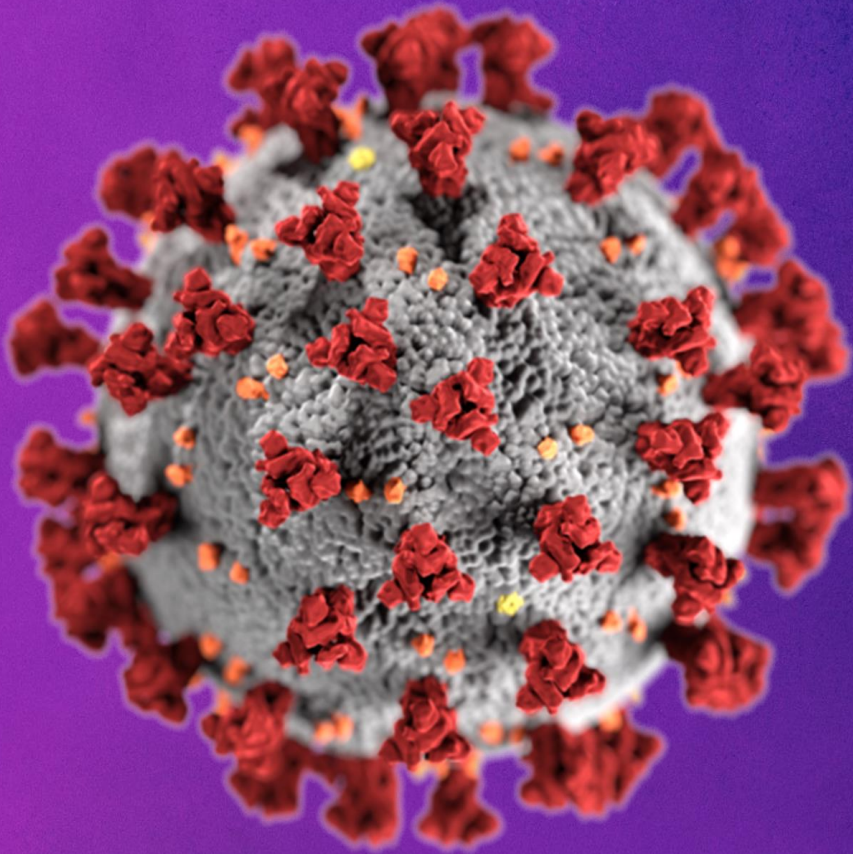


COVID-19

report 10: **MAKING MONEY MOVE**

4.08.20





The Coronavirus crisis continues to explode. Nearly one-third of the world is now living under COVID restrictions. With cases still growing in the US, experts cannot pinpoint an end to the pandemic. Most of the US is under stay at home orders, but a few states remain holdouts and not enough people are practicing social distancing. While health is an enormous concern, so too is the economic impact from the virus. With social distancing forcing non-essential businesses to close, 3.3 million unemployment claims were filed the week of March 23, the most in US history — only to double to 6.6 million claims the following week. Layoffs will likely continue and even for those still employed, “two-week stock ups” and the purchasing of extra supplies has shattered even the best-planned budgets. As an initial step, the Senate has passed a \$2.2 trillion relief package, where eligible Americans can receive up to a \$1200 check under the CARES Act.

As economic uncertainty continues to grow, Americans will alter their spending priorities. Will spending on food be impacted, and can restaurants expect a portion of consumer stimulus checks?

Here are highlights from Datassential's latest wave of Coronavirus research, fielded April 3 with 1,000 US consumers.



KEY EVENTS SINCE THE LAST FIELDING ON MARCH 29

March 31

At least 80% of Americans are under stay-at-home orders
At least 184,343 Coronavirus cases reported in the US
Wyoming remains the only state yet to report a death from Coronavirus
The DOW falls 23.2%, records its worst first quarter in history

April 1

US health expert says a Coronavirus antibody test could be available within this month
Grand Canyon National Park closes because of Coronavirus
President Trump states he will not issue a nation-wide stay at home order
The Strategic National Stockpile ships out its last reserves of protective gear

April 2

Secretary Mnuchin claims Americans on-file with the IRS will get stimulus checks in two weeks
Amazon says all warehouse workers will have face masks by next week
Democratic National Convention will be postponed until August
President Trump invokes Defense Production Act for ventilators and equipment

April 3

FEMA delivers \$1.1 billion in federal support to New York state
Worldwide output of goods and services drops at fastest rate since 2009
CDC officially recommends the use of non-medical face coverings

