J.P.Morgan
WEALTH MANAGEMENT

Diverse Investor Study

2024



Table of Contents

Introduction

Money means freedom. Money enables us to chase our dreams — whether it's starting a business, buying a house or setting our family up for the future.

Money is also deeply personal. We need to learn what truly matters to us, and that goes beyond when we want to retire or a list of school choices.

Understanding our unique personal needs is key to every investor's success. This is also true for J.P. Morgan. We are in the business of helping our clients achieve their dreams. The Diverse Investor Study was born out of this commitment.

We needed to learn more about all investors, and that was even more relevant for Black, Hispanic and Latino investors.

This year, we are releasing the third edition of this survey. It reveals many positive surprises:

- We are seeing increased participation of Black, Hispanic and Latina women investors in the market.
- Despite concerns about inflation, election uncertainty and high interest rates, most investors are showing resilience and not changing their investment strategies.
- And what we've long suspected: Having a plan significantly improves outcomes.

We are making progress towards greater financial inclusion, ensuring that more people have access to the tools and opportunities needed to help build wealth.

It's encouraging to feel we are part of this improvement. We also know that our work at J.P. Morgan Wealth Management is far from done.

Kristin

KRISTIN LEMKAU,
CHIEF EXECUTIVE OFFICER,
J.P. MORGAN WEALTH MANAGEMENT

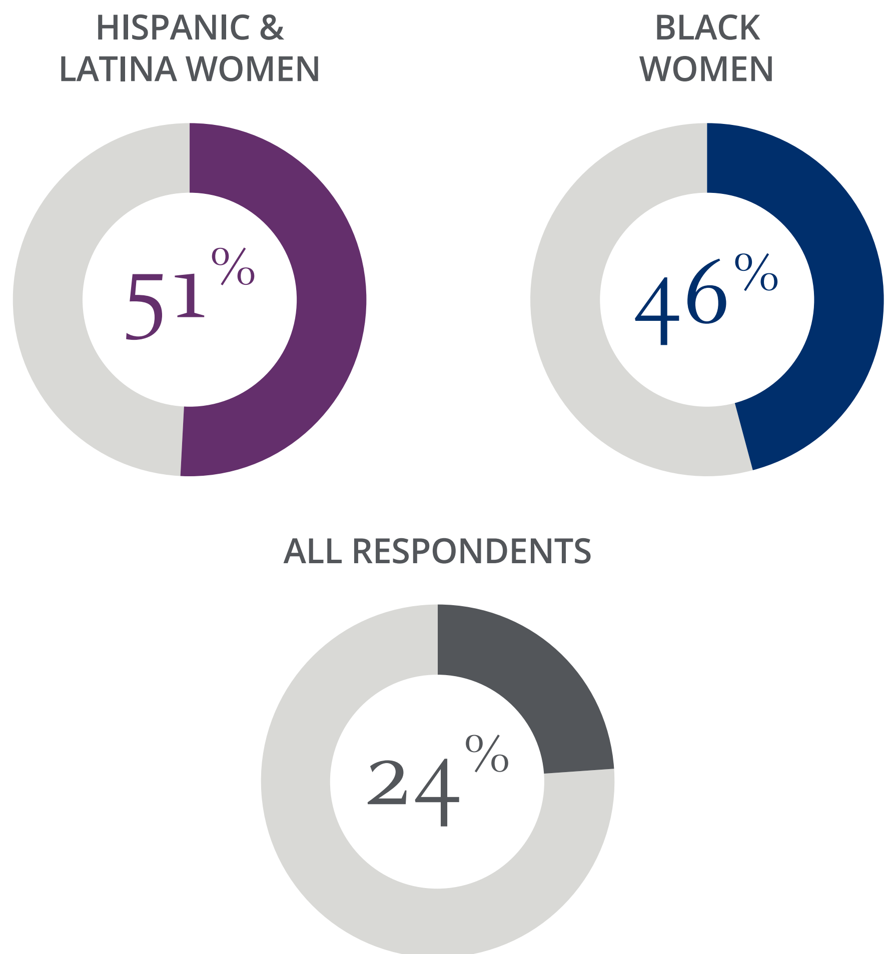
Methodology

The J.P. Morgan Wealth Management 2024 Diverse Investor Study was conducted June 14 – June 28, 2024. The results are based on a sample of 1,069 American adults aged 25+ with at least $25,000 in investable assets, including oversamples for Black, Hispanic and Latino Americans (399 White respondents, 301 Black respondents and 321 Hispanic and Latino respondents). Respondents were interviewed online in English and Spanish. J.P. Morgan Wealth Management was not identified as the survey sponsor.

