



ICF next+

Consumer recovery report



Retail, health, financial services,
and public sector findings from ICF
Next's COVID-19 Monitor Survey

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Since March 2020, ICF and ICF Next have been running a census-based survey of the U.S. population regarding their attitudes and behaviors around public health measures. As the COVID-19 pandemic has evolved, so has the survey. We have added questions to understand how individuals' personal finances and employment status have been impacted, along with media consumption habits, demographics, and adherence to evolving coronavirus guidance in conjunction with the rise of the Delta variant.

In this second refresh of our COVID-19 Monitor Survey in 2021, we surveyed 1,000 U.S. consumers with a series of newly-designed questions regarding the continued impact of the pandemic on their personal and professional lives. The focus is on pandemic consumer behaviors, anticipated future behaviors, and responses to continued vaccination efforts and changing public health measures—particularly pertinent as the more transmissible Delta variant ripped through the United States in the summer months.

Our survey focused on continued recovery across four key industries: retail, health, financial services, and the public sector.

The results show a consumer population whose lives and behaviors have been heavily impacted by the pandemic, with anticipated future behaviors that are markedly different from how they behaved before the pandemic.

Some key findings outlined in the data that follows include:

- Surprising changes to consumer incomes.
- Dramatic alterations to payment methods consumers intend to use for day-to-day transactions after the pandemic.
- A persistent soft spot for online grocery shopping.
- Major changes to health consumption and a decreased willingness to explore new health plan options.



- Respondents were drawn from a national, mobile, nonprobability panel of 2.5 million people in the U.S.
- The initial invitation for each survey was sent by app notification via cell phone to a census-balanced (age, gender, and race) sample of approximately 3,000 adult panel members each month.
- Three reminders via app push notification were sent to non-respondents over a period of a few days.

- Respondents received up to a \$4 incentive for participation.
- The web-based interview was approximately 20 minutes.
- Survey response rates (AAPOR RR 1) varied from 21%-33%.

Rise of the Delta variant

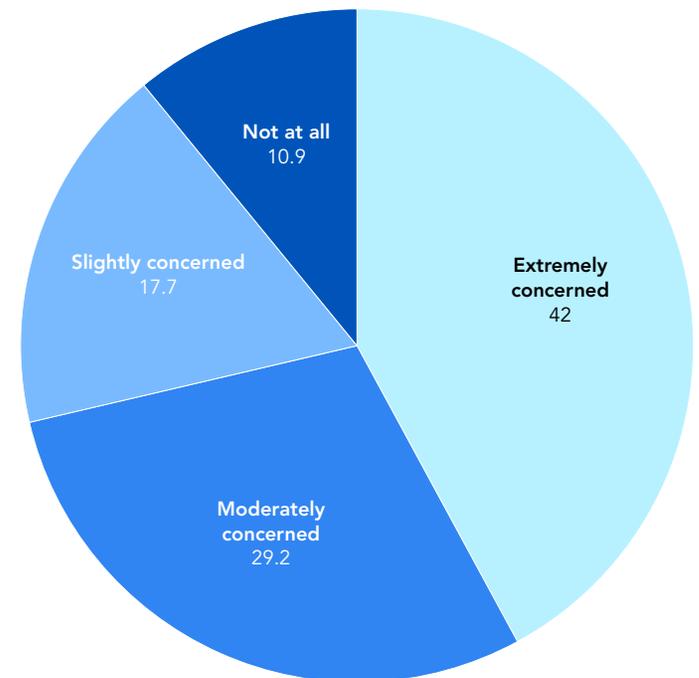
Since the summer emergence of the Delta variant, which by late July accounted for **83% of all COVID-19 cases** in the U.S., the vast majority of consumers are either extremely or moderately concerned about the highly contagious mutation.

How concerned are you about new variants of COVID-19, like the Delta variant?

- Extremely concerned
- Moderately concerned
- Slightly concerned
- Not at all

* 0.2% chose not to answer

Source: ICF Next analysis using MFour data collected from a nationwide sample August 23 - September 1.

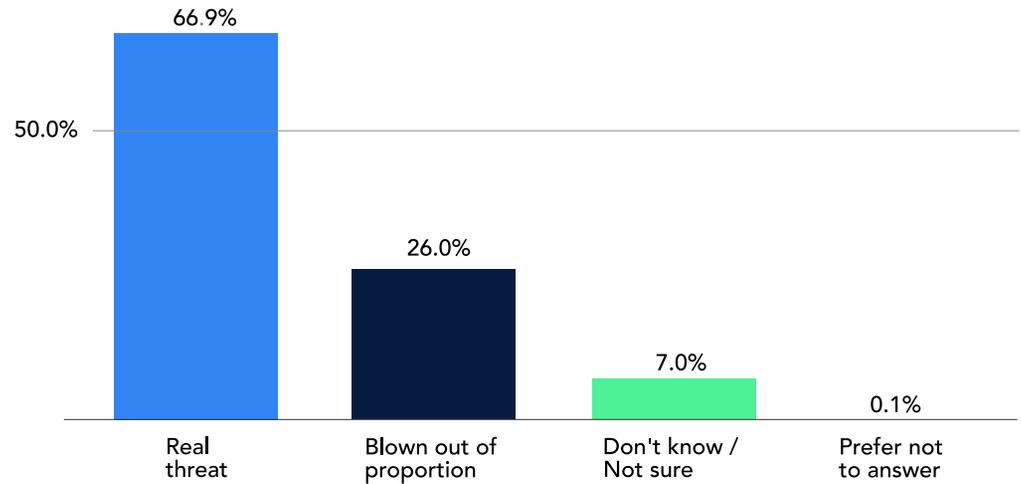




Consumers continue to feel on-the-whole that the pandemic has been a disruption to their life and that it remains a “real threat.” But despite consumers’ overwhelming concern regarding the Delta variant, their level of concern has remained largely flat since April.

Do you think the coronavirus (COVID-19) is a real threat or blown out of proportion?

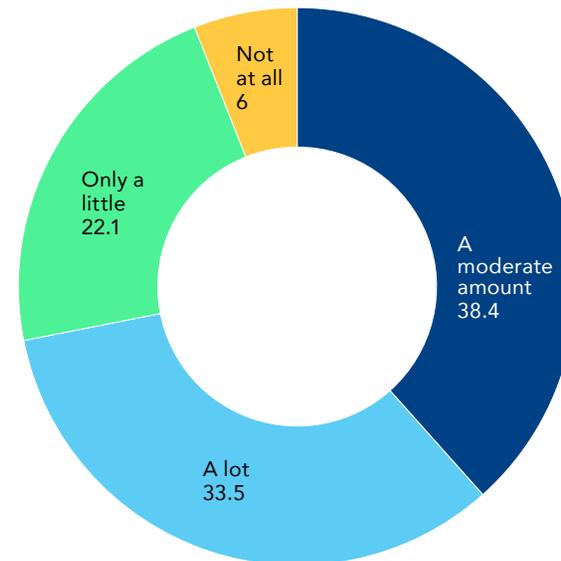
Source: ICF Next analysis using MFour data collected from a nationwide sample August 23 - September 1.



