

Americans with a financial advisor expect to retire two years earlier according to Northwestern Mutual's Planning & Progress Study

Ready to Retire: 75% of those who work with an advisor say they will be financially prepared for retirement versus 45% of people without an advisor

Free from Anxiety: 64% of Americans with an advisor say they feel financially secure; just 29% without an advisor agree

Most Trusted: Financial advisors are Americans' most trusted source for financial advice – twice as trusted as family members and 8x more trusted than "FinTok" social media influencers

Closing the Racial Wealth Gap: African Americans with an advisor expect to retire three years sooner, pay off college debt five years earlier, and have almost 3x more retirement savings

MILWAUKEE, July 9, 2024 /PRNewswire/ -- Americans who work with a financial advisor expect to retire two years earlier and feel significantly more confident about their financial preparedness for the future. The impact of financial advice from an expert advisor is evident even among wealthy Americans – and it's especially apparent among Black and African Americans. These are some of the latest findings from [Northwestern Mutual's 2024 Planning & Progress Study](#).

Americans with an advisor expect to retire at age 64, two years sooner than those who don't work with an advisor (66).

Americans with an advisor expect to retire at age 64, two years sooner than Americans who don't work with an advisor (66). They also have saved twice as much money for retirement than those who do not have an advisor: \$132,000 vs. just \$62,000. Beyond the balance sheet, Americans with a financial advisor also feel more certain about their ability to reach their financial goals, and more bullish – believing that they reach their goals faster.

Three in four Americans with an advisor (75%) believe that they will be financially prepared to retire, compared to just 45% without an advisor who feel the same. Nearly two in three Americans with an advisor (62%) say they know how much they need to save in order to retire comfortably, while about one in three without an advisor (34%) agree. Moreover, Americans with an advisor predict that they will pay off their student loan debt three years sooner: at age 43 instead of age 46.

The emotional lift that expert advice can create is also visible among Americans' financial planning attitudes and beliefs.

Behaviors and beliefs among all Americans		
	With an advisor	Without an advisor
Have a long-term plan that factors for up-and-down economic cycles over time	79 %	38 %
Have an emergency fund	84 %	48 %
Feel financially secure	64 %	29 %
Have good clarity on how much they can afford now vs. save for later	79 %	60 %
Have taken a step to address possibility of outliving life savings	83 %	53 %
Have a specific plan to pay off debt	79 %	49 %
Have inflation factored into financial plan	69 %	48 %

Have plan to address health care costs in retirement	69 %	38 %
Will have enough to leave behind an inheritance or charitable gift	64 %	33 %

"Americans who work with a financial advisor have better financial habits, superior outcomes, less anxiety, greater confidence and more time to live the life of their dreams," said John Roberts, chief field officer at Northwestern Mutual. "The impact isn't just about bigger numbers on a spreadsheet – it's about more days in retirement and more time enjoying the journey. A comprehensive financial plan that combines insurance, wealth management and an expert advisor is powerful. Like a personal fitness trainer, financial professionals show people the techniques and exercises that will help them become stronger, and give them the encouragement they need to meet their goals."

American millionaires with an advisor feel more financially secure

Among Americans with at least \$1 million in investable assets, there's a big difference in behaviors and beliefs between people with an advisor and others who haven't sought out expert advice. These high-net-worth Americans with an advisor expect to retire a year sooner (61 vs. 62), and are more likely to believe they will be financially prepared for retirement than millionaires who lack an advisor (92% vs. 77%, a 15 percentage point difference).

The study also found several other notable differences:

Behaviors and beliefs among American millionaires		
	With an advisor	Without an advisor
I have a will	81 %	50 %
I have a specific plan in place to pay off debt, exclusive of mortgages	89 %	67 %
I have a long-term financial plan that factors for up and down economic cycles	89 %	75 %

"The research shows that accumulating wealth isn't enough; people need expert advice to follow best practices, feel more secure, and reach their dreams faster," Roberts said. "Half of wealthy Americans who don't have an advisor don't have a will – but 81% who have an advisor have that essential estate planning document in place. That stat alone should send a clear message about the value of an advisor: they ask deeper questions, give better solutions, and help ensure people are financially prepared."

Average age to seek financial advice is age 38, but for Millennials, it's 29

Among people who have a financial advisor, the average age this relationship began is 38. Interestingly, younger generations are engaging experts for financial advice earlier and earlier.

The average Millennial with an advisor says they sought formal financial guidance at age 29 – nine years sooner than Gen X (age 38) – and a full 20 years before Boomers+ (age 49). [Interestingly, 29 is also the average age when Americans get married, while the median age when a mother has her first child is age 30.](#)

"Younger generations are saving, investing and seeking advice earlier than ever," Roberts said. "This can be transformational, because they will have more time to benefit from being in the market and the power of compound interest. Many wait for a life event like a wedding or a new baby to start planning with an advisor. It's important to remember, though, that the sooner you get started with a financial plan, the better your long-term results."

