



PHOENIX

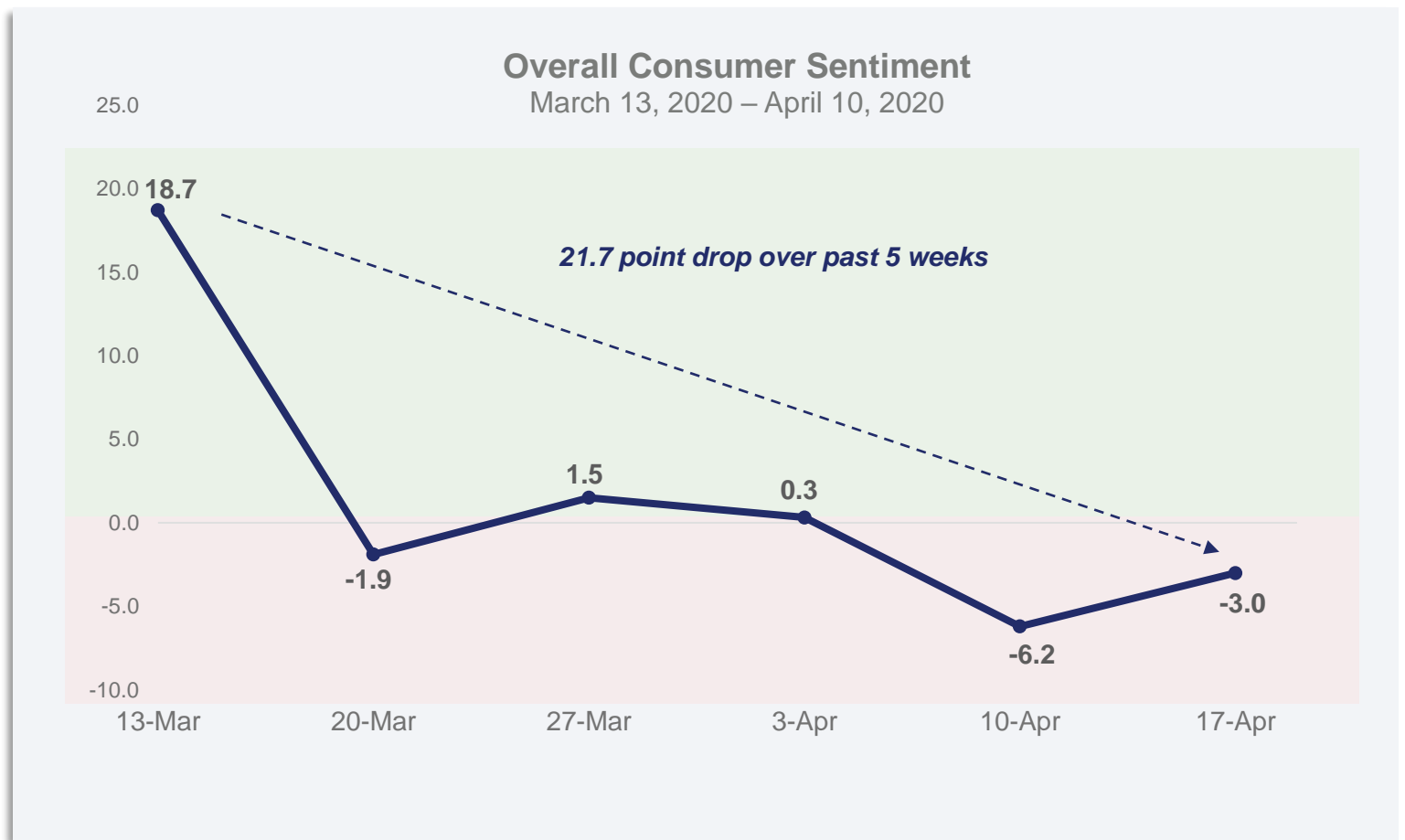
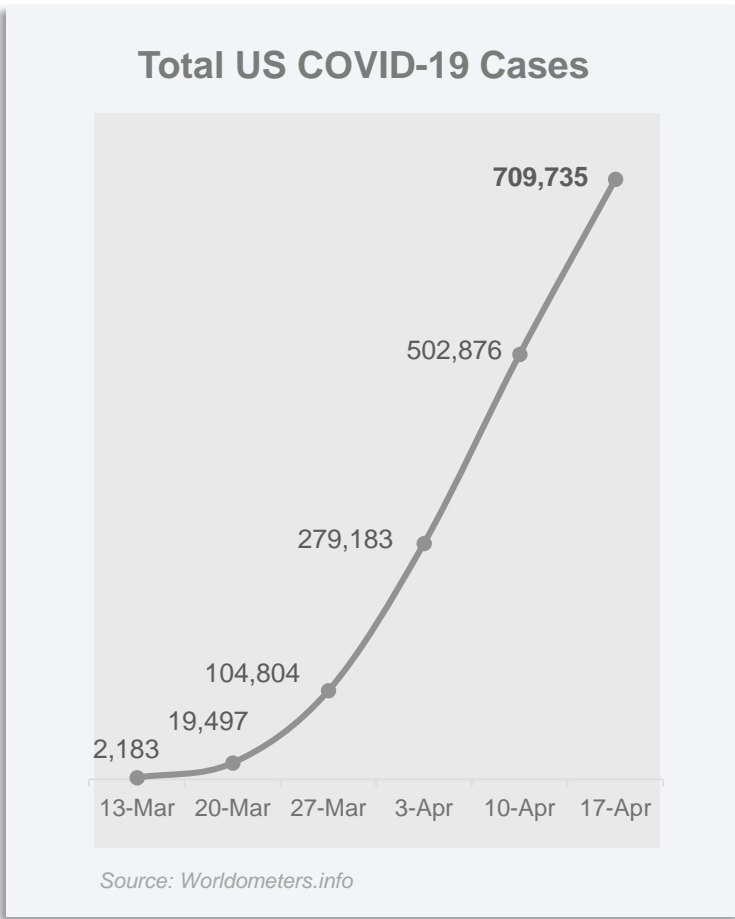
COVID-19 Consumer Sentiment Pulse Survey

