



EVERYDAY WEALTH IN AMERICA

2023 REPORT: The Intersection of Life and Money

OVERVIEW

The intersection of life and money can be a challenging place for individuals and families in America. The economic environment, political dynamics, and general uncertainty of the past few years puts new pressure on our everyday lives. For example, we see it clearly with inflation, when we are deliberating over small purchases, or contemplating big questions like whether we've truly saved enough for retirement. We see it with interest rates and a difficult real estate market when we're looking to become a homeowner for the first time. And we see it at just about every other important step in our financial journey.

These moments that matter and our goals for the future are deeply connected to our financial lives. Understanding how Americans navigate this is essential for finding ways to better provide guidance and planning for today and into the next generation.

For the second year in a row, Edelman Financial Engines has partnered with Greenwald Research to tackle this important matter in the groundbreaking *Everyday Wealth in America* study.

The research examines critical topics that relate to both life and money, including attitudes about wealth, the top concerns and sources of stress, the impact of social media on our financial self-esteem, issues related to the transfer of wealth, financial challenges in relationships, and many more. Perhaps most importantly, the research also tackles how financial professionals, and employers, can help Americans solve some of the financial issues they face today and achieve the goals they have for the future.

The study investigates how these issues impact Americans across all wealth brackets, but there is additional attention paid to a sub-set of affluent households that have a sizeable net worth and access to professional financial advice, and yet these individuals and families still don't always feel financially secure.





“ Our research shows how the market volatility over the past two years has taken a financial and emotional toll on individuals and families regardless of wealth. We’re seeing how it impacts the big financial moments in life, like deciding when to purchase a home or how to retire, as well as our everyday moments, like buying groceries for our families and filling up the car. We are all influenced by the larger economic forces around us, as well as the realities of our own individual relationships. Together, these factors all connect to our financial lives and how we perceive what it means to feel wealthy. ”

KELLY O'DONNELL
CHIEF CLIENT OFFICER
EDELMAN FINANCIAL ENGINES

ABOUT THE SURVEY

The 2023 Everyday Wealth in America research was conducted for Edelman Financial Engines by Greenwald Research. Information was gathered through an online survey of 2,022 Americans who were at least 30 years old, from Aug. 28 to Sept. 8, 2023. The total sample included an oversample of 1,013 “affluent” respondents between the ages of 45-70, with household assets between \$500K-\$3M, and currently working with a financial professional or open to doing so.

Data was weighted to correct for the affluent oversample and was also weighted by household assets, age, gender, race, and education to reflect the broader national population. If randomly conducted, the survey would have a margin of error (at the 95% confidence level) of plus or minus 2 percentage points. The study was also blinded, with respondents not aware that the research was sponsored by Edelman Financial Engines.



HIGHLIGHTS FROM THE STUDY

14%

Only 14% of Americans consider themselves wealthy (similar to the 12% in 2022).

67% now believe they would need \$1 million or more to feel wealthy, up from 57% last year.

47%

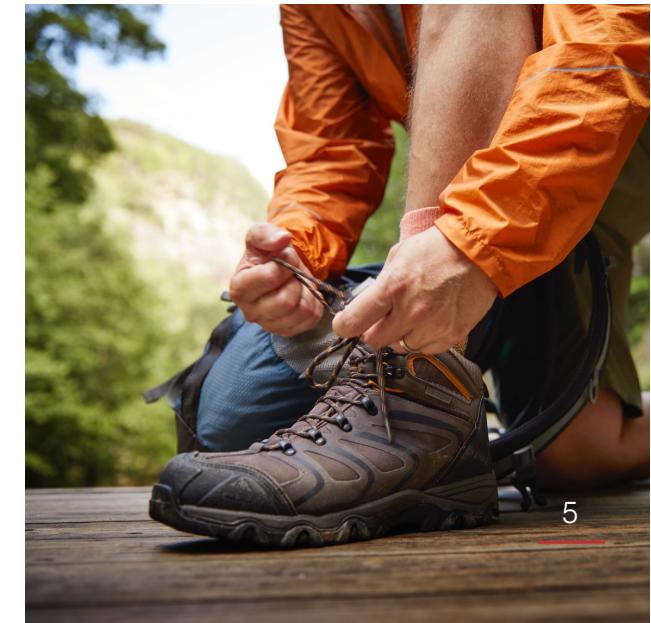
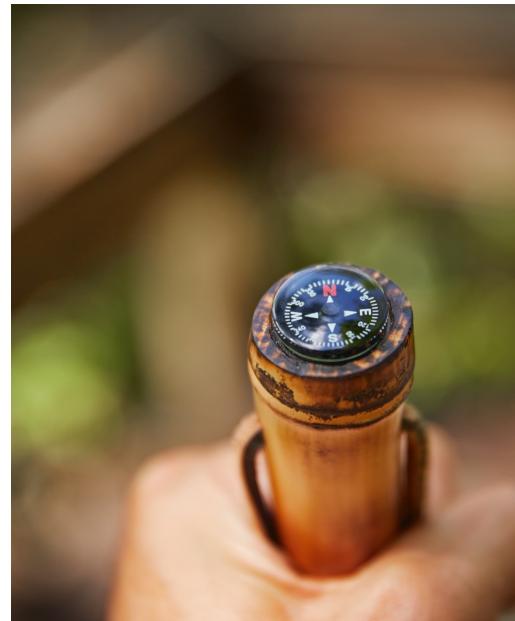
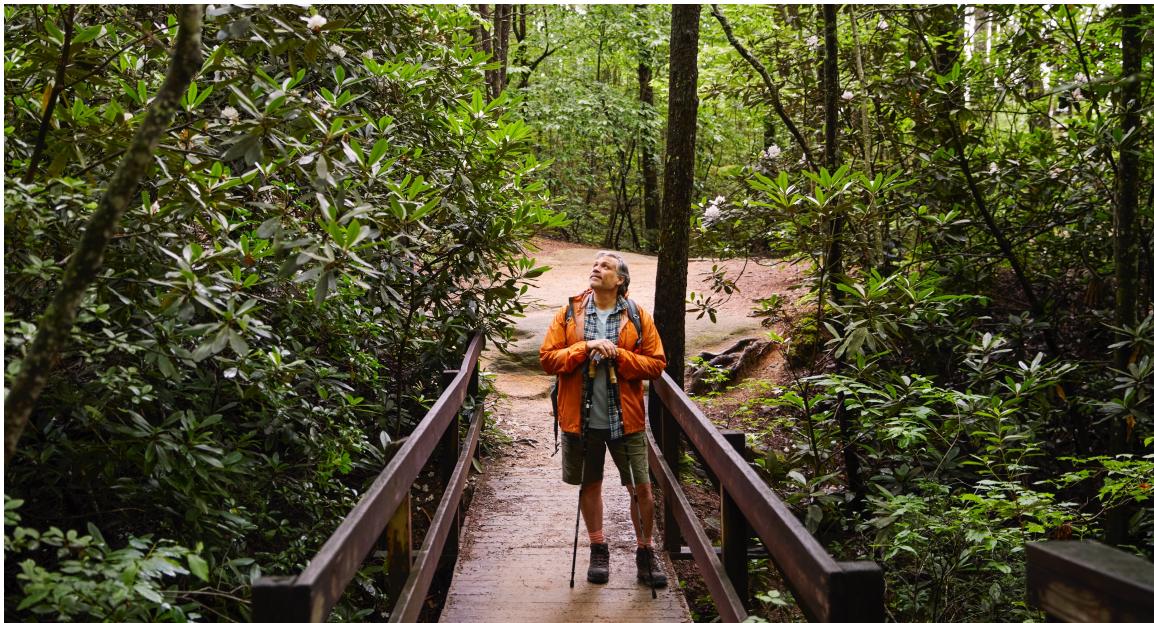
The current political environment is the top source of stress among the affluent (47% vs. 31% of all Americans who say the same).

