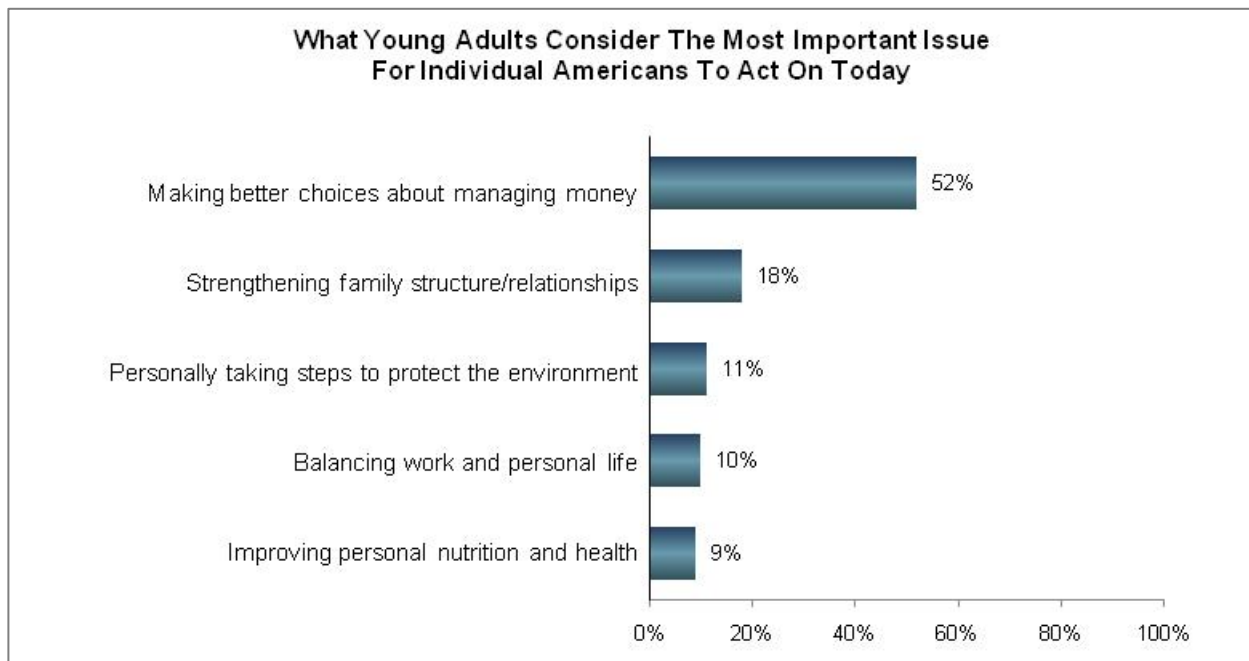


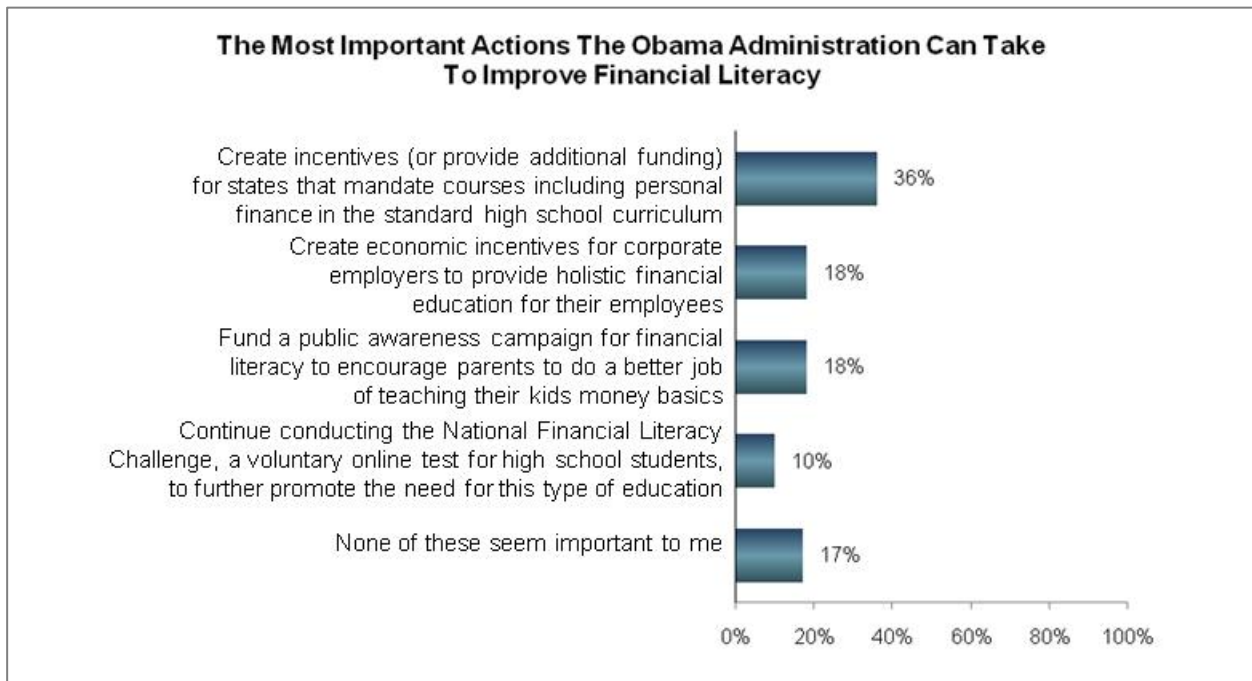
Charles Schwab 2009 Young Adults & Money Survey Findings
Insights into Money Attitudes, Behaviors and Concerns of 23- to 28-Year-Olds

