

U.S. CONFERENCE OF MAYORS IN SUPPORT OF FINANCIAL PLANNING CLINICS FOR RETIREMENT PREPAREDNESS & FINANCIAL LITERACY

WHEREAS, there are 78 million baby boomers of whom 10 million will be entering retirement over the next 5 years; and

WHEREAS, retiring baby boomers have significantly underestimated the cost of retirement or how they might finance it; and

WHEREAS, retirees have been caught in the middle of the recent market downturn, rising healthcare costs, and falling house values; and

WHEREAS, one-third of all American households do not have any form of retirement savings beyond Social Security; and

WHEREAS, poverty rates among all American households have increased from 12.5 percent to 13.2 percent in 2008 and it is expected to continue rising in the coming years; and

WHEREAS, lower- and middle-income households are the least prepared and will be impacted dramatically as they realize that their Social Security will not cover their expenses; and

WHEREAS, many baby boomers plan to continue working beyond retirement, however unexpected downsizing, personal illness, disability or having to care for a loved one has not been factored into their plan; and

WHEREAS, some retirees planned to sell their home for cheaper living arrangements, however of those starting to retire, 7% were actually able to re-locate, and

WHEREAS, a trend towards greater individual responsibility for retirement security will continue as employer and government balance sheets are challenged; and

WHEREAS, baby boomers are increasingly anxious about their retirement security but are uncertain about how to solve their problems and will need help; and

WHEREAS, those individuals who are least prepared will look increasingly at local, state and federal government for resources to help during their retirement years; and

WHEREAS, having a financial plan can mitigate the risks of not being prepared for retirement, but fewer than one-third of baby boomers 55 and older have a plan; and

WHEREAS, Oakland, California has hosted two financial planning clinics in which free financial planning advice was provided by financial professionals who were not allowed to market or promote their businesses or product; and

WHEREAS, the financial planning clinic hosted by Oakland provided a safe “sales free” environment where low-income individuals benefited from the expertise of financial professionals whose sole objective was to provide one-to-one personalized financial information for a full day, and

WHEREAS, by preventing financial services companies from marketing or “branding” the event and through a partnership with the Oakland Mayor, participants were more trusting of the information and less suspicious of the motives behind the effort; and

NOW THEREFORE BE IT RESOLVED, that the United States Conference of Mayors urges Congress to adopt a budget resolution to support the creation of financial planning clinics to be held once a year during Financial Planning Month (October) in various cities across America. This investment would enable local and state government to promote pro-bono financial planning services without having to rely on or be beholden to financial services companies.

BE IT FURTHER RESOLVED, that the USCM’s DollarWIS\$E Campaign commit to working with nationally recognized non-profit financial planning organizations as partners to draw upon the population of financial planners to host pro-bono financial planning clinics throughout the United States during Financial Planning Month (October).

BE IT FURTHER RESOLVED, that the USCM support and commit to not allowing financial companies or planning professionals to actively market or promote their particular business, products, or services before, during, or after such clinics.