CHICAGOANS LACK CONFIDENCE IN LOCAL ECONOMY, BUT SEE BRIGHT SPOTS IN JOB AND HOUSING MARKETS
Second annual Charles Schwab survey examines local attitudes on economy and personal finances

Key findings:

- Only 19 percent of Chicago residents think the local economy is becoming more prosperous.
- 65 percent of Chicagoans consider the cost of living in Chicago unreasonable.
- Fewer than one-third of Chicagoans are currently saving and investing.
- 86 percent of Chicagoans believe Chicago is a global business hub.
- Chicagoans believe it takes an average net worth of $2.5 million to be “wealthy.”

CHICAGO, September 24, 2015 — Despite a continued lack of confidence in the local economy, Chicagoans have become more optimistic about the area's job opportunities and housing market and still see their city as a cultural and business hub, according to a second annual survey by Charles Schwab, one of the largest full-service investment firms in the country that has 13 branches in the Chicago metropolitan area.

Of 1,000 Chicago area residents surveyed, only 19 percent believe the local economy is becoming more prosperous, a decline from 25 percent in 2014. Fifty-one percent of Chicagoans believe the local economy is performing about the same as the U.S. economy overall, but nearly one-third (32 percent) thinks it is doing worse.

Chicagoans surveyed cite a number of reasons for their concerns:

- 85 percent believe that crime is hurting the Chicago economy.
- 84 percent feel government debt is weighing on economic growth in the Chicago area.
- 84 percent say Chicago needs to invest in its infrastructure.
- 81 percent believe tax rates are unreasonable.
- Only one in four (27 percent) say local politicians are doing a good job strengthening the local economy.

There are signs of optimism as well, with 55 percent of Chicagoans say there are plenty of job opportunities in the area, versus 42 percent in 2014, and 21 percent believe the local employment picture is one of the best in the country, compared to 13 percent a year earlier. The survey also shows improvement in Chicagoans' opinion of the local real estate market: 56 percent say they feel good about their neighborhood’s property values, up from 51 percent in 2014, and 25 percent view the local housing market as one of the best in the country, compared to 17 percent a year ago.

Chicagoans also see their city as a cultural hub, with 85 percent saying it is one of the best metropolitan areas for food and dining, 80 percent saying it is one of the best for art and culture, and 68 percent giving the city a letter grade of an “A” or “B” as a place that welcomes diversity. Survey respondents also think their city has advantages as a center for business:
50 percent think Chicago is one of the best cities for the technology industry
64 percent give the city an “A” or “B” as a place for young professionals
59 percent give Chicago an “A” or “B” as a place for innovation
57 percent give the city an “A” or “B” as a business-friendly environment for large companies
54 percent give Chicago an “A” or “B” as a place for entrepreneurs

Chicagoans set a high bar on wealth

According to the survey, Chicagoans say it takes an annual income of about $190,000 and a net worth of $660,000 to feel “financially comfortable,” versus an annual income of almost $725,000 and a net worth of $2.5 million to be considered “wealthy.”

Despite this high bar, Schwab’s survey reveals that less than one-third of Chicagoans are currently saving and investing, and a surprising 35 percent said they are not currently building wealth. The survey revealed also finds that only 20 percent of respondents have a financial plan in writing.

Schwab’s Miller notes that proper planning tends to improve an individual’s financial confidence. According to the survey, 85 percent of those who have a written plan report feeling confident about reaching their financial goals. In comparison only 41 percent of those who don’t have a financial plan percent feel confident about achieving their financial goals.

Living in Chicago: A Tale of Two Cities

When asked about the area’s most prominent local characteristics, Chicagoans point first to the city’s arts and culture--theaters, operas, and museums (85 percent), their sports fanaticism (85 percent), and the city’s outstanding architecture (80 percent).

However, residents believe outsiders consider Chicago as a place for affordable real estate (70 percent), high quality of life at a reasonable cost (69 percent), and a commitment to clean energy (59 percent).
About the survey

The online survey was conducted by Koski Research from July 21 to July 31, 2015 among 1,002 Chicagoans aged 21 to 75. The geographical area of the sample included all the Illinois counties in the Chicago Metropolitan Statistical Area. Quotas were set based on population statistics for Cook County, counties contiguous to Cook County and counties not contiguous to Cook County. The margin of error for the total survey sample is three percentage points.

About Charles Schwab

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