Americans with Financial Advisors Are Significantly More Comfortable Balancing Present and Future Financial Goals

New Study from Northwestern Mutual Reveals Trust is the Centerpiece of a Superior Advisor Experience

MILWAUKEE, July 18, 2018 /PRNewswire/ -- Two thirds of Americans find it challenging to navigate spending now versus saving for later --- and a financial advisor may be the solution. According to the latest findings from Northwestern Mutual's 2018 Planning & Progress Study:

Nearly 7 in 10 (67%) Americans who use a financial advisor believe they have clarity on how much to spend now and save for later compared to less than half (44%) of those without an advisor
Individuals without an advisor are more than twice as likely as people with an advisor (34% vs 13%) to say they are "not at all confident" they have the balance between spending and saving correct. This may be one reason why those without an advisor are more likely than those with an advisor (60% vs 37%) to point to debt reduction as a top priority

"Financial decision-making can be overwhelming, especially when juggling a number of competing priorities," said Sandy Botcher, vice president of distribution, Northwestern Mutual. "A financial advisor has the expertise and objectivity to see the whole picture and develop a strategy that's flexible enough to enjoy life today while securing tomorrow."

Study results also showed Americans who work with financial advisors demonstrate higher levels of retirement readiness, disciplined planning, and financial confidence. Specifically:

More than half (54%) of those with an advisor feel very financially secure. Only a fraction of people (21%) without an advisor said the same
Three quarters (75%) of Americans with advisors consider themselves "disciplined" or "highly disciplined" financial planners relative to just 37% of those without an advisor
More than 7 in 10 people with an advisor said their plan has been created to endure market cycles --- compared to less than a third of those without an advisor (29%)
The majority (59%) of Americans with an advisor believe that, if they work past traditional retirement age, it will be by choice rather than from necessity (41%). Notably, the inverse is true for those without an advisor, with 6 in 10 (61%) expecting to remain employed past retirement age from necessity

These are the latest findings from the 2018 Planning & Progress Study, an annual research project commissioned by Northwestern Mutual that explores Americans' attitudes and behaviors toward money, financial decision making, and the broader landscape issues impacting people's long-term financial security.

Not all advice is created equal

While the findings underscore the overall value of working with an advisor, Americans cited several attributes that distinguish a remarkable advisor experience from just an acceptable one. "Someone I can fully trust to have my best interests at heart/not just out to sell product" emerged as the leading priority (57%). Other factors included:

"Not feeling judged on size of assets/financial decisions" (36%)
"Deep expertise across a wide range of financial solutions and strategies" (33%)

"Being entrusted to shepherd someone's financial life is an honor and a responsibility," continued Botcher. "There is no greater reward than knowing you've played a role in helping clients exceed their own expectations for financial security."

The importance of relationship also resonated in preferences around the delivery of advice. 6 in 10 Americans said a human relationship combined with technology is ideal while only 11% opted for a fully automated solution.

About The 2018 Northwestern Mutual Planning & Progress Study

The 2018 Planning & Progress Study was conducted by Harris Poll on behalf of Northwestern Mutual and included 2,003 American adults aged 18 or older in the general population (and an oversample of 601 interviews with U.S. Millennials age 18-34 which have been combined with the general population of those 18-34 when featuring this age group separately from the general population) who participated in an online survey between March 7 and March 19, 2018. 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 more than 160 years. Through a distinctive, whole-picture planning approach, we empower our clients to make the most of every single day and plan for important moments in their future. We combine the expertise of our financial professionals with a personalized digital experience to help our clients navigate their financial lives every day. With $265.0 billion in assets, $28.1 billion in revenues, and $1.8 trillion worth of life insurance protection in force, Northwestern Mutual delivers financial security to 4.5 million people who rely on us for life, disability income and long-term care insurance, annuities, brokerage and advisory services, trust services, and discretionary portfolio management solutions. The company manages more than $125 billion of client assets through its wealth management and investment services. Northwestern Mutual ranks 104 on the 2018 FORTUNE 500 and is recognized by FORTUNE® as one of the "World's Most Admired" life insurance companies in 2018.

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