

Charles Schwab Modern Wealth Survey 2021

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Own your tomorrow.

Methodology

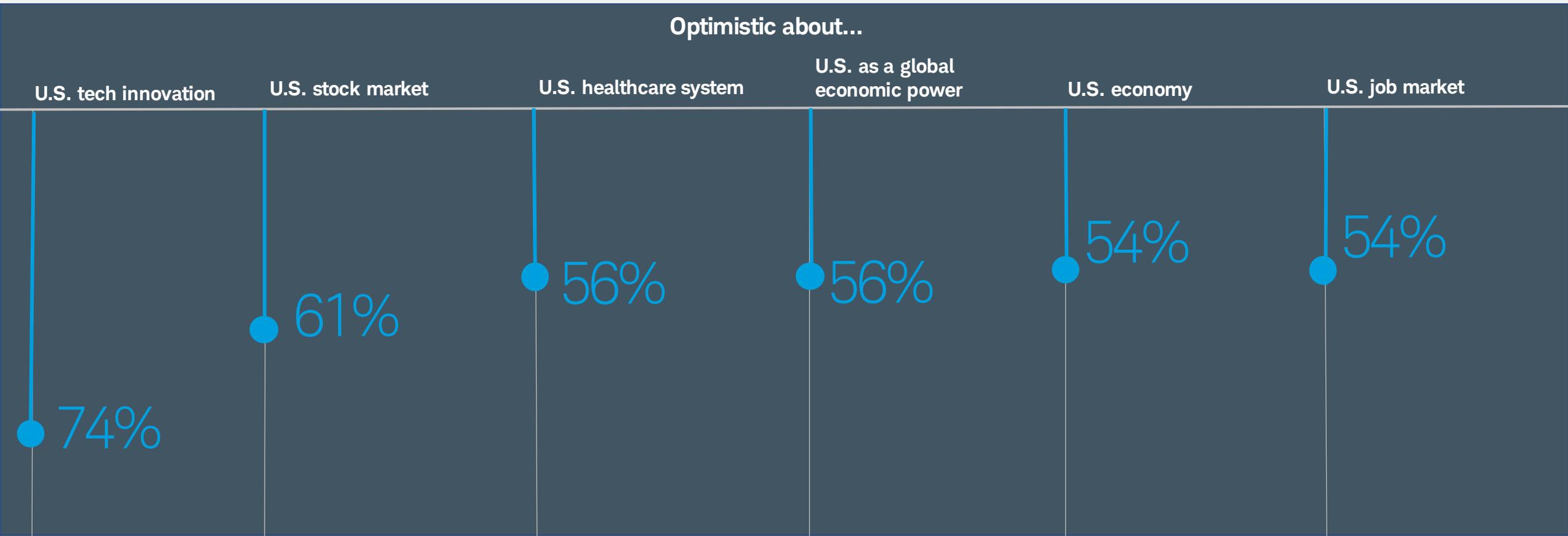
The Modern Wealth Study is an online study conducted for Charles Schwab by Logica Research. Logica Research is neither affiliated with, nor employed by, Charles Schwab & Co., Inc.

The online study was conducted from February 1st to February 16th, 2021 among a national sample of Americans aged 21 to 75.

- 1,000 adults completed the study
 - 1,000 adults nationally representative of the U.S. population
 - Adults had to be 21 to 75 years old to qualify
- Generational definitions
 - Gen Z: 1997-1999 (21-23)
 - Millennials: 1981-1996 (24-39)
 - Gen X: 1965-1980 (40-55)
 - Boomers: 1946-1964 (56-74)
 - Matures: 1945 (75)

