



## Americans Now Point to Stock Market as Favorite Long-Term Investment

*More than 2 in 5 will alter their investment strategies due to coronavirus outbreak*

New York – July 23, 2020 – There has been a resurgence of Americans that point to the stock market as the best way to invest over a period of 10 years or more, according to a Bankrate.com report. This year, 28% of Americans indicated the stock market would be their preferred way to invest money not needed for a decade or longer, more than any other investment option. This is also up from 20% last year and second only to the 32% that said so in 2018. Click here for more information:

<https://www.bankrate.com/investing/survey-favorite-long-term-investment-2020/>

Last year's top choice, real estate, was a close second at 26%, down from 31% last year and within the range seen in the past eight years. Cash investments such as savings accounts or CDs were cited by 18%, down a tick from 19% last year, but the lowest seen in eight years of polling. Gold and other precious metals were cited by 14% of Americans, up for the second straight year. Bonds and bitcoin or other cryptocurrency were each cited by just 4% of Americans.

“Despite falling by more than one-third in just over a month at the outset of the pandemic, more Americans point to the stock market as the best place to invest money long-term,” said Bankrate.com chief financial analyst Greg McBride, CFA. “The swift rebounds this spring and following a 20% decline at the end of 2018 have convinced more investors of the market's long-term merits.”

The stock market was most popular amongst the highest earners (39% making \$75,000 or more per year vs. 22% making less than \$30,000) and those with a college degree (37% vs. 23% with no more than a high school diploma). Relative to other income groups, lower earners were more likely to cite cash (25% making less than \$30,000 vs. 12% making \$75,000+) or gold or other precious metals (18% vs. 10% of the highest earners).

Millennials (ages 24-39) showed a noticeable shift away from real estate this year towards the stock market and gold or other precious metals; 27% pointed to the stock market and 17% to gold or other precious metals, compared to 16% and 7% last year, respectively. Real estate dropped from 36% last year to 24% this year.

Of all those not pointing to the stock market as the best way to invest long-term, more than half (54%) said the coronavirus pandemic played a part in their decision; 34% said it was a major reason, 19% said it was a minor reason and 43% said it had no impact (the rest didn't know or refused to answer). Men (40% vs. 29% of women) and baby boomers (39% of those ages 56-74 vs. 33% of Gen Xers, ages 40-55, and 29% of millennials) not selecting the stock market were more likely to say that the pandemic was a major reason why.

The pandemic has also altered the investment strategies for more than 2 in 5 (42%), with 26% saying they will invest less aggressively and 16% saying they will invest more aggressively moving forward. Fifty-seven percent said the pandemic will not affect how aggressively they invest in the future (the rest don't know/refused to answer).

Millennials were more than three times as likely as baby boomers to say the pandemic will influence them to invest more aggressively (24% vs. 7%), while Gen Xers fell in the middle (16%). Conversely, 30% of baby boomers will invest less aggressively, compared to 24% of Gen Xers and 26% of millennials.

Twenty percent of households with incomes below \$50,000 per year plan to invest more aggressively over the next 10 years as a result of the pandemic, compared to just 12% of those with incomes of \$50,000 or more.

Sixty-one percent of those earning at least \$50,000 will not change how they invest, compared to 53% of those who earn less than that.

### **Methodology:**

This study was conducted for Bankrate via telephone by SSRS on its Omnibus survey platform. The SSRS Omnibus is a national, weekly, dual-frame bilingual telephone survey. Interviews were conducted from June 29 – July 5, 2020 among a sample of 1,007 respondents in English (972) and Spanish (35). Telephone interviews were conducted by landline (303) and cell phone (704, including 510 without a landline phone). The margin of error for total respondents is +/-3.49% at the 95% confidence level. All SSRS Omnibus data are weighted to represent the target population.

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