FACING FEAR
OVERCOMING CONSUMER ANXIETY

FINAL EDITION | JANUARY 2021
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INTRODUCTION

As we prepared for this research series in late 2019, we had no idea how the world would change before the year was through. What we knew was that people were anxious. Our first wave of research found that Americans were worried about the cost of healthcare and their personal finances, but were optimistic about their personal futures. And we knew that American society faced steep divisions along the lines of race, gender, and socioeconomic status in ways that pointed to serious looming problems, but “COVID” hadn’t even entered the lexicon. People were fearful, vulnerable, and divided even before the greatest global health threat in a century arrived.

The initial shock last March was felt by everyone. Life changed so quickly and in unexpected ways that levels of uncertainty and fear skyrocketed while confidence plummeted. Ten months later, people are united in being tired of this pandemic. They’re tired of the stress and anxiety and want a release. The case numbers on the news rise so incessantly that we risk allowing them to become noise rather than a reflection of human loss and heartache. That hundreds of thousands have died and millions of Americans have been ill or faced the death of a loved one is hard to grasp, and the inequities it has exposed will be with us decades to come.

The emotional toll we’ll carry forward has been compounded by economic struggle. Millions of families have fallen on hard times and continue to face trouble finding jobs, paying rent, and putting food on the table. The economic impacts have also been strikingly uneven: without a committed effort, this recovery will make the well-off richer than ever and leave the working class to struggle.

The country also faced significant social and political change over the past year. Last summer’s protest movement brought racial justice back to the forefront of our national conversation. Our findings suggest that while the pandemic and economy have become more pressing priorities for many, people, including people of color, believe that we made progress on racial issues in America. The election, though marred by unprecedented rhetorical attacks on our democratic process and a violent attempt to disrupt constitutional order, produced a new direction for our government and the first woman, and a woman of color at that, to become Vice President of the United States.

After such a tumultuous year, we’re all ready for something better. At this low point, companies and brands are hearing the call to lead. A company’s success isn’t just measured in dollars or stock price anymore: it’s measured by how that company builds its internal culture and acts within its community.

This final edition of our series on consumer anxiety explores those issues, seeking to understand how a momentous period of change has affected us, what the new landscape looks like, and where we can go from here.
KEY RESEARCH FINDINGS

> The worsening public health situation is taking a severe toll on Americans. Pandemic-related sentiment has nowhere to go but up, provided that vaccination efforts improve on current performance.

> The COVID Economy exacerbated existing socioeconomic disparities. Even rougher days are likely ahead, and further stimulus efforts are needed for the rebuilding effort.

> Our politics have walked to the brink. This moment is fragile and demands a more civil, decent, and equitable approach to governing a diverse country.

> Racial issues faded from headlines and fell down the list of priorities, but Americans believe that progress was made in a long project.

> Americans have found strength and silver linings through this adversity, seeking self-improvement and discovering anew their appreciation of family, community, and the struggles of others.

> Rebuilding from this point is an all-of-society effort. Individuals, businesses, and governments have a shared interest and responsibility to learn from the struggles of today and past years in order to move forward.

METHODOLOGY

For this series, Alter Agents conducted three online surveys:

**Wave 1:**
1,302 respondents surveyed in November 2019 and January 2020

**Wave 2:**
1,303 respondents surveyed in June 2020

**Wave 3:**
1,325 respondents surveyed in November 2020

All respondents were US residents over the age of 18. In order to better represent the views of people of color in our aggregated data, we oversampled among Asian, Hispanic, and Black Americans.

We also interviewed three experts in economics, political science, and mental health to help contextualize our findings and inform our analysis.
THE POINT OF GREATER DIVERGENCE

The forces driving consumer anxiety today fall into five categories: the pandemic, the COVID Economy, political strife, lingering racial tension, and the persisting gender divide. The disparate ways in which Americans experience these challenges has set us on increasingly divergent paths as existing social, economic, and political gaps in American society have widened due to the past year’s struggles.

THE PANDEMIC

Since the initial panic last March, consumers have settled into an adaptive state, albeit with significant variance in how they perceive the health risks associated with different activities. What is clear is that the country is united in seeing COVID-19 as the most pressing issue.

