

## Tailoring Financial Advice Solutions to Address Personal Adversities of Diverse Consumer Groups

### Savings Up: Gig Workers Want Advice, Big Housing Bills, Older Worker Career Volatility

(May 1, 2019, Rye, NY) – Americans are saving more as their diverse work situations, income and expenses – from gig workers to people with big housing bills and older worker career volatility – are driving needs for tailored financial saving and advice solutions, according to the latest report on the U.S. household wallet by [Hearts & Wallets](#), the source for retail investor data and insights.

The *Income & Net Worth: Ideas to Drive Consumer-Centric Innovation by Helping with Personal Headwinds* Report provides a complete picture of household finance, the major struggles of certain consumer households and how advice can address their personal adversities. The report covers employment, saving and investing accounts, and housing (as an expense and an asset, broken down by region). Also covered are second-earner income, credit card debt, student loans, and many other income and expense categories by lifestage and asset level.

Written by Hearts & Wallets subject matter experts with decades of operating experience in retail finance, consumer packaged goods and technology development, and acumen honed at the nation's finest business schools, the report is drawn from the latest fielding of the Hearts & Wallets Investor Quantitative™ Database (IQ™ Database). The IQ™ Database is recognized as the largest single dataset with 72,000 million data points on consumer and competitive buying patterns from over 45,000 U.S. households.

#### Renewed Enthusiasm for Saving

On the asset side of the consumer balance sheet, Americans at the national level are doing a better job saving. Over 1 in 4 consumers save 10% or more of income, up 10 percentage points since 2012. At the same time, the rate of saving nothing or digging into savings is down 14 percentage points. Taxable brokerage accounts are rising in popularity with 4 in 10 households having these account types, up 11 percentage points since 2012. Taxable brokerage can complement bank accounts in building emergency funds, although younger consumers are still much more likely to hold current employer-sponsored retirement plans (ESRPs) than taxable brokerage.

#### Gig Workers Open to Advice

Looking at consumer groups, gig economy workers<sup>1</sup> represent 3 in 10 (31%) of U.S. households. Most gig workers say they work in the gig economy by choice: 70% for single consumers and higher for married or partnered. Gigging is most common among young, single consumers. Gig workers who are 21 to 39 years of age tend to be more anxious about their financial future, have a higher risk tolerance and have more investing experience in comparison to non-giggers.

-more-

---

<sup>1</sup> Includes at least one member of a married or partnered household. Defined as freelancing, contract work, project-based work, temp work, on-call work and odd jobs, which could be a "side hustle" to make extra money or the only or main source of income. This can be short-term or long-term and a worker may have 1 or more contracts, clients, or "gigs" at a time or throughout the year.

## Tailoring Saving and Advice Solutions/2

Young gig workers also report more difficulty with financial tasks, like choosing appropriate investments than non-giggers (19% vs. 15%) and challenges with retirement planning (22% vs. 15%).

“Saving and advice solutions should be tailored to recognize the personal headwinds of consumer groups,” Laura Varas, founder and CEO of Hearts & Wallets said. “Gig workers are a good example of how this should work. Most gig by choice and need advice that takes this reality into account. Financial services firms can create programs to help recognize when they are in a high-income phase to save more. Build momentum for the renewed enthusiasm for saving by helping all consumers decide which accounts are where their dollars should be allocated.”

## Double-Edged Sword of Real Estate

Consumer real estate is a major household asset but also big expense – one that varies dramatically by region. Housing is the biggest spending category in the U.S. consumer monthly budget. Nationally, 32% of households devote over half their monthly budget to housing (including housing, utilities and real estate taxes). In major metro areas, over 40% of people see housing take a bite of at least half their monthly budget. The cities leading the pack with the highest percent of households that devote 51% or more of their monthly budget to housing include Philadelphia (48%), Phoenix (46%), Chicago (41%), New York City (41%), San Francisco (41%) and Washington, D.C. (40%).

Conversely, only 10% of homeowners nationally have a primary home valued at \$500,000 or more. In major metro areas, this valuation rises to 23% of home owners. In select metro areas, the percentages are higher with San Francisco (66%), Los Angeles (48%), New York City (39%) and Washington, D.C., (37%) having the most with higher valuations.

“Real estate is a critical component of consumer’s financial picture,” said Amber Katris. “The region of the country and whether the household is in a metro area has a big impact on overall household finance, as might be expected. Net equity in real estate often equals or exceeds investable assets, especially for younger consumers.”

## Older Worker Volatility

Older workers, ages 53 to 64, are struggling with 1 in 5 (23%) having saved nothing or digging into savings. A quarter say “age discrimination prevents me (or my partner) from working as much as I/we would like.” They are almost twice as likely (11% to 6%) to be unemployed than those aged 40 to 52.

### Methodology

*Income & Net Worth: Ideas to Drive Consumer-Centric Innovation by Helping with Personal Headwinds* is drawn from the section of the Hearts & Wallets Investor Quantitative™ Database (IQ™ Database) that analyzes the household budget. The report covers U.S. employment, the gig economy, household income, spending and saving, account types, debt and real estate (by region).

### About Hearts & Wallets

Hearts & Wallets is a data and consulting firm focused on understanding the drivers behind retail investor decision making. Combining a consumer marketing framework with financial services operating experience, the company is a catalyst for consumer-driven innovation in retail investing and saving. Hearts & Wallets works with leading financial providers to improve the effectiveness of their marketing communications, solution design and service delivery. For more information visit [www.heartsandwallets.com](http://www.heartsandwallets.com).

### Media Contact

Lynn Walters [lynn@heartsandwallets.com](mailto:lynn@heartsandwallets.com)  
800-930-0966 ext. 704

### Hearts & Wallets, CEO & Founder

Laura Varas [laura@heartsandwallets.com](mailto:laura@heartsandwallets.com)  
800-930-0966 ext. 700