

*charles*  
SCHWAB

# The View from San Francisco Bay Area:

1,000 residents share their perspectives  
on managing wealth and the local  
economy

March 2016

# Methodology

<b>What</b>	<ul style="list-style-type: none"><li>▪ An online study among a sample of the general public was conducted by Koski Research.</li><li>▪ Koski Research is neither affiliated with, nor employed by, Charles Schwab &amp; Co., Inc.</li></ul>
<b>When</b>	<ul style="list-style-type: none"><li>▪ The study was fielded January 21<sup>st</sup> – February 5<sup>th</sup>, 2016.</li></ul>
<b>Who</b>	<ul style="list-style-type: none"><li>▪ 1,001 San Francisco Bay Area residents aged 21-75 completed the study.</li><li>▪ The sample was drawn from online sample sources.</li><li>▪ The geographical area of the sample included the following counties: Alameda, Contra Costa, Marin, San Francisco, San Mateo, Santa Clara, and Solano. Quotas were set so that the sample is as demographically representative of those counties within the San Francisco Bay Area as possible. The data has not been weighted.</li></ul>

# Life in the San Francisco Bay Area – It's expensive

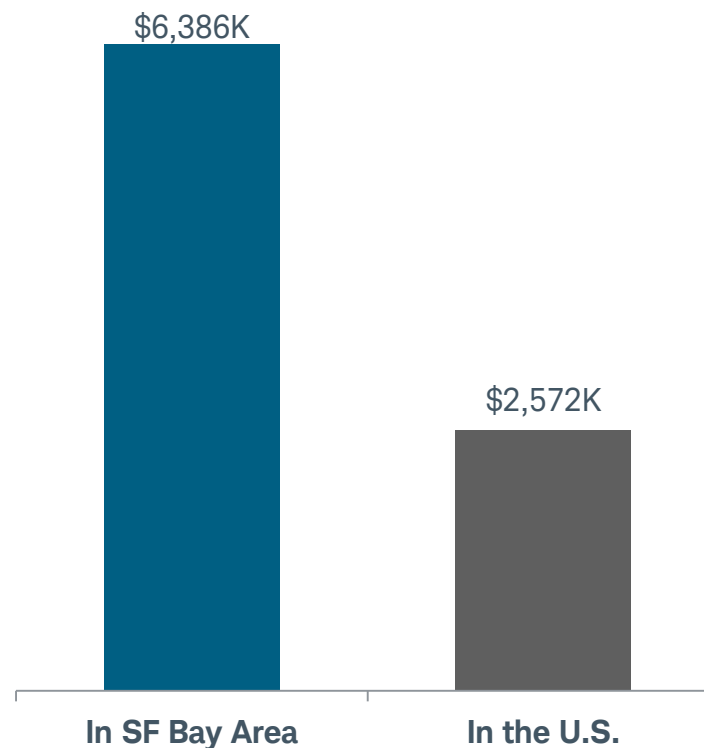
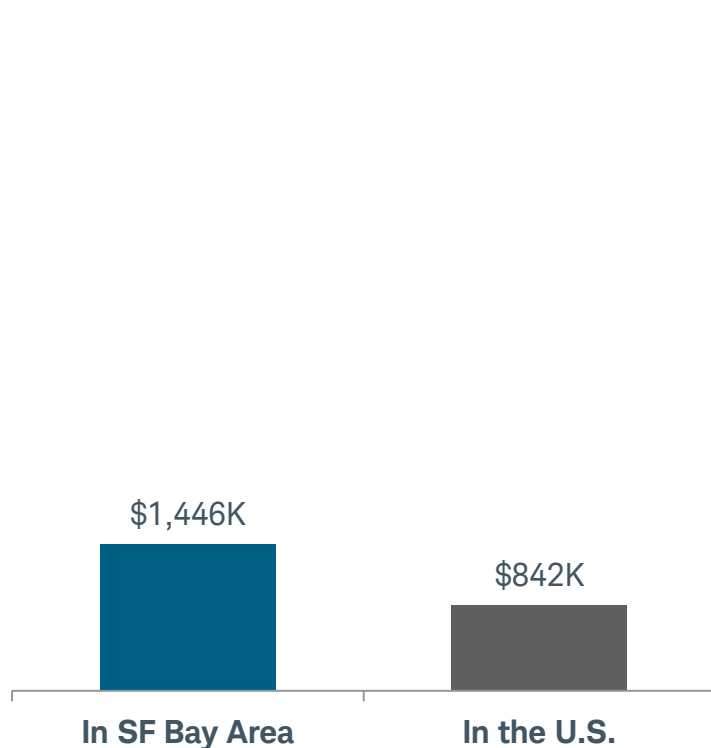
# Local residents think it takes more than double the net worth to be considered wealthy in the Bay Area than it does in the rest of the country

## Average Net Worth Needed to be *Financially Comfortable*

All SF Bay Area Residents

## Average Net Worth Needed to be *Wealthy*

All SF Bay Area Residents



Q10 At what level of personal net worth would you say a person in the San Francisco Bay Area could be considered financially comfortable?

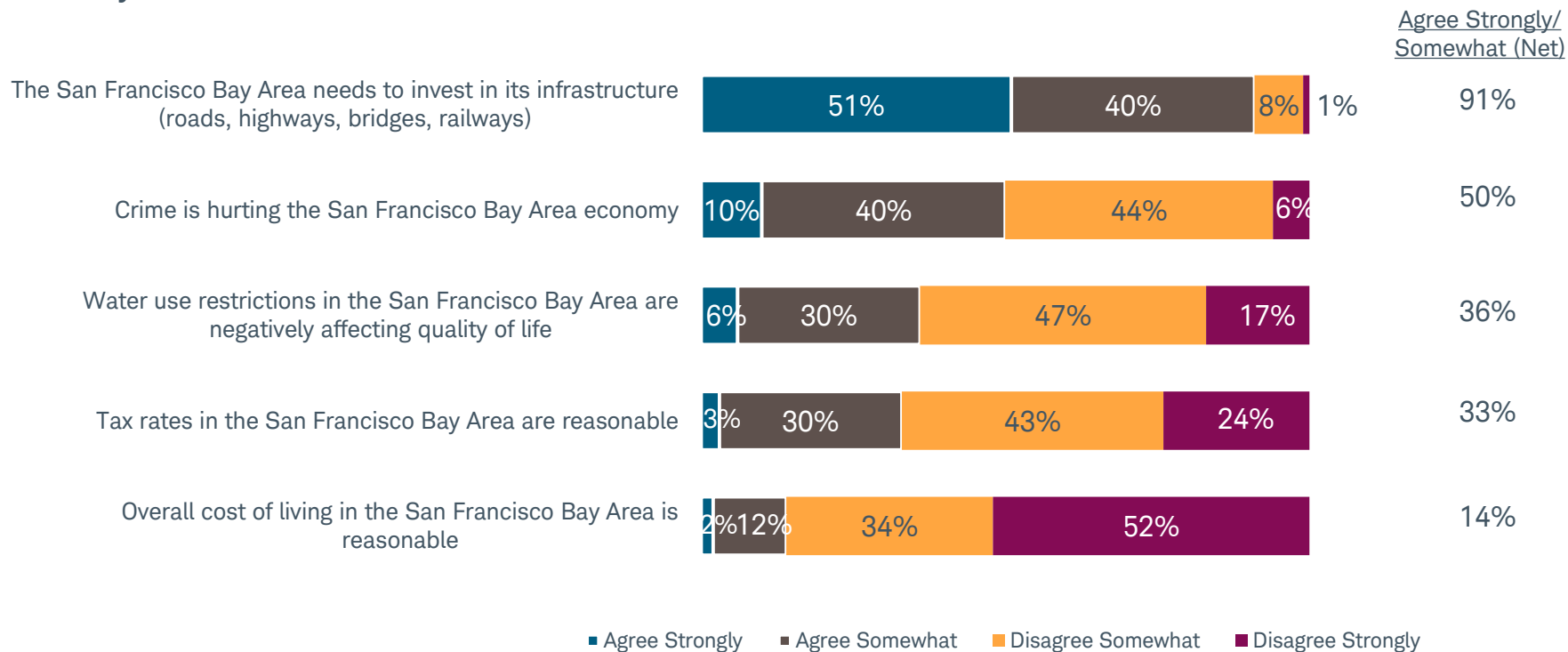
Q11 At what level of personal net worth would you say a person in the San Francisco Bay Area could be considered wealthy?

Q12 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?

Q13 At what level of personal net worth would you say a person living in the rest of the United States could be considered wealthy? (Base: All SF Bay Area Residents=1,001)

# Nearly all Bay Area residents believe the local cost of living is unreasonable

## Agreement with Statements About SF Bay Area All SF Bay Area Residents



Q7 Please indicate your level of agreement or disagreement with each of the statements below. (Base: All SF Bay Area Residents = 1,001)

