

CHARLES SCHWAB HIGH NET WORTH INVESTOR SURVEY

DECEMBER 2024

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SCHWAB

Own your tomorrow.

Methodology



This is an online study conducted for Charles Schwab by Logica Research. Logica Research is neither affiliated with, nor employed by, Charles Schwab & Co., Inc.



The online study was conducted from August 8th to September 2nd, 2024



- 1,005 wealthy Americans with \$1M+ in investable assets
 - 900 high net worth investors with \$1M+ in investable assets
 - 105 ultra high net worth investors with \$10M+ in investable assets



- Generational definitions
 - Millennials: Ages 27-42
 - Gen X: Ages 43-58
 - Boomers: Ages 59-76

Almost all wealthy Americans plan to gift, donate, or pass on wealth.

Planning to pass on wealth



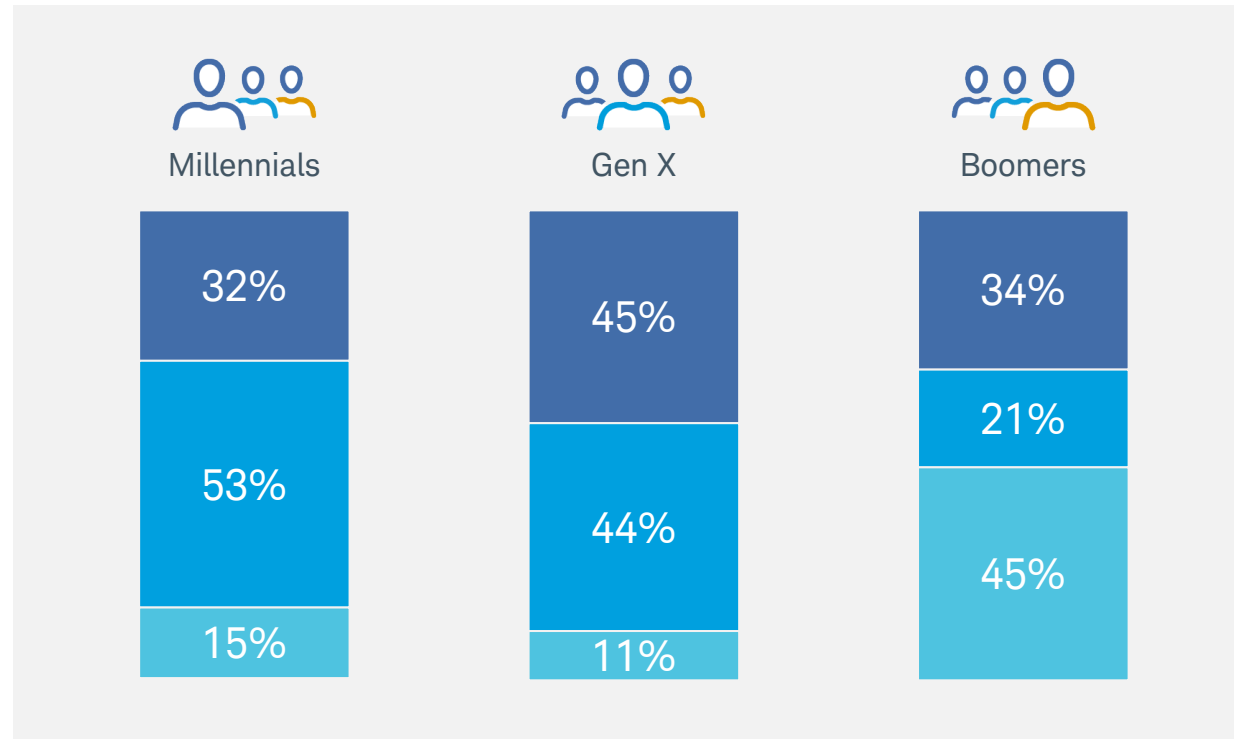
97%

Plan to gift, donate, or
pass on money /
assets

Q.6: Do you expect to gift, donate, or pass on any of the following either during your lifetime or after you pass?
(Base: Total = 1,005)

Wealthy Americans are split on whether to transfer their wealth after they pass away, share it while still living, or use it for their own enjoyment.

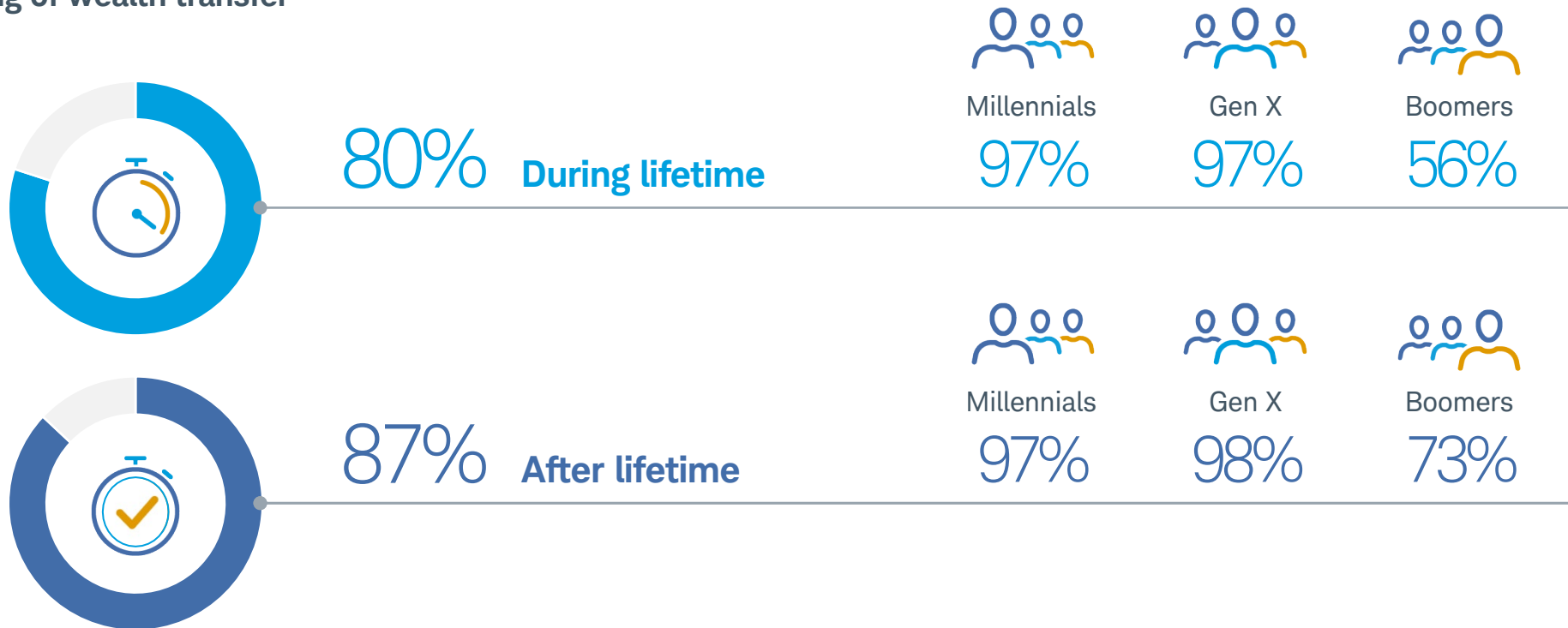
Preferences for timing of wealth transfer



Q.5: Which of these best describes you?
(Base: Total = 1,005; HNW Millennials = 120, HNW Gen X = 475, HNW Boomers = 342)

Most wealthy Americans plan to share their wealth both during and after their lifetime, though Boomers are more likely to wait until after they pass away.

Plans for timing of wealth transfer

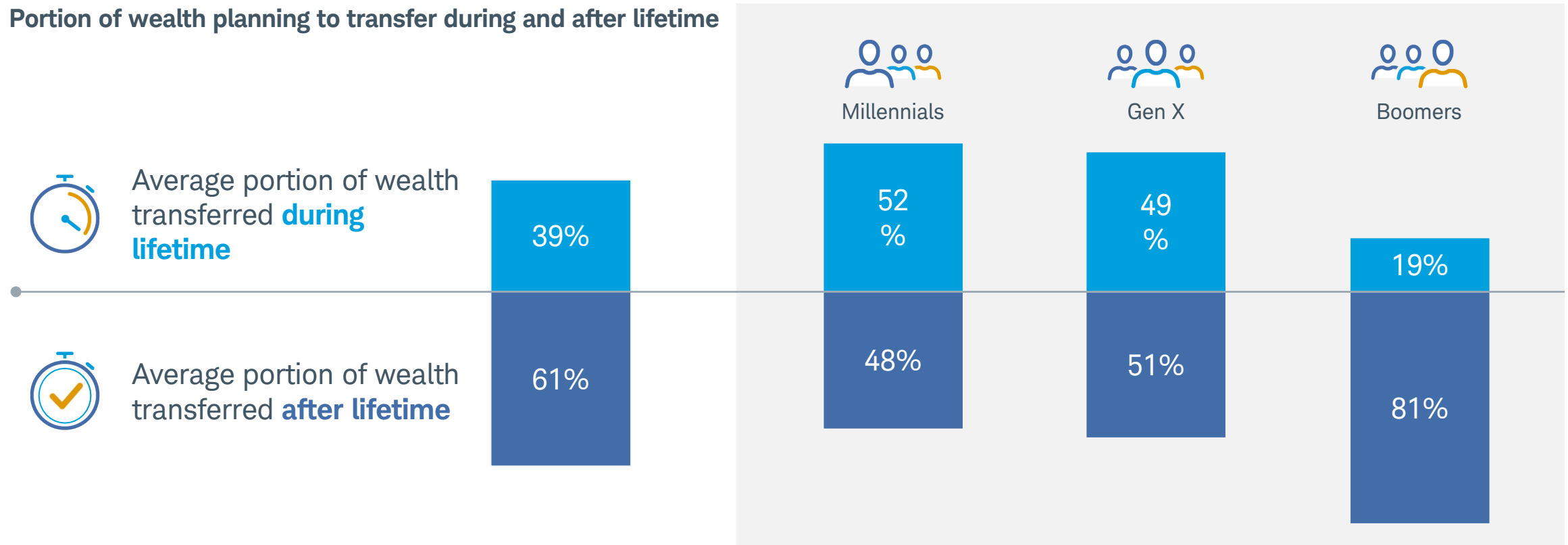


Q.10: What percentage of your money and/or assets do you plan to give away or pass on...?

