



Financial *Priorities*

An Ameriprise Financial study that explores the impact of the pandemic on how investors spend, save and invest their money.

A year into the COVID-19 pandemic, the resulting economic downturn continues to weigh on Americans – some more heavily than others.

The Ameriprise Financial study, *Financial Priorities*, explores how the pandemic has prompted investors to reexamine what's most important in their financial lives and the changes they've made in light of their adjusted priorities.

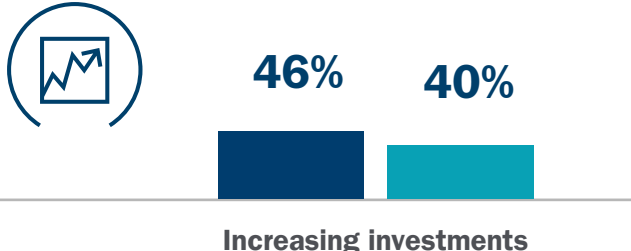
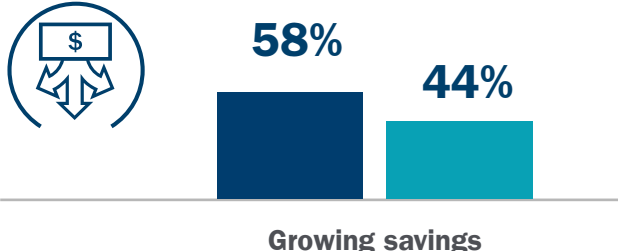
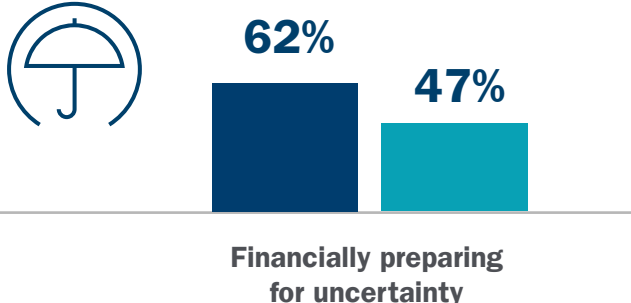
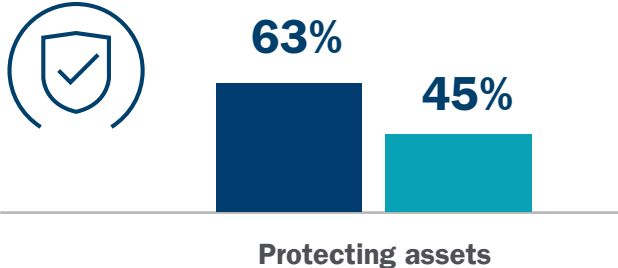
Respondents' profile

The Ameriprise Financial study surveyed over 3,000 U.S. investors ages 30 to 70 with \$100,000 or more in investable assets. A majority of respondents (63%) said their household income was not impacted by the pandemic, and ten percent 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. Taken as a whole, over half (53%) of respondents said the pandemic has made them feel less financially confident than they did before. Against this backdrop, investors are taking concrete steps to bolster their finances and better secure their financial futures.

Shifting financial and personal priorities




Over 60% of respondents said the pandemic has heightened the importance they place on protecting their assets and preparing for financial uncertainty. And many believe they'll continue to be cautious going forward.

■ Investors who place a heightened importance on this action due to COVID-19
 ■ Investors who say the heightened importance of this action will be of long-lasting significance



Investors' personal priorities have also shifted, reflecting their desire to lead safe, healthy and enjoyable lifestyles.




Since the start of the pandemic, respondents say the following activities are more important to them now:

-  **71%** keeping family safe
-  **70%** enjoying life
-  **67%** living a healthy lifestyle

