



TRAJECTORY

22

14 00 UNE PEINTURE PARLÉE
15 00 BEAUBOURG-LA-REINE: LES KELLERS
19 00 BEAUBOURG-LA-REINE: JULIE NICOLE 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-JERRE BRÉBANT

OUVERTURE

The Optimism Index (UK)

Report: June 2021 | Fieldwork: 9th – 16th June

**UK Optimism
June 2021**

54

No change on May 2021
Up 5 Points on June 2020

**Rolling Average
June 2021**

53

Up 1 Point on May 2021
Up 3 Points on June 2020

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

**Net spending
expectations**

-12%

Spending expectations have been dampened this month

**Net household
confidence**

5%

Net Household confidence remains remarkably high

Net Trust

-19%

Levels of trust have fallen amidst the latest delay to reopening

Headlines

Comment

Although many parts of the economy are still struggling under continued restrictions, consumers are enjoying their relative freedom.

That's the message from this month's Optimism Index report, which finds headline sentiment at the same (high) level as May and continued positivity in terms of household finances. We also find that subjective wellbeing is improving: people report feeling more satisfied with their leisure time, family life and life as a whole than they did before March 2020, for the first time during the pandemic.

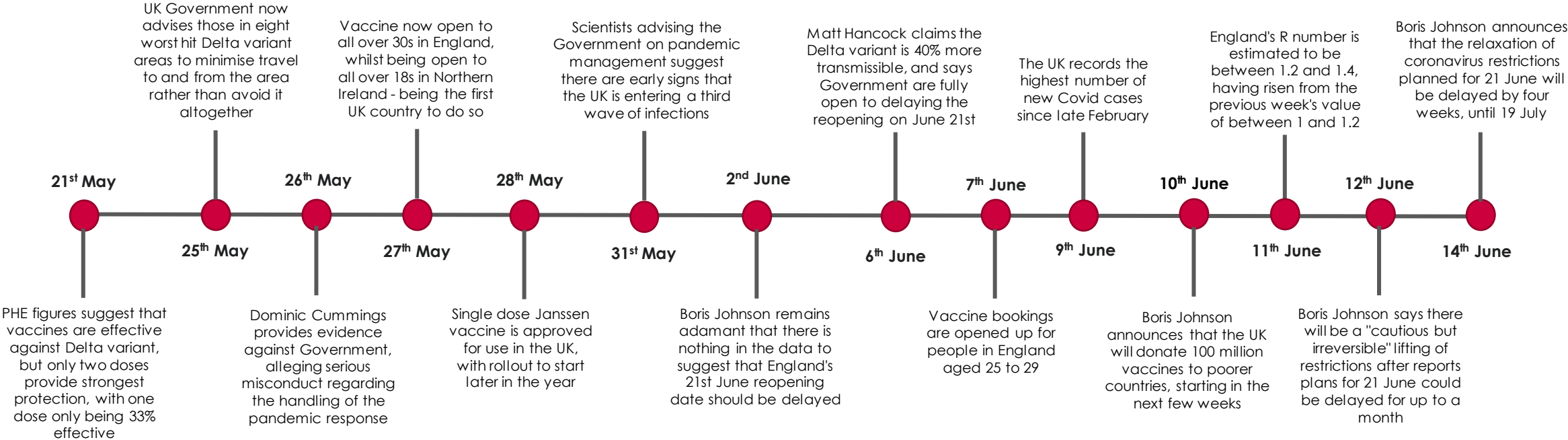
This is good news, even if the data contains enough on the negative side to worry those who generally see their glass as half empty. Covid caution – the level of worry about returning to public spaces, like shops and restaurants – is declining, but is not declining fast. Outlooks for the economy as a whole have slipped back into negative territory and spending expectations – following a meteoric rise through the spring – are starting to fall back to earth.

This is a year of phases: consumers are currently ensconced in the second, and probably best of them, where the gloom of winter has given way to the vaccine and reopening inspired optimism of summer. Next comes the economic reality in the autumn.

For businesses, the key lesson is that the struggle does not end when restrictions are lifted on July 19th, and if consumers are planning for tougher times ahead it is time for the rest of us to do so too.



