

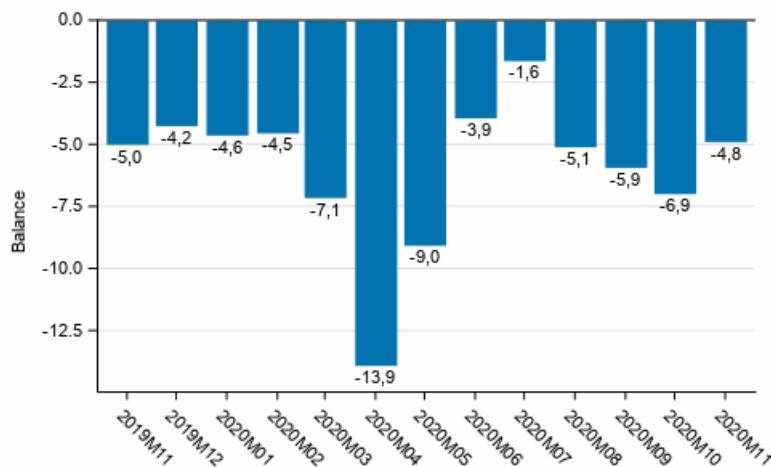
# Consumer Confidence

2020, November

## Consumers' expectations concerning the economy recovered somewhat in November

The consumer confidence indicator (CCI) stood at -4.8 in November, having been -6.9 in October and -5.9 in September. In last year's November the CCI received the value -5.0. The long-term average for the CCI is -1.8. The data are based on Statistics Finland's Consumer Confidence Survey, to which 1,157 persons resident in Finland responded between 1 and 18 November.

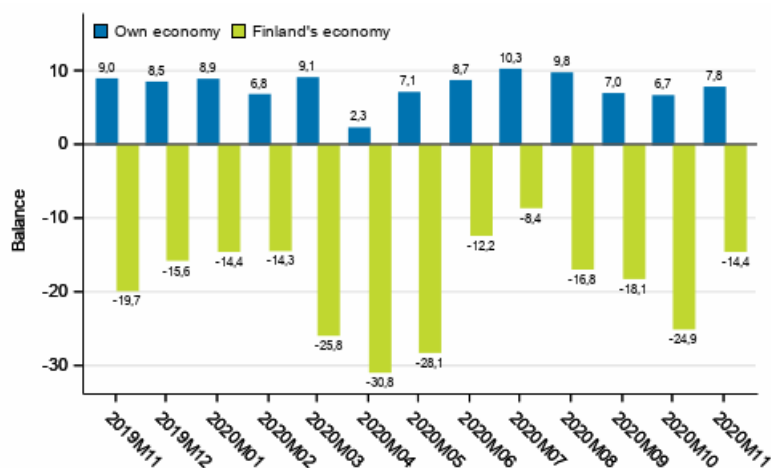
### Consumer confidence indicator (CCI)



Of the four components of the CCI, expectations concerning consumers' own and Finland's economy improved slightly in November from October. In contrast, views on consumers' own economy at present weakened. In addition, consumers' intentions to spend money on durable goods decreased slightly. Compared with the corresponding period last year, the components of the CCI turned slightly for the worse in November apart from expectations of Finland's economy.

In November, consumers' views on Finland's economic development were, however, still gloomy. Estimates of consumers' own economy at present were weak but expectations in the next few months were already on the long-term average level. Consumers still had slightly more intentions of spending money on durable goods in November than usual.

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



Consumers' expectations concerning the development of the general unemployment situation in Finland also improved clearly in November but were still on a gloomy level. This is also the case for estimates of the personal threat of unemployment or lay-off experienced by employed consumers, that is, wage and salary earners and self-employed persons at the time of the survey. Consumers' estimates of the growth rate of consumer prices in the coming months for a change fell slightly in November.

