

2023 Planning & Progress Study

The Advisor Advantage

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

Background & Methodology

Background

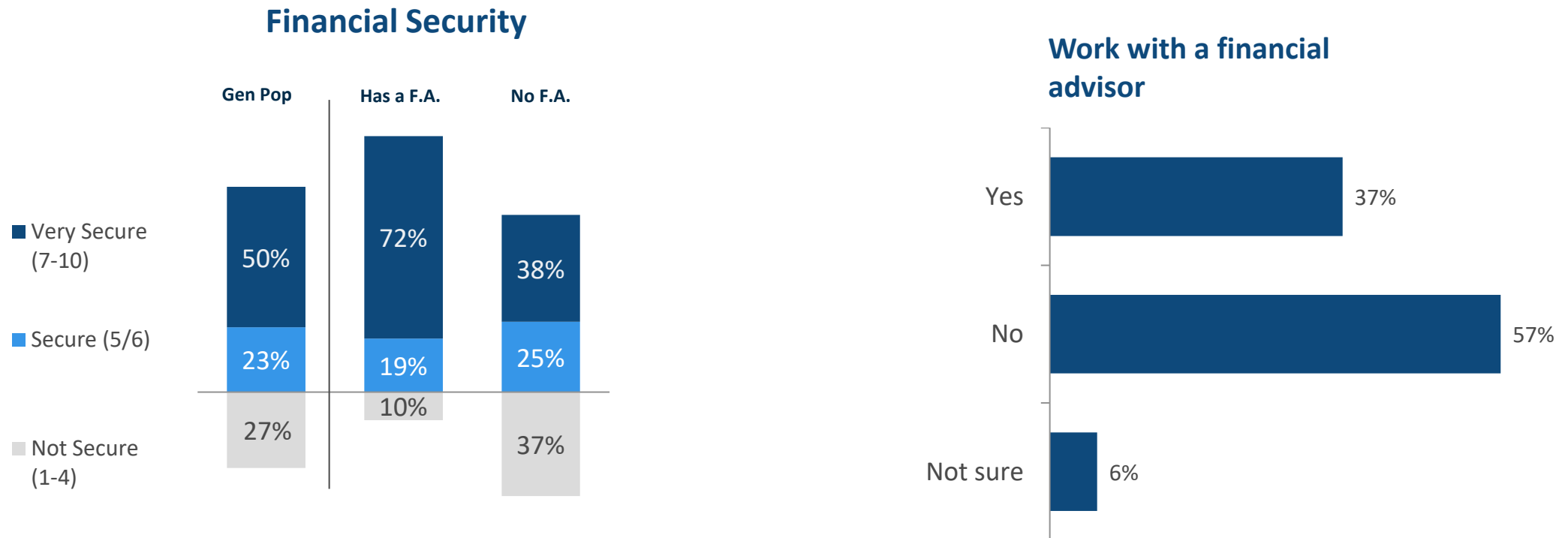
The 2023 Planning & Progress Study, a research series from Northwestern Mutual, explores US adults' attitudes and behaviors toward money, financial decision-making, and the broader issues impacting people's long-term financial security.

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.

Americans with an advisor are much more confident about their financial future, yet only 37% work with one.



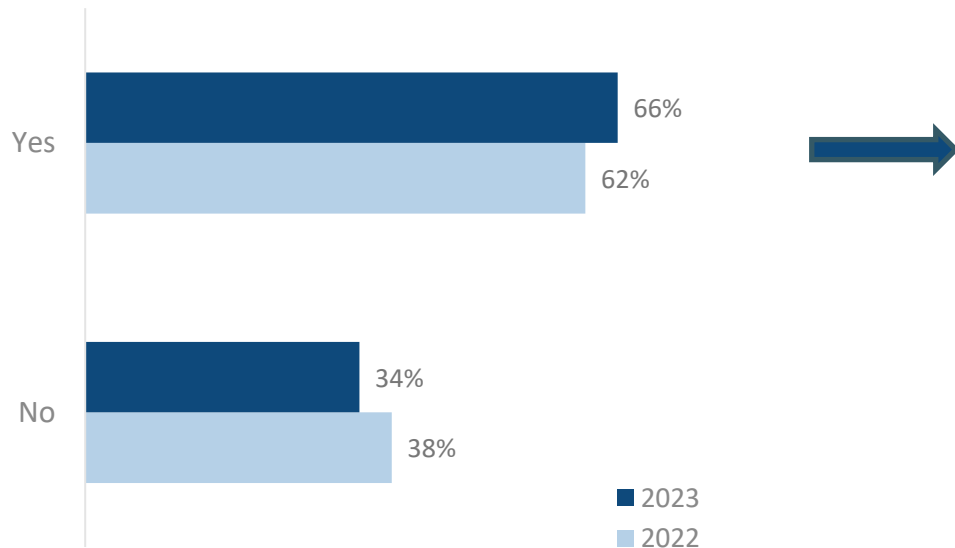
BASE: ALL QUALIFIED RESPONDENTS – 2023 Gen Pop (n=2740)

Q1230. Do you have a financial representative or advisor that you work with?