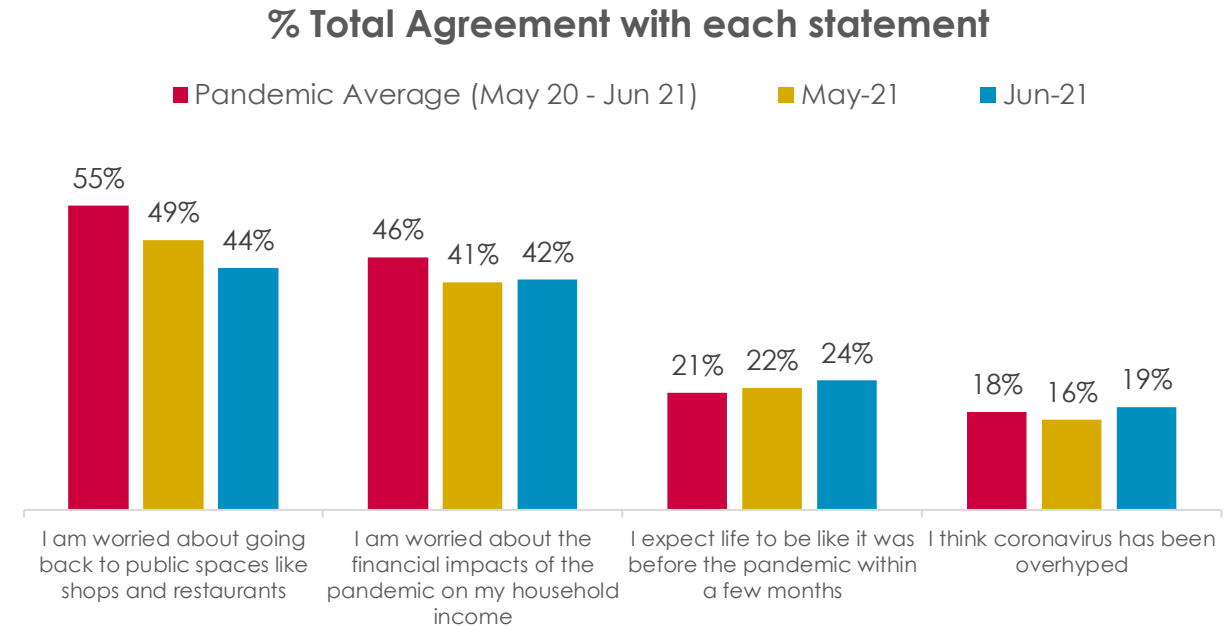
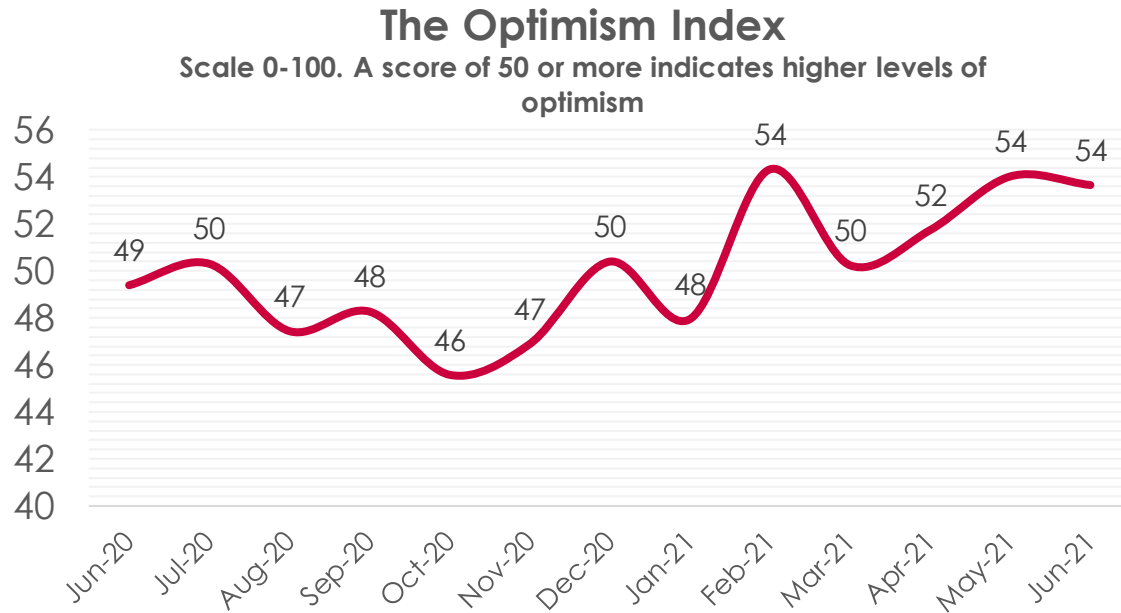
Last Month's Key Events



Fieldwork: 9th – 16th June



The Optimism Index: Headlines



- This month's edition of **The Optimism Index** sees consumer sentiment remain at the same level with a score of 54.
- Whilst growth in optimism has stalled, a score of 54 continues to indicate that consumers have a positive outlook. With the UK edging closer to offering vaccines to all adults over the age of 18, concerns about visiting public spaces have fallen further, whilst almost a fifth now expect life to return to pre-pandemic normality within just a few months.
- Despite the rapid spread of the Delta variant, consumers are buoyed by indications that vaccines appear to be breaking the link between infections and hospitalisation. Whilst the rate of change is slow, outlook is clearly improving.
- The same cannot be said for financial perspectives this month. Financial concerns have actually risen, likely driven by the four week postponement of the final lifting of restrictions. Despite support for the postponement being prominent, many will likely suffer further financial complications due to the extension.

The Optimism Index: Rolling Average

- The three month rolling average of **The Optimism Index** rose by one point this month, up from 52 to 53.
- As anticipated in last month's report, our latest findings highlight a significant gap between this month's rolling average and the average at this point last year. Whilst the trend for 2020-21 marginally overtook that of 2019-20 last month, June's findings mark a far greater disparity, now up three points in comparison to last year.
- With consumer sentiment only worsening throughout 2020, the gap between the two trends has the potential to increase further over the next few months, as we may expect topline sentiment to continue to rise as restrictions are fully lifted across the UK.
- These trends may not be as sustainable as we move into the Autumn however. In both 2019 and 2020, sentiment began to decline after August. This year however, consumers may be dampened by more than just days getting shorter, with both the furlough scheme and Universal Credit top ups coming to an end by the start of October, heightening financial pressures.

