

2018 Planning & Progress Study

The Makings of the Middle Class

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

Background

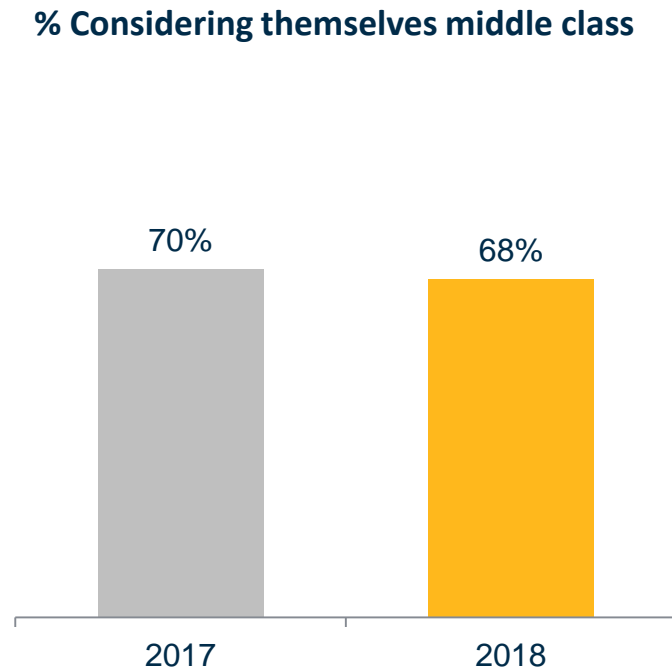
The 2018 Planning & Progress Study seeks to provide unique insights into U.S. adults' attitudes and behaviors toward money, financial decision-making, and the broader landscape issues impacting people's long-term financial security.

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.

The majority of Americans still deem themselves middle class

However, the number has declined slightly from 2017.



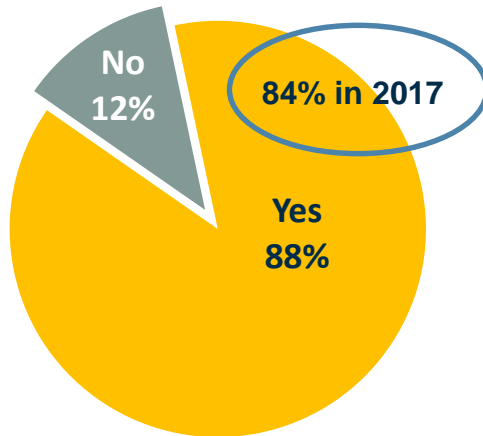
BASE: ALL QUALIFIED RESPONDENTS - 2018 Gen Pop: (n=2003); 2017 Gen Pop: (n=2117)

QMC4a. Do you consider yourself part of the middle class?

Assets and attributes are considered the key metrics of the middle class...

Americans cited both assets and attributes as the defining characteristics of the middle class. Notably, this year more people opted for assets than attributes.

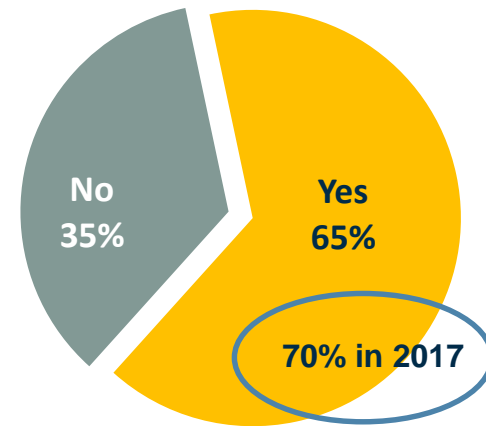
Middle class defined by Income or Assets



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

QMC1. Do you define the middle class based on a certain level of income or assets?

