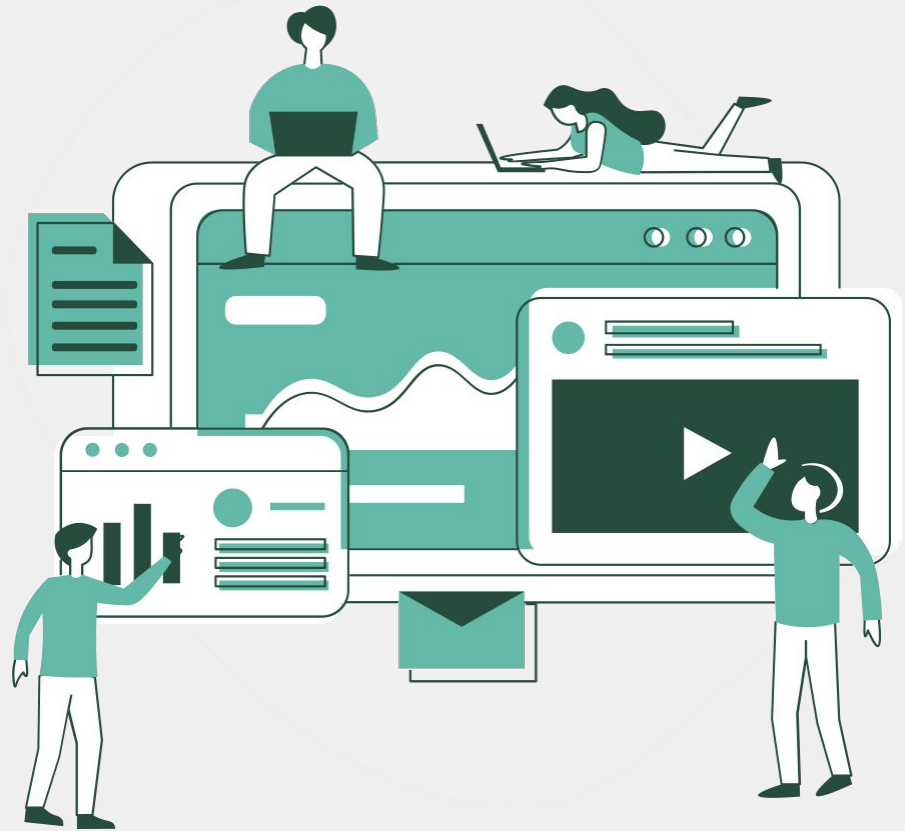


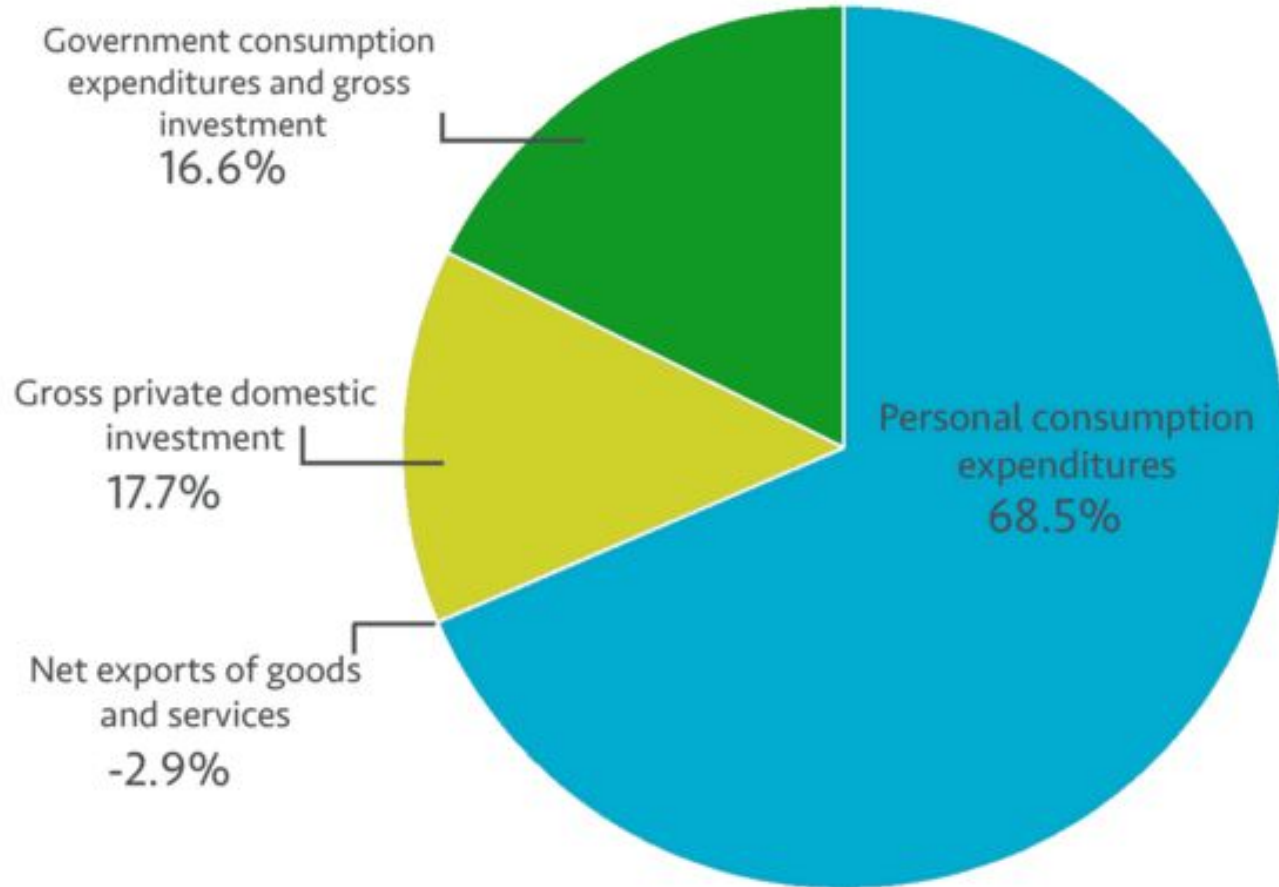
Consumer Sentiment

By :

