

Modern Wealth Index

Charles Schwab
May 2018

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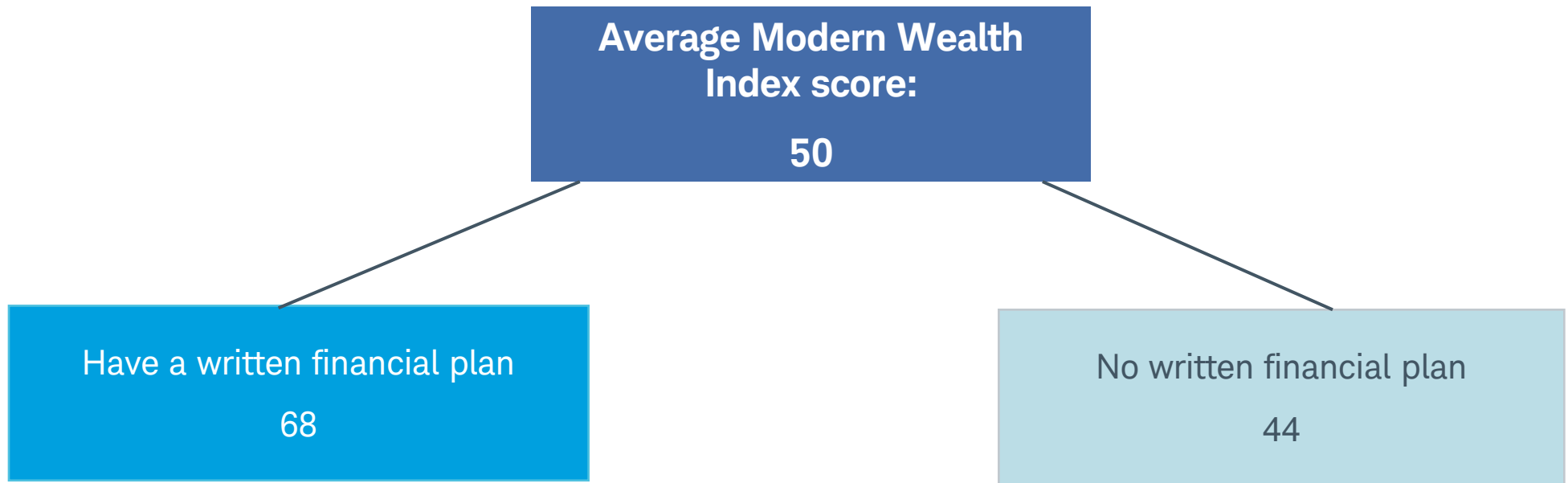
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Methodology

What	<ul style="list-style-type: none">▪ An online study among a sample of the general public was conducted by Koski Research.▪ Koski Research is neither affiliated with, nor employed by, Charles Schwab & Co., Inc.
When	<ul style="list-style-type: none">▪ The study was fielded January 12 – 19, 2018
Who	<ul style="list-style-type: none">▪ 1,000 Americans aged 21-75 completed the study.▪ The sample was drawn from online sample sources.▪ 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. The data have not been weighted.

Americans with written financial plans have a higher Modern Wealth Index Score than those without a written plan

