

2024 Planning & Progress Study

High Net Worth

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.

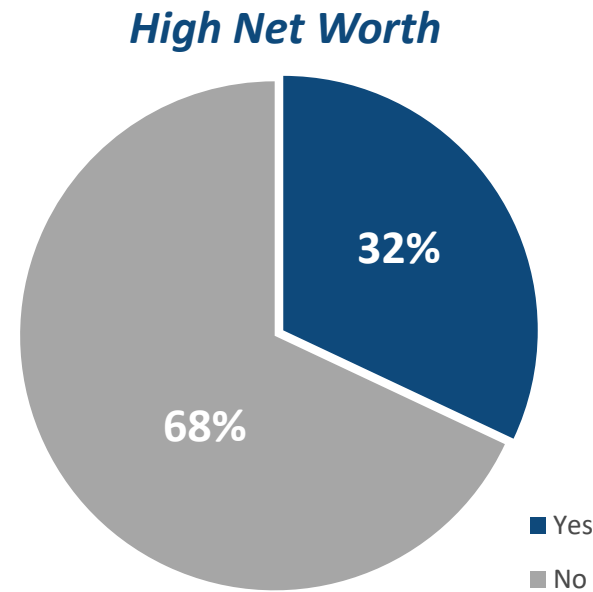
Methodology

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.

Just one-third (32%) of American millionaires – those with at least \$1 million in investable assets – consider themselves “wealthy.”

Do you consider yourself “wealthy”?



	% Yes
High Net Worth (\$1M+ in Investable Assets)	32%

Nearly half (48%) of American millionaires believe that their financial plans need improvement.

Financial Planning Needs Improvement

High Net Worth



	% Yes
High Net Worth (\$1M+ in Investable Assets)	48%

Rather than feeling rich, American millionaires are far more likely to exhibit feelings of financial clarity and preparedness than the general population.

	HNW Individuals (\$1M+ in Investable Assets)	General Public
I have good clarity on exactly how much I can spend now vs save for later	87%	66%
I know how much money I will need to retire comfortably	77%	44%
I expect to be financially prepared for retirement when it comes	87%	54%
I have a long-term financial plan that factors for up and down economic cycles over time	84%	52%
I consider myself a disciplined financial planner	78%	45%

BASE: ALL QUALIFIED RESPONDENTS (Gen Pop n=4588; HNW n = 831)

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.

Q20240. Please respond to the following statements: I know how much money I will need to retire comfortably.

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

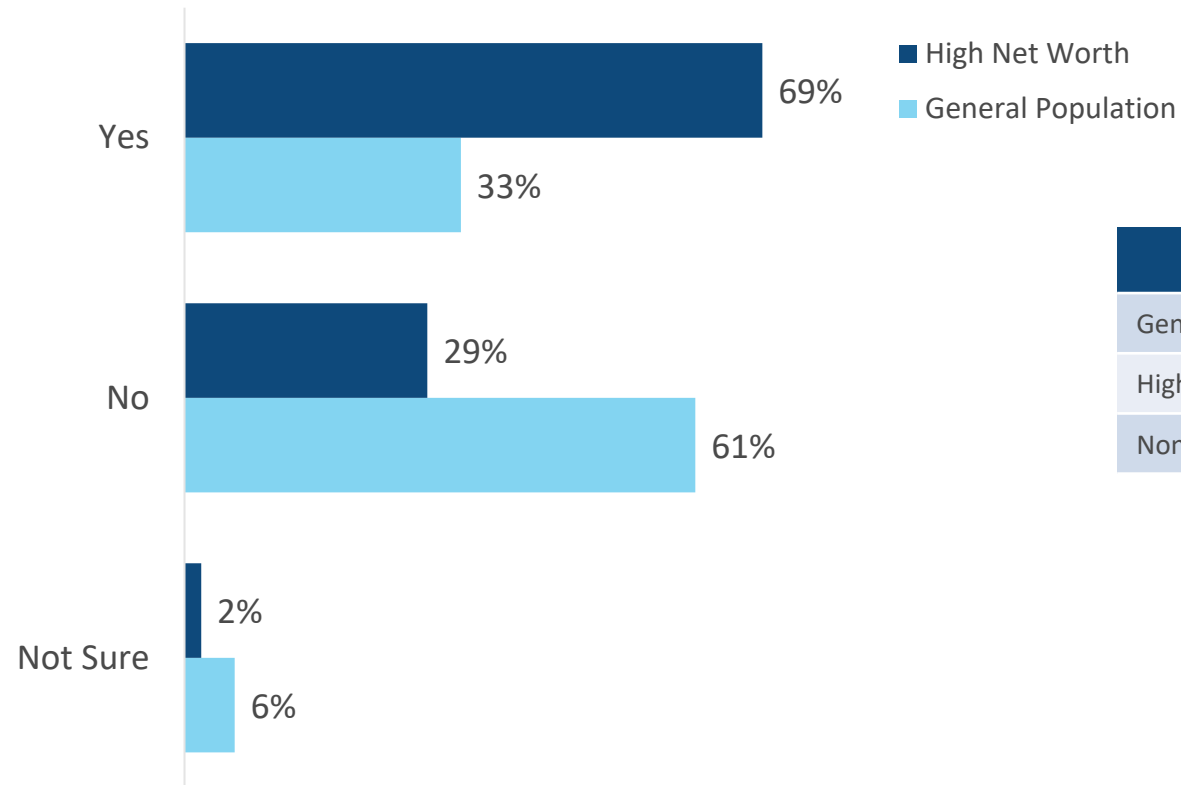
Q2305 Do you have a long-term financial plan that factors for up and down economic cycles over time?

