

## Press release

12 January 2023

# ECB Consumer Expectations Survey results – November 2022

Compared with October:

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

**Inflation.** The prolonged rise in perceived inflation over the previous 12 months came to a halt, with the median rate remaining 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 decreased from 5.4% to 5.0%, while expectations for inflation three years ahead edged down from 3.0% to 2.9%. Uncertainty about inflation expectations 12 months ahead has been stable since July, although it remains well above the level prevailing before the war in Ukraine. 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 0.9% over the next 12 months, up from 0.7% in October. For the first time since mid-2021, expectations for nominal spending growth over the next 12 months decreased – from 4.7% to 4.3%. Perceptions of nominal spending growth over the previous 12 months remained unchanged at 6.3%. Expectations for nominal spending remained broadly aligned across income groups, with younger respondents (aged 18-34)

again reporting lower expectations for nominal spending than older respondents. ([Income and consumption results](#))

**Labour market and economic growth.** Economic growth expectations for the next 12 months increased from -2.6% in October to -2.0%. Consistent with the higher expectations for economic growth, expectations for the unemployment rate 12 months ahead edged down to 12.4%, compared with 12.5% in October. Consumers continued to expect the future unemployment rate to be higher than the perceived current unemployment rate (11.8%). Both the expected and the perceived unemployment rates were highest for the lowest income quintile. ([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 remain fairly stable at 3.1%. Expectations for mortgage interest rates 12 months ahead increased further to 4.8%, 1.5 percentage points higher than at the beginning of 2022. Following the tightening reported in October, perceived access to credit over the previous 12 months and expectations for access to credit over the next 12 months both loosened again. ([Housing and credit access results](#))

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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.
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