



IFA ANNUAL CONVENTION



20
22



MORNING CONSULT'S ECONOMIC OUTLOOK:

A high frequency look at consumer confidence,
employment, spending, and prices



John Leer

Chief Economist | **MORNING CONSULT**

John leads Morning Consult's economic research efforts. He is an authority on the effects of consumer preferences and purchasing patterns on economic and business trends as well as labor market dynamics.

Prior to Morning Consult, John worked for Promontory Financial Group, offering strategic solutions to financial services firms on a range of matters including credit risk modeling and management, corporate governance and compliance risk management.

He earned his bachelor's degree in Economics and Philosophy with honors from Georgetown University and his master's degree in Economics and Management Studies (MEMS) from Humboldt University in Berlin.

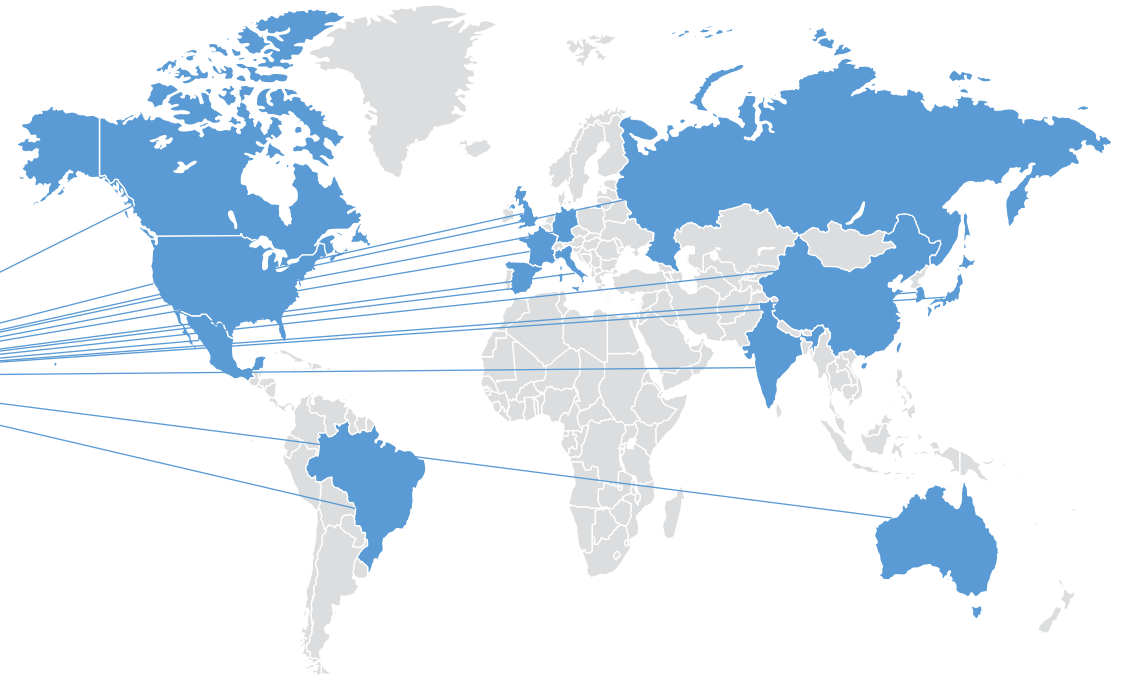
His analysis has been cited in The New York Times, The Wall Street Journal, Reuters, The Washington Post, The Economist and more.

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Morning Consult Economic Intelligence

TENS OF THOUSANDS OF DAILY SURVEYS	
Daily Consumer Sentiment	Current Buying Conditions
Unemployment Rate	Lost Pay or Income
Labor Force Participation Rate	Part-Time / Full-Time Ratio
Employment to Population Ratio	Employee Stickiness Sentiment





✓ Consistent Cross-Country Data Collection and Methodology

✓ High Frequency Collection & Reporting

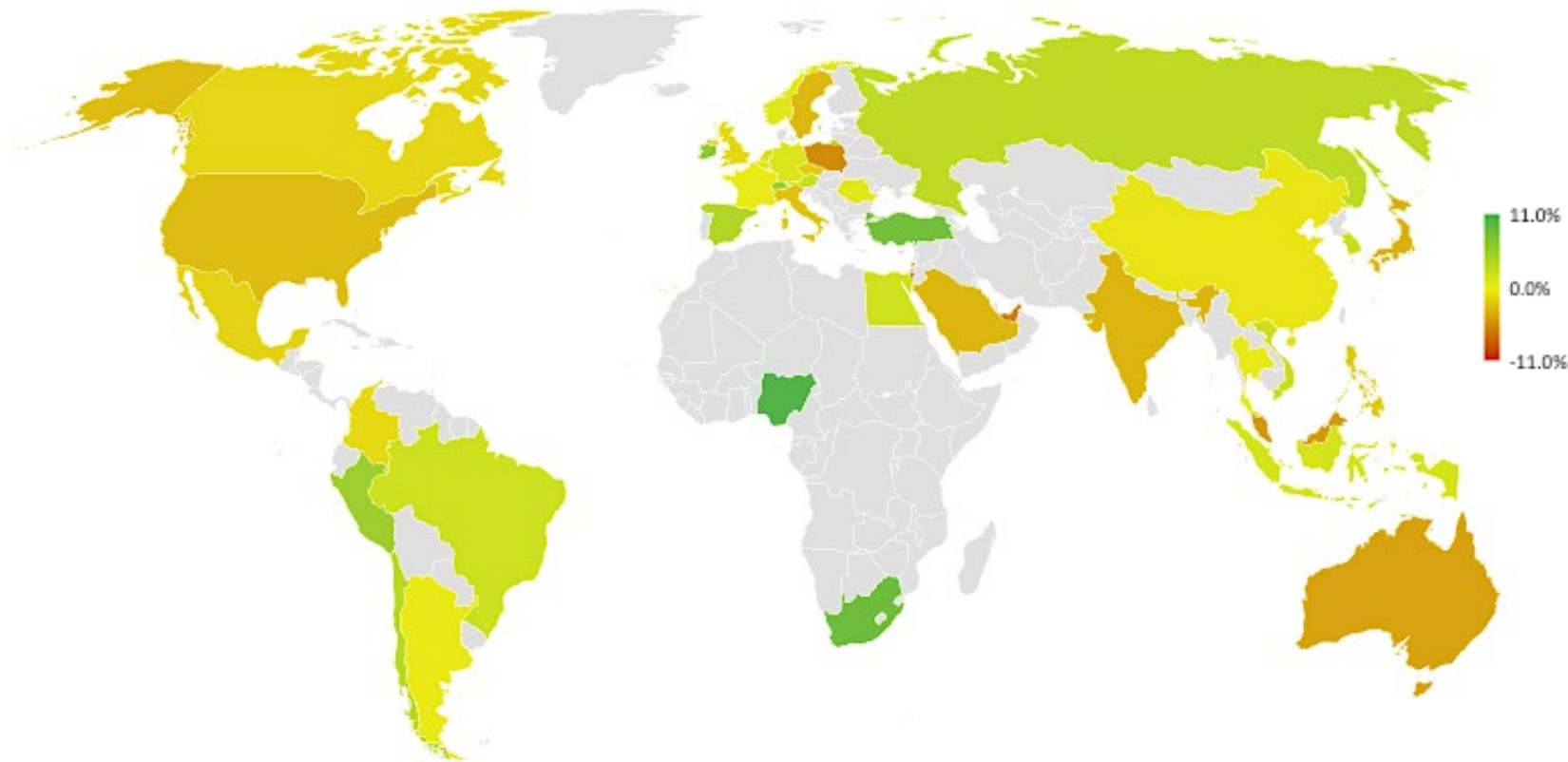
✓ Detailed Demographic Segmentation Capabilities

