

2017 Planning & Progress Study

The U.S. Middle Class

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

Background

The 2017 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.

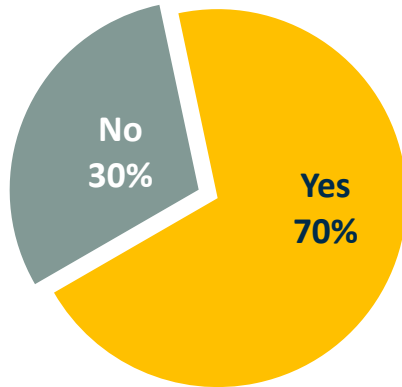
The study is based on an online survey of 2,749 U.S. adults conducted from February 14-22, 2017 (2,117 interviews with U.S. adults age 18+ in the General Population and an oversample of 632 interviews with U.S. Millennials age 18-34).

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.

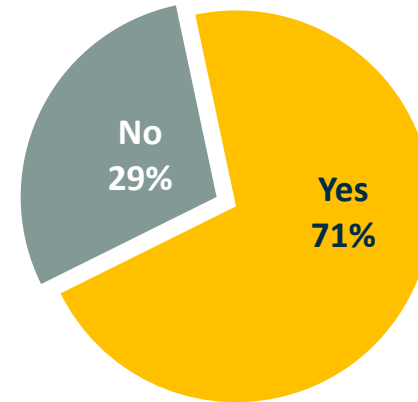
America's Middle Class is Alive and Well

Seven in ten U.S. adults categorize themselves as part of the middle class, just like they did five years ago.

Do you consider yourself part of the middle class?



Did you consider yourself part of the middle class 5 years ago?



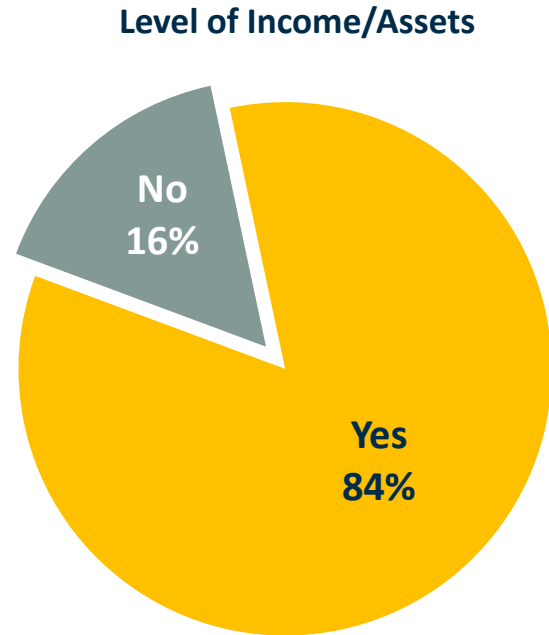
BASE: ALL QUALIFIED RESPONDENTS - Gen Pop: (n=2117)

QMC4a. Do you consider yourself part of the middle class?

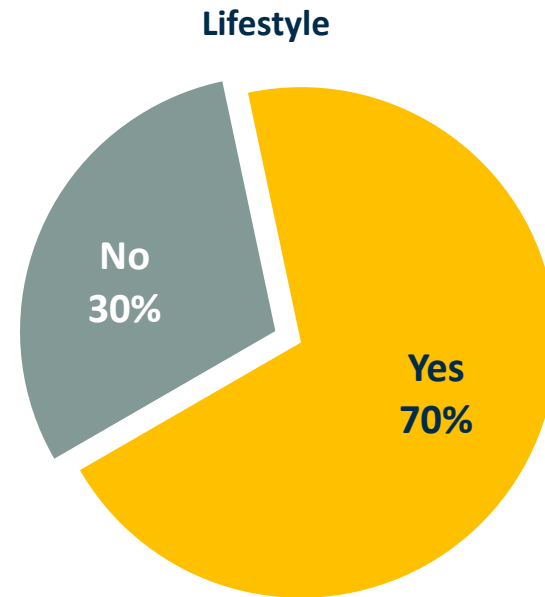
QMC4b. Did you consider yourself part of the middle class 5 years ago?

Americans Define Middle Class as a Combination of Income and Lifestyle

The vast majority of U.S. adults selected both lifestyle and income as attributes of the middle class.



BASE: ALL QUALIFIED RESPONDENTS - Gen Pop: (n=2117)
QMC1. Do you define the middle class based on a certain level of income or assets?

