

# Consumer Survey

2012, May

## Consumer confidence approaching average in May

The consumer confidence indicator stood at 12.0 in May, having been 10.4 in April and 8.0 in March. Confidence in the economy was approaching its long-term average in May. The long-term average for the confidence indicator is 12.9. In last year's May, the consumer confidence indicator received the value 15.4. The data are based on Statistics Finland's Consumer Survey, for which 1,446 persons resident in Finland were interviewed between 2 and 18 May.

### Consumer confidence indicator (CCI)



\* average 10/1995 - 05/2012

Of the four components of the consumer confidence indicator, only assessments of own household's saving possibilities improved in May from the previous month. Views about the other components remained more or less unchanged. Expectations concerning the development of unemployment were pessimistic. Consumers' confidence in their and in Finland's economy continued to be weaker than the long-term average in May.

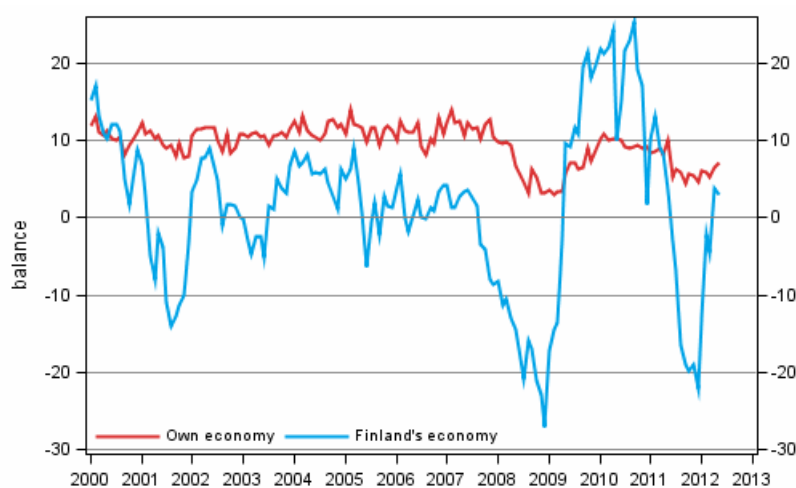
Employed consumers also felt some personal threat of unemployment in May. In addition, consumers did not regard the time favourable for buying durable goods. By contrast, saving and raising a loan were considered worthwhile in May.

## Consumers' own and Finland's economy

In May, 32 per cent of consumers believed that Finland's economic situation would improve in the coming twelve months, while 25 per cent of them thought that the country's economy would deteriorate. The proportions were roughly the same as one month and twelve months earlier.

In all, 24 per cent of consumers believed in May that their own economy would improve and 12 per cent of them feared it would worsen over the year. One year ago, the respective proportions were 29 and 13 per cent.

## Consumers' expectations concerning their own and Finland's economy in 12 months' time



## Unemployment and inflation

Altogether 21 per cent of consumers expected in May that unemployment would decrease in Finland over the next year, while 40 per cent of them thought it would increase. Twelve months earlier the corresponding proportions were 34 and 30 per cent.

In May, 12 per cent of employed persons believed that their personal threat of unemployment had decreased in the past few months but more, or 16 per cent, of them thought it had grown. Twelve months previously, these proportions were 17 and 12 per cent. In May, 48 per cent of employed persons thought the threat of unemployment had remained unchanged, while 24 per cent felt that they were not threatened by unemployment at all.

Consumers predicted in May that consumer prices would go up by 3.1 per cent over the next 12 months. The long-term predicted average inflation rate is 2.2 per cent.

## Saving and taking out a loan

A total of 61 per cent of consumers considered saving worthwhile in May. In all, 67 per cent of households had been able to lay aside some money and 79 per cent believed they would be able to do so during the next 12 months. In April, these proportions were 64 and 75 per cent.

In May, 65 per cent of consumers regarded the time good for raising a loan. In April, the respective proportion was 61 per cent and one year ago 54 per cent. However, slightly fewer households than on the average, or 11 per cent of them, were planning in May to raise a loan within one year.

