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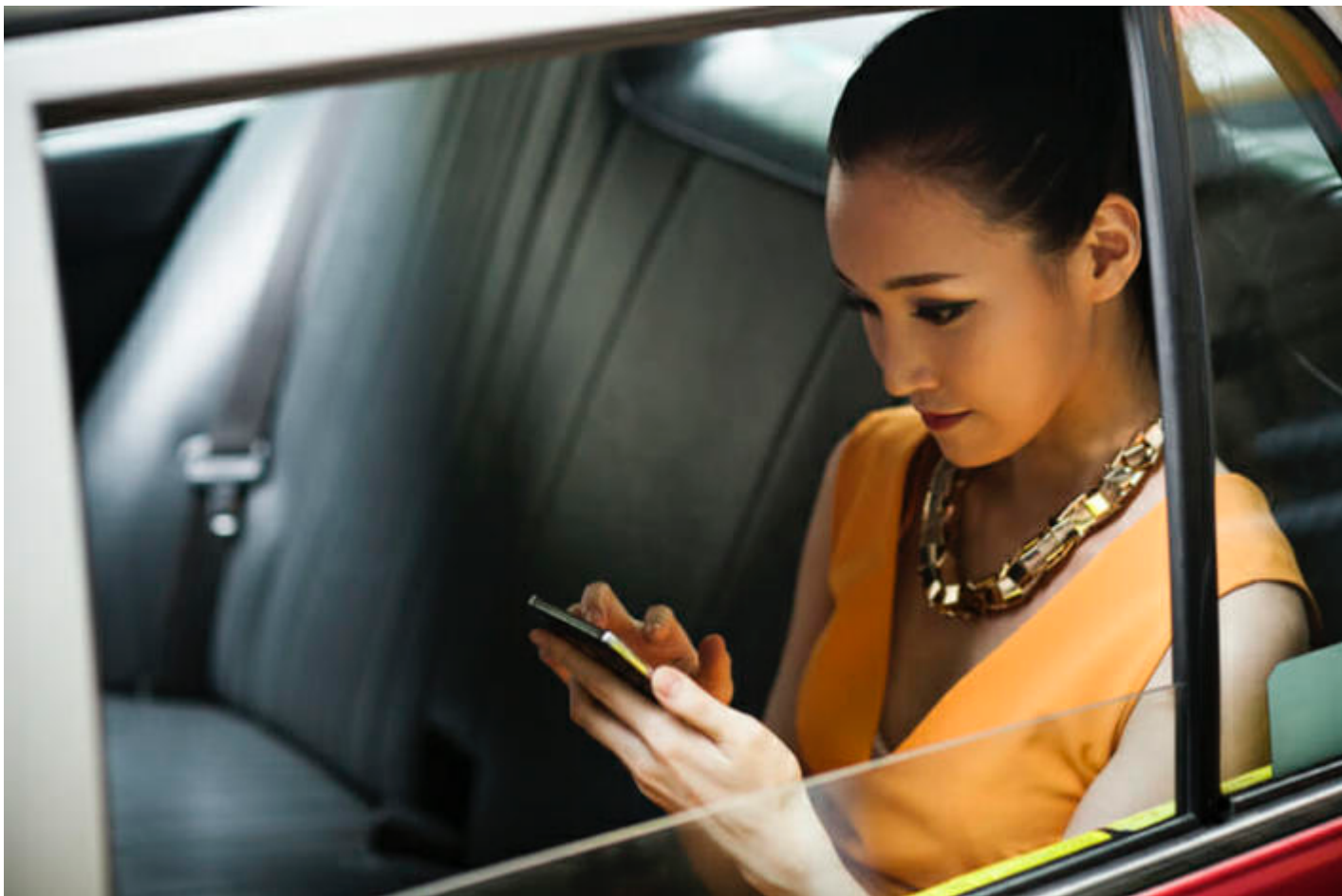
How Can I Tell If I'm Actually Rich?

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<https://finance.yahoo.com/news/know-im-rich-140000452.html>



SmartAsset: How Do You Know If You Are Rich?

