

Retirement Income Industry Association (RIIA) Launches One-of-A-Kind Research Series into the Retirement Security Needs of Americans

Boston, MA (December 6, 2006) The Retirement Income Industry Association (RIIA) has launched the first in a series of reports providing cutting-edge research that gets to the heart of the retirement income challenges facing millions of Baby Boomers.

According to Chris McNickle of Greenwich Associates and Chair of RIIA's Research Committee, the first report presents a snapshot of the total assets and wealth of American families and relates them to their specific retirement income needs. The report uses a brand new typology that divides American households into different categories of wealth: Wealthy (Top 5%), Affluent (Next 15%), Mass Market (Middle 50%), Marginal (Last 30%), *and* life stages: Starters, Builders, Pre-Retirees and Retirees. This typology will help financial services firms serve the emerging needs of American households as they age and accumulate wealth.

From the view of this new typology, the research looks at household assets and income, institutions where the assets are held, the kinds of retirement products being used, household decision making and use of financial advisors, and selected financial attitudes toward investing, Social Security and retirement. "In essence, this analysis is a detailed look at the retirement products, distributors, advisors and financial services firms that each category of customer uses which will help financial services firms focus more precisely on retirement income market opportunities," explained McNickle.

RIIA's research indicates that the Affluent Pre-Retired as compared with the Wealthy Pre-Retired and already Retired have a comparable amount of assets. However, fewer of the Affluent group's assets are 'in play' because these people are still focused on accumulating assets and continue to confront major life events that will require assets to move and be reallocated. In addition, their assets are distributed over a wide variety of financial institutions.

"Some firms pursuing retirement income opportunities direct their programs and services at Wealthy households who are, or will soon be, retirees," observed Larry Cohen, co-author of the RIIA study. "Yet, because there are so many more of them, the somewhat-less-wealthy Affluent Pre-Retirees have almost twice as much money in retirement plans in total as Wealthy Retirees. Firms and advisors would be wise to include the Affluent Pre-Retirees in their focus, since these households continue to contribute to assets under management."

Kathleen Beichert of Oppenheimer Funds and Co-Chair of RIIA's Research Committee also commented, "This powerful analysis includes insight that has not yet been disseminated in the marketplace." For example, over half of all the retirement typology segments, with the exception of the Marginal segments, get advice before making a major financial decision; the proportion is even higher among the Affluent (60%) and Wealthy (80%), noted Elvin Turner, a co-author of the study.

Beichert concluded: "We are very excited about RIIA's role in bringing this type of critically important information to our member companies who serve America's retirement income security needs."

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In fact, RIIA's report series was designed to complement a growing body of research on the retirement income and spark discussion and idea generation across the industry. "RIIA's research is unique and value-added because our goal is to create links across the traditional business silos within the industry. We strive to offer a broad market view that is rarely undertaken by member companies which tend to focus their research on traditionally defined, specific business lines," said Francois Gadenne, Founding Chairman of the RIIA and President and CEO of Retirement Engineering, Inc. "Such research also leverages the knowledge and focus of RIIA Associate Members who provide consulting and research expertise in specialized arenas."

RIIA commissioned the Consumer Financial Decisions (CFD) group of SRI Consulting Business Intelligence (SRIC-BI) and Turner Consulting LLC to analyze the comprehensive household data in SRIC-BI's MacroMonitor and incorporate the analysis in this series of special reports. Upcoming RIIA research will provide additional perspectives on trends in the distribution and use of retirement income products and services. The focus will be on pre- and post-retiree households and the financial intermediaries who serve them.

This study is offered free to RIIA members. In the coming weeks, non-RIIA members may also purchase copies of the study. For additional information on the study please go to <http://www.riia-usa.org>.

About the Retirement Income Industry Association (RIIA)

RIIA is a national, non-profit organization whose members are defining the future of retirement security in the United States. The vortex of innovation in the retirement income business, RIIA provides its members a non-biased forum for sharing information, strategies and research combined with unmatched opportunities to network with industry leaders.

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