

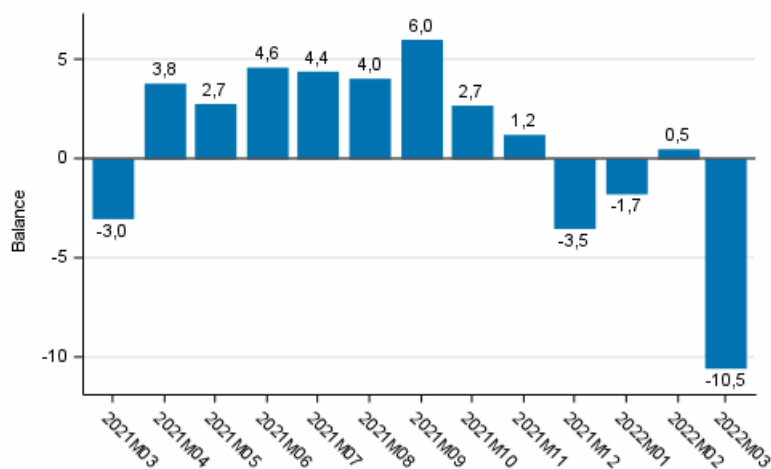
Consumer Confidence

2022, March

Consumer confidence collapsed in March

The balance figure of the consumer confidence indicator (CCI) stood at -10.5 in March, having been 0.5 in February and -1.7 in January. In last year's March, the CCI received the value -3.0. The long-term average for the CCI is -1.7. During its measuring history since 1995, consumer confidence has been weaker than in March only in April 2020 and at the end of 2008. The data are based on Statistics Finland's Consumer Confidence Survey, to which 1,014 persons resident in Finland responded between 1 and 20 March.

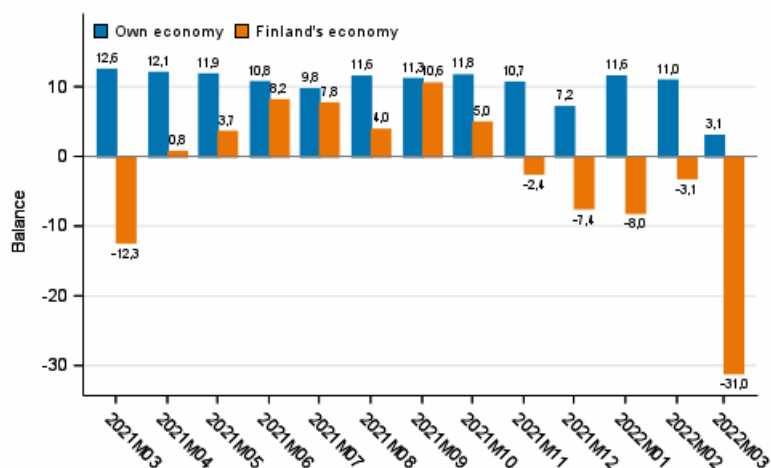
Consumer confidence indicator (CCI)



All four components of the CCI weakened significantly in March when compared with February. Expectations concerning Finland's economy in 12 months collapsed most sharply. Compared with March last year, the components of the CCI also fell clearly apart from views of consumers' own economy at present – this remained more or less unchanged in a year.

Expectations concerning consumers' own and especially Finland's economy were very pessimistic in March. Since 1995, expectations concerning Finland's economy have been gloomier only in December 2008. In March, consumers' views of their own economy at present were on the long-term average level. Consumers' intentions to buy durable goods in the next 12 months were relatively subdued in March.

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 weakened sharply in March but still remained on the average level. By contrast, the personal threat of unemployment or temporary lay-off experienced by employed persons, i.e. wage and salary earners and self-employed persons, fell slightly over the same period.

In March, consumers' estimates and especially expectations concerning inflation rose even more above their long-term averages. Expectations concerning inflation in 12 months were highest ever in the measuring history 1995 to 2022.

Consumers continued to regard their own financial situation even better than before in March. The time was again regarded as fairly favourable for saving, but very poor for buying durable goods and especially for raising a loan. However, as in the previous months, plans to raise a loan were very common in March. Consumers also anticipated that there would still be quite a lot of possibilities for saving over the next 12 months.

In March, consumers still had considerably many plans to buy a dwelling or build a house in the next 12 months. Plans concerning home renovation and buying a car were on the average level in March.

