

2018 Planning & Progress Study

Millennials

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

Background

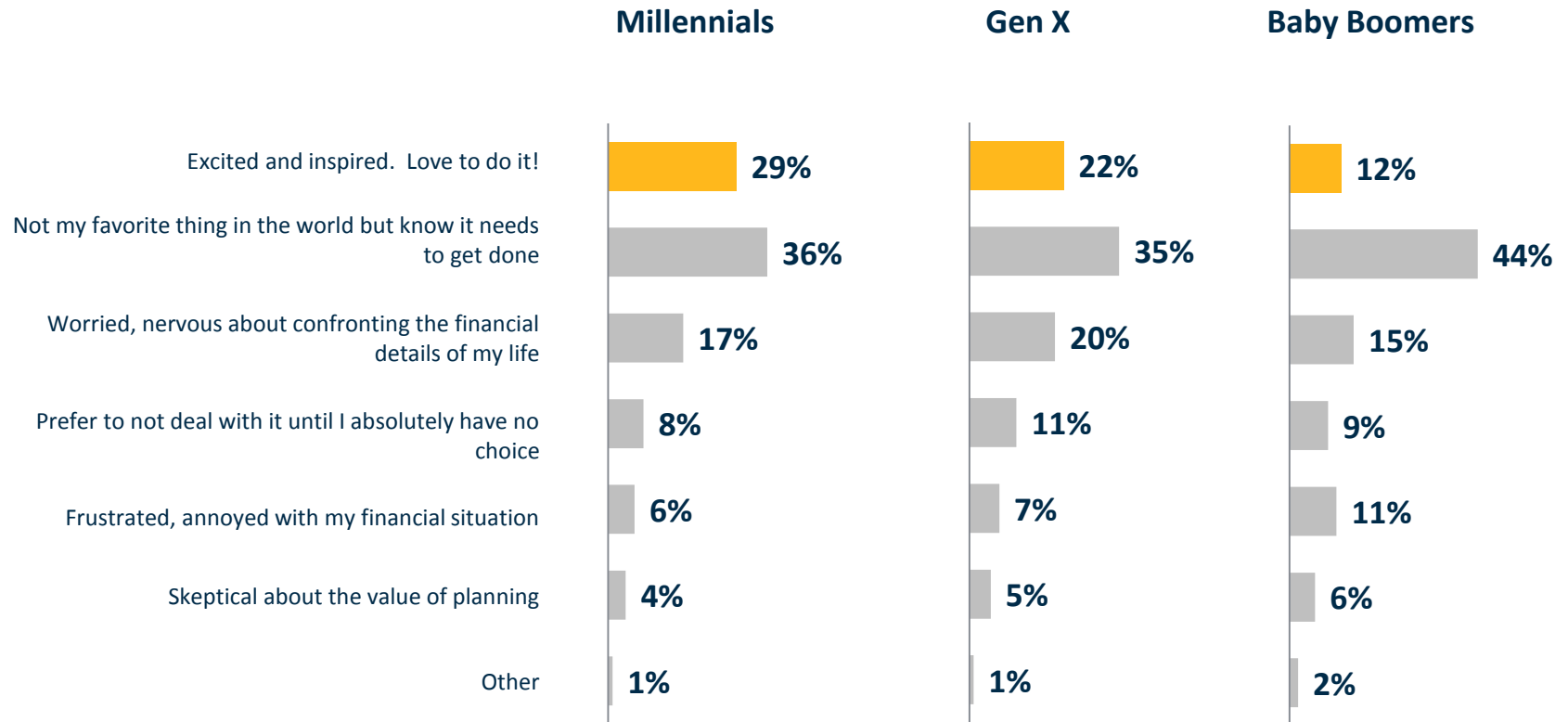
The 2018 Planning & Progress Study seeks to provide unique insights into U.S. adults' attitudes and behaviors toward money, financial decision-making, and the broader landscape issues impacting people's long-term financial security.

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.

Millennials are the most excited and inspired by financial planning

Nearly one in three Millennials say they feel “excited and inspired” to create a financial plan and “love to do it.” This is more than double the percentage of Baby Boomers who feel the same, and substantially more than Gen Xers.

