

# Primerica's Middle-Income Financial Security Monitor

Fourth quarter, 2020

Primerica's latest Middle-Income Financial Security Monitor finds a majority of families continue to feel positively about their financial situation in the face of COVID-19, but underlying economic vulnerabilities are surfacing. The Monitor is a quarterly recurring survey examining American families' financial preparedness, habits and concerns. It's a detailed snapshot of financial health for those with annual household incomes of \$30,000-\$100,000.

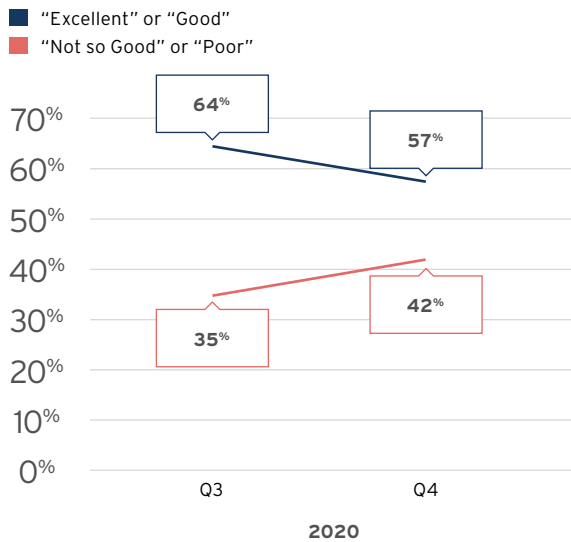


# Key Findings

## 1 Middle-income families experiencing financial challenges as the pandemic continues.

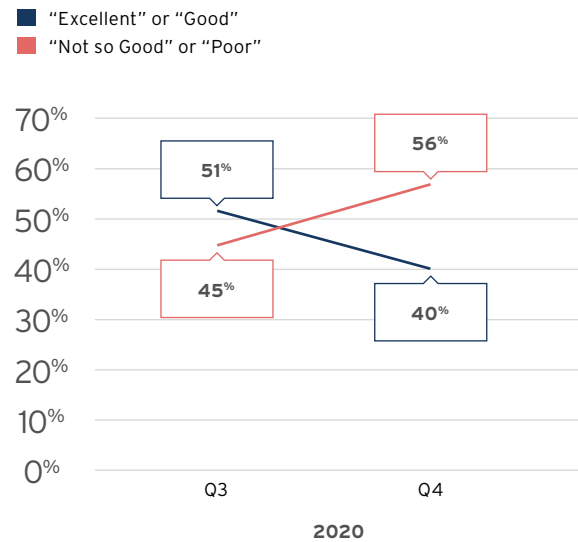
57%<sup>1</sup> of households rated their personal finances positively, down from 64% just three months prior in the Q3 survey.<sup>2</sup> Additionally, only 40% rated the economic health of their community positively, down from 51%.

How would you rate the condition of your personal finances?



Doesn't equal 100 because "not sure" responses not shown.

How would you rate the economic health of your community?



Doesn't equal 100 because "not sure" responses not shown.

## 2 Families felt they are falling behind from just three months prior.

59% felt their income is falling behind the cost of living, up from 50% in Q3.<sup>3</sup>

Compared to the cost of living, middle-income families believe their income is:

	Q4	Difference from Q3
Falling behind	59%	+9%
Going up	6%	-4%

"Staying about even" and "not sure" responses not shown.

In the next year, families anticipate they will be financially:

	Q4	Difference from Q3
Better off	23%	-9%
Worse off	26%	+9%

"About the same" and "not sure" responses not shown.

1 All percentages rounded to nearest whole number.

2 The Q3 survey was fielded in September of 2020.

3 Absolute change refers to the difference between the two time periods (i.e., percentage in Q4 - percentage in Q3).

### 3

## The coronavirus pandemic has affected families financially in dramatically different ways.

Having to support family or friends financially may have caused some people to increase spending.

How have middle-income families been impacted by the coronavirus pandemic?



