

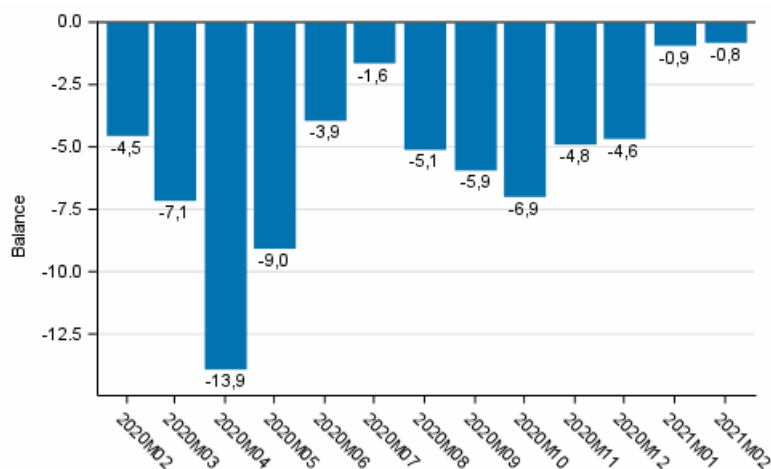
# Consumer Confidence

2021, February

## Consumer confidence unchanged – most intentions to buy a dwelling ever

The consumer confidence indicator (CCI) stood at -0.8 in February, having been -0.9 in January and -4.6 in December. In last year's February, the CCI received the value -4.5. The long-term average for the CCI is -1.8. The data are based on Statistics Finland's Consumer Confidence Survey, to which 994 persons resident in Finland responded between 1 and 16 February.

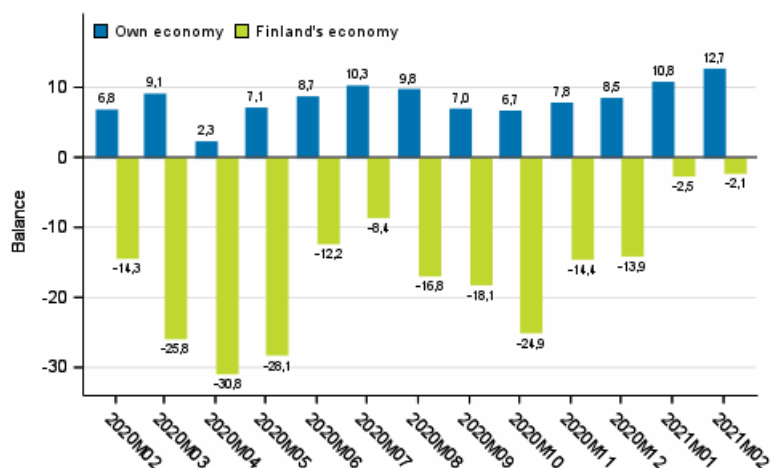
### Consumer confidence indicator (CCI)



Of the four components of the CCI, only consumers' views of their own economy at present weakened in February compared to January. The other components improved slightly. Also compared with the corresponding period last year, the views of one's own economy at present were now worse. The other three components of the CCI improved clearly over the year.

In February, consumers' expectations concerning their own economy one year from now were very bright and intentions to spend money on durable goods were high. By contrast, consumers' views of their own economy at present were fairly gloomy in February. Expectations on the development of Finland's economy remained on level with the long-term average.

## 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 remained unchanged and fairly pessimistic in February. Among employed persons, i.e. wage and salary earners and self-employed persons, the view on the personal threat of unemployment or temporary lay-off at the time of the survey improved, but still remained at a weak level. Consumers' estimates of the rising rate of consumer prices in the coming months remained more or less unchanged and clearly below their average in February.

In February, consumers still considered their own financial situation to be excellent. The time was regarded as favourable for saving and reasonable also for buying durable goods and taking out a loan. In addition, very many were still intending to raise a loan. In February, consumers had more plans to buy a dwelling than ever before in the measuring history since 1998. Many were also considering renovating their dwelling during the next 12 months.

