

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, Phoenix residents feel optimistic about the United States overall. Phoenix locals are the most confident about:

- U.S. technological innovation (74%)
- U.S. stock market (59%)
- U.S. healthcare system (52%)
- U.S. job market (52%)
- U.S. as a global economic power (51%)
- U.S. economy (47%)

As the city begins to reopen, 45% of Phoenix residents look to get back to living the way they did before the COVID-19 pandemic, and 18% plan to splurge to make up for lost time.

Phoenix locals dream most about traveling (45%) and socializing (33%), with many planning to splurge on:

- Jetting off for a vacation (30%)
- Dining out at a fancy restaurant (17%)
- Hosting a party (13%)

SPENDING VERSUS SAVING

Nearly two-thirds (60%) of Phoenix residents surveyed say they were savers in 2020, as opposed to spenders. Hoping to double down on new savings habits in post-COVID life, 82% of Phoenix locals plan to be bigger savers than spenders in the year ahead.

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

- Save more in general (53%)
- Reduce total debt (39%)
- Build an emergency fund (34%)
- Invest more in the stock market (23%)

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

- Consider emotional and financial risk tolerance when investing (65%)
- Invest to increase savings in case of an emergency (62%)

RECALIBRATING PRIORITIES

The financial stress imposed on all Americans, including Phoenix residents, is clear. According to Schwab's survey, more than half of Phoenix locals (55%) were financially impacted over the past year:

- The economic environment strained their finances (36%)
- They faced a salary cut or reduced hours (29%)
- They were laid off or furloughed (28%)

Over two-thirds (67%) of Phoenix residents have reprioritized what matters most to them due to COVID-19. What's more important now?

- Mental health (68%)
- Relationships (59%)
- Financial health (56%)
- Physical health (45%)

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PHOENIX AREA

WHAT IT TAKES TO BE WEALTHY AND FINANCIALLY HAPPY IN PHOENIX

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

	2020	2021
Average net worth it takes to be “wealthy”	\$2.1 million	\$2.1 million
Average net worth needed for “financial happiness”	\$1.3 million	\$1.1 million
Average net worth it takes to be “financially comfortable”	\$673,000	\$631,000

PLANNING FOR THE FUTURE

As Phoenix residents look beyond the pandemic and think about their futures, Schwab’s survey shows that 53% of Phoenix locals who have a written financial plan feel “very confident” about reaching their financial goals, while only 15% 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	69%	33%
Have an emergency fund	66%	33%
Consider risk tolerance when investing	80%	56%
Aware of fees and investment costs	80%	49%
Regularly rebalance portfolio	91%	56%

Despite the benefits of planning, Schwab’s survey shows only a third (32%) of Phoenix locals have a financial plan in writing. Among those without a written plan:

- 49% don’t think they have enough money to merit a formal plan
- 24% say it’s too complicated
- 15% 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 Phoenix residents aged 21 to 75. The geographical area of the sample is defined by the Phoenix-Mesa-Chandler 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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