

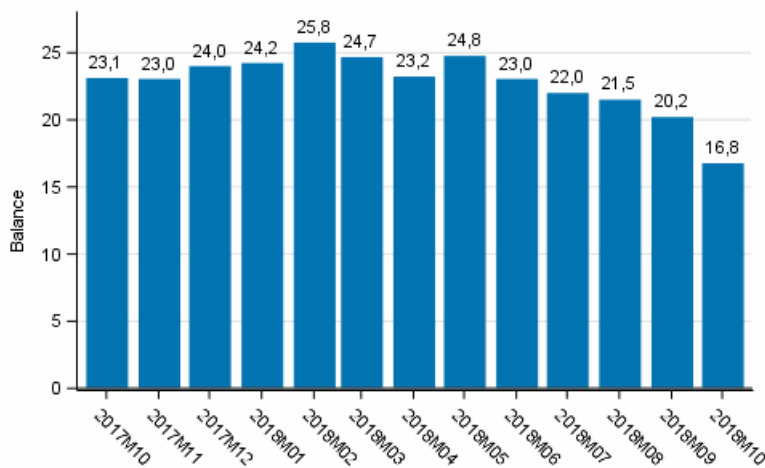
Consumer Survey

2018, October

Consumer confidence weakened – confidence in own economy firm

Consumers' confidence in the economy has become most cautious in two years. The consumer confidence indicator (CCI) stood at 16.8 in October, having been 20.2 in September and 21.5 in August. The CCI received the value 23.1 in last year's October and 15.8 in October 2016. The long-term average for the CCI is 12.6. The data are based on Statistics Finland's Consumer Survey, for which 1,148 people resident in Finland were interviewed between 1 and 19 October.

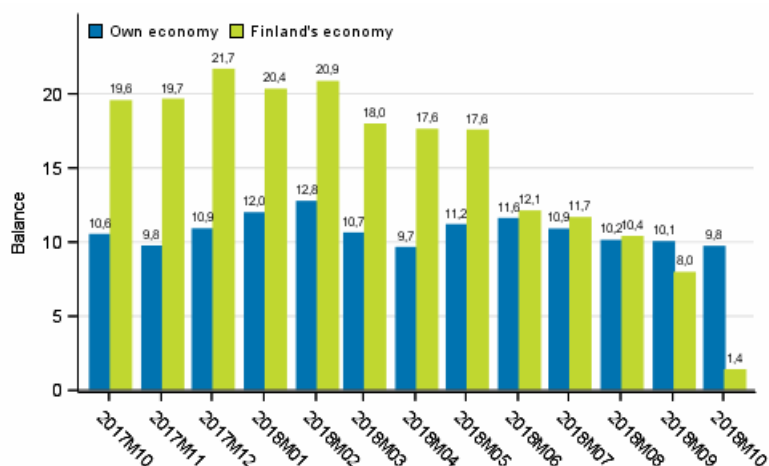
Consumer confidence indicator (CCI)



Of the four components of the CCI, expectations concerning Finland's economy and general unemployment development weakened clearly in October compared with September. However, consumers' estimates concerning unemployment development were still bright, while the view of Finland's economy already seemed fairly pessimistic. Consumers' expectations concerning their own economy and saving possibilities remained almost unchanged and good in October.

Confidence in Finland's economy and unemployment decreasing also weakened in October from last year's corresponding period. Consumers' views concerning their own economy and saving possibilities remained almost the same.

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



In October, consumers considered their household's financial situation to be very good. The time was regarded very favourable for saving and good also for buying durable goods but no longer for taking out a loan. Employed consumers felt in October that their personal threat of unemployment has decreased somewhat in recent times.

Consumer confidence by major region and population group

In October, confidence in the economy was strongest in Northern Finland and in Greater Helsinki (consumer confidence indicator 20.2 and 19.4). Among population groups, upper-level salaried employees were clearly most optimistic (29.2). Pensioners (6.5) and unemployed persons (13.2) had the gloomiest expectations concerning economic development.

