TRAJECTORY

Optimism Index
June 2022

Trends Deep Dive

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, additional questions have been added in recent months examining both the current climate in general as well as the impact that current events such as the cost living crisis, the war in Ukraine and the recovery from the pandemic are 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 **8th and 15th June.**

Last Month's Key Events

18th May
Inflation hits 9%, its highest level since 1982 and the highest of any G7 nation

20th May
Number of confirmed cases of monkeypox in the UK reaches 20, but successful vaccines are already announced

24th May
The Elizabeth line opens in London, the first new London underground line to open since 1979

26th May
Rishi Sunak announces that every UK household will get an energy bill discount of £400 in October

30th May
Former attorney general Jeremy Wright becomes latest Conservative MP to call for resignation of Boris Johnson

2nd June
Celebrations begin for the Queens Platinum Jubilee with a four day bank holiday weekend until the 5th June

6th June
Sir Graham Brady announces a vote of confidence in Boris Johnson with a ballot to be held that evening

8th June
The average price of petrol rises by two pence, to 180.73p per litre, the biggest daily jump in 17 years

10th June
The ONS reports that the number of COVID infections has begun to increase again, for the first time in two months

14th June
It is confirmed the first flight scheduled for Rwanda carrying seven asylum seekers will not depart following legal challenges in the European Court of Human Rights

Fieldwork: 8th – 15th June

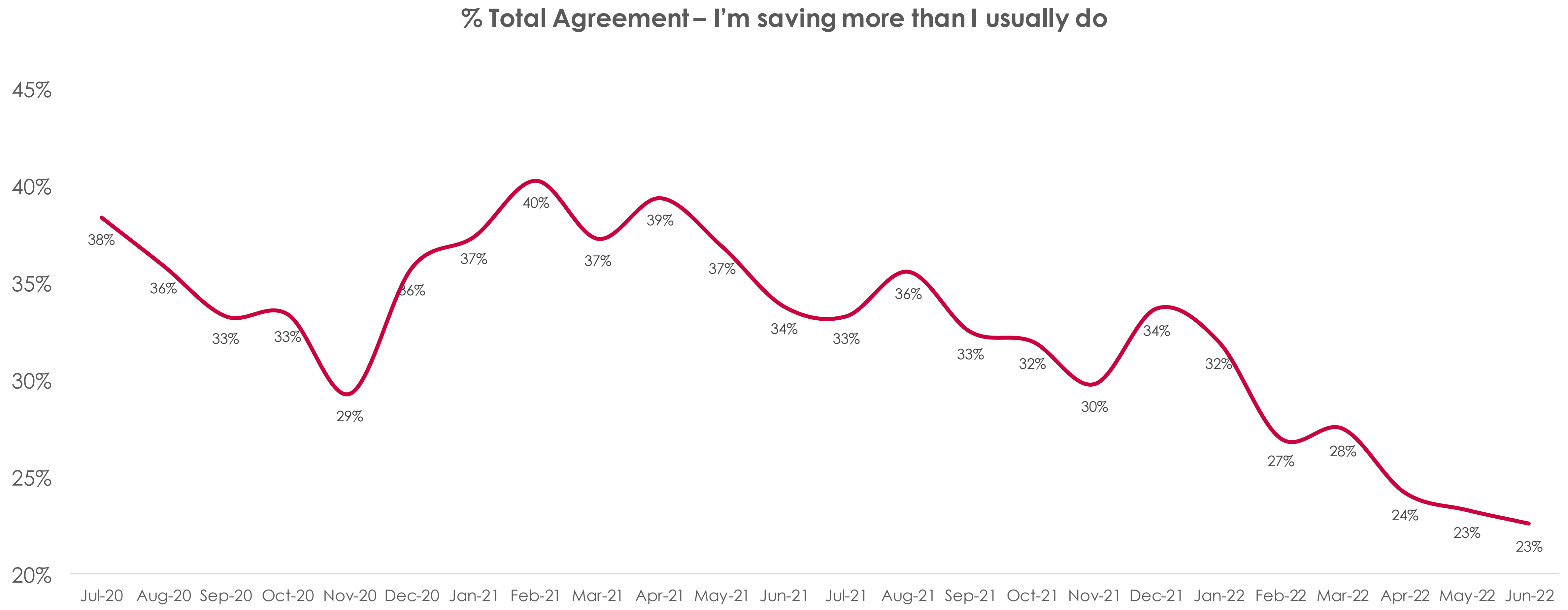
Key Findings

- More than six in ten now have lower disposable income than they did a year ago
- Younger generations remain by far the most likely to have any level of excess savings
- Spending cutbacks remain a prominent response to the cost of living crisis
- Cutbacks are increasingly occurring specifically so that consumers can try and save more
- Recent months have seen a sharp rise in the proportion cutting back on travel to save money
- Rising cost of everyday spending drives decline in expected participation in leisure activities
- Growing numbers of Covid cases are yet to drive a significant increase in concerns about public spaces

Cost of Living

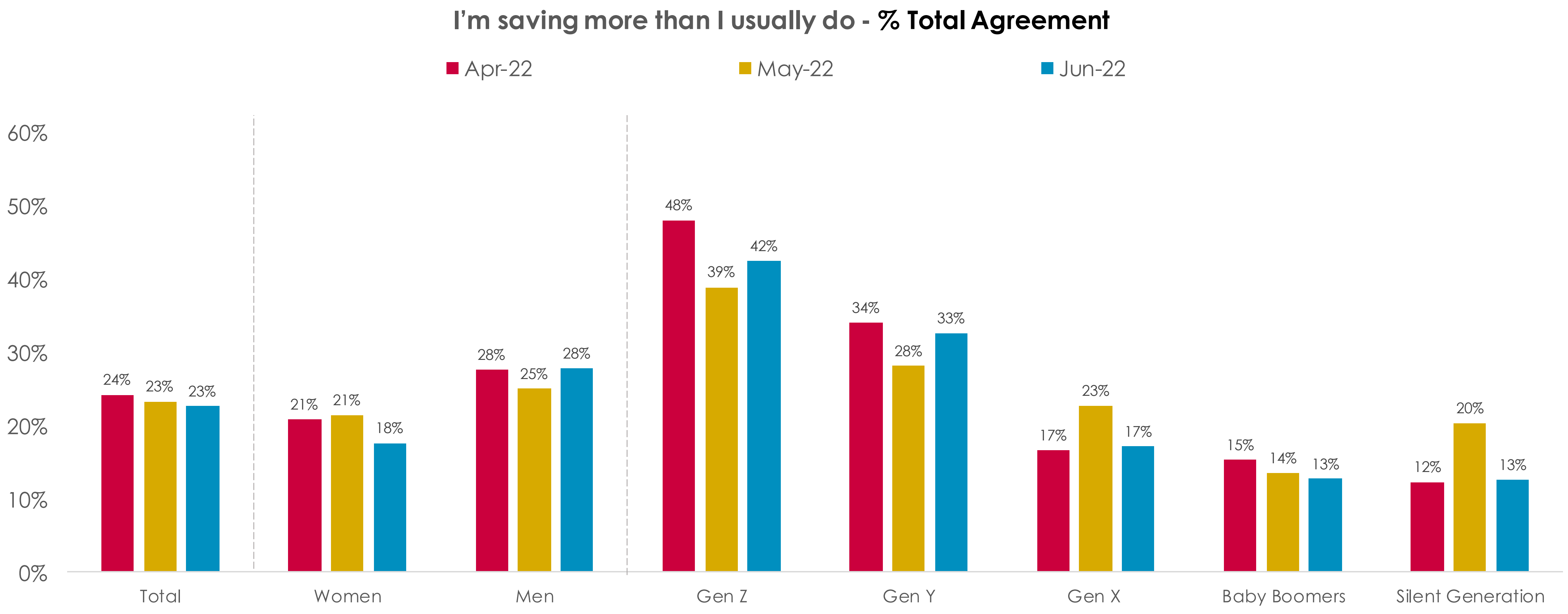
Fewer than one in four now have excess savings

