

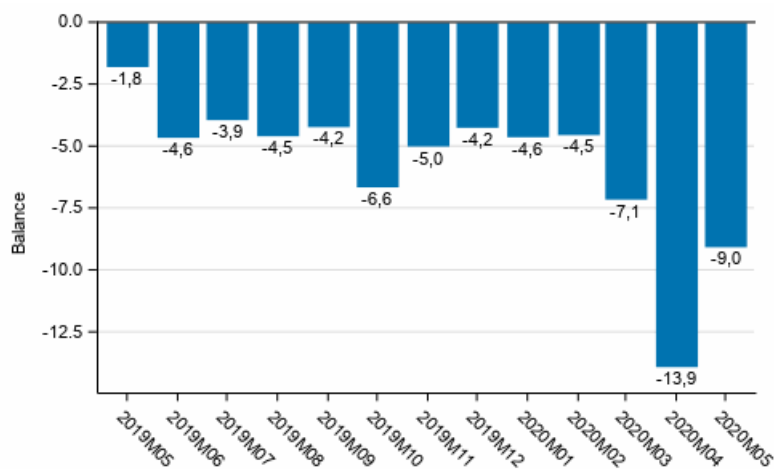
Consumer Confidence

2020, May

Consumer confidence recovered to some degree in May

In May the consumer confidence indicator (CCI) stood at -9.0, while in April it was -13.9 and in March -7.1. In last year's May the CCI received the value -1.8. The long-term average for the CCI is -1.7. The data are based on Statistics Finland's Consumer Confidence Survey, to which 1,175 persons resident in Finland responded between 1 and 18 May. Information based on the Consumer Confidence Survey on the economic and employment effects of the current corona pandemic has also been published in Statistics Finland's online [Tieto&Trendit](#) periodical.

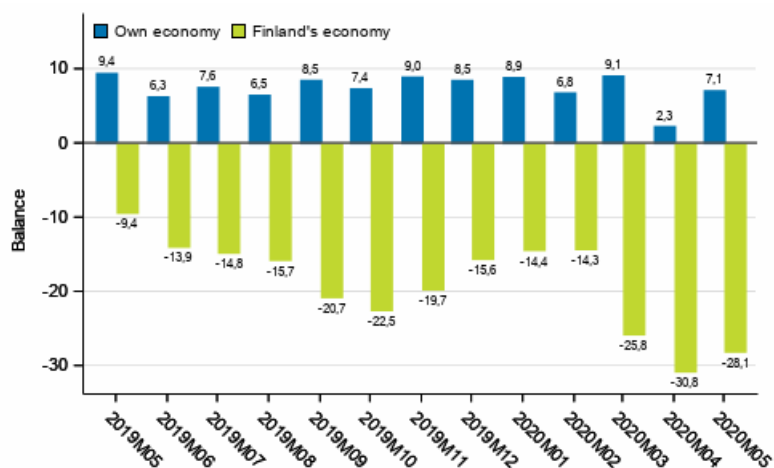
Consumer confidence indicator (CCI)



All four components of the CCI improved in May from the previous month. However, expectations concerning Finland's economy improved only slightly. Compared with the corresponding period last year, all the components weakened.

In May, consumers' views on Finland's economic development were still gloomy and close to the historical all-time low in 2008 to 2009. By contrast, consumers' assessments of their own economic situation and especially of its near future were only a little below the long-term average in May. In addition, intentions to spend money on durable goods already returned to their average level in one month.

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 May, but the expectations were still on a gloomy level. The same applied to the personal threat of unemployment experienced by employed consumers, that is, wage and salary earners and self-employed persons at the time of the survey. Consumers' estimates of the future growth rate of consumer prices remained unchanged in May.

In May, consumers considered their own financial situation to be still excellent. The time was regarded even very poor for saving, for taking out a loan and buying durable goods. However, these estimates also improved in a month. In addition, as in April, a considerable number of households considered taking out a loan and buying a dwelling in May during the next 12 months.

