

# 2021 Planning & Progress Study

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## Financial Recovery

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

# Background

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The 2021 Planning & Progress Study, a research series from Northwestern Mutual, explores U.S. adults' attitudes and behaviors toward money, financial decision-making, and the broader issues impacting people's long-term financial security.

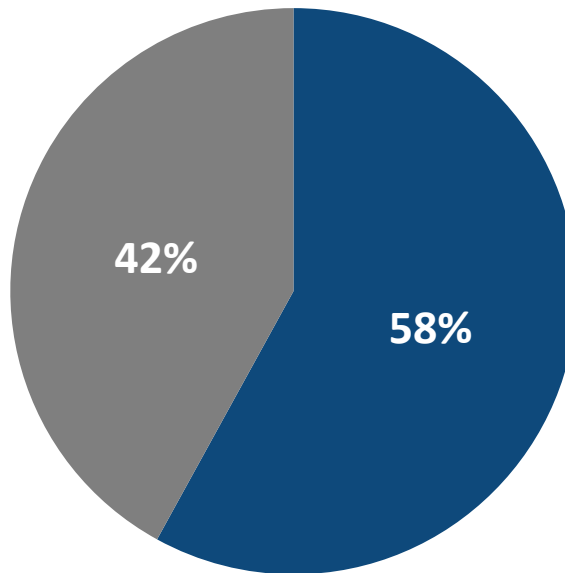
The study was conducted by The Harris Poll on behalf of Northwestern Mutual. This wave included 2,320 American adults aged 18 and older who participated in an online survey between March 16 – 26, 2021. Previous waves included 2,650 American adults aged 18 or older who participated in an online survey between February 12 – 25, 2020 and 2,702 adults aged 18 or older who participated between June 26 – July 10, 2020.

Results were weighted to Census targets for education, age, gender, race/ethnicity, region and household income. Propensity score weighting was also used to adjust for respondents' propensity to be online. No estimates of theoretical sampling error can be calculated; a full methodology is available.

# More than half of Americans say they are in financial recovery mode

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**From a financial perspective, do you feel like you are in recovery mode?**



