

TruStage Middle Market Study

May 2023

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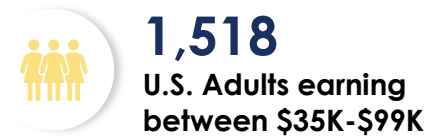
TruStage Middle Market Study

Survey Methodology

This survey was conducted online within the US from May 10 to May 15 among 1,518 adults personally earning between \$35K and \$99K per year by HarrisX. The sampling margin of error of this poll is plus or minus 2.5 percentage points. The results reflect a representative sample of qualified US adults. Results were weighted for age, gender, race/ethnicity, region, and income where necessary to align them with their actual proportions in the population.

Note: Some percentages on the following slides may not add up to exactly 100% due to rounding
Note: "T2B" or "Top 2 Box": refers to the combination of the top two responses. "Example- Very Likely+ Somewhat Likely= Likely"

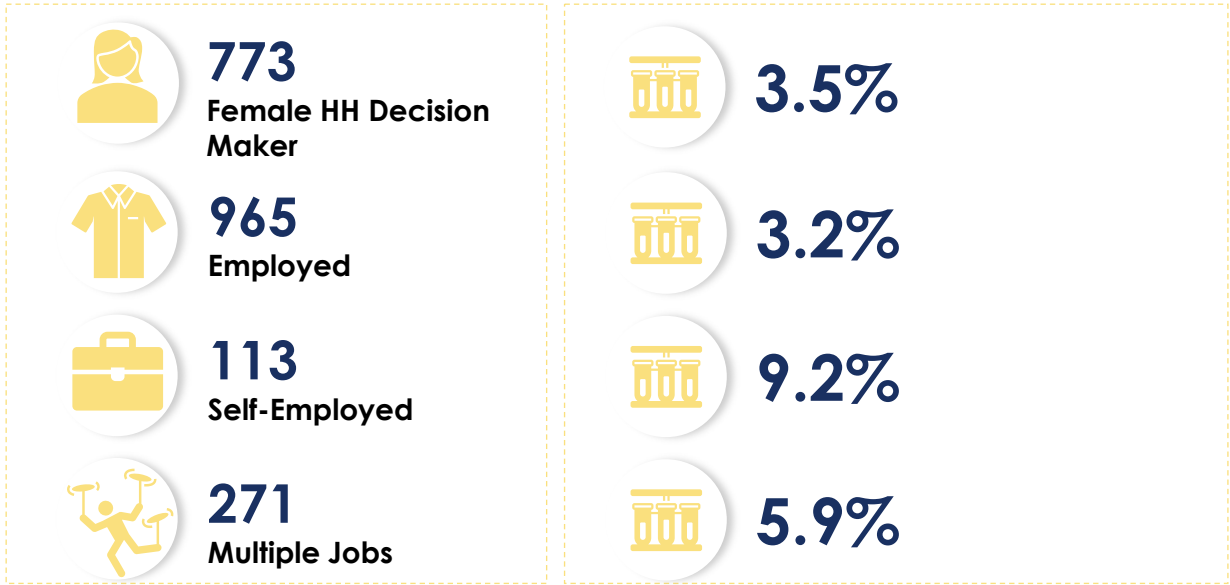
Sample size:



Sampling margin of error:



Key groups sample size:



Key insights



Americans making between \$35K-\$99K are not completely confident in their financial planning and outlook: Just 2 in 5 say they are very confident in their ability to make big financial decisions such as buying a house, paying for school, or planning for retirement. 2 in 5 say that their personal financial situation is improving, over a third say it is staying the same, and just under a quarter say it is getting worse.



Most can make price conscious decisions to mitigate rising prices, but inflation remains a top issue: 85% say that the costs of goods and services have increased over the past year, with 90% saying they are concerned that inflation will impact their financial wellbeing. 3 in 5 say that to afford groceries they are either making tradeoffs or neglecting necessities. 3 in 4 say that if the costs of goods and services rise over the next few months they will have to cut back in their spending to afford the rising costs.



Recession worries impact concern over job security: While only 35% say they are concerned for their job security in general, concern rises by 8 points when in a recession. Those who are most likely to be concerned for their job security in general are those working multiple jobs (50%). In a recession, concern over job security jumps highest among the self-employed (+10 pts) and female household decision makers (+9 pts).

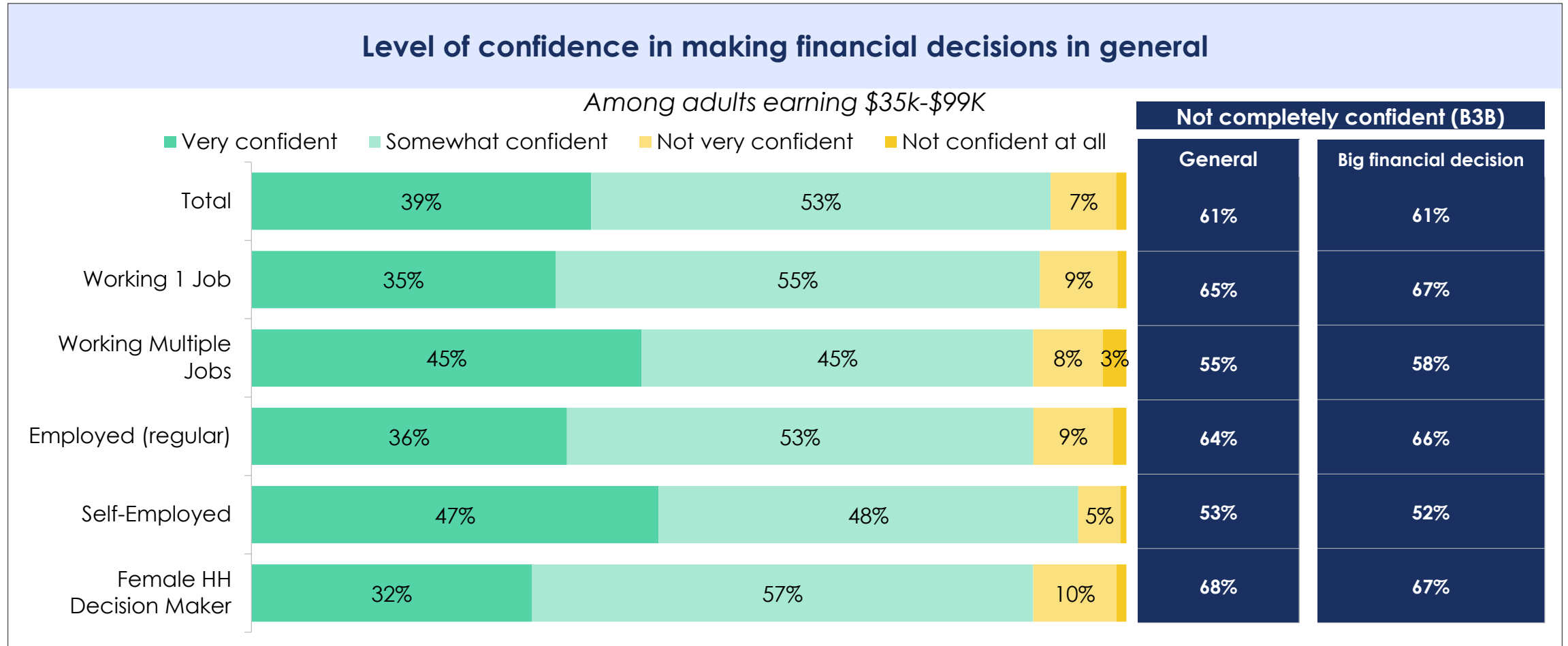


A majority do not feel very well prepared for retirement planning and remain anxious regarding affordability: Just 1 in 4 say that they currently feel very prepared for retirement planning. 2 in 3 say they consider themselves anxious regarding their ability to afford a comfortable retirement, with anxiety peaking with those who are working multiple jobs (74%) and those who are employed (regular) (73%).

General Financial Picture

Understanding respondent's confidence in their financial decision making and views of their current economic situation.

