



NEWS RELEASE

Retirement Readiness Varies in America's 30 Largest Metropolitan Areas

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California metros claim the top three spots on this year's index, while lagging confidence drives Indianapolis, New York City and Atlanta to the bottom

MINNEAPOLIS--(BUSINESS WIRE)-- While the number of Americans who claim to be preparing financially for retirement has remained relatively steady during the past 12 months, consumers in many of the nation's largest metropolitan areas report feeling significantly less confident than they did a year ago, according to a **retirement readiness index** released today by **Ameriprise Financial** (NYSE: AMP). Now in its second year, the New Retirement Mindscape®**2011 City Pulseindex** examines the 30 largest U.S. metropolitan areas to determine where consumers are the most prepared for and confident about retirement, and also tracks national and local retirement trends over time.

The top three spots on this year's index were all claimed by California metros – San Francisco (#1), Sacramento (#2) and San Diego (#3). Indianapolis (#30) ranked last with New York City (#29) and Atlanta (#28) rounding out the bottom three. Metropolitan areas were scored based on responses to a national survey that measured consumers' likelihood to have determined the amount of money they need to save for retirement and their actual saving habits. The index also takes into account if people have planned for a variety of activities during retirement and expressed confidence about achieving their retirement goals.

National trends reveal increased skepticism regarding retirement prospects

While three quarters (75%) of Americans say they've taken steps to prepare financially for retirement, the economic

uncertainly that has persisted over the past year appears to be taking a toll on people's emotions. A mere 18% of consumers surveyed across the U.S. say they believe they'll achieve their dreams in retirement, down significantly from 21% who shared this sentiment in 2010. Likewise, when asked how they feel about this stage of life, more Americans express negative feelings than did so last year, including the number who say they feel worried (24% vs. 21%), anxious (21% vs. 17%) and depressed (10% vs. 8%) when they think about retirement.

These increasing levels of skepticism may help explain why fewer people report planning for the activities they'll pursue during retirement. With rising healthcare costs and the continuing national debate around the topic, it is surprising that the number of Americans who are making plans to ensure they remain healthy has declined (51% vs. 55%). The number who report planning to spend more time with family (37% vs. 41%), travel (23% vs. 26%), decide which hobbies to pursue (19% vs. 21%), volunteer (13% vs. 15%) and continue their education (10% vs. 13%) has also dropped significantly.

"A bit of pessimism is understandable considering that the financial markets have been highly volatile, unemployment remains high and many have seen the value of their homes continue to decline," said Suzanna de Baca, vice president of wealth strategies at Ameriprise Financial. "While all these issues can make focusing on retirement difficult, they also underscore the need for careful planning that doesn't just take in account the things you can control, but also factors in the impact of those you can't."

California metros buck national trends

Residents of San Francisco have a relatively bright outlook on the years ahead – a factor that helped propel the metro into the top spot on this year's index. The number of people who say they feel "happy" (51%), "optimistic" (42%) and "empowered" (19%) when they think about retirement are all significantly higher than the national average. Likewise, a third (33%) of locals say they're very confident their retirement will work out the way they planned, compared to approximately two in ten retirees (22%) nationwide.

While people in Sacramento and San Diego are more likely to share the somewhat mixed sentiments of people across the U.S., they report being more proactive about planning for retirement than other Americans. Nearly a third (31%) of Sacramento residents and 35% of San Diego locals say they have determined the amount of income needed in retirement compared to only a quarter (25%) of people surveyed nationwide. Likewise, 81% of people in California's capital city say they've thought a lot about the activities they'll pursue during their retirement years – far more than the national average (72%).

Los Angeles (#8) may not have ranked in the top three, but it did make an impressive leap to the top third of the index after ranking last in 2010. What helped propel L.A. so dramatically? More than three quarters (78%) of locals say they are preparing financially for retirement – a significant increase from 2010 when only 63% reported doing

so. This extra preparation has also changed locals' views on retirement – or maybe positive attitudes have made people more willing to focus on the future. Whatever the case, 70% of L.A. residents report positive feelings about retirement, compared to only 60% last year.

