



# 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

23

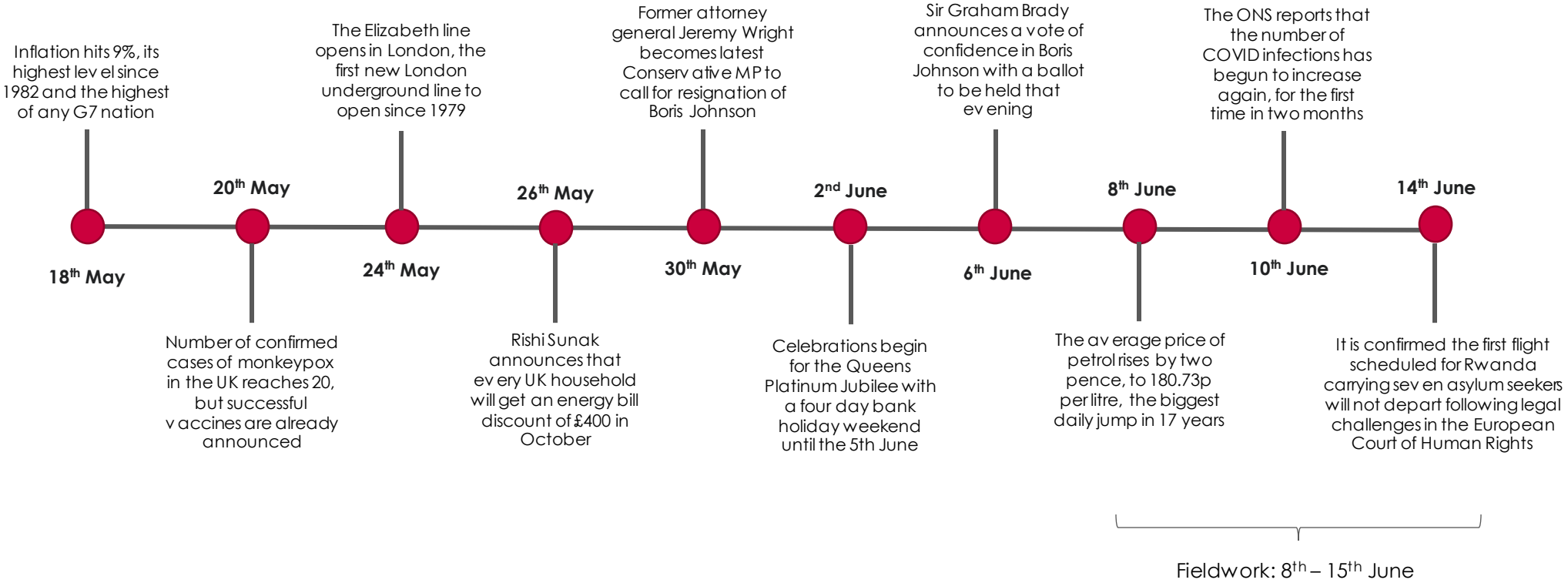
14 00 UNE PEINTURE PARLÉE  
16 00 BEAUBOURG-LA-REINE: LAURENT FRIQUET  
ET MARIE-PIERRE BRÉBANT

## The Optimism Index (UK)

Report: June 2022 | Fieldwork: 8<sup>th</sup> – 15<sup>th</sup> June



# Last Month's Key Events



# Headlines

**UK Optimism  
June 2022**

**44**

Down 2 points on May 22

Down 10 points on June 21

**Rolling Average  
June 2022**

**46**

No change on May 22

Down 7 points on June 21

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

**Net spending  
expectations**

**-31%**

*Spending expectations see a minor improvement but remain a concern*

**Net household  
confidence**

**-31%**

*Confidence at a household level remains very low, despite small improvement*

**Net Trust**

**-17%**

*Consumers grow slightly more trusting as period of crisis deepens*

### Comment

This is a slightly unusual month's report. Although Optimism has declined again, now reaching the lowest ever level in five years of the index, other indicators are trending up slightly.

Consumer confidence, at both a household and national level is up on last month. Spending expectations, especially in leisure categories are also up. Both confidence and spending plans remain very negative, but this is the first sign of positive movement in months – so why is overall sentiment falling further?

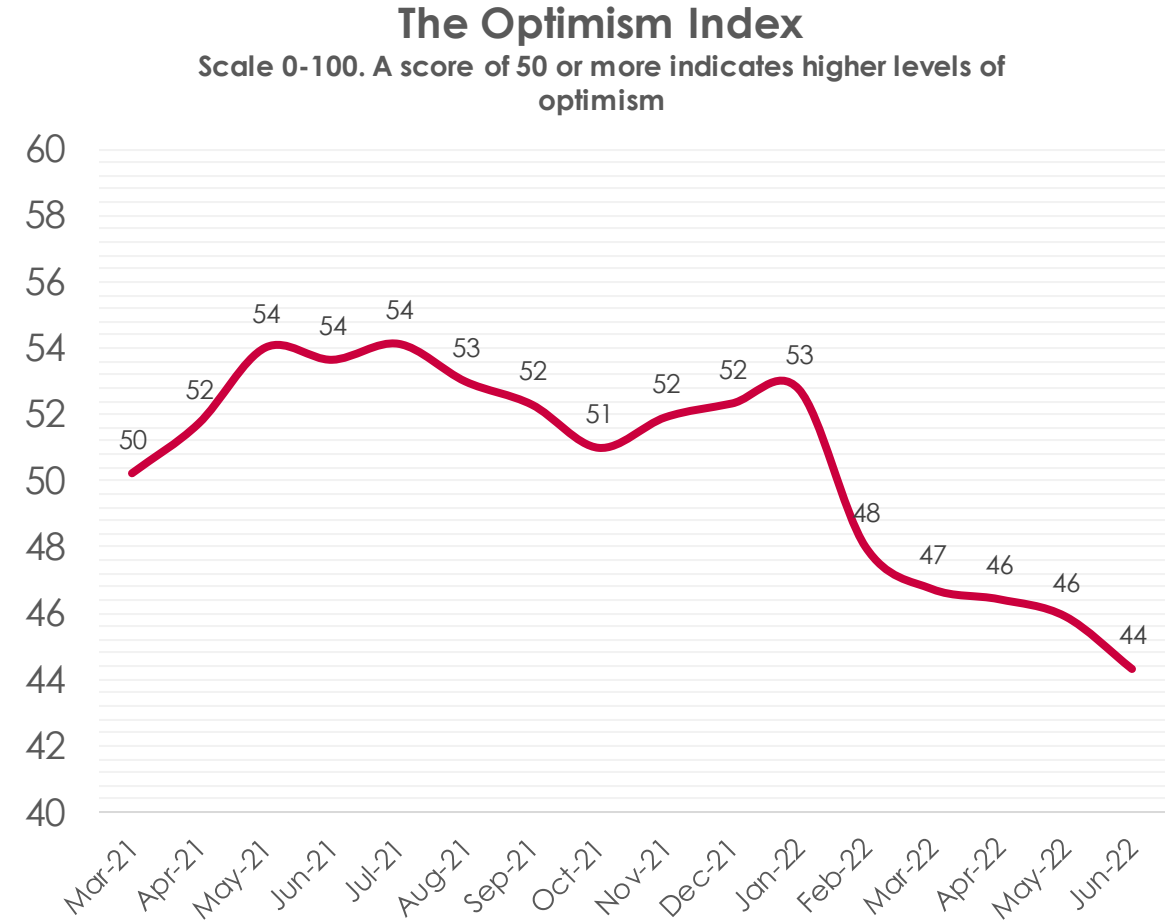
The answer is because also consumer confidence has been the biggest driver of overall optimism this year, it is not the only one. Trust in politicians is also a key factor at the moment, and political turmoil in Westminster – the fieldwork was conducted while Conservative MPs were voting on the future of the Prime Minister – is not conducive to a happy climate.

