

How Americans define and manage their wealth

June 2017

charles
SCHWAB

Own your tomorrow™

Methodology

What	<ul style="list-style-type: none">▪ An online study among a sample of the general public was conducted by Koski Research.
When	<ul style="list-style-type: none">▪ The study was fielded April 12 – 27, 2017.
Who	<ul style="list-style-type: none">▪ 1,000 Americans aged 21-75 completed the study.▪ The sample was drawn from online sample sources.▪ Quotas were set so that the sample is as demographically representative as possible. The margin of error for the total survey sample is three percentage points. The data have not been weighted.

Americans define wealth as having a lot of money, enjoying life and being able to afford whatever they want

Define “Wealth” Unaided National Total

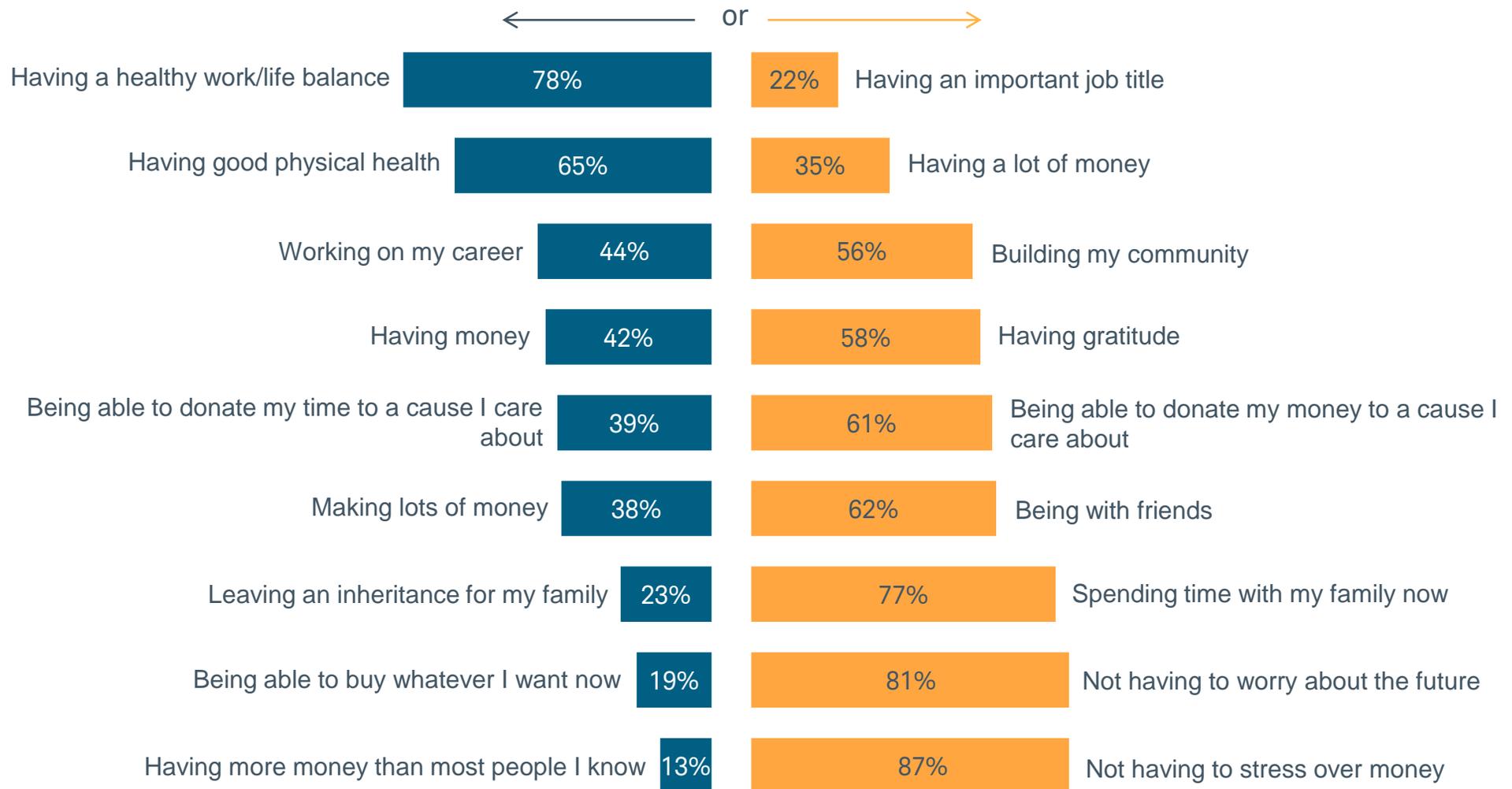


Q25 Please complete the following sentence: To me, “wealth” means... (Base: National Total = 1,000)

Americans lean toward definitions of wealth that money can't buy

Self Description of "Wealth"

National Total



Q26 For each pair of statements, please slide the indicator toward the statement that better describes you. To me, having wealth means... (Base: National Total = 1,000)

Americans say it takes an average of \$2.4M to be considered wealthy in the United States

Net Worth Needed to be *Financially Comfortable* National Total



Net Worth Needed to be *Wealthy* National Total



- Q5 At what level of personal net worth would you say a person living in the **rest of the United States** could be considered **financially comfortable**?
- Q6 At what level of personal net worth would you say a person in the **rest of the United States** could be considered **wealthy**. (Base: National Total = 1,000)

Introducing the Modern Wealth Index

About the Modern Wealth Index

The Modern Wealth Index tracks how well Americans across the wealth spectrum are planning, managing and engaging with their wealth.

Developed in partnership with Koski Research and the Schwab Center for Financial Research, the Modern Wealth Index is based on Schwab's [Investing Principles](#) and composed of 60 financial behaviors and attitudes – each assigned a varying amount of points depending on their importance.

