
Flight plans and financial plans seem to fly together

By Kerry Pechter *Thu, Jan 30, 2014*

It's reassuring to know that airline pilots like to think ahead, rather than wait for accidents (financial or flight-related) to happen.

Airline pilots tend to save aggressively and are more likely to be engaged in retirement planning than average, according to a survey by Cleary Gull, a financial services firm in Milwaukee.

Of the pilots surveyed, 80% contribute to their retirement plan, and more than half contribute 10% of salary per year. Twelve percent said they contribute more than 20%, 41% contribute 11-20%, and 20% contribute 6-10%.

Cleary Gull works with pilots from all of the major airlines. In addition to managing pilot assets, Cleary Gull offers a free asset allocation service to pilots. Many pilot have changed their plans significantly since the financial crisis due to mergers and streamlining of benefits plans.

“Most pilots have had to work longer and save more in order to reach their retirement goals,” said Bob Warner, managing director at Cleary Gull. “Many are seeking outside guidance to help them with the complexity.”

Seventy-four percent of pilots say they have a financial plan. A third of their financial plans were prepared by an advisor. The survey found that 19% rebalance their portfolio quarterly, 23% rebalance annually and 40% rebalance on an ad hoc basis. Many either work with an investment advisor (24%) or want to work with an advisor (63%).

Pilots tend to be confident in their retirement planning ability (75%). A good portion of pilots use the brokerage window (60%), which allows them to invest in individual stocks or mutual funds not included in their plan's investment line up.

Cleary Gull surveyed 182 United and Continental pilots who are part of the legacy 401(k) retirement plans in December 2013. Cleary Gull is a leading registered investment advisor guiding client assets totaling \$2.6 billion as of 12/31/13 with a focus on high net worth individuals, pilots and health care organizations.

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