Daily Consumer Sentiment

		Index of Cons. Sentiment (ICS)	Index of Cons. Expectations (ICE)	Index of Current Conditions (ICC)
 Personal Finances	Current Conditions: Would you say that you (and your family living there) are better off or worse off financially than you were a year ago?	<input type="checkbox"/> Better Now <input type="checkbox"/> Same <input type="checkbox"/> Worse <input type="checkbox"/> Don't Know/No Opinion	+ % Pos. - % Neg. + 100	+ % Pos. - % Neg. + 100
	12-Month Expectations: Now looking ahead — do you think that a year from now you (and your family living there) will be better off financially, or worse off, or just about the same as now?	<input type="checkbox"/> Will Be Better Off <input type="checkbox"/> Same <input type="checkbox"/> Will Be Worse Off <input type="checkbox"/> Don't Know/No Opinion	+ % Pos. - % Neg. + 100	+ % Pos. - % Neg. + 100
 Business Conditions	12-Month Expectations: Now turning to business conditions in the country as a whole — do you think that during the next twelve months we'll have good times financially, or bad times, or what?	<input type="checkbox"/> Good Times <input type="checkbox"/> Neither Good/Bad <input type="checkbox"/> Bad Times <input type="checkbox"/> Don't Know/No Opinion	+ % Pos. - % Neg. + 100	+ % Pos. - % Neg. + 100
	5-Year Expectations: Looking ahead, which would you say is more likely — that in the country as a whole we'll have continuous good times during the next 5 years or so, or that we will have periods of widespread unemployment or depression, or what?	<input type="checkbox"/> Good Times <input type="checkbox"/> Unem./Depression <input type="checkbox"/> Don't Know/No Opinion	+ % Pos. - % Neg. + 100	+ % Pos. - % Neg. + 100
 Buying Conditions	Current Buying Conditions: Thinking about the big things people buy for their homes — such as furniture, a refrigerator, stove, television, and things like that. Generally speaking, do you think now is a good or bad time for people to buy major household items?	<input type="checkbox"/> Good Time <input type="checkbox"/> Neither Good/Bad <input type="checkbox"/> Bad Time <input type="checkbox"/> Don't Know/No Opinion	+ % Pos. - % Neg. + 100	+ % Pos. - % Neg. + 100
		avg.	avg.	avg.
		ICS	ICE	ICC

Omicron Taking Its Toll on Confidence

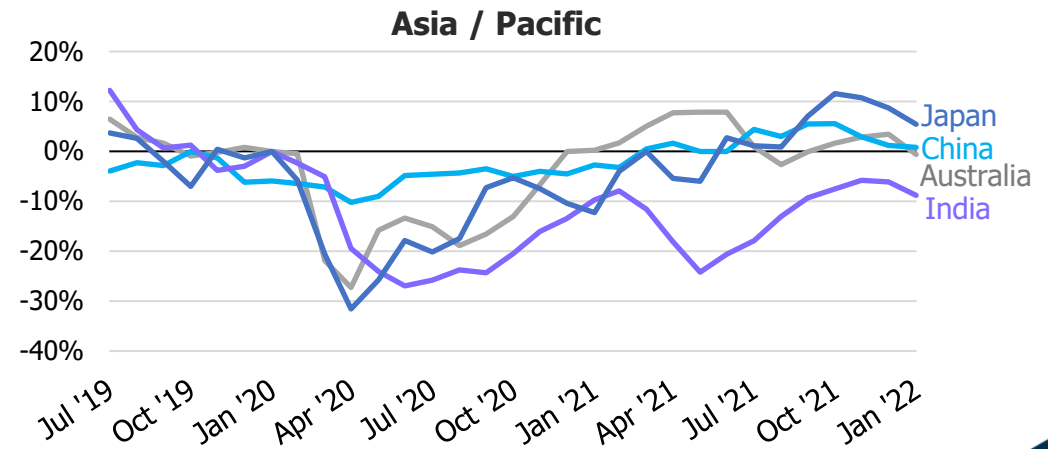
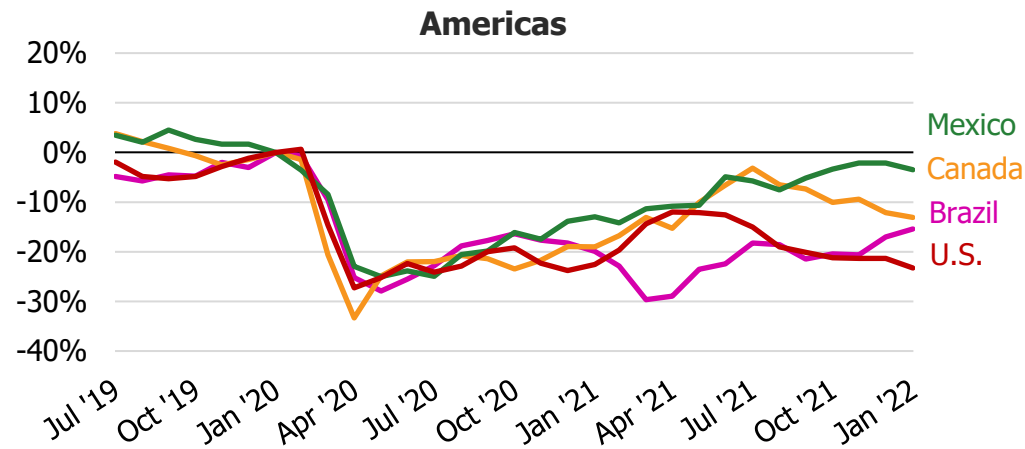
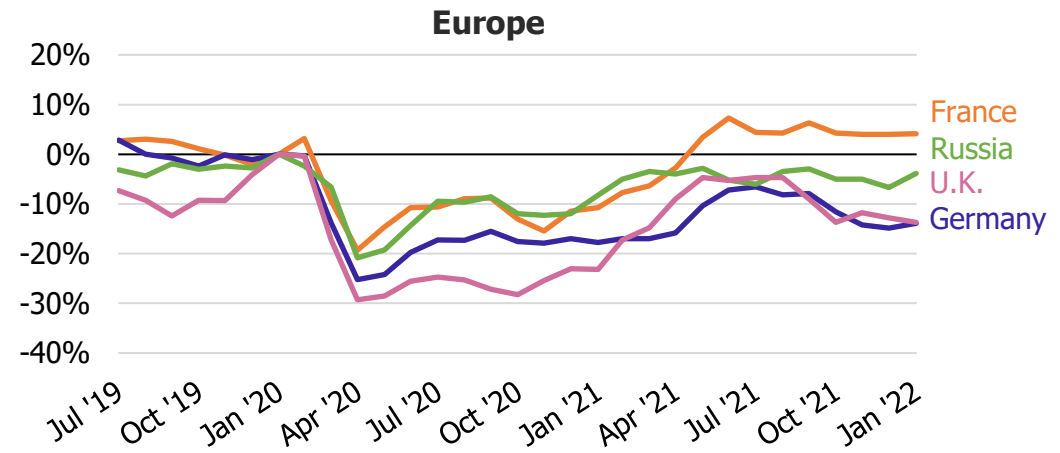
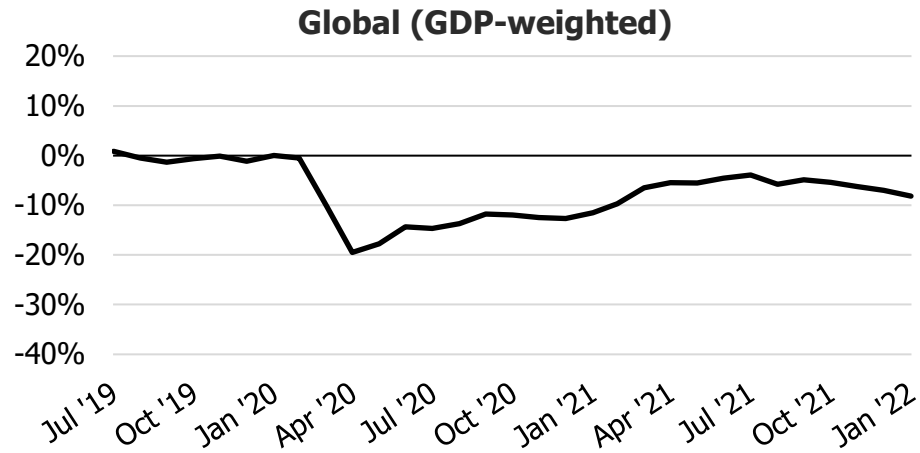
Morning Consult Index of Consumer Sentiment
Monthly % change (December to January)*



