



TRAJECTORY

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

20

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

OUVERTURE

The Optimism Index (UK)

Report: February 2021 | Fieldwork: 10th – 17th February

**UK Optimism
February 2021**

54

Up 6 points on January 2021

Down 2 points on February 2020

**Rolling Average
February 2021**

51

Up 3 points on January 2021

Down 1 point on February 2020

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

**Net spending
expectations**

-15%

Overall spending expectations have improved substantially

**Net household
confidence**

3%

Continued vaccine rollout sees household confidence rise sharply

Net Trust

-10%

Consumers have grown slightly more trusting of businesses and institutions

Headlines

Comment

Finally, some good news to report.

This month's data was collected before the Prime Minister unveiled the roadmap out of lockdown – so before any of you had June 21st tattooed on your arms – but during a time when the national news and public conversation was turning very positive. Vaccine rollout, vaccine uptake and vaccine efficacy have been good news stories in the last few weeks, and are contributing to the sense among consumers that we are over the worst of this crisis.

In terms of health indicators that is hopefully, even probably, true. New cases, hospital admissions and deaths are all falling in the UK: a sign that we are past the peak of the second wave. Early reports confirming that the vaccines are working as well as the trials suggested give hope that we are coming to the end of the public health emergency in the UK.

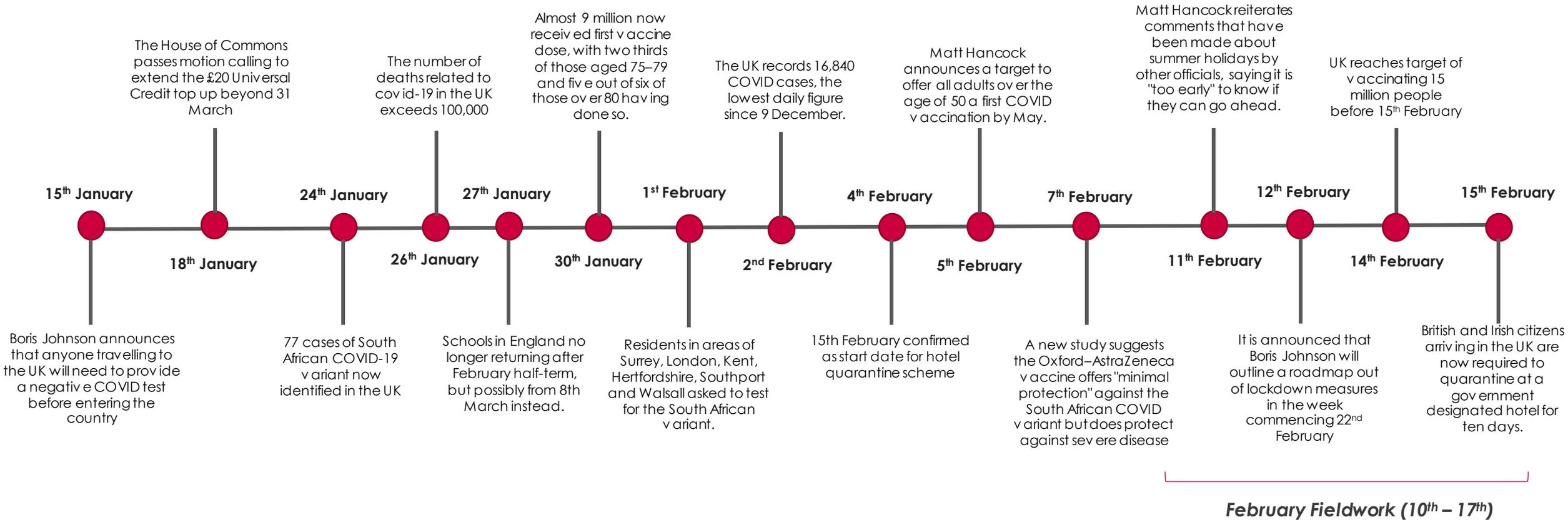
But renewed optimism this month is not just about the pandemic – it is also about consumers' views of the economy and their own finances. Expectations about our household finances are net positive for the first time in years. The pessimists out there would suggest that the worst economic pain is to come – but consumers feel differently right now.

If this continues, it bodes very well for the staggered reopening through the spring and summer. Not every household is in a position to spend with abandon. But those that can are starting to look like they will.

