

2022 Planning & Progress Study

Financial Adaptation

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

Background

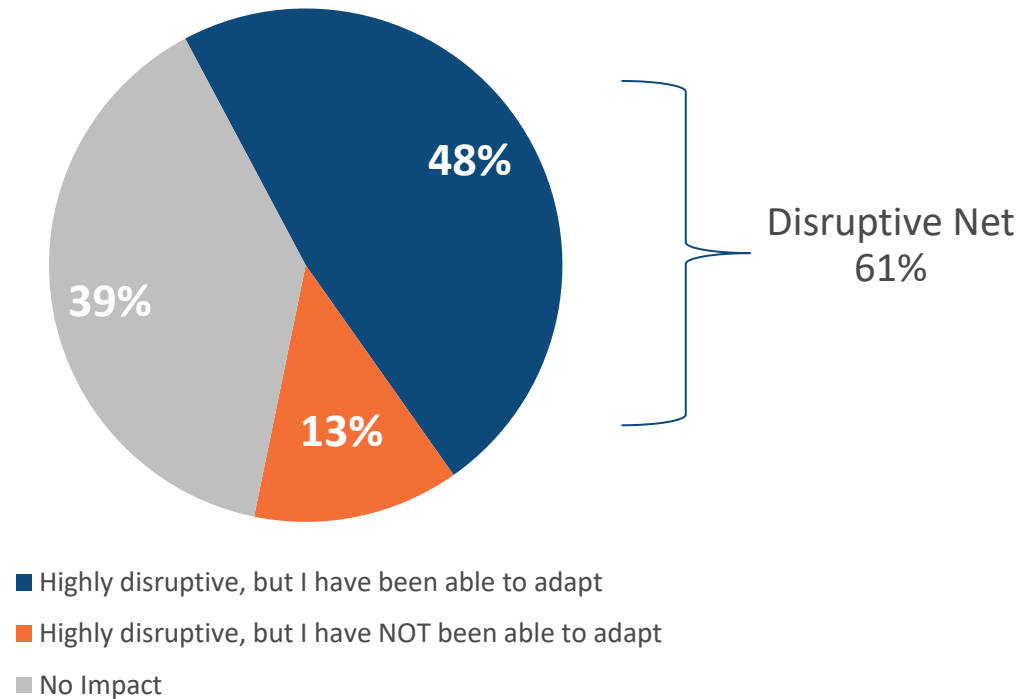
The 2022 Planning & Progress Study, a research series from Northwestern Mutual, explores US adults' attitudes and behaviors toward money, financial decision-making, and the broader issues impacting people's long-term financial security.

The study was conducted by The Harris Poll on behalf of Northwestern Mutual and included 2,381 American adults aged 18 and older, with oversamples of Gen Z, who participated in an online survey between February 8-17, 2022. Last year's study included 2,320 American adults aged 18 or older who participated in an online survey between March 16 – 26, 2021.

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 60% of US adults say the pandemic has been highly disruptive to their finances, but only 13% say they have been unable to adapt