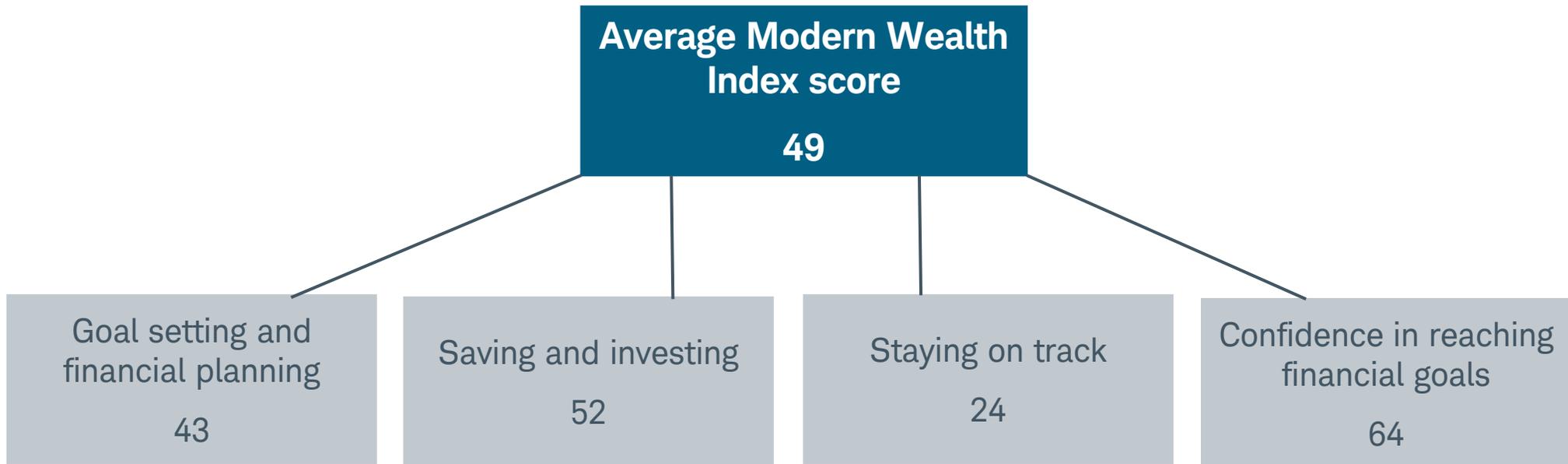
The Index broadly assesses Americans across four factors:

- 1) Goal setting and financial planning
- 2) Saving and investing
- 3) Staying on track
- 4) Confidence in reaching financial goals

Based on the total number of points received, respondents were indexed on a 1-100 scale for each of the four factors and an overall score.

Americans score highest on having confidence in reaching their financial goals

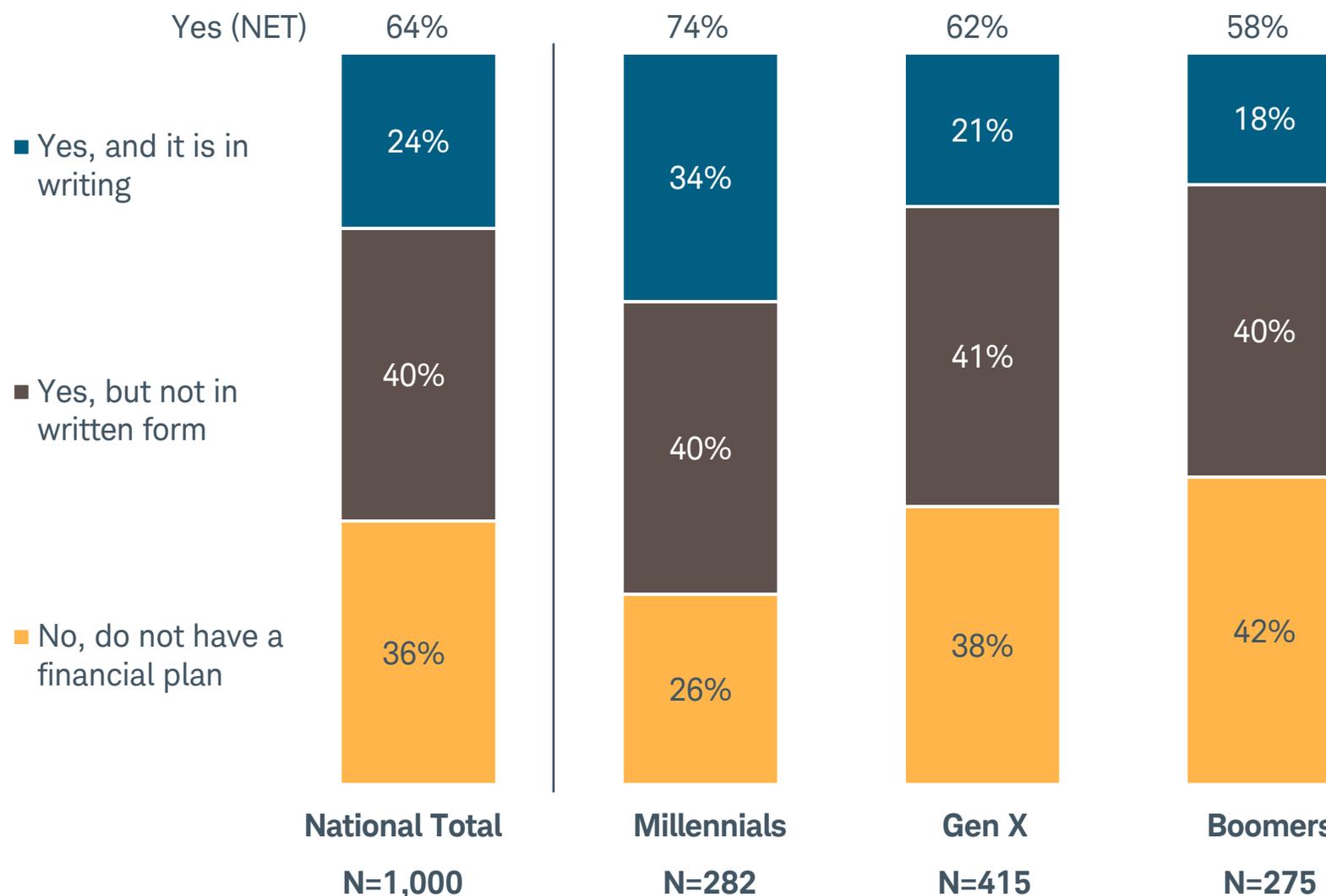
Modern Wealth Index Score National Total



