



2019 Primerica Financial Security Monitor **Insights Report**



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The 2019 Primerica Financial Security Monitor revealed how middle-income Americans feel about their personal financial situation, and how active they are in planning for their financial security.

Middle-income Americans generally don't believe they're meeting their financial goals and are open to seeking help. They want to learn more about saving, budgeting and investing to better protect their families from inevitable financial stressors. They're especially interested in learning more about how to save for retirement.

Additionally, The Monitor's *Financial Security Scorecard* - which measures individual financial security preparedness - found that few Americans earn an A or B for preparedness based on answers to key indicators.

Key Findings

1 Middle-income Americans don't feel prepared to meet their financial goals, and their financial situations are creating anxiety.

Many middle-income Americans are worried about their ability to protect their families in the event of various financial crises. Only one in three is confident in their ability to achieve financial goals such as paying for life insurance, saving for retirement or covering potential emergency expenses. Even fewer middle-income Americans – one in 10 – are confident in their ability to pay for a child to go to college.

Key data points:

- Only 14% of middle-income Americans feel confident they could make student debt payments, 32% are confident they could pay for life insurance, 37% are confident they could pay for an emergency expense and 39% are confident they could save for retirement.

- Only 24% of middle-income Americans with children feel confident they could pay for a child to go to college.
- 69% of middle-income Americans worry about how their families would cope financially if they had a major medical expense, and 67% are worried about how their families would cope if the country had another recession similar to the one in 2007-2008.

2 The Financial Security Scorecard reveals a need for long-term preparedness.

To measure long-term financial preparedness, The Monitor included a *Financial Security Scorecard*. Survey respondents were graded based on whether or not they engage in the following financial preparedness fundamentals:

- Making more than the minimum payment on credit card bills every month
- Having \$50,000 or more in life insurance coverage
- Saving every month, regardless of amount
- Investing some of their savings in accounts other than cash
- Having enough savings to cover three months of expenses if the primary breadwinner lost his or her job

Close to half (43%) reported doing two or fewer of these financial fundamentals.

Moreover, the *Financial Security Scorecard* reveals that meeting with a financial professional can help middle-income Americans take a more active role over their personal finances. Those who have met with a financial professional showed stronger *Scorecard* results: more than 3-in-4 (76%) of those having met with a financial professional earned a C or better, compared to just 39% of those who have not met with a financial professional.

The Financial Security Scorecard
Showing the impact of meeting with a financial professional

Financial Fundamental Grade	All Respondents	Have Met with a Financial Professional	Have Not Met with a Financial Professional
A = All 5	10%	16%	4%
B = 4	21%	32%	11%
C = 3	26%	29%	23%
D = 2	20%	14%	26%
F = 1 or less	23%	10%	36%

3 Middle-income households primarily need help with two basic goals: securing their retirement and paying down their debt.

Saving for retirement is the top concern for middle-income Americans. Only one in three thinks they are saving enough to retire comfortably. In fact, not saving enough for retirement is the top fear among middle-income Americans, beating out the fear of losing their houses or their jobs, dying, going to the dentist and public speaking.

Paying off credit card debt is the second greatest financial concern for middle-income Americans. They have an average of nearly \$3,000 in credit card debt. If they were given an extra \$25 every month, the top two things they'd choose to do with it are: 1) save it; 2) pay off credit card debt.

Key data points:

