Majority of Americans Prefer "People Plus Technology" Approach to Financial Advice

Northwestern Mutual Study Finds Technology Can't Replace Human Touch; Americans Less Receptive To Automated Advice

MILWAUKEE, July 18, 2016 /PRNewswire/ -- According to new findings from *Northwestern Mutual's 2016 Planning & Progress Study,* the established value of human advice in financial planning is not easily replaced by technology alone.

When asked how they would prefer to receive financial advice, the majority (54%) said the ideal solution combines a human relationship with technology while a full third (33%) prioritized a human relationship above all else. Notably, the appetite for a fully automated (robo) solution appears low across all age groups, even for Millennials, with fewer than two in 10 in that age group opting for robo.

"The data reflects what we're hearing from our clients," saidTim Schaefer, executive vice president, client and digital experience, Northwestern Mutual. "As people's financial and personal lives become busier and more complex, they want expert guidance tailored to their needs and access anywhere at any time. Technology transforms the roadmap to financial security into a 24/7 financial GPS."

The research released today 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 online in February among over 2,000 U.S. adults aged 18 and older.

Reservations about robo

Though 53% of Americans indicated that they would be open to trying automated advice, only a small fraction (7%) said they are "extremely or very interested" whereas as the majority cited only being "somewhat interested."

The nearly 50% of respondents who had "no interest at all" in robo, flagged the following as their top reasons:

A preference for a human advisor who can answer questions and discuss options (48%)
Lack of trust (40%)
Desire for knowledge and expertise of a human advisor (38%)
Interestingly, this factor was most pronounced for Millennials, suggesting that even digital natives who rely heavily on technology in many aspects of their lives appreciate the importance of human expertise in navigating the intricacies of financial planning.

Women emerged as somewhat less receptive towards automated advice, with a full half saying they were "not at all interested" relative to 43% of men. This dovetails with other Planning & Progress Study findings indicating that women are more likely to prioritize deep knowledge of personal circumstances and tailored attention --- intrinsic attributes of human advice --- when describing the ideal financial services provider.

"It's encouraging to see that most Americans recognize that the experience and knowledge of a human advisor is at the heart of sound financial planning," noted Schaefer. "At Northwestern Mutual, we use digital technology to build on that foundation of expertise and motivate clients to stay engaged with their financial picture, which is essential to their overall success."

About The 2016 Northwestern Mutual Planning & Progress Study

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 4.4 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 ranks 100 on the 2016 FORTUNE 500, and is recognized by FORTUNE 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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