

Happily Ever After for Singles: Pair Up with a Written Plan for Better Financial Outcomes

Couples More Likely to Have a Written Plan, Associated with Higher Saving Rate and Other Financial Benefits

(February 8, 2022, Rye, NY) – This Valentine’s Day, singles seeking happily ever after should gift themselves a written financial plan, something they are about half as likely to do as couples, to receive a saving boost and other benefits, according to a new research report by [Hearts & Wallets](#), the market research and benchmarking firm that specializes in consumer saving, investing and financial advice.

The Power of Planning: Proven Benefits That Transform Consumer Financial Outcomes

examines the state of financial planning among U.S. households. The report analyzes planning by type, relationship status, generation, asset level and income, household sizing of consumer groups, financial outcomes for households for plans vs. without, the positive impact of putting a plan into writing, and competitive analyses for leading firms. The report analyzes the current state and consumer interest in components of financial plans, such as spending and saving goals, insurance and investment strategies, tax optimization, and balancing short- and long-term financial goals. The research includes the latest survey wave of 5,794 U.S. households in Sept. 2021 and trended data of 65,000 households dating back to 2010 in the Hearts & Wallets Investor Quantitative™ Database, recognized as the largest single dataset with over 100 million data points on consumer saving, investing and advice behaviors.

Who Has Written Plans

Four of five U.S. households (82%) think about working toward long-term financial goals, with half (54%) having a plan. Only one third of households with plans report having written plans. By relationship status, only 14% of single, divorced or widowed Americans has a written plan compared to 24% of married/partnered households.

“Domestic partnership naturally involves more conversations about money, especially short-term spending,” Laura Varas, CEO and founder of Hearts & Wallets, said. “About 40% of couples actively engage in long-term planning, such as for retirement. It’s time for single self-care to include creating a plan for a solid financial future. Good plans include a broad range of financial topics, including living expenses and detail on saving and asset allocation by account type.”

Benefits of Plans

Households with plans, especially written plans, have more positive outcomes, including:

- less difficulty with financial tasks
- higher saving rate
- more emotional security
- more appropriately allocated investment portfolios
- higher assets-to-income ratios

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Americans with a written plan save the most across all income levels. Over half (52%) of households with written plans save 10% of income or more vs. over 1 in 3 (36%) households with unwritten plans that save 10% or more of their annual income. For households who think about goals but don't have a plan, the most common behavior is to save modestly at 1% to 5% of income (29%) and about 1 in 4 doesn't save at all.

Written plans may be especially important for low- and moderate-income levels, potentially increasing the number of those households to save 10%-plus of annual income. One third of households with less than \$48,000 in annual income with a written plan save 10%-plus of income, compared to about 1 in 10 of households without written plans in that income range.

"Educating low and moderate-income households on the benefits of written plans may help them to build a stronger financial future," Beth Krettecoc, Hearts & Wallets Subject Matter Expert, said.

Households with plans experience improved emotional financial wellness, such as feeling on track for retirement and being more confident in financial decision making. Plans, and particularly written plans, are also associated with bigger emergency funds.

Plan Inspirations Differ for Singles and Couples

Plan inspiration varies dramatically for couples vs. singles. Married/partnered couples report their top inspiration to plan for long-term financial goals (41%) is each other. Singles say their top inspiration is when they start to "think seriously about retiring" (41%).

Another person comes into the picture for both couples and singles when a written plan is involved: the financial advisor. 40% of couples nationally report an advisor being the inspiration for their written plan. For couples with assets of \$2 million-plus, advisors are more likely to be the inspiration for planning than partners. Nationally, 25% of single households cite advisors as the inspiration for written plans, including 29% of singles with \$2-million-plus in assets.

"Advisors should recognize the dynamics of intra-household decision-making in plan inspiration and development," Varas said. "Six percent of singles say they were inspired by a partner, although this partner relationship is not formalized." The full report analyzes resources used to develop plans, plan component gaps by consumer groups, and firm-specific competitive data.

Methodology

The Power of Planning: Proven Benefits That Transform Consumer Financial Outcomes report analyzes the state of financial goal planning among U.S. households. The research draws upon the Hearts & Wallets Investor Quantitative™ Database (IQ Database), recognized as the largest single dataset with over 100 million data points on consumer buying patterns from 65,000 U.S. households. The latest survey wave was fielded in September 2021 and includes 5,794 participants.

About Hearts & Wallets

Hearts & Wallets is the market research and benchmarking firm that specializes in how consumers save, invest and seek financial advice. Leading firms rely upon Hearts & Wallets thought-leadership reports, software and benchmarking to make their saving, investing and advice solutions more consumer-centric. For more information visit www.heartsandwallets.com.

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