1 Ready to Reset the '20s

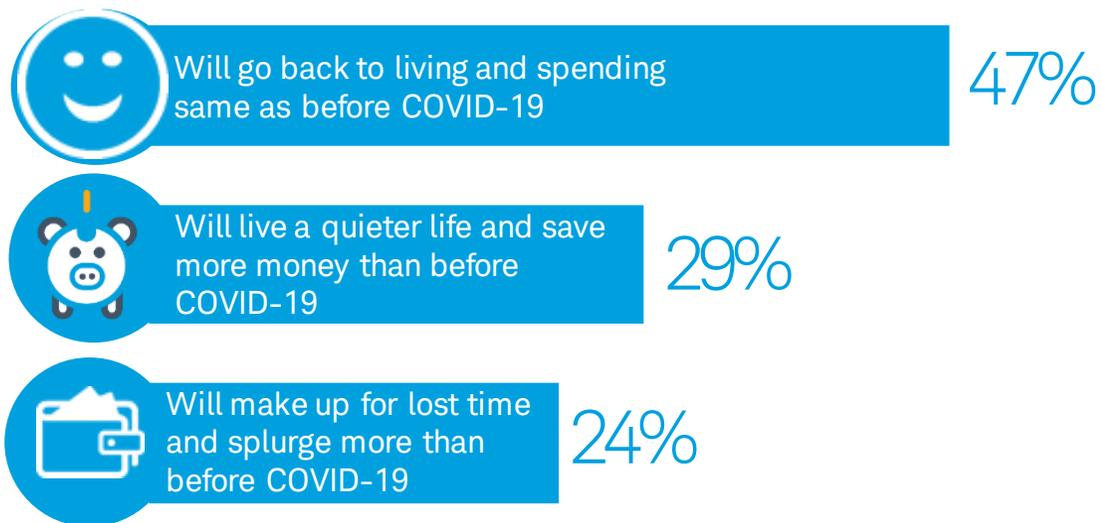
A majority of Americans feel optimistic about the U.S. economy and the stock market



Q.6: How are you feeling about each of the following for 2021? (Base: Total= 1,000)

Half are looking to get back to living and spending the same way as before COVID-19, and almost a quarter are eager to make up for lost time

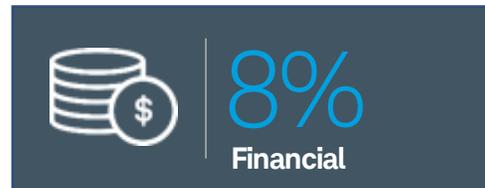
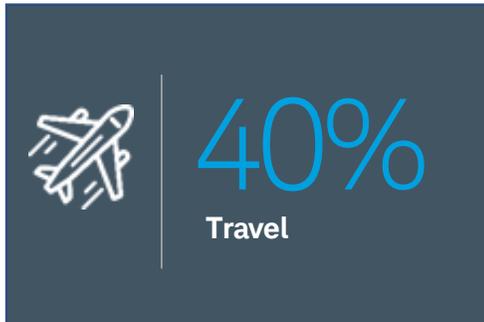
After pandemic, best describes attitude about lifestyle...



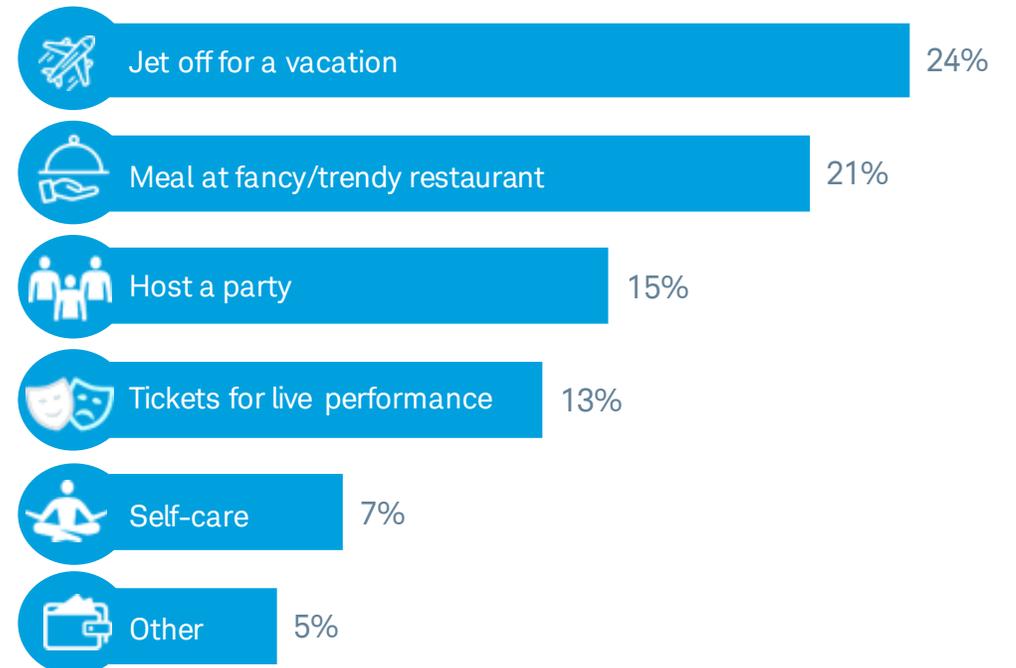
Q.13: Once we emerge from the COVID-19 pandemic, which of the following best describes your attitude toward your lifestyle?
(Base: Total = 1,000)

