

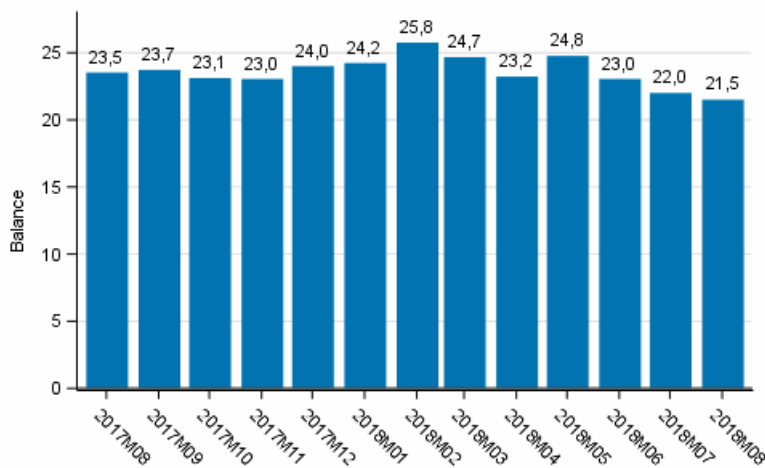
# Consumer Survey

2018, August

## Consumers' confidence in the economy is still at a steady level

The consumer confidence indicator (CCI) stood at 21.5 in August, whereas in July it was 22.0 and in June 23.0. Last year in August, the consumer confidence indicator received the value 23.5. The long-term average for the CCI is 12.6. The data are based on Statistics Finland's Consumer Survey, for which 1,138 people resident in Finland were interviewed between 1 and 17 August.

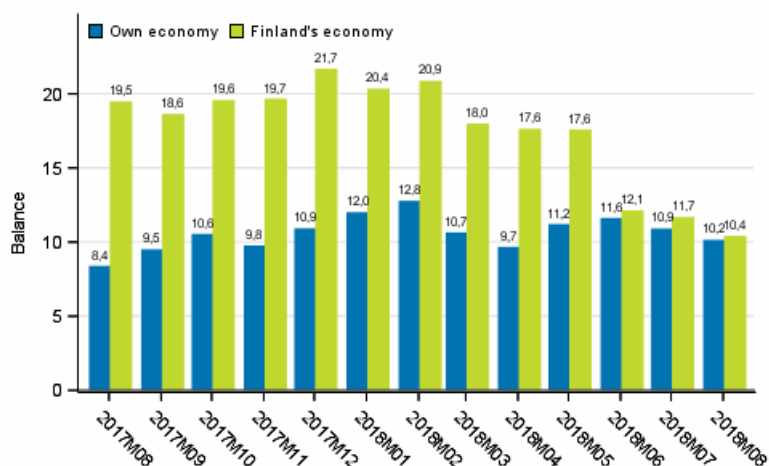
### Consumer confidence indicator (CCI)



Of the four components of the consumer indicator, consumers' expectations of the household's saving possibilities improved clearly in August compared to July. Views concerning own saving possibilities and Finland's economy weakened slightly, but remained at a good level.

Expectations concerning Finland's economy weakened clearly over the one-year review period. Compared with the corresponding period last year, estimates of the country's employment situation have weakened. However, views on one's own economy grew moderately.

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



Consumers considered their household's financial situation good in August. The time was regarded favourable for saving, but also good for taking out a loan and buying durable goods. Employed consumers felt in August that their personal threat of unemployment has decreased somewhat.

### Consumer confidence by major region and population group

In August, consumers' confidence in the economy was strongest in Northern Finland (CCI 23.9) and weakest in Western Finland (19.2). Of population groups, self-employed persons were clearly most optimistic (31.1). Pensioners (18.4) and unemployed persons (11.7) had the gloomiest expectations concerning economic development. Men's confidence in the economy was stronger (24.9) than women's (18.2).

