



TRAJECTORY

22

14 00 UNE PEINTURE PARLÉE
15 00 BEAUBOURG-LA-REINE: LES KELLERS
19 00 BEAUBOURG-LA-REINE: JULIE NICOLE ET SIR ALICE
20 00 TEATRINO PALERMO: INAUGURATION
20 30 GRANDE SALLE: ELMGREEN & DRAGET

23

14 00 UNE PEINTURE PARLÉE
16 00 BEAUBOURG-LA-REINE: LAURENT FRIQUET
ET MARIE-PIERRE BRÉBANT

OUVERTURE

The Optimism Index (GB)

Report: September 2019 | Fieldwork: 6th-8th September

UK Optimism
September 2019

45

Rolling Average
September 2019

50

Down 6 points on August 2019

Down 2 points on August 2019

Down 5 points on September 2018

Down 2 points on September 2018

Scale 0-100. A score of 50 or more indicates higher levels of optimism

Net spending expectations -17%

Spending expectations remain the same, despite the change in levels of optimism

Net household confidence -14%

Despite the fall in optimism, consumers remain more bullish regarding their own finances

Net Trust -20%

Significant fall in trust across all areas coincides with reduced optimism

Headlines

Comment

Well, summer was fun while it lasted. The Autumn brings with it far darker times for consumer sentiment and sees **The Optimism Index** plummet to its lowest ever score as pessimism about the future takes hold.

The headline – as ever – masks a little nuance and a huge amount of divergence between different groups of consumers. The differences this month are partly along the usual demographic lines – women, Gen Y and those outside the South East are all feeling the negativity more – but are also heavily driven by our Brexit identity.

Leavers have been consistently more positive than Remainers throughout 2019 but over the summer the gap between them was narrow. News of prorogation, the Benn Act and No Deal Brexit preparations have bolstered Leavers – who climb to 60 – while dismaying Remainers, who drop to a paltry 31.

Never has that gap been so wide: no other events in the Brexit saga – and there have been a few – have had such an impact on public attitudes as those in the last few weeks.

The Optimism Index: Headlines

- This month's edition of **The Optimism Index** reports a 6-point drop in optimism, taking the index firmly into negative territory and representing the single biggest month-on-month decline witnessed in the tracker. At 45, September's score is also the lowest recorded since the index began in January 2018.
- The fieldwork for this month's data took place during an exceptionally politically charged period – even for our epochal political context. At the end of August, Parliament was ordered to be prorogued from early September to mid-October. Seen by some as an attempt to stymie Brexit scrutiny, opposition parties quickly passed legislation appearing to rule out No-Deal, while challenges to the order were begun in the courts. The government, meanwhile, continued to insist that Brexit will happen – whatever happens – on October 31st.
- Only 20% of consumers pay a high degree of attention to politics, but the nature of these events combined with the strength of individuals' Brexit identity, makes this a key factor influencing the national mood this month.