- Proportion saving more than they usually do remains at the same level at just 23% this month
- This month's findings represent an 11% decline from this point last year (34% to 23%)



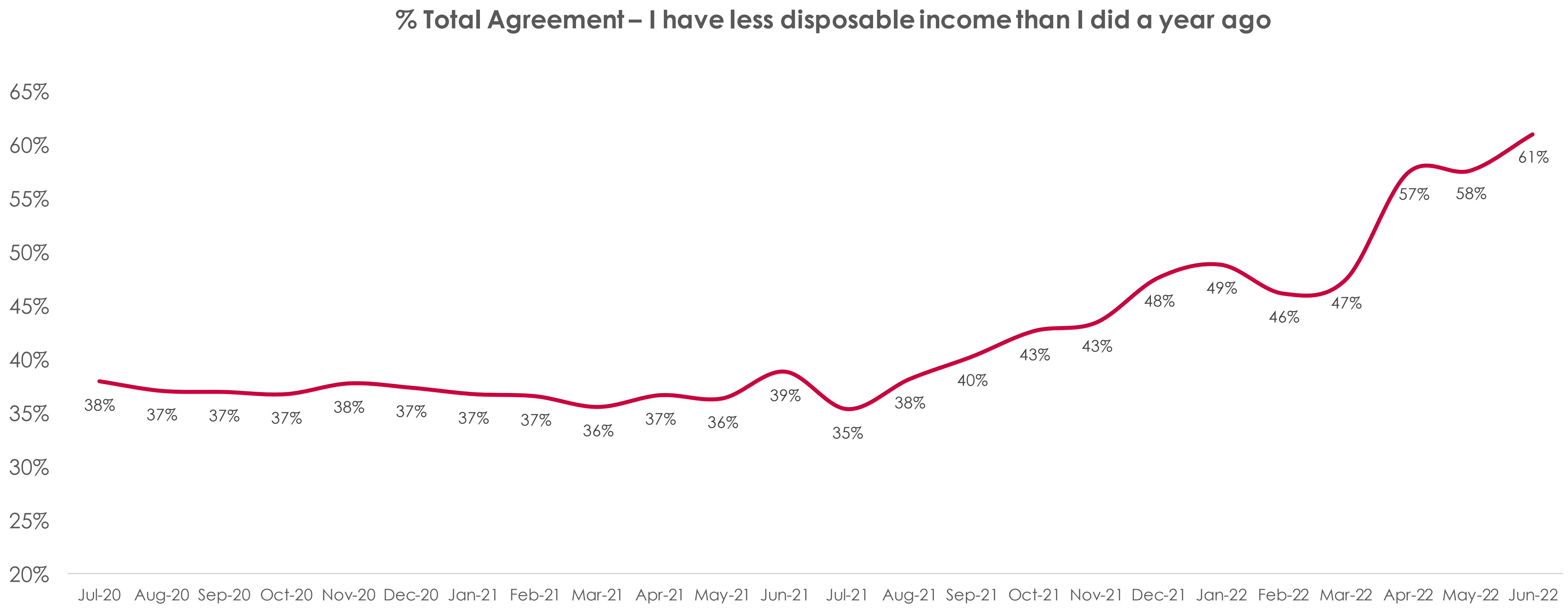
Excess savings remain far more prominent for younger cohorts

- Proportion of Gen Z who are saving more than usual up 3% this month from 39% to 42%
- Gen Z now more than three times as likely as Baby Boomers and Silent Generation to have excess savings



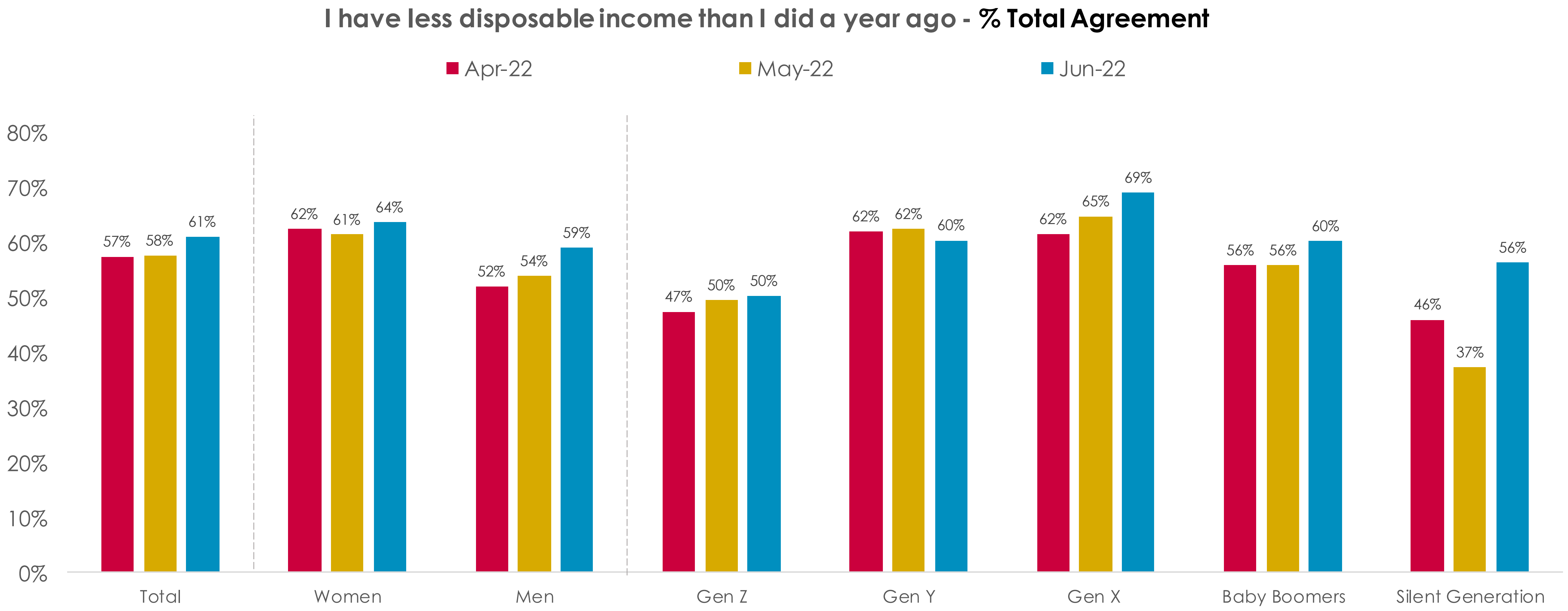
More than six in ten now have lower disposable income than a year ago

- Proportion who say they have less disposable income than a year ago up a further 3% this month
- This now marks an increase of 14% since March and a remarkable 22% increase year on year



