How Americans define and manage their wealth

June 2017
# Methodology

<table>
<thead>
<tr>
<th>What</th>
<th>An online study among a sample of the general public was conducted by Koski Research.</th>
</tr>
</thead>
<tbody>
<tr>
<td>When</td>
<td>The study was fielded April 12 – 27, 2017.</td>
</tr>
<tr>
<td>Who</td>
<td>1,000 Americans aged 21-75 completed the study.</td>
</tr>
<tr>
<td></td>
<td>The sample was drawn from online sample sources.</td>
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<tr>
<td></td>
<td>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.</td>
</tr>
</tbody>
</table>
Americans define wealth as having a lot of money, enjoying life and being able to afford whatever they want.

**Define “Wealth” Unaided**

National Total

- Having money/lots of money: 27%
- Being comfortable/enjoying life: 24%
- Having material items/being able to afford anything: 22%
- Peace of mind/living stress free: 19%
- Relationships/family/friends/love: 12%
- Security/stability: 9%
- Happiness/being happy: 6%
- Being healthy: 6%
- Freedom/independence: 5%
- Other: 14%

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

Having a healthy work/life balance [78%] or Having an important job title [22%]
Having good physical health [65%] or Having a lot of money [35%]
Working on my career [44%] or Building my community [56%]
Having money [42%] or Having gratitude [58%]
Being able to donate my time to a cause I care about [39%] or Being able to donate my money to a cause I care about [61%]
Making lots of money [38%] or Being with friends [62%]
Leaving an inheritance for my family [23%] or Spending time with my family now [77%]
Being able to buy whatever I want now [19%] or Not having to worry about the future [81%]
Having more money than most people I know [13%] or Not having to stress over money [87%]

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**: $1.1M
- **Average in the U.S.**: $1.1M

Net Worth Needed to be **Wealthy**

- **National Total**: $2.4M
- **Average in the U.S.**: $2.4M

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

Average Modern Wealth Index score
49

Goal setting and financial planning
43

Saving and investing
52

Staying on track
24

Confidence in reaching financial goals
64

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

Q10 Do you currently have a financial plan?

Have Financial Plan
National Total

<table>
<thead>
<tr>
<th></th>
<th>Yes (NET)</th>
<th>Yes, and it is in writing</th>
<th>Yes, but not in written form</th>
<th>No, do not have a financial plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>National Total</td>
<td>64%</td>
<td>24%</td>
<td>40%</td>
<td>36%</td>
</tr>
<tr>
<td>Millennials</td>
<td>74%</td>
<td>34%</td>
<td>40%</td>
<td>26%</td>
</tr>
<tr>
<td>Gen X</td>
<td>62%</td>
<td>21%</td>
<td>41%</td>
<td>38%</td>
</tr>
<tr>
<td>Boomers</td>
<td>58%</td>
<td>18%</td>
<td>40%</td>
<td>42%</td>
</tr>
</tbody>
</table>

N=1,000, N=282, N=415, N=275
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

Q11 Did you develop your financial plan with the help of a financial professional?

National Total
N=240
Yes 68%
No 32%

Millennials
N=96
Yes 72%
No 28%

Gen X
N=89
Yes 64%
No 36%

Boomers
N=49
Yes 65%
No 35%
Americans are most likely to have a household budget and make all loan payments on-time each month

Self Description
National Total

- I have a household budget: 43%
- I make all my loan payments (e.g. mortgage, student loans) on-time each month/I have no loans: 43%
- I have no credit card debt/I pay my credit card in full each month: 37%
- I have an “emergency” or “rainy day” fund that would cover at least 3 months of living expenses: 31%
- I have a monthly savings goal: 31%
- I am keeping my family in mind for the future and have an up-to-date will: 27%
- I have a 401(k) or similar plan available to me at work: 26%
- I have calculated my net worth in the past year: 21%
- I have investments outside my 401(k): 20%
- I contribute the maximum to my 401(k) or similar plan: 15%
- I receive equity or stock options as part of my compensation at work: 7%

