

WORKER CONFIDENCE INDEX:

First Quarter 2020



Background

HRO Today Magazine and Yoh Recruitment Process Outsourcing have been working together since 2014 to produce an index that measures U.S. employment security from the perspective of employees.

There are already multiple indices that examine attitudes about the economy, such as the Consumer Confidence Index, Gallup's Economic Confidence Index, BLS Job Openings and Labor Turnover Survey (JOLTS), and the United States Consumer Sentiment.

However, these indices focus on macro metrics, with much less emphasis on attitudinal measures of those employed. In contrast, the Worker Confidence Index (WCI) measures perceived employment security among employees. This is significant because according to the U.S. Bureau of Economic Analysis (BEA), approximately 71 percent of goods produced in the U.S. are for personal consumption. Because the perception of job security greatly impacts purchasing behavior, there is a need to focus on individuals' attitudes about their job outlook.

Methodology

Each month, *HRO Today* Magazine employs ORC International's CARAVAN® Omnibus Surveys to collect data about worker satisfaction. Approximately 1,000 online interviews are conducted monthly among those aged 18+ working full-time in the U.S. Quarterly reports are issued based on 3,000 responses per quarter.

Respondents were asked a series of four questions. Each question uses a Likert-type scale where respondents rate each question on a 1–5 scale, with one being “very poor” and 5 being “very favorable.” The four questions address each of the following areas: possibility of involuntary job loss, likelihood of promotion, anticipation of a raise of at least 3 percent, and trust in company leadership.



Executive Summary

Results from the first quarter 2020 Worker Confidence Index Report should be examined with an additional note about study timing and methodology. The Worker Confidence Index (WCI) survey is fielded during the first week of each month. Monthly totals are then combined and averaged to produce the quarterly analysis. In the US, the impact of COVID-19 was not predominant until early March, so most of its influence was not captured in prior survey months for the quarter and only marginally during the first week of March. Further, the WCI only includes those working full time. Recently laid-off employees are going to have a far more pessimistic outlook than those currently employed.

Because of the unprecedented shock on worker confidence the worldwide pandemic has had in the US, April data is provided in this report so that a better understanding of the current environment can be made.

The results of the WCI report for 1Q 2020 and April are largely consistent with the widely reported economic impact being felt in the US. On April 23, 2020, US weekly jobless claims hit 4.4 million, bringing 5-week total to more than 26 million, the highest since 2009.¹ In the first quarter of 2020, the WCI decreased by 1.8 points from the fourth quarter of 2019 to 112.4, marking the second consecutive decline. However, the index remained higher than 1Q 2019, as the impact of COVID-19 was only beginning to be impacted during the time the survey was fielded. Preliminary April results show a very different scenario, with the WCI for the month falling to 94.3, by far the lowest since study inception.

For the quarter, three of the four indices that comprise the WCI declined, with only Trust in Company Leadership index increasing, up 2.1 points. For the month of April compared to March, the WCI declined 15.5 points, while Job Security, Belief in a Promotion and a Belief in a Raise all fell between 13 and 20 points. Only Trust in Company Leadership held in the month, dropping just 1.8 points.

Trust in Company Leadership Remains High. The only component of the WCI that went against the trend of steep confidence declines in March and particularly April was the Trust in Company Leadership Index. In April, the trust index was 113.3, almost identical to January, and a very modest decline from March. The confidence suggests company leaders are largely effectively communicating with their workforce, and

enabling workers to conduct business from their homes, where feasible. Further, companies are finding ways to keep operations running. For example, about 70 percent of small businesses have applied for loans that could be received under the Cares Act.²

First Quarter 2020 Job Security Fell, Previewing a Steep Decline. The first quarter Job Security Index decreased by 4.1 points, resulting in the most concern reported since study inception. But more telling was the decline reported in just early March. The Job Loss index declined 5.4 points in the month, followed by an even sharper decline in April of 12.9 points. Concern about job loss is the most important indicator in estimating worker confidence about their current and near-term financial outlook.

Females again reported higher levels of confidence in their job security than males in the first quarter of 2020, consistent with the historical norm. However, both genders fell more concerned about losing their job when compared to the last quarter of 2019. Men, specifically, feel the most concerned about losing their jobs in the history of the study.

Workforce data from the Bureau of Labor Statistics (BLS) remains consistent with negative job security study findings. By the end of the first quarter of 2020, there were 1.2 percent less workers than at the end of the last quarter of 2019, bringing the total number of people in the

U.S. workforce to 117.18 million. This is a decrease of over 1.3 million workers over the span of one quarter. The number of males in the workforce decreased by 1.4 percent since last quarter, while the number of females in the workforce decreased by 0.9 percent in the same time span.³

The belief in the Likelihood of Promotion index declined in the first quarter to 114.8, a decline of over 10 points from 4Q 2019.

While males confidence dropped slightly, the decline was mostly from females, as only 18.2 percent indicated they felt a promotion in the next 12 months was likely. Those under 45 were again the most inclined to anticipate a promotion compared to other age groups in the first quarter of 2020, as were those with the highest household income, exceeding \$100K. Each month of 2020 has resulted in a decline in the Likelihood of Promotion Index. In January, the index stood at a high 132.3. Since then, it is consistently declined, down a shocking total of 42.7 points to 89.6 in April. None of the components of the WCI has declined as much as the likelihood of promotion.

Worker perceptions about the likelihood of a raise declined by 10.5 points in the index. Just over one-quarter (27.1) of survey respondents felt they would get a raise of at least 3 percent for the quarterly average. Males remained significantly more likely than females to anticipate getting a raise, 34.5 percent versus 21.3 percent, respectively. The changes in confidence resulted in the gap between males and females' expectations about receiving a raise increased to 13.2 percentage points, the largest gap between the genders since the inception of this study.

Comparable to the Likelihood of Promotion Index, each month of 2020 has resulted in decline in the Likelihood of a Raise index. Since January, the index has declined 28.5 points to 92.5 in April, the lowest level since study inception.

Each month of 2020 has resulted in a decline in the Likelihood of Promotion and Raise Indices.

US Stock Market Plunge

In the first quarter of 2020 was a tumultuous quarter for stocks. The Dow Jones Industrials reached a record high in February, but a horrific March led to a decline of 23.2 percent for the quarter, marking the worst quarterly decrease since the fourth quarter of 1987. The S&P 500 also notched its worst quarter since the first quarter of 1987 as the index was down 20 percent. Disruptions to businesses from the COVID-19 caused markets to tremble in the quarter despite a stimulus

bill passing and the Federal Reserve dropping interest rates to 0 percent.⁴ Not only did the markets have their worst quarter since 1987, but the S&P dropped 30 percent from its high in 22 trading days, marking the fastest 30 percent decline in history.⁵

Comparison with other indices

One of the more widely referenced indices designed to gauge U.S. consumer sentiment about the economy is the Consumer Confidence Index (CCI). There was a 11.1-point increase in first quarter of 2020 from the fourth quarter of 2019, resulting in a quarterly average of 127.7. However, the quarterly average is not indicative of the entire quarter, as the Consumer Confidence Index in March was down 12.6 points from February to 120.0.