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.”

Two-thirds of Americans (66%) say their financial planning needs improvement, a 4 percentage-point uptick from last year. This was especially true among younger adults (79% for both Gen Z and Millennials, up 5 percentage points from last year for each generation).

Do you think your financial planning needs improvement?



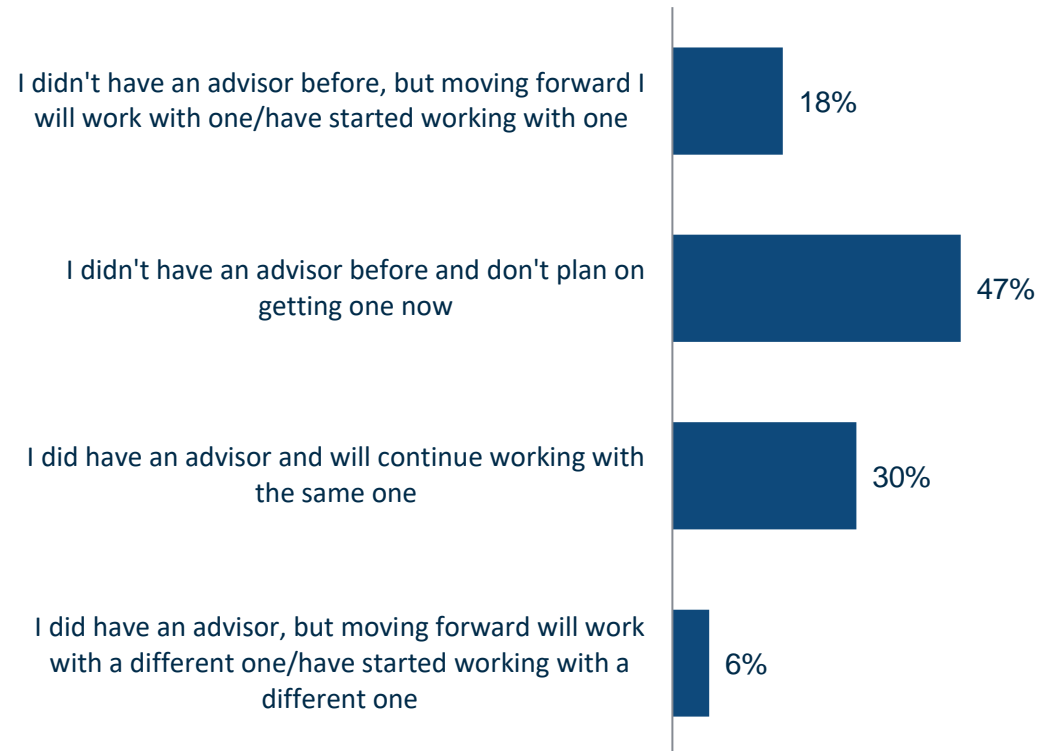
	2023	2022
Gen Pop	66%	62%
Gen Z	79%	74%
Millennials	79%	74%
Gen X	67%	69%
Boomers+	52%	41%

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

Q1010. Do you think your financial planning needs improvement?

Nearly one in five people (18%) say that recent economic uncertainty has led them to either begin working with a financial advisor or plan to work with one at a later date.