39%

39% overall (and 32% of the affluent) say that credit card debt is their biggest threat to building wealth.

45%

45% of those potentially in the market for buying a home say that the current real estate environment has discouraged them from doing so.





HIGHLIGHTS FROM THE STUDY

33%

33% spent more on something than they could afford because they felt the need to keep up with others on social media.

51% of those who spend more than three hours a day on social media say the same.

71%

71% of Americans (and 77% of current caregivers) believe the person who takes on a caregiving role with their parents or loved ones deserves a bigger inheritance because of it.

62%

62% of divorcees say financial issues contributed to their divorce.
74% say they fought about money and finances with their ex-spouse during the relationship.

48%

48% of Americans believe they need help from a financial professional to accomplish their goals.

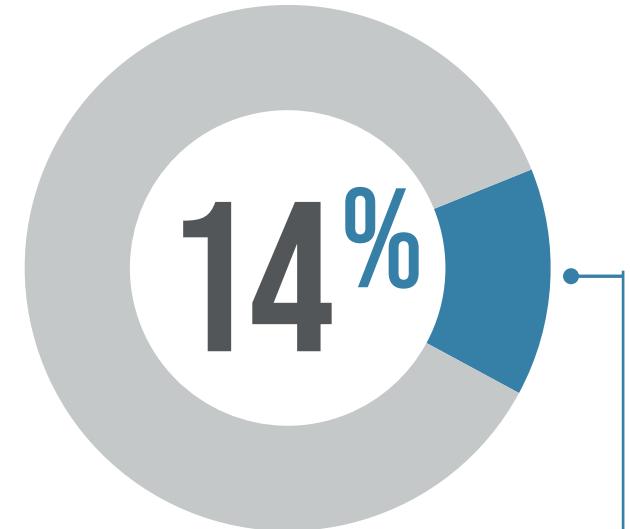
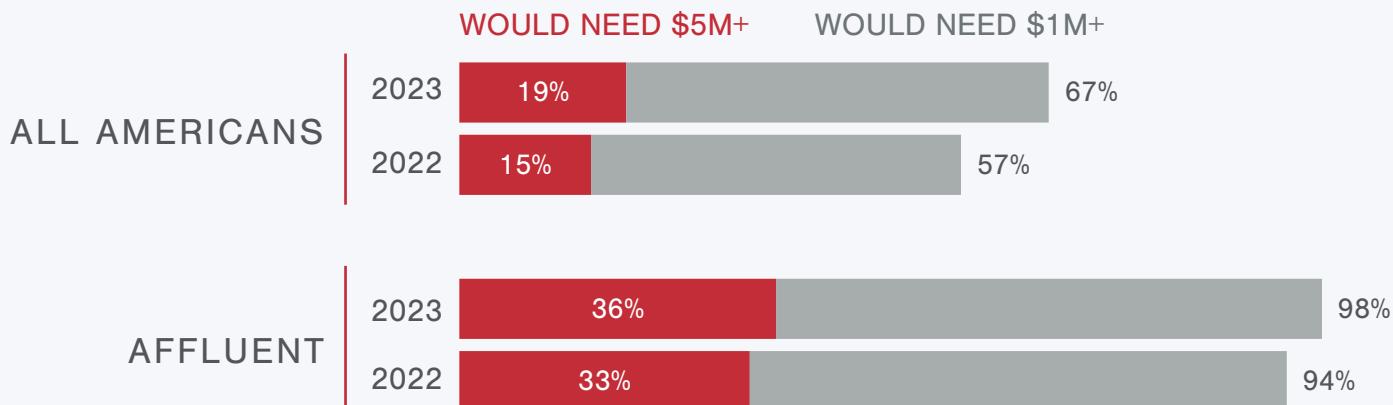
01: REFLECTIONS ON WEALTH

THE BAR FOR FEELING WEALTHY HAS GONE UP IN THE LAST YEAR

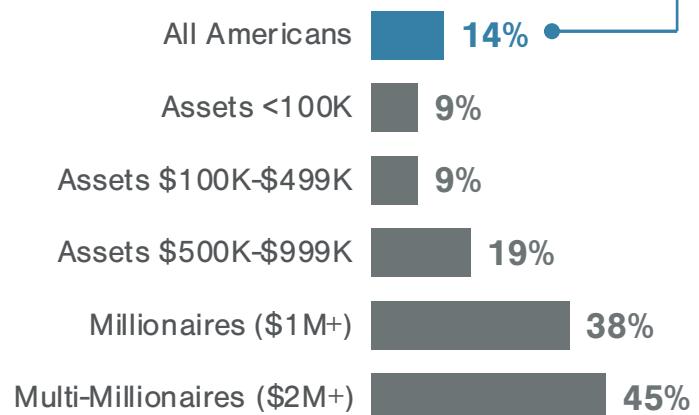
Consistent with 2022, very few Americans consider themselves wealthy. Only 14% believe they are wealthy (vs. 12% in 2022). Even among the affluent, fewer than 1 in 5 describe themselves this way (19%).

But what would it take to actually feel wealthy? Not surprisingly, as inflation has pushed prices up over the past year, it has also raised the bar on the amount Americans believe they would need to achieve this status. In 2022, 57% of Americans said they would need at least \$1 million to feel wealthy; this year, 67% believe they would need that much.

HOW MUCH WOULD IT TAKE TO FEEL WEALTHY?



WHAT ABOUT THOSE WITH HIGHER ASSETS?



02: DELTA BETWEEN WEALTH AND WORRY

FEELING WEALTHY DOESN'T ALWAYS MEAN "WORRY-FREE"

Growing one's wealth is a goal for many Americans. But what drives people to pursue this goal? The top motivation is a desire to not have to worry about money.

With this in mind, we were curious to find out if there is a difference between how much it takes to feel wealthy compared to how much it takes to be worry-free. What we found is that this "delta" depends greatly on where you are in life. The difference is highest for those in their 30's and 40's where being worry-free takes more money (peaking at nearly \$1M). For those in their 60's and beyond, however, the numbers flip-flop: it takes more to feel wealthy than it does to be worry-free.

4 IN 5

Say "being financially secure enough to not worry about money" is the main driver for having a goal to build wealth



*Statistics shown represent the 5% trimmed mean

LEVEL OF ASSETS NEEDED TO FEEL WEALTHY VS. NEVER WORRY ABOUT MONEY*



03: CONCERNs AND STRESSORS

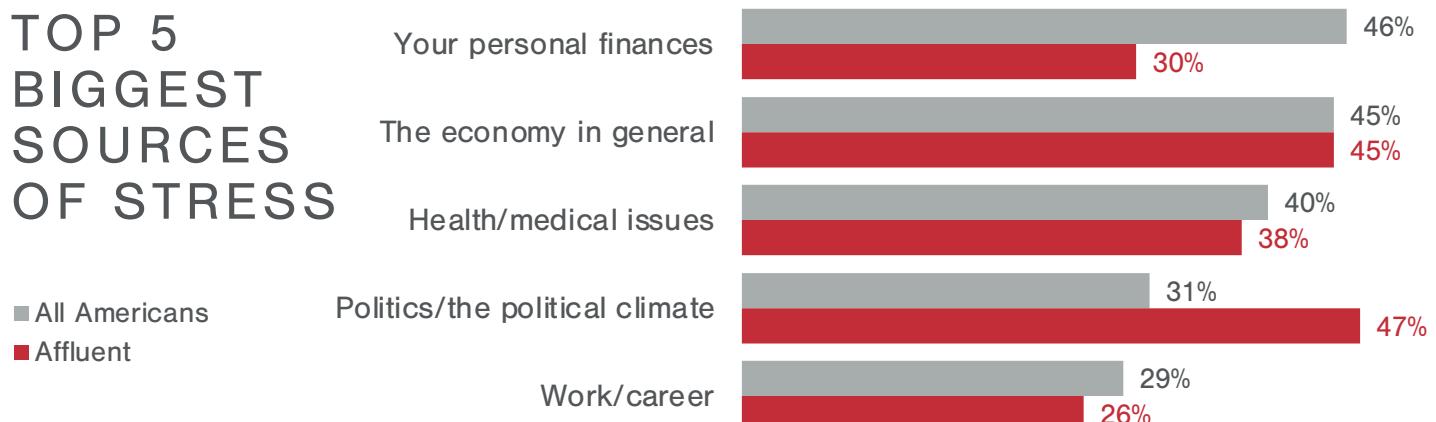
POLITICS WEIGH ON THE MINDS OF THE AFFLUENT

Americans have faced a challenging economy over the past year, but there are signs of improvement. Recession fears, for example, are down significantly from 2022 (78%, down from 86%).

