

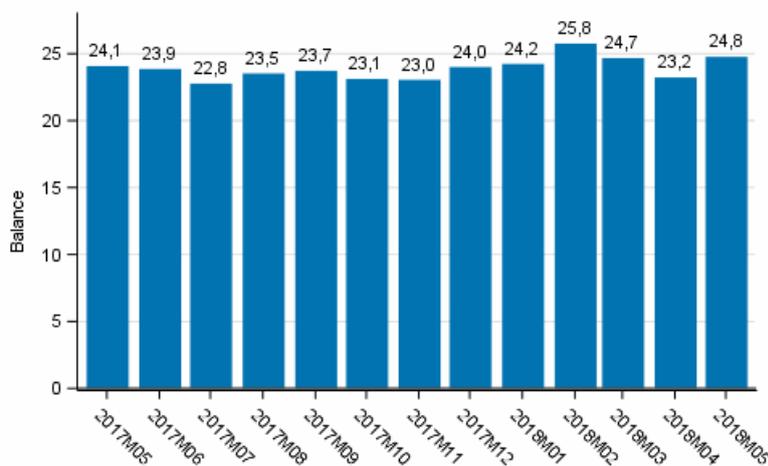
# Consumer Survey

2018, May

## Consumers' financial situation is stable, no fear of unemployment

In May, the consumer confidence indicator (CCI) stood at 24.8, while in April it was 23.2 and in March 24.7. In last year's May, the CCI received the value 24.1. The long-term average for the CCI is 12.5. The data are based on Statistics Finland's Consumer Survey, for which 1,114 persons resident in Finland were interviewed between 2 and 18 May.

### Consumer confidence indicator (CCI)



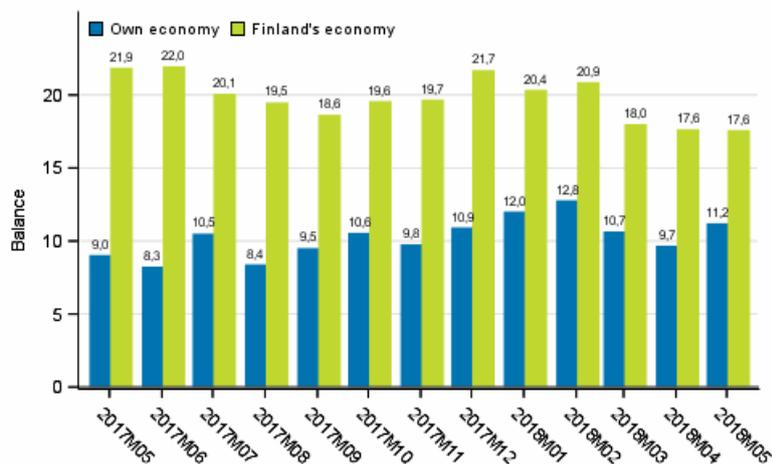
Of the components of the CCI, consumers' expectations concerning their own and Finland's economy, as well as general unemployment development were very bright in May. Assessment of the household's saving possibilities was good.

Compared with April, views concerning household's own economy and saving possibilities improved in May. Views of Finland's economy and unemployment remained unchanged.

Compared with the corresponding period last year, confidence in one's own economy and especially in decreasing unemployment strengthened. By contrast, expectations concerning Finland's economy weakened slightly over the year and expectations concerning saving possibilities remained more or less unchanged.

In May, consumers considered their household’s financial situation to be exceptionally good. The time was regarded very favourable for taking out a loan and for saving, and also good for buying durable goods. Employed consumers felt stronger than ever in May that their personal threat of unemployment had decreased in recent times.

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



The **balance figures** are obtained by deducting the weighted proportion of negative answers from that of positive answers (see [Methodological description](#)). The **consumer confidence indicator** (CCI) is the average of the balance figures for the CCI components. The components are: own economy, Finland’s economy, general unemployment and household’s saving possibilities (all concerning next 12 months). 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 May, 41 per cent of consumers believed that Finland's economic situation would improve in the coming twelve months, while only eight per cent of them thought that the country's economy would deteriorate. In April the corresponding proportions were 43 and 9 per cent and in last year's May 52 and 9 per cent.

