



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

OUVERTURE

20

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

The Optimism Index (UK)

Report: November 2021 | Fieldwork: 9th – 17th November

**UK Optimism
November 2021**

52

Up one point on October 2021

Up five points on November 2020

**Rolling Average
November 2021**

52

No change on October 2021

Up five points on November 2020

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

**Net spending
expectations**

-13%

Spending expectations improve slightly as we approach festive period

**Net household
confidence**

0%

Consumers are as likely to expect finances to improve as to worsen

Net Trust

-14%

Levels of trust have worsened slightly this month

Headlines

Comment

Bring on the festive cheer. After a disrupted – and in many cases, aborted – Christmas period in 2020 consumers are looking ahead to a different festive season this year, and it's helping them into positive enough spirits to allay their recently-rising financial concerns.

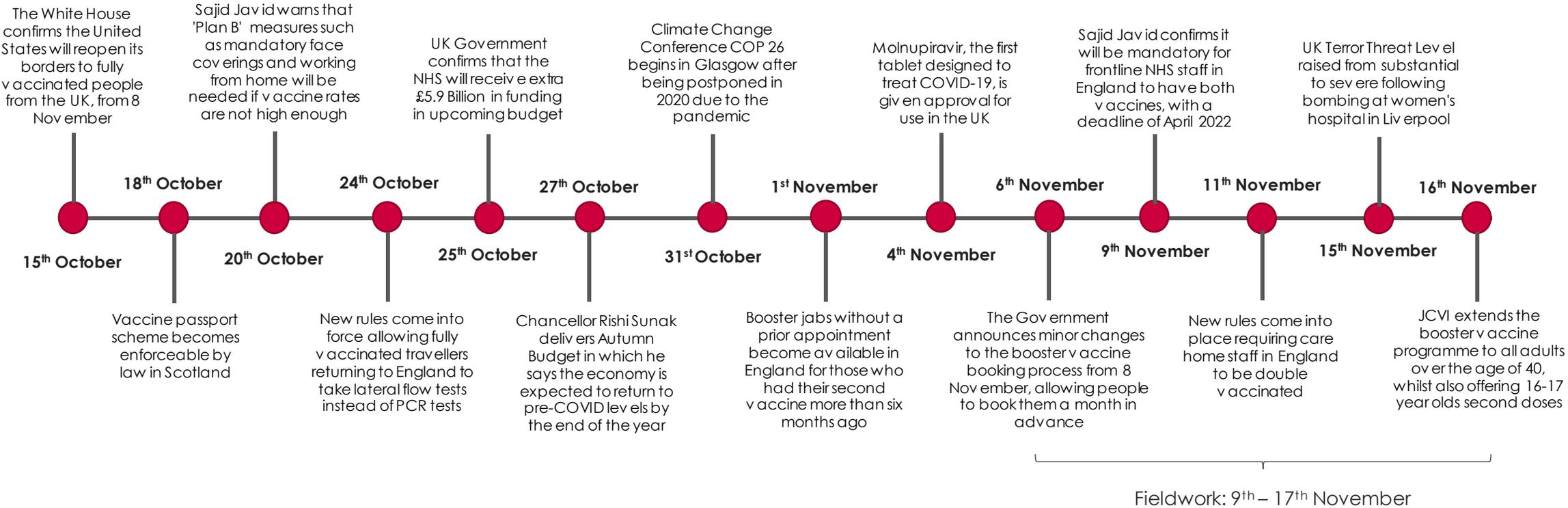
The headlines this month are all good: overall Optimism up one point, and household financial confidence up 6% to neutral territory. Nothing says 'most wonderful time of the year' as much as even numbers of people saying they think their finances will improve as worsen over the next 12 months.

If you detect a less-than-serious tone there it's because the data beyond those headlines is less-than-convincing. The trends reveal widening polarisation in experience and outlook, by age, gender and especially by income and region. This month sees London 15 points more optimistic than the rest of the UK (in May that gap was five points) and the highest earners 19 points more optimistic than other income grades (in May, that gap was just two points).

We're not yet in the festive season proper so we will need to wait and see exactly how much of a boost a 'normal' Christmas can give to public sentiment. But one thing is sure: the homogeneity that has characterised consumer outlook during the course of the pandemic is over. In the post pandemic era, we will be back to polarisation and fragmentation.