### Consumer confidence by major region and population group

In February, consumer confidence in the economy was clearly strongest in Greater Helsinki (CCI 4.2) and weakest in Western Finland (-3.0). Among population groups, upper-level salaried employees were most optimistic (9.2). Pensioners had the most pessimistic expectations concerning economic development (-8.7). The confidence indicator received the value -4.9 among self-employed persons in February.

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**

Seventy-eight per cent of consumers felt in February that Finland's economy is now worse than a year ago and only four per cent of consumers felt that it was better. As many as 25 per cent of consumers estimated in February that their own economy is worse at the moment than one year ago. Twenty-two per cent of consumers considered their own economy stronger than one year ago. The proportions concerning consumers' own economy were 20 and 25 per cent in January and 19 and 24 per cent one year ago.

In February, 36 per cent of consumers believed that Finland's economic situation would improve in the coming twelve months, while 34 per cent of them thought that the country's economy would deteriorate. One month previously, the corresponding proportions were 35 and 33 per cent and in last year's February 14 and 37 per cent.

As many as 33 per cent of consumers believed in February that their own economy would improve and only 11 per cent of them feared it would worsen over the year. In January, the respective proportions were 31 and 12 per cent and twelve months ago 25 and 13 per cent.

## **Unemployment and inflation**

Altogether 24 per cent of consumers expected in February that general unemployment in Finland would decrease over the next year, while 56 per cent of them believed it would increase. In January, the respective proportions were 24 and 55 per cent and twelve months ago 26 and 33 per cent.

In February, five per cent of employed persons believed that their personal threat of unemployment or temporary lay-off had lessened over the past few months, whereas 25 per cent thought it had grown. On the other hand, 39 per cent of employed persons felt that they were not threatened by unemployment or temporary lay-off at all. One month earlier these three proportions were 5, 30 and 37 per cent, and in February last year 6, 16 and 45 per cent.

Consumers predicted in February that consumer prices would go up by 2.4 per cent over the next 12 months. One year ago, the predicted inflation rate was 2.7 per cent and its long-term average is 2.9 per cent.

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

In February, 56 per cent of consumers thought the time was favourable for saving. Twelve months ago, the proportion was 66 per cent. In February, 62 per cent of consumers 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 February, 53 per cent of consumers regarded the time good for taking out a loan. One year earlier, the corresponding share was 68 per cent. In February, still slightly more consumers than usual, or 21 per cent of them, planned to raise a loan within one year. The average long-term share is 15 per cent.

## **Use of money**

In February, 34 per cent of consumers considered the time favourable for buying durable goods. Sixteen per cent of consumers planned on increasing and 30 per cent on reducing their spending on durable goods over the next 12 months.

