



2023 Planning & Progress Study

The Financial States of America

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

The Northwestern Mutual Life Insurance Company – Milwaukee, WI

Background & Methodology

Background

The 2023 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.

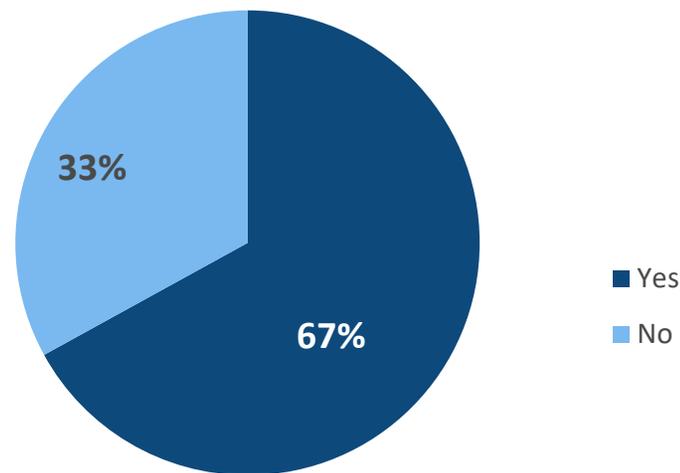
Methodology

The Harris Poll conducted 2,740 online interviews among the general U.S. adult (18+) population, with oversamples of Gen Z & High Net Worth (total household investable assets, excluding pensions, retirement plans and property, greater than \$1,000,000) between February 17th and March 2nd.

Data for the general U.S. population (including the Gen Z & High Net Worth oversample) were weighted to Census targets for education, age, gender, race/ethnicity, region and household income. A full methodology is available.

Two-thirds (67%) of U.S. adults expect the economy will enter into recession in 2023.

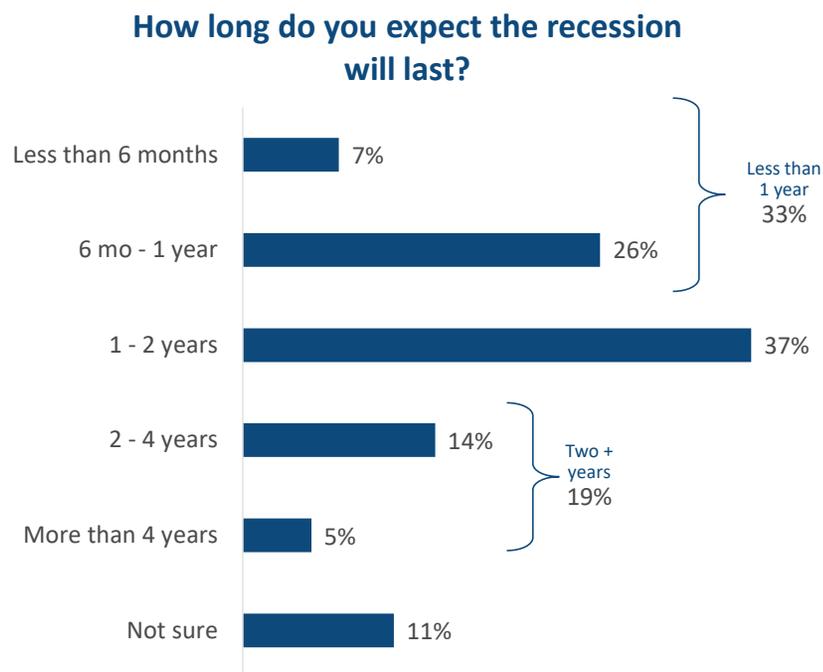
Do you believe the US economy will officially enter into a recession in 2023?



BASE: ALL QUALIFIED RESPONDENTS (n=2740)

Q2300 To begin, do you believe the US economy will officially enter into a recession in 2023?

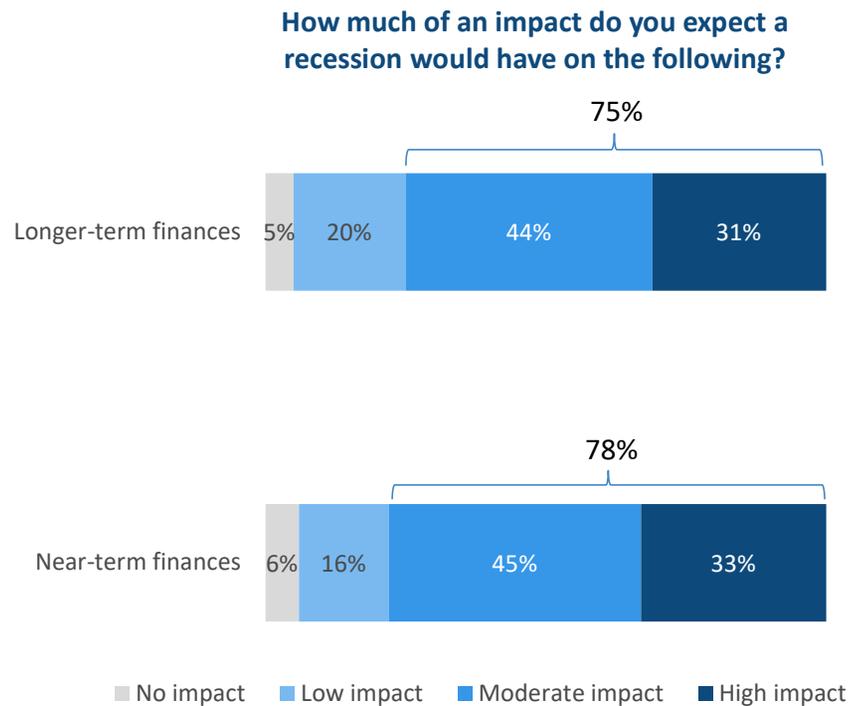
For those who see a recession looming, one-third (33%) say it will be short-lived, lasting a year or less. Nearly four in ten (37%) say it will last one to two years, and one-fifth (19%) say it will last more than two years.