Wave 6

Fielded on: April 17, 2020
Reported on: April 21, 2020

CONSUMER SENTIMENT

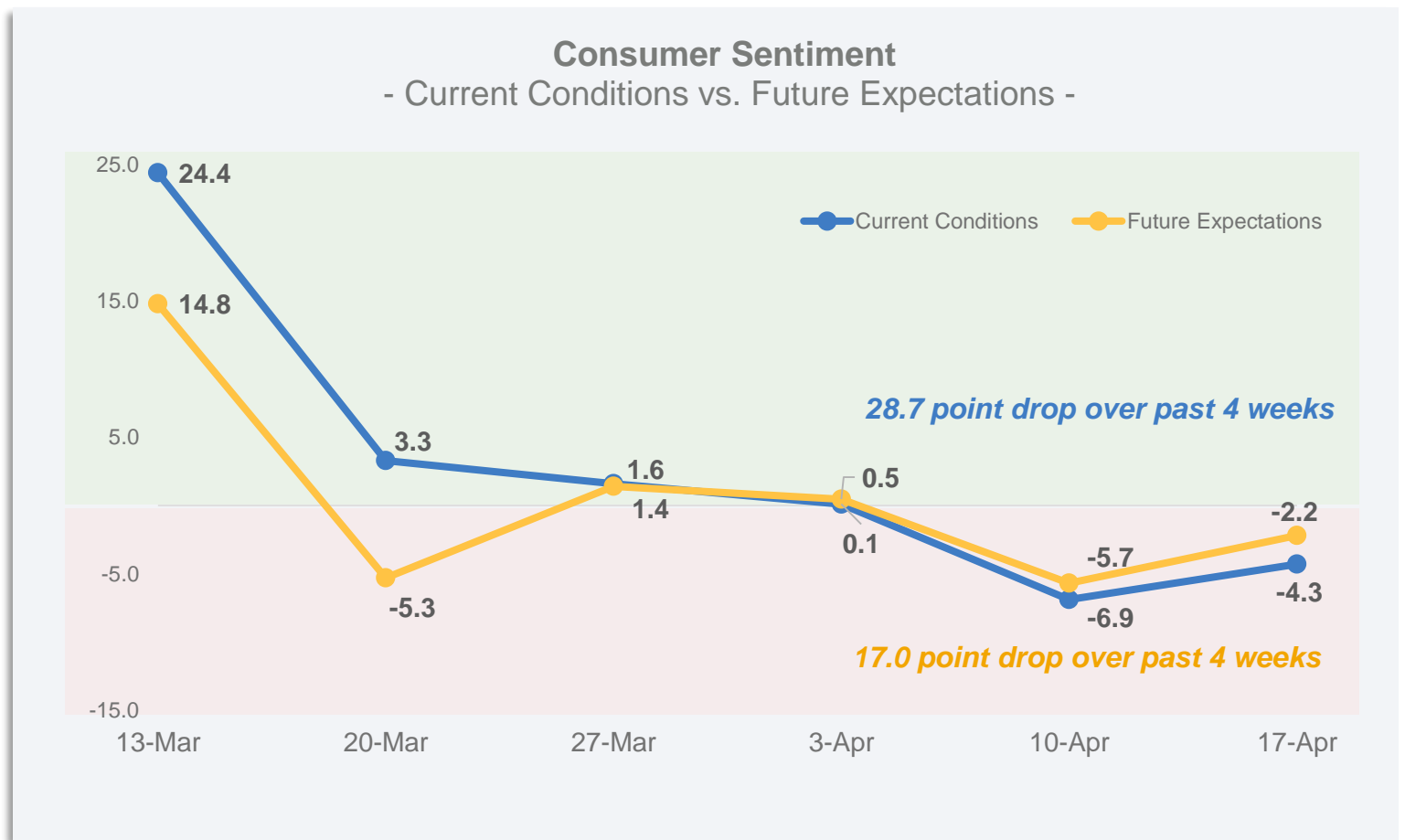
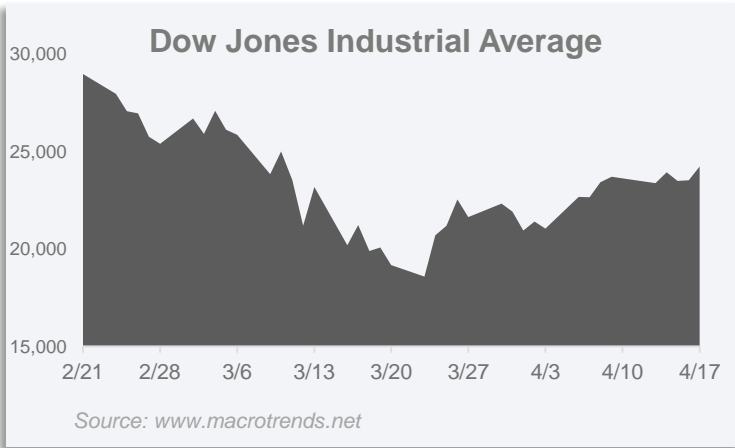
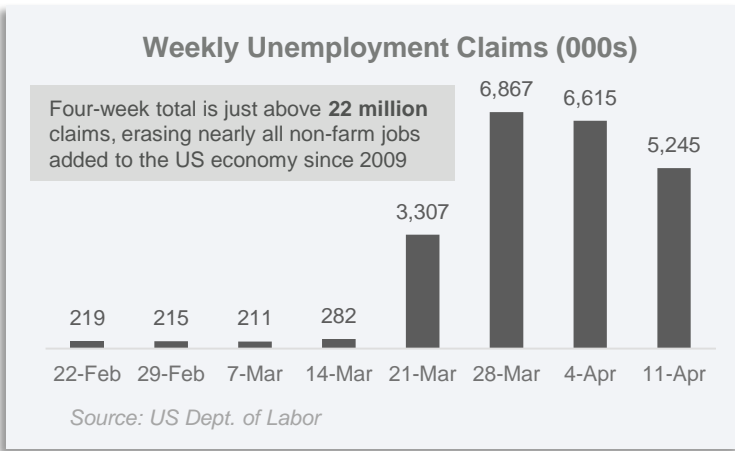
Consumer sentiment saw a small rebound from the week before, but remained in negative territory as national count of COVID-19 cases climbed closer towards 1MM.



