2019 Financial Disruptions Survey

January 2020
Methodology

This survey was conducted online within the United States by The Harris Poll on behalf of TD Ameritrade from August 8-14, 2019, among 1,015 U.S. adults aged 23 and older with at least $10,000 in investable assets.

This online survey is not based on a probability sample and therefore no estimate of theoretical sampling error can be calculated. The survey includes: Millennials (ages 23-38), Gen X (ages 39-54), as well as Boomers (ages 55-73).

The survey also includes:

Financially Disrupted (n=536)

Financially Disrupted are defined as those who have experienced an event or situation that had a negative effect on their financial plans for the long/term retirement.

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Education spending is the no. 1 financial disruptor among Americans in 2019
It’s also the only financial disruptor that has experienced growth in five years

Which of the following events or situations have happened to you and had a negative effect on your financial plans for long-term/retirement?

- Education (for self and/or other dependent family members, ex. student debt) 2014: 15%, 2019: 16%
- Loss of employment/lower paid job 2014: 15%, 2019: 15%
- Supporting others 2014: 13%, 2019: 24%
- Poor investment/business performance 2014: 10%, 2019: 28%
- Accident/illness/disability/unable to work 2014: 10%, 2019: 19%
- Divorce/separation/widowed 2014: 10%, 2019: 18%
- Planned family 2014: 9%, 2019: 36%
- Planned home 2014: 8%, 2019: 36%
- Other 2014: 4%, 2019: 7%

Source: The Harris Poll on behalf of TD Ameritrade; n=1,015
Millennials are the most financially disrupted generation
Most likely to experience financial disruptions, leading in nearly every category

Which of the following events or situations have happened to you and had a negative effect on your financial plans for long-term/retirement?

- Education (for self and/or other dependent family members, ex. student debt): Millennials 28%, Gen X 12%, Boomers 10%
- Loss of employment/lower paid job: Millennials 14%, Gen X 10%, Boomers 9%
- Supporting others: Millennials 18%, Gen X 10%, Boomers 9%
- Poor investment/business performance: Millennials 14%, Gen X 10%, Boomers 9%
- Accident/illness/disability/unable to work: Millennials 11%, Gen X 11%, Boomers 10%
- Divorce/separation/widowed: Millennials 12%, Gen X 10%, Boomers 10%
- Planned family: Millennials 19%, Gen X 12%, Boomers 10%
- Planned home: Millennials 15%, Gen X 8%, Boomers 7%
- Other: Millennials 4%, Gen X 4%, Boomers 3%

Source: The Harris Poll on behalf of TD Ameritrade; n=1,015
2019 Financial Disruptions Survey

**Americans’ median savings are down by 62% following the financial disruption(s)**

Boomers are the most impacted generation, Gen X most likely to recover

At the time prior to this event or situation, approximately how much money were you saving or investing for the long-term/retirement per month? Approximately how much money are you saving or investing for the long-term/retirement per month currently?

### Median monthly savings/investments

<table>
<thead>
<tr>
<th>Generation</th>
<th>Before Event</th>
<th>Current</th>
</tr>
</thead>
<tbody>
<tr>
<td>Millennials</td>
<td>$400</td>
<td>$200</td>
</tr>
<tr>
<td>Gen X</td>
<td>$300</td>
<td>$440</td>
</tr>
<tr>
<td>Boomers</td>
<td>$750</td>
<td>$400</td>
</tr>
</tbody>
</table>

**Americans who experienced a negative financial event:**

- **Before disruption(s):**
  - Median monthly savings/investments: $500
  - Compared to $530 in 2014

- **Current:**
  - Median monthly savings/investments: $190
  - Compared to $220 in 2014

Source: The Harris Poll on behalf of TD Ameritrade; n=536
Supporting others is by far the most financially impactful disruption
Resulting in 80% lower median monthly savings/investments

Source: The Harris Poll on behalf of TD Ameritrade; n=536
Financially disrupted Americans feel more prepared in 2019 than five years ago

In what ways, if any, do you feel that you were financially prepared for this event or situation?

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>I had a steady, reliable income</td>
<td>40%</td>
<td>48%</td>
</tr>
<tr>
<td>I had money/savings put aside ‘for a rainy day’</td>
<td>33%</td>
<td>45%</td>
</tr>
<tr>
<td>I had discussed my financial plans for the long-term/retirement with my spouse/partner</td>
<td>13%</td>
<td>28%</td>
</tr>
<tr>
<td>I knew I could obtain financial support from others if I needed it</td>
<td>14%</td>
<td>17%</td>
</tr>
<tr>
<td>I had insurance (income protection, critical illness, mortgage payment, etc.)</td>
<td>12%</td>
<td>17%</td>
</tr>
</tbody>
</table>

- **38%** of financially disrupted Americans said their ability to save/invest money was reduced in 2019 vs. **49%** in 2014.
- **25%** of financially disrupted Americans had to stop saving/investing for the long-term/retirement vs. **38%** in 2014.
- **20%** of financially disrupted Americans had to withdraw money from their retirement savings in 2019 vs. **26%** in 2014.
- **18%** of financially disrupted Millennials had to move back in with their parents/guardians, according to the 2019 data.
However, more than half of disrupted Americans (56%) are still behind on their long-term financial goals.

Financial consequences of disruptions are lasting 33% longer than five years ago, on average.

Are you currently still experiencing the temporary, or transitional, financial consequences of this event or situation, or are you now on track to reach your long-term/retirement goals?

- On track to reach long-term/retirement goals (even if those goals have changed):
  - 2014: 41%
  - 2019: 44%
- Still experiencing consequences of disruption but expect to recover financially:
  - 2014: 38%
  - 2019: 40%
- Do not expect to recover financially from consequences of disruption:
  - 2014: 21%
  - 2019: 16%

Average length of disruption:
- 2014: 4 years, 8 months
- 2019: 6 years, 3 months

Source: The Harris Poll on behalf of TD Ameritrade; n=536
Looking ahead, Americans fear increased cost of living and healthcare
Two in 10 consider natural disasters as a threat to their financial well-being

Which of the following disruptors do you consider a threat to your financial security and long-term investing?

- Increased cost of living: 47%
- Increased cost of healthcare: 44%
- Economic slowdown/recession: 34%
- Natural disasters (ex. Property damage): 20%
- Longevity: 17%
- Rising cost of college: 16%
- Stagnant wages: 15%
- Divorce or loss of spouse: 13%
- Job loss due to automation: 12%

Source: The Harris Poll on behalf of TD Ameritrade; n=1,015
Millennials consider increased cost of living as their No. 1 financial security threat
While Gen X and Boomers worry more about the increased cost of healthcare

Which of the following disruptors do you consider a threat to your financial security and long-term investing?

- Increased cost of living
- Increased cost of healthcare
- Economic slowdown/recession
- Rising cost of college
- Job loss due to automation
- Natural disasters (ex. Property damage)
- Stagnant wages
- Divorce or loss of spouse
- Longevity

Source: The Harris Poll on behalf of TD Ameritrade; n=1,015