TRAJECTORY

Optimism Index
July 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 **7th and 14th July**

Key Findings

- Financial concerns have been further dampened as we approach 'freedom day'
- Reopening of retail and hospitality has failed to stem a rise in job insecurities amongst younger generations
- Longer term expectations for remote working remain far higher than pre-pandemic
- Demand for out of home leisure increases slightly as final reopening looms
- Spread of Delta variant drives rise in concerns about visiting public spaces
- Younger generations experience a sharp rise in pandemic-related cynicism
- With no further reopenings to be made, consumers place even greater focus on protecting NHS

Last Month's Key Events

18th June – All adults over 18 now eligible for vaccine bookings in England

20th June – Matt Hancock alleged to have withheld information stating that certain vaccines more effective against Delta variant than previous strains

22nd June – Ministers reported to be planning to allow people who have two vaccines to avoid quarantining on arrival in the UK from an amber list country

24th June – Rishi Sunak says he expects to stop wearing a face covering "as soon as possible" after it is no longer legally required in England

25th June – Matt Hancock apologises for breaking social distancing rules after pictures of him kissing an aide appear in the media

26th June – Matt Hancock resigns as Health Secretary following his breach of COVID restrictions, with Sajid Javid confirmed as his successor

28th June – Sajid Javid tells MPs the UK government can see no reason to go beyond the "target date" for lifting restrictions in England on 19 July

3rd July – British Medical Association calls for some restrictions to remain in England beyond 19 July

5th July – Boris Johnson sets out the last stage of the road map for lifting restrictions, expected to be on 19 July, ending all remaining restrictions

6th July – People with two vaccines no longer need to self isolate when a close contact tests positive, with school bubble system also ceasing from July 19

7th July – The Government confirms £20 Universal credit top ups will be phased out in the Autumn

11th July – Vaccines minister Nadhim Zahawi says there will still be an expectation that people wear masks in crowded indoor spaces

12th July – Government confirms that almost all other restrictions will be lifted on July 19

13th July – Nicola Sturgeon announces that Scotland will move to level zero restrictions from 19 July, but that the wearing of face coverings will remain mandatory

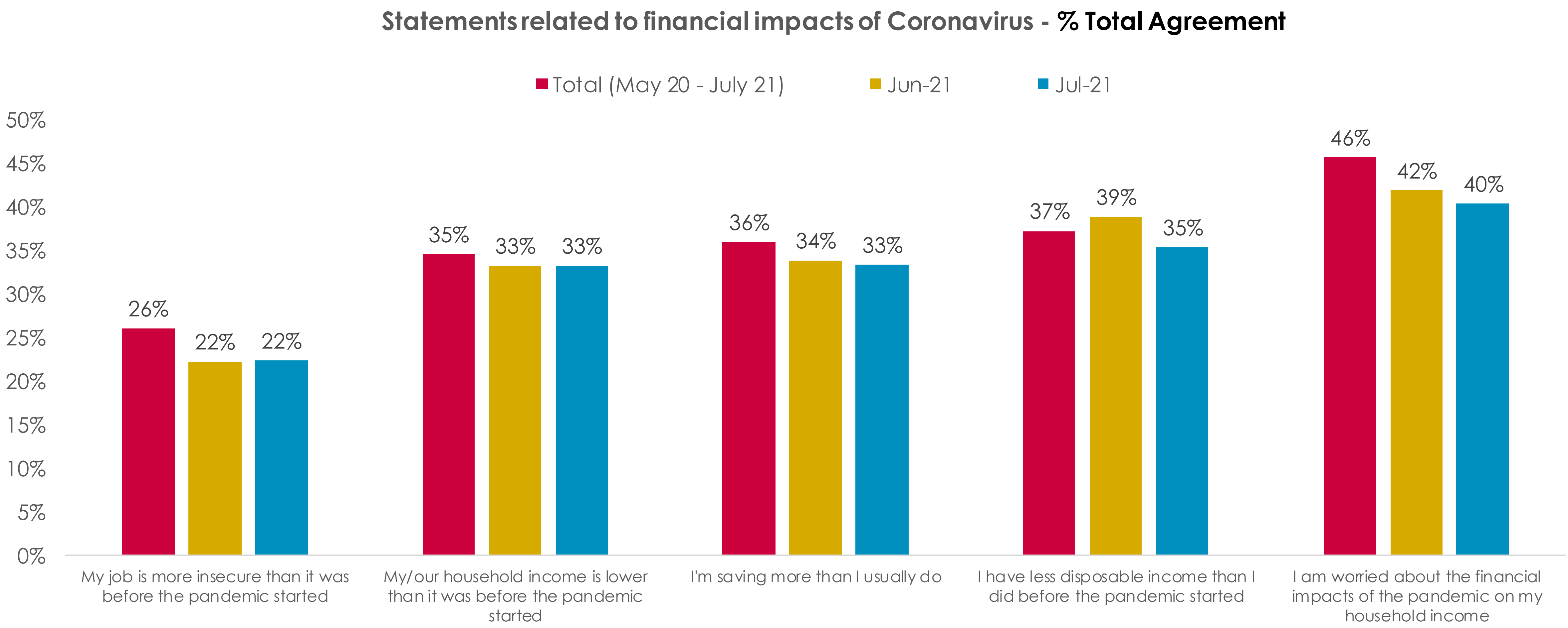
14th July – Sadiq Khan announces that face coverings must be worn on London's transport network despite easing of restrictions

Fieldwork: 7th – 14th July

Financial Implications

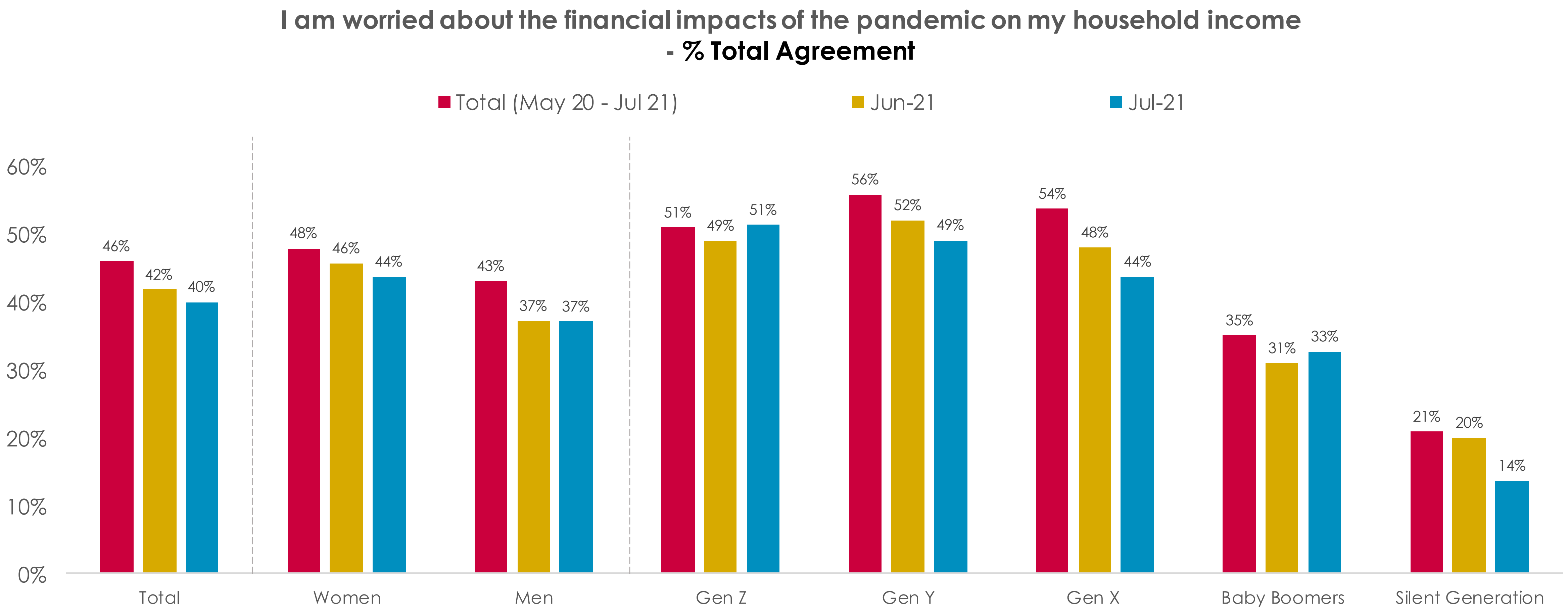
Financial concerns further dampened by approach to freedom day