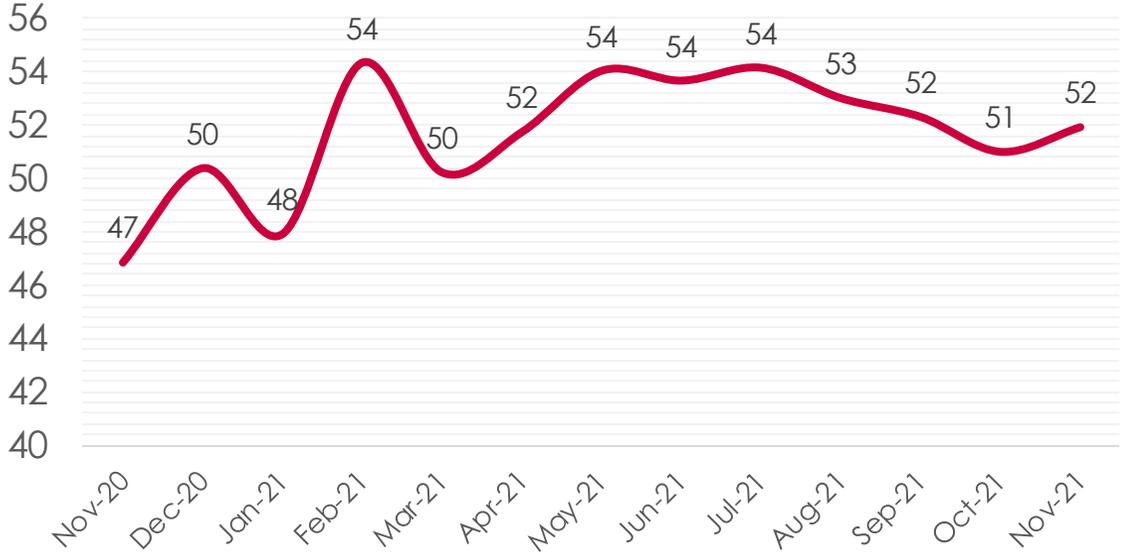


Last Month's Key Events

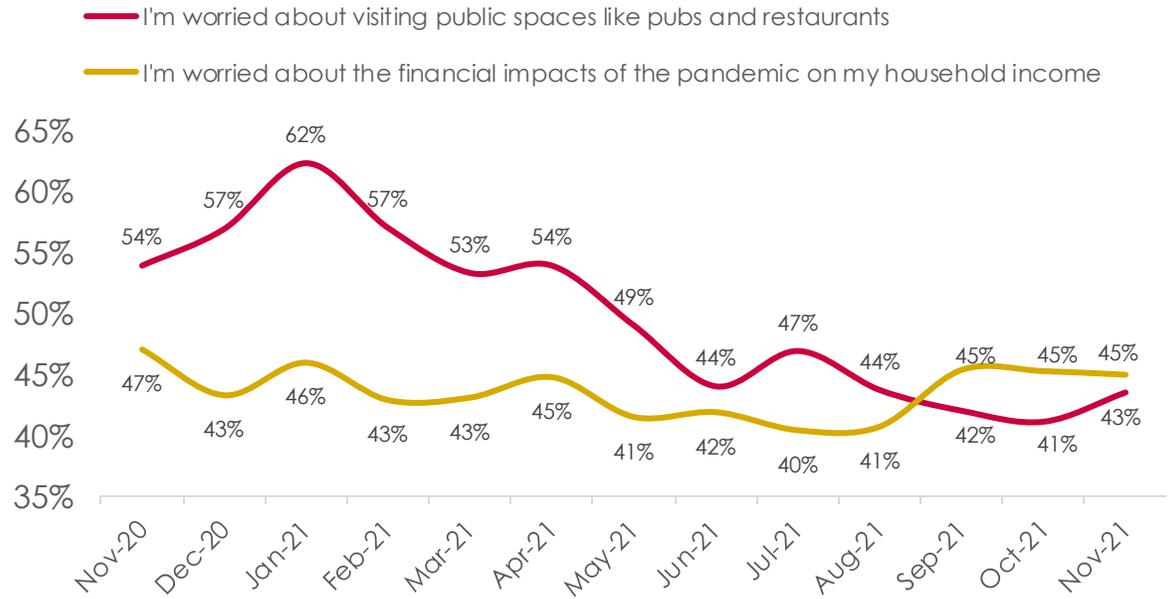


The Optimism Index: Headlines

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



% Total Agreement with each statement



- This month's edition of **The Optimism Index** sees consumer sentiment rise by one point from a score of 51 to 52.
- Despite rising inflation, continued concerns regarding the supply chain and colder, darker nights, consumers appear to be finding the positives this month. Whilst the economic situation across the UK remains a concern for many, the prospect of a festive period spent with friends and family is in stark contrast to the holiday season in 2020.
- Amidst tens of thousands of daily cases domestically, and rapidly rising cases elsewhere in Europe, concerns over public health remain prominent. Whilst consumers are 11% less likely to be worried about visiting public spaces than they were at this point last year, the proportion who continue to have these concerns remains substantial, and this month rose for the first time since July.
- At a topline level sentiment appears somewhat resilient but it is worth noting that polarisation across demographics is rising fast. For many, this month marks a continued pessimistic outlook, particularly amongst lower earners and older cohorts.

The Optimism Index: Rolling Average

- The three month rolling average of **The Optimism Index** remains at the same level with a score of 52 for the second consecutive month.
- Similarly to what was seen at this point last year, November marks a welcome stalling of the recent decline in longer term trends in sentiment. This is likely the result of a decrease in the intensity of supply chain pressures and the seasonal influence of the Christmas period. Following last year's more muted festive season consumers are likely to be particularly Christmas focussed this year.
- Whilst the trends are similar, the overall findings continue to paint a far more optimistic picture for 2021. With individuals able to take greater confidence in their social plans over the festive period this time around, it is no surprise that the proportion feeling a high degree of autonomy has risen compared to last year (33% to 36%).

