

# **SURVEY: Middle-Income Americans Spending Less Amid Recession Concerns**

*Rising inflation, interest rates have many taking proactive steps to secure finances*

DULUTH, Ga.--(BUSINESS WIRE)-- Primerica, Inc. (NYSE: PRI), a leading provider of financial services in the United States and Canada, released the Middle-Income Financial Security Monitor for the second quarter of 2022 — a national survey that measures changes in the sentiments of middle-income families in the U.S. about their finances.

The survey found middle-income households taking proactive steps to secure their finances as they brace for a possible recession. About three-quarters (77%) believe the country will be in that situation by the end of the year, and most Americans are preparing by cutting back on spending, delaying major purchases, or planning to work longer before retirement.

“Middle-income families are taking a hard look at their finances right now. Rising costs continue to eat into their bottom line amid fresh concerns of a recession,” said Glenn J. Williams, CEO of Primerica. “For 45 years, we’ve helped working families prepare to weather these types of situations. We’ve reassured them that professional financial guidance is not only for the affluent. It is critical to their long-term planning and can support their efforts to endure a potential economic downturn.”

## **Key Findings from Primerica’s U.S. Middle-Income Financial Security Monitor**

- **Inflation drives top concerns.** The economy continues to be a major stressor for middle-income Americans, with 41% rating inflation as their top concern. Paying for food and groceries also ranks high (26%, up four percentage points since March) as does their current financial situation (25%, up eight percentage points since March).
- **Most plan to cut back on spending.** Nearly three-quarters (71%) report cutting back on restaurant/takeout meals, up from 57% in March. Nearly the same amount (69%) say they plan to keep their current technology instead of upgrading, up from 44% in March. And about half (49%) are planning to budget or cut back on groceries, up from 37% in March.
- **Reassessing major purchases.** Overall, more than one-third (38%) have already delayed a major purchase due to rising interest rates, including the biggest hike by the Fed in nearly 30 years. Still, about the same percentage (39%) say they plan to take a vacation in the next 12 months.
- **Many rethinking future financial plans.** Forty-two percent say they plan to work longer before retirement, and three-quarters (75%) of employed middle-income Americans say they don’t think they have enough saved to retire comfortably, up 10 percentage points since March. In addition, one in five plan to find a higher paying job (22%).

## **Topline Trends Data**

|                                                                                                                                                                                                                                                                                                                        | <b>Jun.<br/>2022</b> | <b>Mar.<br/>2022</b> | <b>Dec.<br/>2021</b> | <b>Aug.<br/>2021</b> | <b>Apr.<br/>2021</b> | <b>Dec.<br/>2020</b> |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| <p><i>How would you rate the condition of your personal finances? (Reporting “Excellent” and “Good” responses.)</i></p> <p>Q2 2022 Survey: Confidence in personal finances has trended downward since April 2021.</p>                                                                                                  | 54%                  | 60%                  | 64%                  | 65%                  | 67%                  | 57%                  |
| <p><i>Overall, would you say your income is...? (Reporting “Falling behind the cost of living” responses.)</i></p> <p>Q2 2022 Survey: Concern about meeting increased cost of living is up.</p>                                                                                                                        | 75%                  | 67%                  | 68%                  | 65%                  | 56%                  | 59%                  |
| <p><i>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.)</i></p> <p>Q2 2022 Survey: About the same percentage have an emergency fund that would cover an expense of \$1,000 or more.</p> | 61%                  | 62%                  | 60%                  | 65%                  | 66%                  | 56%                  |
| <p><i>How would you rate the economic health of your community? (Reporting “Not so good” and “Poor” responses.)</i></p> <p>Q2 2022 Survey: The economic health of communities is trending downward.</p>                                                                                                                | 58%                  | 52%                  | 50%                  | 54%                  | 52%                  | 57%                  |

|                                                                                                                                                                                                                              |     |     |     |     |     |     |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|-----|-----|-----|-----|-----|
| How would you rate your ability to save for the future? (Reporting “Not so good” and “Poor” responses.)<br><br>Q2 2022 Survey: Over 70% feel it will be difficult to save for the future, an increase from previous surveys. | 72% | 66% | 62% | 63% | 58% | 65% |
| In the past three months, has your credit card debt...? (Reporting “Increased” responses.)<br><br>Q2 2022 Survey: Credit card debt is at the highest point in Monitor history.                                               | 29% | 25% | 28% | 21% | 18% | 25% |

### About Primerica’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 June 4th through 6th, 2022. Using Dynamic Online Sampling, Change Research polled 1384 adults over 18. 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 2020 American Community Survey published by the U.S. Census. The margin of error is 3.1%.

### About Primerica, Inc.

Primerica is a leading provider of financial services to middle-income households in the United States and Canada. Licensed financial representatives educate Primerica clients about how to prepare for a more secure financial future by assessing their needs and providing appropriate products like term life insurance, mutual funds, annuities, and other financial products. Primerica insured over 5.7 million lives and had over 2.7 million client investment accounts as of December 31, 2021. Primerica was the #2 issuer of Term Life insurance coverage in the United States and Canada in 2021 through its insurance company subsidiaries. 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”.

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