



TRAJECTORY

OUVERTURE

22

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

21

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

The Optimism Index (UK)

Report: December 2020 | Fieldwork: 3rd – 10th December 2020

**UK Optimism
December 2020**

50

Up 3 points on November 2020

Down 1 point on December 2019

**Rolling Average
December 2020**

48

Up 1 point on November 2020

Down 2 points on December 2019

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

**Net spending
expectations**

-19%

Spending expectations have risen sharply as we near Christmas

**Net household
confidence**

-3%

Economic confidence has received a further welcome boost

Net Trust

-14%

Consumers have grown more trusting this month

Headlines

Comment

What a difference a week makes.

When data collection for this month's report finished on December 10th, the UK had just enjoyed a week out of lockdown, vaccines were being administered to the first patients in the UK and many families could look forward to a brief sliver of normality thanks to the planned Christmas relaxation.

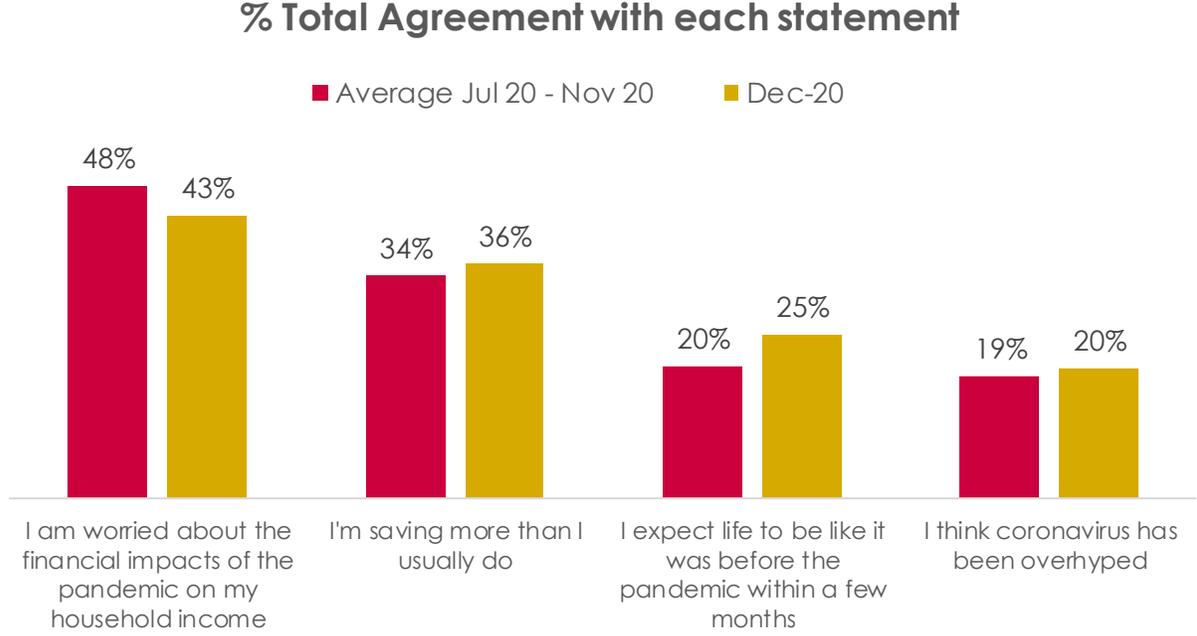
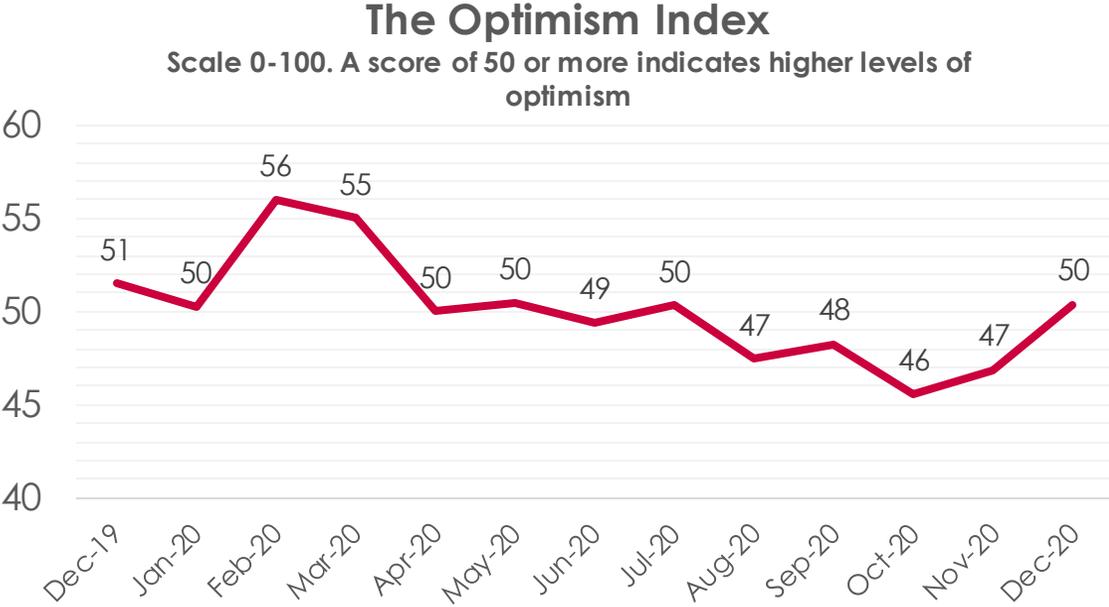
No surprise, then, that this month's index finds a 3-point rise in optimism, the biggest month on month jump in sentiment since before we'd ever heard of social distancing.