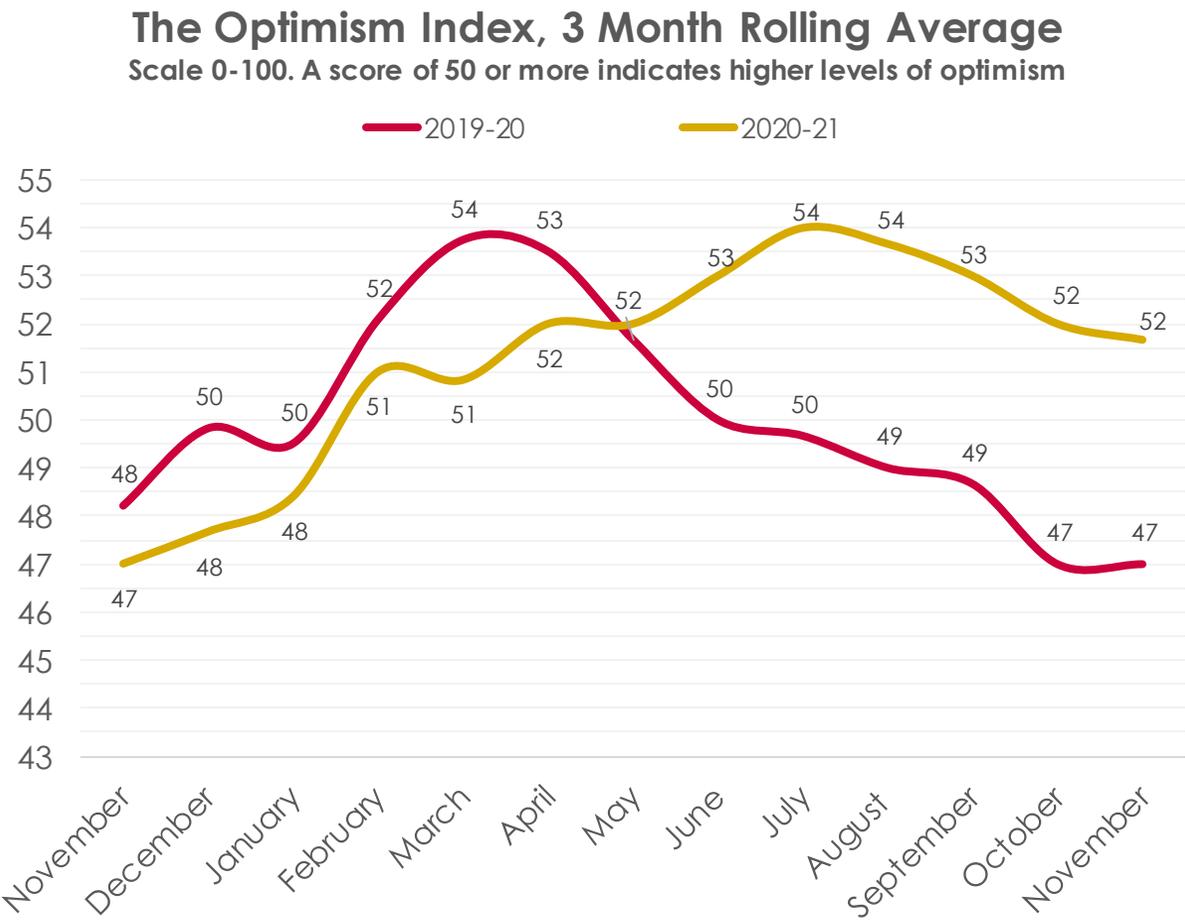


Chart labels are rounded to whole numbers, but *The Optimism Index* is rounded to one decimal place

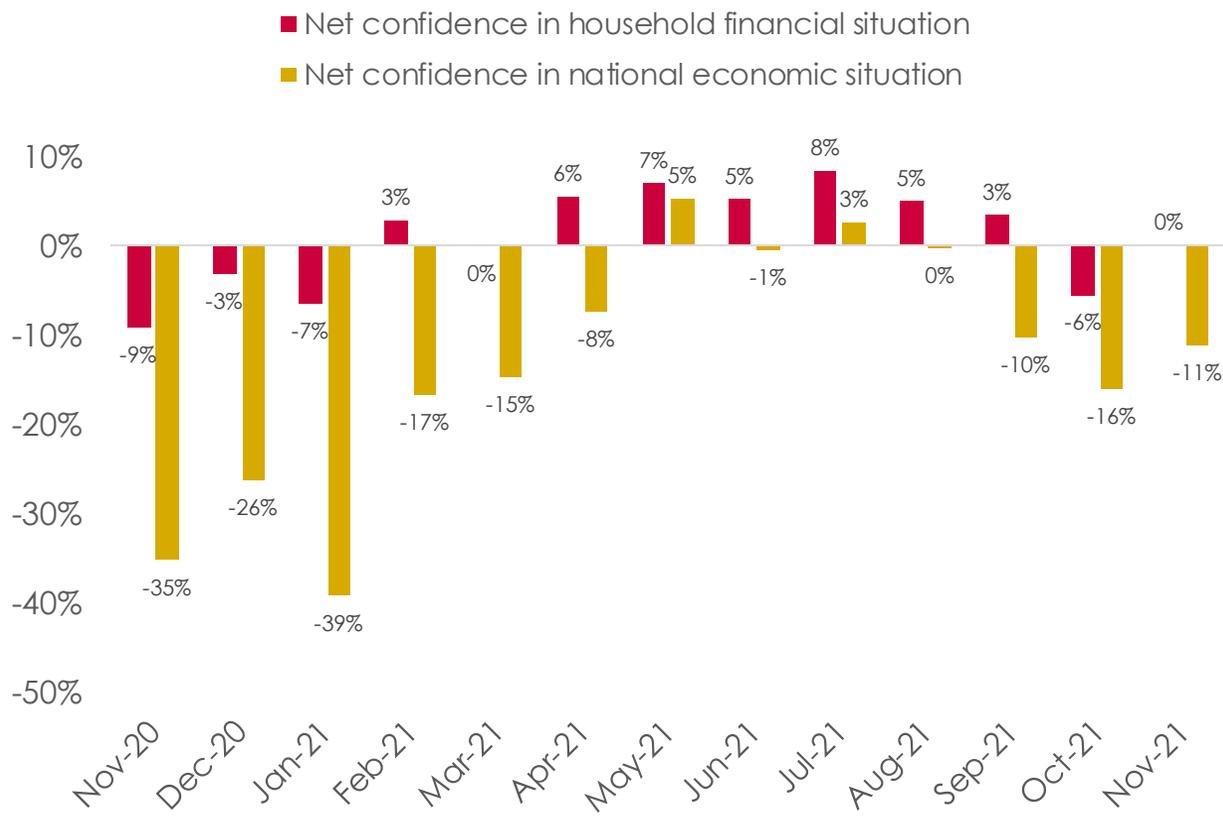


Economic and Household Confidence

- This month sees levels of financial and economic confidence rise, with household confidence increasing from -6% to 0% and confidence in the economy as a whole rising from -16% to -11%.
- An increase in confidence may raise eyebrows this month amidst ongoing issues relating to the UK supply chain and further warnings about inflation. It is worth highlighting, however, that this topline finding is comprised of hugely polarised levels of confidence across different income groups.
- For both measures of confidence, those in the highest income households adopt a far more confident outlook compared to the lowest earners. At a household level, for example, net confidence is a staggering 53% higher for the top earners in comparison to those earning less than £21k (48% to -5%).
- With topline confidence being heavily skewed by the highest earners, it paints a concerning picture for the longevity of current trends. The start of the festive season may be suppressing longer term financial worries for some households, but this is unlikely to endure for long.

