

Modern Wealth Survey

May 2019

charles
SCHWAB

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Approach

The online survey was conducted by Logica Research from February 8 to February 14, 2019, among a national sample of Americans aged 21 to 75 and an augment sample of 200 older Gen Zers aged 18-22 for generational comparisons.

The national sample was balanced to be demographically representative. The margin of error for the national sample is three percentage points.

Quotas were set to balance the national sample on key demographic variables.

Americans pay more attention to how their friends spend than how they save

Pay attention to how their friends...



Spend

57%



Save



43%

60% wonder how friends can afford expensive experiences posted on social media

Q11 Do you pay more attention to how your friends spend money or how they save money? (Base: Total = 1,000)

Q19 Please indicate your level of agreement or disagreement with each of the statements below. (Base: Total = 1,000)

Social media has most negative influence on money management

	Good Influence	Bad Influence
Family	 62%	 12%
Friends	41%	20%
Neighbors	26%	13%
Co-workers	25%	13%
Social Media	15%	35%

Q17 When it comes to how you manage your money, how would you describe the influence of each of the following? (Base: Total = 1,000)

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Social media impacts American's spending

Gen Z and Millennials are most likely to spend on experiences because of something they saw on social media



Total
34%



Gen Z
44%



Millennials
49%



Gen X
28%



Boomers
16%

Gen Z and Millennials are most likely to spend more than they can afford to do stuff with friends



Total
35%



Gen Z
41%



Millennials
48%



Gen X
31%



Boomers
16%

Q19 Please indicate your level of agreement or disagreement with each of the statements below. (Base: Total = 1,000)

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Despite social spending, Americans consider themselves savers



Consider themselves savers

59%



Willing to sacrifice spending to save for later

65%

Q9 When it comes to managing your money are you more of a...? (Base: Total = 1,000)

Q14 Which one of the following statements comes closest to describing you? (Base: Total = 1,000)

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Americans are still struggling to save



59% Live paycheck to paycheck



44% usually carry a credit card balance or struggle to keep up with bills/payments



38% have built up an emergency fund



\$483 average non-essential spending each month

Q22 Please select which statement best describes you. (Base: Total = 1,000)

Q29 Which of the following best describes how you manage your debt (Base: Total = 1,000)

Q28 Which of the following best describes your current financial ability to cover emergency or unexpected expenses? (Base: Total = 1,000)

Q42 On average, how much money do you spend on non-essential items in a typical month? This means spending on non-essential stuff, like eating out, entertainment, luxury items, or vacations (not rent/mortgage or basic necessities). (Base: Total = 1,000)

Those with Financial Plans feel more financially stable



28%

of Americans have a
written financial plan



63%

Of those with a written financial plan
feel financially stable

Q22 Please select which statement best describes you. (Base: Total = 1,000)

Q25 Which of the following best describes your approach to financial planning? (Base: Total = 1,000)

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Almost half of those without Financial Plans don't think they have enough money



46% thought about goals but have no written plan

26% no plan at all



46% don't think they have enough money to merit a formal plan



18% say it's too complicated



13% say they don't have enough time to develop one

Q25 Which of the following best describes your approach to financial planning? (Base: Total = 1,000)

Q27 Why don't you currently have a written financial plan? (Base: Those without a written plan = 716)

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Americans with financial plans have more disciplined financial behaviors



Planners



Non-planners



Pay bills and save each month

78%

38%

Have an emergency fund

68%

26%

Automate a portion of their income to go into savings

74%

25%

Never carry a credit card balance and make other loan payments on time, or have no debt



45%

27%

Q23 Which of the following describes your current monthly expense situation (e.g. rent or mortgage, utilities, food and entertainment, etc.)? (Base: Planners = 284, Non-Planners = 716)

Q29 Which of the following best describes how you manage your debt? (Base: Planners = 284, Non-Planners = 716)

Planners also demonstrate good investing behavior

	 Planners	 Non-planners
Regularly rebalance portfolio	85%	57%
Consider risk tolerance when investing	75%	56%
Aware of fees/investment costs	74%	49%
Feel 'very confident' about reaching financial goals	56%	17%
Have a diversified portfolio	20%	9%

Q33 When it comes to your portfolio, which of the following asset classes do you invest in? (Base: Planners = 202, Non-Planners = 278)

Q34 Which of the following best describes how you assess risk factors when you're deciding how to invest? (Base: Planners = 202, Non-Planners = 278)

Q35 Are you aware of the fees and costs of your investments? (Base: Planners = 202, Non-Planners = 278)

Q36 Have you rebalanced your portfolio for your investment or retirement account in the past 12 months? (Base: Planners = 284, Non-Planners = 716)

Q39 How confident are you that you will reach your financial goals? (Base: Planners = 284, Non-Planners = 716)

Americans say it takes over \$2 million dollars to be rich

\$2.27 Million

To be considered wealthy

60%

Are optimistic they will be wealthy some day or say they already are

8%	Already consider self wealthy
7%	Within a year
17%	Within 5 years
20%	Within 10 years
8%	Within 25 years

Q1 Do you think you will be wealthy at some point in your lifetime? If so, how long do you think it will take you to become wealthy? (Base: Total = 1,000)

Q2 Which of the following best describes the personal net worth you would need to have in order to consider yourself wealthy? (Base: Total = 1,000)

It takes more than money to be wealthy

Personal definition of wealth is based on..



Way they live their life

72%



Specific dollar amount

28%

Q4 Which of the following comes the closest to your personal definition of wealth? (Base: Total = 1,000)

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If I suddenly had \$1 million, I would...



54% Spend it



28% Pay off debt



23% Invest it



21% Save it



7% Donate it

Q20 Please complete this sentence in the space below. If I suddenly had \$1 million, I would _____. (Base: Total = 1,000)

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Demographics

Mean Income:

\$65,300

Median Income:

\$55,000



Gen Z

3%*



Millennials

38%



Gen X

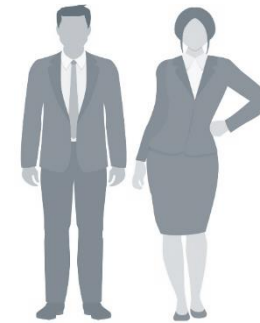
35%



Boomers

22%

White or Caucasian	67%
African American or Black	15%
Asian	5%
Native Hawaiian or other Pacific Islander	1%
American Indian or Alaska Native	1%
Other race	2%
Prefer not to say	1%



Male

49%

Female

51%

S1 Please indicate your gender. (Base: Total = 1,000)

S2 What is your age? (Base: Total = 1,000)

S6 To which of the following groups do you most closely identify? (Base: Total = 1,000)

S7 Which of these best describes your household income in 2018 before taxes? (Base: Total = 1,000)

*An additional 200 older Gen Zers are reported separately from total for statistical comparison purposes.

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