

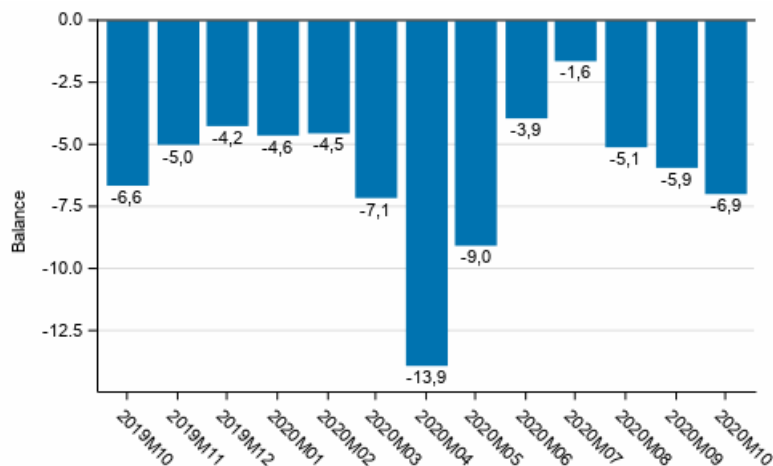
Consumer Confidence

2020, October

Consumer confidence continued to erode in October

The consumer confidence indicator (CCI) stood at -6.9 in October, having been -5.9 in September and -5.1 in August. In last year's October the CCI received the value -6.6. The long-term average for the CCI is -1.8. The data are based on Statistics Finland's Consumer Confidence Survey, to which 1,181 persons resident in Finland responded between 1 and 19 October.

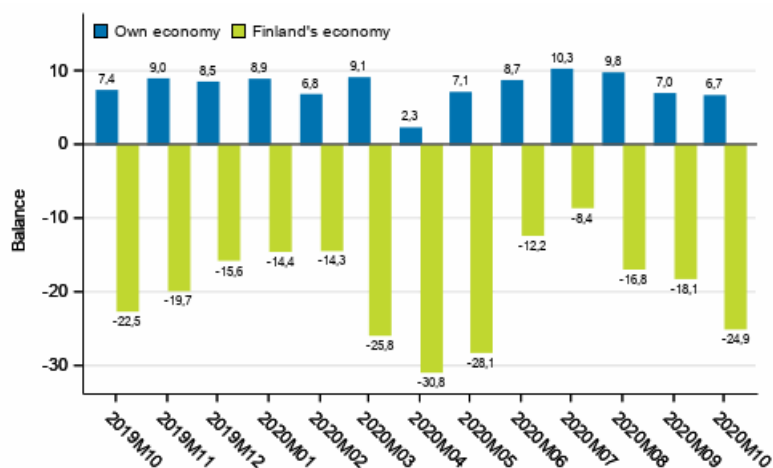
Consumer confidence indicator (CCI)



Of the four components of the CCI, views concerning the present state of consumer's own economy and also on spending money on durable goods within one year improved slightly in October from September. Consumers' expectations concerning their own economy in 12 months remained more or less unchanged, while their expectations concerning Finland's economy in the near future still weakened clearly. Compared with the corresponding period last year, the components of the CCI turned slightly for the worse in October apart from intentions to spend money.

In October, consumers' views on Finland's economic development were gloomy. Expectations concerning one's own economy in the near future were subdued but estimates of its present state were already fairly bright. Consumers had slightly more intentions of spending money on durable goods than average in October.

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



Consumers' expectations concerning the development of the general unemployment situation dropped to an even gloomier level in October. There was also more personal threat of unemployment or lay-off experienced by employed consumers, that is, wage and salary earners and self-employed persons. Consumers' estimates of the growth rate of consumer prices in the coming months rose slightly in October.

In October, consumers considered their own financial situation to be still excellent. The time was again regarded as fairly favourable for saving but poor for buying durable goods and especially for raising a loan. However, very many were still going to take out a loan in October. Consumers also had plenty plans of buying a dwelling. In addition, very many consumers were considering renovating their dwelling and buying a car.

