

2024 Planning & Progress Study

Work, Retirement & Taxes

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

Background & Methodology

Background

The 2024 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 4,588 online interviews among the general U.S. adult (18+) population between January 3rd and January 17th. Included in this overall total is a sample of 831 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.

U.S. adults believe they will need \$1.46 million to retire comfortably, a 15% increase over the \$1.27 million reported last year.

	2024	2023	2022	2021	2020
Amount expected to need to retire comfortably	\$1.46M	\$1.27M	\$1.25M	\$1.05M	\$951K

BASE: ALL QUALIFIED RESPONDENTS –2024 Gen Pop (n=4588)

Q54. In a specific dollar amount, how much do you think you will need to save in order to retire comfortably?

Both Gen Z and Millennials expect to need more than \$1.6 million to retire comfortably. High-net-worth individuals – people with more than \$1 million in investable assets – say they’ll need nearly \$4 million.

2024	All	Gen Z	Millennials	Gen X	Boomers+	HNW (\$1M+)
Amount expected to need to retire comfortably	\$1.46M	\$1.63M	\$1.65M	\$1.56M	\$990K	\$3.93M

BASE: ALL QUALIFIED RESPONDENTS – 2024 Gen Pop (n=4588)

Q54. In a specific dollar amount, how much do you think you will need to save in order to retire comfortably?

The average amount that U.S. adults have saved for retirement dropped modestly from \$89,300 in 2023 to \$88,400 today, but is more than \$10,000 off its five-year peak of \$98,800 in 2021.

	2024	2023	2022	2021	2020
Amount saved for retirement currently	\$88,400	\$89,300	\$86,900	\$98,800	\$87,500
Gap between retirement goal and current savings	\$1.37M	\$1.18M	\$1.16M	\$951K	\$864K

BASE: ALL QUALIFIED RESPONDENTS – 2024 Gen Pop (n=4588)

Q1825. How much money do you have saved for retirement (from all sources including 401(k), IRA, pension, bank accounts, etc.)?

Across all segments, there are large gaps between what people think they'll need to retire comfortably and what they've saved to date.

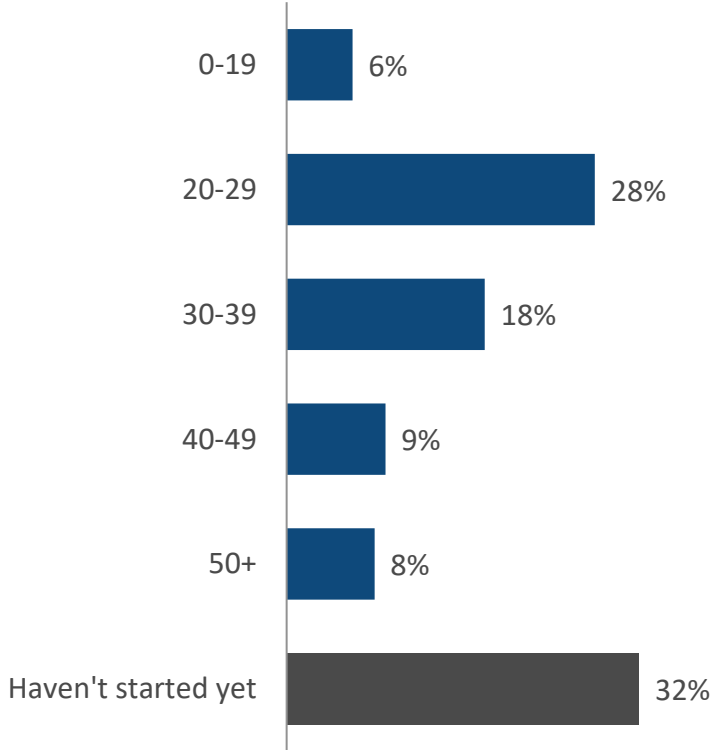
2024	All	Gen Z	Millennials	Gen X	Boomers+	HNW (\$1M+)
Amount expected to need to retire comfortably	\$1.46M	\$1.63M	\$1.65M	\$1.56M	\$990K	\$3.93M
Amount saved for retirement currently	\$88,400	\$22,800	\$62,600	\$108,600	\$120,300	\$172,100
Gap between retirement goal and current savings	\$1.37M	\$1.61M	\$1.59M	\$1.45M	\$870K	\$3.76M

BASE: ALL QUALIFIED RESPONDENTS - 2024 Gen Pop (n=4588)

Q1825. How much money do you have saved for retirement (from all sources including 401(k), IRA, pension, bank accounts, etc.)?

