

2024 Planning & Progress Study

Value of an Advisor

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

Background & Methodology

Background

The 2024 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.

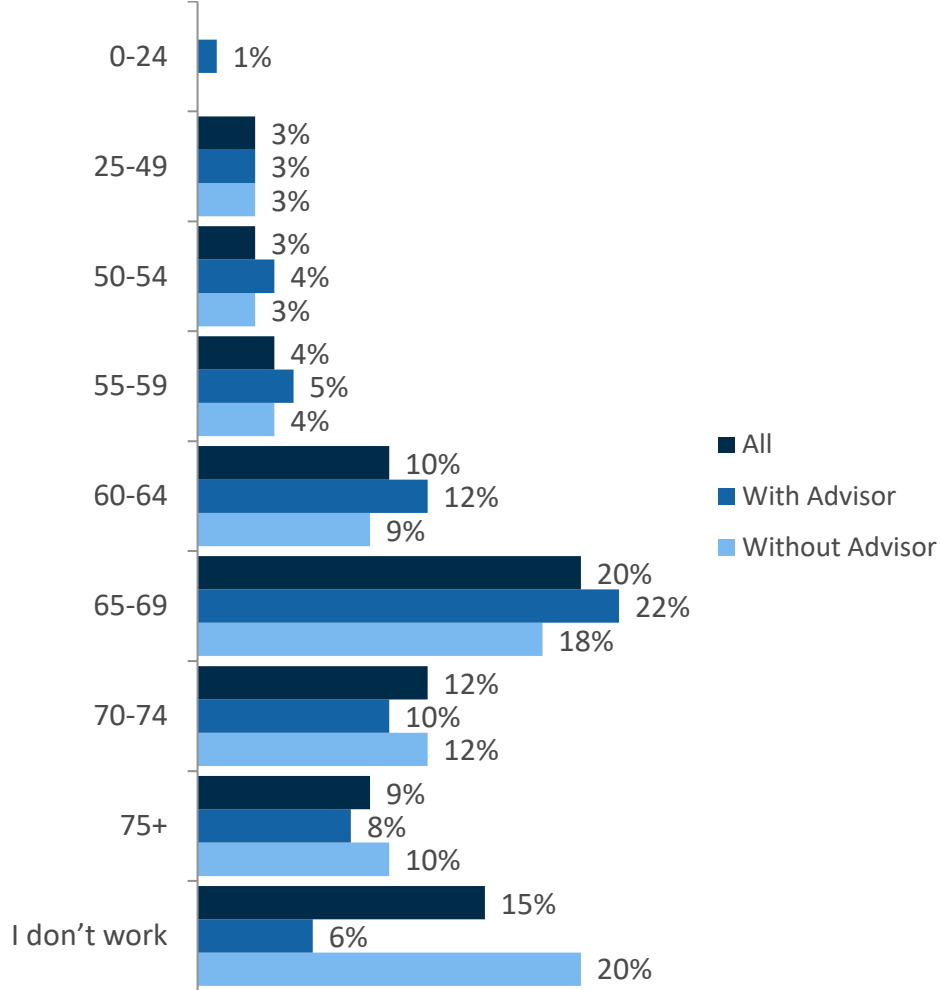
Methodology

The Harris Poll conducted a total of 4,588 online interviews among the general U.S. adult (18+) population between January 3rd and January 17th. Included in this overall total is a sample of 831 High-Net-Worth individuals (those with total household investable assets, excluding pensions, retirement plans and property, greater than \$1,000,000).

Data for the general U.S. population (including the 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 expect to retire at age 64, two years sooner than Americans who don't work with an Advisor (66).

