

Northwestern Mutual: Americans Resolve to Get Their Finances in Order in 2011

MILWAUKEE ([BUSINESS WIRE](#)), January 12, 2011 - According to an [online poll](#) commissioned by [Northwestern Mutual](#), Americans are starting 2011 on a positive and optimistic note when it comes to their personal finances. The poll, conducted by [Harris Interactive](#), revealed that nearly seven out of ten people rank taking control of their finances as a top priority for 2011, and nearly the same number feel confident about their ability to do so.

“It’s encouraging that Americans are prioritizing their personal finances and that they are showing signs of developing better financial habits, including reducing their debt and saving more,” said Greg Oberland, Executive Vice President, Northwestern Mutual. “These latest poll results reveal a measure of optimism among Americans about their personal finances, and indicate that individuals are prepared to take actionable steps to achieve financial security.”

More than a third of respondents (36%) cited personal finances above other potential priorities, including time spent with family/friends (24%), personal well-being (21%), spiritual fulfillment (14%), career (14%) and love life (12%).

Steps for Getting Your Financial House in Order

When asked what steps they plan to take to get their financial house in order in 2011, the responses cited most often included:

1. paying down debt (39%)
2. saving a portion of my paycheck regularly (30%)
3. building up an emergency fund (28%)
4. developing and sticking to a budget (27%)

Highlighting a critical oversight in personal financial security planning, very few Americans said that they plan to evaluate their risk protection in 2011 – including life insurance (6%), long-term care (4%) or disability insurance (4%).

“To achieve financial security, families need to manage risk; for instance, protecting income in the event of a disability, or protecting the family financially if a parent dies unexpectedly,” said Oberland. “Not having risk protection is like following a diet without any fruits and vegetables. There might be some short-term results, but you can’t achieve long-term sustainable health.”

Women Focus on Short-term; Men Take Longer-term View

The poll also uncovered several distinct differences between women and men when it comes to their 2011 personal finance priorities.

When asked about their top priorities for improvement in the New Year, women cited personal health (40%) above personal finances (34%), while men were the opposite with personal finances (37%) ranked above personal health (33%).

A closer look at the specific steps women and men plan to take with respect to getting their financial house in order found:

Nearly one third of women (31%) plan to build up an emergency fund and develop and stick to a budget (30%), which is a significantly higher percentage than for men (25% and 24%, respectively).

However, significantly fewer women than men plan to:

contribute to their retirement savings (16% vs. 23%)

create or update a financial plan (10% vs. 16%)

work with a professional (5% vs. 12%)

rebalance their portfolio (5% vs. 13%)

“These results suggest that women are focusing more on short-term personal finance goals while men are taking a longer-term view when it comes to getting their financial house in order,” said Oberland. “A combination of both is critical and one should not come at the expense of the other. Individuals can work with a financial professional to develop a financial security plan that can address both short-term needs, and build a secure foundation, including adequate risk protection and retirement planning solutions.”

Additional Research and Resources

Northwestern Mutual offers a range of resources, including research studies, calculators and interactive quizzes to help people better understand their financial security needs. These include:

A series of research studies over the past year that highlight trends and individuals’ perspectives on long term financial planning topics. Studies include the [Financial Matters](#) study and the [Financial Realities: Changing Timeframes](#) study.

[Financial Matters Quiz](#) – find out your level of financial knowledge and how it compares to Americans across the nation

[Lifespan Calculator](#) – discover how long you might live, and how many years past retirement you may need to plan for

[Cost of Long-Term Care Calculator](#) – examine the costs of long-term care services in your area and the potential financial impact of a long-term care need

Survey Methodology

This survey was conducted online by Harris Interactive on behalf of Northwestern Mutual from December 16-20, 2010 among 2,309 American adults ages 18 and older. This online survey is not based on a probability sample and therefore no estimate of theoretical sampling error can be calculated. Contact Northwestern Mutual for complete survey methodology, including weighting variables.

About Northwestern Mutual

The [Northwestern Mutual Life Insurance Company](#) – Milwaukee, WI (Northwestern Mutual) has helped clients achieve financial security for more than 150 years. As a mutual company with \$1.2 trillion of [life insurance](#) protection in force, Northwestern Mutual shares, where possible, its gains with policyowners and delivers consistent and dependable value to clients over time. Northwestern Mutual and its subsidiaries offer a holistic

approach to financial security solutions including: [life insurance](#), [long-term care insurance](#), [disability insurance](#), [annuities](#), [investment products](#), and [advisory products and services](#). Subsidiaries include Northwestern Mutual Investment Services, LLC, broker-dealer, registered investment adviser, member FINRA and SIPC; the Northwestern Mutual Wealth Management Company, limited purpose federal savings bank; and Northwestern Long Term Care Insurance Company; and [Russell Investments](#).

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