Americans are dreaming most about traveling and socializing with many planning to splurge on a vacation, a fancy restaurant or hosting a party

Dreaming about doing after restrictions fully lifted



First thing will splurge on after society opens up again

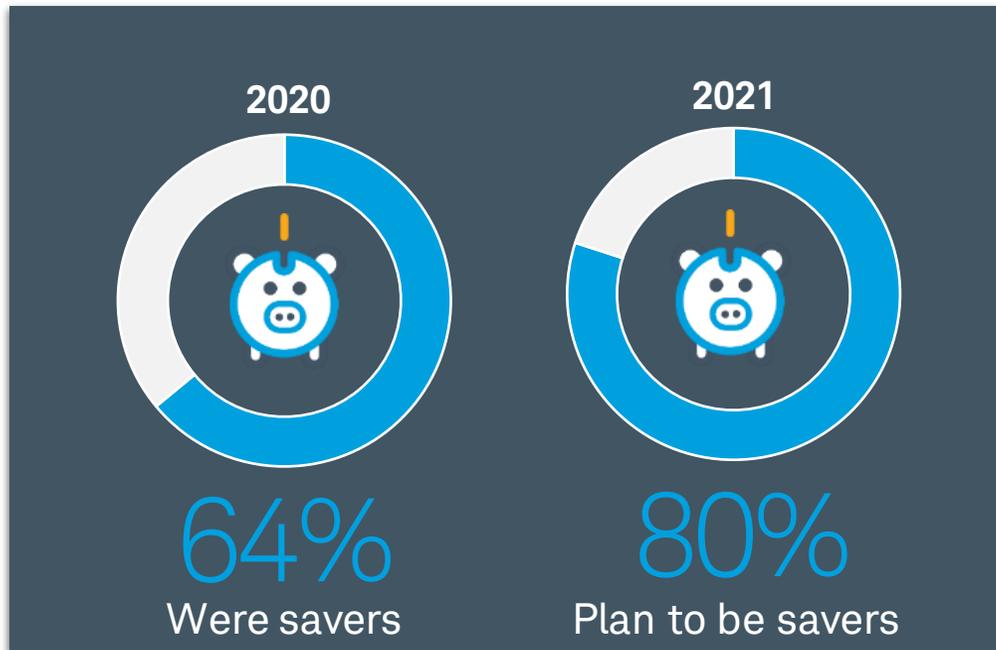


Q.11: What have you been dreaming you will do as soon as the COVID-19 pandemic restrictions are fully lifted?

Q.12: Once the COVID-19 pandemic is under control and society opens up again, what is the first thing you will splurge on?

(Base: Total = 1,000)

Most Americans were savers in 2020 and even more plan on being bigger savers rather than spenders in 2021



Q.18: In 2020, were you more of a saver or a spender?