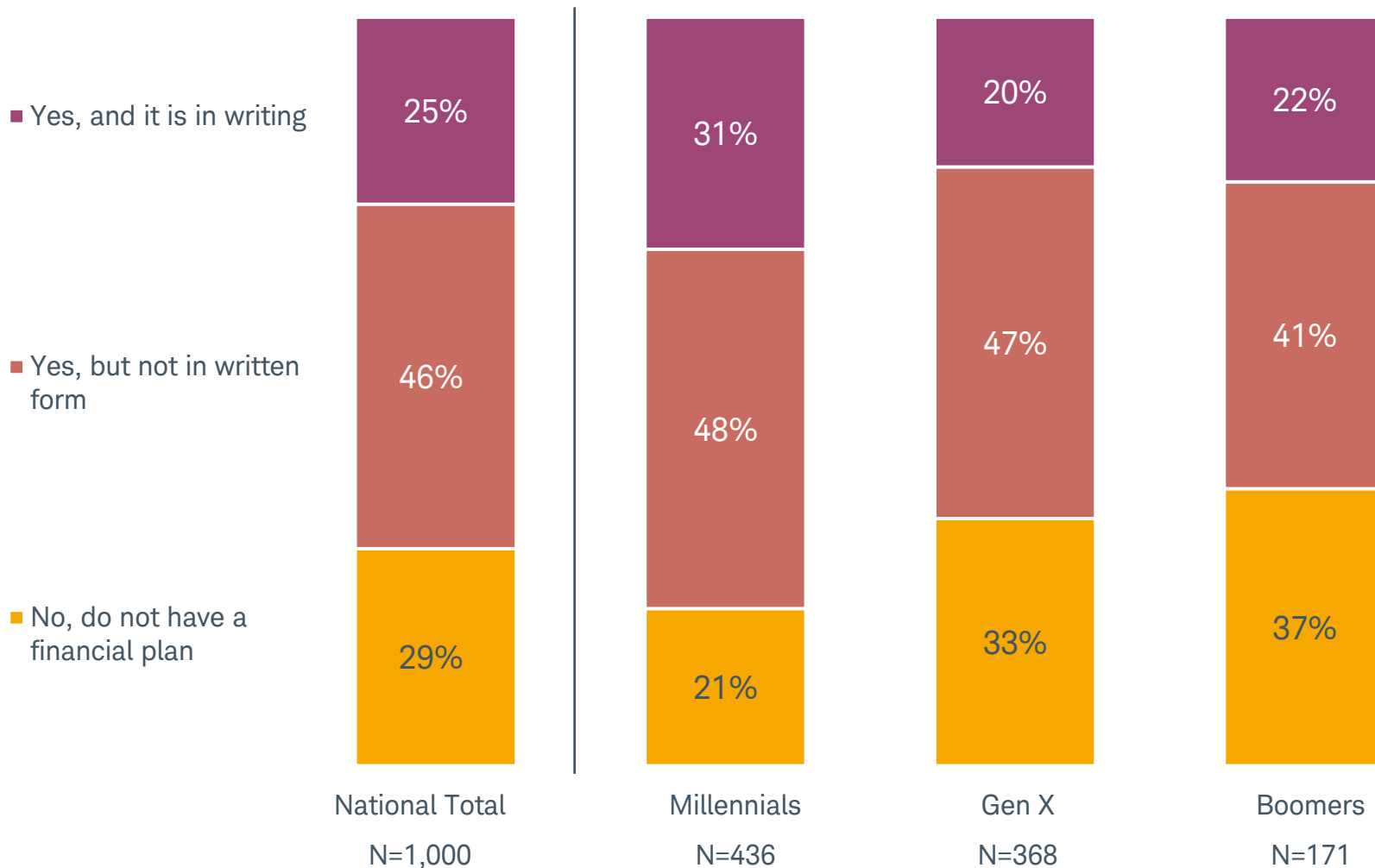
Modern Wealth Index Score National Total



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 over 50 financial behaviors and attitudes. Each behavior or attitude is assigned a varying amount of points depending on their importance, out of a total of 100 possible points.