ECONOMIC OUTLOOK AND HOPE FOR THE FUTURE

- **Young adults are riveted by the nation’s weakened economy:**
 - Seven in 10 (71%) are “very concerned” about the country’s economic future.
 - More than half (53%) are “very concerned” about their personal financial future.
- **Today’s economy may be ushering in a new era of financial responsibility for young consumers:**
 - Most are becoming more financially conservative. They are eating out less (62%), “shopping for fun” less (73%), saving more (52%) and modifying their vacation plans (47%).
- **Young adults believe that making better choices about managing money is the single most important issue facing individual Americans today.**

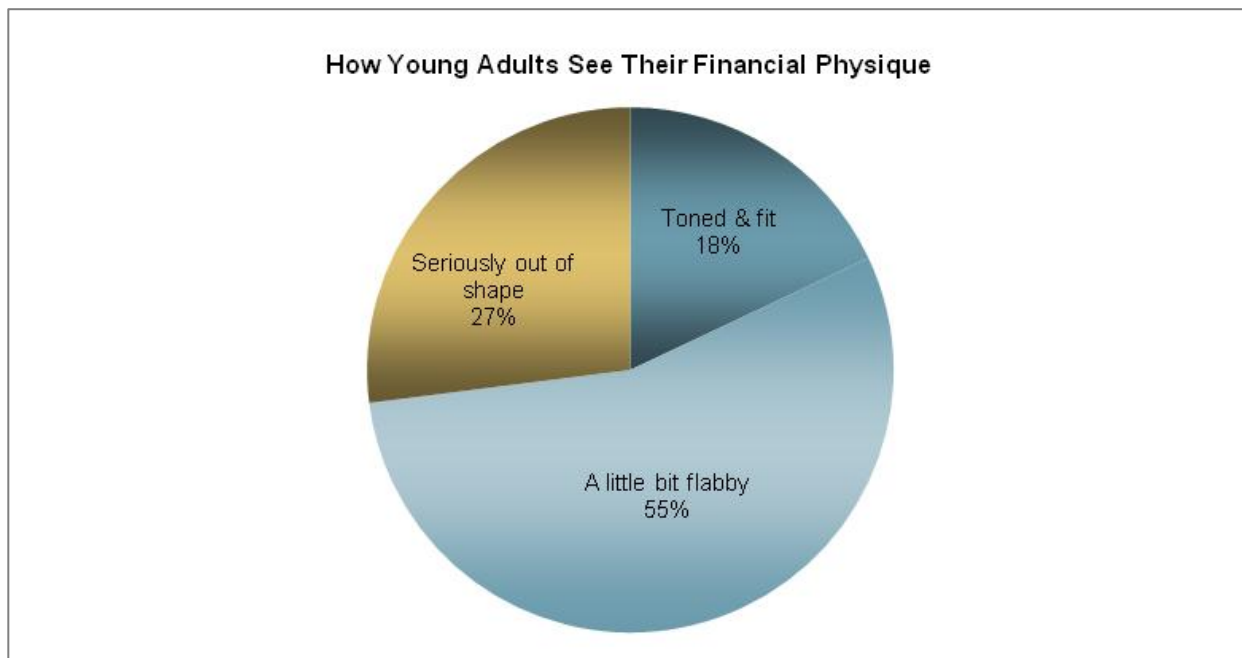


- **Among the ideas tested, young people believe providing incentives for states to mandate financial education in schools is the most important step the Obama Administration can take to improve financial literacy.**