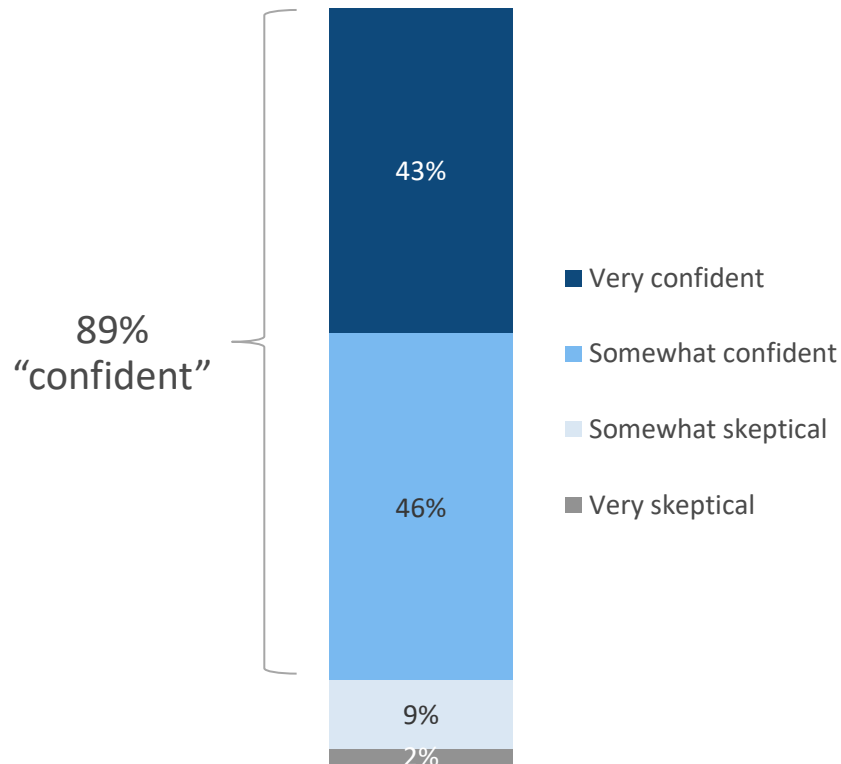
■ Yes ■ No

**BASE: ALL QUALIFIED RESPONDENTS—Gen Pop (n=2320)**

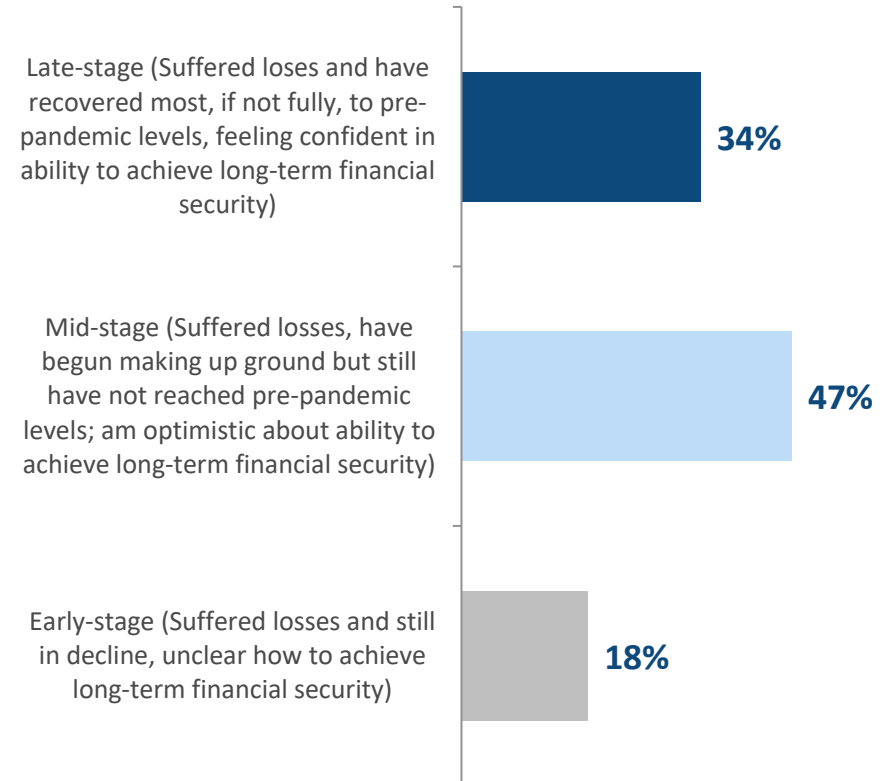
**Q5045** It's been one year since the start of the COVID-19 pandemic. From a financial perspective, do you feel like you're in recovery mode?

# Among those in financial recovery, 9 out of 10 (89%) are confident in a full financial comeback

## Confidence in Full Financial Recovery



## Stage of Financial Recovery



BASE: THOSE WHO SAY THEY'RE IN FINANCIAL RECOVERY—Gen Pop (n=1343)

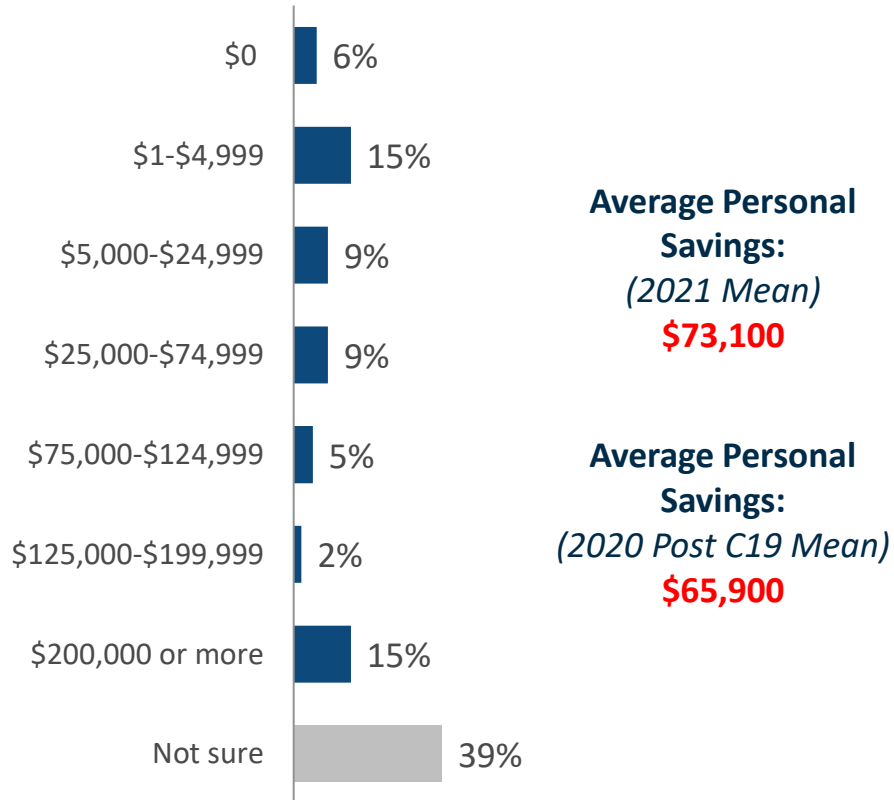
Q5060 How confident are you that you'll ultimately achieve a full financial recovery?