- Proportion feeling worried about financial impacts of pandemic down further to 40% - 6% fewer than compared to pandemic average
- This month also sees a 4% decline in those who say they have less disposable income than pre-pandemic
- Only just over a fifth (22%) still feel their job is more insecure than before the pandemic – 4% fewer than average



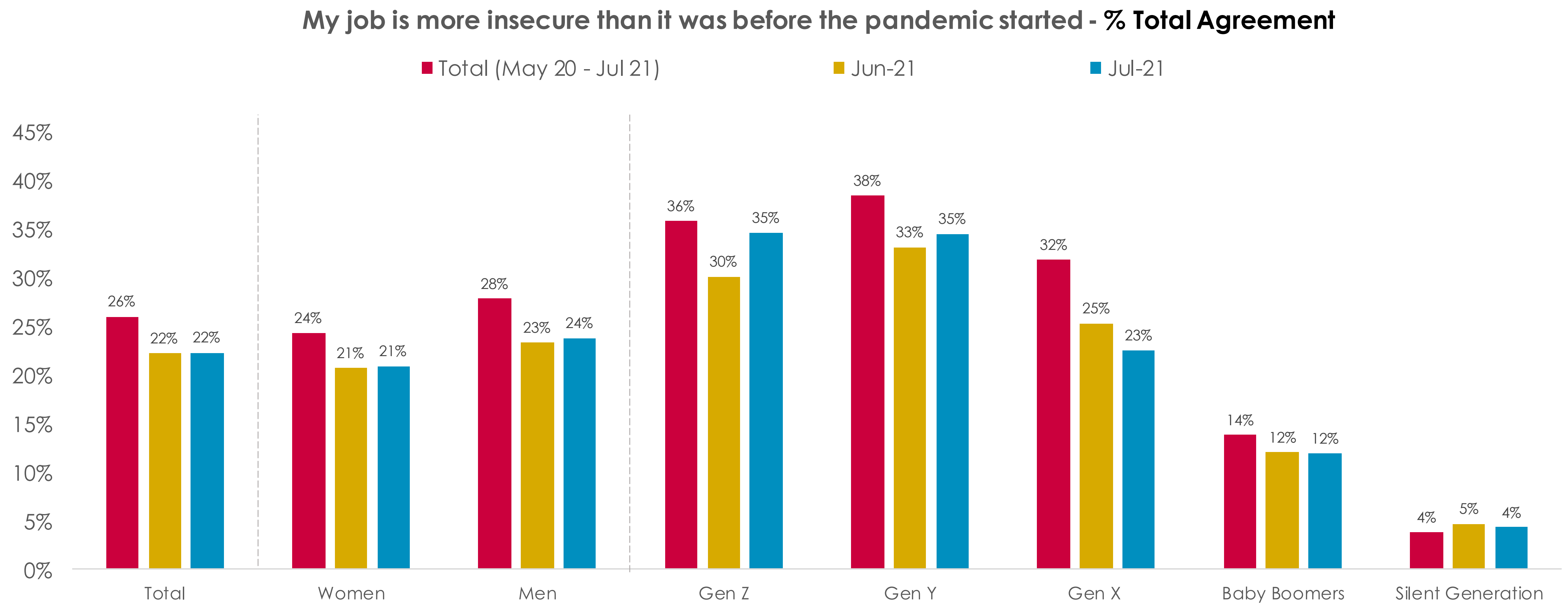
Gen X and Silent Generation see sharpest decline in financial concerns

- Women see a 2% decline in financial concerns, down from 46% to 44%, whilst men saw no change despite remaining less likely to be concerned
- Lack of consistent trend across age groups, with Gen Z and Baby Boomers seeing concerns increase slightly, whilst Gen X, Gen Y and the Silent Generation saw concerns fall this month, most notably amongst Silent Generation (20% to 14%)



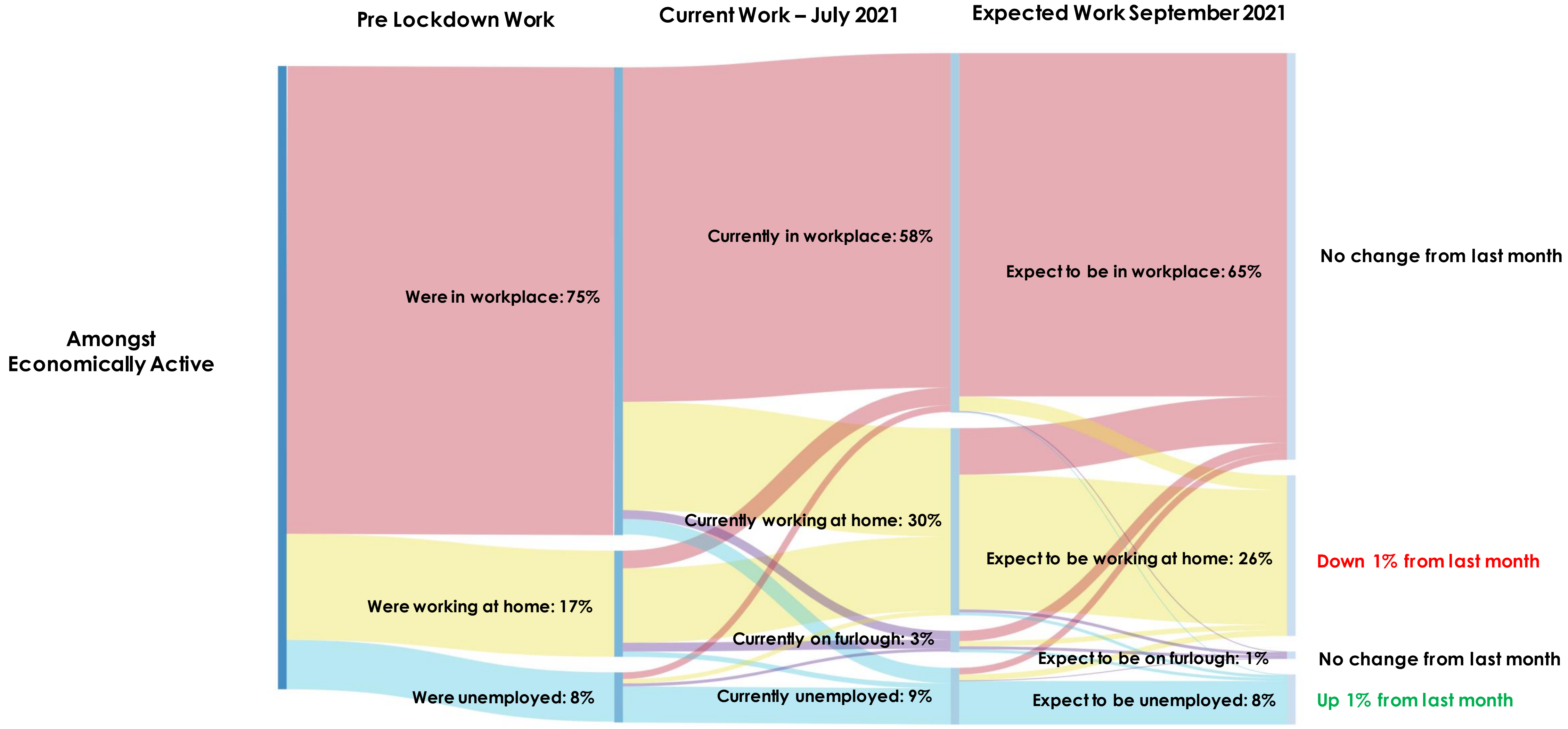
Rise in job insecurity amongst younger generations