(Base: Those who plan to gift, donate, or pass on money/assets = 970; HNW Millennials = 116, HNW Gen X = 465, HNW Boomers = 327)

Younger wealthy Americans plan to share half of their wealth during their lives, while wealthy Boomers intend to share most of their wealth after they pass away.

Portion of wealth planning to transfer during and after lifetime

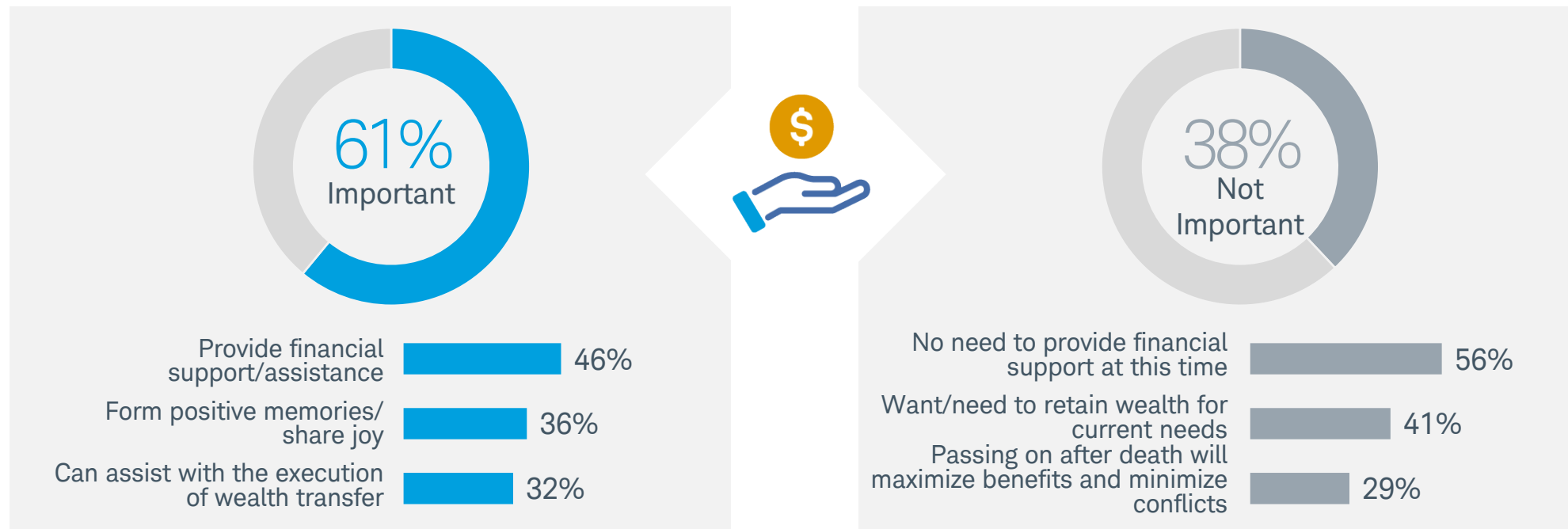


Q.10: What percentage of your money and/or assets do you plan to give away or pass on...?

(Base: Those who plan to gift, donate, or pass on money/assets = 970; HNW Millennials = 116, HNW Gen X = 465, HNW Boomers = 327)

Wealthy Americans who say its important to pass on wealth during their lifetime say it's to provide financial support and share joy.

Importance of passing on wealth during lifetime



Q.11: How important is it to you to pass on money and/or assets during your lifetime and why? If this is not important to you, please tell us why.

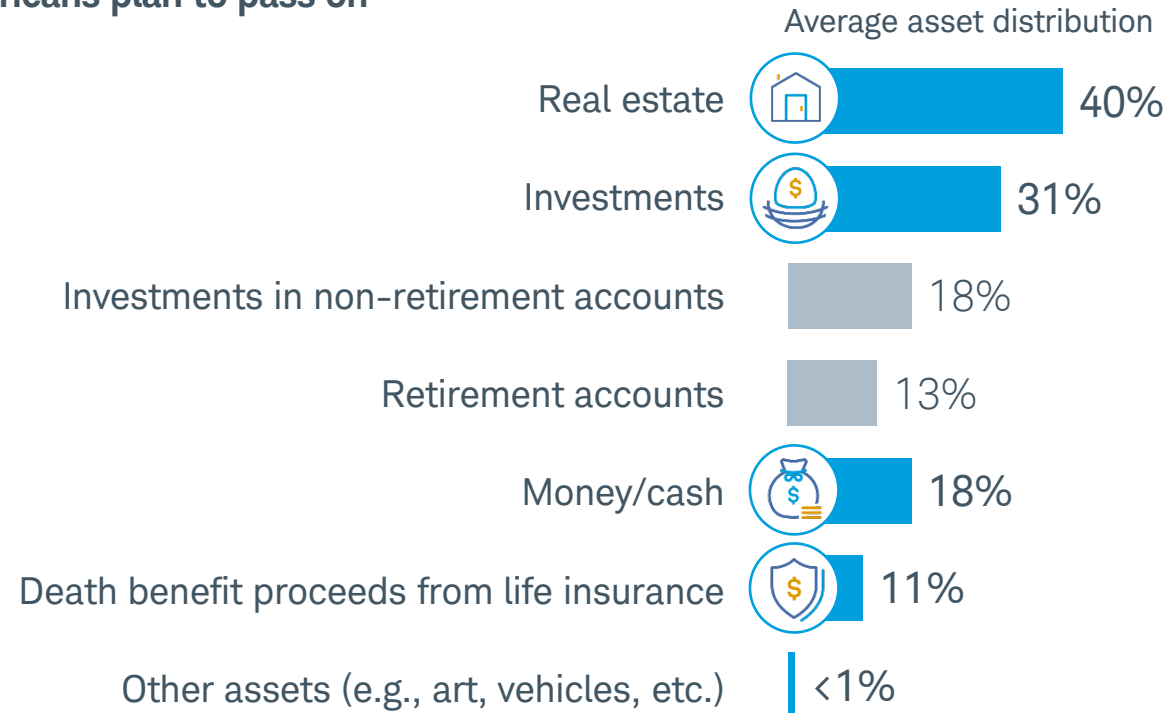
(Base: Total = 1,005; Those who say it is important to pass on wealth during their lifetime = 615; Those who say it is not important to pass on wealth during their lifetime = 383)

On average, wealthy Americans intend to pass on \$4.1 million in value.

Average value of assets wealthy Americans plan to pass on










\$4.1M
Average value
of wealth
transfer



Q.7: For each of the following, what is the approximate value of what you expect to gift, donate, or pass on? Your best guess is fine.
(Base: Those who plan to gift, donate, or pass on money/assets = 970)

Highest value assets transferred will be in the form of real estate and investments.