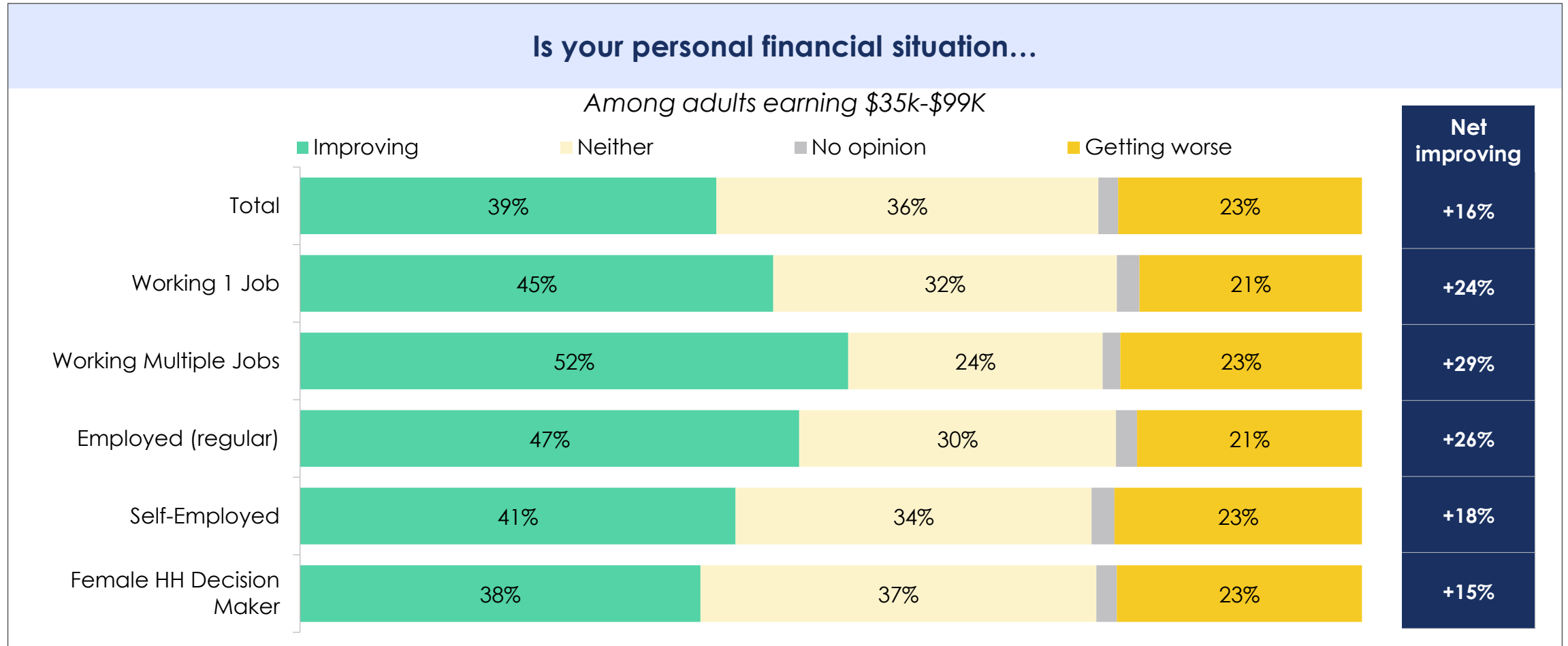
Just 2 in 5 say they are very confident in making financial decisions. Those working one job and female household decision makers are the groups least likely to have very high confidence in their decision making.



BASE: Total (n=1,518), Working 1 Job (n=807), Working multiple jobs (n=271), Employed (regular) (n=965), Self-Employed (n=113), Female Decision Maker (n=773)
 TQ6. In general, when making decisions about your finances, how confident are you?
 CS2. How confident are you in your ability to make big financial decisions such as buying a house, paying for school, or planning for retirement?

Note: Anything under 3% does not have a data label.

2 in 5 say their personal financial situation is improving. Those working multiple jobs are most likely to say their personal financial situation is improving.



BASE: Total (n=1,518), Working 1 Job (n=807), Working multiple jobs (n=271), Employed (regular) (n=965), Self-Employed (n=113), Female Decision Maker (n=773)

14. Would you say that your personal financial situation is improving or getting worse?

Note: Anything under 3% does not have a data label.

Inflation, higher taxes, and market uncertainty are top concerns among each subgroup. Each factor tested raises concern among at least half of those working multiple jobs.

Concerned about the following... (T2B, very concerned + somewhat concerned)

Among adults earning \$35k-\$99K

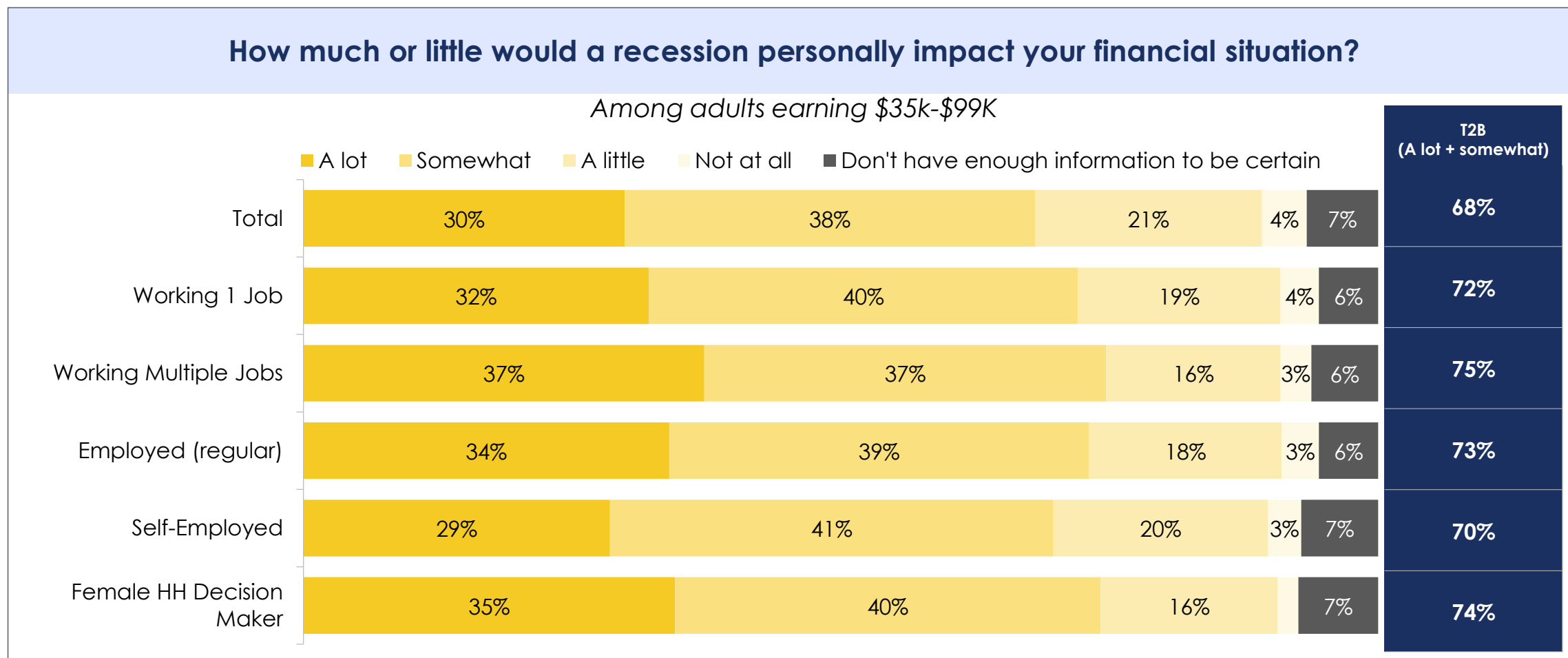
	Total	Working 1 Job	Working Multiple Jobs	Employed (Regular)	Self-Employed	Female HH Decision Maker
Rising inflation	90%	90%	90%	90%	89%	92%
Higher taxes	83%	84%	83%	84%	78%	86%
Market uncertainty	77%	76%	80%	78%	75%	80%
Increased government spending	76%	74%	76%	74%	73%	78%
Social unrest	70%	66%	75%	68%	65%	71%
Recent bank shutdowns	67%	66%	73%	68%	71%	70%
Artificial Intelligence	59%	55%	65%	58%	59%	60%
Rising unemployment	59%	61%	70%	64%	57%	62%
Layoffs	51%	54%	64%	57%	55%	55%
Coronavirus	39%	38%	50%	41%	38%	42%

BASE: Total (n=1,518), Working 1 Job (n=807), Working multiple jobs (n=271), Employed (regular) (n=965), Self-Employed (n=113), Female Decision Maker (n=773)
 BH5: For each of the following factors, are you concerned or not concerned about its impact on your financial wellbeing?

Economic Outlook

Analyzing how respondents may react to potential economic conditions such as a recession or rising costs.

