

2016 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.

Background

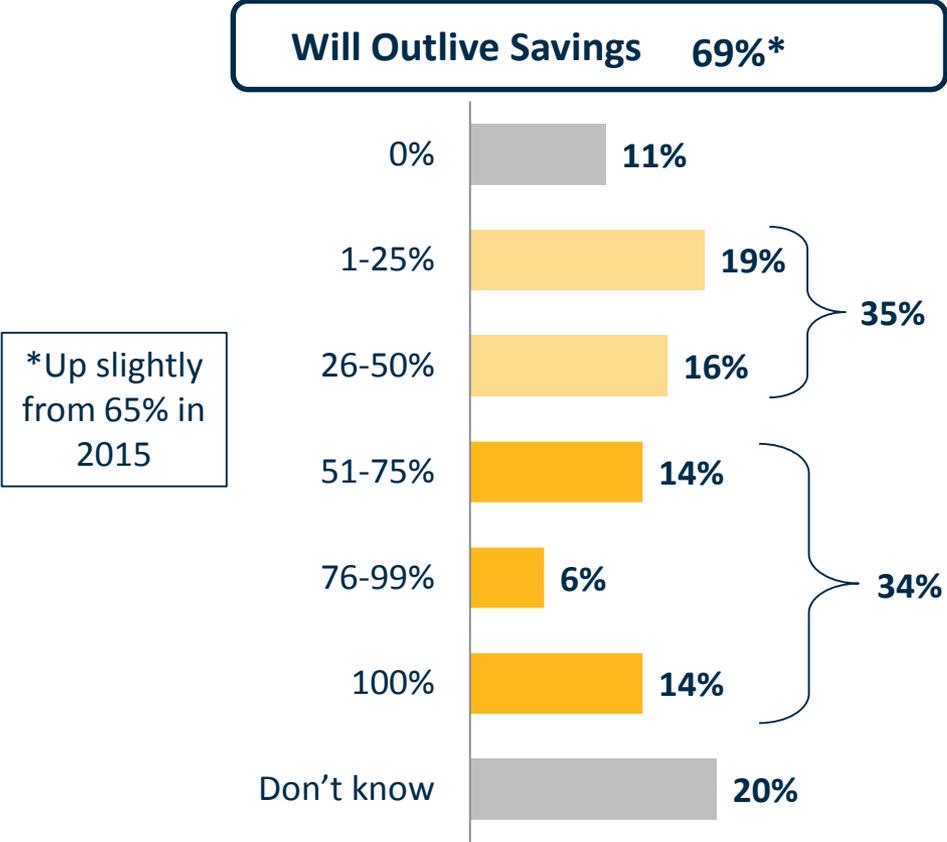
The 2016 Planning & Progress Study seeks to provide unique insights into U.S. adults' attitudes and behaviors toward money, financial decision making, and the broader landscape issues impacting people's long-term financial security.

The study is based on an online survey of 2,646 U.S. adults conducted from February 1-10, 2016 (2,026 interviews with U.S. adults age 18+ in the General Population and an oversample of 620 interviews with U.S. Millennials age 18-34).

Data were weighted to be representative of the U.S. population (age 18+) based on Census targets for education, age/gender, race/ethnicity, region and household income.

Likelihood of Outliving Savings

Two-thirds of U.S. adults believe there is at least some chance that they will outlive their savings.



BASE: ALL QUALIFIED RESPONDENTS – Gen Pop: (n=2026)
Q1645. In your opinion, what is the likelihood that you could outlive your savings?

Steps Undertaken to Prevent Outliving Savings

Though the majority of Americans expect the possibility of outliving their savings, roughly half have taken no steps to prepare.



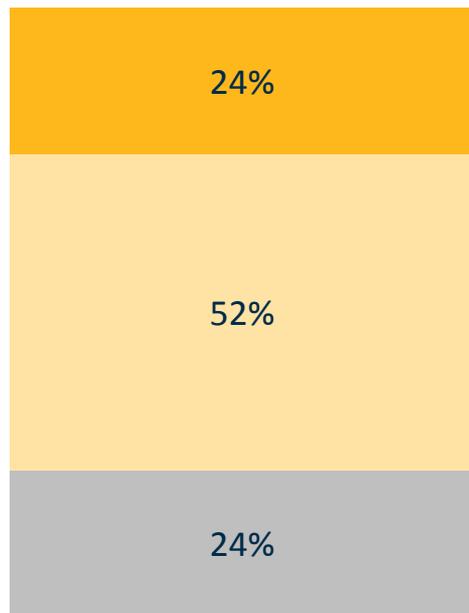
BASE: ALL QUALIFIED RESPONDENTS – Gen Pop: (n=2026)

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

Likelihood that Social Security Will Be Available

Just a quarter of Americans believe it is “extremely likely” that Social Security will be available to them when they retire. Only one in three non-retirees anticipate that Social Security will be their primary or sole source of retirement income – compared to nearly half of current retirees.