But as we *publish* this latest report – just a week on from the end of fieldwork – the mood has changed. Thanks to rising infection levels and rapidly filling hospitals more than two-thirds of the population are in Tier 3 restrictions while government ministers are actively discouraging the public from taking full advantage of the festive rules.

But that shouldn't remove the Christmas cheer entirely. The foundations of this renewed optimism are strong: included in our data is a growing number of people who think life will be back to normal within a few months. As the vaccine roll out progresses, we will move more decisively from the health phase of this crisis to the economic phase. That may threaten the other pillar of this month's rise in sentiment: growing consumer confidence.



The Optimism Index: Headlines



- This month's edition of **The Optimism Index** sees consumer sentiment rise by three points, up from 47 to 50.
- Fieldwork was carried out between 3rd and 10th December, and this month consumers have been boosted by the continued positive vaccine developments. During that fieldwork period, a UK woman was the first person in the world to have received the Pfizer vaccine. In addition, the fieldwork came just after the end of national lockdown measures on December 2nd, giving most consumers in the UK more day-to-day freedom than the previous month.
- These recent changes have had positive implications on consumer's views of the pandemic, both financially, with a 5% fall in those feeling worried about the impacts of the pandemic on their finances, as well as socially, with a 5% rise in those expecting life to return to how it was pre-pandemic within just a few months. These shifts underpin this month's rise in optimism.



The Optimism Index: Rolling Average

- The three month rolling average of **The Optimism Index** rose by one point this month, from 47 to 48.
- Although a minor shift, this is the first time throughout the pandemic that the figure has risen. The rolling average continued to fall even throughout the summer, despite the shops, bars and restaurants being open in July and August. At that point, consumers were enjoying the summer while anticipating a second wave. Now, they are enduring the winter while hoping for a return to normality soon.
- Consumers have likely been boosted not only by the vaccine developments, but also the fact that Christmas is now just around the corner. The rolling average saw a similar rise at this time last year, albeit to a slightly greater degree – likely driven by a similar level of excitement in relation to the festive period.
- The Government announced on 24th November that up to three households will be allowed to mix indoors for five days between 23rd and 27th December, meaning the festive period has become more appealing than it may have been last month.

