

# News Release

## Contact:

Hibah Yousuf  
Charles Schwab  
415-667-0507  
[hibah.yousuf@schwab.com](mailto:hibah.yousuf@schwab.com)

## WASHINGTONIANS FEEL OPTIMISTIC ABOUT LOCAL ECONOMY AND QUALITY OF LIFE, BUT BURDENED BY COST OF LIVING

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

### Key findings:

- Sixty percent say the D.C. metro economy is in better shape than the U.S. economy
- Eighty-one percent think their local neighborhood economy is holding steady or improving
- Seventy-seven percent happy with overall quality of life in D.C. metro area
- Sixty percent rate D.C. metro area as one of the worst for cost of living
- Washingtonians say it takes a net worth of \$1.25 million to be considered “wealthy”

**WASHINGTON, D.C., April 21, 2015** — While Washingtonians are happy 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 new survey by [Charles Schwab](#), which has nine branches in the Washington metropolitan area.

In a survey of 1,000 residents in the Washington metropolitan area, which includes all of the federal district and parts of Maryland and Virginia, more than half (60 percent) believe the D.C. area economy is in better shape than the overall U.S. economy. And confidence about the economy appears to be highest closest to home: 81 percent of residents feel the economy in their own neighborhood is steady or improving, compared to 77 percent feeling that way about the broader D.C. economy and 53 percent about the overall U.S. economy.

But 60 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. In fact, nearly half (48 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 building an emergency fund and saving for retirement. And 65 percent say that high costs prevent them from living in their preferred neighborhood. One of the driving forces behind the high cost of living, according to survey respondents, is tax rates in the D.C. metro area—more than half (55 percent) say that local tax rates are unreasonable.

“The cost of living in the Washington D.C. area can be challenging for people who are trying to save and invest for their financial future, so we often remind people to focus on the things they can control,” says Antwone Harris, CFP®, a Charles Schwab financial consultant at the firm’s [Washington, D.C. branch](#) on K Street N.W. “Specifically, we talk about carefully balancing income and expenses, setting aside money on an ongoing basis to save and invest, and perhaps most importantly, having a financial plan in place that is tailored to specific goals and circumstances.”

### A District of Opportunity

Although the cost of living is a notable burden on Washingtonians, nearly eight in ten (77 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:

- Eighty percent say the D.C. metro area boasts one of the top arts and culture scenes, while 72 percent rate the area as one of the best for food and dining
- Seventy-seven percent say children can get a good public education in the area
- Seventy-four 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 (80 percent)
- A center of innovation (61 percent)

### **Positive Outlook on Personal Finances, Slow and Steady Wins the Race**

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, 74 percent are confident that they will reach their financial goals, which mostly center on investing and saving for retirement.

D.C. metro area residents say it takes a net worth of around \$270,000 to be "financially comfortable" and \$1.25 million to be considered "wealthy." Nearly 40 percent set the bar even higher saying it takes more than \$2.5 million to really be wealthy. When asked about their approach to building wealth, D.C. metro area residents say the following:

- The majority of Washingtonians (57 percent) see the path to building wealth as a slow and steady process defined by consistent saving and investing over time. Twenty-one percent are comfortable taking some risks to accelerate the process.
- Just 26 percent of Washingtonians have a financial plan in writing, and nearly one-third (27 percent) do not have a plan at all.
- Forty-one percent think their finances have fully recovered from the 2008 financial crisis, compared to 39 percent who say they have not yet fully recovered.

Schwab's Harris notes that planning can have a significant impact on an individual's financial confidence. According to the survey, of those who have a written plan, a substantial 92 percent say they are confident in their ability to reach their financial goals, compared to just 51 percent who don't have a financial plan at all.

### **Government's Impact on the Economy**

Though many Washingtonians are public sector employees (40 percent), they are largely unsatisfied with the role of government on the local and national levels. Seventy percent say politicians are failing to make the local economy stronger, and three out of four (75 percent) feel that political gridlock is hurting the national economy.

Washingtonians rank balancing the national budget (22 percent of respondents) and tax reform (17 percent of respondents) as the highest priorities for the nation's leaders, followed by the unemployment rate (11 percent) and minimum wage (nine percent).

In addition to keeping a close eye on government leaders, Washingtonians are also focused on Wall Street when it comes to the economy and their own finances. Forty-three percent of those surveyed say Washington and Wall Street have an equal effect on the economy, while 39 percent think they have an equal impact on their personal finances. Millennials are more likely than boomers to feel that Wall Street has a bigger impact on the economy (36 percent versus 22 percent) while they feel Washington has a bigger impact on their personal finances (43 percent versus 31 percent).

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

### **About the survey**

The survey was conducted by Charles Schwab, one of the largest full-service investment services firms in the country with \$2.53 trillion in total client assets, and Koski Research. The online survey was fielded between February 18 and March 1, 2015 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.

### **About Charles Schwab**

At Charles Schwab, we believe in the power of investing to help individuals create a better tomorrow. We have a history of challenging the status quo in our industry, innovating in ways that benefit investors and the advisors and employers who serve them, and championing our clients' goals with passion and integrity. More information is available at [www.aboutschwab.com](http://www.aboutschwab.com). Follow us on [Twitter](#), [Facebook](#), [YouTube](#) and [LinkedIn](#).

### **Disclosures**

Through its operating subsidiaries, The Charles Schwab Corporation (NYSE: SCHW) provides a full range of securities brokerage, banking, money management and financial advisory services to individual investors and independent investment advisors. Its broker-dealer subsidiary, Charles Schwab & Co., Inc. (member [SIPC](#), [www.sipc.org](http://www.sipc.org)), and affiliates offer a complete range of investment services and products including an extensive selection of mutual funds; financial planning and investment advice; retirement plan and equity compensation plan services; compliance and trade monitoring solutions; referrals to independent fee-based investment advisors; and custodial, operational and trading support for independent, fee-based investment advisors through Schwab Advisor Services. Its banking subsidiary, Charles Schwab Bank (member FDIC and an Equal Housing Lender), provides banking and lending services and products. Koski Research is not affiliated with the Charles Schwab Corporation or its affiliates. More information is available at [www.schwab.com](http://www.schwab.com) and [www.aboutschwab.com](http://www.aboutschwab.com).

Investment Products: **Not FDIC Insured • No Bank Guarantee • May Lose Value.**

(0415-2917)

###