- Despite reopenings of retail and hospitality, younger generations have seen a rise in concerns about job security this month
- Older generations either saw concerns remain consistent or saw a slight decrease, with Gen X far less concerned than pandemic average
- Concerns about job insecurity remain slightly more prevalent amongst men than women, rising slightly amongst men this month



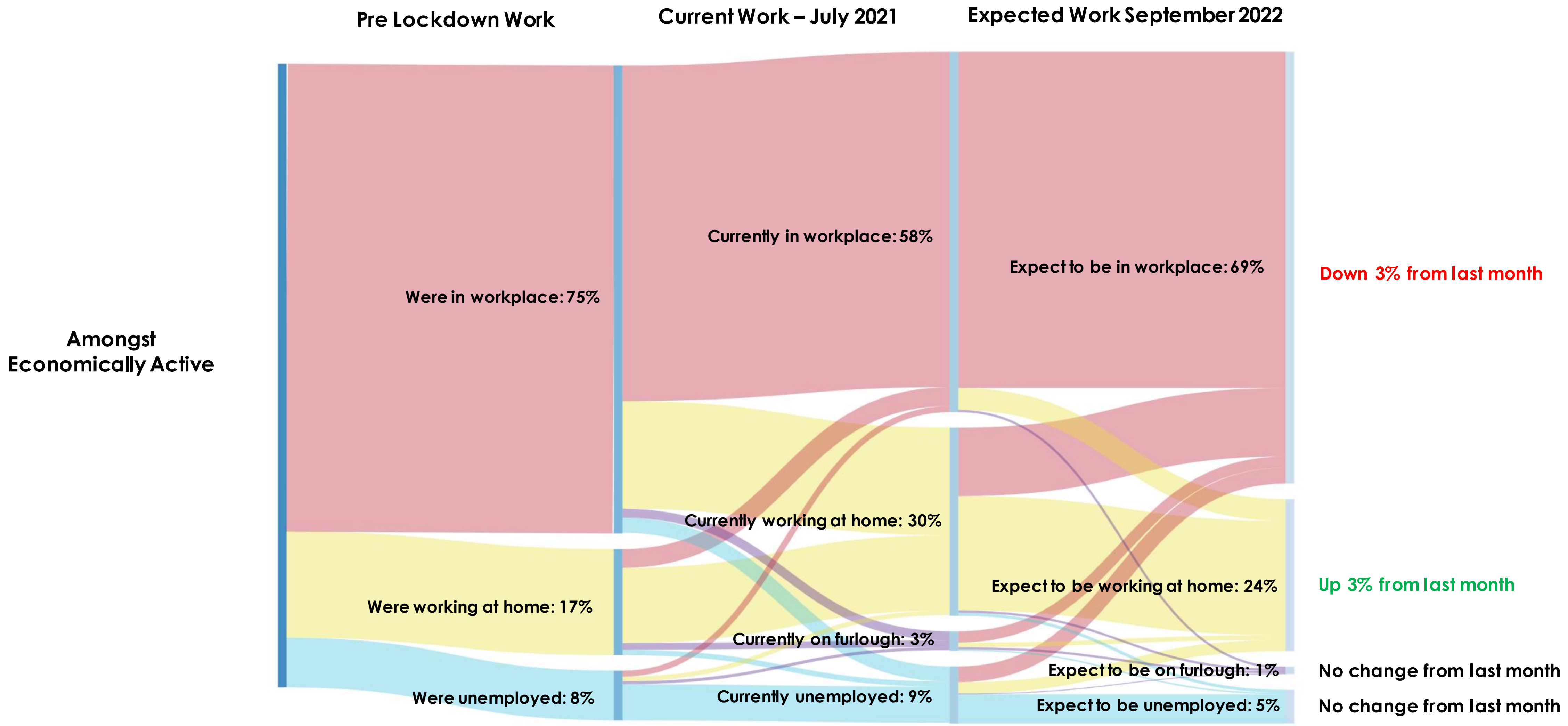
Final reopenings fail to dampen expectations for unemployment

- Proportion expecting to be unemployed next month actually rose by 1% up from 7% to 8% despite nearing freedom day
- Almost no respondents expect to be on furlough, whilst one in four expect to work remotely and two thirds expect to be in workplace



Almost a quarter still expect to work remotely in a year's time

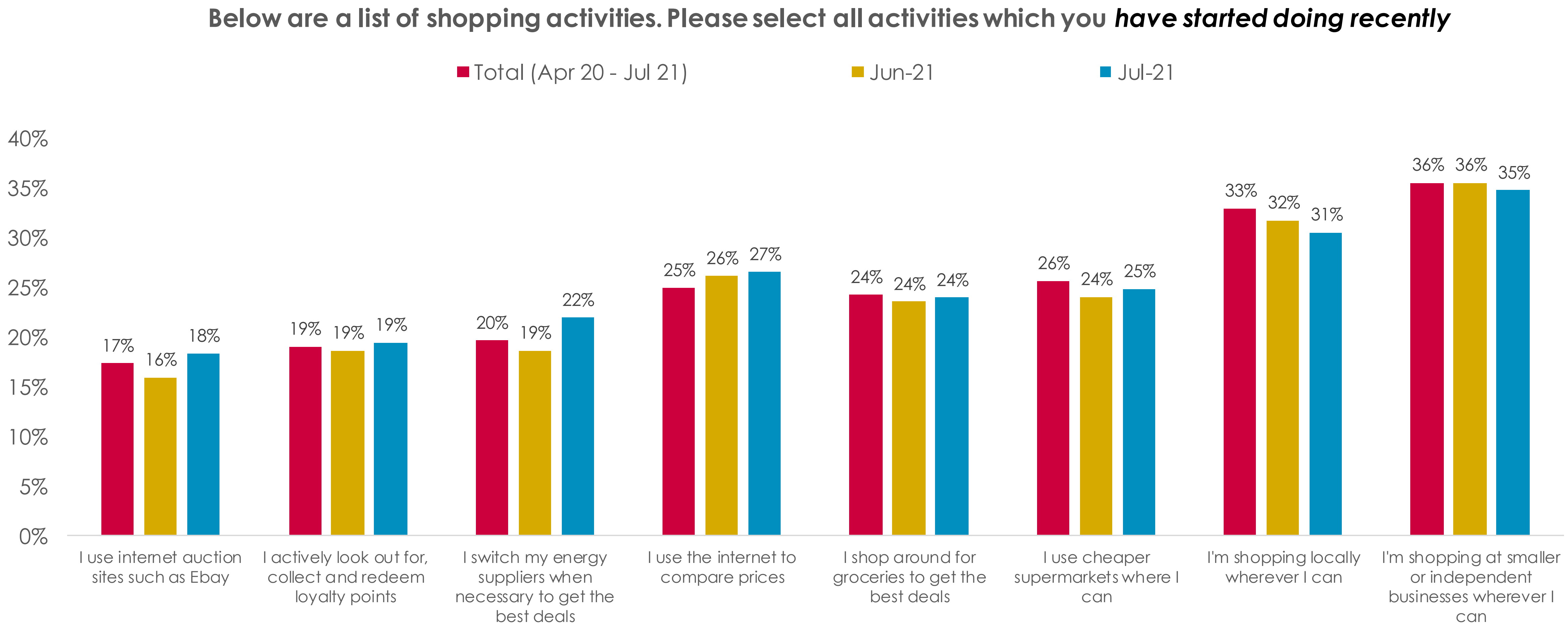
- Proportion who expect to work from home this time next year up 3% this month to 24% - 7% higher than pre-pandemic
- Expectations for those travelling to the workplace remain lower than pre-pandemic, whilst 3% fewer than pre-pandemic expect to be unemployed



