

2026 Planning & Progress Study

Wave I – The Financial States of America

Northwestern Mutual is the marketing name for The Northwestern Mutual Life Insurance Company (NM), Milwaukee, WI and its subsidiaries.

Background & Methodology

Background

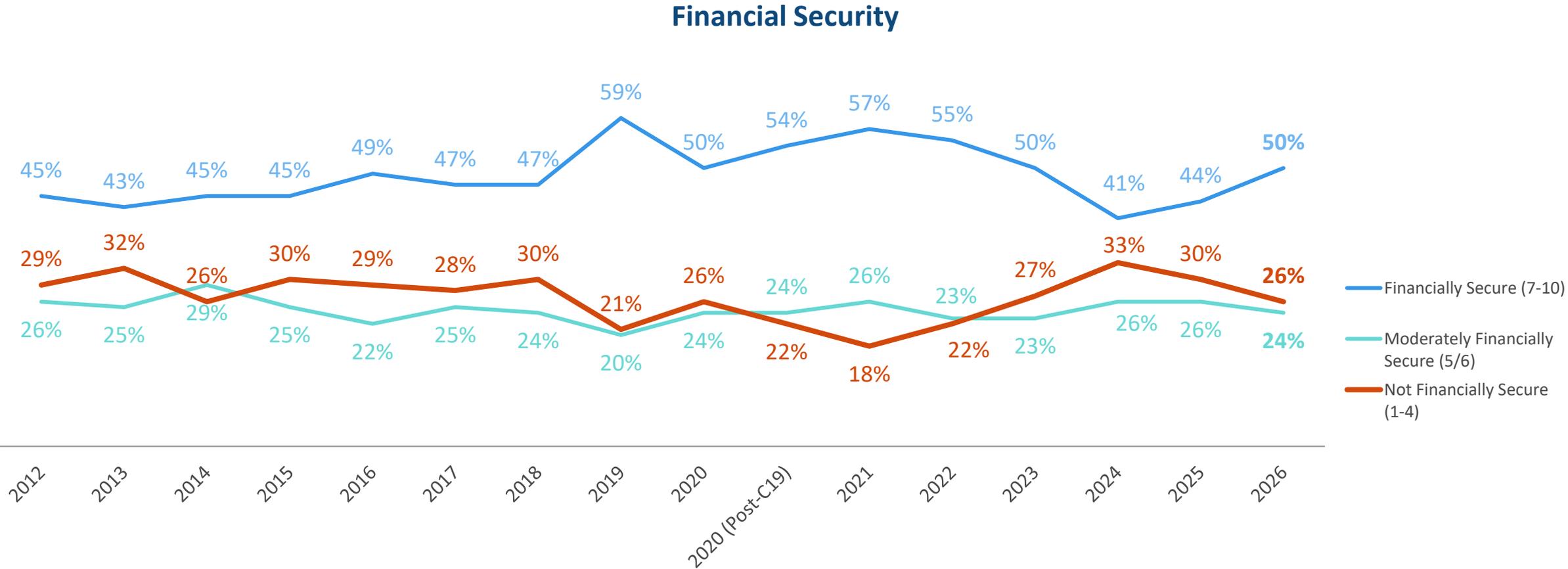
The 2026 Planning & Progress Study, a research series from Northwestern Mutual, explores US adults' attitudes and behaviors toward money, financial decision-making, and the broader issues impacting people's long-term financial security.

Methodology

The Harris Poll conducted a total of 4,375 online interviews among the general U.S. adult (18+) population between January 5th and January 21st, 2026. Included in this overall total is a sample of 816 High-Net-Worth individuals (those with total household investable assets, excluding pensions, retirement plans and property, greater than \$1,000,000).

Data for the general U.S. population (including the High Net Worth oversample) were weighted to Census targets for education, age, gender, race/ethnicity, region and household income. A full methodology is available.

Half (50%) of adults in America say they feel financially secure – an increase from 44% last year.



BASE: ALL QUALIFIED RESPONDENTS – 2026 (n=4,375); 2025 Gen Pop (n=4,626); 2024 Gen Pop (n=4,588); 2023 Gen Pop (n=2,740); 2022 Gen Pop (n=2,381); 2021 Gen Pop (n=2,320); 2020 Gen Pop Post-C19 (n=2,702); 2020 Gen Pop: (n=2,650); 2019 Gen Pop: (n=1,005); 2018 Gen Pop: (n=2,003).

Q1075 If financial security is defined as “a feeling of confidence that you will achieve the financial goals you have for yourself or your family through the actions you are currently taking,” how financially secure do you feel right now?

The number of Americans who say they're financially secure went up across every generation, with the largest year-over-year gains coming from Millennials and Gen X.

% Feel Financially Secure
By Generation

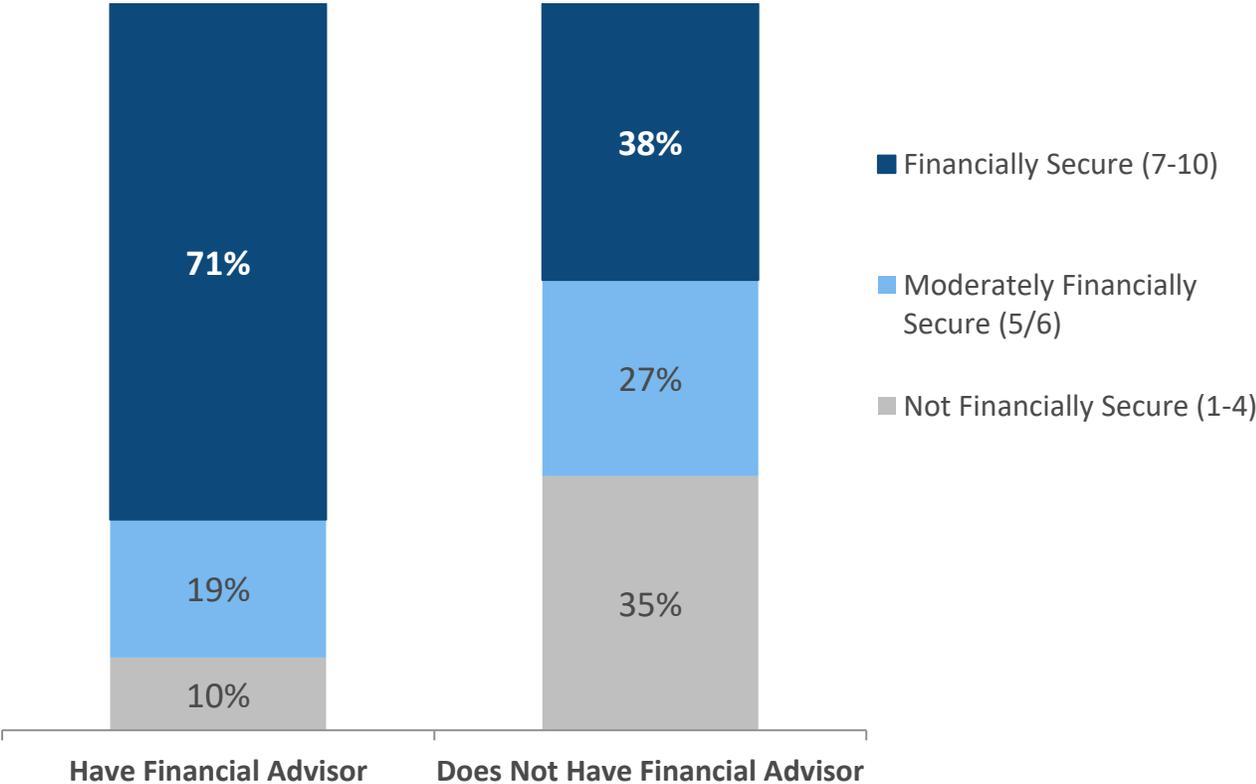
| | 2025 | 2026 |
|-------------|------|------|
| U.S. Adults | 44% | 50% |
| Gen Z | 36% | 39% |
| Millennials | 43% | 53% |
| Gen X | 40% | 48% |
| Boomers+ | 55% | 57% |

BASE: ALL QUALIFIED RESPONDENTS – 2026 Gen Pop (n=4,375); 2025 Gen Pop (n=4,626);

Q1075 If financial security is defined as “a feeling of confidence that you will achieve the financial goals you have for yourself or your family through the actions you are currently taking,” how financially secure do you feel right now?

Among Americans with a financial advisor, 71% said they felt financially secure while just 10% did not.