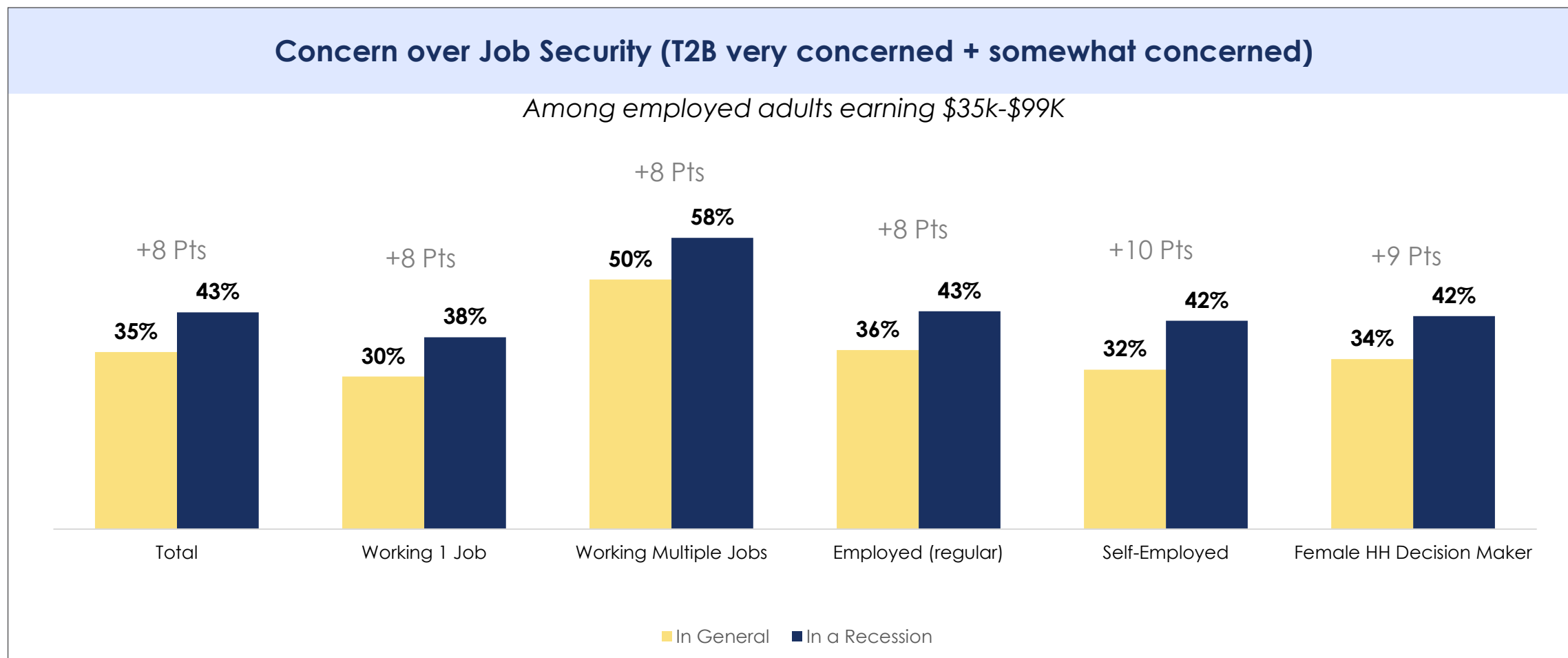
Most expect a recession to at least somewhat impact their personal financial situation.



BASE: Total (n=1,518), Working 1 Job (n=807), Working multiple jobs (n=271), Employed (regular) (n=965), Self-Employed (n=113), Female Decision Maker (n=773)
R4. How much or little would a recession personally impact your financial situation?

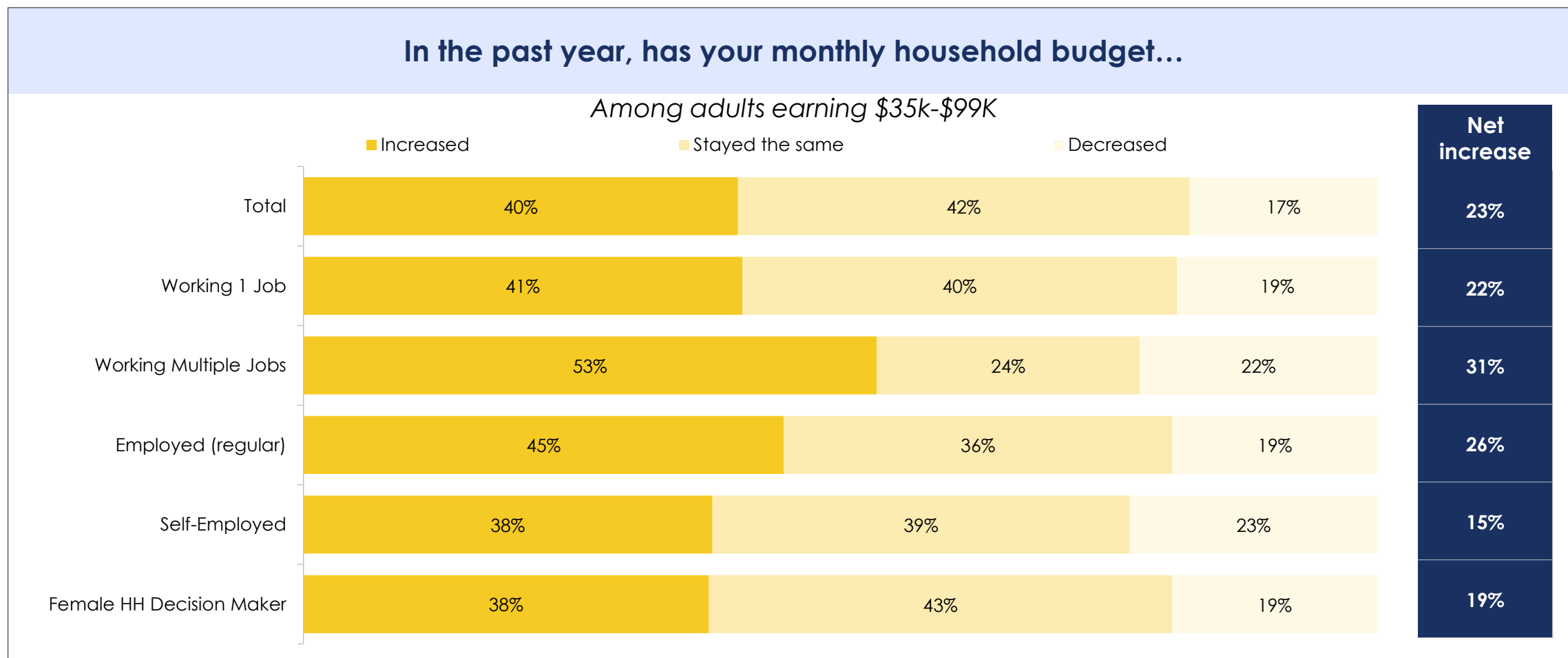
Note: Anything under 3% does not have a data label.

Concern about job security increases significantly when considering a possible recession. Those working multiple jobs are most likely to be concerned.



BASE: Total (n=1,078), Working 1 Job (n=807), Working multiple jobs (n=271), Employed (regular) (n=965), Self-Employed (n=113), Female Decision Maker (n=552), Anxious (n=289), Middling (n=705), Secure (n=84).
R5. How concerned are you about your current job security?
R5A. How concerned would you be about your current job security during a recession?

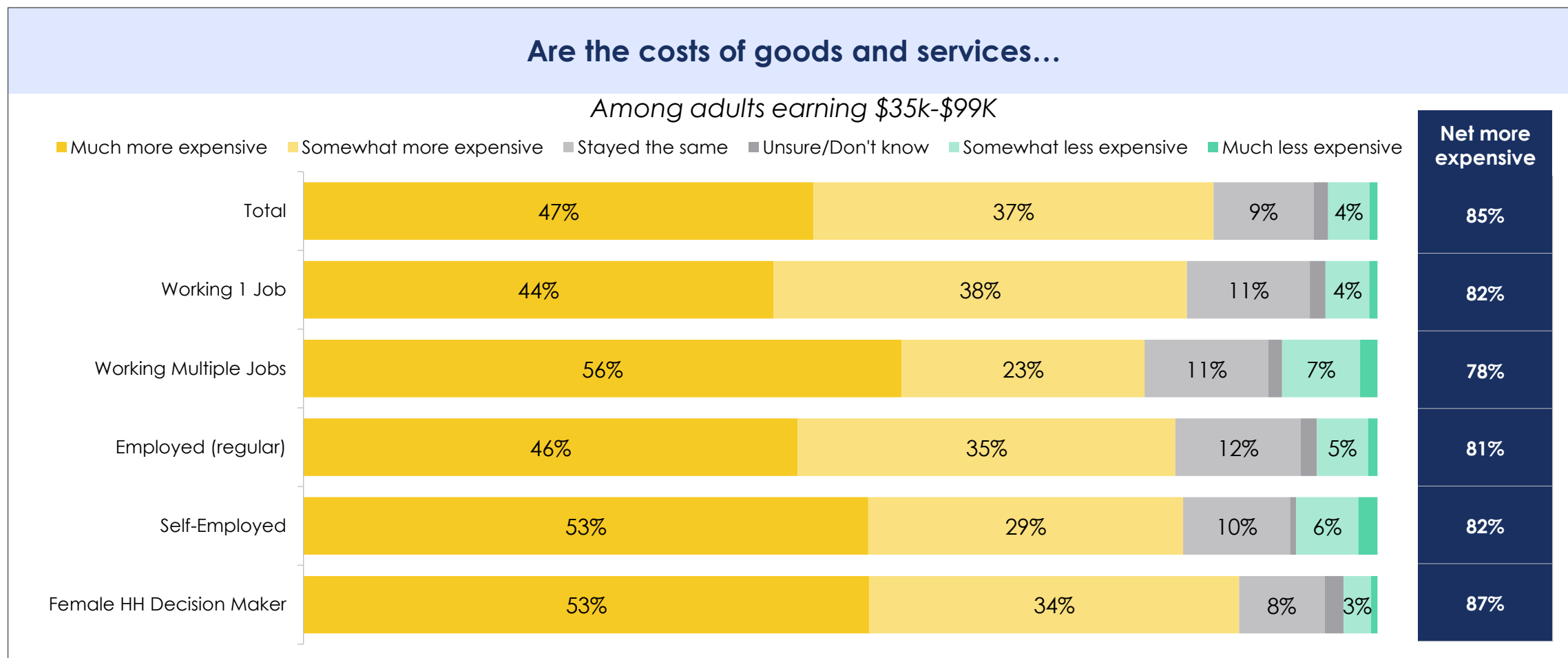
4 in 5 say their monthly household budget has either stayed the same or increased over the past year.