BASE: ALL QUALIFIED RESPONDENTS WHO EXPECT A RECESSION (n=1843)

Q2301 If the US economy officially enters into a recession in 2023, how long do you expect the recession to last?

Among those expecting a recession, three out of four expect it to have a high or moderate impact on both their near-term (78%) and longer-term (75%) finances.

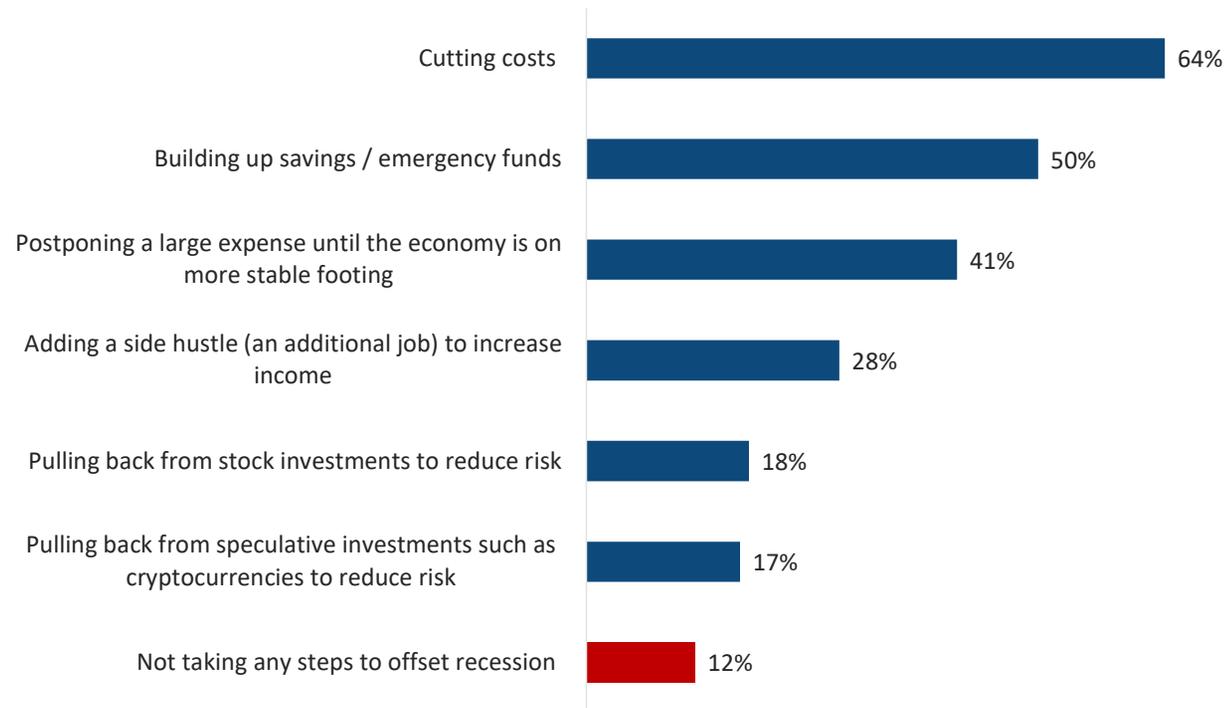


BASE: ALL QUALIFIED RESPONDENTS WHO EXPECT A RECESSION (n=1843)

Q2302 How much of an impact do you expect a recession would have on the following?

Cutting costs tops list of measures being taken to address economic uncertainty.

What steps are you taking to help offset the effects of a potential recession?

