

# Consumer Survey

2012, November

## Only slight recovery in consumer confidence in November

The consumer confidence indicator stood at 1.0 in November, having been -1.6 in October and 3.4 in September. Confidence in the economy was at the same level as one year ago in November (1.5) but clearly below the long-term average (12.6). The data are based on Statistics Finland's Consumer Survey, for which 1,428 people resident in Finland were interviewed between 1 and 19 November.

### Consumer confidence indicator (CCI)



\* average 10/1995 - 11/2012

Not one of the four components of the consumer confidence indicator changed substantially in November compared to the previous month or twelve months back. Consumers' expectations concerning the economy in general, i.e. development on unemployment, and the country's economy were still gloomy. Consumers' views about the development of their own economy were clearly more cautious in November than the long-term average. However, consumers did assess the saving possibilities of their household to continue to be good.

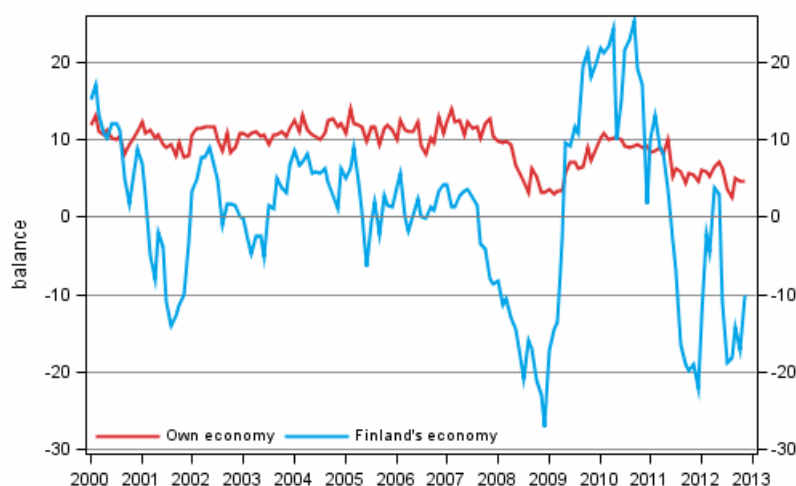
Employed consumers felt that their threat of unemployment grew slightly in November. In addition, consumers thought in November that the time was more favourable for saving or raising a loan than for buying durables goods.

## Consumers' own and Finland's economy

In November, 21 per cent of consumers believed that Finland's economic situation would improve in the coming twelve months, while 38 per cent of them thought that the country's economy would deteriorate. In October, the respective proportions were 16 and 44 per cent and in last year's November 15 and 47 per cent.

In all, 23 per cent of consumers believed in November that their own economy would improve and 16 per cent of them feared it would worsen over the year.

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



## Unemployment and inflation

Nine per cent of consumers expected in November that unemployment would decrease in Finland over the next 12 months, while 68 per cent of them believed it would increase. Twelve months earlier the corresponding proportions were 11 and 60 per cent.

In November, 11 per cent of employed persons believed that their personal threat of unemployment had lessened over the past few months, whereas 23 per cent thought it had grown. In October, the respective proportions were 10 and 19 per cent and twelve months ago 13 and 16 per cent. In November, nearly half (46%) of employed persons thought the threat of unemployment had remained unchanged and one-fifth (20%) felt that they were not threatened by unemployment at all.

Consumers predicted in November that consumer prices would go up by 3.2 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 57 per cent of consumers considered saving worthwhile this November. Twelve months ago the respective proportion was 65 per cent. Two out of three households (65%) had been able to lay aside some money in November and four out of five (78%) believed they would be able to do so during the next 12 months.

In November, 62 per cent of consumers regarded the time good for raising a loan. One year earlier, the respective proportion was less than half of consumers (46%). In November, slightly fewer households than usual, or 12 per cent of them, were planning to raise a loan within one year.

### Buying of durable goods

Thirty-nine per cent of consumers considered the time favourable for buying durable goods in November. One-third (34%) regarded consuming as a bad idea. Despite the moderate consumption intentions, 15 per cent of households were fairly or very certain to buy a car and eight per cent a dwelling in the next twelve months. In November, 20 per cent of households were planning to make renovations to their dwelling.

