

Press release

5 September 2023

ECB Consumer Expectations Survey results – July 2023

Compared with June 2023:

- median consumer inflation expectations for the next 12 months were unchanged, while those for three years ahead edged up;
- expectations for nominal income growth over the next 12 months declined slightly, but expectations for nominal spending growth remained unchanged;
- expectations for economic growth over the next 12 months became slightly more negative, however the expected unemployment rate in 12 months' time was unchanged;
- expectations for growth in the price of homes over the next 12 months remained unchanged, while expectations for mortgage interest rates 12 months ahead increased slightly; the share of respondents reporting that they applied for credit in the previous three months increased compared with April.

Inflation

The median rate of perceived inflation over the previous 12 months was unchanged at 8.0% for the third consecutive month. Median expectations for inflation over the next 12 months were also unchanged at 3.4%, while those for inflation three years ahead edged up to 2.4%, from 2.3% in June. 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 was unchanged for the second consecutive month. 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 1.1%, slightly less than in May (1.2%). The drop in expected nominal income growth was primarily driven by respondents from the lowest income quintile. Perceptions of nominal spending growth over the previous 12 months remained unchanged at 6.7%, a level that remains elevated and is close to the overall high of 7.1% seen in March. However, expectations for nominal spending growth over the next 12 months were stable at 3.4%, the lowest level since March 2022. ([Income and consumption results](#))

Labour market and economic growth

Economic growth expectations for the next 12 months were slightly more negative, standing at -0.7%, compared with -0.6% in June. Expectations for the unemployment rate 12 months ahead were unchanged at 11.0%. 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. However, quarterly data show that in July 2023 unemployed respondents reported that their expected probability of finding a job over the next three months had fallen to 22.9%, from 26.6% in April 2023. Employed respondents also reported that their expected probability of losing their job over the next three months had increased to 8.2% in July, from 7.8% in April. ([Labour market and economic growth results](#))

Housing and credit access

Consumers expected the price of their home to increase by 2.1% over the next 12 months, unchanged since May 2023. Expectations for mortgage interest rates 12 months ahead increased marginally to 5.1%, from 5.0% in June. Perceived access to credit over the previous 12 months again eased slightly compared with June, while expectations for access to credit over the next 12 months tightened somewhat. The share of consumers who reported having applied for credit during the past three months, which is surveyed on a quarterly basis, increased to 14.8% in July, from 13.4% in April, which was the highest value since October 2020. This reflects an increase in reported new credit applications by younger respondents (aged 18-34). ([Housing and credit access results](#))

The next release of the CES results is scheduled for 11 October 2023.

For media queries, please contact Eszter Miltényi-Torstensson tel.: +49 171 7695305

European Central Bank

Directorate General Communications

Sonnemannstrasse 20, 60314 Frankfurt am Main, Germany

Tel.: +49 69 1344 7455, email: media@ecb.europa.eu, website: www.ecb.europa.eu

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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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