

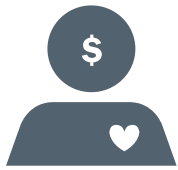


Retirement Triggers Research Report

Financial and emotional preparation are keys to retirement success

Learning from the first wave of baby boomers to understand why they decided to retire when they did:

- Before retirement
- At retirement
- During retirement



An introduction to retirement triggers

Understanding financial and emotional triggers before, at and during retirement

Choosing to retire is the biggest financial decision most people will make during their lifetimes, and numerous factors influence how and when an individual chooses to pull the retirement trigger. The Retirement Triggers study, commissioned by Ameriprise Financial, examines the financial and emotional aspects of retirement preparation that recent retirees say led them to have the confidence to officially enter retirement.

We asked for input from the first wave of retiring baby boomers to understand how various actions, plans and life events played a role in making the decision to leave their primary profession. After hearing from 1,000 respondents who have been formally retired for five years or less, we learned more about the elements within their careers, families, social circles and bank accounts that led them to have the confidence to retire.

What we found is that, while financial preparation for retirement was a strong focus for these new retirees, emotional preparation is an equally important part of the retirement equation and can have an impact before, during and after one's retirement date. We also found that most who prepare carefully for retirement feel in control of their decision to leave the workforce, but some still inevitably experience an unexpected event that causes an early or unplanned retirement.

Retirement trigger stages

Before retirement

Leading up to the retirement decision:

- How did boomers feel about their impending retirement?
- Were they ready for it?
- Were they excited about it?

At retirement

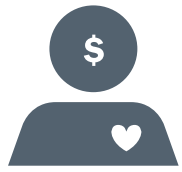
This is decision day – they've made the choice to retire.

- Why did they choose this time?
- Did they retire on their own terms?
- Who helped them reach this point and make this decision?

During retirement

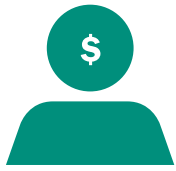
They are now living in retirement.

- Have their perceptions changed?
- Do they feel good about their decision to retire?
- Would they do it all over again?



Five key insights from retirement triggers study

- 1 New retirees feel overwhelmingly confident financially and emotionally, though some express doubts about what they would change if they had the chance for a retirement day re-do.
- 2 There are clear stages to the retirement trigger decision, and some stress along the way as boomers prepare for retirement, but nearly all study respondents say they are happy and satisfied in retirement.
- 3 The overwhelming majority of new retirees feel financially secure – for now – but there are some who admit they underestimated how much they would need to fund their retirement.
- 4 Most respondents felt they had a significant amount of control over their decision to retire, but others consider their retirement to have been “unplanned.”
- 5 The first wave of retiring boomers is unique in that the majority still relies on pensions to fund their retirement just as much as they rely on Social Security and income from private investments.



