

PRIMERICA AND CHANGE RESEARCH RELEASE

Q4 U.S. MIDDLE-INCOME FINANCIAL SECURITY MONITOR™ (FSM™) DECEMBER 2024

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



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. 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.

The latest 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.

HOW ARE FAMILIES DOING AND FEELING FINANCIALLY?

- **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.



HOW ARE FAMILIES FEELING ABOUT THE OVERALL ECONOMY?

- **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 about the rising cost of living.

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

- **A significant majority are cutting back on eating out and entertainment.** Nearly three-quarters (73%) say they are cutting back on non-essential purchases in order to keep up with the cost of living. In addition, the vast majority (84%) of middle-income Americans are eating at home more frequently to conserve their budgets.
- **However, most aren't saving enough for retirement.** A significant majority (61%) feel they are not saving enough, with Millennials (73%) and Gen X (72%) leading this sentiment, followed by Gen Z (59% and Baby Boomers (44%).

ARE FAMILIES EQUIPPED WITH THE FINANCIAL INFORMATION THEY NEED?

- **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.
- **Majority grasp financial basics but not complexities.** Overall, nearly two-thirds (60%) 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 (82% confident), paying down credit card debt (80%) and creating and following a financial budget (76%). However, they continue to express less confidence when it comes to more complex financial matters, including buying life insurance (60%), setting up a retirement account (53% confident), and investing in stocks, bonds or mutual funds (41%).
- **Limited time, anxiety main drivers in lack of financial planning.** More than one-third (37%) 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 (36%) and not having time (17%) continue to be cited as the biggest challenges.

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 increasingly negative in their assessment of their personal finances.									
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.									

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 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%.