Impacts on Shopping Habits

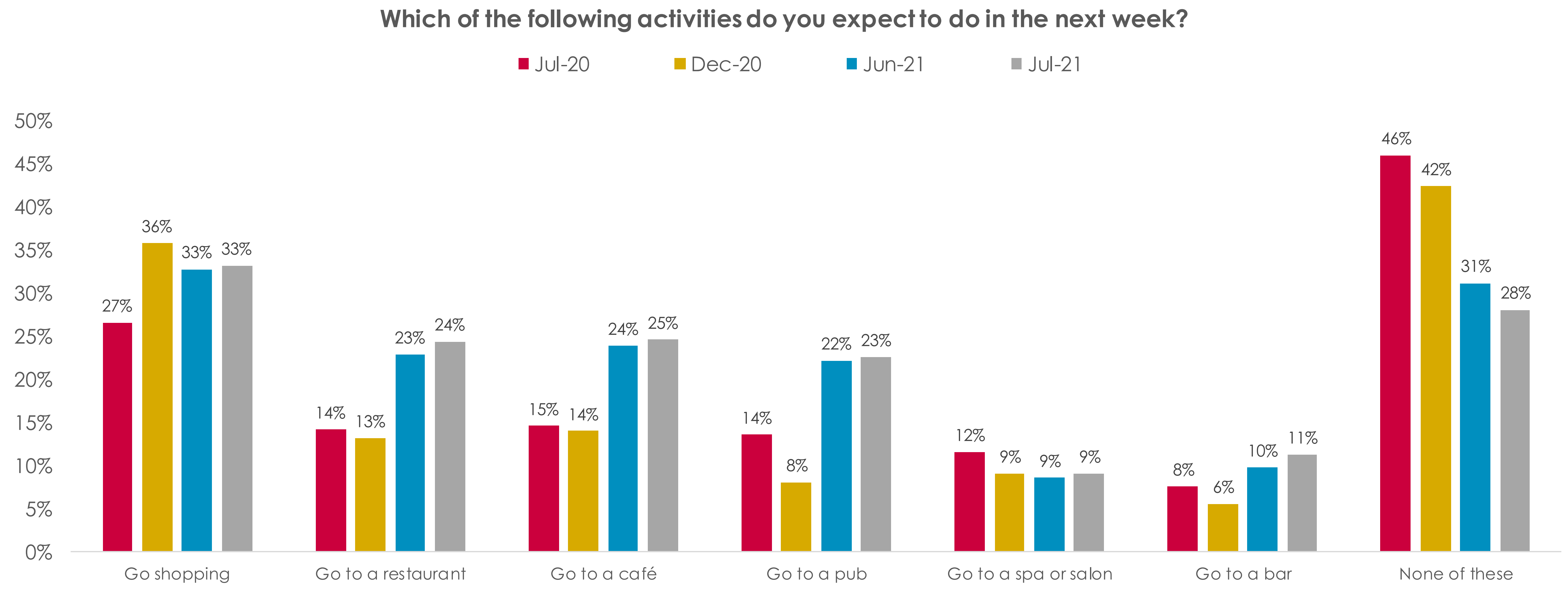
Support for local independent businesses continues to decline

- Proportion recently shopping at independent businesses or locally wherever possibly has declined both this month and compared to pandemic average
- With financial support such as the furlough scheme and universal credit top ups ending within the coming months, price conscious behaviours such as comparing prices online, switching energy suppliers to get the best deals and using cheaper supermarkets have begun to rise



Demand for out of home leisure increases slightly amidst full reopening

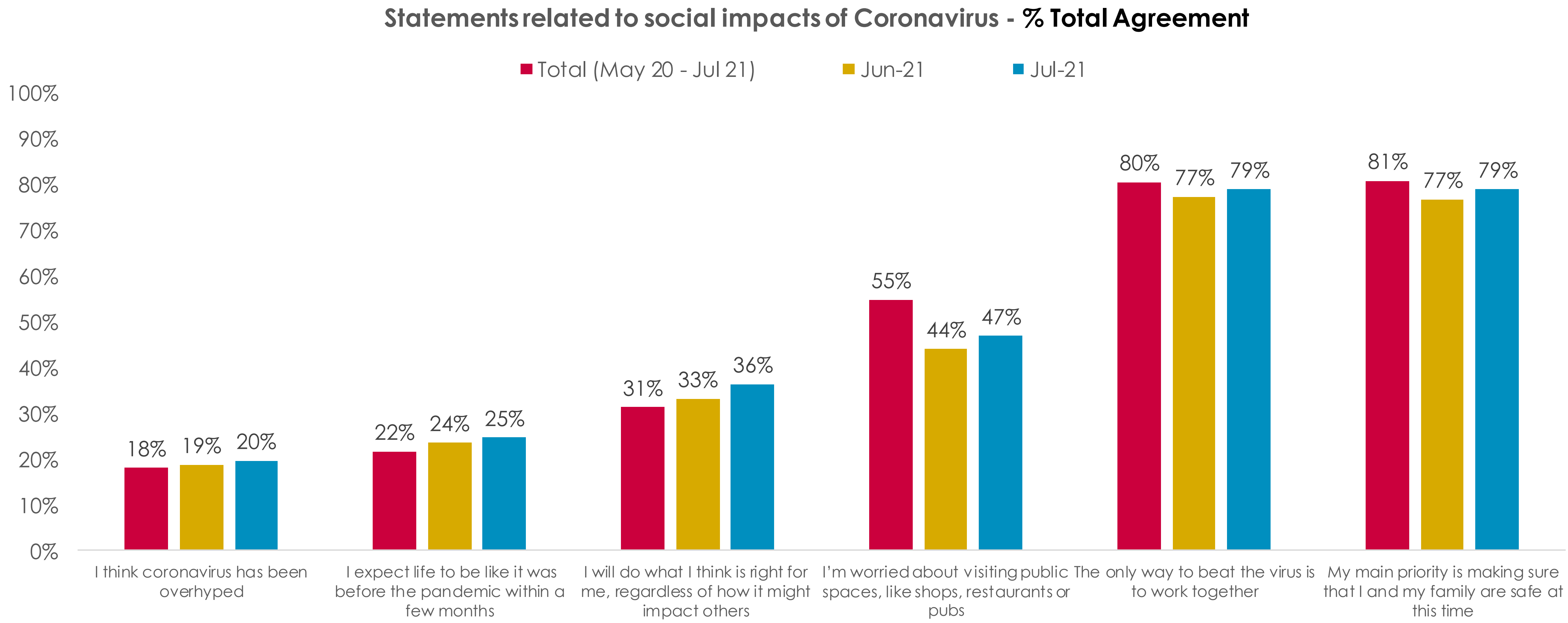
- Proportion not expecting to do any of the listed activities fell by 3% compared to last month, down to just 28%
- Proportion who expect to visit restaurants, cafes, pubs and bars all increased by 1% this month
- Demand remains more stagnant for non-grocery shopping, still slightly down compared to reopening in December