The average age that Americans say they started saving for retirement is 31. But for Gen Z, it's 22 – nearly a decade earlier. It's also a full 15 years before Boomers+ who say they started when they were 37.

Retirement Savings: Starting Age*

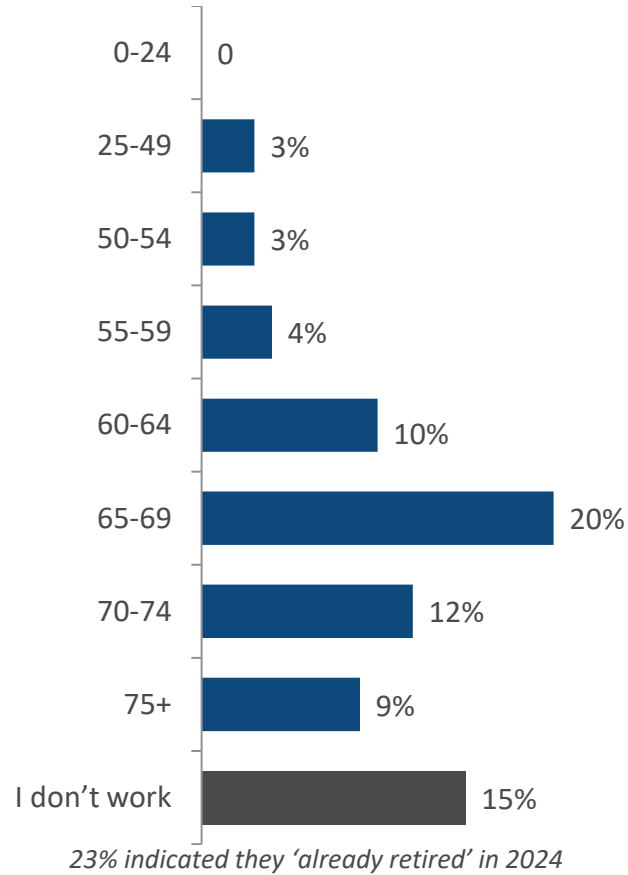


	Mean Age
All	31
Gen Z	22
Millennials	27
Gen X	31
Boomers+	37

*Numeric open-ended question
BASE: ALL QUALIFIED RESPONDENTS –2024 Gen Pop (n=4588)
Q2024L. At what age did you start saving for retirement?

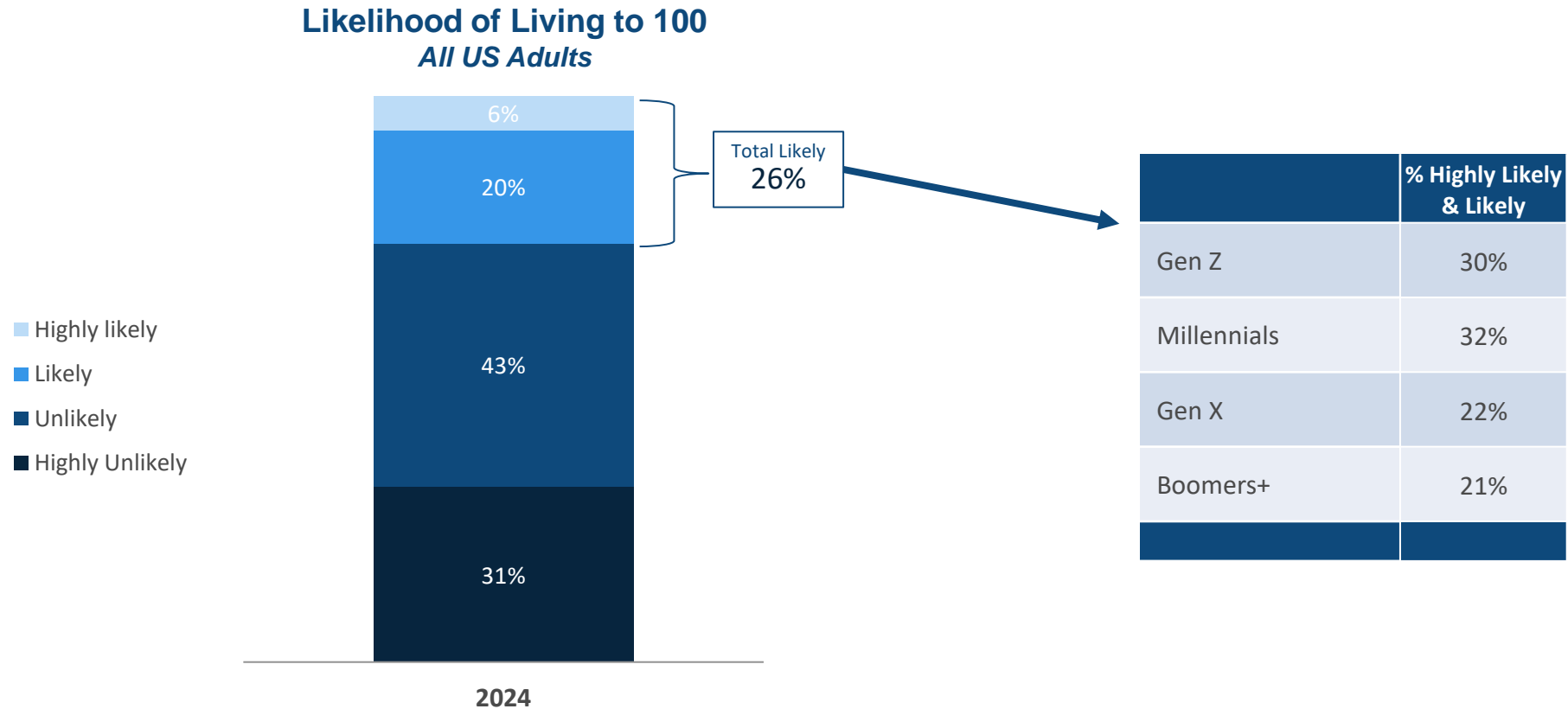
Gen Z expects to retire at the age of 60, a dozen years before Boomers+ who say they'll work until they're 72. The average age most people expect to work to is 65.