Overall, how much if at all has your life been disrupted by the coronavirus (COVID-19)?

- A moderate amount
- A lot
- Only a little
- Not at all

Source: ICF Next analysis using MFour data collected from a nationwide sample August 23 - September 1.

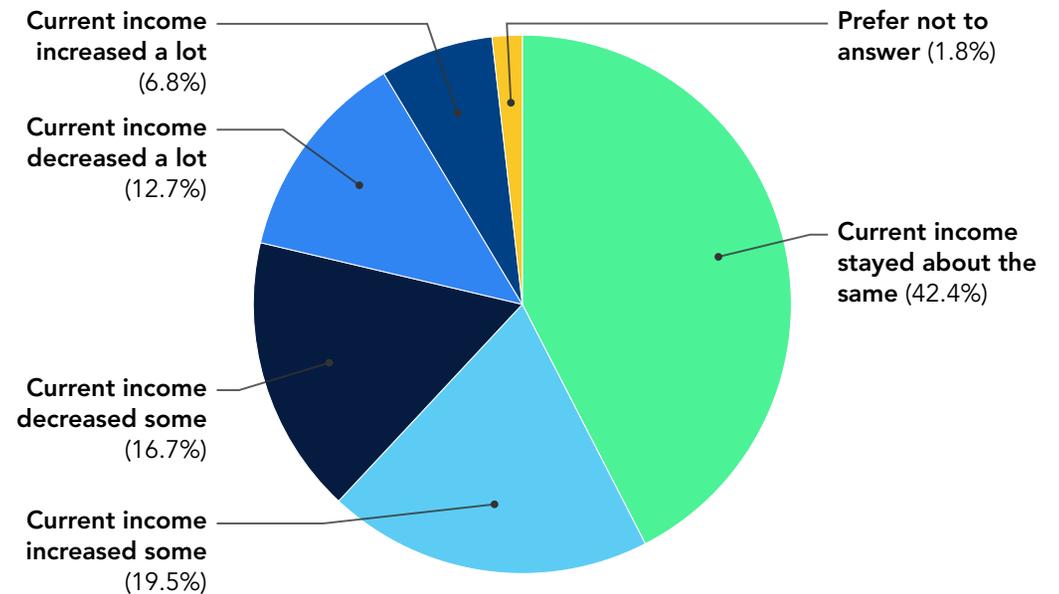




Nearly a third of consumers have experienced changes to their employment status, salary, or work hours since the start of the pandemic. And in total, 72% of consumers' income has "stayed about the same" or decreased since 2019, down from 78.6% from our previous findings. Surprisingly, however, over a quarter of consumers report their household income has "increased some" or "increased a lot."

Compared to the end of 2019, how has your current household income changed?

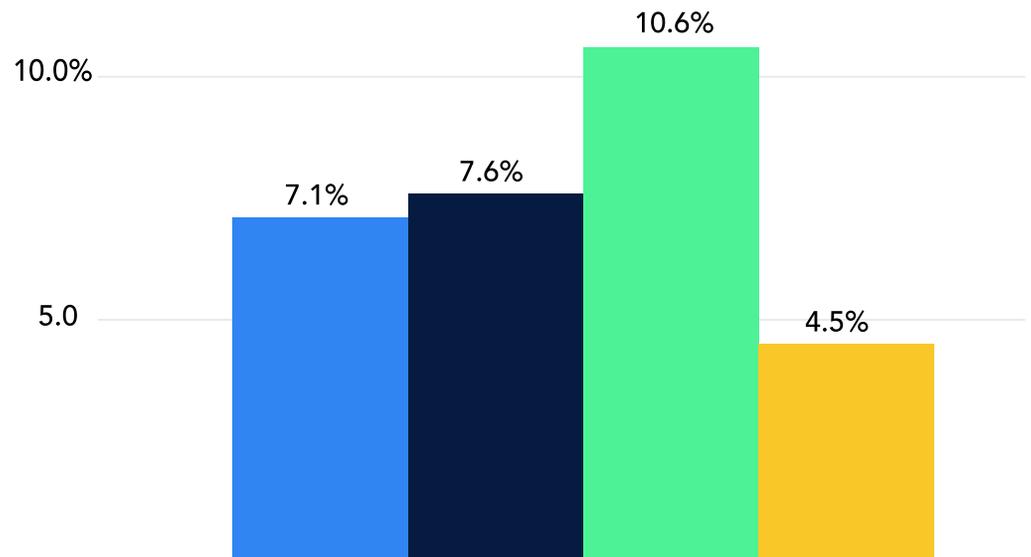
Source: ICF Next analysis using MFour data collected from a nationwide sample August 23 - September 1.



Since the beginning of the coronavirus pandemic, has your employer done any of the following?

- Laid you off permanently or involuntarily terminated you
- Furloughed or temporarily laid you off
- Reduced your work hours
- Reduced salary or hourly rate

Source: ICF Next analysis using MFour data collected from a nationwide sample August 23 - September 1.