Consumer confidence by major region and population group

In October, consumers' confidence in the economy was strongest in Greater Helsinki (CCI -2.3) and weakest elsewhere in Southern Finland (-10.4). Of population groups, students were most optimistic (-1.4). Pensioners had the most pessimistic views concerning economic development (-13.7). The CCI received the value -6.3 among self-employed persons in October.

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.

Contents

1. Examination of response distributions.....	4
2. Method of the Consumer Confidence Survey.....	5

Tables

Appendix tables

Appendix table 1. Consumers' views and intentions.....	6
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Figures

Appendix figures

Appendix figure 1. Consumer confidence indicator (CCI).....	8
Appendix figure 2. Own economy.....	8
Appendix figure 3. Finland's economy.....	8
Appendix figure 4. Inflation.....	9
Appendix figure 5. Unemployment.....	9
Appendix figure 6. Favourability of time for.....	9
Appendix figure 7. Own financial situation and saving possibilities.....	10
Appendix figure 8. Intention to raise a loan, next 12 months.....	10
Appendix figure 9. Spending on durables, next 12 months vs. last 12 months.....	10
Appendix figure 10. Intentions to buy, next 12 months.....	11

1. Examination of response distributions

Consumers' own and Finland's economy

As many as 87 per cent of consumers thought in October that Finland's economy was now worse than a year ago and only three per cent of consumers felt that it was better. Eighteen per cent of consumers thought in October that their own economy is at the moment worse than one year ago. Slightly more consumers or 24 per cent considered their own economy stronger than one year ago.

In October, 21 per cent of consumers believed that Finland's economic situation would improve in the coming twelve months, while already more than one half, or 52 per cent, of them thought that the country's economy would deteriorate. One month earlier, the corresponding proportions were 25 and 46 per cent and in last year's October 10 and 48 per cent.

In October, 26 per cent of consumers believed that their own economy would improve and 15 per cent of them feared it would worsen over the year. In September, the corresponding proportions were 27 and 15 per cent and twelve months ago 26 and 14 per cent.

Unemployment and inflation

Only 12 per cent of consumers thought in October that general unemployment would decrease in Finland over the year, while as many as 76 per cent of them believed it would increase. In September, the respective proportions were 13 and 71 per cent and twelve months ago 19 and 40 per cent.

In October, four per cent of employed persons believed that their personal threat of unemployment or lay-off had lessened over the past few months, whereas 34 per cent thought it had grown. On the other hand, 37 per cent of employed persons felt that they were not threatened by unemployment or lay-off at all. One month earlier, these three proportions were 4, 38 and 32 per cent and in last year's October, 7, 18 and 48 per cent.

Consumers predicted in October that consumer prices would go up by 2.4 per cent over the next 12 months. In September, the predicted inflation rate was 2.2 per cent, and its long-term average is 2.9 per cent.

Saving and taking out a loan

In October, 53 per cent of consumers thought the time was favourable for saving. Twelve months ago, the proportion was 61 per cent. In October, 65 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 October, 44 per cent of consumers regarded the time good for taking out a loan. One year earlier, the corresponding share was 65 per cent. However, more consumers than usual, or 19 per cent, were planning in October to take out a loan within one year. The average long-term proportion is 15 per cent.

Use of money

Twenty-nine per cent of consumers considered the time favourable for buying durable goods in October. Fourteen per cent of consumers planned on increasing and 31 per cent on reducing their spending on durable goods over the next 12 months.

In October slightly more than average, or 16 per cent of consumers were either definitely or possibly going to buy a car during the next 12 months. In October, many also considered buying a dwelling within a year: 15 per cent of consumers. The long-term predicted average is 13 per cent. In addition, 21 per cent of consumers were planning in October to spend money on renovating their dwelling within a year.

