TRAJECTORY

Optimism Index
January 2021

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 **6th and 13th January.**

Last Month's Key Events

14th December
New mutant strain of Covid-19 identified in the UK

16th December
London and parts of Essex and Hertfordshire placed into Tier 3

17th December
Furlough scheme extended an additional month until end of April 2021

19th December
London, South East and East of England moved into Tier 4, with all indoor mixing banned over the Christmas period. All other regions can now only meet on Christmas day

21st December
More than 40 countries suspend all flights to and from the UK due to the new variant

22nd December
BioNTech CEO says that their vaccine will be effective against the new strain

26th December
More than 40% in England now placed under Tier 4 restrictions, all mainland Scotland also in Tier 4, Wales and Northern Ireland placed into lockdown

30th December
Oxford/AstraZeneca vaccine approved by MHRA. The Midlands, North East, parts of the North West and South West placed in Tier 4

31st December
BMA criticises decision to change length of time between vaccine shots from 3 to 12 weeks

3rd January
Boris Johnson says he expects tens of millions of Covid vaccinations to be given out over the next 3 months

4th January
England and Scotland enter lockdown, closing all schools until at least February half term. Rollout of Oxford/AstraZeneca vaccine begins

8th January
Moderna vaccine becomes the third to get approved for use in the UK. Sadiq Khan announces a major incident in London

10th January
Government says the top four most vulnerable groups will be offered a vaccine by 15 February, while every adult will be offered one by the autumn

11th January
Rishi Sunak announces that the UK economy will get worse before it gets better.

12th January
5 major supermarket chains in the UK say they will now ban customers who refuse to wear a face covering

January Fieldwork (6th – 13th)

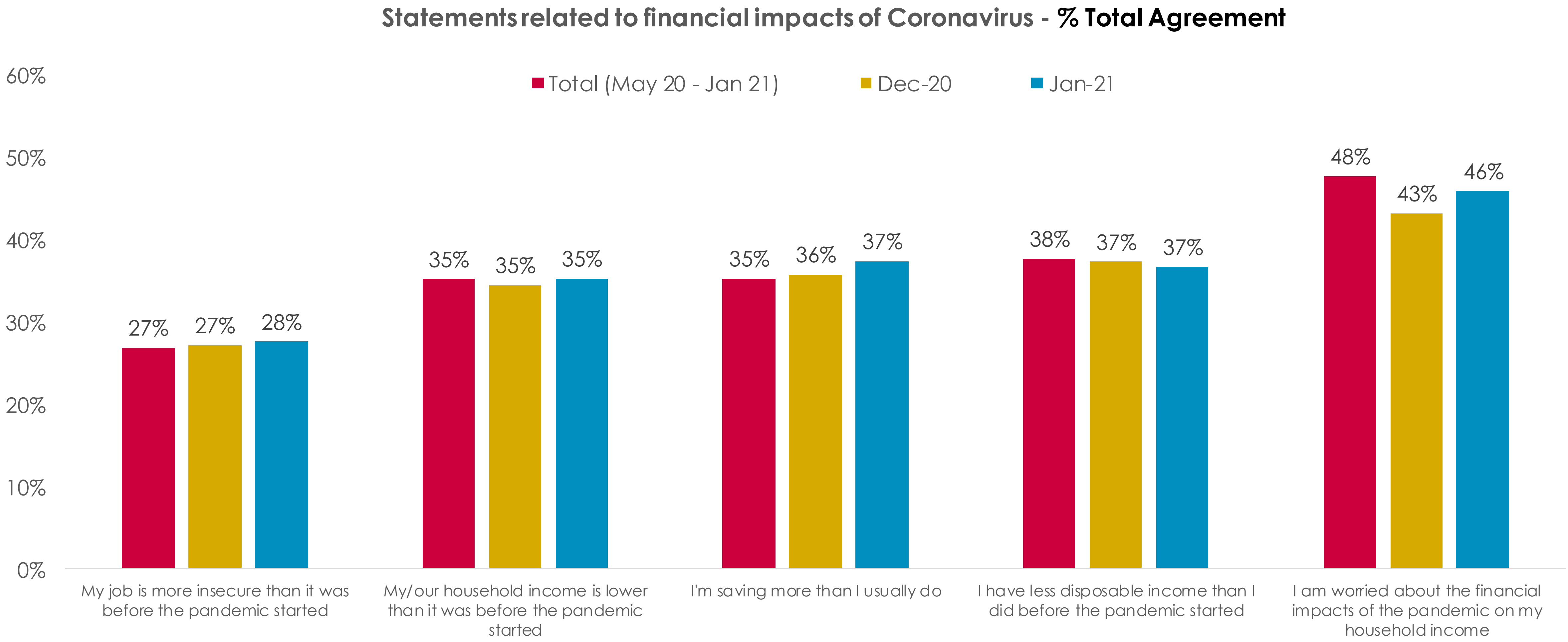
Key Findings

- Movement back into national lockdown raises financial concern, particularly amongst women
- Short term employment expectations damaged by lockdown, but vaccine maintains positive longer term expectations
- Consumers continuing to exhibit more price conscious behaviours in response to financial concerns
- Spread of mutant strain drives concerns over visiting public spaces, most notably for older consumers
- Sense of new seriousness amplified amongst older generations by tightening of restrictions
- Public health now the top priority for the majority of consumers – with vaccine rollout seeing a sharp rise in importance
- Latest lockdown drives rise in proportion feeling Gen Z are the worst affected cohort

Financial Implications

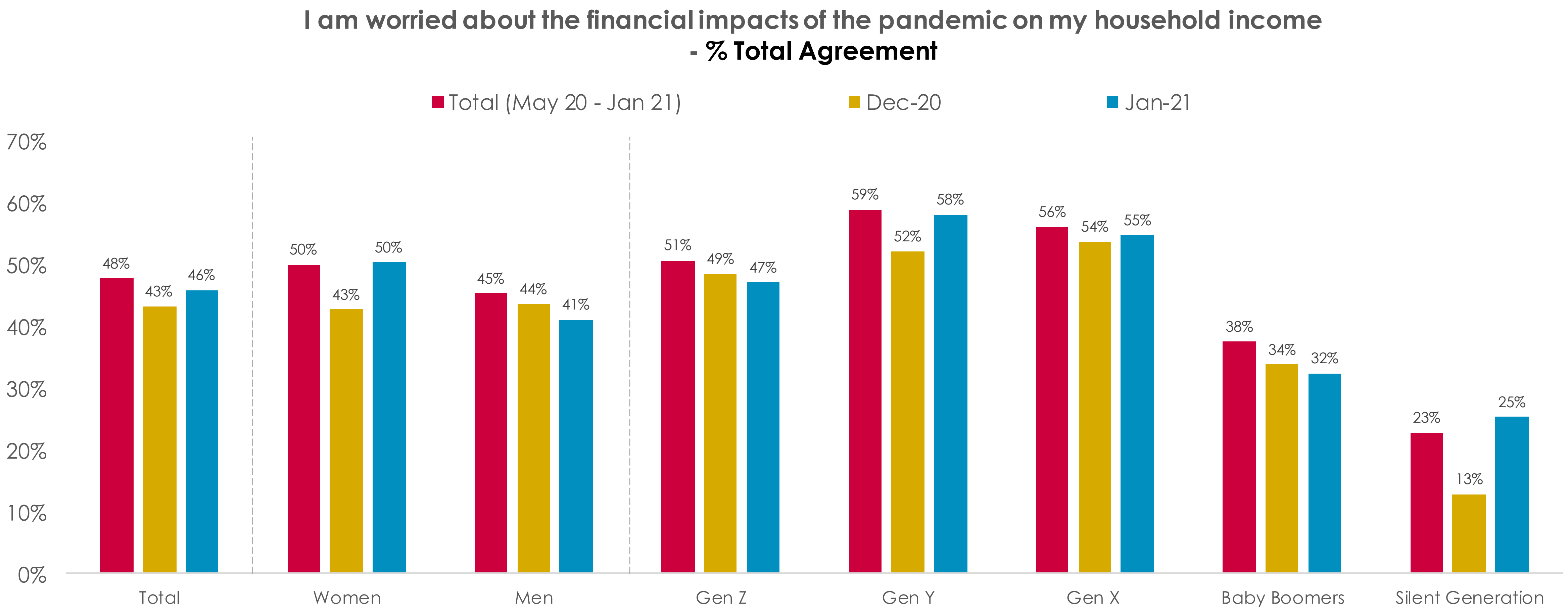
Movement back into national lockdown raises financial concerns

- Proportion feeling worried about the financial impacts of the pandemic on their household income rose by 3% from 43% to 46%
- Slight rise in proportion feeling their job is more insecure and their household income is lower than pre-pandemic
- Growing financial concerns continue to drive rising saving levels, with proportion saying they are saving more than usual up to 37%



