

2021 Planning & Progress Study

Debt

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

Background

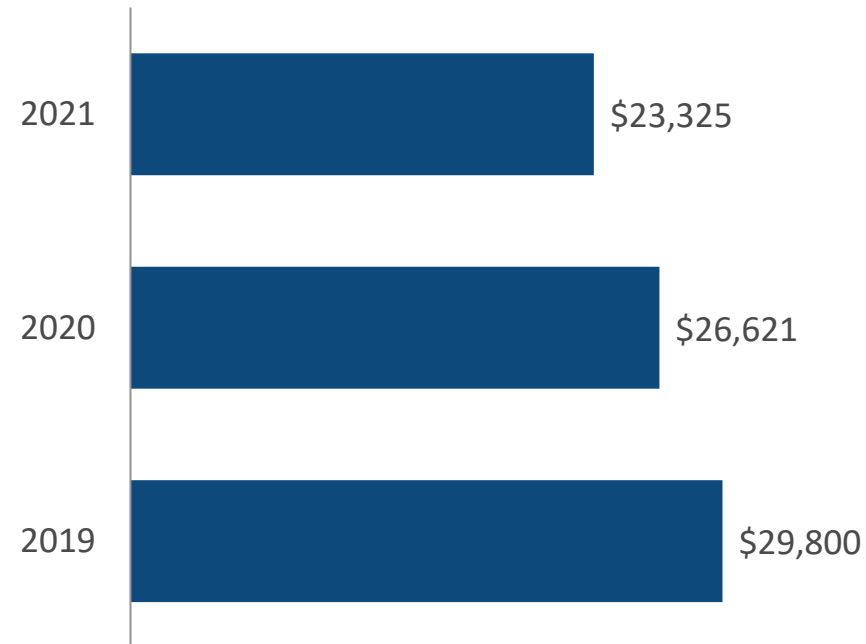
The 2021 Planning & Progress Study, a research series from Northwestern Mutual, explores U.S. adults' attitudes and behaviors toward money, financial decision-making, and the broader issues impacting people's long-term financial security.

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.

American adults carrying debt hold an average of \$23K

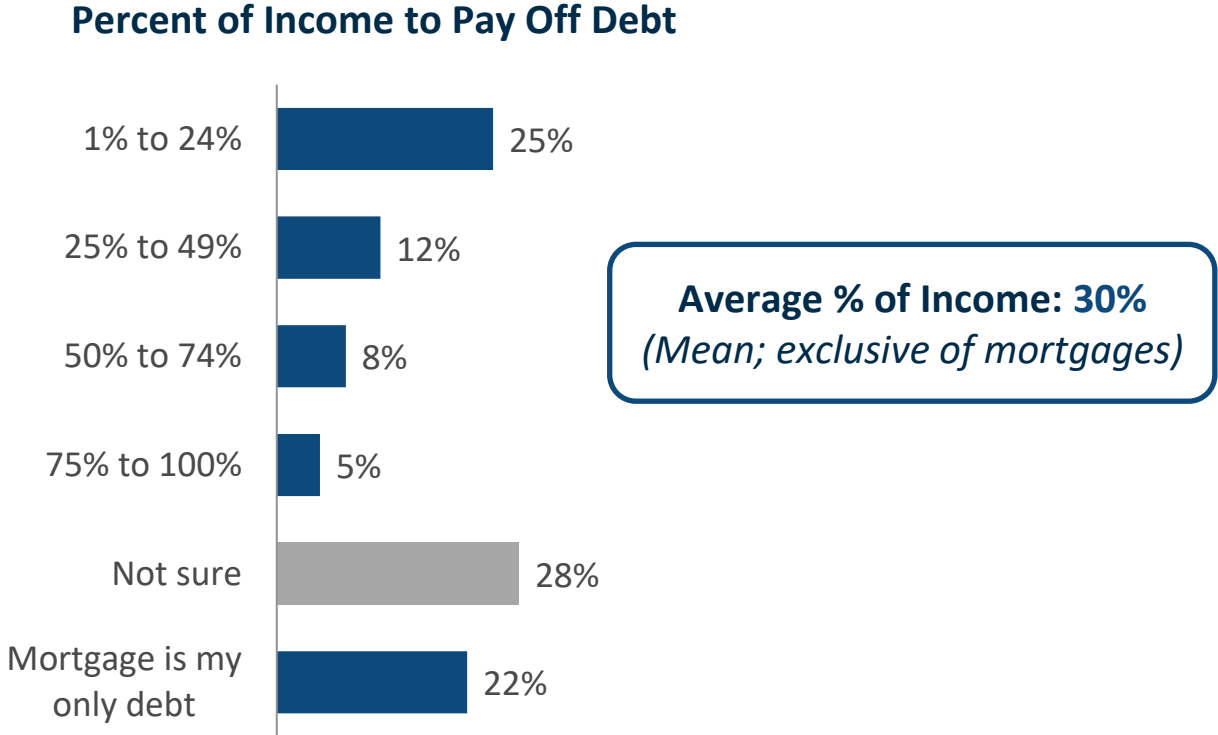
Average Debt (exclusive of mortgages)