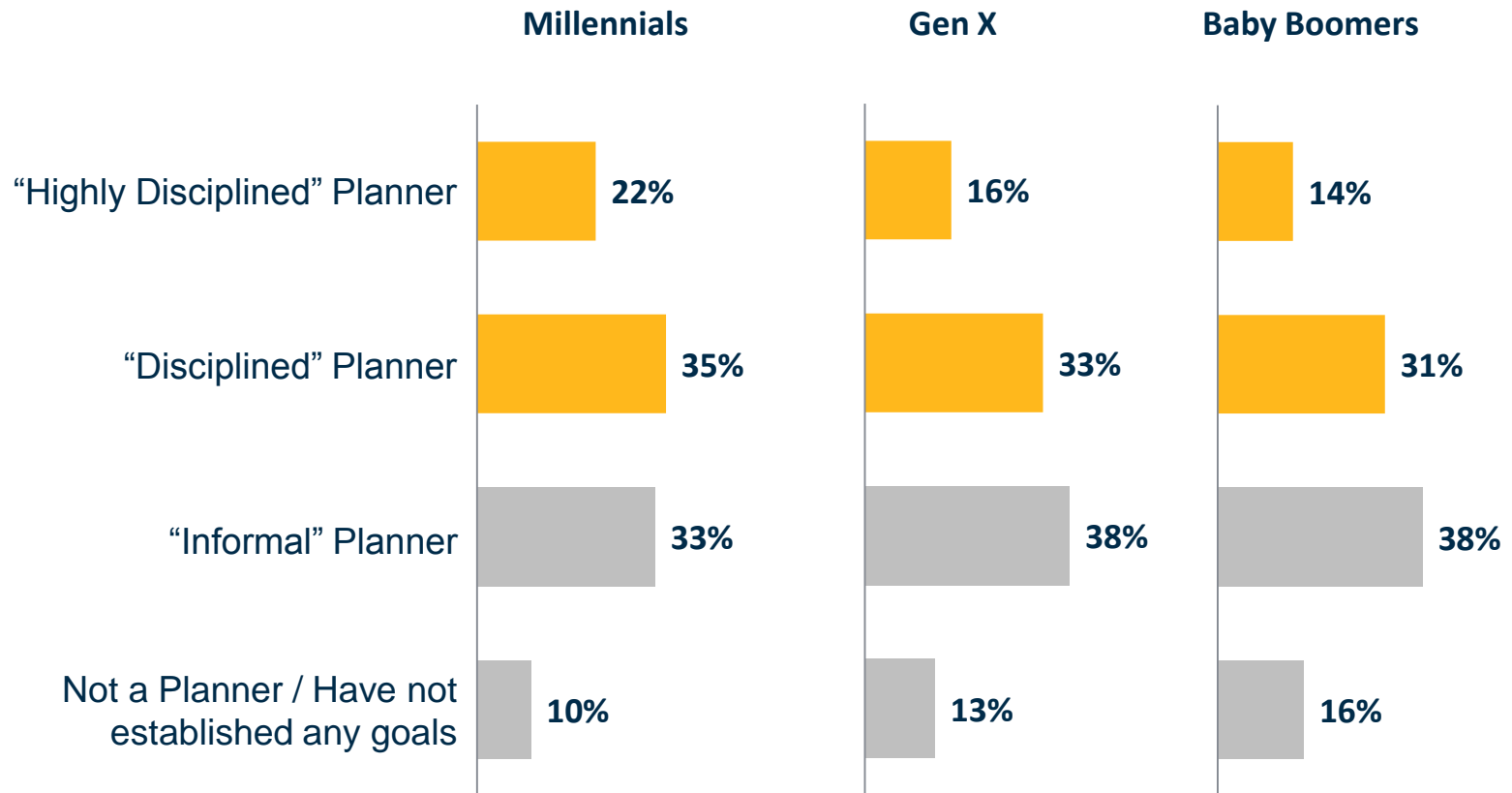


BASE: ALL QUALIFIED RESPONDENTS - Millennials: (n=1051) Gen X: (n=513) Baby Boomers: (n=1040)

Q1808. Which of the following is most comparable to how financial planning makes you feel?

And not only inspired, Millennials also say they're disciplined planners

Millennials are more likely than other generations to say they are “highly disciplined” or “disciplined” financial planners (57% versus 49% for Gen X and 45% for Baby Boomers).



