



# TRAJECTORY

22

14 00 UNE PEINTURE PARLÉE  
15 00 BEAUBOURG-LA-REINE: LES KELLERS  
19 00 BEAUBOURG-LA-REINE: JULIE NIC...  
20 00 TEATRINO PALERMO: INAUGURATI...  
20 30 GRANDE SALLE: ELMGREEN & DRA...

23

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

OUVERTURE

The Optimism Index (GB)

Report: June 2020 | Fieldwork: 9<sup>th</sup> – 16<sup>th</sup> June 2020

**UK Optimism  
June 2020**

**49**

Down 1 Point on May 2020

Down 2 Points on June 2019

**Rolling Average  
June 2020**

**50**

Down 2 Points on May 2020

Down 3 Points on June 2019

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

**Net spending  
expectations**

**-22%**

*Consumer spending expectations have seen a small but welcome boost*

**Net household  
confidence**

**-8%**

*Household financial confidence is improved this month, but still negative*

**Net Trust**

**-11%**

*Net trust has seen a small rise this month, most notably in business leaders*

# Headlines

## Comment

The restart is underway – non essential shops have reopened, social distancing under review, football is back and the ground is set for pubs, restaurants, hairdressers and everything else in between to reopen in the weeks ahead.

Has anyone told the consumers? Pictures of queues outside a few shops tell us more about the impact of capacity restrictions than about consumer demand. Overall sentiment is lower this month than at any point during the pandemic, in negative territory for the first time this year. Consumers are cautious and are not rushing back to spend.

Why the pessimism? Longer term economic concern is one reason – the storm clouds on horizon are gathering – and public concern about health risks is far more prevalent than government optimism about reopening the economy.

But the malaise evident this month is more about the UK returning to the battles – polarisation, declining trust, patchy optimism - that characterised consumer attitudes pre-Covid-19.

Pubs reopening can help with that – but won't fix it entirely.



# The Optimism Index: Headlines

- This month's edition of **The Optimism Index** sees consumer sentiment fall by one point from 50 to 49. A score of 49 sees sentiment continue its decline during the pandemic, with optimism now 7 points lower than it was in February (56 to 49).
- This pessimistic mindset appears to have become entrenched amongst consumers, with this being the third consecutive month in which a score of 50 or below is seen, with June also being the first occasion in six months that a score below 50 has occurred.
- A fall in consumer sentiment may come as a surprise to some this month, given the reopening of many shops and the first hints of a return to normality for the leisure industry. It appears however that the extent of the lockdown has begun to take its toll on consumers who, despite the green shoots for some businesses are still concerned about the health impacts of the pandemic and wary about the economic horizon too.

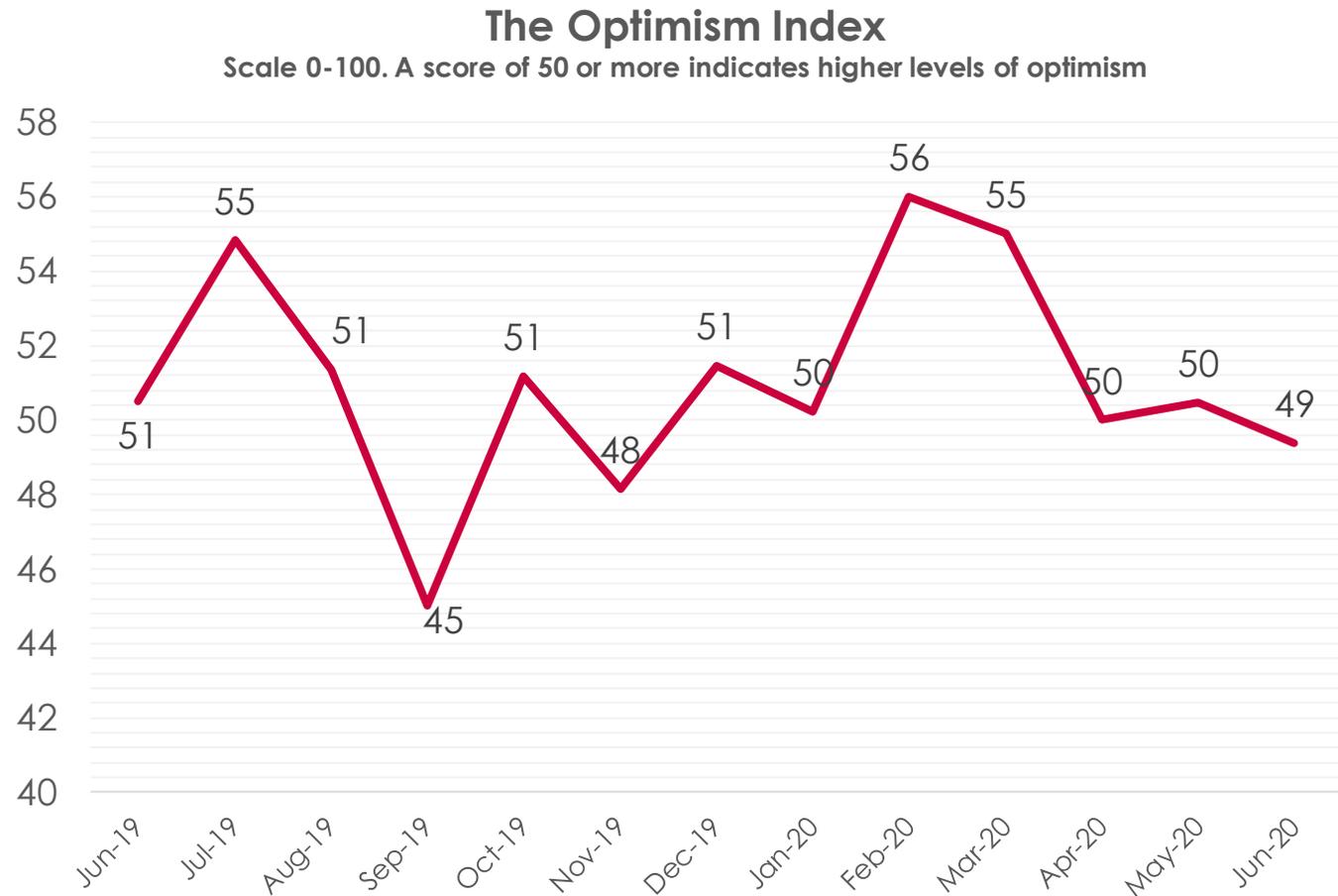


Chart labels are rounded to whole numbers, but *The Optimism Index* is rounded to one decimal place

# The Optimism Index: Rolling Average

- The three month rolling average of **The Optimism Index** fell by 2 points this month down from 52 to 50, with the recovery seen in the new year now having been fully erased, and with average optimism now floating around levels usually only reserved for the winter.
- Given that this period is often one of the most optimistic times of year, the steep decline over recent months should be raising alarm bells for businesses. Even the return of sporting events, reopening of shops and restaurants and a loosening of restrictions has not prevented consumers from maintaining a pessimistic mindset. Although the second half of June has seen queues on the high street, these are not an accurate representation of consumer sentiment – many are still highly cautious.
- Typically, the Autumn sees a decline in optimism. With sentiment already lower than usual for the summer, the prospects for this year seem particularly bleak. With social distancing still likely to be enforced for many months ahead, shops will continue to struggle to see enough footfall to maintain pre-lockdown sales numbers, and large numbers of businesses face having to lay-off staff when the furlough scheme ends in a few months time.

