

The background features a dark, semi-transparent overlay of various financial charts and graphs. A prominent pie chart in the upper center has three segments labeled with the numbers 32, 65, and 268. To its right, a line graph shows data points with values like 45, 55, 57, 65, 64, and 59. Below that, another line graph has points at 30, 21, 23, 25, 25, and 34. A bar chart at the bottom right shows several vertical bars of varying heights. The overall aesthetic is professional and data-driven.

STATE OF RETIREMENT

**A SNAPSHOT OF AMERICAN
PERCEPTIONS AND REALITIES
OF RETIREMENT PLANNING**



THE AMERICAN RETIREMENT SCENE IS EVOLVING RAPIDLY.

With an aging population, the strain on government-sponsored retirement benefits seems to be intensifying. At the same time, the shift from traditional defined benefit plans to defined contribution plans in the workplace has placed the responsibility of investment management, market risk mitigation and conversion of savings to retirement income squarely on individuals. This transition can present significant challenges, as many Americans grapple with understanding and effectively navigating this new landscape of personal financial responsibility in retirement planning.

By exploring various topics, such as savings adequacy, retirement age decisions, and the complexities of helping to ensure lifelong financial confidence, this guide offers insights into some of the hurdles faced by retirees and pre-retirees.

ESTIMATING THE COST OF COMFORT: DIVERSE RETIREMENT SAVINGS GOALS

The average amount
Americans think they'll
need to retire:

\$1.26M

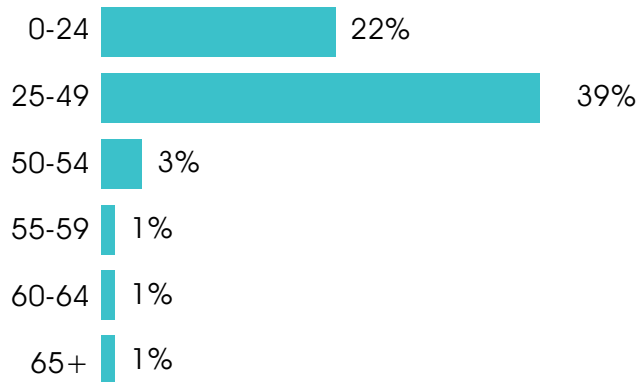
Americans believe they need \$1.26 million to retire comfortably in 2025 — down \$200,000 from last year but similar to 2022-2023 estimates.

Retirement needs vary widely based on lifestyle and goals, leading to diverse opinions on the required savings for a comfortable retirement. Interestingly, Gen Z starts saving earlier and expects to retire by 61, while baby boomers plan to work until 72. Most Americans aim for retirement around 65, but this 11-year gap highlights a key principle: The earlier you start saving, the more control you have over your retirement timeline.

Source: Northwestern Mutual. "2025 Planning & Progress Study: Work & Retirement." https://filecache.mediaroom.com/mr5mr_nwmutual/179133/2025%20P%26P%20Wave%20I%20-%20Retirement%20and%20Work%20-%20FINAL.pdf. Accessed Aug. 10, 2025.

GEN Z STARTS SAVING FOR RETIREMENT NEARLY A DECADE EARLIER THAN OLDER GENERATIONS

RETIREMENT SAVINGS: STARTING AGE



	Mean Age
All	31
Gen Z	24
Millennials	29
Gen X	33
Boomers+	37

Source: Northwestern Mutual. "2025 Planning & Progress Study: Work & Retirement." https://filecache.mediaroom.com/mr5mr_nwmutual/179133/2025%20P%26P%20Wave%20I%20-%20Retirement%20and%20Work%20-%20FINAL.pdf. Accessed Aug. 10, 2025.

Difference in the amount thought to be needed
to retire comfortably from 2024 to 2025.

-\$200,000

AT WHAT AGE DO YOU ANTICIPATE YOU'LL RETIRE?