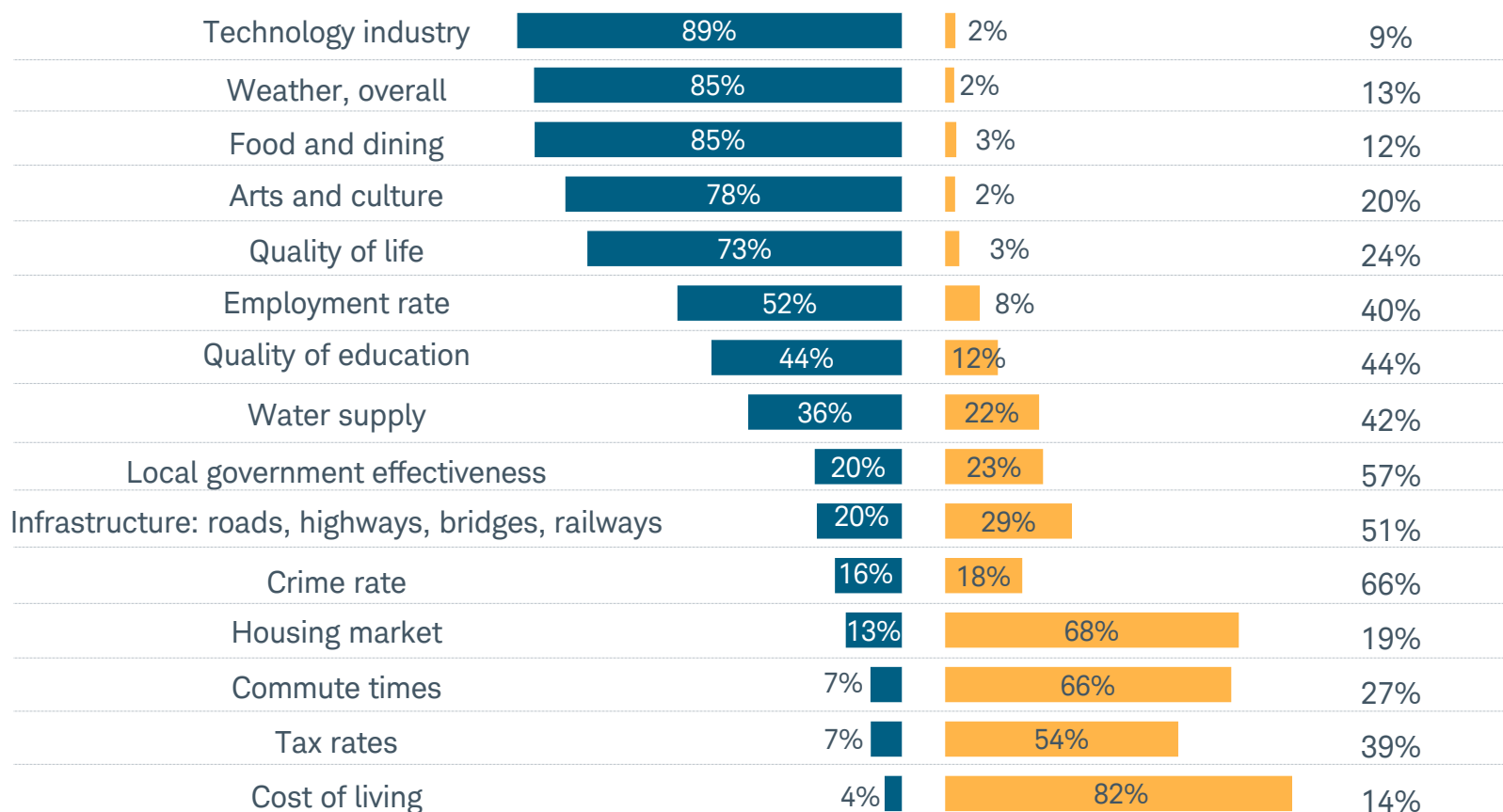
# Residents say the Bay Area is one of the nation's best for tech, weather and food, but one of the worst for cost of living, taxes and housing

## SF Bay Area Comparison to Other US Metropolitan Areas

All SF Bay Area Residents

■ One of the Best ←
 ■ One of the Worst →

Neither One of the Best nor One of the Worst

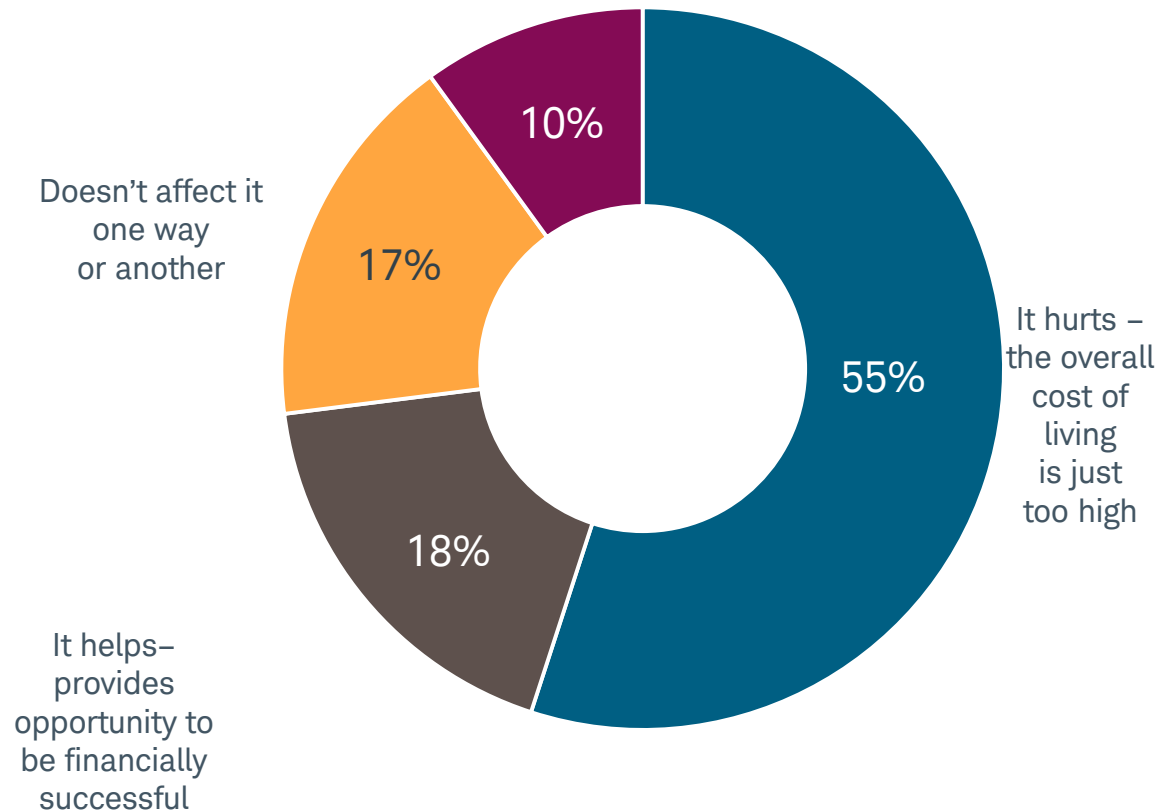


Q2 When you think about the top large metropolitan areas in the U.S., how do you think the San Francisco Bay Area compares on each of the issues listed below? For each characteristic please indicate whether you think the San Francisco Bay Area is "One of the Best" metropolitan areas or whether it is "One of the Worst." (Base: All SF Bay Area Residents=1,001)

# More than half say living in the Bay Area hurts their ability to reach their financial goals

## Effect of Living in SF Bay Area on Ability to Reach Financial Goals

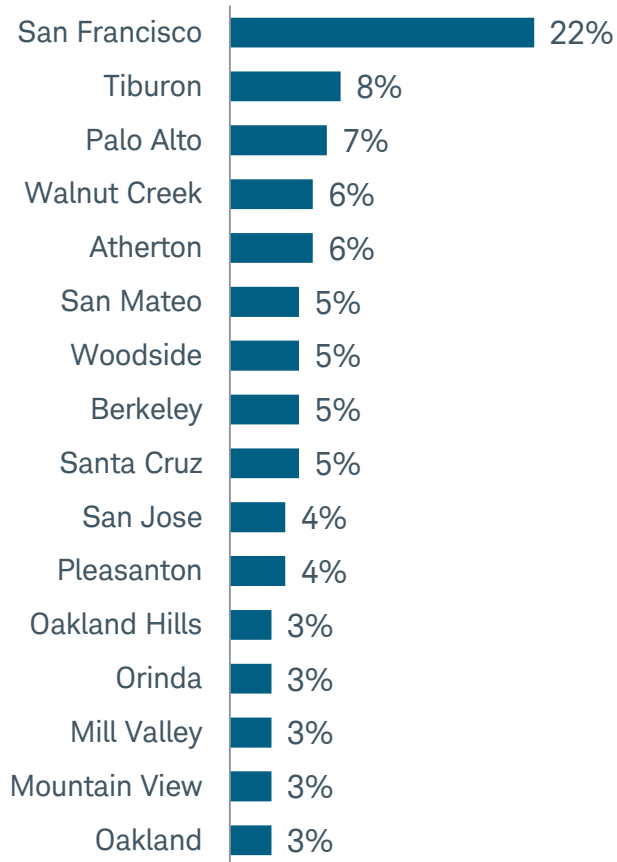
All SF Bay Area Residents



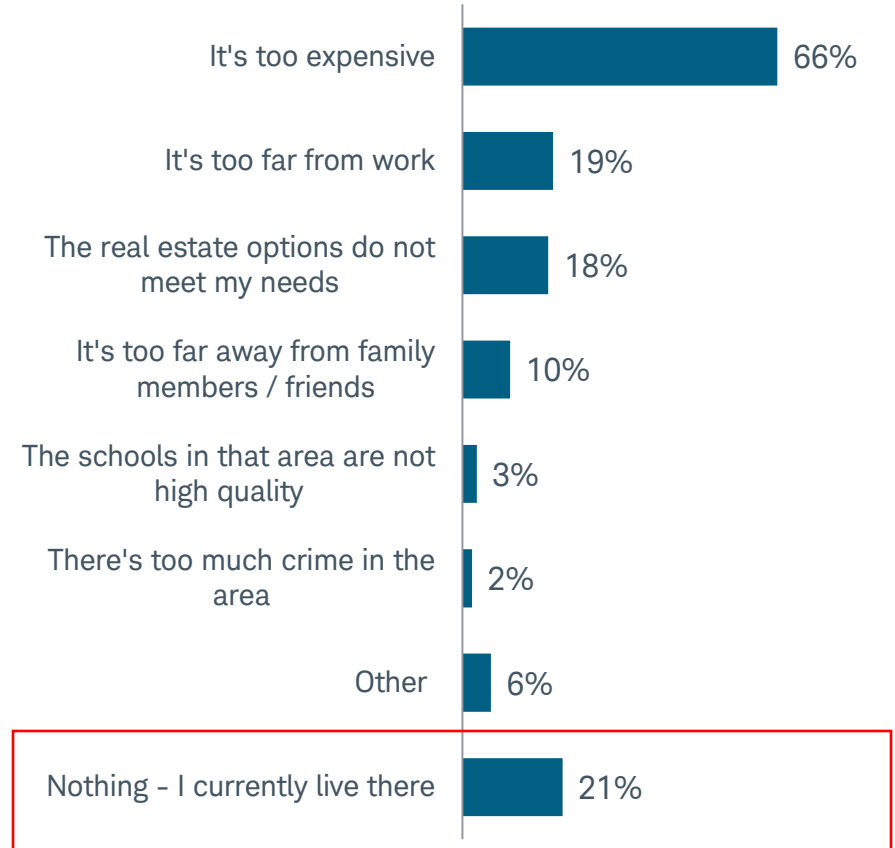
Q26 Would you say that living in the San Francisco Bay Area helps or hurts your ability to reach your financial goals? (Base: All SF Bay Area Residents = 1,001)

