



TRAJECTORY

OUVERTURE

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-JERRE BRÉBANT

The Optimism Index (GB)

Report: November 2019 | Fieldwork: 6th – 9th November

UK Optimism
November 2019

48

Down 3 Points on October 2019
Down 3 Points on November 2018

Rolling Average
November 2019

48

Down 1 Point on October 2019
Down 1 Point on November 2018

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

Net spending
expectations

-21%

Spending expectations are hit hard, with consumers anticipating a tightening of the belts over the coming months

Net household
confidence

-15%

Consumers remain stubborn regarding confidence in their own finances

Net Trust

-19%

Trust has grown significantly this month, particularly in regard to business leaders and politicians

Headlines

Comment

Having foundered in September and bounced back in October, consumer optimism has declined in November, with **The Optimism Index** dropping below 50 points for the second time in three months.

Whatever would have boosted consumer optimism this month, it appears that the announcement of a Christmas election, was not the answer, with consumers given yet another difficult choice to make ahead of the festive period; what do I buy my husband for Christmas, who does the best festive sandwich, Pret or M&S, and who do I want running the country?

The election, among other political events, has seen the gap in levels of optimism between Remain and Leave voters widen significantly in recent months, but it does appear that whatever consumers' differences, they are unified in their economic preparations for the holidays and the buying of gifts, food and drink, and nights out, with belt-tightening and a cutting back on leisure spending evident in this month's anticipated spending data.



The Optimism Index: Headlines

- This month's edition of **The Optimism Index** sees the score fall below 50 for the second time in three months. Optimism fell three points this in November, reaching 48.
- Optimism has only fallen below 50 twice in 2019, but with both instances taking place in the last three months, low levels of optimism risk becoming entrenched in the British consumer psyche. From January to November, Optimism has declined by 10 points, from 58 to 48, and while it has fluctuated in this time, **The Optimism Index** has exceeded 51 just once since June.
- Fieldwork for this month took place following a period of significant political uncertainty; since October's fieldwork took place the Government has – reluctantly – seen the deadline for the UK's departure from the EU delayed until January 31st, with MPs voting in favour of a general election scheduled for December 12th. The prospect of the third election in less than five years has done nothing to stem the long-term decline in consumer optimism.

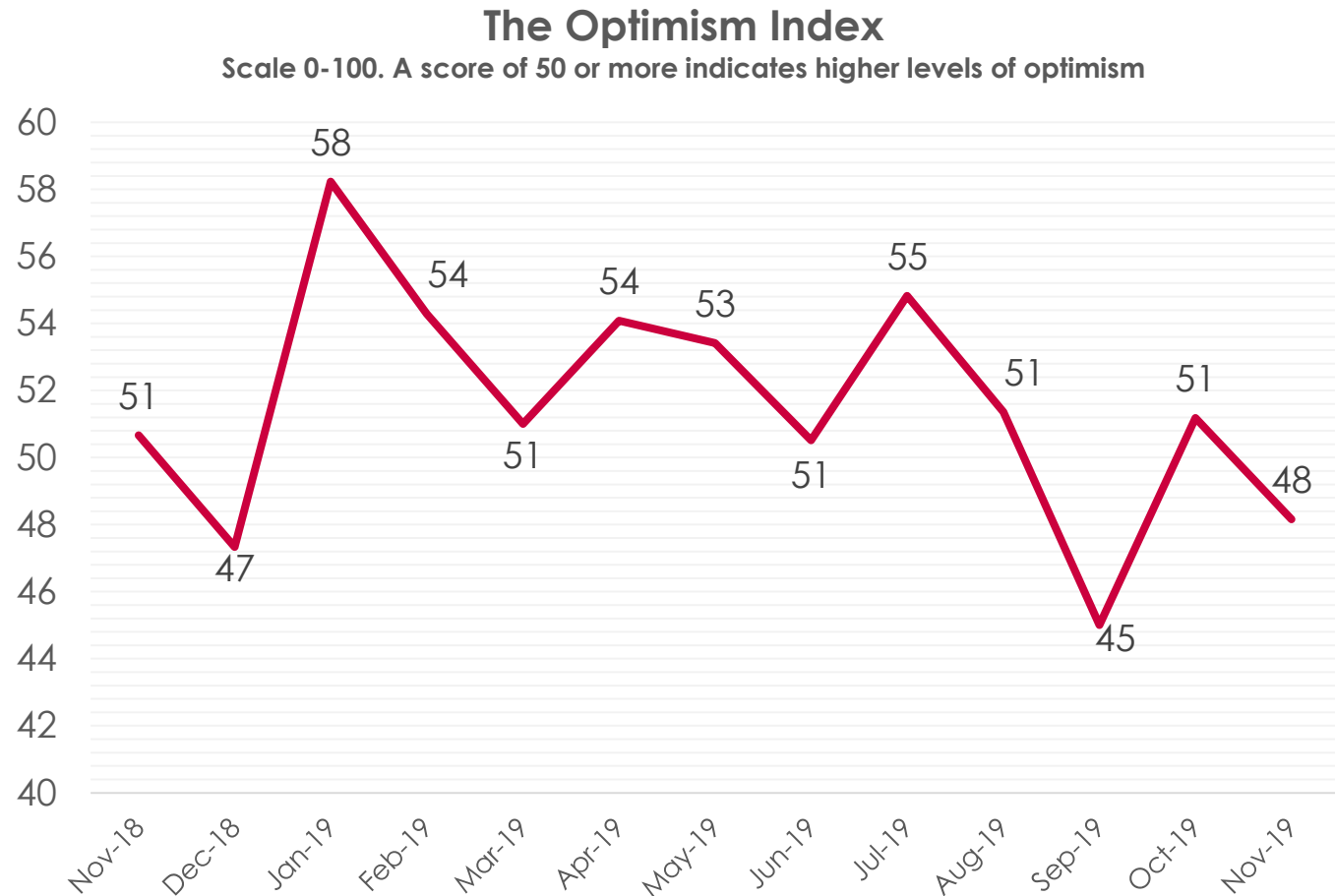


Chart labels are rounded to whole numbers, but *The Optimism Index* is rounded to one decimal place