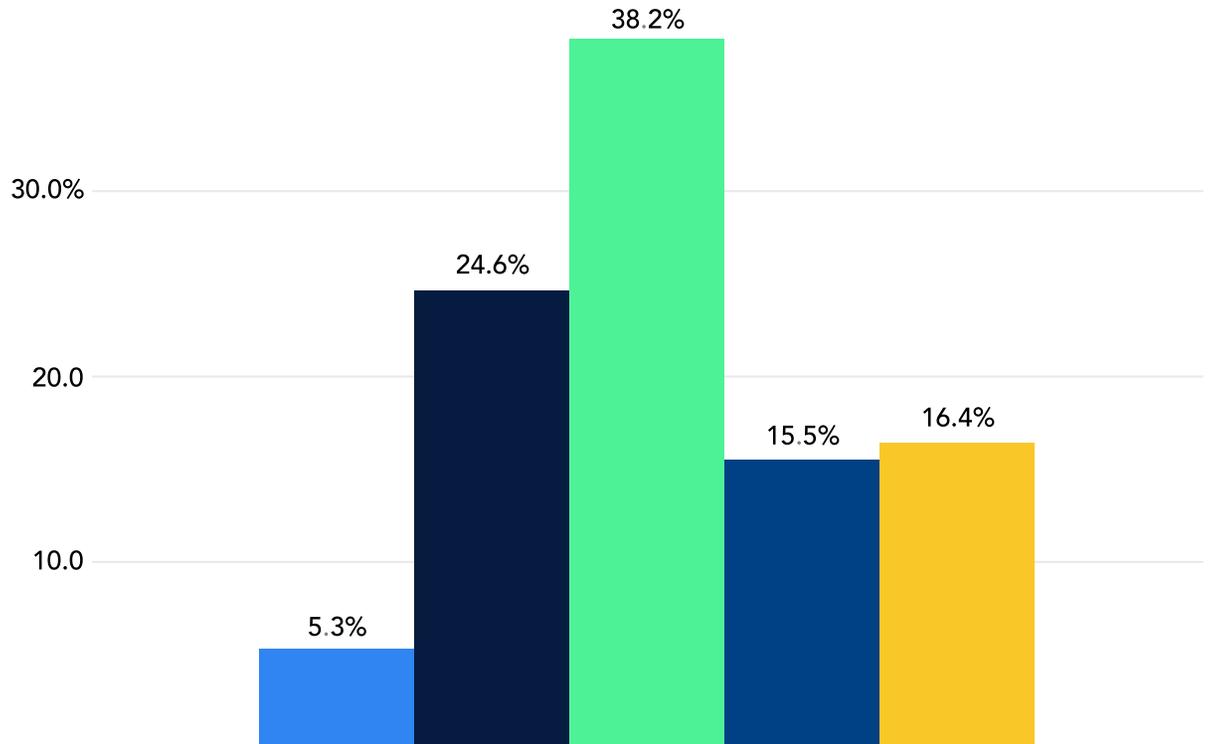




The Delta variant is clearly having an impact on consumers' fears of getting sick themselves. A reported 27% of consumers—up from 20% from April—have had the virus or have had someone in their household contract the virus, and nearly a third (30%) of consumers now believe that it is “somewhat likely” or “very likely” that they will get sick with the coronavirus. Only 54% of consumers believe it is “not too likely” or “not at all likely” they will contract the virus, down from 72% in April.

How likely do you think it is that you, personally, will get sick with COVID-19?

- Very likely
- Somewhat likely
- Not too likely
- Not at all likely
- Prefer not to answer

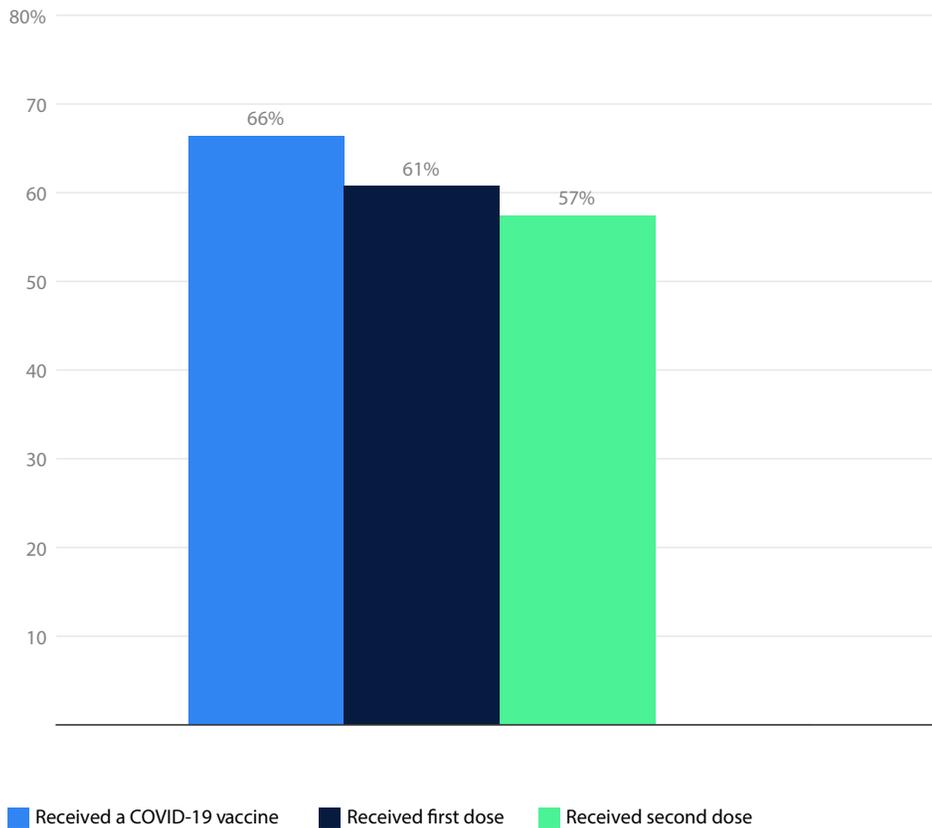


Source: ICF Next analysis using MFour data collected from a nationwide sample August 23 - September 1.



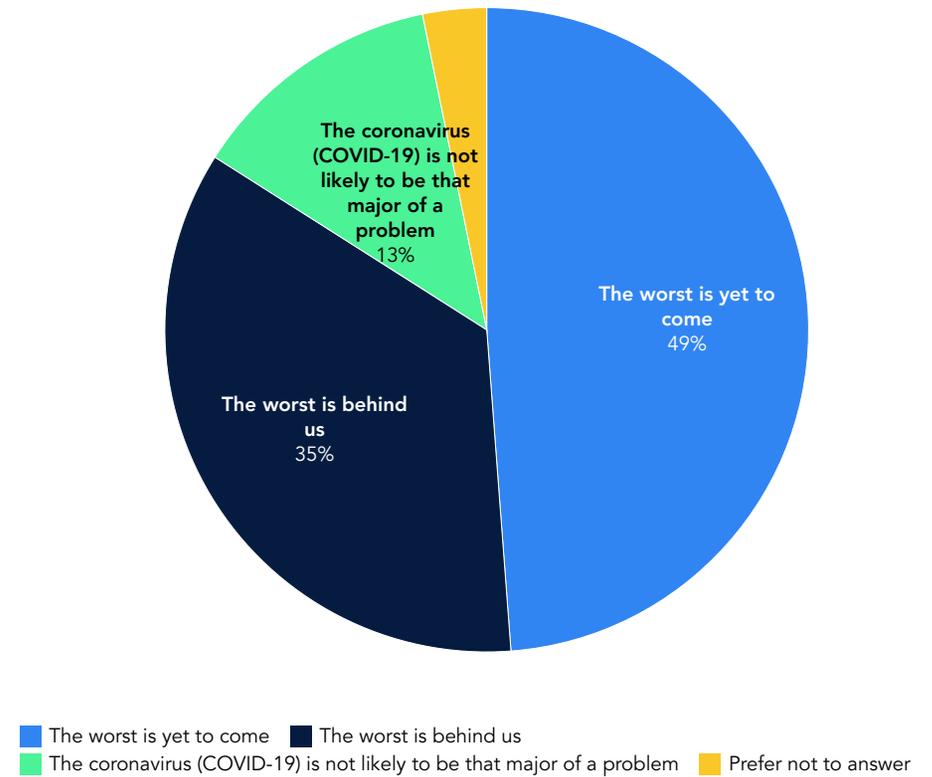
In our second survey, 66% of our respondents reported having received a COVID-19 vaccination and 57% had received a second dose. Nearly half of respondents believe the worst is yet to come when asked to describe their feelings about COVID-19 in the United States.

Vaccination rates in August



Source: ICF Next analysis using MFour data collected from a nationwide sample August 23 - September 1.

Which of the following best describes your feelings about COVID-19 in the United States?



Source: ICF Next analysis using MFour data collected from a nationwide sample August 23 - September 1.



Confidence in the U.S. federal government response to the pandemic and confidence in the response of state governments remain roughly equal even after the rise of the Delta variant. When controlling for individuals who did not want to respond, confidence in the response of their individual employers continues to be significantly higher than that in the governments' responses.