The Index broadly assesses Americans across four factors: 1) goal setting and financial planning, 2) saving and investing, 3) staying on track, and 4) confidence in reaching financial goals. Based on the total number of points received, respondents were indexed on a 1-100 scale for each of the four factors and an overall score.

About two-thirds of Americans have a financial plan; only a quarter have plans in writing

Have Financial Plan National Total



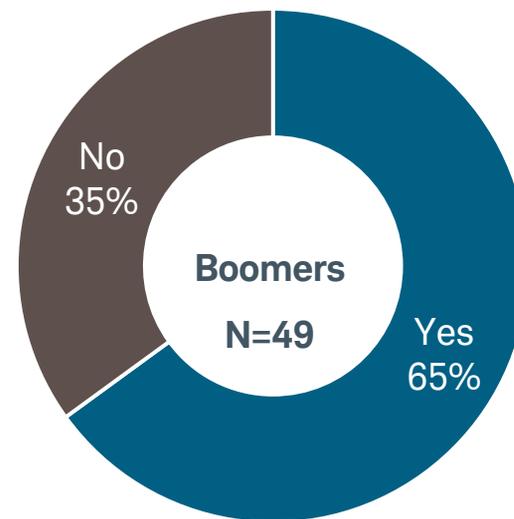
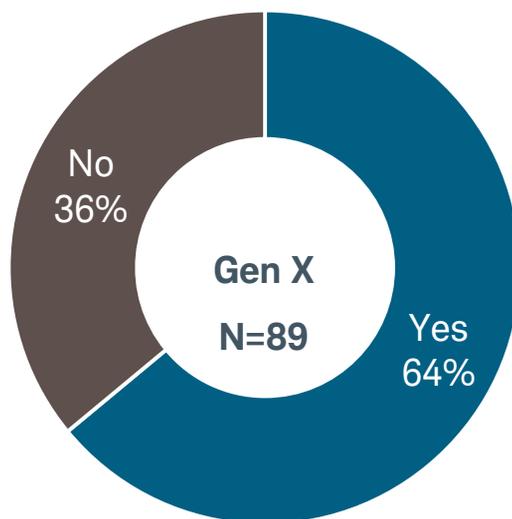
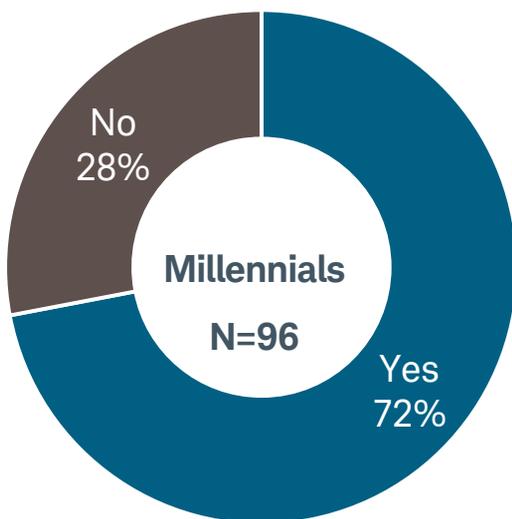
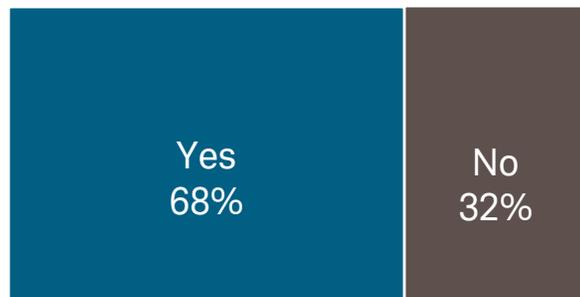
Q10 Do you currently have a financial plan?

Over two-thirds of Americans who have a written financial plan got help from a financial professional

