

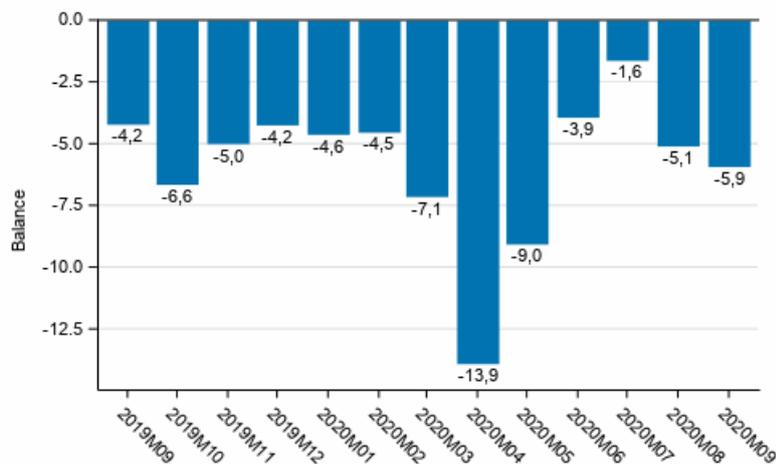
Consumer Confidence

2020, September

Consumers' estimates of unemployment development gloomier – more than ever intentions of buying a dwelling and taking out a loan

The consumer confidence indicator (CCI) stood at -5.9 in September, having been -5.1 in August and -1.6 in July. Last year in September, the CCI received the value -4.2. The long-term average for the CCI is -1.8. The data are based on Statistics Finland's Consumer Confidence Survey, to which 1,112 persons resident in Finland responded between 1 and 20 September.

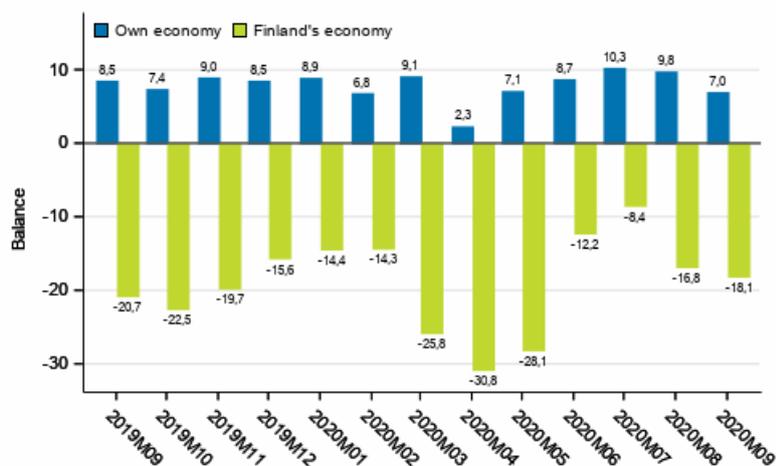
Consumer confidence indicator (CCI)



Of the four components of the CCI, only the views concerning consumers' own economy at present improved in September from August. The other components weakened slightly. Compared to the corresponding period of last year, only expectations concerning Finland's economy improved slightly in September while other CCI components changed for the worse in a year.

In September, consumers' views on Finland's economic development were still gloomy. Expectations concerning one's own economy in the near future were subdued but estimates of its present state more or less corresponded with the long-term average views. Consumers had slightly more intentions of spending money on durable goods in September than usual.

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



Consumers' expectations concerning the development of the general unemployment situation dropped to an even gloomier level in September. There was also more personal threat of unemployment experienced by employed consumers, that is, wage and salary earners and self-employed persons. Consumers' estimates of the growth rate of consumer prices fell clearly in September.

In September, consumers considered their own financial situation to be still excellent. The time was again regarded as somewhat favourable for saving but poor for buying durable goods and especially for raising a loan. However, record many were going to take out a loan in September. Consumers also had more plans of buying a dwelling than ever. In addition, many were considering renovating their dwelling and buying a car.

Consumer confidence by major region and population group

In September, consumer confidence in the economy was strongest in Greater Helsinki (CCI -1.2) and weakest in Eastern Finland (-10.4). Among population groups, lower-level salaried employees were most optimistic (0.8). Unemployed persons (-14.7) and pensioners (-12.2) had the most pessimistic expectations concerning economic development. The confidence indicator received the value -7.0 among self-employed persons in September.

