

The voice of the individual investor

# People & Money

**The next wave of U.S. ETF investors**



# Foreword



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**Across the United States, more people are starting to invest for their financial future than ever before. While this momentum is encouraging, many remain on the investing sidelines, and that's an area we want to explore.**

Our *People & Money* analysis, conducted with YouGov, aims to amplify the voice of the **individual investor**<sup>1</sup> — offering insights into their behaviors, motivations, and attitudes toward investing. Our mission is clear: to make investing accessible to everyone, and, in turn, help more and more people experience financial well-being.

To gain deeper insight into how people are investing today, the survey set out to uncover how individuals think, feel, and act when it comes to investing.

Between July 22 and August 3, 2025, YouGov surveyed more than 5,000 adults representative of the U.S. population.<sup>2</sup> The findings highlight the forces shaping financial behavior today, uncover emerging demographic opportunities, and offer practical insights to build greater confidence and engagement among new individual investors.

1. Individual investor: For this survey, we define the individual investor as a U.S. respondent aged 18+ who currently holds at least one of the following: stocks, bonds, mutual funds, ETFs, a managed portfolio through a digital platform or robo-adviser, crowdfunding or venture capital investments, options or cryptocurrency.

2. The survey was conducted online by YouGov Plc with a sample of 5,220 nationally representative adults in the U.S.. Fieldwork took place between 7/22/25 - 8/3/25. YouGov compensated survey participants. BlackRock sponsored the survey and is not affiliated with YouGov.

# Key findings

## 1 Investing in the U.S. and the rise of ETFs

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**Americans are investing across all ages and income levels.** The majority invest through digital investment platforms (39%), employer retirement plans (35%), and advisors (31%).

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**The typical U.S. investor holds multiple investment products.** Younger investors tend to favor ETFs and cryptocurrencies.

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**Over 24 million people in the U.S. are estimated to own ETFs.** The most common reasons U.S. investors choose ETFs is to benefit from their diversification, ease, and value.

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**An estimated 19 million U.S. adults are very likely to buy ETFs in the next 12 months.** First-time ETF investors are predicted to start younger, and with less income.

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**Equity and crypto will be the most popular asset classes among those intending to invest in ETFs/ETPs in next 12 months,** reflecting growing demand to access these exposures through new investment vehicles.

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# 1.

# Investing in the U.S. & the rise of ETFs

**Investing in the U.S. has surged in recent years, powered by structural shifts that have made markets easier to access. Today, U.S. investors can choose from thousands of products across multiple channels to invest.**

Everyday Americans now have nearly the same breadth of choice once reserved for institutions and professional investors. In the following section, we learn about investing in the U.S. – from the demographics of investors, to the products they hold.

efficiency. Therefore, it's no coincidence that this surge of investing in the U.S. has coincided with the extraordinary growth of U.S. ETF assets, which have more than doubled in just five years; rising from \$4.4 trillion in 2020 to over \$12 trillion in 2025.<sup>3</sup>

