

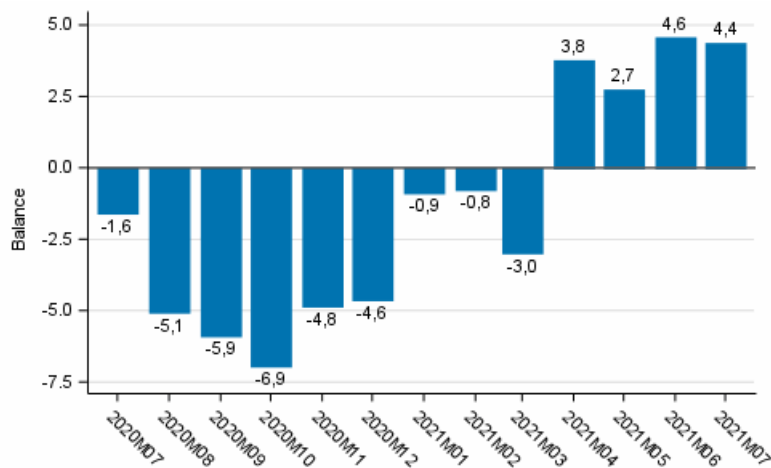
# Consumer Confidence

2021, July

## Consumers' own economy and financial situation in July the strongest ever

The consumer confidence indicator (CCI) stood at 4.4 in July, having been 4.6 in June and 2.7 in May. Confidence in the economy was very strong in July, because the long-term average for the CCI is -1.7. In the corresponding period last year, the CCI received the value -1.6. The data are based on Statistics Finland's Consumer Confidence Survey, to which 1,007 persons resident in Finland responded between 1 and 19 July.

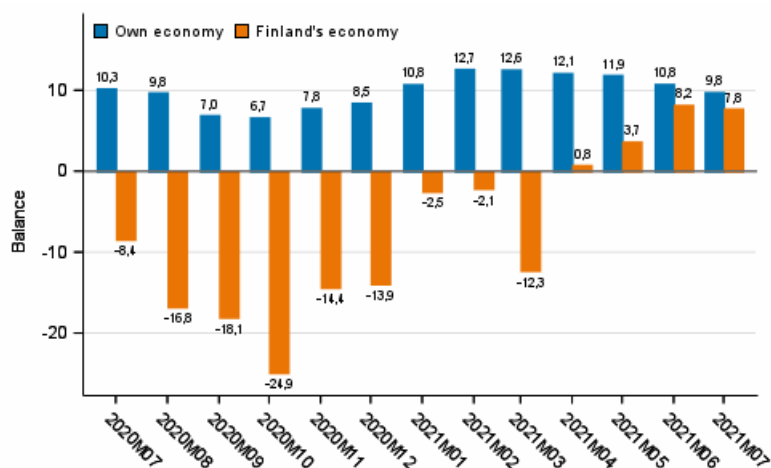
### Consumer confidence indicator (CCI)



Of the components of the CCI, the estimate of one's own economy at present was the most positive in the entire measuring history in July. In addition, consumers had plenty of intentions to spend money on durable goods. Consumers' expectations concerning the future development of their own and Finland's economy were also confident in July.

Compared with June, views on the present state of consumers' own economy improved slightly in July. The other three components remained unchanged or weakened slightly. Compared with July last year, the components of the CCI were now even clearly stronger, apart from expectations concerning one's own economy, which remained more or less unchanged over the year.

## 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 remained bright in July. This was also the case for views on the personal threat of unemployment or temporary lay-off experienced by employed, that is, wage and salary earners and self-employed persons, at the time of the survey. In July, consumers' estimates of inflation, that is, the growth rate of consumer prices in the coming months, already reached their long-term average.

In July, consumers considered their own financial situation to be better than ever. The time was regarded very favourable for saving, also favourable for taking out a loan and reasonable for buying durable goods. In future months, consumers expected to still have plenty of saving opportunities.

In July, many still intended to raise a loan within one year. As in the past few months, consumers also had particularly plenty of plans to buy a dwelling. In July, many also considered purchasing a car within the next year and there were extensive plans to renovate one's own dwelling.

### Consumer confidence by major region and population group

In July, consumer confidence in the economy was clearly strongest in Greater Helsinki (CCI 11.4) and weakest in Eastern Finland (0.9). Among population groups, upper-level salaried employees were still by far the most optimistic (13.6). Unemployed persons and pensioners (-3.3 for both) still had the most negative expectations concerning economic development in July.

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 balance figure, the brighter the view on the economy.

