

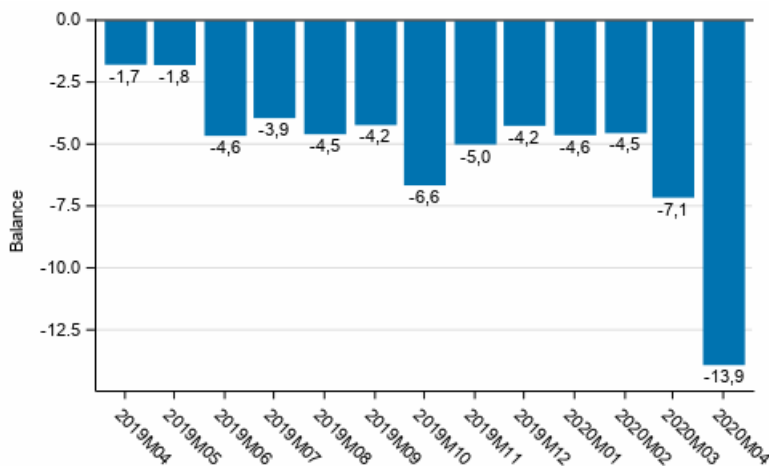
Consumer Confidence

2020, April

Consumer confidence fell to its weakest ever

The consumer confidence indicator (CCI) stood at -13.9 in April, having been -7.1 in March and -4.5 in February. The April figure is the most dismal in the measuring history of 1995–2020 of consumer confidence. Last year in April, the CCI received the value -1.7. The long-term average for the CCI is -1.7. The data are based on Statistics Finland’s Consumer Confidence Survey, to which 1,134 persons resident in Finland responded between 1 and 19 April. Information based on the Consumer Confidence Survey on the economic and employment effects of the current corona pandemic has also been published in Statistics Finland’s online [Tieto&Trendit](#) periodical.

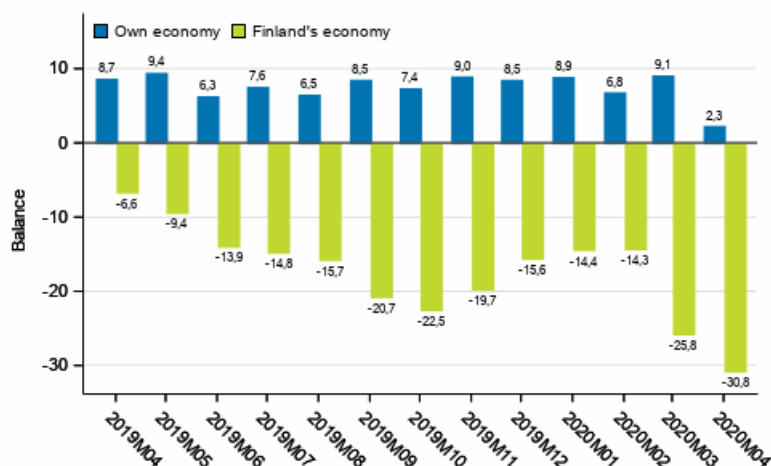
Consumer confidence indicator (CCI)



In April, all four components of the CCI weakened clearly from the previous month, as well as from the corresponding period of last year. The components are: views on consumers’ own economy now, expectations concerning their own and Finland’s economy in 12 months, and intentions to spend money on durable goods in the next 12 months.

In April, each component of the CCI was on a dismal level and at the same time close to its record low in 2008 to 2009, except for views on one’s own economy at present. Consumers had fewer intentions of buying durable goods in April than ever before.

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



Consumers' estimate of the development of employment situation in Finland also dropped to a gloomy level in April. The same applied to the personal threat of unemployment experienced by consumers, that is, wage and salary earners and self-employed persons. This threat was considered worst ever. In contrast, expectations concerning the rising rate of consumer prices remained unchanged in April.

