

Northwestern Mutual Study Finds Americans are Prepared to Work Longer, but Unprepared to Live Longer

MILWAUKEE, May 7, 2013 /PRNewswire/ -- Just over half (56%) of Americans say they're financially prepared to live to the age of 75, yet 10% expect to work into their 80s, according to new research from [Northwestern Mutual's 2013 Planning & Progress Study](#).

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"The incredible contrast between how long people expect to work, and how financially prepared they feel to live long lives, dramatically underscores how far behind people feel in their financial planning," says Greg Oberland, Northwestern Mutual executive vice president. "We're seeing the average retirement age being pushed further out, due in large part to widespread feelings of long-term financial insecurity. That adds up to people feeling squeezed during a period of their lives when their financial obligations really should be easing."

Retirement and Longevity

On average, pre-retirees say they will retire at age 68, even though the mean age of retirement among those already retired is 59.

Looking closer at the breakouts, it's clear the number of Americans expecting to retire young is very small, while the number expecting to work into their 70s and 80s is considerable. Specifically:

- 6% expect to retire before the age of 60
- 52% expect to retire in their 60s
- 32% expect to retire in their 70s
- 10% expect to retire in their 80s

Meanwhile, when Americans were asked about their financial preparedness, based on their current situation, future prospects and long-term plans:

- 56% said they're prepared to live to the age of 75;
- 44% said they're prepared to live to the age of 85; and
- 35% said they're prepared to live to the age of 95.

Yet, there's a 50 percent chance that a 65-year-old man today will live beyond age 87 and that a 65-year-old woman will live beyond age 90. If they're married, there's a 50 percent chance that one of them will live beyond age 94. (Annuity 2000 table)

Financial Insecurity

In other findings, half (51%) of Americans say they are less financially secure than they thought they'd be at this point in their lives. Overall, just over four in ten (43%) Americans currently feel financially secure, while one in three (32%) do not feel financially secure, and the remaining quarter falls in the middle, not feeling strongly secure or insecure.

"Although Americans are struggling, we're seeing some positive signs for the future," notes Oberland. "People intend to save more, and are aiming for slow-and-steady growth rather than swinging for the fences. Ultimately, we would like to see that translate into higher levels of financial security."

In this study, "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."

The Least Financially Secure Americans

Within the study, several subgroups emerge as being among the least financially secure in America.

- 62% of single Americans say they're less secure than they thought they'd be by now, compared to 43% of married people who say the same.
- Those with children under 18 are less financially secure now (56%) compared to where they thought they'd be,

whereas those with older children (49%) or no children (49%) feel slightly more secure. Gen Y (59%) and Gen X (63%) are less secure now than they thought they'd be, but the Mature Generation (36%) is more likely to say they are just where they thought they'd be or are more secure than they thought they'd be.

About the Research

This is the latest 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.

The 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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