



Americans Questioning the American Dream

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Bifocal Optimism & Questioning the American Dream: The Pulse of the Consumer, August 2020

Executive Summary

Any study taking the pulse of Americans today understandably finds them deeply troubled on many dimensions. Closest to home, they are worried about their solvency -- half agree, "I am more worried about my personal finances than ever before." They are worried about the coronavirus situation, and three-fourths consider social distancing and similar measures to be "necessary to save lives" rather than "an over-reaction." Their anxieties extend into seemingly-intractable social concerns, with 73% agreeing "America today is a deeply divided country" and 68% feeling the country is "headed in the wrong direction."

The whole has become greater than the sum of the parts, and these individual anxieties have coalesced into a deeper questioning of the American Dream itself. For example...

- 67% agree, "The Founding Fathers would be very disappointed in the condition of America today"
- 66% agree, "The American Dream has become very difficult for most people to achieve"
- 53% agree, "I am more worried about the American Dream than ever before"
- 31% agree, "Young people today will be better off than their parents' generation"

Taken as a whole, the results reflect "bifocal optimism" – an optimism that is sharper and clearer for aspects of life that are "closer to home," but morphs into a diffuse pessimism for those elements more distant from our daily lives.

Just as American moods and mindsets are evolving, so are daily lifestyles, although it's still a work in progress -- only 43% have gotten used to the "new normal." The "Nesting Economy" is obviously on the rise, with more consumers cooking, watching streaming media, browsing social media, and gaming; also on the rise is "The Passion Economy," with more than one-in-four putting more time into pursuing their hobbies and passions.

The Corona Economy is also ingraining digital purchasing into daily lives -- one-third of consumers are buying more groceries and household supplies online, topping a long list of traditionally brick-and-mortar categories that show digital growth. Nearly half (48%) of consumers have recently bought a product/service online that they had never bought online before.

Americans Questioning the American Dream

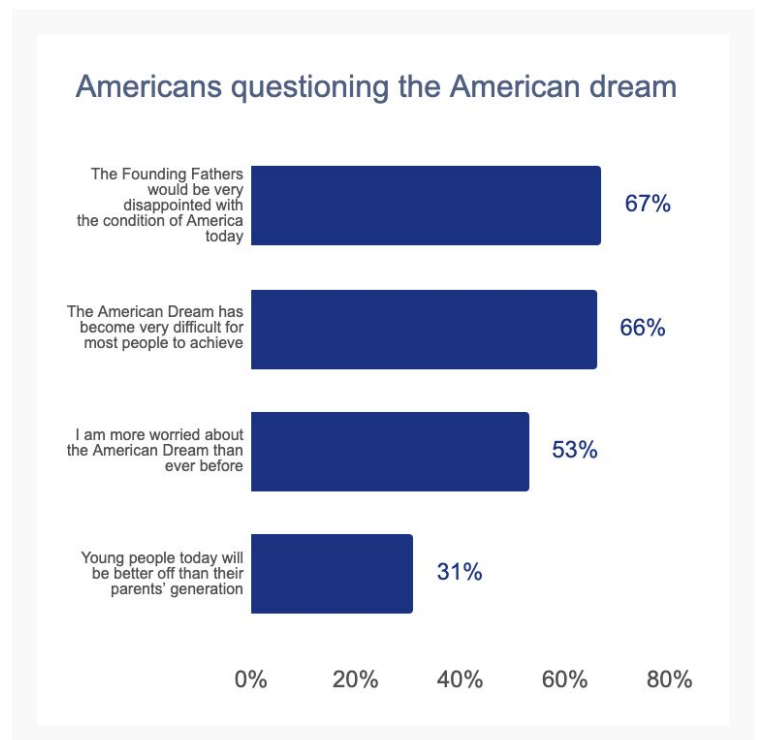
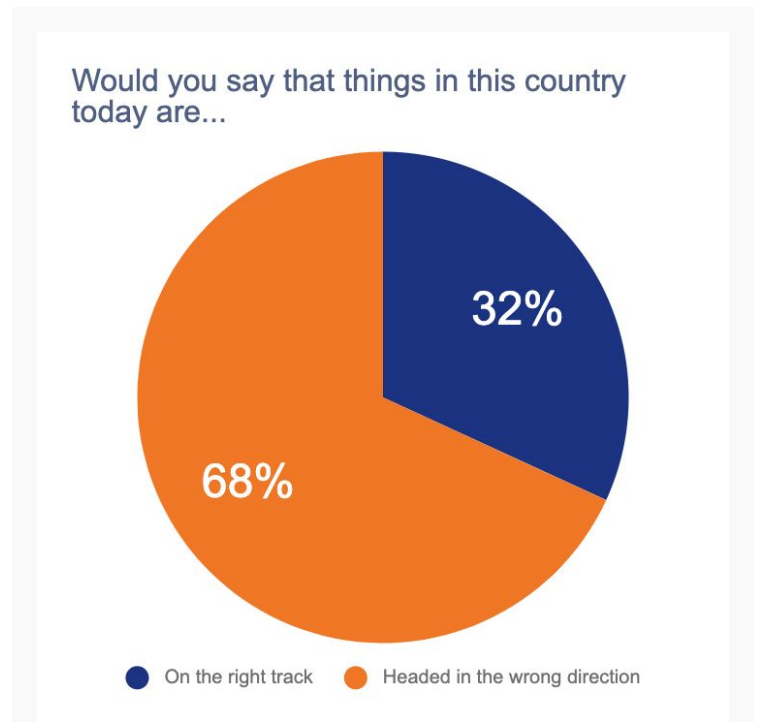
Our survey finds Americans profoundly troubled by many aspects of life today. A pandemic, a faltering economy, a looming reckoning over systemic racism, deep social divisions – each factor feels unprecedented individually. Collectively, their effects have driven American optimism down while daily angst is rising to new highs.

