

Consumer Survey

2012, August

Consumers' confidence in the economy unchanged in August

Consumer confidence indicator still stood at zero (0.5) in August, that is, at the same level as in July (0.1). Confidence in the economy was clearly weaker than in August one year ago and when compared with the long-term average. The data are based on Statistics Finland's Consumer Survey, for which 1,437 people resident in Finland were interviewed between 1 and 17 August.

Consumer confidence indicator (CCI)



* average 10/1995 - 08/2012

In August, confidence changed only fractionally from the previous month in all four components of the consumer confidence indicator. Caution increased both about consumers' own economy and about their households' saving possibilities. Consumers' views on the development of their own economy have been lower only in April 1996 and in October 1995. Consumers' estimates about the future of Finland's economy and development of unemployment continued to be fairly gloomy.

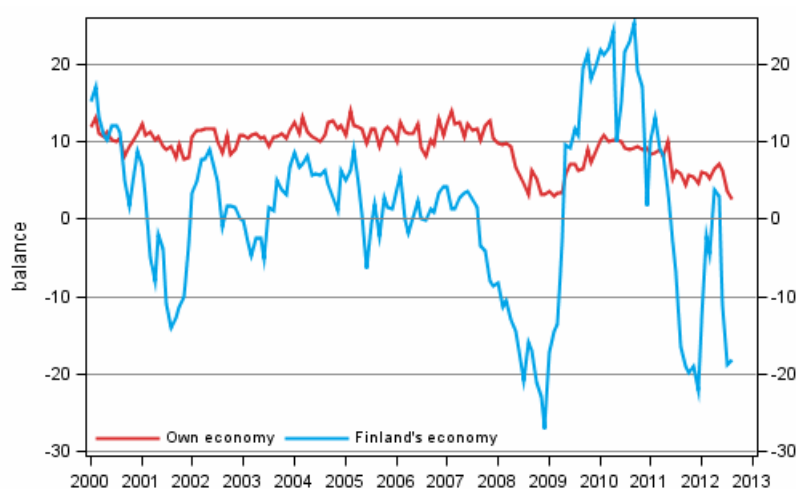
In August, the threat of unemployment felt by employed persons remained nearly unchanged compared with July. Consumers still regarded the time fairly good for saving and raising a loan.

Consumers' own and Finland's economy

In August, 15 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. Twelve months previously, the corresponding proportions were 18 and 45 per cent.

Confidence in the improvement of one's own economy has weakened compared with last year's August. Now only one fifth believed that their own economy would improve, while one year ago this was so for around one quarter (24%). One-sixth (17%) feared that their own economy would weaken. One year previously, the corresponding proportion was 15 per cent.

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



Unemployment and inflation

Finnish residents' views about the growing of unemployment have increased compared with August last year. Three out of five consumers (60%) thought in August that unemployment would increase over the year, and one tenth of them believed it would decrease. Twelve months earlier the corresponding proportions were 42 and 17 per cent.

The personal threat of unemployment experienced by employed persons has increased from one year back. One sixth (17%) of employed persons reckoned in August that their personal threat of unemployment had grown over the past few months whereas one tenth thought it had lessened. Twelve months earlier the corresponding proportions were 14 and 13 per cent. One half of employed persons thought the threat of unemployment had remained unchanged and 23 per cent felt that they were not threatened by unemployment at all.

Consumers predicted in August that consumer prices would go up by 3.4 per cent over the next 12 months. One month ago, the respective predicted inflation rate was slightly more moderate, 2.8 per cent and one year ago 3.1 per cent.

Taking out a loan and saving

In August, 62 per cent of consumers regarded the time good for taking out a loan. Twelve months ago, the respective proportion was 45 per cent. In August, 13 per cent of households were planning to take out a loan within one year.

Saving was considered worthwhile by three fifths (60%) of consumers. Two thirds of households 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.