2. 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. A rotating panel design is applied in the survey. Participants are meant to respond twice within six months. Each month, the target is a random sample of about 2,200 persons, of whom one half are first-timers and one half participate for the second time. 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 October 2020, in all, 1,181 responses were gained. Of responses, 76 per cent came from the web questionnaire. The non-response rate of the survey was 46.0 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-	10/2019	09/2020	10/2020	Outlook ²⁾
A1 Consumer confidence indicator, CCI = (B1+B2+B4+E1)/4	-1.8	6.8	-13.9	-6.6	-5.9	-6.9	--
B1 Own economy now (balance)	3.1	8.6	-5.3	5.2	2.3	3.9	+
- Better (%)	.	.	.	26.6	23.3	23.8	
- Worse (%)	.	.	.	18.0	20.6	18.1	
B2 Own economy in 12 months' time (balance)	8.0	13.5	1.2	7.4	7.0	6.7	-
- Better (%)	.	.	.	26.4	27.3	25.6	
- Worse (%)	.	.	.	14.4	15.2	15.2	
B3 Finland's economy now (balance)	-6.8	25.9	-66.5	-15.9	-57.7	-61.0	--
- Better (%)	.	.	.	9.2	2.2	2.9	
- Worse (%)	.	.	.	37.4	84.2	87.5	
B4 Finland's economy in 12 months' time (balance)	-2.0	20.3	-32.8	-22.5	-18.1	-24.9	--
- Better (%)	.	.	.	9.9	24.6	20.5	
- Worse (%)	.	.	.	48.1	46.1	52.2	
B5 Inflation now (per cent)	3.1	6.9	-2.7	2.6	2.0	2.0	
B6 Inflation in 12 months' time (per cent)	2.9	5.3	1.7	2.7	2.2	2.4	
B7 Unemployment in Finland in 12 months' time (balance)	-10.6	20.3	-59.5	-11.8	-39.9	-45.5	--
- Less (%)	.	.	.	19.5	13.0	12.2	
- More (%)	.	.	.	39.9	70.6	76.3	
B8 Own threat of unemployment now (balance)	-6.2	4.7	-26.6	-6.4	-22.1	-20.8	--
- Decreased (%)	.	.	.	6.8	4.4	4.0	
- Increased (%)	.	.	.	17.9	37.7	33.8	
C1 Favourability of time for purchasing durables (balance)	19.6	43.5	-14.3	16.5	9.7	11.2	-
- Good time (%)	.	.	.	28.3	27.6	29.2	
- Bad time (%)	.	.	.	11.9	17.9	18.0	
C2 Favourability of time for saving (balance)	4.3	29.4	-28.5	14.5	6.7	5.7	=
- Good time (%)	.	.	.	61.0	53.5	53.1	
- Bad time (%)	.	.	.	36.3	45.6	45.8	
C3 Favourability of time for raising a loan (balance)	7.5	31.7	-60.4	18.7	-6.5	-5.9	-
- Good time (%)	.	.	.	64.6	43.7	44.1	
- Bad time (%)	.	.	.	33.4	54.2	53.6	
D1 Own financial situation now (balance)	21.7	31.0	6.4	29.4	30.0	30.9	++
- Money is saved (%)	.	.	.	61.9	63.4	64.9	
- Uses savings or gets into debt (%)	.	.	.	10.1	10.4	9.0	
D2 Own saving possibilities in the next 12 months (balance)	39.8	53.6	9.8	47.7	47.6	49.3	+
- Can save (%)	.	.	.	76.2	77.0	77.3	
- Cannot save (%)	.	.	.	23.6	22.5	22.6	
D5 Intention to raise a loan in the next 12 months (% of consumers)	15.5	22.1	10.5	20.2	22.1	19.3	++
- Yes, absolutely (%)	.	.	.	6.3	6.2	5.1	