Average value of assets wealthy Americans plan to pass on

		 Millennials	 Gen X	 Boomers
Average value of wealth transfer	\$4.1M	\$4.7M	\$4.8M	\$3.1M
Real estate 	\$1.6M	\$2.2M	\$2.5M	\$750,000
Investments 	\$1.3M	\$770,000	\$780,000	\$1.6M
Investments in non-retirement accounts	\$720,000	\$400,000	\$560,000	\$800,000
Retirement accounts	\$530,000	\$380,000	\$220,000	\$780,000
Money/cash 	\$740,000	\$1.0M	\$830,000	\$550,000
Death benefit proceeds from life insurance 	\$440,000	\$670,000	\$710,000	\$170,000

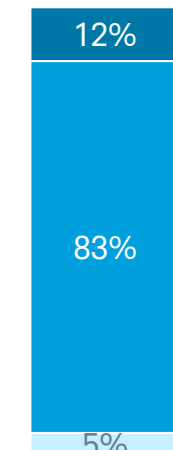
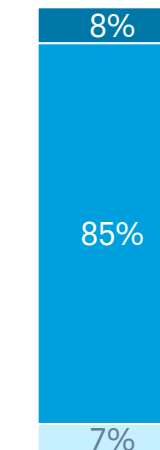
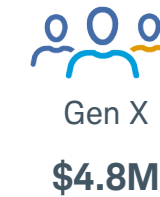
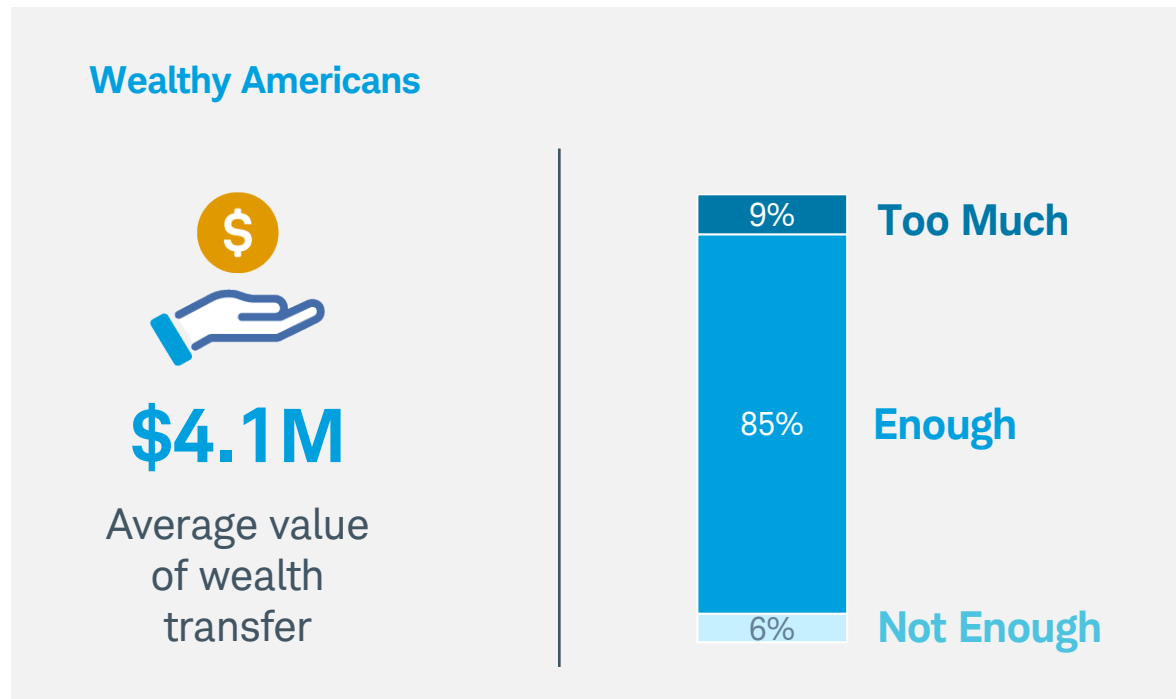
Base size for other assets (e.g., art, vehicles, etc.) too low to report.

Q.7: For each of the following, what is the approximate value of what you expect to gift, donate, or pass on? Your best guess is fine.

(Base: Those who plan to gift, donate, or pass on money/assets = 970; HNW Millennials = 116, HNW Gen X = 465, HNW Boomers = 327)

The vast majority of wealthy Americans feel they are passing on the right amount of value.

Assessment of the value of wealth transfer



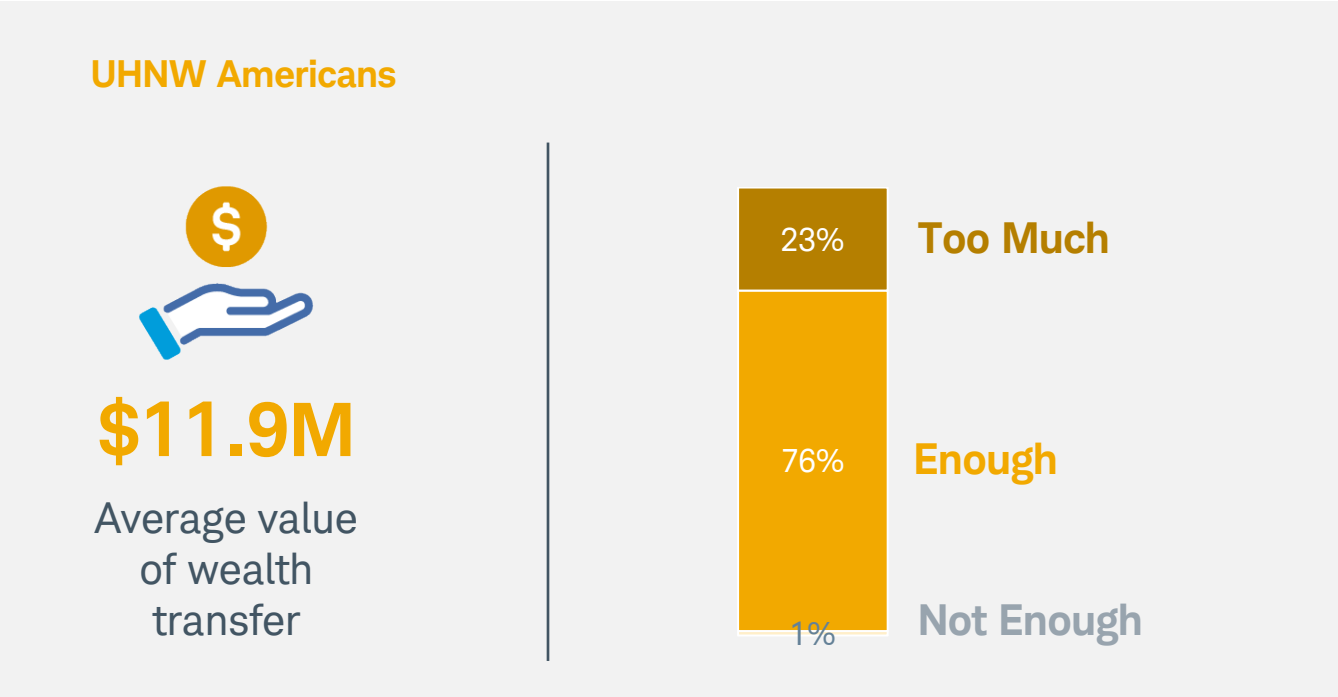
Q.7: For each of the following, what is the approximate value of what you expect to gift, donate, or pass on? Your best guess is fine.

Q.9: Which of these best describes how you feel about the amount you plan to gift, donate, or pass on?

(Base: Those who plan to gift, donate, or pass on money/assets = 970; HNW Millennials = 116, HNW Gen X = 465, HNW Boomers = 327)

On average, UHNW Americans plan to transfer nearly \$12 million in value and close to a quarter worry they are passing on too much wealth.

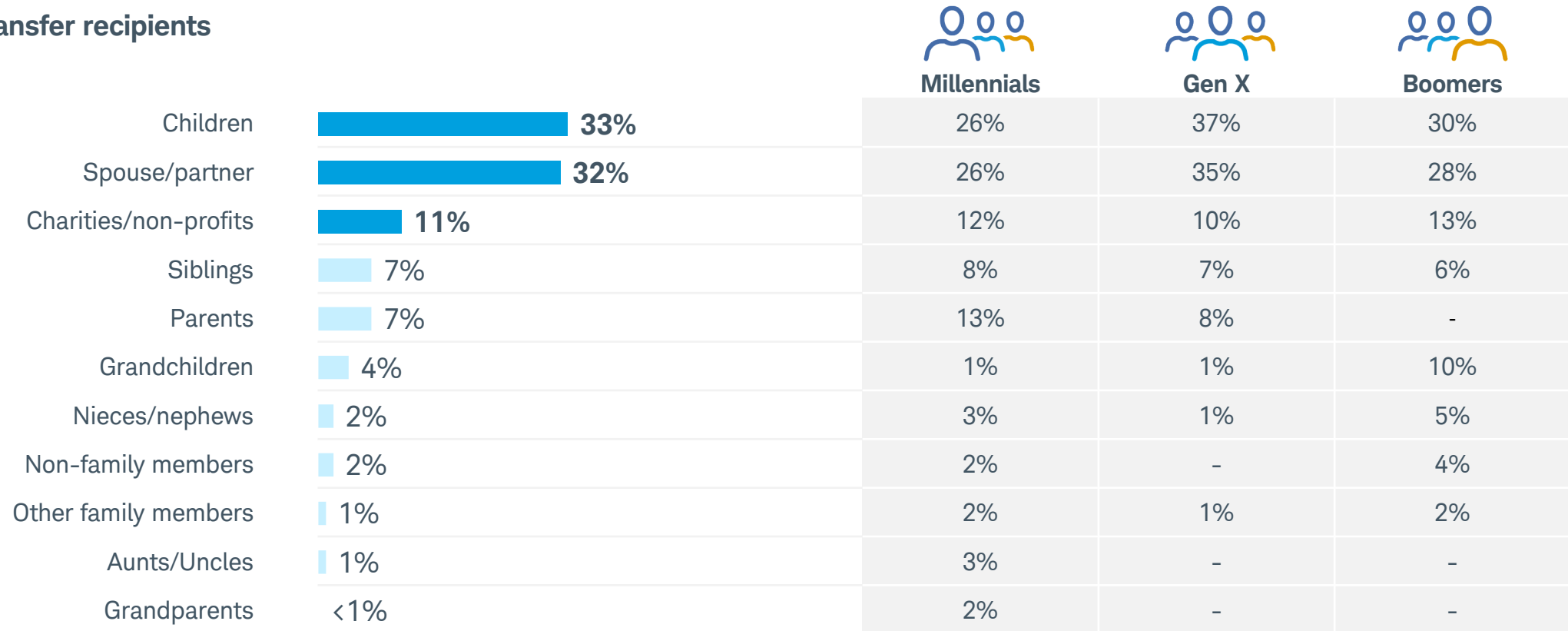
Assessment of the value of wealth transfer



Q.7: For each of the following, what is the approximate value of what you expect to gift, donate, or pass on? Your best guess is fine.
Q.9: Which of these best describes how you feel about the amount you plan to gift, donate, or pass on?
(Base: Those who plan to gift, donate, or pass on money/assets; UHNW Americans = 102)

The most common recipients of wealthy Americans' wealth transfer are spouses/partners, children, and charities.

