

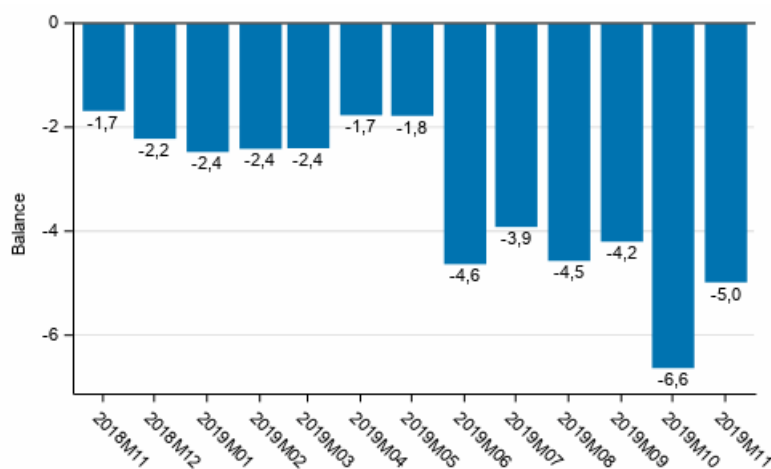
# Consumer Confidence

2019, November

## Consumer confidence rose slightly month-on-month

The consumer confidence indicator (CCI) stood at -5.0 in November, having been -6.6 in October and -4.2 in September. In last year's November, the CCI received the value -1.7. The average for the CCI since January 2018 is -0.7. The data are based on Statistics Finland's Consumer Confidence Survey, to which 1,134 persons resident in Finland responded between 1 and 19 November. The survey methods were [revised](#) in May.

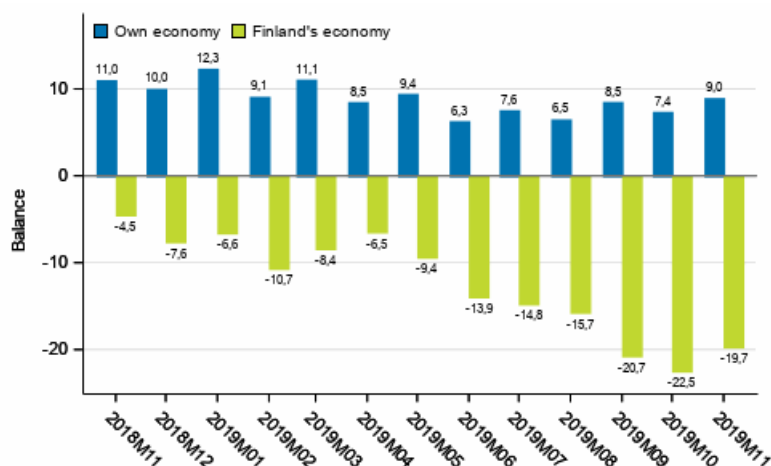
Consumer confidence indicator (CCI)



Of the four components of the CCI expectations of consumers' own and Finland's economy improved slightly in November from October. The views of consumers' own current economy remained more or less unchanged. Intentions to spend money on durable goods were somewhat higher in November than one month earlier. Apart from spending, the CCI components were still weak in November, especially views about economic development in Finland.

Compared to the corresponding period last year, consumers' assessments about their own economy at the time of the survey improved slightly in November, while intentions to spend money increased. In contrast, expectations on their own and, in particular, Finland's economy weakened over the year.

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



In November, consumers increasingly expected the unemployment situation in Finland to become gloomier in future. In addition, consumers felt that their personal threat of unemployment had increased considerably in recent times. However, nearly every second employed person did not experience any threat.

In November, consumers considered their own financial situation to be average. The time was, in general, regarded favourable for raising a loan, but not for buying durable goods nor saving.