Healthcare remains Americans’ most-often cited priority as the country suffers through the worst of the pandemic, with nearly a quarter-million new cases reported each day and over 400,000 lives lost as of this writing. The share of respondents including healthcare among their top three areas of concern rose by four percentage points since June, now standing at 44%. The virus’ spread is also reflected in the share of respondents whose immediate circles were touched by it. A quarter of the entire country – 23% – now says that a close friend or relative has contracted COVID-19, up from 12% in June. The share saying that they have lost someone close to the virus has risen as well. Nearly one out of every eight Americans says that they knew someone who died after contracting COVID-19, up from 7% last June.

Even as the virus touches more lives on its march through the United States, the pain it brought has been felt unequally. As we found last June, Hispanic and Black Americans are both more likely to know someone close to them who has contracted the virus and to have lost a friend or relative to it. Now, nearly one in every three Hispanic Americans knows a friend or family member who has fought COVID-19. There are a lot of factors driving these divergent health outcomes, and the experts we talked with agree that the situation demands tailored solutions.
As the virus spread, it also closed the psychological distance between the danger it poses and consumers’ inner circles. As a result, the pandemic’s emotional toll has become more immediate. The share of respondents saying that they worry about their family’s physical health now stands at 46%, up by five percentage points since last June. Similarly, the share saying that they worry about their family’s mental health rose four percentage points over the same period, to 30% overall.

There’s also ample evidence that “pandemic fatigue” is setting in. People are not just tired of the mitigation efforts that have reshaped large swaths of public life. They’re also feeling the compounding weight of nine months’ worth of living in a high-stress environment. Overall, 38% of respondents say they’ve experienced increased stress as a result of the pandemic, up from 32% last June. Hispanic and White Americans are most likely to report higher levels of stress, at 47% and 41%, respectively.

Americans also find themselves more run down: the share saying that they “feel enthusiastic and energized” is down by six percentage points over the past year. And they think the situation is deteriorating: in a recent survey, 73% agreed that the pandemic is getting worse in the US. Licensed Professional Counselor Crystal Joseph tells us that people begin to experience “avoidance and disillusionment” as they grow tired of following safety protocols that upended their lives. Combating the cognitive dissonance that arises from increased fear of the pandemic and decreased motivation to take safety measures, she says, comes from building new routines and habits.

It’s no surprise that the onslaught of bad news about a challenge as overwhelming as a global pandemic would have people feeling down. Researchers have found that the isolation of quarantine and even just knowing someone who has been exposed to a serious disease are associated with symptoms of PTSD and depression. 2020 saw an uptick in deaths from despair, with the CDC reporting an acceleration in drug overdoses during the pandemic as well as increased suicidal ideation among younger Americans and those of color. Even after the immediate risk passes, the mental health implications will last for years.

| 47% of Hispanic respondents report experiencing higher levels of stress as a result of the pandemic, up from 31% last June. |

That mental impact will likely be different between generations, and it will take years to fully understand the setbacks younger Americans suffered. A year of youth lost can be profound. Being unable to spend time with friends and socially develop as normal, seeing family members fall ill and pass away, and missing some of our normal rites of passage like high school graduation or senior prom will affect Gen Z and Gen Alpha. According to Joseph, “exposure to parental stress, guilt, shame, and other economic deficits can cause psychosocial etchings related to personality development and their socializations skillset.” Overcoming these challenges will take time and work.

In summary, Americans are sick and tired of feeling sick and tired. That the vaccination program is up and running brings hope that this new year will bring us out of a dark tunnel and into recovery: about 20 million doses of the vaccine have been administered in the US so far, and each vaccination is a barrier to COVID-19’s spread and will save lives. The work to bring the country and world out of a dark and difficult time can’t be complete soon enough.
The COVID Economy’s arrival last March was sudden and jarring. We knew far less about the virus than we do now, creating an environment of mass uncertainty and panic. Businesses had to pivot almost overnight, moving millions of office workers into a remote working experiment or reworking their operations to separate their workers from the public and handle long lines for basics like toilet paper and bottled water. The changes in consumer habits and local restrictions sent unemployment skyrocketing and hammered consumer confidence. Americans, already worried about their health, had to also contend with heightened economic anxiety. Since then, early hopes for a speedy recovery faded.

