

# Boomers: Not their parents' financial and retirement experiences

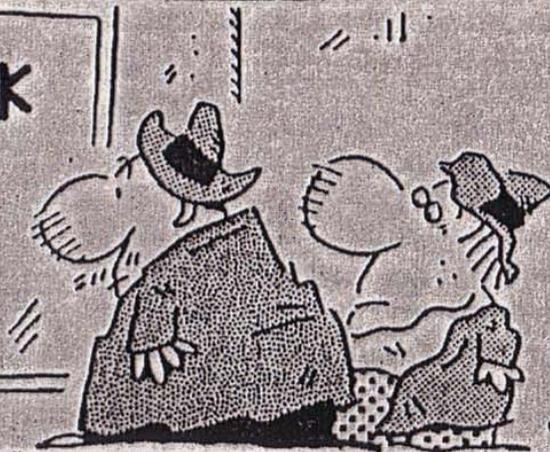
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- More exposure, participation
  - More debt
  - More technologically saavy
- More financial responsibility, decisions
  - Defined benefits, pensions disappearing
  - Day-to-day payment choices

FRANK AND ERNEST BOB THAVES

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" ABOUT OUR VARIABLE RATE,  
INTEREST-ONLY MORTGAGES.



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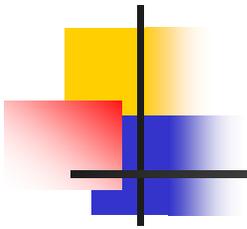
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THAVES



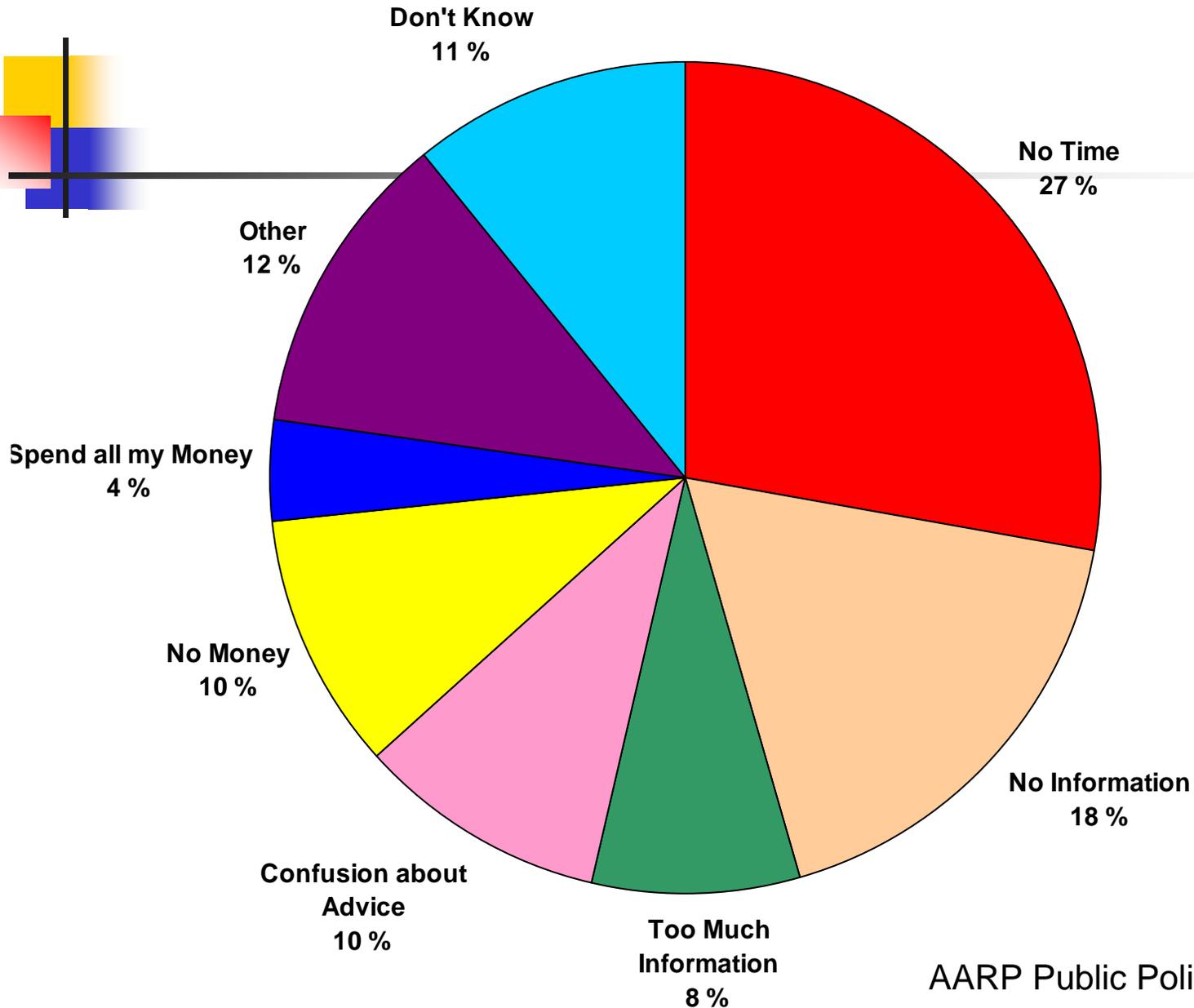
# Financial marketplace is changing

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- More choices, complexity in the marketplace
  - Hybrid products
  - Are disclosures adequate
- More accessibility
  - Internet, direct to consumer
  - Globalization
- More individualization
  - Sophisticated fee structures, terms more difficult to compare

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- What do we know about behaviors of older consumers specifically -
    - Spending power shift
    - More likely to be 'poor' money managers
    - Technological advances
    - False assumption of 'learning curve'
    - More choice does not increase 'rationality'

# Boomers' Obstacles to Money Management





# Consumer Payment Behavior: Policy Implications

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- Increase financial literacy
  - Empower consumers w/ new tools, technology
  - Focus on outcomes, behaviors that lead to improved money management, retirement svgs
- Improve information quality
  - Timing, simplicity, relevancy, integrity
- Increase options for underserved
  - Marketplace and consumer behaviors that lead toward increased savings, money management
    - Use of technology to change the marketplace

ONE STOP FINANCIAL SUPERMARKET

F.D.I.C. INSURED

ATM

DO YOU  
WISH TO  
BUY  
HEDGE FUNDS

NO, I DO NOT WISH TO BUY  
ANY HEDGE FUNDS  
TODAY. I WISH MY  
CARD BACK.

MUST BE THE NEW  
BANKING BILL.