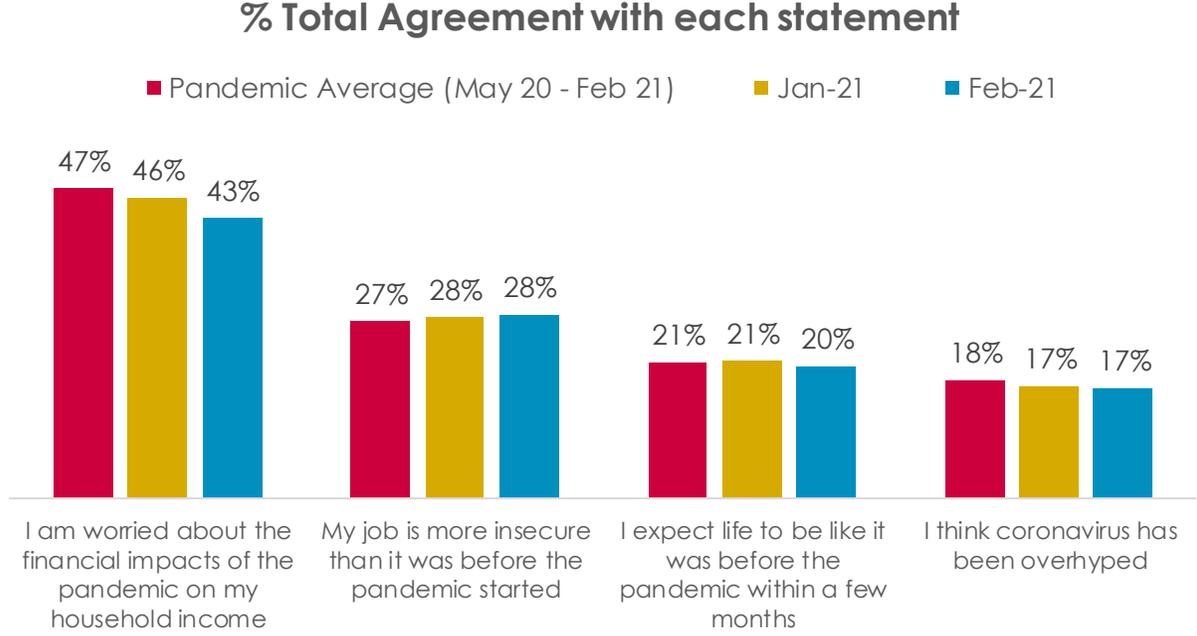
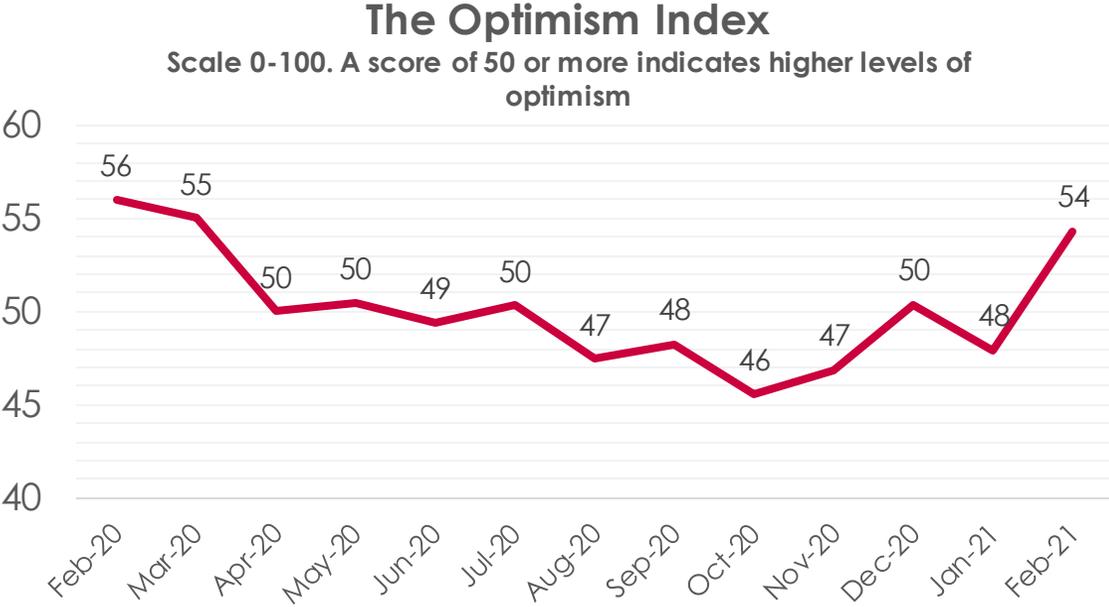
Tom Johnson, Managing Director, Trajectory



Last Month's Key Events



The Optimism Index: Headlines



- This month's edition of **The Optimism Index** sees consumer sentiment rise by six points from 48 to 54.
- Such a substantial rise may seem surprising given that UK consumers remain under strict lockdown measures for the time being. However the significant progress in the rollout of a vaccine for Covid-19 has allowed consumers to look beyond the current restrictions and be much more positive about the anticipated reopening and recovery.
- This positive mood has seen consumers grow less concerned over the impacts of the pandemic on their household finances, but remain more realistic about the dangers that the virus still poses, with almost no change seen in the proportion feeling that the pandemic has been overhyped, or that life will return to 'pre-pandemic normality' within a few months.

The Optimism Index: Rolling Average

- The three month rolling average of **The Optimism Index** rose by three points this month up from 48 to 51.
- A three point increase sees the rolling average rise above 50 for the first time since the very beginning of the pandemic. Unlike last time however, the trends are more positive. Both April and May's rolling averages were skewed by pre-pandemic optimism and were trending downwards. This month's finding, however, continues an upward trend, and crucially, is driven by optimism within the pandemic itself.
- Such is the extent of the increase in sentiment this month that the rolling average now falls only two points short of what was seen this time last year, prior to any restrictions being put in place.
- With the sharp upturn in sentiment a likely result of vaccine progress, we anticipate that the rolling average may rise further as greater numbers receive their vaccine and the economy is slowly allowed to reopen as a result.