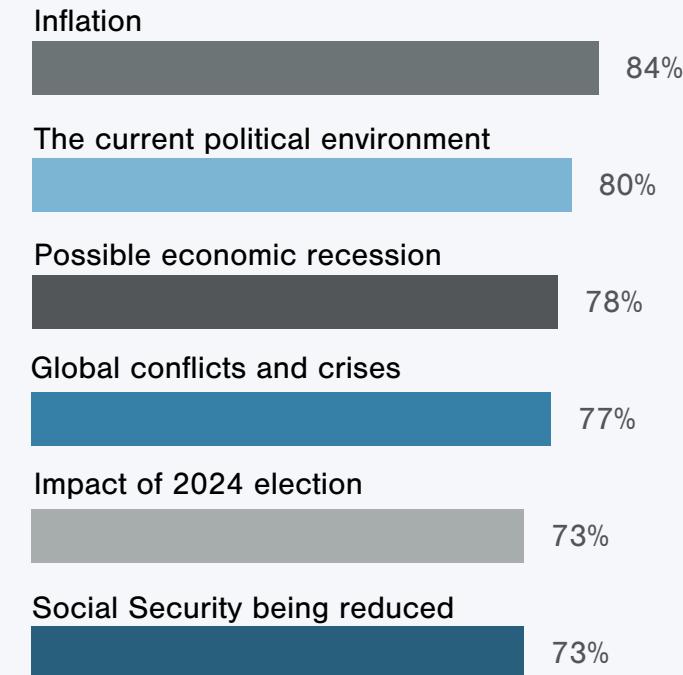
Other pressures continue to loom large: inflation still ranks as Americans' number one concern and money issues remain the leading cause of stress. And as we head towards a presidential election in 2024, political worries also weigh on many. In fact, three-quarters of Americans feel concerned about the impact of the 2024 election on their financial security (73%).

The affluent are especially anxious about politics. The current political environment ranks as the top worry among affluent Americans and the 2024 election comes in 3rd. Similarly, while 3 in 10 of all Americans view politics as a source of stress (31%), the same is true for nearly half of the affluent (47%), making it their number 1 source of stress.

TOP 5 BIGGEST SOURCES OF STRESS



TOP CONCERNs



TOP CONCERNs FOR THE AFFLUENT

- 1 Current political environment (90%)
- 2 Inflation (87%)
- 3 Impact of 2024 election (81%)

04: GROWING CREDIT CARD WOES

1 IN 3 RACKED UP AN UNCOMFORTABLE AMOUNT OF CREDIT CARD DEBT IN 2023

While inflation remains high in 2023, consumer spending has not necessarily slowed.¹ As a result, Americans racked up more credit card debt than ever this year, as levels surged to the \$1.08 trillion mark, according to Q3 2023 data reported from the Federal Reserve Bank of New York.²

According to our report, one-third of Americans feel uncomfortable with the amount of credit card debt they have accumulated this year (33%). Even affluent consumers have been burdened by it, with a quarter feeling apprehensive about what they put on credit this year (24%).

Given these trends, Americans see credit card debt (versus other types of debt) as the biggest threat to their ability to build their wealth.

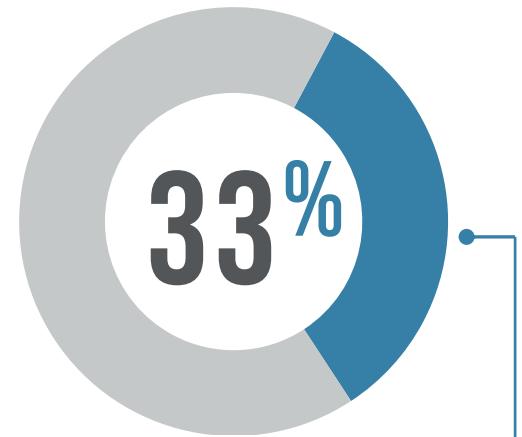
4 IN 10 AMERICANS (39%)

and 3 in 10 of the affluent (32%) say that credit card debt is the biggest threat to building wealth

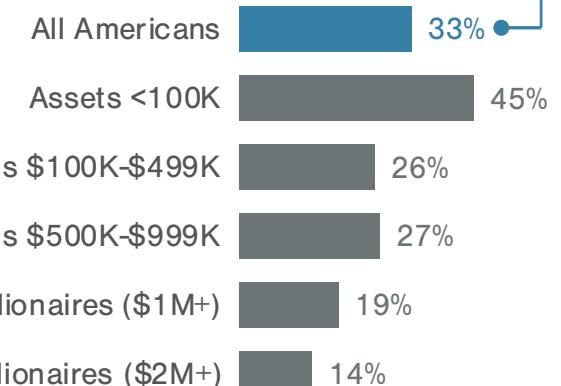


¹www.bea.gov/news/2023/personal-income-and-outlays-june-2023

²<https://www.newyorkfed.org/microeconomics/hhdc.html>



FEEL UNCOMFORTABLE WITH THE AMOUNT OF CREDIT CARD DEBT



05: PRICED OUT OF HOME OWNERSHIP

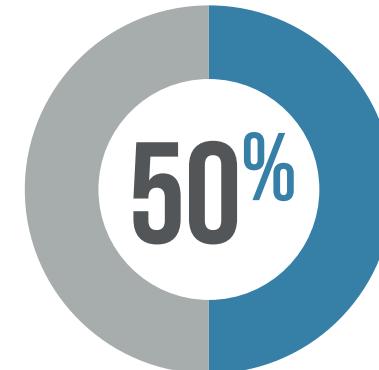
NEARLY HALF OF THOSE POTENTIALLY IN THE MARKET FOR A HOME WERE DISCOURAGED FROM BUYING

High interest rates, low inventory, and inflation mean buying a home is more expensive and more difficult than it was just a few years ago. As a result, among those in the potential market for buying a home, nearly half say that the real estate environment has discouraged them from doing so (45%).

There's also fear for what these challenges mean over the long run. More than one-third of all Americans feel like they missed the window of opportunity to buy the type of house they really want (35%).

DISCOURAGED FROM BUYING A HOME IN 2023*

- 45% of all Americans
- 51% of Americans in their 30s
- 37% of Affluent consumers



Of Americans in their 30s agree at this point they feel like they missed the window of opportunity to buy the type of house they really want



*Among those in the potential market for buying a home

06: KEEPING UP WITH THE ‘DIGITAL JONESES’

SOCIAL MEDIA CAN HAVE AN IMPACT ON ONE’S FINANCIAL SELF-ESTEEM

Americans today are spending more and more of their time on social media. And while there has been a good deal of attention paid to the mental health implications of this habit, the impact of social media on our *financial self-esteem* is often overlooked.

We investigated this issue and found that three-quarters of Americans say their friends portray themselves on social media as wealthier than they really are (74%).

Whether or not they believe what they see, our findings show it still filters into their psyche. One in 4 feel less satisfied with the amount of money they have because of social media (27%). Among those under 50, 4 in 10 feel jealous when they see

their friends’ vacation photos online (42%).