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

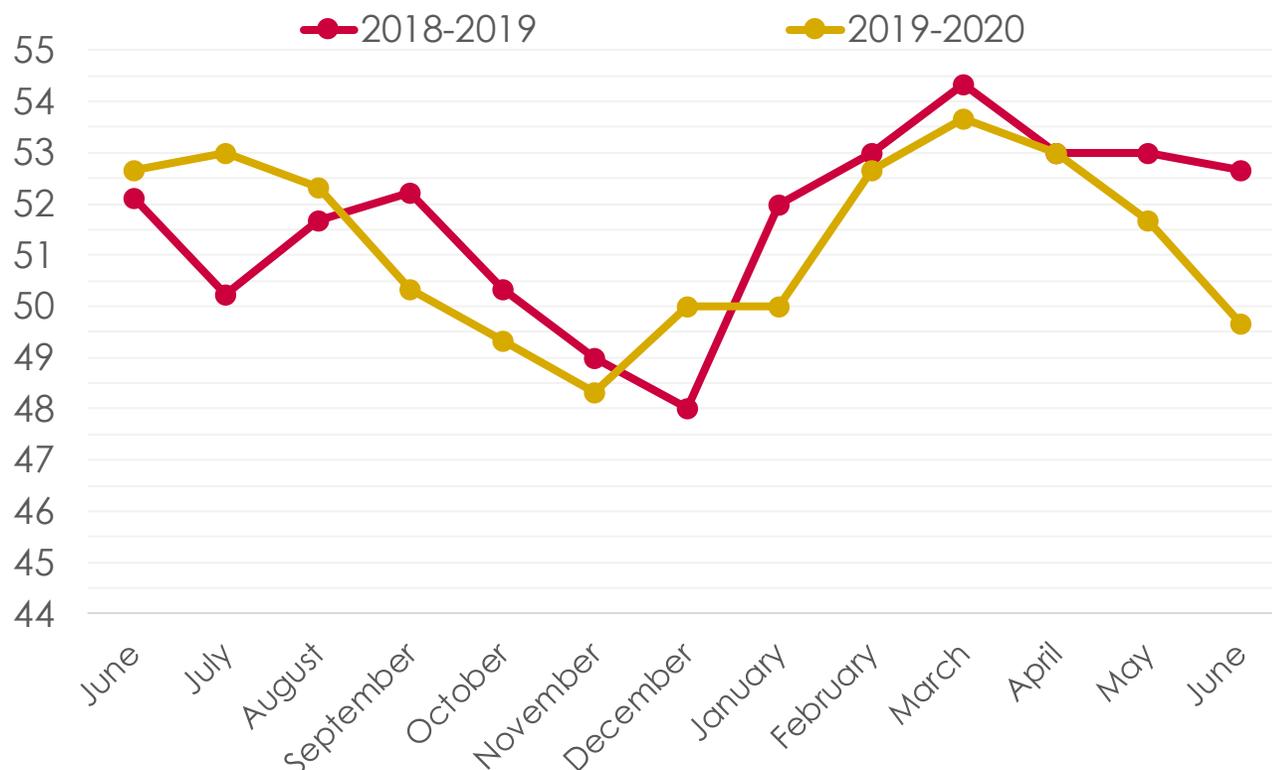
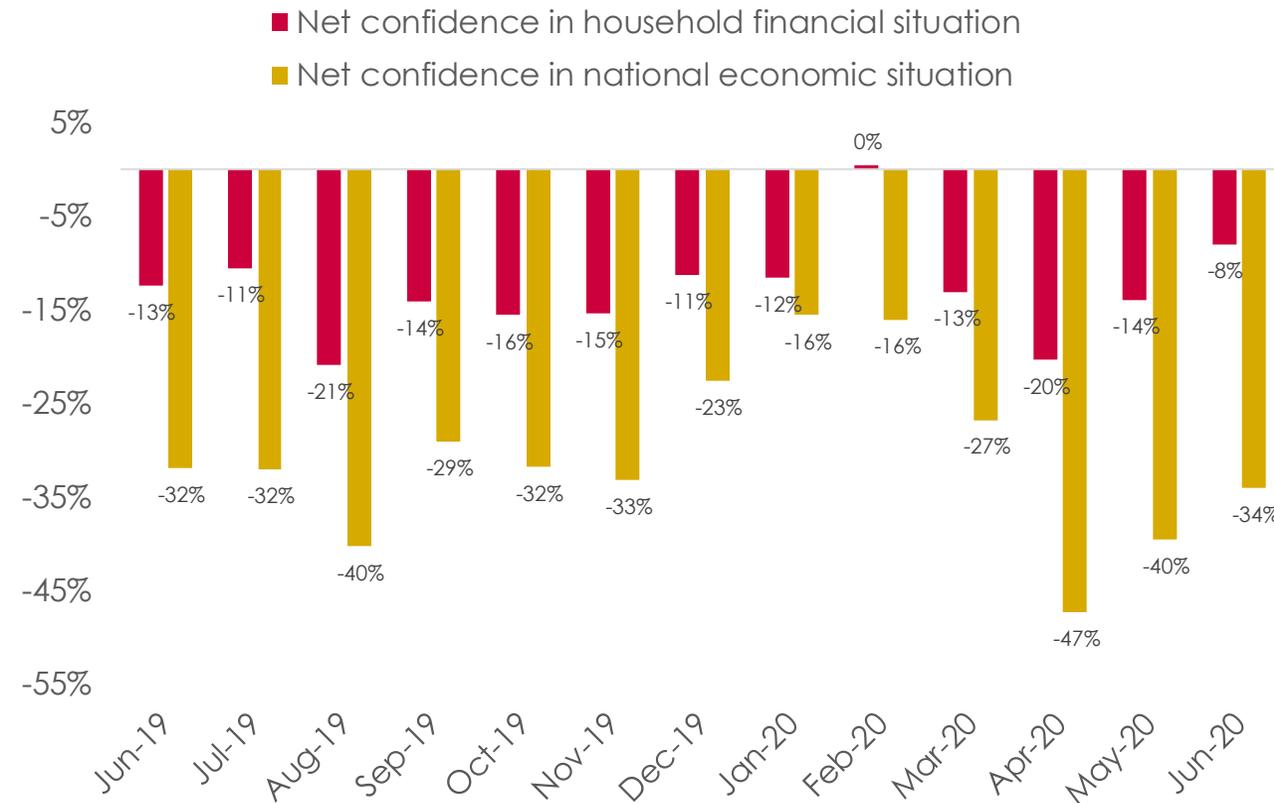