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 84 per cent of consumers thought in September that Finland's economy was now worse than a year ago and only two per cent of consumers felt that it was better. Twenty-one per cent of consumers thought in September that their own economy is at the moment worse than one year ago. Slightly more consumers or 23 per cent considered their own economy stronger than one year ago.

In September, 25 per cent of consumers believed that Finland's economic situation would improve in the coming twelve months, while 46 per cent of them thought that the country's economy would deteriorate. One month earlier, the corresponding proportions were 23 and 46 per cent and in last year's September 10 and 47 per cent.

In all, 27 per cent of consumers believed in September that their own economy would improve and 15 per cent of them feared it would worsen over the year. In August, the corresponding proportions were 29 and 14 per cent and twelve months ago 27 and 13 per cent.

Unemployment and inflation

Only 13 per cent of consumers thought in September that general unemployment would decrease in Finland over the year, while as many as 71 per cent of them believed it would increase. The corresponding proportions were 17 and 60 per cent in August and 18 and 38 per cent one year ago.

Four per cent of employed persons believed in September that their personal threat of unemployment had lessened over the past few months, whereas 38 per cent thought it had grown. On the other hand, 32 per cent of employed persons felt that they were not threatened by unemployment at all. One month earlier in August, these three proportions were 4, 33 and 35 per cent and in last year's September, 6, 16 and 47 per cent.

Consumers estimated in September that consumer prices would go up by 2.2 per cent over the next 12 months. In August, the predicted inflation rate was still 2.5 per cent and its long-term average is 2.9 per cent.

Saving and taking out a loan

In September, 54 per cent of consumers thought the time was favourable for saving. The proportion was still 50 per cent in August. In September, 63 per cent of households had been able to lay aside some money and 77 per cent believed they would be able to do so during the next 12 months.

In September, 44 per cent of consumers regarded the time good for taking out a loan. One month earlier the respective proportion was 48 per cent and one year before 69 per cent. However, notably many, or 22 per cent, of consumers were planning in September to take out a loan within one year. The long-term average is only 15 per cent.

Use of money

Twenty-eight per cent of consumers considered the time favourable for buying durable goods in September. Fourteen per cent of consumers planned on increasing and 32 per cent on reducing their spending on durable goods over the next 12 months.

In September slightly more than usual, or 16 per cent of consumers were either definitely or possibly going to buy a car during the next 12 months. In September, more than ever before, or 18 per cent of consumers were considering buying a dwelling within a year. The long-term average proportion is 13 per cent. In addition, 21 per cent of consumers were planning in September 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 September 2020, in all, 1,112 responses were gained. Of responses, 75 per cent came from the web questionnaire. The non-response rate of the survey was 48.9 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-	09/2019	08/2020	09/2020	Outlook ²⁾
A1 Consumer confidence indicator, CCI = (B1+B2+B4+E1)/4	-1.8	6.8	-13.9	-4.2	-5.1	-5.9	--
B1 Own economy now (balance)	3.1	8.6	-5.3	8.1	0.7	2.3	=
- Better (%)	.	.	.	28.3	23.5	23.3	
- Worse (%)	.	.	.	14.6	21.8	20.6	
B2 Own economy in 12 months' time (balance)	8.0	13.5	1.2	8.5	9.8	7.0	-
- Better (%)	.	.	.	27.1	29.0	27.3	
- Worse (%)	.	.	.	13.4	13.7	15.2	
B3 Finland's economy now (balance)	-6.6	25.9	-66.5	-14.9	-59.2	-57.7	--
- Better (%)	.	.	.	11.4	2.2	2.2	
- Worse (%)	.	.	.	37.8	85.8	84.2	
B4 Finland's economy in 12 months' time (balance)	-1.9	20.3	-32.8	-20.7	-16.8	-18.1	--
- Better (%)	.	.	.	9.6	23.2	24.6	
- Worse (%)	.	.	.	46.7	45.6	46.1	
B5 Inflation now (per cent)	3.1	6.9	-2.7	2.6	2.3	2.0	
B6 Inflation in 12 months' time (per cent)	2.9	5.3	1.7	2.5	2.5	2.2	
B7 Unemployment in Finland in 12 months' time (balance)	-10.5	20.3	-59.5	-12.2	-26.8	-39.9	--
- Less (%)	.	.	.	18.0	16.7	13.0	
- More (%)	.	.	.	38.4	60.2	70.6	
B8 Own threat of unemployment now (balance)	-6.2	4.7	-26.6	-6.2	-18.5	-22.1	--
- Decreased (%)	.	.	.	6.4	4.4	4.4	
- Increased (%)	.	.	.	15.8	32.9	37.7	
C1 Favourability of time for purchasing durables (balance)	19.6	43.5	-14.3	17.8	10.3	9.7	-
- Good time (%)	.	.	.	27.8	28.3	27.6	
- Bad time (%)	.	.	.	10.0	18.0	17.9	
C2 Favourability of time for saving (balance)	4.3	29.4	-28.5	13.4	3.4	6.7	=
- Good time (%)	.	.	.	60.7	49.9	53.5	
- Bad time (%)	.	.	.	37.9	48.7	45.6	
C3 Favourability of time for raising a loan (balance)	7.5	31.7	-60.4	25.1	-1.6	-6.5	-
- Good time (%)	.	.	.	69.5	47.8	43.7	
- Bad time (%)	.	.	.	29.3	50.2	54.2	
D1 Own financial situation now (balance)	21.6	31.0	6.4	29.6	30.3	30.0	++
- Money is saved (%)	.	.	.	63.0	64.7	63.4	
- Uses savings or gets into debt (%)	.	.	.	9.9	10.3	10.4	
D2 Own saving possibilities in the next 12 months (balance)	39.8	53.6	9.8	51.2	47.7	47.6	+
- Can save (%)	.	.	.	78.6	77.0	77.0	
- Cannot save (%)	.	.	.	21.0	22.9	22.5	
D5 Intention to raise a loan in the next 12 months (% of consumers)	15.4	22.1	10.5	19.2	20.3	22.1	++
- Yes, absolutely (%)	.	.	.	5.1	5.8	6.2	

