

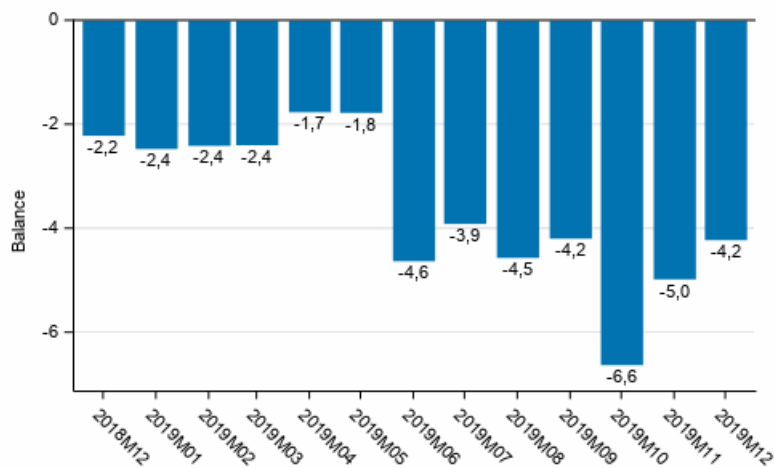
Consumer Confidence

2019, December

Consumer confidence weak but rose slightly

The consumer confidence indicator (CCI) stood at -4.2 in December whereas in November it was -5.0 and in October -6.6. Last year in December, the CCI received the value -2.2. The average for the CCI since 1998 is -1.9. The data are based on Statistics Finland's Consumer Confidence Survey, to which 1,060 persons resident in Finland responded between 1 and 16 December. **The long time series of the statistics on consumer confidence have now been republished as level revised: [database tables](#) and [figures](#). More information about the level revision can be found in the [review](#) of the release.**

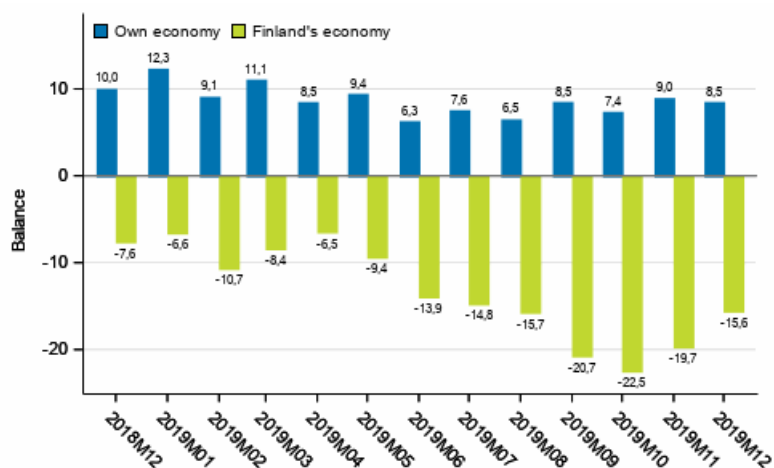
Consumer confidence indicator (CCI)



Of the four components of the CCI consumers' views of their own current economy and the near future of Finland's economy improved in December compared to November. Expectations concerning consumer's own economic situation remained almost unchanged. Consumers' intentions to spend money on durable goods were somewhat lower in December than one month earlier. Compared to the corresponding period last year, the components of the CCI weakened apart from increased intentions to spend money.

In December, the views of consumers' own current economy were good and views about economic development in Finland were weak. The other CCI components were at average levels.

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



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

In December, consumers considered their own financial situation to be excellent. The time was, in general, regarded favourable for raising a loan and also for saving, but not for buying durable goods.

Consumer confidence by major region and population group

In December, consumer confidence was strongest in Northern Finland (CCI -1.4) and weakest in Eastern Finland (-7.6). Among population groups, upper-level salaried employees were most optimistic (3.4) in December. Pensioners clearly had the gloomiest expectations concerning economic development (-14.7).