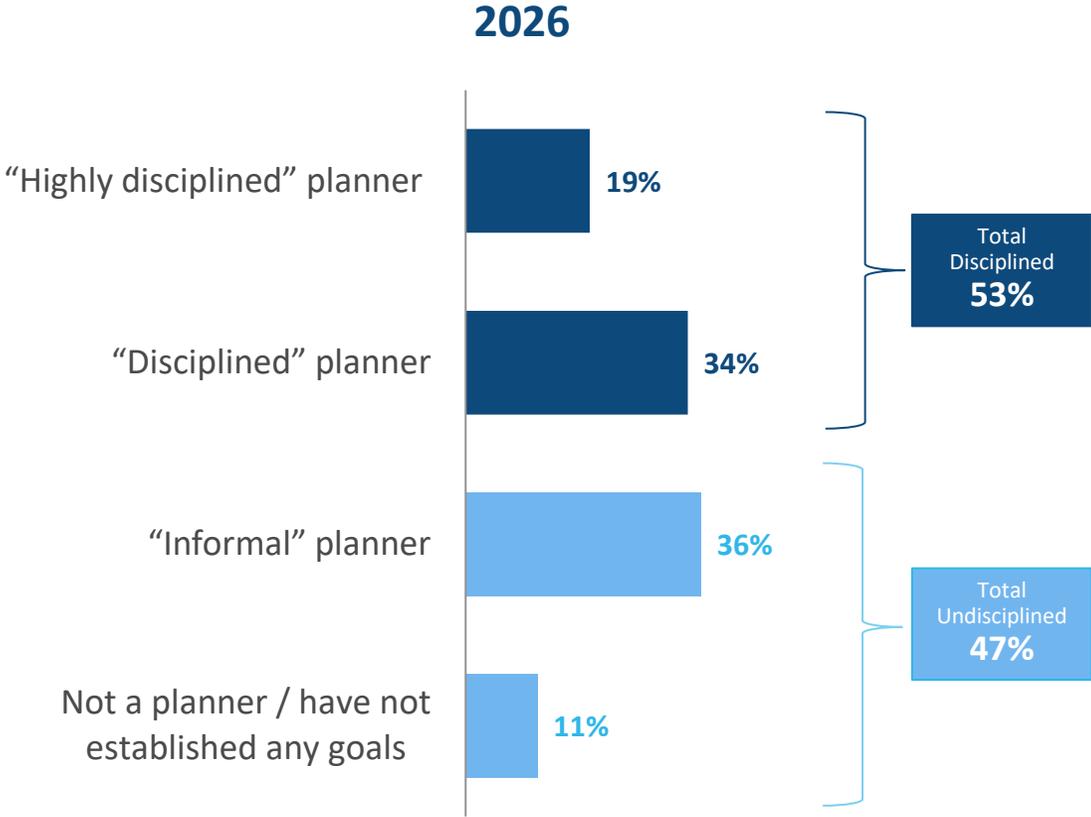
Financial Security



BASE: ALL QUALIFIED RESPONDENTS – 2026 Gen Pop (n=4,375)

Q1075 If financial security is defined as “a feeling of confidence that you will achieve the financial goals you have for yourself or your family through the actions you are currently taking,” how financially secure do you feel right now?

Over half (53%) of Americans also consider themselves to be ‘disciplined’ financial planners.



BASE: ALL QUALIFIED RESPONDENTS – 2026 (n=4,375)

Q1005. When it comes to financial planning, which of the following best describes the type of financial planner you are?

The number of Americans who consider themselves to be ‘disciplined’ financial planners hit a high of 65% in 2020, during Covid. Four years later, it fell to a record low of 45% in 2024. Now it is on a two-year upward trend.

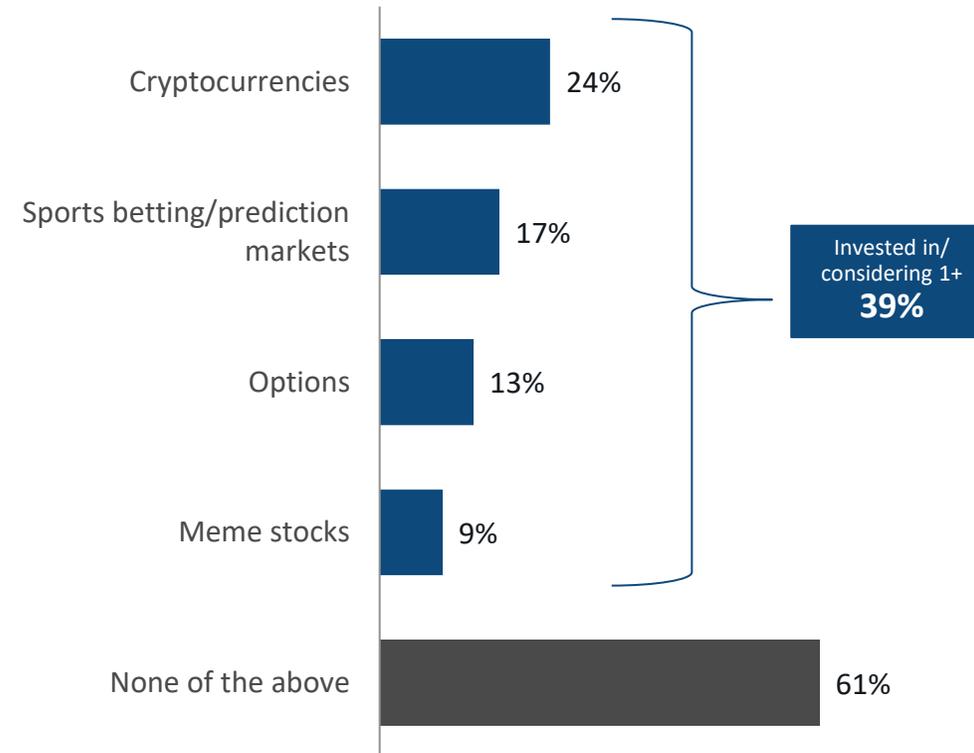
| U.S. Adults who consider themselves “disciplined” financial planners | |
|--|-----|
| 2020 | 65% |
| 2021 | 60% |
| 2022 | 59% |
| 2023 | 50% |
| 2024 | 45% |
| 2025 | 49% |
| 2026 | 53% |

BASE: ALL QUALIFIED RESPONDENTS – 2026 (n=4,375)

Q1005. When it comes to financial planning, which of the following best describes the type of financial planner you are?

But at the same time, a sizeable number of Americans – particularly young adults – are investing in or are considering investing in high-risk/speculative assets such as prediction markets, sports betting, and cryptocurrencies.

High-risk/speculative assets currently being invested in or considered investing in the next 12 months



BASE: ALL QUALIFIED RESPONDENTS (n=4,375)

Q2607: High-risk/speculative assets are investments that carry a higher potential for volatility and loss but may offer significant returns. Are you currently investing – or considering investing over the next 12 months – in any of the following categories of high-risk/speculative assets? Select all that apply.

Gen Z and Millennials make up the largest share of Americans who are investing in – or are considering investing in – high-risk/speculative assets this year.

High-Risk/Speculative Assets *Currently Invested in or Considering in 2026*

| | U.S. Adults | Gen Z | Millennials | Gen X | Boomers+ |
|-------------------------------------|-------------|-------|-------------|-------|----------|
| Crypto | 24% | 32% | 35% | 20% | 8% |
| Sports betting / prediction markets | 17% | 32% | 24% | 10% | 3% |
| Options | 13% | 17% | 18% | 14% | 4% |
| Meme stocks | 9% | 14% | 13% | 6% | 2% |

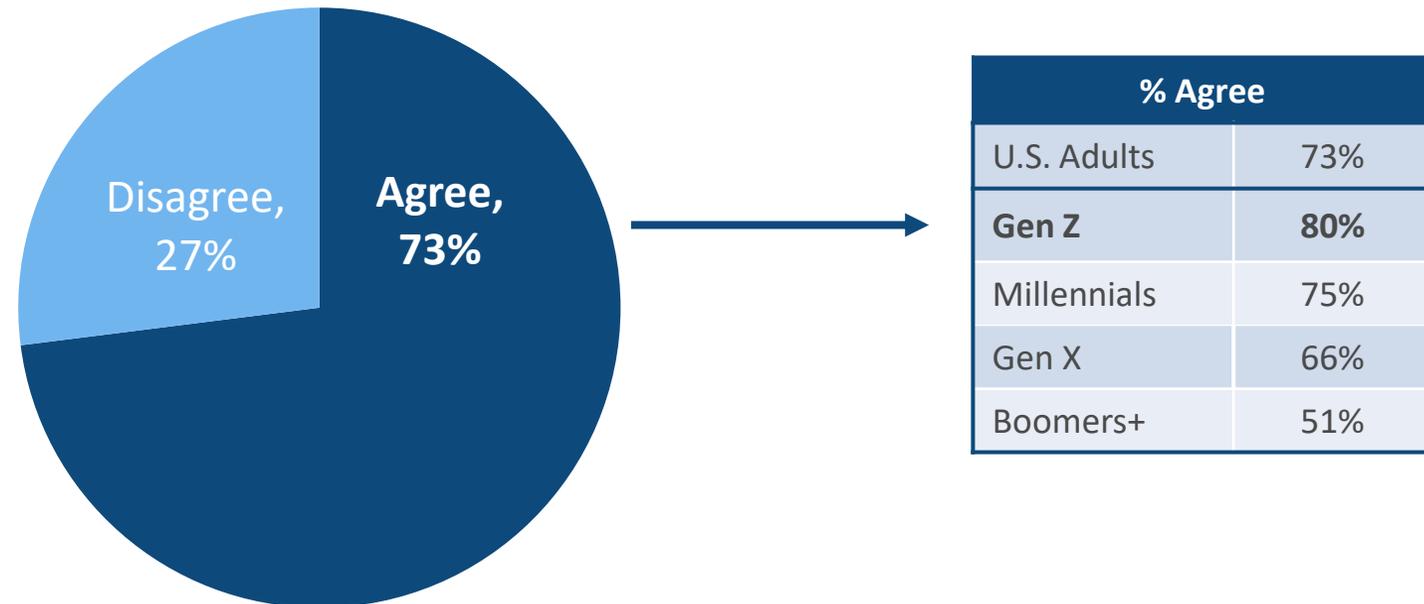
BASE: ALL QUALIFIED RESPONDENTS (n=4,375)

Q2607: High-risk/speculative assets are investments that carry a higher potential for volatility and loss but may offer significant returns. Are you currently investing – or considering investing over the next 12 months – in any of the following categories of high-risk/speculative assets? Select all that apply.

