



FINANCIAL
HEALTH

Dedicated to Saving, but Looking for New Growth Opportunities

T. Rowe Price completed research on diverse communities in January 2020. The research revealed specific insights on Asian American investors. This is a high-level overview of the findings.

Maximize investing and savings to meet financial goals...



Asian American investors are often saving for multiple financial priorities. Major goals for investors in the Asian American community include saving for education, saving for retirement, creating a retirement income stream, and saving for a home purchase.

Many in the Asian American community do not feel on track with savings. However as a whole, Asian American investors are contributing more to 401(k)s than other groups. **T. Rowe Price research shows that they expect to contribute 10% of their income to their 401(k) in the next year, while 8% is the median for other investors surveyed.**¹



NEXT WAVE ASIAN AMERICAN INVESTORS

Are doing great with the basics

Asian American household median income is 39% higher than total U.S. median income²

97% regularly save or invest

94% surveyed are contributing to a 401(k)³

Are preparing for the long-term

53% have a general idea of what retirement will look like

52% say they're on track with current retirement savings levels for their planned retirement⁴

¹ T. Rowe Price Retirement Savings & Spending Study September 2020. Study includes those 18+ in various ethnic groups.

² www.pewresearch.org/fact-tank/2021/04/29/key-facts-about-asian-americans/

³ T. Rowe Price Retirement Savings & Spending Study September 2020.

⁴ T. Rowe Price Next Wave of Wealth Research Study, January 2020.



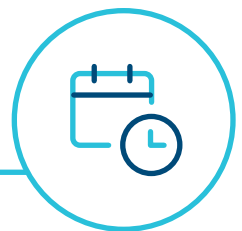
Asian American investors are comfortable saving, are looking to grow their money, too. **48% of Asian American investors leaned more toward opportunity in their approach.**⁵ It's important for investors to understand their comfort in security versus opportunity, as it affects growth potential and retirement timing. A financial coach can help strike a balance between the desire for security and the potential for growth.

Of all groups surveyed, Asian American investors were the least likely to use a financial professional. Instead, some rely on family, friends or coworkers for financial guidance, while others are self-directed. A financial professional can offer expertise and guidance that accounts for the investor's comfort level with opportunity while still helping them stay on track to meet or exceed financial goals. Asian American investors may be more open to working with a financial professional if there's a preferred compensation model, like flat or monthly fees, fees relative to assets, or commission-based fees.



A financial professional can provide value, acting as a coach and helping the investor envision a plan personalized to individual goals to boost savings and investing—without involving their company's products. That expertise can provide a roadmap to better meet the investor's financial goals, with earnings beyond any fees paid. Financial professional can provide as much direction as the investor needs and wants, and the investor can retain control over the investing to ensure the right comfort level.

Asian American investors find their financial goals within reach. Planning models can help determine the best options. Adjusting savings and investment rates, amounts earmarked for education, income needed during retirement, and time until retirement gives a better understanding of how the current financial strategy is working, and what might be changed to better prepare for the investor's future—and their family's.



Amp up the strategy

✓ Evaluate where you stand

As part of the financial engagement process, it's important to evaluate what you're currently saving and investing, and the gap you want to fill to meet your goals. You already know what you want. A financial professional can share information on different investment vehicles, showing how each would affect your portfolio in the short-term and long-term.

✓ Develop a comprehensive strategy

You and your financial professional can explore investment and allocation portfolios to find the one with the right level of security and opportunity for you. By adjusting the allocation to show different risk levels, you can better see how various investment types and growth opportunities might impact your goals.

✓ Stay on course with your enhanced roadmap

You are now on track to meet your goals. With the knowledge gained from working with a financial professional and the educational tools they provide, you will be more comfortable with future investments. You understand how much to save and where to invest. You can consider automating parts of your strategy, changing it as your situation or goals shift.

⁵ T. Rowe Price Next Wave of Wealth Research Study, January 2020. Investors rated how they valued security vs. opportunity on a scale of 1–10. 1 represented security (more concerned with preserving the original value of their investments), while 10 represented opportunity (more comfortable with possible substantial declines in pursuing higher levels of growth). 48% of Asian American investors identified themselves in the 5-10 range.

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