TRAJECTORY

Optimism Index
November 2020

Pandemic Analysis

Sample Information and Methodology

- Every month, Trajectory survey a nationally representative sample of 1500 respondents on a variety of issues, including consumer confidence, personal choice and control, social trust, opportunities in technology, optimism and their place in the world.

- Due to current circumstances surrounding the Coronavirus pandemic, additional questions have been added in recent months examining both the current climate in general as well as the impact that the pandemic is having on certain views in relation to finances, confidence and spending, amongst others.

- All surveys were carried out online, with fieldwork this month taking place between the 11th and 18th November

Last Month’s Key Events

31st October

Second lockdown announced for England, from 5th November to 2nd December

5th November

Furlough scheme extended until end of March 2021

7th November

Joe Biden reaches the threshold of 270 electoral college votes and wins the Presidential election

9th November

The Pfizer and BioNTech coronavirus vaccine is reported to protect 90% of recipients from developing COVID-19

10th November

Figures show that UK unemployment stood at 4.8% in the three months to September 2020, up from 4.5%, as a result of the COVID crisis

11th November

November Optimism Index Fieldwork Begins

12th November

The UK economy expanded by 15.5% between July and September 2020 as Britain came out of the recession caused by the first lockdown

16th November

The UK secures a deal to order 5 million doses of a vaccine being developed by US biotechnology company Moderna

18th November

November Optimism Index Fieldwork Closes

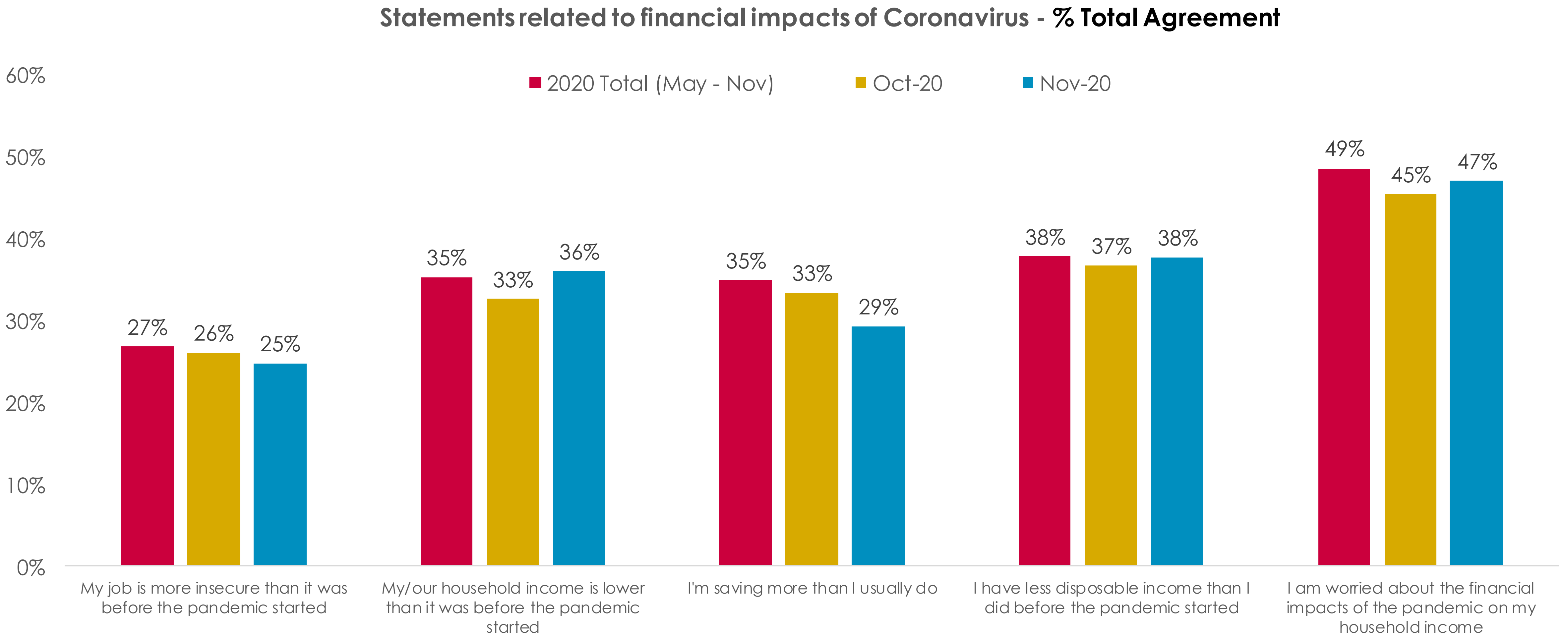
Key Findings

- Second lockdown drives spike in Covid-related financial concerns
- Extension of furlough scheme eases unemployment concerns in the short and medium term
- Consumers unwilling to shop around for better prices; focus instead remains on buying locally and independently
- Continued rise in cases coupled with lockdown announcement dampens Covid-related cynicism
- Severity of second wave sees consumers further prioritise health over the economy, despite lockdown
- Health remains the priority, but big increase in numbers wanting Government to prioritise reopening businesses
- Gen Z and the Silent Generation grew less negative about the impacts of pandemic on their own generation

Financial Implications

Second national lockdown drives a slight rise in financial concerns

- Since last month, 4% fewer say they are saving more than usual (33% to 29%), whilst 2% more are worried about the impacts of the pandemic on their household income and 3% more feel their household income is lower than it was pre-lockdown
- Slightly more promising trends in job security, with 1% fewer feeling their jobs are now less secure than pre-pandemic

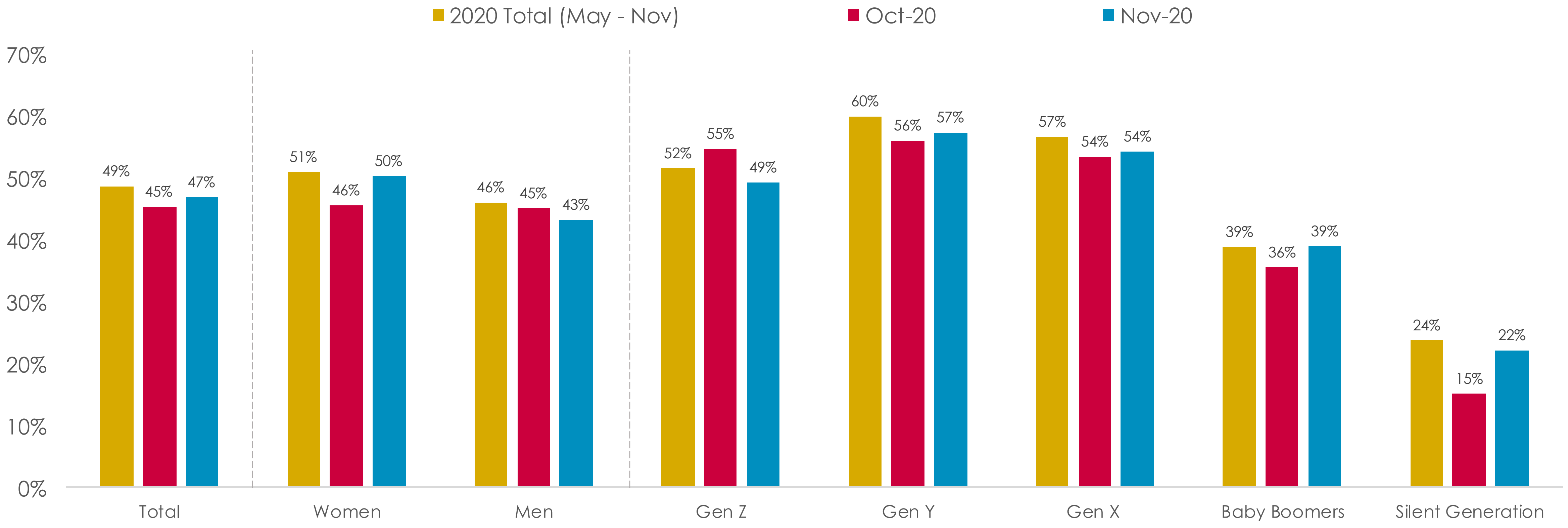


Rise in financial concerns driven by women and older generations

- Whilst at a topline level we see a 2% rise in those feeling worried about impacts on their household income, this proportion is doubled amongst women (46% to 50%), whilst men in fact experienced a 2% fall in such concerns (45% to 43%)
- A similar degree of polarisation is seen across generations, with Gen Z seeing a 6% fall in those feeling worried, whilst both Baby Boomers (3%) and the Silent Generation (7%) experienced sharp increases