A quarter of Americans have their financial plans in writing

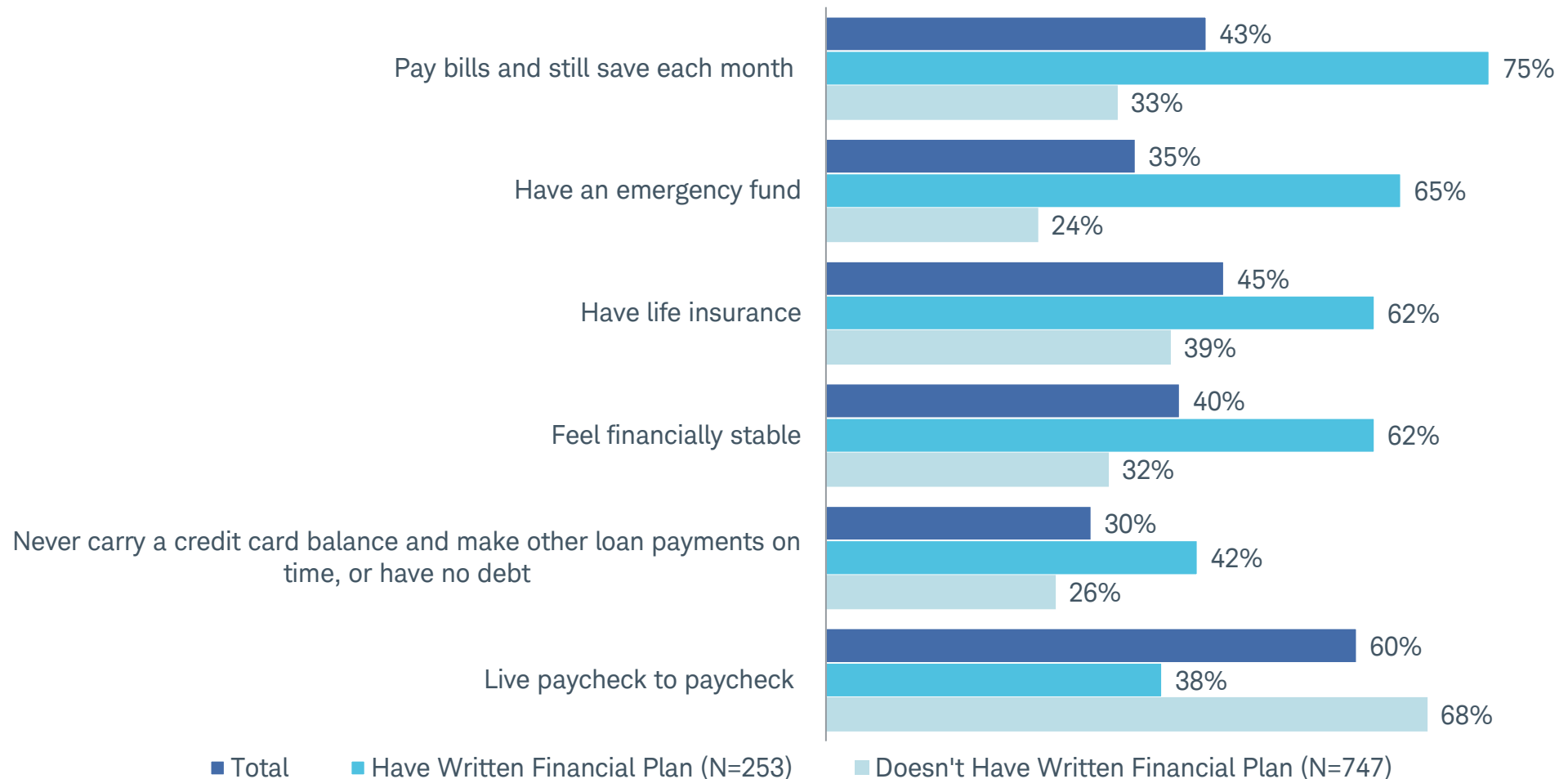
Have Financial Plan National Total



Q16 Which of the following best describes your approach to financial planning? (Base: Total=1,000)

Planners are more likely to save, feel financially stable, and effectively manage debt

Daily Money Behaviors National Total



Q13 Please select which statement best describes you. (Base: Total=1,000)

Q14 Which of the following describes your current monthly expense situation (e.g. rent or mortgage, utilities, food and entertainment, etc.)? (Base: Total=1,000)

