TRAJECTORY

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

Last Month's Key Events

- **16th June** – The Bank of England raises the interest rate from 1% to 1.25%, the fifth successive increase
- **18th June** – Thousands of protesters march through London to demand action from the government on the cost of living crisis
- **21st June** – The biggest rail strike since 1989 takes place, affecting 80% of services across England, Scotland and Wales, including the London Underground
- **24th June** – Latest ONS data suggests another rise in the number of people infected with COVID, with 1.7 million people with the virus in the week up to 18th June
- **28th June** – Scotland's First Minister Nicola Sturgeon proposes 19th October 2023 as the date for a second referendum on independence
- **30th June** – An additional £1 billion in funding for military aid to Ukraine is announced
- **1st July** – Chris Pincher has the Conservative Party Whip withdrawn and will sit in the House of Commons as an independent MP following misconduct allegations
- **3rd July** – One complainant against Chris Pincher is reported to have given details in February 2022, when he was appointed deputy chief whip
- **5th July** – Multiple cabinet ministers resign amidst allegations that Boris Johnson appointed Chris Pincher whilst aware of misconduct complaints against him
- **7th July** – Boris Johnson resigns as Conservative Party leader as a result of the resignations from his ministry, prompting a leadership election
- **8th July** – Labour leader Sir Keir Starmer and deputy Angela Rayner are cleared of breaking lockdown rules over a Durham "beergate" meeting
- **11th July** – Sir Graham Brady unveils the timetable for the Conservative leadership election, with it due to complete on 5th September
- **14th July** – Jeremy Hunt, Nadim Zahawi and Suella Braverman are eliminated from leadership election, with Rishi Sunak and Penny Mordaunt the frontrunners

Fieldwork: 7th July – 14th July

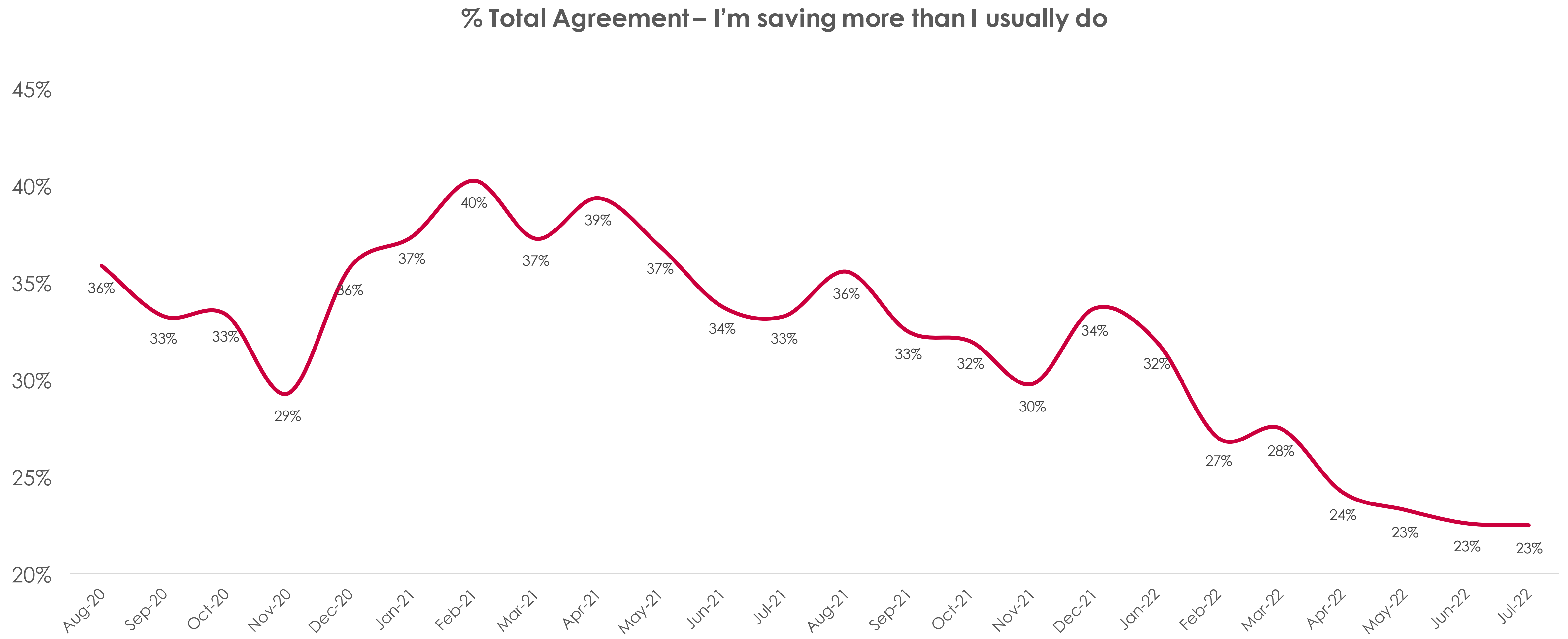
Key Findings

- The majority of consumers have less disposable income than they did a year ago
- Almost half are cutting back on takeaways, new clothing and other non-essential purchases
- Cutbacks are increasingly driven by the urge to try and save ahead of further cost increases
- More than half of consumers are now worried about being able to pay for food
- Price conscious behaviours remain a prominent feature of the consumer mindset
- Concerns about visiting public spaces increase slightly as covid cases continue to rise
- Older generations see a sharper increase in concerns about public spaces

Cost of Living

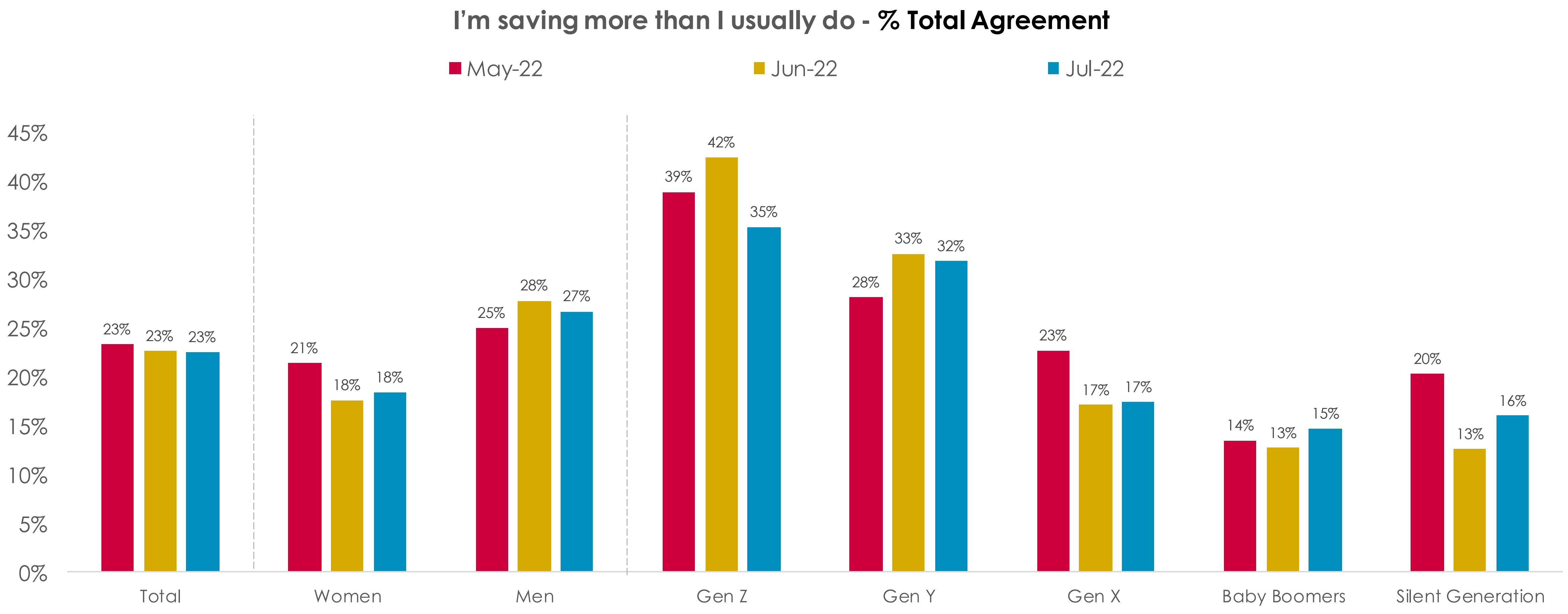
Fewer than one in four are saving more than they usually would