### EU results

The (seasonally adjusted) Consumer Survey results 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 (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 August, 34 per cent of consumers believed that Finland's economic situation would improve in the coming twelve months, while 14 per cent of them thought that the country's economy would deteriorate. In July, the corresponding proportions were 35 and 12 per cent and in last year's August 49 and 10 per cent.

In all, 29 per cent of consumers believed in August 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 30 and 11 per cent, and one year earlier 26 and 12 per cent.

## **Unemployment and inflation**

Forty-five per cent of consumers thought in August that unemployment would decrease over the year, while only 15 per cent of them believed it would increase. In July, the shares were 50 and 12 per cent and 50 and 16 per cent one year ago.

In August, 37 per cent of employed persons felt that they were not threatened by unemployment at all. Seventeen per cent of employed persons reckoned that their personal threat of unemployment had lessened over the past few months, while fewer than recently, that is, 11 per cent thought it had grown.

Consumers predicted in August that consumer prices would go up by 2.0 per cent over the next 12 months. The predicted long-term average inflation rate is 2.1 per cent.

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

Altogether, 71 per cent of consumers considered saving worthwhile in August. The long-term average proportion is 58 per cent. In August, 70 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.

Seventy per cent of consumers regarded the time good for raising a loan in August. The long-term average proportion is 63 per cent. This August, 13 per cent of households were thinking of taking out a loan in next year.

## **Buying of durable goods**

In August, 44 per cent of consumers thought the time was favourable for buying durable goods. Intentions to spend money were mostly moderate and at the same level as in July. Seventeen per cent of households were either very or fairly certain to buy a car during the next 12 months. Eight per cent of households considered buying a dwelling. In August, 18 per cent of households were planning to spend money on renovating their dwelling within a year.

## 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 August 2018, in all, 1,138 responses were gained, so the non-response rate of the survey was 51.6 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-	08/2017	07/2018	08/2018	Outlook <sup>1)</sup>
A1 Consumer confidence indicator, CCI = (B2+B4+B7+D2)/4	12.6	25.8	-6.5	23.5	22.0	21.5	++
A2 Old CCI = (B1+B2+B3+B4+C1)/5	6.8	20.6	-15.0	16.1	16.2	16.0	++
A3 Micro indicator = (B2+D1+D2)/3	25.8	33.4	9.5	31.1	30.9	32.0	++
A4 Macro indicator = (B4+B7)/2	0.9	22.8	-39.1	18.0	15.5	12.8	+
B1 Own economy now (balance)	3.9	9.8	-4.0	4.5	8.7	7.8	++
- Better (%)	23.4	30.6	16.4	24.1	28.8	27.9	
- Worse (%)	16.4	22.7	11.4	15.9	14.4	14.8	
B2 Own economy in 12 months' time (balance)	8.4	14.1	2.3	8.4	10.9	10.2	+
- Better (%)	25.9	33.4	18.2	26.4	30.0	29.1	
- Worse (%)	11.3	17.7	6.6	11.9	11.0	10.9	
B3 Finland's economy now (balance)	-1.3	29.5	-60.9	25.7	24.1	23.3	++
- Better (%)	27.9	62.1	2.0	57.6	52.7	50.9	
- Worse (%)	27.5	88.5	4.2	8.9	7.2	7.5	
B4 Finland's economy in 12 months' time (balance)	4.4	25.3	-27.1	19.5	11.7	10.4	+
- Better (%)	32.2	57.3	11.6	48.7	35.2	34.2	
- Worse (%)	22.1	57.3	6.0	9.6	12.5	13.8	
B5 Inflation now (per cent)	2.2	5.8	-2.0	1.2	1.7	1.7	
B6 Inflation in 12 months' time (per cent)	2.1	4.6	0.6	1.6	1.9	2.0	
B7 Unemployment in Finland in 12 months' time (balance)	-2.6	27.6	-51.1	16.5	19.3	15.2	+
- Less (%)	31.0	60.8	6.4	49.5	50.0	45.3	
- More (%)	33.5	83.3	6.9	16.1	12.2	15.1	
B8 Own threat of unemployment now (balance)	-0.7	9.8	-18.8	3.8	3.8	5.6	+
- Decreased (%)	13.3	20.4	5.3	16.0	16.7	16.8	
- Increased (%)	16.8	31.9	7.9	12.6	14.4	11.3	
C1 Favourability of time for purchasing durables (balance)	18.8	41.8	-14.2	22.4	25.3	28.0	+
- Favourable time (%)	44.6	62.4	29.6	43.8	45.4	43.9	
- Unfavourable time (%)	25.8	45.7	15.2	21.4	20.0	15.9	
C2 Favourability of time for saving (balance)	11.1	36.8	-19.6	18.4	27.0	29.2	++
- Good time (%)	58.3	80.7	33.4	63.2	70.1	71.3	
- Bad time (%)	36.1	58.5	15.5	30.4	21.9	21.4	
C3 Favourability of time for raising a loan (balance)	18.5	42.0	-47.1	30.6	30.8	29.5	+
- Good time (%)	62.8	78.2	13.3	71.6	72.5	69.8	
- Bad time (%)	30.1	83.4	12.1	20.4	19.4	19.6	
D1 Household's financial situation now (balance)	28.9	37.0	14.7	35.3	35.7	35.6	++
- Can save (%)	60.3	70.4	38.6	67.9	68.5	69.9	
- Uses savings or gets into debt (%)	6.8	10.1	4.5	5.4	5.5	6.7	