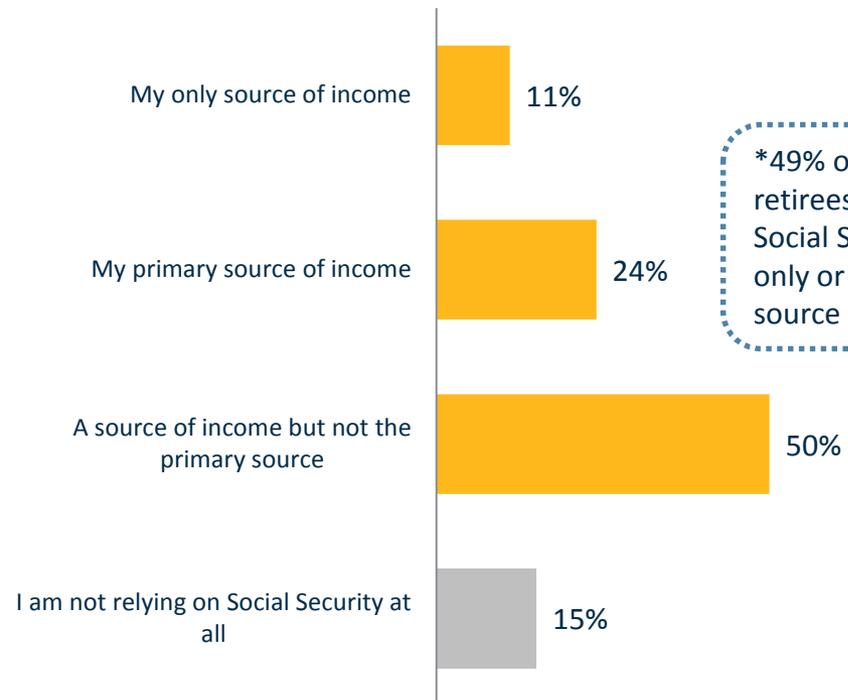
Likelihood that Social Security will be available in retirement (non-retirees)



- Extremely likely
- Somewhat likely
- Not at all likely

BASE: ALL QUALIFIED RESPONDENTS – Gen Pop: (n=2026) Q1565. In your opinion, what is the likelihood that Social Security will be available to you when you retire?