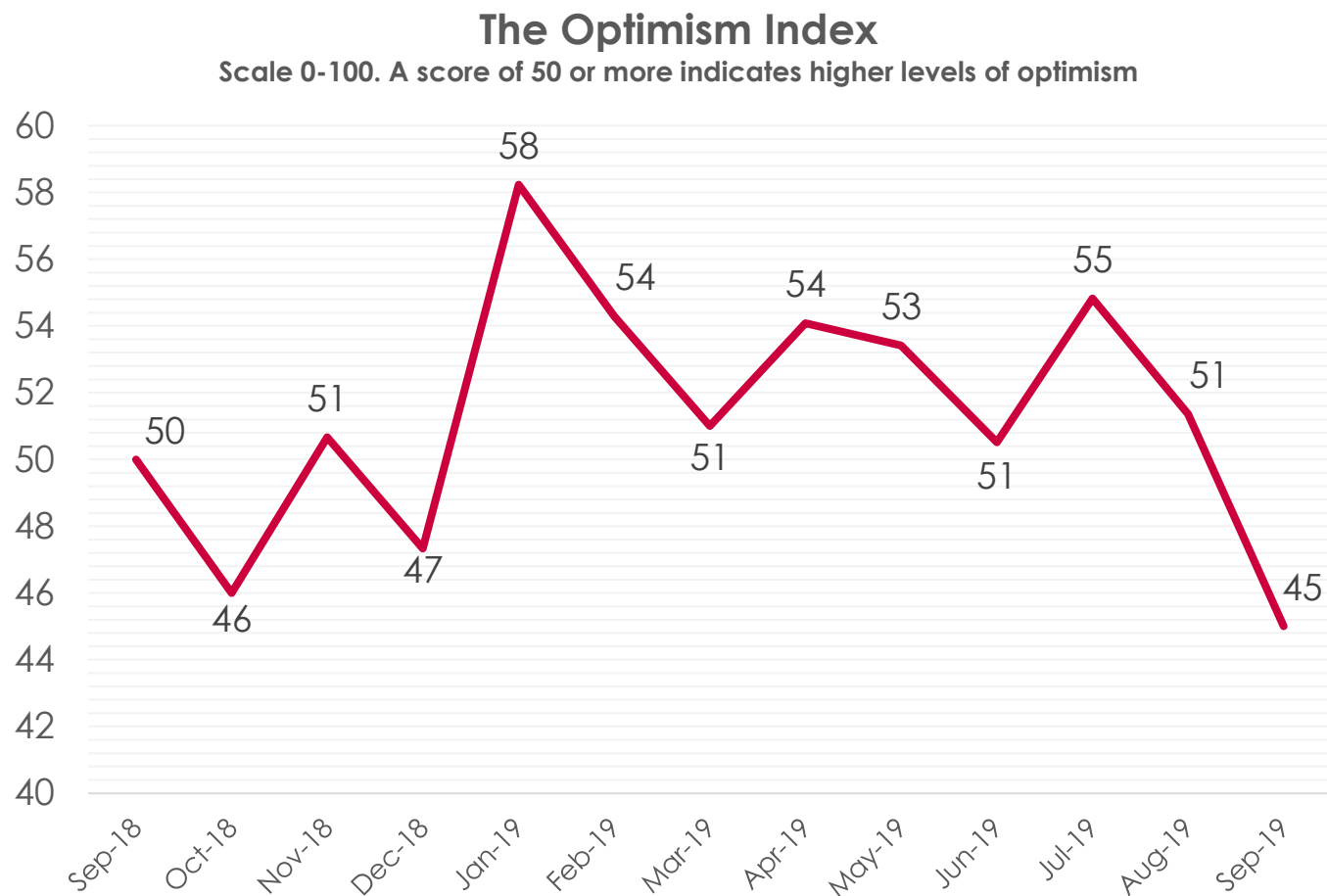


Chart labels are rounded to whole numbers, but *The Optimism Index* is rounded to one decimal place

The Optimism Index: Rolling Average

- The political context will not have been the only driver, however, as the rolling average reveals a longer term and possibly seasonal element to consumer optimism.
- The low score this month – an all time low for the Optimism Index – takes the three-month rolling average down to 50, continuing a downward trend seen since the Spring and cancelling out the summertime optimism of July. Autumn has arrived, bringing with it greater pessimism about the future.
- A similar decline from high-summer positivity was evident this time last year; suggesting a seasonal element to the consumer mood that may be independent from the political turmoil. September brings with it both colder weather and shorter days, as well as a back to school or work feeling that can make the summer holidays seem a distant memory. With that in mind, consumers may not have needed the goings-on at Westminster to feel dreary.

The Optimism Index, 3 Month Rolling Average
Scale 0-100. A score of 50 or more indicates higher levels of optimism