In all, 29 per cent of consumers believed in May that their own economy would improve and only 11 per cent of them feared it would worsen over the year. One month earlier, the corresponding proportions were 28 and 10 per cent, and one year earlier 27 and 12 per cent.

## **Unemployment and inflation**

More than one-half, or 54 per cent of consumers expected in May that unemployment would decrease over the year, and only 12 per cent believed it would increase. The shares were 54 and 11 per cent in April and 47 and 16 per cent one year ago.

In May, 33 per cent of employed persons felt that they were not threatened by unemployment at all. More employed persons than ever, or 20 per cent reckoned that their personal threat of unemployment had lessened over the past few months, and only nine per cent thought it had grown.

Consumers estimated in May that consumer prices would go up by 1.9 per cent over the next 12 months. The predicted long-term average inflation rate is 2.2 per cent.

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

A total of 69 per cent of consumers considered saving worthwhile in May. The long-term average proportion is 58 per cent. In May, 69 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 May, 75 per cent of consumers regarded the time good for raising a loan. The long-term average proportion is 63 per cent. Fewer households than normal, or 11 per cent of them, were planning in May to raise a loan within one year.

## **Buying of durable goods**

In May, 41 per cent of consumers thought the time was favourable for buying durable goods. Intentions to spend money were still mostly moderate. Seventeen per cent of households were either very or fairly certain to buy a car during the next 12 months. Seven per cent of households considered purchasing a dwelling. In May, 20 per cent of households were planning to spend money on renovating their dwelling within a year.

## **Consumer confidence by major region and population group**

In May, consumers' confidence in the economy was strongest in Greater Helsinki (CCI 27.1). Among population groups, upper-level salaried employees were clearly most optimistic (38.5). Pensioners (16.2) and unemployed persons (19.8) had the gloomiest expectations concerning economic development.

## **EU results**

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

## **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](#).

### **Sampling and data collection**

The population of the Consumer Survey comprises 4.5 million persons aged 15 to 84 and their 2.7 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 are mainly conducted from Statistics Finland's Telephone Interview Centre (CATI), during the first two or three weeks of the month.

In May 2018, in all, 1,114 responses were gained, so the non-response rate of the survey was 52.6 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. Possible over-coverage (dead, moved abroad etc.) is also included in non-response here.

### **Weighting**

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 (Calmar) and the probability of each observation to be included in the sample. The figures and series presented are not seasonally adjusted.

For more information, see [Methodological description](#).

