

# Bloomberg Wealth Study Uncovers Significant Gender and Generational Differences Among ‘Ambitious Investors’

Amid this year’s market volatility and economic uncertainty, Bloomberg Media identified a surprising gap in personal finance news: Few publishers were covering the full spectrum from financial planning to investment strategies—and none at all were showing how those activities enable personal development. Bloomberg Wealth, a new content vertical launched by the company on October 1st, was born from this observation.

To help inform strategy for this new effort, which has already seen strong performance among audiences who define success as living well, Bloomberg Media Data Science and Insight conducted the first of two waves of research surveying 1,000 ambitious investors in the United States this fall.

The findings provide a thought-provoking look at how Americans are managing their finances, revealing surprising disparities between gender and generational groups, as well as looking at the impact of the Covid-19 pandemic.

“Covid-19 and life events have had an impact on the saving and investing behaviors of ambitious investors,” said Michelle Lynn, Global Head of Data Science and Insight, Bloomberg Media. “We’re meeting a rising tide of interest in securing your financial future. This research validates our approach of delivering accessible insight across the spectrum from investment management to life management.”

Lynn added: “What jumps out is that the pandemic is disproportionately affecting women and threatening to wipe out decades of their economic progress. Our data shows that even among the ones with investable assets and the right mindset, they are still lacking the confidence and wherewithal as compared to men. It’s because of this that a resource like Bloomberg Wealth is so important.”

## Key takeaways include:

- Ambitious investors believe they are doing well, primarily grading themselves as A (24%) and B (39%) students. Only one in ten (9%) feel that they are failing (D or F).
- But even among investors, there’s a sizable confidence gap between men and women. Almost half of women (44%) say they are a beginner investor compared to less than a third of men (29%).
- Millennials are significantly more likely than Gen X investors to have taken action with their finances as a result of Covid-19.
- 33% have had their income negatively impacted by the Covid-19 pandemic—but 20% are making more.
- Four distinct groups of investors exist today, distinguished by attitudes, life stages and approaches to investing.

# Findings

## Investor Profile

The Bloomberg Wealth Study was fielded in August-September, 2020 among people who self-identified as curious, open-minded and tending to take the lead in decision-making. The sample included a mix of self-directed investors and those who work with a financial adviser, as well as a mix of gender and age (between 25 to 54). Respondents had at least \$25k in investable assets, not including real estate or 401k.

Today's ambitious investors believe they are doing well. They view money as a way to fulfill immediate desires, but also as a way to live well in years to come. The majority seek to balance time spent earning with time spent on personal activities.



**Investors rate themselves as primarily A and B students in investing.** About one quarter of investors (24%) give themselves an A in terms of how much they are saving right now with 39% giving themselves a B and 28% giving themselves a C. Only one in ten (9%) feel that they are failing (D or F).

**Financial goals are intertwined with lifestyle aspirations.** Contrasting goals produce contrasting outcomes, from why they invest to how many hours they work.

### Why they invest

- The majority invest for their retirement (68%), almost half (47%) are investing to build savings in case of job loss while 42% just want the additional income.
- But Investors who have advisers, as well as those who consider themselves experts, are more likely to be seeking to generate additional income.

### Work-life balance

- The majority (60%) want to strike a balance between working enough for the income they need and having time to do other things.
- But almost a quarter (24%) are constantly striving to make more money, no matter how many hours they need to work.

### What they spend it on

- Almost four in ten (39%) like to have money to spend on fun activities such as travel, hobbies while almost a third (31%) say money helps them invest in the future.
- But more investors like to have time to spend with family and friends than to have time to pursue their own interests such as travel, hobbies (39% vs. 31%)

### They seek out guidance from different sources for planning on one hand, and investing on the other.

They are influenced most by the people they are closest to. For decisions on *budgeting and financial planning*, they trust family and friends (60%) and their financial advisors (58%). When it comes to *specifically what to invest in*, they seek guidance from financial advisors (59%) and family and friends (55%).