### Consumers' views of the economy

	Average 10/1995-	Max. 10/1995-	Min. 10/1995-	11/2011	10/2012	11/2012	Outlook
A1 Consumer confidence indicator, CCI = (B2+B4+B7+D2)/4	12,6	22,9	-6,5	1,5	-1,6	1,0	--
B2 Own economy in 12 months' time (balance)	8,8	14,1	2,3	5,4	4,6	4,6	--
B4 Finland's economy in 12 months' time (balance)	3,9	25,3	-27,1	-18,9	-17,0	-10,1	--
B6 Inflation in 12 months' time (per cent)	2,2	4,6	0,6	3,2	3,2	3,2	
B7 Unemployment in Finland in 12 months' time (balance)	-0,5	27,6	-51,1	-26,7	-36,4	-34,5	--
B8 Own threat of unemployment now (balance)	0,6	7,6	-18,8	-1,3	-4,4	-6,6	--
C1 Favourability of time for purchasing durables (balance)	19,9	41,8	-14,2	1,7	6,1	5,0	--
C2 Favourability of time for saving (balance)	11,7	36,8	-19,6	19,5	11,3	9,4	+/-
C3 Favourability of time for raising a loan (balance)	17,5	42,0	-47,1	-3,4	16,0	17,5	+/-
D2 Household's saving possibilities in the next 12 months (balance)	38,2	52,2	10,9	46,4	42,6	43,9	+

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

In November, the non-response rate of the Survey was 39.2 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 good 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**

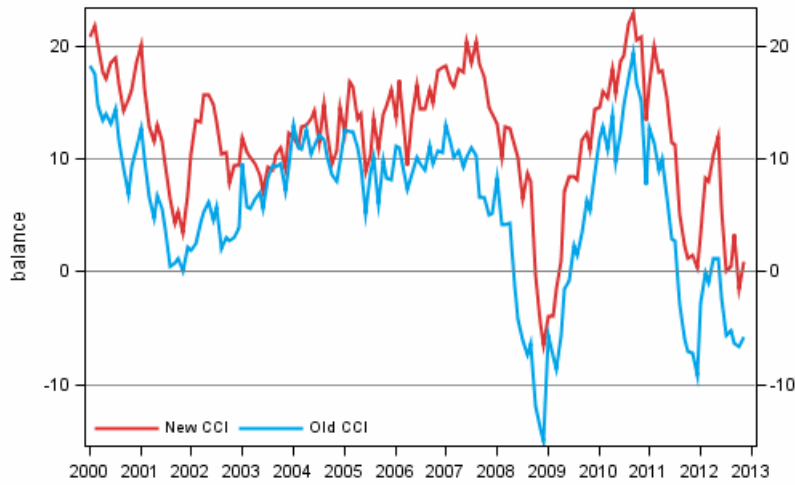
	Average 10/1995-	Max. 10/1995-	Min. 10/1995-	11/2011	10/2012	11/2012	Outlook
A1 Consumer confidence indicator, CCI = (B2+B4+B7+D2)/4	12,6	22,9	-6,5	1,5	-1,6	1,0	--
A2 Old CCI = (B1+B2+B3+B4+C1)/5	7,7	19,4	-15,0	-7,1	-6,7	-5,7	--
A3 Micro indicator = (B2+D1+D2)/3	24,9	33,4	9,5	28,1	26,5	26,7	+
A4 Macro indicator = (B4+B7)/2	1,7	22,8	-39,1	-22,8	-26,7	-22,3	--
B1 Own economy now (balance)	4,6	9,8	-4,0	0,5	2,3	0,8	--
- Better (%)	24,1	30,6	16,7	21,1	21,1	20,0	
- Worse (%)	15,8	22,7	11,4	19,9	17,9	18,1	
B2 Own economy in 12 months' time (balance)	8,8	14,1	2,3	5,4	4,6	4,6	--
- Better (%)	26,0	33,4	18,2	24,1	22,2	22,8	
- Worse (%)	10,8	17,2	6,6	14,6	15,7	15,8	
B3 Finland's economy now (balance)	1,1	29,5	-60,9	-24,4	-29,2	-28,9	--
- Better (%)	28,9	62,1	2,0	10,2	7,0	7,9	
- Worse (%)	24,4	88,5	4,2	52,6	57,9	56,9	
B4 Finland's economy in 12 months' time (balance)	3,9	25,3	-27,1	-18,9	-17,0	-10,1	--
- Better (%)	31,0	57,3	11,6	15,0	16,1	21,1	
- Worse (%)	22,0	57,3	6,0	47,2	44,2	37,5	
B5 Inflation now (per cent)	2,3	5,8	-2,0	3,7	3,5	3,5	
B6 Inflation in 12 months' time (per cent)	2,2	4,6	0,6	3,2	3,2	3,2	
B7 Unemployment in Finland in 12 months' time (balance)	-0,5	27,6	-51,1	-26,7	-36,4	-34,5	--
- Less (%)	32,8	60,8	6,4	10,9	8,4	9,0	
- More (%)	31,3	83,3	6,9	59,5	70,5	68,1	
B8 Own threat of unemployment now (balance)	0,6	7,6	-18,8	-1,3	-4,4	-6,6	--
- Decreased (%)	13,7	20,0	5,3	12,5	9,6	10,9	
- Increased (%)	15,2	31,9	7,9	16,3	18,7	23,2	
C1 Favourability of time for purchasing durables (balance)	19,9	41,8	-14,2	1,7	6,1	5,0	--
- Favourable time (%)	45,2	62,4	29,6	37,3	38,8	38,5	
- Unfavourable time (%)	25,2	45,7	17,7	35,6	32,7	33,5	
C2 Favourability of time for saving (balance)	11,7	36,8	-19,6	19,5	11,3	9,4	+/-
- Good time (%)	58,9	80,7	33,4	65,4	57,9	56,9	
- Bad time (%)	35,3	58,5	15,5	31,1	37,6	37,6	
C3 Favourability of time for raising a loan (balance)	17,5	42,0	-47,1	-3,4	16,0	17,5	+/-
- Good time (%)	62,2	78,2	13,3	45,7	60,1	61,7	
- Bad time (%)	30,4	83,4	12,1	49,5	33,9	32,5	
D1 Household's financial situation now (balance)	27,8	35,1	14,7	32,6	32,4	31,6	+
- Can save (%)	58,6	70,0	38,6	67,3	65,7	64,9	
- Uses savings or gets into debt (%)	6,7	10,1	4,5	6,8	5,2	6,7	

