



SURVEY RESULTS: AMERICANS' EXPECTATIONS AND NEW BEHAVIORS IN A POST-COVID-19 WORLD

MAY 2020

aQity Research & Insights

Evanston, IL

The COVID-19 pandemic in early 2020 has caused more change and disruption to the daily lives of US households than most can remember. The impact is widespread, affecting everything from global economies and investment markets down to personal decisions and behaviors like wearing face masks in public and washing one’s hands more often.

Many recent surveys have captured American’s attitudes toward these changes in terms of how it has impacted their household emotionally and financially. This survey, commissioned by aQity Research & Insights, probes further into some of the difficult financial decisions the US households have made and expect to make because of the pandemic’s impact on the economy, jobs, and stock market.

The survey also provides insight into Americans’ outlook for the future of long-term shifts in personal behaviors, expectations for household finances, and how long before the broader investment markets and overall economy will recover.

The survey results are based on a nationwide sample of n=2,002 adults ages 25 and older who are part of the Lightspeed/Kantar® online survey panel. Dates of data collection were April 17-21, 2020, approximately one month after the first statewide shelter-in-place orders were put in place.

Only those reporting household incomes of \$35,000 or more and who identify as the sole or a joint financial decision maker for the household were included. The recruiting included quotas to reflect the population, and the final respondent sample is weighted to reflect 2018 US Census data by region, age, gender, household income, as well as 2019 Gallup survey data for political party identification.