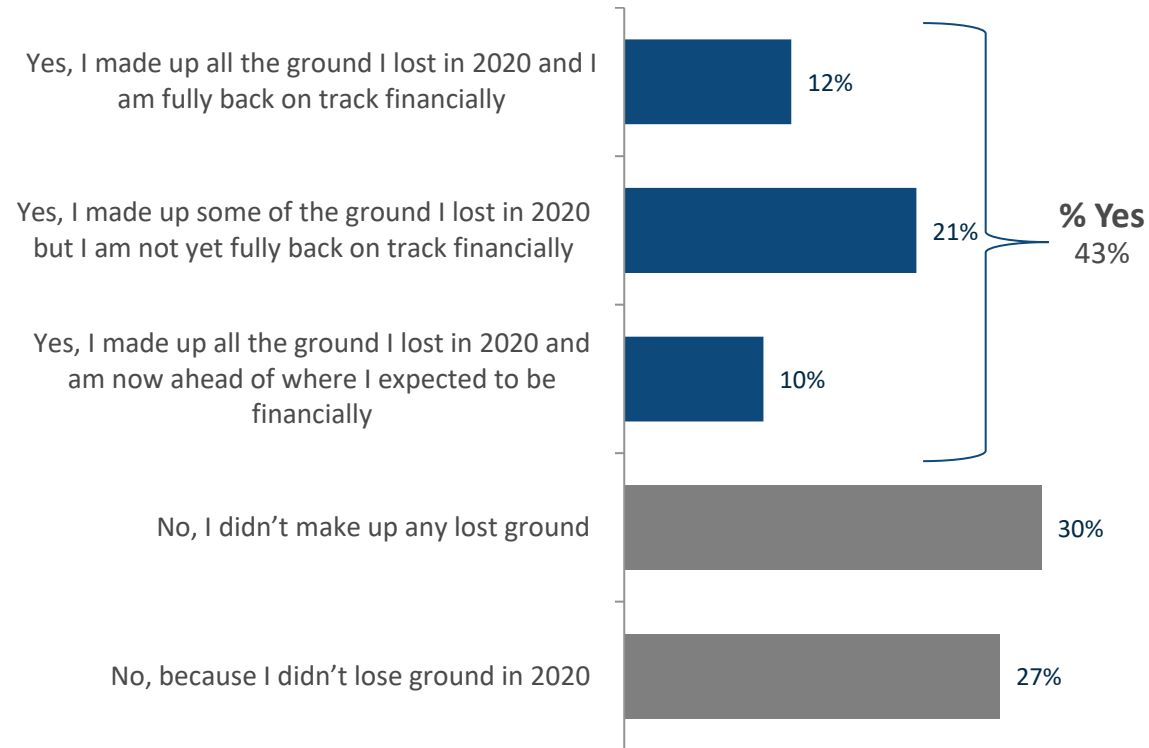
Impact of the pandemic on the way you manage your finances



BASE: ALL QUALIFIED RESPONDENTS – Gen Pop (n=2381)

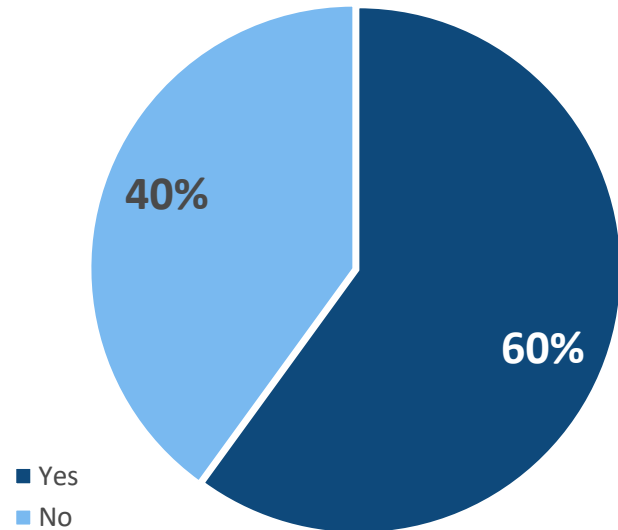
Q1 How is the pandemic impacting the way you manage your finances? Please select the one that comes closest to resembling how you feel.

More than four in ten (43%) US adults say they made up for at least some lost ground incurred financially during the first year of the pandemic