	Average 10/1995-	Max. 10/1995-	Min. 10/1995-	10/2019	09/2020	10/2020	Outlook ²⁾
- Possibly (%)	.	.	.	13.9	15.9	14.2	
E1 Spending on durables, next 12 months vs. last 12 months (balance)	-16.3	-9.7	-26.7	-16.5	-14.8	-13.4	+
- More (%)	.	.	.	12.6	13.6	14.1	
- Less (%)	.	.	.	34.0	32.3	30.8	
E2 Intention to buy a car in the next 12 months (% of consumers)	14.3	19.2	10.1	17.9	15.8	16.0	+
- Very likely (%)	.	.	.	6.5	5.0	4.8	
- Quite likely (%)	.	.	.	11.4	10.7	11.2	
E4 Intention to buy a dwelling in the next 12 months (% of consumers)	12.6	17.9	9.1	15.6	17.9	15.2	++
- Yes, absolutely (%)	.	.	.	5.4	6.1	4.7	
- Possibly (%)	.	.	.	10.2	11.8	10.5	
E5 Intention to spend money on basic repairs of dwelling in the next 12 months (% of consumers)	17.4	26.0	8.1	19.7	20.5	21.4	++
- Very likely (%)	.	.	.	7.5	7.1	6.6	
- Quite likely (%)	.	.	.	12.2	13.4	14.8	

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.

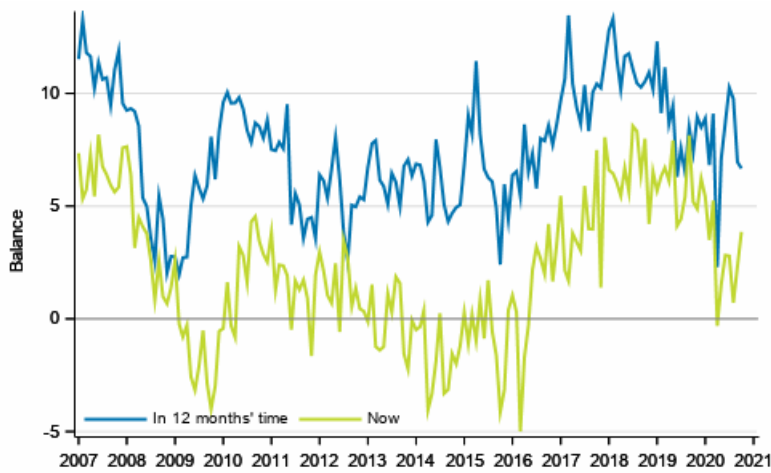
Appendix figures

Appendix figure 1. Consumer confidence indicator (CCI)