Anticipated Retirement Age



	Mean Age
All	65
Gen Z	60
Millennials	64
Gen X	67
Boomers+	72

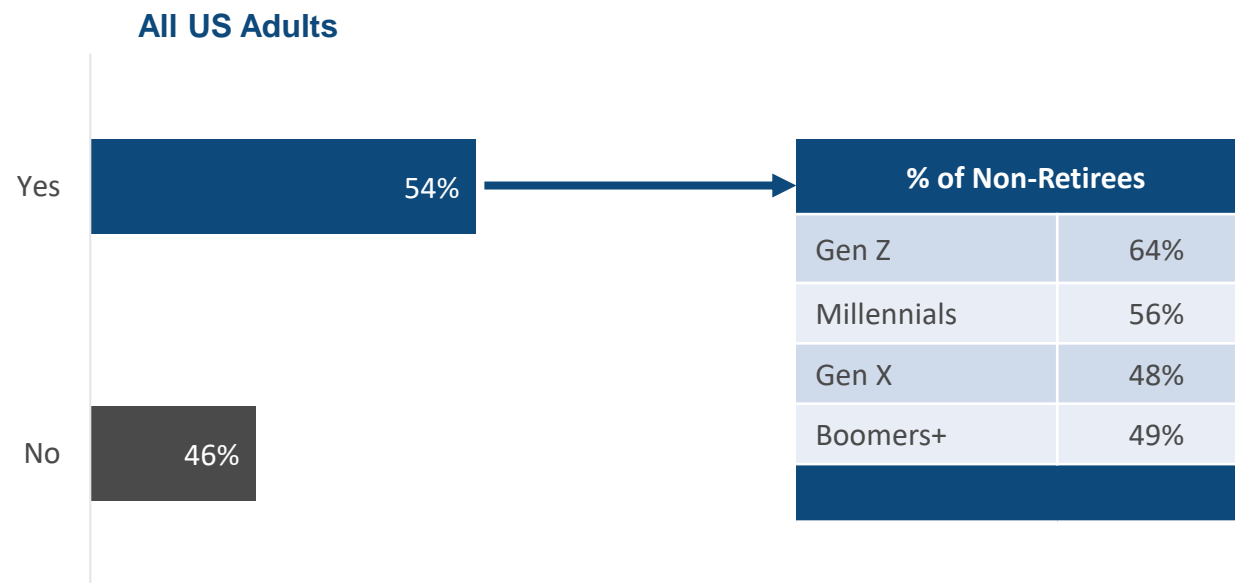
3 in 10 Millennials and Gen Z Americans believe it's likely or highly likely that they will live to age 100. Among Gen X and Boomers+, just 22% and 21% respectively agreed that they believed they would live to 100.