Anticipated Retirement Age

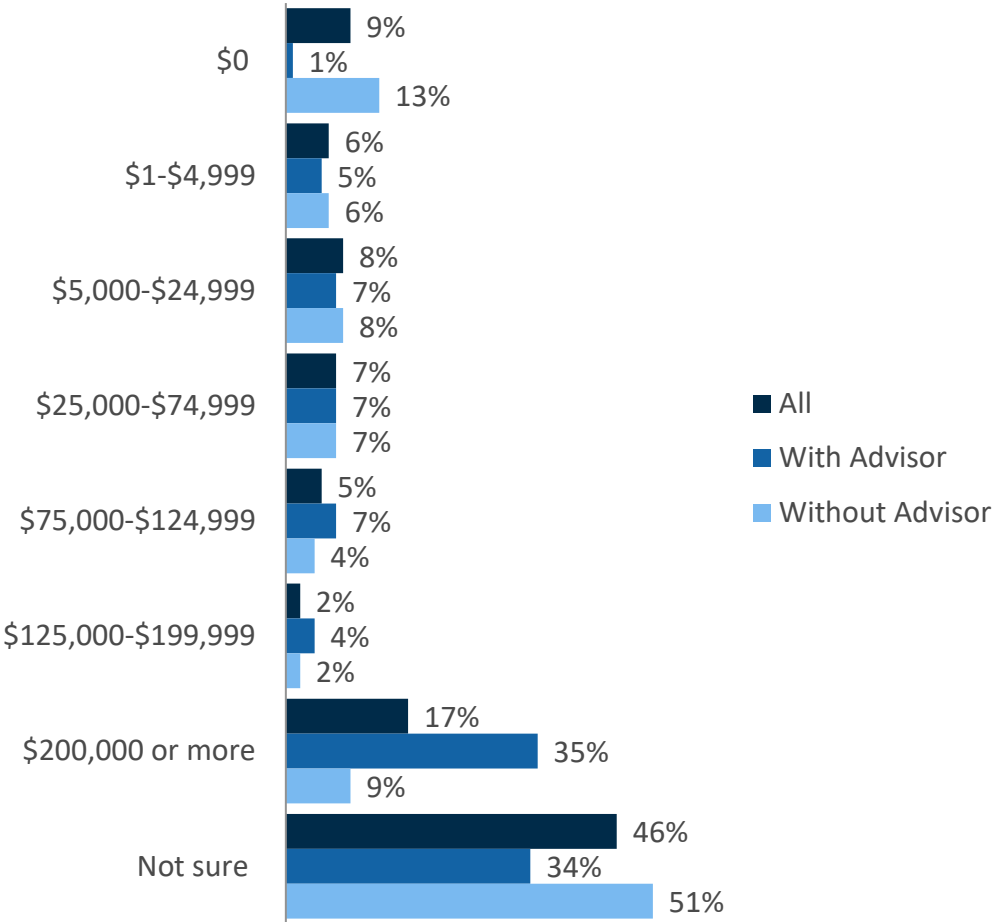


Already Retired:
 All: 23%
 With Advisor: 30%
 Without Advisor: 19%

	Mean Age
All	65
With an Advisor	64
Without an Advisor	66

Americans with an Advisor have saved twice as much money for retirement than those who do not have an Advisor: \$132,000 vs. just \$62,000.

How much money do you have saved for retirement?

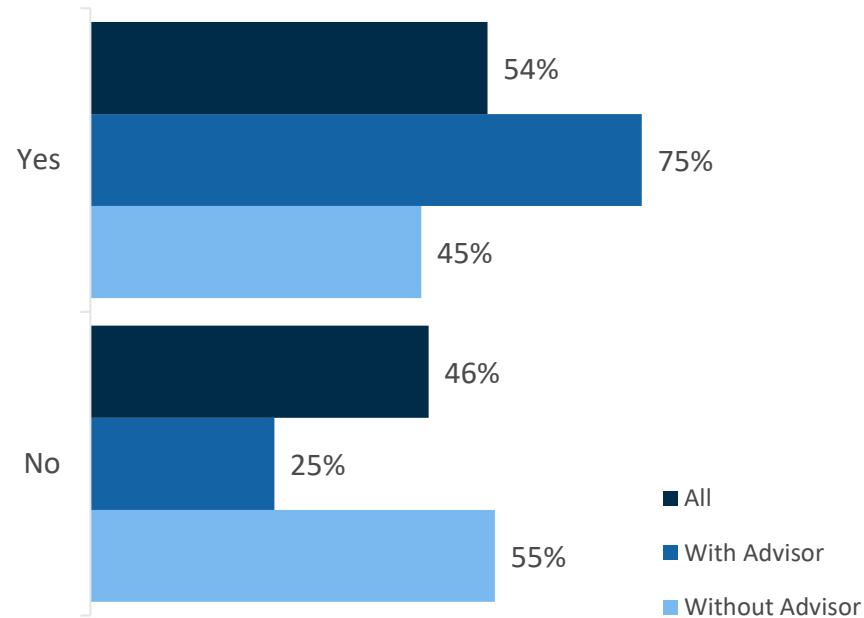


	Mean Retirement Savings
All	\$88,400
With an Advisor	\$132,000
Without an Advisor	\$62,000

BASE: ALL QUALIFIED RESPONDENTS (n=4588)
 Q1825 How much money do you have saved for retirement? (from all sources including 401(k), IRA, pension, bank accounts, etc.)

Three in four Americans with an Advisor (75%) believe that they will be financially prepared to retire, compared to just 45% without an Advisor who feel the same.