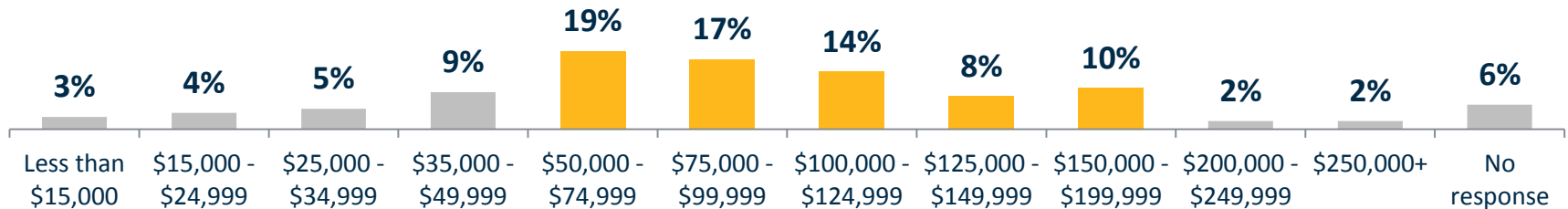


BASE: ALL QUALIFIED RESPONDENTS - Gen Pop: (n=2117)
QMC2. Do you define the middle class based on having a certain lifestyle/perspective?

In Terms of Income, the Range for What Americans Consider Middle Class is Relatively Broad

68% self-identifying as middle class have household incomes of \$50,000 to less than \$200,000 annually, with 50% falling into the \$50,000-\$125,000 segment.

Middle Class by Household Income

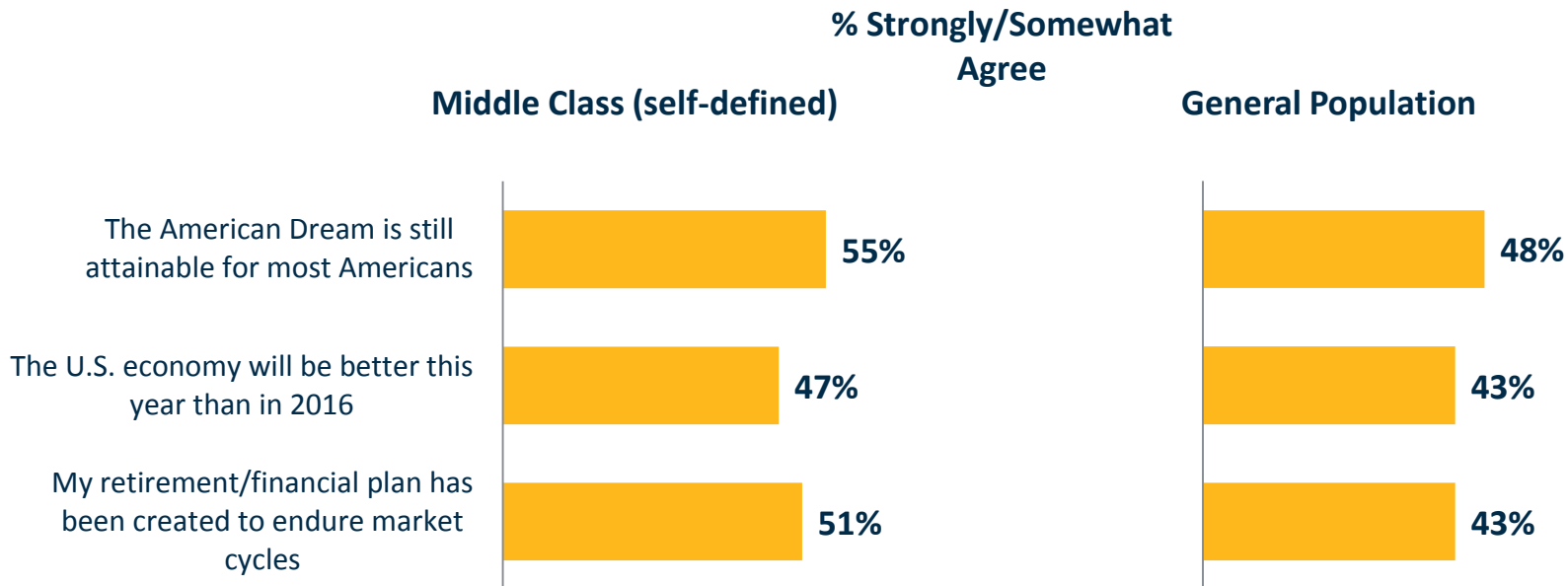


BASE: Middle Class: (n=1555)

Q462. Which of the following income categories best describes your total 2016 household income before/after taxes?