	Average 10/1995-	Max. 10/1995-	Min. 10/1995-	11/2011	10/2012	11/2012	Outlook
D2 Household's saving possibilities in the next 12 months (balance)	38,2	52,2	10,9	46,4	42,6	43,9	+
- Can save (%)	73,2	82,3	56,6	79,0	76,5	77,6	
- Cannot save (%)	24,8	40,3	16,5	19,9	22,8	20,6	
D5 Household's intentions to raise a loan in the next 12 months (% of households)	13,4	17,8	9,1	11,3	12,7	11,7	--
- Yes, certainly (%)	5,6	8,5	3,1	5,3	5,9	5,0	
- Possibly (%)	7,8	11,4	5,2	6,0	6,8	6,7	
E1 Spending on durables, next 12 months vs last 12 months (balance)	-8,1	-2,4	-18,2	-12,7	-11,6	-12,2	--
- More (%)	22,5	30,8	14,3	16,6	16,6	16,6	
- Less (%)	32,5	40,4	26,5	35,2	33,6	33,7	
E2 Intentions to buy a car in the next 12 months (% of households)	17,3	21,7	13,6	15,0	15,0	14,6	--
- Very likely (%)	8,9	12,1	5,9	6,7	7,7	7,0	
- Fairly likely (%)	8,4	10,4	6,2	8,3	7,2	7,7	
E4 Intentions to buy a dwelling in the next 12 months (% of households)	7,1	11,3	4,1	8,0	7,6	7,7	+
- Yes, certainly (%)	3,1	5,2	1,3	3,8	3,3	2,9	
- Possibly (%)	4,0	6,2	2,2	4,2	4,3	4,9	
E5 Intentions to spend money on basic repairs of dwelling in the next 12 months (% of households)	18,7	27,0	9,8	20,7	18,4	20,4	+
- Very likely (%)	12,3	19,0	5,0	15,4	12,1	14,0	
- Fairly likely (%)	6,4	9,1	3,2	5,2	6,3	6,4	

