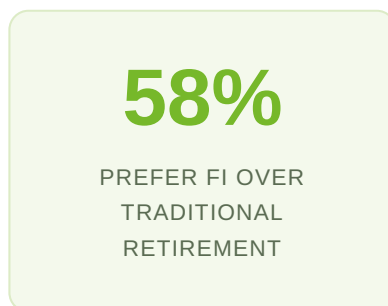
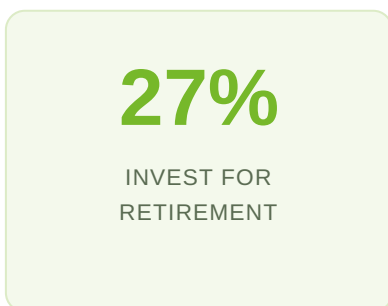


INVESTOR BEHAVIOR · MOTIVATION STUDY

# Why Do People Start Investing?

A proprietary study of 1,500 retail investors mapping the goals that actually drive investment decisions — from financial independence to retirement to inflation protection.



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## 01 Executive Findings

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TU proprietary research found that financial independence is now the leading reason people start investing. In a survey of 1,500 retail investors, 31% named financial independence as their main goal, followed by retirement savings at 27%, additional income at 19%, inflation protection at 13%, and saving for a home purchase at 10%. The findings show that modern investors increasingly use investing not only to prepare for retirement, but also to gain financial flexibility, protect purchasing power and support major life goals.

- ✓ **Financial independence has become the leading investment objective. 31%** of respondents identified achieving financial freedom as their primary reason for investing.

✓ **Retirement remains highly important but is no longer dominant.** 27% of investors cited retirement savings as their main motivation.

✓ **Investors increasingly seek additional income streams.** 19% reported generating supplementary income as their primary objective.

✓ **Inflation protection plays a meaningful role.** 13% invest primarily to preserve purchasing power.

✓ **Investment goals evolve sharply with age.** Investors aged 18–29 prioritize financial independence (43%); those 55–65 prioritize retirement (49%).

✓ **Experience shifts motivations toward long-term wealth.** Newer investors focus on additional income; experienced investors emphasize retirement and accumulation.

✓ **Financial independence is increasingly preferred over retirement.** When given a choice, 58% would rather achieve FI before retirement age than follow a conventional path.

**Risk warning:** Investing involves risk of loss. This research is informational only and is not investment advice.

## 02 Introduction & Research Questions

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Investing has become more accessible than ever before. Low-cost brokerages, mobile trading apps, exchange-traded funds (ETFs) and the growing availability of financial education have enabled millions of individuals to participate in financial markets from their homes. Yet while investment participation continues to rise globally, an important question remains largely unanswered: why do people actually invest?

Traditional financial planning has long emphasized retirement as the primary objective of investing. However, changing labor markets, rising living costs, housing affordability challenges, inflation concerns and the growing popularity of passive income strategies may be reshaping investor motivations. Today, many investors view investing not only as a retirement tool but also as a pathway toward financial independence, wealth accumulation, lifestyle flexibility and protection against economic uncertainty.

### The study focuses on six key questions

- Why do retail investors start investing?
- How do investment goals vary by age?

- How does experience shape investment goals?
- Financial independence or retirement?
- Does inflation motivate investing?
- Are investors achieving their financial goals?

## 03 Glossary

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### **Financial independence (FI)**

A financial state in which passive income covers living expenses, reducing reliance on traditional employment.

### **FIRE movement**

"Financial Independence, Retire Early" — a strategy of aggressive saving and investing to achieve FI before traditional retirement age.

### **Goal-Based Investing (GBI)**

Portfolio construction framework that starts with identifying specific life objectives, then builds investment strategies around them.

### **Life-Cycle Investing**

Theory by Merton & Bodie suggesting that risk tolerance and asset allocation should evolve through different life stages.

### **Passive income**

Income generated without active ongoing work, typically from investment assets such as dividends, interest or rental income.

### **Inflation protection**

The use of investments expected to outpace inflation, preserving real purchasing power over time.

### **CAWI**

Computer-Assisted Web Interviewing — an online survey methodology for standardized data collection.