Over the past five years, there has been an upward trend in the age at which Americans plan to retire. The average anticipated retirement age is now 65, up from 63 in 2021.

Many people, even those traditionally considered “wealthy,” feel uncertain or frustrated about their readiness for retirement. However, what often proves more important than the total amount saved is a disciplined approach to planning, which provides both financial clarity and a greater sense of preparedness.

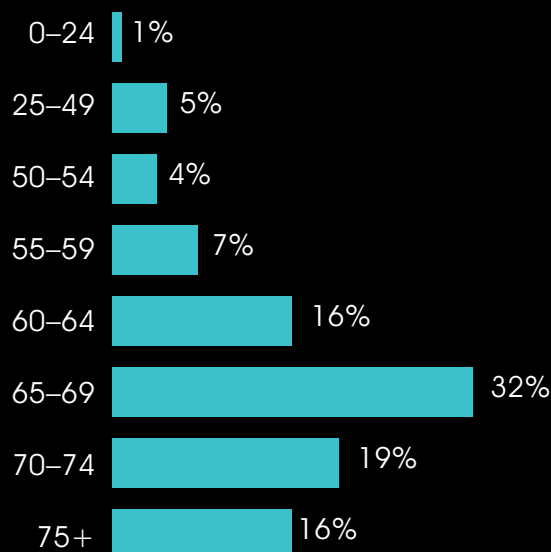
One of the simplest ways to become a disciplined planner is by engaging with a financial advisor.

Regular consultations and tailored advice can help ensure you stay on track with your retirement objectives, adapting as necessary to help meet changing needs and circumstances.

AVERAGE EXPECTED RETIREMENT AGE

2025: 65
2024: 65
2023: 65
2022: 64
2021: 63

EXPECTED RETIREMENT AGE



EXPECTED RETIREMENT AGE BY GENERATION

	Average Age
Gen Z	61
Millennials	64
Gen X	67
Boomers+	72

Source: Northwestern Mutual. “2025 Planning & Progress Study: Work, Retirement & Taxes.” https://filecache.mediaroom.com/mr5mr_nwmutual/179133/2025%20P%26P%20Wave%20II%20-%20Retirement%20and%20Work%20-%20FINAL.pdf. Accessed Aug. 10, 2025.

AMOUNT SAVED FOR RETIREMENT AS A MULTIPLE OF CURRENT ANNUAL INCOME

OF THOSE WHO HAVE SOMETHING SAVED FOR RETIREMENT

	U.S. Adults	Gen Z	Millennials	Gen X	Boomers+
Less than 1x my income	17%	23%	22%	14%	13%
1x	8%	11%	12%	7%	5%
2x	15%	16%	17%	17%	11%
3x	12%	12%	14%	14%	9%
4x	9%	10%	10%	9%	8%
5x	7%	5%	7%	6%	8%
6x	4%	6%	2%	4%	6%
7x	4%	4%	4%	4%	4%
8x	3%	3%	2%	3%	3%
9x	1%	0%	2%	1%	1%
10x	6%	2%	3%	6%	11%
More than 10x my income	9%	2%	1%	8%	17%
Not sure	5%	3%	4%	7%	4%

Source: Northwestern Mutual. "2025 Planning & Progress Study: Work & Retirement." https://filecache.mediaroom.com/mr5mr_nwmatural/179133/2025%20P%26P%20Wave%2011%20-%20Retirement%20and%20Work%20-%20FINAL.pdf. Accessed Aug. 10, 2025.

REALITY VS. EXPECTATION: RETIREMENT SAVINGS ACROSS AGES

A significant disconnect exists between what individuals anticipate needing for retirement and their current savings. This disparity is evident across age groups. To put this into perspective, consider a person in their 50s with an annual income of \$100,000 and \$200,000 saved. (Note that only 17% of GenX say they saved 2X income). To reach the \$1.26 million they think they'll need, they would have to save an additional \$28,182 annually over the next 15 years, assuming a 7% rate of return.

