

PRIMERICA AND CHANGE RESEARCH RELEASE

Q2 U.S. MIDDLE-INCOME FINANCIAL SECURITY MONITOR JULY 2023

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



Primerica's second quarter 2023 Middle-Income Financial Security Monitor (FSM) found that middle-income Americans are increasingly racking up credit card balances and debt, and those with the lowest financial preparedness scores are struggling the most.

Overall, only half (50%) feel positive about their current financial situation, a majority (71%) say their income is falling behind the cost of living, and just 13% believe the American economy will be better off a year from now. Yet, there's been a slight shift in Americans' optimism about their financial futures. One-fifth (22%) believe they'll be better off a year from now, up six percentage points from June 2022, and while a quarter (26%) say they will be worse off, this is down 15 percentage points over the same time frame.

HOW ARE FAMILIES DOING FINANCIALLY?

- **Credit card usage, debt on the rise.** More than a third (36%) of respondents said their credit card usage increased in the past year, up five percentage points compared to June 2022. Similarly, a third (33%) noted their credit card debt increased over the past year, up four percentage points in the same time frame.
- **Managing credit card debt difficult for many.** Among those who are unable pay their full credit card balance each month, a majority (61%) find managing this debt difficult, an increase of three percentage points since the March 2023 analysis.

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

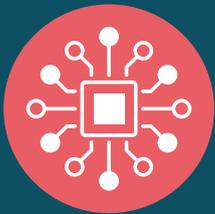
- **Americans cut back on non-essentials.** More than three-quarters (76%) are cutting back on non-essential purchases, and nearly half (48%) are cutting back or pausing saving for the future to make up the difference.
- **Those with lower financial scores struggle more.** More than three-quarters (81%) of households in this category are cutting back on non-essentials, and nearly three-quarters (72%) are pausing saving for the future.

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



WHAT ARE AMERICANS' PLANS FOR THE SUMMER?

- **Families plan to spend less on summer vacation and activities.** Middle-income Americans are expressing caution when it comes to summer expenses, with 43% planning to spend less than last year and only 14% anticipating spending more.
- **Many plan to engage in low-cost summer activities.** A majority plan to relax and unwind at home (74%), spend time with family and friends (73%), and have backyard barbecues or outdoor gatherings (55%). Of those who plan to go on vacation, more than half say they will visit free attractions (55%) and explore destinations close to home (55%).
- **Not everyone is budgeting, though.** Only a third (33%) of those going on a vacation this summer say they have budgeted for expenses, including transportation and accommodations.



HOW DO AMERICANS PERCEIVE AND EMBRACE THE POTENTIAL OF ARTIFICIAL INTELLIGENCE (AI) PRODUCTS?

- **Majority are uninterested in using AI tools for financial tasks.** Middle-income households are not interested in using AI for recommending a financial advisor or consultant (83% not interested), giving financial advice (82%), suggesting a financial plan for retirement (81%), or selecting stocks or mutual funds (78%).



ARE FAMILIES EQUIPPED WITH THE FINANCIAL INFORMATION THEY NEED?

- **Majority grasp financial basics but not complexities.** More than three-quarters (78%) 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 (63% confident), setting up an Individual Retirement Account (IRA) (58%), and investing in stocks (42%).
- **Lack of time, anxiety main drivers in lack of financial planning.** About a 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 (29%) and not having time (19%) continue to be cited as the biggest challenges people have tracking their financial information.

TOPLINE TRENDS DATA:



	JUN 2023	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>Analysis: Respondents' rating about the condition of their personal finances declined over the past year.</p>	50%	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>Analysis: Concern about meeting increased cost of living remained steady.</p>	71%	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>Analysis: The percentage of Americans who have an emergency fund that would cover an expense of \$1,000 or more increased slightly over the past three months.</p>	61%	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>Analysis: The economic health of communities improved by five percentage points from the March survey.</p>	54%	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>Analysis: More than 70% feel it will be difficult to save for the future.</p>	71%	73%	74%	73%	72%	66%	62%	63%	58%
<p>In the past three months, has your credit card debt...? (Reporting "Increased" responses.)</p> <p>Analysis: Credit card debt remains steady from the last survey.</p>	33%	33%	39%	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

Polling was conducted online from June 6-9, 2023. Using Dynamic Online Sampling, Change Research polled 1,729 adults nationwide with incomes between \$30,000 and \$130,000. We increased the top threshold from \$100,000 to \$130,000 for this poll. Comparisons to previous data are with the \$100,000 top threshold. 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 2021 American Community Survey published by the U.S. Census. The margin of error is 2.8%.