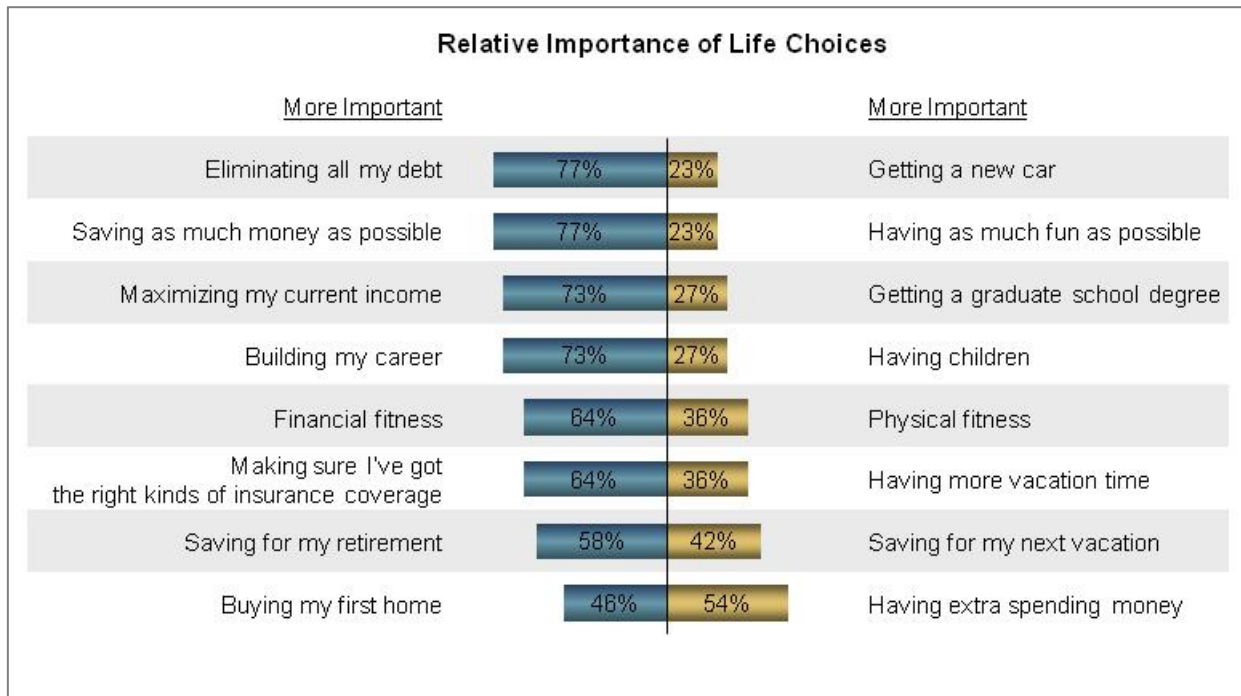
FINANCIAL FITNESS VS. PHYSICAL FITNESS

- **Young adults care more about financial fitness than physical fitness:**
 - Almost two-thirds of young adults (64%) say financial fitness is more important than physical fitness.
 - The majority (51%) believe that financial education in school, grades K-12, is more important than both physical education (31%) and sex education (18%) combined.

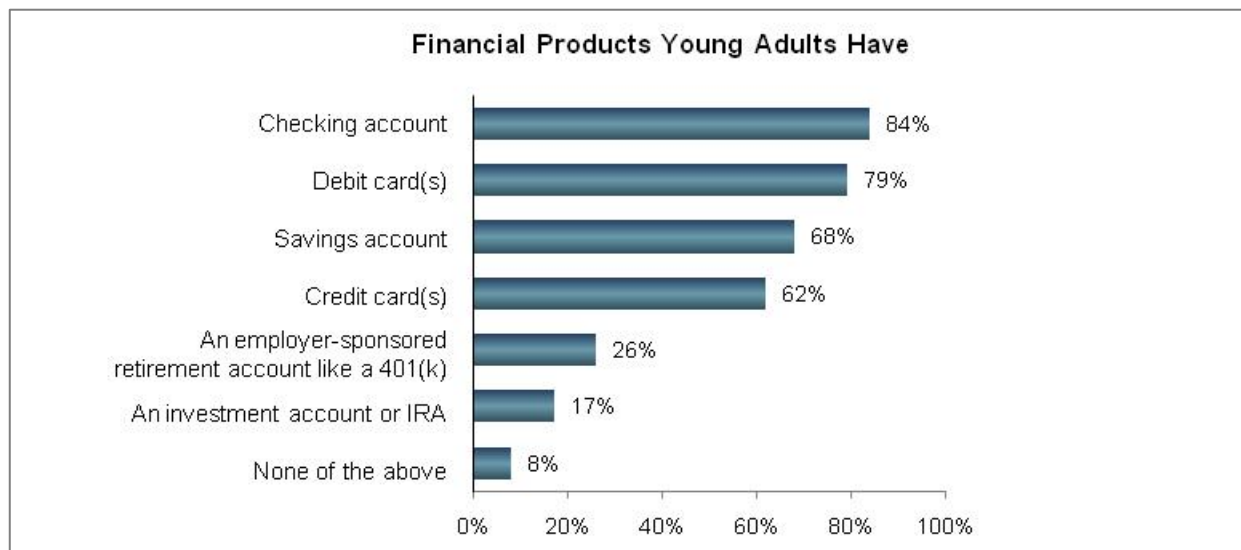


ATTITUDES VS. BEHAVIORS

- **When asked to rank the relative importance of conflicting financial priorities, young adults generally make the more responsible choice.**