We’re now 10 months in. The job market’s recovery has slowed, with 6.7% unemployment and 5.05 million continuing weekly unemployment claims. Data from Yelp’s September Economic Impact Report found that nearly 100,000 businesses that were open at the start of last March have since closed. Enrollment in undergraduate college education for the Fall 2020 semester was down 4% since the year prior, especially at the nation’s community colleges that serve lower-income students. Food insecurity and hunger are spiking in the US as well. Nearly a sixth of respondents in our study say that they’ve needed help buying food during the pandemic, including nearly one in four mothers. The economic picture for women continues to worsen: Data from the Bureau of Labor Statistics shows that women accounted for all of December’s job losses.

Economist Peter Atwater, an adjunct professor at the College of William & Mary, calls what we’re experiencing a “K-shaped recovery,” named after the theory’s shape when modeled on a graph. This theory holds that the economic effects of the COVID-19 pandemic are causing significantly disparate outcomes to occur as those with pandemic-safe jobs and financial means see their wealth and sentiments trend upward (the arm of the “K”) and those with vulnerable jobs and fewer financial resources see their wealth trend downwards (making up the leg of the “K”). This “rich get richer while the poor get poorer” scenario was likely present after the Great Recession. This time, that divergence in prosperity may be more extreme.

According to Atwater, the cause of the K-shape is, “in its core, not an economic issue. It’s a sentiment issue, a confidence issue, an issue of vulnerability.” While our study found that overall optimism in the future has been flat since last June, looking at the changes by income tells a different story. Respondents as a whole are less optimistic about their futures now than they were a year ago, but those with an annual household income above $75,000 are rebounding and those making less continue to slide downward. The divergence in optimism between those with greater means and those with less represents a “divergence of experience that, at its core, is based on how people feel.” As a result, people feel as though they live in two very different American economies.

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<th>December 2019</th>
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<th>November 2020</th>
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<td>HH Income Above $75k</td>
<td>86%</td>
<td>75%</td>
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<tr>
<td>HH Income Below $75k</td>
<td>70%</td>
<td>68%</td>
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% agreeing with the statement: “I think my future will be better.”
Source: Alter Agents Fear Research, 2019-2020

One in four mothers tell us that they’ve had trouble affording food for their families during the pandemic.
The Fed agrees. In a speech this month, Federal Reserve Governor Lael Brainard said that “The K-shaped recovery remains highly uneven, with certain sectors and groups experiencing substantial hardship.” She also estimated that the unemployment rate among the lowest-paid quarter of American workers is about 20% – almost three times the national average.

“America has multiple societies,” Joseph contends. The stratification, socially and economically, has become too severe. The cure, she says, is to adopt a more communal attitude, acknowledge that the uneven distribution of privilege has gone too far, and listen to the needs of marginalized communities.

Our survey found that economic issues are the second most-cited area of concern for Americans after healthcare. While the share rating “personal finances” as being among their top three concerns is relatively flat since late 2019, the share including “the national debt and economy” rose by five percentage points since then.

Financial confidence is falling, though unevenly. The share of total respondents saying that they feel “financially better off today” than before now stands at 50%, down eight percentage points from late 2019. Just 44% of those with an annual household income of less than $75,000 agreed, compared to 61% of those making more than that amount.

The story of that confidence over time is more nuanced. While those in the lower income bracket maintained their confidence in the first three months of the pandemic, they lost it during the next six. Higher-earning respondents lost a significant amount of confidence in the shock, but have since begun to regain it. As the contagion of job losses has yet to meaningfully infect white collar professions and asset prices rebounded to rise above pre-pandemic levels, those on the wealthier end of the spectrum are feeling and doing better – they realize that they’re on the upper arm of the “K.” Those earning less find themselves on the lower leg of the “K”, losing confidence as the tough economic climate drags on.
The economic vulnerability felt by those on the leg of the “K” leaves them in a constant state of heightened alert. “It’s incredibly exhausting,” Atwater says, and pushes people to focus on immediate problems: what he calls the “Me, Here, Now” mindset. Consumers are set up to prefer goods or services that address an immediate need that will help alleviate that state of alert, rather than engage in long-term planning. They understand that they need help now, not later.