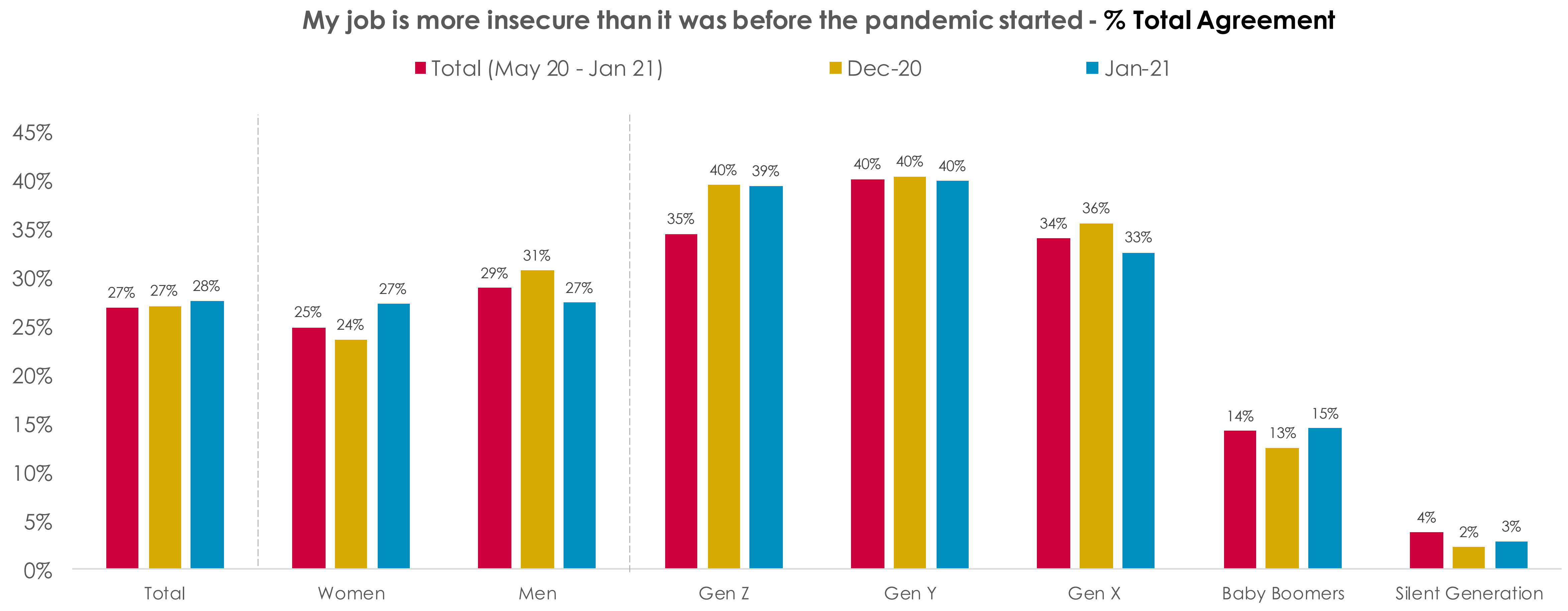
Women the primary drivers of a rise in financial concerns

- Proportion of women worried about the financial impacts of pandemic rose from 43% to 50%, whilst for men, this proportion fell from 44% to 41%
- Sharp rise in financial concerns amongst both the Silent Generation (13% to 25%) and Gen Y (52% to 58%)
- Gen Z and Baby Boomers see a small decline in concerns regarding impact of pandemic on their income



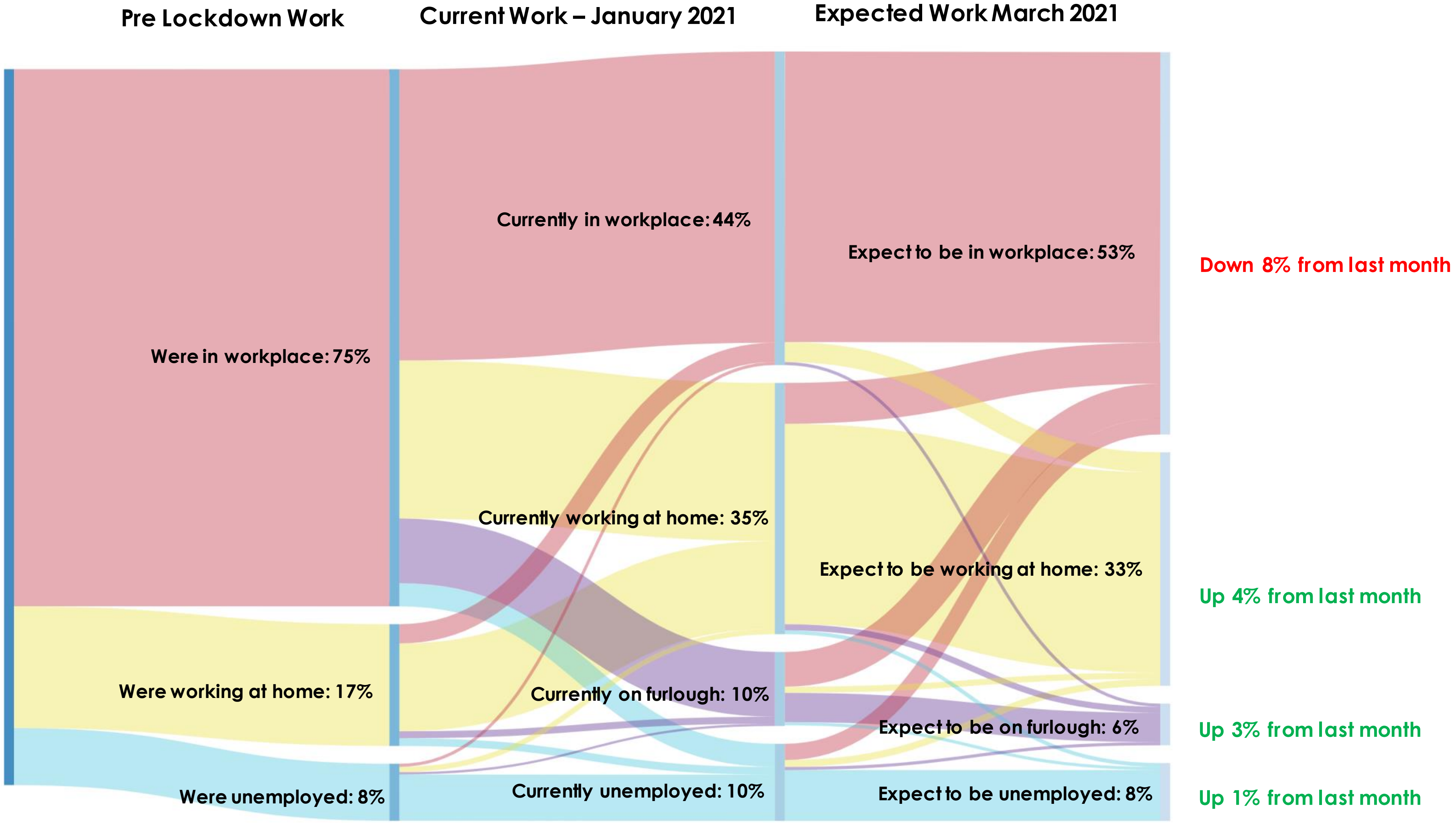
Women also the primary driver of a lessened sense of job security

- Whilst men saw a 4% fall in the proportion feeling their job is now more insecure than pre-pandemic, this proportion rose by 3% for women
- The proportion of Gen Z feeling their job is less secure has risen considerably in the last two months compared to the pandemic as a whole



Lockdown lowers proportion expecting to be in workplace in coming months

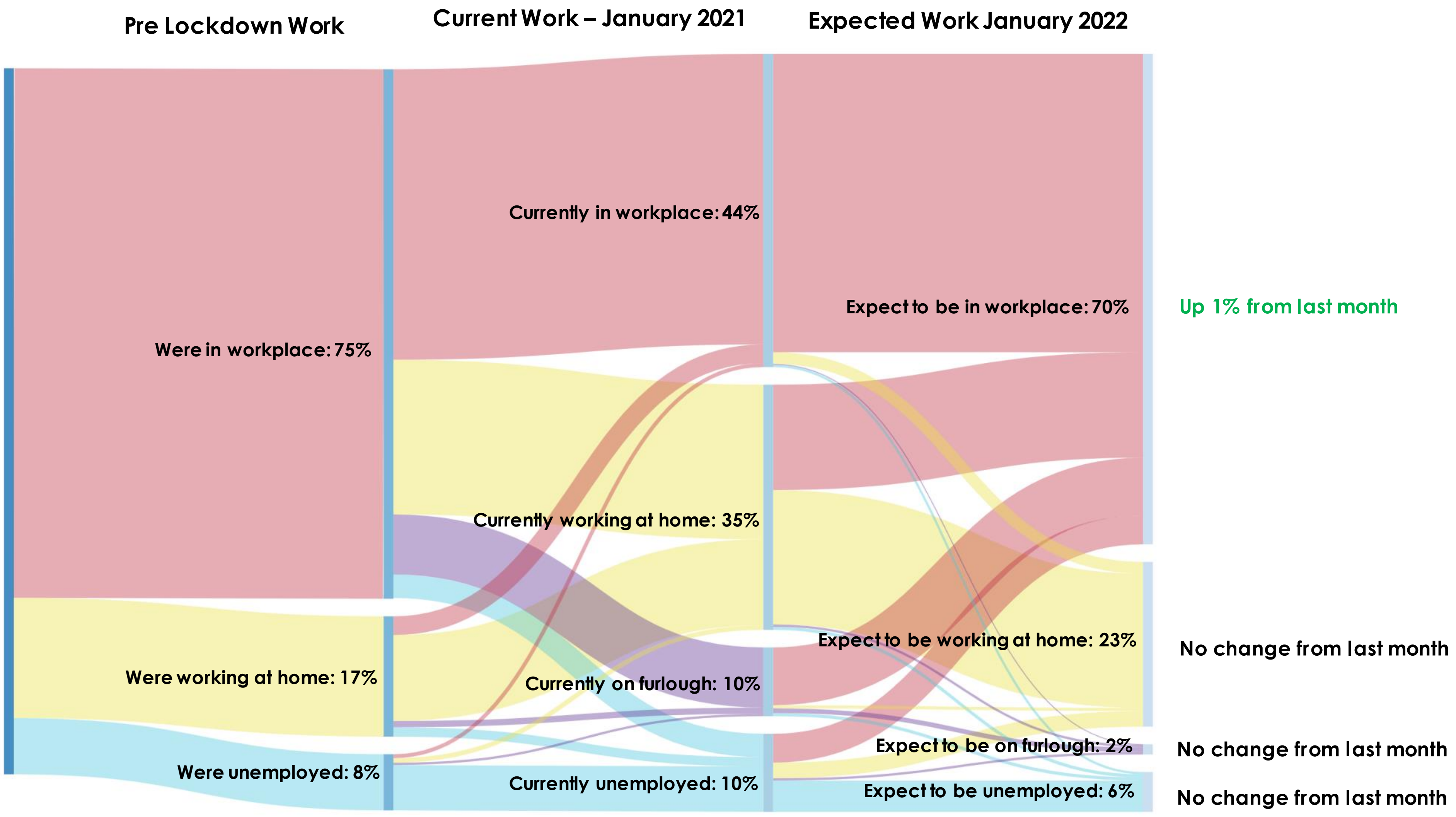
- The proportion currently in the workplace fell by 9% from 53% to 44% this month, with the proportion currently on furlough rising from 6% to 10%
- Only just over half (53%) expect to be in the workplace by March 2021, down by 8% from last month (61%)



