

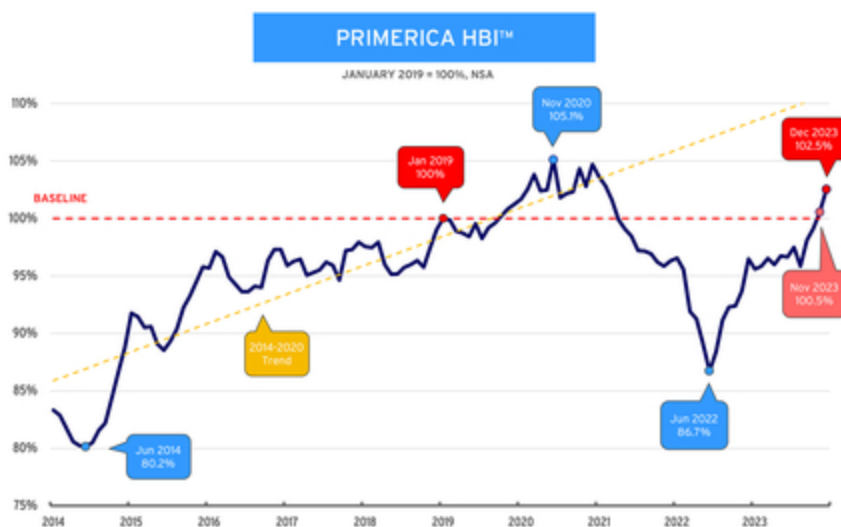
# SURVEY: Middle-Income Americans Split on Outlook for Personal Finances

*Purchasing power reaches highest levels since February 2022*

DULUTH, Ga.--(BUSINESS WIRE)-- Primerica, Inc. (NYSE: PRI), a leading provider of financial services and products in the United States and Canada, released its [Financial Security Monitor™](#) (FSM™) survey for the fourth quarter of 2023 showing middle-income Americans evenly split on the outlook for their personal finances. The FSM™ coincides with the simultaneous release of Primerica's [Household Budget Index™](#) (HBI™), which indicates middle-income households saw gains in purchasing power that outpaced inflation at levels not seen since February 2022 having reached 102.5% in December, up from 100.5% in November and 96.5% the same time a year ago.

This press release features multimedia. View the full release here:

<https://www.businesswire.com/news/home/20240130269021/en/>



Primerica Household Budget Index™ (HBI™) - In December 2023, the average purchasing power for middle-income households was 102.5%, up from 100.5% in November. A year ago, the index stood at 96.5%. (Graphic: Business Wire)

“While the Consumer Price Index (CPI) saw a jump of 3.3% in December, middle-income families saw a much lower increase in the cost of necessities at 1% over last year,” said Glenn J. Williams, CEO of Primerica. “Combined with a strong increase in earned income, the HBI™ rose to 102.5% and began to give families more breathing room.”

## Key Household

## Budget Index™ Findings

In December 2023, the increase of the HBI™ to 102.5%, was driven primarily by a continued decline in gas prices (falling by 5.8%), a significant factor given the prices of other necessities saw slight increases during the same period. Food and healthcare prices increased by 0.1% and 0.4%, respectively.

“As we head into 2024, we’re seeing improvements in the financial well-being of middle-income households as the cost of necessities like gasoline and heating fuel decline and they experience real, inflation-adjusted income gains,” said Amy Crews Cutts, Ph.D., CBE®, economic consultant to Primerica. “It may take some time with steady improvements before middle-income households start to feel that they are significantly better off. Nonetheless, in the Q4 2023 Primerica Financial Security Monitor™ fewer than 70% of respondents noted that their incomes were falling behind the cost of living for the first time since the Q1 2022 FSM™ survey.”

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

The latest FSM™ survey data shows that exactly half (50%) of middle-income families report their personal financial situation as being positive. While this positive sentiment was higher in December 2021, the even split indicates previously trending negative perceptions are stabilizing.

- **Middle-income Americans continue to be split in their assessment of their personal finances.** Exactly half (50%) say their personal financial situation is excellent or good, with the other half saying it is either not so good or poor. In addition, a large majority (80%) are as concerned or more concerned about their credit card debt today compared to a year ago, and two-thirds (66%) don’t know the interest rate for their credit cards.
- **Majority of middle-income Americans remain pessimistic about the state of the economy.** Overall, three-fifths (60%) are pessimistic about the economy over the next year. Broken out by age group, this includes nearly two-thirds (63%) of respondents ages 18 to 34 and nearly three-quarters (72%) of those ages 35 to 49. However, a slightly higher share (24%) say they are optimistic heading into 2024 compared to the December 2022 survey, when just 19% expressed optimism heading into 2023.
- **Many are prioritizing reducing and managing debt in the coming year.** When asked for their 2024 financial resolutions, more middle-income Americans mentioned paying off consumer and credit card debt (40%) and managing debt load (39%) than tasks like creating an emergency fund (26%), creating and sticking to a budget (25%) and investing more in the future (23%). Less than one-quarter (22%) say they don’t make or follow resolutions. When forced to choose one, paying off credit card debt (35%) outpaced managing debt load (18%).
- **Lack of time and anxiety are the main drivers in lack of financial planning.** More than a quarter (26%) say they don’t contribute to a savings account, follow a budget, contribute to an investment account or set a financial budget each month. Anxiety (30%) and not having time (20%) continue to be cited as the biggest challenges people have tracking their financial information.