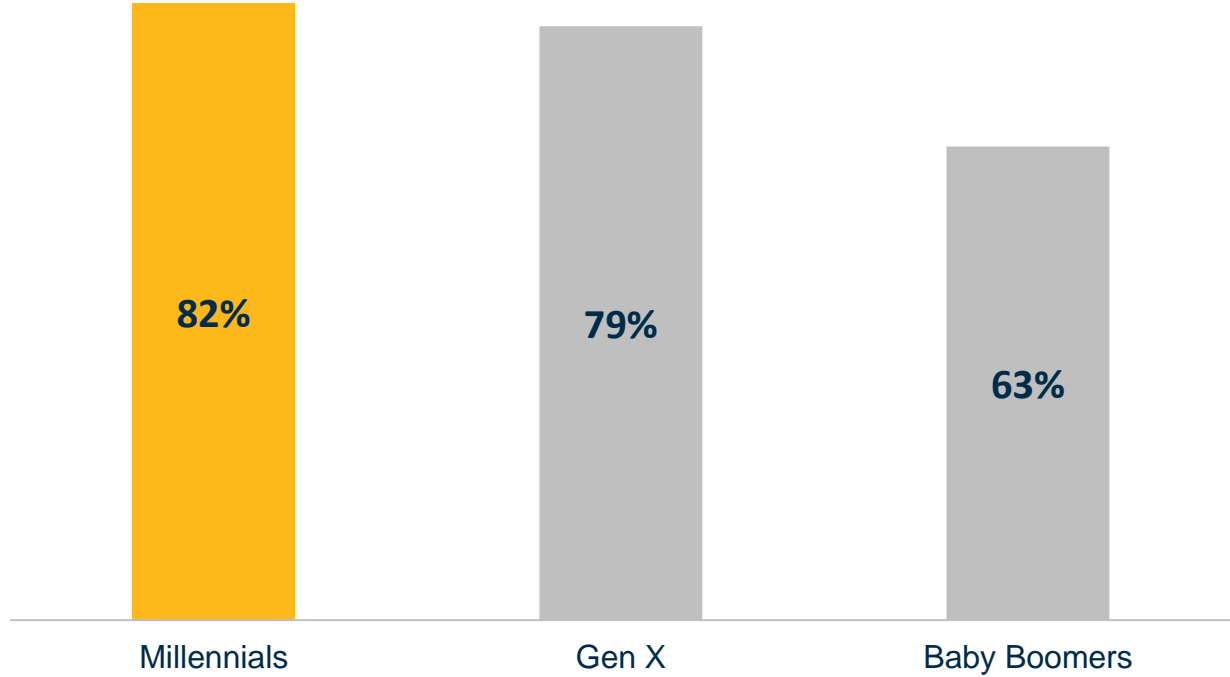
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Q1005. When it comes to financial planning, which of the following best describes the type of financial planner you are?

However, Millennials think their financial plan is still a work in progress

8 out of 10 Millennials feel their financial planning needs improvement, significantly more than Baby Boomers (63%).