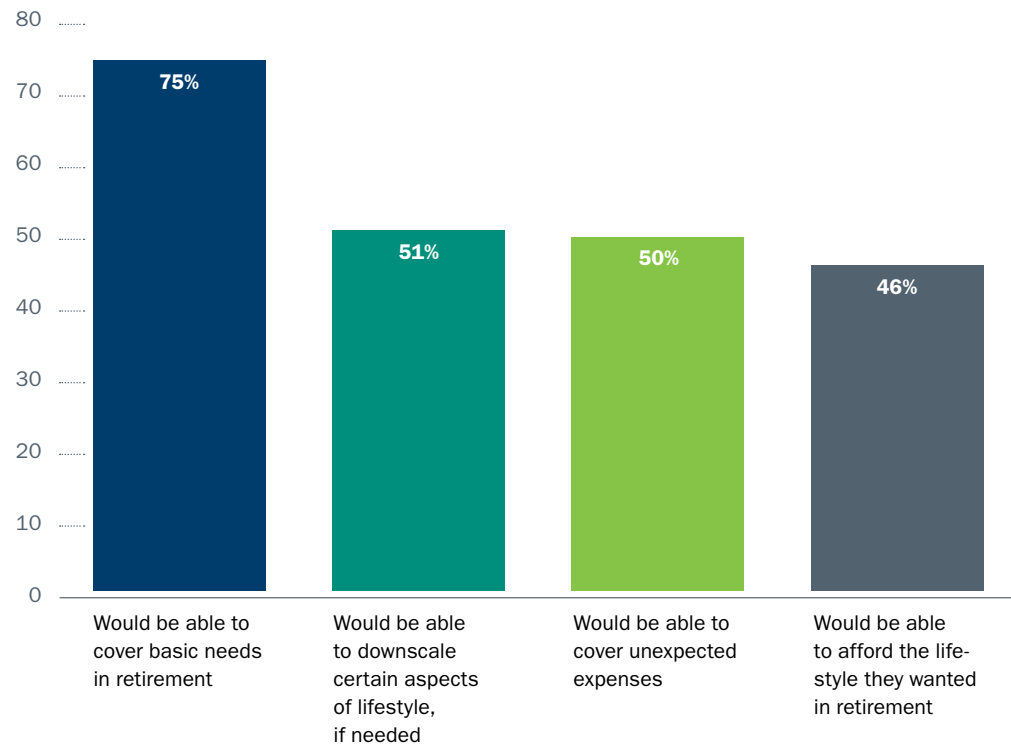
Before retirement

Financial triggers

As baby boomers reflect back on making the decision to retire, they had a high level of confidence when it came to their finances. When it came to covering their basic needs in retirement, such as food and clothing, 75% of boomers expressed confidence that they could cover those expenses. Half of these boomers (50%) believed they could cover unexpected expenses as well. And, almost as many (46%) believed they could afford the lifestyle they wanted in retirement.

As you approach retirement, how confident are you?

Retirees expressed financial confidence as they approached retirement



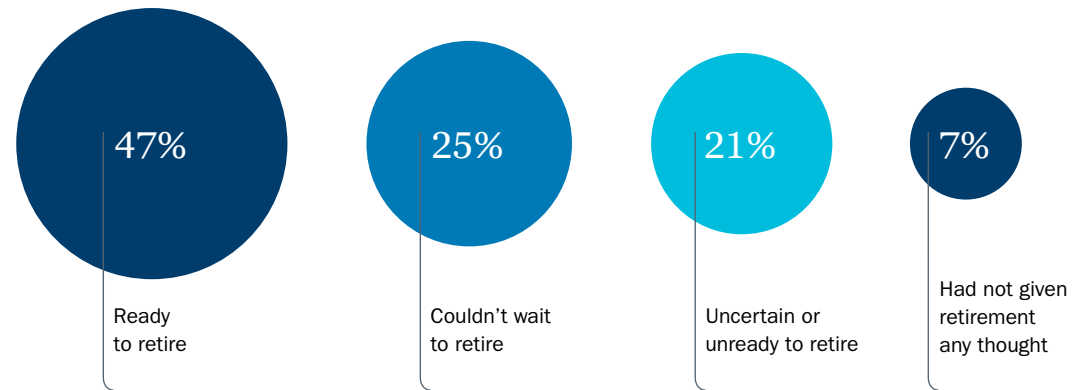


Before retirement

Emotional triggers

The first wave of boomers expressed confidence when it came to their finances and their ability to retire. Nearly half of the boomers surveyed (47%) said they were ready to retire and a quarter (25%) of the boomers surveyed said they “couldn’t wait to retire.” A small group (21%) had uncertainty as they approached their retirement date, and an even smaller number (7%) had not given retirement any thought at all.

When 1,000 boomers were asked about their mindset one year before retiring



When you retire, what emotions will you feel?