## 04 Institutional Validation

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Understanding why people start investing has become a major focus for financial institutions, economists and wealth management firms. While investment education often emphasizes portfolio construction and long-term returns, institutional research consistently shows that investors are primarily motivated by specific life goals rather than market performance alone.

According to **Fidelity's Q1 2026 Retirement Analysis**, the average total 401(k) savings rate reached a record **14.4%**, including both employee and employer contributions, despite ongoing market volatility and

inflation concerns. The findings suggest that long-term retirement security remains a major financial priority for many households.

Financial independence has also become a major investment motivation, particularly among younger generations. **Fidelity research** shows that investors increasingly associate financial success with freedom, flexibility and reduced financial stress rather than simply accumulating wealth. The growing popularity of the **FIRE movement** (Financial Independence, Retire Early) reflects this trend.

**Charles Schwab's Modern Wealth Survey** demonstrates that financial comfort and long-term security are increasingly important goals for investors. Americans believe they need approximately **\$839,000** in net worth to feel financially comfortable and about **\$2.3 million** to be considered wealthy. Schwab also found that many respondents define wealth through financial stability and the ability to achieve future goals rather than income alone.

Inflation protection has emerged as another key motivation. **BlackRock's Investment Directions research** notes that investors increasingly seek diversified sources of return and long-term wealth preservation as inflation reduces the effectiveness of holding excess cash. **OECD research** further suggests that individuals who actively plan for future objectives are more likely to save regularly, monitor their finances and make long-term financial decisions.

### Key institutional takeaways

**14.4%**

record 401(k)  
savings rate (Fidelity 2026)

**\$839K**

net worth for financial  
comfort (Schwab)

**FIRE**

movement reshapes  
younger investor goals

Investors planning for long-term goals like financial independence and retirement can monitor analytical updates from TU experts on Telegram: **Anton Kharitonov** (Forex market analysis and trading ideas) and **Viktoras Karapetjanc** (technical analysis and macro trading insights).

## 05 Theoretical Framework

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From a financial planning perspective, investing is not an objective in itself. Rather, it serves as a tool for achieving broader life goals. Three frameworks help explain modern investor motivations.

FRAMEWORK	CORE IDEA
<b>Goal-Based Investing (GBI)</b>	Portfolios are most successful when built around clearly defined objectives — retirement, FI, education funding, wealth preservation
<b>Life-Cycle Investing</b>	Risk tolerance evolves through life: younger investors emphasize accumulation, older ones prioritize preservation
<b>Behavioral motivation</b>	Investing is driven by emotional goals — freedom, security, peace of mind, control — not only financial metrics

Modern research also highlights the distinction between **retirement investing** and **financial independence investing**. While both involve long-term wealth accumulation, retirement planning is generally associated with preserving future consumption after leaving the workforce. Financial independence, by contrast, focuses on generating sufficient assets and passive income to provide greater flexibility during one's working years.

The rapid growth of the FIRE movement illustrates this shift. Many younger investors are no longer willing to wait until traditional retirement age to enjoy the benefits of financial security. Instead, they seek to build portfolios capable of supporting alternative career paths, entrepreneurship or reduced dependence on salaried employment.

## 06 Methodology & Research Team



To understand the real motivations behind investing, TU conducted a proprietary quantitative study examining investor goals, financial priorities and long-term wealth-building objectives. While institutional studies often analyze asset allocation and portfolio performance, this research focused on a more fundamental question: why do people invest in the first place?

<b>1,500</b> RETAIL INVESTORS	<b>18–65</b> AGE RANGE
<b>5 regions</b> N. AMERICA · EUROPE · ASIA · LATAM · EM	<b>95%</b> CONFIDENCE
<b>±2.5%</b> SAMPLING DEVIATION	<b>CAWI</b> SURVEY METHOD