SAMPLE COMPOSITION BY KEY ANALYSIS VARIABLES

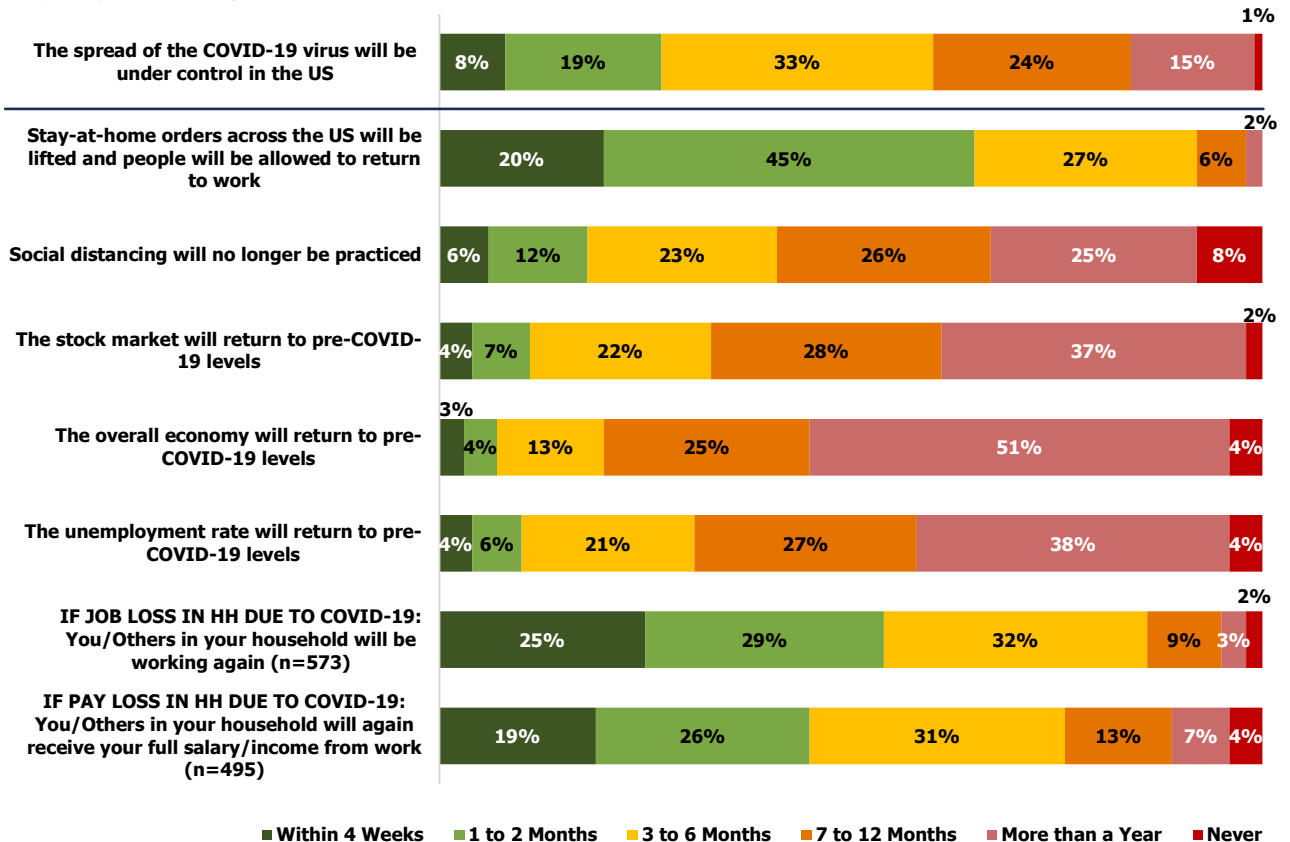
	Unweighted n	Weighted Distribution
Men	911	47%
Women	1,084	53%
Other/Prefer to self-identify	7	<0.5%
Millennials (born 1981-1995)	345	27%
GenX (born 1965-1980)	569	33%
Baby Boomers (born 1946-1964)	881	32%
Silent Generation (born before 1946)	207	8%
No Investable Assets (IA)*	343	17%
\$1-\$24.9K in IA	274	15%
\$25K-\$49.9K	140	8%
\$50K-\$99.9K	192	9%
\$100K-\$249.9K	319	15%
\$250K-\$499.9K	288	13%
\$500K-\$999.9K	242	11%
\$1M+ in IA	204	12%
Northeast (New England/Mid Atlantic)	453	17%
South (South Atlantic, East and West South Central)	726	37%
Midwest (East and West North Central)	461	22%
West (Mountain and Pacific)	362	24%
Republican	686	30%
Independent	654	39%
Democrat	662	31%
Use Paid/Professional Financial Advisor/Planner/Broker	665	33%
No Advisor	1,337	67%
All Respondents	2,002	100%

Most adults believe the COVID-19 pandemic in the US will be under control within six months.

- Americans are most optimistic that stay-at-home orders will be lifted even sooner; most say within the next two months. As a result, roughly half of those reporting a job loss and/or reduced income expect both will be replaced within the same two-month timeframe.
- However, social distancing is expected to continue well after the current spread of this virus is under control. At least a third (34%) believe people will still be distancing themselves from each other a year from now (or longer).
- While recent job losses and pay cuts are expected to be replaced fairly soon, the broader investment markets and overall economy will take much longer to return to pre-COVID-19 levels. Most believe the stock market won't fully recover for at least seven months (including 39% who think it will take a year or more).

EXPECTED TIMEFRAMES FOR THINGS TO RETURN TO "NORMAL"