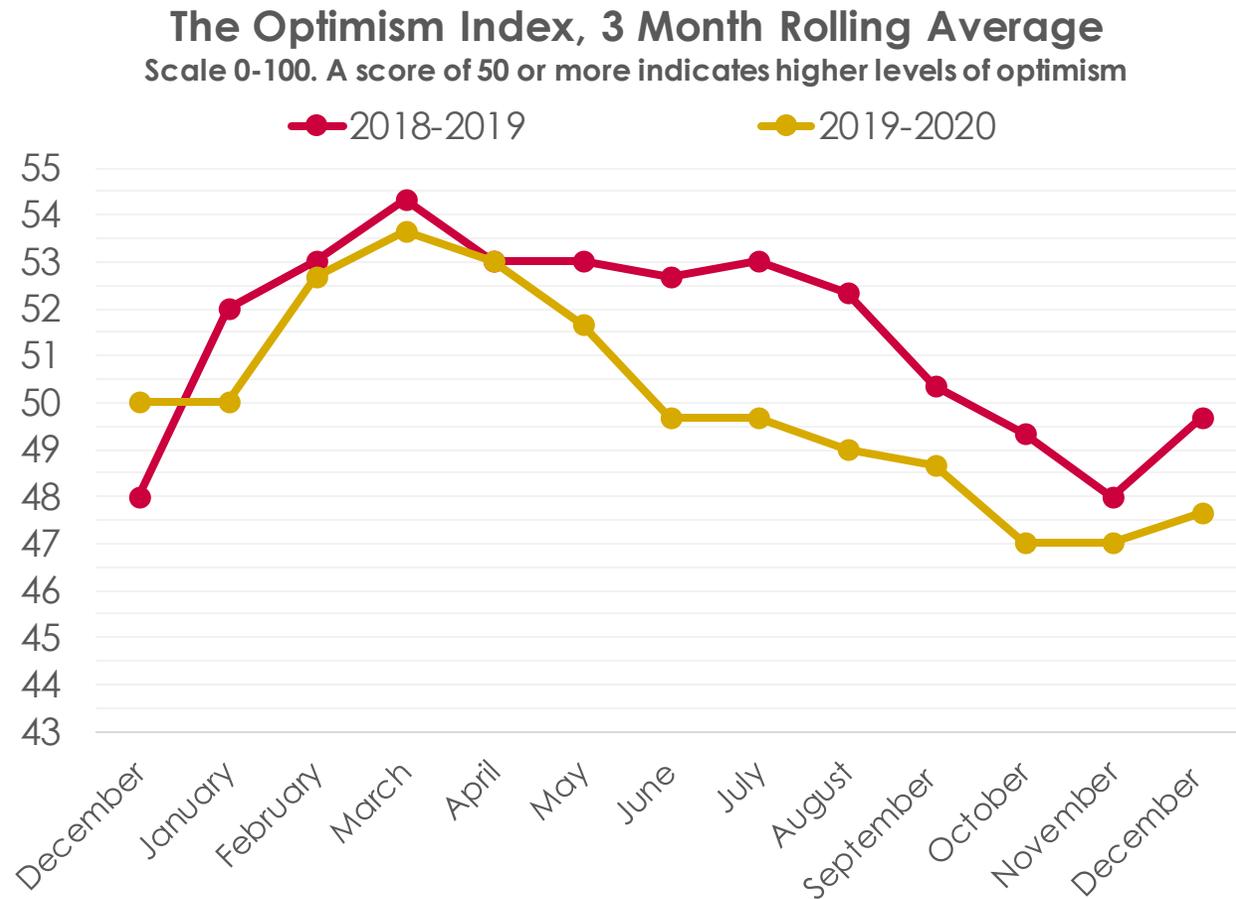
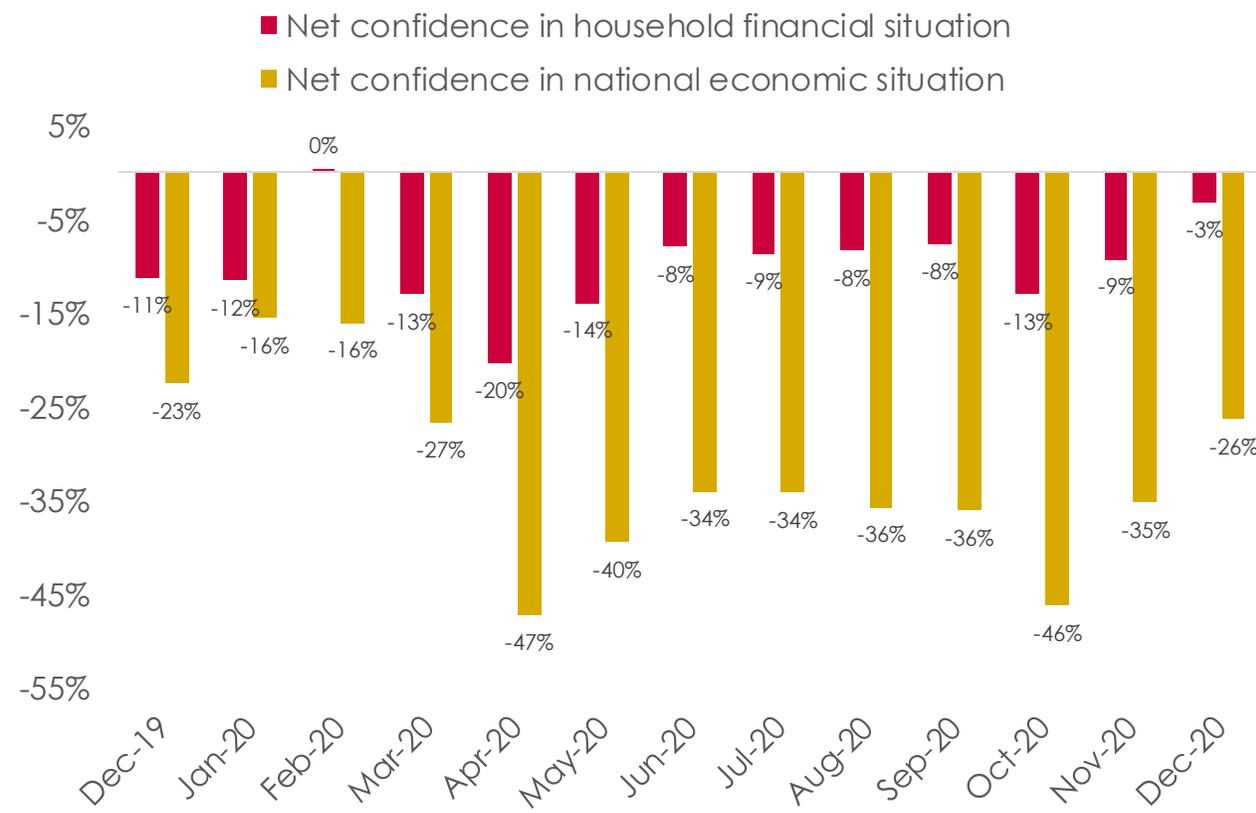


Chart labels are rounded to whole numbers, but *The Optimism Index* is rounded to one decimal place

