

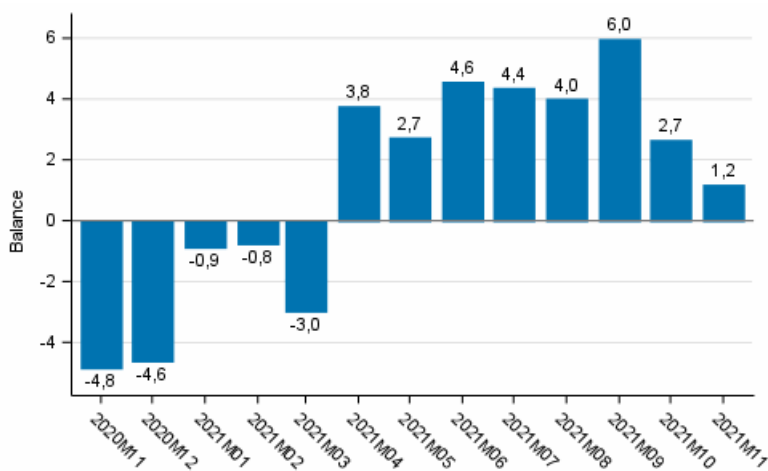
# Consumer Confidence

2021, November

## Consumer confidence has fallen slightly – inflation acceleration in sight

The consumer confidence indicator (CCI) stood at 1.2 in November, having been 2.7 in October and 6.0 in September. In last year's November the CCI received the value -4.8. The long-term average for the CCI is -1.7. The data are based on Statistics Finland's Consumer Confidence Survey, to which 1,029 persons resident in Finland responded between 1 and 18 November.

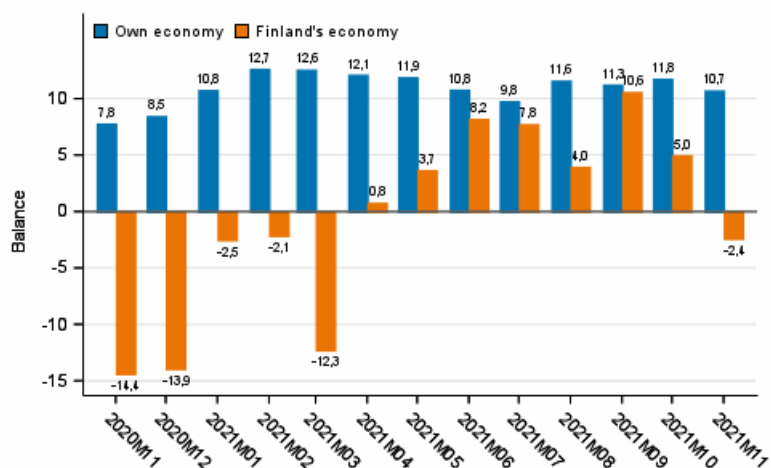
Consumer confidence indicator (CCI)



Of the four components of the CCI, consumers' views of their own economy at present were very bright in November. In addition, consumers had plenty of intentions to buy durable goods. Expectations of their own economy in 12 months were also fairly bright. The estimate on the development of Finland's economy in the next few months corresponded to the long-term average in November.

Compared to October, expectations of consumers' own and, in particular, Finland's economy weakened in November. The other two components improved slightly. Compared to November last year, all components were now on a better level, especially expectations concerning Finland's economy in 12 months.

## 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 very bright in November. This was more or less the case for views of the personal threat of unemployment or temporary lay-off experienced by the employed, that is, wage and salary earners and self-employed persons at the time of the survey. In November, consumers' estimates and expectations concerning the growth rate of consumer prices, i.e. inflation, already clearly exceeded the long-term average.

As in previous months, consumers regarded their own financial situation to be excellent in November. The time was considered very favourable for saving, also good for raising a loan but slightly poor for buying durable goods. Saving possibilities were expected to be still fairly high in the coming months.