# Bay Area residents want to live in San Francisco, but cost is an obstacle

## Preferred City/Area of Residence All SF Bay Area Residents



## Barriers to Living in Preferred City/Area All SF Bay Area Residents

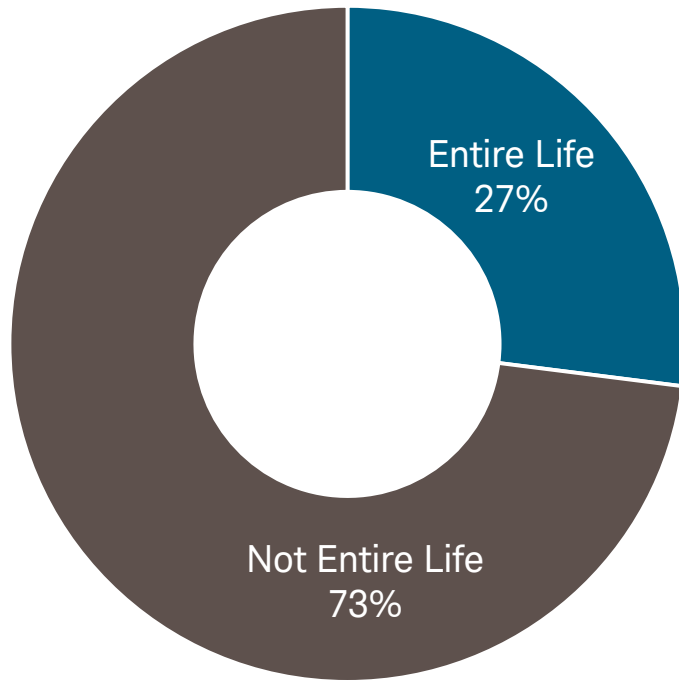


Q5 If money were no object, where in the San Francisco Bay Area would you like to live? (Base: All SF Bay Area Residents=1,001)  
Q6 What is preventing you from living in [RESPONSE FROM Q6]? (Base: All SF Bay Area Residents=1,001)



# Just a quarter of Bay Area residents are natives, and 14% have lived in the area for less than 5 years

## Years Lived in SF Bay Area All SF Bay Area Residents



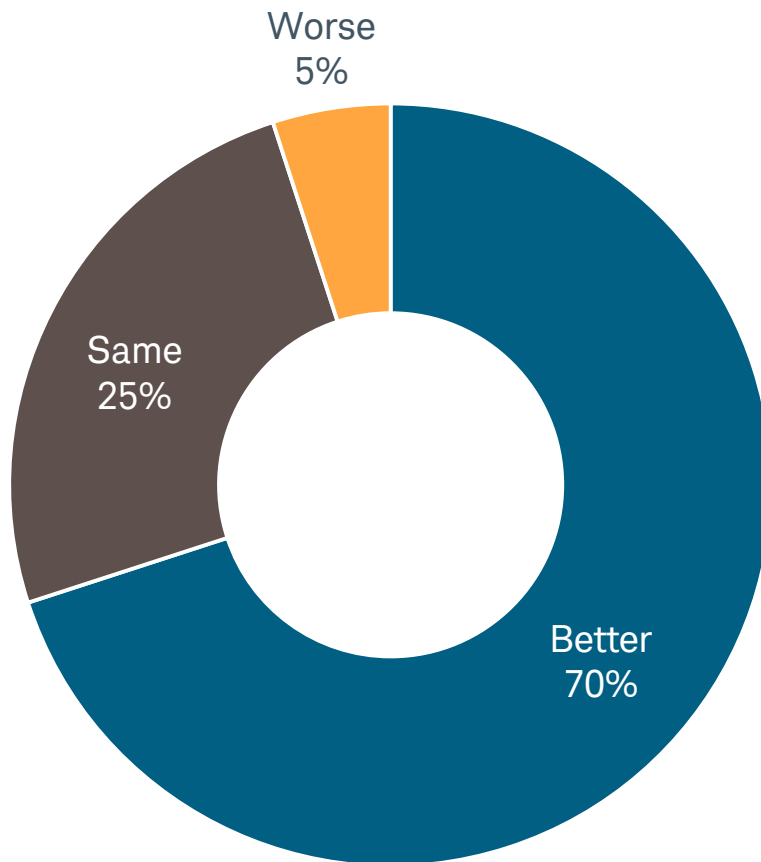
### Years Lived in SF Bay Area, if not for entire life (n=735)

Less than 5 years	14%
5-15 years	24%
16-30 years	32%
More than 30 years	30%

# The San Francisco Bay Area Economy

# 7 in 10 say the SF Bay Area economy is outperforming the U.S. economy

## SF Bay Area Economy Comparison to U.S. Economy All SF Bay Area Residents

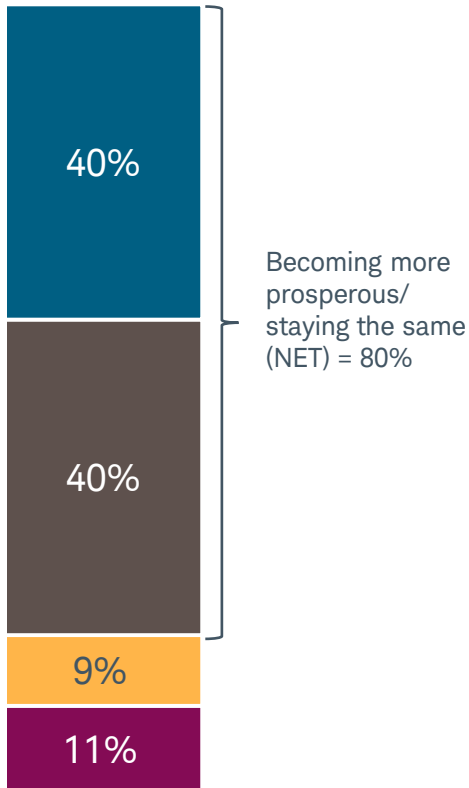


Q4 If you were to compare the economy of the San Francisco Bay Area to the economy of the United States overall, would you say the San Francisco Bay Area's economy is...?  
(Base: All SF Bay Area Residents = 1,001)

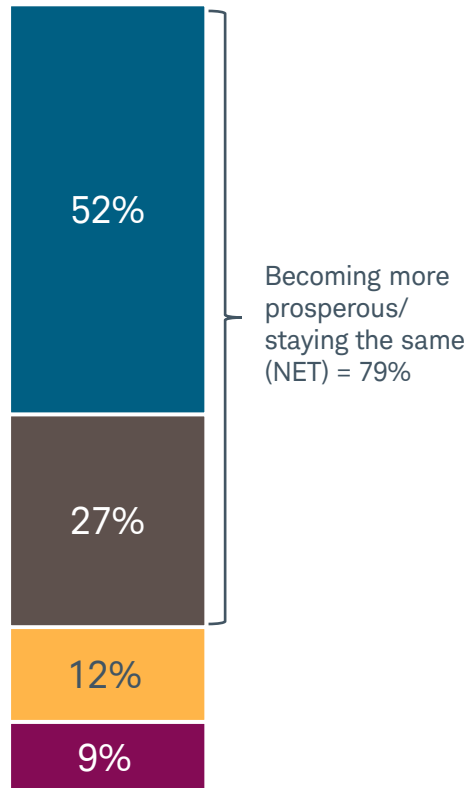
# Nearly 80% believe the Bay Area economy is steady or becoming more prosperous