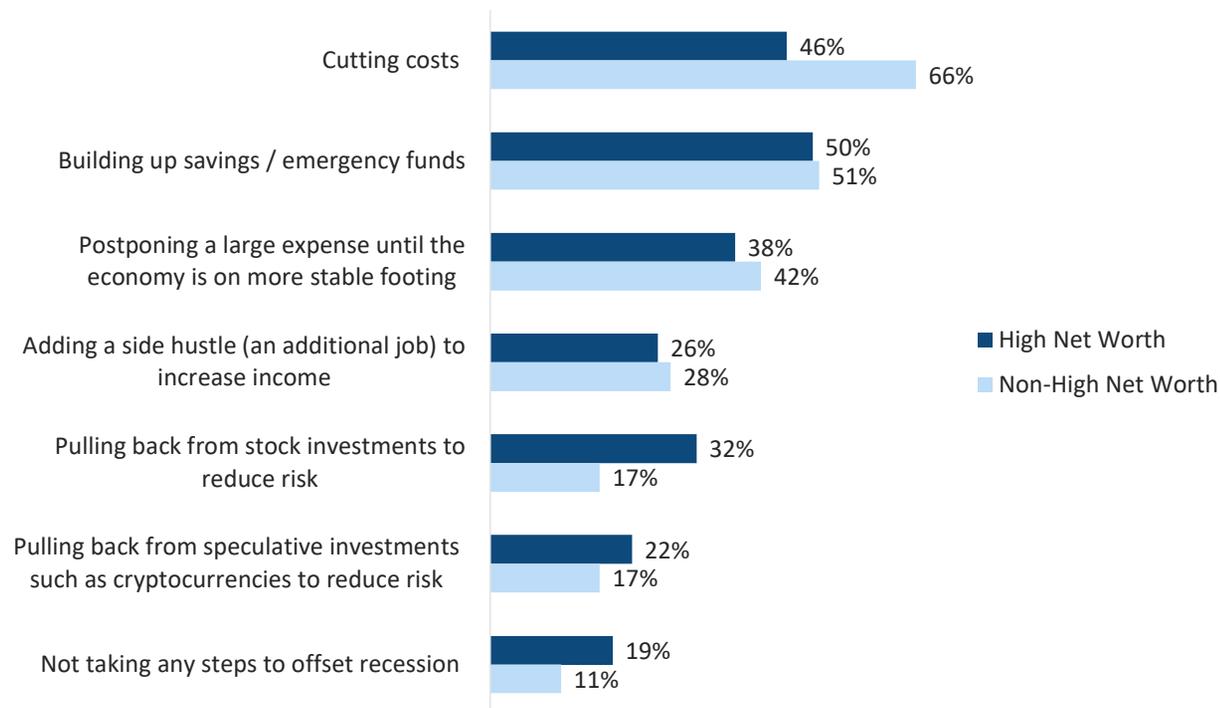


BASE: ALL QUALIFIED RESPONDENTS WHO EXPECT A RECESSION (n=1843)

Q2304. What steps are you taking to help offset the effects of a potential recession? Please select all that apply.

High-net-worth individuals – those with total household investable assets greater than \$1 million – are building up savings (50%) and postponing large expenses (38%).

What steps are you taking to help offset the effects of a potential recession?

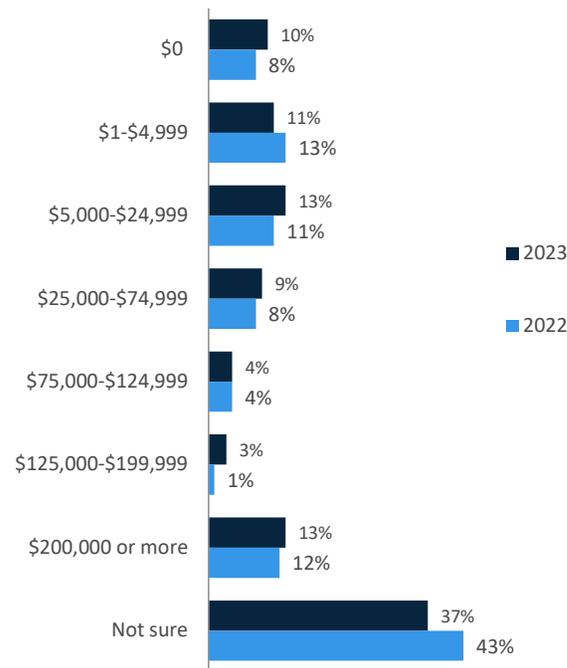


BASE: ALL QUALIFIED RESPONDENTS WHO EXPECT A RECESSION (n=1843)

Q2304. What steps are you taking to help offset the effects of a potential recession? Please select all that apply.

Personal savings are up... but not quite as high as inflation¹

Personal Savings*



Average Personal Savings:

(2023 Mean)

\$65,129

(2022 Mean)

\$62,086

(2021 Mean)

\$73,100

(2020 Post C19 Mean)

\$65,900

*Numeric open-ended questions

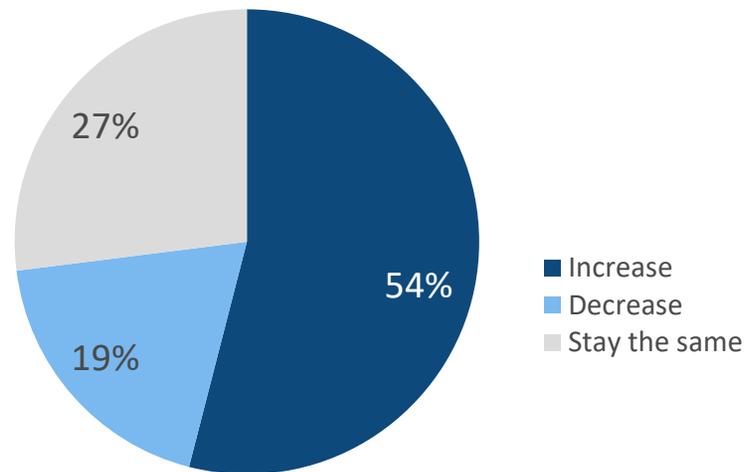
BASE: ALL QUALIFIED RESPONDENTS – 2021 Gen Pop (n=2320), 2022 Gen Pop (n=2381); 2023 Gen Pop (n=2740)

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

¹U.S. BLS 12-month % change for February 2023.

More than half (54%) of Americans say they expect inflation to increase further this year.