Consumer confidence by major region and population group

In May confidence in the economy was strongest in Southern and Western Finland (CCI -6.7 and -7.3). Students (1.2) were the most optimistic population group. Pensioners clearly had the most pessimistic views concerning economic development (-20.0). The CCI received the value -15.2 among self-employed persons.

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 87 per cent of consumers estimated in May that Finland's economy was now worse than a year ago and only three per cent of consumers felt that it was better. The respective proportions in April were 82 and 4 per cent. Twenty-one per cent of consumers thought in May that their own economy is at the moment worse than one year ago. Slightly more consumers or 24 per cent considered their own economy stronger than one year ago. One month earlier, the respective proportions were 21 and 20 per cent.

In May, 26 per cent of consumers believed that Finland's economic situation would improve in the coming twelve months, while 57 per cent of them thought that the country's economy would deteriorate. The respective proportions were 27 and 61 per cent in April.

In all, 27 per cent of consumers believed in May that their own economy would improve and 17 per cent of them feared it would worsen over the year. In April the corresponding proportions were more pessimistic: 24 and 21 per cent.

Unemployment and inflation

Altogether 16 per cent of consumers thought in May that general unemployment would decrease over the year, while 72 per cent of them believed it would increase. The corresponding proportions were even gloomier in April: 10 and 82 per cent.

In May, 35 per cent of employed persons felt that they were not threatened by unemployment at all. Four per cent of employed persons reckoned that their personal threat of unemployment had lessened over the past few months, while 40 per cent thought it had grown. One month ago, these three proportions were 33, 2 and 41 per cent.

Consumers estimated in May that consumer prices would go up by 2.4 per cent over the next 12 months. The predicted long-term average inflation rate is 2.9 per cent.

Saving and taking out a loan

In May, 43 per cent of consumers thought the time was favourable for saving. The proportion was 40 per cent in April. In May, 62 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 May, 37 per cent of consumers regarded the time good for taking out a loan. One month earlier, the corresponding proportion was only 28 per cent. In May still slightly more consumers than usual, or 17 per cent of them, were planning to raise a loan within one year.

Buying of durable goods

Thirty per cent of consumers considered the time favourable for buying durable goods in May. The proportion was only 20 per cent in April. Fourteen per cent of consumers in May planned on increasing and 35 per cent on reducing their spending on durable goods over the next 12 months. In April, these two proportions were clearly weaker: 9 and 46 per cent.