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

American millionaires are much more likely to work with a financial advisor (69%), more than double the amount of the general population (33%).

Financial Advisor Status

High Net Worth vs. General Population



	% Yes
General Population	33%
High Net Worth	69%
Non – High Net Worth	30%

American millionaires who have a financial advisor feel clearer and more confident in their financial future than millionaires who do not consult with a financial expert.

Behaviors and beliefs among American millionaires			
	All	With an Advisor	Without an Advisor
I know how much money I will need to retire comfortably	77%	81%	70%
I have a good understanding of how inflation could impact my retirement and have factored that into my financial plans	79%	83%	70%
I have a good understanding of how drops in the stock market could impact my retirement and have factored that into my financial plans	84%	88%	75%
I have a plan to address healthcare cost in retirement	79%	83%	69%
I have a good understanding of how taxes could impact my retirement and have factored that into my financial plans	76%	80%	67%
When thinking about my overall retirement savings, I account for how much I will have to pay in taxes	61%	66%	49%

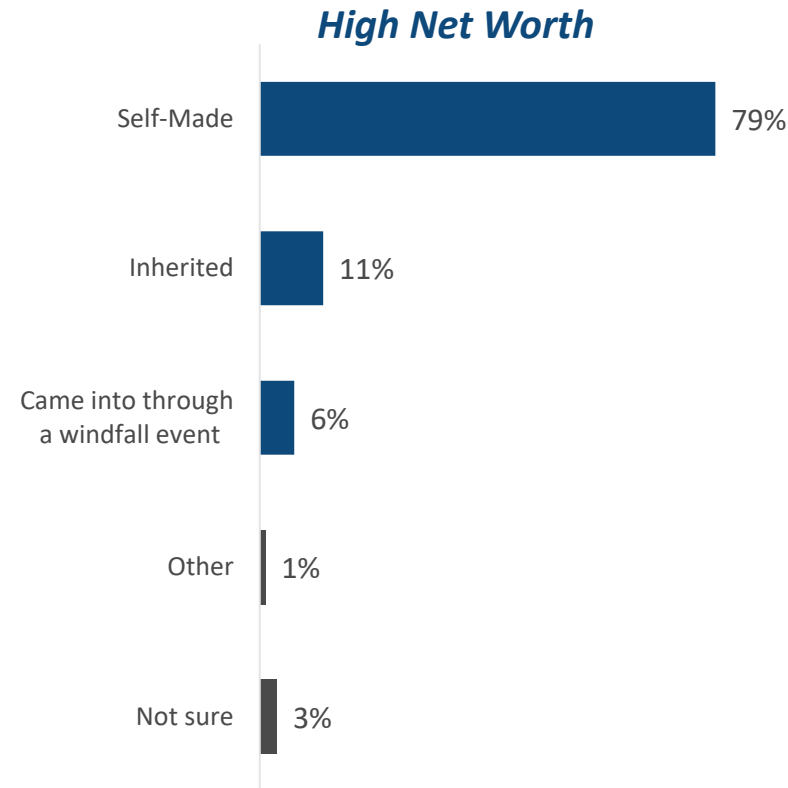
BASE: ALL QUALIFIED RESPONDENTS (n=831)

