

Factors Associated With Seeking and Using Professional Retirement-Planning Help

So-hyun Joo
Texas Tech University

John E. Grable
Kansas State University

This article presents findings from a study that examined the factors that influence who is more likely to seek and use help with their retirement questions and concerns from professional advisors or others, including friends, colleagues, and publications. A model of retirement help-seeking behavior is presented. Logistic regression results using data from the 1998 Retirement Confidence Survey (N = 711) showed that among preretirees, women versus men, those who (a) had higher incomes, (b) exhibited better financial behaviors, (c) had positive and proactive attitudes toward retirement, and (d) had a higher level of financial risk-tolerance were more likely to seek and use help from financial professionals when making retirement investment decisions.

The looming retirement crisis that awaits baby boomers and those in younger age cohorts has been widely reported in both the academic and trade press. The increasing number of retirees, the aging of baby boomers, an insecure Social Security system, and the transfer of investment risk from employers to employees are all factors that are prompting "a growing fraction of the U.S. population . . . to contemplate its future in retirement with alarm" (Mitchell, Gordon, & Twinney, 1997, p. 1). As suggested by Mitchell et al., this increased level of reporting on retirement planning issues is also triggering a renewed focus on and evaluation of Americans' level of preparedness for retirement. Furthermore, recent reports from the National Endowment for Financial Education (1999) show that today's retirees are different from traditional retirees and that the responsibility for retirement security will continue to shift away from organizations to individuals, which may lead to increased financial stress and a weakening of financial well-being during retirement in the years to come.

Although it is increasingly apparent that alarm about retirement issues continues to motivate some Americans to make serious financial decisions and implement financial strategies today to accumulate income-generating wealth during retirement, it is equally true that most Americans tend to be just as unprepared for retirement as in the past (Topkis, 1999). There is a general consensus among family and consumer sciences professionals that Americans need and want more information about (a) retirement; (b) retirement alternatives, both financial and otherwise; and (c) strategies to meet their retirement standard of living objectives. However, little is known about where individuals turn to obtain such information or what characteristics differentiate individuals who seek and use professional retirement-planning assistance from those who do not.

This article is an attempt to address these issues by presenting findings from a study that examined who is more likely to seek and use retirement-planning help from a professional rather than from an informal source (e.g., the media, friend, colleague, etc.). Specifically, this study used empirical data from the 1998 Retirement Confidence Survey to examine whether individuals with different demographic characteristics, financial behaviors, attitudes toward retirement, and risk tolerance were more likely to seek and use help from financial professionals when making retirement investment decisions.

RESEARCH JUSTIFICATION

Some individuals turn to retirement planning professionals (including financial counselors and planners) for help, whereas others are more likely to seek and use help from friends, family, or work colleagues. Other sources of help include media sources (e.g., television, newspapers, and magazines) and nonretirement experts such as attorneys and tax professionals; however, a large group of individuals tend to choose a different option, namely, to forego any help. As Topkis (1999) pointed out, some people just do not save enough or know enough about retirement, and they have no intention or desire to know any more.

If it is acknowledged that retirement-planning services offered by professionals can improve consumers' retirement knowledge, attitudes, and behaviors more effectively than other sources of help (Brenner, 1998), and that these improvements can lead to enhanced consumer well-being (Bae & Sandager, 1997; Hira & Mugenda, 1999;

Mason, 1993; Taylor-Carter, Cook, & Weinberg, 1997), then it follows that understanding which factors influence a person's decision to seek and use help with their retirement planning is important. It is for this reason that help-seeking research is an important line of inquiry within the family and consumer sciences profession.

In addition to improving the knowledge of financial counselors, planners, and consumer advocates, help-seeking research can also add to the family and consumer sciences literature by indicating why some individuals are more successful in meeting their financial objectives than others. The outcome of help-seeking research can lead to the development of important tools that can be used when working with clients both in diagnosing problems and in developing prescriptive measures to remove barriers to help seeking. Although the field of help-seeking research is not new, the adaptation of existing models in sociology, medicine, and psychiatric care to the field of personal finance and retirement planning is relatively new (Grable & Joo, 1999). As with any new research endeavor, it is not uncommon for practitioners and researchers to ask why this new line of academic inquiry should be given precedence and attention. Help-seeking research related to personal finance and retirement planning can be used to better understand why people save, invest, spend, borrow, make other financial decisions, or take other financial directions by linking knowledge, attitudes, demographic and socioeconomic foundations, and psychometric factors into an explanation of help-seeking behaviors.

RELATED LITERATURE

Help-seeking behavior research follows a line of academic inquiry first proposed by Katona (1951, 1980) who theorized the potential positive outcomes of identifying individual and group similarities and differences in economic situations using both traditional economic and psychographic assessment tools. The testing of an individual's decision to seek and use help for a retirement-planning issue or event stems directly from this original line of inquiry, and as such, retirement planning help-seeking behavior is operationally defined as an action by an individual to seek and use assistance from a secondary source for dealing with retirement and personal finance challenges.

A methodological assumption found throughout the literature suggests that help-seeking behavior includes both seeking and using help (Kaskutas, Weisner, & Caetano, 1996; Phillips & Murrell, 1994; Reidy & Von Korff, 1991; Smith, 1992; Varney, Rohsenow, Dey, Zwick, & Monti, 1995). The literature suggests that behavioral change is unlikely to occur if an individual solely seeks feedback or information (Lee, 1997). Lee concluded that "help-seeking behaviors are proactive" (p. 337), and that help seekers proactively define their problems, search for an individual to help them, and use or implement help provided. This is in sharp contrast to the assumption that help seekers are passive agents. Lee's (1997) conclusions can also be used to help differentiate help seekers from information seekers. An information seeker is one who simply looks for information, whereas help seeking requires "a help seeker to initiate an interaction with the potential helper" (p. 338) with the intent to use the help provided.

According to Lown and Cook (1990), few studies have examined help-seeking behavior for financial problems, and fewer have addressed the issue of retirement-planning help-seeking behavior. A partial explanation for this lack of research interest in help-seeking behavior was given by Kerkmann (1998), who stated that there is little consensus about what motivates or determines someone's decision to seek advice, put advice into practice, or how to make other changes in financial habits.

Furthermore, the factors and personal characteristics of those who seek and use professional retirement-planning help compared with those who do not have yet to be fully identified within the domain of personal and family finance. Currently, more is known about those who seek and use help for nonpersonal finance related problems (e.g., substance abuse, weight loss, and marital distress) than is known about those who seek and use help with their personal finances. However, the need to know about personal finance and retirement help-seeking behavior is important because the issue traverses a multitude of disciplines. For example, there may or may not be similarities or differences between help-seekers across professional domains. Furthermore, there may be relationships between and among help-seeking behaviors for seemingly nonpersonal finance problems and financial behaviors (Hira & Mugenda, 1999). Until more is known about personal finance and retirement help-seeking behaviors, these relationships will remain a mystery.