How non-retirees see Social Security contributing to retirement income

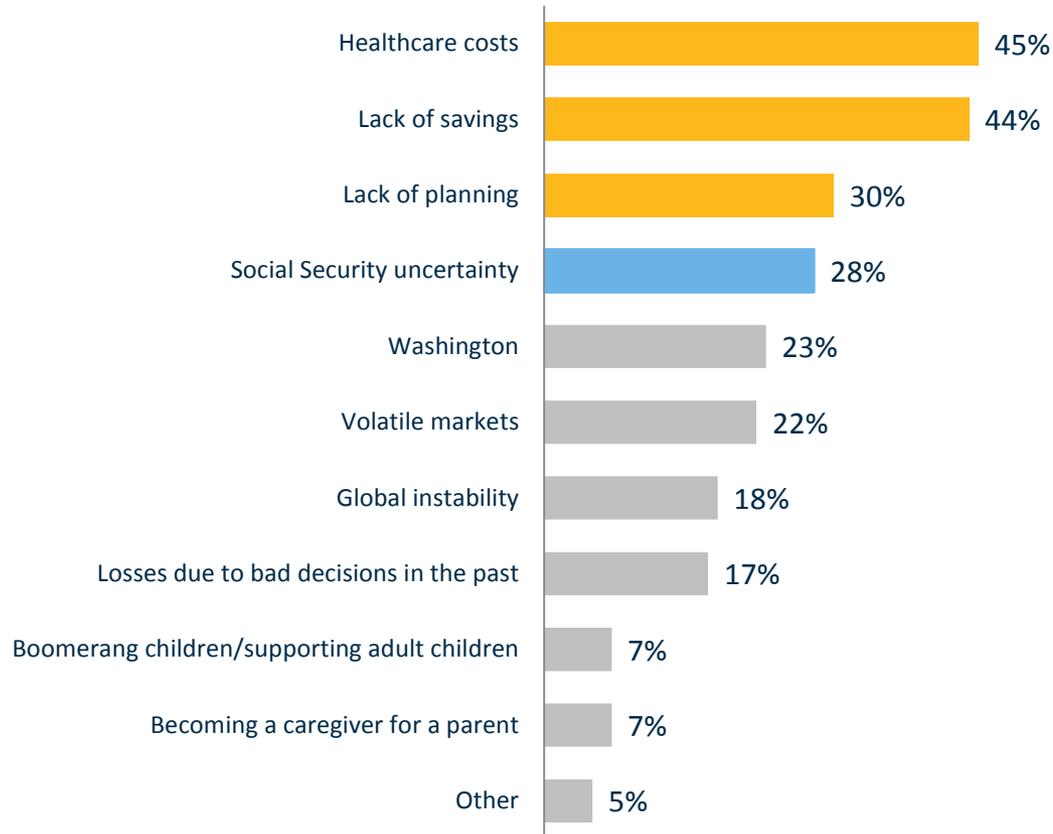


*49% of current retirees say that Social Security is their only or primary source of income.

BASE: THOSE CURRENTLY NOT RETIRED – Gen Pop: (n=1663) Q585. Assuming Social Security is still available, how much do you think Social Security will contribute to your retirement income?

Obstacles to Financial Security in Retirement

Even more than Social Security uncertainty, Americans flagged healthcare costs and lack of savings and planning as the leading obstacles to financial security in retirement.

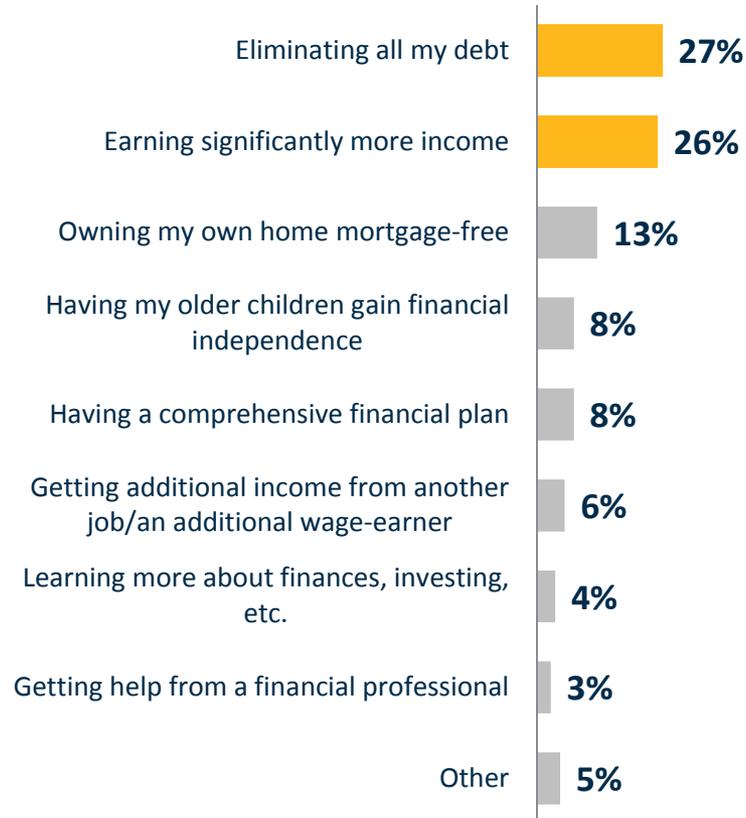


BASE: ALL QUALIFIED RESPONDENTS – Gen Pop: (n=2026)

Q1575. Besides the economy, what are the greatest obstacles to achieving financial security in retirement?

Americans Weighed Down with Debt

When asked what would make the most significant impact on their financial situation, eliminating debt and earning more income were on statistical par, indicating the magnitude of the debt issue.