Advisors are Americans' most trusted source for financial advice

Once again, people across the U.S. say they trust financial advisors more than any other source for financial advice. More than twice as many Americans chose financial advisors (33%) over family members (16%), who ranked second. Interestingly, financial advisors were selected eight times more than online financial influencers and social media sites like Reddit and TikTok

(4%).

Gen Z was the only generation to perceive family members as the most trusted source of financial advice, followed closely by financial advisors.

	All	Gen Z	Millennials	Gen X	Boomers+
Financial advisor	33 %	27 %	28 %	34 %	39 %
Family member	16 %	29 %	17 %	14 %	9 %
Spouse/partner	12 %	9 %	16 %	12 %	10 %
Business news	5 %	5 %	5 %	6 %	6 %
Friend	4 %	5 %	6 %	3 %	3 %
Online financial influencers and social media sites (e.g., Reddit, TikTok)	4 %	6 %	6 %	3 %	0 %
Trade associations (e.g. AARP)	2 %	2 %	3 %	2 %	1 %
Local news	2 %	2 %	2 %	2 %	1 %
I have not received financial advice from anyone	22 %	14 %	17 %	23 %	29 %

"FinTok may pique people's interest, but to make the most of their money, Americans are turning to expert financial advisors to reveal their opportunities and their blind spots," said Roberts. "The research also shows more parents are interested in inviting their young adult and teenage children into annual meetings with their financial advisors. This credible combination of parents and financial advisors could be a game-changer, helping families instill planning knowledge and a lifetime of good financial habits with the next generation."

Nearly three in ten are seeking an advisor now

Northwestern Mutual's study found that seven in 10 Americans believe their financial planning needs improvement – and many are taking action. Nearly three in ten Americans (29%) who did not have an advisor before say they plan to start working with one – or have just recently started working with one.

"Financial advisors and comprehensive financial planning have never been more relevant or in-demand," Roberts said. "In this time of [record-high financial anxiety](#), Americans are proactively seeking out expert advice for peace of mind."

Black individuals with an advisor see significant gains in financial and emotional outcomes

While the research shows financial advice can be impactful for all Americans, among Black and African American individuals, the influence is even more pronounced. Northwestern Mutual's study found that Black individuals with an advisor expect to retire three years sooner (age 61 vs. 64). They also have almost three times more in retirement savings on average than Black consumers who do not have a financial advisor (\$71,000 vs. \$26,000). They also expect to pay off their college debt five years earlier (by age 41 vs. 46).

The study also found several other notable differences:

Behaviors and beliefs among Black / African Americans		
	With an advisor	Without an advisor
Have a long-term plan that factors for up-and-down economic cycles over time	72 %	33 %

Have an emergency fund	76 %	36 %
Feel financially secure	65 %	26 %
Have good clarity on how much they can afford now vs. save for later	83 %	58 %
Think they will be financially prepared for retirement	82 %	50 %
Have taken a step to address possibility of outliving life savings	86 %	53 %
Have a specific plan to pay off debt	77 %	46 %
Have inflation factored into financial plan	73 %	46 %
Have plan to address health care costs in retirement	72 %	42 %
Will have enough to leave behind an inheritance or charitable gift	75 %	39 %

"Our industry's role in closing the racial wealth gap is crystal clear," Roberts said. "Financial advisors make an incredible impact in people's lives, and in the years ahead, we need to press even harder to grow our sphere of influence, and help more Americans access and build financial security."

All investments carry some level of risk, including loss of principal invested. No investment strategy can assure a profit and does not protect against loss in declining markets.

About The 2024 Northwestern Mutual Planning & Progress Study

The 2024 Planning & Progress Study was conducted by The [Harris Poll](#) on behalf of Northwestern Mutual among 4,588 U.S. adults aged 18 or older. The survey was conducted online between January 3 and January 17, 2024. Data are weighted where necessary by age, gender, race/ethnicity, region, education, marital status, household size, household income, and propensity to be online to bring them in line with their actual proportions in the population. A complete survey methodology is available.

About Northwestern Mutual

[Northwestern Mutual](#) has been helping people and businesses achieve financial security for more than 165 years. Through a comprehensive planning approach, Northwestern Mutual combines the expertise of its [financial professionals](#) with a personalized digital experience and industry-leading products to help its clients plan for what's most important. With over \$627 billion of total assets¹ being managed across the company's institutional portfolio as well as retail investment client portfolios, more than \$36 billion in revenues, and \$2.3 trillion worth of life insurance protection in force, Northwestern Mutual delivers financial security to more than five million people with life, disability income and long-term care insurance, annuities, and brokerage and advisory services. Northwestern Mutual ranked 110 on the 2024 *FORTUNE* 500 and was recognized by *FORTUNE*® as one of the "World's Most Admired" life insurance companies in 2024.

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