# Appendix tables

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

	Average 10/1995-	Max. 10/1995-	Min. 10/1995-	05/2017	04/2018	05/2018	Outlook <sup>1)</sup>
A1 Consumer confidence indicator, CCI = (B2+B4+B7+D2)/4	12.5	25.8	-6.5	24.1	23.2	24.8	++
A2 Old CCI = (B1+B2+B3+B4+C1)/5	6.7	20.6	-15.0	14.8	16.9	17.5	++
A3 Micro indicator = (B2+D1+D2)/3	25.7	33.4	9.5	30.0	29.0	32.2	++
A4 Macro indicator = (B4+B7)/2	0.8	22.8	-39.1	18.6	19.6	19.7	++
B1 Own economy now (balance)	3.9	9.8	-4.0	3.9	5.8	7.3	++
- Better (%)	23.3	30.6	16.4	23.3	25.4	25.8	
- Worse (%)	16.4	22.7	11.4	16.2	15.1	15.3	
B2 Own economy in 12 months' time (balance)	8.4	14.1	2.3	9.0	9.7	11.2	++
- Better (%)	25.8	33.4	18.2	27.0	26.4	29.3	
- Worse (%)	11.3	17.7	6.6	11.8	9.7	11.0	
B3 Finland's economy now (balance)	-1.6	29.5	-60.9	19.7	26.2	28.8	++
- Better (%)	27.6	62.1	2.0	52.6	56.2	59.1	
- Worse (%)	27.8	88.5	4.2	13.2	8.3	7.4	
B4 Finland's economy in 12 months' time (balance)	4.3	25.3	-27.1	21.9	17.6	17.6	++
- Better (%)	32.2	57.3	11.6	52.0	43.2	40.8	
- Worse (%)	22.2	57.3	6.0	8.9	8.9	8.1	
B5 Inflation now (per cent)	2.2	5.8	-2.0	1.1	1.6	1.5	
B6 Inflation in 12 months' time (per cent)	2.2	4.6	0.6	1.7	1.8	1.9	
B7 Unemployment in Finland in 12 months' time (balance)	-2.8	27.6	-51.1	15.2	21.6	21.8	++
- Less (%)	30.9	60.8	6.4	46.7	53.9	54.4	
- More (%)	33.7	83.3	6.9	15.7	11.4	11.6	
B8 Own threat of unemployment now (balance)	-0.8	9.8	-18.8	5.8	4.0	9.8	++
- Decreased (%)	13.3	20.4	5.3	19.1	15.7	20.4	
- Increased (%)	16.8	31.9	7.9	14.5	12.4	9.3	
C1 Favourability of time for purchasing durables (balance)	18.7	41.8	-14.2	19.4	25.4	22.8	+
- Favourable time (%)	44.6	62.4	29.6	43.6	44.5	40.5	
- Unfavourable time (%)	25.9	45.7	15.2	24.2	19.1	17.7	
C2 Favourability of time for saving (balance)	10.9	36.8	-19.6	12.8	26.9	26.0	++
- Good time (%)	58.2	80.7	33.4	59.9	70.4	68.7	
- Bad time (%)	36.3	58.5	15.5	35.7	22.8	25.6	
C3 Favourability of time for raising a loan (balance)	18.4	42.0	-47.1	31.8	31.9	33.9	++
- Good time (%)	62.7	78.2	13.3	72.9	74.0	74.9	
- Bad time (%)	30.2	83.4	12.1	19.9	18.2	17.3	
D1 Household's financial situation now (balance)	28.8	37.0	14.7	30.9	33.4	37.0	++
- Can save (%)	60.2	70.4	38.6	66.3	67.3	68.6	
- Uses savings or gets into debt (%)	6.8	10.1	4.5	8.2	7.5	5.6	

	Average 10/1995-	Max. 10/1995-	Min. 10/1995-	05/2017	04/2018	05/2018	Outlook <sup>1)</sup>
D2 Household's saving possibilities in the next 12 months (balance)	40.0	52.2	10.9	50.2	43.9	48.4	+
- Can save (%)	74.3	82.3	56.6	81.1	76.4	79.3	
- Cannot save (%)	23.9	40.3	16.5	18.2	22.2	18.0	
D5 Household's intentions to raise a loan in the next 12 months (% of households)	13.1	17.8	9.1	12.8	13.0	11.3	--
- Yes, certainly (%)	5.6	8.5	3.1	6.5	6.4	6.0	
- Possibly (%)	7.5	11.4	5.0	6.3	6.5	5.3	
E1 Spending on durables, next 12 months vs last 12 months (balance)	-8.9	-2.4	-18.2	-6.4	-8.6	-7.8	+
- More (%)	21.3	30.8	13.9	20.1	19.4	21.4	
- Less (%)	32.6	40.4	25.6	27.5	29.9	30.9	
E2 Intentions to buy a car in the next 12 months (% of households)	16.8	21.7	12.7	14.3	17.1	16.8	=
- Very likely (%)	8.5	12.1	5.1	6.5	8.1	8.7	
- Fairly likely (%)	8.2	10.4	5.3	7.8	9.0	8.2	
E4 Intentions to buy a dwelling in the next 12 months (% of households)	7.0	11.3	4.1	7.5	7.6	7.4	+
- Yes, certainly (%)	3.0	5.2	1.3	2.9	2.7	3.3	
- Possibly (%)	4.0	6.2	2.2	4.7	4.9	4.1	
E5 Intentions to spend money on basic repairs of dwelling in the next 12 months (% of households)	18.8	27.0	9.8	21.0	15.9	19.9	+
- Very likely (%)	12.4	19.0	5.0	14.5	8.9	11.2	
- Fairly likely (%)	6.4	9.1	3.2	6.5	6.9	8.7	