Consumer Sentiment is based on similar inputs to the University of Michigan's Consumer Sentiment Index. Overall Consumer Sentiment is a Net Positive score that ranges from +100 to -100.

CONSUMER SENTIMENT

With unemployment claims trending down, and modest gains on Wall Street last week, consumers' outlook on both current and future financial conditions ticked cautiously upward.



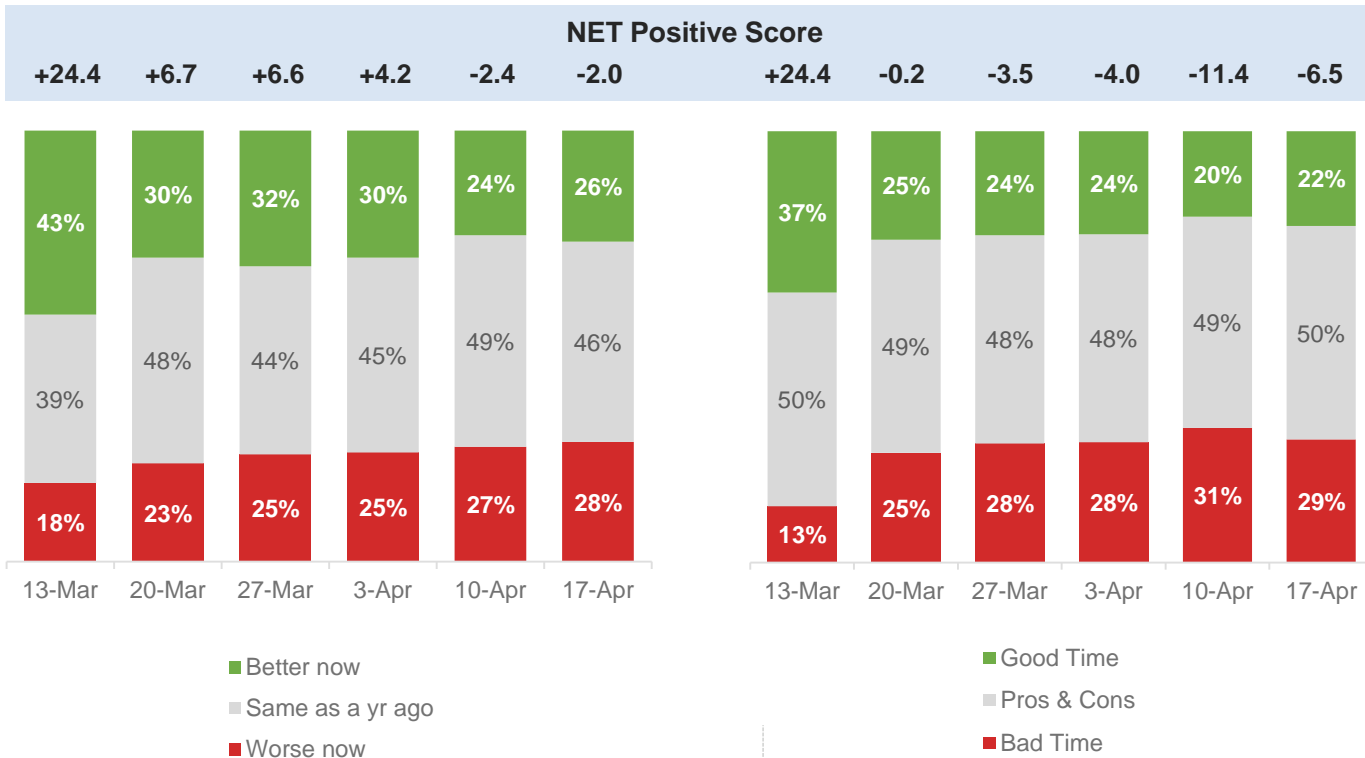
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CURRENT CONDITIONS

Consideration of major purchases remains net negative for the fifth straight week, while consumers' views on their current financial situations leveled off.

Current Personal Financial Situation (versus 1 year ago)

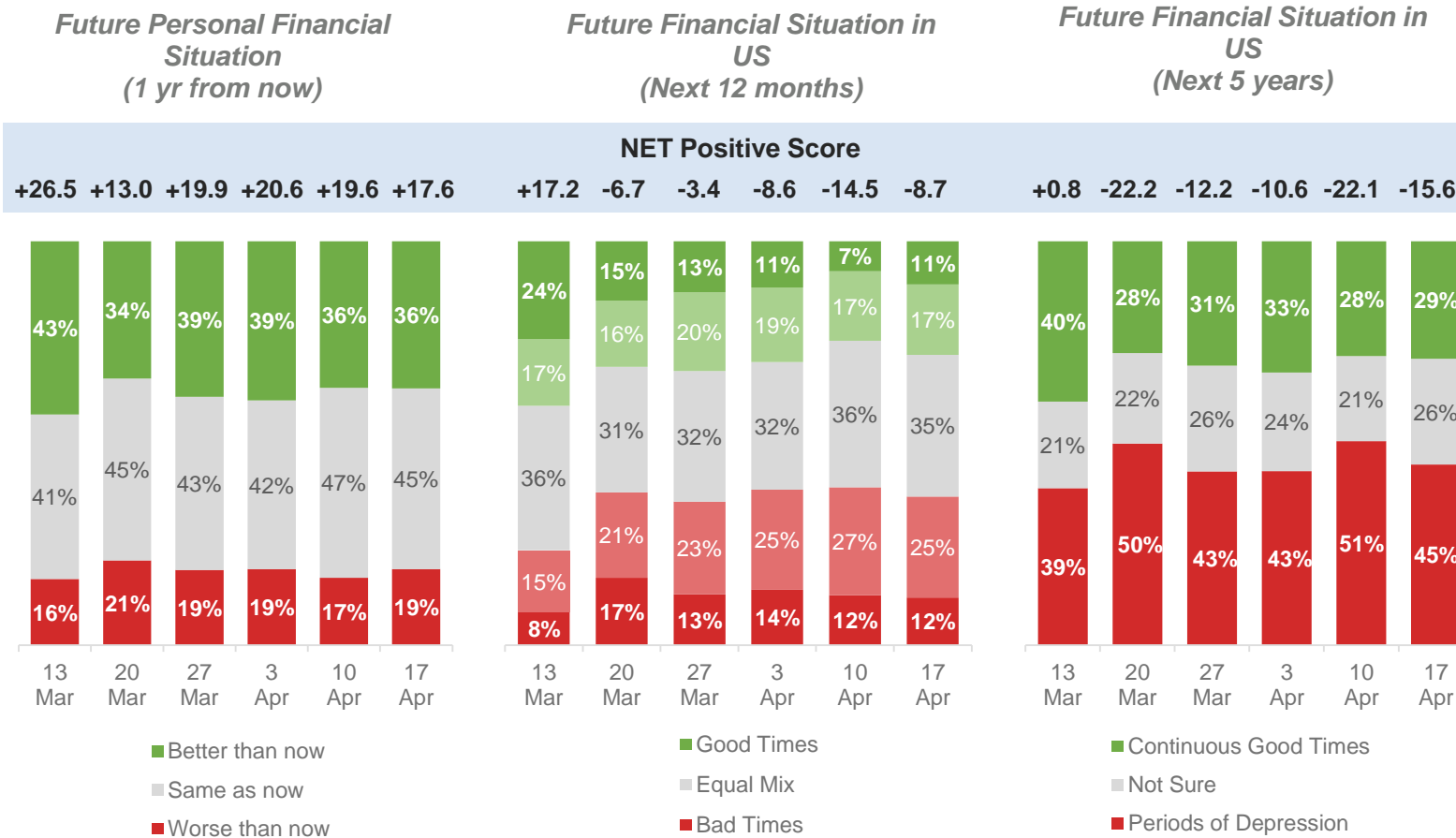
Current Perspective on Making Large Household Purchases