The Worker Confidence Index has correctly predicted the direction of consumer confidence for the next quarter's end in 15 of the last 21 quarters (*Figure 1*). The chart below shows a staggered timeline comparison of the CCI and the WCI. The WCI data point shown is the one from the prior quarter, so when the timeline is adjusted, typically a correlation is made between what the WCI predicts will happen to the CCI at the end of the next quarter. An increase in the WCI in the prior quarter would suggest an increase in the CCI at the end of the next quarter. **The WCI suggests the CCI will decrease at the conclusion of the second quarter of 2020.**

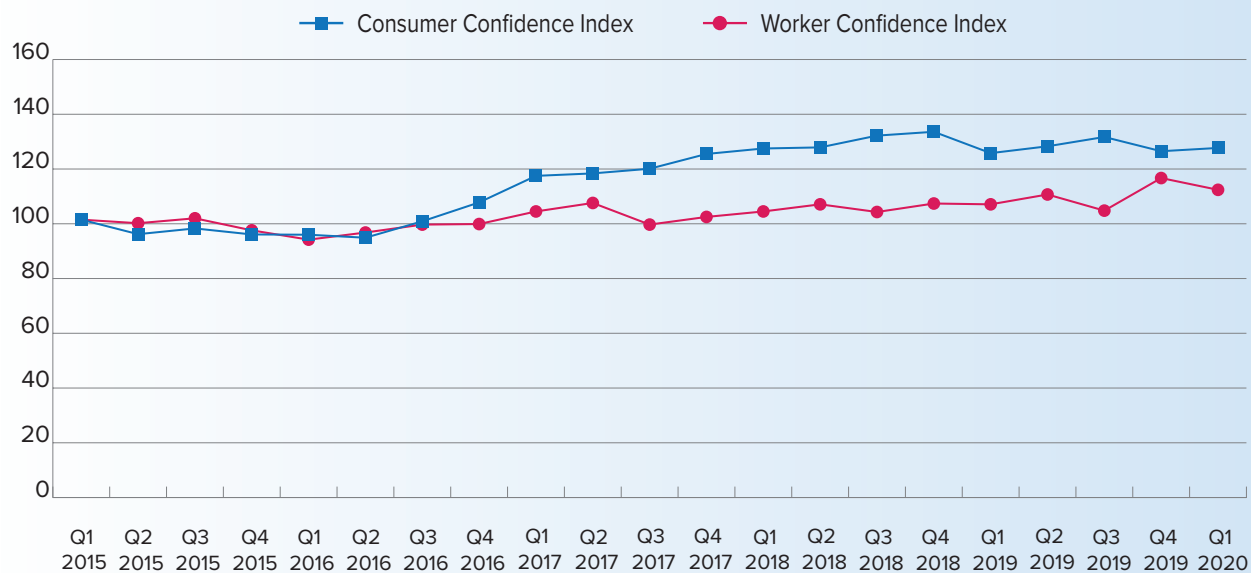
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Thomson Reuters stated that earnings in the first quarter of 2020 are estimated to have decreased by 9.0 percent from the first quarter of 2019. Of the 21 companies in the S&P 500 that have reported earnings

in the first quarter of 2020 to date, 76.2 percent have reported earnings above analyst expectations. This is above the long-term average of 65.0 percent and the average over the past four quarters of 74.0 percent.⁶

CCI vs. WCI: Staggered Timeline Comparison

Fig. 1



The Worker Confidence Index

On a quarter-over-quarter basis, the WCI decreased from 114.2 in the fourth quarter of 2019 to 112.4 in the first quarter of 2020.

There are four components that comprise the overall index: Possibility of Involuntary Job Loss, Likelihood of Promotion, Anticipation of a Raise of at Least Three Percent, and Trust in Company Leadership.

Figure 3 illustrates the four indices that comprise the WCI. Three of the four indices were lower in the first quarter of 2020 compared with the fourth quarter of 2019. The Promotion Index decreased the most, down 10.8 points for the quarter, while the Likelihood of a

Raise Index was down by 10.6 points. The Job Security Index declined 4.1 points. These decreases were slightly offset by a quarterly increase in the Trust in Company Leadership index, which was 2.1 points.

Since the first quarter of 2019, three of the four indices are up, with the Job Security Index being the sole index decreasing, down by 4.3 points. Of the three indices that are up since last year, each have increased by at least 4 points with the index that has increased the most being the Trust in Company Leadership Index, up 6.3 points.

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Worker Confidence Index

Fig. 2

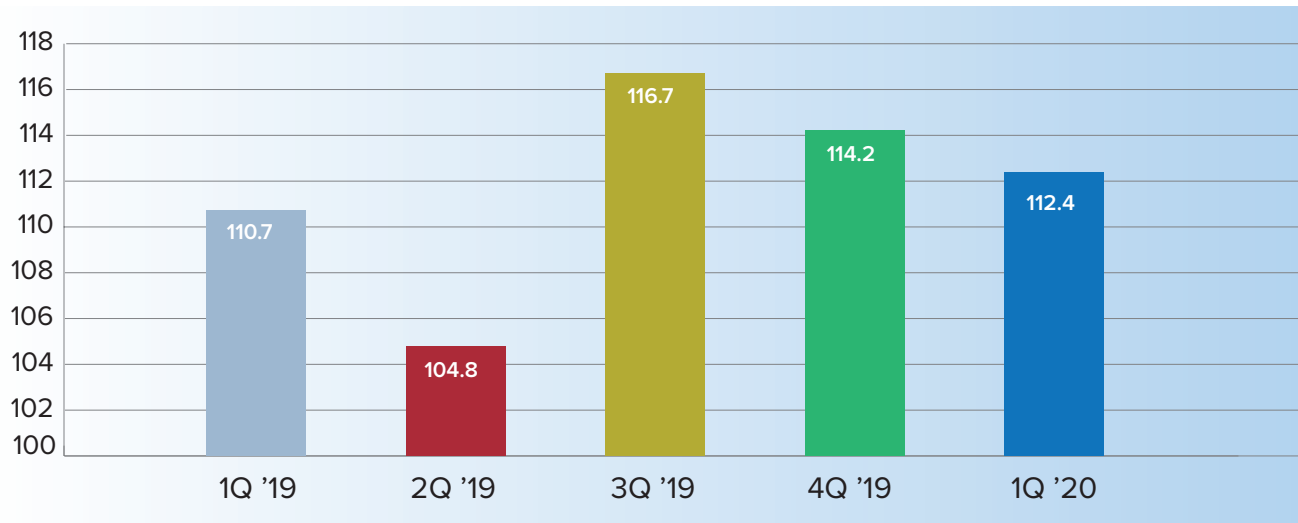


Fig. 3

Index Category Detailed Trend Analysis	1Q '19	2Q '19	3Q '19	4Q '19	1Q '20
Job Security	102.6	104.3	101.5	102.4	98.3
Promotion	121.2	110.1	133.9	125.6	114.8
Raise	113.3	104.4	121.1	118.9	108.3
Trust	105.6	100.6	110.2	109.8	111.9

Fig. 4

Index Category Detailed Trend Analysis: 2020 by Month	January '20	February '20	March '20	April '20
WCI	116.6	110.7	109.8	94.3
Job Loss	99.9	100.2	94.8	81.9
Promotion	132.3	117.9	109.6	89.6
Raise	121.0	117.3	112.3	92.5
Trust	113.1	107.5	115.1	113.3

What's driving the results?

