

## Press release

7 December 2022

# ECB Consumer Expectations Survey results – October 2022

Compared with September:

- consumer expectations for inflation 12 months ahead increased further, while expectations for inflation three years ahead remained unchanged;
- inflation expectations remained well below the perceived past inflation rate, particularly at the medium-term horizon of three years;
- expectations for both nominal spending and income growth over the next 12 months increased, and expected spending growth continued to outpace expected income growth;
- expectations for economic growth over the next 12 months declined, whereas for unemployment in 12 months' time they increased;
- consumers expected the price of their home to grow less over the next 12 months, 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 9.9%. 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 5.1% to 5.4%, while expectations for inflation three years ahead were unchanged at 3.0%. Uncertainty about inflation 12 months ahead edged up, remaining 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, but younger respondents (aged 18-34) continued to report lower inflation perceptions and expectations than older respondents (aged 55-70).

[\(Check out the inflation results\)](#)

**Income and consumption.** Consumers expected their nominal income to grow by 0.7% over the next 12 months, up from 0.6% in September, while expectations for nominal spending growth over the next 12 months increased from 4.5% to 4.7%. Perceptions of nominal spending growth over the previous 12 months also rose notably from 5.7% to 6.3%. Consumers' expectations for nominal spending

remained broadly aligned across income groups; younger respondents (aged 18-34) continued to report lower expectations for nominal spending than older respondents. [\(Check out the income and consumption results\)](#)

**Labour market and economic growth.** Economic growth expectations for the next 12 months declined from -2.4% in September to -2.6%. Consistent with the lower expectations for economic growth, expectations for the unemployment rate 12 months ahead rose to 12.5%, up from 12.2% in September. Consumers continued to expect the future unemployment rate to be higher than the perceived current unemployment rate (11.7%). However, survey data available at a quarterly frequency showed that in October unemployed respondents raised their expected probability of finding a job in the next three months to 27.9%, up from 27.3% in July. Employed respondents, in turn, slightly reduced their expected probability of losing their job in the next three months to 9.2%, down from 9.4% in July. [\(Check out the labour market and growth results\)](#)

**Housing and credit access.** Consumers expected the growth in the price of their home over the next 12 months to slow to 3.0% from 3.4% in September. Expectations for mortgage interest rates 12 months ahead increased further to 4.7%, 1.4 percentage points higher than at the beginning of 2022. Both consumers' perceived access to credit over the previous 12 months and their expectations of access to credit over the next 12 months tightened significantly. However, the share of consumers who report having applied for credit during the past three months, which is surveyed quarterly, increased to 13.9% in October, up from 12.2% in July 2022. [\(Check out the housing and credit access results\)](#)

The micro data underlying the aggregate results are now available on the CES webpage under the [data and methodological information](#) section.

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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 Georgarakos, 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.