Northwestern Mutual Study Shows the Majority of Americans Are Not Getting Professional Financial Advice

Findings are a call to action both for individuals and the industry

MILWAUKEE, June 21, 2016 /PRNewswire/ -- According to research released today by Northwestern Mutual, the majority (68%) of U.S. adults are not getting professional financial advice; and among those who are, many (43%) say their advisors don't feel like long-term partners with a deep knowledge of their complete financial picture.

"We see this as a real call to action both for individuals and the industry," saidGregory C. Oberland, president of Northwestern Mutual. "It's important for people to understand that financial security requires serious planning, professional help and strong discipline over a long period of time. By not taking action, they risk making the long road to financial security even longer."

Oberland added, "The findings also serve as a strong reminder to the industry that the people we serve need great partners as much as they need great products. To be a great partner, it requires a deep knowledge of people's complete financial pictures, a genuine interest in developing relationships that last a lifetime, and the tools and expertise to develop comprehensive long-term plans. That's the commitment we make at Northwestern Mutual and that's what we believe it truly takes to achieve financial security."

The research is the latest set of findings from the*2016 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 February among over 2,000 U.S. adults aged 18 and older.

The study found:

Nearly seven in 10 Americans (68%) say that they do not have a trusted advisor who offers comprehensive lifetime financial planning
45% of Americans do not know where to get the help they need as they move through life stages and need different financial solutions
Among those with a financial plan, 82% believe that their financial plan should be reviewed at least once every six months, and yet more than six out of 10 people (62%) don't have a financial advisor of any kind

Among those who are getting professional advice:

Only 56% say their current/primary advisor gives them an understanding of their complete financial picture
Only 43% say their current/primary advisor has a long-term commitment
Only 41% say their current/primary advisor provides tailored attention
A third (32%) works with multiple different advisors to address different parts of their financial lives (e.g., retirement planning, investments, insurance)

While those findings are concerning, it hasn't diminished Americans' long-term optimism. In an earlier finding of the study, Northwestern Mutual found that two-thirds (66%) of U.S. adults believe that they can attain 'The American Dream', and only 16% feel it is out of reach.

The research also found something of a values shift - more toward outcomes like happiness and security rather than some traditional notions of the American Dream such as material wealth, opportunities to advance and moving up in social class. When asked about the most defining characteristics of The American Dream today, the top two answers were:

"Having a happy family life" (59%); and
"Being financially secure" (58%)

"It's clear that people's financial priorities lean toward security and peace of mind, as evidenced in this research study and from the millions of client conversations we have across the country every year," said Oberland. "We're helping people take the necessary steps to meet their priorities and realize their American Dreams."

The *2016 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 2,646 American adults aged 18 or older (2,026 interviews with U.S. adults age 18+ in the General Population and an oversample of 620 interviews with U.S. Millennials

age 19-35) who participated in an online survey between February 1 and February 10, 2016. 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.

For more information, please visit www.nm.com**.**

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 $238.5 billion in assets, $27.9 billion in revenues and more than $1.6 trillion worth of life insurance protection in force, Northwestern Mutual delivers financial security to more than 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 2016.

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** (NMIS), broker-dealer, registered investment adviser, member FINRA and SIPC; the Northwestern Mutual Wealth Management Company (NMWMC), federal savings bank; and Northwestern Long Term Care Insurance Company (NLTC).

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