The Optimism Index: Rolling Average

- The three month rolling average of optimism reached 48 this month as the impacts of two months of low optimism levels in September and November took their toll. This is the joint-lowest score ever recorded in **The Optimism Index**.
- The decrease in the index score to 48 represents a fifth consecutive month in which the three month rolling average has fallen, with long-term optimism equalling the score of December 2018. Last year, optimism fell toward the end of the year before rebounding in January, but with Brexit due to take place on January 31st, 2019 could be a more volatile year for British consumers.
- This time last year, consumers were reflecting on the Chancellor Phillip Hammond's assessment that the era of austerity was finally "coming to an end", but consumers can be forgiven for embracing a recessionary mindset with the UK narrowly avoiding recession, high street stalwart Mothercare collapsing into administration, and the announcement of the largest decrease in employment rates in four years.

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

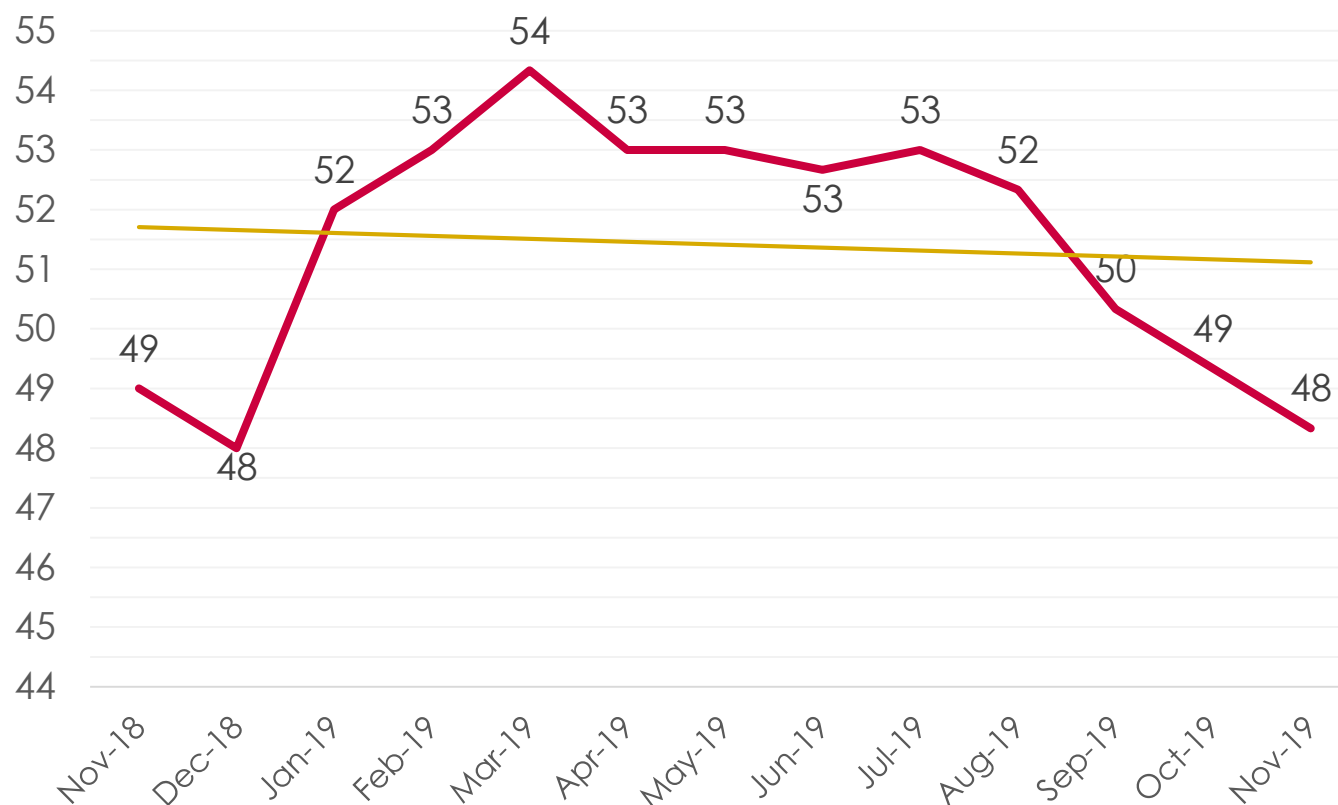


Chart labels are rounded to whole numbers, but *The Optimism Index* is rounded to one decimal place



The Brexit Gap Remains

- Despite having closed to within just four points of each other in the summer months, the difference in levels of long-term optimism among Leave and Remain voters has grown once again, with gaps of 18 and 17 points opening up between the optimism of Leavers and Remainers in October and November respectively. Long-term optimism levels fell among both Remain and Leave voters this month, but those who voted Leave remain significantly more optimistic.
- While long-term optimism among Leave and Remain voters converged in the Summer following a relatively quiet spring for politics, the election of Boris Johnson as leader of the Conservative Party in late July, advertising campaigns warning consumers to prepare for Brexit on the 31st of October, and another series of high profile votes in the House of Commons have seen the gap in optimism between Remainers and Leavers widen again .
- This disparity also extends to levels of financial and economic confidence, with Leave voters significantly more confident about their financial situations than Remain voters.