BASE: THOSE WHO SAY THEY'RE IN FINANCIAL RECOVERY—Gen Pop (n=1343)

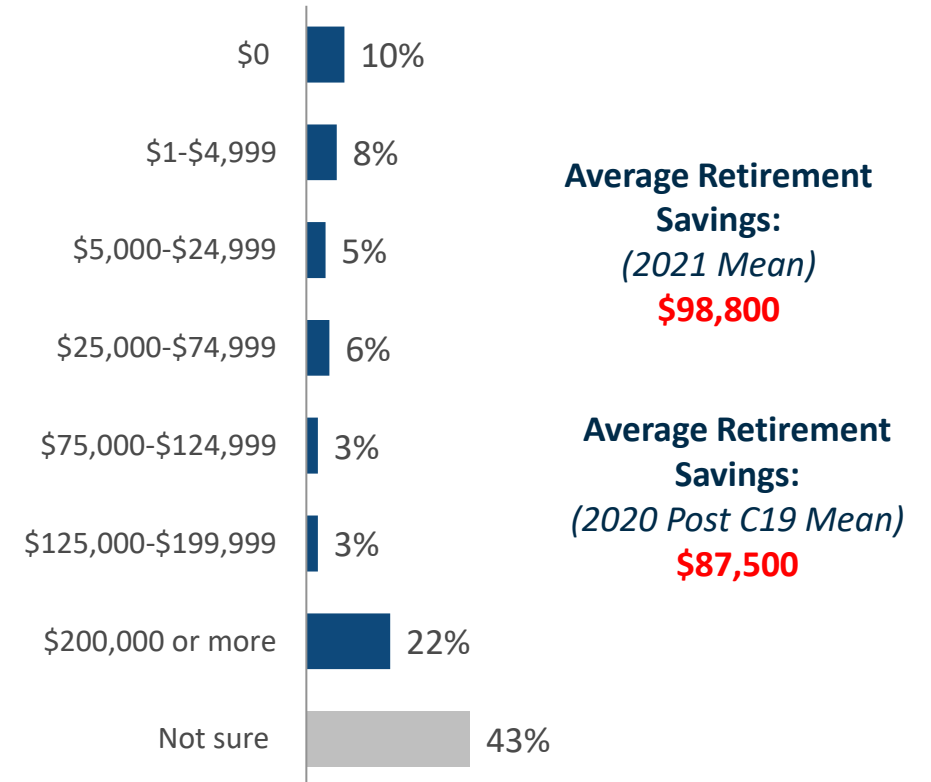
Q5050 What stage of financial recovery do you feel you're in?