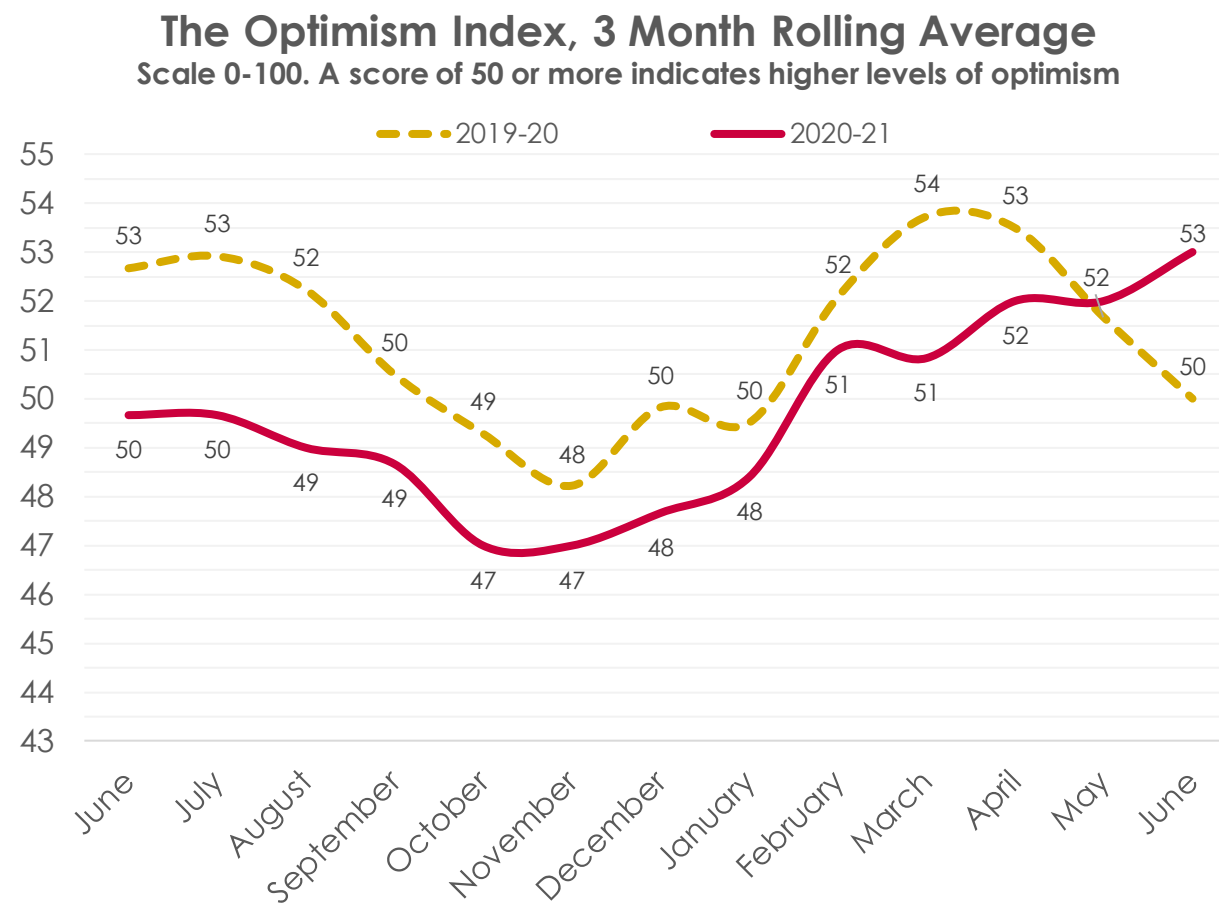


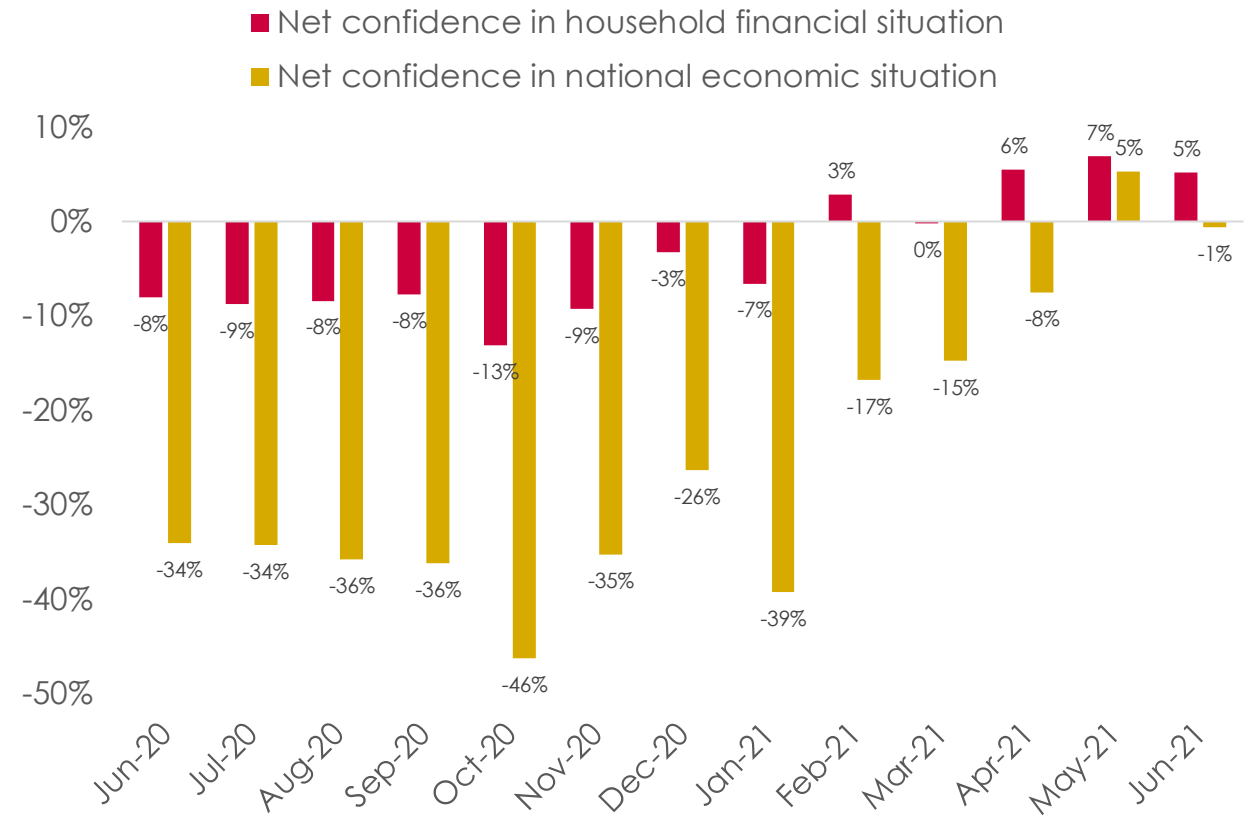
Chart labels are rounded to whole numbers, but *The Optimism Index* is rounded to one decimal place