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# 1. Examination of response distributions

## **Consumers' own and Finland's economy**

In July, 46 per cent of consumers thought that Finland's economy was now worse than a year ago and 23 per cent of consumers felt that it was better. Fourteen per cent of consumers thought that their own economy is worse at the moment than one year ago. Clearly more consumers or 29 per cent considered their own economy stronger than one year ago in July. The proportions concerning consumers' own economy were 15 and 28 per cent in June and 20 and 25 per cent one year ago.

In July, 41 per cent of consumers believed that Finland's economic situation would improve in the coming twelve months, while 24 per cent of them thought that the country's economy would deteriorate. One month previously, the corresponding proportions were 44 and 26 per cent and in last year's July 32 and 39 per cent.

In all, 28 per cent of consumers believed in July that their own economy would improve while 11 per cent of them feared it would worsen over the year. In June, the respective proportions were 27 and 10 per cent and twelve months ago 28 and 11 per cent.

## **Unemployment and inflation**

Altogether 38 per cent of consumers expected in July that general unemployment in Finland would decrease over the next year, while 28 per cent of them believed it would increase. The corresponding proportions were 41 and 30 per cent in June and 24 and 53 per cent one year ago.

In July, 11 per cent of employed persons believed that their personal threat of unemployment or temporary lay-off had lessened over the past few months, whereas 16 per cent thought it had grown. On the other hand, as many as 47 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 9, 16 and 47 per cent, and in July last year 4, 35 and 36 per cent.

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

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

In July, 65 per cent of consumers thought the time was favourable for saving. Twelve months ago, the proportion was only 51 per cent. In July, 66 per cent of consumers 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 July, 60 per cent of consumers regarded the time good for taking out a loan. One year earlier, the corresponding share was 51 per cent. In July, 18 per cent of consumers were planning to take out a loan within one year. The average long-term share is 16 per cent.

## **Use of money**

In July, 34 per cent of consumers considered the time favourable for buying durable goods. Seventeen per cent of consumers planned on increasing and 27 per cent on reducing their spending on durable goods over the next 12 months.

In July, 16 per cent of consumers were either definitely or possibly going to buy a car during the next 12 months. Remarkably many also considered buying a dwelling within a year: 16 per cent of consumers. In July, as many as 24 per cent of consumers were also planning to spend money on renovating their dwelling within a year. The long-term average of intentions to buy a car is 14 per cent, that of intentions to buy a dwelling 13 per cent and that of renovations 18 per cent.

## 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 July 2021, in all, 1 007 responses were gained. Of responses, 76 per cent came from the web questionnaire. The non-response rate of the survey was 53.5 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-	07/2020	06/2021	07/2021	Outlook <sup>2)</sup>
A1 Consumer confidence indicator, CCI = (B1+B2+B4+E1)/4	-1.7	6.8	-13.9	-1.6	4.6	4.4	++
B1 Own economy now (balance)	3.1	9.1	-5.3	2.8	7.6	9.1	++
- Better (%)	.	.	.	25.3	28.4	29.4	
- Worse (%)	.	.	.	19.6	15.2	14.5	
B2 Own economy in 12 months' time (balance)	8.1	13.5	1.2	10.3	10.8	9.8	+
- Better (%)	.	.	.	28.4	27.3	27.7	
- Worse (%)	.	.	.	10.9	10.4	11.5	
B3 Finland's economy now (balance)	-7.8	25.9	-66.5	-57.9	-25.6	-16.6	-
- Better (%)	.	.	.	3.5	17.6	23.1	
- Worse (%)	.	.	.	83.2	56.4	46.2	
B4 Finland's economy in 12 months' time (balance)	-2.0	20.3	-32.8	-8.4	8.2	7.8	+
- Better (%)	.	.	.	31.7	43.7	41.4	
- Worse (%)	.	.	.	39.1	25.9	23.6	
B5 Inflation now (per cent)	3.1	6.9	-2.7	2.0	2.8	3.1	
B6 Inflation in 12 months' time (per cent)	2.9	5.3	1.7	2.3	2.8	2.9	
B7 Unemployment in Finland in 12 months' time (balance)	-10.8	20.3	-59.5	-19.6	3.8	3.4	+
- Less (%)	.	.	.	23.9	41.4	37.9	
- More (%)	.	.	.	53.2	29.8	28.3	
B8 Own threat of unemployment now (balance)	-6.4	4.7	-26.6	-21.1	-4.2	-2.9	+
- Decreased (%)	.	.	.	4.1	9.3	10.7	
- Increased (%)	.	.	.	34.9	16.5	15.9	
C1 Favourability of time for purchasing durables (balance)	19.5	43.5	-14.3	19.2	21.3	21.8	=
- Good time (%)	.	.	.	34.9	35.2	34.2	
- Bad time (%)	.	.	.	15.8	14.0	12.4	
C2 Favourability of time for saving (balance)	4.6	29.4	-28.5	4.6	18.3	20.4	++
- Good time (%)	.	.	.	51.3	64.2	65.1	
- Bad time (%)	.	.	.	46.8	34.4	34.0	
C3 Favourability of time for raising a loan (balance)	7.4	31.7	-60.4	1.5	8.9	12.0	+
- Good time (%)	.	.	.	50.8	58.3	60.1	
- Bad time (%)	.	.	.	46.7	40.1	38.4	
D1 Own financial situation now (balance)	21.9	33.1	6.4	30.1	32.7	33.1	++
- Money is saved (%)	.	.	.	63.0	64.9	66.5	
- Uses savings or gets into debt (%)	.	.	.	10.7	9.3	8.9	
D2 Own saving possibilities in the next 12 months (balance)	40.1	53.6	9.8	48.7	48.9	50.6	+
- Can save (%)	.	.	.	77.2	77.1	77.9	
- Cannot save (%)	.	.	.	22.4	22.5	22.1	
D5 Intention to raise a loan in the next 12 months (% of consumers)	15.6	24.2	10.5	18.6	18.7	17.8	++
- Yes, absolutely (%)	.	.	.	4.4	5.4	3.8	