# Year-over-year savings are trending in the right direction

## Personal Savings\*



## Saved for Retirement\*



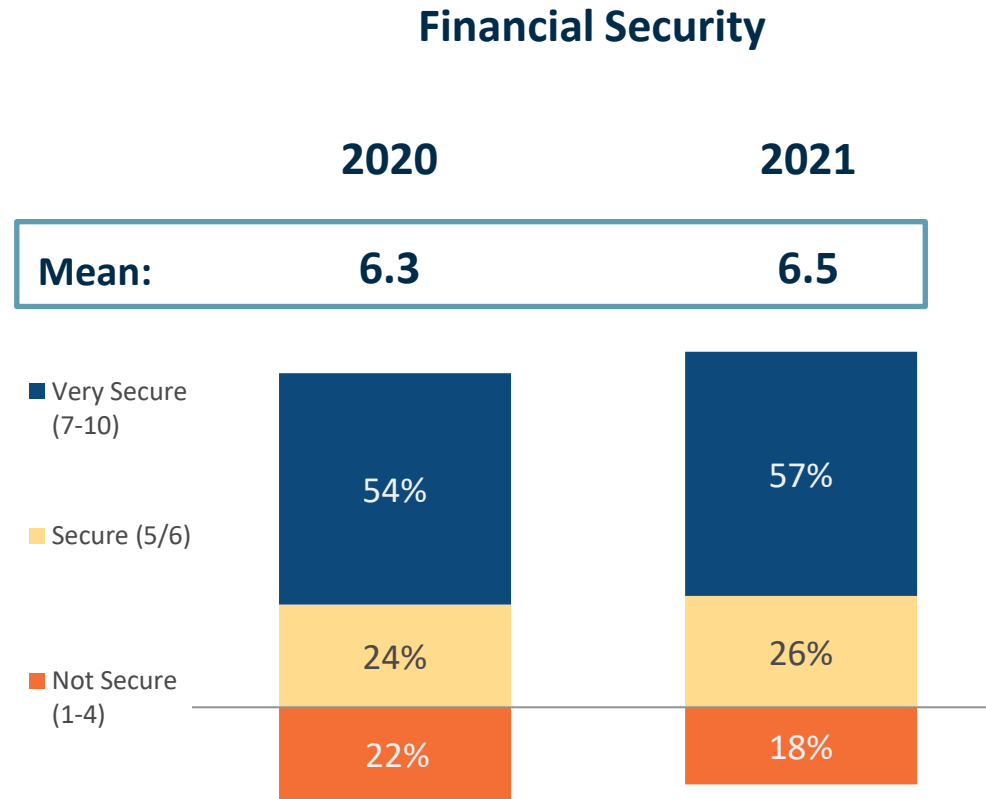
\*Numeric open ended questions

**BASE: ALL QUALIFIED RESPONDENTS – 2021 Gen Pop (n=2320)**

**Q1824.** How much do you have in personal savings (excluding any funds specifically earmarked for retirement 401(k), IRA, etc.)?

**Q1825.** How much money do you have saved for retirement (from all sources including 401(k), IRA, pension, bank accounts, etc.)?

# Financial security is nudging upward

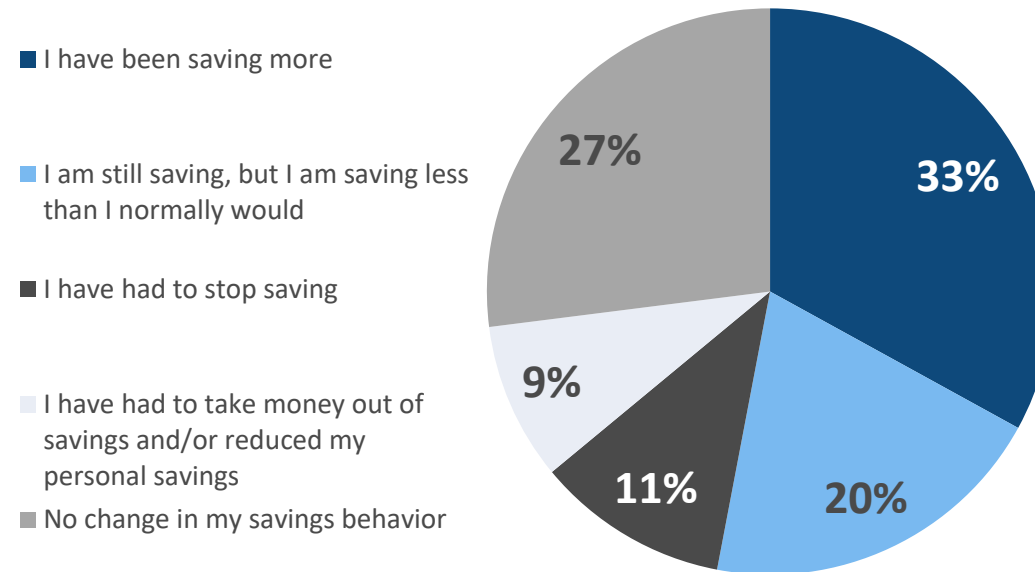


**BASE: ALL QUALIFIED RESPONDENTS – 2021 Gen Pop: (n=2320); 2020 Gen Pop Post-C19 (n=2702)**

**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.”

While a third have been able to save *more*, about the same (31%) are saving *less* or have stopped saving altogether; 1 in 10 (9%) have had to reduce their savings