### Consumer confidence by major region and population group

In November, consumers' confidence in the economy was strongest in Greater Helsinki (CCI -0.3) and weakest in Eastern Finland (-10.7). Among population groups, lower-level salaried employees (1.1) and upper-level salaried employees (0.7) were most optimistic in November. Pensioners clearly had the gloomiest expectations concerning economic development (-17.6).

Consumers' confidence in the economy usually decreases with the person's age, and correspondingly the confidence typically increases as income grows. Men are likely to have better confidence in the economy than women. More detailed information is available in the [Database tables](#).

### EU results

The (seasonally adjusted) survey results concerning economic expectations for all EU countries are released monthly on the European Commission website: [Press releases](#).

### Concepts

The **balance figures** are obtained by deducting the weighted proportion of negative answers from that of positive answers. The **consumer confidence indicator** (CCI/A1) is the average of the balance figures for the CCI components. The components of the CCI are: consumer's own economy now (B1), consumer's own economy in 12 months (B2), Finland's economy in 12 months (B4) and consumer's spending money on major purchases in the next 12 months compared to the past 12 months (E1). 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.

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# Review

## **Consumers' own and Finland's economy**

In November, only 10 per cent of consumers believed that Finland's economic situation would improve in the coming twelve months, while 44 per cent of them thought that the country's economy would deteriorate. The respective proportions in October were 10 and 48 per cent.

In all, 28 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. The respective proportions in October were 26 and 14 per cent. Twenty-six per cent of consumers estimated that their economy was now better than a year ago and 18 per cent felt that it was worse in November. In October, the respective proportions were 27 and 18 per cent.

## **Unemployment and inflation**

Only 16 per cent of consumers thought in November that general unemployment would decrease over the year, while 39 per cent of them believed it would increase. The respective proportions in October were 19 and 40 per cent.

In November, 46 per cent of employed persons felt that they were not threatened by unemployment at all. Seven per cent of employed persons reckoned that their personal threat of unemployment had lessened over the past few months, while 15 per cent thought it had grown.

Consumers predicted in November that consumer prices would go up by 2.4 per cent over the next 12 months. In October, the predicted inflation rate was still 2.7 per cent, and its long-term average since January 2018 is 2.6 per cent.

## **Saving and taking out a loan**

In November, 62 per cent of consumers thought the time was favourable for saving. Sixty 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 November, 65 per cent of consumers regarded the time good for taking out a loan. Twenty per cent of consumers considered raising a loan within one year.

## **Buying of durable goods**

Twenty-six per cent of consumers considered the time favourable for buying durable goods in November. Sixteen per cent of consumers planned on increasing and 33 per cent on reducing their spending on durable goods over the next 12 months. The respective proportions in October were 13 and 34 per cent.

In November, 17 per cent of consumers were either definitely or possibly going to buy a car during the next 12 months. Sixteen per cent of consumers considered buying a dwelling. Twenty-one per cent of consumers were planning to spend money on renovating their dwelling within a year.

## **Method of the Consumer Confidence Survey**

The Consumer Confidence Survey measures Finnish consumers' confidence in the economy, that is, views and expectations about the development of their own and Finland's general economic situation. The survey also examines consumers' intentions of making major purchases, saving and raising loans. The survey is carried out with a mixed-mode data collection method, i.e. with a web questionnaire and by telephone interviews (CATI). For the Consumer Confidence Survey, answers are given by means of answer options (qualitative survey).

The former name of the Consumer Confidence Survey was the Consumer Survey. Earlier the survey was carried out by means of telephone interviews only. The first 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 confidence data have been collected monthly on assignment from and partial financing of the [European Commission](#).

### **Sampling and data collection**

The population of the Consumer Confidence Survey comprises 4.0 million persons aged 18 to 74 in Finland. The rotating panel design is used in the survey: everybody answers twice within six months. Each month, the target is a random sample of about 2,200 persons, of whom one half are included in the first round and one half in the second round. The target area of the survey is the whole country and the respondents represent the population in Finland, according to age, gender, area of residence and native language. The data collection period for the survey is the first two or three weeks of the month.