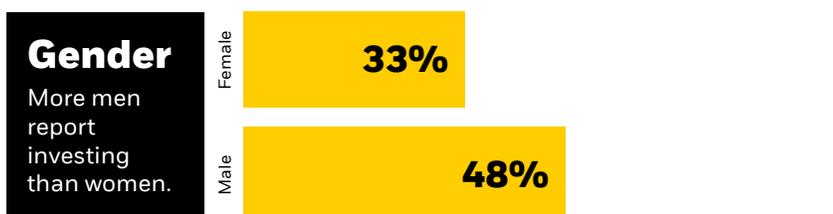
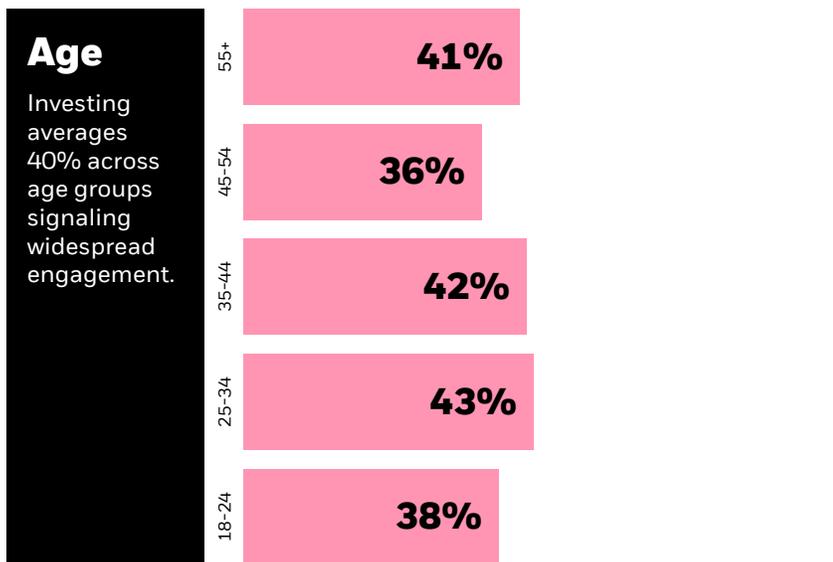
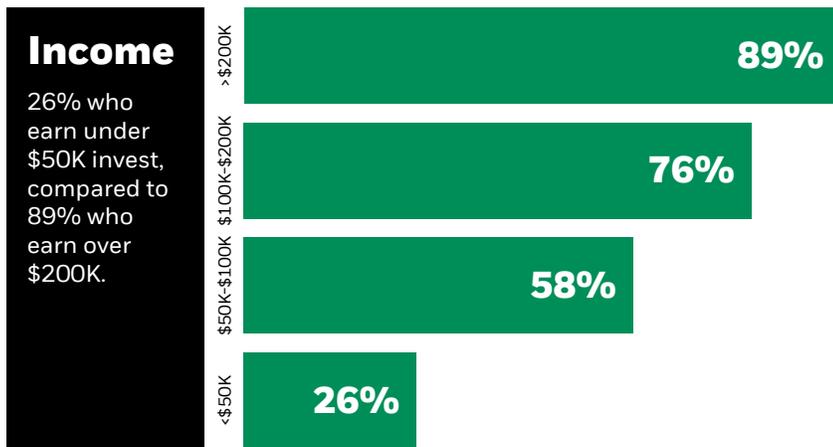
Our findings reveal that stocks and mutual funds remain staples, but ETFs are growing due to their diversification properties, convenience, and cost-

3. BlackRock Global Business Intelligence, Aug. 12, 2025.

# Americans are investing across all ages and income levels

More individuals in the U.S. are invested than ever before, with broad engagement across age, income, and gender. The majority invest through digital investment platforms (39%), employer retirement plans (35%), and advisors (31%).

## Percentage of U.S. individual investors by demographic



## Preferred investing channel by demographic

**50%**

of investors earning over \$200K invest through digital investment platforms.

**2X**

Those aged over 55 are nearly twice as likely to invest via a financial advisor than those aged under 55 (45% vs. 23%).

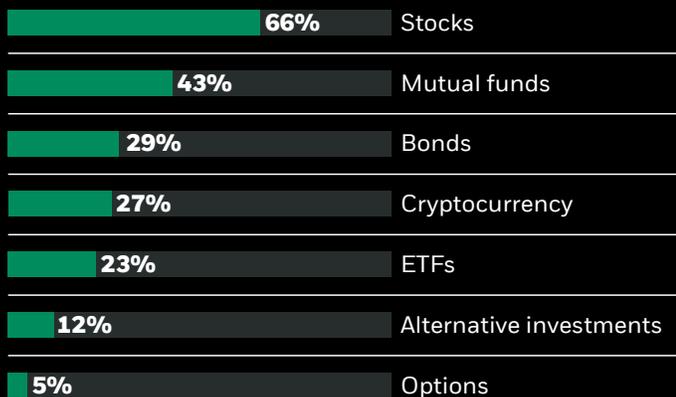
**42%**

of male investors use digital investing platforms vs. 35% of female investors.

# The typical U.S. investor holds multiple investment products

U.S. investors have a wide array of choices when selecting what to invest in; over half hold two or more investment products, and nearly one-third hold three or more. This trend suggests investors are actively engaged in building their investments, rather than stopping at a single product. Stocks and mutual funds remain the foundation for most, but investors are increasingly adding other products alongside them.

### The current holdings of U.S. investors



## Younger investors favor ETFs and crypto

Those aged 18–34 are more likely to hold ETFs than those aged over 35 (28% vs. 20%) – and over twice as likely to hold crypto (45% vs. 21%).

