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BLACKROCK GLOBAL INVESTOR PULSE SURVEY: DESPITE STRENGTHENING U.S. ECONOMIC GROWTH, AMERICANS "HOLDING BACK" AS INVESTORS

From the Mouths of Babes: Millennials Are Frequently More Confident, Engaged

New York, October 30, 2014 – Despite improved prospects for U.S. growth, Americans are still "holding back" as investors and potentially risking their financial future, particularly hopes for a secure retirement, according to results of the BlackRock (NYSE: BLK) Global Investor Pulse Survey.

About half of Americans (52 percent) have a positive view of their financial future, compared with 56 percent of respondents globally. Younger Americans are substantially more confident (66 percent positive) than other age groups, especially their parents, with less than half of Baby Boomers (45 percent) confident about their financial future, according to the global survey, one of the largest of its kind. BlackRock polled 27,500 individuals in 20 nations, including 4,000 Americans, on a broad selection of financial and investment management questions (for more on the survey and its methodology, please visit www.blackrock.com/investorpulse).

Americans More Squeezed By Living Costs Than Global Respondents

Fundamental financial worries such as the high cost of living (cited by 61 percent), the state of the US economy (55 percent) and health care costs (50 percent) are the top three threats that Americans see to their financial future. Only about one in four Americans believes that the US economy and job market are getting better, despite recent employment and equity gains.

The high cost of living has a particularly acute impact on investors' psyche in the U.S. Americans report having to allocate about 42 percent of household income to expenses, compared with only 32 percent worldwide. As a result, they have less left over for spending, savings and investing—including retirement.

A full 75 percent of Americans say that it is hard to keep up with bills and save for retirement at the same time, with 43 percent saying it is “very hard.” Perhaps as a result, a sizeable majority of Americans are counting on Social Security as a key source of retirement income, with 64 percent saying that it will be “critical” to their ability to support themselves in retirement.

“It’s clear that immediate financial needs are hindering people’s ability to focus on longer term investment decisions and retirement planning," said Rob Kapito, President of BlackRock. "Focusing primarily on the short-term is concerning for investors of all ages, and can eventually create special risks for those closest to or newly in retirement, who need to be well prepared to spend as much as two or three decades in retirement."

Illustrating this "short-termism," many Americans are not necessarily putting their money in the best places to achieve their long-term goals. Just 27 percent of Americans surveyed by BlackRock say they are more interested in investing in stocks today than five years ago; 18 percent say they are not interested in stocks at all. More than a third -- 35 percent -- of individuals say they don't hold and wouldn't consider investments outside of the U.S.

On average, cash and cash related products take up nearly two thirds (63 percent) of Americans' total household savings and investments, and most intend to increase their commitment to cash over the next 12 months. "In a low return environment, such as now, cash simply does not deliver the kind of investment performance that most investors need to reach their most critical objectives, like retirement," Kapito said.

Despite Obstacles, Hopes for Retirement Stay Strong

Despite the obstacles they see, many Americans are strongly optimistic about achieving the financial goals that are most important to them. For example, among Americans who place a high priority on saving money, 71 percent are confident about achieving this goal. And -- although 73 percent of Americans are concerned about being able to live comfortably in retirement -- nearly seven of 10 (68 percent) of Americans who have prioritized this goal believe they will get there.

"To achieve their strong retirement hopes, Americans need to plan, save and invest with the realities of increasing retirement longevity firmly in mind -- which means considering investments with good prospects for long-term return," said Kapito. “Longevity is an urgent challenge impacting every one of us -- regardless of age, gender, geography, financial position and outlook -- but we feel strongly that the challenge can be met."

US Millennials Confident, Set An Example for Their Parents

Overall, Millennials are the most confident age group in the U.S.: While only a quarter (24 percent) of Americans overall think the economy is improving, 32 percent of Millennials believe it is getting better. They also are more confident in the job market: 34 percent think it is improving, compared with 27 percent of Americans overall. They feel less pressure when it comes to making room for retirement savings, with 37 percent saying that it is "very hard" to pay bills and save for retirement at the same time, compared with a US average of 43 percent.

Millennials also display different attitudes about investing—especially when compared with Baby Boomers. Nearly half -- 45 percent -- of Millennials say that they are more interested in stocks than they were five years ago; only 16 percent of Baby Boomers are. Millennials also spend the most time reviewing or adjusting their investments—

about seven hours per month, compared with the US average of around four hours per month and the Baby Boomer average of about two hours per month. Despite their younger age, 60 percent of Millennials report having begun saving for retirement—about the same as the US average overall (59 percent).

Additional Info

- The percentage of household savings and investments that Americans hold in cash -- 63 percent -- is slightly higher than the global average of 59 percent.
- Americans also acknowledge that their cash holdings are too high, saying that their "ideal" level of cash would be 29 percent of savings and investments.
- For the remainder of their savings and investments, Americans report holding 18 percent in equities, six percent in bonds, five percent in property, two percent in alternatives, and seven percent "other." Their levels of equity are slightly higher than the global average (15 percent).
- All age groups would advise their younger self to save earlier, save more, spend less, and pay off debt sooner.
- The Silent Generation, age 69-74 (who are more likely to be covered by pensions and to have paid off their mortgages, or are well into retirement), report the least concern about being able to live comfortably in retirement (17 percent vs. 34 percent overall)

About BlackRock
BlackRock is a leader in investment management, risk management and advisory services for institutional and retail clients worldwide. At September 30, 2014, BlackRock's AUM was $4.525 trillion. BlackRock helps clients meet their goals and overcome challenges with a range of products that include separate accounts, mutual funds, iShares® (exchange-traded funds), and other pooled investment vehicles. BlackRock also offers risk management, advisory and enterprise investment system services to a broad base of institutional investors through BlackRock Solutions®. Headquartered in New York City, as of September 30, 2014, the firm had approximately 12,100 employees in more than 30 countries and a major presence in key global markets, including North and South America, Europe, Asia, Australia and the Middle East and Africa. For additional information, please visit the Company's website at www.blackrock.com | Twitter: @blackrock_news | Blog: www.blackrockblog.com | LinkedIn: www.linkedin.com/company/blackrock

About the Survey
One of the largest global surveys ever conducted, the BlackRock Global Investor Pulse survey interviewed 27,500 respondents, in 20 nations: the US and Canada; in Europe, Belgium, France, Germany, Italy, the Netherlands, Spain, Sweden, and the UK; In Latin America, Brazil, Chile, Colombia, and Mexico; in Asia, China, Hong Kong, India, Japan, Singapore and Taiwan. The US sample comprised 4,000 respondents. No income or asset qualifications were used in selecting the survey's participants, making the survey a truly representative sampling of each nation's entire population. Executed with the support of Cicero Group, an independent research company, the survey took place from July to August 2014. For both the global sample and the US sample of 4,000 respondents, the margin of error is +/- 1.55%.