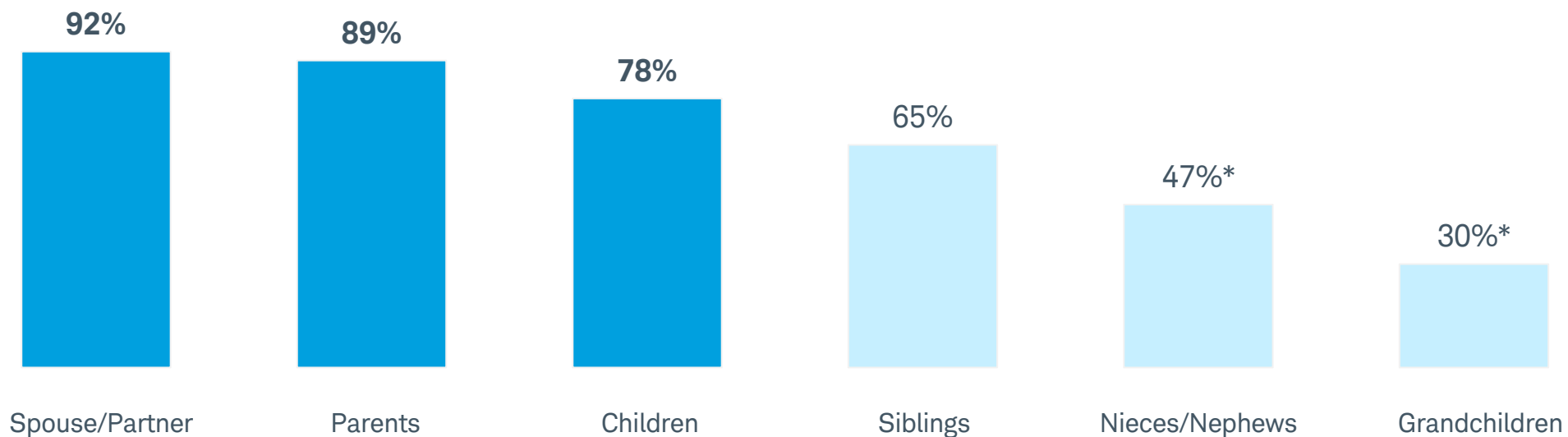
Wealth transfer recipients



Q.12: What percentage of the money and/or assets that you plan to give away or pass on will go to each of the following recipients (either during or after your lifetime)?
 (Base: Those who plan to gift, donate, or pass on money/assets = 970; HNW Millennials = 116, HNW Gen X = 465, HNW Boomers = 327)

Most wealthy Americans have already communicated with planned wealth transfer recipients, especially their direct family members.

Wealth transfer recipients whom wealthy Americans have communicated with



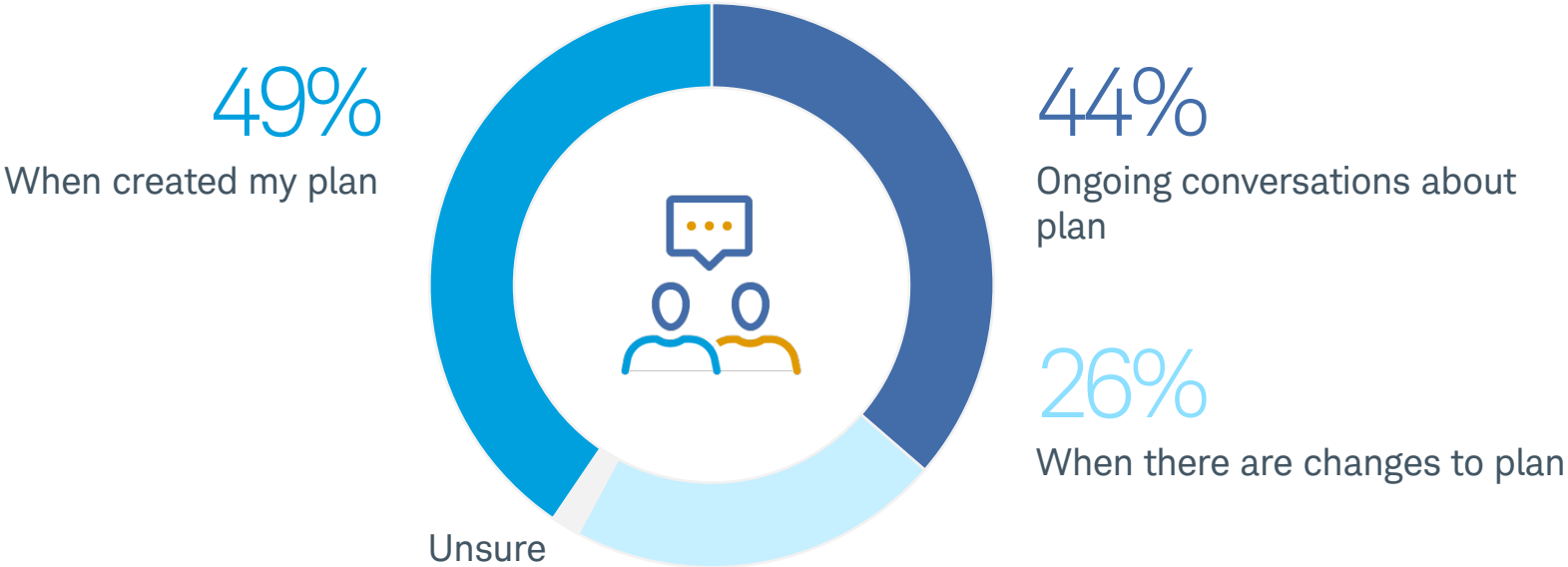
Q.16: Have you communicated with the recipients you plan to pass money and/or assets to? < Summary of A lot/Some >

(Base: Those who plan to gift, donate, or pass on money/assets to their: Spouse/Partner = 713, Parents = 147, Children = 739, Siblings = 147, Nieces/Nephews = 55*, Grandchildren = 90*)

(*Low data sample size, findings may not be representative)

Most wealthy Americans communicate with wealth recipients as part of their planning process or on an ongoing basis.

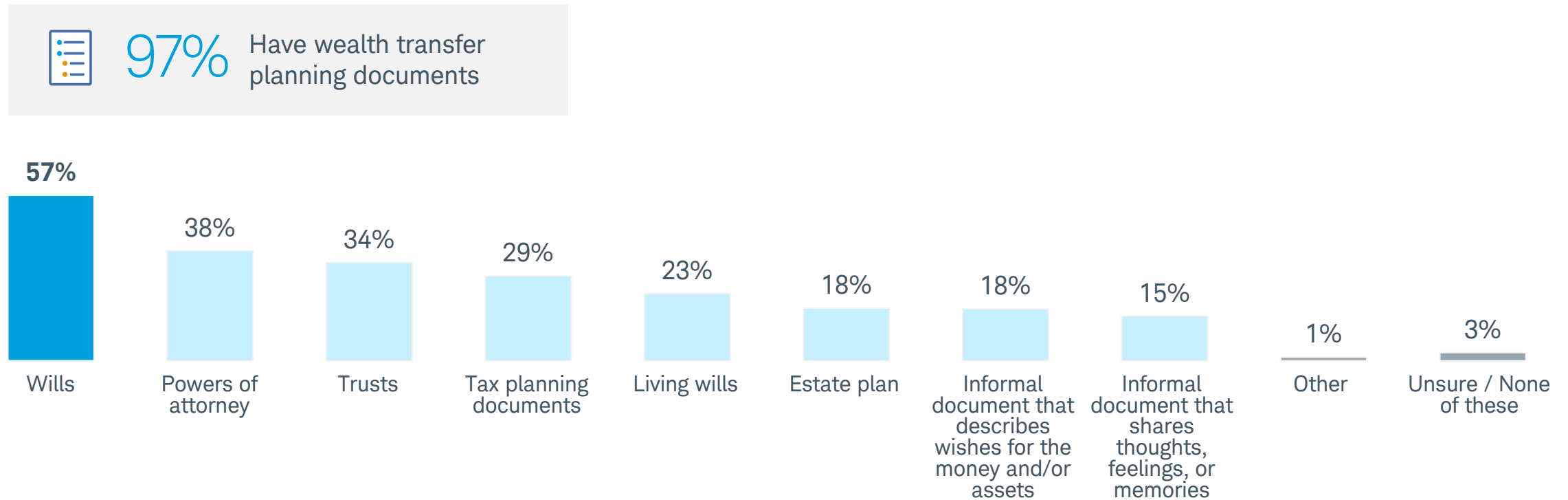
When wealthy Americans communicated with wealth transfer recipients



Q.17: When have you communicated with recipients?
(Base: Those who have communicated with the recipients of their wealth transfer = 842)

Most wealthy Americans have documents in place to facilitate their wealth transfer, but only one in five have an estate plan.