Job Security

Do you feel it likely that you will involuntarily lose your job or that your job will be eliminated in the next 12 months?

During the first quarter of 2020, 12.2 percent of respondents indicated that they felt that they were likely to lose their jobs, a 2.3 percentage point increase from 10.0 percent in the fourth quarter of 2019. This is the least confident workers have felt since the last quarter of 2014. In the month of April, 18.9 percent of workers felt likely to lose their jobs, most probably due to historic unemployment claims and furloughed workers as a result of the COVID-19 pandemic. The increase in the individuals who believed that they would lose their jobs in the first quarter resulted in the Job Security Index decreasing to 98.3.

Males reported feeling more concern about job loss in the first quarter of 2020 than they did in the fourth quarter of 2019, but continued the trend of remaining far more concerned than females. The percentage of males who felt that they would lose their job increased from 12.3 percent in the fourth quarter of 2019 to 15.6 percent in the first quarter of 2020. The level of female's concern over job loss increased from 7.8 percent to 9.1 percent quarter-over-quarter. The gender gap of 6.5 percentage points is the highest it has been in two years.

First quarter of 2020 results continue to showcase the inverse linear relationship that exists between age and job security. Younger workers are more inclined to fear job loss than older workers. Those aged between 25–34 years old continued to feel the least secure about their job stability of any age bracket for the sixth consecutive quarter, as one-in-five (20.7 percent) indicated they felt likely they will lose their jobs, the highest for this age group since survey inception. Those aged 65 and over were the only age

group to be more confident in their belief that they will not lose their job since last quarter. Many in this age bracket are part of the executive group of their companies, which may partially explain their confidence.

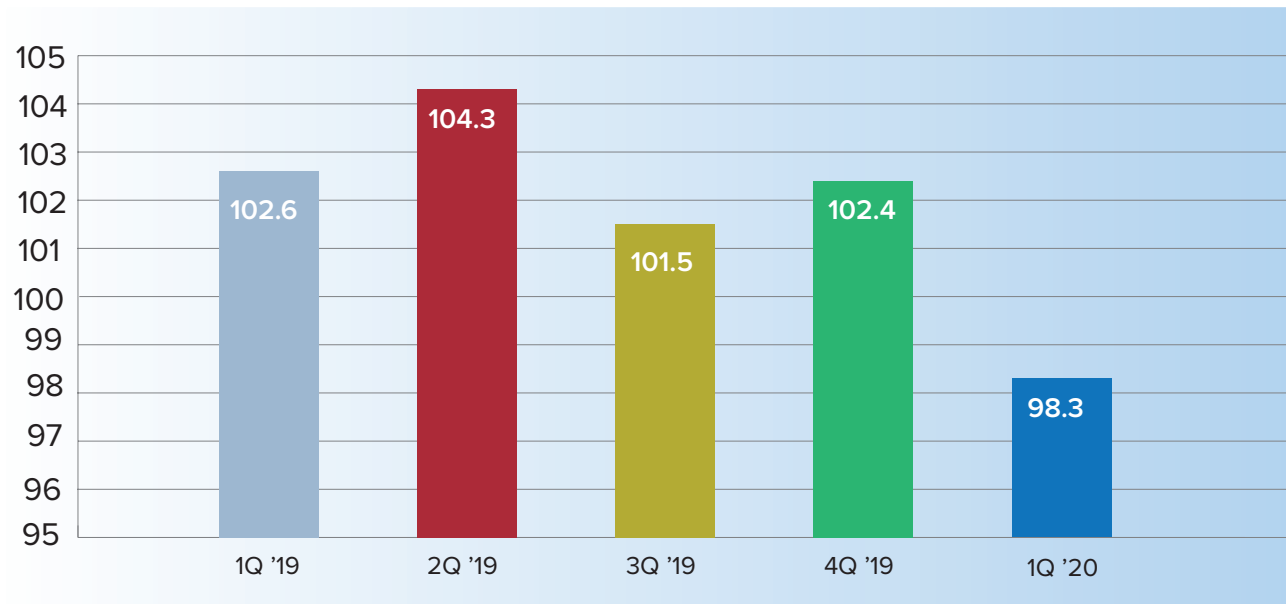
Job loss concerns were highest at the two income extremes. Those with an annual household income of greater than \$100K were the most likely to be concerned, up 2.7 percent from last quarter to 16.9 percent. But those making less than \$35K reported the second highest level of concern, with 12.8% fearing job loss, up three percentage points. The highest income earners are likely to feel their jobs could be eliminated to reduce company payroll the most significantly, while those making less than \$35K are in service positions directly impacted by mandated retail closing made necessary by the pandemic.

Whites and Hispanics both felt more concerned in the likelihood of job loss since last quarter, as respondents noted increases of 1.9 and 4.5 percentage points, respectively. Blacks' were the only racial group to feel less concerned about losing their job, with a slight decrease of 0.8 percentage points. Overall, Whites continued to remain the least concerned, with 10.0 percent indicating they were likely to lose their job in the next 12 months compared to 14.0 percent for Blacks, and 17.8 percent for Hispanics.

In the first quarter of 2020, the level of respondents' education again showed that those with a college degree felt less secure about their jobs than those with other education levels, with 15.8 percent feeling a job loss was likely versus 9.9 percent of those with incomplete college degrees and 10.8 percent of those with a high school education or less. Individuals with a college degree felt the most concerned about losing their jobs in nearly three years.