Consumer confidence 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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1. Examination of answer distributions

Consumers' own and Finland's economy

In December, only 12 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. The respective proportions in November were 10 and 44 per cent.

In all, 28 per cent of consumers believed in December that their own economy would improve and 14 per cent of them feared it would worsen over the year. The respective proportions in November were 28 and 13 per cent. Twenty-seven per cent of consumers estimated that their economy was now better than a year ago and 17 per cent felt that it was worse in December. In November, the respective proportions were 26 and 18 per cent.

Unemployment and inflation

Altogether 19 per cent of consumers thought in December that overall unemployment would decrease over the year, while 37 per cent of them believed it would increase. The respective proportions in November were 16 and 39 per cent.

In December, 46 per cent of employed persons felt that they were not threatened by unemployment at all. Eight per cent of employed persons reckoned that their personal threat of unemployment had lessened over the past few months, while 18 per cent thought it had grown.

Consumers predicted in December that consumer prices would go up by 2.7 per cent over the next 12 months. In November, the predicted inflation rate was still 2.4 per cent and its long-term average is 3.0 per cent.

Saving and taking out a loan

In December, 63 per cent of consumers thought the time was favourable for saving. Sixty-one per cent of households had been able to lay aside some money and 77 per cent believed they would be able to do so during the next 12 months.

In December, 64 per cent of consumers regarded the time good for taking out a loan. More consumers than usual or 17 per cent of them considered raising a loan within one year.

Buying of durable goods

Twenty-nine per cent of consumers considered the time favourable for buying durable goods in December. In November, the share was 26 per cent. Fourteen per cent of consumers planned on increasing and 35 per cent on reducing their spending on durable goods over the next 12 months.

In December, 15 per cent of consumers were either definitely or possibly going to buy a car during the next 12 months. More consumers than usual or 16 per cent of them considered buying a dwelling. Nineteen 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 December 2019, in all, 1,060 responses were gained. The non-response rate of the survey was 51.5 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.

2. Description of level revision of time series

In May 2019, Statistics Finland published time series for the statistics on consumer confidence that started from January 2018. The time series are based on previous time series of the Consumer Survey, the figures of which were revised to take into account the changes made to the data collection. Due to feedback from data users, we have decided to form comparable time series until 1998.

The statistics on consumer confidence published by Statistics Finland in May 2019 differs from the earlier Consumer Survey in terms of both the data collection method and age limits. In place of previously used telephone interviews, the data are collected with a combination of a web questionnaire and a telephone interview, which will be referred to as mixed-mode data collection. A panel design is in use, while earlier the data was collected from one-time samples. In addition, the population of the statistics on consumer confidence has been limited to persons aged between 18 and 74 instead of the previous population aged 15 to 84.

In order to continue comparable time series for the statistics on consumer confidence, the weights used in the sample survey were recalibrated starting from 2000. Unlike in the past, the level of education of the respondents was taken into consideration when creating the weights. The survey results were generalised with the help of the new weights to the entire population aged 18 to 74 for the entire time series. In addition, questions that previously were asked as household-specific in the survey, e.g. concerning plans to purchase a car or dwelling, were changed with a weighting coefficient to describe the purchasing plans of individual persons.

