



## Hiring on the Rise at Financial Planning Firms ...

In the past year, financial planning practices have hired an average of 0.7 new employees per practice. Specifically, firms made 1.1 new hires in the past 12 months and 0.4 positions were laid-off or terminated. Future plans also look positive, according to FPA's *2012 Financial Planning Compensation Study*, with nearly half of firms (43 percent) planning to hire additional staff in the next 12 months and only 4 percent planning to eliminate positions over that period.

It is difficult to generalize which positions are hottest in terms of hiring this year, as different types of firms have different needs, but examining the percentage of firms employing particular positions can help you plan for the future. (And the full FPA report analyzes this information by various firm characteristics including size, type, AUM, revenue, and number of clients served.)

The most commonly employed position in financial planning firms is

the CEO/owner/president position at 61 percent, followed by administrative assistant/secretary (46 percent), and senior financial planner (38 percent). Client service representative, junior financial planner, managing partner, and office manager are also popular with 25 percent–34 percent of firms reporting employment of at least one individual in each of those positions. The least common positions include retirement specialist, marketing manager, estate planning specialist, HR specialist/HR manager/personnel manager, and legal specialist, with only 1 percent–3 percent of firms employing individuals in those positions.

Learn more about FPA's *2012 Financial Planning Compensation Study* at [www.FPAnet.org/SalarySurvey](http://www.FPAnet.org/SalarySurvey). FPA members have free access to an interactive compensation calculator that provides nationwide averages for salary, bonus, incentive, and total pay for over 20 positions.

## Not Yet Seeing the Opportunity in the European Crisis ...

Millionaire investors are changing their foreign investment strategies, with 40 percent believing the European debt crisis is having a major effect on the economic problems of the United States. According to Spectrem Group, almost a quarter of millionaires are shying away from individual stocks and mutual funds with global exposure, and 18 percent are avoiding international fixed-income assets.

Where some people see crisis, others see opportunity. While Spectrem

anticipates millionaires will return to global investing when they see the world economy stabilizing, about 4 percent are already looking at the high yields and relatively attractive prices as a prime incentive to increase their foreign exposure now. And notably, lower-wealth investors (those with a net worth under \$100,000 excluding primary residence) are much less concerned about the European debt crisis—only 22 percent of them believe the crisis translates into a significant U.S. economic problem.

“Never count on making a good sale. Have the purchase price be so attractive that even a mediocre sale gives good results.”

—Warren Buffett, in a January 1963 shareholder letter, MarketWatch

# STAT BANK



**\$213.7...** Billions of dollars in alternative mutual funds at year-end 2011; a minimal 2.1 percent increase from 2010, although the three-year annual compound growth rate is 39.9 percent. (Cerulli)

**55...** Percentage of household financial decision makers who say it's hard for them to know who they can trust for financial advice.

(Consumer Federation of America and CFP Board)

**30...** Percentage of financial services professionals (U.S. and U.K.) who say their compensation or bonus structure creates pressure to bend ethical standards or break the law. (Labaton Sucharow)

**4.8...** Millions of men who became unemployed between November 2007 and June 2009 in the United States, compared with 1.8 million women. Since June 2009, however, men have landed 74.7 percent of the net 2.4 million new jobs. (Challenger, Gray & Christmas Inc.)

**10...** Percentage of households with net worth between \$100,000 and \$1 million (excluding primary residence) that use Twitter—double its rate of 5 percent a year ago. (Spectrem Group)

**19,737...** Number of financial adviser clients served by turnkey asset management programs (TAMPs), up more than 100 percent since 2006, but lower than its peak in 2010 of 21,579 advisers. (Tiburon)

**63...** Percentage of ultra-high-net-worth investors (\$15 million–\$25 million in net worth excluding primary residence) who own real estate investment trusts. (Spectrem)

**350,000...** Approximate number of Americans receiving Social Security benefits in foreign countries—most having relocated to Europe, Canada, or Mexico. (Knowledge@Wharton, Social Security Administration)

**34...** Percentage of household financial decision makers who expect to retire before age 65, compared to 50 percent who expected the same in 1997. (Consumer Federation of America and CFP Board)

**27...** Percentage of household financial decision makers who expect to retire at age 70 or older, compared to 15 percent who expected the same in 1997. (Consumer Federation of America and CFP Board)

## Can Women Retire with Confidence? ...

First, the good news: the proportion of women working for companies offering defined contribution (DC) plans has increased in the past decade, as has women's participation in such plans. Now for the bad news: more DC plans are largely the result of companies forgoing defined benefit (DB) plans, and although individual participation has increased, women contribute less to those plans than men do. According to the Government Accountability Office (GAO) report *Retirement Security: Women Still Face Challenges*, from 1998–2009, the ongoing trend of women having less income in retirement and facing higher rates of poverty than men continued.

Factors explaining this disparity include the fact that, on average, women earn approximately 25 percent less than men, take more time off to raise children

or care for family, and live longer—eating away at the shrinking nest egg over an expanded horizon. In 2010, the GAO reports, women age 65 and older experienced poverty at twice the rate of men—and 16 percent of them rely on Social Security as their sole source of income, compared to 12 percent of men. Divorce and widowhood also had more detrimental effects on women's household income than men's.

The GAO report, prepared for the U.S. Senate Special Committee on Aging, did not make any recommendations, although it did suggest a range of potential policy options, acknowledging the repercussions of choices such as: increasing tax incentives for retirement savings, providing better access to annuities, and raising Social Security benefits for widows.

“It may be: who am I once I'm no longer working. It may be misconceived notions about what retirement will be like. It may be they just don't want to be home that much.”

—Jon Guyton, principal of Cornerstone Wealth Advisors Inc. and columnist for the *Journal*, on some reasons (other than money scarcity issues, etc.) why some clients are unwilling to retire, “Author Conversations” podcast at [www.FPAnet.org/Journal/Home/PodcastPage](http://www.FPAnet.org/Journal/Home/PodcastPage)