For years pollsters have used “right track/wrong track” measures as a single question to capture the overall temperature of the American mood. Today only one-in-three feel the country is on the right track (historical context: comparable measures periodically hit about 70% in the late 90s and early 2000s, but dropped into single digits during the financial crisis of 2008).

But a single measure doesn’t capture the complexity, or the profound anxiety, in the American psyche today. The perfect storm of threats and uncertainty that has characterized 2020 has had a profound impact on how people view their lives, and the future of the country.

Over half are more worried about the American Dream than ever before. Even more – two-thirds -- agree that the American Dream has become very difficult for most people to achieve. And only about one-third believe a fundamental tenet of the American Dream – that the next generation will be better off than the preceding one.

In a country troubled and divided on so many dimensions, the one shared sentiment seems to be that change is an imperative – it is a must, not a nice-to-have.



53%
are more worried about the American Dream than ever before

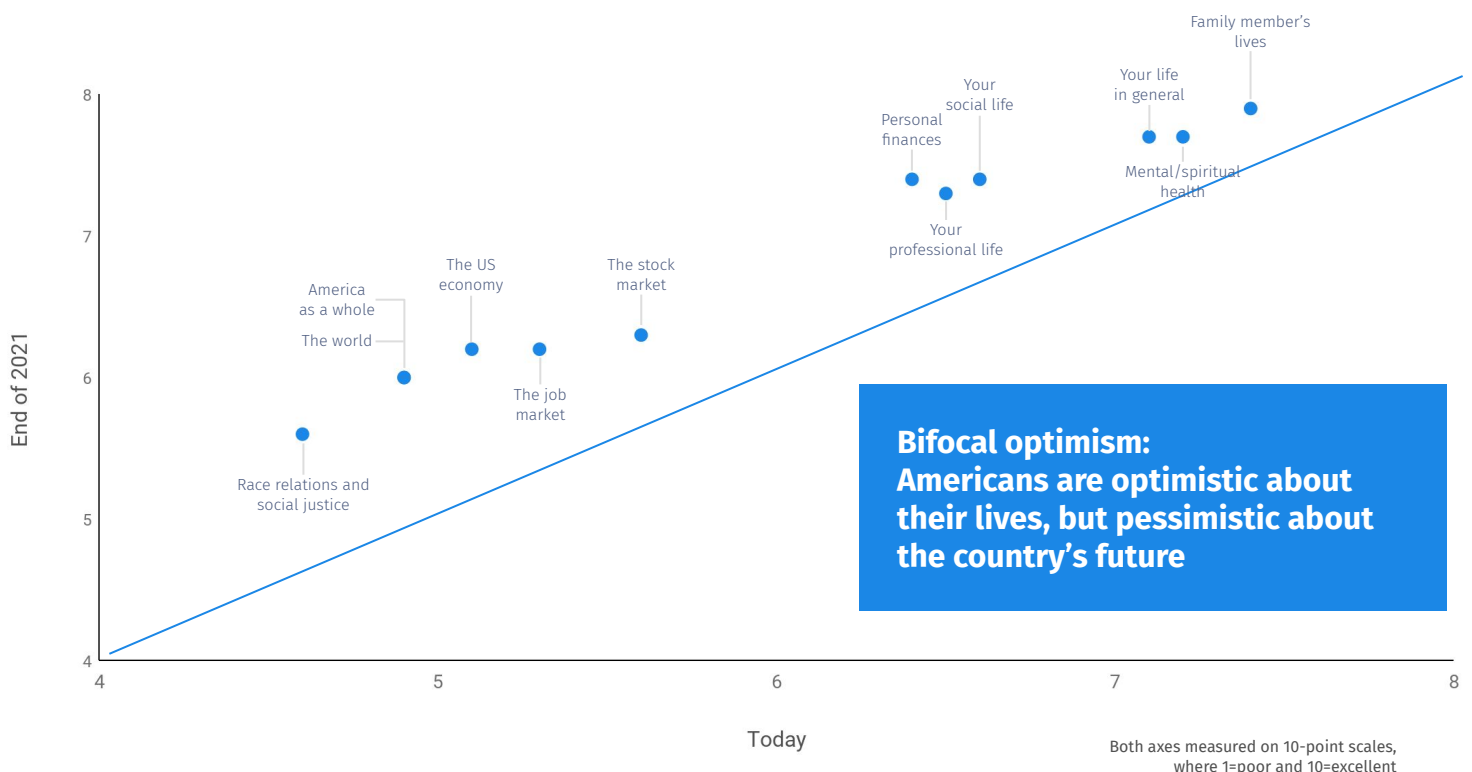
Bifocal Optimism: Personal Promise amid Societal Concerns

