

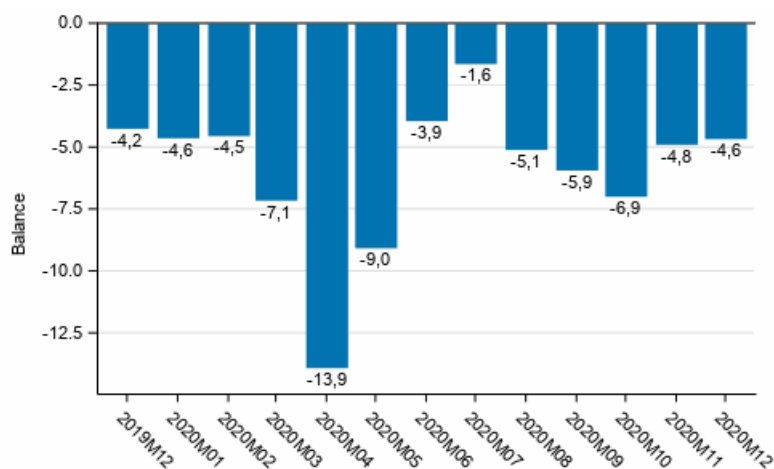
Consumer Confidence

2020, December

Consumer confidence almost unchanged in December

The consumer confidence indicator (CCI) stood at -4.6 in December whereas in November it was -4.8 and in October -6.9. Last year in December, 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 1,133 persons resident in Finland responded between 1 and 16 December.

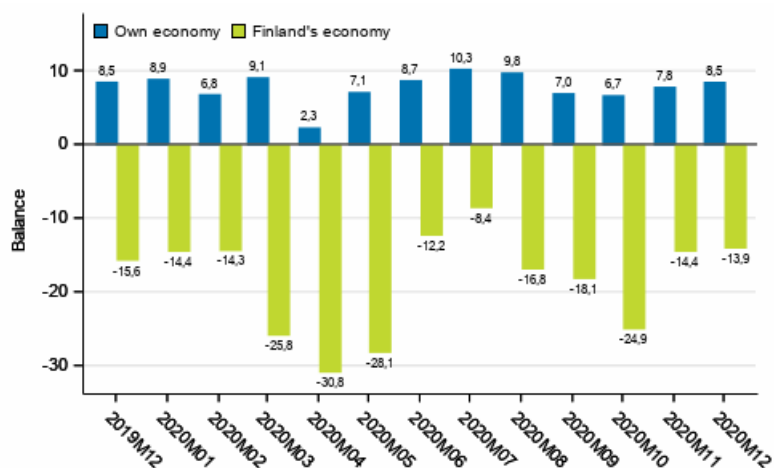
Consumer confidence indicator (CCI)



There were only minor changes in the components of the CCI in December compared with November. Consumers' intentions to spend money on durable goods decreased slightly in a month. The other three components improved slightly. By contrast, compared to the corresponding period last year, the views on the present state of the own economy weakened clearly and the expectations concerning Finland's economy improved somewhat in December. The other two components, that is, expectations concerning one's own economy and intentions to spend money on durable goods remained unchanged in the year.

In December, consumers' views on Finland's economic development were still gloomy. The other three components were on the long-term average level.

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 at a gloomy level in December. The view on the personal threat of unemployment or temporary lay-off at the time of the survey became somewhat gloomier among employed persons, i.e. wage and salary earners and self-employed persons. Consumers' estimates of the rising rate of consumer prices in the coming months remained more or less unchanged and clearly below their average in December.

In December, consumers still considered their own financial situation to be excellent. The time was regarded as reasonable for saving and poor for buying durable goods and especially for raising a loan. However, in December very many were still intending to raise a loan. Consumers also had plenty of plans to buy a dwelling. In addition, many were considering renovating their dwelling.

Consumer confidence by major region and population group

In December, consumers' confidence in the economy was strongest in Greater Helsinki (CCI -0.6) and weakest elsewhere in Southern Finland (-7.7). Among population groups, upper-level salaried employees were most optimistic (2.5). Pensioners (-11.0) and unemployed persons (-8.4) had the most pessimistic views concerning economic development. The confidence indicator received the value -3.5 among self-employed persons in December.

Consumer confidence 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

Eighty-four per cent of consumers felt in December that Finland's economy is now worse than a year ago and only two per cent of consumers felt that it was better. Twenty per cent of consumers estimated in December that their own economy is worse at the moment than one year ago. Slightly more consumers or 24 per cent considered their own economy stronger than one year ago. The proportions concerning consumers' own economy were 19 and 22 per cent in November and 17 and 27 per cent one year ago.