New Directions in Help-Seeking Research

Researchers interested in understanding personal finance help-seeking behaviors have made great strides in attempting to move beyond simple explanations of help seeking that have, in the past, been based almost entirely on demographic and socioeconomic indicators (e.g., age and income). It is possible, as Doyle (1999) has suggested, that explanations of behavior in relation to money and financial situations include more factors than those traditionally associated with economic thinking. In other words, to truly understand human behavior when seeking help for retirement questions and concerns, it may be necessary to include attitudinal as well as demographic and socioeconomic measures into empirical tests of behavior.

The above conclusion emerges in part from research endeavors conducted primarily outside the family and consumer sciences profession. For example, even though help-seeking behavior research within the domain of personal finance is limited, much is already known about the care-seeking and use behavior of patients with mental disorders (Rhi, Ha, & Kim, 1995) and those who seek and use help for depression, alcoholism, gambling addiction, weight disorders, drug addiction, AIDS, cancer, diabetes, delinquency, emotional distress, and forms of chronic disability (e.g., Corney, 1990; Good & Wood, 1995; Phillips & Murrell, 1994; Preston, 1996; Riessman & Carroll, 1995; Wood, Cochran, & Pfefferbaum, 1995). Findings from these nonpersonal finance help-seeking studies suggest that individual demographic and socioeconomic characteristics, psychological, and related behaviors tend to have the most direct influence on help-seeking behavior (Auslander & Litwin, 1990; Kaskutas et al., 1996; Nickerson, Helms, & Terrell, 1994; Phillips & Murrell, 1994; Preston, 1996; Rhi et al., 1995; Shek, 1992).

Demographic and socioeconomic factors. Demographic and socioeconomic factors have a long history of use by professionals and researchers as determinants of help-seeking behavior. For example, both research and empirical evaluation suggests that older adults tend to be more reluctant to seek and use help than younger individuals (Auslander & Litwin, 1990; Esters, Cooker, & Ittenbach, 1998; Gall, Kratzer, Jones, & DeCooke, 1990; Kaskutas et al., 1996; Phillips & Murrell, 1994). Other similar factors have also been found to influence help-seeking behavior. Clausen (1980) and Banerjee and Suparna (1998) found that the most consistent factors affecting help-seeking

behavior included income and education, with those individuals and families having more income and higher levels of education tending to seek and use help more quickly and maintaining help longer. Longshore, Grills, and Anglin (1997) concluded that factors such as gender, education, marital status, ethnic background, and problem-related behaviors also tend to influence help-seeking behaviors.

Attitudinal factors. Gall et al. (1990) and others (e.g., Lee, 1997; Newman & Schwager, 1993; Ryan & Pintrich, 1997) have suggested that a person's feeling regarding their social competence, compared with a self-selected peer group, can also influence help-seeking behavior. Lee (1997) observed the following: "Individuals do not seek and use help, even when help is needed and available, because help-seeking implies incompetence and dependence, and therefore is related to powerlessness" (p. 336). Other factors have also been found to affect help-seeking behavior. Cepeda-Benito and Short (1998) found that specific behaviors and distress could be used to predict the likelihood of seeking and using help.

Personal Finance Help-Seeking Behavior

Although literature concerning help-seeking behavior within the domain of personal finance generally, and retirement planning specifically, is limited, it is reasonable to assume that personal financial behaviors and problems can be understood using the same type of factors used within the psychological, physiological, and sociological professions (Grable & Joo, 1999; Kerkmann, 1998). Thus, it follows that a set of demographic factors might influence help-seeking behavior as it relates to retirement planning. For example, Carole (1997) reported that a person's gender, age, and ethnic background may have an impact on personal finance help-seeking behavior. Carole noted that older persons tend not to seek and use help in financial matters and that men and non-Whites are less likely to seek and use help. Other factors, such as a person's socioeconomic characteristics (e.g., income and education), attitudes, and financial behaviors may also influence help-seeking decisions and behaviors. For instance, Grable and Joo (1999) found that financial stress and financial behaviors are related to personal finance help-seeking behaviors.

PERSONAL FINANCE HELP-SEEKING: A CONCEPTUAL UNDERSTANDING

Suchman (1966) was among the first theorists to develop a conceptualization of help-seeking behaviors for sociopsychological behaviors. Since his original theoretical conceptualization, much psychological, sociological, and physiological research has been based on his work. Grable and Joo (1999) adapted Suchman's help-seeking process as a conceptual tool for understanding personal finance help-seeking behavior. They concluded that the conceptual framework could be successfully used to explain and predict financial help-seeking behavior.

The research conducted for this article was based on the conceptual framework presented by Grable and Joo (1999). The framework was modified to explain and predict retirement help seeking and use behavior specifically (Figure 1). A description of the framework is presented below.

During Stage 1 of the help-seeking process (Figure 1), a person exhibits one or a series of retirement planning behaviors. During Stage 2 of the process, a person evaluates financial behaviors in terms of consequences resulting from behaviors in Stage 1. Generally, a person will evaluate his or her behaviors by asking whether a behavior or a set of behaviors was positive or negative. For example, assume a person was saving some money for retirement (Stage 1), but on evaluation determined that the amount of saving was insufficient to meet standard-of-living objectives (Stage 2). The consequences of not saving enough could be a lowered level of living in retirement or continued employment in later years. During Stage 3, causes of financial-behavior-related consequences are identified. Potential causes, using the above example, include lack of knowledge concerning retirement savings or investment strategies, inappropriate investment decision making, overspending, a reduction in income, loss of job, or a health problem. It is important to note that Stages 2 and 3 are often subjective and qualitative processes.