**Eligibility:** respondents with active investments during the previous 24 months.

## Research team

**Anastasiia Chabaniuk** · Author  
Research design and interpretation

**Chinmay Soni** · Fact-checker  
Data validation & statistical verification

**Dan Blystone** · Editor-in-Chief  
Editorial & methodological supervision

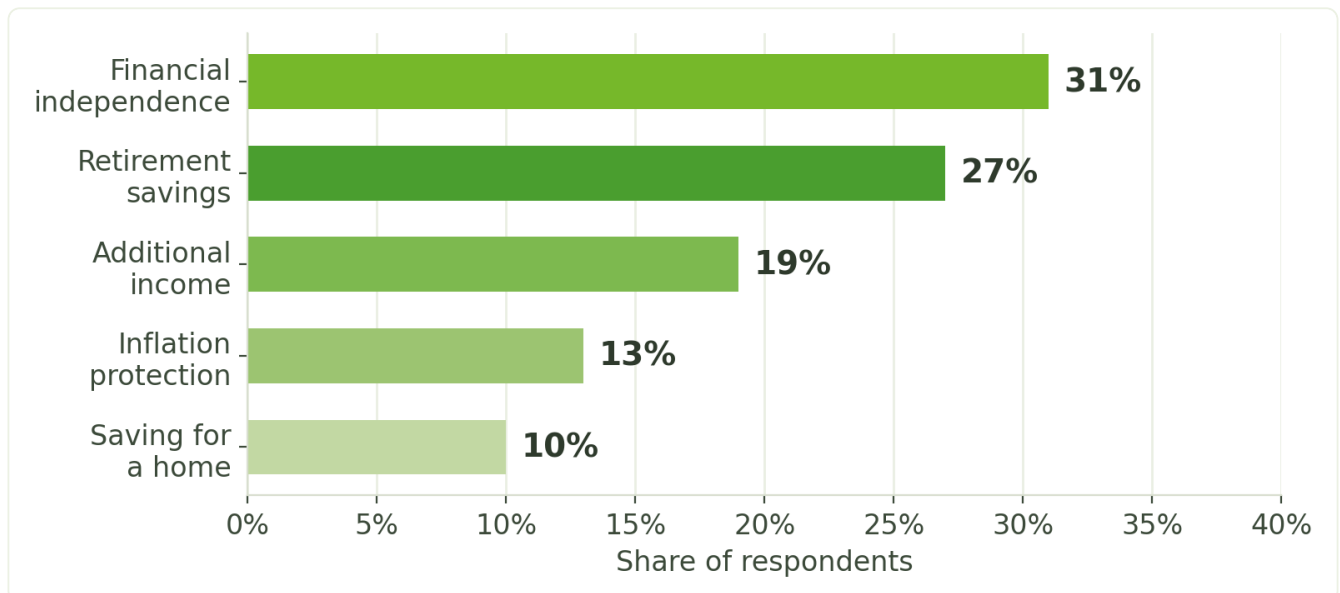
**A. Mastykin** · **O. Tkachenko** · TU Research  
Data collection and analysis

## 07 Survey Results

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### Primary reason for investing

Respondents were asked to identify their primary financial goal when investing.