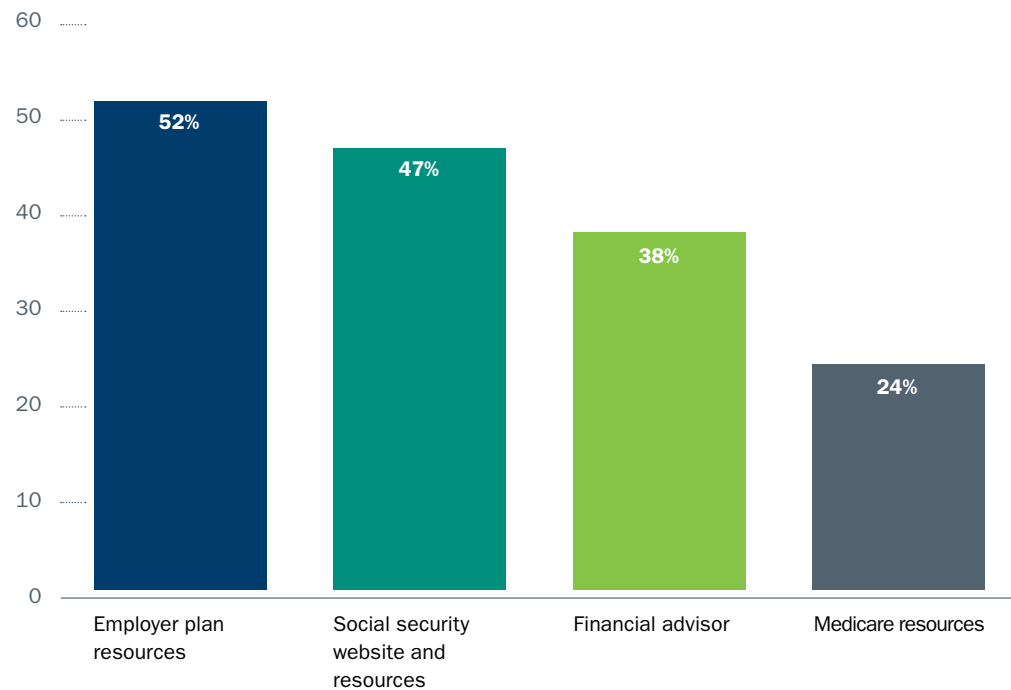
At retirement

Financial triggers

Part of the financial confidence we saw with retired boomers could be because they were educated about their upcoming retirement. Boomers had a number of resources at their disposal and used them. More than half of boomers (52%) consulted employer plan resources before making the decision to retire. Boomers also relied heavily on government resources. Nearly three-quarters of boomers (71%) used information from Social Security (47%) or Medicare (24%) to help them determine their retirement. Approximately four out of 10 boomers consulted with a financial advisor before making the retirement decision.

Do you know where to look to plan for your retirement?

Resources consulted before making the decision to retire





At retirement

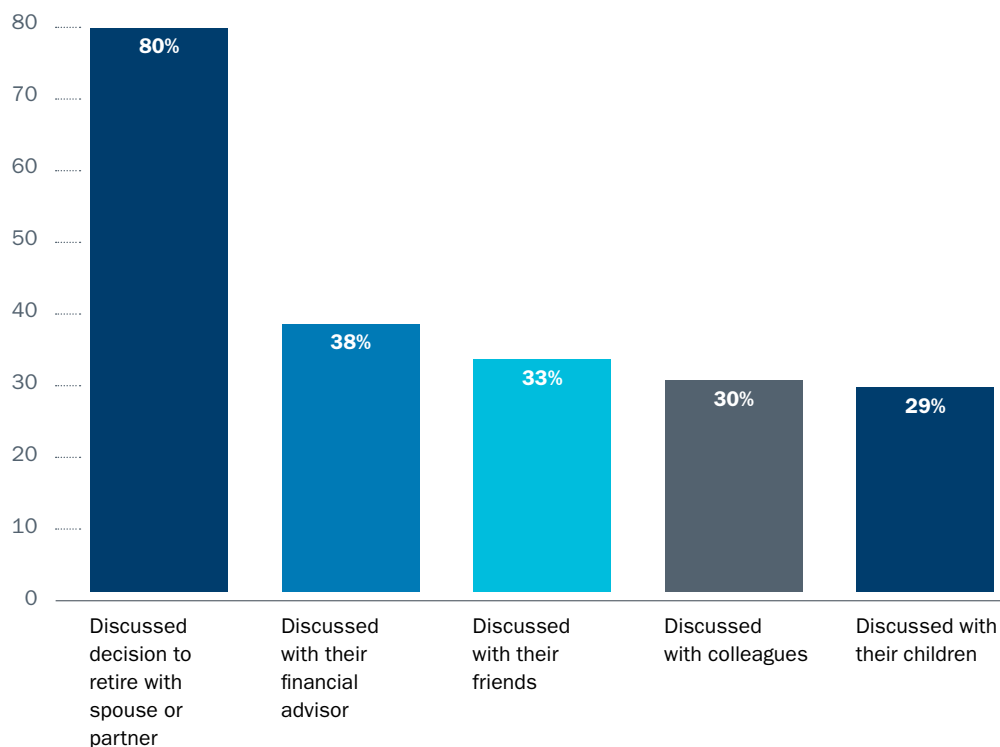
Emotional triggers

Boomers who have retired sought a lot of input from other people before they got to decision day. Not surprisingly, 80% of all boomers consulted with their partner or spouse about their upcoming retirement. Nearly four in 10 boomers consulted with their financial advisor in talking about their retirement, while one-third (33%) consulted with friends. Boomers also discussed their retirement decision with their colleagues (30%) and almost as many involved their children in the discussion (29%).