## Buying of durable goods

Only 36 per cent of consumers thought in May that the time was favourable for buying durable goods. Consumption intentions were indeed more moderate than usual in May, but many households had plans to spend money on, for instance, home technology, dwelling repairs or travel during the next six months. Fifteen per cent of households were fairly or very certain to buy a car and eight per cent a dwelling during the next 12 months. In last year's May, the corresponding proportions were 18 and 10 per cent.

## Consumers' views of the economy

	Average 10/1995-	Max. 10/1995-	Min. 10/1995-	05/2011	04/2012	05/2012	Outlook
A1 Consumer confidence indicator, CCI = (B2+B4+B7+D2)/4	12,9	22,9	-6,5	15,4	10,4	12,0	+/-
B2 Own economy in 12 months' time (balance)	8,9	14,1	2,3	10,0	6,5	7,2	-
B4 Finland's economy in 12 months' time (balance)	4,5	25,3	-27,1	3,7	3,8	3,0	+/-
B6 Inflation in 12 months' time (per cent)	2,2	4,6	0,6	3,4	3,2	3,1	
B7 Unemployment in Finland in 12 months' time (balance)	0,4	27,6	-51,1	1,6	-9,0	-10,7	-
B8 Own threat of unemployment now (balance)	0,9	7,6	-18,8	6,2	-1,7	-0,7	+/-
C1 Favourability of time for purchasing durables (balance)	20,3	41,8	-14,2	8,8	3,1	3,0	--
C2 Favourability of time for saving (balance)	11,7	36,8	-19,6	18,0	13,6	14,8	+
C3 Favourability of time for raising a loan (balance)	17,5	42,0	-47,1	6,7	16,0	21,4	+/-
D2 Household's saving possibilities in the next 12 months (balance)	38,0	52,2	10,9	46,5	40,6	48,5	+

The **balance figures** are obtained by deducting the weighted proportion of negative answers from that of positive answers. The **consumer confidence indicator** is the average of the balance figures for the CCI components. The balance figures and the confidence indicator can range between -100 and +100 – the higher (positive) balance figure, the brighter the view on the economy.

Explanations for **Outlook** column: ++ Outlook is very good, + Outlook is good, +/- Outlook is neutral, - Outlook is poor, -- Outlook is very poor. Deviation of balance from average has been compared to standard deviation.

## The population and sample of the Consumer Survey

The population of the Consumer Survey comprises 4.4 million persons aged 15 to 84 and 2.6 million households in Finland. The population was extended to persons aged 75 to 84 starting from January 2012. The gross sample size of the Survey is monthly 2,350 persons (previously 2,200 persons).

In May, the non-response rate of the Survey was 38.5 per cent. The non-response rate includes those who refused from the survey or were otherwise prevented from participating as well as those who could not be contacted.

The extension of the population, that is, responses from persons aged 75 to 84, is estimated to have weakened the value of the consumer confidence indicator by one unit starting from January 2012.

## EU results

The (seasonally adjusted) Consumer Survey results for all EU countries are released on the European Commission website: European Commission, DG ECFIN, Business and Consumer Survey Results; [http://ec.europa.eu/economy\\_finance/db\\_indicators/surveys/index\\_en.htm](http://ec.europa.eu/economy_finance/db_indicators/surveys/index_en.htm).

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# *1. Method of the Consumer Survey*

The Consumer Survey is a telephone interview survey by means of which it is possible to measure Finns' images - assessments and expectations - of the general economic development and the financial situation of one's own household and intentions to make major purchases, save money or take out a loan. In addition, the survey is a tool for finding out how common modern machines and equipment are in households.

The first Finnish Consumer Survey was conducted in November 1987. Until 1991 it was carried out twice a year, in May and November. In 1992 the survey times were rose to four: the survey months were February, May, August and November. Since October 1995 the Consumer Survey data have been collected monthly on assignment of the European Commission.

The Consumer Survey has a totally new individual sample each month. The same sample is also used for the data collection of the Finnish Travel Survey and some other surveys as well. The sample size of the Consumer Survey is 2,350 persons monthly. The non-response rate nowadays being about 35 per cent, approximately 1,500 responses are gained every month. The non-response rate includes those who refused from the survey or were otherwise prevented from participating as well as those who could not be contacted.

