

Morgan Stanley Quarter 2 Client Council Survey

September 2020

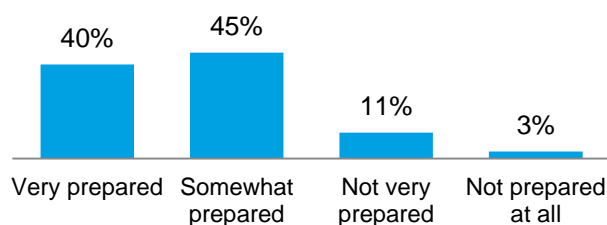
In early 2020, the COVID-19 crisis began to greatly impact US and global markets, businesses, and unemployment. The purpose of this study was to better understand clients' situations and well-being during the 2020 COVID-19 pandemic and explore any impacts the pandemic has had on clients emotionally and financially. This online survey took place June 1 – June 12, 2020, by independent research firm, Greenwald & Associates. A total of 1,083 Morgan Stanley Client Council Members participated, including 800 with assets of \$500,000 or more.

COVID-19 Impact

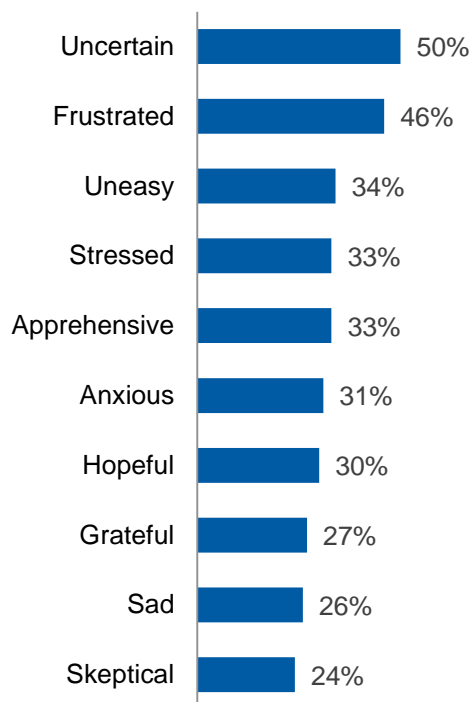
More than eight in ten Client Council members say they were personally financially prepared for the COVID-19 crisis, while just a quarter feel the US was prepared.

About half say they have felt uncertain or frustrated due to the pandemic, while a third have felt uneasy, stressed or apprehensive, while three in ten say the pandemic has made them feel hopeful or grateful.

Personal Financial Preparedness for COVID-19 Crisis

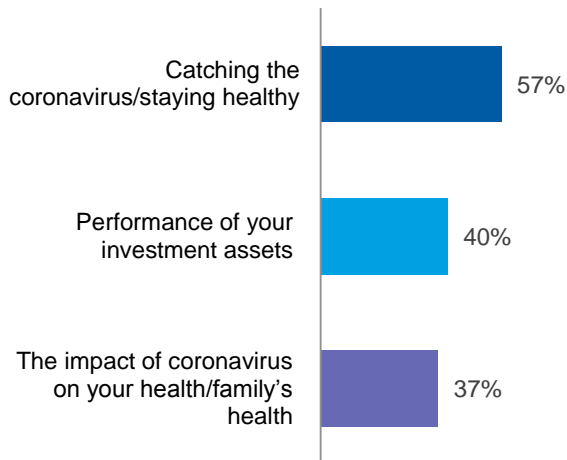


Feelings About Impact of COVID-19 (Top 10)