I am worried about the financial impacts of the pandemic on my household income

- % Total Agreement

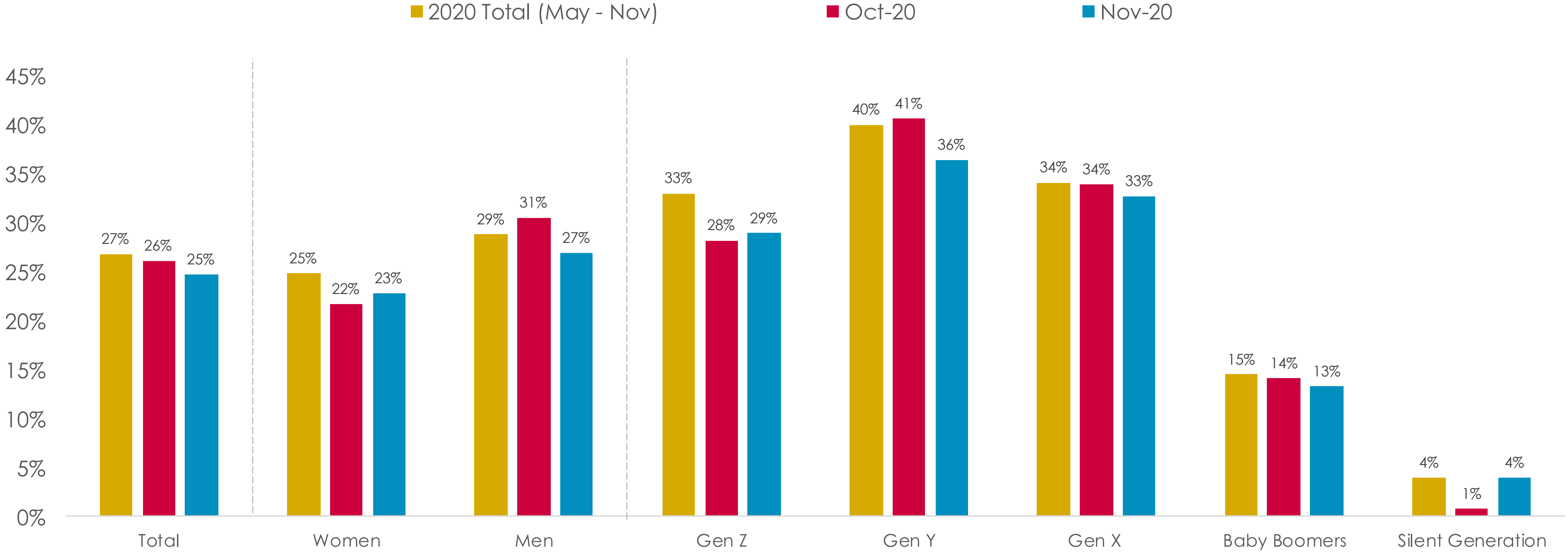


	2020 Total (May - Nov)	Oct-20	Nov-20
Total	49%	45%	47%
Women	51%	46%	50%
Men	46%	45%	43%
Gen Z	52%	55%	49%
Gen Y	60%	56%	57%
Gen X	57%	54%	54%
Baby Boomers	39%	36%	39%
Silent Generation	24%	15%	22%

Greater sense of job security felt most amongst Men and Gen Y

- A 1% decline at the topline level for those feeling less secure about their jobs compared to pre-pandemic was driven primarily by men this month, with 4% fewer feeling a greater sense of insecurity in comparison to women, who feel slightly more insecure about their jobs this month (22% to 23%)
- Amongst generations, both Gen Z and the Silent Generation saw rises in insecurity, whilst Gen Y fell by 5%

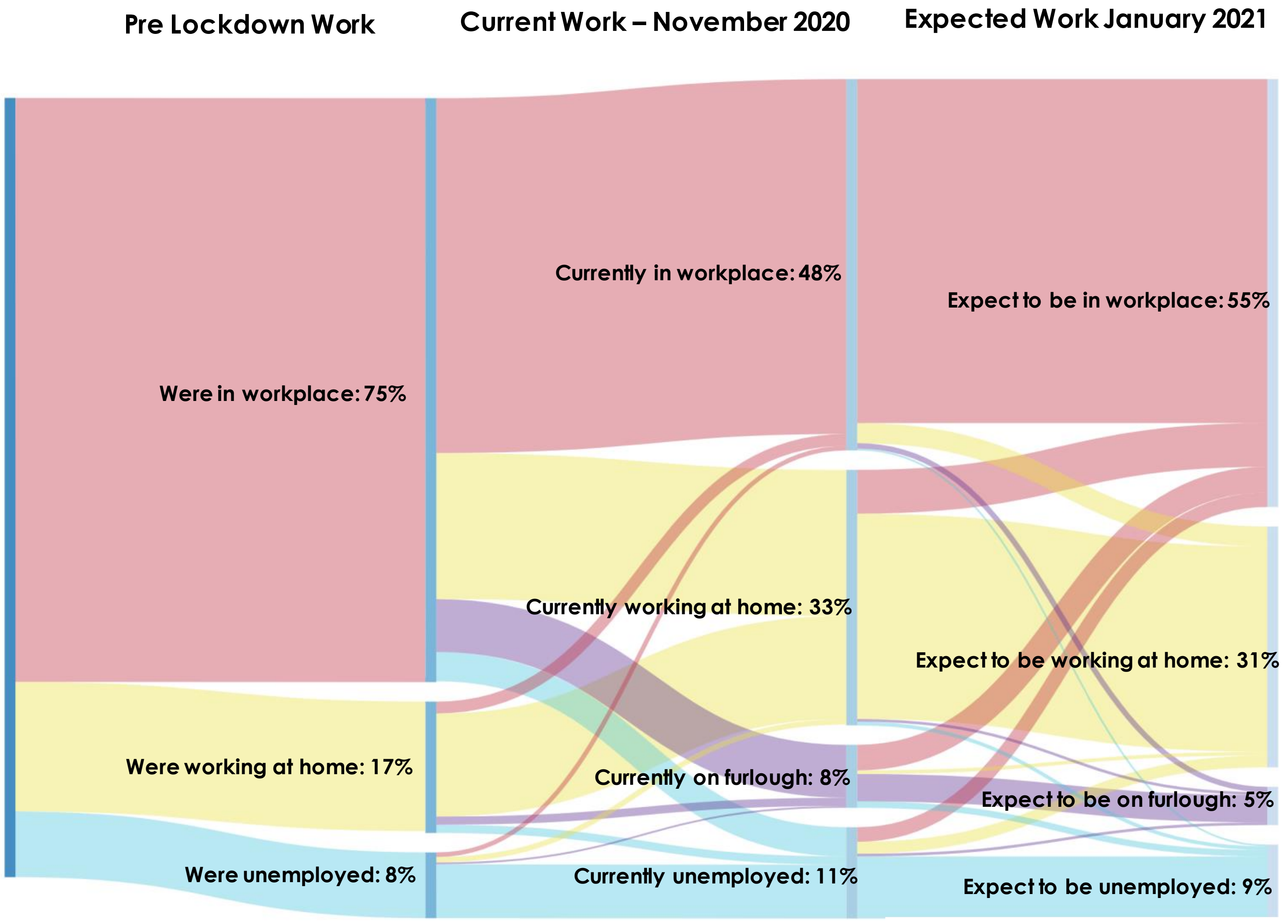
My job is more insecure than it was before the pandemic started - **% Total Agreement**



	2020 Total (May - Nov)	Oct-20	Nov-20
Total	27%	26%	25%
Women	25%	22%	23%
Men	29%	31%	27%
Gen Z	33%	28%	29%
Gen Y	40%	41%	36%
Gen X	34%	34%	33%
Baby Boomers	15%	14%	13%
Silent Generation	4%	1%	4%

Extension of furlough scheme reduces expectations of unemployment

- Proportion expecting to be unemployed in next month down 1% from last month (10% to 9%), although this is still higher than the Autumn
- Those who moved away from expecting to be unemployed instead expect to be furloughed or working from home



Down 3% from last month

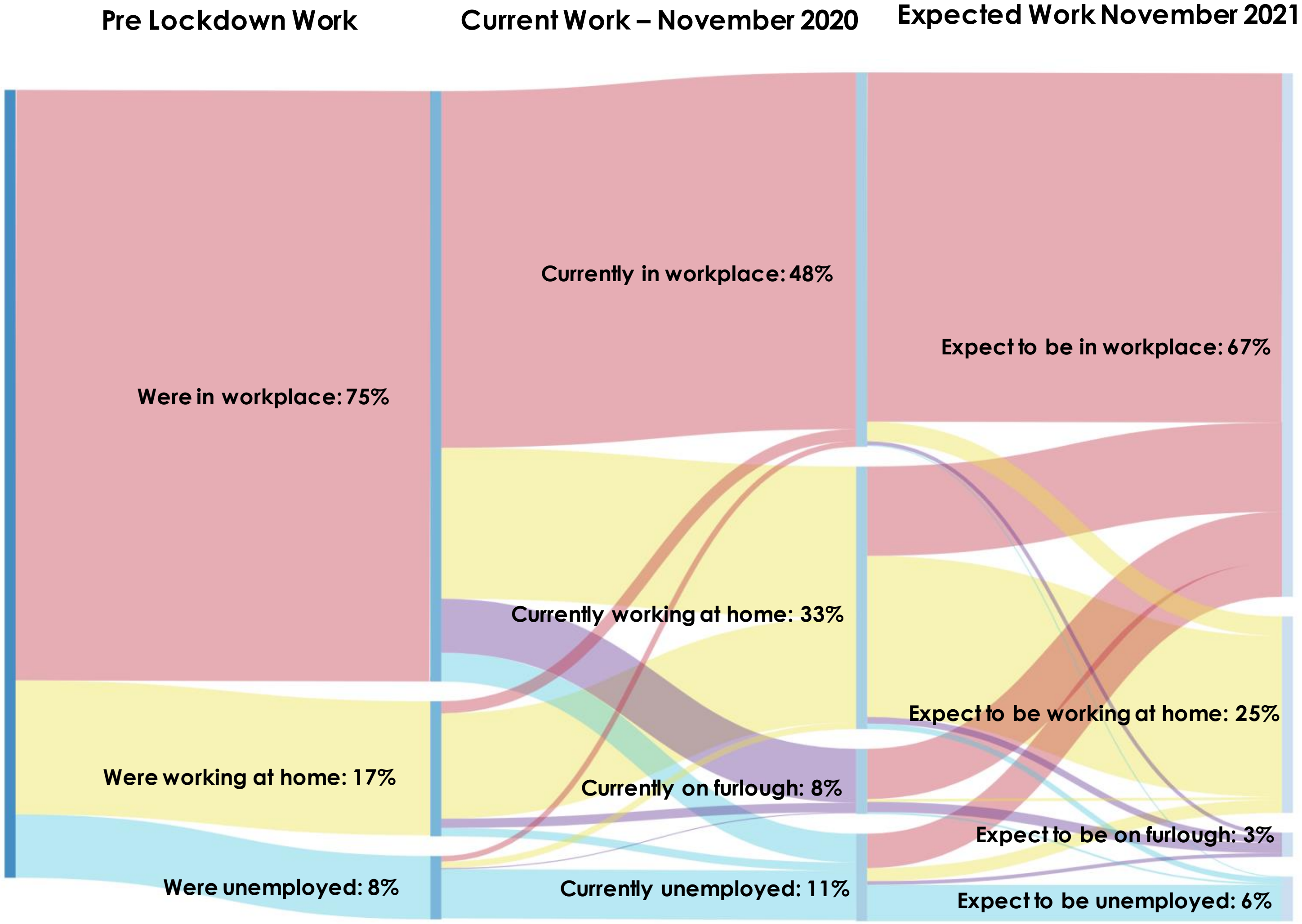
Up 2% from last month

Up 2% from last month

Down 1% from last month

Longer term work expectations see even greater improvement

- 2% fewer expect to be unemployed at this point next year (10% to 8%) whilst 1% more expect to be furloughed
- One in four expect to be working from home, whilst 2% more anticipate going out to work (67%), perhaps driven by the news of a potential vaccine