But the important point is that this month shows that improving economic perceptions do not, automatically, translate into more optimistic consumers.



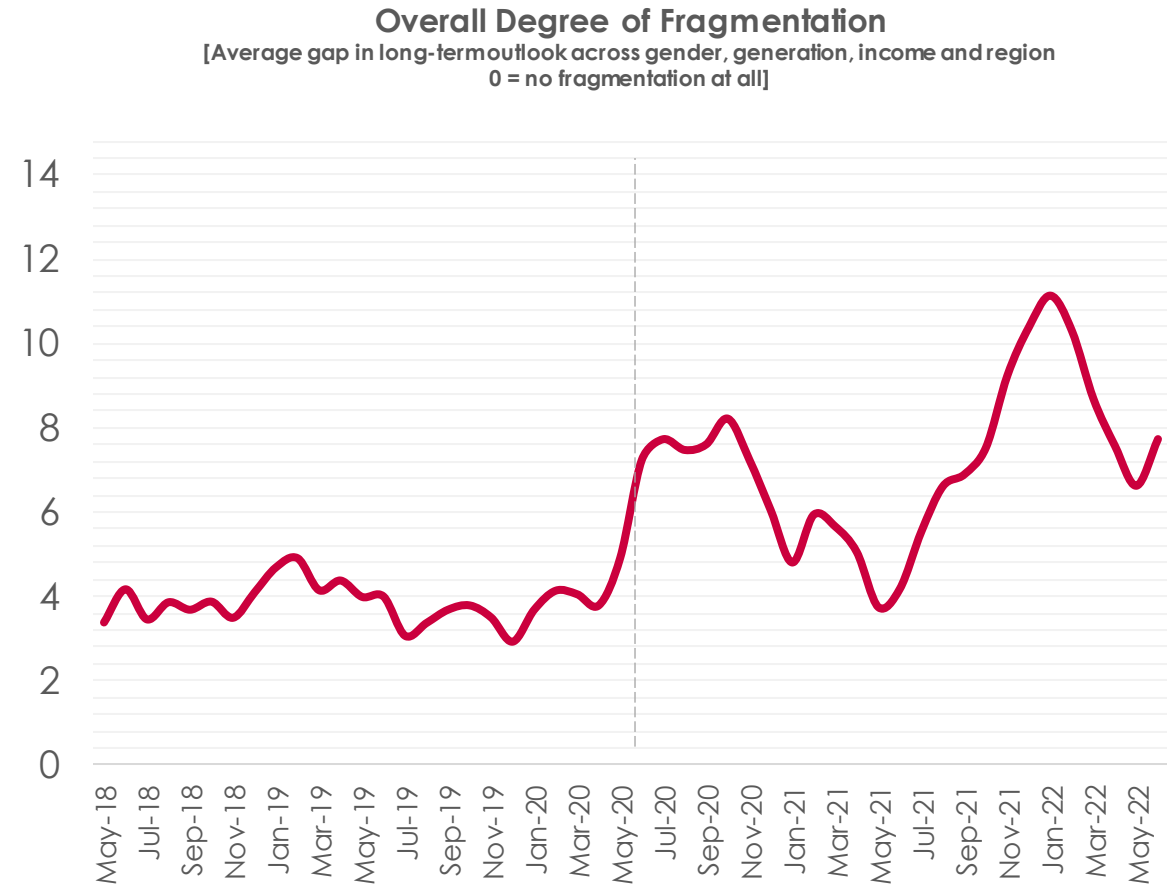
# The Optimism Index: Headlines

- This month's edition of **The Optimism Index** sees consumer sentiment fall by two points from 46 to 44 – now the lowest topline score that we have ever measured, after falling below the previous record low of 45 from September 2019.
- Consumers are still faced with record high inflation rates and a cost of living crisis that threatens to push millions of households into poverty. With this month marking the fifth consecutive score below 50, a pessimistic outlook is becoming entrenched in the consumer mindset, although the extent to which this is occurring remains heavily fragmented.
- Recent travel disruption has only added to consumer misery. In addition to economic causes of pessimism, the prospect of a heavily disrupted summer – affecting travel and holiday plans in particular – may be suppressing scores further.



# The Extent of Fragmentation

- This month marks a concerning reversal of the recent trends in fragmentation, with a one point increase.
- Most notably, there is a six point increase in the gap in outlook between under and over 40s between May and June (11 points to 17) – with this now being the most fragmented that optimism has ever been across generations. Such has been the recent growth in fragmentation across generational cohorts that a gap of 17 points is now almost double the gap across gender, region and income this month.
- Despite this, there are still notable increases in the degree of fragmentation across both gender and region of four and five points respectively. With the cost of living crisis continuing to dominate the consumer mindset, the fragmented nature of its impacts is likely to drive further divergence in sentiment across demographics.