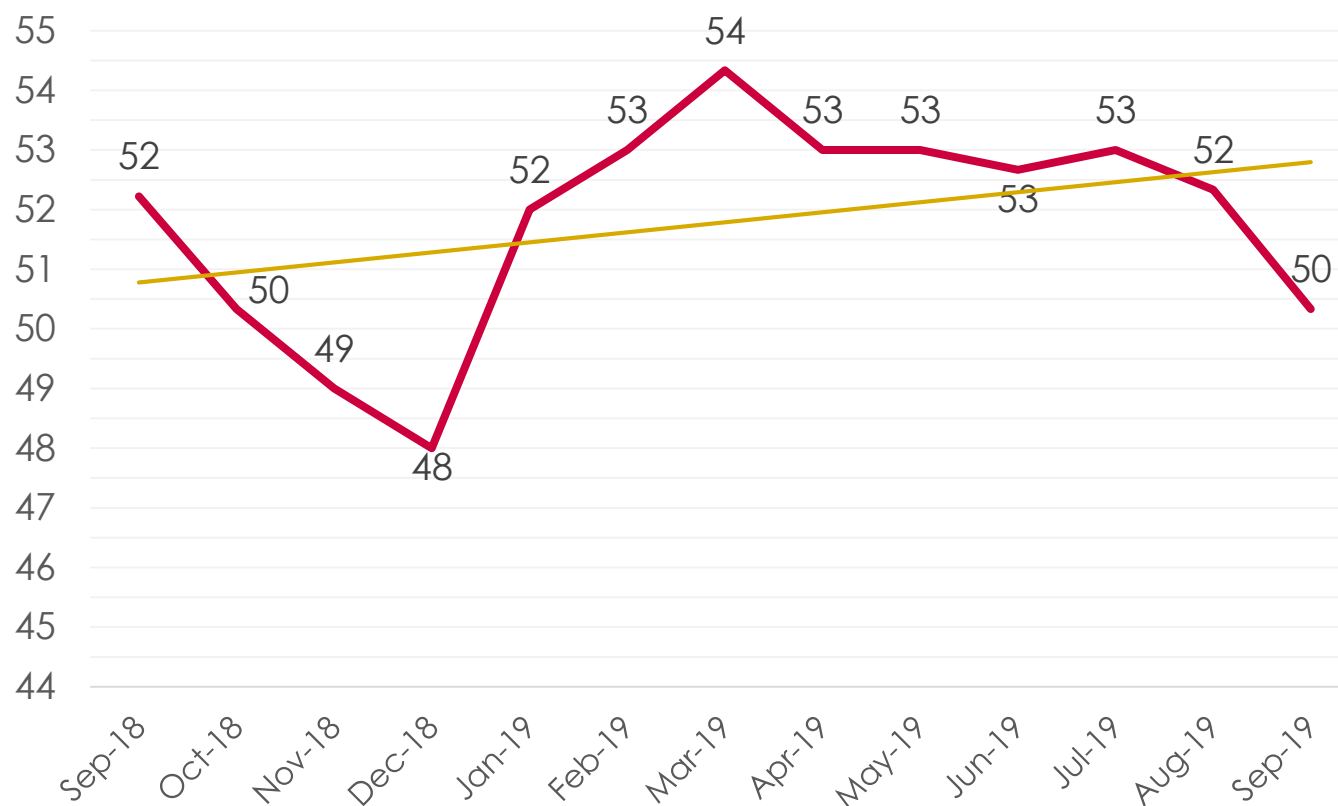


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The Brexit Lens

- This month, we cannot ignore the impact of political events – and especially the Brexit saga – on optimism. Cutting the data by Brexit vote reveals that this month there is a remarkable divergence in mood between those that voted leave and those that voted remain in 2016.
- Remain voters were already likely to be less optimistic than leave voters, but the gap had narrowed considerably at the beginning of the summer. Since June, however, leave voters have been becoming steadily more optimistic – possibly driven by the Brexit deadline drifting closer while an apparently committed Brexiter is Prime Minister. This month, Leaver optimism is at 60 – its highest point since January.
- The big movement, however, and the main cause of decline this month, comes from Remainers. Optimism declined slightly in August but has since plummeted to a remarkable 31. Remain voters are decidedly pessimistic about their future – apparently placing little faith in political remedy in the next few months.

The Optimism Index by Brexit Vote
Scale 0-100. A score of 50 or more indicates higher levels of optimism