The interviews are conducted from Statistics Finland's CATI Centre during the first two or three weeks of the month. The target area is the whole country and the respondents of the Consumer Survey represent the 15 to 84-year-old population in Finland, according to age, gender, province of domicile and native language.

All the response data of the Consumer Survey are weighted against the total population by means of sample weights. Weighting corrects the effects of non-response and improves the statistical accuracy of the data. The weights are established by using a calibration method and the probability of each observation to be included in the sample. The figures and series presented are not seasonally adjusted.

# Appendix tables

**Appendix table 1. Consumers' views and intentions**

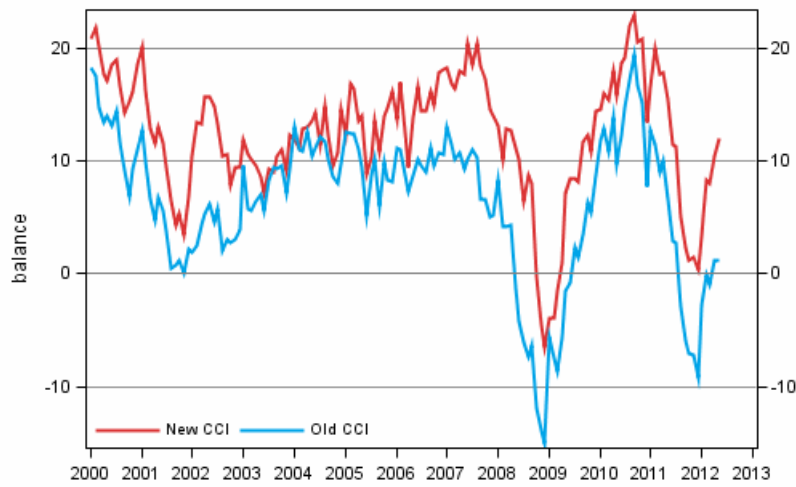
	Average 10/1995-	Max. 10/1995-	Min. 10/1995-	05/2011	04/2012	05/2012	Outlook
A1 Consumer confidence indicator, CCI = (B2+B4+B7+D2)/4	12,9	22,9	-6,5	15,4	10,4	12,0	+/-
A2 Old CCI = (B1+B2+B3+B4+C1)/5	8,0	19,4	-15,0	6,6	1,2	1,2	--
A3 Micro indicator = (B2+D1+D2)/3	24,8	33,4	9,5	28,7	26,1	29,4	+
A4 Macro indicator = (B4+B7)/2	2,4	22,8	-39,1	2,6	-2,6	-3,9	-
B1 Own economy now (balance)	4,7	9,8	-4,0	3,2	1,8	2,1	-
- Better (%)	24,2	30,6	16,7	23,3	21,2	20,3	
- Worse (%)	15,8	22,7	11,4	17,9	18,7	18,0	
B2 Own economy in 12 months' time (balance)	8,9	14,1	2,3	10,0	6,5	7,2	-
- Better (%)	26,1	33,4	18,2	28,6	24,4	23,5	
- Worse (%)	10,6	17,2	6,6	13,0	13,5	11,5	
B3 Finland's economy now (balance)	1,9	29,5	-60,9	7,5	-9,0	-9,1	-
- Better (%)	29,5	62,1	2,0	38,2	21,8	19,1	
- Worse (%)	23,5	88,5	4,2	22,3	36,1	34,7	
B4 Finland's economy in 12 months' time (balance)	4,5	25,3	-27,1	3,7	3,8	3,0	+/-
- Better (%)	31,4	57,3	11,6	32,1	34,7	32,1	
- Worse (%)	21,4	57,3	6,0	23,5	25,4	25,4	
B5 Inflation now (per cent)	2,3	5,8	-2,0	3,8	3,6	3,6	
B6 Inflation in 12 months' time (per cent)	2,2	4,6	0,6	3,4	3,2	3,1	
B7 Unemployment in Finland in 12 months' time (balance)	0,4	27,6	-51,1	1,6	-9,0	-10,7	-
- Less (%)	33,5	60,8	6,4	34,2	23,1	20,6	
- More (%)	30,4	83,3	6,9	30,0	38,5	40,1	
B8 Own threat of unemployment now (balance)	0,9	7,6	-18,8	6,2	-1,7	-0,7	+/-
- Decreased (%)	13,8	20,0	5,3	16,9	13,1	12,1	
- Increased (%)	15,1	31,9	7,9	11,7	18,2	16,4	
C1 Favourability of time for purchasing durables (balance)	20,3	41,8	-14,2	8,8	3,1	3,0	--
- Favourable time (%)	45,3	62,4	29,6	38,2	35,8	35,9	
- Unfavourable time (%)	25,0	45,7	17,7	29,4	32,7	32,9	
C2 Favourability of time for saving (balance)	11,7	36,8	-19,6	18,0	13,6	14,8	+
- Good time (%)	58,9	80,7	33,4	63,3	59,9	60,7	
- Bad time (%)	35,2	58,5	15,5	31,2	35,5	34,6	
C3 Favourability of time for raising a loan (balance)	17,5	42,0	-47,1	6,7	16,0	21,4	+/-
- Good time (%)	62,2	78,2	13,3	54,2	60,7	64,9	
- Bad time (%)	30,3	83,4	12,1	39,4	32,5	29,5	
D1 Household's financial situation now (balance)	27,6	35,1	14,7	29,6	31,1	32,5	+
- Can save (%)	58,4	70,0	38,6	63,6	63,9	66,7	
- Uses savings or gets into debt (%)	6,7	10,1	4,5	7,8	6,8	7,0	