The Biden Administration recognizes the economy’s structural weakness and intends to address it with a $1.9 trillion stimulus plan. A Harvard/POLITICO poll found that this is a popular position: 84% of Americans say that passing a major stimulus bill should be an “extremely important priority,” including overwhelming majorities of Democrats, Independents, and Republicans. What can pass a narrowly divided Congress remains to be seen.

Regardless of our position on the “K,” Atwater says, “we have all been irreparably affected by what’s happened in this past year.” Good policy – public and private – will consider the full experience of the past year and understand the full scope of everyone’s trauma. “I don’t believe that we get through this in a tidy way that has this ‘Roaring 20’s’ environment when we’re all done,” he continues. “we’ve got a period of societal resolution to get through first.” That means doing more than just recouping jobs and businesses: it means building better ones in a more equitable way.

As if the pandemic and economic struggles weren’t enough to contend with, the country also conducted its quadrennial political checkup in 2020. It was a turbulent, scary, and dangerous process that left Americans with a lot of healing to do.
Our political situation continues to be fraught, chaotic, and challenging. In the past year, the country endured a disputed election, two presidential impeachments, a Supreme Court confirmation battle, nationwide unrest stemming from racial injustice, violence from the far right, and a violent, but failed, insurrection against the federal legislature. Democracy in America hasn’t been on such unstable ground since the 1860’s.

The 2020 elections were marred by a sustained and coordinated effort to delegitimize the democratic process and deny the American people their right to determine the course of their government. Former President Trump’s claims of voting irregularities and fraud were made without any credible evidence, and he became the first US presidential candidate in modern history to refuse to concede the election, even as he admitted that his opponent would become President. Legal challenges to the election results made by his campaign failed in court more than five dozen times. And down the ballot, other candidates adopted the strategy, attacking the process and voters instead of bowing out gracefully. The norm-busting of the past several years turned its focus from decorum to democracy itself and led to insurrection as a Pro-Trump mob attacked the Capitol in a bid to prevent the official counting of the Electoral College’s vote and the final certification of Joe Biden and Kamala Harris’ election.

American politics has always been contentious and those involved often bend and twist the truth. But the decision made by officials and political operatives to shift from spinning the truth into a narrative to ceaselessly and knowingly lying to the public has created an environment in which the electorate increasingly inhabits two different versions of reality, feeding discord, extremism, and violence. We’ve discussed how news consumption has impacted perception in previous editions of this series. Our most recent set of data focuses on how Americans feel about their democracy.

Americans across the political spectrum are united in agreement that American democracy is in a sorry state. Just 43% of respondents say that it’s “working well” and 74% say that the American political system is “in need of significant reform.” Interestingly, satisfaction with the system is generally higher among younger generations than their elders.
Confidence in our electoral procedure predictably took a hit, with 39% of respondents saying that the election was not free or fair. 66% of Republicans, 41% of Independents, and 22% of Democrats agree, which mirrors how the leaders of those parties have treated the electoral aftermath. Gen Z was the generation least likely to distrust the electoral process, with one third of respondents in that group doing so. According to Atwater, when elections are as emotionally charged as the 2020 election was, the reaction from those who lost becomes more important than that of those who won. And with many now distrusting the electoral process itself, the risk of an extreme reaction and violence is especially high. The United States experienced this firsthand on January 6th. Dr. Nadia Brown, Associate Professor of Political Science and African American studies at Purdue University, views the issue with similar gravity: “We can’t operate with alternative facts. We can’t operate with misinformation.” Politicians need to agree that the election was won, fairly, by President Joe Biden and Vice President Kamala Harris. “I think they have to tell the truth to the American public,” she says.

Just 37% of respondents think that the tone of our political discourse is appropriate. Independents are the most frustrated, with just 29% thinking so. Younger generations are much more likely to approve of that tone, while Boomers are much more likely to disapprove. Americans have often disparaged the coarsening of our political debate over the past five years. And we’ve come to the point where turning the temperature down is unavoidably necessary: constantly raising the rhetorical stakes and attacking the legitimacy of the process has led to an increase in threats to the safety of public officials, from those in high-profile offices down to local county clerks.