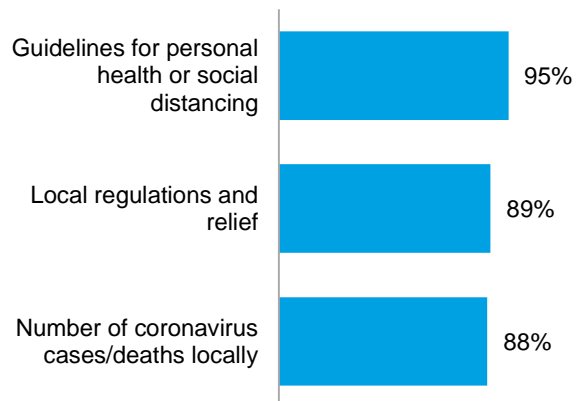


Overview

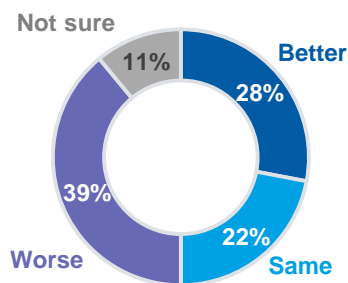
Client Council members are most concerned about catching the COVID-19 virus or staying healthy. Four in ten are concerned about the performance of their investment assets.



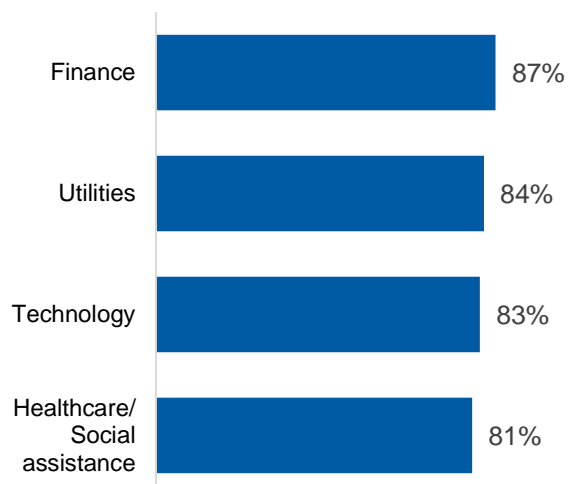
Nearly all clients have been closely following media coverage about guidelines for personal health or social distancing. About nine in ten have been following media coverage around local regulation or number of COVID-19 cases.



Clients are split about how their personal finances will be impacted over the next year, although a plurality expect the financial impact to be worse. Only 28% expect it to be better.



Client Council members are most likely to say the financial industry has managed the current situation well (87%), followed by utilities (84%), technology (83%) and healthcare/social assistance (81%). They are also most likely to say these industries have been helpful during the crisis.



1 in 3

clients have sought more advice from their Financial Advisor during the pandemic, compared to normal. Six in ten say communications with their Financial Advisor during the COVID-19 pandemic have been extremely or very valuable.

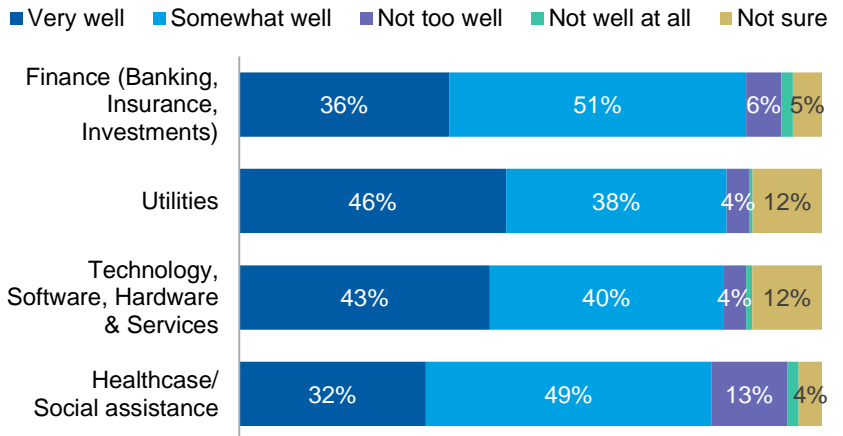
Industry Management of Crisis

When it comes to how well industries are managing the current situation, the financial industry is most likely to be rated at least somewhat well (87%), followed by utilities (84%), technology (83%) and healthcare/social assistance (81%).

