



NEWS RELEASE

The Pandemic Has Shifted Investors' Financial Priorities and Sharpened Their Focus on Managing Their Money, Ameriprise Financial Study Finds

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More than 6 in 10 investors place a heightened importance on protecting their finances

30% of parents are discussing finances more with their children

MINNEAPOLIS--(BUSINESS WIRE)-- The COVID-19 pandemic has reshaped the ways in which many investors are spending and saving their money – and they expect they'll carry their newfound priorities into the future, according to new research released today from Ameriprise Financial (NYSE: AMP). The Financial Priorities study surveyed more than 3,000 Americans with at least \$100,000 in investable assets to understand what they care most about when it comes to their money, and how their priorities have changed amid the challenges of the last year.

This press release features multimedia. View the full release here:

<https://www.businesswire.com/news/home/20210331005184/en/>

The Financial Priorities study from Ameriprise Financial reveals the pandemic has sharpened investors' focus on managing their money. (Graphic: Business Wire)

A majority of respondents (63%) said their household income was not impacted by the pandemic, and 10% said their income actually increased. However, a quarter (25%) reported they are earning less money – underscoring the uneven toll COVID-19 has had on Americans' finances. Against this backdrop, more than 6 in 10 respondents said protecting their financial assets (63%) and planning for uncertainty (62%) are more important to them now than before the pandemic. What's more, nearly half (45%) believe these shifts will be long lasting.

Focusing on the full financial picture

Not surprisingly, health and safety rose to the top as a priority for investors. In fact, 71% of survey participants said keeping their family physically safe is more important to them now than before the pandemic – and it prompted many to think about the state of their financial affairs. Most strikingly, nearly two-thirds (63%) of investors who did not have an emergency savings fund prior to the pandemic put one in place or plan to do so soon due to COVID-19. Similarly, 44% of respondents who did not have a will or estate plan previously have created one during the past 12 months or aim to do so soon.

Additionally, investors are having more financial conversations with their relatives now than in the past. Of the respondents who are parents, 30% said they are discussing finances more with their children. Similarly, a quarter of investors have increased discussions with their spouse or partner about long-term financial issues. Siblings are also talking about money; in fact, nearly a quarter (23%) of respondents with siblings are engaging in more conversations about personal finances – either their own, their brothers or sisters, or about their parents' finances.

“While the economic impact of the pandemic has unevenly affected people across the country, it has been a wake-up call to everyone. The extraordinary circumstances of the last year convinced many people – even those who were already on strong financial footing – to take actions they may have previously put off,” said Marcy Keckler, Vice President of Financial Advice Strategy at Ameriprise. “Investors are paying closer attention to their finances and are making important changes to strengthen their financial situation.”

Saving and investing for the long-term

While other priorities have shifted, one has remained high on the list for most survey participants: preparing for retirement. Despite the pandemic, among those who had previously determined when they would retire, 69% of them said their goal has not changed. In fact, nearly one in five (18%) have accelerated their plans to retire, and of these respondents, 83% said the decision was voluntary. Only 13% of those who had a retirement date in mind said the pandemic delayed this target.

As respondents prepare for the future, growing savings (58%) and investments (46%) are more important to them now than they were before the pandemic. More than a quarter (26%) intend to increase the amount they invest for the long term in 2021.

Similarly, nearly half (45%) of respondents reduced their spending during the pandemic – and 30% of them expect to remain frugal with their money in the future. On the other end of the spectrum, a quarter made big ticket purchases or large expenses, including a home renovation. And once the pandemic ends, a quarter of investors

anticipate spending more money than usual on activities they had to postpone.

Seeking financial guidance

As investors take concrete steps to shore up their finances, many value advice from a professional. A vast majority (83%) of respondents with a financial advisor said the pandemic confirmed the importance of working with one while nearly four in ten (39%) investors who do not have an advisor believe working with one could help them withstand unexpected changes. To that end, 30% of survey participants who did not have an advisor prior to the pandemic started working with one or intend to do so soon due to COVID-19.

“A financial professional can play an important role in helping investors assess the long-term impact of their shifting priorities,” said Keckler. “Advice from a qualified advisor can help them navigate life’s twists and turns and stay on track to achieve their biggest financial goals for the future.”

For more information about the study, please visit www.ameriprise.com/priorities.

About the survey

The Financial Priorities study was created by Ameriprise Financial Inc. and conducted online by Artemis Strategy Group January 6-21, 2021 among 3,028 Americans ages 30–70 with \$100,000 or more in investable assets. For further information and details about the study, including verification of data that may not be published as part of this report, please contact Ameriprise Financial or go to www.ameriprise.com/priorities.

About Artemis Strategy Group

Artemis Strategy Group (www.Artemisssg.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 more than 125 years. With extensive advisory, asset management 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.

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