

## In the prime of their lives, young investors fear future

People in their career-building years face more financial stresses than their elders, poll finds

By **Lisa Shidler**  
April 19, 2009

"Thirtysomething" adults are stressed about their finances and worried about how to pay down debt, while saving for retirement and their children's college education.

According to an online poll conducted in January and released last week by St. Louis-based Scottrade Inc., people ages 27 to 42 constituted the age group most worried about their finances.

When asked to give one reason for their stress, 61% said they are worried about paying for unexpected major expenses, 60% cited managing day-to-day expenses, 57% too much debt, 52% paying off credit card balances and 52% having no income or a reduced income due to a job loss.

Of the 270 in the age group who responded, 52% have saved less than \$25,000 for retirement. This marks a significant increase from last year, when 40% reported having less than \$25,000.

At the same time, 63% said that the value of their accounts has plummeted, perhaps because they had invested more aggressively than older investors who are closer to retirement.

"They've taken a hit," said Chris X. Moloney, Scottrade's chief marketing officer and executive director of customer intelligence.

Worse, the study found that 15% of the 27- to 42-year-olds took out loans from their retirement accounts in the past year.

Although this age group isn't typically sought by advice professionals, Mr. Moloney said that advisers should consider providing assistance.

"The big picture is this generation is very fee-conscious and very stressed," he said. "So, whatever an adviser can do to focus on those two items would be the way to get their attention."

In recent months, a greater number of younger investors have come in seeking help, especially as their assets have fallen, said Allison Berger, a certified financial planner with Financial Symmetry Inc. in Raleigh, N.C., whose firm manages \$78 million in assets. "It's been one of my goals to work with young professionals and help them get started on the right foot," she said.

Sometimes, people in this age group are grappling with a wide range of issues, Ms. Berger said.

"We're trying to help them pay off student loans, save for an emergency fund, buy the first home and save for retirement," she said.

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Although other advisers may ignore younger investors, Cathy Pareto, president of Cathy Pareto & Associates in Coral Gables, Fla., said that she has tried to bring them into her practice.

She opened her firm in January 2008 and manages about \$15 million in assets. About 35% of Ms. Pareto's clients are in their 20s and 30s.

"It'd definitely an ignored population," she said.

Ms. Pareto said that younger clients are approaching her and asking if they should reduce their 401(k) contributions, which she said is a good idea if they are genuinely concerned about losing a job and don't have enough in emergency savings. Younger clients also ask her about whether they should refinance, and some are even thinking they need to postpone saving for their children's college education.

Adviser John T. Gugle, 38, said that he understands many of the financial problems faced by people his age.

"We can relate to these clients," said Mr. Gugle, a principal of Alpha Financial Advisors LLC in Charlotte, N.C., whose firm manages \$30 million in assets.

Young investors who are fortunate enough to have built some wealth are concerned too, said Diane Pierson, a financial adviser at Pittsburgh's Legend Financial Advisors Inc., which manages \$350 million in assets.

"Even when they've got a pretty significant nest egg, they're worried," she said. "But time is on their side, and we're spending a lot of time re-educating them about the market."

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