In February, 15 per cent of consumers were either definitely or possibly going to buy a car during the next 12 months. In February, a record number of consumers considered buying a dwelling within a year: 18 per cent. The long-term average of intentions to buy a dwelling is 13 per cent. In addition, more consumers than usual, or 19 per cent of them, were in February planning 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 February 2021, in all, 994 responses were gained. Of responses, 76 per cent came from the web questionnaire. The non-response rate of the survey was 54.4 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-	02/2020	01/2021	02/2021	Outlook <sup>2)</sup>
A1 Consumer confidence indicator, CCI = (B1+B2+B4+E1)/4	-1.8	6.8	-13.9	-4.5	-0.9	-0.8	+
B1 Own economy now (balance)	3.0	8.6	-5.3	3.5	3.2	-1.7	--
- Better (%)	.	.	.	24.2	24.7	22.1	
- Worse (%)	.	.	.	18.6	19.6	25.1	
B2 Own economy in 12 months' time (balance)	8.1	13.5	1.2	6.8	10.8	12.7	++
- Better (%)	.	.	.	24.8	30.7	32.8	
- Worse (%)	.	.	.	13.5	12.3	10.9	
B3 Finland's economy now (balance)	-7.4	25.9	-66.5	-14.5	-50.5	-48.8	--
- Better (%)	.	.	.	11.0	3.9	4.3	
- Worse (%)	.	.	.	35.3	79.7	78.5	
B4 Finland's economy in 12 months' time (balance)	-2.1	20.3	-32.8	-14.3	-2.5	-2.1	=
- Better (%)	.	.	.	13.6	35.1	35.5	
- Worse (%)	.	.	.	37.1	33.3	34.1	
B5 Inflation now (per cent)	3.1	6.9	-2.7	2.8	2.2	2.3	
B6 Inflation in 12 months' time (per cent)	2.9	5.3	1.7	2.7	2.3	2.4	
B7 Unemployment in Finland in 12 months' time (balance)	-10.8	20.3	-59.5	-5.0	-20.7	-20.7	-
- Less (%)	.	.	.	25.7	24.5	24.4	
- More (%)	.	.	.	32.5	54.8	56.2	
B8 Own threat of unemployment now (balance)	-6.4	4.7	-26.6	-5.7	-16.9	-11.9	-
- Decreased (%)	.	.	.	6.4	5.4	5.2	
- Increased (%)	.	.	.	16.4	29.8	24.6	
C1 Favourability of time for purchasing durables (balance)	19.5	43.5	-14.3	19.5	16.9	20.4	=
- Good time (%)	.	.	.	30.0	32.7	33.8	
- Bad time (%)	.	.	.	10.5	15.8	13.4	
C2 Favourability of time for saving (balance)	4.4	29.4	-28.5	19.9	12.8	11.0	+
- Good time (%)	.	.	.	65.5	59.3	55.9	
- Bad time (%)	.	.	.	33.1	40.2	42.2	
C3 Favourability of time for raising a loan (balance)	7.4	31.7	-60.4	23.4	4.6	6.5	=
- Good time (%)	.	.	.	68.3	53.3	53.4	
- Bad time (%)	.	.	.	29.9	45.3	44.4	
D1 Own financial situation now (balance)	21.8	31.0	6.4	28.4	30.1	28.6	++
- Money is saved (%)	.	.	.	60.4	63.0	62.3	
- Uses savings or gets into debt (%)	.	.	.	9.5	10.5	12.2	
D2 Own saving possibilities in the next 12 months (balance)	39.9	53.6	9.8	48.3	50.1	48.3	+
- Can save (%)	.	.	.	76.5	77.8	75.9	
- Cannot save (%)	.	.	.	23.3	22.0	23.6	
D5 Intention to raise a loan in the next 12 months (% of consumers)	15.5	22.1	10.5	19.9	18.5	20.9	++
- Yes, absolutely (%)	.	.	.	5.3	5.1	5.2	

	Average 10/1995-	Max. 10/1995-	Min. 10/1995-	02/2020	01/2021	02/2021	Outlook <sup>2)</sup>
- Possibly (%)	.	.	.	14.6	13.3	15.7	
E1 Spending on durables, next 12 months vs. last 12 months (balance)	-16.2	-9.7	-26.7	-14.0	-14.9	-11.8	++
- More (%)	.	.	.	14.8	14.4	16.0	
- Less (%)	.	.	.	32.5	33.3	30.0	
E2 Intention to buy a car in the next 12 months (% of consumers)	14.3	19.2	10.1	13.9	15.1	15.5	+
- Very likely (%)	.	.	.	4.9	4.4	4.6	
- Quite likely (%)	.	.	.	9.0	10.7	10.9	
E4 Intention to buy a dwelling in the next 12 months (% of consumers)	12.7	18.1	9.1	14.4	16.6	18.1	++
- Yes, absolutely (%)	.	.	.	4.6	4.5	5.3	
- Possibly (%)	.	.	.	9.8	12.0	12.8	
E5 Intention to spend money on basic repairs of dwelling in the next 12 months (% of consumers)	17.5	26.0	8.1	18.7	23.5	18.7	+
- Very likely (%)	.	.	.	6.3	8.5	6.8	
- Quite likely (%)	.	.	.	12.5	15.1	11.9	

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.