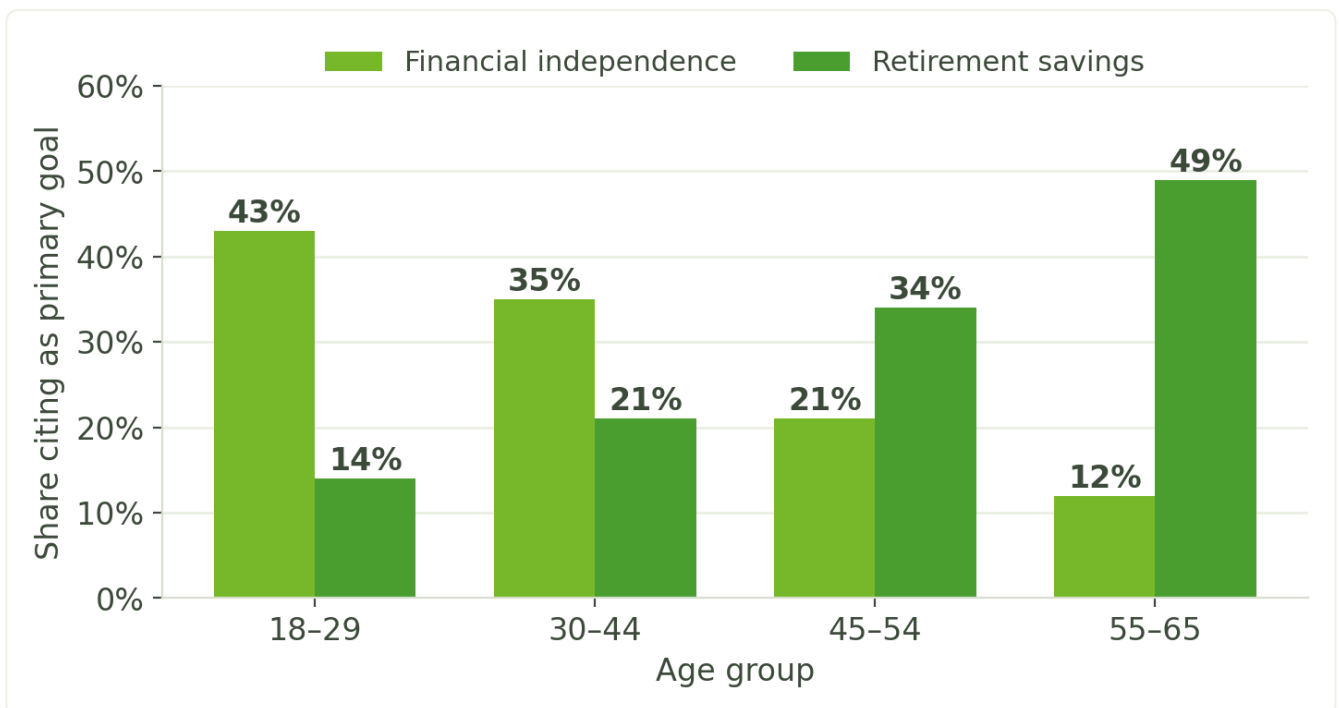
PRIMARY GOAL	SHARE OF RESPONDENTS
Financial independence	31%
Retirement savings	27%
Additional income	19%
Inflation protection	13%
Saving for a home purchase	10%

**INSIGHT**

Financial independence narrowly surpasses retirement as the most common investment objective — a meaningful shift from the traditional retirement-first framing of personal finance.

### Investment goals by age group

The survey revealed significant differences in motivations across generations.



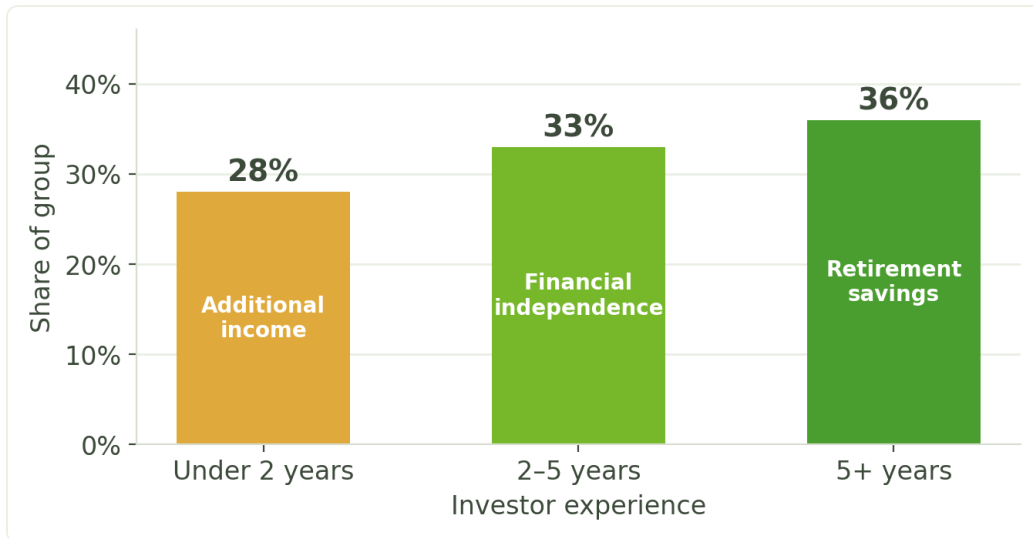
*Financial independence vs retirement priority by age*

**INSIGHT**

The two motivations show a near-perfect inverse relationship. FI dominates among 18–29 (43%) and fades by 55–65 (12%); retirement follows the opposite curve. Investment goals are strongly age-dependent — not universal.

