2020 Planning & Progress Study

April 2020

Fragile Financials: Defense, Planning & Advisors
The 2020 Planning & Progress Study, an annual research study from Northwestern Mutual, explores U.S. adults’ attitudes and behaviors toward money, financial decision-making, and the broader issues impacting people’s long-term financial security.

The study was conducted by The Harris Poll on behalf of Northwestern Mutual and included 2,650 American adults aged 18 or older in the general population who participated in an online survey between February 12-25, 2020.

Results were weighted to Census targets for education, age/gender, race/ethnicity, region and household income. Propensity score weighting was also used to adjust for respondents' propensity to be online. No estimates of theoretical sampling error can be calculated; a full methodology is available.
Even before the COVID-19 outbreak, one third of Americans said they were within three missed paychecks of having to borrow money or skip paying bills

Q1565a. How many paychecks would you have to miss before you either needed to borrow money or skip paying one or more of your own bills?
Nearly half of Americans believe cash/money market funds are the best financial defense against economic uncertainty, while almost 1 in 3 are unsure.

**Best financial defense**

<table>
<thead>
<tr>
<th>Product</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash/money market funds</td>
<td>45%</td>
</tr>
<tr>
<td>Stocks</td>
<td>18%</td>
</tr>
<tr>
<td>Bonds</td>
<td>18%</td>
</tr>
<tr>
<td>Life Insurance</td>
<td>18%</td>
</tr>
<tr>
<td>Annuities</td>
<td>15%</td>
</tr>
<tr>
<td>Index Funds</td>
<td>8%</td>
</tr>
<tr>
<td>Other</td>
<td>6%</td>
</tr>
<tr>
<td>Unsure</td>
<td>31%</td>
</tr>
</tbody>
</table>

**BASE**: ALL QUALIFIED RESPONDENTS – Gen Pop: (n=2650)

N30. Which of the following products do you view as the best financial defenses against economic uncertainty or market volatility?
Most Americans feel their financial planning needs improvement, and

**Q1010.** Do you think your financial planning needs improvement?
3 in 10 Americans struggle with confronting their financial situation,

BASE: ALL QUALIFIED RESPONDENTS – Gen Pop: (n=2650)
Q1808. Which of the following is most comparable to how financial planning makes you feel?

- Excited and inspired. Love to do it! 29%
- Not my favorite thing in the world but know it needs to get done 37%
- Worried, nervous about confronting the financial details of my life 16%
- Prefer to not deal with it until I absolutely have no choice 6%
- Frustrated, annoyed with my financial situation 8%
- Skeptical about the value of planning 3%
- Other 2%

30%
However, there are signs that the instinct and discipline to plan are there.
Nearly 2 in 3 Americans do not work with a financial advisor, and

Whether have a financial advisor

- No: 65%
- Yes: 29%
- Not sure: 6%

BASE: ALL QUALIFIED RESPONDENTS – Gen Pop: (n=2650)
Q1230. Do you have a financial representative or advisor that you work with?
They trust themselves the most when it comes to financial advice

**Base:** All qualified respondents – Gen Pop: (n=2,650)

**NB:** Who do you trust the most for financial advice?

- **Yourself:** 28%
- **Financial advisor:** 24%
- **Family member:** 13%
- **Spouse/partner:** 12%
- **Financial professionals in the media:** 4%
- **Friends:** 3%
- **I have not received financial advice from anyone:** 15%