


Unlocking the Power of Alternative Investments in Self-Directed IRAs

A National Perspective on Americans' Desire to Use Their IRAs for Alternative Investing



A new national study uncovers unexpected trends, truths, and motivations about the strong desire across America for investing in alternative investments within IRAs

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Welcome from the Study's Authors

February 2022

Hello and Welcome,

We are thrilled to share with you the exciting and unexpected discoveries from our 2022 national study *Unlocking the Power of Alternative Investments in Self-Directed IRAs: A National Perspective on Americans' Desire to Use Their IRAs for Alternative Investing*.

At Rocket Dollar, we are on a mission to make it easy to invest in alternative assets using retirement savings. Since our founding in 2018, we've sought to educate, study, and solve challenges that will help millions of Americans unlock new potential and investment opportunities within their retirement accounts. Leading this year's national study is one more way we can be a resource to you—even if you're not yet a customer—on your quest to be an informed investor and advocate for your retirement goals and investing options.

The last few years have brought even greater focus to the need for Americans to have options when it comes to investing in their retirement accounts. Long gone should be the days when index funds, ETFs, stocks, and bonds are the only option available to you as an investor. The world is much more complex and diverse than public traded investments and you deserve the option to consider alternative investments and act on them within the time horizon and tax benefits of your retirement plan.

As investors like yourself have been on a journey to seek new insights, technology, and solutions, so have we. The rapid growth of Rocket Dollar, the range of investments available, and the depth of our team have all contributed to our unending enthusiasm for the intersection of alternative investments and retirement accounts. It is so exciting to be able to provide you with this national study and all the findings and discoveries.

If you haven't already done so, please visit us online at RocketDollar.com. We'd be delighted to answer any questions you have, help you open an account, and thank you for your interest in what we believe is the future of retirement account investing.

Enjoy the research findings.

Our best,

Henry Yoshida, Chris Palmisano, Thomas Young
and the entire Rocket Dollar team



National Study Introduction and Overview

A new financial trend is rapidly growing across America: interest for investing in alternative investments through a retirement account. While the media has extensively covered retirement trends and insights, what has been missing is the intersection of alternative investments and retirement accounts.

Are you considering making this type of investment or adding to your current investment? You are not alone!

In this unique national study, led by Rocket Dollar in partnership with The Center for Generational Kinetics, we'll explore the many reasons why Americans are thinking about and taking action to invest in alternative investments through a retirement account. We'll also look at what Americans find most attractive about this approach to investing.

Until now, most retirement accounts and the conversations surrounding them focused on offering increased access to traditional investments such as stocks, mutual funds, index funds, and bonds. You've probably seen this marketing message online, in mailers, and in the news. Yet millions of Americans have now recognized the importance and urgency to expand their retirement portfolio by investing in alternative investments such as cryptocurrency, real estate, and startup companies.

How strong is the demand for investing in alternative investments through a retirement account? What generations are seeking to take this action? What types of alternative investments do Americans want to access through their retirement accounts—and why? Most importantly: Would Americans invest more money in their retirement accounts if they knew they could access alternative investments?

Answering these questions and many more was the catalyst behind the 2022 State of Retirement Investing in Alternative Assets National Study. The research team and authors of this white paper are thrilled to share the findings with you!

Uncovering these missing insights and statistically accurate national data is critical to informing the conversation around retirement and alternative investments as well as to help millions of Americans feel more secure and in control of funding their retirement.

What did the national study uncover that you need to know? Many exciting findings! In this white paper, we share ten research-based discoveries that you should know about alternative investments going mainstream in retirement accounts. You'll see you're a part of a growing trend that is supported by a strong desire to achieve retirement accounts through alternative investments. You'll also be able to compare your motivation and thinking with survey participants across America.



10 Insights into America's Desire to Invest in Alternative Investments Through Their Retirement Accounts

Welcome to the research discoveries. The team is excited to share with you the top ten findings from the national study that we believe inform and enhance the conversation (and your knowledge) about the fast-growing demand for investing in alternative investments through retirement accounts. We selected these insights because they bring to life a variety of the reasons, motivations, and perspectives that are driving the interest for investing in alternative investments through retirement accounts.



Insight 1:

Over half (53%) of Americans would be interested in learning how they can use a retirement account to invest in alternative investments.