Economic and Household Confidence

- This month sees net confidence decline slightly, in both household finances (down from 7% to 5%), and the economy as a whole, which fell from 5% to -1%.
- The slight decline this month is a likely result of the four week delay to the ending of all restrictions on socialising from June 21st to July 19th. With fears of inflation rises, tax rises and changes to the cost of living, both the short and medium term outlook – especially to the wider economy – have worsened.
- These changes in outlook are not being felt evenly across the country. Higher earners are much more likely to have seen substantial declines in pandemic-influenced financial concerns, but they remain prominent among lower earning respondents.

Economic and Household Confidence

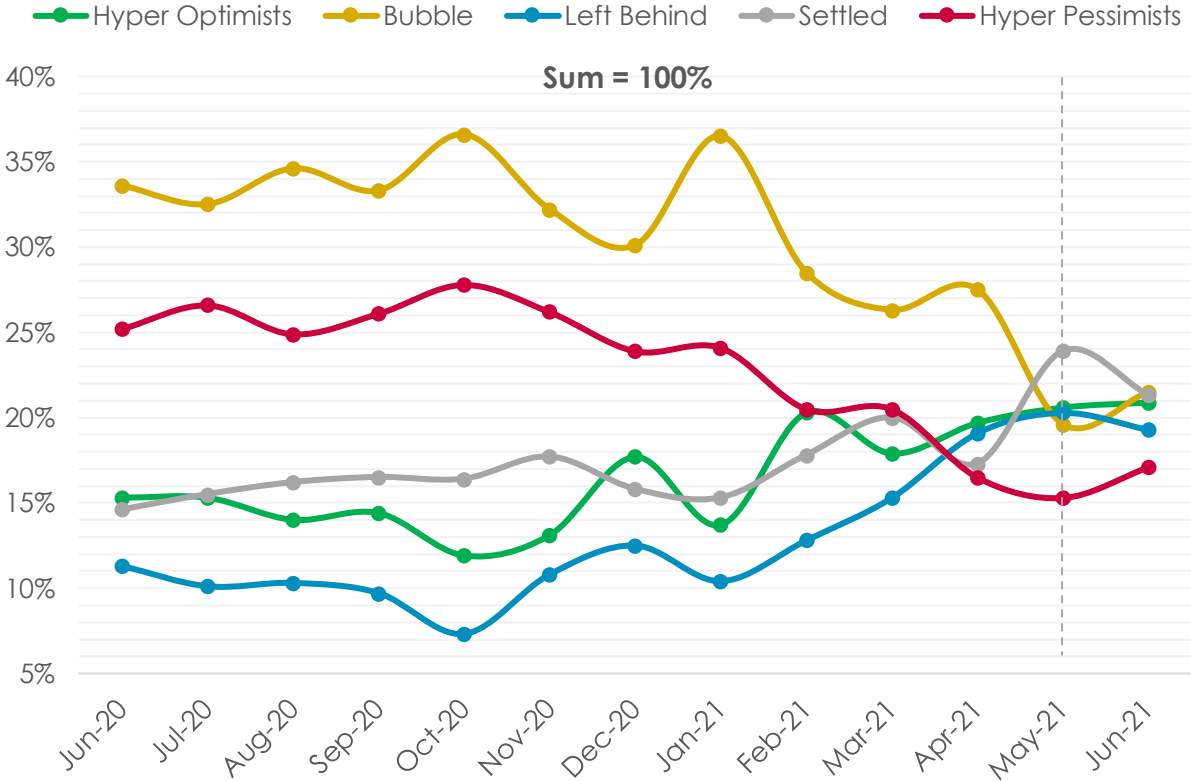
(Net: % thinking will improve minus % thinking will get worse over next 12 months)



Consumer Confidence Groups

- With topline confidence declining slightly, we see a marginal rise in the proportion of 'Hyper Pessimists' (15% to 17%) and 'The Bubble' (20% to 22%) this month.
- This decline has not seen a paralleled fall in the proportion of 'Hyper Optimists', which again account for 21% of respondents this month. We instead see a decrease in those feeling either 'Left Behind' or 'Settled', with all five groups now accounting for a remarkably similar proportion of consumers.
- Economic outlook has been anything but consistent over recent months. Despite trends being positive, net confidence in both the economy and consumer's own finances remain at levels close to zero. This implies that a similar proportion of consumers expect the situation to improve over the next year as the proportion who expect things to worsen.
- Although consumers appear polarised in their financial outlook, businesses can still take hope from the fact that 'Hyper Optimists' have remained somewhat consistent – accounting for roughly a fifth of consumers since February. Throughout the pandemic, this group have been the most likely to anticipate an increase in discretionary spending, and are leading the recovery now.

