2022 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 2022 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 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.
Among U.S. adults who carry debt, they held an average of $22,354 excluding mortgages in February when the research was conducted. The long-term trend line showed a 25% drop over three years.

**Current Debt (exclusive of Mortgages)**

- $1 to $5,000: 47% (2022), 46% (2021)
- $5,001 to $25,000: 26% (2022), 28% (2021)
- $25,001 to $50,000: 13% (2022), 10% (2021)
- $50,001 to $100,000: 7% (2022), 7% (2021)
- More than $100,000: 7% (2022), 9% (2021)
- Not sure: 0% (2022), 0% (2021)

**Average amount of personal debt (exclusive of mortgages)**

- 2019: $29,803
- 2020: $26,621
- 2021: $23,325
- 2022: $22,354

*Mean rounded to nearest whole number*

**BASE: THOSE WITH SOME DEBT – 2022 Gen Pop (n=1581); 2021 Gen Pop (n=1543); 2020 Gen Pop: (n=1948)**

QDB2. How much do you estimate your debt to be, exclusive of mortgages?
The research found that nearly one-third (32%) of Americans’ monthly income on average goes toward paying down debt other than mortgages.

<table>
<thead>
<tr>
<th>Percent of Income to Pay Off Debt</th>
<th>Average % of Income: (Mean)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1% to 24%</td>
<td>2022: 32%</td>
</tr>
<tr>
<td>25% to 49%</td>
<td>2021: 30%</td>
</tr>
<tr>
<td>50% to 74%</td>
<td>2020 (Pre-COVID-19): 33%</td>
</tr>
<tr>
<td>75% to 100%</td>
<td>2019: 34%</td>
</tr>
<tr>
<td>Not sure</td>
<td></td>
</tr>
<tr>
<td>Mortgage is my only debt</td>
<td></td>
</tr>
</tbody>
</table>

**BASE: THOSE WITH SOME DEBT – 2022 Gen Pop (n=1581); 2021 Gen Pop (n=1543); 2020 Gen Pop: (n=1948); 2019 Gen Pop: (n=1504); 2018 Gen Pop: (n=1541)**

Q081. What percentage of your monthly income goes to paying off debt (excluding your primary home mortgage)?
Excluding mortgages, the #1 source of personal debt by far is credit cards.
More than half (54%) of people say debt is having a substantial or moderate impact on their ability to reach financial security, and many Americans expect to stay in debt for a long time.

### Impact of Debt on Financial Security

- **% Has Substantial, Moderate Impact**: 54%
  - Substantial Impact: 18%
  - Moderate Impact: 36%
  - Low Impact: 25%
  - No Impact: 22%

### Expected Years in Non-Mortgage Debt

- 1 to 5 years: 43%
- 6 to 10 years: 20%
- 11 to 20 years: 12%
- For the rest of my life: 12%
- Don't know: 13%

**BASE: THOSE WITH SOME DEBT – 2022 Gen Pop (n=1581); 2021 Gen Pop (n=1543); 2020 Gen Pop: (n=1948); 2019 Gen Pop: (n=1504)**

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

QDB4. How many more years do you expect to be in debt?
Debt has caused people to hit pause on many of life’s most meaningful milestones, including getting married, buying a house, having children and saving for retirement.

Decisions delayed as a result of your debt

- Delayed other significant purchases: 31%
- Delayed saving for retirement: 20%
- Delayed home buying: 18%
- Delayed having children: 8%
- Delayed marriage: 8%
- None of the above: 45%
Between saving money and paying down debt, 57% of people prioritize paying down debt versus 43% who put saving first.