How the data collection method affects the results

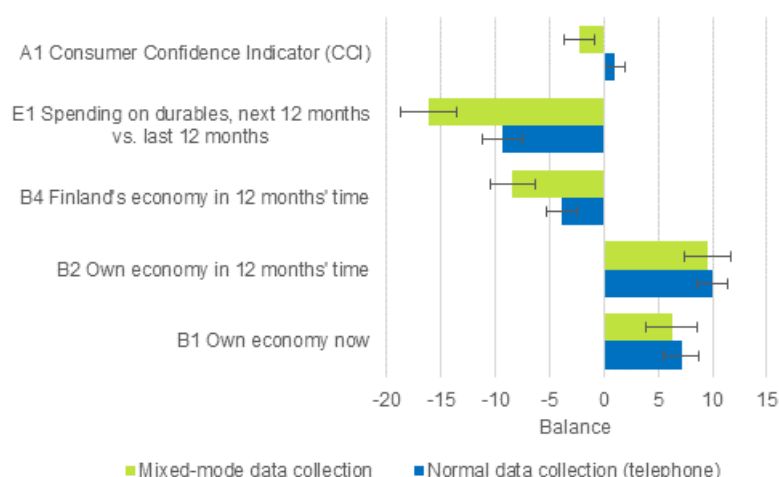
The changed data collection method could not be taken into account with the help of weights. The effects of the change in the data collection method on balance figures were estimated by utilising the data collected in mixed-mode data collections in February, March and April of 2019 that included 1,443 observations. The data from the mixed-mode data collection were compared to the data collected in telephone interviews for the Consumer Survey over the same period that included 3,071 observations. The aim was to examine to what extent the data collection method affects the results.

The consumer confidence indicator (CCI/A1) is the main key figure of the statistics on consumer confidence: the average of the balance figure of the four components. The balance figure is the weighted difference between the positive and negative response rates that varies between -100 and +100.

The values of the CCI and its components by data collection method are presented in Figure 1. Based on this, the mixed-mode data collection systematically produces more negative balance figures than mere telephone interviews.

The statistical significance of the differences between the data collection methods can be estimated using the 95 per cent confidence intervals presented in the line segment in Figure 1. Even though the balance figures show that the views concerning the respondent's own economy (B1, B2) are more negative in the mixed-mode data collection than in mere telephone interviews, the confidence intervals are overlapping and, thus, the differences are likely to not be statistically significant. For other components, the differences in the balance figures are higher than for the views concerning the respondent's own economy. The biggest difference in the components of the indicator between the data collection methods is in the balance figure for spending on durable goods (E1), where the difference is around seven units.

Figure 1. Consumer Confidence Indicator (CCI) and its components by two different data collection methods



It is known based on research literature that the data collection method affects the results. The respondents tend to give more pessimistic views on the web form than in telephone interviews. Especially for sensitive topics, the form has been seen as enabling more truthful responses than the telephone interview as the respondent is not under pressure to answer in a socially acceptable way. In this respect, a mixed-mode data collection can be seen as an improvement in terms of the reliability of the results. In addition, several data collection methods serve different types of responders better.

Forming of the time series

In May 2019, in connection with the release of the statistics on consumer confidence, the old time series of the Consumer Survey were revised to take into account the changes caused by the data collection method starting from 2018. Existing time series were revised to take into account the effect of the data collection methods on key figures that are presented in Figure 1 and Appendix table 2.

Revising the time series further back than 2018 required methodological work to calculate the weights and to determine the magnitude of level revisions in the longer term. When the weights had been calculated for the monthly data starting from 2000 using the new method, the magnitude of the level revision could be estimated with the help of re-weighted time series with uniform populations.

It was decided that the level revision would be backcasted in the time series until 1998 in order to avoid a clear break in the time series caused by the changed data collection method. Estimates on the level revision are based on the data from the mixed-mode data collection in early 2019 described above.

The time series for the statistics on consumer confidence are now available starting from 1998. Uniform time series describe the population aged 18 to 74 and they try to take into account the changes caused by the data collection method in recent years. We could only assess the changes caused by the data collection method reliably for the balance figures. Thus, the revised time series only include data on key balance figures, the confidence indicator, inflation percentages and a few relative shares.