Among those investing in or considering investing in high-risk/speculative assets, 73% say they're doing so because they feel financially behind and think those investments offer a faster path to their goals than traditional methods. And among Gen Z, the number is 80%.

Financial Nihilism among those who invested or plan to invest:

I invest, or may invest, in high-risk or speculative investments because I feel financially behind and believe these investments will help me reach my financial goals more effectively than traditional methods.



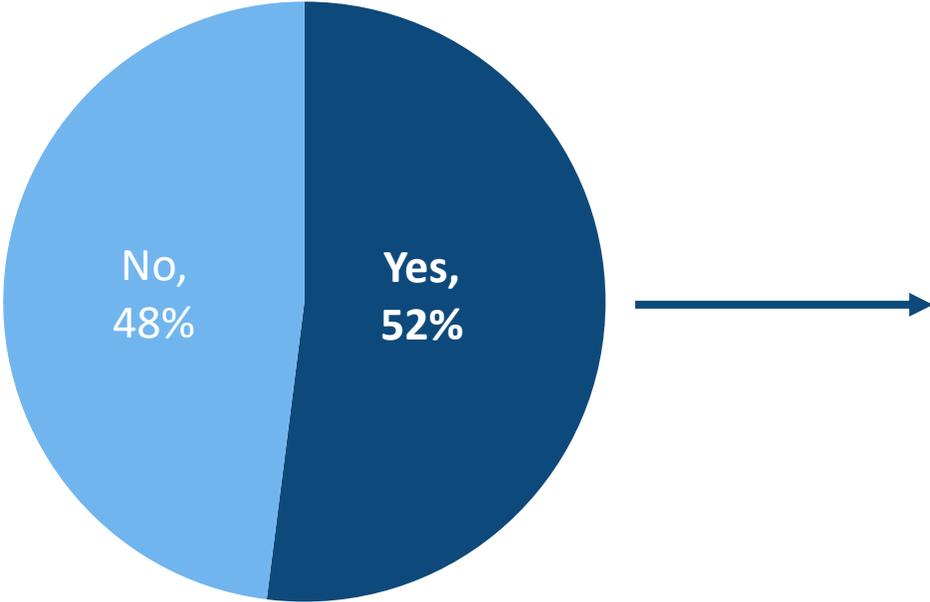
BASE: ARE INVESTED OR HAVE PLANS TO INVEST IN SPECULATIVE ASSETS (n=1,669)

Q2608: To what extent do you agree or disagree with the following statement: *I invest, or may invest, in the high-risk or speculative investments because I feel financially behind and believe these investments will help me reach my financial goals more effectively than traditional methods.*

More than half (52%) of Americans say they place too much emphasis on building wealth/growing their assets without dedicating enough to protecting their assets and managing against risks. Younger adults are reporting this planning gap more often.

Approach To Managing Personal Savings And Investments

Place too much emphasis on building wealth/growing assets without dedicating enough to protecting their assets and managing risks



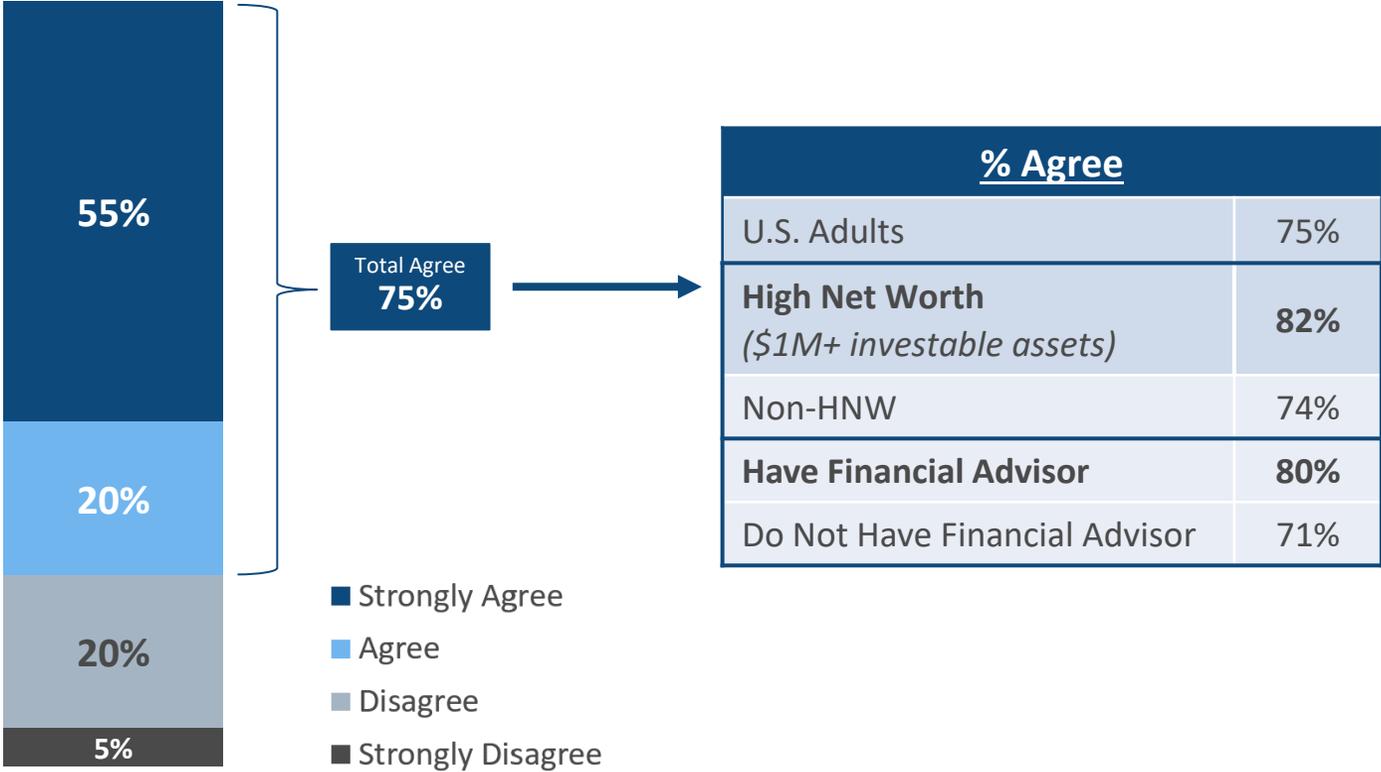
| <u>% Yes</u> <i>Describes approach</i> | |
|--|------------|
| All | 52% |
| Gen Z | 57% |
| Millennials | 62% |
| Gen X | 48% |
| Boomers+ | 40% |

BASE: ALL QUALIFIED RESPONDENTS 2026 (n=4,375)

Q2025F When managing personal savings and investments, a common blind spot people have is placing too much emphasis on building wealth/growing their assets without dedicating enough to protecting their assets and managing against risks with life insurance, disability insurance, etc. How well does this describe your approach to managing your personal savings and investments?

Three-quarters (75%) of U.S. adults agree homeownership is essential to building wealth. Notably, agreement is highest among high-net-worth Americans (\$1 million+ in investable assets) and those working with a financial advisor.

Homeownership is essential for building wealth



BASE: ALL QUALIFIED RESPONDENTS (n=4,375)

Q2025G To what extent do you agree or disagree with the following statement: Homeownership is essential for building wealth.

Among non-homeowners, the prospects of owning a home at some point are looking better. Notably, Gen Z and Millennials both saw upticks in optimism.

