

## Debt, Saving and Taxes: Role of Employers in Student Loan Repayment, Desire to Save More, and Impact of State and Local Taxes (SALT), New Report

### Consumer Goals, Attitudes and Concerns of Key Importance to Financial Services

(February 18, 2020, Rye, NY) – More Americans say employers have a role in paying off student loans than providing for retirement in a new consumer mindset report by [Hearts & Wallets](#), the data and analytics company that specializes in how consumers save, invest and seek financial advice.

The **Attitudes & Sentiment: Consumer Beliefs to Guide Strategic Decisions and New Product Development** quantitative report examines consumer goals, sentiments, concerns and attitudes toward saving and investing. Key findings include a shift toward more immediate vs. longer-term consumer goals, growing consumer anxiety about their financial future and macroeconomic concerns, such as how SALT deduction changes on federal taxes influence consideration of relocation.

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.

This year's No. 1 agreed-upon attitude is "I wish I were doing a better job saving" (46% agreement on 10-point scale with 42% neutral and 10% disagree), which connects to consumer beliefs about student loan repayment.

#### Employers and Student Debt

At a national level, more consumers think employers should help pay off student debt (39%) than should help with retirement (25%). Younger consumers feel strongly about employers providing a helping hand with student debt repayment. Two out of 3 (66%) Emerging Career consumers (age 21-27) think employers should help employees with student loans vs. only 27% who think their employer is "responsible for retirement." Even older consumers are more likely to believe employers have a responsibility to "help with student debt" rather than "provide for retirement." 25% of Post-Retirees think employers should help employees pay off student loans, while 20% think their employers are responsible for retirement.

"A growing number of companies now offer student debt repayment as a benefit," Laura Varas, CEO and founder of Hearts & Wallets said. "Traditionally, we think the main role of employers is to be a retirement resource, but this shocking finding reveals how important student loan repayment is to consumers of all ages. Workplace programs should consider adding this offering along with options to meet short-term 'now' goals in addition to saving for retirement."

In this shift to "now," consumers are focused on more immediate goals like emergency funds and investing goals than retirement goals this year. For households with \$500,000 in investable assets,

investment performance goals top the list, above other saving and life goals. The priority has shifted toward dividends and income generation.

## **SALT and sell?**

In high tax metro areas, as many as 1 in 3 households are thinking of moving to reduce state and local taxes. In Houston, one of the higher tax cities in Texas, 31% of households agree with the statement “I am thinking of moving to reduce state taxes and/or real estate taxes.” Higher concern about the “impact of state and local taxes no longer being federal tax deductions” leads to higher consideration of moving (40%). Still, nearly half of households concerned about state and local taxes are not considering relocating at this time.

The report also examines intentions to downsize as a way to help fund retirement.

## **Attitudes, Goals and Concerns**

The report examines a wide range of consumer attitudes, goals and concerns to inform strategic decisions, new product development and messaging.

Findings cover investment preferences (global vs. U.S. markets), interest in packaged products, appeal for banking and investing at the same firm, retirement and employment (including age discrimination), macroeconomic concerns, risk tolerance, family and legacy, and spending and saving.

## **Methodology**

*Attitudes & Sentiment: Consumer Beliefs to Guide Strategic Decisions and New Product Development* examines consumer goals, sentiments, concerns and attitudes toward saving and investing. 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](http://www.heartsandwallets.com).

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