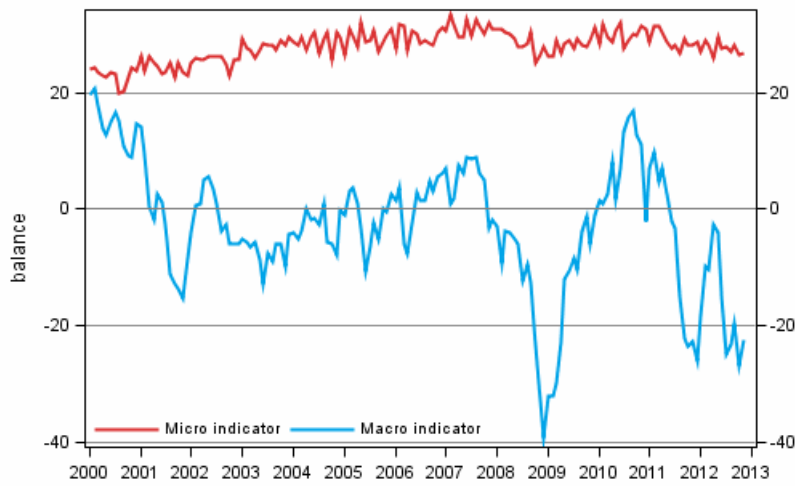


# Appendix figures

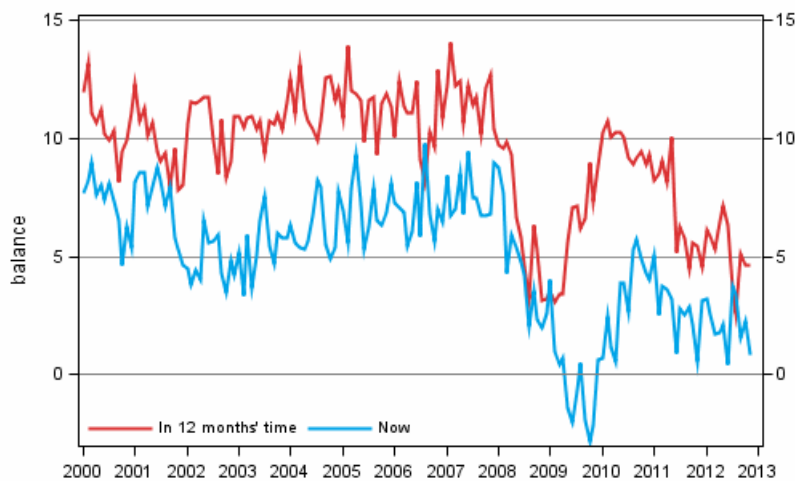
**Appendix figure 1. Consumer confidence indicator (CCI)**



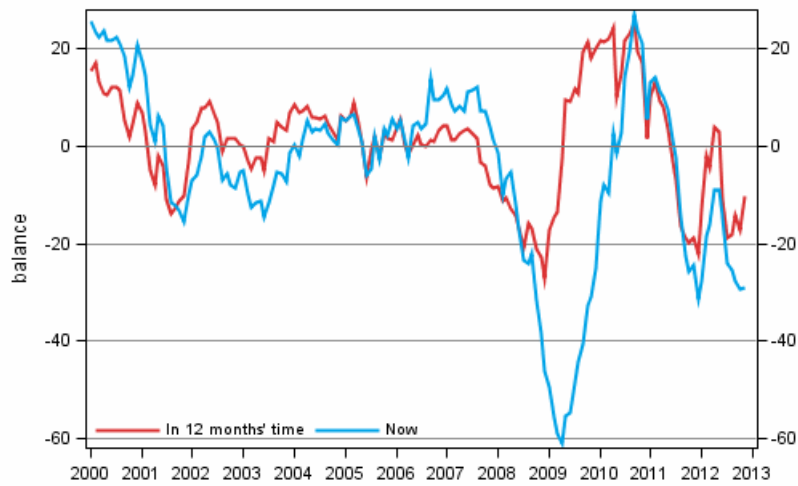
**Appendix figure 2. Micro and macro indicators**