How much confidence do you have in the following organizations to deal with the outbreak of the COVID-19 pandemic?

U.S. federal government



Your state government



Your employer



- A great deal
- A fair amount
- Not very much
- No confidence at all
- Prefer not to answer

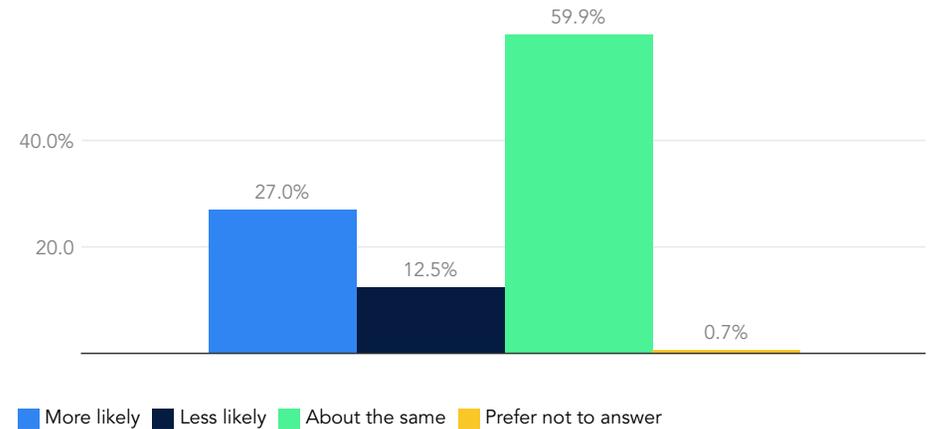
Source: ICF Next analysis using MFour data collected from a nationwide sample August 23 - September 1.



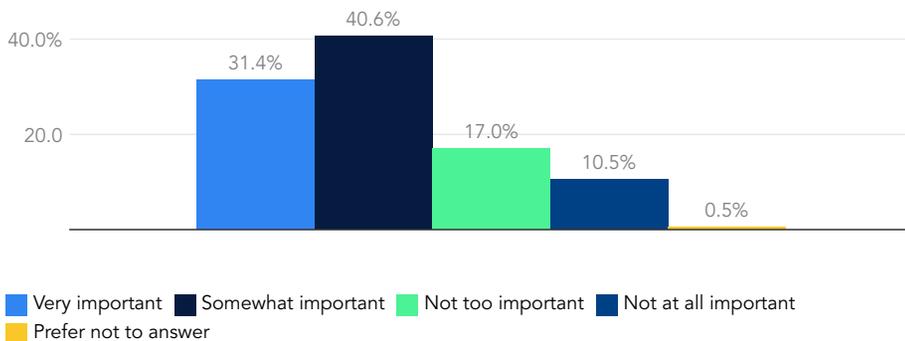


More than a quarter of consumers maintain a likelihood to try new products as we continue to emerge from the pandemic. Large majorities of consumers also consider it “somewhat important” or “very important” that brands align with their personal values and establish good environmental, social, and corporate governance.

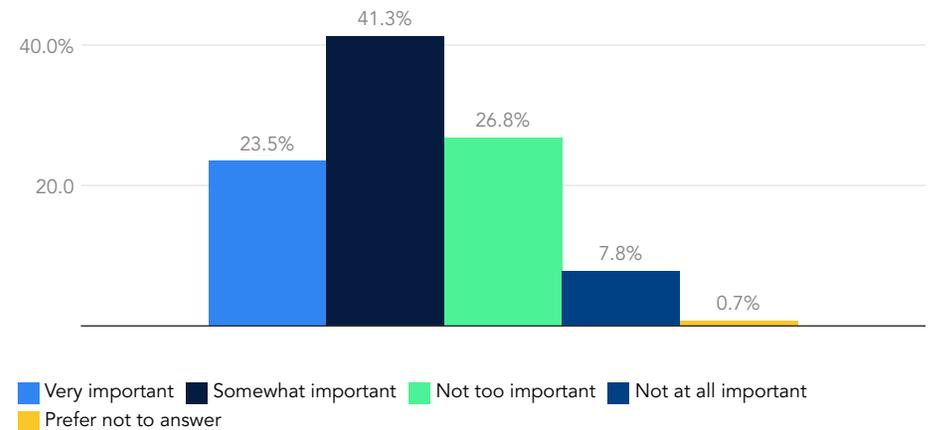
Are you more, less, or as likely to try different products this year than last year?



When you are selecting or considering a new product, how important is it to you that brands establish good environmental, social, and corporate governance?



How important is it that brands align with your personal values?



Sources: ICF Next analysis using MFour data collected from a nationwide sample August 23 - September 1.



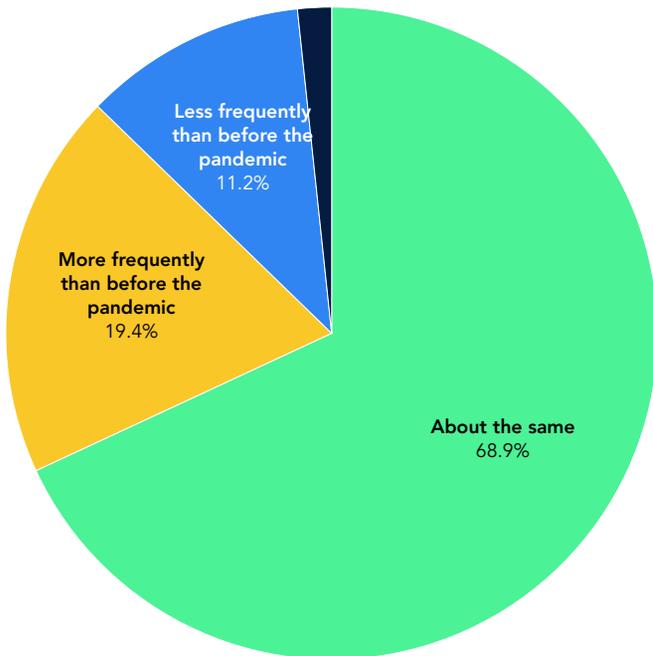
In the personal finance and financial services spaces, pandemic-era consumers continue to place a high degree of importance on digital banking products for everyday needs, at 79%. In the post-pandemic era, these trends look to continue with one in five consumers expecting to engage digitally with financial professionals.

Despite the unknowns of the pandemic and the attendant rise in inflation, more than half of consumers who responded have not reassessed their long-term financial plans since the start of the pandemic. Sixty-one percent feel more secure or “about the same” regarding their financial future and nearly three-quarters (71%) feel more or the same level of confidence in their ability to manage their personal finances.

Finally, the pandemic has dramatically altered the payment methods consumers are using for their day-to-day transactions, with over a quarter saying they are more likely to use a digital wallet after the pandemic and nearly 30% less likely to use cash.

