

2018 Planning & Progress Study

Advisors: Key to Financial Clarity

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

Background

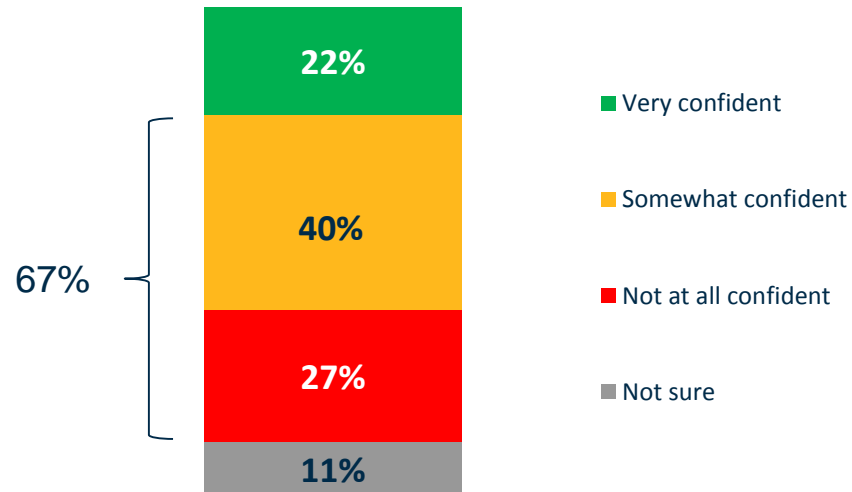
The 2018 Planning & Progress Study seeks to provide unique insights into U.S. adults' attitudes and behaviors toward money, financial decision-making, and the broader landscape issues impacting people's long-term financial security.

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.

Americans are struggling to balance spending now with saving for later

Confidence in having right balance between spending and saving later

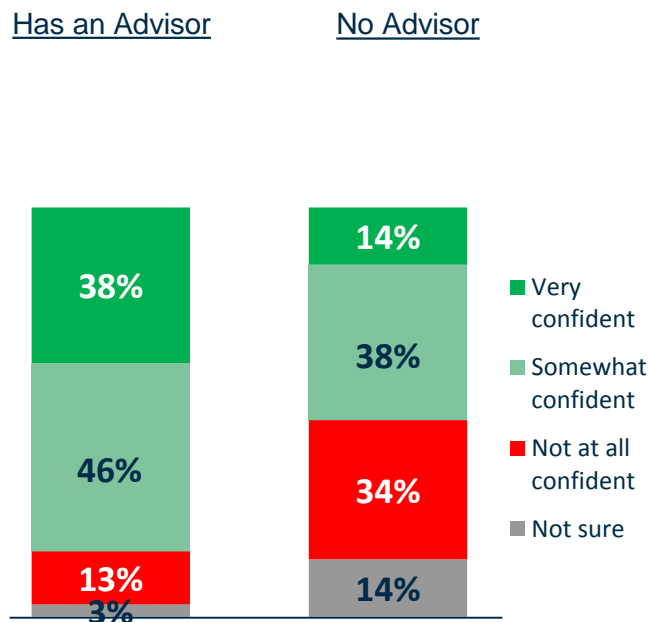


BASE: ALL QUALIFIED RESPONDENTS - Gen Pop: (n=2003)

Q1829. When thinking about balancing saving for the future and spending in the present, how confident are you that you have that balance right?

People with an advisor have more clarity and confidence in navigating the balance between saving and spending