Consumer confidence by major region and population group

In March, consumer confidence was, as usual, clearly strongest in Greater Helsinki (CCI -3.3). Confidence was weakest in Eastern Finland (-13.5). Of population groups, students were this time most optimistic (-0.2). Pensioners had the gloomiest expectations concerning economic development in March (-19.5).

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

More than one half or 58 per cent of consumers thought in March that Finland's economy was now worse than a year ago and only 13 per cent of consumers felt that it was better. Twenty-two per cent of consumers thought that their own economy is at the moment worse than one year ago. Slightly more, or 25 per cent of consumers regarded their own economy stronger in March than one year ago. The proportions concerning consumers' own economy were 19 and 27 per cent in February and 19 and 24 per cent one year ago.

In March, only 13 per cent of consumers believed that Finland's economic situation would improve in the coming twelve months, while as many as 61 per cent of them thought that the country's economy would deteriorate. One month earlier, the corresponding proportions were 30 and 31 per cent and in last year's March 27 and 42 per cent.

In all, 26 per cent of consumers believed in March that their own economy would improve in future, but as many as 21 per cent now feared it would worsen over the year. In February, the corresponding proportions were 30 and 13 per cent and twelve months ago very bright 32 and 11 per cent.

Unemployment and inflation

Only 22 per cent of consumers expected in March that general unemployment in Finland would decrease over the next year. Forty per cent of consumers thought that unemployment would increase. In February, the respective proportions were 41 and 25 per cent and one year ago gloomy 20 and 62 per cent.

In March, eight per cent of employed persons believed that their personal threat of unemployment or lay-off had lessened over the past few months, whereas 15 per cent thought it had grown. On the other hand, nearly one half, or 47 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, 13 and 52 per cent, and in March last year very gloomy 5, 25 and 38 per cent.

Consumers estimated in March that consumer prices have risen by 4.8 per cent from the year before and would go up by as much as 5.4 per cent over the next 12 months. In February, these inflation estimates were 4.4 and 3.9 per cent and twelve months ago 2.3 and 2.5 per cent. Their long-term averages are 3.1 and 2.9 per cent.

In March, over one half of consumers, 58 per cent, thought consumer prices have risen much or fairly much over the year, and as many as 89 per cent of them expected prices to rise at least at the same rate over the coming months as well. The corresponding proportions were 15 and 63 per cent in last year's March.

Saving and taking out a loan

In March, 55 per cent of consumers thought the time was favourable for saving. Sixty-six per cent of consumers 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.

In March, only 34 per cent of consumers regarded the time good for taking out a loan. The proportion was 49 per cent still in February. However, 18 per cent of consumers were still planning to take out a loan within one year. The average long-term proportion is 16 per cent.

Use of money

In March, only 21 per cent of consumers considered the time favourable for buying durable goods. One year earlier the proportion was 31 per cent. Thirteen per cent of consumers planned on increasing and 37 per cent on reducing their spending on durable goods over the next 12 months. In February, the latter proportions were 15 and 30 per cent and in last year's March 15 and 33 per cent.