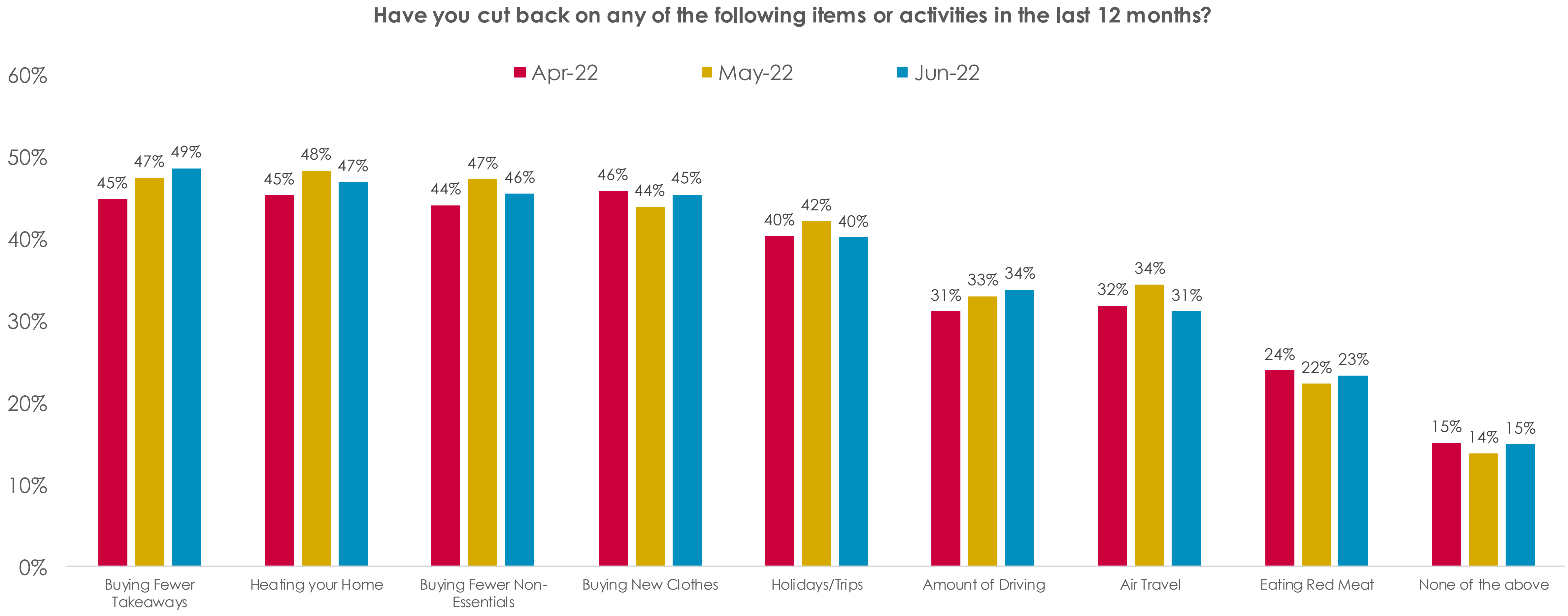
Older cohorts the driving force behind downward trends in disposable income

- Amongst the Silent Generation, we observe a 19% increase in the proportion who have less disposable income than a year ago
- Gen X remain the most likely to feel that they have less disposable income than a year ago (69%)



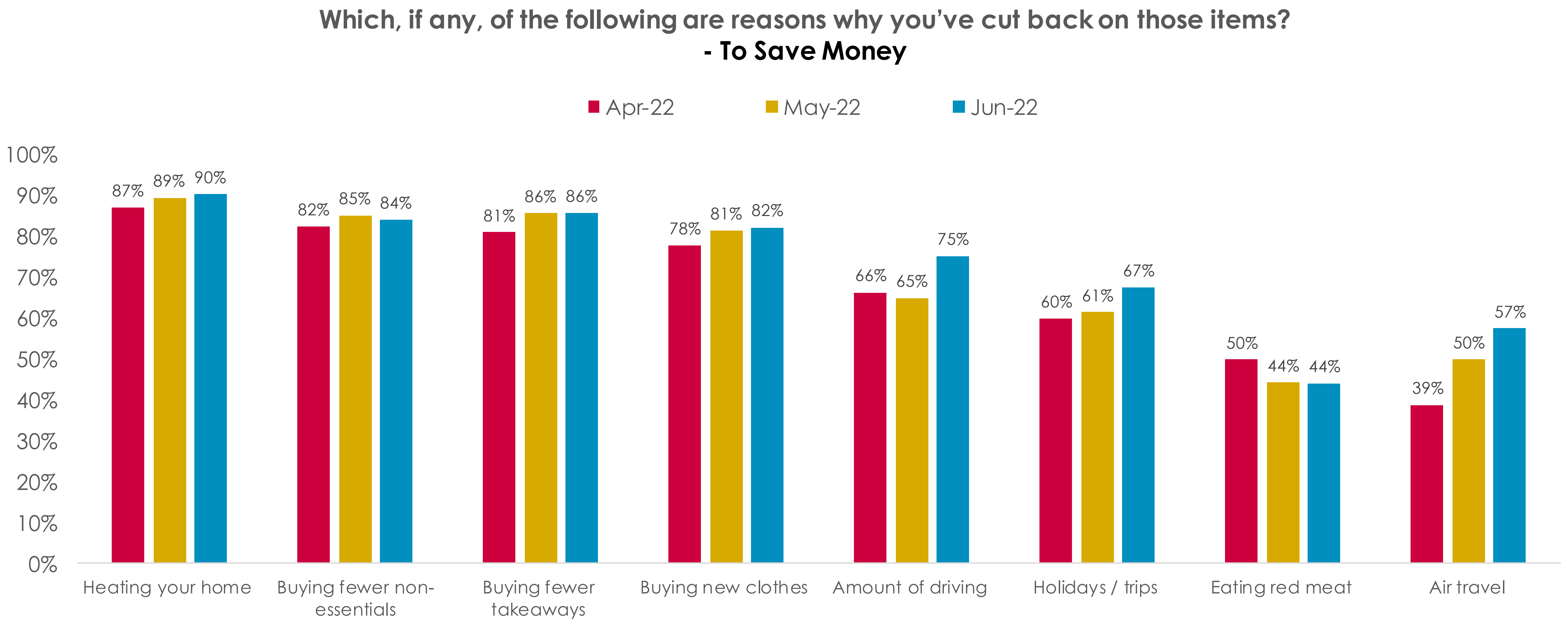
Cutbacks remain a prominent response to cost of living crisis

- Almost half (49%) have cut back on the amount of takeaways that they are buying – an increase of 2% compared to May
- More than four in ten have cut back on heating, clothing purchases and holidays throughout the last year as well