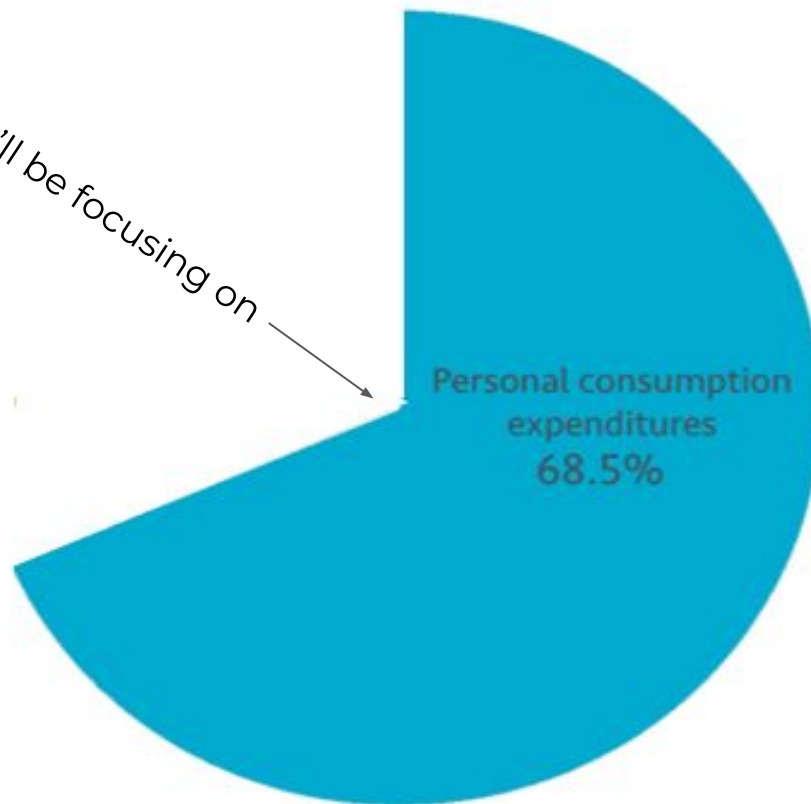
Deshawn R. Jamison



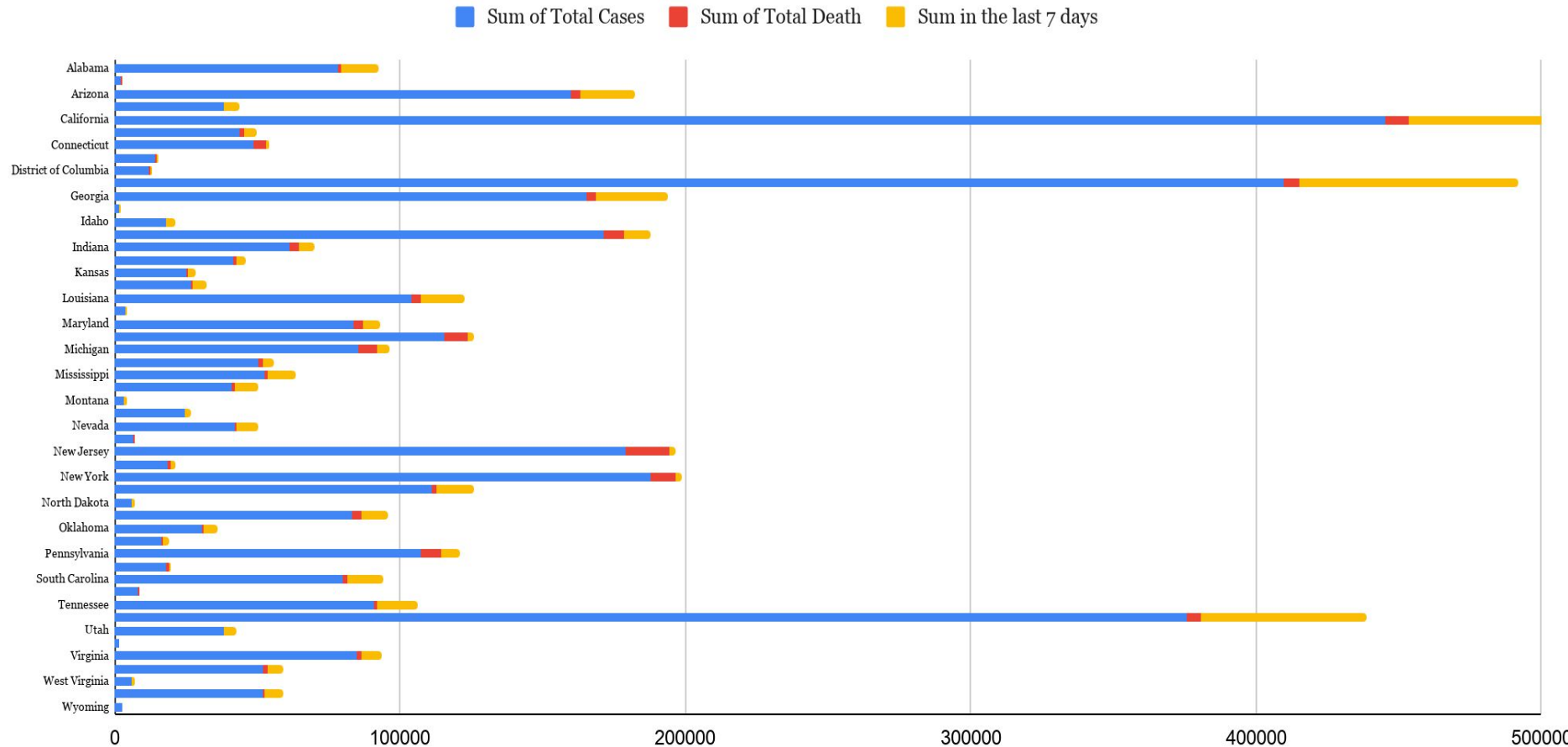
GDP Breakdown



What we'll be focusing on

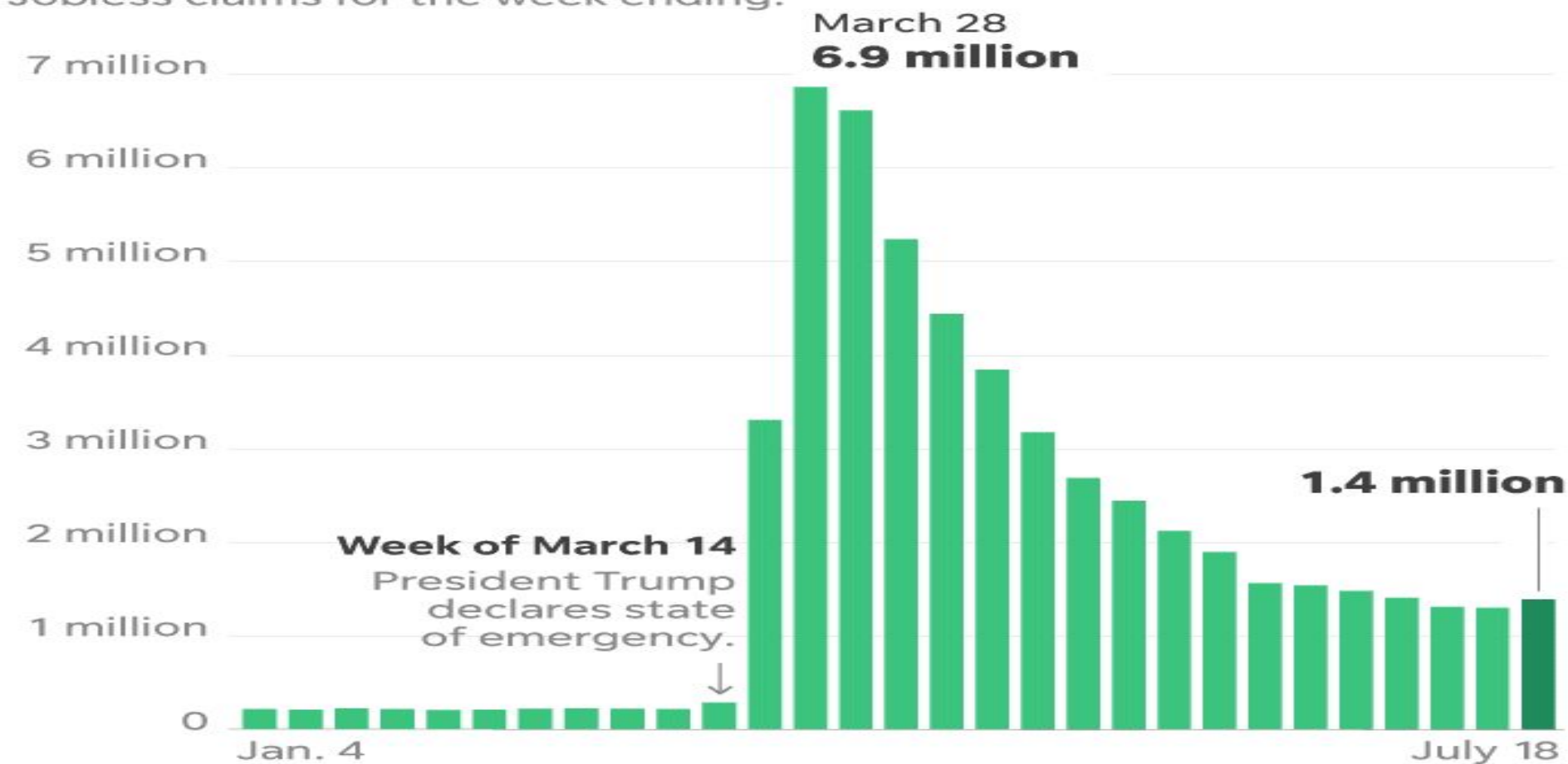


Covid Cases



In 18 weeks, 53 million workers filed for unemployment

Jobless claims for the week ending:



SOURCE Department of Labor



“We estimate that 42% of recent p layoffs will result in permanent job

