



WSFS Wealth Study Finds Area Residents are Cautious but Confident in Their Investments Despite the Pandemic

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Regional study shows wide differences between men and women and younger and older investors when it comes to their investing knowledge and confidence.

WILMINGTON, Del., Sept. 28, 2020 (GLOBE NEWSWIRE) -- Local consumers planning for the future believe they have weathered market fluctuations caused by the COVID-19 pandemic and have a new appreciation for risk, but are largely undeterred and even bullish about their investments, according to a new WSFS Wealth Study of 350 consumers in the Greater Philadelphia region and Delaware. Participants in the study were between the ages of 35 and 75 and had investable assets of \$250,000 to more than \$5 million.

Two-thirds of those surveyed (67%) said life is riskier now than before the pandemic. However, 67% said their risk tolerance is the same or greater than it was prior to COVID-19 and the same percentage also said they are in good enough financial shape to cope with the unexpected. Sixty-eight percent are comfortable that investing will allow them to achieve their financial goals and 58% said their investments have done well during the pandemic. Only 13% of respondents were not investing.

The WSFS Wealth Study, however, showed a significant gender gap between men and women over investing attitudes and financial confidence, with 70% of men confident in their abilities to invest and just 30% of women. Similar differences occurred between the various age groups, with younger investors (35-44) far more confident than their older counterparts.

"Peace of mind comes with finding the right approach to investing that allows you to sleep at night," said Kelly Wellborn, President of Cypress Capital Management, a WSFS Wealth company. "There is no blanket right or wrong level of risk, it is different for every individual. What matters is that people take ownership of their financial lives."

The Overall Mood

A global pandemic that has stalled economic growth. Steep declines in the stock market and then a recovery. Racial and social unrest. Natural disasters. It would be understandable if investors were ready to take a pause, but that doesn't seem to be the case. Thirty percent said they planned to increase their investing, while another 45% said they would increase their level of investing while also conserving some cash. Not surprisingly, 86% of respondents are planning to use their investments for retirement followed by long-term medical care planning.

Other highlights:

- 56% are bullish on individual stocks, with just 19% saying they're unattractive.
- 64% said mutual funds are attractive.
- Just 31% are positive on bonds.
- Investors are split on real estate as an investment – 33% said real estate was attractive, with 29% steering clear.

The Gender Gap

The WSFS Wealth Study highlighted vast differences between men and women when it comes to investing. More than half (53%) of the men surveyed said they handle their own investing, versus 33% of women. More than two-thirds of men (68%) feel knowledgeable to invest, while just 27% of women felt the same way.

Women are also more cautious than men, with 56% of women saying they will both invest and conserve cash versus 35% of men. Yet, just 32% of the women surveyed who don't currently use a financial advisor said they are likely to use one in the coming year versus 57% of men. However, because they are cautious, women are slightly less concerned than men (39% vs. 51%) about outliving their money.

"It is important for men and women, but especially women, to define what financial confidence means to them and what steps they need to take to feel more confident about money and investing," said Wellborn. "When you set goals and make step-by-step decisions to reach those goals, you will gain confidence."

The Age Difference

The WSFS Wealth Study also found that younger investors, ages 35-44, were far more confident about investing.

Seventy-five percent of those aged 35-44 said they were knowledgeable about investing, with the number trailing off dramatically as people get older – 53% for 45-54; 37% for 55-64 and 27% for 65-74.

Similarly, 80% of the youngest group said they were confident in their own investment decision making. That compared with 53% in the 45-54 group; 36% among those 55-64 and 34% in the oldest group.

The youngest group is also the most aggressive, with 66% saying they are going to increase their investing in the next year. They are also the most risk tolerant with nearly half (46%) saying their tolerance is greater for risk since the pandemic.

This could be driven more by the fear that they will outlive their money. Two-thirds of those in the youngest group (67%) rated a concern about outliving their money a five or a four on a five-point scale.

Seeking Advice

During the pandemic, financial markets have experienced some of the wildest swings since the 2008 financial meltdown. But the study suggests that consumers are returning to a sense of normalcy when it comes to investing and are taking a long-term approach. The results also show that some consumers are turning to financial advisors for guidance.

“People increasingly understand that the path to financial security begins with a solid investment plan that should be actively managed, even in difficult times,” added Wellborn.

More than half (56%) of respondents said they use one or more financial advisors for at least some of their investments, and nearly half (48%) of those not using an advisor now say they are likely to use one in the coming year. When consumers choose an advisor, they’re most looking for a reputation of integrity (87%), transparency of fees (86%) and quality of service (84%).

Survey Methodology

The study was conducted by research company [The Melior Group](#). The sample includes 350 respondents who reside in the five-county Philadelphia market (Philadelphia, Bucks, Chester, Delaware, and Montgomery), two New Jersey counties (Burlington and Camden), and all three Delaware counties (Kent, Sussex, and New Castle). All respondents were between the ages of 35 and 75 and had investable assets of \$250,000 to more than \$5 million. The online survey was conducted the last two weeks in August 2020 to the first week in September 2020, with a margin of error of +/- 5 percent.

About WSFS Financial Corporation

WSFS Financial Corporation is a multi-billion-dollar financial services company. Its primary subsidiary, WSFS Bank, is the oldest and largest locally managed bank and trust company headquartered in Delaware and the greater Philadelphia region. As of June 30, 2020, WSFS Financial Corporation had \$13.6 billion in assets on its balance sheet and \$20.8 billion in assets under management and administration. WSFS operates from 115 offices, 90 of which are banking offices, located in Pennsylvania (54), Delaware (43), New Jersey (16), Virginia (1) and Nevada (1) and provides comprehensive financial services including commercial banking, retail banking, cash management and trust and wealth management. Other subsidiaries or divisions include Arrow Land Transfer, Cash Connect®, Cypress Capital Management, LLC, Christiana Trust of Delaware, NewLane Finance, Powdermill Financial Solutions, West Capital Management, WSFS Institutional Services, WSFS Mortgage, and WSFS Wealth Investments. Serving the greater Delaware Valley since 1832, WSFS Bank is one of the ten oldest banks in the United States continuously operating under the same name. For more information, please visit www.wsfsbank.com.

Media Contact: Rebecca Acevedo
215-253-5566
racedo@wsfsbank.com

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