# The Optimism Index: Rolling Average

- The three month rolling average of **The Optimism Index** remains at the same score (46) for the second consecutive month.
- These latest findings now represent the fourth consecutive month in which the rolling average is below 50 and a further increase of one point in the gap between this month's average and the average at this point last year (46 to 53). With the gap being zero points in only February of this year, it highlights the extent to which overall sentiment has collapsed in recent months.
- The growing gap between the trends in longer term sentiment has occurred not only due to the rapid decline in optimism more recently, but also as a result of the growth we saw this time last year. Throughout the spring the vaccine rollout and reopening roadmap offered hope – and even high levels of cases in the summer didn't dent sentiment. This time the economy is open but faltering, and consumers have less to look forward to.

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

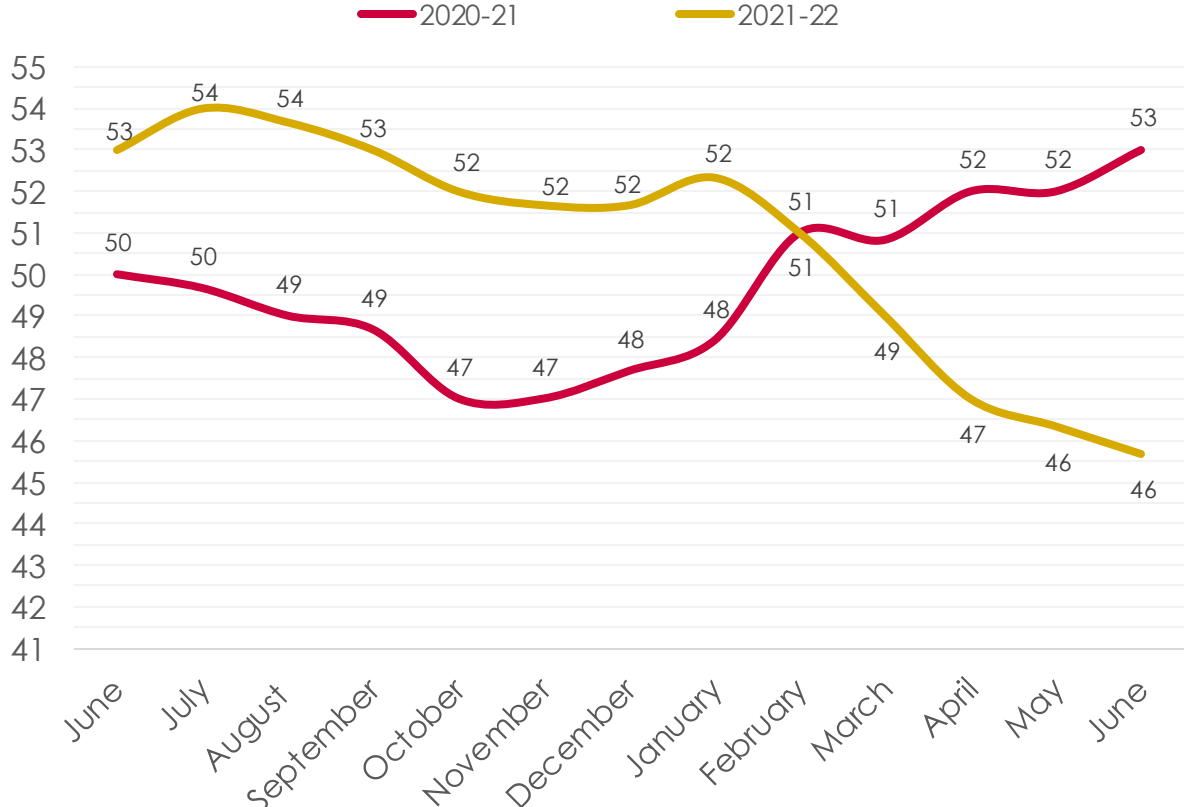


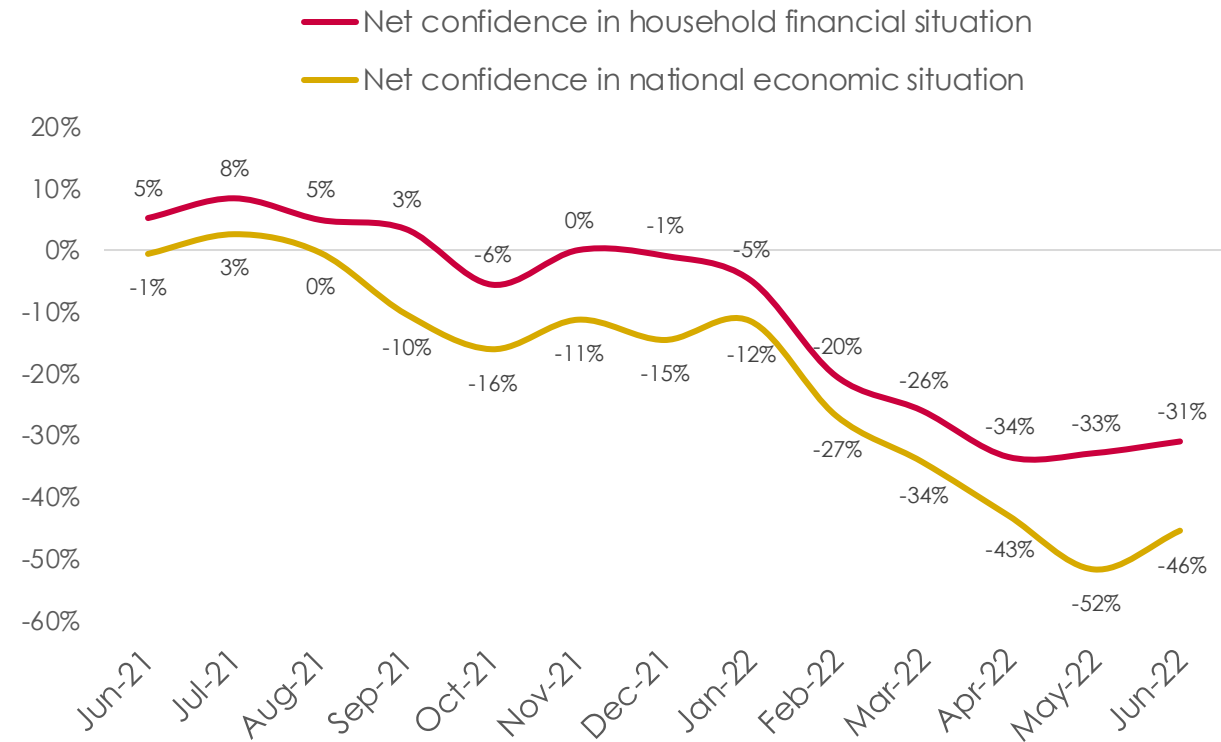
Chart labels are rounded to whole numbers, but *The Optimism Index* is rounded to one decimal place