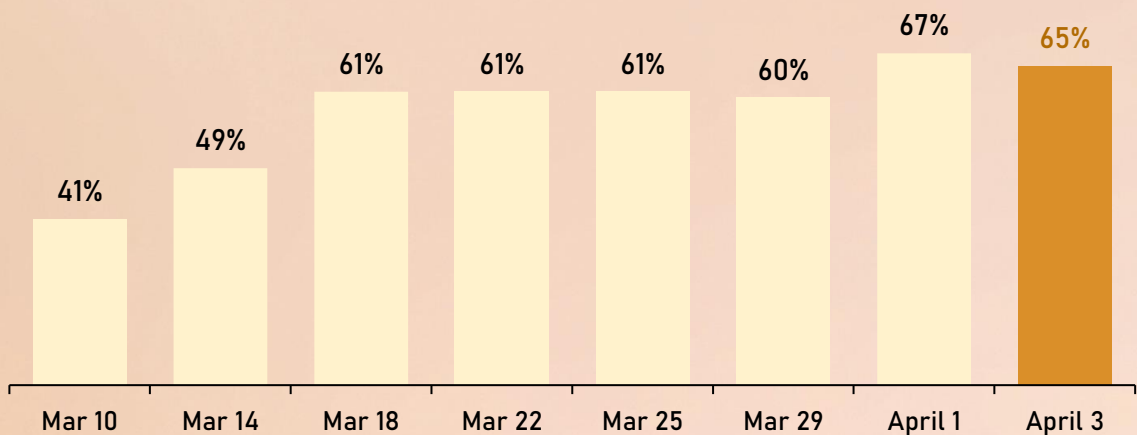


Concern is starting to rise again.

As the US continues to experience exponential growth in cases of COVID and more states adopt shelter in place restrictions, concern is starting to grow once again after almost two weeks of stability. Almost two-thirds of Americans are very concerned and hugely worried about their own personal health.

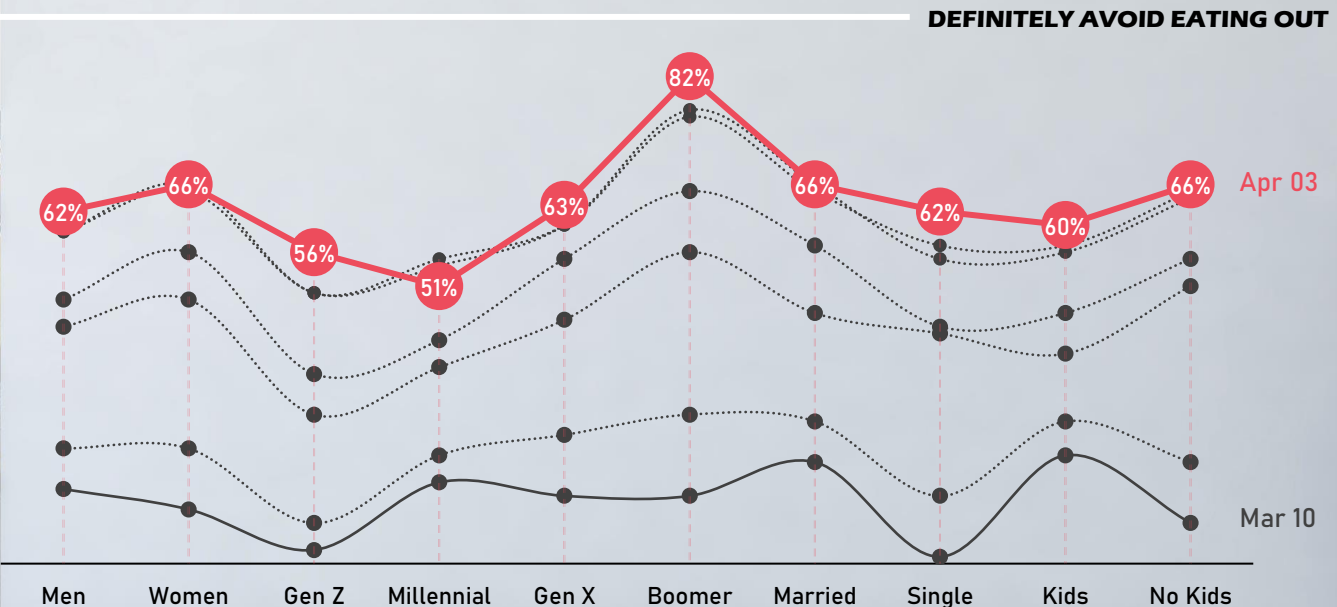
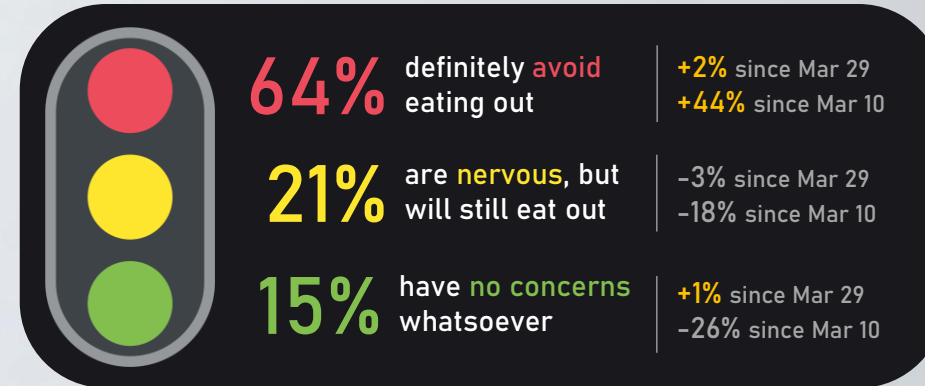
very concerned with Coronavirus