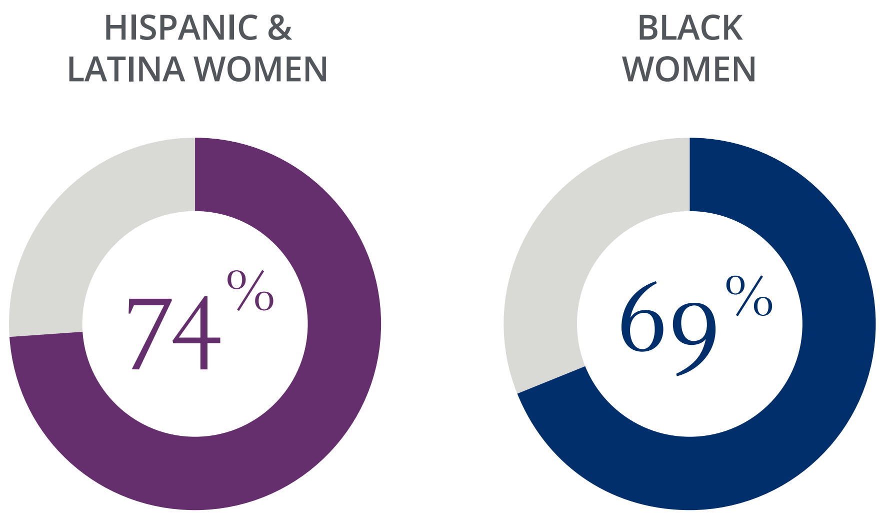
Black, Hispanic and Latino Investors

Black, Hispanic and Latina women are newer to investing and focused on creating generational wealth.

Black, Hispanic and Latina women investors are significantly more likely to be new to investing than investors overall, which speaks to the growing interest in investing in recent years and expanded access to resources and tools. Fifty-one percent of Hispanic and Latina women respondents and 46% of Black women respondents say they started investing outside of an employer-sponsored retirement plan less than five years ago, compared to 24% of all respondents.



started investing outside of an employer-sponsored retirement plan **less than five years ago**

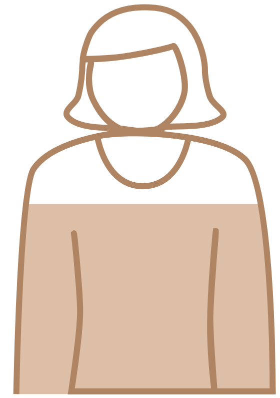


say building generational wealth was a motivation for why they started investing (up from 68% for both in 2023)

For Black, Hispanic and Latina women investors, creating wealth for future generations remains a top priority. Seventy-four percent of Hispanic and Latina women respondents and 69% of Black women respondents say building generational wealth is a main reason they started investing. This is up from 68% for both groups in 2023.

Education is also a top priority for Black, Hispanic and Latino investors: **82% of Black, Hispanic and Latino respondents are contributing the same amount or more towards a 529 account this year compared to 2023**. This is 11 points higher than respondents overall.

Black women's investment choices show their support for other women: 59% of Black women investors surveyed say it's important that the companies they're investing in are women-owned. This is twice as high as investors surveyed overall (28%). This has been significantly more important for Black women investors across all three years of our research.



