

PRIMERICA AND CHANGE RESEARCH RELEASE

Q3 U.S. MIDDLE-INCOME FINANCIAL SECURITY MONITOR™ (FSM™) SEPTEMBER 2024

A QUARTERLY TRACKING POLL OF MIDDLE-INCOME AMERICANS' FINANCIAL MOOD



Primerica's third quarter 2024 Middle-Income Financial Security Monitor™ found that middle-income Americans are feeling increasingly negative about their personal finances, the economic health of their communities and their ability to save for the future. At the same time, fewer believe the American economy will be worse off a year from now, with a larger share indicating uncertainty over its direction.

Despite such pessimism and insecurity, the latest Primerica Household Budget Index™ (HBI™) found these households are in fact experiencing an uptick in purchasing power, which climbed to 102.2%% in August 2024, up from 97.2% a year ago. While the latest figure is a positive indicator that things are turning around for middle-income families, most are still struggling to make up the financial ground they lost during the high inflation period of the pandemic and simply aren't feeling the effects of lower interest rates, declining prices and rising income levels just yet.

HOW ARE FAMILIES DOING FINANCIALLY?

- **Credit card debt 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.
- **Concern over credit card debt soars.** 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.
- **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 say they 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.



HOW ARE FAMILIES FEELING ABOUT THE OVERALL ECONOMY?

- **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).
- **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.

WHAT ARE MIDDLE-INCOME FAMILIES DOING TO SECURE THEIR FINANCIAL FUTURES?

- **A significant majority are cutting back on eating out and entertainment.** Three-quarters (75%) say they are cutting back on non-essential purchases in order to keep up with the cost of living. In addition, more than two-thirds (69%) say they have reduced overall spending in the past couple years.
- **However, most aren't saving enough for retirement.** Two-thirds (63%) of middle-income Americans don't believe they are saving enough to retire comfortably, and one-third (34%) of full-time workers without a retirement plan say they simply can't afford to open one.

ARE FAMILIES EQUIPPED WITH THE FINANCIAL INFORMATION THEY NEED?

- **Majority grasp financial basics but not complexities.** Overall, two-thirds (66%) of middle-income families feel confident in making sound financial decisions without outside help, particularly when it comes to financial fundamentals like building good credit (83% confident), paying down credit card debt (79%) and creating and following a financial budget (75%). However, they continue to express less confidence when it comes to more complex financial matters, including setting up a retirement account (62% confident), buying life insurance (62%) and investing in stocks, bonds or mutual funds (46%).
- **Limited time, anxiety main drivers in lack of financial planning.** More than one-third (38%) – a 7-point increase from the previous survey – 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 (33%) and not having time (18%) continue to be cited as the biggest challenges.

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.									

Learn more at www.primerica.com/public/our-impact.html

About Primerica's U.S. Middle-Income Financial Security Monitor™

Polling was conducted online from Sept. 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%.