TRAJECTORY

Vaccine progress helps prevent worsening long term employment expectations

- Despite a sharp decline in short term employment expectations, over the longer term, consumers remain confident that they will return to work
- Just under three quarters (70%) expect to be in the workplace by this time next year, up 1% from last month



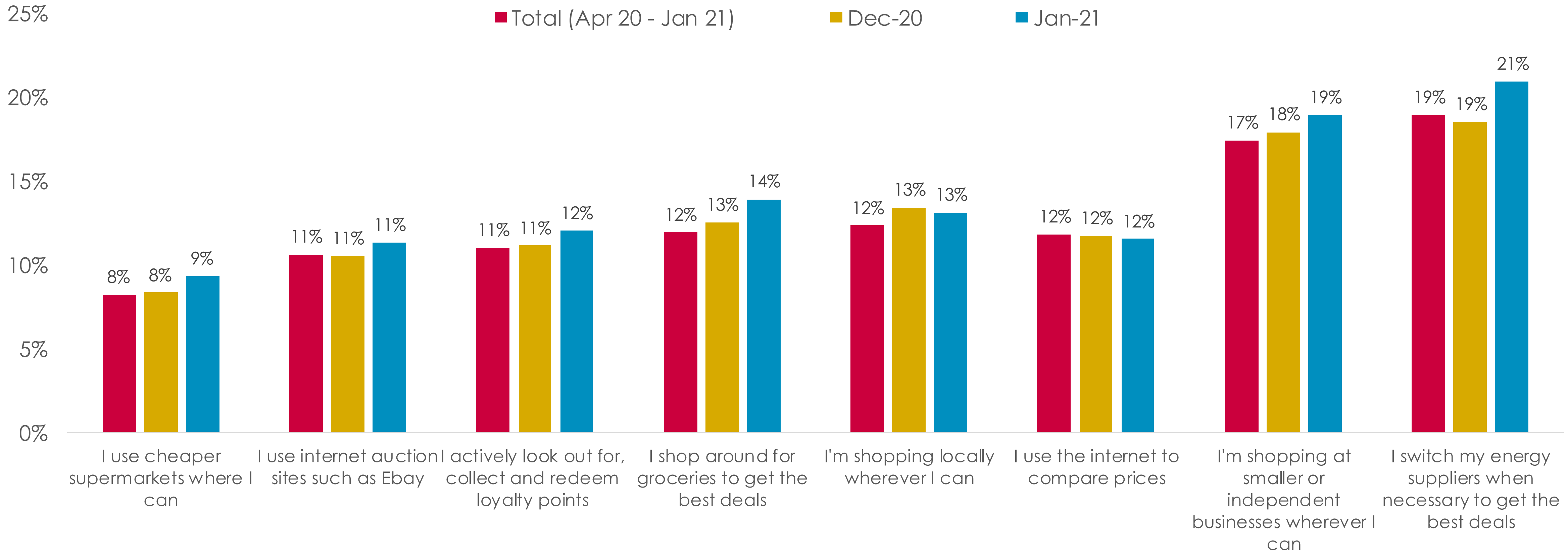
Impacts on Shopping Habits

Latest lockdown drives increased intentions to shop around

- 14% say they intend to shop around for the best deals, up 1% from last month and up 2% compared to the pandemic as a whole

- Similar rise in the proportion intending to start using cheaper supermarkets (8% to 9%) and to switch energy supplier to get the best deal (19% to 21%)

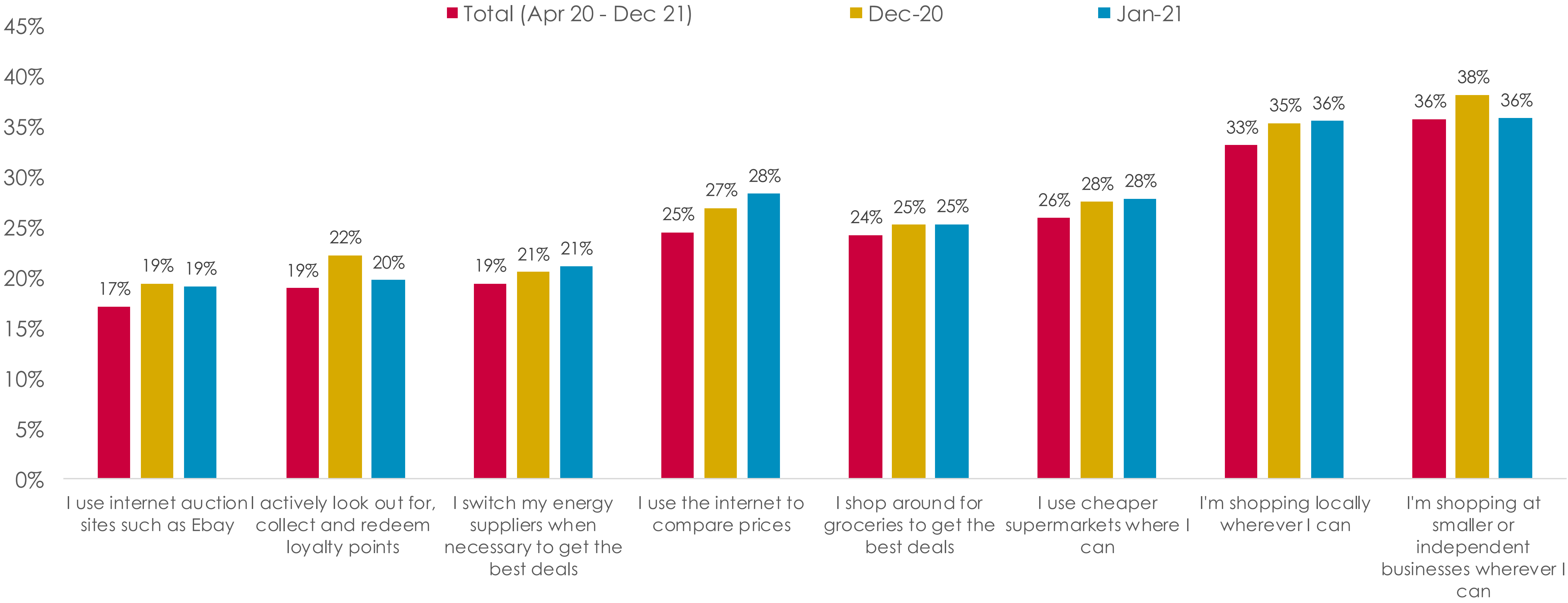
Below are a list of shopping activities. Please select all activities which you *seriously intend to start doing as a result of the current situation*



Consumers continuing to increase use of internet for price comparison

- Proportion who have recently started using the internet to compare prices continues to increase, up to 28% (3% higher than pandemic average)
- Slight decline in proportion recently shopping at smaller or independent businesses wherever possible (38% to 36%)
- More than a third have still recently started shopping at smaller local businesses where possible