Q2024O Please respond to the following statements: “I know how much money I will need to retire comfortably,” “I have a good understanding of how inflation could impact my retirement and have factored that into my financial plans,” “I have a good understanding of how drops in the stock market could impact my retirement and have factored that into my financial plans,” “I have a plan to address healthcare costs in retirement,” and “I have a good understanding of how taxes could impact my retirement and have factored that into my financial plans.”

2024R. When thinking about your overall retirement savings, do you account for how much you will have to pay in taxes?

Nearly 80% of American millionaires say their net worth was “self-made,” whereas 11% say they inherited their wealth and 6% say they came into it through a windfall event like winning the lottery.

My net worth is predominantly the result of being...



	% Self-Made
General Population	69%
High Net Worth	79%
Non – High Net Worth	71%

BASE: ALL QUALIFIED RESPONDENTS (Gen Pop n=4588; HNW n = 831)

Q2024AW. Would you say your net worth is predominantly the result of being "self-made" (what you have comes primarily from your and/or your spouse/partners own work), "inherited" (you and/or your spouse/partner have family assets that you received an inheritance and/or took over an already successful business, etc.) or something you "came into" through a windfall event (you won the lottery, got into a high-flying stock early, etc.)?

American millionaires are more focused on creating intergenerational wealth than the general population, according to the research.

	HNW Individuals (\$1M+ in Investable Assets)	General Population
I have a will	71%	38%
I have taken steps to address the possibility of outliving my savings	84%	62%
I have had a conversation with family about my inheritance plans	67%	55%

BASE: ALL QUALIFIED RESPONDENTS (Gen Pop n=4588; HNW n = 831)

Q2024af Do you have a will?

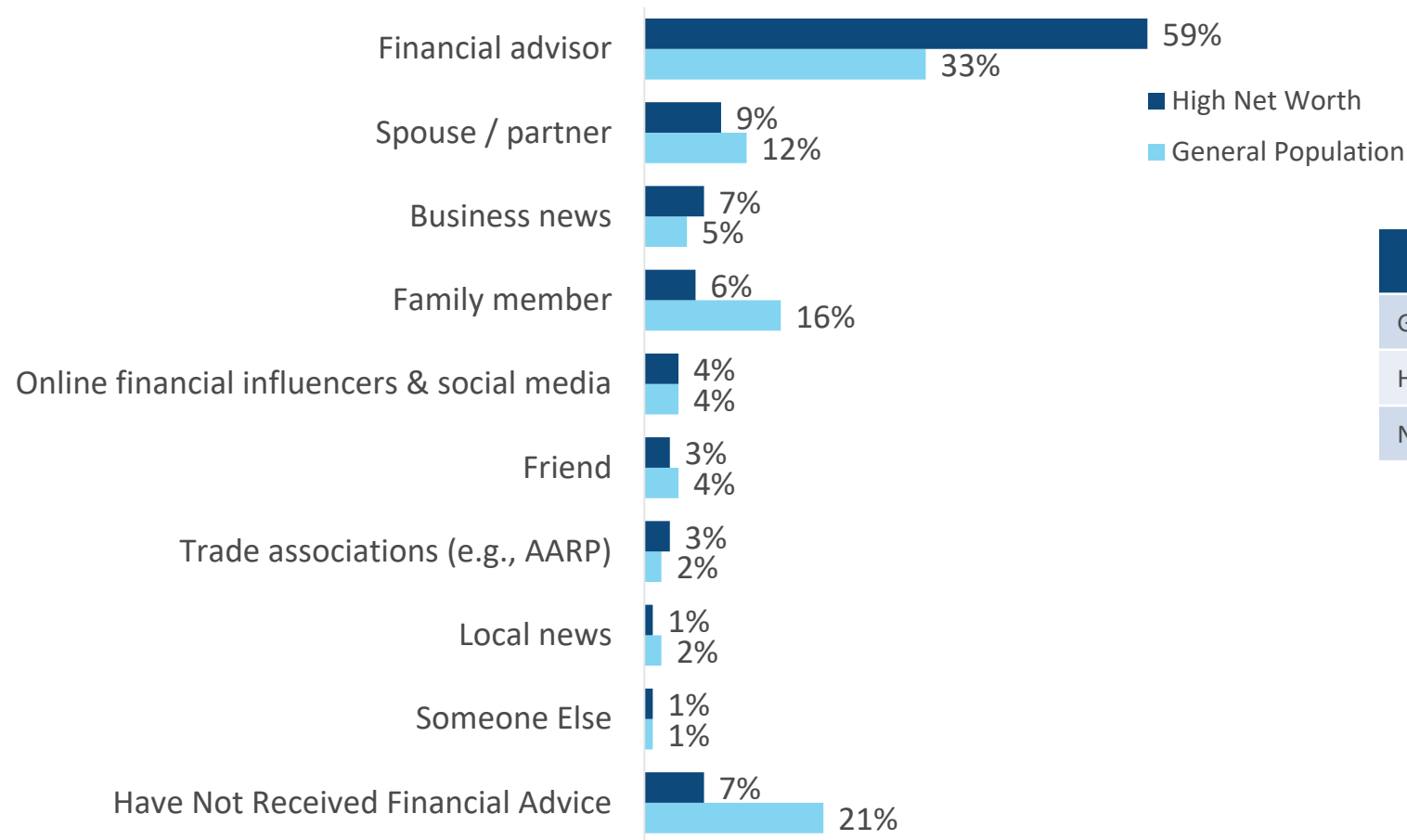
Q1655. What steps, if any, have you taken to address the possibility that you may outlive your savings? Please select all that apply.