Social Implications

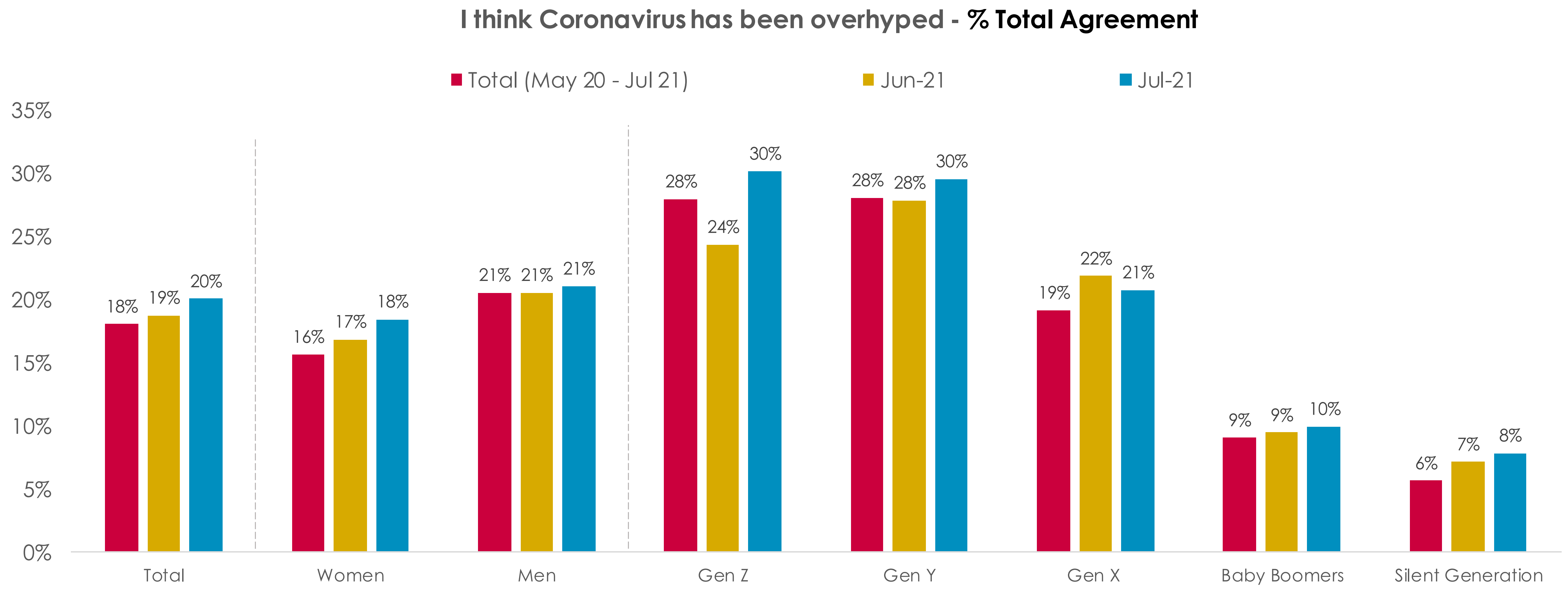
Spread of Delta variant drives rise in concerns about public spaces

- Despite still being far lower than pandemic average, proportion concerned about public spaces rose by 3% this month from 44% to 47%
- In contrast to this trend, cynicism relating to the pandemic also rose again this month, both regarding views saying the pandemic has been overhyped (19% to 20%) and those who expect life to return to pre-pandemic normality within a few months (24% to 25%)



Younger generations drive rise in pandemic-related cynicism

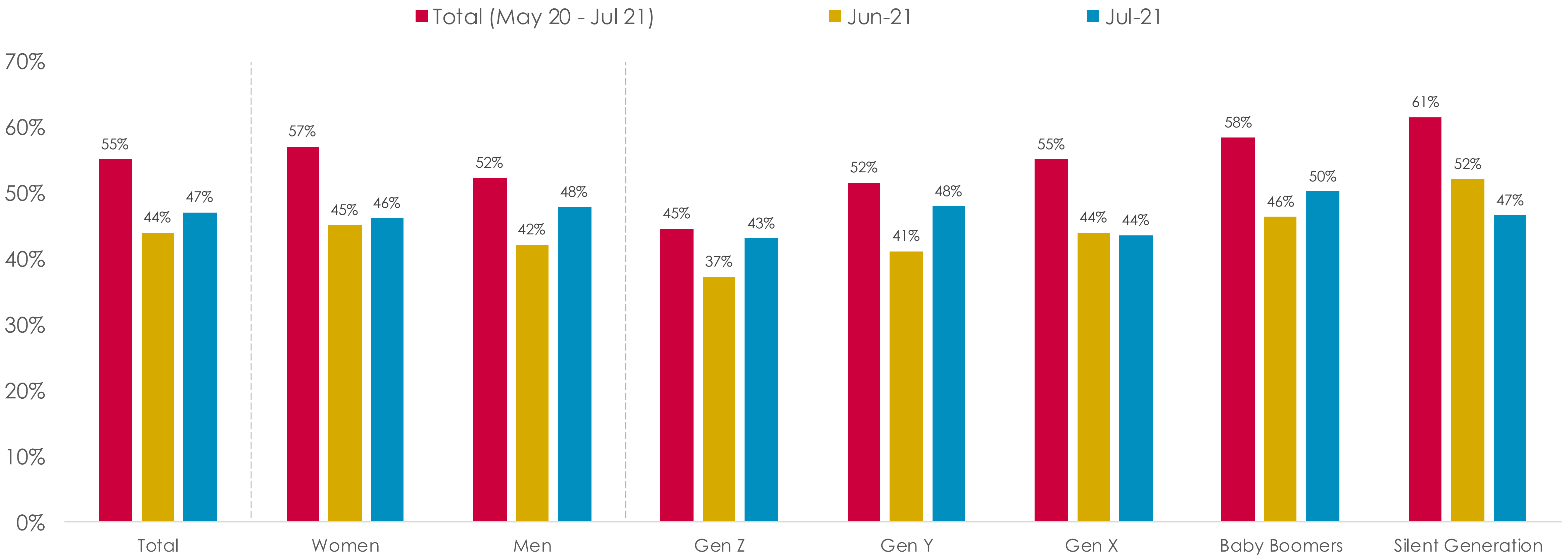
- Compared to a 1% rise at a topline level, Gen Z see a 6% increase in those feeling Coronavirus has been overhyped, whilst Gen Y see 2% increase
- Increases were less stark or even non-existent amongst older generations, with Silent Generation still least likely to feel pandemic has been overhyped
- Women saw a 1% increase in feelings that pandemic has been overhyped this month, whilst men saw no change



Rise in concerns about public spaces also driven by younger age groups

- Despite there being fewer health risks for younger cohorts, the lack of vaccine reach amongst Gen Z and Gen Y has driven a sharp rise in concerns about public spaces for these consumers, whilst older age groups have seen far less of an increase this month
- Although concerns has for the most part been more prominent amongst women, this month sees men grow more concerned

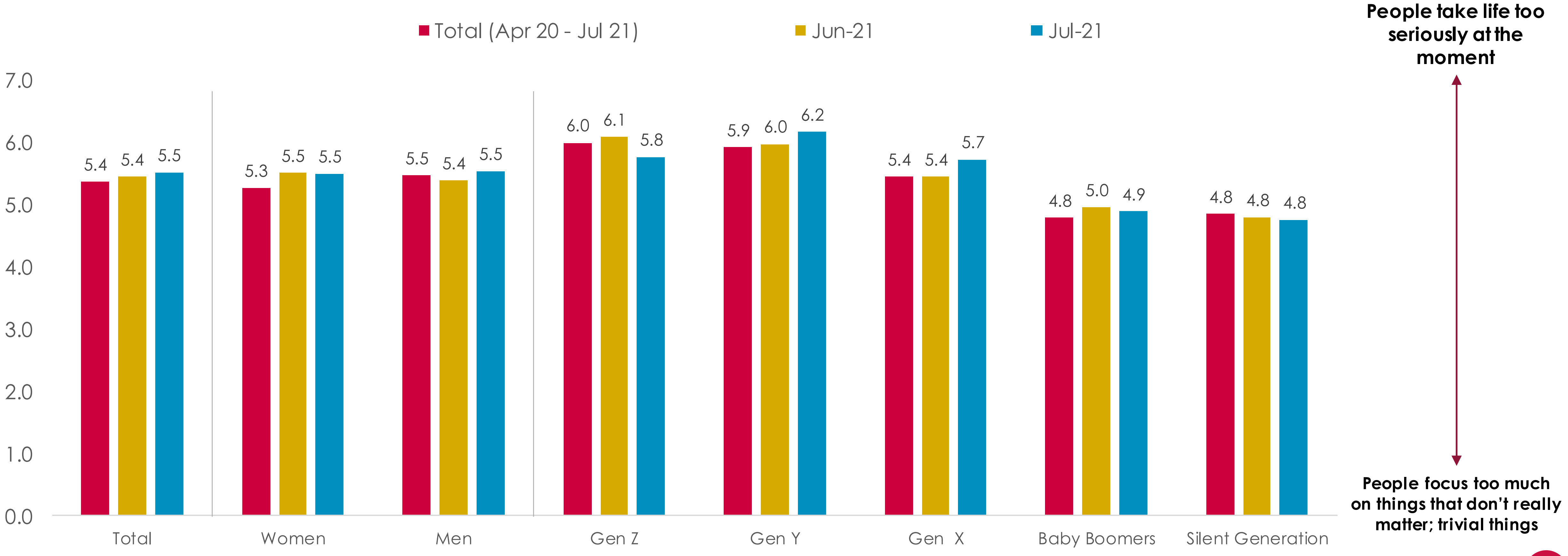
I'm worried about visiting public spaces like shops, restaurants and pubs - **% Total Agreement**