Economic and Household Confidence

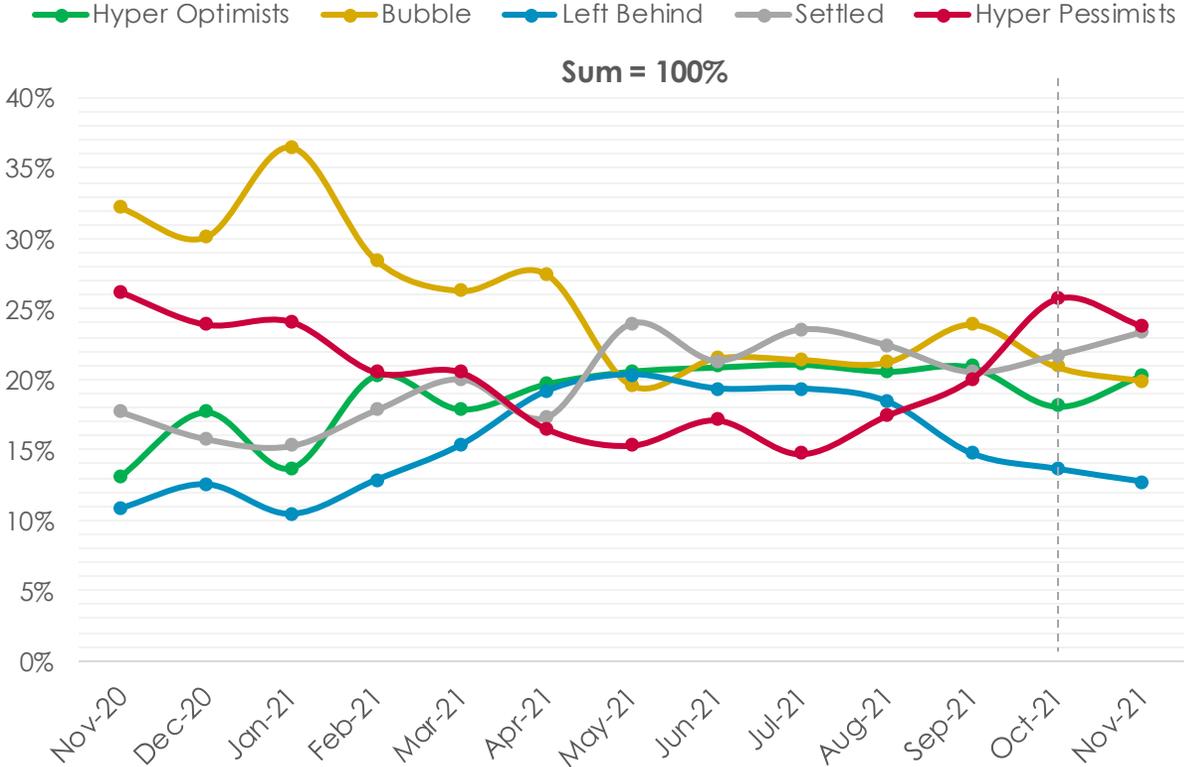
(Net: % thinking will improve minus % thinking will get worse over next 12 months)



Consumer Confidence Groups

- A slight topline rise in confidence has driven minor changes in our monthly confidence groups this month. Hyper Pessimists fell by 2% whilst Hyper Optimists rose by the same margin, now accounting for a fifth of respondents.
- The proportion of consumers feeling 'Settled' increased by a further 1% this month, now up to 23%. With this group now consistently being one of the largest groups over the past six months, it indicates something of a shift in mindset back towards pre-pandemic levels, given that Settled was most prominent in January-March 2020.
- The extent to which the five groups remain so close together continues to highlight how the pandemic is causing different experiences depending on demographics and economic circumstances. With sentiment currently more polarised than ever, and anticipated to rise further amidst ongoing inflation growth, we expect this trend to continue in the months ahead.

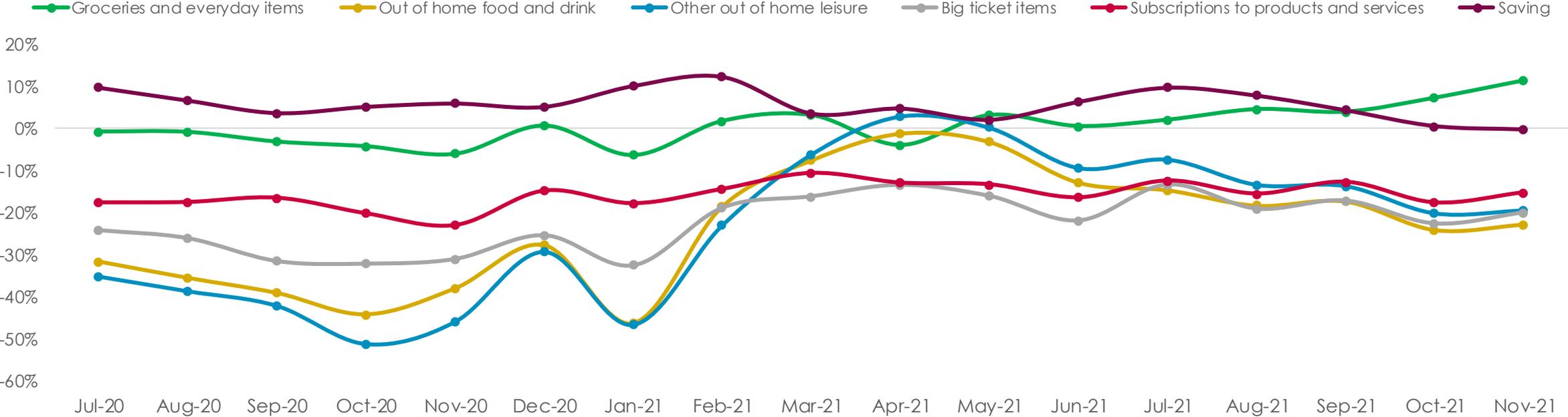
Do you think the economic situation in the UK/the financial situation in your household will improve, stay the same or get worse in the next 12 months?



