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COLUMBUS, OH--African Americans are more optimistic about their financial future over the next year than the general population, but the majority of those responding acknowledge they don't have a financial game plan and many don't know where to start. A new survey of 1,200 participants commissioned by The Smiley Group and Nationwide Insurance shows 58 percent of African Americans expect their household situation to be better a year from now, compared to only 30 percent of the general population sharing similar optimism.

While African Americans say they think their financial situation will improve in the next year, most of those surveyed indicated they are not taking deliberate actions to better their financial circumstances:

- Less than half say they are proactive about their financial future
- 3 of 4 say they do not have a written financial plan
- 1 of 3 say they don't know where to start when it comes to personal financial planning

African Americans are more confident than their general population peers in their ability to make savings and investment decisions (52 percent vs. 43 percent), but are also more likely to indicate they are struggling with credit card debt (38 percent vs. 32 percent).

On saving for college, nearly half of all survey participants with children under 21 said they are very or extremely worried about being able to afford a college education for their children, while only about one in 20 of all survey participants say they actually have a college savings plan. Only 3 percent say saving for education is the most important goal.

It's one thing to be positive, but it's another to be practical, proactive and prepared to weather this difficult economic climate, said Tavis Smiley. This survey reveals the critical need for an honest assessment of our financial status so that we can be sure that we are taking the steps necessary to safeguard the future for ourselves, our families and the next generation.

The study also reports that nearly nine out of 10 African Americans acknowledge they do not have a professional financial advisor, because they don't think they need one or think they can't afford one.

### **Hungry for Information**

African Americans even though most don't have a formal advisor or plan responded they had a greater interest than the general population in obtaining financial planning information from seminars, a financial advisor, an insurance agent, family/friends or television.

Nationwide shares Tavis Smiley's passion about empowering people with information and resources that can help them plan for a brighter future and protect what matters most to each household, said Candice Barnhardt, Nationwide's vice president for Diversity and Inclusion. This study is encouraging because it says that, despite the economic downturn, there is a strong desire in many households to seek out advice and information to overcome the immediate financial challenges and plan for long-term dreams like college and retirement.

### **Can We Talk About Something Else?**

African Americans aren't alone in their tendency to avoid the topic of finances. Like the general population, they rank sex and not having enough money as the top two topics they are least comfortable discussing with family members, far outranking religion or politics.

African American respondents admitted more frequently to taking some type of action to avoid conversations about finances (45 percent vs. 39 percent of the general population). Generally, of those who are willing to make this admission, actions taken to avoid the conversation included screening calls and cutting off a relationship.

### **Teachable Moment for a Generation**

Of those who aren't actively avoiding the topic, African Americans reported that they are talking to their children about financial matters. Three out of four parents with children under 21 say they have discussed saving money with their children, and three-fifths have done so within the past month. One out of four have discussed saving money in the past six months. However, of those participants with children in school, eight out of 10 acknowledge they have not researched if their school teaches about saving money.

Exposing our children and young adults to basic information about finances and personal financial planning will have a profound effect on how the next generation spends, saves and invests, said Barnhardt. The current economic environment will leave a permanent impression on 17- to 25-year-olds. The Great Depression created a generation of risk-averse spendthrifts. The '80s and '90s created a generation of hungry consumers with a high tolerance for risk. The deep downturn we're now in will likely influence not only financial habits, but also the shape of public policy and the types of financial products the market offers.

We've got to be a part of the national dialogue about how to get beyond this economic crisis, adds Smiley. The more we are all empowered with information, tools and resources, the more we all can contribute to making America as good as its promise.