Shifting financial priorities

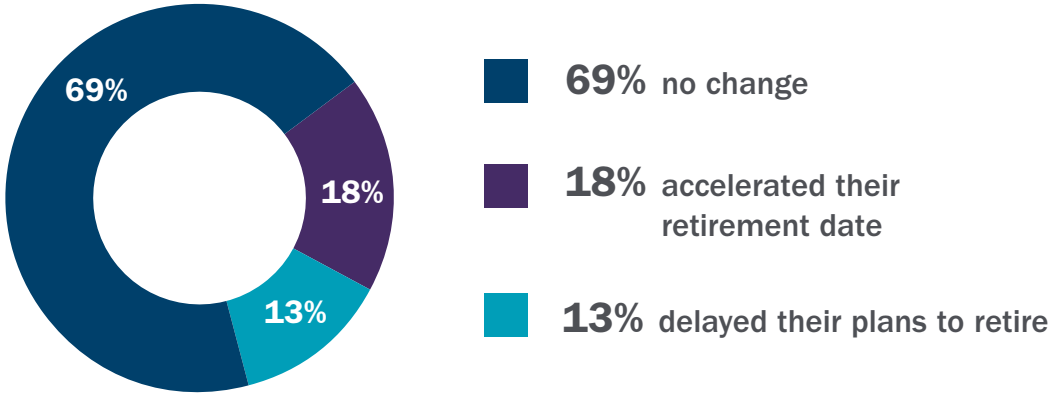
The findings from Ameriprise’s study reveal how the pandemic has changed investors’ financial priorities.

While other priorities have shifted, one has remained high on the list for most survey participants: preparing for retirement.

Top 3 priorities after the pandemic		Compared to rank pre-pandemic
 Saving for retirement	#1	Unchanged
 Protecting accumulated wealth	#2	▲
 Growing investments	#3	▼

Continuing to prioritize saving for their future is paying off for investors. Despite the challenges of the past year, over two-thirds of respondents indicated their retirement goals are on track.

For people who had decided on a retirement date, the pandemic had the following impact on their plans:



Of the survey participants who accelerated their retirement date, 83% said their decision was voluntary.



Takeaway: Developing a financial plan that includes strategies to protect your assets and plans for the unexpected can help you navigate today’s challenges, while staying focused on tomorrow’s goals.

Shoring up their finances and talking more about money

The pandemic has sharpened investors' focus on managing their money and prompted many to take actions that they may have otherwise put off.

Among the respondents who did not already have the below items in place, the pandemic motivated the following subset to take these steps or do so soon:



Since the start of the pandemic, some investors are having more money discussions with loved ones, including:

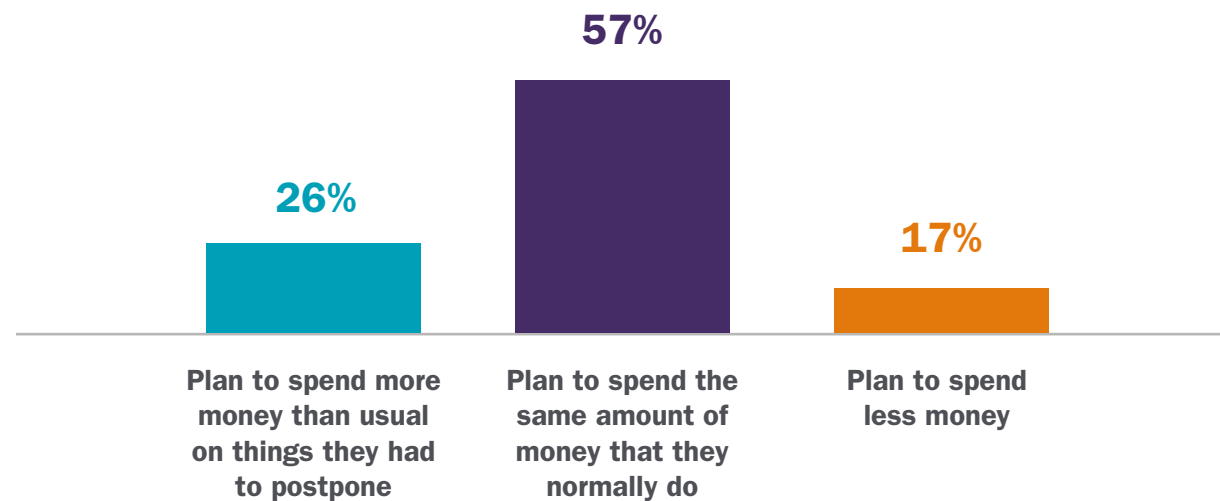


Takeaway: Taking important steps such as estate planning or having money conversations with family members can help bolster your financial confidence.