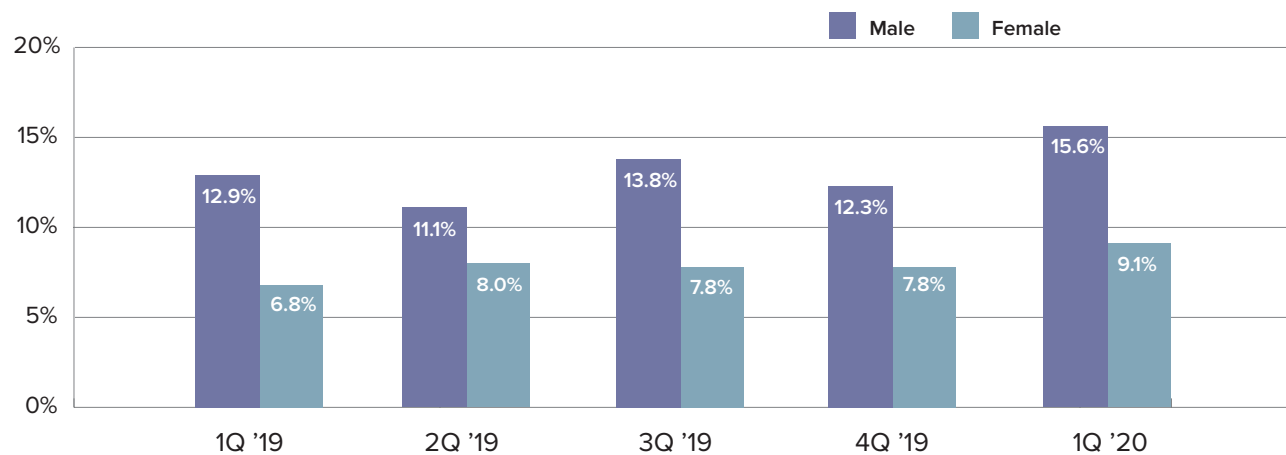
Job Security Index

Fig. 5



Likelihood of Job Loss by Gender

Fig. 6



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Fig. 7

Likelihood of Job Loss by Age	1Q '19	2Q '19	3Q '19	4Q '19	1Q '20
18–24	13.0%	11.6%	12.7%	13.0%	17.5%
25–34	15.7%	15.2%	18.3%	13.5%	20.7%
35–44	13.7%	14.3%	14.9%	14.3%	16.6%
45–54	8.7%	9.1%	8.1%	10.1%	10.1%
55–64	6.3%	5.9%	9.1%	6.5%	7.3%
65+	2.7%	3.1%	3.2%	4.2%	3.9%

Fig. 8

Likelihood of Job Loss by Household Income	1Q '19	2Q '19	3Q '19	4Q '19	1Q '20
< \$35K	9.2%	9.9%	11.2%	9.8%	12.8%
\$35–\$50K	7.7%	4.5%	9.6%	8.6%	9.5%
\$50K–\$75K	9.9%	10.4%	9.2%	7.8%	8.8%
\$75K–\$100K	10.4%	8.4%	8.0%	7.2%	11.0%
\$100K+	11.6%	12.4%	13.3%	14.2%	16.9%

Fig. 9

Likelihood of Job Loss by Race	1Q '19	2Q '19	3Q '19	4Q '19	1Q '20
White	8.4%	8.1%	9.6%	8.1%	10.0%
Black	13.4%	13.2%	14.3%	14.8%	14.0%
Hispanic	13.5%	11.5%	16.0%	13.3%	17.8%

Fig. 10

Likelihood of Job Loss by Education	1Q '19	2Q '19	3Q '19	4Q '19	1Q '20
HS Grad or Less	8.9%	8.2%	10.3%	9.4%	10.8%
College Incomplete	8.3%	9.3%	9.3%	8.1%	9.9%
College Grad	11.9%	11.4%	12.4%	12.0%	15.8%

Likelihood of a Promotion

Do you feel you'll receive a promotion from your current employer over the next 12 months?

In the first quarter of 2020, the Likelihood of a Promotion index was 114.8, well below 4Q 2019 (125.6). On a year-over-year basis, the index was down 6.4 points. About one-in-five believed that they will receive a promotion, below 4Q 2019. In the month of April, 17.3 percent noted the same thing as companies are less likely to have the position openings and budgets to promote amid the COVID-19 pandemic.

Males indicated that they felt less likely that they will receive a promotion compared with last quarter, down 0.7 percentage points to 27.8 percent. However, females felt considerably less likely that they will receive a promotion from last quarter, down 2.2 percentage points to 18.2 percent. Males remain much more optimistic in their confidence than females, with a difference of 9.6 percentage points between the genders.

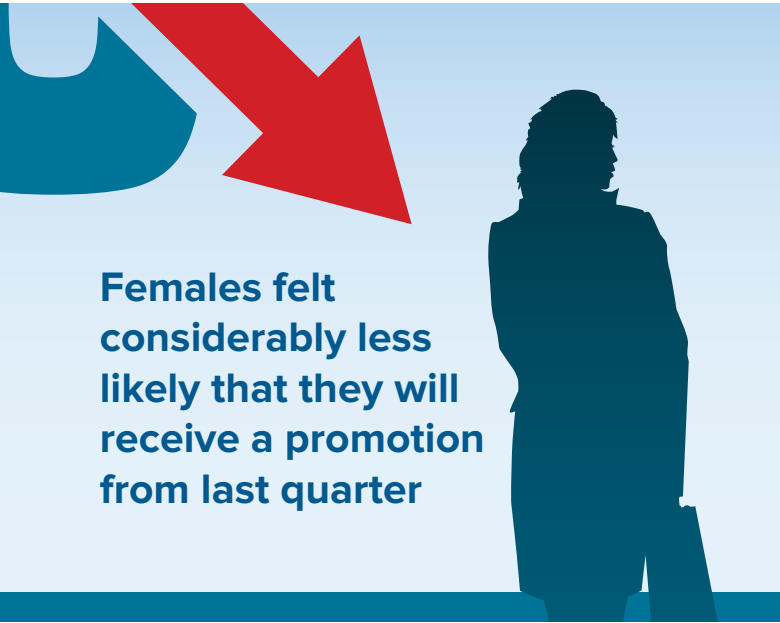
Those under 45 were again the most inclined to anticipate a promotion compared to other age groups in the first quarter of 2020, which is likely because they're in the first half of their careers. A subset of this

group, those respondents aged 35 to 44, indicated the largest increase on a year-over-year bases, up 5.3 percentage points to 35.6 percent. Conversely, on a quarter-over-quarter basis, those aged 55 to 64 increased, up 2.4 percent to 11.7 percent. Overall, the inverse relationship between the likelihood of a promotion and age remained largely present in the first quarter, meaning that the older someone gets, the less likely they are to feel that they will get a promotion.

Respondents with annual incomes over \$100K felt the most optimistic about the likelihood of promotion, with 33.6 percent believing a promotion was likely, but below 4Q 2019. Respondents earning between \$75K to \$100K had an increase in optimism from last quarter and last year, up 6.3 and 7.1 percentage points, respectively.

Respondents from each racial group felt less confident in their ability to receive a promotion since last quarter, though Whites were essentially flat, down only 0.2 percent to 18.8 percent. Blacks and Hispanics felt less confident in their ability to receive a promotion since Q4 2019, down to 30.6 percent and 30.1 percent, respectively. Despite the fall in confidence, this marks the first quarter since the third quarter of 2018 that Blacks are have felt the most confident in their ability to receive a promotion when compared to other racial groups.