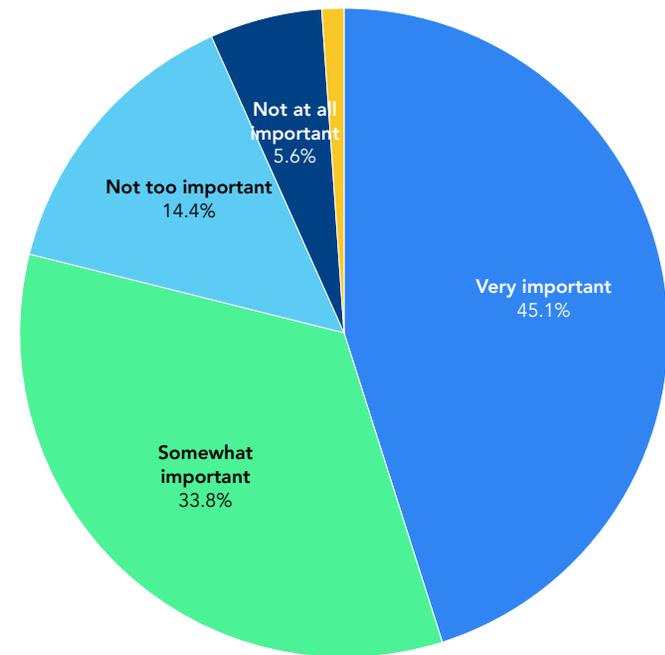


Once the pandemic subsides and restrictions are lifted, how often do you expect to engage digitally with financial professionals:



■ About the same
 ■ Less confident
 ■ More confident
 ■ Prefer not to answer

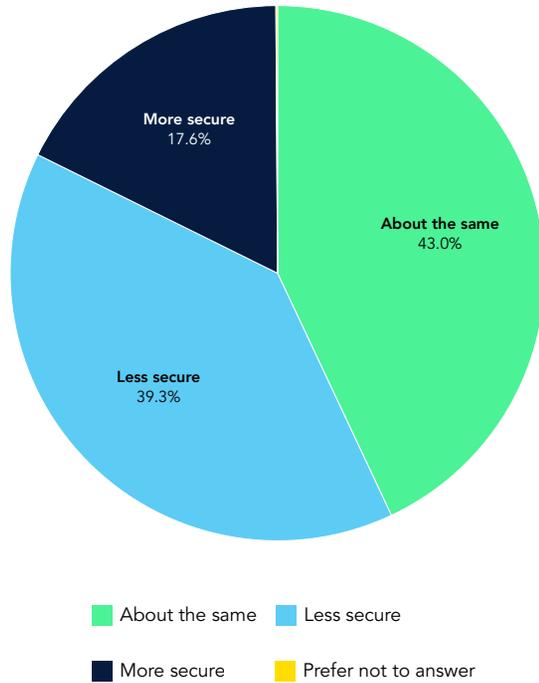
How important are digital banking products to your everyday financial needs?



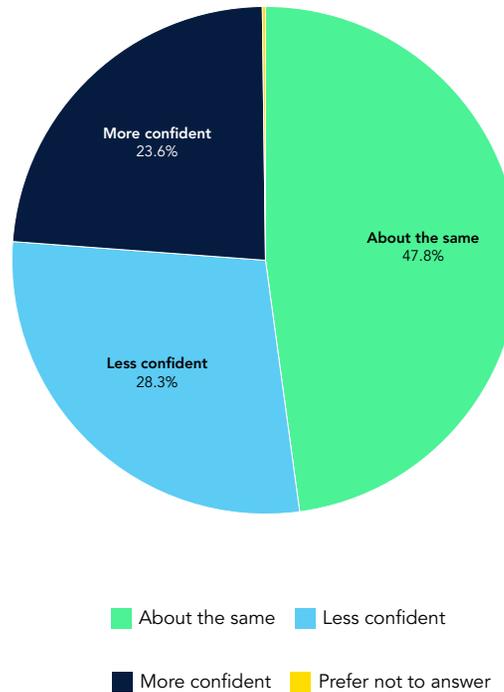
■ Very important
 ■ Somewhat important
 ■ Not too important
 ■ Not at all important
 ■ Prefer not to answer

Sources: ICF Next analysis using MFour data collected from a nationwide sample August 23 - September 1.

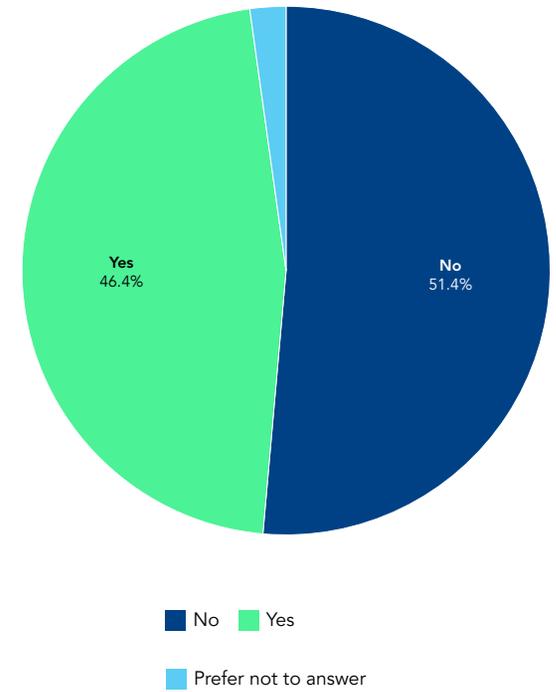
Compared to March of last year (2020), do you feel more or less secure in your financial future?



Compared to March of last year (2020), do you feel more or less confident in your ability to manage your personal finances?



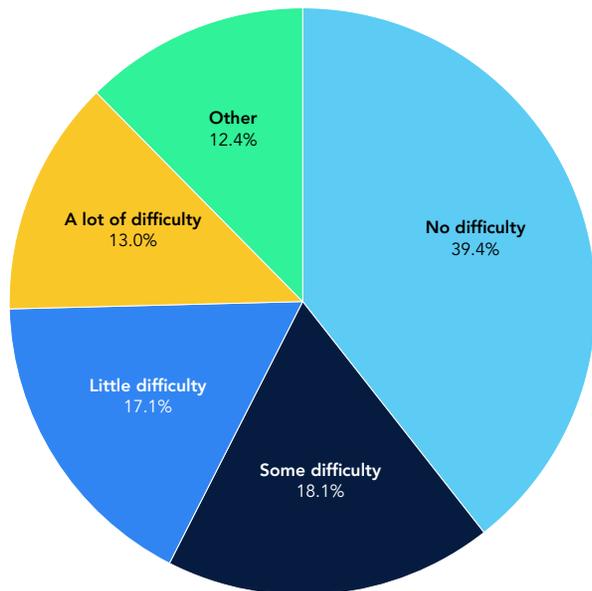
Have you reassessed your long-term financial goals and plans since the beginning of the pandemic?



Sources: ICF Next analysis using MFour data collected from a nationwide sample August 23 - September 1.