Consumers considered their own financial situation to be still excellent in April – even though saving possibilities in the next few months were not assessed any more as usual. The time was now regarded very poor for saving, for taking out a loan and buying durable goods. Nevertheless, many in April were still thinking of buying a dwelling and taking out a loan in the next 12 months.

Consumer confidence by major region and population group

In April, consumers' confidence in the economy was strongest in Northern Finland (CCI -10.1) and in Greater Helsinki (-10.7) and weakest in elsewhere in Southern Finland (-17.9). Students (-6.7) were the least pessimistic population group. Pensioners clearly had the gloomiest expectations concerning economic development (-21.4). Among self-employed persons, the CCI fell to -17.7 in April.

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 response distributions

Consumers' own and Finland's economy

As many as 82 per cent of consumers estimated in April that Finland's economy was now worse than a year ago and only four per cent of consumers felt that it was better. The respective proportions in March were 42 and 8 per cent. Twenty-one per cent of consumers thought in April that their own economy is at the moment worse than one year ago. However, roughly as many consumers or 20 per cent considered their own economy stronger than one year ago. One month earlier, the respective proportions were 19 and 27 per cent.

In April 27 per cent of consumers believed that Finland's economic situation would improve in the coming twelve months, while as many as 61 per cent of them thought that the country's economy would deteriorate. The respective proportions in March were 11 and 52 per cent.

In all, 24 per cent of consumers believed in April that their own economy would improve and as many as 21 per cent of them feared it would worsen over the year. The corresponding proportions in March were 30 and 14 per cent.

Unemployment and inflation

Altogether 10 per cent of consumers thought in April that general unemployment would decrease over the year, while as many as 82 per cent of them believed it would increase. The respective proportions in March were 16 and 47 per cent.

In April, 33 per cent of employed persons felt that they were not threatened by unemployment at all. Just two per cent of employed persons reckoned that their personal threat of unemployment had lessened over the past few months, while as many as 41 per cent thought it had grown. One month ago, these three proportions were 43, 8 and 21 per cent.

Consumers predicted in April that consumer prices would go up by 2.4 per cent over the next 12 months. The predicted long-term average inflation rate is 3.0 per cent.

Saving and taking out a loan

In April 40 per cent of consumers thought the time was favourable for saving. The proportion was still 61 per cent in March. In April 62 per cent of households had been able to lay aside some money and slightly fewer than before, or 74 per cent believed they would be able to do so during the next 12 months.

In April only 28 per cent of consumers regarded the time good for taking out a loan. One month earlier, the corresponding share was 59 per cent. In April still slightly more consumers than usual, or 17 per cent of them, were planning to raise a loan within one year.

Buying of durable goods

Just 20 per cent of consumers considered the time favourable for buying durable goods in April. Nine per cent of consumers planned on increasing and as many as 46 per cent on reducing their spending on durable goods over the next 12 months. These two proportions were 14 and 36 per cent in March.

In April, only 12 per cent of consumers were either definitely or possibly going to buy a car during the next 12 months. Intentions related to the dwelling – besides taking out a loan – were still on the average level. In April, 12 per cent considered buying a dwelling. Seventeen per cent of consumers were while 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 3.9 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 April 2020, in all, 1,134 responses were gained. Of responses, 74 per cent came from the web questionnaire. 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 intentions¹⁾

