



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.

 January 2026



- In Q3 2025, the Financial Resilience Index edged closer to '0', with middle-class resilience hovering just above historical norms.
- The companion survey found that 42% of middle-class households are not very or not at all confident that they could pay for an unexpected expense of \$5,000.

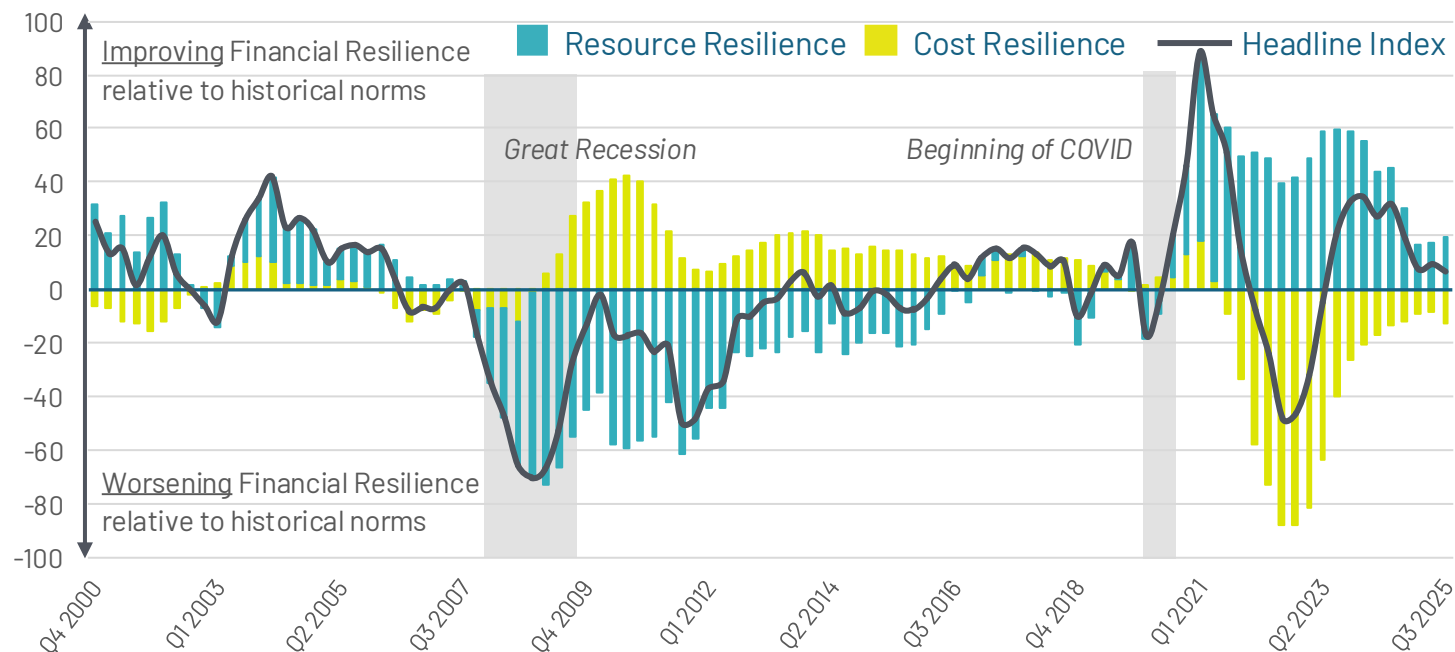
Q3 2025 (Released Jan 2026)

The Headline Index edged closer to '0' in Q3 2025, signaling that middle-class financial resilience is nearing but still above historical norms.

The Headline Index was 6.5 in Q3 2025, down 3 points from Q2 and down 25 points from a year ago. The score indicates middle-class financial resilience is still a tick above the long-term historical average. The Cost Resilience Index worsened for the first time in over two years, while the Resource Resilience Index was little changed. The companion survey found that 42% of middle-class households are not very or not at all confident that they could pay for an unexpected expense of \$5,000.