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

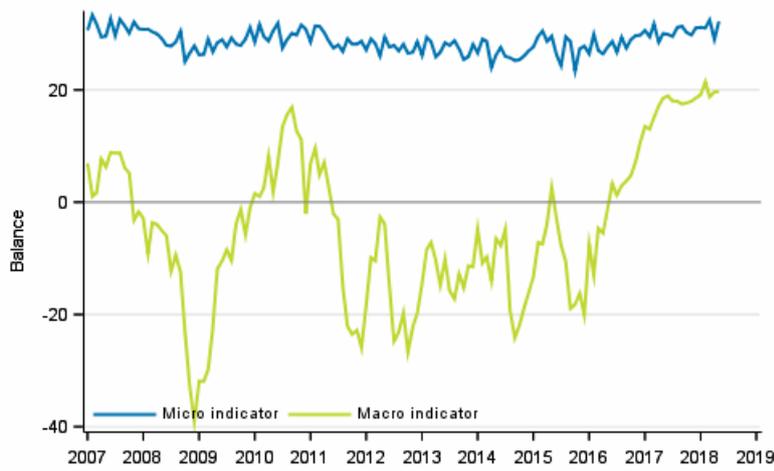
# Appendix figures

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

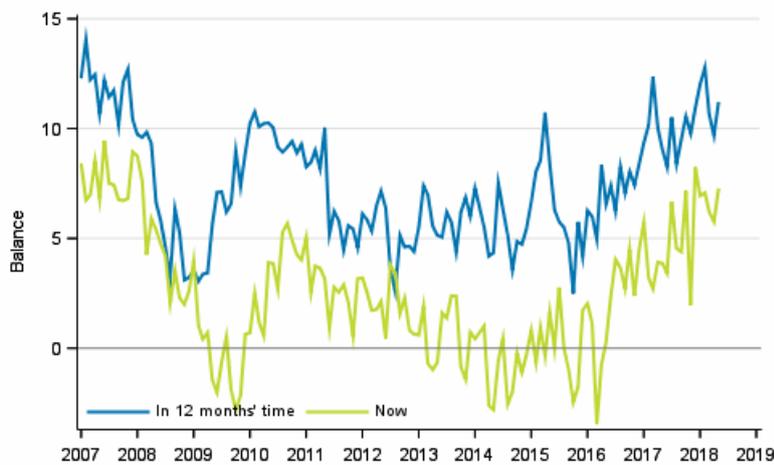


1) average 10/1995 - 05/2018

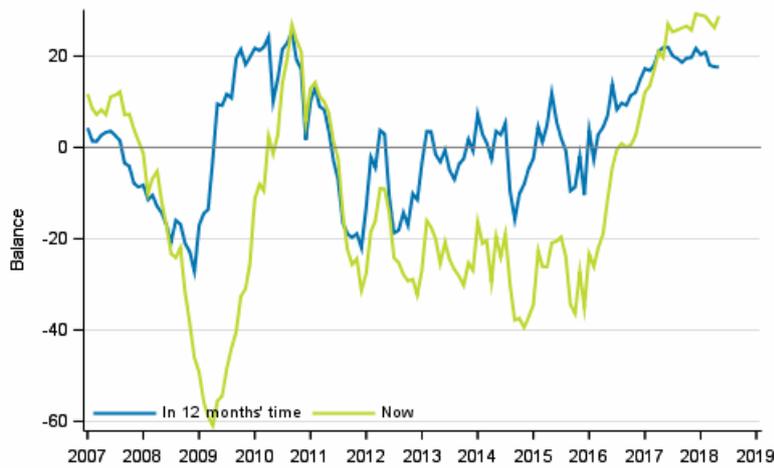
**Appendix figure 2. Micro and macro indicators**



