

SURVEY: Middle-Income Americans' Primary Concern Shifts Away From Inflation

For the first time since 2021, health topped inflation as the main worry

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](#) — a national survey that measures changes in the sentiments of middle-income families in the U.S. about their finances — for the first quarter of 2023.

For the first time since 2021, health ranked as the No. 1 concern (35%) among middle-income households, topping inflation (32%), which dropped five percentage points from the previous survey in the fourth quarter of 2022. Recession fears also declined, falling four percentage points to 21%, and coming in below worries about finances (27%), paying for food and groceries (25%) and saving for retirement (22%).

Overall, middle-income Americans are slightly more optimistic about their personal finances this quarter (20%) compared to in the fourth quarter of 2022 (15%), but the majority (53%) remain pessimistic about the economy as a whole, saying it will be worse off a year from now. In addition, nearly three-quarters (72%) say their income is falling behind the cost of living.

“As the nation heads further into 2023, middle-income Americans are showing increasing confidence in their personal finances and are adapting to the current economic climate,” said Glenn J. Williams, CEO of Primerica. “While concerns about inflation are ebbing, higher costs continue to place strains on budgets causing families to prioritize more than ever. Our survey results highlight that financial security is key to navigating the ever-changing economy and that guidance and expertise can help guide households to better financial security.”

With tax season well underway, a majority (60%) expect to receive a tax refund this year, although more than one-third (35%) expect it to be less than last year. Those expecting a refund plan to use the money to pay bills (37%), pay down debt (34%) and add to their savings accounts (33%).

“As middle-income families file their taxes this month, these survey results show that they’re already planning to use their refunds to build financial security, putting themselves in a strong position as they work to achieve their financial goals,” said Amy Crews Cutts, Ph.D., CBE®, economic consultant to Primerica.

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

- **Families are spending less money than a year ago.** About two-fifths (40%) of

respondents say they spent less money in the past year — an 8 percentage point increase from this time last year, and a quarter (28%) have added to savings account. However, about one-third (36%) dipped into their personal or retirement savings.

- **Emergency funds are stagnating.** The percentage of respondents who say they have an emergency fund of \$1,000 or more has remained relatively even over the past year. In the most recent survey, more than half (58%) of respondents indicated they'd set money aside, a decline of just two percentage points from one year ago. Meanwhile, two-fifths (42%) do not have an emergency fund that would cover an expense of \$1,000 or more, and nearly half (49%) tapped this fund in the past year.
- **More are looking to change jobs.** About one-quarter (25%) of respondents say they are at least somewhat likely to change jobs this year, an increase of five percentage points from the previous survey.
- **Credit card use remains high, but key areas drop.** Middle-income Americans continue to rely on credit cards for everyday purchases, including gas (53%), retail (52%) and groceries (48%). More than one-third (36%) report using their credit cards more often in the past year, up 9 percentage points from March 2022. However, fewer households say their credit card debt has increased in the past three months, dropping four percentage points to one-third (33%) of respondents. In addition, the number of respondents who say they have no credit card debt has increased to nearly one-quarter (24%), up two percentage points from the fourth quarter of 2022.

“When the Federal Reserve Bank of New York issues it’s Q1 Household Debt and Credit report in May, many expect credit card debt will hit \$1 trillion for the first time,” continued Mr. Williams. “Our data suggests the middle market’s reliance on credit cards may be slowing, but households continue to rely on credit cards for everyday purchases. More than ever, they need a plan to help them get out of debt.”

Topline Trends Data

	<u>Mar.</u> <u>2023</u>	<u>Dec.</u> <u>2022</u>	<u>Sep.</u> <u>2022</u>	<u>Jun.</u> <u>2022</u>	<u>Mar.</u> <u>2022</u>	<u>Dec.</u> <u>2021</u>	<u>Aug.</u> <u>2021</u>	<u>Apr.</u> <u>2021</u>
<i><u>How would you rate the condition of your personal finances? (Reporting “Excellent” and “Good” responses.)</u></i>	52%	53%	53%	54%	60%	64%	65%	67%
<i><u>Q1 2023 Survey: Respondents’ rating about the condition of their personal finances remained steady.</u></i>								

<u>Overall, would you say your income is...? (Reporting “Falling behind the cost of living” responses.)</u> <u>Q1 2023 Survey: Concern about meeting increased cost of living remained the same.</u>	72%	72%	75%	75%	67%	68%	65%	56%
<u>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.)</u> <u>Q1 2023 Survey: About the same percentage have an emergency fund that would cover an expense of \$1,000 or more.</u>	58%	59%	60%	61%	62%	60%	65%	66%
<u>How would you rate the economic health of your community? (Reporting “Not so good” and “Poor” responses.)</u> <u>Q1 2023 Survey: The economic health of communities is trending downward.</u>	59%	53%	55%	58%	52%	50%	54%	52%
<u>How would you rate your ability to save for the future? (Reporting “Not so good” and “Poor” responses.)</u> <u>Q1 2023 Survey: Over 70% feel it will be difficult to save for the future, an increase from previous surveys.</u>	73%	74%	73%	72%	66%	62%	63%	58%

<u><i>In the past three months, has your credit card debt...? (Reporting "Increased" responses.)</i></u>	33%	37%	37%	29%	25%	28%	21%	18%
<u><i>Q1 2023 Survey: Credit card debt has dropped slightly from its highest point in Monitor history.</i></u>								

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 #3 issuer of Term Life insurance coverage in the United States and Canada in 2022 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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