The Optimism Index by Brexit Vote [3 Month Rolling Average]
Scale 0-100. A score of 50 or more indicates higher levels of optimism

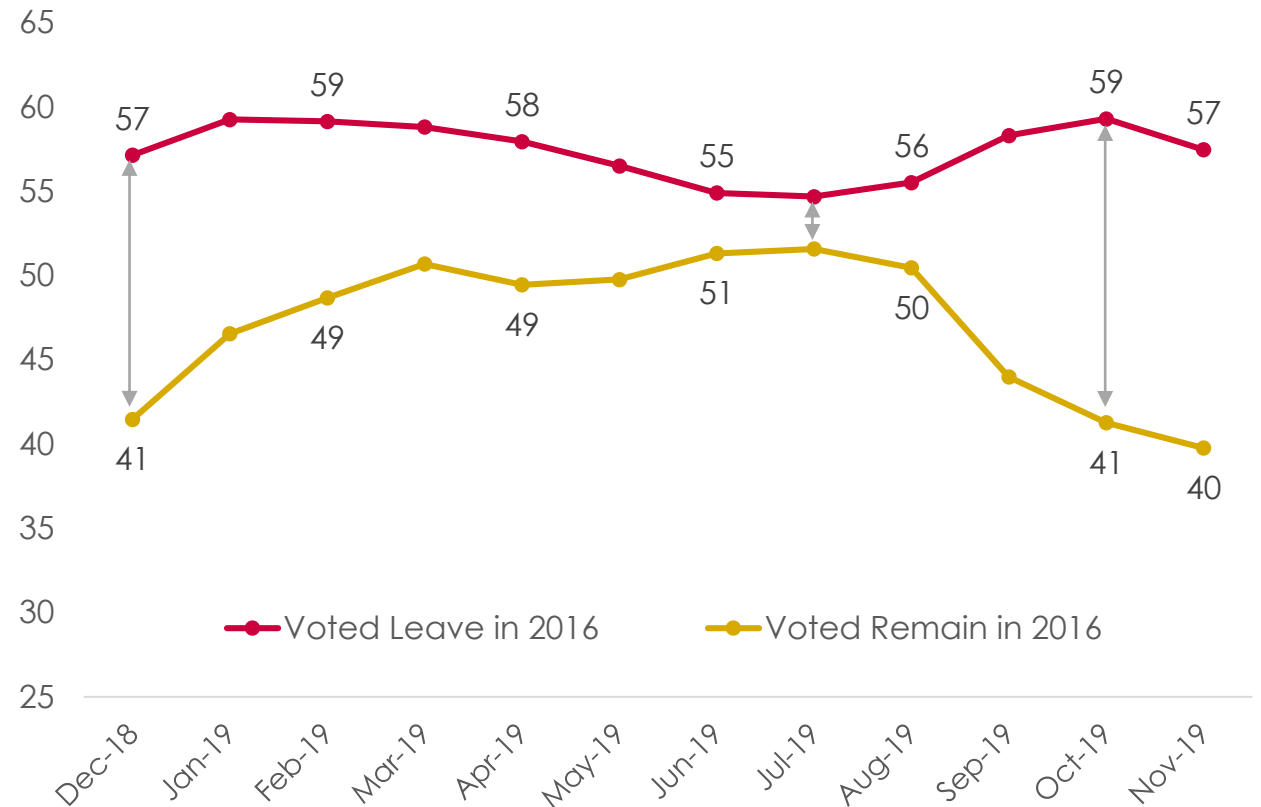
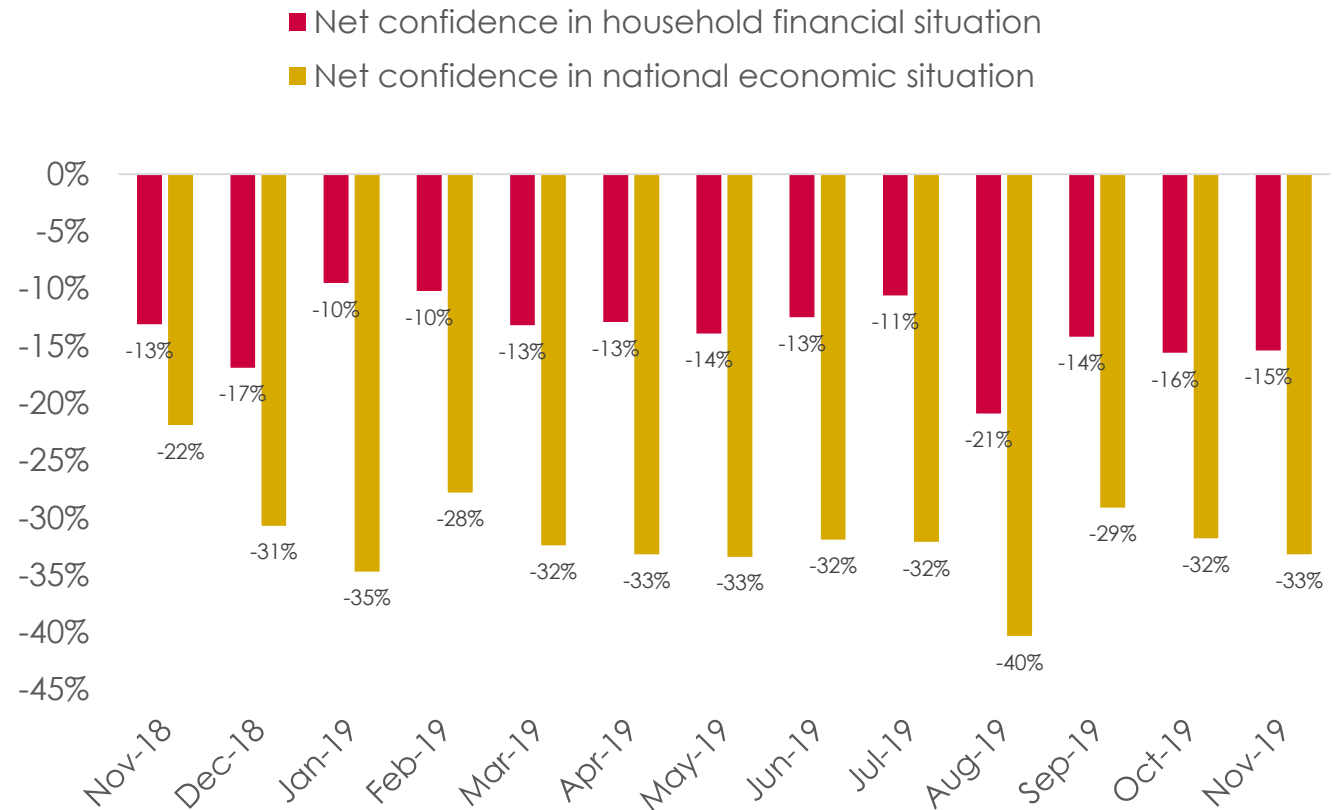