# Economic and Household Confidence

- This month sees both measures of consumer confidence increase – although they remain very low. Net confidence in the economy increased by 6% from -52% to -46%, and there was a 2% increase in net confidence at a household level.
- Consumers appear to be slowly adapting to a 'new normal'. With the latest inflation figures and interest rate rises coming just after our latest fieldwork dates, and with the cost of living crisis getting less media attention amidst the Jubilee celebrations, there seems to have been a slight easing in the intensity of financial concerns. However, they still remain very low.
- Last month appeared to indicate that a lag between trends in confidence at a household level and regarding the economy as a whole was beginning to widen again. However, our latest findings suggest that this may have been no more than an anomaly, with the gap closing to 15% this month – a decrease of 4%.

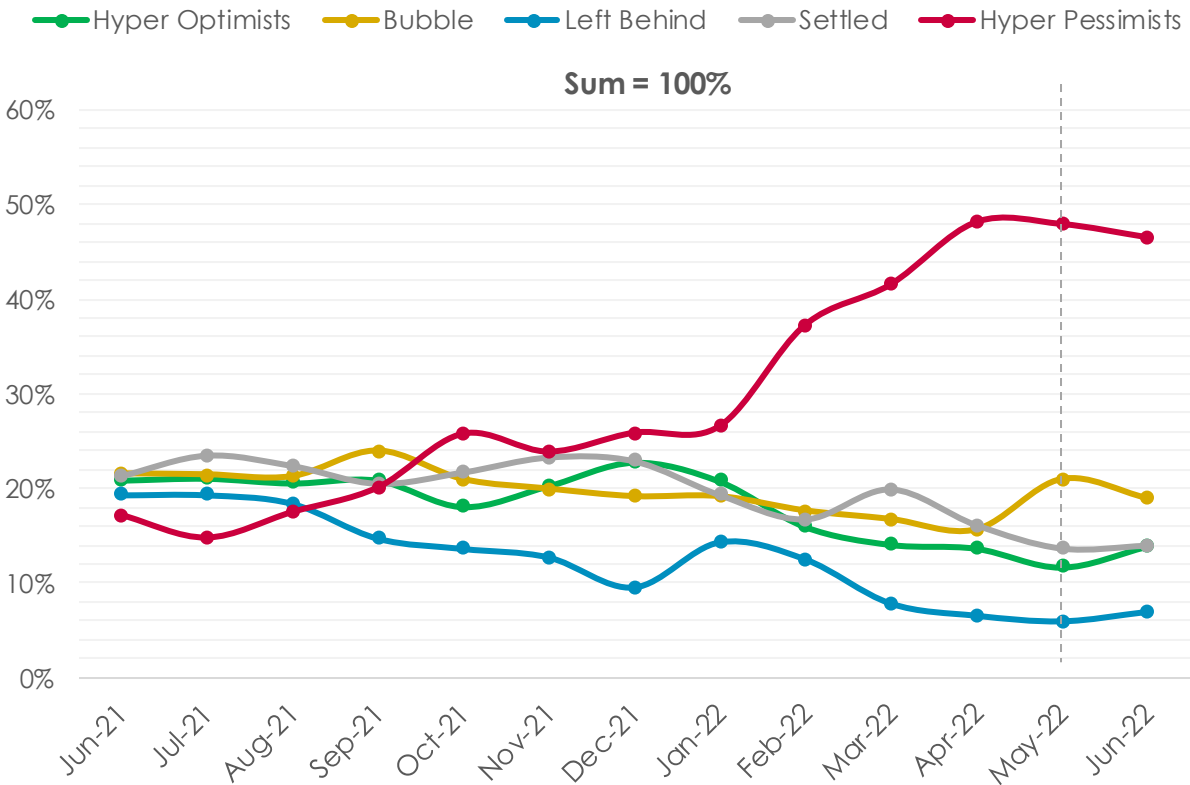
**Economic and Household Confidence**  
(Net: % thinking will improve minus % thinking will get worse over next 12 months)



- With both measures of consumer confidence remaining far lower than they were at this time last year, it is no surprise that Hyper Pessimists continue to account for almost half of this month's respondents— despite a 1% decline on May (48% to 47%).
- This marks a complete reversal of the situation in June 2021, when Hyper Pessimists accounted for the smallest proportion of consumers of any of our confidence groups and experiences were significantly more fragmented. With such a high proportion of consumers occupied by just one group, it highlights the extent to which consumer experiences have converged since the turn of the year.
- Despite this pessimistic rhetoric, it is worth noting that this month marks the first instance in which the proportion of Hyper Optimists has increased month to month (12% to 14%).

# Consumer Confidence Groups

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?



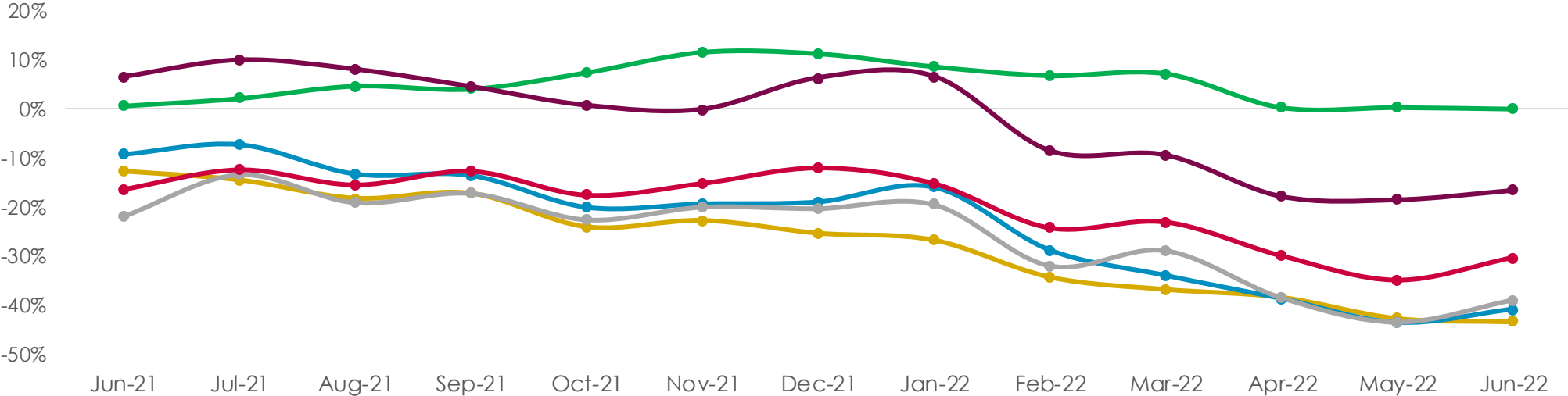
**Hyper Optimists** = Economy and own finances will improve  
**The Bubble** = Economy will get worse, own finances improve or stay same  
**Left Behind** = Economy will improve, own finances get worse or stay same  
**Settled** = Economy stay the same, own finances stay the same  
**Hyper Pessimists** = 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]