Consumers' views of the economy

	Average 10/1995-	Max. 10/1995-	Min. 10/1995-	08/2011	07/2012	08/2012	Outlook
A1 Consumer confidence indicator, CCI = (B2+B4+B7+D2)/4	12,8	22,9	-6,5	5,1	0,1	0,5	--
B2 Own economy in 12 months' time (balance)	8,8	14,1	2,3	5,8	3,6	2,6	--
B4 Finland's economy in 12 months' time (balance)	4,2	25,3	-27,1	-16,5	-18,7	-18,1	--
B6 Inflation in 12 months' time (per cent)	2,2	4,6	0,6	3,1	2,8	3,4	
B7 Unemployment in Finland in 12 months' time (balance)	-0,0	27,6	-51,1	-13,6	-30,8	-28,2	--
B8 Own threat of unemployment now (balance)	0,8	7,6	-18,8	1,6	-4,1	-2,7	-
C1 Favourability of time for purchasing durables (balance)	20,1	41,8	-14,2	8,4	7,6	11,4	-
C2 Favourability of time for saving (balance)	11,7	36,8	-19,6	20,6	12,0	13,2	+/-
C3 Favourability of time for raising a loan (balance)	17,5	42,0	-47,1	-4,4	16,3	18,0	+/-
D2 Household's saving possibilities in the next 12 months (balance)	38,1	52,2	10,9	44,7	46,5	45,7	+

The **balance figures** are obtained by deducting the weighted proportion of negative answers from that of positive answers. The **consumer confidence indicator** is the average of the balance figures for the CCI components. 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.

Explanations for **Outlook** column: ++ Outlook is very good, + Outlook is good, +/- Outlook is neutral, - Outlook is poor, -- Outlook is very poor. Deviation of balance from average has been compared to standard deviation.

The population and sample of the Consumer Survey

The population of the Consumer Survey comprises 4.4 million persons aged 15 to 84 and 2.6 million households in Finland. The population was extended to persons aged 75 to 84 starting from January 2012. The gross size of the Survey in August was 2,340 persons.

In August, the non-response rate of the Survey was 38.6 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.

The extension of the population, that is, responses from persons aged 75 to 84, is estimated to have weakened the value of the consumer confidence indicator by one unit starting from January 2012.

EU results

The (seasonally adjusted) Consumer Survey results for all EU countries are released on the European Commission website: European Commission, DG ECFIN, Business and Consumer Survey Results; http://ec.europa.eu/economy_finance/db_indicators/surveys/index_en.htm.

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1. 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 machines and equipment are in households.

The first Finnish Consumer Survey was conducted in November 1987. Until 1991 it was carried out twice a year, in May and November. In 1992 the survey times were rose to four: the survey months were February, May, August and November. Since October 1995 the Consumer Survey data have been collected monthly on assignment of the European Commission.

The Consumer Survey has a totally new individual sample each month. The same sample is also used for the data collection of the Finnish Travel Survey and some other surveys as well. The sample size of the Consumer Survey is 2,350 persons monthly. The non-response rate nowadays being about 35 per cent, approximately 1,500 responses are gained every month. 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.

The interviews are conducted from Statistics Finland's CATI Centre during the first two or three weeks of the month. The target area is the whole country and the respondents of the Consumer Survey represent the 15 to 84-year-old population in Finland, according to age, gender, province of domicile and native language.

All the response data of the Consumer Survey are weighted against the total population by means of sample weights. Weighting corrects the effects of non-response and improves the statistical accuracy of the data. The weights are established by using a calibration method and the probability of each observation to be included in the sample. The figures and series presented are not seasonally adjusted.

Appendix tables

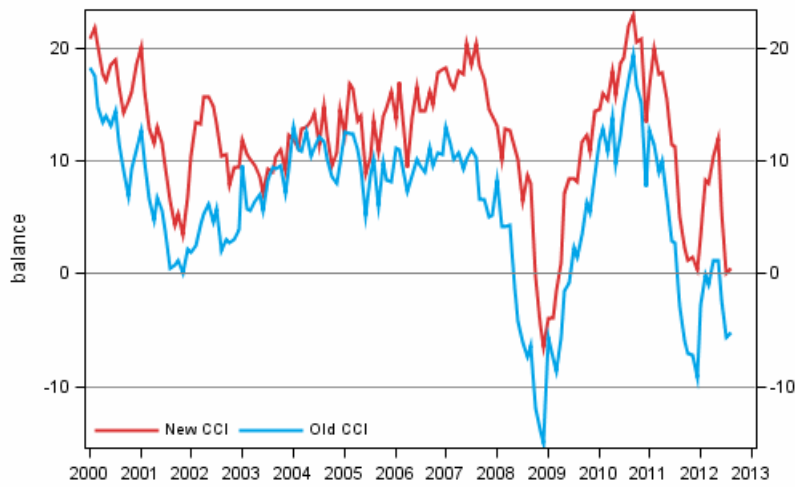
Appendix table 1. Consumers' views and intentions