	Average 10/1995-	Max. 10/1995-	Min. 10/1995-	05/2011	04/2012	05/2012	Outlook
D2 Household's saving possibilities in the next 12 months (balance)	38,0	52,2	10,9	46,5	40,6	48,5	+
- Can save (%)	73,0	82,3	56,6	78,4	74,9	79,4	
- Cannot save (%)	25,0	40,3	16,5	20,6	23,9	19,2	
D5 Household's intentions to raise a loan in the next 12 months (% of households)	13,5	17,8	9,1	13,4	12,0	11,4	--
- Yes, certainly (%)	5,6	8,5	3,1	6,1	5,0	5,6	
- Possibly (%)	7,8	11,4	5,2	7,3	7,0	5,9	
E1 Spending on durables, next 12 months vs last 12 months (balance)	-7,9	-2,4	-18,2	-8,2	-9,9	-11,0	--
- More (%)	22,6	30,8	14,3	19,4	17,4	18,3	
- Less (%)	32,4	40,4	26,5	30,5	32,1	32,5	
E2 Intentions to buy a car in the next 12 months (% of households)	17,4	21,7	14,2	18,2	15,4	14,7	--
- Very likely (%)	9,0	12,1	6,3	8,9	7,8	6,3	
- Fairly likely (%)	8,4	10,4	6,2	9,2	7,6	8,3	
E4 Intentions to buy a dwelling in the next 12 months (% of households)	7,1	11,3	4,1	9,7	7,8	8,1	+
- Yes, certainly (%)	3,1	5,2	1,3	4,2	3,1	3,1	
- Possibly (%)	4,0	6,2	2,2	5,5	4,6	5,0	
E5 Intentions to spend money on basic repairs of dwelling in the next 12 months (% of households)	18,6	27,0	9,8	24,7	21,2	24,5	++
- Very likely (%)	12,2	19,0	5,0	19,0	15,5	16,5	
- Fairly likely (%)	6,4	9,1	3,2	5,7	5,7	8,0	

