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## Economy-boosting consumption behavior linked to Americans' personal confidence about COVID-19

*Key factors predict confidence in avoiding COVID-19 infection that drives consumer milestones*

WASHINGTON, D.C. — While the U.S. continues to grapple with a challenging COVID-19 caseload, new research from Franklin Templeton and Gallup's ongoing [Economics of Recovery Study](#) suggests a path toward safe public consumption. The latest research, based on surveys completed by more than 5,000 U.S. adults from Sept. 4-13, finds that [several factors are predictive](#) of Americans' confidence that they can protect themselves from COVID-19 infection in public. In turn, this confidence appears to drive important forms of public consumption, including dining at a restaurant, visiting a gym or salon, booking a flight or rental car, or reserving a hotel.

Among the factors that appear to be driving confidence:

- mask use
- fear and emotions
- demographics, including age, race and ethnicity, and gender
- COVID-19 misperceptions

### Mask use

Americans living in states that mandate mask use for workers are more likely than those who do not to be "very confident" in their ability to protect themselves from infection in public (30% vs. 22%, respectively). This relationship is particularly strong among Republicans; 35% of those in states with worker mask mandates are very confident they can protect themselves, compared with 24% of those in states without a mandate.

Moreover, those who are likely to wear a mask tomorrow if out in public are more confident they can protect themselves than those not likely to wear a mask.

## Fear and emotions

Americans who say it would take them at least a few months to recover from COVID-19 — or that they would never fully recover — are less likely to be confident in their ability to avoid infection. This perception holds even after controlling for age and, more importantly, does not always correspond to actual risk.

## Demographics

Men are more likely than women to express confidence that they can protect themselves. Understandably, older Americans are less likely to have high levels of confidence, in light of their greater vulnerability to severe illness from COVID-19. Curiously, while Black and Hispanic Americans are more concerned about COVID-19, they are individually more confident than White and Asian Americans in their ability to protect themselves from infection in public.

## COVID-19 misperceptions

The analysis sounds a clear note of caution regarding Americans' understanding of the risks of COVID-19. Those who downplay the risks of COVID-19 relative to other risks like the flu express high levels of confidence in avoiding it. Conversely, those who accurately assess that COVID-19 has caused more deaths than the flu this year tend to be less than very confident they can protect themselves from infection.

## Higher confidence associated with increased public consumption

Those Americans who express higher confidence about protecting themselves are especially likely to engage in forms of consumption outside the home, aiding industries that were hit particularly hard by the pandemic.

Individuals who are very confident they can avoid infection while out in public are at least twice as likely as those who express less confidence to have dined out in the past 24 hours, visited a gym in the past 48 hours, visited a salon or barbershop in the past 48 hours, or booked a flight that departs in the next 30 days.

Americans Who Are "Very Confident" They Can Avoid COVID-19 Infection Are More Likely to Visit Public Places		
How confident are you that you can protect yourself when out in public from being infected by the coronavirus?		
	Less than very confident	Very confident
	%	%
<b>In the last 24 hours, have you:</b>		
Dined at a restaurant (outside)	8	16
Dined at a restaurant (inside)	11	22
<b>In the last 48 hours, have you visited:</b>		
A gym	4	10
A salon or barbershop	5	10
<b>Have you done any of the following:</b>		
Booked a flight that departs within 30 days from now	9	24
Reserved a hotel or similar accommodation within 30 days from now	10	23
Rented a car that you will use within 30 days from now	7	19

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“These results clearly outline areas where individual consumer confidence can be boosted, aiding the economic recovery while also keeping Americans safe,” said Sonal Desai, chief investment officer of Franklin Templeton Fixed Income. “There are good reasons for Americans to feel confident in making certain economic decisions when the right precautions are taken. However, there are some areas where mistaken perceptions about COVID-19 may be skewing confidence levels and should be monitored.”

“The consumption and confidence analysis demonstrates the key role confidence plays in consumption behavior,” said Jonathan Rothwell, Gallup principal economist. “Where confidence is backed up by healthy assumptions about risk and reassurance offered by behaviors like mask usage, it shows a path forward to safe consumption that accelerates spending while respecting the risks of the disease.”

To learn more about the analysis and study methodology, click [here](#). Additionally, more information about mask usage is available [here](#). Starting Oct. 8, additional results from the study relating to parents’ concerns about sending their children back to school in person — a key factor in parents’ ability to fully engage in the workforce — will be available at [news.gallup.com](https://news.gallup.com).

### **About Franklin Templeton**

Franklin Resources, Inc. [NYSE:BEN] is a global investment management organization with subsidiaries operating as Franklin Templeton and serving clients in over 165 countries. Franklin Templeton’s mission is to help clients achieve better outcomes through investment management expertise, wealth management and technology solutions. Through its specialist investment managers, the company brings extensive capabilities in equity, fixed income, alternatives and custom multi-asset solutions. With offices in over 30 countries and 1,300 investment professionals, the California-based company has more than 70 years of investment experience and approximately \$1.4 trillion in assets under management as of August 31, 2020. For more information, please visit [franklintempleton.com](https://franklintempleton.com).

### **About Gallup**

Gallup delivers analytics and advice to help leaders and organizations solve their most pressing problems. Combining more than 80 years of experience with its global reach, Gallup knows more about the attitudes and behaviors of employees, customers, students and citizens than any other organization in the world.