	Average 10/1995-	Max. 10/1995-	Min. 10/1995-	08/2011	07/2012	08/2012	Outlook
A1 Consumer confidence indicator, CCI = (B2+B4+B7+D2)/4	12,8	22,9	-6,5	5,1	0,1	0,5	--
A2 Old CCI = (B1+B2+B3+B4+C1)/5	7,9	19,4	-15,0	-2,9	-5,6	-5,2	--
A3 Micro indicator = (B2+D1+D2)/3	24,9	33,4	9,5	26,9	27,9	26,9	+
A4 Macro indicator = (B4+B7)/2	2,1	22,8	-39,1	-15,1	-24,8	-23,2	--
B1 Own economy now (balance)	4,6	9,8	-4,0	2,5	3,8	3,4	-
- Better (%)	24,1	30,6	16,7	23,1	22,4	21,2	
- Worse (%)	15,8	22,7	11,4	18,5	16,5	16,6	
B2 Own economy in 12 months' time (balance)	8,8	14,1	2,3	5,8	3,6	2,6	--
- Better (%)	26,1	33,4	18,2	23,9	22,1	19,8	
- Worse (%)	10,7	17,2	6,6	14,7	16,6	16,8	
B3 Finland's economy now (balance)	1,5	29,5	-60,9	-14,7	-24,2	-25,2	--
- Better (%)	29,3	62,1	2,0	19,7	9,3	7,9	
- Worse (%)	23,9	88,5	4,2	44,5	51,5	53,0	
B4 Finland's economy in 12 months' time (balance)	4,2	25,3	-27,1	-16,5	-18,7	-18,1	--
- Better (%)	31,2	57,3	11,6	17,8	15,7	15,0	
- Worse (%)	21,7	57,3	6,0	45,4	46,9	46,3	
B5 Inflation now (per cent)	2,3	5,8	-2,0	3,7	3,3	3,5	
B6 Inflation in 12 months' time (per cent)	2,2	4,6	0,6	3,1	2,8	3,4	
B7 Unemployment in Finland in 12 months' time (balance)	-0,0	27,6	-51,1	-13,6	-30,8	-28,2	--
- Less (%)	33,1	60,8	6,4	17,2	9,6	9,8	
- More (%)	30,8	83,3	6,9	42,3	65,0	60,1	
B8 Own threat of unemployment now (balance)	0,8	7,6	-18,8	1,6	-4,1	-2,7	-
- Decreased (%)	13,8	20,0	5,3	13,2	11,1	10,2	
- Increased (%)	15,1	31,9	7,9	13,9	18,1	16,6	
C1 Favourability of time for purchasing durables (balance)	20,1	41,8	-14,2	8,4	7,6	11,4	-
- Favourable time (%)	45,3	62,4	29,6	41,0	39,7	41,8	
- Unfavourable time (%)	25,1	45,7	17,7	32,6	32,1	30,4	
C2 Favourability of time for saving (balance)	11,7	36,8	-19,6	20,6	12,0	13,2	+/-
- Good time (%)	58,9	80,7	33,4	65,3	58,3	59,7	
- Bad time (%)	35,2	58,5	15,5	30,4	36,4	35,6	
C3 Favourability of time for raising a loan (balance)	17,5	42,0	-47,1	-4,4	16,3	18,0	+/-
- Good time (%)	62,2	78,2	13,3	45,4	60,3	62,0	
- Bad time (%)	30,4	83,4	12,1	49,7	33,9	32,7	
D1 Household's financial situation now (balance)	27,7	35,1	14,7	30,1	33,8	32,5	+
- Can save (%)	58,5	70,0	38,6	62,7	67,5	65,8	
- Uses savings or gets into debt (%)	6,7	10,1	4,5	7,3	6,5	6,1	