Cerulli data

## ETFs are the fastest-growing product on retail investment platforms in the last five years

While stocks and mutual funds remain popular, data from a recent Cerulli study shows that ETFs have seen the fastest growth in client asset share on retail investing platforms over the past five years, surpassing all other investment vehicles.<sup>4</sup>

Investment product	5-year compound annual growth rate (CAGR)
ETFs	23.4%
Cash/ banking assets	20.7%
Individual Securities (Stocks/ bonds)	19.3%
Money Market Funds	16.3%
Non-proprietary mutual funds	11.7%
Variable Annuities	10.6%
Proprietary mutual funds	7.8%

# \$2.3 Trillion

Retail investment account users own an estimated \$2.3 trillion in ETFs, making up 14% of total retail platform assets.

4. Cerulli Associates, U.S. Retail Investor Solutions 2025: Refining Wealth Management Engagement. The study is based on a proprietary survey of approximately 5,000 U.S. retail investors conducted annually. All data, calculations, and insights in this report derive directly from Cerulli's methodology and analysis.

# 2.

# Understanding the ETF investor in the U.S.

**As ETFs continue to gain traction among U.S. investors, the landscape is evolving rapidly.**

In the following section, we explore the current and next wave of ETF investors — from the number and demographics of Americans intending to invest in ETFs to the broadening adoption of these products across asset classes. Together, these insights highlight where growth is coming from and what it means for the future of ETF investments.

## Understanding the ETF investor in the U.S.

# Over 24 million people in the U.S. are estimated to own ETFs<sup>5</sup>

Why do almost a quarter of U.S. investors choose ETFs? Survey results show the top drivers are diversification (47%), ease of trading (40%), and potential for better returns than savings accounts /other investments (37%).

### Top 10 reasons why ETF owners choose ETFs

<b>1</b>	Diversification across companies and markets	<b>47%</b>	
<b>2</b>	Easy to buy and sell	<b>40%</b>	
<b>3</b>	Potential for better returns than other investments	<b>37%</b>	
<b>4</b>	Low annual management fees	<b>36%</b>	
<b>5</b>	Convenience (i.e. only having to buy one fund)	<b>35%</b>	
<b>6</b>	Ability to invest small amounts regularly	<b>28%</b>	
<b>7</b>	No or low trading fees	<b>28%</b>	
<b>8</b>	Recommendations from a bank, financial adviser or an investment brand	<b>21%</b>	
<b>9</b>	Access to specific trends, industries, regions or countries (i.e. artificial intelligence, technology, Asia, U.S., etc.)	<b>20%</b>	
<b>10</b>	Prefer a hands-off or automated investment option	<b>20%</b>	

## 50%

ETF investors aged 18-34 are 50% more likely than those aged over 35 to cite the “ability to invest small amounts regularly” as a reason for choosing ETFs.

## #1

“Convenience (only having to buy one fund)” is the #1 reason for choosing ETFs among those aged 35-44.

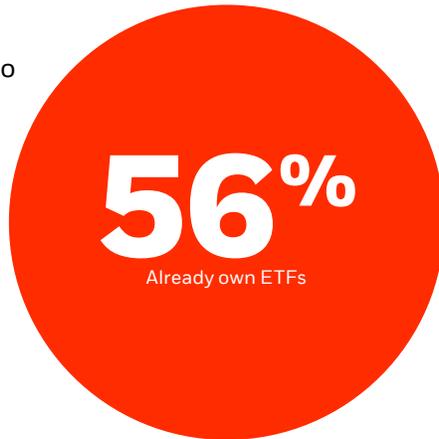
5. BlackRock derived the population estimates from U.S. Census data weighted by respondent percentages.

## Understanding the ETF investor in the U.S.

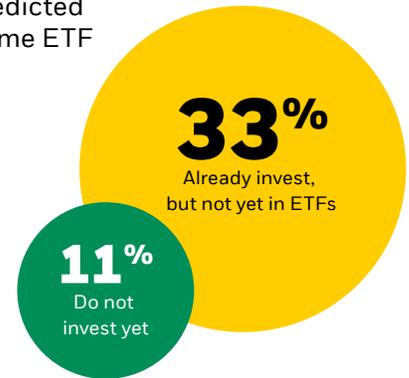
# An estimated 19 million U.S. adults are very likely to buy ETFs in the next 12 months<sup>6</sup>

### Breakdown of U.S. adults who are very likely to buy ETFs in the next 12 months

56% that already invest in ETFs, plan to invest in more ETFs.