In December, 28 per cent of consumers believed that Finland's economic situation would improve during the next 12 months, while 43 per cent of them thought that the country's economy would deteriorate. One month previously, the corresponding proportions were 25 and 43 per cent and in last year's December 12 and 38 per cent.

In all, 27 per cent of consumers believed in December that their own economy would improve and 13 per cent of them feared it would worsen over the year. In November, the respective proportions were 25 and 13 per cent and twelve months ago 28 and 14 per cent.

Unemployment and inflation

Altogether 19 per cent of consumers expected in December that general unemployment in Finland would decrease over the next year, while 64 per cent of them believed it would increase. The corresponding proportions were 18 and 65 per cent in November and 19 and 37 per cent one year ago.

In December, 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 33 per cent thought it had grown. On the other hand, 36 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 6, 32 and 36 per cent, and in December last year 8, 18 and 46 per cent.

Consumers predicted in December that consumer prices would go up by 2.3 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 December, 55 per cent of consumers thought the time was favourable for saving. Twelve months ago, the proportion was 63 per cent. In December, 63 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 December, 45 per cent of consumers regarded the time good for taking out a loan. One year earlier, the corresponding share was 64 per cent. In December still slightly more consumers than usual, or 19 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 December, 30 per cent of consumers considered the time favourable for buying durable goods. Thirteen per cent of consumers planned on increasing and 34 per cent on reducing their spending on durable goods over the next 12 months.

In December, 14 per cent of consumers were either definitely or possibly going to buy a car during the next 12 months. In December, still relatively many considered buying a dwelling within a year: 15 per cent of consumers. 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 December 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 December 2020, in all, 1,133 responses were gained. Of responses, 79 per cent came from the web questionnaire. The non-response rate of the survey was 48.0 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-	12/2019	11/2020	12/2020	Outlook ²⁾
A1 Consumer confidence indicator, CCI = (B1+B2+B4+E1)/4	-1.8	6.8	-13.9	-4.2	-4.8	-4.6	-
B1 Own economy now (balance)	3.1	8.6	-5.3	6.2	1.6	2.8	=
- Better (%)	.	.	.	27.1	22.2	24.0	
- Worse (%)	.	.	.	17.1	19.3	19.5	
B2 Own economy in 12 months' time (balance)	8.0	13.5	1.2	8.5	7.8	8.5	=
- Better (%)	.	.	.	28.2	25.5	27.2	
- Worse (%)	.	.	.	13.6	13.1	13.0	
B3 Finland's economy now (balance)	-7.1	25.9	-66.5	-14.7	-54.9	-55.5	--
- Better (%)	.	.	.	11.4	3.1	2.2	
- Worse (%)	.	.	.	36.9	83.5	83.9	
B4 Finland's economy in 12 months' time (balance)	-2.1	20.3	-32.8	-15.6	-14.4	-13.9	--
- Better (%)	.	.	.	12.5	25.5	28.1	
- Worse (%)	.	.	.	38.0	42.6	43.5	
B5 Inflation now (per cent)	3.1	6.9	-2.7	2.8	2.1	2.1	
B6 Inflation in 12 months' time (per cent)	2.9	5.3	1.7	2.7	2.2	2.3	
B7 Unemployment in Finland in 12 months' time (balance)	-10.8	20.3	-59.5	-10.2	-31.8	-32.5	--
- Less (%)	.	.	.	19.1	17.6	18.7	
- More (%)	.	.	.	37.0	65.3	64.2	
B8 Own threat of unemployment now (balance)	-6.4	4.7	-26.6	-6.3	-16.6	-18.2	--
- Decreased (%)	.	.	.	8.2	6.5	5.1	
- Increased (%)	.	.	.	17.8	32.0	32.6	
C1 Favourability of time for purchasing durables (balance)	19.5	43.5	-14.3	16.5	11.4	12.3	-
- Good time (%)	.	.	.	29.4	27.7	29.9	
- Bad time (%)	.	.	.	12.9	16.3	17.6	
C2 Favourability of time for saving (balance)	4.3	29.4	-28.5	15.3	3.5	7.2	=
- Good time (%)	.	.	.	62.6	50.7	54.5	
- Bad time (%)	.	.	.	35.9	48.2	43.8	
C3 Favourability of time for raising a loan (balance)	7.4	31.7	-60.4	18.0	-2.6	-4.3	-
- Good time (%)	.	.	.	63.9	47.4	45.4	
- Bad time (%)	.	.	.	34.0	50.0	52.0	
D1 Own financial situation now (balance)	21.7	31.0	6.4	28.8	29.7	29.7	++
- Money is saved (%)	.	.	.	61.5	62.6	62.9	
- Uses savings or gets into debt (%)	.	.	.	10.7	10.3	9.5	
D2 Own saving possibilities in the next 12 months (balance)	39.9	53.6	9.8	47.3	47.2	45.7	+
- Can save (%)	.	.	.	77.0	76.2	75.7	
- Cannot save (%)	.	.	.	22.8	23.6	24.0	
D5 Intention to raise a loan in the next 12 months (% of consumers)	15.5	22.1	10.5	17.4	17.8	19.5	++
- Yes, absolutely (%)	.	.	.	4.7	5.2	5.1	