How much demand exists for education about using a retirement account to invest in alternative investments? The national study found that a majority of Americans (53%) would be interested in learning how they can use a retirement account to invest in alternative investments. Education continues to be a key missing link for supporting and driving investment in retirement accounts. Developing your own education in this area—such as reading this research study—along with organizations like Rocket Dollar providing insight and education will be especially important as interest in alternative investing grows.

HOW INTERESTED WOULD YOU BE IN LEARNING HOW YOU CAN USE A RETIREMENT ACCOUNT TO INVEST IN ALTERNATIVE INVESTMENTS?

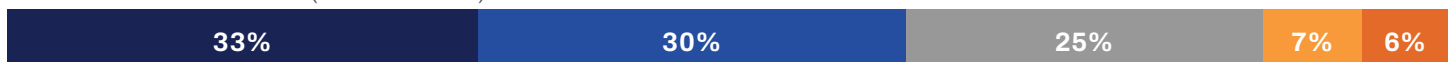
TOTAL



YOUNGER MILLENNIALS (AGES 25-35)



OLDER MILLENNIALS (AGES 36-44)



GEN X (AGES 45-56)



BOOMERS (AGES 57-75)



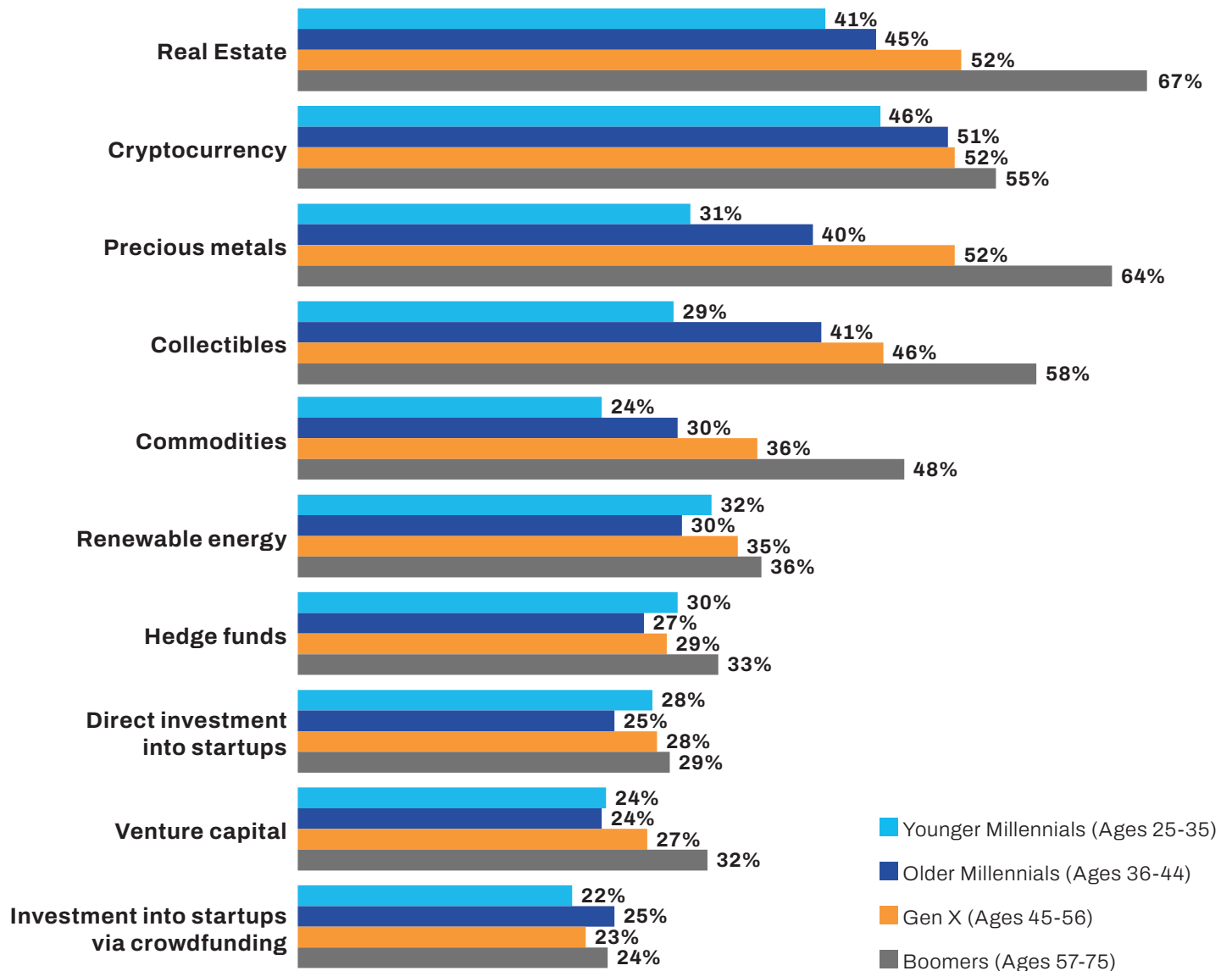
■ Very Interested
 ■ Interested
 ■ Neutral
 ■ Not interested
 ■ Not at all interested

