

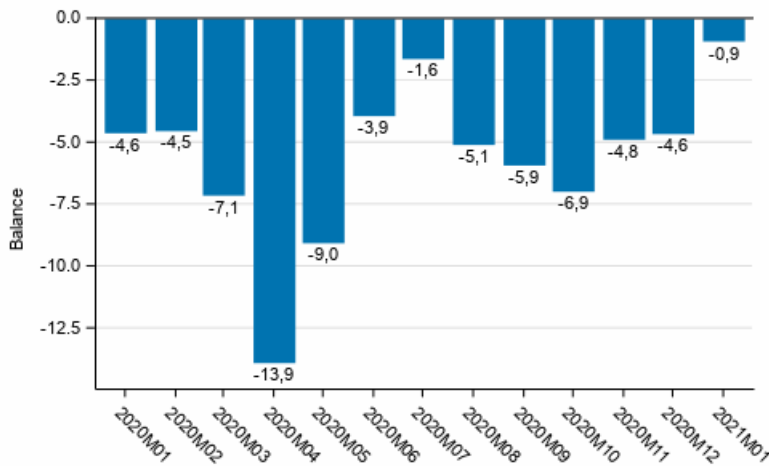
Consumer Confidence

2021, January

Consumer confidence in January strongest in over two years

The consumer confidence indicator (CCI) rose in January above its long-term average, -1.8. The CCI stood at -0.9, having been -4.6 in December and -4.8 in November. In last year's January, the CCI received the value -4.6. Consumer confidence in the economy has last been stronger in October 2018, when the CCI was 0.1. The data are based on Statistics Finland's Consumer Confidence Survey, to which 1,065 persons resident in Finland responded between 1 and 19 January.

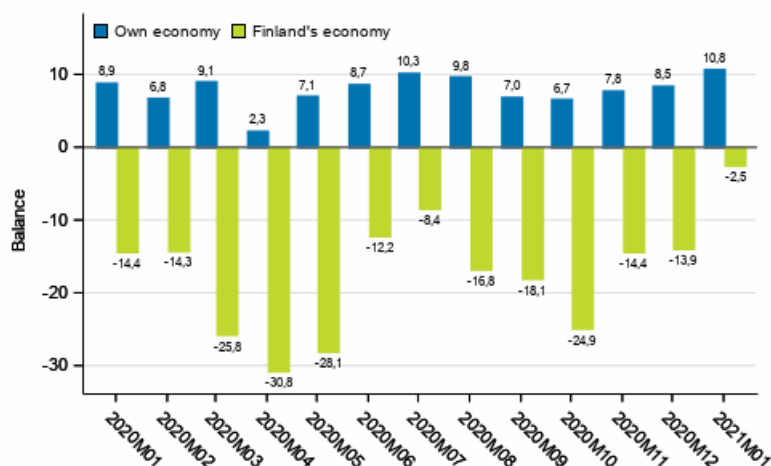
Consumer confidence indicator (CCI)



Consumers' confidence in all four components of the CCI improved in January from December. Expectations about Finland's economic development strengthened most. Compared to the corresponding period last year, only estimates concerning consumers' own economy at present weakened slightly in January. The other CCI components also improved within the year, expectations concerning Finland's economy most clearly.

Consumers' expectations of their own economy were very bright in January and they had a good deal of intentions to spend money on durable goods. Estimates concerning consumers' own economy at present and expectations of Finland's economic development were in January on the long-term average level.

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



Consumers' expectations concerning the development of the unemployment situation in Finland also improved in January but were still on a gloomy level. Views continued to be dismal about 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' estimate of the growth rate of consumer prices in the coming months remained unchanged in January and clearly below its average.

In January, consumers considered their own financial situation to be still excellent. The time was again regarded as good for saving and also moderate for buying durable goods and for taking out a loan. In addition, very many were going to take out a loan in January. Consumers still had plenty of plans of buying a dwelling. In addition, many were considering renovating their dwelling.