44% are predicted to be first-time ETF investors.

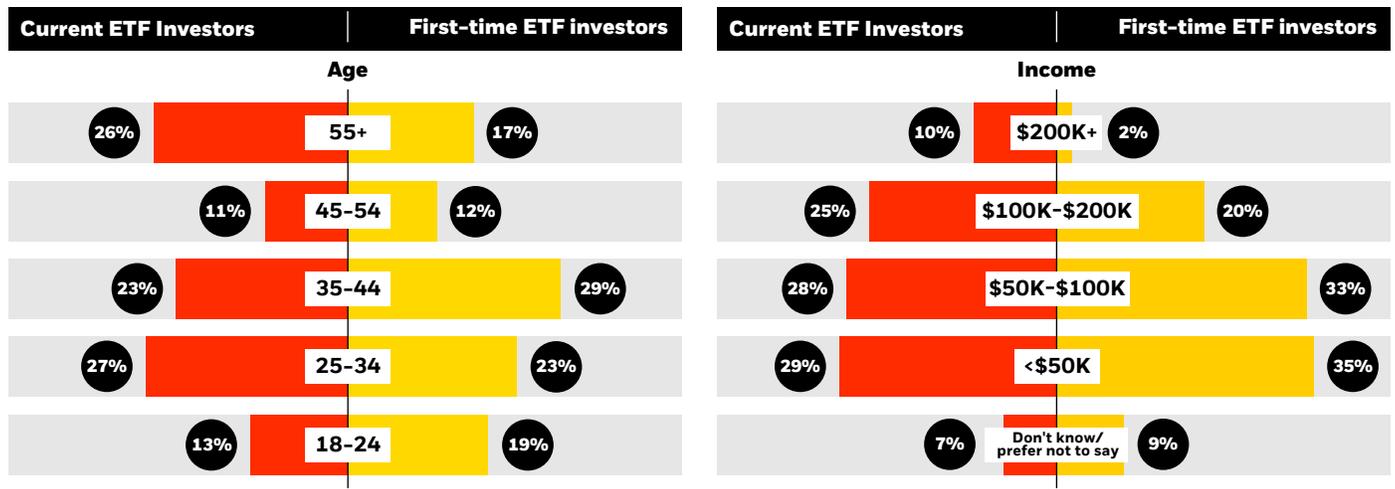


## First-time ETF investors are predicted to start younger, and with less income

### Age and income of current ETF investors vs. predicted first-time ETF investors

71% of first-time ETF investors will be under 45 years of age.

69% of first-time ETF investors will earn under \$100K.



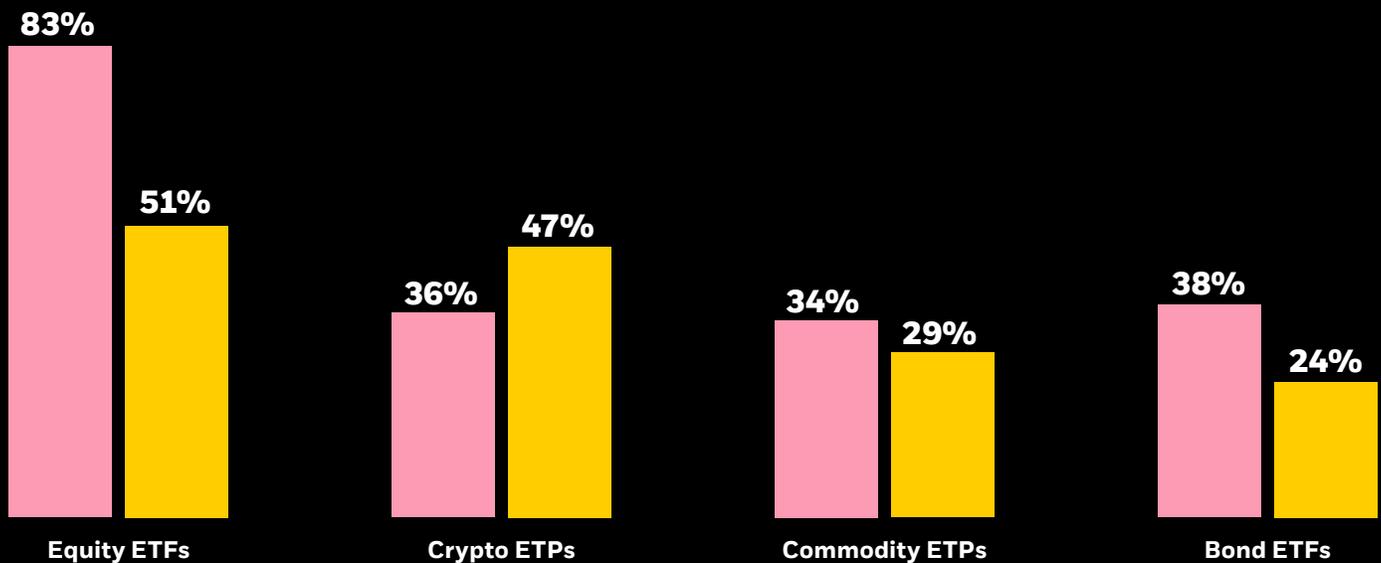
6. BlackRock derived the population estimates from U.S. Census data weighted by respondent percentages of those responding they were very likely to start investing or invest more in ETFs in the next 12 months.

