Executive Summary

Congress is still debating a next round of stimulus, but President Trump signed executive orders on August 8 for $400 weekly unemployment benefits, a payroll tax cut, an eviction moratorium and student loan relief. The executive order does not include a second stimulus check of $1,200; although, there is bipartisan support for this boost to the economy. In this report we explore results of IRI’s Consumer Survey of primary shoppers, collected July 31 through August 2, which show how consumer shopping behavior and purchases will be impacted.

Please visit IRIworldwide.com to review the report “The Impact of a Second Round of Stimulus on the CPG Demand Curve” for more information.

IMPACT OF SECOND STIMULUS CHECK

• 27% of those who received the first stimulus payment spent it on groceries and everyday household essentials. Consumers report they will spend a second round of stimulus in the same way.
• Categories most likely to benefit from stimulus dollars include meat and produce.
• Mass, Grocery, Club and E-Commerce will benefit most from additional stimulus dollars.

IMPACT OF REDUCED UNEMPLOYMENT BENEFITS

• Shoppers anticipate fewer purchases of meat, fresh foods and snacks if unemployment benefits are reduced.
• If unemployment benefits are reduced, shoppers report they will spend less at most channels; only the Dollar channel nets out with no change in spending.

CONSUMER SENTIMENT AND SHOPPER BEHAVIOR

• Nearly 40% of respondents report feeling stressed; 49% of those unemployed are stressed.
• 38% of consumers wish retailers could solve out-of-stock issues; more than a quarter want retailers to support local food banks.
• Parents anticipate spending less on back-to-school purchases.
Nearly 9 in 10 HHs Received the First Stimulus Payment; ~1 in 4 Spent It on Groceries and Household Essentials, Which Is Also Expected for the Next Stimulus Check

**Stimulus Money Usage**

<table>
<thead>
<tr>
<th>Purpose</th>
<th>Use of Prior Payment</th>
<th>Plans for Future Payment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Add to my savings or investment accounts</td>
<td>35%</td>
<td>42%</td>
</tr>
<tr>
<td>Rent, mortgage, taxes, or utilities</td>
<td></td>
<td>41%</td>
</tr>
<tr>
<td>Buy more groceries and other everyday household essentials</td>
<td></td>
<td>27%</td>
</tr>
<tr>
<td>Other home improvement projects</td>
<td>10%</td>
<td>16%</td>
</tr>
<tr>
<td>Healthcare bills or buy healthcare items</td>
<td>9%</td>
<td>13%</td>
</tr>
<tr>
<td>Treat myself or my family to something extra that I wouldn’t normally buy</td>
<td>7%</td>
<td>9%</td>
</tr>
<tr>
<td>Furniture, appliances, or electronics</td>
<td>6%</td>
<td>7%</td>
</tr>
<tr>
<td>Clothing</td>
<td>5%</td>
<td>7%</td>
</tr>
<tr>
<td>Other ways</td>
<td>16%</td>
<td>15%</td>
</tr>
</tbody>
</table>

Among those unemployed...

- **55%** plan to use stimulus for housing
- **35%** for groceries / household essentials

[q1] Did you or others in your HH receive money earlier this year as part of the gov’t. stimulus/economic relief plan? BASE: Total Respondents: N = 1417
[q2] How did you use the money you received earlier this year from the government stimulus/economic relief plan? [q3] If you received another similar amount of money from the gov’t, in the next 2 months, how would you be most likely to use it? BASE: Received Prior Stimulus Payment: N = 1167

Source: IRI Survey of Primary Grocery Shoppers 7/31-8/2
Top CPG Beneficiaries of the Next Stimulus Will Be Meat, Produce; More Financially Strapped Will Also Rely on Stimulus for Everyday Essentials

Spend Impact on Groceries, Healthcare, Other HH Essentials
Among the 85% Who Received Prior Stimulus Money

- Buy more meat (chicken, turkey, beef, pork, etc.): 16% vs 21%
- Buy more fresh fruits and vegetables: 15% vs 20%
- Go to restaurants or get take-out more often: 5% vs 7%
- Buy more over-the-counter healthcare items: 6% vs 7%
- Buy more beauty or personal care items: 5% vs 7%
- Fill more prescriptions: 3% vs 5%
- Treat myself / my family to more premium products: 3% vs 5%
- Buy more snacks: 6% vs 5%
- Buy more pre-packaged convenient meals rather than cooking from scratch: 4% vs 4%
- No impact on my choices for these types of products: 62%