While boomers discussed their retirement decision day with numerous people, 39% relied on themselves to make the ultimate decision. Nearly as many (37%) said their spouse or partner was the most influential in making the decision to retire, while 12% relied on their employer.

Who should help you make the decision to retire?

It isn't a solo journey to this point





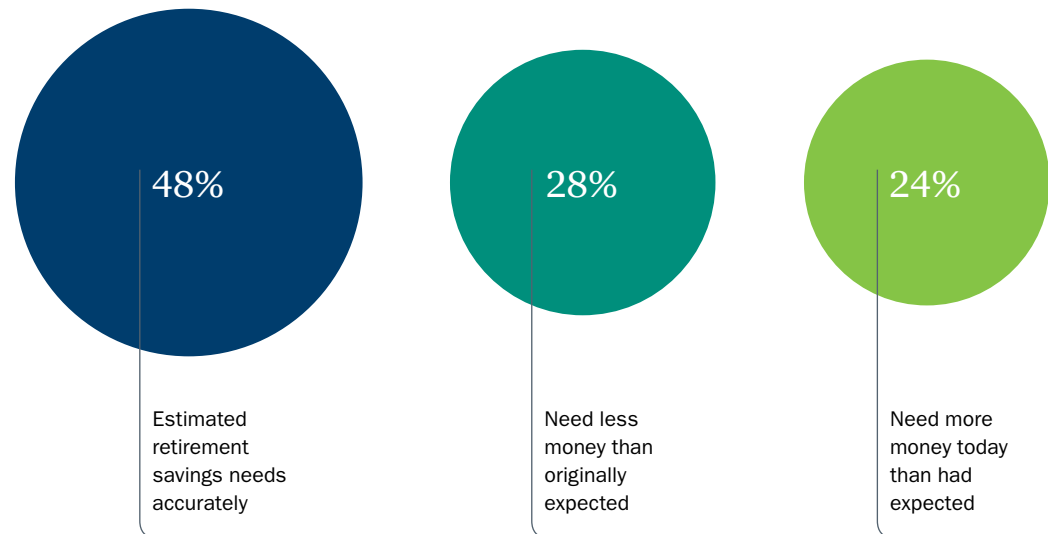
During retirement

Financial triggers

It is encouraging that nearly half of all respondents (48%) feel they estimated their retirement savings accurately. Surprisingly, more than a quarter (28%) of the respondents stated that they will actually need less money in retirement than they expected, with the rest (24%) believing they will need more money for their retirement than expected.

As boomers estimated the cost of their retirement, 41% thought they would need at least \$1 million for their retirement. Approximately 32% believed they would need between \$500,000 and \$1 million for their retirement and 27% thought they would need up to \$500,000.

Knowing what they will need in retirement



Have you thought about how much money you will need in retirement?



