

Press release

6 June 2023

ECB Consumer Expectations Survey results – April 2023

Compared with March 2023:

- consumer inflation expectations decreased significantly – reversing most of the increases seen in the previous month;
- expectations declined for both nominal income growth and nominal spending growth over the next 12 months;
- expectations for economic growth over the next 12 months became less negative and the expected unemployment rate in 12 months' time decreased;
- consumers expect lower growth in the price of their home over the next 12 months and expectations for mortgage interest rates 12 months ahead declined.

Inflation

The median rate of perceived inflation over the previous 12 months decreased to 8.9% in April 2023, from 9.9% in March. Median expectations for inflation over the next 12 months decreased to 4.1% in April, from 5.0% in March, and those for inflation three years ahead decreased to 2.5%, from 2.9% in March. Uncertainty about inflation expectations 12 months ahead also decreased. Thus, the increases observed in March have largely been reversed. Inflation expectations, particularly at the three-year horizon, remained well below the perceived past inflation rate. Inflation perceptions and expectations continued to be closely aligned across income classes, with younger respondents (aged 18-34) reporting lower inflation perceptions and expectations and sharper declines than older respondents (aged 55-70). ([Inflation results](#))

Income and consumption

Consumers expected their nominal income over the next 12 months to rise more slowly, by 1.1%, compared with 1.3% in March. The decline in expected nominal income growth was concentrated in the first four quintiles of the income distribution – consumers' expectations in the fifth (highest) income quintile were on average unchanged. Perceptions of nominal spending growth over the previous 12 months were roughly stable compared with March, at 7.0%. Expectations for nominal spending growth over the next 12 months reverted close to February's value, falling to 3.8% in April from 4.1% in March. Developments in perceptions and expectations about nominal spending growth continued to be broadly aligned across age classes. ([Income and consumption results](#))

Labour market and economic growth

Economic growth expectations for the next 12 months were less negative in April, standing at -0.8% compared with -1.0% in March. In line with expectations for economic growth, expectations for the unemployment rate 12 months ahead decreased to 11.2% in April, from 11.7% in March. Consumers expected the future unemployment rate to remain higher than the perceived current unemployment rate (11.0%), but the gap had narrowed to some extent. Quarterly data show that in April 2023 unemployed respondents reported their expected probability of finding a job over the next three months had fallen to 26.6%, from 28.1% in January 2023. Employed respondents reported that their expected probability of losing their job over the next three months had decreased to 7.8% in April, from 8.1% in January. ([Labour market and economic growth results](#))

Housing and credit access

In April consumers expected the price of their home to increase by 2.2% over the next 12 months – the lowest value reported for two years – compared with 2.7% in March. The decline in expectations was broad-based across age and income classes. Expectations for mortgage interest rates 12 months ahead edged down to 5.0% in April. Perceived access to credit over the previous 12 months tightened compared with March, while expectations for access to credit over the next 12 months remained unchanged from March. The share of consumers who reported having applied for credit during the past three months, which is surveyed on a quarterly basis, declined to 13.4% in April from 13.6% in January 2023. This reflects a fall in new credit applications reported by younger respondents, which was partly compensated for by a rise in those reported by older respondents (aged above 34). ([Housing and credit access results](#))

The next release of the CES results is scheduled for 5 July 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 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 is available on the [CES webpage](#). Detailed information can also be found in the following two publications: ECB, "[ECB Consumer Expectations Survey: an overview and first evaluation](#)", *Occasional Paper Series*, No 287, 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 its staff.