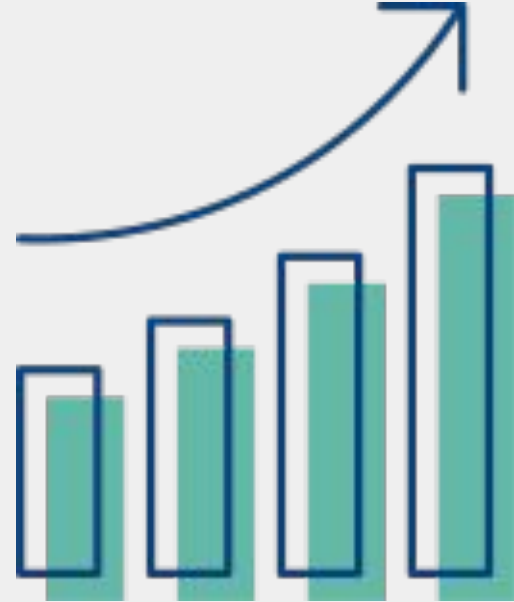
- Steven Davis of the University of Chicago Booth School of Business.

The bank added \$15.7 billion to re expected loan losses in the first ha But second-quarter loan charge-of sprawling retail bank actually decl \$1.28 billion, or roughly the same before the virus.

That's because the \$2.2 trillion CARES Act injected billions of dollars into households and businesses, masking the impact of widespread closures.

25.6 million Americans will lose enhanced unemployment benefits by the end of July,

“In a normal recession unemployment goes up, delinquencies go up, charge-offs go up, home prices go down; none of that's true here...Savings are up, incomes are up, home prices are up.”



