

Observer

Military Families Seek Honesty and Trust in Planners; Less Concerned about Price

Nearly three out of five middle-class military families say honesty and trustworthiness are the most important attributes they look for when selecting a financial planner.

The First Command Financial Behaviors Index, which assesses trends through quarterly surveys of U.S. service members, found that military families also look for planners who are knowledgeable (59 percent), willing to listen (48 percent), experienced (45 percent), and understanding (38 percent).

The survey found that the cost of the planning services is one of the least significant considerations for service members, with

just 25 percent indicating “low price for the service” as the most important attribute when looking for a planner.

“Consumers put great value on working with professionals who can help them get their finances squared away, and they are willing to pay for that help when they feel the planner shares their high moral and ethical standards,” said Scott Spiker, CEO of First Command Financial Services Inc. “Military families in particular value personal relationships with honest and knowledgeable professionals who are committed to helping them pursue long-term security and success.”

United States the Best Market for Fund Investors

The U.S. has been identified as the best market for mutual fund investors, earning an “A” grade for its investor protection, transparency, fees, taxation, and investment distribution, while South Africa earned the lowest grade among 24 countries across North America, Europe, Asia, and Africa.

Morningstar’s Global Fund Investor Experience report assesses the experiences of mutual fund investors around the globe. Researchers evaluate countries in four categories: regulation and taxes; disclosure; fees and expenses; and sales and media; using information from available public data and Morningstar analysts.

The U.S. earned the highest score for the third

time, and although the U.S. is not a leader in the area of regulation and taxes, it has the world’s best disclosure and lowest expenses.

Other key findings include: Bans on adviser commissions are catching on. The U.K. has already enacted such a ban, and similar moves are underway in Australia and the Netherlands.

Although the U.S. and European fund markets are similar in size, U.S. investors pay significantly lower fees than their European counterparts.

Fund companies in most countries continue to treat the names of portfolio managers as trade secrets, offering no way for investors to know who is responsible for a fund’s failure or success.

“The IRS is pretty dysfunctional to begin with, and this case brought all those dysfunctions to their worst.”

—Paul Streckfus, a former IRS employee who runs a newsletter devoted to tax-exempt organizations, referring to recent accusations that IRS workers had targeted groups with conservative-sounding names (*New York Times*)

STAT BANK



4...Percentage of the drop in the mean net worth of households in the lower 93 percent of wealth distribution during the first two years of the nation's economic recovery (2009 to 2011). (Pew Research Center)

28...Percentage of the increase in the mean net worth of households in the upper 7 percent of the wealth distribution during 2009 to 2011. (Pew Research Center)

5...Percentage of engaged couples who say that discussing money with their fiancé would cause them to call off the wedding. (National Foundation for Credit Counseling)

24...Percentage of American adults who use an accountant or certified financial planner practitioner to manage their money. (Gallup)

32...Percentage of American adults who use a computer or online program to manage their money. (Gallup)

50...Percentage of Americans surveyed who say they would use personal savings to pay for critical illness costs; 28 percent would use credit cards. (Washington National)

17...Percentage of Americans ages 55 and older who have medical bills overdue. (FINRA)

61...Average age at which current U.S. retirees say they actually retired, up from 59 a decade ago and 57 in the early 1990s. (Gallup)

\$48,538...Median income of a typical U.S. household headed by someone age 65 or older in 2011. (U.S. Administration on Aging)

\$3.5 billion...Amount in baggage fees that U.S. airlines collected in 2012, up from \$2.38 billion in 2011. (Bureau of Transportation Statistics)

\$642 billion...Amount of U.S. budget deficit expected for 2013, the smallest shortfall in five years. (Congressional Budget Office)

\$85 billion...Amount of the Federal Reserve's monthly bond purchases. (Bloomberg Businessweek)

Moms Sole or Primary Provider in 40 Percent of Households with Children

A record 40 percent of all households with children under the age of 18 include mothers who are either the sole or primary source of income for the family, according to a new Pew Research Center analysis of data from the U.S. Census Bureau. The share was just 11 percent in 1960.

These "breadwinner moms" are made up of two very different groups: 5.1 million (37 percent) are married mothers who have a higher income than their husbands, and 8.6 million (63 percent) are single mothers.

The income gap between the two groups is quite large.

The median total family income of married mothers who earn more than their husbands was nearly \$80,000 in 2011, well above the national median of \$57,100 for all families with children, and nearly four times the \$23,000 median for families led by a single mother.

The growth in breadwinner moms is tied to women's increasing presence in the workplace. Women make up almost half (47 percent) of the U.S. labor force today, and the employment rate of married mothers with children has increased from 37 percent in 1968 to 65 percent in 2011.

“It's a fabulous time to be selling. We're selling everything that's not nailed down in our portfolio, and if it is nailed down, we're refinancing it.”

—Leon Black, CEO of Apollo Global Management, a private equity firm (Bloomberg Businessweek)