

In the Face of COVID-19, Primerica Survey Finds American Families Have Mixed Feelings About Personal Finances

Results from Primerica's Q3 2020 Middle-Income Financial Security Monitor

DULUTH, Ga.--(BUSINESS WIRE)-- A new study finds the majority of middle-income families are positive about their current financial situation in the face of COVID-19, but many are worried about the future. Sixty-four percent rate their personal finances positively, but 50% report that their income is falling behind the cost of living, and just 31% think they'll be able to save for a comfortable retirement.

These are the initial findings of the [Middle-Income Financial Security Monitor](#) ("the Monitor") from Primerica Inc. (NYSE: PRI), a leading provider of financial services to middle-income families. The Monitor is a recurring quarterly poll that gauges the financial preparedness, habits, and concerns of those with annual household incomes of \$30,000-\$100,000.

The full study is available for review on Primerica's website here:
http://www.primerica.com/public/Primerica_Q3_Insights_Report_2020_Final.pdf.

"We are encouraged by the findings in Primerica's latest Financial Security Monitor. Middle-income families are taking steps to save for the future and protect their assets, despite facing challenging economic times," said Glenn J. Williams, CEO of Primerica. "Overall, they remain positive about their finances, which is a testament to their resiliency. Every day throughout North America, Primerica's representatives are proud to help hard-working families plan for their financial futures."

Key Findings from Primerica's Middle-Income Financial Security Monitor

How are families doing financially?

- **Households worry about both their physical and financial health.** Their most common worry was of their physical health (43%); however, saving for retirement (27%), the current state of their finances (23%), making housing payments (20%), and paying off credit card debt (19%) are their next most common worries.
- **They aren't as prepared for the unexpected as they need to be.** 39% do not have an emergency fund that would cover an expense of \$1,000 or more, and 51% would run out of money to meet basic needs within three months if they or their family's primary breadwinner lost their job.
- **Families are taking steps to save for the future and protect what they have, but they could do more.** 78% have a savings account, 56% have a retirement account provided through work, and 63% have a life insurance policy to protect what they have.

Are families equipped with the financial information they need?

- **More than 80% of families we studied are confident in their knowledge of important financial fundamentals like building good credit, budgeting and saving.** However, they are less confident in more complex financial matters like setting up an Individual Retirement Account (IRA) (65% confident), buying life insurance (64%), and investing in stocks (50%). Only 42% know where to find a financial professional who could provide assistance.

How is the pandemic affecting the lives of middle-class families?

- **The ongoing pandemic has caused 27% of working families to decrease spending and 20% to increase personal debt.**
- **More than 75% of working Americans feel the Coronavirus Aid, Relief, and Economic Security (CARES) Act helped at least a little,** but 19% feel it was no help at all. If another government payment is sent this fall, families would use it to pay bills (42%) or pay down debt (34%).

The Value of Professional Financial Advice

Primerica's Monitor graded study participants based on whether or not they engage in five financial preparedness fundamentals, including saving for their future and protecting their income through life insurance. The average grade was a C, but 21% of those who have met with a financial professional earned an "A" compared to just 8% of those who have not.

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 September 25-28, 2020. Using Dynamic Online Sampling, Change Research polled 837 adults. 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 2018 American Community Survey published by the U.S. Census. The sampling error is 5%.

About Primerica, Inc.

Primerica, Inc., headquartered in Duluth, GA, is a leading provider of financial services to middle-income households in the United States and Canada. 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. Primerica insured over 5 million people and had over 2.5 million client investment accounts as of December 31, 2019. Primerica, through its insurance company subsidiaries, was the #2 issuer of Term Life insurance coverage in North America in 2019. 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."

View source version on businesswire.com:

<https://www.businesswire.com/news/home/20201028005623/en/>

Primerica, Inc.

Media:

Keith Hancock
866-694-0420
Keith.Hancock@Primerica.com

Source: Primerica, Inc.