## Equity and crypto will be the most popular asset classes among those intending to invest in ETFs/ETPs in next 12 months

Equity ETFs remain the top choice for both current investors and those planning to enter the ETF market over the next year. Yet newer asset classes are narrowing the gap — more than 47% of first-time ETF investors are expected to allocate to crypto ETPs in the next 12 months, alongside 36% of current ETF investors who plan to do the same.

### ETF/ ETP intention by asset class

- **Current ETF investors:** asset classes they expect to invest in through ETFs over the next year.
- **First-time ETF investors:** asset classes they expect to invest in through ETFs over the next year.



**46%**

of both current and first-time ETF users intending to invest in crypto ETPs in the next 12 months will be aged 18–34.

**83%**

of current ETF users say they plan to invest in equity ETFs in the next 12 months, the top choice from this group.

**62%**

of both current and first-time ETF users intending to invest in commodity ETPs in the next 12 months will be aged 35 or older.

# 3.

# Assessing the needs of the next wave of ETF investors

**Although there are more U.S. investors than ever before, there are still many U.S. adults remaining on the investing sidelines, held back by persistent fears and barriers.**

ETFs may help adults in the U.S. move off the sidelines and into the market by making investing simpler, more affordable, and more accessible.

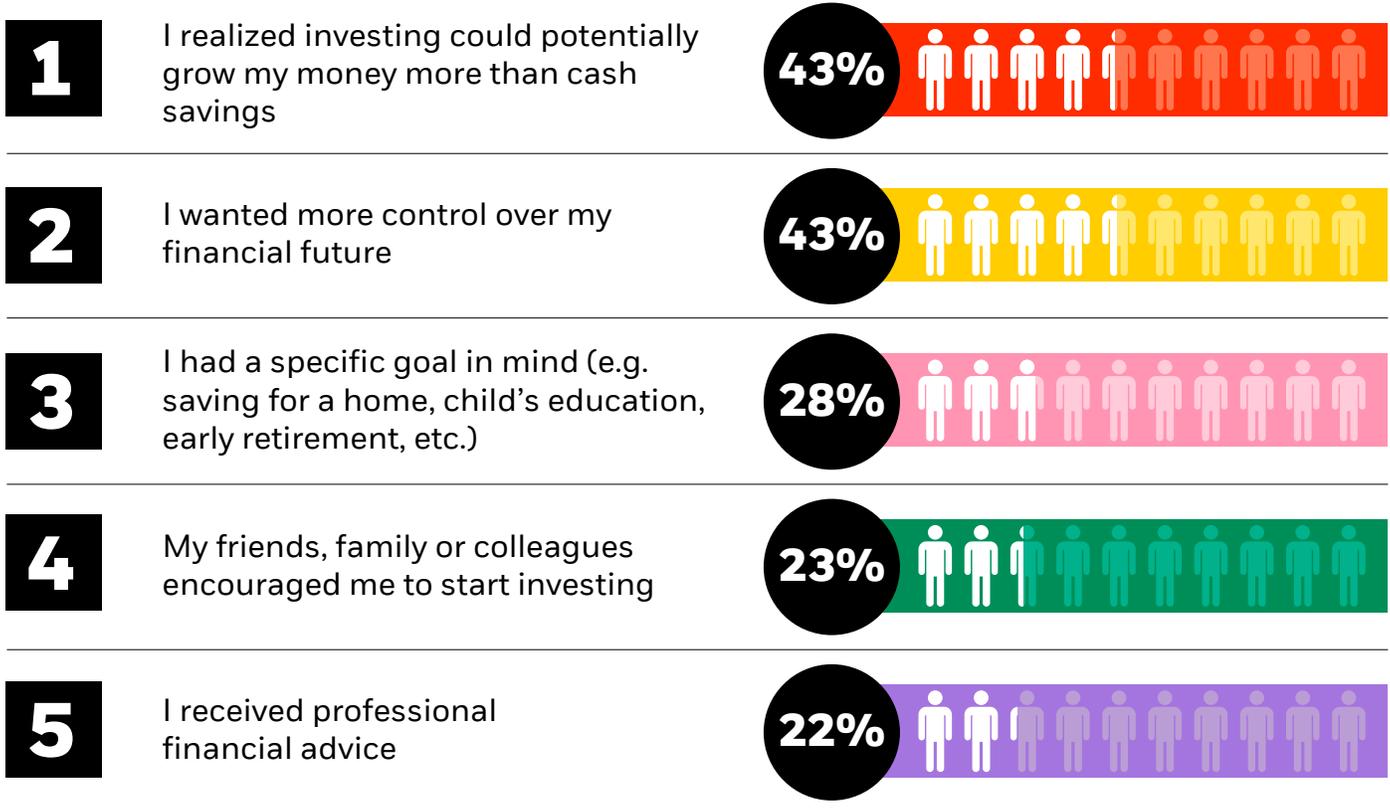
confidence, and the opportunities to meet evolving needs with innovative ETF solutions, specifically looking at interest in recurring investment plans.