	Mar 10	Mar 14	Mar 18	Mar 22	Mar 25	Mar 29	Apr 1	Apr 3
Very concerned	41%	49%	61%	61%	61%	60%	67%	65%
Somewhat concerned	49%	42%	34%	35%	34%	33%	28%	28%
Not concerned	10%	8%	5%	4%	5%	7%	5%	7%



Avoidance of eating out steady, yet grows among some demographics.

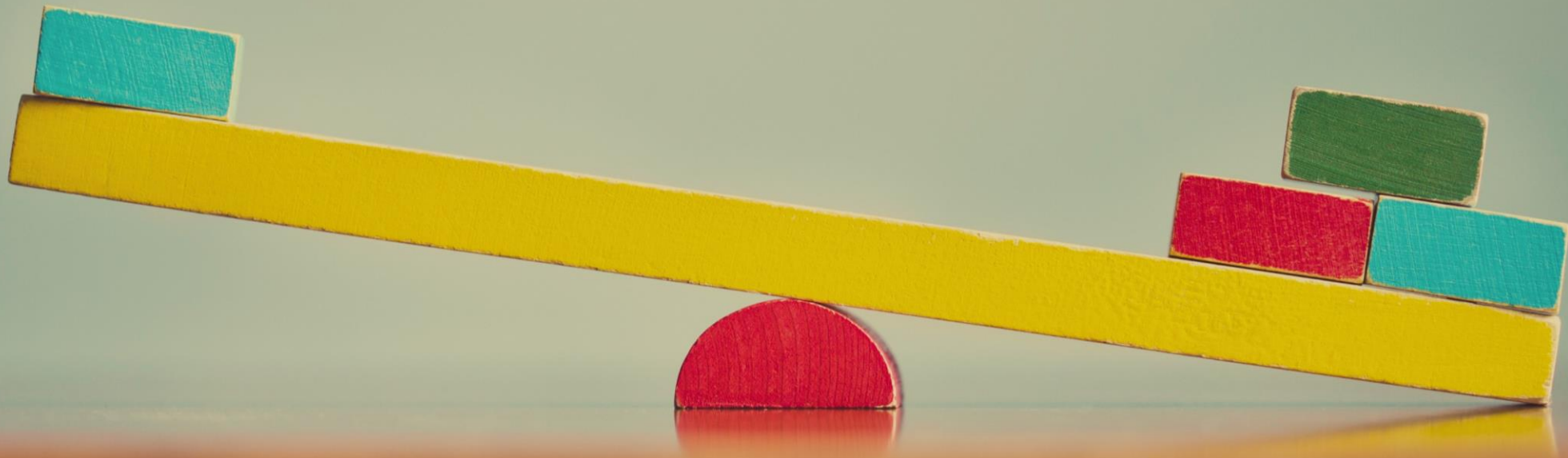
With most states now mandating the transition to delivery and takeout only, consumer avoidance of dining at restaurants remains steady, but high. Concern is also starting to creep up among groups that were less worried in the past, like Generation Z and singles. Baby Boomers are also showing significant jumps over the past five days.



In times of uncertainty, maintaining the status quo supersedes all other factors.

