

October 9, 2024



National Survey: Middle-Income Families Are Feeling Increasingly Negative About Personal Finances Despite an Uptick in Purchasing Power

Households continue to slowly climb out of the pandemic-era financial hole caused by inflation

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 third quarter of 2024, revealing that a majority of middle-income Americans are feeling increasingly pessimistic about their personal finances, the economic health of their communities and their ability to save for the future.

This press release features multimedia. View the full release here:
<https://www.businesswire.com/news/home/20241008472706/en/>

Primerica Household Budget Index™ - Spending power reached its highest level since February 2021 in August 2024. The average purchasing power for middle-income families was 102.2% in August, up from 101.5% in July 2024 and 5% higher than a year ago when the index stood at 97.2%. (Graphic: Business Wire)

“For the first time in a year, a majority of middle-income households are feeling negative about their personal

finances. In fact, this latest report represents the highest negative rating we’ve seen since we began fielding the survey exactly four years ago,” said Glenn Williams, CEO of Primerica. “Families continue to list inflation as their No. 1 concern, with the stress it brings spilling over into worry about being able to afford everyday essentials like food or groceries and going to the doctor as well as managing their rising credit card debt.”

In contrast, Primerica’s latest [Household Budget Index™ \(HBI™\)](#) indicates middle-income households experienced an uptick in purchasing power in August 2024 with the index climbing to 102.2%, up from 97.2% a year ago. The latest figure is positive news for middle-income families, signaling a greater ability to afford everyday expenses like food, gas, utilities and health care. However, the deep hole high inflation dug in their finances during the pandemic means they’re simply not feeling the full effect of these gains yet.

“The economy has turned more favorable in recent months, but it will take time for the effects of lower interest rates, declining prices on necessities and rising wages to have a real impact on the bottom lines of middle-income families,” said Amy Crews Cutts, Ph.D., CBE®, economic consultant to Primerica. “The financial challenges these households are grappling with are poised to persist through the end of this year — and likely beyond. It’s clear this is a marathon, not a sprint.”

Key Findings from Primerica’s Q3 U.S. Middle-Income Financial Security Monitor™ (FSM™)

- **Middle-income Americans’ perceptions of their personal and community financial health continue to decline.** A majority of households (55%) now rate their personal financial situation negatively — a 6-point increase from the previous survey. Significant majorities also view the economic health beyond just their own personal finances in a grim light – their community (63% negative, up 5 points), the nation (73% negative, up 1 point), and their ability to save for the future (73% negative, up 5 points).
- **Credit card debt — and concern over it — is rising** More than one-third (35%) of middle-income Americans say their credit card debt has risen in the past three months — a 5-point jump from the previous survey — and less than one-third (31%) are paying off their credit card in full each month. In addition, nearly half (44%) are more worried about their credit card debt than they were a year ago — a 9-point jump from the last survey and the highest level of concern since the question was first introduced in March 2023. Still, more than two-thirds (69%) say they have reduced overall spending in the past couple years.
- **Uncertainty over the country’s economic future is running high.** The share of households expecting the American economy to worsen in the next year has dropped significantly, with just 25% holding that view — down 15 points from the previous survey. However, much of the shift is driven by growing uncertainty, as one-third (34%) of respondents — up 15 points — are unsure about the economy’s direction. Still, optimism also ticked up, with 25% now believing the economy will improve over the next year, a 7-point increase.
- **Inflation, paying for food or groceries are stressing families out.** Inflation remains the No. 1 concern for middle-income Americans, with over one-third (40%) citing it as a major worry — an 8-point increase since the last survey. Close behind, one-third (33%) now rank paying for food and groceries as their second biggest concern, up 7 points. Moreover, when asked to describe their feelings about their finances, a majority (58%) chose “stressed,” while nearly half (43%) selected “discouraged.”
- **Half of middle-income Americans can’t afford to go to the doctor.** When asked to choose what they could afford from a list, only half (51%) said they could cover the cost of a doctor’s visit — a disconcerting figure given that more than a quarter (27%) expressed concern about their health or getting sick, making it the third top worry for these households.

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

	Sept 2024	Jun 2024	Mar 2024	Dec 2023	Sept 2023	Jun 2023	Mar 2023	Dec 2022	Sept 2022
How would you rate the condition of your personal finances? Share reporting “Excellent” or “Good.”	44%	49%	50%	50%	49%	50%	52%	53%	53%

Analysis: Respondents are increasingly negative in their assessment of their personal finances.									
Overall, would you say your income is...?									
Share reporting “Falling behind the cost of living”	68%	66%	67%	68%	72%	71%	72%	72%	75%
Share reporting “Stayed about even with the cost of living”	24%	26%	25%	24%	20%	22%	21%	20%	19%
Analysis: Concern about meeting the increased cost of living remained steady with 92% noting an inability to get ahead.									
And in the next year, do you think the American economy will be...?									
Share reporting “Worse off than it is now”	25%	40%	46%	53%	56%	57%	53%	56%	51%
Share reporting “Uncertain”	34%	19%	18%	9%	9%	9%	7%	8%	8%
Analysis: While fewer respondents think the economy will definitely get worse over the next year, the rising share that are uncertain about its direction accounts for most of the change.									
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.)									
	61%	63%	62%	60%	62%	61%	58%	59%	60%
Analysis: The percentage of Americans who have an emergency fund that would cover an expense of \$1,000 or more has remained steady over the past year.									
How would you rate the economic health of your community? (Reporting “Not so good” and “Poor” responses.)									
	63%	58%	60%	57%	55%	54%	59%	53%	55%
Analysis: Respondents’ rating of the economic health of their communities has gotten worse over the past year.									
How would you rate your ability to save for the future? (Reporting “Not so good” and “Poor” responses.)									
	73%	68%	67%	73%	71%	71%	73%	74%	73%
Analysis: A significant majority continue to feel it is difficult to save for the future.									
In the past three months, has your credit card debt...? (Reporting “Increased” responses.)									
	35%	30%	34%	35%	34%	33%	33%	39%	37%
Analysis: Credit card debt has remained about the same over the past year.									

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 September 10-13, 2024. Using Dynamic Online Sampling, Change Research polled 999 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 3.4%. For more information visit 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.

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 approximately 5.7 million lives and had approximately 2.9 million client investment accounts on December 31, 2023. Primerica, through its insurance company subsidiaries, was the #2 issuer of Term Life insurance coverage in the United States and Canada in 2023. 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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Source: Primerica, Inc.