Developed Written Financial Plan with Financial Professional

Have a financial plan

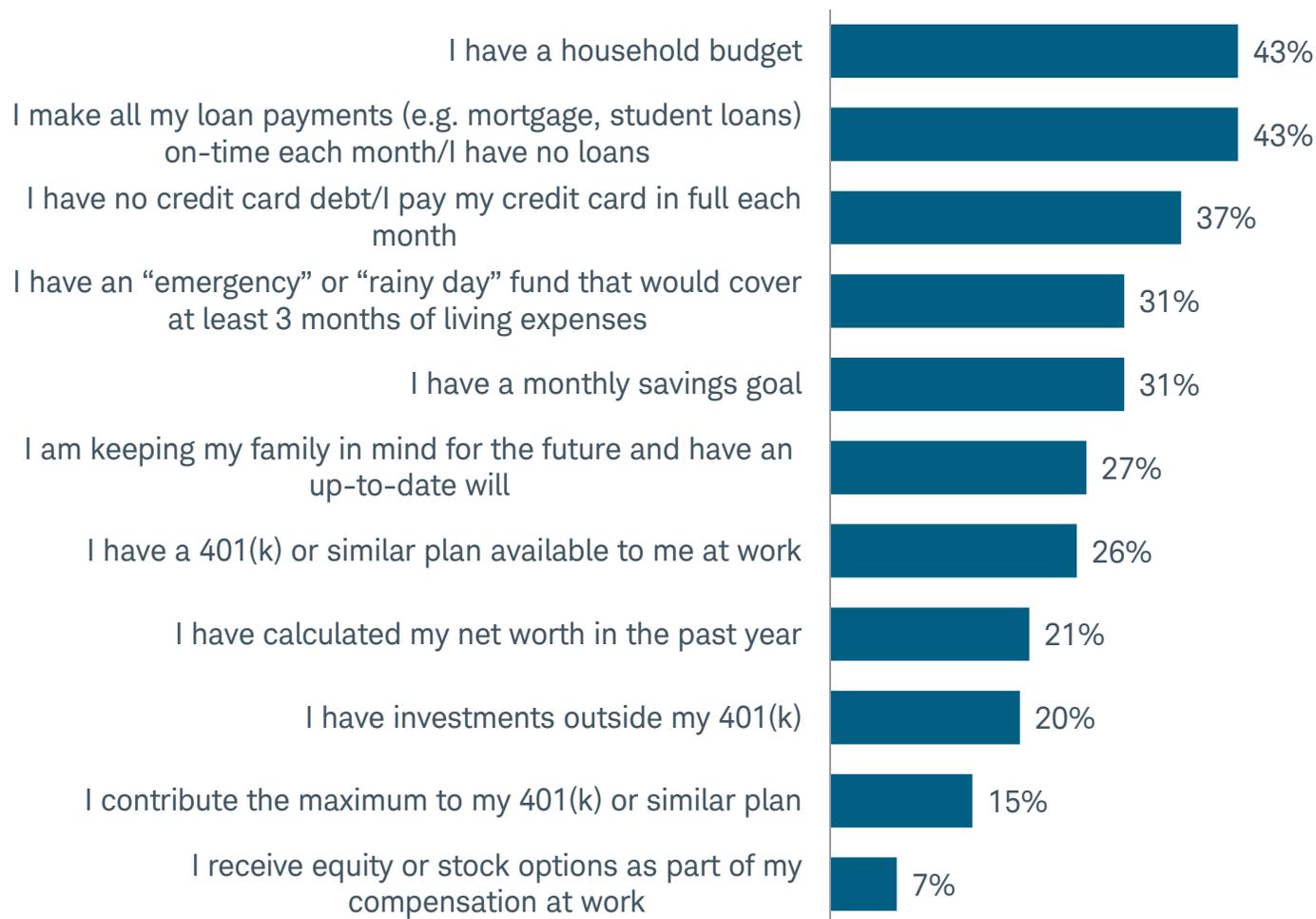
National Total
N=240



Americans are most likely to have a household budget and make all loan payments on-time each month

Self Description

National Total



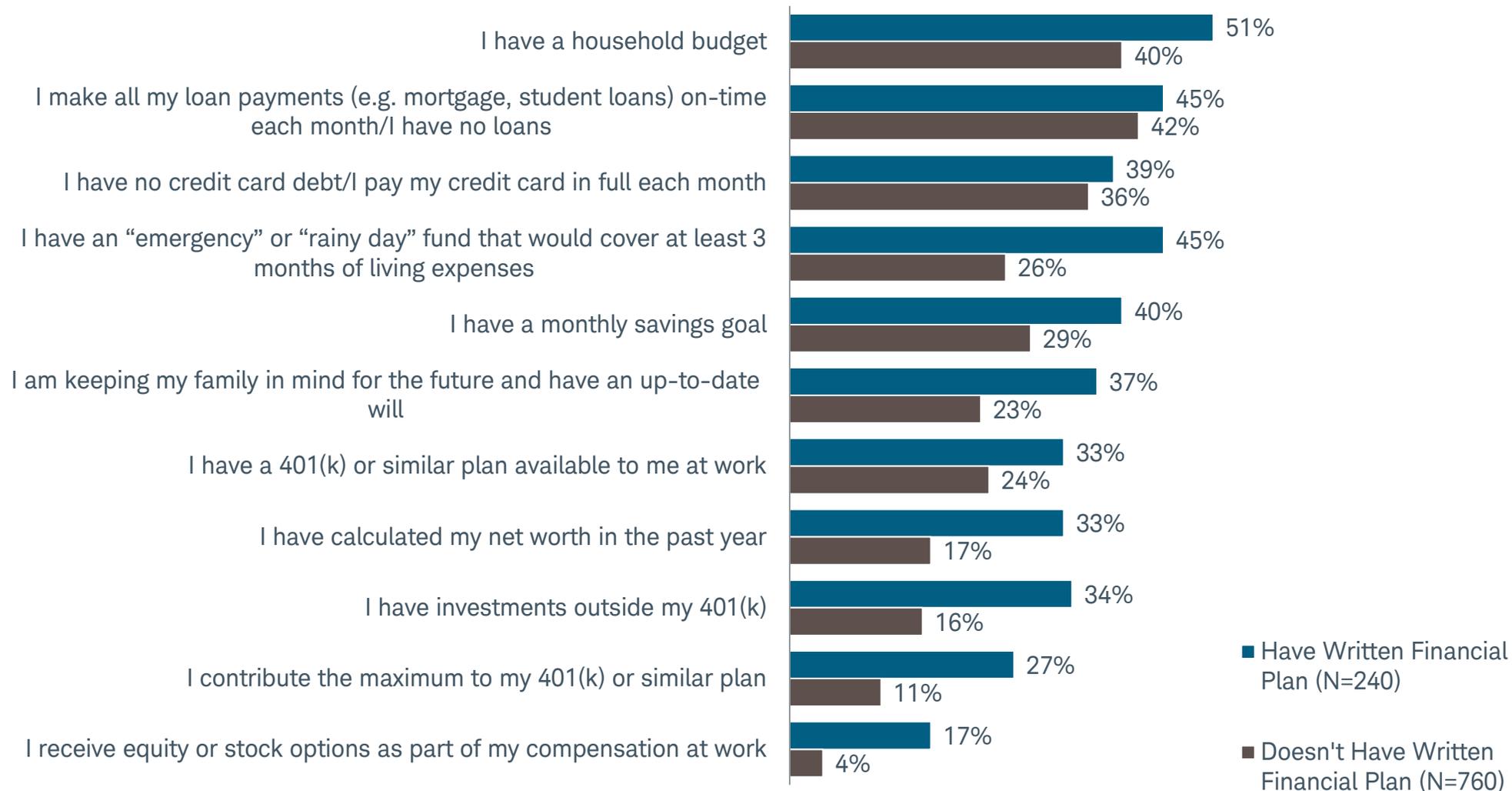
Q18 When it comes to saving money, which of the following statements apply to you?