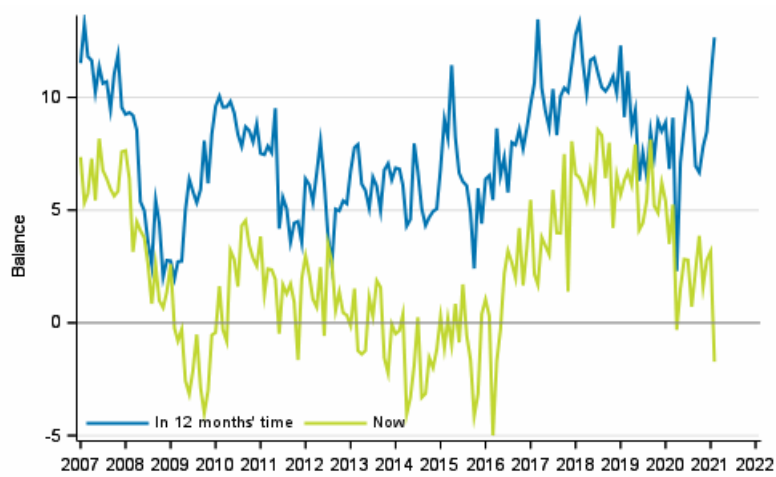
# Appendix figures

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

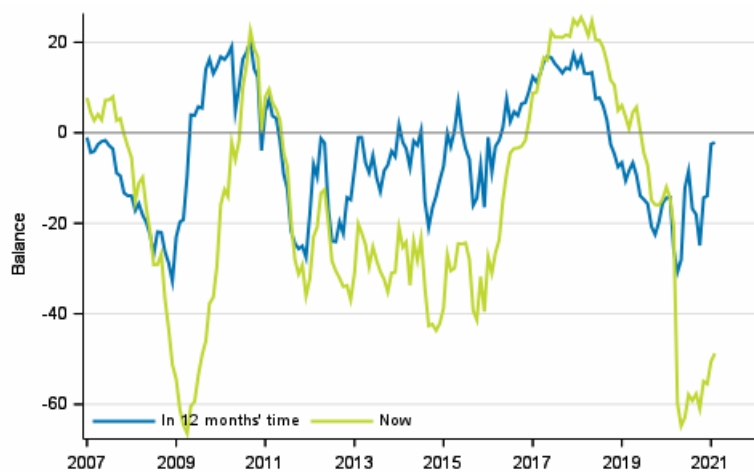


1) average 10/1995 - 02/2021

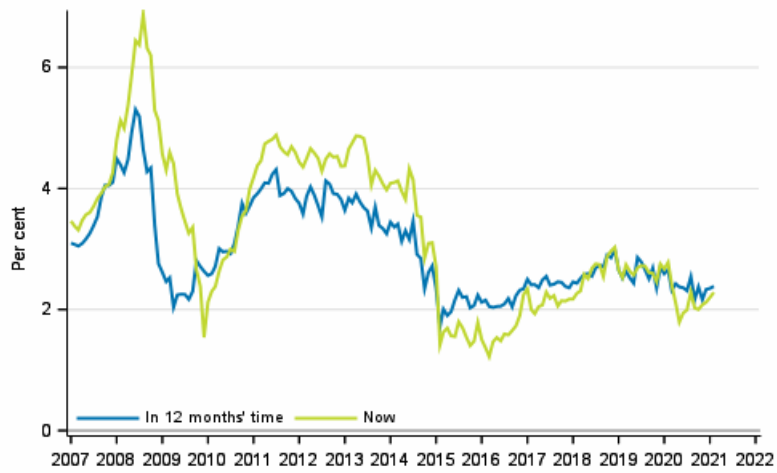
**Appendix figure 2. Own economy**



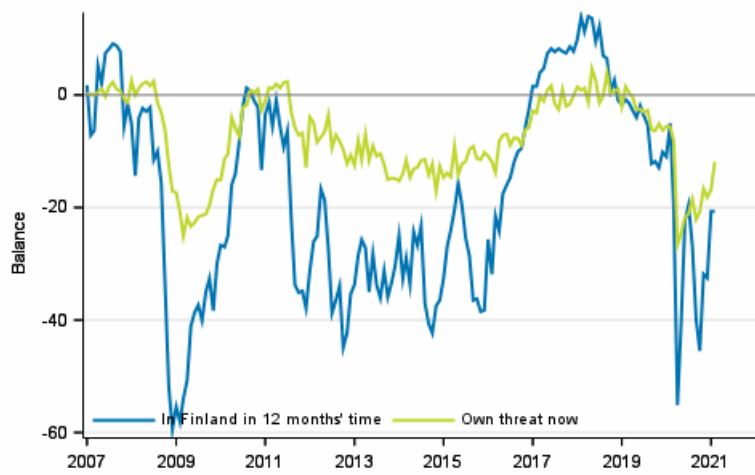
**Appendix figure 3. Finland's economy**