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

- I have a household budget: 51% (Have Written Financial Plan), 40% (Doesn't Have Written Financial Plan)
- I make all my loan payments (e.g. mortgage, student loans) on-time each month (e.g. mortgage, student loans) on-time each month/I have no loans: 45% (Have Written Financial Plan), 42% (Doesn't Have Written Financial Plan)
- I have no credit card debt/I pay my credit card in full each month: 39% (Have Written Financial Plan), 36% (Doesn't Have Written Financial Plan)
- I have an “emergency” or “rainy day” fund that would cover at least 3 months of living expenses: 45% (Have Written Financial Plan), 26% (Doesn't Have Written Financial Plan)
- I have a monthly savings goal: 40% (Have Written Financial Plan), 29% (Doesn't Have Written Financial Plan)
- I am keeping my family in mind for the future and have an up-to-date will: 37% (Have Written Financial Plan), 23% (Doesn't Have Written Financial Plan)
- I have a 401(k) or similar plan available to me at work: 33% (Have Written Financial Plan), 24% (Doesn't Have Written Financial Plan)
- I have calculated my net worth in the past year: 33% (Have Written Financial Plan), 17% (Doesn't Have Written Financial Plan)
- I have investments outside my 401(k): 34% (Have Written Financial Plan), 16% (Doesn't Have Written Financial Plan)
- I contribute the maximum to my 401(k) or similar plan: 27% (Have Written Financial Plan), 11% (Doesn't Have Written Financial Plan)
- I receive equity or stock options as part of my compensation at work: 17% (Have Written Financial Plan), 4% (Doesn't Have Written Financial Plan)

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**

- I have a household budget
  - Millennials (N=282): 45%
  - Gen X (N=415): 43%
  - Boomers (N=275): 42%
- I make all my loan payments (e.g. mortgage, student loans) on-time each month/I have no loans
  - Millennials (N=282): 39%
  - Gen X (N=415): 43%
  - Boomers (N=275): 50%
- I have no credit card debt/I pay my credit card in full each month
  - Millennials (N=282): 31%
  - Gen X (N=415): 38%
  - Boomers (N=275): 42%
- I have an “emergency” or “rainy day” fund that would cover at least 3 months of living expenses
  - Millennials (N=282): 28%
  - Gen X (N=415): 28%
  - Boomers (N=275): 31%
- I have a monthly savings goal
  - Millennials (N=282): 26%
  - Gen X (N=415): 26%
  - Boomers (N=275): 36%
- I am keeping my family in mind for the future and have an up-to-date will
  - Millennials (N=282): 27%
  - Gen X (N=415): 26%
  - Boomers (N=275): 26%
- I have a 401(k) or similar plan available to me at work
  - Millennials (N=282): 18%
  - Gen X (N=415): 29%
  - Boomers (N=275): 32%
- I have calculated my net worth in the past year
  - Millennials (N=282): 21%
  - Gen X (N=415): 23%
  - Boomers (N=275): 23%
- I have investments outside my 401(k)
  - Millennials (N=282): 17%
  - Gen X (N=415): 21%
  - Boomers (N=275): 23%
- I contribute the maximum to my 401(k) or similar plan
  - Millennials (N=282): 10%
  - Gen X (N=415): 18%
  - Boomers (N=275): 18%
- I receive equity or stock options as part of my compensation at work
  - Millennials (N=282): 7%
  - Gen X (N=415): 11%
  - Boomers (N=275): 11%

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

<table>
<thead>
<tr>
<th></th>
<th>National Total (N=193)</th>
<th>Have Written Financial Plan (N=76)</th>
<th>Doesn’t have Written Financial Plan (N=117)</th>
<th>Millennials (N=37)</th>
<th>Gen X (N=76)</th>
<th>Boomers (N=71)</th>
</tr>
</thead>
<tbody>
<tr>
<td>I am aware of the fees</td>
<td>73%</td>
<td>83%</td>
<td>67%</td>
<td>84%</td>
<td>75%</td>
<td>65%</td>
</tr>
<tr>
<td>I don’t know the fees</td>
<td>13%</td>
<td>8%</td>
<td>16%</td>
<td>5%</td>
<td>14%</td>
<td>14%</td>
</tr>
<tr>
<td>I don’t pay fees</td>
<td>14%</td>
<td>9%</td>
<td>17%</td>
<td>11%</td>
<td>11%</td>
<td>21%</td>
</tr>
</tbody>
</table>