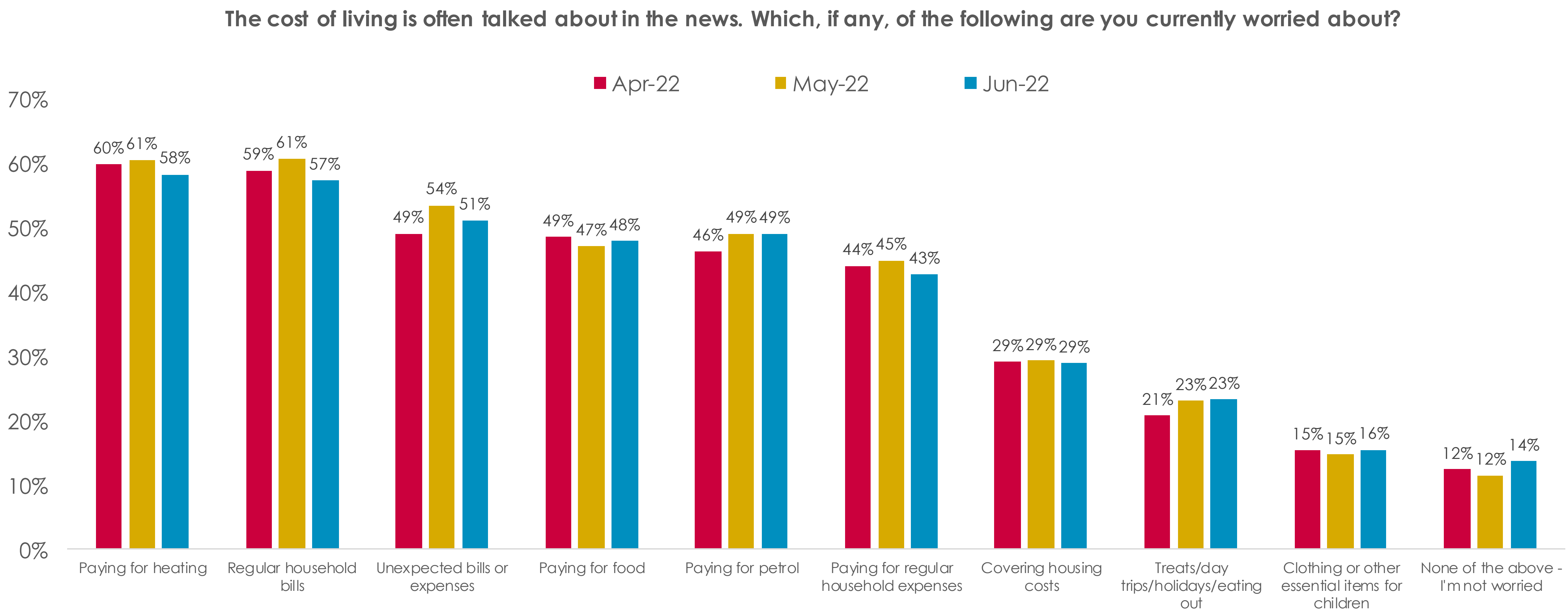
Consumers are increasingly likely to cut back on spending in order to save

- Air travel, holidays and driving all see significant increases in the proportion who are cutting back to try and save money
- Consumers remain most likely to cut back on heating and takeaways to save money but this remains stagnant this month



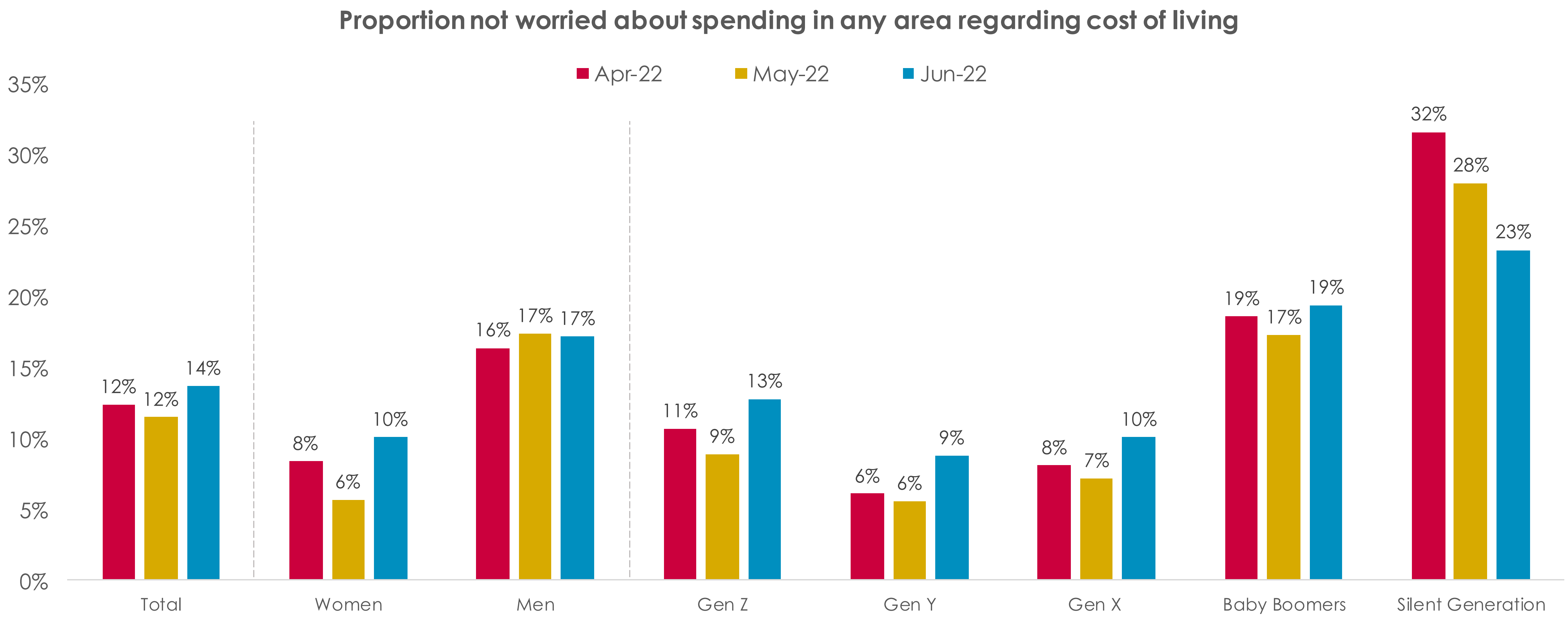
More than half are worried about paying for regular bills and unexpected expenses

- Despite a slight decline compared to May, there still remains a concerning proportion who are worried about regular everyday spending
- Just under half of the sample are worried about paying for either food or petrol, whilst 58% are worried about paying for heating