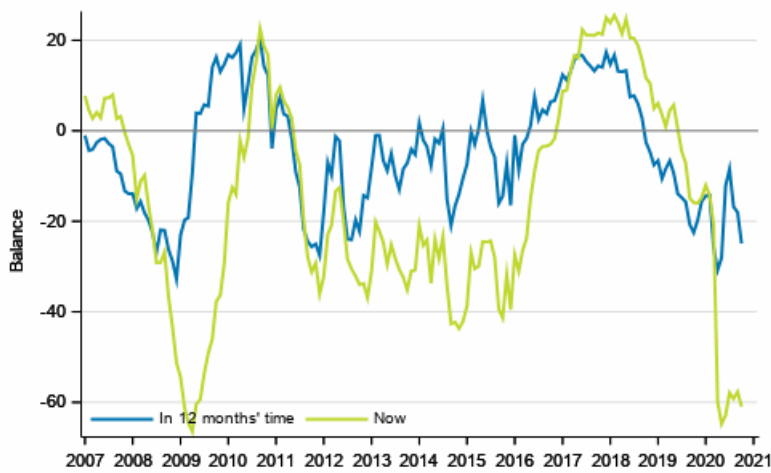


1) average 10/1995 - 10/2020

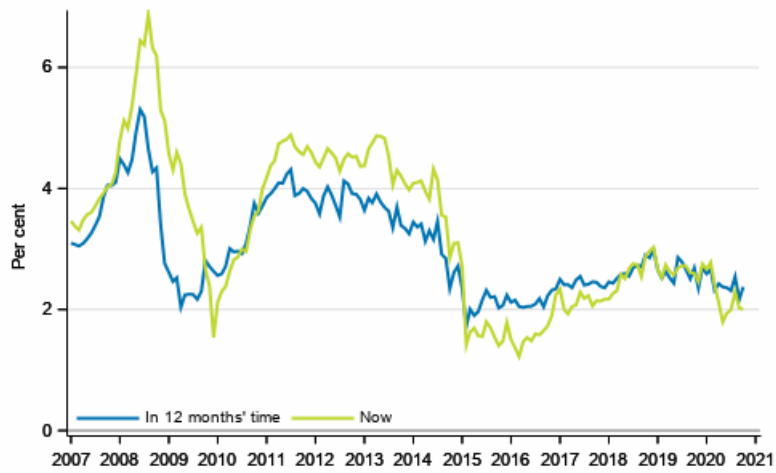
Appendix figure 2. Own economy



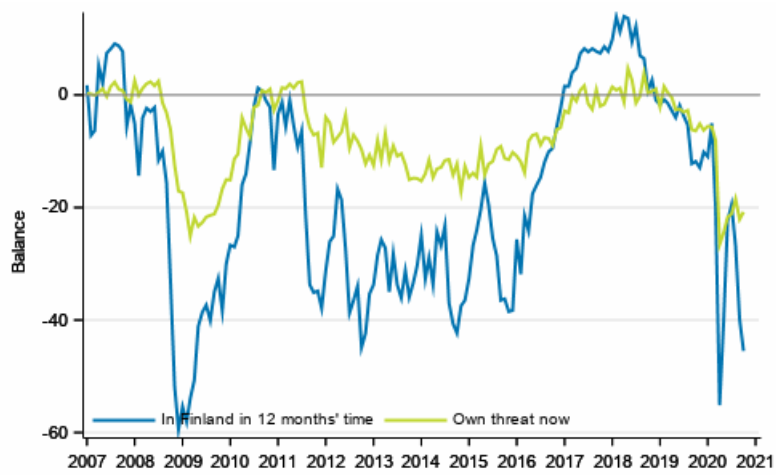
Appendix figure 3. Finland's economy



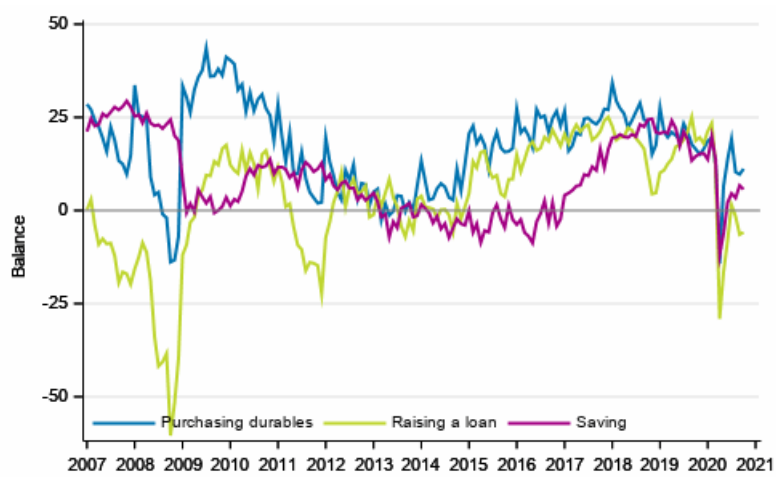
Appendix figure 4. Inflation



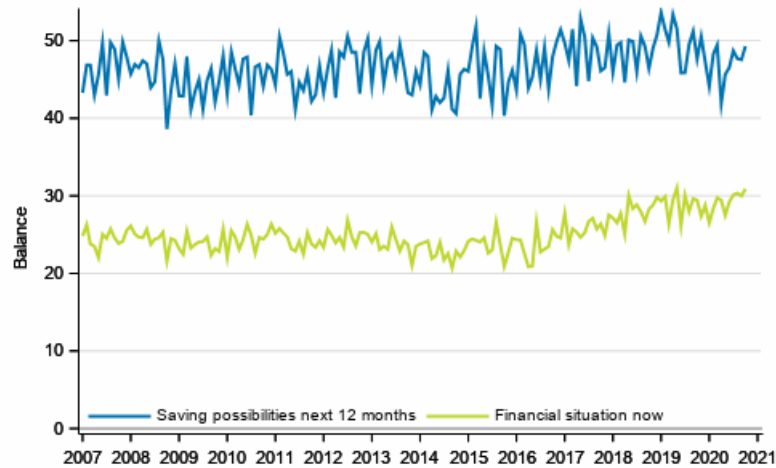
Appendix figure 5. Unemployment