\$200,000 → \$1.26M = \$28,182 X 15 YEARS AT 7%

This is a hypothetical example provided for illustrative purposes only; it does not represent a real-life scenario and should not be construed as advice designed to meet the particular needs of an individual's situation.

WILL YOUR SAVINGS AND INCOME LAST A LIFETIME?

Outliving retirement savings is a daunting prospect for many retirees, a fear often exacerbated by increasing life expectancies. For instance, a 65-year-old man today is expected to live, on average, until age 84, while a 65-year-old woman may live to about 87. If they retire at 65, their savings need to sustain them for at least 20 years.*

To address this challenge, generating additional income during retirement can be a key. This can be addressed through a well-planned retirement withdrawal strategy, optimizing Social Security benefits and selecting an appropriate asset allocation mix that balances growth and risk.

54%

of those aged 45 to 75 don't believe their retirement savings and income will last a lifetime

Source: Alliance for Lifetime Income. "All Cannex 2025 Protected Retirement Income and Planning (PRIP) Study. <https://www.protectedincome.org/wp-content/uploads/2025/08/2025-PRIP-Study-Chapter-1-FINAL-070925.pdf>. Accessed Aug. 10, 2025

AVERAGE LIFE EXPECTANCY

MEN: 84
WOMEN: 87

Based on a person who's reached age 65 as of 2025.

MANAGING INCOME IN RETIREMENT

Strategies include:

- A well-planned withdrawal strategy from your current accounts
- Optimizing Social Security benefits
- Balancing growth and risk in your asset allocation mix

Source: Social Security Administration. "Retirement & Survivors Benefits: Life Expectancy Calculator." ssa.gov/oact/population/longevity.html. Inputted for both male and female: DOB 8/10/1960. Accessed Aug. 10, 2025.

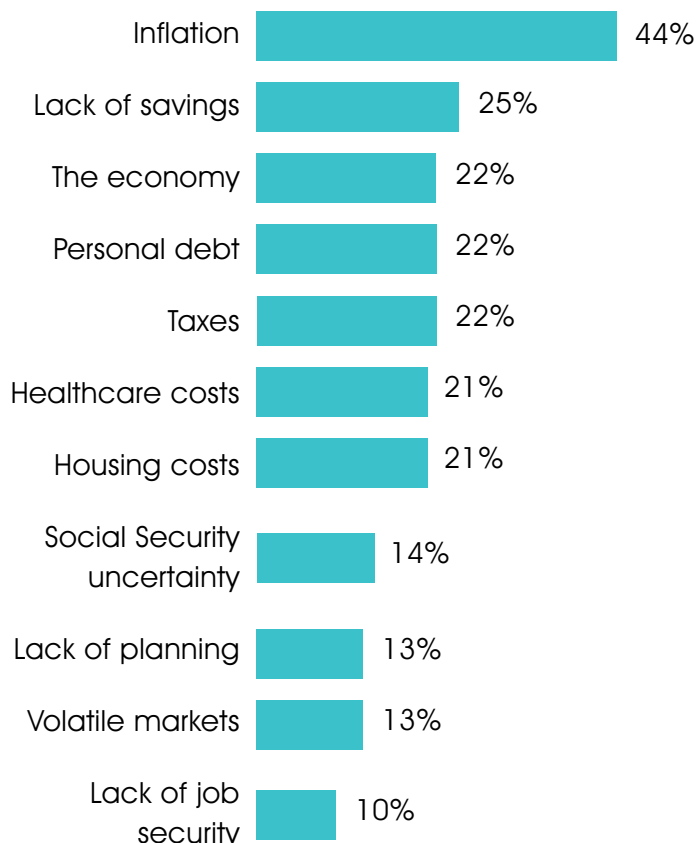
WILL YOUR RETIREMENT COVER BASIC MONTHLY EXPENSES?