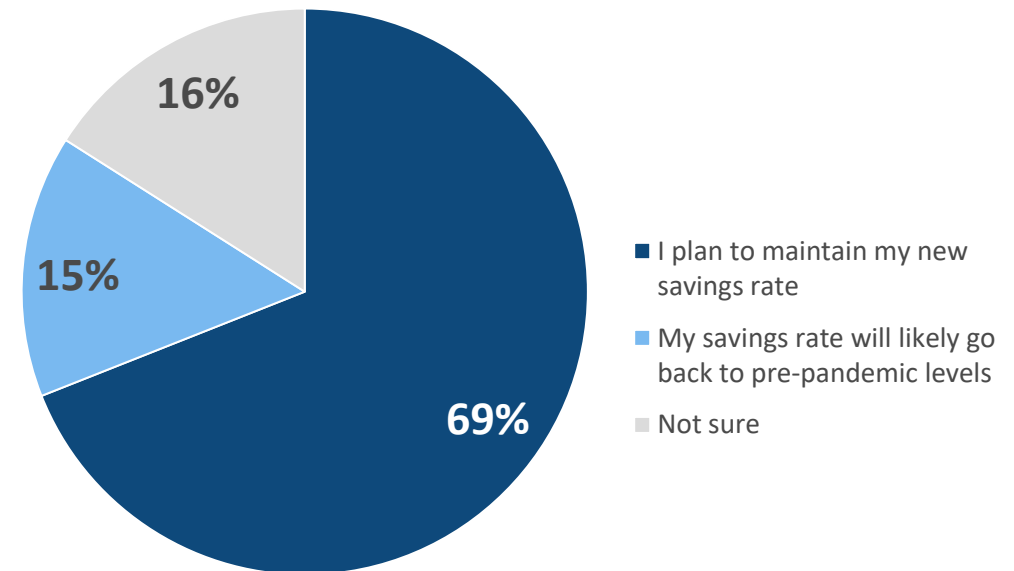


A solid majority (60%) say they have been able to build up their personal savings over the last two years, and 69% of those say they plan to maintain their new savings rate going forward

Have you been able to build your savings during the pandemic?



Do you plan to expect to continue saving at the same rate over the long term or recede to pre-pandemic levels?



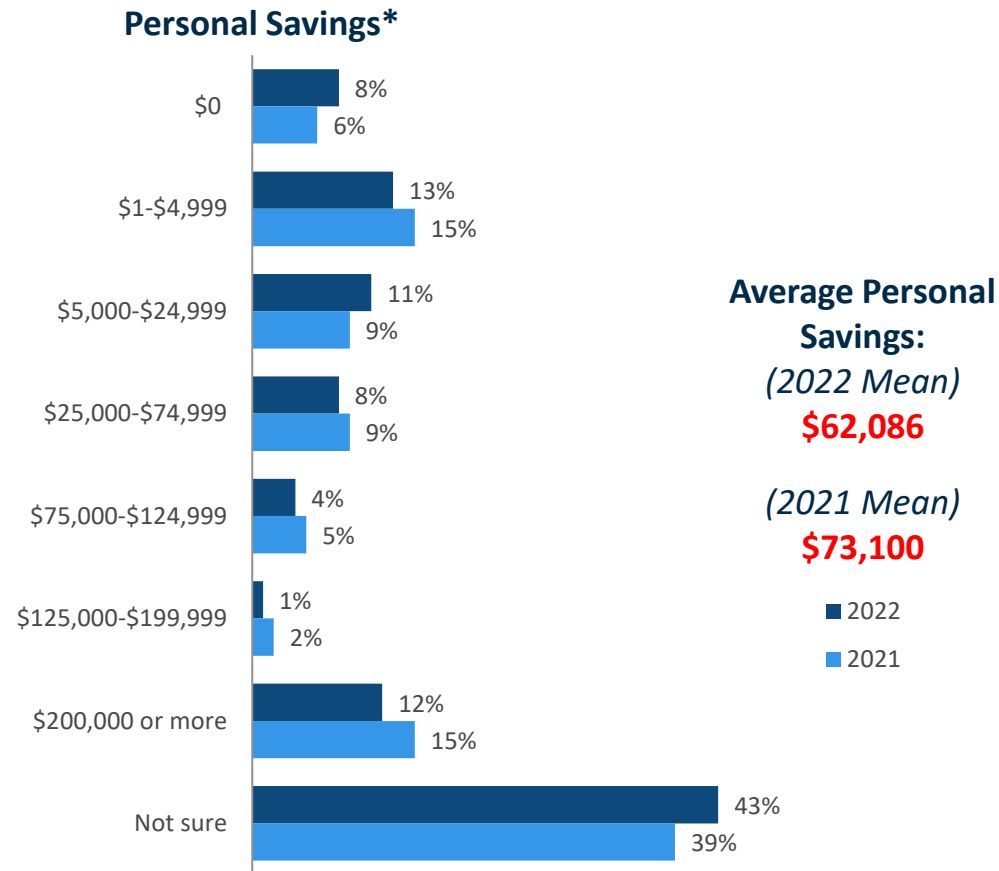
BASE: ALL QUALIFIED RESPONDENTS—Gen Pop (n=2381)

Q3 Have you been able to build your savings during the pandemic?

THOSE WHO HAVE BUILT SAVINGS DURING THE PANDEMIC (n=1367)

Q4 Do you expect to continue saving at the same rate over the long term or recede to pre-pandemic levels?