## View of the Economy All SF Bay Area Residents

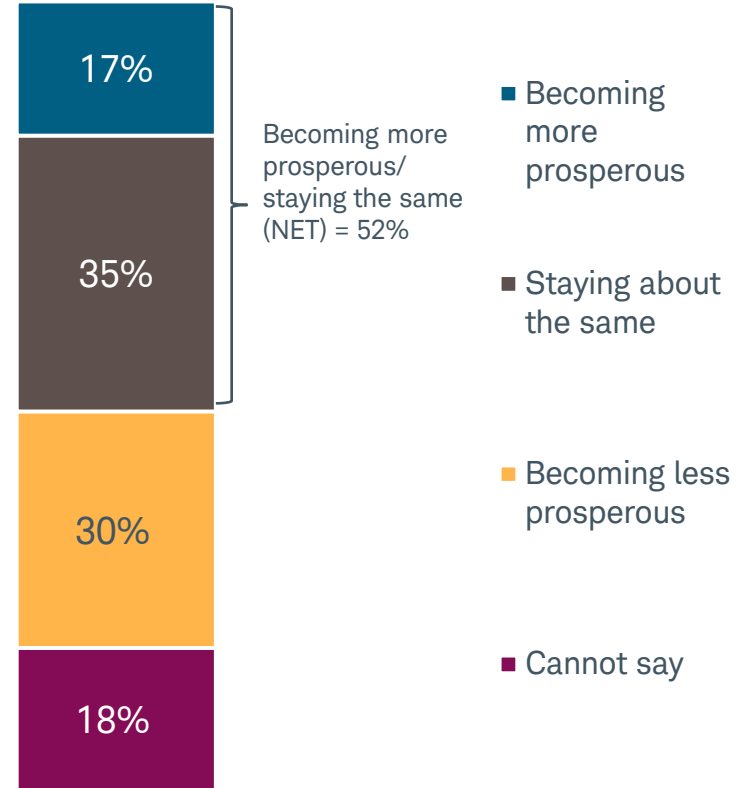
### In Your Neighborhood



### In the SF Bay Area



### In the United States

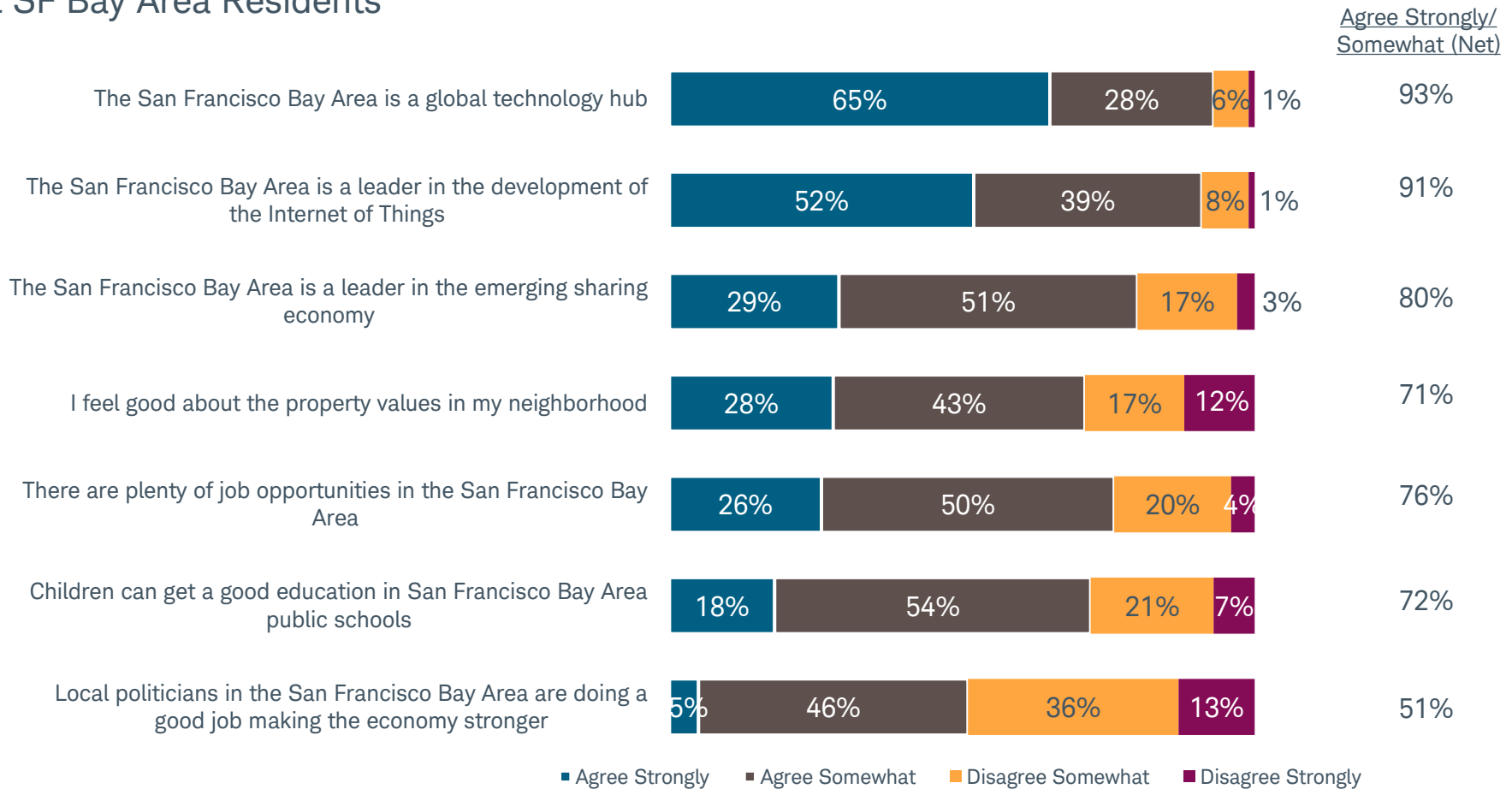


- Becoming more prosperous
- Staying about the same
- Becoming less prosperous
- Cannot say

Q3 How do you view the economy in each of the following areas?... a. in your specific area or neighborhood? b. in the San Francisco Bay area? c. in the United States? (Base: All SF Bay Area Residents=1,001)

# Residents largely agree that the Bay Area is a leader in tech

## Agreement with Statements About SF Bay Area All SF Bay Area Residents

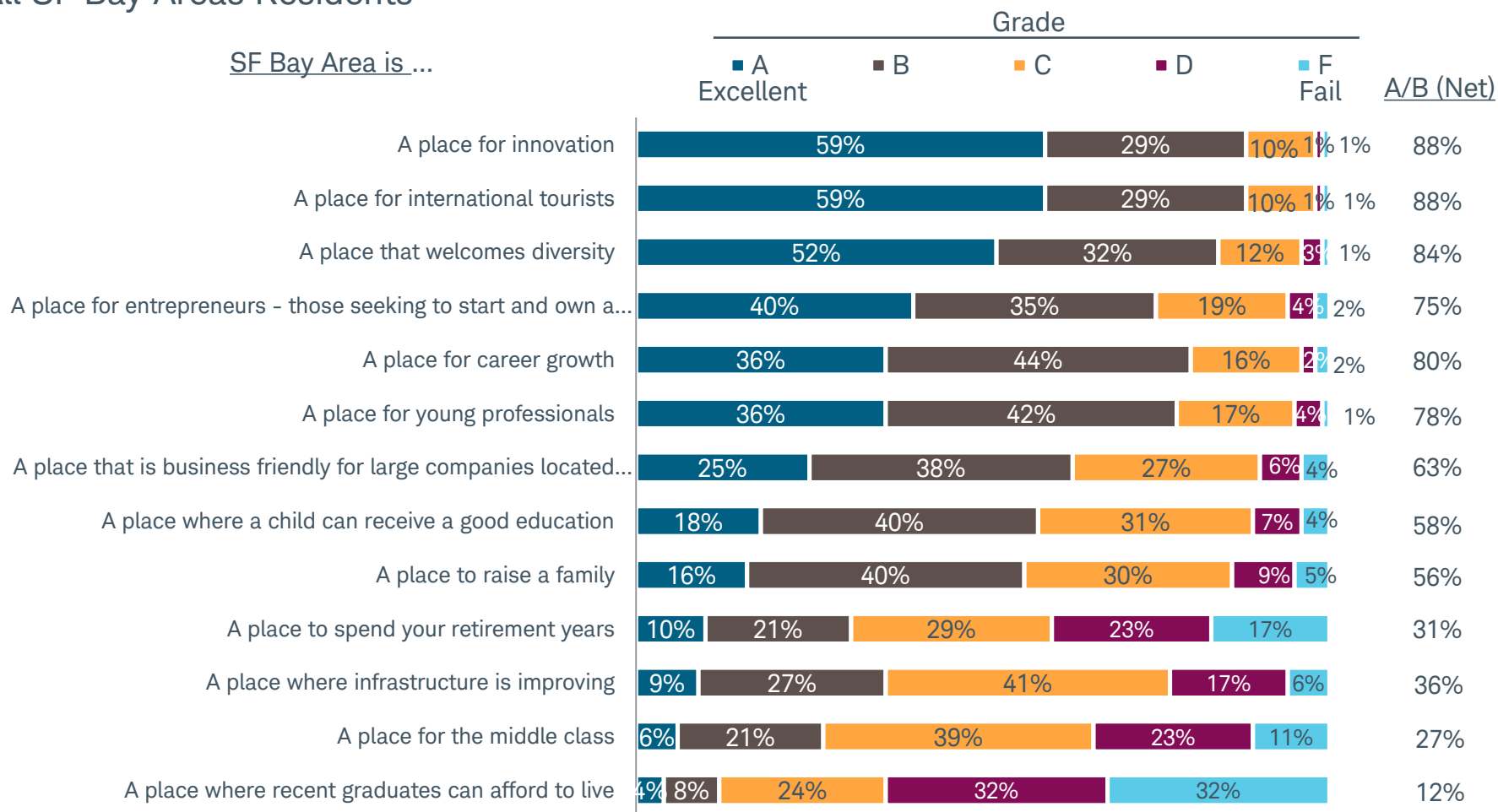


Q7 Please indicate your level of agreement or disagreement with each of the statements below. (Base: All SF Bay Area Residents = 1,001)

# The Bay Area earns high marks for innovation, entrepreneurs, career growth, and young professionals

## How Residents Grade SF Bay Area

All SF Bay Areas Residents



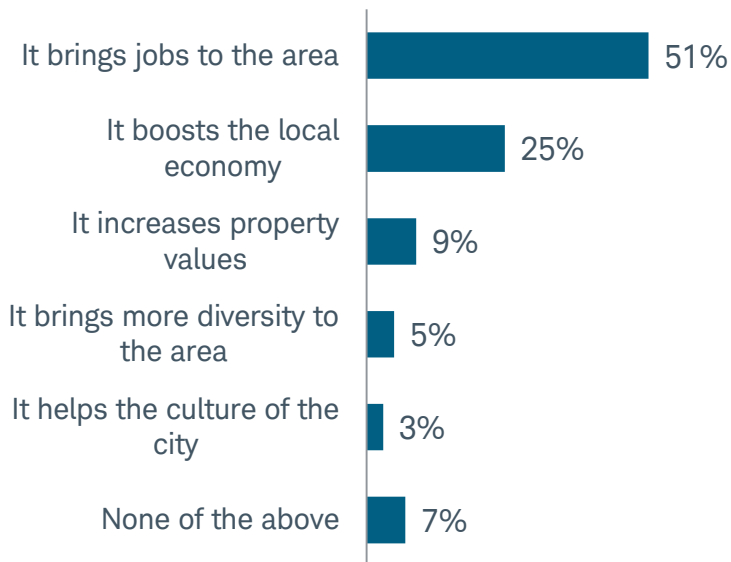
Q8 How would you grade the greater San Francisco Bay Area on each of the following? (Base: All SF Bay Area Residents = 1,001)

# Most Bay Area residents think the emergence of tech companies has been a good thing, but higher real estate prices are a significant drawback

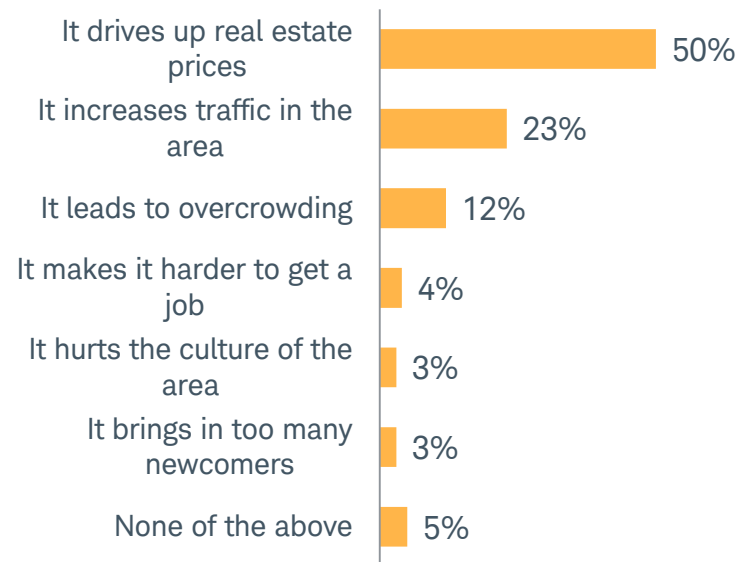
## Opinion of Tech Companies Started/Grown in the Bay Area All SF Bay Area Residents



## Best Things about Tech Companies Started/Grown in the Bay Area All SF Bay Area Residents



## Worst Things about Tech Companies Started/Grown in the Bay Area All SF Bay Area Residents



Q35 What is your opinion about the number of technology companies that have been started and grown in the San Francisco Bay Area?

