

PRIMERICA AND CHANGE RESEARCH RELEASE

## Q3 U.S. MIDDLE-INCOME FINANCIAL SECURITY MONITOR™ (FSM™) OCTOBER 2023

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



Primerica's third quarter 2023 Middle-Income Financial Security Monitor™ found that middle-income Americans are increasingly concerned about their financial situation and the high cost of living.

For the first time in the survey's history, more middle-income Americans rate their personal finances negatively than positively. Just over half (51%) say their finances are either not so good or poor while less than half (49%) say they are excellent or good. In addition, a significant majority (72%) say their income is falling behind the cost of living, and less than one-fifth (15%) believe the U.S. economy will be better off a year from now.

### HOW ARE FAMILIES DOING FINANCIALLY?

- **Middle-income Americans expect prices for necessities to rise in the coming months.** The majority foresee an increase in the cost of food (77%), gasoline (75%), utilities (69%) and health care (64%). These essential items comprise the Primerica Household Budget Index™ (HBI™), which shows that middle-income Americans continue to struggle despite easing inflation.
- **Financial outlook negatively impacts many on a personal level.** Nearly half (44%) of respondents say they have felt depressed and almost two-fifths (38%) report finding it difficult to sleep at night in the past month due to their financial situation. In addition, almost a quarter (23%) say their financial situation has impacted their relationship with their spouse or partner. However, a plurality (46%) say their financial situation hasn't impacted them in any of these ways over the past month.



## HOW ARE MIDDLE-INCOME FAMILIES COPING WITH THE RISING COST OF LIVING?

- **Credit card usage, debt on the rise.** Nearly two-fifths (37%) of respondents said their credit card usage increased in the past year. Similarly, a third (34%) noted their credit card debt increased over the past three months, and more than a quarter (28%) say they are using their cards more often to keep up with rising costs. Among the most frequently purchased items using credit cards, respondents selected necessities such as gas (52%), groceries (51%), health care (23%) and utilities (22%).
- **Managing credit card debt hard for many.** Despite a significant majority (81%) saying they feel confident in knowing how to pay down credit card debt, more than half (57%) find managing this debt difficult and nearly two-thirds (64%) aren't sure what interest rate they pay. Still, the majority (74%) of middle-income Americans say they either make the full payment or more than the minimum on their balances each month.
- **Those with student loan debt are concerned about its impact.** With student loan payments set to resume this month for the first time in three years, two-thirds (66%) of middle-income Americans with this debt say they are worried about being able to afford necessities like groceries, gas, health care and utilities. Those ages 35 to 49 are more concerned (70%) than those under the age of 34.

## HOW ARE FAMILIES FEELING ABOUT THEIR FINANCIAL FUTURES?

- **Most don't believe they'll be better off financially anytime soon.** Just one-fifth (21%) of middle-income Americans believe they'll be better off financially in the next year, with around a third saying they will be the same (37%) or worse off (33%). Those making more than \$100,000 a year are more likely to believe they will be worse off financially (45%) than those making less (32%).
- **Many closely follow a financial budget.** Among those who say they create and follow a budget, a majority (79%) say they stick to their plan. However, less than one-quarter (22%) say they "very closely" follow it. In addition, four-fifths (80%) say the rising cost of necessities, such as groceries and gas, has influenced their desire to stick to a budget.
- **Majority aren't setting aside enough for retirement.** Nearly two-thirds (63%) say they don't think they are saving enough to retire comfortably. In addition, more than one-third (34%) said they have spent personal or retirement savings in the past year.

## ARE FAMILIES EQUIPPED WITH THE FINANCIAL INFORMATION THEY NEED?

- **Majority grasp financial basics but not complexities.** Overall, nearly three-quarters (73%) feel confident in making sound financial decisions without outside help, particularly when it comes to financial fundamentals like building good credit (82% confident), paying down credit card debt (81%) and creating and following a financial budget (77%). However, they continue to express less confidence when it comes to more complex financial matters, including setting up a retirement account such as a 401(k) or Individual Retirement Account (IRA) (65% confident), buying life insurance (62%) and investing in stocks (45%).
- **Lack of time, anxiety main drivers in lack of financial planning.** More than a quarter (29%) 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 (19%) continue to be cited as the biggest challenges people have tracking their financial information.

## TOPLINE TRENDS DATA:



	SEPT 2023	JUN 2023	MAR 2023	DEC 2022	SEP 2022	JUN 2022	MAR 2022	DEC 2021	AUG 2021
<p>How would you rate the condition of your personal finances? (Reporting "Excellent" and "Good" responses.)</p> <p>Analysis: Respondents' rating about the condition of their personal finances has declined over the past year.</p>	49%	50%	52%	53%	53%	54%	60%	64%	65%
<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 has remained steady over the past several months.</p>	72%	71%	72%	72%	75%	75%	67%	68%	65%
<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 increased slightly over the past several months.</p>	62%	61%	58%	59%	60%	61%	62%	60%	65%
<p>How would you rate the economic health of your community? (Reporting "Not so good" and "Poor" responses.)</p> <p>Analysis: The economic health of communities has remained steady the past three months.</p>	55%	54%	59%	53%	55%	58%	52%	50%	54%
<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>	71%	71%	73%	74%	73%	72%	66%	62%	63%
<p>In the past three months, has your credit card debt...? (Reporting "Increased" responses.)</p> <p>Analysis: Credit card debt has remained steady over the past several months.</p>	34%	33%	33%	39%	37%	29%	25%	28%	21%

Learn more at [www.primerica.com/public/our-impact.html](http://www.primerica.com/public/our-impact.html)

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

Polling was conducted online from September 14-18, 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%.