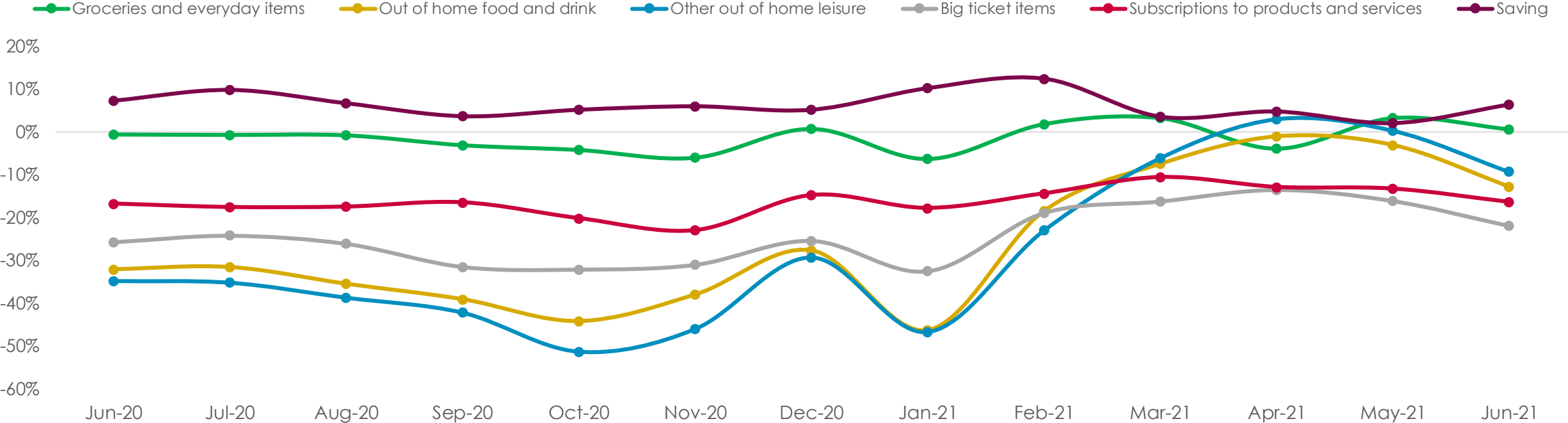
Do you think the economic situation in the UK/the financial situation in your household will improve, stay the same or get worse in the next 12 months?



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]

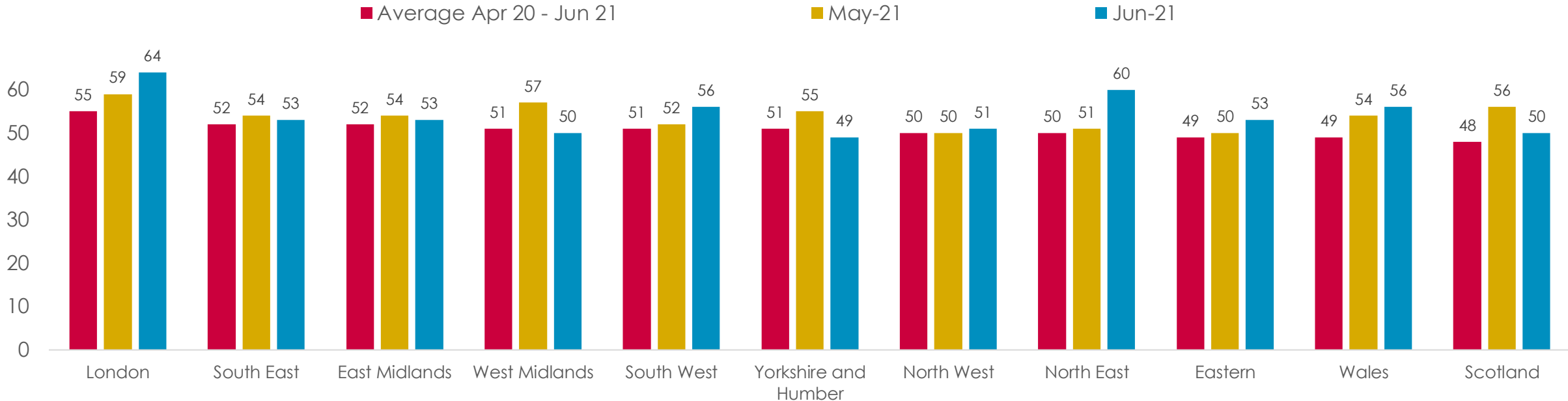


- Consumer appetite for leisure spending has dampened slightly after its meteoric rise in the last few months. Despite remaining far higher than compared to the pandemic as a whole, net expectations for out of home food and drink (-3% to -13%) and other out of home leisure (0% to -9%) have declined significantly this month.
- Whilst concerns about public spaces have continued to decline, financial concerns have stalled amidst the postponement of the final lifting of restrictions – with a degree of caution regarding leisure spending expectations arising as a result.
- Expectations for leisure spending might have already reached their peak, with consumers appearing to already be running out of financial steam. Higher expectations for spending are naturally easier to maintain before such spending is actually possible, and with hospitality now reopened for the most part, such bullishness appears to already be declining.



The Optimism Index by Region

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



- This month highlights a significant degree of polarisation between regions of the UK regarding their current outlook. Optimism reaches highs of 64 in London, up five points on last month, whilst falling below 50 in Yorkshire and the Humber (55 to 49).
- A more positive outlook is not exclusively found amongst those in London this month however. Optimism has risen by nine points amongst those in the North East, up from 51 to 60, whilst sentiment in Wales continues to rise, with vaccines now offered to all adults over the age of 18 across the country.
- This contrasts with the experience of those in Scotland this month. Now beginning to fall behind England and Wales regarding their vaccine rollout, sentiment has declined by six points, bringing outlook amongst those in Scotland nearer to the levels seen within both the West Midlands and the North West – England’s Delta variant hotspots.



Gender

- This month sees the gap in optimism between men and women grow by one point, as men see sentiment stall at 56, whilst women see a one point decline from 53 to 52.
- With women consistently expressing a greater degree of concern in relation to visiting public spaces during the pandemic, it is little surprise that sentiment has seen a slight decline this month given the rapid spread of the Delta variant and the postponement of the final lifting of restrictions.
- This discrepancy in concerns extends beyond the health risks associated with the pandemic. Despite declining for the previous two months, concerns about the financial impacts of the pandemic increased by 2% amongst women this month, whilst falling further amongst men.