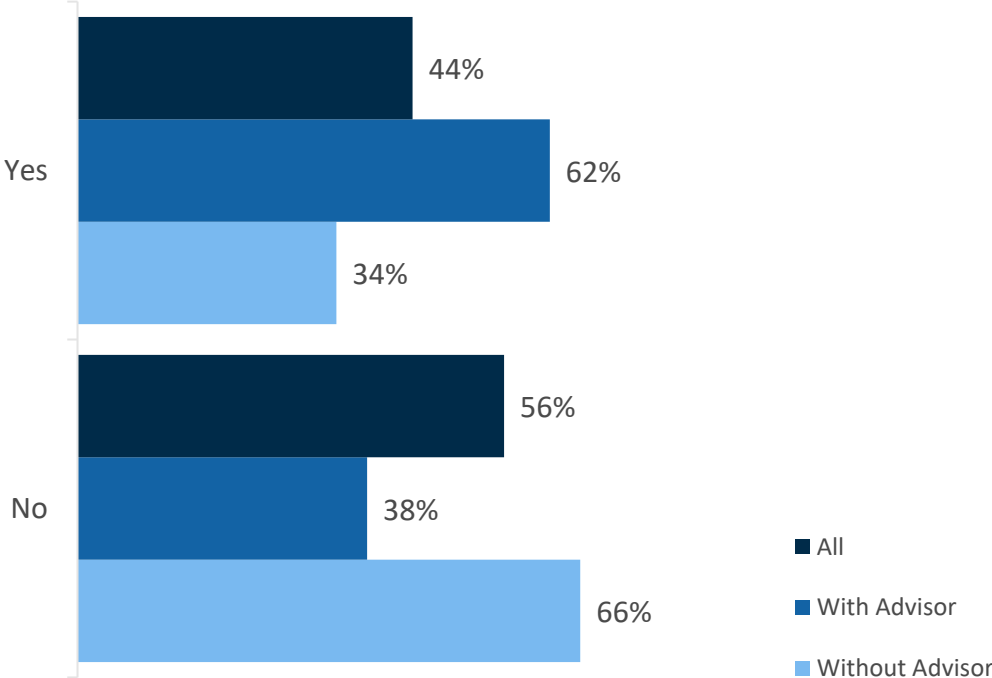
Do you think you will be financially prepared for retirement when the time comes?



	Yes	No
All	54%	46%
With an Advisor	75%	25%
Without an Advisor	45%	55%

Nearly two in three Americans with an Advisor (62%) say they know how much they need to save in order to retire comfortably, while about one in three without an Advisor (34%) agree.

I know how much money I will need to retire comfortably



The emotional lift that expert advice can create is also visible among Americans’ financial planning attitudes and beliefs.

Behaviors and beliefs among all Americans			
	All	With an Advisor	Without an Advisor
Have a long-term plan that factors for up-and-down economic cycles over time	52%	79%	38%
Have an emergency fund	60%	84%	48%
Feel financially secure	41%	64%	29%
Have good clarity on how much they can afford now vs. save for later	66%	79%	60%
Have taken a step to address possibility of outliving life savings	62%	83%	53%
Have a specific plan to pay off debt	59%	79%	49%
Have inflation factored into financial plan	55%	69%	48%
Have plan to address health care costs in retirement	49%	69%	38%
Will have enough to leave behind an inheritance or charitable gift	44%	64%	33%

BASE: ALL QUALIFIED RESPONDENTS (n=4588)

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

Q2024F Do you have an emergency fund (i.e., cash or other liquid assets independent of money earmarked for specific goals such as retirement in a 401k or IRA)?

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." (TOP 4 BOX)

Q1817 If you had to choose, please select which ONE of the following statements applies to you: I have good clarity on how much I can afford to spend now vs how much I should save for later.