BASE: THOSE WITH SOME DEBT – 2021 Gen Pop (n=1543)

QDB2. How much do you estimate your debt to be, exclusive of mortgages?

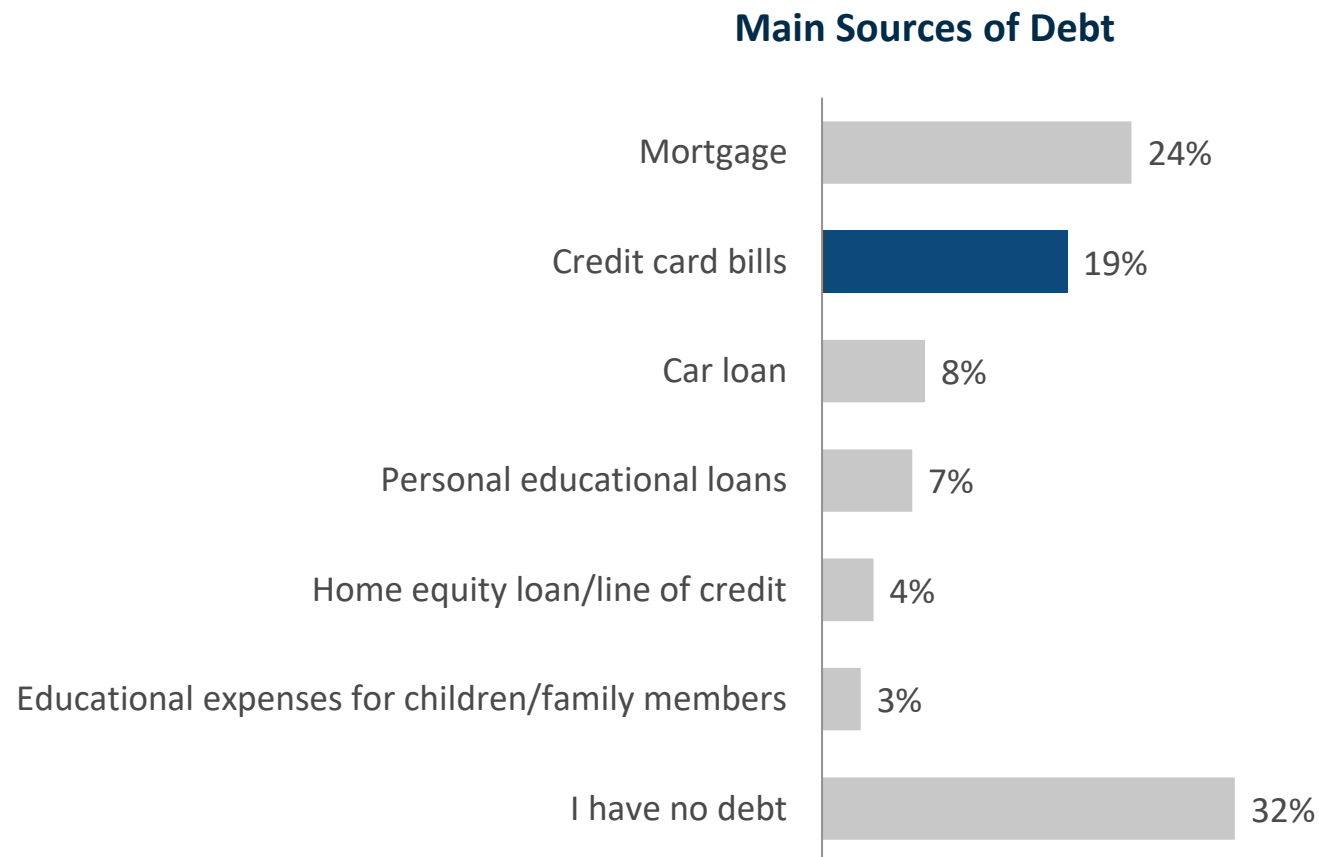
30% of Americans' monthly income on average goes towards paying off debt