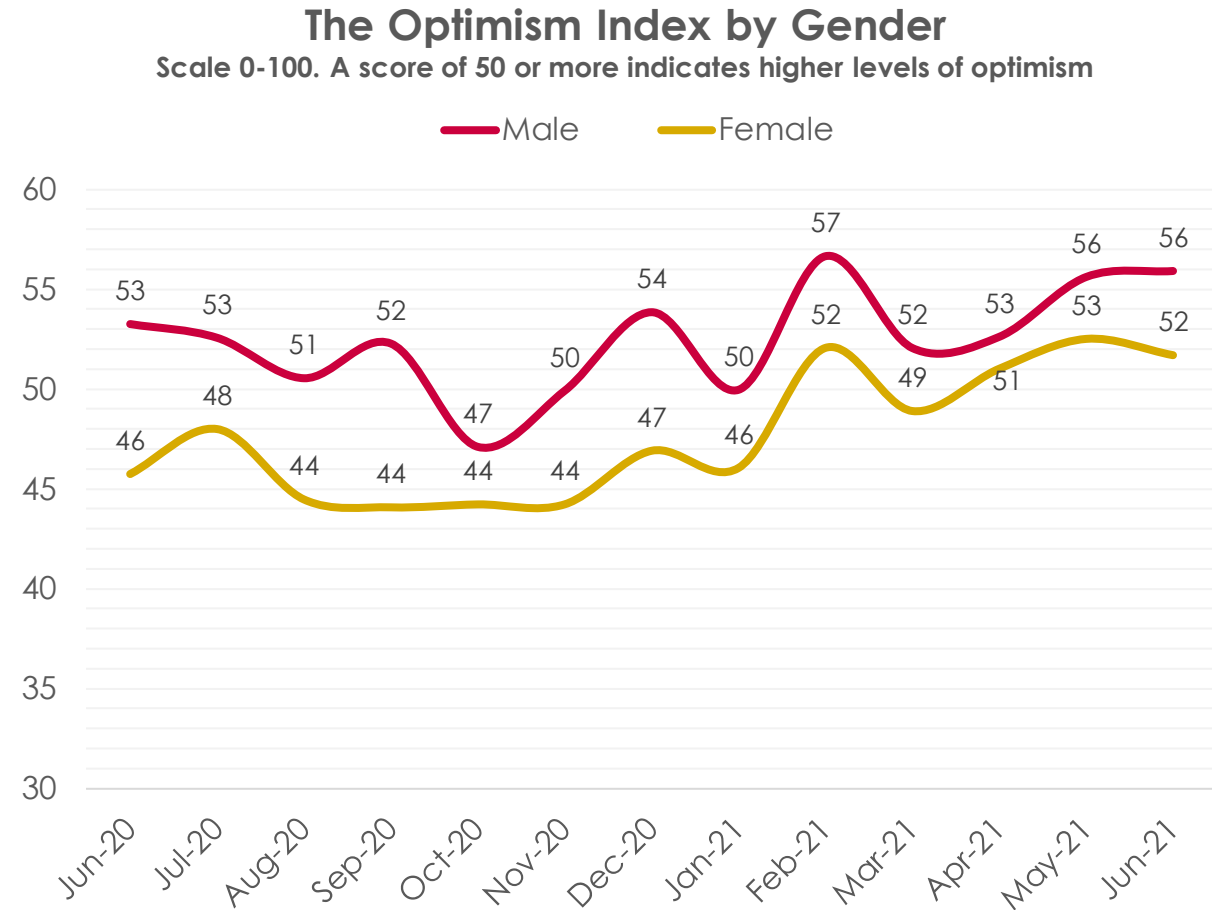


Chart labels are rounded to whole numbers, but *The Optimism Index* is rounded to one decimal place

- This month sees trends in sentiment diverge across generations. Older cohorts all experienced a decline to some degree, whilst both Gen Z and Gen Y grew more optimistic.
- These trends are a result of the staggered rollout of the vaccine. With all adults over 25 able to book in England, and appointments for all over 18s being introduced just a couple of days after this month's fieldwork, younger cohorts are finally experiencing the same vaccine-driven boost to sentiment as had already been seen amongst older age groups.
- For over 40s, this month marks a somewhat frustrating stalling of progress. With two doses now prominent amongst a significant proportion of these consumers, the four week delaying of restrictions has dampened outlook, given this group now place less emphasis upon the public health threat posed by the virus.
- Compared to the last year, Gen X, Baby Boomers and the Silent Generation were this month more likely to feel the economic consequences of lockdown were a greater priority than the health implications, whilst Gen Z saw no change compared to the pandemic average.