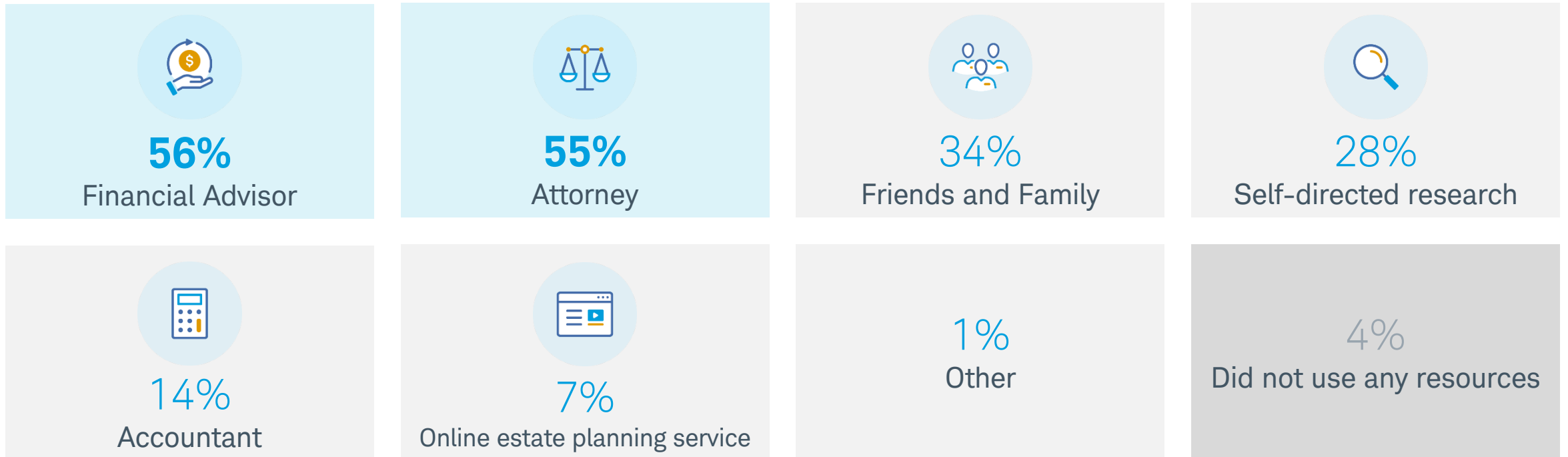
Documents in place to facilitate transfer of wealth



Q.21: What documents do you currently have in place to help with the transfer of your money and/or assets?
(Base: Those who plan to gift, donate, or pass on money/assets = 970)

More than half of wealthy Americans work with financial advisors or attorneys to help with wealth transfer planning.

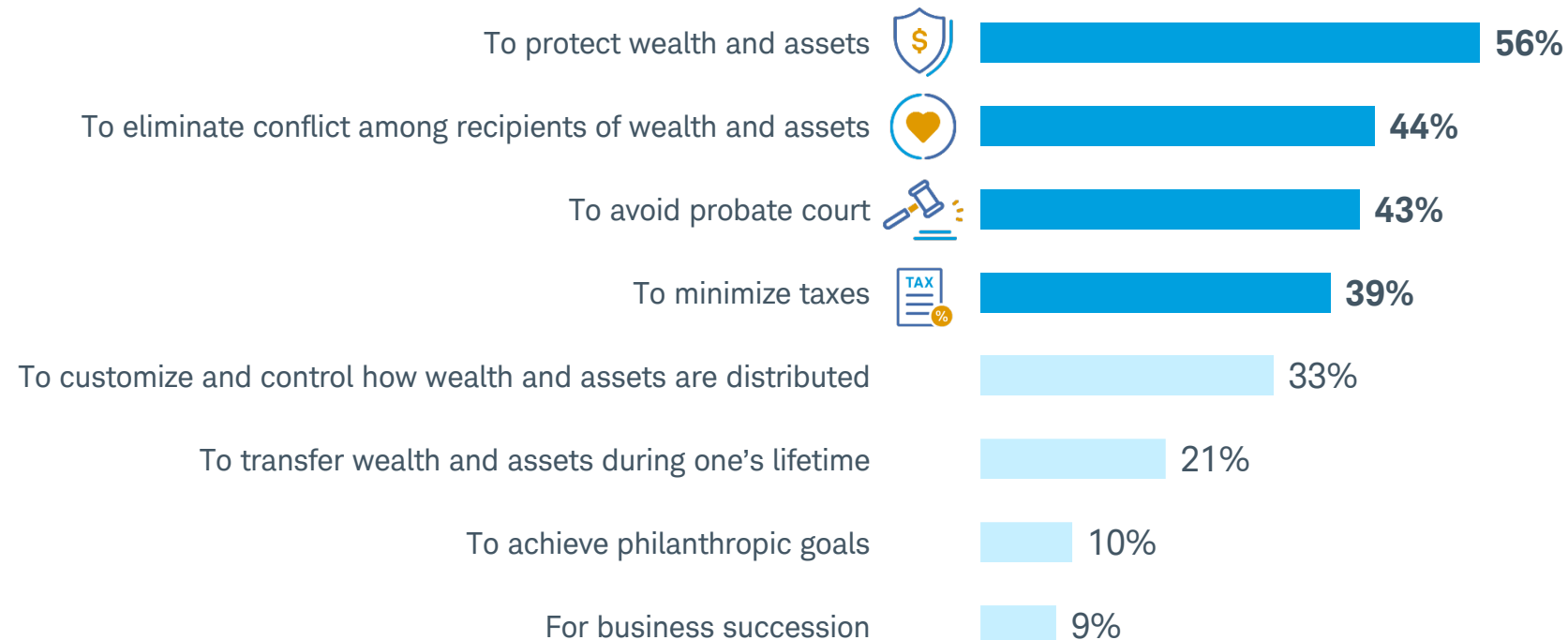
Resources used to create wealth transfer plan



Q.28: Which of the following resources did you use when creating your plan to pass on money and/or assets?
(Base: Those with planning documents = 943)

Wealthy Americans say the top reasons to create a formal wealth transfer plan are to protect assets, eliminate conflicts, avoid probate court, and minimize taxes.

Reasons to build a comprehensive wealth transfer plan

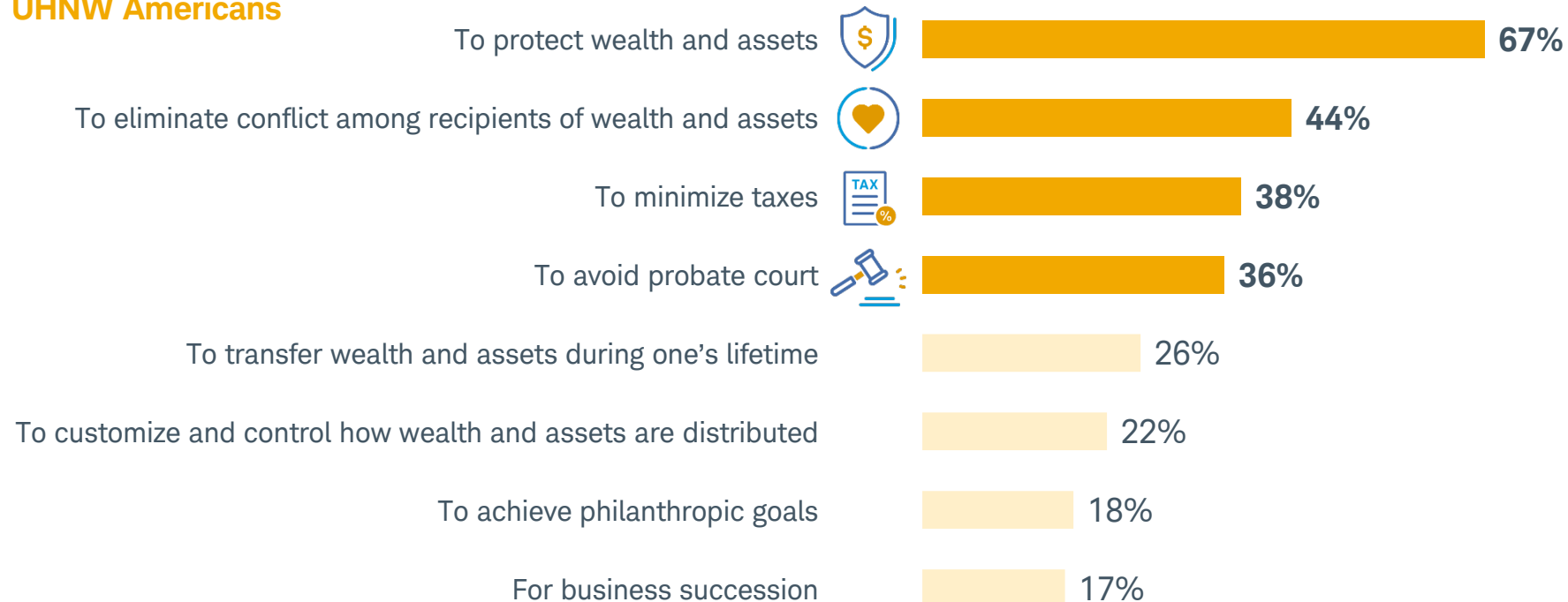


Q.30: Which of the following are reasons why someone should build a comprehensive plan, such as an estate plan, to pass on money and/or assets?
(Base: Total = 1,005)

Two-thirds of UHNW Americans cite protecting wealth and assets as the top reason to create a comprehensive wealth transfer plan.

