

Press release

2 September 2022

ECB Consumer Expectations Survey results – July 2022

Compared with June:

- consumer expectations for inflation over the next 12 months remained unchanged, while those for inflation three years ahead rose;
- expected nominal spending growth over the next 12 months continued to outpace expected income growth;
- expectations declined for economic growth over the next 12 months and rose for unemployment in 12 months' time;
- consumers expected the price of their home to grow slightly 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 increase, with the median rate now standing at 7.9%, up from 7.2% in June. Inflation expectations remained well below the perceived past inflation rate, decreasing as the horizon extended into the future. The median expectation for inflation over the next 12 months remained unchanged at 5.0%, while that for three years ahead rose to 3.0%, up from 2.8% in June. Uncertainty about inflation 12 months ahead edged up in July, having remained stable since March 2022. Consumers' inflation perceptions and expectations across income groups were closely aligned. ([Link to Inflation results and charts](#))

Income and consumption. Consumers expected their income to grow by 0.8% over the next 12 months. This was a notch down from 0.9% in June, putting an end to the rebound from the trough of 0.5% in March 2022. The decline in expected income growth was concentrated among middle-income respondents, with higher-income respondents by contrast raising their expectations for income growth further. Perceptions of nominal spending growth over the previous 12 months continued the acceleration that began in March 2021, reaching a new high of 5.4%. The largest increases came from middle-income respondents. Expectations for nominal spending growth over the next 12 months rose

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to 4.2%, up from 3.9% in June, owing to the significant increases anticipated by higher-income respondents. ([Link to Income and consumption results and charts](#))

Labour market and economic growth. Economic growth expectations for the next 12 months declined from -1.3% in June to -1.9%, their lowest level since November 2020. This decline was broad-based across income and age groups. Consistent with the lower expectations for economic growth, expectations for the unemployment rate in the next 12 months rose to 12.0%, reaching their highest level since September 2021. However, survey data available at a quarterly frequency showed that in July unemployed respondents raised their expected probability of finding a job in the next three months to 27.3%, up from 23.8% in April. Employed respondents, in turn, slightly reduced their expected probability of losing their job in the next three months to 9.4%, down from 9.5% in April. ([Link to Labour market and growth results and charts](#))

Housing and credit access. Consumers again slightly lowered their expectations for the growth in price of their homes over the next 12 months to 3.2%. Expectations for mortgage interest rates 12 months ahead continued to drift up to 4.3% and now stand 1.0 percentage points higher than at the beginning of 2022. Both consumers' perceived access to credit over the previous 12 months and their expectations over the next 12 months tightened again. Perceived and expected credit conditions are now at their tightest level since the start of the Consumer Expectations Survey (CES) in April 2020. The share of consumers who report having applied for credit during the past three months, which is collected quarterly, further declined to 12.2% in July, down from 12.7% in April 2022. ([Link to Housing and credit access results and charts](#))

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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 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 are available on the [CES webpage](#). Detailed information is also available 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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