	Average 10/1995-	Max. 10/1995-	Min. 10/1995-	08/2017	07/2018	08/2018	Outlook <sup>1)</sup>
D2 Household's saving possibilities in the next 12 months (balance)	40.1	52.2	10.9	49.7	46.1	50.2	+
- Can save (%)	74.4	82.3	56.6	80.1	77.2	79.2	
- Cannot save (%)	23.8	40.3	16.5	18.5	20.4	18.1	
D5 Household's intentions to raise a loan in the next 12 months (% of households)	13.1	17.8	9.1	10.8	14.0	12.7	-
- Yes, certainly (%)	5.6	8.5	3.1	4.7	6.8	6.0	
- Possibly (%)	7.5	11.4	5.0	6.1	7.2	6.7	
E1 Spending on durables, next 12 months vs last 12 months (balance)	-8.9	-2.4	-18.2	-8.7	-9.6	-8.0	+
- More (%)	21.3	30.8	13.9	18.3	19.8	20.2	
- Less (%)	32.6	40.4	25.6	29.0	31.9	29.4	
E2 Intentions to buy a car in the next 12 months (% of households)	16.8	21.7	12.7	16.3	17.0	16.7	=
- Very likely (%)	8.5	12.1	5.1	8.1	8.3	7.8	
- Fairly likely (%)	8.2	10.4	5.3	8.2	8.7	8.9	
E4 Intentions to buy a dwelling in the next 12 months (% of households)	7.0	11.3	4.1	8.2	7.8	7.7	+
- Yes, certainly (%)	3.0	5.2	1.3	3.3	3.0	2.8	
- Possibly (%)	4.0	6.2	2.2	4.9	4.9	5.0	
E5 Intentions to spend money on basic repairs of dwelling in the next 12 months (% of households)	18.8	27.0	9.8	19.2	17.0	18.4	=
- Very likely (%)	12.4	19.0	5.0	12.1	10.8	9.7	
- Fairly likely (%)	6.4	9.1	3.2	7.0	6.2	8.7	