Up 2% from last month

No change from last month

Up 1% from last month

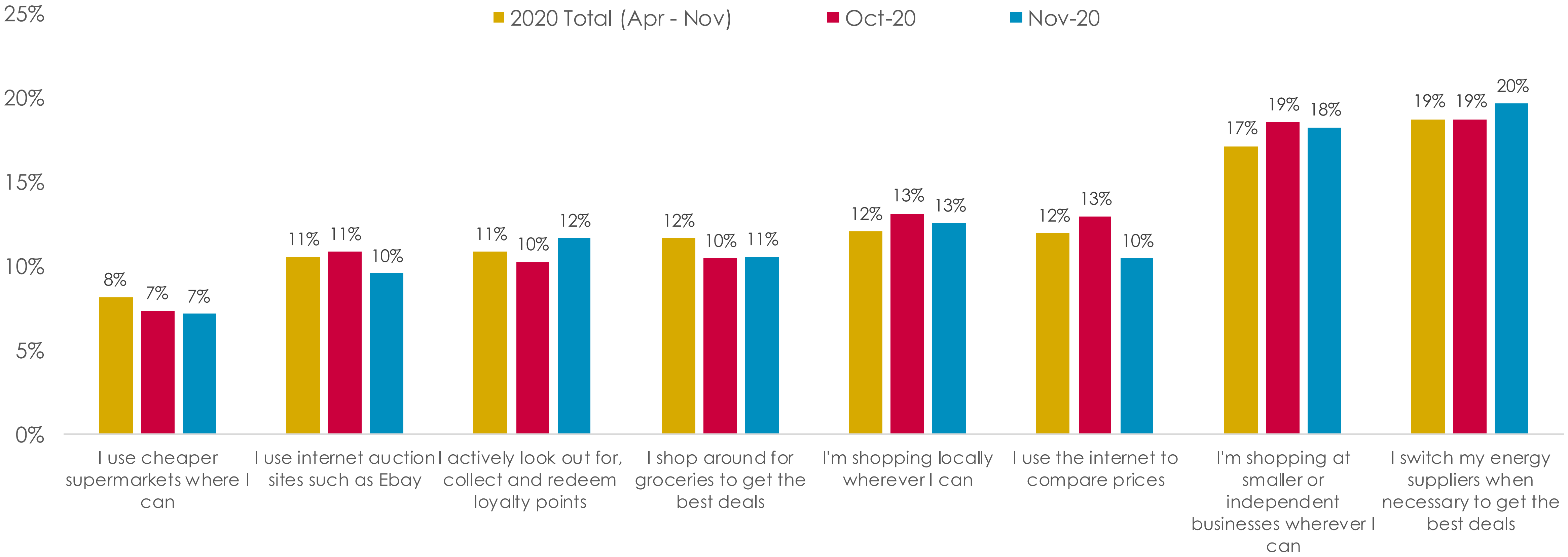
Down 2% from last month

Impacts on Shopping Habits

Despite financial concerns, consumers less likely to begin shopping around

- Just one in ten intend to start using the internet to compare prices due to the pandemic, down 3% from last month
- Less than a tenth intend to start using cheaper supermarkets (7%), whilst just 11% plan to start shopping around for groceries
- Greater priority placed upon buying from local independent businesses as opposed to getting the cheapest price

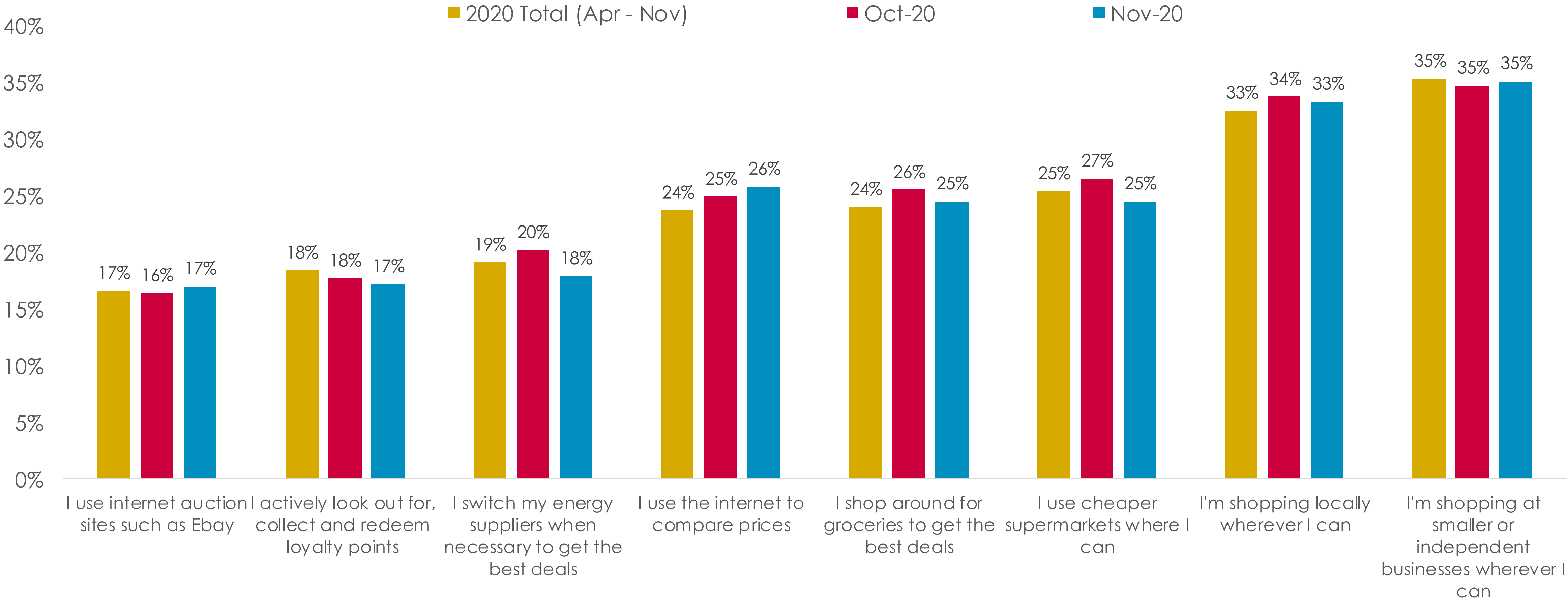
Below are a list of shopping activities. Please select all activities which you *seriously intend to start doing as a result of the current situation*



Recent months see rise in demand for small local businesses

- More than a third have begun shopping locally wherever possible (33%) and at smaller independent businesses (35%) in recent months
- Just a quarter say they have started using cheaper supermarkets, down 2% from last month
- Internet-based price comparisons have become more engrained, with 17% using internet auctions and 26% using the internet to compare prices

Below are a list of shopping activities. Please select all activities which you ***have started doing recently***