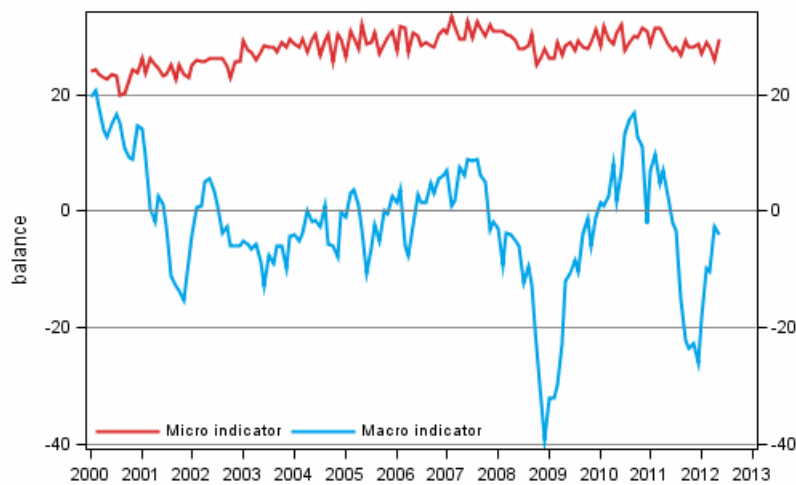


# Appendix figures

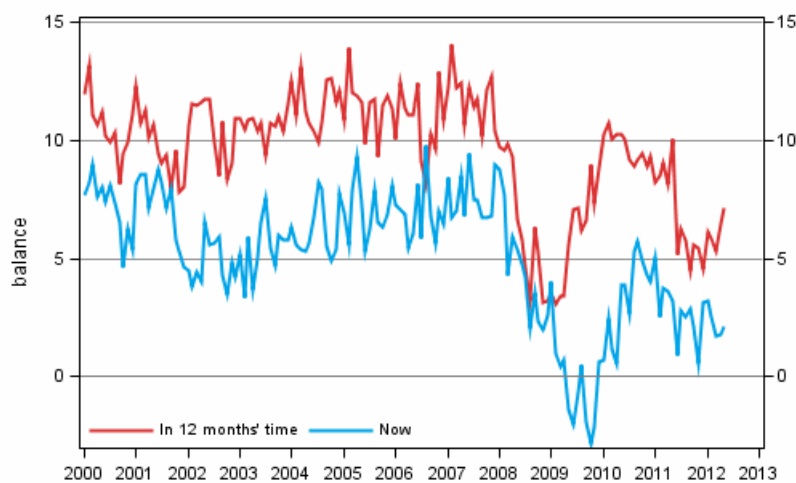
**Appendix figure 1. Consumer confidence indicator (CCI)**



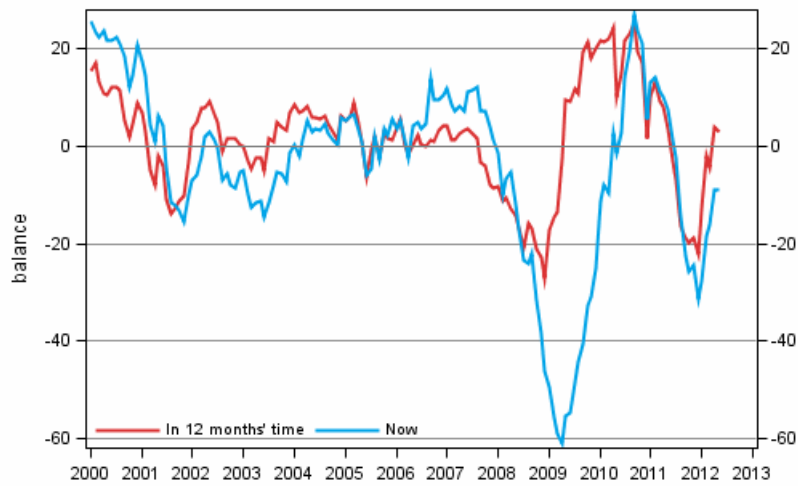
**Appendix figure 2. Micro and macro indicators**