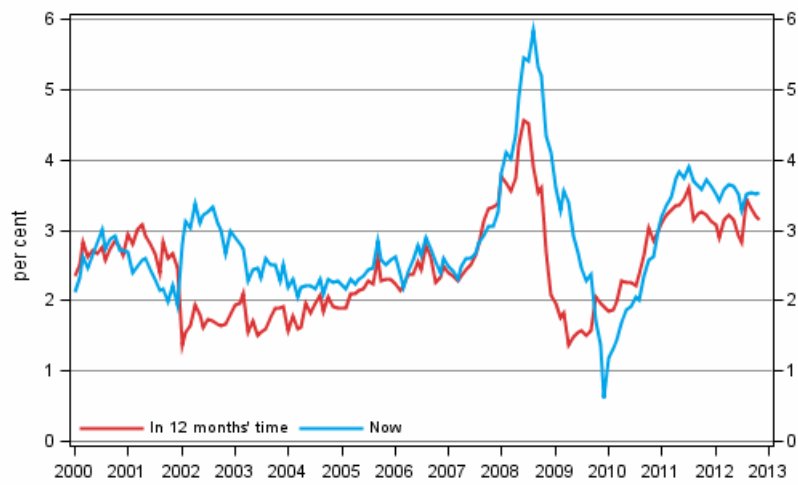
**Appendix figure 3. Own economy**



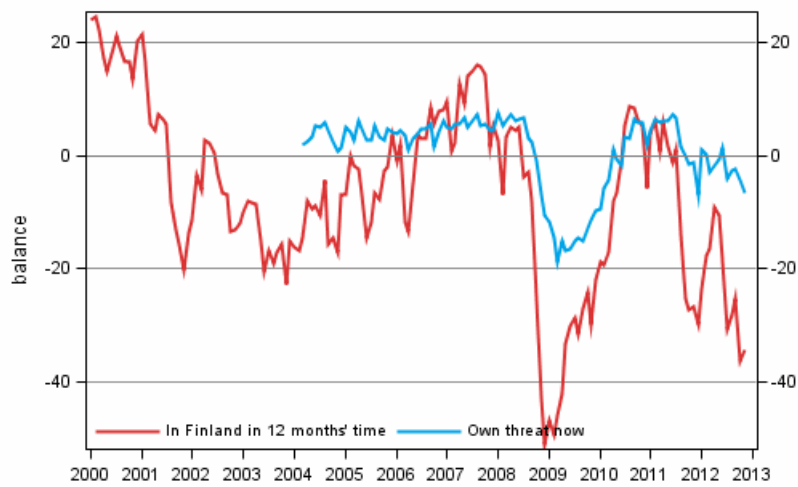
**Appendix figure 4. Finland's economy**