Middle class defined by a certain lifestyle/perspective

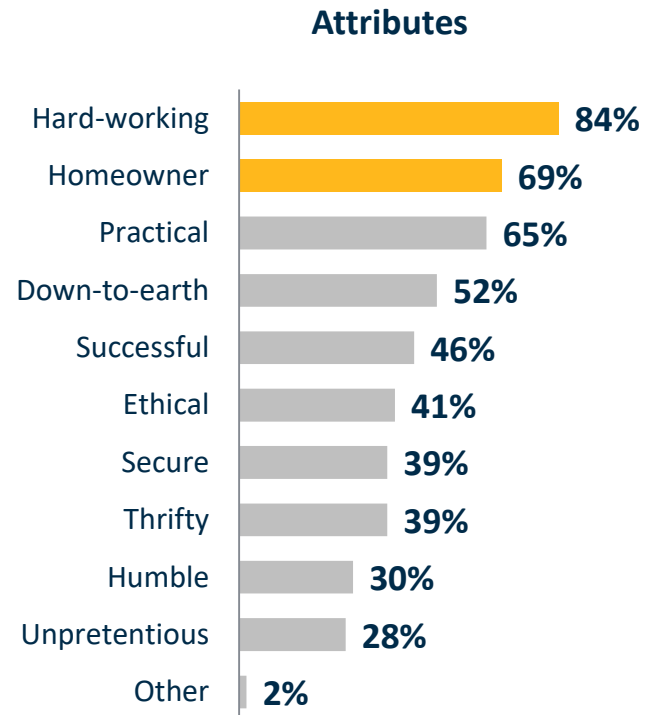
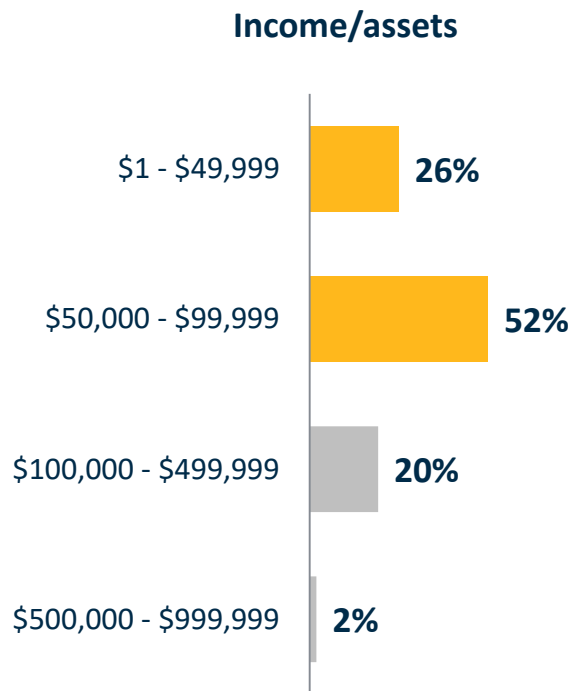


BASE: ALL QUALIFIED RESPONDENTS - Gen Pop: (n=2003)

QMC2. Do you define the middle class based on having a certain lifestyle/perspective?

...but how much in assets and what qualities?

The majority of Americans feel that \$50,000 to just under \$100,000 in income/assets define the middle class as do attributes like work ethic and homeownership.



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

Q1801. What level of income/assets do you feel define the middle class?

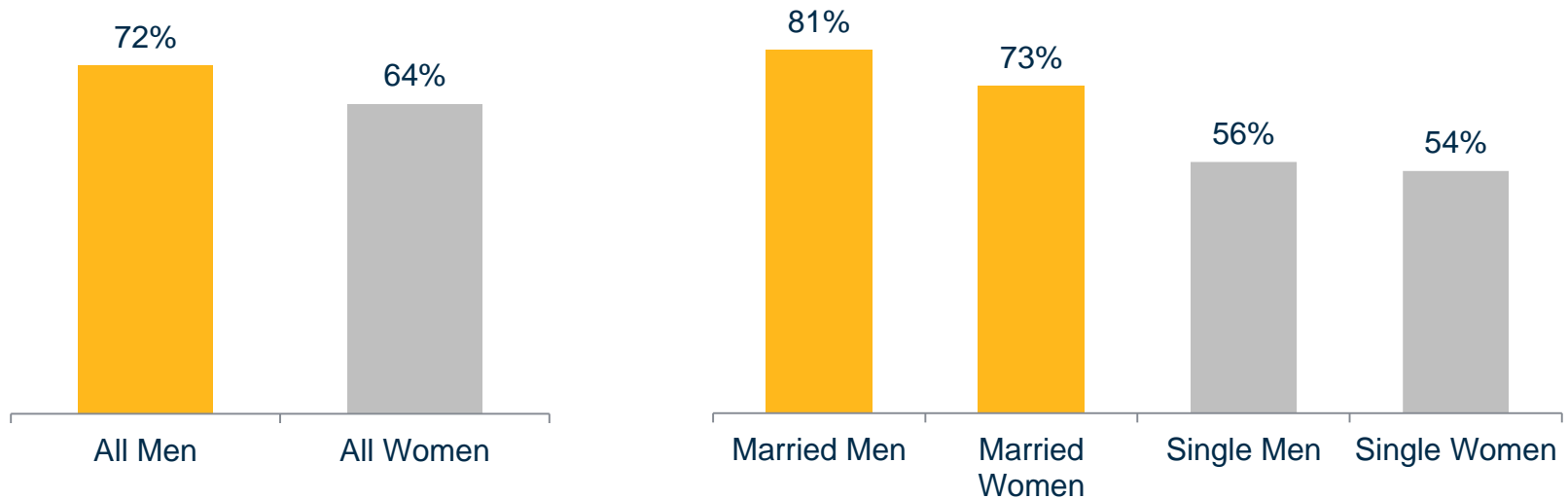
BASE: THOSE WHO SAID THAT MIDDLE CLASS IS BASED ON CERTAIN LIFESTYLE/PERSPECTIVE- Gen Pop: (n=1324)

Q1802. Among the following words below, which, in your opinion, most characterize people in the middle class?