In March, 14 per cent of consumers were either definitely or possibly going to buy a car in the next 12 months. Seventeen per cent of consumers considered buying a dwelling or building a house. Equally many, or 17 per cent were planning in March 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 March 2022, in all, 1,014 responses were gained. Of responses, 78 per cent came from the web questionnaire. The non-response rate of the survey was 53.6 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- | 03/2021 | 02/2022 | 03/2022 | Outlook ²⁾ |
|---|---------------------|------------------|------------------|---------|---------|---------|-----------------------|
| A1 Consumer confidence indicator, CCI = (B1+B2+B4+E1)/4 | -1.7 | 6.8 | -13.9 | -3.0 | 0.5 | -10.5 | -- |
| B1 Own economy now (balance) | 3.2 | 9.5 | -5.3 | 2.7 | 6.2 | 2.9 | = |
| - Better (%) | . | . | . | 24.0 | 27.1 | 25.1 | |
| - Worse (%) | . | . | . | 18.5 | 19.2 | 22.4 | |
| B2 Own economy in 12 months' time (balance) | 8.2 | 13.5 | 1.2 | 12.6 | 11.0 | 3.1 | -- |
| - Better (%) | . | . | . | 32.1 | 30.2 | 25.6 | |
| - Worse (%) | . | . | . | 11.1 | 12.9 | 21.1 | |
| B3 Finland's economy now (balance) | -8.0 | 25.9 | -66.5 | -49.6 | -23.8 | -28.6 | - |
| - Better (%) | . | . | . | 4.1 | 16.6 | 13.4 | |
| - Worse (%) | . | . | . | 77.3 | 52.3 | 58.0 | |
| B4 Finland's economy in 12 months' time (balance) | -2.1 | 20.3 | -32.8 | -12.3 | -3.1 | -31.0 | -- |
| - Better (%) | . | . | . | 27.5 | 30.1 | 13.0 | |
| - Worse (%) | . | . | . | 42.0 | 30.7 | 60.6 | |
| B5 Inflation now (per cent) | 3.1 | 6.9 | -2.7 | 2.3 | 4.4 | 4.8 | |
| - Prices have risen much or quite much (%) | . | . | . | 15.3 | 51.5 | 57.7 | |
| - Prices have stayed the same or have fallen (%) | . | . | . | 33.5 | 6.8 | 3.8 | |
| B6 Inflation in 12 months' time (per cent) | 2.9 | 5.4 | 1.7 | 2.5 | 3.9 | 5.4 | |
| - Prices will rise faster or at the same rate (%) | . | . | . | 63.2 | 71.1 | 88.9 | |
| - Prices will stay the same or will fall (%) | . | . | . | 15.1 | 5.9 | 1.9 | |
| B7 Unemployment in Finland in 12 months' time (balance) | -10.4 | 20.3 | -59.5 | -28.5 | 6.4 | -11.2 | = |
| - Less (%) | . | . | . | 20.3 | 40.6 | 22.4 | |
| - More (%) | . | . | . | 61.9 | 25.0 | 39.6 | |
| B8 Own threat of unemployment now (balance) | -6.3 | 4.7 | -26.6 | -12.9 | -4.3 | -3.3 | + |
| - Decreased (%) | . | . | . | 4.9 | 6.3 | 8.1 | |
| - Increased (%) | . | . | . | 25.3 | 13.1 | 15.4 | |
| C1 Favourability of time for purchasing durables (balance) | 19.3 | 43.5 | -14.3 | 13.3 | 9.7 | -2.8 | -- |
| - Good time (%) | . | . | . | 30.7 | 25.3 | 20.7 | |
| - Bad time (%) | . | . | . | 17.3 | 15.6 | 23.5 | |
| C2 Favourability of time for saving (balance) | 4.9 | 29.4 | -28.5 | 9.1 | 10.8 | 8.7 | + |
| - Good time (%) | . | . | . | 55.7 | 57.6 | 54.9 | |
| - Bad time (%) | . | . | . | 42.6 | 41.1 | 44.5 | |
| C3 Favourability of time for raising a loan (balance) | 7.4 | 31.7 | -60.4 | 1.0 | -0.1 | -20.5 | -- |
| - Good time (%) | . | . | . | 49.6 | 49.4 | 34.1 | |
| - Bad time (%) | . | . | . | 48.0 | 48.6 | 64.9 | |
| D1 Own financial situation now (balance) | 22.2 | 33.1 | 6.4 | 31.2 | 32.0 | 32.3 | ++ |
| - Money is saved (%) | . | . | . | 63.8 | 64.7 | 65.5 | |
| - Uses savings or gets into debt (%) | . | . | . | 10.2 | 9.9 | 9.0 | |
| D2 Own saving possibilities in the next 12 months (balance) | 40.3 | 53.6 | 9.8 | 50.2 | 52.1 | 49.3 | + |