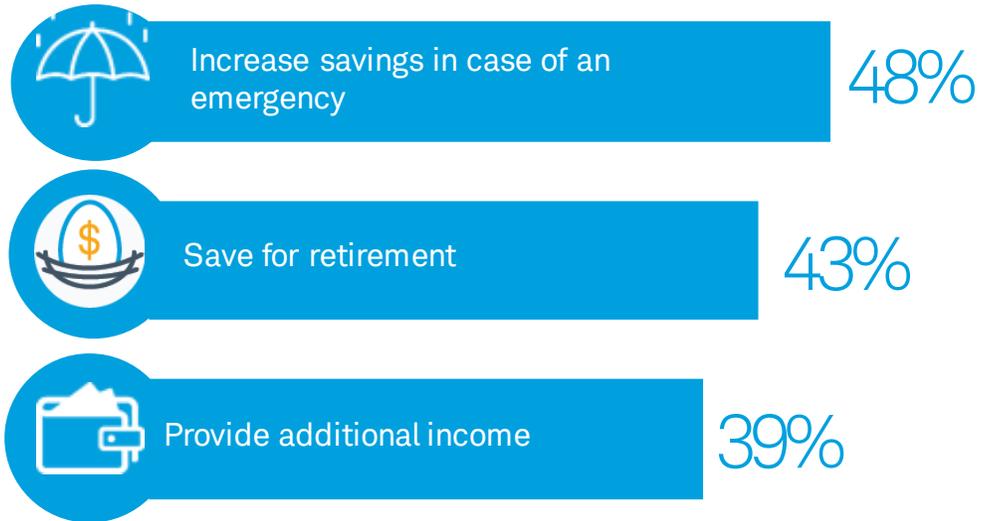
Q.19: And in 2021, do you plan on being more of a saver or a spender?

Q.17: Which of the following financial activities will you do after the COVID-19 pandemic has subsided?

(Base: Total= 1,000)

Americans are taking a measured approach to investing: almost half are investing to increase savings in case of an emergency and the majority consider their emotional and financial risk tolerance

Top reasons for investing



64%

Think about how much risk able to handle emotionally and financially



23%

Consider my emotional limits but don't think about financial goals and how soon need to fund them



13%

Don't really think about how much risk I am taking

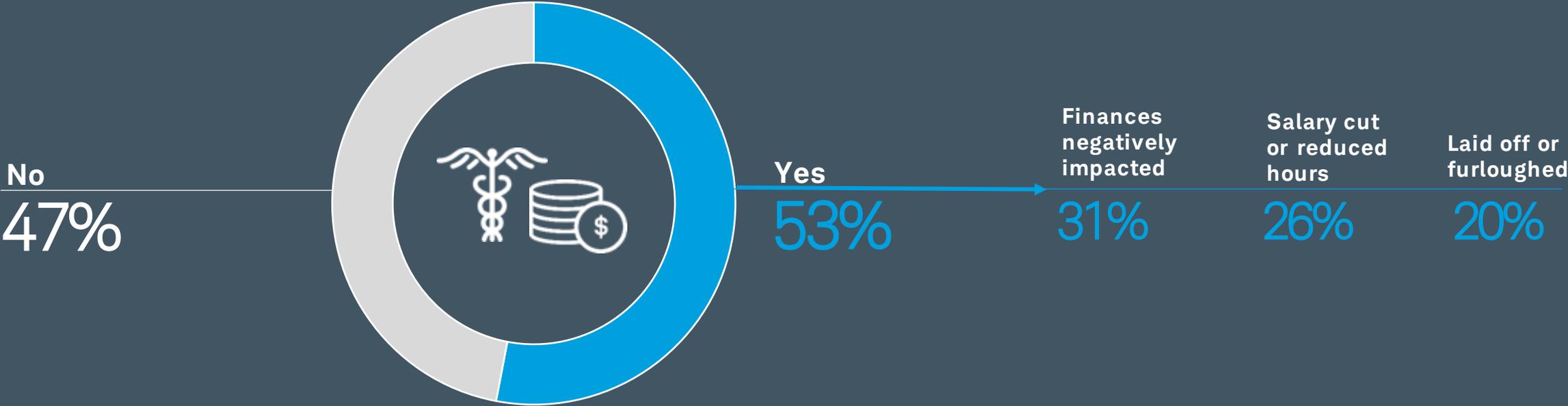
Q.23: Which of the following are the main 3 reasons you invest. Top 3 mentions. (Base: Total = 1,000)

Q.37: Which of the following best describes how you assess risk factors when you're deciding how to invest? (Base: Those who invest = 476)