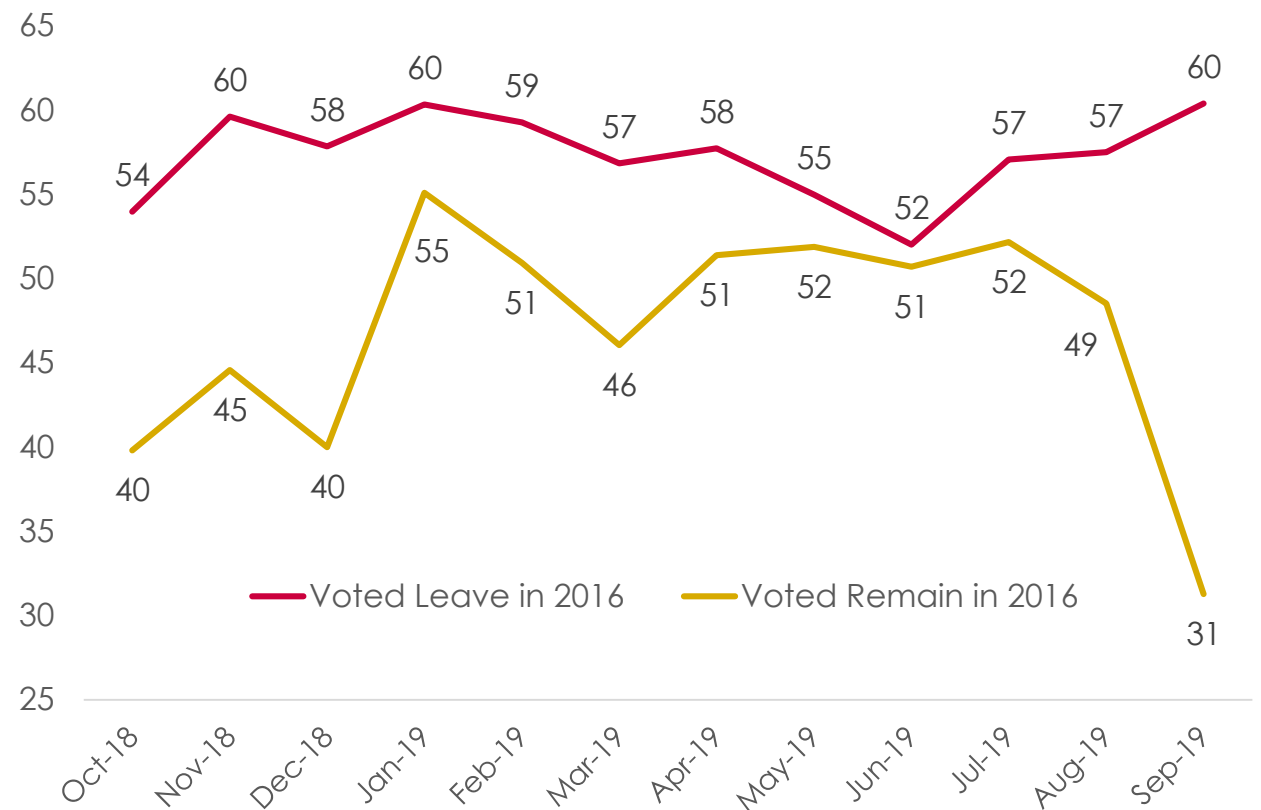


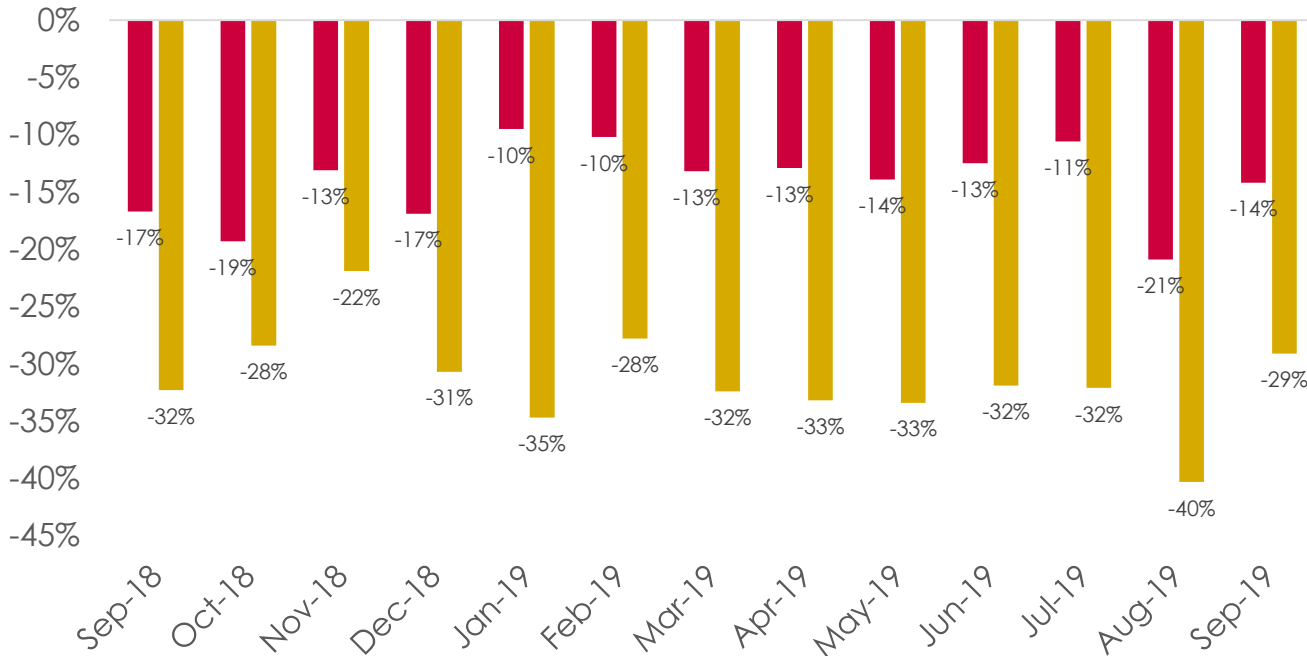
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Financial & Economic Drivers

- The political turmoil and a welcome break from the daily grind during the summer holidays have combined to bring slightly positive news when it comes to consumer confidence.
- Although still decidedly negative, this month consumers are less likely to expect either the national economy or their own personal finances to decline over the next year. Indeed, net national consumer confidence is, at -29%, at its highest point since February this year. The outlook is still murky, but perhaps clearing for some.
- There has also been a more modest increase in household financial confidence, moving from -21% in August to -14% in September. This appears a more stubborn indicator than views on the economy; net household confidence has not been above -10% all year, and only below -17% on two occasions.

Financial & Economic Drivers;
(Net: % thinking will improve minus % thinking will get worse)

- Net confidence in household financial situation
- Net confidence in national economic situation

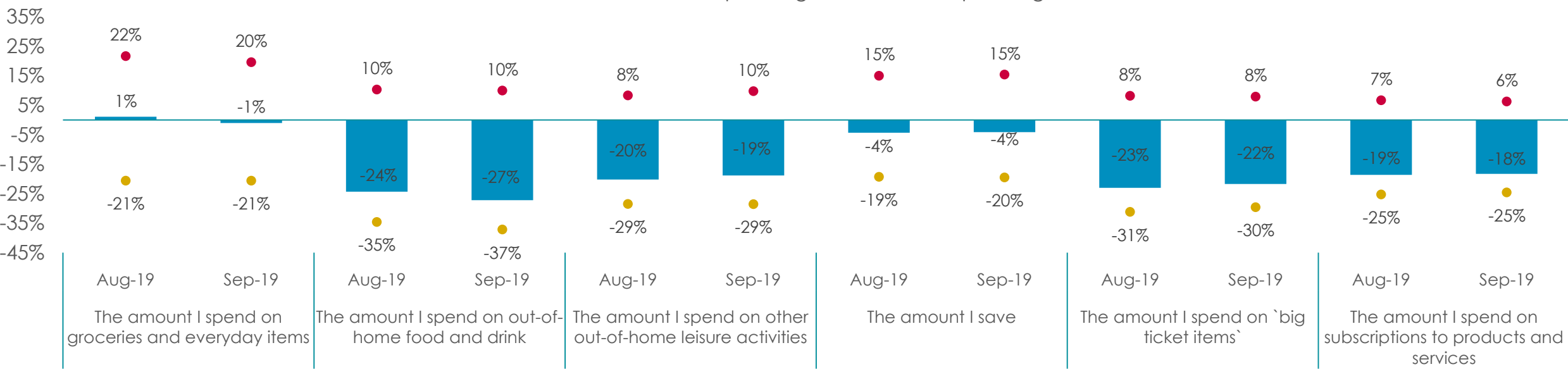


Implications for Spending

Anticipated Change in Spend

“Over the next few months, how will you change the following?”
(Net, Total Increase and Total Decrease)

■ Net ● Increase spending ● Decrease spending



- Any economic positivity should be short-lived; despite some improvements in consumer confidence there is no sign of consumers loosening the purse strings. Spending plans are remarkably consistent month on month, particularly at net level. Lower optimism is clearly more impactful than rising consumer confidence in driving spending behaviour.
- Sometimes, however, no change can be a good thing. As we head towards colder months there is currently no anticipation from consumers to change spending patterns that can be strongly seasonal – for example, out of home leisure.

