

Charles Schwab 2023 Modern Wealth Survey
NEW YORK AREA FINDINGS SUMMARY



46% OF NEW YORKERS FEEL WEALTHY TODAY ACCORDING TO CHARLES SCHWAB'S MODERN WEALTH SURVEY

New Yorkers feel 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:

- 27% of residents say living in New York “helps” them achieve their financial goals and build their wealth. 36% say living in New York “hurts” their ability to reach their financial goals as the overall “cost of living is too high.”
- Almost half (46%) of New Yorkers feel wealthy today, and 35% of those who do not currently feel wealthy today believe they are on track to be wealthy in their lifetime.
- 79% of New Yorkers are confident about reaching their financial goals.

HOW NEW YORKERS FEEL ABOUT THE CURRENT LOCAL ECONOMIC ENVIRONMENT

According to Schwab's survey, 34% of New Yorkers say the local economy is better compared to the overall U.S. economy, while 46% say it's about the same and 20% think it's worse.

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

	One of the best	One of the worst	Neither
Overall economy	34%	28%	38%
Quality of life	51%	15%	34%
Cost of living	24%	53%	23%
Housing market	25%	44%	31%
Employment rate	39%	24%	37%
Career opportunities	50%	19%	31%
Tax rates	22%	47%	31%
Tech industry	51%	15%	34%
Food and dining	59%	17%	24%
Arts and culture	57%	14%	29%

LOCAL IMPACT OF INFLATION

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From food to flights, New Yorkers are feeling the effects of inflation. Nine in 10 (87%) say inflation has affected their finances, which is slightly greater than Americans overall (86%). In addition:

- Inflation is hitting New Yorkers most on things like food and groceries (56% are spending more than the beginning of 2022), utilities (42% spending more), and transportation (32% spending more).
- Most New Yorkers say they've significantly reduced spending on non-essential items (36%) and traveling (35%).
- More than half (59%) have had to reduce the amount of money they're able to save on a regular basis.

HOW NEW YORKERS DEFINE WEALTH

Compared to 2022, New Yorkers 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”	\$2.9M	\$3.4M	\$3.3M
Average net worth it takes to be “financially comfortable”	\$997K	\$1.4M	\$1.2M

But there is a paradox between how New Yorkers define wealth and whether they feel wealthy. The 46% of New Yorkers who feel wealthy today have an average net worth of \$553,000. However, the amount to be considered “wealthy” in New Yorkers is an average net worth of \$3.3 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 (45%) also reported living paycheck to paycheck.

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

Enjoying experiences	63%	37%	Owning many nice things
Not having to stress over money	68%	32%	Having more money than most people they know
Having a healthy work life balance	68%	32%	Maximizing my earnings even if it impacts my work life balance
Being generous with loves ones now	61%	39%	Leaving an inheritance
Enjoying healthy relationships with loved ones	55%	45%	Having a lot of money
Being in good health	58%	42%	Being successful
Having the flexibility of working where & how I want	55%	45%	Having a higher salary

Additionally, when New Yorkers are asked to explain what defines being wealthy, ‘affording the lifestyle they want’ tops the list (39%), ‘having a high income’ (31%), followed by ‘no debt’ (29%) and ‘having a lot of money in investments’ (26%).

THE IMPACT OF FINANCIAL PLANNING FOR NEW YORKERS:

According to Schwab’s survey, roughly two out of five (40%) of New Yorkers 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 New Yorkers with a documented financial plan:

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- More than seven in 10 said having a plan makes them feel more in control of their finances (78%).
- Four in five use some source for financial advice (85%).
- Of those with a financial plan, most developed it with a financial advisor (42%). Other sources are from a spouse (36%) or an online financial resource (31%).

According to Abel Onnoony, Vice President, Senior Financial Consultant at Charles Schwab's Midtown 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."

Onnoony adds, "A financial plan is like a roadmap and instills confidence for investors in getting to their final destination. New Yorkers with a documented financial plan are more confident in reaching their financial goals than those without (97% vs. 67%)."

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 New York residents aged 21 to 75. Quota were set to balance the local sample on key demographics.

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