Insight 2:

Generations vary dramatically on the types of alternative investments they are aware of.

Awareness of the many specific types of alternative investments available varies significantly by generation. The difference was particularly pronounced between the alternative investments that Baby Boomers were aware of as options for investing compared to those of younger Millennials. Baby Boomers were significantly more aware of alternative investment options including real estate, precious metals, collectibles, and commodities compared to younger generations. This difference in awareness by generation underscores the need to offer a variety of alternative investments to suit each investor’s needs and goals along with education about the different types of alternative investments that can benefit every generation.

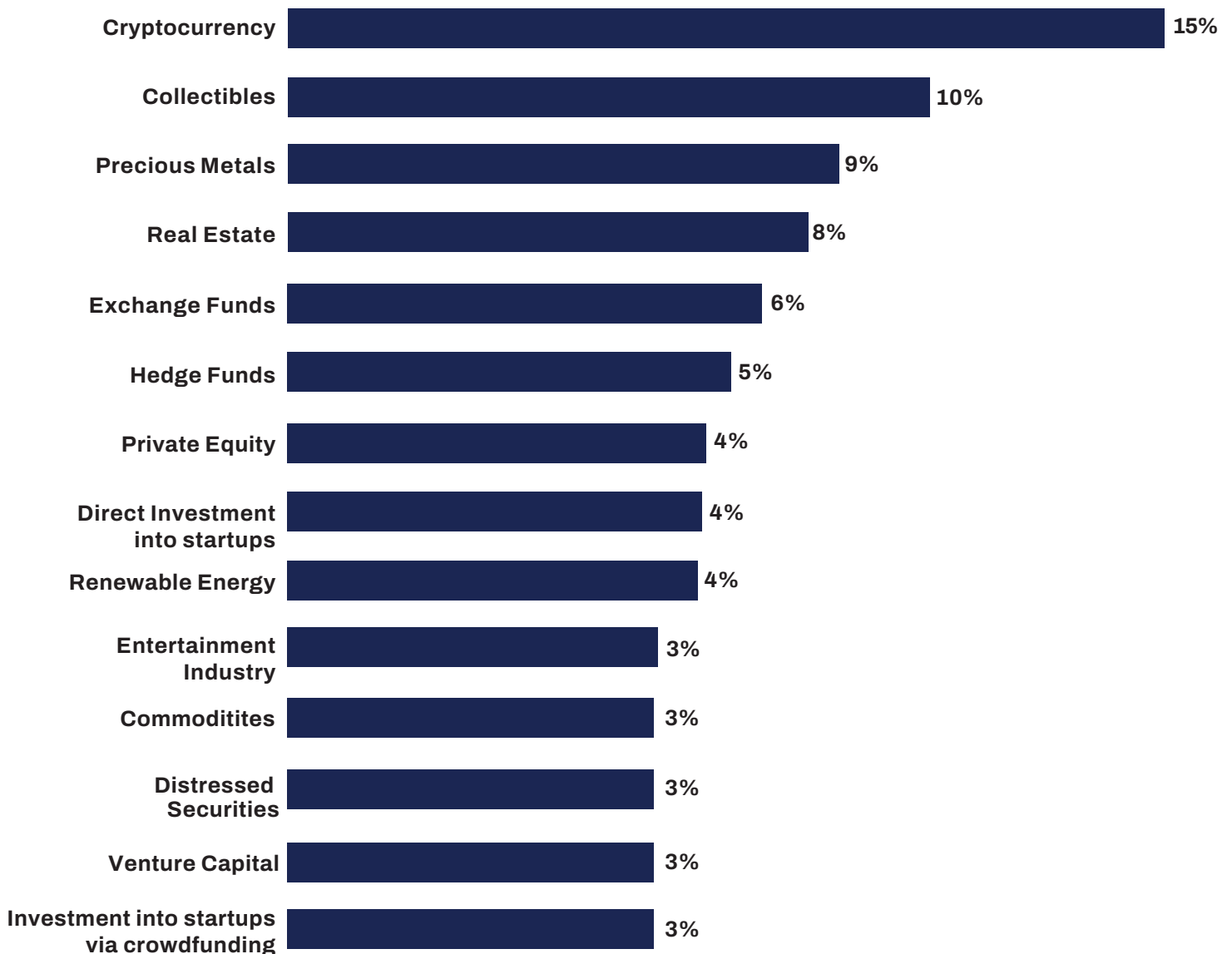
TYPES OF ALTERNATIVE INVESTMENTS YOU ARE AWARE OF
(TOP 10 OF 15)