Q. In your opinion, how long will it take until:

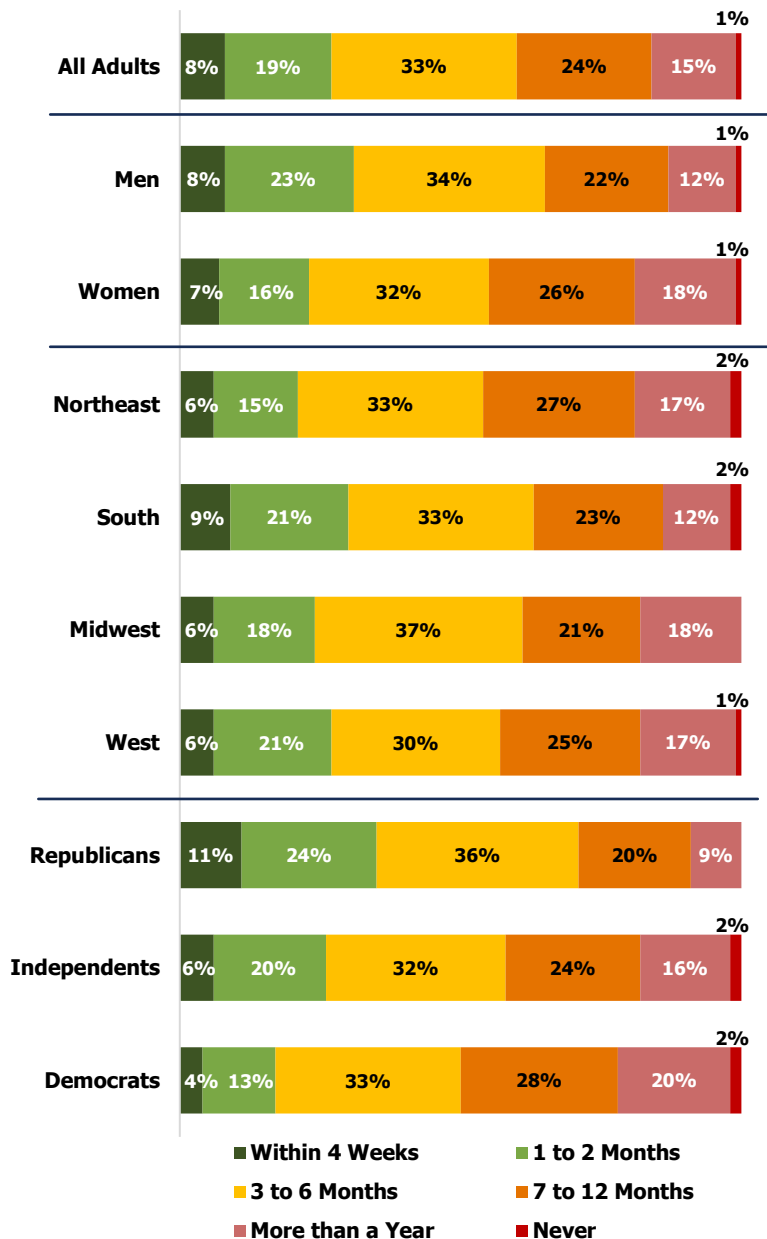


There is no agreement on when the spread of this virus will be “under control” in the US, and opinions differ largely by gender, region, and party identification.

- Men expect that the virus will be contained sooner than women.
- Residents in the South are slightly more optimistic of quickly reducing the spread of COVID-19, with 30% saying it will take no more than two months.
 - Those in the Northeast tend to feel it will take longer; only 21% feel it will be contained within two months.
- Republicans are far more likely than Democrats to believe this pandemic will be behind us within the next two months (35% vs. 17%, respectively).
 - Self-described Independents generally reflect the overall response.