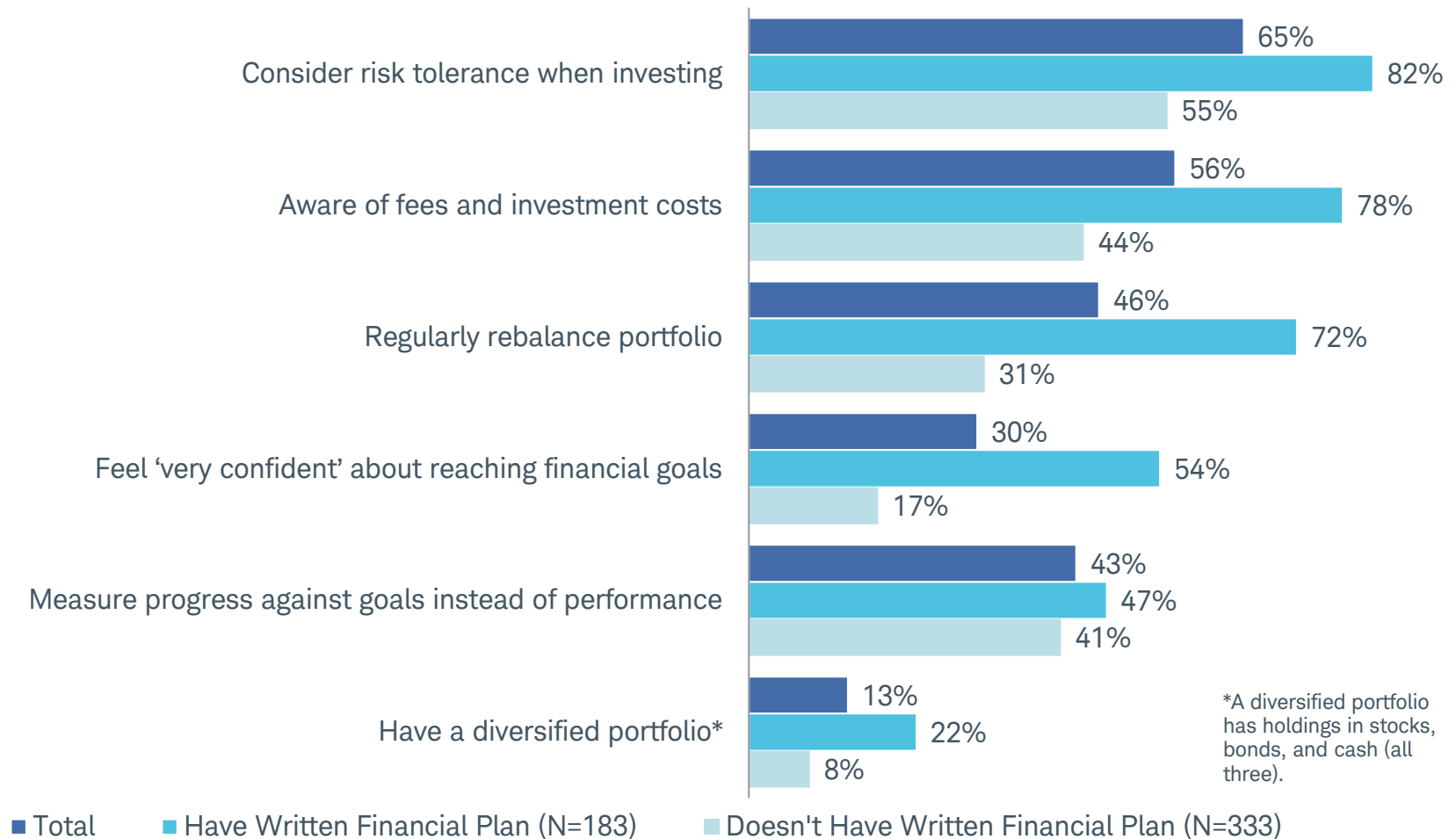
Q20 Which of the following best describes your current financial ability to cover emergency or unexpected expenses? (Base: Total=1,000)

Q21 Which of the following best describes how you manage your debt? (Base: Total=1,000)

Q23 Which types of personal insurance do you have? (Base: Total=1,000)

Investor Planners are more likely to consider their risk and tolerance and be aware of the fees they are paying