New Seriousness declines further as we near final lifting of restrictions

- Average scores rose by 0.1 from 5.4 to 5.5, now higher both than last month as well as the overall pandemic average
- Gen Z buck this months trend, seeing a 0.3 point decrease from 6.1 to 5.8, aligning with their sharp rise in concerns about public spaces
- Topline increase driven primarily by Gen Y (6.0 to 6.2) and Gen X (5.4 to 5.7), whilst older cohorts saw little change

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

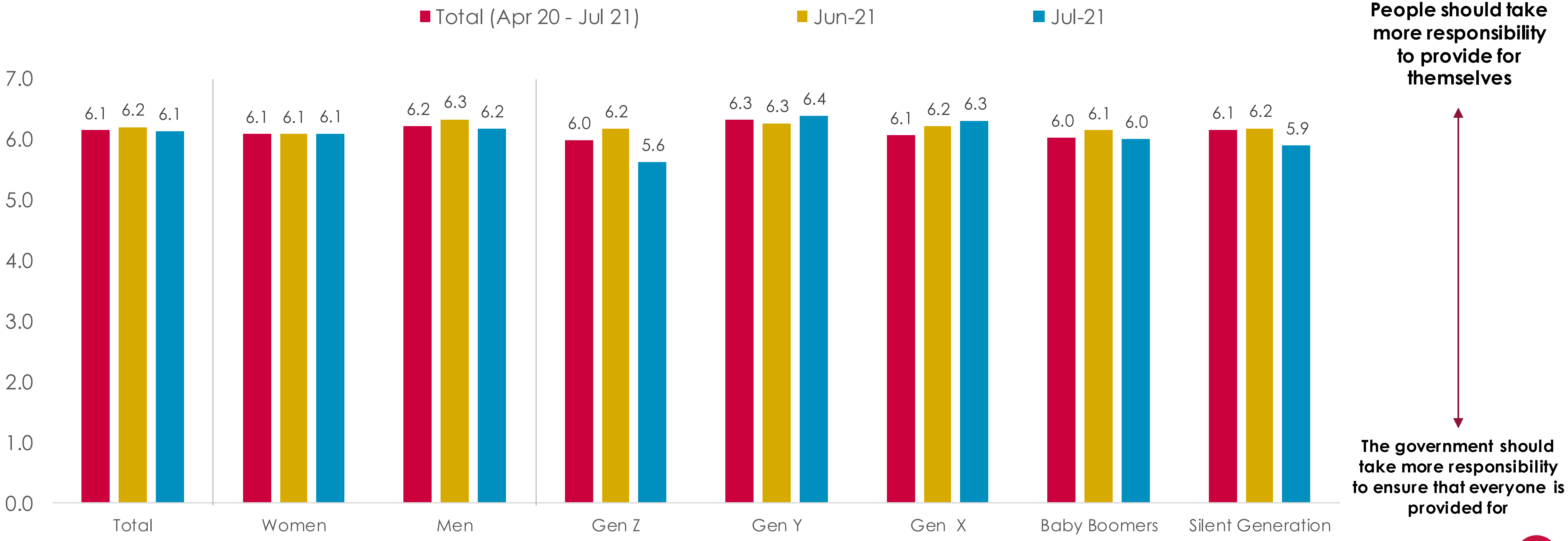


Priorities

Gen Z see sharp rise in feelings that Government should provide for everyone

- Average scores for Gen Z fell by 0.6 points from 6.2 to 5.6, indicating a significant shift towards feeling the Government should provide for everyone
- This contrasts with the views of Gen Y and Gen X, who each saw a 0.1 point increase whilst older generations saw declines
- Feelings that Government should provide for everyone saw a slight decline amongst men this month (6.3 to 6.2)

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]*

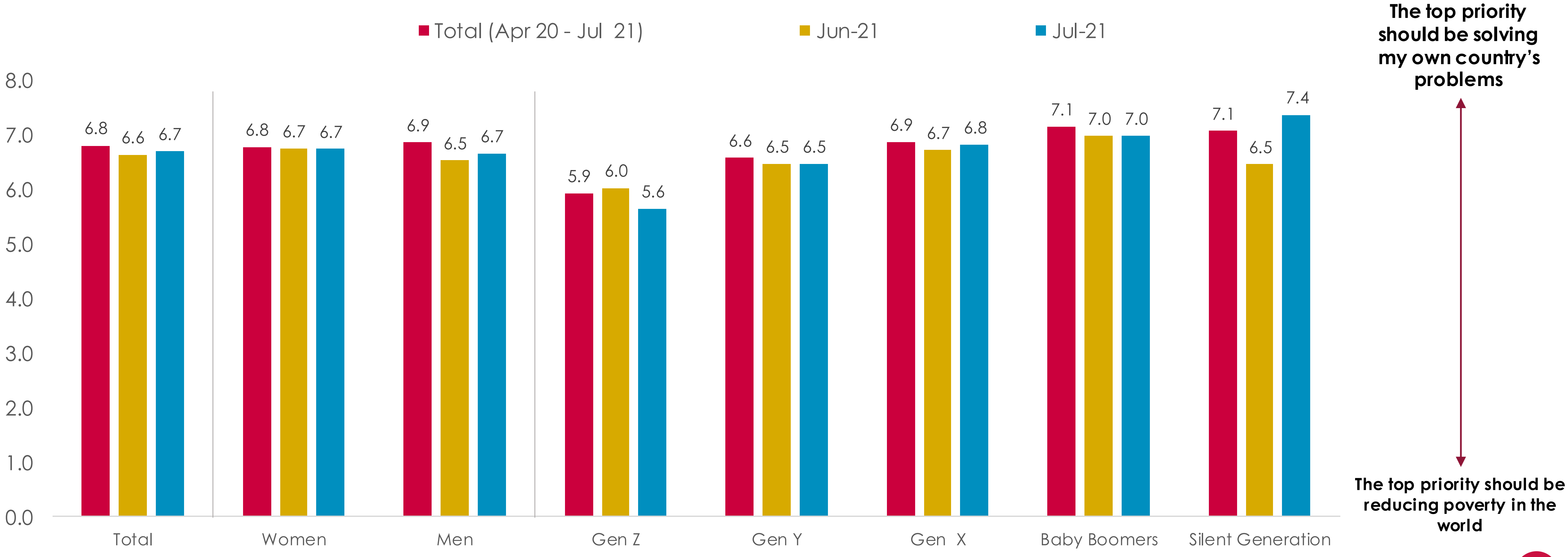


Views on foreign support further polarise older and younger generations

- Whilst topline average scores rose by 0.1 this month, Gen Z and the Silent Generation saw views diverge significantly
- Amongst Gen Z, already most likely to support reducing worldwide poverty, average scores fell by 0.4 from 6.0 to 5.6, whilst the Silent Generation saw a remarkable 0.9 point increase from 6.5 to 7.4, once again making this cohort the most likely to support prioritising domestic issues