Q2024AE. Have you had a conversation with your family about your plan to leave an inheritance and/or leave a gift/donation to a charitable organization?

American millionaires put a high level of trust in financial advisors, far more than any other source.

Most Trusted Source of Financial Advice

High Net Worth vs. General Population

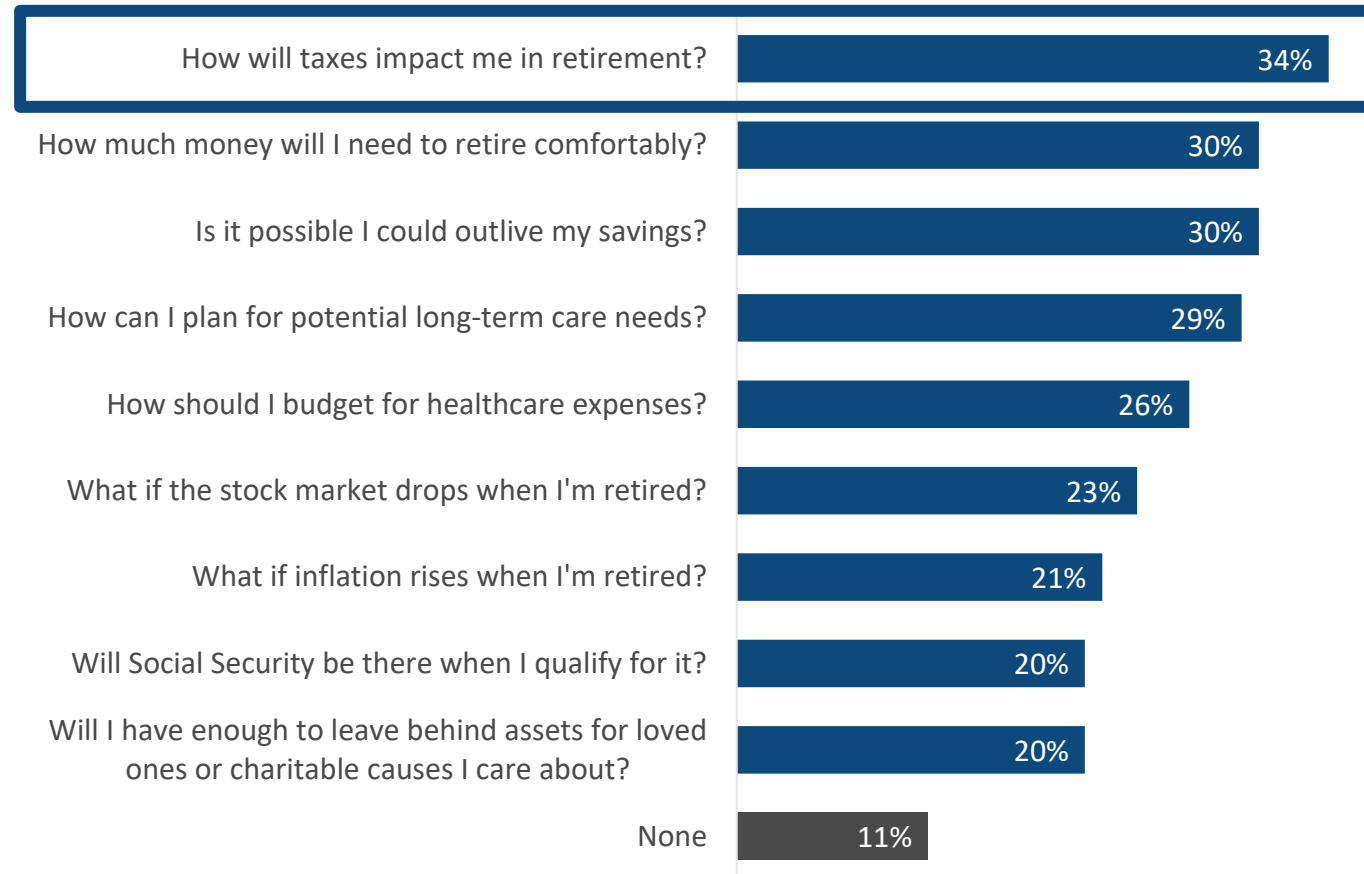


	% Financial Advisor
General Population	33%
