
For many, marriage and lack of debt define 'middle class': LIMRA study

By Editorial Staff *Wed, Mar 22, 2017*

Oddly, 81% of the upper class, as defined by Pew Research, describe themselves as middle class, according to a survey by LIMRA and Maddock Douglas.

The 68% of consumers who identify as “middle class” feel it is getting harder to be able to live a middle class lifestyle, according to a new report from LIMRA and Maddock Douglas, a consulting firm based in Elmhurst, Illinois.

“The majority of consumers believe they are in the middle class, including 81% of those who would be categorized as upper class (as defined by Pew Research),” said Scott Kallenbach, director LIMRA Strategic Research. “There in 10 self-identified middle class consumers say they are living paycheck-to-paycheck and fewer than half believe the ‘American Dream’ is alive.”

Eight in 10 middle class consumers have concerns of becoming seriously ill. Seven in ten worry that being injured; incurring an unplanned home expense; or significant financial loss could undermine their future. Three in ten say they are living paycheck-to-paycheck and feel it is impossible for them to save for the future.

Consumers did not agree on the definition of a typical middle class lifestyle. Seven in 10 married people feel that being married is part of being a typical middle class household. While only 4 in 10 who are not married share this sentiment.

Being debt-free within 10 years is the biggest goal for the third of those surveyed who currently have debt. Among adults aged 26-34, four in 10 say they want to be debt-free within the next 10 years. Prior LIMRA research shows that 39% of Millennials have student loan debt.

Most middle class consumers dream of having a comfortable, fulfilling lifestyle in the future. Unfulfilled goals that they think would help them achieve this are: taking vacations (cited by 20%), owning a home (14%) and living a healthy lifestyle (14%).

In other findings:

- 30% of those surveyed said they don't expect to retire and more than half (52%) say they plan to work for pay in retirement.
- 65% feel they have few options regarding their career path choices. More than eight in

10 say they could not pursue other career interests without experiencing considerable financial worry.

- A third of middle class consumers are working with a financial professional.
- Almost three in 10 believe they will never have enough money for a financial professional to be interested in working with them, including nearly half of those who are working in retirement and four in 10 who do not plan to retire.
- 26% of middle class consumers use a financial advisor/planner, 12% use an advisor from a bank and 11% use an insurance agent/broker.
- One third of consumers who work with at least one financial professional feel that their advisor is not meeting all of their needs.
- 65% believe that budget management is the most common step that middle class consumers feel they need to take.
- 47% mentioned saving for retirement and 39% mentioned building an emergency fund as financial goals.

The study examined more than 2,500 consumers in the United States and Canada, ages 26-75 years old who identified themselves as 'middle class' and were the decision-makers in the household. The results were weighted to represent the general population.

© 2017 RIJ Publishing LLC. All rights reserved.