



NEWS RELEASE

New Retirement Mindscape IISM Study: Americans Remain Unprepared for Retirement

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The key differentiator? Those who have sought professional financial advice feel more confident and prepared for retirement.

MINNEAPOLIS--(BUSINESS WIRE)-- While the difficult economic environment has underscored the need to plan more diligently, many Americans are failing to take fundamental steps to prepare for retirement. New findings from the **New Retirement Mindscape IISMSM study**, released today by Ameriprise Financial (NYSE:AMP), indicate that only half (54%) of pre-retirees have determined the amount of money they need to save for retirement. Furthermore, while most financial professionals recommend preparing for a retirement that will last 30 years, survey respondents estimate theirs will last approximately 20 years – a significant discrepancy that could leave many dramatically unprepared.

“Given current life expectancies, many people will spend nearly one-third of their lifetime in retirement,” said Craig Brimhall, vice president of retirement wealth strategies at Ameriprise Financial. “Couple this with the potential healthcare costs associated with aging and it is easy to understand why planning ahead and understanding how you’ll recreate a paycheck during retirement are so important.”

Some encouraging trends have emerged during the past five years. Pre-retirees are more likely to be saving for retirement, either in an employer-sponsored plan or in their own savings or investment account than they were in 2005 (87% vs. 82%). They are also saving sooner – nearly 26 years prior to their expected retirement date – more than three years earlier than they reported in 2005. A similar trend was reported among retirees – 84% said that they had saved for retirement, up from 74% in 2005.

Consumers who seek professional financial advice report faring better

The New Retirement Mindscape II study also illustrates a key differentiator in how people approach retirement. Pre-retirees with a financial advisor report feeling more positive about their financial situation and for a good reason – they are taking more steps to prepare. Compared to their peers without an advisor, they were more likely to say they are setting aside money in an employer-sponsored plan (84% vs. 66%) or in their own savings and investments (91% vs. 60%), and to report they have determined the amount of money they need to save for retirement (68% vs. 44%). This may help explain why they are also significantly more confident in reaching their retirement goals (68% vs. 39%).

Retired consumers who have worked with a financial advisor also report that they've taken more steps to prepare than their counterparts. However, the most significant differences are reflected in the way they feel about retirement. Compared to retirees without an advisor, those who have sought professional advice are more likely to feel they are “living their dream” in retirement (53% vs. 36%) and that their retirement “worked out the way they planned” (68% vs. 49%).

Confidence and preparation are highest among consumers with a written financial plan

The survey helped uncover one other key differentiator – a written financial plan. Consumers who have engaged in a planning relationship are significantly more likely to feel optimistic about their financial situation. Compared to those without a written plan, they report feeling more “on track” for retirement (75% vs. 40%) and “confident in their financial future” (69% vs. 38%).

Pre-retirees with a written financial plan are also more likely than those without to feel “confident in reaching their retirement goals” (72% vs. 38%), possibly because they're taking action and have more realistic goals. Compared to those without a plan, more report having determined the amount of money they need to save for retirement (86% vs. 35%) and the amount of income they'll need in retirement (85% vs. 35%). They are also more likely to say they are actively saving than their peers, including setting aside money for retirement in an employer-sponsored plan (85% vs. 66%) and in their own savings and investments (93% vs. 61%).

Among retirees, those with a written financial plan are significantly more likely than those without to say that their “retirement has worked out the way they planned” (72% vs. 49%), and that they feel “happy” (86% vs. 74%) and “enthusiastic” (74% vs. 53%) about retirement. One reason may be that, in addition to being more financially prepared, retirees with a plan were more likely to have thought in advance about how they'd like to spend their retirement years. They had made plans for traveling (38% vs. 19%), volunteering (27% vs. 13%) and determining their hobbies (32% vs. 23%). Further, if they had to do it all over again, retirees with a plan are less likely to say that

they would have started planning and saving for retirement earlier (40%) compared to those without a plan (61%).

“Seeing Americans begin to take more financial responsibility and save more diligently is extremely encouraging,” added Brimhall. “The fact that developing a written plan appears to have a positive impact – both financially and emotionally – should not be overlooked. If this one simple step can help people lead a more rewarding and confident retirement, I believe it’s worth the additional effort.”

The New Retirement Mindscape II study demonstrates that working with a financial advisor and developing a written financial plan can help consumers reach this important milestone with more optimism and confidence. To help consumers start the conversation and take a first step in planning for retirement and other life events, Ameriprise Financial has updated its popular Dream Book[®] guide. This powerful tool helps people visualize and prioritize their goals, before they crunch the numbers.

Since the original Dream Book[®] guide was released in January 2006, nearly 2.5 million copies have been distributed. Consumers can contact their **local Ameriprise financial advisor** to obtain a copy of the updated guide.

About the study

The **New Retirement Mindscape IISM** and New Retirement Mindscape[®] studies were commissioned by Ameriprise Financial, Inc. and conducted by telephone by Harris Interactive in May 2010 and August 2005 among 2,007 (2010) and 2,000 (2005) U.S. adults age 40-75. The sampling error for the 2010 study is +/-2.5%. The 2005 study was conducted in conjunction with Age Wave and Ken Dychtwald, Ph.D.

About Harris Interactive

Harris Interactive is one of the world’s leading custom market research firms, leveraging research, technology and business acumen to transform relevant insight into actionable foresight. Known widely for the Harris Poll and for pioneering innovative research methodologies, Harris offers expertise in a wide range of industries. For more information, visit **harrisinteractive.com**.

About Ameriprise Financial

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Contact:

Ameriprise Financial, Inc.

Stacy Housman, 612-678-7215 (Media Relations)

stacy.m.housman@ampf.com