In November, consumers considered their own financial situation to be still excellent. The time was no longer considered very favourable for saving, and at the same time, the time of the survey was considered poor for buying durable goods and especially for taking out a loan. However, very many were still going to take out a loan in November. Consumers still had plenty of plans of buying a dwelling. In addition, many were considering renovating their dwelling and buying a car.

### Consumer confidence by major region and population group

In November, consumers' confidence in the economy was strongest in Greater Helsinki (CCI -1.7) and elsewhere in Southern Finland (-1.6). Among population groups, upper-level salaried employees were most optimistic (2.3). Self-employed persons (-12.1) and pensioners (-11.7) had the most pessimistic expectations concerning economic development. The confidence indicator received the value -8.5 among unemployed persons in November.

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 84 per cent of consumers thought in November that Finland's economy was now worse than a year ago and only three per cent of consumers felt that it was better. Nineteen per cent of consumers thought in November that their own economy is at the moment worse than one year ago. Slightly more consumers or 22 per cent considered their own economy stronger than one year ago. In October, proportions concerning own economy were 18 and 24 per cent and twelve months ago 18 and 26 per cent.

In November, 25 per cent of consumers believed that Finland's economic situation would improve in the coming twelve months, while 43 per cent of them thought that the country's economy would deteriorate. One month earlier, the corresponding proportions were 21 and 52 per cent and in last year's November 10 and 44 per cent.

In all, 25 per cent of consumers believed in November that their own economy would improve and 13 per cent of them feared it would worsen over the year. In October, the corresponding proportions were 26 and 15 per cent and twelve months ago 28 and 13 per cent.

## **Unemployment and inflation**

Altogether 18 per cent of consumers thought in November that general unemployment in Finland would decrease over the year, while 65 per cent of them believed it would increase. In October, the respective proportions were 12 and 76 per cent and twelve months ago 16 and 39 per cent.

In November, six per cent of employed persons believed that their personal threat of unemployment or lay-off had lessened over the past few months, whereas 32 per cent thought it had grown. In contrast, 36 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, 34 and 37 per cent and in last year's November 7, 15 and 46 per cent.

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

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

In November, 51 per cent of consumers thought the time was favourable for saving. Twelve months ago, the proportion was 62 per cent. In November, 63 per cent of households had been able to lay aside some money and 76 per cent believed they would be able to do so during the next 12 months.

In November, 47 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 18 per cent, were planning in November to take out a loan within one year. The average long-term proportion is 15 per cent.

## **Use of money**

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

In November slightly more than average, or 15 per cent of consumers were either definitely or possibly going to buy a car during the next 12 months. In November many also considered buying a dwelling within a year: 16 per cent of consumers. The long-term predicted average for intentions to buy a dwelling is 13 per cent. In addition, more than usual, 21 per cent of consumers were planning in November 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 November 2020, in all, 1,157 responses were gained. Of responses, 78 per cent came from the web questionnaire. The non-response rate of the survey was 47.1 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 intentions<sup>1)</sup>**

