



Financial Resilience Index and Survey

The **Financial Resilience Index** measures the middle-class' ability to manage life's challenges and plan for a stable future.

The **Financial Resilience Survey** explores how middle-class households understand their own financial resilience.

 April 2025



- The Financial Resilience Index shows that middle-class financial resilience is still solidly above historical norms, although it dipped in the fourth quarter of 2024.
- The companion survey found that nearly a quarter of middle-class respondents are not confident they will have enough retirement savings to last throughout retirement and live comfortably.

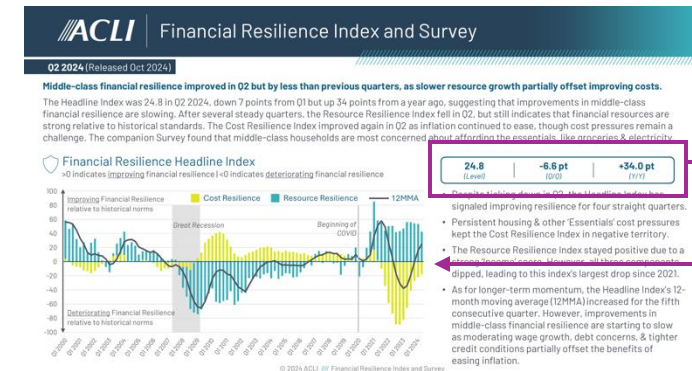
HOW TO READ AND INTERPRET THE INDEX AND SURVEY

The Financial Resilience report includes an index that compiles data from trusted sources, like the U.S. Bureau of Labor Statistics and Federal Reserve Bank of New York, to show how well prepared middle-class families are to handle financial challenges. It also includes a survey that describes how middle-class households feel about how they're doing financially.

Page 1 of the report features the Headline Index – which measures financial resilience by comparing changes in middle-class households’ costs (e.g., housing and gas, childcare and healthcare, replacing an appliance or going on vacation) to changes in their resources (e.g., income, access to loans, and readiness for retirement). Changes in Headline Index scores over time are shown in a chart, with brief notes that explain the biggest factors affecting the changes.

The Headline Index measures if financial resilience is getting better or worse for middle-class households compared to historical averages. Scores above '0' show improvement, while scores below '0' show things are getting worse. The Resource and Cost Resilience Indices work the same way. For example, a very low score on the Cost Resilience Index means costs are increasing a lot for middle-class households, while a high score means costs are easing up. Page 2 of the report shows charts and explains the scores for the Resource and Cost Resilience Indices.

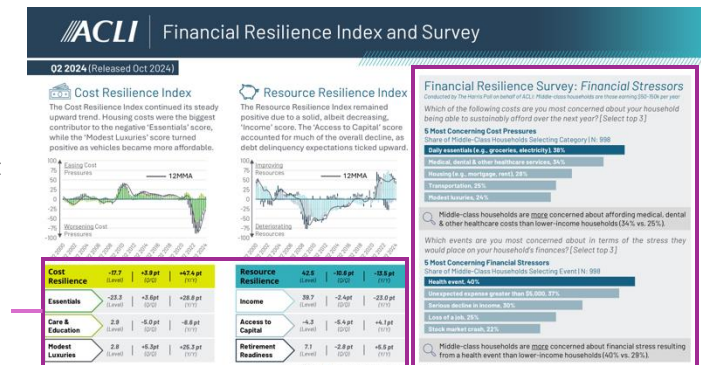
Page 2 also features ACLI's Financial Resilience Survey, which is done every quarter by The Harris Poll, and asks two questions about financial resilience. You can find more details about how the index and the survey were done on page 3. You can also see full survey results on page 4.



Headline Index
number with q/q
and y/y change

Headline Index
chart. Teal
represents
Resources, Yellow
represents Costs

Resource and Cost
Resilience Indices
are comprised of
three thematic
subcomponents;
all variables are
listed on Page 4