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

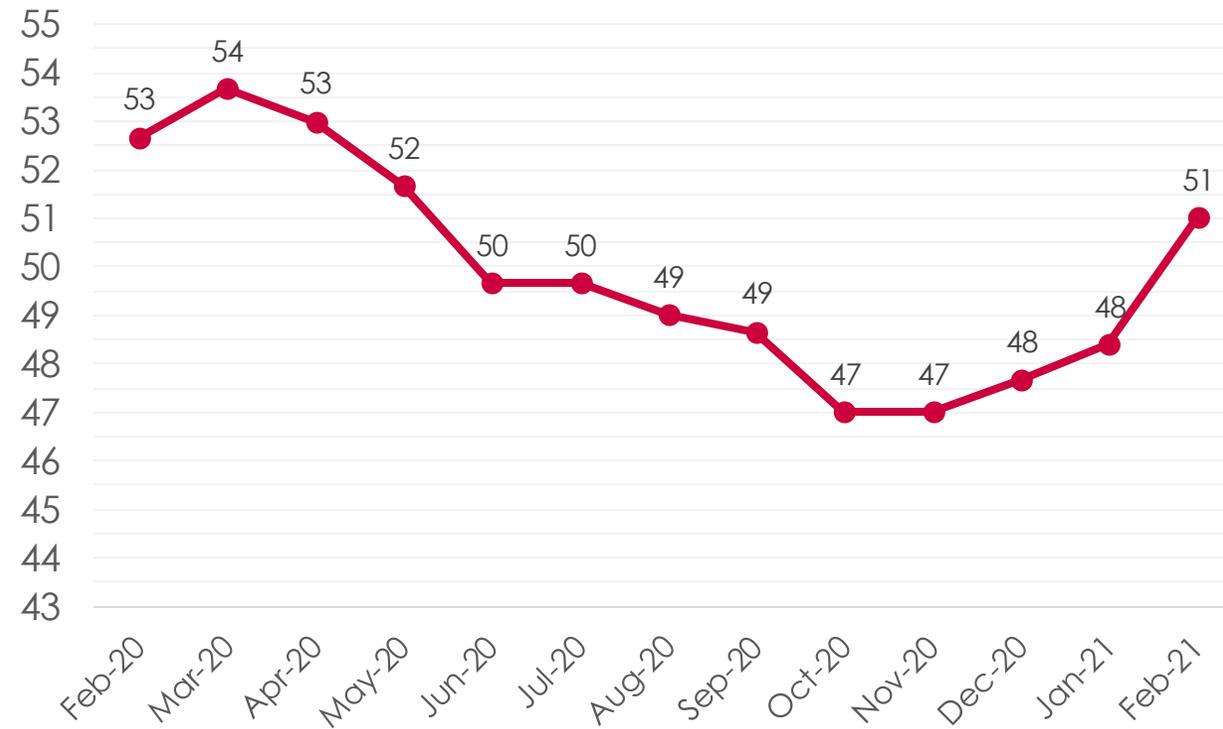
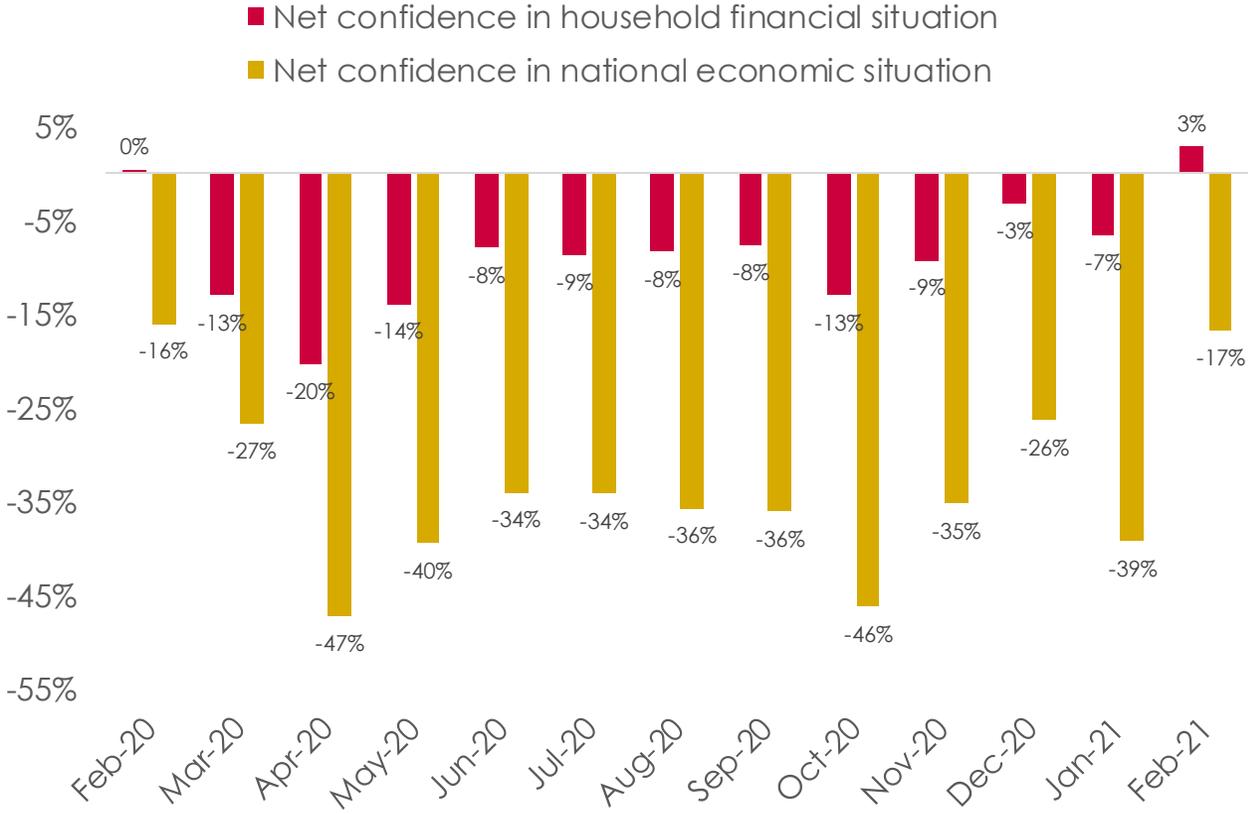


Chart labels are rounded to whole numbers, but *The Optimism Index* is rounded to one decimal place

Financial & Economic Drivers

- This month sees net confidence in the economy as a whole rise by a remarkable 22% from -39% to -17%, whilst net household financial confidence saw a significant 10% increase from -7% to 3%.
- Previous waves (in spring and summer 2020) indicated that a reopened economy stimulates positive trends in confidence, but never before to this extent. In both June and December of last year, when consumers last left lockdown, net confidence in the economy grew by 6% and 9% respectively.
- This time, however, consumers appear more confident that the promised reopening may be the last. Backed up by the success of the vaccine rollout, this month's increase in net economic confidence (22%) more than doubled what we saw in both June and December, rising to such an extent that it now falls just 1% short of what we saw this time last year.
- Trends are even more promising regarding consumers' own finances. Not only has net household confidence reached a positive level for the first time since the start of the pandemic, but it also rose above the levels seen this time last year, prior to restrictions coming into place.