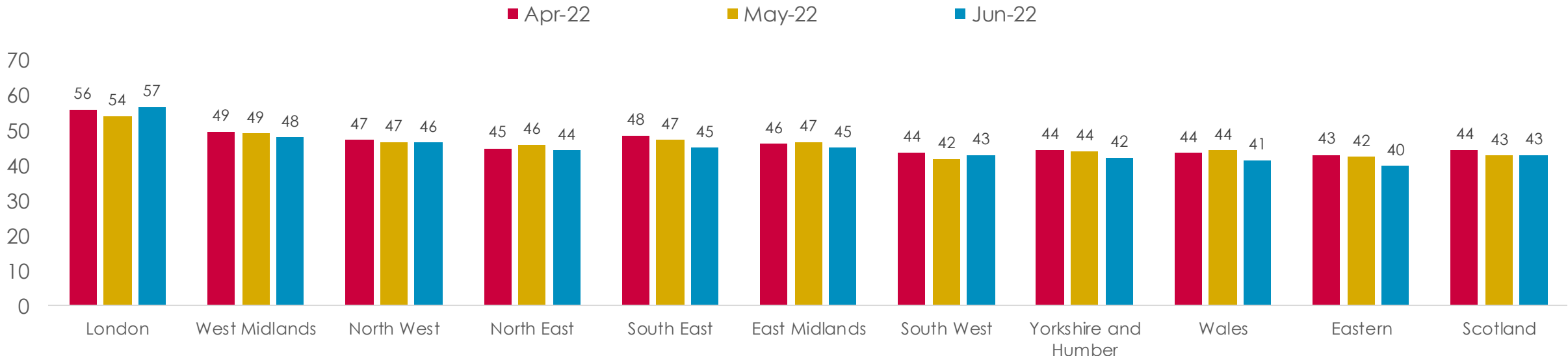
- Groceries and everyday items
- Out of home food and drink
- Other out of home leisure
- Big ticket items
- Subscriptions to products and services
- Saving



Monthly Changes
Groceries and Everyday Items: <b>0%</b>
Savings: <b>+2%</b>
Subscription Services: <b>+5%</b>
OOH Food and Drink: <b>0%</b>
Other OOH Leisure: <b>+3%</b>
Big Ticket Items: <b>+5%</b>

- With confidence in the UK economy as a whole improving marginally this month, consumer spending expectations have seen a slight improvement compared to May – although they remain far more pessimistic than this time last year when the UK economy was fully reopening after previously being under lockdown restrictions.
- Despite a 5% increase this month, net expectations for spending on out of home food and drink is still over 30% lower than it was in June 2021, with net spending expectations for other out of home leisure making for a similarly damaging comparison (-41% to -9%).
- The most notable improvements this month are in subscription service spending and big ticket items (both +5% in net expectations), and there is also a small increase in net saving expectations (+2%). Only expectations for spending on out of home food and drink and groceries and everyday items remain stagnant.

### The Optimism Index by Region – Three Month Rolling Average Scale 0-100. A score of 50 or more indicates higher levels of optimism



- Whilst recent months have seen a decline in the degree of fragmentation in sentiment across different UK regions, this month brings a concerning reversal of that trend. Three month rolling averages for every region other than London are below 50 this month, with some as low as just 40, whilst Londoners see a sharp rise month to month, increasing the rolling average by three points from 54 to 57.
- Two regions which saw particularly significant falls in sentiment this month are Wales and the East of England – with both occupying the two lowest rolling averages this month at just 41 and 40 respectively. With fuel price increases continuing to make national headlines, it is little surprise to see two of the more rural UK regions experience such sharp declines in sentiment.
- Of further concern, eight of the ten regions outside of London experienced a decline in both short-term and longer term sentiment, with six of these regions experiencing a rolling average below 45 – at least twelve points lower than those in London.

# Gender

- This month brings a reversal of the recent declining gap in optimism between men and women. A four point decline for women down from 45 to 41 coupled with a stagnation in sentiment for men brings the gap up to six points (47 to 41) – a four point increase compared to May.
- Such a sharp fall in optimism amongst women could in part be driven by recent trends in UK employment. With our data indicating that women are considerably more likely than men to occupy part-time roles with a commute (15% to 9%), the recent stalling in the recovery of more flexible working practices as the economy continues to move beyond the pandemic will likely be of greater detriment to their overall outlook.
- This month's trends in optimism across gender have occurred alongside similar findings regarding household confidence. The proportion of women who say that their own finances have recently worsened has increased by 4% whilst men have seen no change – now being 14% less likely than women to feel that their finances have worsened over recent months (56% to 42%).