ACLI's Financial Resilience Survey findings

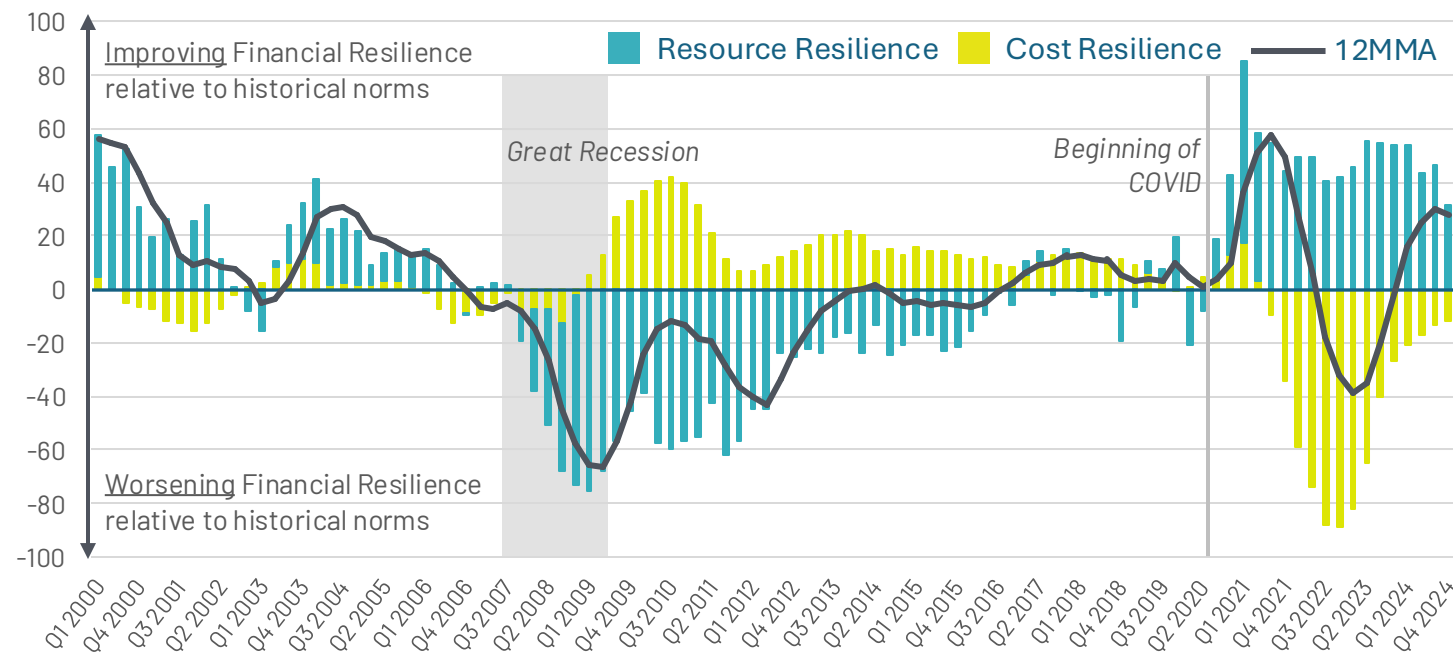
Q4 2024 (Released Apr 2025)

Middle-class financial resilience remains solidly above historical norms, although the Financial Resilience Index dipped in Q4 2024.

The Headline Index was 19.2 in Q4 2024, down 13 points from Q3 and down 8 points from a year ago. This indicates that, although middle-class financial resilience is still relatively strong, gains are moderating. The Resource Resilience Index fell to its lowest level in four years, though it is still above historical norms, while the Cost Resilience Index was largely unchanged. The index's companion survey signaled long-term uncertainty: nearly one-in-four middle-class individuals are not confident they will have enough dedicated retirement savings to last throughout retirement and live comfortably.

Financial Resilience Headline Index

>0 indicates improving financial resilience | <0 indicates worsening financial resilience



19.2
(Level)

-13.5pt
(Q/Q)

-7.9pt
(Y/Y)

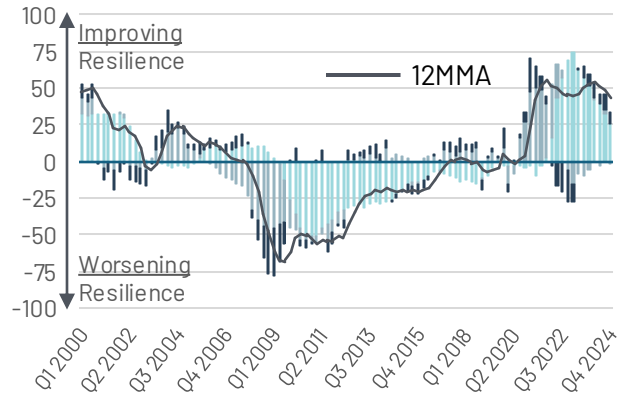
- Despite falling, the Headline Index is above '0' for the sixth straight quarter, indicating solid financial resilience.
- The Resource Resilience Index fell due to declines in all three subcomponents. Slowing wage growth led to a seventh consecutive decline in the 'Income' score.
- The Cost Resilience Index improved marginally. Though 'Essentials' inflation eased a little, this gain was mostly offset by a slight uptick in cost pressures for 'Care & Education' and 'Modest Luxuries'.
- The Headline Index's 12-month moving average (12MMA) ticked down for the first time in two years.

Q4 2024 (Released Apr 2025)



Resource Resilience Index

'Access to Capital' and 'Retirement Readiness' edged down due to increased debt delinquency expectations and slower asset growth, contributing – alongside 'Income' – to a dip in the Resource Index.