EXPECTED TIMEFRAME WHEN COVID-19 VIRUS WILL BE UNDER CONTROL

Q. In your opinion, how long will it take until the spread of the COVID-19 virus will be under control in the US?

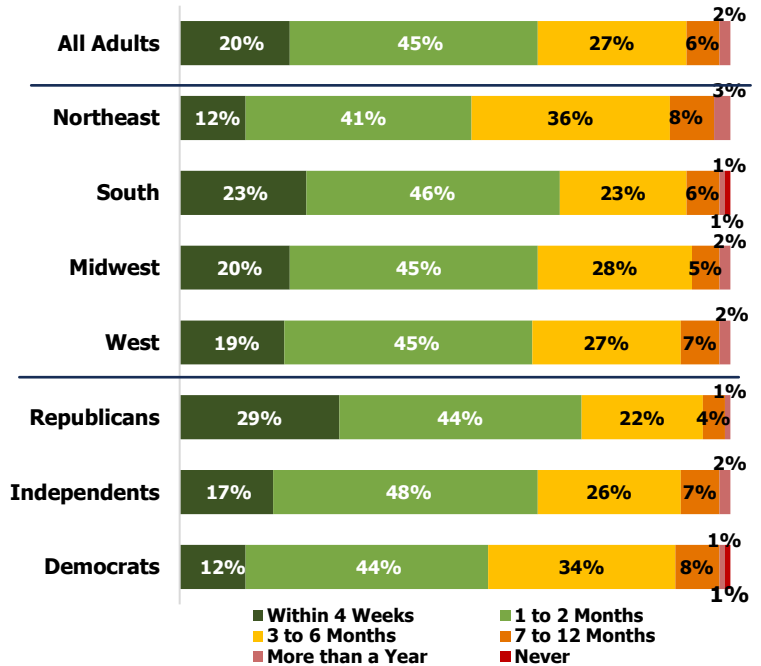


At the time of this survey (April 17-21), most adults felt that stay-at-home orders across the US would remain in place for up to four more weeks, but that people will continue to practice social distancing for much longer.

- Expectations for removing stay-at-home orders differ mostly by region and party identification.
- Residents in the Northeast and Democrats believe these restrictions will stay in place longer compared to Republicans and those in the South (where many states have started relaxing these orders).

EXPECTED TIMEFRAME FOR LIFTING STAY-AT-HOME ORDERS ACROSS US

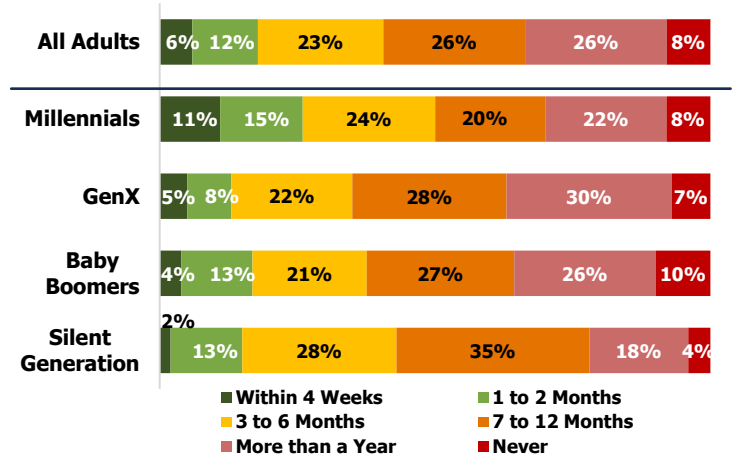
Q. In your opinion, how long will it take until stay-at-home orders across the US will be lifted and people will be allowed to return to work?



- Regarding social distancing, Millennials tend to expect this behavior to go away sooner than older adults. One in four (26%) think it will end within a month, vs. no more than 17% of any other age group.
- Over a third of GenXers and Baby Boomers believe social distancing will continue for at least a year.

EXPECTED TIMEFRAME FOR STOPPING SOCIAL DISTANCING

Q. In your opinion, how long will it take until social distancing is no longer practiced?



Optimism for a quick recovery to the overall financial markets decreases as household market assets (in \$s) increase.