Investing Behaviors National Total Investors

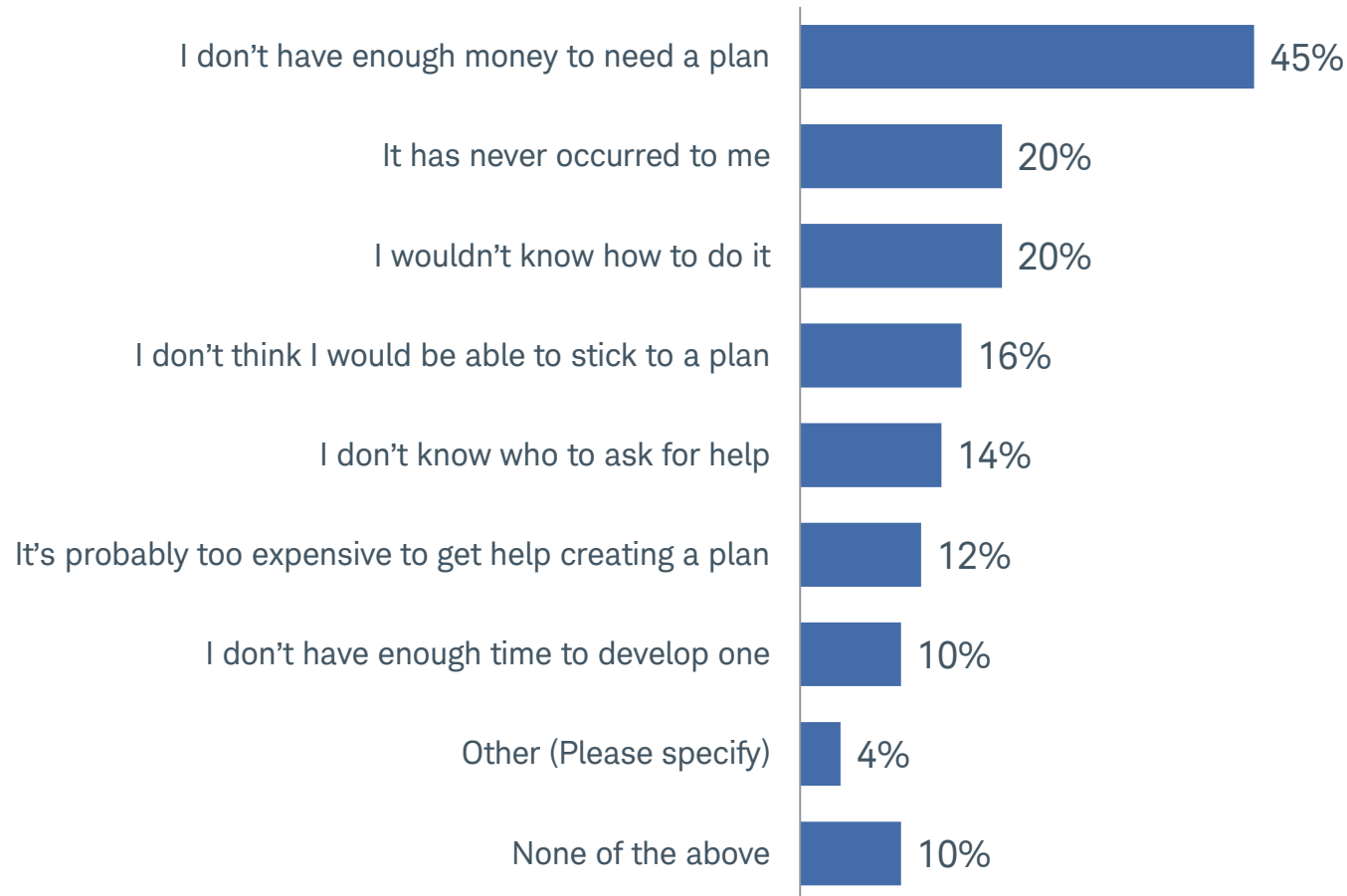


Q26 Which of the following best describes how you assess risk factors when you're deciding how to invest? (Base: Total Investors=516)
Q27 Are you aware of the fees and costs of your investments? (Base: Total Investors=516)
Q28 Have you rebalanced your portfolio for your investment or retirement account in the past 12 months? (Base: Total Investors=516)
Q29 Which best describes how you measure progress towards your investing performance? (Base: Total Investors=516)
Q31 How confident are you that you will reach your financial goals? (Base: Total Investors=516)

Not having enough money is the most cited reason Americans say they don't have a written financial plan

