

# Consumer Survey

2016, November

## Consumer confidence strongest in over five years – doubts about own economy

The consumer confidence indicator (CCI) stood at 17.6 in November, having been 15.8 in October and 14.4 in September. Confidence in the economy was last this strong in spring 2011. In last year's November the CCI received the value 4.7. The long-term average for the CCI is 11.7. The data are based on Statistics Finland's Consumer Survey, for which 1,230 people resident in Finland were interviewed between 1 and 18 November.

### Consumer confidence indicator (CCI)



1) average 10/1995 - 11/2016

Of the four components of the CCI, expectations concerning general unemployment and households' saving possibilities improved in November from the previous month. Views concerning one's own and Finland's economy remained essentially unchanged. Compared with the corresponding period last year, all the components improved clearly in November.

In November, consumers' views were optimistic about Finland's economy and for the first time in a long time about unemployment development as well. In turn, expectations concerning consumers' own economy were fairly subdued. Consumers nevertheless considered their household's saving possibilities good over the next 12 months.

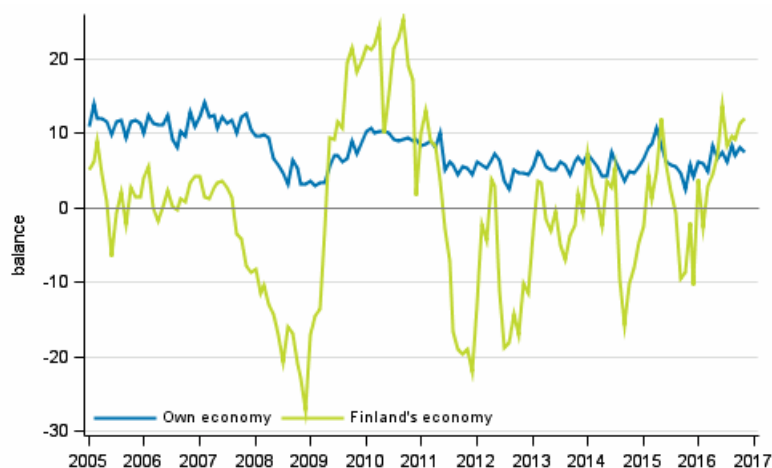
In November, consumers regarded the time favourable for buying durable goods and especially for taking out a loan but not for saving. The personal threat of unemployment experienced by employed consumers decreased slightly in November compared with October and one year ago.

### Consumers' own and Finland's economy

In November, 42 per cent of consumers believed that Finland's economic situation would improve in the coming twelve months, while 16 per cent of them thought that the country's economy would deteriorate. Twelve months previously, the corresponding proportions were 30 and 29 per cent in November.

In all, 26 per cent of consumers believed in November that their own economy would improve and 13 per cent of them feared it would worsen over the year. One year ago the respective proportions were 23 and 13 per cent.

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



### Unemployment and inflation

Altogether 34 per cent of consumers thought in November that unemployment would decrease over the year, while 27 per cent of them believed it would increase. The corresponding proportions were 30 and 32 per cent in October and gloomy 11 and 63 per cent one year ago.

Fifteen per cent of employed persons reckoned in November that their personal threat of unemployment had lessened over the past few months, while 18 per cent thought it had grown. Twenty-three per cent of employed persons felt that they were not threatened by unemployment at all.

Consumers predicted in November that consumer prices would go up by 1.6 per cent over the next 12 months. One year previously, the predicted inflation rate was 1.3 per cent. The long-term predicted average inflation rate is 2.2 per cent.

### Buying of durable goods

In November, 47 per cent of consumers considered the time favourable for buying durable goods. General intentions to spend money were still moderate. Seventeen 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 November, 20 per cent of households were planning to spend money on renovating their dwelling within a year.

## Saving and taking out a loan

A total of 51 per cent of consumers considered saving worthwhile this November. The long-term average proportion is 58 per cent. In all, 66 per cent of households had been able to lay aside some money and 80 per cent believed they would be able to do so during the next 12 months.

In November, 71 per cent of consumers regarded the time good for raising a loan. The long-term average proportion is 62 per cent. Thirteen per cent of households considered raising a loan within one year.

## Consumer confidence by major region and population group

In November, consumers' confidence in the economy was strongest in Northern Finland and in Greater Helsinki. Among population groups, upper-level salaried employees were most optimistic. Unemployed persons and pensioners had the gloomiest expectations concerning economic development.

