MARKET SIGHT LINES

Learning From Next Generation Investors: Stifel's 2025 Intern Survey

By Michael O'Keeffe, *Chief Investment Officer*

My team and I have developed long-term investment themes, and two of those relate to the next generation – shifting demographics and the new consumer. Demographic shifts will include a significant transfer of wealth, so we've also published the NextGen Investors Handbook, covering things like saving, investing, and philanthropy, and launched a webinar series. And we've just completed our 2025 Intern Survey, providing insights into the attitudes and preferences of this next generation. In this Sight|Lines, we discuss these preferences as well as the risks and opportunities for the next generation of investors.

THE TAKEAWAY: NEXTGEN INVESTORS WILL FACE RISKS AND OPPORTUNITIES

An upcoming historic transfer of wealth means the next generation will be taking control, influencing investment decisions and consumption alike. In summary:

- Baby boomers are expected to pass on significant wealth to millennials.
- Two of our long-term investment themes – shifting demographics and the new consumer – are being influenced by this shift.
- NextGen investors will be well served by embracing these responsibilities to carry forward their family's values and legacy.
- Our 2025 interns represent a diverse representation of the next generation.
- Many surveyed share similar values with the last generation when it comes to work, the home, and relationships.
- This generation values human experience over just acquiring more goods and items.
- They seem loyal to brands that they and their friends like.
- They see geopolitical risks and artificial intelligence (AI) as big threats to society.
- Our interns envision big innovations in the future… to a point.
- And they embrace AI, despite some reservations.

IN-DEPTH: UNDERSTANDING THE ATTITUDES AND PREFERENCES OF THE NEXT GENERATION OF INVESTORS WILL HELP AS THEY FACE RISKS AND OPPORTUNITIES

The upcoming historic transfer of wealth will empower the next generation as they take control, guiding investment decisions for their families and influencing consumption patterns in our economy. Going deeper:

- Baby boomers will pass on substantial wealth to millennials:
  - A significant portion of their $90 trillion net worth is expected to shift to the next generation.
- This shift is influencing two of our long-term investment themes:
  - Shifting demographics are creating challenges and opportunities.
  - The new consumer preferences, expectations, and behavior are altering business models and corporate strategies.
- NextGen investors will be well served by embracing these responsibilities:
  - Our NextGen Investors Handbook will help them learn about topics like saving, investing, and philanthropy, so they can carry forward their family's values and legacy.
- Our 2025 interns represent a diverse representation of the next generation.
  - They come from 104 colleges and speak 20 languages.
- Many surveyed share similar values with the last generation:
  - 32% want to work as long as they can, while 46% aim to retire between ages 55-65.
  - 99% want to purchase a home and marry, with 93% expecting to raise children.
- This generation values human experience over just acquiring goods:
  - 63% prefer shopping in-store for items like apparel, footwear, and electronics.
  - 46% associate "unique experiences" with the word "luxury," while 10% think "designer brands."
- They seem loyal to brands that they – and their friends – like:
  - 50% have Netflix accounts, 70% listen to Spotify, and 40% prefer Nike athletic footwear.
- They see the biggest threats to society to be:
  - Geopolitical risks (41%) and AI and automation cybersecurity threats (31%).
- Our interns envision big innovations over the next decade, but only to a point:
  - They expect to see personalized AI agents, more nuclear power, and quantum computers.
  - They are skeptical of flying cars, digital twins, and bionic humans.
- And they embrace AI, despite some reservations:
  - 90% use AI in everyday life, 57% would like robot waiters in restaurants, but 91% would feel uncomfortable with an AI bot as their primary care doctor.

CONCLUSION

Stifel's long-term investment themes include a focus on the next generation, with a focus on the megatrends – shifting demographics and the new consumer. Given the expected significant transfer of wealth, we've also published the NextGen Investors Handbook, a helpful guide to the next generation. And, finally, our 2025 Intern Survey has provided us helpful insights regarding the attitudes and preferences of this next generation. Stifel stands ready to serve these investors as they face the risks and embrace the opportunities going forward.

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