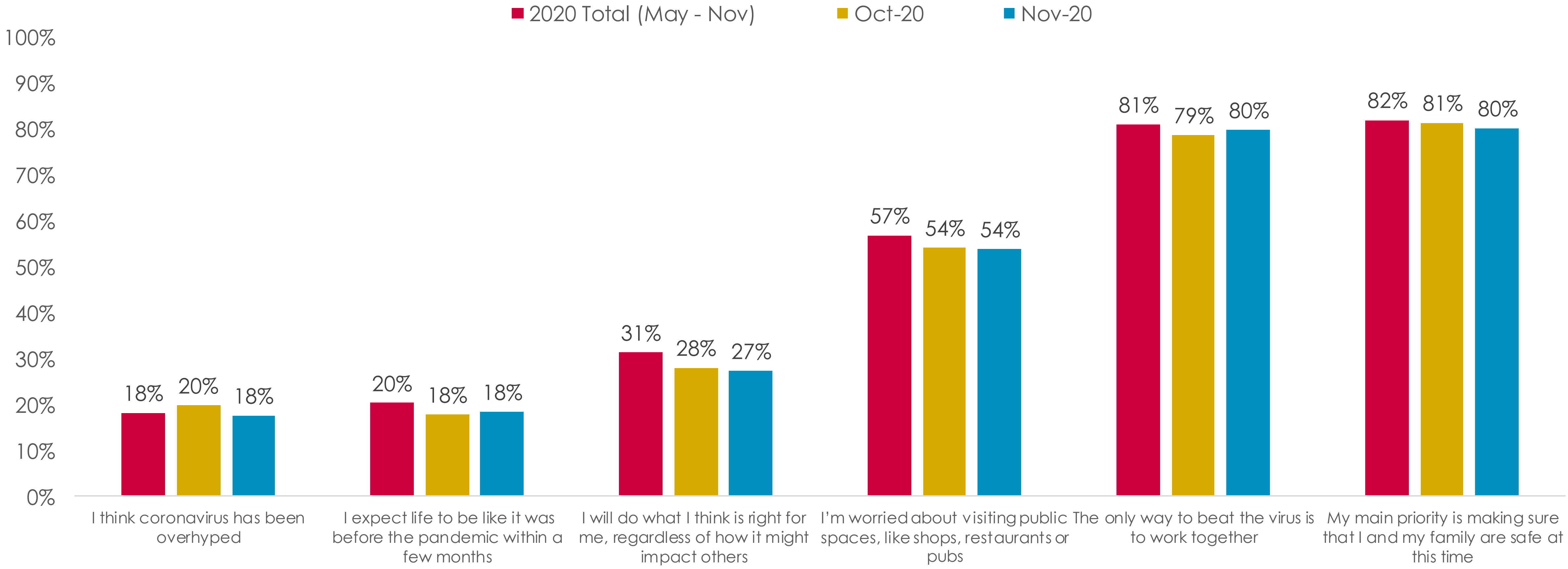


Social Implications

Second lockdown slightly dampens Covid-related cynicism

- Proportion feeling the pandemic has been overhyped has fallen by 2% this month, whilst proportion feeling life will return to normal down 2% on 2020 average
- This month also sees a rise in the sense of community response, with the proportion saying they will do what they think is right regardless of others down 4% on the 2020 average (31% to 37%) whilst the proportion saying the only way to beat virus is to work together is up 1% from last month

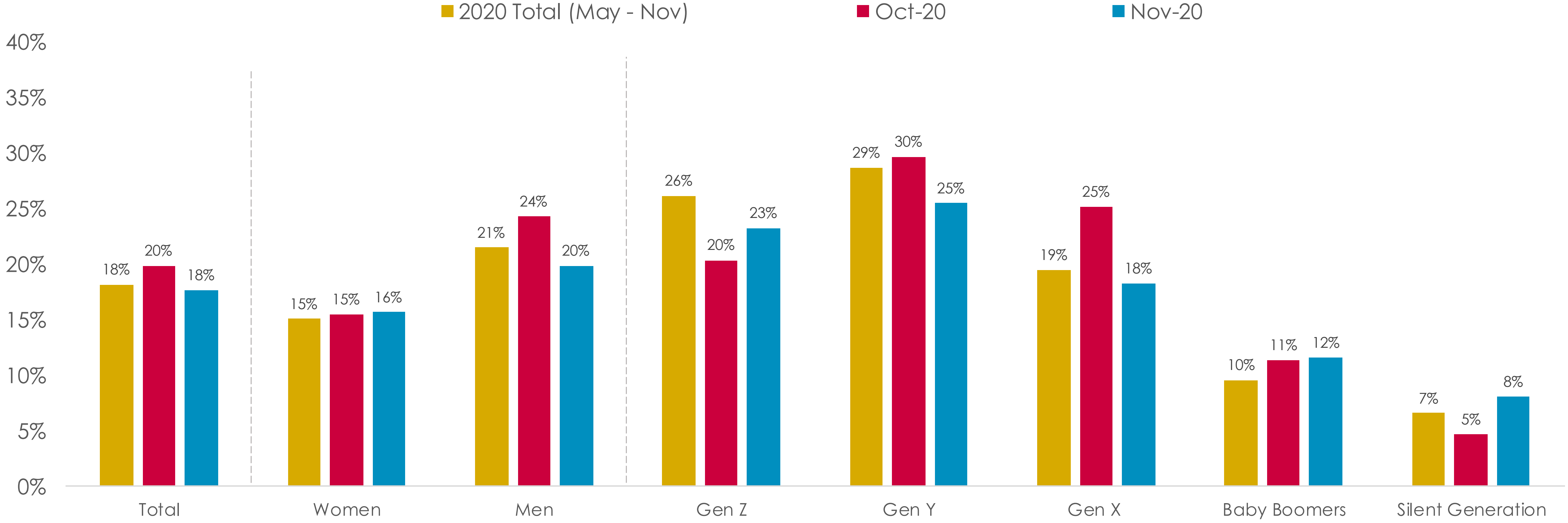
Statements related to social impacts of Coronavirus - **% Total Agreement**



Men and 25 to 50 year olds drive decline in cynicism

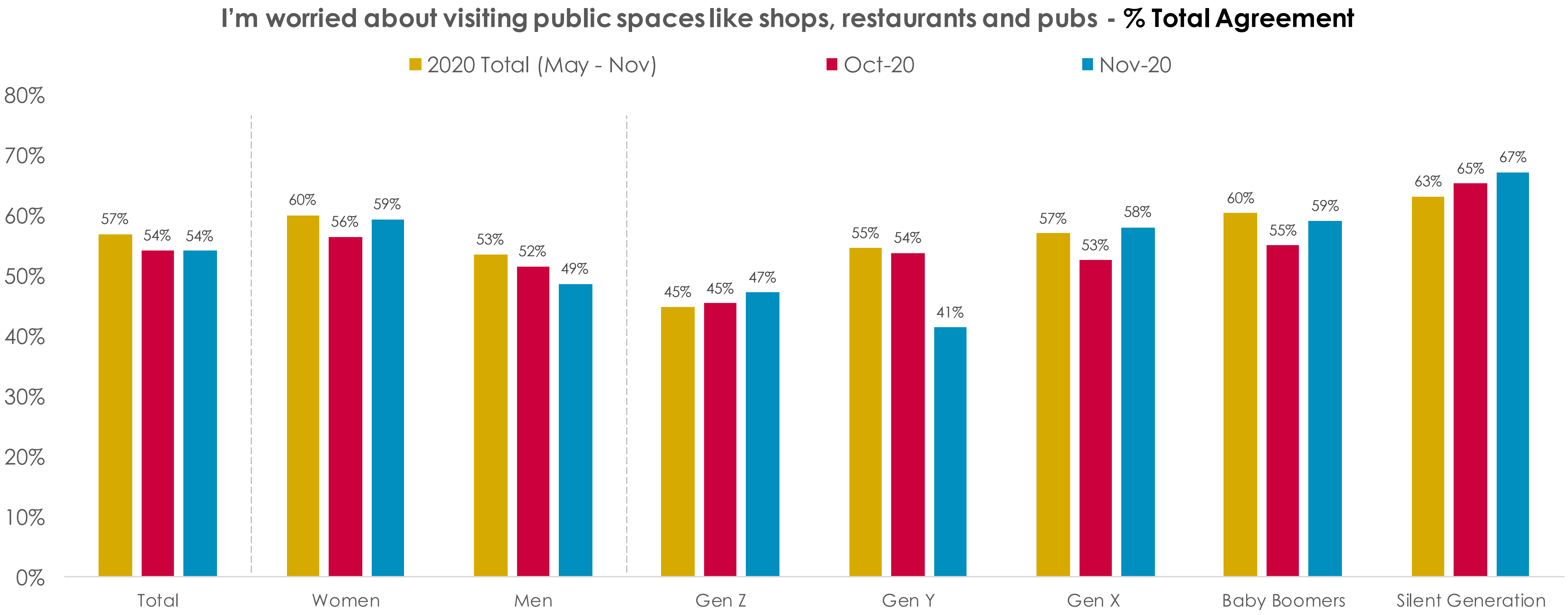
- Whilst men remain more cynical about the pandemic than women, this month saw a 4% fall in the proportion of men agreeing it has been overhyped
- This contrasts with the experience of women this month, amongst whom a 1% rise in those feeling the pandemic is overhyped is seen
- For Gen Y and Gen X, this month saw a sharp decline in cynicism, both down at least 5%, whilst Gen Z, the generation most likely to be impacted the financial implications of the pandemic, saw a 3% rise in those feeling it is overhyped

I think Coronavirus has been overhyped - % Total Agreement



Women and older generations show greater concerns with public spaces

- Compared to last month, the proportion feeling concerned about visiting public spaces has generally risen to levels seen throughout the whole year, with some groups such as the Silent Generation (63% to 67%) and Gen Z (45% to 47%) being even more concerned now compared to the year as a whole
- A couple of substantial outliers to this trend however are men (53% in 2020 as a whole down to 49% this month) and Gen Y, with a remarkable 13% decline



	2020 Total (May - Nov)	Oct-20	Nov-20
Total	57%	54%	54%
Women	60%	56%	59%
Men	53%	52%	49%
Gen Z	45%	45%	47%
Gen Y	55%	54%	41%
Gen X	57%	53%	58%
Baby Boomers	60%	55%	59%
Silent Generation	63%	65%	67%