As a result, a third say they’ve spent more on something (e.g., a vacation, home renovation, luxury item) than they could afford due to the pressures of keeping up with the “digital Joneses” (33%). This financial fear of missing out is even greater for those who scroll more than three hours a day (51% are over-spending) compared to less than one hour daily (16%).

1 4



Feel less satisfied with the amount of money they have because of social media

1 3



Spent more than they could afford to match others on social media

07: WEALTH TRANSFER CONFLICT

EMOTIONS ABOUT INHERITANCE PLANS CAN DIVIDE FAMILIES

Inheritance can be an emotionally charged issue for families.

Nearly 3 in 10 say their parents' inheritance caused family conflict, (28%, up from 20% last year).

It's also the case that 27% say that emotions or family disagreements have impacted their own plans for leaving an inheritance (21% of affluent parents say the same).

But conflict is not the only pitfall to avoid. A large percentage of those whose parents have passed say that their parents did not do a good job discussing how their money would be handled (30%). Among these cases, 56% say the lack of communication lead to financial complications and issues after their death.

UP FROM
20%
IN 2022

28 %

Say parents' inheritance has caused conflict in the family

27 %

Say emotions or family conflict has impacted their inheritance plans

30 %

Say their parents did a poor job of communicating about inheritance

56 %

Say that poor communication led to financial complications*



*Of those whose parents did a poor job communicating about their inheritance.



08: COMMUNICATING ABOUT INHERITANCE

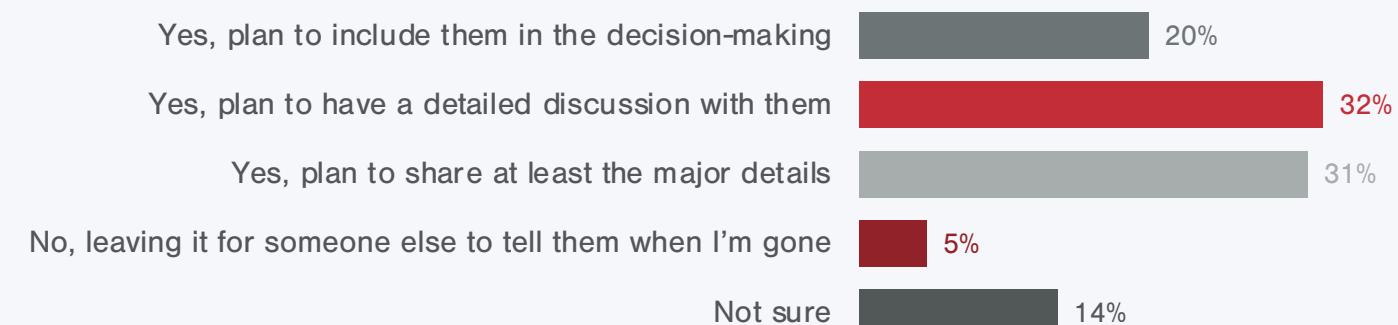
SOME DECISIONS CAN BE CONTENTIOUS; PLANNING AND COMMUNICATION IS VITAL

Inheritance decisions can be thornier than we typically imagine. Case in point: does the child who takes on a caregiving role with their parents deserve a bigger inheritance because of it? Turns out 71% of Americans say yes. Current caregivers are even more likely to agree (77%).

Given these potential dilemmas, it is imperative that families prioritize planning and communication. Unfortunately, there's evidence that many are behind on that front. Less than half have a will (45%) or even a specific plan for leaving an inheritance (41%). Many also admit that their beneficiary information on key documents is probably out of date (37%).

Parents do at least intend to discuss the issue with their kids, even if solutions may vary by family. What's most important is that people do not avoid the conversation.

DO PARENTS PLAN TO DISCUSS INHERITANCE WITH FAMILY?



71 % Believe the person who takes on a caregiving role with their parents or loved ones deserves a bigger inheritance because of it

45 % Of Americans have a will

41 % Of parents have a specific plan for leaving children an inheritance

4 IN 10 of Americans say their beneficiary info is out of date



09: FINANCIAL DEALBREAKERS

HONESTY AND TRANSPARENCY MATTERS MOST

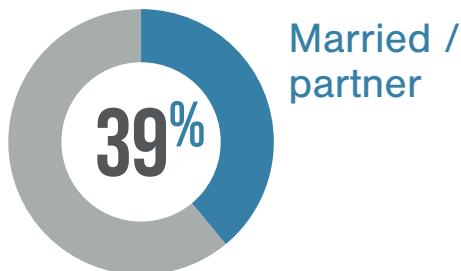
Money issues can drive a wedge into any relationship, but some problems pose a bigger threat than others.

What are the top financial dealbreakers for couples?

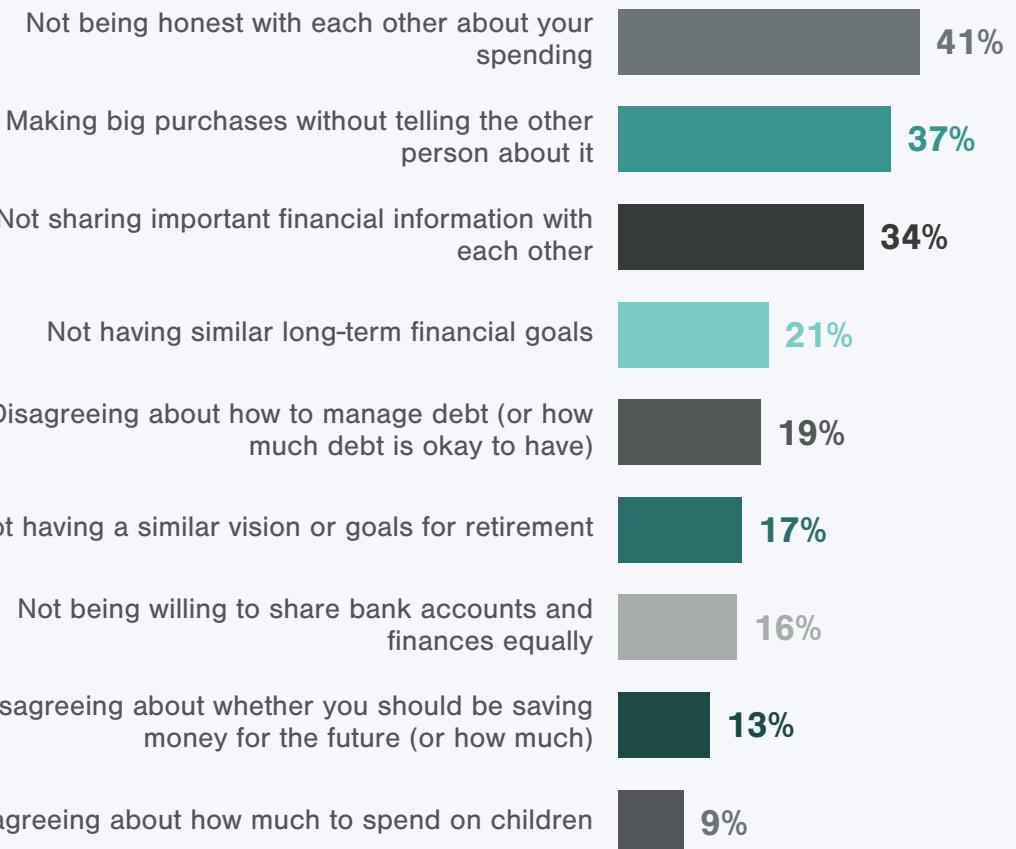
Issues related to honesty and transparency lead the way. Americans say not being honest about spending, making big purchases without telling the other person about it, and not sharing important information with each other are the biggest lines in the sand.

In fact, 50% of all divorced Americans admit that their ex-spouse did not know everything about their spending (among those who have a spouse or partner currently, it's 39%).

