

SURVEY: Middle-Income Americans Prepare for Possible Recession in 2023

Families look to decrease debt and become financially secure amid rocky economic outlook

DULUTH, Ga.--(BUSINESS WIRE)-- Primerica, Inc. (NYSE: PRI), a leading provider of financial services in the United States and Canada, released its [Middle-Income Financial Security Monitor](#) for the fourth quarter of 2022. The survey, in its third year, measures changes in the sentiments of middle-income families in the U.S. about their finances.

During the fourth quarter of 2022, 81% of middle-income households reported they are bracing for a possible recession in 2023, with 62% either planning or already taking steps to prepare. Many middle-income families are aiming to rein in debt to become financially secure.

Overall, Americans are pessimistic about the current economy and the year ahead. Nearly three-in-four (72%) say their income is falling behind the cost of living, and just 15% believe that either their personal finances or the American economy will be better off a year from now.

“As middle-income families prepare for a possible recession this year, it’s more vital than ever that they take control of their personal finances by addressing debt, setting a budget and keeping spending in check,” said Glenn J. Williams, CEO of Primerica. “This quarter’s Financial Security Monitor highlights the challenges facing Americans in the year ahead and the need for personal financial guidance to help lead the way through these rocky economic times.”

“Three-quarters (74%) of middle-income families report not being able to save for their future, up from 66% a year ago,” said Amy Crews Cutts, PhD, an economic consultant to Primerica. “Inflation over the past year, especially in non-discretionary items like food and gasoline, has hurt the financial security of families as it was impossible to avoid.”

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

- **Inflation continues to strain household finances.** About three-quarters (76%) of families report they are continuing to cut back on non-essential purchases to cope with the high cost of living, and about half (51%) report having to tap into their emergency funds in the past year. In addition, about one-third report spending more money in the past year (33%) and/or dipping into their personal or retirement savings (36%).
- **Confidence in personal finances, ability to save declines.** While a majority (53%) still feel positive about their personal finances, that percentage has dropped 11 percentage points in the past year from 64%. In addition, just a quarter (24%) believe in their ability to save for the future, down 13 percentage points from December 2021.
- **Taking control of debt.** Of those making financial New Year’s resolutions, the top two goals are paying off consumer debt (39%) and keeping debt load manageable (37%).

In addition, about a quarter plan to create an emergency fund (25%) or stick to a budget (24%).

- **Credit card use remains high.** Middle-income families are increasingly relying on credit cards to keep up with the high cost of living. More than a third (36%) report using their credit cards more often in the past year, up 9 percentage points from December 2021. Additionally, more than a third (37%) say their credit card debt has increased in the past three months, up 8 percentage points from December 2021.

Topline Trends Data

| | Dec. 2022 | Sep. 2022 | Jun. 2022 | Mar. 2022 | Dec. 2021 | Aug. 2021 | Apr. 2021 |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| <u>How would you rate the condition of your personal finances? (Reporting “Excellent” and “Good” responses.)</u> | 53% | 53% | 54% | 60% | 64% | 65% | 67% |
| <u>Q4 2022 Survey: Respondents’ rating about the condition of their personal finances remained steady.</u> | | | | | | | |
| <u>Overall, would you say your income is...? (Reporting “Falling behind the cost of living” responses.)</u> | 72% | 75% | 75% | 67% | 68% | 65% | 56% |
| <u>Q4 2022 Survey: Concern about meeting increased cost of living is down slightly.</u> | | | | | | | |
| <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> | 59% | 60% | 61% | 62% | 60% | 65% | 66% |
| <u>Q4 2022 Survey: About the same percentage have an emergency fund that would cover an expense of \$1,000 or more.</u> | | | | | | | |
| <u>How would you rate the economic health of your community? (Reporting “Not so good” and “Poor” responses.)</u> | 53% | 55% | 58% | 52% | 50% | 54% | 52% |
| <u>Q4 2022 Survey: The economic health of communities is up slightly.</u> | | | | | | | |

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| <u>How would you rate your ability to save for the future? (Reporting “Not so good” and “Poor” responses.)</u> | 74% | 73% | 72% | 66% | 62% | 63% | 58% |
| <u>Q4 2022 Survey: Over 70% feel it will be difficult to save for the future, an increase from previous surveys.</u> | | | | | | | |
| <u>In the past three months, has your credit card debt...? (Reporting “Increased” responses.)</u> | 39% | 37% | 29% | 25% | 28% | 21% | 18% |
| <u>Q4 2022 Survey: Credit card debt is at the highest point in Monitor history as it continues to increase quarter to quarter.</u> | | | | | | | |

For more information on Primerica’s Middle-Income Financial Security Monitor, visit <https://www.primerica.com/public/financial-security-monitor.html>.

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 Dec. 7 - 12, 2022. Using Dynamic Online Sampling, Change Research polled 1,263 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 2019 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, through its subsidiaries, 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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