	Average 10/1995-	Max. 10/1995-	Min. 10/1995-	12/2019	11/2020	12/2020	Outlook ²⁾
- Possibly (%)	.	.	.	12.7	12.6	14.4	
E1 Spending on durables, next 12 months vs. last 12 months (balance)	-16.3	-9.7	-26.7	-15.9	-14.4	-15.8	=
- More (%)	.	.	.	14.0	12.9	13.4	
- Less (%)	.	.	.	35.5	31.2	33.7	
E2 Intention to buy a car in the next 12 months (% of consumers)	14.3	19.2	10.1	14.5	14.8	13.8	-
- Very likely (%)	.	.	.	5.8	4.7	4.0	
- Quite likely (%)	.	.	.	8.7	10.1	9.8	
E4 Intention to buy a dwelling in the next 12 months (% of consumers)	12.6	17.9	9.1	16.4	16.4	15.0	++
- Yes, absolutely (%)	.	.	.	5.1	5.3	3.9	
- Possibly (%)	.	.	.	11.4	11.1	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	19.5	20.6	19.4	+
- Very likely (%)	.	.	.	7.0	6.9	6.8	
- Quite likely (%)	.	.	.	12.4	13.7	12.7	

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.

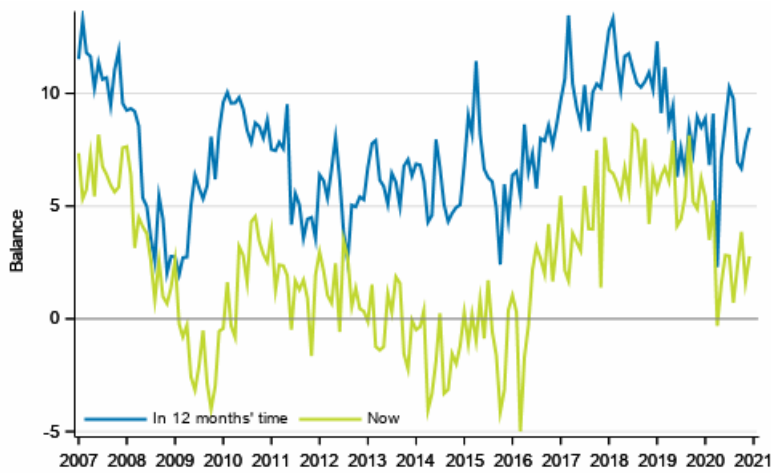
Appendix figures

Appendix figure 1. Consumer confidence indicator (CCI)