**And they trust Bloomberg.** 55.7% rely on our content for financial planning and investing. These respondents are more confident than those who don't, and skew younger (57% Millennial vs 42% Gen X). And they are more likely than other respondents to:

- Have a financial advisor (57%)
- Say they are open to new ideas and experiences (63.4%)
- Tend to take the lead in decision-making (53%)
- Usually be one of the first among their friends to try new technology (45%)

## Seeking a life well lived **The investing goals of ambitious investors are intertwined with the lifestyle they seek.**

### Why they invest

**68%** for retirement



**47%** hedging job loss



**42%** additional income



### How they work

**60%** want to strike a balance between work and life



**24%** constantly strive to make more money, no matter how many hours they need to work



Source: Bloomberg Wealth Study, 2020

Bloomberg Media

## The Gender Gap

Across several measures, there is a significant gap between women and men. For example, they have been impacted more by Covid-19 than men—and they have also taken fewer actions as a result of Covid-19, although money appears to have less impact on their family choices than it does for men.

Even among investors, men are much more confident about their ability to make the most of their savings and investing options at their disposal (89% confident vs. 71% for women). This confidence is carried through to all personal finance topics and investment decisions.

### A growing gender gap? Women have been impacted more by Covid-19 than men — and they have also taken fewer actions as a result of Covid-19.

	Women	Men
Average investable assets	\$300k	\$399k
Have a financial advisor	41%	54%
Making less due to Covid-19	36%	29%
Have not taken any financial action due to Covid-19	43%	35%
Grades self an A on how much they save	19%	29%
Grades self a D or F on how much they save	13%	6%

Source: Bloomberg Wealth Study, 2020

Bloomberg Media

#### Attitudes

Grades self A on how much they save	19%	29%
Grades self D or F on how much they save	13%	6%
Identifies as an expert investor	5%	14%
Identifies as a beginner investor	44%	29%
Strive for balance between work and life	66%	54%
Strive to make more money, no matter the hours	20%	29%

#### Assets and advice

Average investable assets	\$300K	\$399K
Have a financial advisor	41%	54%
Average trades per year	6	10

	Women	Men
<b>Impacts and actions</b>		
Making less due to Covid-19	36%	29%
Have not taken any financial action due to Covid-19	43%	35%
Delayed having children due to cost	16%	26%
Stayed married or delayed divorce due to cost	12%	21%
Investing for retirement	72%	65%
Investing for additional income	36%	48%

## Generational Differences

Millennial investors express more confidence than Gen X investors across a range of financial behaviors. For example, more Millennials (33%) are *very confident* in their ability to make the most of their savings and investing options at their disposal than Gen X (24%). They are more confident in making decisions with many types of investments, and more likely to rely on external sources—except when it comes to financial advisors; both generations rely equally on their guidance.

Even though both generations (Millennials and Gen X) give themselves similar grades in terms of their current savings and in terms of their level of expertise in investing, they have different attitudes and goals worth noting and have been impacted differently by the current pandemic.

### Gen X and Millennials have diverging goals and have been impacted differently by the current pandemic.

	Gen X	Millennials
Strive for balance between work and life	64%	56%
Strive to make more money, no matter the hours	21%	28%
Making more due to Covid-19	15%	25%
Have not taken any financial action due to Covid-19	50%	29%
Investing for retirement	77%	59%
Investing for additional income	34%	50%

Source: Bloomberg Wealth Study, 2020

Bloomberg Media

	Gen X	Millennial
<b>Attitudes</b>		
Strive for balance between work and life	64%	56%
Strive to make more money, no matter the hours	21%	28%
Consider status important part of how money fits into their life	13%	18%
<b>Investing activity</b>		
Years investing	11	5
Average trades per year	7	9
Invest in mutual funds	49%	40%
Invest in ETFs	19%	26%
<b>Impacts and actions</b>		
Making more due to Covid-19	15%	25%
Have not taken any financial action due to Covid-19	50%	29%
Delayed having children due to cost	12%	31%
Stayed married or delayed divorce due to cost	13%	22%
Investing for retirement	77%	59%
Investing for additional income	34%	50%

Millennial investors are more interested in getting some advice or help on:

- Investing (54% vs. 42%)
- Saving (43% vs. 33%)
- Managing debt (25% vs. 18%)
- Managing current expenses (22% vs. 14%)

Gen X on the other hand are more interested in retirement planning (45% vs. 38%).