Q19 Thinking about your finances, which of the following statements apply to you? (Base: National Total = 1,000)

Those with a written financial plan are more likely to have a budget, a rainy day fund, and a monthly savings goal

Self Description

National Total



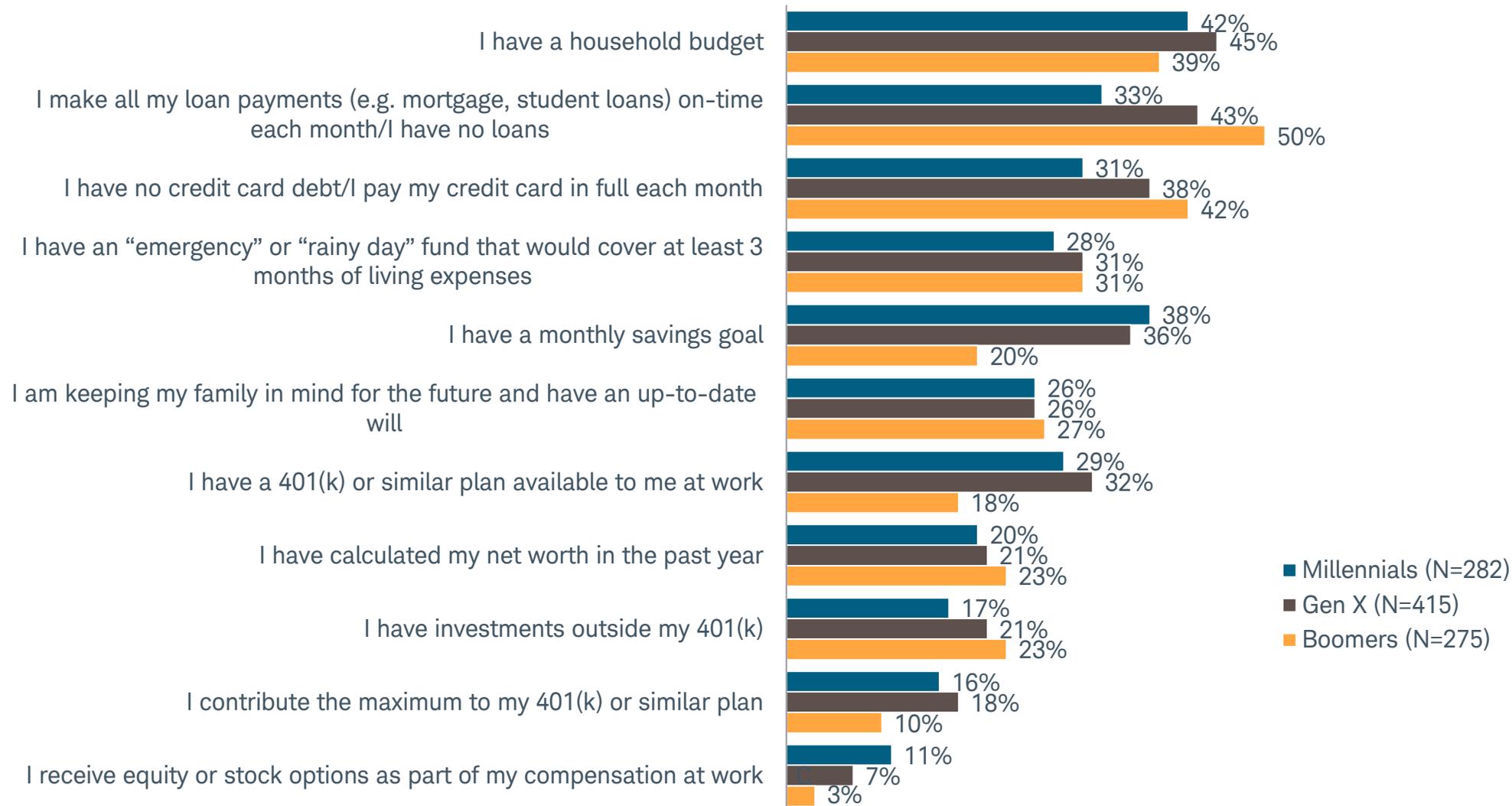
Q18 When it comes to saving money, which of the following statements apply to you?

Q19 Thinking about your finances, which of the following statements apply to you?

