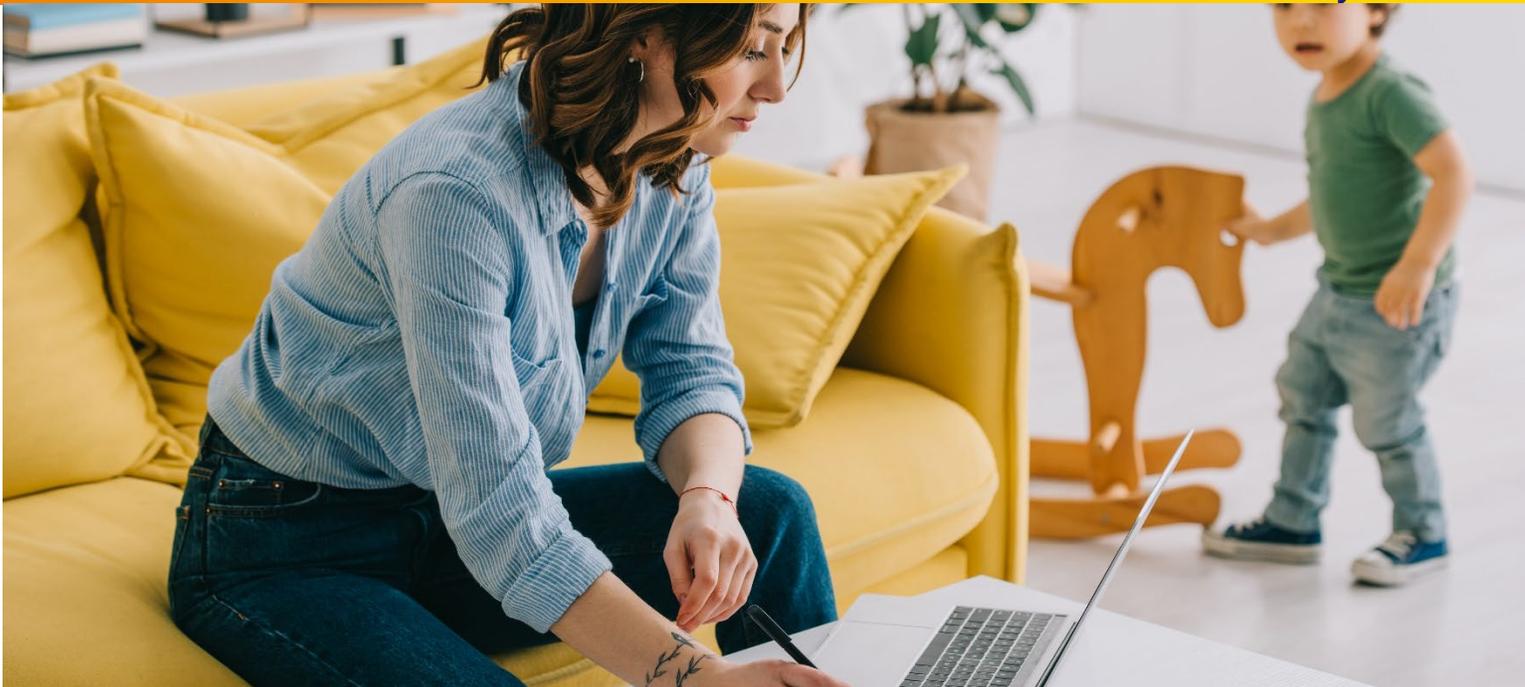


# American Mood Trend

July 2020



## Consumer confidence is slowly rebounding; More Gen Z consumers worry about public health than the economy or their own health

The Conference Board Consumer Confidence Index rebounded strongly in June, after virtually no change in May. The headline index was up 12.2 points to 98.1 (1985=100), from 85.9 in May. The Present Situation Index—based on consumers' assessment of current business and labor market conditions—led the way with a leap from 68.4 to 86.2. The Expectations Index—based on consumers' short-term outlook for income, business, and labor market conditions—increased from 97.6 in May to 106.0 this month.

The index is slowly recovering after the more than 30-point decline overall from March through May, as well as the 100 point drop in the present situation index. The divergence in the two measures pre-pandemic has dissipated, and although consumers are more sanguine about the future, their views on the present improved significantly over May.