Financial & Economic Drivers

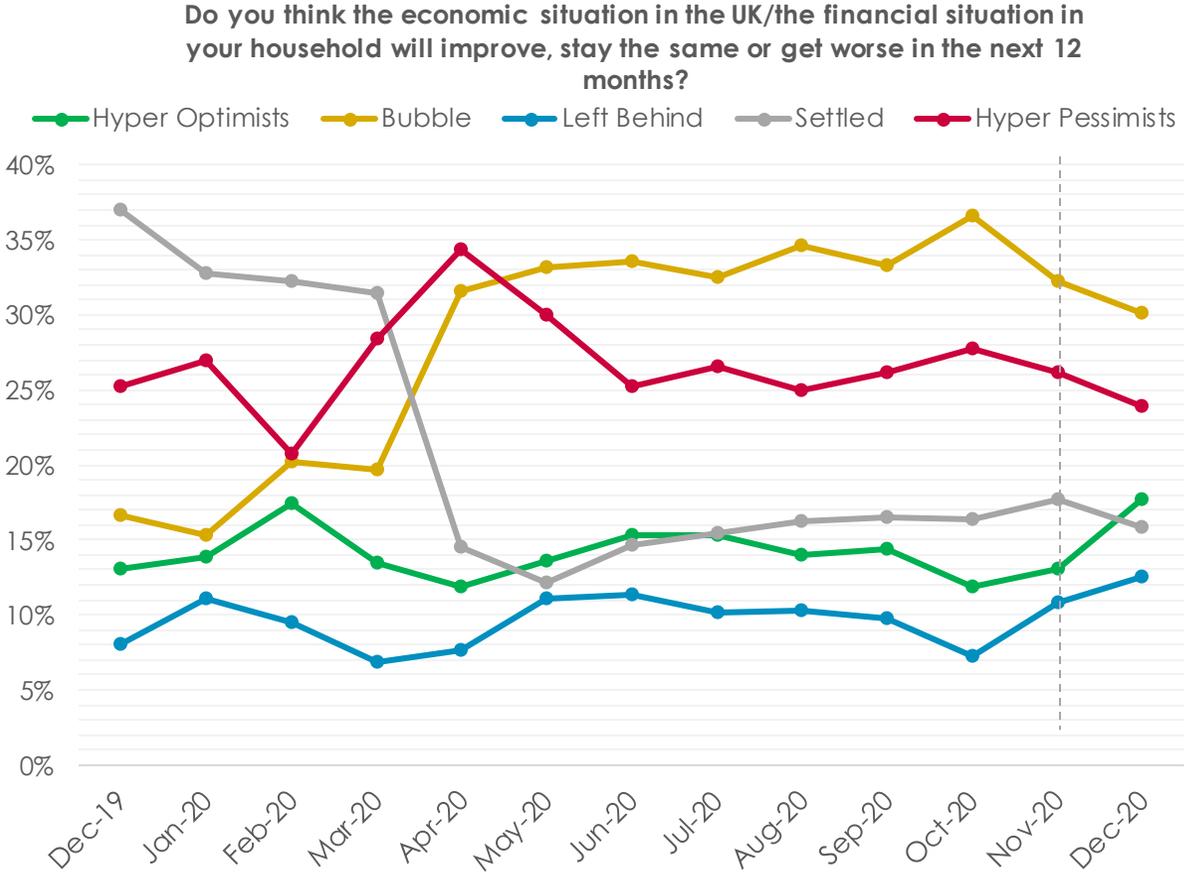
- This month sees levels of consumer confidence continue to improve, with net confidence in the economy rising by 9% up from -35% to -26%, whilst net household financial confidence rose from -9% to -3%.
- Such an improvement for a second consecutive month is a likely result of the timings of this month's fieldwork, with England moving out of national lockdown just one day prior to fieldwork starting on December 3rd. With regions such as London and Liverpool being initially placed into tier two restrictions, huge numbers of shops, pubs and restaurants were allowed to open their doors once again. This is coupled with continued positive vaccine developments, as the first versions were given regulatory approval and administered.
- However, the improved confidence is not consistent across different generations. This month's topline improvement is largely driven by younger cohorts, with net household confidence rising by 13% for Gen Z and 11% for Gen Y this month, whilst actually falling by 1% amongst the Silent Generation (-15% to -16%).

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



Consumer Confidence Groups

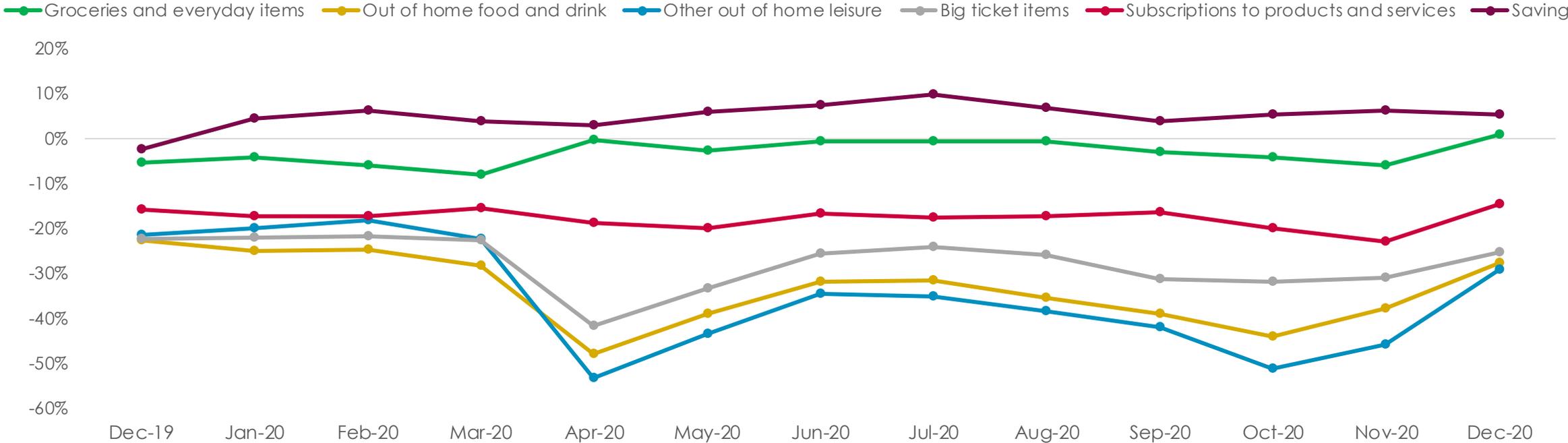
- As net confidence in the economy as a whole and regarding consumer's own finances rose again, this month sees a continuation of the trends we began to see in November. There are further declines in 'The Bubble' (32% to 30%) and 'Hyper Pessimists' (26% to 24%) whilst both 'Left Behind' and 'Hyper Optimists' saw rises of 2% and 5% respectively. Overall, these indicate shifts towards more consumers expecting the economy to improve in the next year.
- Representing just 30% of respondents, 'The Bubble' now accounts for the lowest proportion of consumers than it has at any point since the start of the pandemic. 'Hyper Pessimists', are also following a similar trend, now accounting for 10% fewer respondents than in March, and even fewer than at this point last year.
- Worth noting however, is that despite these promising trends, both 'The Bubble' and 'Hyper Pessimists' still account for more than half of respondents (54% - up 12% on this point last year) suggesting that consumers are still well aware of the damaging impacts of the pandemic on the economy as a whole.