**26%**  
Increased spending



**26%**  
Decreased spending



**26%**  
Financially supporting family or friends



**24%**  
Increased personal debt (like credit card debt)



**30%**  
Spent money meant for savings and retirement

*Multiple selections accepted.*

The most common uses of a coronavirus relief payment would be to:



**45%**  
Pay bills



**26%**  
Buy groceries



**23%**  
Pay down debt



**20%**  
Save it

Just 54% of people said they'd benefit from a coronavirus relief payment of \$600, and 41% said it would be no help at all.

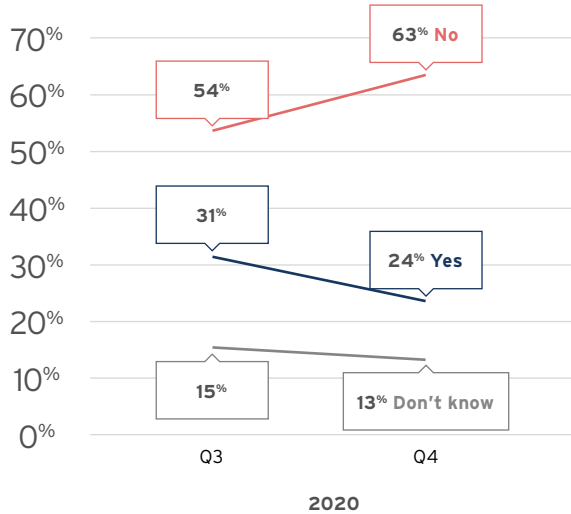


# 4

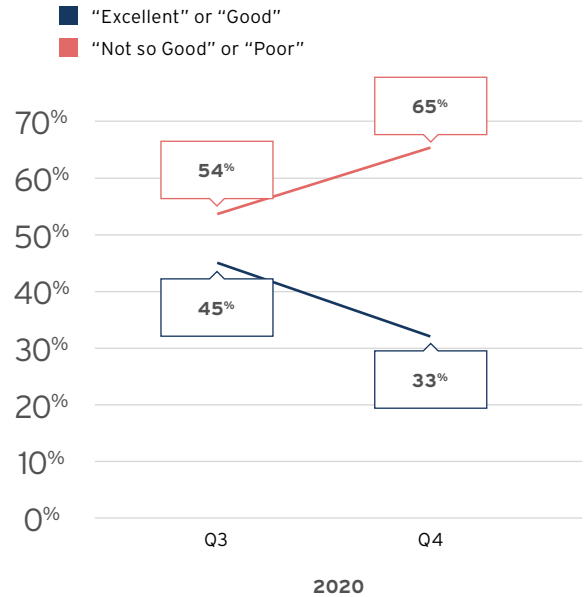
## Just 24% of families think they'll retire comfortably, down from 31% in Q3.

Retirement worries begin with the inability to save for the future.

Do you think you are saving enough to be able to retire comfortably?



How would you rate your ability to save for the future more generally?



Doesn't equal 100% because "not sure" responses not shown.

## What's keeping working families up at night?



**38%**  
Personal health



**27%**  
Current finances



**22%**  
Becoming unemployed

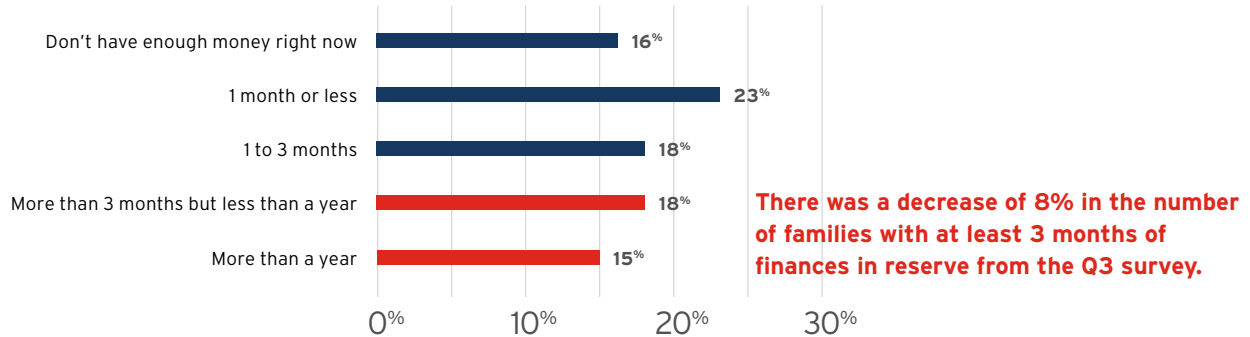
Top three responses given.