### Key Points:

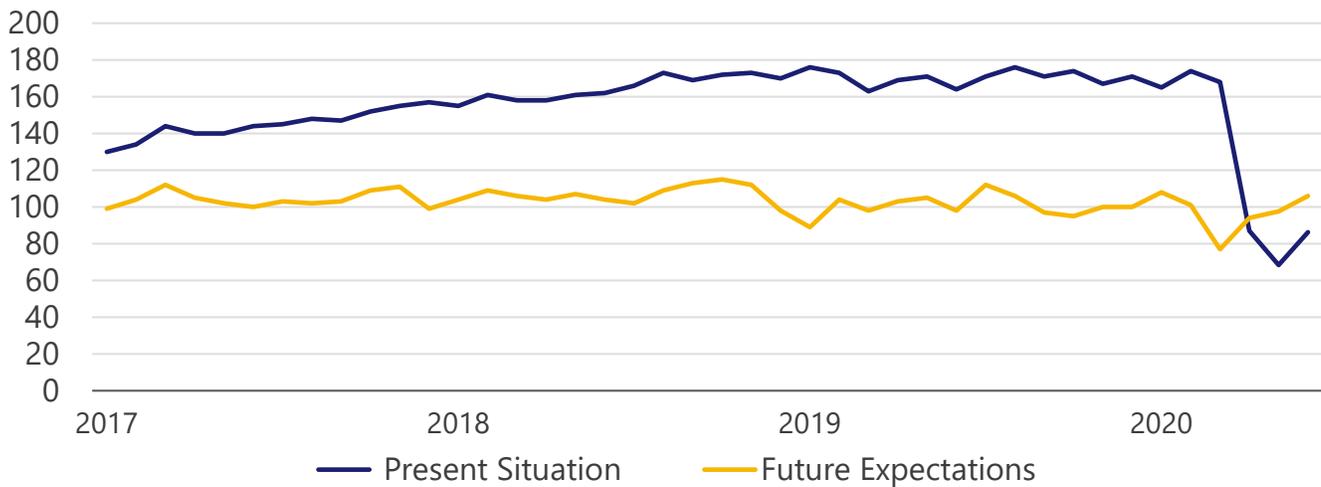
**A jump in the present situation index helped to boost consumer confidence in June**

**Business expectations still not good, but getting better**

**Pandemic could be a defining event for Gen Z consumers**

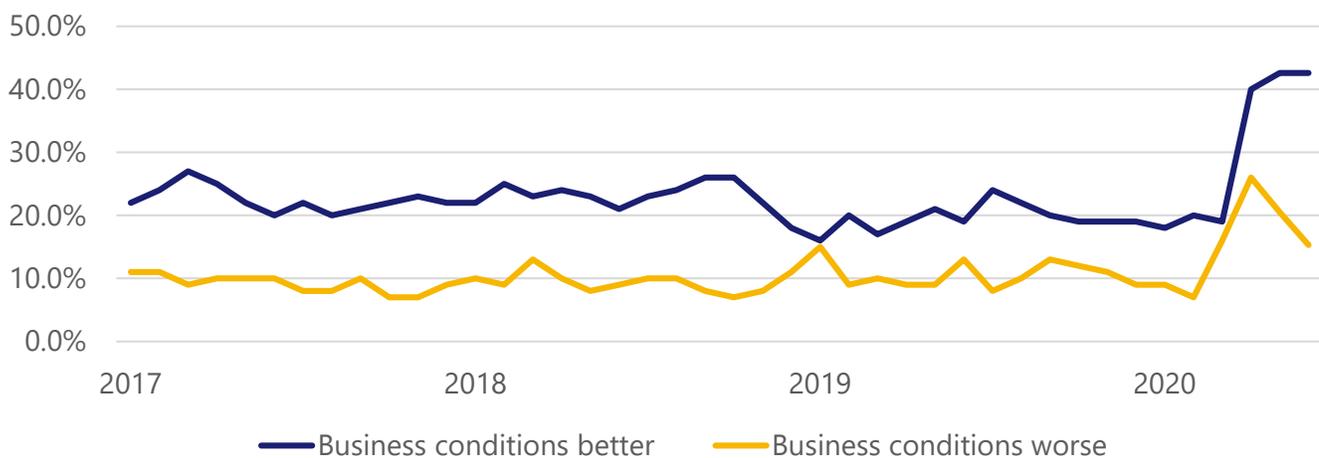


## Consumer confidence – present situation and future expectations\*



\*June interviewing conducted through June 18, 2020

## Business conditions – next six months



Source: Conference Board

More respondents expected business conditions to improve in June. After a 21 point leap in April, more than 42 percent of consumers continued to believe business conditions will improve in the coming six months. Assessments of business conditions continue to be in flux and more volatile than they have been throughout the history of the study. In a typical month, only about one-third of consumers indicate business conditions will change in the next six months. In the June survey, close to 60 percent of consumers indicated a change is afoot, weighted more heavily positive. In the present, however, a still-high 43 percent of consumers indicated that business conditions are “bad” in the present, down from over 50 percent in May.

Although 21 percent of consumers feel that “jobs are plentiful,” another 24 percent still feel that jobs are “hard to get.” The momentum is positive, though, with the differential improving by more than 10 points to -3, up from a differential of -12.7 in May and a low of -15 in April. The evolution of the health crisis and the length of economic interruption will certainly influence consumers’ business and employment optimism moving forward.