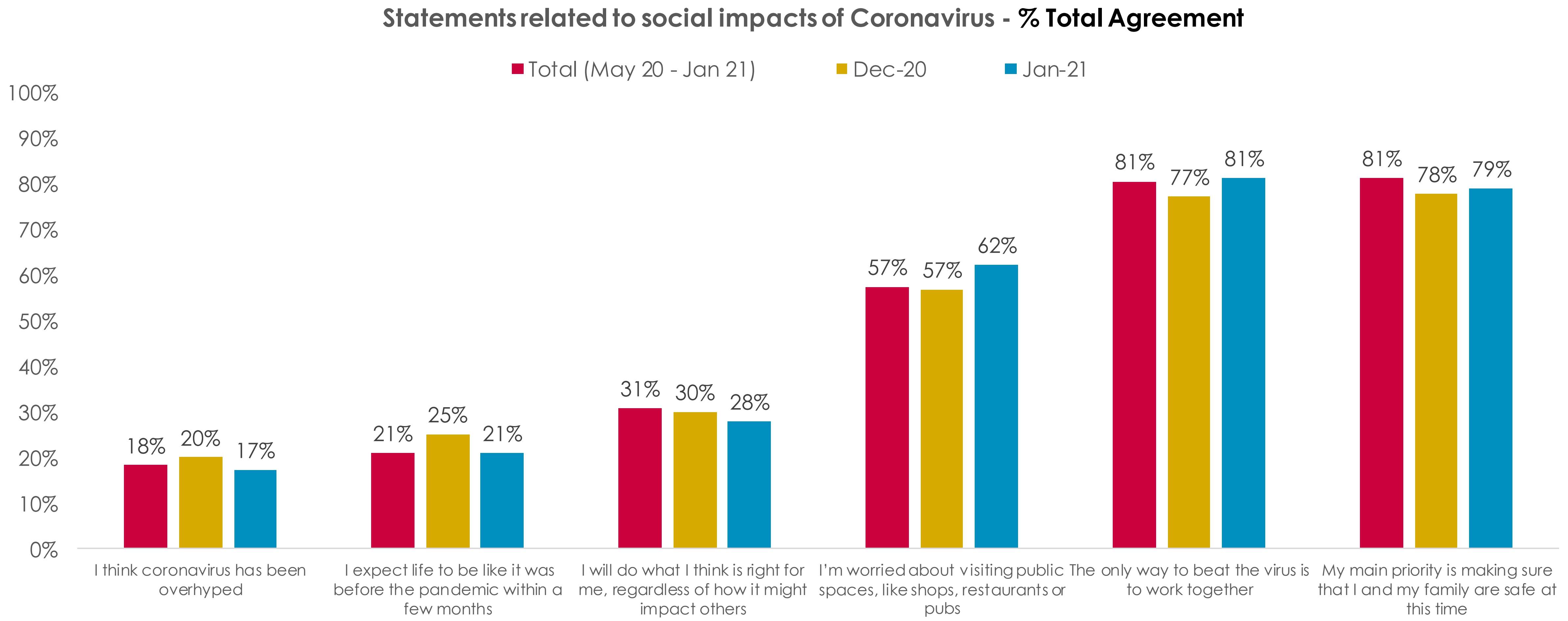
Below are a list of shopping activities. Please select all activities which you *have started doing recently*



Social Implications

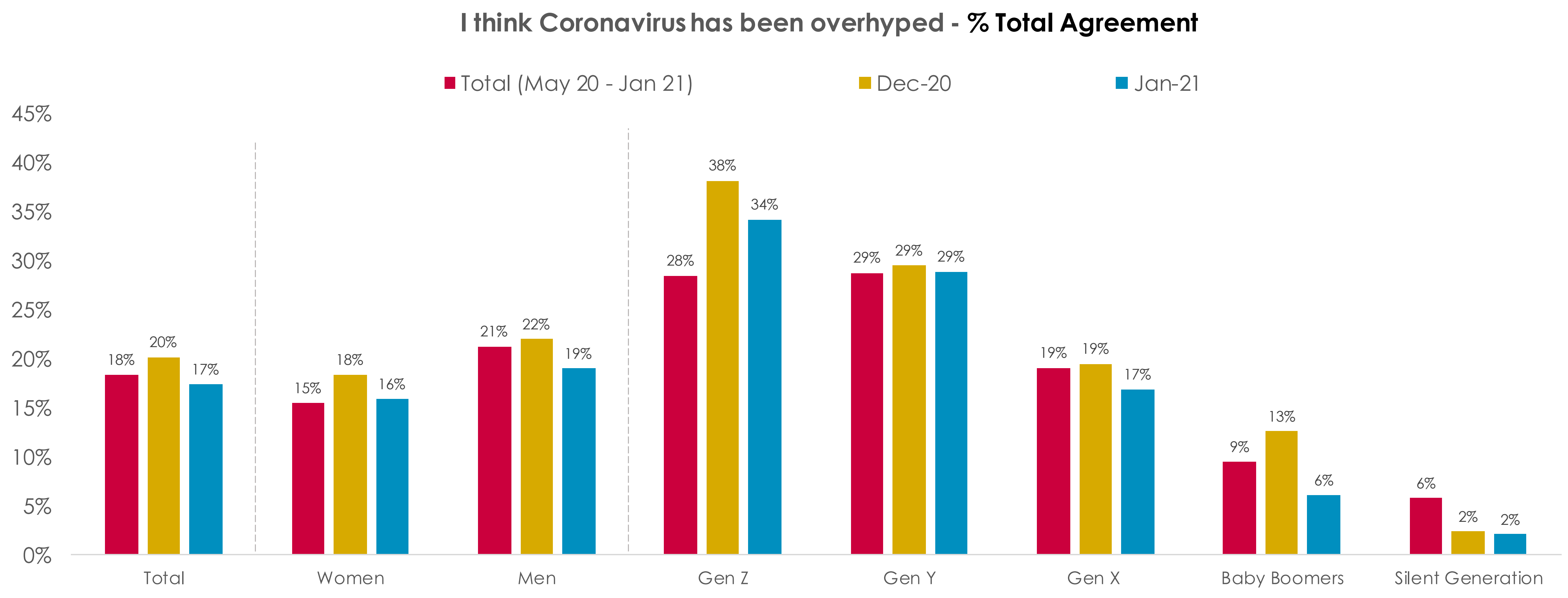
Mutant strain drives rise in social concerns related to pandemic

- Proportion feeling coronavirus has been overhyped fell by 3%, whilst there was a 4% fall in those feeling life will return to normal in a few months
- These trends were paralleled by a 5% rise in the proportion feeling worried about visiting public spaces like shops and restaurants
- Such concerns have driven a rise in the sense of a community response, with a 4% rise in those feeling the only way to beat the virus is to work together



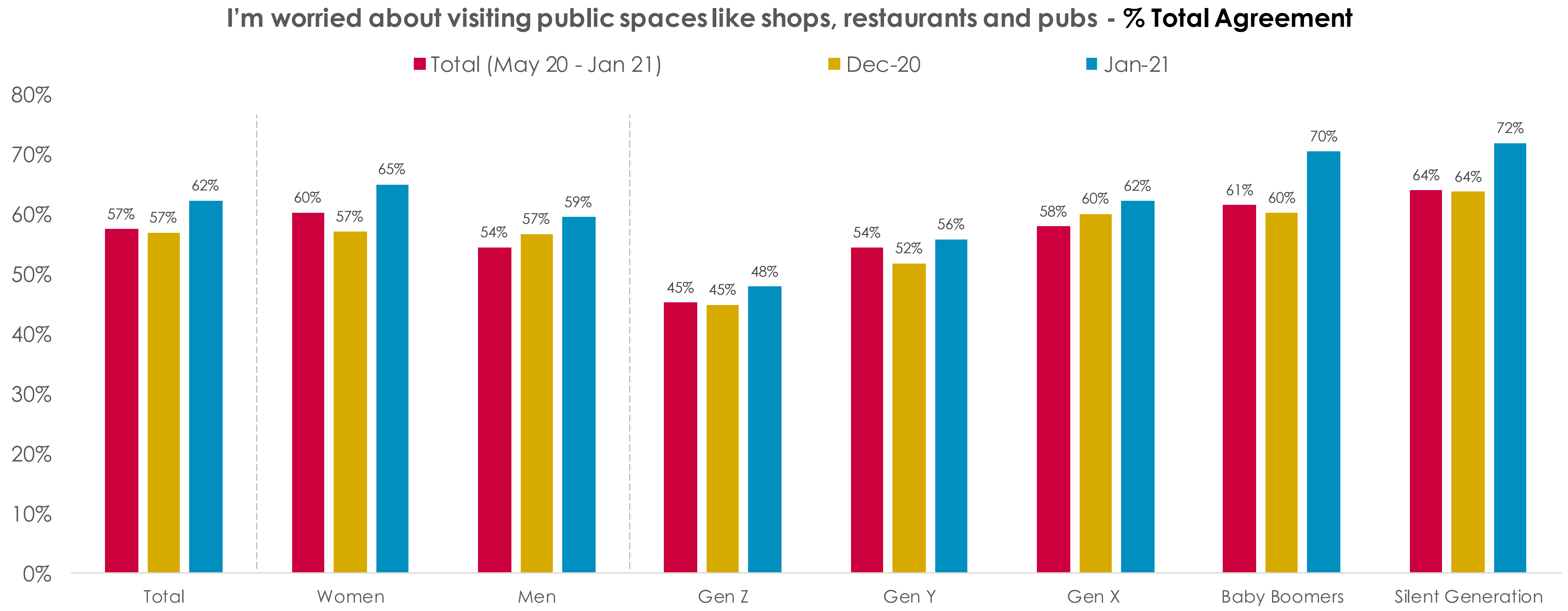
Gen Z and Baby Boomers main drivers of increased seriousness