Chart labels are rounded to whole numbers, but *The Optimism Index* is rounded to one decimal place

# Financial & Economic Drivers

- Levels of consumer confidence have seen a further boost this month, continuing the promising upward trend seen since the peak of the pandemic and lockdown measures in April.
- Consumer confidence remains deeply negative (-34% is indicative of a deeply recessionary mindset) but the steady increase suggests that, financially at least, consumer outlook is improved on the initial collapse that greeted the downturn. Household confidence is approaching neutral; -8% is the second highest score in a year – which tells you much about the poor expectations of consumers even before the pandemic hit.
- This month's consumer confidence figures are markedly out of step with the overall decline in consumer sentiment. This illustrates that financial and economic indicators are not always the best measure of consumer outlook: in this case consumers recognise that the economy is reopening and that the restart is underway – but the impact of the lockdown, social distancing measures and broader hopes for the future suppress optimism even as the shops open again.

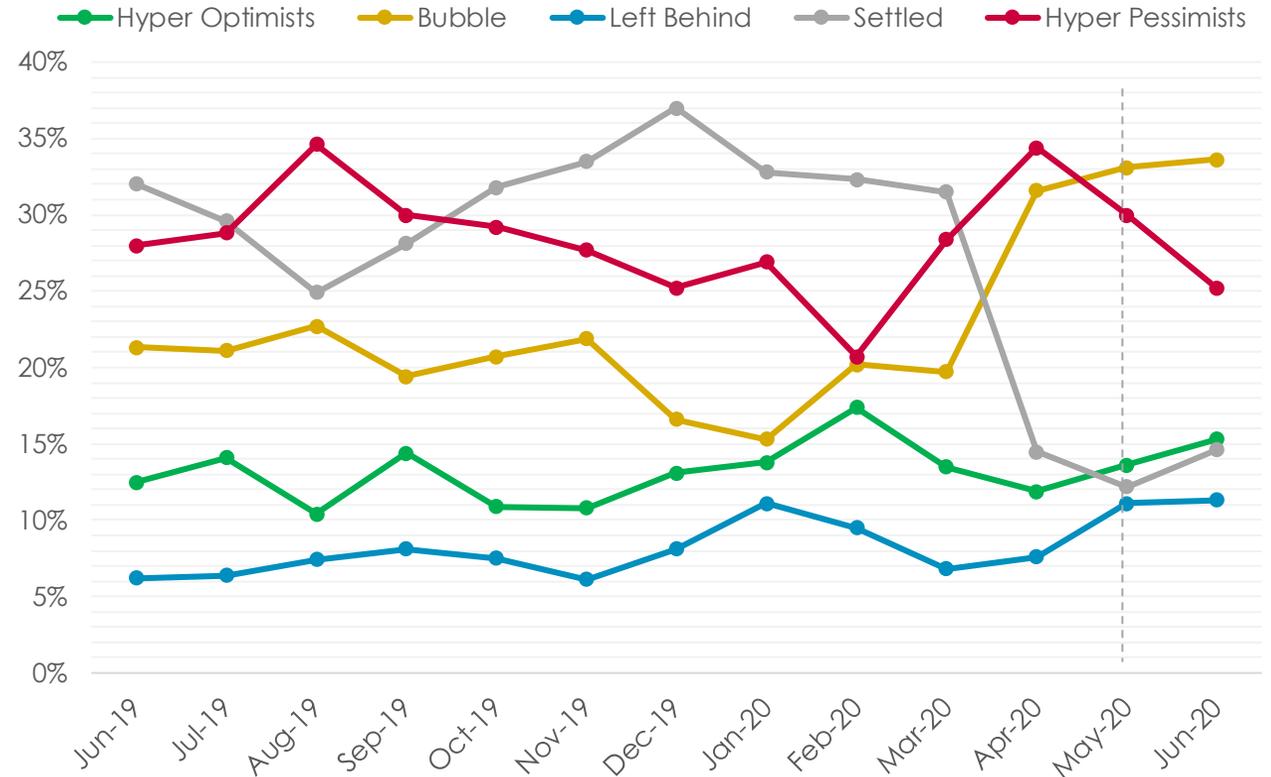
**Financial & Economic Drivers;**  
 (Net: % thinking will improve minus % thinking will get worse)



- This month's positive trends for consumer confidence have seen significant shifts in the distribution of consumers into our five confidence groups.
- As confidence in the economy and particularly household financial confidence improves, we have seen a second consecutive fall in Hyper Pessimists (down 5%), with a recovery from the huge spike in April almost back to pre-lockdown levels.
- Interestingly, this fall has not seen a parallel rise in Hyper Optimists (only up 1%) with a greater rise instead seen in the Settled group (up 3%). Consumers appear to be moving beyond the initial phase of doom and gloom seen at the start of lockdown, but few are yet to establish a strong degree of confidence that the recovery will benefit them.
- Throughout the next few months, as the furlough scheme draws to a close, many consumers will face heightened job insecurity. This period is likely to test these positive trends in confidence to their limits, with a second spike in Hyper Pessimists a realistic forecast, as more consumers feel the negative impacts of the pandemic on their own finances for the first time.