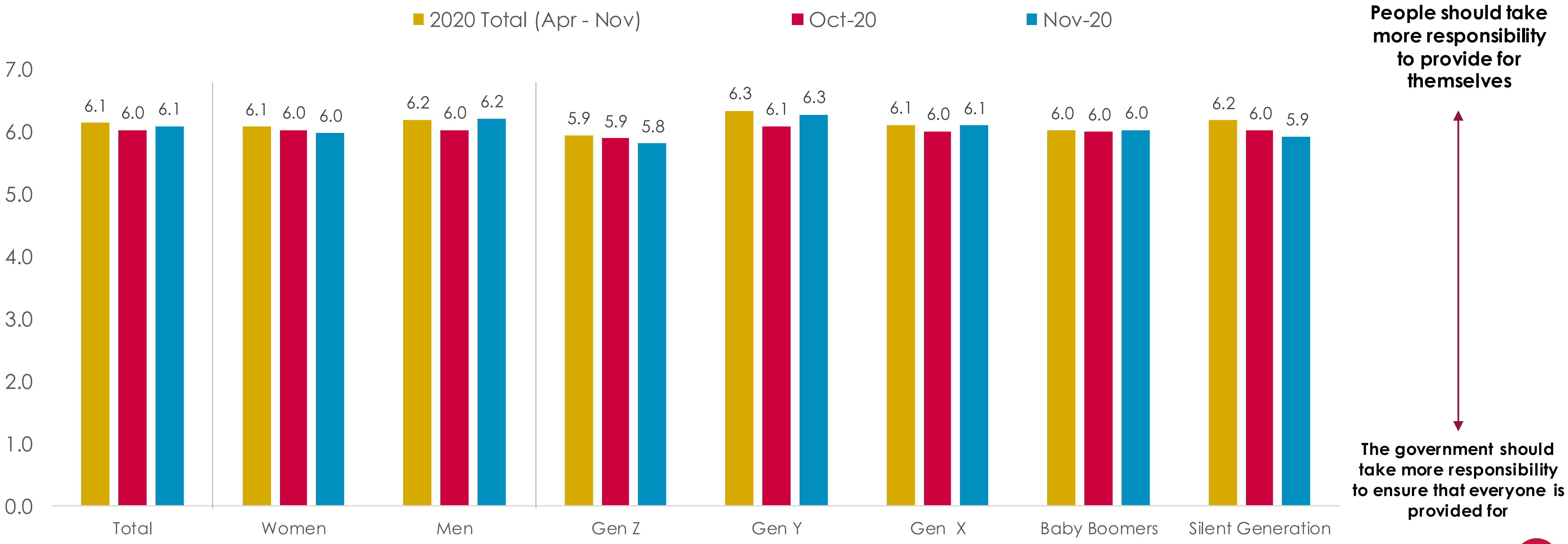
Optimism Index May – November 2020

Government Priorities

Slight shift towards greater individual responsibility

- Average score rises from 6.0 to 6.1, indicating a minor shift in mindset towards people having to take greater responsibility for themselves
- This feeling is strongest amongst both men (6.0 to 6.2) and Gen Y (6.1 to 6.3)
- Trends were not unanimous however, with women, Gen Z and the Silent Generation having felt a need for greater Government intervention

On a scale from 1 to 10, please indicate to what extent you feel it is the Government's responsibility to ensure everybody is provided for *[Average Response]*



	Total	Women	Men	Gen Z	Gen Y	Gen X	Baby Boomers	Silent Generation
2020 Total (Apr - Nov)	6.1	6.1	6.2	5.9	6.3	6.1	6.0	6.2
Oct-20	6.0	6.0	6.0	5.9	6.1	6.0	6.0	6.0
Nov-20	6.1	6.0	6.2	5.8	6.3	6.1	6.0	5.9

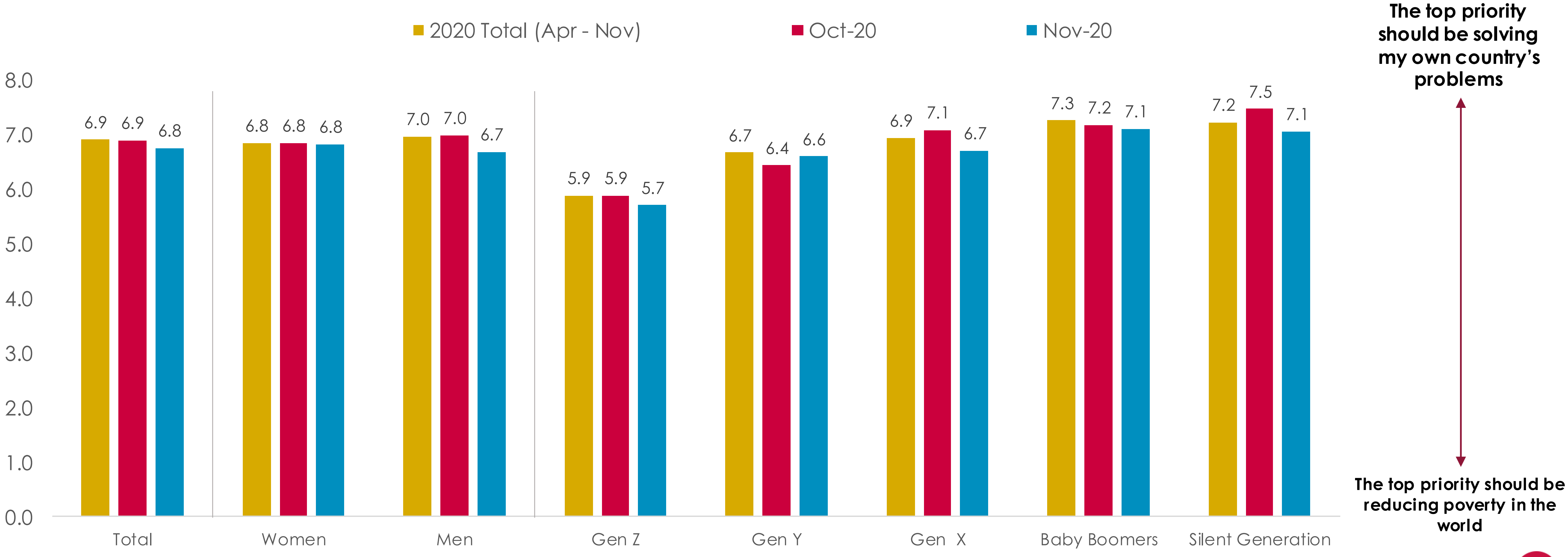
Subtle shift towards more of a global focus

- Amongst the total sample, a 0.1 fall from 6.9 to 6.8 indicates a very minor shift towards greater focus being placed on solving problems across the world rather than purely in the UK, with this having been driven primarily by men (7.0 to 6.7), Gen X (7.1 to 6.7) and the Silent Generation (7.5 to 7.1)

- Only women (remaining at 6.8) and Gen Y (6.4 to 6.6) failed to shift focus away from domestic issues this month

On a scale from 1 to 10, please indicate what you feel the top priority for the UK Government should be

[Average Response]



	2020 Total (Apr - Nov)	Oct-20	Nov-20
Total	6.9	6.9	6.8
Women	6.8	6.8	6.8
Men	7.0	7.0	6.7
Gen Z	5.9	5.9	5.7
Gen Y	6.7	6.4	6.6
Gen X	6.9	7.1	6.7
Baby Boomers	7.3	7.2	7.1
Silent Generation	7.2	7.5	7.1

The top priority should be solving my own country's problems

The top priority should be reducing poverty in the world

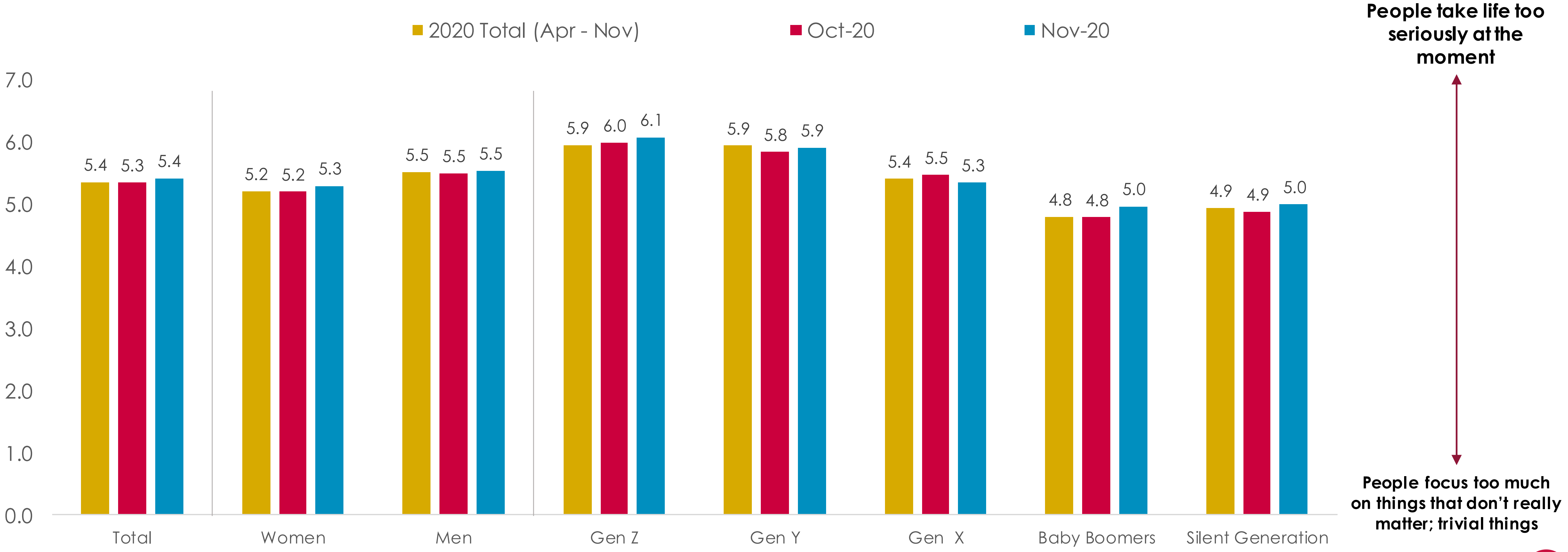
Optimism Index April - November 2020

Sense of new seriousness stalls slightly amongst women and older ages

- At a topline level, the sense of new seriousness has stalled in general, with the average score rising from 5.3 to 5.4
- Whilst women and older age groups remain more likely to feel a sense of new seriousness, the extent of this feeling has dampened slightly this month, with the average rising from 5.2 to 5.3 for women, and up to 5.0 for both Baby Boomers and the Silent Generation

On a scale from 1 to 10, please indicate to what extent you feel people take life too seriously

[Average Response]