Financial security in retirement is important to most people, yet three in ten (30%) Americans say they do not feel financially secure. To bolster this confidence, having a retirement income plan is essential. Such a plan should help provide insights into four key areas:

- **Timing of Retirement Paychecks:** Shows when income from different retirement sources will begin.
- **Source of Income:** Identifies which retirement assets will fund these payments.
- **Growth and Inflation:** Shows potential of portfolio growth, accounting for inflation, to help sustain resources.
- **Longevity of Assets:** Evaluates if your accounts and income sources can last throughout your life.

Such a plan aids in demystifying the financial aspects of retirement, helping to ensure you have a clear roadmap for not only addressing basic expenses but also maintaining your desired lifestyle.

MORE THAN FOUR IN 10 (44%) RANK INFLATION AS THE #1 OBSTACLE TO ACHIEVING FINANCIAL SECURITY



Source: Northwestern Mutual. "Planning & Progress Study 2025: Financial States of America." <https://news.northwesternmutual.com/planning-and-progress-study-2025>. Accessed Aug. 10, 2025.

LIVING LONGER, WORRYING MORE

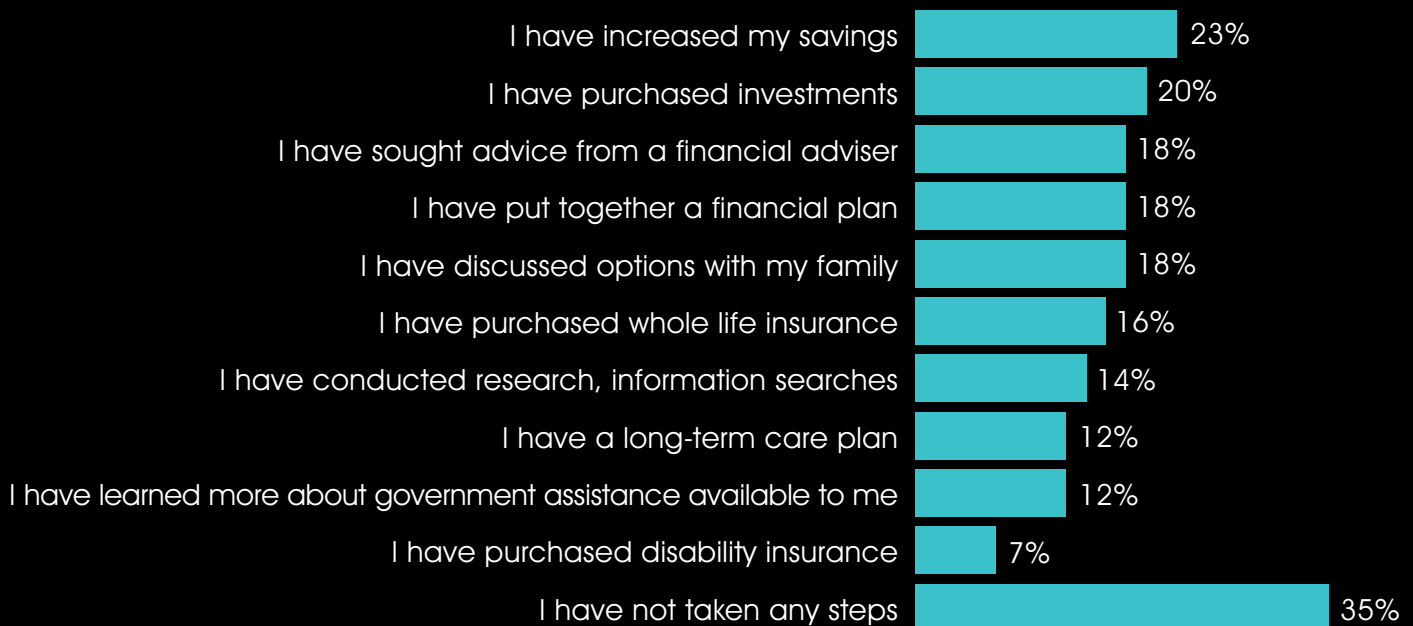
Americans are living longer than ever before, yet this medical triumph has created a new form of retirement anxiety. More than half of Americans believe they're likely to outlive their savings, transforming what should be a celebration of longevity into a source of financial stress. This longevity paradox — where extended life expectancy becomes a liability rather than an asset — represents one of the most pressing challenges in modern retirement planning.