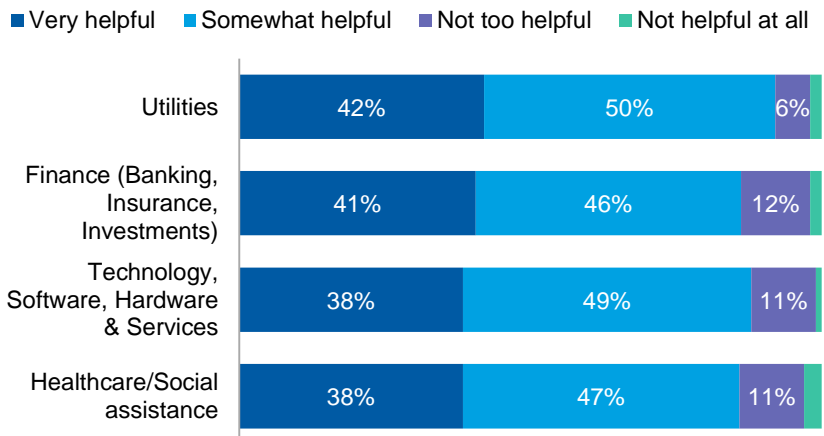
Similarly, utilities are rated the highest when it comes to how helpful different industries have been during this crisis (92% at least somewhat helpful); finance follows with 87% at least somewhat helpful, including 41% who say the industry has been very helpful during this crisis. An equal share (87%) say the technology industry has been at least somewhat helpful during the pandemic.

Client Council members express more concern for restaurant workers (41%), grocery workers (36%) and nurses (35%), are more dependent on delivery workers (29%) and are more likely to give a larger tip to both restaurant workers (29%) and delivery workers (14%) during the pandemic. Majorities are more appreciative/feel more respectful of nurses (75%) and first responders (69%).

How Well Industries are Managing the Current Situation (Top 3)



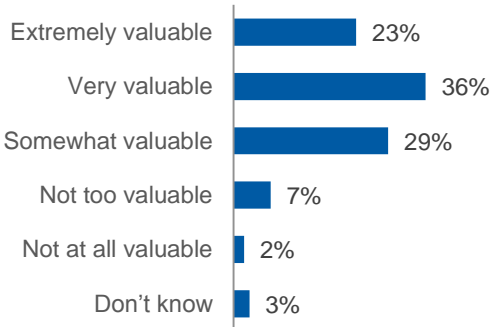
Helpfulness of Industries (Top 3)



Morgan Stanley Handling of COVID-19

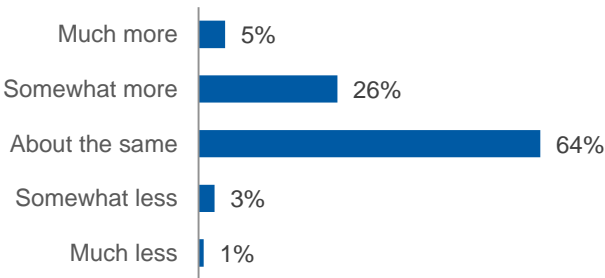
Nearly nine in ten Client Council members find communications with their Financial Advisor to be at least somewhat valuable (88%), including 36% who say they are very valuable and 23% who say they are extremely valuable.

Value of Communications With Financial Advisor



One in three Client Council members say they have sought more advice from their Financial Advisor during these past few months, compared to normal.

Sought Advice From Financial Advisor During Pandemic



Client Council members are most likely to say Morgan Stanley Online and overall communications/outreach have provided the most value during this crisis.