Financial Resilience Headline Index

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



6.5 (Level)		-2.6pt (Q/Q)		-25.4pt (Y/Y)
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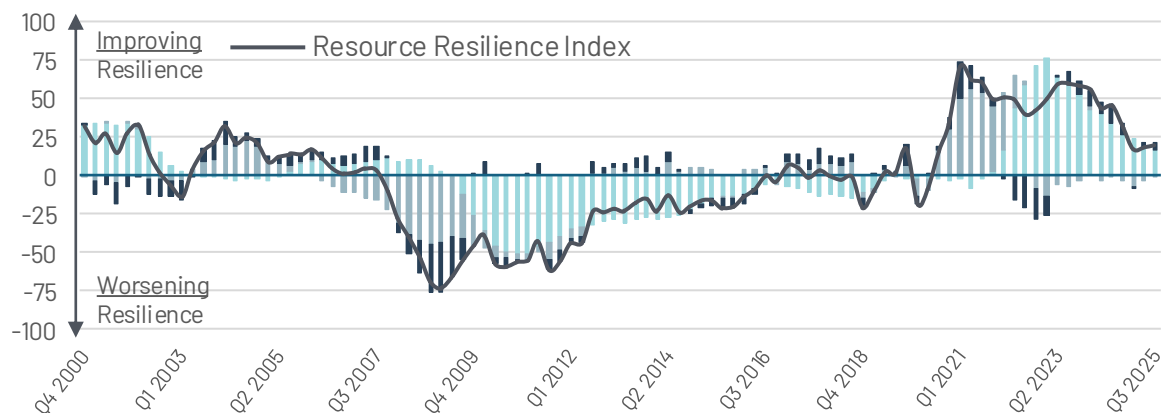
- The Headline Index changed little in Q3. Despite being at its lowest level in two years, the Headline score has held above '0' for nine quarters in a row.
- The Resource Resilience Index was essentially unchanged. Minor improvements in 'Retirement Readiness' and 'Access to Capital' offset a marginal downtick in 'Income' growth.
- The Cost Resilience Index ticked down in Q3, posting its first Q/Q decline since Q4 2022. Slight increases in cost pressures for 'Care & Education' and 'Modest Luxuries' led to a dip in the overall Cost Index score, even as inflation for the 'Essentials' slowed marginally.

Q3 2025 (Released Jan 2026)



Resource Resilience Index

The 'Income' score edged down in Q3, as wage growth continues to slow but remains above average. The other two Resource Index subcomponents edged up from Q2, with 'Access to Capital' holding just a tick below average while 'Retirement Readiness' is slightly above average.



Resource Resilience	19.5 (Level)	+2.0 pt (Q/Q)	-25.6 pt (Y/Y)
Income	+16.6 (Level)	-1.2 pt (Q/Q)	-17.2 pt (Y/Y)
Access to Capital	-1.1 (Level)	+2.2 pt (Q/Q)	-0.6 pt (Y/Y)
Retirement Readiness	+4.0 (Level)	+1.1 pt (Q/Q)	-7.8 pt (Y/Y)



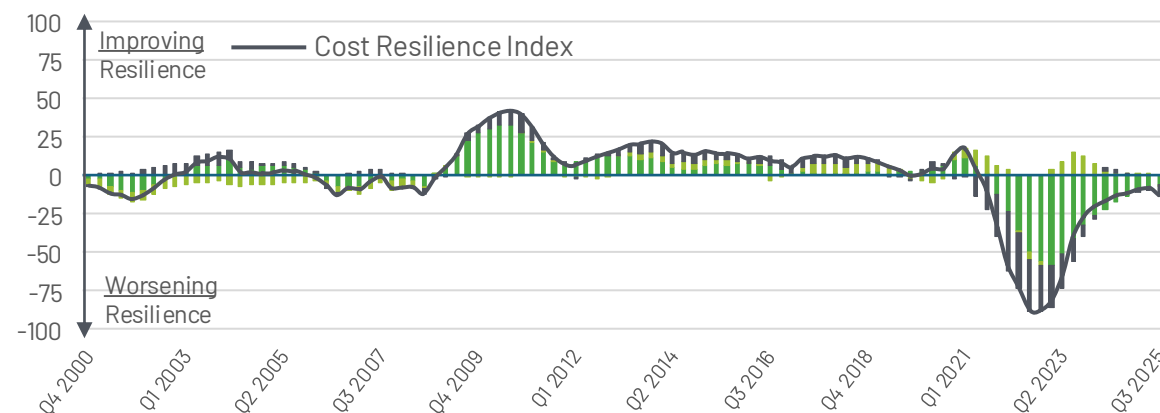
Zooming In: 'Retirement Readiness' Retirement Sentiment

Middle-class households felt slightly more optimistic about their prospects for a comfortable retirement in Q3. This uptick in sentiment contributed to the small Q/Q gain in the 'Retirement Readiness' score.



Cost Resilience Index

The 'Care & Education' score decreased in Q3 due to worsening cost pressures for medical services. The 'Modest Luxuries' score also worsened due to higher inflation for recreation and household appliances, furnishings and services. Meanwhile, easing housing cost pressures lead to a modest uptick in the 'Essentials' score.



Cost Resilience	-13.0 (Level)	-4.6 pt (Q/Q)	+0.2 pt (Y/Y)
Essentials	-5.7 (Level)	+1.2 pt (Q/Q)	+11.6 pt (Y/Y)
Care & Education	-0.5 (Level)	-2.3 pt (Q/Q)	-1.5 pt (Y/Y)
Modest Luxuries	-6.8 (Level)	-3.6 pt (Q/Q)	-9.8 pt (Y/Y)