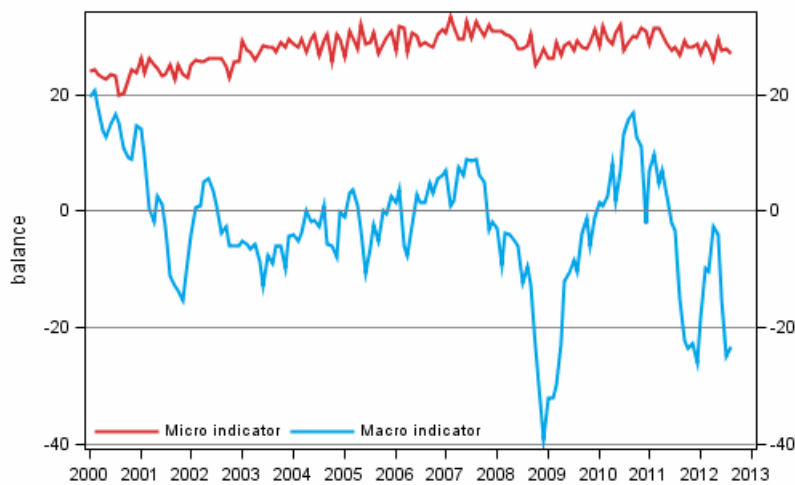
	Average 10/1995-	Max. 10/1995-	Min. 10/1995-	08/2011	07/2012	08/2012	Outlook
D2 Household's saving possibilities in the next 12 months (balance)	38,1	52,2	10,9	44,7	46,5	45,7	+
- Can save (%)	73,1	82,3	56,6	77,2	78,6	78,4	
- Cannot save (%)	24,9	40,3	16,5	21,6	20,5	20,5	
D5 Household's intentions to raise a loan in the next 12 months (% of households)	13,4	17,8	9,1	13,8	13,1	12,8	-
- Yes, certainly (%)	5,6	8,5	3,1	6,5	5,8	6,1	
- Possibly (%)	7,8	11,4	5,2	7,4	7,3	6,7	
E1 Spending on durables, next 12 months vs last 12 months (balance)	-8,0	-2,4	-18,2	-12,7	-11,6	-13,6	--
- More (%)	22,5	30,8	14,3	18,5	17,0	16,8	
- Less (%)	32,5	40,4	26,5	35,0	33,2	34,5	
E2 Intentions to buy a car in the next 12 months (% of households)	17,3	21,7	13,6	16,4	16,0	13,6	--
- Very likely (%)	8,9	12,1	6,3	8,4	7,5	7,0	
- Fairly likely (%)	8,4	10,4	6,2	8,0	8,5	6,6	
E4 Intentions to buy a dwelling in the next 12 months (% of households)	7,1	11,3	4,1	8,3	7,4	7,5	+
- Yes, certainly (%)	3,1	5,2	1,3	3,0	3,4	4,1	
- Possibly (%)	4,0	6,2	2,2	5,2	4,0	3,4	
E5 Intentions to spend money on basic repairs of dwelling in the next 12 months (% of households)	18,7	27,0	9,8	20,8	22,8	20,1	+
- Very likely (%)	12,3	19,0	5,0	14,5	17,1	13,8	
- Fairly likely (%)	6,4	9,1	3,2	6,3	5,7	6,3	

Appendix figures

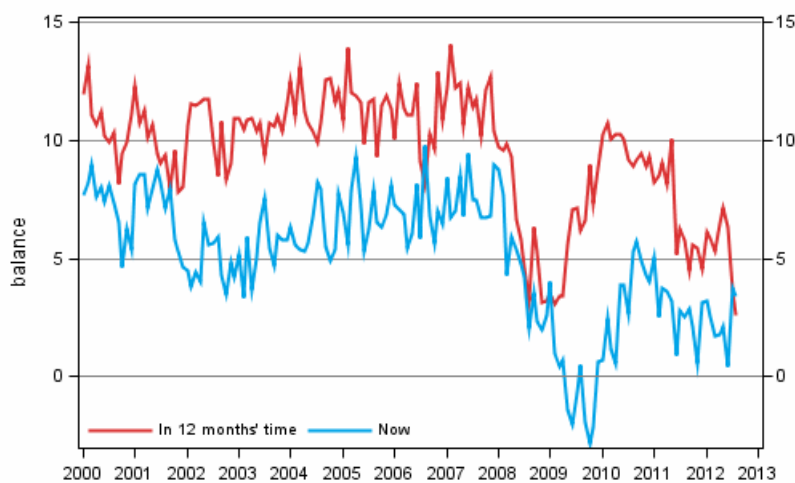
Appendix figure 1. Consumer confidence indicator (CCI)



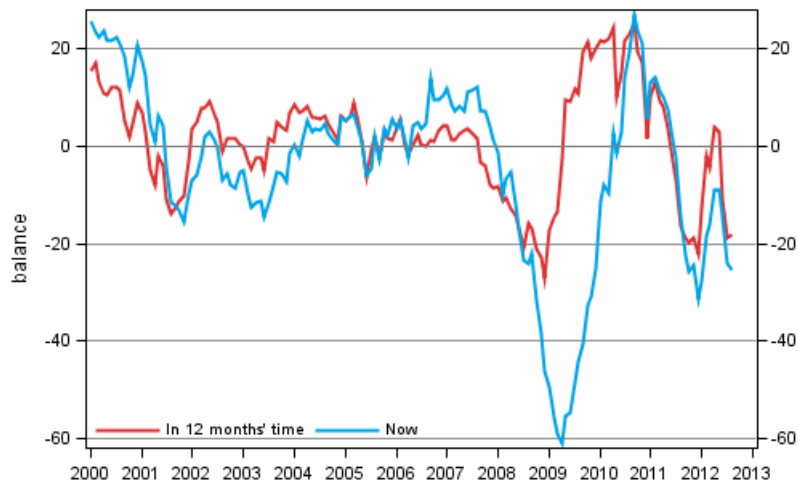
Appendix figure 2. Micro and macro indicators