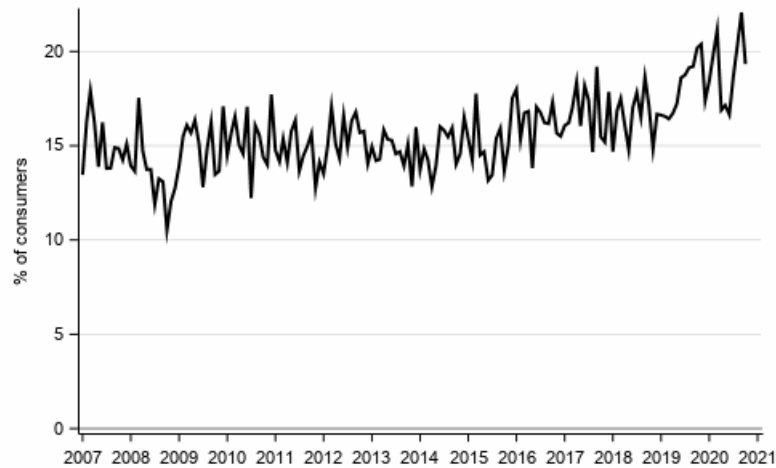
Appendix figure 6. Favourability of time for



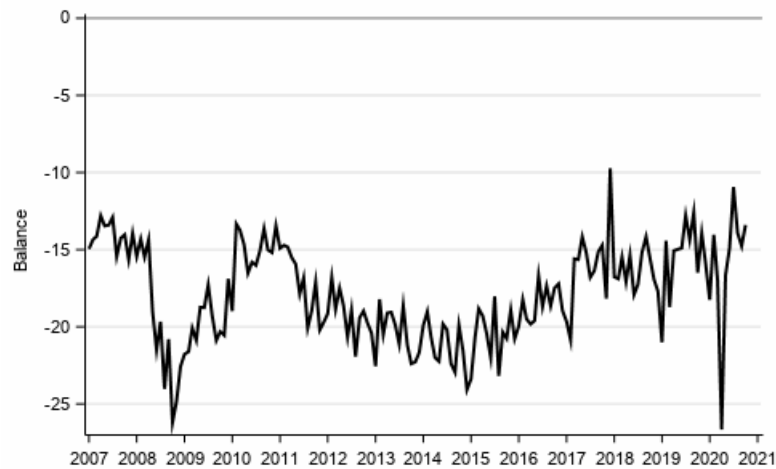
Appendix figure 7. Own financial situation and saving possibilities



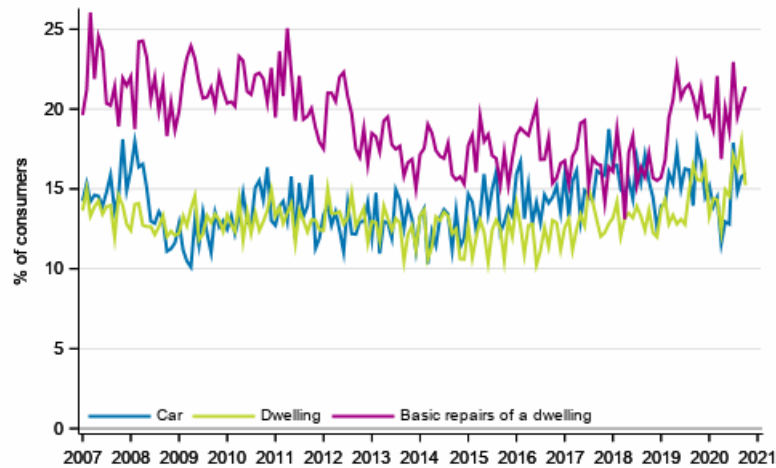
Appendix figure 8. Intention to raise a loan, next 12 months



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, October. Statistics Finland