	Average 10/1995-	Max. 10/1995-	Min. 10/1995-	04/2019	03/2020	04/2020	Outlook ²⁾
A1 Consumer confidence indicator, CCI = (B1+B2+B4+E1)/4	-1.7	6.8	-13.9	-1.7	-7.1	-13.9	--
B1 Own economy now (balance)	3.1	8.6	-5.3	6.1	5.2	-0.3	--
- Better (%)	.	.	.	.	27.4	20.2	
- Worse (%)	.	.	.	.	18.9	20.8	
B2 Own economy in 12 months' time (balance)	8.0	13.5	1.2	8.7	9.1	2.3	--
- Better (%)	.	.	.	.	29.7	23.6	
- Worse (%)	.	.	.	.	14.2	20.6	
B3 Finland's economy now (balance)	-5.7	25.9	-66.5	4.5	-20.8	-59.8	--
- Better (%)	.	.	.	.	8.4	4.0	
- Worse (%)	.	.	.	.	42.2	82.5	
B4 Finland's economy in 12 months' time (balance)	-1.7	20.3	-32.8	-6.6	-25.8	-30.8	--
- Better (%)	.	.	.	.	10.8	27.1	
- Worse (%)	.	.	.	.	52.4	61.0	
B5 Inflation now (per cent)	3.1	6.9	-2.7	2.6	2.4	2.1	
B6 Inflation in 12 months' time (per cent)	3.0	5.3	1.7	2.5	2.3	2.4	
B7 Unemployment in Finland in 12 months' time (balance)	-10.2	20.3	-59.5	-2.8	-19.7	-55.1	--
- Less (%)	.	.	.	.	15.7	10.2	
- More (%)	.	.	.	.	46.8	82.0	
B8 Own threat of unemployment now (balance)	-5.8	4.7	-26.6	-0.4	-8.1	-26.6	--
- Decreased (%)	.	.	.	.	7.8	2.3	
- Increased (%)	.	.	.	.	21.1	41.3	
C1 Favourability of time for purchasing durables (balance)	19.7	43.5	-14.3	21.0	12.2	-14.3	--
- Good time (%)	.	.	.	.	27.1	20.4	
- Bad time (%)	.	.	.	.	14.9	34.7	
C2 Favourability of time for saving (balance)	4.3	29.4	-28.5	24.1	13.7	-12.0	--
- Good time (%)	.	.	.	.	60.8	39.7	
- Bad time (%)	.	.	.	.	37.2	59.2	
C3 Favourability of time for raising a loan (balance)	7.8	31.7	-60.4	13.8	11.9	-29.1	--
- Good time (%)	.	.	.	.	59.5	28.1	
- Bad time (%)	.	.	.	.	38.7	69.8	
D1 Own financial situation now (balance)	21.5	31.0	6.4	29.5	29.7	29.4	++
- Money is saved (%)	.	.	.	.	62.5	62.4	
- Uses savings or gets into debt (%)	.	.	.	.	10.4	10.6	
D2 Own saving possibilities in the next 12 months (balance)	39.7	53.6	9.8	53.4	49.4	41.9	=
- Can save (%)	.	.	.	.	78.2	73.9	
- Cannot save (%)	.	.	.	.	21.2	25.6	
D5 Intention to raise a loan in the next 12 months (% of consumers)	15.4	21.1	10.5	16.7	21.1	16.9	+
- Yes, absolutely (%)	.	.	.	.	5.7	3.8	

	Average 10/1995-	Max. 10/1995-	Min. 10/1995-	04/2019	03/2020	04/2020	Outlook ²⁾
- Possibly (%)	.	.	.	.	15.5	13.1	
E1 Spending on durables, next 12 months vs. last 12 months (balance)	-16.3	-9.7	-26.7	-15.1	-17.0	-26.7	--
- More (%)	.	.	.	.	13.6	9.2	
- Less (%)	.	.	.	.	35.6	45.5	
E2 Intention to buy a car in the next 12 months (% of consumers)	14.3	19.2	10.1	15.4	14.5	11.6	--
- Very likely (%)	.	.	.	.	4.9	3.1	
- Quite likely (%)	.	.	.	.	9.6	8.5	
E4 Intention to buy a dwelling in the next 12 months (% of consumers)	12.5	16.5	9.1	13.4	14.3	12.4	=
- Yes, absolutely (%)	.	.	.	.	4.2	4.0	
- Possibly (%)	.	.	.	.	10.1	8.4	
E5 Intention to spend money on basic repairs of dwelling in the next 12 months (% of consumers)	17.4	26.0	8.1	20.6	22.1	16.9	=
- Very likely (%)	.	.	.	.	7.4	5.5	
- Quite likely (%)	.	.	.	.	14.7	11.4	

1) Period 10/1995–04/2019: information on response 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.

