

The Power of Multiples: How to Reduce Financial Pain Points Consumers Often Struggle with Multiple Pain Points and Take Multiple Actions; Younger and Less Affluent Consumer Have Most Difficulty

(March 18, 2020, Rye, NY) – Americans struggle with multiple financial pain points more often than a single problem, as revealed in a report by [Hearts & Wallets](#), the data and analytics company that specializes in how consumers save, invest and seek financial advice.

The **Pain Points & Actions: How Helping on the Greatest Difficulties Can Unleash Multiple Actions** quantitative report analyzes consumer difficulty with financial tasks, rates of seeking help, and actions consumers are taking and plan to take in the future. The report analyzes trends at national level and for specific groups of consumers.

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, this annual report is drawn from the Hearts & Wallets Investor Quantitative™ Database, recognized as the largest single dataset with 80 million data points on consumer buying patterns from over 50,000 U.S. households.

All-or-Nothing Pattern

Consumers who say they struggle with at least one financial task – from choosing appropriate investments to paying off debt – is up, and consumers usually struggle with multiple difficulties. When examined by number of tasks, consumers display a clustering, or an “all-or-nothing,” pattern, with about a third of consumers nationally (34%) rating 0 tasks as difficult, and large group (51%) rating 3 or more tasks as difficult. Nationally, consumers with at least 1 difficult financial task have an average of 6.7 difficult tasks. Only a small group falls in the middle, rating 1 or 2 tasks as difficult. This pattern is most pronounced for consumers still in the working, or accumulation phase of life rather than pre-retirees or retirees.

Like the pattern with difficulty, seeking help and taking/planning action behaviors tend to cluster in groups of multiple tasks for which they seek help. Although half of households didn't seek any help, 1 in 4 (26%) sought help for 3-plus tasks, up 4 percentage points since 2014. The youngest consumers are driving the increase in seeking help for 3-plus tasks, up +16 percentage points since 2014.

Most households (69%) took 1 or more actions in the past 12 to 18 months. Nearly all households (>90%) who take at least 1 action take more, averaging 4 to 5 actions. Seeking help increases action. For example, half (53%) of consumers who sought help with “determining appropriate levels of insurance” took action to buy insurance. In comparison, for those who did not seek help, only 30% purchased insurance.

Reducing Financial Pain Points/2

“The clustering pattern indicates that when a consumer struggles with one financial pain point, they usually have difficulty with several,” Laura Varas, CEO and founder of Hearts & Wallets said.

“Financial services firms should view the initial need holistically and be ready to address multiple needs as they execute on the first need.”

Difficulties Defined

The report tracks 21 difficulties. The top 3 difficulties nationally highlight the struggles of now and later concerns for different consumer groups (ask for more data on *these findings*) –

- **The No. 1 difficulty nationally – “choosing appropriate investments”** – is much harder for younger consumers than older and is harder for less wealthy consumers than the more affluent.
- **The No. 2 difficulty – “knowing how to find the right resources to improve my ability to plan financially in retirement”** – is hardest for consumers ages 21 to 52.
- **The No. 3 difficulty – “paying off or consolidating debt”** – is challenging for households with less than \$50,000 in investable assets but also those with \$50,000 to less than \$500,000.

Action Takers and Action Planners

One of the most striking findings in the report is the difference in action taking vs. planning by age. Older consumers are more likely to be action takers than younger consumers. Pre-retirees and retirees are more likely to take 3-plus actions than younger lifestages. In contrast, younger consumers are more future-oriented. Over 4 in 10 consumers ages 21 to 39 are considering 3-plus future actions.

“Offer support for action taking to younger consumers because they will act with or without input from financial professionals,” Amber Katris, Hearts & Wallets subject matter expert and co-author of the report, said. “Seeking help increases action taking, and most of the actions tracked relate to financial wellness. Older consumers in particular might benefit from help to review the actions they are taking.”

Methodology

Pain Points & Actions: How Helping on the Greatest Difficulties Can Unleash Multiple Consumer Actions examines levels of consumer difficulty with financial tasks, rates of seeking help, and actions consumers are taking and plan to take in the future. This annual report is part of the Investor Quantitative™ Database, which contains over 50,000 U.S. households. The latest survey wave was fielded in fall 2019 and includes 5,461 households, weighted for a nationally representative sampling.

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.

Media Contact

Lynn Walters lynn@heartsandwallets.com
800-930-0966 ext. 704

Hearts & Wallets, CEO & Founder

Laura Varas laura@heartsandwallets.com
800-930-0966 ext. 700