**Impact on desire to get a financial advisor
due to recent economic uncertainty**



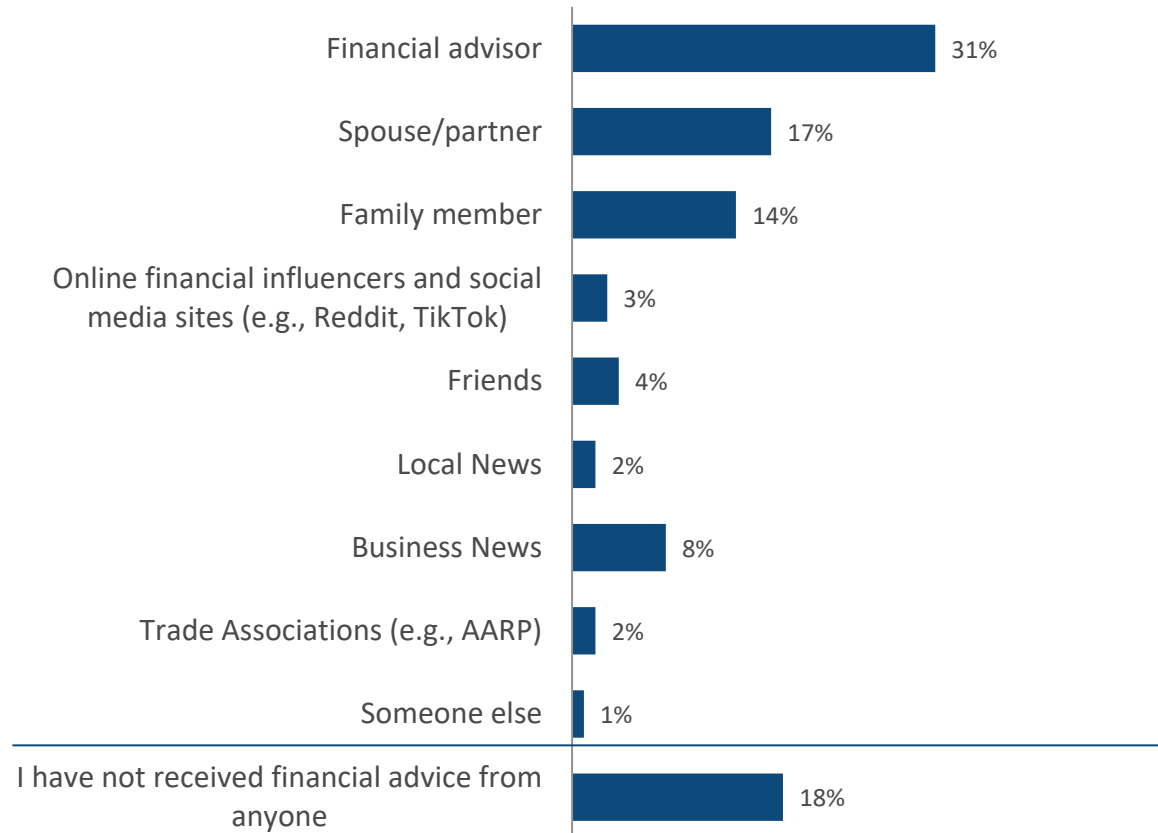
People who work with an advisor have significantly higher levels of confidence across a range of areas, including being prepared for unplanned expenses, being able to retire when the time comes and achieving long-term financial security.

How financial advice impacts confidence	Individuals who work with an advisor	Individuals who do not work with an advisor
I have had/will have a successful career	85%	62%
I will have enough money for retirement (retirees)	80%	58%
I can enjoy today without sacrificing happiness in the future	76%	59%
My financial planning incorporates the possibility of unplanned financial or health emergencies	80%	49%
I have achieved/will achieve long-term financial security	75%	47%
I will have enough money to retire when the time comes (non-retirees)	74%	45%
Social Security will be there when I need it	66%	49%

BASE: ALL QUALIFIED RESPONDENTS (n=2740)

Q6 How confident are you about the following?

Americans say that financial advisors are the most trusted source of financial advice, outpacing spouses, family members, business news, friends and social media.



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

N8. Who do you trust the most for financial advice?

While Gen Z and Millennials may spend a significant amount of time on social networks, the vast majority are not turning to those channels for trustworthy financial guidance. Both groups ranked financial advisors among the most trusted sources of financial advice – #1 for Millennials and #2 for Gen Z, second only to family members