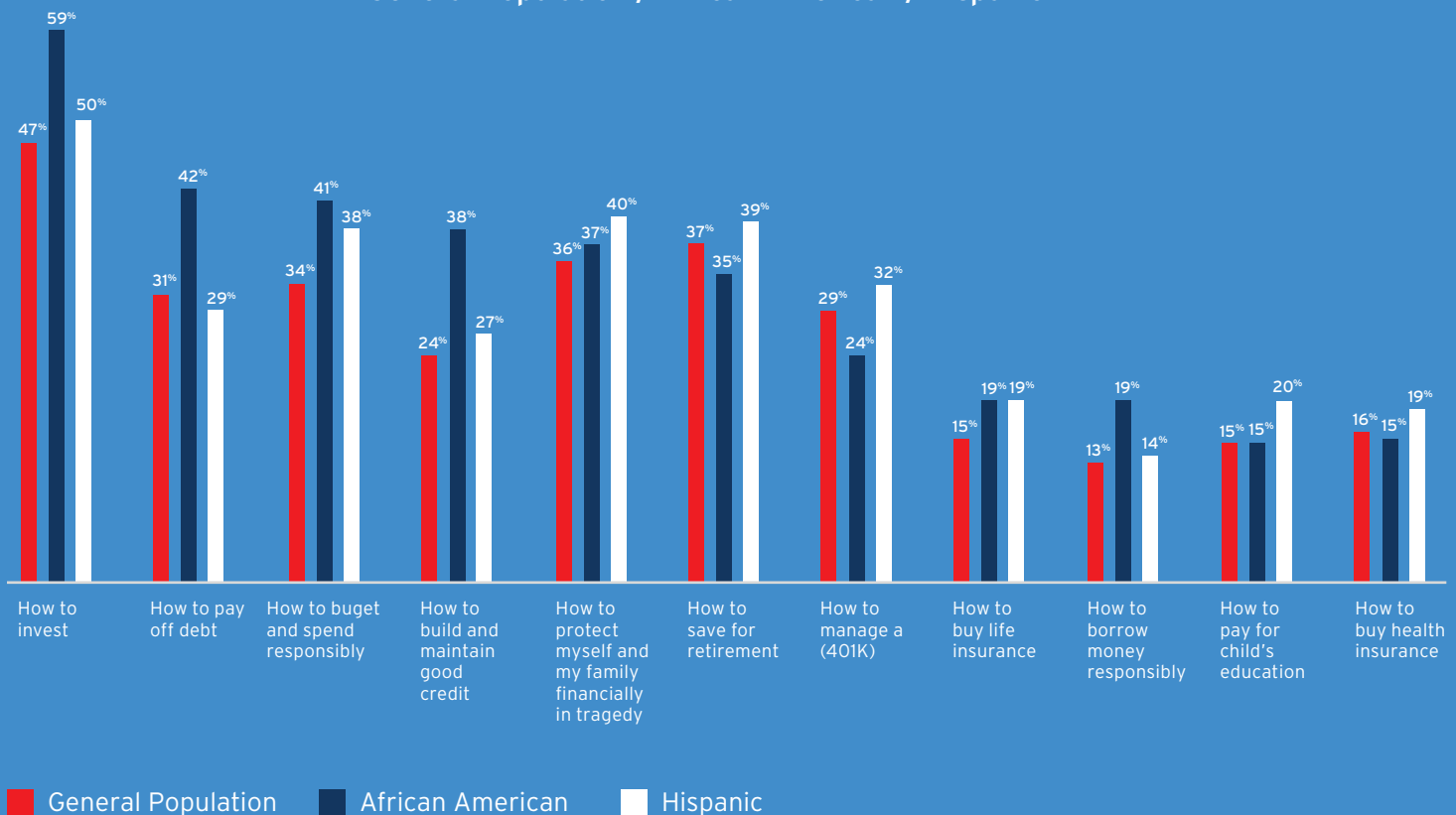
- At 37%, saving for retirement is the top financial concern for all middle-income Americans.
- More than half of middle-income Americans (53%) between the ages of 40 and 54 say saving for retirement is their top financial concern. The second-most pressing financial concern for people in this age group is credit card debt (30%).
- Only 35% of middle-income Americans think they're saving enough to retire comfortably.

- Only 25% of middle-income Americans are confident they could teach someone how to save for the short and long-term, and even fewer (14%) are confident they could teach someone how to manage a retirement account such as a 401(k) or IRA.

We also explored the learning objectives of middle-income Americans, including the similarities and differences between the general population, African Americans and Hispanics. The data shows that African Americans are particularly interested in learning how to invest, pay off debt and build and maintain good credit. African Americans are also the most confident that their financial security will improve over the next five years with 70% saying it will improve versus 49% of the general population. Compared to other groups, Hispanics are more interested in protecting their family financially in the event of a tragedy, saving for retirement, paying for their children's education, and learning how to buy health insurance.

Survey Question: Which of the following would you want to know more about to help you prepare for a financially secure future?