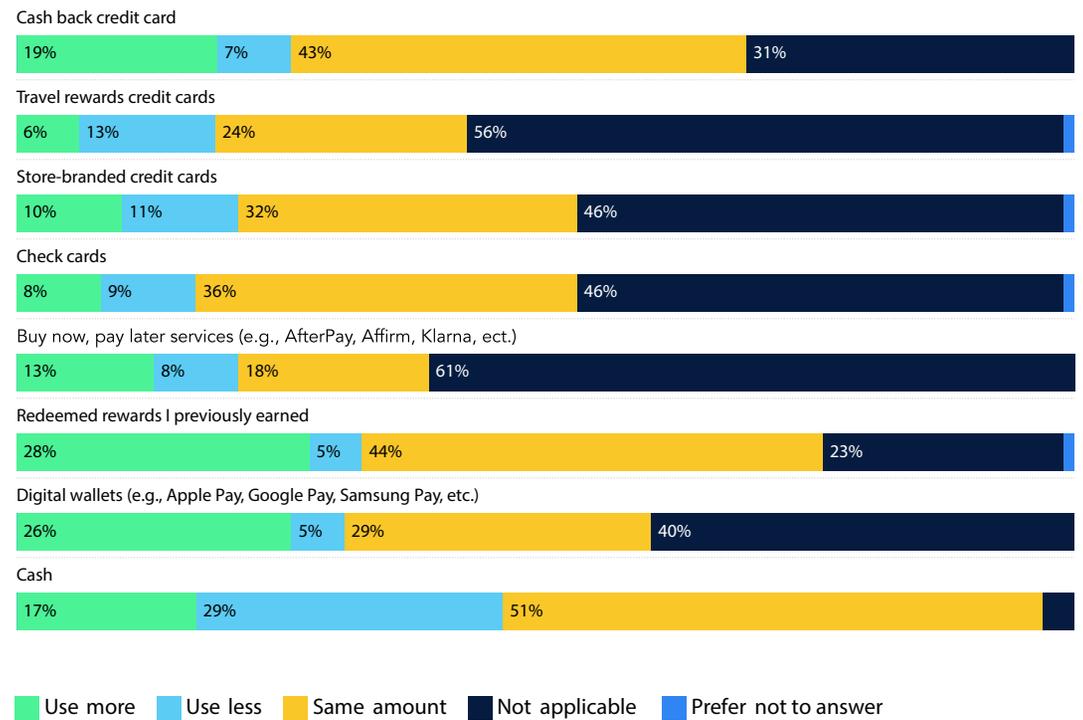
Consumers' confidence in their financial futures extends to their mortgage and rent payments, with over half of respondents—56.5%—saying that they are having little to no difficulty in paying their payments in full.

How much difficulty are you having now in paying the full amount of your rent or mortgage?



■ No difficulty
 ■ Some difficulty
 ■ Little difficulty
■ A lot of difficulty
 ■ Other

I use the following payment types more, less, or the same amount since the pandemic began:



Sources: ICF Next analysis using MFour data collected from a nationwide sample August 23 - September 1.

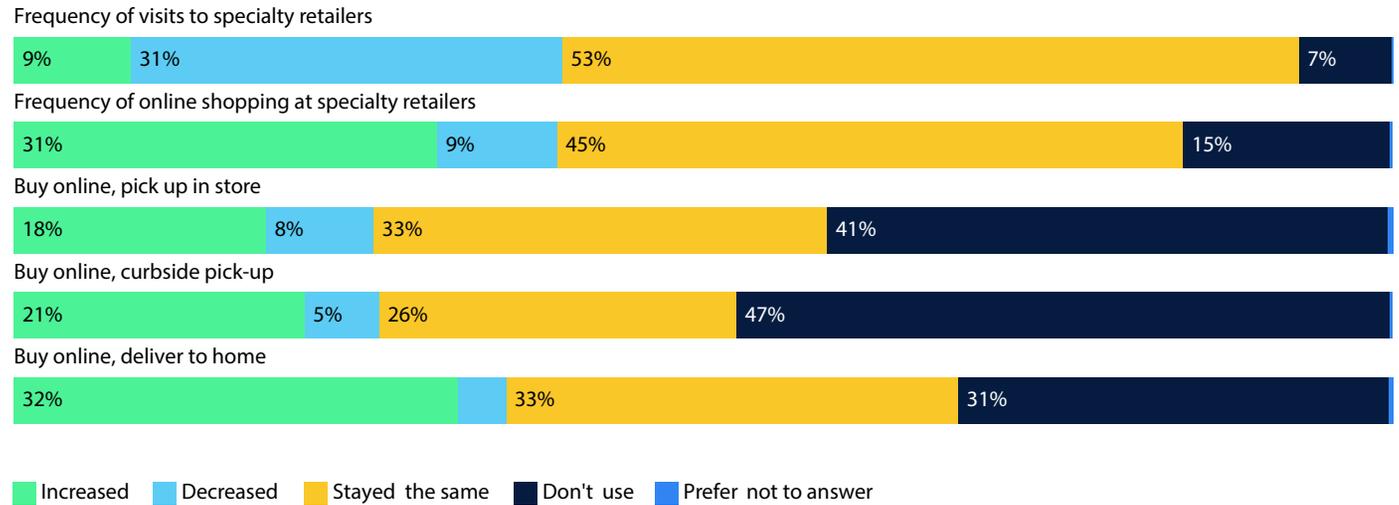


As the pandemic continues to unfold, few categories are still feeling the impacts of the pandemic on their day-to-day operations more than the retail, grocery, and restaurant spaces. In our latest survey, consumers continue to report dramatic changes from their pre-pandemic shopping behaviors. While multiple store visits versus single-store visits are likely to return to pre-pandemic habits, consumers report a significant level of comfort with online shopping, and both in-store and curbside pickup—which seems likely to continue once the pandemic subsides.

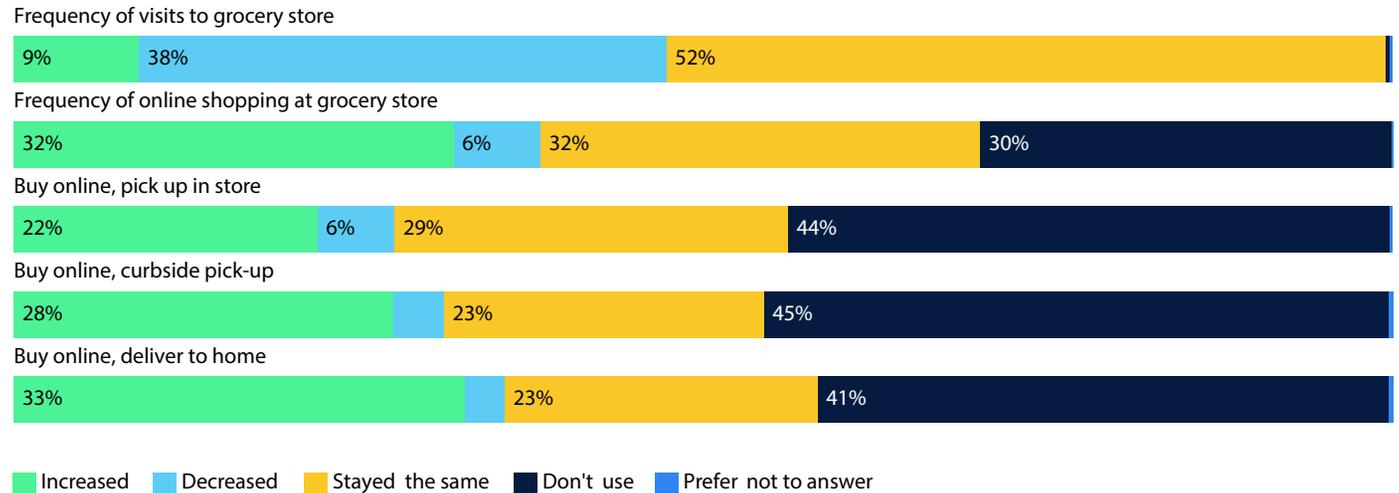
And not surprisingly, consumers continue to express a high degree of confidence in retailers and grocers to deal with the changing nature of the pandemic, but lower confidence in restaurants and bars to adapt.