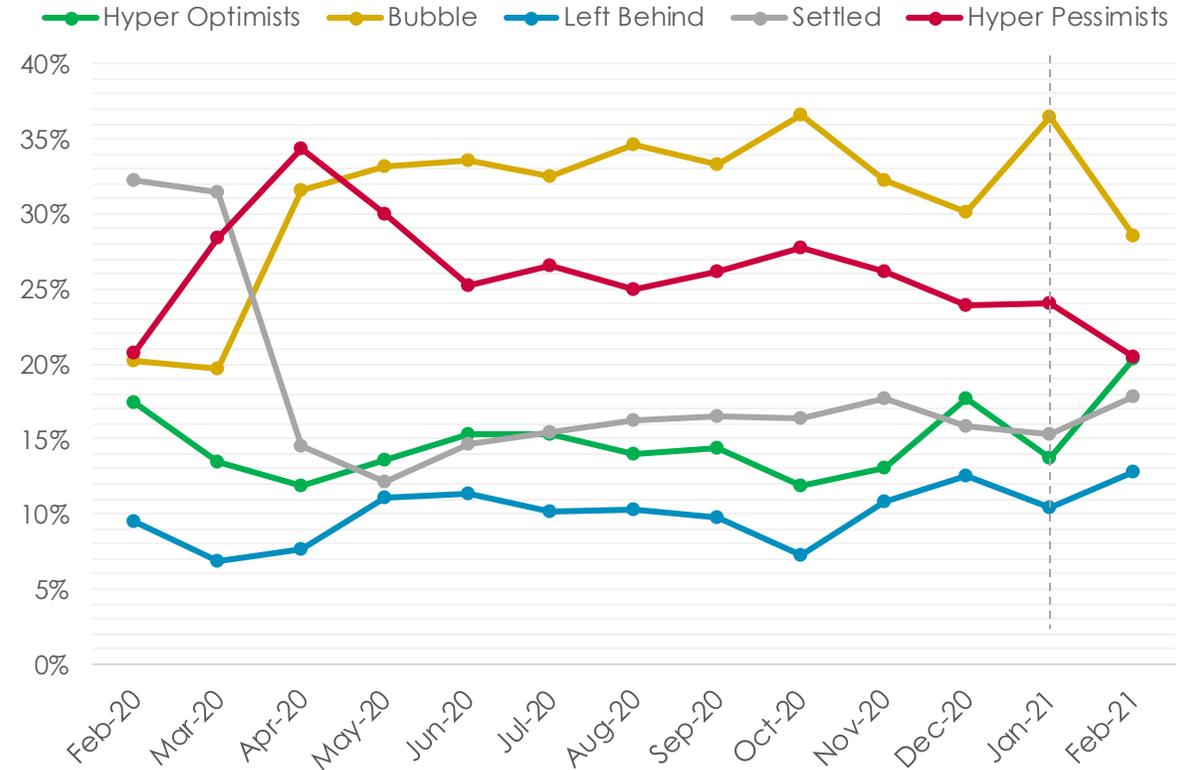
Financial & Economic Drivers;
(Net: % thinking will improve minus % thinking will get worse over next 12 months)



Consumer Confidence Groups

- With sharp increases in net household and economic confidence, this month sees significant shifts in our consumer confidence groups. There are falls in the proportion of both 'The Bubble' (37% to 29%) and 'Hyper Pessimists' (24% to 21%), as well as an increased proportion of 'Hyper Optimists' (14% to 20%).
- If last month's trends in our confidence groups indicated a return to the 'lockdown mindset', this month sees this trend reversed. Despite remaining in lockdown, the vaccine rollout has allowed consumers to continue thinking about a period of recovery - in a similar vein to what was seen in December of last year when restrictions were briefly lifted.
- Following on from December, the proportion of both 'The Bubble' and 'Hyper Pessimists' fell further, whilst the proportion of 'Hyper Optimists' is now higher than at any point during the pandemic (20%).
- Consumers mindsets have changed to such an extent this month that 'Hyper Optimists' and 'Hyper Pessimists' now account for the same proportion of respondents (20%), with 'Hyper Pessimists' previously accounting for substantially more consumers throughout the majority of the pandemic.