The Middle Class Shares an Outlook on the Economy and have Certain Financial Behaviors in Common

Middle class Americans have more near and long-term economic optimism and strong financial habits.



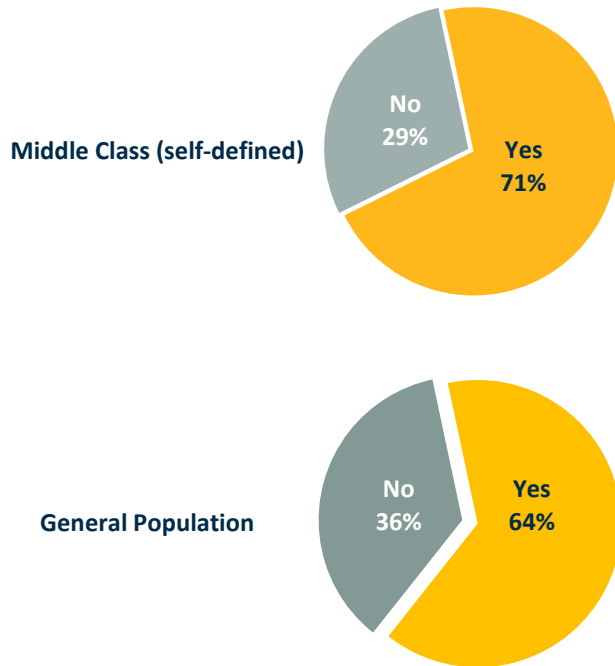
BASE: ALL QUALIFIED RESPONDENTS – General Population (n=2117); Middle Class (n=1555)

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

The Majority of Middle Class Americans Use an Advisor and have Insight into their Financial Picture

Those who consider themselves middle class are more likely than the general population to say they work with an advisor, and have a clear and accurate view of their financial picture.

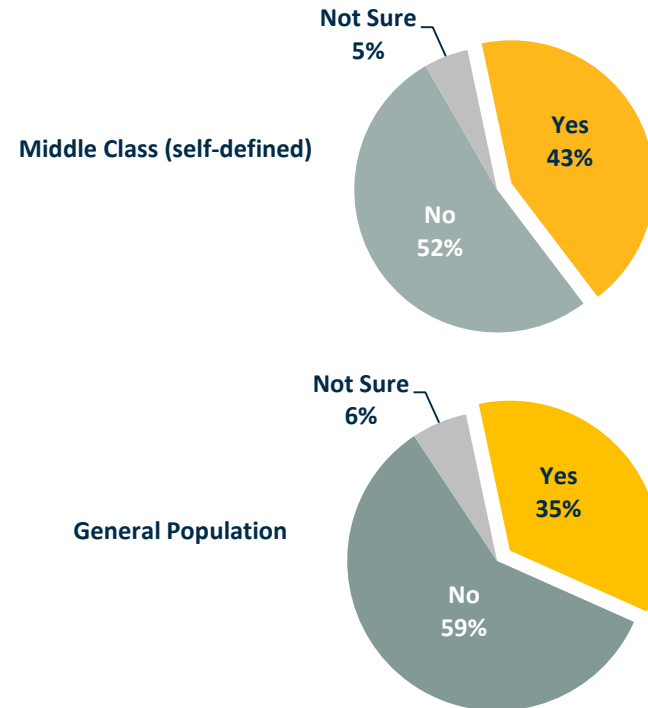
Clear and Accurate View of Financial Picture



BASE: ALL QUALIFIED RESPONDENTS - Gen Pop: (n=2117); Middle Class (n=1555)

QCG7. Do you believe you have a clear and accurate view of your whole financial picture – both current obligations and future needs?