| | Average 10/1995- | Max. 10/1995- | Min. 10/1995- | 03/2021 | 02/2022 | 03/2022 | Outlook ²⁾ |
|---|---------------------|------------------|------------------|---------|---------|---------|-----------------------|
| - Can save (%) | . | . | . | 77.4 | 79.2 | 77.5 | |
| - Cannot save (%) | . | . | . | 21.9 | 20.6 | 22.2 | |
| D5 Intention to raise a loan in the next 12 months (% of consumers) | 15.7 | 24.2 | 10.5 | 21.2 | 17.5 | 18.2 | ++ |
| - Yes, absolutely (%) | . | . | . | 5.8 | 3.8 | 4.9 | |
| - Possibly (%) | . | . | . | 15.4 | 13.7 | 13.3 | |
| E1 Spending on durables, next 12 months vs. last 12 months (balance) | -16.1 | -6.9 | -26.7 | -14.9 | -12.4 | -17.1 | - |
| - More (%) | . | . | . | 15.0 | 14.7 | 12.8 | |
| - Less (%) | . | . | . | 33.2 | 30.5 | 37.0 | |
| E2 Intention to buy a car in the next 12 months (% of consumers) | 14.4 | 19.2 | 10.1 | 15.6 | 14.8 | 14.1 | = |
| - Very likely (%) | . | . | . | 5.1 | 5.6 | 4.0 | |
| - Quite likely (%) | . | . | . | 10.5 | 9.2 | 10.2 | |
| E4 Intention to buy a dwelling in the next 12 months (% of consumers) | 12.8 | 18.5 | 9.1 | 16.5 | 17.2 | 16.7 | ++ |
| - Yes, absolutely (%) | . | . | . | 5.4 | 4.8 | 6.2 | |
| - Possibly (%) | . | . | . | 11.1 | 12.4 | 10.5 | |
| E5 Intention to spend money on basic repairs of dwelling in the next 12 months (% of consumers) | 17.6 | 26.0 | 8.1 | 21.5 | 18.3 | 16.9 | = |
| - Very likely (%) | . | . | . | 7.1 | 6.7 | 5.6 | |
| - Quite likely (%) | . | . | . | 14.4 | 11.6 | 11.3 | |

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.

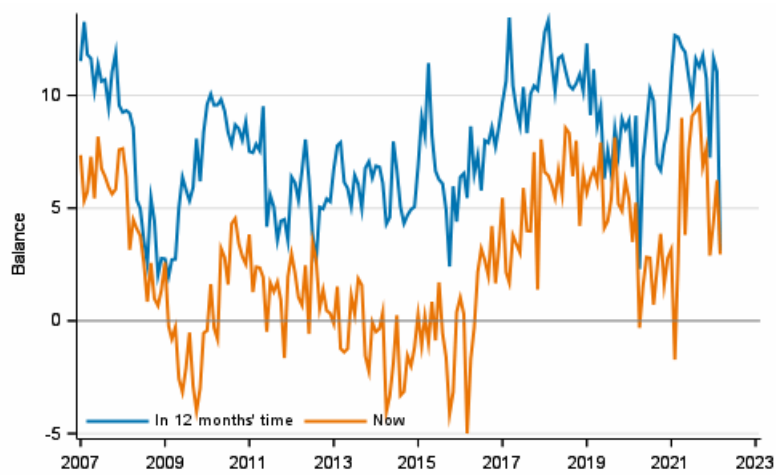
Appendix figures

Appendix figure 1. Consumer confidence indicator (CCI)