## Consumers' views of the economy

	Average 10/1995-	Max. 10/1995-	Min. 10/1995-	11/2015	10/2016	11/2016	Outlook
A1 Consumer confidence indicator, CCI = (B2+B4+B7+D2)/4	11.7	22.9	-6.5	4.7	15.8	17.6	++
B2 Own economy in 12 months' time (balance)	8.3	14.1	2.3	5.7	8.0	7.4	-
B4 Finland's economy in 12 months' time (balance)	3.2	25.3	-27.1	-1.9	11.4	12.0	+
B6 Inflation in 12 months' time (per cent)	2.2	4.6	0.6	1.3	1.5	1.6	
B7 Unemployment in Finland in 12 months' time (balance)	-4.1	27.6	-51.1	-30.5	-2.0	2.4	+
B8 Own threat of unemployment now (balance)	-1.5	7.6	-18.8	-5.9	-3.2	-0.5	=
C1 Favourability of time for purchasing durables (balance)	18.3	41.8	-14.2	15.0	22.4	25.2	+
C2 Favourability of time for saving (balance)	10.4	36.8	-19.6	8.0	8.3	3.5	-
C3 Favourability of time for raising a loan (balance)	17.4	42.0	-47.1	19.6	31.3	30.8	+
D2 Household's saving possibilities in the next 12 months (balance)	39.4	52.2	10.9	45.4	45.6	48.7	+

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.

## 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 equipment are in households. For the Consumer Survey, answers are given by means of answer options (qualitative survey).

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

The population of the Consumer Survey comprises 4.5 million persons aged 15 to 84 and their 2.6 million households in Finland. A sample of 2,350 persons is drawn for the survey for every month. The same sample is also used for the data collection of the Finnish Travel Survey. The target area is the whole country and the respondents of the survey represent the population in Finland, according to age, gender, region of domicile and native language.

The interviews of the Consumer Survey are conducted from Statistics Finland's Telephone Interview Centre (CATI) during the first two or three weeks of the month. In November 2016, in all, 1,230 responses were gained, so the non-response rate of the survey was 47.7 per cent (incl. over-coverage). 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 response data of the Consumer Survey are expanded to the whole population with weighting coefficients. 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

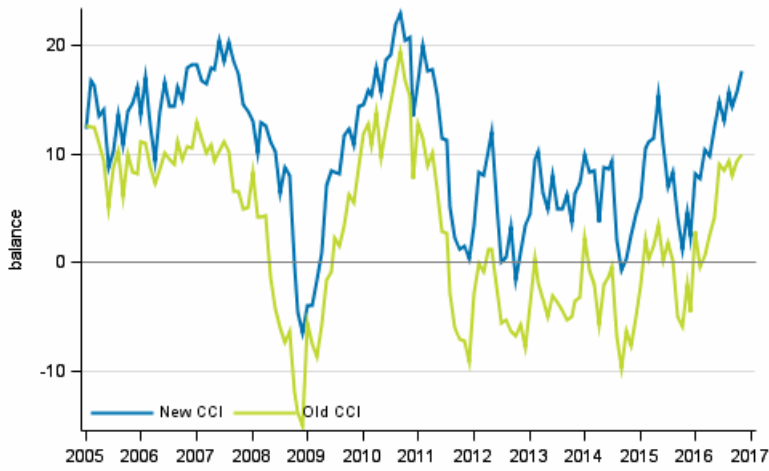
**Appendix table 1. Consumers' views and intentions**