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]

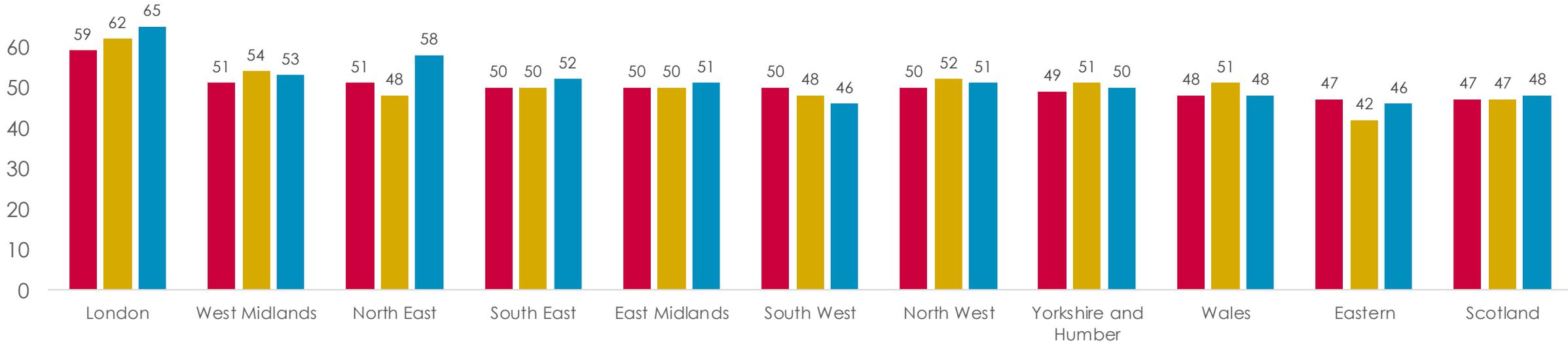


- The approach to the Christmas period is driving slight increases in net spending expectations this month. Perhaps also driven by recent price rises from record inflation levels, the net proportion expecting to increase spending on groceries and other everyday items rose by 4% this month, now up to by far the highest levels seen over the past year (7% to 11%).
- Of some concern to businesses in the hospitality sector, net expectations for spending on out of home leisure rose by only 1% this month, whilst expected net spending on both big ticket items and subscription services each rose by 3% respectively. Such caution regarding leisure is a likely result of the significant proportion of consumers still adopting concerns over visiting public spaces this month.
- In stark contrast to trends in net spending expectations, expected saving has fallen sharply since the reopening. Peaking at 12% in February, net saving has fallen to 0% this month, the first time this has happened at any point in the past twelve months.



The Optimism Index by Region Scale 0-100. A score of 50 or more indicates higher levels of optimism

■ Average Apr 20 - Nov 21 ■ Oct-21 ■ Nov-21



- The story of polarisation is especially visible by UK region. Once again, those in London remain significantly more optimistic than those anywhere else in the UK with a score of 65 this month, up 3 points. With the exception of the North East (perhaps buoyed by the heavily publicised takeover of Newcastle United Football Club?) no other region gets within ten points of those in London.
- The South West experiences the opposite trend this month. Already one of only four regions to have a score below 50 in October, a further two point decline this month sees sentiment reach a level now four points below the average for the pandemic as a whole (46 to 50).
- Four regions see a score below 50 this month, including both Scotland and Wales, with an average of just 47 between the four. Concerningly, three of these four also have an average below 50 for the pandemic as a whole. A more pessimistic mindset appears to be becoming entrenched across certain parts of the UK.

Gender

- The gap in optimism between men and women grew further this month, with men seeing a two point increase from 54 to 56 whilst women see sentiment stall at a score of 48.
- This once again highlights the degree of polarisation in sentiment currently being experienced across the UK. Now up to eight points, November marks the third consecutive month in which the gap has increased, as well as the greatest disparity in sentiment seen at any point in the last twelve months.
- The extent of the difference in sentiment between men and women is paralleled by a differing sense of autonomy. This month, the proportion of men feeling a high degree of choice and control was 8% higher than that of women (40% to 32%).