To further dimensionalize optimism, we asked consumers to evaluate a dozen aspects of their lives, and of society at large. They rated each on a 10-point scale, with 1 being “poor” and 10 being “excellent,” reflecting both its condition today, and at the end of next year (2021)..

The results reflect “bifocal optimism” – an optimism that is sharper and clearer for aspects of life that are “closer to home,” but morphs into a diffuse pessimism for those elements more distant from our daily lives.

- What’s working best is what’s “closest to home” – life in general, family life, and perhaps surprisingly, mental/spiritual health. All averaged greater than a seven.
- The next tier, averaging about 6.5, are areas of one’s personal life impact by the pandemic – social life, professional standing, and personal finances.
- The next tier is a full point lower on our 10-point scale – macro-economic areas such as the job market, stock market, and overall business environment each register just over a five.
- Further down – averaging just under a five – are the overall state of America and the world. The condition of race relations and social justice unsurprisingly received lowest ratings.

Looking to future, Americans expect improvements on every dimension over the next year, ranging from a half-point to a full-point. But the order would remain unchanged, with personal lives expected to be going relatively well, but social concerns still widespread.



Key Concerns: Coronavirus and Division

The profound pessimism that many feel about America and the American Dream are the result of many concerns converging at once: personal health, the economy, and society at large all seem threatened simultaneously.

As many states roll back coronavirus restrictions, three-fourths consider these necessary to save lives, with nearly four-in-ten believing most people have under-reacted to the situation; only about one-fourth believe there has been an over-reaction.

Concrete concerns are compounded by a more existential angst and a deep sense of division, with 73% agreeing “America today is a deeply divided country.” While that division is certainly real, there are times when Americans overestimate those divisions.

For example, when asked whether they are more concerned about coronavirus or the economy, 61% cite coronavirus. Put another way, among those citing coronavirus, the reality is that 61% of Americans agree with them. But when asked, only 41% believe that most Americans agree with them.

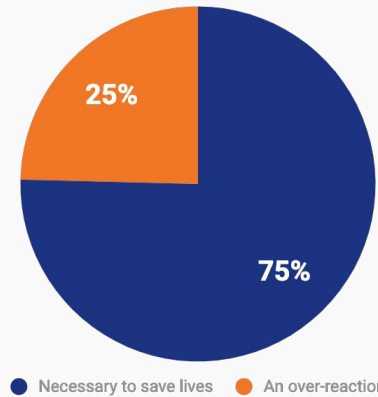
This pattern occurs elsewhere in the data as well. There are many instances when people share an attitude with a majority of Americans, but instead they believe they are in the minority.

Among those more concerned about coronavirus than economy...