## Impact of Covid-19 and Life Events

The impact of Covid-19 is mixed. A third of investors (33%) have seen their income contract, but about a fifth (20%) are making more money than they did before the pandemic. Significant numbers have taken action in their financial life as a result of the pandemic—but most do not expect a major life event to occur in the coming year.

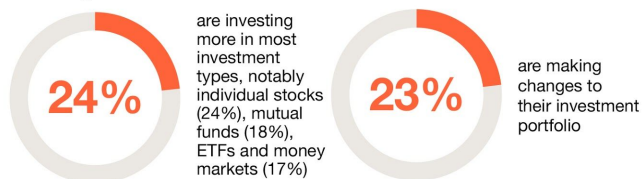
## The impact of Covid-19

### Emerging patterns show ambitious investors responding actively.

#### Personal finance



#### Investing



Source: Bloomberg Wealth Study, 2020

Bloomberg Media

**Emerging patterns:** Investors overall have actively responded to the ongoing global public health crisis and economic volatility, making changes along three complementary vectors:

#### Personal finance

- 42% are saving more
- 30% are paying down debt

#### Investing

- 24% are investing more in most investment types, notably individual stocks (24%), mutual funds (18%), ETFs and money markets (17%)
- 23% are making changes to their investment portfolio

#### Living

- Over a fifth of investors invested in their home by conducting home repairs or improvements
- Another fifth (21%) decided intentionally to stay where they live
- 15% considered moving, and 17% think they'll move in the coming year—but just 4% of investors actually moved during this time

**Work and family life:** While most investors (54%) don't anticipate a major life event in the next 12 months, many are making life decisions that have significant financial impacts at the current time:

#### Career decisions on hold?

- The overwhelming majority of investors are working (91%)
- Among those, three in ten (31%) have postponed a job search because their current job feels secure, while only 16% anticipate changing jobs in the next year

#### A chilling effect on births, marriages and divorce

- Thinking about the cost of having children, about one fifth of investors have delayed or are delaying having children or even planning on not having any children due to the cost of raising them
- One in ten of those who are not married decided not to get married due to tax implications
- As many as 17% of investors who are married or divorced say that they postponed a divorce because of the cost

## Four Distinct Types of Investors

Data analysis of the Bloomberg Wealth Study revealed four mutually exclusive segments, each with its own approach to personal financial planning and investing. The four groups align along two axes: Less experience to more experience, and less striving to more striving. The picture that emerges adds nuance to the impacts of Covid-19, gender and generation.

### CONFIDENCE SEEKERS

**Attributes:**

Less Experienced, More Striving

**Profile:**

The youngest, newest investors, with a female skew. They are not confident and are somewhat confused about investing. They've been the most negatively affected by the pandemic.

**Need:**

Help me build confidence that supports my dream

### SLOW STARTERS

**Attributes:**

Less Experienced, Less Striving

**Profile:**

The least confident investors. At an early life stage, they like to travel and don't have kids yet. They tend to see the purpose of investing as saving for retirement, which doesn't feel like an immediate concern to them.

**Need:**

Give me a reason to get started

### AVID RESEARCHERS

**Attributes:**

More Experienced, More Striving

**Profile:**

This group is high in education and income, and investments. They are experienced, but also rely more on outside sources. They're more likely to have stashed cash during the pandemic.

**Need:**

Give me more information

### WEALTH GUARDIANS

**Attributes:**

More Experienced, Less Striving

**Profile:**

High in education, income, investments, and advisers. The most experienced and confident investors, and the wealthiest group, this group are long term investors.

**Need:**

Help me protect what I have

## About Bloomberg Media

---

Bloomberg Media is a leading, global, multi-platform brand that provides decision-makers with timely news, analysis and intelligence on business, finance, technology, climate change, politics and more. Powered by a newsroom of over 2,700 journalists and analysts, it reaches influential audiences worldwide across every platform including digital, social, TV, radio, print and live events. Bloomberg Media is a division of Bloomberg L.P. Visit [BloombergMedia.com](https://www.bloombergmedia.com) for more information.