IN YOUR OPINION, WHAT IS THE LIKELIHOOD THAT YOU COULD OUTLIVE YOUR SAVINGS?

	U.S. Adults	Gen Z	Millennials	Gen X	Boomers+
Likely	51%	51%	57%	56%	40%
Very Likely	21%	18%	24%	24%	17%
Somewhat Likely	30%	33%	33%	32%	23%
Unlikely	40%	34%	34%	36%	53%
Very Unlikely	16%	12%	14%	16%	22%
Somewhat Unlikely	24%	22%	20%	20%	31%
Don't know	9%	15%	9%	8%	7%

Source: Northwestern Mutual. "Planning & Progress Study 2025: Work and Retirement." <https://news.northwesternmutual.com/planning-and-progress-study-2025>. Accessed Aug. 10, 2025.

ACTIONS TAKEN TO AVOID RUNNING OUT OF MONEY



Source: Northwestern Mutual. "2025 Planning & Progress Study: Work & Retirement." https://filecache.mediaroom.com/mr5mr_nwmutil/179133/2025%20P%26P%20Wave%201%20-%20Retirement%20and%20Work%20-%20FINAL.pdf. Accessed Aug. 10, 2025.

AMERICA'S BURNING RETIREMENT QUESTIONS

THE QUESTIONS THAT KEEP FUTURE RETIREES AWAKE AT NIGHT

AMERICANS' TOP "BURNING QUESTIONS" ABOUT RETIREMENT (PERCENTAGE INDICATES INCLUSION IN TOP THREE)

How much money will I need to retire comfortably?	43%
Will Social Security be there when I qualify for it?	33%
What if inflation rises when I'm retired?	30%
Is it possible I could outlive my savings?	27%
How can I plan for potential long-term care needs?	26%
How will taxes impact me in retirement?	25%
How should I budget for healthcare expenses?	21%
Will I have enough to leave behind assets for loved ones or charitable causes I care about?	19%
What if the stock market drops when I'm retired?	14%

When Americans think about retirement, certain concerns rise above all others. While traditional worries about savings adequacy remain important, today's pre-retirees are grappling with two particularly urgent questions that reflect the economic realities of our time: the future of Social Security and the persistent threat of inflation.

Understanding these concerns provides valuable insight into the modern retirement landscape, where external economic forces often feel beyond individual control yet profoundly impact long-term financial security.

Source: Northwestern Mutual. "Planning & Progress Study 2025: Work & Retirement."
<https://news.northwesternmutual.com/planning-and-progress-study-2025>.
Accessed Aug. 10, 2025.

THE NEW RETIREMENT REALITY: WORKING BEYOND TRADITIONAL RETIREMENT AGE

ARE YOU PLANNING TO CONTINUE WORKING (OR ARE CURRENTLY WORKING) DURING YOUR RETIREMENT YEARS?

	All	Gen Z	Millennials	Gen X	Boomers+
Yes	40%	39%	45%	48%	30%
No	35%	30%	27%	25%	56%
Not sure	24%	31%	28%	27%	14%

IMPLICATIONS FOR RETIREMENT PLANNING

The prevalence of retirement work plans has significant implications for how Americans should approach retirement planning. For those planning to work by choice, retirement strategies can incorporate the flexibility and fulfillment that continued employment provides. For those who will need to work out of financial necessity, planning becomes more critical to ensure that health, skills and employment opportunities remain viable options.