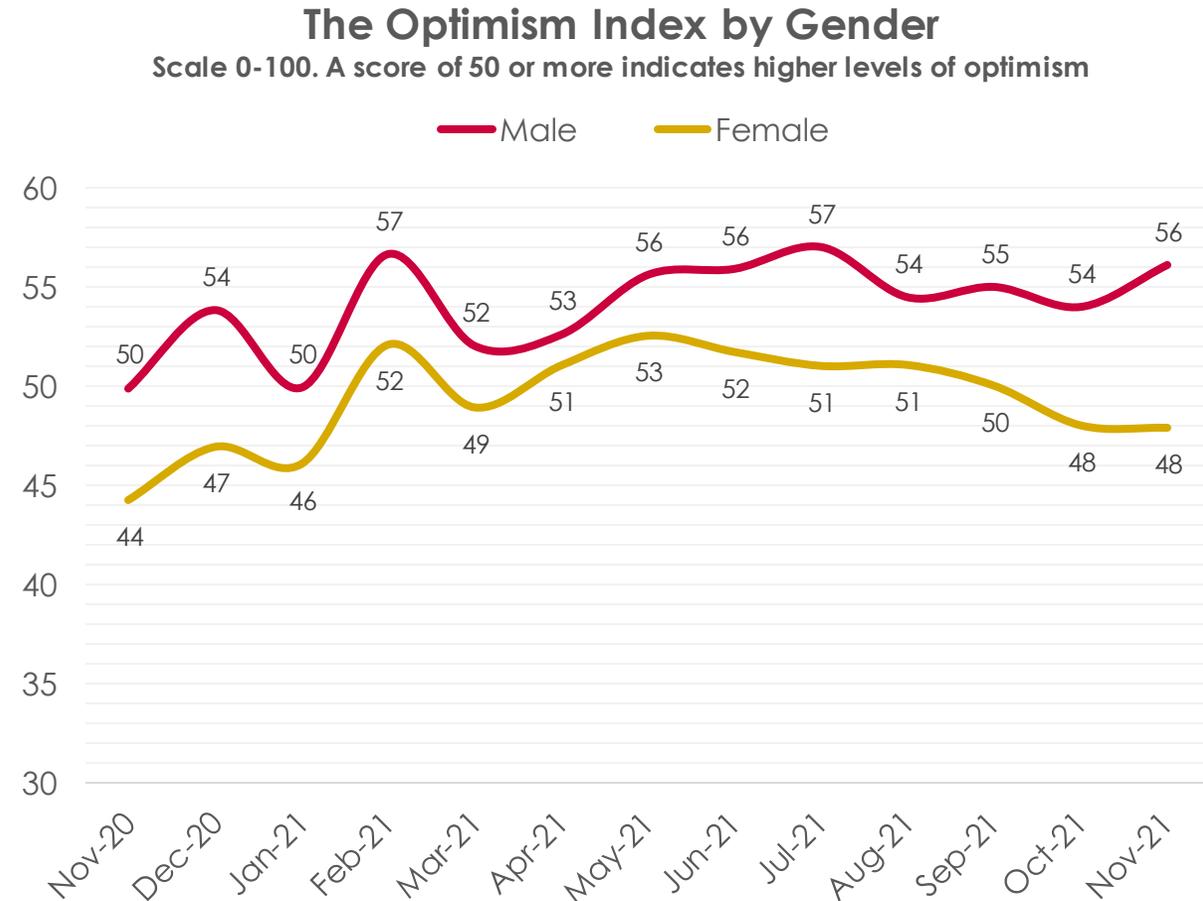


Chart labels are rounded to whole numbers, but *The Optimism Index* is rounded to one decimal place

Generation

- This month sees sentiment remain polarised across generations, with both Gen Z and Gen Y sitting well above the rest, each with a score of 59. For older cohorts, the picture is far different, with the Silent Generation falling by a point to 51, whilst Baby Boomers remain at 45.
- Whilst economic issues remain at the forefront at this moment, levels of concerns about public health have remained consistently prominent over the past six months. Such concerns are naturally more common amongst older generations, and the current strains on the NHS coupled with a lagging booster jab rollout are a likely source of the current pessimism amongst older consumers.
- It is not only in overall sentiment where younger generations remain more positive in their outlook. This month, net confidence amongst Gen Z and Gen Y was substantially higher than for over 55s, regarding both the economy as a whole (6% to -13%) and personal finances (20% to -13%).

The Optimism Index by Generation

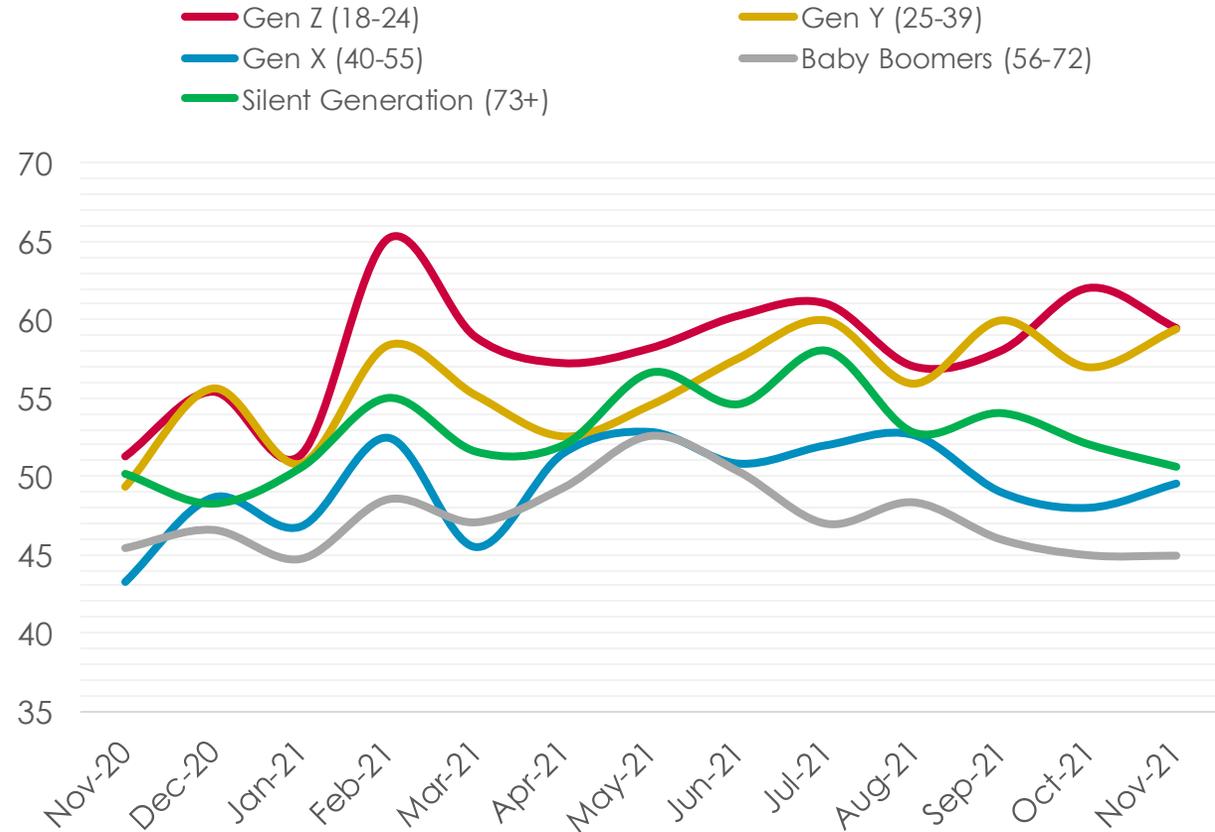


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Income

- Trends in sentiment across income provide further evidence of the current extent of polarisation across the UK. Those in households earning between £21k and £41k per year saw optimism fall further, now below 50 for the first time since this point last year, whilst the lowest earners still adopt a pessimistic outlook despite a two point rise.
- It is the continued growth amongst those in households earning more than £62k per year that truly stands out, however. Now up to a remarkable 72, these consumers sit 19 points higher than the rest, despite being at the same score as £41k to £62k earners as recently as May of this year.
- Rising prices are hitting lower earning households to such an extent that they appear unable to enjoy the greater freedoms provided by the reopening compared to those with more comfortable finances. It is little surprise that amongst top earners, a high degree of choice and control is significantly more likely to be felt compared to those in the lowest income households (58% to 34%).