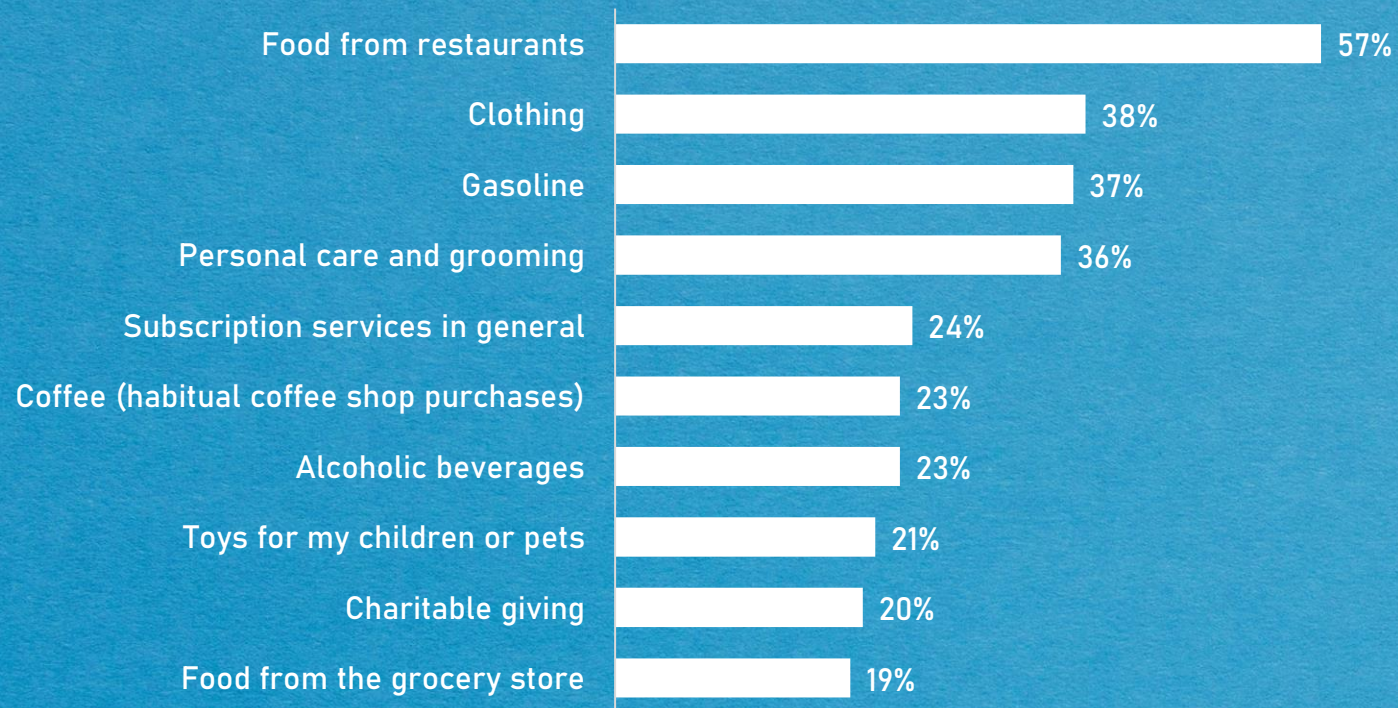
“Two-week stock-ups,” layoffs, rising prices, and just a whole lot of uncertainty would normally leave most Americans squeezing their purse strings just a little tighter. With this crisis, add fears over food safety and massive restaurant closings. Yet eating seems to be an activity where consumers are trying to maintain some semblance of normalcy throughout this situation. They aren’t going to extremes with treats or trying new exotic foods. Most aren’t trading up to premium or down to generics. They’re mostly trying to maintain the status quo. Dwindling options at grocery stores and limited restaurant selections have culminated in the usual purchase decision drivers taking a backseat to one main factor: availability.

Consumers are on a mission to find their “usuals,” regardless of brand or price. Restaurants can be consumers’ refuge amid all the disruption by staying on their radar with frequent reminders that they are still open and are still offering what people seek.



When options are limited, so is spending.

With most of the outside world closed and Americans stuck at home unshowered and in sweats, consumers are mostly focused on the basics. Since the onset of social distancing, consumers have cut spending across many sectors where they now have limited access. Eating out, clothes shopping and personal care top the list, as well as the gasoline necessary to get to these venues or to the office. Things that keep us entertained and can still be easily accessed, like subscription services, toys and the daily coffee fix, have also taken a hit, but less so than some other categories. Boomers are most likely to have cut spending on food from restaurants, but as we have seen in our recent studies, are also most excited to get back to dining in once they reopen.



**since the onset of social distancing for COVID,
where have you cut back on spending?**



Food preparation: Let cooking be thy medicine.