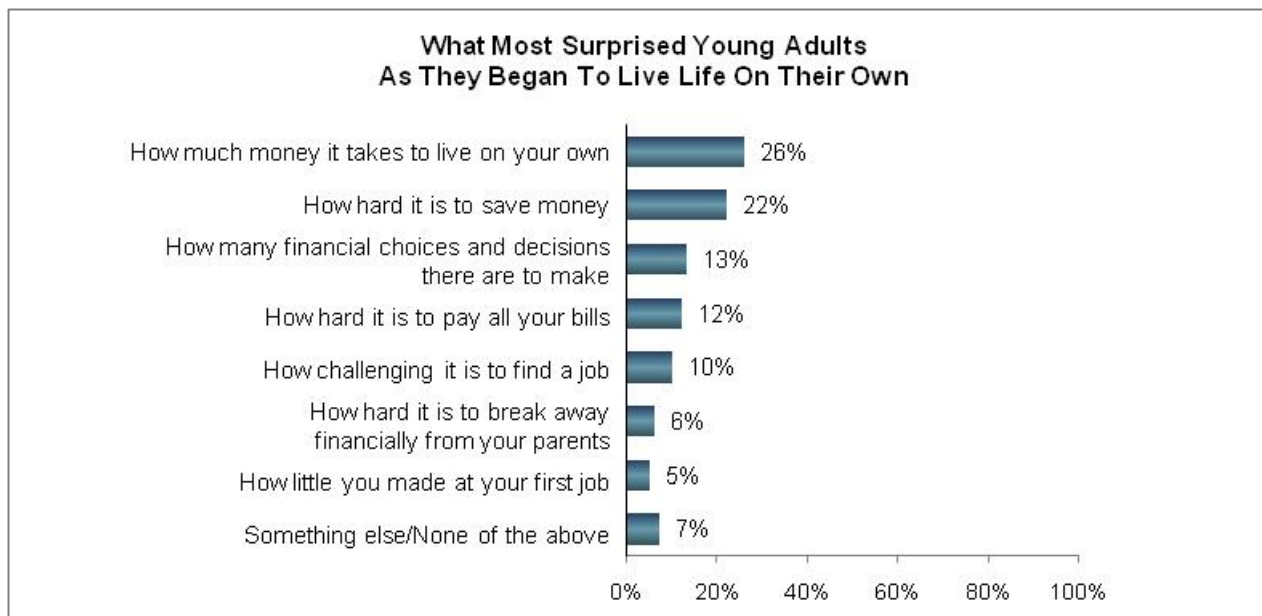
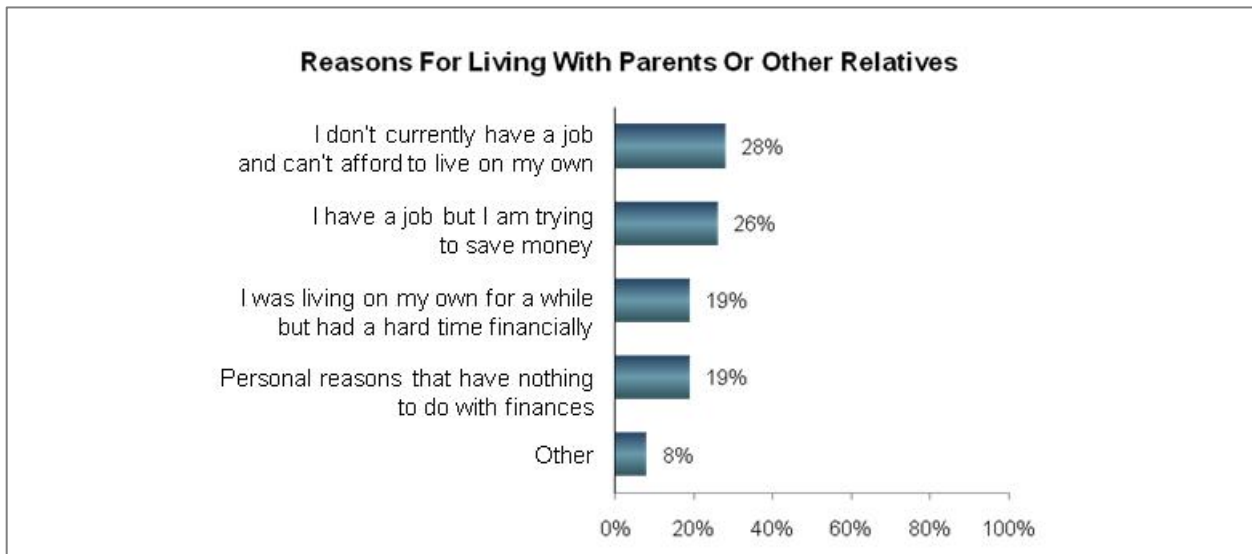


- **Despite the importance they place on financial fitness, young adults demonstrate some less than optimal financial behaviors:**
 - On average, they carry \$14,020 in debt (excluding mortgages).
 - Only one-third (33%) pay off their entire credit card balance each month. Most (45%) pay “more than the minimum, but less than the total balance,” while others “pay the minimum every month” (13%) or only make payments when they are able (9%).
 - One in four (25%) of those who are eligible do not participate in a 401(k) or other type of company-sponsored retirement savings plan.
 - Nearly one in 10 (8%) has no financial products, not even a checkbook.