Openly discussing the topic can be uncomfortable. But you've probably wondered who can be considered truly rich and whether you fit that definition (or ever will). According to Schwab's 2022 Modern Wealth Survey, the average American thinks being rich means having a [net worth](#) of \$2.2 million. However, wealth has no universal definition. Just as

beauty is in the eye of the beholder, being rich depends on your personal definition and circumstances. Here's what you need to keep in mind when determining whether you are rich and what most people consider to be rich.

A [financial advisor](#) can help you create a financial plan to grow your savings and investments.

What's the Amount of Money You Must Have to Be Considered Rich?

Schwab's survey showed Americans' conception of being rich means having a [net worth](#) of \$2.2 million. This number represents a \$300,000 increase from the survey's results last year.

Additionally, statistics show that the top 2% of the United States population has a net worth of about \$2.4 million. On the other hand, the top 5% wealthiest Americans have a net worth of just over \$1 million. Therefore, about 2% of the population possesses enough wealth to meet the current definition of being rich.

That said, Americans' feelings about wealth go beyond dollar figures. For instance, the survey indicated that over half the country's workforce would take lower pay for employment with a company aligning with their values. Additionally, almost 90% of employees want fulfillment from their work and orient their [careers](#) around their beliefs.

As a result, while Americans have a defined dollar number for being rich, they prioritize their principles as highly in the workplace, going so far as to take a pay cut to work for a company that resonates with their ideals.

And because being wealthy is subjective, some Americans might also believe that being [financially comfortable](#) is identical to being wealthy. Specifically, participants in Schwab's survey reported that a net worth of \$774,000 or more means being comfortable. Therefore, you might have a lower target for what it means to become wealthy – it depends on your lifestyle and financial priorities.

If you're ready to be matched with local advisors that can help you achieve your financial goals, [get started now](#).

Factors That Determine If You're Rich



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Since the dollar amount regarding wealth is subjective, you can analyze your financial situation in multiple ways to determine if you're rich. Different facets of beliefs about wealth include the following:

You're Able to Save

A rule of thumb for accumulating wealth is to spend less than you earn. In other words, if you can meet your monthly expenses and deposit surplus income in a savings or [investment account](#), your net worth can rise in the millions within a couple of decades. As a result, financial habits, such as [budgeting](#) and [setting goals](#), are essential to becoming wealthy, no matter what dollar amount you have in your head.

You Live Below Your Means

Fintech company [LendingClub](#) recently reported that almost two-thirds of Americans live paycheck to paycheck. This financial approach can be stressful and unsustainable, and it's unlikely you'll save a significant

amount of wealth. So, monthly cutting expenses – whether you reduce monthly subscriptions or eat dinner at home more often – can help create room in your budget to [save money](#) and pay for necessities. Plus, you'll be [prepared for financial emergencies](#).

You Can Afford the Things You Want

If you save money and live below your means, you'll likely be able to afford what you want. Whether it's a new car or a Caribbean cruise, setting a financial goal and meeting it requires wealth-building habits. So, being financially capable of accomplishing your short- and [long-term goals](#) is a sign of wealth.

You're Motivated By the Life You Want, Not Strictly Money

Your ideal life might look like you running your own small business. Or, it could mean getting out of debt and saving a specific amount for retirement each month. But, whatever your vision might be, it's more vital that you simply have one. In other words, your motivation is fundamental to becoming wealthy. Greed isn't sufficient fuel for making tough financial decisions. From restricting luxuries in your budget to taking a business risk, your choices will be strongest when they come from your vision for your life.

You're on the Path to Afford the Retirement You Want

How much you need to [save for retirement](#) can be challenging to discern. But, once you set your retirement goal by consulting with a financial advisor or estimating your expenses in your golden years, it's crucial to start saving now. Being wealthy means preparing for retirement with a solid financial foundation.

