

Only One in Three American Millionaires Feel "Wealthy" and Nearly Half Say Their Financial Planning Needs Improvement, According to Northwestern Mutual Planning & Progress Study

What's it like to feel like a million bucks? Millionaires indicate it's less about believing you're rich and more about having confidence and clarity about the future.

Nearly 80% of American millionaires say they are "self-made;" only 11% received bulk of wealth from inheritance

Millionaires' top burning question about retirement: the impact of taxes

69% of American millionaires turned to a financial advisor to help them protect and grow their wealth, compared to 33% of the general population

MILWAUKEE, Sept. 4, 2024 /PRNewswire/ -- If you think millionaires feel financially invincible, think again. Just one-third (32%) of American millionaires consider themselves "wealthy" and nearly half (48%) believe that their financial plans need improvement. These are some of the latest findings from [Northwestern Mutual's 2024 Planning & Progress Study](#) – the company's proprietary research series that explores Americans' attitudes, behaviors and perspectives across a broad set of issues impacting their long-term financial security.

Rather than feeling rich, American millionaires – those with at least \$1 million in investable assets – are [far more likely to exhibit feelings of financial clarity and preparedness than the general population](#).

	HNW Individuals (\$1M+ in Investable Assets)	General Public
I have good clarity on exactly how much I can spend now vs save for later	87 %	66 %
I know how much money I will need to retire comfortably	77 %	44 %
I expect to be financially prepared for retirement when it comes	87 %	54 %
I have a long-term financial plan that factors for up and down economic cycles over time	84 %	52 %
I consider myself a disciplined financial planner	78 %	45 %

In addition, millionaires are much more likely to work with a financial advisor (69%), more than double the amount of the general population (33%). The study also found that millionaires who have a financial advisor feel even clearer and more confident in their financial future than millionaires who do not consult with a financial expert.

Behaviors and beliefs among American millionaires		
	With an advisor	Without an advisor
I know how much money I will need to retire comfortably	81 %	70 %
I have a good understanding of how inflation could impact my retirement and have factored that into my financial plans	83 %	70 %
I have a good understanding of how drops in the stock market could impact my retirement and have factored that into my financial plans	88 %	75 %

I have a plan to address healthcare costs in retirement.	83 %	69 %
I have a good understanding of how taxes could impact my retirement and have factored that into my financial plans	80 %	67 %
When thinking about my overall retirement savings, I account for how much I will have to pay in taxes	66 %	49 %

"For most Americans, 'feeling like a million bucks' is less about believing you're rich and more about exuding confidence and clarity about the future," said John Roberts, chief field officer at Northwestern Mutual. "But for many millionaires, money alone doesn't create clarity – financial plans do. When people have a comprehensive plan that's custom-built for their life, and an advisor who helps them to see their opportunities and blind spots, feelings of anxiety fall and feelings of security rise. It's about having a plan to enjoy today without sacrificing tomorrow. These feelings are not reserved for only wealthy Americans. It's accessible to everyone."

Almost eight in 10 American millionaires are "self-made"

Nearly 80 percent (79%) of American millionaires say their net worth was "self-made," whereas 11% say they inherited their wealth and 6% say they came into it through a windfall event like winning the lottery. Moreover, 78% of millionaires describe themselves as "disciplined financial planners," while just 45% of the general population agrees.

American millionaires are also more focused on creating inter-generational wealth than the general population, according to the research.

	HNW Individuals (\$1M+ in Investable Assets)	General Public
I have a will	71 %	38 %
I have taken steps to address the possibility of outliving my savings	84 %	62 %
I have had a conversation with family about my inheritance plans	67 %	55 %

"The path to wealth in America is more often paved by financial planning and persistence than luck or family lineage," said Roberts. "For anyone just starting out, it should be exciting to see that the American Dream still lives and that the right money moves can help people to build and protect their wealth. Moreover, it's clear that inherited wealth is not indefinite wealth. Growing up affluent does not necessarily lead to financial security. An inheritance alone is not enough; having a plan to put that money to work is essential. It's important to act intentionally, put measures in place, invite your extended family to the table with an advisor, and begin to have those financial planning conversations early."

Wealthy Americans trust financial advisors most, by far

American millionaires put a high level of trust in financial advisors, far more than any other source.

Most trusted source of financial advice	HNW Individuals (\$1M+ in Investable Assets)	General Public
Financial advisor	59 %	33 %
Family member	6 %	16 %
Spouse / partner	9 %	12 %
Business news	7 %	5 %
Friend	3 %	4 %

Online financial influencers and social media sites (e.g., Reddit, TikTok)	4 %	4 %
Trade associations (e.g., AARP)	3 %	2 %
Local news	1 %	2 %

"Many Americans have a high regard for the expert advice they receive from a financial professional, but for wealthy Americans, that trust is even more significant," said Roberts. "These licensed practitioners ask deep questions, analyze the pieces of clients' financial lives, design plans that are tailored to people's goals, and work with them to achieve each one."

Impact of taxes is top "burning question"

The #1 "burning question" that millionaires have about retirement, according to the research, is: "How will taxes impact me?" That comes in ahead of, "How much money will I need to retire comfortably?" and "Is it possible I could outlive my savings?" – which rank #2 and #3, respectively.

Accordingly, six in ten (61%) millionaires say they have a plan to reduce the taxes they will owe on their retirement savings. They include:

	HNW Individuals (\$1M+ in Investable Assets)
Making withdrawals strategically from traditional and Roth accounts to keep yourself in a lower tax bracket	44 %
Using a mix of traditional and Roth retirement accounts	37 %
Making charitable donations strategically, for instance taking advantage of bunching itemized deductions	27 %
Using a Health Savings Account (HSA) or other tax-advantaged healthcare account	24 %
Using products like permanent life insurance or annuities for their tax benefits	24 %
Making Roth conversions prior to taking RMDs or Social Security	23 %
Using qualified charitable distributions from an IRA	22 %
Making contributions to other tax-advantaged accounts like a 529	17 %
Using the basis paid into the cash value of permanent life insurance to keep yourself in a lower tax bracket	19 %
Taking advantage of a Qualified Longevity Annuity Contract (QLAC) to set aside funds for later in retirement	17 %

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

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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 111 on the 2023 *FORTUNE* 500 and was recognized by FORTUNE® as one of the "World's Most Admired" life insurance companies in 2024.

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