

One-Third of Americans Say Their Financial Discipline Has Improved During the Pandemic, and 95% Expect That to Stick

Northwestern Mutual study finds nearly one in five people didn't have a financial plan before the pandemic, but now they do

MILWAUKEE, May 26, 2021 /PRNewswire/ -- In just over a year, so many habits and behaviors have been transformed by the Covid-19 pandemic, and they extend well beyond social distancing, facemasks and working from home. Northwestern Mutual research finds a third (32%) of Americans say their financial discipline has improved during the pandemic, and 95% say they expect their newfound habits will stick after the health crisis subsides.

These are the first set of findings from the [2021 Planning & Progress Study](#), an annual research project commissioned by Northwestern Mutual that explores Americans' attitudes and behaviors toward money, financial decision-making and broader issues impacting people's long-term financial security.

The study finds that the pandemic and related events have prompted people to get proactive with their planning. Nearly one out of five (17%) U.S. adults aged 18+ say they didn't have a financial plan before the pandemic, but now they have one in place. Overall, 83% of people were prompted to either create, revisit, or adjust their financial plan during the pandemic.

"Covid-19 has dealt financial setbacks to so many Americans, but people are changing their behaviors and financial choices to meet those head on," said Christian Mitchell, executive vice president & chief customer officer at Northwestern Mutual. "While we don't know what post-Covid life will look like, we're encouraged to see that people intend to hold on to the better financial habits they've developed during this challenging time."

Among the behaviors that people say they've adopted and expect to maintain going forward are:

Reducing living costs/spending (e.g., cancel subscriptions, eat out less, etc.) - 45%
Paying down debt - 34%
Increasing investing - 33%
Regularly revisiting financial plans - 29%
Increasing use of tech/digital solutions to manage finances - 28%
Increasing retirement contribution/savings - 25%

Setbacks and Postponements

Nearly half (45%) of Americans say the pandemic has impacted their timeline for achieving long-term financial security, with most saying it's a setback of one to two years.

15% say it has set them back less than a year
18% say it has set them back 1-2 years
9% say it has set them back 3-5 years
3% say more than 5 years

For Gen Z and Millennials, it's a majority -- 63% and 65% respectively say they've been set back financially. But the amount of time lost for these generations is consistent with the broader population as the most common estimation is one to two years.

Additionally, more than one-third (35%) of people have postponed a major financial or life event because of the pandemic, including:

Making/funding large purchases or projects (home renovation, new car, etc.) - 17%
Changing jobs/looking for a new job - 10%
Buying or building a new home - 9%

"An improvement in financial habits is a positive for sure, but it shouldn't overshadow the fact that it's coming from a place of financial difficulties for many," said Mitchell. "We're here to help no matter where people are on their financial journey. Taking action is critical, and the first step is putting a solid plan in place."

In forthcoming data sets, the 2021 Planning & Progress Study will explore wide-ranging issues facing Americans spanning savings and debt, work and retirement, planning, priorities and more.

About The 2021 Northwestern Mutual Planning & Progress Study

The 2021 Planning & Progress Study was conducted by The [Harris Poll](#) on behalf of Northwestern Mutual and included 2,320 American adults aged 18 or older who participated in an online survey between March 16 – 26, 2021. 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

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