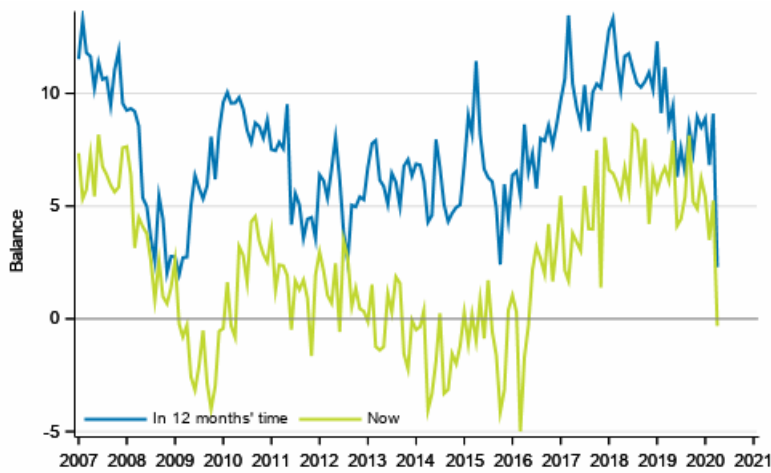
Appendix figures

Appendix figure 1. Consumer confidence indicator (CCI)

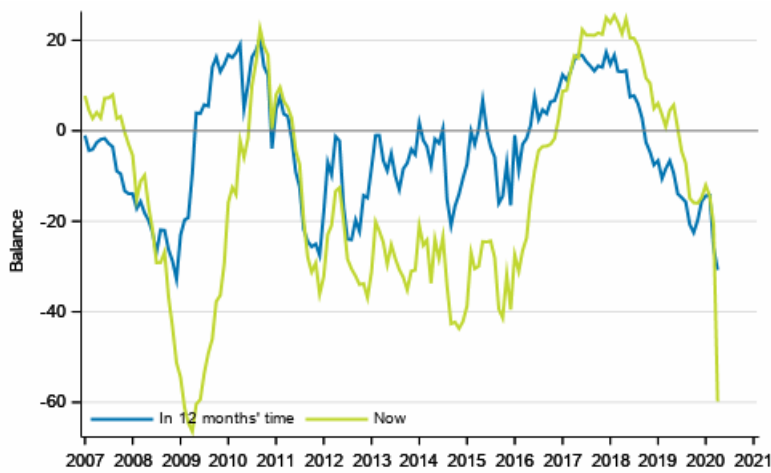


1) average 10/1995 - 04/2020

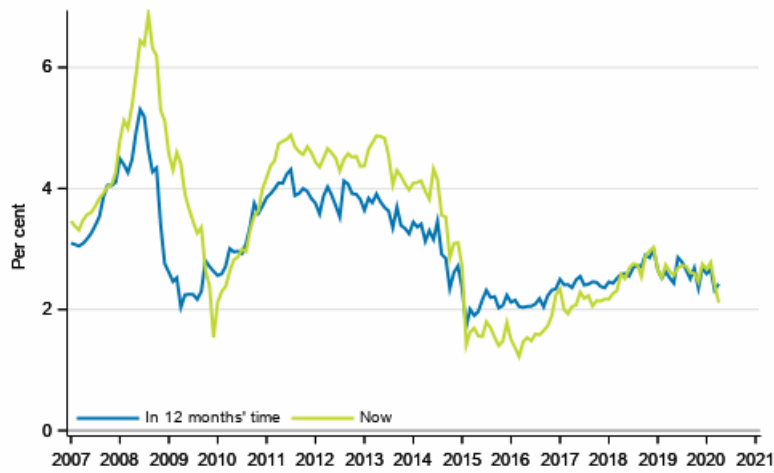
Appendix figure 2. Own economy



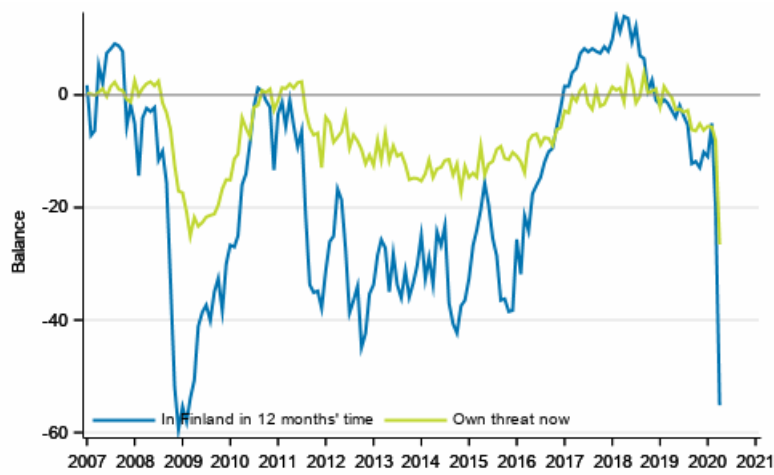