Appendix tables

Appendix table 1. Consumers' views and intentions¹⁾

	Average 07/1998-	Max. 07/1998-	Min. 07/1998-	12/2018	11/2019	12/2019	Outlook ²⁾
A1 Consumer confidence indicator, CCI = (B1+B2+B4+E1)/4	-1.9	6.8	-12.8	-2.2	-5.0	-4.2	-
B1 Own economy now (balance)	3.4	8.5	-5.0	6.5	4.9	6.2	+
- Better (%)	.	.	.	.	26.4	27.1	
- Worse (%)	.	.	.	.	18.3	17.1	
B2 Own economy in 12 months' time (balance)	8.4	13.5	2.0	10.0	9.0	8.5	=
- Better (%)	.	.	.	.	27.6	28.2	
- Worse (%)	.	.	.	.	12.8	13.6	
B3 Finland's economy now (balance)	-7.9	25.9	-66.5	4.8	-16.0	-14.7	-
- Better (%)	.	.	.	.	10.1	11.4	
- Worse (%)	.	.	.	.	38.8	36.9	
B4 Finland's economy in 12 months' time (balance)	-2.8	20.3	-32.8	-7.6	-19.7	-15.6	--
- Better (%)	.	.	.	.	10.3	12.5	
- Worse (%)	.	.	.	.	43.8	38.0	
B5 Inflation now (per cent)	3.3	6.9	1.2	3.0	2.5	2.8	
B6 Inflation in 12 months' time (per cent)	3.0	5.3	1.7	3.0	2.4	2.7	
B7 Unemployment in Finland in 12 months' time (balance)	-12.6	18.5	-59.5	-0.9	-12.9	-10.2	=
- Less (%)	.	.	.	.	15.9	19.1	
- More (%)	.	.	.	.	39.0	37.0	
B8 Own threat of unemployment now (balance)	-5.7	4.8	-25.1	0.7	-5.1	-6.3	=
- Decreased (%)	.	.	.	.	6.7	8.2	
- Increased (%)	.	.	.	.	15.4	17.8	
C1 Favourability of time for purchasing durables (balance)	19.5	43.5	-13.8	17.4	15.1	16.5	-
- Good time (%)	.	.	.	.	26.5	29.4	
- Bad time (%)	.	.	.	.	11.4	12.9	
C2 Favourability of time for saving (balance)	7.1	29.4	-15.2	20.9	15.2	15.3	+
- Good time (%)	.	.	.	.	61.7	62.6	
- Bad time (%)	.	.	.	.	36.5	35.9	
C3 Favourability of time for raising a loan (balance)	8.0	31.7	-60.4	4.6	19.6	18.0	+
- Good time (%)	.	.	.	.	64.8	63.9	
- Bad time (%)	.	.	.	.	33.2	34.0	
D1 Own financial situation now (balance)	22.8	31.0	12.4	29.8	27.4	28.8	++
- Money is saved (%)	.	.	.	.	59.7	61.5	
- Uses savings or gets into debt (%)	.	.	.	.	11.4	10.7	
D2 Own saving possibilities in the next 12 months (balance)	42.5	53.1	17.3	50.7	50.5	47.3	+
- Can save (%)	.	.	.	.	78.6	77.0	
- Cannot save (%)	.	.	.	.	21.1	22.8	
D5 Intention to raise a loan in the next 12 months (% of consumers)	15.6	20.4	10.5	16.6	20.4	17.4	++
- Yes, absolutely (%)	.	.	.	.	5.7	4.7	

	Average 07/1998-	Max. 07/1998-	Min. 07/1998-	12/2018	11/2019	12/2019	Outlook ²⁾
- Possibly (%)	.	.	.	.	14.7	12.7	
E1 Spending on durables, next 12 months vs. last 12 months (balance)	-16.4	-9.7	-26.2	-17.6	-13.9	-15.9	=
- More (%)	.	.	.	.	16.0	14.0	
- Less (%)	.	.	.	.	33.4	35.5	
E2 Intention to buy a car in the next 12 months (% of consumers)	14.3	19.2	10.1	12.5	16.7	14.5	=
- Very likely (%)	.	.	.	.	5.6	5.8	
- Quite likely (%)	.	.	.	.	11.1	8.7	
E4 Intention to buy a dwelling in the next 12 months (% of consumers)	12.7	16.5	9.9	12.0	15.5	16.4	++
- Yes, absolutely (%)	.	.	.	.	5.0	5.1	
- Possibly (%)	.	.	.	.	10.5	11.4	
E5 Intention to spend money on basic repairs of dwelling in the next 12 months (% of consumers)	17.4	26.0	8.1	15.6	21.3	19.5	+
- Very likely (%)	.	.	.	.	8.2	7.0	
- Quite likely (%)	.	.	.	.	13.1	12.4	