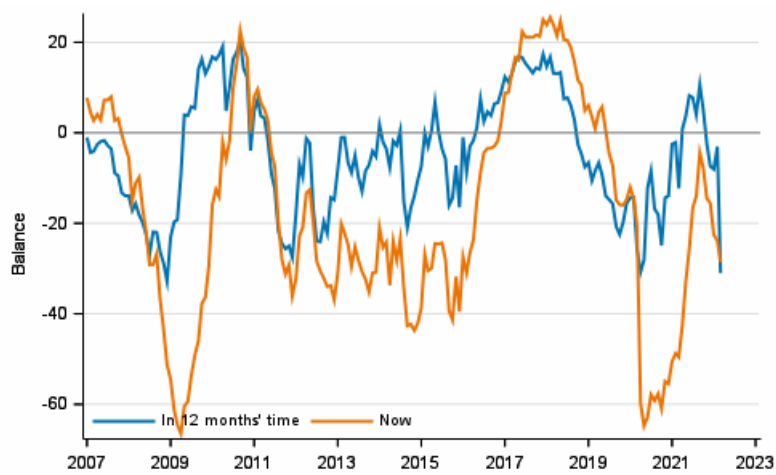


1) average 10/1995 - 03/2022

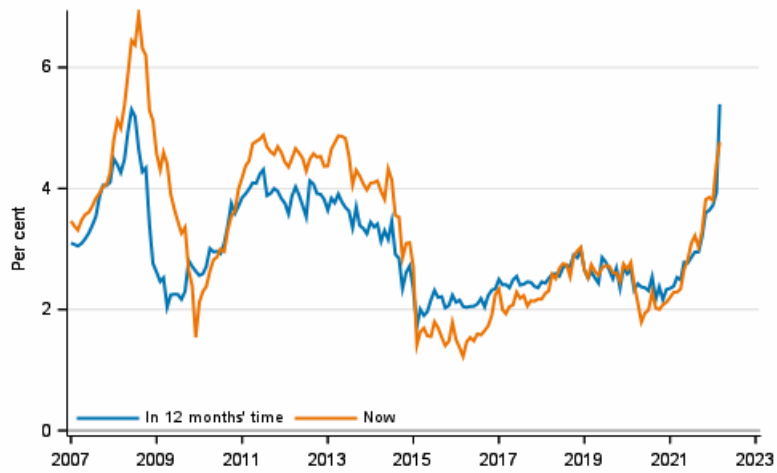
Appendix figure 2. Own economy



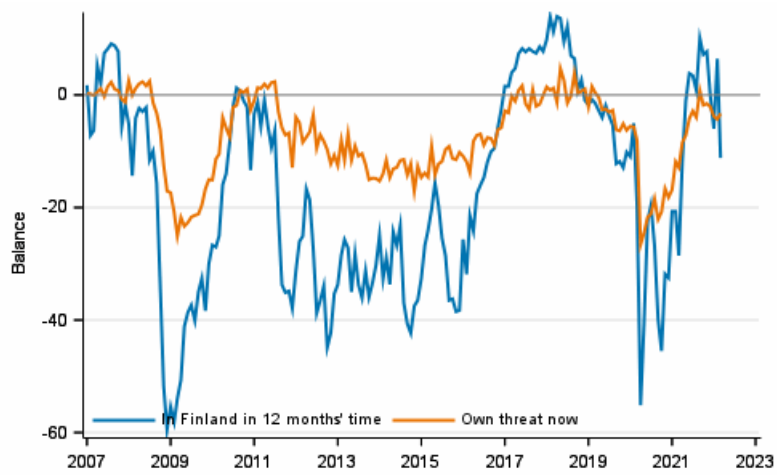
Appendix figure 3. Finland's economy



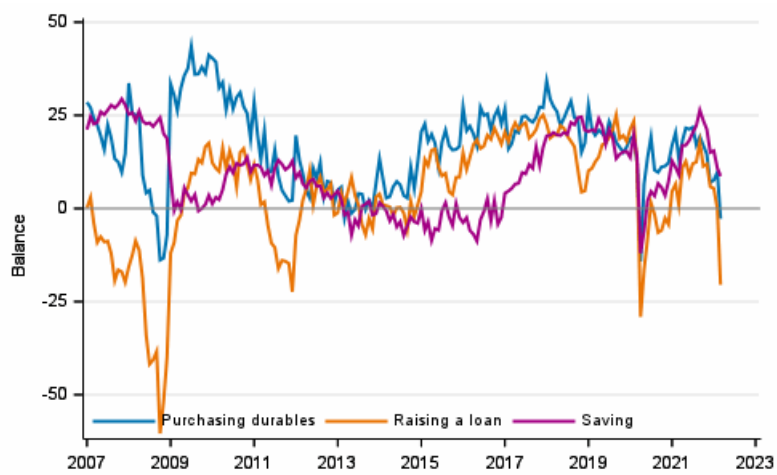
Appendix figure 4. Inflation



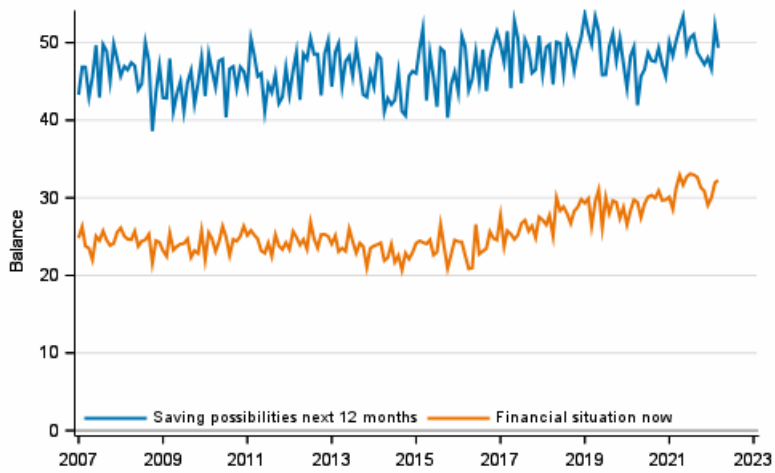
Appendix figure 5. Unemployment