In November 2019, in all, 1,134 responses were gained. The non-response rate of the survey was 47.9 per cent. This includes those who refused from the survey or were otherwise prevented from participating, as well as those who could not be contacted. Possible over-coverage (dead, inmates of institutions, moved abroad, etc.) is also included in non-response here.

### **Weighting**

The response data of the Consumer Confidence 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 (Calmar) 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<sup>1)</sup>**

	Average 01/2018-	Max. 01/2018-	Min. 01/2018-	11/2018	10/2019	11/2019	Outlook <sup>2)</sup>
A1 Consumer confidence indicator, CCI = (B1+B2+B4+E1)/4	-0.7	4.9	-6.6	-1.7	-6.6	-5.0	--
B1 Own economy now (balance)	6.2	8.5	3.9	3.9	5.2	4.9	--
- Better (%)	.	.	.	.	26.6	26.4	
- Worse (%)	.	.	.	.	18.0	18.3	
B2 Own economy in 12 months' time (balance)	10.0	13.4	6.3	11.0	7.4	9.0	-
- Better (%)	.	.	.	.	26.4	27.6	
- Worse (%)	.	.	.	.	14.4	12.8	
B3 Finland's economy now (balance)	7.9	24.9	-16.0	10.1	-15.9	-16.0	--
- Better (%)	.	.	.	.	9.2	10.1	
- Worse (%)	.	.	.	.	37.4	38.8	
B4 Finland's economy in 12 months' time (balance)	-3.0	16.5	-22.5	-4.5	-22.5	-19.7	--
- Better (%)	.	.	.	.	9.9	10.3	
- Worse (%)	.	.	.	.	48.1	43.8	
B5 Inflation now (per cent)	2.6	3.0	2.2	3.0	2.6	2.5	
B6 Inflation in 12 months' time (per cent)	2.6	3.0	2.4	2.8	2.7	2.4	
B7 Unemployment in Finland in 12 months' time (balance)	1.7	13.8	-12.9	2.2	-11.8	-12.9	--
- Less (%)	.	.	.	.	19.5	15.9	
- More (%)	.	.	.	.	39.9	39.0	
B8 Own threat of unemployment now (balance)	-0.7	4.8	-6.4	0.7	-6.4	-5.1	--
- Decreased (%)	.	.	.	.	6.8	6.7	
- Increased (%)	.	.	.	.	17.9	15.4	
C1 Favourability of time for purchasing durables (balance)	22.6	34.3	14.8	14.8	16.5	15.1	--
- Good time (%)	.	.	.	.	28.3	26.5	
- Bad time (%)	.	.	.	.	11.9	11.4	
C2 Favourability of time for saving (balance)	20.1	24.6	13.4	24.6	14.5	15.2	--
- Good time (%)	.	.	.	.	61.0	61.7	
- Bad time (%)	.	.	.	.	36.3	36.5	
C3 Favourability of time for raising a loan (balance)	16.5	25.1	4.5	4.5	18.7	19.6	+
- Good time (%)	.	.	.	.	64.6	64.8	
- Bad time (%)	.	.	.	.	33.4	33.2	
D1 Own financial situation now (balance)	28.2	31.0	24.9	28.5	29.4	27.4	-
- Money is saved (%)	.	.	.	.	61.9	59.7	
- Uses savings or gets into debt (%)	.	.	.	.	10.1	11.4	
D2 Own saving possibilities in the next 12 months (balance)	49.0	53.1	44.3	48.3	47.7	50.5	+
- Can save (%)	.	.	.	.	76.2	78.6	
- Cannot save (%)	.	.	.	.	23.6	21.1	
D5 Intention to raise a loan in the next 12 months (% of consumers)	.	.	.	.	20.2	20.4	
- Yes, absolutely (%)	.	.	.	.	6.3	5.7	
- Possibly (%)	.	.	.	.	13.9	14.7	