# Consumer Confidence Groups

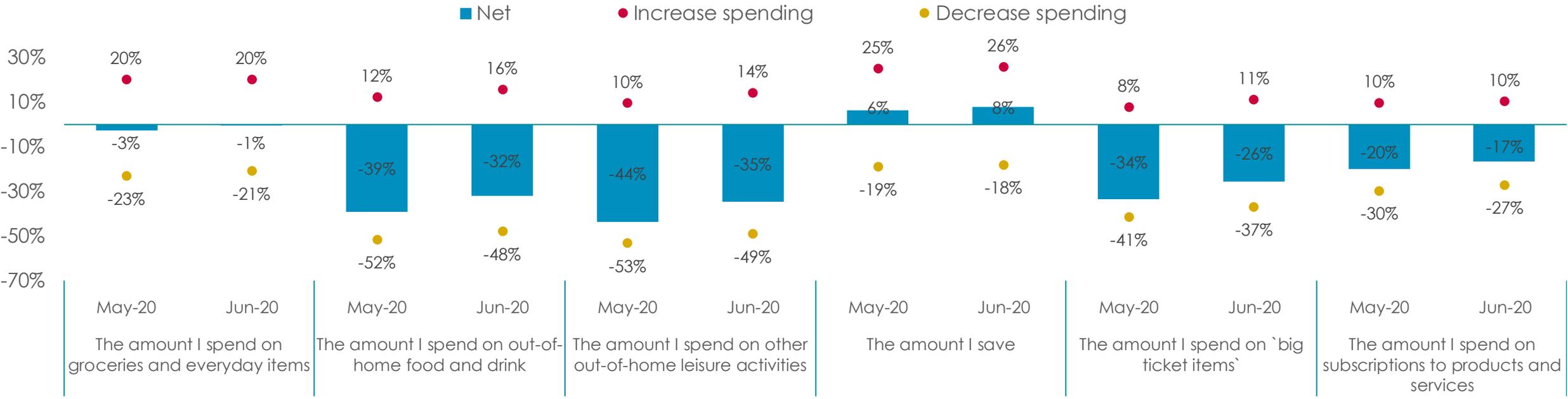
Do you think the economic situation in the UK/the financial situation in your household will improve, stay the same or get worse in the next 12 months?



**Hyper Optimists** = Economy and own finances will improve  
**The Bubble** = Economy will get worse, own finances improve or stay same  
**Left Behind** = Economy will improve, own finances get worse or stay same  
**Settled** = Economy stay the same, own finances stay the same  
**Hyper Pessimists** = Economy will get worse or stay same, own finances 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)



- With the opening of non essential shops and the anticipated restart in leisure and hospitality beginning to trickle into people's minds, expectations related to spending have seen welcome growth this month. Consumers anticipate increased spending related to leisure and big ticket items, but also acknowledge one positive impact of the lockdown: their expectations related to saving.
- Despite this apparent optimism, expectations remain substantially negative, particularly for leisure spending, implying that after the initial rush we have witnessed over the past seven days, consumers expect to adopt a cautious approach despite having the ability to go out and spend once again. This is in line with wider consumer caution, particularly around the health implications of spending more time in public spaces.



# Gender

- Optimism amongst men remained at the same level this month with a score of 53, whilst women saw a fifth consecutive fall this month down two points from 48 to 46.
- This is now the second lowest level of optimism seen amongst women over the past 12 months, and a gap of seven points highlights the greatest difference in optimism between men and women we have seen during this same period, with such a trend also having implications for consumer confidence – as men are substantially more likely to feel the economy and their own finances will improve.
- As schools are now anticipated to remain closed for the majority of UK students until at least September, many women in dual parent households face the prospect of having to bear the brunt of childcare whilst remaining economically active ([as research has shown, women are doing the greater share of parenting in dual-parent households](#)). The increased cost in both time and money caused by having children constantly at home coupled with the impacts of the pandemic on employment and income are clearly having a disproportionate impact on the wellbeing of women in the UK.

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

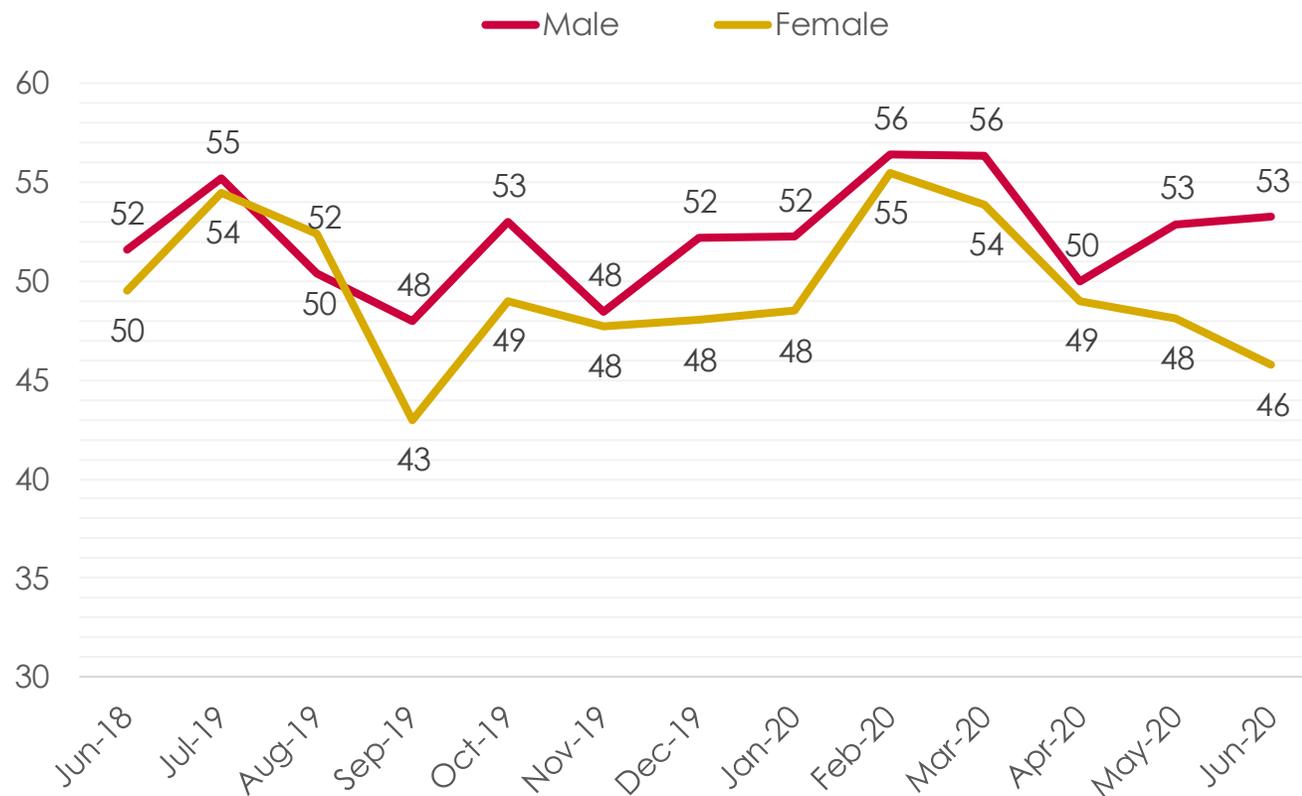


Chart labels are rounded to whole numbers, but *The Optimism Index* is rounded to one decimal place