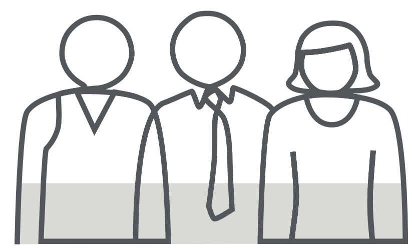
59%

BLACK WOMEN

say it's important their investments are women-owned – twice as high as investors overall:

28%

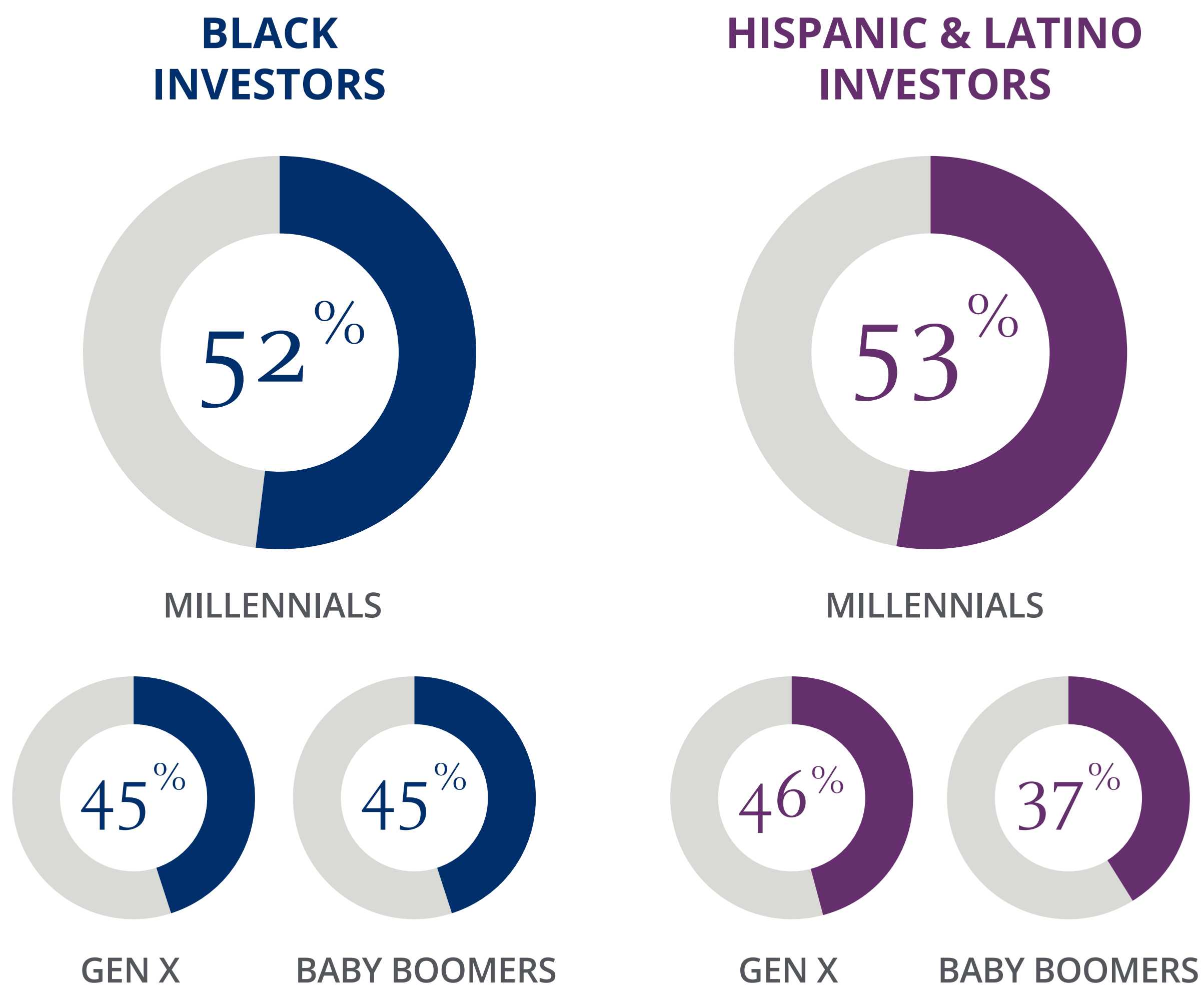
ALL INVESTORS



Younger Black, Hispanic and Latino investors take a more hands-on approach to their investing than previous generations.

As a new generation of young, diverse investors embarks on their investing journey, they are adopting a different approach compared to previous generations. They are engaged, and they want a hands-on role in creating their investment strategy.