- Despite cautious outlook amongst consumers, excess savings remain weak compared to most of the pandemic
- Proportion with excess savings is stagnating, with 23% being the same proportion as both May and June



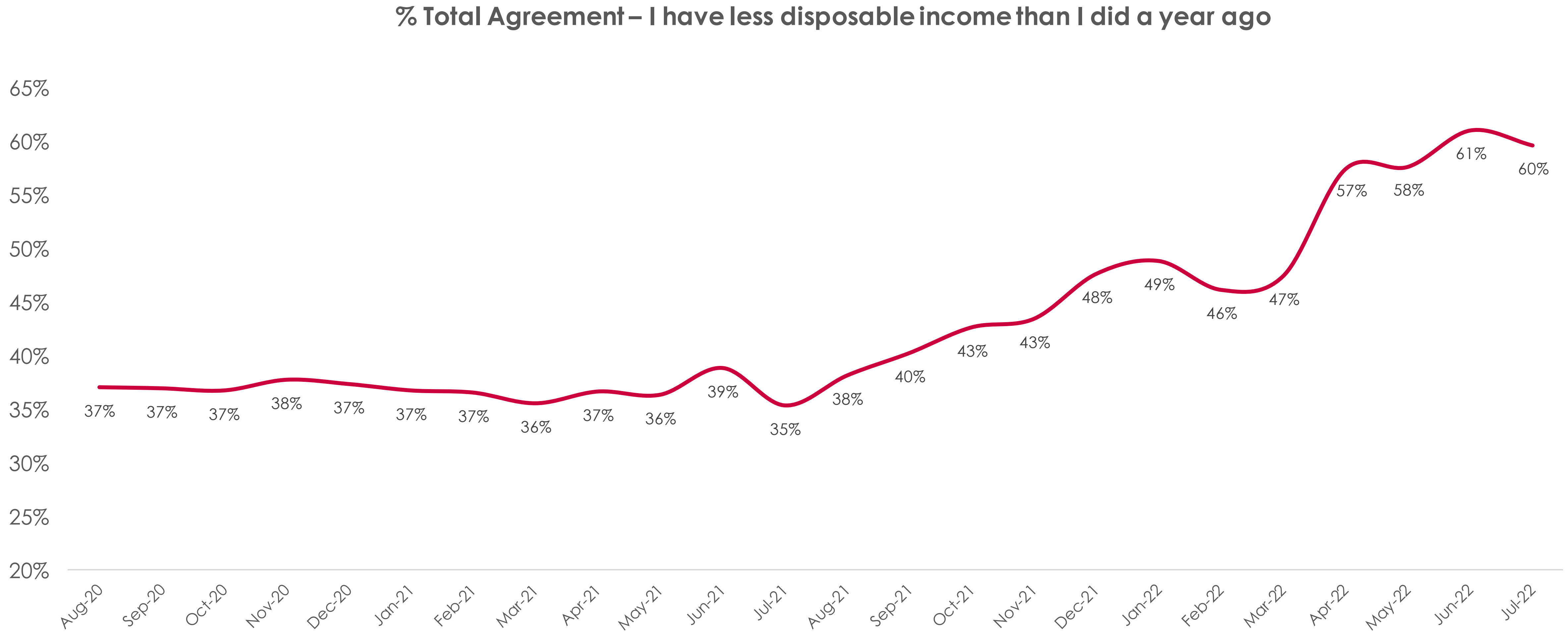
Younger generations remain most likely to be saving more than usual

- Despite a 7% fall this month, Gen Z remain the generation most likely to be saving more than they normally would be
- Men are considerably more likely than women to be saving more than usual this month, despite a 1% decline (28% to 27%)



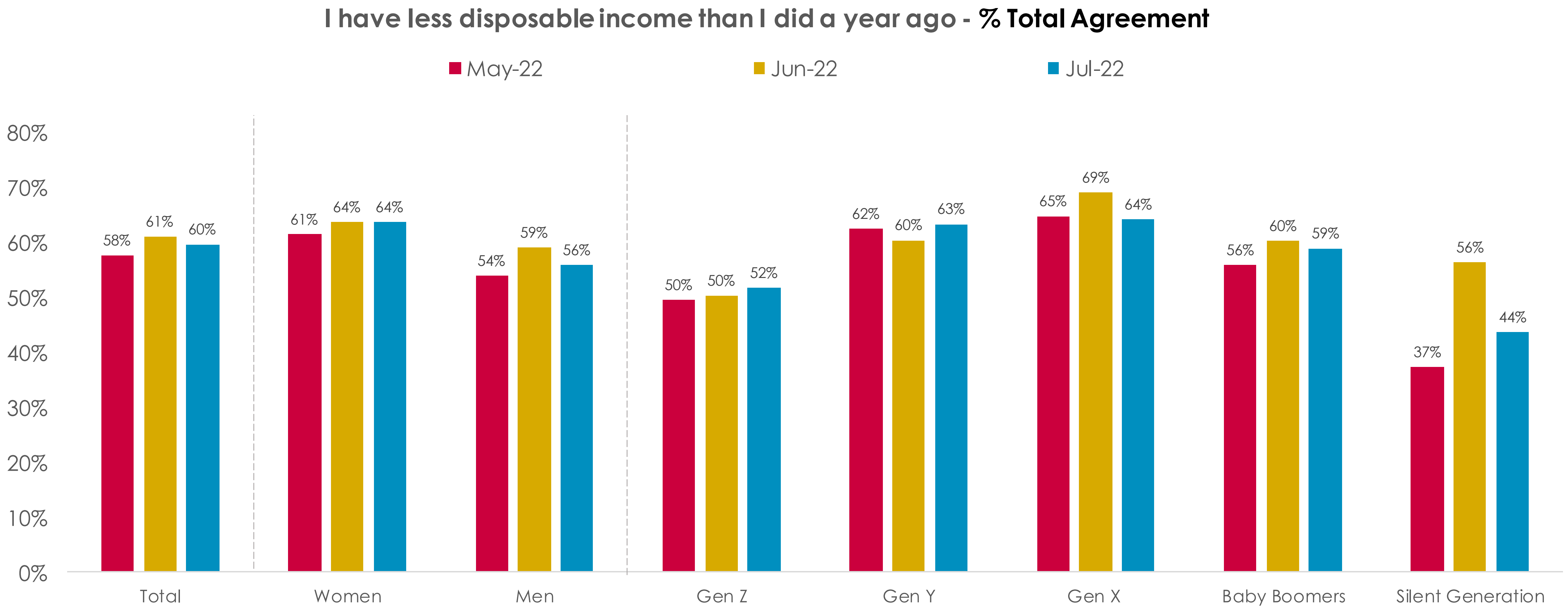
Six in ten have less disposable income than they did a year ago