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

Spending Expectations

Over the next few months, how will you change spending on the following? [% Net Increase minus Decrease Spending]

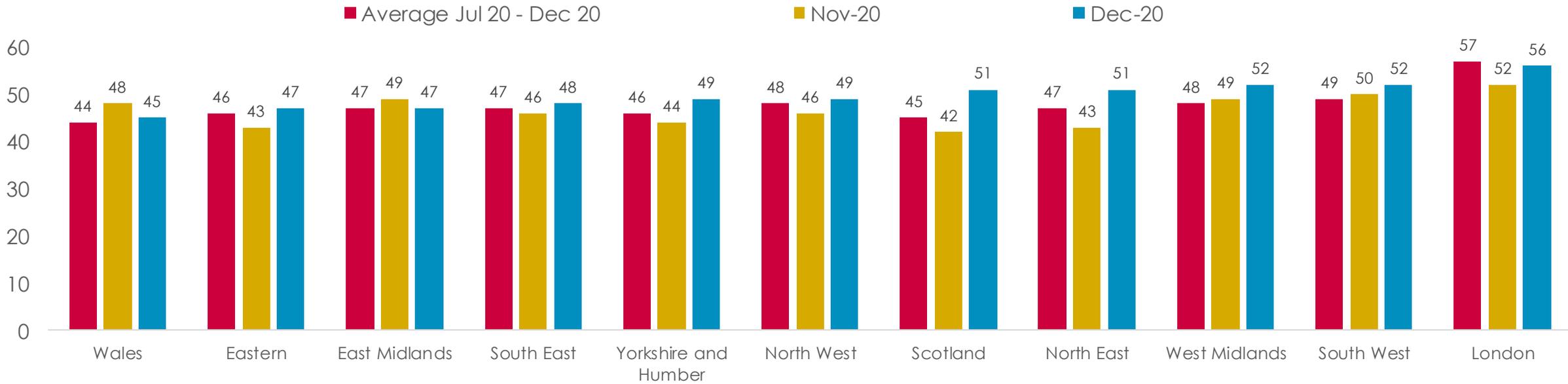


- With Christmas now just a few weeks away, it is little surprise to see a 6% rise in net spending expectations for big ticket items and a 7% rise in net expectations for spending on groceries and everyday items this month.
- Our findings also indicate that the reopening of non-essential shops, pubs and restaurants for those in tier two, coupled with the run-up to Christmas have led to an increase in expected spending on out of home food and drink (-38% to -28%) and other out of home leisure (-46% to -29%), despite calls for consumers to remain cautious and to socialise as little as possible over the coming weeks. With more areas going into Tier 3, the ability of consumers to realise these spending ambitions may be inhibited.
- Comparisons with spending expectations at this time last year highlight how festive spending habits have shifted due to the pandemic, with net expectations for groceries and everyday items 7% higher than at this time last year, whilst expectations for both out of home food and drink and other out of home leisure are 5% and 7% lower than this time last year respectively, despite the rises this month.



The Optimism Index by Region

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



- Compared to November, almost every region of the UK has experienced an increase in optimism this month, with the most notable rises seen in Scotland (42 to 51) and the North East (43 to 51).
- Our data suggests that consumers in these regions have grown substantially more positive regarding the social and financial impacts of the pandemic this month, with the proportion feeling that life will return to normal in a few months up 8% in the North East and up 3% in Scotland, whilst the proportion worried about the financial impacts of the pandemic fell by a remarkable 15% in both regions.
- Despite optimism in London falling in November, a four point rise up to 56 sees Londoners remain by far the most optimistic of any group of consumers, likely driven by the initial placement of the region into Tier 2 restrictions, allowing pubs, restaurants and bars to operate once again. Since fieldwork completed London and large areas of the South East and East have moved into Tier 3.



- This month sees the gap in optimism between men and women grow to seven points, with women seeing a three point rise up from 44 to 47, whilst men see a four point rise from 50 to 54.
- These trends fully re-establish the disparity in optimism that has been seen throughout the pandemic, with the fall in the gap to just three points in October appearing to have been no more than an anomaly; a difference of at least six points between the two groups occurring in the two months both before and after October.
- Our findings suggest that the discrepancy between men and women this month is at least partly based upon different views on the social impacts of the pandemic, with men being 4% more likely to feel that life will return to how it was pre-pandemic within a few months (27% to 23%) as well as being 4% more likely to feel that the pandemic has been overhyped (22% to 18%).
- A greater degree of optimism continues to leave men feeling substantially more positive about the economy, with 33% of men feeling the economic situation in the UK will improve over the next 12 months, compared to just 19% of women.

