



Primerica's Middle-Income Financial Security Monitor

Third quarter, 2020

Primerica's latest Middle-Income Financial Security Monitor finds a majority of families feel positive about their current financial situation in the face of COVID-19, but they're also worried about the future. 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.



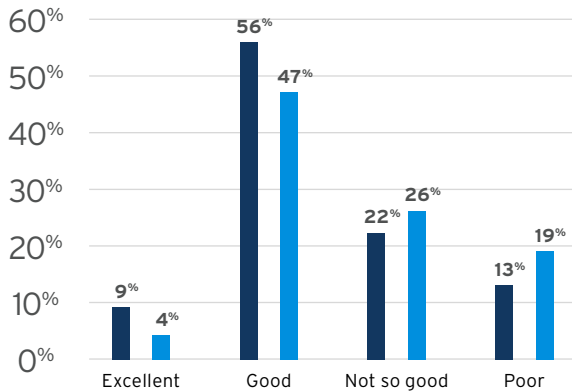
Key Findings

1 64% of those surveyed rated their personal finances positively.

51% rated the economic health of their community positively.

How do you rate...

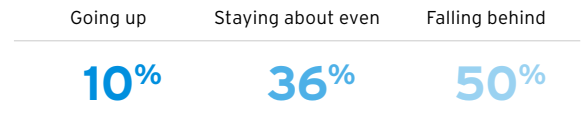
- Your personal finances?
- The economic health of your community?



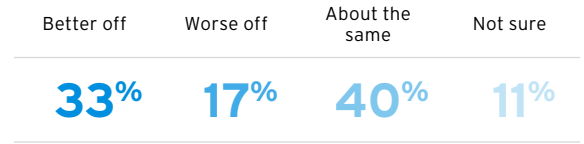
2 50% reported their income is falling behind the cost of living.

While just 10% believe they will get ahead from an income perspective, 33% believe they will be financially better off overall in the next year.

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



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

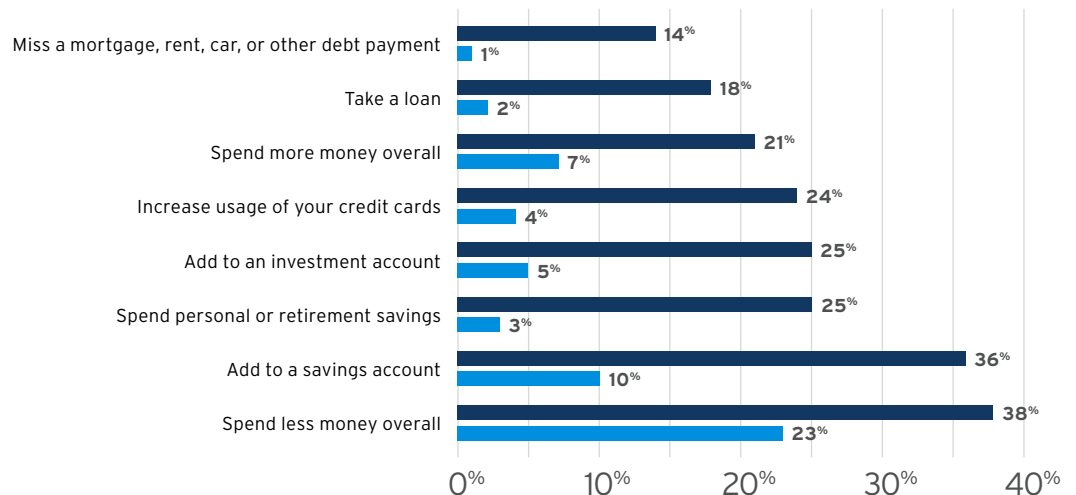


3 38% said they spent less money overall in the past year, but their borrowing has increased.

While some families spent less and are adding to savings accounts, many have had to tap alternative funding sources, including credit cards, retirement savings, and loans.

Past financial behavior differs from future expectations for middle-income families.