In November, consumers still had plenty of intentions to buy or build a dwelling. In addition, very many consumers had plans for home repairs. Many were also considering buying a car during the next 12 months. As in the past few months, interest in raising a loan also was also notably common in November.

### Consumer confidence by major region and population group

In November, consumer confidence was, as usual, clearly strongest in Greater Helsinki (CCI 8.1). This time, confidence was weakest in Northern Finland (-3.4). Among population groups, upper-level salaried employees were most optimistic in November (10.0). Pensioners had the gloomiest expectations concerning economic development (-8.2).

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 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 44 per cent of consumers thought in November that Finland's economy was now worse than a year ago and 24 per cent of consumers felt that it was better. Fifteen per cent of consumers thought that their own economy is at the moment worse than one year ago. Clearly more consumers or 28 per cent considered their own economy stronger in November than one year ago. The proportions concerning consumers' own economy were 17 and 27 per cent in October and 19 and 22 per cent one year ago.

In November, 29 per cent of consumers believed that Finland's economic situation would improve in the coming twelve months, while as many of them, or 29 per cent, thought that the country's economy would deteriorate. One month earlier, the corresponding proportions were 37 and 24 per cent and in last year's November gloomy 25 and 43 per cent.

In all, 29 per cent of consumers believed in November that their own economy would improve and 11 per cent of them feared it would worsen over the year. In October, the corresponding proportions were the same, or 29 and 11 per cent, and twelve months ago 25 and 13 per cent.

## **Unemployment and inflation**

Altogether 40 per cent of consumers thought in November that general unemployment in Finland would decrease over the year, while 23 per cent of them believed it would increase. The corresponding proportions were 39 and 22 per cent in October, and very gloomy 18 and 65 per cent one year ago.

In November, 10 per cent of employed persons believed that their personal threat of unemployment or lay-off had lessened over the past few months, whereas 13 per cent thought it had grown. On the other hand, as many as 48 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 9, 14 and 48 per cent, and in November last year very gloomy 6, 32 and 36 per cent.

Consumers estimated in November that consumer prices have risen by as much as 3.8 per cent from the year before and would go up by 3.6 per cent over the next 12 months. Twelve months previously, these inflation estimates were 2.1 and 2.2 per cent, and their long-term averages are 3.1 and 2.9 per cent.

## **Saving and taking out a loan**

In November, 67 per cent of consumers thought the time was favourable for saving. Twelve months ago, the proportion was only 51 per cent. In November, 64 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 November, 60 per cent of consumers regarded the time good for taking out a loan. One year earlier, the corresponding proportion was only 47 per cent. In November, 19 per cent of consumers were planning to take out a loan within one year. The average long-term proportion is 16 per cent.

## **Use of money**

Thirty per cent of consumers considered the time favourable for buying durable goods in November. Fourteen per cent of consumers planned on increasing and 29 per cent on reducing their spending on durable goods over the next 12 months. In October, the latter proportions were 14 and 31 per cent and in last year's November 13 and 31 per cent.

In November, 16 per cent of consumers were either definitely or possibly going to buy a car during the next 12 months. Seventeen per cent of consumers considered buying or building a dwelling within a year. In addition, as many as 24 per cent of consumers were planning in November to spend money on renovating their dwelling within a year. The long-term average for intentions to buy a car is 14 per cent, to buy a dwelling 13 per cent and to make renovations 18 per cent.

## 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 November 2021, in all, 1,029 responses were gained. Of responses, 75 per cent came from the web questionnaire. The non-response rate of the survey was 52.8 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 intentions<sup>1)</sup>**