## Primerica Financial Security Monitor™ (FSM™) Topline Trends Data

	<u>Dec.</u> <u>2023</u>	<u>Sept.</u> <u>2023</u>	<u>Jun.</u> <u>2023</u>	<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>
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<p>How would you rate the condition of your personal finances? (Reporting “Excellent” and “Good” responses.)</p> <p>Analysis: Respondents remain split on their assessment of their personal finances.</p>	50%	49%	50%	52%	53%	53%	54%	60%	64%
<p>Overall, would you say your income is...? (Reporting “Falling behind the cost of living” responses.)</p> <p>Analysis: Concern about meeting the increased cost of living dropped over the last three months of 2023.</p>	68%	72%	71%	72%	72%	75%	75%	67%	68%
<p>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.)</p> <p>Analysis: The percentage of Americans who have an emergency fund that would cover an expense of \$1,000 or more has remained relatively steady over the past year.</p>	60%	62%	61%	58%	59%	60%	61%	62%	60%
<p>How would you rate the economic health of your community? (Reporting “Not so good” and “Poor” responses.)</p> <p>Analysis: Respondents’ rating of the economic health of their communities has remained relatively steady over the past year.</p>	57%	55%	54%	59%	53%	55%	58%	52%	50%
<p>How would you rate your ability to save for the future? (Reporting “Not so good” and “Poor” responses.)</p> <p>Analysis: More than 70% continue to feel it will be difficult to save for the future.</p>	73%	71%	71%	73%	74%	73%	72%	66%	62%

### About Primerica’s Middle-Income Financial Security Monitor™ (FSM™)

Since September 2020, the Primerica Financial Security Monitor™ has surveyed middle-income households quarterly to gain a clear picture of their financial situation, and it coincides with the release of the monthly HBI™ four times annually. Polling was conducted

online from December 5 – 12, 2023. Using Dynamic Online Sampling, Change Research polled 1,150 adults nationwide with incomes between \$30,000 and \$130,000. 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 3.3%. For more information visit [Primerica.com/public/financial-security-monitor.html](https://Primerica.com/public/financial-security-monitor.html)

### **About the Primerica Household Budget Index™ (HBI™)**

The Primerica Household Budget Index™ (HBI™) is constructed monthly on behalf of Primerica by its chief economic consultant Amy Crews Cutts, PhD, CBE®. The index measures the purchasing power of middle-income families with household incomes from \$30,000 to \$130,000 and is developed using data from the U.S. Bureau of Labor Statistics, the US Bureau of the Census, and the Federal Reserve Bank of Kansas City. The index looks at the cost of necessities including food, gas, utilities, and health care and earned income to track differences in inflation and wage growth.

The HBI™ is presented as a percentage. If the index is above 100%, the purchasing power of middle-income families is stronger than in the baseline period and they may have extra money left over at the end of the month that can be applied to things like entertainment, extra savings, or debt reduction. If it is under 100%, households may have to reduce overall spending to levels below budget, reduce their savings or increase debt to cover expenses. The HBI™ uses January 2019 as its baseline. This point in time reflects a recent “normal” economic time prior to the COVID-19 pandemic.

Periodically, prior HBI™ values may be revised due to revisions in the CPI series and Consumer Expenditure Survey releases by the U.S. Bureau of Labor Statistics (BLS). Beginning with the October 2023 release of the HBI™ data, health insurance costs will no longer be included in the calculation of the HBI™ data as part of the healthcare component because of some newly acknowledged methodology that has been used by the BLS to calculate the health insurance CPI. The health insurance CPI, as calculated by BLS, does not measure consumer costs of health insurance such as the cost of premiums paid or a combination of premiums and deductibles, but rather premium values retained by health insurers we do not believe it accurately reflects consumer experiences. The healthcare component will continue to include medical services, prescription drugs and equipment. Prior published values have been adjusted to reflect this change. For more information visit [householdbudgetindex.com](https://householdbudgetindex.com).

### **About Primerica, Inc.**

Primerica, Inc., headquartered in Duluth, GA, is a leading provider of financial products and services to middle-income households in North America. Independent 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. We insured over 5.7 million lives and had over 2.9 million client investment accounts on December 31, 2023. Primerica, through its insurance company subsidiaries, was the #3 issuer of Term Life insurance coverage in the United States and Canada in 2022. 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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