BASE: Total (n=1,518), Working 1 Job (n=807), Working multiple jobs (n=271), Employed (regular) (n=965), Self-Employed (n=113), Female Decision Maker (n=773)

P1: In the past year, has your monthly household budget increased, decreased, or stayed about the same?

85% say the cost of goods and services have increased over the past year.



BASE: Total (n=1,518), Working 1 Job (n=807), Working multiple jobs (n=271), Employed (regular) (n=965), Self-Employed (n=113), Female Decision Maker (n=773)

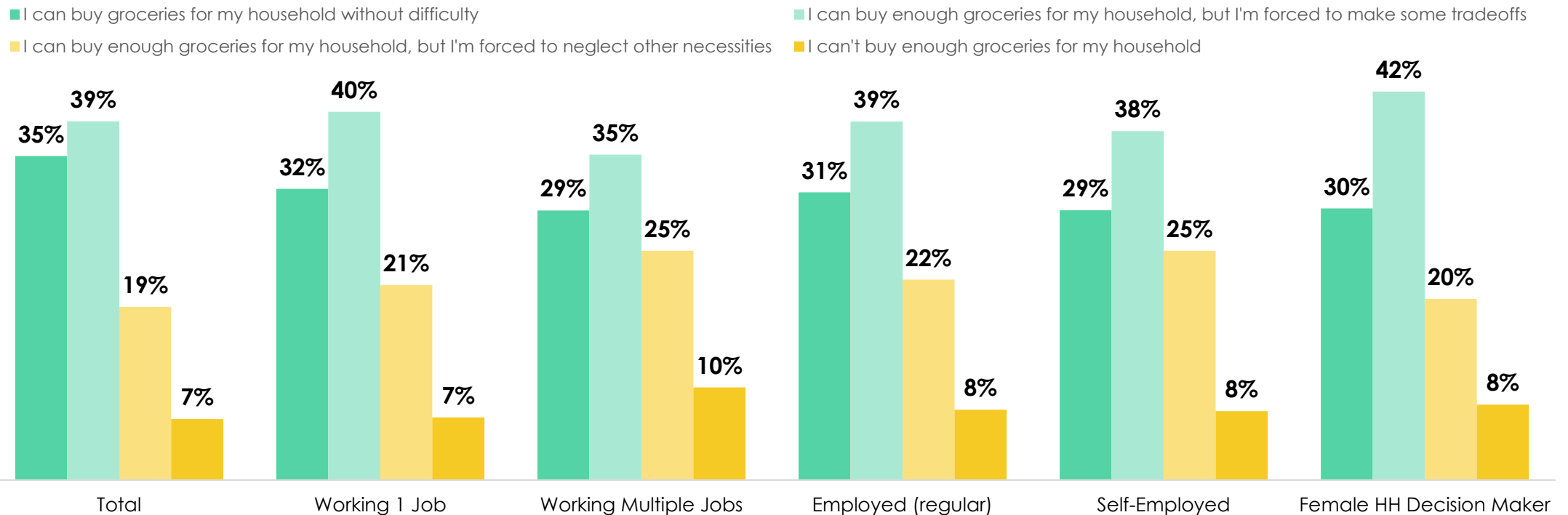
P4: Compared to about a year ago and in general, are the costs of goods and services in your area getting more expensive, less expensive, or staying about the same?

Note: Anything under 3% does not have a data label.

2 in 5 say that to buy enough groceries for their household they must make tradeoffs, while 1 in 5 say that they neglect necessities to do so.

Ease/difficulty covering food costs week-to-week

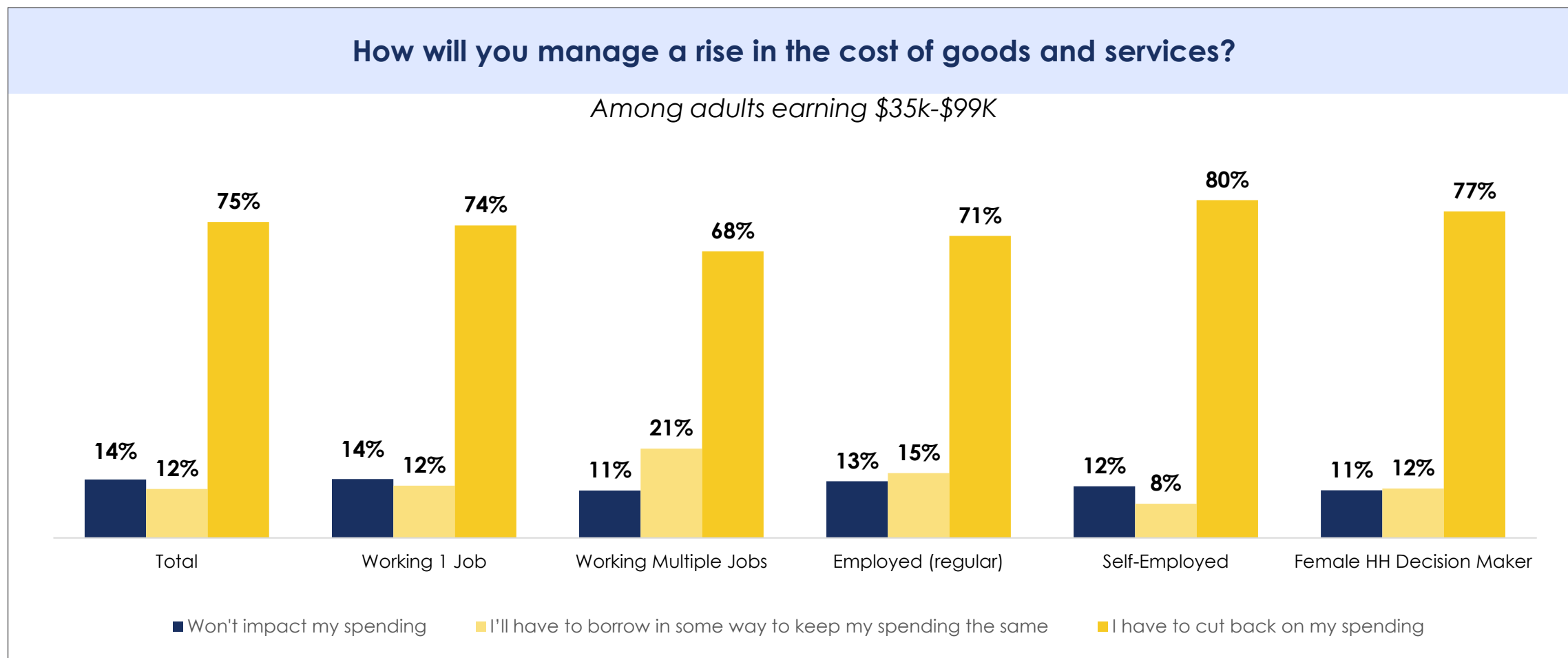
Among adults earning \$35k-\$99K



BASE: Total (n=1,518), Working 1 Job (n=807), Working multiple jobs (n=271), Employed (regular) (n=965), Self-Employed (n=113), Female Decision Maker (n=773)

P7: How would you describe the ease or difficulty of covering food costs week-to-week?

Across subgroups, cutting spending is the most common method to manage a rise in the cost of goods and services.



BASE: Total (n=1,518), Working 1 Job (n=807), Working multiple jobs (n=271), Employed (regular) (n=965), Self-Employed (n=113), Female Decision Maker (n=773)

P6. If costs of goods and services rise over the next couple of months, which of these statements best describes how you will manage the change?

Only a little over half would tap into their savings or emergency fund to cover a \$1,000 expense. The rest would use other paths such as borrowing money, taking out a loan, or putting the amount on one or more credit cards.

How would you pay for an emergency expense of \$1,000?