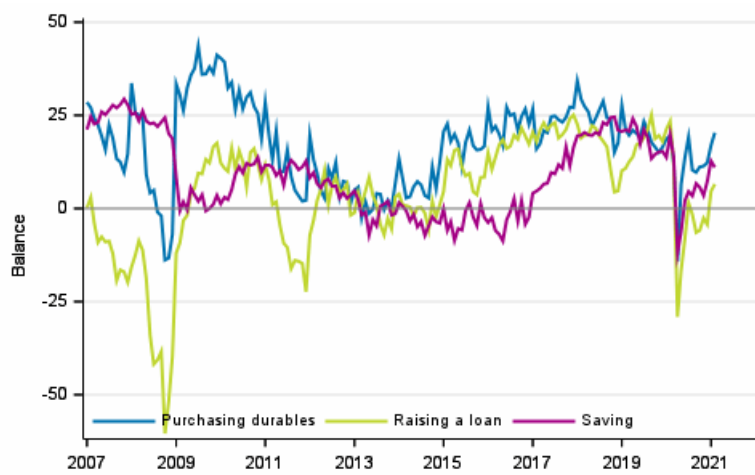
**Appendix figure 4. Inflation**



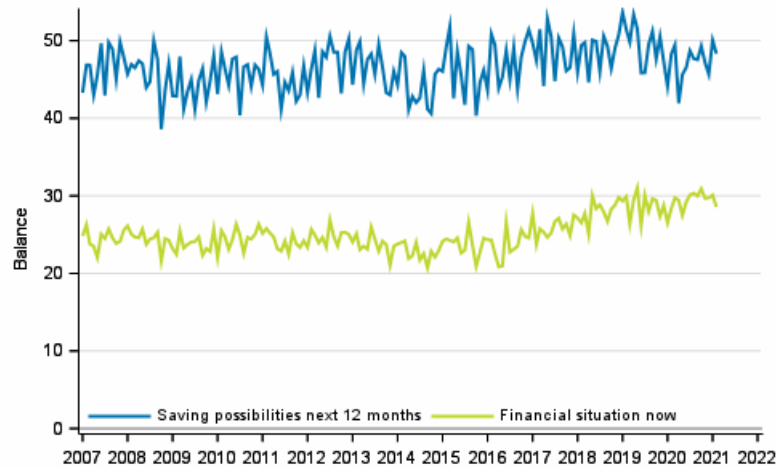
**Appendix figure 5. Unemployment**



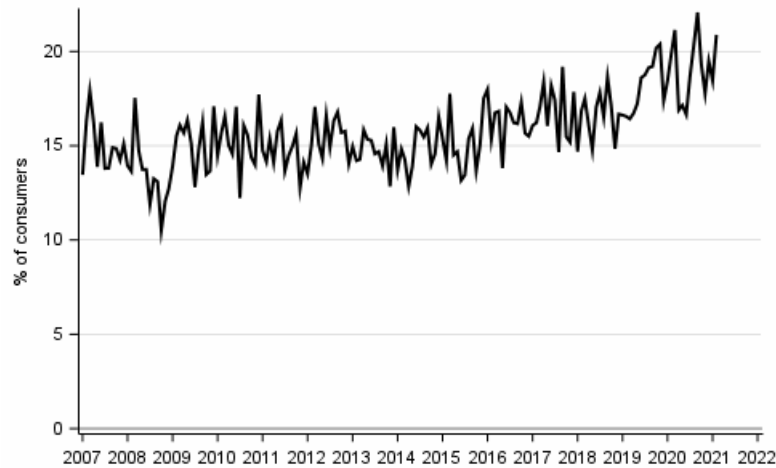
**Appendix figure 6. Favourability of time for**



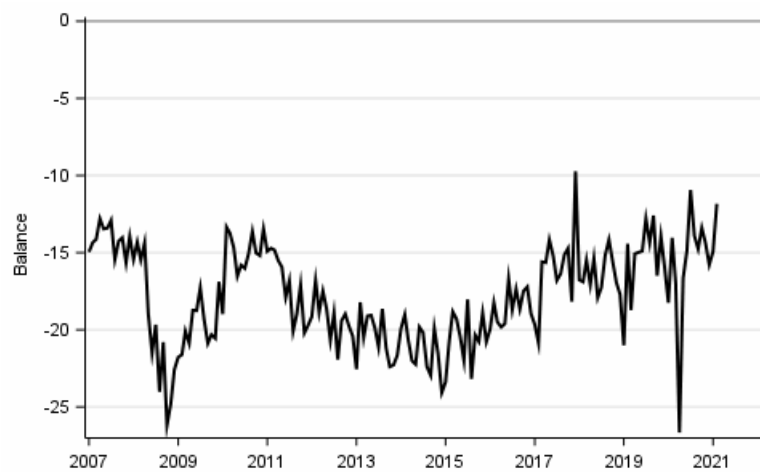
**Appendix figure 7. Own financial situation and saving