Silent Generation are becoming increasingly concerned about cost of living

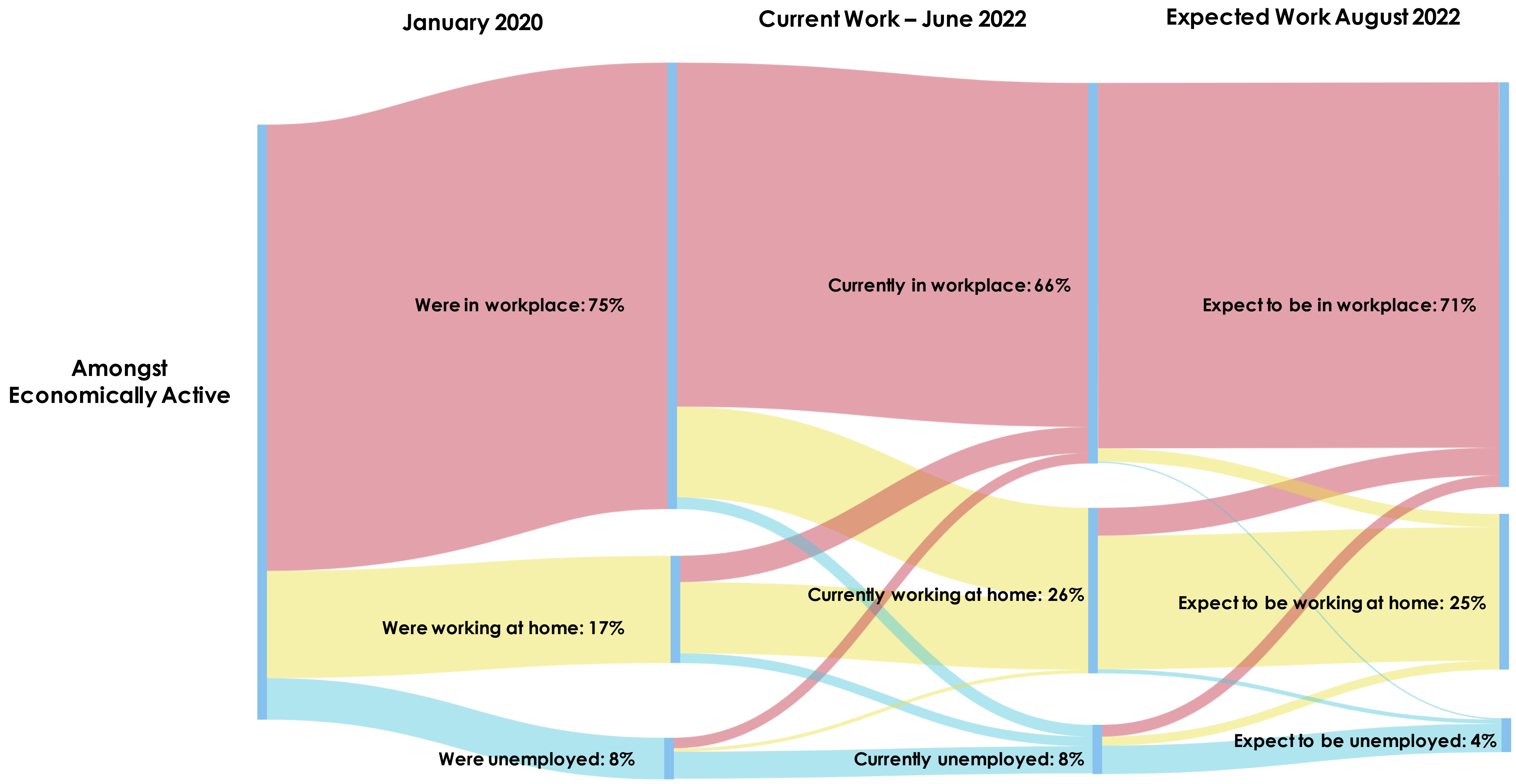
- Despite remaining the least concerned about cost of living, we observe a 5% decline in the proportion of Silent Generation not worried about spending in any area, whilst Gen Z and Gen Y see a 4% and 3% increase by the same measure respectively



Employment

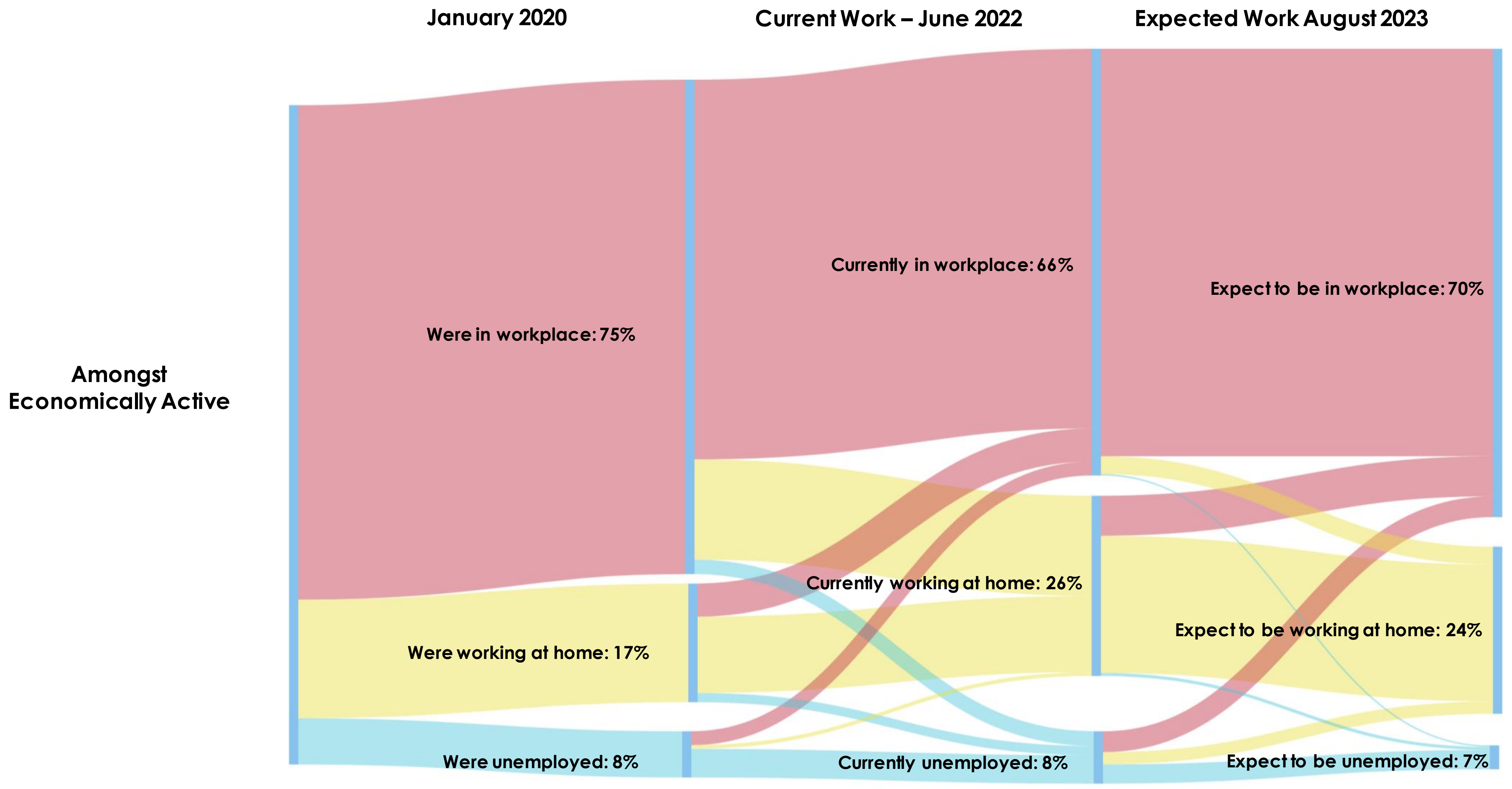
Short-term employment expectations boosted by strong jobs market

- Just 4% of economically active respondents expect to be unemployed next month despite current levels at 8%
- Only two thirds are currently in the workplace most of the time – still down 9% compared to pre-pandemic levels



Longer term expectations are less optimistic regarding employment

- Only 70% expect to be in the workplace most of the time at this time next year – down 5% from pre-pandemic levels
- Expectations for employment are less positive in longer term, with 7% expecting to be unemployed