The bank has provided forbearance on 1.7 million accounts; so far, more than half of credit card and mortgage customers in the programs have made at least one monthly payment.

JPMorgan earned the most revenue ever in the second quarter, \$33.8 billion, largely driven by a boom in trading activity and a rush by corporations to tap debt and equity markets.”





It was the best quarter for Wall Street in a decade, allowing Goldman Sachs and Morgan Stanley to notch records as well.”

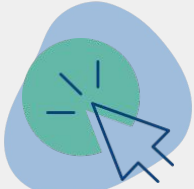
But these vulnerable customers could stop paying altogether as their federal benefits lapse.”



**Shift to
Value &
Essentials**



**Flight to
Digital &
Omnichannel**



**Shock
to
Loyalty**

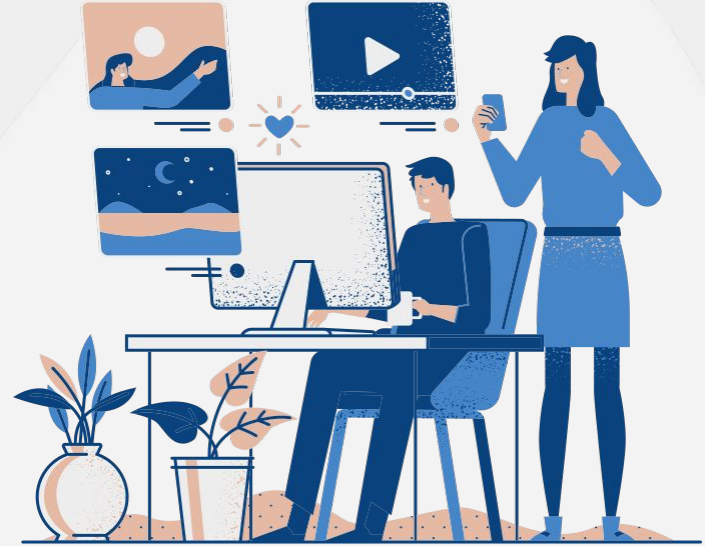


**Health &
"caring"
Economy**



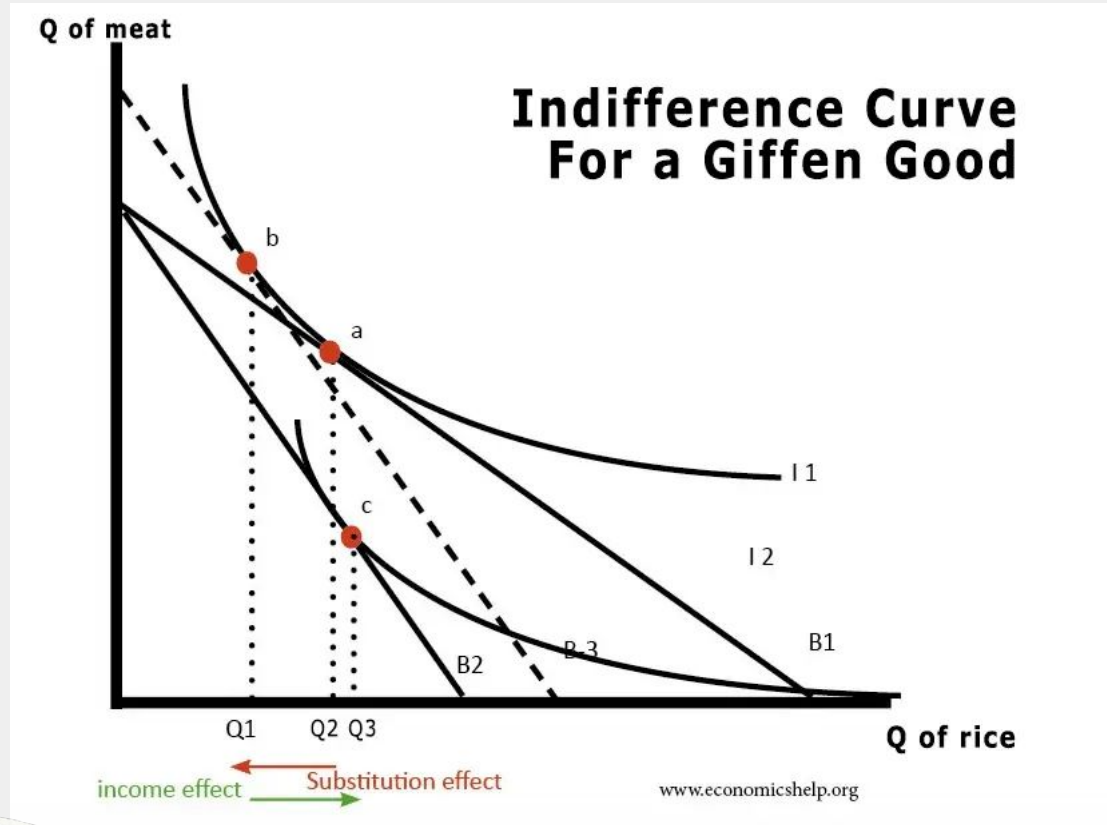
**Homebody
Economy**

Change in Consumer Behavior



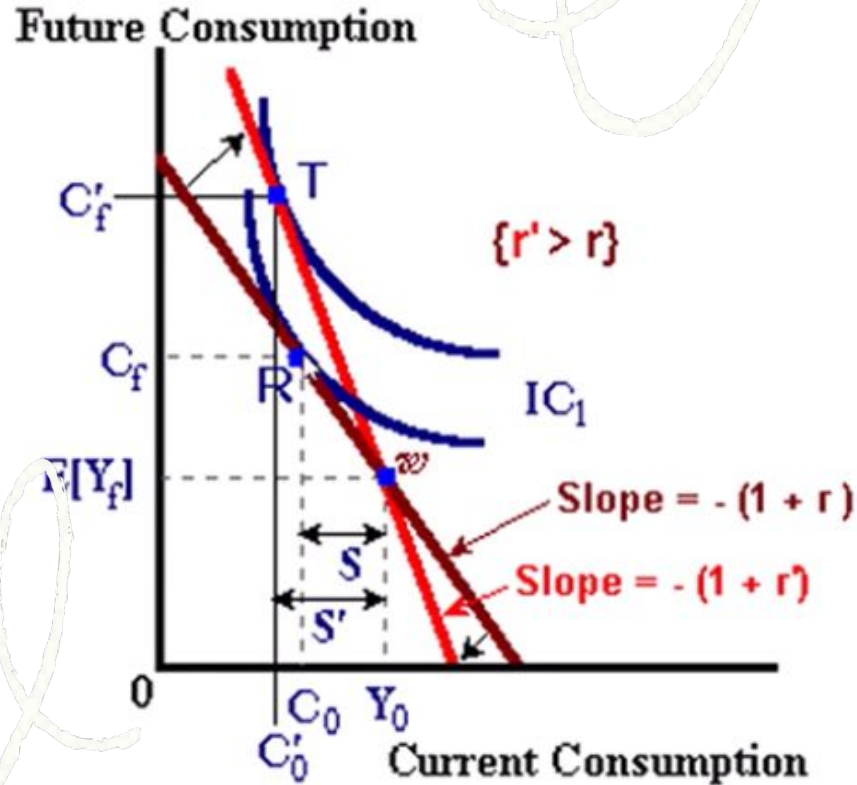
Shift to Value and Essentials

- ❖ inferior goods increase, income decreases
- ❖ Normal goods decrease, income decreases