Use a Financial Advisor



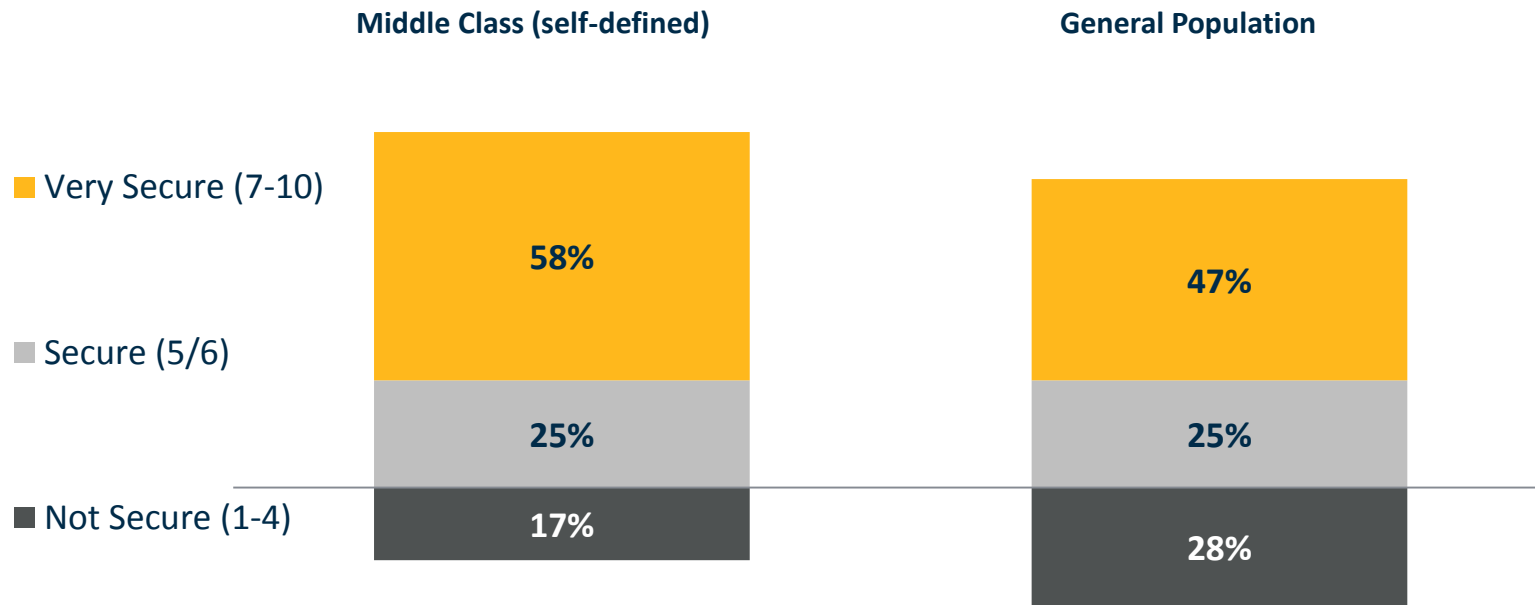
BASE: ALL QUALIFIED RESPONDENTS - Gen Pop: (n=2117); Middle Class (n=1555)

Q1230. Do you have a financial representative or advisor that you work with? When providing your response, please think about any individuals you work with for professional advice regarding your finances and exclude any automated, online or digital advisory services you may use.

Strong Financial Habits May be Resulting in a Heightened Sense of Financial Security

Middle class Americans are more likely to say they feel “very financially secure” compared to the general population.

Current Feeling of Financial Security



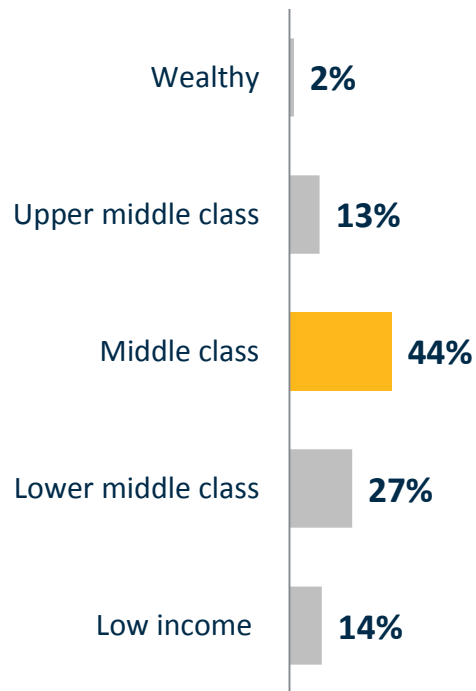
BASE: ALL QUALIFIED RESPONDENTS - Gen Pop: (n=2117); Middle Class (n=1555)

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.”

The Findings Point to Middle Class Stability...and Mobility

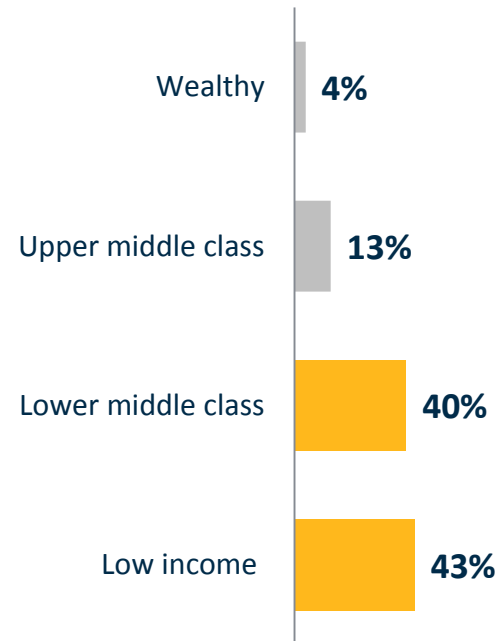
Most adults say their parents were middle/lower middle class. With respect to their own status, the vast majority of middle class Americans who did not consider themselves middle class five years ago, note that they were either “low income” or “lower middle class.”