Insight 3:

Cryptocurrency is the type of investment that is currently being invested in the most by Americans.

Cryptocurrency has gone mainstream in recent years, and according to the study, it now ranks as the #1 alternative investment that the most Americans invest in. While cryptocurrency is a relatively new asset class, especially compared to established asset classes such as real estate and precious metals, its adoption as an investment has been fast. The proportion of Americans investing in cryptocurrency skews younger, with 65% of Millennials believing that crypto is a good investment, compared to only 31% of Boomers. The gender difference between folks who invest in alternative assets is also significant, with men (51%) currently investing in alternative investments compared to women (39%).

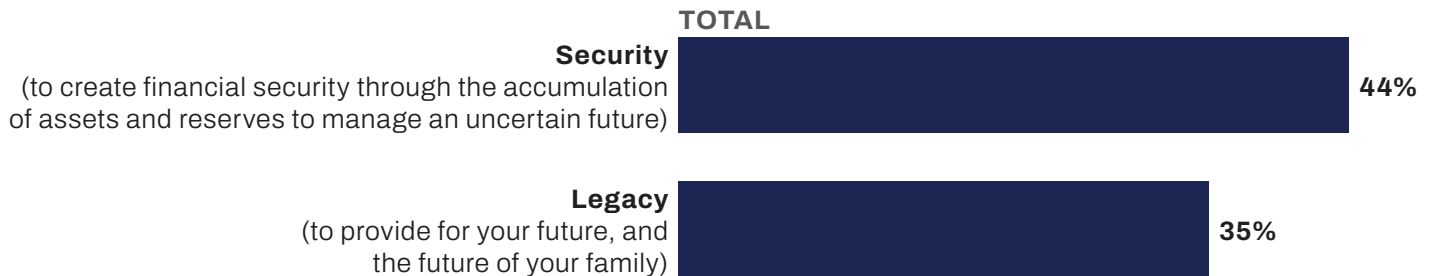


Insight 4:

Security and legacy would most motivate Americans to invest or invest more

Going deeper into the mindset of retirement investing in America, the study found that there was a clear order of priority when it comes to the underlying motivation that would get Americans to invest and invest more. The #1 answer by far was the desire to have greater financial security. This answer option was defined in the study as “to create financial security through the accumulation of assets and reserves to manage an uncertain future.” This response was the top answer across generations, genders, and geographies. Going deeper into the study, the second strongest response was to create a legacy. This answer option was defined in the study as “to provide for your future and the future of your family.” Interestingly, women were significantly more motivated than men to invest in order to create a legacy.

WHAT WOULD MOST MOTIVATE YOU TO INVEST, OR INVEST MORE? (RANKED #1/#2/#3; TOP 2 OF 12)



Insight 5:

For Americans, the largest barriers to investing are the fear of losing money and not having money to invest

In this white paper, we've explored what would most motivate Americans to invest now or invest more—Security and Legacy. We also wanted to uncover the opposite: What are the largest barriers for you to invest now or invest more? The answers were both emotional and logical. The #1 barrier Americans state keeps them from investing now or investing more: fear of losing money. The #2 barrier: not having money to invest. The #3 barrier: lack of knowledge about products and offerings. Combining these top three reasons it is clear to see the emotion, logic, and education gap that exists and limits investment today. Bridging these gaps, particularly education and helping people reduce risk through different investment strategies, will be especially important as the excitement for investing in alternative investments through retirement accounts continues to rapidly grow.