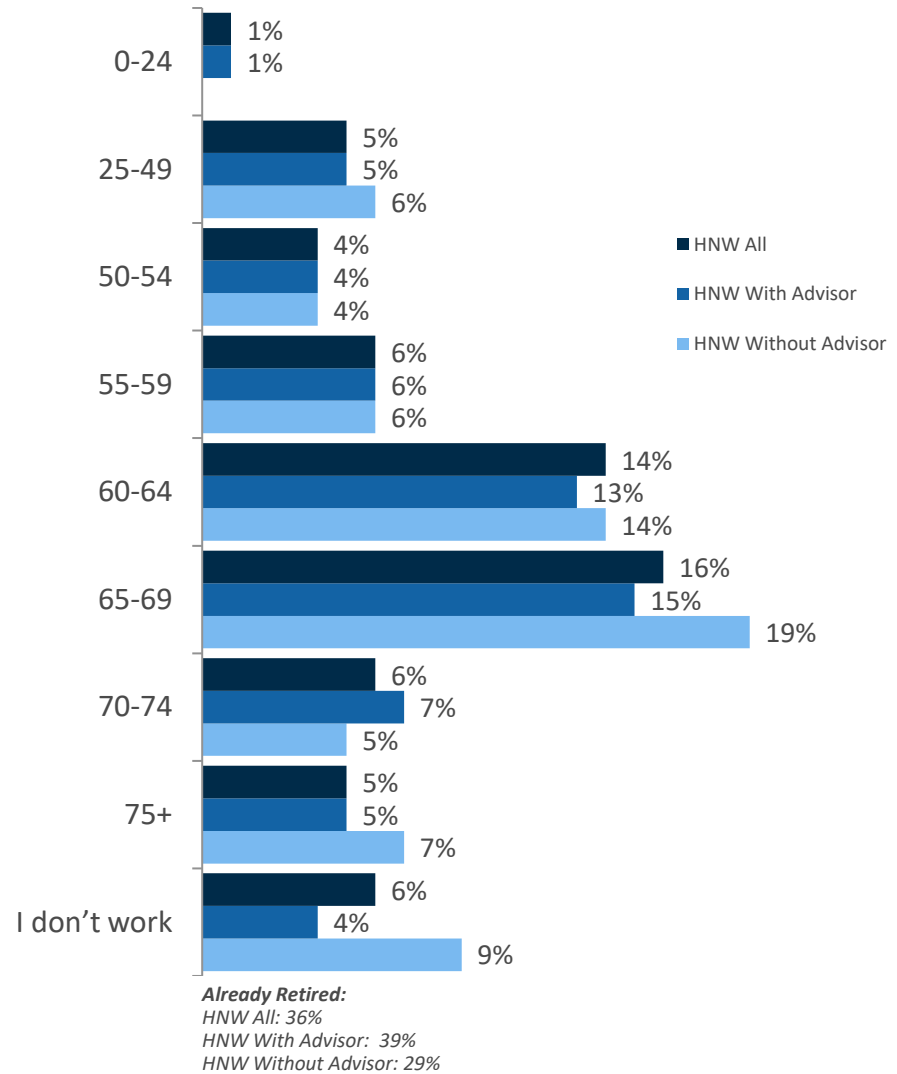
Q1655 What steps, if any, have you taken to address the possibility that you may outlive your savings?

N9 (Base: Those with some debt (n=2844)) Do you have a specific plan in place to pay off your debt, exclusive of mortgages?

Q2024O Please respond to the following statements: I have a good understanding of how inflation could impact my retirement and have factored that into my financial plans," "I have a plan to address healthcare costs in retirement," and "I will have enough to leave behind an inheritance or gift to loved ones and/or charitable causes I care about."

High-net-worth Americans (with at least \$1 million in investable assets) with an Advisor expect to retire a year sooner than HNW individuals without an Advisor (61 vs. 62).

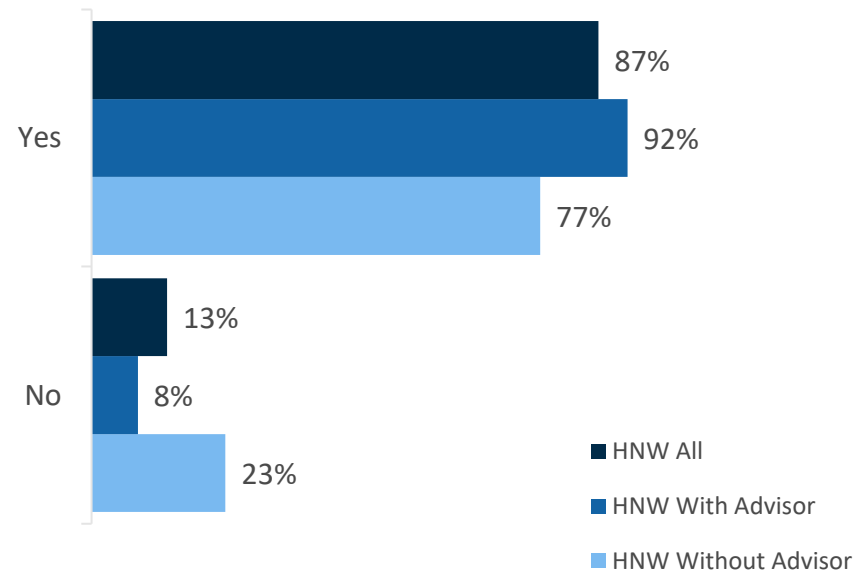
**High-Net-Worth (\$1M+):
Anticipated Retirement Age**



	Mean Age
All High-Net-Worth individuals	62
High-net-worth individuals with an Advisor	61
High-net-worth individuals without an Advisor	62

High-net-worth Americans with an Advisor are more likely to believe they will be financially prepared for retirement than HNW individuals who lack an Advisor (92% vs. 77%, a 15 percentage point difference).