In this final section, we reveal insights to help spark the next wave of ETF investors: what motivates first-time investors, the behaviors that build lasting

# 43% of U.S. investors began investing after realizing it could potentially grow their money faster than saving

Behind every investment decision lies a motivation: an event, goal, or belief that sparks action. Our data shows that building financial security, achieving life goals, and gaining confidence are among the strongest drivers for getting started with investing.

## Top motivations behind first investment decision



**1 in 4**

women said they were motivated to start investing after friends, family or colleagues encouraged them to (26%).

**46%**

of those aged over 55 said they started investing because they “realized investing could potentially grow their money more than cash savings.”

# Current investors say their investment confidence comes from staying calm through market ups and downs

An overlooked question is: what behaviors actually build investor confidence? The findings reveal clear guidance for strengthening education and engagement around investing. Current investors say confidence comes from staying calm through market ups and downs (49%), while non-investors, many held back by limited knowledge, believe learning the basics (39%) would make them feel more capable and confident.

## Top five behaviors cited for becoming a capable and confident investor

Investors	Non-investors
<b>1</b> Not panicking when markets go up or down <b>49%</b>	<b>1</b> Learning the basics of how investing works <b>39%</b>
<b>2</b> Diversifying your investments (i.e. not putting all your money in one place) <b>49%</b>	<b>2</b> Understanding the risks involved in investing <b>39%</b>
<b>3</b> Setting aside money regularly, even small amounts <b>47%</b>	<b>3</b> Setting aside money regularly, even small amounts <b>36%</b>
<b>4</b> Understanding the risks involved in investing <b>41%</b>	<b>4</b> Diversifying your investments (i.e. not putting all your money in one place) <b>32%</b>
<b>5</b> Learning the basics of how investing works <b>39%</b>	<b>5</b> Not panicking when markets go up or down <b>28%</b>

**57%**

of investors earning over \$200K say “diversifying your investments” is the #1 behavior for becoming a confident investor (vs. 49% among all investors).