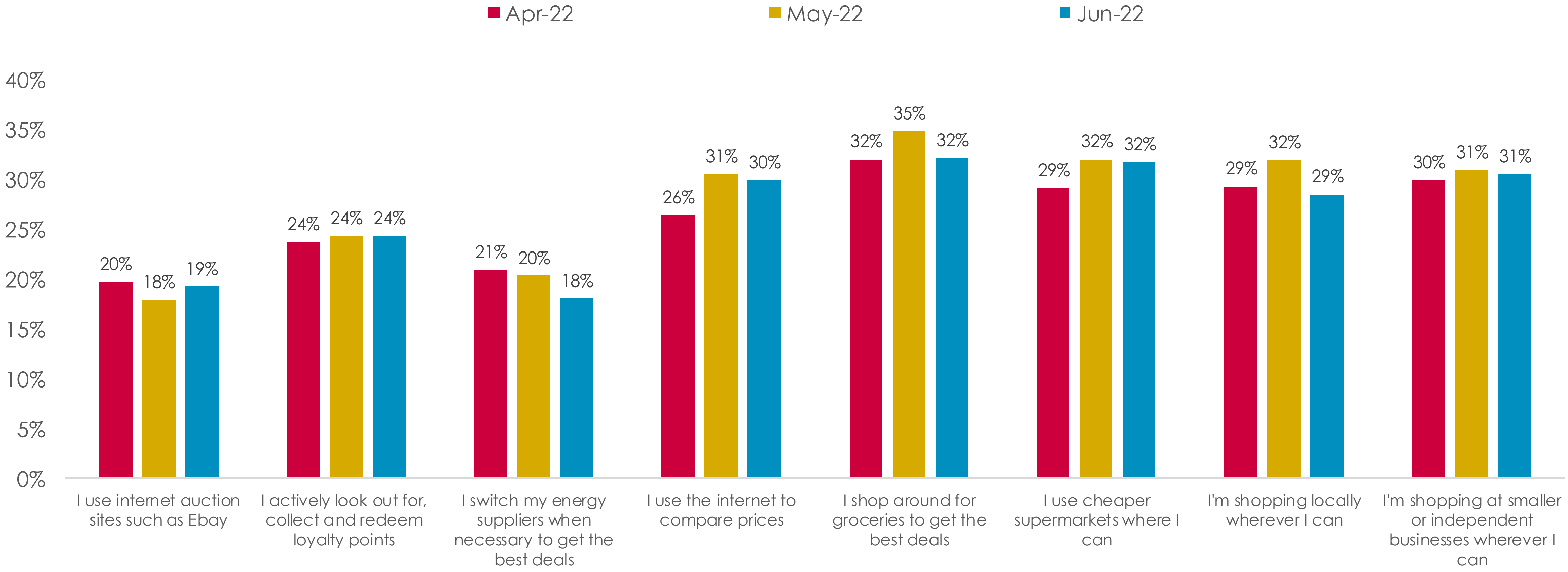


Leisure

Recent take-up of price conscious behaviours remains prominent

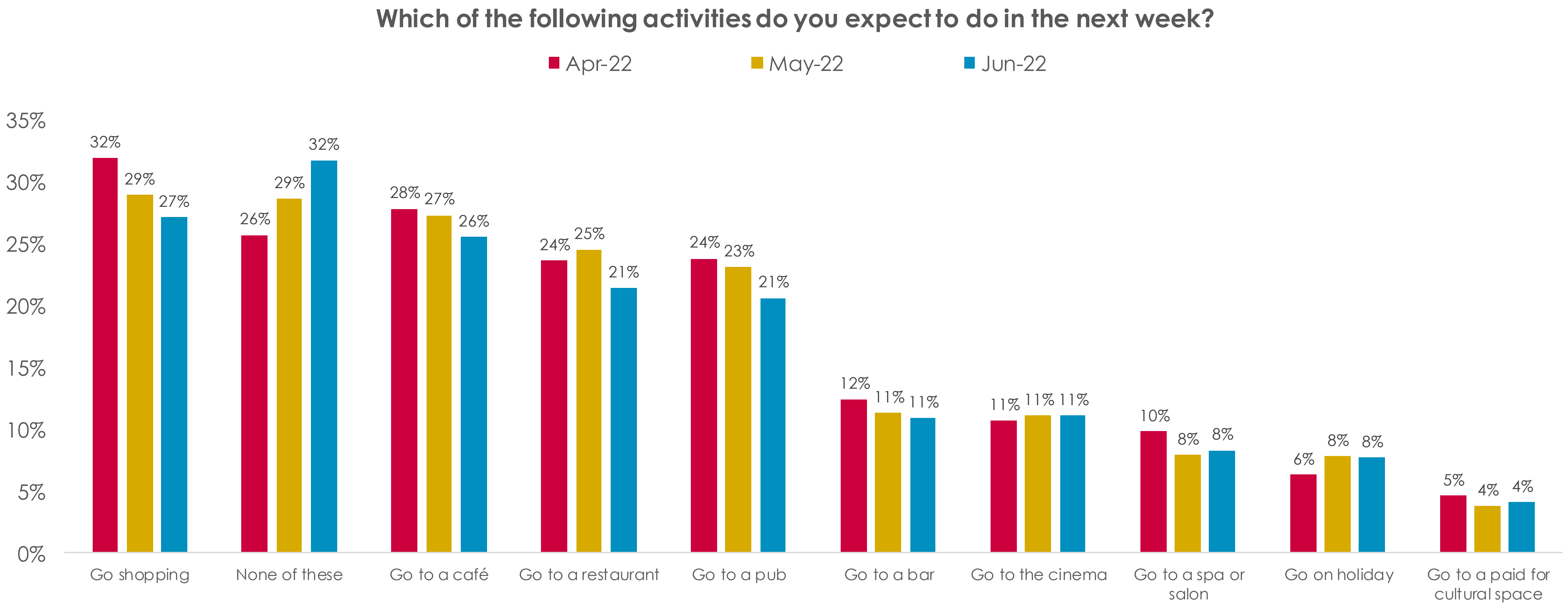
- Just under one in three (32%) have recently begun using cheaper supermarkets wherever possible and shopping around for groceries
- Surprisingly, the proportion who have recently begun switching energy suppliers for a better deal continues to decline

Below are a list of shopping activities. Please select all activities which you ***have started doing recently***



Expected participation in leisure activities declines this month

- The sharpest declines are seen regarding restaurants (down 4%), going shopping for non-groceries and going to the pub (down 2% each)
- Proportion not expecting to do any of the listed activities up 3% this month from 29% to 32%