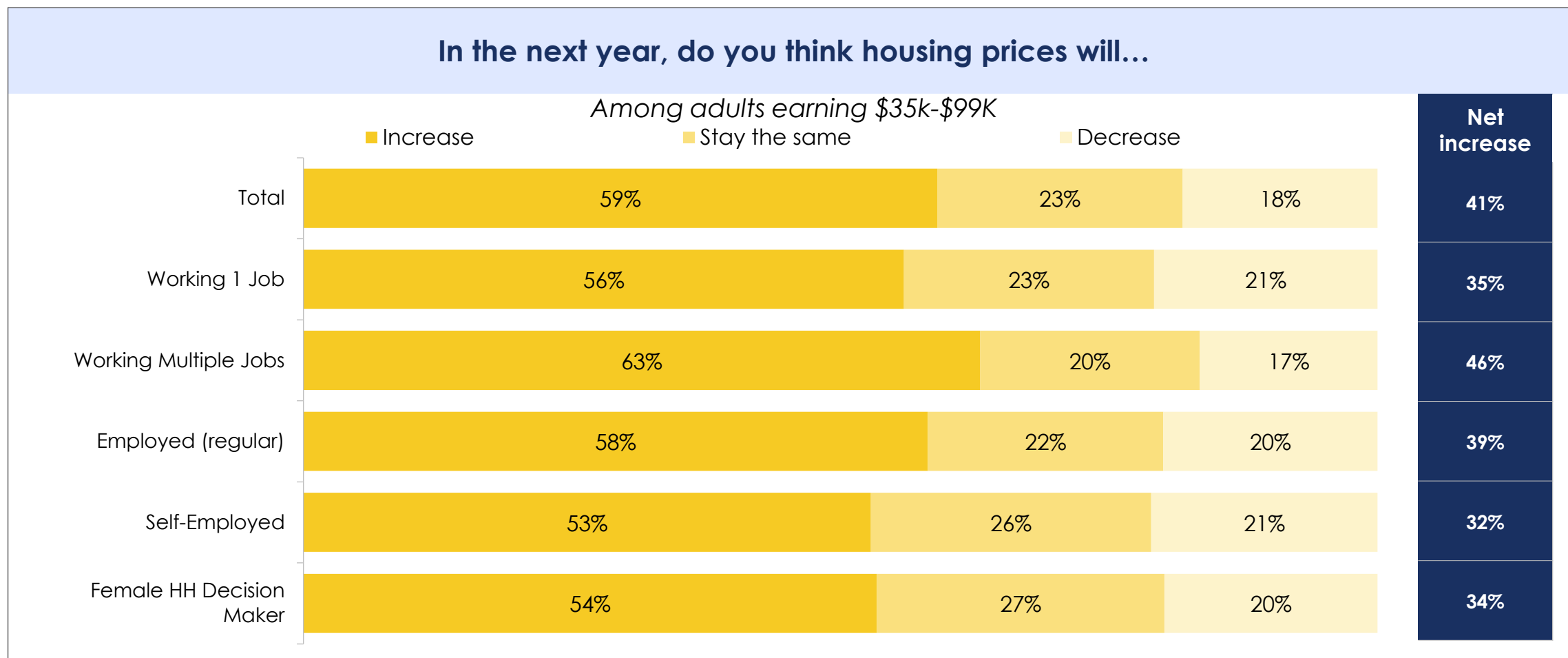
	Total	Working 1 Job	Working Multiple Jobs	Employed (Regular)	Self-Employed	Female HH Decision Maker
Savings or emergency fund	54%	50%	44%	48%	54%	47%
Borrow from a friend or family member	25%	26%	25%	27%	17%	26%
Take out a loan	19%	25%	31%	27%	22%	18%
Put the amount on one or more credit cards	18%	20%	22%	21%	21%	20%
Sell things I own	14%	16%	23%	18%	16%	15%
Pick up additional work/hours	11%	13%	13%	14%	8%	10%
Won't be able to pay the expense	7%	7%	7%	8%	6%	10%

BASE: Total (n=1,518), Working 1 Job (n=807), Working multiple jobs (n=271), Employed (regular) (n=965), Self-Employed (n=113), Female Decision Maker (n=773)
EM5. If you had an unexpected bill or expense of \$1,000, how would you pay for it? Select all that apply.

Housing Market

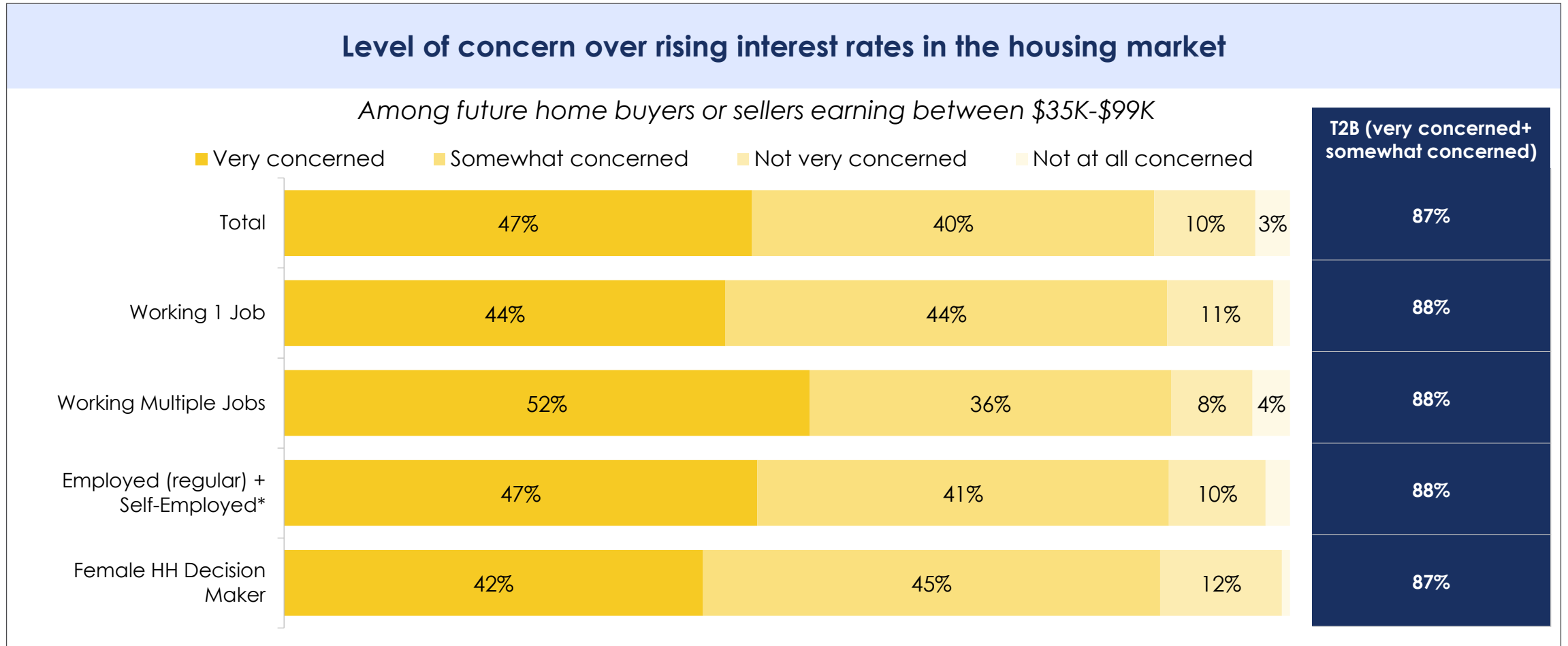
Understanding how changing conditions in the housing market may impact respondent's housing choices and how often respondents are late making a housing payment.

3 in 5 believe housing prices will increase over the next year, while 2 in 3 of those anxious about their finances agree.



BASE: Total (n=1,518), Working 1 Job (n=807), Working multiple jobs (n=271), Employed (regular) (n=965), Self-Employed (n=113), Female Decision Maker (n=773)
QH2. Do you think in the next year that housing prices will increase, decrease, or stay about the same as they have been?