- With no major positive or negative changes to either the health or economic situation since the week before, consumers' views of their finances remained negative but stable.
- Consequently, consumers remain wary of spending on large discretionary purchases even as stimulus checks were deposited to many consumers' bank accounts last week.

FUTURE EXPECTATIONS

Views on the future of the US economy were not as dire as last week, but stayed decidedly negative. Yet, consumers continue to be hopeful about their own future situations.



- As the country remains on-hold with uncertainty surrounding the timeline for “staying at home” and “social distancing”, consumers remain very negative about the US economy’s prospects in the short and longer term.
- Yet, their hopeful optimism is undeterred as consumers continue to believe their personal financial situation will be better a year from now.

Young consumers continue to view the pandemic through rose-colored glasses – these groups remain more positive than any other age group by a wide margin.

	April 3	April 10	April 17	Change (17th vs. 10th)
Total	0.3	-6.2	-3.0	+3.1
Ages 18-24	29.9	11.6	13.9	+2.3
Ages 25-34	11.6	0.5	12.7	+12.2
Ages 35-44	8.4%	-2.7%	-5.2%	-2.5%
Ages 45-54	-12.9%	-17.4%	-15.1%	+2.4%
Ages 55-64	-13.8%	-8.0%	-7.3%	+0.7%
Ages 65+	-19.8%	-16.2%	-12.8%	+3.4%

- This week the younger portion of Millennials (25 – 34 yr. olds) saw one of the largest rebounds after last week’s temporary sentiment slump. This could be due, in part, to stimulus relief, including the student loan repayment deferment now in effect.
- Younger consumers under 35 are now more coalesced with one another than in prior weeks, more optimistically looking ahead to the future.
- Meanwhile Gen Xers—whose responsibilities and burdens keep mounting the longer the current situation lasts—are showing the lowest sentiment numbers, along with 65+ (who are more beholden to a fixed income & are more vulnerable to getting severely ill if they catch the virus).

CONSUMER SENTIMENT

In addition to the young, the strongest gains in sentiment are seen from groups feeling some modicum of relief this week, receiving help from government programs, and/or who may believe the end is finally in sight.

	April 3	April 10	April 17	Change (17th vs. 10th)
Total	0.3	-6.2	-3.0	3.1
25-34	11.6	0.5	12.7	+12.2
Business Owners	-11.6	-11.3	0.5	+11.7
South	10.7	-3.0	6.4	+9.5
\$75,000-\$149,999	2.9	-5.7	1.2	+7.0
Less than \$35,000	3.3	-11.9	-5.4	+6.5

- The \$2 trillion economic rescue package passed 3 weeks ago may be helping small business owners finally. For those who applied early, the Paycheck Protection Program has begun allowing these business owners to help keep their staff paid even if their business cannot run as normal.
- Those not working or on disability represent a group with some of the most dire financial needs during this crisis. With 80 million Americans finally receiving stimulus help, this group may have finally gotten the help they needed for the immediate future.
- Towards the end of last week, scattered protests also began springing up across the country as some citizens lost patience with the economic lockdown. In turn, some governors – particularly in the South – started floating the idea of re-opening their states very soon, providing hope to some that the economy can begin its recovery.

