



NEWS RELEASE

## Ameriprise Study: First Wave of Baby Boomers Say Health and Emotional Preparation are Keys to a Successful Start to Retirement

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Overwhelming majority of those surveyed say they were “in control” of their decision to retire

MINNEAPOLIS--(BUSINESS WIRE)-- A new study released today by Ameriprise Financial (NYSE: AMP), finds that more than three-quarters (76%) of baby boomers who retired within the past five years felt “in control” of their decision to retire. According to more than half of recent retirees, physical health (53%) and emotional preparedness (52%) are the main contributors towards this sense of control boomers are feeling.

The Retirement Triggers study, which surveyed 1,000 newly retired baby boomers ages 60-73 with at least \$100,000 in investable assets, explores the driving factors behind why people decided to retire when they did. The most-cited responses include, “I decided it was time to enjoy life” or “I no longer wanted to work” (51%), “I reached my retirement savings goal/my advisor helped me understand I could retire” (17%), and “I was forced to retire by my employer/was offered early retirement incentives or lost my full-time job” (16%).

“This study finds that choosing a retirement date can be as much an emotional decision as a financial one,” said Marcy Keckler, vice president of financial advice strategy at Ameriprise Financial. “With Retirement Triggers, we’re finally seeing how the first wave of baby boomers approached this critical decision and how they’re feeling about it today.”

### Most Boomers Feel Confident After Retiring, But Not Without Some Doubts

The first five years of retirement appear to be a honeymoon period for retirees. A large majority (75%) of retirees

say they are “very satisfied” with their lifestyle in retirement and just as many say they are spending their new free time doing what they planned to do in retirement. Nearly one in three (31%) say there was nothing difficult about transitioning into retirement, but the rest did endure some bumps. The hardest aspects of retirement cited by respondents are emotional adjustments like losing connections with colleagues (37%), getting used to a different routine (32%) or finding purposeful ways to pass the time (22%). Despite these challenges, 65 percent say they fell into their new routine fairly quickly and half (52%) say they have less free time than they thought they would before retiring. The positive sentiments continue with the fact that nearly half (43%) say they are having more fun than they expected.

It’s not just a sense of optimism that is driving respondents’ confidence; these new retirees are also feeling financially secure. More than half (57%) of study respondents say they are very satisfied with their financial situation in retirement, and another 37% are somewhat satisfied. This may help explain the fact that only one in ten (11%) of these new retirees have returned to work (in any capacity) during retirement. Yet, most of those who are working for pay say they didn’t do it for the income, but because “it seemed like an interesting opportunity” or because they “wanted some intellectual stimulation.”

Overall, very few new retirees who felt in control leading up to their retirement day have second-guessed themselves; 98% say they are satisfied with the decision to retire when they did. However, if they could do it over again, one in three (31%) of all respondents say they would adjust the timing of their retirement (14% say earlier and 17% say later) and nearly as many say they would save more money prior to retiring (29%).

## Looking Back: Preparing to Pull the Retirement Trigger

Given their high level of confidence and satisfaction in retirement, it comes as a bit of a surprise that some study respondents weren’t always so sure about their retirement readiness leading up to the big decision. Nearly half (47%) say they did feel ready, but they had mixed emotions about retiring. Another quarter (25%) say that their mindset one year before retirement was that they “couldn’t wait,” and 21% admit they felt uncertain or not ready.

Stress appears to be a natural emotion leading up to retirement, even for those who are overwhelmingly happy now that they’ve left the workforce. Nearly two-thirds (63%) of newly retired boomers say they felt stressed about retirement leading up to the decision, but only 25% say they still feel stress now that they’ve been retired for some time.

Younger boomers who are preparing for retirement should take note of what made their predecessors feel most confident leading up to retirement – as well as some of the things that they wish they would have considered more carefully before pulling the retirement trigger. The majority of respondents say that while preparing for retirement, they felt completely confident about things like affording basic needs in retirement (75%), their ability to pursue hobbies (62%) and keeping their minds active (60%), all of which helped them make the decision to retire. However,

fewer felt confident about developing social connections in retirement (45%) and preparing their estate plans (35%).

## Financial Preparation Still Imperative for Retirement Confidence

So how does age – specifically when Americans can receive Social Security or Medicare benefits – play into the retirement decision? Surprisingly, fewer than one-third (29%) of new retirees say that eligibility for Social Security and Medicare was a driving factor in their decision to retire; the fact that 70% of respondents are drawing a portion of their retirement income from a pension may help explain why.

This is not to say that the first wave of retiring baby boomers weren't focused on their finances: 94% say it was extremely or somewhat important that they felt financially confident about retirement before pulling the trigger. But some are still working out a few tweaks – 22% of respondents say they are spending more money than they thought they would in retirement and nearly as many (24%) believe they underestimated their retirement income needs. On the flip side, 28% of new retirees shared that they weren't spending as much as they had planned (thus far).

“Oftentimes, the importance of preparing emotionally for retirement can get buried in all of the financial decisions that must be made important leading up to this milestone,” said Keckler. “In reality, emotional and financial preparation goes hand-in-hand. A financial advisor with a comprehensive approach can be a great resource for people of all ages to help ensure they're considering all dimensions of retirement before pulling the trigger.”

For more information about the Retirement Triggers study, see our research page at [ameriprise.com/retirementtriggers](http://ameriprise.com/retirementtriggers).

## About the survey

The Retirement Triggers study was created by Ameriprise Financial utilizing survey responses from 1,000 Americans ages 60 to 73 who have retired in the last 5 years from their primary profession and who have at least \$100,000 in investable assets. The online survey was commissioned by Ameriprise Financial, Inc., and conducted by Artemis Strategy Group from October 20 – November 4, 2014.

## About Artemis Strategy Group

Artemis Strategy Group ([www.Artemisg.com](http://www.Artemisg.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 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](http://ameriprise.com).

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

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