% Who Think Their Financial Planning Needs Improvement

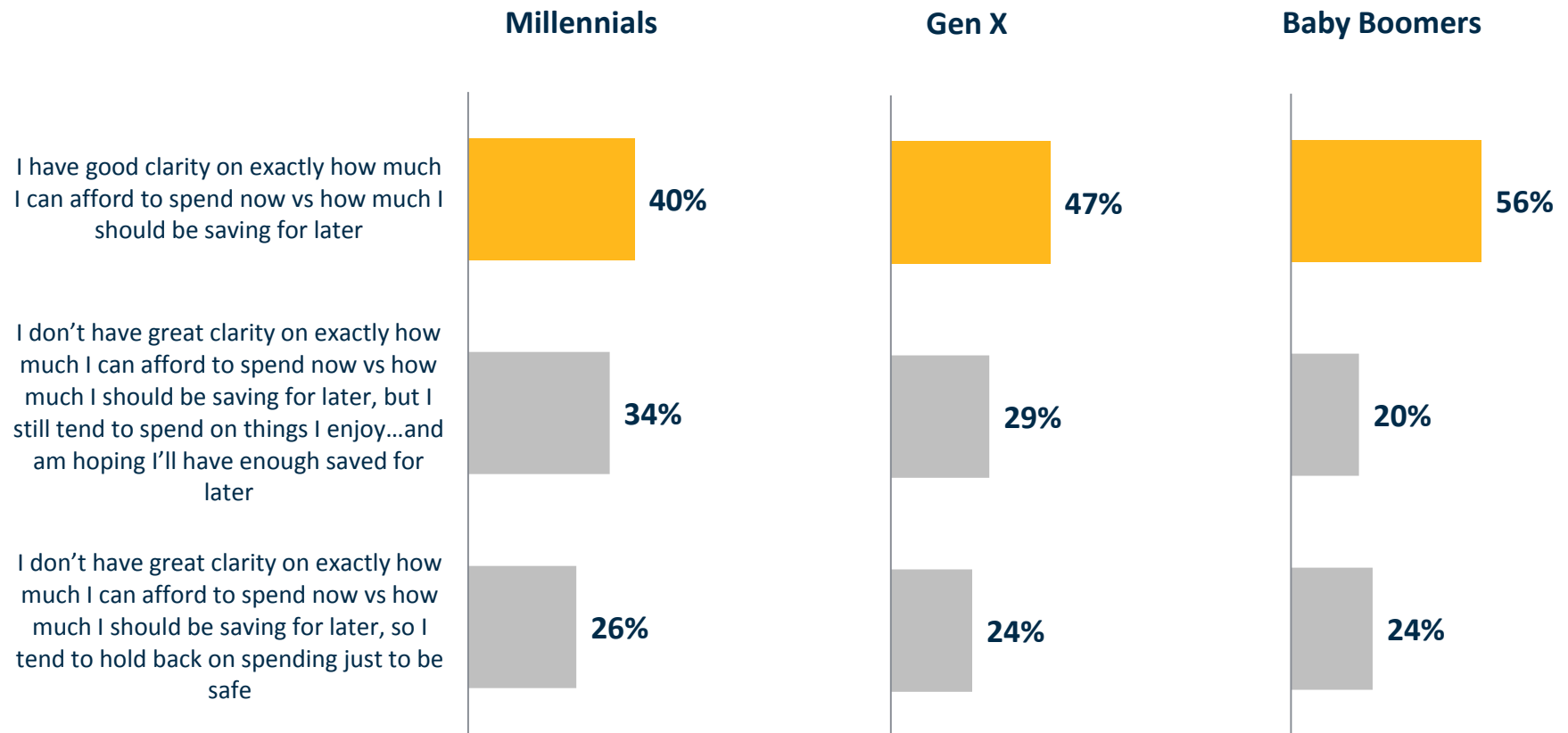


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Q1010. Do you think your financial planning needs improvement?

And struggle with the balance of spending now and saving for later

Only 40% of Millennials say they have good clarity on how much they can afford to spend now versus how much they should save for the future.



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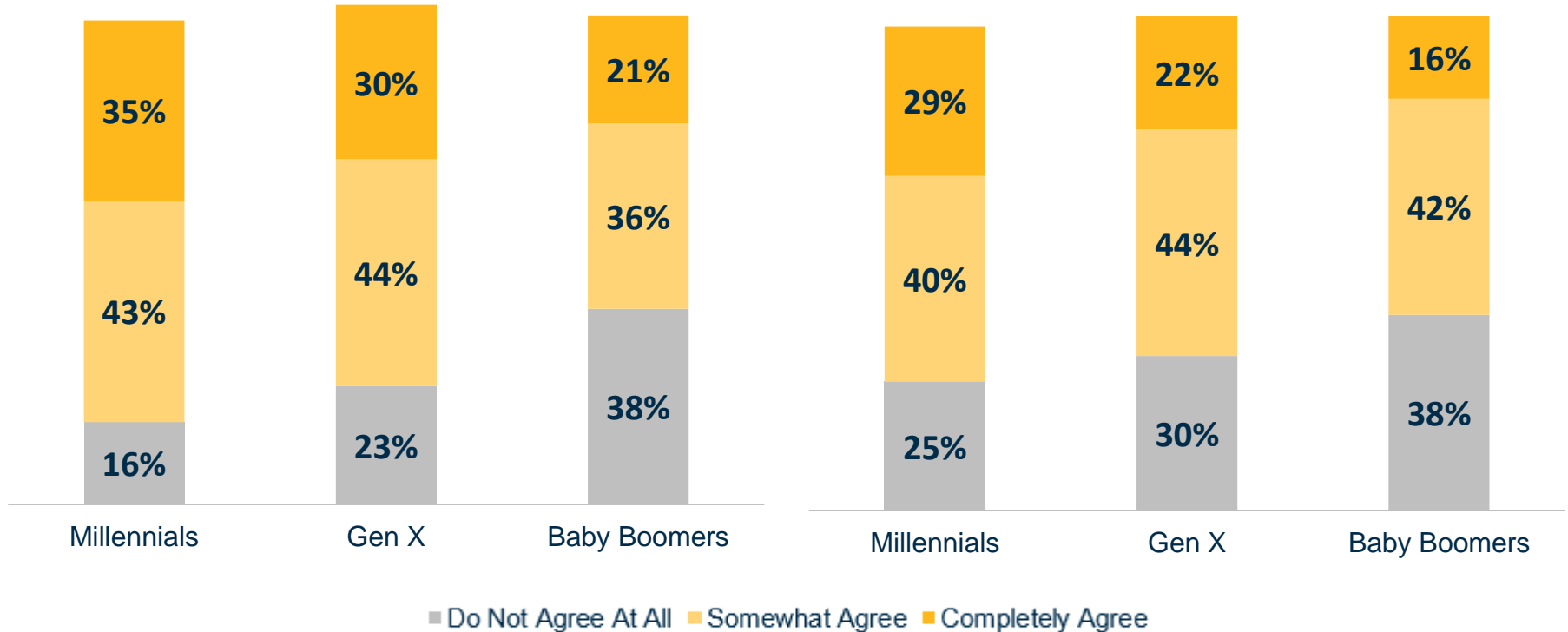
Q1817. If you had to choose, please select which ONE of the following statements applies to you.