The reasons Americans choose to work in retirement reveal a nearly even split between practical necessity and personal satisfaction:

Source: Northwestern Mutual. "Planning & Progress Study 2025: Work and Retirement." <https://news.northwesternmutual.com/planning-and-progress-study-2025> Accessed Aug. 10, 2025.

WHY PEOPLE PLAN TO WORK IN RETIREMENT:

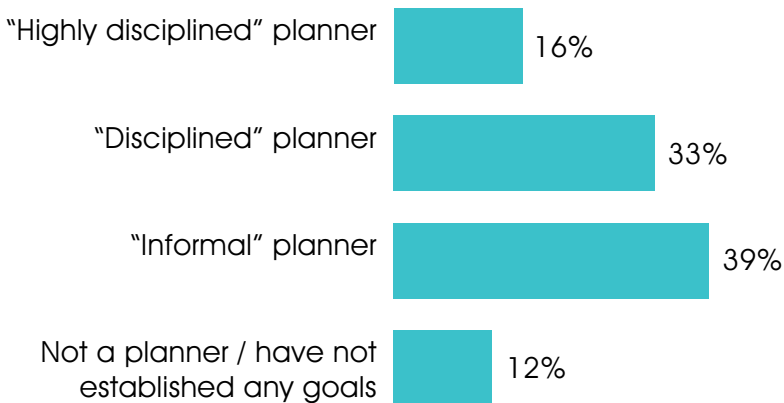
Want to continue feeling
useful/stimulated

50%

Need additional income to
afford retirement

48%

HOW U.S. ADULTS SEE THEMSELVES



TOTAL DISCIPLINED 49%

TOTAL UNDISCIPLINED 51%

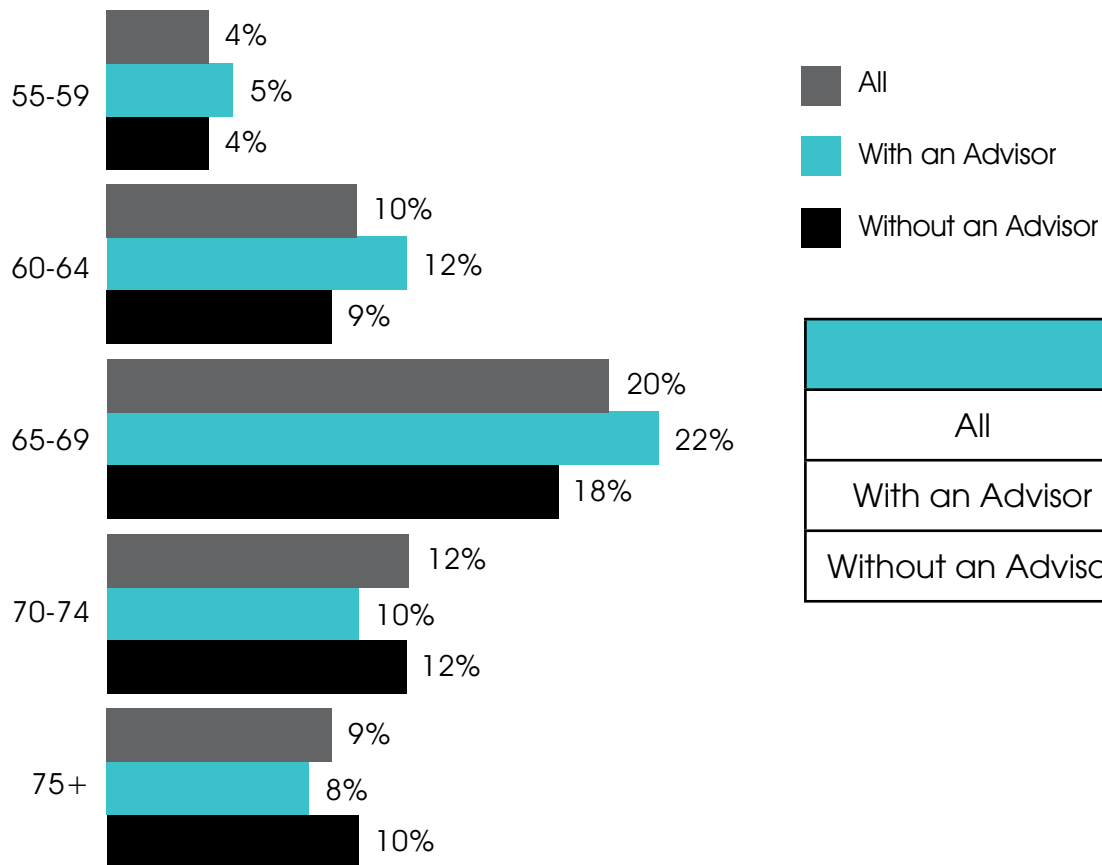
Source: Northwestern Mutual. "Planning & Progress Study 2025: Financial States of America." <https://news.northwesternmutual.com/planning-and-progress-study-2025>. Accessed Aug. 10, 2025.

