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Affluenza Puts People at Risk

Local Financial Advisor Warns of Consumer Ailment, Provides Tips on Combating its Symptoms and Becoming Fiscally Fit

WATERBURY, CT (August 30, 2007) – Many Americans have contracted a contagious, socially-transmitted condition that ultimately leaves them overloaded with debt and anxious about their finances. They also experience the bloating and sluggishness that results from the dogged pursuit of acquiring more stuff in an effort to keep up with the Joneses. "This painful condition, which has become known as "affluenza", is sweeping the nation," Jim Coleman, a Waterbury-based financial professional and president of Coleman Financial Advisory Group.

According to the Federal Reserve in May 2007, Americans had $2.4 trillion in debt with $894 million in credit card debt alone, up from $888 million in April of the same year. "The increasing credit card debt carried by Americans is scary," Coleman says. "If you couple that with a personal savings rate at -1.4 percent, it's easy to see that affluenza is a pandemic – one that all Americans should be cautious of, lest they catch it too."

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Many Americans dismiss the symptoms of affluenza because they are familiar with the statistics that say Americans will live longer than previous generations. Many people believe that because there is a nearly 45% chance they will live into their 90s, they have more time to save for a "rainy day." But according to Coleman, delaying saving and racking up debt leaves a person open to contracting a permanent case of affluenza.

"While you may indeed live longer, that doesn't mean you'll be able to work longer and make more money," says Coleman. "Advances in medicine are a mixed blessing. The things that once killed us now often-times disable us. You can't be a greeter at Walmart … or a handyman … or a pizza delivery person … or fill any other simple employee role … if you can't get out of bed and perform competently. So, there you'll be, up the creek without a paddle, with insufficient money saved – because you thought you still had so many good working years left. If you're lucky, you'll have adult children who'll be in a position to care for you. If not, your options could be pretty dismal," Coleman concludes.

Still, the news is not all doom and gloom. Coleman provides five Affluenza Prevention tips.

TAKE TWO OF THESE AND CALL ME IN THE MORNING

Two seemingly-simple steps can help people in the fight against affluenza. One, decrease the amount of money you spend. Two, increase the amount of money you save. "Many consumers balk at the idea of spending less and claim that they already watch what they spend," says Coleman. "But the truth of the matter is, many people still do foolish or careless things. Before you know it, their money has gotten away from them. Cutting back on $5 morning coffee or taking a lunch to work a few times a week instead of eating out every day are small changes that can produce big savings, nearly $2,000 per year. The trick is to put that money in a 401(k) or growth mutual fund. Ideally, have it automatically deducted from your checking account. Known as "pay yourself first", invest it, and let it grow. Don't just blow it on an iPhone or another splurge."

FIGHT THE URGE TO LIVE LIKE THE RICH AND FAMOUS

"Fancy cars and big diamond rings may make people appear to be wealthy," says Coleman. "But the reality is that most material things are simply that – material. They're not likely to increase your personal net worth. I am not saying that people should refrain from buying luxury items from time-to-time and within reason, but that they should make sure that purchasing those items does not dig them deeper into debt or preclude them from saving – and saving significantly – for the future. In today's 'instant gratification' world, people may fall into thinking they deserve certain items – before they've really earned them. An honest assessment of where you are now, financially, and where you want to be, coupled with a mental adjustment can help you maintain a healthy balance."

FORGET ABOUT THE JONES, THEY SUFFER FROM AFFLUENZA

When consumers try to keep up with the proverbial Joneses, they're putting themselves at risk for affluenza. "The Joneses are usually in debt up to their eyeballs," Coleman says. "They are more interested in keeping up appearances than living responsibly within their means. As outsiders, we have no idea if they are leveraged to the hilt or how much they have saved for retirement – or saved period. We simply crave their material possessions. No wonder, sixty-five percent of Americans are living paycheck to paycheck. And some people take home some pretty big paychecks. The need to look good is a dangerous thing."

TAKE AN UMBRELLA, IN CASE IT RAINS

"Saving for a 'rainy day' was a common mantra of Baby Boomers' parents," Coleman says. "Without an adequate emergency fund and retirement plan, Boomers and future generations may find themselves standing in the rain. I recommend that people have at least the equivalent of three to six month's living expenses in a liquid account, and that they religiously contribute to all of the tax-advantaged retirement accounts they can. Over time, that money can grow and help them maintain a decent standard of living in what should be happy, golden years."

WORK WITH A PERSONAL TRAINER TO GET FISCALLY FIT

It's human nature to procrastinate, but smart people fight this urge. "Like losing weight or getting in shape physically, many people have well-intentioned plans for getting fiscally fit," Coleman says. "Most people do better with some sort of personal and professional support. Saving and investing for the future can seem overwhelming or too complex in today's busy world. In addition, it's hard to sort through the 'noise' and often-conflicting advice produced by commercials, ads, Internet sites, television, radio, magazines and newspapers – not to mention friends and family who may be ill-informed. A financial professional can help map out a strategy and support you in sticking to a personalized plan.

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About Jim Coleman

Jim Coleman has been in the financial services industry for over 20 years. He founded Coleman Financial Advisory Group, a Waterbury-based financial services firm, in 1990. He specializes in providing comprehensive financial planning, asset management and estate planning services.

Mr. Coleman received a Bachelors of Science degree from Northeastern University, in Boston, with a double major in finance and marketing. He is an active member of the National Ethics Bureau, an organization dedicated to raising ethical standards within the financial industry. Coleman is also a member of the Financial Planning Association, the largest organization of professionals dedicated to championing the financial planning process.

Coleman's passion is finding solutions to financial problems and further educating his clients and the community. Listeners in Connecticut rely on Coleman to deliver sound, accurate financial advice as host of *All About Money*, a radio talk program. He writes a financial planning column for a local newspaper, the Prospect Pages, and recently authored a book titled *Educated Investing: Your Guide to Surviving and Thriving in the Fast-Paced Global Markets of the 21st Century*.

Call Coleman's office at (203)756-7526 or visit www.ColemanAdvisoryGroup.com to learn more.

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NOTE:

When you need an experienced professional to speak on complicated financial topics in a clear and concise manner, call Jim Coleman at Coleman Financial Advisory Group.