	Average 10/1995-	Max. 10/1995-	Min. 10/1995-	07/2020	06/2021	07/2021	Outlook <sup>2)</sup>
- Possibly (%)	.	.	.	14.2	13.3	14.0	
E1 Spending on durables, next 12 months vs. last 12 months (balance)	-16.1	-6.9	-26.7	-10.9	-8.3	-9.2	++
- More (%)	.	.	.	16.3	17.6	17.2	
- Less (%)	.	.	.	28.5	26.6	27.4	
E2 Intention to buy a car in the next 12 months (% of consumers)	14.3	19.2	10.1	17.9	18.3	16.3	++
- Very likely (%)	.	.	.	5.3	5.0	5.1	
- Quite likely (%)	.	.	.	12.6	13.3	11.2	
E4 Intention to buy a dwelling in the next 12 months (% of consumers)	12.7	18.1	9.1	17.1	15.0	16.3	++
- Yes, absolutely (%)	.	.	.	5.2	5.1	4.3	
- Possibly (%)	.	.	.	11.9	10.0	12.0	
E5 Intention to spend money on basic repairs of dwelling in the next 12 months (% of consumers)	17.6	26.0	8.1	22.9	22.3	23.6	++
- Very likely (%)	.	.	.	9.3	8.6	6.9	
- Quite likely (%)	.	.	.	13.6	13.7	16.6	

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.