In May, only 13 per cent of consumers were either definitely or possibly going to buy a car during the next 12 months. In turn, intentions related to the dwelling – besides taking out a loan – were still on a good level. In May, 15 per cent of consumers considered buying a dwelling. The long-term average proportion is 13 per cent. In May, 20 per cent of consumers were 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. The rotating panel design is used in the survey: everybody answers twice within six months. Each month, the target is a random sample of about 2,200 persons, of whom one half are included in the first round and one half in the second round. 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 May 2020, in all, 1,175 responses were gained. Of responses, 76 per cent came from the web questionnaire. The non-response rate of the survey was 46.1 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-	05/2019	04/2020	05/2020	Outlook ²⁾
A1 Consumer confidence indicator, CCI = (B1+B2+B4+E1)/4	-1.7	6.8	-13.9	-1.8	-13.9	-9.0	--
B1 Own economy now (balance)	3.1	8.6	-5.3	7.9	-0.3	1.5	-
- Better (%)	.	.	.	29.9	20.2	24.4	
- Worse (%)	.	.	.	17.5	20.8	20.6	
B2 Own economy in 12 months' time (balance)	8.0	13.5	1.2	9.4	2.3	7.1	-
- Better (%)	.	.	.	28.6	23.6	26.9	
- Worse (%)	.	.	.	13.0	20.6	16.9	
B3 Finland's economy now (balance)	-5.9	25.9	-66.5	5.7	-59.8	-64.8	--
- Better (%)	.	.	.	29.2	4.0	3.2	
- Worse (%)	.	.	.	18.0	82.5	86.8	
B4 Finland's economy in 12 months' time (balance)	-1.8	20.3	-32.8	-9.4	-30.8	-28.1	--
- Better (%)	.	.	.	13.8	27.1	25.6	
- Worse (%)	.	.	.	30.8	61.0	56.7	
B5 Inflation now (per cent)	3.1	6.9	-2.7	2.6	2.1	1.8	
B6 Inflation in 12 months' time (per cent)	2.9	5.3	1.7	2.4	2.4	2.4	
B7 Unemployment in Finland in 12 months' time (balance)	-10.3	20.3	-59.5	-4.0	-55.1	-40.6	--
- Less (%)	.	.	.	23.6	10.2	16.5	
- More (%)	.	.	.	30.2	82.0	72.3	
B8 Own threat of unemployment now (balance)	-5.9	4.7	-26.6	-2.6	-26.6	-24.5	--
- Decreased (%)	.	.	.	9.2	2.3	3.8	
- Increased (%)	.	.	.	14.6	41.3	40.5	
C1 Favourability of time for purchasing durables (balance)	19.7	43.5	-14.3	20.1	-14.3	6.5	--
- Good time (%)	.	.	.	31.0	20.4	29.6	
- Bad time (%)	.	.	.	10.9	34.7	23.1	
C2 Favourability of time for saving (balance)	4.3	29.4	-28.5	22.1	-12.0	-6.2	-
- Good time (%)	.	.	.	67.4	39.7	43.2	
- Bad time (%)	.	.	.	31.4	59.2	55.4	
C3 Favourability of time for raising a loan (balance)	7.7	31.7	-60.4	17.1	-29.1	-16.6	--
- Good time (%)	.	.	.	64.5	28.1	36.8	
- Bad time (%)	.	.	.	33.7	69.8	61.7	
D1 Own financial situation now (balance)	21.5	31.0	6.4	31.0	29.4	27.5	++
- Money is saved (%)	.	.	.	63.1	62.4	61.7	
- Uses savings or gets into debt (%)	.	.	.	9.1	10.6	11.6	
D2 Own saving possibilities in the next 12 months (balance)	39.7	53.6	9.8	51.5	41.9	45.6	+
- Can save (%)	.	.	.	77.8	73.9	75.7	
- Cannot save (%)	.	.	.	22.1	25.6	24.1	
D5 Intention to raise a loan in the next 12 months (% of consumers)	15.4	21.1	10.5	17.2	16.9	17.1	+
- Yes, absolutely (%)	.	.	.	4.7	3.8	4.1	

	Average 10/1995-	Max. 10/1995-	Min. 10/1995-	05/2019	04/2020	05/2020	Outlook ²⁾
- Possibly (%)	.	.	.	12.5	13.1	13.1	
E1 Spending on durables, next 12 months vs. last 12 months (balance)	-16.3	-9.7	-26.7	-15.0	-26.7	-16.6	=
- More (%)	.	.	.	14.5	9.2	14.1	
- Less (%)	.	.	.	34.2	45.5	35.2	
E2 Intention to buy a car in the next 12 months (% of consumers)	14.3	19.2	10.1	17.4	11.6	12.9	-
- Very likely (%)	.	.	.	6.3	3.1	3.9	
- Quite likely (%)	.	.	.	11.1	8.5	9.1	
E4 Intention to buy a dwelling in the next 12 months (% of consumers)	12.6	16.5	9.1	12.8	12.4	14.9	++
- Yes, absolutely (%)	.	.	.	4.0	4.0	3.8	
- Possibly (%)	.	.	.	8.8	8.4	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	22.6	16.9	20.1	+
- Very likely (%)	.	.	.	9.0	5.5	6.4	
- Quite likely (%)	.	.	.	13.6	11.4	13.6	

1) Period 10/1995–04/2019: information on response distributions cannot be presented – only the (revised) balance figures, inflation estimates and some percentage shares are published.

