

Observer

Clients Want Written Retirement Income Plans

When investors were asked about what they want most from a financial adviser, 33 percent of survey respondents indicated a desire to develop a retirement income plan that meets their needs. And when asked about what would motivate them to switch advisers or begin working with one for the first time, 65 percent of investors ages 35 to 44 said they'd do so if the adviser developed a written retirement income strategy for them.

"Retirement income planning can be overwhelming, and professional assistance goes a long way in not only achieving financial goals, but feeling good about

the process," said Michael Doshier, vice president of retirement marketing for Franklin Templeton Investments, which fielded an online survey of 2,002 U.S. adults earlier this year.

The Retirement Income Strategies and Expectations (RISE) survey also revealed the value of working with a financial adviser. Ninety percent of survey respondents who are currently working with an adviser are happy with their retirement income plan, and 87 percent are confident in that plan, compared to 44 percent of survey respondents without an adviser who are happy and 44 percent who are confident.

Gender Wage Gap Holds Steady

According to an article in *MSN Money*, women earn an average of 77 cents for every dollar that men take home, and that disparity has held steady for years despite the Lily Ledbetter Fair Pay Act, which President Obama signed in 2009, or the fact that more women earn college degrees than men.

NerdScholar, a personal finance website, recently took a look at the 10 best and 10 worst jobs for equal pay, and found that in the worst paying jobs, a woman takes home about 60 percent of a man's paycheck. In the best paying jobs, women received 106 percent of a man's pay.

Worst: Property, real estate,

and community service managers

This profession shows the starkest gap between women's and men's compensation.

- Women's percentage of men's pay: 60.6 percent
- Men's yearly median earnings: \$62,452
- Women's yearly median earnings: \$37,856

Best: Respiratory therapists

Women in this profession take home more than 106 percent of what men do.

- Women's percentage of men's pay: 106.4 percent
- Men's yearly median earnings: \$50,232
- Women's yearly median earnings: \$53,456

"While the differences in perspectives between men and women are interesting, ultimately [*Northwestern Mutual's 2013 Planning & Progress Study*] found that too many people—regardless of gender—ended up in the exact same place: trying to play catch-up. So this is less about men being from Mars and women being from Venus and more about both finding themselves on the same planet, and the only way off is to have a good solid financial security plan and a trusted guide."

—Greg Oberland, Northwestern Mutual executive vice president (*Life & Health Advisor*)

STAT BANK



\$5,727... Average amount parents gave children in the 2012–2013 academic year to meet higher education costs. (Sallie Mae)

\$8,752... Average amount parents gave children in the 2009–2010 academic year to meet higher education costs. (Sallie Mae)

45... Percentage of wealth lost during the Great Recession among leading-edge Gen Xers (born from 1966 to 1975). (Pew Charitable Trusts)

30... Percentage of Americans ages 65 to 69 who are in the workforce. (Center on Budget and Policy Priorities)

8.7... Average percentage of residents of European Union member countries ages 65 to 69 who are in the workforce. (Center on Budget and Policy Priorities)

14... Percentage of American workers who have their dream job. (Harris poll/University of Phoenix)

55... Percentage of American workers who are interested in a career change. (Harris poll/University of Phoenix)

\$214,200... National median existing home price for all housing types in June 2013, up 13.5 percent from June 2012. (National Association of Realtors)

57... Number of points in July on the NAHB/Wells Fargo Housing Market Index, an indication of builder confidence in the market for new, single-family homes; the strongest reading since January 2006. (National Association of Home Builders)

14... Percentage of parents surveyed who discourage their kids from talking about money. (T. Rowe Price)

21... Percentage of kids surveyed (ages 8 to 14) who believe the most likely way to obtain \$1 million is to invest in stocks and bonds. (T. Rowe Price)

24... Percentage of kids surveyed (ages 8 to 14) who believe the most likely way to obtain \$1 million is to become famous. (T. Rowe Price)

31... Percentage of respondents to an online survey who plan to spend more than \$1,000 on technology this year. (CNNMoney.com)

1 in 5 Consumers OK with Carrying Credit Card Debt

Here's the good news: 61 percent of online survey respondents believe that paying credit card debt in full each month is the only responsible way to manage personal finances.

Here's the startling news: 18 percent of survey respondents believe that carrying credit card debt over from month to month is a fact of life and a responsible way to manage personal finances.

"This data suggests that not only are many Americans using credit cards to fund a lifestyle their income can't support, but they are comfortable doing so," said Gail Cunningham, spokesperson for the

National Foundation for Credit Counseling (NFCC), which conducted the online survey in July, receiving 1,630 responses.

On the other end of the credit card debt spectrum, 21 percent of survey respondents indicated they do not use credit cards.

According to the NFCC, although opting out of using credit cards can help consumers avoid many financial pitfalls, it has downsides too, including the fact that without a positive credit file, consumers may find it difficult to get credit for major purchases, such as a house or car.

"Our research suggests that using software to aggregate multiple savings accounts could improve your saving and spending behavior. With many accounts, your sense of how much you have saved is too vague. With one, your tendency to justify spending decreases, because you have a clearer sense of your financial situation."

—Promothes Chatterjee, assistant professor at the University of Kansas (*Money Magazine*)