	Average 10/1995-	Max. 10/1995-	Min. 10/1995-	09/2019	08/2020	09/2020	Outlook ²⁾
- Possibly (%)	.	.	.	14.1	14.5	15.9	
E1 Spending on durables, next 12 months vs. last 12 months (balance)	-16.3	-9.7	-26.7	-12.6	-13.9	-14.8	+
- More (%)	.	.	.	15.5	13.9	13.6	
- Less (%)	.	.	.	31.1	31.2	32.3	
E2 Intention to buy a car in the next 12 months (% of consumers)	14.3	19.2	10.1	13.9	14.8	15.8	+
- Very likely (%)	.	.	.	4.8	4.2	5.0	
- Quite likely (%)	.	.	.	9.2	10.6	10.7	
E4 Intention to buy a dwelling in the next 12 months (% of consumers)	12.6	17.9	9.1	16.5	16.3	17.9	++
- Yes, absolutely (%)	.	.	.	4.7	4.2	6.1	
- Possibly (%)	.	.	.	11.8	12.1	11.8	
E5 Intention to spend money on basic repairs of dwelling in the next 12 months (% of consumers)	17.4	26.0	8.1	20.8	19.5	20.5	+
- Very likely (%)	.	.	.	7.6	6.6	7.1	
- Quite likely (%)	.	.	.	13.2	13.0	13.4	

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.

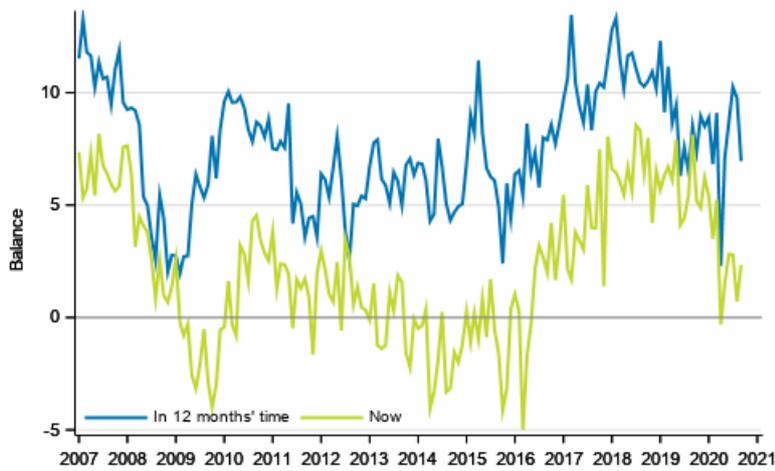
Appendix figures

Appendix figure 1. Consumer confidence indicator (CCI)