EU results

The (seasonally adjusted) Consumer Survey results 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 (see [Methodological description](#)). The **consumer confidence indicator** (CCI) is the average of the balance figures for the CCI components. The components are: own economy, Finland's economy, general unemployment and household's saving possibilities (all concerning next 12 months). 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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Review

Consumers' own and Finland's economy

In October, only 27 per cent of consumers believed that Finland's economic situation would improve during the next 12 months, while as many as 23 per cent of them thought that the country's economy would deteriorate. In September, the respective proportions were 32 and 16 per cent and in last year's October 48 and 10 per cent.

In October, 28 per cent of consumers believed that their own economy would improve and 12 per cent of them feared it would worsen over the year. One month earlier, the corresponding proportions were 27 and 11 per cent, and one year earlier 29 and 10 per cent.

Unemployment and inflation

Altogether 39 per cent of consumers thought in October that unemployment would decrease over the year, while 21 per cent of them believed it would increase. The proportions were 45 and 16 per cent in September and 48 and 16 per cent one year ago.

In October, 27 per cent of employed persons felt that they were not threatened by unemployment at all. Seventeen per cent of employed persons reckoned that their personal threat of unemployment had lessened over the past few months, while 12 per cent thought it had grown.

Consumers predicted in October that consumer prices would go up by 2.2 per cent over the next 12 months. One year ago, the predicted inflation rate was 1.7 per cent, and its long-term average is 2.1 per cent.

Saving and taking out a loan

In all, 73 per cent of consumers considered saving worthwhile in October. The long-term average proportion is 58 per cent. In October, 69 per cent of households had been able to lay aside some money and 79 per cent believed they would be able to do so during the next 12 months. Households mainly planned on saving for a rainy day, for old age or for holiday making. Next to various bank accounts, the most planned investment targets were investment funds. In October, questions were asked about the saving, investment and loan targets for the [last time](#) in connection with the Consumer Survey.

In October, 65 per cent of consumers regarded the time good for raising a loan. One year previously, the corresponding proportion was still 74 per cent. This October, 13 per cent of households were thinking of taking out a loan within one year.

Buying of durable goods

In October, 45 per cent of consumers thought the time was favourable for buying durable goods. Intentions to spend money were mostly moderate. Seventeen per cent of households were either very or fairly certain to buy a car during the next 12 months. Seven per cent of households considered purchasing a dwelling. In October, 19 per cent of households were planning to spend money on renovating their dwelling within a year.

Method of the Consumer Survey

The Consumer Survey is a telephone interview survey by means of which it is possible to measure Finns' images - assessments and expectations - of the general economic development and the financial situation of one's own household, and intentions to make major purchases, save money or take out a loan. In addition, the survey is a tool for finding out how common modern equipment are in households. For the Consumer Survey, answers are given by means of answer options (qualitative survey).

The first Consumer Survey 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 Survey data have been collected monthly on assignment and partial financing of the [European Commission](#).

Sampling and data collection

The population of the Consumer Survey comprises 4.5 million persons aged 15 to 84 and their 2.7 million households in Finland. A sample of 2,350 persons is drawn for the survey for every month. The same sample is also used for the data collection of the Finnish Travel Survey. The target area is the whole country and the respondents of the survey represent the population in Finland, according to age, gender, region of domicile and native language. The interviews are mainly conducted from Statistics Finland's Telephone Interview Centre (CATI), during the first two or three weeks of the month.

In October 2018, in all, 1,148 responses were gained, so the non-response rate of the survey was 51.1 per cent. The non-response rate 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, moved abroad etc.) is also included in non-response here.

Weighting

The response data of the Consumer 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.

For more information, see [Methodological description](#).