LARGEST BARRIERS FOR YOU TO INVEST NOW, OR INVEST MORE (RANKED #1/#2/#3; TOP 3 OF 10)



Insight 6:

65% of Americans say they would invest more money if they had more options about where they could invest.

So far, we've looked at what most motivates Americans to invest or invest more. We've also uncovered the key barriers Americans report that keep them from investing now (fear of losing money, not having money to invest, and lack of knowledge about products and offerings). Education and awareness continue to be a theme that would support greater confidence and action toward investing in alternative investments in a retirement account. But how much are the combination of awareness and education really holding back investment today? The national study uncovered that a whopping 65%(!!) of Americans say they would invest more money if they had more options about where they could invest. The reality is that there are a seemingly endless number of options available for investing within the alternative investment marketplace, but Americans simply *and unfortunately* do not know these options exist. It is incumbent upon the investment industry, including us at Rocket Dollar, to highlight and help investors understand the tremendous number of options available to them every day. Stated differently, if investors don't know the investment options exist, they can't act on them—and may even limit their overall retirement investments because of it.



65% of Americans say they would invest more money if they had more options about where they could invest.

Insight 7:

The vast majority of Americans (74%) would like the option to diversify their retirement account to the investments of their choosing.

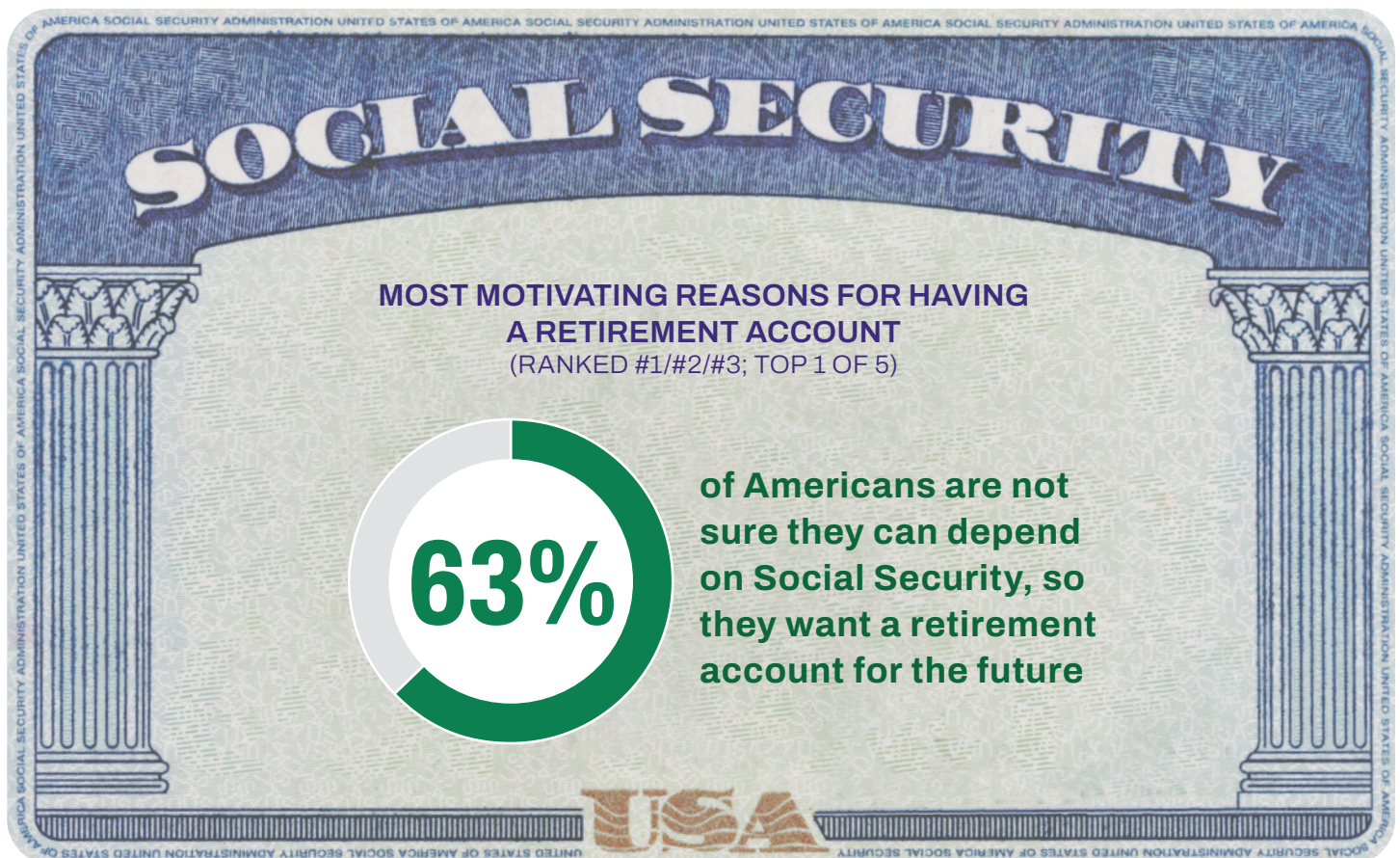
Diversification within an investment portfolio is an important topic and often an investor priority. There are many mathematical reasons for creating a diversified portfolio, including seeking a better risk-adjusted return. In addition, diversification can help a portfolio weather the ups and downs of all markets. Experienced investors frequently talk about the need for diversification as do investment professionals. Knowing the importance of diversification for long-term investing, especially when it comes to something as important as retirement, it was extremely inspiring to see that 74%(!) of Americans would like the option to diversify their retirement account to the investments of their choosing. 74%! That is one of the highest stats in the entire national study. Apparently, America has heard the message on the importance of diversification, but what they are missing are the options and ability to easily add diversification—such as alternative investments—to their portfolio. This finding is very important because if you are considering ways to diversify your portfolio, you are not alone and on the right track!