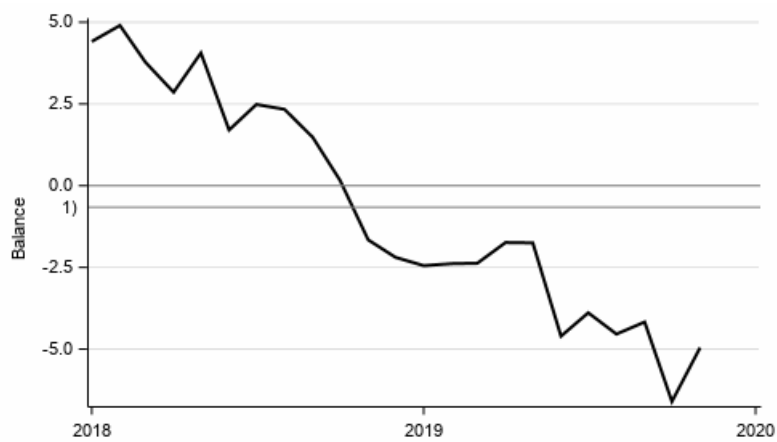
	Average 01/2018-	Max. 01/2018-	Min. 01/2018-	11/2018	10/2019	11/2019	Outlook <sup>2)</sup>
E1 Spending on durables, next 12 months vs. last 12 months (balance)	-15.9	-12.6	-21.2	-17.0	-16.5	-13.9	+
- More (%)	.	.	.	.	12.6	16.0	
- Less (%)	.	.	.	.	34.0	33.4	
E2 Intention to buy a car in the next 12 months (% of consumers)	.	.	.	.	17.9	16.7	
- Very likely (%)	.	.	.	.	6.5	5.6	
- Quite likely (%)	.	.	.	.	11.4	11.1	
E4 Intention to buy a dwelling in the next 12 months (% of consumers)	.	.	.	.	15.6	15.5	
- Yes, absolutely (%)	.	.	.	.	5.4	5.0	
- Possibly (%)	.	.	.	.	10.2	10.5	
E5 Intention to spend money on basic repairs of dwelling in the next 12 months (% of consumers)	.	.	.	.	19.7	21.3	
- Very likely (%)	.	.	.	.	7.5	8.2	
- Quite likely (%)	.	.	.	.	12.2	13.1	

1) Period 01/2018–04/2019: information on answer distributions cannot be presented, only the (revised) balance figures are published.

2) Outlook: ++ very good, + good, = neutral, - poor, -- very poor; deviation of balance from average has been compared to standard deviation.