### Impact on Ability to Save due to Market Volatility and Economic Downturn Prompted by COVID-19



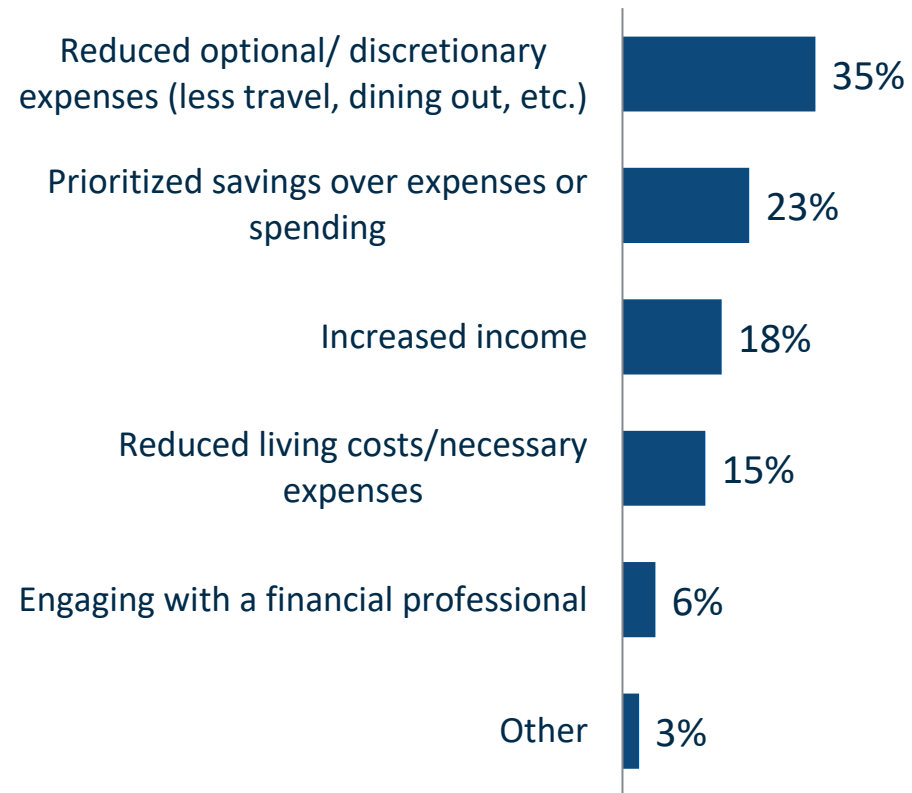
**BASE: ALL QUALIFIED RESPONDENTS—Gen Pop (n=2320)**

Q5025 How has your personal savings and/or your ability to save been impacted by the economic downturn prompted by the COVID-19 pandemic?

# Among those who have saved more, most attribute it to reduced discretionary spending

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## Factor with Biggest Impact on Ability to Save More



