



## How Much Do I Need to Retire? ...

**P**re-retirees, age 50 to 59, believe they will need \$800,000 in retirement, while they have saved about \$300,000, on average. The fifth annual *Retirement Fitness Survey* from Wells Fargo & Company found that fewer than a quarter of pre-retirees (23 percent) are saving more for their golden years than they were a year ago, despite the fact that their portfolios took a hit last year and some need serious rebuilding. The majority of survey respondents (56 percent) do expect to work longer, on average about three more years.

One troubling finding: Although the survey base of people in their 50s expect to

live about 21 years after retiring, they report planning to spend almost 10 percent of their nest eggs every year in retirement. This may stem from their high assessments of investment growth in retirement, believing their portfolios will gain 8.7 percent per year.

Of the group studied for this survey, about one-third (35 percent) have a written plan for retirement strategies, but only half of those (52 percent) have updated it since the market crash in late 2008. Perhaps it is not surprising that 40 percent of respondents wish they had taken the initiative earlier to learn more and prepare for retirement.

## Young Adults and Online Financial Advice ...

**T**he majority of young people ages 18 to 34 (57 percent) claim that their biggest concern in life is their financial situation. An AARP survey found that 66 percent of respondents believe their financial situation is fair to poor, and 43 percent doubt their own ability to make sound financial decisions.

In an AARP report titled *Personal Finances: The Final Frontier of Social Media*, authors explain that although young people freely discuss topics such as relationship status, politics, and health on social

media sites, personal finance seems to be a taboo area. Of the young adults who have gathered financial advice online though, 85 percent feel more confident about their financial acumen.

AARP launched a Web site ([www.LifeTuner.org](http://www.LifeTuner.org)) to provide young people with free expert advice and an interactive community to air their questions and concerns about personal finance. The site also brings together tools and calculators to help the public learn better ways to manage their finances and plan for the future.



# STAT BANK



**330...**Percentage of annual production offered to top reps in the recruiting packages of leading wire-houses; the highest ever offered. (*InvestmentNews*)

**\$44.7...**Billions in expected online retail sales this holiday season (November and December 2009), up 8 percent over last year. (*Forrester*)

**66...**Percentage of Americans ages 45 to 75 with a nest egg of at least \$100,000, who would prefer to learn more about guaranteed income from a financial professional. Currently, 48 percent depend on their own research, mostly from the Web, for financial guidance. (*Prudential*)

**47...**Percentage of male retirees who are very confident their savings will carry them through retirement at an acceptable level, versus 30 percent of female retirees who profess such confidence. (*Wells Fargo*)

**30s...**Age range with the highest percentage of 401(k) assets allocated to equities, at 47 percent. The age range with the lowest equity dedication? People in their 60s, at 28 percent. (*EBRI*)

**272.5...**Millions of credit card solicitations mailed to U.S. households in

the third quarter of 2009, down 71 percent from the third quarter of the previous year. (*MarketWatch*)

**60...**Percentage of marketing managers at financial firms who plan to increase their online advertisements. (*Cerulli, Money Management Executive*)

**\$43.7...**Price in millions spent on an Andy Warhol painting at a Sotheby's auction last fall. The painting, ironically titled "200 One Dollar Bills," was expected to go for no more than \$12 million. (*InvestmentNews*)

**26...**Date this month when the SEC will host its National CCO Outreach to discuss compliance oversight with chief compliance officers of broker-dealers, mutual funds, and investment advisory firms. FINRA executives will also be in attendance. (*Money Management Executive*)

**74...**Percentage of mothers who feel it is very important that their children get a college degree, versus 66 percent of dads. (*OppenheimerFunds*)

**46...**Percentage of early boomers (born 1948 to 1953) who have no mortgage. And only 1.7 percent have mortgage amounts that exceed the value of their homes. (*Standard & Poors, NBER*)

“The financial crisis exposed a financial regulatory structure that was the product of historic accident, created piece by piece over decades with little thought given to how it would function as a whole, and unable to prevent threats to our economic security.”

**Sen. Chris Dodd (D-Connecticut), chair of the Senate Banking Committee, in a statement on the need to pass a bill to regulate the financial system that includes an independent Consumer Financial Protection Agency**



“They had to make a judgment call, and this was the simplest thing to do. They definitely wanted to err on the side of getting money out the door.”

**Elaine Maag, research associate at the Tax Policy Center, referring to Congress and the Treasury, and the estimated 15 million taxpayers who may have to pay back some of their stimulus tax credit due to a lack of adequate withholding, *Wall Street Journal***

## A Clear Need for Planners ...

A survey of 401(k) participants at a low point in the market this spring shows the concern and uncertainty that follow many novice investors in their challenging task of saving for retirement. *Anything But Certain*, a recent paper by J.P. Morgan based on an April/May 2009 survey by Harris Interactive, found that 58 percent of 401(k) participants lack confidence that they will not outlive their retirement savings.