High-Net-Worth (\$1M+):
Do you think you will be financially prepared for retirement when the time comes?



American millionaires with an Advisor feel more financially secure.

Behaviors and beliefs among American millionaires			
	HNW All	HNW With an Advisor	HNW Without an Advisor
I have a will	71%	81%	50%
I have a specific plan in place to pay off debt, exclusive of mortgages	83%	89%	67%
I have a long-term financial plan that factors for up and down economic cycles	84%	89%	75%

BASE: HIGH-NET-WORTH (\$1m+) (n=831);

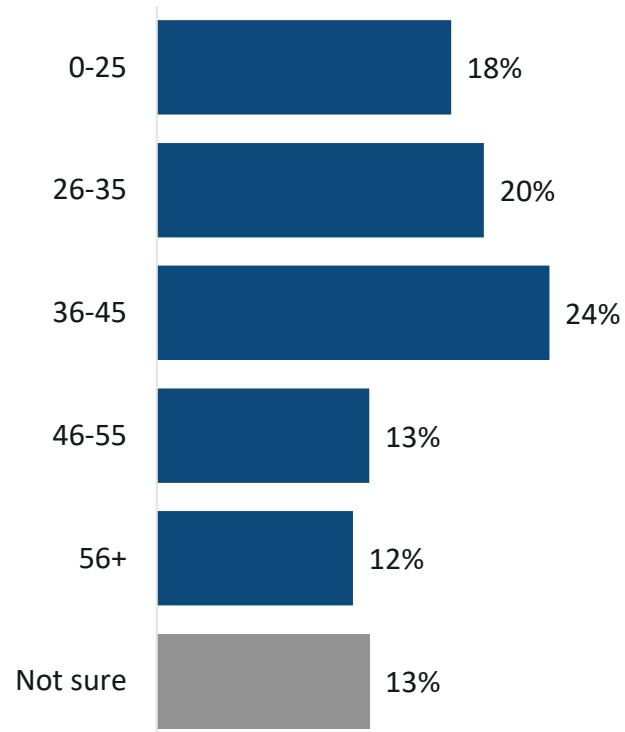
Q2024AF Do you have a will?

N9 (Base: Millionaires with some debt (n=322)) Do you have a specific plan in place to pay off your debt, exclusive of mortgages?

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

Among people who have a Financial Advisor, the average age this relationship began is 38. Interestingly, younger generations are engaging experts for financial advice earlier.

At what age did you start working with a Financial Advisor?



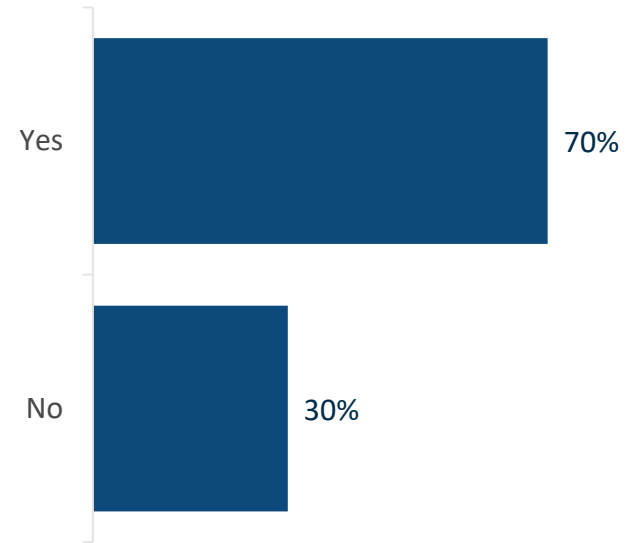
	Mean Age
All	38
Gen Z	21
Millennials	29
Gen X	38
Boomers+	49

People across the U.S. say they trust Financial Advisors more than any other source for financial advice. Gen Z was the only generation to perceive family members as the most trusted source of financial advice, followed closely by Financial Advisors.

Advisors are American's most trusted source for financial advice					
	All	Gen Z	Millennials	Gen X	Boomers+
Financial Advisor	33%	27%	28%	34%	39%
Family member	16%	29%	17%	14%	9%
Spouse / partner	12%	9%	16%	12%	10%
Business news	5%	5%	5%	6%	6%
Friend	4%	5%	6%	3%	3%
Online financial influencers and social media sites (e.g., Reddit, TikTok)	4%	6%	6%	3%	0%
Trade associations (e.g., AARP)	2%	2%	3%	2%	1%
Local news	2%	2%	2%	2%	1%
I have not received financial advice from anyone	22%	14%	17%	23%	29%

7 in 10 Americans believe their financial planning needs improvement.