SPOUSE DOES NOT KNOW EVERYTHING ABOUT SPENDING



FINANCIAL “DEALBREAKERS” IN A RELATIONSHIP



10: MONEY AND DIVORCE

6 IN 10 DIVORCEES SAY FINANCES CONTRIBUTED TO THE DIVORCE

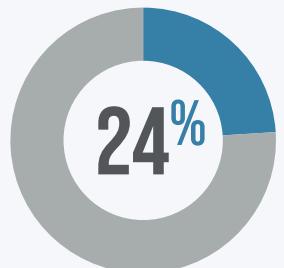
When money issues fester in a relationship, those problems can turn into resentment and conflict. Six in 10 divorcees say finances contributed to their divorce (62%).

According to the survey, 74% of divorcees report having fought with their ex about finances during the marriage. Nearly half say they fought about it repeatedly (48%). Those currently married or with a partner fight less, but still, a worrying 55% say fights occur (and that number has been on the rise).

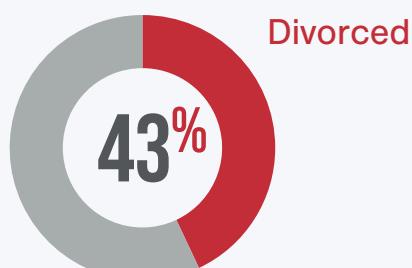
It's also the case that divorcees are nearly two times more likely to say that their ex brought more debt into the relationship. That perception of imbalance, or of differing approaches to money management, can create bigger problems.

62% OF DIVORCEES SAY FINANCIAL ISSUES CONTRIBUTED TO THE DIVORCE

SPOUSE BROUGHT
MORE DEBT TO THE
RELATIONSHIP

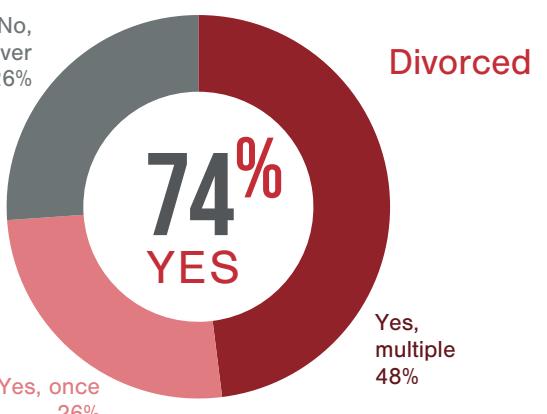
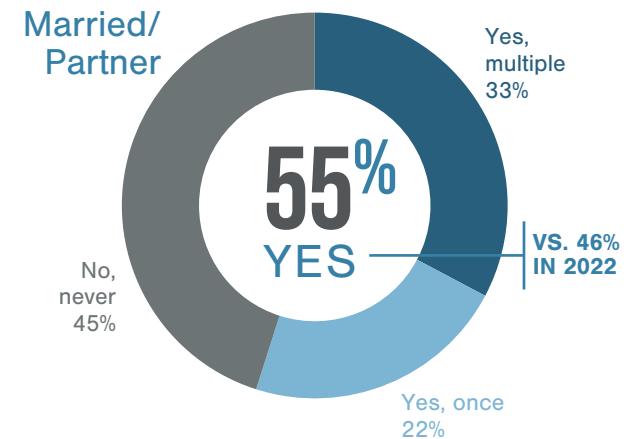


Married/
Partner



Divorced

HAVE FOUGHT WITH SPOUSE (OR EX-SPOUSE) OVER FINANCES & MONEY



11: FINANCIAL BOUNDARIES

COUPLES BELIEVE SOME BOUNDARIES CAN BE HEALTHY IF YOU ARE HONEST ABOUT IT

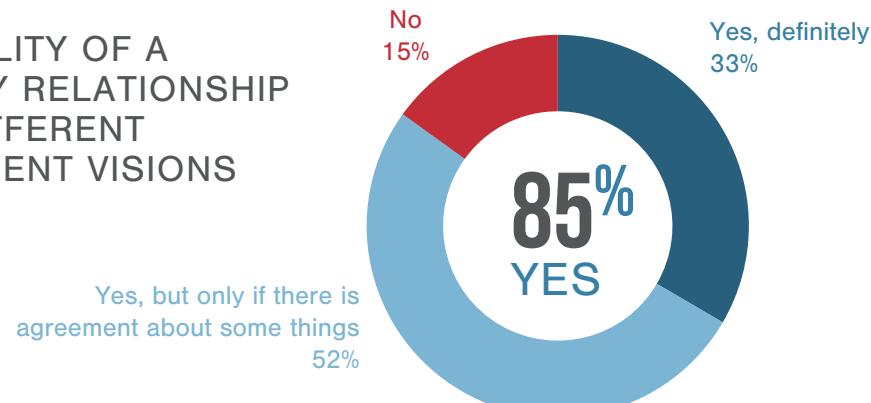
Although honesty and transparency are essential in a relationship, most Americans believe some financial boundaries can be healthy.

Two-thirds of Americans say having separate finances or accounts is healthy for a marriage (65%). Divorcees are even more likely to agree (71%).

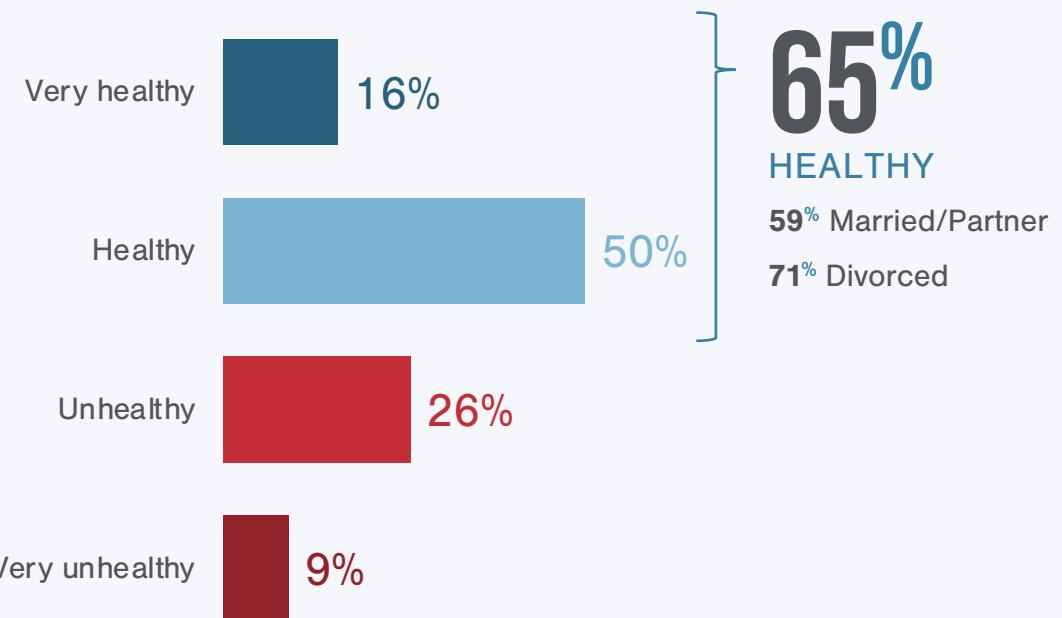
In fact, less than half of those currently in a relationship say all of their finances and accounts are shared (44%).

Couples also don't have to fully agree on the same vision for retirement to make it work. Nearly 9 in 10 say it's possible to have differing retirement visions and still have a healthy relationship (85%).

POSSIBILITY OF A
HEALTHY RELATIONSHIP
WITH DIFFERENT
RETIREMENT VISIONS



ARE SEPARATE FINANCES HEALTHY FOR A MARRIAGE?



12: INVEST IN WHAT MATTERS

FINANCIAL PROFESSIONALS CAN HELP CLIENTS RIGHT THE EQUATION

Life can often feel like a juggling act, and putting the right amount of time and attention into the things that matter most is no easy feat.

