

## Northwestern Mutual Study Finds Americans Taking on More Risk Than They Would Prefer

MILWAUKEE, April 2, 2013 /PRNewswire/ -- Americans continue to hold their purse strings tight and favor cautious choices with their money, according to research from Northwestern Mutual's [2013 Planning & Progress Study](#). That said, nearly one in four people (23%) say they'd prefer to be more cautious but feel they have too much catching up to do and 22% say they've dipped into their retirement or savings in the past three years.

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When U.S. adults were asked what changes they've made in the last three years regarding the way they manage their money, the No. 1 answer – reported by 30%– was saving more. Additionally, when asked to indicate their preferred approach toward achieving financial goals, the most common response – chosen by 34% – was "slow and steady wins the race."

"It's good to see that, on balance, people are not looking for shortcuts or slipping back into bad habits especially now that we're seeing tangible signs of a slowly recovering economy," said Greg Oberland, Northwestern Mutual executive vice president. "Still, too many people are trying to play catch-up, which can lead to risky decision-making. We tell people – whether they're behind, ahead or anywhere in between – there is no substitute for a long-term financial game-plan."

### Playing Catch-up

Some 23% of Americans say they "would like to be more cautious with their money, but have a lot of catching up to do." Of those with catching up to do:

- More than half (52%) say it's because of unexpected expenses
- 47% claim it's because of debt
- 37% report it's due to a lack of effective planning for the long-term
- 32% are concerned about job security

The subgroups most likely to say they'd "like to be more cautious, but have a lot of catching up to do" include:

- Generation X (32%)
- Adults with children under 18 (32%)
- People with assets under \$25K (35%)

"Our hope is that, over time, these numbers will decline as a result of not just of an improving economic landscape but also the widespread adoption of a more practical planning approach toward achieving financial goals," said Oberland. "We are now a few years removed from the worst of the financial crisis and people continue to save and favor responsible choices."

### Americans Are Saving More

When it comes to habits of saving:

Four in 10 (39%) Americans say they plan to save more in the coming 12 months, which is a jump from 33% who said the same in 2010.

Interestingly, the youngest generations – Generation Y (56%) and Generation X (52%) – are more likely to say they will save more in the next 12 months, while older generations will save the same amount or less (Boomers 59%, Mature 74%).

Overall, half (51%) of Americans say their approach to the money they have today is "to save and be careful, aim for long-term financial security."

Only 14% say, "Spend. Enjoy what has been well-earned and live for today."

This is the second set of findings released from Northwestern Mutual's [2013 Planning & Progress Study](#), which explores the state of financial planning in America today, and provides unique insights into people's current attitudes and behaviors toward money, goal-setting and priorities. Northwestern Mutual will release additional results and a series of multi-media materials over the coming weeks.

**About the Research**

This study was conducted by independent research firm Harris Interactive, and included 1,546 Americans aged 25 or older who participated in an online survey between January 9, 2013 and January 23, 2013. Results were weighted as needed for age by gender, education, 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**

Northwestern Mutual is the marketing name for The Northwestern Mutual Life Insurance Company, Milwaukee, WI, and its subsidiaries. Northwestern Mutual is among the "World's Most Admired" life insurance companies in 2013 according to FORTUNE® magazine and has helped clients achieve financial security for more than 156 years.

As a mutual company with \$1.4 trillion of life insurance protection in force, Northwestern Mutual has no shareholders. The company focuses solely and directly on its clients and seeks to deliver consistent and dependable value to them over time.

Northwestern Mutual and its subsidiaries offer a holistic approach to financial security solutions including: life insurance, long-term care insurance, disability income 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; Northwestern Long Term Care Insurance Company; and Russell Investments.

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For further information: Jean Towell, +1-800-323-7033, [mediarelations@northwesternmutual.com](mailto:mediarelations@northwesternmutual.com)

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