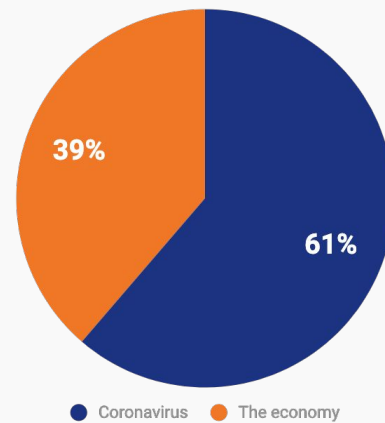
Reality	Perception
61% agree with them	41% agree with them

Corona close-up

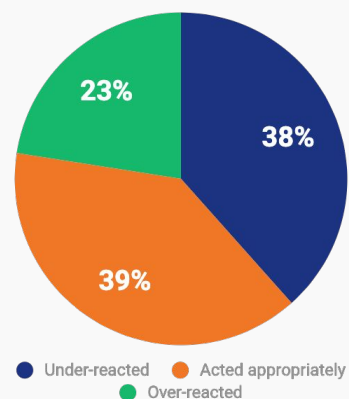
Recommendations for social distancing and stay-at-home orders are...



Which are you more worried about?



In terms of the coronavirus situation, most people have...



Spending Outlook Positive for “life at home” Categories

Coronavirus has obviously disrupted the economy on every level, from the supply chain through the purchase experience. Consumer spending, which accounts for about 70% of U.S. economic activity, has dropped dramatically while unemployment has spiked. Half of Americans now agree, “I am more worried about my personal finances than ever before.”

Spending slowdowns have been profound, but not evenly distributed across categories. Nearly half (49%) agree, “Since coronavirus, I’ve become less focused on material possessions” – and categories such as fashion and luxury are having to reconsider their role in a less materialistic marketplace where social status is less easily displayed. Yet at the same time, spending on travel and restaurants has obviously tumbled, reversing longer-term growth as part of the larger trend toward experiences.

To anticipate future spending, we asked consumers about likely spending changes across a variety of categories, developing metrics of near-term (one month) and longer-term (one year) growth potential.

Three categories at the heart of “life at home” lifestyles – groceries, household supplies, streaming services – show solid growth potential in both the near-term and the longer-term. Two categories – travel and restaurants – show signs of significant pent up demand, with continued near-term slowdowns tempered by expectations of longer-term spending stability.



The Corona Economy Fueling eCommerce Growth and Experimentation

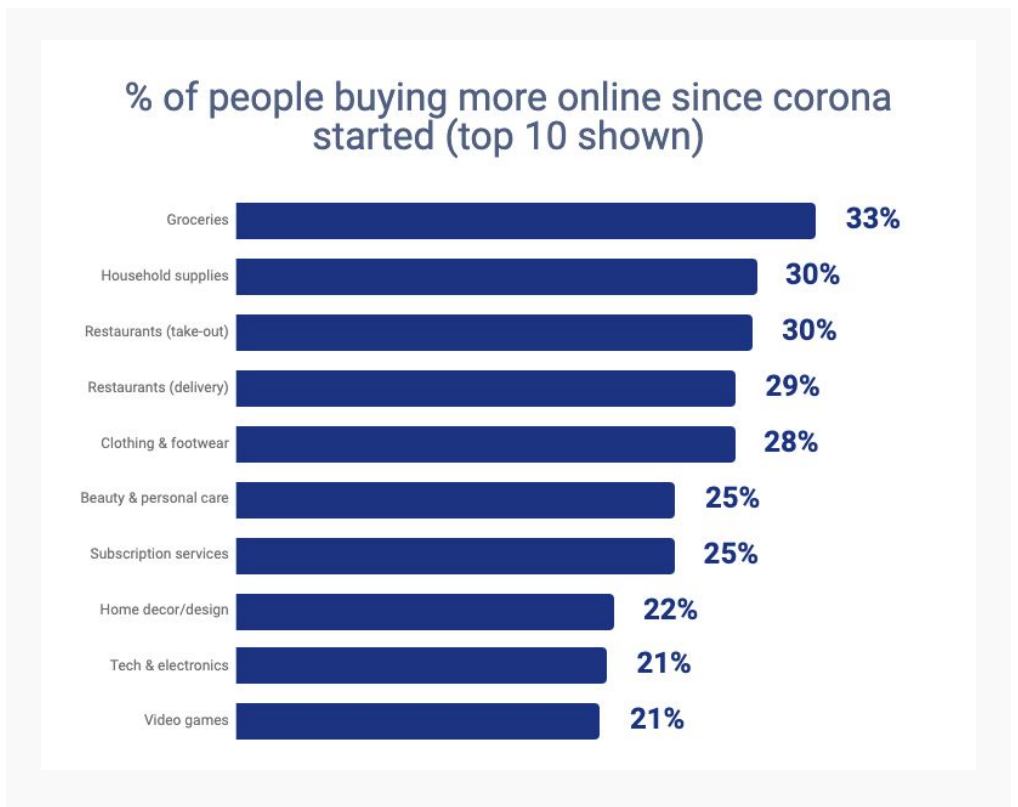
Consumer mindsets, and the marketplace more generally, are changing in multifaceted ways. Most obviously, overall spending levels have declined, while ecommerce has increased – more subtly, we see significant changes in consumers’ willingness to try new brands and experiment with new channels.