- Compared to this time last year, we see almost twice the proportion with less disposable income than a year ago (25% to 60%)
- Whilst this measure remained very consistent throughout pandemic, the past year has seen a sharp increase



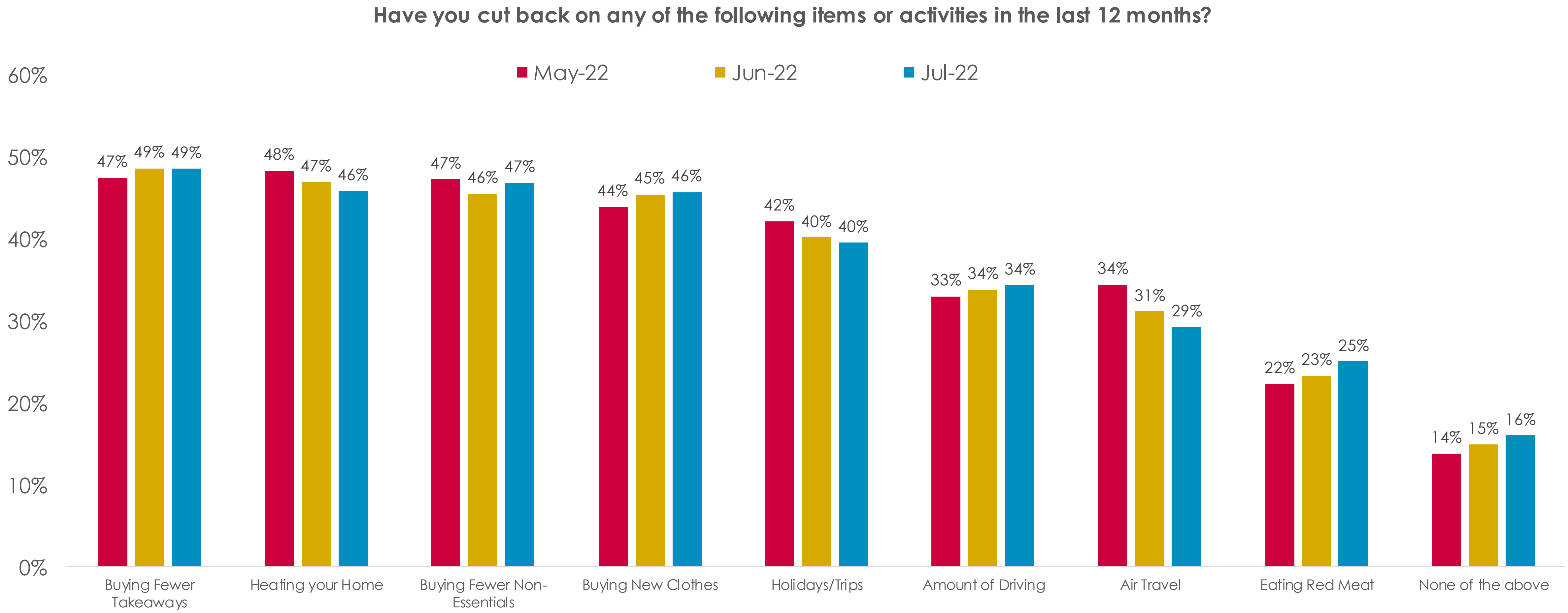
Silent Generation see sharp decline in the proportion with less disposable income

- Since last month, we see a 12% decline in the proportion of the Silent Generation with less disposable income than a year ago
- Women remain more likely to feel they have less disposable income, seeing no change this month whilst men see a 3% fall



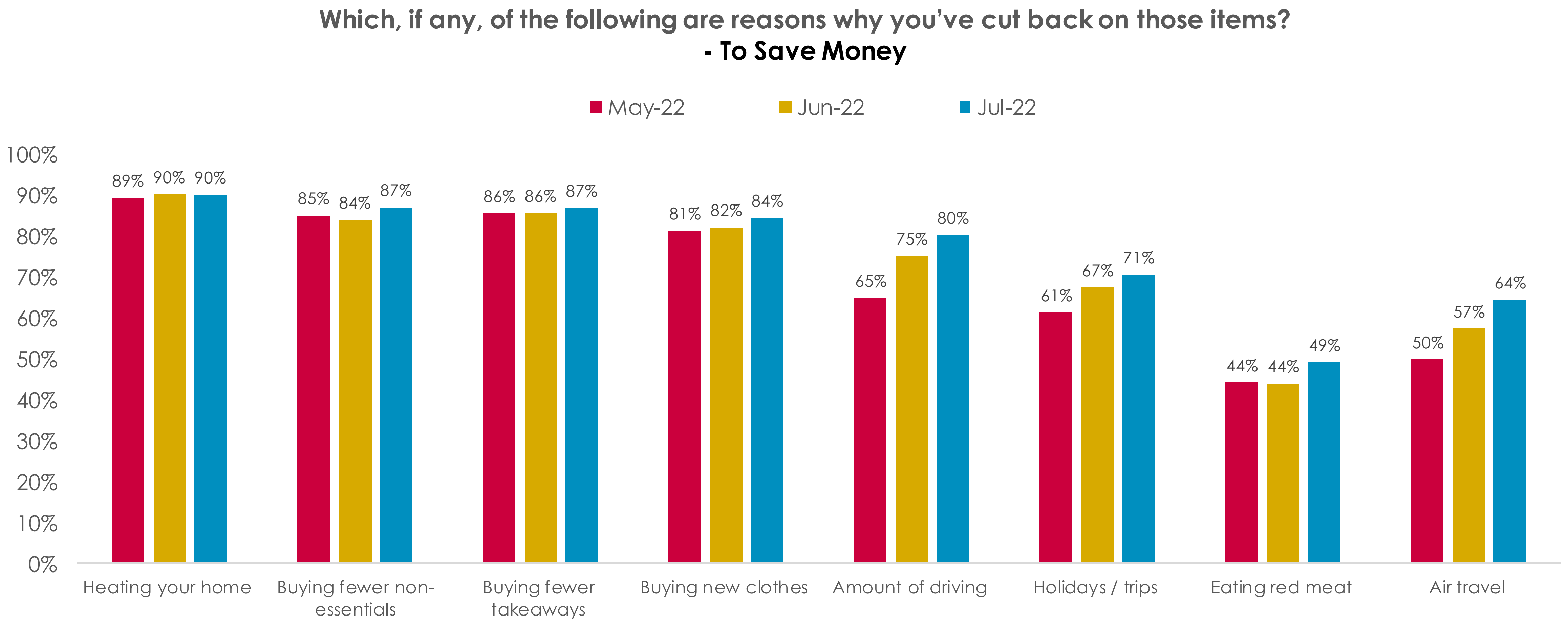
Almost half are cutting back on takeaways, clothes and other non-essentials

- 49% have cut back on takeaways within the last 12 months, whilst just under half have cut back on non-essentials and new clothing
- Despite these cutbacks, fewer than three in ten are cutting back on air travel, with a 2% decline this month



This month sees a further increase in those cutting back in order to try and save

