

2014 Planning and Progress Study

“Priorities Among Americans”

Objectives and Methodology

Objectives

To understand -

- How Americans plan and whether they feel it needs improvement
- Where people are on the road to financial security and if they're moving in the right direction
- Attitudes toward money and financial decision-making; and how people prioritize
- The financial state of individuals and the country as a whole
- Perspectives on working with a financial advisor and the client experience
- How long people plan to work and whether it is by necessity or choice
- People's preparedness to live long lives

Methodology

Online survey of 2,092 U.S. Americans (via web panel) conducted between January 21st and February 5th, 2014.

- Qualified participants were those at least 18 years of age.
- Data is weighted to be representative of the U.S. population (age 18+) by education, age, gender, race, ethnicity, region and household income.

Key Findings

Among top priorities for 2014, U.S. adults place “personal finances” (38%) second only to “personal health” (43%), and ahead of things like time spent with family / friends (31%) and career (15%).

The majority of U.S. adults (60%) feel that their financial planning could use improvement.,

- Among them, lack of time is cited as the biggest obstacle to improved planning (27%).

Adults are mostly pessimistic about the current – and future – state of the national economy.

- The majority of Americans feel that the economy will experience future crises (70%) and that they need a financial plan to help them weather the ups-and-downs (52%).
- Two in five are confident their financial plan can withstand market cycles, while one-third feel the economy will be better this year than it was in 2013.

Key Findings

Three in ten adults (31%) have developed a written financial plan, with half having done so with the help of an advisor.

- Most plans have been created fairly recently (within the last 5 years), suggesting the need for Americans to “start earlier” when it comes to putting their financial goals on paper.
- Most plans are reviewed either quarterly (25%) or annually (30%), but a fairly substantial percentage (7%) have never viewed their plans since creating them.

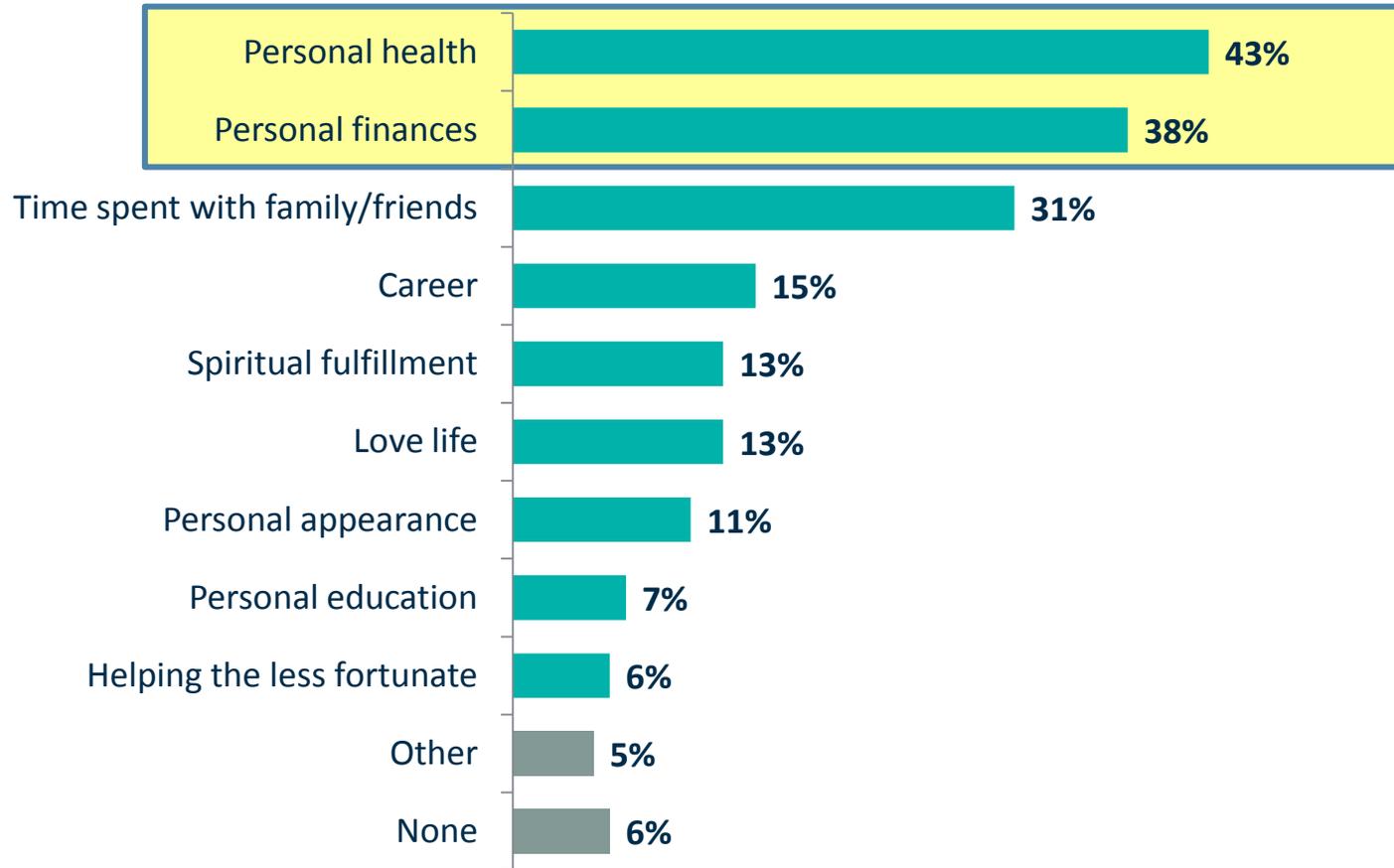
Roughly three in ten adults work with a financial advisor.