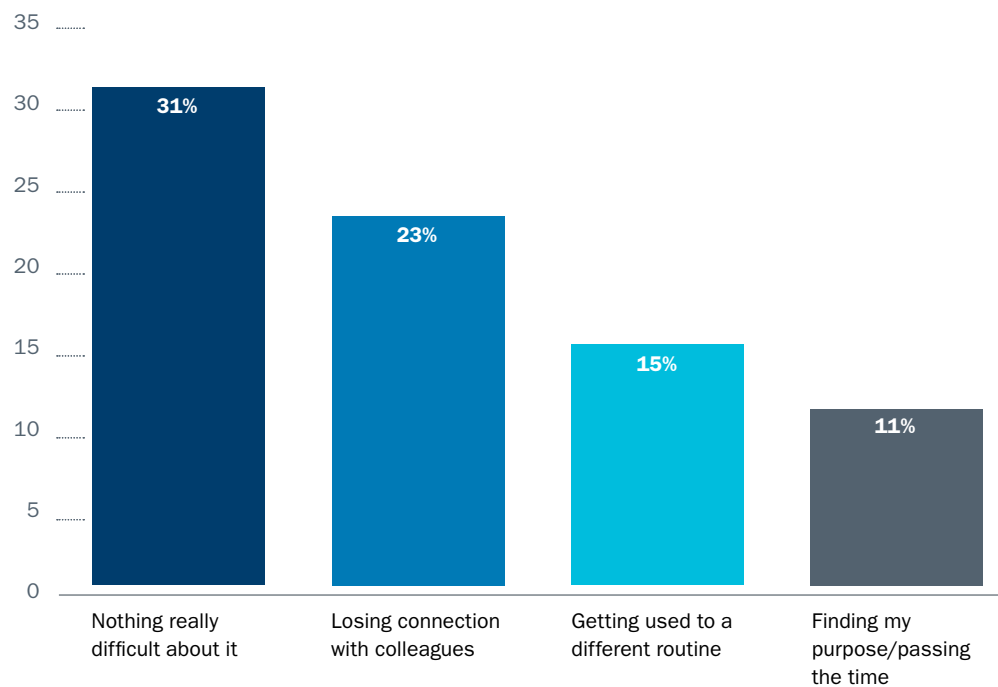
During retirement

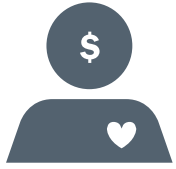
Emotional triggers

Nearly one in three (31%) say there was nothing difficult about transitioning into retirement, but the rest did endure some bumps. The biggest bump was losing connection with colleagues (23%). That said, nearly nine in 10 boomers (87%) are “very satisfied” with the decision to retire when they did. This group of retirees is also enjoying their lifestyle in retirement with 75% reporting they are very satisfied with their current lifestyle in retirement.

What will you miss most from your working days?

Hardest thing in retirement

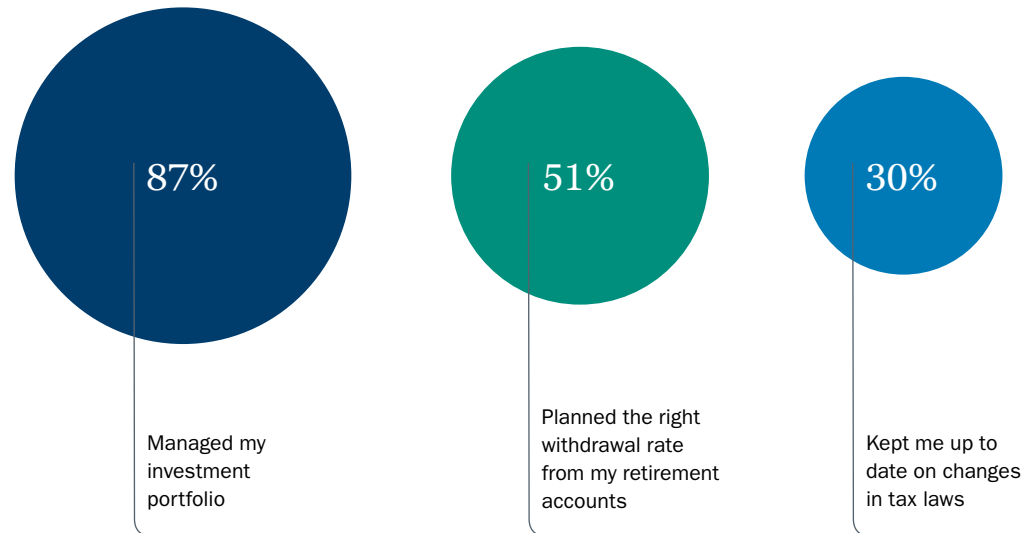




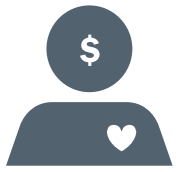
Working with a financial professional

Of those survey respondents that have a financial advisor, nearly nine out of 10 used their advisor to help them manage their portfolio. More than half (51%) said their advisor helped them plan the right withdrawal rate from their retirement accounts, while nearly one-third (30%) said their advisor kept them up to date on tax-law changes.

Most common ways a financial advisor helped



How would you work with a financial advisor?



Methodology

The Retirement Triggers study was created by Ameriprise Financial, Inc. and conducted online by Artemis Strategy Group.

- 1,000 interviews were completed online among U.S. adults between October 20 and November 4, 2014
- All respondents are between ages 60 and 73, have retired within the last five years from their profession or primary job, and have at least \$100,000 in investable assets
- The margin of error is +/- 3.1 percent at the 95 percent confidence interval

For further information and details about the Retirement Triggers study, including verification of data that may not be published as part of this report, please contact Ameriprise Financial or go to ameriprise.com/retirementtriggers.

About Ameriprise Financial

At Ameriprise Financial, we have been helping people feel confident about their financial future for 120 years. With extensive asset management, advisory 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.

About Artemis Strategy Group

Artemis Strategy Group (artemisssg.com) is a communications strategy research firm specializing in brand positioning, thought leadership and policy issues.



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