Northwestern Mutual Study Finds Large and Growing Numbers of Americans Feel Financially Vulnerable

Majority Lack a Financial Plan That Protects and Grows Their Assets While a Third Don't Have an Accurate View of Their Finances

MILWAUKEE, Sept. 13, 2016 /PRNewswire/ -- New data from Northwestern Mutual's *2016 Northwestern Mutual Planning & Progress Study* indicate that Americans are feeling financially vulnerable and it likely starts with the absence of a comprehensive perspective on their finances.

The findings revealed that one third of Americans (32%) do not feel they have a clear and accurate view of their whole financial picture, spanning both current obligations and future needs. This may be a factor as to why only one in five (20%) feel "very confident" that they will be able to achieve their financial goals.

"It's much easier to navigate the path to financial security with your eyes wide open to all the realities you are facing," said Dave Simbro, senior vice president, life and annuity products. "Like with any other situation, when you are uninformed it makes the process more challenging and intimidating."

Disconnect between words and deeds leaving Americans exposed

Most Americans are acutely aware of the importance of deliberate, sustained planning. When asked which they found more valuable, an overwhelming majority (89%) opted for "a feeling of comfort from knowing I am financially secure for the long-term" over "cash in hand today" while two in three acknowledged that their financial planning needs improvement.

Despite their appreciation for the role that planning plays, people are not necessarily putting theory into practice:

Only 40% are confident their financial plan can withstand market cycles, which is concerning considering that the majority (76%) increasingly expect there to be financial crises over time – (up from 67% in 2015)
Fewer than 4 in 10 (37%) define a financial plan as a strategy to "…allow me to live comfortably when I get older or retire" with some saying it simply means sticking to a budget or living within one's means
35% haven't talked to anyone about retirement

Moreover, while six in 10 (60%) said that integrated solutions designed to both grow and protect their assets are most important to achieving financial security, only a small fraction of Americans own any financial products beyond a basic savings account:

Investments (including stocks, bonds, mutual funds, IRAs, ETFs) – 45%
Permanent life insurance – 27%
Term life insurance – 26%
Annuity – 16%

"Deepening awareness of their options is essential to helping Americans feel less vulnerable and more secure," continued Simbro. "For example, many don't realize that permanent life insurance is the proverbial utility knife of financial solutions because it can be used to tackle a variety of financial objectives over the arc of their lifetime – from building a business and funding college to supplementing retirement income."

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 18-34) 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.northwesternmutual.com.

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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.

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