



For Immediate Release

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FINANCIAL FINESSE RELEASES LATEST STUDY ON CONSUMER FINANCIAL TRENDS

2009 Lauded as the year of “failure and redemption”

Manhattan Beach, Calif.—Feb. 22, 2010— Financial Finesse (www.financialfinesse.com), the leading provider of unbiased financial education, just released its 2009 findings on consumer financial trends. The report analyzes direct calls to the company’s helpline and online data from employees of over 300 employers across the country.

Financial Finesse’s report is one of the only primary research studies released on consumer financial trends in the nation, which tracks what financial information employees are asking about and searching for online on a daily basis. As such, it has proven to be a leading indicator with an impressive track record of forecasting key trends before they become public knowledge.

Among the findings in the company’s 2009 Year in Review report:

- The recovery is tepid from a consumer standpoint, with consumers only marginally better off in 2009 than they were one year earlier. Debt calls did decrease from 39 percent of calls in Q4 2008 to 35 percent of calls in Q4 2009, a sign that consumers overall are beginning to recover, but other data revealed consumers are not out of the woods yet. Retirement planning calls remained unchanged from Q4 2008 to Q4 2009 at a dismal 8 percent of total calls, and there was a decline in most other proactive financial planning calls as consumers focused instead on managing their day-to-day finances in response to the crisis.
- There are however increasing signs that consumers are making financial decisions that will benefit themselves and the economy in the long run—namely, continuing to cut costs, reduce debts, and increase savings. Budgeting and savings calls increased from 25 percent in Q4 2008 to 34 percent in Q4 2009, and as 2009 progressed, an increasing number of employees reported that they are paying off their credit card debt.
- Short term, this dynamic is likely to delay GDP growth and forestall a full recovery. However, this has positive economic implications in the long run since Americans will have more savings to invest in the market and real estate.
- The most surprising aspect of the 2008/2009 recession is consumer resilience in the face of one of the worst economic crises since the Great Depression. For all the stimulus packages and public policy changes, it may end up being the American consumer who ultimately makes the biggest contribution to a long-term recovery.

In Q4 2009 the percentage of calls on budgeting nearly equaled calls on debt at 34 percent and 35 percent, respectively. This was the first time these two have mirrored each other so closely since the company began analyzing consumer financial issues nearly a decade ago.

In previous years, debt calls significantly outnumbered budget calls, often at a 2-1 ratio. The fact that they are now close to parity means that consumers are dramatically shifting their attitude towards their money and the way they manage it to become more responsible consumers, savers, and investors. Instead of becoming victims of the crisis, they are using it as an opportunity to get their financial house in order—recognizing that they can't control the swings in the market or the actions of their employers, but they can control how they spend, save and invest their money.

For the last decade, there's been a transition from companies paying for retirement and healthcare benefits to employees needing to self fund these benefits. Employer sponsored retirement plans are being cut and many companies have halted their pensions due to the fact that the Federal Pension Guarantee Fund has been in the red for the past seven years. In healthcare, a 2009 study by Hewitt Associates showed that employers were reducing health benefits, with nearly 1 in 5 reporting plans to cut health benefits over the next three to five years.

Until recently, it has taken consumers a while to adapt to these changes, with many not saving enough for retirement or healthcare. This year however, the economic crisis gave consumers a wakeup call and they began to dramatically shift their perspective—planning for the worst, rather than only hoping for the best.

Liz Davidson, Founder and CEO of Financial Finesse, says:

The story of 2009 was one of failure and redemption. 2009 will be remembered by many as a turning point in their financial lives. The consistent phrase we kept hearing was 'never again'. Never again will I rely on someone else to secure my financial future. Never again will I take on a mortgage I can't afford. Never again will I live without an emergency fund. The list goes on, but the refrain was the same all over the country. It transcended culture, gender and income levels.

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About Financial Finesse

Financial Finesse is the leading provider of unbiased financial education programs to organizations nationwide. They provide a variety of content on all financial topics through workshops, a financial helpline, one-on-one sessions and an online learning platform all delivered and developed by Certified Financial Planner™ professionals. For more information, visit www.financialfinesse.com.