Comparing your specialty retail purchase behavior today to before the pandemic, would you say that the following:



Comparing your grocery purchase behavior today to before the pandemic, would you say that the following:



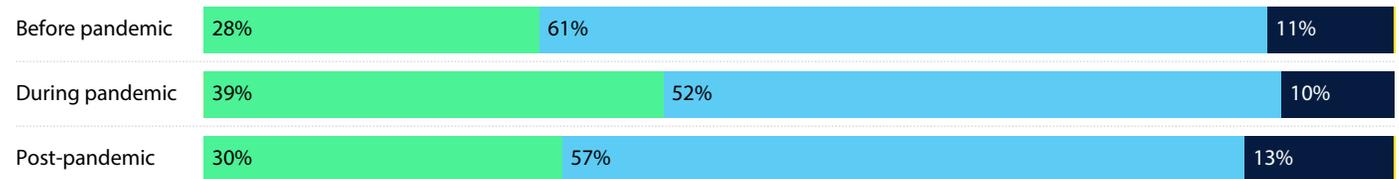
Sources: ICF Next analysis using MFour data collected from a nationwide sample August 23 - September 1.

Did/do/will you typically do your grocery shopping online, in store, or a combination of both?



■ In Store ■ Both ■ Online ■ Prefer not to answer

Did/do/will you do your grocery shopping in multiple stores or consolidate all your shopping into one store?



■ 1 Store ■ 2-3 Stores ■ More than 3 stores ■ Prefer not to answer

Sources: ICF Next analysis using MFour data collected from a nationwide sample August 23 - September 1.

How much confidence do you have in the following organizations to deal with the outbreak of the COVID-19 pandemic?

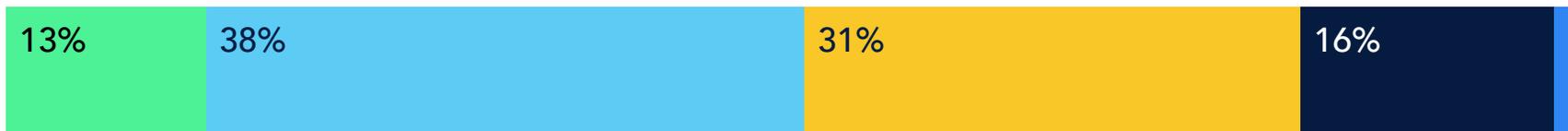
Retail stores



Grocery stores



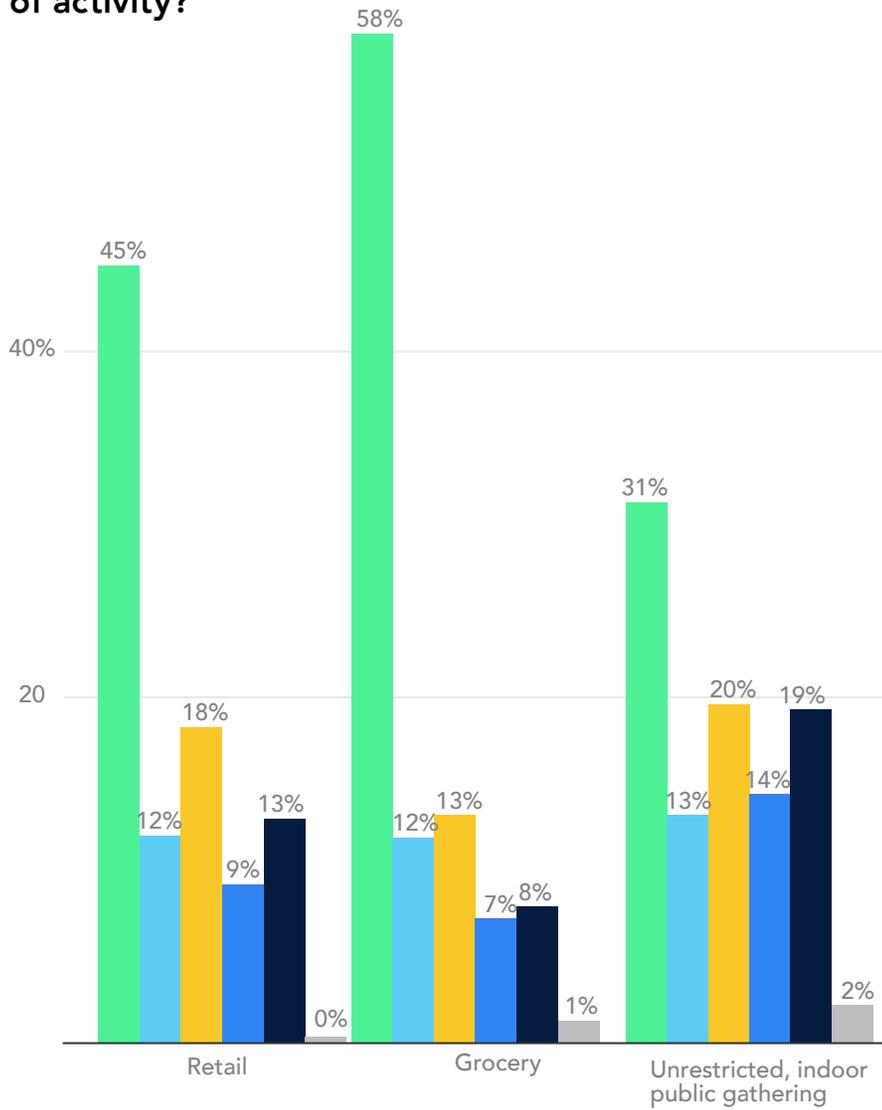
Restaurants



■ A great deal
 ■ A fair amount
 ■ Not very much
 ■ No confidence at all
 ■ Prefer not to answer

Sources: ICF Next analysis using MFour data collected from a nationwide sample August 23 - September 1.

Given what you know today about the state of the pandemic, when do you anticipate returning to pre-pandemic levels of activity?



Source: ICF Next analysis using MFour data collected from a nationwide sample August 23 - September 1.