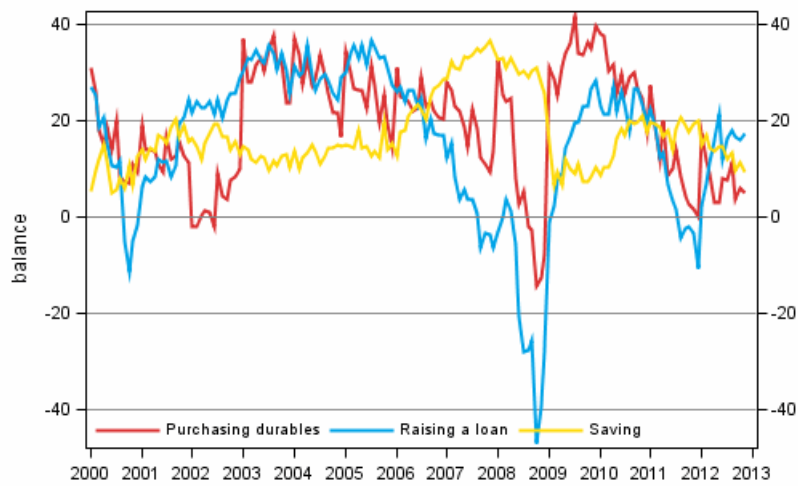
**Appendix figure 5. Inflation**



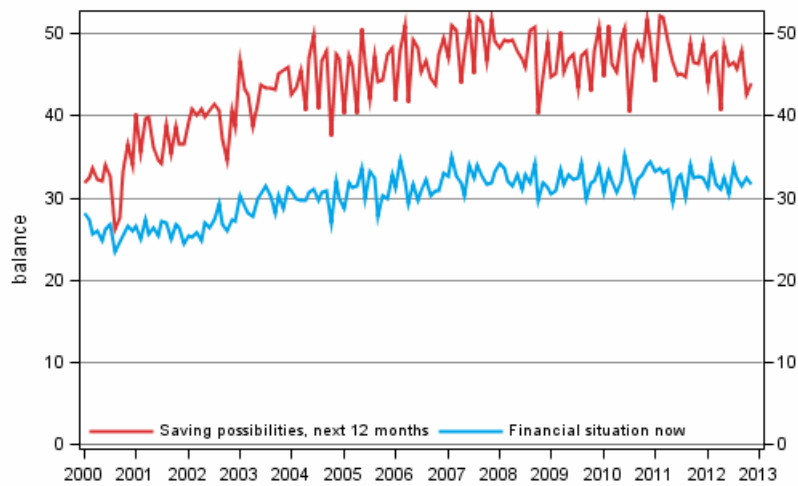
**Appendix figure 6. Unemployment**



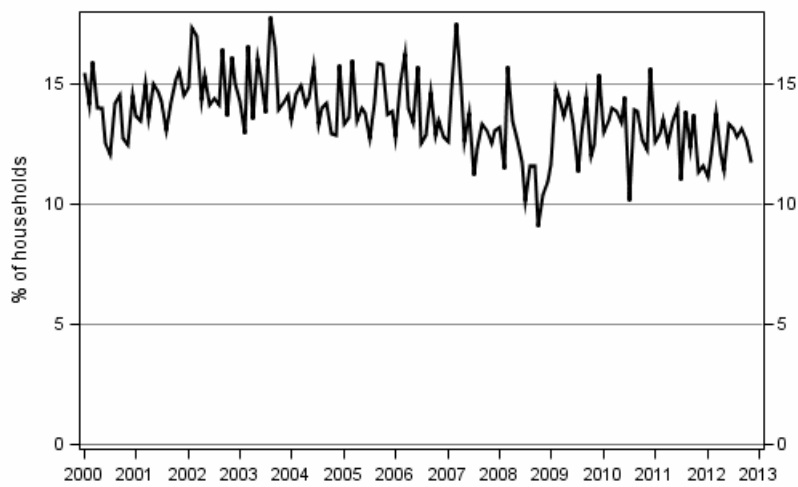
**Appendix figure 7. Favourability of time for**



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



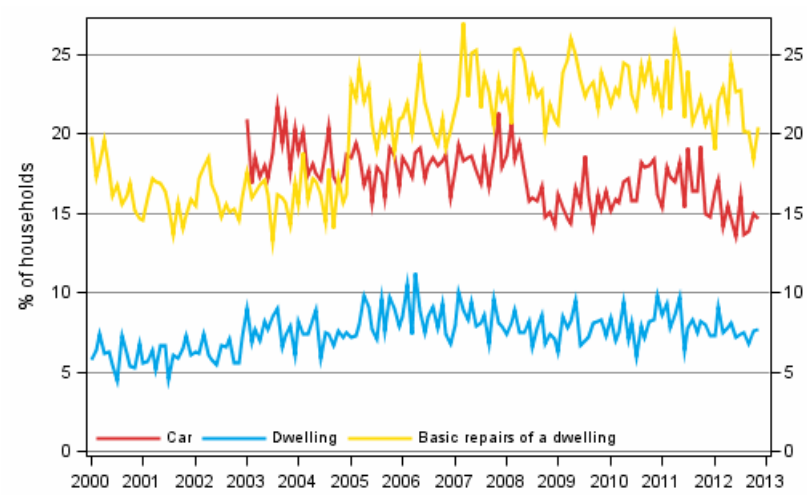
**Appendix figure 9. Household's intentions to raise a loan, next 12 months**



**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  
Official Statistics of Finland

Income and Consumption 2012

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Source: Consumer Survey 2012, November. Statistics Finland