2 Recalibrating Priorities, Redefining Wealth

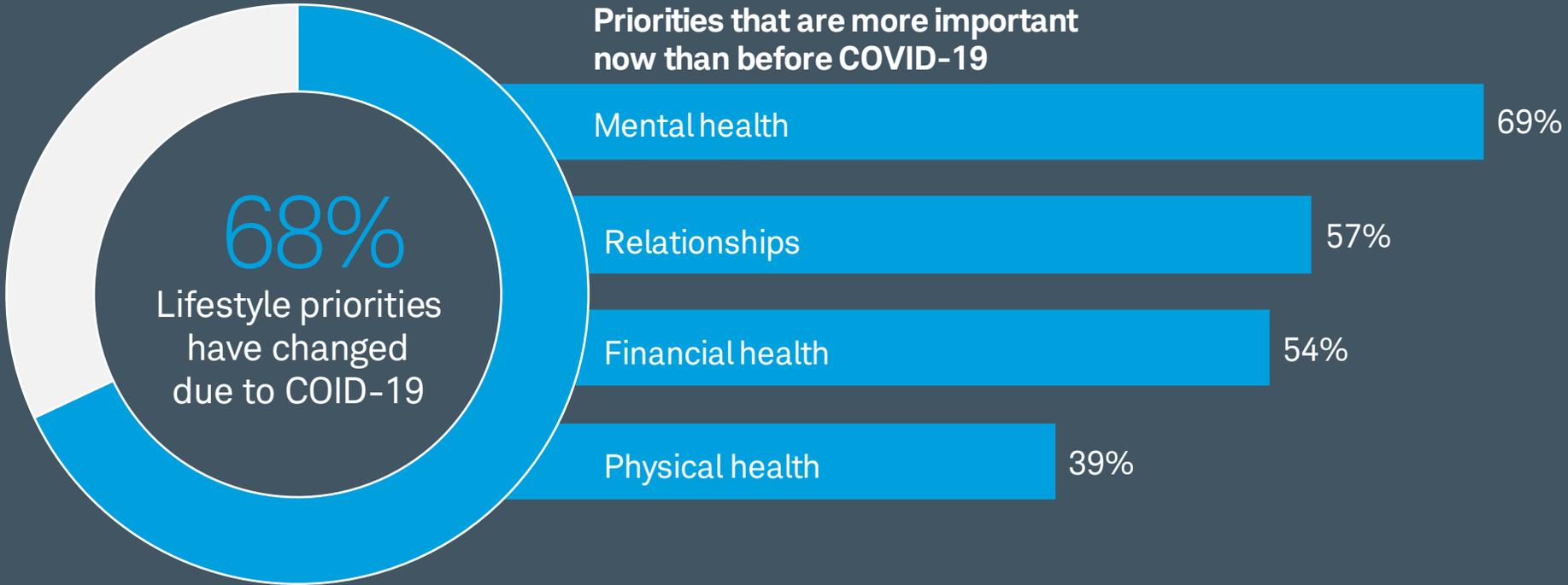
More than half of Americans were financially impacted by COVID-19 in 2020

Have been financially impacted by COVID-19



Q.41: Which of the following, if any, have you or a close family member experienced due to COVID-19? (Base: Total = 1,000)

More than two-thirds of Americans have reprioritized what matters most, with their mental health becoming more important than it was pre-pandemic

