2020 Planning & Progress Study

Work & Retirement

Northwestern Mutual is the marketing name for The Northwestern Mutual Life Insurance Company (NM), Milwaukee, WI and its subsidiaries.
Background

The 2020 Planning & Progress Study, a research series 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. This wave included 2,702 American adults aged 18 and older who participated in an online survey between June 26 – July 10, 2020. Previous waves included 2,650 American adults aged 18 or older who participated in an online survey between February 12 – 25, 2020 and 2,077 adults aged 18 or older who participated between April 29 – May 1, 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.
COVID-19 has shifted retirement timelines for 30% of Americans

- I plan to retire later (at an older age than before the pandemic): 20%
- I have not changed my retirement plans: 48%
- I plan to retire earlier (at a younger age than before the pandemic): 10%
- I will never be able to retire: 6%
- Not applicable/I haven’t made any plans for when I will retire: 16%

BASE: ALL QUALIFIED RESPONDENTS – 2020 Gen Pop: (n=2702)
NEWS: Has the economic impact of the COVID-19 pandemic changed the age at which you plan to retire?
It has also changed what people view as the greatest obstacles to financial security in retirement

**Today**
- The economy: 49%
- Lack of savings: 33%
- Healthcare costs: 32%
- Lack of planning: 23%
- Social Security uncertainty: 21%
- Volatile markets: 18%
- Losses due to bad decisions in the past: 16%
- Global instability: 16%
- Washington D.C.: 14%
- Boomerang children/supporting adult children: 6%
- Becoming a caregiver for a parent: 6%

**Pre-COVID-19**
- The economy: 34%
- Lack of savings: 42%
- Healthcare costs: 38%
- Lack of planning: 28%
- Social Security uncertainty: 21%
- Volatile markets: 11%
- Losses due to bad decisions in the past: 20%
- Global instability: 11%
- Washington D.C.: 14%
- Boomerang children/supporting adult children: 9%
- Becoming a caregiver for a parent: 8%

**BASE: ALL QUALIFIED RESPONDENTS — 2020 Gen Pop: (Post COVID n=2702; Pre-COVID n=2650)**

Q1575. What are the greatest obstacles to achieving financial security in retirement? Please select up to three.
Americans cite Social Security as their top source of retirement funding, but many do not have great faith it will be there when they need it.

% Delivering to Overall Retirement Funding (Average)

- Social Security: 27%
- Personal savings or investments: 24%
- 401(k) or other retirement account: 22%
- Support from spouse/partner: 10%
- Inheritance: 6%
- Support from children: 5%
- Other: 7%

Social Security Availability

- Extremely likely: 28%
- Somewhat likely: 45%
- Not at all likely: 20%

BASE: ALL QUALIFIED RESPONDENTS – 2020 Gen Pop: (n=2702)
N37. Among the following, what percentage of your overall retirement funding do you expect each to deliver?

BASE: THOSE NOT YET RETIRED – 2020 Gen Pop: (n=2026)
Q1565. In your opinion, what is the likelihood that Social Security will be available to you when you retire?
Two in ten (21%) U.S. adults expect to work past the traditional retirement age of 65

More than half plan to do so by choice

BASE: ALL QUALIFIED RESPONDENTS – 2020 Gen Pop: (n=2702)
Q1035. How long do you anticipate you will work before you retire? Until I am . . .

25-49 4%
50-54 3%
55-59 4%
60-64 11%
65 13%
66+ 21%
I have already retired 28%
I don’t work 16%

BASE: ALL RESPONDENTS NOT RETIRED AND PLAN TO WORK PAST AGE 65 – 2020 Gen Pop: (n=855)
Q1540. Are you planning to work past the traditional retirement age of 65 by necessity or choice?
Americans have a variety of reasons for planning to work past age 65

### By Necessity – Top Reasons

- I won’t have enough saved to retire comfortably: 60%
- I do not feel like Social Security will take care of my needs: 58%
- I am concerned about rising costs like healthcare: 49%
- I had an unexpected situation arise that has cut into my retirement savings: 20%
- I am taking care of a relative or friend and require more income: 10%

### By Choice – Top Reasons

- I enjoy my job/career and would like to continue: 49%
- I want additional disposable income: 43%
- It is a social outlet that will help me stay active/prevent boredom: 34%
- I want to do something that will let me give back to the community: 21%
- I plan to start my own business: 12%
- It is my opportunity to try a new field: 10%
- I plan to pursue a passion that was too risky to commit to previously: 9%

**BASE:** ALL RESPONDENTS NOT RETIRED AND PLAN TO WORK PAST AGE 65 – 2020 Gen Pop: (n=855)

**Q1540.** Are you planning to work past the traditional retirement of age 65 by necessity or choice?

**BASE:** ALL RESPONDENTS NOT RETIRED PLANNING TO WORK PAST AGE 65 BY NECESSITY – 2020 Gen Pop: (n=370)

**Q1545.** Why do you anticipate needing to continue working past the traditional retirement age of 65? Please select all that apply.

**BASE:** ALL RESPONDENTS NOT RETIRED PLANNING TO WORK PAST AGE 65 BY CHOICE – 2020 Gen Pop: (n=485)

**Q1546.** Why do you anticipate working past the traditional retirement age of 65? Please select all that apply.