Chart labels are rounded to whole numbers, but *The Optimism Index* is rounded to one decimal place

Financial & Economic Drivers

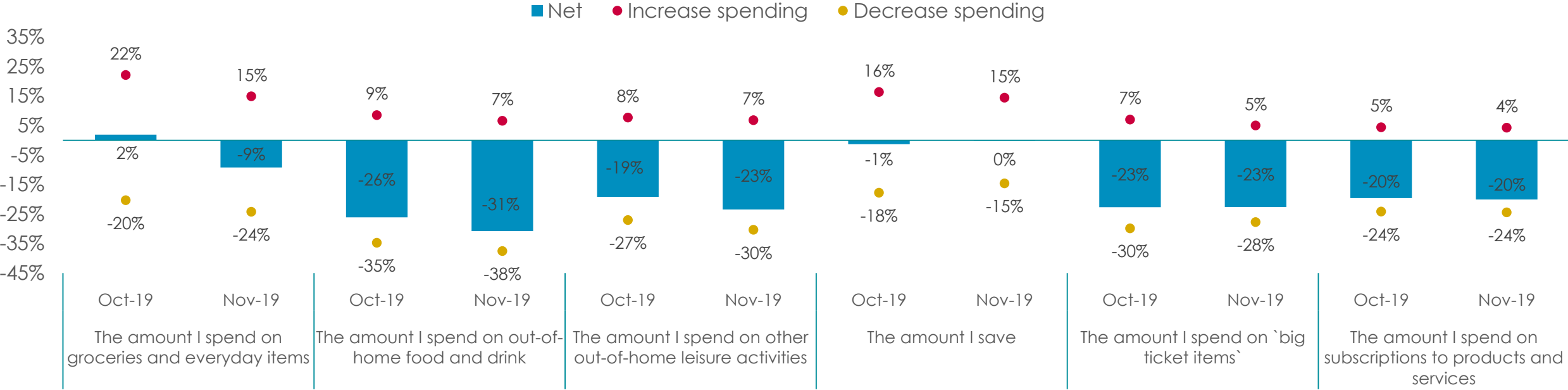
- There has been little change in the levels of financial and household confidence of consumers in Great Britain. Net confidence in household finances has improved slightly – growing by 1% - while net confidence in the national economy has fallen by 1% to -33%.
- Poor economic confidence is remarkably entrenched among British consumers. From February to November, net confidence in the economy has typically ranged between -28% and -33%; falling outside this range just once, in August, when net confidence fell to -40%.
- Year-on-year, while confidence in household financial situations remains similar, levels of confidence in the economy come in November 2018. Net economic confidence remained poor – at -22% – but consumer’s are significantly less bullish about the nation’s economic context this month than they were this time last year.

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



Implications for Spending

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



- Inflation surprisingly held firm this month, and while this should ease the pressure on hard-pressed households in the run-up to Christmas, there is clear evidence of festive belt-tightening among consumers in this month's report.
- One striking finding, however, is the decline in anticipated spending on groceries and everyday items this month. This is traditionally the most consistent area of spending, generally avoiding significant fluctuations from month to month, and could represent an acceleration of discretionary thrift among UK consumers as the budgeting moves past the skipping of nights out, and begins to affect decisions on grocery shopping. Keep an eye out for price-sensitivity and bargain hunting.



Gender

- Optimism fell among both men and women in November, with a more significant decrease in optimism among men seeing the *Gender Optimism Gap* close. Optimism fell by 5 points among men and 1 point among women, with both groups reaching a score of 48 points this month.
- Of particular concern to male respondents this month is their household financial outlooks, with net financial confidence falling to -12% among men. Women remain significantly less bullish about household finances than men, but there has at least been an easing in attitudes this month; net financial confidence among women rose by 3% from -22% to -19%.
- The growing financial concern among men has practical implications for spending. There has been a significant decline in anticipated spending among men in November with net anticipated spend on groceries and everyday items – the proportion who plan to increase spending minus the proportion who plan to reduce it – falling from 7% in October to -8% in November. Net anticipated spend among women fell by just 4% month-on-month.

