



TRACKING POLL OF MIDDLE-INCOME AMERICANS' FINANCIAL OUTLOOK

Primerica's Fourth Quarter 2021 Financial Security Monitor finds that the majority of middle-income families are confident in their current financial situation but are less optimistic about their future financial position.

HOW ARE MIDDLE-INCOME FAMILIES DOING FINANCIALLY?

- **Concern about the increasing cost of living at all-time high.** While a majority (64%) feel positive about their personal finances right now, an increasing number (68%), the highest since our survey began in 2020, feel their income is falling behind the cost of living (up 18 points from September 2020).
- **Physical and financial health continue as main stress points.** Families worried about being able to pay for food and groceries has grown from 12% to 19% from September 2020 to December 2021 (nearly everyone (92%) says their cost of groceries has gone up recently). The most common worries are:

Physical health	38%
Inflation	33%
The current state of their finances	26%
Savings for retirement	25%
Paying for food and groceries	19%
Paying off credit card debt	19%
Making housing payments	16%

WHAT DO MIDDLE-INCOME AMERICANS SEE AS THE BIG ECONOMIC CHALLENGES IN 2022?

- **Half (49%) believe inflation will be the biggest economic challenge in 2022.** COVID-19 (13%), housing prices (13%), and supply chain disruptions (10%) trail distantly. Nearly all (88%) think that the price of household items will continue to rise, and three-fourths (78%) see housing prices as likely to rise.
- **Credit card usage reached an all-time high in the Monitor survey.** More than a quarter (28%) of middle-income Americans increased their credit card debt over the past three months – a 10-point increase from the April 2021 low of 18%. Similarly, 27% have increased their usage of credit cards – a 7-point increase from the April 2021 low of 20%.
- **When forced to choose, groceries (51%) and gas (51%) are the expenses that concern people the most.** People select these more than health care (35%), taxes (29%), home prices (22%), and the cost of a new or used car (13%).

TRENDING FINANCIAL CONCERNS OF MIDDLE-INCOME FAMILIES:



	DEC 2021	AUG 2021	APR 2021	DEC 2020	SEP 2020
<p><i>How would you rate the condition of your personal finances? (Reporting "Excellent" and "Good" responses.)</i></p> <p>64%</p> <p>Q4 2021 Survey: Confidence in personal finances is consistent with previous reports.</p>					
<p><i>Overall, would you say your income is...? (Reporting "Falling behind the cost of living" responses.)</i></p> <p>68%</p> <p>Q4 2021 Survey: Concern about meeting increased cost of living at highest point in survey history.</p>					
<p><i>Do you have an emergency fund that would cover an expense of \$1,000 or more (for example, for use if your car broke down or you had a large medical bill)? (Reporting "Yes" responses.)</i></p> <p>60%</p> <p>Q4 2021 Survey: Fewer have an emergency fund that would cover an expense of \$1,000 or more.</p>					
<p><i>How would you rate the economic health of your community? (Reporting "Not so good" and "Poor" responses.)</i></p> <p>50%</p> <p>Q4 2021 Survey: Half rate the economic health of their community negatively.</p>					
<p><i>How would you rate your ability to save for the future? (Reporting "Not so good" and "Poor" responses.)</i></p> <p>62%</p> <p>Q4 2021 Survey: Over 60% feel it will be difficult to save for the future, consistent with previous survey.</p>					
<p><i>In the past three months, has your credit card debt...? (Reporting "Increased" responses.)</i></p> <p>28%</p> <p>Q4 2021 Survey: More have increased their credit card debt in the past three months.</p>					

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



ARE MIDDLE-INCOME AMERICANS PROTECTING THEIR FAMILIES WITH LIFE INSURANCE?

- Overall, half (63%) report having life insurance either through work or that they pay for themselves. Of those who purchased life insurance outside of work, 48% have life insurance policies outside of work of \$100K or less, 28% have policies between \$100-\$300K, and 15% have policies worth more than \$400K. Of those who have policies outside of work, a fifth (22%) say they have bought policies in the last two years.



HOW DO MIDDLE-INCOME AMERICANS VIEW THEIR JOBS?

- A third expect to change jobs in the next year. One-third (33%) say it is very (12%) or somewhat (21%) likely they will change jobs in 2022, which represents millions of workers. Reasons to Change Jobs in 2022:*

Higher salary	53%
Dislike of their current Job	37%
Better benefits	25%
Ability to work from home	18%
More flexible work hours	17%
A shorter commute	14%
Ability to work in office environment	4%

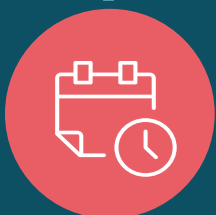
*Survey respondents could indicate multiple options.

- Of those who are not currently self-employed, 45% said they would be interested in starting their own company if they had the money.
- Of those interested in starting their own business, 44% cite a need to have a lifestyle change or escape burnout, 35% feel a lack of purpose in their current role, 34% desire the ability to work remotely or travel more often and 32% want to shift careers or industries.



ARE FAMILIES EQUIPPED WITH THE FINANCIAL INFORMATION THEY NEED?

- More than 75% of families we studied are confident in their knowledge of important financial fundamentals like building good credit, budgeting and saving. However, they are less confident in more complex financial matters like setting up an Individual Retirement Account (IRA) (56% confident), buying life insurance (63%), and investing in stocks (44%).



WHAT ARE THE EXPECTATIONS FOR COVID-19 IN 2022?

- Most expect COVID-19 to stick around throughout the year. Just 18% of middle-income Americans expect COVID-19 to gradually disappear in 2022, while a majority (82%) feel that variants will continue to develop and spread.

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

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 December 12 through 15, 2021. Using Dynamic Online Sampling, Change Research polled 925 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 4.0%.