## Generation

### The Optimism Index by Generation

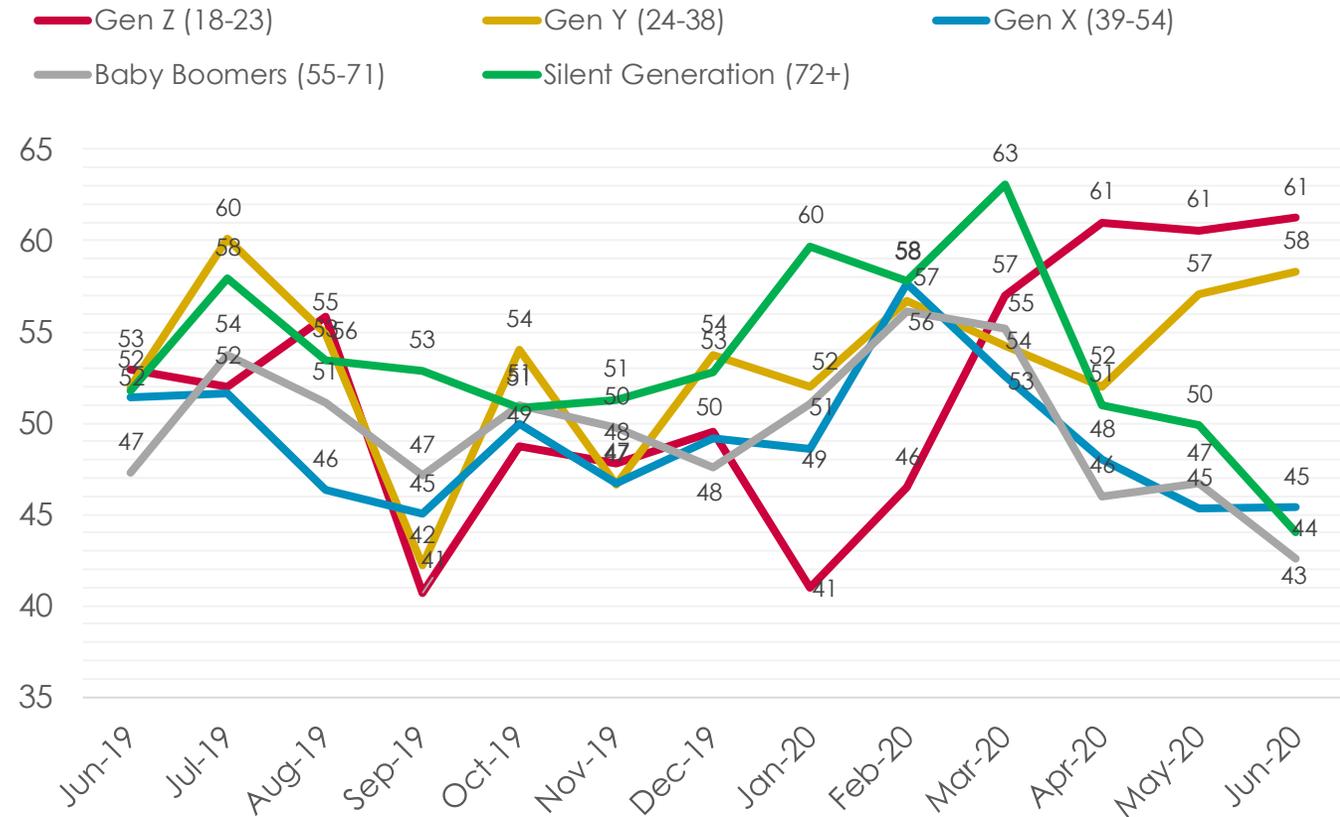


Chart labels are rounded to whole numbers, but *The Optimism Index* is rounded to one decimal place

- This month has seen the generational polarisation in optimism cemented further, with small rises in optimism amongst Gen Z and Gen Y, a sustained level for Gen X, and a sharp fall once again for both Baby Boomers and the Silent Generation.
- For the third consecutive month, optimism amongst Gen Z remains at the highest level seen in the past 12 months, now standing at a remarkable 18 points above Baby Boomers. For consumers over the age of 55, the damaging impacts of the virus on positivity are laid bare, with the polar opposite trend having been seen amongst the Silent Generation, who have fallen from the most optimistic back in February (score of 63) down to almost the lowest with an alarming score of just 44.
- With younger individuals less likely to have dependents, or financial commitments like a mortgage there is a likely a degree of financial influence on this disparity. However, the extent of the difference in optimism between those over and under the age of 38 clearly shows there is more than simply economic consequences at play here. Recent weeks have seen the health concerns rise to the top of the agenda for UK consumers, with those at far less risk from the virus having been boosted during this period, and with older consumers having seen levels of optimism collapse as a result.

- This month sees the continuation – albeit with a slight narrowing – of the substantial gap in optimism between those living in London and the South East and those in the rest of Great Britain.
- Despite optimism having fallen by three points in London and the South East, a score of 53 still places this region five points higher than the rest of the country. This continues the trend seen during the lockdown, with those in London experiencing far higher levels of optimism than those elsewhere.
- This trend is unsurprising given the vastly different experiences seen across different UK regions throughout the pandemic, with London continually appearing ahead of the curve in terms of returning to ‘normality’. With the R value having been consistently lower in London than elsewhere throughout the past month, as well as zero deaths having been registered during the period when our data was collected, the cause for such disparity in sentiment appears obvious.
- Future prospects for the rest of Great Britain do not suggest this gap will close any time soon. A current R value above 1 in the North West for example, coupled with an older than average population could leave this region in danger of being placed under regional lockdown, stimulating a further decline in sentiment for consumers in this region.