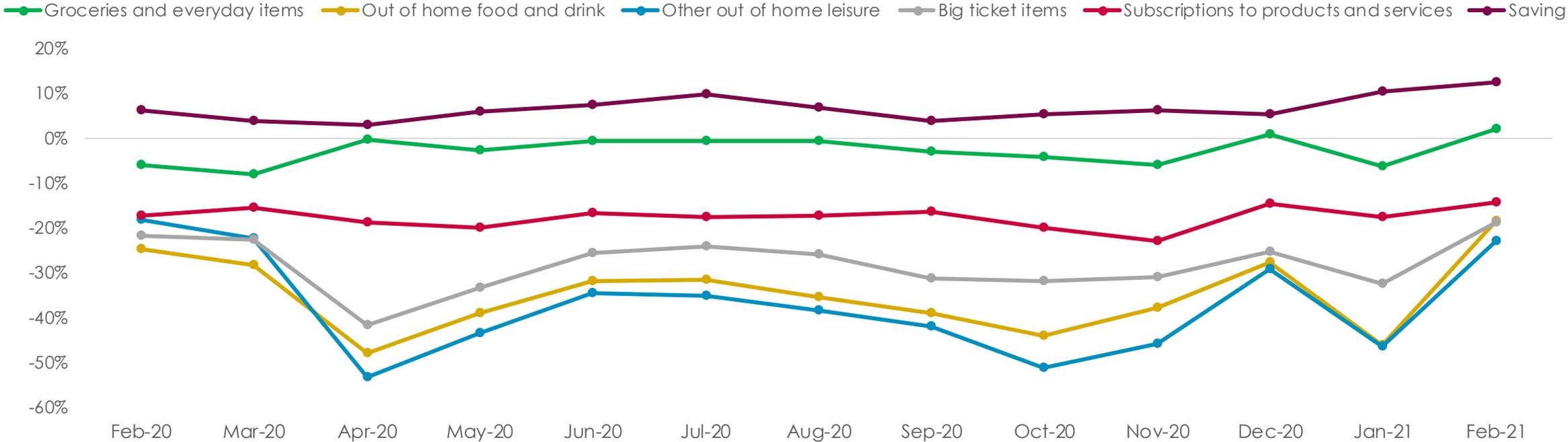
Do you think the economic situation in the UK/the financial situation in your household will improve, stay the same or get worse in the next 12 months?



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

Spending Expectations

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



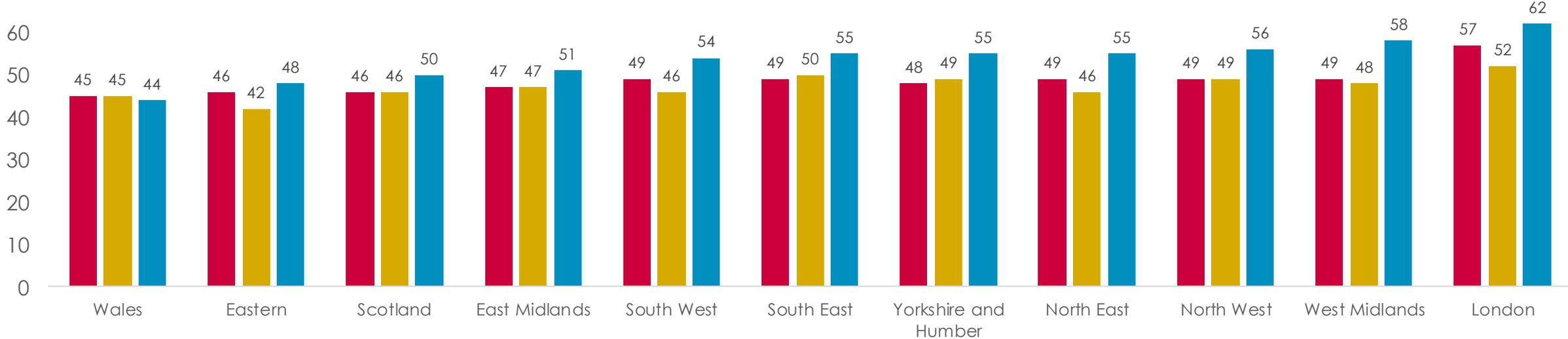
- Despite remaining under strict lockdown measures, out of home spending expectations over the coming months have been bolstered by the vaccine rollout – continuing the sense of a recovery mindset emphasised by trends in consumer confidence.
- Net expectations for spending on out of home food and drink (-46% to -19%) and other out of home leisure (-47% to -23%) have risen sharply in anticipation of the reopening of the hospitality industry over the coming months. Even when compared to last December, when restrictions were briefly lifted, net expectations for out of home leisure spending have still risen by at least 5% this month.
- Despite the bullish trends in expected out of home leisure spending in the months ahead, consumers remain much more likely to anticipate a reduction in spending in this area than an increase. Far more confidence is once again placed on savings, with net expectations rising by a further 2% this month to 12% - higher than at any point during the pandemic.



The Optimism Index by Region

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

■ Average Apr 20 - Feb 21 ■ Jan-21 ■ Feb-21



- The impacts of the vaccine rollout and the current lockdown have had anything but a consistent impact on optimism at a regional level. Wealthier regions with greater access to sites that provide vaccines, such as London, experienced a sharp upturn in sentiment this month, rising by ten points from 52 to 62.
- This contrasts with the experiences of regions with higher rates of poverty and that live in more secluded areas which may struggle to access vaccines in the same way, such as Wales, where optimism actually fell by one point this month from 45 to 44.
- Such inequality in relation to vaccine access and the impacts of the current lockdown are further confirmed by our findings in relation to consumer confidence this month. Those in London are the most likely to feel their household financial situation will improve over the next year (36%), whilst those in Wales are the least likely to feel this way (12%).



Gender

- This month sees the gap in optimism between men and women grow by one point, with men seeing a rise of seven points from 50 to 57 whilst women see a six point increase from 46 to 52.
- These findings represent the first time during the pandemic in which women see a score above 50. This contrasts with the experiences of men over the past year, in which a score below 50 was recorded only once. Men have in fact been so consistently bullish in their outlook throughout the pandemic, that this month's increase sees sentiment climb above the level seen at this time last year (56 to 57).
- Positive sentiment among women is likely related to both the vaccine rollout and news of school reopenings. [Studies have shown that mothers \(including working mums\) are much more likely to bear the brunt of home schooling and extra childcare during lockdown.](#)

