

Special Report Shows How Middle-Income Families Are Navigating the ‘Inflation Hangover’

Higher cost of living keeps squeezing household budgets — but professional financial guidance is helping families regain control and build resilience

DULUTH, Ga.--(BUSINESS WIRE)-- The road to financial recovery may be long, but middle-income families are proving resilient as they adapt to higher costs and redefine their financial goals, according to a new special report from Primerica, Inc. (NYSE: PRI), a leading provider of financial products and services to middle-income families. Titled [“The Inflation Hangover: Middle-Income Americans Build Resilience on the Long Road to Recovery.”](#) the report offers an in-depth look at how middle-income households are adapting to the long-term effects of inflation and the factors that are helping them regain financial stability.

Drawing on the company’s Financial Security Monitor™ (FSM™) survey and Household Budget Index™ (HBI™) data, the report finds that the higher cost of living continues to ripple through household budgets, even though inflation has eased significantly from its 2022 peak. Families report tapping savings, relying more heavily on credit cards and delaying contributions to retirement plans — all of which create long-term gaps that are difficult to close.

“Inflation may have slowed, but the financial hangover it created is still being felt by millions of middle-income Americans,” said Amy Crews Cutts, Ph.D., CBE®, economic consultant to Primerica and author of the report. “For families already balancing tight budgets, even modest increases in essential costs can derail financial progress. These cumulative effects take time to unwind, with research showing it can take people years to adapt to a ‘new normal’ of higher prices.”

The report also highlights the value of professional financial advice as families who work with such trusted experts fare significantly better. These households are twice as likely to feel confident about their financial future, nearly twice as likely to pay off credit cards each month, and far more likely to maintain emergency savings.

“The challenges middle-income families are facing today are real and deeply personal. For many, inflation didn’t just raise prices — it upended their sense of progress and stability,” said Glenn J. Williams, CEO of Primerica. “That’s why it’s critical for families to have access to the tools and support they need to make informed financial decisions. When people have a plan and access to trusted, professional guidance, they’re better able to manage uncertainty and regain control of their financial futures.”

Key Findings

- **Cost of everyday necessities remains high.** For middle-income families, the cost of

essentials such as groceries, gas and utilities remains more than 30% higher than in early 2021, stretching paychecks and forcing tough financial tradeoffs.

- **Inflation erodes financial confidence.** The stress of the high cost of living extends beyond day-to-day budgeting. In early 2021, nearly 33% of middle-income Americans rated their finances as “not so good” or “poor.” By late 2024, that number had climbed to 55%, where it remains today.
- **Financial optimism continues to decline.** Only 21% of middle-income Americans believe they’ll be better off financially in the next year, down from 33% in 2020, while 34% expect to be worse off, up from 17% — a shift that underscores the lasting strain of high prices and economic uncertainty.
- **Credit card debt is mounting.** The share of families paying off their credit card balances in full each month fell from 47% in 2021 to 29% in 2025, reflecting the continued pressure on household finances even as inflation has slowed.
- **Professional guidance strengthens financial resilience.** Middle-income families who work with financial professionals are more likely to feel confident about their finances (24% vs. 12%), more likely to pay off credit card balances in full each month (56% vs. 29%), and more likely to have an emergency fund (85% vs. 58%) — underscoring the value of professional financial advice.

About Primerica, Inc.

Primerica, Inc., headquartered in Duluth, GA, is a leading provider of financial products and services to middle-income households in North America. Independent licensed representatives educate Primerica clients about how to better prepare for a more secure financial future by assessing their needs and providing appropriate solutions through term life insurance, which we underwrite, and mutual funds, annuities and other financial products, which we distribute primarily on behalf of third parties. We insured over 5.5 million lives and had approximately 3.0 million client investment accounts on December 31, 2024. Primerica, through its insurance company subsidiaries, was the #3 issuer of Term Life insurance coverage in the United States and Canada in 2024. Primerica stock is included in the S&P MidCap 400 and the Russell 1000 stock indices and is traded on The New York Stock Exchange under the symbol “PRI”. For more information, visit www.primerica.com.

About Primerica’s Middle-Income Financial Security Monitor™ (FSM™) Survey

Since September 2020, the Primerica Financial Security Monitor™ survey has polled middle-income households quarterly to gain a clear picture of their financial situation, and it coincides with the release of the monthly HBI™ metric four times annually. Using Dynamic Online Sampling, Change Research polls more than 1,000 adults nationwide with incomes between \$30,000 and \$130,000. 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 2021 American Community Survey, published by the U.S. Census. For more information visit Primerica.com/public/financial-security-monitor.html.

About the Primerica Household Budget Index™ (HBI™) Data

The Primerica Household Budget Index™ (HBI™) data is constructed monthly on behalf of Primerica by its chief economic consultant Amy Crews Cutts, PhD, CBE®. The index measures the purchasing power of middle-income families with household incomes from \$30,000 to \$130,000 and is developed using data from the U.S. Bureau of Labor Statistics,

the U.S. Bureau of Census, and the Federal Reserve Bank of Kansas City. The index looks at the cost of necessities including food, gas, auto insurance, utilities, and health care and earned income to track differences in inflation and wage growth.

Primerica's HBI™ metric was created to fill an information void around the economy's impact on middle-income families. Metrics like the Consumer Price Index (CPI) measure overall inflation but don't offer a clear picture of how it impacts middle-income Americans. Middle-income households play a key role in driving consumer spending and the overall economy as they account for over 55% of the U.S. population. The purchasing power of middle-income families are a key barometer of real-time economic trends. Understanding middle-income households' purchasing power is important because it shows whether they are gaining financial ground or falling behind.

The HBI™ data uses January 2019 as its baseline, with the value set to 100% at that point in time.

Periodically, prior HBI™ values may be modified due to revisions in the CPI series and Consumer Expenditure Survey releases by the U.S. Bureau of Labor Statistics (BLS). Beginning with the December 2024 release of the index, the expenditure weights have been updated to the most recent (Q1 2024) data and auto insurance has been added to the group of necessity items. For more information, visit householdbudgetindex.com.

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