Over 50% of Black, Hispanic and Latino millennial respondents told us they prefer to take an active role in selecting the stocks, bonds or index funds that make up their portfolio. That compares to approximately 45% of Black Gen Xers, Black baby boomers and Hispanic and Latino Gen Xers, and 37% of Hispanic and Latino baby boomers.



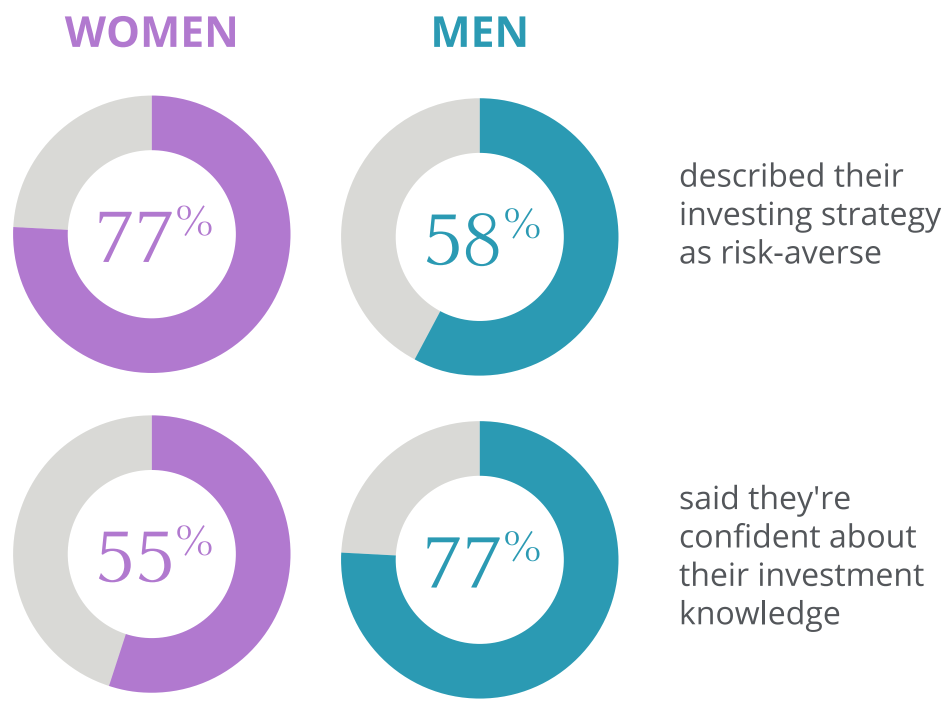
Women Investors

Women take a less risky approach to investing than men.

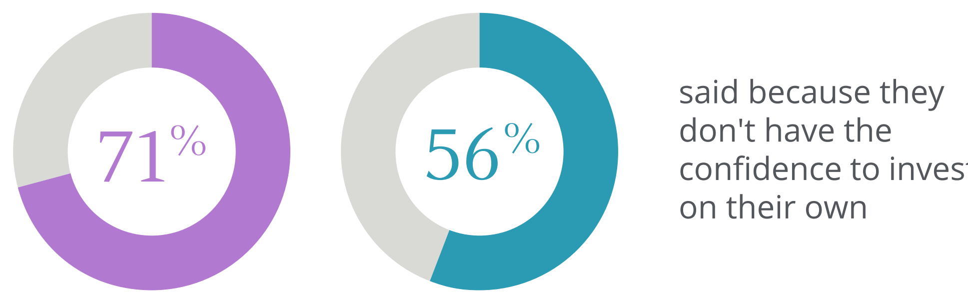
Women investors surveyed take less risk with their investments compared to men, a trend that has stayed consistent in our research from 2022. Seventy-seven percent of women respondents consider their investment strategy to be risk-averse, compared to 58% of men. And only 22% of women respondents describe their investment strategy as risk-taking, compared to 41% of men.

In addition to their lower risk tolerance, women say they tend to be more passive with their investments. Fifty percent of male investors surveyed take an active approach in selecting the stocks, bonds and funds that make up their portfolio, compared to 38% of women. **Men are also more likely to follow how the market is impacting their personal finances, which on the other hand, can lead to emotional reactions in response to volatility.** The majority of women investors surveyed say they don't pay attention to how the market is impacting their personal finances, compared to 41% of male investors.