So, what does matter most? According to Americans, spending time with family (59%), feeling healthy (48%), and doing the things you enjoy (42%) are what contribute most to our sense of happiness.

Yet when it comes to the time and effort people put towards these things, doing what you enjoy and maintaining your health are two of the top three aspects of life we *underinvest* in most.

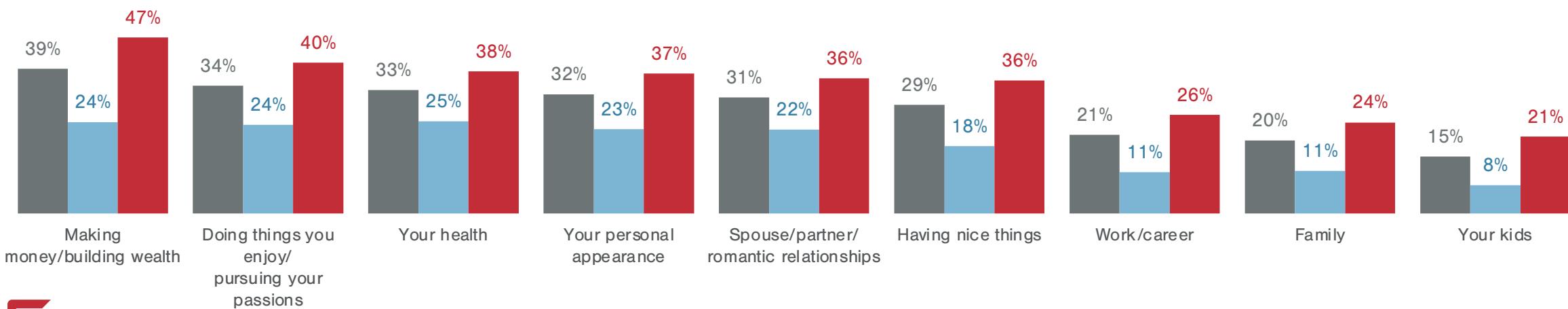
The good news is that financial professionals help people strike the right balance by taking the burden of financial planning off your plate.

Those working with a professional feel much better about their approach toward building wealth. This is important since “building wealth” is where Americans believe they underinvest most.

With their financial lives in a better place, these Americans also feel more positive about the attention they can put towards the things that make them happy.

WHAT ASPECTS OF LIFE DO YOU ‘UNDERINVEST’ IN?

■ All Americans ■ Working with a Financial Professional ■ Not working with a Financial Professional



13: FINANCIAL GOALS ON THE RISE

5 IN 10 BELIEVE THEY NEED HELP FROM A FINANCIAL PROFESSIONAL TO ACCOMPLISH THEIR GOALS

The last year has been challenging for many, but as the economy improves, Americans are starting to feel more positive about their finances. And with that growing positivity, more are looking towards the future and setting new goals.

In comparison to 2022, consumers are more likely to have a goal to build their emergency savings, grow their wealth, pay off debts, and to be able to leave an inheritance.

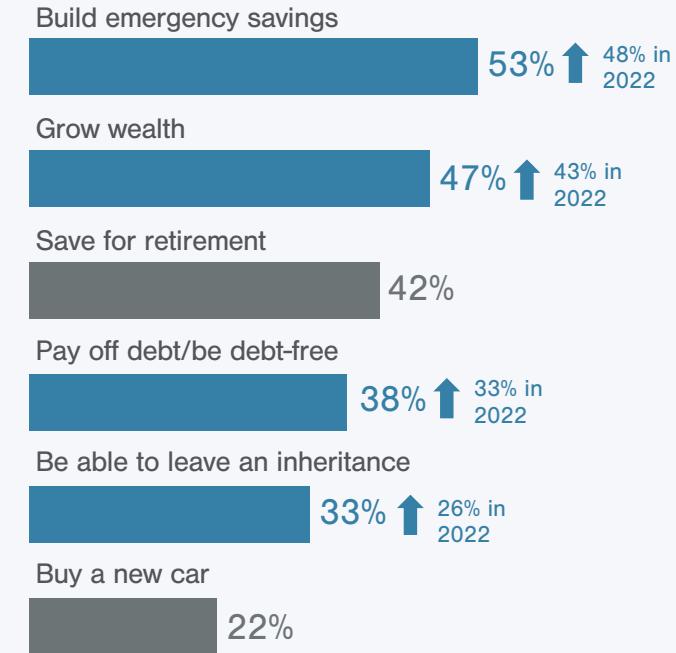
Yet many recognize that it can be tough to achieve financial goals on your own: half of all Americans (48%) believe they need help from a financial professional to accomplish their goals.



Believe they need help from a financial professional to accomplish their goals



TOP FINANCIAL GOALS



TOP GOALS FOR THE AFFLUENT

- 1 Grow wealth (61%)
- 2 Save for retirement (56%)
- 3 Build emergency savings (56%)

14: HELP FOR THE UNADVISED

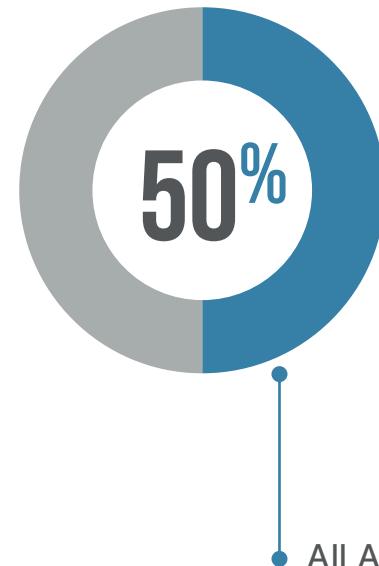
FINANCIAL HELP IS IN GROWING DEMAND

Half of all unadvised Americans say they are now more interested in working with a financial professional because of the past year's economy. Younger Americans are especially open to receiving help, with 63% of those in their 30s and 59% of those in their 40s now more interested.

Among the unadvised, what topics are of greatest interest? Help with budgeting is number one. Developing a financial plan, retirement income planning, and tax guidance round out the top four.

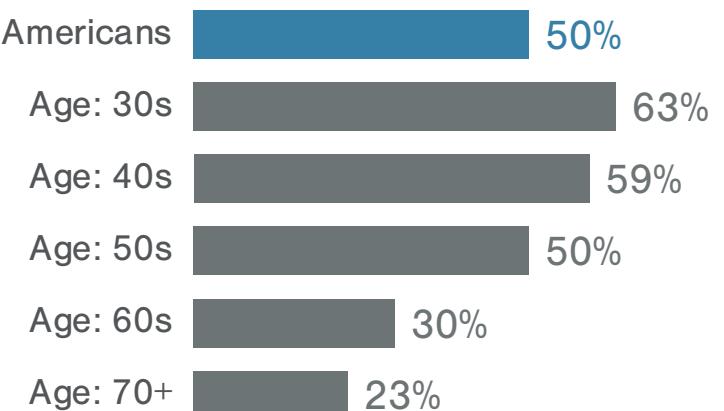
TOP AREAS OF INTEREST AMONG THE UNADVISED

- | | |
|-------------------------------------|---------------------------------|
| 1 Budgeting (28%) | 4 Tax guidance (22%) |
| 2 Developing a financial plan (25%) | 5 Healthcare/LTC planning (21%) |
| 3 Retirement income planning (24%) | 6 Investment management (21%) |



Of those not working with a professional are now more interested in doing so because of the past year's economy

WHO IS MOST INTERESTED?