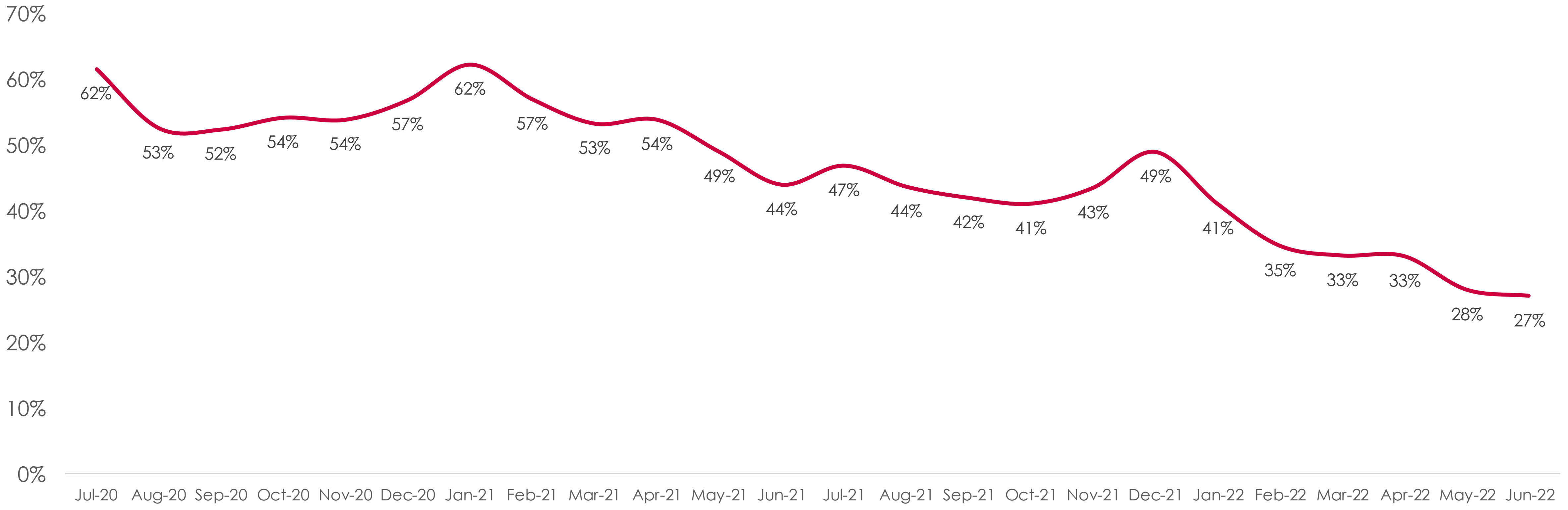


Pandemic

Rising covid cases yet to drive growth in concerns about visiting public spaces

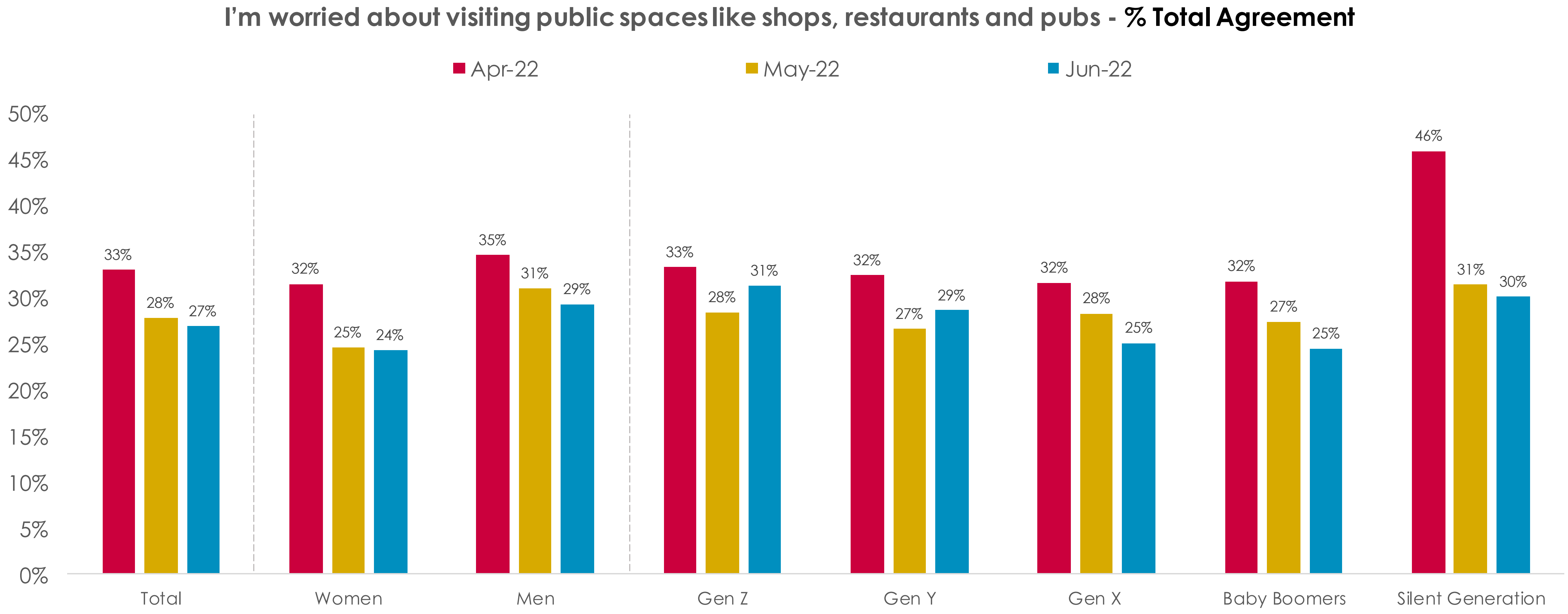
- Only just over one in four (27%) now feel concerned about visiting public spaces – down 1% compared to last month
- Concerns now down 17% compared to this time last year when the economy was reopened following lockdown restrictions

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



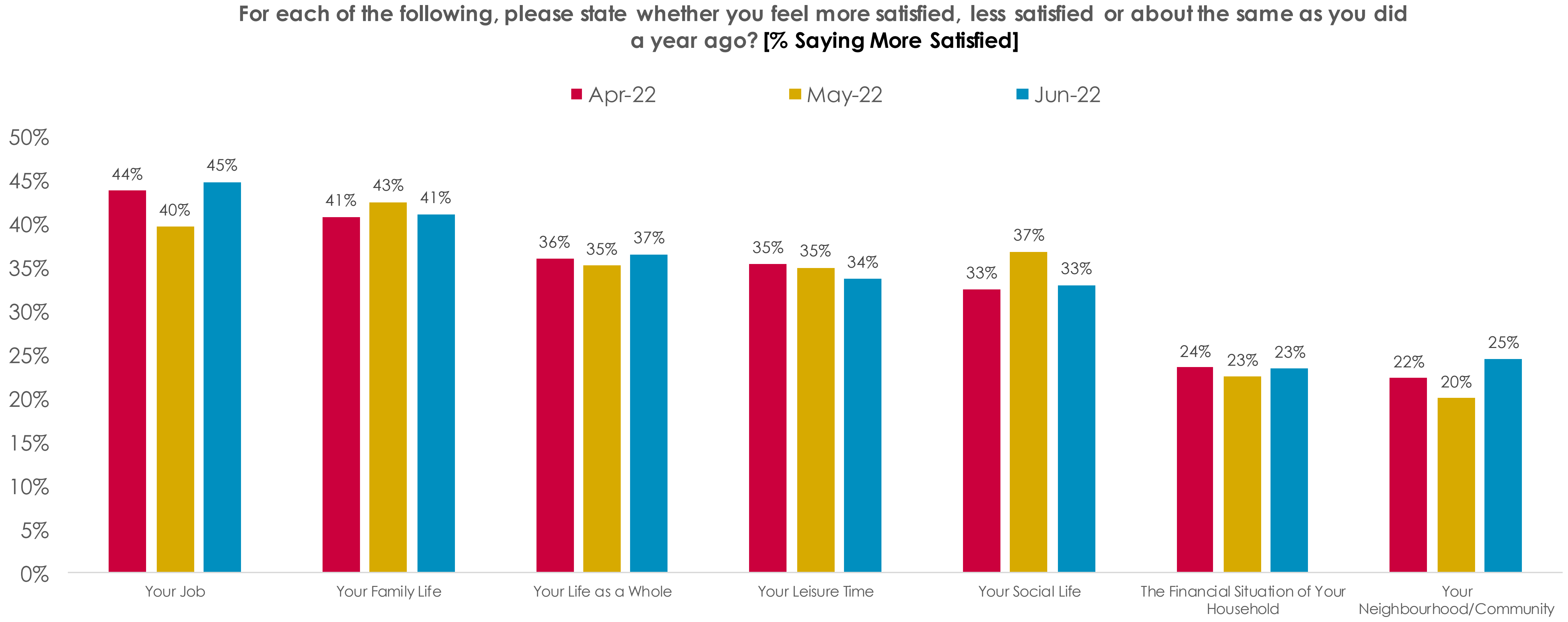
Concerns about public spaces now most prominent amongst Gen Z