Appendix tables

Appendix table 1. Consumers' views and intentions

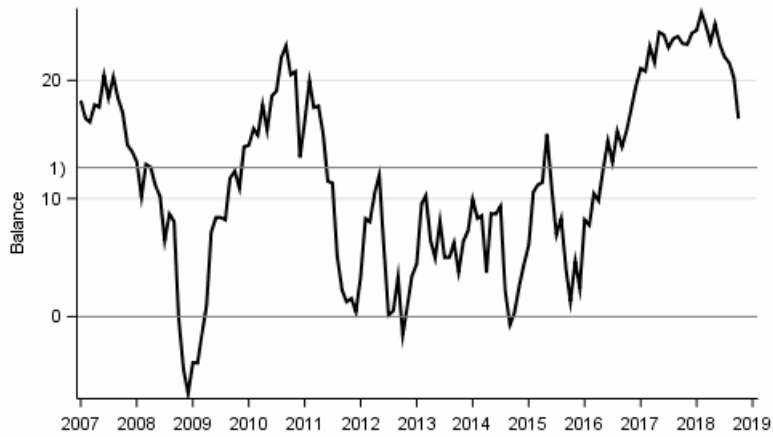
	Average 10/1995-	Max. 10/1995-	Min. 10/1995-	10/2017	09/2018	10/2018	Outlook ¹⁾
A1 Consumer confidence indicator, CCI = (B2+B4+B7+D2)/4	12.6	25.8	-6.5	23.1	20.2	16.8	+
A2 Old CCI = (B1+B2+B3+B4+C1)/5	6.9	20.6	-15.0	17.6	14.1	12.2	+
A3 Micro indicator = (B2+D1+D2)/3	25.8	33.4	9.5	30.2	30.6	31.1	+
A4 Macro indicator = (B4+B7)/2	1.0	22.8	-39.1	17.7	11.3	4.9	+
B1 Own economy now (balance)	3.9	9.8	-4.0	7.2	6.4	8.3	++
- Better (%)	23.4	30.6	16.4	26.9	27.3	28.2	
- Worse (%)	16.4	22.7	11.4	15.3	15.8	15.0	
B2 Own economy in 12 months' time (balance)	8.4	14.1	2.3	10.6	10.1	9.8	+
- Better (%)	25.9	33.4	18.2	28.8	27.3	28.3	
- Worse (%)	11.3	17.7	6.6	10.1	11.2	11.8	
B3 Finland's economy now (balance)	-1.2	29.5	-60.9	26.6	20.7	16.4	+
- Better (%)	28.0	62.1	2.0	58.0	48.7	44.3	
- Worse (%)	27.4	88.5	4.2	9.3	9.9	12.8	
B4 Finland's economy in 12 months' time (balance)	4.4	25.3	-27.1	19.6	8.0	1.4	-
- Better (%)	32.2	57.3	11.6	48.0	32.0	26.6	
- Worse (%)	22.0	57.3	6.0	9.9	16.1	23.1	
B5 Inflation now (per cent)	2.2	5.8	-2.0	1.1	1.6	1.9	
B6 Inflation in 12 months' time (per cent)	2.1	4.6	0.6	1.7	2.0	2.2	
B7 Unemployment in Finland in 12 months' time (balance)	-2.5	27.6	-51.1	15.8	14.5	8.4	+
- Less (%)	31.1	60.8	6.4	48.0	45.1	38.7	
- More (%)	33.4	83.3	6.9	16.1	15.8	21.3	
B8 Own threat of unemployment now (balance)	-0.6	9.8	-18.8	2.9	8.1	4.8	+
- Decreased (%)	13.4	20.4	5.3	15.6	19.9	16.6	
- Increased (%)	16.7	31.9	7.9	13.4	9.8	11.9	
C1 Favourability of time for purchasing durables (balance)	18.8	41.8	-14.2	24.2	25.5	25.1	+
- Favourable time (%)	44.6	62.4	29.6	45.7	44.3	45.2	
- Unfavourable time (%)	25.8	45.7	15.2	21.5	18.8	20.1	
C2 Favourability of time for saving (balance)	11.2	36.8	-19.6	23.3	28.9	31.3	++
- Good time (%)	58.4	80.7	33.4	66.9	71.3	73.0	
- Bad time (%)	36.0	58.5	15.5	26.9	23.4	22.2	
C3 Favourability of time for raising a loan (balance)	18.6	42.0	-47.1	33.1	27.7	21.7	=
- Good time (%)	62.8	78.2	13.3	73.9	69.8	65.1	
- Bad time (%)	30.0	83.4	12.1	18.3	22.6	27.3	
D1 Household's financial situation now (balance)	28.9	37.0	14.7	33.5	33.6	36.0	++
- Can save (%)	60.3	70.4	38.6	66.5	68.2	68.9	
- Uses savings or gets into debt (%)	6.8	10.1	4.5	7.1	7.4	5.1	