## Investment goals by experience

Investment experience also influences financial priorities.



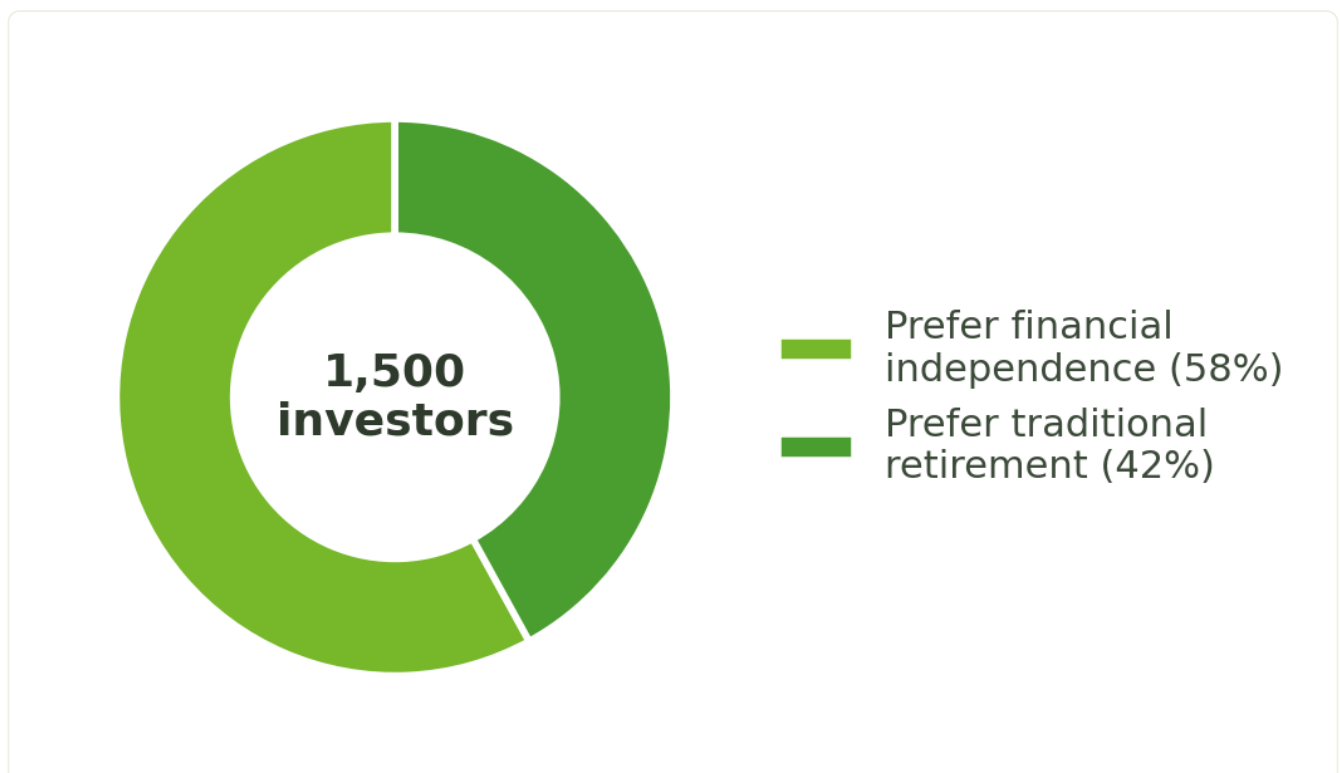
*Dominant goal by years of investing experience*

### INSIGHT

Newer investors focus on immediate income; mid-experience investors shift to FI; long-tenured investors prioritize retirement. Motivations mature with time spent in markets, not only with age.

## Financial independence vs retirement

To better understand the growing popularity of financial independence, respondents were asked which outcome they would prefer if both were achievable.