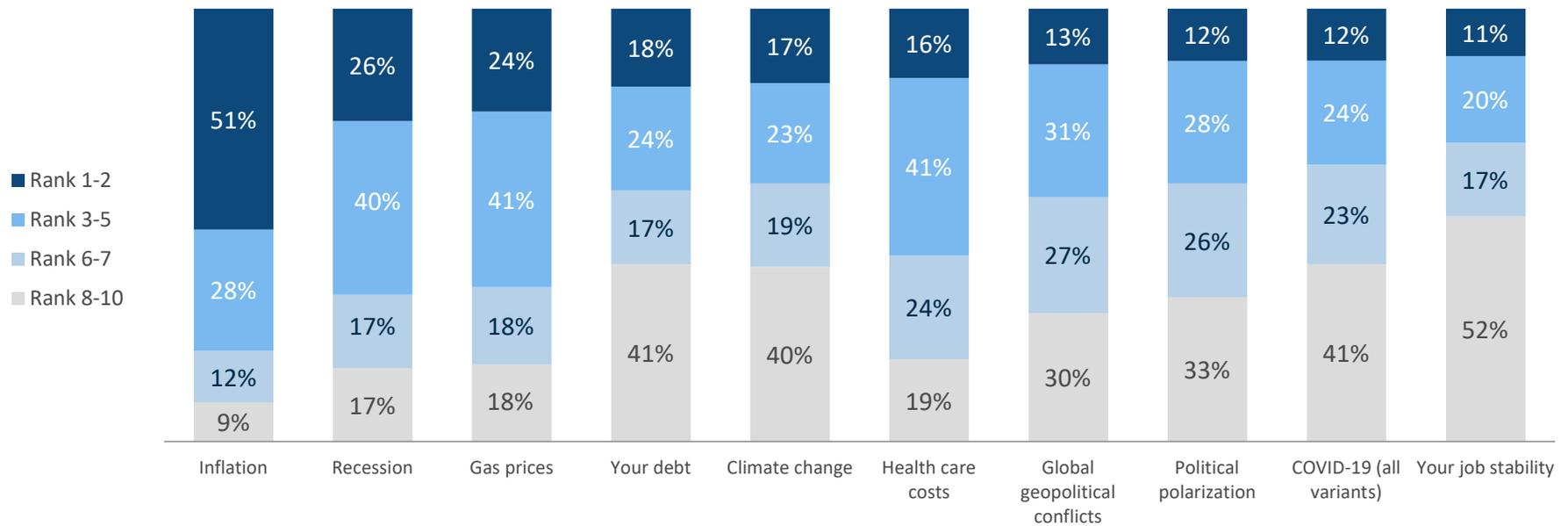
Do you expect inflation will increase, decrease or stay the same in 2023?



BASE: ALL QUALIFIED RESPONDENTS (n=2740)

Q2307. Do you expect inflation will increase, decrease or stay the same in 2023?

Inflation and recession are top financial concerns for most people.



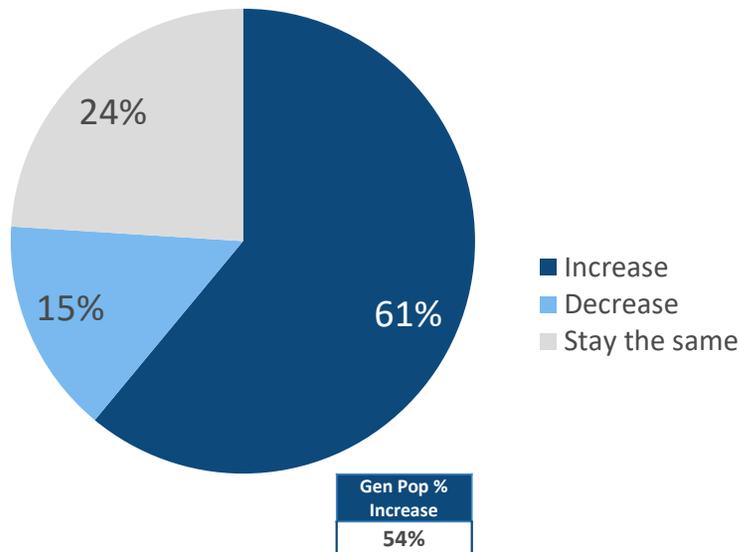
BASE: ALL QUALIFIED RESPONDENTS (n=2740)

Q10A Please rank the following list in order of what you're most to least concerned about in 2023:

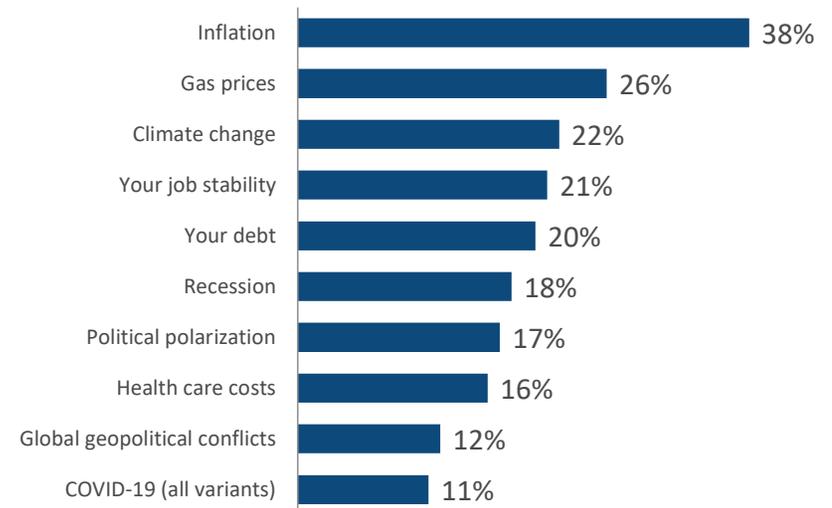
Gen Z agrees that inflation (38%) is the top financial concern. However, they say their next greatest financial worries are gas prices (26%), climate change (22%) and job stability (21%).

GEN Z Results

Do you expect inflation will increase, decrease or stay the same in 2023?