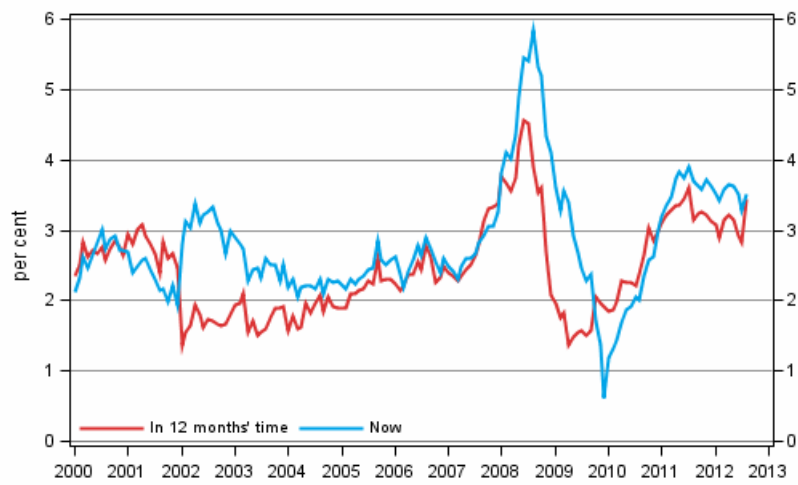
Appendix figure 3. Own economy



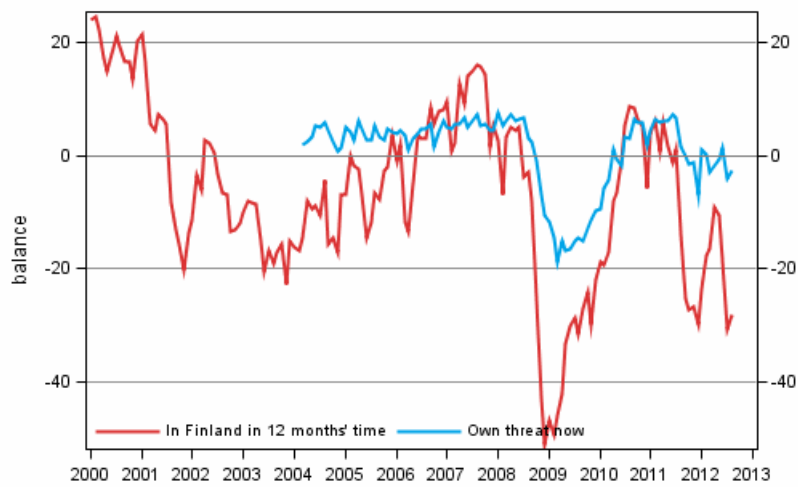
Appendix figure 4. Finland's economy



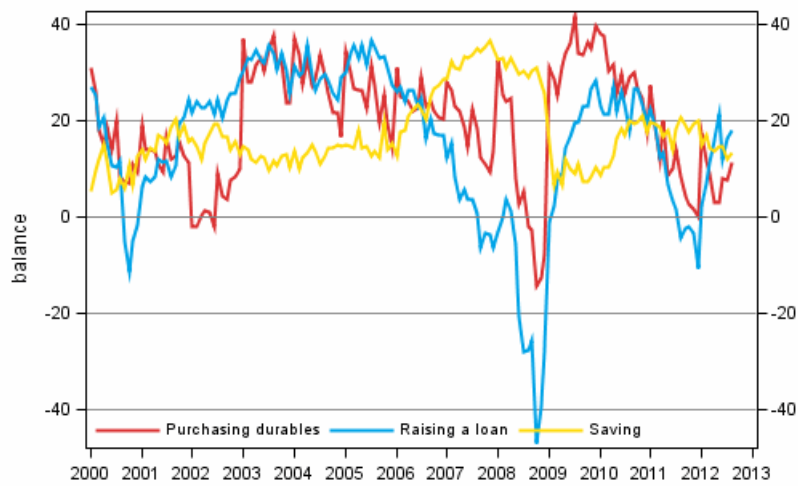
Appendix figure 5. Inflation



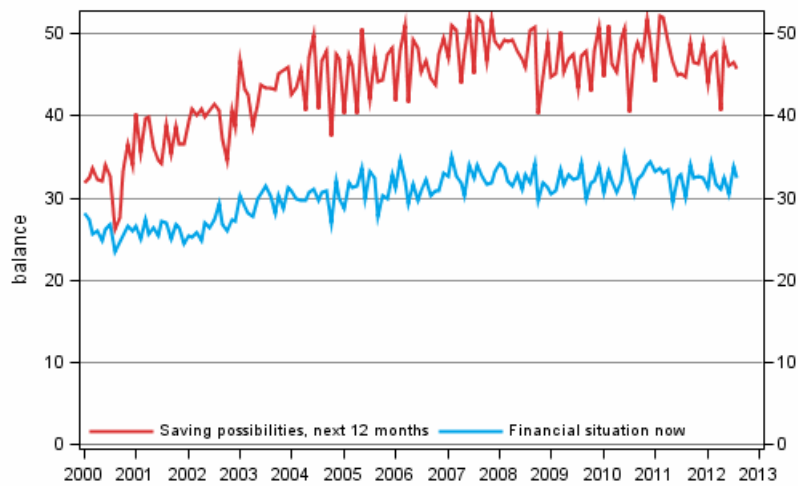
Appendix figure 6. Unemployment



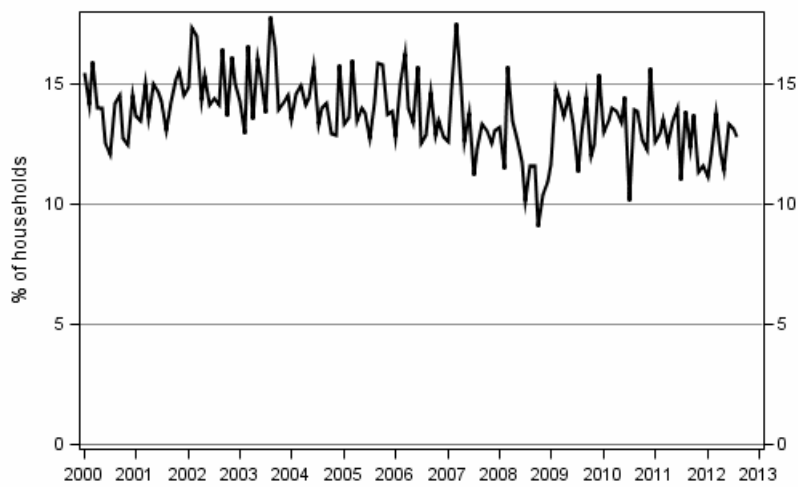
Appendix figure 7. Favourability of time for