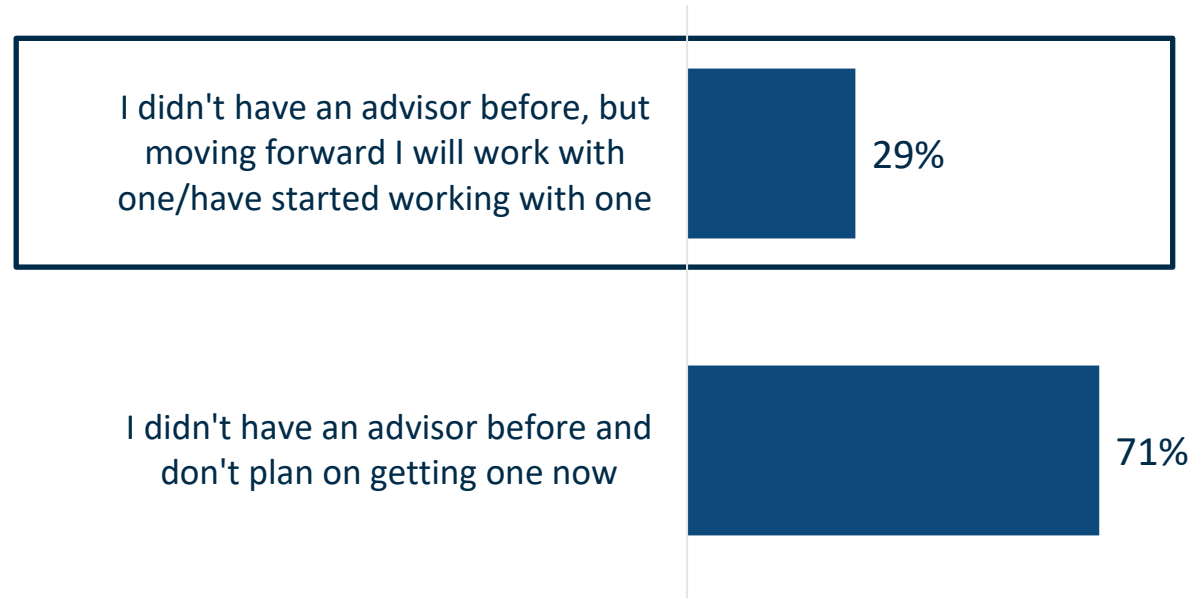
Do you think your financial planning needs improvement?



Nearly three in ten Americans (30%) who did not have an Advisor before say they plan to start working with one – or have just recently started working with one.

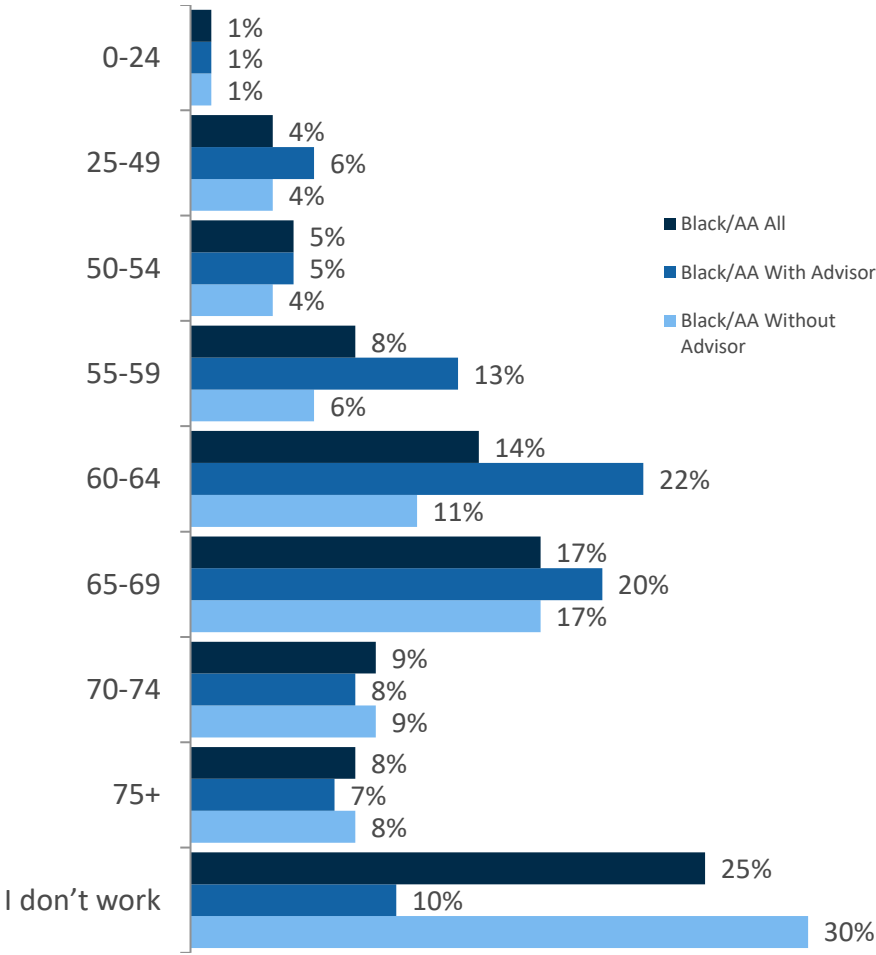
How has recent economic uncertainty impacted your view of getting professional help from a Financial Advisor?