High Net Worth	59%
Non – High Net Worth	31%

The #1 “burning question” that millionaires have about retirement, according to the research, is: “How will taxes impact me?” That comes in ahead of, “How much money will I need to retire comfortably?” and “Is it possible I could outlive my savings?” – which rank #2 and #3, respectively.

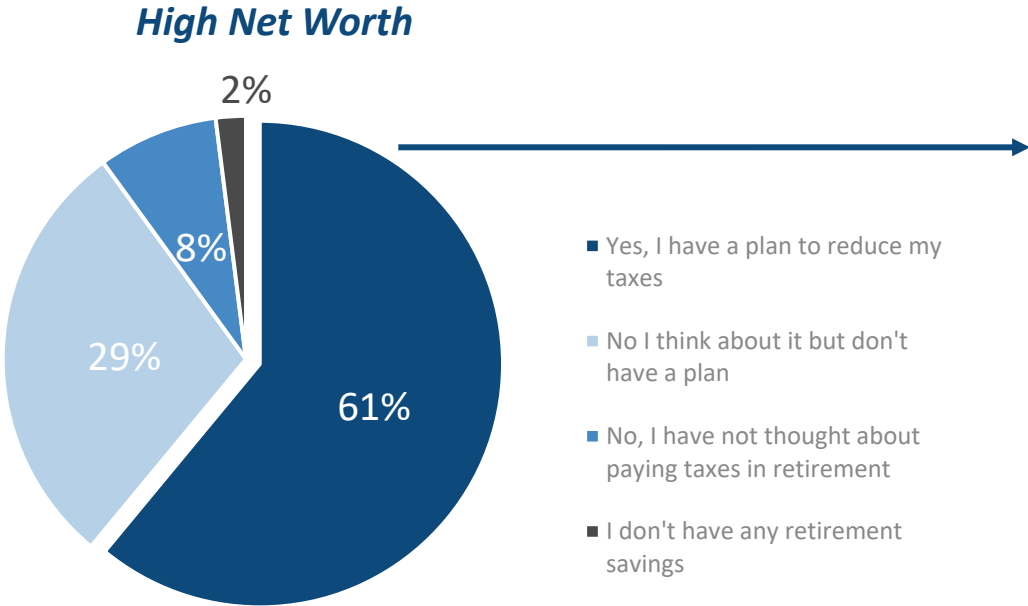
Most important "burning questions" regarding retirement planning