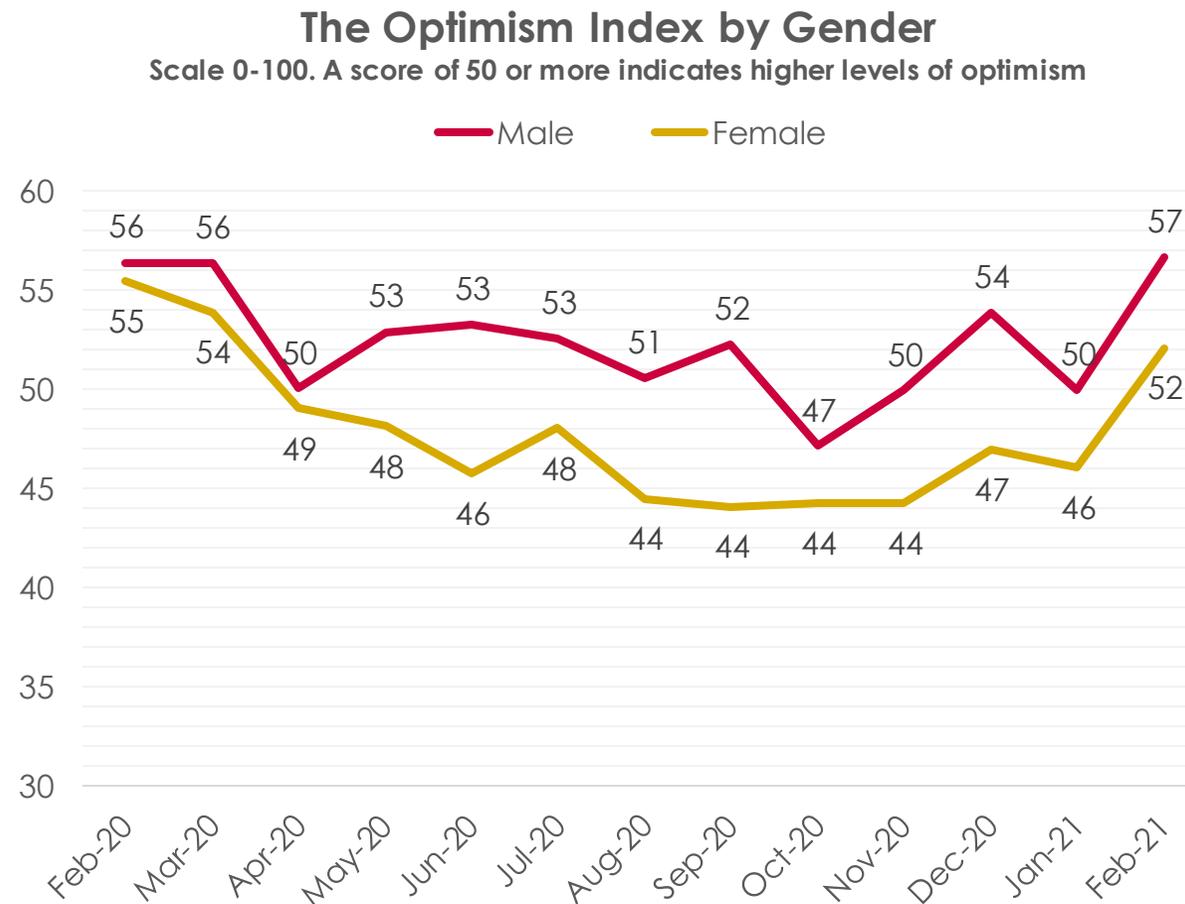


Chart labels are rounded to whole numbers, but *The Optimism Index* is rounded to one decimal place

- This month sees optimism rise across every generation, but to hugely differing extents. Gen Z see by far the greatest rise, up a staggering 14 points from 51 to 65, with Gen Y seeing the second largest increase from 51 to 58.
- Whilst older generations also saw sentiment improve, the rate of growth is dwarfed in comparison to younger age groups. Similarly to when lockdown restrictions were lifted in both June and December last year, the hinting of a reopening of the economy this month once again sees the gap between older and younger generations widen compared to the month prior.
- Our findings indicate that the source of this trend lies in the conflicting priorities held by different generations. Throughout the pandemic, older age groups have consistently been the least likely to prioritise the economy ahead of public health, whilst younger generations were the most likely to focus on the economy.
- Without further vaccination progress, older age groups, most notably Baby Boomers, remain cautious in their outlook. For younger generations, both at lower risk of serious illness and with far more to gain from the return of out of home leisure, the prospect of a longer term reopening of the economy this time appears nothing more than an unambiguous positive.