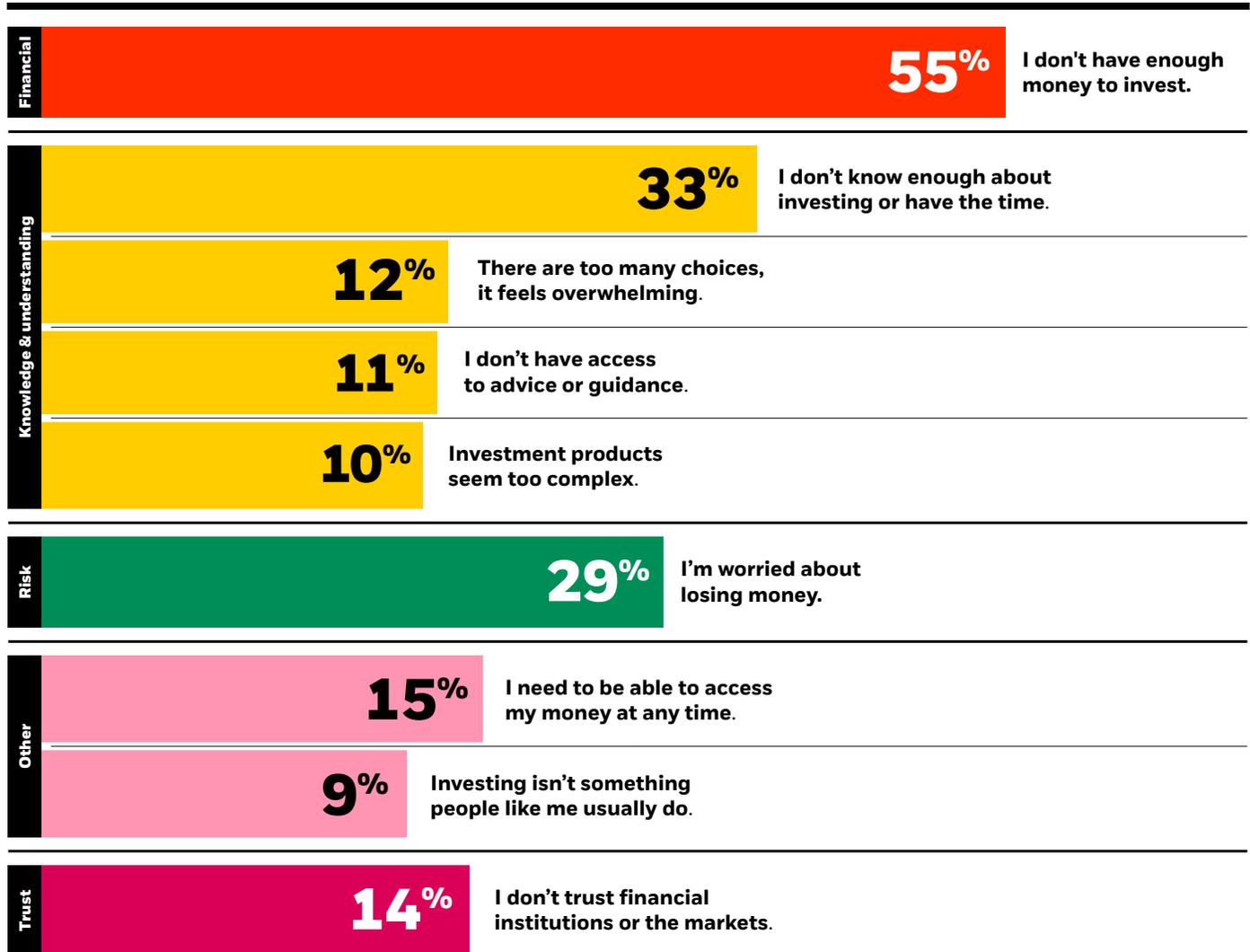
**59%**

of investors aged over 55 say “not panicking when markets go up or down” is the #1 behavior for becoming a confident investor (vs. 49% among all investors).

# The main perceived barriers to investing in the U.S. are affordability and a lack of knowledge or time

Despite rising interest in investing, many Americans remain on the sidelines. Common barriers include believing they lack enough money, not understanding how investing works, and fears of losing money. Tackling these concerns is key to building confidence, reducing perceived risk, and encouraging more people to start investing.

## Reasons why people are not investing



**57%**

Those aged 18-34 are more likely to cite a lack of knowledge & understanding compared to those aged over 35 (57% vs. 34%).