Insight 8:

Americans are most motivated to have a retirement account because they're not sure they can depend on Social Security, and least motivated because their cost of living or expenses are too high to contribute to it.

Going deeper into retirement specifically, we wanted to uncover what were the most motivating reasons for having a retirement account. The answers were surprising, compelling, and may align with your own reasons! The #1 reason Americans are most motivated to have a retirement account: they are not sure they can depend on Social Security. That's right. By far the top reason investing now for retirement is a belief amongst Americans that they cannot depend on Social Security, so they want a retirement account of their own for their future. What was the least motivating of all the reasons we tested for why Americans would be motivated to contribute to their retirement account: their cost of living or expenses are too high to contribute to their retirement now. When it comes to motivation about investing for retirement, it seems like the emotion, logic, and headlines around the potential risks to Social Security as a financial backstop in retirement have gotten through to Americans. They now state that the top reason for investing in retirement is to offset the risk of Social Security not being able to provide funding for them in a way that supports their financial needs in the future.



Insight 9:

Being able to start with little money and produce strong returns are the most appealing reasons for investing in alternative investments.

The national study uncovered that the top two most appealing reasons for investing in alternative investments across America are the ability to “start with little money” and that alternative investments “can produce strong returns.” Breaking down the barrier of requiring large upfront capital to invest in alternatives is particularly important and an attractive feature of investing in alternatives within a retirement account. Making this even more accessible within a retirement account is the ability to add to the account year after year. This makes it easier for an investor to start with little money in a variety of different alternative investments as they seek to diversify their portfolio in search of greater returns over a long period of time.

MOST APPEALING REASONS FOR INVESTING IN ALTERNATIVE INVESTMENTS

(RANKED #1/#2/#3; TOP 2 OF 12)



Insight 10:

Working with a trusted account provider would make Americans the most confident investing their retirement account in alternative investments.

Are you still thinking through the many reasons to take action on investing in alternative investments within your retirement account, but wondering what would make you the most confident to start investing? We wondered the same thing, too! We asked that question as part of the national study and the #1 answer was both surprising and made complete sense. We asked America “What would make you feel the most confident investing your retirement account in a variety of private and alternative investments that you choose rather than traditional stocks, bonds, and mutual funds?” The #1 answer: working with a trusted account provider. At Rocket Dollar, we are on a mission to be your trusted account provider and easy-to-use solution for accessing alternative investments as part of your retirement investment strategy. We work every day to demonstrate the trust you deserve in an account provider. Providing this national research study to you is just one of many actions we take to bring to life the opportunity unlocked by investing in alternative investments through retirement accounts.

Our clients are our best examples of the trusted account provider relationship we deliver.

WHAT WOULD MAKE INVESTING IN ALTERNATIVE INVESTMENTS COMFORTABLE FOR YOU?



