

January 31, 2025



National Survey: Purchasing Power of Middle-Income Americans Improves, While Majority of Families Still Report Falling Behind Due to Cost of Living

DULUTH, Ga.--(BUSINESS WIRE)-- Middle-income Americans remain concerned about inflation and the high cost of living, with many saying their income is not keeping pace, according to Primerica's latest Financial Security Monitor™ (FSM™). While some respondents express signs of cautious optimism, the lingering effects of inflation continue to shape how middle-income families manage their money and plan for the future.

This press release features multimedia. View the full release here:
<https://www.businesswire.com/news/home/20250130090365/en/>

Primerica Household Budget Index™ (HBI™), an economic snapshot solely focused on the financial well-being of middle-income households, found the average purchasing power of middle-income families rose to 100.9% in December 2024, a 1.1% increase compared to a year ago and 0.2% from November 2024. Falling gas prices and income gains, which rose 4% year-over-year, served as the main drivers for the modest improvement. (Graphic: Business Wire)

“Small improvements in the purchasing power of middle-income Americans are not impacting how they are feeling about their financial futures,” said Glenn

J. Williams, CEO of Primerica. “They are still feeling the pinch of not being able to make ends meet over the past few years.”

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“We are in a new paradigm of permanently higher prices that consumers have not yet adjusted to emotionally and, in some cases, financially, and where a person is in their life can impact that even further,” said Amy Crews Cutts, Ph.D., CBE®, an economist who consults for Primerica. “Millennials are at peak ‘adulting’ ages, when they would typically buy homes, start families, etc., but the highest inflation and interest rates in their lifetimes coupled with the high costs of homes and cars and child care are limiting their options. Their pessimism is grounded by their unique experiences.”

Key Findings from Primerica's Q4 U.S. Middle-Income Financial Security Monitor™ (FSM™)

- **Cost of living continues to stress middle-income Americans.** About 65% of respondents stated their income is not keeping up with the cost of living, marking the 14th consecutive quarter this figure has remained at or above this level. Inflation remains a dominant concern for middle-income Americans, with about half (51%) of respondents feeling stressed about the rising cost of living.
- **Majority rate financial outlook negatively.** About 65% of respondents reported they would be worse off or the same financially in the next year, with a majority (55%) rating the condition of their personal finances negatively.
- **Generational differences reveal notable variations in financial sentiment.** About 57% of middle-income Americans report feeling stressed about money and finances, with notable differences across generations. The generations that experience a higher frequency of life events reported significantly higher stress levels — 75% of Millennials, 62% of Gen X and 61% of Gen Z — compared to only 39% of Baby Boomers. Importantly, those who work with a financial professional are more likely to feel hopeful and confident.
- **Social media plays a limited role in where middle-income Americans go for financial advice.** A majority (63%) of respondents do not use social media for financial information. Among those who do, Facebook (18%), YouTube (17%) and Instagram (14%) are the most popular platforms. However, a majority (59%) of Gen Zers do use such platforms, with YouTube (32%), Instagram (22%) and Reddit (23%) being the most popular sites.

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

	Dec 2024	Sept 2024	Jun 2024	Mar 2024	Dec 2023	Sept 2023	Jun 2023	Mar 2023	Dec 2022
How would you rate the condition of your personal finances? Share reporting “Excellent” or “Good.”	45%	44%	49%	50%	50%	49%	50%	52%	53%
Analysis: Respondents are more negative in their assessment of their personal finances than a year ago.									
Overall, would you say your income is...?									
Share reporting “Falling behind the cost of living”	65%	68%	66%	67%	68%	72%	71%	72%	72%
Share reporting “Stayed about even with the cost of living”	29%	24%	26%	25%	24%	20%	22%	21%	20%
Analysis: Concern about meeting the increased cost of living remained steady with 93% 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”	55%	25%	40%	46%	53%	56%	57%	53%	56%
Share reporting “Uncertain”	9%	34%	19%	18%	9%	9%	9%	7%	8%
Analysis: Although the share of respondents expecting the economy to worsen over the next year has risen sharply since the previous poll, the figure remains consistent with levels seen a year ago.									

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.)	59%	61%	63%	62%	60%	62%	61%	58%	59%
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%	63%	58%	60%	57%	55%	54%	59%	53%
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.)	71%	73%	68%	67%	73%	71%	71%	73%	74%
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.)	34%	35%	30%	34%	35%	34%	33%	33%	39%
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 Dec. 20-23, 2024. Using Dynamic Online Sampling, Change Research polled 1,085 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 3.2%. 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 U.S. Bureau of the Census, and the Federal Reserve Bank of Kansas City. The index looks at the cost of necessities including food, gas, auto insurance, utilities, and health care and earned income to track differences in inflation and wage growth.

The HBI™ uses January 2019 as its baseline, with the value set to 100% at that point in time.

Periodically, prior HBI™ values may be modified due to revisions in the CPI series and Consumer Expenditure Survey releases by the U.S. Bureau of Labor Statistics (BLS).

Beginning with the December 2024 release of the index, the expenditure weights have been updated to the most recent (Q1 2024) data and auto insurance has been added to the group of necessity items. 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 over 5.5 million lives and had approximately 3.0 million client investment accounts on December 31, 2024. 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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Media Contact:

Gana Ahn

678-431-9266

Email: Gana.Ahn@primerica.com

Investor Contact:

Nicole Russell

470-564-6663

Email: Nicole.Russell@primerica.com

Source: Primerica, Inc.