	Average 10/1995-	Max. 10/1995-	Min. 10/1995-	11/2020	10/2021	11/2021	Outlook <sup>2)</sup>
A1 Consumer confidence indicator, CCI = (B1+B2+B4+E1)/4	-1.7	6.8	-13.9	-4.8	2.7	1.2	+
B1 Own economy now (balance)	3.2	9.5	-5.3	1.6	6.9	7.6	++
- Better (%)	.	.	.	22.2	27.1	27.9	
- Worse (%)	.	.	.	19.3	17.0	15.2	
B2 Own economy in 12 months' time (balance)	8.2	13.5	1.2	7.8	11.8	10.7	+
- Better (%)	.	.	.	25.5	29.4	29.1	
- Worse (%)	.	.	.	13.1	10.5	11.5	
B3 Finland's economy now (balance)	-7.9	25.9	-66.5	-54.9	-7.8	-14.5	-
- Better (%)	.	.	.	3.1	29.8	24.0	
- Worse (%)	.	.	.	83.5	38.9	44.5	
B4 Finland's economy in 12 months' time (balance)	-2.0	20.3	-32.8	-14.4	5.0	-2.4	=
- Better (%)	.	.	.	25.5	36.6	28.7	
- Worse (%)	.	.	.	42.6	24.5	29.0	
B5 Inflation now (per cent)	3.1	6.9	-2.7	2.1	3.3	3.8	
- Prices have risen much or quite much (%)	.	.	.	11.8	32.3	43.3	
- Prices have stayed the same or have fallen (%)	.	.	.	38.7	14.7	8.5	
B6 Inflation in 12 months' time (per cent)	2.9	5.3	1.7	2.2	3.2	3.6	
- Prices will rise faster or at the same rate (%)	.	.	.	52.5	71.9	75.6	
- Prices will stay the same or will fall (%)	.	.	.	21.0	9.7	6.2	
B7 Unemployment in Finland in 12 months' time (balance)	-10.5	20.3	-59.5	-31.8	7.2	7.7	++
- Less (%)	.	.	.	17.6	39.3	39.5	
- More (%)	.	.	.	65.3	21.9	22.9	
B8 Own threat of unemployment now (balance)	-6.4	4.7	-26.6	-16.6	-1.8	-1.5	+
- Decreased (%)	.	.	.	6.5	9.3	9.7	
- Increased (%)	.	.	.	32.0	13.7	13.3	
C1 Favourability of time for purchasing durables (balance)	19.5	43.5	-14.3	11.4	17.0	14.6	-
- Good time (%)	.	.	.	27.7	29.7	30.1	
- Bad time (%)	.	.	.	16.3	12.8	15.6	
C2 Favourability of time for saving (balance)	4.8	29.4	-28.5	3.5	23.6	21.2	++
- Good time (%)	.	.	.	50.7	68.3	67.4	
- Bad time (%)	.	.	.	48.2	30.0	31.5	
C3 Favourability of time for raising a loan (balance)	7.5	31.7	-60.4	-2.6	11.3	11.9	+
- Good time (%)	.	.	.	47.4	58.4	60.3	
- Bad time (%)	.	.	.	50.0	39.5	37.6	
D1 Own financial situation now (balance)	22.1	33.1	6.4	29.7	31.3	30.9	++
- Money is saved (%)	.	.	.	62.6	63.6	64.2	
- Uses savings or gets into debt (%)	.	.	.	10.3	10.3	11.0	

	Average 10/1995-	Max. 10/1995-	Min. 10/1995-	11/2020	10/2021	11/2021	Outlook <sup>2)</sup>
D2 Own saving possibilities in the next 12 months (balance)	40.2	53.6	9.8	47.2	48.0	47.2	+
- Can save (%)	.	.	.	76.2	77.6	75.8	
- Cannot save (%)	.	.	.	23.6	21.8	23.6	
D5 Intention to raise a loan in the next 12 months (% of consumers)	15.6	24.2	10.5	17.8	18.8	19.4	++
- Yes, absolutely (%)	.	.	.	5.2	5.7	4.5	
- Possibly (%)	.	.	.	12.6	13.2	14.9	
E1 Spending on durables, next 12 months vs. last 12 months (balance)	-16.1	-6.9	-26.7	-14.4	-13.0	-11.2	++
- More (%)	.	.	.	12.9	14.1	14.4	
- Less (%)	.	.	.	31.2	31.5	29.4	
E2 Intention to buy a car in the next 12 months (% of consumers)	14.4	19.2	10.1	14.8	17.3	15.7	+
- Very likely (%)	.	.	.	4.7	6.7	3.8	
- Quite likely (%)	.	.	.	10.1	10.6	11.9	
E4 Intention to buy a dwelling in the next 12 months (% of consumers)	12.8	18.5	9.1	16.4	15.2	16.6	++
- Yes, absolutely (%)	.	.	.	5.3	5.1	4.5	
- Possibly (%)	.	.	.	11.1	10.1	12.1	
E5 Intention to spend money on basic repairs of dwelling in the next 12 months (% of consumers)	17.6	26.0	8.1	20.6	21.1	24.0	++
- Very likely (%)	.	.	.	6.9	8.0	7.9	
- Quite likely (%)	.	.	.	13.7	13.1	16.1	

