

Charles Schwab 2023 Modern Wealth Survey
PHOENIX AREA FINDINGS SUMMARY

33% OF PHOENICIANS FEEL WEALTHY TODAY ACCORDING TO CHARLES SCHWAB'S MODERN WEALTH SURVEY

Phoenixians 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:

- 26% of residents say living in Phoenix “helps” them achieve their financial goals and build their wealth. 28% say living in Phoenix “hurts” their ability to reach their financial goals as the overall “cost of living is too high.”
- One-third (33%) of Phoenixians feel wealthy today, and 16% of those who do not currently feel wealthy today believe they are on track to be wealthy in their lifetime.
- 65% of Phoenixians are confident about reaching their financial goals.

HOW PHOENICIANS FEEL ABOUT THE CURRENT LOCAL ECONOMIC ENVIRONMENT

According to Schwab's survey, 24% of Phoenixians say the local economy is better compared to the overall U.S. economy, while 58% say it's about the same and 18% think it's worse.

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

	One of the best	One of the worst	Neither
Overall economy	28%	28%	44%
Quality of life	47%	13%	40%
Cost of living	23%	41%	36%
Housing market	26%	41%	33%
Employment rate	35%	21%	44%
Career opportunities	39%	20%	41%
Tax rates	22%	30%	48%
Tech industry	39%	14%	47%
Food and dining	44%	16%	40%
Arts and culture	32%	19%	49%

LOCAL IMPACT OF INFLATION

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From food to flights, Phoenicians are feeling the effects of inflation. Nine in 10 (91%) say inflation has affected their finances, which is slightly greater than Americans overall (86%). In addition:

- Inflation is hitting Phoenicians most on things like food and groceries (63% are spending more than the beginning of 2022), utilities (50% spending more), and transportation (39% spending more).
- Many Phoenicians say they've significantly reduced spending on non-essential items (42%) and traveling (39%).
- More than half (61%) have had to reduce the amount of money they're able to save on a regular basis.

HOW PHOENICIANS DEFINE WEALTH

Compared to 2022, Phoenicians 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”	\$2.1M	\$2.7M	\$2.4M
Average net worth it takes to be “financially comfortable”	\$631K	\$747K	\$653K

But there is a paradox, driven by the contrast between how people define wealth for themselves versus how they define it for others. The 33% of Phoenicians who feel wealthy today have an average net worth of \$419,000. However, the amount to be considered “wealthy” in Phoenix is an average net worth of \$2.4 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 (61%) also reported living paycheck to paycheck.

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

Enjoying experiences	68%	32%	Owning many nice things
Not having to stress over money	76%	24%	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 loved ones now	66%	34%	Leaving an inheritance
Enjoying healthy relationships with loved ones	59%	41%	Having a lot of money
Being in good health	62%	38%	Being successful
Having the flexibility of working where & how I want	60%	40%	Having a higher salary

Additionally, when Phoenicians are asked to explain what defines being wealthy, ‘having no debt’ tops the list (41%), followed by ‘affording the lifestyle they want’ (36%), ‘having a high income’ (24%), and ‘having good relationships with family and friends’ (21%).

THE IMPACT OF FINANCIAL PLANNING FOR PHOENICIANS:

According to Schwab’s survey, nearly one-third (27%) of Phoenicians 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 Phoenicians with a documented financial plan:

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- Three in four said having a plan makes them feel more in control of their finances (75%).
- Four in five use some source for financial advice (78%).
- Of those with a financial plan, most developed it with a financial advisor (46%). Other sources are from a spouse (37%) or an online financial resource (32%).

According to Brian Bowen, Vice President, Branch Manager, at Charles Schwab's Scottsdale 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."

Bowen adds, "A financial plan is like a roadmap and instills confidence for investors in getting to their final destination. Phoenixians with a documented financial plan are more confident in reaching their financial goals than those without (96% vs. 53%)."

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

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