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

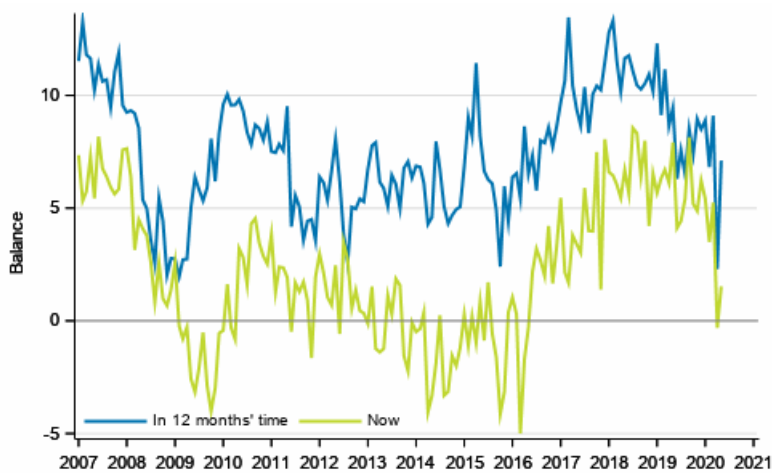
Appendix figures

Appendix figure 1. Consumer confidence indicator (CCI)

