

PRIMERICA AND CHANGE RESEARCH RELEASE SECOND QUARTER U.S. MIDDLE-INCOME FINANCIAL SECURITY MONITOR | JULY 2022



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

Primerica's second quarter 2022 Middle-Income Financial Security Monitor finds that while households are anticipating a recession by the end of the year, most are taking proactive steps now by cutting back on spending and planning to work longer before retirement.

Overall, a majority (54%) still feel positive about their personal finances; however, that percentage has dropped by six points since our March poll and represents the lowest positive rating since the poll began. Additionally, three-quarters (75%) say their income is falling behind the cost of living, an eight-point increase since March, and just 16% believe they will be better off financially a year from now.



HOW ARE MIDDLE-INCOME FAMILIES COPING WITH INFLATION?

- **Majority prepared for a recession this year.** About three-quarters (77%) say it is likely America will be in recession by the end of the year. In addition, 61% believe the American economy will be worse off over the next year than it is now. Just 14% think it will improve.
- **Inflation drives top concerns.** Concern about the economy continues to be a major stressor, with about 41% rating inflation as their top concern. Being able to pay for food and groceries also ranks high (26%, up four percentage points since March) as does their current financial situation (25%, up eight percentage points since March).
- **Most plan to cut back on spending.** Nearly three-quarters (71%) report cutting back on restaurant/takeout meals, up from 57% in March. Nearly the same amount (69%) say they plan to keep their current technology instead of upgrading, up from 44% in March. And about half (49%) are planning to budget or cut back on groceries, up from 37% in March.
- **Reassessing major purchases.** Overall, more than one-third (38%) have already delayed a major purchase due to rising interest rates, including the biggest hike by the Fed in nearly 30 years. Still, nearly the same amount (39%) say they plan to take a vacation in the next 12 months.



HOW ARE MIDDLE-INCOME FAMILIES DOING FINANCIALLY?

- **Families say they want to spend less but are actually spending more.** Just over a third (37%) plan to spend less in the next few months. However, about the same percentage (36%) report having spent more money in the past year, up six percentage points since March and 10 since December.
- **Credit card debt continues to climb.** The share of those saying their credit card debt has decreased over the past three months continues to be the lowest it has been in any of our surveys (14%) and is eight percentage points lower than a year ago. Middle-income Americans are also reporting more use of their credit cards (31%), a 10-point increase from early 2021.
- **Lack of money continues to stall retirement account plans.** Half of respondents say not having enough money is the main reason they don't have a retirement account. That number is up eight percentage points since our March poll.

ADDITIONAL INSIGHTS FROM PRIMERICA'S U.S. MIDDLE-INCOME FINANCIAL SECURITY MONITOR



HOW DO MIDDLE-INCOME AMERICANS VIEW THEIR JOBS?

- **Many are rethinking retirement plans.** Forty-two percent say they plan to work longer before retirement, and three-quarters (75%) of employed middle-income Americans say they don't think they have enough saved to retire comfortably, up 10 percentage points since March.
- **Strong job market has Americans looking to switch employers.** More than a quarter (28%) of those employed say they are at least somewhat likely to change jobs in the next year. In addition, one in five plan to find a higher paying job (22%).



ARE FAMILIES EQUIPPED WITH THE FINANCIAL INFORMATION THEY NEED?

- **Many lack confidence in their own financial decisions.** Only a quarter (26%) are very confident that they could make sound financial decisions without outside professional help.
- **Budgeting, savings take a back seat for some.** Nearly a third (31%) 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 continues to be leading factor.** Anxiety (27%) and not having time (18%) are cited as the biggest challenges people face when it comes to tracking their financial information.

TOPLINE TRENDS DATA:	Jun. 2022	Mar. 2022	Dec. 2021	Aug. 2021	Apr. 2021	Dec. 2020	Sep. 2020
<p>How would you rate the condition of your personal finances? (Reporting "Excellent" and "Good" responses.)</p> <p>Q2 2022 Survey: Confidence in personal finances has trended downward since April 2021.</p>	54%	60%	64%	65%	67%	57%	64%
<p>Overall, would you say your income is...? (Reporting "Falling behind the cost of living" responses.)</p> <p>Q2 2022 Survey: Concern about meeting increased cost of living is up.</p>	75%	67%	68%	65%	56%	59%	50%
<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>Q2 2022 Survey: About the same percentage have an emergency fund that would cover an expense of \$1,000 or more.</p>	61%	62%	60%	65%	66%	56%	61%
<p>How would you rate the economic health of your community? (Reporting "Not so good" and "Poor" responses.)</p> <p>Q2 2022 Survey: The economic health of communities is trending downward.</p>	58%	52%	50%	54%	52%	57%	45%
<p>How would you rate your ability to save for the future? (Reporting "Not so good" and "Poor" responses.)</p> <p>Q2 2022 Survey: Over 70% feel it will be difficult to save for the future, an increase from previous surveys.</p>	72%	66%	62%	63%	58%	65%	54%
<p>In the past three months, has your credit card debt...? (Reporting "Increased" responses.)</p> <p>Q2 2022 Survey: Credit card debt is at the highest point in Monitor history.</p>	29%	25%	28%	21%	18%	25%	21%



ABOUT PRIMERICA'S U.S. MIDDLE-INCOME FINANCIAL SECURITY MONITOR

The Monitor is a quarterly national survey to monitor the financial health of those with annual household incomes of \$30,000-\$100,000. Change Research conducted online polling from June 4th through 6th, 2022. Using Dynamic Online Sampling, Change Research polled 1,384 adults over 18. 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 2020 American Community Survey published by the U.S. Census. The margin of error is 3.1%.