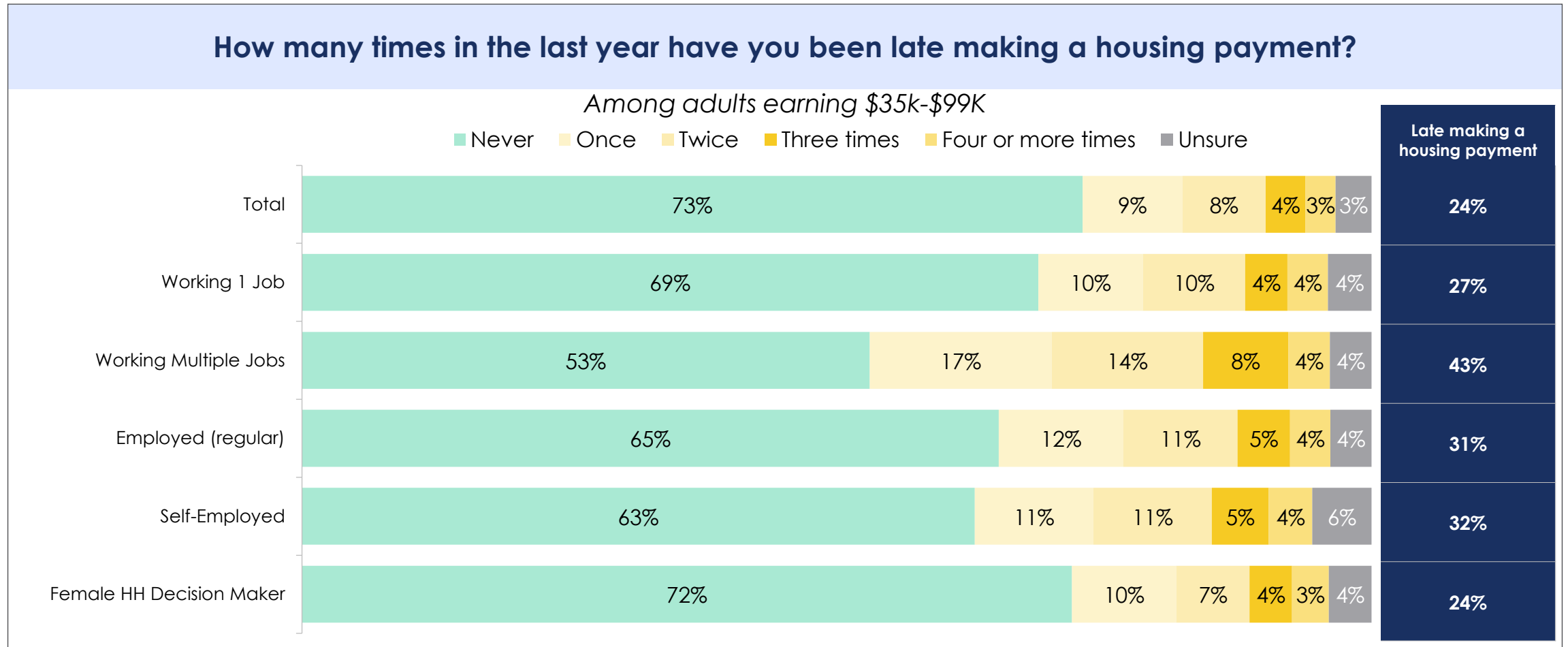
Future home buyers or sellers are concerned over rising interest rates in the housing market.



BASE: Future home buyers or sellers (n=257), Working 1 Job (n=138), Working multiple jobs (n=85), Employed (regular) + Self-Employed* (n=223), Female Decision Maker (n=127)
DN4. Are you concerned or not concerned about rising interest rates in the housing market?

*merged due to small base size in self-employed group
Note: Anything under 3% does not have a data label.

7 in 10 say they have not missed a housing payment in the past year. Those working multiple jobs are most likely to say they have been late making a housing payment in the past year.



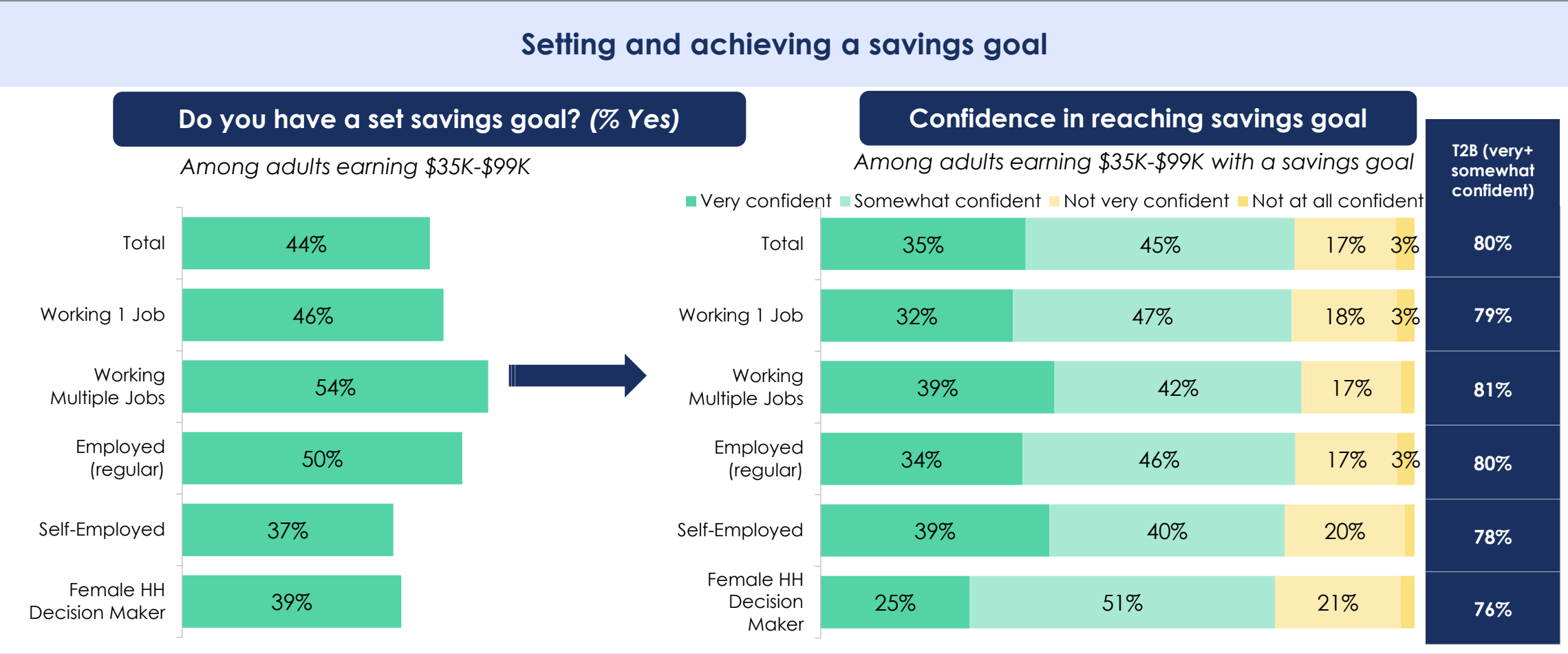
BASE: Total (n=1,518), Working 1 Job (n=807), Working multiple jobs (n=271), Employed (regular) (n=965), Self-Employed (n=113), Female Decision Maker (n=773)
QH3. Regardless of whether you rent or own, how many times in the last year have you been late making a housing payment?

Note: Anything under 3% does not have a data label.

Savings & Financial Planning

Examining respondents' preparedness for the immediate and long-term future through their savings habits and retirement goals and savings plans.

While less than half say they have a set savings goal for the year, 4 in 5 of those who have are confident that they will reach their savings goal.



BASE: Total (n=1,518), Working 1 Job (n=807), Working multiple jobs (n=271), Employed (regular) (n=965), Self-Employed (n=113), Female Decision Maker (n=773)

SG1: Do you currently have a set savings goal for the year?

BASE: Has set savings goal (n=674), Working 1 Job (n=376), Working multiple jobs (n=147), Employed (regular) (n=478), Self-employed (n=45), Female Decision Maker (n=300)

SG2: How confident are you that you will be able to reach that savings goal this year?

Note: Anything under 3% does not have a data label.

Grocery costs are seen as most likely to potentially keep each subgroup from reaching their savings goals. Those who are self-employed over index on seeing fuel costs as potential barriers.

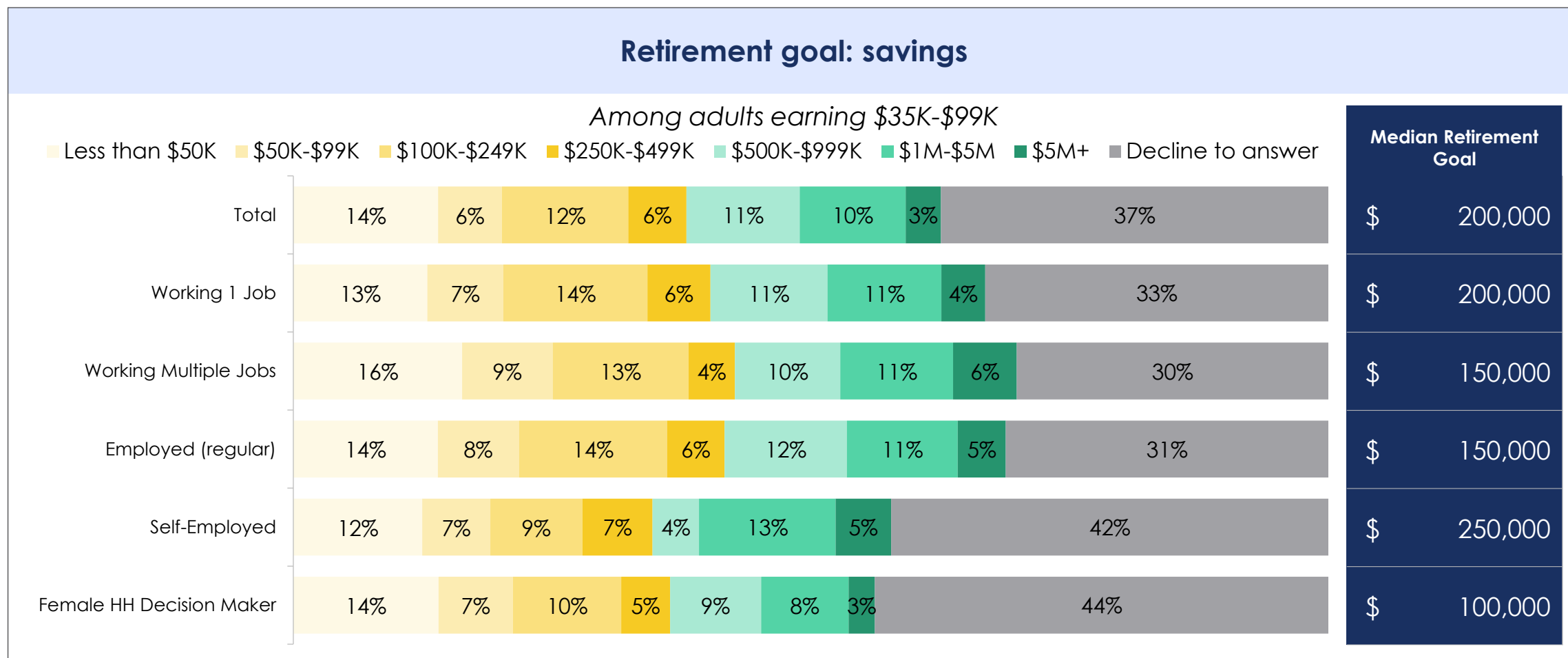
Most likely to keep you from reaching savings goal

