The Northwestern Mutual Life Insurance Company – Milwaukee, WI

2014 Planning and Progress Study

"Millennials Approach to Money Management"

Northwestern Mutual®

Objectives and Methodology

Objectives

To understand -

- How Americans plan and whether they feel it needs improvement
- Where people are on the road to financial security and if they're moving in the right direction
- Attitudes toward money and financial decision-making; and how people prioritize
- The financial state of individuals and the country as a whole
- Perspectives on working with a financial advisor and the client experience
- How long people plan to work and whether it is by necessity or choice
- People's preparedness to live long lives

Methodology

Online survey of 2,092 U.S. Americans (via web panel) conducted between January 21st and February 5th, 2014.

- Qualified participants were those at least 18 years of age.
- Data is weighted to be representative of the U.S. population (age 18+) by education, age, gender, race, ethnicity, region and household income.

Key Findings

Millennials aged 18-29 are patient, methodical and risk-averse in their approach to managing money.

- 30% favor “slow and steady” as their financial planning approach while an equal amount (30%) would prefer to be more cautious but feel they have “a lot of catching up to do”
- Only 14% say they “aim high and pursue as much growth as possible”
- Despite their relative youth, six in ten (61%) say they are “disciplined” or “highly disciplined” financial planners – more than those 40-59 years old who are more likely to view themselves as “informal planners” or “non-planners”

Though ahead of the curve in making financial planning a priority, nearly 7 in 10 U.S. adults age 18-29 (68%) believe there is room for improvement. Top barriers to having a solid financial plan are not knowing where to find help and lack of time.

Only 13% of adults age 18-29 have a financial advisor.

Millennials’ Savings & Investment Strategies

This generation is not “swinging for the fences.” Three in ten adults age 18-29 prefers the slow and steady approach while only 14% say they *“aim high and pursue as much growth as possible”*

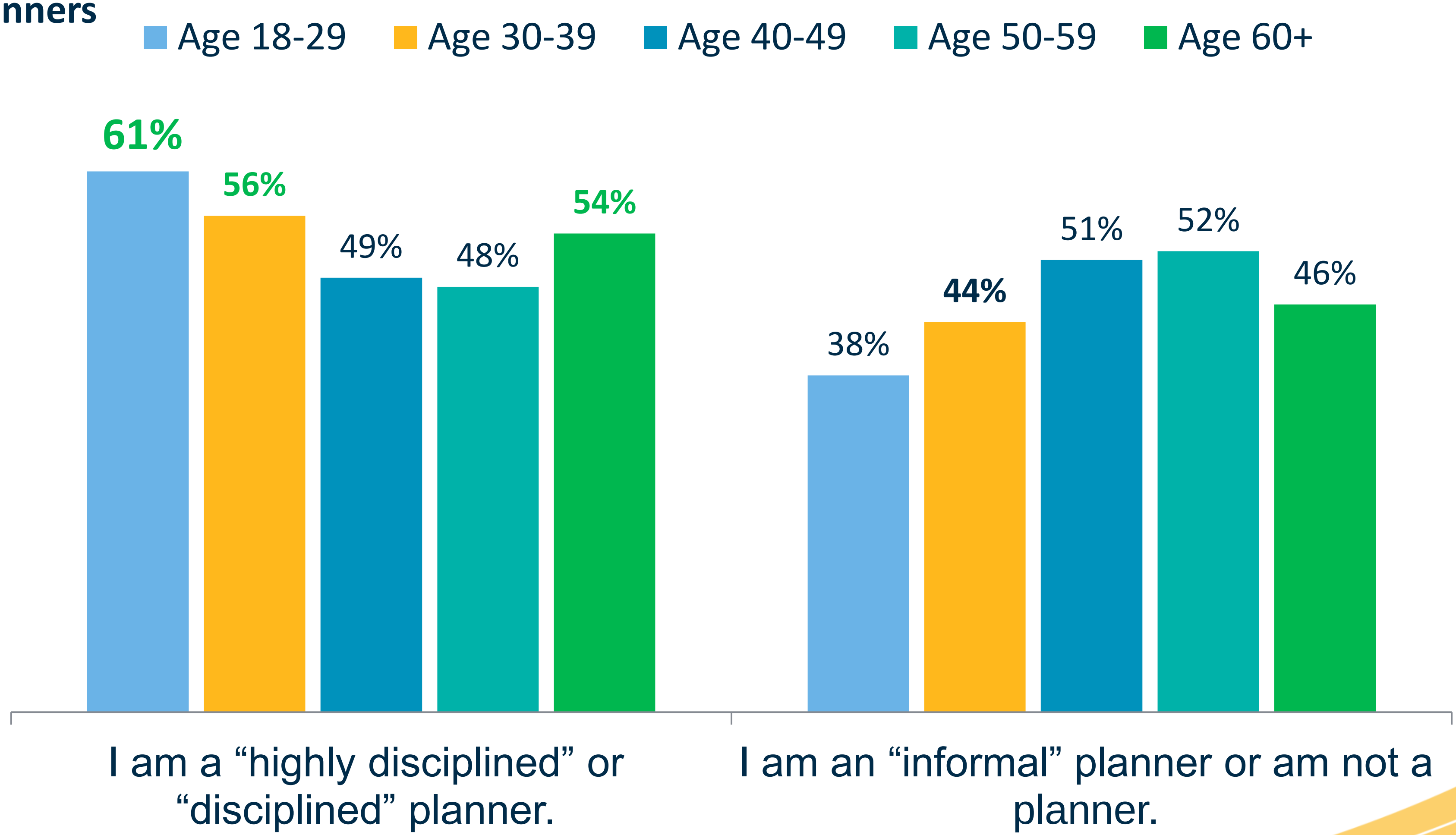
Approach to Financial Decision-making	Age 18 – 29
I’d like to be more cautious, but I have a lot of catching up to do	30%
Slow and steady wins the race	30%
I have an even balance between risk and protection	15%
I aim high, and am pursuing as much growth as possible	14%
I’m comfortable with the risks associated with growth strategies	11%