Q17 Are you aware of the fees associated with each of these accounts you have? [Brokerage/investment account]
Most Americans have a checking and/or savings account

Types of Accounts Have
National Total

- Checking account: 92%
- Savings account: 74%
- Work-sponsored retirement account (e.g. 401K): 38%
- Retirement account outside of work (e.g. IRA): 29%
- Brokerage/investment account: 19%

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

<table>
<thead>
<tr>
<th>Activity</th>
<th>National Total (N=376)</th>
<th>Have Written Financial Plan (N=127)</th>
<th>Doesn't Have Written Financial Plan (N=249)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rebalanced portfolio</td>
<td>33%</td>
<td>50%</td>
<td>24%</td>
</tr>
<tr>
<td>Received professional advice</td>
<td>23%</td>
<td>39%</td>
<td>15%</td>
</tr>
<tr>
<td>Increased contribution level</td>
<td>40%</td>
<td>54%</td>
<td>33%</td>
</tr>
<tr>
<td>None of these</td>
<td>36%</td>
<td>13%</td>
<td>47%</td>
</tr>
</tbody>
</table>

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**

<table>
<thead>
<tr>
<th>Level</th>
<th>Very/somewhat confident (NET)</th>
<th>Very confident</th>
<th>Somewhat confident</th>
<th>Not very confident</th>
<th>Not at all confident</th>
</tr>
</thead>
<tbody>
<tr>
<td>National Total</td>
<td>66%</td>
<td>21%</td>
<td>45%</td>
<td>24%</td>
<td>10%</td>
</tr>
<tr>
<td>Have Written Financial Plan (N=240)</td>
<td>91%</td>
<td>49%</td>
<td>46%</td>
<td>29%</td>
<td>12%</td>
</tr>
<tr>
<td>Doesn't have Written Financial Plan (N=760)</td>
<td>59%</td>
<td>13%</td>
<td>46%</td>
<td>29%</td>
<td>12%</td>
</tr>
<tr>
<td>Millennials (N=282)</td>
<td>81%</td>
<td>35%</td>
<td>46%</td>
<td>26%</td>
<td>15%</td>
</tr>
<tr>
<td>Gen X (N=415)</td>
<td>65%</td>
<td>17%</td>
<td>48%</td>
<td>26%</td>
<td>9%</td>
</tr>
<tr>
<td>Boomers (N=275)</td>
<td>54%</td>
<td>13%</td>
<td>41%</td>
<td>30%</td>
<td>16%</td>
</tr>
</tbody>
</table>

Q7 How confident do you feel that you will be able to reach your main financial goals?
In the short-term, millennials spend more freely than other generations

<table>
<thead>
<tr>
<th>Item</th>
<th>Millennials (n=282)</th>
<th>Gen X (n=415)</th>
<th>Boomers (n=275)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Taxis and Ubers</td>
<td>53%</td>
<td>29%</td>
<td>15%</td>
</tr>
<tr>
<td>Coffee that costs more than $4 each</td>
<td>60%</td>
<td>40%</td>
<td>29%</td>
</tr>
<tr>
<td>The latest electronic gadget</td>
<td>76%</td>
<td>66%</td>
<td>49%</td>
</tr>
<tr>
<td>Clothes that I don’t necessarily need</td>
<td>69%</td>
<td>53%</td>
<td>45%</td>
</tr>
<tr>
<td>Eating at one of the hot restaurants in town</td>
<td>79%</td>
<td>66%</td>
<td>56%</td>
</tr>
<tr>
<td>Going to see live music, sports or another event</td>
<td>73%</td>
<td>65%</td>
<td>55%</td>
</tr>
</tbody>
</table>

Q9  How would you describe your spending on the following items? [NET I spend as much as I want and I only let myself spend a certain amount]
Disclosures

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(0617-7K21)
Thank you