Among adults earning \$35k-\$99K with a set savings goal

	Total	Working 1 Job	Working Multiple Jobs	Employed (Regular)	Self-Employed	Female HH Decision Maker
Grocery costs	28%	26%	23%	25%	25%	26%
Housing costs	15%	19%	17%	19%	9%	16%
Utility bill costs	15%	13%	19%	15%	17%	18%
Healthcare costs	13%	11%	13%	12%	7%	14%
Fuel costs	10%	10%	13%	10%	22%	6%
Clothing and lifestyle costs	4%	6%	4%	6%	0%	4%
Transportation and Travel costs	4%	5%	4%	4%	9%	6%
Subscription costs	2%	3%	4%	3%	3%	2%
Prescription costs	2%	3%	1%	2%	2%	2%

BASE: Has set savings goal (n=674), Working 1 Job (n=376), Working multiple jobs (n=147), Employed (regular) (n=478), Self-Employed (n=45), Female Decision Maker (n=300)
 SG5: Which things do you think have the most potential to hold you back from reaching your savings goal for the year?

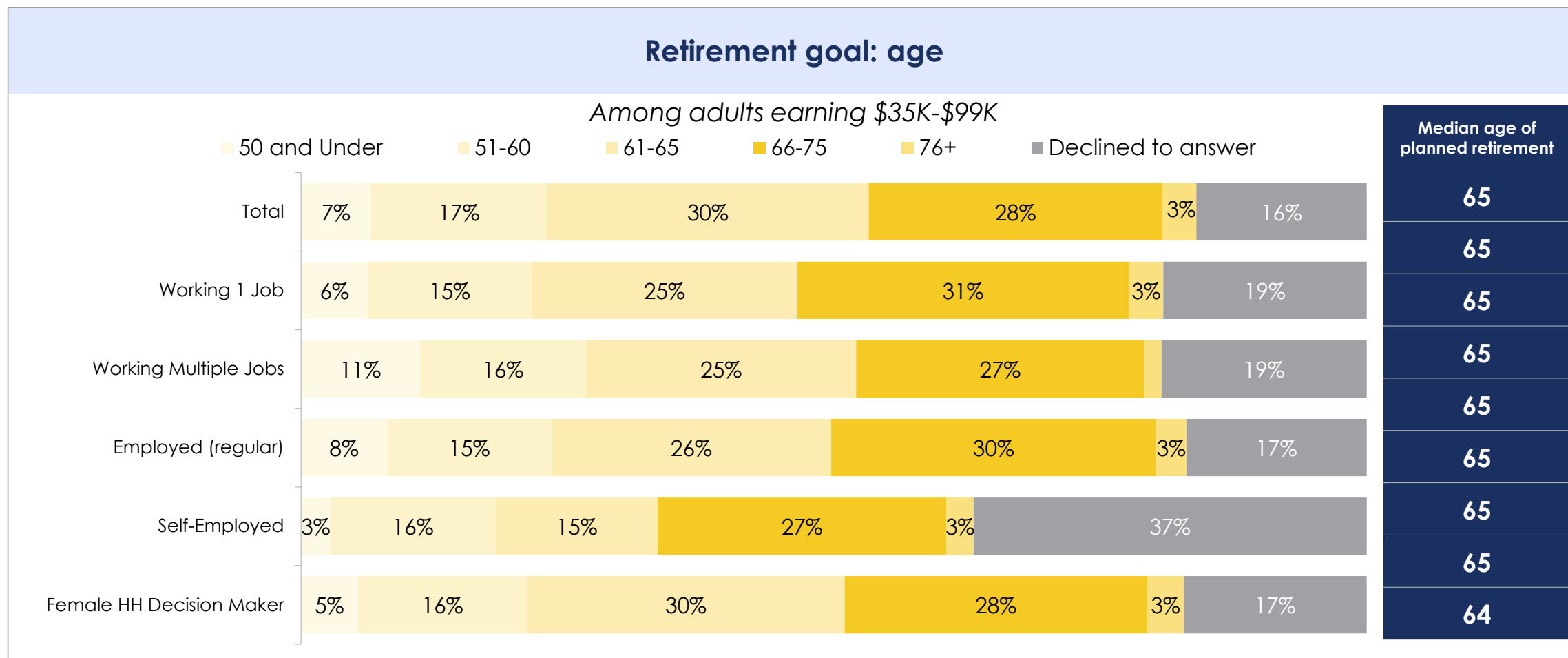
The median retirement savings goal is \$200,000, while the median goal for female HH decision makers is \$100,000.



BASE: Total (n=1,518), Working 1 Job (n=807), Working multiple jobs (n=271), Employed (regular) (n=965), Self-Employed (n=113), Female Decision Maker (n=773)
FP4. How much are you hoping to save for retirement?

Note: Anything under 3% does not have a data label.

Regardless of group, the median age of planned retirement is 65.

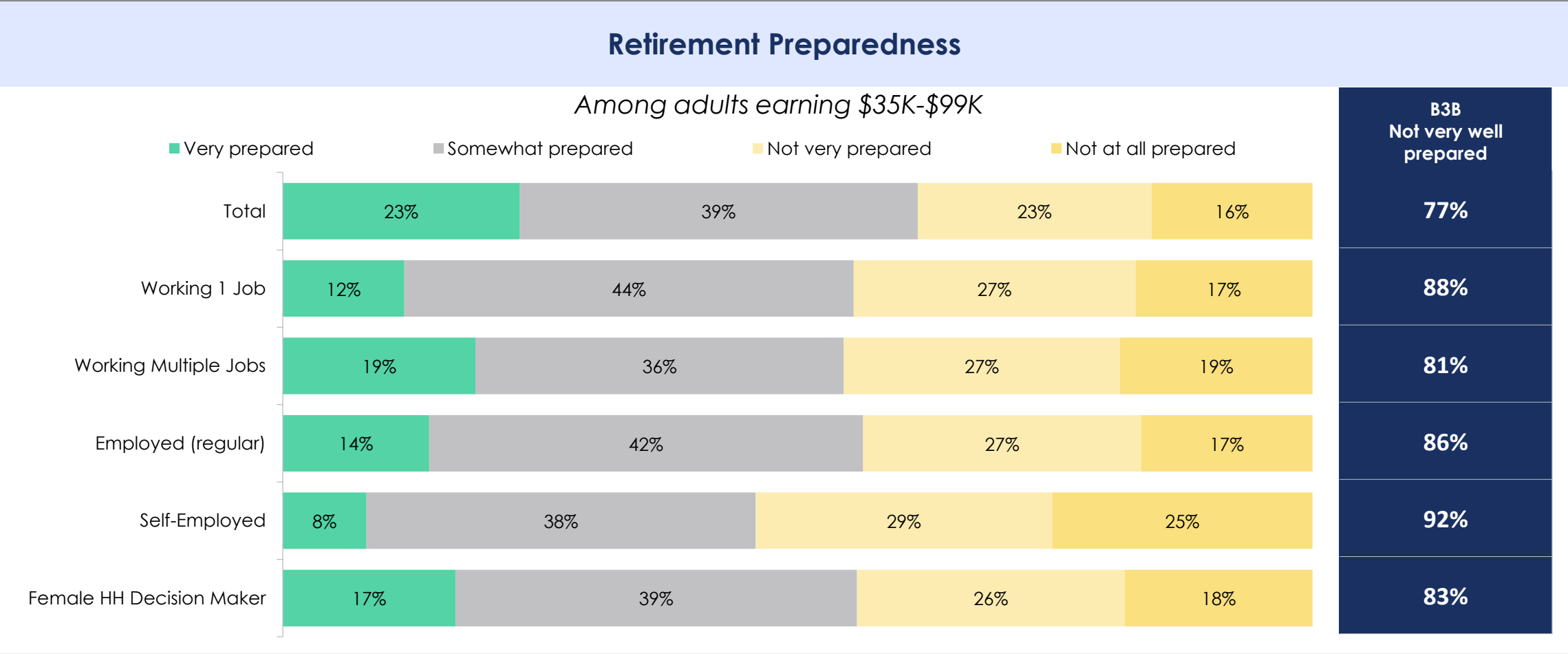


BASE: Total (n=1,518), Working 1 Job (n=807), Working multiple jobs (n=271), Employed (regular) (n=965), Self-Employed (n=113), Female Decision Maker (n=773)

RET1: At what age are you planning to retire?