Reasons to build a comprehensive wealth transfer plan

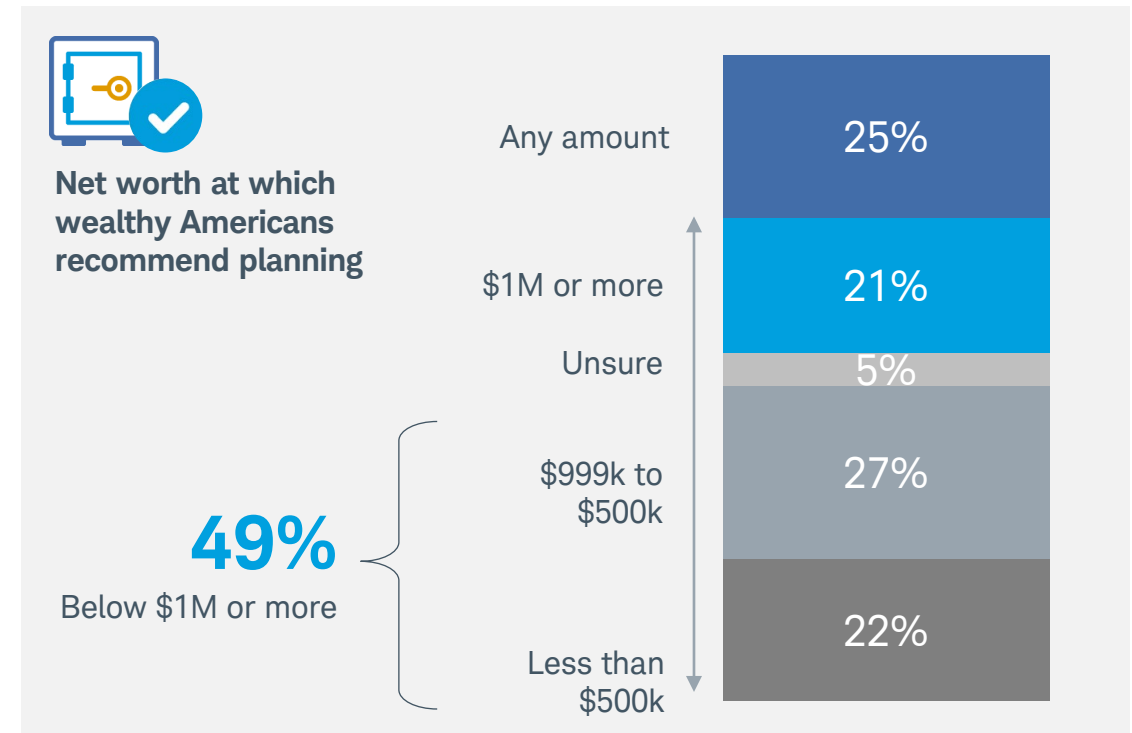
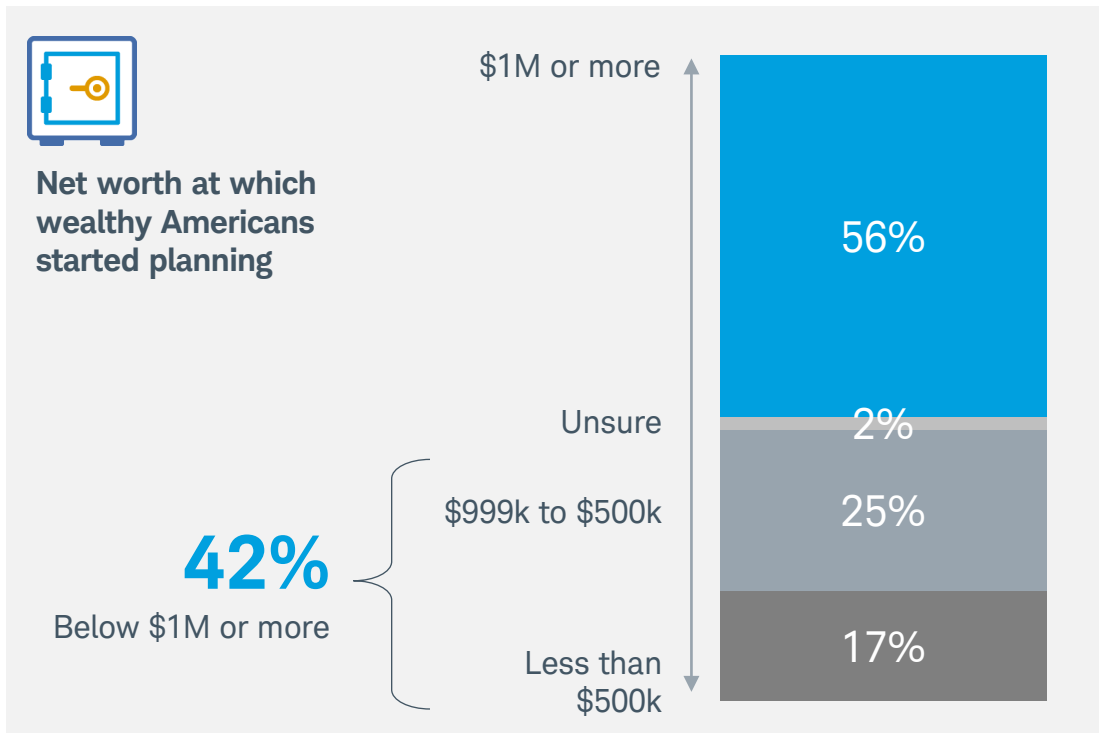
UHNW Americans



Q.30: Which of the following are reasons why someone should build a comprehensive plan, such as an estate plan, to pass on money and/or assets?
(Base: UHNW Americans = 105)

Over half of wealthy Americans started planning their wealth transfer at a net worth of \$1 million or more, although nearly half agree that planning should begin before that.

Net worth to begin planning for wealth transfer

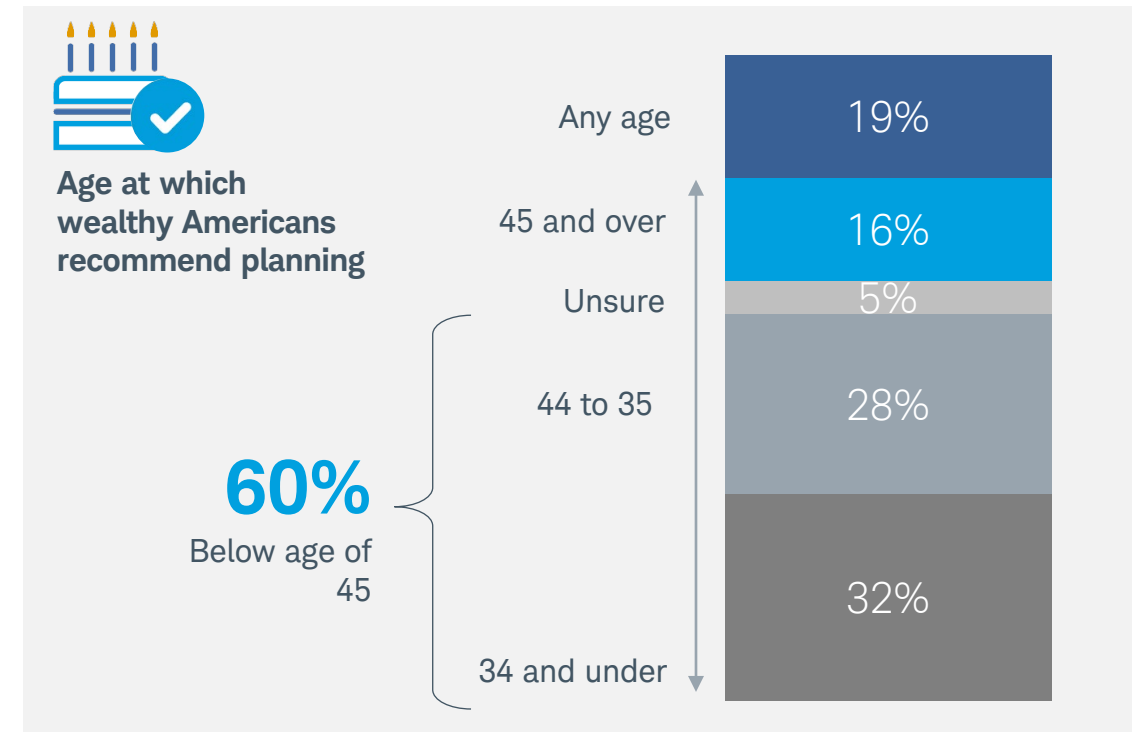
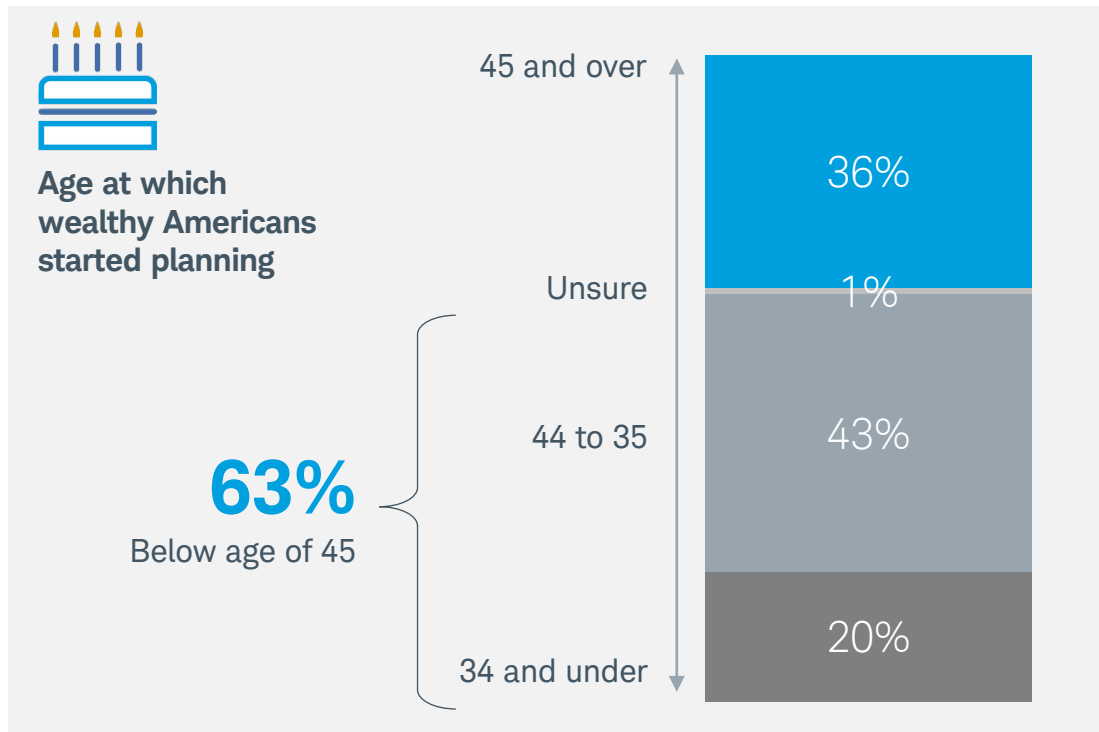