Source: Morning Consult Economic Intelligence.
*January monthly averages run through January 27, 2021

Recovery in Global Consumer Confidence Falters

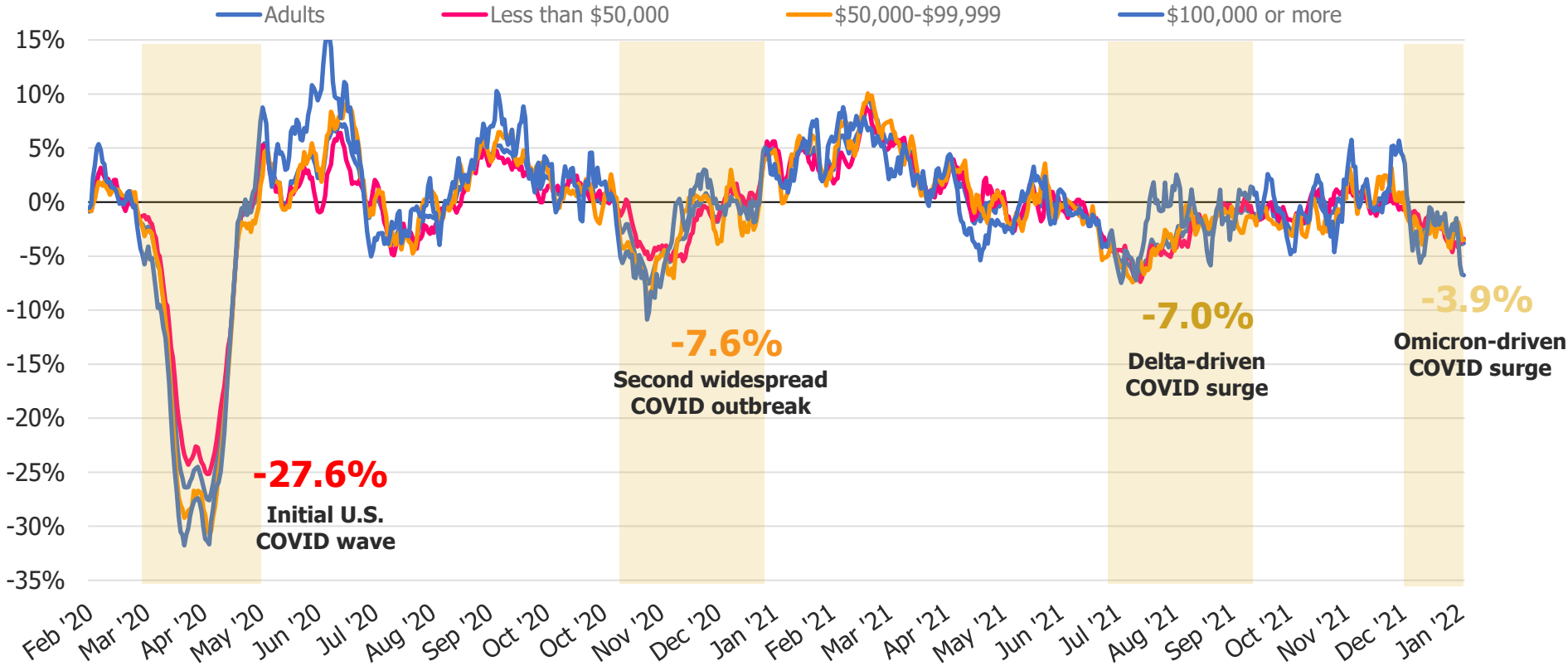
Morning Consult Index of Consumer Sentiment
(monthly averages, % change from beginning of pandemic)



Source: Morning Consult Economic Intelligence. Index period is January 2020 for all countries except China, which is indexed to October 2019. January 2022 monthly average run through January 27, 2021. GDP-weighted global figure calculated using the World Bank's 2020 USD nominal values