GEN Z Results
Top financial concerns



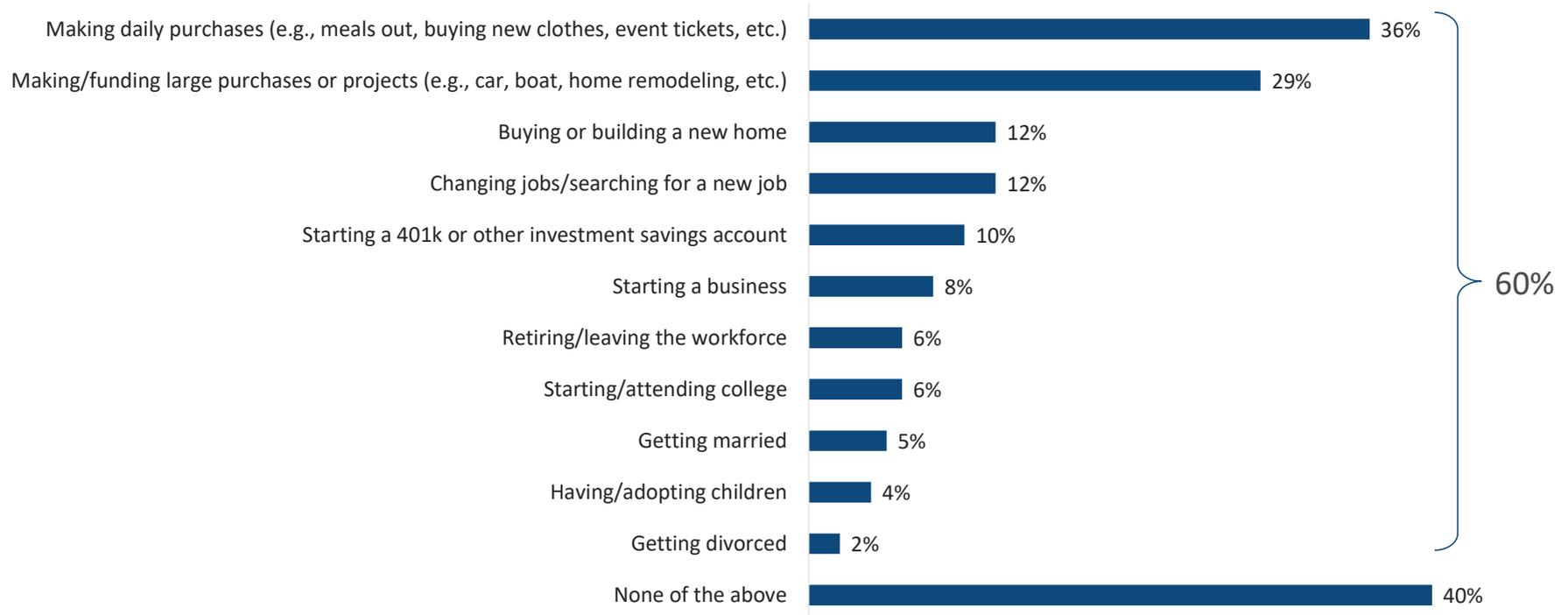
BASE: ALL QUALIFIED RESPONDENTS (n=2740)

Q2307. Do you expect inflation will increase, decrease or stay the same in 2023?

Q10A Please rank the following list in order of what you're most to least concerned about in 2023

Economic uncertainty is leading the majority of Americans (60%) to postpone plans and purchases of one kind or another.

Plans postponed due to recent economic uncertainty



BASE: ALL QUALIFIED RESPONDENTS – 2023 Gen Pop (n=2740)

Q5035 Have you postponed any of the following as a result of recent economic uncertainty? Please select all that apply.

Uncertainty impacts younger people differently. For younger adults, the postponements also include putting some big life decisions on pause.

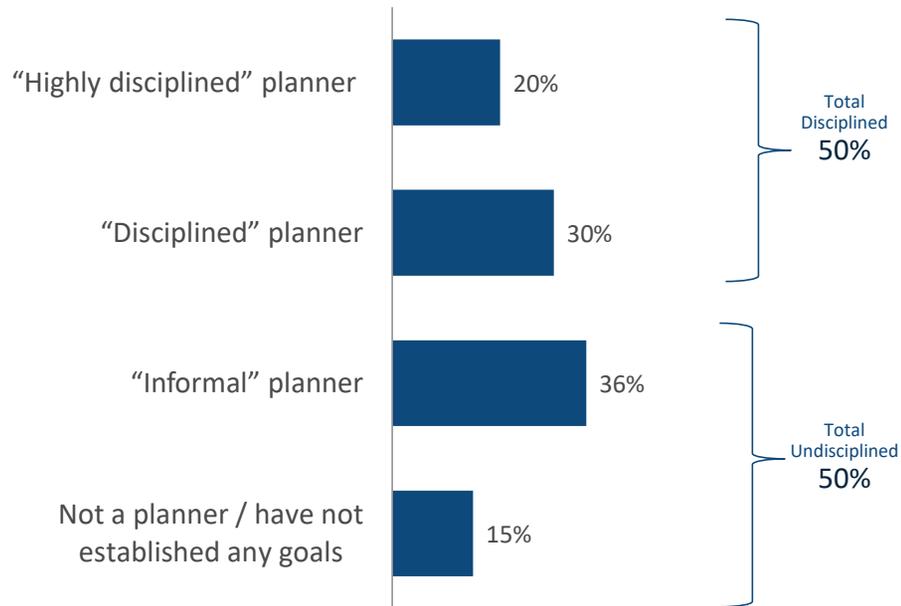
Plans postponed due to recent economic uncertainty

Postponed:	Gen Z	Millennials	Gen X	Boomers+
Buying or building a new home	23%	18%	12%	6%
Changing jobs / searching for a new job	29%	19%	10%	3%
Starting a business	22%	15%	6%	2%
Getting married	13%	9%	3%	1%
Having / adopting children	9%	8%	1%	0%

BASE: ALL QUALIFIED RESPONDENTS – 2023 Gen Pop (n=2740)

Q5035 Have you postponed any of the following as a result of recent economic uncertainty? Please select all that apply.

There is an exact 50/50 split between how people approach financial planning in America. Half of U.S. adults say they are disciplined while the other half identify as undisciplined.

