

DO PROFESSIONALS NEED PROFESSIONAL HELP?

Like other busy professionals, we don't have the time to look up the numbers, but we'll hazard a few guesses. Now more than ever, America has more college graduates, more doctors, lawyers, architects, engineers, CPAs, MBAs and other highly educated professionals. Compared with past generations, we're better educated, work harder, and make more money.

So why do we constantly hear and read that Americans don't save enough for the future and may face a financial rude awakening in retirement, if they can even afford to retire? Surely those doomsayers aren't talking about the best educated among us. Or are they?

According to a poll conducted last year by the national Financial Planning Association (FPA), 91 percent of college graduates feel confident about their financial future. Yet only 43 percent of the respondents said they were very confident, while 48 percent were only somewhat confident. One out of 12 respondents said they weren't very confident at all.

Higher education may improve your chances of getting a better paying job, but it does not guarantee financial security. And with an educational system becoming more specialized, just as our jobs are becoming more specialized, many of us may not be getting the basic training needed to ensure that our money is wisely spent and invested.

Robert Fragasso, president of Fragasso Financial Advisors, says he is dismayed at the number of college graduates he encounters who "do not know that you can make more than the minimum payment on a charge card. I'm not making that up. This is widespread."

"Communism may never bring us down, but credit might," Fragasso adds. With credit readily available, Fragasso says keeping up with the Joneses "is worse now than ever," and many people "use their money as an emotional crutch. You know, I don't feel well, I don't feel good about what's going on, so I'm going shopping."

People overspending on themselves is the biggest problem Fragasso sees in poor financial planning, but not far behind is the failure of

people to educate themselves on what works and what doesn't. Our formal educational institutions do not give us the financial planning tools most of us need, Fragasso adds, and he is concerned about a recent decline in attendance at adult education seminars.

The FPA survey seems to bear out Fragasso's observation that most professionals are not seeking help from other professionals to protect their financial futures. Only 25 percent of the college-educated respondents said they presently work with a financial planner. Even fewer (20 percent) said they were more likely to seek professional help than they were a year ago. More than half (54 percent) said they were less likely to seek help.

Despite recent record highs in the stock markets, stockbrokers seem to be faring the worst among financial professionals. Only 27 percent of the college graduates told FPA surveyors that they had used the services of a stockbroker in the past year. Attorneys and financial planners fared a little better; a little more than a third of the respondents used their services in the past year, while 44 percent used the services of an accountant.

So why aren't more professionals seeking help from other professionals? According to Fragasso, ego and "unconscious incompetence" may lead some people to believe they don't need help. But time, or the lack thereof, is a more likely culprit, he admits.

Fragasso scoffs at the notion of busy professionals not being able to find the time to get their financial future in order. "I don't have enough time, so I'll just be in the dark the rest of my life," he says sarcastically. "The paradox of time management is that none of us have enough time, yet all of us have all the time there is. Time management is really activities management. We can all find a few hours."

You don't need a college degree to know that time is money. But you may need more than a college degree to make sure the money is there when the time comes that you need it. ■

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