

# News Release

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## **CHARLOTTE RESIDENTS DEFINE WEALTH IN VERY DIFFERENT WAYS ACCORDING TO NEW RESEARCH FROM CHARLES SCHWAB Locals say it takes \$1.8 million to be considered wealthy in Charlotte**

**CHARLOTTE, August 8, 2017** — When Charlotte residents think about wealth, they are split about what it means, according to new research from Charles Schwab, with some describing wealth as a specific sum of money and others describing it more as a state of mind.

The top five definitions of wealth among 500 Charlotteans are:

1. Having a lot of money (29 percent)
2. Enjoying life's experiences (24 percent)
3. Being able to afford anything they want (24 percent)
4. Living stress-free and having peace of mind (18 percent)
5. Having loving relationships with family and friends (13 percent)

When asked how much money is required to be considered "wealthy" in Charlotte, local area residents say it's an average of \$1.8 million, or more than 20 times the actual median net worth of U.S. households according to the U.S. Census Bureau.<sup>1</sup>

And for the majority of Charlotteans, that feels out of reach. While 43 percent of those surveyed say they are already millionaires or believe they can reach that level, 57 percent say they don't have any hope.

When asked to compare two opposing ideas of wealth at a more personal level, Charlotte residents lean into things that money can't buy:

- Seventy-five percent believe wealth is about spending time with family now vs. leaving an inheritance for them (25 percent)
- Sixty-one percent equate wealth with having good physical health vs. having lots of money (39 percent)
- Fifty-seven percent say wealth is about being with friends vs. making lots of money (43 percent)

"Wealth is often described as a large and unachievable sum of money, but that's an outdated definition," said Corey Barnes, branch manager at Charles Schwab's [Charlotte branch](#). "We believe people should think about wealth as the money they have now, whether that's a lot or a little, and what matters is that you pay attention to it. Being engaged, even when you're just getting started, is the only way to build wealth over time to reach your personal goals."

### **Modern Wealth Index: Charlotteans mirror average Americans**

To help track how well Americans across the wealth spectrum are planning, managing and engaging with their wealth, Schwab developed the [Modern Wealth Index](#). The Index, which is grounded in Schwab's [Investing](#)

Principles, assesses Americans across four factors: 1) goal setting and financial planning, 2) saving and investing, 3) staying on track and 4) confidence in reaching financial goals.

On a scale of 1-100, Charlotte residents received a Modern Wealth Index score of 50, just a point above the average national score of 49. Among the four factors of the Index, Charlotte residents score highest when it comes to confidence in reaching their goals, while the actions it takes to stay on track—such as checking account balances and rebalancing investments—was the largest drag on their overall index score.

	<b>Charlotte Average</b>	<b>National Average</b>
Modern Wealth Index score	50	49
Goal setting and financial planning	44	43
Saving and investing	52	52
Staying on track	24	24
Confidence in reaching financial goals	79	64

*Overall and sub-factors scores are each on a scale of 1-100.*

“With an average score of 50, Charlotte residents are pretty comparable to average Americans, but there’s still plenty of room for improvement,” said Barnes. “In fact, when we dig into that score a bit, we find that while confidence among Charlotteans is extremely strong, they are lagging when it comes to some of the basics of saving and investing.”

In particular, Charlotte scored low when it comes to budgeting, noted Barnes. Only 21 percent of Charlotte residents say they stick to a monthly savings goal, compared to 24 percent of Americans nationwide. Only 29 percent of Charlotte residents say they don’t have any credit card debt, compared to 37 percent of Americans nationwide.

“It’s crucial for people to stay focused on factors they can control, like their spending and savings habits and setting aside enough money to invest to help build their wealth and stay on track toward their goals,” said Barnes. “And that’s why financial planning is essential. Those who put pen to paper with written financial plans are more confident, more engaged with their wealth and demonstrate more positive saving and investing behaviors.”

According to the Index, only 24 percent of Charlotteans have a written financial plan.

### **Local economy seen as a bright spot**

Charlotteans are optimistic about the local economy, with 93 percent saying the Charlotte area economy is in better shape than or comparable to the U.S. economy. Survey respondents also cite the following favorable aspects of living in Charlotte:

- Sixty-nine percent are pleased with their overall quality of life, rating it among the best in the country
- Three in five (61 percent) also say Charlotte boasts one of the country’s best food and dining scenes
- Fifty-seven percent say Charlotte is one of the hottest areas in the country for career opportunities

Nearly half (49 percent) say the cost of living in Charlotte is among the nation’s best, and 43 percent say it helps them reach their financial goals. Only 20 percent say it hurts their ability to reach their financial goals.

### **About the survey and Modern Wealth Index methodology**

The Modern Wealth Index, developed in partnership with Koski Research and the Schwab Center for Financial Research, is based on Schwab’s Investing Principles and composed of 60 financial behaviors and attitudes – each assigned a varying amount of points depending on their importance. The Index broadly assesses Americans across four factors: 1) goal setting and financial planning, 2) saving and investing, 3) staying on track, and 4) confidence in reaching financial goals. Based on the total number of points received, respondents were indexed on a 1-100 scale for each of the four factors and an overall score.

The online survey was conducted by Koski Research from April 12 to April 20, 2017, among 1,000 Americans nationwide and 500 Charlotte area residents, aged 21 to 75. The geographical area of the sample is defined by the Charlotte–Concord–Gastonia Metropolitan Statistical Area Metropolitan Statistical Area. Quotas were set so that the sample is as demographically representative as possible. The margin of error for the total survey sample is three percentage points.

### **About Charles Schwab**

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<sup>1</sup> Smith, Adam, R. Chenevert, J. Eggleston. Improvements to Measuring Net Worth of Households: 2013. Current Population Reports P70BR-143. U.S. Census Bureau, Washington, DC. 2017.

### **Disclosures**

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