Among non-homeowners, percentage who believe owning a home is financially affordable now or will be in the future

| | 2025 | 2026 |
|-------------|------|------|
| U.S. Adults | 33% | 42% |
| Gen Z | 42% | 54% |
| Millennials | 34% | 47% |
| Gen X | 33% | 31% |
| Boomers+ | 16% | 15% |

BASE: DO NOT OWN A HOME 2025 (n=1,473); 2026 (n=1,547)

Q2025K To what extent do you agree or disagree with the following statement: *Owning a home is financially affordable for me now or will be in the future.*

Headwinds are easing, with fewer non-homeowners citing down payments, mortgage rates, or market competition as barriers compared to last year.

For people who don't think owning a home is or will be affordable:

Reasons why non-homeowners think owning a home is not an affordable goal

| I don't have enough saved for a down payment | | |
|--|------|------|
| | 2025 | 2026 |
| Total | 64% | 53% |
| Gen Z | 70% | 52% |
| Millennials | 58% | 52% |

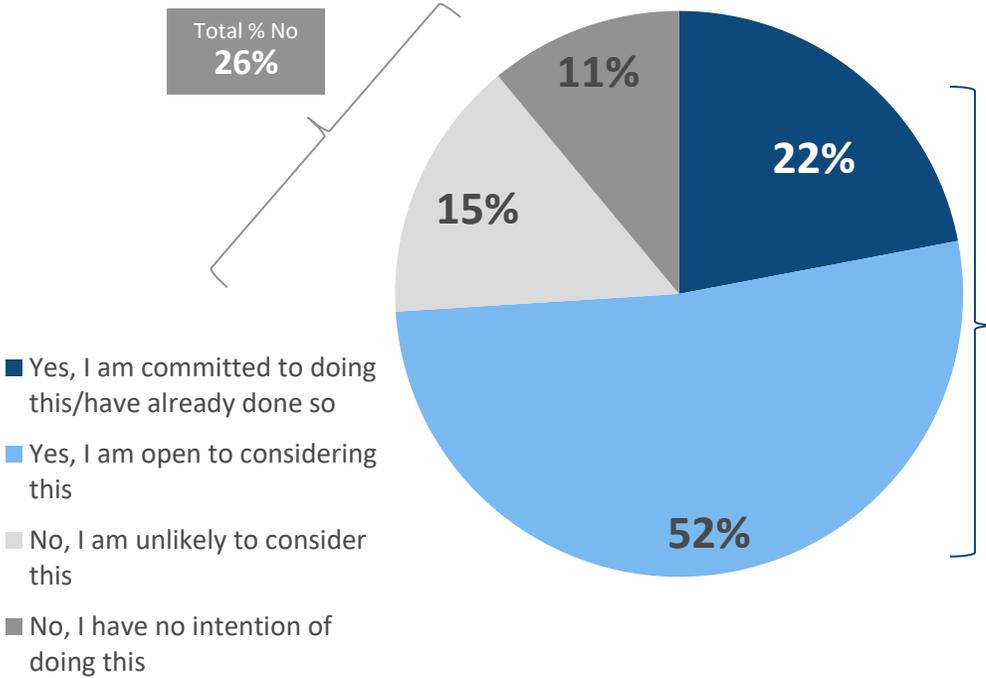
| Mortgage rates are too high | | |
|-----------------------------|------|------|
| | 2025 | 2026 |
| Total | 48% | 40% |
| Gen Z | 57% | 43% |
| Millennials | 48% | 47% |

| I'm not confident I can afford all the associated costs of home ownership <i>(insurance, repairs, etc.)</i> | | |
|---|------|------|
| | 2025 | 2026 |
| Total | 55% | 51% |
| Gen Z | 54% | 47% |
| Millennials | 52% | 52% |

| The housing market is too competitive, and I am therefore priced out | | |
|--|------|------|
| | 2025 | 2026 |
| Total | 43% | 38% |
| Gen Z | 54% | 42% |
| Millennials | 37% | 41% |

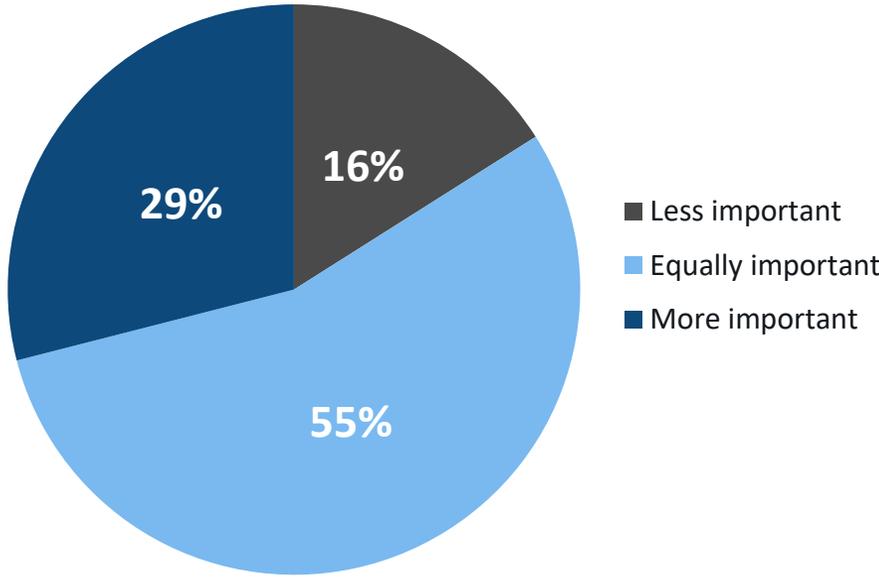
74% of parents with children at home would consider or have already started planning to help their kids buy a home. Among those parents, 29% say helping them buy a home someday is more important than helping them pay for college, and 55% say it's equally important.

Parents adding the goal of helping their kids buy a home to their own financial planning



Of those taking steps

Do you consider helping your children buy a home more/less/equally important as helping them pay for college?



BASE: KIDS IN THE HOME (n=1,822)

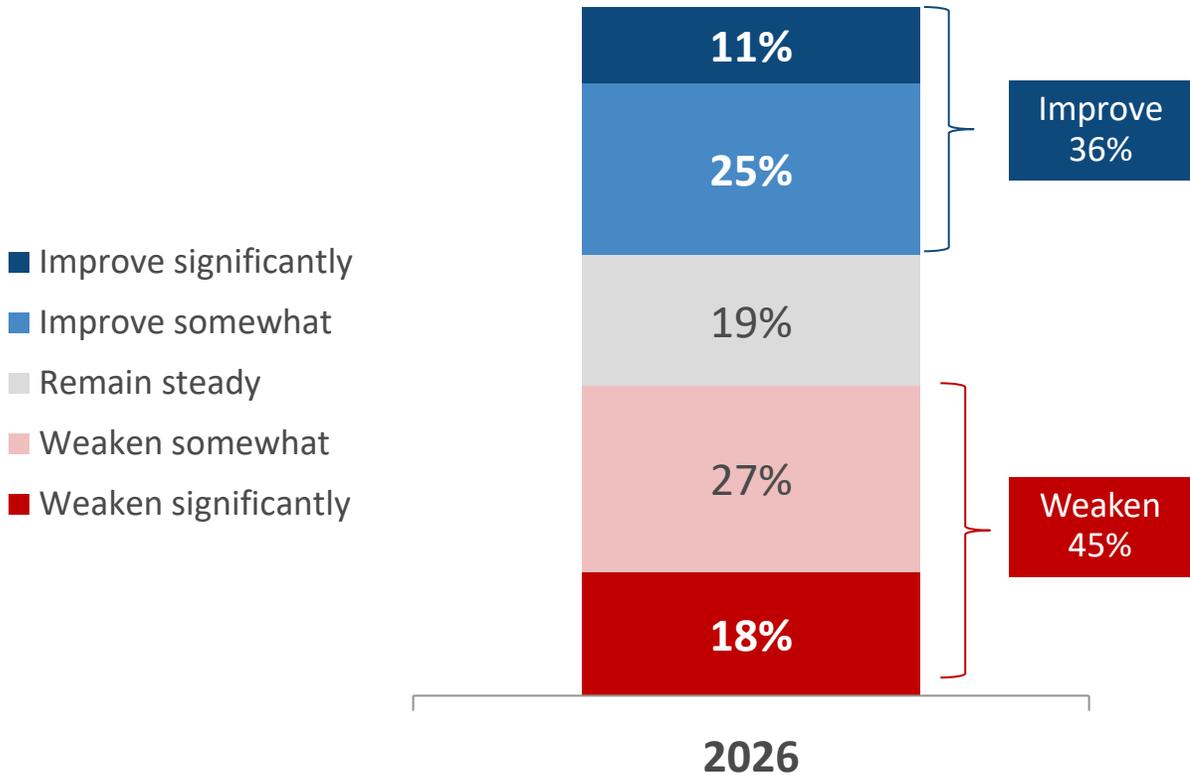
Q2614: Some parents have taken the step to factor into their own financial planning the goal of helping their kids buy a home, similar to how they might plan to help their kids pay for college. Given the state of the housing market today, is this something you would consider doing?

BASE: KIDS IN THE HOME AND TAKING STEPS (n=1,351)

Q2615: Do you consider helping your children buy a home more, less, or equally important as helping them pay for college?