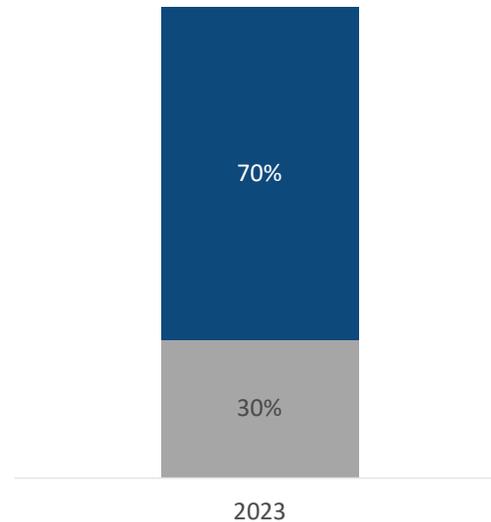


BASE: ALL QUALIFIED RESPONDENTS – 2023 Gen Pop (n=2740)

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

A large majority (70%) of Americans say they have clarity on exactly how much they can spend now versus save for later.

- I have good clarity on exactly how much I can afford to spend now vs how much I should be saving for later
- I don't have great clarity on exactly how much I can afford to spend now vs how much I should be saving for later, but I still tend to spend on things I enjoy...and am hoping I'll have enough saved for later

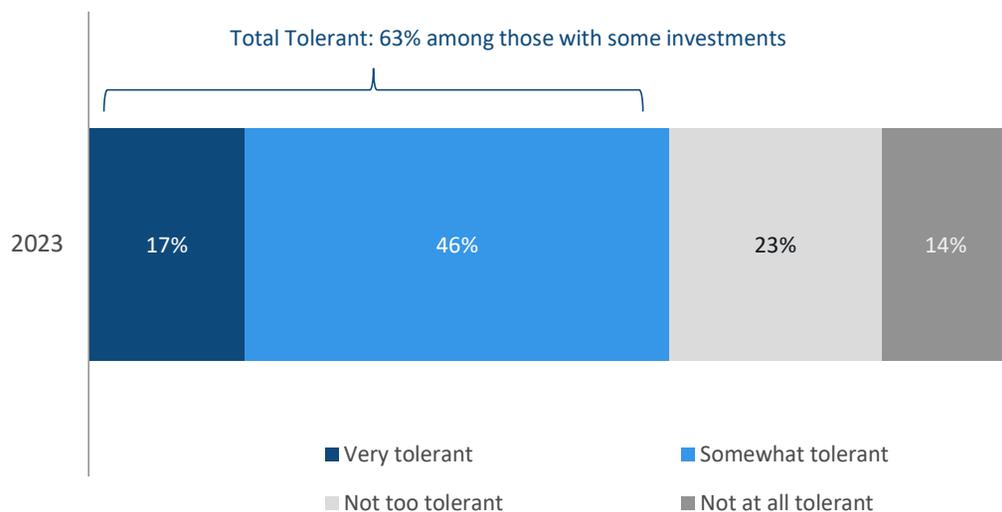


Type of Planner	% Have Good Clarity
Disciplined Planner	86%
Undisciplined Planner	54%
Use of Financial Advisor	% Have Good Clarity
Work with a financial advisor	83%
Do not work with a financial advisor	62%

BASE: ALL QUALIFIED RESPONDENTS – 2023 Gen Pop (n=2740); 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.

When it comes to risk, 63% of Americans say they're very or somewhat tolerant of financial risk in their investments. Comfort with risk goes up for people who work with advisors, those who consider themselves disciplined planners and high-net-worth individuals.

What is your tolerance level for financial risk in your investments?

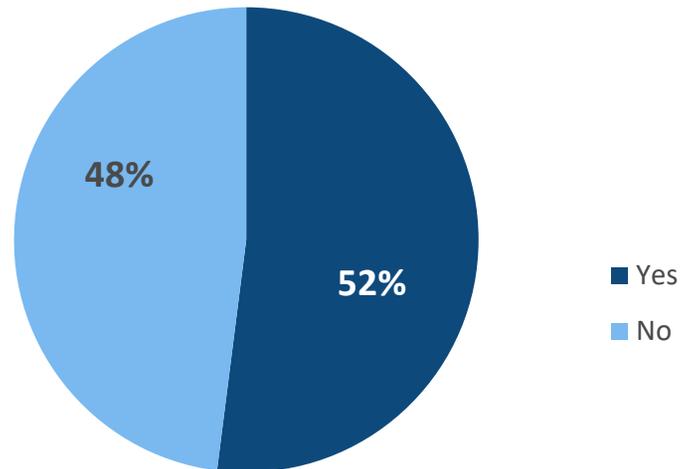


	% Total Tolerant
Disciplined Planner	72%
Undisciplined Planner	51%
High Net Worth	79%
Non-High Net Worth	61%
Work with a financial advisor	71%
Do not work with a financial advisor	56%

BASE: ALL QUALIFIED RESPONDENTS— 2022 Gen Pop (n=2381); 2023 Gen Pop (n=2740)
 Q11b What is your tolerance level for financial risk in your investments?

Just over half (52%) of U.S. adults say they have a financial plan that factors for up and down economic cycles over time.

Do you have a long-term financial plan that factors for up and down economic cycles over time?