While personal savings numbers remain high, they have dropped 15% from 2021



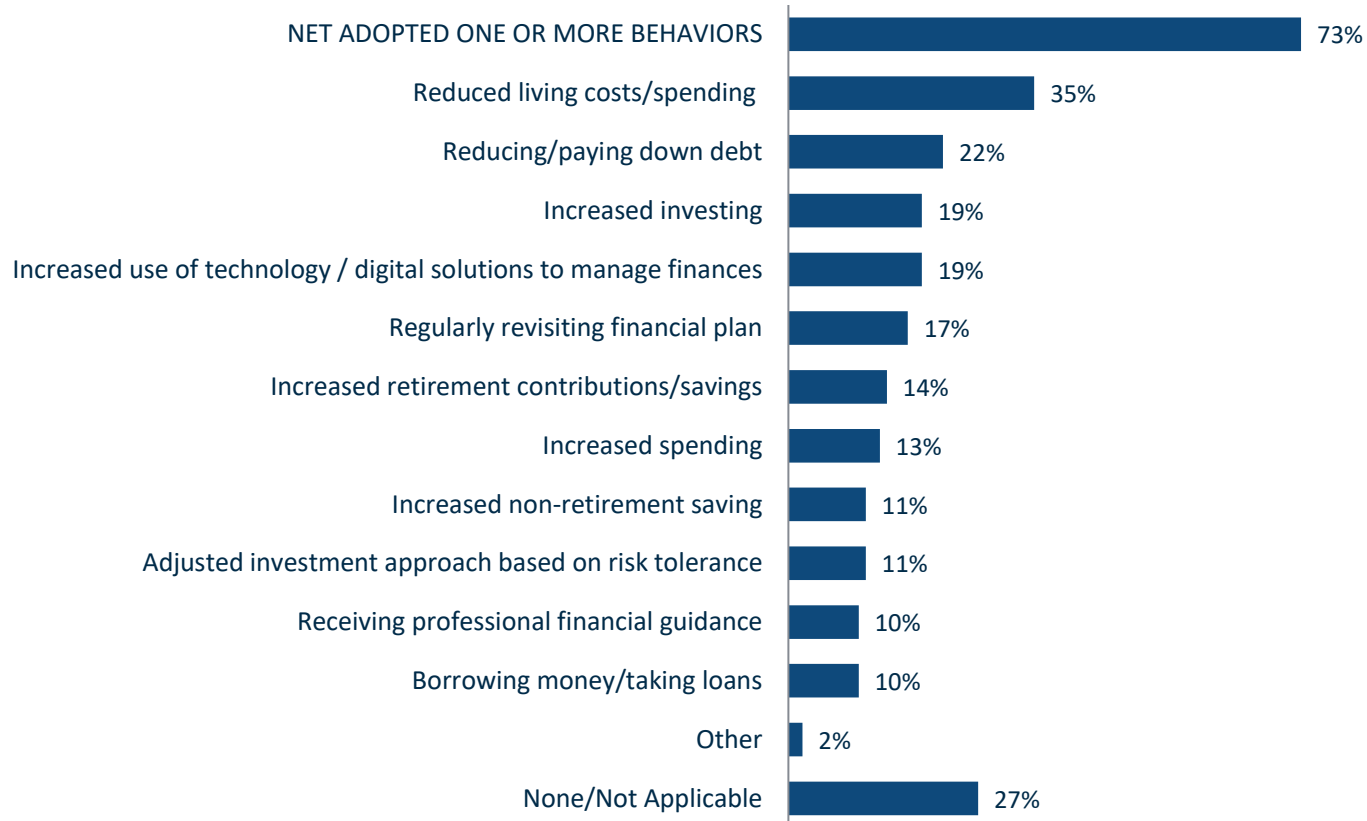
*Numeric open ended questions

BASE: ALL QUALIFIED RESPONDENTS – 2021 Gen Pop (n=2381)

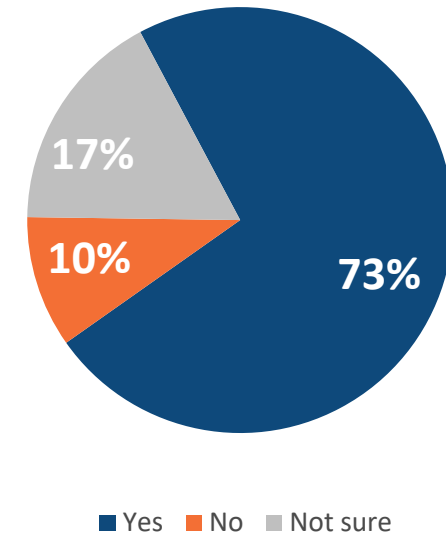
Q1824. How much do you have in personal savings (excluding any funds specifically earmarked for retirement 401(k), IRA, etc.)?