## Region

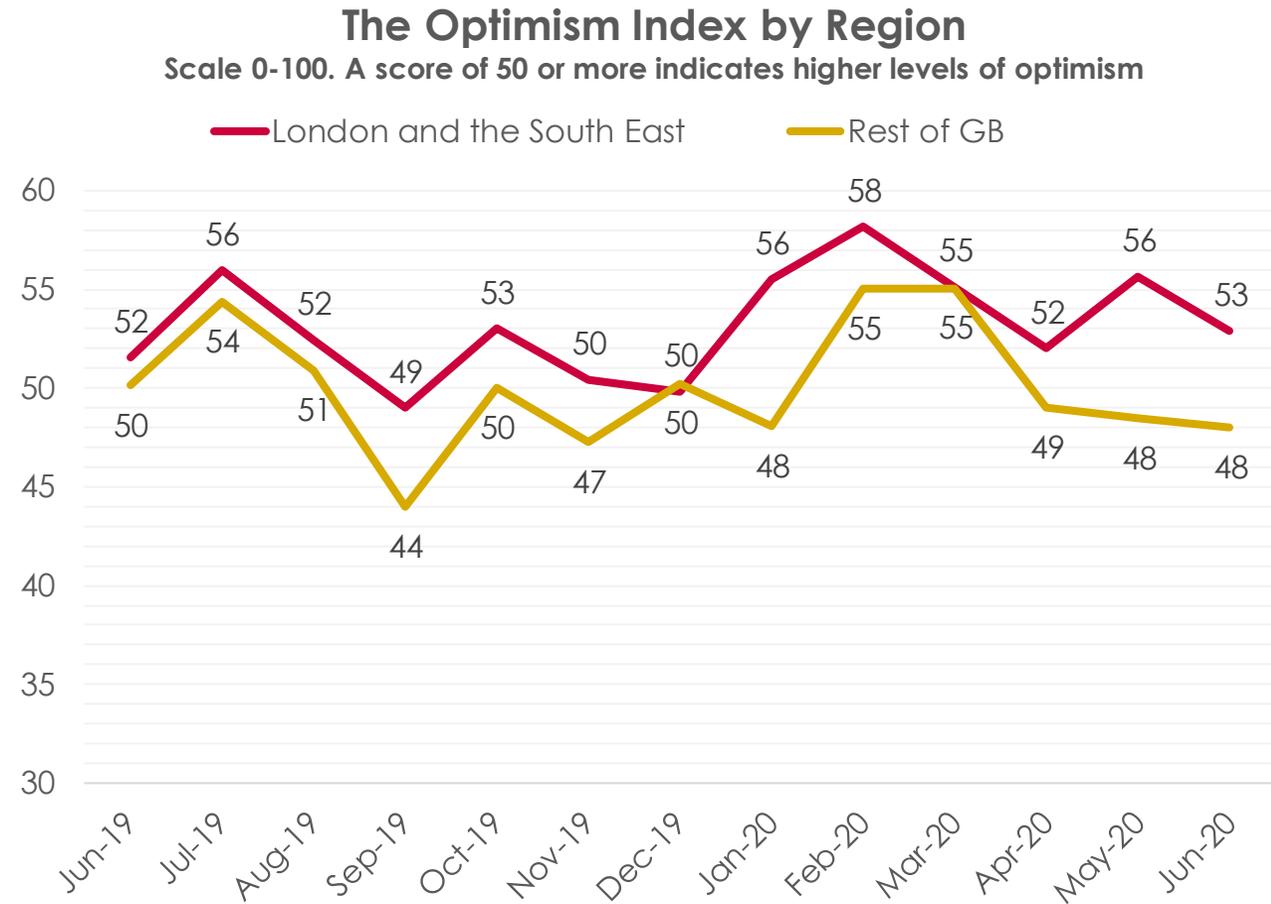


Chart labels are rounded to whole numbers, but *The Optimism Index* is rounded to one decimal place

- This month saw contrasting trends in optimism amongst different income groups, with the highest earners experiencing the greatest boost in optimism whilst those earning less saw sentiment fall.
- Across all income bands, the period prior to lockdown saw levels of optimism rise considerably, with consumers in the UK adopting the typical air of positivity associated with the beginning of a new year. As the pandemic began to fully take hold however, optimism fell sharply for all income groups, with every group seeing at least a five point drop between February and April.
- As lockdown has gradually eased, we have seen experiences differ based on household income. Whereas for those earning under £41k per year, sentiment has continued to struggle, slightly falling between April and June, for those earning more than £62k per year, the recovery has already well and truly began, with a 3 point rise being seen in this month alone.
- The period of lockdown clearly caused a decline in optimism at every income level, however with those earning higher incomes typically having more secure jobs, more stable finances, greater access to technology, as well as often simply being younger, the fall has been far shorter lived than for those who will continue to potentially suffer both in terms of health and finances in the longer term.

## Income

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

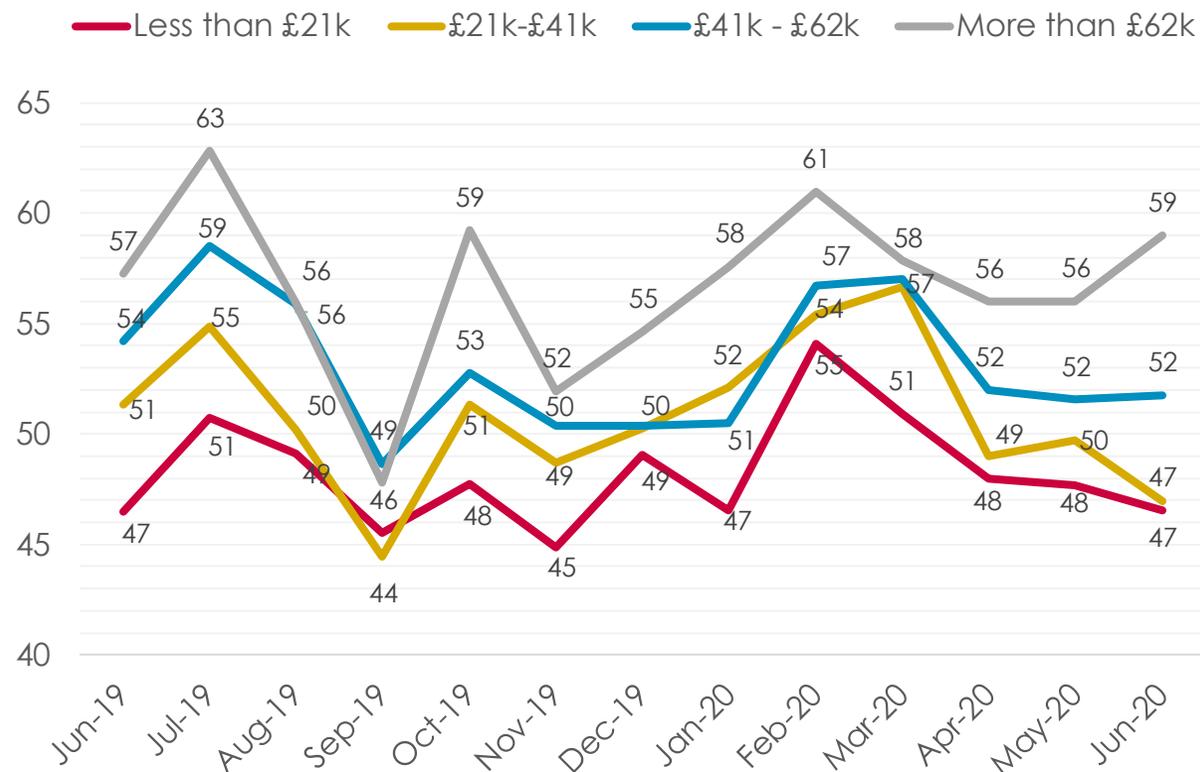


Chart labels are rounded to whole numbers, but *The Optimism Index* is rounded to one decimal place