A confidence gap still persists between men and women when it comes to investing. Fifty-five percent of women respondents say they're confident about their investment knowledge, compared to three-quarters of men. When women who work with an advisor were asked why they do so, 71% say it's because they lack the confidence to invest on their own. In comparison, 56% of men who work with an advisor cited the same reason.



When asked why they work with an advisor...



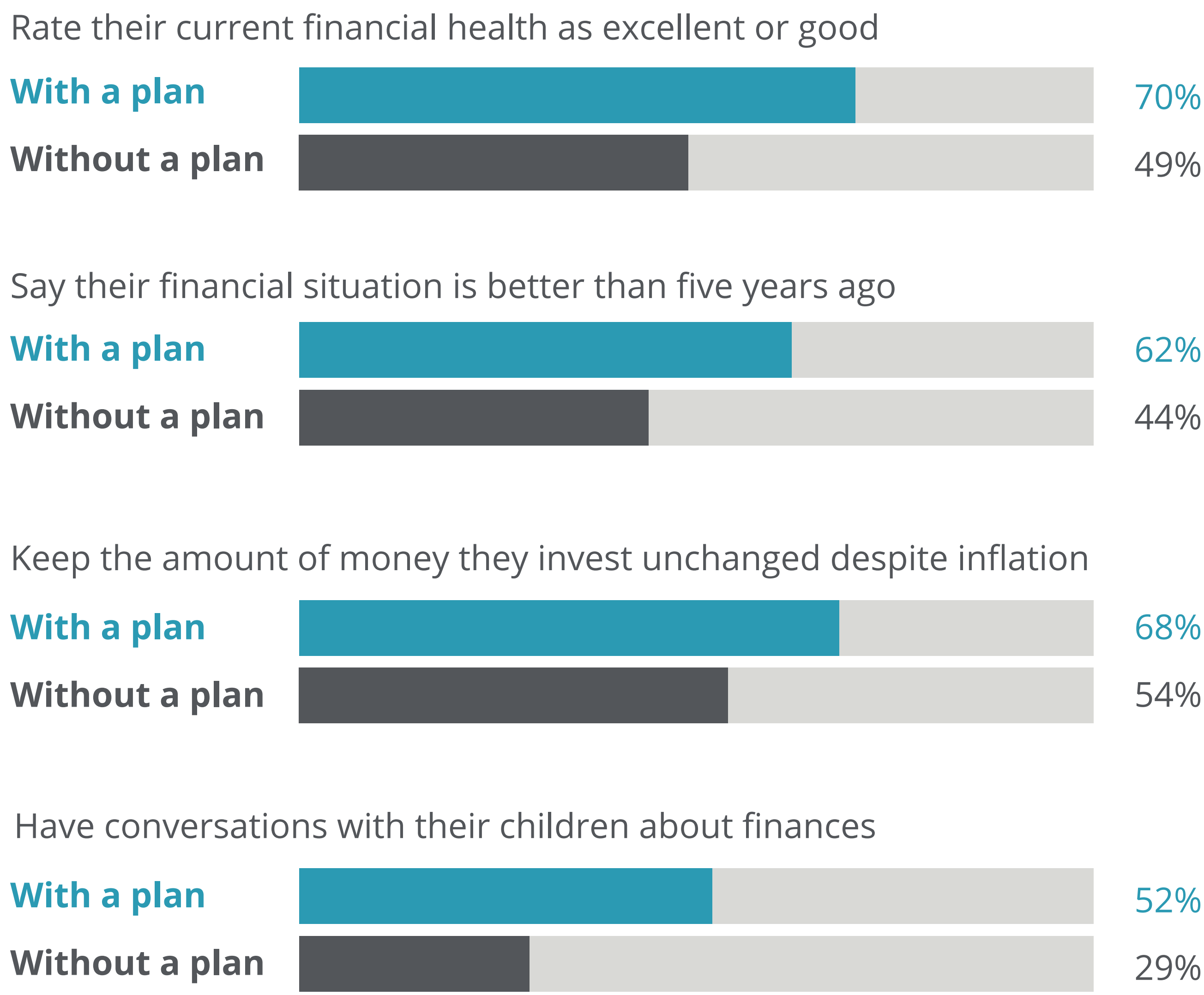
Investors Overall

Having a plan can pay off.

