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 2 to February 16, 2021.

AMERICANS READY TO RESET THE 20s
As vaccination rates rise and restrictions ease, Los Angeles and Orange County residents feel optimistic about the United States overall. They are the most confident about:
- U.S. technological innovation (77%)
- U.S. stock market (64%)
- U.S. healthcare system (59%)
- U.S. as a global economic power (57%)
- U.S. economy (53%)
- U.S. job market (52%)

As the city begins to reopen, 45% of LA/OC residents look to get back to living the way they did before the COVID-19 pandemic, and 25% plan to splurge to make up for lost time.

LA/OC residents dream most about traveling (42%) and socializing (38%), with many planning to splurge on:
- Jetting off on a vacation (25%)
- Dining out at a fancy restaurant (22%)
- Hosting a party (18%)

SPENDING VERSUS SAVING
Over two-thirds (67%) of LA/OC residents surveyed say they were savers in 2020, as opposed to spenders. Hoping to double down on new savings habits in post-COVID life, 79% of them plan to be bigger savers than spenders in the year ahead.

Specifically, LA/OC residents plan to do the following after the pandemic has subsided:
- Save more in general (47%)
- Reduce total debt (34%)
- Build an emergency fund (31%)
- Invest more in the stock market (21%)

When it comes to their portfolios, LA/OC investors take a measured approach:
- Consider emotional and financial risk tolerance when investing (68%)
- Increase my savings in case of an emergency (54%)

RECALIBRATING PRIORITIES
The financial stress imposed on all Americans, including LA and OC residents, is clear. According to Schwab’s survey, more than half of LA/OC residents (53%) were financially impacted over the past year:
- The current environment strained their finances (30%)
- They faced a salary cut or reduced hours (27%)
- They were laid off or furloughed (22%)

Nearly three-fourths (73%) of LA/OC residents have reprioritized what matters most to them due to COVID-19. What’s more important now?
- Mental health (66%)
- Relationships (57%)
- Financial health (53%)
- Physical health (51%)
WHAT IT TAKES TO BE WEALTHY AND FINANCIALLY HAPPY IN LOS ANGELES

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

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2021</th>
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</thead>
<tbody>
<tr>
<td>Average net worth it takes to be “wealthy”</td>
<td>$3 million</td>
<td>$3 million</td>
</tr>
<tr>
<td>Average net worth needed for “financial happiness”</td>
<td>$1.9 million</td>
<td>$1.6 million</td>
</tr>
<tr>
<td>Average net worth it takes to be “financially comfortable”</td>
<td>$938,000</td>
<td>$1.2 million</td>
</tr>
</tbody>
</table>

PLANNING FOR THE FUTURE

As LA/OC residents look beyond the pandemic and think about their futures, Schwab’s survey shows that 55% of them who have a written financial plan feel “very confident” about reaching their financial goals, while only 19% 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:

<table>
<thead>
<tr>
<th></th>
<th>Planners</th>
<th>Non-Planners</th>
</tr>
</thead>
<tbody>
<tr>
<td>Feel financially stable</td>
<td>69%</td>
<td>43%</td>
</tr>
<tr>
<td>Have an emergency fund</td>
<td>68%</td>
<td>41%</td>
</tr>
<tr>
<td>Consider risk tolerance when investing</td>
<td>78%</td>
<td>59%</td>
</tr>
<tr>
<td>Aware of fees and investment costs</td>
<td>76%</td>
<td>49%</td>
</tr>
<tr>
<td>Regularly rebalance portfolio</td>
<td>86%</td>
<td>58%</td>
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</table>

Despite the benefits of planning, Schwab’s survey shows only two in five (39%) LA/OC residents have a financial plan in writing. Among those without a written plan:

- 36% don’t think they have enough money to merit a formal plan
- 27% say it’s too complicated
- 18% say they don’t have time to develop one

About the Survey

The online survey was conducted by Logica Research from February 2 to February 16, 2021, among a sample of 750 LA/OC residents aged 21 to 75. The geographical area of the sample is defined by the Los Angeles-Long Beach-Anaheim 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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