U.S. Confidence Less Impacted Over Time

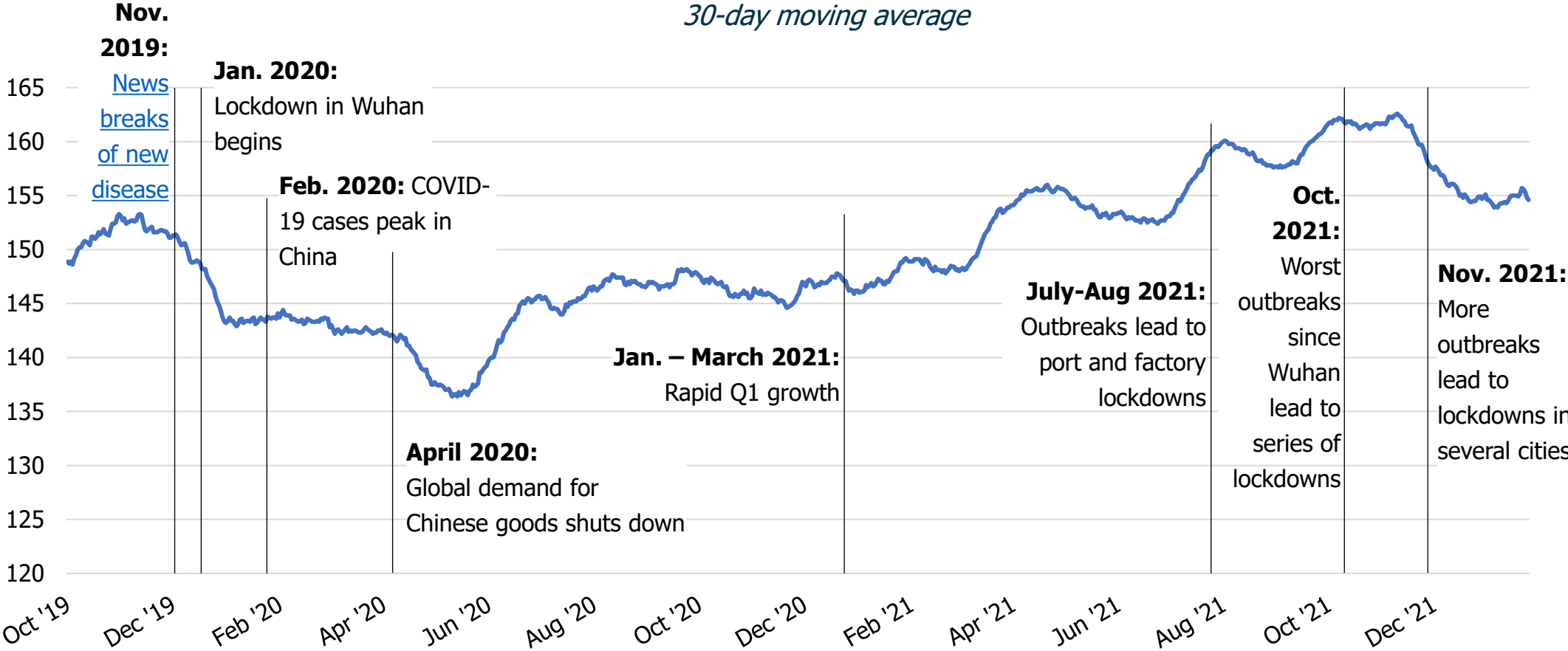
Morning Consult U.S. Index of Consumer Sentiment, by annual household income
Rolling 30-day % change



Source: Morning Consult Economic Intelligence

Chinese Confidence Has Weakened In Recent Months

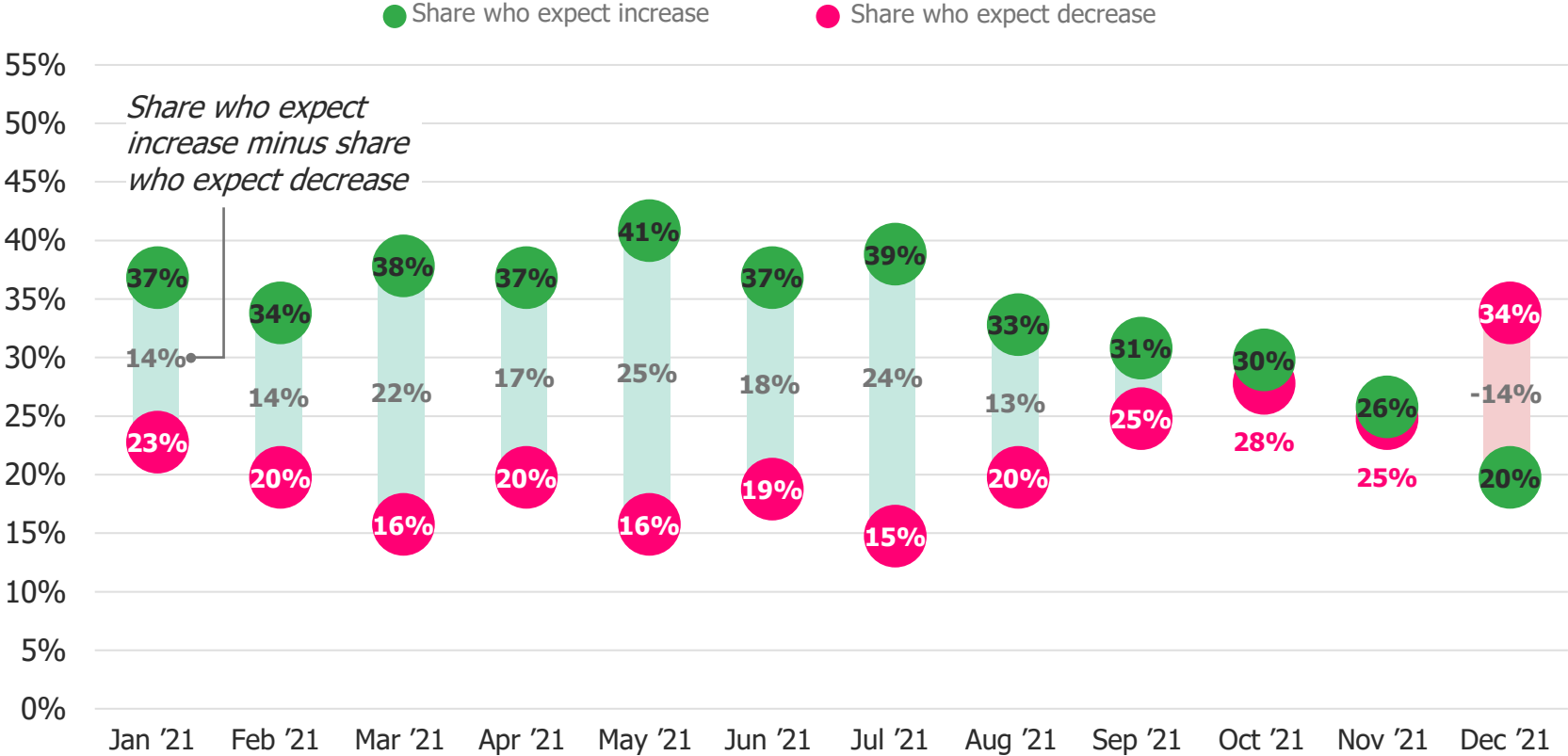
Morning Consult China Index of Consumer Sentiment
30-day moving average