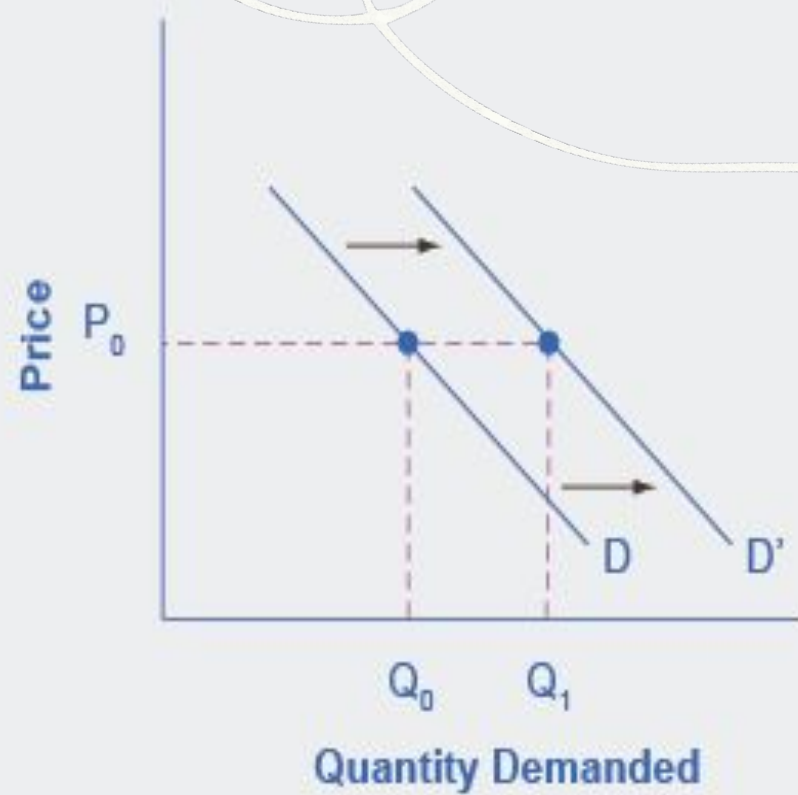


Savings

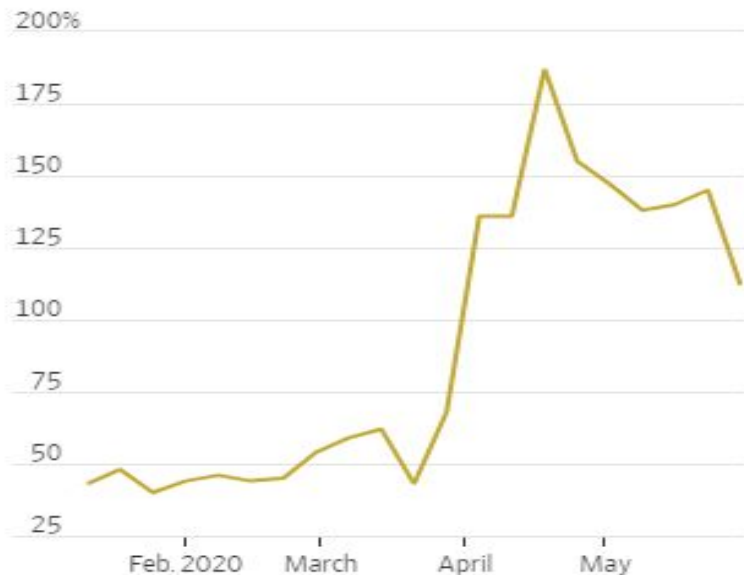
- ❖ Reduction in Current Consumption
- ❖ Increase in Savings
- ❖ Consumers are being more mindful of their consumption



Flight to digital & omnichannel



Online grocery sales, change from previous year



Source: Earnest Research

WEEKLY GROCERY SALES CHANGE YEAR OVER YEAR

Online grocers Supermarkets (online) Warehouse clubs (online)