Preparedness and Personal Impact of COVID-19

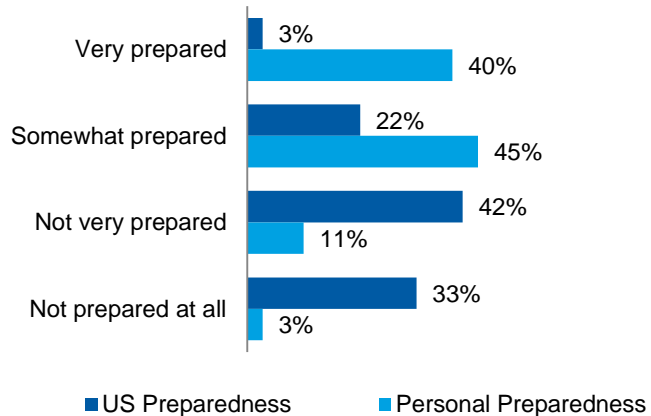
While three in four Client Council members do not believe the U.S. was prepared to deal with the impact of COVID-19 (76%), 86% of Client Council members feel they were *personally* financially prepared to deal with the crisis, including 40% who feel they were very prepared.

About half of Client Council members say the COVID-19 crisis has made them feel uncertain or frustrated in their daily life. A third say COVID-19 has made them feel uneasy, stressed, or apprehensive.

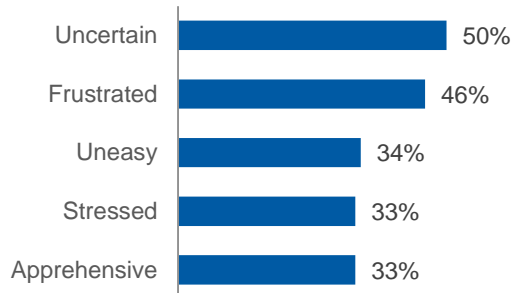
When it comes to concerns during the pandemic, nearly six in ten are most concerned with becoming infected with COVID-19 or staying healthy. About four in ten say investment performance is among their top concerns or the impact of COVID-19 on their own or their family's health.

Many Client Council members say supporting local businesses is a higher priority now, compared to before the crisis began (63%). Four in ten say spending time with family is now a higher priority (41%) and 29% say giving back or charitable giving has become a higher priority.

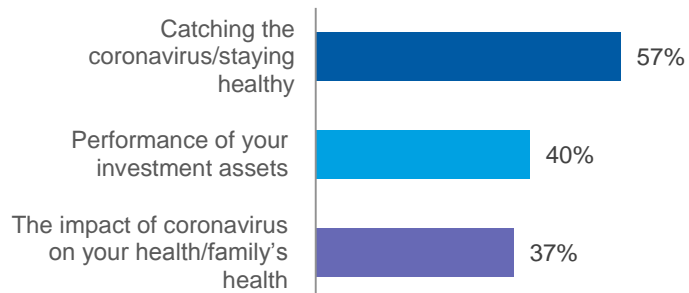
U.S. & Personal Preparedness for COVID-19 Crisis



Feelings About Impact of COVID-19 (Top 5)



Top Concerns Right Now (Top 3)



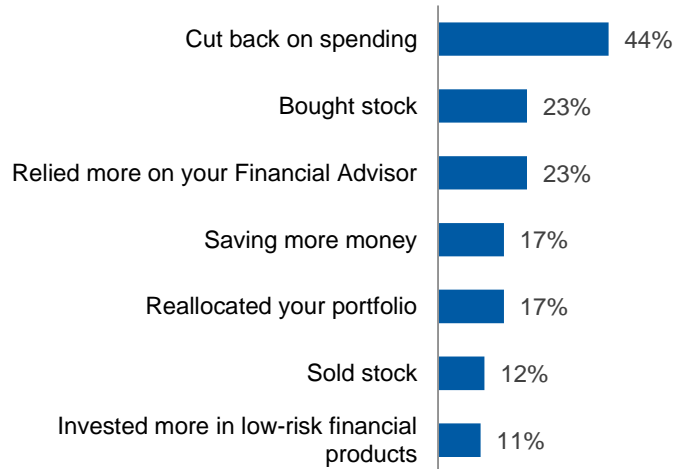
Financial Impact

When it comes to financial actions taken since the pandemic has hit, four in ten Client Council members say they have cut back on spending at a result of the crisis (44%), while about 1 in 4 are relying more on their Financial Advisor. A quarter also report having bought more stock (23%).