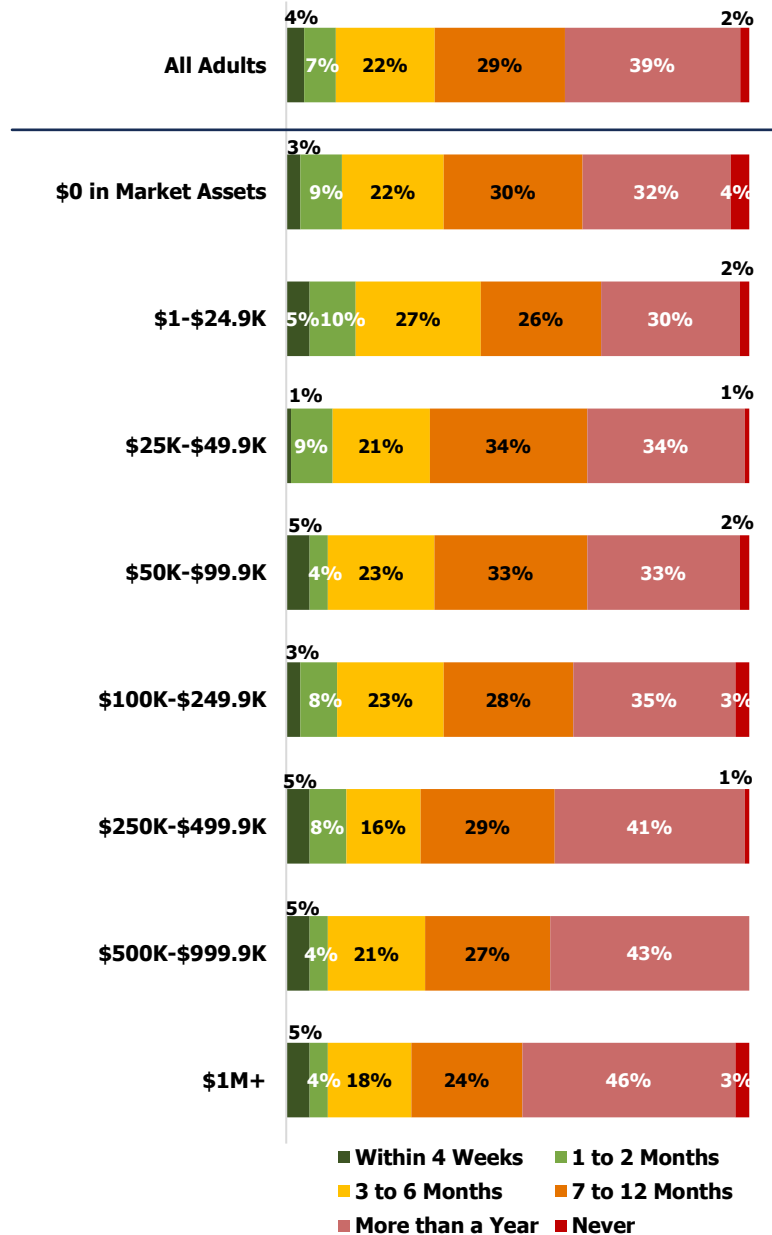
➤ While most households expect the stock market will return to pre-COVID-19 levels within a year, half of those with over \$1M in investable assets believe a full recovery will even longer.

- By comparison, only about a third of those with under \$100K in investable assets think the stock market will take at least a year to recover.

➤ This general pattern of recovery expectations extends to the unemployment rate and overall economy, with higher asset households predicting longer periods before things return to pre-COVID-19 levels.

