



# Consumer Sentiment

**SOCIAL  
PROTESTS'  
IMPACT ON  
CONSUMER  
SENTIMENT**



## Introduction

Although COVID-19 has a dominant influence on consumer sentiment, the killing of George Floyd and the subsequent protests it ignited are impacting how consumers feel.

## An Active and Anxious Summer

In early June 2020, the protests took over news headlines. Consumers were feeling slightly more negative and less content, perhaps due to the focus on racial discrimination on top of pandemic frustrations.<sup>1</sup>

There are indications that American sentiment about racial discrimination has changed. The protests are a visible sign of action and outrage. Most Americans believe George Floyd's May 25 killing is a sign of a broader problem and not an isolated incident.<sup>2</sup> This is a big change since 2014, when less than half agreed with this sentiment after the Ferguson, Missouri and New York City police incidents.

More than half of Americans believe police actions are discriminatory— especially people of color and younger people. About half of white people share this opinion. This represents a dramatic shift, especially for white Americans, who in the past have not said they believed that black people experienced “pervasive discrimination”. Additionally, 76% of Americans called racism and discrimination “a big problem,” up 26 percentage points since 2015.<sup>3</sup>

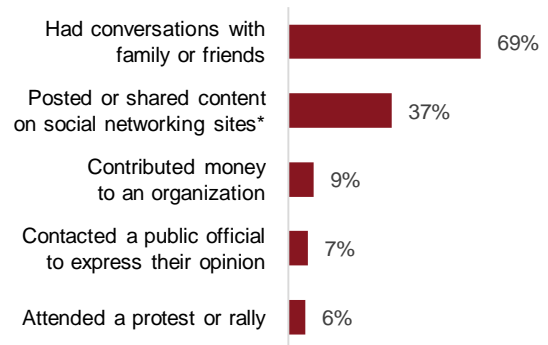
*“Never before in the history of modern polling have Americans expressed such widespread agreement that racial discrimination plays a role in policing — and in society at large.”*

– Giovanni Russonello  
New York Times<sup>4</sup>

As a result, more Americans are becoming active. While the protests are visible actions, Americans are also having more dialogue about race. 69% have had conversations with family and friends about race and racial equality in the last month.<sup>5</sup>

### About seven-in-ten Americans say they've had conversations about race in the past month

*% saying they have \_\_\_\_\_ about/focused on race or racial equality in the last month*



\* Based on social media users.

Source: Survey of US adults conducted June 4-10, 2020. “Amid Protests: Majorities Across Racial and Ethnic Groups Express Support for the Black Lives Matter Movement.”

PEW RESEARCH CENTER



## Protests and the Pandemic

Although George Floyd’s killing was unrelated to the pandemic, there are some connections between racial discrimination protests and the pandemic. According to the researchers behind Ipsos and Axios’s joint effort to track sentiment during the pandemic,

*“America has a massive racial gulf on each of our twin calamities — trust in police, and fear of the coronavirus.”<sup>6</sup>*

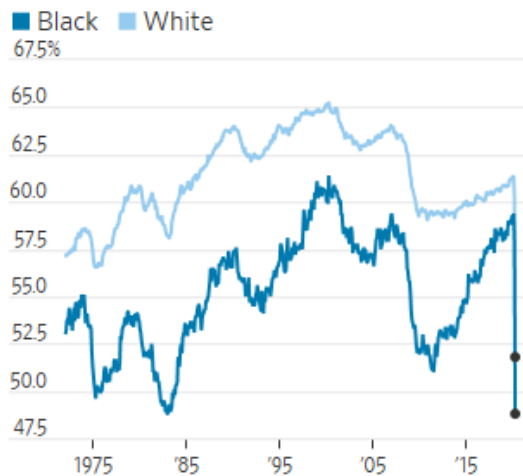
African-Americans and Whites have differing levels of trust in police and governments. They also differ about perceptions that the coronavirus is doing greater damage to people of color and that the official pandemic response is biased.<sup>7</sup>

A second connection is that African-Americans were more vulnerable to COVID-19 due to essential job risks, lower income and net worth. So, the long-term effects of discrimination may be making African-Americans more vulnerable to the illness—and there are signs of that inequality in a more visceral, immediate way through recent police violence.

African-Americans have persistently lower income and net worth than Whites, despite a similar employment rate, based on working percentage of population.<sup>8</sup>

### The Jobs Gap Had Narrowed ....

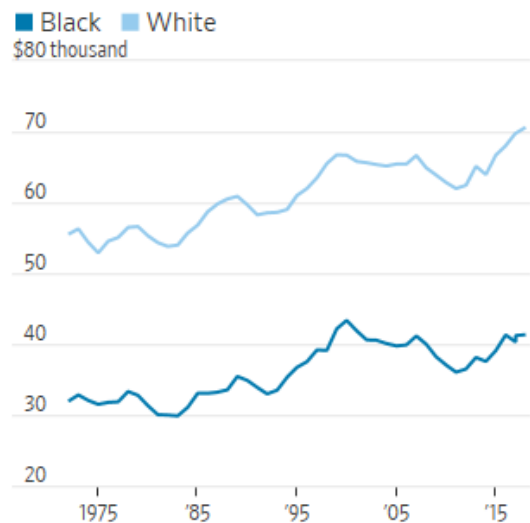
Employed as share of population



Source: U.S. Labor Department

### ... the Income Gap Has Not

Median household income, 2018 dollars



Source: U.S. Census Bureau

Another fundamental connection is simply due to concerns about increased infection risks due to the protests. Eight in 10 Americans worry that mass demonstrations around George Floyd’s killing, police brutality and structural racism could trigger new coronavirus infections.<sup>9</sup>

## Looking Ahead

As social discord and COVID-19 concerns persist, they will continue to influence consumer sentiment. In addition, differences of opinion across consumer groups, based on demographics, geographic location, political affiliation will remain important factors. When thinking through how to help members manage financially, issues to consider include:

- When developing business plans, do you take into account consumer sentiment and trends that are likely to endure beyond current crises?
- Individual members are experiencing racial injustice in different ways. How might you ensure your credit union is empathetic, relevant and providing value to your members?
- Are you doing enough to enable consumers to be more self-sufficient and prepared for what's to come?

## Additional Resources

- [Consumer Sentiment and the COVID-19 Pandemic](#)
- [Addressing Member Financial Anxiety During & After COVID-19](#)
- [Serving the New Digitally Connected Membership](#)

Document # 10009323\_0720

## Endnotes

- <sup>1</sup> C Space. Lerman, Katrina and Zale, Renee. *Confronting the Curve: A Tale of Two Countries*. June 4, 2020. Slide 28-29
- <sup>2</sup> The Washington Post, "Polls show strong support for the protests – and also for how police handled them", June 11, 2020
- <sup>3,4</sup> The New York Times, "Why Most Americans Support the Protests", June 5, 2020
- <sup>5</sup> Pew Research Center, "Amid Protests, Majorities Across Racial and Ethnic Groups Express Support for the Black Lives Matter Movement", June 12, 2020
- <sup>6,7,9</sup> Ipsos, "The coronavirus pandemic has returned to the center of Americans' concerns", June 30, 2020
- <sup>8</sup> The Wall Street Journal, "For African-Americans, a Painful Economic Reversal of Fortune", June 3, 2020