High Net Worth	% Plan
High Net Worth	84%
Non-High Net Worth	49%
Use of Financial Advisor	% Plan
Work with a financial advisor	79%
Do not work with a financial advisor	35%

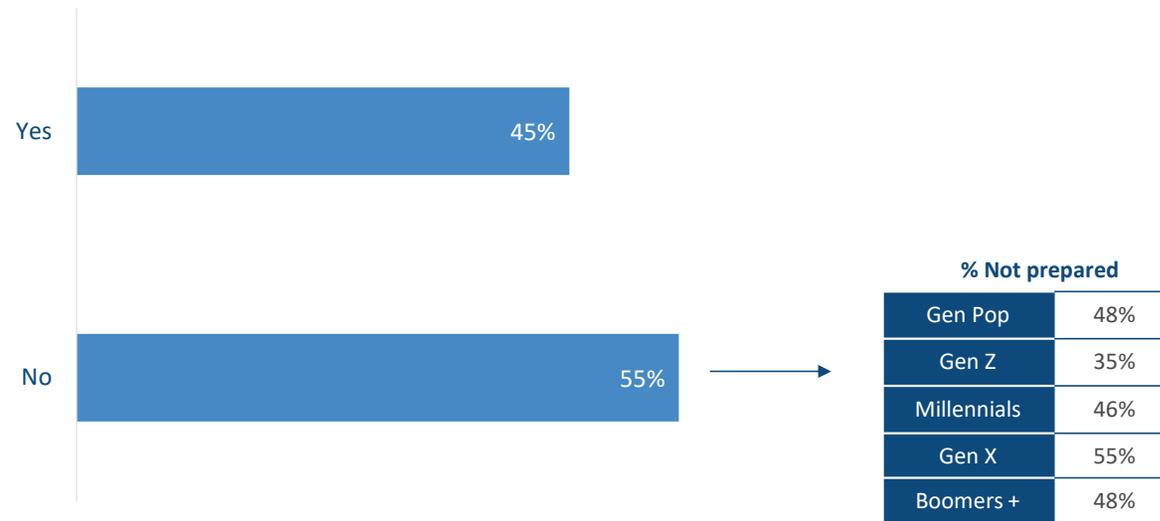
BASE: ALL QUALIFIED RESPONDENTS (n=2740)

Q2305 Do you have a long-term financial plan that factors for up and down economic cycles over time?

Generation anXious

More than half (55%) of Gen X say they won't be financially prepared for retirement when the time comes.

Gen X Results
Do you think you will be financially prepared for retirement when the time comes? *



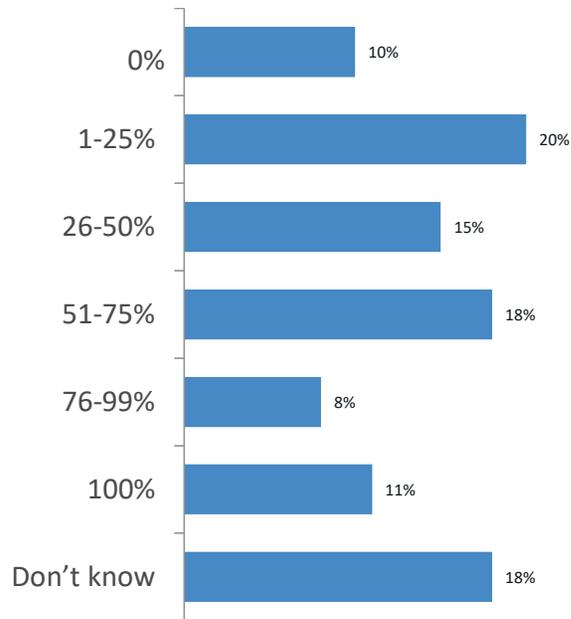
BASE: NON-RETIRES 2023 Gen Pop (n=2107)

Q24. Do you think you will be financially prepared for retirement when the time comes?

*Excluding retirees

On average, Gen Xers say there's a 46% chance they could outlive their savings.

Gen X Will Outlive Savings: (Mean) 46%



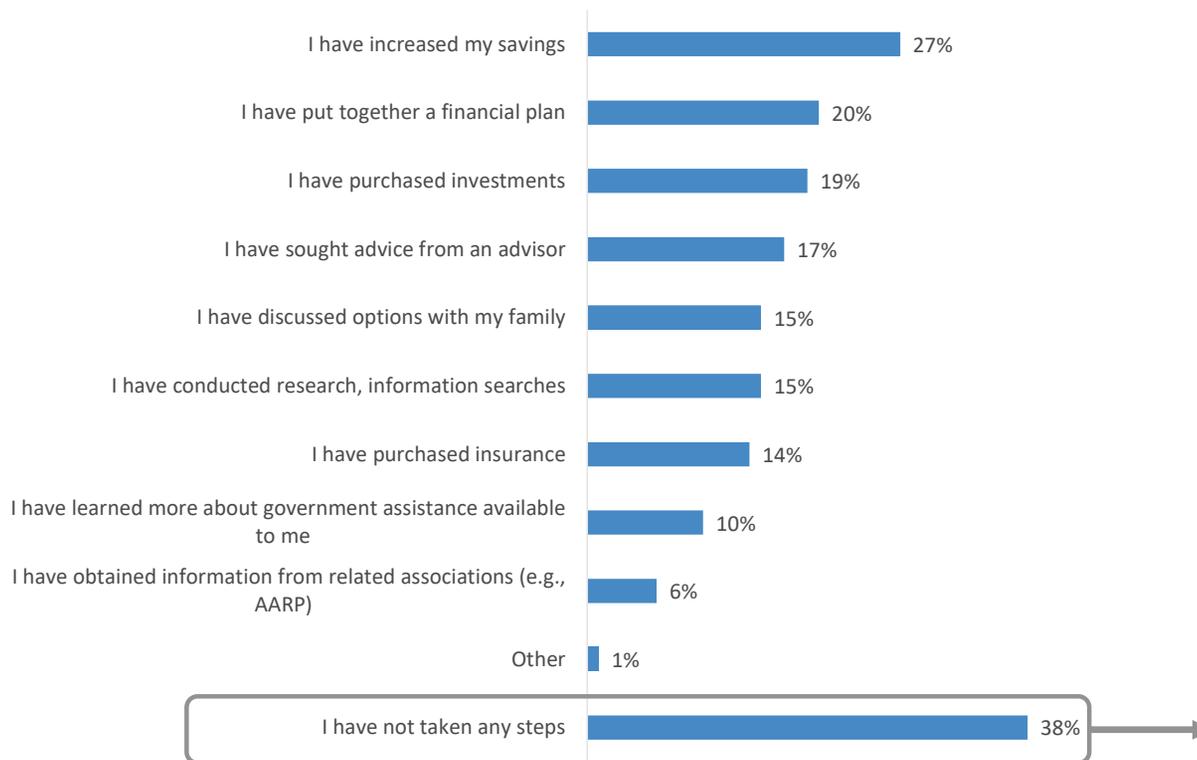
2023	Mean % Likelihood of Outliving Savings
Gen Pop	45%
Gen Z	50%
Millennials	54%
Gen X	46%
Boomers+	36%