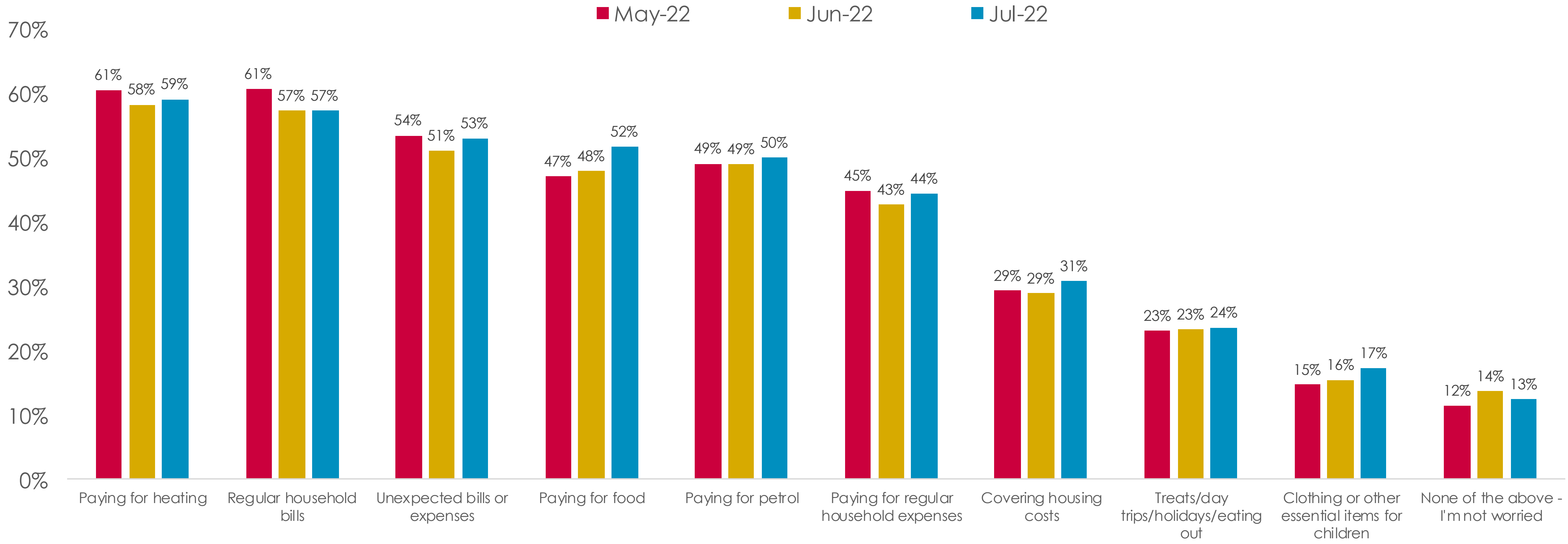
- Those who have cut back on driving, air travel and holidays are at least 4% more likely than in June to have done so to save money
- More than eight in ten of those cutting back on other non-essential spending are doing so to try and save



More than half are now worried about being able to pay for food

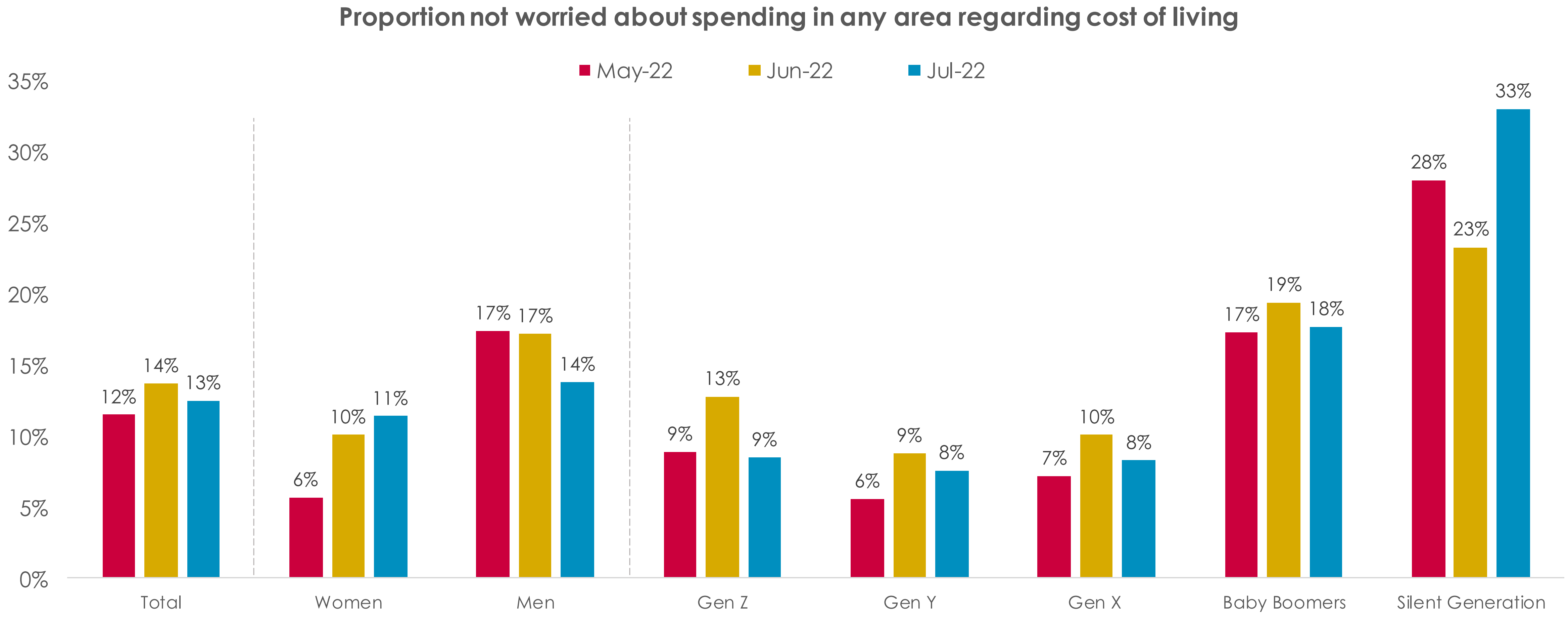
- Compared to last month we see a 4% increase in the proportion worried about paying for food – now more than half (52%)
- More than half of respondents are also worried about being able to pay for both regular household bills and unexpected expenses

The cost of living is often talked about in the news. Which, if any, of the following are you currently worried about?