Stage 4, the decision to seek and use help, is a critical decision point within the process. At this stage, individuals will decide whether to seek and use help. This particular stage of the framework can be explained through theories related to the economics of information. According to Stigler (1961), consumers seek and use information based on the evaluation of costs and benefits. Individuals will make decisions to seek and use help based on various cost and benefit

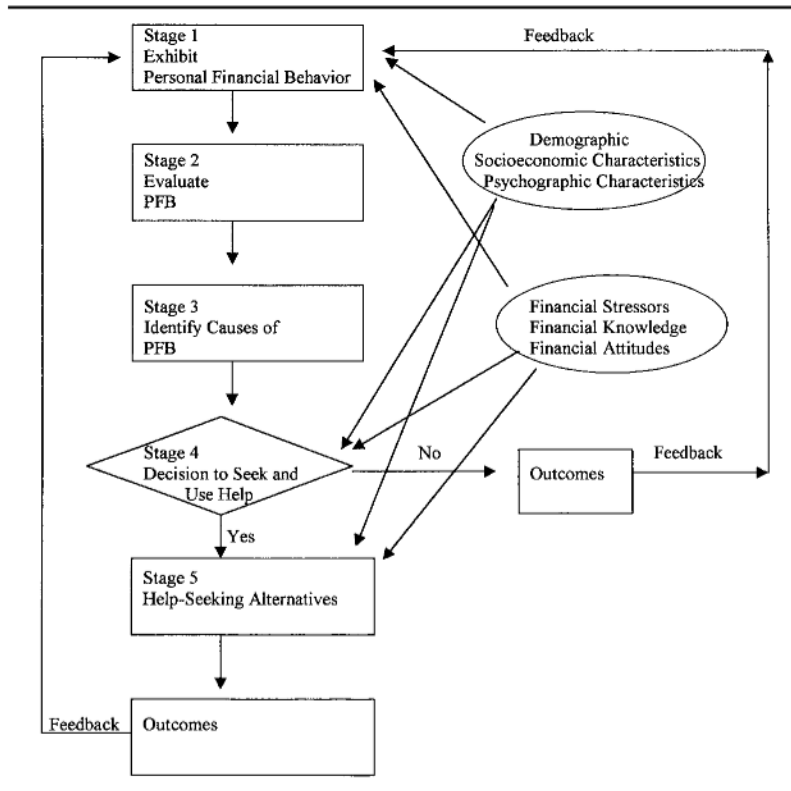


Figure 1: Conceptual framework of personal finance help-seeking behavior.

factors. For example, a person's decision to seek and use help (or not to seek and use help) will be influenced by (a) cost factors, such as associated fees, time consumption, and extra effort to consult with information sources; (b) benefit factors, such as positive outcomes, utility or satisfaction, increased retirement level of living, and so on; and (c) other factors, including predisposing characteristics such as demographic and psychographic characteristics, financial stressors, knowledge, and attitudes. There will always be individuals who decide not to seek and use help. These individuals may exhibit desirable or undesirable financial behaviors; however, the choice not to seek and use help will result in some type of outcome (i.e., positive or negative impact on attitudes and behaviors) in the same manner as a person who does seek and use help. At this point, any adjustments to

future financial behaviors will be made through subjective feedback. For those persons who have significant, serious, or longstanding financial-behavior-related problems, the choice to seek and use help may be positive, although, as practitioners and researchers already know, the choice to seek and use help may just as likely be negative (Hoyt, Conger, Valde, & Weihs, 1997; Smith, 1992).

Stage 5, for those who choose to seek and use help, requires a choice between and among help providers. The most common help providers include retirement-planning professionals and nonprofessionals, such as friends, colleagues, and family. Some individuals may choose more than one help provider. The choice of who to use as a source of help may be influenced by demographic characteristics, socioeconomic characteristics, and other sociocultural characteristics of an individual.

This article reports the empirical test of Stage 5 of the help-seeking process. Specifically, the empirical research question was to examine, using demographic, socioeconomic, and other behavioral and psychographic characteristics, who sought and used help from professionals with their retirement investment decisions from those who did not utilize help from professionals. Those who did not utilize help from professionals included the following two groups: those who sought and used help from other sources and those who did not seek or use any help. Due to methodological constraints, as discussed later in this article, a comparison was made only between (a) professional-help seekers and (b) other help seekers.

The testing of Stage 5 of the process is important both for practitioners and researchers. Behavioral and attitudinal change theory provides an insight into the importance of such tests. The literature related to financial attitude and behavioral change consistently shows significant and positive outcomes for those who rely on the services provided by retirement professionals (DeVaney, Gorham, Bechman, & Haldeman, 1995). By providing education, training, and support to their clients, retirement planning practitioners assist their clients make marked improvements in the types of financial behaviors exhibited both preretirement and postretirement. Hershey, Walsh, Brougham, Carter, and Farrell (1998) found that professional advisors and educators who provide client training increase the knowledge of their constituencies and improve the retirement-planning behaviors of preretirees. As such, findings from this and other studies related to tests of Stage 5 may lead to strategies and approaches for use in better understanding the characteristics of

those who seek professional retirement help from those who seek help from others.

The final stage in the process involves implied subjective feedback to modify and adjust future behaviors. A choice to continue retirement-planning assistance will also occur at this stage of the process. The shared expected outcome for both the help seeker and the retirement-planning provider is an increase in economic, social, and emotional well-being related to preretirement and postretirement. The remainder of this article will focus on a discussion of the methodology, findings, and implications related to Stage 5 of the help-seeking process.

METHOD

Data

The eighth annual Retirement Confidence Survey (RCS) was used as the data source in this study. The 1998 RCS was sponsored by the Employee Benefit Research Institute, the American Savings Education Council, and Mathew Greenwald and Associates. The RCS is "an annual survey that gauges the views and attitudes of working and retired Americans regarding retirement, their preparations for retirement, their confidence with regard to various aspects of retirement, and related issues" (Yakoboski & Dickemper, 1997, p. 3).

The 1998 RCS randomly surveyed 1,500 individuals (1,142 workers, 358 retirees) ages 25 and older in March 1998 through 22-minute phone interviews. Random digit dialing was used to obtain a representative cross section of the U.S. population. Among the 1,500 respondents, this study was limited to include only the 1,142 worker respondents in the sample. This limitation was imposed because the research question in this study involved help seeking in relation to planning for retirement rather than planning while retired. This worker respondent sample was further limited to include only those respondents who (a) provided complete information and (b) indicated making some type of recent retirement investment decision. This limitation was imposed because the 1998 RCS asked help-seeking questions only to those who indicated making a recent retirement investment decision. To maintain methodological consistency, the sample was further limited to those who sought and used retirement help. Those respondents who did not seek or use help ($N = 6$) were removed from this analysis. These sample limitations resulted

in a useable sample size of 711 subjects, and as such, it is important to note that findings from this study apply only to preretirees.

