

America's Youngest Adults Plan to Retire Earlier Than Any Generation Before Them

Northwestern Mutual study shines light on the financial habits and instincts of Generation Z

MILWAUKEE, Dec. 19, 2022 [/PRNewswire/](#) -- The nation's youngest adults are taking significant steps to improve their financial wellbeing with the goal of retiring at age 59 – years ahead of the generations that preceded them.

New data from [Northwestern Mutual's 2022 Planning & Progress Study](#) revealed that Americans between the ages of 18 and 25 – known as Gen Z – were the most likely to build savings during the pandemic and begin working with an advisor. The study also showed that these young adults were more confident about their careers and in their ability to achieve financial security.

That confidence comes with caveats, however. Gen Z adults were also the most inclined to say their financial planning needs improvement. They also struggle more with mental health than any other age group.

Gen Z's Instinct to Plan

According to Northwestern Mutual's research, Gen Z – more than any other generation – improved their financial habits during the pandemic. Seven in 10 (70%) adults from the age group reported higher savings over that time period. They were also more likely to seek professional financial help, with nearly three in 10 (29%) saying they did not have an advisor before the pandemic but have either started working with one or plan to moving forward. Despite that, close to 75% of Gen Z adults said their financial planning needs improvement.

	All U.S. adults	Gen Z	Millennials	Gen X	Boomers+
I have been able to build my savings during the pandemic.	60 %	70 %	61 %	50 %	62 %
I didn't have an advisor before, but moving forward I will work with one/have started working with one	18 %	29 %	24 %	21 %	7 %
My financial planning needs improvement	62 %	74 %	74 %	69 %	41 %

"It's encouraging to see the youngest generation of adults showing an inclination to plan and holding themselves to a high bar," said Christian Mitchell, executive vice president and chief customer officer at Northwestern Mutual. "Developing a plan isn't just the first step toward achieving your long-term goals, it's also what allows you to enjoy your life more along the way. With greater clarity around how to balance spending and saving, you're able to live more in the moment and still have confidence in the future."

Confident but Struggle with Mental Health

Gen Z had the highest levels of confidence in their careers and in their ability to achieve financial security. The research also showed that they plan to retire younger than any other generation – before the age of 60 and a full 12 years earlier than Boomers+.

	All U.S. adults	Gen Z	Millennials	Gen X	Boomers+
I have had / will have a successful career	72 %	79 %	74 %	64 %	75 %
I have achieved / will achieve	66 %	70 %	66 %	58 %	70 %

long-term financial security					
Social Security will be there when I need it	56 %	55 %	52 %	43 %	70 %
I expect to retire at age (mean)	64	59	61	65	71

Yet, while Gen Z is looking forward to an early retirement, money is not what drives most of them at work. Nearly two-thirds (64%) said personal fulfillment is more important in a career than money (36%).

But contentment is elusive, and Gen Z's assessment of their own mental health stands out as considerably more fragile than all other age groups. The study found that 44% of Gen Z reported their mental health as weak or very weak compared to only 26% for all U.S. adults.

	All U.S. adults	Gen Z	Millennials	Gen X	Boomers+
Current state of mental health is weak / very weak	26 %	44 %	31 %	31 %	13 %

About The 2022 Northwestern Mutual Planning & Progress Study

The 2022 Planning & Progress Study was conducted by The [Harris Poll](#) on behalf of Northwestern Mutual and included 2,381 American adults aged 18 or older, with oversamples of Gen Z, who participated in an online survey between February 8 – 17, 2022. 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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