Source: Morning Consult Economic Intelligence

China Property Market Presenting Global Risks

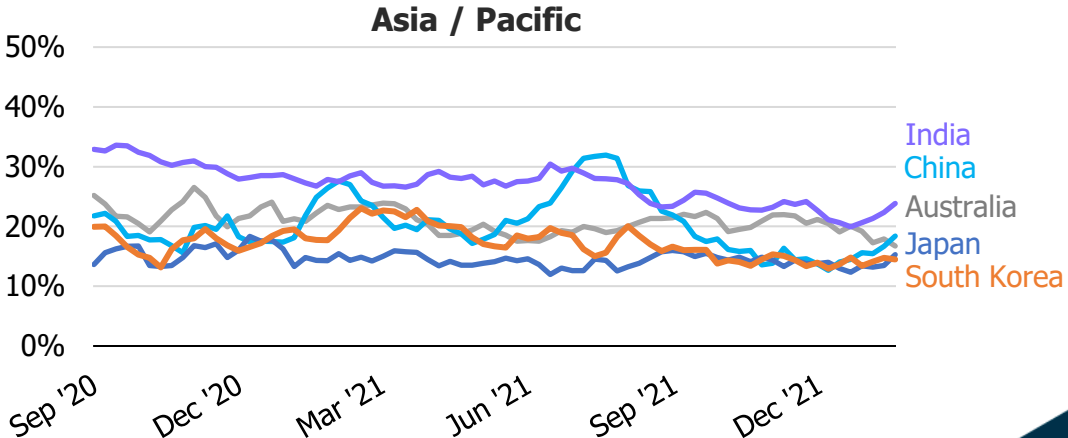
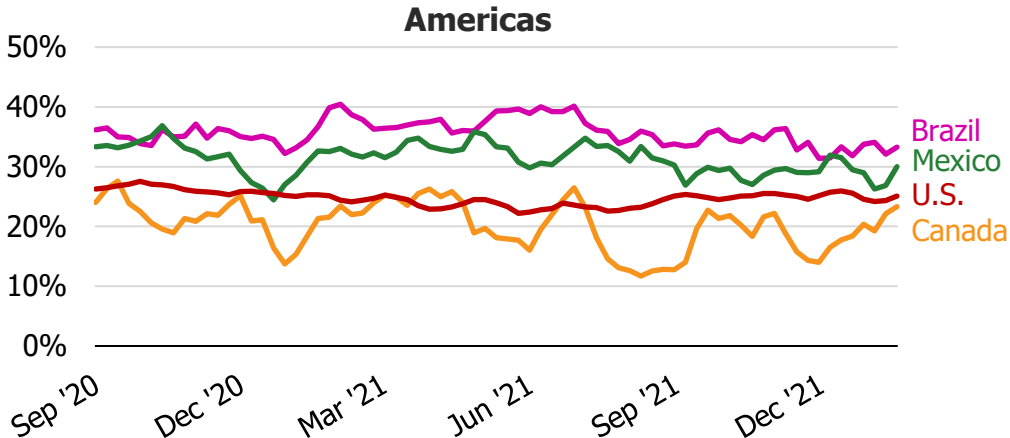
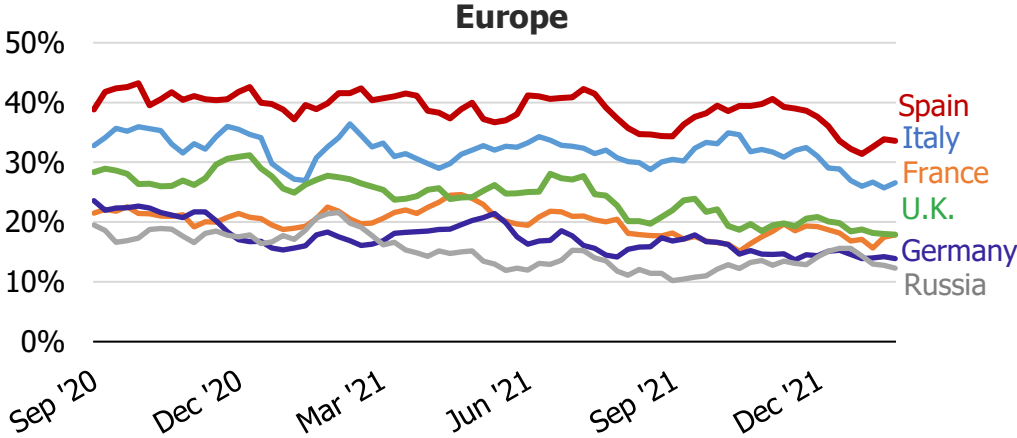
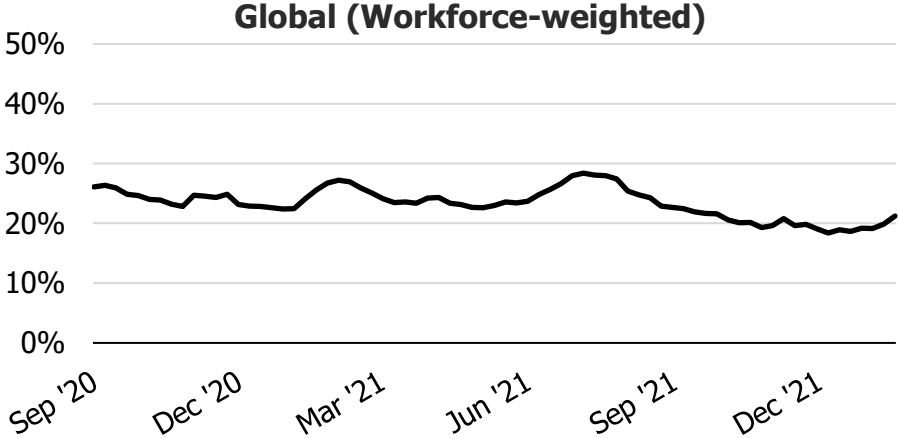
Share of Chinese adults who expect housing prices to increase or decrease over the next 12 months



Morning Consult Economic Intelligence, poll conducted monthly among a representative sample of 1,000 Chinese adults, with an unweighted margin of error of +/-3 percentage points

Global Unemployment Trending Lower

Morning Consult Measures of Unemployment Rate
(4-week moving average)