Analysis

Logistic regression analysis was used to identify the related factors of those who sought help from financial professionals. A two-stage method was used for the assessment of multiple correlation between the independent variables. First, variables were examined using a correlation matrix. This initial correlation diagnoses revealed that no collinearity constraints were present in the data. The second stage of the analysis involved using each independent variable as a dependent variable, while using the remaining variables as independent variables, in successive multiple regression equations. Separate condition indices and eigenvalues were created using procedures in the Statistical Package for the Social Sciences (SPSS) to test for multicollinearity among the variables. Using these procedures, as outlined by Hair, Anderson, Tatham, and Black (1995), no multicollinearity problems were identified.

Dependent variable. The criterion for help seeking was based on a sequence of questions in the 1998 RCS. Respondents were first asked to indicate if they had made a retirement investment decision within the past year. Those who answered affirmatively were then asked about their sources of help with their retirement investment decisions. Respondents who answered that they used "the advice of a financial professional" were coded as 1; respondents who did not indicate seeking and using help from financial professionals were coded as 0. It was possible that those who sought help from financial professionals also used other sources. For the purposes of this article, any respondent who indicated using a professional, regardless of other choices specified (e.g., family, friends, the media, software packages, and the Internet), was coded as 1. Among the 711 respondents used in this analysis, 402 respondents sought help from financial professionals, whereas 309 respondents did not.

Independent variables. Demographic variables (i.e., age, gender, marital status, ethnic/racial background, and number of financial dependents), socioeconomic variables (i.e., income, education, and employment classification), financial behaviors, retirement attitudes, and risk tolerance were used as independent variables. Actual age

and the number of financial dependents were used. Gender, marital status, ethnic/racial background, employment classification, and income were dummy coded. Respondents were coded 1 if they were male, married, or White/Caucasian. Ethnic and racial background was incorporated as an independent variable in this research based on previous studies on general help seeking, which have often found behavioral differences between White/Caucasian groups and others (e.g., Carole, 1997; Longshore et al., 1997). Therefore, the White/Caucasian group, which represented the largest proportion of respondents, was coded as 1, with others as 0. This recoding, based on sample size, was imposed to increase the robustness of the model and ease of result interpretation.

The use of employment classifications as variables in tests of financial attitudes and behaviors has a long history in the social sciences. According to Roszkowski, Shelbecker, and Leimberg (1993), other things being equal, different employment classifications can be used to help differentiate between certain behaviors and attitudes. For example, there is evidence to suggest that self-employed individuals and those employed in the private sector (i.e., for-profit employees) behave differently in relation to financial decisions compared with those employed in the nonprofit sector. Quattlebaum (1988) explained this phenomenon in terms of "symptoms of timidity" (p. 68). He concluded that nonaggressive individuals tend to choose occupations with relatively small economic and political risks. Based on this empirical evidence, the following two dummy variables were created to measure employment classification: the first classification included those who worked in a governmental, nonprofit organization, or education/academic institution, whereas the second classification included those who were self-employed. The for-profit corporate and other group was the omitted category.

The 1998 RCS measured annual income using the following seven categories: (a) less than \$15,000; (b) \$15,000 to \$24,999; (c) \$25,000 to \$34,999; (d) \$35,000 to \$49,999; (e) \$50,000 to \$74,999; (f) \$75,000 to \$99,999; and (g) \$100,000 or more. Based on the sample distribution and the low number of respondents in some cells, the following three dummy variables for income were created: one for less than \$35,000; one for \$35,000 to \$49,999; and one for \$50,000 to \$74,999. The highest income group was omitted because it was assumed that those who have higher incomes are more likely to use financial professionals (Grable & Joo, 1999). The 1998 RCS measured education using the following six categories: (a) some high school or less, (b) high school

graduate, (c) some college/trade or business school, (d) college graduate, (e) postgraduate work, and (f) graduate degree. Education was recoded to reflect years of education and considered a continuous variable to reduce possible collinearity problems with income. This recoding ranged from a 10 for (*some high school or less*) to 19 for a (*graduate degree*).

Twelve questions were used to measure personal finance and retirement-planning attitudes and behaviors in the 1998 RCS. The 12 questions were as follows: (a) I am disciplined at saving; (b) I pay off my credit cards at the end of every month; (c) Just when I think I have a handle on my finances, something always happens that sets me back from my financial goals; (d) I always research and plan for a big purchase; (e) I feel it is pointless to plan for retirement because it is too far away to know what I will need; (f) I think preparing for retirement takes too much time and effort; (g) If I just save some money each month, I will be fine in my retirement; (h) I am willing to take substantial financial risk for substantial gain; (i) I am not willing to take any financial risks, no matter what the gain; (j) I am more of a saver than investor; (k) I think anyone can have a comfortable retirement, if they just plan and save; and (l) I frequently spend money when I do not plan to buy anything.

Each question was measured using a 4-point Likert-type scale, from 1 (*not at all*) to 4 (*very well*). Because the 12 items measured various concepts of retirement attitudes and behaviors, a factor analysis using varimax rotation was used to extract distinct constructs among the items. Using this method, three factors were identified (see Table 1). The three factors were named (a) financial behaviors, (b) retirement attitudes, and (c) financial risk tolerance. Due to low factor loadings, two items (items k and l) were deleted in the final analysis. As shown in Table 1, higher scores on the financial behavior factor suggested better financial behaviors. On the other hand, lower scores on the retirement attitude factor suggested more positive and proactive attitudes toward retirement. Lower scores on the risk-tolerance factor suggested higher levels of financial risk tolerance.

For the purpose of this research, factor scores (i.e., composite measures for each factor representing each subject) were used in the regression analysis. These scores "represent the degree to which each individual scores high on the group of items that load high on a factor" (Hair et al., 1995, p. 390). A factor score indicates the strength of agreement a respondent shares with a particular characteristic represented by a factor. Factor scores, rather than a summated scale, were

TABLE 1: Factor Analysis for the Measurement of Personal Finance and Retirement-Planning Behavior and Attitude Concepts

		Factor Loadings		
Item	Statement	Financial Behaviors	Retirement Attitudes	Risk Tolerance
Factor 1: Financial behaviors				
A	I am disciplined at saving.	.770	2.822E-02	-1.338E-02
B	I pay off my credit cards at the end of every month.	.739	4.691E-02	1.010E-02
C	Just when I think I have a handle on my finances, something always happens that sets me back from my financial goals.	-.643	.165	.137
D	I always research and plan for a big purchase.	.501	-4.889E-02	.122
Factor 2: Retirement attitudes				
E	I feel it is pointless to plan for retirement because it is too far away to know what I will need.	-.112	.737	8.593E-02
F	I think preparing for retirement takes too much time and effort.	-.179	.706	-5.969E-02
G	If I just save some money each month, I will be fine in my retirement.	.144	.592	.179
Factor 3: Risk tolerance				
H	I am willing to take substantial financial risk for substantial gain.	.155	.147	-.761
I	I am not willing to take any financial risks, no matter what the gain.	4.653E-02	.135	.718
J	I am more of a saver than investor.	.123	.285	.539

NOTE: Extraction method = principal component analysis. Rotation method = varimax with Kaiser Normalization.

chosen for use in the analysis because it was determined that the orthogonality of the data should be maintained. Factor scores were obtained using a regression procedure.