Without a Financial Advisor



Black / African Americans with an Advisor expect to retire 3 years sooner than Black / African Americans without an Advisor (age 61 vs. 64).

Black / African Americans: Anticipated Retirement Age

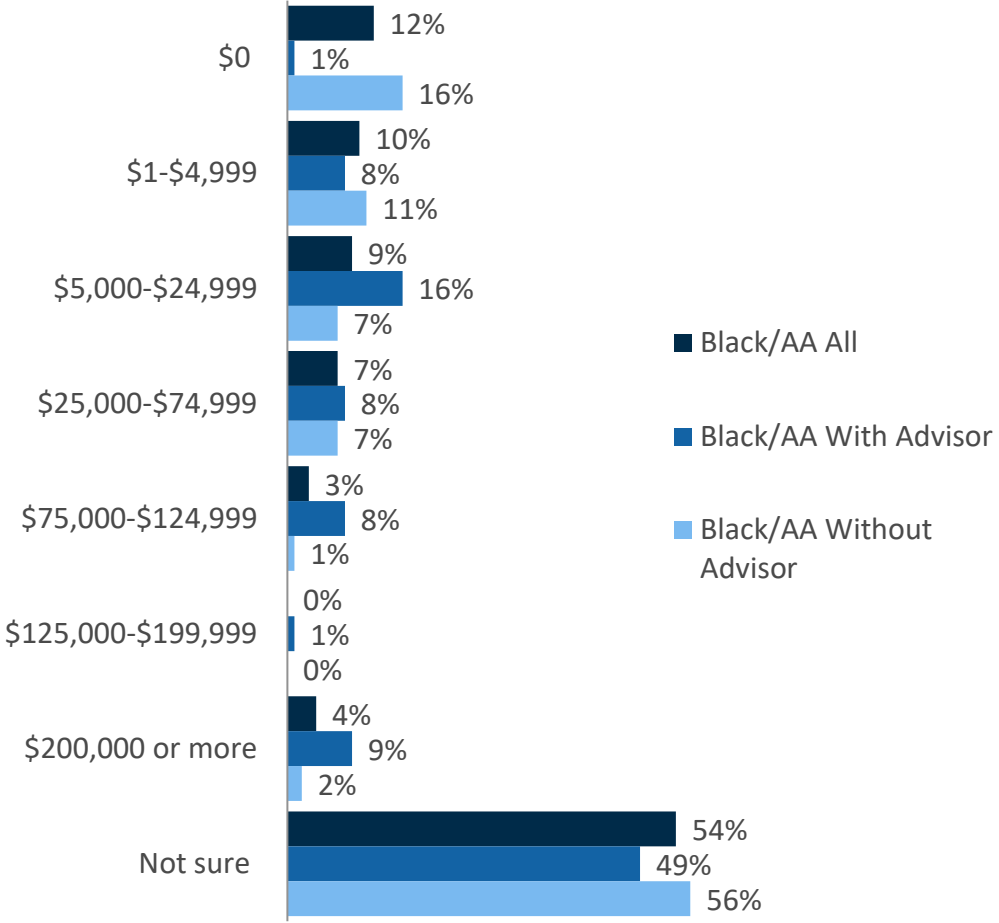


Already Retired:
 Black/AA All: 10%
 Black/AA With Advisor: 8%
 Black/AA Without Advisor: 11%

	Mean Age
All Black / African Americans	63
Black / African Americans with an Advisor	61
Black / African Americans without an Advisor	64

Black / African Americans with an Advisor have almost three times more in retirement savings on average than Black / African Americans who do not have a Financial Advisor (\$71,000 vs. \$26,000).