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

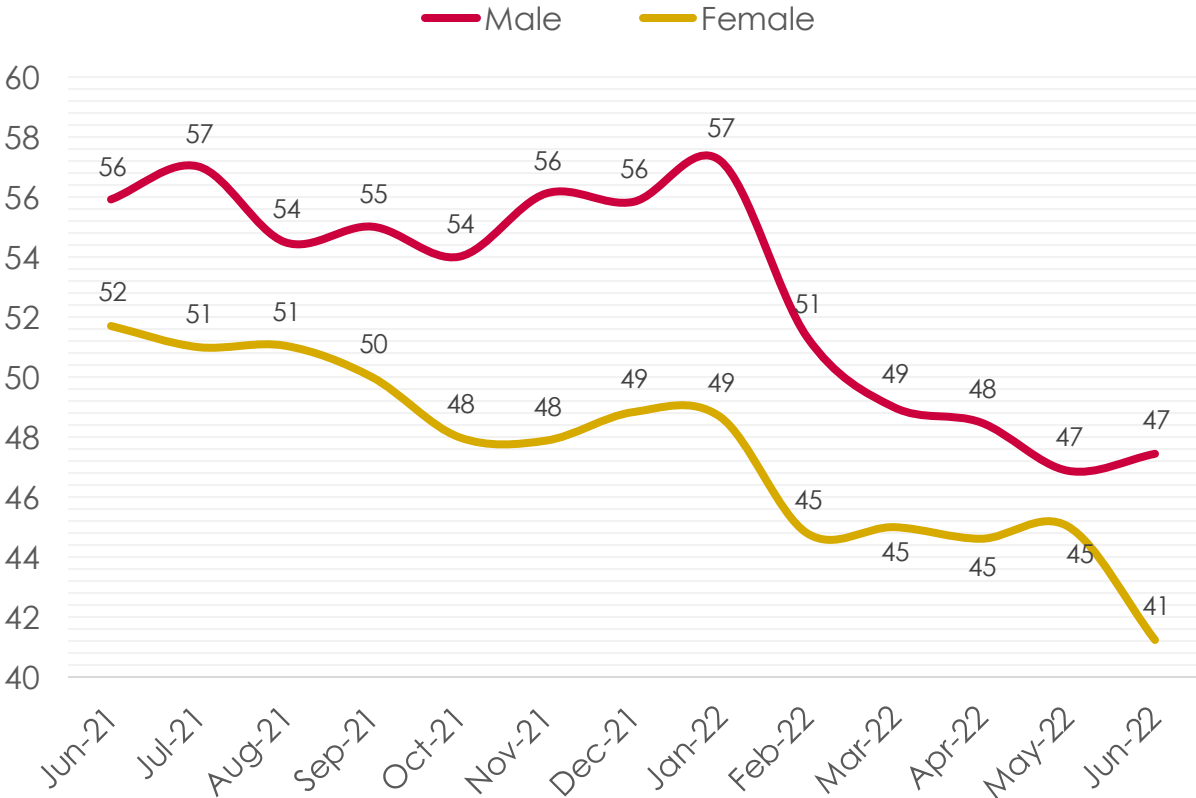


Chart labels are rounded to whole numbers, but *The Optimism Index* is rounded to one decimal place

# Generation

- This month sees optimism grow even further fragmented across generations, with the gap between under and over 40s increasing by a remarkable six points (11 to 17) – now more than twice the gap that was seen at this point last year (7 points).
- Such a divide across generational cohorts continues to be driven by the polarising impacts of the cost of living crisis. With older generations considerably more likely to have children to look after, household bills to pay and petrol tanks to fill, the unprecedented rate of inflation growth is likely to be far more damaging than for those still living at home and with fewer financial responsibilities.
- The growing disparity in outlook across generations continues to drive divergent trends elsewhere. Whilst at a topline level, the proportion feeling a high sense of autonomy rose by 1% this month, amongst the Silent Generation, we instead observe a remarkable 14% decline (46% to 32%).

The Optimism Index by Generation

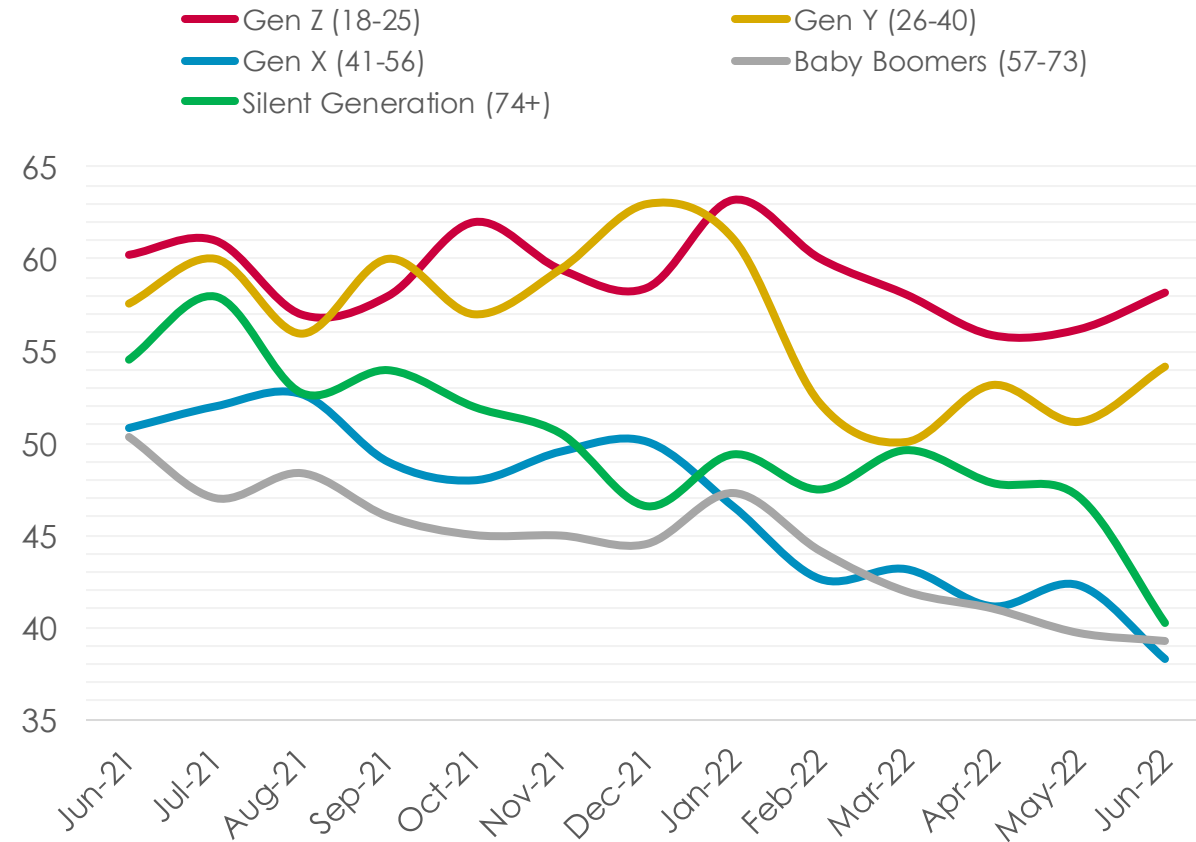


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# Income

- This month sees the highest income respondents adopt a far more positive outlook, with those earning more than £83k per year seeing an increase of 10 points up from 52 to 62, whilst all other income groups see a score below 50 – the first time this has occurred at any point since the start of the pandemic over two years ago.
- Naturally, higher earners are likely to suffer fewer concerns as a result of the cost of living crisis. It is worth noting, however, that only those in the highest income households feel a greater degree of optimism, and even those earning £62k to £83k are currently adopting a far less optimistic outlook than they were at this time six months ago.
- Additional analysis of our data provides further evidence to suggest why higher earners are able to adopt a more optimistic outlook. This month, those in households earning more than £83k per year were 18% less likely than those in the lowest income households to feel worried about paying for regular household expenses (29% to 47%).