	Average 10/1995-	Max. 10/1995-	Min. 10/1995-	11/2015	10/2016	11/2016	Outlook
A1 Consumer confidence indicator, CCI = (B2+B4+B7+D2)/4	11.7	22.9	-6.5	4.7	15.8	17.6	++
A2 Old CCI = (B1+B2+B3+B4+C1)/5	6.0	19.4	-15.0	-2.0	9.4	9.9	+
A3 Micro indicator = (B2+D1+D2)/3	25.4	33.4	9.5	27.4	29.0	29.7	+
A4 Macro indicator = (B4+B7)/2	-0.4	22.8	-39.1	-16.2	4.7	7.2	+
B1 Own economy now (balance)	3.8	9.8	-4.0	-1.8	4.5	2.4	-
- Better (%)	23.3	30.6	16.4	17.5	24.9	20.9	
- Worse (%)	16.4	22.7	11.4	20.2	17.5	16.9	
B2 Own economy in 12 months' time (balance)	8.3	14.1	2.3	5.7	8.0	7.4	-
- Better (%)	25.7	33.4	18.2	22.6	26.1	25.7	
- Worse (%)	11.4	17.7	6.6	13.1	12.8	12.6	
B3 Finland's economy now (balance)	-3.4	29.5	-60.9	-27.2	0.5	2.6	+
- Better (%)	25.7	62.1	2.0	8.6	29.0	29.8	
- Worse (%)	29.0	88.5	4.2	52.5	25.5	21.4	
B4 Finland's economy in 12 months' time (balance)	3.2	25.3	-27.1	-1.9	11.4	12.0	+
- Better (%)	31.1	57.3	11.6	30.4	40.8	41.9	
- Worse (%)	23.0	57.3	6.0	29.1	16.8	15.8	
B5 Inflation now (per cent)	2.2	5.8	-2.0	0.5	0.8	0.9	
B6 Inflation in 12 months' time (per cent)	2.2	4.6	0.6	1.3	1.5	1.6	
B7 Unemployment in Finland in 12 months' time (balance)	-4.1	27.6	-51.1	-30.5	-2.0	2.4	+
- Less (%)	29.7	60.8	6.4	11.1	29.5	33.8	
- More (%)	35.0	83.3	6.9	63.2	31.9	27.5	
B8 Own threat of unemployment now (balance)	-1.5	7.6	-18.8	-5.9	-3.2	-0.5	=
- Decreased (%)	12.8	20.0	5.3	11.1	12.9	15.3	
- Increased (%)	17.3	31.9	7.9	20.9	18.2	17.7	
C1 Favourability of time for purchasing durables (balance)	18.3	41.8	-14.2	15.0	22.4	25.2	+
- Favourable time (%)	44.6	62.4	29.6	44.2	46.8	46.6	
- Unfavourable time (%)	26.3	45.7	17.7	29.2	24.4	21.4	
C2 Favourability of time for saving (balance)	10.4	36.8	-19.6	8.0	8.3	3.5	-
- Good time (%)	57.8	80.7	33.4	55.5	56.8	51.4	
- Bad time (%)	36.7	58.5	15.5	40.8	38.8	43.7	
C3 Favourability of time for raising a loan (balance)	17.4	42.0	-47.1	19.6	31.3	30.8	+
- Good time (%)	62.0	78.2	13.3	62.3	72.7	71.4	
- Bad time (%)	31.0	83.4	12.1	31.2	22.3	22.9	
D1 Household's financial situation now (balance)	28.5	35.1	14.7	30.9	33.3	32.9	+
- Can save (%)	59.7	70.0	38.6	64.6	67.6	65.5	
- Uses savings or gets into debt (%)	6.8	10.1	4.5	8.7	7.0	5.7	