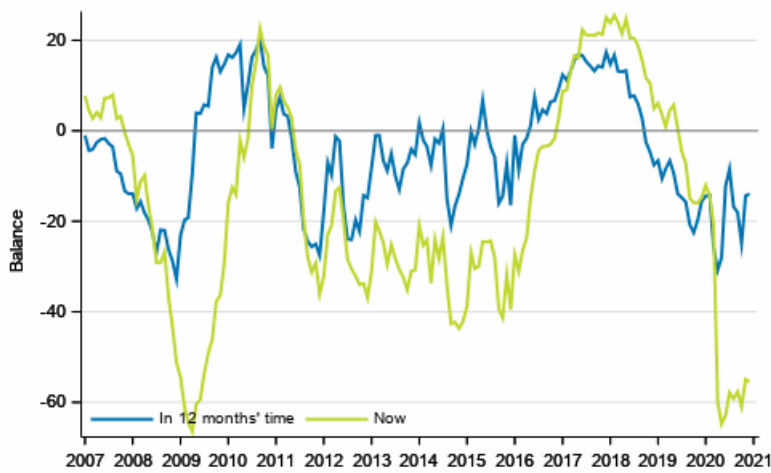


1) average 10/1995 - 12/2020

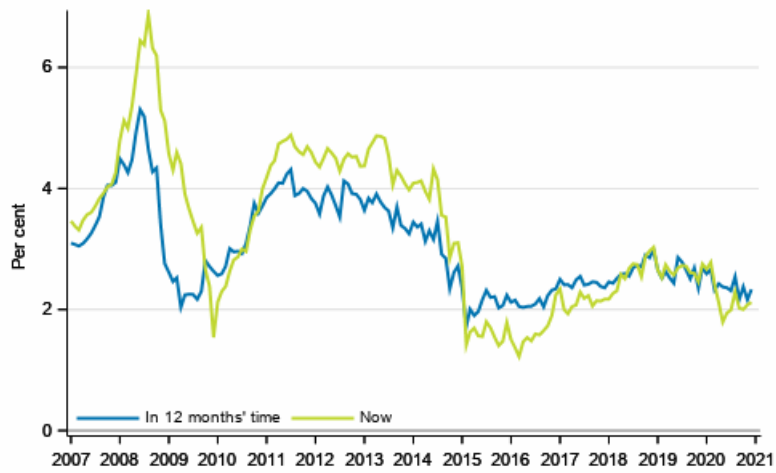
Appendix figure 2. Own economy



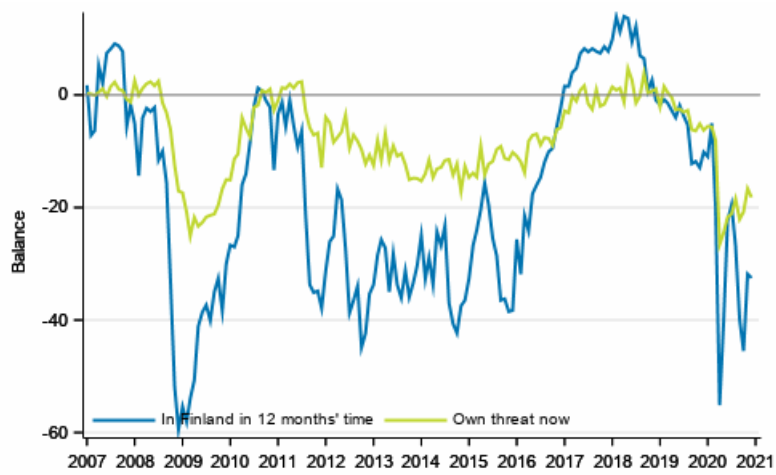
Appendix figure 3. Finland's economy



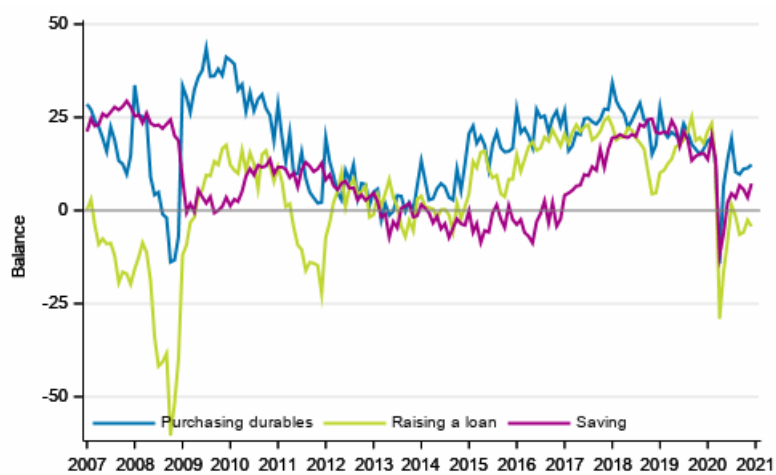
Appendix figure 4. Inflation



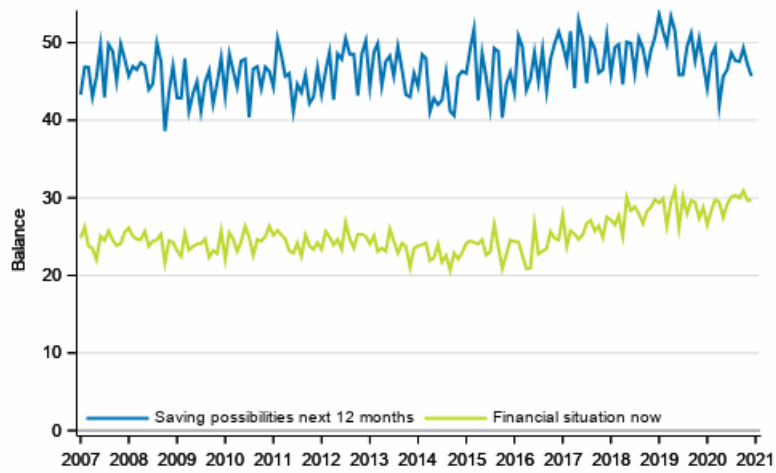
Appendix figure 5. Unemployment