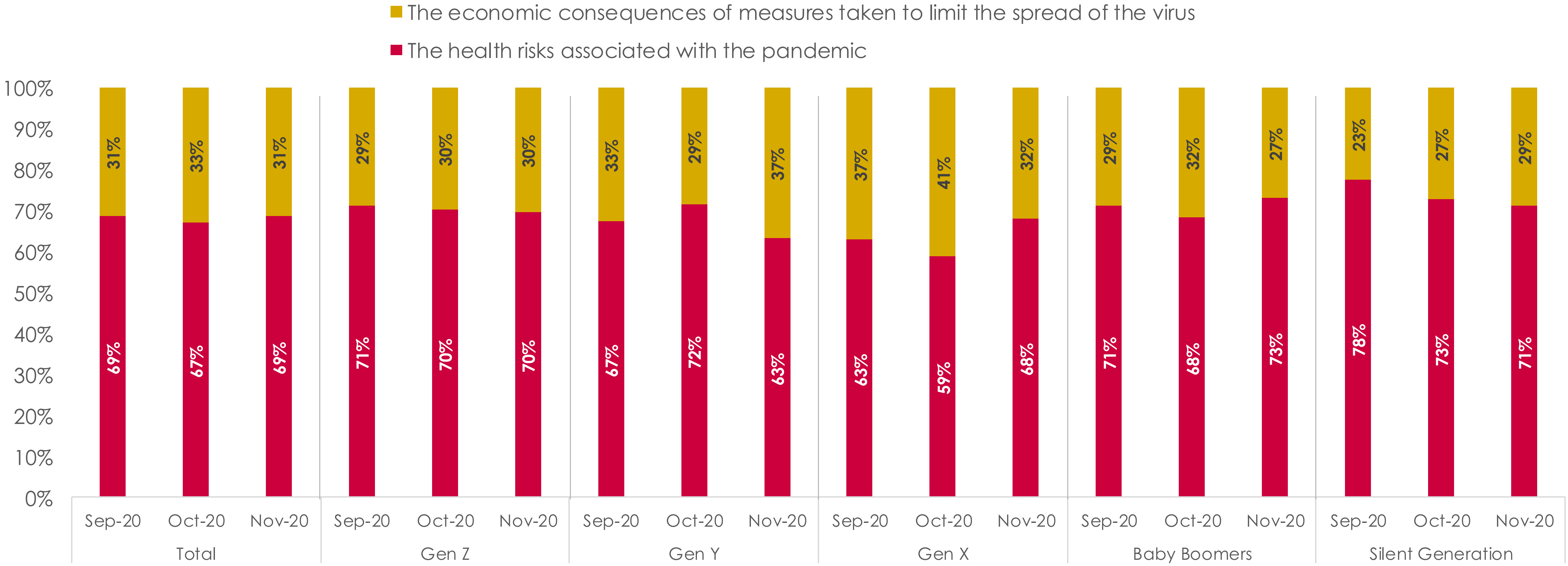
	2020 Total (Apr - Nov)	Oct-20	Nov-20
Total	5.4	5.3	5.4
Women	5.2	5.2	5.3
Men	5.5	5.5	5.5
Gen Z	5.9	6.0	6.1
Gen Y	5.9	5.8	5.9
Gen X	5.4	5.5	5.3
Baby Boomers	4.8	4.8	5.0
Silent Generation	4.9	4.9	5.0

Optimism Index April – November 2020

Second lockdown sees consumers further prioritise health over economy

- With the new lockdown measures having indicated the severity of the second wave of coronavirus, consumers have for the most part placed further priority upon the health risks of the virus, with 69% having now said health is their biggest concern over the economic consequences of lockdown
- This was more the case amongst older consumers however, whilst Gen Y for example instead saw a 9% fall in those prioritising health over the economy

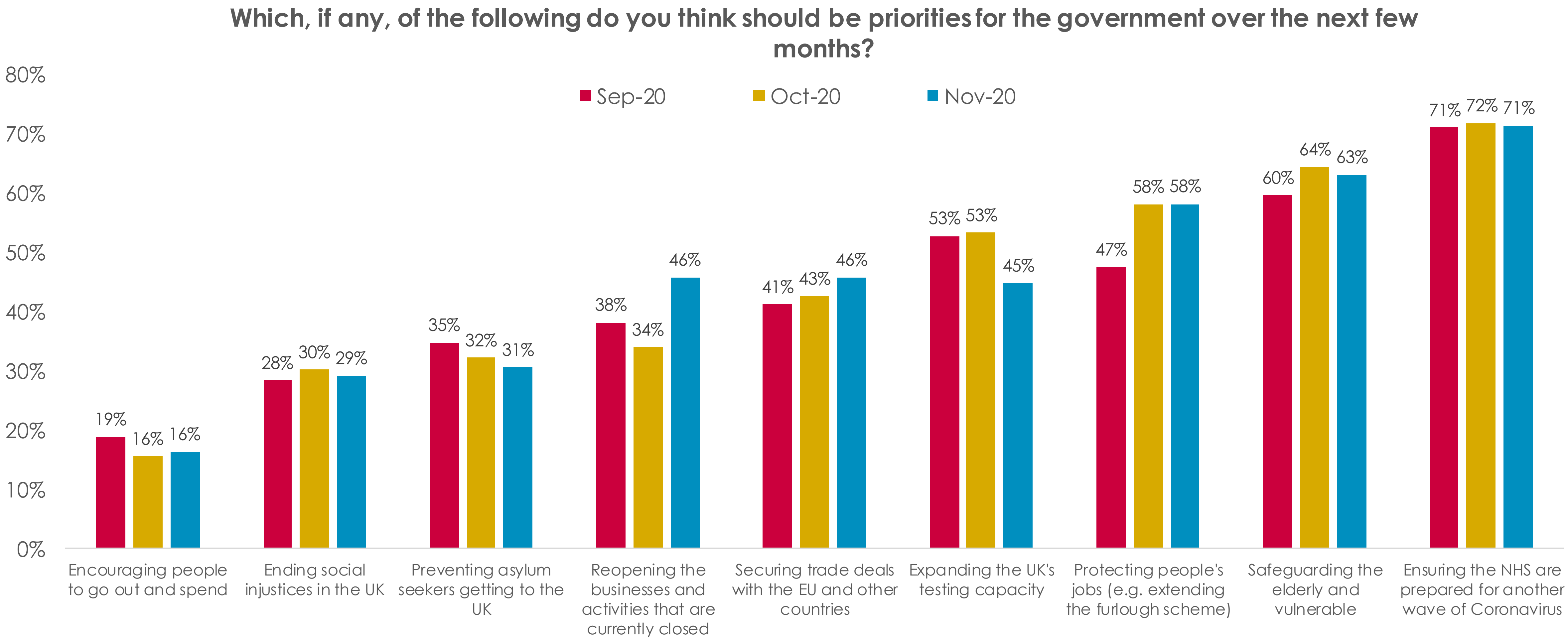
If you had to choose, which of the following two options would you say is your biggest concern at the moment?



		The economic consequences of measures taken to limit the spread of the virus	The health risks associated with the pandemic
Total	Sep-20	31%	69%
	Oct-20	33%	67%
	Nov-20	31%	69%
Gen Z	Sep-20	29%	71%
	Oct-20	30%	70%
	Nov-20	30%	70%
Gen Y	Sep-20	33%	67%
	Oct-20	29%	72%
	Nov-20	37%	63%
Gen X	Sep-20	37%	63%
	Oct-20	41%	59%
	Nov-20	32%	68%
Baby Boomers	Sep-20	29%	71%
	Oct-20	32%	68%
	Nov-20	27%	73%
Silent Generation	Sep-20	23%	78%
	Oct-20	27%	73%
	Nov-20	29%	71%

Lockdown measures see reopening of businesses become a greater priority

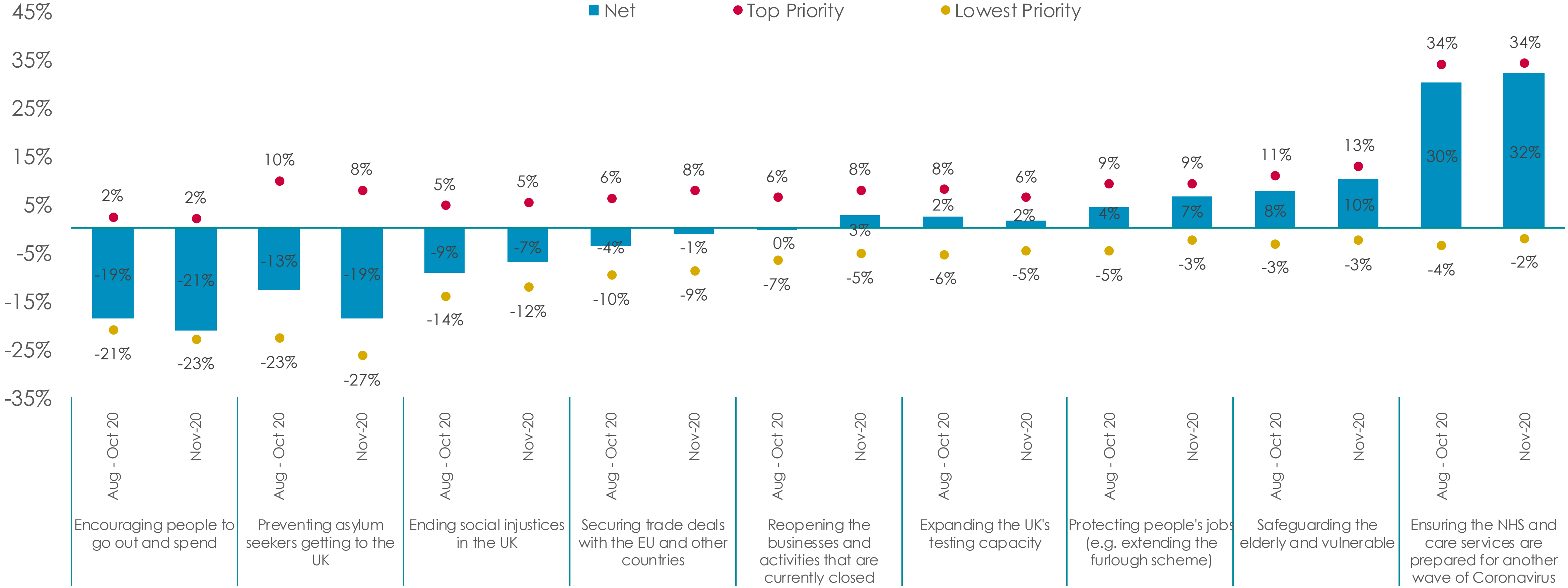
- Whilst the health implications have typically remained unchanged in people's minds, a 12% rise (34% to 46%) in those feeling the reopening of businesses affected by the pandemic suggests that's consumers have seen the reopening of the economy post-four week lockdown as a key priority
- Despite the impacts of the lockdown on people's jobs, this has become no more of a priority this month, with many perhaps feeling as though the extension of the furlough scheme until the end of the first quarter next year will suffice for the time being