- Whilst overall we see just a 3% fall in those feeling the pandemic has been overhyped, this was more than doubled amongst Baby Boomers (down 7%)
- The degree of decline was also greater amongst Gen Z (down 4%), whilst being slightly greater amongst men than women
- Worth noting that Gen Z still remain far more likely to feel it has been overhyped than they have done across the pandemic as a whole



Older generations and women driving rise in concerns over visiting public

- Compared to a 5% rise across the whole sample, concerns about visiting public spaces rose by 10% for Baby Boomers and 8% for the Silent Generation
- A similar rise seen amongst women this month, with 65% feeling concerned about visiting public spaces, up from 57% last month
- Younger age groups and men all experienced a rise in concerns, but to a lesser extent than women and older age groups

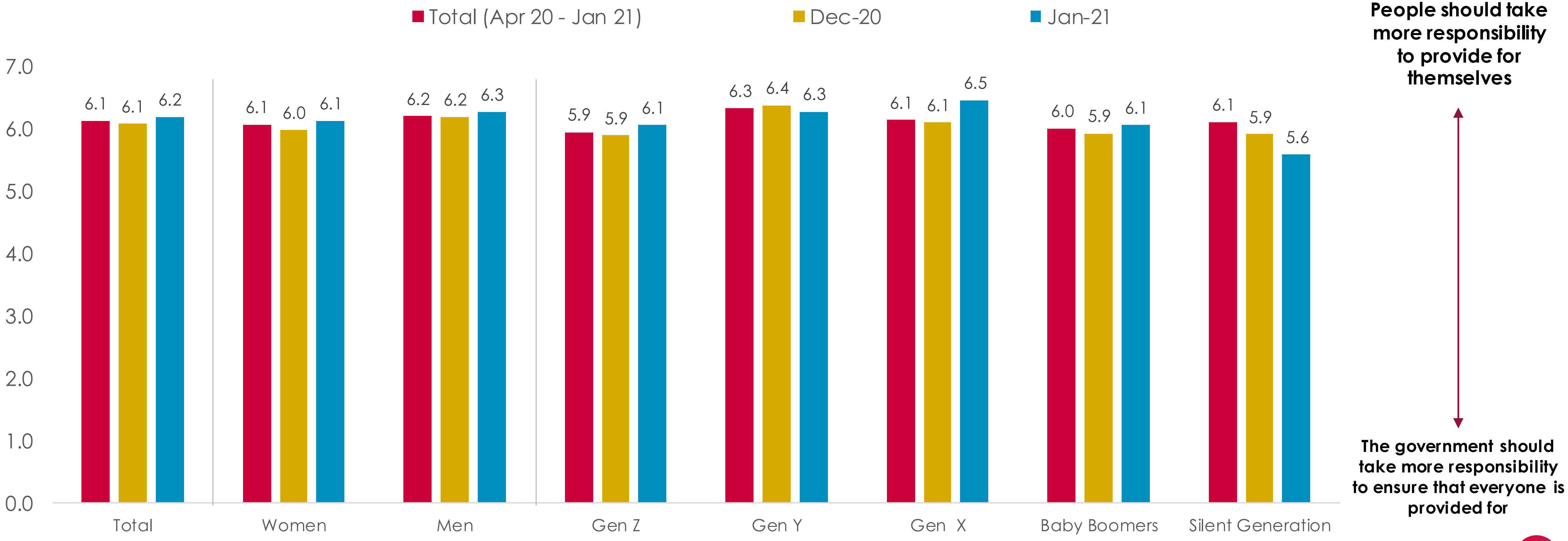


Government Priorities

Over 70s continue to place greater responsibility upon the Government

- Average score amongst the Silent Generation fell a further 0.3 this month, now down 0.5 from the pandemic average as a whole
- The opposite trend is observed amongst some younger age groups, most notably Gen Z (5.9 to 6.1) and Gen X (6.1 to 6.5)

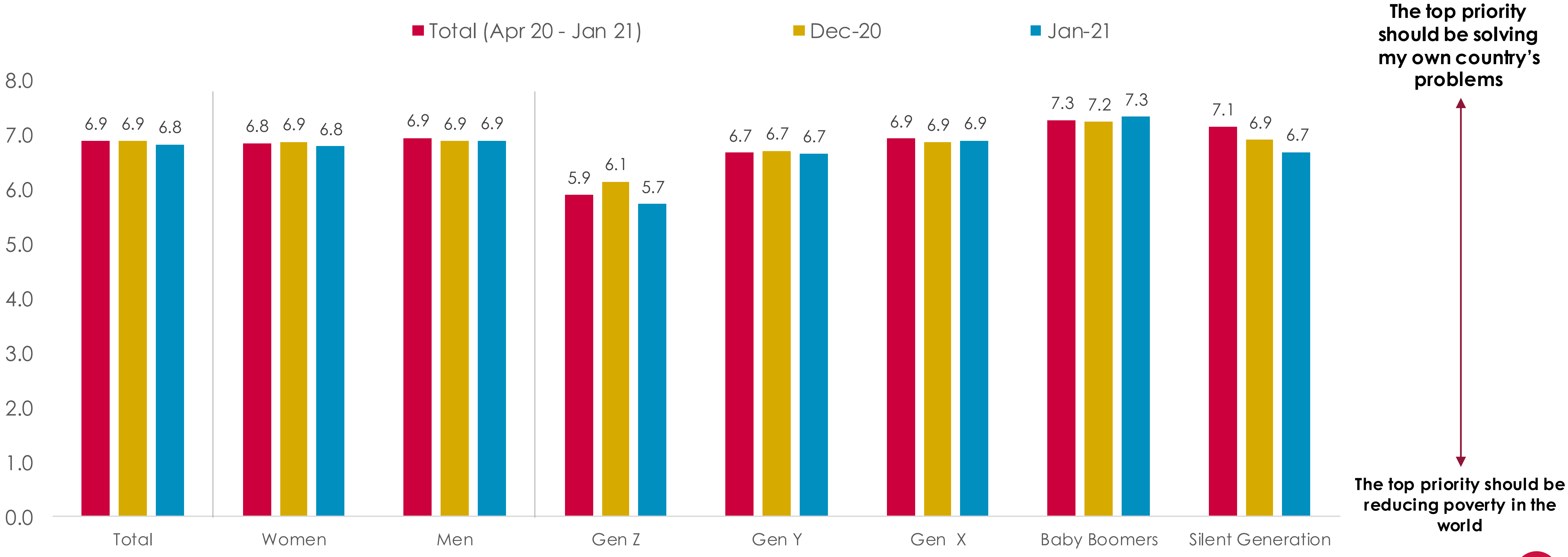
On a scale from 1 to 10, please indicate to what extent you feel it is the Government's responsibility to ensure everybody is provided for ***[Average Response]***



Gen Z and Silent Generation place greater emphasis on reducing world poverty

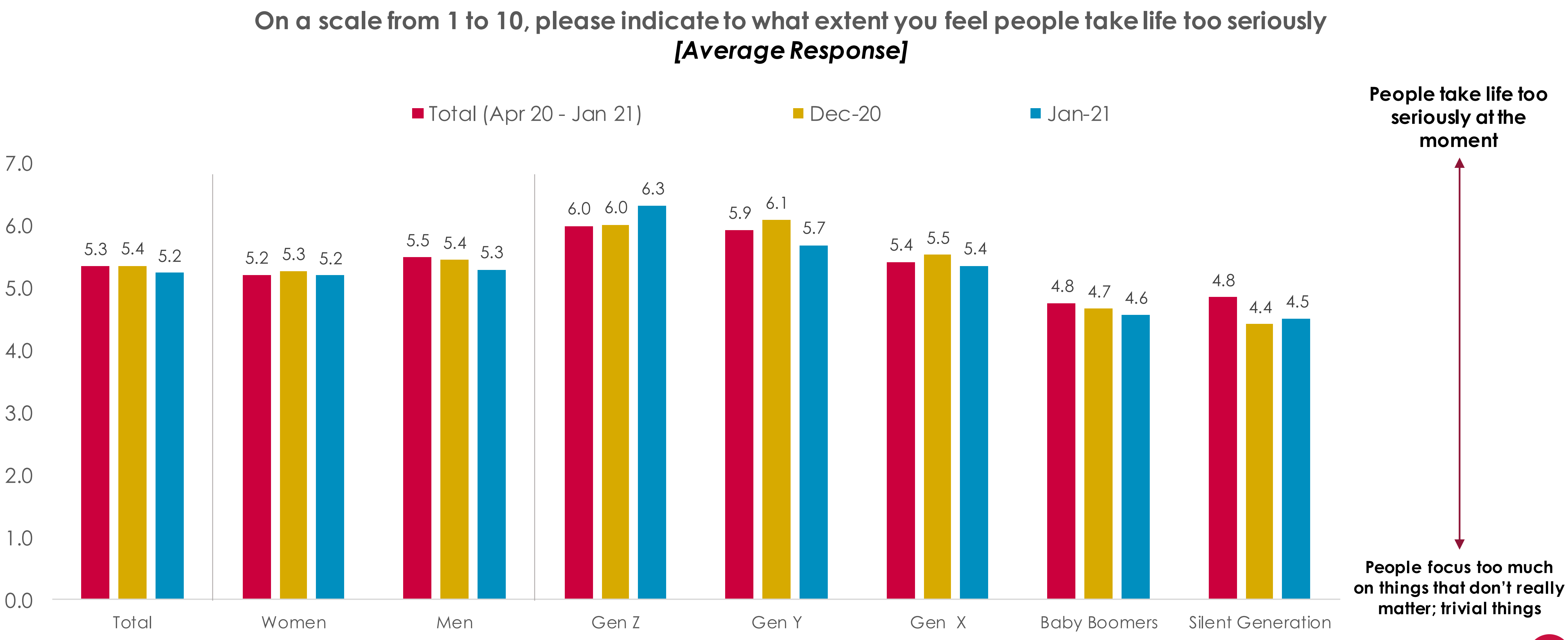
- Average score for Gen Z down by 0.4 this month from 6.1 to 5.7, whilst Silent Generation saw a 0.2 fall from 6.9 to 6.7
- Very little change across other demographics, with total sample seeing a slight shift towards prioritising reducing world poverty