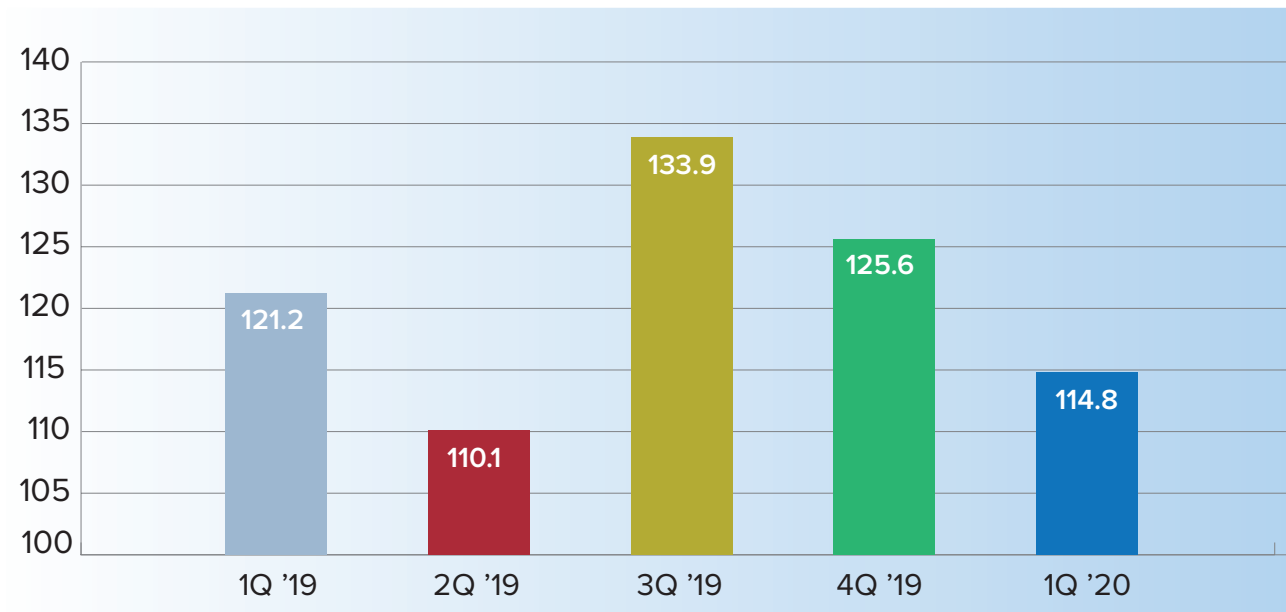
College graduates are usually the most inclined education segment to believe in a promotion. In the first quarter of 2020, that trend held as 31.5 percent felt they would get a promotion, up 1.2 percentage points from the fourth quarter of 2019, the only educational group to feel more confident since last quarter. Those with a high school degree or less and with an incomplete college degree saw a quarter-over-quarter decrease in their confidence in receiving a promotion, down 1.3 percent. Individuals with an incomplete college degree felt the least amount of confidence in their ability to receive a promotion since the fourth quarter of 2017.



Females felt considerably less likely that they will receive a promotion from last quarter

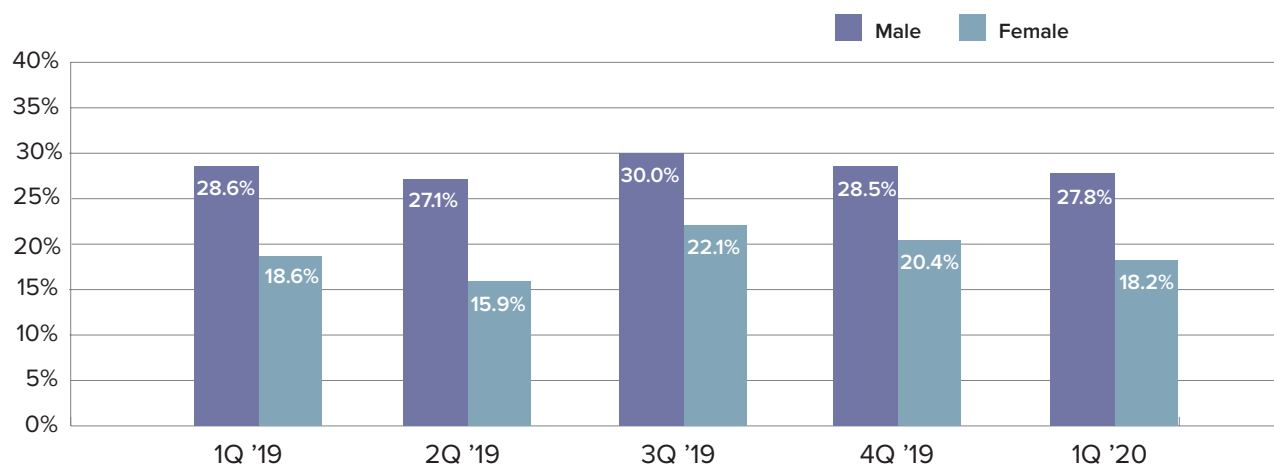
Likelihood of a Promotion Index

Fig. 11



Likelihood of a Promotion by Gender

Fig. 12



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Fig. 13

Likelihood of Promotion by Age	1Q '19	2Q '19	3Q '19	4Q '19	1Q '20
18–24	39.5%	37.6%	45.2%	37.9%	35.0%
25–34	41.7%	38.7%	44.6%	40.4%	36.3%
35–44	30.3%	29.2%	38.2%	36.6%	35.6%
45–54	21.6%	17.9%	20.8%	23.4%	20.6%
55–64	10.3%	9.9%	12.5%	9.3%	11.7%
65+	4.7%	2.6%	3.7%	5.2%	5.0%

Fig. 14

Likelihood of Promotion by Household Income	1Q '19	2Q '19	3Q '19	4Q '19	1Q '20
< \$35K	20.7%	18.0%	20.5%	18.6%	18.0%
\$35–\$50K	20.4%	18.7%	25.6%	23.1%	18.3%
\$50K–\$75K	25.1%	20.7%	24.3%	23.7%	19.7%
\$75K–\$100K	22.9%	22.5%	25.5%	23.7%	30.0%
\$100K+	29.1%	28.4%	36.1%	35.5%	33.6%

Fig. 15

Likelihood of Promotion by Race	1Q '19	2Q '19	3Q '19	4Q '19	1Q '20
White	19.8%	16.3%	20.3%	19.0%	18.8%
Black	29.7%	30.8%	33.6%	34.7%	30.6%
Hispanic	31.1%	31.1%	38.0%	36.6%	30.1%

Fig. 16

Likelihood of Promotion by Education	1Q '19	2Q '19	3Q '19	4Q '19	1Q '20
HS Grad or Less	19.3%	15.8%	23.5%	20.9%	19.6%
College Incomplete	24.2%	22.5%	24.8%	21.9%	19.2%
College Grad	27.7%	27.0%	29.7%	30.3%	31.5%