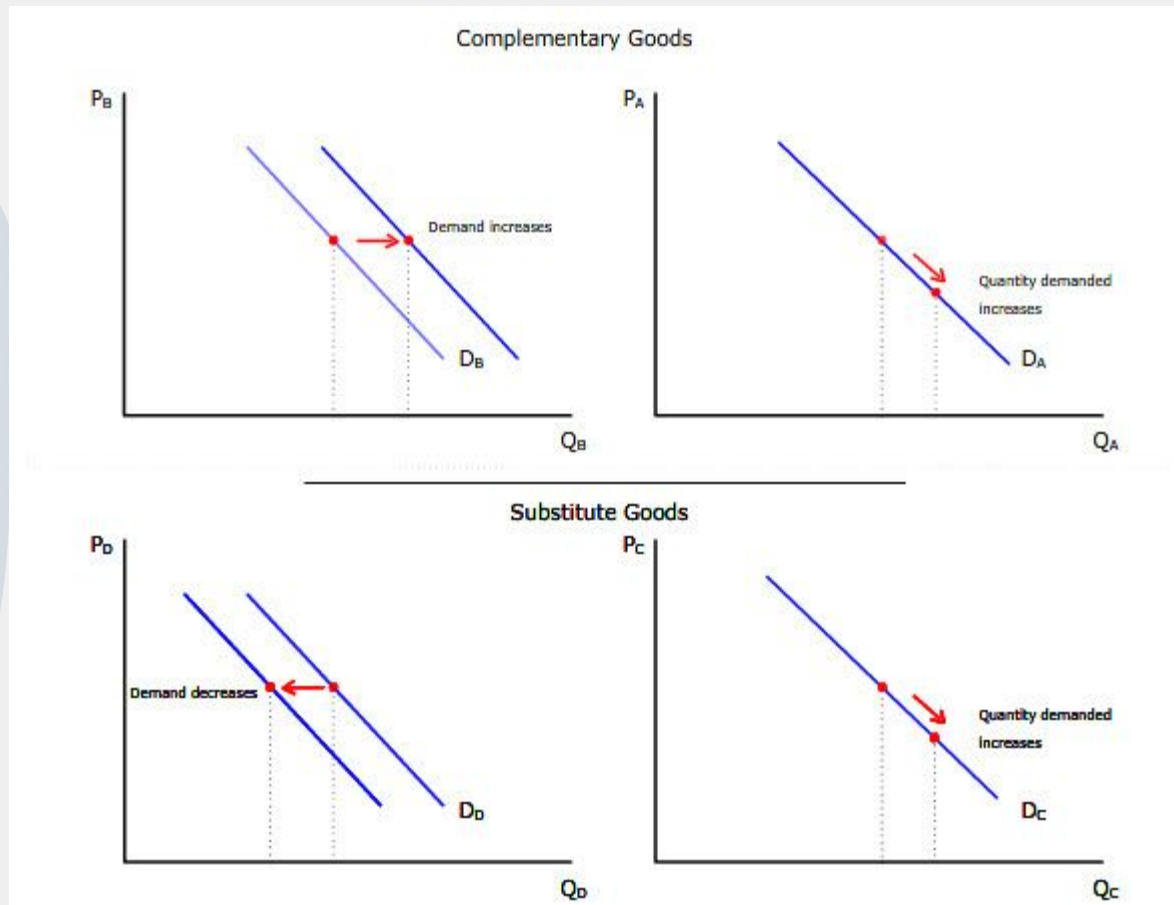


SOURCE: EARNEST RESEARCH

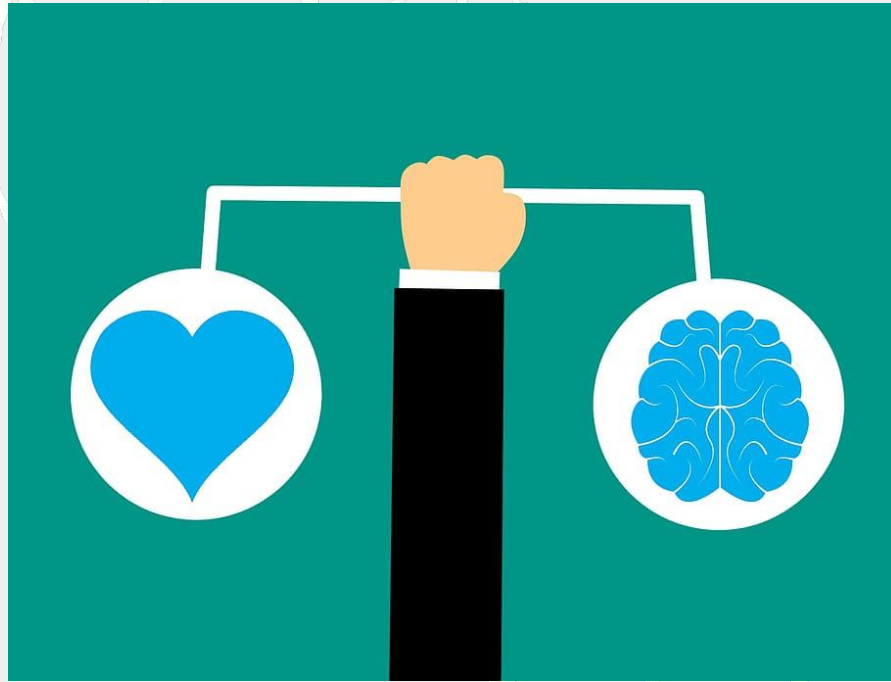
Shock to Loyalty

❖ Complements

❖ Substitutes



Source: <https://livingeconomics.org/article.asp?docId=289>



Health and “caring” Economy

- ❖ **Heuristics**
- ❖ “...they buy more from companies and brands that have healthy and hygienic packaging and demonstrate care and concern for employees...”

Homebody Economy

- ❖ Altruistic Behavior
- ❖ Rational choice predictions / (ir)rational choices

Rational Decision Making Process



Conclusion

Overall, this is why we should extend the unemployment benefits and stimulus payments due to the economic impact it has done such as the stabilization to our economy.





Resources

About the author(s) Nidhi Arora is a consultant in the San Francisco office. “Consumer Sentiment and Behavior Continue to Reflect the Uncertainty of the COVID-19 Crisis.” *McKinsey & Company*, McKinsey & Company, 8 July 2020, www.mckinsey.com/business-functions/marketing-and-sales/our-insights/a-global-view-of-how-consumer-behavior-is-changing-amid-covid-19#.

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