BASE: THOSE WITH SOME DEBT – 2021 Gen Pop (n=1543)

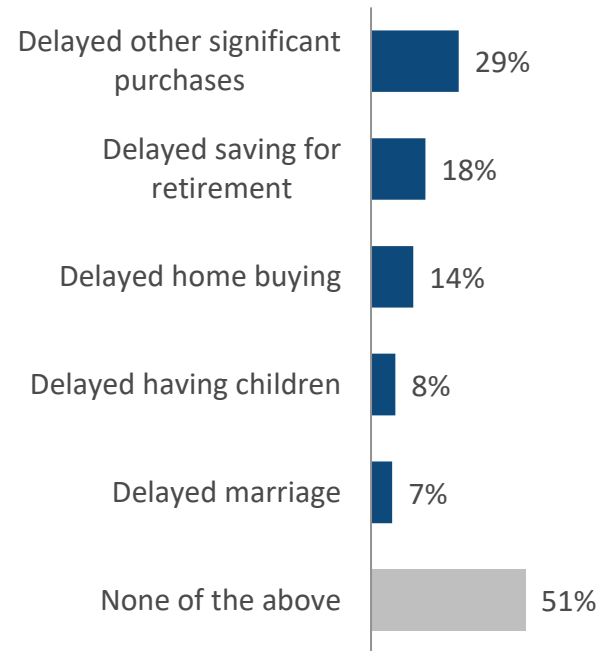
QDB1. What percentage of your monthly income goes to paying off debt (excluding your primary home mortgage)?

Credit cards are the top source of debt after mortgages, accounting for more than double any other source