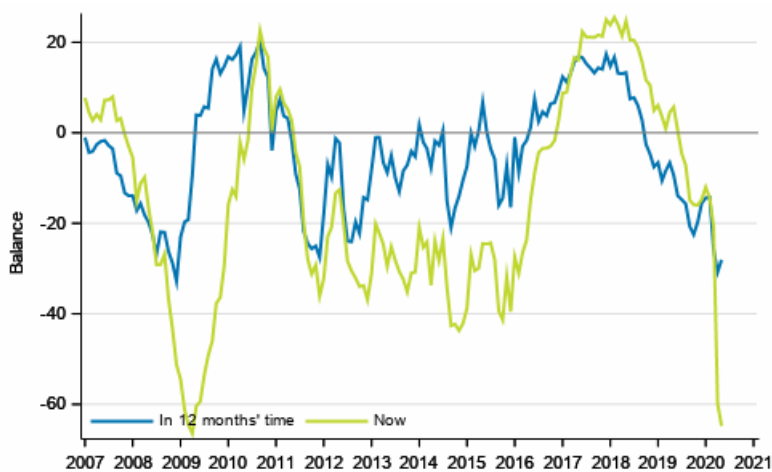


1) average 10/1995 - 05/2020

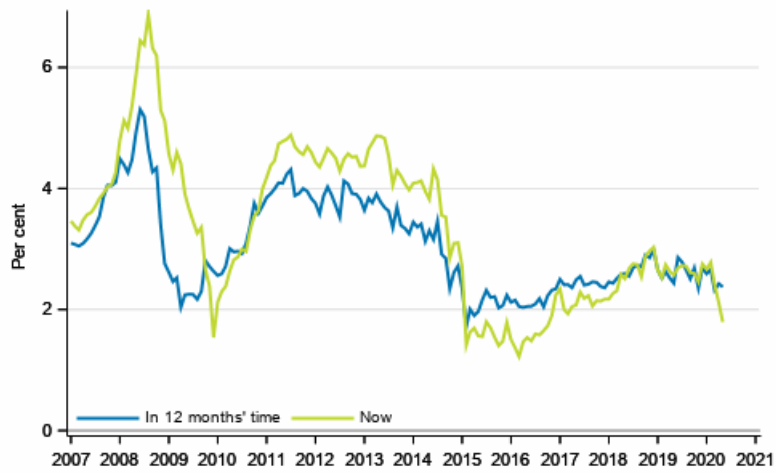
Appendix figure 2. Own economy



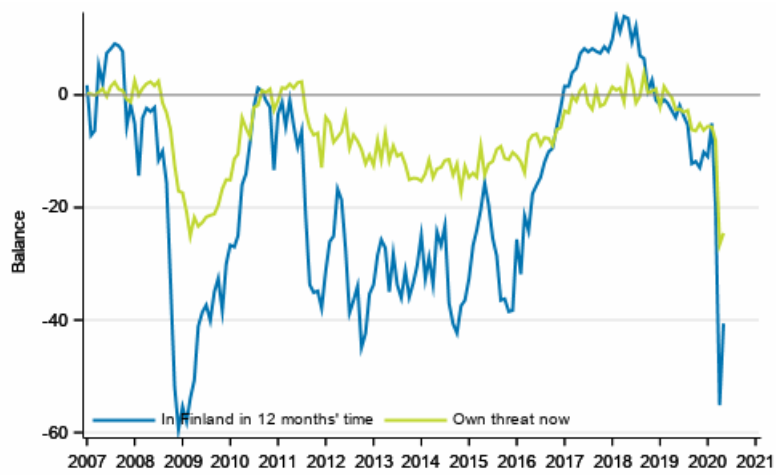
Appendix figure 3. Finland's economy



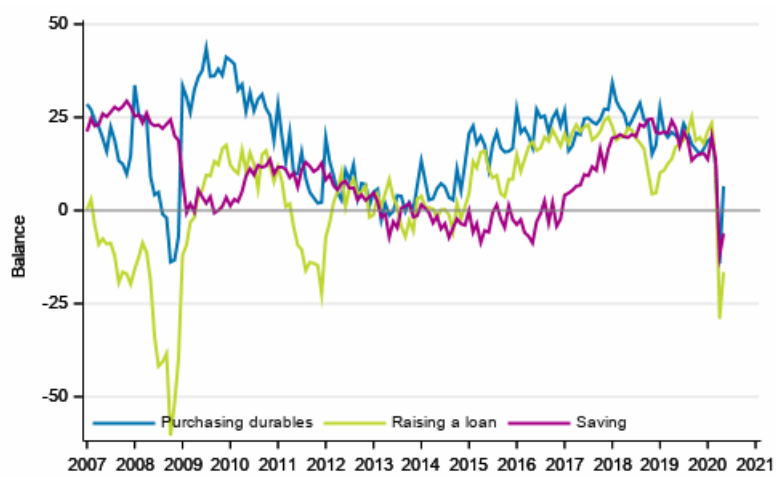
Appendix figure 4. Inflation



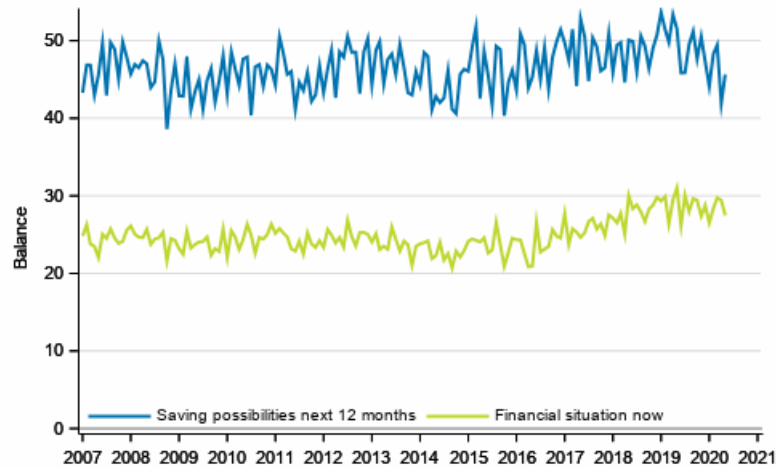
Appendix figure 5. Unemployment



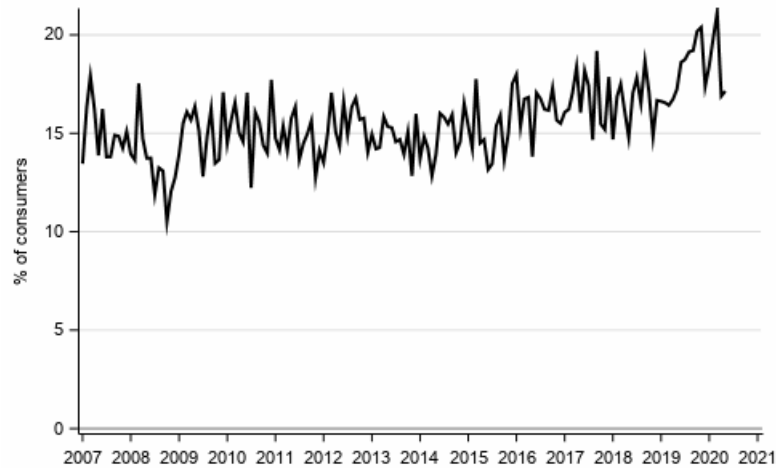