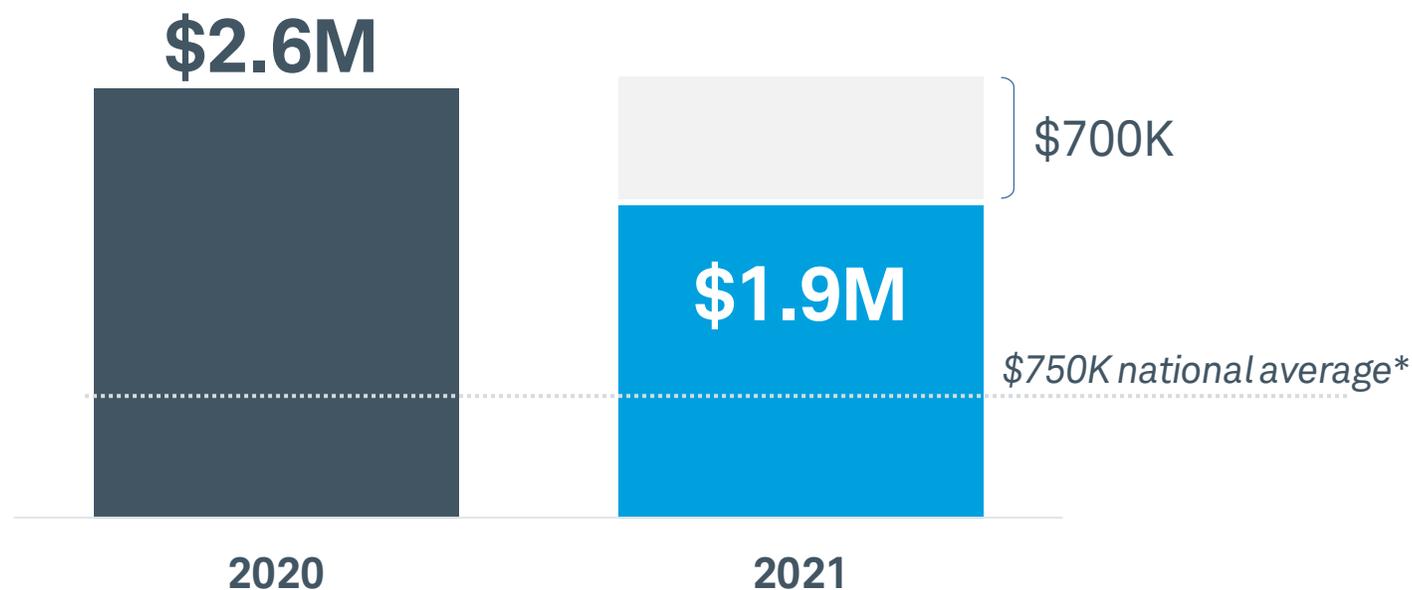


Q.8: Have your lifestyle priorities changed due to COVID-19? (Base: Total = 1,000)

Q.9: Which of the following priorities are more important now than they were before COVID-19? (Base: Those who changed priorities = 678)

While refocusing their priorities, Americans have also revised their perspective on what it takes to be wealthy. It takes \$1.9M to be wealthy, more than double the national average, but down from 2020

How much Americans say it takes to be wealthy



Q.2: At what level of personal net worth would you say a person in your area could be considered wealthy? (Base: Total = 1,000)

* Federal Reserve's Survey of Consumer Finances released in 2020

** Schwab Modern Wealth 2020 Survey fielded in January 2020 before the pandemic outbreak

Americans lowered the bar for what it takes to achieve “financial happiness” and to be “financially comfortable” in 2021

Average net worth...

	2020	2021
 To be wealthy	\$2.6M	\$1.9M
 Needed for financial happiness	\$1.75M	\$1.1M
 To be financially comfortable	\$934K	\$624K

Q.2: At what level of personal net worth would you say a person in your area could be considered wealthy?

Q.5: At what level of personal net worth would you consider yourself financially happy?

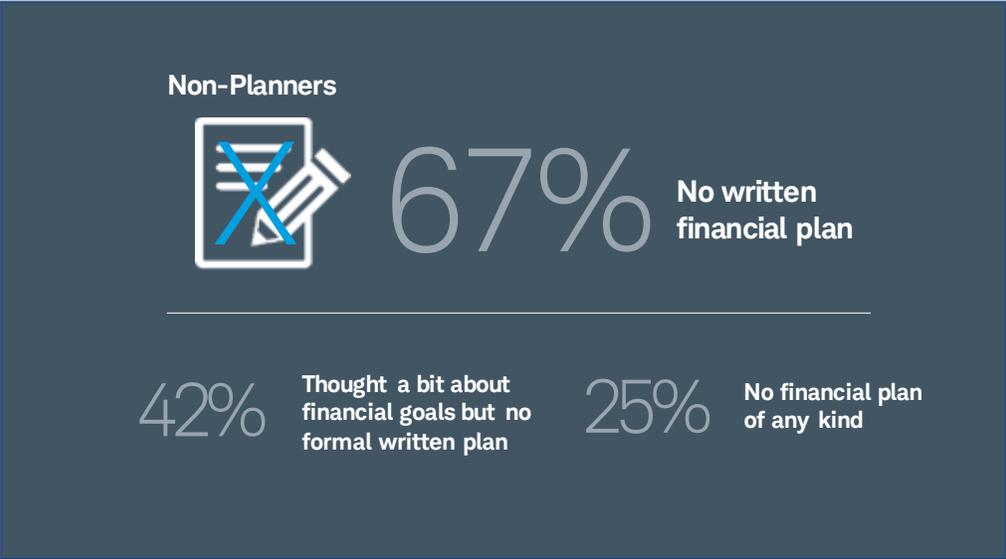
Q.1: At what level of personal net worth would you say a person in your area could be considered financially comfortable?