	Average 10/1995-	Max. 10/1995-	Min. 10/1995-	10/2017	09/2018	10/2018	Outlook ¹⁾
D2 Household's saving possibilities in the next 12 months (balance)	40.1	52.2	10.9	46.5	48.2	47.5	+
- Can save (%)	74.4	82.3	56.6	78.3	79.1	78.8	
- Cannot save (%)	23.8	40.3	16.5	20.1	19.4	19.5	
D5 Household's intentions to raise a loan in the next 12 months (% of households)	13.1	17.8	9.1	11.6	14.0	13.3	=
- Yes, certainly (%)	5.6	8.5	3.1	5.6	6.2	6.5	
- Possibly (%)	7.5	11.4	5.0	6.0	7.7	6.8	
E1 Spending on durables, next 12 months vs last 12 months (balance)	-8.9	-2.4	-18.2	-8.3	-6.3	-7.9	+
- More (%)	21.3	30.8	13.9	20.7	20.4	20.1	
- Less (%)	32.6	40.4	25.6	30.2	28.0	31.0	
E2 Intentions to buy a car in the next 12 months (% of households)	16.8	21.7	12.7	18.1	17.7	17.3	+
- Very likely (%)	8.5	12.1	5.1	8.5	8.1	8.8	
- Fairly likely (%)	8.2	10.4	5.3	9.6	9.6	8.5	
E4 Intentions to buy a dwelling in the next 12 months (% of households)	7.0	11.3	4.1	6.1	6.2	7.4	+
- Yes, certainly (%)	3.0	5.2	1.3	2.0	2.2	2.6	
- Possibly (%)	4.0	6.2	2.2	4.2	4.0	4.8	
E5 Intentions to spend money on basic repairs of dwelling in the next 12 months (% of households)	18.8	27.0	9.8	18.0	17.8	19.0	=
- Very likely (%)	12.4	19.0	5.0	10.5	10.1	12.1	
- Fairly likely (%)	6.4	9.1	3.2	7.5	7.8	6.9	

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

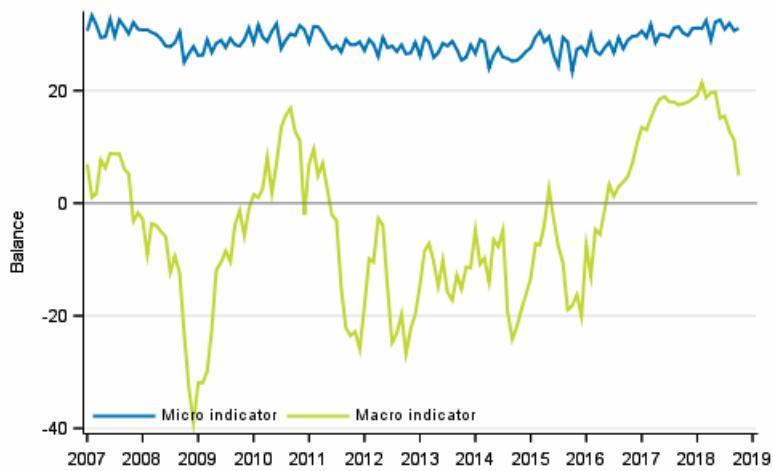
Appendix figures

Appendix figure 1. Consumer confidence indicator (CCI)