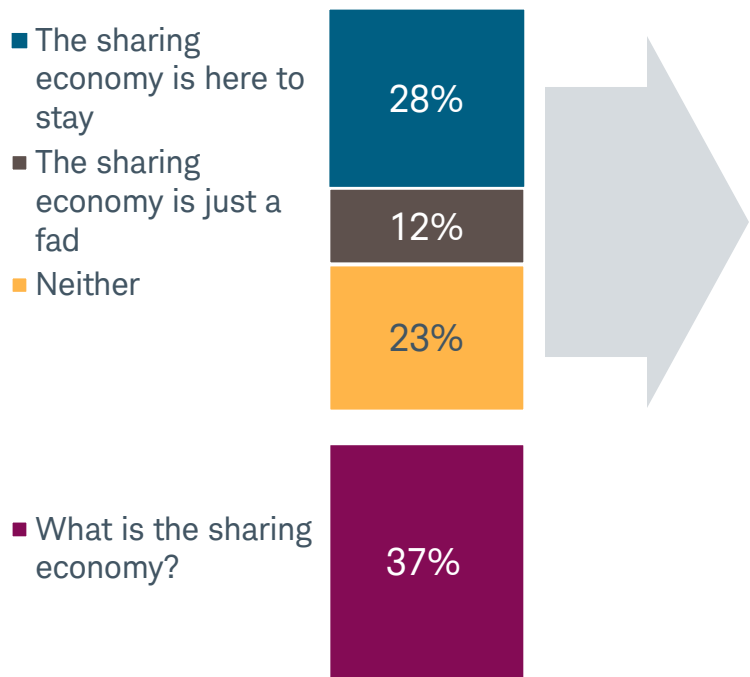
Q36 What is the best thing about the number of technology companies that have been started and grown in the San Francisco Bay Area?

Q37 What is the worst thing about the number of technology companies that have been started and grown in the San Francisco Bay Area? (Base: All SF Bay Area Residents = 1,001)

# More than 1 in 4 Bay Area residents believe the sharing economy is here to stay

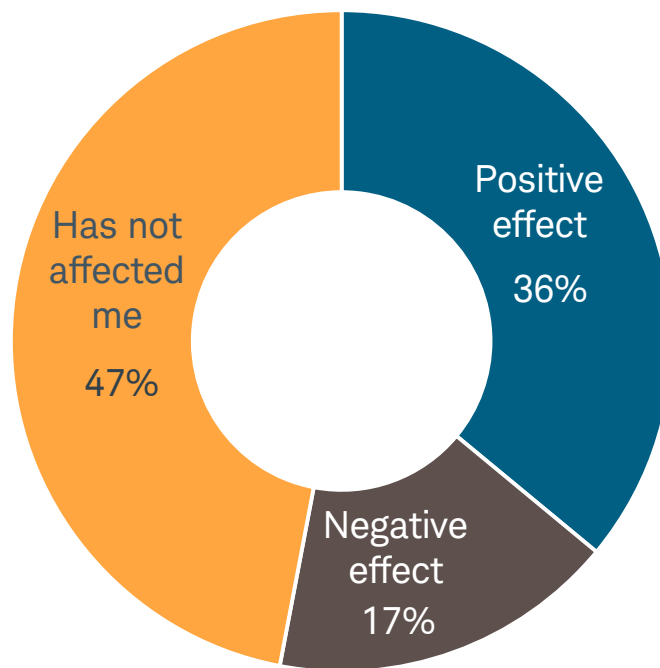
## Opinions of the Sharing Economy

All SF Bay Area Residents



## Impact of Sharing Economy on Bay Area Economy

Among those aware of the sharing economy



Q32 Which of the following best describes your view of the sharing economy? (Base: All SF Bay Area Residents = 1,001)

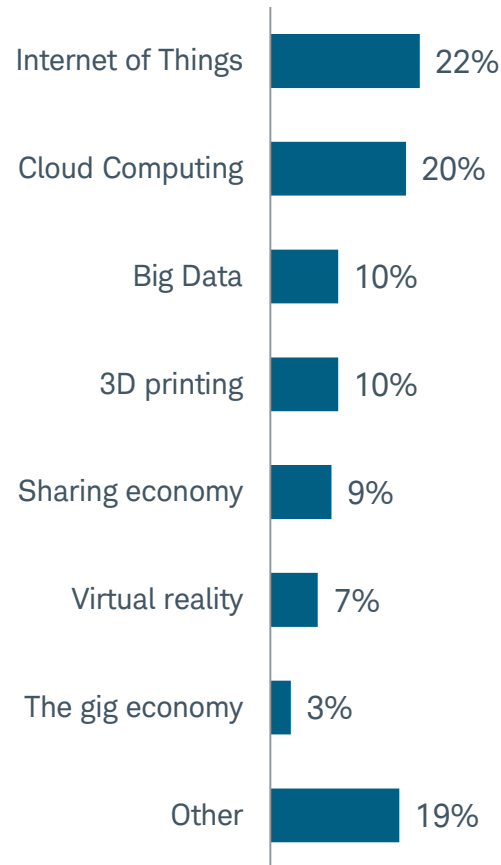
Q33 What impact has the sharing economy had on the Bay Area economy? (Base: Those who know about the sharing economy = 633)



# Bay Area residents think the Internet of Things and cloud computing will have a positive impact on the U.S. economy over the next decade

## Trends Likely to Have a Positive Impact on U.S. Economy in Next Ten Years

All SF Bay Area Residents



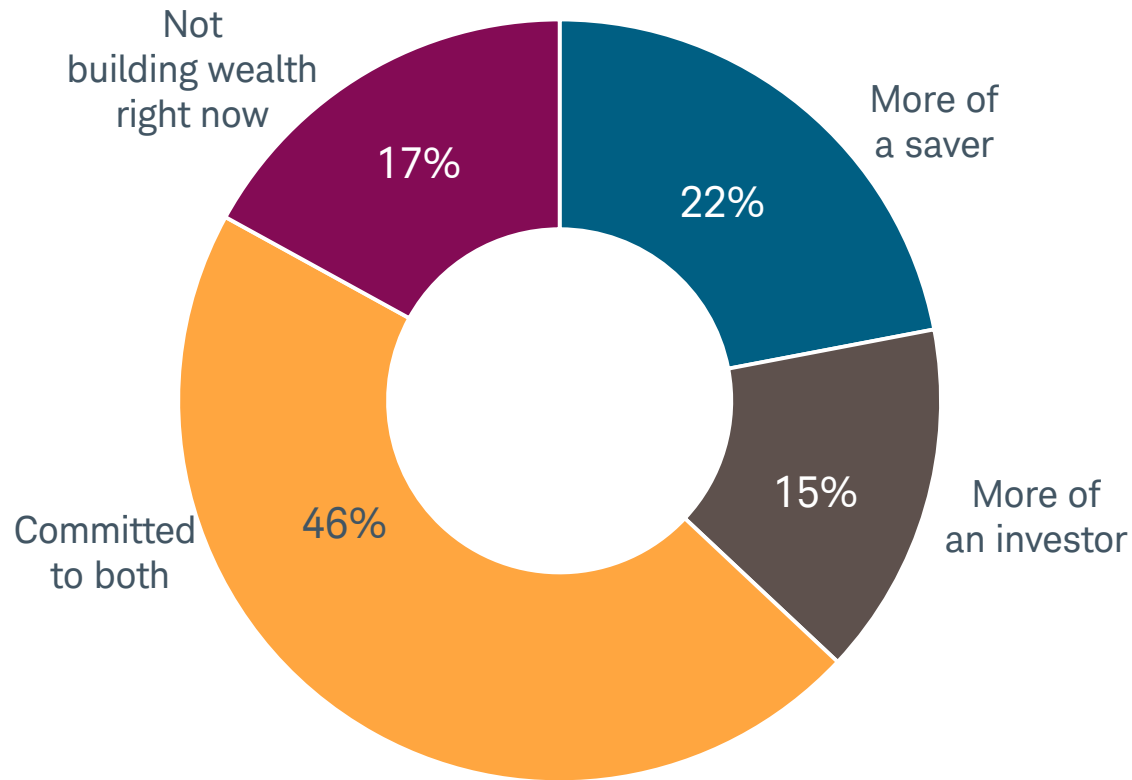
Q34 Which of the following emerging trends will have the most positive economic impact on the U.S. in the next ten years? (Base: All SF Bay Area Residents = 1,001)

# Personal Finances in the San Francisco Bay Area

# A majority of Bay Area residents are building wealth, with nearly half committed to both saving and investing

## SF Bay Area Residents' Approach to Building Wealth

All SF Bay Area Residents

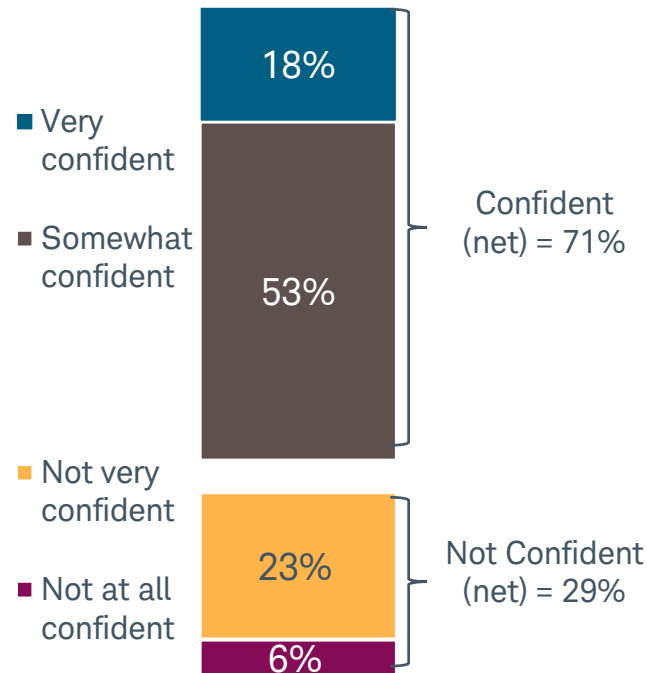


Q24 How would you describe your approach to building wealth? (Base: All SF Bay Area Residents = 1,001)

# Most Bay Area residents are confident they will reach their financial goals

## Confidence in Ability to Reach Financial Goals

All SF Bay Area Residents

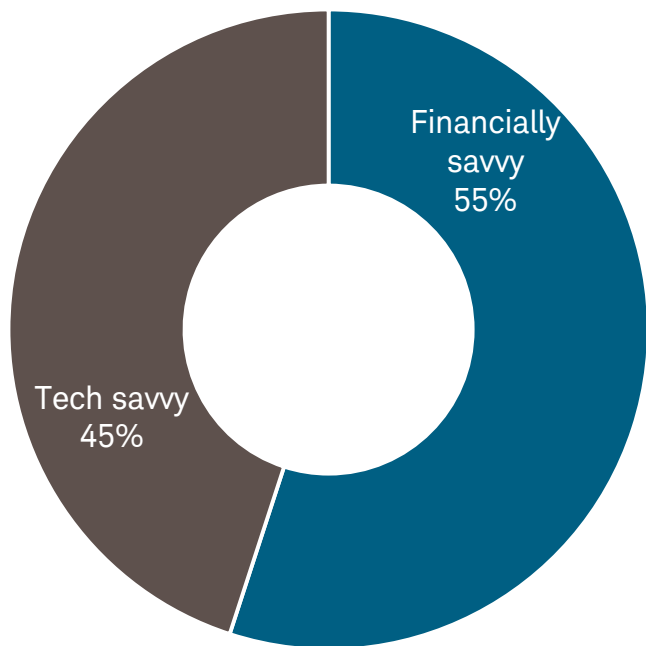


Q25 How confident do you feel that you will be able to reach your main financial goals?

