

- 06 Investors are much more likely to overestimate than underestimate their investment performance:** A mere 4% think their portfolio will underperform the market, compared to 29% who think their portfolio will outperform it. Men are more likely than women to believe they will beat the market (32% vs. 25%).

- 07 Investors appear to take market volatility in stride:** When asked how they responded to the precipitous stock market drop in February 2018, only 7% of investors reported selling securities. And more than one in five (22%) viewed the event as a buying opportunity.

A copy of the full report can be found on www.USFinancialCapability.org or by calling (202) 728-6964.

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