BASE: QUALIFIED RESPONDENTS Age 18-29 (n=324)

1105 Of the following statements, which best describes your approach to saving and investing for financial goals?

What Type of Financial Planner Are You?

Millennials have more in common with their grandparents' generation than either group may have imagined. Young and more senior adults represent the most disciplined planners while people aged 40-59 are more likely to identify themselves as informal or non-planners



BASE: ALL QUALIFIED RESPONDENTS (n=2092)

Q1005 When it comes to financial planning, which of the following best describes the type of financial planner you are?

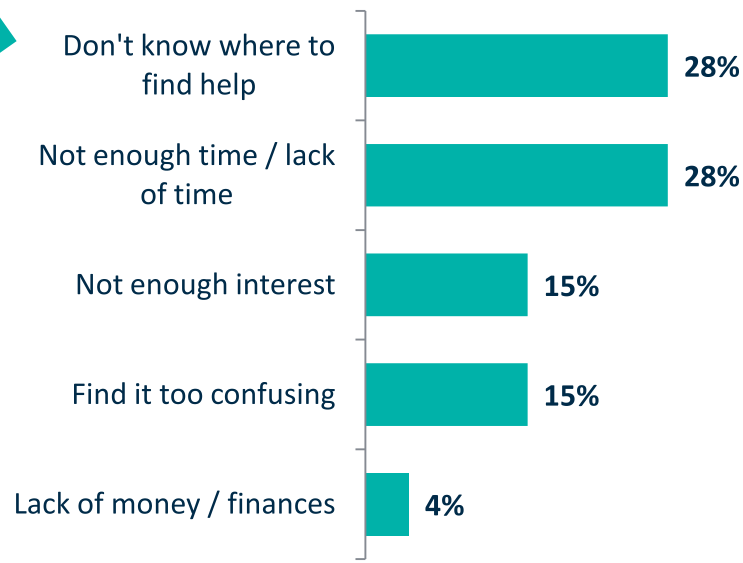
Barriers to Better Financial Planning

Though nearly 7 in ten U.S. adults age 18-29 feel their financial planning needs improvement, they consider *not knowing where to find help and lack of time* as the top barriers to having a solid financial plan

68%
of Millenialls think their financial planning needs improvement

Only 13%
of Millenialls have a financial advisor

Barriers to Improving Financial Planning



<u>BASE: QUALIFIED RESPONDENTS Age 18-29 (n=324)</u>
Q1010 Do you think your financial planning needs improvement?
<u>BASE: QUALIFIED RESPONDENTS Age 18-29 WHO THINK THEIR FINANCIAL PLANNING NEEDS IMPROVEMENT (n=226)</u>
Q1015 What is the single greatest barrier holding you back from getting better about financial planning?