High Net Worth

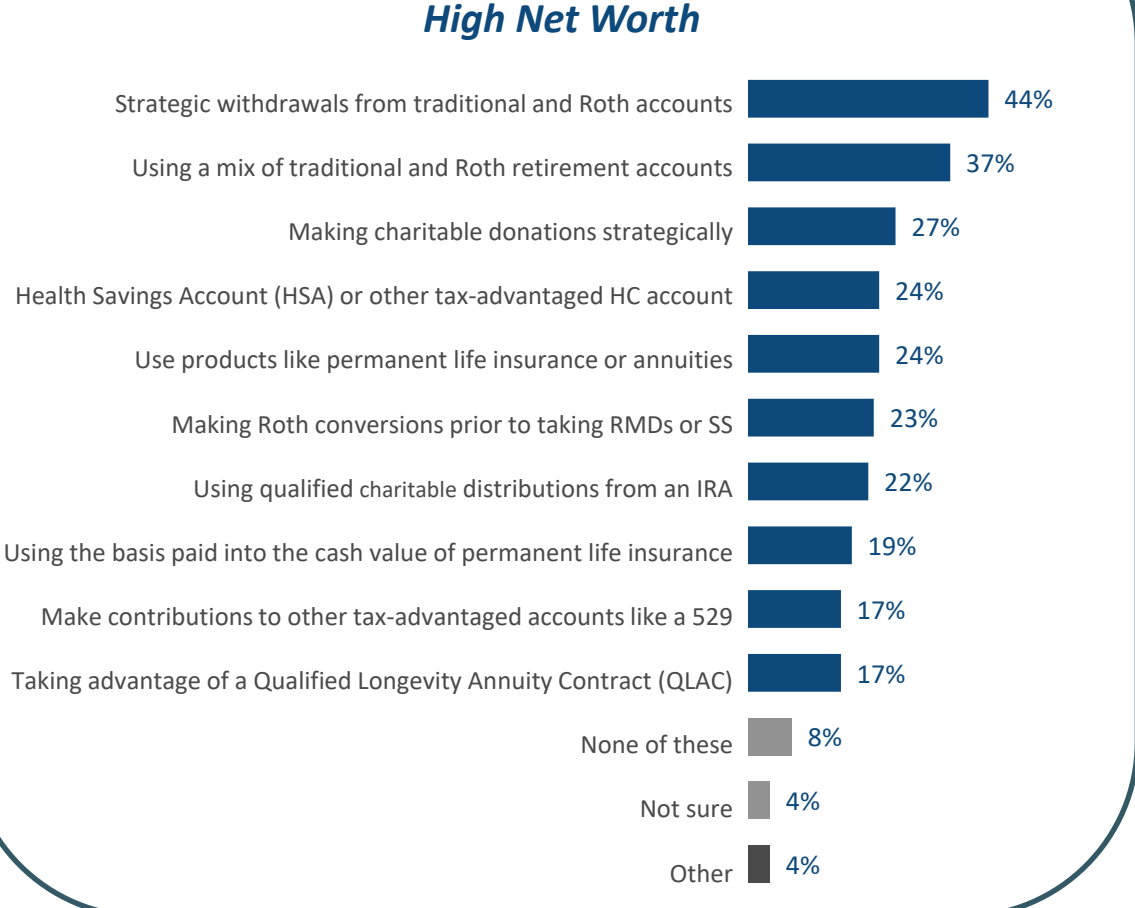


Six in ten (61%) high-net-worth Americans say they have a plan to reduce the taxes they will owe on their retirement savings.

Do you account for how much you will have to pay in taxes during retirement?



Strategies used to minimize impact of taxes



BASE: ALL HNW QUALIFIED RESPONDENTS (n=831)

Q2024r. When thinking about your overall retirement savings, do you account for how much you will have to pay in taxes?

BASE: IF YES IN Q2024R (n=503)

Q2024r. Do you use any of the following strategies to minimize the impact of taxes today or in your retirement? Please select all that apply.