1) Period 07/1998–04/2019: information on answer distributions cannot be presented, only the (revised) balance figures, inflation estimates and some percentage shares are published.

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

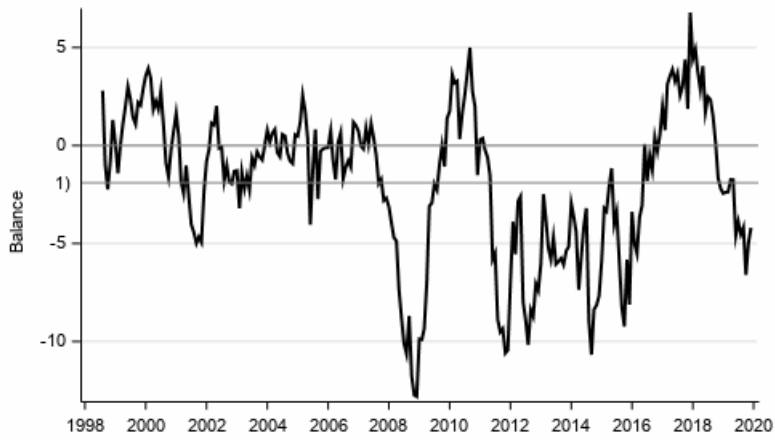
Appendix table 2. Results and standard errors in February to April 2019 by two different data collection methods

	Normal data collection (telephone interviews)	Mixed-mode data collection	Normal data collection: Standard error	Mixed-mode data collection: Standard error
A1 Consumer confidence indicator, CCI = (B1+B2+B4+E1)/4	1.0	-2.2	0.48	0.72
B1 Own economy now (balance)	7.2	6.2	0.81	1.22
- Better (%)	28.1	26.3	0.87	1.25
- Worse (%)	16.5	16.8	0.72	1.06
B2 Own economy in 12 months' time (balance)	10.0	9.5	0.72	1.07
- Better (%)	28.6	29.0	0.88	1.31
- Worse (%)	11.6	12.8	0.61	0.93
B3 Finland's economy now (balance)	6.7	2.8	0.70	1.10
- Better (%)	30.2	27.8	0.87	1.22
- Worse (%)	16.2	22.0	0.70	1.15
B4 Finland's economy in 12 months' time (balance)	-3.9	-8.4	0.73	1.05
- Better (%)	20.7	15.8	0.80	1.04
- Worse (%)	27.7	31.0	0.84	1.27
B5 Inflation now (per cent)	1.7	2.6	0.05	0.09
B6 Inflation in 12 months' time (per cent)	1.9	2.6	0.05	0.08
B7 Unemployment in Finland in 12 months' time (balance)	5.3	-1.8	0.75	1.12
- Less (%)	34.3	26.2	0.90	1.23
- More (%)	23.2	27.8	0.81	1.26
B8 Own threat of unemployment now (balance)	3.2	-1.7	0.58	0.66
- Decreased (%)	10.0	4.4	0.58	0.59
- Increased (%)	6.7	7.6	0.48	0.75
C1 Favourability of time for purchasing durables (balance)	19.3	20.6	1.47	1.72
- Good time (%)	40.6	31.0	0.94	1.30
- Bad time (%)	21.3	10.5	0.79	0.86
C2 Favourability of time for saving (balance)	28.8	21.9	1.00	1.56
- Good time (%)	72.0	68.0	0.85	1.32
- Bad time (%)	23.5	30.7	0.80	1.30
C3 Favourability of time for raising a loan (balance)	23.7	11.9	1.01	1.61
- Good time (%)	67.2	61.1	0.91	1.37
- Bad time (%)	25.4	37.2	0.85	1.36
D1 Own financial situation now (balance)	38.1	28.3	0.80	1.32
- Money is saved (%)	73.0	62.1	0.86	1.38
- Uses savings or gets into debt (%)	6.7	10.4	0.49	0.91
D2 Own saving possibilities in the next 12 months (balance)	58.0	50.9	1.16	1.88
- Can save (%)	83.9	79.3	0.72	1.15
- Cannot save (%)	14.8	20.5	0.69	1.14
D5 Intention to raise a loan in the next 12 months (% of consumers)	15.6	16.6	0.71	1.08
E1 Spending on durables, next 12 months vs. last 12 months (balance)	-9.3	-16.1	0.96	1.32
- More (%)	20.8	14.6	0.79	1.02