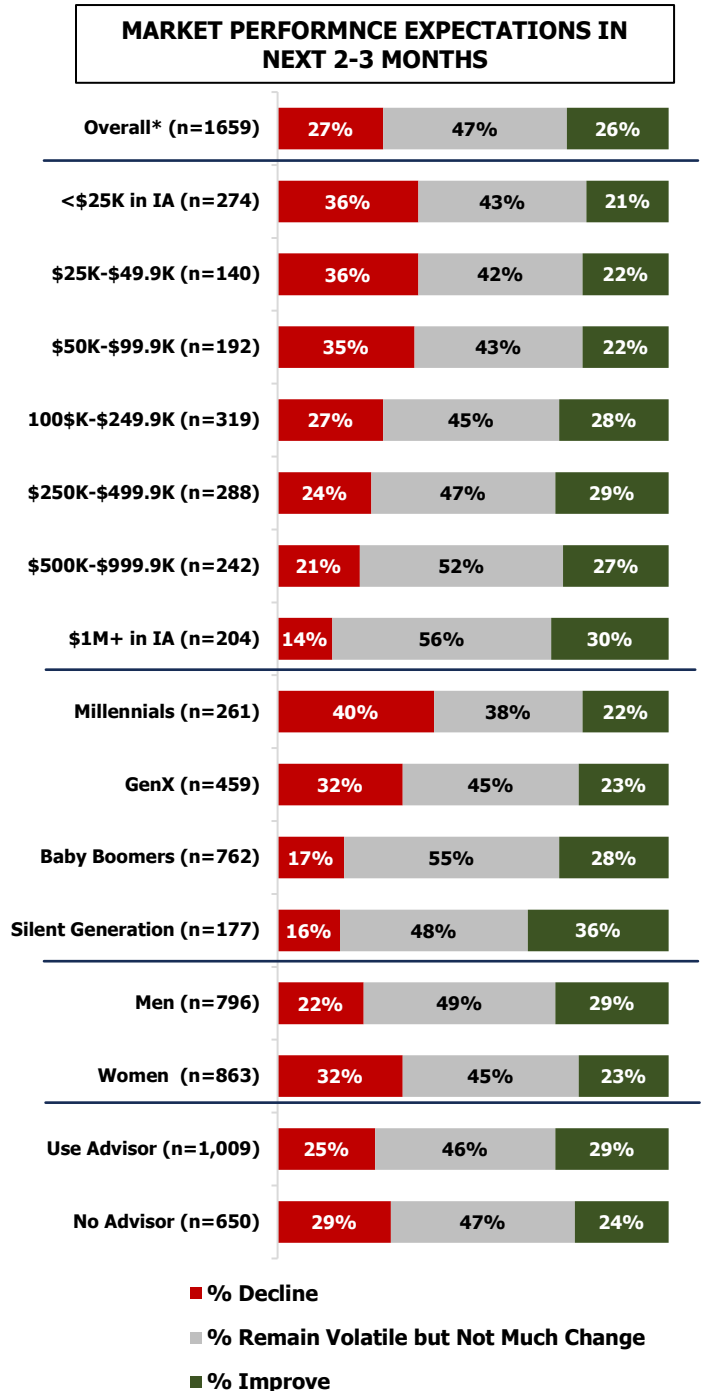
EXPECTED TIMEFRAME FOR POST-COVID STOCK MARKET RECOVERY BY HOUSEHOLD INVESTABLE ASSETS (\$s)

Q. In your opinion, how long will it take until the stock market will return to pre-COVID-19 levels?



However, looking ahead to market performance in the short term, optimism for market improvement gradually increases with one's level of investable assets (in \$s).

- US investors are divided on whether they expect overall market performance to improve, decline further, or stay relatively steady over the next two to three months.
- Given that time frame, households reporting the highest levels of investable assets (IA) tend to expect gains over further losses. Less affluent investors (IA under \$100K) are more pessimistic for the short term.
- Likewise, expectations grow more positive with age.
 - Those in the Silent Generation are more than twice as likely to expect market improvement (36%) as opposed to further declines (16%).
 - Conversely, Millennials are almost twice as likely to be more pessimistic (40% market will decline, vs. 22% saying improve).
- Male investors appear to be slightly more optimistic than women.
- There is no clear difference in short-term market expectations between those with or without a paid professional investment advisor/planner.