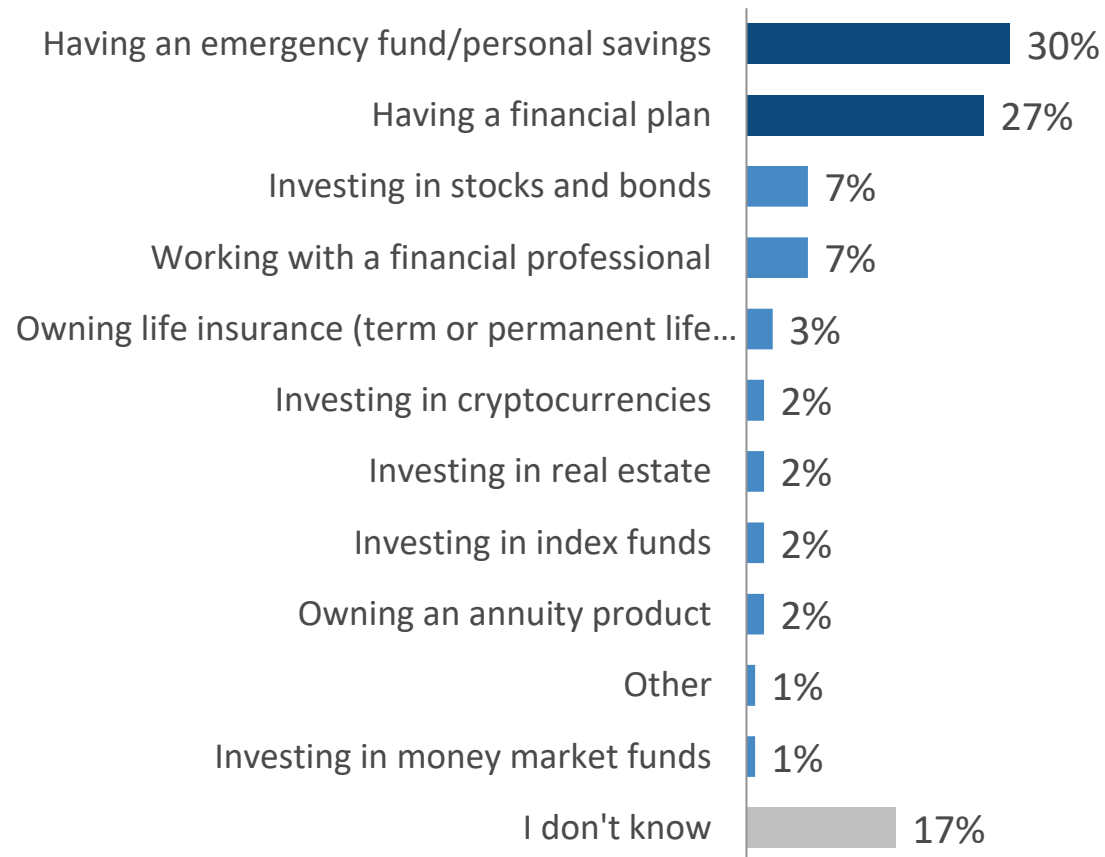
**BASE: FOR THOSE THAT ARE SAVING MORE (n=743)**

Q5030. Which of the following has had the biggest impact on your ability to save more? Please select one



# Having an emergency fund/personal savings and/or a financial plan were viewed as the best defenses against economic uncertainty

## Best Financial Defense Against Economic Uncertainty

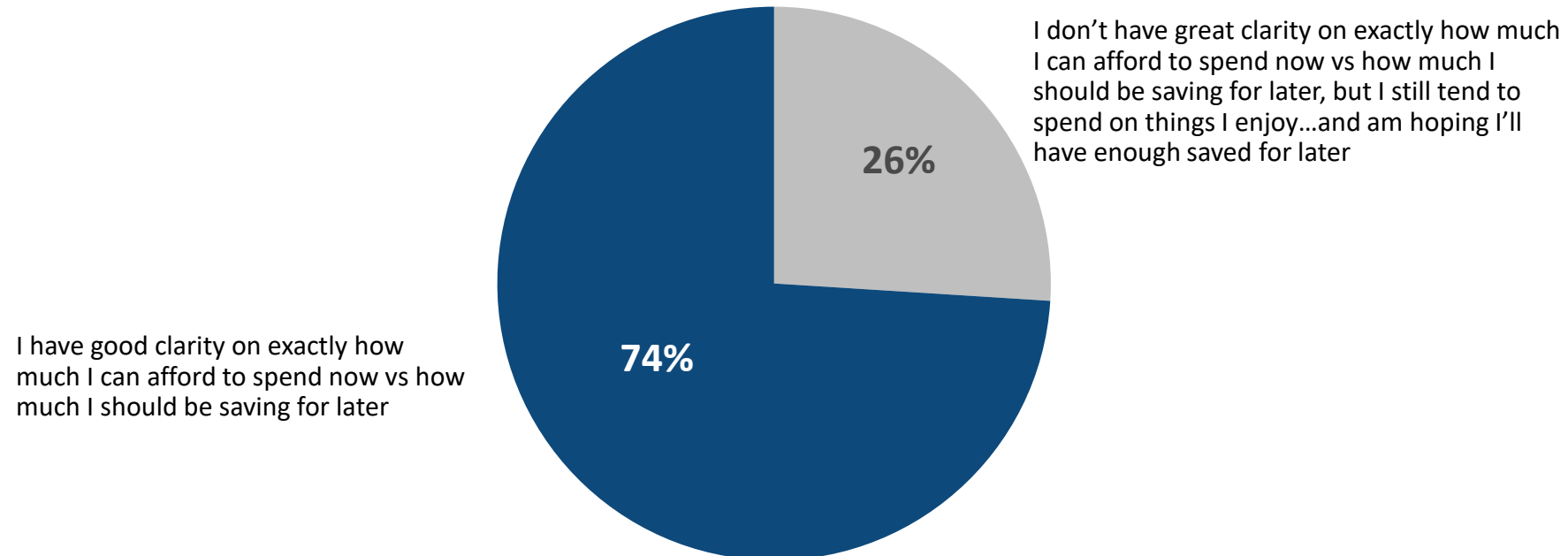


**BASE: ALL QUALIFIED RESPONDENTS—Gen Pop (n=2320)**

**Q5065** Going forward, which one of the following do you view as the best financial defense against future economic uncertainty and/or market volatility?