More people expect the U.S. economy to weaken in 2026 (45%) compared to those who expect it to improve (36%).

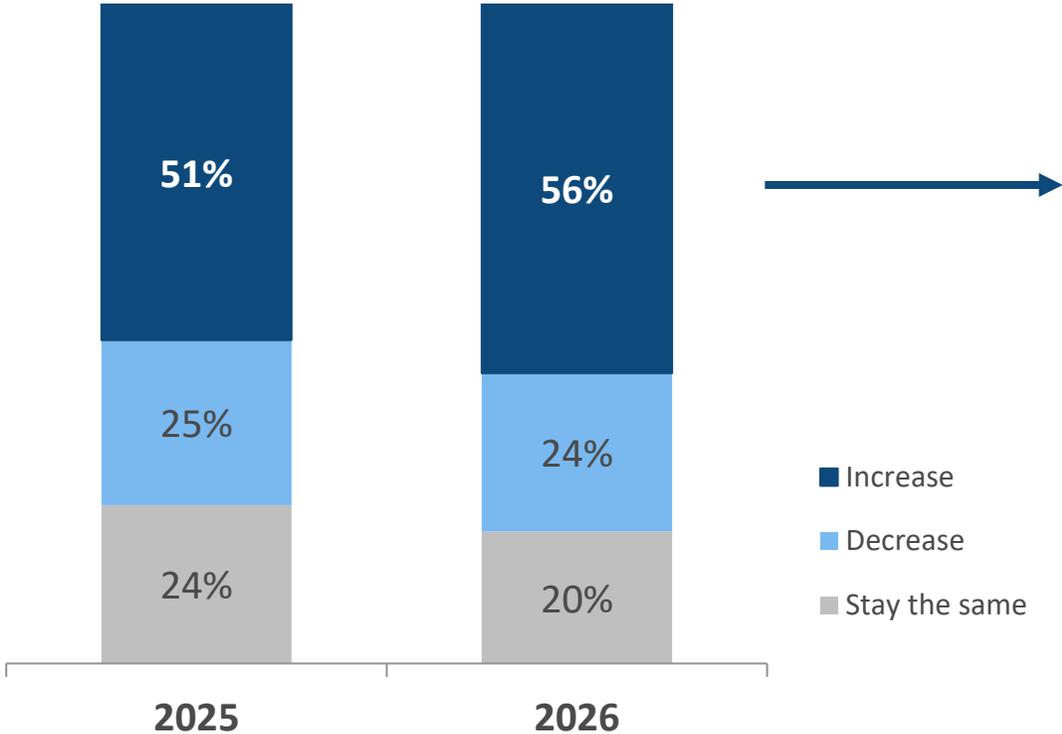
How do you expect the U.S. economy to perform in 2026, compared to 2025?



BASE: ALL QUALIFIED RESPONDENTS – 2026 Gen Pop (n=4,375)
Q2600. How do you expect the U.S. economy to perform in 2026, compared to 2025?

More than half (56%) of adults believe inflation will increase this year – up from 51% who said the same in 2025. Older adults are notably the most pessimistic when compared to last year.

Do you expect inflation will increase, decrease or stay the same in 2026?

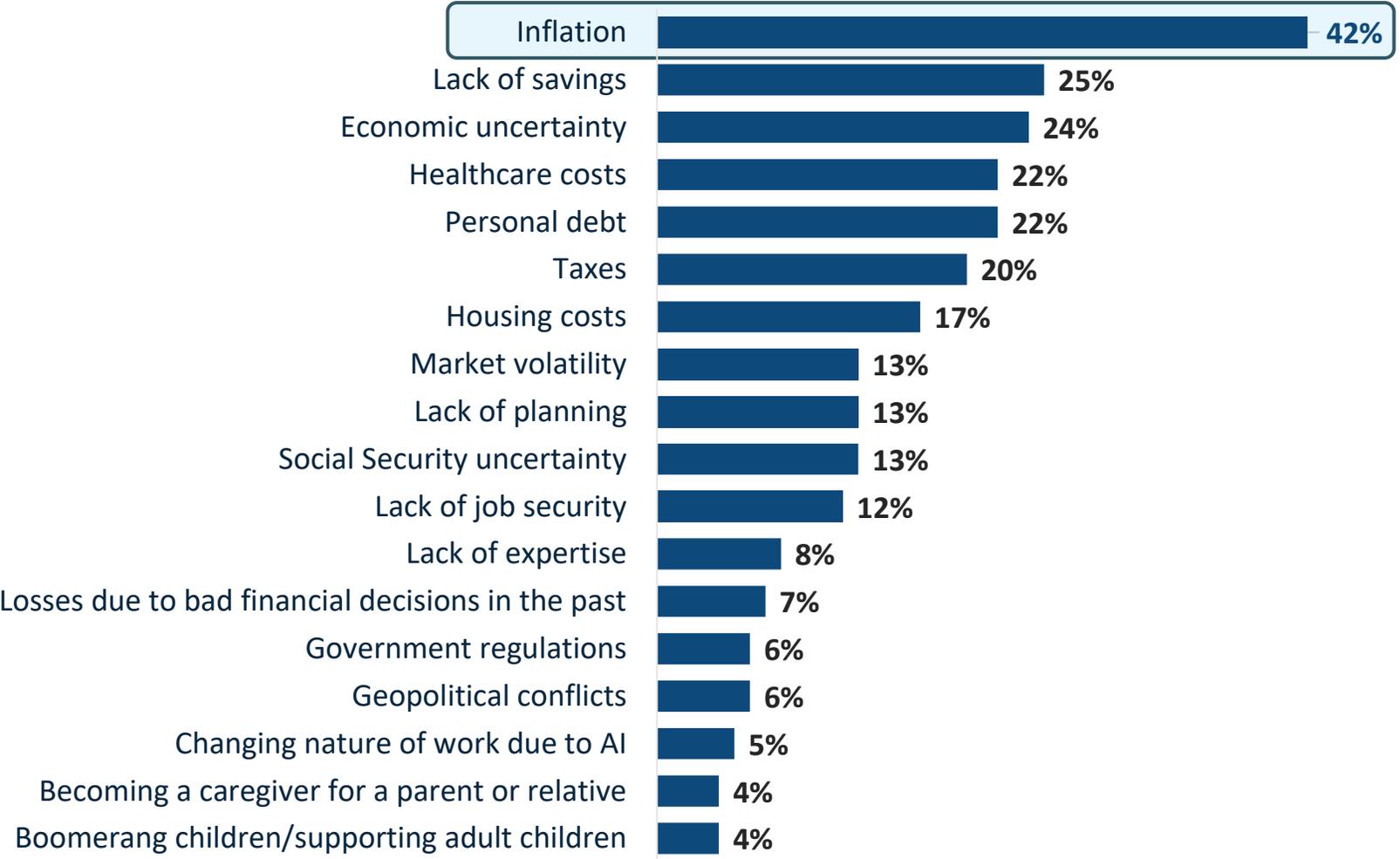


| % Believe Inflation will Increase | | |
|-----------------------------------|------------|------------|
| | 2025 | 2026 |
| All | 51% | 56% |
| Gen Z | 60% | 61% |
| Millennials | 53% | 52% |
| Gen X | 46% | 57% |
| Boomers+ | 46% | 56% |

BASE: ALL QUALIFIED RESPONDENTS 2025 Gen Pop (n=4,626); 2026 Gen Pop (4,375)
 Q2307. Do you expect inflation will increase, decrease or stay the same in 2025?

Americans overwhelmingly cite inflation as the #1 obstacle to achieving financial security (42%), well ahead of things like lack of savings (25%), personal debt (22%), and healthcare costs (22%).