Parents' Generation



BASE: ALL QUALIFIED RESPONDENTS - Gen Pop: (n=2117)
QMC3. Which of the following best describes your parents?

Today's Middle Class Five Years Ago

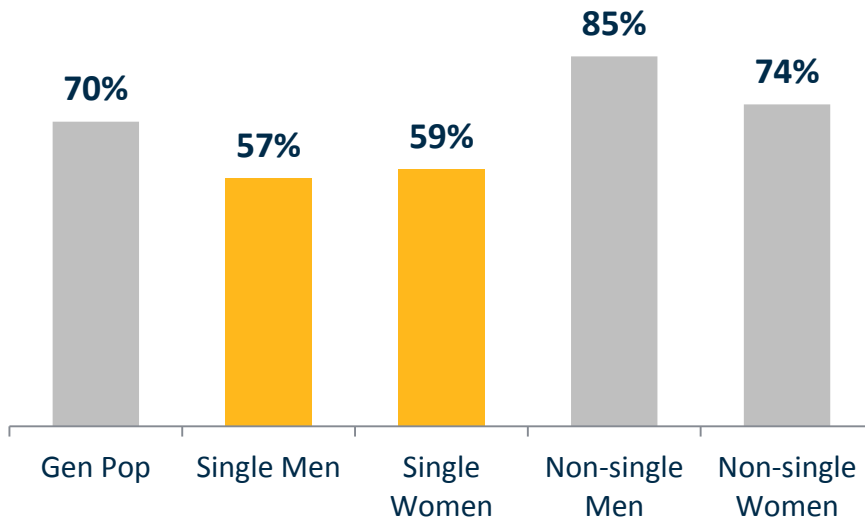


BASE: THOSE NOT CONSIDERING THEMSELVES PART OF THE MIDDLE CLASS 5 YEARS AGO – Middle Class: (n=146)
QMC5. Which of the following best describes you 5 years ago?

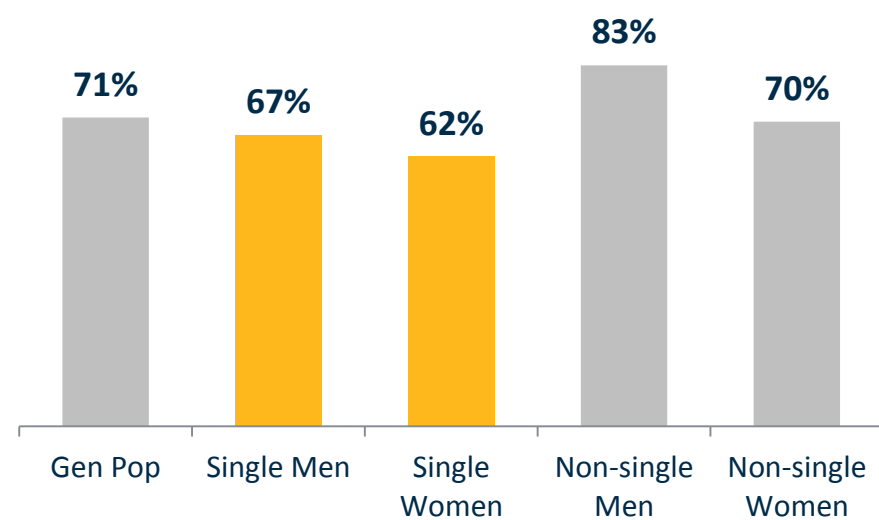
Notably, Single Americans are Somewhat of an Outlier

Single Americans are less likely to consider themselves middle class both currently and five years ago.

Middle Class Today



Middle Class 5 Years Ago



BASE: ALL QUALIFIED RESPONDENTS - Gen Pop: (n=2117)

QMC4a. Do you consider yourself part of the middle class?

QMC4b. Did you consider yourself part of the middle class 5 years ago?

“Non-single” is comprised of married, civil union, and living with partner consumers.