Gender

- September sees the return of the Gender Optimism Gap, with a sharp, 9 point fall in optimism among women (compared to a 2 point fall for men) restoring the trend evident since the start of the monitor in 2018. August was only the second occasion in the last year in which optimism among women was higher than men.
- The data does not consistently reveal stark differences in sentiment between men and women, only the extent to which different trends are being felt. For example, there has been a significant decline in trust in businesses, politicians and the media since last month; this is visible amongst both men and women, but the drop has been even more pronounced among women.
- However, there are some areas in which the difference between the sexes is more pronounced. Men, for example, are more likely this month to see themselves as global citizens and more likely to think that life is better today than it was 50 years ago. Among women, the opposite is true – those indicators are both lower this month compared to August.

The Optimism Index by Gender
Scale 0-100. A score of 50 or more indicates higher levels of optimism

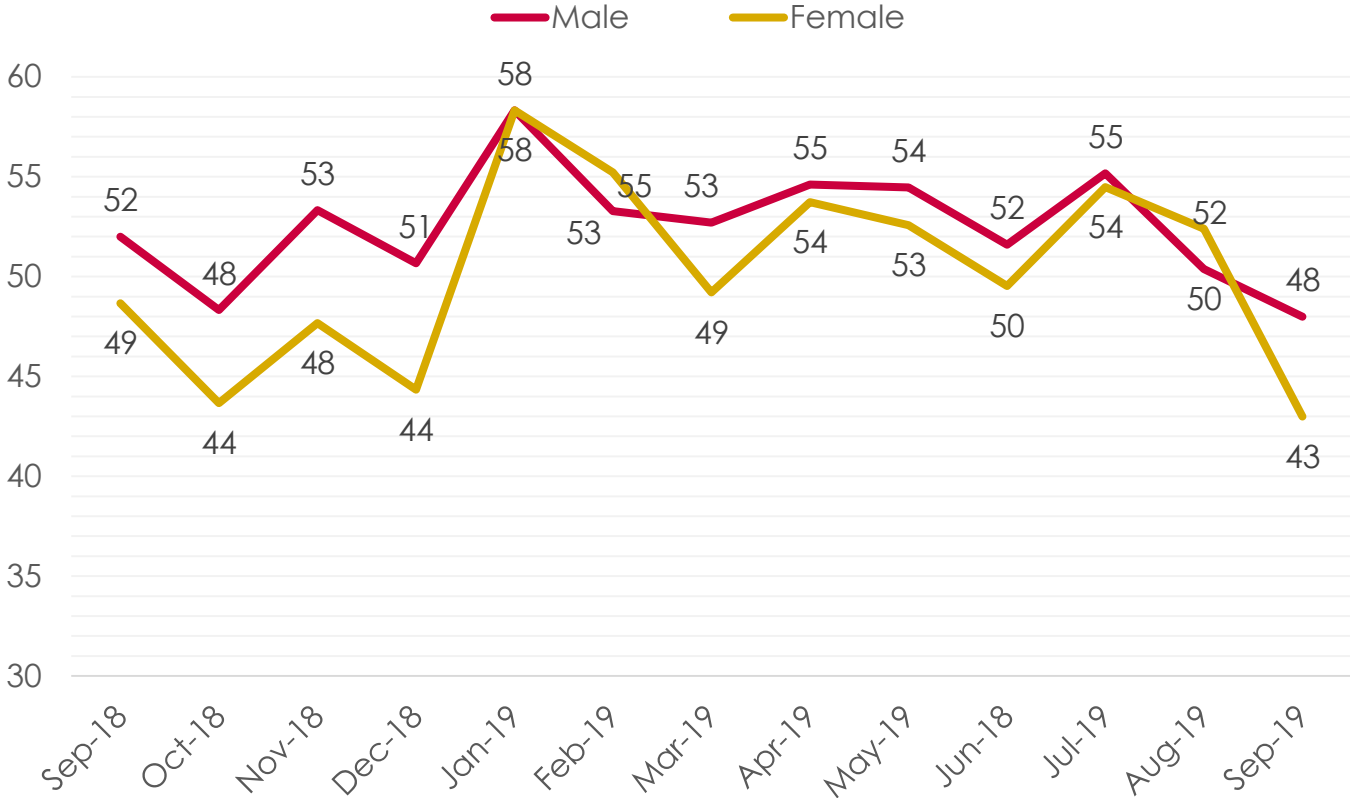


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Generation

- In terms of age, there is a very consistent story from September's data. Optimism has declined for every generation: the only difference is the extent of the damage.
- The biggest drop is amongst Gen Y – the generation, along with Gen Z, most likely to have voted remain in 2016 – who have greeted the end of summer and the heightening of Westminster conflict in poor spirits. Optimism for Millennials has dropped 13 points in a month and 18 points since July.
- Gen X and the Baby Boomers follow a similar trajectory but are moving at a more graceful speed. Just like the Gen Ys, September marks the second consecutive month of decline for these generations, with Gen X moving from 52 in August to 45 now, and the Baby Boomers from 54 to 47 in the same period.