## 5 44% of families couldn't afford an emergency payment of \$1,000 or more, up 6% from Q3.

57% don't have savings to go beyond three months of living expenses. These families would immediately struggle if a primary breadwinner lost their income or passed away.

How long families can meet their basic needs if the primary breadwinner lost their income.



## 6 Families are taking steps to save for the future and protect what they have – but they may need to do more.



**76%**

Have a savings account



**53%**

Have a retirement account provided through work



**29%**

Have a retirement account funded outside of work



**41%**

Have a life insurance policy through work



**31%**

Have a policy purchased outside of work.

Multiple selections accepted.

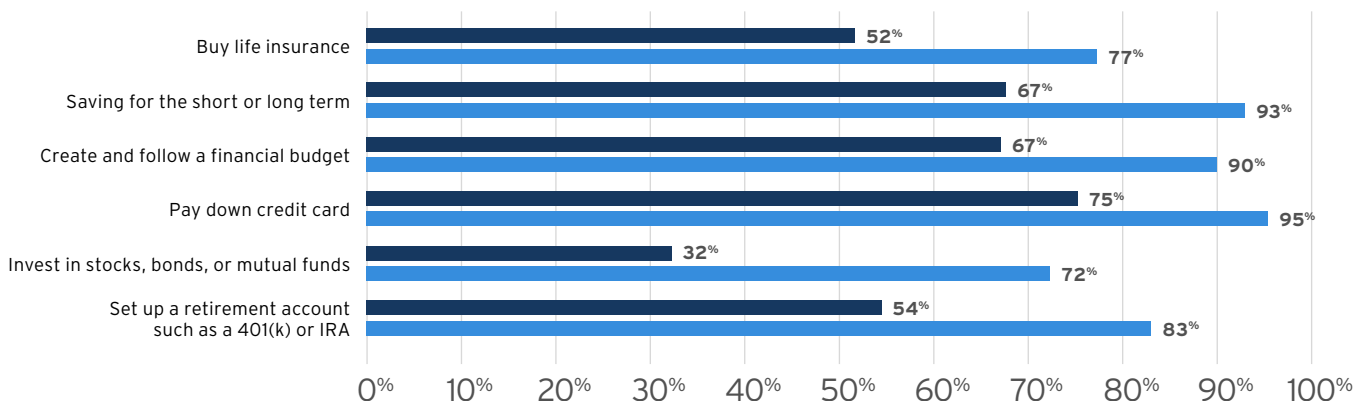
## 7 Those who have met with a financial professional were more confident in handling more complex personal finance matters.

They were also less likely to lose confidence as the pandemic continued.

How confident are you that you would know how to do each of the following?

■ Don't use financial professional

■ Use financial professional





## About Primerica's Middle-Income Financial Security Monitor

This quarterly national survey gauges the financial health of those with annual household incomes of \$30,000-\$100,000. Change Research conducted online polling from September 25-28, 2020. Using Dynamic Online Sampling, Change Research polled 837 adults. 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 4.5%.

## About Primerica, Inc.

Primerica is a leading provider of financial services to middle-income households in the United States and Canada. Licensed financial representatives educate Primerica clients about how to prepare for a more secure financial future by assessing their needs and providing appropriate products like term life insurance, mutual funds, annuities, and other financial products. Primerica insured over 5.5 million people and had over 2.6 million client investment accounts as of December 31, 2020. Primerica was the #2 issuer of Term Life insurance coverage in North America in 2019 through its insurance company subsidiaries. Primerica stock is included in the S&P MidCap 400 and the Russell 1000 stock indices and is traded on The New York Stock Exchange under the symbol "PRI."

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