Among generations closest to retirement, just half of Boomers+ (49%) and Gen X (48%) believe they will be financially prepared for retirement when the time comes.

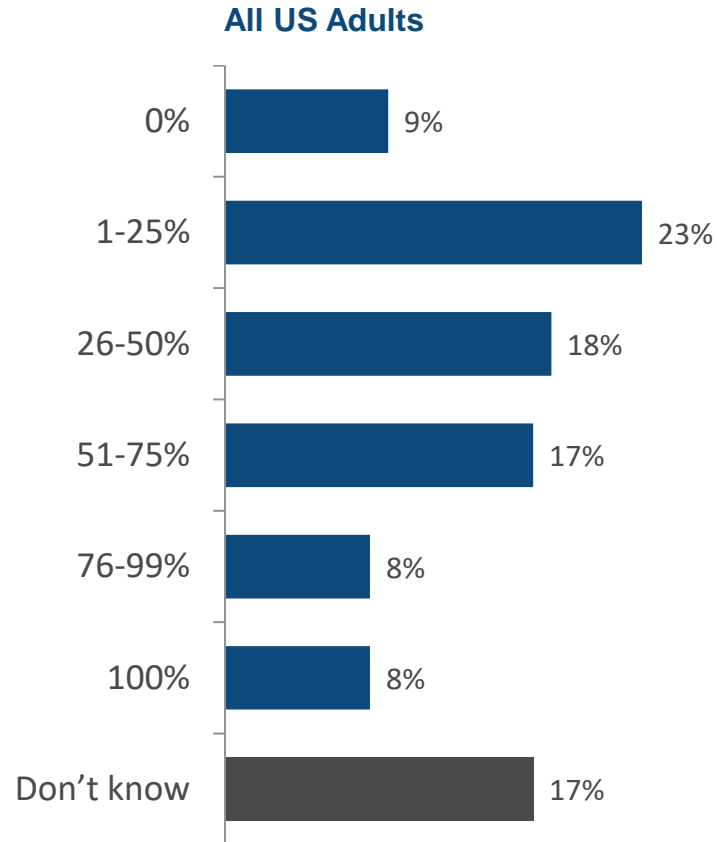
Do you think you will be financially prepared for retirement when the time comes?

(Among Non-retirees)



On average, Gen X believes there is a 42% chance they could outlive their savings, while Boomers+ put the probability at 37%.