The Optimism Index by Generation

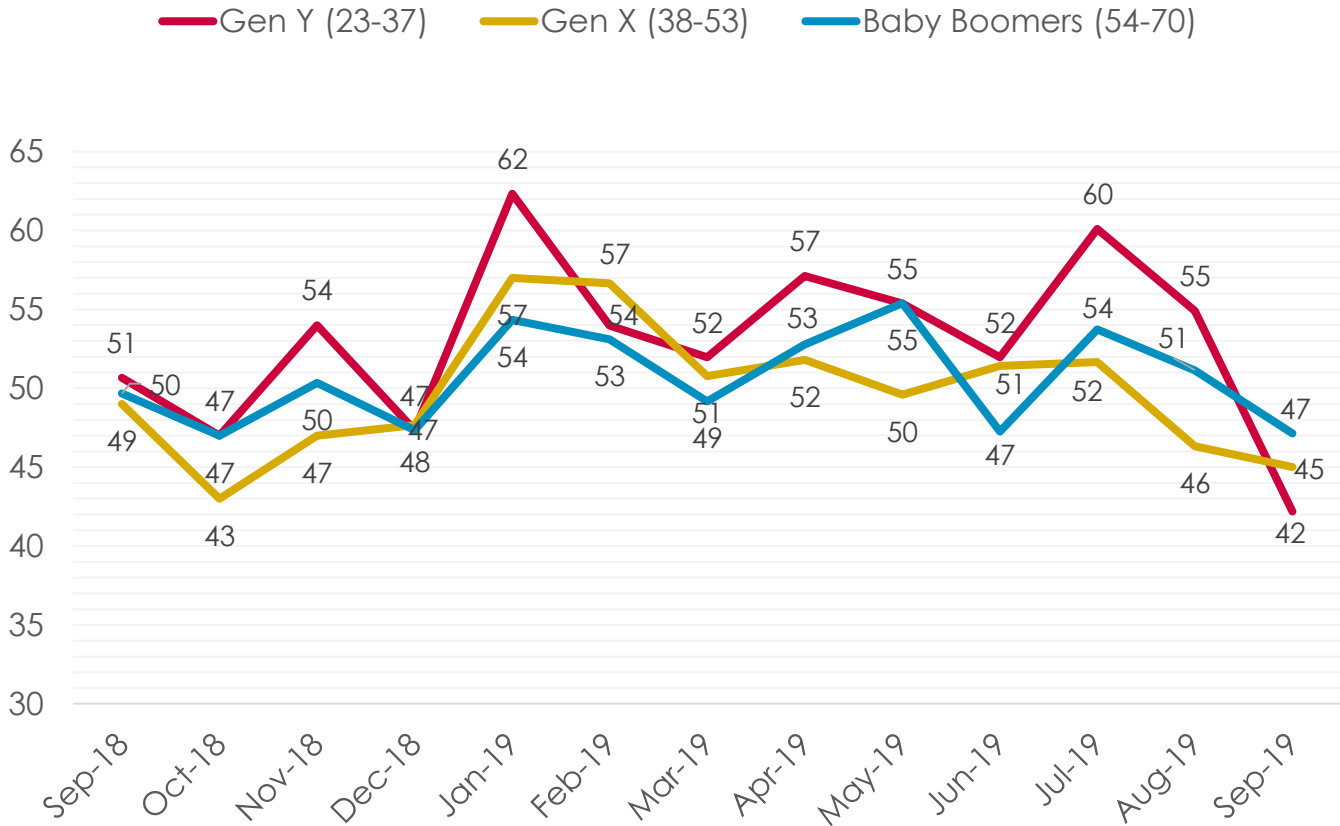


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Region

- The gap between London and the South East and the Rest of GB remains an infallible trend in the data: at no point since the index began in January 2018 have those outside London and the South East been more optimistic than those inside it.
- Usually the difference is only minor, but this month breaks new ground. A 3 point drop for London and the South East is dwarfed by the 7 point drop elsewhere.
- A key driver for this difference lies in the varying levels of consumer confidence. In the capital, at both a household finance and national economic level, net confidence has improved significantly. In line with the wider data, confidence has improved slightly in other parts of the country, but not nearly to the same extent.

The Optimism Index by Region
Scale 0-100. A score of 50 or more indicates higher levels of optimism