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

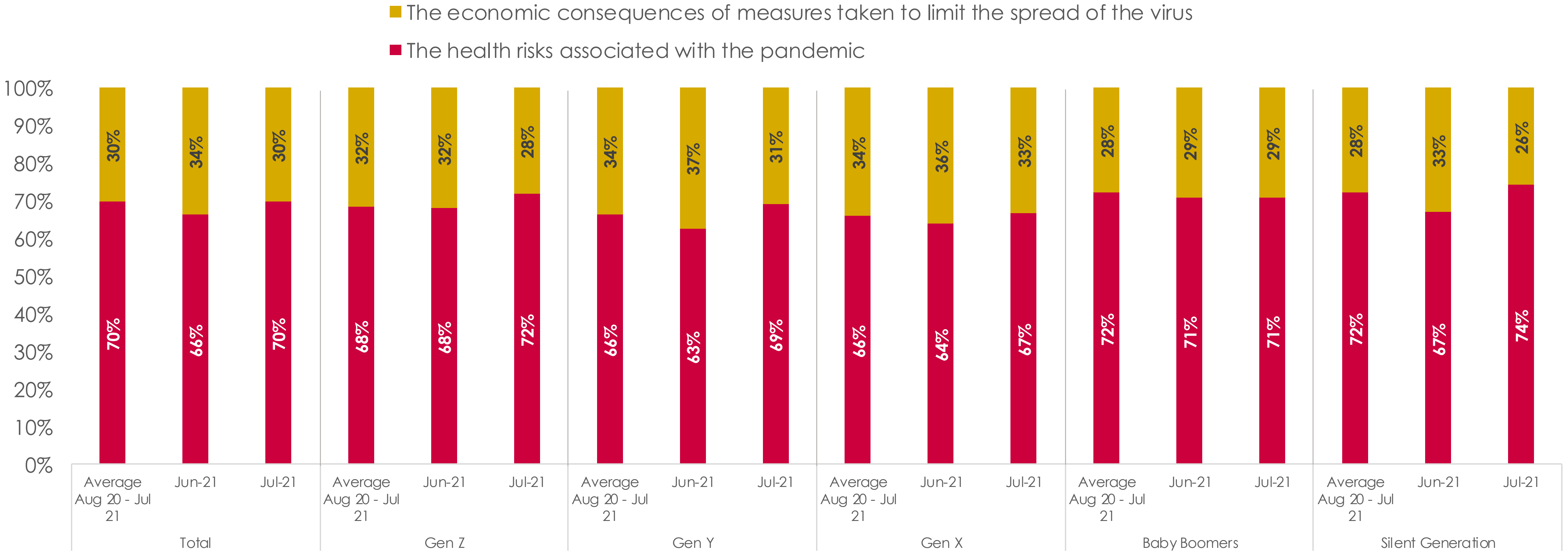
[Average Response]



Final stage of reopening drives even greater focus on health implications

- Both Gen Z and Gen Y now far more likely than pandemic average to place greater emphasis on health over economy
- Baby Boomers the only generation not to see an increase in the proportion placing more importance on the health risks
- Silent Generation saw sharp rise in feelings that health is more important than economy due to spread of delta variant

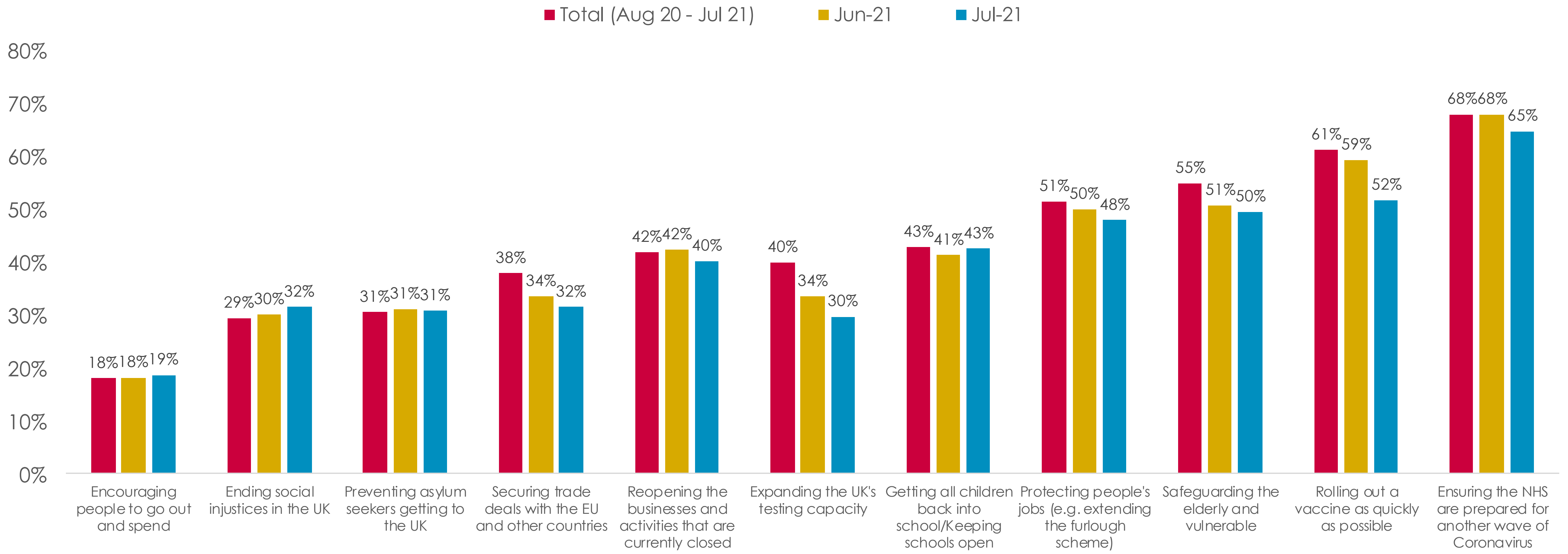
If you had to choose, which of the following two options would you say is your biggest concern at the moment?



Incidents of racism during Euro 2020 drive rise in prioritisation for ending social injustice

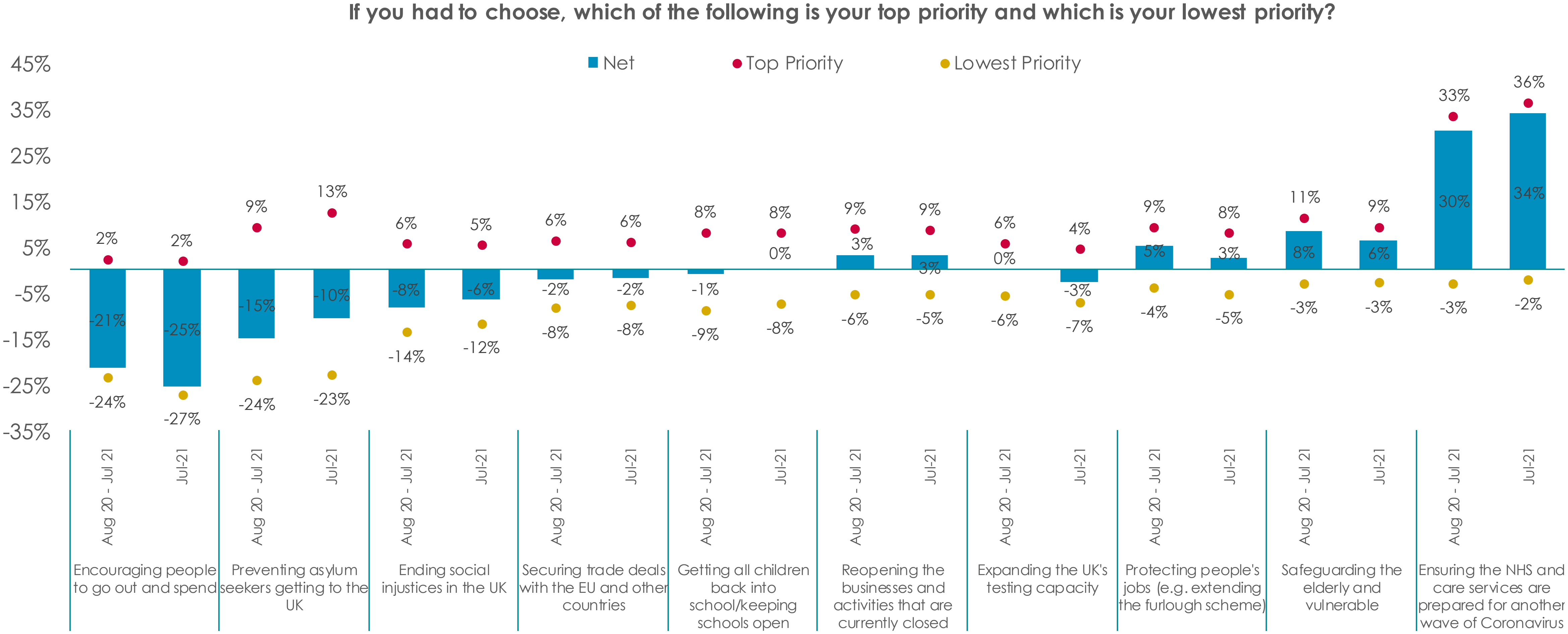
- This month sees a 2% rise in those who feel ending social injustices in the UK should be a Government priority – 3% higher than pandemic average
- Expansion of testing capacity and rollout of vaccines decline in prioritisation as double vaccines continue to rise
- Encouraging of going out and spending remains the lowest priority for respondents – with fewer than a fifth citing it as a priority