15: MANY LACK HELP IN KEY MOMENTS

HALF WISH THEY HAD HELP AFTER A BIG INVESTMENT LOSS

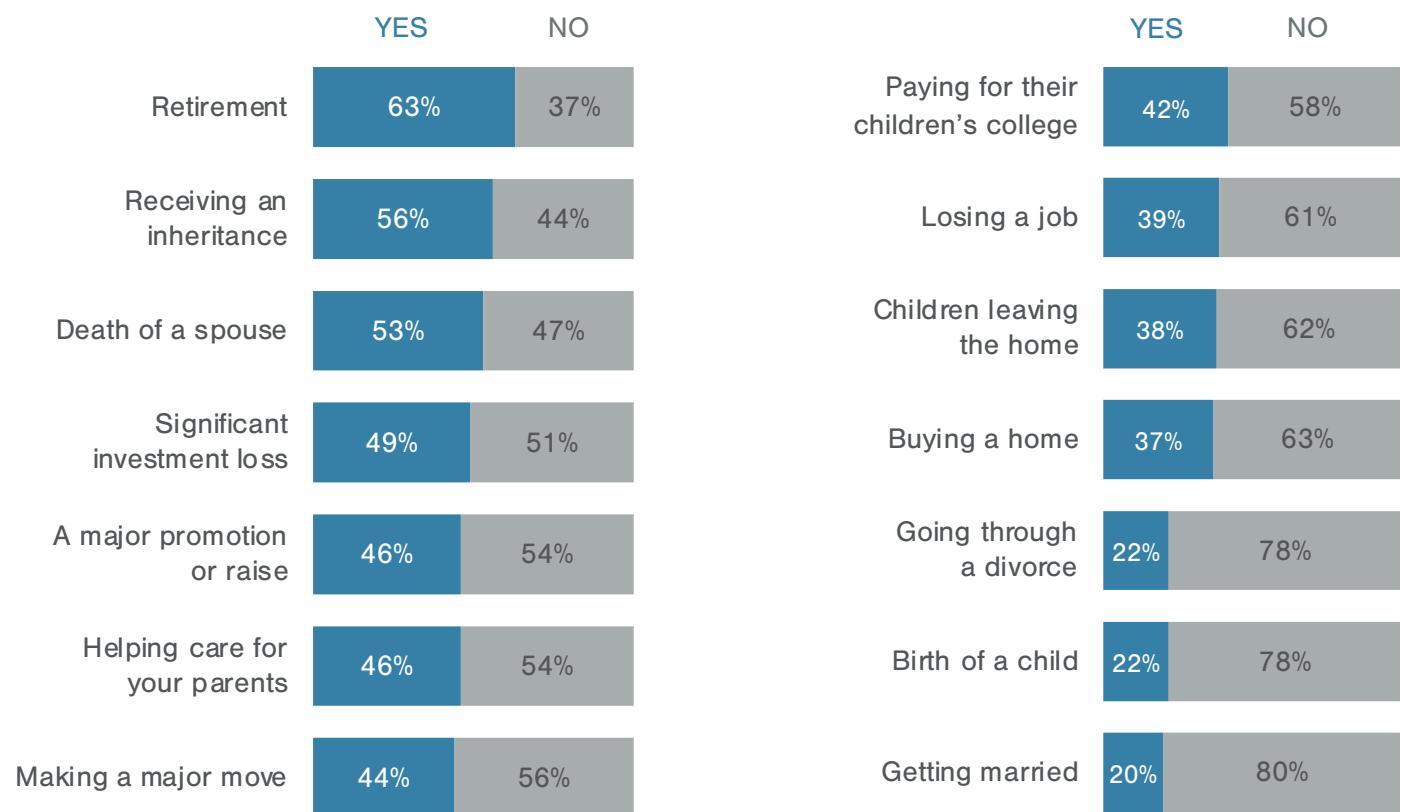
Americans often navigate major life moments without the help of a financial professional to guide them through the process.

For example, only 22% of those who have experienced divorce had a financial professional at the time.

Of those who experienced these life events before they were working with a financial professional, many wish they had more help. The biggest regret: 48% of those who faced a significant investment loss without an advisor wish they had one.

Even for those who currently work with a professional, 62% say they wish they had sought that help earlier in their life.

WERE YOU WORKING WITH A FINANCIAL PROFESSIONAL WHEN YOU EXPERIENCED THESE EVENTS?



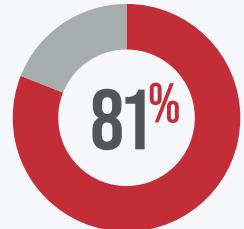
16: HELP NEEDED AT THE WORKPLACE

WORKERS BELIEVE EMPLOYERS SHOULD HELP MORE THAN THEY DO

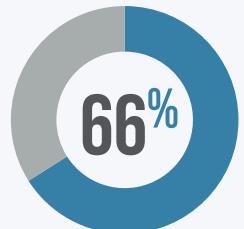
The workplace represents a major opportunity to provide resources and advice to Americans earlier in their life.

The interest is certainly there: 81% say that employers should do more than just helping employees save for retirement. A similar share say they would be interested in having access to financial resources and advice at work (80%). Yet only 39% of workers say they are currently offered a financial wellness program.

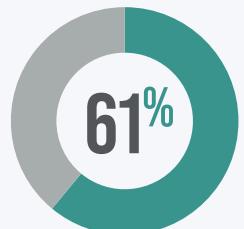
A major hurdle for providing personalized advice is the comfort level of workers sharing personal financial information with a resource that comes through their employer. Nearly 4 in 10 are not comfortable sharing information to get more personalized financial advice (39%). It depends greatly on age, though: younger workers are significantly more likely to be comfortable sharing personal information.



When it comes to improving the financial wellness of workers, employers should do more than just helping employees save for retirement



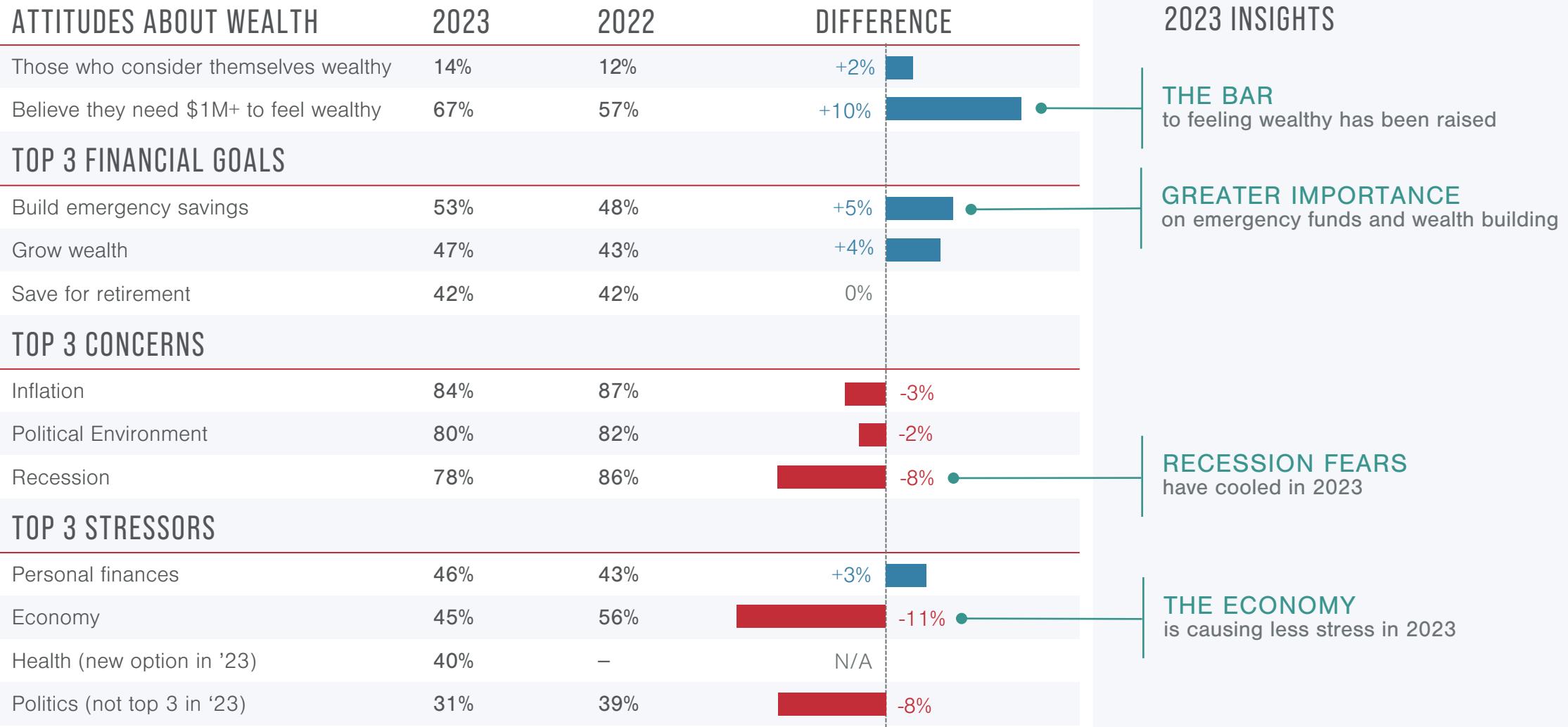
It's important to me to have access to personalized financial advice through my employer since I don't have an outside financial professional



