

He Said, She Said: One Third of Coupled Women Say They're in Charge of Financial Decisions; Only 5% of Male Partners Agree

Dramatic Rise in Women Involvement; Account Drawdown Advice Key for Retirement Income Market and COVID-19 Impacted Households

(June 9, 2020, Rye, NY) – A third (31%) of U.S. women in married/partnered relationships say they are “primarily responsible” for household spending and investing decisions, but only 5% of their male partners say their spouse/partner is the one who’s in charge, according to [Hearts & Wallets](#), the data and analytics company that specializes in how consumers save, invest and seek financial advice.

These new findings are from the **Portrait™ of U.S. Household Wealth: Sizing the Growing Opportunities with Women, Retirees Seeking Income and Emerging Savers** market sizing report, which provides an annual analysis at American household wealth. This year’s report features 8- and 2-year lookbacks, current status and future projections as well as an examination of the retirement income market. The Portrait Grid™ facilitates age and asset calculations and enables summing of individual groups to construct larger sizing groups. This report draws from government resources, including Federal Reserve Financial Accounts of the United States, Survey of Consumer Finances, and U.S. Census Bureau, as well as the Hearts & Wallets Investor Quantitative™ Database, recognized as the largest single dataset with over 80 million data points on consumer buying patterns from over 50,000 U.S. households dating back to 2010. The Portrait™ of Household Wealth is 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.

He Said, She Said

Men and women have very different perceptions about who’s in control of household financial decisions. One third (31%) of married/partnered female respondents say they are “primarily responsible” for their household “decisions about spending and investing.” Only 5% of married/partnered male respondents say their spouse/partner is “primarily responsible.” Similarly, 56% of married/partnered females say they “share responsibility,” while only 40% of married/partnered males say the women “share responsibility.”

Women Involvement Up Dramatically

Many more married/partnered women now say they are involved in intra-household “spending and investing” decisions, despite difference perceptions between the genders. In a seismic shift over the past 5 years, nearly 9 in 10 (87%) married/partnered women say they are involved in their household’s “spending and investing” decisions, up from 4 in 10 (42%) in 2012.

“The household unit must first be understood to decipher the decision-making process, especially given the divergent gender perceptions in married/partnered households of who is involved and to what degree,” Laura Varas, CEO and founder of Hearts & Wallets said. “Wealth and household structure need to be understood before any general market statistics on gender can be sized.”

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Market Sizing for Married/Partner Households

To determine the influence of women on investing within married/partnered households, the Portrait™ of Household Finance sizing exercise handles the “he said/she said” discrepancy by using the average between responses from women and men. The result shows nearly half of married/partnered households, or nearly 31 million households, share spending and investing decision-making. In about one third (34%) of coupled households, the man says he takes primary responsibility in contrast to 18% of households where women say they are primarily responsible.

Retirement Income and Growing Cash Needs

The retirement income market¹ is currently \$4.6T, or 8% of U.S. household assets, up from \$1.1 or 4% of assets in 2006. Based on incidence of pensions and behaviors of retirees, regardless of pension status, Hearts & Wallets estimates this market will grow to encompass 11% to 12% of assets in 2029.

Consumer behavior shows a consistent “chunk or nothing” pattern in retirement, first identified by Hearts & Wallets in 2012, where nearly half (43%) of households age 65-plus draw either nothing (0% of assets) or chunks (8%+ of assets). The behavior of drawing 4% or more is cyclical with distress in the economy, as shown by a spike in 2008, which then reverted to the secular growth path. Hearts & Wallets predicts a similar spike during the COVID-19 crisis.

“Income-taking advice needs to be enhanced and include advice on which accounts to tap,” Amber Katris, Hearts & Wallets subject matter expert and co-author of the report, said. “Not only is the retirement income market now substantial, but also many consumers need to generate cash during COVID-19. During times of reduced income, similar needs exist for retirement income and short-term cash, both of which involve sustaining spending. Households impacted by COVID-19 may also need solutions that include short-term debt.”

Methodology

Portrait™ of U.S. Household Wealth: Sizing the Growing Opportunities with Women, Retirees Seeking Income and Emerging Savers analyzes. This annual market sizing report analyzes American household wealth across assets and age with 8- and 2-year lookbacks, current data and future projections as well as an examination of the retirement income market. The data analysis combines government sources, such as Federal Reserve Financial Accounts of the United States, Survey of Consumer Finances and the U.S. Census Bureau, well as the Hearts & Wallets Investor Quantitative™ Database, which contains over 50,000 U.S. households. The latest survey wave includes 5,461 households, weighted by 45 cells for assets and age for a nationally representative sampling, conducted in July 2019. IQ Database has encouraged members of the LGBTQ community to identify themselves since 2012, and nonbinary option for gender was added in 2019.

About Hearts & Wallets

Hearts & Wallets is a data and analytics firm that specializes in how consumers save, invest and seek financial advice. Leading firms use Hearts & Wallets software-as-a-service subscription and technology-enabled benchmarking to make their saving, investing and advice solutions more consumer-centric. For more information visit www.heartsandwallets.com.

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¹Retirement income market is defined as assets controlled by households age 65-plus with \$100,000 to under \$5 million who take 4% or more of personal assets as income.