



NEWS RELEASE

## New Retirement Mindscape IISM Study: The Stages of Retirement Have Changed

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**Tough economic times have had a substantial emotional impact on those approaching and beginning retirement**

MINNEAPOLIS--(BUSINESS WIRE)-- Americans' attitudes, ambitions and preparation for retirement have changed dramatically as a result of the recession. Five years after introducing the stages of retirement, Ameriprise Financial (NYSE: AMP) revisited its groundbreaking New Retirement Mindscape® study to see how consumers' journey to and through retirement has changed. The findings underscore the substantial emotional impact the difficult economic environment has had on people, especially those who are approaching retirement or who have retired within the past year. In fact, the economy's impact has been so severe that a new stage has emerged and another has been renamed.

In 2005, when interviews for the first New Retirement Mindscape® were conducted, the U.S. economy was riding a prosperous high, a peak between the recession of 2001 and the downturn that began in December 2007. "Five years later our society is in a very different place, and as a result, consumers are approaching retirement with a different mindset," said Craig Brimhall, vice president of retirement wealth strategies at Ameriprise Financial. "The years leading up to retirement used to be filled with a sense of excited anticipation, but now we are seeing people hesitate and really question if they are making the right decision. And in the first year of retirement, a stage once synonymous with feelings of liberation, consumers are facing new doubts, concerns and the reality that retirement may not be what they expected."

The New Retirement Mindscape IISM study, conducted by telephone by Harris Interactive, uncovered six distinct

attitudinal and behavioral stages that occur before and during retirement: 1) Imagination, 2) Hesitation, 3) Anticipation, 4) Realization, 5) Reorientation and 6) Reconciliation. This compares to five stages that were identified in the previous study: 1) Imagination, 2) Anticipation, 3) Liberation, 4) Realization and 5) Reorientation.

**Stage 1: Imagination** (six to 15 years prior to retirement) – People in this earliest stage preceding retirement are feeling substantially less “hopeful” (71% vs. 81%) and “optimistic” (72% vs. 77%) than they were in 2005. However, they remain generally positive – 84% feel “happy” and 70% feel “enthusiastic” about retirement – likely because they still have time to prepare and recover financial losses they experienced during the recession.

**Stage 2: Hesitation** (three to five years prior to retirement) – While people in this stage were previously grouped with those in the Anticipation stage, the 2010 survey showed that significant differences have emerged three to five years prior to retirement. In contrast to people within two years of retirement – whose responses have remained relatively unchanged – significantly fewer in the Hesitation stage expect to feel “happy” in retirement than did so in 2005 (82% vs. 92%). Job setbacks and conflicting financial priorities may be among the reasons this group is also less likely to have set aside money in employer-sponsored plans or their own savings/investments than in 2005 (74% vs. 91%). They are also far less likely than those in the new Anticipation stage to expect to greatly enjoy retirement (64% vs. 75%) or to be setting aside money in their own savings/investments (67% vs. 83%).

**Stage 3: Anticipation** (two years prior to retirement) – After questioning their readiness, excitement begins to build in the final two years leading up to retirement day. People in the Anticipation stage are the most likely to feel “on track” for retirement (77%), possibly because they are also the most likely to be setting aside money in their own savings/investments (83%) and working with a financial advisor (54%).

**Stage 4: Realization** (retirement day to one year following) – While the first year of retirement was previously called “Liberation,” the optimism and excitement that once accompanied this stage have been muted by the recession. With sharp declines in the value of portfolios, as well as “forced retirements” due to layoffs and career setbacks, it isn’t surprising that people are struggling with the realities of retirement. The decrease in positive feeling is dramatic – compared to 2005, far fewer are enjoying retirement “a great deal” (56% vs. 78%), say they are living their dream in retirement (45% vs. 68%) or feeling that retirement has worked out as they planned (57% vs. 77%).

**Stage 5: Reorientation** (two to 15 years after retirement) – After a difficult year of adjustment, most people enter the Reorientation stage feeling more “happy” (80%) and “on track” for retirement (69%) than they did in previous stages. They continue to enjoy having “control over their time,” and to an even greater extent than in 2005. They are also better prepared than they were five years ago – more report that they set aside money for retirement (83% vs. 72%) and are working with a financial advisor (43% vs. 34%).

**Stage 6: Reconciliation** (16 or more years after retirement) – While the vast majority of people in the Reconciliation stage continue to feel “happy” (80%), they are experiencing depression at a significantly higher rate than in 2005 (20% vs. 5%). Troubled by the loss of income and social connections, they are among the least likely to say they are enjoying retirement “a great deal” (56%) – and less so than in 2005 (75%).

“Coming out of the recession, it may not be surprising that people – especially those who are closest to their retirement day – are looking at this important milestone differently,” added Brimhall. “However, I’m encouraged to see consumers in some stages take a more proactive approach to planning and saving. I believe that the more people understand the stages of retirement and prepare themselves – emotionally and financially – the more likely it is they’ll have the confident and fulfilling retirement they desire.”

### About the study

The New Retirement Mindscape II<sup>SM</sup> and New Retirement Mindscape<sup>®</sup> 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](http://harrisinteractive.com).

### About Ameriprise Financial

Ameriprise Financial, Inc. is a diversified financial services company serving the comprehensive financial planning needs of the mass affluent and affluent. For more information, visit [ameriprise.com](http://ameriprise.com).

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