

Charles Schwab 2023 Modern Wealth Survey
SAN FRANCISCO-BAY AREA FINDINGS SUMMARY

39% OF SAN FRANCISCANS FEEL WEALTHY TODAY ACCORDING TO CHARLES SCHWAB'S MODERN WEALTH SURVEY

San Franciscans 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:

- 19% of residents say living in San Francisco “helps” them achieve their financial goals and build their wealth. 52% say living in San Francisco “hurts” their ability to reach their financial goals as the overall “cost of living is too high.”
- More than a third (39%) of San Franciscans feel wealthy today, and 19% of those who do not currently feel wealthy today believe they are on track to be wealthy in their lifetime.
- 71% of San Franciscans are confident about reaching their financial goals.

HOW SAN FRANCISCANS FEEL ABOUT THE CURRENT LOCAL ECONOMIC ENVIRONMENT

According to Schwab's survey, 36% of San Franciscans say the local economy is better compared to the overall U.S. economy, while 42% say it's about the same and 22% think it's worse.

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

	One of the best	One of the worst	Neither
Overall economy	35%	24%	41%
Quality of life	55%	11%	34%
Cost of living	12%	69%	19%
Housing market	20%	57%	23%
Employment rate	42%	19%	39%
Career opportunities	55%	14%	31%
Tax rates	11%	62%	27%
Tech industry	69%	9%	22%
Food and dining	62%	13%	25%
Arts and culture	58%	10%	32%

LOCAL IMPACT OF INFLATION

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From food to flights, San Franciscans are feeling the effects of inflation. Nine in 10 (89%) say inflation has affected their finances, which is slightly greater than Americans overall (86%). In addition:

- Inflation is hitting San Franciscans most on things like food and groceries (60% are spending more than the beginning of 2022), utilities (56% spending more), and transportation (36% spending more).
- Most San Franciscans say they've significantly reduced spending on non-essential items (41%) and traveling (37%).
- More than half (59%) have had to reduce the amount of money they're able to save on a regular basis.

HOW SAN FRANCISCANS DEFINE WEALTH

Compared to 2022, San Franciscans 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”	\$3.8M	\$5.1M	\$4.7M
Average net worth it takes to be “financially comfortable”	\$1.3M	\$1.7M	\$1.7M

But there is a paradox between how San Franciscans define wealth and whether they feel wealthy. The 39% of San Franciscans considered “wealthy” in San Francisco is an average net worth of \$721,000. However, the amount to be considered “wealthy” in San Francisco is an average net worth of \$4.7 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 San Franciscans think of wealth in their own daily lives, the definition of wealth is less about achieving a certain dollar amount. More San Franciscans say wealth means:

Enjoying experiences	74%	26%	Owning many nice things
Not having to stress over money	78%	22%	Having more money than most people they know
Having a healthy work life balance	74%	26%	Maximizing my earnings even if it impacts my work life balance
Being generous with loved ones now	65%	35%	Leaving an inheritance
Enjoying healthy relationships with loved ones	61%	39%	Having a lot of money
Being in good health	68%	32%	Being successful
Having the flexibility of working where & how I want	61%	39%	Having a higher salary

Additionally, when San Franciscans are asked to explain what defines being wealthy, ‘affording the lifestyle they want’ tops the list (37%), followed by ‘no debt’ (35%), ‘having a high income’ (21%), and ‘having a lot of money in investments’ (20%).

THE IMPACT OF FINANCIAL PLANNING FOR SAN FRANCISCANS:

According to Schwab’s survey, roughly one-third (31% of San Franciscans 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 San Franciscans with a documented financial plan:

- More than two-thirds said having a plan makes them feel more in control of their finances (67%).

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- Four in five use some source for financial advice (86%).
- Of those with a financial plan, most developed it with a financial advisor (53%). Other sources are from a spouse (29%) or an online financial resource (25%).

According to Richard Zak, Regional Market Executive at Charles Schwab, “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.”

Zak adds, “A financial plan is like a roadmap and instills confidence for investors in getting to their final destination. San Franciscans with a documented financial plan are more confident in reaching their financial goals than those without (94% vs. 61%).”

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 750 San Francisco-Bay Area residents aged 21 to 75. Quota were set to balance the local sample on key demographics.

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