(Base: Total = 1,000)

3 Planning for the Future

One third of Americans have a written financial plan

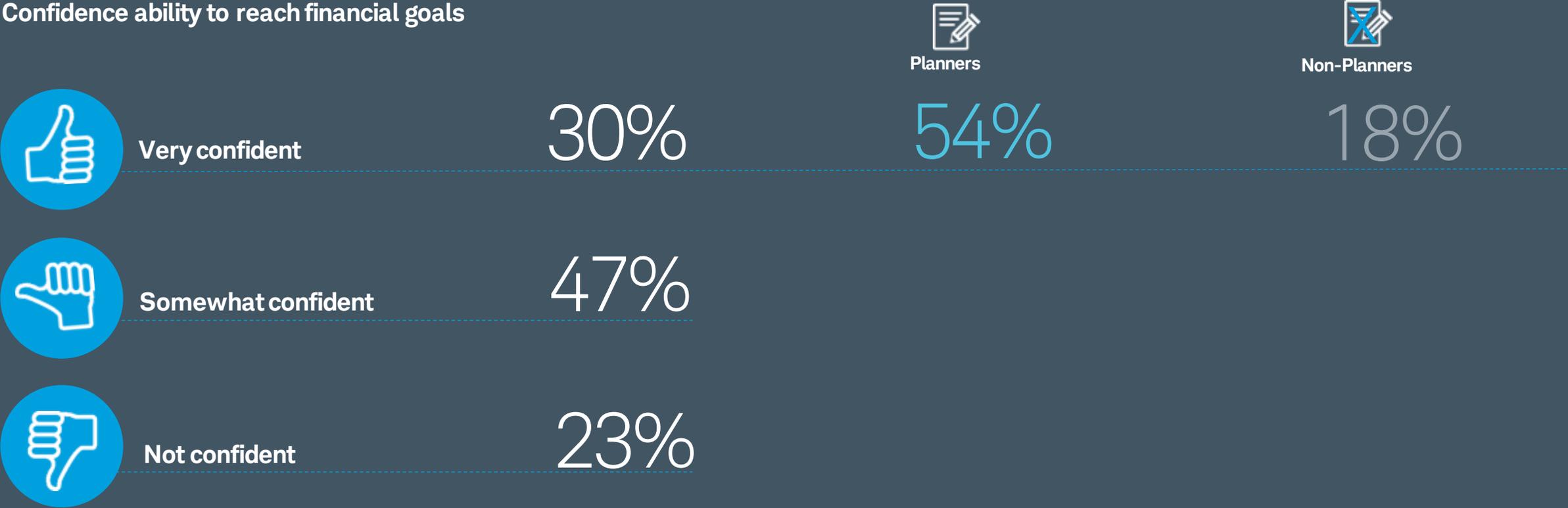
Approach to financial planning



Q.32: Which of the following best describes your approach to financial planning?
(Base: Total = 1,000)