Q.22: What level of money and assets, or net worth, should someone have in order to start planning passing on their money and/or assets? (Base: Total = 1,005)

Q.23: What level of money and assets, or net worth, did you have when you started formally planning to pass on your money and/or assets? (Base: Those with planning documents = 943)

Most wealthy Americans began planning their wealth transfer before the age of 45 and recommend others do the same.

Age to begin planning for wealth transfer

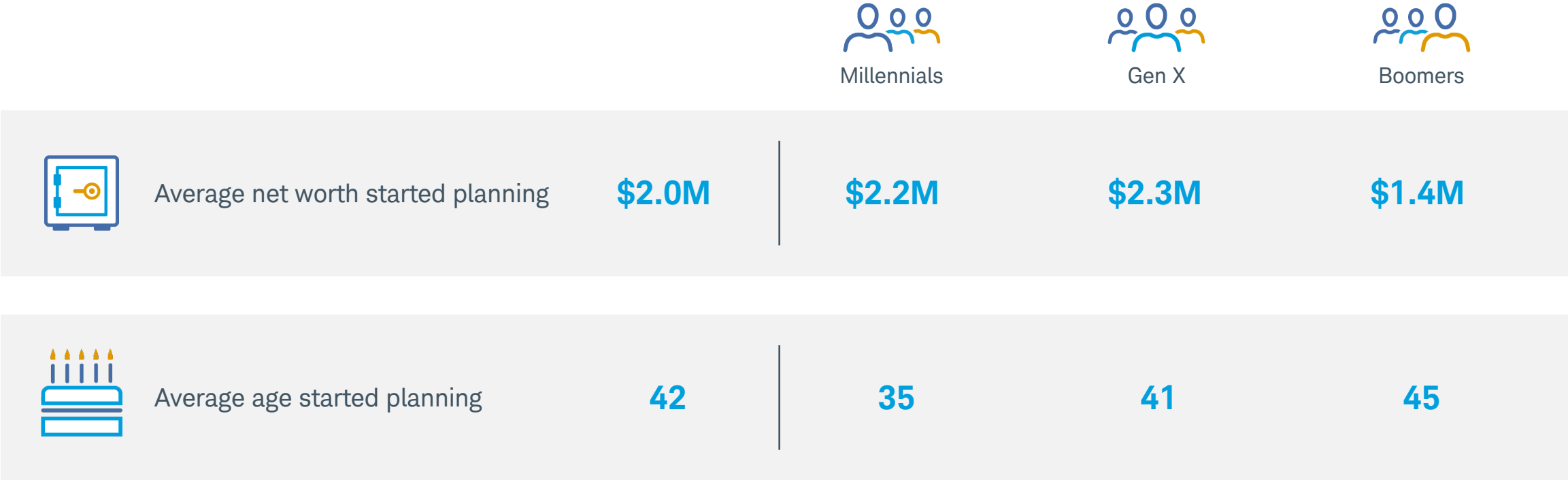


Q.24: How old does someone need to be in order to create a plan to pass on money and/or assets? (Base: Total = 1,005)

Q.25: How old were you when you first created your plan to pass on money and/or assets? (Base: Those with planning documents = 943)

Younger wealthy Americans began planning at a higher net worth but lower age than wealthy Boomers.

Average net worth and age began planning for wealth transfer



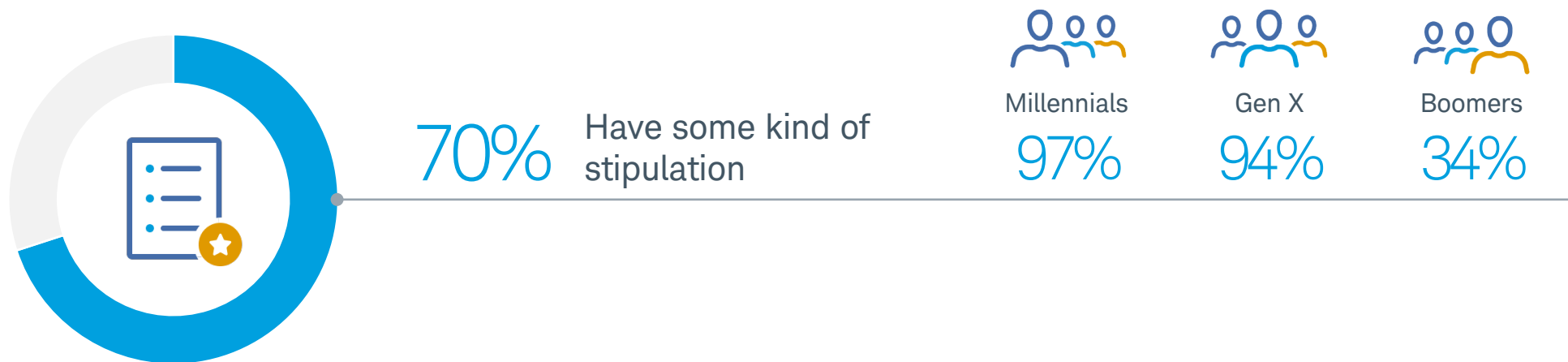
Q.23: What level of money and assets, or net worth, did you have when you started formally planning to pass on your money and/or assets?

Q.25: How old were you when you first created your plan to pass on money and/or assets?

(Base: Those with planning documents = 943; HNW Millennials = 115, HNW Gen X = 459, HNW Boomers = 309)

Stipulations are common in wealthy Americans' wealth transfer plans, especially among younger wealthy Americans.