Causing them to feel anxious and uncertain they're on the right path

Most Millennials (78%) agree they feel pulled apart to find the balance between present and future financial responsibilities, and 29% *completely agree* that they feel afraid, uncomfortable or guilty spending money even when they can afford to.

I often feel pulled apart by the pressure to save for the future and the responsibilities I have in the present

I feel afraid, uncomfortable, and/or guilty spending money even when I can afford to



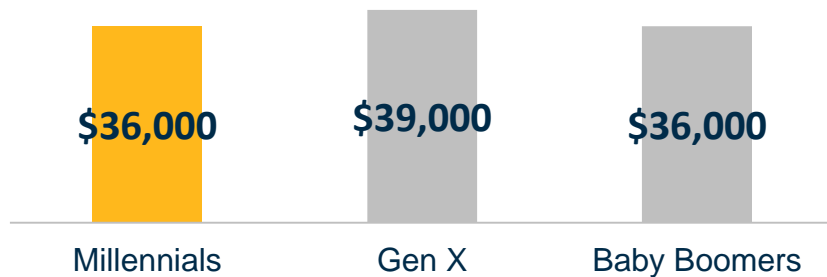
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Q1816. How much do you agree or disagree with each of the following statements?

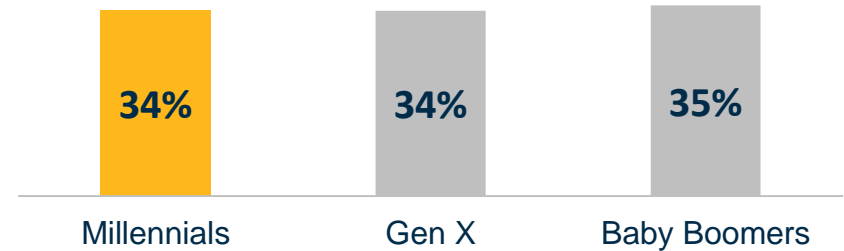
Millennials are struggling with debt just as much as other generations,

On average, Millennials with some debt are carrying \$36,000 in debt and spend about one-third of their monthly income paying it down.

Estimated Debt (Average)*



Percent of Monthly Income That Goes to Paying Off Debt (Average)



BASE: THOSE WITH SOME DEBT - Gen Pop: (n=1541) Young Adult: (n=832)

QDB1. What percentage of your monthly income goes to paying off debt (excluding your primary home mortgage)?