Silent Generation see considerable fall in concerns about cost of living

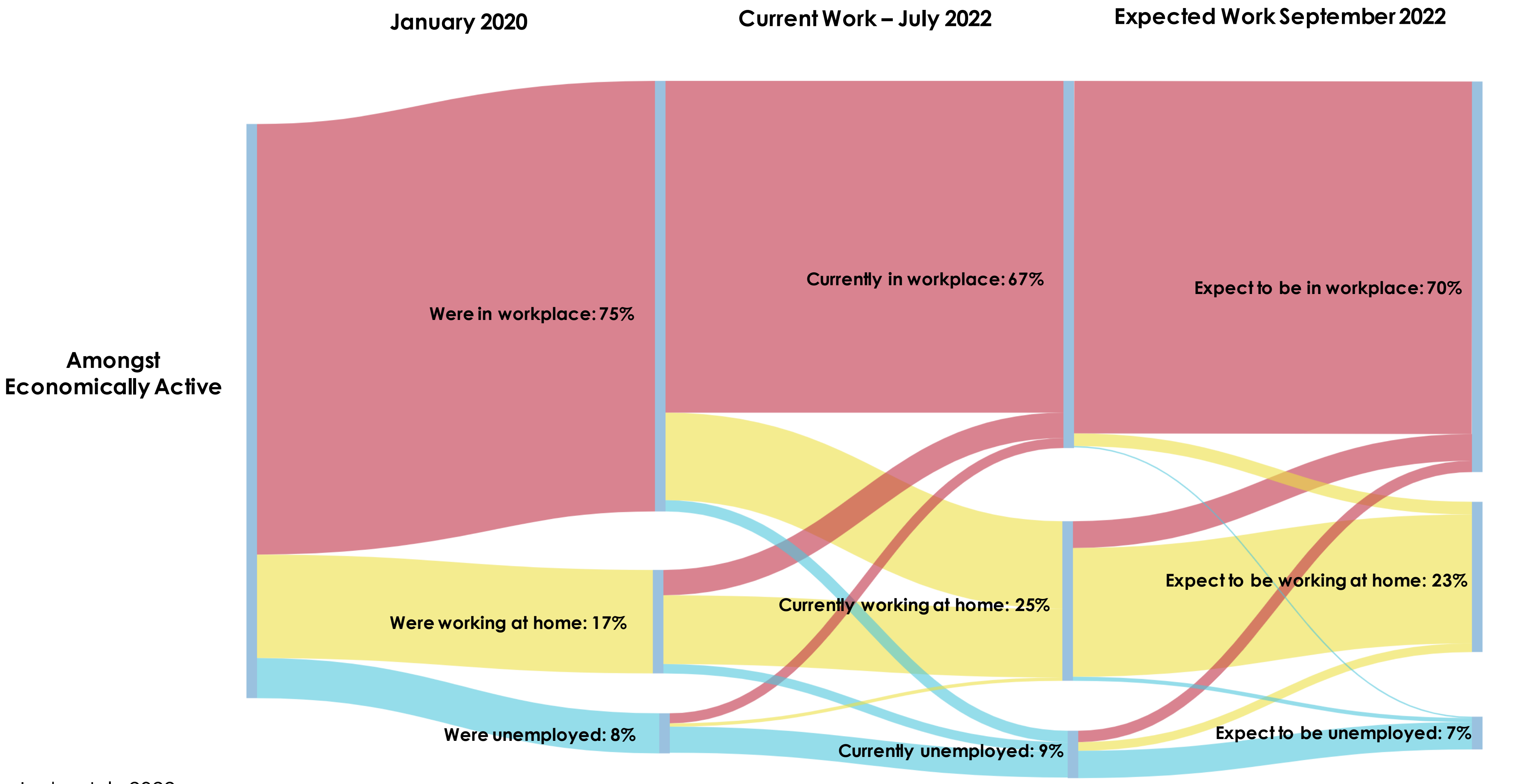
- One in three over 75s now say they are not worried about spending in any area amidst the cost of living crisis – up 10% since June
- This is more than four times the proportion of Gen Y who are not worried about spending in any category this month (8%)



Employment

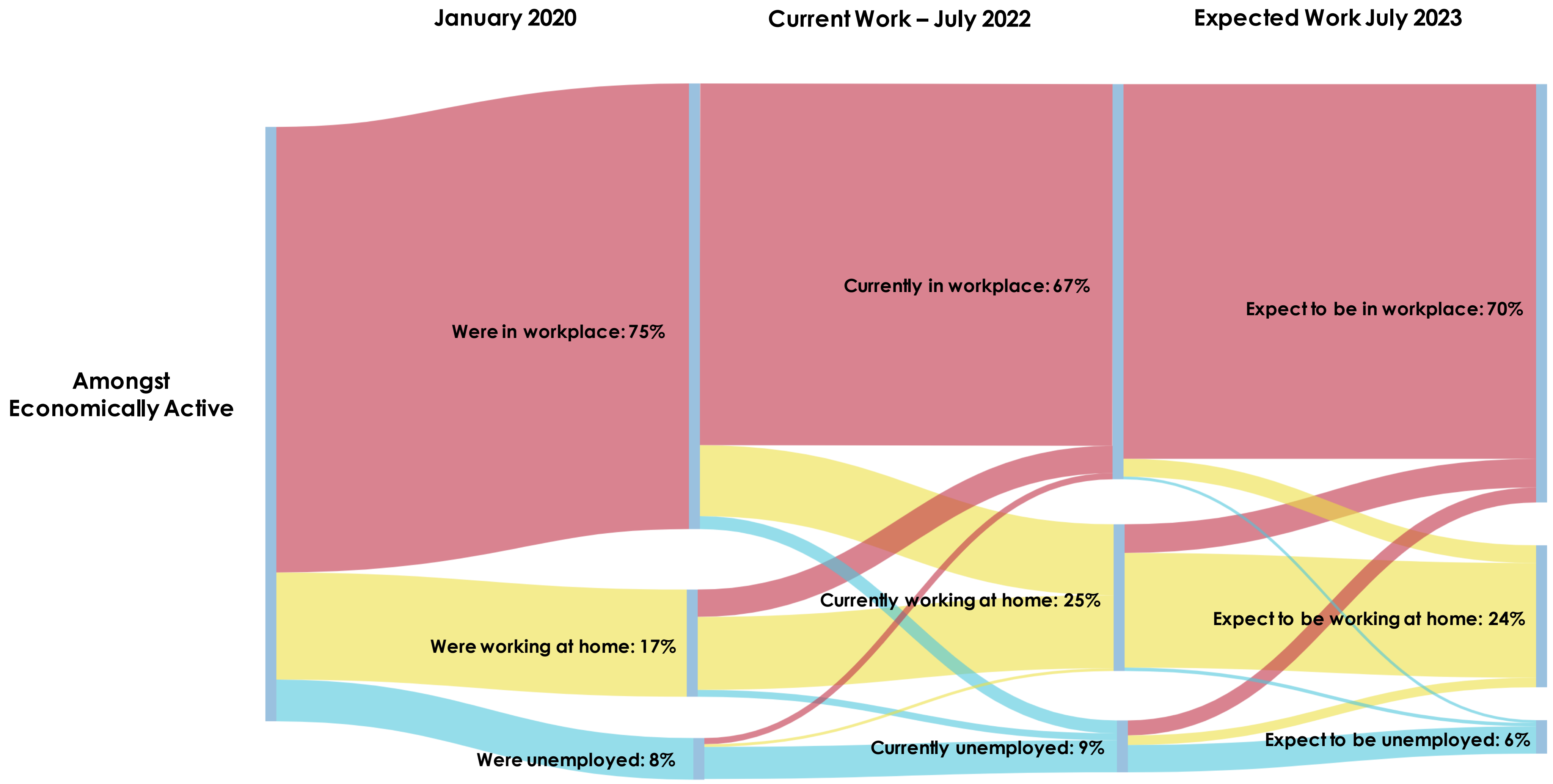
One in four are still working from home most of the time

- Concerningly, almost one in ten economically active respondents are unemployed this month
- Expectations for the next few months are slightly more optimistic, with only 7% expecting to be unemployed