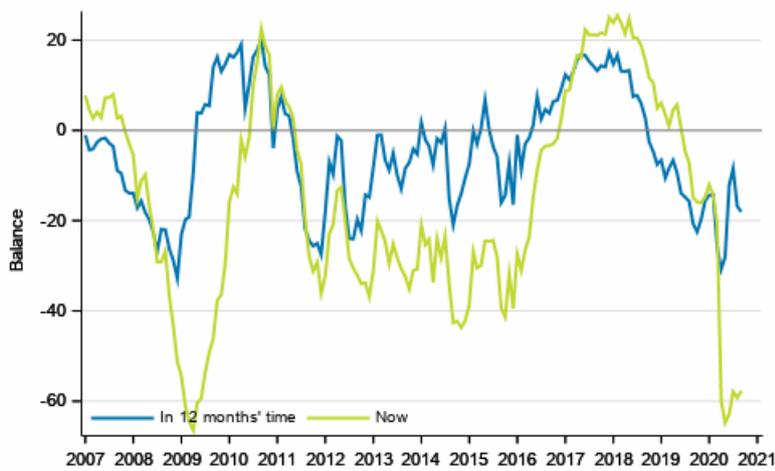


1) average 10/1995 - 09/2020

Appendix figure 2. Own economy



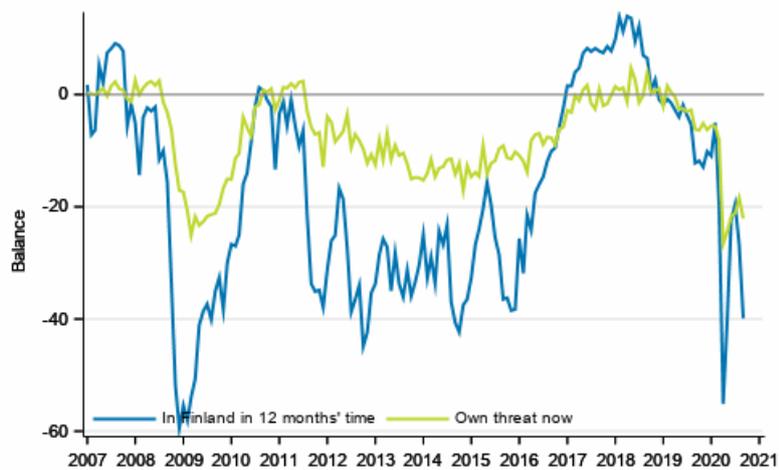
Appendix figure 3. Finland's economy



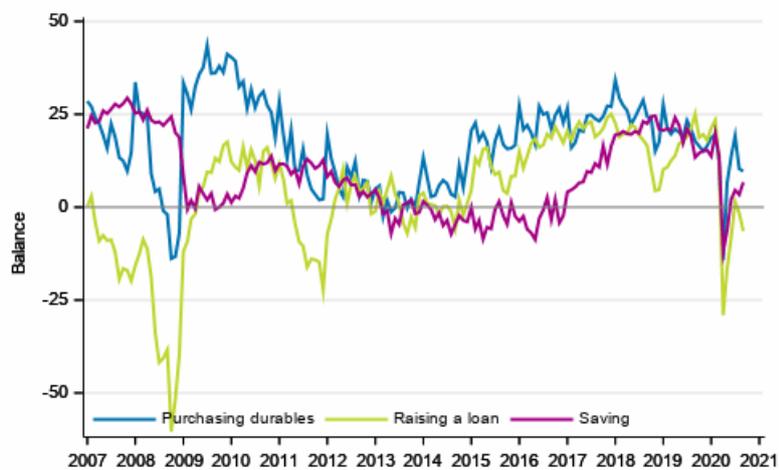
Appendix figure 4. Inflation



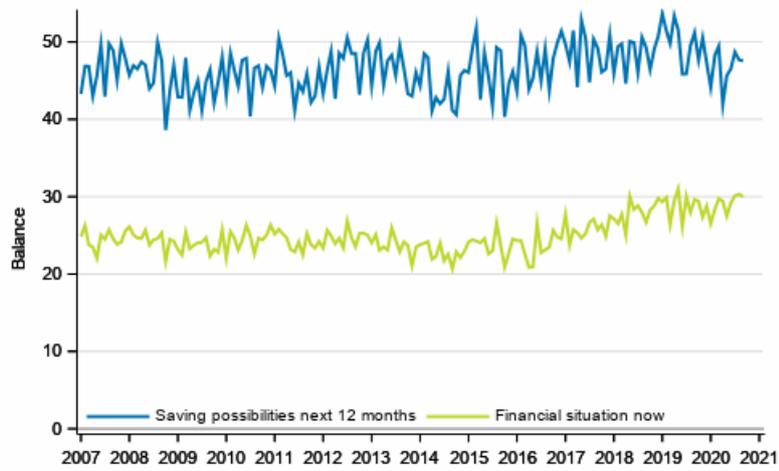
Appendix figure 5. Unemployment



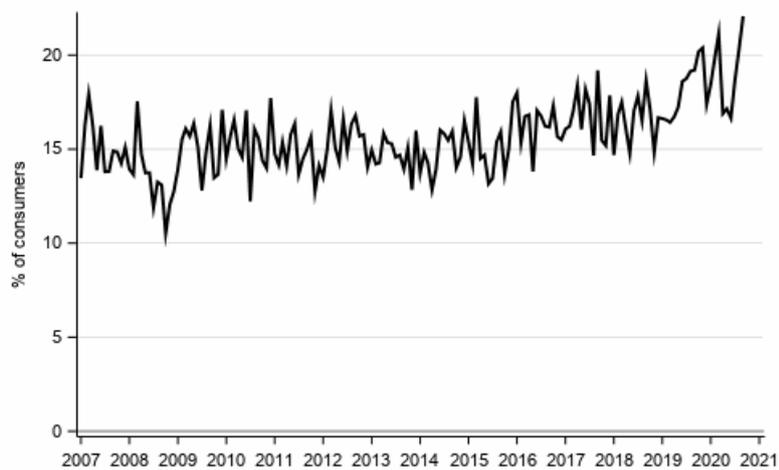
Appendix figure 6. Favourability of time for