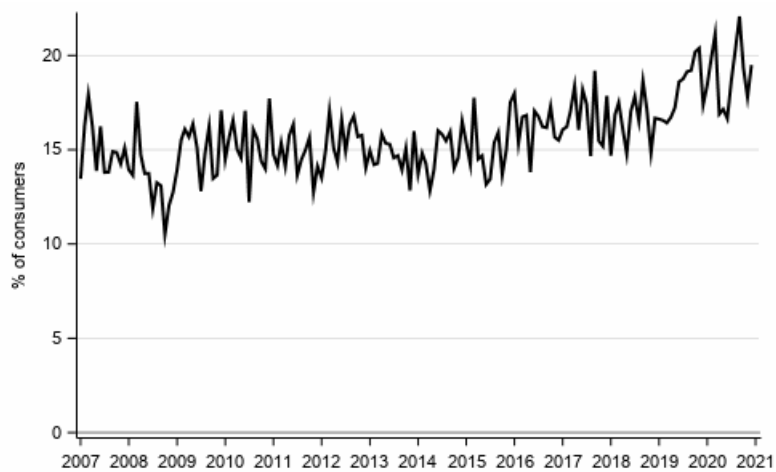
Appendix figure 6. Favourability of time for



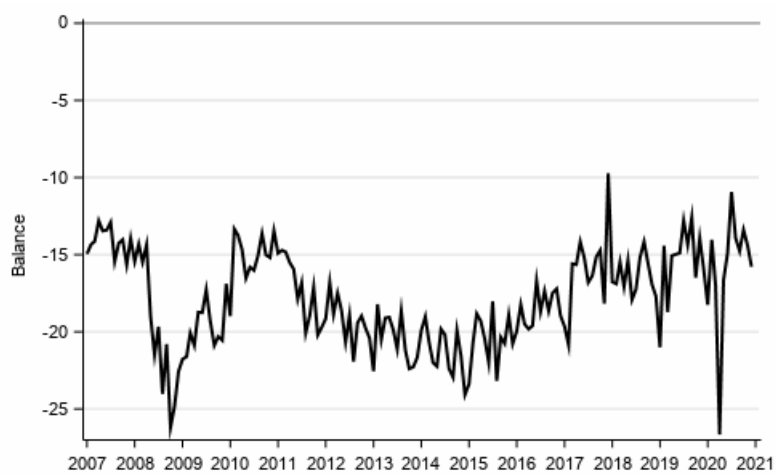
Appendix figure 7. Own financial situation and saving possibilities



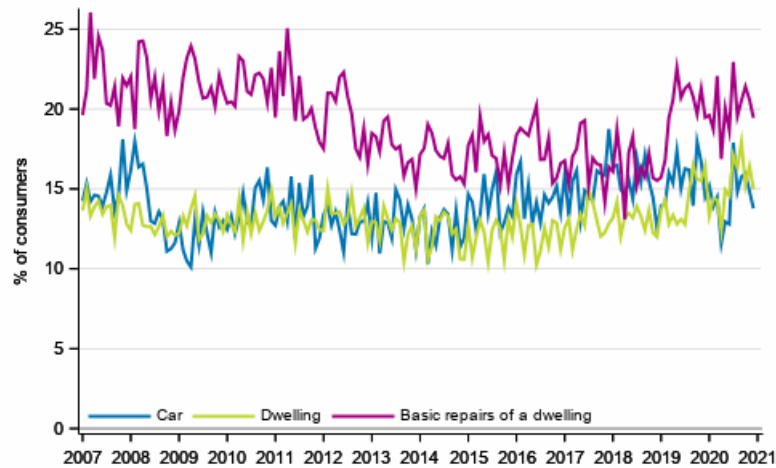
Appendix figure 8. Intention to raise a loan, next 12 months



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, December. Statistics Finland