	Average 10/1995-	Max. 10/1995-	Min. 10/1995-	11/2019	10/2020	11/2020	Outlook <sup>2)</sup>
A1 Consumer confidence indicator, CCI = (B1+B2+B4+E1)/4	-1.8	6.8	-13.9	-5.0	-6.9	-4.8	-
B1 Own economy now (balance)	3.1	8.6	-5.3	4.9	3.9	1.6	-
- Better (%)	.	.	.	26.4	23.8	22.2	
- Worse (%)	.	.	.	18.3	18.1	19.3	
B2 Own economy in 12 months' time (balance)	8.0	13.5	1.2	9.0	6.7	7.8	=
- Better (%)	.	.	.	27.6	25.6	25.5	
- Worse (%)	.	.	.	12.8	15.2	13.1	
B3 Finland's economy now (balance)	-7.0	25.9	-66.5	-16.0	-61.0	-54.9	--
- Better (%)	.	.	.	10.1	2.9	3.1	
- Worse (%)	.	.	.	38.8	87.5	83.5	
B4 Finland's economy in 12 months' time (balance)	-2.1	20.3	-32.8	-19.7	-24.9	-14.4	--
- Better (%)	.	.	.	10.3	20.5	25.5	
- Worse (%)	.	.	.	43.8	52.2	42.6	
B5 Inflation now (per cent)	3.1	6.9	-2.7	2.5	2.0	2.1	
B6 Inflation in 12 months' time (per cent)	2.9	5.3	1.7	2.4	2.4	2.2	
B7 Unemployment in Finland in 12 months' time (balance)	-10.7	20.3	-59.5	-12.9	-45.5	-31.8	--
- Less (%)	.	.	.	15.9	12.2	17.6	
- More (%)	.	.	.	39.0	76.3	65.3	
B8 Own threat of unemployment now (balance)	-6.3	4.7	-26.6	-5.1	-20.8	-16.6	--
- Decreased (%)	.	.	.	6.7	4.0	6.5	
- Increased (%)	.	.	.	15.4	33.8	32.0	
C1 Favourability of time for purchasing durables (balance)	19.6	43.5	-14.3	15.1	11.2	11.4	-
- Good time (%)	.	.	.	26.5	29.2	27.7	
- Bad time (%)	.	.	.	11.4	18.0	16.3	
C2 Favourability of time for saving (balance)	4.3	29.4	-28.5	15.2	5.7	3.5	=
- Good time (%)	.	.	.	61.7	53.1	50.7	
- Bad time (%)	.	.	.	36.5	45.8	48.2	
C3 Favourability of time for raising a loan (balance)	7.5	31.7	-60.4	19.6	-5.9	-2.6	-
- Good time (%)	.	.	.	64.8	44.1	47.4	
- Bad time (%)	.	.	.	33.2	53.6	50.0	
D1 Own financial situation now (balance)	21.7	31.0	6.4	27.4	30.9	29.7	++
- Money is saved (%)	.	.	.	59.7	64.9	62.6	
- Uses savings or gets into debt (%)	.	.	.	11.4	9.0	10.3	
D2 Own saving possibilities in the next 12 months (balance)	39.9	53.6	9.8	50.5	49.3	47.2	+
- Can save (%)	.	.	.	78.6	77.3	76.2	
- Cannot save (%)	.	.	.	21.1	22.6	23.6	
D5 Intention to raise a loan in the next 12 months (% of consumers)	15.5	22.1	10.5	20.4	19.3	17.8	++
- Yes, absolutely (%)	.	.	.	5.7	5.1	5.2	

	Average 10/1995-	Max. 10/1995-	Min. 10/1995-	11/2019	10/2020	11/2020	Outlook <sup>2)</sup>
- Possibly (%)	.	.	.	14.7	14.2	12.6	
E1 Spending on durables, next 12 months vs. last 12 months (balance)	-16.3	-9.7	-26.7	-13.9	-13.4	-14.4	+
- More (%)	.	.	.	16.0	14.1	12.9	
- Less (%)	.	.	.	33.4	30.8	31.2	
E2 Intention to buy a car in the next 12 months (% of consumers)	14.3	19.2	10.1	16.7	16.0	14.8	+
- Very likely (%)	.	.	.	5.6	4.8	4.7	
- Quite likely (%)	.	.	.	11.1	11.2	10.1	
E4 Intention to buy a dwelling in the next 12 months (% of consumers)	12.6	17.9	9.1	15.5	15.2	16.4	++
- Yes, absolutely (%)	.	.	.	5.0	4.7	5.3	
- Possibly (%)	.	.	.	10.5	10.5	11.1	
E5 Intention to spend money on basic repairs of dwelling in the next 12 months (% of consumers)	17.4	26.0	8.1	21.3	21.4	20.6	+
- Very likely (%)	.	.	.	8.2	6.6	6.9	
- Quite likely (%)	.	.	.	13.1	14.8	13.7	

1) Long-term average, maximum and minimum figures cannot be presented for response distributions.