Use of Prior Payment
Plans for Future Payment

Those unemployed are more likely to use stimulus for

13% OTC
13% Rx

The Downtrodden segment will rely most on the stimulus for food and healthcare

Start-Ups are more likely than average to use the stimulus for all these everyday needs

Source: IRI Survey of Primary Grocery Shoppers 7/31-8/2 / EconoLink – See Appendix for EconoLink Definitions
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Future Stimulus Payment Will Benefit Mass, Grocery, Club, and E-Commerce Channels the Most

Mass and Grocery Had Biggest Gains Among Financially Strapped Downtrodden and Start-Ups
Online-Only Retailers Saw Growth from Start-Ups

<table>
<thead>
<tr>
<th>Channel</th>
<th>Spend More</th>
<th>Spend Less</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mass Merchant</td>
<td>+11%</td>
<td>-4%</td>
</tr>
<tr>
<td>Grocery</td>
<td>+11%</td>
<td>-3%</td>
</tr>
<tr>
<td>Online-Only Retailer</td>
<td>+8%</td>
<td>-6%</td>
</tr>
<tr>
<td>Club</td>
<td>+7%</td>
<td>-4%</td>
</tr>
<tr>
<td>Dollar</td>
<td>+3%</td>
<td>-5%</td>
</tr>
<tr>
<td>Drug</td>
<td>-1%</td>
<td>-1%</td>
</tr>
<tr>
<td>Pet Specialty</td>
<td>-1%</td>
<td>-5%</td>
</tr>
<tr>
<td>Convenience</td>
<td>-5%</td>
<td>-3%</td>
</tr>
</tbody>
</table>

Source: IRI Survey of Primary Grocery Shoppers 7/31-8/2

[q5] If you received another similar amount of money from the government in the next 2 months, how would it impact where you shop for groceries, healthcare, and other household essentials? Note, retailer examples provided to respondent to describe channel. BASE Received Prior Stimulus Payment N = 1167. *About the same* and *Do not shop this type of retailer* answers not shown.
Without Additional Unemployment Benefits, Fresh Foods and Snacks Will Be Most Impacted

Impact on Shopping for Essentials if Extra $600 Weekly Unemployment Benefit Is Reduced

- Buy less meat (chicken, turkey, beef, pork, etc.): 35%
- Buy fewer fresh fruits and vegetables: 29%
- Buy fewer snacks: 27%
- Buy fewer premium products: 24%
- Buy fewer beauty or personal care items: 23%
- Buy fewer over-the-counter healthcare items: 20%
- Switch more of my purchases to store brands vs. national brands: 19%
- Buy fewer pre-packaged convenient meals, cook more from scratch: 18%
- Rely more on food pantries: 17%
- Go to restaurants or get take-out less often: 17%
- Fill fewer prescriptions: 12%
- No impact on my choices for these types of products: 34%

[q6] Do you or someone else in your household currently receive unemployment payments? BASE: Total Respondents: N=1417
[q7] If the extra $600 of unemployment payments were reduced next week, how would it impact your choices for groceries, healthcare, and other household essentials? BASE: Receiving Unemployment Payments: N = 127

Source: IRI Survey of Primary Grocery Shoppers 7/31-8/2
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**Spending Impact by Channel if Extra $600 Weekly Unemployment Benefit Is Reduced**

<table>
<thead>
<tr>
<th>Net Difference</th>
<th>-1%</th>
<th>-13%</th>
<th>-22%</th>
<th>-23%</th>
<th>-27%</th>
<th>-31%</th>
<th>-32%</th>
<th>-35%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dollar</td>
<td>15%</td>
<td>4%</td>
<td>5%</td>
<td>5%</td>
<td>7%</td>
<td>2%</td>
<td>7%</td>
<td>5%</td>
</tr>
<tr>
<td>Pet Specialty</td>
<td>16%</td>
<td>17%</td>
<td>27%</td>
<td>28%</td>
<td>34%</td>
<td>33%</td>
<td>39%</td>
<td>40%</td>
</tr>
<tr>
<td>Club</td>
<td></td>
<td></td>
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<tr>
<td>Convenience</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mass Merchant</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td>Drug</td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Online-Only Retailer</td>
<td></td>
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<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Grocery</td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>

Source: IRI Survey of Primary Grocery Shoppers 7/31-8/2

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Consumers Report Elevated Levels of Stress, Especially Among the Unemployed

Half of Those Unemployed Are Feeling Stressed

How have you been feeling during the past few days?