Appendix figure 8. Household's financial situation



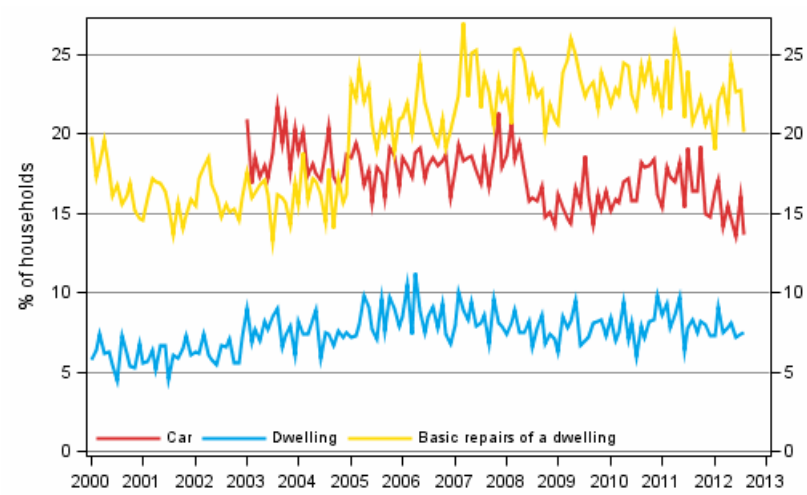
Appendix figure 9. Household's intentions to raise a loan, next 12 months



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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Income and Consumption 2012

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Source: Consumer Survey 2012, August. Statistics Finland