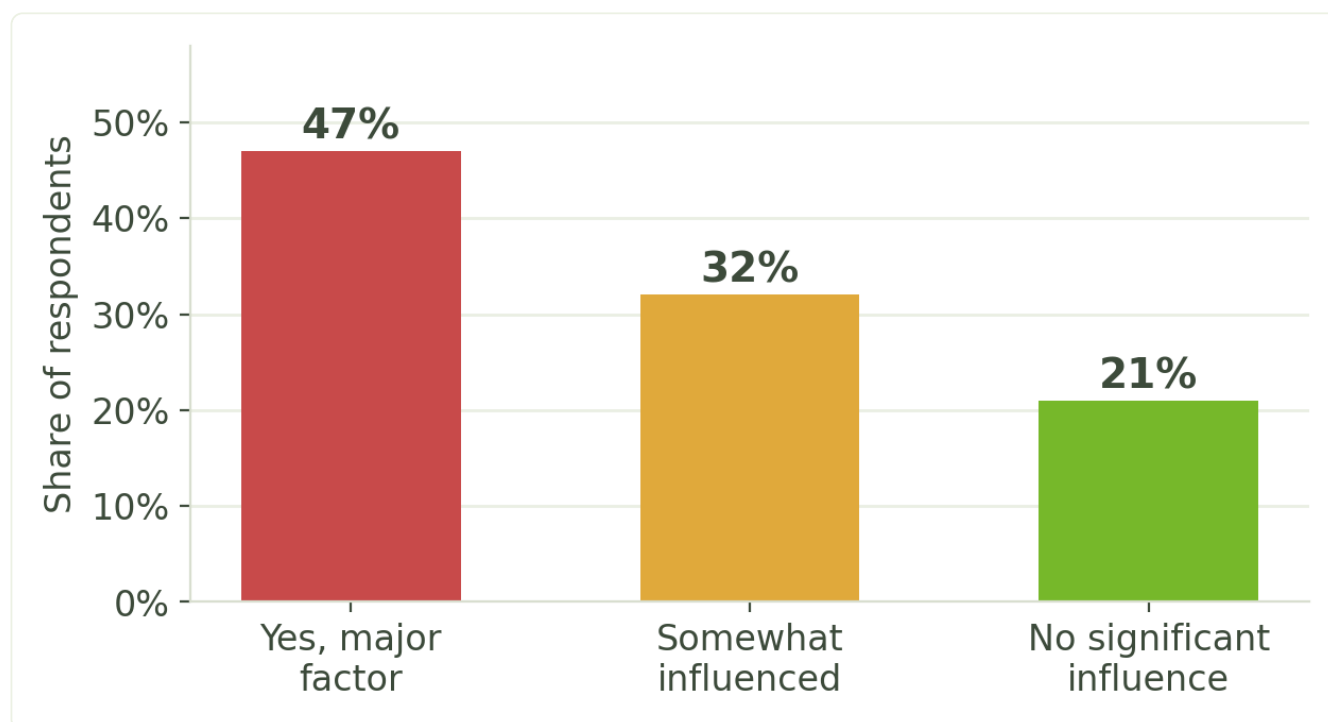


**INSIGHT**

58% would choose FI over traditional retirement — a meaningful majority. The concept of working-age financial flexibility resonates more strongly than waiting until 65+, particularly among younger generations.

## Inflation concerns

Investors were also asked whether inflation influenced their decision to begin investing.