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

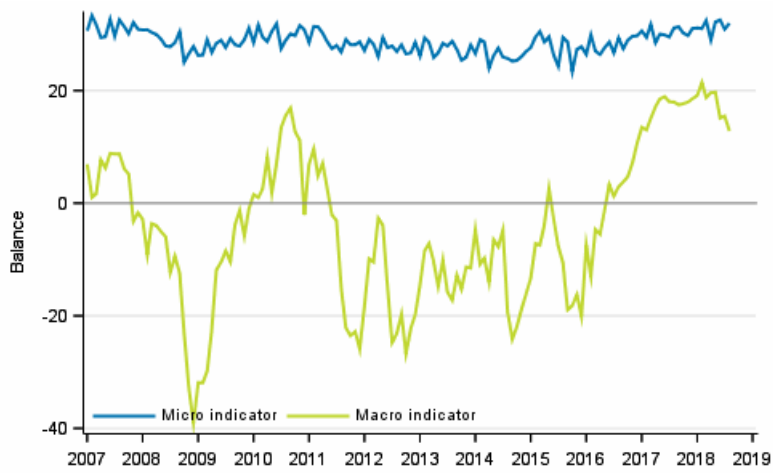
# Appendix figures

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

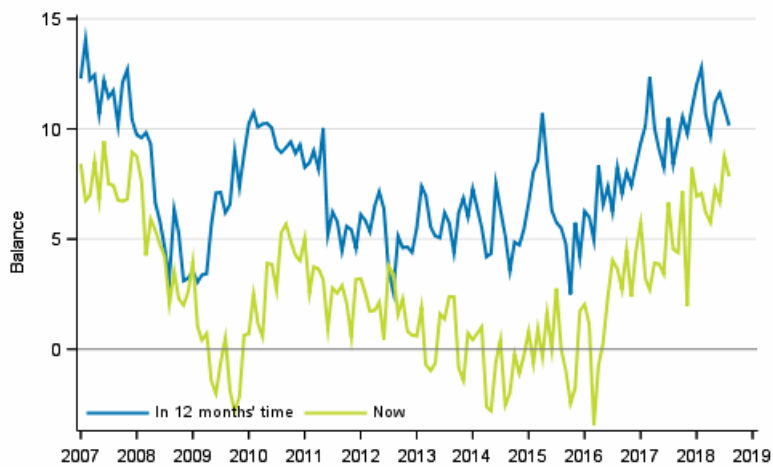


1) average 10/1995 - 08/2018

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

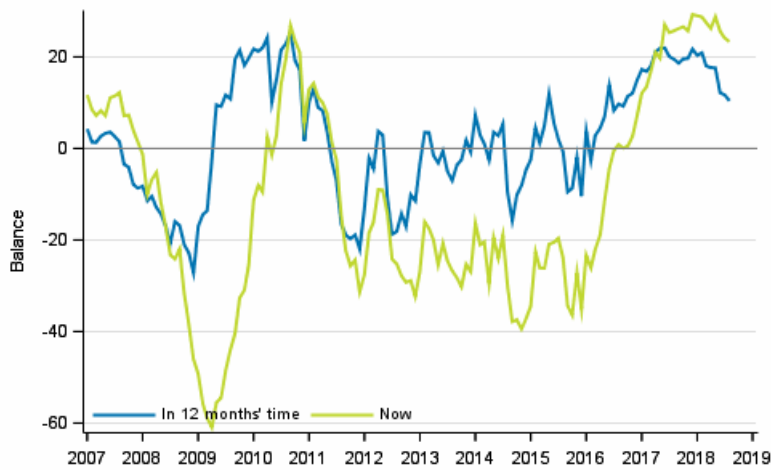


**Appendix figure 3. Own economy**

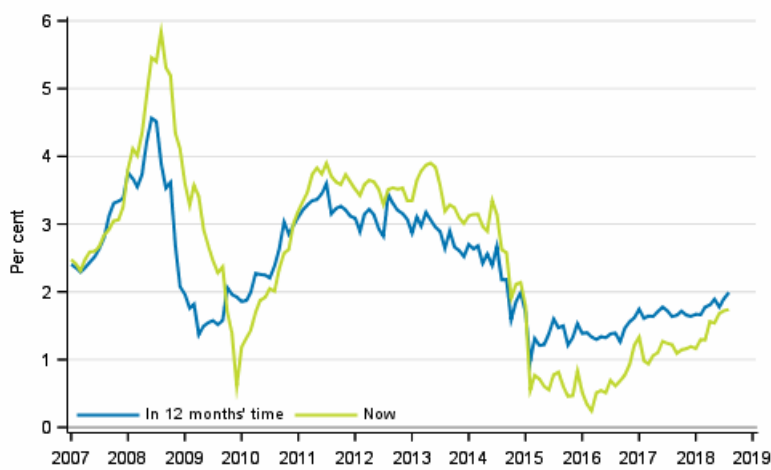




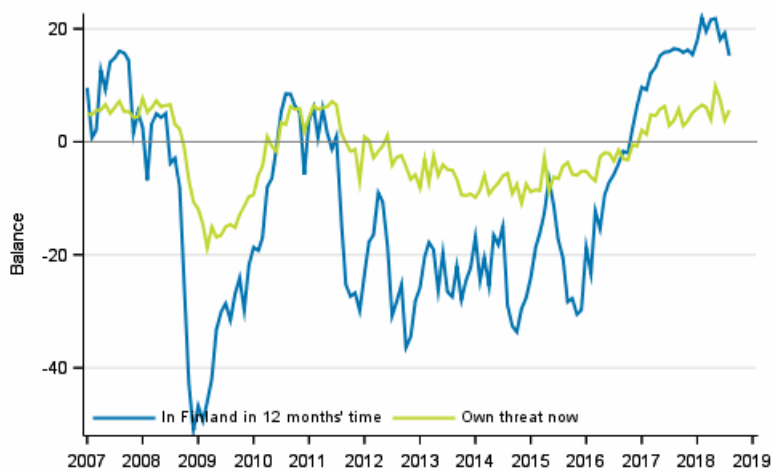
**Appendix figure 4. Finland's economy**