Many Americans have delayed financial milestones because of their debt

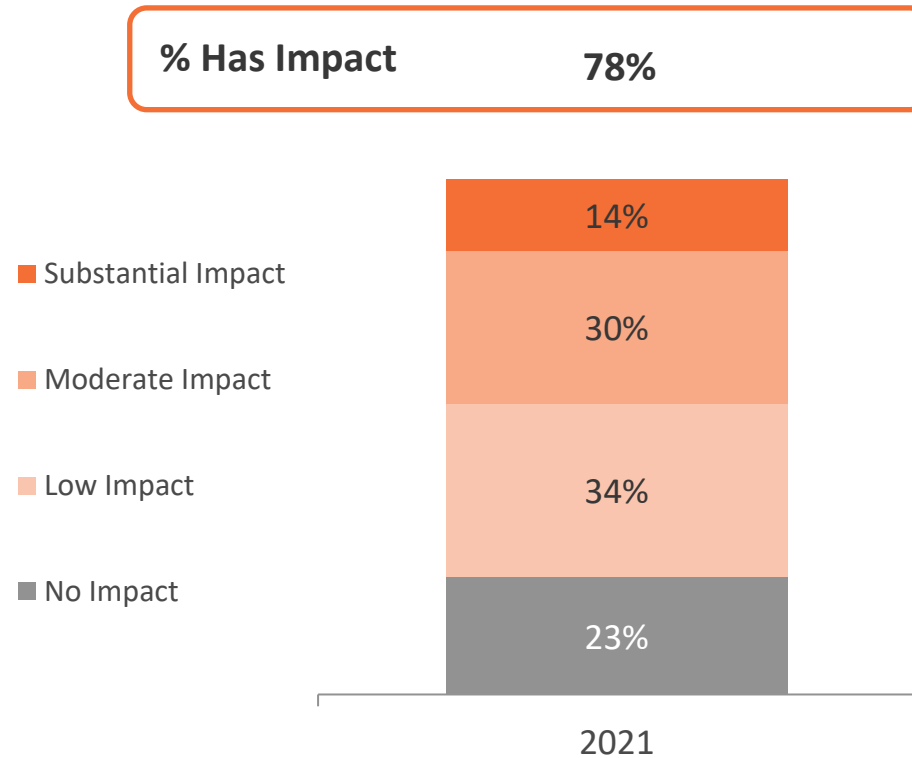
Decisions Delayed as a Result of Debt



BASE: THOSE WITH SOME DEBT – 2021 Gen Pop: (n=1543)

N43. Which of the following have you done as a result of your level of debt? Please select all that apply.

78% say debt has impacted their ability to achieve financial security

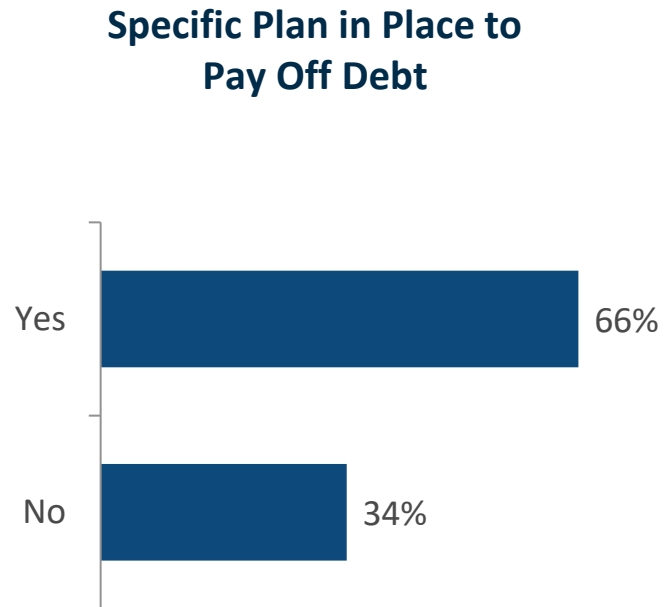


BASE: ALL QUALIFIED RESPONDENTS – 2021 Gen Pop: (n=2320); 2020 Gen Pop: (n=2650); 2019 Gen Pop: (n=2003); 2018 Gen Pop: (n=2003)