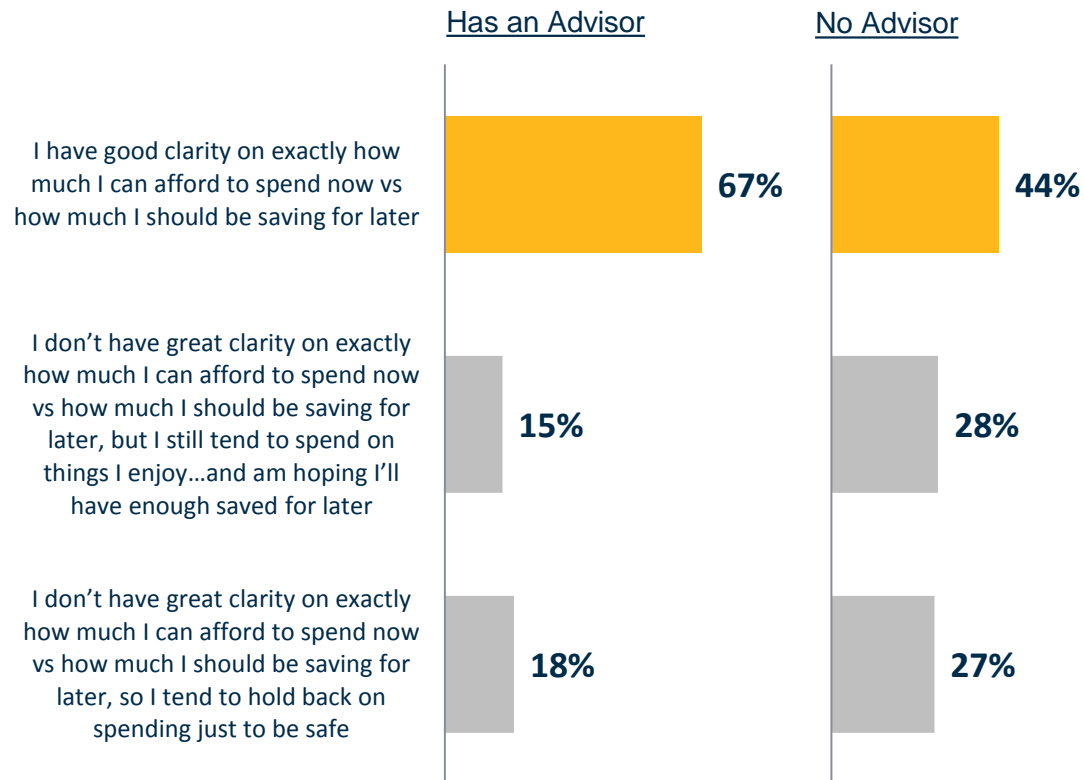
Confidence



BASE: ALL QUALIFIED RESPONDENTS - Has an Advisor: (n=649) No Advisor: (n=1271)

Q1829. When thinking about balancing saving for the future and spending in the present, how confident are you that you have that balance right?

Clarity



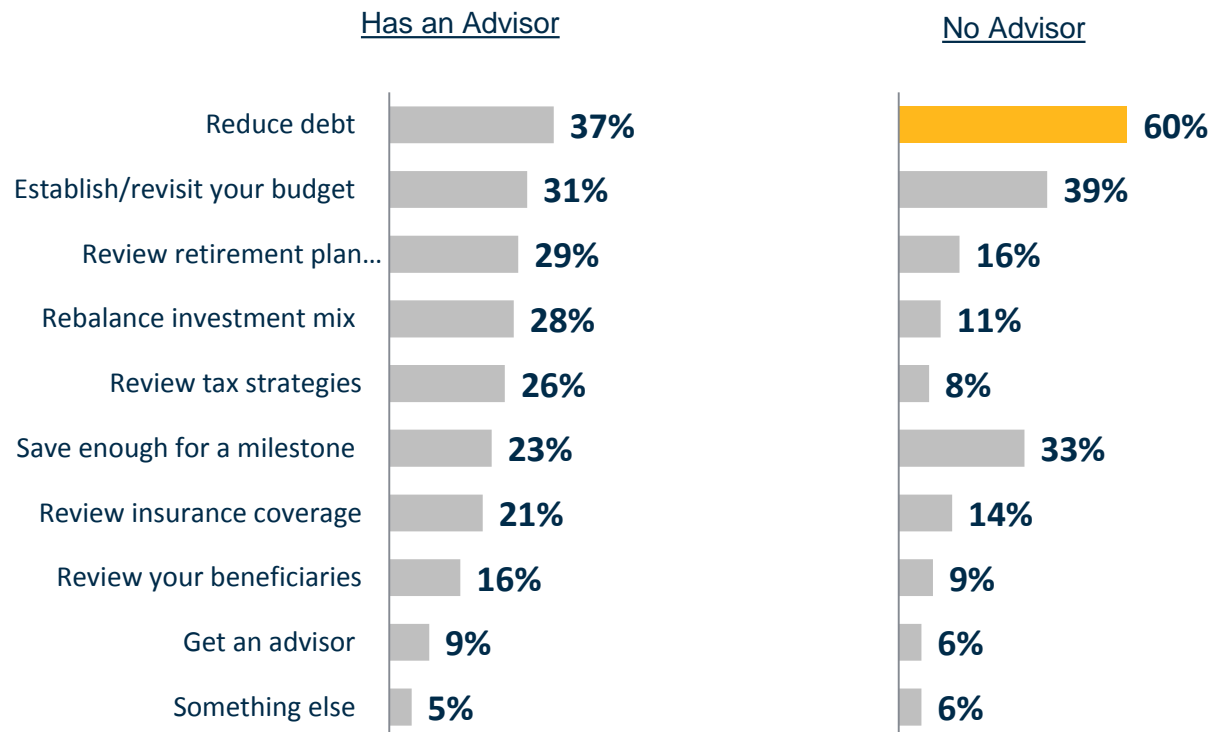
BASE: ALL QUALIFIED RESPONDENTS – Has an Advisor: (n=649) No Advisor: (n=1271)