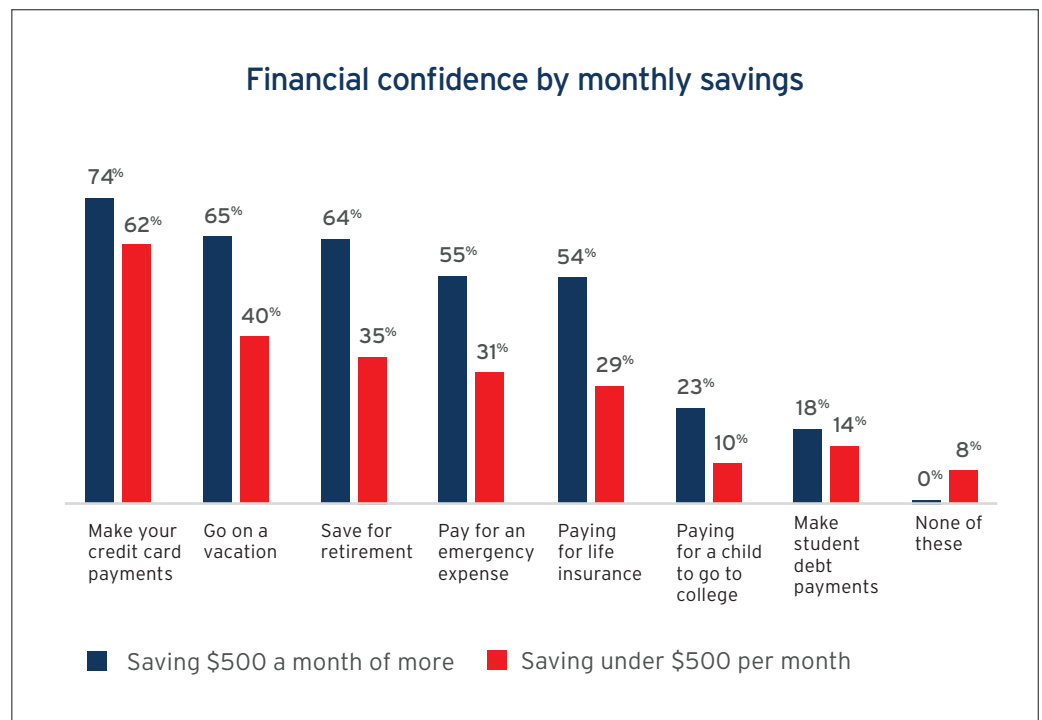
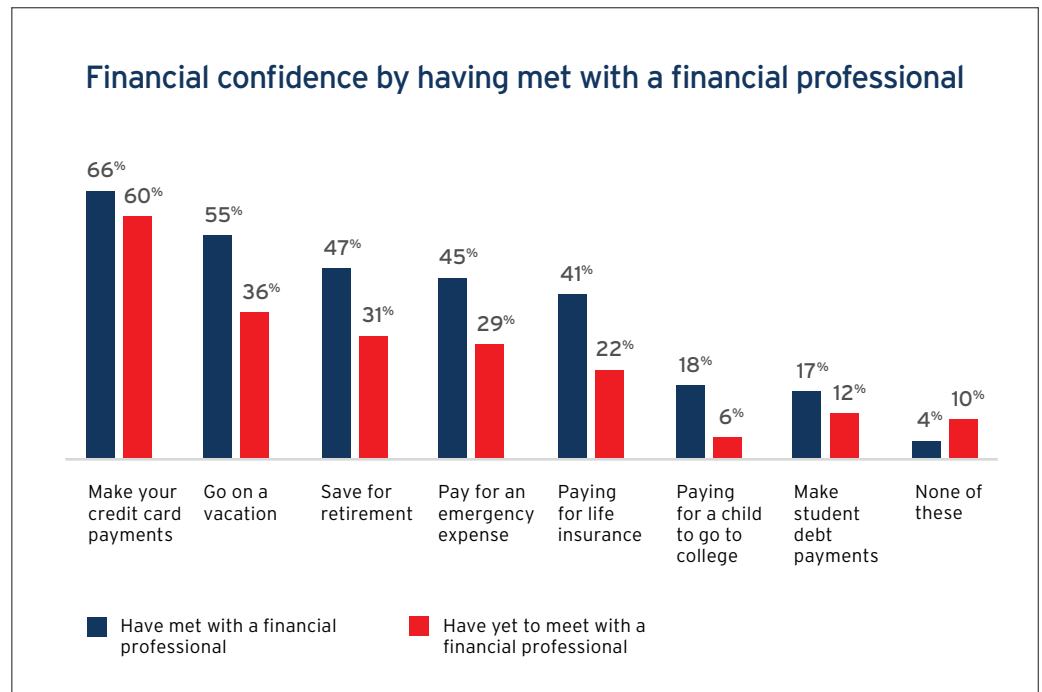
What middle-income Americans want to know more about their finances by
General Population / African American / Hispanic