Longer term expectations are almost identical to those for the short term

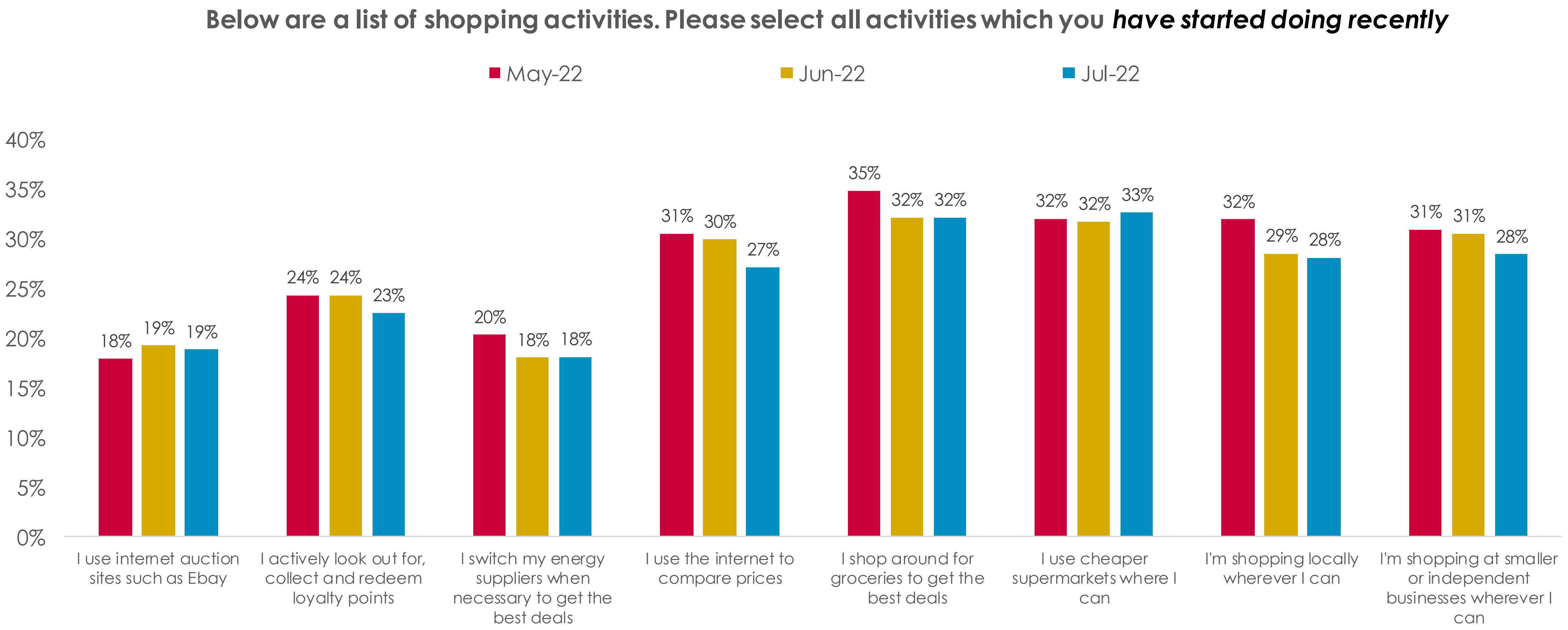
- As remote working continues to remain a core part of the post-pandemic landscape, longer term expectations begin to reflect this
- Expectations for unemployment are slightly more positive still, with just 6% expecting to be unemployed at this time next year



Leisure

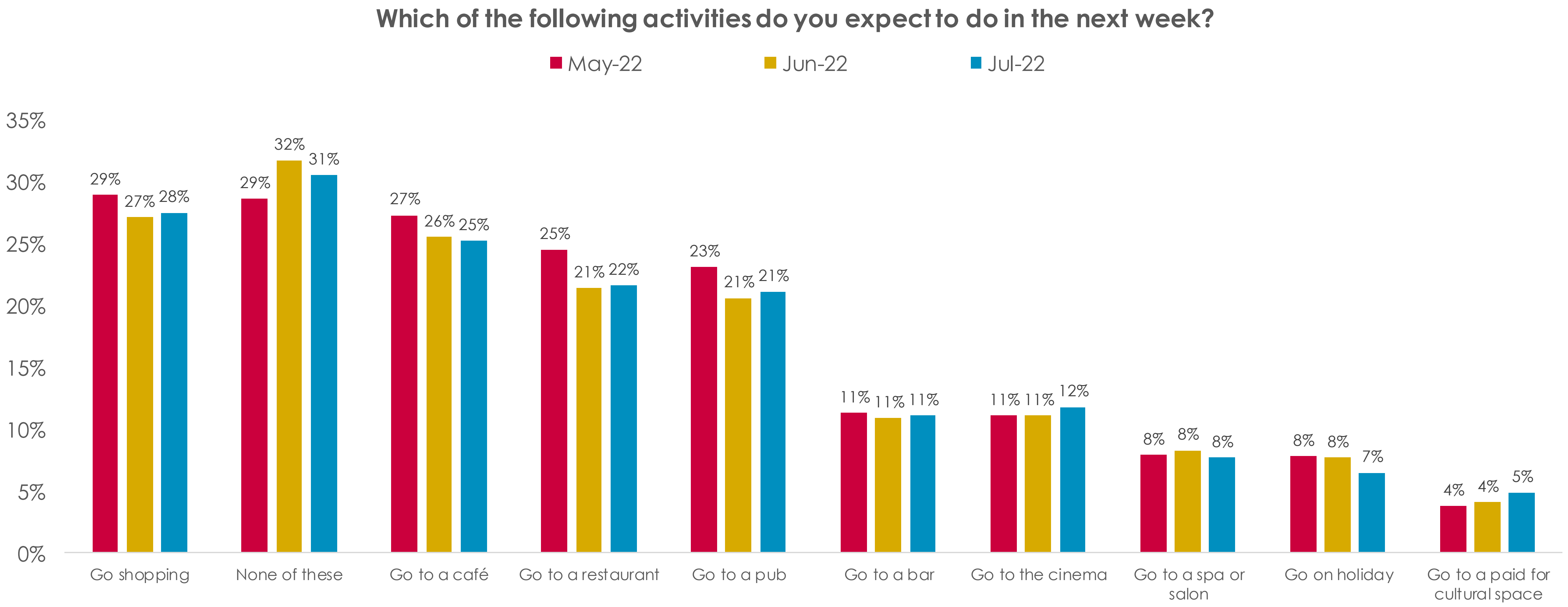
Price conscious behaviours remain prominent as consumers look to save

- Around one in three have recently begun using cheaper supermarkets and shopping around for the best deals
- Local independent businesses continue to suffer as a result, with a 3% decline in those who are shopping at independents wherever possible



Appetite for leisure remains dampened by cost of living crisis

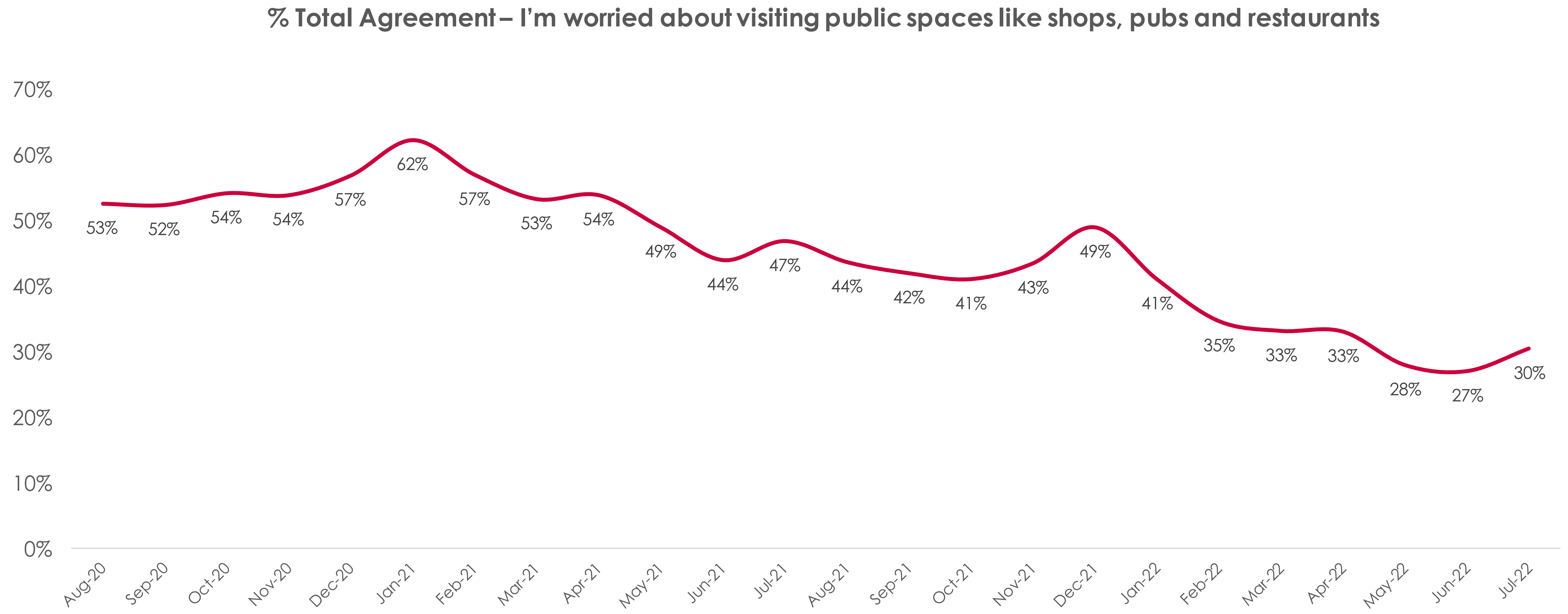
- This month sees little change compared to last month, with non-grocery shopping, cages and restaurants the most popular
- Almost one in three do not expect to do any of the listed activities within the next week