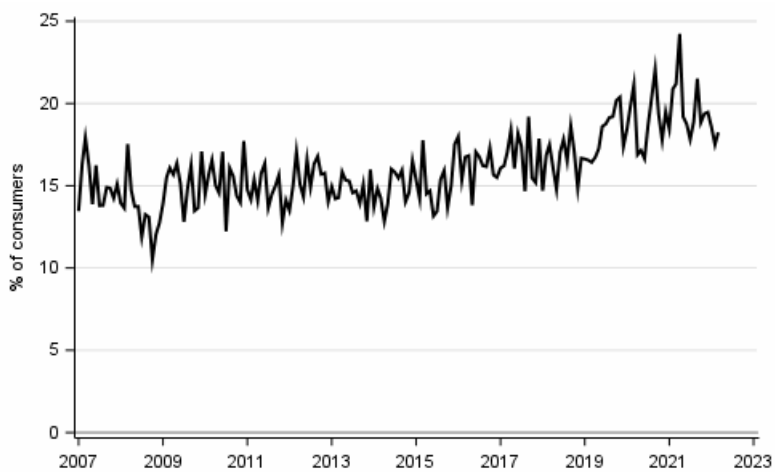
Appendix figure 6. Favourability of time for



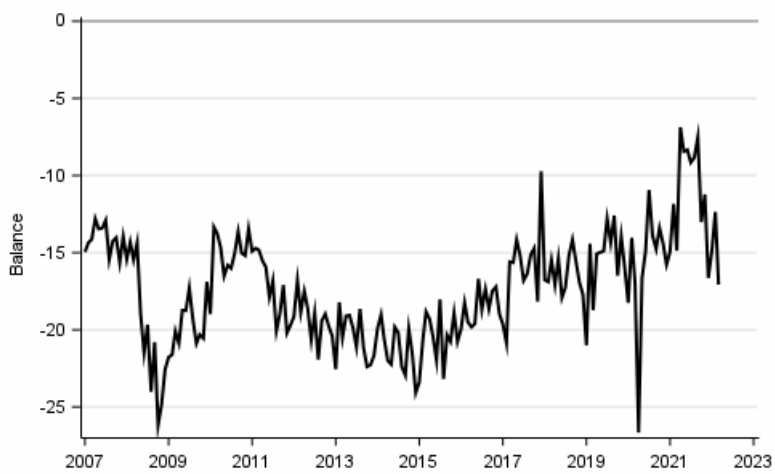
Appendix figure 7. Own financial situation and saving possibilities



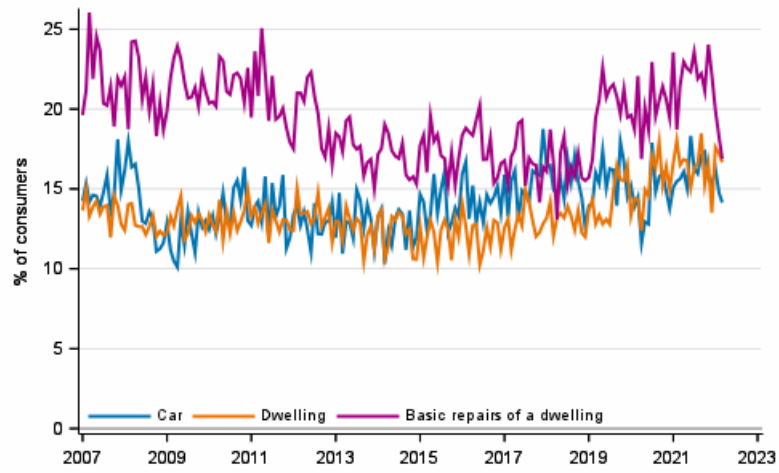
Appendix figure 8. Intention to raise a loan, next 12 months



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 2022, March. Statistics Finland