Gender

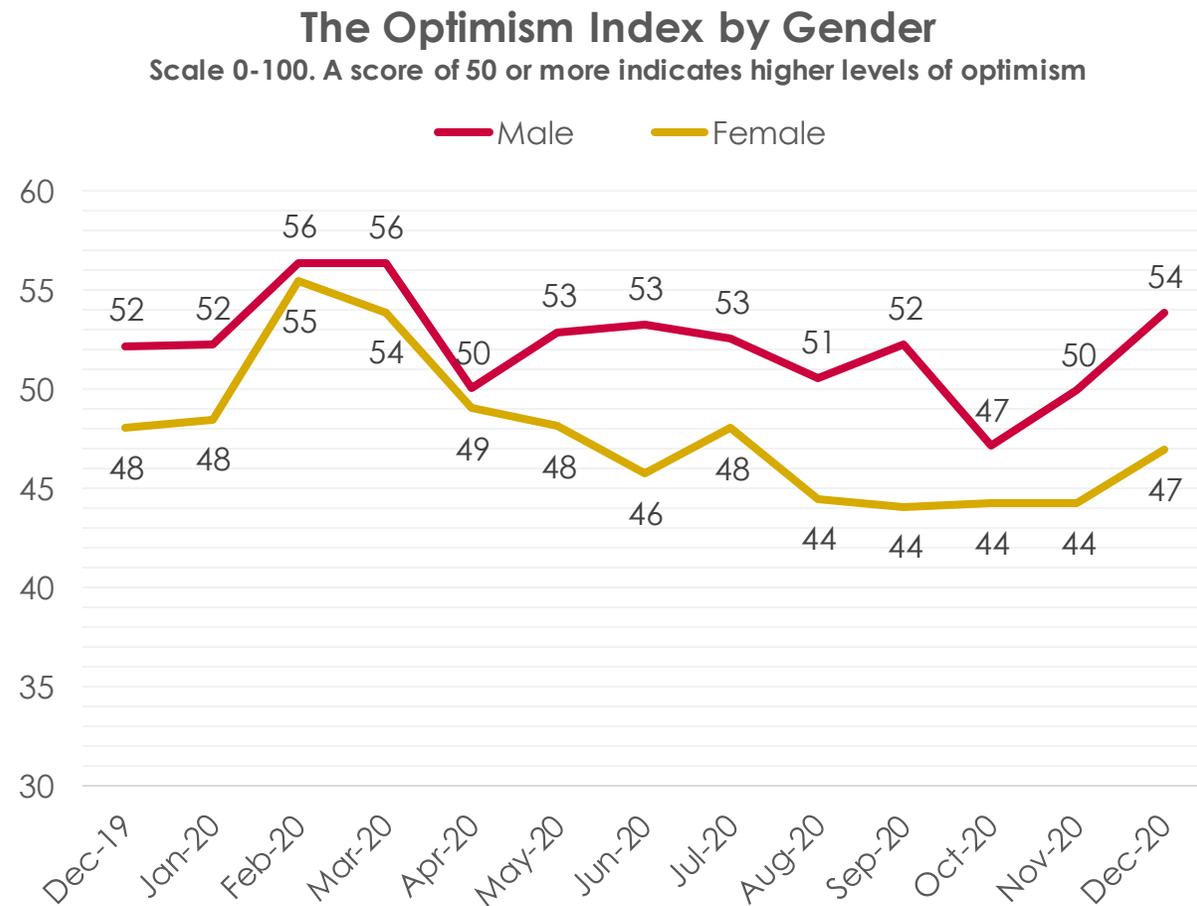


Chart labels are rounded to whole numbers, but *The Optimism Index* is rounded to one decimal place

- This month brings almost a complete reversal of the trends in optimism across generations seen in November, with Gen Z (51 to 55), Gen Y (49 to 56) and Gen X (43 to 49) seeing significant increases after falling last month, contrasting with the experience of the Silent Generation, who experienced a fall of two points from 50 to 48 after a substantial rise in the previous month.
- These different trends are likely the result of complex attitudes towards health, social restrictions and the economic impact of the pandemic. The Silent Gen saw the largest boost in November, likely driven by initial reactions to the vaccine news and their support for the lockdown. This month, the lifting of the lockdown and the continued progress on vaccination (and the promise that this presages a return to wider normality) provides a boost for younger generations.
- Younger age groups have therefore benefitted greatly from the reopening of such venues this month as England moved out of national lockdown, with positive implications for spending on out of home food and drink; Gen Z and Gen Y being 8% and 5% more likely than average to expect to increase spending on out of home food and drink in the coming months.