The biggest ecommerce increases are in categories that consumers have traditionally been reluctant to buy online. Topping the list: a third of consumers report more online purchasing of groceries and household supplies (a category that includes classic consumer packaged goods such as toilet paper, paper towels, and garbage bags). Restaurants have seen a similar boost in digital ordering (both for pickup and delivery), followed closely by historically brick-and-mortar skewing categories such as apparel, beauty and home décor.

Corona lifestyles have fueled ecommerce in general, and “ecommerce trial” in particular.

Nearly half (48%) of consumers have made online purchases in categories they hadn’t bought online before coronavirus – a particularly important dynamic given the ease of online repeat purchasing.

Groceries tops a long and diverse list of categories that consumers are buying online for the first time.



48%
 Have bought a product / service online during coronavirus that they never bought online before

Top categories



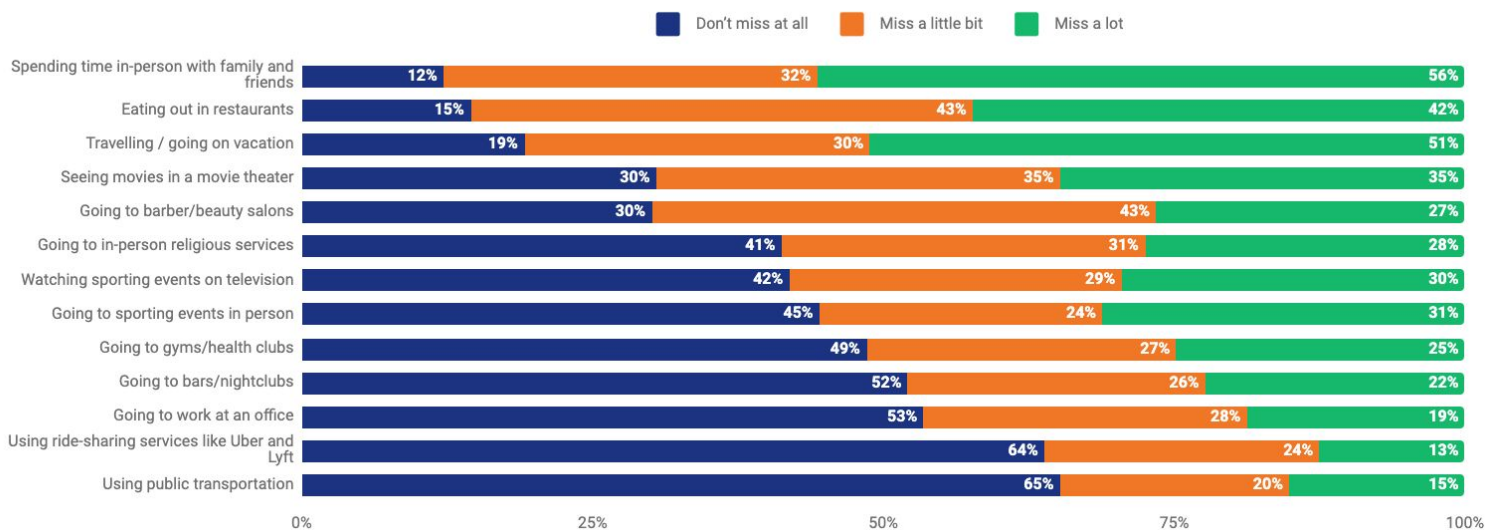
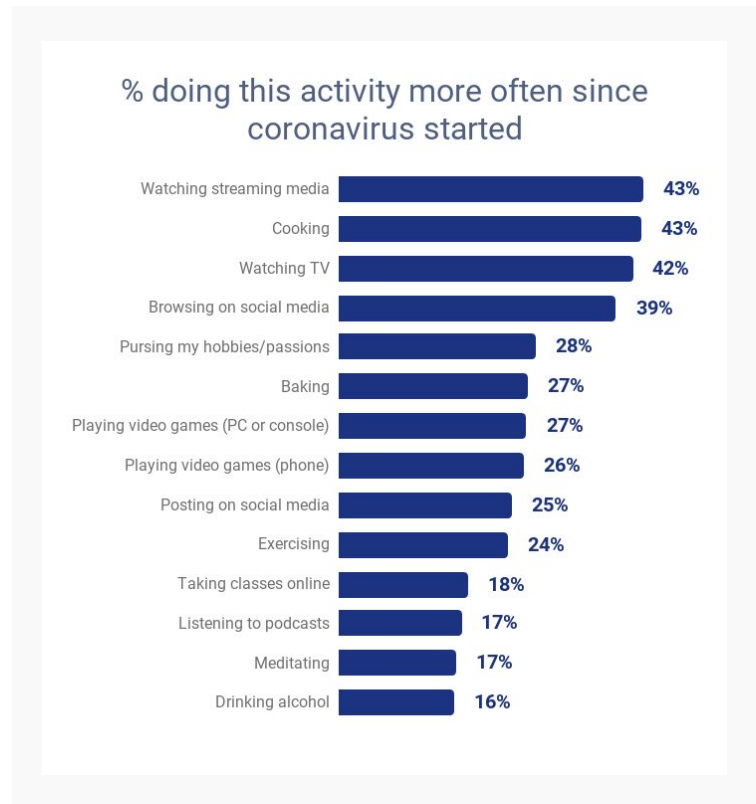
Living la Vida Corona: Consumers Hunger for Variety and Entertainment