	Normal data collection (telephone interviews)	Mixed-mode data collection	Normal data collection: Standard error	Mixed-mode data collection: Standard error
- Less (%)	32.5	34.7	0.90	1.33
E2 Intention to buy a car in the next 12 months (% of consumers)	20.6	15.1	0.78	1.03
E4 Intention to buy a dwelling in the next 12 months (% of consumers)	8.8	13.4	0.53	0.97
E5 Intention to spend money on basic repairs of dwelling in the next 12 months (% of consumers)	22.9	18.7	0.78	1.07
E62 Other intentions to buy, next 6 months: Home furnishing (% of consumers)	46.5	57.1	0.95	1.38
E63 Other intentions to buy, next 6 months: Free-time residence (% of consumers)	2.3	4.2	0.29	0.56
E64 Other intentions to buy, next 6 months: Entertainment electronics (% of consumers)	37.8	47.3	0.93	1.40
E65 Other intentions to buy, next 6 months: Home appliances (% of consumers)	20.4	32.9	0.77	1.32
E66 Other intentions to buy, next 6 months: Hobby or sports equipment (% of consumers)	32.7	27.1	0.90	1.26
E67 Other intentions to buy, next 6 months: Vehicle (not a car) (% of consumers)	17.8	22.4	0.74	1.19
E68 Other intentions to buy, next 6 months: Leisure trip in Finland (% of consumers)	64.9	71.9	0.91	1.27
E69 Other intentions to buy, next 6 months: Leisure trip abroad (% of consumers)	57.2	63.4	0.94	1.35

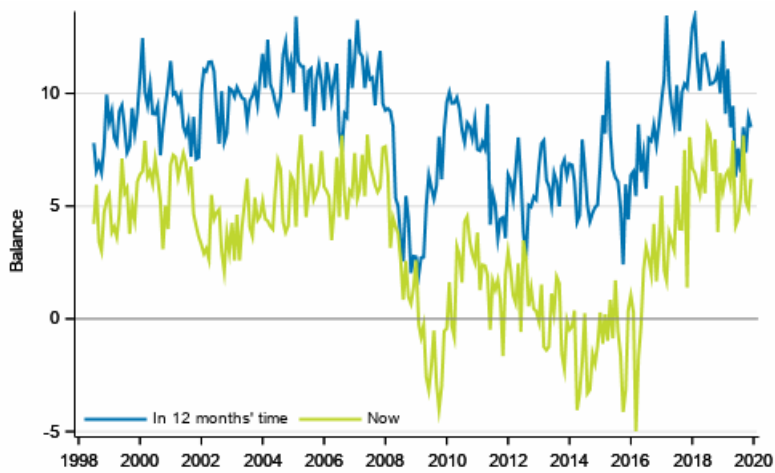
Appendix figures

Appendix figure 1. Consumer confidence indicator (CCI)