4 Those who save more on a monthly basis and those who have met with a financial professional are more confident and optimistic about the future.

On average, middle-income Americans say they save or invest a median of \$100 a month. Saving every month makes people feel better about the future and more confident they can meet financial goals. Roughly 60% of those who save an average of \$500 or more every month think their financial situation will improve over the next five years, compared to 47% of those who save less. Working with a financial representative is another factor that can set middle-income Americans on the right track. Those who have seen a financial representative are much more confident in their ability to reach financial goals.

Survey Question: Based on your financial situation, which of the following do you feel confident you could achieve?





5 Most are eager to improve their financial situations and want help from financial professionals. Unfortunately, many don't feel they have access to such professionals.

Middle-income Americans know they need to do more to prepare for a financially secure future, and they think financial professionals could help, but only half have ever met with a financial professional.

Those who have met with professionals would overwhelmingly recommend the experience to a friend. Three-quarters of those who have not met with a financial professional think they would benefit from doing so.

Key data points:

- 52% of middle-income Americans do not have access to a financial professional they feel comfortable with.
- Respondents are not very confident they can accomplish financial tasks on their own without working with a financial professional; only:
 - 24% believe they can determine how much they need to save for retirement,
 - 38% say they can track their financial progress, and
 - 42% believe they can buy insurance on their own.

- About half (45%) of those who haven't met with a financial professional think they would learn about available options for strengthening their financial situations if they were able to meet with one.
- Most middle-income Americans (53%) would feel comfortable working with a financial professional over any other source for information and advice about financial issues.
- 89% of those who have met with a financial professional would recommend one to a friend.

