

News Release

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WASHINGTONIANS UPBEAT ABOUT LOCAL ECONOMY, BUT TROUBLED BY COST OF LIVING

New Charles Schwab survey examines local sentiment on Washington, D.C. economy and residents' personal finances

Key findings:

- Nearly 60 percent says the D.C. metro economy is in better shape than the U.S. economy
- More than 60 percent rank the area among the worst for cost of living
- Washingtonians say it takes a net worth of nearly \$3 million to be considered “wealthy” in the area
- Seven in 10 say they dislike D.C. during an election year

WASHINGTON, D.C., June 1, 2016 — While Washingtonians are pleased with the state of the local economy and quality of life, they feel financially strapped due to the high cost of living in and around the nation's capital, according to a second annual survey by investment services firm [Charles Schwab](#), which has nearly a dozen branches in the Washington metropolitan area.

In a survey of 1,000 residents in the Washington, D.C. metropolitan area, which includes all of the federal district and parts of Maryland and Virginia, more than half (58 percent) believe the D.C. area economy is in better shape than the overall U.S. economy. But 62 percent of Washingtonians also believe that the D.C. metro area is one of the worst in the country when it comes to cost of living.

According to the survey, local residents think it takes an average net worth of \$1.8 million in most areas of the United States to be considered wealthy, while an average net worth of nearly \$3 million is what it takes to be wealthy in the D.C. metro area. A net worth of about \$720,000 is required to be financially comfortable in the D.C. area, according to survey respondents.

Nearly half (46 percent) say that the high cost of living in the D.C. metro area threatens their ability to achieve some of their top financial priorities, such as saving for retirement and building an emergency fund. One of the driving forces behind the high cost of living, according to survey respondents, is the cost of housing in the D.C. metro area—two-thirds (66 percent) say that the D.C. area is one of the worst in the country for housing costs. Expensive housing is also the main roadblock preventing them from living in their preferred neighborhood.

“In places like the Washington, D.C. area where the cost of living can be challenging, it's crucial for people to stay focused on factors they can control to help manage their wealth and stay on track toward their goals,” says Antwone Harris, CFP®, a Charles Schwab financial consultant at the firm's [Washington, D.C. branch](#) on K Street N.W. “That means saving more, investing early, and making decisions according to a comprehensive, long-term financial plan.”

Positive outlook on wealth, but room for improvement with financial planning

Forty percent of Washingtonians surveyed say that local cost of living has the greatest impact on their personal finance decisions, but despite those high costs, 72 percent are confident that they will reach their

financial goals. The majority of Washingtonians are building wealth by saving (22 percent), investing (15 percent) or both (39 percent).

Though they're saving and investing, the survey reveals that Washingtonians could be more strategic about overall financial planning. According to the survey, just 24 percent of Washingtonians have a financial plan in writing, and nearly one-third (29 percent) do not have a plan at all.

Schwab's Harris notes that having a plan can have a significant impact on an individual's financial confidence. According to the survey, of those who have a written plan, 90 percent say they are confident in their ability to reach their financial goals, compared to just 43 percent who don't have a financial plan at all.

A District of Opportunity

Although cost of living is a notable burden on Washingtonians, nearly eight in 10 (79 percent) say they're happy with their overall quality of life in the D.C. metro area. Specifically, survey respondents cite the following favorable aspects of living in and around the nation's capital:

- Seventy-nine percent say the area boasts one of the top arts and culture scenes
- Seventy-five percent rate the area as one of the best for food and dining
- Seventy-eight percent say children can get a good public education in the area
- Seventy-seven percent think there are plenty of job opportunities in the D.C. metro area
- Seventy-two percent are pleased with the area's property values

When asked to grade the D.C. metro area on a range of characteristics, residents gave the area high marks (an "A" or a "B") for the following:

- A place for young professionals (81 percent)
- A place that welcomes diversity (81 percent)
- A center of innovation (65 percent)
- A market that is business-friendly for large companies (65 percent)
- A place to raise a family (58 percent)

Survey respondents were less likely to give high marks (an "A" or a "B") for the following characteristics:

- A place for the middle class (46 percent)
- A place to spend your retirement years (33 percent)

Government's Impact on the Economy

Though Washingtonians are generally happy with their life in the area, they are less fond of their town during an election year. Seven in 10 (69 percent) say they dislike Washington, D.C. during an election year.

But they do have some advice for the next President of the United States. Washingtonians say the top economic priorities for the future leader of the country should be to balance the national budget (22 percent) and reform the tax system (13 percent). While it's less important to older generations, Washington D.C. Millennials are also hoping the next president will prioritize student loan forgiveness.

D.C. residents think the president should worry least about healthcare reform and immigration, according to the survey.

Their confidence in local politics has risen over the past year, with 40 percent saying they think politicians do a good job of making the local economy stronger, compared to only 30 percent in 2015

Additional survey findings are available [here](#).

About the survey

The online survey was fielded between March 28 and April 8, 2016 among 1,000 Washington, D.C. area residents aged 21 to 75. The geographical area of the sample included all the Maryland, Virginia and D.C. counties in the Washington, D.C., Metropolitan Statistical Area. Quotas were set to be representative of the Washington, D.C. area by gender and age. The margin of error for the total survey sample is three percentage points.

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