

IT'S SUMMER, AND THOUGHTS TURN TO ANYTHING OTHER THAN INVESTING

Perhaps it is the time of year. Perhaps it is confusion over American tariffs, both on imports and exports. Perhaps it's the changing relationship between America, Russia and all of Europe.

Whatever it is, investors were not anxious to extend their investments in July, as reflected by the steady (some would say 'flat') results of the Spectrem's Investor Confidence Index.

The Spectrem Millionaire Investor Confidence Index (SMICI®) and the Spectrem Affluent Investor Confidence Index (SAICI®) were both steady in July, with the SMICI moving up one point and the SAICI remaining the same from June. The SMICI of 8 is 10 points below the mark it held in February, and the SAICI of 3 is nine points shy of its mark of the 12 the same month.

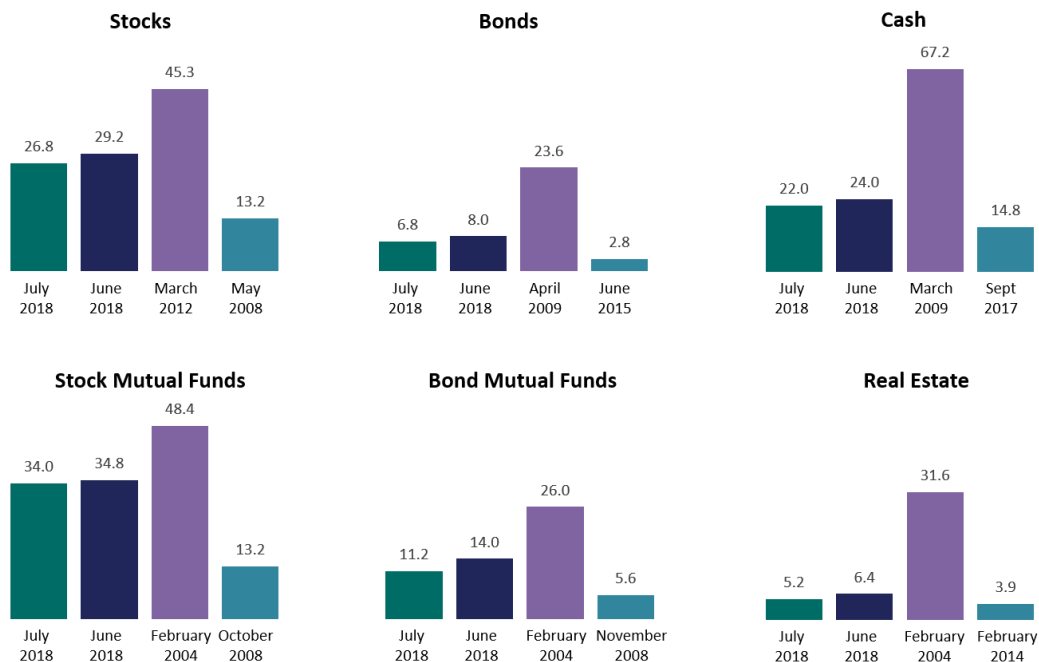
The SMICI measures the confidence of investors with \$1 million in investable assets, and the SAICI measures investors with \$500,000 in investable assets. The indices rarely show absolutely no change from one month to the next, but the combination of the historical habit of slowing down in the summer and the confusion about American economic relations with other countries has created a distinct month of no movement.

The July fielding took place July 17 to 24, 2018.

Here is a look at how the indices shook out based on segmented investors:

Preferences Among Affluent Investors

Current Month Previous Month All-Time High All-Time Low



Millionaires vs. Non-Millionaires

- Historically, Millionaires and non-Millionaires approach investing differently month-to-month, but in July, both segments were significantly cautious about extending their investments.
- Stock investing among Millionaires was flat, while non-Millionaires investing in Stocks dropped to 22.6 percent, the lowest level since November. Millionaires recorded a 4-percent increase in Cash investing to 28.6 percent, but non-Millionaires, who usually prefer the safer investment of cash products, dropped Cash investing to 15.3 percent, the lowest since September.
- Those Not Investing, meaning investors who are not extending their investment funds further in the coming month, were nearly identical from the June recording, 47.6 percent among non-Millionaires and among Millionaires to 30.2 percent.
- It is rare for Millionaires investing in Cash to rise above 25 percent, but in July it reached 28.6 percent.

Men vs. Women

- Just as Millionaires and non-Millionaires often display different aims in investing, so too do men and women have opposing views. The SAICI and SMICI among men rose slightly from June, while both indices fell among females, and the SAICI for women remained in negative territory for the second month in a row.
- The one area in which men and women agreed in July was that there was a higher percentage of investors Not Investing in August, meaning they have no intention to increase their investment rates. Oddly, however, Stock investing increased among women in July to 30.0 percent, and dropped among males to 25.0 percent, the lowest level of 2018 (and well below the 45.7 percent from February).

Republican vs. Democrat vs. Independent

- It takes unique economic conditions for both Republicans and Democrats to agree on investment strategies, but in July, investors affiliated with both parties reported decreased interest in investing. Democrats Not Investing rose to 48.57 percent, and Republicans Not Investing rose to 34.65 percent. The only category in which Republican investors showed greater interest in July was in Individual Bond Investing.
- However, the Republican overall indices increased for both Millionaires and the Affluent, back into double digits for both, 10 for the SAICI and 12 for the SMICI. The corresponding numbers dropped among Democrats.
- The Spectrem Outlook for Republicans and Democrats both fell, and Democrats reported a measure of -37.14 for the Economy, one of the lowest numbers ever recorded in the history of the Spectrem Household Outlook.

Working vs. Retired

- The disconnect between how working investors and retired investors invest showed up in the July indices, despite the overall disinterest among investors. Working investors showed an increased interest in Stocks, Stock Mutual Funds, Cash and bond Mutual Funds, while retired investors were only more likely to invest in Individual Bonds. Retired investors Not Investing rose to 50.5 percent.
- The Outlook for both working and retired investors fell, and the working investor outlook for both Company Health and Economy dropped by sizable amounts. The Outlook for the Economy for working investors was at 8.46, the lowest mark of the year.
- The SAICI and SMICI both rose for working investors but remain below the numbers for most of the rest of the year. The SAICI for retired investors fell to the year-low of -4.