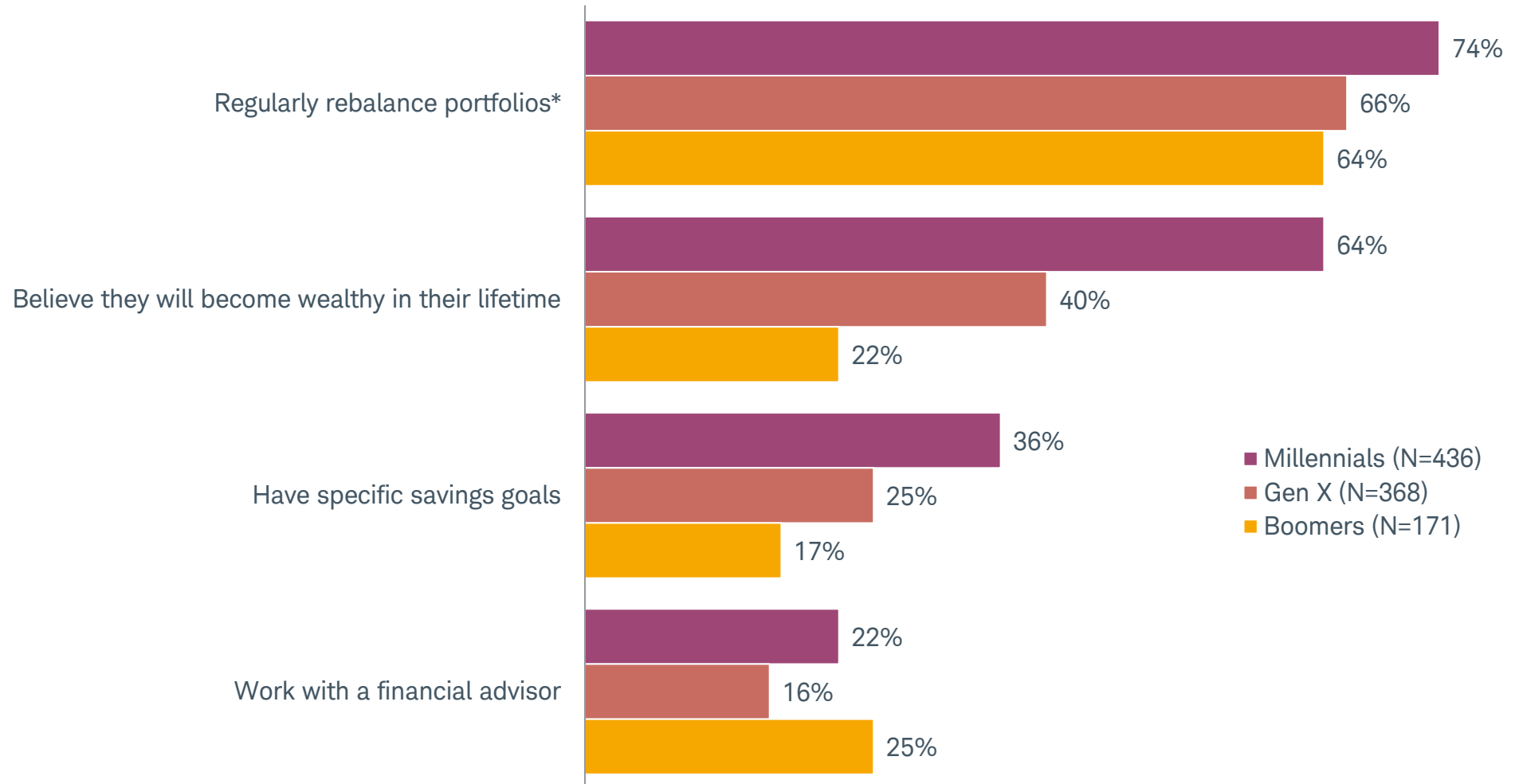
Reasons do not have a written financial plan

Do not have a written financial plan



Millennials are more likely to believe they will become wealthy in their lifetime and have savings goals

