

Press release

11 October 2023

ECB Consumer Expectations Survey results – August 2023

Compared with July 2023:

- median consumer inflation expectations for the next 12 months and those for three years ahead increased marginally;
- expectations for nominal income growth over the next 12 months increased slightly, but expectations for nominal spending growth declined somewhat;
- expectations for economic growth over the next 12 months became slightly more negative and the expected unemployment rate in 12 months' time increased marginally;
- expectations for growth in the price of homes over the next 12 months slightly increased, and expectations for mortgage interest rates 12 months ahead rose marginally.

Inflation

The median rate of perceived inflation over the previous 12 months edged down to 7.9% from 8.0%. Median expectations for inflation over the next 12 months edged up to 3.5%, from 3.4%, and those for inflation three years ahead edged up (for the second consecutive month) to 2.5%, from 2.4% in July. Inflation expectations remained well below the perceived past inflation rate, particularly at the three-year horizon. Uncertainty about inflation expectations over the next 12 months declined to the lowest level observed since March 2022 (just after the start of the war in Ukraine). The development of inflation perceptions and expectations remained closely aligned across income groups, although 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 over the next 12 months to increase by 1.2%, slightly more than in July (1.1%). This increase was primarily driven by respondents from the lowest income quintile, whereas consumers' expectations in the highest income quintile decreased slightly on average. Perceptions of nominal spending growth over the previous 12 months decreased to 6.4%, from 6.7% in July. The drop in perceived nominal spending growth was mainly concentrated among younger (aged 18-34) and older (aged 55-70) respondents. Expectations for nominal spending growth over the next 12 months decreased somewhat to 3.3%, from 3.4% in July. This decrease was observed solely among younger respondents. *(Income and consumption results)*

Labour market and economic growth

Economic growth expectations for the next 12 months were slightly more negative, standing at -0.8%, compared with -0.7% in July. In line with lower expectations for economic growth, expectations for the unemployment rate 12 months ahead increased to 11.1%, compared with 11.0% in the previous three months. Consumers continued to expect the future unemployment rate to be only slightly higher than the perceived current unemployment rate (10.8%), implying a broadly stable labour market. The lowest income quintile reported the highest expected and perceived unemployment rates. *(Labour market and economic growth results)*

Housing and credit access

Consumers expected the price of their home to increase by 2.3% over the next 12 months, which was higher than in July (2.1%) and represented the first increase in expectations since March 2023. The increase was broad-based across age categories and income quintiles, except for the middle quintile, where expectations remained unchanged. Expectations for mortgage interest rates 12 months ahead increased marginally again to 5.2%, from 5.1% in July. Perceived access to credit over the previous 12 months remained broadly unchanged, while expectations for access to credit over the next 12 months eased somewhat compared with July. *(Housing and credit access results)*

The next release of the CES results is scheduled for 8 November 2023.

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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 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: Bańkowska et al., "[ECB Consumer Expectations Survey: an overview and first evaluation](#)", *Occasional Paper Series*, No 287, ECB, Frankfurt am Main, December 2021; 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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