Will Outlive Savings

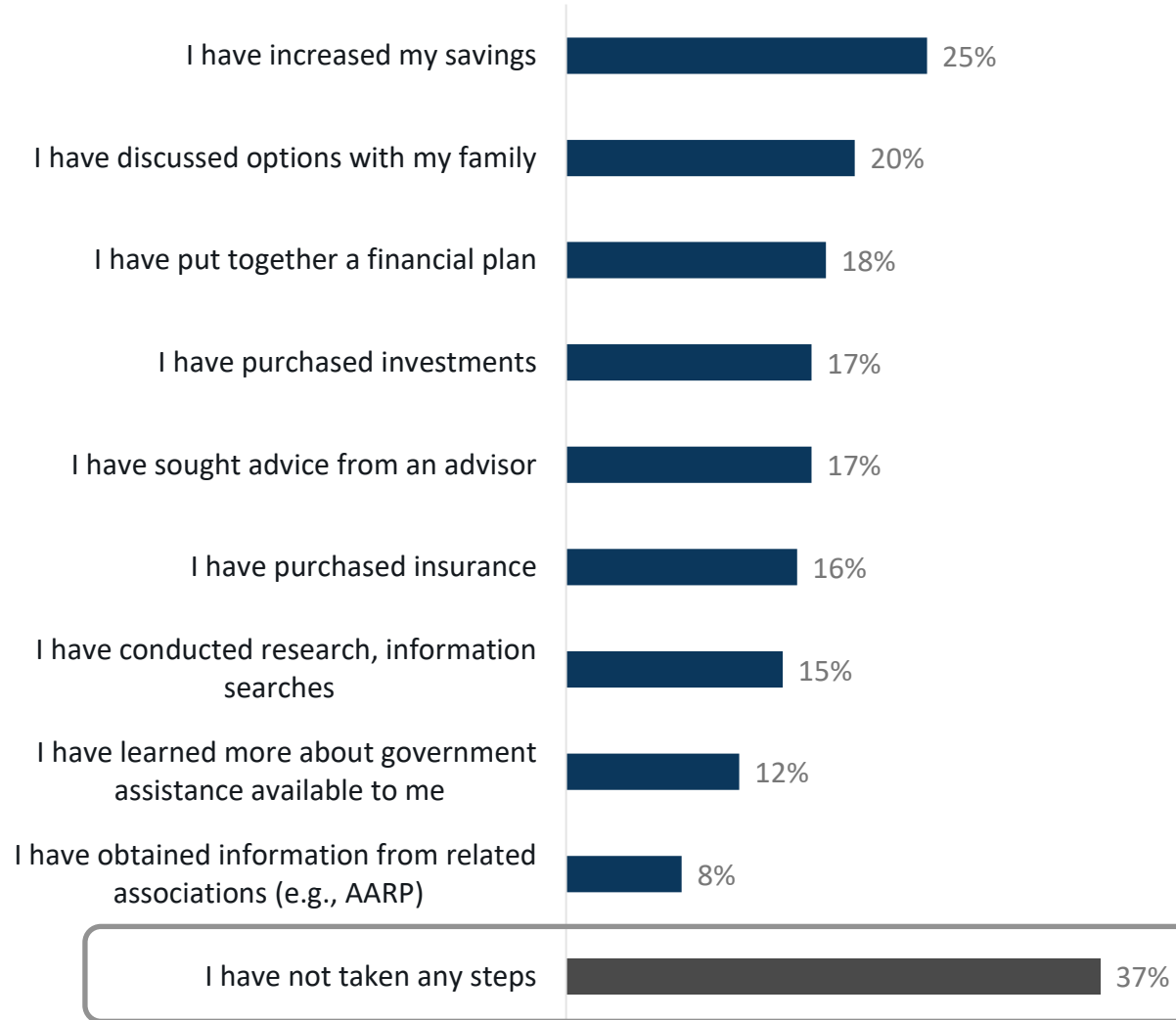


2024	Mean % Likelihood of Outliving Savings
All	43%
Gen Z	46%
Millennials	46%
Gen X	42%
Boomers+	37%

Across both Gen X and Boomers+, more than a third (37% and 38%, respectively) have not taken any steps to address the possibility of outliving their savings.

Steps Taken to Avoid Outliving Savings

All US Adults



	% Have Not Taken Any Steps
Gen Z	36%
Millennials	36%
Gen X	37%
Boomers+	38%

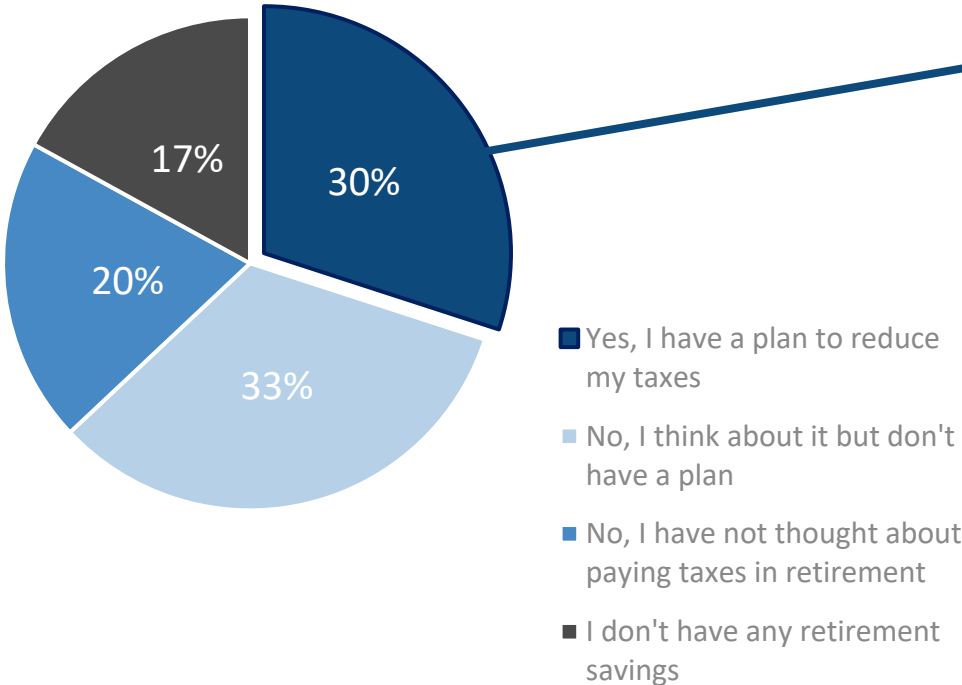
When digging into some of the most pressing challenges associated with retirement planning, the research shows that Boomers+ and Gen X don't have markedly strong confidence in their preparedness.