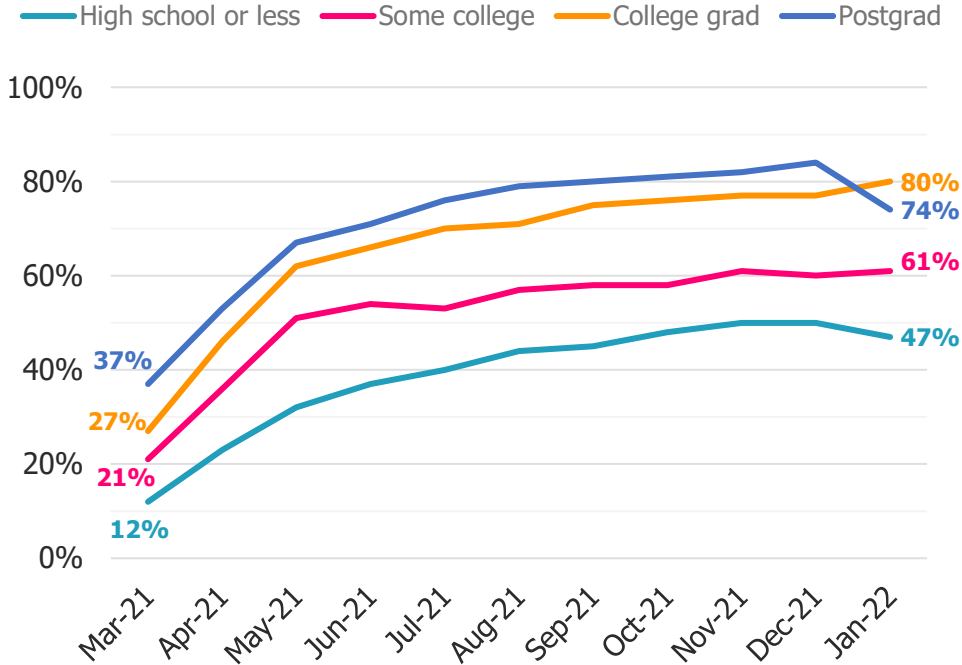


Source: Morning Consult Economic Intelligence. Workforce-weighted global figure calculated using World Bank's 2020 total workforce figures

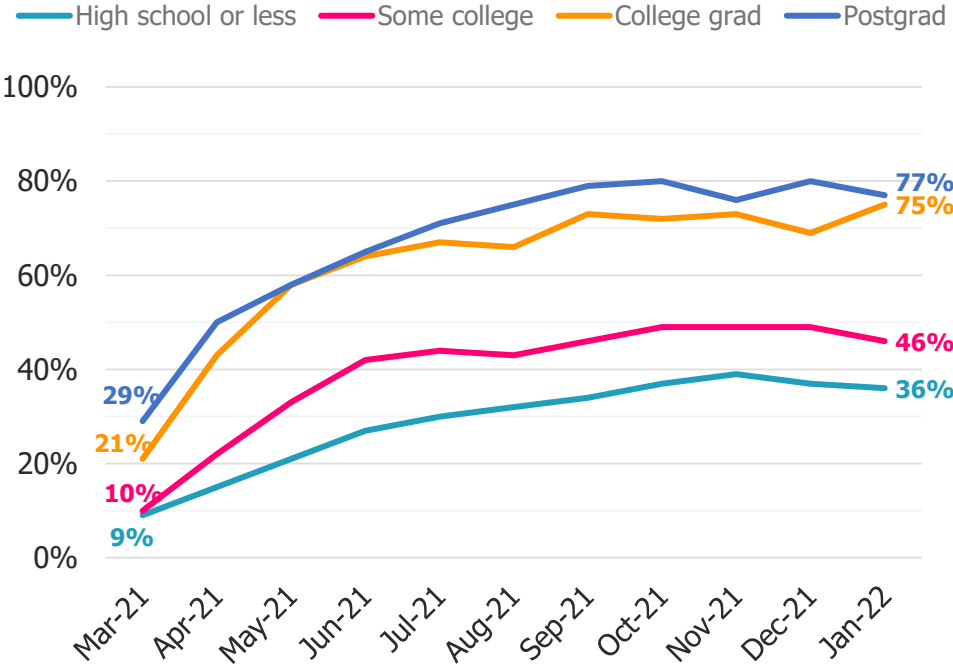
Low Vaccination Rates Among Unemployed Limit Recovery