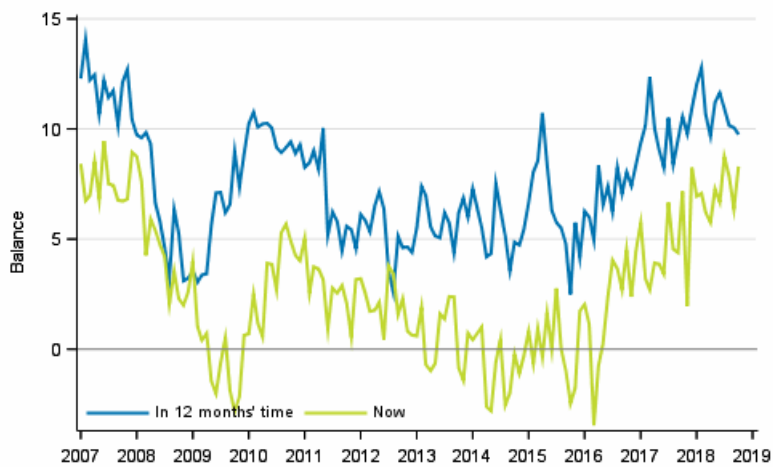


1) average 10/1995 - 10/2018

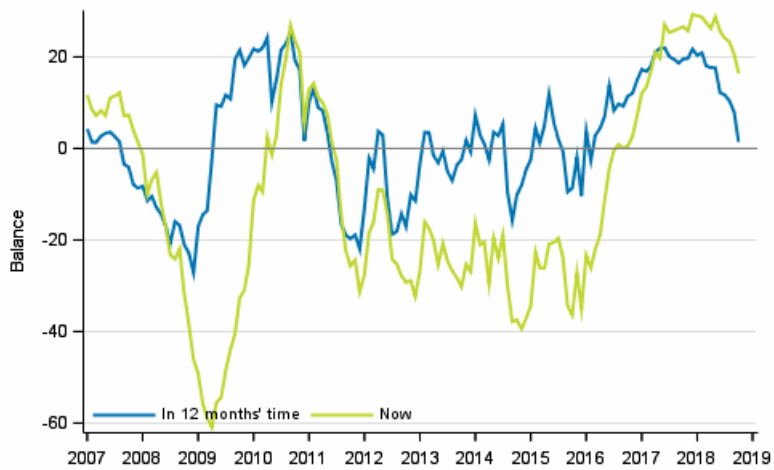
Appendix figure 2. Micro and macro indicators