Lack of confidence plagues the bottom three

While people in Indianapolis (#30), New York City (#29) and Atlanta (#28) could definitely be doing more to prepare for retirement, locals' negative outlook on retirement are the primary reason these metros appear at the bottom of the index.

Just over a quarter (27%) of Indy residents report they feel “hopeful” about retirement, compared to a third (33%) of those surveyed nationwide. Likewise, a mere 13% say they believe they will be able to achieve their dreams in retirement – and some of those dreams may also be taking a backseat to more pressing needs. For example, the number of people in Indianapolis who say they are planning to continue their education during retirement dropped to a mere 5%, down from 11% in 2010.

Significantly fewer New York City (30%) and Atlanta (31%) residents say they feel on track for retirement than do so across the U.S. (37%). Low numbers of New Yorkers also report feeling very confident about their financial future (17%) or in their ability to reach their retirement goals (20%).

Significant swings seen among last year's winners

Minneapolis-St. Paul (#18), Raleigh-Durham (#19) and Nashville (#26) all tumbled dramatically from their top three ranks in 2010. While it is difficult to cite a specific reason for these metros' dramatic falls, the Twin Cities area faced rapidly declining home prices, tornados and a state government shutdown in the past 12 months. Similarly, Raleigh-Durham was plagued by both tornados and flooding – suggesting that more pressing financial obligations may be taking precedence over retirement planning in these cities.

Nashville's slide was the most dramatic, driven down by both a lack of preparation and confidence among Music City residents. Only slightly more than a third (35%) of locals report feeling on track for retirement compared to half (50%) of those surveyed in 2010, and residents' attitudes about retirement also seem to be hitting a sour note. Just over one third (36%) say they feel “happy” about retirement, down from more than half (54%) of those surveyed in 2010. The number who report feeling “anxious” (24%) and “depressed” (13%) has also risen dramatically in just one year.

The story is more positive in Portland (#5) and Orlando (#9), which climbed the index almost as dramatically as L.A. The number of Portland residents who say they feel “optimistic” (46%), “empowered” (22%) and “on track” for

retirement (45%) is significantly higher than the national average. Positive feelings also abound in Orlando, where locals are putting their positive energy toward planning for the activities they'll pursue during retirement. Four out of five (81%) say they've taken this important action – significantly more than the 72% of people across the U.S. who report doing the same.

Overall rankings for 2011

The 30 metropolitan areas surveyed are ranked as follows. (2010 ranks appear in parenthesis.)

1. San Francisco-Oakland-San Jose (12)
2. Sacramento-Stockton-Modesto (4)
3. San Diego (6)
4. St. Louis (17)
5. Portland (24)
6. Hartford-New Haven (7)
7. Dallas-Ft. Worth (11)
8. Los Angeles (30)
9. Orlando-Daytona Beach-Melbourne (28)
10. Philadelphia (22)
11. Chicago (13)
12. Pittsburgh (18)
13. Tampa-St. Petersburg (19)
14. Seattle-Tacoma (5)
15. Houston (14)
16. Denver (8)
17. Phoenix (16)
18. Minneapolis-St. Paul (1)
19. Raleigh-Durham (2)
20. Detroit (21)
21. Baltimore (9)
22. Charlotte (27)
23. Boston (10)
24. Miami-Ft. Lauderdale (20)
25. Washington D.C. (23)
26. Nashville (3)
27. Cleveland-Akron (25)
28. Atlanta (15)
29. New York City (26)
30. Indianapolis (29)

View our [interactive map](#) for highlights on each metropolitan area. Additional findings, including each area's preparation and confidence ranking, are also available on the [Ameriprise newsroom](#).

About the survey

The New Retirement Mindscape **2011 City Pulse index** was created by Ameriprise Financial utilizing survey responses from 11,611 U.S. adults ages 40-75. The survey was commissioned by Ameriprise Financial, Inc. and conducted online by Harris Interactive from August 4-12, 2011. The national average sample and the 30 U.S. metropolitan areas were each weighted independently to best represent each area. Propensity score weighting was also used to adjust for respondents' likelihood to be online.

About Harris Interactive

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