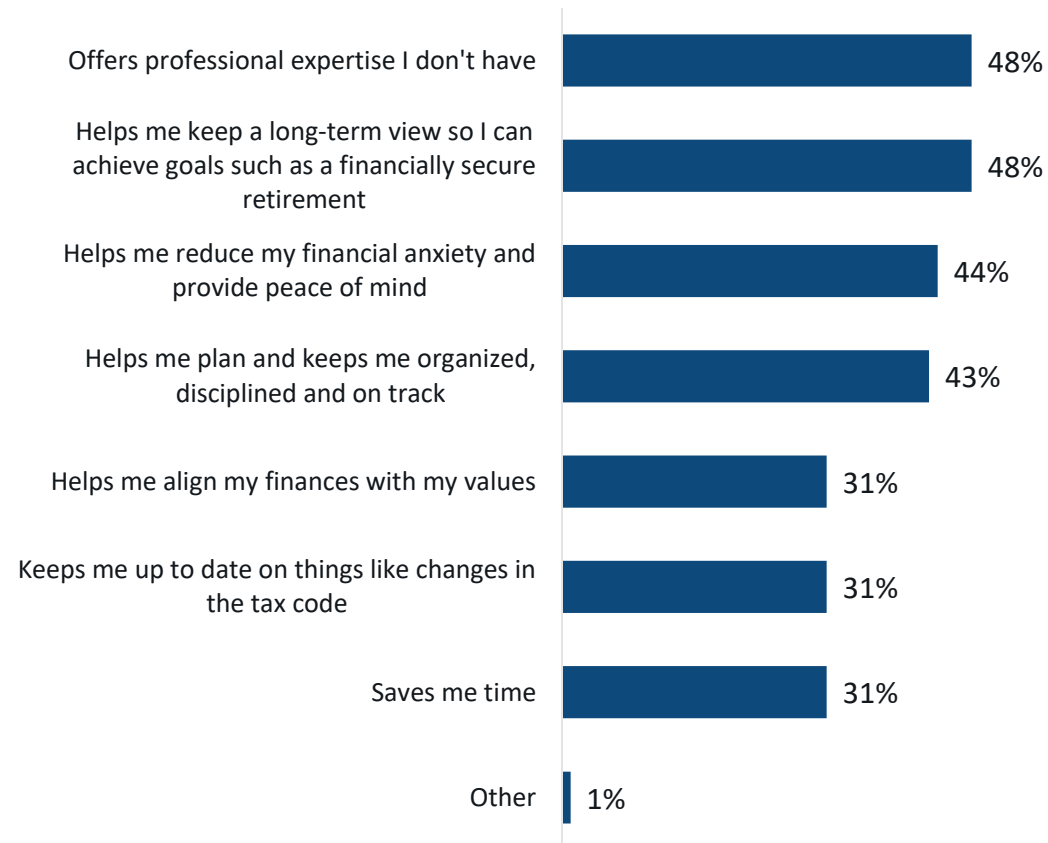
Most trusted source for financial advice	All	Gen Z	Millennials	Gen X	Boomers+
Financial advisor	31%	22%	25%	35%	35%
Spouse/partner	17%	12%	20%	15%	16%
Family member	14%	28%	19%	12%	8%
Business news	8%	11%	6%	8%	9%
Friend	4%	4%	7%	4%	2%
Financial influencers / social media (Reddit, TikTok, etc.)	3%	6%	4%	2%	0%

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

N8. Who do you trust the most for financial advice?

The data finds two leading reasons people turn to advisors for financial guidance: for professional expertise and to help them maintain a long-term view that keeps them on track to achieve goals.

Why do you work with a financial advisor?



BASE: WORK WITH A F.A. (n=1063)

Q2343. Why do you choose to work with a financial advisor? Please select all that apply.

Gen Z and Millennials are more likely than other generations to turn to an advisor for help aligning their finances with their values, saving time and keeping up to date on things like changes to the tax code.

Why do you work with a financial advisor?

Reasons individuals turn to an advisor	All	Gen Z	Millennials	Gen X	Boomers+
Offers professional expertise I don't have	48%	28%	29%	50%	66%
Helps me keep a long-term view so I can achieve goals such as a financially secure retirement	48%	30%	43%	54%	51%
Helps me reduce my financial anxiety and provide peace of mind	44%	31%	37%	44%	53%
Helps me plan and keeps me organized, disciplined and on track	43%	35%	47%	47%	37%
Helps me align my finances with my values	31%	33%	40%	24%	29%
Keeps me up to date on things like changes in the tax code	31%	39%	33%	29%	29%
Saves me time	31%	44%	42%	30%	19%

BASE: WORK WITH A F.A. (n=1063)

Q2343. Why do you choose to work with a financial advisor? Please select all that apply.

When selecting an advisor to work with, respondents said they prioritize someone who understands their life stage priorities (54%) and who has a long track record of experience (51%). Gen Z and Millennials place a higher premium on working with an advisor who is tech-forward and demographically similar to them.

Most important factors for choosing a financial advisor

(among those working with a F.A.)

Reasons for choosing an advisor	All	Gen Z	Millennials	Gen X	Boomers+
Understands the priorities for someone in my stage of life	54%	42%	47%	52%	63%
A long track record of experience	51%	32%	42%	58%	58%
Industry credentials/designations who is up to speed on the latest best practices for financial planning	39%	36%	34%	39%	44%
Low cost/fees	30%	31%	31%	36%	25%
Exemplifies the same values as me	29%	29%	37%	26%	25%
Tech-forward and accessible to communicate with beyond in-person meetings	21%	25%	29%	16%	18%
Demographically similar to me (e.g., age, gender, race/ethnicity, sexual orientation)	21%	28%	34%	18%	12%
Other	3%	-	1%	4%	5%

BASE: WORK WITH A F.A. (n=1063)

Q2344. What were the most important factors for you when it came to choosing your financial advisor? Please select all that apply.