Demographics also appear to be a factor

Findings revealed that married people and men are more likely to consider themselves middle class than those who are single.

Gender & Marital Status

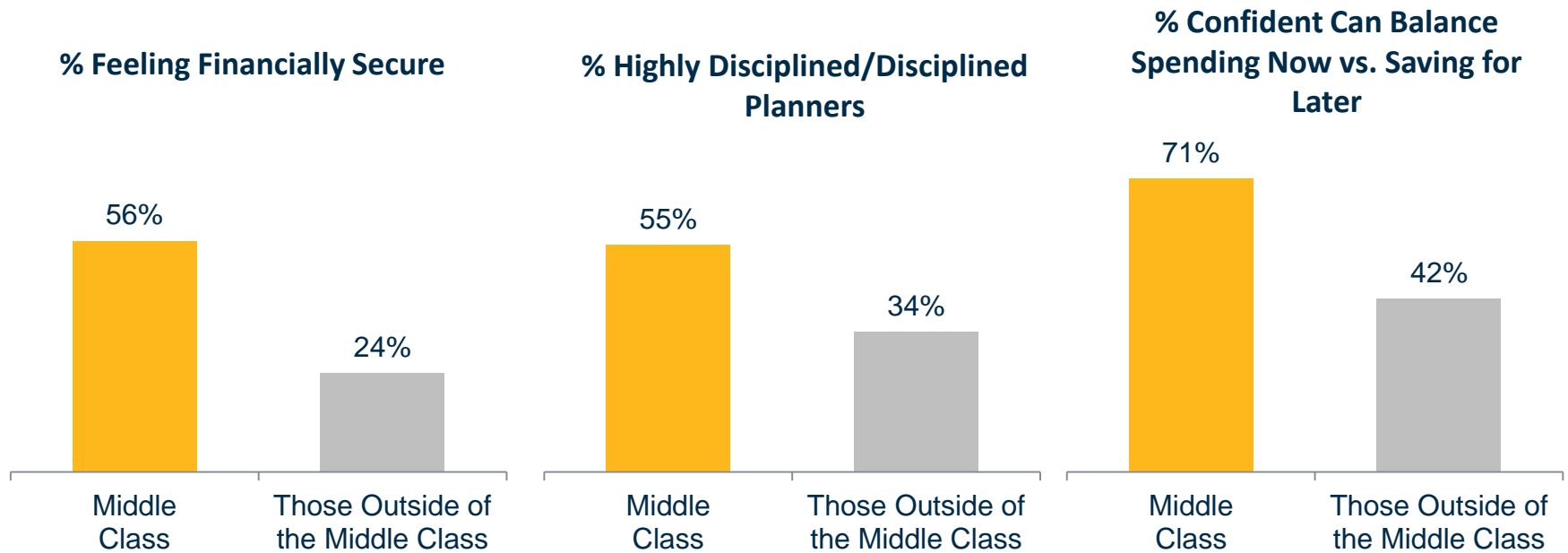


BASE: ALL QUALIFIED RESPONDENTS - 2018 Gen Pop: (n=2003)

QMC4a. Do you consider yourself part of the middle class?

The middle class is also more financially disciplined than those who don't consider themselves middle class

People who identify as middle class are more likely to feel financially secure, to be disciplined planners, and to feel they have the right balance between spending now and saving for the future.



BASE: ALL QUALIFIED RESPONDENTS - 2018 Gen Pop: (n=2003)

QMC4a. Do you consider yourself part of the middle class?

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.” (Chart presents the percentage providing ratings of 7 – 10)

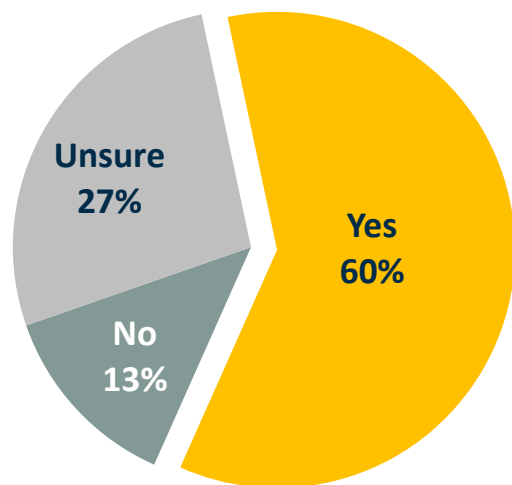
Q1005. When it comes to financial planning, which of the following best describes the type of financial planner you are?