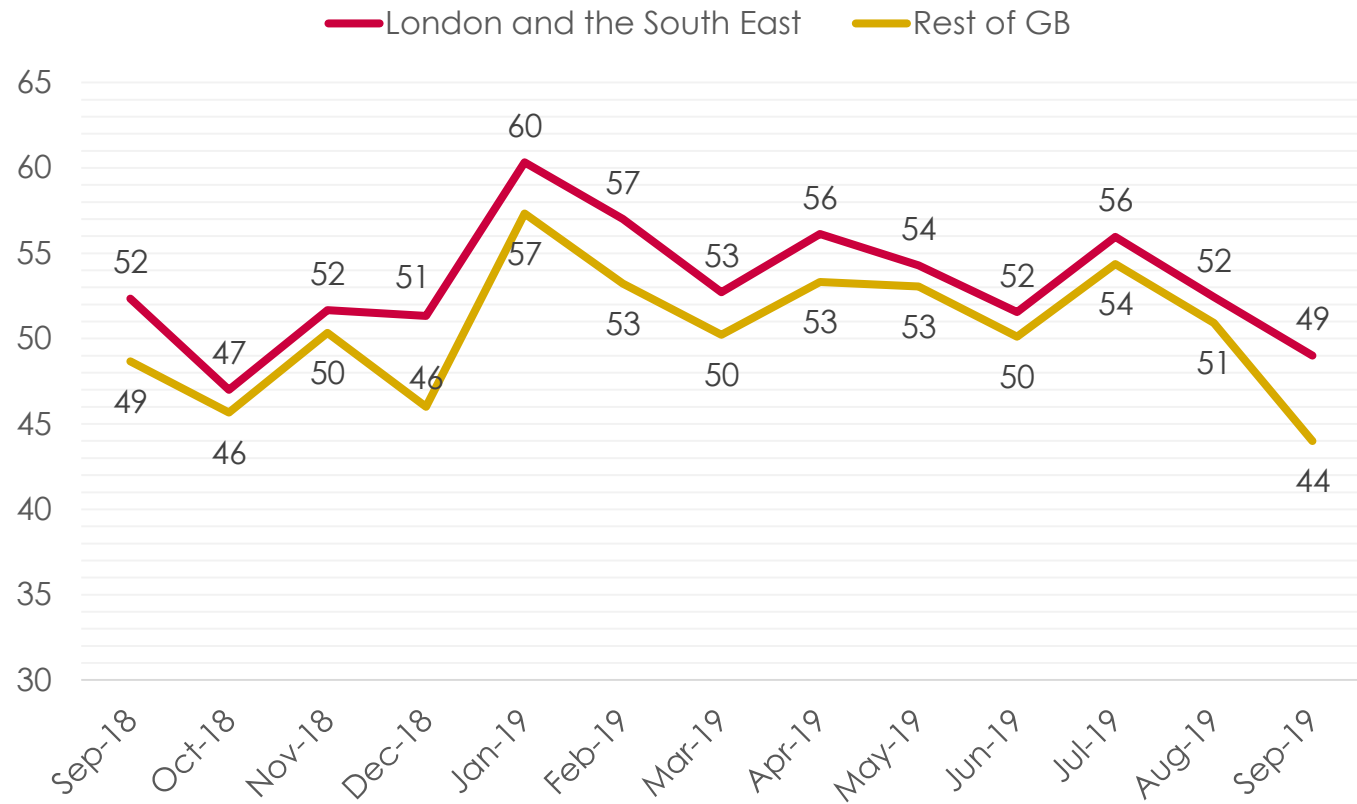


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Income

- September is the third month of decline in all income brackets, with particularly large falls among those earning more than £21k. In these bands, the month on month drop has been between 6-8 points.
- Middle earners (those whose household income is between £21k and £41k) have been particularly affected by falls in consumer confidence. Net household confidence has dropped from -16% in August to -19% this month, while economic confidence has fallen from -34% to -35% in the same period.
- The drop among middle-earning households (£21k-£41k) has seen them take the bottom spot in terms of overall optimism. This is been possible because the drop among the lowest earners (3 points, from 49 to 46) has been more modest than other groups. Those earning less than £21k did not enjoy the summertime boosts in optimism or confidence as much as other bands – and correspondingly are not suffering the return to earth either.

The Optimism Index by Income (annual, pre tax household income)