Testimonials

“ Rocket Dollar provides excellent self-directed IRA services with extremely cost effective and transparent fees. I have had an account with them for over a year now after moving my 401K to their self-directed IRA account. Unlike other self-directed IRAs which charges a custodian fee for EACH asset, Rocket Dollar only charges a low monthly fee regardless of the number or types of asset you hold. Additionally, since they do not charge a percentage of your account value, as your account grows, your fees remain fixed.

—Khai Pham

“ Both myself and my Wife are happy Customers of Rocket Dollar after having a not-so-good experience with another, much larger, SDIRA company. They professionally and timely handled all the set-up on the front end of each Self-Directed IRA they helped us with and, along the way, anticipated questions and/or concerns by providing information even before it was requested. The fees they charge are 1/2 to 1/3 what you can expect from their competitors and I seriously doubt the others can compete on the “after” support and Customer service. I have communicated with their support team multiple times and I have never had to wait longer than a couple of hours to hear back. We like ‘em alot!

—Bryan Scott

“ Get the gold package. Definitely worth the extra cost. Rocket dollar is the most cost effective way to get in on self-directed IRA's. As I looked around some self-directed companies charged based on the value of your assets. That seemed counterproductive to the goal. So when I found Rocket Dollar I was very happy to see that they charge a fixed flat fee for their services.

—Victor Fleites

National Study Conclusions and Looking Ahead

The national study reveals that **now is the time** for a new national conversation about the strong desire to invest in alternative investments through retirement accounts across America. Underscoring this desire is a need for greater education, access, and options when it comes to adding alternative investments to retirement accounts.

The strong desire to invest in alternative investments was fueled by a combination of being able to start small, diversify an investment portfolio, and a general perception that alternative investments are a necessary component of investing. It's also motivated by a strong recognition that many Americans believe they will need to fund their own retirement because they are unsure that they can depend on Social Security to meet their retirement needs in the future.

Analyzing the extensive data revealed through the national study showed that investing in alternative investments within a retirement account is poised to become mainstream and a tremendous growth area. The rapidly growing trend also shows that the future market for investing in alternative investments through a retirement account is much larger than its current size and still in the early days of growth.

It's clear to the research team that investors are actively looking for new solutions to make investing in alternative investments easy and safe through existing and new IRAs as well as to build their portfolio, track investment progress, and automate contributions. One key link for investor confidence across America: working with a trusted account provider.



Uncovering the tremendous and largely overlooked demand for alternative investing through IRAs signals the start of a new period of investing momentum. This investment demand also presents a tremendous opportunity for alternative asset investors via retirement accounts, alternative investment providers, and both technology solutions and advocates who are making this moment possible.

At Rocket Dollar, we are inspired to help investors achieve their retirement goals by providing trusted access to alternative investments through an easy-to-use platform that can be accessed anywhere, anytime. Reach out to us to open your account, answer any questions, and join the movement of adding the benefits of alternative investments to your retirement future.

To your success,
Henry, Chris, Thomas
and the Rocket Dollar team



About the Report Authors



Rocket Dollar was founded in 2018 to make it easy for people to access alternative assets with their retirement savings. The company's products make it simple and safe for millions of people nationwide to take advantage of the power of alternative assets while keeping the tax benefits of an IRA. Led by industry veterans Henry Yoshida, Chris Palmisano, and Thomas Young, the team is constantly innovating to best serve account holders' needs. Currently, Rocket Dollar offers Roth & traditional IRAs and Solo 401(k)s for self-employed individuals, all of which can access a world of investment opportunities. Rocket Dollar and its team have been featured in media outlets from Business Insider to Forbes to Inc.com. This white paper is part of Rocket Dollar's mission to bring research, informed perspectives, and new solutions to the industry challenge of providing thought leadership and guidance in the self-directed retirement industry. To learn more about Rocket Dollar, including opening up your account, please visit rocketdollar.com or contact us at info@rocketdollar.com if you have any questions. For media interviews and all other inquiries, please contact us at media@rocketdollar.com.



HENRY YOSHIDA, CFP®
Co-founder and CEO, Rocket Dollar

Henry is CEO and Co-founder of [Rocket Dollar](https://rocketdollar.com), a web platform that lets people invest tax advantaged retirement monies into private alternative investments. Henry was founder of venture capital backed robo-advisor retirement plan platform Honest Dollar [acquired by Goldman Sachs in 2016], was the founder of MY Group LLC [acquired by Captrust], and spent 10 years at Merrill Lynch.