Consumer confidence by major region and population group

In January, consumer confidence in the economy was strongest in Greater Helsinki (CCI 2.6) and weakest in Eastern Finland (-7.4). Of population groups, workers were most optimistic (5.0). Pensioners had the most pessimistic views concerning economic development (-8.0). The confidence indicator received the value -5.0 among self-employed persons in January.

Consumer confidence in the economy 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 80 per cent of consumers thought in January that Finland's economy was now worse than a year ago and only four per cent of consumers felt that it was better. Twenty per cent of consumers thought in January that their own economy is at the moment worse than one year ago. Slightly more consumers or 25 per cent considered their own economy stronger than one year ago. The proportions concerning consumers' own economy were 20 and 24 per cent in December and 16 and 25 per cent one year ago.

In January, as many as 35 per cent of consumers believed that Finland's economic situation would improve in the coming twelve months, while 33 per cent of them thought that the country's economy would deteriorate. One month earlier, the corresponding proportions were 28 and 43 per cent and in last year's January 13 and 38 per cent.

As many as 31 per cent of consumers believed in January that their own economy would improve and 12 per cent of them feared it would worsen over the year. In December, the corresponding proportions were 27 and 13 per cent and twelve months ago 28 and 12 per cent.

Unemployment and inflation

Altogether 24 per cent of consumers thought in January that general unemployment in Finland would decrease over the year, while 55 per cent of them believed it would increase. The corresponding proportions were 19 and 64 per cent in December and 19 and 37 per cent one year ago.

In January, five per cent of employed persons believed that their personal threat of unemployment or lay-off had lessened over the past few months, whereas 30 per cent thought it had grown. In contrast, 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 5, 33 and 36 per cent and in last year's January, 8, 18 and 44 per cent.

In January, consumers predicted that consumer prices would go up by 2.3 per cent over the next 12 months. One year ago, the predicted inflation rate was 2.6 per cent and its long-term average is 2.9 per cent.

Saving and taking out a loan

In January, 59 per cent of consumers thought the time was favourable for saving. One month earlier, the proportion was 55 per cent. In January, 63 per cent of households had been able to lay aside some money and 78 per cent believed they would be able to do so during the next 12 months.

In January, 53 per cent of consumers regarded the time good for taking out a loan. One month earlier, the corresponding share was 45 per cent. Still, more consumers than usual, or 18 per cent, were planning in January to take out a loan within one year. The average long-term proportion is 15 per cent.

Use of money

Thirty-three per cent of consumers considered the time favourable for buying durable goods in January. Fourteen per cent of consumers planned on increasing and 33 per cent on reducing their spending on durable goods over the next 12 months.

In January, 15 per cent of consumers were either definitely or possibly going to buy a car during the next 12 months. In January many were still thinking of buying a dwelling within a year: 17 per cent of consumers. The long-term predicted average for intentions to buy a dwelling is 13 per cent. In addition, clearly more than usual, 24 per cent of consumers were planning in January 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 January 2021, in all, 1,065 responses were gained. Of responses, 76 per cent came from the web questionnaire. The non-response rate of the survey was 51.1 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 intentions¹⁾