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



Sense of new seriousness amplified by tightening of restrictions

- Across the whole sample, average scores fell by 0.2 this month, indicating a greater sense of new seriousness
- This was primarily driven by a 0.4 fall amongst Gen Y (6.1 to 5.7) – with no other group seeing more than a 0.1 point fall
- Gen Z experienced the opposite trend, seeing a 0.3 point increase up from 6.0 to 6.3

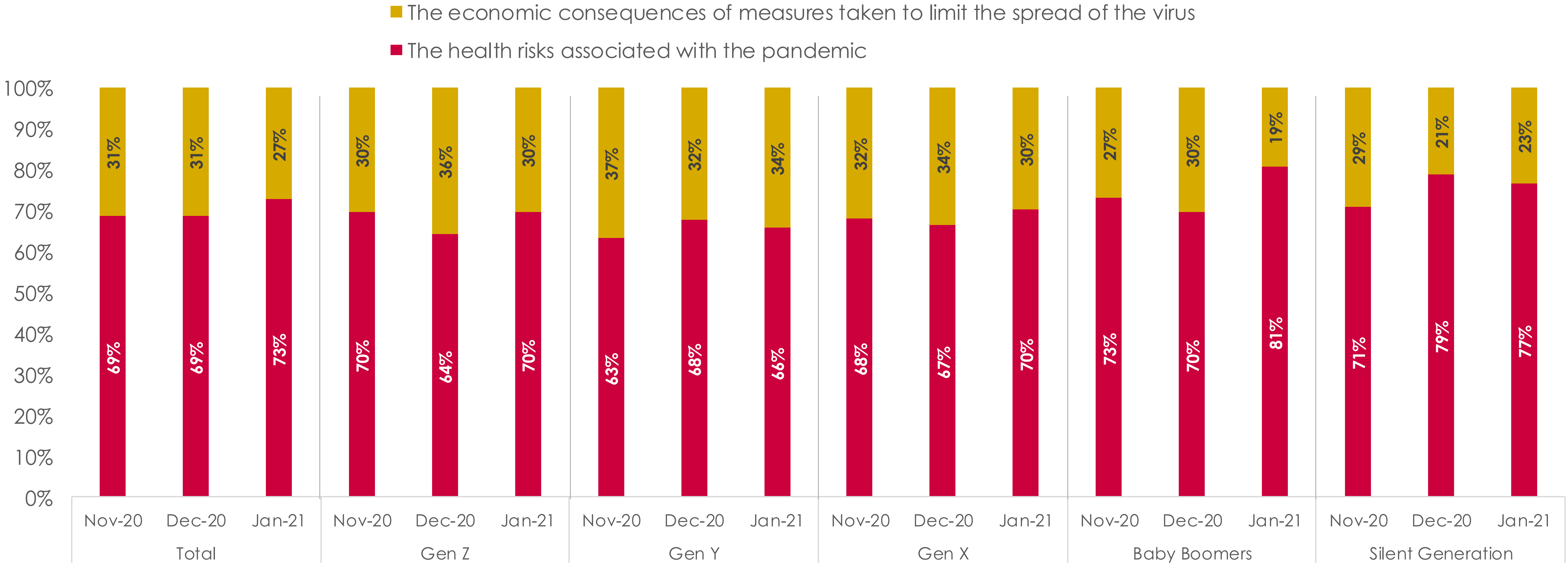


	Total (Apr 20 - Jan 21)	Dec-20	Jan-21
Total	5.3	5.4	5.2
Women	5.2	5.3	5.2
Men	5.5	5.4	5.3
Gen Z	6.0	6.0	6.3
Gen Y	5.9	6.1	5.7
Gen X	5.4	5.5	5.4
Baby Boomers	4.8	4.7	4.6
Silent Generation	4.8	4.4	4.5

Spread of mutant strain sees public health become even greater priority

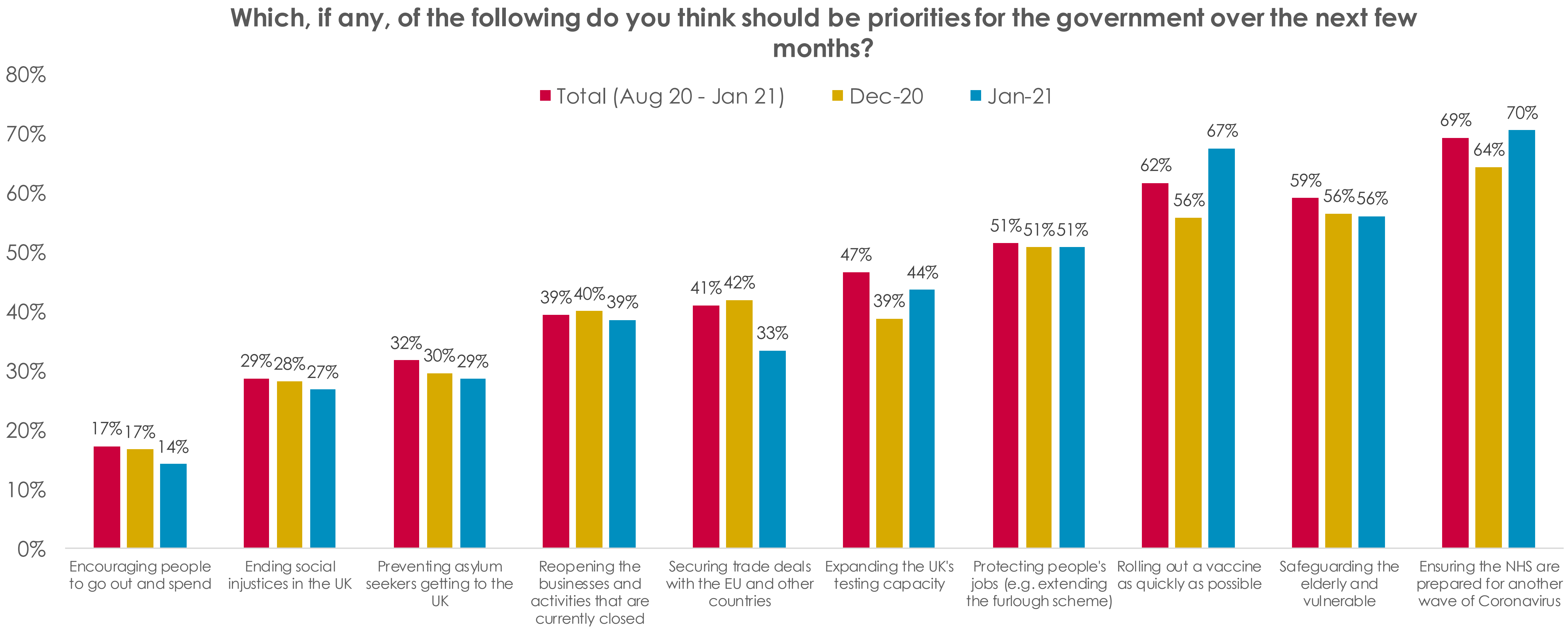
- Compared to the last lockdown in November, the proportion feeling health is the biggest concern rose by 4% from 69% to 73%
- Older generations continue to remain the most likely to prioritise health over the economy, with Baby Boomers seeing an 11% rise this month (70% to 81%)
- Despite typically being less likely to prioritise health over the economy, Gen Z saw a 6% rise in those feeling health is their primary concern

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



Spread of virus drives feelings that vaccine rollout should be key priority

- Proportion feeling that the vaccine rollout should be a priority for the Government rose by 11% this month (56% to 67%)
- A similar feeling is felt in relation to protecting the NHS, with the proportion feeling this should be a priority up 6% from 64% to 70%
- Encouraging spending continues to decline in importance, with just 14% now feeling it should be a priority for the Government, down 3%