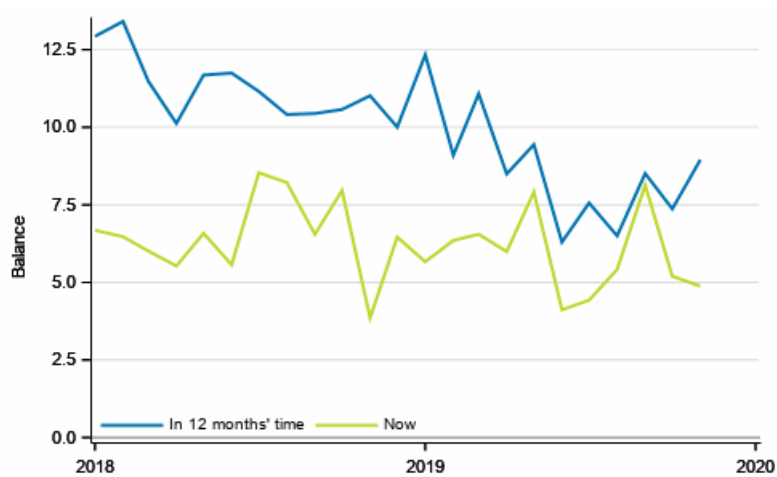
# Appendix figures

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



1) average 01/2018 - 11/2019

**Appendix figure 2. Own economy**

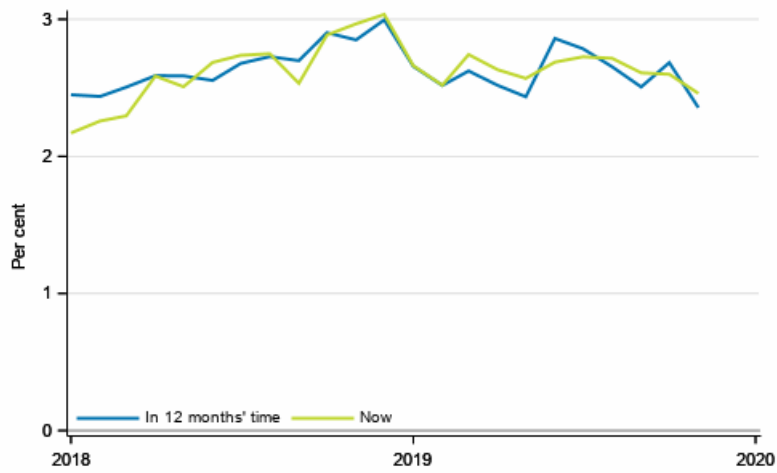


**Appendix figure 3. Finland's economy**

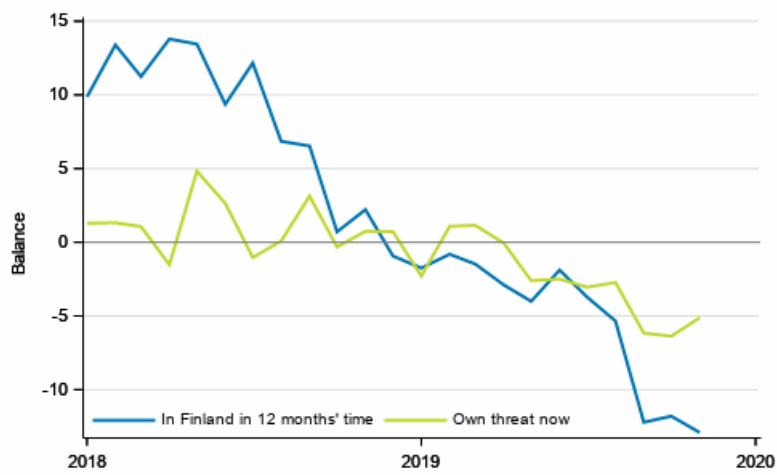




**Appendix figure 4. Inflation**



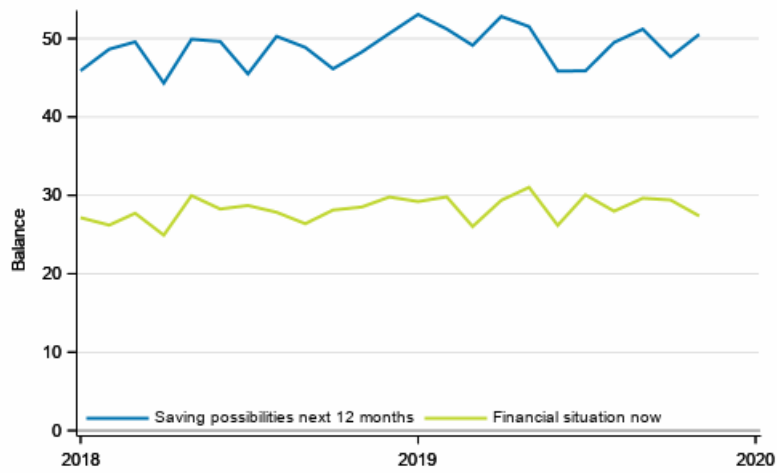
**Appendix figure 5. Unemployment**



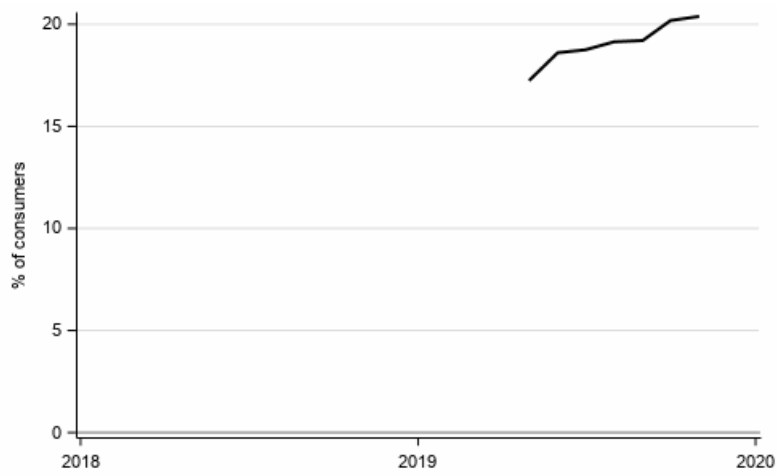