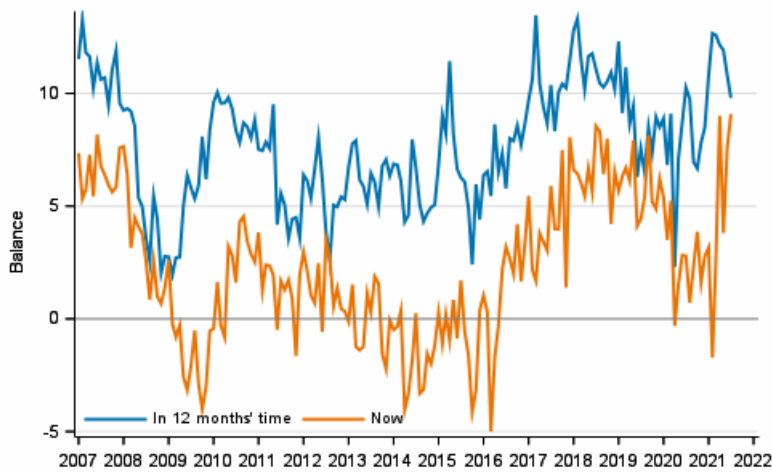
# Appendix figures

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

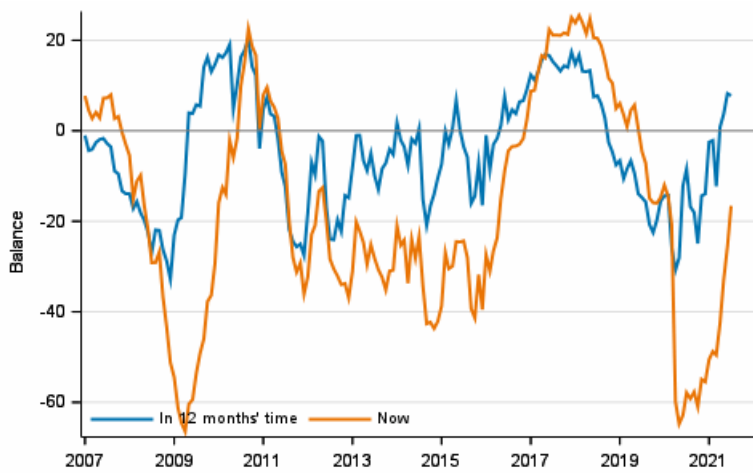


1) average 10/1995 - 07/2021

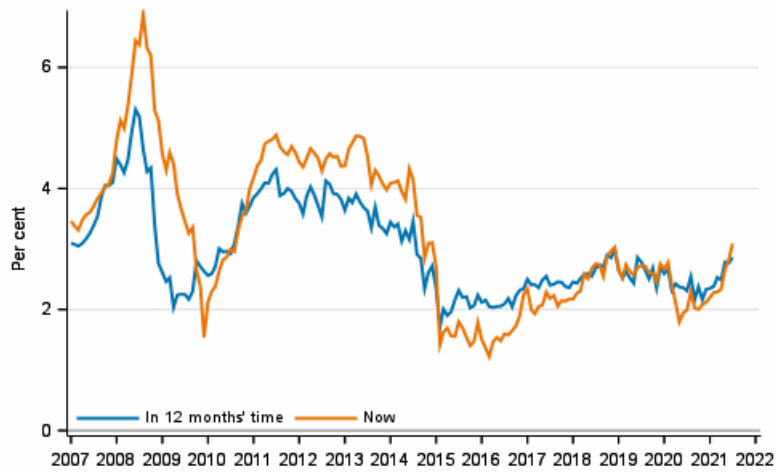
**Appendix figure 2. Own economy**



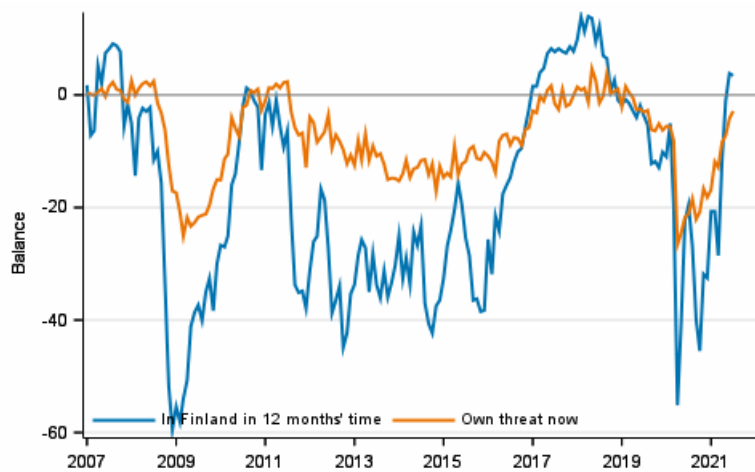
**Appendix figure 3. Finland's economy**