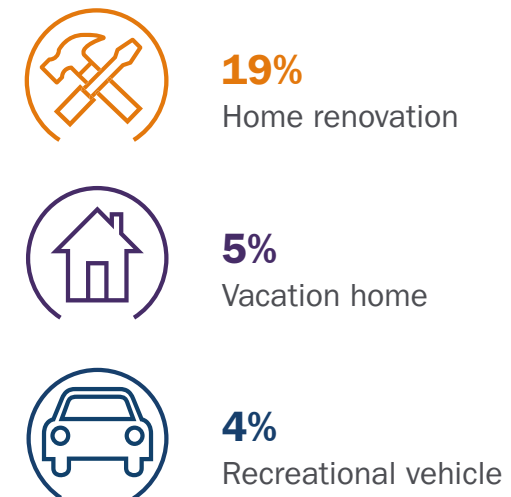
Saving and spending

Nearly half (45%) of respondents reduced their spending during the pandemic – and 30% of them expect to remain more frugal with their money in the future. On the other end of the spectrum are investors who made big ticket purchases during the pandemic and feel a pent-up urge to spend when life returns to normal.

Anticipated spending when the pandemic ends:



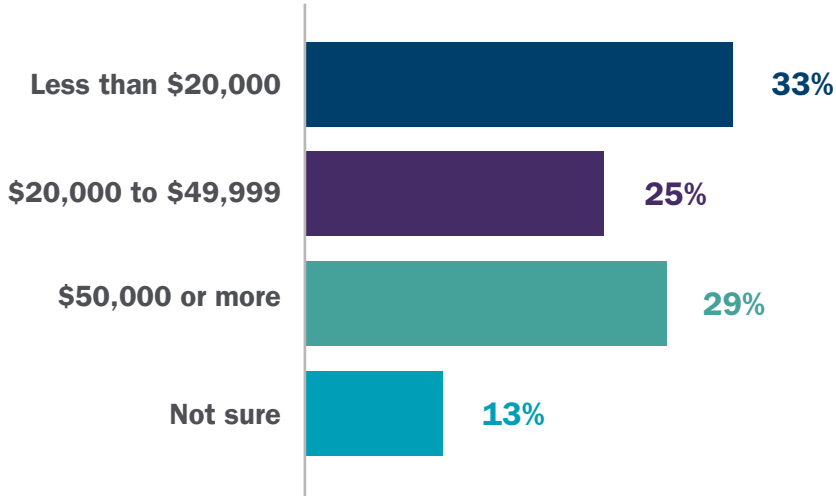
A quarter of respondents made a major purchase during the pandemic, including:



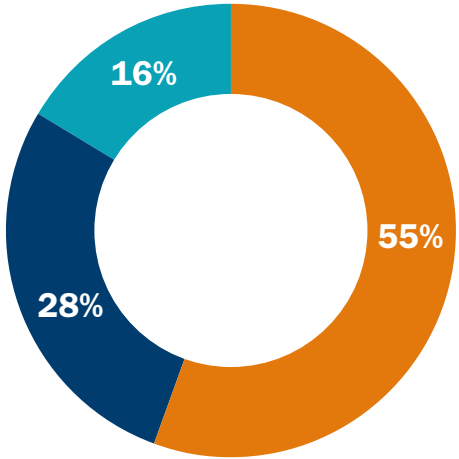
Expectations for investing

Among this group of investors who are fortunate to have over \$100,000 in investable assets, 62% plan to invest the same amount in 2021 as they did in 2020, 26% plan to invest more and 12% plan to invest less.

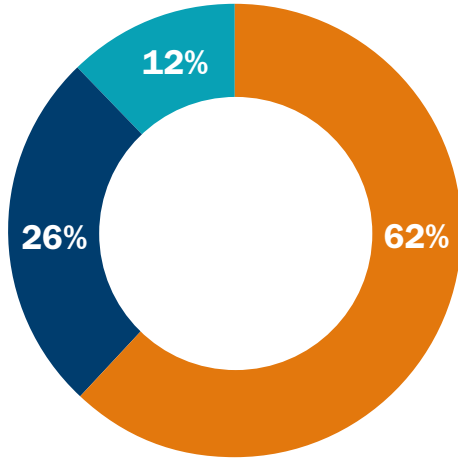
Amount invested for the long term in 2020



2020 Investment amount compared to 2019



Expected 2021 Investment amount compared to 2020



- About the same
- Less than previous year
- More than

Investors seek professional guidance

As investors navigated the uncertainty of the last year, those who worked with financial advisors said that professional advice increased their confidence.

Among respondents who have an advisor:



70% said working with an advisor increased their confidence during the pandemic



83% said the pandemic confirmed the importance of working with an advisor

Even among those who do not currently work with an advisor, 4 in 10 believe a financial professional can help people withstand unexpected changes.

Takeaway: A financial professional can play an important role in helping you assess the long-term impact of your shifting priorities.

Methodology

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.Artemissg.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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