Generation

The Optimism Index by Generation

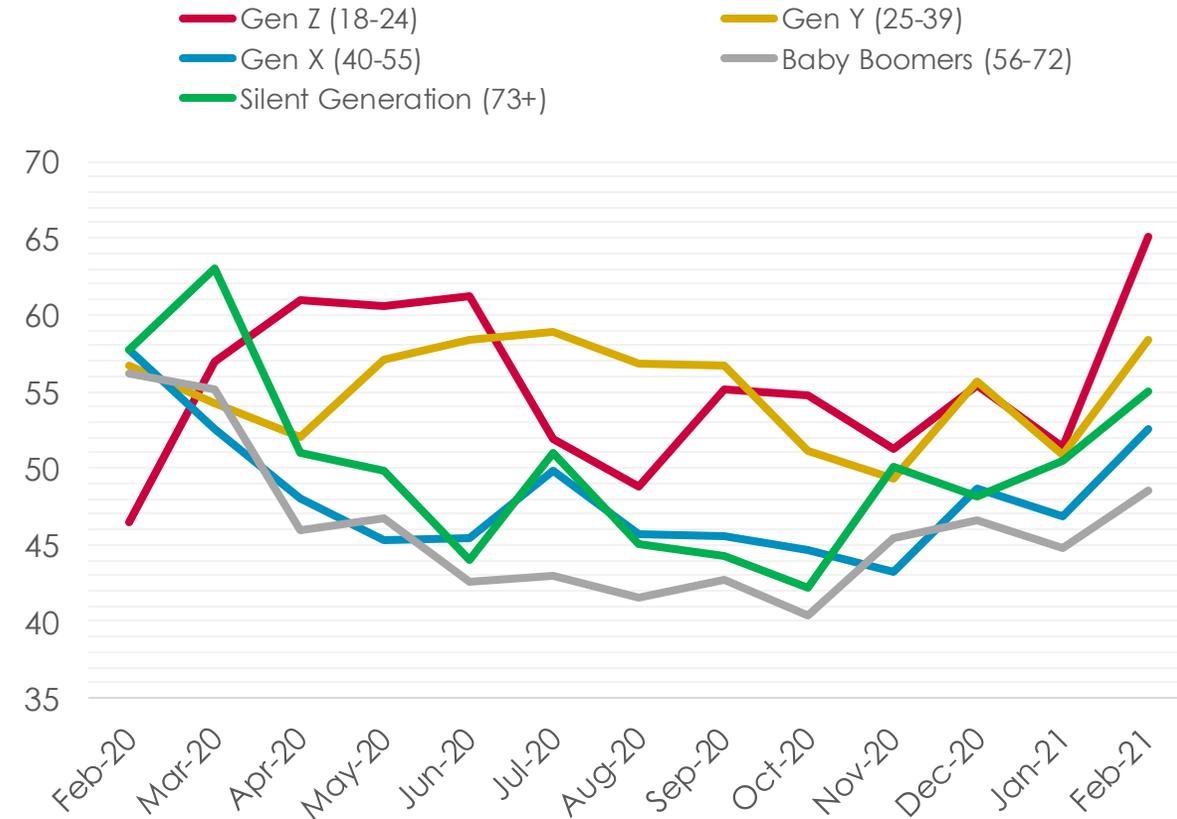


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Income

- The month sees optimism rise across all four income groups. Those earning £21k-£41k in household income are the clear outlier, with just a three point increase from 49 to 52 falling far short of the increase in sentiment amongst the other three groups, where we see at least an eight point rise in each case.
- For those earning less than £21k in household income, this month represents the first time during the pandemic in which a score over 50 is seen. With lower earners typically occupying a higher proportion of roles in the hospitality sector, the prospect of a roadmap towards a vaccine-driven reopening of pubs and restaurants will provide welcome relief.
- With an eight point rise this month, those earning more than £62k once again hold the most positive outlook. Worth noting is that optimism amongst this group (62) has already risen back to levels seen when the economy reopened previously, both in the summer and just before Christmas last year.
- Despite similar trends in optimism for both lower and higher earners this month, the top earners continue to dominate trends in economic confidence. Those earning more than £62k this month saw a 17% increase in the proportion feeling the economy will improve (27% to 44%) – 8% higher than average.

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

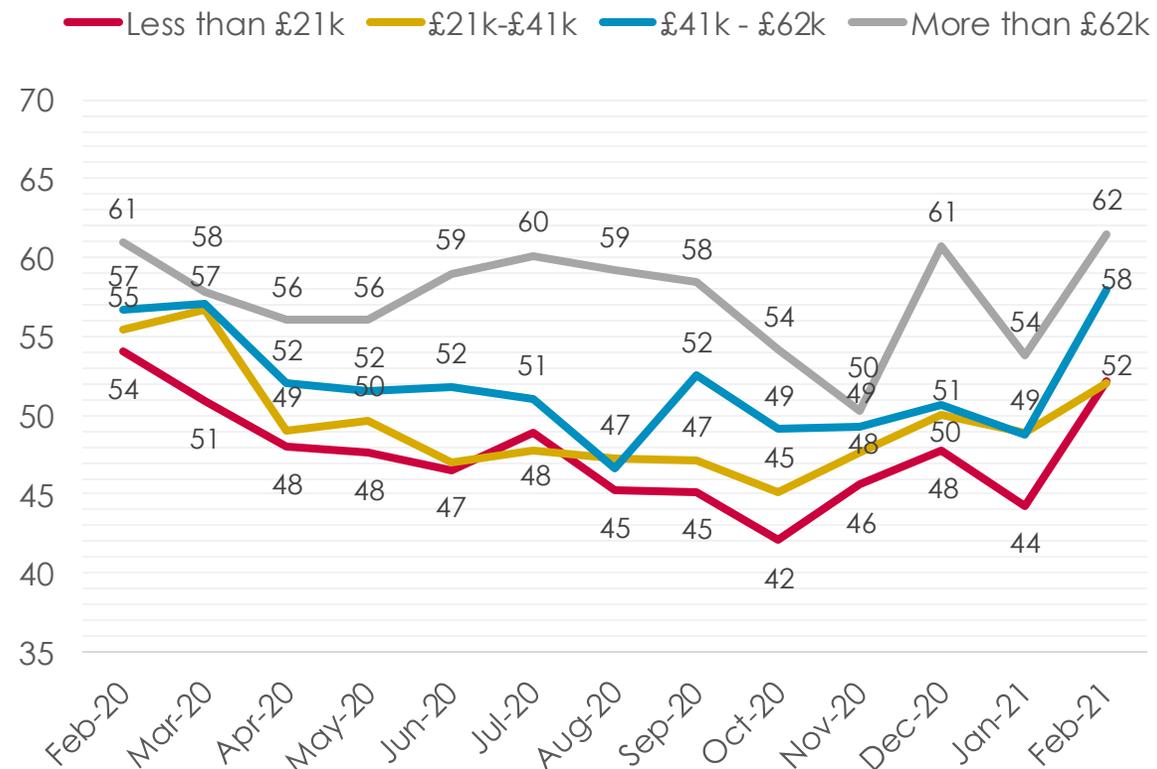
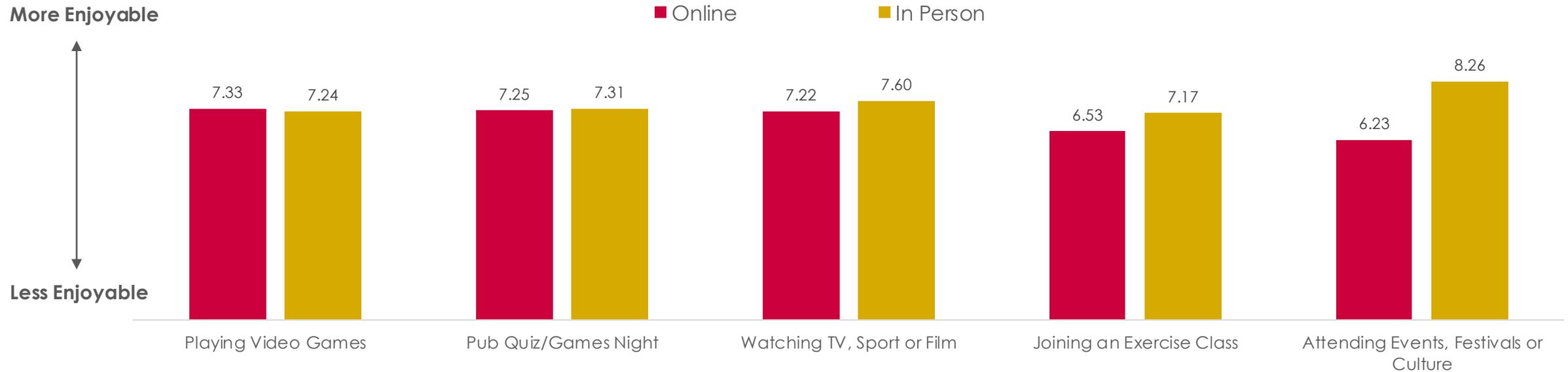


