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More Than Half of Investors Think the Stock Market is Rigged Against the Individual

39% of U.S. adults say they had no investments in the stock market either prior to COVID-19 pandemic or now

NEW YORK – March 24, 2021 – The massive retail trading frenzy and spikes in the U.S. stock market over the past couple of months have shed light on how the U.S. stock market operates. Despite the volatility, nearly half (48%) of U.S. adults agree (18% strongly agree and 29% somewhat agree), the stock market is rigged against individual investors, according to a new report from Bankrate.com. Among those invested in the market (including those invested through retirement plans), 56% agree it is rigged against individual investors (20% strongly agree and 35% somewhat agree). Click here for more information:

https://www.bankrate.com/investing/stock-market-financial-security-march-2021/

Just 13% disagree the stock market is rigged against individual investors, including 8% that somewhat disagree and 5% that strongly disagree (the rest neither agree nor disagree). Those most likely to agree with the stock market rigged-sentiment are men (54% vs. 42% of women), younger adults (55% for those age 40-under vs. 43% of those older than 40, including just 36% of those age 67+), higher-educated individuals (58% of those with a college degree or more vs. 44% of those without a degree), households with income of $50,000 annually or more (53% vs. 45% earning less than $50,000 annually), and most notably, those actually investing in the market (56% compared to 41% among those not invested in the market).

“Nearly half of Americans and a majority of individual investors have doubts about the integrity of financial markets but the results show that disciplined, diversified, low cost investing is rewarded over time,” says Bankrate.com chief financial analyst, Greg McBride, CFA. “With investment costs and investment minimums at all-time lows, participating in the markets is more accessible to individuals than ever before.”

Thirty-nine percent of U.S. adults say they had no money invested in the stock market either prior to the pandemic or now. More than half (54%) of households with incomes under $40,000 annually and ages 67+ (51%) did not invest in the stock market either before the pandemic or now. Of those who had no money invested in the stock market pre-pandemic or now, the most popular reason for not investing is not having enough money available to invest (56%), followed by a lack of knowledge about the stock market (32%).

“Thirty-two percent of Americans not invested in the stock market say it is because they don’t understand stocks,” explains McBride. “Being a stockholder means being a part-owner and being able to share in the future profits of the firm. Rather than trying to select individual stocks, those new to investing are particularly well-served by choosing a broad stock market index fund where your money is spread across hundreds or even thousands of companies, reducing the risk of any one company underperforming.”

On the other hand, among those with investments in the stock market, 62% say they are investing about the same amount now as they were prior to the pandemic. One-in-five say they are investing more now while 18% are investing less.

	Less money/Don't have money available to invest	**Comfortable with safer investments**	**Pessimistic about economic outlook**	**Worried about volatility**	**Think the market is rigged against individual investors**	**I don't have a long time to invest**	**Don't understand stocks**
Investing less since COVID-19 pandemic	43%	18%	28%	35%	20%	11%	11%
No investments	56%	13%	9%	11%	13%	7%	32%
	More money to invest	**Prospect of higher returns**	**Optimistic about economic outlook**	**Low interest rates**	**More comfortable with risk of investing in stocks**	**I have a long time to invest**	**Trying to make big returns quickly**
Investing more since COVID-19 pandemic	35%	37%	33%	14%	31%	30%	24%

Less popular choices include, accumulated plenty of assets already (7% for those who are investing less, 2% for those who don't invest), none of these (7% for those investing less, 12% for those who don't invest) and don't know (4% for those investing less and 7% who don't invest).

While investing about the same as prior to the pandemic was the most common response among every demographic group, those more likely to be investing more skewed toward higher income ($80,000 annually or more, 18%) and toward the youngest investors, Gen Z (age 18-24) and millennials (ages 25-40) at 17% each. In both cases, those investing more outnumbered those investing less by approximately 2-to-1.

Interestingly, those that identified as Reddit users were more than twice as likely to be investing more now rather than less compared to pre-pandemic (23% vs. 10%, respectively).

Methodology:

Bankrate.com commissioned YouGov Plc to conduct the survey. All figures, unless otherwise stated, are from YouGov Plc. Total sample size was 2,525 adults, including 1,359 adults who invest. Fieldwork was undertaken February 24th - 26th, 2021. The survey was carried out online and meets rigorous quality standards. It employed a non-probability-based sample using both quotas upfront during collection and then a weighting scheme on the back end designed and proven to provide nationally representative results.

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