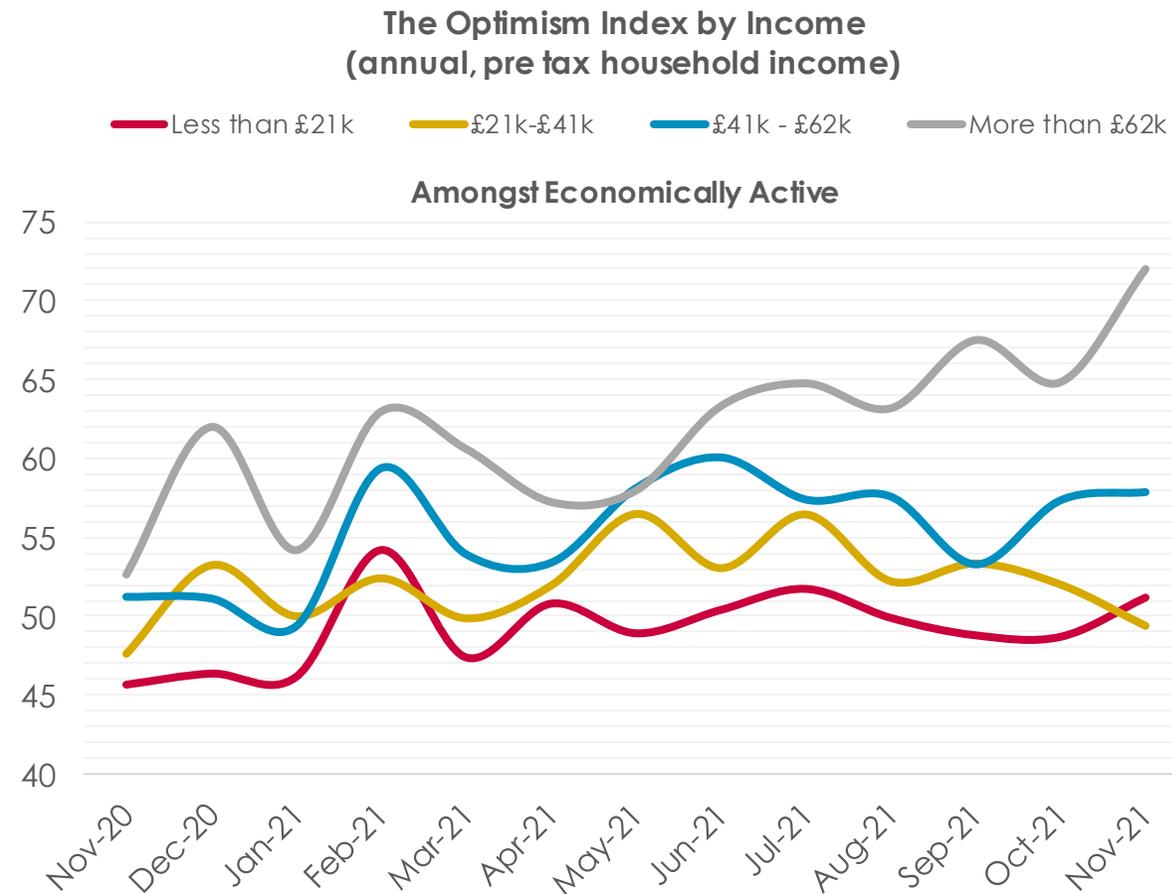
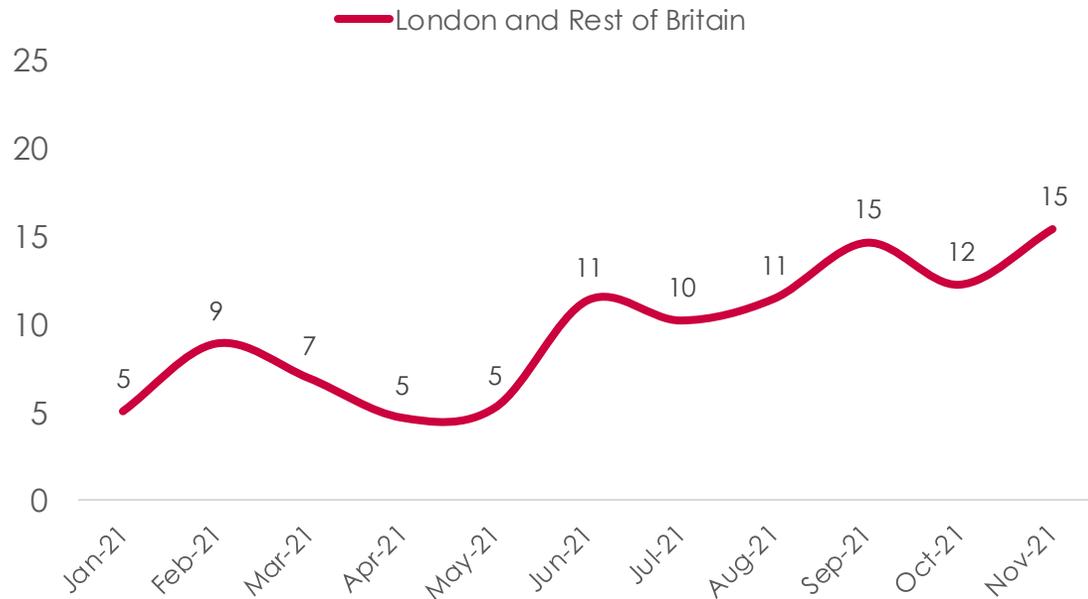