<table>
<thead>
<tr>
<th>Feeling</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stressed</td>
<td>38%</td>
</tr>
<tr>
<td>Exhausted</td>
<td>30%</td>
</tr>
<tr>
<td>Frustrated</td>
<td>30%</td>
</tr>
<tr>
<td>Worried</td>
<td>29%</td>
</tr>
<tr>
<td>Overwhelmed</td>
<td>23%</td>
</tr>
<tr>
<td>Disappointed</td>
<td>16%</td>
</tr>
<tr>
<td>Confused</td>
<td>8%</td>
</tr>
<tr>
<td>Out of Control</td>
<td>6%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Feeling</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grateful</td>
<td>34%</td>
</tr>
<tr>
<td>In Control</td>
<td>23%</td>
</tr>
<tr>
<td>Content</td>
<td>19%</td>
</tr>
<tr>
<td>Optimistic</td>
<td>18%</td>
</tr>
<tr>
<td>Focused</td>
<td>17%</td>
</tr>
<tr>
<td>Confident</td>
<td>17%</td>
</tr>
<tr>
<td>Energized</td>
<td>9%</td>
</tr>
<tr>
<td>Inspired</td>
<td>8%</td>
</tr>
</tbody>
</table>

Source: IRI Survey of Primary Grocery Shoppers 7/31-8/2

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Top Priority for Retailers Looking to Support Shoppers Is Reducing Out-of-Stocks

Help Desired From Retailers or Manufacturers

- Increase product production on HH / cleaning supplies to avoid out-of-stocks: 38%
- Increase product production on food / beverages to avoid out-of-stocks: 31%
- Support communities through donations of food: 26%
- Show me ways to stretch / more economically use their products: 23%
- Show me new / different ways to use their products: 19%
- Provide meal ideas for their products: 18%
- Make their products more environmentally friendly: 18%
- Provide a better online shopping experience: 16%
- Provide fun ways for me and my kids to use their products: 10%
- Inform me on food safety measures and how to prevent contamination: 9%

Source: IRI Survey of Primary Grocery Shoppers 7/31-8/2
BASE: Total Respondents: N = 1417
Half of Parents Expect Their Child(ren) Aged 6-12 to Be Remote-Learning in the Fall; Another 15% Expect Hybrid; Teens Are Slightly More Likely to Attend School

**Back-to-School Plans**

<table>
<thead>
<tr>
<th>Kids Age 6-12</th>
<th>Teens Age 13-17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Online Only / At Home</td>
<td>50%</td>
</tr>
<tr>
<td>At the School</td>
<td>19%</td>
</tr>
<tr>
<td>Some Days Online, Some Days at School</td>
<td>15%</td>
</tr>
<tr>
<td>One of My Children Will Go to School, Another Online</td>
<td>1%</td>
</tr>
<tr>
<td>Don’t Know Yet</td>
<td>15%</td>
</tr>
</tbody>
</table>

Based on what you know today about school plans in your area, what are you most likely to do for school this fall for your child:

Source: IRI Survey fielded 7/24-26 among National Consumer Panel representing Total US Primary Grocery Shoppers
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Spending for Back-to-School Is Expected to Be Lower Than Last Fall, with Increases on Sanitizing and Activity Materials, Offset by Lower Expenses on Clothing and Sports Gear

Changes to Back-to-School Shopping Compared to Last Year

- **Buy fewer clothes for school because child will not be at school as often**: 39%
- **Buy more sanitizing products for school (wipes, hand sanitizer, etc.)**: 31%
- **Buying more educational workbooks or other educational tools for my child to use at home**: 27%
- **Buying more craft supplies for my child to do craft projects at home**: 19%
- **I received a list of needed school supplies last year, but I didn’t get a list this year from school**: 17%
- **Need to buy more new devices this year (i.e., laptop / tablet)**: 15%
- **Buy new furniture for my child to use for schooling at home (i.e., desk)**: 13%
- **Buy less sports gear**: 12%
- **I bought new devices (i.e., laptop/tablet) last year, and don’t need to buy new devices for fall**: 12%
- **Similar to last year**: 24%