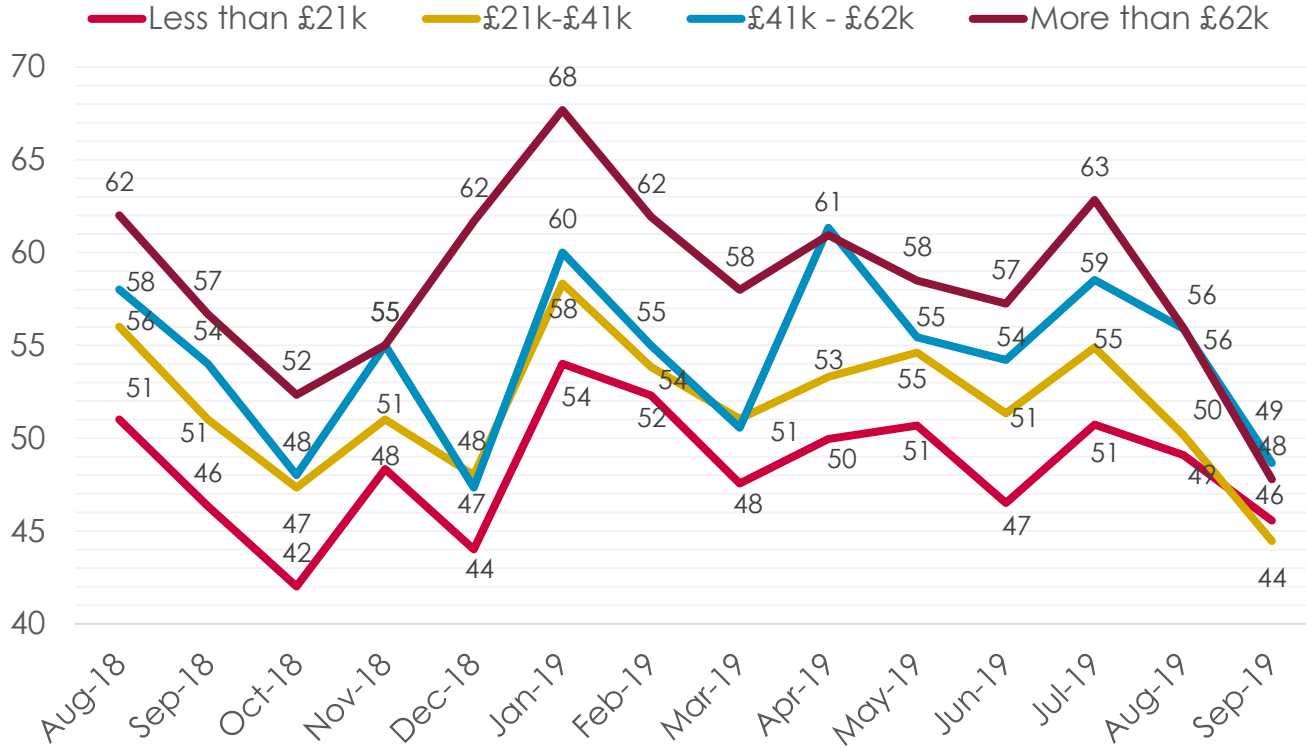


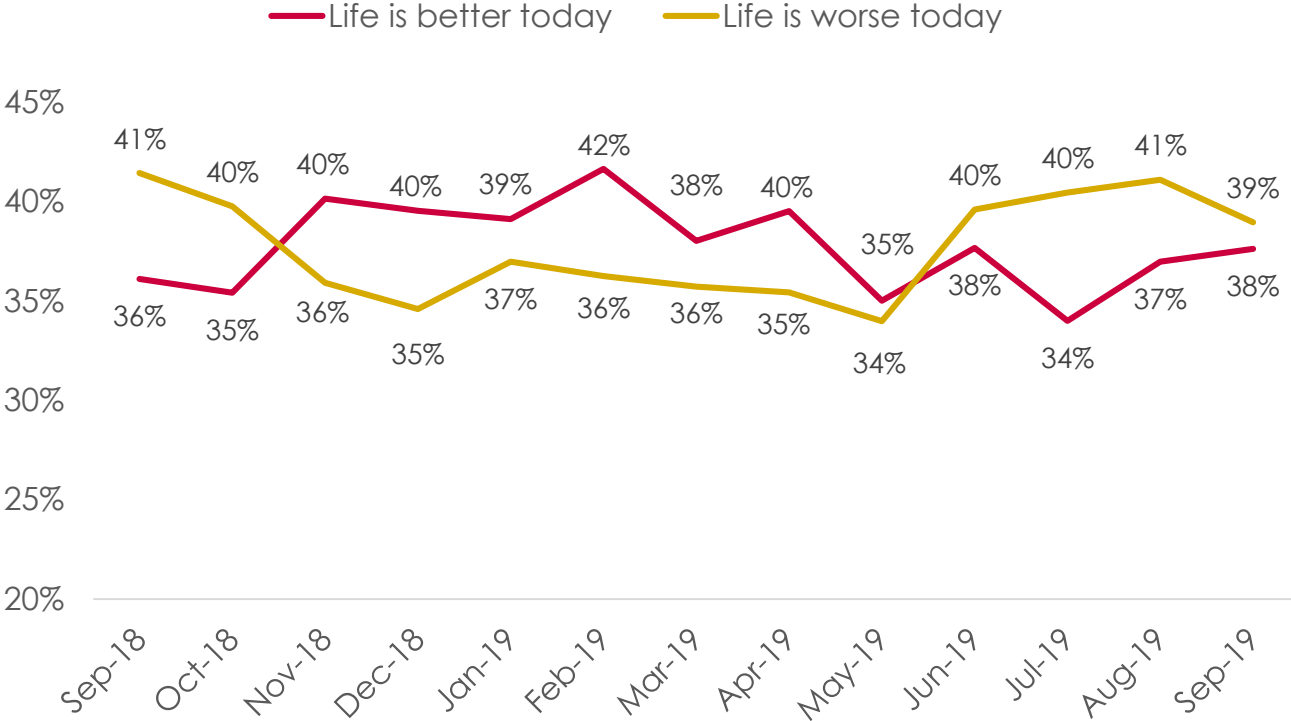
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Nostalgia

- Each month we ask consumers whether or not life today is better, worse or about the same as it was for people like them 50 years ago. Their judgement – informed more by subjective assessments of the present than rational assessments of the past – is volatile, with the balance changing each month.
- September marks the fourth consecutive month in which nostalgia has been the dominant sentiment among GB consumers, although there has been a slight fall in the proportion believing that life is worse today than it was 50 years ago – from 41% to 39% month on month.
- Nostalgia is strongly linked to trust – how much we trust figures of authority, like politicians, businesses and the media drives the extent to which we feel nostalgic or positive about the present and future. This month, trust has dropped notably, by 3% for business leaders, 8% for social media, 11% for Television and 13% for politicians. It should be no surprise, therefore, that we see people continue to yearn for a sepia-tinged yesterday.

In general, would you say life in the UK today is better, worse, or about the same as it was 50 years ago for people like you?



TRAJECTORY

Each month Trajectory survey up to 2000 adults in the UK on a range of issues including consumer confidence, personal choice and control, social trust, opportunities in technology, optimism and their place in the world.

This data is analysed and produces The Optimism Index. The data presented here is a snapshot of the full data, which can be used for bespoke analyses on request – including time-series analysis (from 2011 onwards) and global comparisons.

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