Likelihood of a Raise of More than Three Percent

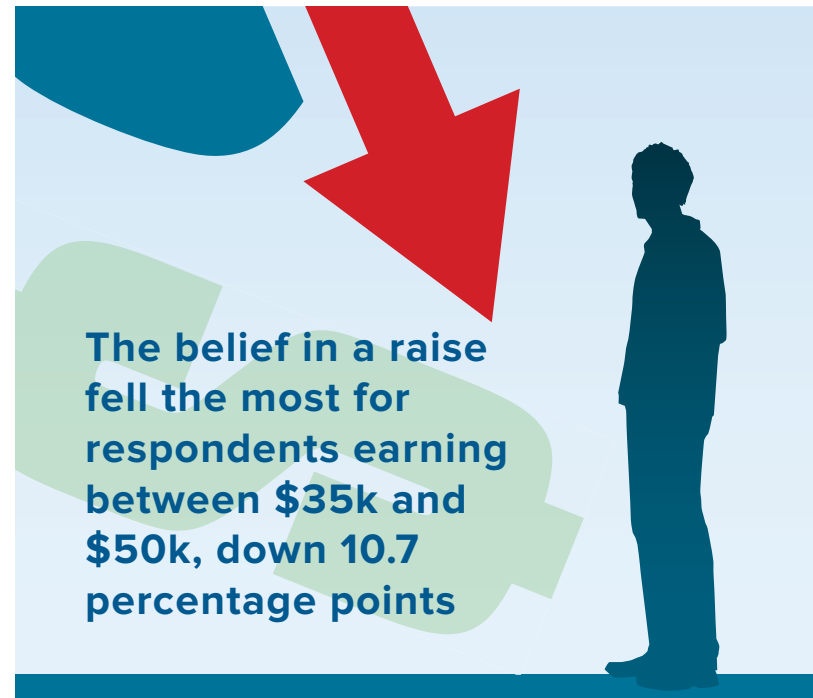
Do you feel you'll receive a raise of three percent or more after your next review?

Since last quarter, the Likelihood of a Raise Index decreased from 118.9 in the last quarter of 2019 to 108.3 in the first quarter of 2020. (Figure 17). In the first quarter of 2020, 27.1 percent of survey respondents indicated that they anticipated a raise of 3.0 percent or more at their next review, down 5.4 percentage points from 4Q 2019.

Males continue to be significantly more likely than females to anticipate getting a raise, 34.5 percent versus 21.3 percent, respectively. This resulted in the gap between males and females' expectations about receiving a raise increasing by 0.3 percentage points to 13.2 percentage points, the largest gap between the genders since the inception of this study.

Typically, those in the first half of their careers (age 44 or younger) are the most inclined to feel that they will get a raise of at least three percent in the next 12 months. Nearly one-half (47.0%) of those aged 25 to 34, held onto that optimism in the first quarter, down only slightly from 4Q 2019. This is also the highest level of confidence in receiving a raise by any age group in study history. Each age segment indicated a lower belief in the likelihood of a raise higher than one year ago.

As income increases, so does the belief in the likelihood of a raise. Respondents with incomes between \$75 and \$100K were the only ones to increase belief in receiving a raise on both a quarter-over-quarter basis and a year-over-year basis, up 0.4 and a robust 6.5 percent to 37.1 percent, respectively. The belief in a raise fell the most for respondents earning between \$35k and \$50k, down 10.7 percentage points, while those making between \$50K and \$75K fell 6.4 percent. This segment of the population is generally considered the middle class and spending habits of this group, generally, drive GDP growth.

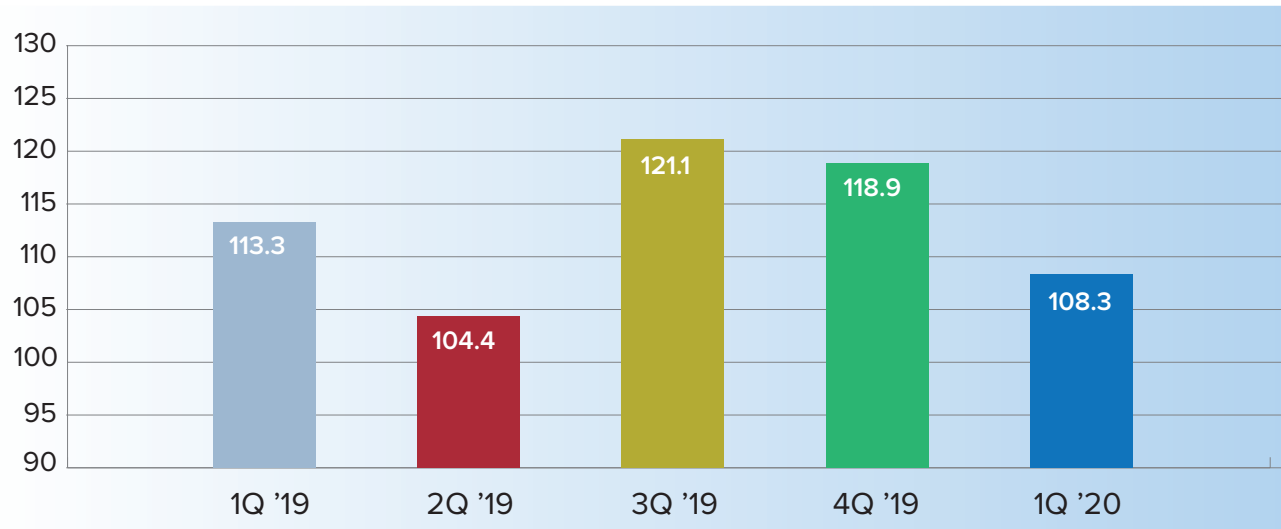


Minorities remained more optimistic about the likelihood of receiving a raise than Whites in the first quarter of 2020. Over 37 percent of Blacks and Hispanics (37.7 and 37.9 percent, respectively) anticipated a raise compared to only 24.5 percent of Whites. While Minorities were more likely to feel more confident than last year, Whites were less confident down 4.4 percent for the year and the quarter.

The potential for a raise is where the education segment consistently shows differentiating attitudes. Belief in a raise is consistently higher for college graduates than any other segment, as 39.0 percent of college graduates felt it likely that they will get a raise. College graduate optimism for a raise was the only education segment not to precipitously decline since last quarter, down 1.2 percent while individuals with incomplete college degrees and high school graduates or less were down 7.7 and 5.0 percentage points, respectively.