Reopening business more of a top priority, but not encouraging spending

- Ensuring the NHS is prepared for further waves of the coronavirus remains the priority for one in three, but shifts in other priorities hint that consumers are eager for people's livelihoods to remain intact without requiring increased spending, as the net saying top minus lowest priority for encouraging people to go out and spend fell by 2% from -19% to -21%, whilst the net for reopening businesses and protecting peoples jobs rose by 3%

If you had to choose, which of the following is your top priority and which is your lowest priority?

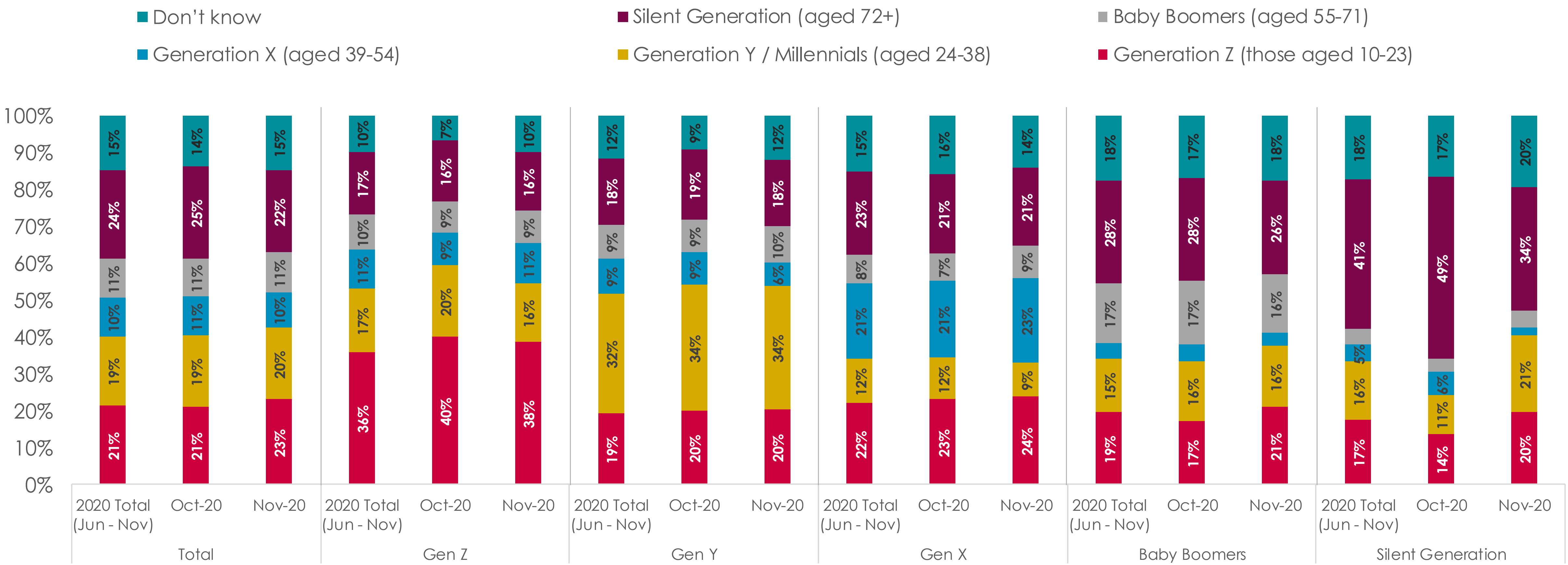


Generational Impacts

Vaccine makes older generations more likely to view Gen Z as worst affected

- With longer term outlook in mind, the positive progress in relation to a vaccine has seen individuals place less emphasis on the health impacts of the pandemic when considering which generation will be worst affected by the pandemic and instead consider those worst affected financially
- The Silent Generation are 16% more likely this month to consider Gen Z or Gen Y the worst affected generation, with a 4% rise amongst Baby Boomers

Which generation do you think will be most <u>negatively</u> affected by the coronavirus pandemic, all things considered?

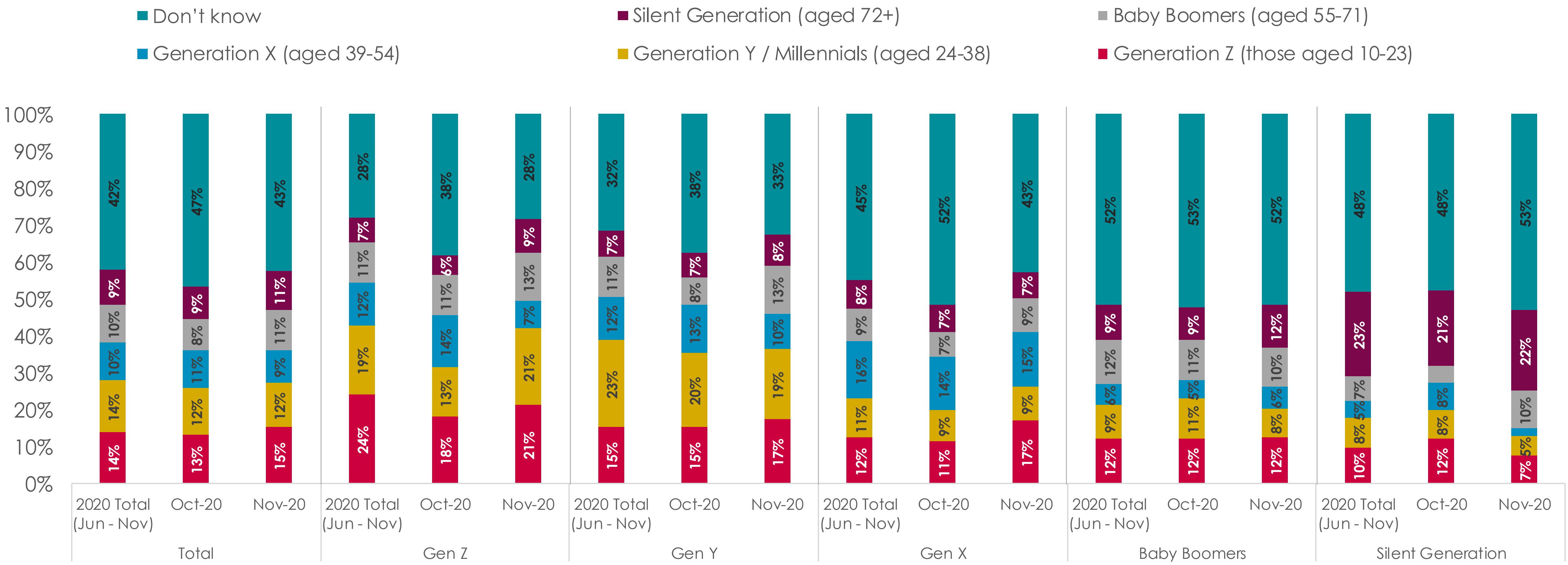


Optimism Index June - November 2020

Gen Z grow more confident they will be most positively impacted

- Despite older generations having considered them more likely to be worst affected this month, Gen Z have grown more likely to feel they will be most positively impacted by the virus, up to 21% from 18% last month, whilst being 8% more likely to feel Gen Y will benefit the most (13% to 21%)
- Older generations have grown more uncertain, with more than half of the Silent Generation (53%) being unsure (up 5%)

Which generation do you think will be most *positively* affected by the coronavirus pandemic, all things considered?

