



Economic Outlook Brightens for Wine Drinkers

In the last week of December, 2020, we conducted a survey of primarily high-frequency wine drinkers on their financial condition at the end of the first year of the pandemic. We repeated that study last month, and the results point to greater financial stability and optimism moving into the new year.

There were 1,562 respondents to the 2021 survey. As with the 2020 survey, 85% of the respondents were high frequency wine drinkers.

In the 2020 survey, while 23% of respondents said they were better off financially than at the end of 2019, 21% said they were worse off - yielding only a net 2% increase in "better off" wine drinkers. The change in the 2021 survey was dramatic, with 31% saying "better off" and only 12% saying "worse off," for a net 19% in better financial condition than a year ago.

The improvement in financial conditions in 2021 substantiates the sentiment expressed in 2020, when 36% of respondents said they believed that their financial condition would improve in 2021. For 31% of respondents, that did happen.

Looking ahead, high-frequency wine drinkers expressed optimism for the coming year, with 32% believing they will be better off financially at the end of 2022 than they are now. Only 6% felt they would be worse off in a year's time.

Personal Financial Condition - 2020 vs. 2021

High Frequency Wine Drinkers	'20	'21
Better off now than a year ago	23%	31%
About the same now as a year ago	53%	55%
Worse off now than a year ago	21%	12%
Prefer not to say	3%	2%

Financial Outlook - Coming 12 Months

High Frequency Wine Drinkers	'20	'21
Likely to be better off in a year than now	36%	32%
Likely to be about the same in a year as now	43%	50%
Likely to be worse off in a year than now	6%	6%
Too uncertain to predict	14%	10%
Prefer not to say	1%	2%

Financial Condition of Wine Trade Rebounds

Members of the wine trade reported improved financial conditions in 2021 that exceeded the levels of improvement expressed by wine drinkers. For the trade, the net increase in "better off" financial conditions was 24% (compared to 19% for consumers).

The bright spot in this data is that the on-premise trade saw the greatest improvements in their financial condition, with a net 29% "better off" at the end of 2021.

Trade members were very cautious about further improvement this year. A plurality (43%) said they expected their financial condition to be about the same at the end of this year. However, a net 33% expressed the belief that they would be better off a year from now.

Those in the restaurant and hospitality sector were also the most bullish on prospects for the coming year. Fully 58% said they were likely to be better off financially a year from now, compared to 33% of those in the other trade tiers.

Personal Financial Condition - 2020 vs. 2021

Members of the Wine Trade	'20	'21
Better off now than a year ago	20%	39%
About the same now as a year ago	40%	45%
Worse off now than a year ago	36%	15%
Prefer not to say	4%	1%

Financial Outlook - Coming 12 Months

Members of the Wine Trade	'20	'21
Likely to be better off in a year than now	42%	38%
Likely to be about the same in a year as now	33%	43%
Likely to be worse off in a year than now	4%	5%
Too uncertain to predict	20%	13%
Prefer not to say	1%	1%

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