Financial Behaviors National Total

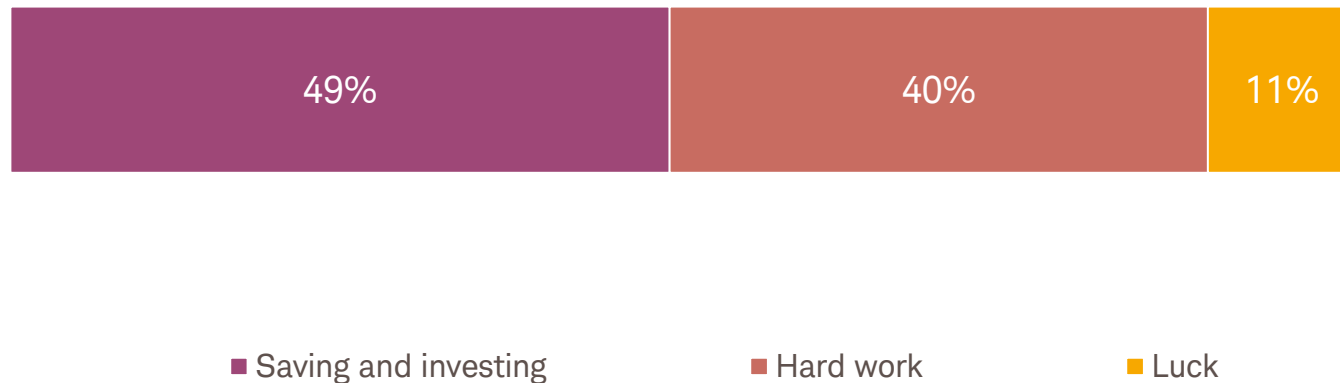


*Asked only of Investors. Base for Millennials=208, Gen X=201, Boomers=88

- Q2 Do you think you will be wealthy at some point in your lifetime?
Q11 Do you currently work with a professional financial advisor?
Q15 Which of the following best describes your approach to saving?
Q28 Have you rebalanced your portfolio for your investment or retirement account in the past 12 months?

Most Americans believe the key to wealth comes from saving and investing, and hard work

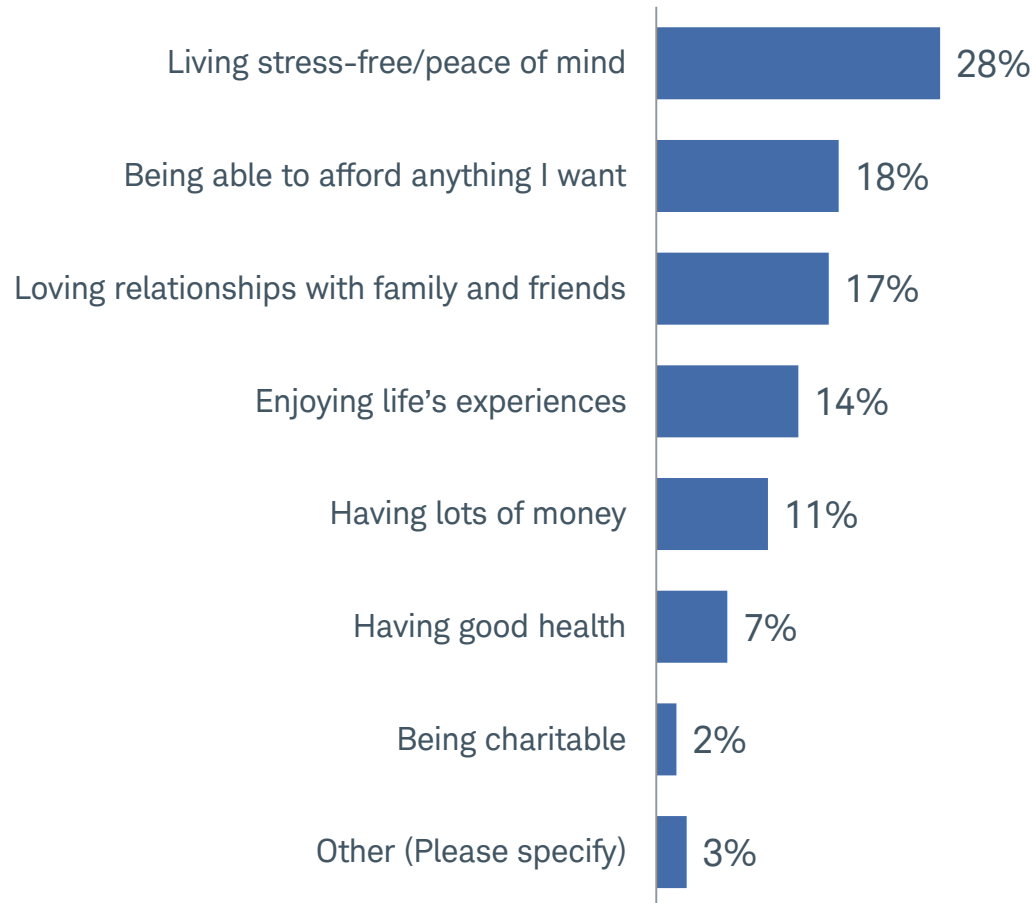
How Most Americans Become Wealthy National Total



Americans define wealth as living stress-free, enjoying life, and being able to afford whatever they want