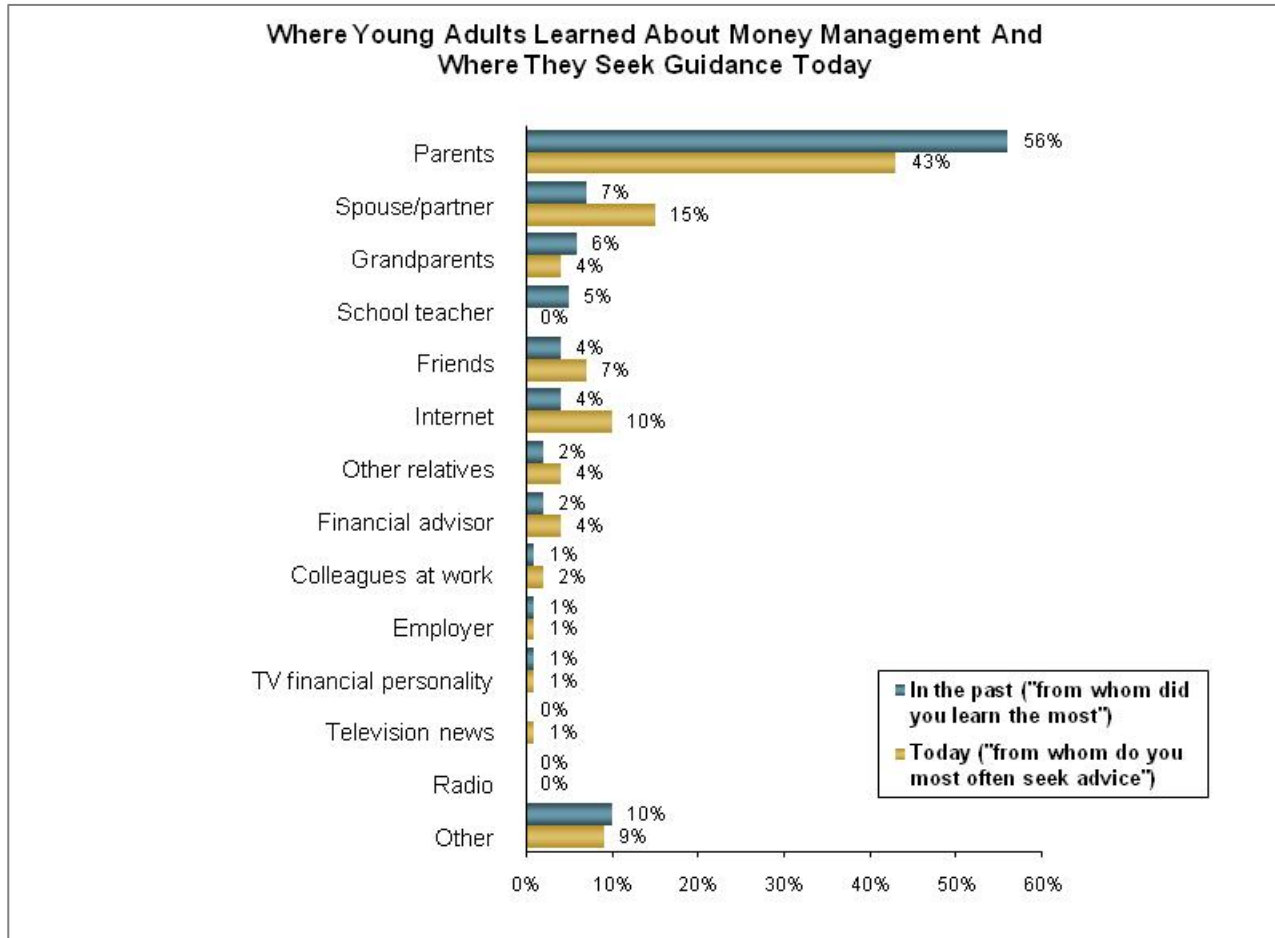
FINANCIAL RELATIONSHIP WITH PARENTS

- **Young adults' financial relationship with their parents remains important:**
 - While most (51%) young adults are financially independent, more than a third (34%) acknowledge they get “a little” help from their parents.
 - More than one in four (26%) young adults live with their parents.
 - More than half believe they eventually will be more successful than their parents (23% much more; 32% somewhat more).
 - Close to one-quarter (24%) expect to help their parents after they retire. Only about one in 10 (9%) believe their parents are more likely to help them when they retire. One-third (34%) believe “neither of us are likely to support each other” when their parents retire, and another third (33%) aren't sure who will help whom because of the current economy.