The January 6th insurrection saw the tonal descent reach a new low. The anger and lies that underpinned the effort to overturn a duly-conducted election led to violence, and even that did not prevent members of congress from making unfounded objections to the certification of presidential electors. The consequences stemming from that day’s action reverberate across society. The government is taking action against those who engaged in violence and murder, filing hundreds of federal criminal charges. According to Pew, about three quarters of the public says that former President Trump bears a lot or some of the responsibility for the violence. And American companies stepped up: tech giants barred the former President from speaking through their platforms and banner corporate names from across industries like Verizon, Dow Chemical, General Electric, and Marriott announced that they would no longer support the campaigns of the members of congress who objected to the election’s certification. That these companies are giving up influence over policy in order to stand for a basic tenet of democracy is good corporate citizenship.
These consequences represent some measure of accountability for what happened earlier this month, but the political system needs to come to grips with it as well, says Dr. Brown. Former President Trump’s second impeachment is a first step, but she sees echoes of America’s past mistakes in our current situation. “This looks very eerily like Reconstruction-era politics and the conversations that we’re having now around impeachment look very similar to conversations that we had” concerning accountability for the Confederates after the Civil War, she says. Failing to bring everyone involved fully to account would mean that “elected officials would rather have unity or harmony with other white elites than with the population in general,” which would again lead to antidemocratic outcomes like those we saw in the Jim Crow era.

Every new administration in Washington, D.C. takes power with the opportunity to hit the reset button. Americans sent a clear message in November that this is precisely what they want to happen by electing an executive ticket with a wildly different approach to the government they chose in 2016. For Dr. Brown, that means that the Biden/Harris Administration has the chance to focus on concrete policy that helps people in real ways, especially those suffering from just the latest in a long history of burden and oppression. “Biden has two years” before the midterms, she says. “He needs to go gangbusters. …The Democrats need to look at this as their shot and in some ways, take reelection off the table and think about the good of the country.”

Interestingly, Democrats are most likely to think that social media has a positive impact on the political process. 44% say so, versus 28% of Republicans and Independents. Confidence in social media’s role in the process is inversely correlated with age: Gen Z respondents are twice as likely to say that the influence is positive than Boomers are. This topic drew plenty of bipartisan scrutiny since 2016, and the tech sector should expect that scrutiny to intensify.
THE RACIAL RECKONING: STARTING TO DOZE?

Many hoped that the racial awakening we saw last summer would last, lending momentum to a social movement that would bring us closer to serving justice long denied. The scenes we saw of thousands of people from all walks of American life marching and rallying to the cause of protecting Black and brown lives from discrimination and violence were inspirational to many. That a multiracial, multi-generational coalition would take to the streets in a moment of national pain breathed fresh life into the dream that an unjust system would change.

Six months later, the results are mixed. We’ve seen some progress in the fight for racial justice, from policing reforms that ban the type of chokeholds that killed Eric Garner and George Floyd and laws prohibiting the tactics that led to Breonna Taylor’s death to totally rethinking policing and the election of the first woman of color as the Vice President of the United States.

But it seems as though the focus on racial issues as a priority didn’t have staying power with most of the country. As we’ve seen issues of racial justice fade from headlines, our respondents deprioritized them by large margins. While 34% of respondents ranked racial issues among their top three concerns last June, 27% do so now. The share similarly focused on police brutality also fell, from 23% last summer to 16% today. All ethnicities report those declines - among all non-white respondents, the share ranking racial issues as being in their top three priorities fell from 46% last June to 33% now. But the issue of police violence against people of color isn’t going to totally fade from the public sphere. “I think the long-term view is that as long as there is social media that this will be an enduring conversation that we’ll have,” Dr. Brown says.

And that’s not to say that we did not make progress. The share of Americans saying that racial issues are a top priority for them is still up: 27% today compared with 18% saying so at the end of 2019. And communities of color say that they see progress: Hispanic and Black respondents are now more likely than not to say that their communities are doing enough to address racial injustice, an improvement since June. Asian respondents are slightly less likely to say the same. “I think that the long-term narrative has changed,” says Dr. Brown of the violence. The initial narrative focused on whether these killings were justified. Now, she says, the public is thinking that “regardless, if you think that the person did something wrong or not, should the police be the judge, jury, and executioner?”
These Americans also perceive improvement on the national level. Black, Hispanic, and Asian Americans are all more likely today to say that their country is doing enough to address racial injustice than they were last June. In a year in which racial issues stood at the forefront of politics, Americans of color, especially Black Americans, flexed political power and saw their ability to affect change. For Joseph, that “hope and power mediates, or rather mitigates, grief” that Black Americans experienced over the past year. Dr. Brown is cautiously optimistic about the developments, but worries that even people of color in positions of official power will continue to encounter institutionalized racism.