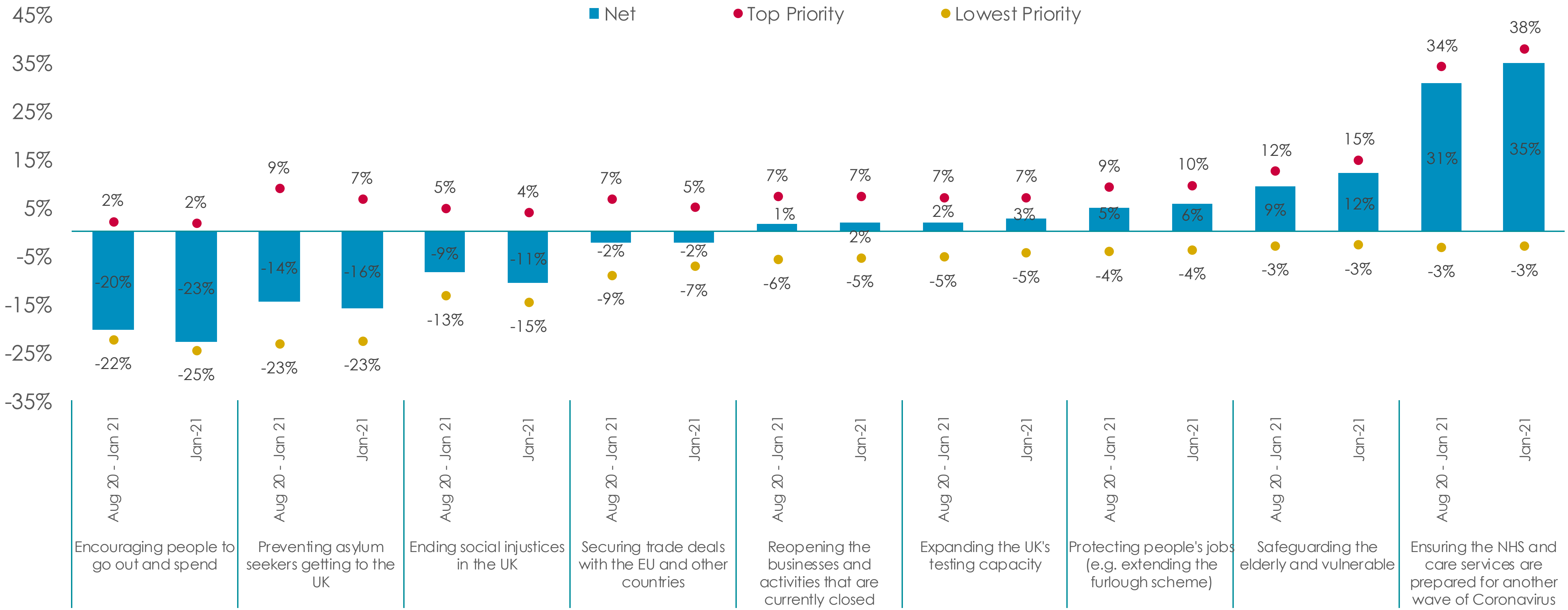


People's top priorities continue to highlight shift towards public health

- Well over a third (38%) now feel their top priority is ensuring the NHS is prepared for another wave, up 4% from last month

- This month also saw a 3% rise in the proportion feeling that their top priority is safeguarding the elderly, despite the vaccine rollout

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

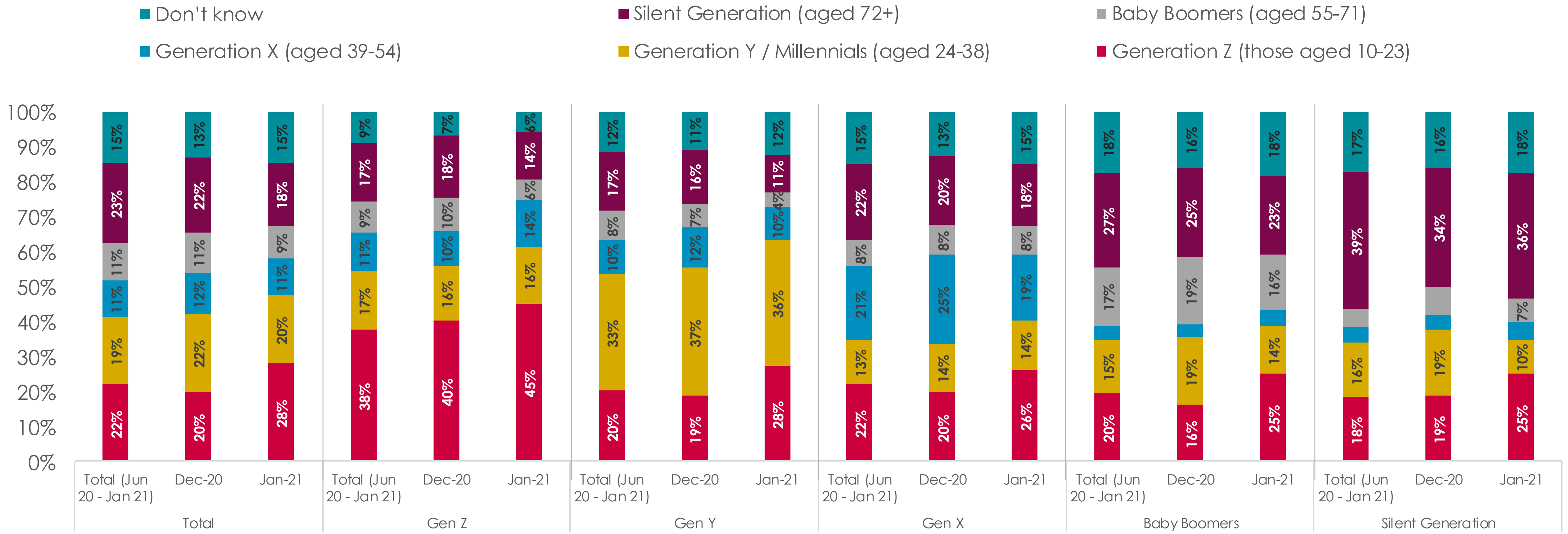


Generational Impacts

Latest lockdown sees consumers more likely to feel Gen Z worst affected

- More than a quarter (28%) now feel that Gen Z will be the worst affected generation, up 8% from last month and 10% higher than the Silent Generation (18%)
Amongst Gen Z, almost half (45%) now feel their generation will be worst affected, up 7% compared to the pandemic average
- 36% of Gen Y and the Silent Generation now feel their own generation will be worst affected

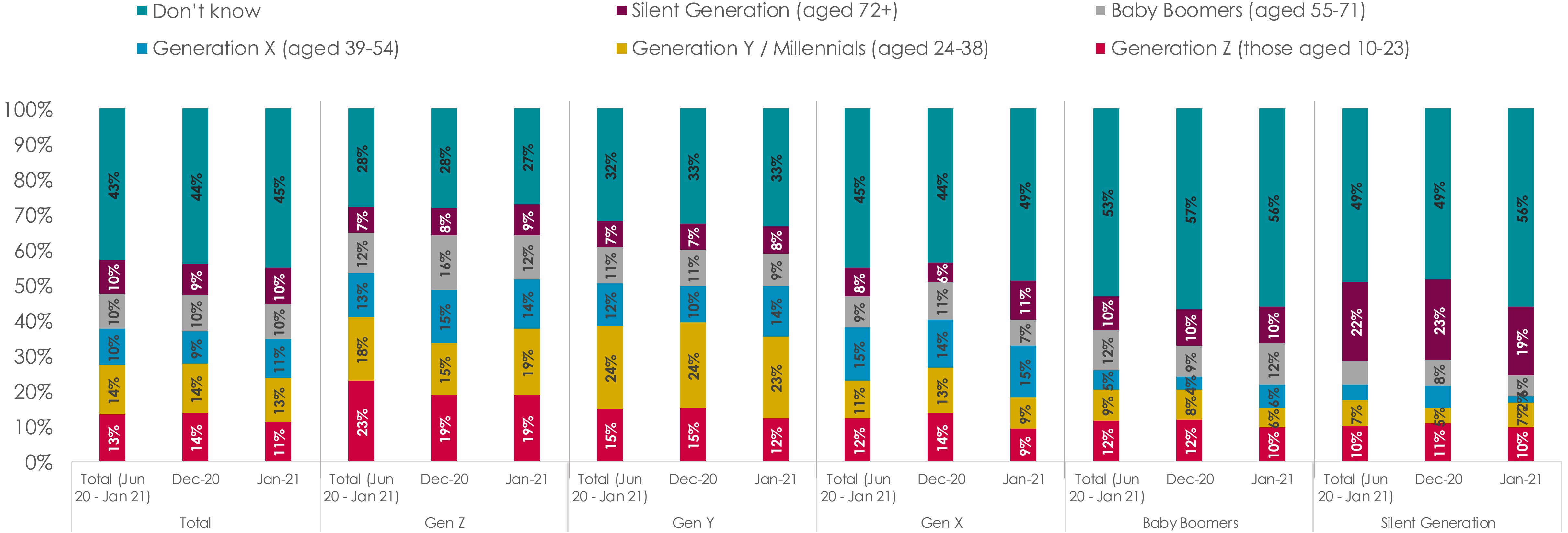
Which generation do you think will be most **negatively** affected by the coronavirus pandemic, all things considered?



