

FOR IMMEDIATE RELEASE

Contacts: Kristin Vincenzo
(212) 596-6138
kvincenzo@aicpa.org

James Schiavone
(212) 596-6119
jschiavone@aicpa.org

Gil Nielsen
(212) 596-6008
gnielsen@aicpa.org

**Americans' Finances Breaking Into Positive
Territory in the New Year: AICPA PFS Index**

New Economic Barometer Gauges Americans' Personal Financial Satisfaction

NEW YORK (January 15, 2014) – A decrease in loan delinquencies and improvement in job openings have pushed Americans' overall financial satisfaction firmly into positive territory for the first time since the financial crisis, according to a new quarterly index released today by the [American Institute of CPAs](#) (AICPA).

The *PFSi* (Personal Financial Satisfaction Index)—which weighs a variety of economic factors to calculate the financial standing of a typical American—launched today at +6.6. This represents an increase of 6.5 points from the previous quarter and 14.9 points from one year ago, showing that the economic recovery is finally translating into improvements in the lives of average Americans.

Positive readings of the *PFSi* indicate that Americans' financial opportunities are expanding faster than the potential loss in financial well-being. Negative readings of the *PFSi* would indicate that it is more likely that consumers are facing financial difficulties.

“After years of feeling personal financial pain, the continued growth of the stock market, increases in available jobs, and a sharp decrease in consumer loan delinquencies are moving Americans' finances into positive territory,” said [Jeannette Koger](#), vice president of Member Specialization and Credentialing with the AICPA. “In addition to providing Americans with a unique reference point to gauge their own financial standing, the Personal Financial Satisfaction Index gives financial planners a starting point for client conversations.”

Using both proprietary and normalized official U.S. Government data, the *PFSi* is comprised of two component indices that measure positive (Personal Financial Pleasure) and negative (Personal Financial Pain) factors equally.

Pleasure factors include the proprietary PFS 750 Market Index, comprised of the 750 largest companies by market capitalization trading on the U.S. markets, excluding ADRs, mutual funds and ETFs, and adjusted for inflation and per capita. The other components are the AICPA's CPA Outlook Index, Real Home Equity Per Capita and Job Openings Per Capita. Pain factors include inflation, personal taxes, loan delinquencies and underemployment.

The largest contributor to the improvement in the index score this quarter was a substantial decrease in loan delinquencies—including consumer credit cards and mortgage loans—from 3.8 to 2.9 percent. An increase in the number of job openings, from 4.0 million to 4.8 million, was the second most important contributor to the overall net index, closely followed by improvements in the stock market captured in the PFS 750 Market Index.

Other factors which helped push the index further into positive territory were a reduction in underemployment, and an increase in the home equity factor, driven by an 8.3 percent increase in market values, accompanied by a slight decline in mortgage liabilities.

The *PFSi* is being launched prior to this year's [AICPA Advanced Personal Financial Planning Conference](#), which will be held on January 19-21.

For a more information on the *PFSi* index, or to register to attend the PFP Conference virtually, contact Kristin Vincenzo at kvincenzo@aicpa.org or 212-596-6138.

Methodology

The Personal Financial Satisfaction Index (*PFSi*) is calculated as the difference between the Personal Financial Pleasure Index, and the Personal Financial Pain Index. These are in turn comprised of four equally weighted factors each of which measure the growth of assets and opportunities, in the case of the Pleasure Index, and the erosion of assets and opportunities, in the case of the Pain Index. Those factors have been modified to an average value of 50.

About the AICPA's PFP Section and CPA/PFS Credential

The AICPA's Personal Financial Planning (PFP) Section is the premier provider of information, tools, advocacy, and guidance for CPAs who specialize in providing estate, tax, retirement, risk management, and investment planning advice to individuals, families and business owners. The primary objective of the PFP Section is to support its members by providing resources that enable them to perform valuable PFP services in the highest professional manner.

The AICPA offers the PFS credential exclusively to CPAs who want to further demonstrate their expertise in personal financial planning through testing, experience and learning.

About the AICPA

The American Institute of CPAs (AICPA) is the world's largest member association representing the accounting profession, with more than 400,000 members in 145 countries, and a history of serving the public interest since 1887. AICPA members represent many areas of practice, including business and industry, public practice, government, education and consulting.

The AICPA sets ethical standards for the profession and U.S. auditing standards for private companies, nonprofit organizations, federal, state and local governments. It develops and grades the Uniform CPA Examination, and offers specialty credentials for CPAs who concentrate on personal financial planning; forensic accounting; business valuation; and information management and technology assurance. Through a joint venture with the Chartered Institute of Management

Accountants (CIMA), it has established the Chartered Global Management Accountant (CGMA) designation which sets a new standard for global recognition of management accounting.

The AICPA maintains offices in New York, Washington, DC, Durham, NC, and Ewing, NJ.

Media representatives are invited to visit the AICPA Press Center at aicpa.org/press.

###