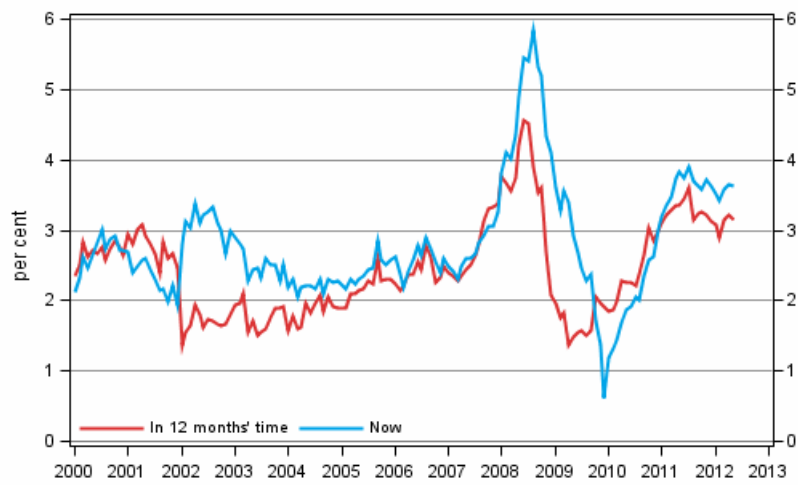
**Appendix figure 3. Own economy**



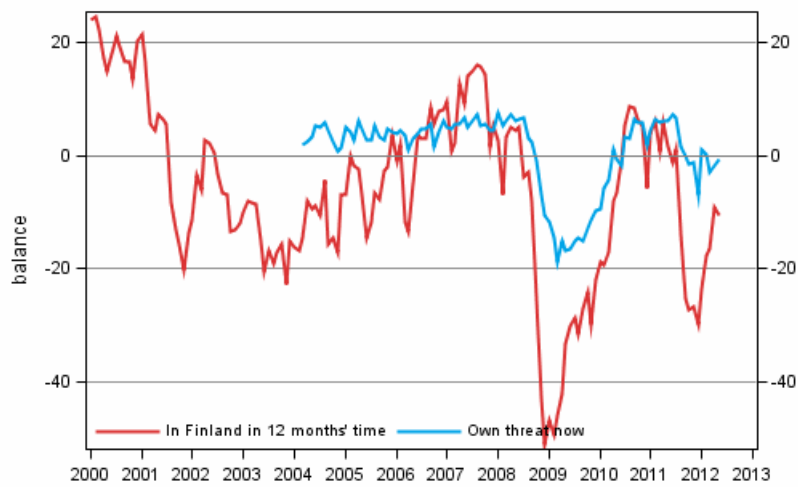
**Appendix figure 4. Finland's economy**