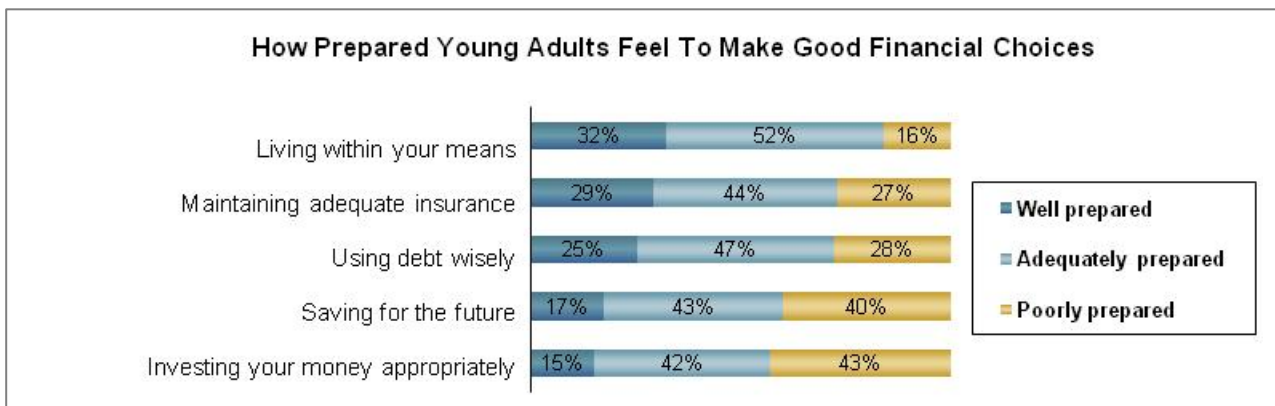


FINANCIAL EDUCATION AND PREPAREDNESS

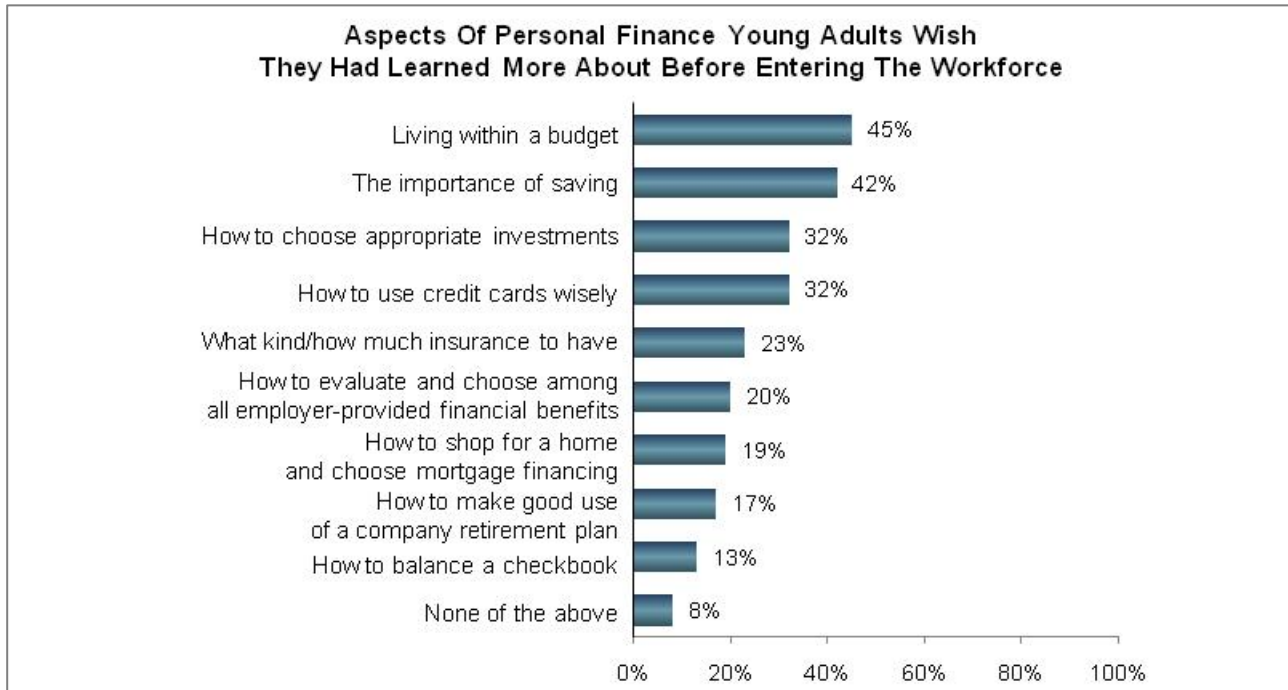
- **The majority of young adults learned the most about money management (including budgeting, saving, borrowing and investing) from their parents. Parents remain the single most important source of financial information and guidance.**