Appendix figure 6. Favourability of time for



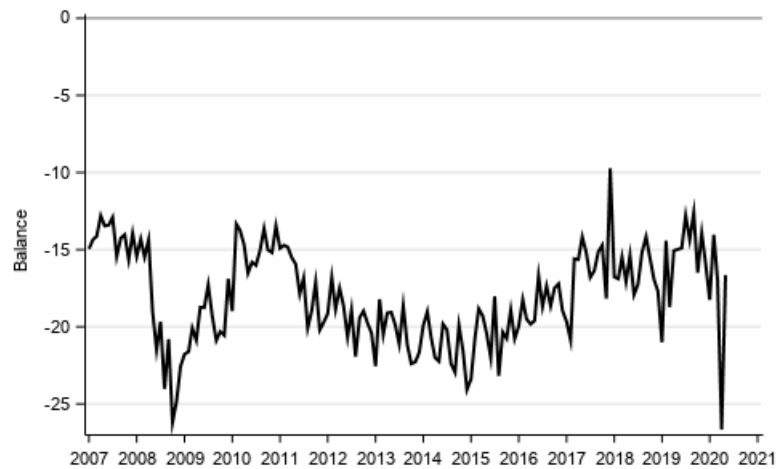
Appendix figure 7. Own financial situation and saving possibilities



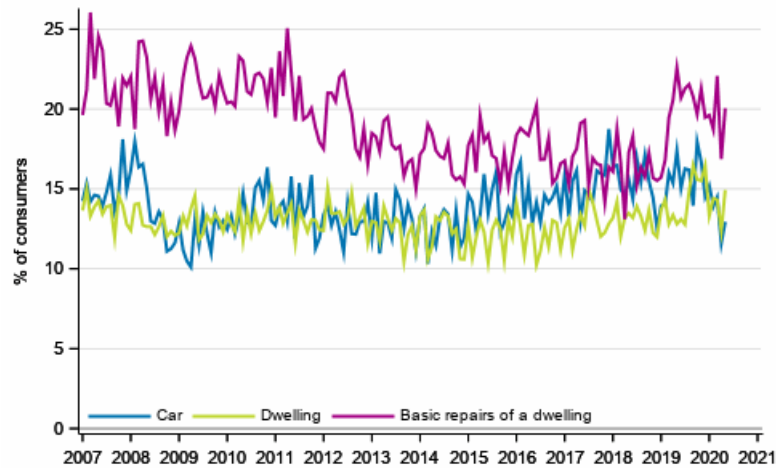
Appendix figure 8. Intention to raise a loan, next 12 months



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



Appendix figure10. Intentions to buy, next 12 months



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