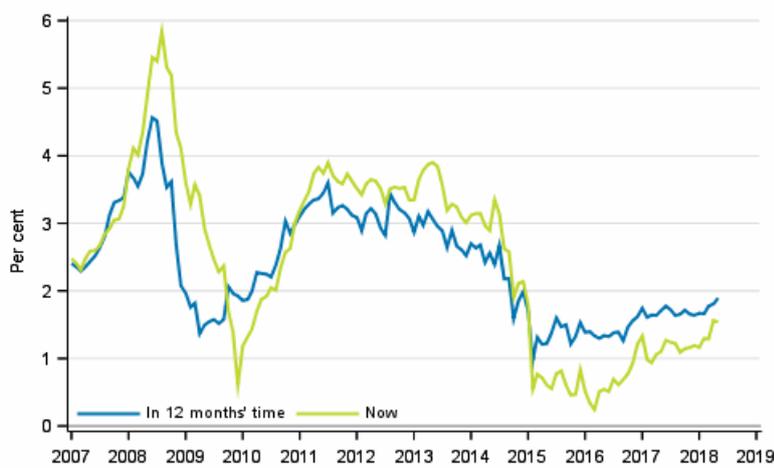
**Appendix figure 3. Own economy**



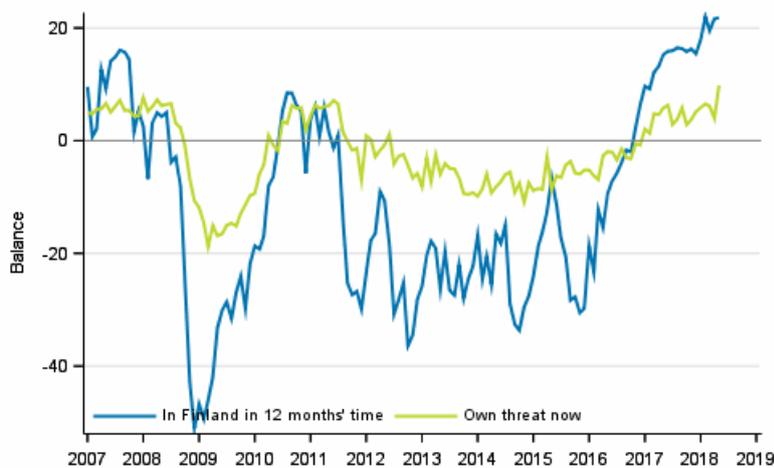
**Appendix figure 4. Finland's economy**