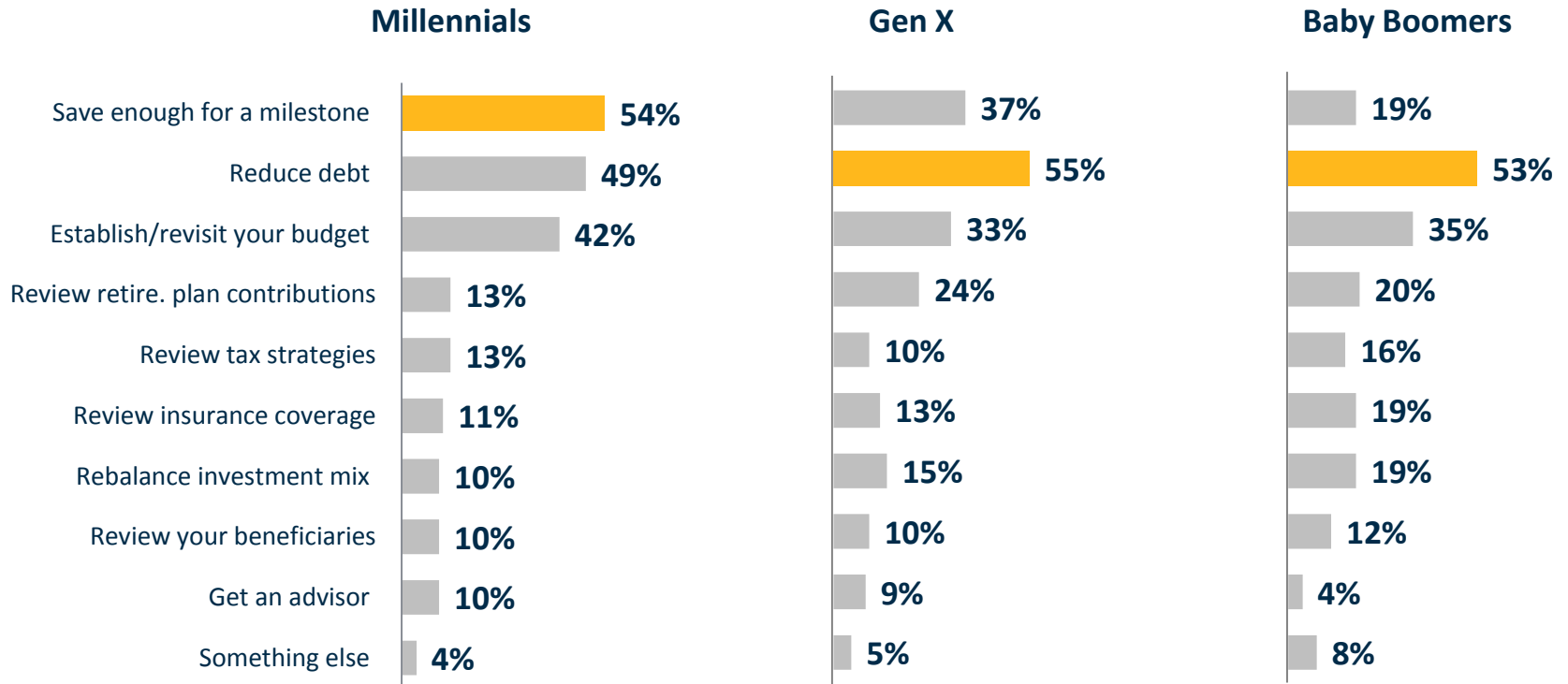
BASE: THOSE WITH SOME DEBT - Gen Pop: (n=962) Young Adult: (n=535)

QDB2. How much do you estimate your debt to be?

*Rounded to the closest \$1,000

Yet have differing financial priorities

For most Millennials, saving for a milestone (like marriage, college, or buying a house) is a top financial priority whereas most Gen X and Baby Boomers are prioritizing paying down debt.