Pandemic

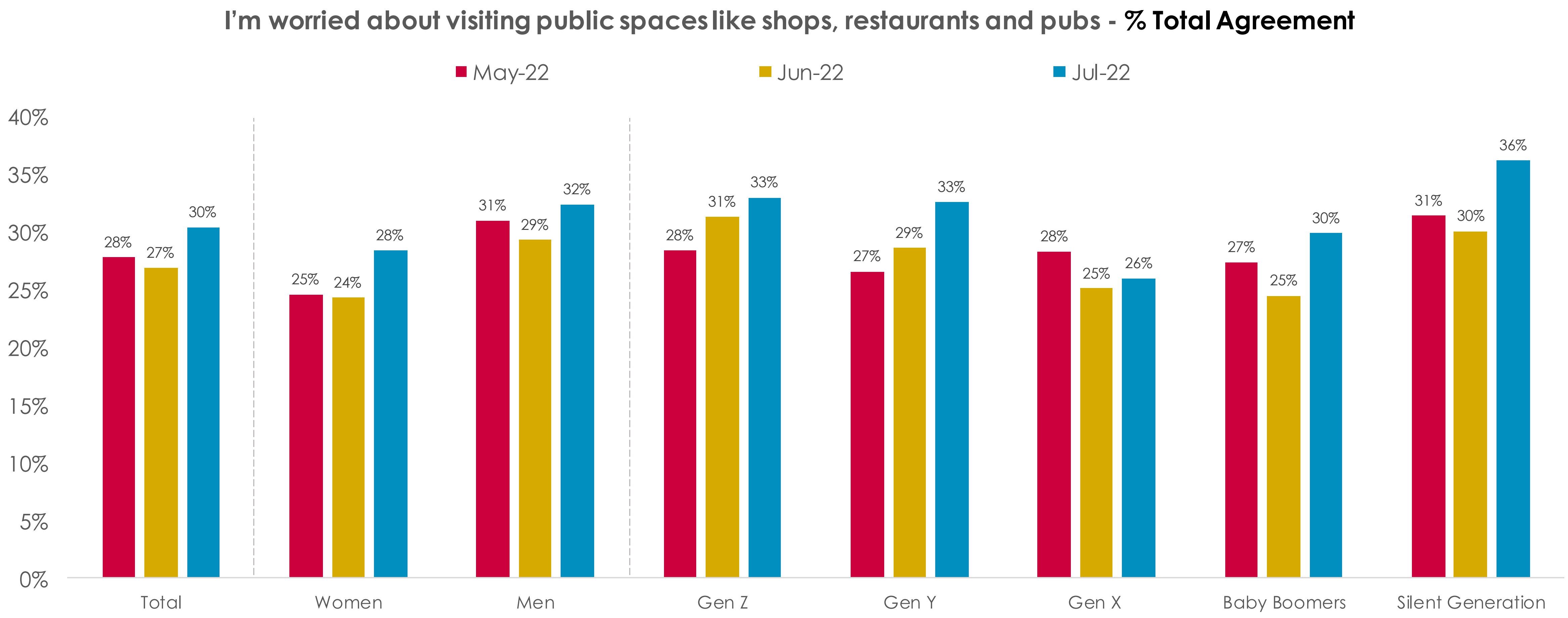
Rising covid cases see a slight increase in concerns about visiting public spaces

- 3% increase this month means that three in ten remain concerned about going out in public spaces due to covid concerns
- Despite this increase, this degree of caution remains far lower than it was at this time last year



Older generations see a sharper increase in concerns about public spaces

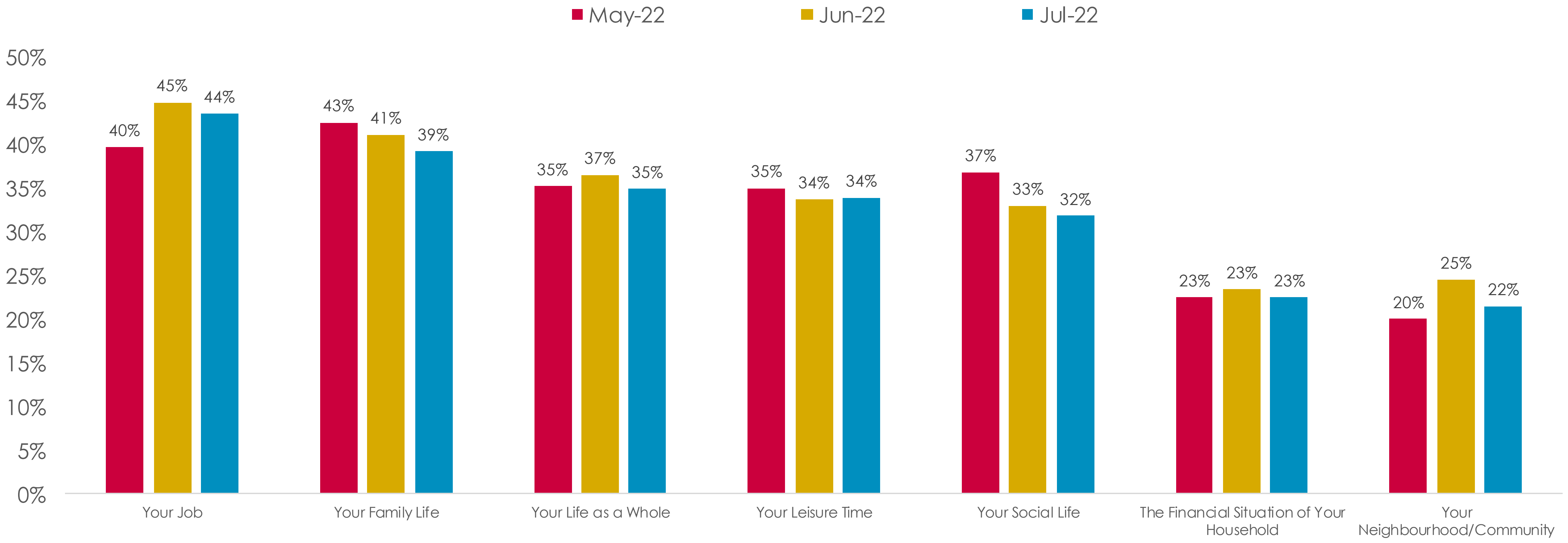
- The Silent Generation see a 6% increase in the proportion who are worried about public spaces due to covid concerns
- Men continue to adopt a greater level of concern than women this month, despite seeing a slightly lesser increase



