

## Financial Awakening after COVID-19 & Increasing Interest in Managers of Investment Products

### 40% of Millennials Changed Savings & Investing Attitudes with Pandemic and 11 Percentage Point Increase in Feeling Experienced as Investors in One Year

(December 9, 2021, Rye, NY) – New research on U.S. consumer attitudes and goals points to a post-pandemic financial awakening, especially for younger consumers, with big increases in a desire to save more and know more about the investment companies behind their funds, according to [Hearts & Wallets](#), the market research and benchmarking firm that specializes in consumer saving, investing and financial advice.

**Attitudes & Sentiment: Strategies to Engage Investors in the Pandemic-Inspired Financial Awakening** analyzes consumer sentiment, goals, concerns and attitudes toward saving and investing with breakdowns by generation, gender, marital status, assets, competitive data and qualitative insights on the financial awakening. The report includes the latest survey wave of 5,794 U.S. households in 2021 and trended data of nearly 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.

### Growing Consumer Confidence and Millennials

In 2021, three sentiment metrics are now at the highest level of the past decade, reflecting an overall positive mood about finances and investing:

- Over half of U.S. households feel no or little “anxiety about their financial situation as they look to their future.”
- Nationally, 1 in 4 (28%) households feels “very” or “somewhat experienced” with investing.
- Over a third (34%) of households feel “very” or “somewhat comfortable” in “accepting volatility in the hope of getting a higher return.”

Millennials exhibited an eye-popping 11 percentage point increase in one year of feeling experienced as investors. Millennials are also the generation most comfortable with investing risk this year where previously this generation had been the most skittish.

Growing financial confidence parallels national increases in consumer receptivity about investing. This includes bumps in enjoyment thinking about money, seeing value in paying for advice, and interest in fund managers. The interest in fund managers and a desire to save more saw the highest year-over-year increase, both up 6 percentage points.

### Financial Awakening with COVID-19, Especially Younger Consumers

Three in 10 households say COVID-19 changed their attitudes to saving and investing, especially younger generations. 40% of Millennials and 44% of Gen Z agree COVID-19 changed their attitudes to saving and investing vs. 23% of Baby Boomers and 12% of the Silent Generation.

## Financial Awakening After the Pandemic/2

The marked shift in saving and investing attitudes point to a financial awakening for Millennials and Gen Z. For Millennials, this group includes 13 million households with \$1.8 trillion in assets. Millennials with COVID-changed attitudes are more likely than the U.S. national population to be interested in packaged products, worried about missing out on investment growth, and have favorable views of international investments. These Millennials are also more likely to be interested in the managers behind their funds (62%) than national.

Open-ended qualitative found increased interest in investing and appreciation for being financially prepared. **State Farm** and **Bank of America** (NYSE: BAC) have the highest proportion (about 40%) of customers who say COVID-19 changed their attitudes to saving and investing.

“The financial industry can help Millennials to save more and invest more actively,” Laura Varas, CEO and founder of Hearts & Wallets, said. “Investment solutions should include international funds and packaged products and educate about the significant risks of crypto, options and margin investing.”

### Top Goals & Concerns

Building up an emergency fund and taking a vacation are still the top goals nationally. More consumers are citing investment and major purchase goals than in the past. Capital preservation grows steadily in importance with assets, while “generate current income” spikes in importance at \$3M. More Millennials cite investment goals than in the past, with their top goal being “generate current income.”

Despite the overall positive consumer mood, certain concerns are popping. Over 1 in 3 households is highly concerned about inflation and possible tax increases. Inflation jumped into the top three concerns nationally, up 11 percentage points vs. 2020. Concern about the U.S. deficit and future tax increases is up 4 percentage points.

“Offer income programs for wealthier customers to meet their investment goals as well as tax optimization strategies and intergenerational planning,” Beth Krettecos, Hearts & Wallets Subject Matter Expert, said. “Firms can sooth concerns with product solutions that hedge against inflation.”

### Methodology

The *Attitudes & Sentiment: Strategies to Engage Investors in the Pandemic-Inspired Financial Awakening* report analyzes consumer sentiment, goals, concerns and attitudes toward saving and investing. 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](http://www.heartsandwallets.com).

### Media Contact

Lynn Walters [lynn@heartsandwallets.com](mailto:lynn@heartsandwallets.com)  
800-930-0966 ext. 704

### Hearts & Wallets, CEO & Founder

Laura Varas [laura@heartsandwallets.com](mailto:laura@heartsandwallets.com)  
800-930-0966 ext. 700