Gen X and Boomers are more likely than Millennials to make loan payments on time and pay credit card balances in full

Self Description

National Total

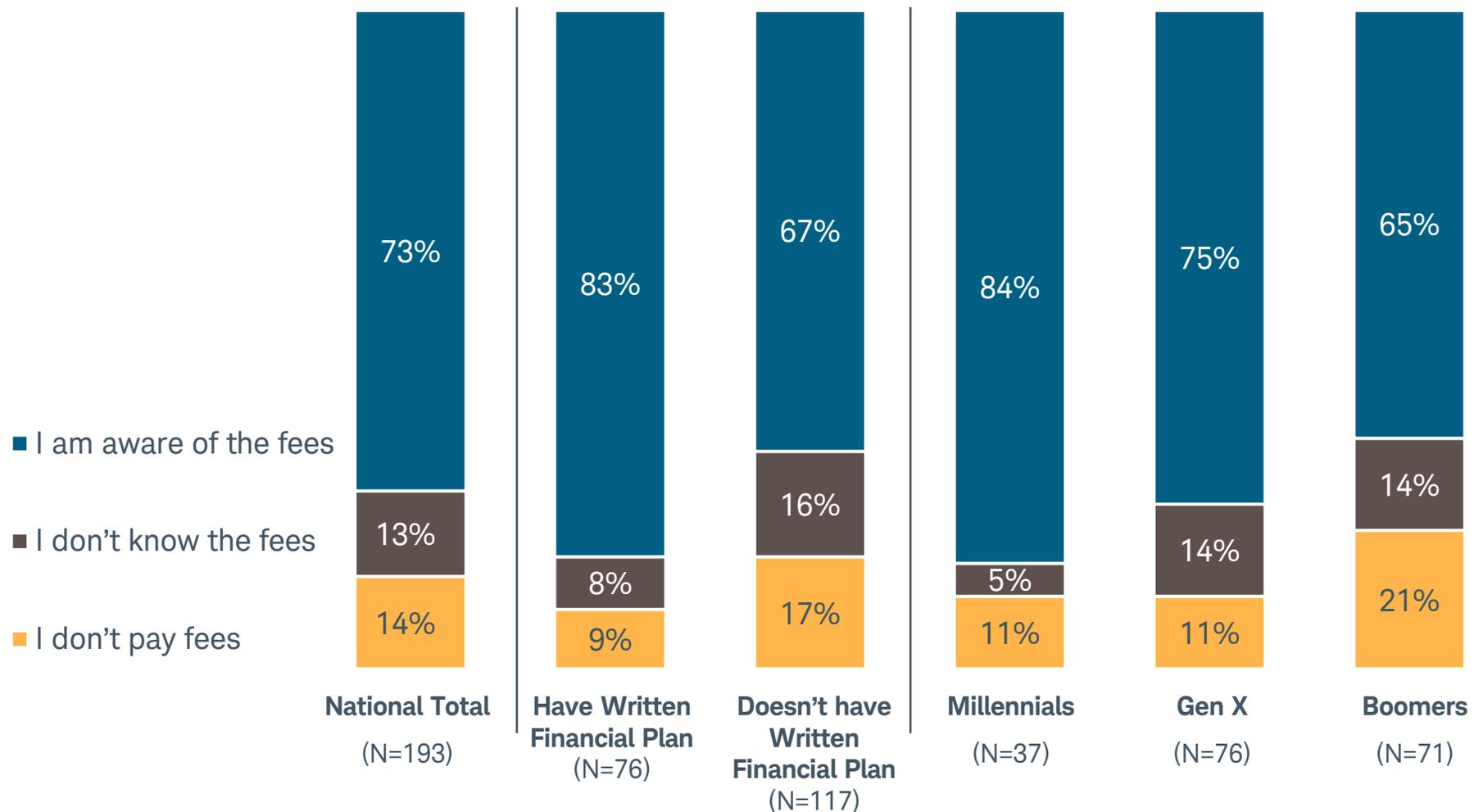


Q18 When it comes to saving money, which of the following statements apply to you?

Q19 Thinking about your finances, which of the following statements apply to you?

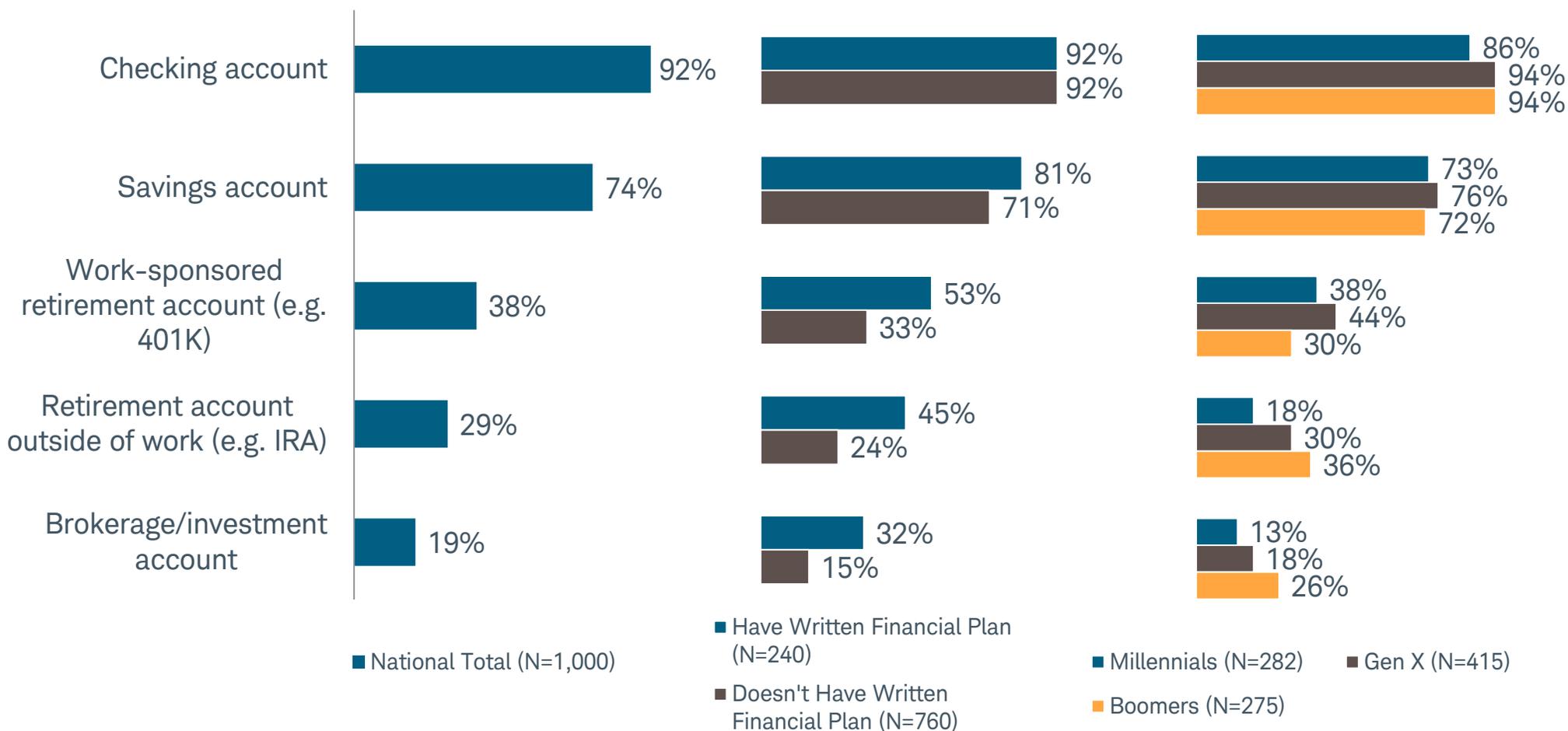
Millennials and those with a written financial plan are most likely to be aware of brokerage/investment account fees