DISCIPLINED VS. UNDISCIPLINED FINANCIAL PLANNING

Those who adopt a more disciplined approach to financial planning typically have greater clarity about their financial future, leading to more informed decisions and a clearer path toward pursuing their long-term goals.

ADVISOR GUIDANCE CREATES GREATER CONFIDENCE IN RETIREMENT OUTLOOK

ANTICIPATED RETIREMENT AGE



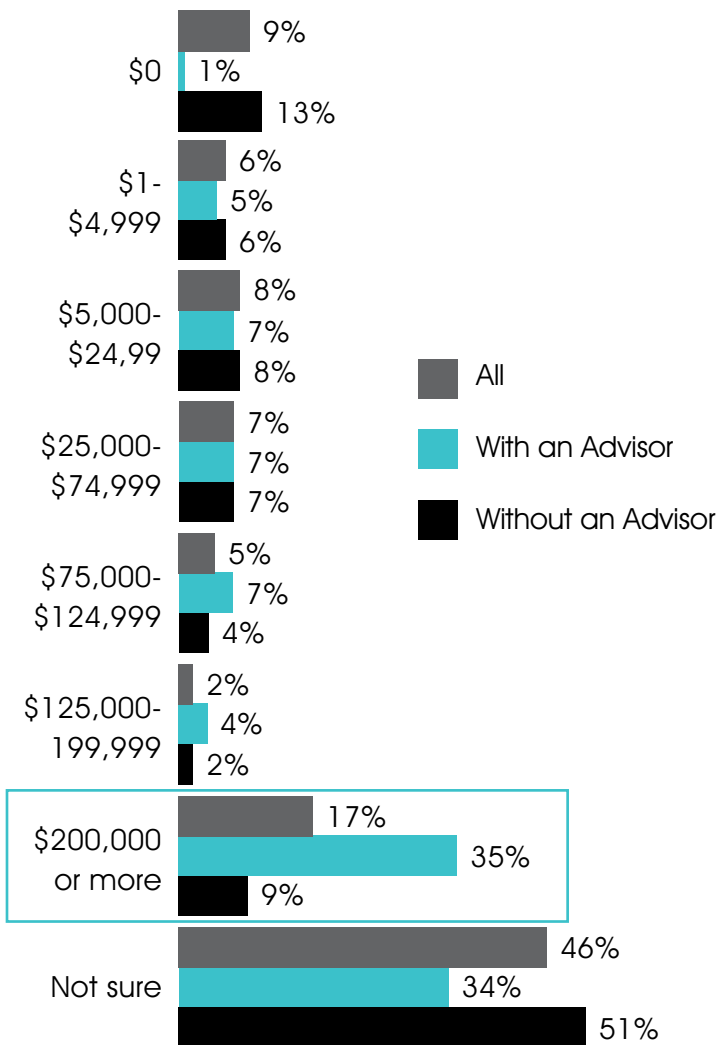
	Mean Age
All	65
With an Advisor	64
Without an Advisor	66

Source: Northwestern Mutual. "Planning & Progress Study 2024: Value of an Advisor." https://filecache.mediaroom.com/mr5mr_nwmutual/179083/2024%20PP%20Wave%205%20-%20Value%20of%20an%20Advisor.pdf. Accessed Sept. 5, 2025.

