

**Charles Schwab 2023 Modern Wealth Survey**  
**HOUSTON AREA FINDINGS SUMMARY**



**39% OF HOUSTONIANS FEEL WEALTHY TODAY ACCORDING TO CHARLES SCHWAB'S MODERN WEALTH SURVEY**

Houstonians feel slightly optimistic about their personal finances while acknowledging that their location might not help their ability to reach their goals.

These findings are according to Charles Schwab's seventh annual Modern Wealth Survey, an examination of how Americans think about saving, spending, investing, and wealth:

- 37% of residents say living in Houston “helps” them achieve their financial goals and build their wealth. 21% say living in Houston “hurts” their ability to reach their financial goals as the overall “cost of living is too high.”
- More than a third (39%) of Houstonians feel wealthy today, and 18% of those who do not currently feel wealthy today believe they are on track to be wealthy in their lifetime.
- 71% of Houstonians are confident about reaching their financial goals.

**HOW HOUSTONIANS FEEL ABOUT THE CURRENT LOCAL ECONOMIC ENVIRONMENT**

According to Schwab's survey, 39% of Houstonians say the local economy is better compared to the overall U.S. economy, while 44% say it's about the same and 17% think it's worse.

When asked about a range of local economic and cultural factors and how they compare in Houston to other cities in the U.S., Houstonians said the Houston area is:

	<b>One of the best</b>	<b>One of the worst</b>	<b>Neither</b>
Overall economy	40%	27%	33%
Quality of life	54%	9%	37%
Cost of living	38%	29%	33%
Housing market	37%	27%	36%
Employment rate	41%	23%	36%
Career opportunities	47%	20%	33%
Tax rates	28%	33%	39%
Tech industry	43%	16%	41%
Food and dining	56%	15%	29%
Arts and culture	42%	18%	40%

**LOCAL IMPACT OF INFLATION**

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From food to flights, Houstonians are feeling the effects of inflation. Nine in 10 (90%) say inflation has affected their finances, which is slightly greater than Americans overall (86%). In addition:

- Inflation is hitting Houstonians most on things like food and groceries (58% are spending more than the beginning of 2022), utilities (49% spending more), and transportation (31% spending more).
- Most Houstonians say they've significantly reduced spending on non-essential items (39%) and traveling (39%).
- More than half (64%) have had to reduce the amount of money they're able to save on a regular basis.

**HOW HOUSTONIANS DEFINE WEALTH**

Compared to 2022, Houstonians redefined how much money it takes to be considered “wealthy,” while the amount it takes to be “financially comfortable” stayed the same:

	2021	2022	2023
Average net worth it takes to be “wealthy”	\$2.2M	\$2.6M	\$2.1M
Average net worth it takes to be “financially comfortable”	\$713K	\$919K	\$606K

But there is a paradox between how Houstonians define wealth and whether they feel wealthy. The 39% of Houstonians who feel wealthy today have an average net worth of \$263,000. However, the amount to be considered “wealthy” in Houstonians is an average net worth of \$2.1 million. It’s clear that non-financial assets like health and family resonate far more when defining wealth than having large sums of money, as a significant portion (56%) also reported living paycheck to paycheck.

When asked to choose which statement best describes how Houstonians think of wealth in their own daily lives, the definition of wealth is less about achieving a certain dollar amount. More Houstonians say wealth means:

Enjoying experiences	69%	31%	Owning many nice things
Not having to stress over money	72%	28%	Having more money than most people they know
Having a healthy work life balance	69%	31%	Maximizing my earnings even if it impacts my work life balance
Being generous with loves ones now	63%	37%	Leaving an inheritance
Enjoying healthy relationships with loved ones	61%	39%	Having a lot of money
Being in good health	61%	39%	Being successful
Having the flexibility of working where & how I want	59%	41%	Having a higher salary

Additionally, when Houstonians are asked to explain what defines being wealthy, having ‘no debt’ tops the list (35%), followed by ‘affording the lifestyle they want’ (34%), ‘having a high income’ (25%), and ‘having a lot of money in investments’ (20%).

**THE IMPACT OF FINANCIAL PLANNING FOR HOUSTONIANS:**

According to Schwab’s survey, roughly one-third (31%) of Houstonians have a documented financial plan, and those with a plan feel more prepared and confident in navigating today’s complex economic and market environments. Among Houstonians with a documented financial plan:

- Nearly seven in 10 said having a plan makes them feel more in control of their finances (67%).

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- Three-quarters use some source for financial advice (76%).
- Of those with a financial plan, most developed it with a financial advisor (38%). Other sources are from a spouse (33%) or an online financial resource (27%).

According to Tricia Preston, Vice President, Senior Financial Consultant, at Charles Schwab's Houston branch, "Taking the time to create a documented financial plan doesn't take large sums of money. Starting with small steps and a positive mindset can make the planning process less daunting and allow investors to look at their financial situation more holistically while setting them on the path for long-term success."

Preston adds, "A financial plan is like a roadmap and instills confidence for investors in getting to their final destination. Houstonians with a documented financial plan are more confident in reaching their financial goals than those without (96% vs. 60%)."

**ABOUT SCHWAB'S MODERN WEALTH SURVEY**

Schwab's seventh annual Modern Wealth Survey examines how Americans think about saving, spending, investing, and wealth. The online survey was conducted by Logica Research from March 1, 2023, to March 23, 2023, among a sample of 500 Houston residents aged 21 to 75. Quota were set to balance the local sample on key demographics.

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