	Boomers+	Gen X
I know how much money I will need to retire comfortably	49%	40%
I have a plan to address healthcare costs in retirement	56%	44%
I have planned for the possibility that I could outlive my savings	37%	35%
I have a plan to address long-term care needs in retirement	41%	34%
I have planned for the potential that Social Security may or may not be in place when I qualify for it	39%	42%
I will have enough to leave behind an inheritance or gift to loved ones and/or charitable causes I care about	50%	36%
I have a good understanding of how taxes could impact my retirement and have factored that into my financial plans	58%	46%
I have a good understanding of how potential drops in the stock market could impact my retirement and have factored that into my financial plans	58%	51%

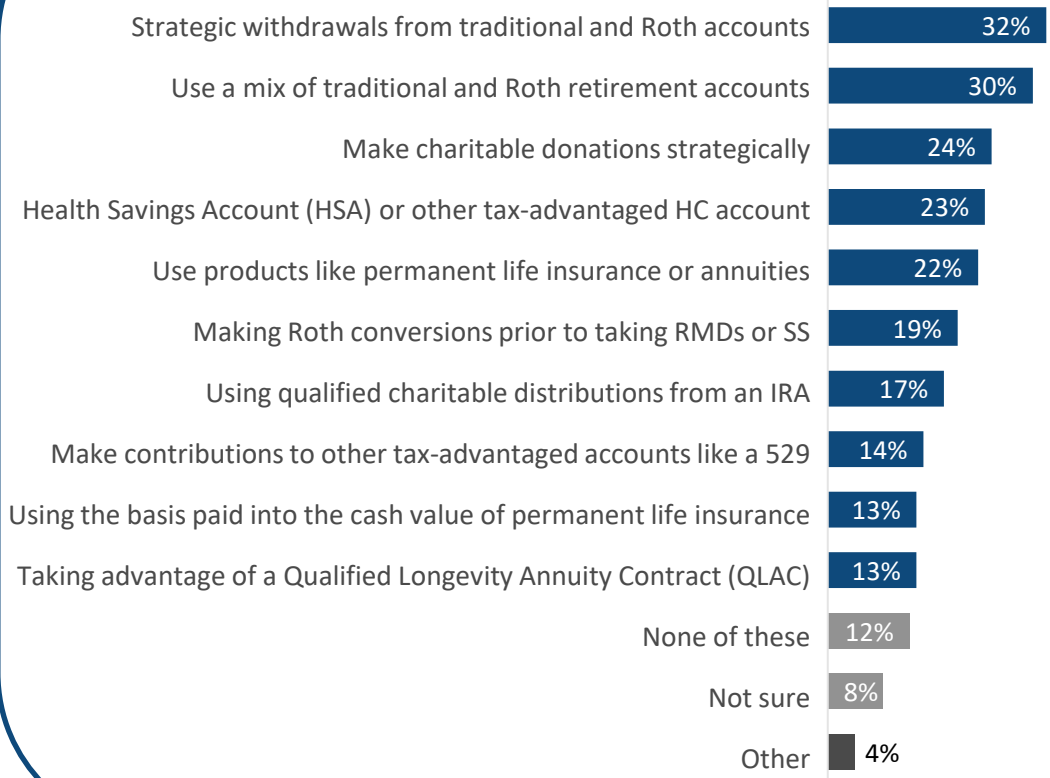
BASE: ALL QUALIFIED RESPONDENTS – 2024 Gen Pop (n=4588)
 Q2024Q. Please respond to the following statements:

Only three in ten (30%) Americans have a plan to minimize the taxes they pay on their retirement savings.

Do you account for how much you will have to pay in taxes during retirement?



Strategies used to minimize impact of taxes



BASE: ALL QUALIFIED RESPONDENTS (n=4588)
Q2024R. When thinking about your overall retirement savings, do you account for how much you will have to pay in taxes?
BASE: IF YES IN Q2024R (n=1452)
Q2024P. Do you use any of the following strategies to minimize the impact of taxes today or in your retirement? Please select all that apply.