

Observer



CFP Board Releases Survey on Social Media Use

According to a survey of CFP professionals, about 73 percent say they use social media, though only about 45 percent use it for professional purposes. Top reasons cited for using social media professionally are:

- To network with other financial planning professionals (44.8 percent)
- To keep up with professional news and trends (43.1 percent)
- Marketing and business promotion (33.1 percent)

The top reasons CFP professionals cited for *not* using social media for professional purposes included:

- Compliance prohibitions and limitations (37 percent)
- Uncertainty over compliance and regulatory requirements (33 percent)
- Lack of time (20 percent)

“These results indicate that CFP professionals are interested in using social media as a platform to educate the public about the value of financial planning and why they should use a CFP professional in addition

to using it as a tool to network,” said Kevin R. Keller, CFP Board CEO.

The most popular social media site for professional use is LinkedIn (81.9 percent), followed by blogs (71.8 percent), Twitter (45.9 percent), Google+ (34.5 percent), and Facebook (19.6 percent).

CFP professionals’ compliance departments prohibit them most often from using:

- Facebook (33 percent)
- Twitter (29.4 percent)
- YouTube (28.7 percent)

Just over 60 percent of CFP professionals post to social media channels “infrequently,” and a formal social media policy is in place at 70 percent of firms. These policies most often address:

- Procedures for monitoring social media usage by compliance departments (67.6 percent)
- Limitations on topics that may be shared or discussed on social media channels (64.7 percent)
- Requirements for prior approval of all outgoing communication on social media (63.8 percent)

Affluent Investors Are More Conservative than They Think

Affluent investors often are more conservative about taking risks than they realize. That’s the conclusion of a study by Spectrem Group’s electronic publication, *High Net Worth Investor’s Risk Tolerance in a Volatile Market*.

According to the study, wealthy investors are almost three times more likely to describe themselves as moderate investors than they are to view themselves as either conservative or aggressive. However, analysis of their investment preferences shows a decidedly conservative attitude. Nearly half (48 percent) of the survey participants indicated a reluctance to expose any assets to risk. A significant percentage of participating investors who described themselves as aggressive preferred a moderate balance of capital preservation and asset growth.

Investors across the risk continuum showed an increased sensitivity to the potential downside of their investment decisions. Half of the affluent investors said their risk tolerance is unchanged since the economic crisis, but two in five indicated that they were unwilling to take on more investment risk.

Approximately the same number—two in five—indicated they have moved their investments toward more conservative portfolios in recent years.

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30...Percentage of advisers who are women, although women compose half the U.S. population and almost two-thirds of the U.S. workforce. (Pershing LLC)

63...Percentage of advisers who say they expect to invest in technology over the next six months to accommodate business growth. Thirty-three percent plan to invest in customer relationship management tools, 31 percent in performance reporting tools, and 28 percent in mobile devices. (TD Ameritrade Institutional Advisor Index)

5...Number of fights over money, on average, that couples have per year. On average couples have two financial discussions per month. (TD Ameritrade Inc.)

120...Percentage of the rise in median debt levels among households led by someone 65 and older between 2000 and 2011. This amounts to roughly \$12,000 to \$26,000 and is due largely to rising mortgage debt, according to a Census report. (Yahoo Finance)

8.99 million...Number of U.S. households whose net worth totals

\$1 million or more (not including primary residence), up from 8.6 million in 2011, and down from 9.2 million in 2006, the all-time record. (Spectrem)

0...Change sequestration will have on Social Security, according to Christine Benz of Morningstar, who says Social Security is exempt from the sequestration. (Morningstar)

83,000...Number of complaints filed with the Federal Trade Commission in 2012 about “imposter scams”—roughly 12 percent more than in 2011. Recently consumers nationwide have received phone calls from scammers pretending they are government workers claiming they need personal information and bank account numbers to receive health insurance cards as part of the Affordable Care Act. There are no insurance cards associated with the Affordable Care Act. (AARP)

\$173,600...National median existing home price for all housing types in February, up 11.6 percent from February 2012. (National Association of Realtors)

Second-Generation Americans Better Off than Parents

Second-generation Americans—the 20 million U.S.-born adult children of immigrants—are substantially better off than immigrants themselves on key measures of socioeconomic attainment, according to a new Pew Research Center analysis of U.S. Census Bureau data. They have higher incomes; more are college graduates and homeowners; and fewer live in poverty.

Hispanics and Asian Americans make up about seven in 10 of today’s adult immigrants and about half of today’s adult second generation. Pew Research surveys find that the second generations of both groups are much more likely than the immigrants to speak English, to have friends and spouses outside their ethnic or racial group, to

say their group gets along well with others, and to think of themselves as a “typical American.”

Education and Economics Adults in the second generation are less likely to be in poverty (11 percent versus 18 percent) and less likely to have not finished high school (10 percent versus 28 percent) than those in the first generation.

Belief in Hard Work About three-quarters of second-generation Hispanics (78 percent) and Asian Americans (72 percent) say that most people can get ahead if they’re willing to work hard. By contrast, 58 percent of the full U.S. population of adults feel the same way, while 40 percent say that hard work is no guarantee of success.

“There is a part of the brain called the anterior insula, and that is where we process losses. It creates a physical sensation of pain, and it also creates a sensation of disgust. You see the same response [if you get shocked with electricity] in people who are losing money.”

—Richard Peterson, M.D., a psychiatrist and managing director for the New York-based financial consultancy MarketPsych