	Average 10/1995-	Max. 10/1995-	Min. 10/1995-	01/2020	12/2020	01/2021	Outlook ²⁾
A1 Consumer confidence indicator, CCI = (B1+B2+B4+E1)/4	-1.8	6.8	-13.9	-4.6	-4.6	-0.9	=
B1 Own economy now (balance)	3.1	8.6	-5.3	5.4	2.8	3.2	=
- Better (%)	.	.	.	25.4	24.0	24.7	
- Worse (%)	.	.	.	16.4	19.5	19.6	
B2 Own economy in 12 months' time (balance)	8.1	13.5	1.2	8.9	8.5	10.8	++
- Better (%)	.	.	.	28.2	27.2	30.7	
- Worse (%)	.	.	.	12.3	13.0	12.3	
B3 Finland's economy now (balance)	-7.3	25.9	-66.5	-12.0	-55.5	-50.5	--
- Better (%)	.	.	.	10.4	2.2	3.9	
- Worse (%)	.	.	.	30.8	83.9	79.7	
B4 Finland's economy in 12 months' time (balance)	-2.1	20.3	-32.8	-14.4	-13.9	-2.5	=
- Better (%)	.	.	.	13.3	28.1	35.1	
- Worse (%)	.	.	.	37.7	43.5	33.3	
B5 Inflation now (per cent)	3.1	6.9	-2.7	2.7	2.1	2.2	
B6 Inflation in 12 months' time (per cent)	2.9	5.3	1.7	2.6	2.3	2.3	
B7 Unemployment in Finland in 12 months' time (balance)	-10.8	20.3	-59.5	-10.9	-32.5	-20.7	-
- Less (%)	.	.	.	18.8	18.7	24.5	
- More (%)	.	.	.	36.7	64.2	54.8	
B8 Own threat of unemployment now (balance)	-6.4	4.7	-26.6	-5.6	-18.2	-16.9	--
- Decreased (%)	.	.	.	8.2	5.1	5.4	
- Increased (%)	.	.	.	18.0	32.6	29.8	
C1 Favourability of time for purchasing durables (balance)	19.5	43.5	-14.3	18.7	12.3	16.9	=
- Good time (%)	.	.	.	29.6	29.9	32.7	
- Bad time (%)	.	.	.	10.9	17.6	15.8	
C2 Favourability of time for saving (balance)	4.3	29.4	-28.5	13.7	7.2	12.8	+
- Good time (%)	.	.	.	60.5	54.5	59.3	
- Bad time (%)	.	.	.	37.3	43.8	40.2	
C3 Favourability of time for raising a loan (balance)	7.4	31.7	-60.4	21.3	-4.3	4.6	=
- Good time (%)	.	.	.	66.3	45.4	53.3	
- Bad time (%)	.	.	.	31.7	52.0	45.3	
D1 Own financial situation now (balance)	21.8	31.0	6.4	26.5	29.7	30.1	++
- Money is saved (%)	.	.	.	58.5	62.9	63.0	
- Uses savings or gets into debt (%)	.	.	.	10.6	9.5	10.5	
D2 Own saving possibilities in the next 12 months (balance)	39.9	53.6	9.8	44.1	45.7	50.1	+
- Can save (%)	.	.	.	73.1	75.7	77.8	
- Cannot save (%)	.	.	.	26.5	24.0	22.0	
D5 Intention to raise a loan in the next 12 months (% of consumers)	15.5	22.1	10.5	18.4	19.5	18.5	++
- Yes, absolutely (%)	.	.	.	4.1	5.1	5.1	

	Average 10/1995-	Max. 10/1995-	Min. 10/1995-	01/2020	12/2020	01/2021	Outlook ²⁾
- Possibly (%)	.	.	.	14.4	14.4	13.3	
E1 Spending on durables, next 12 months vs. last 12 months (balance)	-16.3	-9.7	-26.7	-18.2	-15.8	-14.9	+
- More (%)	.	.	.	13.0	13.4	14.4	
- Less (%)	.	.	.	36.6	33.7	33.3	
E2 Intention to buy a car in the next 12 months (% of consumers)	14.3	19.2	10.1	15.2	13.8	15.1	+
- Very likely (%)	.	.	.	4.9	4.0	4.4	
- Quite likely (%)	.	.	.	10.4	9.8	10.7	
E4 Intention to buy a dwelling in the next 12 months (% of consumers)	12.7	17.9	9.1	13.3	15.0	16.6	++
- Yes, absolutely (%)	.	.	.	3.4	3.9	4.5	
- Possibly (%)	.	.	.	9.9	11.1	12.0	
E5 Intention to spend money on basic repairs of dwelling in the next 12 months (% of consumers)	17.5	26.0	8.1	19.6	19.4	23.5	++
- Very likely (%)	.	.	.	6.9	6.8	8.5	
- Quite likely (%)	.	.	.	12.8	12.7	15.1	

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.

