
Grasshoppers know they should act more like ants

By Editorial Staff Thu, Apr 23, 2015

Two-thirds of American adults consider themselves “savers,” but 54% have no net savings, according to a new survey sponsored by Northwest Mutual.

Just as most Americans know that they should eat oatmeal and no-hormone chicken instead of Pop-Tarts and McNuggets, most of them also know that they should save more and plan for the future rather than fritter their money away on stuff that triggers a fleeting spike in dopamine levels.

In other words, Americans know they should act like Aesop’s famous Ant but behave like his infamous Grasshopper instead. If you still doubt your intuitions about that, we give you the *2015 Northwestern Mutual Planning & Progress Study*, an annual research project commissioned by Northwestern Mutual.

The research, conducted in January among over 5,000 U.S. adults aged 18 and older, showed the following discrepancies between the subjects’ good intentions and their actual behavior:

- 58% of Americans believe their financial planning needs improvement, and 21% are “not at all confident” they’ll be able to reach their financial goals. But only 34% said they’ve taken steps to change.
- 67% of adults expect more financial crises such as what we experienced in 2008, yet only 38% are confident their financial plans can withstand market cycles. Almost one-fourth (23%) do not believe their plans can weather economic volatility.
- 67% consider themselves “savers,” but 54% have no net savings.
- Despite serious concerns about retirement, 43% have not spoken to anyone about retirement planning.

“An unplanned financial emergency” was far and away the most common financial fear among those surveyed. A “cash windfall” was the most likely reason to decide to seek the advice of a financial planner.

The situation isn’t improving. Over the last four years, the number of Americans age 25 and older who identify themselves as “non-planners” and having no established financial goals has doubled to 14% in 2015 from 7% in 2012.

Harris Poll conducted the survey on behalf of Northwestern Mutual. The study included

5,474 American adults aged 18 or older who participated in an online survey between January 12, 2015 and January 30, 2015.

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