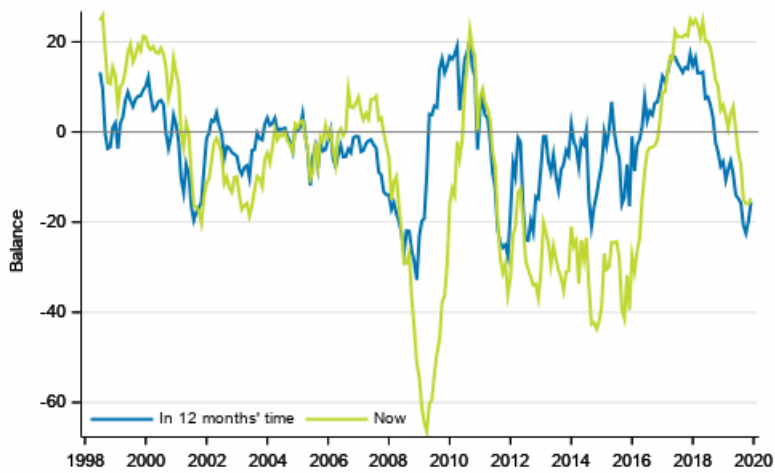


1) average 07/1998 - 12/2019

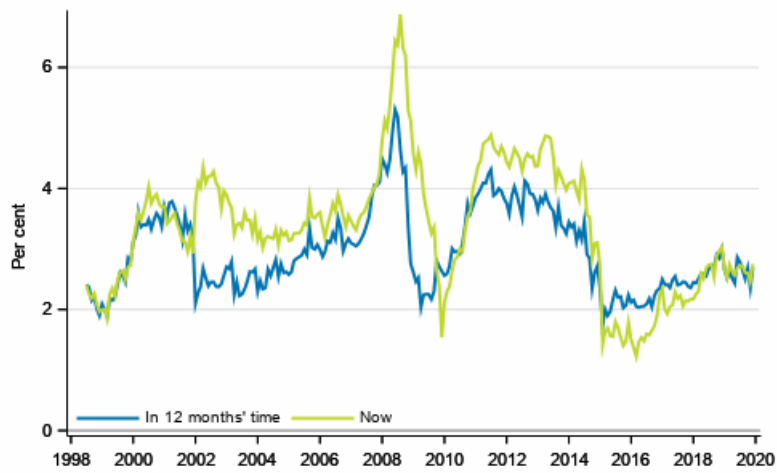
Appendix figure 2. Own economy



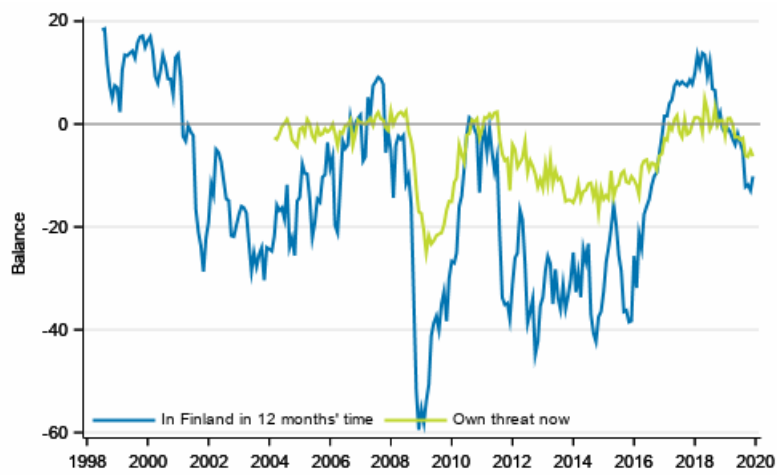
Appendix figure 3. Finland's economy



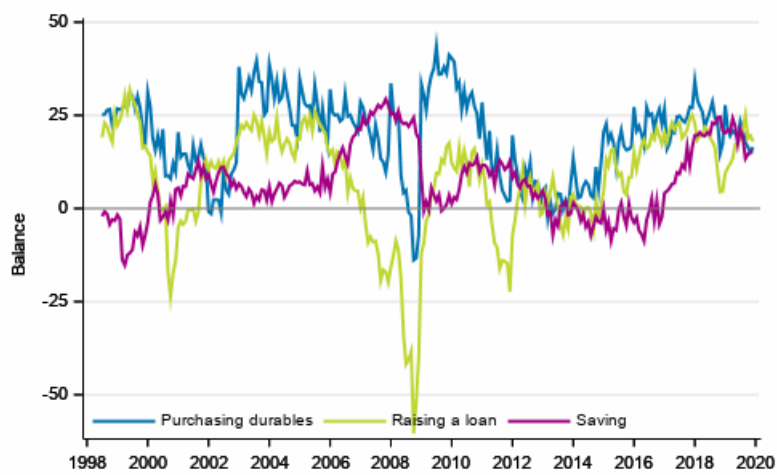
Appendix figure 4. Inflation



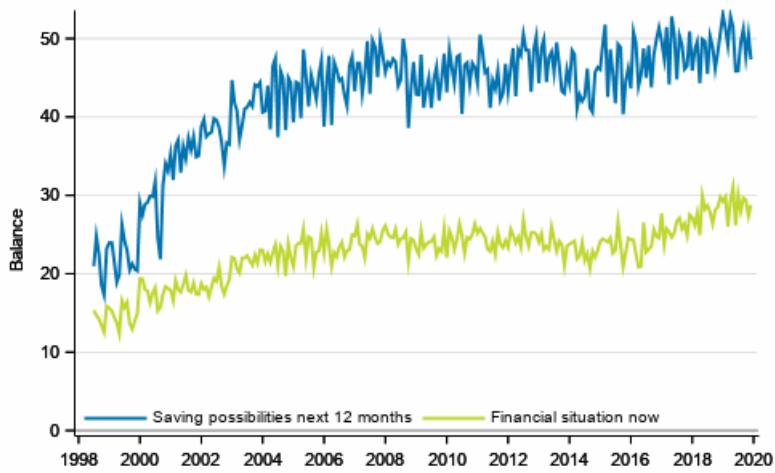
