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Just Six Percent Were Net Sellers During Stock Market Correction

Millennial investors most prone to action

NEW YORK – March 19, 2018 – Just six percent of investors moved money out of stock-related accounts during the January/February market correction as a direct response to the decline, according to a new Bankrate.com report. Another 15% identified the historic drop as a buying opportunity, indicating increased contributions to stock investments as a result. Click here for more information:

https://www.bankrate.com/investing/stock-market-survey-0318/

Overwhelmingly, investors stayed put, however, with 60% intentionally doing nothing amidst the instability. Moreover, 44% of investors said they felt indifference during the turbulent two-week stretch, thoroughly outpacing the 13% who felt fear, 11% who felt sadness and nine percent who felt excitement. Another 16% were unaware of the situation, altogether.

While Millennials are the least likely to own investment accounts (just 30% of those ages 18-37 say they invest, compared to 46% of Gen X [ages 38-53] and 54% of Baby Boomers [ages 54-72]), the ones who do were the most prone to action. More than 1 in 4 (26%) Millennial investors said they increased their stock-related contributions during this time, compared to 16% of Gen X and 9% of Baby Boomers. Another 10% said they moved money out of their stock investments, about double that of any other generation. The youngest adults were also most likely to report feelings of excitement (19%, compared to 8% of Gen X and 4% of Baby Boomers).

Still, less than half (43%) of Americans say they have investment accounts, such as a workplace 401k, an individual retirement account (IRA), a brokerage or mutual fund account, a 529 plan or a health savings account (HSA). The likelihood of having such accounts increases with age, income (21% making under $30,000 annually, 39% making $30,000-$49,999, 56% making $50,000-$79,999 and 76% earning $80,000+) and educational attainment (28% with no more than a high school degree, 43% with some college/two-year degree, 66% who have a four-year degree and 73% with an advanced degree).

“Stocks rise and stocks fall, and long-term investors need to understand that they can't react to every dip or spike,” said Bankrate.com analyst Taylor Tepper. “In this case, investors mostly did what they were supposed to do: nothing. Unfortunately, we also found that fewer than half of Americans have investment accounts in the first place, which means they'll have a tough time saving enough for retirement.”

Bankrate.com commissioned YouGov Plc to conduct the survey. All figures, unless otherwise stated, are from YouGov Plc. Total sample size was 2287 adults (1,063 adults indicated they have an investment account). Fieldwork was undertaken between February 28 – March 1, 2018.

The survey was carried out online. The figures have been weighted and are representative of all U.S. adults (aged 18+).

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