Food has been a major part of the conversation throughout the COVID pandemic, whether it's grocery hoarding, food safety, or the impact on restaurants. In the short time since social distancing began, consumer attitudes around food are starting to shift, and as you might expect, primarily around food in the home. While the greatest emphasis remains the urgency to stock up, there has also been a transformation around meal preparation and planning, with consumers dedicating more time to these activities and recognizing the therapeutic role this plays. Americans are not necessarily treating themselves or trying new things, and one in four have not changed their attitudes at all.



WHAT FACTORS DRIVE CONSUMER DECISIONS TO TRADE UP OR DOWN ON FOOD?

"I trade up to a more premium version of foods that I generally bought as generic or store brands, I also like to treat myself and my family to a brand of dessert that I would not usually buy. I have traded down to generic disinfectant wipes because they contain the same chemicals as more expensive products. Anything that is just as good as a name brand product, I will substitute a generic product when available."

- a 68-year-old man in Lynwood, CA

"Based on what's actually available in the store on any day that I shop."

- a 72-year-old man in Dallas, TX

"We find ourselves eating more treats and drinking more at home."

- a 63-year-old woman in Buffalo, NY

"Mainly just wanted to treat myself during this time. Might as well get better fruit."

- an 18-year-old man in Louisville, CO

"I make those choices because those are the only ones available. I would get the cheapest versions or the same as normal, but everyone wants cheaper things so what's left is the more expensive versions of things."

- a 21-year-old woman in Rankin, IL

"Eating at home exclusively now so buying more and better foods to prepare or already prepared."

- a 59-year-old woman in Edmond, OK

"Looking for sale items and getting things made, grown, assembled in the great USA."

- a 72-year-old man in Vancouver, WA

"I make these decisions based off of how safe I feel they are for my family"

- a 35-year-old woman in Fleming Island, FL



Saving for a rainy day.

With the suggested two-week stock-up, most Americans have probably spent beyond their normal budgets. So it's no surprise that when consumers receive their CARES Act cash, most are going to use it to replenish some savings. Many Americans live paycheck to paycheck, so money will also go to everyday basics like rent, groceries and paying down debt. While lower on the list, restaurants will enjoy some of this cash infusion as well, especially from Boomers, who are more likely to treat themselves versus younger generations. Gen Z, many of whom probably still live with parents and aren't overwhelmed by living expenses, are more likely to invest or buy something nice for themselves.

what are consumers most likely to do
with government-allotted cash?

	Total	Gen Z	Millennials	Gen X	Boomers
Save it	62%	56%	60%	63%	65%
Put it toward rent / mortgage and utilities	41%	30%	43%	52%	31%
Use it to stock up on food at the grocery store	38%	42%	40%	34%	40%
Pay down debt	36%	29%	36%	44%	31%
Invest it	23%	33%	25%	20%	22%
Give it as a gift / donate it	20%	23%	21%	14%	22%
Spend on restaurants in my community	19%	16%	16%	20%	24%
Buy something I've wanted for a long time	19%	35%	24%	15%	13%
Put it toward a repair or project I've been putting off	19%	14%	18%	18%	23%
Spend on small retail businesses in my community	18%	20%	16%	15%	23%
Other	4%	1%	1%	5%	6%



Restaurants will get a slice of the pie.

If Americans received extra money that could only be spent on food, they would allocate the lion's share to groceries, but still leave a quarter of the budget to treat themselves to restaurants. To lend some perspective, previous Datassential research on *share of stomach* shows a break of 51% retail and 49% foodservice during non-pandemic times. With the ban on dine-in and lack of awareness around which restaurants are still open, a 26% allocation still seems pretty reasonable. Larger households would dedicate higher averages to restaurants, while Boomers would spend more on groceries.

74%

WOULD SPEND MORE
AT GROCERY STORES

Greater among Boomers (78%)



26%

WOULD SPEND MORE
AT RESTAURANTS

Greater among Married (29%)
and HH's with Kids (31%)



how would you allocate extra money you
received that could only be spent on food?



HOTSHOT REPORT

Visit Datassential's Coronavirus Resource Library at datassential.com/Coronavirus, your one-stop shop for all COVID-19 research reports, video interviews, restaurant closure maps, and Traffic Briefings, all updated daily as new data come out of the field.



Help us help you.

As the Coronavirus situation continues to evolve rapidly, just tell us what you want to know. If it's something that benefits the food industry, we'll do our best to incorporate it into an upcoming report and provide the results to everyone for free.

And if you have a need that's specific to your company or brand, we would love to design a custom research solution for you.

[click me](#)