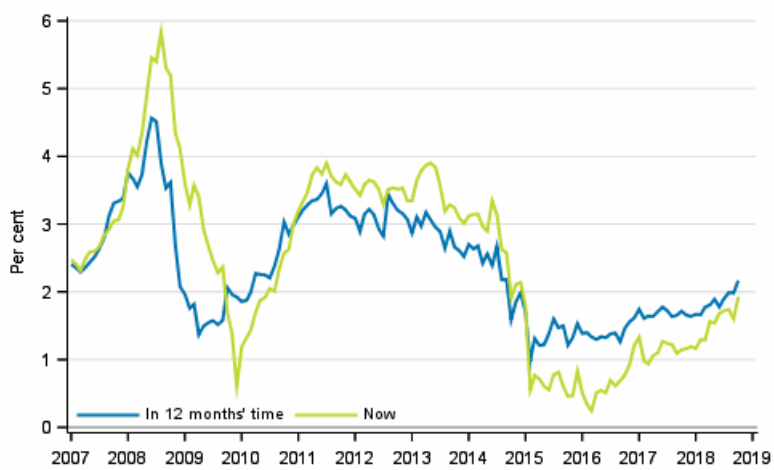
Appendix figure 3. Own economy



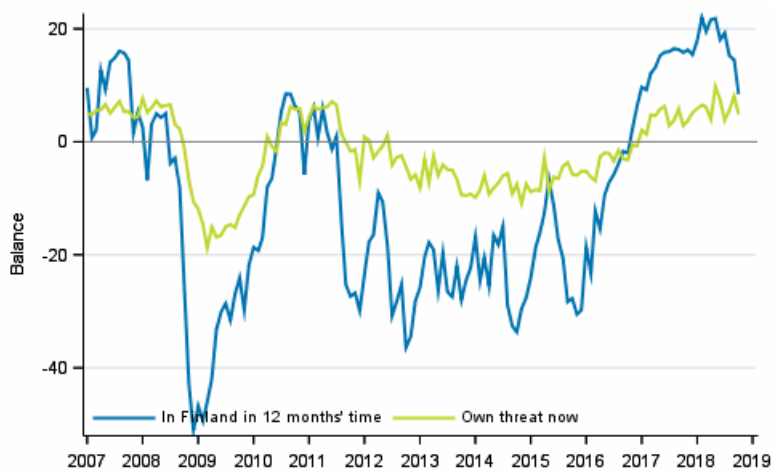
Appendix figure 4. Finland's economy



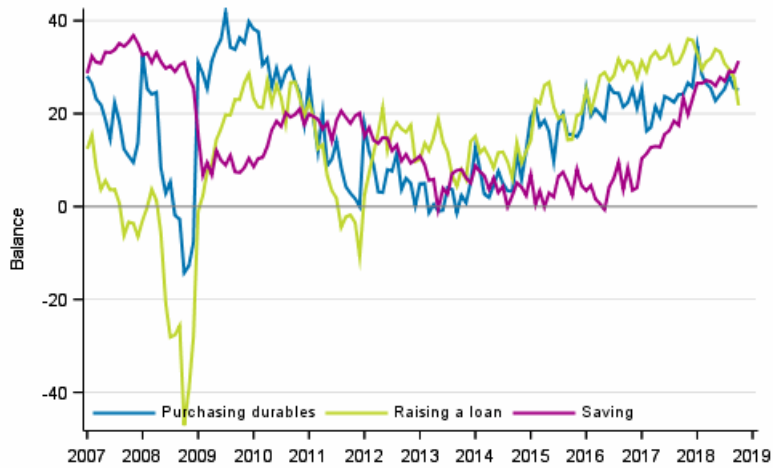
Appendix figure 5. Inflation



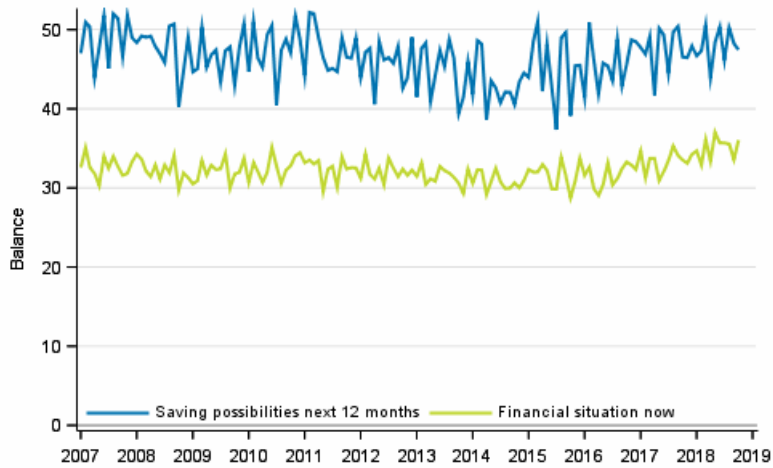
Appendix figure 6. Unemployment



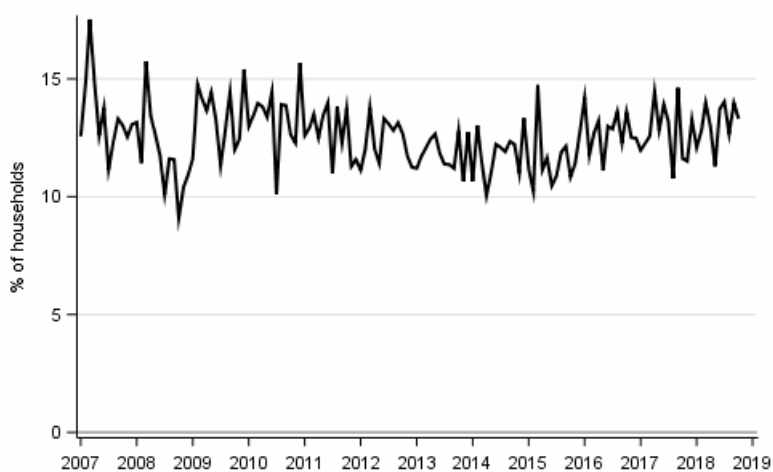
Appendix figure 7. Favourability of time for



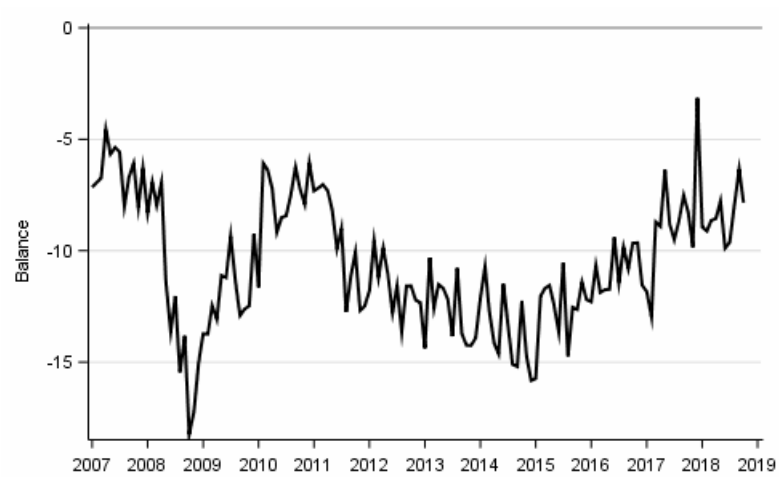
