

# PRIMERICA AND CHANGE RESEARCH RELEASE FIRST QUARTER U.S. MIDDLE-INCOME FINANCIAL SECURITY MONITOR | APRIL 2022

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



Primerica's first quarter 2022 Financial Security Monitor finds middle-income households are facing considerable economic stress from inflation, with most indicating they are considering lifestyle changes to cut back on spending.

A majority (60%) feel positive about their personal finances right now, down from 67% a year ago. Two-thirds (67%) say their income is falling behind the cost of living and just 22% believe they will be better off financially a year from now.



### HOW ARE MIDDLE-INCOME FAMILIES COPING WITH INFLATION?

• **Increasing cost of goods and services adds up.** Families are seeing the impact of inflation all around them, with respondents noting increasing price tags on a variety of items shown below. Groceries and gas by far cause the most concerns.



**95%**  
Increased Groceries



**93%**  
Increased Gas



**82%**  
Increased Retail Purchases



**79%**  
Increased Restaurants and Bars



**75%**  
Increased Health Care



**70%**  
Increased subscriptions like Netflix and Amazon

• **Most plan to cut back due to inflation.** Below are the primary items people anticipate cutting back on. Many are also looking at delaying a major purchase, with 40% indicating they have already done so and another quarter (26%) considering it.



**57%**  
Decreased Restaurants/ Take-Out Meals



**44%**  
Decreased Upgrading Technology



**37%**  
Decreased Groceries Purchase



**66%**  
Decreased Major Purchase



## HOW ARE MIDDLE-INCOME FAMILIES DOING FINANCIALLY?

- **People are spending more.** With inflation on the rise, just **32%** say they have spent less money in the past year, down from **38%** in December's poll. Among those who have not spent less, **37%** anticipate doing so soon.
- **Credit card debt is on the rise.** The share of middle-income families who say their credit card debt has decreased over the past three months (**14%**) is the lowest it has been in any of our surveys, and eight percentage points lower than a year ago. People are using their credit cards most often for gas (**50%**), retail purchases (**49%**), and groceries (**48%**).
- **Nearly two-thirds (62%) report they are prepared for an unexpected emergency which offers some good news.** Still, that leaves **38%** saying they do not have an emergency fund that would cover an expense of \$1,000 or more. And only **33%** say they have added to a savings account.

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



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

- **April marks Financial Literacy Month but not everyone is confident.** Only one quarter (**26%**) of middle-income families are very confident they could make sound financial decisions without outside professional help.
- **Most believe in saving and investing sooner rather than later.** About **85%** of respondents believe people should start planning for retirement before they reach **30** years old.
- **But not everyone is following their own advice.** Nearly one-third (**30%**) say they don't contribute to a savings account, follow a budget, contribute to an investment account, or set a financial budget each month. Among the biggest challenges people cite for keeping track of their finances are anxiety (**26%**) and not having time (**18%**).



### HOW DO MIDDLE-INCOME AMERICANS VIEW THEIR JOBS?

**Is the "Great Resignation" waning?** One-quarter (**26%**) of respondents say they are at least somewhat likely to change jobs in the next year, a decline from the **33%** of respondents in December's poll. Those likeliest to change jobs include nonwhite men (**36%**), adults ages 18-34 years old (**35%**), and Midwesterners (**34%**).

TOPLINE TRENDS DATA	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>Q1 2022 Survey: Confidence in personal finances reported, consistent with previous reports.</p>	60%	64%	65%	67%	57%	64%
<p>Overall, would you say your income is...? (Reporting "Falling behind the cost of living" responses.)</p> <p>Q1 2022 Survey: Concern about meeting increased cost of living remains high.</p>	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>Q1 2022 Survey: About the same percentage have an emergency fund that would cover an expense of \$1,000 or more.</p>	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>Q1 2022 Survey: Half rate the economic health of their community negatively, consistent with previous survey.</p>	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>Q1 2022 Survey: Over 60% feel it will be difficult to save for the future, consistent with previous survey.</p>	66%	62%	63%	58%	65%	54%
<p>In the past three months, has your credit card debt...? (Reporting "Increased" responses.)</p> <p>Q1 2022 Survey: Credit card debt remained around same level in the past three months.</p>	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 in 2020. Change Research conducted online polling from March 4 through 8, 2022. Using Dynamic Online Sampling, Change Research polled 980 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 2018 American Community Survey published by the U.S. Census. The margin of error is 3.7%.