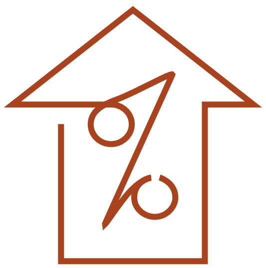
Respondents who have a plan for their financial goals are significantly more likely to:

- Rate their current financial health as excellent or good
- Say their financial situation is better than five years ago
- Keep the amount of money they invest unchanged despite inflation
- Have conversations with their children about finances

Compared to those without a plan, respondents who have a plan for their financial goals are significantly more likely to...



Surveyed investors' top three concerns are:



82%

INFLATION

75%

ELECTION UNCERTAINTY

70%

ECONOMIC SLOWDOWN

Investors have concerns, but they aren't changing how they invest.

Investors surveyed are concerned about things like inflation, election uncertainty and high interest rates. But it isn't impacting how they invest.

Look at inflation and high interest rates, for example. Eighty-two percent of respondents overall are concerned about inflation, yet 62% of them say inflation has not impacted how much money they invest. Similarly, 69% of respondents overall are concerned about high interest rates, yet 56% of them say they will keep their current investment portfolio unchanged if interest rates fall. These findings indicate that the majority of investors surveyed aren't making reactive decisions with their investments, which is encouraging. In fact, 72% of investors surveyed would not consider selling after a 20% dip in their portfolio.

Respondents also shared the perceived barriers they felt before they started investing. The #1 reason that prevented them from getting started was feeling like they didn't have enough money to invest. **This is a common misconception — that you need a lot of money to be able to invest — that holds many people back from starting to build wealth.**

82% of investors are concerned about inflation, yet...

62% of them said inflation has not impacted how much money they invest.

69% of investors are concerned about high interest rates, yet...

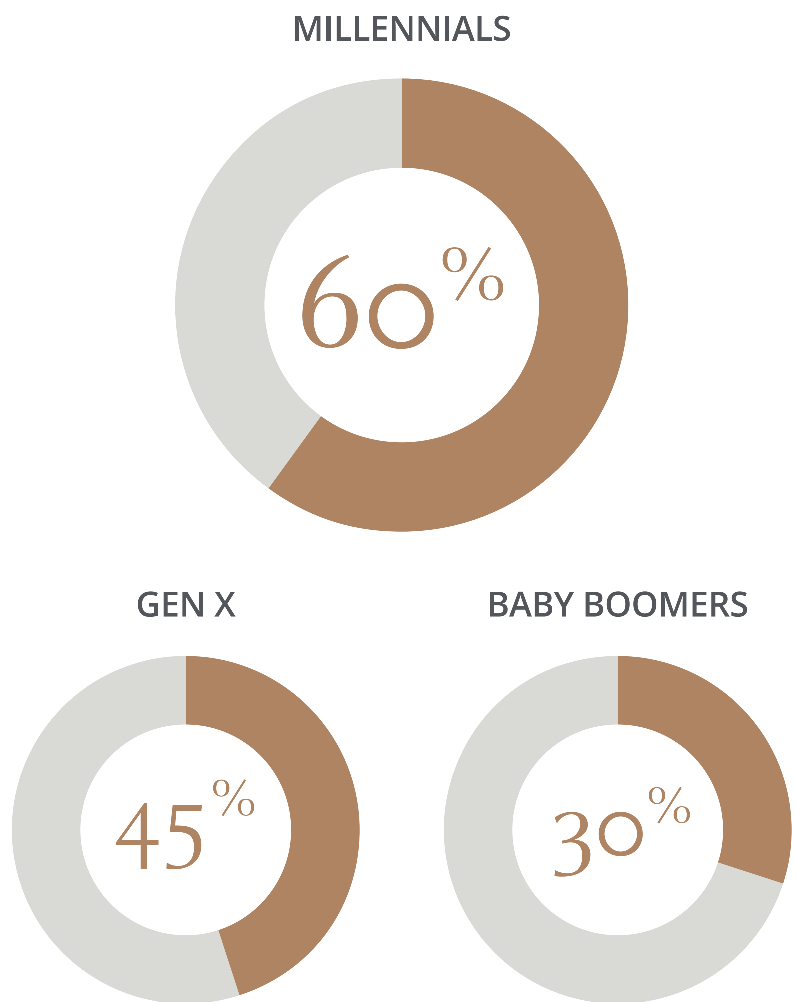
56% of them say they will keep their current allocation the same if interest rates fall.