CONSUMER SENTIMENT

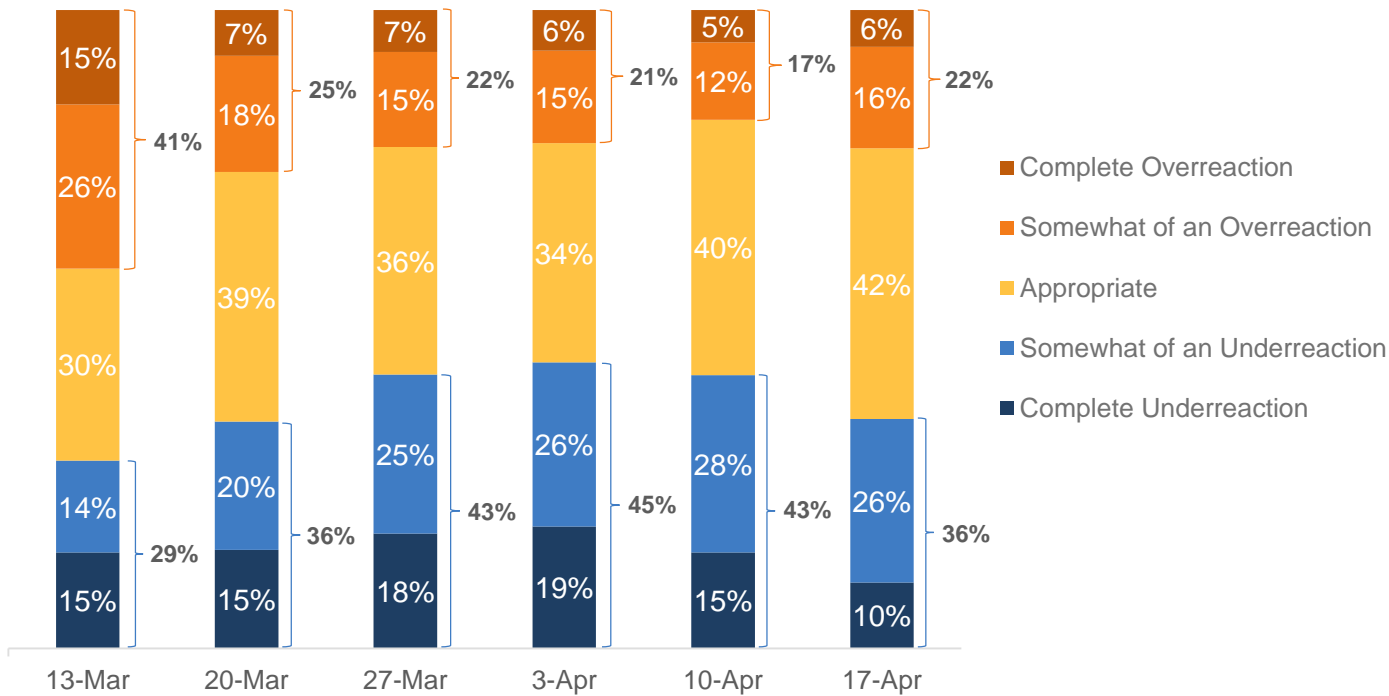
However, not all demographics share this optimism, even guarded as it is. Sentiment levels among higher income and more highly educated groups dropped notably last week.

	April 3	April 10	April 17	Change (17th vs. 10th)
Total	0.3	-6.2	-3.0	3.1
\$150,000-\$199,999	4.4	15.9	3.4	-12.5
West	-8.3	-5.4	-11.6	-6.2
\$200,000 or more	0.3	-0.8	-6.3	-5.5
Master's Degree	12.6	1.3	-1.8	-3.2

- At the same time as some political figures were calling for the country to re-open as early as next week, public health experts warned of the consequences of doing so prematurely.
- Some public health institutions outlined recommendations that included such tactics as wide-scale testing (both for the active virus and its subsequent antibody fingerprints), strict quarantine and contact tracing for those newly infected, and continued social distancing, especially for the most vulnerable populations.
- These higher income/educations groups may doubt the practicality of putting this scale of plan in place in the timelines being discussed publicly last week, driving their increased negativity.

For the first time, the percent of consumers thinking the US reaction to the pandemic is an underreaction dropped and those thinking it is an overreaction increased, mirroring the small but growing frustration with the lockdown and its economic fallout.

How would you describe the overall reaction in the US to COVID-19 (novel coronavirus)?

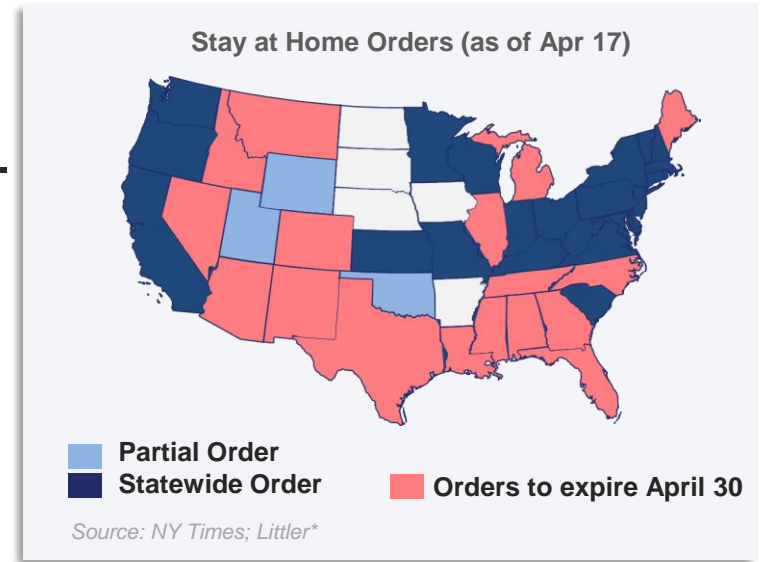


- The shifts were fairly universal across all demographics, and, for the most part, led to the highest percentage of consumers feeling the US reaction is “appropriate” – a first in the past five weeks.
- That said, there were a few segments that may be feeling fed up with the current restrictions. These groups drove the increase in “overreaction”:
 - 18 – 24
 - Those living in the Midwest
 - Those with kids under 18 in the HH
 - Hispanics