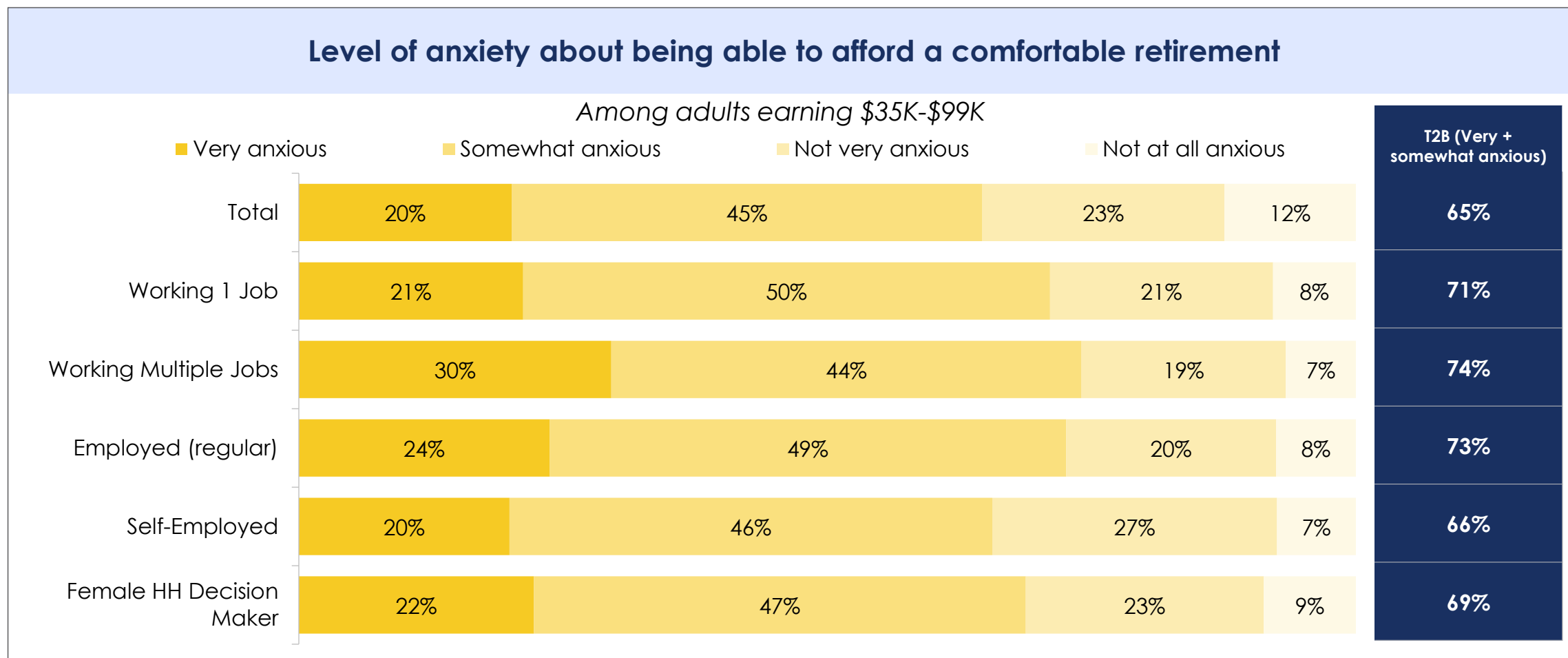
Note: Anything under 3% does not have a data label.

Fewer than 1 in 4 feel very prepared to plan for retirement.

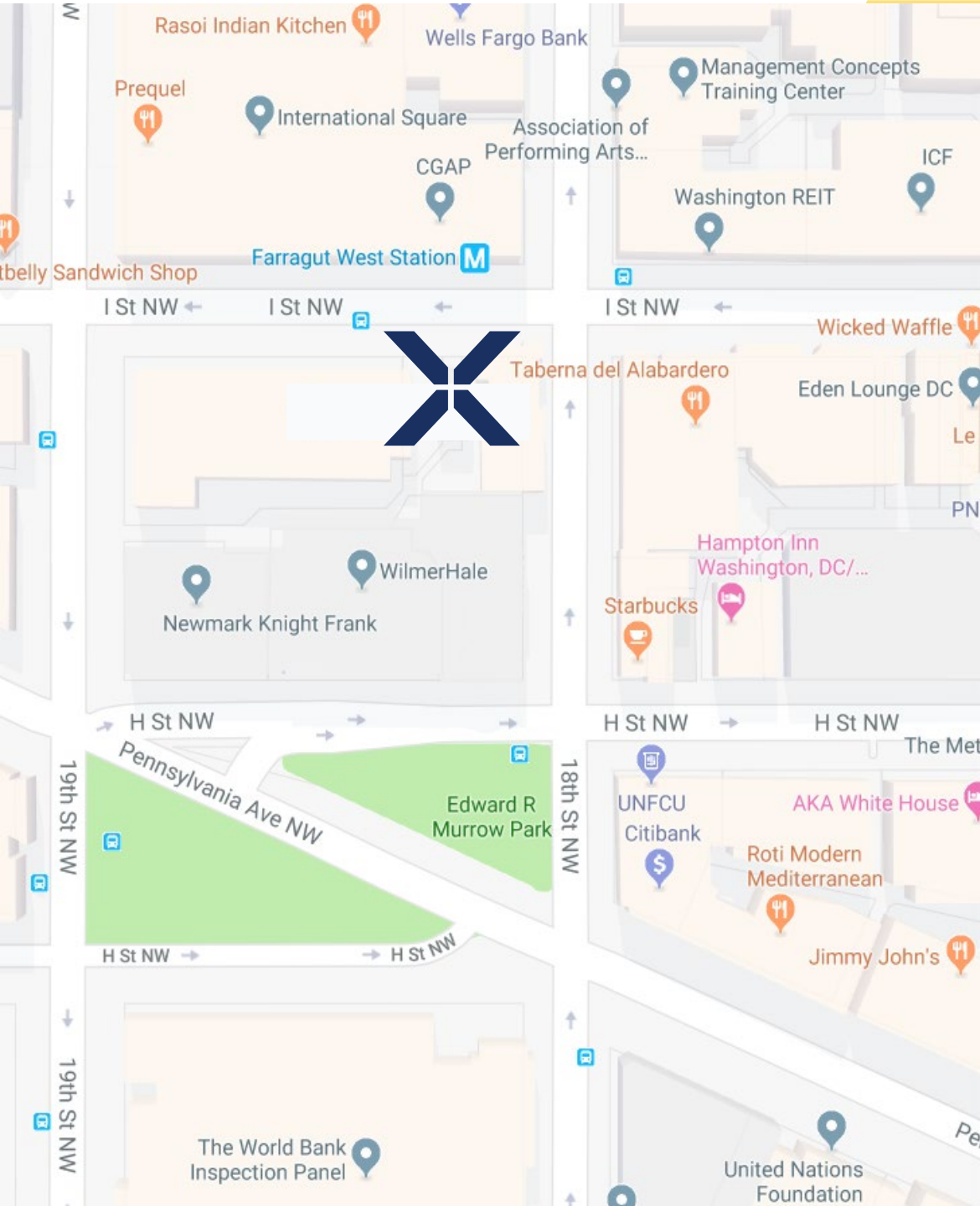


BASE: Total (n=1,518), Working 1 Job (n=807), Working multiple jobs (n=271), Employed (regular) (n=965), Self-Employed (n=113), Female Decision Maker (n=773)
FP1. When you think about planning for retirement are you currently...

Anxiety about ability to afford a comfortable retirement is high, especially among those working but not self-employed and those working multiple jobs.



BASE: Total (n=1,518), Working 1 Job (n=807), Working multiple jobs (n=271), Employed (regular) (n=965), Self-Employed (n=113), Female Decision Maker (n=773)
FP3. And how anxious or not anxious would you say you are about being able to afford a comfortable retirement?



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