

## 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 19, 2021.

## AMERICANS READY TO RESET THE 20s

As vaccination rates rise and restrictions ease, San Francisco Bay Area residents feel optimistic about the United States overall. Bay Area locals are the most confident about:

- U.S. technological innovation (78%)
- U.S. stock market (61%)
- U.S. healthcare system (57%)
- U.S. as a global economic power (57%)
- U.S. economy (55%)
- U.S. job market (55%)

As the city begins to reopen, 46% of Bay Area residents look to get back to living the way they did before the COVID-19 pandemic, and 23% plan to splurge to make up for lost time.

Bay Area locals dream most about traveling (53%) and socializing (36%), with many planning to splurge on:

- Jetting off on a vacation (31%)
- Dining out at a fancy restaurant (20%)
- Hosting a party (14%)

## SPENDING VERSUS SAVING

Over two-thirds (67%) Bay Area 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 Bay Area locals plan to be bigger savers than spenders in the year ahead.

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

- Save more in general (51%)
- Reduce total debt (28%)
- Build an emergency fund (26%)
- Invest more in the stock market (21%)

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

- Consider emotional and financial risk tolerance when investing (69%)
- Increase savings in case of an emergency (56%)

## RECALIBRATING PRIORITIES

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

- The economic environment strained their finances (32%)
- They faced a salary cut or reduced hours (30%)
- They were laid off or furloughed (22%)

Nearly three-fourths (74%) of Bay Area residents have reprioritized what matters most to them due to COVID-19. What's more important now?

- Mental health (69%)
- Relationships (54%)
- Financial health (52%)
- Physical health (50%)

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**SAN FRANCISCO BAY AREA**

**WHAT IT TAKES TO BE WEALTHY AND FINANCIALLY HAPPY IN THE BAY AREA**

While refocusing their priorities, Bay Area residents have also revised their perspectives on what it takes to be wealthy:

	2020	2021
Average net worth it takes to be “wealthy”	\$4.5 million	\$3.8 million
Average net worth needed for “financial happiness”	\$2.1 million	\$1.8 million
Average net worth it takes to be “financially comfortable”	\$1.5 million	\$1.3 million

**PLANNING FOR THE FUTURE**

As Bay Area residents look beyond the pandemic and think about their futures, Schwab’s survey shows that 49% of Bay Area locals who have a written financial plan feel “very confident” about reaching their financial goals, while only 17% 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	72%	53%
Have an emergency fund	72%	46%
Consider risk tolerance when investing	77%	65%
Aware of fees and investment costs	78%	51%
Regularly rebalance portfolio	88%	53%

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

- 34% don’t think they have enough money to merit a formal plan
- 29% say it’s too complicated
- 23% say they don’t have enough time to develop one

**About the Survey**

The online survey was conducted by Logica Research from February 2 to February 19, 2021, among a sample of 750 Bay Area residents aged 21 to 75. The geographical area of the sample is defined by Alameda, Contra Costa, Marin, San Francisco, San Mateo, Santa Clara, and Solano areas. 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)