Q26 Would you say that living in the San Francisco Bay Area helps or hurts your ability to reach your financial goals? (Base: All SF Bay Area Residents = 1,001)

# Surprisingly, more Bay Area residents say they are financially savvy rather than tech savvy

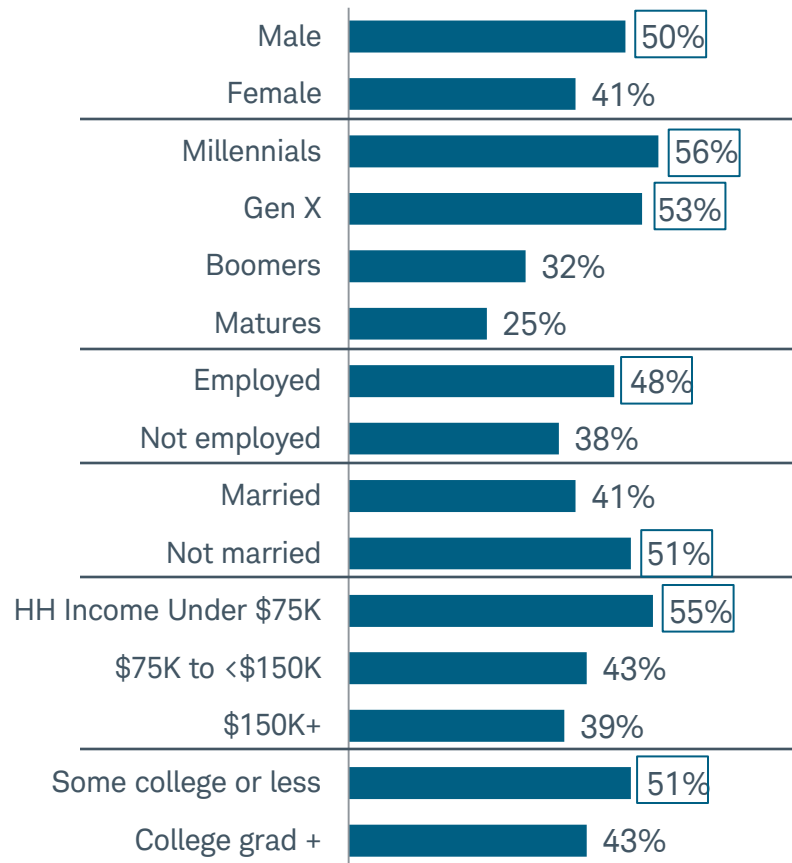
## Financially Savvy vs. Tech Savvy All SF Bay Area Residents



All SF Bay Area Residents

## Consider Self More Tech Savvy than Financially Savvy

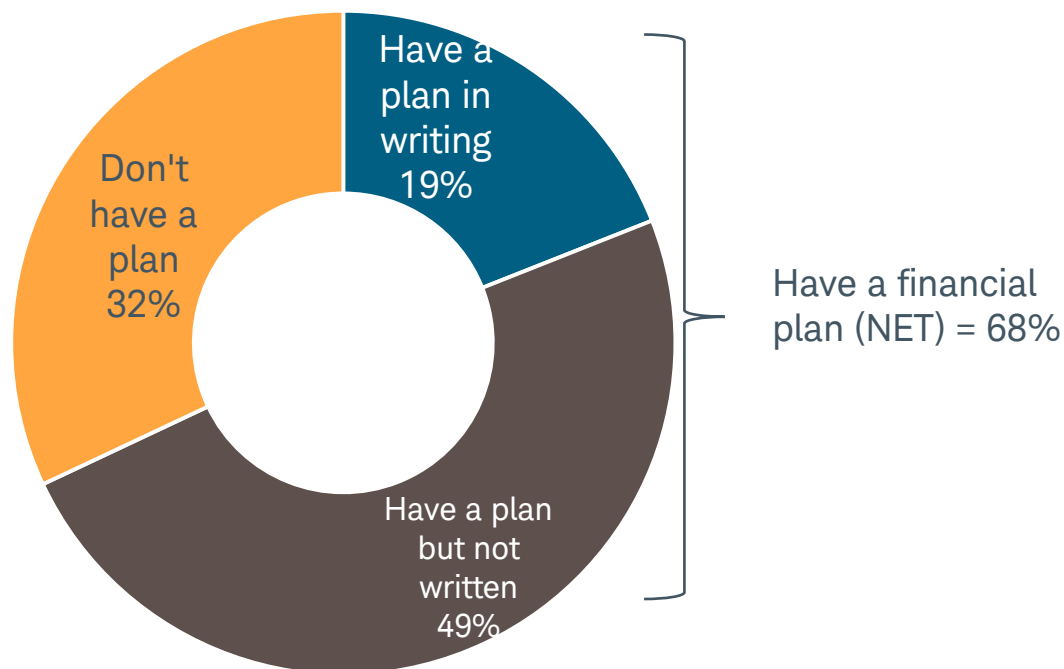
### Demographic Differences



Q9 Would you consider yourself more financially savvy or tech savvy? (Base: All SF Bay Area Residents = 1,001)

# Almost 7 in 10 Bay Area residents have financial plans, and those with a written plan have more confidence in their ability to reach their financial goals

## Financial Planning All SF Bay Area Residents



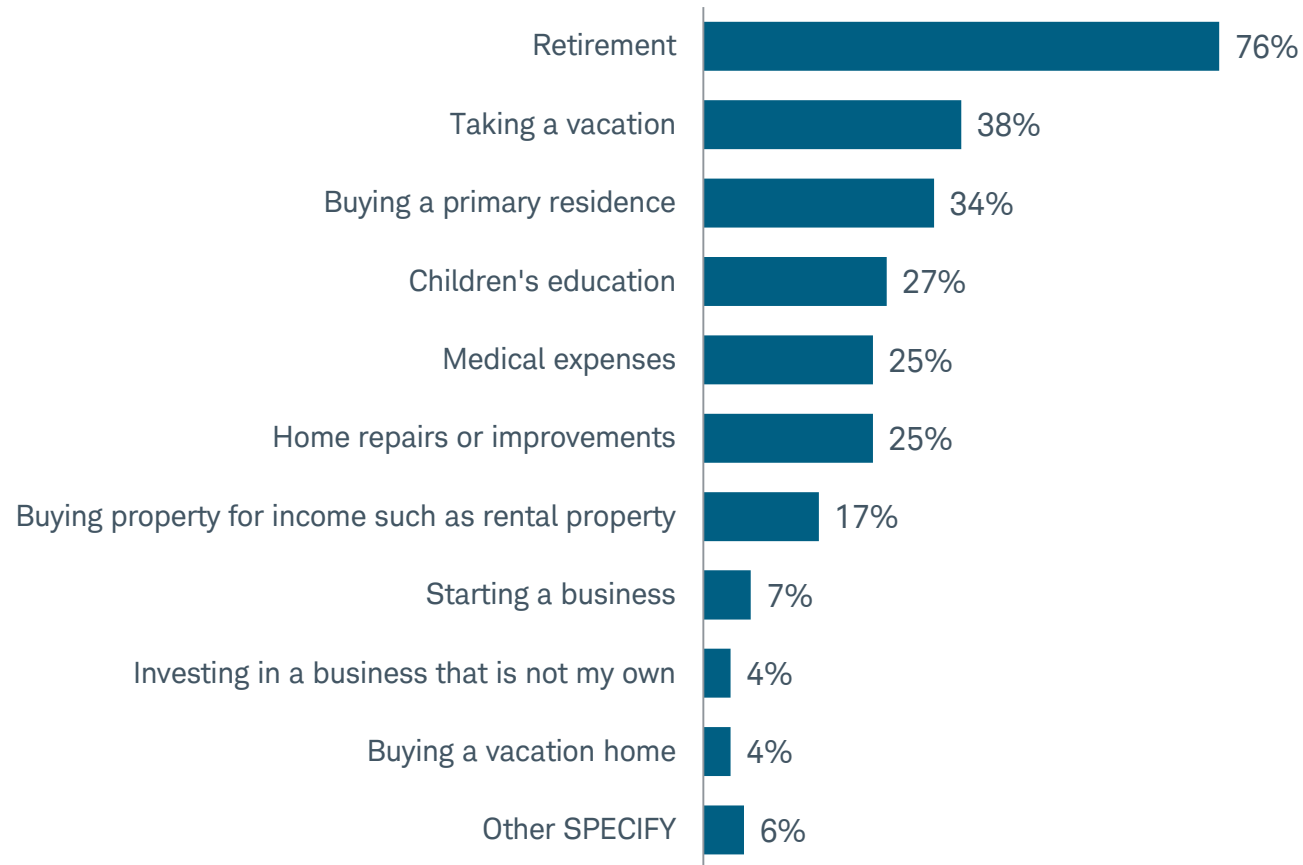
## Confidence in Ability to Reach Financial Goals

	Have a written financial plan	Don't have a financial plan
Very/Somewhat confident	90%	47%
Not very/Not at all confident	10%	53%

Q28 Do you currently have a financial plan? (Base: All SF Bay Area Residents = 1,001)