- **Few young adults feel well prepared to make good financial choices in life. They feel least prepared to save for the future, invest money appropriately and use debt wisely.**

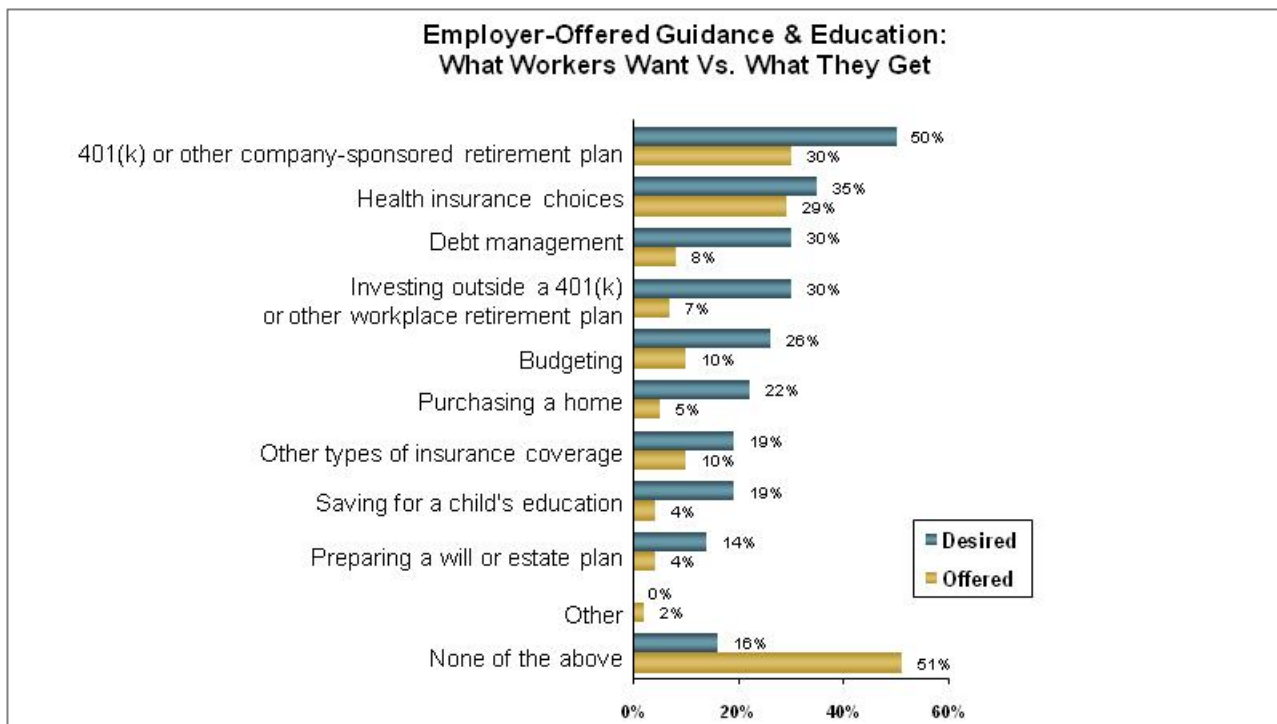


- When asked which aspects of personal finance they wish they had learned more about before entering the workforce, the top two responses are “living within a budget” (45%) and “the importance of saving” (42%).