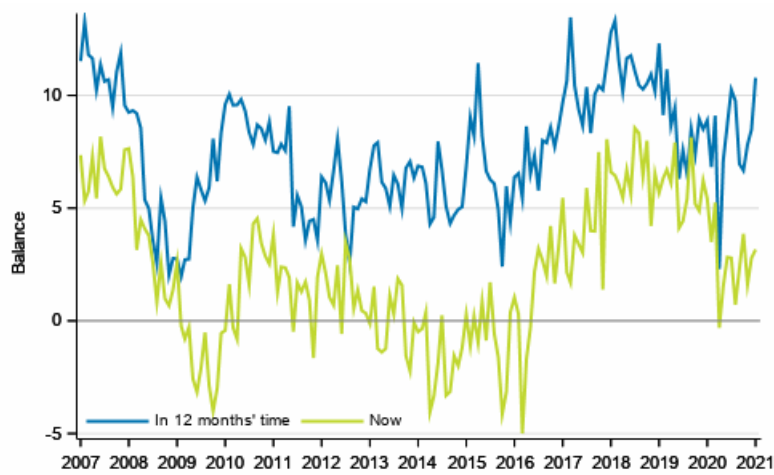
Appendix figures

Appendix figure 1. Consumer confidence indicator (CCI)

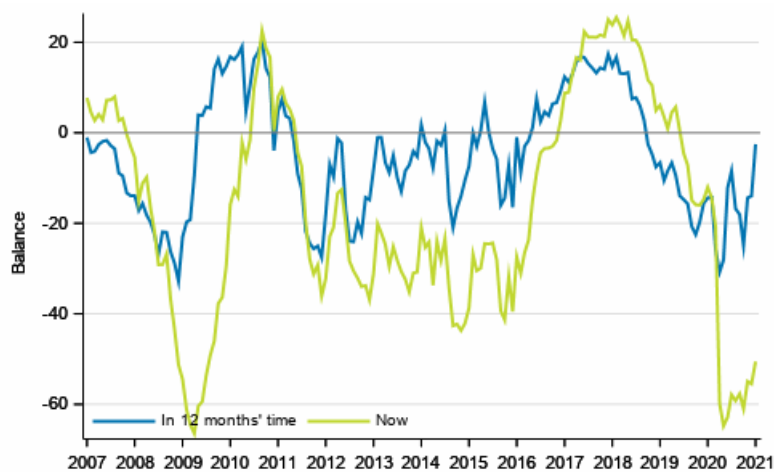


1) average 10/1995 - 01/2021

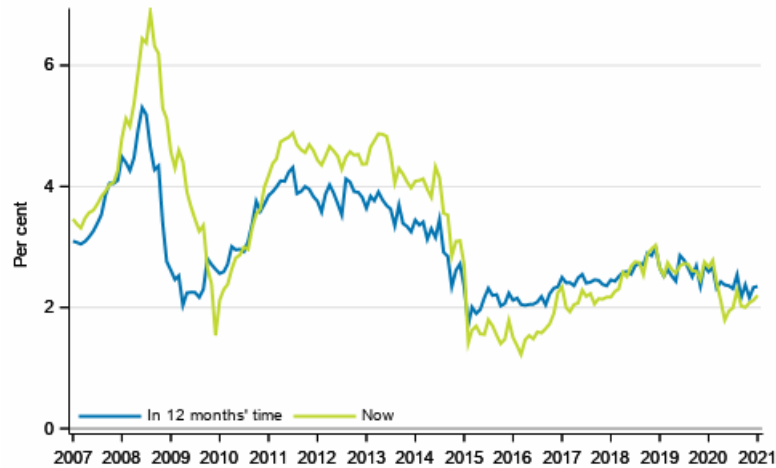
Appendix figure 2. Own economy



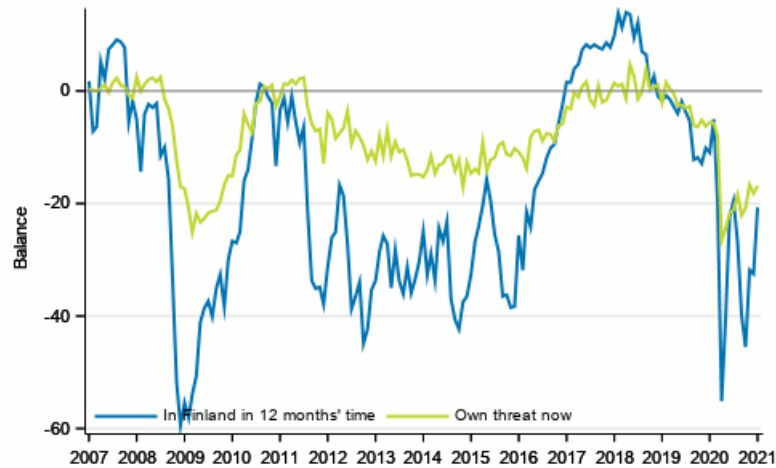