While fewer consumers are prioritizing racial issues, there hasn’t been a similar decline among those who believe that the push for greater social justice is a whole-of-society effort. A plurality of US consumers still say that they like it when brands participate in social justice issues, though the share has declined by four percentage points from last June to 45% now. Just a quarter disapprove of brands doing so. Consumers are also more likely to support a brand that takes a position with which they agree than they are to withdraw support from a brand that takes a position that isn’t in line with their views. Younger consumers are more likely than their elders to lend more support, while their elders are more likely to penalize brands.
A year ago, we found a worrying trend in how parents responded to questions about confidence and anxiety: fathers were more likely than men overall to be confident and optimistic, while mothers were less confident and more anxious than women overall. The gender gap is exacerbated by parenthood, not narrowed by it. That trend held constant through 2020.

When we checked in on parents last June, they’d experienced three months of the pandemic life. Routines were thrown into chaos as kitchen tables became offices while couches served as classrooms. Childcare centers closed and familial support structures fractured as quarantines threw up walls where doors once were. The disruption brought anxiety that has since grown: the share of parents saying that they have experienced increased stress as a result of the pandemic rose from 34% last June to 38% now. Many faced the emotional labor of working professionally and caring for children full-time in the same space. Of the parents who worked from home at any point in the pandemic, 62% say that it has had a negative impact on their work-life balance.

Non-parents weren’t as strongly affected: only 49% say the same.
But we know that the physical and emotional labor of running the household and caring for children falls disproportionately on mothers in America. It follows that the increased stress parents are experiencing also falls unevenly: 44% of moms say they’re under more stress, while 31% of dads say the same. The confidence gap persists, with dads being 13 percentage points more likely to describe themselves as confident people. And while dads are still more likely to say that they’re satisfied with where their lives stand, that gap has narrowed from nine percentage points at the end of 2019 to four points now.

Moms are also more likely than dads to focus on and worry about family life: 42% say that they’re trying to find new ways to enjoy time with family, while just 27% of dads say so. They worry about their families’ physical and mental health at higher rates than dads do. And while 16% of dads say that fewer demands on their children’s time during the pandemic has been a good thing, just 9% of moms agree.

Meanwhile, dads report doing more to disengage from family life. They’re more likely than moms to report working more hours since the pandemic began, 21% to 10% of moms. And 22% say they’re reaching out to reconnect with old friends, with only 14% of moms saying the same. And they’re more likely than moms to have discovered a new skill or hobby.

“The home burdens are not new,” Joseph says. “What is new is the conflated environments of home, work, and school.” The situation requires two-parent households to have a frank marital conversation about the division of responsibilities. And that conversation needs to happen now if it hasn’t already: “The pandemic is no longer a surprise,” she says, and parents should work with each other, their employers, and trusted people in their lives to adjust routines. Doing so not only has the potential to lead to better outcomes for children. It can also help alleviate the angst that mothers and women feel.
RESILIENCE IN ADVERSITY

The challenges that 2020 brought were overwhelming, but people persevered. In the face of adversity and upended lives, they sought out silver linings: self-improvement, different perspectives, and greater appreciation for things previously taken for granted. In fact, 2020 shaped up to see some of the highest levels of giving to charity ever in the US. If there are to be good things that come from the crucible of last year, let them be some of these.

"Traumatic events of a natural origin are a reality check,” Joseph contends. “A humbling experience as well.”

Self-improvement is a major theme many are taking from the pandemic, with just 14% of respondents saying that they haven’t made any changes to their habits, priorities, or outlook since March. The most popular pursuits suggest that people focused on their health, wealth, and tried to reinvigorate relationships with the important people in their lives in a socially-distant time. And respondents report sticking with these new habits at very high rates, suggesting that the positive changes are here to stay.