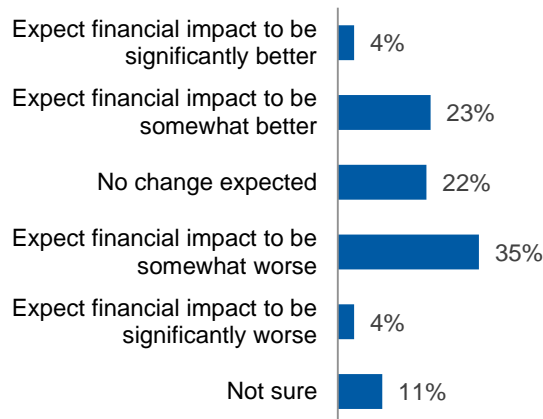
Four in ten have been using mobile banking apps due to the pandemic (39%), and one in five say they have been adding more to their investment portfolio (21%) or invested in low-risk investments (20%).

A quarter of Client Council members expect the financial impact of the pandemic on their personal finances to be better over the next 12 months, compared to now, though only 4% say it will be significantly better; even more (39%) expect the financial impact to be worse.

Financial Actions Taken As Result of Crisis (Top Responses)



Personal Financial Impact Over Next 12 Months



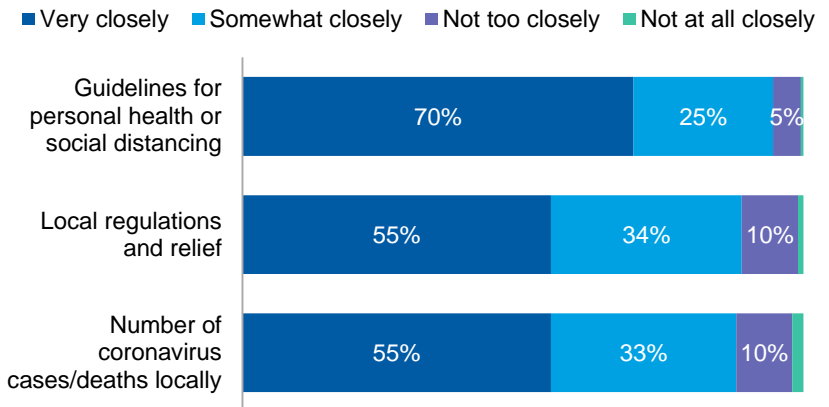
Post Pandemic Behavior & Media

During the pandemic, Client Council members are most likely to have been following guidelines for personal health or social distancing, and nearly nine in ten have been following media coverage around local regulations or the number of COVID-19 cases locally. More than a quarter rely on cable news (28%) or national broadcast network news (25%) as their main source of COVID-19 information.

Once the crisis starts to decline, Client Council members are most likely to go shopping for non-essential items, physically go back to work and go out to restaurants within a few weeks or right away. When it comes to public transportation or attending events with large crowds, more than six in ten say they will either wait until a vaccine is available to do so or will no longer do these activities moving forward.

While many expect stay-at-home orders to be lifted within a month (72% at the time this survey was administered), only 1 in 10 say the same about the economy entering an expansion phase.

Following Media Coverage



Activities Once Crisis Begins to Decline

% Right Away/Few Weeks After Stay-at Home Order Is Lifted (Top 3)



% Not Until Mass Testing/Vaccines are Available/Will Not Do This Anymore (Top 3)