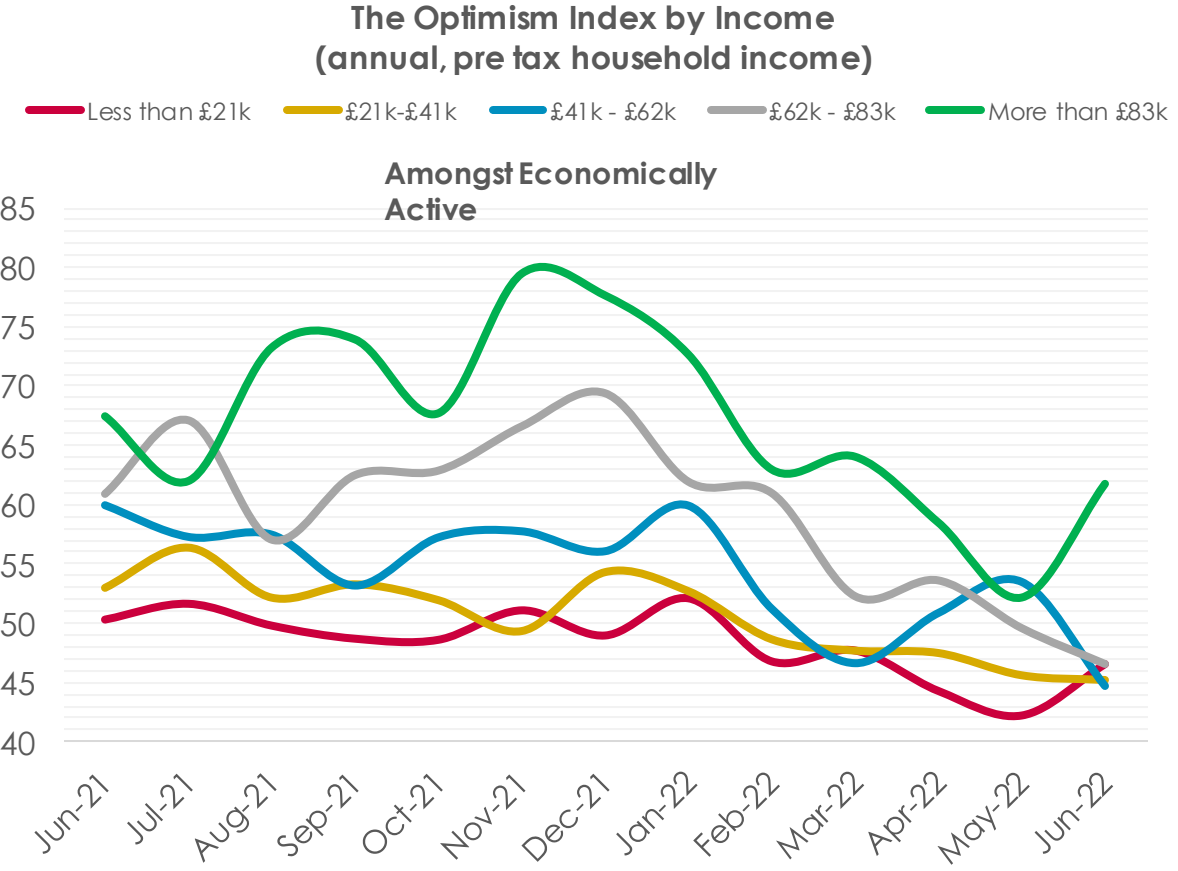
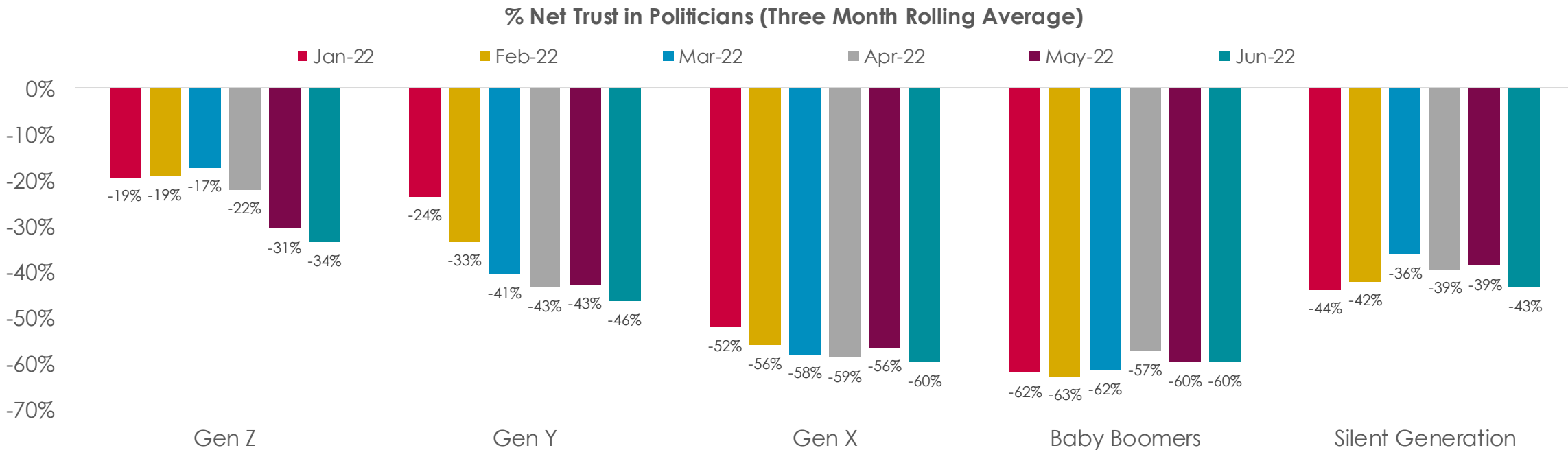