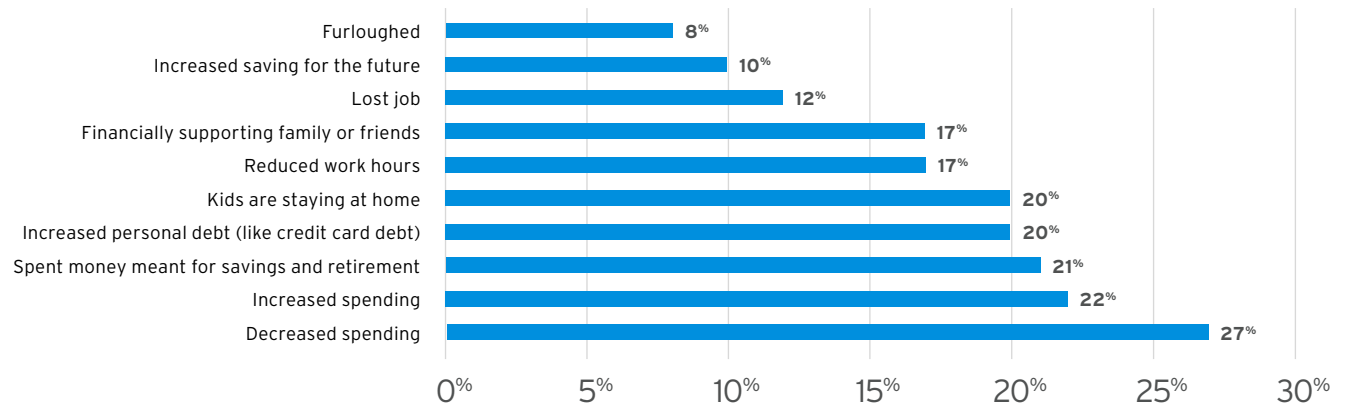
- What have you done in the past year?
- What do you expect to do in the next few months?



78% said the stimulus payment sent out earlier this year helped them at least a little.

If another government payment was sent this fall, families would use it to pay bills (42%), pay down debt (34%), or save it (29%).

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



If another stimulus payment is shared this fall, the most common uses would be to:



16%
Pay for housing (rent or mortgage)



22%
Buy groceries



26%
Put it into savings account



29%
Save it



34%
Pay down debt



42%
Pay bills

4 Just 31% of families think they'll retire comfortably.

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

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

7%
Excellent

38%
Good

31%
Not so good

24%
Poor

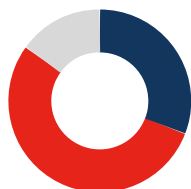


Do you think you are saving enough to be able to **retire comfortably**?

31%
Yes

54%
No

15%
Don't know



What's keeping working families up at night?

Personal health

Saving for retirement

Current finances

43%

27%

23%

Families are taking steps to save for the future and protect what they have – but they could do more.



78% have a **savings account**, 56% have a retirement account provided through work, 30% have a retirement account funded outside of work.



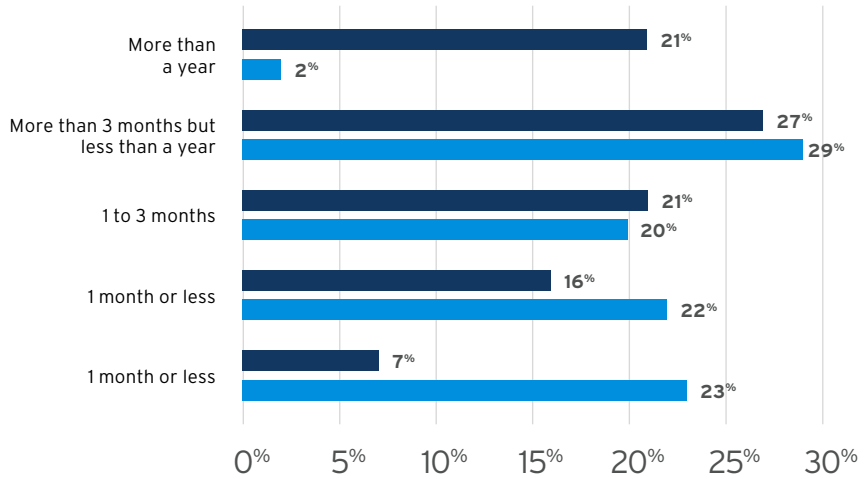
37% do not have a **life insurance policy** of any kind.

5 39% of families can't afford an emergency payment of \$1,000 or more.

A similar number (41%) only had a month or less in financial reserves and would immediately struggle if a primary breadwinner lost their job. Families with children under 18 would struggle even more to make ends meet.