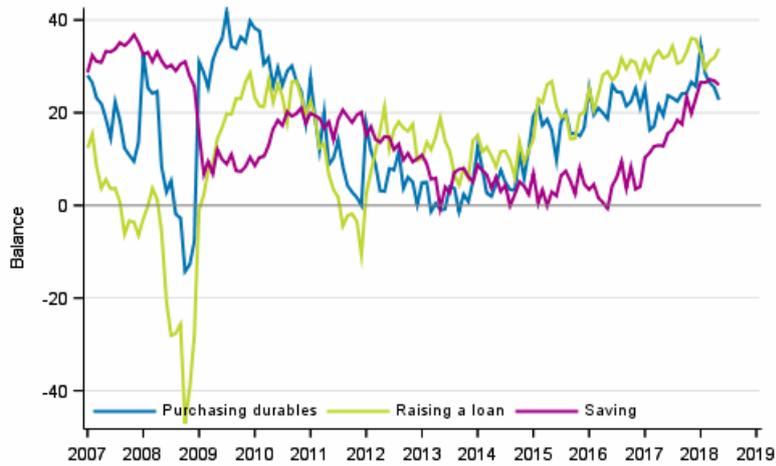
**Appendix figure 5. Inflation**



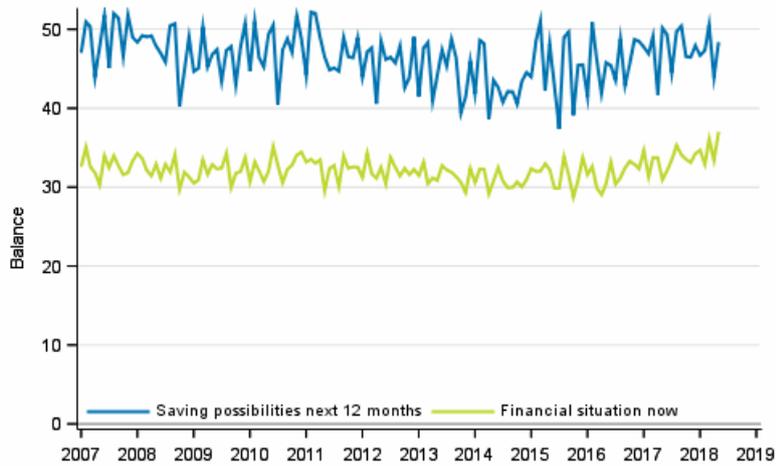
**Appendix figure 6. Unemployment**



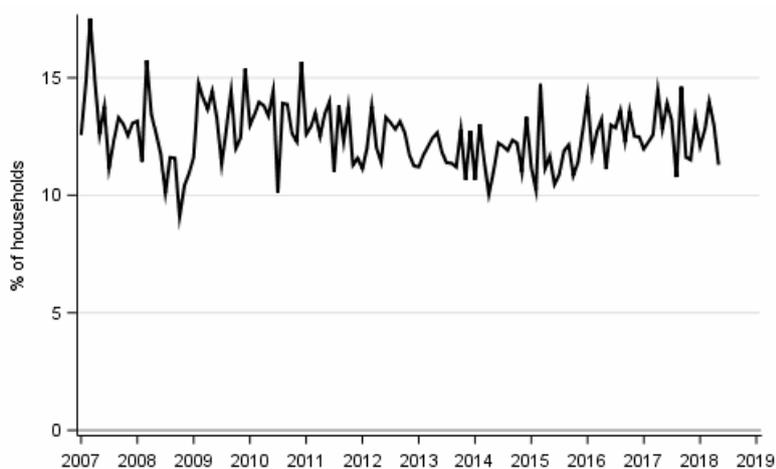
**Appendix figure 7. Favourability of time for**



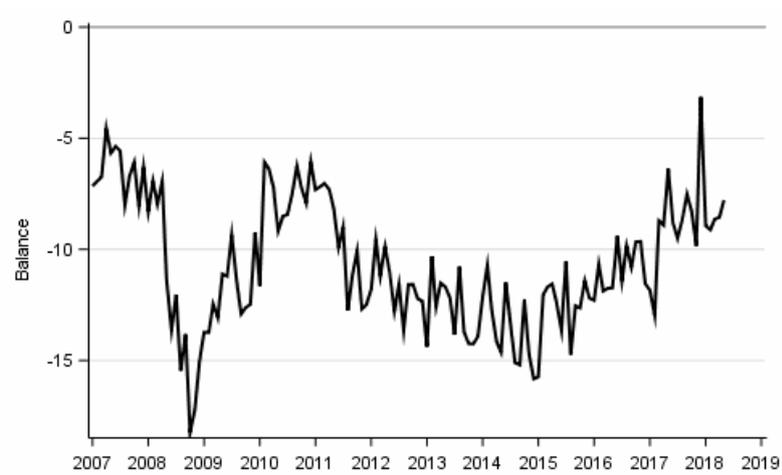
**Appendix figure 8. Household's financial situation and saving possibilities**



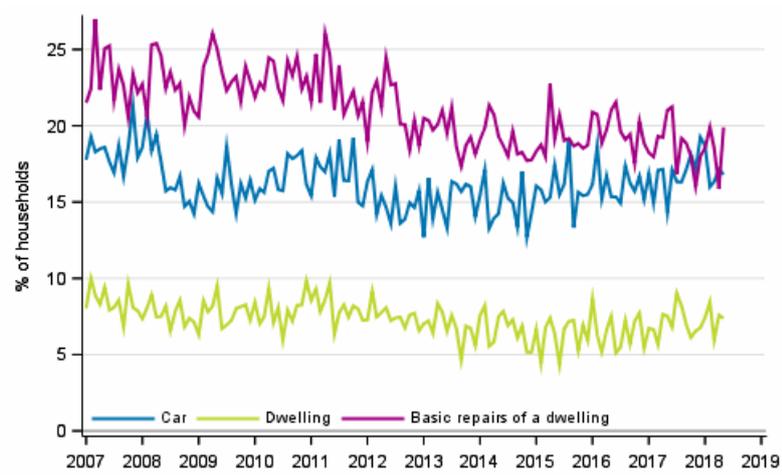
**Appendix figure 9. Household's intentions to raise a loan, next 12 months**



**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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