

Factors Determining Equity Allocation (Wealthy vs. Norm)

By No Author      Tue, Mar 30, 2021

Factors Determining Equity Allocation Representative US Adults vs. Wealthy Investors, ranked by importance)		
What determines your equity allocation?	W.I.	Rep. US
Advice from adviser	1	23
Years left until retirement	2	1
My investing experience	3	26
Living thru stock returns	4	21
Rare disaster risk	5	4
Risk of illness/injury cost	6	2
Need for cash on hand	7	3
Lack of trustworthy advisor	8	12
Religion	9	27
Expect higher stock returns	10	29
Return covariance with marginal utility of money	11	15
Stock mean-reversion	12	32
Risk of long-run aggregate consumption	13	14
Risk of long-run aggregate consumption volatility	14	25
Lack of trust in market participants	15	6
Source: "Millionaires Speak: What Drives Their Personal Investment Decisions," NBER Working Paper No. 27969, October 2020.		