Working with a financial advisor appears to make a substantial difference in Americans' retirement outlook. Those who consult an advisor not only anticipate retiring two years earlier but also report feeling far more confident in their financial readiness. This effect is notable even among high net worth individuals, where the value of expert guidance is clear: Americans with an advisor are more than twice as likely to feel financially secure compared to those without one.

THE ADVISOR ADVANTAGE: CLIENTS SAVE TWICE AS MUCH FOR RETIREMENT

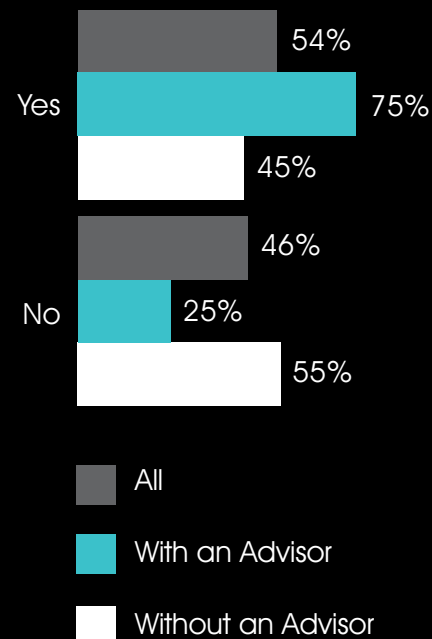
HOW MUCH MONEY DO YOU HAVE SAVED FOR RETIREMENT?



	Mean Retirement Savings
All	\$88,400
With an Advisor	\$132,000
Without an Advisor	\$62,000

Americans who work with a financial advisor feel far more prepared and confident about their retirement plans than those who don't. Most clients with an advisor believe they're on track for a financially secure retirement and have a clear understanding of their savings goals, a reassurance that is notably less common among those without professional guidance. This confidence underscores the impact of tailored financial advice in helping people set, reach and feel assured about their retirement targets.

DO YOU THINK YOU WILL BE FINANCIALLY PREPARED FOR RETIREMENT WHEN THE TIME COMES?



Source: Northwestern Mutual. "Planning & Progress Study 2024: Value of an Advisor." <https://news.northwesternmutual.com/planning-and-progress-study-2024>. Accessed Sept. 5, 2025..



NAVIGATING RETIREMENT COMPLEXITY

Retirement planning is a complex and multifaceted endeavor, where understanding the difference between perception and reality can be key. It's about more than just numbers and projections; it's about crafting a future that aligns with your individual needs and aspirations.

In this journey, the true value lies in having a clear understanding of your financial landscape and how it aligns with your retirement goals.

In this context, the role of an experienced financial advisor becomes invaluable.

A financial advisor provides more than just advice; they help bring clarity and strategy, helping to bridge the gap between what you perceive and what is realistic. They adeptly navigate the complexities of retirement planning, helping ensure that your strategy is not only robust and comprehensive but also flexible enough to adapt to life's unpredictable changes.

A financial advisor can be a key ally, guiding you toward a confident and fulfilling retirement, grounded in a well-informed understanding of your financial journey.



This guide is designed to provide general information on the subjects covered. It is not intended to be used as the basis for financial decisions. Information and opinions contained herein that have been obtained from third-party sources are believed to be reliable; however, accuracy and completeness cannot be guaranteed.

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