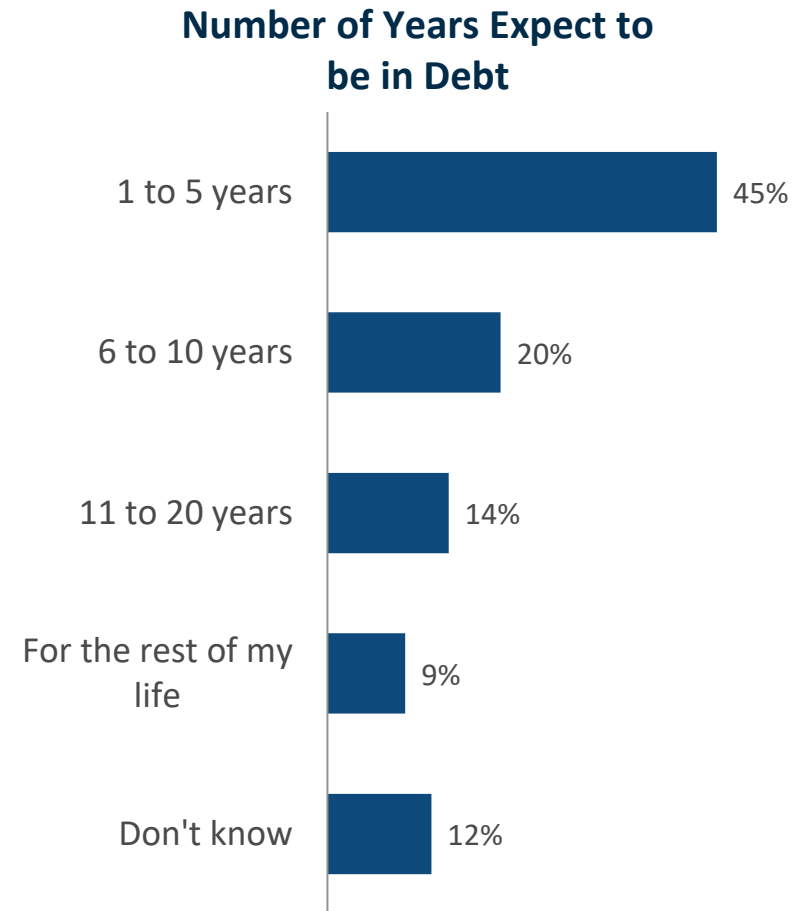
QDB5. How much impact is debt having on your ability to achieve long-term financial security?

There are indications that people are proactively managing and reducing their debt

Two-thirds have a plan in place to pay off their debt.

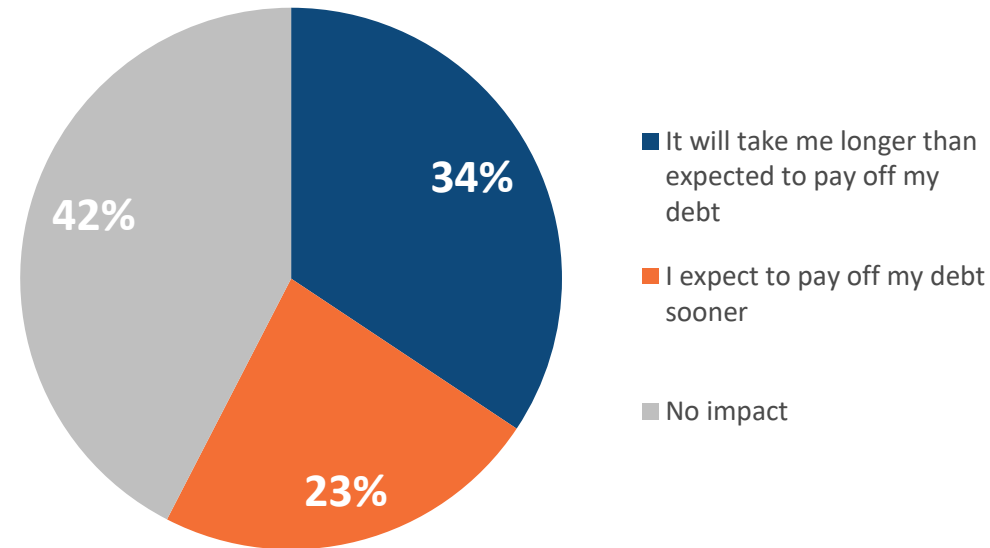


Most expect to remain in debt for 1-5 years.



About 1 in 3 (34%) say it will take them longer than expected to pay off their debt, given the pandemic

... While 23% expect to be able to pay if off sooner



BASE: THOSE WITH SOME DEBT – Gen Pop: (n=1543)

Q6015. Has the economic impact of the COVID-19 pandemic changed how long you expect to be in debt?