Appendix figure 8. Household's financial situation and saving possibilities



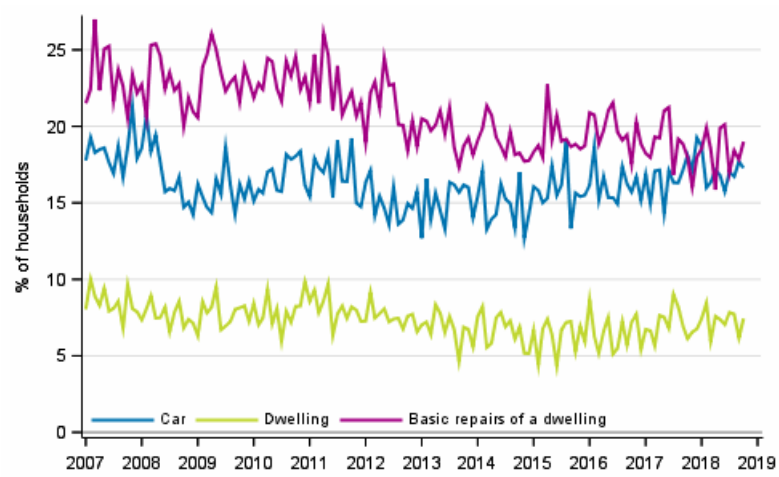
Appendix figure 9. Household's intentions to raise a loan, next 12 months



Appendix figure10. Spending on durables, next 12 months vs last 12 months



Appendix figure 11. Household's intentions to buy, next 12 months



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Source: Consumer Survey 2018, October. Statistics Finland