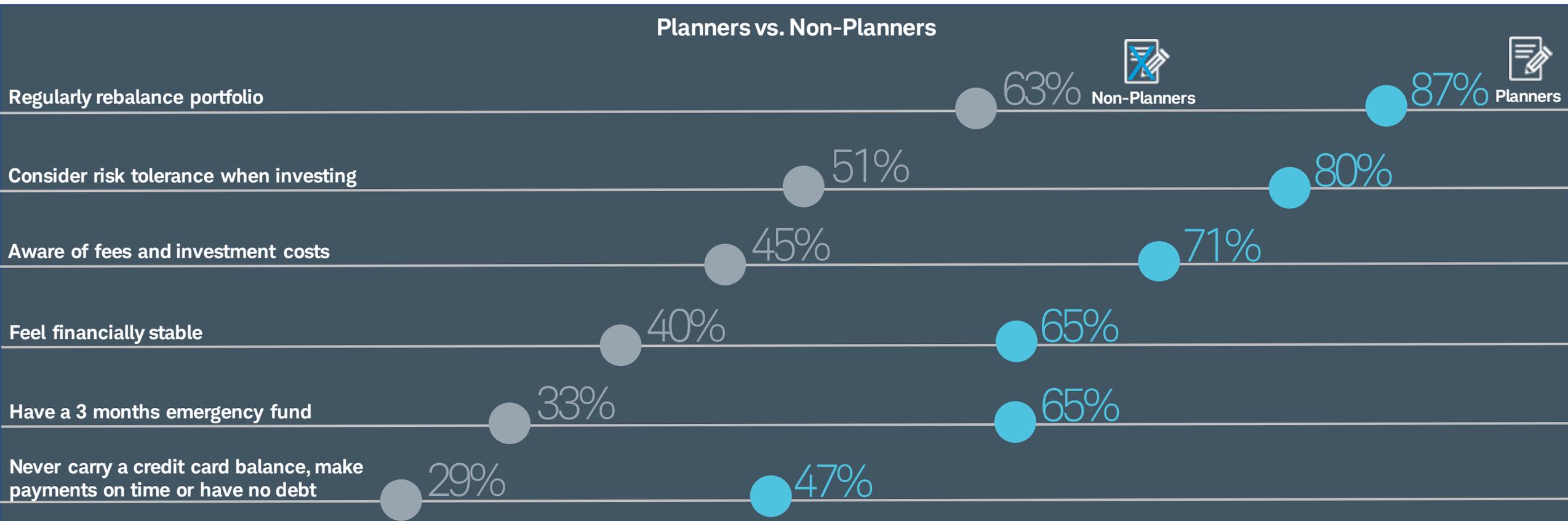
Over half of Americans who have a written financial feel “very confident” about reaching their financial goals, while only 18 percent of those without a plan feel the same level of certainty

Confidence ability to reach financial goals



Q.40: How confident are you that you will reach your financial goals? (Base: Total = 1,000; Have a written financial plan = 332; Don't have a written financial plan = 668)

Americans with a written financial plan maintain healthier money habits when it comes to saving and investing



(Base: Have a written financial plan = 332; Don't have a written financial plan = 668)

Q.39: Have you rebalanced your portfolio for your investment or retirement account in the past 12 months?

Q.37: Which of the following best describes how you assess risk factors when you're deciding how to invest?

Q.38: Are you aware of the fees and costs of your investments?

Q.35: Which of the following best describes how you manage your debt?

Q.34: Which of the following best describes your current financial ability to cover emergency or unexpected expenses?

Q.36: When it comes to your portfolio, which of the following asset classes do you invest in?

The main reason Americans don't have a financial plan is because they think they do not have enough money to merit a formal plan



Reasons for not having a written financial plan

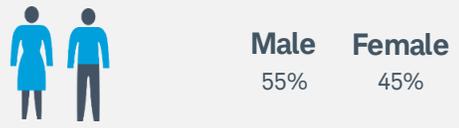
1.	Don't have enough money to need plan	42%
2.	Seems too complicated to create a plan	22%
3.	Don't have enough time to develop one	19%
4.	Haven't had a major life event that meant I required a plan	17%
5.	Probably too expensive to get help creating a plan	16%

Q.33: Why don't you currently have a written financial plan? (Base: Don't have a written financial plan = 668)

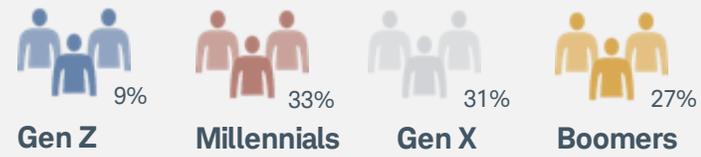
4 Appendix

Demographic Snapshot

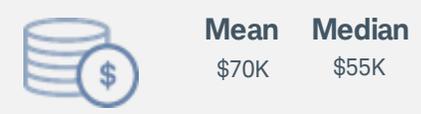
Gender



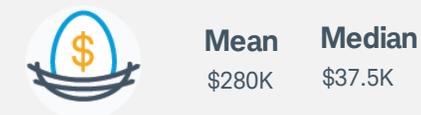
Generations



HH income



Investable assets



Employment

Working full-time	Working part-time	Retired	Other
47%	14%	17%	22%

Important information

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