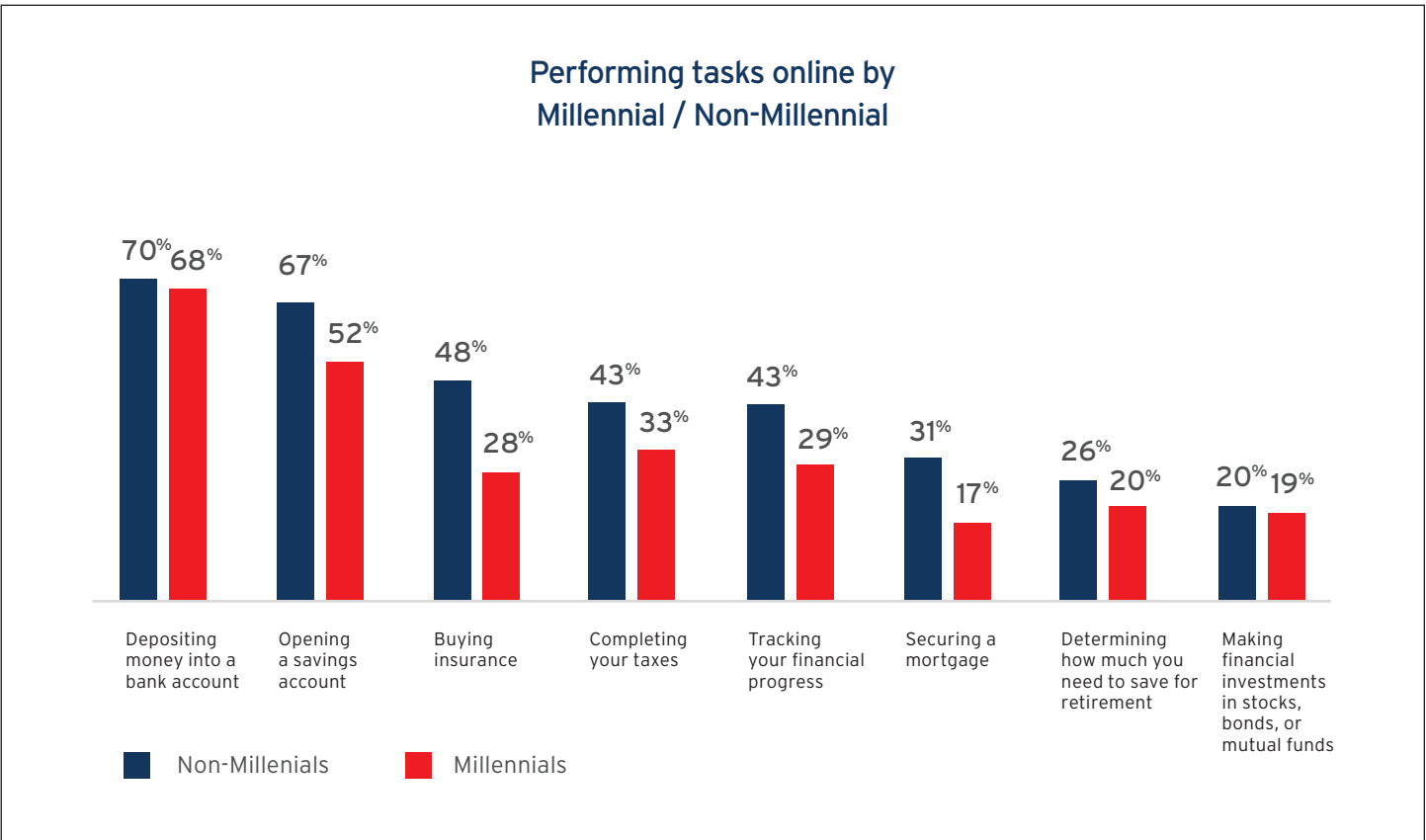
6 Middle-income Americans need professional help to make important financial decisions.

When given the choice between meeting with a licensed professional in-person or doing their own online research to make a major financial decision, the majority of middle-income Americans would choose to talk with a professional. Furthermore, only 31% of middle-income Americans are confident they could make financial decisions without a professional's help, even if they had the right online resources.

Millennials tend to be less comfortable than others performing financial tasks independently online. This indicates that middle-income Americans need a certain level of financial experience and savviness before they feel comfortable completing these tasks on their own online.

- 52% of millennials would be comfortable opening a savings account online, while 67% of respondents over the age of 34 think they could do it without working directly with a financial professional.
- Only 20% of millennials think they could determine how much to save for retirement on their own, and
- 17% of say they could secure a mortgage online without working directly with a professional.

Survey Question: How comfortable would you be performing each of the following tasks online, without working directly with a financial professional?





About the 2019 Primerica Financial Security Monitor

This survey was conducted by Quadrant Strategies, an independent research firm, on behalf of Primerica. The nationally-representative online survey polled 1,000 middle-income Americans, including oversamples of African Americans and Hispanic Americans. The poll was completed in February 2019 to better understand their knowledge, attitudes and behaviors related to their personal finances. Respondents were ages 18 and older and had total annual household incomes between \$29,000 and \$106,000. The margin of error is about 3% on the total sample and greater for data specific to subgroups. All data from the survey was weighted to match the U.S. Census on race, gender and age.

About Primerica, Inc.

Primerica, Inc., headquartered in Duluth, GA, provides financial services to middle-income families in North America. Primerica licensed representatives educate their clients about how to better prepare for a more secure financial future by assessing their needs and providing appropriate solutions through term life insurance, mutual funds, annuities and other financial products. Primerica insured approximately 5 million lives and had over 2 million client investment accounts at December 31, 2018. Primerica, through its insurance company subsidiaries, was the #2 issuer of Term Life insurance coverage in North America in 2017. Primerica stock is included in the S&P MidCap 400 and the Russell 2000 stock indices and is traded on The New York Stock Exchange under the symbol "PRI".