

COVID-19 U.S. Snapshot: Big Dip in Willingness to Fund College; Health Care Biggest Worry for Unemployed

New Survey Data from the Special COVID-19 Interactive Resource from Hearts & Wallets

(July 28, 2020, Rye, NY) – Parents are saying no to college saving, and health care is the top concern for the newly unemployed, according to a new COVID-19 tracking report from [Hearts & Wallets](#), the data and analytics company that specializes in how consumers save, invest and seek financial advice.

Saving, Investing and Advice During COVID-19

The **Helping Consumers Navigate Diverse Situations as COVID-19 Evolves: Responses to Uncertainty, Job Loss and Need for Cash** report analyzes the impact COVID-19 is having on saving, investing and advice behaviors with particular focus on job loss, responses to uncertainty and consumer responses to generate liquidity. The report is based on the second in the series of COVID-19 tracking installments to the Hearts & Wallets Investor Quantitative™ (IQ) Database, recognized as the largest single dataset of consumer financial buying patterns with over 80 million data points of over 50,000 U.S. households dating back to 2010.

The May COVID-19 tracking installment includes responses of 743 U.S. consumers surveyed May 5 to May 12, 2020 on attitudes, behaviors and actions taken the prior month. The first COVID-19 tracking installment included 845 U.S. consumers surveyed Mar. 25 to Mar. 31, 2020. Both tracking installments are drawn from the same base of 5,000-plus households surveyed in July 2019. The IQ™ database has been fielded every summer since 2010 to 5,000-plus households and now contains over 50,000 U.S. households for analysis of historical trends. The COVID-19 tracking data is being made available for a limited time to approved strategy and innovation executives courtesy of Hearts & Wallets, as a way to contribute to a dialogue around financial solutions during this difficult time.¹

College and COVID-19

The goal of paying college tuition continues to decline. In a 50% drop – a decline bigger than any other financial goal – only 16% of parents of children 21 and younger said they had this goal in May 2020, down from 32% in mid-2019 (and 22% in Mar. 2020). Certain financial goals for major purchases, such as “buy a new car” and buy real estate, are still below 2019 levels, but have rebounded from March 2020 lows. The saving goal decline for college tuition has important employment implications for those in educational fields, both higher education and K-12 sectors, which face higher levels of employment uncertainty.

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¹ Hearts & Wallets reserves the right to determine eligibility for the COVID-19 guest pass on a case-by-case basis.

College Goals & Health Care Worries During COVID-19/2

"Families are trying to determine the best way to invest in the future of their children, especially in assessing the value of distance learning," Laura Varas, CEO and founder of Hearts & Wallets said. "The pricing of in-person vs. remote learning has implications for employment in the education sector as well as potential political implications for real estate taxes in communities where K-12 schools remain closed. At the very least, contributions to 529 plans are likely to fall."

Fewer Financial Goals

Nationally, consumers have fewer financial goals now than last summer. In May 2020, 1 in 6 U.S. households had no saving and investing goals, the highest level since Hearts & Wallets began tracking in 2013. The average number of goals dropped to 2.3, down from 2.9 in mid-2019. Millennials saw the sharpest drop of any generation, down from 4.1 in 2017 to 2.6 goals in May. The No. 1 goal nationally remains to build an emergency fund, although this goal has decreased by 6 percentage points to 41% since 2019. Millennials were the only generation to see a dramatic drop in the goal of "build an emergency fund," going from 56% in 2019 to 36% in May 2020.

Top Concerns of Unemployed

The newly unemployed, including furloughed workers, cite "the future of U.S. health care as their No. 1 concern, at 57% , edging out concern about the U.S. economy at 54%. "Making ends meet" is much more of a concern for the unemployed and job vulnerable households than for the no/low job impact households.

Nationally, across all employment segments, the U.S. economy is the top concern, cited by 54%, followed by health care at 46%. In contrast, less than a year ago in July 2019, the top three concerns nationally were health care at 39%, U.S. deficit and future tax increases at 29% and the U.S. economy at 27%.

Resources for Investing and Advice Professions During COVID-19

Hearts & Wallets is making its COVID-19 resources available for a limited time with the goal to inspire solutions to help the millions of people affected financially by COVID-19. Strategy and innovation professionals in retail finance and economists may [sign up](#) at no charge for a guest pass to access the COVID-19 data in the Hearts & Wallets interactive software at www.heartsandwallets.com.² Details will be available shortly on how to participate in an advice exercise on cash management, an important need during this time.

Methodology

The Hearts & Wallets COVID-19 Interactive Data Resource tracks the impact of COVID-19 on how Americans save, invest and seek financial advice with personal financial and health insights to inform macro-economic and business decisions in retail finance and beyond. The second installment in this tracking series includes 743 U.S. consumers, weighted for a nationally representative sample, surveyed May 5 to May 12, 2020. These consumers were also part of the first installment of the tracking series surveyed Mar. 25 to Mar. 31, 2020 with a total of 845 participants, a subset of the 2019 Investor Quantitative™ Database survey wave in July 2019.

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College Goals & Health Care Worries During COVID-19/2

The data includes 94 questions in 20 areas on health status related to COVID-19 (survey participant, close family, friends and acquaintances); employment status (any changes in employment, income or work location), income, spending, lifestyle changes, economic concerns, feelings, advice-seeking behaviors, financial goals, attitudes, asset allocation, sources of investing information and advice, and financial actions taken and planned.

Core segmentations include household assets, income, spending, saving, geographic regions, exposure to COVID health issues, and impact to household employment. Trend comparisons can be made to the latest annual survey wave of the Investor Quantitative™ Database of 5,461 U.S. households, fielded in July 2019. The COVID-19 data is appended to the full Investor Quantitative™ Database of over 50,000 U.S. households dating back to 2010 for historical and customer insights of financial services firms within Hearts & Wallets interactive software.

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

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