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

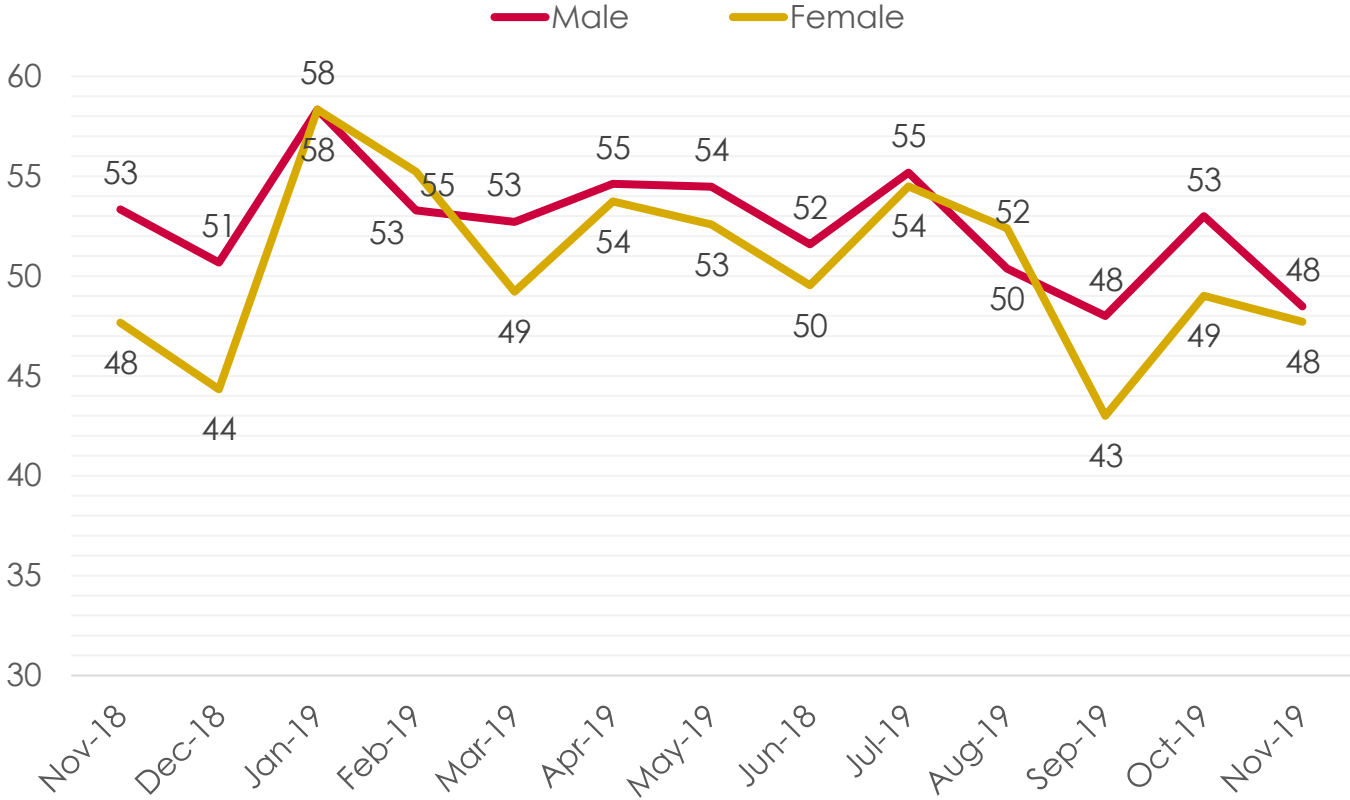


Chart labels are rounded to whole numbers, but *The Optimism Index* is rounded to one decimal place



Generation

- Optimism amongst all 3 generational groups has fallen this month. Generation Y report the most significant decline in outlook, with optimism falling from 54 to 47 from October to November. Generation X and the Baby Boomers reported declines in optimism of 3 points and 1 point respectively.
- The decline in optimism among Gen Y this month is driven by a significant fall in household financial confidence; net confidence fell by 15% among Gen Y this month, reaching -18%. Despite this fall, Gen Y, alongside Gen X, remain more confident about their household finances than the Baby Boomers, but the gap has closed, and optimism among generational groups has converged.
- A general election is looming, and this could be the source of dampened optimism among young consumers. Among our sample, 34% of Gen Y respondents would vote Labour in an election, and with the party's polling figures paint a bleak picture, it's no wonder that Gen Y have experienced a drop in optimism this month.

