

SURVEY: Most Middle-Income Americans Plan to Use Tax Refunds to Pay Bills and Pay Down Debt

Of those who expect to owe taxes, more than 80% don't expect to have problems funding them

DULUTH, Ga.--(BUSINESS WIRE)-- Primerica, Inc. (NYSE: PRI), a leading provider of financial services in the United States and Canada, released tax data from the Middle-Income Financial Security Monitor for the first quarter of 2023. The national survey, in its third year, measures changes in the sentiments of middle-income families in the U.S. about their finances.

The survey found that the majority of middle-income families (60%) are expecting a tax refund this year. The largest segment of respondents (36%) anticipate their refund will be less than last year, while one-third (33%) believe they will receive about the same amount. Roughly one-quarter (24%) expect to receive more than last year. Among the roughly one-third (30%) of respondents who expect to owe taxes, a solid majority (81%) do not anticipate they will have problems paying them or need to go on a payment plan to do so.

Respondents who expect a refund say they plan to use the money to pay bills (37%), pay down debt (34%) or add to their savings account (33%). Just 1% said they would put the money into a retirement account.

“Primerica’s survey finds that most households were thoughtful in their financial planning so that they did not owe taxes at filing time, a sometimes painful surprise,” said Amy Crews Cutts, Ph.D., CBE®, economic consultant to Primerica. “The findings also show that nearly all of middle-income households who anticipate a refund are thinking about their financial security as they plan to apply refunds to reducing debt, paying bills, or add to their savings.”

Additional Tax Insights from Primerica’s Middle-Income Financial Security Monitor

- **Most tackle taxes on their own.** More than half (56%) say they prepare their own taxes, while an additional 10% say a family member, spouse or partner does their taxes for them.
- **Looking to the pros to reduce burden.** Nearly one-third (32%) hire a professional to prepare their taxes. The top reason for doing so is to reduce their tax burden (46%), followed by eliminating the stress of doing taxes (27%) and not knowing how to complete their tax forms (21%).
- **Financial preparedness is key.** Respondents who scored the highest in financial preparedness are likelier to expect a tax refund.

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 March 6-10, 2023. Using Dynamic Online Sampling, Change Research polled 1,471 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 2021 American Community Survey, published by the U.S. Census. The margin of error is 3.0%.

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 2.8 million client investment accounts as of December 31, 2022. 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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