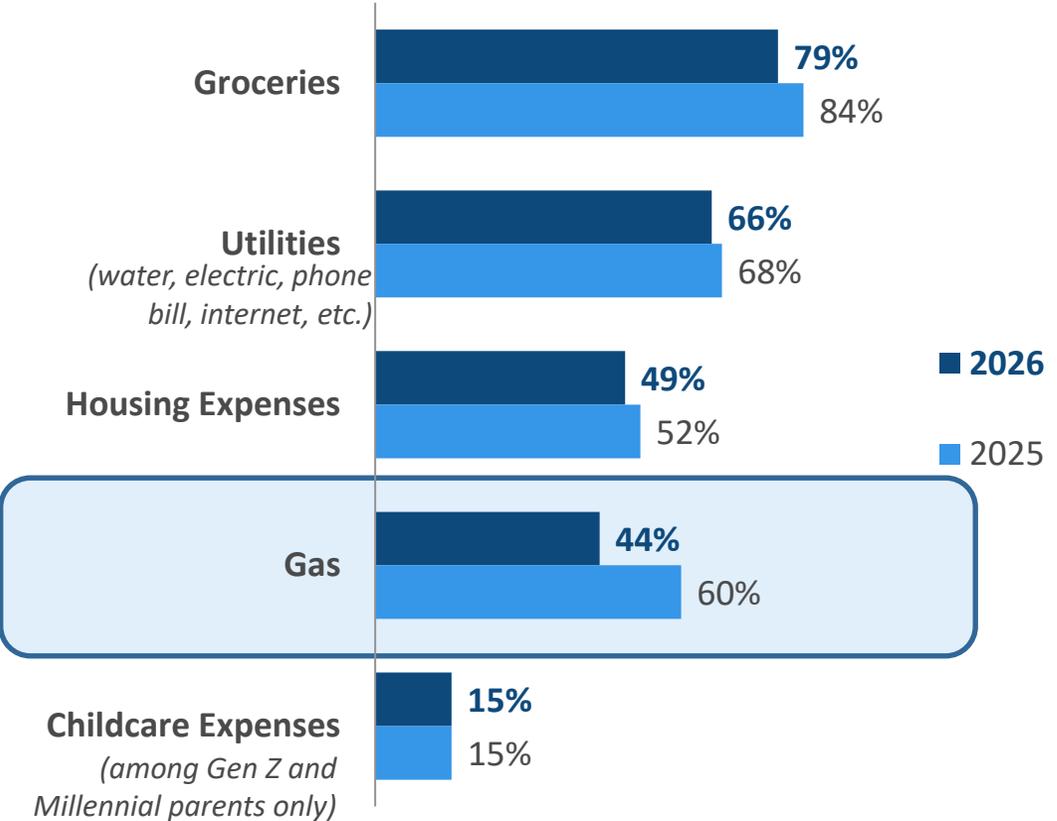
Greatest Obstacles to Financial Security



BASE: ALL QUALIFIED RESPONDENTS – 2026 Gen Pop (n=4,375)
Q1575. What are the greatest obstacles to achieving financial security? Please select up to three.

Nearly eight in ten (79%) Americans say they've experienced higher prices in the grocery aisle in the last three months, down from 84% in 2025. The biggest shift: a 16-percentage point decline for those who have experienced higher costs at the gas pump - this year, only 44% say they are seeing steeper gas prices, down from 60% last year.

In the last three months, have you personally experienced elevated costs for any of the following?



BASE: ALL QUALIFIED RESPONDENTS (n=4,375)

Q2025D In the last three months, have you personally experienced elevated costs for any of the following essentials?

Among those who have experienced elevated costs in each area, there have been general declines among those who indicate those costs are having a moderate-to-large impact on their finances.

Those who have Experienced Elevated Costs

% Moderate-to-Large Impact of Inflation on Finances

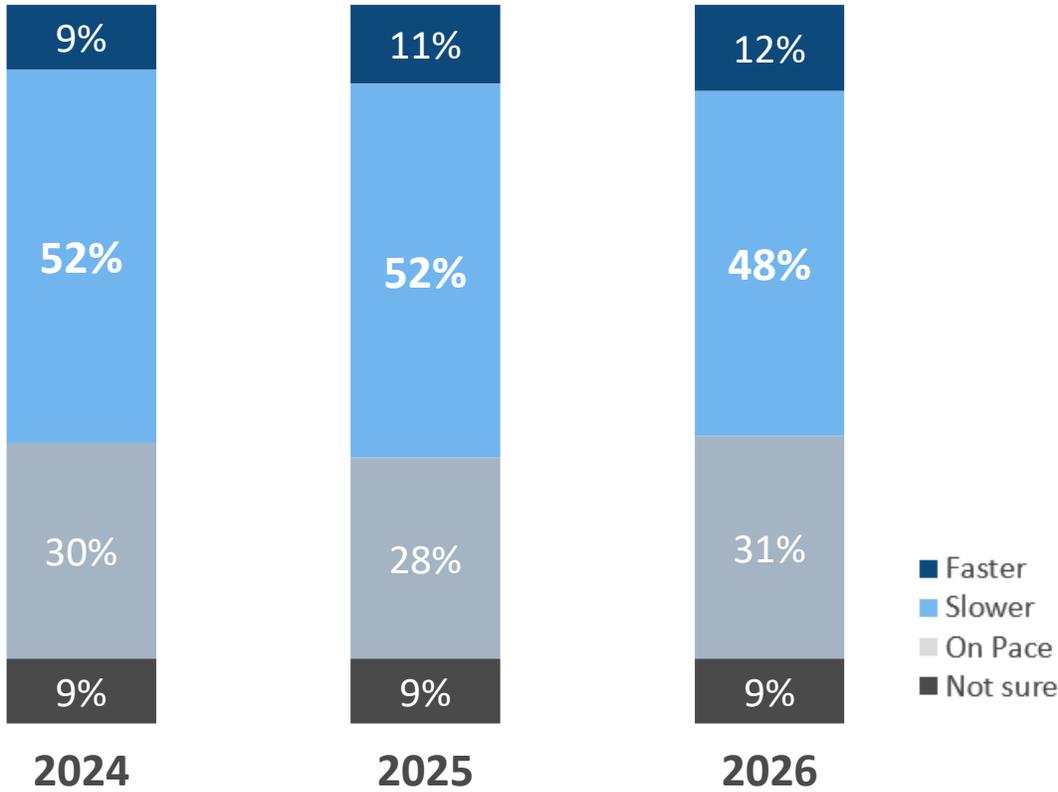
| | 2025 | 2026 | Change from 2025 |
|---|------|------|------------------|
| Groceries | 80% | 72% | -8% |
| Gas | 75% | 71% | -4% |
| Utilities <i>(water, electric, phone bill, internet, etc.)</i> | 77% | 69% | -8% |
| Housing Expenses | 81% | 79% | -2% |
| Childcare Expenses <i>(among Gen Z and Millennial parents only)</i> | 80% | 77% | -3% |

BASE: EXPERIENCED ELEVATED COSTS | Groceries (n=3,455); Gas (n=1,903); Utilities(n=2,939); Housing Expenses (n=2,159); Childcare Expenses (n=734)

Q2025E How much of an impact has elevated costs on the following essentials had on your finances?

Household income is keeping pace with inflation slightly better this year. The number of Americans who say their household incomes are growing slower than inflation dropped from 52% to 48%.

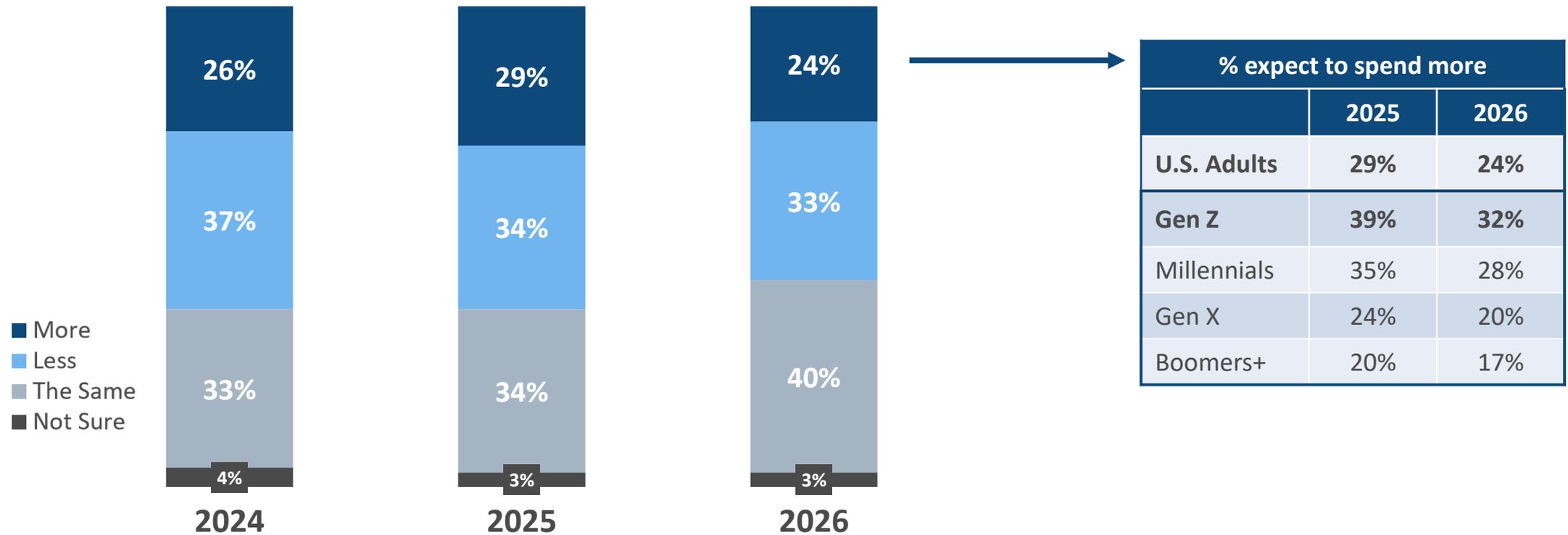
Is your household income growing faster, slower, or is it on pace with inflation?



