

5 Financial Wellness Behaviors That Build Wealth and the Companies Whose Clients Get It Right

Over One Third of U.S. Households Save \$5,000 Annually; Liquid Accounts Favored

(Feb. 22, 2023, Rye, NY) – U.S. households that adopt 5 financial wellness behaviors tracked by Hearts & Wallets build more assets than other households, according to a new research report by [Hearts & Wallets](#), the independent research and benchmarking firm that specializes in saving, investing and financial advice.

Household Finance: Quest for Liquidity, the Connection to Workplace Financial Wellness and the Current Competitive Environment provides a full picture of household finance. The report analyzes use of saving and investing account types, household saving, life insurance coverage and financial wellness behaviors and metrics with more data fields available in Hearts & Wallets IQ Dataminer software, including household spending, debt and real estate. This report is based on a survey of 5,993 U.S. households in the latest wave of the Hearts & Wallets Investor Quantitative™ Database, recognized as the largest single dataset with over 120 million data points on saving, investing and advice behaviors from 70,000 U.S. households dating back to 2010.

Peak Savers & Key Financial Wellness Behaviors

Peak Accumulator™ behaviors, first identified by Hearts & Wallets in 2010, allow households to amass far more assets than groups with less financially healthy behaviors. 67% of Peak Accumulators save 10%-plus of their income, more than double the national rate of 30% for U.S. households saving 10%-plus in 2022.

Peak Accumulators have a national adoption rate of being “true” for the following behaviors in 2022 –

- “My insurance needs are covered (life, home, car, health)” – 66%
- “I have little or no credit card debt” – 59%
- “I have some savings in case I lose my job” – 54%
- “I generally spend less than I make” – 51%
- “I have a retirement savings plan(s) and I contribute to it/them regularly” – 43%

“Consumers can execute on behavioral measures immediately as a way to boost their financial nest eggs,” Laura Varas, CEO and founder of Hearts & Wallets, said. “Behavioral segmentations can help firms to measure progress internally and against competitors and are also an excellent way to supplement success scores in advice experiences.”

Financial Wellness Progress

Nationally, 19% of U.S. households do all 5 Peak Accumulator™ behaviors in 2022, up 4 percentage points from 15% in 2011. “Retirement savings” is the most difficult behavior to adopt.

Key Financial Wellness Behaviors/2

Over the past decade, Americans have made the most progress on “some savings” with 54% of households setting aside some money, up 11 percentage points from 43% in 2011. Americans show progress in executing on 3 behaviors – “retirement savings,” up 7 percentage points, “insurance needs are covered,” up 6 percentage points, and “generally spend less than I make,” up 5 percentage points from 2011. “Little or no credit card debt” is basically flat from 2011.

Firm Results for Wellness Behaviors

Workplace program participant-reported financial wellness behaviors are improving steadily at **Vanguard**, **Voya** (NYSE: VOYA), **Principal** (NASDAQ: PFG), **T. Rowe Price** and **Empower**. Voya has the highest proportion of workplace participants who do all 5 Peak Accumulator behaviors at 47% among participants who know their plan providers.

“Workplace wellness programs position participants for successful wealth building,” Amber Katris, Hearts & Wallets Subject Matter Expert and report co-author, said. “Such programs can also satisfy sponsor demand and bolster low recordkeeping margins with additional revenue streams.”

Saving Up, Favoring Liquidity

Nationally, U.S. households are saving more. Over 1 in 3 households (37%) save \$5,000-plus annually, 1 in 5 save \$10,000-plus, and 8% save \$20,000-plus. Consumers are upping average allocations to liquid accounts, including bank savings/ certificates of deposits (CDs) and taxable brokerage. The full report examines household saving, firm competitive data, a life insurance case study, and in-depth account allocations with looks at use of taxable brokerage accounts, employer-sponsored plans and emergency funds.

Methodology

The *Household Finance: Quest for Liquidity, the Connection to Workplace Financial Wellness and the Current Competitive Environment* report is drawn from the section of the Hearts & Wallets Investor Quantitative™ Database (IQ Database) that analyzes household finance. The latest survey wave fielded August 15 – September 15, 2022, with 5,993 participants. The full IQ™ Database is recognized as the largest single dataset with over 120 million data points on consumer buying patterns from over 70,000 U.S. households.

About Hearts & Wallets

Hearts & Wallets is the independent research and benchmarking firm that specializes in saving, investing and financial advice. Leading firms rely upon Hearts & Wallets research reports, software and benchmarking to make strategic decisions that lead to growth by improving products, distribution, pricing, positioning and targeting. For more information visit www.heartsandwallets.com.

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