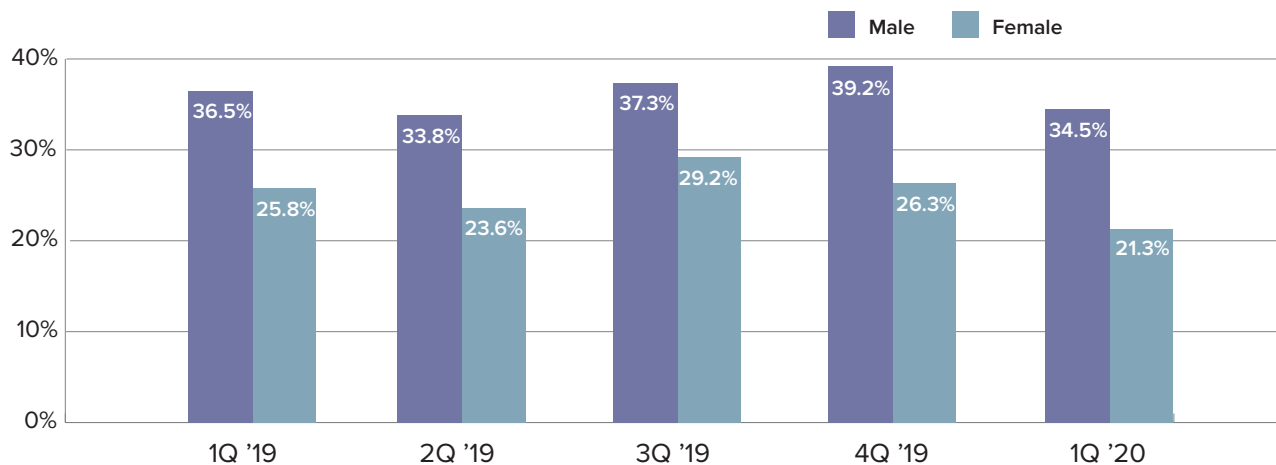
Likelihood of a Raise of More than Three Percent Index

Fig. 17



Likelihood of a Raise of More than Three Percent by Gender

Fig. 18



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Fig. 19

Likelihood of a Raise of More than Three Percent by Age	1Q '19	2Q '19	3Q '19	4Q '19	1Q '20
18–24	36.7%	39.5%	46.6%	36.7%	34.2%
25–34	48.0%	46.1%	50.9%	47.8%	47.0%
35–44	42.5%	38.9%	43.4%	46.4%	39.1%
45–54	33.1%	29.6%	35.1%	38.7%	29.8%
55–64	21.1%	17.8%	22.1%	21.1%	19.2%
65+	10.0%	6.9%	9.0%	10.3%	5.2%

Fig. 20

Likelihood of a Raise of More than Three Percent by Household Income	1Q '19	2Q '19	3Q '19	4Q '19	1Q '20
< \$35K	24.7%	21.1%	22.4%	24.8%	20.8%
\$35–\$50K	28.5%	23.9%	28.0%	30.8%	20.1%
\$50K–\$75K	33.7%	28.5%	36.0%	31.4%	25.0%
\$75K–\$100K	30.6%	35.2%	40.5%	36.7%	37.1%
\$100K+	40.8%	40.8%	48.9%	45.8%	44.2%

Fig. 21

Likelihood of a Raise of More than Three Percent by Race	1Q '19	2Q '19	3Q '19	4Q '19	1Q '20
White	28.8%	24.7%	29.3%	28.9%	24.5%
Black	32.8%	35.0%	34.2%	38.9%	37.7%
Hispanic	36.2%	35.0%	44.8%	42.1%	37.9%

Fig. 22

Likelihood of a Raise of More than Three Percent by Education	1Q '19	2Q '19	3Q '19	4Q '19	1Q '20
HS Grad or Less	25.0%	20.8%	28.3%	27.1%	22.1%
College Incomplete	32.7%	28.1%	30.1%	31.1%	23.4%
College Grad	37.0%	38.2%	41.5%	40.2%	39.0%

Trust in Company Leadership

Do you trust your company's leadership to make sound decisions for the company and its employees?

The Trust in Company Leadership index rose by 2.1 points on a quarter-over-quarter basis, and now stands at 111.9. In the first quarter of 2020, 48.3 percent of respondents reported trust in company leadership, slightly increasing from 47.4 percent in the fourth quarter of 2019. In the month of April, 48.9 percent of respondents said they trust company leadership, about in line with recent months as many company leaders are doing what they can in order to keep their businesses afloat.

Males are more likely to trust their company leadership than females (56.0 percent versus 41.1 percent respectively). The gap between genders is 14.9 percentage points, the largest gap since the inception of the study, caused by modest increase in trust from males and moderate decrease from females.

Over one-half of the respondents aged 54 or younger trust their company's leadership, contrasting sharply with those over the age of 55. There is a clear correlation showing that as age increases, trust in company leadership erodes. Interestingly, respondents aged

between 35 and 54 trust their company's is at the highest point since the inception of the study. This age generally consists of people that are in jobs that are just below company leadership or just starting in company leadership positions.

There is also a relationship between Trust in Company Leadership and income. As income increases, so does trust. This is not surprising, given that the most highly compensated employees often tend to be a part of a company's leadership team. Over 55 percent of respondents with an annual income over \$75k reported they trust their company's leadership. Trust rose the most in those making over \$100k, the group most likely to be in a company's leadership team, up 5.5 percent since last quarter to 63 percent.

In most quarters, minorities trust company leadership more than White but the first quarter of 2020, Blacks trust company leadership at the same rate Whites, breaking the trend. Whites trust in company leadership rose by 2.3 percent from last quarter to 46.3 percent. Conversely, Black's trust in company leadership decreased by 7.3 percent from last quarter to 46.3 percent, the largest quarter-over-quarter decrease since 2015. While trust among Hispanics remained the same as last quarter at 53.4 percent.

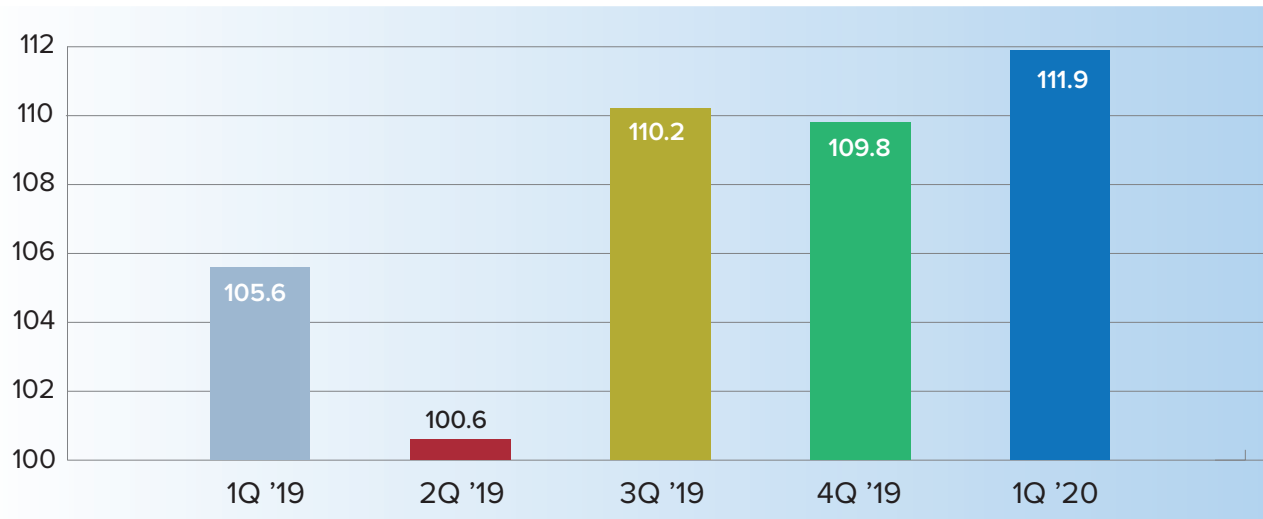
Nearly every quarter of the study has shown that as educational attainment increases, so does trust in company leadership. Company leaders are most often highly educated. In the first quarter of 2020, every group felt more trust in company leadership since last quarter with those without a college degree increasing the most, up 1.1 percent to 43.1 percent. Individuals with a college degree had the most trust in their company's leadership (57.0 percent), noting the highest increase on a year-over-year basis of all groups, up 5.1 percent. Conversely, those with incomplete college degrees where the only individuals whose trust in company leadership fell since last year, down 2.8 percent to 45.2 percent.