BASE: ALL QUALIFIED RESPONDENTS 2025 Gen Pop (n=4,626); 2026 Gen Pop (4,375)
Q2024A. Is your household income growing faster, slower, or is it on pace with inflation?

Fewer Americans expect to increase their spending on discretionary purchases in 2026. Gen Z remains the most likely to spend more (32%), though that's down from 39% in 2025.

Do you expect to spend more, less or the same on non-essential discretionary purchases?

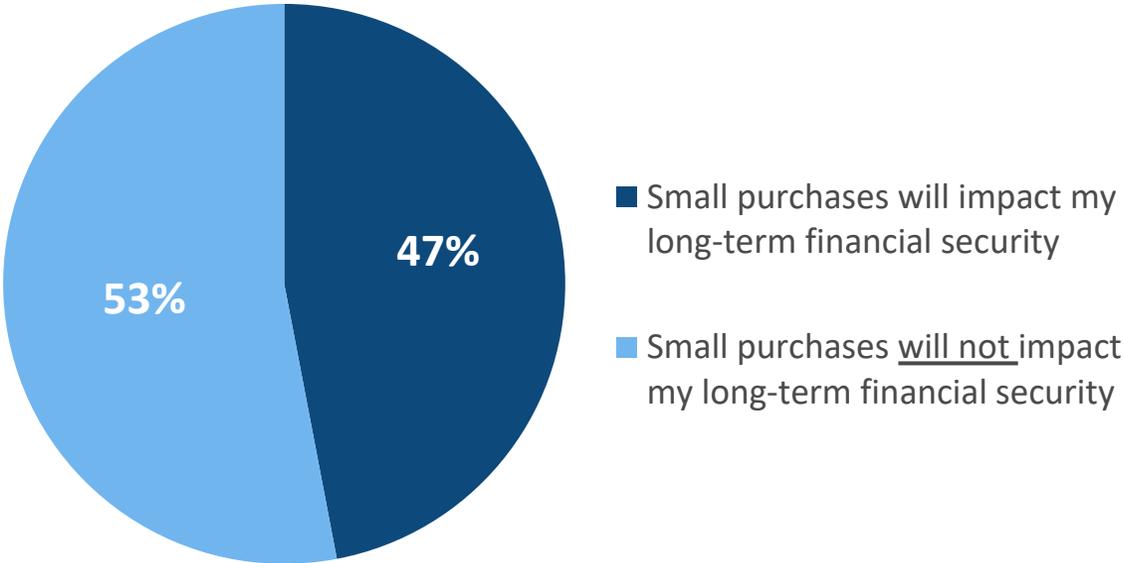


BASE: ALL QUALIFIED RESPONDENTS 2024 Gen Pop (n=4,588); 2025 Gen Pop (n=4,626); 2026 Gen Pop (n=4,375)

Q2024B. Thinking about this year when compared to last year, do you expect to spend more, less, or the same on non-essential discretionary purchases (e.g., going out, restaurants, vacation, entertainment, etc.)?

When it comes to spending, Americans are divided on whether small daily sacrifices like giving up a daily cup of coffee can make a difference.

Approaches to budgeting and saving to help long-term financial security



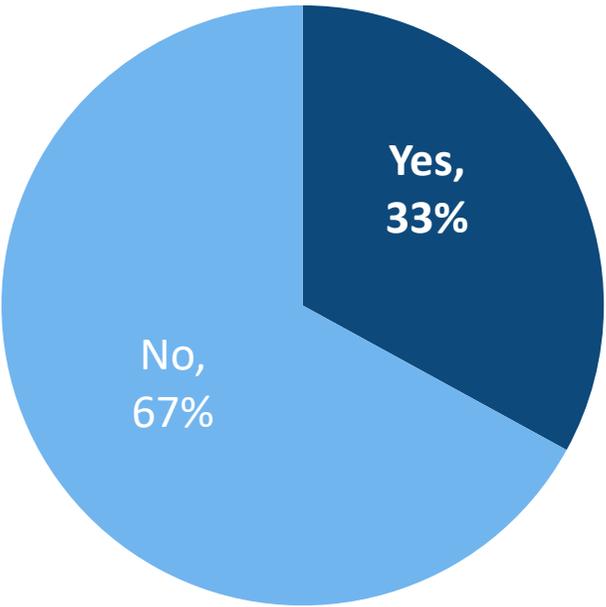
BASE: ALL QUALIFIED RESPONDENTS (n=4,375)

Q2603 When it comes to budgeting and saving, some people believe in the power of micro-steps and prioritize refraining from small purchases like a daily cup of coffee in the belief it can impact their long-term financial security. Others believe micro-steps like a daily cup of coffee will not impact long-term financial security. If you had to choose between these two types of approaches, which one comes closest to yours?

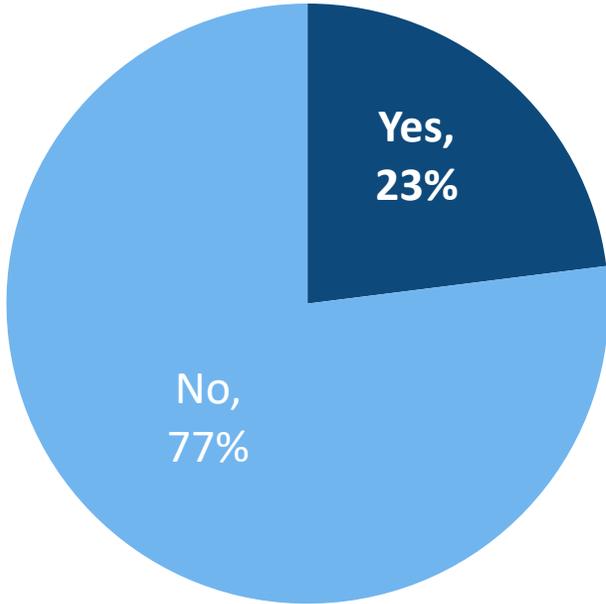
A third (33%) of U.S. adults used “Buy Now, Pay Later” options when making large purchases in 2025, and nearly a quarter (23%) used them for daily purchases like groceries and gas.

When making purchases in 2025, did you ever participate in “Buy Now, Pay Later” options?

Large purchases
(furniture, smartphone, appliances, vacations, event tickets, etc.)



Daily purchases or essentials
(groceries, pet supplies, clothing, gas, etc.)

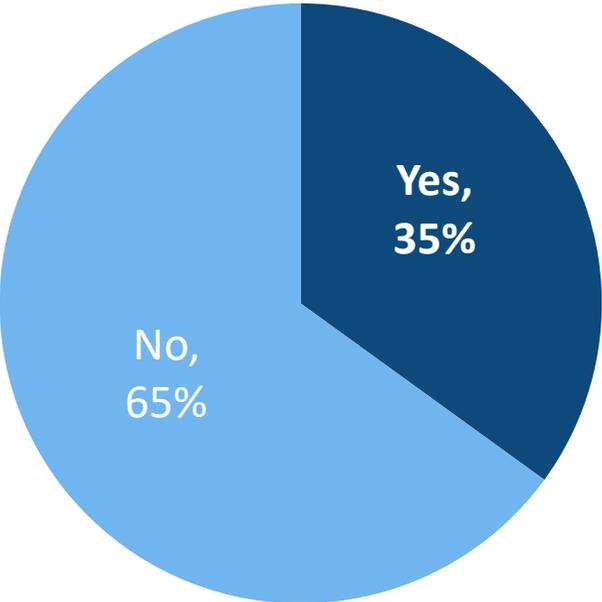


BASE: ALL QUALIFIED RESPONDENTS (n=4,375)
Q2604. When making purchases in 2025 - did you ever participate in "Buy Now, Pay Later" options that allowed you to pay in installments over time v. paying the full amount upfront?

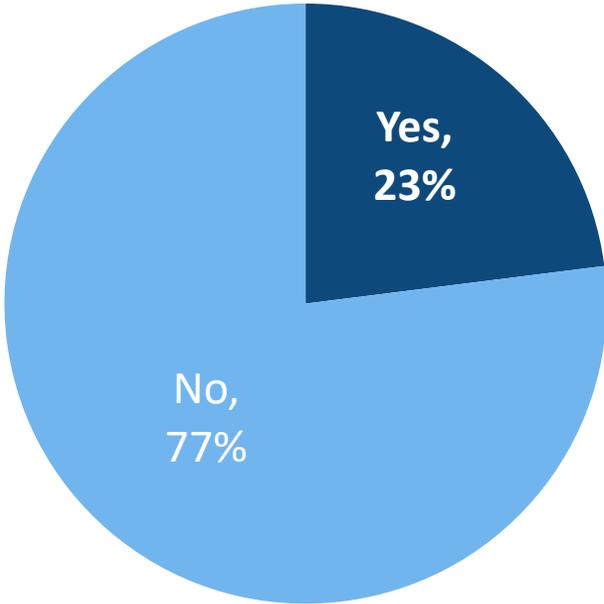
This year, the share who plan to use “Buy Now, Pay Later” options is similar – 35% for large purchases and 23% for daily purchases.