Life satisfaction sees a slight decline compared to last month

- The proportion who are more satisfied with their neighbourhood than a year ago down 3% this month
- Satisfaction with family life and life as a whole compared to this time last year each see a 2% fall

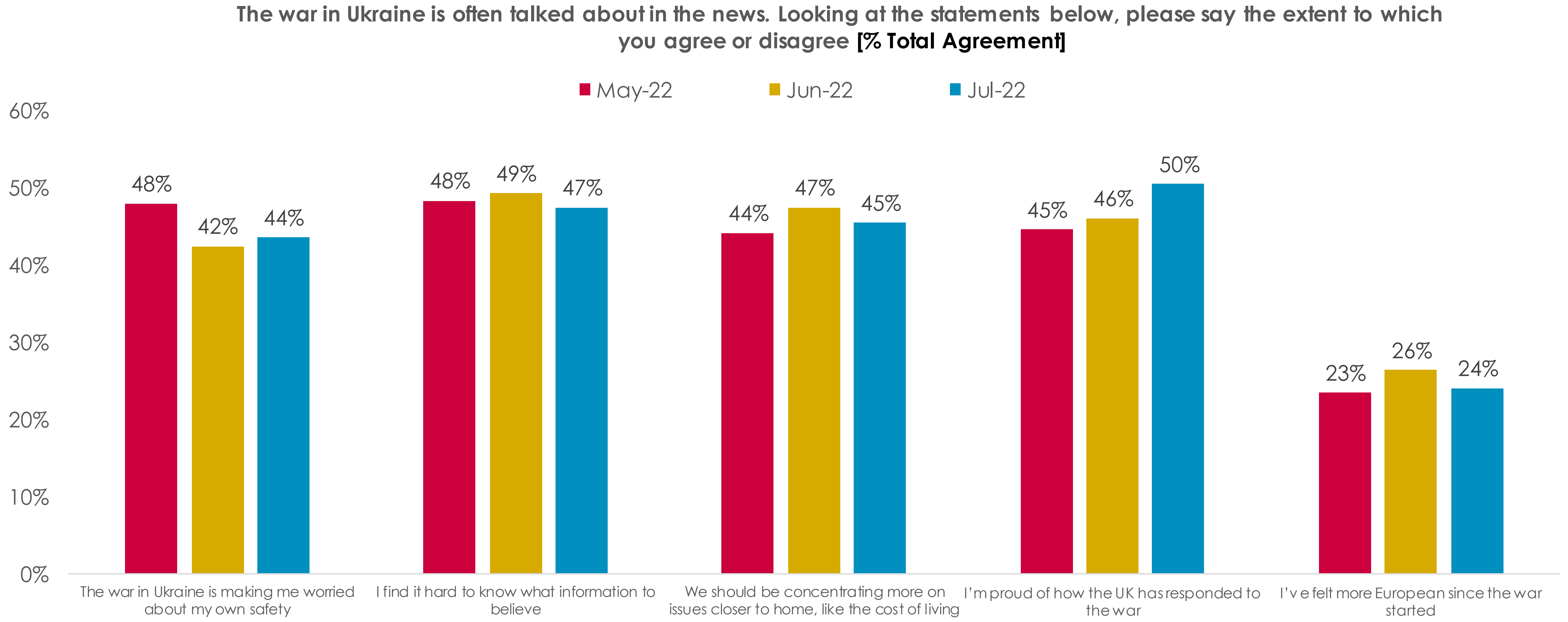
For each of the following, please state whether you feel more satisfied, less satisfied or about the same as you did a year ago? [% Saying More Satisfied]



Ukraine Crisis

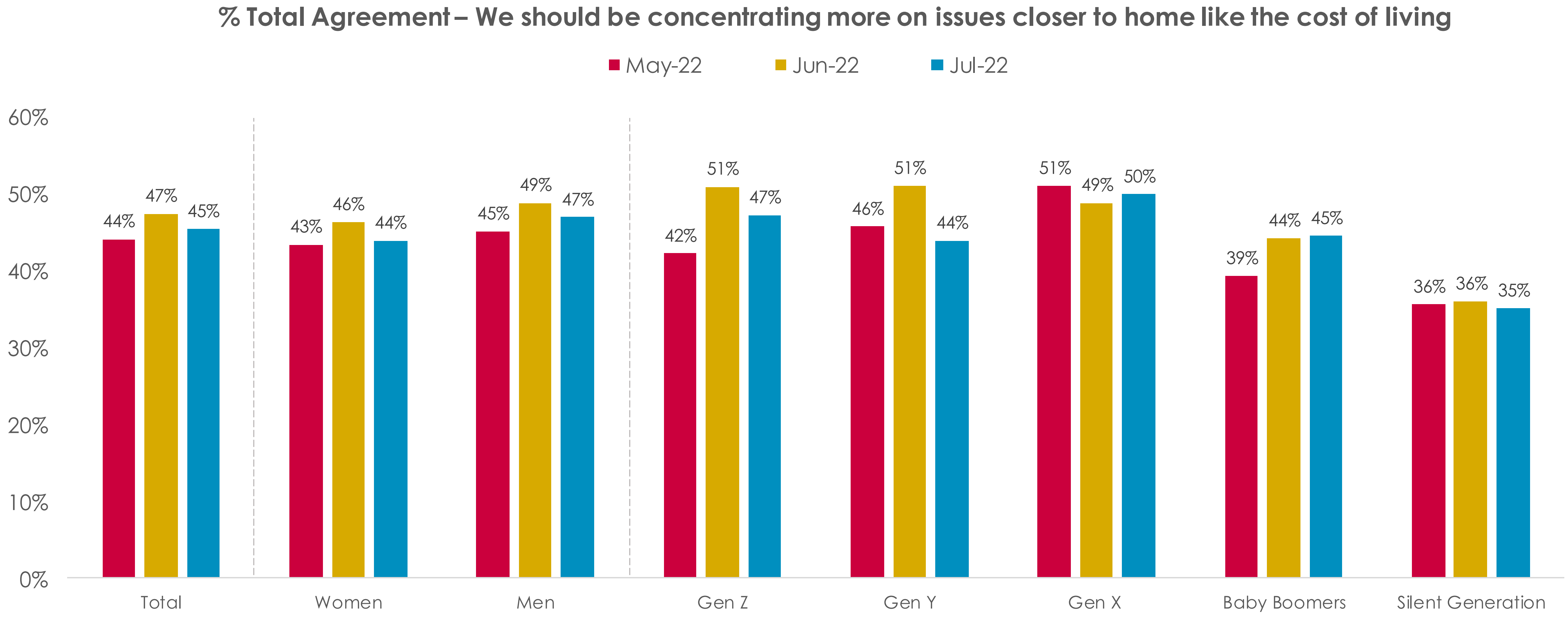
Slight increase in those who feel proud of the UK response to Ukraine war

- Half of respondents this month say they feel proud of how the UK has responses – up 4% compared to June
- More than four in ten remain worried about their own safety as a result of the crisis, an increase of 2% this month



Younger generations see slight shift towards focus on Ukraine ahead of domestic issues

- This month we see a 4% and 7% fall amongst Gen Z and Gen Y respectively, despite the impacts of the cost of living crisis
- Men remain slightly more likely than women to feel that we should remain focused on the cost of living crisis ahead of Ukraine



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.

Enquiries: info@trajectorypartnership.com

Trajectory
www.trajectorypartnership.com
@TrajectoryTweet