Awareness of Brokerage/Investment Account Fees Has Brokerage/Investment Account



Most Americans have a checking and/or savings account

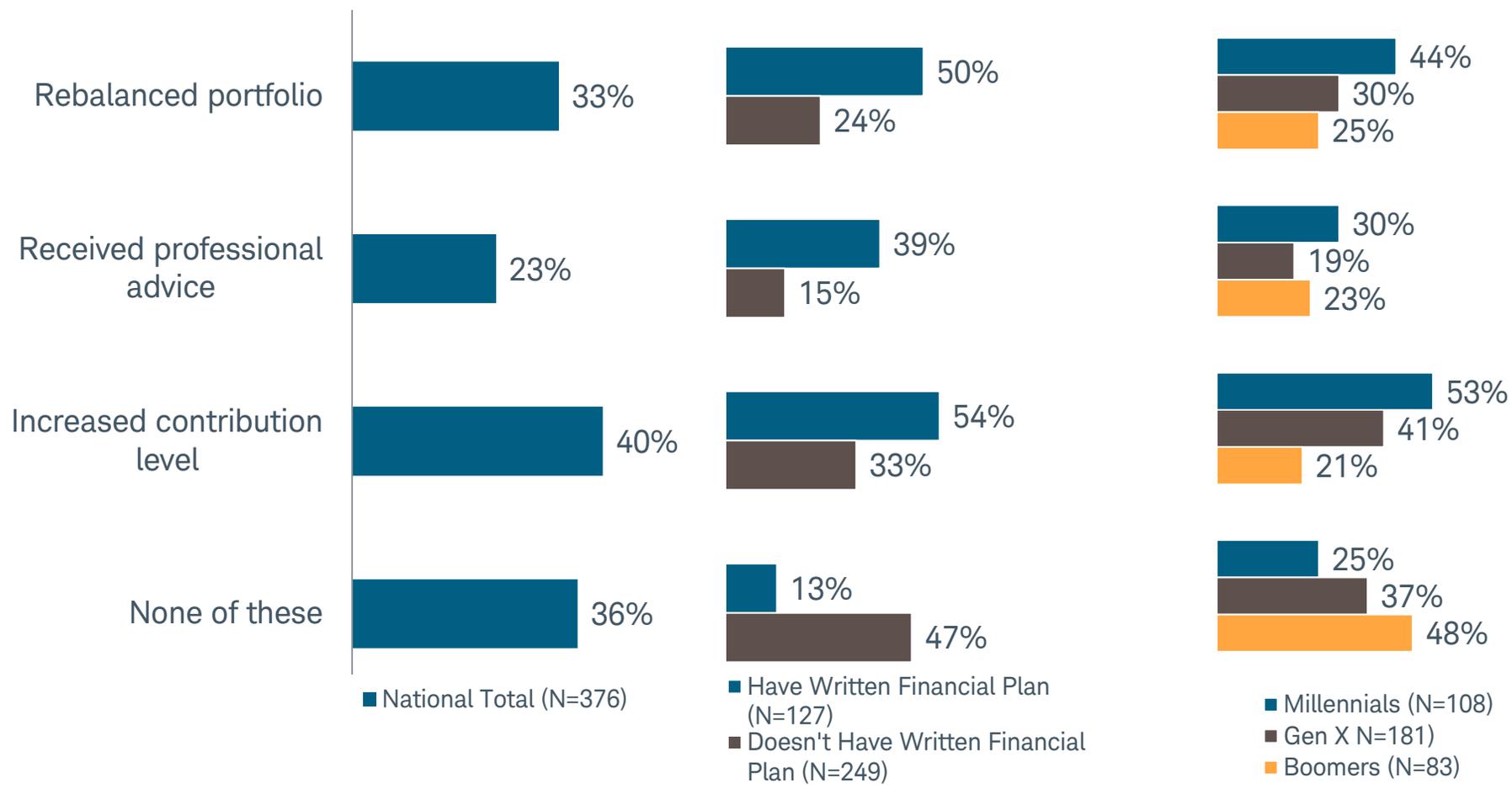
Types of Accounts Have National Total



Q14 Which of the following types of accounts do you have?