Appendix figure 3. Finland's economy



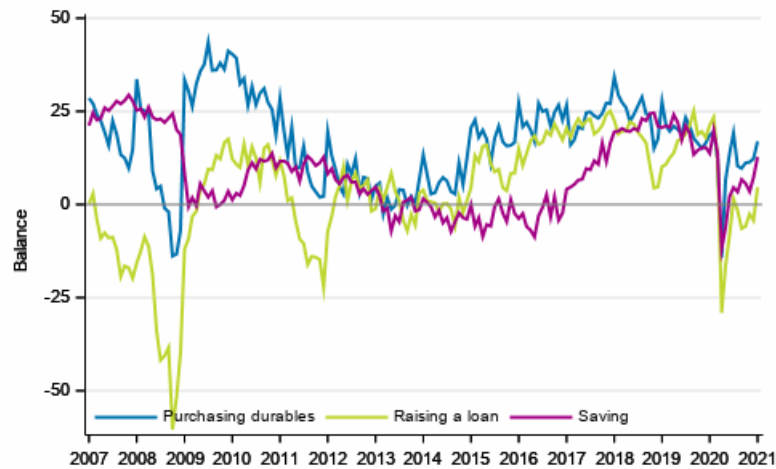
Appendix figure 4. Inflation



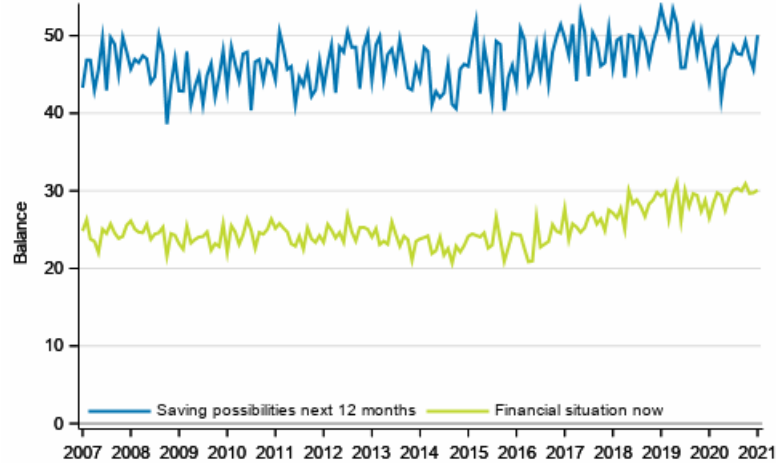
Appendix figure 5. Unemployment



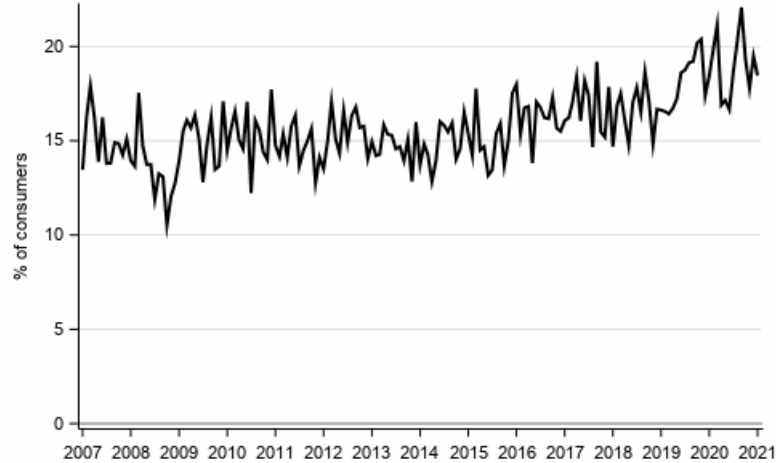
Appendix figure 6. Favourability of time for



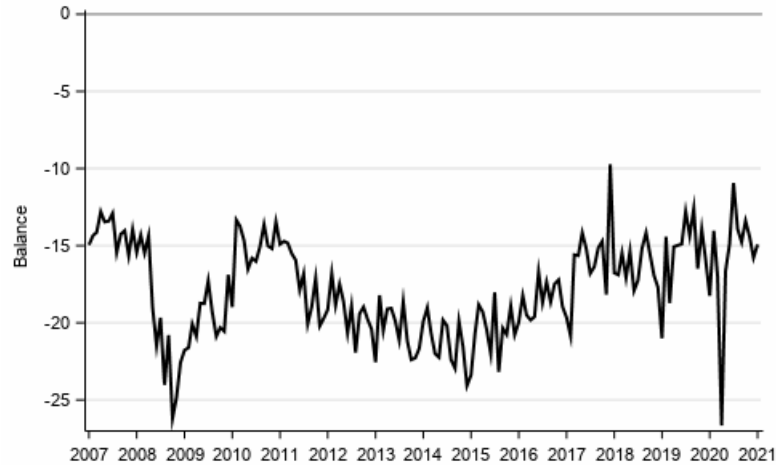