- 18 to 25 year olds see a 3% increase in concerns about visiting public spaces – with such concerns now higher than for Silent Generation (30%)
- Men continue to adopt a greater degree of caution about visiting public spaces than women (39% to 24%)



Satisfaction with employment compared to a year ago grows further

- This month we see a 5% increase in the proportion who say that they are more satisfied with their job than they were a year ago
- We observe a similar increase regarding satisfaction towards neighbourhood/community whilst there is a 4% decline regarding social lives

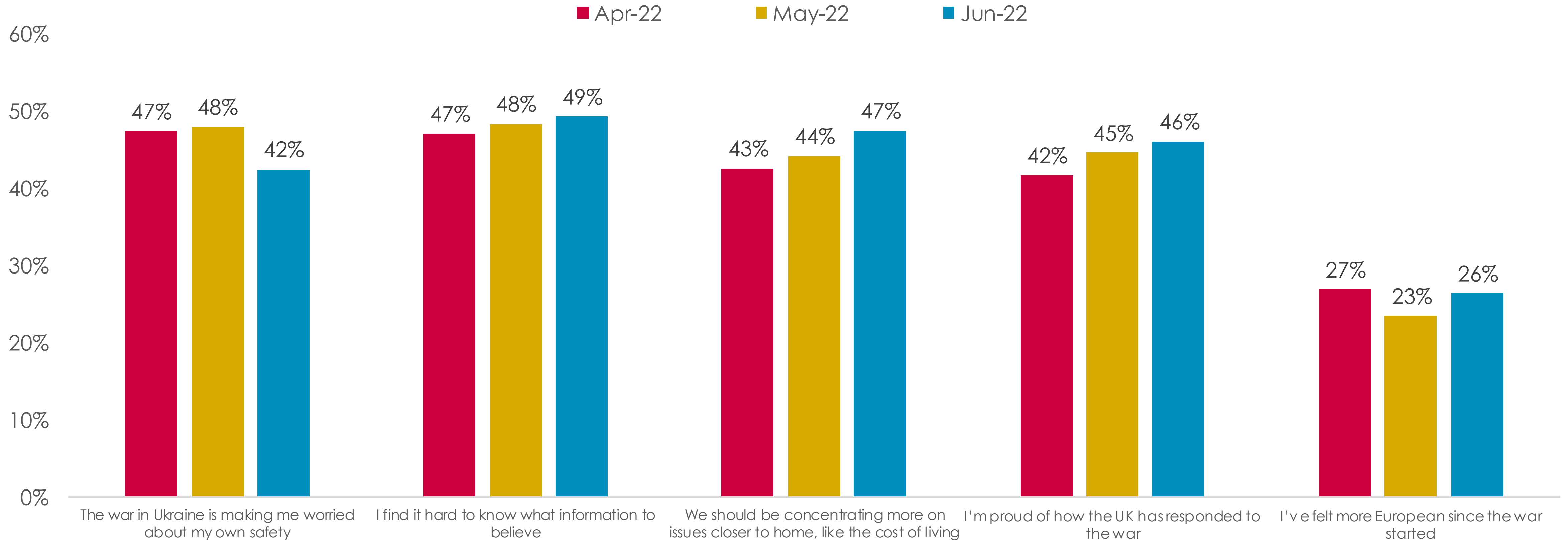


Ukraine Crisis

Consumers place greater focus on cost of living ahead of issues in Ukraine

- Just under half (47%) of respondents say that we should be focusing more on domestic issues such as the cost of living crisis
- In a similar vein, we observe a 6% decline in the proportion worried about their own safety as a result of the war in Ukraine

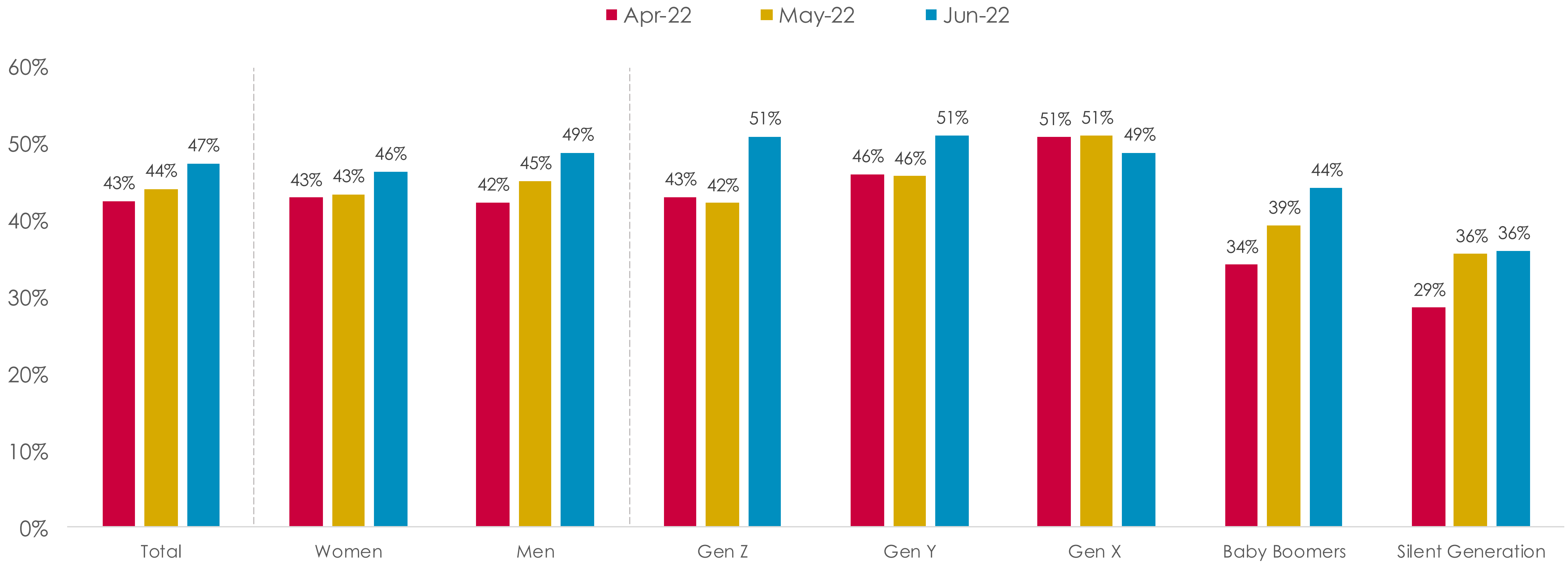
The war in Ukraine is often talked about in the news. Looking at the statements below, please say the extent to which you agree or disagree **[% Total Agreement]**



Younger generations more likely to prefer to focus on cost of living

- Amongst Gen Z we observe a 9% increase in the proportion who feel we should prioritise cost of living over Ukraine crisis
- Men remain slightly more likely to feel this way – seeing a 4% increase compared to May whilst women see just a 3% rise

% Total Agreement – We should be concentrating more on issues closer to home like the cost of living



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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