



Contact: Cory Clark
617.624.7156
cclark@dalbar.com

DALBAR Study finds the Average Investor Return Gap Doubled in 2021

Investors Feel Latent Effects from their 2020 Behavior

(Marlborough, MA. August 25, 2021) DALBAR, Inc. announces the release of the 2021 mid-year update to its QAIB report ([Quantitative Analysis of Investor Behavior](#)). The QAIB report has been the nation's leading study on investor behavior for the past 27 years and has now been updated for the period ending June 30, 2021.

The study found that the gap between the Average Equity Fund Investor and the U.S. equity market has widened considerably in the first half of 2021. The study previously found that investors mitigated their losses during the volatility that followed the emergence of the pandemic in 2020. For the year 2020, the investor gap for equity investors was 1.11% (17.29% for the Average Equity Fund Investor and 18.40% for the S&P 500). While this is a material underperformance, it was not alarming based on historical comparisons. However, equity fund investors did divest during 2020 and continued to do so into 2021. This would come back to haunt the Average Equity Fund Investor.

Equity Investors' behavior in 2020 predictably caught up with them as the bull market raged on and continued to add another 15.25% in the first half of 2021. During the first 6 months of 2021, the equity investor gap ballooned by 100 basis points to 2.11%.

"At the end of 2020, the Average Equity Fund Investor looked to be holding their own in a vacuum. However, one year or one moment in time is never the end of the story. Unfortunately, the money left on the table so far in 2021 is invisible to the Average Equity Fund Investor who has earned 13.14% in 2021 and probably not second guessing their actions. But investors should be taking a critical look at their investment decisions during 2020 to fully understand the latent implications that can arise months or years later when overreacting to market gyrations." said Cory Clark, Chief Marketing Officer at DALBAR.

DALBAR's QAIB report is designed to provide financial professionals with the tools needed to educate their investors, improving their behavior. The QAIB mid-year report is free for advisors subscribed to [DALBAR's Advisor Studio](#), an online, interactive hub for investor behavior related content, research and data. For more information about DALBAR's QAIB Report, visit www.qaib.com. To subscribe to the QAIB newsletter, [click here](#).