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



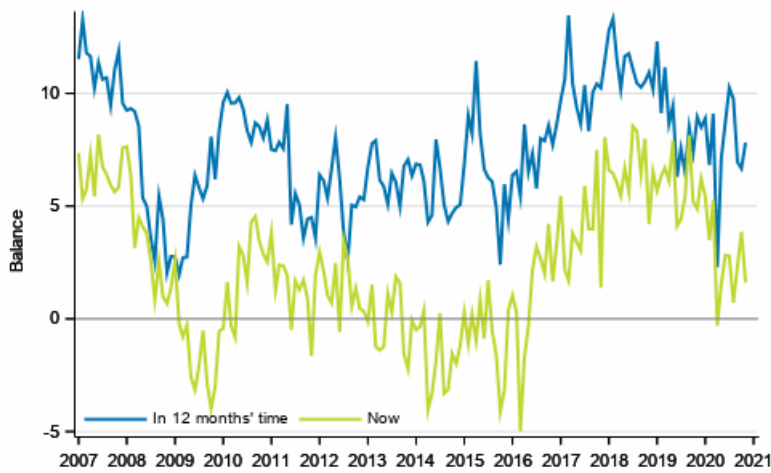
# Appendix figures

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

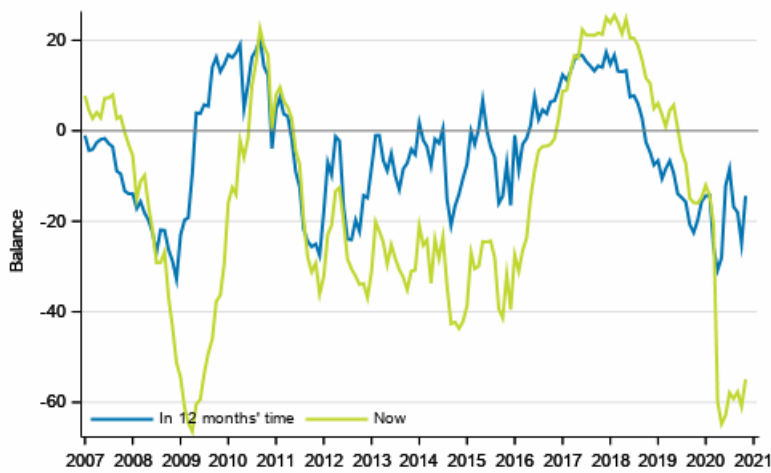


1) average 10/1995 - 11/2020

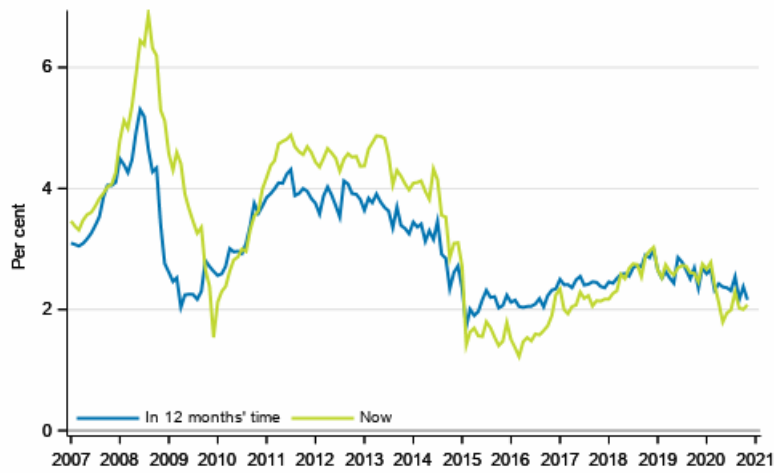
**Appendix figure 2. Own economy**



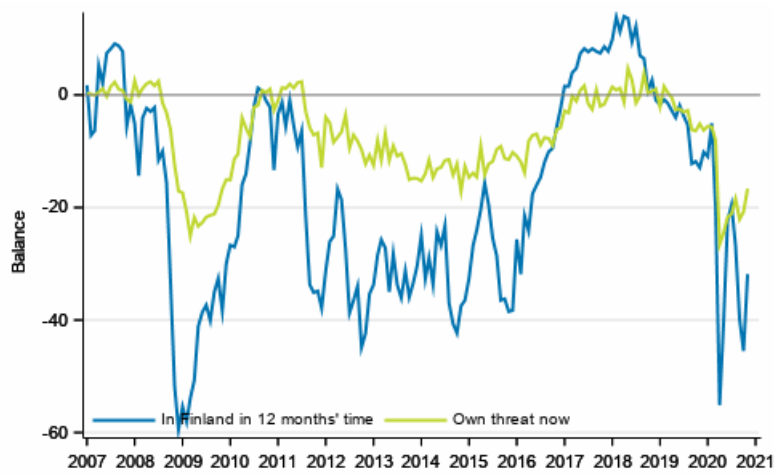
**Appendix figure 3. Finland's economy**