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.



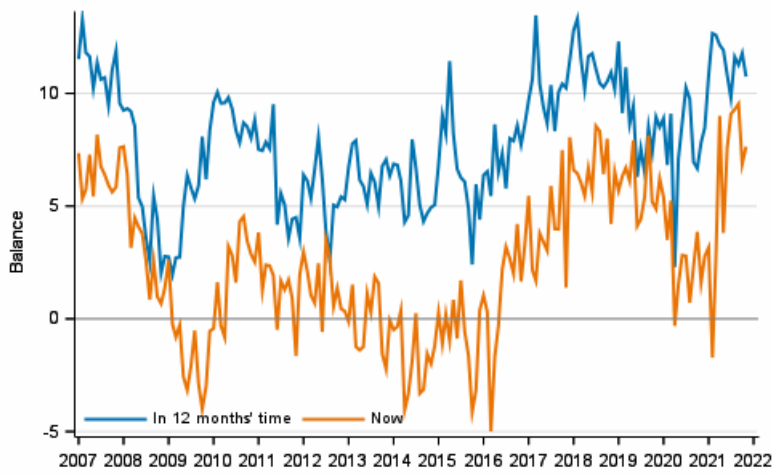
# Appendix figures

**Appendix figure 1. Consumer confidence indicator (CCI)**

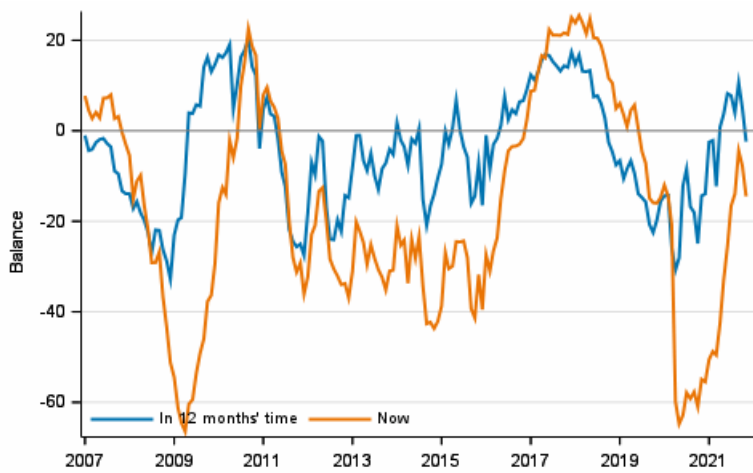


1) average 10/1995 - 11/2021

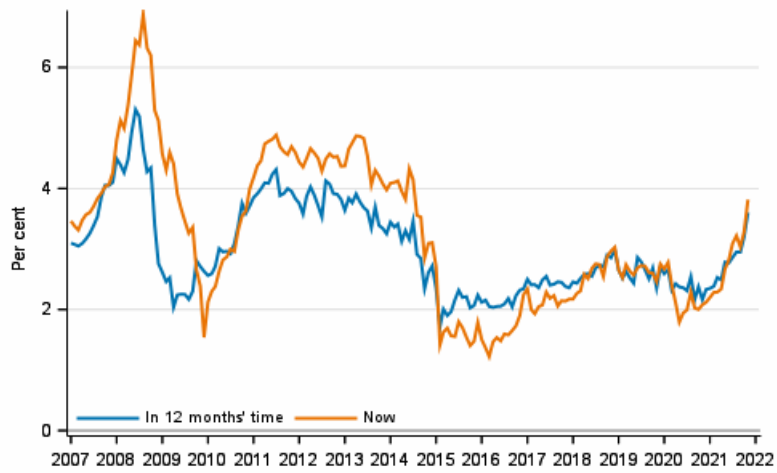
**Appendix figure 2. Own economy**



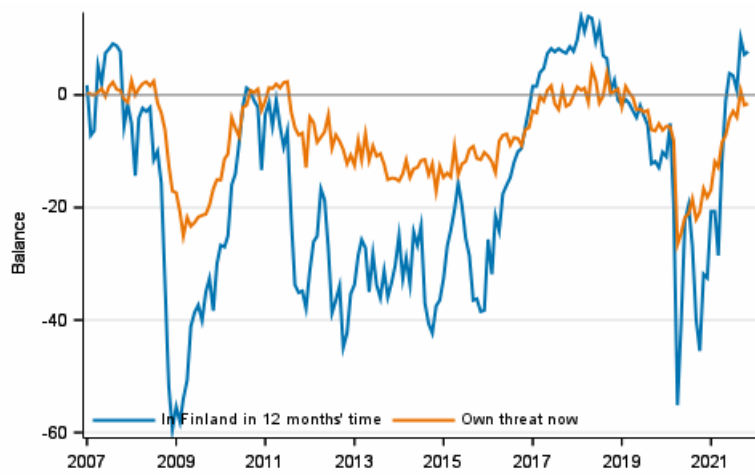
**Appendix figure 3. Finland's economy**