# Health Overtakes Wealth as Dominant Driver of Optimism

The Optimism Index, Income Groups Within Generations  
(annual, pre tax household income)

— Gen Y Earning Less than £21k Per Year  
— Baby Boomers Earning More than £62k Per Year

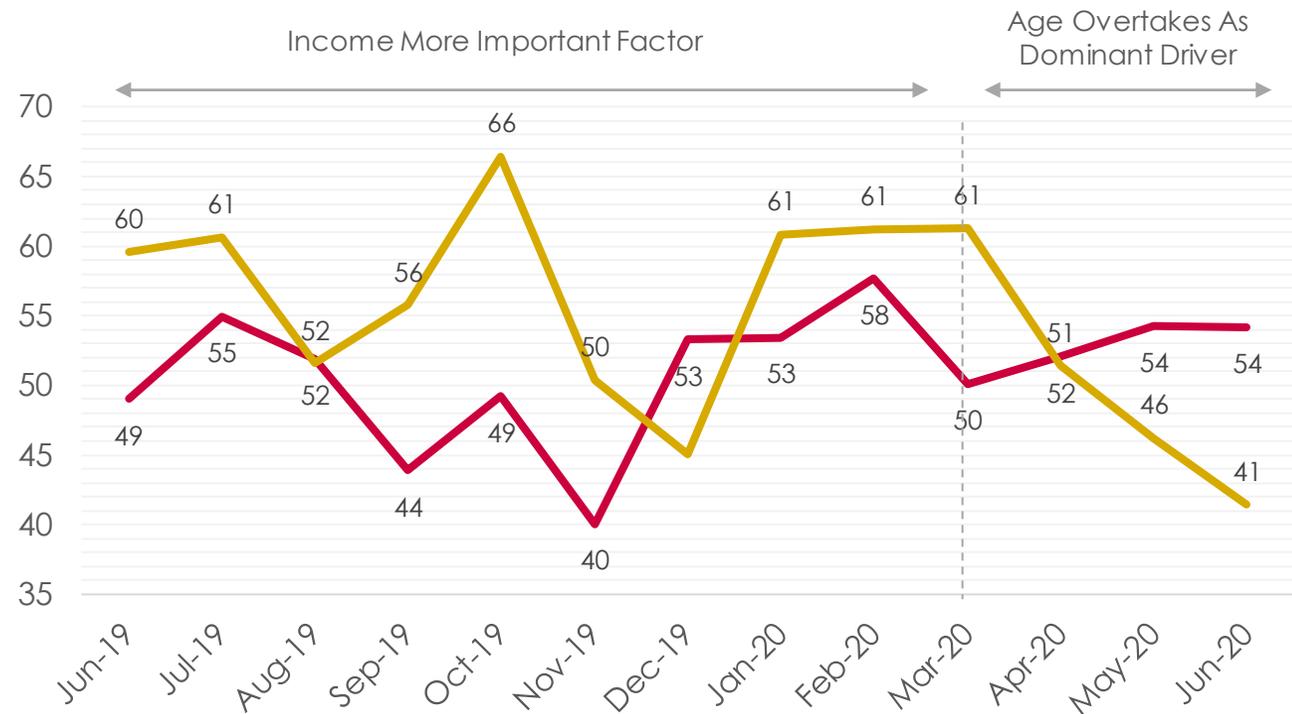
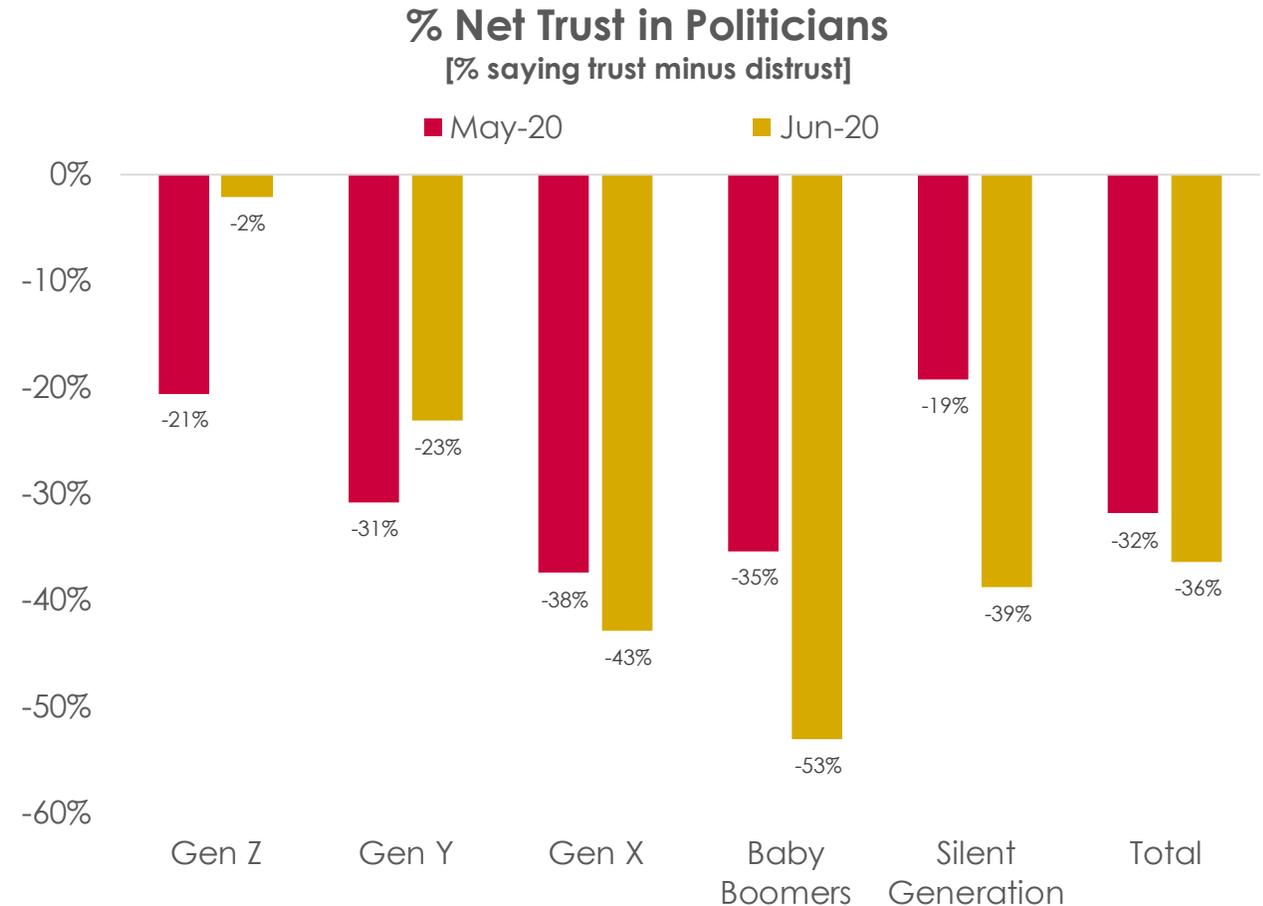