FINDINGS

Characteristics of the Sample

The mean age of the sample in the final analysis was 44 years old. More than one half of the respondents were female (54%). The

majority of the respondents were White/Caucasian (86.2%), with 7.3% of respondents being African American/Black. The average number of financial dependents was 1.25. The majority of respondents (69.5%) were married. The majority of the respondents (77.1%) also had household income above \$35,000. More than one half of the respondents (62%) were employed by a for-profit corporation or other institution, whereas more than a quarter (27.3%) worked at a governmental, nonprofit organization or educational/academic institution. About one tenth of respondents (10.7%) were self-employed. More than one half of respondents (59.2%) had less than a college degree. Fewer than one half of the respondents held a job title of executive, professional, management, academic, or educational. A summary of the descriptive characteristics of the final sample, along with the entire 1,142 sample of worker respondents, is presented in Table 2.

Factors Associated With Seeking Professional Help

Logistic regression results are presented in Table 3. Among the demographic characteristics, only gender was a significant variable. Women were more likely to seek and use professional help than men when making retirement-planning and investment decisions. The odds ratios column in Table 3 shows that the odds for men seeking help from financial professionals are .565 times as high as for women, other things being equal. In other words, men are about half as likely as women to seek and use help from financial professionals, other things being equal.

The following demographic characteristics were not significant determinants of help-seeking behavior: age, marital status, the number of financial dependents, and ethnic/racial background. These findings suggest that those who sought and used help from retirement-planning professionals when they made retirement investment decisions were not significantly different from those who did not seek and use help from financial professionals in terms of their age, marital status, number of financial dependents, and ethnic/racial background.

Among the socioeconomic factors, income had a significant relationship with help-seeking behavior. Compared with the highest income group, those who had an income of less than \$35,000 were less likely to seek and use help from retirement professionals when making investment decisions regarding retirement savings. However,

TABLE 2: Demographic Characteristics of the Final Sample of 1,142 Worker Respondents

<i>Characteristic</i>	<i>Test Sample (N = 711)</i>			<i>Worker Sample (N = 1,142)</i>		
	Mean	Median	%	Mean	Median	%
Age (continuous)	44	44		43	42	
20 to 29			8.6			11.1
30 to 39			28.5			29.6
40 to 49			32.1			31.0
50 to 59			23.1			21.4
Older than 60			7.7			6.9
Gender						
Male			46.0			49.5
Female			54.0			50.5
Ethnicity						
White/Caucasian			86.2			82.2
African American/Black			7.3			9.8
Other group			6.5			9.0
Number of financial dependents	1.25	1		1.45	1	
(Continuous)			42.4			38.6
0			20.8			19.5
1			20.9			21.5
2			9.4			10.3
3			6.5			10.1
More than 3						
Marital status						
Married			69.5			64.1
Other			30.5			35.9
Income (category)						
Less than \$35,000			24.8			36.2
\$35,000 to \$49,999			24.9			22.5
\$50,000 to \$74,999			28.4			23.8
More than \$75,000			23.8			17.5
Employment classification						
Governmental/nonprofit organization, or education/academic institution			27.3			25.5
Self-employed			10.7			12.2
For-profit organization			62.0			62.3
Education						
Some high school or less			3.1			6.1
High school graduate			26.1			30.4
Some college/trade or business school			30.0			30.6
College graduate			25.9			21.6
Postgraduate work			4.2			3.6
Graduate degree			10.6			7.6

(continued)

TABLE 2: Continued

Characteristic	Test Sample (N = 711)			Worker Sample (N = 1,142)		
	Mean	Median	%	Mean	Median	%
Job title						
Executive, professional, management, academic, or educational			46.9			40.0
Other			53.1			60.0
Financial behavior	9.32E-03	8.42E-02		9.32E-03	8.42E-02	
Retirement attitudes	-2.78E-04	-.14		-2.78E-04	-.14	
Risk tolerance	-3.05E-04	4.06E-03		-3.05E-04	4.06E-03	
Professional help-seeker (dependent variable)			56.5			

those who had incomes between \$35,000 to \$49,000 and \$50,000 to \$74,999 were not statistically different from the highest income group. Odds ratios show that the lower income group (i.e., those who had an income of less than \$35,000) were less than half as likely as the highest income group to seek and use help from retirement professionals, other things being equal. There were no influences based on respondents' employment classification or educational attainment.

The three behavioral and attitudinal factors used in this analysis were significantly related to help-seeking behavior. Those who exhibited more positive personal finance behaviors were more likely to seek and use help from retirement professionals. Help-seeking behavior was also related to a person's retirement attitude and risk tolerance. Those who had a positive and proactive attitude toward retirement were more likely to seek and use help from a professional when making a retirement investment decision, and those who were more risk tolerant were also more likely to seek and use help from retirement planning professionals.

The logistic regression results in Table 3 can be used to predict the probability of seeking help from a retirement planning professional. Using the coefficients associated with each independent variable, a probability estimate can be calculated.¹ For example, assuming that all other variables are held at the mean level of the sample, a married White/Caucasian woman who was employed at a for-profit organization, who also had a household income of less than \$35,000, an

TABLE 3: Logistic Regression Results on Professional Retirement Planning Help-Seeking Behavior

Variable	Odds Ratios	Significance	95.0 % C.I. for Odds Ratios	
			(lower)	(upper)
Age	1.016	.104	.997	1.035
Gender (male = 1; female = 0)	.565	.004	.384	.830
Marital status (married = 1; otherwise 0)	1.170	.478	.759	1.803
White/Caucasian	.779	.355	.459	1.322
Financial dependents	.993	.912	.869	1.134
Income less than \$35,000	.491	.024	.265	.911
Income \$35,000 to \$49,999	.731	.274	.417	1.281
Income \$50,000 to \$74,999 ^a	1.017	.948	.610	1.697
Government/nonprofit workers	.911	.684	.581	1.428
Self-employed	1.289	.457	.660	2.517
Education	.971	.539	.883	1.067
Financial behavior	1.242	.032	1.018	1.514
Retirement attitudes	.722	.001	.592	.882
Risk tolerance	.797	.017	.883	1.067
Constant	2.013	.473		
Model chi-square	49.15	.000		
Number of cases included in the analysis	531 ^b			
Percentage of cases classified correctly	78.3			

a. Income higher than \$75,000 was omitted group.