Personal Definition of Wealth

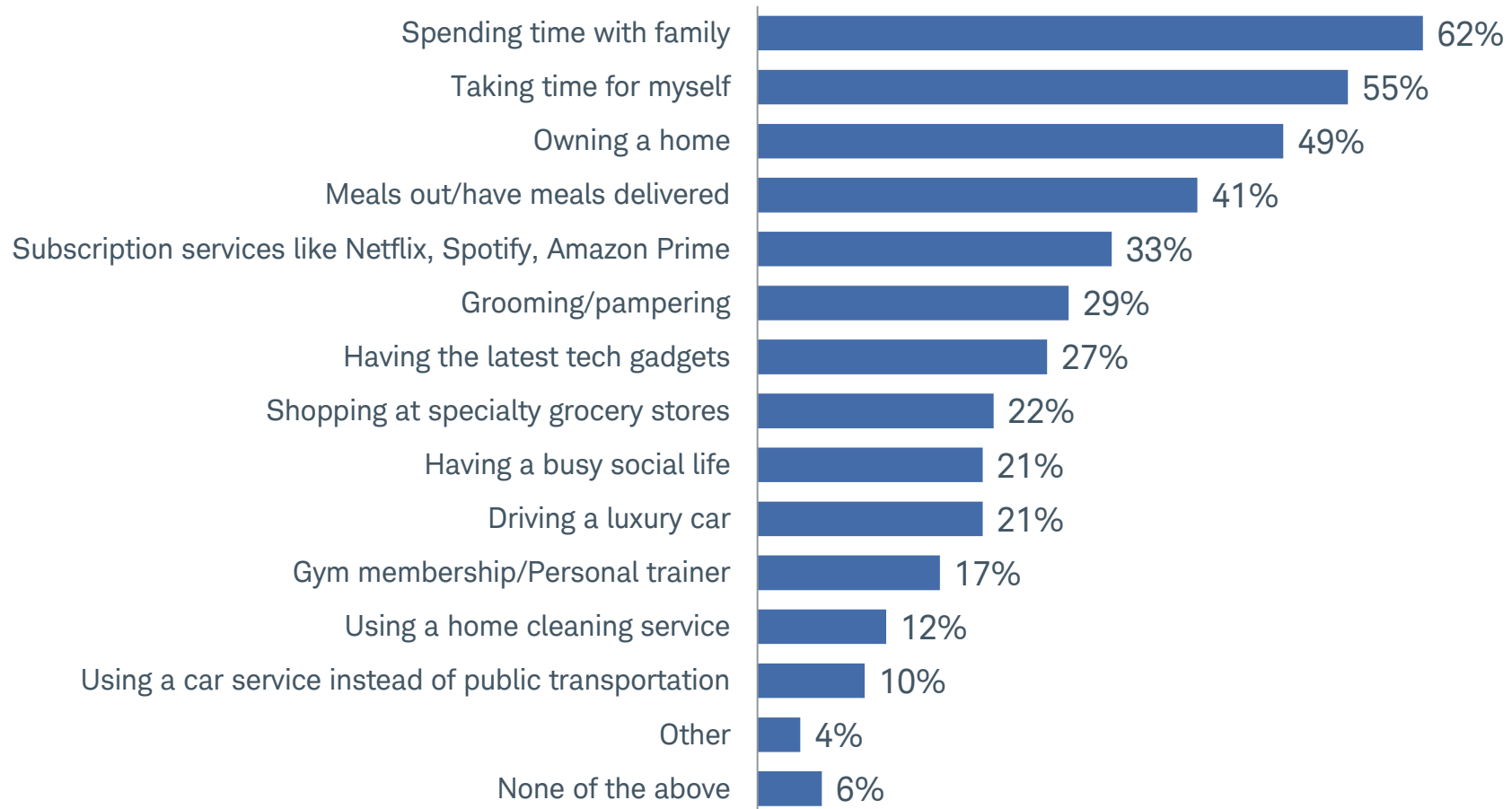
National Total



Spending time with family and taking time for oneself make Americans feel wealthy in their daily lives

Makes Americans Feel Wealthy in Day-to-Day Life

National Total



Americans say it takes an average of \$2.4M to be considered wealthy

Net Worth Needed to be *Financially Comfortable*

National Total



Net Worth Needed to be *Wealthy*

National Total



- Q4 At what level of personal net worth would you say a person living in your area could be considered financially comfortable? (Base: National Total = 1,000)
Q5 At what level of personal net worth would you say a person in your area could be considered wealthy? (Base: National Total = 1,000)

Thank you

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