The Optimism Index by Generation

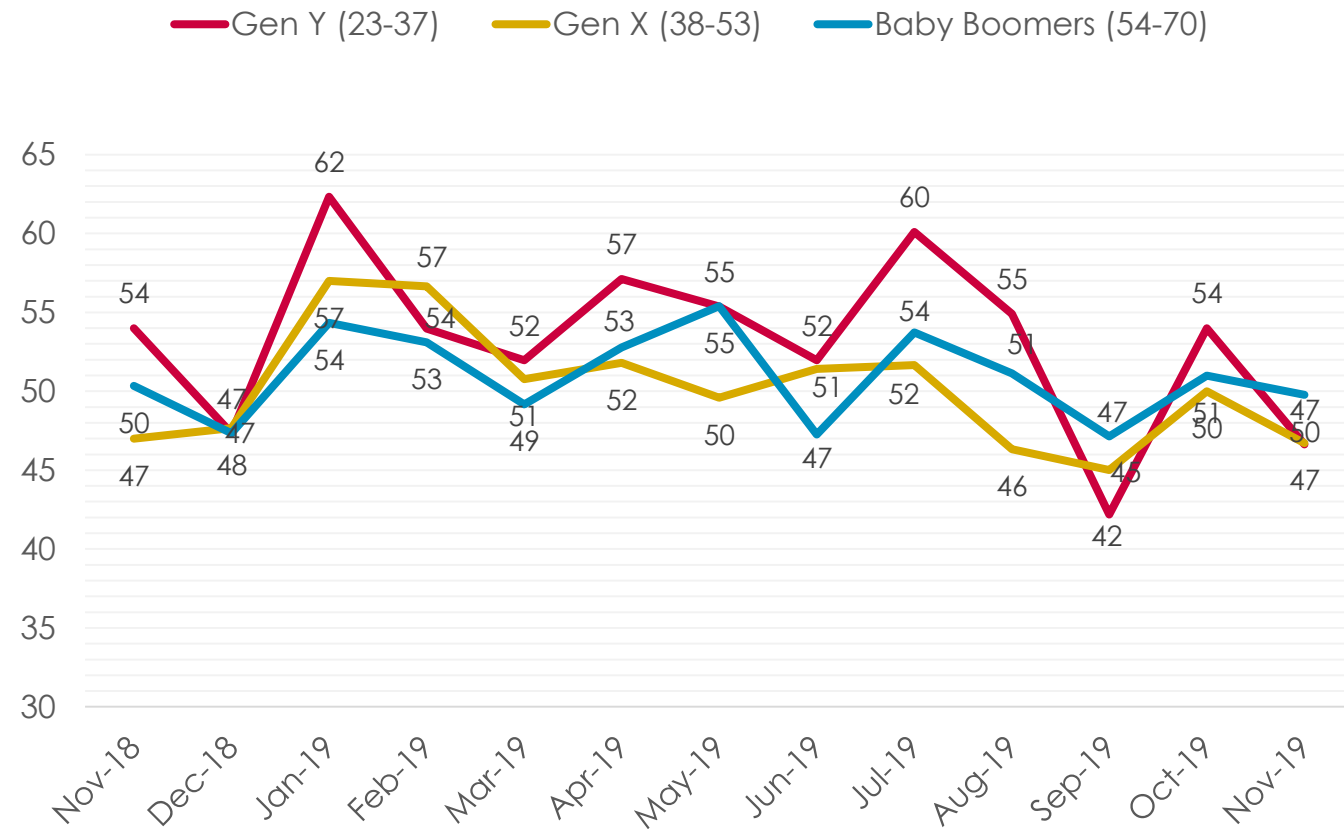


Chart labels are rounded to whole numbers, but *The Optimism Index* is rounded to one decimal place

Region

- Optimism fell by 3 points across Great Britain in November, but the entrenched regional divide between those in London and the South East and those in the Rest of GB remains. Both London and the South East and the Rest of GB experienced 3 point declines in optimism, reaching 50 points and 47 points respectively.
- London and the South East is often associated with different experiences, attitudes and beliefs compared to the rest of the UK, but this month shows that there are more similarities than you might expect when it comes to how consumers in the respective regions react to news and current affairs; in both regions there have been small losses of trust amongst business leaders, politicians and different forms of media, as well as a drop in expected spending on out of home leisure.
- However, while there are similarities in how consumers react – with optimism rising and falling in similar ways to the same stimulus – in the long-term the gap in optimism has widened since August and the Rest of GB have never reported higher levels of optimism than London and the South East.