■ Fall 2021
 ■ Winter 2021
 ■ Spring 2022
■ Summer 2022
 ■ Fall 2022 or later
 ■ Prefer not to answer



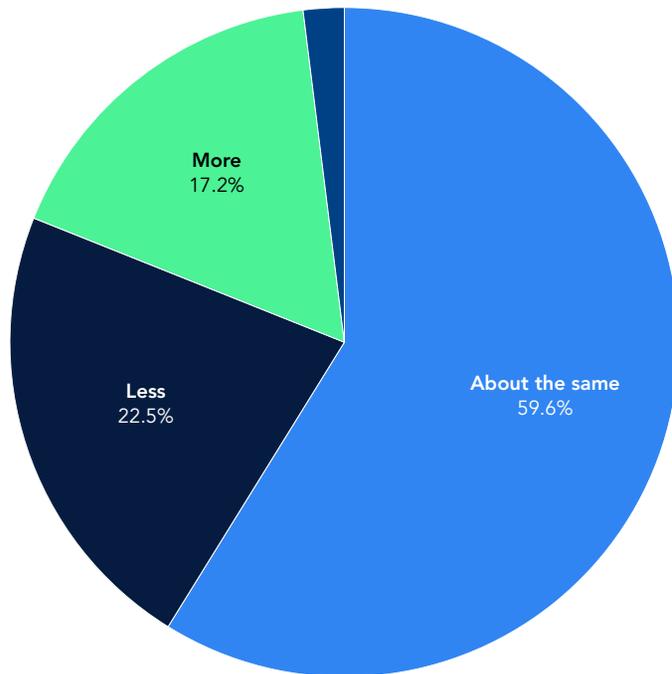


Consumer behaviors in the health and healthcare space continue to experience remarkable change during the pandemic, more pressingly now than before thanks to the Delta variant. Telehealth solutions are enjoying a sustained surge in use, with nearly half of all respondents leveraging them during the pandemic. While some consumers expect to use telehealth solutions less frequently in the post-pandemic future, their stickiness and adoption are in for the long haul, with a consistent 76% of consumers reporting plans to use telehealth solutions more or about the same amount today as in April.

And for health insurance, consumers are feeling loyal to their health insurance providers. Our research showed that, despite the ongoing pandemic, case surges, and hospitalizations, 38% of consumers are less likely to explore new healthcare plans once the pandemic is over.

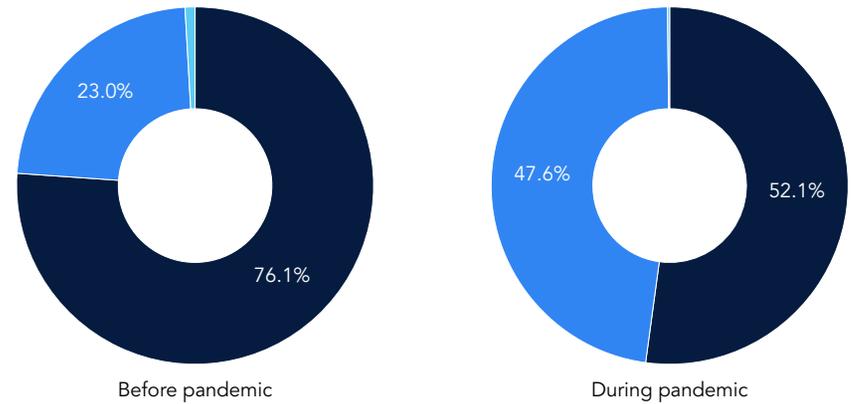


Once the pandemic subsides, do you expect to use telehealth and other digital health tools more, less, or the same?



■ About the same ■ Less ■ More ■ Prefer not to answer

Do you utilize telehealth or other digital health tools?

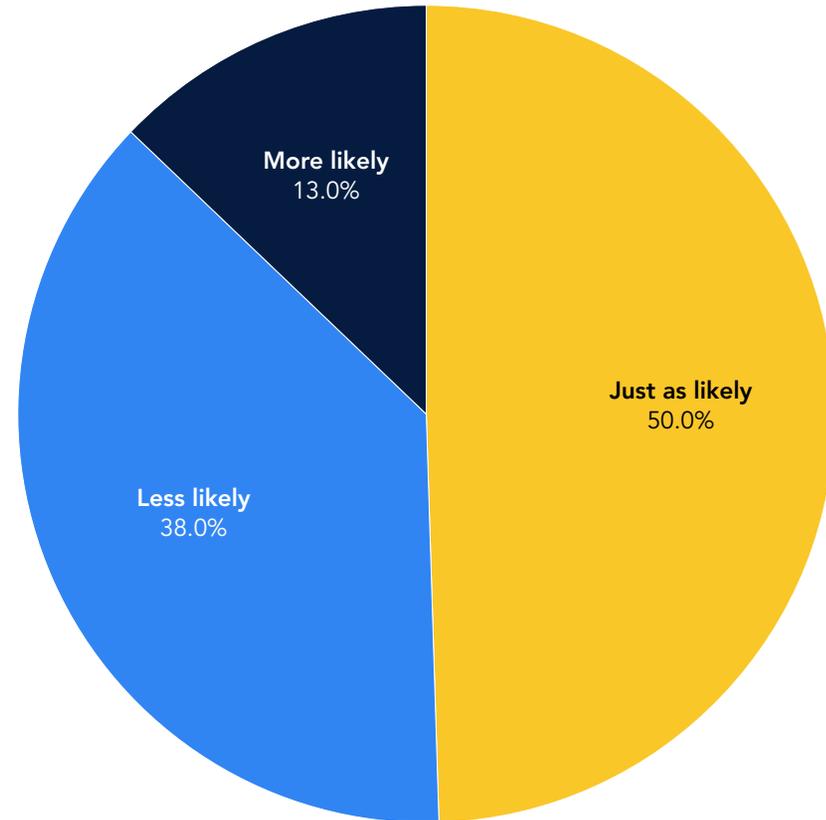


■ No ■ Yes ■ Prefer not to answer

Sources: ICF Next analysis using MFour data collected from a nationwide sample August 23 - September 1.

Once the pandemic is over, are you more likely, less likely, or just as likely to explore new health plan options?

-  More likely
-  Just as likely
-  less likely



Source: ICF Next analysis using MFour data collected from a nationwide sample April 15 - April 22.

Consumers' lives continue to be dramatically altered and impacted by the pandemic, even as we approach the two-year mark. Behaviors that have shifted and evolved are undoubtedly sustained as a result of this arrested state of suspension. Perhaps most notably, the latest findings from our Consumer Recovery Report show very little change across almost every category we explored between mid-April, late-August, and early September. This despite the emergence—and dominance—of the highly transmissible Delta variant, a surge in cases and hospitalizations, a stagnating economic recovery, and rising inflation.

This may suggest that, while consumers' new-found behaviors and habits have achieved their full and ubiquitous stride across a multitude of industries and categories, they themselves may have reached peak pandemic fatigue. As summer turns to fall, much of the story is yet unwritten for how COVID-19 will continue to change our everyday worlds.

For more information, contact:**hello@icfnext.com****+1.612.215.9800****[LINKEDIN.COM/ICF-NEXT](https://www.linkedin.com/company/icfnext)****[@ICFNEXT](https://www.instagram.com/icfnext)****[FACEBOOK.COM/ICF-NEXT](https://www.facebook.com/icfnext)**

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