Appendix figure 3. Finland's economy



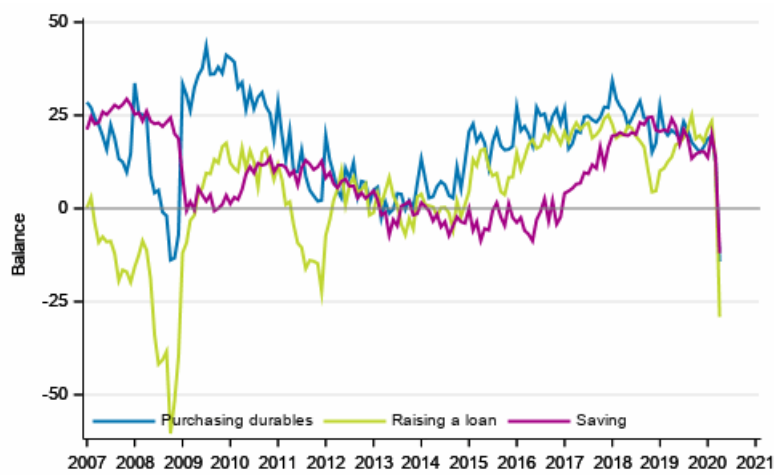
Appendix figure 4. Inflation



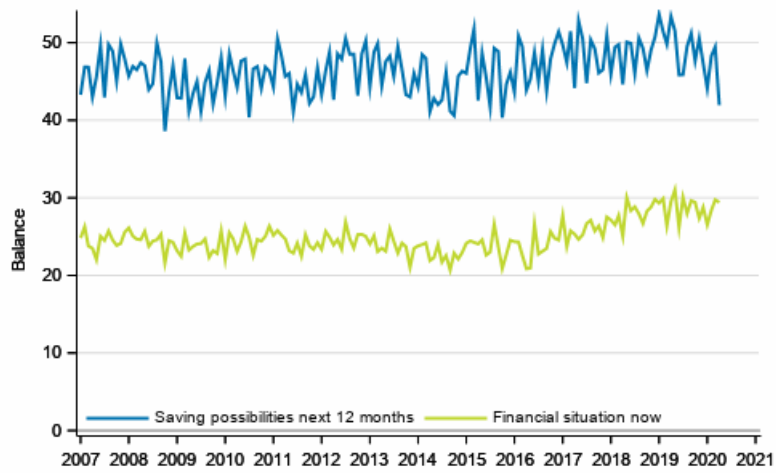
Appendix figure 5. Unemployment



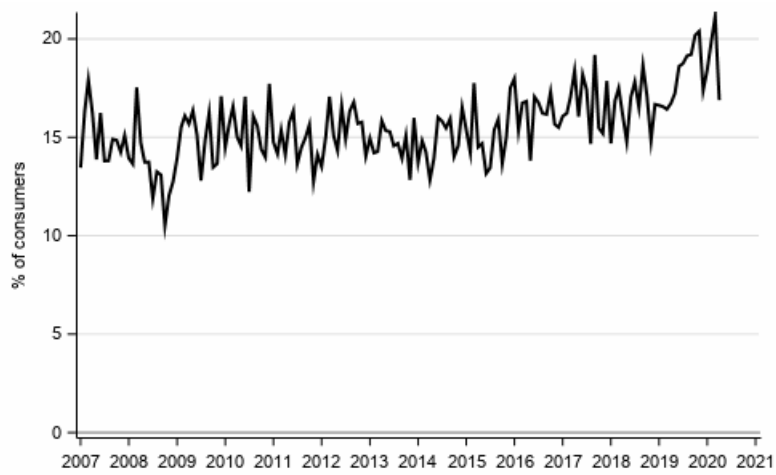
Appendix figure 6. Favourability of time for



