

**Charles Schwab 2023 Modern Wealth Survey**  
**LOS ANGELES + SAN DIEGO AREA FINDINGS SUMMARY**

**46% OF SOUTHERN CALIFORNIANS FEEL WEALTHY TODAY ACCORDING TO CHARLES SCHWAB'S MODERN WEALTH SURVEY**

Southern Californians 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:

- 30% of residents say living in Southern California “helps” them achieve their financial goals and build their wealth. 38% say living in Southern California “hurts” their ability to reach their financial goals as the overall “cost of living is too high.”
- Close to half (46%) of Southern Californians 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.
- 76% of Southern Californians are confident about reaching their financial goals.

**HOW SOUTHERN CALIFORNIANS FEEL ABOUT THE CURRENT LOCAL ECONOMIC ENVIRONMENT**

According to Schwab's survey, 36% of Southern Californians say the local economy is better compared to the overall U.S. economy, while 44% 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 Southern California to other cities in the U.S., Southern Californians said the Southern California area is:

	<b>One of the best</b>	<b>One of the worst</b>	<b>Neither</b>
Overall economy	36%	29%	35%
Quality of life	59%	11%	30%
Cost of living	22%	54%	24%
Housing market	27%	48%	25%
Employment rate	38%	26%	36%
Career opportunities	42%	20%	38%
Tax rates	19%	50%	31%
Tech industry	51%	14%	35%
Food and dining	54%	18%	28%
Arts and culture	49%	18%	33%

**LOCAL IMPACT OF INFLATION**

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From food to flights, Southern Californians 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 Southern Californians most on things like food and groceries (59% are spending more than the beginning of 2022), utilities (54% spending more), and transportation (36% spending more).
- Many Southern Californians say they've significantly reduced spending on non-essential items (41%) and traveling (38%).
- More than half (61%) have had to reduce the amount of money they're able to save on a regular basis.

**HOW SOUTHERN CALIFORNIANS DEFINE WEALTH**

Compared to 2022, Southern Californians 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”	\$3.0M	\$3.9M	\$3.5M
Average net worth it takes to be “financially comfortable”	\$1.2M	\$1.3M	\$1.5M

But there is a paradox, driven by the contrast between how people define wealth for themselves versus how they define it for others. The 46% of Southern Californians who feel wealthy today have an average net worth of \$643,000. However, the amount to be considered “wealthy” in Southern Californians is an average net worth of \$3.5 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 (47%) also reported living paycheck to paycheck.

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

Enjoying experiences	70%	30%	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	72%	28%	Maximizing my earnings even if it impacts my work life balance
Being generous with loved ones now	69%	31%	Leaving an inheritance
Enjoying healthy relationships with loved ones	60%	40%	Having a lot of money
Being in good health	68%	32%	Being successful
Having the flexibility of working where & how I want	60%	40%	Having a higher salary

Additionally, when Southern Californians are asked to explain what defines being wealthy, ‘affording the lifestyle they want’ tops the list (35%), followed by ‘no debt’ (33%), ‘having a high income’ (24%), and ‘having a good relationship with family and friends’ (22%).

**THE IMPACT OF FINANCIAL PLANNING FOR SOUTHERN CALIFORNIANS:**

According to Schwab’s survey, roughly one-third (36%) of Southern Californians 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 Southern Californians with a documented financial plan:

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- Seven in 10 said having a plan makes them feel more in control of their finances (72%).
- Four in five use some source for financial advice (86%).
- Of those with a financial plan, most developed it with a financial advisor (49%). Other sources are from a spouse (39%) or an online financial resource (36%).

According to Casey Mervine, Vice President, Senior Financial Consultant, at Charles Schwab's Torrance 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."

Casey Mervine, adds, "A financial plan is like a roadmap and instills confidence for investors in getting to their final destination. Southern Californians with a documented financial plan are more confident in reaching their financial goals than those without (91% 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 750 Los Angeles and San Diego residents aged 21 to 75. Quota were set to balance the local sample on key demographics.

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