Those who do -

- Are focused and more financially secure – Sixty nine percent consider themselves disciplined planners and 68% feel financially very secure.
- Have higher incomes – Adults making \$100,000 annually or more are nearly three times as likely to use an advisor over those earning less than \$50,000 per year (42% versus 15%).
- Have more grey hair – Americans aged 60 and older are three times as likely as those aged 18-29 to use an advisor (41% versus 13%).
- Have larger families – Those who are married or living with their partner are twice as likely as those not married to use an advisor (33% versus 17%), and parents are more likely to enlist the services of a professional financial advisor than those without children (34% versus 20%).

Top 2 Priorities for 2014

Personal health and finances are the most common top priorities for U.S. adults in 2014 – outranking spending time with family/friends, pursuing career goals or spiritual fulfillment, having a successful love life or improving one’s personal appearance.

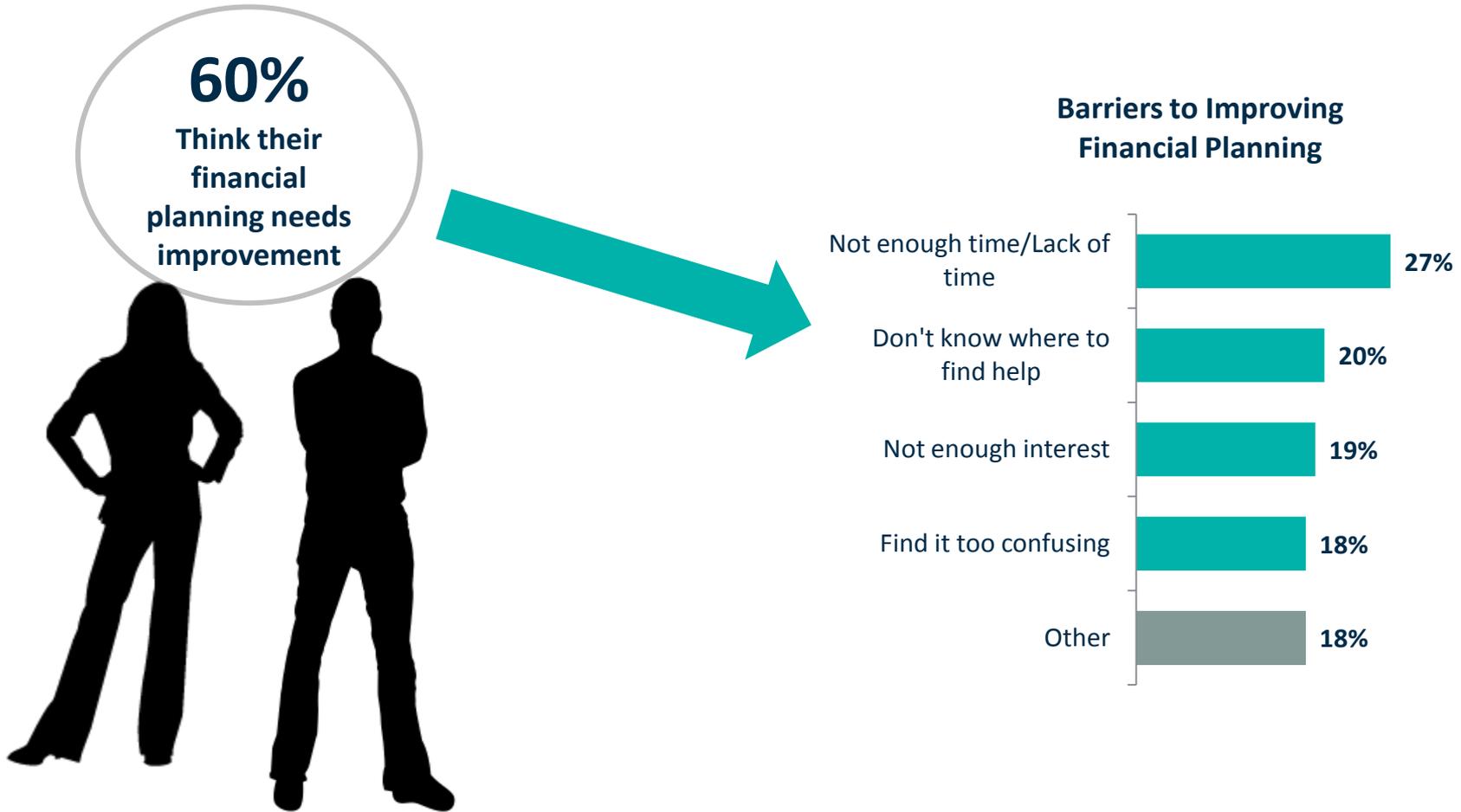


BASE: ALL QUALIFIED RESPONDENTS (n=2092)

Q1000 Which of the following, if any, are your **top two** priorities for improvement in 2014? Select up to two responses.

Barriers to Better Financial Planning

Six in ten U.S. adults feel their financial planning needs improvement. Reasons for not having a solid financial plan are led by not having enough time.



BASE: ALL QUALIFIED RESPONDENTS (n=2092)

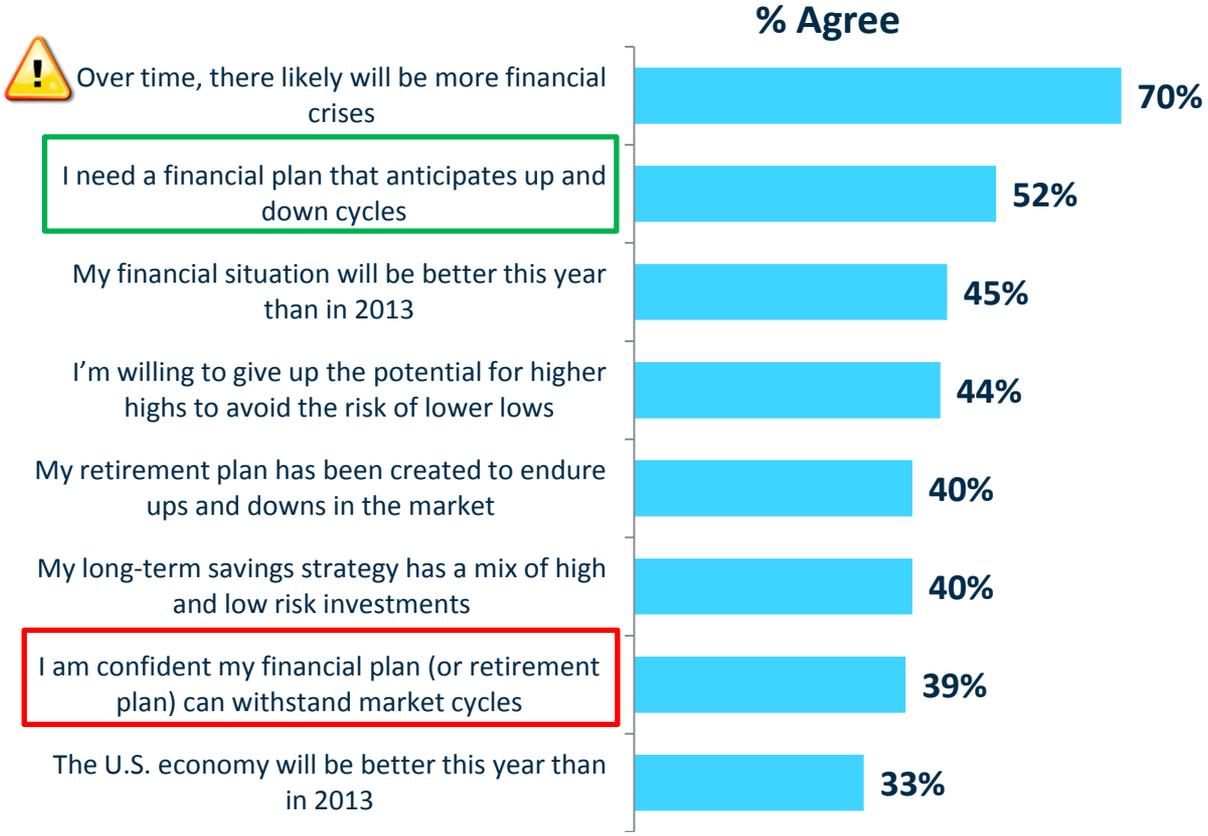
Q1010 Do you think your financial planning needs improvement?