Majority remain unsure as to which generation will be most positively affected

- This month saw a 1% rise in the proportion who were unsure about which generation would most benefit from the pandemic
- Younger generations much less likely to be unsure, but many unwilling to consider their own generation will be best affected
- Gen Y most likely to feel their own generation will be best affected, despite less than a quarter 923%) feeling this way

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



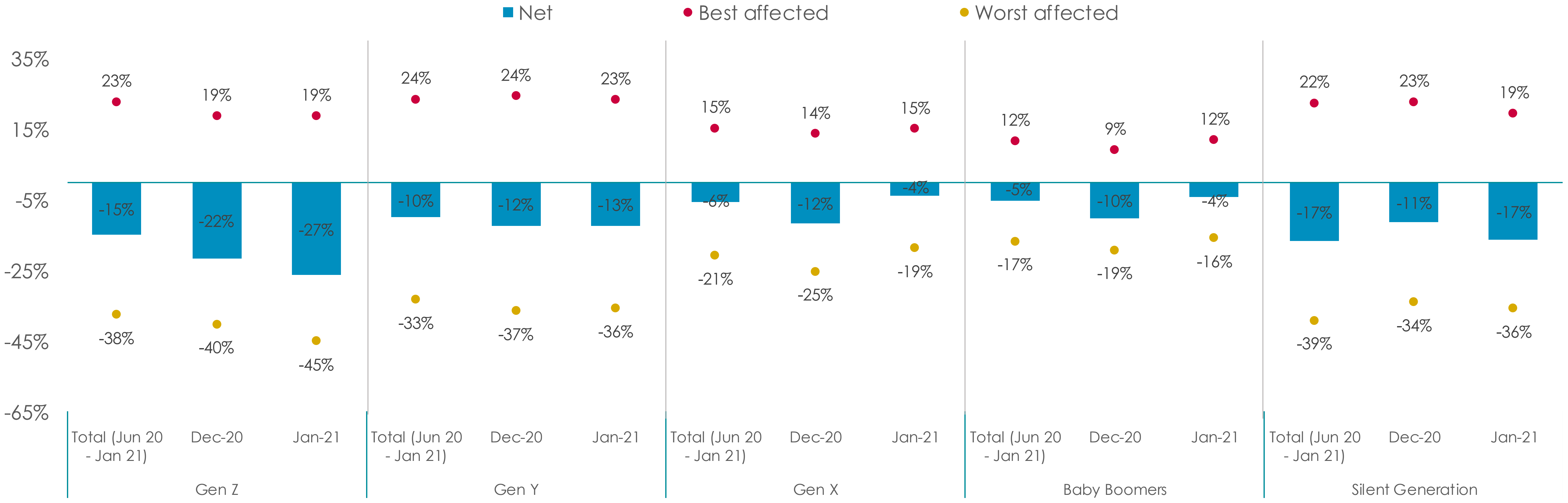
Gen Z continue to grow more pessimistic around impact of pandemic

- Compared to the pandemic as a whole, the net proportion of Gen Z feeling they will be worst affected has almost doubled (-15% to -27%)

- The Silent Generation have also seen a decline compared to December, but this trend remains in line with previous pandemic trends (-11% to -17%)

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]

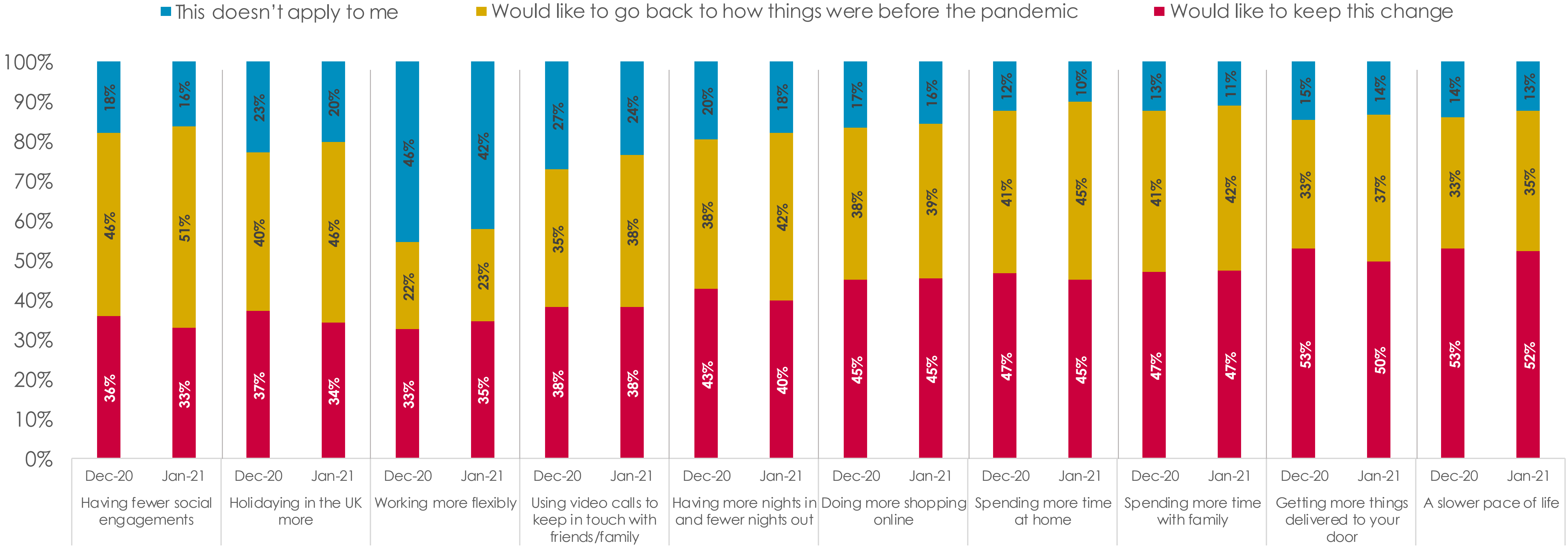


Long Term Changes

Consumers grow less positive about long term pandemic-related changes

- The proportion wanting to keep having more night in and having fewer social engagements post-pandemic fell by 3% this month
- A similar trend seen regarding having more holidays in the UK (37% to 34%) and getting more things delivered to your door (53% to 50%)

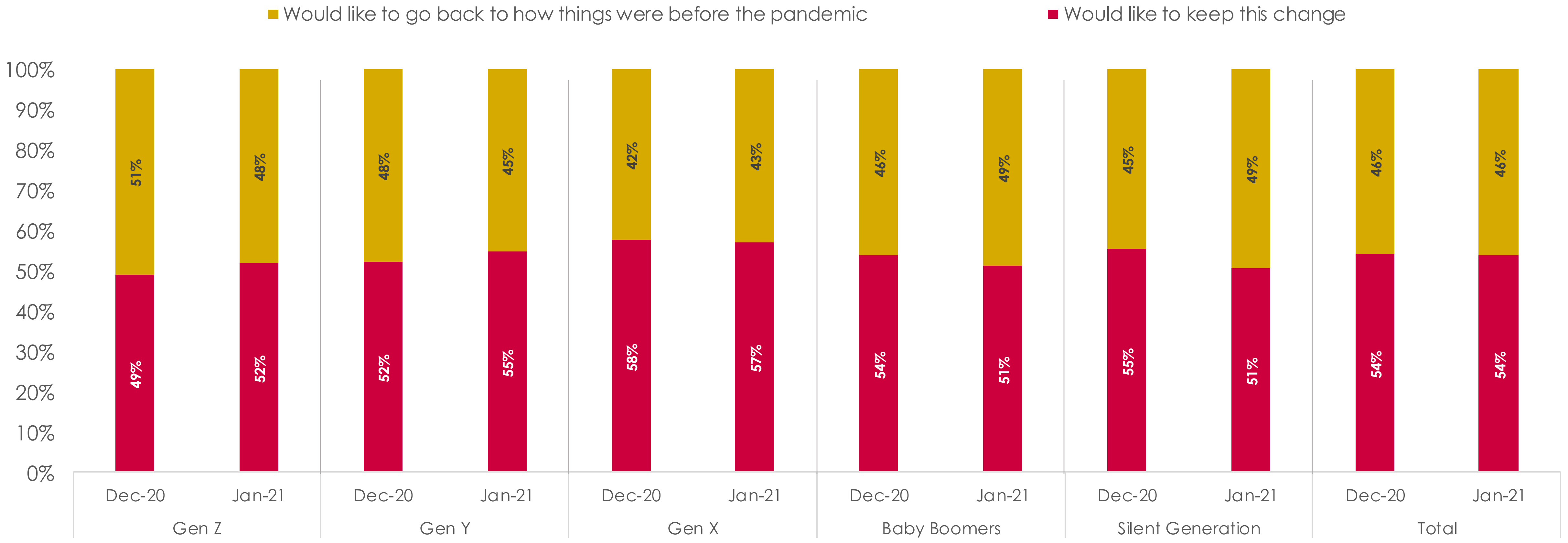
For each of the following activities, please say whether you would like to keep this change after the pandemic, whether you would prefer things went back to how they were, or whether it doesn't apply to you.



Younger generations more likely to want to continue with more online shopping

- Proportion of both Gen Z and Gen Y wanting to keep doing more shopping online post-pandemic rose by 3% this month
- The same degree of positivity regarding online shopping not felt amongst older consumers, with a 3% and 4% fall for Baby Boomers and Silent Generation

Regarding **doing more shopping online**, please say whether you would like to keep this change after the pandemic, whether you would prefer things went back to how they were – *amongst those for whom this is relevant*



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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