The Trust in Company Leadership index rose by 2.1 points on a quarter-over-quarter basis, and now stands at 111.9

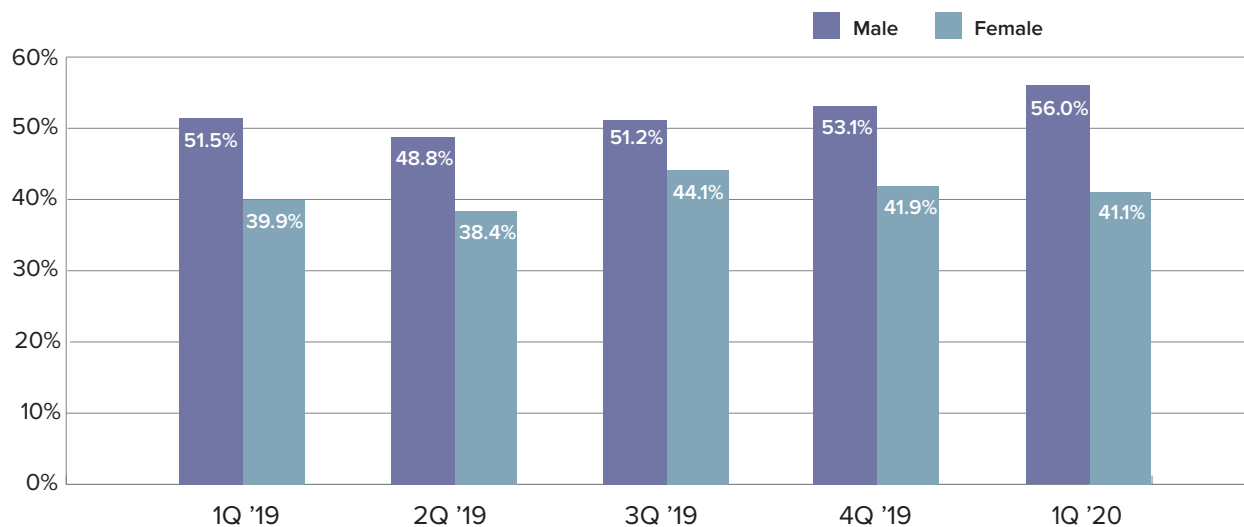
Trust in Company Leadership Index

Fig. 23



Trust in Company Leadership by Gender

Fig. 24



WORKER CONFIDENCE INDEX | FIRST QUARTER 2020

Fig. 25

Trust in Company's Leadership by Age	1Q '19	2Q '19	3Q '19	4Q '19	1Q '20
18–24	66.9%	59.9%	64.4%	59.6%	56.8%
25–34	58.9%	60.2%	62.8%	59.6%	58.9%
35–44	55.4%	50.7%	58.1%	57.3%	58.9%
45–54	46.8%	45.8%	49.4%	49.2%	52.6%
55–64	33.7%	35.0%	34.2%	37.7%	41.5%
65+	22.6%	18.6%	25.8%	28.2%	27.9%

Fig. 26

Trust in Company's Leadership by Household Income	1Q '19	2Q '19	3Q '19	4Q '19	1Q '20
< \$35K	38.2%	35.6%	37.1%	39.8%	39.2%
\$35–\$50K	45.1%	39.6%	44.0%	43.8%	44.3%
\$50K–\$75K	47.7%	43.1%	51.1%	49.2%	47.4%
\$75K–\$100K	48.6%	49.7%	55.5%	55.8%	55.3%
\$100K+	54.9%	56.1%	60.5%	57.6%	63.0%

Fig. 27

Trust in Company's Leadership by Race	1Q '19	2Q '19	3Q '19	4Q '19	1Q '20
White	42.6%	39.7%	45.6%	44.5%	46.8%
Black	49.9%	43.7%	46.2%	54.1%	46.8%
Hispanic	52.4%	52.4%	54.8%	53.4%	53.4%

Fig. 28

Trust in Company's Leadership by Education	1Q '19	2Q '19	3Q '19	4Q '19	1Q '20
HS Grad or Less	38.8%	38.3%	41.3%	42.0%	43.1%
College Incomplete	48.0%	41.3%	47.4%	44.6%	45.2%
College Grad	51.8%	51.3%	55.1%	56.1%	57.0%

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Fig. 29

Study Demographics 1Q 2020		Sample Size	Percent
Gender			
Male		1,454	48.3%
Female		1,557	51.7%
Age			
18–24		354	11.7%
25–34		540	17.9%
35–44		489	16.2%
45–54		504	16.7%
55–64		506	16.8%
65+		620	20.6%
Race			
White		1,911	69.3%
Black		357	12.9%
Hispanic		489	17.7%
Household Income			
\$35K or Less		1,021	33.9%
\$35K–\$50K		472	15.7%
\$50K–\$75K		580	19.2%
\$75K–\$100K		291	9.7%
\$100K+		649	21.5%
Education			
HS Grad or Less		1,228	40.8%
College Incomplete		781	25.9%
College Graduate		1,002	33.3%

Notes

- ¹ Cox, Jeff, "US weekly jobless claims hit 4.4 million, bringing 5-week total to more than 26 million," *CNBC.com*, April 23, 2020 cnbc.com/2020/04/23/weekly-jobless-claims.html
- ² Merle, Renae, "About 70% of small businesses have applied for a Cares Act loan. It's unclear how many have received them." *The Washington Post*, April 0, 2020, <https://wapo.st/2VvJSsG>
- ³ "Current Population Survey Tables for Family Income," *US Census Bureau*, April 15, 2020, bls.gov/news.release/wkyeng.t01.htm
- ⁴ Imbert, Fred, Stevens, Pippa, and Fitzgerald, Maggie, "Stock market live Tuesday: Dow drops 410 points, down 23% in 2020, Worst first quarter ever," *CNBC*, March 31, 2020, <https://cnb.cx/3esgRac>
- ⁵ Li, Yun, "This was the fastest 30% sell-off ever, exceeding the pace of declines during the Great Depression," *CNBC*, March 23, 2020, <https://cnb.cx/3b9EvGp>
- ⁶ "THIS WEEK IN EARNINGS," *Thomson Reuters*, April 10, 2020, <https://lipperalpha.refinitiv.com/2020/01/this-week-in-earnings-9/>



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