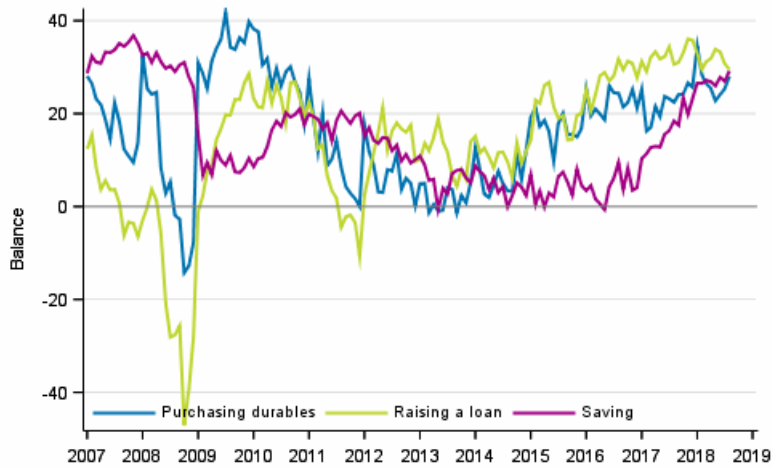
**Appendix figure 5. Inflation**



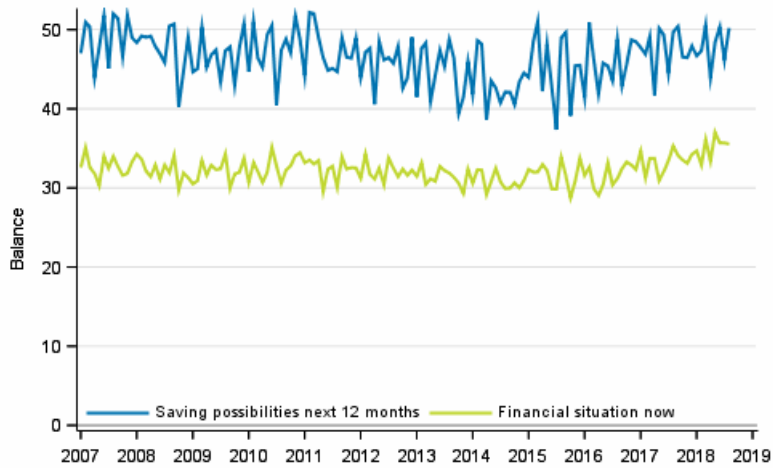
**Appendix figure 6. Unemployment**



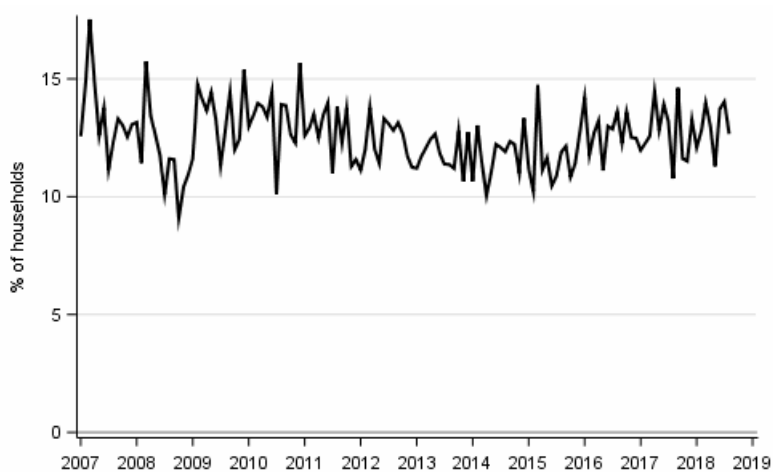
**Appendix figure 7. Favourability of time for**



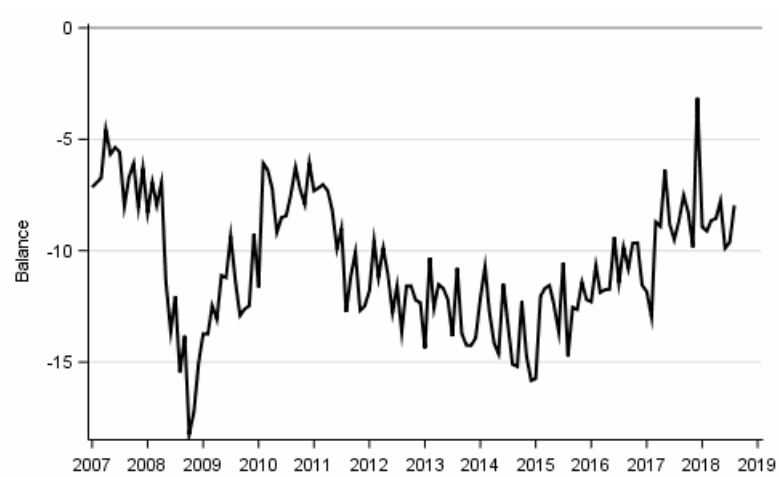