Generation

The Optimism Index by Generation

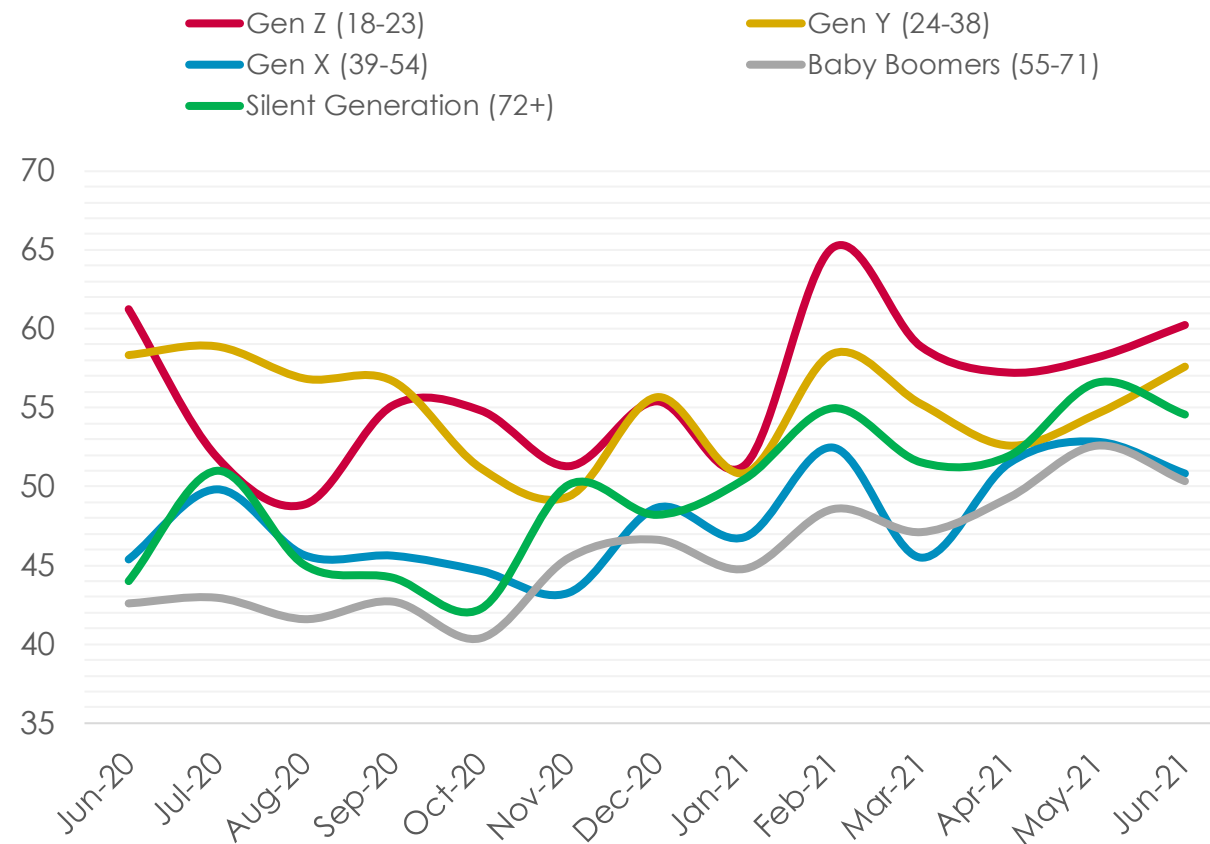


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Income

- This month also sees divergent trends in sentiment across income groups, with lower earners experiencing a fall in optimism, whilst top earners saw a sharp increase – up five points from 57 to 62.
- With concerns about the financial impacts of the pandemic declining to a far greater extent amongst top earners in recent months, it is unsurprising that the delay to the lifting of restrictions has had little impact for this group.
- Amongst lower earners, typically more likely to occupy roles which stand to benefit more from a full reopening of the hospitality industry, the delay has dampened outlook further. These groups may also be starting to look over their shoulder, with the ending of the furlough scheme and universal credit top ups now only a few months away.
- This discrepancy in outlook across income groups has had a knock-on effect on levels of confidence. More than a fifth (22%) of lowest earners fall into the ‘Hyper Pessimists’ group this month, compared to just 17% of the top earners, whilst top earners also comprise of 5% more ‘Hyper Optimists’.

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

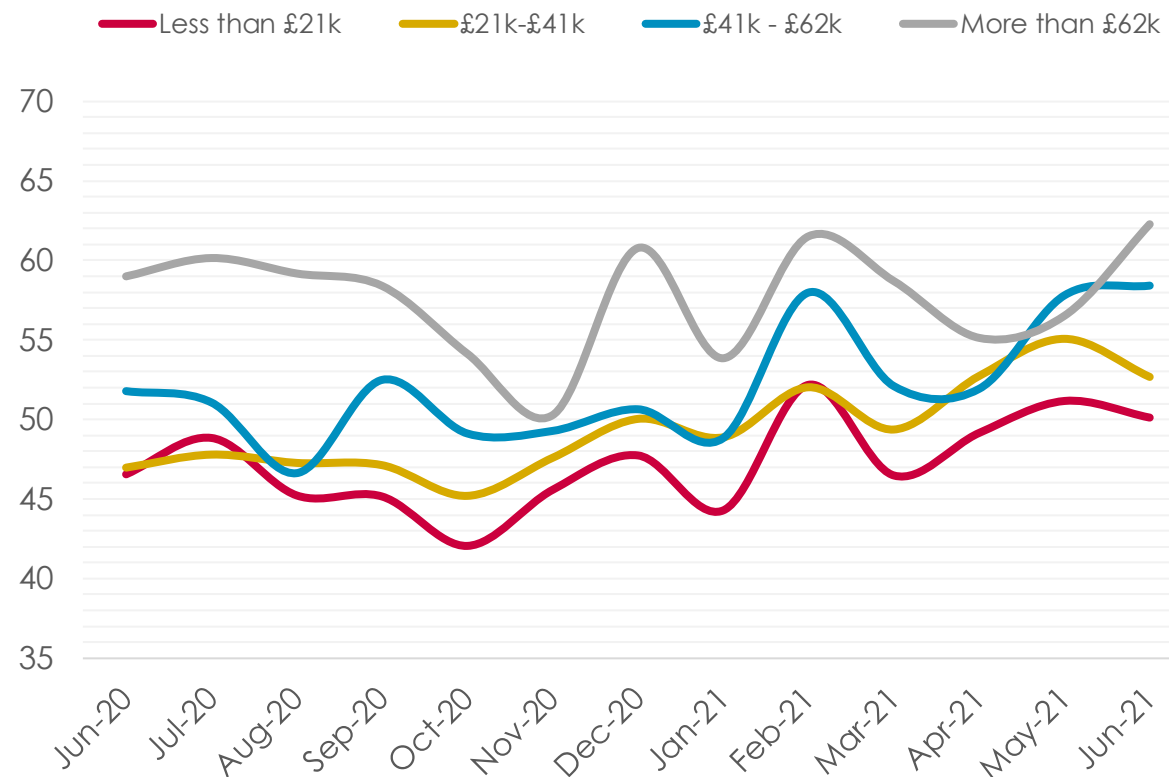
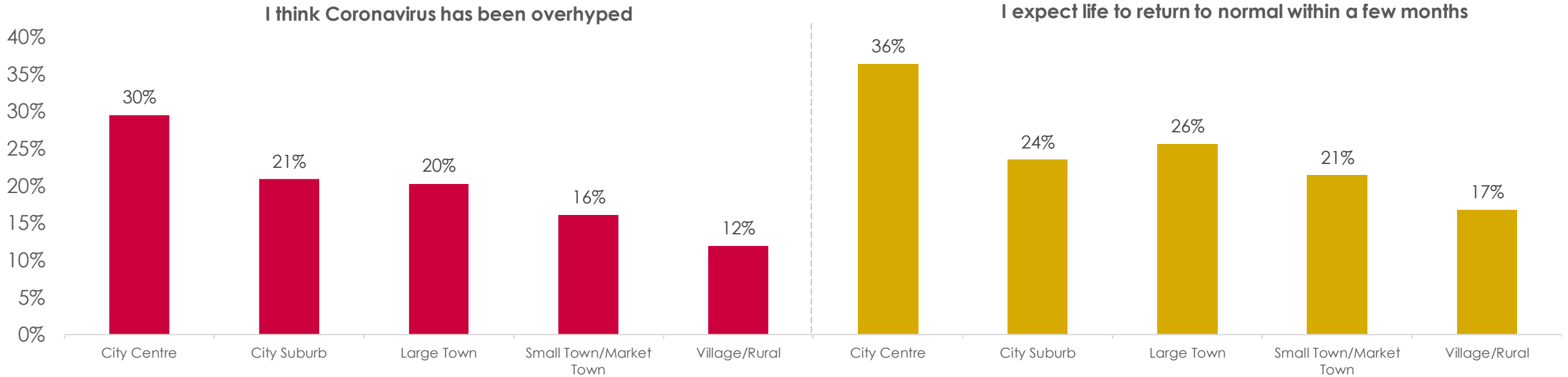


