NEWS RELEASE

As Benefit Costs Rise, Employee Retirement Savings Decline

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MINNEAPOLIS--(BUSINESS WIRE)--

Ameriprise Financial (NYSE:AMP) today released the findings of its most recent study, Benefit Cost Increases: Impact on Worker Financial Health and Retirement Savings, to correspond with benefits open enrollment season for many employers. The study found a disturbing trend resulting from escalating health care benefit costs, with 46 percent of people indicating they have or plan to decrease their savings or investments. This finding represents an 8 percent increase over the three years of the study, showing the cumulative effect of growing benefit costs on personal savings. Additionally, 20 percent of people have or plan to contribute less to their employer-sponsored retirement plan.

The majority of the benefit cost increases experienced by workers have been health care-related:

-- 68 percent indicating out-of-pocket cost increases for their health care coverage.

-- 44 percent citing increases in dental coverage costs.

-- 20 percent experiencing increases in life insurance benefit costs.

-- 17 percent noting increased expenses for retirement plan benefits.

"As benefit costs such as health care continue to rise, the loss of investment dollars can have a large impact on a person's retirement income," said Rusty Field, vice president of Ameriprise Financial Education and Planning

Services. "This problem is magnified when employees forgo money from an employer matching program by reducing contributions to their 401(k) to cope. By cutting back on retirement and personal savings to pay for health care benefits today, uncertainty about meeting future health care needs and other necessities in retirement grows--and stress along with it."

Of those who have or plan to contribute less to their employer-sponsored retirement plan, two out of three would also lose a corresponding employer match contribution, thus compounding the economic effect for retirement. At the same time, 82 percent of respondents are more concerned about affording health care in retirement than affording health care today. With the increased out-of-pocket spending on health care benefits, 35 percent of respondents are "concerned" or "very concerned" that these costs will impact retirement and other financial goals.

However, receptivity toward employer-provided education regarding benefits costs and their impact on a respondent's personal financial situation has increased fairly dramatically in the past year. Print, online and face-to-face channels for information delivery have the most support, with 73 percent wanting information via print materials and 57 percent wanting to receive information online, and 49 percent interested in one-on-one meetings with an advisor.

Most importantly, employers can expect education and planning programs to be utilized. The study found that when employers provide education or tools to assist with financial decision-making, 84 percent of employees make use of the support.

"We're finding more and more companies are receptive to providing their employees with financial planning as a benefit, specifically as a way to help them manage their increasingly complex benefits decisions," says Field. "Our Dream Plan Track (SM) approach helps people prioritize their life goals and financial goals in order to face their benefits decisions with confidence."

The survey found that 72 percent of workers would be interested in attending a workplace financial seminar to help them understand and address rising healthcare costs. To assist employees, Ameriprise Financial Education and Planning Services offers specific programs and seminars that address benefits, including Rising Health Care Benefit Costs: The Personal Financial Impact and Your Hidden Paycheck--available nationwide through Ameriprise' extensive network of financial educators.

A complete survey report is available up on request by Emailing **ameriprisefinancialeduation@ampf.com** or calling 1-800-437-0600.

About the Survey

This is the third edition of this Omnibus study, also conducted in 2003 and 2004. Three waves of Synovate's Telenation Survey were used for data collection. A total of 1,510 people were contacted; 905 were enrolled in or eligible for their company's 401(k) plan, of these 706 received health insurance coverage from their employer. Weighting adjusts the sample size to 664. Analysis includes only those people who are full-time employed, are enrolled in or eligible to enroll in a company-sponsored 401(k) plan, and receive their health care coverage from their employer.

About Ameriprise Financial

Ameriprise Financial is a leader in workplace financial education providing corporations and other institutions with a broad spectrum of employee financial education and financial planning programs to help improve benefits utilization and the financial lives of employees. The Ameriprise Financial Education and Planning Services unit serves more than 1,600 companies and their approximately 1.8 million employees across the United States.

Ameriprise Financial, 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. Financial advisory services and investments are available through Ameriprise Financial Services, Inc. Member NASD and SIPC. For more information, visit ameriprise.com.

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