BASE: ALL QUALIFIED RESPONDENTS WHO THINK THEIR FINANCIAL PLANNING NEEDS IMPROVEMENT (n=1215)

Q1015 What is the single greatest barrier holding you back from getting better about financial planning?

The State of the U.S. Economy

Most Americans feel the economy will experience future crises and that they need a financial plan to weather these ups and downs.

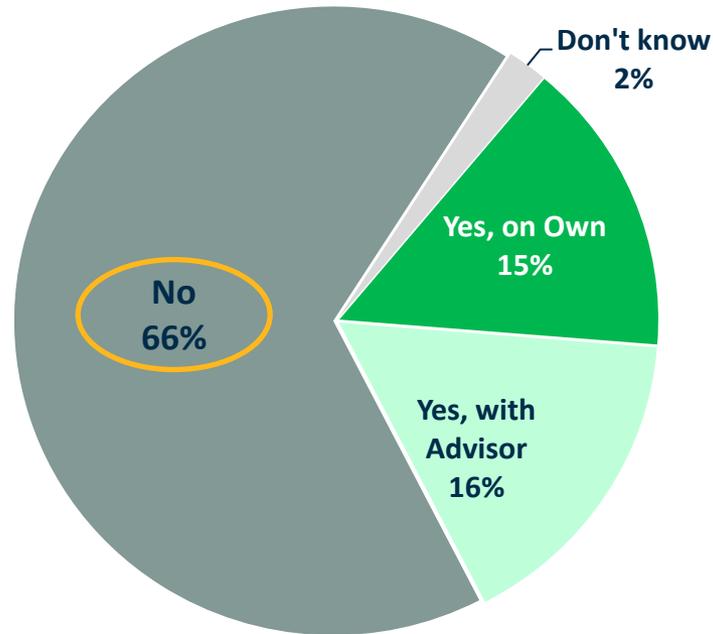


BASE: ALL QUALIFIED RESPONDENTS (n=2092)
Q1116 How much do you agree or disagree with each of the following statements?

Long-Term Financial Plan

Three in ten U.S. adults have a long-term, written financial plan.

Whether Have Long-Term Financial Plan



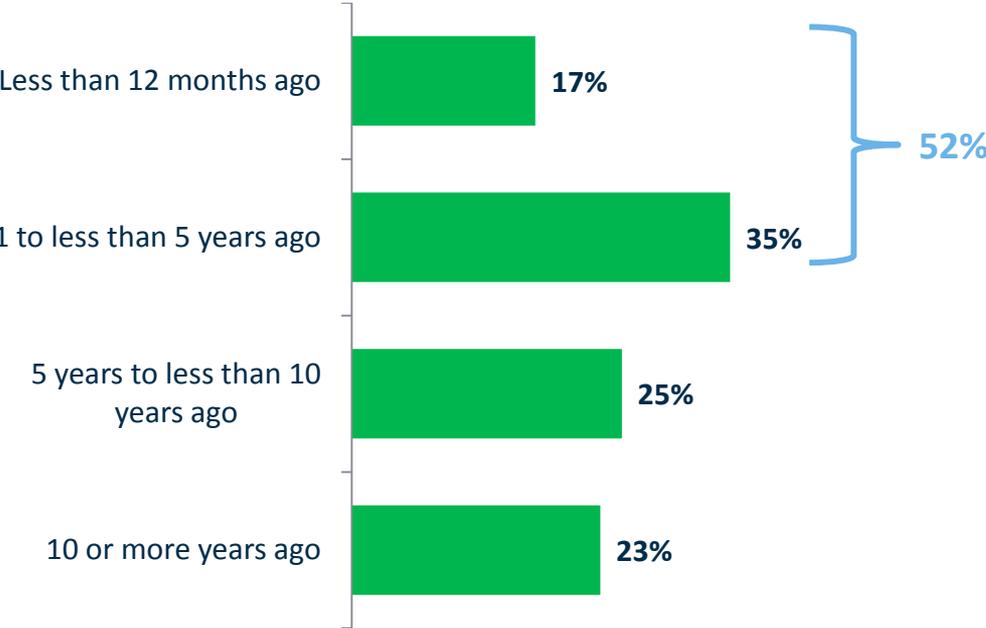
BASE: ALL QUALIFIED RESPONDENTS (n=2092)

Q1240 Have you created a written long-term financial plan? This plan may include retirement savings, insurance needs, and/or investment opportunities.