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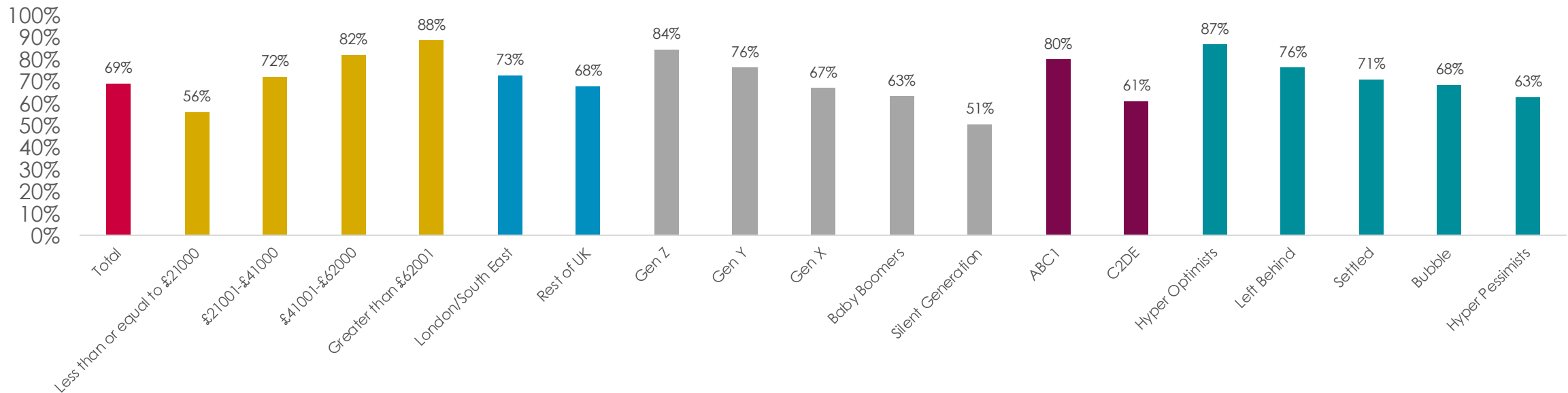
# Younger generations driving declining trust in Government



- Recent accusations of misconduct in Government have driven a topline decline in levels of trust felt towards politicians over the past few months. However, the degree of decline during this period has varied significantly across different generations.
- Whilst Baby Boomers remain the least trusting of politicians, their trust levels have stagnated throughout 2022, with younger generations instead experiencing a far greater change in their outlook. Since the turn of the year, Gen Z and Gen Y have seen a 15% and 22% decline in longer term net trust in politicians respectively.
- Such has been the extent of the stagnation in trust amongst older groups, that Gen Y are now adopting a lower level of trust in politicians than the Silent Generation, despite being 20% lower than this cohort in this regard at the start of the year.

# Holiday spending fragmented across demographics

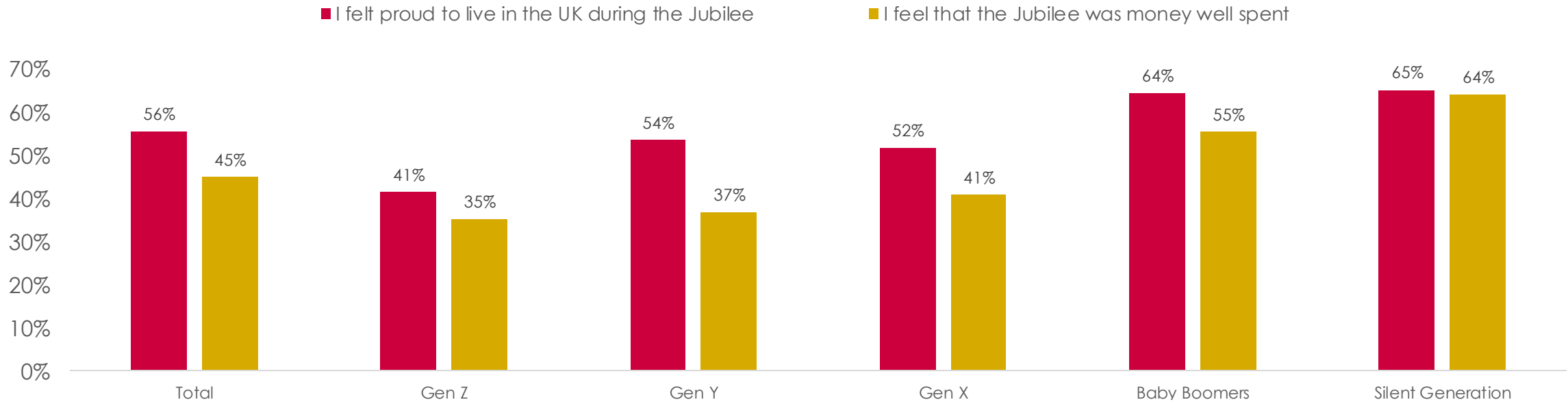
% Who have either already been on holiday or expect to go on holiday in 2022



- Travel disruption across the country and rapidly rising inflation rates appear to have had little impact on the appetite for holiday spending at a topline level this month. Just under half (49%) have already taken a holiday this year, with a further 20% at least expecting to do so at some point in 2022.
- In a similar vein to this month's trends in overall sentiment, however, the degree to which consumers are spending on holidays is significantly fragmented across demographics. Higher income households, those in London and the South East, younger cohorts and more optimistic individuals are all more likely than average to be holidaying at some point in 2022.

## Under 40s more cynical towards Jubilee celebrations

% Total Agreement with each statement



- Just over half of the sample this month agreed that they felt proud to live in the UK throughout the Queen's Platinum Jubilee celebrations this month, whilst just under half felt that the celebrations were money well spent.
- The extent of agreement was far higher amongst older generations, however. Almost two thirds of both Baby Boomers and the Silent Generation say that they felt proud to live in the UK during the long weekend whilst more than half of both cohorts agreed that the celebrations were money well spent.
- Younger generations, particularly Gen Z, adopt a more cynical outlook. Only just over one in three under 40s feel that the Jubilee was money well spent, whilst only four in ten 18 to 25 year olds felt proud to live in the UK during the Jubilee.



# 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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