

Inflation No. 1 Concern for Americans with a Third of the “Very Concerned” Nearly 100% in Cash

More Americans Agree Their financial advisor Is a Partner: Ameriprise, Edward Jones Top Performing Firms on This Attribute

(Nov. 15, 2022, Rye, NY) – Nearly half of Americans report being highly concerned about inflation, and a third of those hold over 90% of investable assets in cash, according to a new research report by [Hearts & Wallets](#), the independent research and benchmarking firm that specializes in saving, investing and financial advice.

Attitudes & Sentiment: Understanding the Retail Investor Mindset and Business Opportunities During Times of High Inflation features newly released 2022 survey data on consumer attitudes, sentiments, concerns and goals toward saving and investing. 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.

Inflation Tops Concerns

The three top concerns this year for U.S. households are –

- inflation 46%
- U.S. economy 41%
- future of Social Security 39%

Inflation is up 8 percentage points in one year, reaching a level of concern last seen with U.S. healthcare a decade ago. All generations are concerned about inflation. Even though concern about inflation is higher in lower-income and lower-asset households, 26% of households with \$2M-plus in investable assets are highly concerned. In addition to rising concern about inflation, concern about the U.S. economy and “making assets last through retirement/outliving money” are both up four percentage points in one year.

“The financial services industry can support consumers in their struggle with inflation, especially when it comes to education about why high cash holdings can be counterproductive,” Laura Varas, CEO and founder of Hearts & Wallets, said. “Additionally, there are myriad solutions to the concern about making assets last throughout retirement.”

Saving Woes

The most widely agreed-with consumer attitude nationally in 2022 (45% agreement) is “I wish I were doing a better job saving,” and Millennials, Gen Xers and households with under \$100,000 in investable assets show more confusion about investing than other groups. The desire to save dovetails with the No. 1 goal being to build an emergency fund at 48% nationally in 2022, up 5 percentage points from 2021.

Inflation Concerns, Cash Stashes and Role of Financial Advisors/2

Uncertainty About Active or Passive Being Better

The attitude with the highest uncertainty this year is whether active or passive investment strategies are “better during certain market conditions.” This may indicate an opportunity to clarify roles for indexing vs. active management within portfolios.

Views on Financial Advisors

Several attitudes reflect a growing appreciation for professional financial advice. Over 1 in 4 households (27%) agree they “see value in paying for professional financial advice, whether or not I use a financial advisor today,” up 9 percentage points from 18% in 2012. Nearly a quarter (23%) of households agree “my financial advisor is a partner to me” in 2022, up from 15% in 2012.

Top Performer Firms

Ameriprise Financial (NYSE: AMP) and **Edward Jones** are Top Performers on customer agreement with “my financial advisor is a partner to me.” To earn a Hearts & Wallets Top Performer designation, firms must receive ratings from their customers distinctively higher than the ratings that customers of other firms gave to those firms, and each firm included must have sufficient sample size.

“Top Performer methodology provides useful insights to firm performance on what consumers value,” Beth Krettecoc, Hearts & Wallets Subject Matter Expert and report co-author, said. “Our research shows a growing number of consumers understand what financial advisors do, agree the advisor is a partner, and see value in paying for financial advice. That’s a great foundation for advisors and consumers to work together, which is important given the economic uncertainty surrounding consumers today.”

Major Business Opportunities

The report also contains an analysis of attitudes for specific firms, which reveals at least 3 big opportunities for retail firms and 4 for asset managers. This analysis includes firm-specific competitive comparisons with customer-reported data, for example, on legacy motives, preference for packaged products, and “investing for a positive social or environmental impact.”

Methodology

The *Attitudes & Sentiment: Understanding the Retail Investor Mindset and Business Opportunities During Times of High Inflation* report is drawn from the section of the Hearts & Wallets Investor Quantitative™ Database (IQ Database) that analyzes consumer attitudes, sentiments, concerns and goals toward saving and investing. 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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