# Three-quarters say they have good clarity on how much they can afford to spend now versus how much they should be saving for later

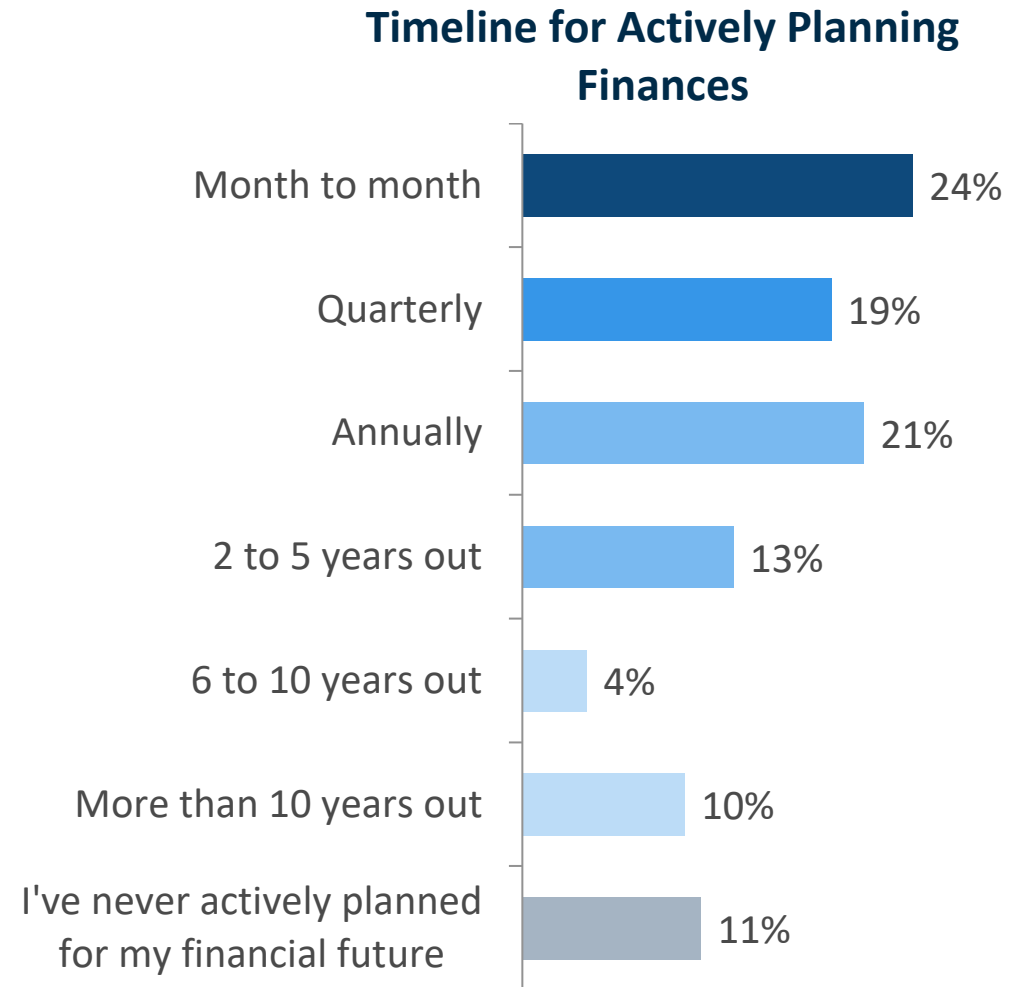
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**BASE: ALL QUALIFIED RESPONDENTS – 2021 Gen Pop (n=2320)**

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

# Among the 58% in financial recovery mode, only 14% are planning more than five years out, and most are planning month-to-month



BASE: THOSE WHO SAY THEY'RE IN FINANCIAL RECOVERY—Gen Pop (n=1343)

Q5055 How far in advance are you currently thinking or actively planning your finances? Please pick the longest option available that applies to you.