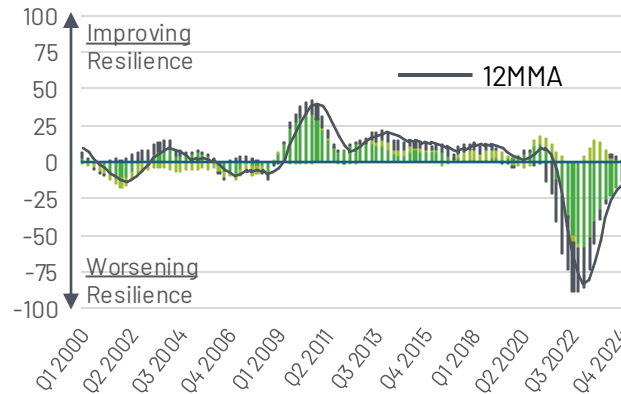


Resource Resilience	31.4 (Level)	-14.7 pt (Q/Q)	-22.4 pt (Y/Y)
Income	25.7 (Level)	-7.3 pt (Q/Q)	-25.4 pt (Y/Y)
Access to Capital	-1.8 (Level)	-3.7pt (Q/Q)	+3.7 pt (Y/Y)
Retirement Readiness	7.5 (Level)	-3.8pt (Q/Q)	-0.7 pt (Y/Y)



Cost Resilience Index

Housing cost pressures eased slightly in Q4 2024 but still dragged on 'Essentials.' The 'Modest Luxuries' score was positive for the third straight quarter due to relatively low inflation for vehicles and home furnishings.

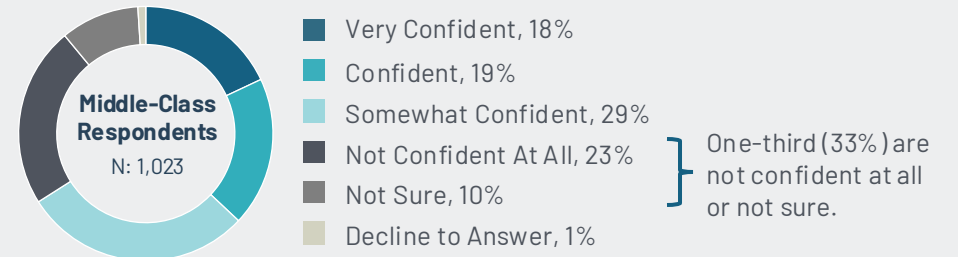


Cost Resilience	-12.2 (Level)	+1.3 pt (Q/Q)	+14.5 pt (Y/Y)
Essentials	-14.0 (Level)	+3.5 pt (Q/Q)	+18.6 pt (Y/Y)
Care & Education	0.4 (Level)	-0.7 pt (Q/Q)	-12.6 pt (Y/Y)
Modest Luxuries	1.3 (Level)	-1.5 pt (Q/Q)	+8.5 pt (Y/Y)

Financial Resilience Survey: Retirement Planning

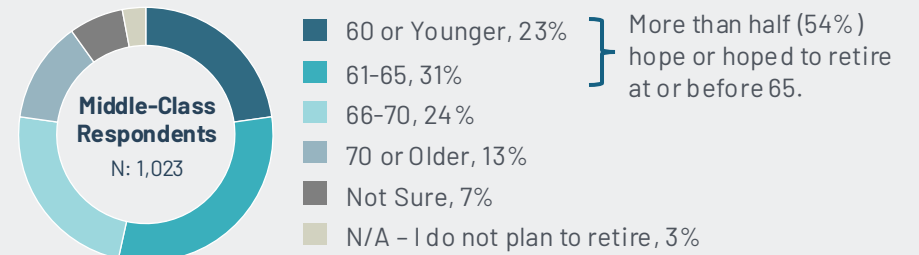
Conducted by The Harris Poll on behalf of ACLI; Middle-class households are those earning \$50-150k per year

How confident are you that you will have enough dedicated retirement savings to last throughout retirement and for you to live comfortably?



Middle-aged respondents are less confident about their retirement savings than their younger and older counterparts: 59% of those 50-64 and 61% of those 35-49 are at least somewhat confident, compared to 74% for 18-34 and 71% for 65+.

At what age do you hope to retire, or if you are already retired, at what age were you hoping to retire regardless of when you actually retired?



Younger respondents are more likely to hope to retire earlier than their older counterparts: 36% of those 18-34 hope to retire at or before 60 compared to 27% for 35-49, 18% for 50-64, and 8% for 65+.



Financial Resilience Index and Survey

ABOUT THE INDEX & SURVEY

The **Headline Index** measures the middle-class' ability to manage life's challenges and plan for a stable future. The **Resource Resilience Index** measures the ability to handle unexpected expenses and sustain a quality of life, and to save and live well in retirement. The **Cost Resilience Index** measures the ability to afford modest luxuries without trading off the essentials, and to afford life-stage appropriate care and education.

