

THE ARIZONA REPUBLIC

Biggest Financial Regrets of Seniors & Older Baby Boomers

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I recently completed my Winter, 2009 education campaign. There were over 30 seminars given to seniors and Baby Boomers at RV parks; Senior Centers; Sun Lakes; 5 different libraries; and Boeing. Many shared their concerns and regrets. I've also heard from many who read my money column in the AZ Republic.

Here are the biggest financial regrets:

- **I trusted Wall Street and my financial advisors.**

In the last 1.5 years, I have lost 20-60% of my life savings. Even when the markets started to drop at the end of 2007, all my advisors and the experts on TV and in the financial press said that one should not sell. I held on with ever-increasing losses, month after month. Yet, my advisor or mutual funds charge me annual fees, even though I'm losing money.

- **I trusted the banking system to be run conservatively.**

Now I read that the banks are leveraged 10 to 1 or even 18 to 1. They have recklessly gambled depositor funds by offering "liar loans" to borrowers. They have purchased near worthless mortgage-backed securities, derivatives, and other exotic investments, just like Wall Street. When the FDIC closes down Indy Mac or other large banks, they do it on a Friday with no warning to the depositors. The major banks have all received \$ Billions of bailout funds, yet they raise the interest rate on my credit cards.

- **I never took much interest in my 401(k) or other savings plan.**

I didn't contribute as much as I should have and didn't pay attention to the investment choices. In fact, when I asked for help or advise, my company HR department told me to call the (800) phone number, and I wound up talking to someone in an overseas call center.

- **I never paid to have an unbiased expert help me put together a financial/investment plan.**

I ate plenty of free meals at the advertised "free dinner" seminars. Then I scheduled an appointment with the salesman who spoke at the seminar. I didn't realize until much later that AARP (American Association of Retired Persons) has a national campaign to ban these "free dinner or lunch" seminars because they find there's very little education and mainly product selling.

- **I never spent much time or money to learn about taxes.**

I now realize that income and payroll taxes were the single biggest expense in my budget. Yet, I never read even one book or attended one seminar each year on how to save taxes. I relied on my CPA or tax preparer, but I only saw him before April 15 each year, rushing to get my tax return done. I was too cheap to pay him during the year for tax planning.

Conclusion: Now that you've seen what the biggest financial regrets are, do something by educating yourself on these issues. Remember, it's never too late to make better decisions to benefit you, your spouse, and your kids and grandkids.

Education for Accountants: On May 1-2, 2009, the American Association of Women Accountants will host the S.W. Regional Conference at the Radisson Hotel Phoenix Airport North. Dr. Wong will give 2 seminars: 5/2/09 9 A.M. "Marketing for CPA's: How to Increase Your Billable Hours"; and 5/2/09 10:10 A.M. "Advanced IRA Strategies". You can register for the conference at <http://www.aswa-phx.org/conference.php>.

Author: Dr. Harold Wong earned his Ph.D. in Economics from UC Berkeley and passed the CPA exam in 1979. Through his seminars, publications, and consultations, he helps Seniors and Baby Boomers maximize retirement income and reduce taxes. Contact him at: (480) 706-0177 or haroldwong1@yahoo.com, or read his previous articles on his AZ Republic blog at: www.DrHaroldWong.com.