Q1817. If you had to choose, please select which ONE of the following statements applies to you.

The lack of clarity around spending may explain why those without an advisor are more concerned about debt...

Individuals without an advisor cited debt reduction as a top financial priority at almost twice the rate of those with an advisor.

2018 Financial Priorities

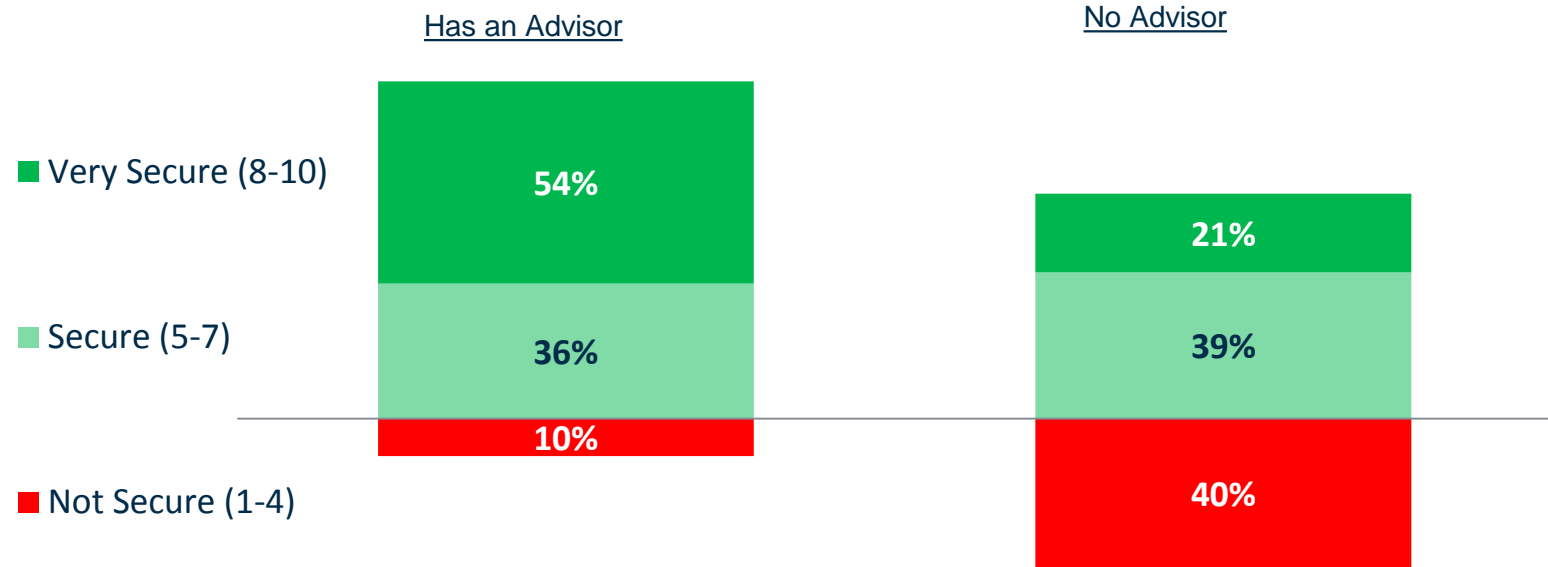


BASE: ALL QUALIFIED RESPONDENTS - Has an Advisor: (n=649) No Advisor: (n=1271)

Q1810. Which of the following are your top financial priorities for 2018?