Generational Trends

Millennials are the first generation where the majority of respondents have a self-directed investing account.

Our research uncovered a notable contrast in how and why people are investing among different age groups: millennials (age 26-41), Gen X (age 42-57) and baby boomers (age 58+).

Millennials are the first generation where the majority of respondents have a self-directed investing account — at two times the rate of baby boomers. **This isn't to say that these investors don't also work with an advisor, as many prefer a combination of both.** But it reflects the trend of increased digital engagement and the rise of tools and resources that enable individuals to invest on their own.



have a self-directed investing account.

63%

MILLENNIALS

47%

BABY BOOMERS

say a reason they started investing was to be able to travel the world when they want to.

When asked about their motivations for starting to invest, the top three reasons are consistent across generations: reaching a comfortable retirement, achieving financial security and building wealth for myself.

However, travel and experiences are a priority for most millennials, and they are factoring it into their investing: 63% of millennial respondents say being able to travel the world when they want was a motivation for them to start investing, compared to 47% of baby boomers.

Education plays a key role in becoming a successful investor. There are a wide range of financial instruments with varied levels of risk, markets are influenced by many factors and investors are often susceptible to common pitfalls, such as emotional decision-making. Millennials might be better prepared than other generations. Two in three millennials surveyed say they are confident in their financial knowledge. Millennial respondents are also less likely than previous generations to say that not having enough money to invest prevented them from getting started (44%, compared to 52% for Gen X and 59% for baby boomers).

Conclusion

This year's survey uncovered some promising trends. We are starting to see increased participation among Black, Hispanic and Latina women in the market. They are significantly more likely to be new to investing and remain focused on building wealth they can pass on to future generations.

Younger Black, Hispanic and Latino investors are taking a more hands-on approach to their investing than previous generations, which speaks to a higher level of confidence in making investment decisions.

Overall, investors aren't letting economic concerns influence how they invest. And those who have a plan in place for their goals report better outcomes than those without one.

Women continue to take a less risky, more passive approach with their investing than men, which was reinforced across several responses. But there is still work to do on closing the confidence gap.

The rise of online tools has made it easier for individuals to manage their investments. Millennials are showing confidence in investing and a shift in financial goals.

These key findings provide valuable insights into the diverse behaviors, motivations and challenges of different investor groups, helping the financial industry better serve their needs and support their wealth-building journeys.

Important Information

About J.P. Morgan Wealth Management

J.P. Morgan Wealth Management is the U.S. wealth management business of JPMorgan Chase & Co., a leading global financial services firm with assets of $4.1 trillion and operations worldwide. J.P. Morgan Wealth Management has ~5,600 advisors and $1 trillion of assets under supervision. Clients can choose how and where they want to invest. They can do it digitally, remotely or in person by meeting with an advisor in one of our more than 4,800 Chase branches throughout the U.S., or in one of our offices. For more information, go to www.jpmorgan.com/wealth and follow J.P. Morgan Wealth Management on LinkedIn.

LEARN MORE ABOUT OUR FIRM AND INVESTMENT PROFESSIONALS AT FINRA BROKERCHECK.

J.P. Morgan Wealth Management is a business of JPMorgan Chase & Co., which offers investment products and services through **J.P. Morgan Securities LLC** (JPMS), a registered broker-dealer and investment adviser, member FINRA and SIPC. Insurance products are made available through Chase Insurance Agency, Inc. (CIA), a licensed insurance agency, doing business as Chase Insurance Agency Services, Inc. in Florida. Certain custody and other services are provided by JPMorgan Chase Bank, N.A. (JPMCB). JPMS, CIA and JPMCB are affiliated companies under the common control of JPMorgan Chase & Co. Products not available in all states.