b. Certain respondent data ($n = 180$) was either missing or unusable and thus eliminated. A comparison of sample characteristics between and among the 180 nonusable respondents, the 531 regression sample, and the 711 total research sample showed that the nonusable respondents resembled nonprofessional help-seekers in terms of the income characteristics. No other systematic differences were identified.

average risk tolerance level, an average attitude toward retirement, and an average level of financial behaviors had a 54% probability of seeking help from a retirement planning professional. If the same person had income more than \$75,000, the predicted probability of seeking help from a professional when making a retirement investment decision would increase to 70%. On the other hand, for a White/Caucasian man employed at a for-profit institution who had an income of less than \$35,000, and an average attitude toward retirement, average risk tolerance, and the average financial behaviors, the predicted probability of seeking professional retirement planning help would be 40%.

Summary

This study examined the factors associated with retirement-planning help-seeking behavior. A specific effort was made to investigate whether one factor or a set of factors could be used to distinguish between who was more or less likely to seek and use help from a professional rather than from another source (e.g., family, friends, colleagues, the media, etc.) when making retirement-planning decisions. Results from a logistic regression were used to conclude that gender, income, financial behaviors, retirement attitude, and risk tolerance were significantly related with professional retirement help-seeking behavior. It was found that women versus men, those who (a) had higher incomes, (b) exhibited better financial behaviors, (c) had a positive and proactive attitude toward retirement, and (d) had a higher level of risk tolerance were more likely to seek and use help from financial professionals when making retirement investment decisions.

DISCUSSION AND IMPLICATIONS

The findings presented in this article suggest that the general consensus concerning the type of person who is or is not more likely to seek and use professional retirement planning help may need to be re-examined and adjusted. The logistic regression analysis showed that White/Caucasian married men are not necessarily more likely to seek and use professional retirement guidance as might be expected. It was found, instead, when all other demographic, socioeconomic, and attitudinal factors were accounted for, that women were more likely to seek and use help from a professional. This finding confirmed Carole's (1997) conclusion that men are more likely than women to rely on their own knowledge and intuition, or seek and use help from a friend, colleague, or other source, rather than turning to a professional for help.

Why might women be more likely than men, holding all other factors constant, to seek and use professional help? One suggestion may be that men tend to be more confident than women when it comes to making financial decisions. Barber and Odean (1999) found that men are more prone to overconfidence than women, and that as a result, men tend to avoid professional assistance when making investment decisions. Unfortunately, Barber and Odean also reported that

because men are overconfident, on average, they overtrade their investment accounts and thus they tend to underperform women in terms of actual investment performance.

These findings have implications for retirement-planning professionals and family and consumer-science educators. Because men are more likely than women to rely on their own retirement planning or to turn to others besides retirement-planning professionals (Rowland, 1999), this market segment could be targeted for expansion by retirement-planning professionals and those who provide retirement education. Often, men will not seek and use help with personal finance problems because they feel they will be stigmatized by peers and colleagues (Lee, 1997). Practitioners can use this knowledge to focus planning and education efforts toward reducing fears of stigmatization and thus enhance the marketing of services to groups that traditionally would not seek and use professional retirement-planning assistance.

It was also determined that those who seek and use help from professionals tend to be those with higher incomes, better financial behaviors, more positive and proactive attitudes, and a higher risk tolerance. The positive relationship between income and professional help-seeking behaviors confirms the typical postulation that working with professionals can be thought of as a high-cost activity, and that it often requires discretionary cash flow derived from a high income to afford the services of a retirement planning professional. This may also explain, in an indirect way, why those individuals who exhibit better financial behaviors or have strong attitudes, including increased levels of financial risk tolerance, are more likely to seek and use help from professionals. Seeking and using the help from an outside expert requires a certain degree of confidence in one's ability to choose between and among service providers, and the willingness to be perceived by peers and colleagues as less competent (i.e., social risk) in managing one's personal financial affairs. These positive-attitude risk takers may not succumb to perceived negative perceptions in the way others do, which allows them to take advantage of professional services; and, as if in a circular path, this help-seeking behavior may lead to increased levels of income, better attitudes, and greater risk tolerance. In other words, positive financial behaviors, proactive retirement attitudes, and increased financial risk tolerance could be both (a) factors and (b) outcomes of retirement planning based on professional help (i.e., circular causality). Additional research is warranted to explore these potential relationships.

Knowing the profile of the person most likely to seek and use professional help can be used by practitioners when targeting their services to the retirement-planning and education market. The fact that about one half (57%) of preretirees with investment programs actually seek and use help from professionals also implies that a large percentage of the population does not. If it is true that professionals are in the best position to improve a person's retirement preparedness, knowledge, attitudes, and behaviors, this lack of help-seeking behavior among a portion of the population raises a concern because many people may be inadvertently missing out on professional help that can be used to increase their income-generating wealth during retirement.

This offers a unique opportunity for retirement counselors, planners, and educators who are willing and able to work with lower income, more timid, or less risk tolerant individuals. Because some retirement-planning practitioners may be reluctant to work with clientele with low incomes or those who also exhibit poor personal financial behaviors and attitudes, an opportunity exists for retirement educators to fill a gap in the retirement-planning marketplace. Retirement educators can improve the retirement preparedness of those who are less likely to seek and use help by focusing educational programs and courses toward lower income individuals whose behaviors and attitudes toward retirement may be less than desirable.

Findings from this research also have potential implications for policy makers. The findings presented here can be used to help provide additional insights into how behaviors and attitudes both affect and can be affected by a person's willingness to seek and use help with financial problems. Research findings from this and additional studies may lead to a new understanding of how well-being can be improved through targeted retirement counseling, planning, and training programs. Furthermore, findings can also be used as the basis for the development of communication strategies to reduce or eliminate barriers to seeking professional help. This may lead to a policy recommendation to provide educational subsidies to enhance practitioners' outreach efforts with underrepresented retirement-planning groups, or in an increased voluntary effort to perform pro bono work to increase the acceptance and use of professional services among underutilized groups.

Retirement preparedness is one of the most discussed topics among family and consumer sciences professionals today. This article

adds to the body of knowledge on this topic by presenting research findings showing who is more likely seek and use retirement-planning help from a professional rather than from other sources (including family, friend, media, etc.). This article presented a personal finance help-seeking framework and data analyses results from the 1998 Retirement Confidence Survey. It is hoped that the framework and results presented in this article will lead to a heightened discussion of help-seeking behaviors.