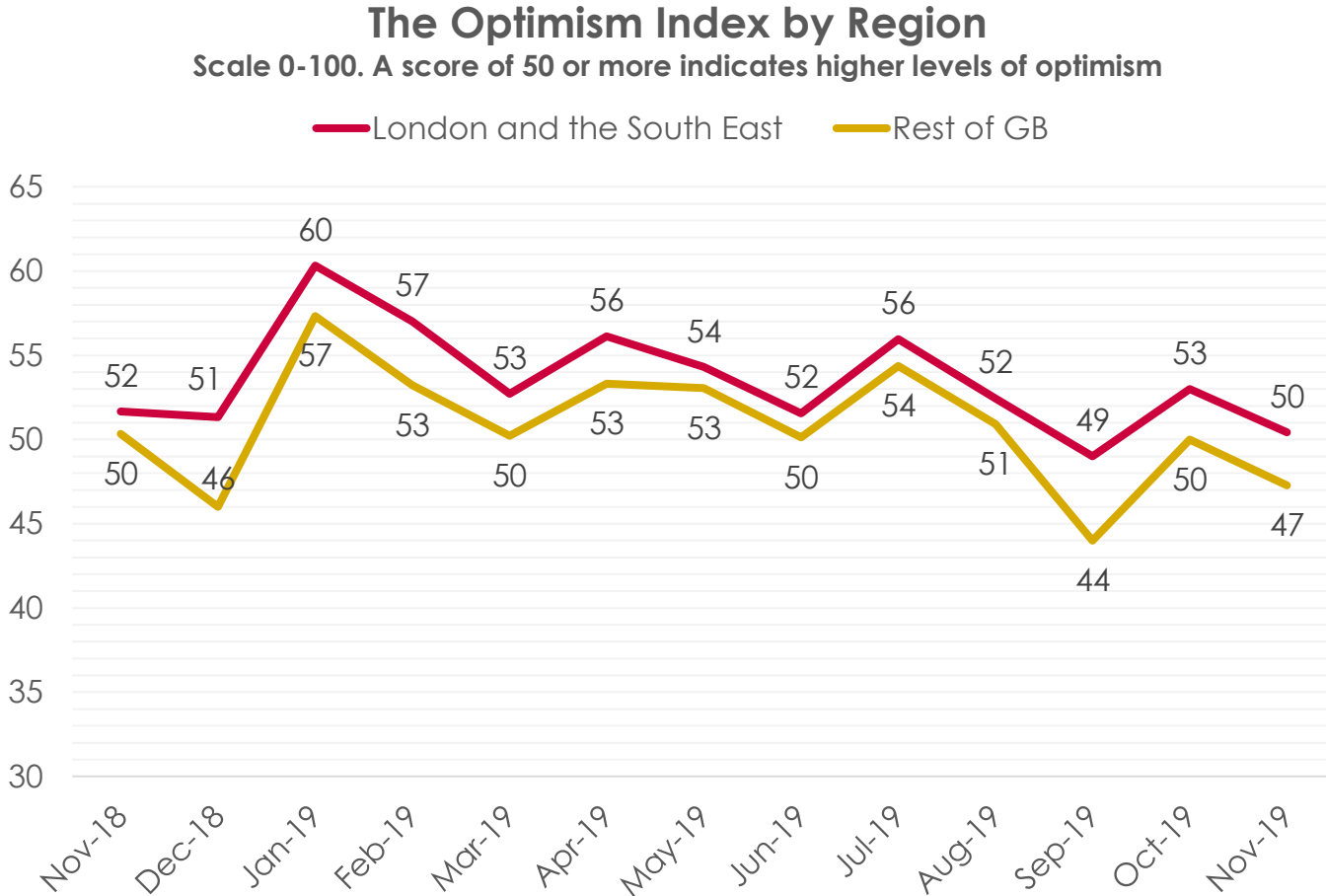


Chart labels are rounded to whole numbers, but *The Optimism Index* is rounded to one decimal place



Income

- Optimism has fallen across income groups, with the most pronounced decline in optimism found among those earning more than £62k; optimism among this group fell by 7 points, reaching a score of 52. For the second month in succession, and the fifth time in seven months, the more you earn, there is a direct relationship between income and optimism; the more you earn, the more optimistic you are.
- The security provided by high incomes has a significant role to play in the continued optimism of those earning more than £62k. Optimism is markedly lower among Remain voters than it is among Leave voters, but high earners – just a third of whom voted to leave the EU in this month’s sample – continue to be the most optimistic demographic group surveyed in **The Optimism Index**. High earners who voted to Remain might not be getting their own way when it comes to EU membership, but financial resources contribute to an insulation of optimism.
- And just as high incomes insulate high levels of optimism, low incomes see it depressed; in every month of **The Optimism Index** with the exception of September 2019, those earning less than £21k have been the least optimistic income group.