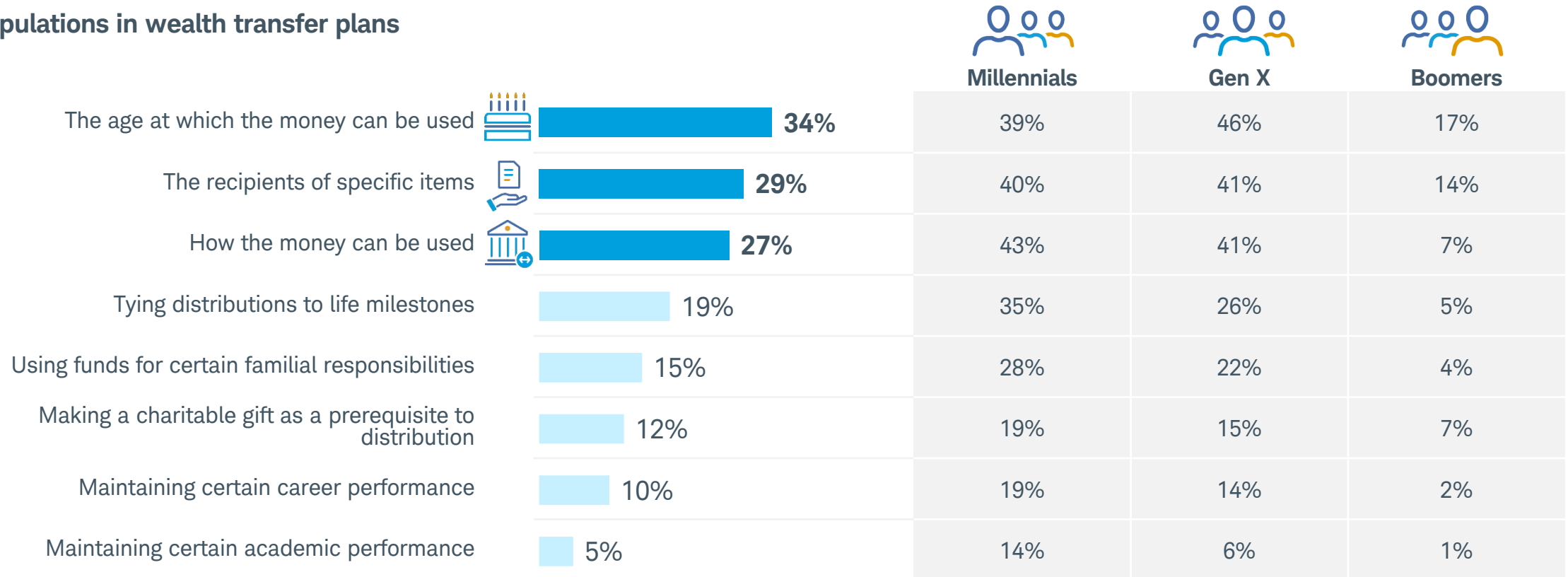
Stipulations in wealth transfer plans



Q.34: Which of the following, if any, stipulations do you currently have or plan to have in place for the money and/or assets you plan to pass on?
(Base: Those who plan to gift, donate, or pass on money/assets = 970; HNW Millennials = 116, HNW Gen X = 465, HNW Boomers = 327)

Wealthy Americans' wealth transfer stipulations are primarily focused on age money can be used but also touch on how money can be used.

Stipulations in wealth transfer plans

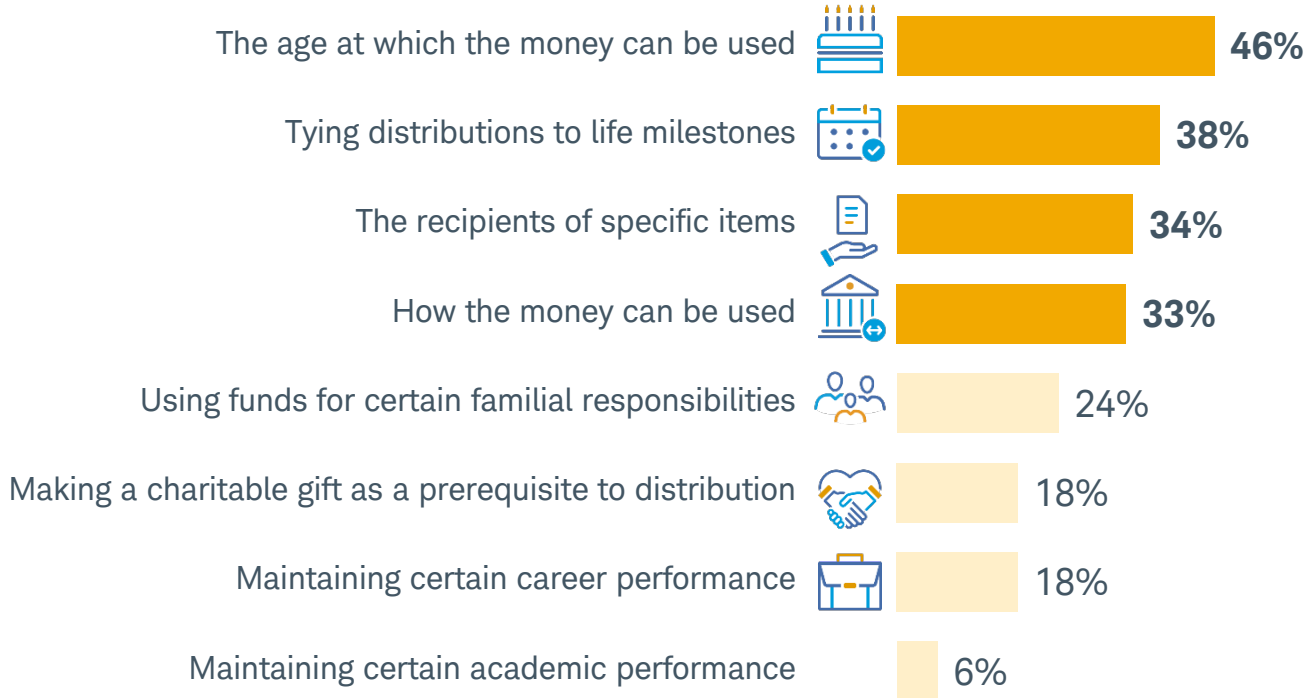


Q.34: Which of the following, if any, stipulations do you currently have or plan to have in place for the money and/or assets you plan to pass on?
 (Base: Those who plan to gift, donate, or pass on money/assets = 970)

Nine in 10 UHNW Americans stipulate how their wealth can be used, and they often have stricter guidelines than those with less wealth.

Stipulations in wealth transfer plans

UHNW Americans

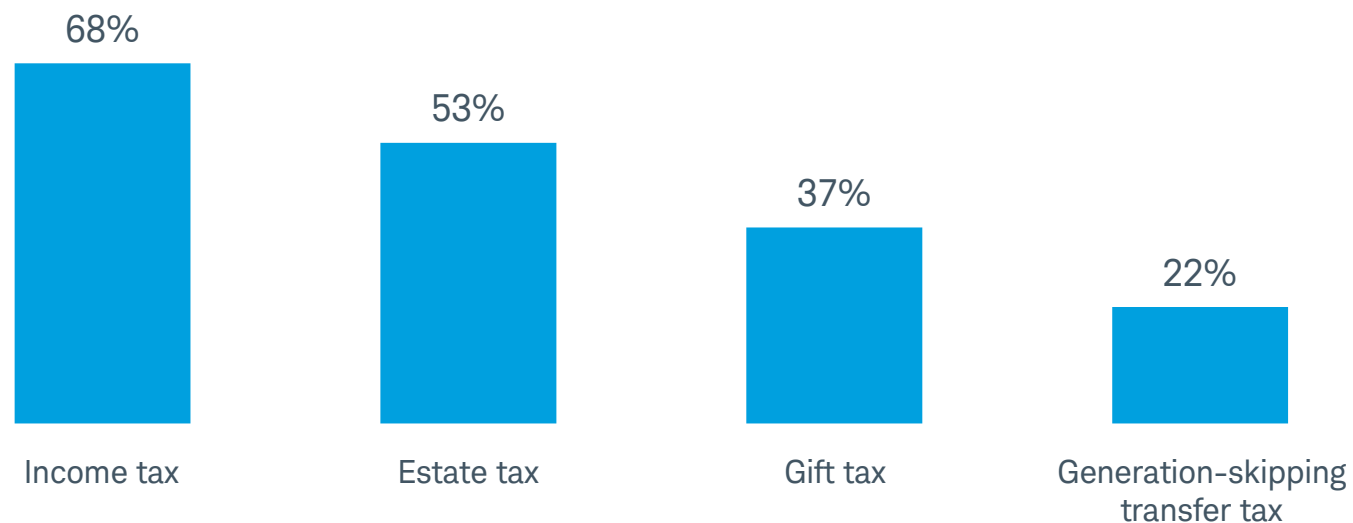


Q.34: Which of the following, if any, stipulations do you currently have or plan to have in place for the money and/or assets you plan to pass on?
(Base: UHNW Americans who plan to gift, donate, or pass on money/assets = 102)

Wealthy Americans are most familiar with the wealth transfer tax implications of income and estate taxes.

Knowledge about tax implications of passing on wealth

% Very knowledgeable



Q.31: How would you describe your knowledge of the following tax implications involved in passing on money and/or assets?
(Base: Total = 1005)

Disclosures

About Schwab's High Net Worth Investor Survey

The online survey was conducted by Logica Research from August 8, 2024, to September 2, 2024, among a national sample of 1,005 wealthy Americans with \$1 million or more in investable assets, including 105 UHNW investors with \$10 million or more in investable assets. All respondents were aged 18 or over.

About Charles Schwab

The Charles Schwab Corporation (NYSE: SCHW) is a leading provider of financial services, with 36.1 million active brokerage accounts, 5.4 million workplace plan participant accounts, 2.0 million banking accounts, and \$9.85 trillion in client assets as of October 31, 2024. Through its operating subsidiaries, the company provides a full range of wealth management, securities brokerage, banking, asset management, custody, and financial advisory services to individual investors and independent investment advisors. Its broker-dealer subsidiary, Charles Schwab & Co., Inc. (member SIPC, <https://www.sipc.org>), and its 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; referrals to independent, fee-based investment advisors; and custodial, operational and trading support for independent, fee-based investment advisors through Schwab Advisor Services. Its primary banking subsidiary, Charles Schwab Bank, SSB (member FDIC and an Equal Housing Lender), provides banking and lending services and products.

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