...and feel less financially secure

Current Feeling of Financial Security



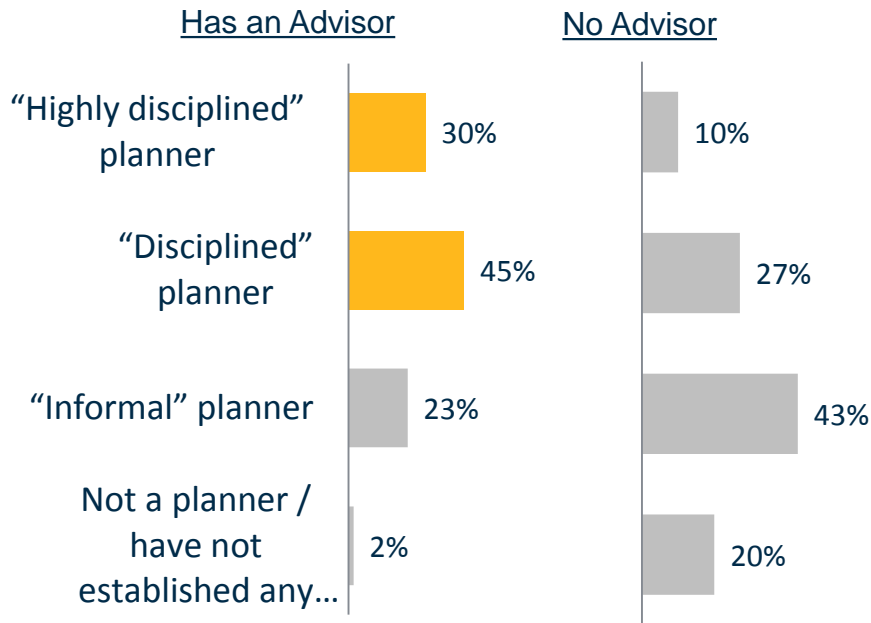
BASE: ALL QUALIFIED RESPONDENTS - Has an Advisor: (n=649) No Advisor: (n=1271)

Q1075. If financial security is defined as “a feeling of confidence that you will achieve the financial goals you have for yourself or your family through the actions you are currently taking,” how financially secure do you feel right now? Use a 1 to 10 scale where 1 means “not at all financially secure” and 10 means “completely financially secure.”

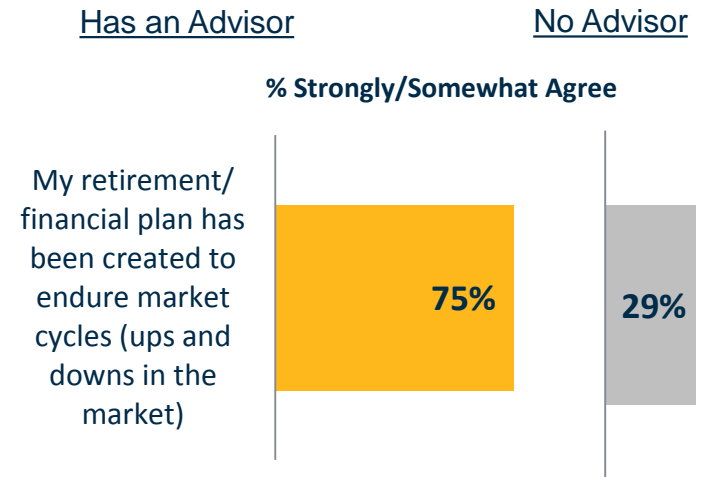
On the contrary, Americans with an advisor are better positioned for financial security...

Three quarters of Americans with advisors consider themselves “disciplined” or “highly disciplined” financial planners and feel their retirement/financial plan is designed to endure market cycles.