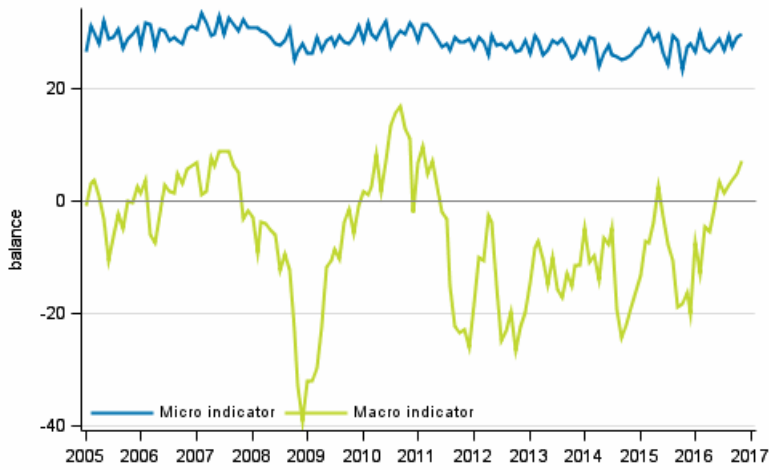
	Average 10/1995-	Max. 10/1995-	Min. 10/1995-	11/2015	10/2016	11/2016	Outlook
D2 Household's saving possibilities in the next 12 months (balance)	39.4	52.2	10.9	45.4	45.6	48.7	+
- Can save (%)	74.0	82.3	56.6	78.2	77.9	80.0	
- Cannot save (%)	24.2	40.3	16.5	21.0	20.3	19.0	
D5 Household's intentions to raise a loan in the next 12 months (% of households)	13.2	17.8	9.1	11.4	13.6	12.5	-
- Yes, certainly (%)	5.6	8.5	3.1	4.0	5.7	4.8	
- Possibly (%)	7.6	11.4	5.0	7.4	7.9	7.7	
E1 Spending on durables, next 12 months vs last 12 months (balance)	-8.9	-2.4	-18.2	-11.4	-9.7	-9.6	=
- More (%)	21.4	30.8	13.9	17.2	19.1	19.4	
- Less (%)	32.8	40.4	26.5	32.5	31.9	31.8	
E2 Intentions to buy a car in the next 12 months (% of households)	16.8	21.7	12.7	15.4	15.7	16.7	=
- Very likely (%)	8.5	12.1	5.1	6.5	7.9	7.8	
- Fairly likely (%)	8.2	10.4	5.3	9.0	7.8	8.9	
E4 Intentions to buy a dwelling in the next 12 months (% of households)	7.0	11.3	4.1	6.9	7.2	7.7	+
- Yes, certainly (%)	3.0	5.2	1.3	2.3	2.8	2.7	
- Possibly (%)	4.0	6.2	2.2	4.6	4.4	5.1	
E5 Intentions to spend money on basic repairs of dwelling in the next 12 months (% of households)	18.8	27.0	9.8	18.5	17.6	20.3	+
- Very likely (%)	12.5	19.0	5.0	12.2	11.4	14.2	
- Fairly likely (%)	6.4	9.1	3.2	6.3	6.2	6.1	

# Appendix figures

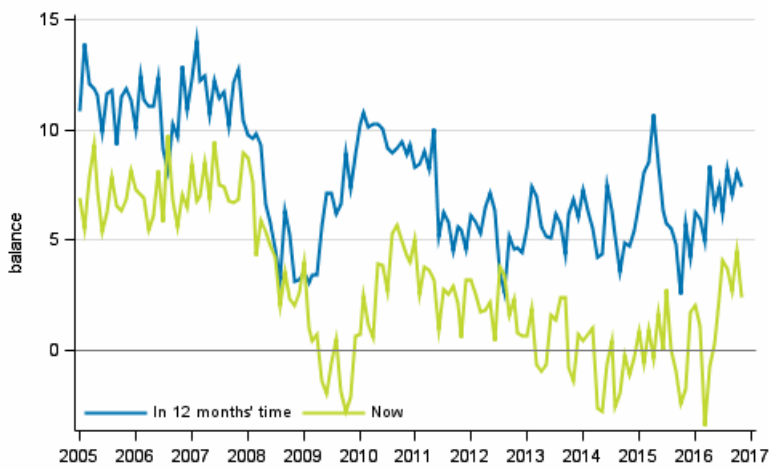
**Appendix figure 1. Consumer confidence indicator (CCI)**