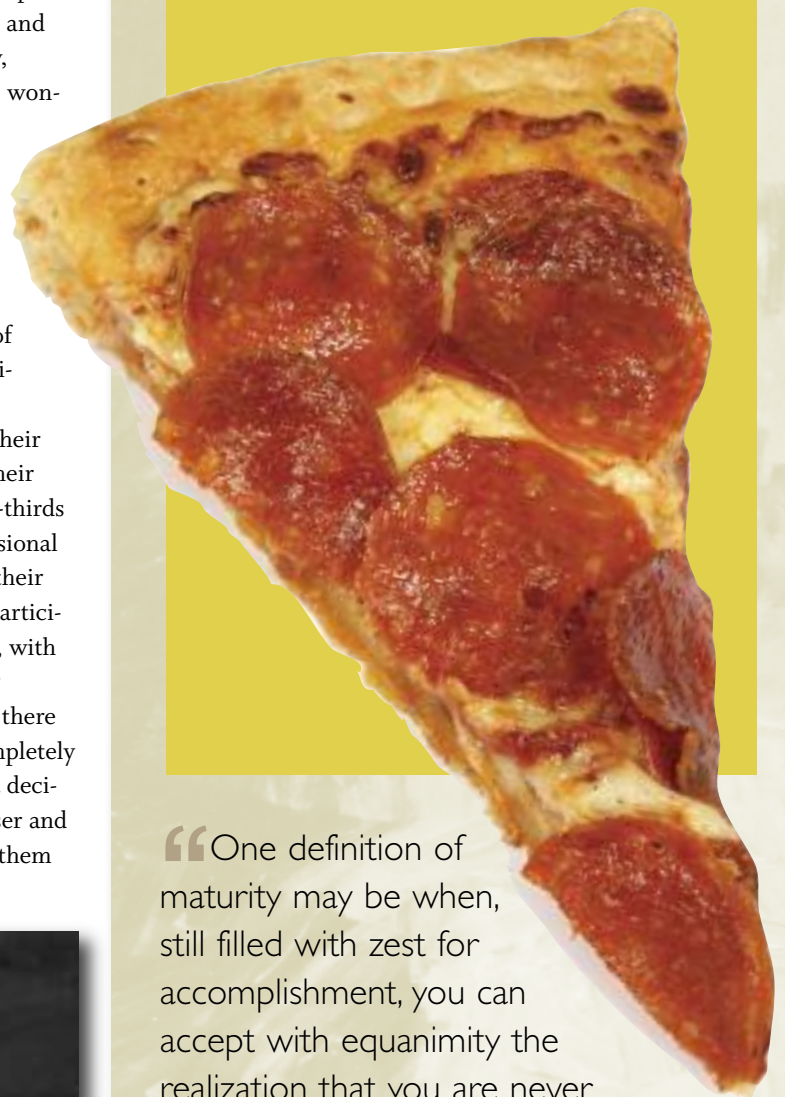
When survey respondents were asked which questions are most typical in their minds, for which they would find further information valuable, the largest percentage (40 percent) chose, "How do I make my retirement savings last through retirement?" Second to this question were those who wondered "how much I need to accumulate

before retirement," at 38 percent. And at 30 percent and 29 percent, respectively, 401(k) participants also wondered "how I should invest for the long term" and the "tax implications of my investment decisions for retirement."

Although 77 percent of those surveyed feel confident, very confident, or extremely confident in their own ability to manage their retirements, almost two-thirds would appreciate professional assistance in managing their assets. The majority of participants went even further, with 59 percent somewhat or strongly agreeing that if there were an easy way to completely pass off their retirement decisions to a financial adviser and not have to think about them anymore, they would.

“It's not euphoric like it was in 2003 and 2004, but we're looking at fairly high degrees of optimism on economic growth globally. The overall feeling is one of low growth and low inflation going forward. That's quite key because it suggests monetary policy will stay low, loose, and stimulative.”

Gary Baker, head of European equity strategy  
for Merrill Lynch, MarketWatch



“One definition of maturity may be when, still filled with zest for accomplishment, you can accept with equanimity the realization that you are never going to perfect that golf swing, never going to learn to speak Russian, never going to have that multi-house family compound at the exclusive coastal community. On the upside, you can willingly accept that, given the choice, you truly just want to eat plain old pepperoni pizza for dinner.”

Sigma Investment Management Company in a promotional piece that compares Thai mango chutney pizza with exotic investments, "Investment Lessons from Fast Food—Pizza," September 2009

“The purchase of some models could be absolutely free. Is that about the coolest thing you’ve ever heard?”

**Roger Gaddis of Ada Electric Cars in Oklahoma, referring to a federal credit that provides from \$4,200 to \$5,500 for the purchase of an electric vehicle (the IRS has ruled that golf carts qualify for the electric vehicle credit as long as they are road worthy),**  
*Wall Street Journal*



## The “R” Word and Your Marketing Campaign ...

**R**ecession is not a cheerful word—do you really want to be associated with it? A new Adweek Media/Harris Poll survey sought to shed light on this question: How do consumers react to advertisements that mention the economic downturn?

As with most questions of taste, Americans are quite split on their emotional responses to advertisements that bring economic troubles to mind, but the majority reaction is neutral or negative. About a quarter of those surveyed (27 percent) find mention of the recession makes a brand seem manipulative, whereas another quarter (23 percent) find it makes a brand seem more realistic. Most Americans (39 percent) have no opinion on the matter, but a small, yet important group (12 percent) feel depressed when seeing recession ads—and are less likely to purchase the brands associated with them.

When the survey data were split by gender, age, education, and household income, several

generalizations became apparent. Women and younger people (ages 18–34) were more likely to think brands that mention the poor economy seem

more realistic, at 27 percent each, than men and people 55 and older, at 18 percent each. Logically, it follows then that this same group of men and

older people see these kinds of ads as manipulative, at 29 percent each.

In the matters of education and income, among those at the highest levels surveyed (with a college degree and making \$75,000 or more), 31 percent found ads mentioning the recession made a brand seem more manipulative. But this same group was also least likely to find such mention depressing to the point of making them less likely to purchase the brand being advertised, at 9 percent for college grads and 8 percent for those making \$75,000 or more.

A key question, however, may be whether these findings differ when the product itself is meant to help bring comfort and stability in an otherwise anxious economic downturn—for example, that of financial planners. Perhaps, but it can’t hurt to keep in mind the sensitivities that using words such as “recession” to sell your services can conjure in the minds of prospective clients.

