

Press release

9 November 2022

ECB Consumer Expectations Survey results – September 2022

Compared with August:

- consumer expectations for inflation 12 months ahead increased slightly, while expectations for inflation three years ahead remained unchanged;
- expectations for nominal income growth over the next 12 months declined markedly, while expectations for nominal spending growth remained unchanged;
- expectations declined significantly for economic growth over the next 12 months and increased for unemployment in 12 months' time;
- consumers expected growth in the price of their home over the next 12 months to remain unchanged, while their expectations for mortgage interest rates 12 months ahead continued to drift upwards.

Inflation. Perceived inflation over the previous 12 months continued to rise, with the median rate now standing at 8.1%. Inflation expectations remained well below the perceived past inflation rate, particularly at the medium-term horizon of three years. Median expectations for inflation over the next 12 months increased from 5.0% to 5.1%, while expectations for inflation three years ahead were unchanged at 3.0%. Uncertainty about inflation 12 months ahead edged down in September but remained well above the level that prevailed before the start of the war in Ukraine. Consumers' inflation perceptions and expectations were closely aligned across income groups, while younger respondents (18-34 years) continued to report lower inflation perceptions and expectations than older respondents (55-70 years). ([Link to Inflation results and charts](#))

Income and consumption. Consumers expected their nominal income to grow by 0.6% over the next 12 months, down from 1.0% in August. The decline was strongest for older respondents (55-70 years) and households with income around or just below the median. Perceptions of nominal spending growth over the previous 12 months edged down to 5.7%. Expectations for nominal spending growth over the next 12 months remained unchanged at 4.5%. Consumers' expectations for nominal

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spending remained broadly aligned across income groups, while younger respondents (18-34 years) continued to report lower expectations for nominal spending than older respondents. ([Link to Income and consumption results and charts](#))

Labour market and economic growth. Economic growth expectations for the next 12 months declined significantly from -1.7% in August to -2.4%. Consistent with the lower expectations for economic growth, expectations for the unemployment rate 12 months ahead rose to 12.2%, from 11.9% in August. Consumers continued to expect the unemployment rate to be higher than the perceived current unemployment rate (11.5%). Expectations for the unemployment rate 12 months ahead were quite well aligned across age groups but were again higher for lower-income respondents (first income quintile) than for higher-income respondents (fifth income quintile), by 3.3 percentage points. ([Link to Labour market and growth results and charts](#))

Housing and credit access. Consumers expected the growth in the price of their homes over the next 12 months to remain at 3.4%. Expectations for mortgage interest rates 12 months ahead increased further to 4.5%, 1.2 percentage points higher than at the beginning of 2022. While consumers' perceived access to credit over the previous 12 months tightened again, their expectations of access to credit over the next 12 months eased slightly. ([Link to Housing and credit access results and charts](#))

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Notes

- Unless otherwise indicated, the statistics given in this press release refer to the 2% winsorised mean. For further details, see the [aggregate statistics guide](#) published on the [CES webpage](#).
- The Consumer Expectations Survey (CES) is a monthly online survey of currently around 14,000 adult consumers (i.e. aged 18 or over) from six euro area countries: Belgium, Germany, Spain, France, Italy and the Netherlands. The main aggregate results of the CES are published on the ECB's website every month. The results are used for policy analysis and complement other data sources used by the ECB.
- Further information about the survey and the data collected is available on the [CES webpage](#). Detailed information can also be found in the following two publications: ECB (2021), "[ECB Consumer Expectations Survey: an overview and first evaluation](#)", *Occasional Paper Series*, No 287, Frankfurt am Main, December; and Georganakos, D. and Kenny, G., "[Household spending and fiscal support during the COVID-19 pandemic: Insights from a new consumer survey](#)", *Journal of Monetary Economics*, Vol. 129, Supplement, July 2022, pp. S1-S14.
- The survey results do not represent the views of the ECB's decision-making bodies or staff.

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