Chart labels are rounded to whole numbers, but *The Optimism Index* is rounded to one decimal place

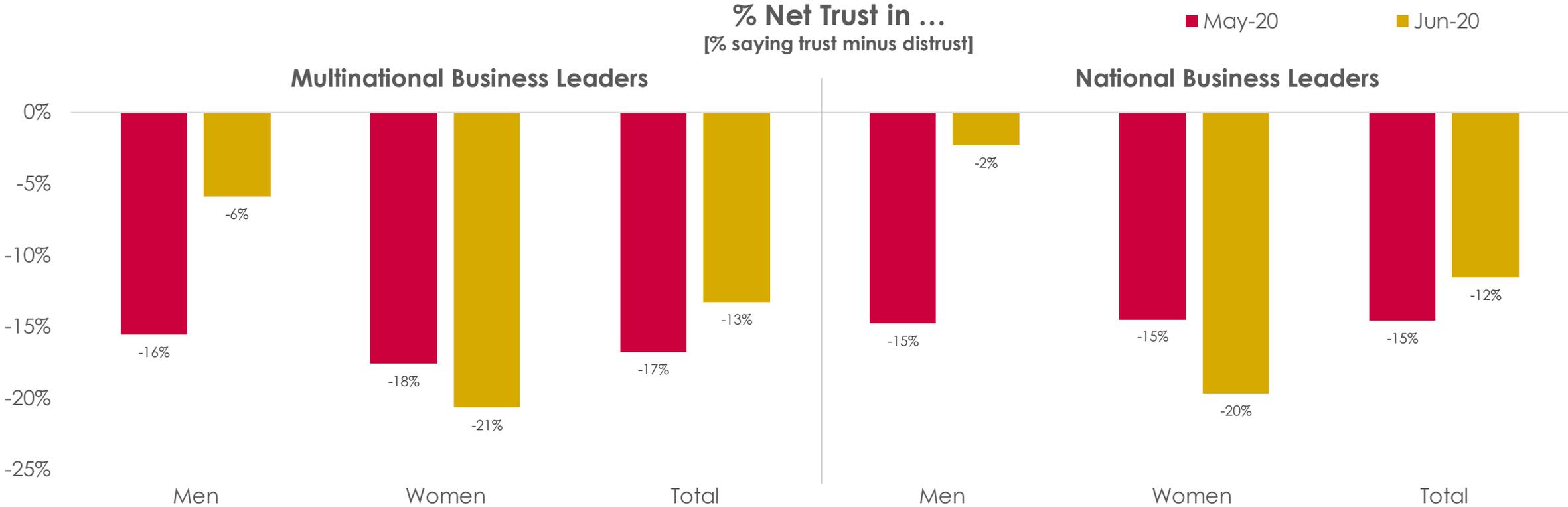
- During the nine months prior to the UK going into lockdown, those earning higher incomes were typically the most optimistic amongst UK consumers. This was true within generations too: younger generations are typically more optimistic about the future, but within these age groups those earning the lowest incomes had lower levels of optimism.
- With the pandemic and lockdown causing substantial disruption the degree to which income impacts the level of optimism amongst consumers has completely shifted. Consumers aged 24-38 earning less than £21k a year saw an index score which was 13 points higher than Baby Boomers earning more than £62k per year this month (54 to 41), with an above average income clearly not enough to prevent these consumers over the age of 55 from growing more pessimistic during this period of time.
- This shift offers a likely explanation for some topline findings in this month's report, with optimism having fallen slightly despite economic confidence and spending expectations having risen. Optimism is clearly being driven by factors that stretch beyond the economy and household finances.

# Polarised Trust in Politicians Across Generations

- Net trust in politicians has seen a second consecutive fall this month down to -36%, following the unprecedented rise seen during March and April of this year, with this decrease being heavily influenced by a sharp decline amongst Gen X, Baby Boomers and the Silent Generation.
- For Gen Z and Millennials however, Politicians were seen in a more positive light, with a rise in net trust in June, leaving the overall decline far less severe than it could have been.
- The cause for such disparity in this trend may simply be a case of differing degrees of interest, with our data showing that Gen Z are by far the least likely to pay a high amount of attention to politics (27%, compared to 40% of Silent Generation).
- Older generations have also experienced a wider variety of leaders through their lifetime, with many looking back on previous Governments with rose-tinted lenses, and finding it harder to trust those in power today, whereas Gen Z for example may barely remember a time when the UK political landscape was not seemingly always beset by crisis.



# Men & Women See Business Leaders in Vastly Different Lights



- Men and women have experienced substantially differing trends in trust towards business leaders this month, with men having seen at least a 10% rise in net trust in both national and multinational leaders, whereas women have seen at least a 3% fall in both cases.
- With our data having shown that women were both more likely to have working part-time roles prior to the pandemic – roles which often provide less job security, and with a higher proportion now having been furloughed than men (14% to 10%), such instances would likely have left women feeling as though their job prospects may have been worse affected by the lockdown than for men, with business leaders an obvious place for blame to be placed upon for such issues.



# TRAJECTORY

Each month Trajectory survey 1 500 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](mailto:signal@trajectorypartnership.com)

Trajectory  
10 York Road, London, SE1 7ND  
(0)20 8004 4861  
[www.trajectorypartnership.com](http://www.trajectorypartnership.com)  
[@TrajectoryTweet](https://twitter.com/TrajectoryTweet)