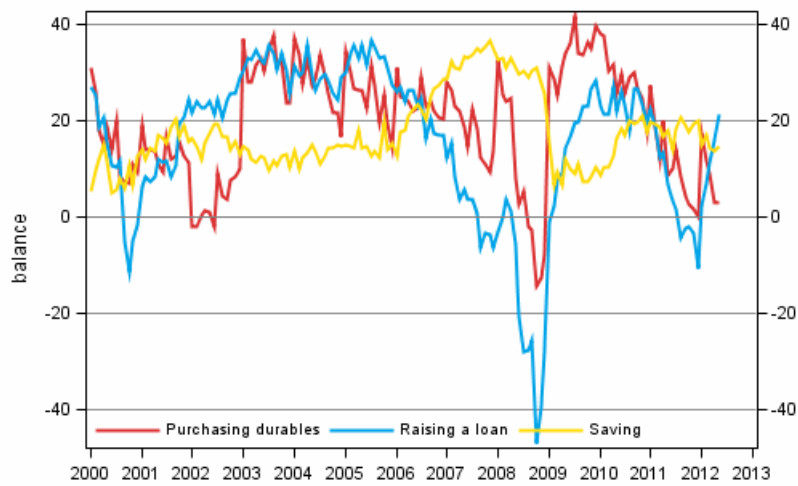
**Appendix figure 5. Inflation**



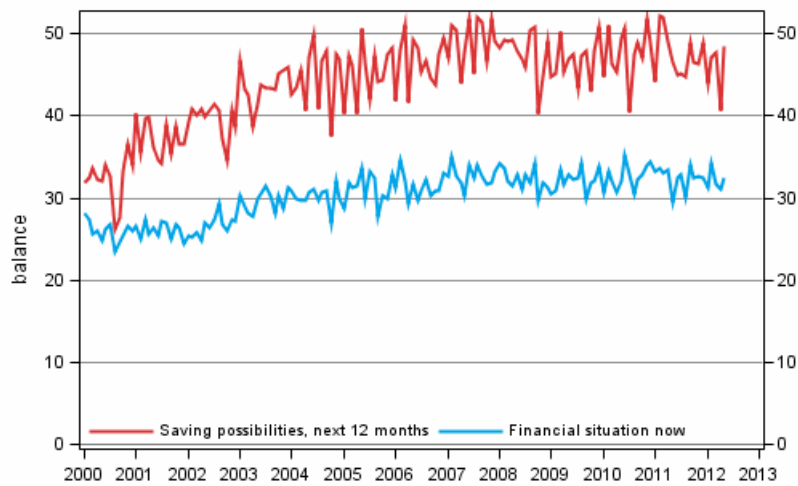
**Appendix figure 6. Unemployment**



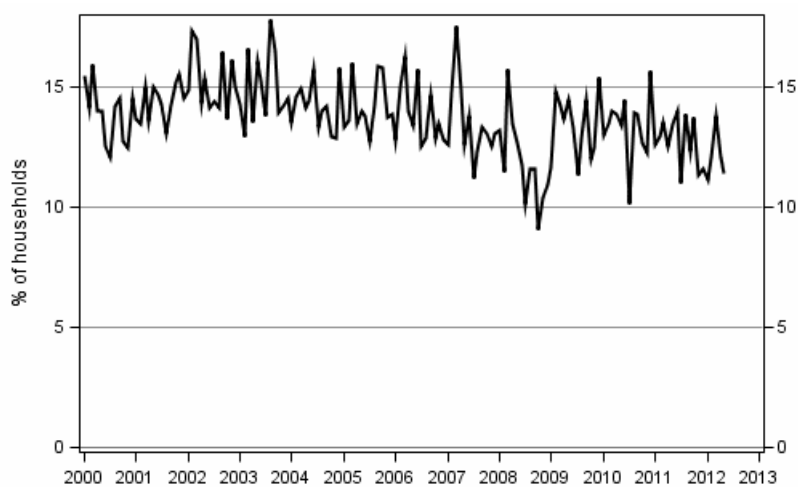
**Appendix figure 7. Favourability of time for**



**Appendix figure 8. Household's financial situation**



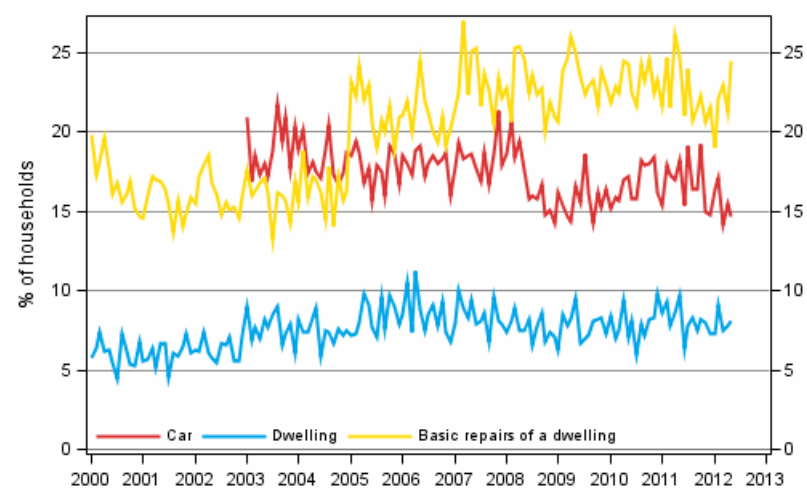
**Appendix figure 9. Household's intentions to raise a loan, next 12 months**



**Appendix figure10. Spending on durables, next 12 months vs last 12 months**



**Appendix figure 11. Household's intentions to buy, next 12 months**



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Suomen virallinen tilasto  
Finlands officiella statistik  
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Income and Consumption 2012

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Source: Consumer Survey 2012, May. Statistics Finland