

ABOUT SCHWAB'S MODERN WEALTH SURVEY

Schwab's Modern Wealth Survey is an annual examination of how Americans think about saving, spending, investing and wealth. The online survey was conducted by Logica Research from February 3 to February 21, 2021.

AMERICANS READY TO RESET THE 20s

As vaccination rates rise and restrictions ease, Boston residents feel optimistic about the United States overall. Boston residents are the most confident about:

- U.S. technological innovation (80%)
- U.S. stock market (61%)
- U.S. healthcare system (59%)
- U.S. as a global economic power (56%)
- U.S. economy (53%)
- U.S. job market (52%)

As the city begins to reopen, 44% of Boston residents look to get back to living the way they did before the COVID-19 pandemic, and 21% plan to splurge to make up for lost time.

Boston residents dream most about traveling (48%) and socializing (35%), with many planning to splurge on:

- Jetting off on a vacation (33%)
- Dining out at a fancy restaurant (17%)
- Hosting a party (17%)

SPENDING VERSUS SAVING

Nearly two-thirds (64%) of Boston residents surveyed say they were savers in 2020, as opposed to spenders. Hoping to double down on new savings habits in post-COVID life, 84% of Boston residents plan to be bigger savers than spenders in the year ahead.

Specifically, Boston residents plan to do the following after the pandemic has subsided:

- Save more in general (50%)
- Reduce total debt (38%)
- Build an emergency fund (29%)
- Invest more in the stock market (19%)

When it comes to their portfolios, Boston investors take a measured approach:

- Consider emotional and financial risk tolerance when investing (63%)
- Invest to increase savings in case of an emergency (63%)

RECALIBRATING PRIORITIES

The financial stress imposed on all Americans, including Boston residents, is clear. According to Schwab's survey, more than half of Bostonians (56%) were financially impacted over the past year:

- The economic environment strained their finances (32%)
- They faced a salary cut or reduced hours (28%)
- They were laid off or furloughed (28%)

Almost three-fourths (72%) of Boston residents have reprioritized what matters most to them due to COVID-19. What's more important now?

- Mental health (73%)
- Financial health (53%)
- Relationships (53%)
- Physical health (45%)

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BOSTON AREA

WHAT IT TAKES TO BE WEALTHY AND FINANCIALLY HAPPY IN BOSTON

While refocusing their priorities, residents of Boston have also revised their perspectives on what it takes to be wealthy.

	2020	2021
Average net worth it takes to be “wealthy”	\$2.3 million	\$2.8 million
Average net worth needed for “financial happiness”	\$1.4 million	\$1.4 million
Average net worth it takes to be “financially comfortable”	\$872,000	\$1.1 million

PLANNING FOR THE FUTURE

As Boston residents look beyond the pandemic and think about their futures, Schwab’s survey shows that 43% of Bostonians who have a written financial plan feel “very confident” about reaching their financial goals, while 14% of those without a plan feel the same level of certainty.

Those with a plan also maintain healthier money habits when it comes to saving and investing:

	Planners	Non-Planners
Feel financially stable	67%	42%
Have an emergency fund	64%	45%
Consider risk tolerance when investing	77%	57%
Aware of fees and investment costs	78%	46%
Regularly rebalance portfolio	89%	58%

Despite the benefits of planning, Schwab’s survey shows only a third (30%) of Bostonians have a financial plan in writing. Among those without a written plan:

- 39% don’t think they have enough money to merit a formal plan
- 22% say it’s too complicated
- 14% say they don’t have enough time to develop one

About the Survey

The online survey was conducted by Logica Research from February 3 to February 21, 2021, among a sample of 500 Boston residents aged 21 to 75. The geographical area of the sample is defined by the Boston–Cambridge–Newton, MA–NH Metropolitan Statistical Area. Quotas were set to balance the sample on key demographic variables. Supporting documentation for any claims or statistical information is available upon request.

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(0521-1TDH)