Three quarters (73%) of US adults say they've adopted better financial habits as a result of the pandemic

Which financial behaviors have you adopted during the pandemic that you anticipate retaining in the long-term?



Will you maintain the financial behaviors you adopted?



BASE: ALL QUALIFIED RESPONDENTS –Gen Pop (n=2381)

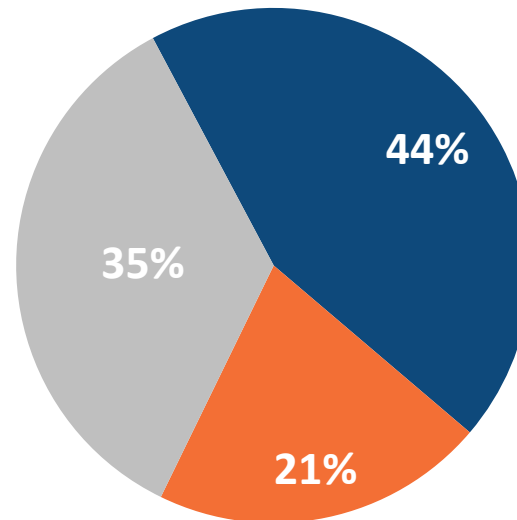
Q5015 Which of the following financial behaviors that you have adopted as a result of the pandemic do you anticipate retaining over the long term? Please select all that apply.

BASE: ADOPTED AT LEAST ONE SPECIFIC BEHAVIOR (1689)

Q5016A Do you anticipate that you will maintain the financial behaviors that you adopted as a result of the pandemic?

Overall, a significant number of people report taking a more comprehensive and holistic approach to their finances with 44% adjusting to account for bigger picture emergencies and risks

Impact of pandemic on the way you manage your finances

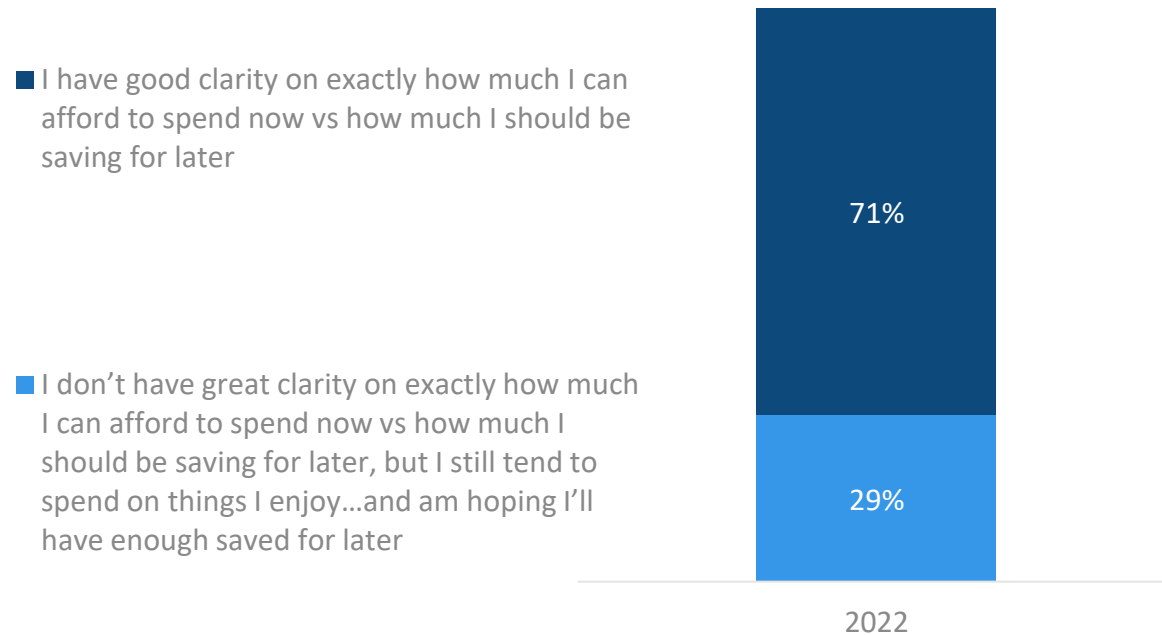


- Adapted for bigger picture emergencies & risks
- No change, I remain a bigger picture planner
- No change, no impact on my financial planning