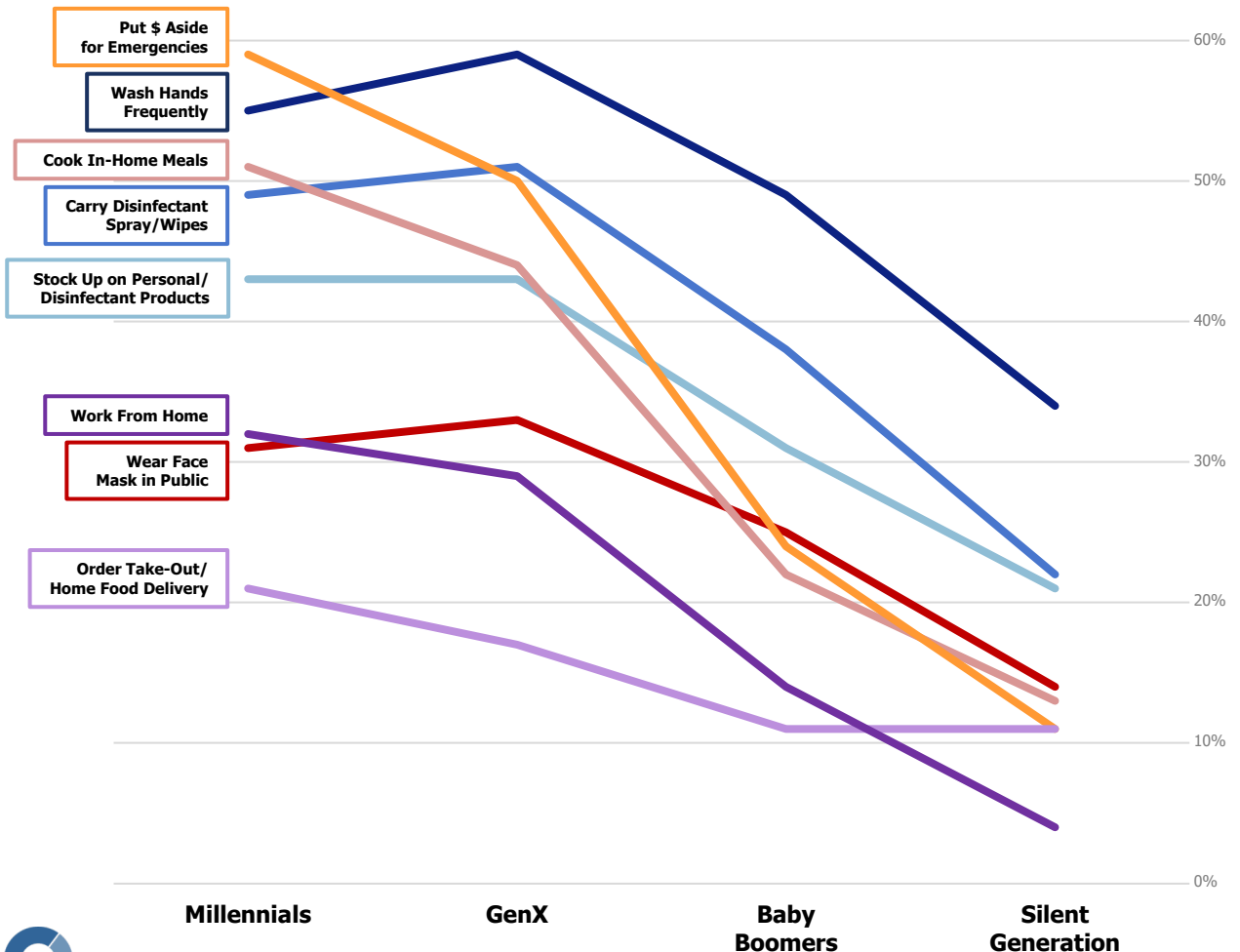


In a post-COVID-19 world, younger generations (especially GenXers) are more likely to continue personal health behaviors than older (and more "at-risk") generations.

