

## Press release

7 March 2023

# ECB Consumer Expectations Survey results – January 2023

Compared with December 2022:

- consumer expectations for inflation 12 months and three years ahead declined;
- expectations for nominal income growth over the next 12 months continued to rise, while expectations for nominal spending growth declined further;
- expectations for economic growth over the next 12 months became less negative and expectations for the unemployment rate in 12 months' time decreased;
- consumers' expectations for growth in the price of their home over the next 12 months weakened, while those for mortgage interest rates 12 months ahead remained unchanged.

### Inflation

The median rate of perceived inflation over the previous 12 months declined to 9.5% in January 2023, from 9.9% in December 2022. Median expectations for inflation over the next 12 months edged down to 4.9% from 5.0%, while median expectations for inflation three years ahead declined significantly to 2.5%, from 3.0% in the previous month. Inflation expectations remained well below the perceived past inflation rate, particularly at the horizon of three years. Uncertainty about inflation expectations 12 months ahead edged up but remained broadly in line with the elevated levels observed since March 2022. 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). ([Inflation results](#))

## Income and consumption

Consumers expected their nominal income to grow by 1.3% over the next 12 months, up from 1.0% in December. This improvement was primarily driven by respondents with household incomes below the median. Perceptions of nominal spending growth over the previous 12 months were roughly stable at 6.3%. Expectations for nominal spending growth over the next 12 months moderated significantly to 3.8%, from 4.2% in the previous month. This decline was mainly driven by older respondents (aged 55-70). ([Income and consumption results](#))

## Labour market and economic growth

While still pointing to a contraction, economic growth expectations for the next 12 months continued to shift upwards to stand at -1.2%, from -1.5% in December 2022. In line with the higher expectations for economic growth, expectations for the unemployment rate 12 months ahead declined to 11.6%, compared with 11.9% in December. Consumers continued to expect the future unemployment rate to be higher than the perceived current unemployment rate (11.3%). Quarterly data showed that, in January 2023, respondents who were unemployed reported a marginal increase in their expected probability of finding a job over the next three months, which rose to 28.1%, from 27.9% in October 2022. Employed respondents reported that the expected probability of job loss over the next three months lessened more significantly, falling to 8.1% in January, from 9.2% in October 2022. ([Labour market and economic growth results](#))

## Housing and credit access

Consumers expected growth in the price of their home over the next 12 months to weaken to 2.5%, compared with 3.0% in December 2022. Expectations for mortgage interest rates 12 months ahead remained broadly stable at 4.9%, which is 1.6 percentage points higher than at the beginning of 2022. Perceived access to credit over the previous 12 months remained unchanged overall, while expectations for access to credit over the next 12 months improved slightly. The share of consumers who reported having applied for credit during the past three months, which is surveyed on a quarterly basis, declined to 13.6% in January, from 13.9% in October 2022. ([Housing and credit access results](#))

The next release of the Consumer Expectations Survey results is scheduled for 4 April 2023.

### European Central Bank

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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 [Consumer Expectations Survey \(CES\) web page](#).
- The 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 web page](#). 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.

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