BASE: ALL QUALIFIED RESPONDENTS – Gen Pop (n=2381)

Q2 Would you say your financial planning has become more comprehensive since the pandemic began? Please select the one that comes closest to resembling how you feel.

Those who get professional help from a financial advisor report higher levels of comfort in how they manage saving and spending

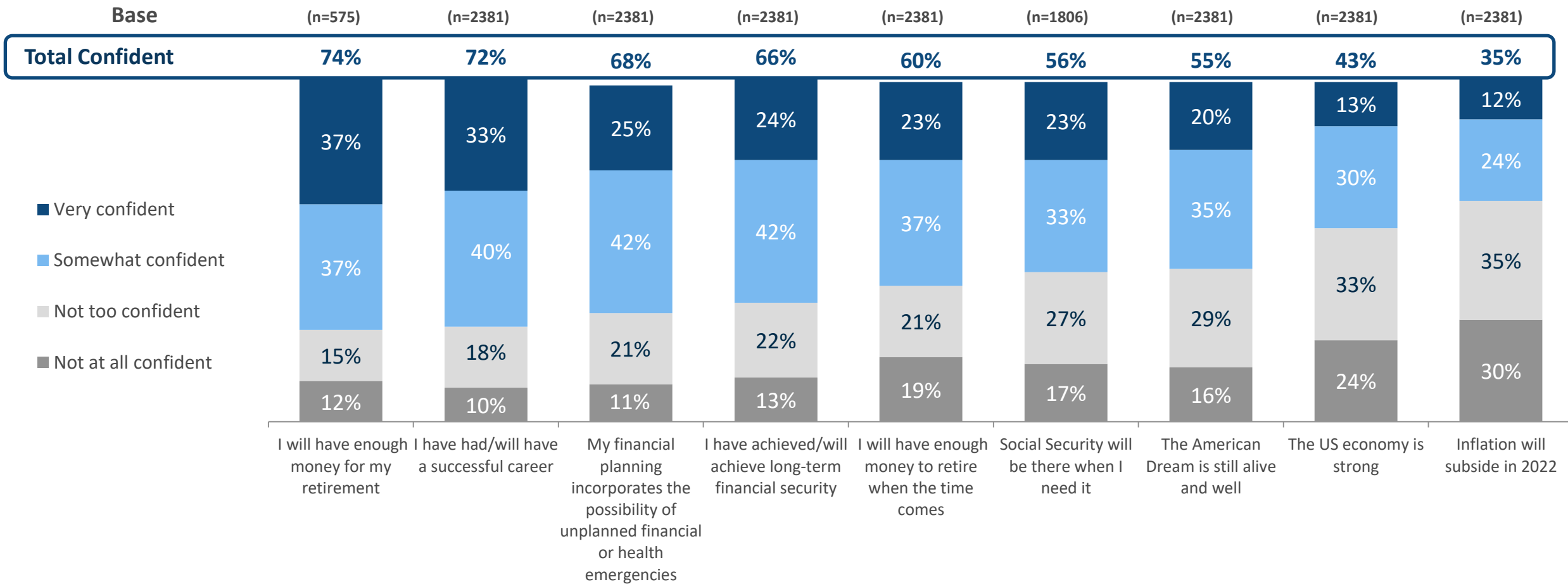


	Base	% Have Good Clarity	% Don't Have Great Clarity
Financial Advisor	N=767	82%	18%
No Financial Advisor	N=1614	65%	35%

BASE: ALL QUALIFIED RESPONDENTS – 2022 Gen Pop (n=2381); 2021 Gen Pop (n=2320)

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

People have greater confidence in themselves than they do in the US economy and the American Dream



BASE: ALL QUALIFIED RESPONDENTS

Q6 How confident are you about the following?

When asked about their greatest obstacles to reaching financial security in retirement, people say inflation and the economy are #1 and #2.

