



NEWS RELEASE

Ameriprise Study: Americans Avoiding Risk, Sometimes to Their Own Detriment

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New survey finds investors' efforts to sidestep risk may leave them susceptible to other financial mistakes

MINNEAPOLIS--(BUSINESS WIRE)-- Ameriprise Financial (NYSE: AMP), today unveiled new research on how U.S. investors perceive financial risk and how those feelings shape investment decision-making. The Financial Risks & Investor Attitudes study uncovered that a vast majority of respondents (73%) tend to avoid risk entirely or weigh risk very carefully when engaging in financial decisions. With the recent market volatility as a backdrop, these respondents admit that by taking a more proactive role in their financial education and investing strategies, they could better understand and embrace a level of financial risk that could potentially benefit their portfolios.

This Smart News Release features multimedia. View the full release here:

<http://www.businesswire.com/news/home/20151104005195/en/>

"Investing for the long-term, while also trying to navigate market swings, is one of the biggest challenges facing investors," says Marcy Keckler, vice president of Financial Advice Strategy at Ameriprise. "Whether you are an experienced investor or beginning to build your retirement nest egg, having a comprehensive financial plan and understanding how risk factors into your plan can help build financial confidence."

The Financial Risks & Investor Attitudes study surveyed 3,000 Americans between the ages of 25-70. Respondents ranged from millennials with at least \$25,000 in investable assets to Gen Xers and baby boomers with at least \$100,000 in investable assets. The findings uncovered four unique profiles within financial risk—ranging from those

who dodge risk at all costs, to those who fully embrace risky decisions.

Exploring Financial Risk:

Risk Avoider (31% of investors surveyed)

At one end of the investor risk spectrum are Risk Avoiders, who are the most guarded when it comes to financial risk-taking, with 89% of this group viewing their outlook on risk as “cautious.” While nearly half (42%) of respondents in this profile claim they are not willing to take risks with their finances, many are increasing their exposure to risk unknowingly. The study found many people in this group report being underinsured, only make investments with guaranteed returns, and some are storing their savings in cash. This group is also less likely to conduct the research necessary to help mitigate risk. The majority of Risk Avoiders are baby boomers and female (61%).

Risk Mitigator (42% of investors surveyed)

Risk Mitigators are careful about risk but less so than Risk Avoiders. Investors in this profile characterize themselves as willing to take risks after significant research (89%), but also associate risk with loss or uncertainty in their investment outlook. Risk Mitigators are more engaged in actions such as diversifying investments and being sufficiently covered by health and life insurance. However, they remain uncertain about their approach to investing and risk. Risk Mitigators prefer low-risk investments and shift to conservative choices during periods of market volatility – decisions that may not always be in their best interest. Demographics in this group are fairly evenly split between millennials, Gen X, baby boomers, and gender.

Risk Manager (25% of investors surveyed)

Risk Managers have a more confident view of risk, with all of these individuals (100%) associating financial risk as an opportunity. Consumers who fit this profile are willing to take informed risks after conducting research and focus on growing their retirement savings through investing. They pursue well-thought-out risk mitigation strategies, such as assessing financial decisions along with diversifying and balancing investments. Nearly half (45%) of Risk Managers invest heavily in the stock market and the majority report understanding the details of their 401(k) plans. Risk Managers are predominately male (61%) and are represented equally across the three generations surveyed.

Risk Embracer (3% of investors surveyed)

At the other end of the spectrum, Risk Embracers are highly motivated investors, many of whom associate financial risk with “excitement” (39%). A majority of investors (64%) in this profile characterize themselves as “real risk seekers,” with 76% indicating that they are willing to make high risk and high return investments. This group also admits they are more willing than their peers to take risks in other areas of life such as borrowing too much when buying a house, or making a career change with less financial security. While 53% of respondents in this group consider themselves knowledgeable about investing, they are primarily focused on growing their investments

versus employing mitigation strategies to protect assets. The majority of Risk Embracers tend to be millennials (56%) and male (67%).

“Evaluating and managing risk is a balancing act, and it’s complex,” says Keckler. “Working with a financial advisor who can help you identify and appropriately manage risk makes sense regardless of your level of investment experience.”

For more information about the Financial Risk & Investor Attitudes study, please visit our research page at ameriprise.com/financialriskstudy.

About the survey

The Financial Risks & Investor Attitudes study was created by Ameriprise Financial utilizing survey responses from 3,000 Americans ages 25 to 70 with at least \$25,000 in investable assets. The online survey was commissioned by Ameriprise Financial, Inc., and conducted by Artemis Strategy Group from June 16 – July 3.

About Artemis Strategy Group

Artemis Strategy Group (www.Artemissg.com) is a communications strategy research firm specializing in brand positioning, thought leadership and policy issues.

About Ameriprise Financial

At Ameriprise Financial, we have been helping people feel confident about their financial future for more than 120 years. With extensive asset management, advisory and insurance capabilities and a nationwide network of approximately 10,000 financial advisors, we have the strength and expertise to serve the full range of individual and institutional investors' financial needs. For more information, or to find an Ameriprise financial advisor, visit ameriprise.com.

For further information and detail about the Financial Risks & Investor Attitudes study including verification of data that may not be published as part of this report, please contact Ameriprise Financial.

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Ameriprise Financial, Inc.

Jennifer Johnson, 612-671-7188

Media Relations

Jennifer.3.Johnson@ampf.com

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