Henry is a Certified Financial Planner and has brought multiple innovative products and methodologies to the market. Yoshida graduated from The University of Texas at Austin, has an MBA from Cornell University, and lives in Austin with his wife and two daughters.



THOMAS YOUNG
Co-founder and VP Marketing, Rocket Dollar

Thomas is VP of Marketing and Co-founder of [Rocket Dollar](https://rocketdollar.com). In a career spent marketing financial products, Thomas has had a front-row seat to witness the frustrations experienced by hundreds of people trying to access alternative assets. This experience led him to believe there was a better way to build financial products that would make it safe and straightforward to access the investments people wanted with their retirement savings.

Young currently lives in Austin and enjoys running around town lake when he's not thinking of ways to share the Rocket Dollar story. He is from Mexico City and attended the University of Texas at Austin, where he pursued a degree in Economics.



CHRIS PALMISANO
COO, Rocket Dollar

Chris Palmisano is Founding Chief Operating Officer at [Rocket Dollar](#), a fintech startup helping Americans with their retirement. Prior, he held leadership roles at several technology companies including SolarWinds and Google. He is an adjunct professor at St. Edward's University and a former US Marine Corps officer.

He holds an MBA from the University of North Carolina at Chapel Hill's Kenan-Flagler Business School, an MS from Boston University, and a BS from Rochester Institute of Technology. He lives in Austin.



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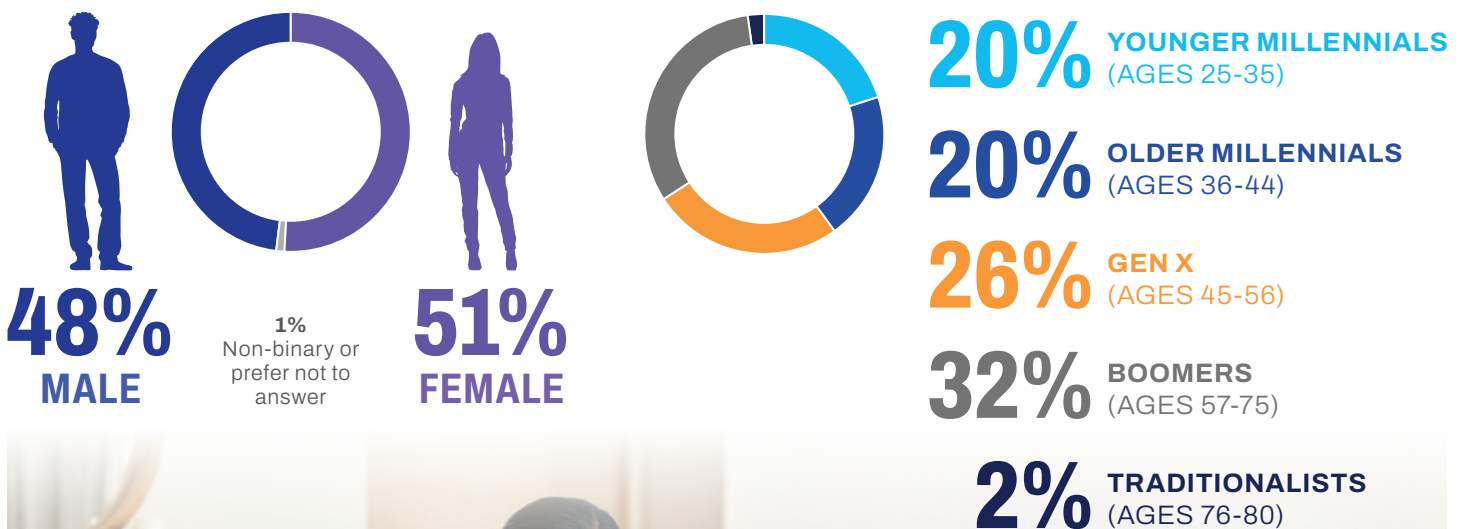
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National Study Methodology

The national study included 1,500 participants ages 25-80. This included 750 participants who currently have some type of retirement account (401(k), 403(b), IRA, HSA Plans, Thrift Savings Plan or other government plans beyond Social Security, etc.) and 750 participants who do not currently have any type of retirement account. The sample was weighted to the U.S. Census for age, gender, geography, and ethnicity. The national study was conducted online from October 13, 2021, to October 28, 2021. Figures are statistically significant at the 95% confidence level with a margin of error of +/-3%.

COMPLETED BY **1,500** U.S. PARTICIPANTS





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