Millennials and those with a written financial plan are most likely to have engaged with their work-sponsored retirement account

Have Done in Past Year to Work-Sponsored Retirement Account Has Work-Sponsored Retirement Account

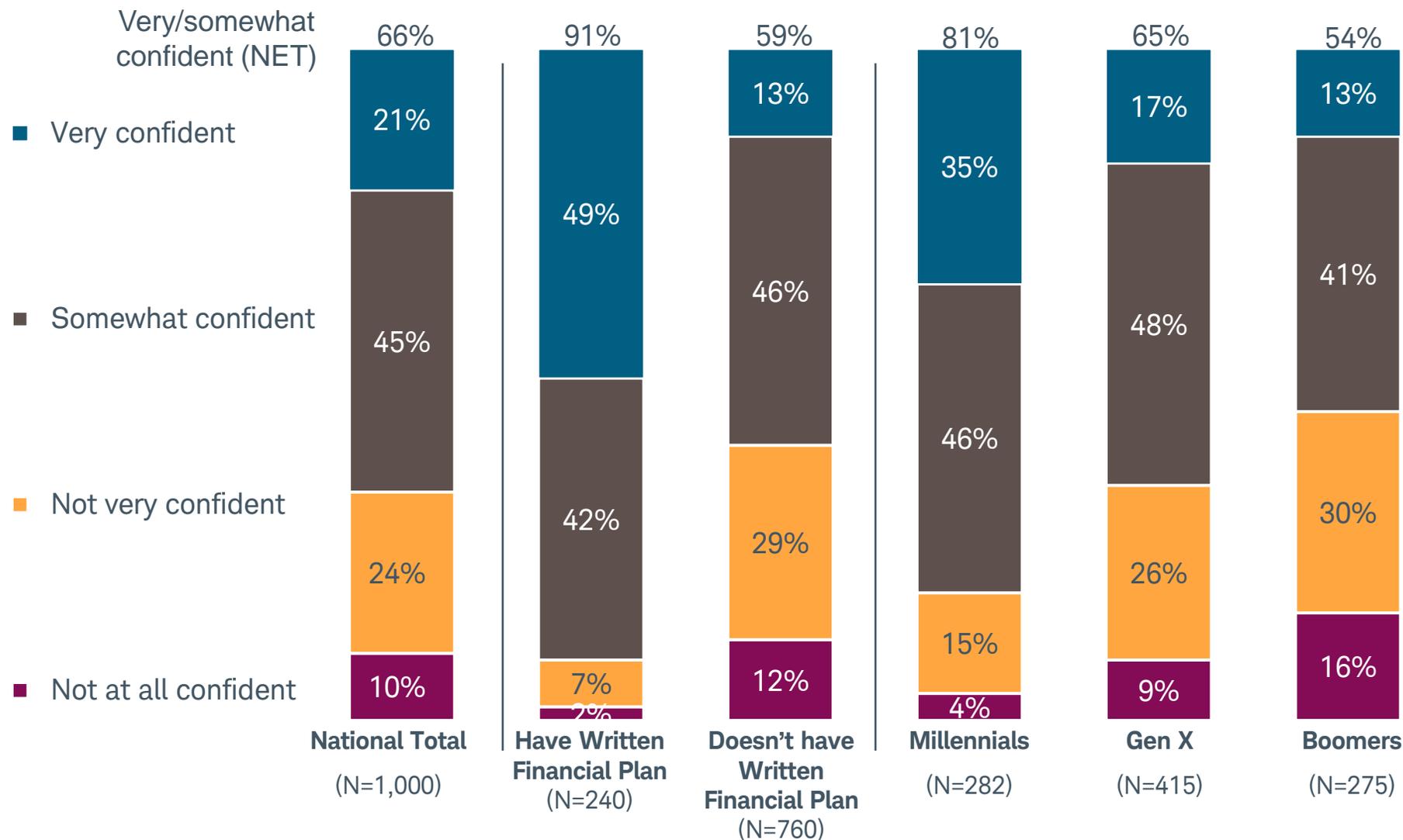


Q16A For each of your accounts, please indicate whether you have done the following in the past year: rebalanced your portfolio, received professional advice, or increased contribution amount. [Work-sponsored retirement account]

Two-thirds of Americans are confident in their ability to reach their main financial goals

Confidence in Ability to Achieve Main Financial Goals

National Total



In the short-term, millennials spend more freely than other generations

I spend money on...

National Total

Millennials
(n=282)

Gen X
(n=415)

Boomers
(n=275)

Taxis and Ubers

53%

29%

15%

Coffee that costs more than \$4 each

60%

40%

29%

The latest electronic gadget

76%

66%

49%

Clothes that I don't necessarily need

69%

53%

45%

Eating at one of the hot restaurants in town

79%

66%

56%

Going to see live music, sports or another event

73%

65%

55%

Disclosures

Through its operating subsidiaries, The Charles Schwab Corporation (NYSE: SCHW) provides a full range of securities brokerage, banking, money management and financial advisory services to individual investors and independent investment advisors. Its broker-dealer subsidiary, Charles Schwab & Co., Inc. (member [SIPC](#), www.sipc.org), and affiliates offer a complete range of investment services and products including an extensive selection of mutual funds; financial planning and investment advice; retirement plan and equity compensation plan services; compliance and trade monitoring solutions; referrals to independent fee-based investment advisors; and custodial, operational and trading support for independent, fee-based investment advisors through Schwab Advisor Services. Its banking subsidiary, Charles Schwab Bank (member FDIC and an Equal Housing Lender), provides banking and lending services and products.

Koski Research is not affiliated with the Charles Schwab Corporation or its affiliates.

More information is available at www.schwab.com and www.aboutschwab.com.

Investment Products: Not FDIC Insured ▪ No Bank Guarantee ▪ May Lose Value.

(0617-7K21)

Thank you

charles
SCHWAB

Own your tomorrow™