Financial Planning Approach



Retirement/Financial Plan



BASE: ALL QUALIFIED RESPONDENTS - Has an Advisor: (n=649) No Advisor: (n=1271)

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

BASE: ALL QUALIFIED RESPONDENTS – Has an Advisor: (n=649) No Advisor: (n=1271)

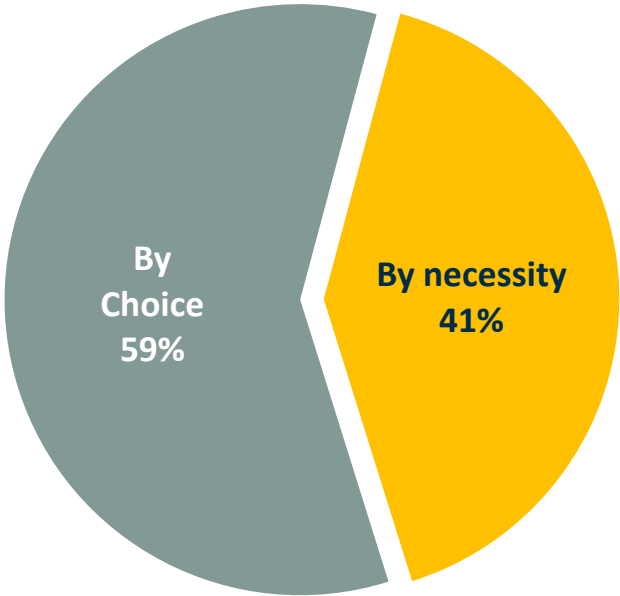
Q1115. How much do you agree or disagree with each of the following statements?

...and stronger financial footing creates more flexibility in retirement

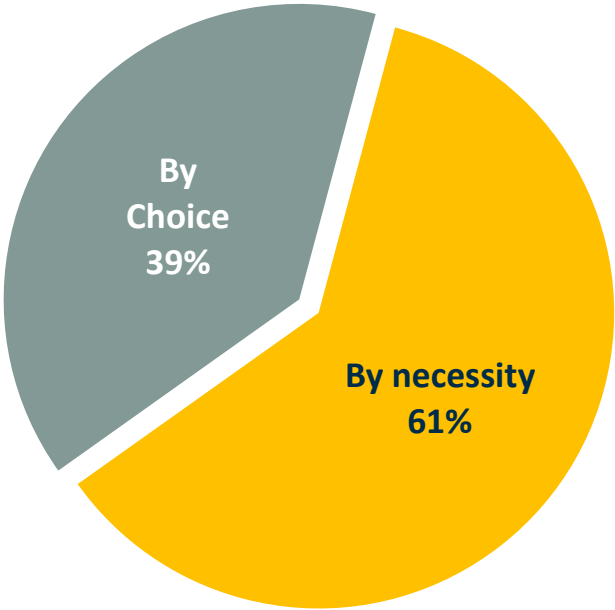
Most Americans with an advisor believe that if they work past age 65, it will be by choice rather than from necessity. The inverse was true for those without an advisor.