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

And while Americans think class mobility is possible...

Though most people believe in the concept of mobility, they seem to be split on the direction of mobility.

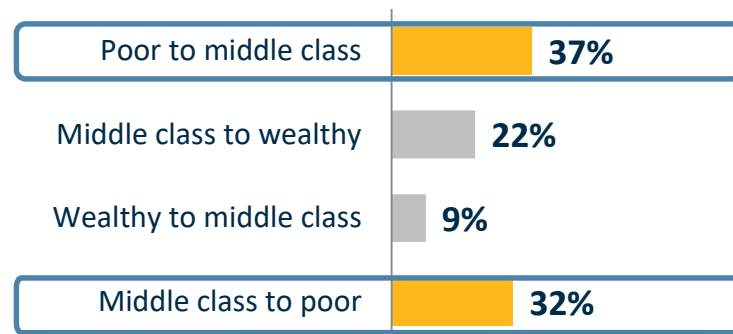
Class Mobility -- Into or Out of the Middle Class



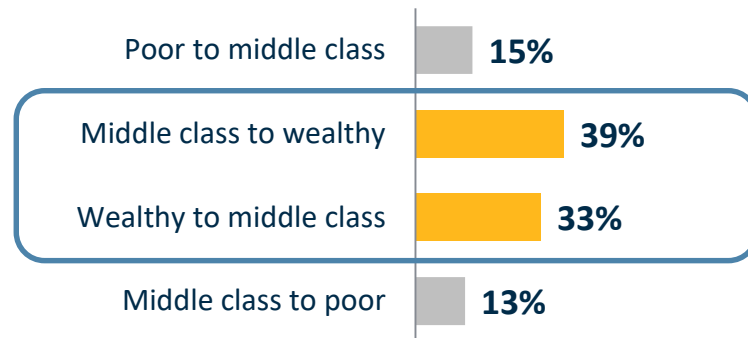
BASE: ALL QUALIFIED RESPONDENTS - Gen Pop: (n=2003)

Q1803. Do you believe that class mobility -- into or out of the middle class -- is still possible in America today?

Most Likely to Occur



Least Likely to Occur



BASE: THOSE WHO BELIEVE IN CLASS MOBILITY - Gen Pop: (n=1176)

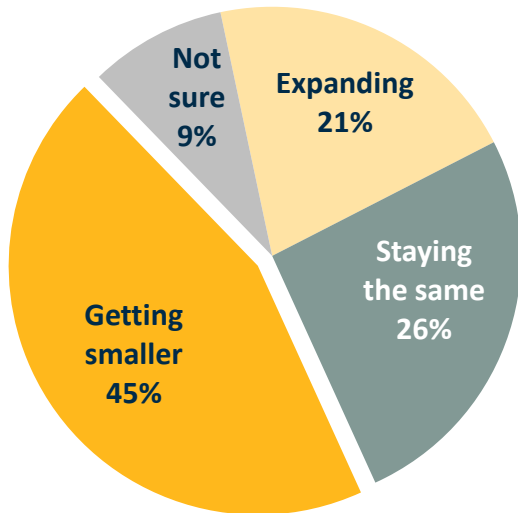
Q1804. In terms of probability, which of the following examples of class mobility is most likely to occur in America today?

Q1805. And, which of the following examples of class mobility are least likely to occur in America today?

...the data suggests doubts around the future of the middle class overall

Almost half of Americans believe that the middle class is getting smaller and one third foresee the middle class disappearing altogether.

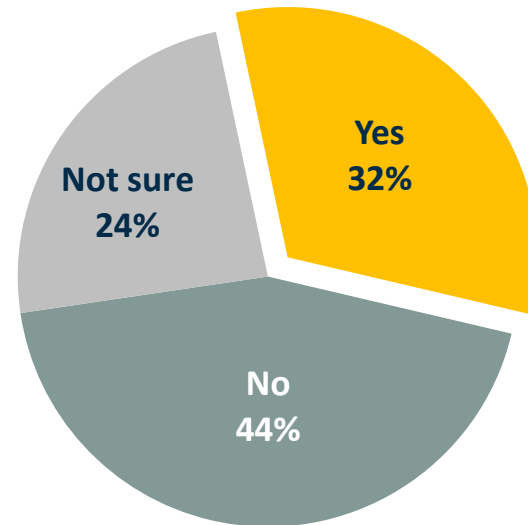
Do you believe the middle class is ...



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

Q1806. Given what you know about the past two decades and thinking about the future, do you believe the middle class is...

Whether they foresee a time in the future when the middle class completely disappears in America



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

Q1807. Could you foresee a time in the future when the middle class completely disappears in America?