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Strong future for certain 'Fourth Space' leisure activities

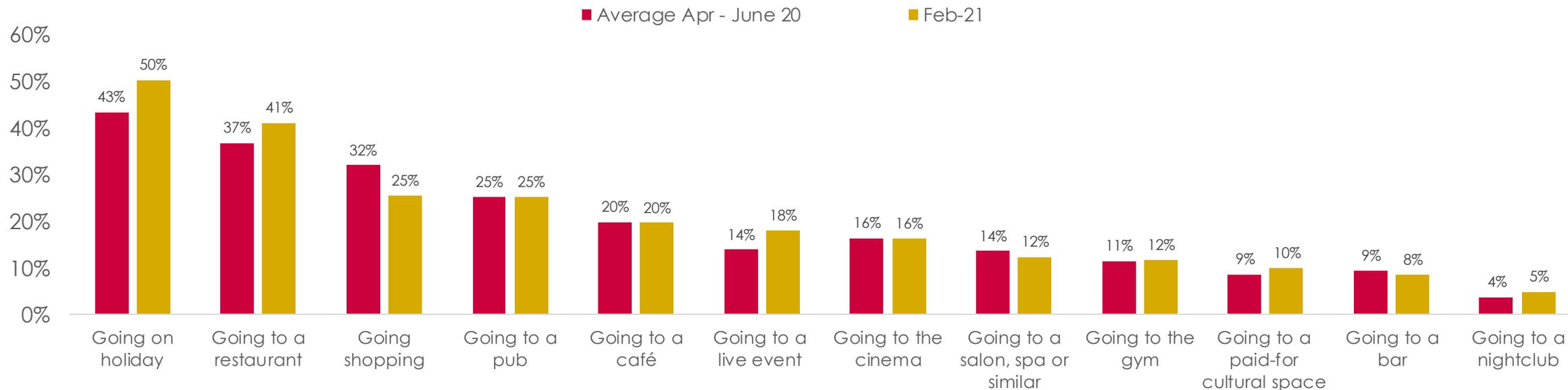
On a scale from 1 to 10, where 1 = not at all and 10 = a great deal, how much do you enjoy doing each of the following activities both online and in person? [Mean enjoyment amongst those who have done both]



- The pandemic has driven several new behaviours, and one such trend is the emergence of the fourth space – a Digital Space that recreates real world interactions and, in doing so, changes them. Certain leisure activities which were previously done in person, or the Third Place, have begun occurring more regularly within the digital space, such as quizzes, TV or live sport watch alongs and even some live events.
- This month's findings indicate that consumers who have experienced both the Third and Fourth Place versions have in some cases warmed to the activity being carried out online. Despite being slightly more enjoyable when carried out in person, average enjoyment for both pub quizzes and TV watch alongs within an app such as Zoom or Watch Party remains high, whilst video games were actually considered to be more enjoyable online than in person.
- Leisure activities within the Fourth Place haven't all been as well received however. Average enjoyment of both exercise classes and attendance of events or festivals when carried out digitally remains far lower than when done so in person.

Latest lockdown sees rise in pent up demand for holidays and live events

Which of these paid for out of home leisure activities are you most looking forward to taking part in when restrictions are lifted?
[Respondents select up to three choices]



- Under the latest national lockdown measures, levels of pent up demand for certain out of home leisure activities have continued to grow since the initial lockdown last Spring. Consumers have in particular grown more keen to partake in activities which were amongst the most difficult to do at any point last year, such as going on holiday (43% to 50%) and going to live events (14% to 18%).
- Whilst demand for restaurants has grown further despite consumers being able to eat out for much of last year, this remains more of an outlier. Pent up demand has in many cases stagnated or even decreased regarding activities which consumers were doing throughout much of the pandemic, such as going shopping (32% to 25%).
- Worth noting however, is that trends in pent up demand have not been consistent across demographics. Younger generations are the primary driving force behind the rise in demand for holidays, whilst older age groups see up to three times the increase in pent up demand for visiting restaurants compared to their younger counterparts.

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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