FINANCIAL EDUCATION IN THE WORKPLACE

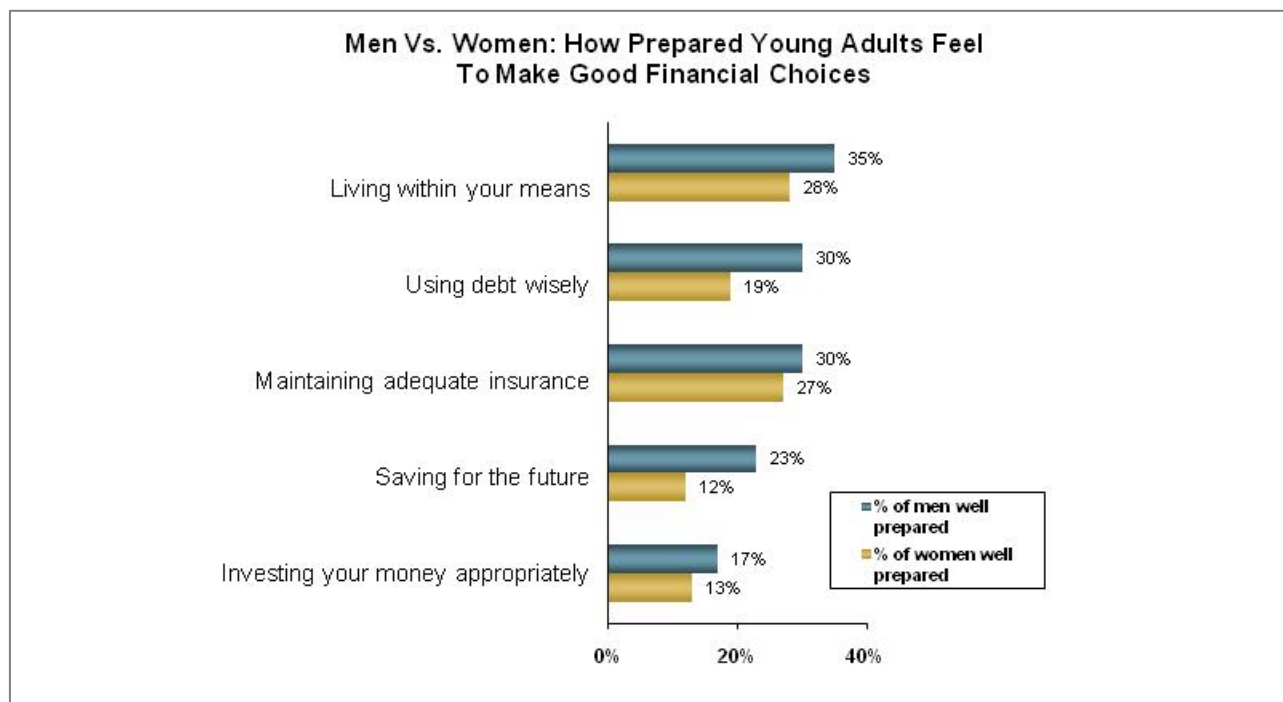
- There are sizeable gaps between what younger workers would like with respect to financial education and guidance, and what their employers actually offer. However, nearly one in three young workers (31%) say they are “not very familiar” or “not at all familiar” with the financial benefit plans offered by their employer.



- **The vast majority (87%) of young adults believe a 401(k) plan is “very important,” but more than one-third (35%) do not participate in one.**
 - While six in 10 (60%) have employers that offer a 401(k) or company-sponsored retirement plan, one quarter (25%) of those eligible do not participate. Of those who do contribute, more one-third (35%) aren’t confident in their ability to make suitable investment choices.
 - At the time when a 401(k) plan was first offered to these participating young adults, more than four in 10 (42%) said they were “not very” or “not at all” prepared to make good decisions about whether to contribute, how much to contribute, and how to choose investments.

MEN VS. WOMEN

- **Financial differences exist between young men and young women:**
 - Men are more likely to live with their parents (31% vs. 22%). But, women’s increased independence may come at a financial cost.
 - Men are almost twice as likely to have investment account or IRA (21% men vs. 13% women).
 - Women save less of their income than men (11% women vs. 17% men).
 - Women are less likely to pay their entire credit card balance off every month (29% women vs. 36% men).
 - Women consider themselves more “financially flabby” than men (34% women vs. 20% men).
 - Men place more importance in financial education (55% vs. 48%). Women place more importance in sex education (20% vs. 16%).
 - Men seem to be more familiar with their employers’ financial benefit plans than women (73% vs. 63%). Those with some higher education are much more likely to participate in a 401(k) plan (50% vs. 35%).
 - Women are much more concerned with both the county’s economic future (76% vs. 65%, very concerned) and their own economic future (57% vs. 48% very concerned).
 - Women feel financial responsibility is more of an issue than men do (55% vs. 49%).
- **On average, men feel better prepared to make good financial choices than women.**



About the Survey

The 2009 Young Adults & Money survey was conducted by Lieberman Research Worldwide on behalf of Charles Schwab in January 2009. The nationally-representative online survey polled 1,252 young adults between the ages of 23 and 28 using Real-Time Sampling (RTS), a marketing research technique in which respondents are recruited in real-time from a network of hundreds of prescreened websites. The survey findings have a margin of error of plus or minus 2.3 percentage points at the 90 percent confidence level.

About Charles Schwab

The Charles Schwab Corporation (Nasdaq:SCHW) is a leading provider of financial services, with more than 300 offices and 7.4 million client brokerage accounts, 1.5 million corporate retirement plan participants, 475,000 banking accounts, and \$1.0 trillion in client assets. Through its operating subsidiaries, the company 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](#), <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; referrals to independent fee-based investment advisors; and custodial, operational and trading support for independent, fee-based investment advisors through its Advisor Services division. The Charles Schwab Bank (member FDIC) provides banking and mortgage services and products. More information is available at www.schwab.com. (0309-8387)

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