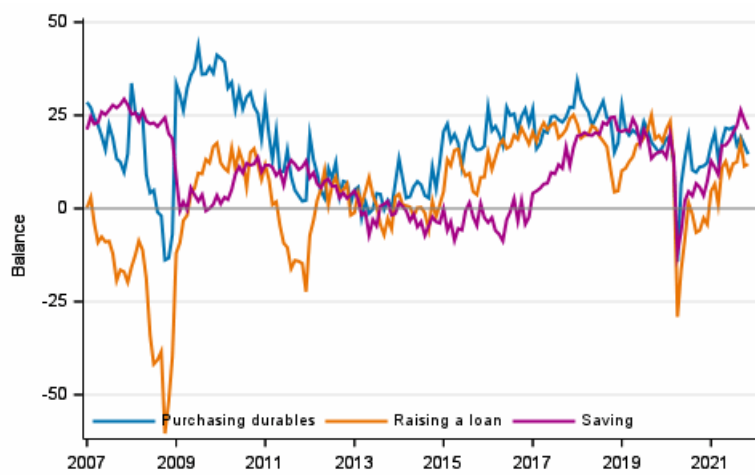
**Appendix figure 4. Inflation**



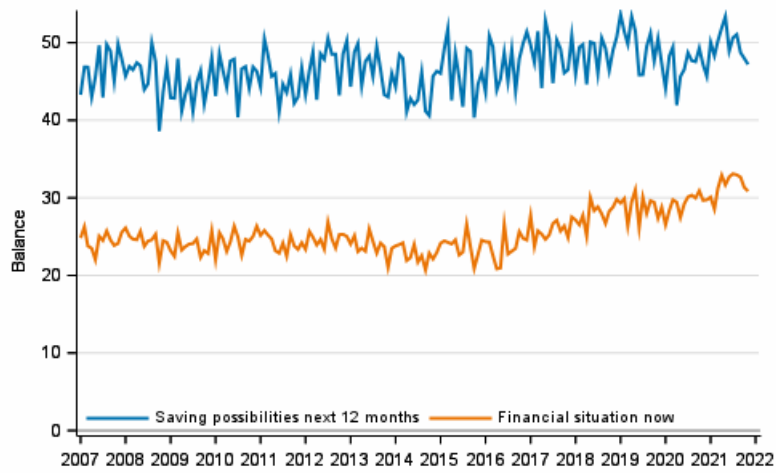
**Appendix figure 5. Unemployment**



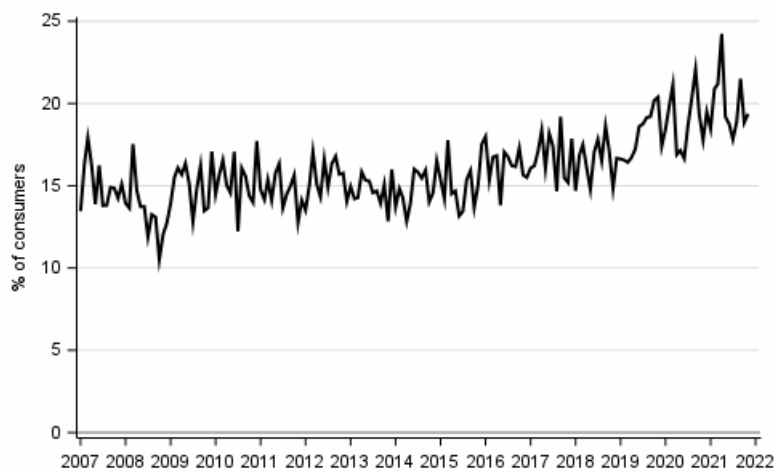
**Appendix figure 6. Favourability of time for**



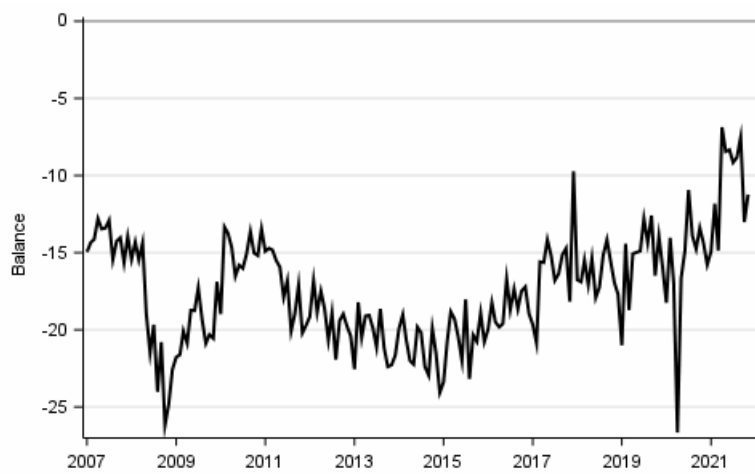