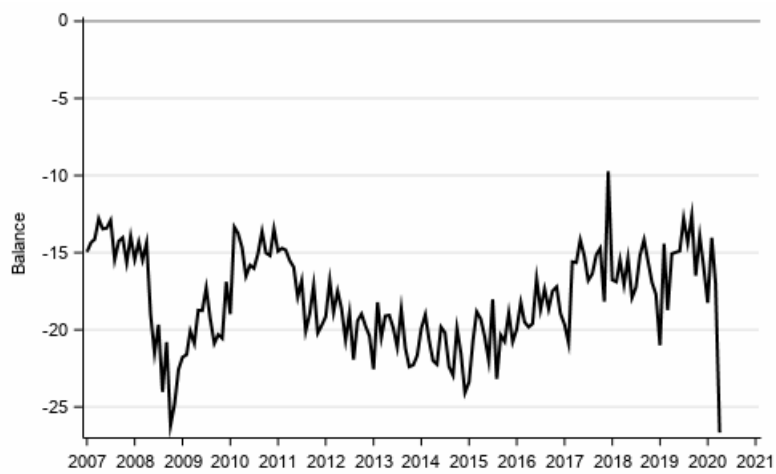
Appendix figure 7. Own financial situation and saving possibilities



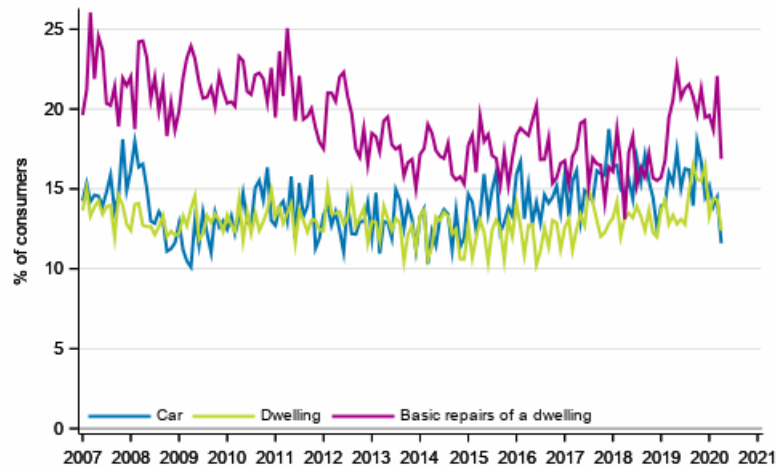
Appendix figure 8. Intention to raise a loan, next 12 months



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 2020, April. Statistics Finland