## How are Gen Z consumers reacting to COVID-19?

The COVID-19 pandemic may be the biggest event so far in the lives of Gen Z consumers (those born after 1997), with 78 percent saying the pandemic has had a major impact on their worldview, a higher share than for other events such as the 2008 financial crisis and President Trump's election. Gen Z consumers' attitudes around other things like whether the world is fair, the trustworthiness of people in power, or how optimistic they're feeling about their future may provide additional insights into the emerging zoomer generation of consumers. Since they will represent a larger share of spending over time as they come into their own as consumers, having some understanding of what makes Gen Z consumers tick will be increasingly important. The events of 2020 may provide some clues:

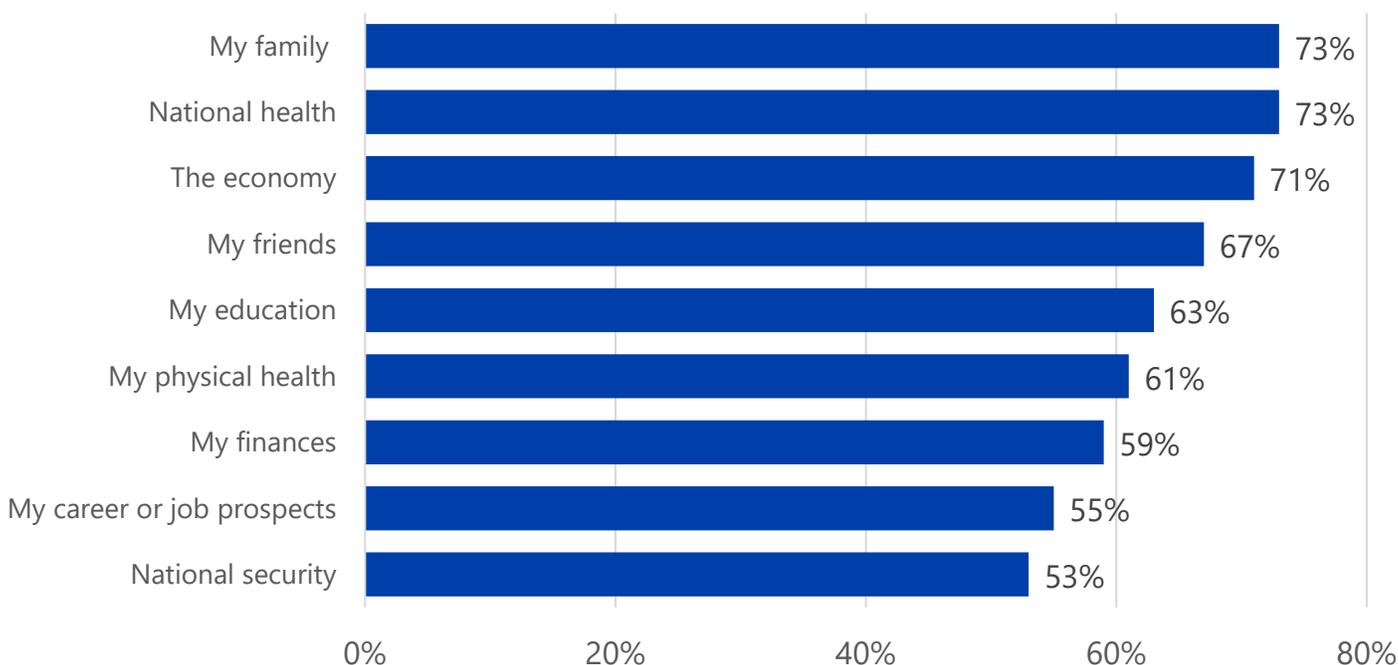
**Gen Z distrust people in power and have a sense the world isn't fair:** Just 7 percent of Gen Z put "a lot" of trust in people in positions of power, and only 6 percent strongly agree that the world is a fair place. When marketing to Gen Z, ensuring a message of fairness to all customers is paramount.

**Gen Z is in control of their own destiny:** 77 percent are optimistic about their future personal well-being, and 85 percent say their future is determined by the choices they make. Gen Z is likely attracted to products that empower them along this path.

**Gen Z is more personally optimistic than millennials:** 28 percent of Gen Z say they are "very" optimistic about their future personal finances, compared to 19 percent for millennials. Likewise 32 percent of Gen Z say they are "very" optimistic about their future well-being, compared to 25 percent of millennials. Products and messages that appeal to Gen Z's ability to achieve their own goals are more likely to be successful.

**Gen Z puts others first:** A higher percentage are concerned about COVID-19's impact on their family and national health, with a smaller percentage expressing concern about their own health or finances. Gen Z's sense of society may be more powerful than their need for individuality or freedom.

### The share who say they are very concerned about the following in light of the coronavirus outbreak:



Source: Morning Consult June 2020, Gen Z Worldview Tracker,  
<https://morningconsult.com/form/gen-z-worldview-tracker/>



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