RESEARCH LIMITATIONS

Several inherent limitations exist in the RCS data that must be acknowledged. First, the criterion for defining help seeking was based on a sequence of questions. Only respondents who indicated making a retirement decision within the past year were given the option of answering help-seeking and use questions. Furthermore, the sample size was too small to differentiate between and among distinct help-seeking groups. For example, future research should attempt to classify individuals into pure help-seeking cohorts based on (a) professional help only, (b) nonprofessional help only, (c) no help only, and (d) a combination of help. In this way, future research can more definitely determine patterns of help-seeking behavior.

Limitations also exist in terms of obtaining a rank ordering of help providers. In other words, using the RCS data, there is no way to distinguish the perceived usefulness of one provider compared with another. This limitation severely limits outcome assessments related to help-seeking behavior. The manner in which questions were asked also limits a researcher's ability to categorize help providers into professional and nonprofessional categories. For example, one may argue that an educator is in fact a professional help provider; however, the data is unclear as to whether an educator is classified as a professional. Also, it should be acknowledged that nonsampling error may exist in the data.

The issue of help seeking versus help using is also somewhat ambiguous in the data. The fact that the criterion for defining help-seeking behavior was based on a sequence of questions that walked a respondent through help-provider alternatives and ultimately to a question regarding the use of help-provider recommendations suggests that Lee's (1997) definition of help seeking applies to the data. However, one can argue that the act of seeking help is

distinct from using help. It would be beneficial in later data sets to be able to separate the help-seeking variable into two distinct steps—seeking and using.

Finally, readers are encouraged to remember that the findings from this research apply only to preretirees. The help-seeking characteristics of those who are already in retirement may be completely different from those who are not yet in retirement. Also, readers are encouraged to note that help seeking is a dynamic process. In many cases, financial practitioners actively seek clients at the same time that clients seek professional help.

FUTURE RESEARCH DIRECTIONS

Understanding the characteristics of those who seek and use professional retirement help is useful in (a) improving services for those already preinclined to seek and use help, (b) increasing awareness of the benefits of professional retirement planning for those least inherently inclined to seek and use help, and (c) improving the level of knowledge, attitudes, and behaviors of individuals in hopes of enhancing help-seeking choices. Further research on this topic area may ultimately help alleviate the alarm that many individuals feel as they think about retirement. More research is needed, and encouraged, to enhance the family and consumer sciences profession's knowledge of what determines a person's decision to seek and use help with their personal finances. Such understanding will ultimately improve the effectiveness of services offered by retirement-planning professionals.

From a practice management perspective, future help-seeking research can be used to assist financial planners, counselors, and consumer scientists better understand the demographic, socioeconomic, and psychological attributes of clients, both current and potential, as a step toward conducting business and building relationships. Research can also be used to determine if and what kind of outcomes differ between and among individuals who seek and use help from those who do not, and to determine if a particular source of help plays a factor in financial outcomes.

From a multidisciplinary perspective, future research can be used to assist marriage counselors and family financial counselors determine the similarities and differences between and among individuals who seek and use help and those who do not, in efforts to design

dynamic diagnoses and proactive outcome recommendations. On a societal level, this type of research can be used to “help provide insights for improving cross-cultural communication with regard to money and property, and deeper understanding about the meaning of wealth and poverty across and within cultures and subcultures to inform policy decisions” (Doyle, 1999, p. 210).

Help-seeking research can also be used as the basis for the development of communication strategies to reduce or eliminate barriers to seeking professional help. As Doyle (1999) points out, “if government agencies, banks, insurance companies, and investment houses are serious about encouraging people to rely less on social security retirement benefits, they will need to send more refined messages to different market segments” (p. 216). Help-seeking research is a tool that can be employed to help understand these different market segments and thus allow targeted savings and investment advice.

NOTE

1. The following equation was used to calculate the predicted probability. For categorical variables, the value of one category, instead of the mean, was used.

$$\text{Prob}(y = 1) = \frac{e^{a + \text{constant} + b_1 * \text{mean}(x_1) + \dots + b_z * \text{mean}(x_z)}}{1 + e^{a + \text{constant} + b_1 * \text{mean}(x_1) + \dots + b_z * \text{mean}(x_z)}}$$

REFERENCES

- Auslander, G. K., & Litwin, H. (1990). Social support networks and formal help-seeking: Differences between applicants to social services and a nonapplicant sample. *Journal of Gerontology*, 45, 112-119.
- Bae, S. C., & Sandager, J. P. (1997). What consumers look for in financial planners. *Financial Counseling and Planning*, 8(2), 9-16.
- Banerjee, G., & Suparna, R. (1998). Determinants of help-seeking behavior of families of schizophrenic patients attending a teaching hospital in India: An indigenous explanatory model. *The International Journal of Social Psychiatry*, 44, 20-76.
- Barber, B., & Odean, T. (1999). Boys will be boys: gender, overconfidence, and common stock investment [Online]. Available: www.gsm.ucdavis.edu/~odean/papers/gender/gender.num
- Brenner, L. (1998). When you need a financial expert. *New Choices*, 38(8), 81-82.
- Carole, K. (1997, October 13). Most Americans don't seek and use financial advice. *National Underwriter (Life & Health/Financial Services Edition)*, 101, 3.