**Appendix figure 6. Favourability of time for**



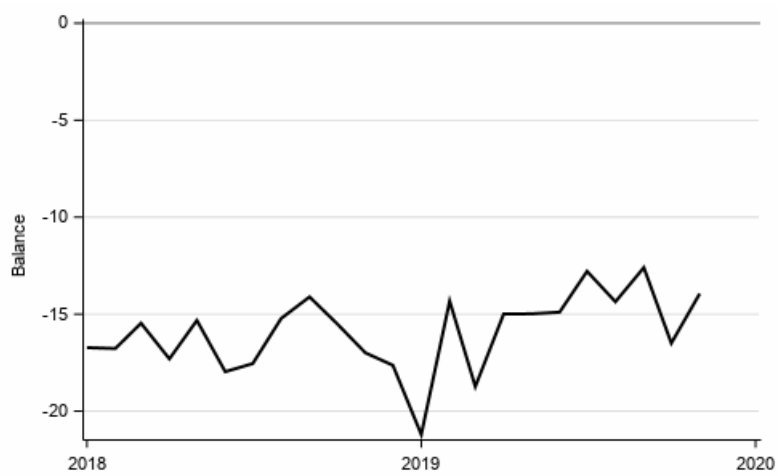
**Appendix figure 7. Own financial situation and saving possibilities**



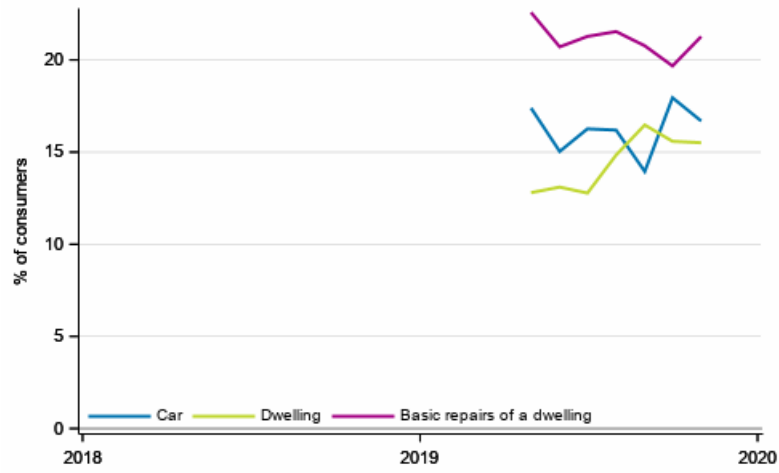
**Appendix figure 8. Intention to raise a loan, next 12 months**



**Appendix figure 9. Spending on durables, next 12 months vs. last 12 months**



Appendix figure10. Intentions to buy, next 12 months



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Source: Consumer Confidence 2019, November. Statistics Finland