possibilities**



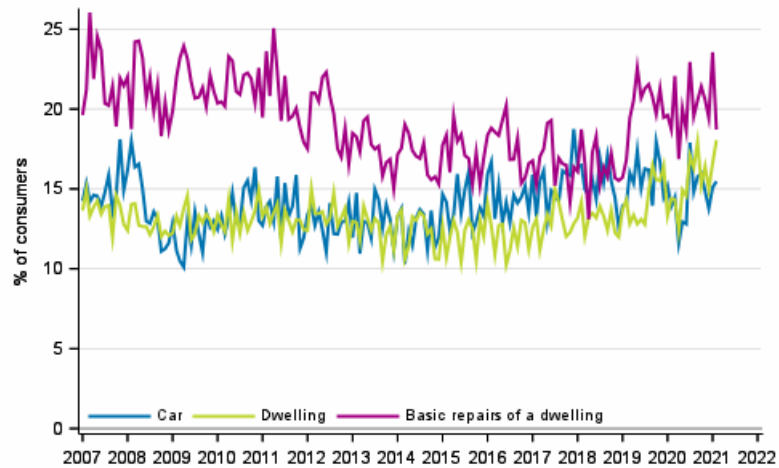
**Appendix figure 8. Intention to raise a loan, next 12 months**



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



Appendix figure10. Intentions to buy, next 12 months



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Source: Consumer Confidence 2021, February. Statistics Finland