Which, if any, of the following do you think should be priorities for the government over the next few months?



Warnings over future cases and deaths sees NHS remain standout top priority

- Proportion feeling protection of NHS is their top priority rose by 3% this month – now up to 36%, with just 2% seeing this as their lowest priority
- Encouraging people to go out and spend is now seen as the lowest priority for more than one in four respondents (27%) – up 3% this month

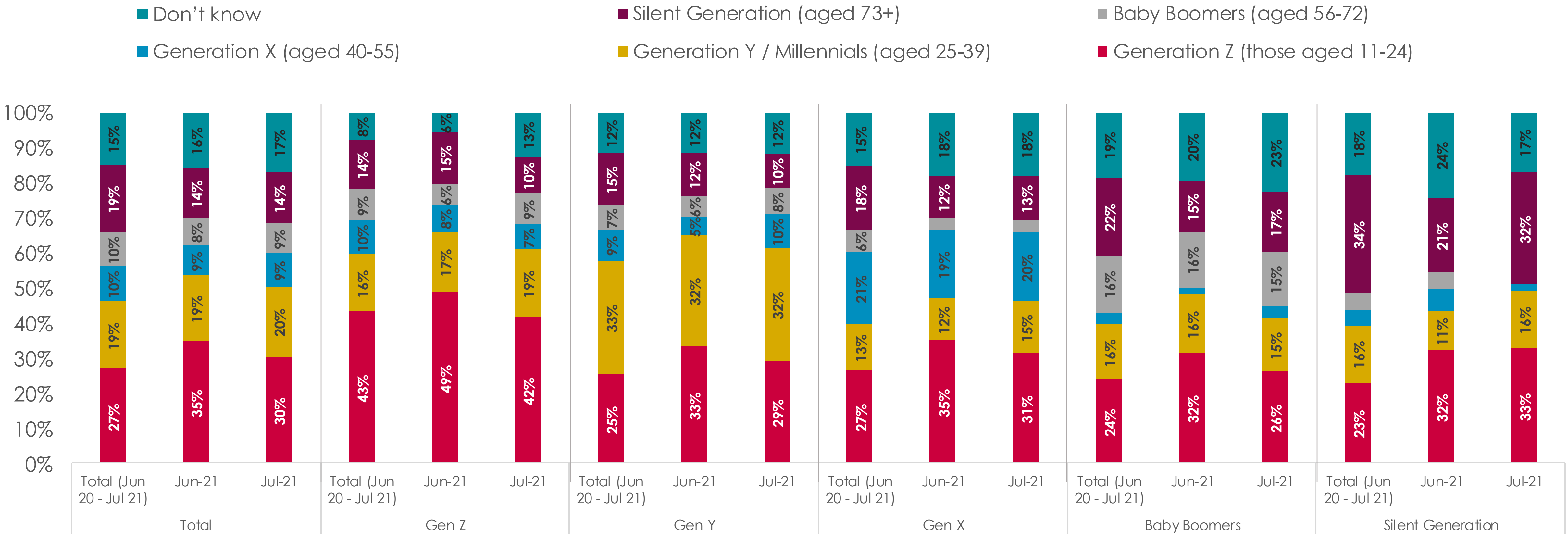


Generational Impacts

Silent Generation grow far more likely to feel they are worst affected generation

- Proportion of Silent Generation who feel they will be most negatively affected by pandemic up by 11% this month (21% to 32%)
- Despite this, the Silent Generation remain more likely to feel Gen Z will be the most negatively affected, with Gen Y being the only cohort who do not feel that Gen Z will be worst affected this month – instead feeling their own generation will be (32% to 29%)

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

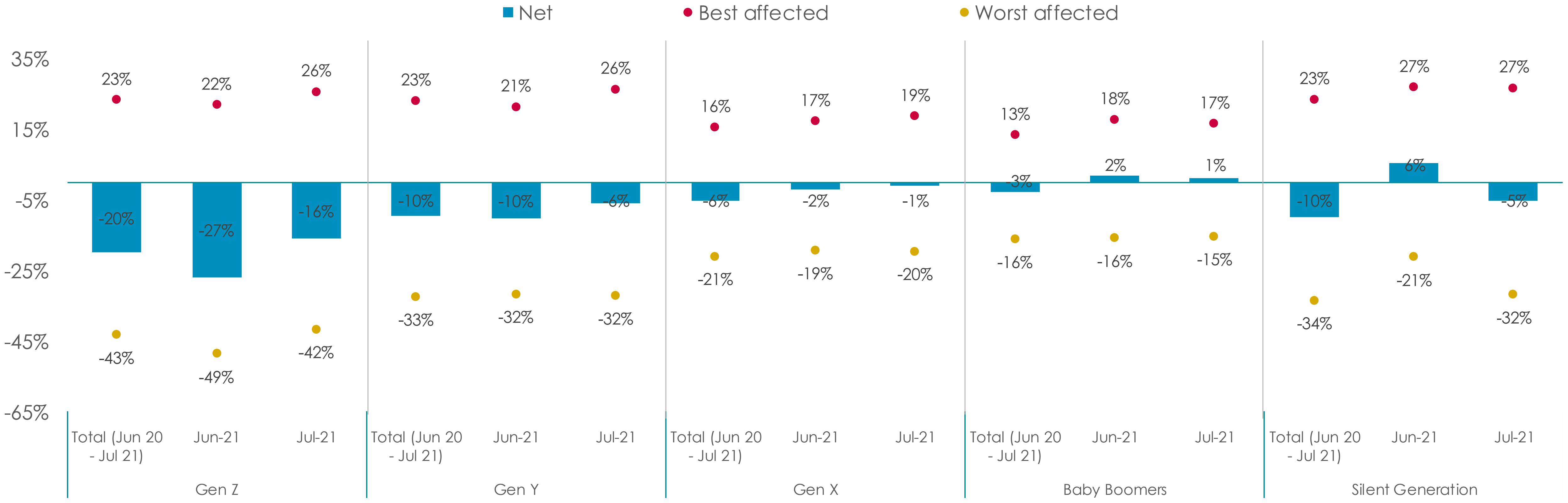


Gen Z grow more positive about impacts of the pandemic for their generation

- Proportion of Gen Z feeling they will be best affected by the pandemic up 4% this month, meaning net positive minus negative rose by 11%
- The Silent Generation saw the opposite trend, with no change in the proportion feeling they will be most positively affected and an 11% decline in those feeling they will be worst affected by the pandemic leading to an 11% net decline

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

[Net % saying their own generation will be best *minus* worst affected]



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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