Composition. The Financial Resilience Index measures the direction and magnitude of changes in middle-class financial resilience by tracking 26 variables that represent important middle-class cost pressures and financial resources. Input variables have been scoped to the middle-class, based on typical components of a middle-class household budget or income and wage brackets, with several exceptions where wage/income brackets were unavailable for certain data series. The Headline Index is composed of a Resource Resilience Index and a Cost Resilience Index, each of which has three subcomponents. This composition frames financial resilience as the interaction of financial resources and cost pressures and provides insight into the specific underlying factors that drive changes in middle-class financial resilience.

- Resource Resilience Index subcomponents include: (1) Income; (2) Access to Capital; and (3) Retirement Readiness. *(See table on the next page for more detail)*
- Cost Resilience Index subcomponents include: (1) The Essentials; (2) Care & Education; and (3) Modest Luxuries. The cost variables that make up these subcomponents are not intended to represent a comprehensive middle-class budget or provide an alternate measure of inflation. Rather, they reflect the types of expenditures that define a typical middle-class American lifestyle. *(See table on the next page for more detail)*

Index Methodology. The Financial Resilience Index is a z-score index. All variables are harmonized to a quarterly frequency. Price and wealth variables are transformed to a year/year percent growth basis. Z-scores are used to standardize the transformed variables, using January 2000 to December 2024 as the historical sample period. Z-scores are multiplied by a constant of '100' so that index values are generally bounded by +/-100. Some variable values (e.g., cost-related variables) are inverted so that a positive index score always indicates improving conditions, and a negative index score always indicates worsening conditions. The result of these transformations is a quarterly index that compares the direction and degree of the most recent quarterly reading to the long-run historical average quarterly reading. For example, a very high positive index score (>40) indicates substantial improvement in overall resilience, cost pressures, or resources relative to the long-run historical average; a very low negative index score (<-40) indicates substantial worsening in overall resilience, cost pressures, or resources relative to the long-run historical average. Each index and subcomponent are weighted to reflect their relative importance and impact on middle-class financial resilience. The Resource Resilience Index accounts for 60% of the Headline Index and the Cost Resilience Index accounts for 40%. Within the Resource Resilience Index, the 'Income' subcomponent is 45%, 'Access to Capital' is 35%, and 'Retirement Readiness' is 20%. Within the Cost Resilience Index, 'The Essentials' subcomponent is 55%, 'Care & Education' is 15%, and 'Modest Luxuries' is 30%. Z-scores are multiplied by their respective weights and aggregated to compose the indices.

Survey Methodology. The Financial Resilience Survey was conducted online within the United States by The Harris Poll on behalf of ACLI from March 11 – 13, 2025, among 2,087 adults ages 18 and older. This report primarily presents the survey results for the 1,023 respondents from middle-class households—those earning \$50,000 to \$150,000 in annual household income. Upper-income households are those earning more than \$150,000 in annual household income and lower-income households are those earning less than \$50,000 in annual household income. This report only presents comparisons between subgroups that are statistically significant. For complete survey methodology, including subgroup sample sizes and information about statistical significance, please contact ACLI.



Financial Resilience Index and Survey

DATA SOURCES

Index	Subcomponent (Index Weight)	Variable	Data Source
Resource Resilience (60%)	Income (45%)	Wage growth, 25-75 th wage percentile	Wage Growth Tracker, Federal Reserve Bank of Atlanta
		Non-retirement wealth, 40-80 th income percentile	Distributional Financial Accounts, Board of Governors of the Federal Reserve System
	Access to Capital (35%)	Access to consumer credit	Senior Loan Officer Opinion Survey on Bank Lending Practices, FRS Board of Governors
		Debt delinquency expectations, \$50-100K in income	Survey of Consumer Expectations, Federal Reserve Bank of New York
	Retirement Readiness (20%)	Retirement assets, 40-80 th income percentile	Distributional Financial Accounts, Board of Governors of the Federal Reserve System
		Change in likelihood of comfortable retirement, middle income tercile	Survey of Consumers, University of Michigan
Cost Resilience (40%)	Essentials (55%)	Owners' equivalent rent of primary residence	Consumer Price Index, U.S. Bureau of Labor Statistics
		Rent of primary residence	
		Groceries	
		Electricity	
		Gasoline	
		Motor vehicle parts and equipment	
		Motor vehicle maintenance and repair	
		Motor vehicle insurance	
		Internet services	
	Care & Education (15%)	Medical care services	
		College tuition and fees	
		Day care and preschool	
		Prescription drugs	
	Modest Luxuries (30%)	Dining out	
		Recreation	
		Household appliances, furnishings, and services	
		New vehicles	
		Used vehicles	
		Hotel stays	
		Airline fares	