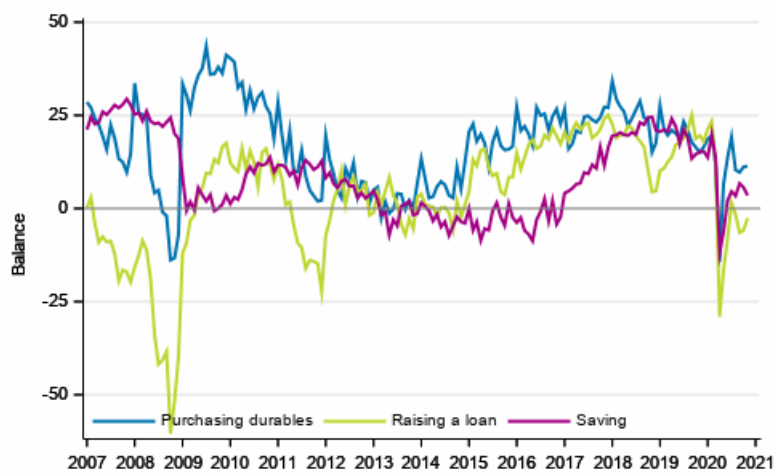
**Appendix figure 4. Inflation**



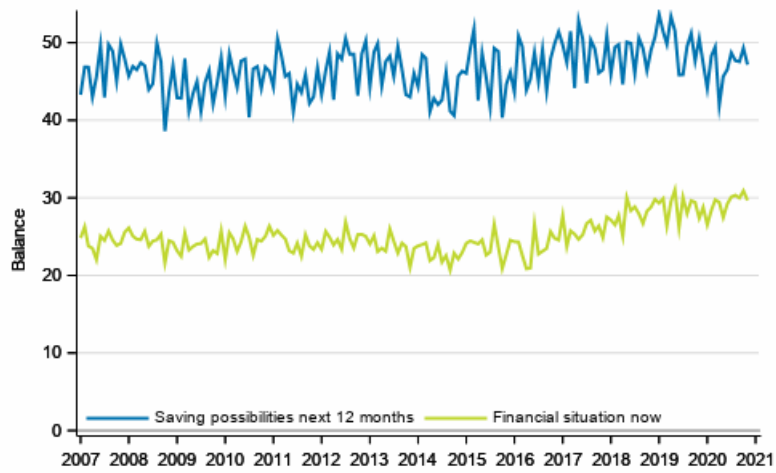
**Appendix figure 5. Unemployment**



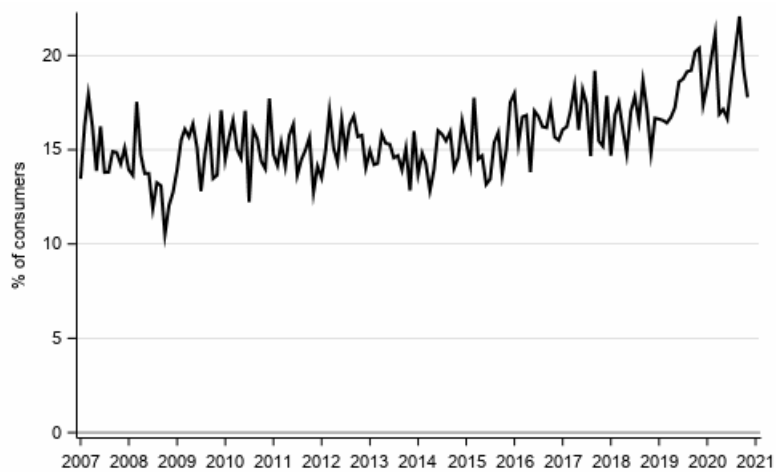
**Appendix figure 6. Favourability of time for**



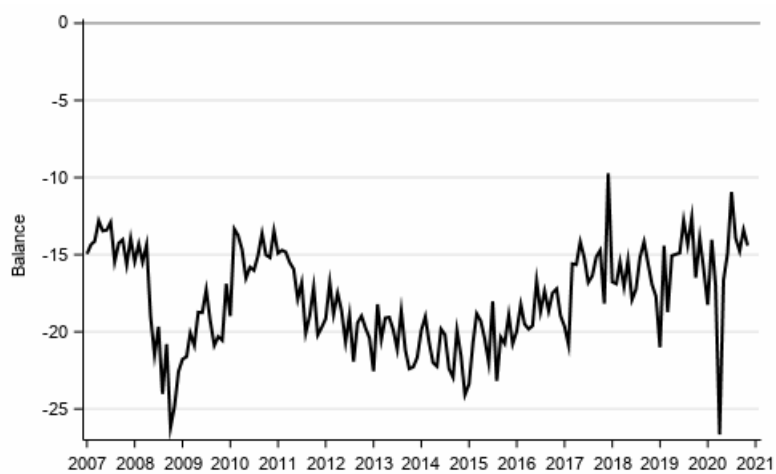
**Appendix figure 7. Own financial situation and saving possibilities**



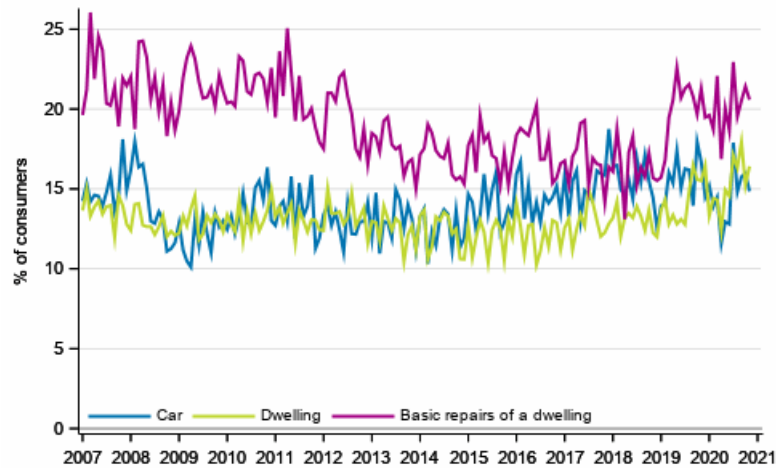
**Appendix figure 8. Intention to raise a loan, next 12 months**



**Appendix figure 9. Spending on durables, next 12 months vs. last 12 months**



Appendix figure10. Intentions to buy, next 12 months



### Inquiries

Pertti Kangassalo           029 551 3598  
Tuomas Parikka            029 551 3276  
Head of Department in  
charge:  
Hannele Orjala

[consumer.confidence@stat.fi](mailto:consumer.confidence@stat.fi)  
[www.stat.fi](http://www.stat.fi)

Source: Consumer Confidence 2020, November. Statistics Finland