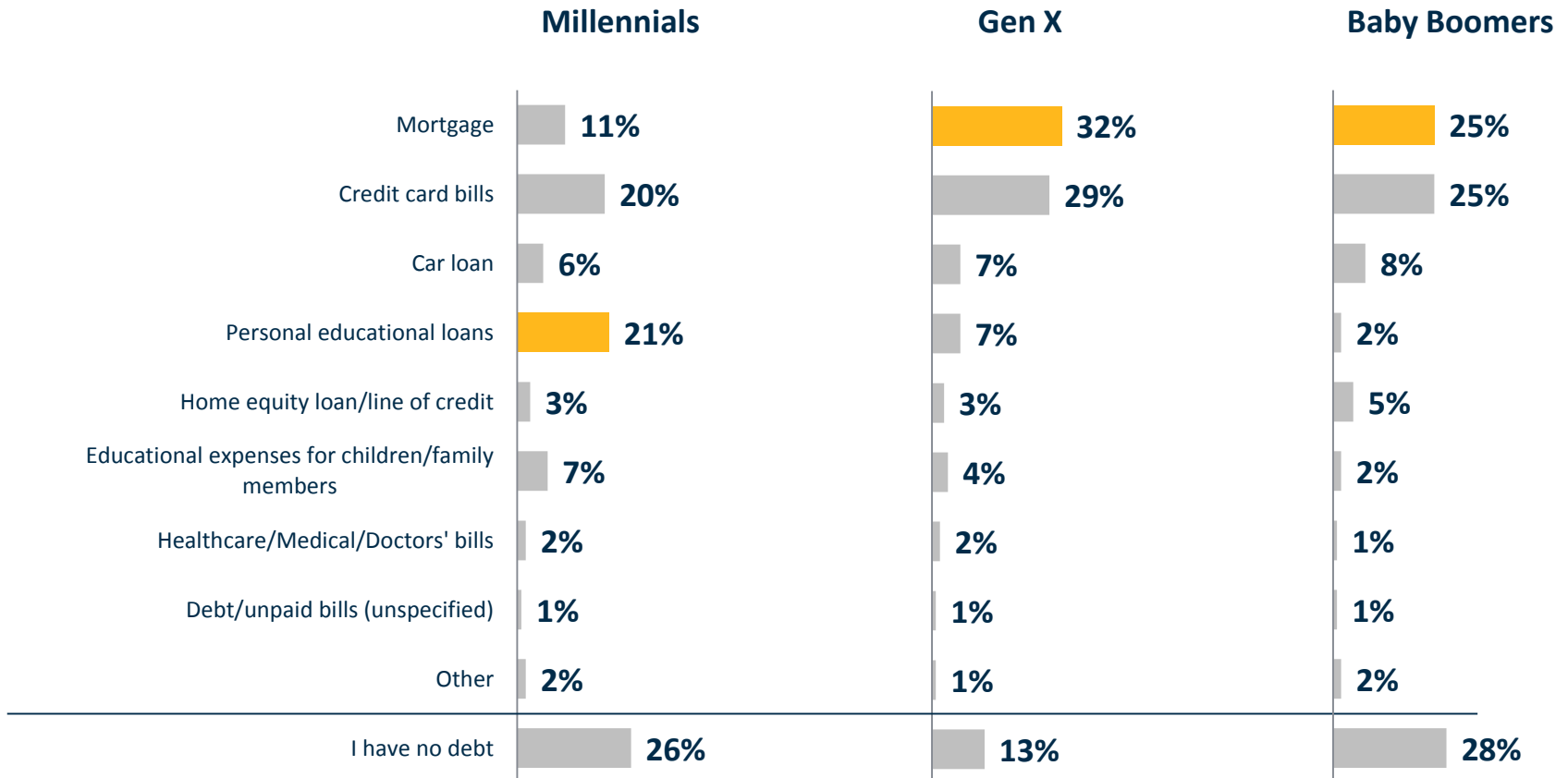


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Q1810. Which of the following are your top financial priorities for 2018?

Top sources of Millennials' debt

Varying slightly from other generations, the greatest source of Millennials' debt comes from educational loans (21%) followed by credit cards (20%).



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QPAW10. What is your main source of debt?

How Millennials spend their money

On average, 41% of Millennials' monthly income goes towards discretionary costs.

Average Percent of Monthly Budget Spent on Expenses

	Millennials	Gen X	Baby Boomers
Discretionary expenses (e.g., entertainment, leisure travel, hobbies, etc.)	41.1	35.0	38.4
Paying off debt (e.g., credit cards, personal or educational loans; excludes primary mortgages)	30.6	37.5	37.1
Healthcare expenses	15.4	15.4	21.7
Childcare	8.0	8.2	1.2
Eldercare (i.e., care for an elderly loved one)	4.9	3.9	1.5

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QNW6. Outside of basic necessities (housing, food, transportation), approximately what percentage of your total monthly income goes to each of the following categories? (Percentages must sum to 100%.)