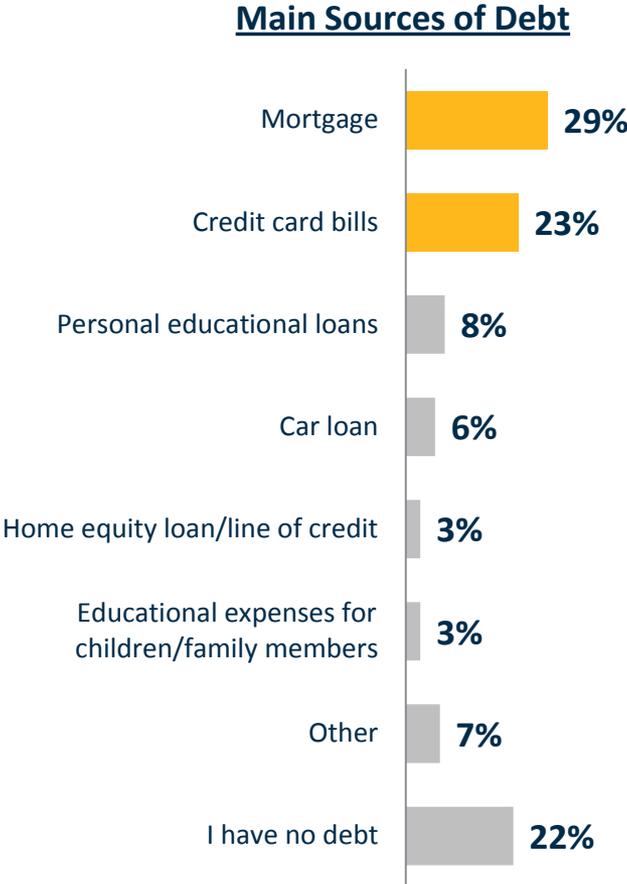


BASE: ALL QUALIFIED RESPONDENTS – Gen Pop: (n=2026)

Q550 What one change do you think would make the most significant impact on your financial situation, and allow you to live your life differently?

Sources of Debt

Mortgage payments and credit card bills emerged as primary sources of debt for U.S. adults.

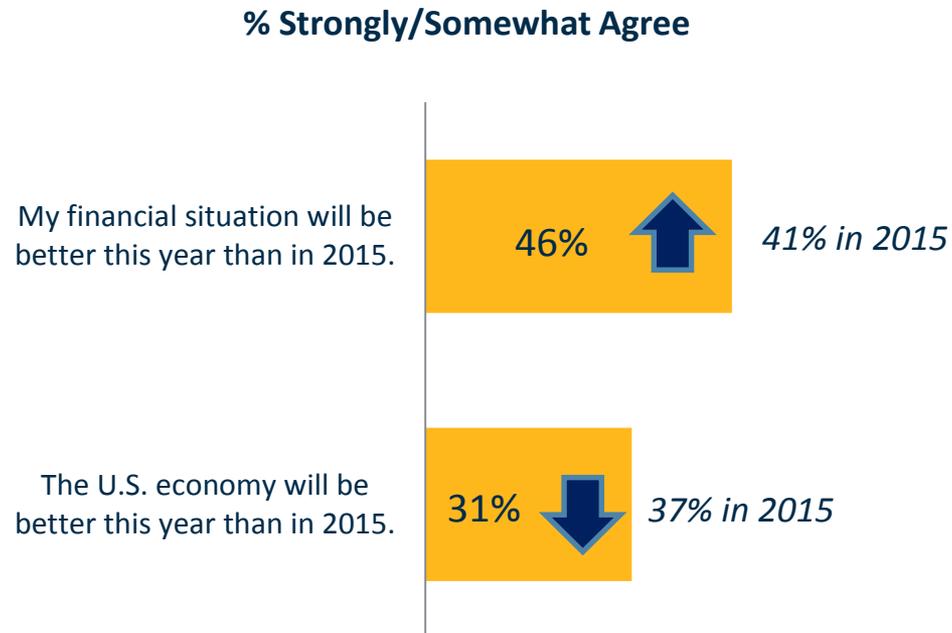


BASE: ALL QUALIFIED RESPONDENTS – Gen Pop: (n=2,026)

Q555 What is your main source of debt?

Outlook for 2016

Despite their financial concerns, Americans are optimistic about their own financial situation in 2016. This optimism, however, does not extend to the U.S. economy.



BASE: ALL QUALIFIED RESPONDENTS – Gen Pop: (n=2026)

Q1115 How much do you agree or disagree with each of the following statements?