You Know Money Is a Tool, Not Your Enemy

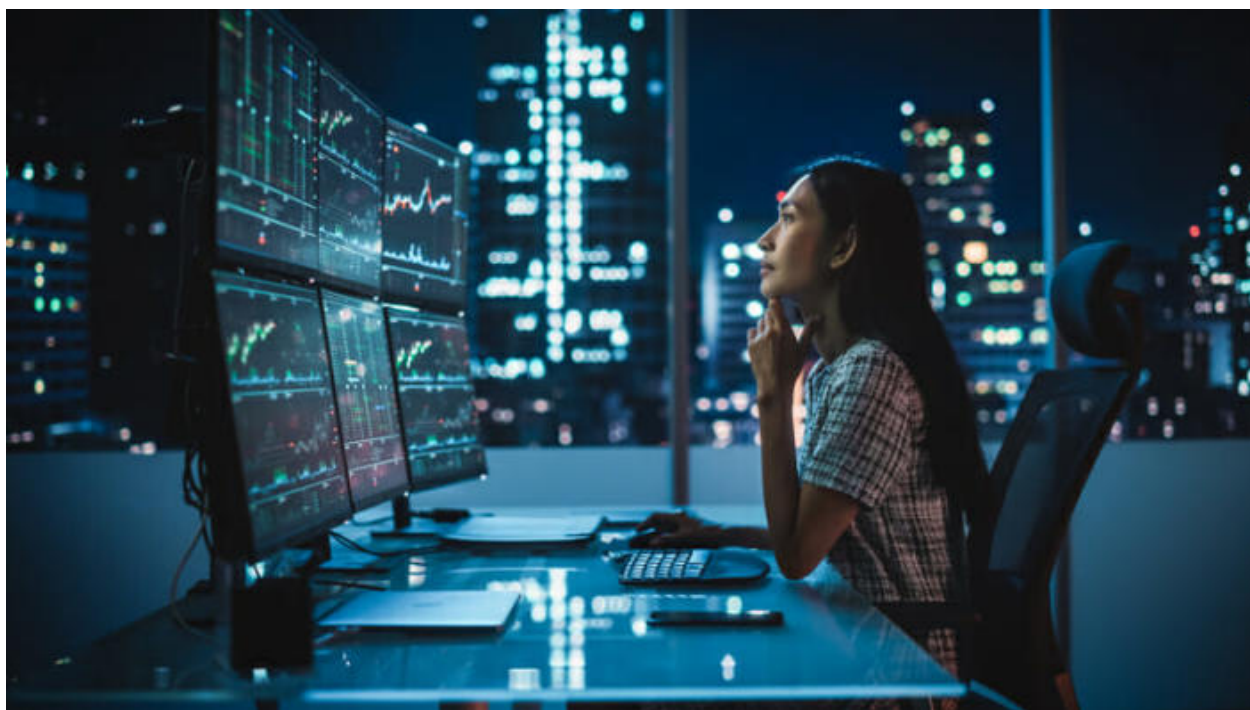
Financial struggles can create the perception that money is your problem. Unfortunately, this mindset can bar you from the reality that money is your way to a better life. For example, if you're living paycheck to paycheck and have serious credit card debt, thinking about money might be the last thing you want to do because it's so stressful. However, avoiding the topic is going to keep you from [becoming debt-free](#).

Instead, set a small goal, like putting an extra \$25 per month toward the debt with the highest interest rate or lowest balance. This approach helps you see that money is not your enemy – it's your means of building a brighter future.

You Have Options

Wealth means flexibility in meeting life's challenges. For instance, you might want to take several months off work for the birth of a new child. Or, you want to fund a business idea with your savings. In any case, a reliable sign of being rich is exercising options to improve your life, learn a new skill, or expand your wealth.

Bottom Line



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Being rich currently means having a net worth of about \$2.2 million. However, this number fluctuates over time, and you can measure wealth according to your financial priorities. As a result, healthy financial habits, like spending less than you make, are critical to becoming wealthy, no matter your definition.

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The post [How Do You Know If You Are Rich?](#) appeared first on [SmartAsset Blog](#).