

## IS AMERICA PREPARED TO RETIRE?

*Two-thirds of us have no financial plan.*

Provided by Blue Rock Advisors

**64% of Americans have no financial strategy at all.** That's right - no plan whatsoever to build wealth or keep it. That finding comes from the 2009 National Consumer Survey on Personal Finance conducted by the Certified Financial Planner Board of Standards, Inc. (The survey collected data from 1,700+ U.S. residents.)<sup>1</sup>

**Only 17% of us have a written financial plan that is updated regularly.** So congratulate yourself if you are in that group. The CFP Board found that just 17% of the 36% polled who did have a written financial plan had reviewed it in light of changing times. Notably, 48% said they had benefited from having a written plan.<sup>1,2</sup>

**Just 38% of the 36% having written financial plans retain a financial advisor.** The really troubling part: 37% of those with written plans are doing their financial planning on their own. Another 12% of respondents with written plans have consulted a friend or family member who isn't a financial services professional for advice.<sup>1</sup>

**Why don't more people have a financial plan?** After all, Americans of all incomes and savings levels certainly are free to set financial goals. In the survey, the reasons varied. Some cited the expense of engaging a financial advisor; some said they get along just fine without a financial plan, and others felt their finances weren't complicated enough to warrant one. Others were hazy about financial services industry qualifications - 40% of respondents had no idea that there were professional credentials or designations for financial advisors.

Syndicated financial columnist Humberto Cruz recently noted that when he told some fellow vacationers in Orlando that he wrote about financial planning, they all asked him if he gave stock tips. He had to explain that he was simply a journalist, not a financial planner.<sup>3,4</sup>

**Defined goals lead to definite plans.** If you set financial objectives and plan for them, you vault ahead of most Americans - at least according to the CFP Board's findings. A written financial plan does not imply or guarantee wealth, of course; nor does it ensure that you will reach your goals. Yet that financial plan does give you an understanding of the distance between your current financial situation (where you are) and where you want to be. Too many Americans, it seems, have little comprehension of their financial situation or their financial potential.

**How much planning have you done?** Retiring without a financial plan is an enormous risk; retiring with a financial plan that hasn't been reviewed in several years is also chancy. A relationship with a financial advisor can help to bring you up to date about what you need to do, and provide you with more clarity and confidence when it comes to the financial future.

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#### **Citations.**

<sup>1</sup> [cfp.net/downloads/CFP\\_Board\\_2009\\_National\\_Consumer\\_Survey.pdf](http://cfp.net/downloads/CFP_Board_2009_National_Consumer_Survey.pdf) [7/24/09]

<sup>2</sup> [reuters.com/article/pressRelease/idUS132983+24-Sep-2009+BW20090924](http://reuters.com/article/pressRelease/idUS132983+24-Sep-2009+BW20090924) [9/24/09]

<sup>3</sup> [sltrib.com/business/ci\\_13467337](http://sltrib.com/business/ci_13467337) [10/2/09]

<sup>4</sup> [chicagotribune.com/topic/hc-cl-cruz-bio,0,84843.story](http://chicagotribune.com/topic/hc-cl-cruz-bio,0,84843.story) [10/9/09]