- Millennials are the most likely to plan on building up emergency savings going forward, far more than any other age group. They also plan on cooking meals themselves more than before.
- By comparison, GenXers are the most likely to continue personal hygiene precautions post-COVID-19, especially washing their hands more regularly, carrying disinfectant with them, and wearing face masks in public.
- Across all of these behaviors, the oldest adults (especially those in the Silent Generation) are least likely to continue these practices and will go back to their pre-COVID-19 lifestyles.

% MORE LIKELY TO CONTINUE CURRENT BEHAVIORS

Q. After the COVID-19 pandemic is behind us, will you do each of the following more often, as often, or less often as you did before the COVID-19 outbreak? (% "more" shown below)



Likewise, GenXers are by far the most likely to continue social distancing behaviors post-COVID-19.

- Close to half of GenX adults are less likely to hug a friend or attend large gatherings after the pandemic is behind us. And two-thirds expect to be less inclined to shake hands with colleagues or new contacts in a post-COVID-19 setting.
- Millennials are more likely to resume these behaviors.

**% LESS LIKELY TO STOP CURRENT COVID-19 BEHAVIORS
AFTER COVID-19 PANDEMIC IS BEHIND US**

% LESS LIKELY TO...	Overall	Millennials	GenX	Baby Boomers	Silent Generation
...Shake hands with colleague/ someone you just met	60%	48%	67%	62%	61%
...Hug a friend	38%	32%	43%	38%	35%
...Attend large events with 50+ people*	45%	39%	50%	46%	46%

aQity Research (pronounced “acuity”) is a full-service opinion research firm in Evanston, IL. Our team brings 20+ years of experience providing critical market research insights to leading financial services organizations including global asset management firms, financial advisors and wealth managers, and industry consultants.

aQity specializes in customized research on a wide range of investment and financial topics, including:

- Quantitative studies, especially thought leadership (both B2C and B2B), brand tracking and client satisfaction programs, and segmentation research;
- Qualitative research (phone and web-enabled IDIs, focus groups, etc.), especially win-loss research (mostly B2B), concept and message testing, and lost client research.
 - For qualitative interviews, aQity has an experienced in-house team of executive interviewers with years of experience engaging hard-to-reach decision-makers on a variety of topics. They are professional, articulate, and flexible, which translates into higher response rates and reflects well on our clients.

RESEARCH TOPICS WE COVER	
Client Satisfaction and Loyalty (NPS)	Win-Loss Research
Attrition/Lost Client Surveys	New Product and Concept Testing
Brand Equity and Image	Thought Leadership Studies
Savings Attitudes, Behaviors and Barriers	Segmentation Research
Message Testing	Employee Surveys

POPULATIONS WE SURVEY			
B2B		B2C	
Retirement Plan Sponsors, Third-Party Consultants and Advisors	Third-party Administrators (TPAs)	General Population and Investors	High Net Worth, Affluent and Mass Affluent
RIAs and Wealth Managers	Broker/Dealer Firms	Generational Segments MILLENNIAL GEN X BABY BOOMER SILENT	Ethnic and Diverse Populations
Portfolio Managers and Investment Analysts	Equity Compensation Plan Sponsors/ Administrators	Spouses and Partners	Live Stage Segments RECENT COLLEGE GRADS; NEAR RETIREES, RECENT RETIREES
C-Suite Decision-makers	Insurance Agents and Reps	Diverse Lifestyle Groups	National and DMA-specific Markets
Structured Settlement Brokers	Family Practice Advisors	Self-employed Adults	Parents and Grandparents

METHODS WE USE	
In-depth Phone Interviews (IDIs)	Online Quantitative Surveys
Mail Surveys	Focus Groups
Web-based Discussion Boards	Key Driver Analysis
Cluster and Factor Analysis	CHAID and DecisionTrees
Multiple Regression Solutions	Discriminant Analysis

For questions about the survey findings in this report or other topics, please contact:

Jeff Andreasen, President (847-424-4171, ext. 218; j.andreasen@aqityresearch.com);

Marie Rice, Senior Associate (508-868-6657; m.rice@aqityresearch.com).