# Retirement is the top savings priority for SF Bay Area residents

## Top Three Savings Priorities All SF Bay Area Residents



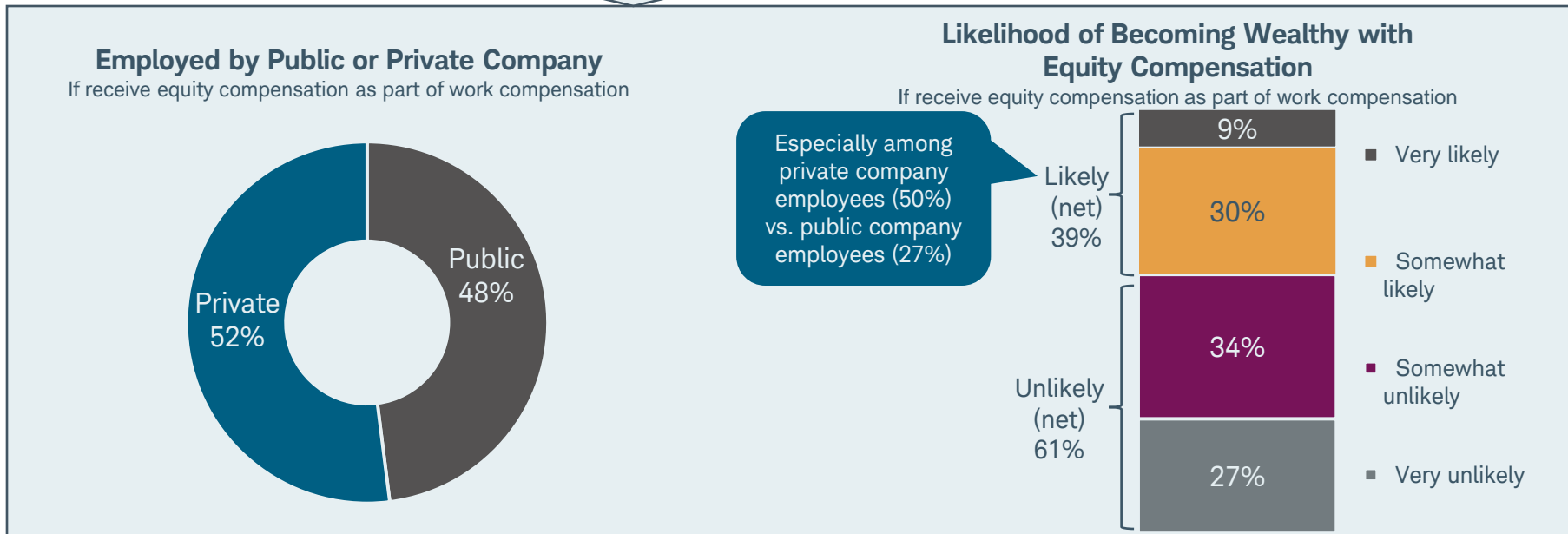
Q27 Which of the following are your top three savings priorities? (Base: All SF Bay Area Residents = 1,001)

# Equity Compensation in the San Francisco Bay Area



# A third of Bay Area residents receive equity compensation, but most don't expect it to make them wealthy

## Receive Equity Compensation as Part of Work Compensation SF Bay Area Residents Employed in For-Profit Businesses



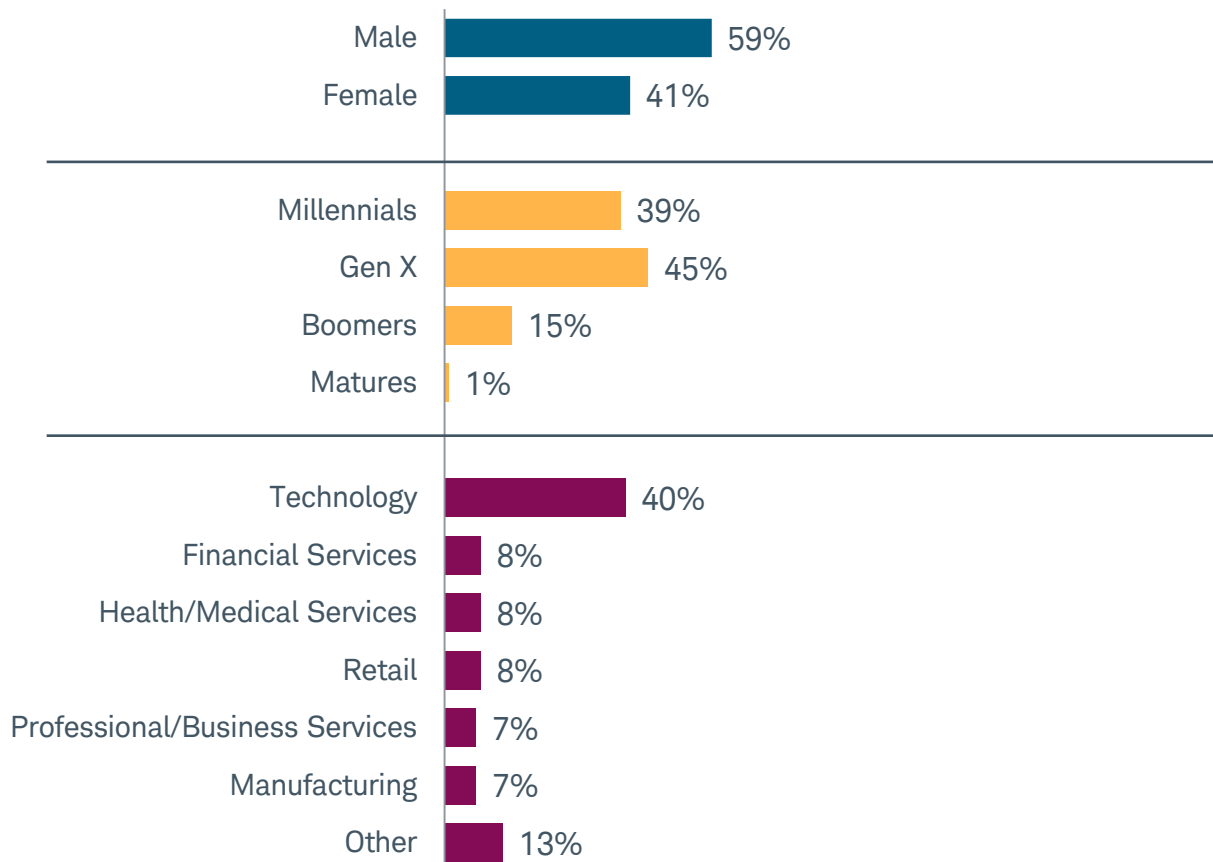
Q16 Do you receive equity compensation as part of your work compensation? (Base: Employed by for-profit business = 443)

Q17 Is the company from which you receive equity compensation a private company or a public company? (Base: Receive equity compensation as part of work compensation=145)

Q18 How likely is that your equity compensation will make you wealthy? (Base: Receive equity compensation as part of work compensation=145)

# Bay Area residents who receive equity compensation more often are male, Millennials or Gen X, and work in technology

## Profile of Those Who Receive Equity Compensation as Part of Work Compensation



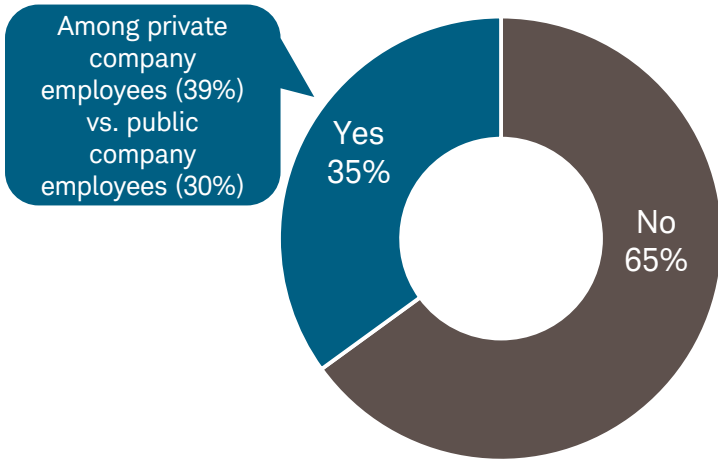
# Two-thirds of Bay Area residents do not use a financial professional to help manage their equity compensation, and many of them lack confidence in doing it alone

## Managing Equity Compensation

### SF Bay Area Residents Who Receive Equity Compensation

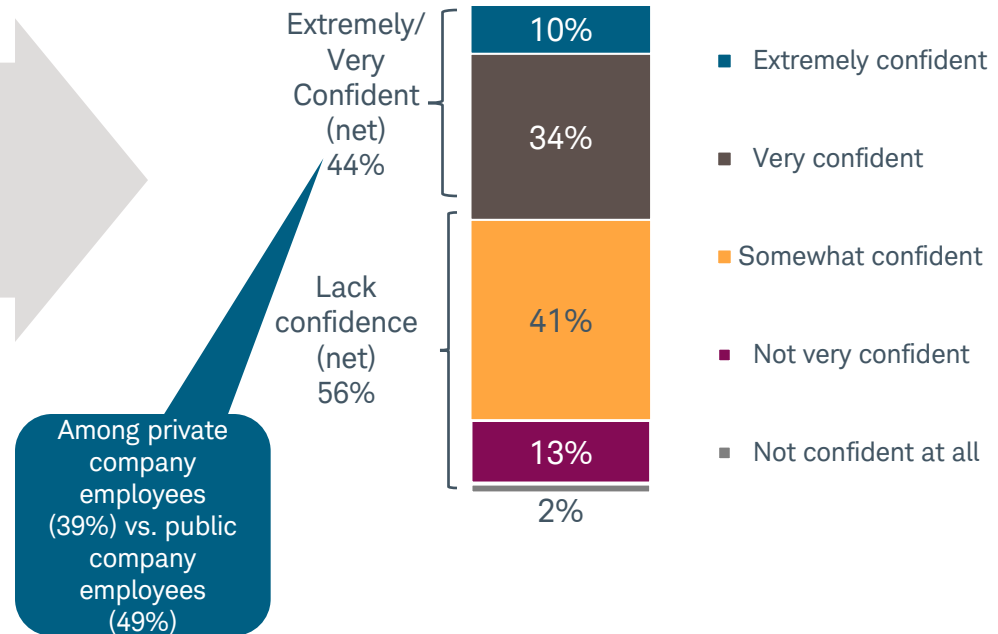
#### Use Financial Professional to Help Manage Equity Compensation

If receive equity compensation as part of work compensation



#### Confidence in Managing Equity Compensation Alone\*

If do not use professional help to manage equity compensation



\* Caution: low base (<100)