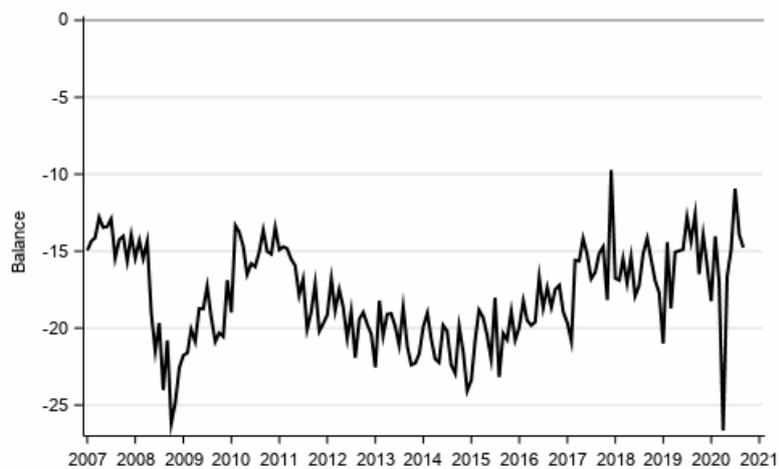
Appendix figure 7. Own financial situation and saving possibilities



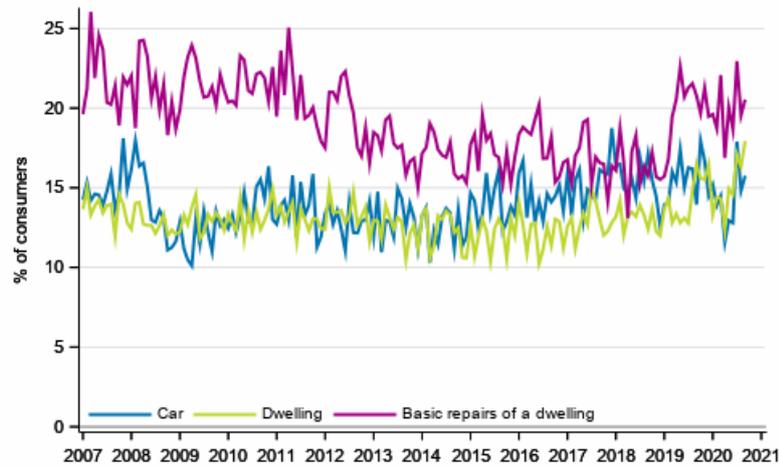
Appendix figure 8. Intention to raise a loan, next 12 months



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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Source: Consumer Confidence 2020, September. Statistics Finland