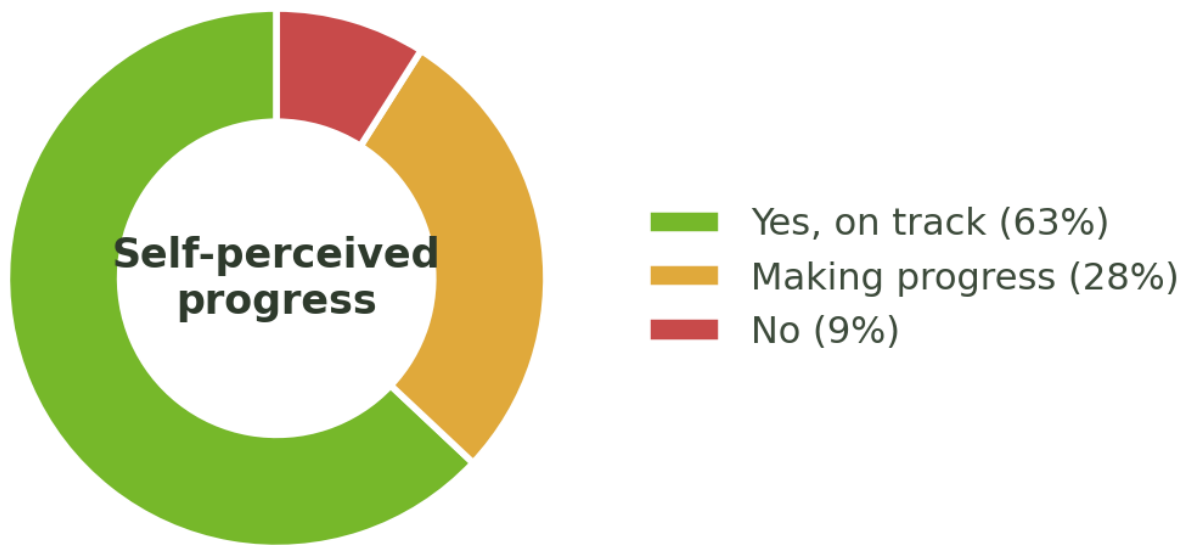
Did inflation influence the decision to invest?

**INSIGHT**

Nearly four out of five investors (79% combined) report inflation played at least some role in motivating them to invest. Cash preservation is no longer perceived as a neutral default — it has become a recognized risk.

## Self-perceived investment success

Respondents were asked whether they believe their current investment strategy is helping them achieve their financial goals.



*Investors' self-assessment of progress toward goals*

**INSIGHT**

91% say they are at least making progress — yet among "yes" respondents, nearly one-third have no written investment plan or target timeline. Many investors believe they are on track despite lacking a formal long-term strategy, creating a confidence/structure gap.

## 08 Practical Implications

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The findings suggest investing is rarely driven by a single objective. While financial independence, retirement and additional income emerge as the dominant motivations, investors often pursue multiple goals simultaneously.

- **Financial independence has become a primary goal**, particularly among younger generations.
- **Retirement remains dominant for investors over age 45**; the transition between the two is sharp.
- **Inflation concerns continue to push individuals toward investing** as a wealth-preservation tool.
- **Experience drives longer-term, more structured goals** — exposure to market cycles changes priorities.
- **Many investors pursue freedom without a clearly defined roadmap.** The 91% "on track" rate vs the lack of written plans suggests optimism may outpace structure.
- **Major life events** (home purchases, family planning) remain meaningful drivers.
- **Additional income is often a stepping stone** toward larger long-term objectives, not an end goal.

- **The gap between aspiration and formal planning** remains a significant behavioral pattern.

Many investors begin investing because they want greater control over their future finances, but relatively few establish measurable milestones, target dates or written plans. This may increase the risk of inconsistent decision-making during periods of market volatility. As digital platforms, robo-advisors and AI-powered financial tools become more accessible, investors may find it easier to align portfolios with specific objectives — but achieving goals like FI or retirement ultimately depends on consistent contributions, disciplined risk management and realistic expectations.

## 09 Conclusion

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The research confirms that retail investing in 2026 is no longer a retirement-only project. Financial independence has narrowly overtaken retirement as the leading motivation, the age curve shows a sharp generational inversion between the two, and inflation has shifted from a background concern to a stated motivator for 79% of investors. Modern investors increasingly view portfolios as instruments for working-age flexibility rather than only end-of-career security.

The practical implication is direct: motivations have evolved faster than financial planning frameworks. Most investors report being "on track" while operating without written plans or measurable milestones — a confidence/structure gap that becomes most costly during market volatility. Closing that gap doesn't require new theory or new tools, just translating clearly held goals (independence, freedom, security) into clearly defined targets, timelines and contribution rules.

## 10 Data Sources & References

TU

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