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

■ Families without children under 18
■ Families with children under 18

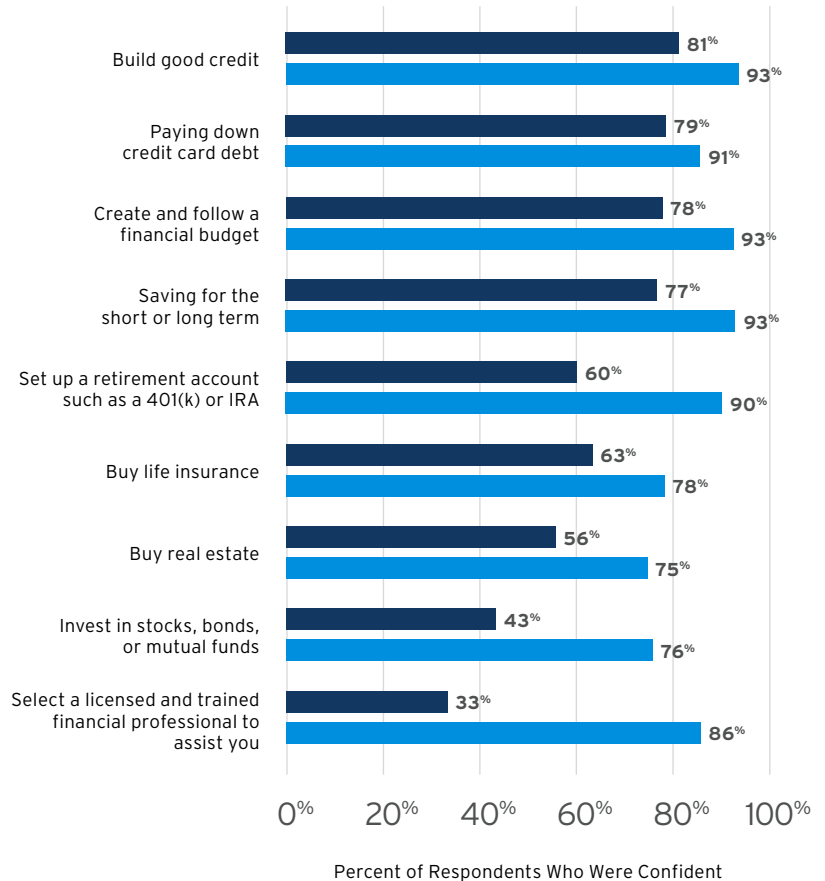


6 More than 80% of families are confident in their knowledge of important financial fundamentals.

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

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

■ Don't use financial professional
■ Use financial professional

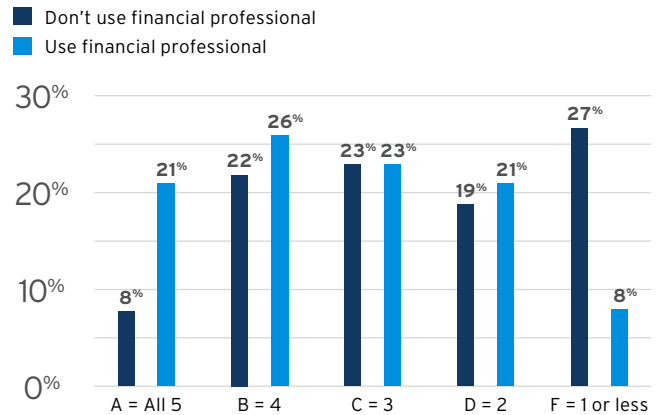


Financial Preparedness Grades

7 Measuring the Value of Professional Financial Advice

The average Preparedness grade was a C. Meeting with a financial professional is a major indicator of grade, particularly on either end of the spectrum where differences are greatest. Only 8% of those not meeting with a financial professional scored an A, compared to 21% of those who have.

Financial Preparedness Grades



The Monitor grades respondents based on whether they engage in five financial preparedness fundamentals. The five financial fundamentals grades are based on include:

- 1** Make more than the minimum payment on credit card bills every month
- 2** Having some life insurance coverage
- 3** Saving every month, regardless of amount
- 4** Contributing to an investment account every month, regardless of amount
- 5** Having enough savings to cover three months of expenses if the primary breadwinner loses his or her job





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, Inc., headquartered in Duluth, GA, is a leading provider of financial services to middle-income households in the United States and Canada. Licensed representatives educate Primerica clients about how to better prepare for a more secure financial future by assessing their needs and providing appropriate solutions through term life insurance, which we underwrite, and mutual funds, annuities and other financial products, which we distribute primarily on behalf of third parties. Primerica insured over 5 million people and had over 2.5 million client investment accounts as of December 31, 2019. Primerica, through its insurance company subsidiaries, was the #2 issuer of Term Life insurance coverage in North America in 2019. 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."

Term insurance is underwritten in the U.S. (except in NY) by Primerica Life Insurance Co. in Duluth, GA, and in New York by National Benefit Life Insurance Co. in Long Island City, NY. Primerica Life Insurance Co. of Canada in Mississauga, ON, underwrites Canadian term life insurance and Common Sense Funds segregated fund products. In the U.S., securities and advisory services are offered by PFS Investments Inc., 1 Primerica Parkway, Duluth, GA 30099-0001, member FINRA [www.finra.org]. PFS Investments Inc. conducts its advisory business under the name Primerica Advisors. Primerica and PFS Investments are affiliated companies. In Canada, mutual funds are offered by PFS Investments Canada Ltd., mutual fund dealer. Head Office: 6985 Financial Drive, Suite 400, Mississauga, Ontario L5N 0G3.