Financial Plan: Created and Reviewed

Among those with financial plans, most have been created fairly recently – with half being created within the past 5 years. Plans are most likely to be reviewed either quarterly or annually. A very small percentage of adults (7%) have never reviewed their plans since creating them.

Created Financial Plan



Frequency Reviews Financial Plan



BASE: ALL QUALIFIED RESPONDENTS WITH FINANCIAL PLAN (n=586)

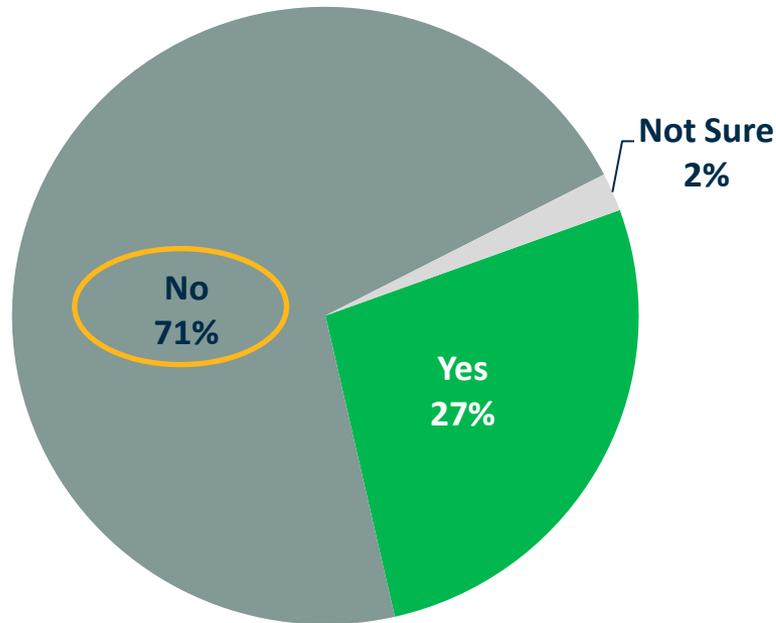
Q1243 How long ago did you create your financial plan?

Q1245 How often do you review your financial plan?

Household Financial Decision Making

When making financial decisions, the vast majority of U.S. adults do not rely on a financial advisor.

Has Financial Representative
or Advisor



BASE: ALL QUALIFIED RESPONDENTS (n=2092)

Q1230 Do you have a financial advisor?

Type of Planner/Level of Security

Disciplined planners are much more likely to rely on a financial professional than those who are informal planners or who do not plan. Those who do not use an advisor are three times more likely than those who do to say they feel “not at all secure” financially.

Type of Planner	With Advisor (A) (n=560)	Without Advisor (B) (n=1483)
“Highly disciplined” or “Disciplined”	69% B	48%
“Informal” or “Not a Planner”	31%	52% A
Level of Financial Security	With Advisor (A) (n=560)	Without Advisor (B) (n=1483)
Very Secure	68% B	37%
Secure	22%	32% A
Not at All Secure	10%	31% A

BASE: ALL QUALIFIED RESPONDENTS (n=2092)

Q1005 When it comes to financial planning, which of the following best describes the type of financial planner you are?

Q1076 How financially secure do you feel right now?

Use of Financial Advisors

The higher the household income, the more likely someone is to use a financial advisor. Use of a financial advisor also increases with age. Couples and parents are also more likely to use a financial planner than singles or non-parents.

Has Financial Advisor	<\$50k (A) (n= 959)	\$50k < \$75k (B) (n=392)	\$75k < \$100k (C) (n=267)	\$100k+ (D) (n=318)
% Yes	15%	26% A	36% AB	42% AB

Has Financial Advisor	18 – 29 (A) (n=324)	30 – 39 (B) (n=378)	40 – 49 (C) (n=400)	50 – 59 (D) (n=347)	60+ (E) (n=643)
% Yes	13%	20% A	25% A	30% AB	41% ABCD

Has Financial Advisor	Married/Civil Union/ Living with Partner (A) (n=1226)	Not Married (B) (n=866)	Parent (C) (n=1021)	Non-parent (D) (n=1071)
% Yes	33% B	17%	34% D	20%

BASE: ALL QUALIFIED RESPONDENTS (n=2092)

1230 Do you have a financial representative or advisor that you work with?