



**For Immediate Release:**  
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**MANY FAMILIES STRUGGLE TO MAKE ENDS MEET,  
BUT THOSE WITH A FINANCIAL PLAN FEEL AND DO BETTER**

*Extensive Household Survey Shows That All Americans Benefit from a Comprehensive Financial Plan*

**Washington, D. C.** – The recent recession has left many American families struggling to make ends meet and to save for the future, according to a 60-page report released today by Consumer Federation of America (CFA) and Certified Financial Planner Board of Standards, Inc. (CFP Board). At the same time, the survey shows that those who have prepared a personal financial plan feel more confident and report more success managing money, savings and investments than those who have not.

Nearly two-fifths (38%) of the 1,508 household financial decision-makers surveyed said they live paycheck to paycheck, while less than one-third (30%) indicated they felt comfortable financially and only about one-third (34%) think they can afford to retire by age 65. The survey was conducted by Princeton Survey Research Associates International (PSRAI).

Yet, according to several measures of financial well-being, those with a financial plan report faring better than those without one:

- By a margin of 50 percent to 32 percent, and for all but the lowest income bracket (under \$25,000) where few have a comprehensive plan, planners are more likely to feel they are on pace to meet all of their financial goals, such as saving for retirement or for emergencies;
- By an even larger margin of 52 percent to 30 percent, and across all income brackets, planners are more likely to feel “very confident” about managing money, savings and investments;
- By a margin of 48 percent to 22 percent, planners are more likely to describe themselves as living comfortably; in addition, as many planners in the \$50,000-\$99,999 income bracket say that they live comfortably as non-planners in the \$100,000 and above bracket;
- For those in these two highest income brackets, planners report saving a higher percentage of income and having built greater wealth than non-planners. For example, planners with incomes \$50,000-\$99,999 are more likely to report they save 10 percent or more of their income (57% vs. 39%) and to have accumulated at least \$100,000 in investments (37% vs. 19%);
- For those in the two lowest income brackets, planners with credit cards report being much more likely to pay credit card bills in full. That is true both for those in the \$25,000-\$49,999 income bracket – 46 percent for planners and 26 percent for non-planners – and for those with incomes under \$25,000 – 41 percent for planners and 16 percent for non-planners; and
- Only 31 percent of respondents said they had a comprehensive financial plan, while about two-thirds (65%) indicated they follow a plan for at least one of their savings goals.

“Our survey clearly shows that having a personal financial plan helps both rich and poor achieve their financial goals,” said Stephen Brobeck, CFA’s Executive Director. “Having a financial plan increases one’s confidence and effectiveness in managing, borrowing and saving money.”

**How Household Financial Conditions and Planning Habits Compare Between 1997 and 2012**

The CFA-CFP Board survey utilized a number of questions asked by a 1997 CFA-NationsBank survey also developed with and administered by PSRAI. This made possible a comparison of consumer attitudes and habits in a year, 1997, when unemployment was lower and consumers were more optimistic, with attitudes and habits in the aftermath of the worst recession since the Great Depression.

- In 1997, only 31 percent said they lived paycheck to paycheck compared to 38 percent this year, while the percentage who indicated they felt comfortable financially has fallen from 38 percent in 1997 to 30 percent in 2012.
- In 1997, only 38 percent felt behind in saving for retirement compared to 51 percent this year.
- In 1997, half (50%) said they thought they could retire by age 65 compared to only 34 percent this year.
- In 1997, more families with college-bound children were saving for higher education (56%) compared to this year (48%).
- However, the proportion of those who say they have a retirement investment plan in place is about the same (51% in 1997 and 49% this year).

The 2012 survey also revealed that slightly more than half of respondents said “it’s hard for me to know who to trust for financial advice” (55%), “to me investing seems complicated” (52%), and “I’m worried about losing my money if I invest it” (55%), a significant increase from the 45 percent who expressed this worry in 1997. However, these findings are not especially surprising in light of the financial crisis and its aftermath.

Added Kevin R. Keller, CEO of CFP Board: “Consumers understandably are more nervous about investing their money given recent revelations about financial fraud, manipulation and abuse of clients. This doesn’t mean that people shouldn’t create a financial plan and be prepared. We encourage consumers to do their homework and find a financial professional who always puts the clients’ best interests first and abides by a fiduciary standard of care.”

Both CFA and CFP Board recommend that consumers start by assessing their own financial condition and develop a plan. One useful tool is the website [LetsMakeaPlan.org](http://LetsMakeaPlan.org), where interested consumers can learn more about preparing a financial plan, including working with a Certified Financial Planner™ professional.

### **About the Survey Methodology**

CFA and CFP Board developed the survey instrument with PSRAI, which administered the survey to a representative sample of 1,508 financial decision-makers nationwide via landline or cell phones. Interviews were conducted from May 7-20, 2012 and the margin of sampling error on the total sample at the 95 percent level of confidence is plus or minus three percentage points. Only statistically significant differences at the 95 percent level of confidence are included in the companion report and this release.

The full survey report and detailed results can be found at [consumerfed.org](http://consumerfed.org) or [cfp.net](http://cfp.net). A description of the survey methodology and a questionnaire with complete survey results are included in the report appendix following detailed findings.

### **About the Consumer Federation of America**

*The Consumer Federation of America is a non-profit association of some 280 national, state, and local pro-consumer organizations founded in 1968 to promote the consumer interest through research, education and advocacy. [www.consumerfed.org](http://www.consumerfed.org)*

### **About CFP Board**

*The mission of Certified Financial Planner Board of Standards, Inc. is to benefit the public by granting the CFP® certification and upholding it as the recognized standard of excellence for competent and ethical personal financial planning. The Board of Directors, in furthering CFP Board's mission, acts on behalf of the public, CFP® certificants and other stakeholders. CFP Board owns the certification marks CFP®, CERTIFIED FINANCIAL PLANNER™, CFP® (with plaque design) and CFP® (with flame design) in the U.S., which it awards to individuals who successfully complete CFP Board's initial and ongoing certification requirements. CFP Board currently authorizes more than 66,000 individuals to use these marks in the United States. [www.cfp.net](http://www.cfp.net)*

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