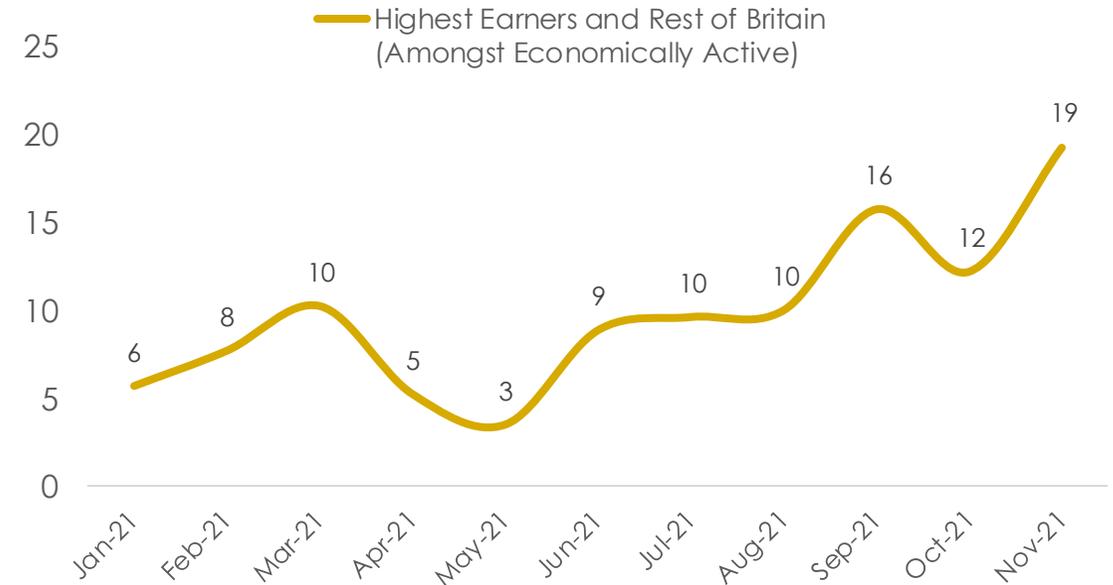
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Challenges for levelling up: a widening gap

Gap in Optimism Index Score between...



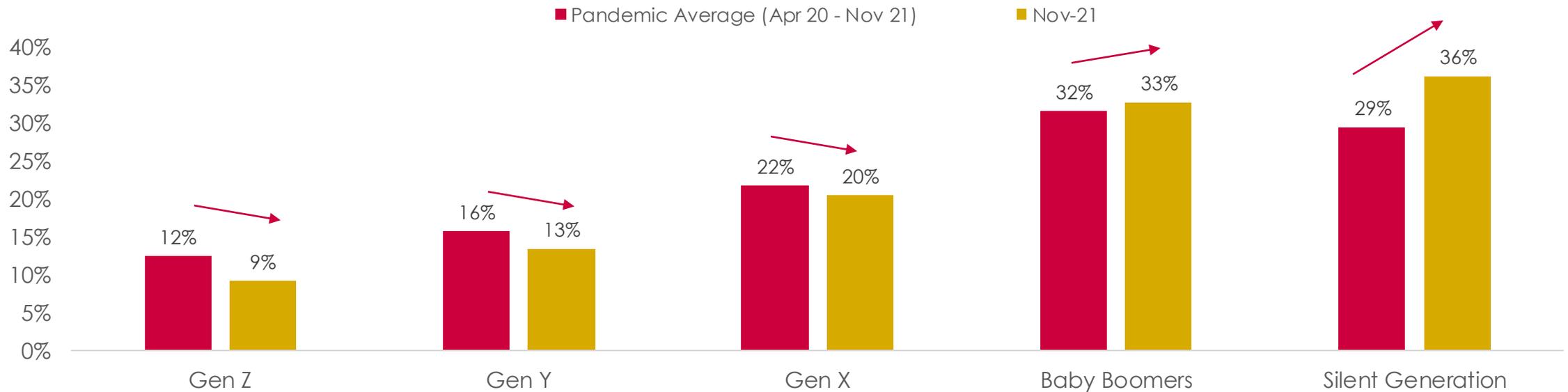
Gap in Optimism Index Score between...



- Compared to the start of the year, the difference in optimism between those living in London compared to the rest of Britain has tripled (5 to 15). In a similar vein, we have seen the gap between highest earners and the rest rise from 6 points to an alarming 19 this month.
- Whilst individual months have seen some variance, the overall trend, particularly since the full reopening in June, has seen consumers grow more polarised in their experiences across demographics. With headlines over recent months dominated by concerns over the rising cost of living and the supply chain crisis, it isn't difficult to see why.
- With those on lower incomes set to suffer the most from continuing price rises, we can expect polarisation in sentiment to grow even further in the months to come, if current inflation forecasts are accurate.

Prospect of Difficult Winter Drives Rise in Seriousness for Over 70s

On a scale from 1 to 10, where 1 = people focus too much on trivial things, and 10 = people take life too seriously, please indicate your view [% Saying 1-3 out of 10]



- Older generations have been the driving force behind the 'new seriousness' trend that we have seen throughout the pandemic. This month is no different, with over 70s being four times as likely as Gen Z to feel that people currently focus too much on things that don't matter, implying a greater sense of seriousness.
- Compared to the pandemic as a whole, trends for this month indicate a greater degree of polarisation across generations regarding seriousness. Whilst amongst Gen Z, Gen Y and Gen X, the proportion feeling a sense of seriousness fell compared to the pandemic average, it actually rose amongst Baby Boomers and most notably the Silent Generation.
- With concerns growing regarding the resilience of the NHS as we approach a challenging winter, older cohorts are clearly feeling that others are not approaching this period with the required degree of caution. Worries surrounding public spaces naturally remain far more prominent amongst both Baby Boomers and the Silent Generation this month.

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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