**Appendix figure 8. Household's financial situation and saving possibilities**



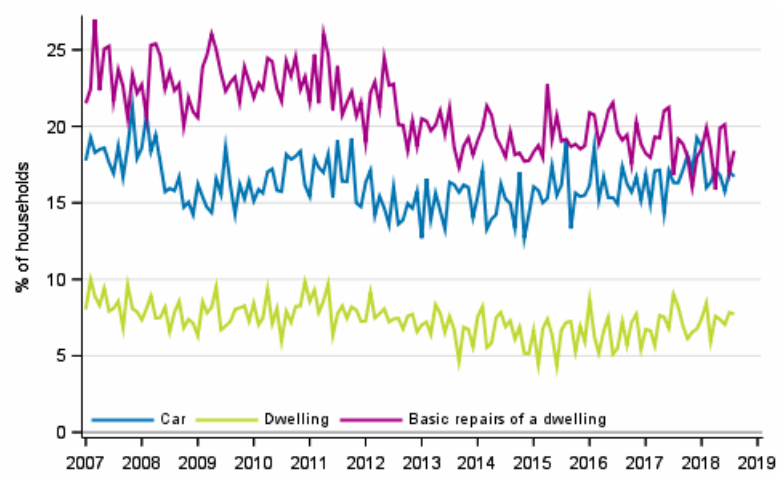
**Appendix figure 9. Household's intentions to raise a loan, next 12 months**



**Appendix figure 10. 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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