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

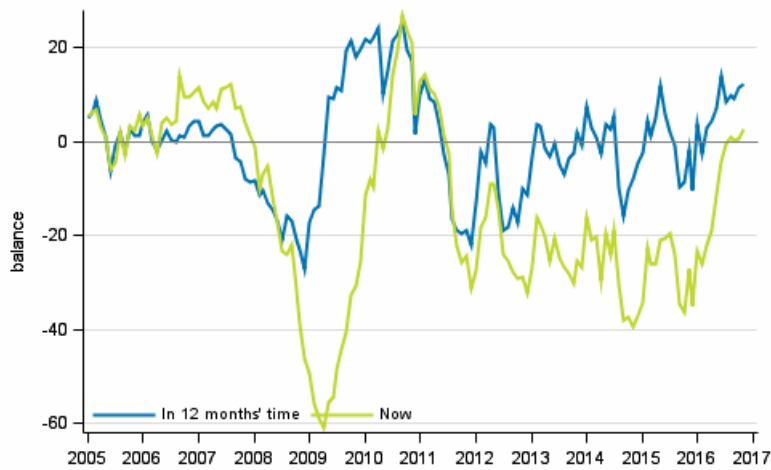


**Appendix figure 3. Own economy**

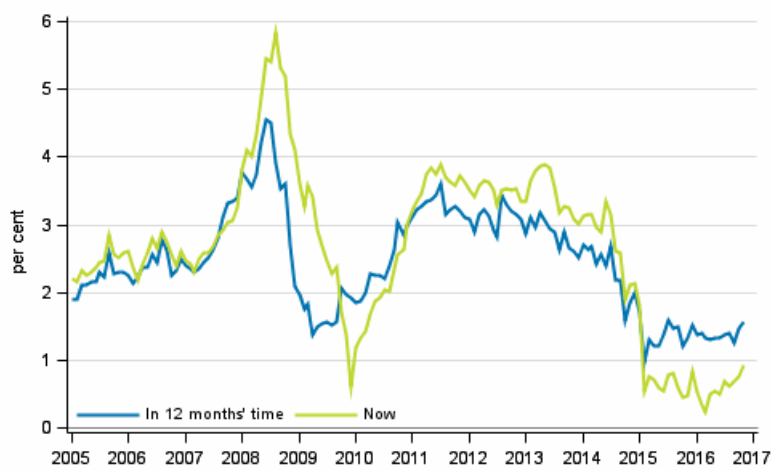




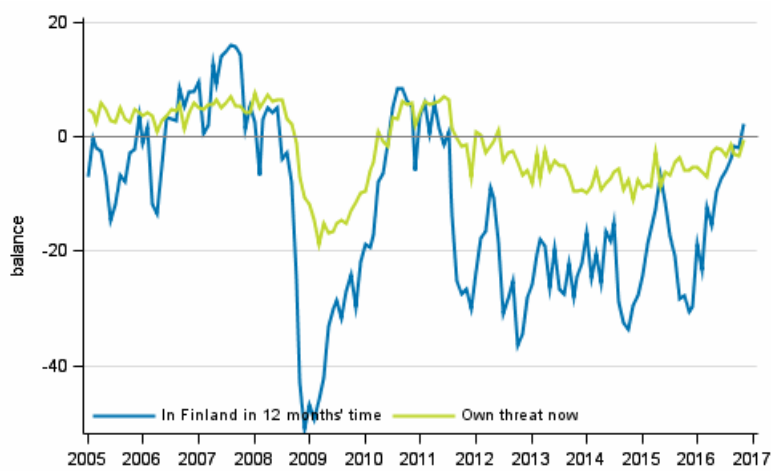
**Appendix figure 4. Finland's economy**