**Black / African Americans:
How much money do you have saved for retirement?**



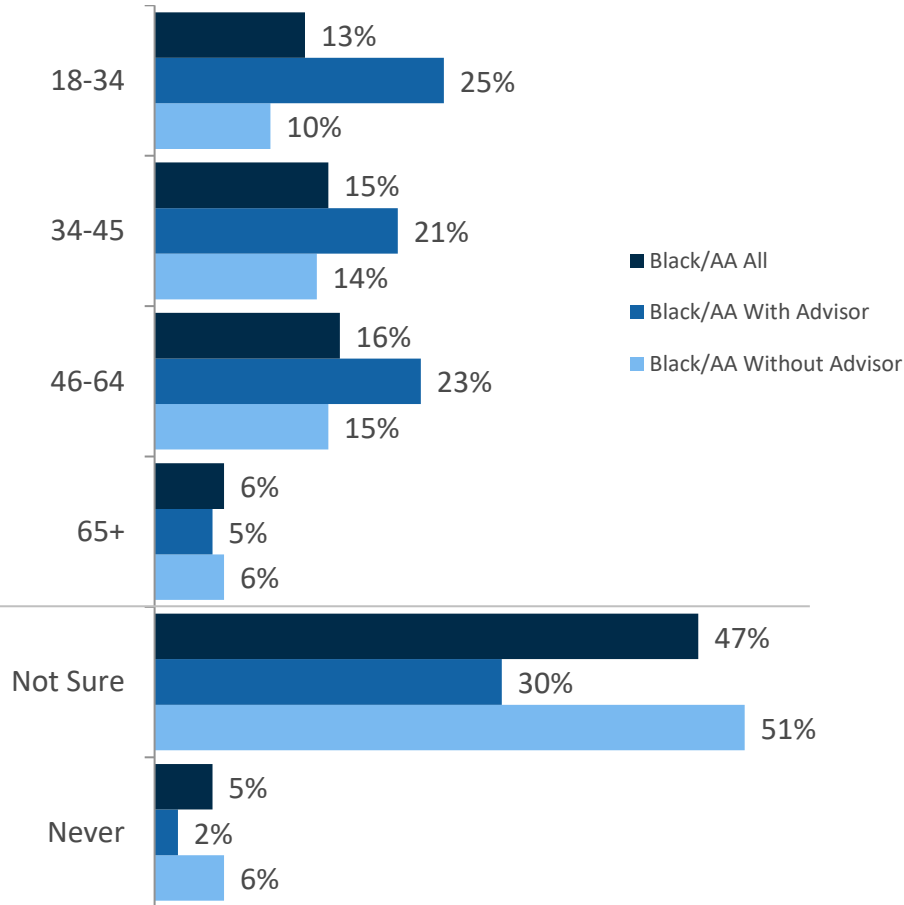
	Mean Retirement Savings
All Black / African Americans	\$37,000
Black / African Americans with an Advisor	\$71,000
Black / African Americans without an Advisor	\$26,000

BASE: ALL QUALIFIED BLACK / AFRICAN AMERICAN RESPONDENTS (n=503)
 Q1825 How much money do you have saved for retirement? (from all sources including 401(k), IRA, pension, bank accounts, etc.)

Black / African Americans with an Advisor expect to pay off their college debt 5 years earlier than Black / African Americans without an Advisor (by age 41 vs. 46).

Black / African Americans:

What age do you think you will pay off your student debt?



	Mean Age
All Black / African Americans	45
Black / African Americans with an Advisor	41
Black / African Americans without an Advisor	46

Black / African Americans with an Advisor see significant gains in financial and emotional outcomes.

Behaviors and beliefs among Black / African Americans			
	Black /AA All	Black /AA With an Advisor	Black /AA Without an Advisor
Have a long-term plan that factors for up-and-down economic cycles over time	42%	72%	33%
Have an emergency fund	46%	76%	36%
Feel financially secure	35%	65%	26%
Have good clarity on how much they can afford now vs. save for later	64%	83%	58%
Think they will be financially prepared for retirement	58%	82%	50%
Have taken a step to address possibility of outliving life savings	61%	86%	53%
Have a specific plan to pay off debt	53%	77%	46%
Have inflation factored into financial plan	53%	73%	46%
Have plan to address health care costs in retirement	49%	72%	42%
Will have enough to leave behind an inheritance or charitable gift	47%	75%	39%

BASE: ALL QUALIFIED BLACK / AFRICAN AMERICAN RESPONDENTS (n=522)

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

Q2024F Do you have an emergency fund (i.e., cash or other liquid assets independent of money earmarked for specific goals such as retirement in a 401k or IRA)?

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." **(TOP 4 BOX)**

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

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

N9 (Base: Those with some debt (n=2844)) Do you have a specific plan in place to pay off your debt, exclusive of mortgages?

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