

# Americans Aspire to be More Financially Responsible but Fall Way Short on Follow-Through, According to Northwestern Mutual Study

People's intentions don't match their actions

MILWAUKEE, April 21, 2015 /PRNewswire/ -- A deep disconnect exists between what Americans know they should do financially and what they actually end up doing, according to the [2015 Northwestern Mutual Planning & Progress Study](#). Across wide-ranging issues – from short-term saving, spending and investing choices to long-term planning and protection strategies – people across the nation recognize an urgent need to improve their finances, and even have the right instincts about what steps to take. But they fall short – well-short, in fact – on follow-through.

This is the latest set of findings from the [2015 Northwestern Mutual Planning & Progress Study](#), an annual research project commissioned by Northwestern Mutual that explores Americans' attitudes and behaviors toward finances and planning. The research was conducted in January among over 5,000 U.S. adults aged 18 and older.

The study revealed the following about the discrepancy between people's intentions and their actions:

58% of Americans believe their financial planning needs improvement, and 21% are "not at all confident" they'll be able to reach their financial goals; but when asked what steps they have taken to plan for their financial futures, 34% said none.

67% of adults expect more financial crises such as what we experienced in 2008, yet only 38% are confident their financial plans can withstand market cycles; and nearly one in four (23%) do not believe their plans can weather economic ups and downs.

Two thirds (67%) consider themselves savers, yet over half (54%) say they have equal or more debt than savings. Despite serious concerns about retirement, 2 in 5 Americans (43%) have not spoken to anyone about retirement planning.

"Intending one thing and doing another is human, but it's an impulse we should all fight hard to resist," said Rebekah Barsch, vice president of planning and sales at Northwestern Mutual. "How many of us know we should eat better and exercise more, but fail to take action? It's similar with finances. We know it's important, but we excuse ourselves – consciously or not – because it's not easy. Of course, intentions only get us so far. And when the stakes are high, it's taking action that's critical."

## An Uptick in Non-Planners

More than anything else, Americans fear the unknown and unexpected. When asked about their greatest financial fears, "an unplanned financial emergency" was far and away the No. 1 choice. Interestingly, an unplanned financial emergency was the No. 2 factor that would prompt people who believe their financial planning needs improvement to actually take steps to improve. The No. 1 factor was "a cash windfall."

But unfortunately, the research shows that the number of Americans who do no planning at all is going up:

Over the last four years, the number of Americans age 25 and older who identify themselves as "non-planners" and having no established financial goals has doubled from 7% in 2012 to 14% in 2015.

"Some people might instinctively know they need to address their financial futures, but fear gets the better of them, and they ignore the issue, hoping it works itself out one way or another," said Barsch. "We tell them the best remedy for fearing and ignoring is planning, preparing and protecting."

## Deterioration of Financial Responsibility by Generation

Whether justified or not, there is a sense across all age groups that financial responsibility is getting worse over time.

The [2015 Northwestern Mutual Planning & Progress Study](#) found the following believe their generation is less financially responsible than their parents'/ grandparents':

61% of Millennials (aged 18-34)

56% of Gen X (aged 35-49)

51% of Boomers (aged 50-68)

36% of Matures (69+)

Meanwhile, the following believe their generation is more financially responsible than their parents'/ grandparents':

15% of Millennials  
14% of Gen X  
18% of Boomers  
34% of Matures

"This probably says more about how people view their own behaviors versus evidence that there's a real deterioration in financial responsibility across generations," notes Barsch. "To a certain degree, it's healthy to recognize the need to improve, but people may be over-reacting a bit here. We've actually seen some rather consistent signals that Millennials, for example, are setting a pretty high bar for financial responsibility."

## About the Research

The [2015 Northwestern Mutual Planning & Progress Study](#) explores the state of financial planning in America today, and provides unique insights into people's current attitudes and behaviors toward money, goal-setting and priorities.

This study was conducted by Harris Poll on behalf of Northwestern Mutual and included 5,474 American adults aged 18 or older who participated in an online survey between January 12, 2015 and January 30, 2015. Results were weighted to Census targets for education, age/gender, race/ethnicity, region and household income. Propensity score weighting was also used to adjust for respondents' propensity to be online. No estimates of theoretical sampling error can be calculated; a full methodology is available.

## About Northwestern Mutual

[Northwestern Mutual](#) has been helping families and businesses achieve financial security for nearly 160 years. Our financial representatives build relationships with clients through a distinctive planning approach that integrates risk management with wealth accumulation, preservation and distribution. With \$230 billion in assets, \$27 billion in revenues, nearly \$90 billion in assets under management in our investment products and services, and more than \$1.5 trillion worth of life insurance protection in force, Northwestern Mutual delivers financial security to 4.3 million people who rely on us for insurance and investment solutions, including life, disability income and long-term care insurance; annuities; trust services; mutual funds; and investment advisory products and services. Northwestern Mutual is recognized by FORTUNE magazine as one of the "World's Most Admired" life insurance companies in 2015.

Northwestern Mutual is the marketing name for The Northwestern Mutual Life Insurance Company, Milwaukee, WI, and its subsidiaries. Northwestern Mutual and its subsidiaries offer a comprehensive approach to financial security solutions including: life insurance, long-term care insurance, disability income insurance, annuities, life insurance with long-term care benefits, investment products, and advisory products and services. Subsidiaries include Northwestern Mutual Investment Services, LLC, broker-dealer, registered investment adviser, member FINRA and SIPC; the Northwestern Mutual Wealth Management Company, limited purpose federal savings bank; and Northwestern Long Term Care Insurance Company.

Photo - <http://photos.prnewswire.com/prnh/20150421/199920>

SOURCE Northwestern Mutual

For further information: Jean Towell, 1-800-323-7033, [mediarelations@northwesternmutual.com](mailto:mediarelations@northwesternmutual.com)

---

<https://news.northwesternmutual.com/2015-04-21-Americans-Aspire-to-be-More-Financially-Responsible-but-Fall-Way-Short-on-Follow-Through-According-to-Northwestern-Mutual-Study>