Zooming In: 'Modest Luxuries' Recreation

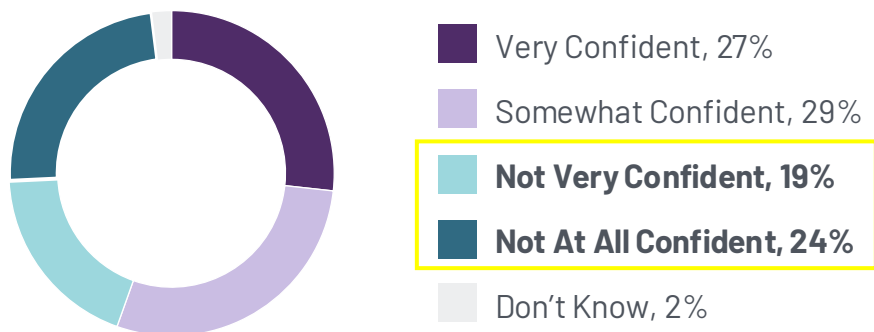
Cost pressures for recreation goods and services worsened in Q3, as middle-class households face above-average inflation for modest luxuries such as event and movie tickets, toys, and video and audio products.

Q3 2025 (Released Jan 2026)



Unexpected Expense

How confident, if at all, are you that your household could pay for an unexpected expense of \$5,000 (e.g., home repair, medical procedure, etc.) and bounce back financially?



42% of middle-class households are not very or not at all confident they could pay for an unexpected expense of \$5,000 and bounce back financially.



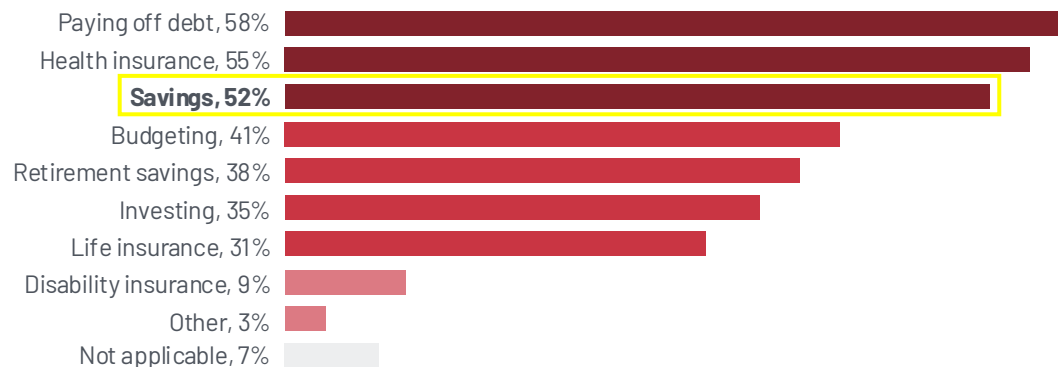
Zooming In Younger v. Older Generations

Middle-class respondents in Gen Z are the least likely to be very confident and Boomers are by far the most likely to be very confident (16% of Gen Z; 22% of Millennials; 23% of Gen X; 40% of Boomers and older).



Financial Behaviors

Which actions, if any, are your household taking to improve or maintain its financial stability? Please select all that apply.



Only slightly more than half—52%—of middle-class households are putting money into a savings account to improve or maintain their financial stability.



Zooming In Gen Z

Within the middle class, a much higher share of Gen Z respondents (44%) say they are investing to improve or maintain their household's financial stability, compared to all other generations in aggregate (33%).



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FULL SURVEY RESULTS

Question	Response Options	Share of Middle-Class Households Selecting Option
<i>How confident, if at all, are you that your household could pay for an unexpected expense of \$5,000 (e.g., home repair, medical procedure, etc.) and bounce back financially?</i>	<i>Very confident</i>	27%
	<i>Somewhat confident</i>	29%
	<i>Not very confident</i>	19%
	<i>Not at all confident</i>	24%
	<i>Don't know</i>	2%
<i>Which actions, if any, are your household taking to improve or maintain its financial stability? Please select all that apply.</i>	<i>Investing or putting money into an investment account</i>	35%
	<i>Putting money into a savings account</i>	52%
	<i>Putting money into a retirement account or otherwise saving for retirement</i>	38%
	<i>Maintaining life insurance coverage</i>	31%
	<i>Maintaining health insurance coverage</i>	55%
	<i>Maintaining disability income insurance coverage</i>	9%
	<i>Making a monthly budget and tracking expenses</i>	41%
	<i>Paying off debt and/or making debt payments</i>	58%
	<i>Other</i>	3%
	<i>Not applicable – my household isn't taking any action to improve or ensure its financial stability</i>	7%



Financial Resilience Index and Survey

ABOUT THE INDEX & SURVEY

The **Headline Index** measures the middle class's 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 December 2000 to September 2025 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 YouGov on behalf of ACLI from December 15 – 18, 2025, among 3,742 adults ages 18 and older. This report primarily presents the survey results for the 1,442 respondents from middle-class households—those earning \$50,000 to \$149,999 in annual household income. Upper-income households are those earning \$150,000 or more 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. *Last year's survey was fielded by a different survey partner, with minor wording and methodological differences between years. Directional changes and results between years are valid, ACLI cautions against overinterpreting percentage point changes from this year to last.*



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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	