Share of prime-age U.S. adults who have received the COVID-19 Vaccine

Prime-age employed adults



Prime-age unemployed adults

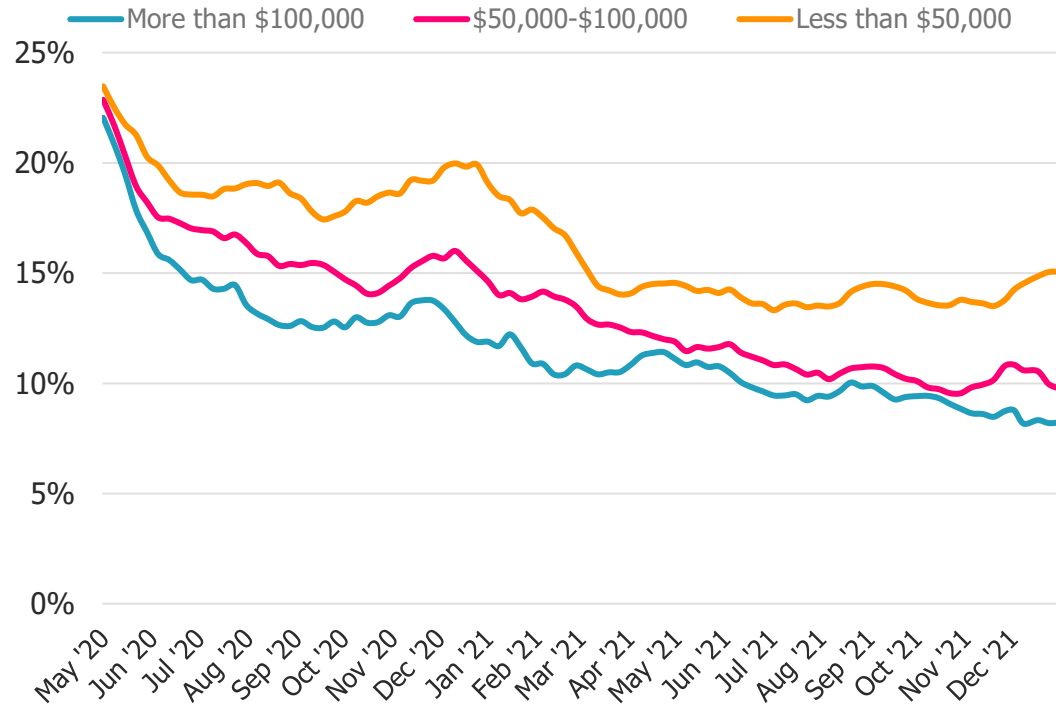


Source: Morning Consult Economic Intelligence

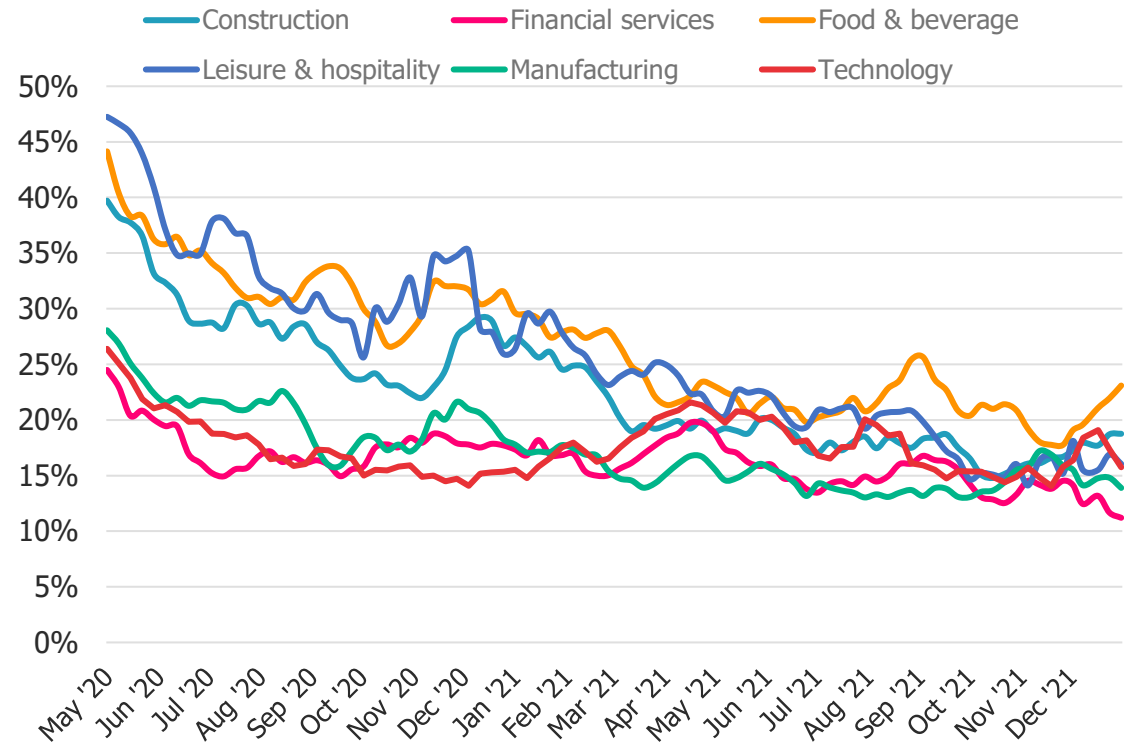
Pay Losses on the Rise for Some

Share of U.S. adults who lost pay or income in the prior week
(4-week moving average)

By income



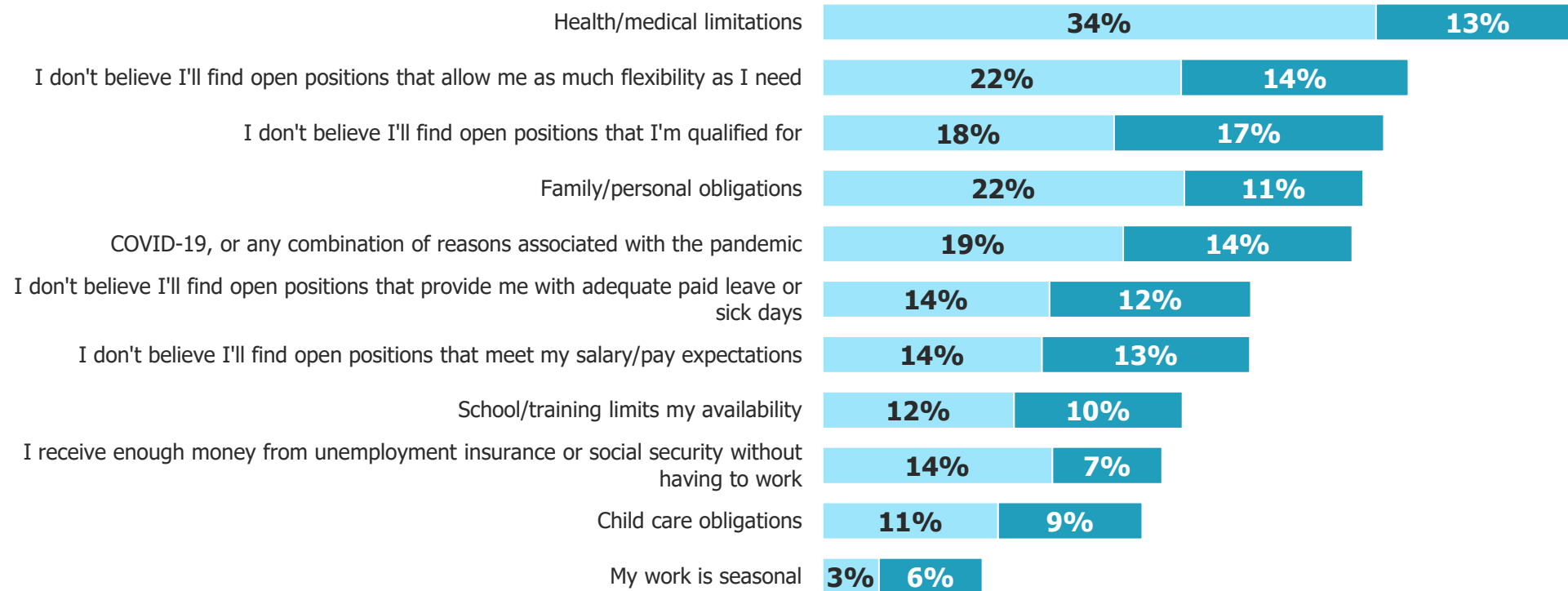
By employment industry



What's Holding Back Labor Force Participation?