- Cepeda-Benito, A., & Short, P. (1998). Self-concealment, avoidance of psychological services, and perceived likelihood of seeking professional help. *Journal of Counseling Psychology, 45*, 58-64.
- Clausen, J. A. (1980). Sociology and psychiatry. In H. I. Kaplan, A. M. Freedman, & B. J. Sadock (Eds.), *Comprehensive textbook of psychiatry III*. Baltimore, MD: Williams & Wilkins.
- Corney, R. H. (1990). Sex differences in general practice attendance and help-seeking for minor illness. *Journal of Psychosomatic Research, 34*, 525-534.
- DeVaney, S. A., Gorham, L., Bechman, J. C., & Haldeman, V. (1995). Saving and investing for retirement: The effect of a financial education program. *Family Economics and Resource Management Biennial, 1*, 153-158.
- Doyle, K. O. (1999). *The social meanings of money and property: In search of a talisman*. Thousand Oaks, CA: Sage.
- Esters, I. G., Cooker, P. G., & Ittenbach, R. F. (1998). Effects of a unit of instruction in mental health on rural adolescents' conceptions of mental illness and attitudes about seeking help. *Adolescence, 33*, 469-476.
- Gall, S. N., Kratzer, L., Jones, E., & DeCooke, P. (1990). Children's self-assessment of performance and task-related help-seeking. *Journal of Experimental Child Psychology, 49*, 245-263.
- Good, G. E., & Wood, P. K. (1995). Male gender role conflict, depression, and help-seeking: Do college men face double jeopardy? *Journal of Counseling and Development, 74*(5), 70-75.
- Grable, J. E., & Joo, S. (1999). Financial help-seeking behavior: Theory and implications. *Financial Counseling and Planning, 10*(1), 13-24.
- Hair, J. F., Anderson, R. E., Tatham, R. L., & Black, W. C. (1995). *Multivariate data analysis* (4th ed.). Englewood Cliffs, NJ: Prentice Hall.
- Hershey, D. A., Walsh, D. A., Brougham, R., Carter, S., & Farrell, A. (1998). Challenges of training pre-retirees to make sound financial decisions. *Educational Gerontology, 24*, 447-470.
- Hira, T. K., & Mugenda, O. M. (1999). The relationships between self-worth and financial beliefs, behavior, and satisfaction. *Journal of Family and Consumer Sciences, 91*(4), 76-82.
- Hoyt, D. R., Conger, R. D., Valde, J. G., & Weihs, K. (1997). Psychological distress and help seeking in rural America. *American Journal of Community Psychology, 25*, 449-470.
- Kaskutas, L. A., Weisner, C., & Caetano, R. (1996). Predictors of help-seeking among a longitudinal sample of the general population, 1984-1992. *Journal of Studies on Alcohol, 57*, 155-161.
- Katona, G. (1951). *Psychological analysis of economic behavior*. New York: McGraw Hill.
- Katona, G. (1980). *Essays on behavioral economics*. Ann Arbor: Survey Research Center, University of Michigan.
- Kerkmann, B. C. (1998). Motivation and stages of change in financial counseling: An application of a transtheoretical model from counseling psychology. *Financial Counseling and Planning, 9*(1), 13-20.
- Lee, F. (1997). When the going gets tough, do the tough ask for help? Help-seeking and power motivation in organizations. *Organizational Behavior and Human Decision Processes, 72*, 336-363.

- Longshore, D., Grills, C., & Anglin, D. M. (1997). Desire for help among African-American drug users. *Journal of Drug Issues*, 27, 755-770.
- Lown, J. M., & Cook, J. (1990). Attitudes toward seeking financial counseling: Instrument development. *Financial Counseling and Planning*, 1, 93-112.
- Mason, J. (1993). Financial counselors: The need has never been greater. *Financial Counseling and Planning*, 4, 5-10.
- Mitchell, O. S., Gordon, M. S., & Twinney, M. M. (1997). Introduction: Assessing the challenges to the pension system. In M. S. Gordon, O. S. Mitchell, & M. M. Twinney (Eds.), *Positioning pensions for the twenty-first century*. Philadelphia: University of Pennsylvania Press.
- National Endowment for Financial Education. (1999). *Retirement planning in the 21st century: A think tank sponsored by the National Endowment for Financial Education* [Online]. Available: www.nefe.org/pages/ttwhitepaper.html
- Newman, R. S., & Schwager, M. T. (1993). Students' perceptions of the teacher and classmates in relation to reported help-seeking in math class. *The Elementary School Journal*, 94, 3-17.
- Nickerson, K. J., Helms, J. E., & Terrell, F. (1994). Cultural mistrust, opinions about mental illness, and Black students' attitudes toward seeking psychological help from White counselors. *Journal of Counseling Psychology*, 41, 378-385.
- Phillips, M. A., & Murrell, S. A. (1994). Impact of psychological and physical health, stressful events, and social support on subsequent mental health help-seeking among older adults. *Journal of Consulting and Clinical Psychology*, 62, 270-275.
- Preston, L. (1996). Women and alcohol: Defining the problem and seeking help. *International Journal of Sociology and Social Policy*, 16(5/6), 52-72.
- Quattlebaum, O. M. (1988). Loss aversion: The key to determining individual risk. *The Journal of Financial Planning*, 1(1), 66-68.
- Reidy, R., & Von Korff, M. (1991). Is battered women's help seeking connected to the level of their abuse? *Public Health Reports*, 108, 361-363.
- Rhi, B., Ha, K., & Kim, Y. (1995). The health care seeking behavior of schizophrenic patients in 6 East Asian areas. *International Journal of Social Psychiatry*, 41, 190-204.
- Riessman, F., & Carroll, D. (1995). *Policy and practice*. San Francisco: Jossey-Bass.
- Roszkowski, M. J., Shelbecker, G. E., & Leimberg, S. R. (1993). Risk-tolerance and risk aversion. In S. R. Leimberg, M. J. Satinsky, R. T. LeClair, & R. J. Doyle, Jr. (Eds.), *The tools and techniques of financial planning* (4th ed., pp. 213-225). Cincinnati, OH: National Underwriter.
- Rowland, M. (1999, May). Two-loss trading. *Bloomberg Personal Finance*, 97-99.
- Ryan, A. M., & Pintrich, P. R. (1997). "Should I ask for help?" The role of motivation and attitudes in adolescents' help-seeking in math class. *Journal of Educational Psychology*, 89, 329-341.
- Shek, D.T.L. (1992). Reliance on self or seeking help from others: Gender differences in the locus of coping in Chinese working parents. *The Journal of Psychology*, 126, 671-678.
- Smith, L. (1992). Help seeking in alcohol dependent females. *Alcohol & Alcoholism*, 27, 3-9.
- Stigler, G. J. (1961). The economics of information. *Journal of Political Economy*, 69, 213-225.
- Suchman, E. A. (1966). Health orientation and medical care. *American Journal of Public Health*, 56, 97-105.

- Taylor-Carter, M. A., Cook, K., & Weinberg, C. (1997). Planning and expectations of the retirement experience. *Educational Gerontology, 23*, 273-288.
- Topkis, M. (1999, May). Amazing facts about retirement. *Mutual Funds, 44*-47.
- Varney, S. M., Rohsenow, D. J., Dey, A. N., Zwick, W. R., & Monti, P. M. (1995). Factors associated with help seeking and perceived dependence among cocaine users. *American Journal of Drug and Alcohol Abuse, 21*, 81-91.
- Wood, P. B., Cochran, J. K., & Pfefferbaum, B. (1995). Sensation-seeking and delinquent substance use: An extension of learning theory. *Journal of Drug Issues, 25*, 173-193.
- Yakoboski, P., & Dickemper, J. (1997, November). Increased saving but little planning: Results of the 1997 retirement confidence survey. *EBRI Issue Brief, 191*.