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<td>Saved more money</td>
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<td>Re-evaluated personal priorities</td>
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<td>Picked up healthier eating habits</td>
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<td>Found new ways to enjoy time with family</td>
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<td>Made new goals for self-improvement</td>
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<td>Made more time for people who are important to you</td>
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Source: Alter Agents Fear Research, 2019-2020

The pandemic also gave people the opportunity to consider different perspectives. An impressive 63% say that they have gained a better appreciation for the struggles that other people experience, proving that our capacity for empathy is not lost. Majorities of respondents also say that they’ve come to more fully appreciate things that they previously had taken for granted. Just over half (54%) say that they value their neighbors and communities more than they did before, with the same share saying that those communities have done a good job pulling together during the crisis.

People also worked to be more connected as pandemic-fighting measures kept too many apart from their friends and loved ones. Three in ten say that they’re calling or speaking with friends more often now, with four in ten saying that they’re doing the same with family. Those pursuing these changes the most were younger and more urban, likely because they were affected the most by strict stay-at-home orders.
HOW SHOULD BRANDS RESPOND?

We are experiencing an inflection point. The anxieties we observed at the end of 2019 seemed challenging even before 2020’s struggle. And the economic, social, and emotional headwinds confronting consumers today aren’t going to be resolved without a consistent and coordinated whole-of-society effort. It’s up to each of us, in all of our roles, to set a different course.

Brands can’t act like the trauma their consumers continue to experience isn’t happening. They have the opportunity to step up and exhibit the kind of social leadership that people need. Along the way, they’ll build strong and lasting reputations because we know that it’s not just this moment that calls for social responsibility: it’s a growing consensus among business leaders and the expectation of generations of consumers to come – the business community’s response to the January 6th insurrection is just the latest example. The brands that succeed in the future are the ones that lay the solid foundation for that responsibility now.

We offer the following suggestions for brands seeking to best position themselves for that future:

1. Acknowledge the economic and social challenges the country is facing. Consider assembling creative, marketing, and product leaders to evaluate how your brand, its products, and messaging can address them.

2. Evaluate the employee experience in your organization to combat individual and institutional vulnerability. Work to ensure that they feel secure at work and in their communities, and meaningfully invest in them so they are optimistic about their professional and personal futures. Doing so strengthens your brand, organization, and community.

3. Consumers increasingly expect companies to take positions on social justice issues as they lead the national conversation. Explore what issues are important to the communities you serve. Talk to employees about what matters to them, then turn to customers to understand how you can take care of your whole community.

4. Talk about our collective challenges with your customers, and don’t leave it out of your research. If you don’t understand how your customers and country are feeling in a broader sense, you can’t make well-informed strategic decisions.

5. Look at every aspect of your business and determine if it aligns with the messaging you are putting forward. From supply chains to employee benefits, companies need to understand that the public expects concrete action, not just words on paper. They recognize and appreciate institutions that own up to past mistakes and accept a cost as they work to fix them.

6. In times of struggle and vulnerability, respond like human beings. Integrate empathy, solidarity, and hope into your organization’s messaging, mission, and operations.
CONCLUSION

When we last wrote six months ago, it seemed as though we’d come close to hitting the nadir and all that was left was to see whether the recovery would be long or short. That was overly optimistic. It’s clear now that the long road is the one that we’ll continue to travel, because this difficult moment isn’t over yet. The divergent trends that drove wider economic, social, and political gulfs between Americans gained ground over the past year, and that’s going to make rebuilding harder. But we need to persist and make sure that divergence doesn’t also mean disconnectedness.

It has never been more crucial to understand each other’s experiences and needs; never more important to affirm our values and account for our failures; and never more essential to honor our responsibility to each other. That we’ve struggled in different ways and with different challenges does not preclude us from supporting each other and building something better together with common purpose.

The forces that have stoked our anxiety and depressed our inherently optimistic nature aren’t unstoppable. Beating them back doesn’t mean discarding the pain and hard work of past years and going back to what yesterday looked like. It means acknowledging a changed world and reaffirming our shared commitment to respect, decency, the common welfare, and our social compact, and using what we’ve learned as the foundation for tomorrow. If we truly value our neighbors, colleagues, and customers, we need to live, work, and lead in ways that put those values first.

We’re committed to doing that, and we’re here to help you do so too. Let’s get to it.
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ABOUT US

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