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Pandemic scepticism most common amongst those in city centres

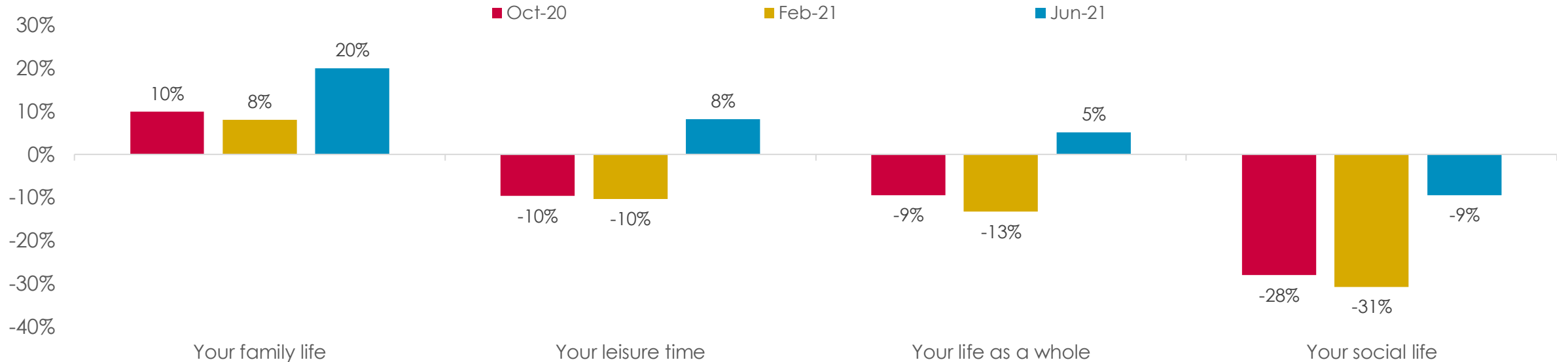
% Total Agreement with each statement – June 2021



- Amidst the continued success of the vaccine rollout, more cynical pandemic views are beginning to creep back into consumer mindsets. This month's findings indicate, however, that this degree of cynicism is most prominent amongst those living in cities, whilst being less common in more rural areas.
- At least three in ten respondents living in city centres this month agreed that the pandemic has been overhyped, and that they expect life to return to normal within a few months, compared to less than a fifth of those living in villages or remote rural parts of the country.
- With those living in more built up areas more likely to have benefitted from access to pubs, bars and restaurants prior to the pandemic, lockdown restrictions which closed such facilities will have naturally been more impactful – driving up feelings of cynicism as a result.
- These findings are also a result of the demographics of those living in cities, with our respondents living in city centres comprising of a higher than average proportion of Gen Z and Gen Y. Worth noting however, is that within both older and younger cohorts themselves, more cynical views remain more likely amongst those living in built up areas.

Reopenings drive substantially more positive outlook regarding social life

Compared to how you felt before the pandemic, please state whether you now feel more or less satisfied about each of the following [Net % saying more satisfied minus less satisfied]



- With people once again able to mix indoors with friends and family, the impacts on life satisfaction, in comparison to before the pandemic, has been drastic.
- Net satisfaction with respondent’s social life and leisure time have risen by 18% and 22% respectively since February, driving an 18% rise in net satisfaction with consumer’s life as a whole during the same period.
- With some restrictions remaining in place for the next month, only net satisfaction with consumer’s social lives remains negative, albeit marginally, whilst net levels are now positive for leisure, family life and for life as a whole.
- Whilst not necessarily being a more favourable situation than pre-pandemic, given the restrictions still in place and the spread of the Delta variant, consumers have been bolstered by the movement away from full lockdown in recent months, and have adopted a greater degree of satisfaction with life as a whole as a result.

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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