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

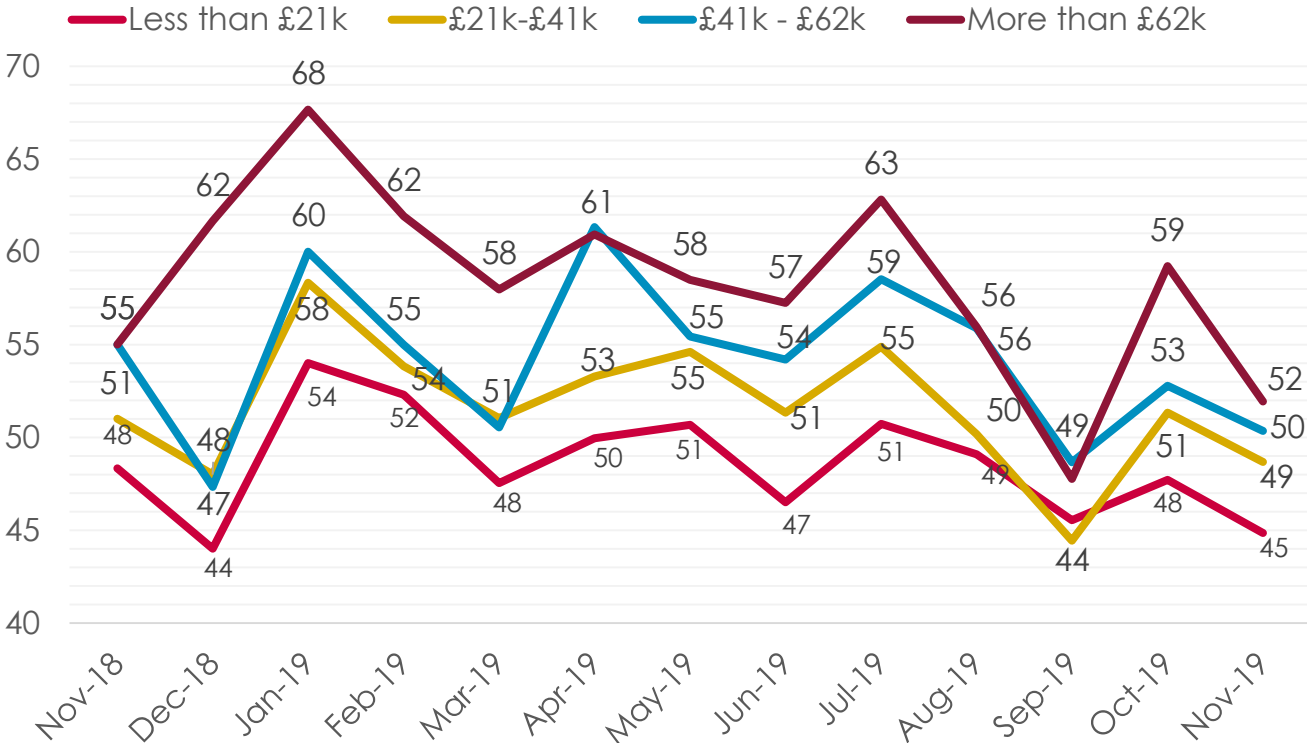
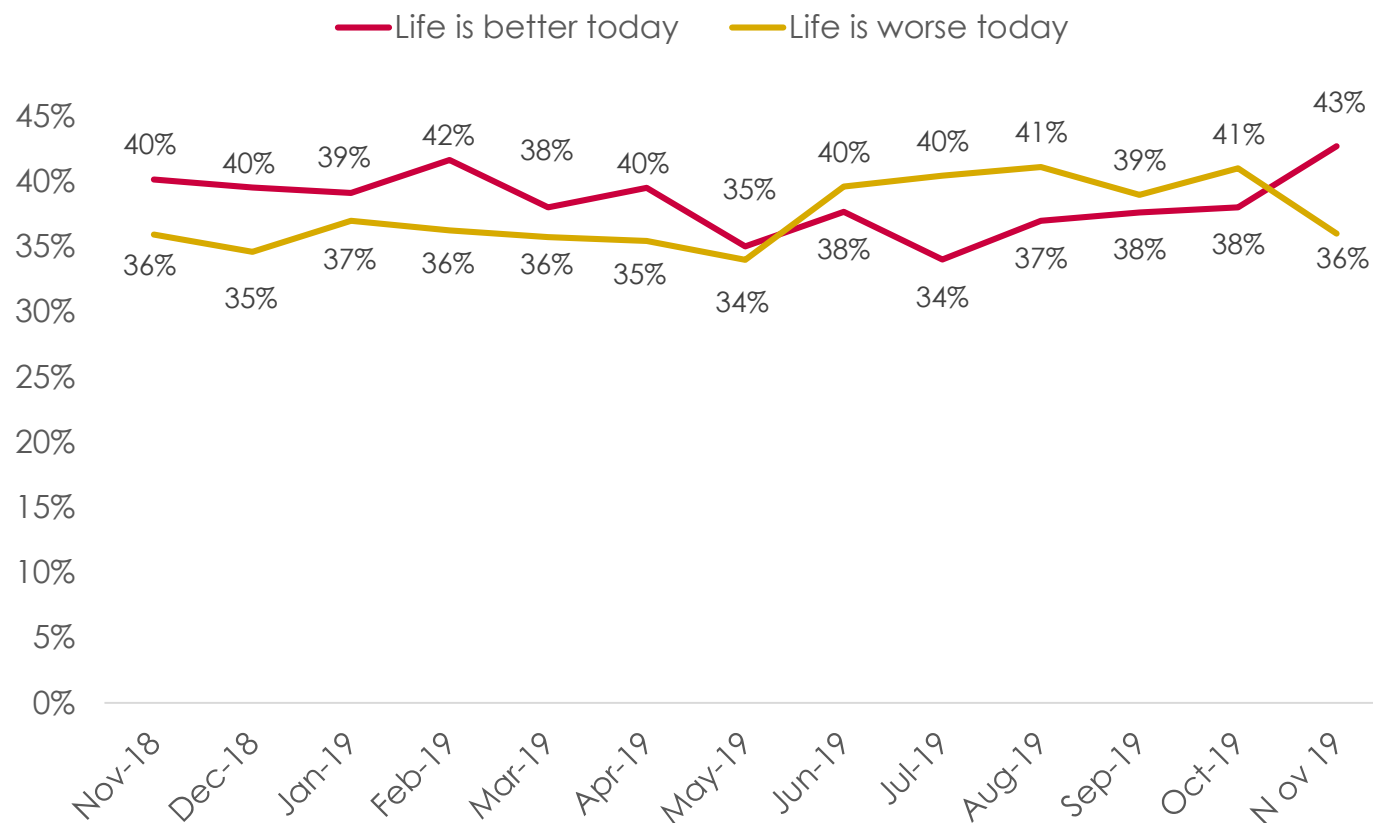


Chart labels are rounded to whole numbers, but The Optimism Index is rounded to one decimal place

November's Nostalgia Check

- Optimism has fallen by three points this month and long-term levels of optimism are very low, however, November has seen a five point increase in the extent to which individuals feel that life in the UK is better than it was 50 years ago for people like them.
- Political uncertainty, and the fear of the potential negative economic implications of departing the EU remain, however, this does remain a relatively peaceful time in the UK. November has seen the extent to which individuals feel the world is a more dangerous place fall by 1%, and in the days before the fieldwork was carried out, the UK terrorism threat was reduced from 'severe' to 'substantial' for the first time since 2014.
- Shifts in perspective on the past and the present could also be driven by the emphasis on remembrance that comes with Armistice Day and the Poppy Appeal, with individuals perhaps reminded that while things are uncertain now, they have been a lot worse in our history.

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.

Enquiries: signal@trajectorypartnership.com

Trajectory
22 Upper Ground, London, SE1 9PD
(0)20 8004 4861
www.trajectorypartnership.com
[@TrajectoryTweet](https://twitter.com/TrajectoryTweet)