**Expected Spending to Prepare for School Compared to Last Year**

- **39%**: Will likely spend less this year than I did last year
- **37%**: Will likely spend about the same this year than I did last year
- **24%**: Will likely spend more this year than I did last year

**Similar results across income groups**

Source: IRI Survey fielded 7/24-26 among National Consumer Panel representing Total US Primary Grocery Shoppers

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Americans Turn to TV / Movies to Bring Joy Into Their Day or De-Stress, Reinforcing This as a Key Vehicle to Communicate with Consumers

**Activities During Past Week to Bring Joy or De-Stress**

- Watching TV / movies: 63%
- Getting outside (for a walk, hike, etc.): 44%
- Reading books / magazines: 33%
- Spending time online or on social media apps: 31%
- Connecting with friends / family on the phone or video chat: 30%
- Gardening / yardwork: 27%
- Baking or cooking from scratch: 25%
- Getting together with friends / family who don’t live with me: 20%
- Enjoying beer / wine / liquor / cocktails: 20%
- Enjoying more treats: 16%
- Craft projects: 14%
- Fun family activities (game night, etc.): 14%
- Meditation: 10%

[A2] What are some things you've been doing during the past week to bring some joy into your day or de-stress?

*BASE: Total Respondents: N = 1417  Responses 10%+ are shown*
Insights and Strategic Guidance for Better Decisions

IRI’s Online Resources Include Real-Time Updates and Weekly Reports That Track the Impact of the Virus on CPG and Retail

The IRI COVID-19 Impact
Includes COVID-19 impact analyses, dashboards and the latest thought leadership on supply chain, consumer behavior and channel shifts for the U.S. AND international markets.

IRI CPG Economic Indicators, Including the IRI CPG Demand Index™, IRI CPG Supply Index™ and IRI CPG Inflation Tracker™
Accessible through the insights portal to track the daily impact of COVID-19. This includes top-selling and out-of-stock categories across the country and consumer sentiment on social media.
The IRI CPG Demand Index™ provides a standard metric for tracking changes in spending on consumer packaged goods. It measures weekly changes in consumer purchases, by dollar sales, against the year-ago period across departments, including fixed and random weight products, grocery aisles and retail formats. The IRI CPG Demand Index™ is available for eight U.S. regions, all U.S. states, UK, France, Italy, Germany and the Netherlands.
The Latest COVID-19 Reports and Insights from IRI (click to see full report)
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Appendix
EconoLink Provides View of Americans’ Response to COVID-19 Through a Human Economic Lens That Goes Beyond Income; Not All Respond Alike

**SAVVY SHOPPERS**
Their financial situations are improving vs. YAG, but they still look for value – although that doesn’t always mean the lowest price. They love to find coupons and good deals on groceries.

**SKEWS:** Younger Baby Boomers, Retirees | Mean HHI $75,600

**CAREFREE**
Their financial situations are in a stable place; no real financial concerns. They’re willing to splurge on premium products, and brand preference is a greater driver than price for their buying decisions.

**SKEWS:** Older Boomers & Retirees | Male | Live Alone | Upper Income

**OPTIMISTICS**
Their financial situations are better vs. YAG, and they are optimistic about their financial future. Price is on their radar, but so are product experiences and brand trust.

**SKEWS:** Gen Z, Millennials and Gen X | 4+ Member HHs | African American | Mean HHI $72,000

**DOWNTRODDEN**
Their financial situations are markedly worse vs. YAG, and their go-to response is deprivation; they try to cut back on everything. Purchases highly influenced by price, brand, and/or prior experience/trust.

**SKEWS:** Older Millennials/Younger Boomers | Blue Collar | Hispanic | Lower Income

**CAUTIOUS & WORRIED**
Their financial situations are markedly worse vs. YAG, and they do not hold out a lot of hope for things to get better.

**SKEWS:** Baby Boomers | Live Alone

**START-UPS**
Their financial situations are largely the same as YAG, but they’re still struggling. They, too, are focused on cutting back, but with positive expectations for future improvement in their financial situations.

**SKEWS:** Gen Z/Millennials | African American, Asian | Blue Collar | Lower Income