Share of U.S. adults aged 18 to 64 outside of the labor force who cited the following as a reason they were not looking for employment

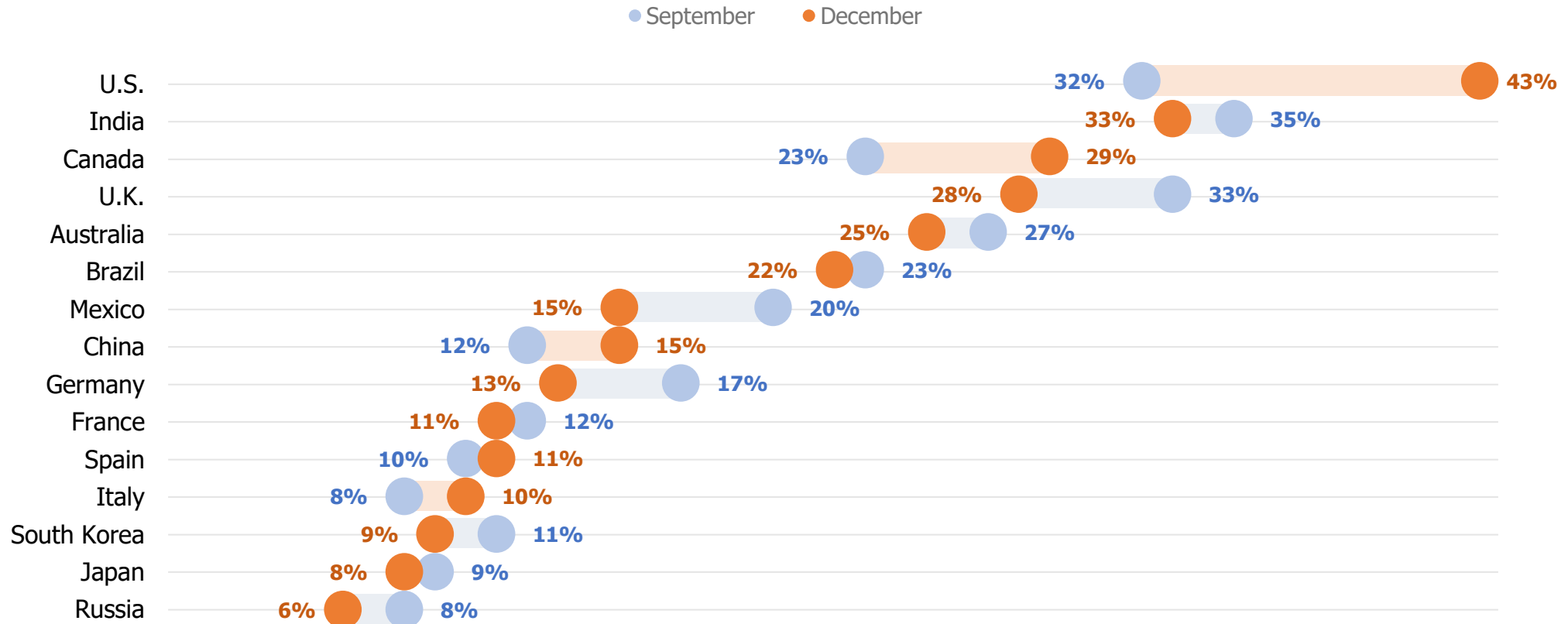
- Yes, and I expect this to keep me from looking for employment for the next six months
- Yes, but I don't expect this to keep me from looking for employment for the next six months



Source: Morning Consult Economic Intelligence, survey conducted Jan. 11-12, 2021, among a representative sample of 2,201 U.S. adults. Chart shows a subsample of 501 U.S. adults aged 18 to 64 that were not working nor looking for work in the past 4 weeks, with a margin of error of +/-4%

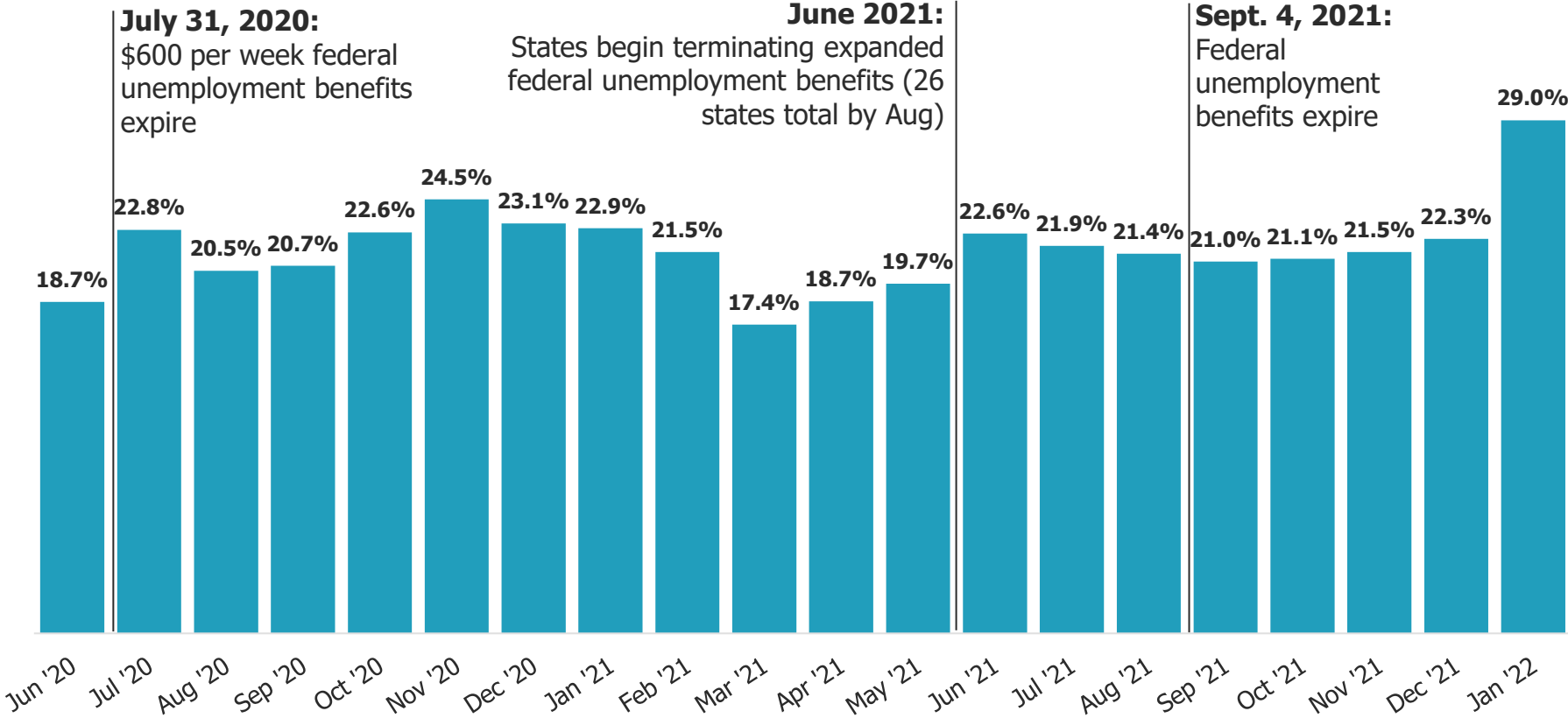
Supply Chain Issues Troubling Consumers

Share of adults who had trouble finding certain grocery items last month



Financial Vulnerability and Inequality on the Rise

Share of adults lacking savings to pay basic expenses for a full month



Source: Morning Consult Economic Intelligence, monthly surveys conducted among a representative sample of 2,200 U.S. adults

Conclusion

- Global economic recovery is starting to retreat.

- There will be winners and losers both across and within countries.

- Inflationary concerns are pushing policymakers to start tightening.