Generation

The Optimism Index by Generation

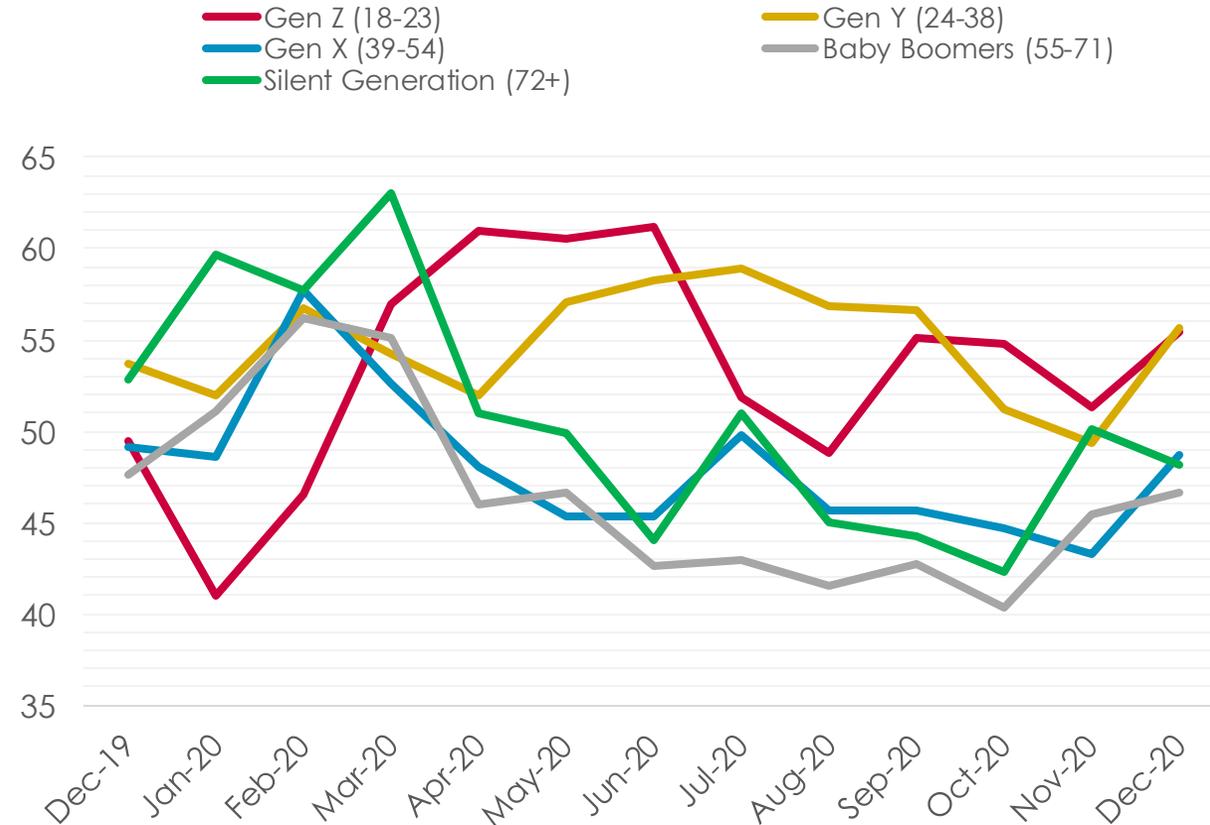


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Income

- This month sees the three month rolling average for those earning more than £62k per year rise by one point from 54 to 55, marking a reversal of the downward trend seen over the past few months, whilst the rolling average also rose by one point among those earning both less than £21k per year (44 to 45) as well as those earning £21k-£41k (47 to 48).
- Our findings this month suggest that the reasons for the higher levels of optimism amongst those earning more than £62k per year are more than just financial, with this group being 9% more likely than average to feel that the pandemic has been overhyped (29% to 20%) and being 8% more likely than average to feel that life will return to what it was like pre-pandemic within a few months (34% to 26%).
- Such disparity in optimism across income groups continues to translate into similar differences in sentiment, with less than a quarter (24%) of those earning less than £21k per year expecting the economic situation in the UK to improve over the next year, compared to 39% of those earning more than £62k per year.

The Optimism Index 3 Month Rolling Average by Income (annual, pre tax household income)

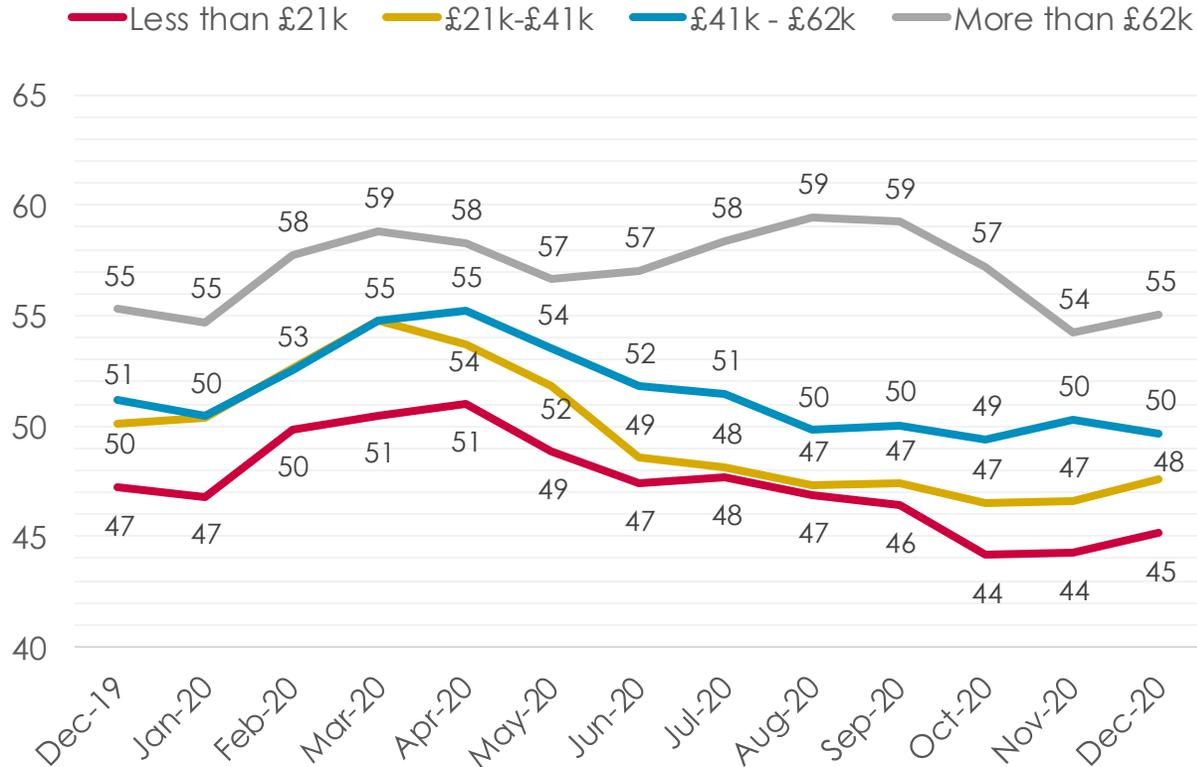
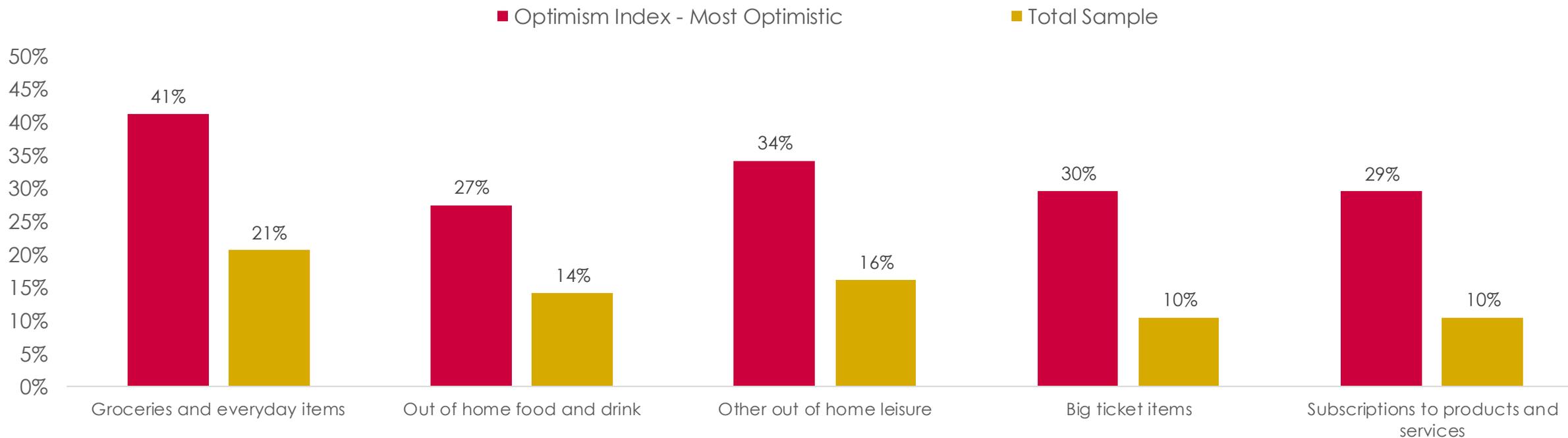