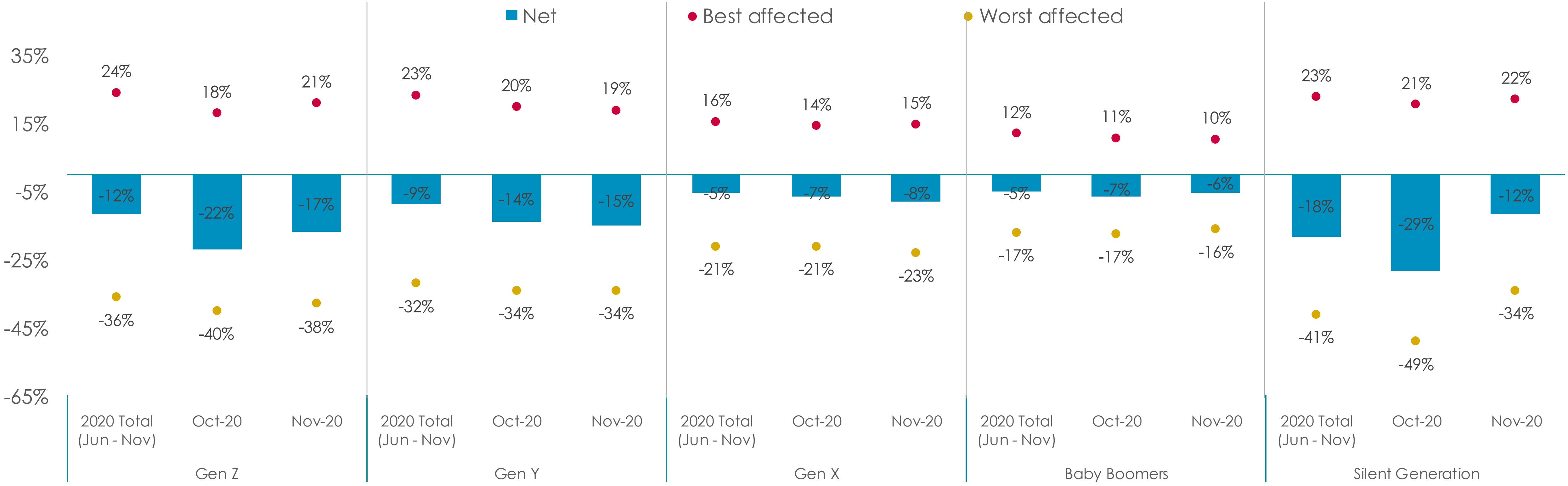


Positive future implications for intergenerational conflict

- The net proportion of Gen Z feeling they will be best minus worst affected has fallen by 5% this month down to -17%, whilst for the Silent Generation a remarkable turnaround sees the net proportion fall from -29% to just -12%, with only a third now feeling they will be worst affected
- Such a trend paints a positive picture for intergenerational conflict, with previous findings having indicated that both the oldest and youngest generations held polarising views on the implications of the pandemic for their generation

Which generation do you think will be most affected by the coronavirus pandemic, all things considered?

[Net % saying <u>their own generation</u> will be best *minus* worst affected]

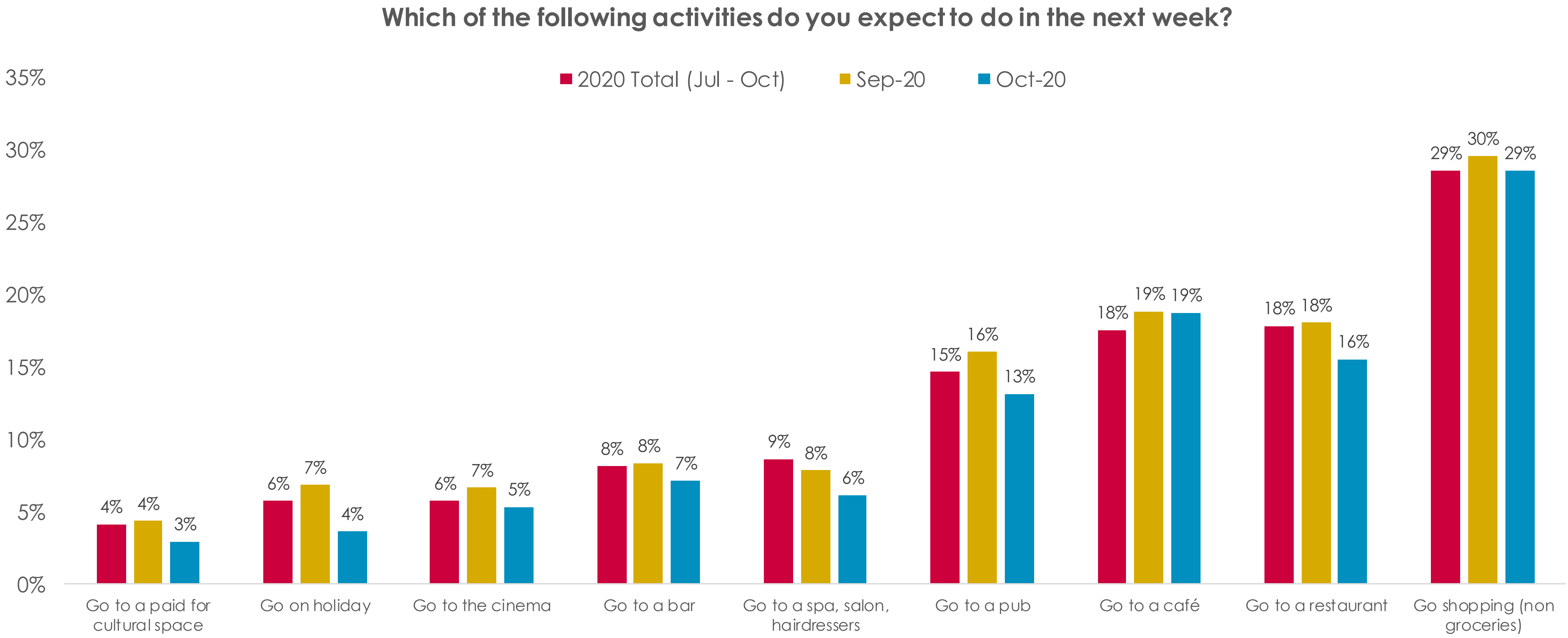


		Best affected	Net	Worst affected
Gen Z	2020 Total (Jun - Nov)	24%	-12%	-36%
Gen Z	Oct-20	18%	-22%	-40%
Gen Z	Nov-20	21%	-17%	-38%
Gen Y	2020 Total (Jun - Nov)	23%	-9%	-32%
Gen Y	Oct-20	20%	-14%	-34%
Gen Y	Nov-20	19%	-15%	-34%
Gen X	2020 Total (Jun - Nov)	16%	-5%	-21%
Gen X	Oct-20	14%	-7%	-21%
Gen X	Nov-20	15%	-8%	-23%
Baby Boomers	2020 Total (Jun - Nov)	12%	-5%	-17%
Baby Boomers	Oct-20	11%	-7%	-17%
Baby Boomers	Nov-20	10%	-6%	-16%
Silent Generation	2020 Total (Jun - Nov)	23%	-18%	-41%
Silent Generation	Oct-20	21%	-29%	-49%
Silent Generation	Nov-20	22%	-12%	-34%

Appendix

Expected leisure participation saw significant decline last month

- Trends were more promising in September, however this month sees majority of leisure activities decline in expected participation
- Most noticeable falls for restaurants (18% to 16%), pubs (16% to 13%) and holidays (7% to 4%)
- No single activity saw a rise in expected involvement last month, with only Cafes not seeing a decline of some measure



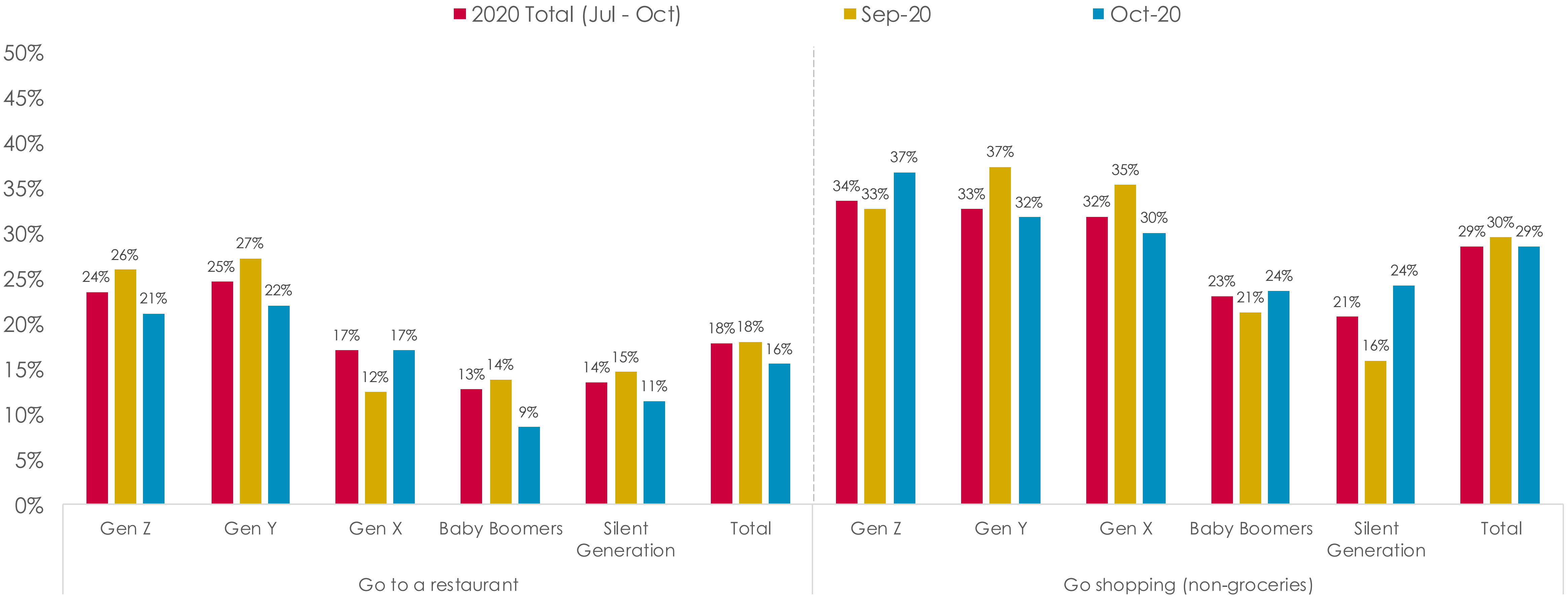
Younger generations were more confident about leisure

- Gen Z and Gen Y by far the most likely to visit a restaurant last month, although the proportion fell sharply compared to September

- For non-grocery shopping, Gen Z saw a 4% rise in those expecting to do so in next week, making them the most likely to do so

- One in four (24%) Baby Boomers and Silent Generation show surprising bullishness regarding non-grocery shopping, although still below average

Which of the following activities do you expect to do in the next week?



TRAJECTORY

Each month Trajectory survey 1500 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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