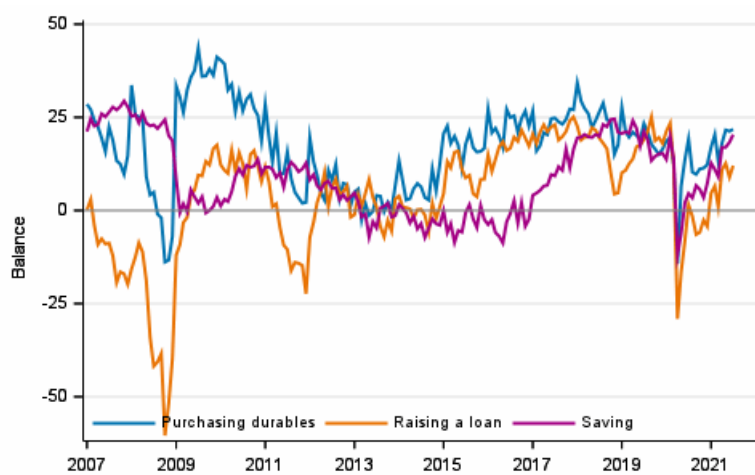
**Appendix figure 4. Inflation**



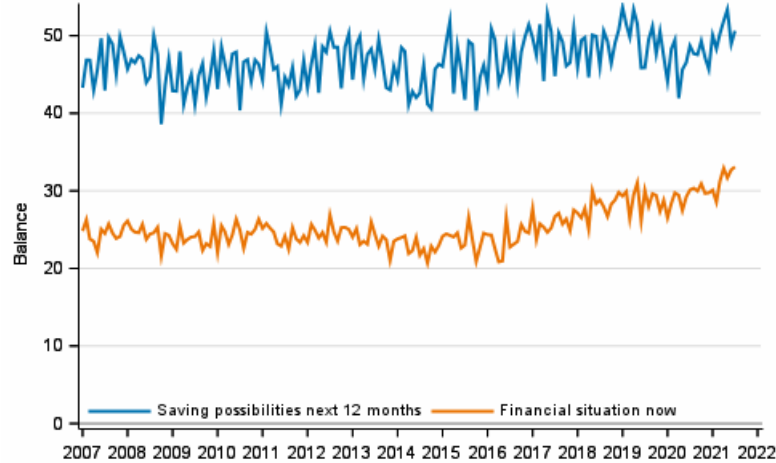
**Appendix figure 5. Unemployment**



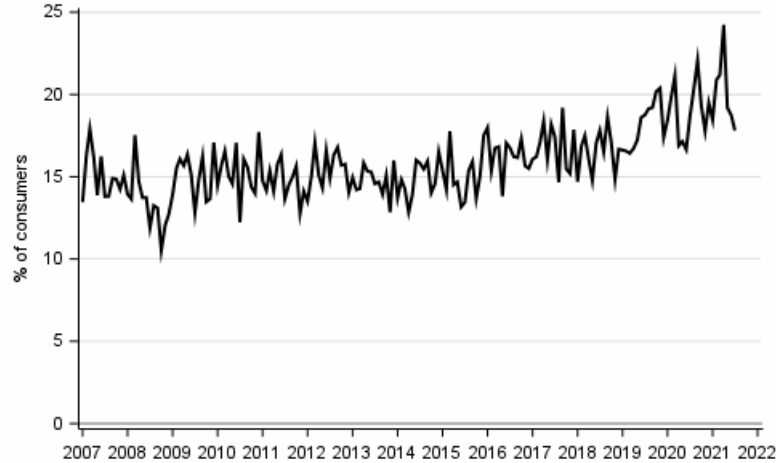
**Appendix figure 6. Favourability of time for**



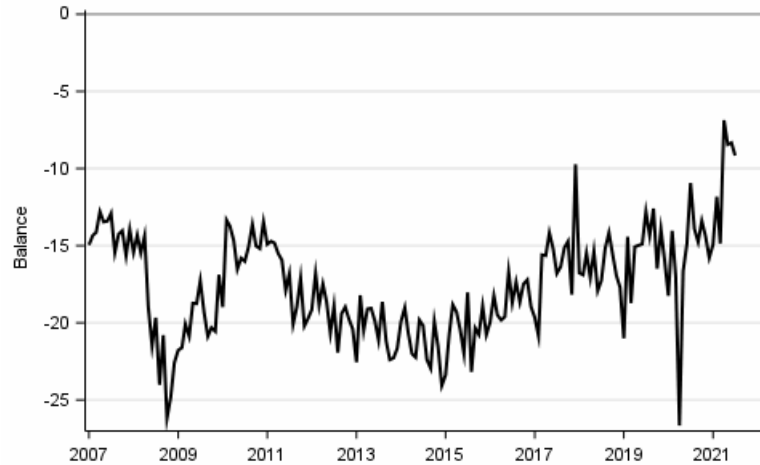
**Appendix figure 7. Own financial situation and saving possibilities**



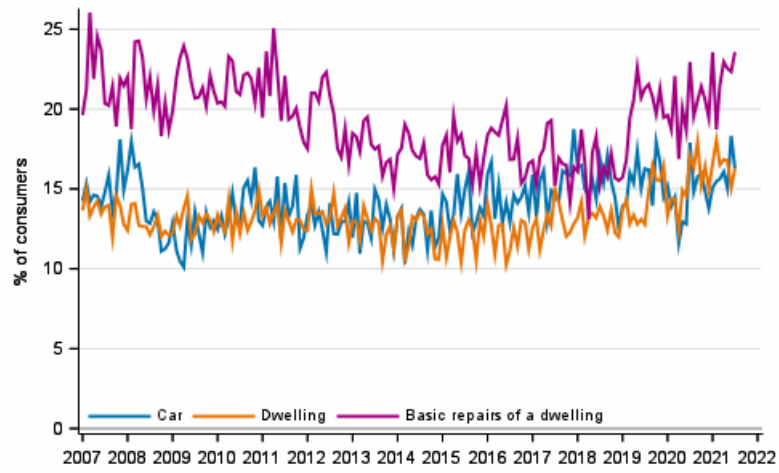
**Appendix figure 8. Intention to raise a loan, next 12 months**



**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, July. Statistics Finland