

NEWS RELEASE

## FTSE Russell US Wealth Survey Results

2024-09-11

LONDON, UK / ACCESSWIRE / September 11, 2024 / Cautious on Economy & the Election, US Investors Empowered by Index Funds & Financial Advisors

- FTSE Russell US Wealth survey finds US presidential election tops list of investors' concerns - nearly all believe election will impact their finances but only 21% will adjust their portfolios.
- Index funds making investors more assured: Investors in index funds are three times more likely to be optimistic about the likely performance of their portfolios over the next 12 months.
- Investors with advisors are more confident this election year, being more likely to have a positive outlook for their portfolios, and more satisfied with their portfolios' performance over the last 12 months compared to those without advisors.
- Investors' interest in index funds presents opportunity for financial advisors.

FTSE Russell has released the results of its US Wealth survey today, a follow-up to its 2022 report. While the findings reveal caution about the economy and US presidential election, investors in index funds have a more optimistic outlook and are more satisfied with their performance than non-index fund investors. In addition, those working with financial advisors report a high level of satisfaction and are more confident this election year.

US investors expressed mounting caution about the economy and inflation with a material number of investors intent on avoiding risk for the rest of 2024. They're nervous about the economy, the stock market and the uncertainty that is generally associated with a presidential election. More than three quarters (76%) say they're negative about the economy, while almost two thirds (60%) worry about inflation.

Nearly all investors (95%) believe that the upcoming election will impact their finances and one in three (30%) believe it will have a "major" impact. Yet, only a fifth (21%) plan to adjust their investment portfolios based on the outcome of the election, reflecting the fact that personal finances extend beyond investments to broader issues like mortgages and taxes. And three out of four (75%) would ride out a major market decline or see it as a buying opportunity.

Jason Meyer, Head of Asset Owners, Consultants & Wealth, said: "US investors are sending a clear message that index funds and working with advisors are critical components to their confidence in navigating the current market. Index fund investing enables retail investors to easily create diversified and sophisticated portfolios, and we expect to see continued growth in the use of indexes. Smart use of index investing is an opportunity for advisors to demonstrate the value of their advice."

#### Index Fund Investing Empowering to Investors

Retail investors who are using index funds indicate more optimism, greater confidence and a higher level of satisfaction with their investment performance over the last 12 months than non-index fund investors (91% vs. 79%). The top reason for using, or planning to use, index funds remains performance over time, cited by 58% of retail investors (up from 44% in the previous survey, conducted in 2022). However, there are big jumps in the proportion of investors using index funds for other benefits such as portfolio diversification (51% vs. 42% in 2022), for low fees (41% vs. 29% in 2022), and managing portfolio risk (36% vs. 29% in 2022).

Perhaps indicative of election year trepidation, more investors (42%) describe themselves as "risk off" versus 37% in 2022. However, almost half (48%) of index fund investors said they were "risk on" for 2024.

#### Investors With Financial Advisors are More Satisfied With and Confident in Their Portfolios

Investors are full of praise for their advisors, citing shared values, comprehensive financial planning and investment performance as what they value most. Investors are just as satisfied with their advisors as they were two years ago at the time of the last survey with almost all (94% vs. 92% in 2022) saying that they're satisfied.

Investors with advisors are also more likely to be satisfied with their P12M investment performance (90%) versus those without advisors (75%). Two thirds (66%) of those with an advisor are very or somewhat positive about the outlook for the US stock market over the next 12 months, materially higher than the 59% of those without. Even more striking, eight in ten (83%) investors with advisors are very or somewhat positive about the likely performance of their investment portfolios over the next 12 months versus three quarters (73%) of those without.

#### Growth in Index Investing an Opportunity for Advisors

Index fund use has grown over the two years since the 2022 survey across all age groups, rising from 27% of all

investors to 39% with Millennials' growing the most-up from 27% in 2022 to 45% in 2024. Millennials have the highest allocations in their portfolios at 44%, notably higher than 36% of Baby Boomers (60-78) and 37% of Gen Xers. This corresponds with Millennials' strong belief that index funds are the best way to participate in the stock market's long-term growth. Almost a third (30%) of them view index funds as the best investment product for long-term growth; far more than about a fifth of Boomers (18%) and Gen X (aged 44-59) (20%).

While index fund investing is surging, those retail investors who haven't invested yet blame a lack of understanding along with a lack of information from their advisors. Four in ten (42%) say they're not sufficiently familiar with how index funds work, while a third (34%) aren't sure what type of index fund is best for them. But more than a fifth (21%) report not being invested simply because their advisor hasn't recommended it. This proportion is similarly high to the number (23%) who gave this answer in the 2022 survey.

#### Methodology

The 2024 FTSE Russell US Wealth Survey was an online quantitative survey of 1,009 US retail investors conducted by independent research firm 8 Acre Perspective. The respondents were aged 25+ with a household income of \$50,000 or more and \$25,000 or more of investable assets. They were either the main decision maker for household money decisions or shared the responsibility. All owned individual stocks, mutual funds and/or ETFs outside the workplace. The surveys were collected between May 30 and June 6, 2024.

- Ends -

#### About FTSE Russell, an LSEG business:

FTSE Russell is a global index leader that provides innovative benchmarking, analytics and data solutions for investors worldwide. FTSE Russell calculates thousands of indexes that measure and benchmark markets and asset classes in more than 70 countries, covering 98% of the investable market globally.

FTSE Russell index expertise and products are used extensively by institutional and retail investors globally. Approximately \$15.9 trillion is benchmarked to FTSE Russell indexes. Leading asset owners, asset managers, ETF providers and investment banks choose FTSE Russell indexes to benchmark their investment performance and create ETFs, structured products and index-based derivatives.

A core set of universal principles guides FTSE Russell index design and management: a transparent rules-based methodology is informed by independent committees of leading market participants. FTSE Russell is focused on applying the highest industry standards in index design and governance and embraces the IOSCO Principles. FTSE Russell is also focused on index innovation and customer partnerships as it seeks to enhance the breadth, depth and reach of its offering.

FTSE Russell is wholly owned by London Stock Exchange Group.

For more information, visit **FTSE Russell**.

Media contacts:

Simon Henrick/Gexler Dias

LSEG

+44 (0) 20 7797 1222

**newsroom@lseg.com**

This information is provided by Reach, the non-regulatory press release distribution service of RNS, part of the London Stock Exchange. Terms and conditions relating to the use and distribution of this information may apply. For further information, please contact **rns@lseg.com** or visit **www.rns.com**.

SOURCE: FTSE Russell

View the original **press release** on **accesswire.com**