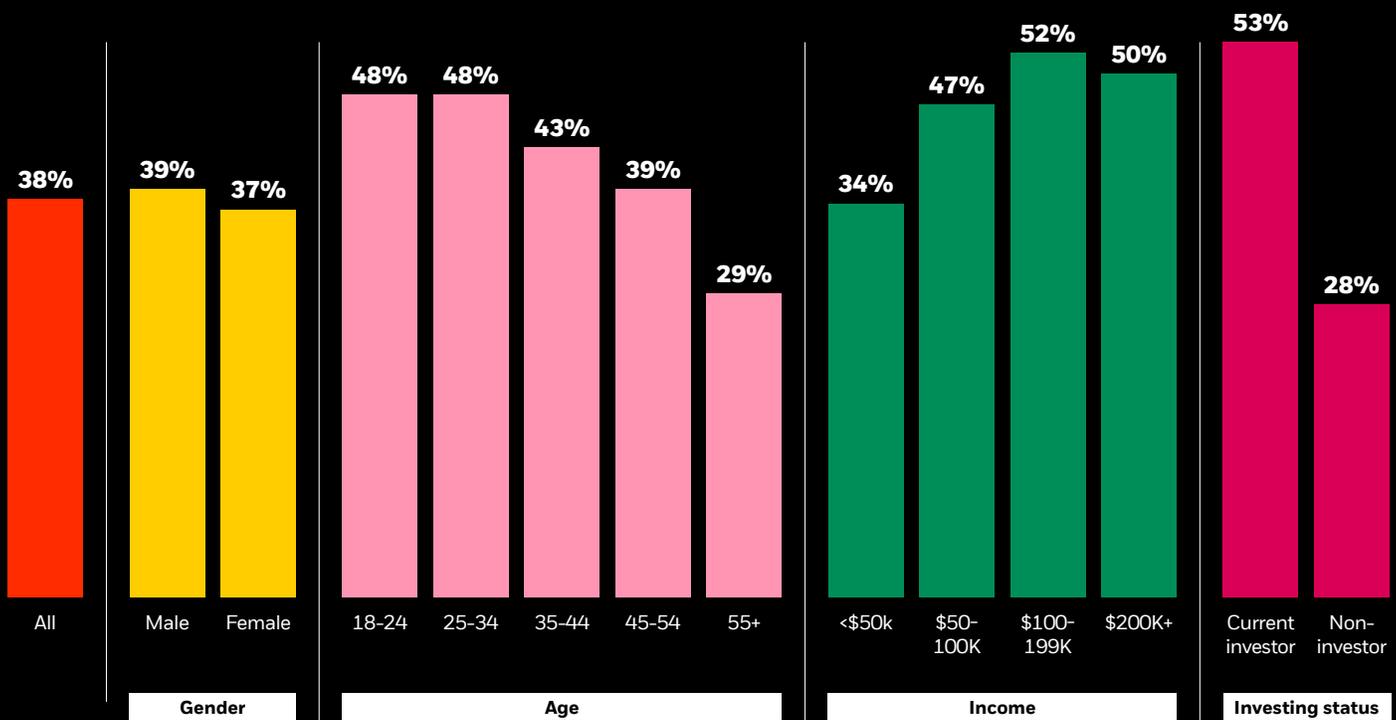
**2X**

Those aged 18-34 are twice as likely to say “there are too many choices, and it feels overwhelming” compared to those aged over 35 (18% vs. 9%).

# 38% of U.S. adults are interested in recurring investment plans

Demand for recurring investment options in the U.S. is considerable, with 38% of respondents interested in recurring investment plans within the next 2 years. A recurring investment is an automated method of investing a fixed amount of money, starting as low as \$1, at regular intervals. For digital brokerages, these solutions deepen engagement by offering simple, flexible, automated tools that fit naturally into everyday financial habits.

## Interest in recurring investment plans



# 28%

of non-investors are interested in a recurring investment plan. This 28% rises to 38% among non-investors who are already contributing regularly to a cash savings accounts.

# 40%

of non-investors, aged 18-24, are interested in recurring investment plans; the highest interest among all (40% vs. 28% of all non-investors).

## Important information

**Source:** BlackRock People and Money: The Next Wave of U.S ETF Investors. The survey was conducted online by YouGov Plc with a sample of 5,220 nationally representative adults in the U.S.. Fieldwork took place between 7/22/25 - 8/3/25. YouGov compensated survey participants. BlackRock sponsored the survey and is not affiliated with YouGov.

All calculations were conducted by BlackRock. Population figures are based on the U.S. Census Bureau, Population Division, 18+ adults, released December 2024. The content and assumptions in this report are derived directly from this survey.

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