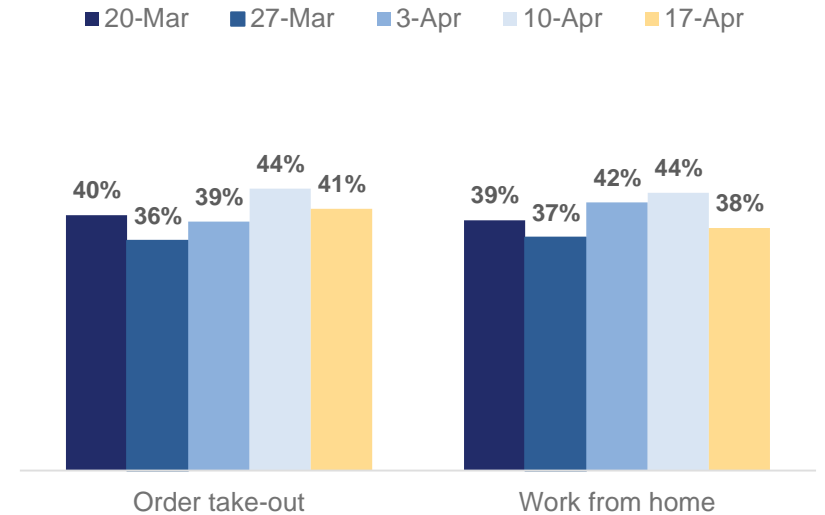
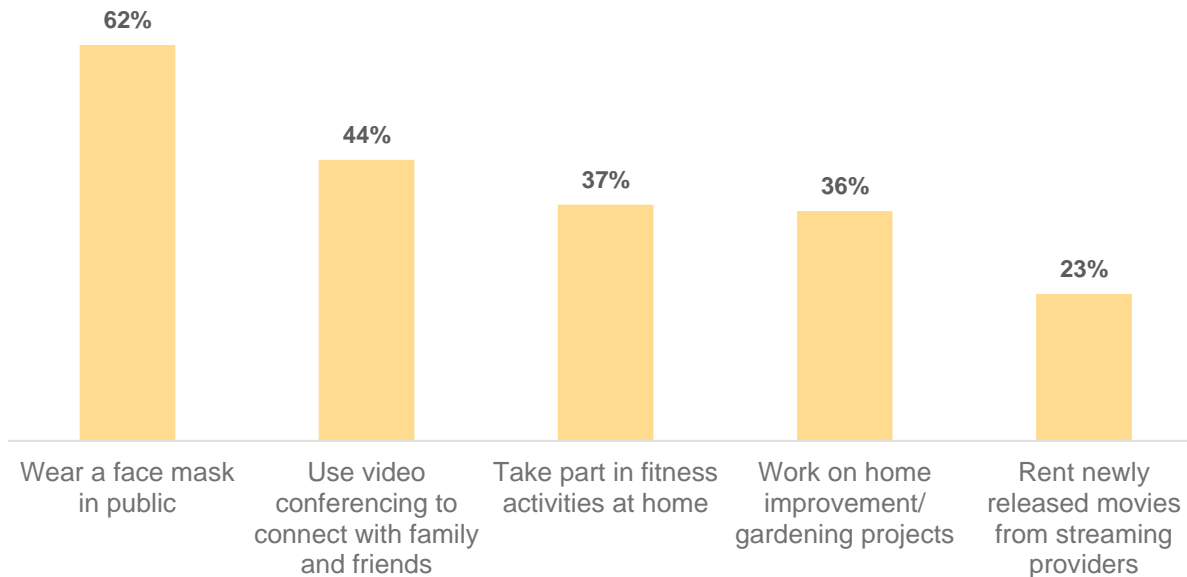
EVERYDAY BEHAVIORS

Many Americans are planning to start or continue wearing face masks in public, but are slightly less likely to plan to order take-out or work from home in the coming month.

Many states do not currently have plans to extend stay at home orders beyond April 30, which may help explain why fewer are expecting to order take-out or do at-home activities.



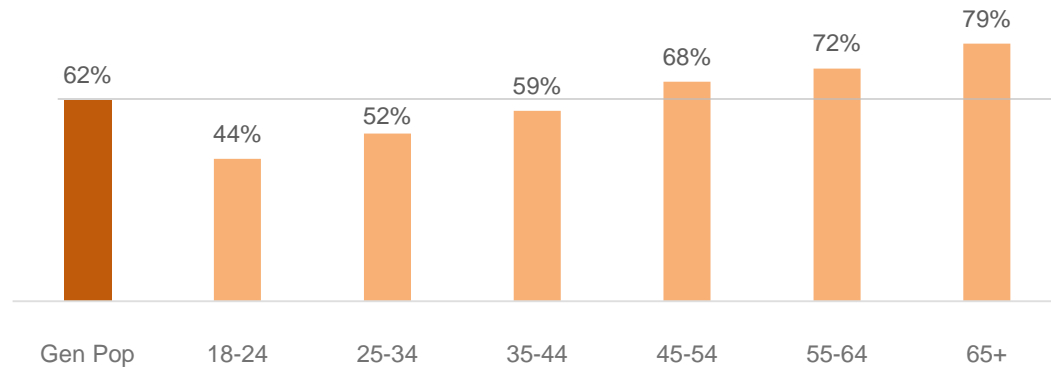
How likely are you to do the following in the next 30 days?



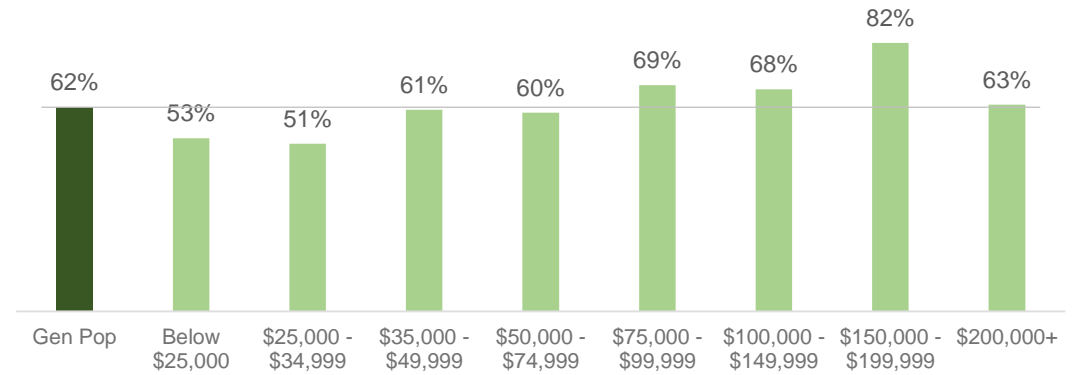
INTENDED FACE MASK USAGE

While a majority of Americans indicate their likelihood to wear a face mask in public, there are notable differences in usage intent between various demographic segments.