BASE: ALL QUALIFIED RESPONDENTS – 2023 Gen Pop (n=2740); 2022 Gen Pop (n=2381); 2021 Gen Pop (n=2320); 2020 Gen Pop Post-C19 (n=2702); 2020 Gen Pop: (n=2650); 2019 Gen Pop: (n=2003); 2018 Gen Pop: (n=2003)

Q1645. In your opinion, what is the likelihood that you could outlive your savings?

Four in 10 (38%) of Gen Xers haven't taken any steps to address the possibility of outliving their savings.

Gen X Results

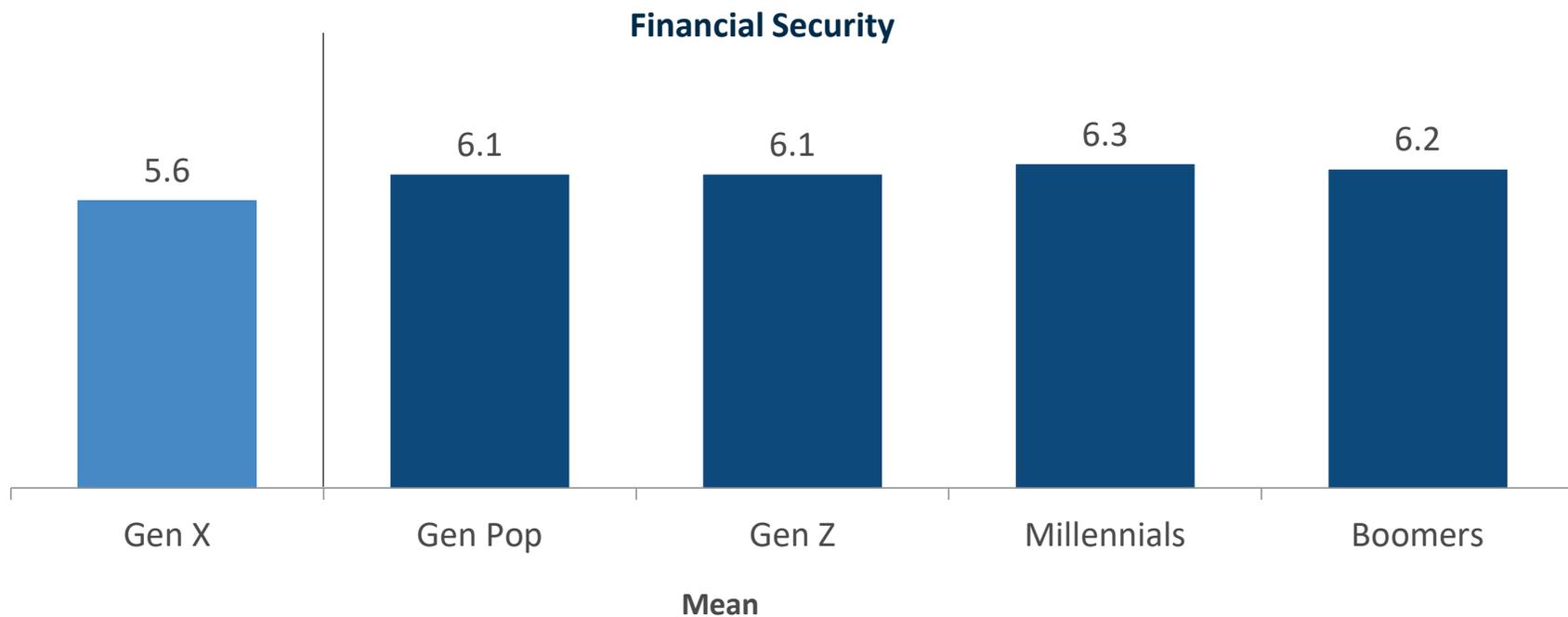


	% Have Not Taken Any Steps
Gen Pop	33%
Gen Z	28%
Millennials	29%
Gen X	38%
Boomers+	34%

BASE: ALL QUALIFIED RESPONDENTS – 2023 Gen Pop (n=2740)

Q1655. What steps, if any, have you taken to address the possibility that you may outlive your savings?

Gen X also reports markedly lower feelings of financial security on a 10-point scale than Gen Z, Millennials, and Boomers+.



BASE: ALL QUALIFIED RESPONDENTS – Gen Pop: (n=2740); Male: (n=1253); Female: (n=1438); Gen Z: (n=543); Millennials: (n=605); Gen X: (n=640); Boomers+: (n=952); High Net Worth: (n=524); Non-High Net Worth: (n=2016).
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.”

Gen X shows lower levels of confidence in themselves than the general public and is worried about what lies ahead.

How confident are you about the following?	All	Gen X
I have had / will have a successful career	70%	66%
I can enjoy today without sacrificing happiness in the future	65%	57%
My financial planning incorporates the possibility of unplanned financial or health emergencies	60%	55%
I have achieved / will achieve long-term financial security	57%	52%
Social Security will be there when I need it	55%	45%