2018 Planning & Progress Study

Living Long and Working Longer

Northwestern Mutual is the marketing name for The Northwestern Mutual Life Insurance Company (NM), Milwaukee, WI and its subsidiaries.
The 2018 Planning & Progress Study seeks to provide unique insights into U.S. adults’ attitudes and behaviors toward money, financial decision-making, and the broader landscape issues impacting people’s long-term financial security.

The study is based on an online survey of 2,003 U.S. adults age 18+ conducted from March 7-19, 2018 (and an oversample of 601 interviews with U.S. Millennials age 18-34 which has been combined with the general population of those age 18-34 when featuring this group).

Data were weighted to be representative of the U.S. population (age 18+) based on Census targets for education, age/gender, race/ethnicity, region and household income.
Nearly eight in 10 people are “extremely” or “somewhat” concerned about affording a comfortable retirement and two thirds of U.S. adults believe there is a chance they will outlive their savings.

Financial security in retirement is a key issue for Americans

% Will outlive savings

0%: 13% (2018), 11% (2017), 14% (2016)
1-25%: 20% (2018), 19% (2017), 19% (2016)
26-50%: 15% (2018), 13% (2017), 16% (2016)
51-75%: 14% (2018), 13% (2017), 14% (2016)
76-99%: 7% (2018), 6% (2017), 6% (2016)
100%: 11% (2018), 11% (2017), 14% (2016)

Don’t know: 20% (2018), 21% (2017), 20% (2016)

% Concerned

Affording a comfortable retirement

22% Not at all concerned
52% Somewhat concerned
26% Extremely concerned

BASE: ALL QUALIFIED RESPONDENTS - Gen Pop: (n=2003)
Q1645. In your opinion, what is the likelihood that you could outlive your savings?

BASE: ALL QUALIFIED RESPONDENTS - Gen Pop: (n=2003)
Q1818. How would you rate your level of concern with each of the following?
These fears aren’t unfounded...

About one in three Americans have less than $5,000 in retirement savings and one in five have no retirement savings at all. Moreover, three-quarters of Americans believe it is “not at all likely” or only “somewhat likely” that Social Security will be available when they retire.

**Social Security Availability**
- Extremely likely: 24%
- Somewhat likely: 51%
- Not at all likely: 24%

**Saved for Retirement**
- $0: 21%
- $1-$4,999: 10%
- $5,000-$24,999: 9%
- $25,000-$74,999: 10%
- $75,000-$124,999: 8%
- $125,000-$199,999: 8%
- $200,000 or more: 25%
- Don’t know: 11%

**Average Saved for Retirement**: $84,821

**BASE: THOSE CURRENTLY NOT RETIRED - Gen Pop: (n=1506)**
Q1565. In your opinion, what is the likelihood that Social Security will be available to you when you retire?

**BASE: ALL QUALIFIED RESPONDENTS - Gen Pop: (n=1979)**
Q1825. How much money do you have saved for retirement (from all sources including 401(k), IRA, pension, bank accounts, etc.)?
...yet Americans aren’t addressing them

Nearly half of adults have taken no steps to prepare for the possibility of outliving their savings.

- Increased my savings: 23%
- Put together a financial plan: 18%
- Purchased investments: 17%
- Sought advice from an advisor: 17%
- Discussed options with my family: 15%
- Conducted research, information searches: 11%
- Purchased insurance: 11%
- Learned more about government assistance available to me: 8%
- Obtained information from related associations: 7%
- Other: 1%
- I have not taken any steps: 46%
Financial concerns are one reason some expect to delay retirement

Whether they’re opting to continue working from necessity or by choice, more Americans anticipate retiring at 70 years or older than in the more traditional 65 – 69 age range.

**Q1035.** How long do you anticipate you will work before you retire?

**BASE: THOSE CURRENTLY NOT RETIRED BUT WORKING - Gen Pop: (n=1134)**

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

**BASE: THOSE NOT RETIRED AND PLAN TO WORK PAST AGE 65 - Gen Pop: (n=565)**
Savings shortfalls was the top driver for those planning to work longer from necessity.

Among the more than half of Americans expecting to work past the traditional retirement age by necessity, the main reasons were inadequate savings and lack of confidence in Social Security’s ability to take care of their needs.

- **I won’t have enough saved to retire comfortably**: 73%
- **I do not feel like Social Security will take care of my needs**: 61%
- **I am concerned about rising costs like healthcare**: 52%
- **I had an unexpected situation arise that has cut into my retirement savings**: 15%
- **I am taking care of a relative or friend and require more income**: 6%

**BASE**: THOSE NOT RETIRED PLANNING TO WORK PAST AGE 65 BY NECESSITY - Gen Pop: (n=332)

Q1545. Why do you anticipate needing to continue working past the traditional retirement age of 65? Bar chart displays statements garnering 5% or more of the responses.
Added income and career satisfaction were the top reasons people anticipate working longer by choice

This year, disposable income (55%) and professional satisfaction (54%) were nearly equal drivers, compared to 2015 when career enjoyment was the key motivator.

- I want additional disposable income: 55% (2015: 60%)
- I enjoy my job/career and would like to continue: 54% (2015: 66%)
- It is a social outlet that will help me stay active/prevent boredom: 44% (2015: 49%)
- I want to do something that will let me give back to the community: 18% (2015: 19%)
- It is my opportunity to try a new field: 10% (2015: 6%)
- I plan to start my own business: 9% (2015: 7%)
- I plan to pursue a passion that was too risky to commit to previously: 9% (2015: 7%)

**BASE: THOSE NOT RETIRED PLANNING TO WORK PAST AGE 65 BY CHOICE - Gen Pop: (n=233)**

Q1546. Why do you anticipate working past the traditional retirement age of 65?
Bar chart displays statements garnering 5% or more of the responses.