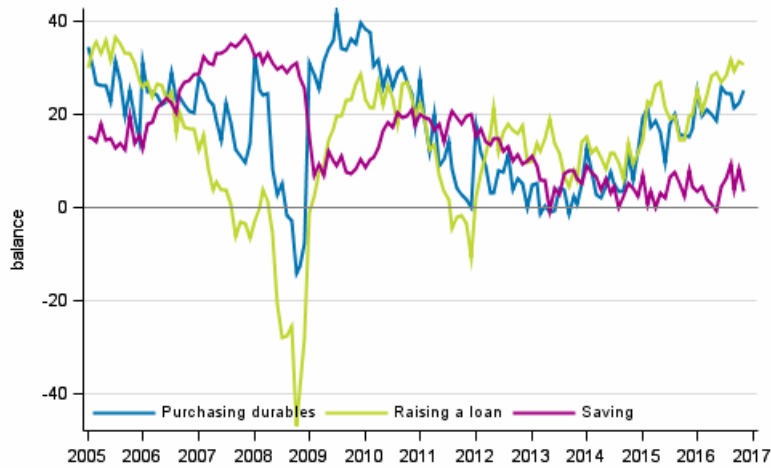
**Appendix figure 5. Inflation**



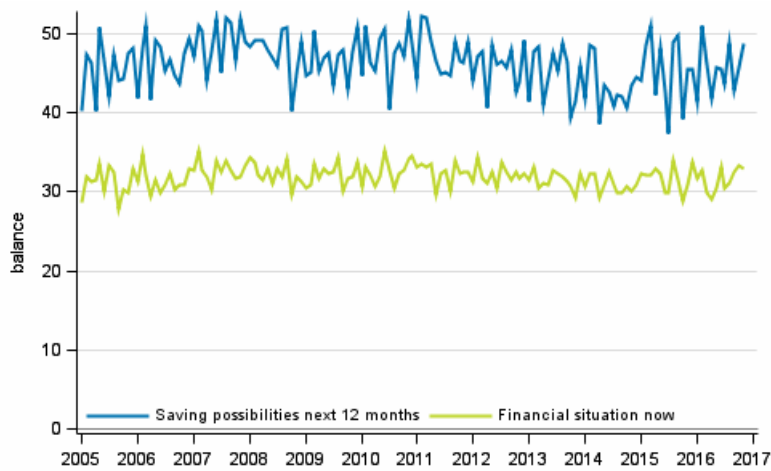
**Appendix figure 6. Unemployment**



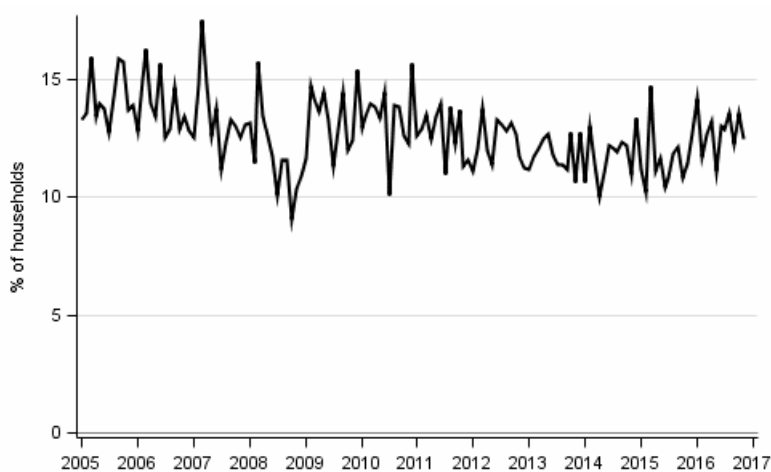
**Appendix figure 7. Favourability of time for**



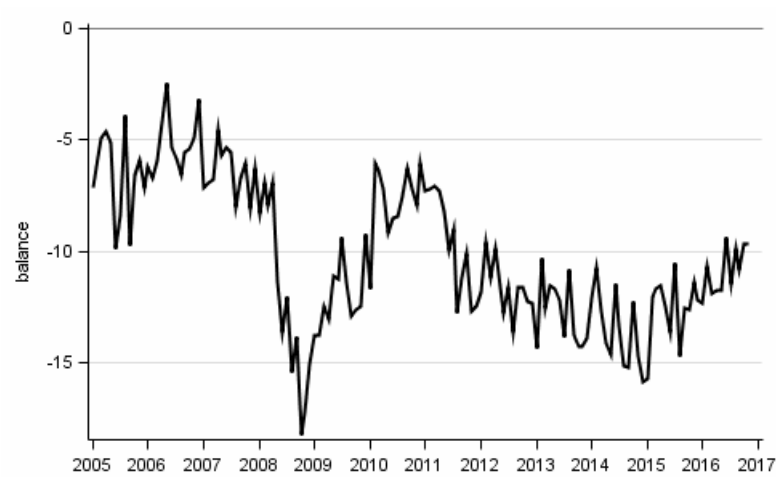
**Appendix figure 8. Household's financial situation and saving possibilities**



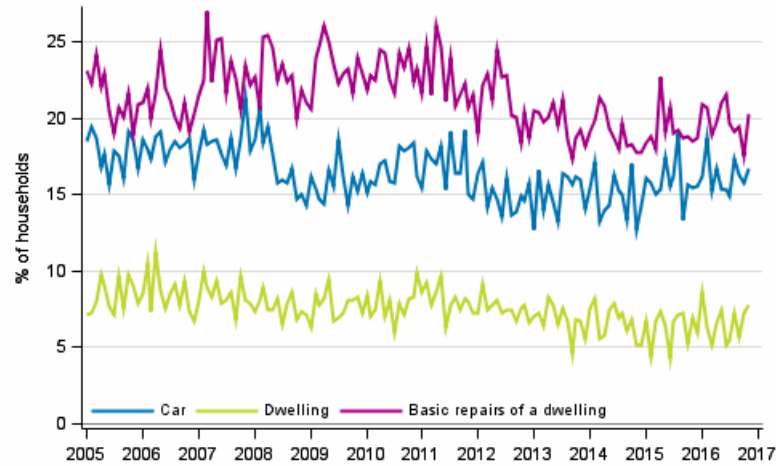
**Appendix figure 9. Household's intentions to raise a loan, next 12 months**



**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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Source: Consumer Survey 2016, November. Statistics Finland