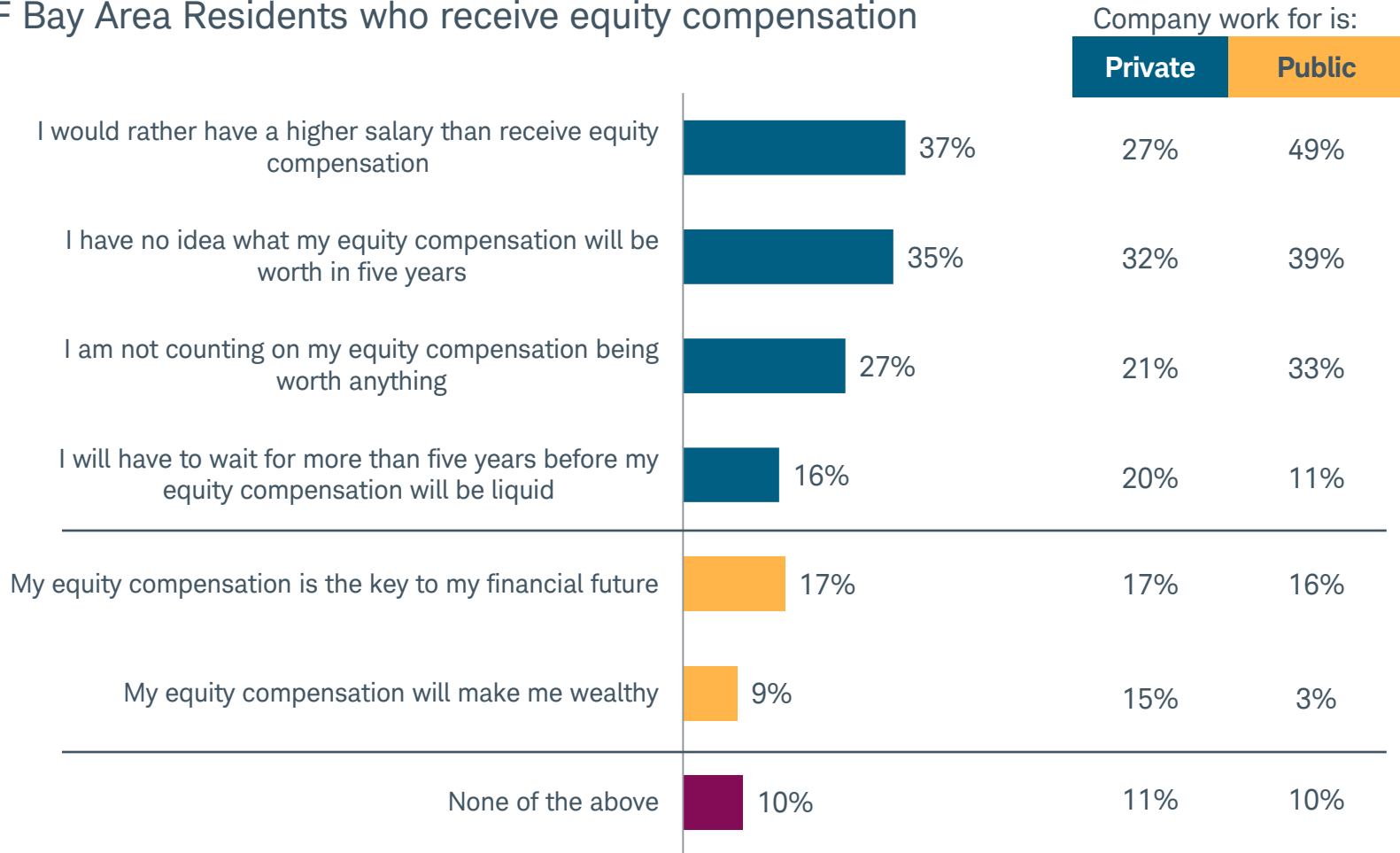
Q19 Do you use the services of a financial professional to help you manage the equity compensation that you receive as part of your work compensation? (Base: Receive equity compensation as part of work compensation=145)

Q20 How confident are you in managing your equity compensation on your own? (Base: Do not use financial profession to manage equity compensation=95)

# Bay Area residents who receive equity compensation are skeptical about its worth, and a third would prefer a higher salary

## Feelings about Receiving Equity Compensation

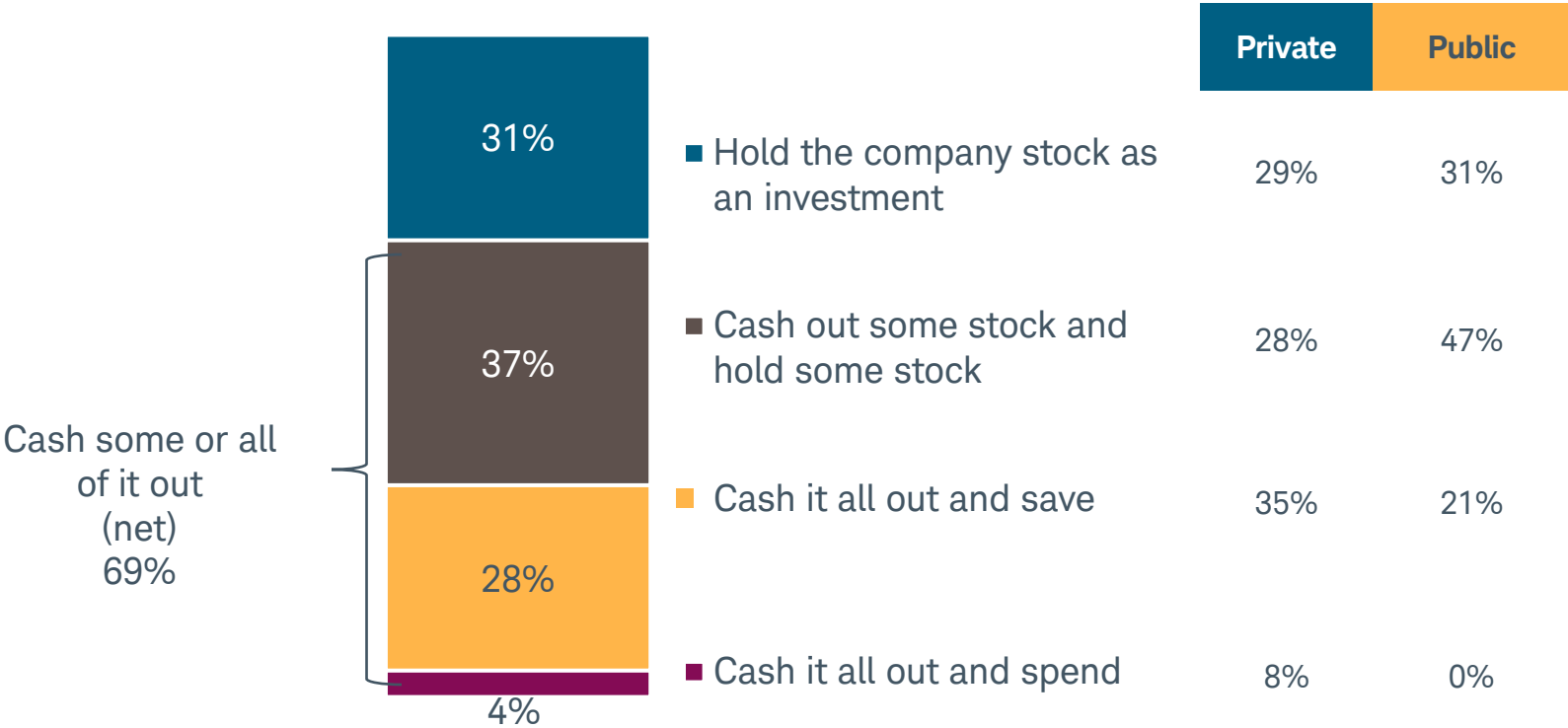
SF Bay Area Residents who receive equity compensation



Q21 Which of the following describes how you think about the equity compensation you receive as a part of your work compensation? (Base: Receive equity compensation as part of work compensation=145)

# When/if equity compensation becomes liquid, most say they will cash some or all of it out

## Action Will Take When/If Equity Compensation Becomes Liquid SF Bay Area Residents who receive equity compensation



Q22 What have you done or think you will do when your equity compensation becomes liquid - that is, when it became or will become available to you? (Base: Receive equity compensation as part of work compensation=145)

Arrows indicate statistically significant differences at the 95% confidence level

# Demographic Profile

# Demographics

	All SF Bay Area Residents (n=1,001)
<b>Gender</b>	
Male	48%
Female	52%
<b>Generation</b>	
Millennials (21-33)	25%
Gen X (34-49)	36%
Boomers (50-68)	33%
Matures (Over 68)	6%
Mean age	45 years old
<b>Education</b>	
High school grad or less	5%
Trade or technical school	3%
Some college	16%
College grad	46%
Post grad	30%

	All SF Bay Area Residents (n=1,001)
<b>Marital Status</b>	
<u>Married/living with partner</u> (Net)	<u>60%</u>
Married	52%
Living with partner	8%
Single	30%
Separated, divorced, widowed	9%
Prefer not to answer	1%
<b>Children</b>	
<u>Have children</u> (Net)	<u>49%</u>
Under age 18	20%
Over age 18	25%
Both over and under age 18	4%
No children	51%
<b>Racial Background</b>	
White/Caucasian	58%
Asian	35%
African American/Black	3%
Other	5%
Prefer not to answer	3%
<b>Hispanic/Latino Background</b>	
Yes	8%
No	92%

# Demographics

	All SF Bay Area Residents (n=1,001)
<b>Employment Status</b>	
<u>Employed</u> (Net)	75%
Full-time	64%
Part-time	11%
Unemployed, looking for work	4%
Homemaker or student, not looking for work	6%
Retired, semi-retired	15%
<b>Industry Working in (among employed)</b>	(n=750)
Technology or Information services	17%
Educational	12%
Professional or business services	12%
Health or Medical Services	11%
Government	8%
Retail	7%
Financial services	5%
Manufacturing	3%
Transportation or utilities	2%
Restaurant or food services	2%
Construction	2%
Leisure and hospitality	1%
Other	18%

	All SF Bay Area Residents (n=1,001)
<b>2015 Household Income</b>	
<\$25K	5%
\$25K to \$49.9K	12%
\$50K to \$74.9K	14%
\$75K to \$99.9K	14%
\$100K to \$149.9K	22%
\$150K or more	23%
Prefer not to answer	10%
Mean	\$115.1K
<b>Total Assets</b>	
<\$25K	15%
\$25K to \$99.9K	19%
\$100K to \$249.9K	11%
\$250K to \$499.9K	10%
\$500K or more	26%
Prefer not to answer	19%
Mean	\$551.6K



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