**Appendix figure 7. Own financial situation and saving possibilities**



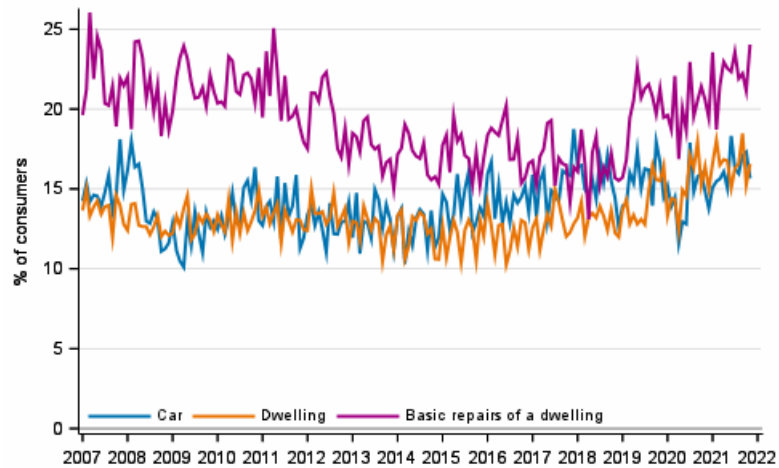
**Appendix figure 8. Intention to raise a loan, next 12 months**



**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 2021, November. Statistics Finland