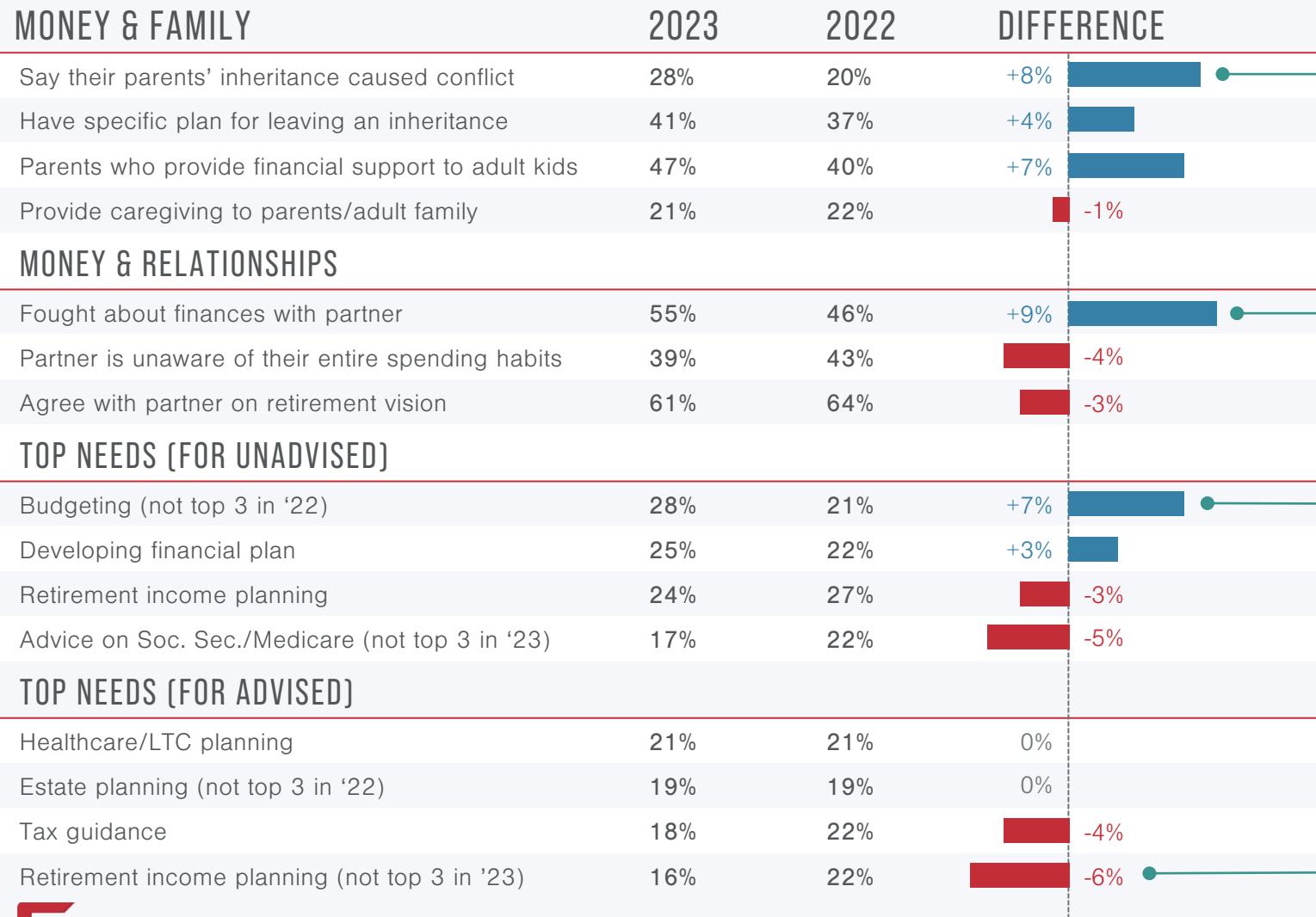
You would be comfortable sharing personal financial information with your employer in order to get more personalized financial advice



SUMMARY OF KEY TRENDS TO WATCH



SUMMARY OF KEY TRENDS TO WATCH



2023 INSIGHTS

CONFFLICT OVER INHERITANCE
has increased since 2022

COUPLES ARE FIGHTING
over money significantly more

UNADVISED AMERICANS
need budgeting help more than ever

RETIREMENT INCOME PLANNING
is less of an unmet need this year



WHAT ARE THE TAKEAWAYS?

- 1 Don't let others define your success.** It's important to celebrate accomplishments and to set goals based on your own ambition and values. Our research shows that many struggle with this. Very few believe they are wealthy, and in just the past year, Americans raised the bar on the amount they believe is needed to achieve this status. Social media has made it even harder to stay grounded in how we measure both happiness and wealth. Resist the temptation to compare your journey to others.
- 2 Make communication about inheritance a priority.** Inheritance planning taps into feelings of what we think we deserve from loved ones in a way that can take on bigger meanings than anyone intended. This tension is not inevitable though. Three in 10 say their parents did a poor job of communicating their intentions and more often than not, it resulted in conflict and headaches. Tackle this issue early and prioritize open communication with family.
- 3 Commit to transparency.** Couples are fighting over money more in 2023 than they did last year. How can it be prevented? For many families, it's okay for partners to approach finances differently. It's even possible to have differing visions for retirement. But there is a line where differences become dealbreakers, and it's dependent on there being transparency about these issues. Financial professionals can help couples navigate these challenges before it's too late.
- 4 Invest in what matters most.** Your time is invaluable, so don't lose track of what's most likely to make you happy in the long run: family, your health, and doing what you enjoy. A modern wealth management relationship can help you strike the right balance by taking the burden of financial planning off your plate.
- 5 Find a resource for advice early.** It's easy to procrastinate on seeking financial advice. We imagine our finances are too simple or that we don't have enough wealth to warrant it yet. The problem is: waiting for life to get complicated means facing key challenges on your wealth journey without help. Waiting until you feel wealthy may put you behind where you otherwise could have been.

LEARN MORE OR CONNECT WITH A PLANNER

At Edelman Financial Engines, we believe everyone deserves to move their financial life forward. For more than 35 years, we've offered the tools and expertise to help make that possible.

No matter where your financial journey starts with us – from your first paycheck into and through retirement – we bring to bear an expert team, patented technology and a full suite of services designed to help you transition from one milestone to the next.

What are the next steps?

- 1. Connect with a planner.** Start by answering a few questions about yourself and your financial outlook.
- 2. Schedule your appointment.** An Edelman Financial Engines representative will contact you to schedule a time to meet in person – virtually or by phone.
- 3. Discuss your goals.** After a thorough conversation, you may have better insight into your financial situation relative to your goals.



www.edelmanfinancialengines.com
or call: (833) PLAN-EFE

