

## Direct Correlation between Professional Guidance and Happiness and Financial Security in Retirement

Northwestern Mutual's 2015 Planning & Progress Study Finds Misperceptions are Keeping Americans from Reaping Benefits of Advisors

MILWAUKEE, July 21, 2015 /PRNewswire/ -- The majority (69%) of U.S. adults are taking a self-directed approach to planning which may be exacerbating already complex financial challenges, according to new findings from [Northwestern Mutual's 2015 Planning & Progress Study](#) released today.

This [annual study](#), exploring Americans' attitudes and behaviors towards finances and planning, also reveals that U.S. adults are deeply concerned about financial security before and during retirement yet:

Less than half (40%) have set goals for their financial future and only 20% have developed a written financial plan  
Among those with a financial plan, less than 1 in 10 (9%) are extremely confident that the plan can withstand market cycles  
30% of U.S. adults say they are "not at all financially prepared" to live to the relatively "young" age of 75 while more than a third do not have any sense of how much income they may need in retirement  
62% of working Americans expecting to delay retirement by necessity, citing insufficient savings as a top reason

Notably, the top catalysts for rethinking financial planning – receiving a cash windfall (59%) or experiencing an unexpected financial emergency (38%) – are reactive/circumstantial rather than proactive/systemic.

"Financial security shouldn't be left to a roll of the dice as the stakes are too high," said Steve Mannebach, vice president, field growth and development, Northwestern Mutual.

"Financial health is similar to physical health – some people are in good shape and just need routine preventative care, while others might need a specialist to manage a serious issue or achieve a certain goal. Like medical professionals, advisors can help in either case. The key is just getting started."

### ***Missed opportunity***

A number of misperceptions emerged when respondents were asked why they do not have an advisor. Specifically, three in ten believe that having an advisor requires a certain level of assets while more than a quarter feel they could not afford one.

Overlooking professional guidance may be a significant missed opportunity as Planning & Progress Study data clearly underscores the positive impact of working with an advisor on establishing a secure financial foundation:

U.S. adults who use an advisor are nearly twice as likely to feel "very financially secure" (68% vs 35%). Moreover, 7 in 10 adults with an advisor consider themselves disciplined or highly disciplined planners compared to less than half without an advisor  
8 in 10 (79%) of working Americans who have an advisor believe they will be happy in retirement, compared to 65% of those without an advisor

U.S. adults who work with advisors are substantially more likely to be savers, hold less debt and have a diversified portfolio of financial solutions

"Financial planning is less about how much you have in assets and more about maximizing the assets you do have," continued Mannebach. "Don't let assumptions get in the way of the opportunity to reap the significant proven benefits of working with an advisor."

### ***Key attributes to consider***

Experience (73%) and reputation (44%) ranked as the leading criteria when evaluating a prospective advisor. Interestingly, some generational differences emerged with Boomers and Matures particularly emphasizing experience, while Millennials were more likely than other generations to be influenced by recommendations from their networks (48% for Millennials vs 32% general population).

### **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.

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