

## Press release

8 November 2023

# ECB Consumer Expectations Survey results – September 2023

Compared with August 2023:

- median consumer inflation expectations for the next 12 months increased noticeably, while expectations for three years ahead remained unchanged;
- expectations for nominal income growth over the next 12 months remained unchanged, but expectations for nominal spending growth increased slightly;
- expectations for economic growth over the next 12 months became more negative and the expected unemployment rate in 12 months' time increased;
- expectations for growth in the price of homes over the next 12 months decreased slightly, and expectations for mortgage interest rates 12 months ahead rose noticeably to a new high.

## Inflation

The median rate of perceived inflation over the previous 12 months edged up to 8.0% from 7.9%. Median expectations for inflation over the next 12 months increased noticeably to 4.0%, from 3.5% in August and 3.4% in July, while those for inflation three years ahead remained unchanged at 2.5%. Inflation expectations, particularly at the three-year horizon, remained well below the perceived past inflation rate. Uncertainty about inflation expectations over the next 12 months increased. 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%, the same as in August. As in the previous month this was mainly driven by expectations of consumers in the lowest income quintile, which increased further, whereas consumers' expectations in the other four quintiles remained broadly stable or even decreased. Perceptions of nominal spending growth over the previous 12 months decreased further to 6.2%, from 6.4% in August and 6.7% in July. The drop in perceived nominal spending growth was prevalent across income groups, with the notable exception of the highest income quintile, which perceived an increase in their spending growth. Expectations for nominal spending growth over the next 12 months increased somewhat to 3.4%, from 3.3% in August. ([Income and consumption results](#))

## Labour market and economic growth

Economic growth expectations for the next 12 months were more negative, standing at -1.2%, compared with -0.8% in August. In line with lower expectations for economic growth, expectations for the unemployment rate 12 months ahead increased to 11.4%, compared with 11.1% in August. Consumers continued to expect the future unemployment rate to be only slightly higher than the perceived current unemployment rate (11.1%), implying a broadly stable labour market. The lowest income quintile continued reporting 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 2.2% over the next 12 months, which was slightly lower than in August (2.3%). Expectations for mortgage interest rates 12 months ahead rose further to 5.4%, from 5.2% in August. This marked their highest level since the survey began and was 0.6 percentage points higher than at the end of 2022. The increase was broad-based across age and income groups, with the exception of the highest income group. Perceived access to credit over the previous 12 months tightened noticeably compared with August, as did expectations for access to credit over the next 12 months, with both reaching the tightest levels since the survey began. ([Housing and credit access results](#))

The microdata underlying the aggregate results are available on the Consumer Expectations Survey (CES) web page in the [Data and methodological information](#) section.

### European Central Bank

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The next release of the CES results is scheduled for 5 December 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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