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Rise in spending expectations driven by most optimistic

Proportion expecting to increase spending in each category over next few months
[December 2020]

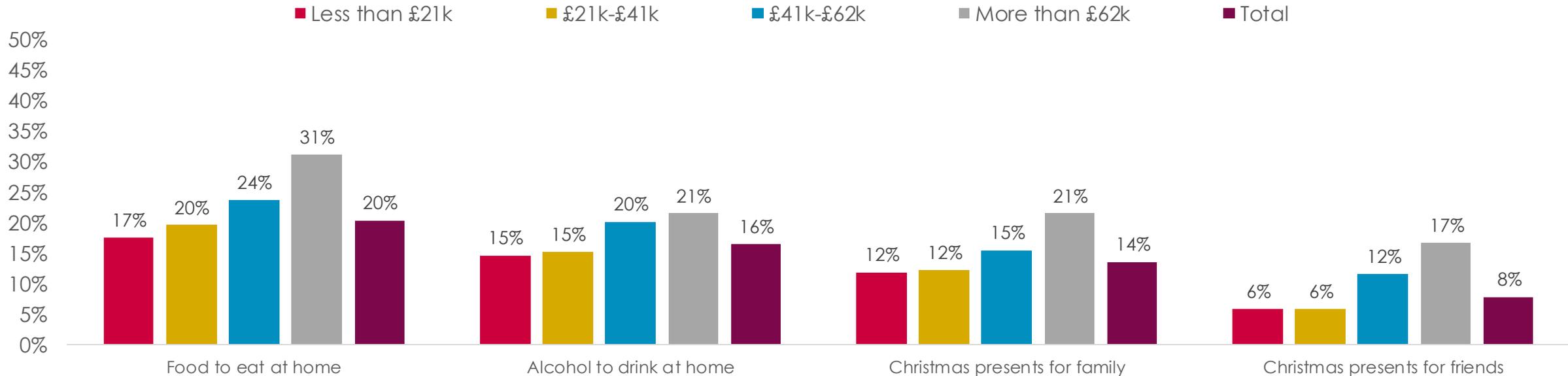


- This month continues to highlight the importance of optimism in defining consumer spending expectations, with the most optimistic consumers up to three times as likely to expect an increase in spending when compared to the average individual, and with the positive trends in spending expectations this month being driven primarily by those feeling the most optimistic.
- Whilst just over a fifth (21%) of consumers in general expect to increase their spending on groceries and everyday items over the next few months, this proportion is almost doubled amongst the most optimistic group (41%), whilst we also see similar trends in regards to spending on out of home food and drink (27% compared to 14%) and other out of home leisure (34% to 16%).



Highest earners most likely to increase Christmas spend this year

Proportion expecting to spend **more** in Christmas 2020 compared to Christmas 2019
[December 2020]



- This month's findings indicate that consumers are anticipating a reduction in spending on Christmas this year compared to 2019, with respondents being more likely to expect a reduction in spending than an increase, even for categories that are largely unaffected by the social restrictions, such as on food at home (22% expecting to spend less), alcohol at home (20% spending less), presents for the family (27% spending less) and presents for friends (31% spending less).
- The story is not unanimous across demographics however, with households earning more than £62k per year in particular often being significantly more likely to expect to spend more this year compared to last, most notably in the case of food to eat at home, with almost one in three (31%) of top earners expecting to spend more this year.

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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