Working past traditional retirement age

Has an Advisor



No Advisor

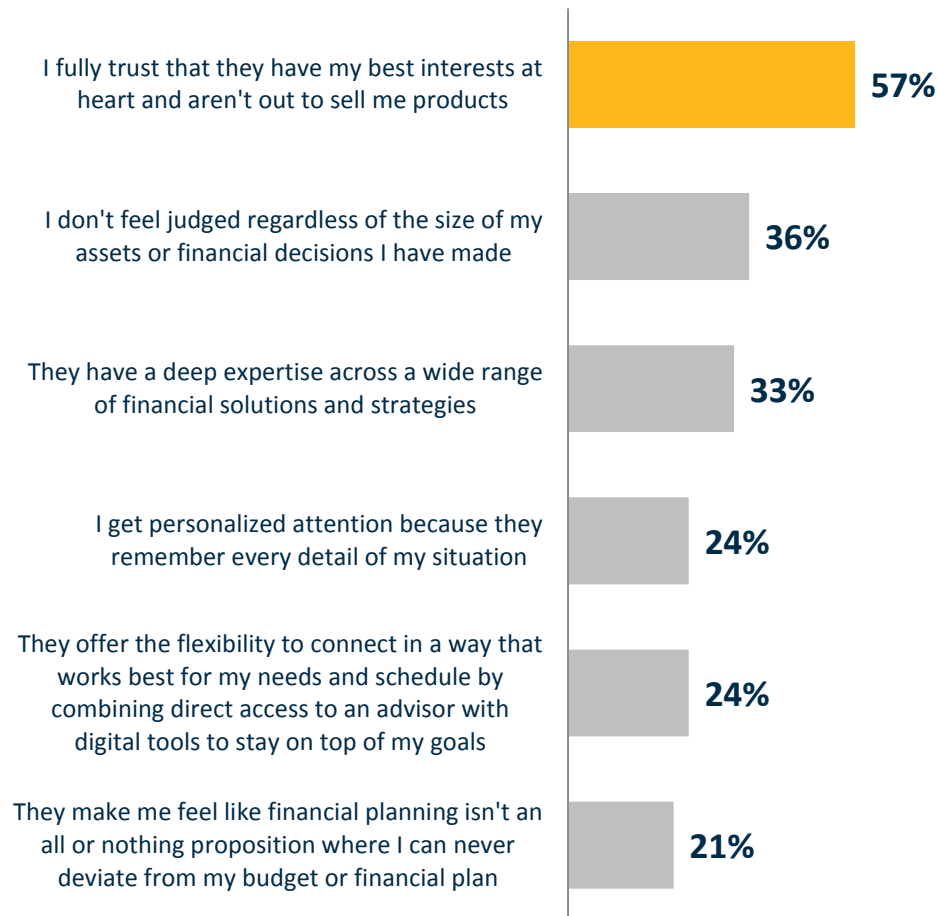


BASE: THOSE NOT RETIRED AND PLAN TO WORK PAST AGE 65 – Has an Advisor: (n=171) No Advisor: (n=377)

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

“Trust” emerged as a key attribute of what distinguishes a remarkable advisor experience from merely an acceptable one

Other attributes cited include not feeling judged on assets/decisions and expertise.



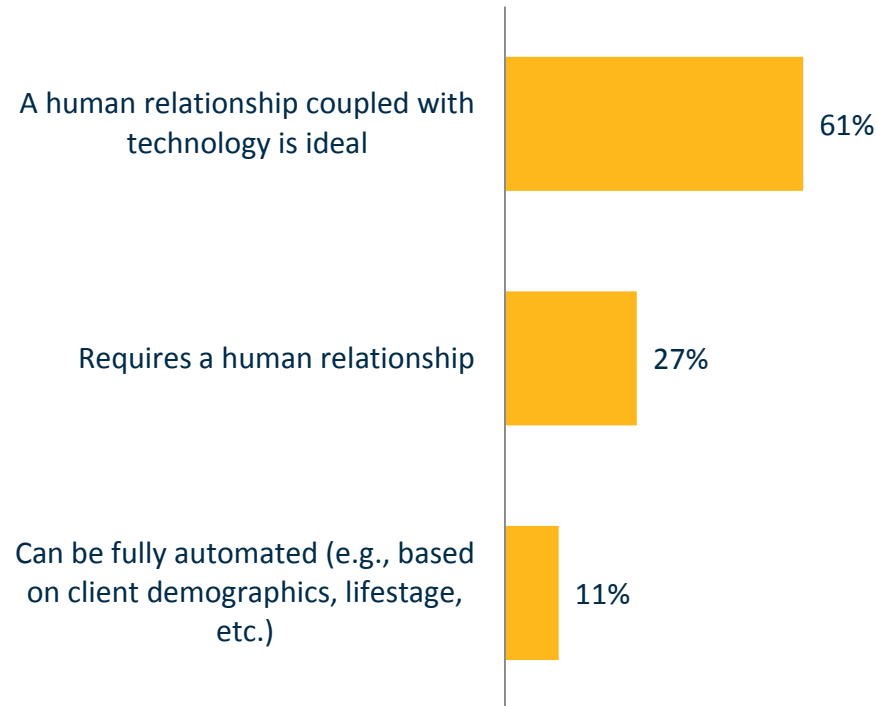
BASE: ALL QUALIFIED RESPONDENTS – Gen Pop: (n=2003)

Q1823. Which of the following statements describe what would make for a remarkable rather than just an acceptable financial advisor experience.

Please select your top two. (Factors selected by more than 5% are shown)

In terms of receiving advice, most prefer people + technology

The human touch remains important as only a small fraction opted for a technology only solution.



BASE: ALL QUALIFIED RESPONDENTS - Gen Pop: (n=2003)

QAR2. Technology is introducing new ways of receiving financial advice. Some believe financial advice can only come from a human relationship - others believe it can be fully automated and accessible via technology. There are also those who believe in combining personal advisor relationships with access to technology. What do you think?