Appendix figure 5. Unemployment



Appendix figure 6. Favourability of time for



Appendix figure 7. Own financial situation and saving possibilities



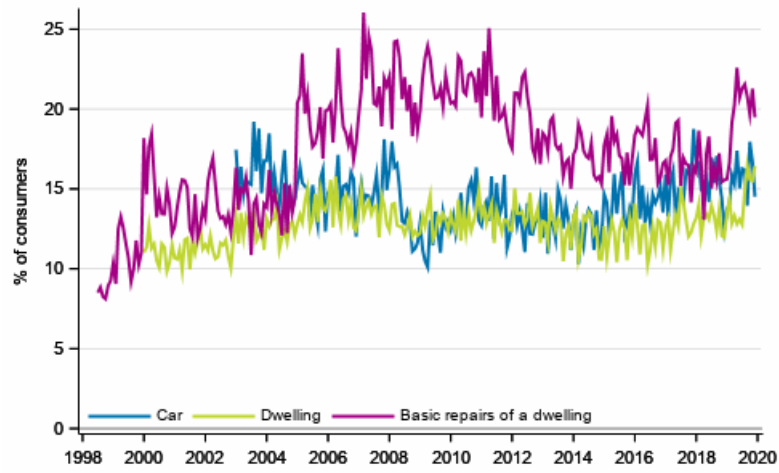
Appendix figure 8. Intention to raise a loan, next 12 months



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, December. Statistics Finland