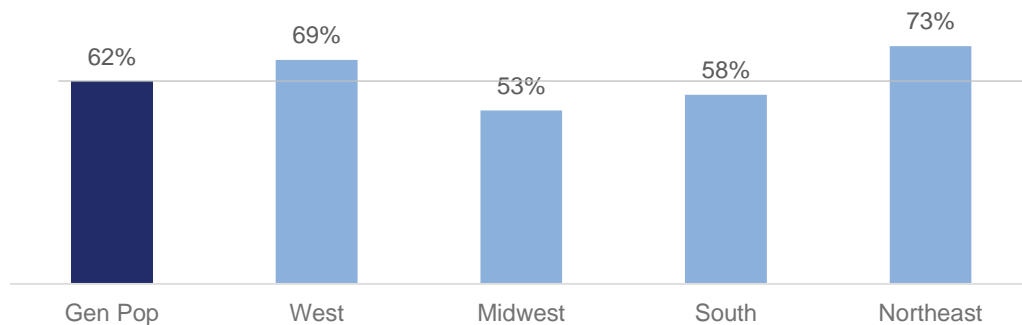
By Age



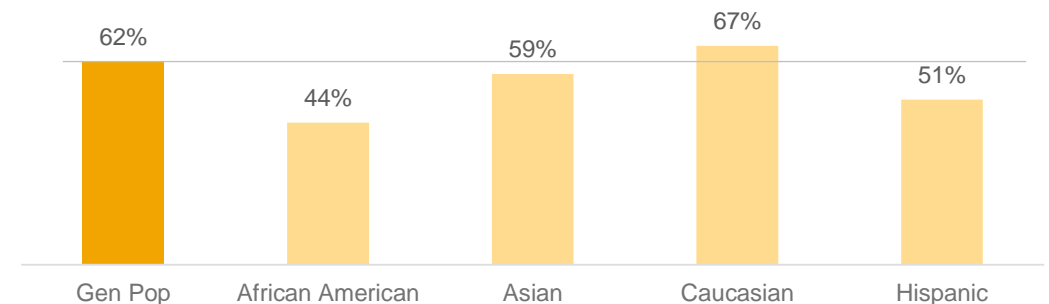
By Household Income



By Region



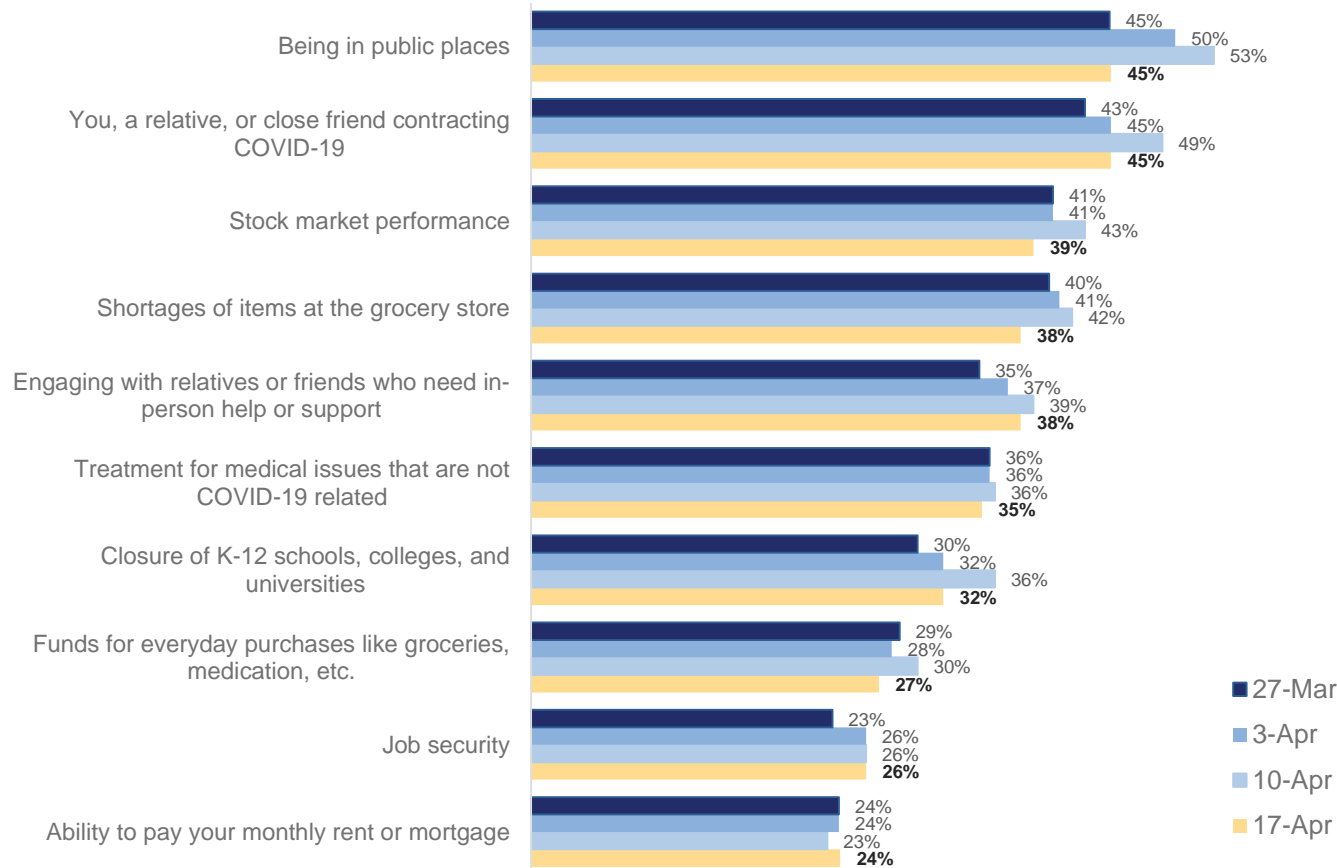
By Ethnicity



HIGH PRIORITY CONCERNS

Among the array of concerns measured, only “*Job security*” and “*Ability to pay your monthly rent or mortgage*” did not see declines during this past week

*At this time, what is your level of concern about the following?
(Very Concerned)*



- Many of the strong concerns consumers exhibited last week have started to relax – which aligns with many states beginning to unveil plans to lift stay at home mandates.
- Lifting “stay at home” mandates may also be giving parents hope that schools will re-open in due time.
- Concerns related to job security and paying the bills remain relatively low, but the degree of these concerns were similar to last week and did not decline like many others.

TOP-OF-MIND BRANDS

Consumers recognized Big Tech this week as Microsoft and Google made notable upward moves, Amazon edged out Walmart, and Facebook and AT&T debuted in the Top 20.



Which companies are doing a good job addressing the challenges of the COVID-19 pandemic in the US?