When thinking about purchases that you plan to make in 2026, do you plan to participate in “Buy Now, Pay Later” options?

Large purchases
(furniture, smartphone, appliances, vacations, event tickets, etc.)



Daily purchases or essentials
(groceries, pet supplies, clothing, gas, etc.)



BASE: ALL QUALIFIED RESPONDENTS (n=4,375)

Q2605. When thinking about purchases that you plan to make in 2026, do you expect to participate in "Buy Now, Pay Later" options that allow you to pay in installments over time vs. paying the full amount upfront?

Use of “Buy Now, Pay Later” is most prominent among Gen Z and Millennials. Half of Gen Z (49%) and Millennials (49%) plan to use ‘Buy Now, Pay Later’ for large purchases in 2026; and a third or more plan to use it for daily purchases – 36% of Gen Z and 32% of Millennials.

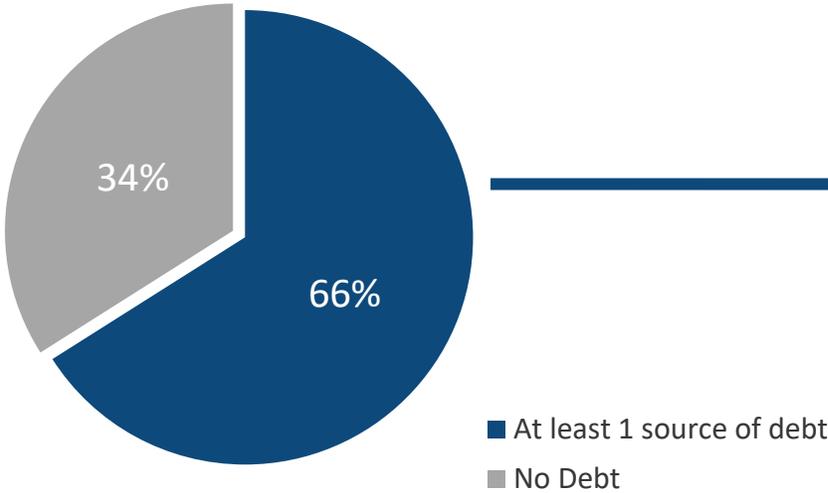
| | Large Purchases (furniture, smartphone, appliances, vacations, event tickets, etc.) | Daily Purchases/ Essentials (groceries, pet supplies, clothing, gas, etc.) |
|--------------------|---|--|
| U.S. Adults | 35% | 23% |
| Gen Z | 49% | 36% |
| Millennials | 49% | 32% |
| Gen X | 30% | 21% |
| Boomers+ | 15% | 6% |

BASE: ALL QUALIFIED RESPONDENTS (n=4,375)

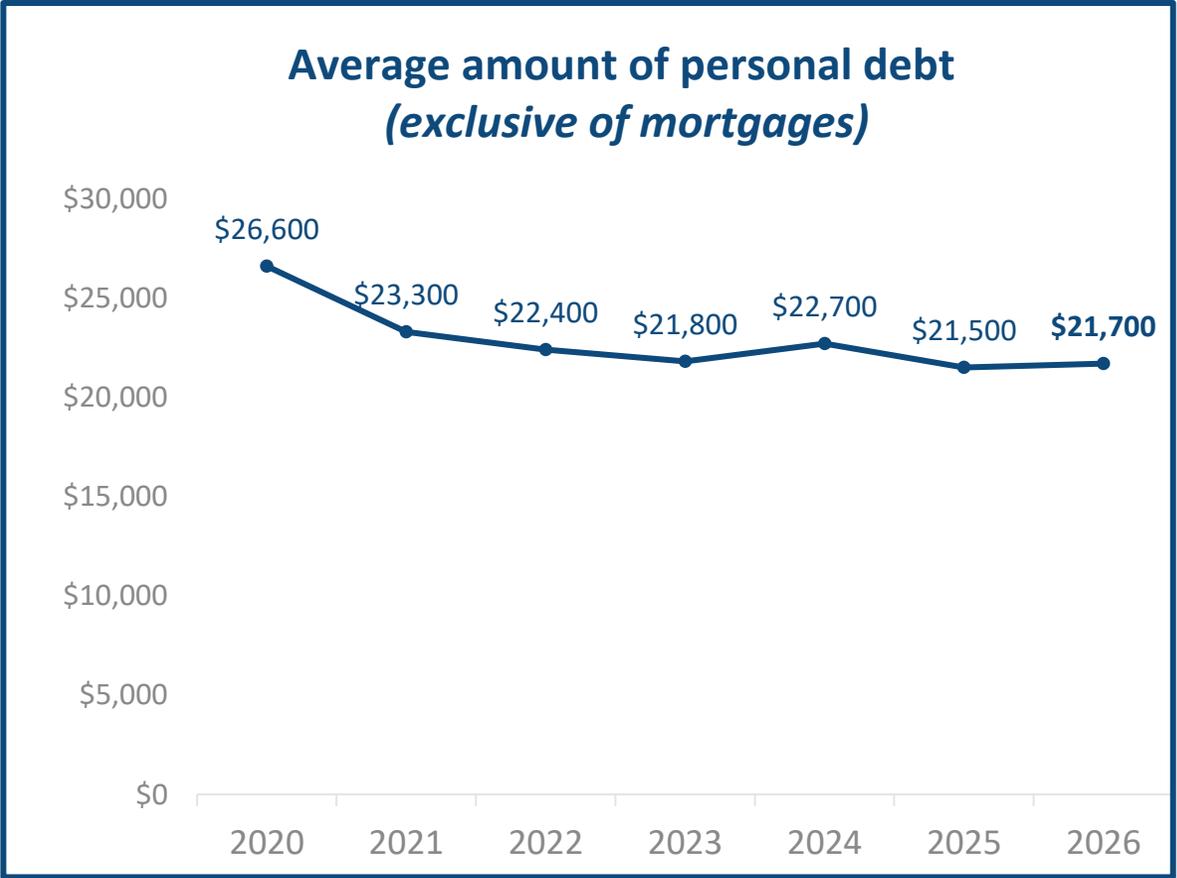
Q2605. When thinking about purchases that you plan to make in 2026, do you expect to participate in "Buy Now, Pay Later" options that allow you to pay in installments over time vs. paying the full amount upfront?

Among Americans who carry personal debt, the average amount people owe is \$21,700 – nearly identical to the \$21,500 reported in 2025.

% of Americans with Debt, Exclusive of Mortgages 2026



Average amount of personal debt (exclusive of mortgages)



BASE: ALL QUALIFIED RESPONDENTS – 2026 Gen Pop (n=4,375)

QPAW10. What is your main source of debt? Please select one.

BASE: THOSE WITH SOME DEBT – 2026 (n=2,847) 2025 (n=2,845); 2024 (n=2,642); 2023 (n=1,776); 2022 Gen Pop (n=1,581); 2021 Gen Pop (n=1,543); 2020 Gen Pop: (n=1,948)

QDB2. How much do you estimate your debt to be, exclusive of mortgages?

Credit cards remain the top source of debt by a wide margin, accounting for more than double the #2 source (car loans) and quadruple the #3 source (medical debt). Among Millennials, educational expenses for children and family members made the top three this year, replacing medical debt and ranking even higher than their own personal education loans.

Main Sources of Debt

| | U.S. Adults | Gen Z | Millennials | Gen X | Boomers+ |
|---|--------------------|--------------|--------------------|--------------|-----------------|
| Credit card bills | 29% | 21% | 32% | 30% | 29% |
| Car loan | 12% | 12% | 12% | 15% | 11% |
| Medical debt | 7% | 8% | 7% | 8% | 5% |
| Personal education loans | 6% | 12% | 7% | 4% | 1% |
| Educational expenses for children/family members | 5% | 9% | 8% | 5% | 1% |
| Caring for loved ones | 4% | 6% | 5% | 4% | 1% |

BASE: ALL QUALIFIED RESPONDENTS – 2026 Gen Pop (n=4,375)

QPAW10. What is your main source of debt? Please select one.

Six in 10 (62%) U.S. adults with debt prioritize paying down debt, compared to 38% who prioritize saving. This continues a long-term trend, though it's the first year since the question was introduced in 2022 that the share prioritizing debt repayment has declined.

Those with some Debt
Which do you prioritize?

| | 2022 | 2023 | 2024 | 2025 | 2026 |
|-------------------------|------|------|------|------|------------|
| Saving money | 43% | 39% | 36% | 36% | 38% |
| Paying down debt | 57% | 61% | 64% | 64% | 62% |

BASE: THOSE WITH SOME DEBT – 2026 Gen Pop (n=2,847); 2025 Gen Pop (n=3,134) 2024 Gen Pop (n=2,844); 2023 Gen Pop (n=1,777); 2022 Gen Pop (n=1,581)

Q28. Between the two, which do you prioritize more??