The lifestyle changes necessitated by the Corona Economy have been challenging for many people. The combination of isolation and the sameness of each day have taken a toll, and reinforce that variety and social connections are fundamentally important human needs. Adjustments remain a work in progress, and only 43% describe themselves as having become used to the “new normal.”

Americans have thrown themselves into a variety of home-based entertainment activities, with about four-in-ten reporting increases in cooking, TV/video consumption, and browsing social media.

These activities are up among many consumers, and have declined for very few. Two activities on the list, however, stand out for a different pattern – up among some consumers, but down among many as well. While 24% are exercising more often, nearly as many (20%) report they are exercising less. Similarly, while 16% report drinking more alcohol, slightly more (19%) report drinking less.

When asked what they miss during the Corona Economy, the results again highlight the strong need for social connections, variety and experiences. Over 80% report missing in-person get-togethers, eating in restaurants, and taking vacations.





About this report

Unless otherwise noted, data in this report are from the August 2020 Kraus/QuestionPro Consumer Pulse, a nationally representative online survey of 1,032 adults living in the United States. This syndicated study paints a broad picture of American life, with questions covering attitudes, aspirations, values, lifestyles, media use, spending patterns, political opinions and more.

About the authors



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Stephen Kraus, Ph.D. is a leading expert on consumer trends, host of the Consumers During Corona podcast, and CEO of Next Level Sciences, a consultancy that helps companies grow through thought leadership research. Author of three books, Steve has led several industry-leading market research studies, including *The Ipsos Affluent Survey*, *The Yankelevich Monitor*, and *Women, Power & Money*.

A veteran of many conference presentations, his TEDx talk explored how income concentration is reshaping every marketplace category, and even the American Dream itself. Steve received his Ph.D. in social psychology from Harvard University, and twice won Harvard's award for teaching excellence. He lives with his son in the oceanside paradise of Pacifica, California.



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Dan Fleetwood is President of Research and Insights at QuestionPro, one of the industry's leading providers of web-based research technologies. As President of Research and Insights, he plays a key role defining the research technology and innovation that QuestionPro provides to continue to be a leader in the research insights technology industry.

He has over 15 years of market research experience and is passionate about the role that software plays in helping businesses get better feedback, uncover actionable insights, and ultimately develop better products and services. Dan holds degrees from the University of Washington and Central Washington University.