NEWS RELEASE

Ameriprise Financial Money Across Generations Study Reveals Baby Boomers Are Generous To A Fault

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MINNEAPOLIS--(BUSINESS WIRE)--

Ameriprise Financial, Inc. (NYSE: AMP) today released the findings of its Money Across Generations(SM) study, groundbreaking research that looks across three generations - parents of baby boomers, boomers themselves, and boomers' adult children - to gain a deeper understanding of how each generation perceives, talks about, and deals with money and finances. The study found that while financial generosity towards the younger and older generations is a hallmark of boomers, many fail to recognize how it impacts their ability to save for retirement.

Boomer Generation Frequently Provides Financial Help to Their Adult Children

While arguably the most prosperous generation in American history, boomers nevertheless face mounting demands on their financial resources from both their adult children and their aging parents:

-- Two-thirds are helping their adult children pay off college loans or tuition, and more than half are contributing to the purchase of a car. In addition, more than one-third are helping to cover living costs that include co-signing loans or leases, medical insurance, rent and utilities, and car payments.

-- More than nine in 10 boomers are financially assisting their

adult children in at least one area.

-- One in six boomers is "sandwiched," providing assistance to both their parents and adult children.

Many Boomers Also Helping Their Parents

Providing financial help to adult children is not the only way boomers are generous. A considerable number are helping their aging parents monetarily in ways ranging from buying groceries (22 percent), helping with medical expenses and utility bills (15 percent each), and contributing to rent/mortgage payments and long-term care (10 percent each).

Most Are More Than Happy to Help Out

Half of boomers believe their financial help has actually made their adult children more financially responsible (50 percent), while better than one in three feel it had no effect (36 percent). Just one in 10 (11 percent) says this help has made their kids less financially responsible. And far from considering the implications for their own financial futures or the financial independence of their adult children, boomers overwhelmingly would "write the check" again; about nine in 10 (89 percent) say they would financially help their adult children again if given the chance, although they are not certain it enhances their relationship. According to the study, most boomers (58 percent) said their help had no effect on their relationship with their children, while just one in three said it helped their relationship.

Families Are Beginning to Talk More Openly About Finances

Encouragingly, the Money Across Generations study found an increasing openness to have financial conversations in progressively younger generations. The adult children of boomers are the most likely to say they talk about money in the family: Nearly half (46 percent) say they discuss it regularly, while just four in 10 (39 percent) boomers and one in four (26 percent) of their parents say the same. This growing openness should allow boomers to engage their families in their financial planning process and help them keep their retirement dreams on track.

But Where is the Money Coming From?

Boomers say they are using non-retirement related funds to finance their assistance across generations, but few believe their generosity impacts their ability to save for retirement:

-- While half indicate using their day-to-day spending money to

assist their adult children, four in 10 boomers draw from their "regular savings," and one in six even resorts to taking a loan.

-- Only six percent admit to pulling money from their retirement savings to help their adult children.

-- While only 9 percent of boomers believe assisting their parents has hurt their retirement savings, twice as many (29 percent) believe assisting their adult children has slowed their savings progress.

"In generously providing financial support to their families, boomers seem to know that they shouldn't dip into their retirement savings. Yet, they don't see how tapping day-to-day spending money impacts their ability to save," said Craig Brimhall, vice president of retirement wealth strategies, Ameriprise Financial. "The issue may be how they distinguish between their retirement and other savings. Many boomers appear to be assuming that if money isn't coming from an IRA or 401(k), it's not going to affect their retirement."

When asked to choose between the needs of their adult children and their own need to save for retirement, boomers begin to make the connection. For example, two thirds (65 percent) of boomers say they would contribute to their own retirement savings at the necessary rate over helping their adult children buy a car or pay off credit card debt.

"It's when people begin to see their financial generosity as something that must be balanced with their overall financial goals that they appear to understand how much it could impact their ability to fund their retirement," said Brimhall. "The reality is that most boomers already are not saving enough and many still haven't calculated what they'll need in retirement."

Sources show that the average 65 year-old man retiring today needs an estimated retirement nest egg of $1.6 million.(1) However, one in four boomers have saved less than $10,000 for their retirement; another 45 percent have saved less than $50,000.(2) Further, only 43 percent of American workers and/or their spouses have tried to calculate how much money they will need to save to live comfortably in retirement.(2)

Boomers sometimes make the connection between helping others and the state of their retirement savings. In fact, the majority of boomers say that if they got a sudden windfall, they would save it for retirement. If they suddenly had an extra $10,000 and could allocate it to just one thing, 57 percent say they would put it aside for their retirement. The balance would opt to spend it on their children (17 percent), themselves (14 percent), their grandchildren (five percent), or their parents (three percent).

Brimhall observed, "No one expects boomers to change their generous nature, especially when it comes to family. But maintaining a clearly defined retirement savings goal and opening a family dialogue about money across the generations are the best ways for boomers to increase their confidence in their future security."

About the study

Working with GfKRoper Public Affairs, a leading global marketing research and consulting firm, Ameriprise Financial launched the national study in April and May 2007. Telephone interviews were conducted among 1,001 affluent baby boomers (those with $100,000 or more in investable assets); 300 parents of baby boomers; and 301 children of baby boomers at least 18 years old. Survey data were weighted to Current Population Survey statistics. The margin of error is +/- three percentage points for the affluent boomers segment and +/- six percentage points for the parents and children of boomers segments. To help shape the research study, focus groups were conducted with boomers in San Francisco, Miami, Denver, and Dallas to explore intergenerational issues affecting their daily lives.

Copies of the study report are available at ameriprise.com/presscenter

About Ameriprise Financial

AmeripriseFinancial, Inc. is a leading financial planning and services company with more than 12,000 financial advisors and registered representatives that provides solutions for clients' asset accumulation, income management and insurance protection needs. The Company's financial advisors deliver tailored solutions to clients through a personalized financial planning approach built on a long-term relationship with a knowledgeable advisor. The Company specializes in meeting the retirement-related financial needs of the mass affluent and affluent. Financial planning services and investments are available through AmeripriseFinancial Services, Inc. Member FINRA and SIPC. For more information, visitameriprise.com.

(1)According to The National Center for Health Statistics, the average sixty-five year old American male retiring this year can expect to live another 18 years. If his pre-retirement annual income was $100,000, a conservative 70 percent replacement rate means he would need income of $70,000 a year to support himself and a spouse. Over 18 years, adjusted for 3 percent inflation annually, his retirement nest egg would need tobe an estimated $1.6 million.

(2)The 2007 Retirement Confidence Survey published by The Employee Benefits Retirement Institute (EBRI).

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