1. Amazon
2. Walmart
3. Ford
4. Google
5. 3M
6. General Motors
6. Target
8. Apple
9. Kroger
9. Microsoft
11. Costco
12. Publix
13. Johnson & Johnson
14. Tesla
16. Abbott
16. McDonald's
18. CVS
18. Facebook
20. Allstate
20. AT&T
20. Gilead
20. Starbucks
20. UPS

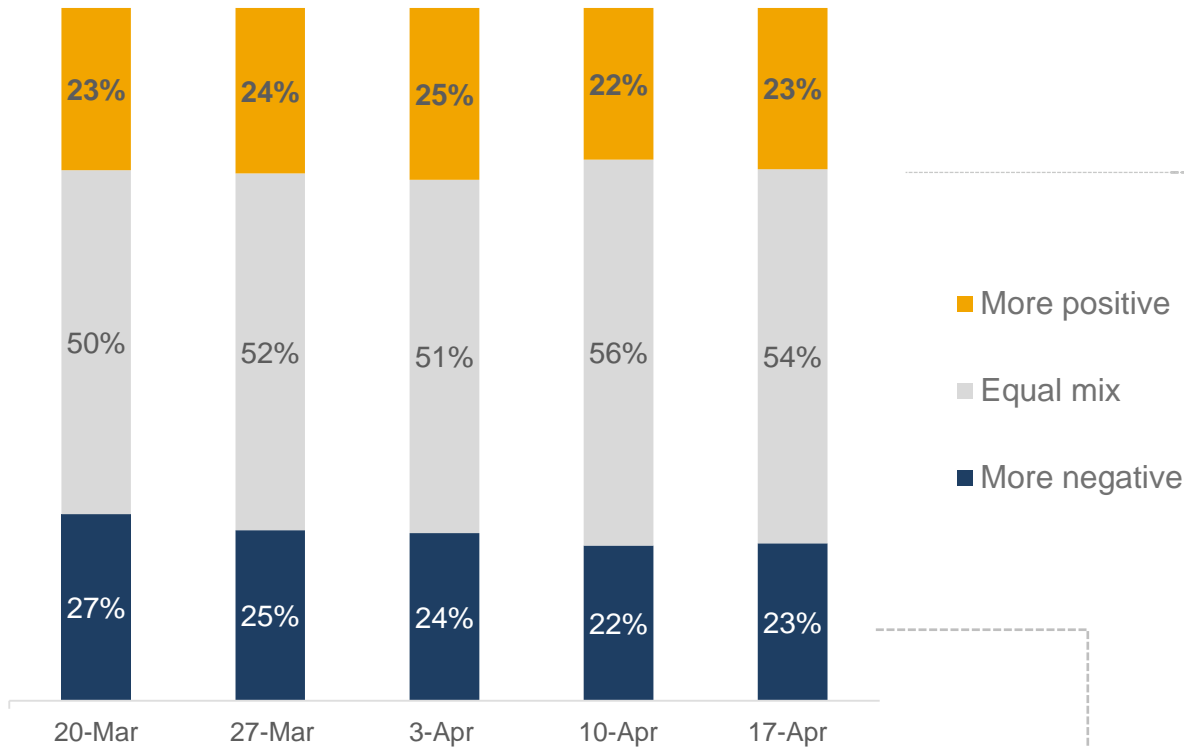
Departures from List
Aldi
CNN
H-E-B
Walgreens

Notable moves up
Debut on Top 20 list

FUTURE OUTLOOK

There continue to be mixed feelings about the future, perhaps signaling an impending divide about how & when to safely reopen the country (and economy).

Overall, how are you currently feeling about the future?



- Those who were most optimistic in their outlook this past week include:
 - Business owners/self-employed
 - Those living in the South
 - African Americans
- The groups reporting mixed feelings include:
 - Middle income (\$25K - \$49K)
 - Midwest
 - Females
 - 35 – 44
- The groups reporting the highest levels of pessimism this past week include:
 - Masters Degree
 - High income (\$200K or more)
 - Middle age (45 – 54)

About this Study

In an effort to deliver current and contextual insights during this time of societal change disruption, Phoenix Marketing is fielding this weekly study among U.S. consumers to gauge their sentiments, activity shifts, and concerns related to the COVID-19 pandemic. Our hope is that this tracking study will prove useful to our clients, business partners, fellow market researchers, and other interested constituents across the country as we all endeavor to make informed business decisions in the context of the shifting landscape before us.

Methodology: Online quantitative

Sample Size: n~1,000 per wave

Sample Composition: Ages 18+ and nationally representative across gender, region, ethnicity, education, employment, and marital status.

Initial Field: March 13, 2020

Field Timing: Weekly on Friday afternoons (ET), with field period typically completed in 24-36 hours.

Number of Waves To-Date: Six

Score Calculations

Consumer Sentiment Score: This score is intended to provide visibility into U.S. consumers' overarching feelings about their current and future personal financial circumstance, as well as their expectations of the future business and financial environment in the country overall. It is a net-positive analysis that is calculated based on the respondents' answers to the following five questions:

- **Q1.** Compared to a year ago, how would you say that you (and your household) are financially?
- **Q2.** Looking ahead a year from now, how do you think you (and your household) will be financially?
- **Q3.** Now turning to business conditions in the country as a whole, during the next 12 months, do you think we'll have...?
- **Q4.** Looking ahead to the next 5 years, which of the following would you say is more likely—that in the country as a whole we'll have...?
- **Q5.** Thinking about the big things people buy for their homes (for example, furniture, a refrigerator, stove, television, etc.), in general, do you think now is a good or a bad time for people to buy major household items?

The net positive score for each question is calculated as: % answering positively - % answering negatively. The Consumer Sentiment Score is an average of the net positive scores for all five questions.

Current Conditions Score: An average of the net positive scores for Q1 and Q5.

Future Expectations Score: An average of the net positive scores for Q2, Q3 & Q4.

The five questions above are similar to those used by the University of Michigan in their Consumer Sentiment Index, which has been measured monthly for decades and is indexed to results from 1966. However, Phoenix's Consumer Sentiment Score, which is based on net positive scores for these questions, **should not be confused with that index.** More details on the University of Michigan's study can be found at <https://data.sca.isr.umich.edu/survey-info.php>).



THANK YOU

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