

PRIMERICA AND CHANGE RESEARCH RELEASE

Q1 U.S. FINANCIAL SECURITY MONITOR APRIL 2023

A QUARTERLY TRACKING POLL OF MIDDLE-INCOME AMERICANS' FINANCIAL MOOD



Primerica's first quarter 2023 Middle-Income Financial Security Monitor (FSM) found that while American households are still worried about inflation, it is no longer their top concern. Middle-income families also expressed more optimism about their personal finances in the year ahead compared to the previous quarterly FSM but remained pessimistic about the nation's economic outlook.

Overall, a majority (52%) still feel positive about their current financial situation and one-fifth (20%) believe they'll be better off a year from now, up 5 points from the previous survey. However, a majority (72%) say their income is falling behind the cost of living, and just 15% believe the American economy will be better off a year from now.

HOW ARE FAMILIES DOING FINANCIALLY?

- **Inflation no longer the top concern.** For the first time since 2021, health ranked as the No. 1 concern (35%) among middle-income households, topping inflation (32%), which dropped five percentage points from the previous survey in December. Recession fears also declined, falling four percentage points to 21%, coming in below worries about finances (27%), paying for food and groceries (25%) and saving for retirement (22%).
- **Most express concern about health care expenses.** The majority (56%) of retired adults say they are as concerned about paying for health care expenses that are not covered by Medicare as they were a year ago.
- **Families are spending less money than a year ago.** About two-fifths (40%) of respondents say they spent less money in the past year, an 8 percentage point increase from this time last year. A quarter (28%) said they added to savings accounts.
- **Emergency funds are stagnating.** The percentage of respondents who say they have an emergency fund of \$1,000 or more has remained consistent over the past year. In the most recent survey, more than half (58%) of respondents indicated they'd set money aside, a decline of just two percentage points from one year ago. Concerningly, two-fifths (42%) do not have an emergency fund and nearly half (49%) tapped this fund in the past year.



HOW ARE MIDDLE-INCOME FAMILIES COPING WITH RISING COST OF LIVING?

- **Americans cut back on non-essentials.** Of those who say their income is falling behind the cost of living, an overwhelming majority (80%) are cutting back on non-essential purchases. Majorities are also cutting back or pausing saving for the future (53%) and putting off regular maintenance (50%). Many Americans are also tapping savings (38%) and using credit cards more (33%).
- **Credit card use remains high but key areas drop.** Middle-income Americans continue to rely on credit cards for everyday purchases, including gas (53%), retail (52%) and groceries (48%). More than one-third (36%) report using their credit cards more often in the past year, up 9 percentage points from March 2022. However, fewer households say their credit card debt has increased in the past three months, dropping four percentage points to one-third (33%) of respondents. In addition, the number of respondents who say they have no credit card debt has increased to nearly one-quarter (24%), up two percentage points from December.

ADDITIONAL INSIGHTS FROM PRIMERICA'S U.S. MIDDLE-INCOME FINANCIAL SECURITY MONITOR



HOW DO MIDDLE-INCOME AMERICANS VIEW THEIR JOBS?

- **More are looking to change jobs.** About one-quarter (25%) of respondents say they are at least somewhat likely to change jobs this year, an increase of five percentage points from the previous survey.
- **Many looking for additional work or higher-paying jobs.** More than a third (36%), including those who are currently retired, say they plan to pick up additional work. And nearly one-fifth (16%) say they are planning to find a higher-paying job, an increase of six percentage points from the previous survey.



ARE FAMILIES EQUIPPED WITH THE FINANCIAL INFORMATION THEY NEED?

- **Majority grasp financial basics but not complexities.** More than three-quarters (77%) feel solid about their knowledge of important financial fundamentals, like building good credit, budgeting and saving. However, they continue to be less confident in more complex financial matters, such as buying life insurance (62% confident), setting up an Individual Retirement Account (IRA) (64%) and investing in stocks (40%).
- **Time, anxiety main drivers in lack of financial planning.** About one-quarter (26%) say they don't contribute to a savings account, follow a budget, contribute to an investment account or set a financial budget each month. Anxiety (31%) and not having time (25%) continue to be cited as the biggest challenges people have tracking their financial information.

TOPLINE TRENDS DATA:



	MAR 2023	DEC 2022	SEP 2022	JUN 2022	MAR 2022	DEC 2021	AUG 2021	APR 2021
<p>How would you rate the condition of your personal finances? (Reporting "Excellent" and "Good" responses.)</p> <p>Q1 2023 Survey: Respondents' rating about the condition of their personal finances remained steady.</p>	52%	53%	53%	54%	60%	64%	65%	67%
<p>Overall, would you say your income is...? (Reporting "Falling behind the cost of living" responses.)</p> <p>Q1 2023 Survey: Concern about meeting increased cost of living remained the same.</p>	72%	72%	75%	75%	67%	68%	65%	56%
<p>Do you have an emergency fund that would cover an expense of \$1,000 or more (for example, if your car broke down or you had a large medical bill)? (Reporting "Yes" responses.)</p> <p>Q1 2023 Survey: About the same percentage have an emergency fund that would cover an expense of \$1,000 or more.</p>	58%	59%	60%	61%	62%	60%	65%	66%
<p>How would you rate the economic health of your community? (Reporting "Not so good" and "Poor" responses.)</p> <p>Q1 2023 Survey: The economic health of communities is trending downward.</p>	59%	53%	55%	58%	52%	50%	54%	52%
<p>How would you rate your ability to save for the future? (Reporting "Not so good" and "Poor" responses.)</p> <p>Q1 2023 Survey: Over 70% feel it will be difficult to save for the future, an increase from a year ago.</p>	73%	74%	73%	72%	66%	62%	63%	58%
<p>In the past three months, has your credit card debt...? (Reporting "Increased" responses.)</p> <p>Q1 2023 Survey: Credit card debt has dropped slightly from its highest point in Monitor history.</p>	33%	37%	37%	29%	25%	28%	21%	18%

Learn more at www.primerica.com/public/our-impact.html

About Primerica's U.S. Middle-Income Financial Security Monitor

The Monitor is a quarterly national survey to monitor the financial health of those with annual household incomes of \$30,000-\$100,000. Change Research conducted online polling from March 6 - 10, 2023. Using Dynamic Online Sampling, Change Research polled 1,263 adults nationwide with incomes between \$30,000 and \$100,000. Post-stratification weights were made on gender, age, race, education and Census region to reflect the population of these adults based on the five year averages in the 2019 American Community Survey, published by the U.S. Census. The margin of error is 3.0%.