Appendix figure 7. Own financial situation and saving possibilities



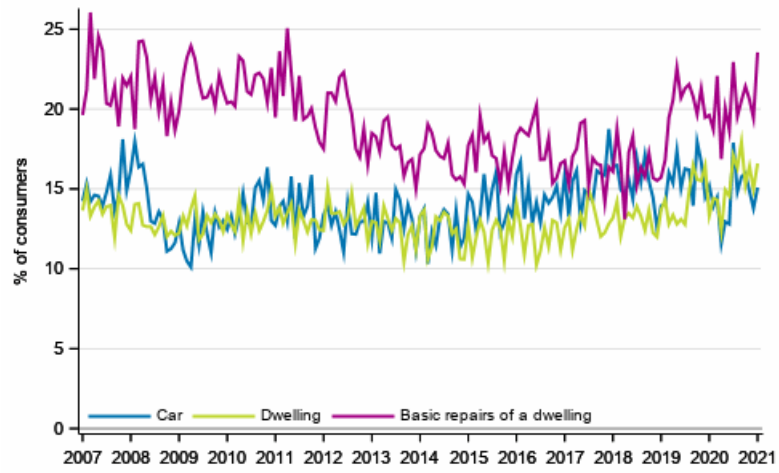
Appendix figure 8. Intention to raise a loan, next 12 months



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
www.stat.fi

Source: Consumer Confidence 2021, January. Statistics Finland