

## Press release

2 April 2024

# ECB Consumer Expectations Survey results – February 2024

Compared with January 2024:

- median consumer inflation perceptions over the previous 12 months and inflation expectations for the next 12 months decreased, while inflation expectations three years ahead remained unchanged;
- expectations for nominal income growth over the next 12 months increased, while expectations for nominal spending growth remained stable;
- expectations for economic growth over the next 12 months and the expected unemployment rate in 12 months' time both remained unchanged;
- expectations for growth in the price of homes over the next 12 months increased, while expectations for mortgage interest rates 12 months ahead remained unchanged.

## Inflation

The median rate of perceived inflation over the previous 12 months decreased further, for the fifth consecutive month, to 5.5%, from 6.0% in January. Median expectations for inflation over the next 12 months also decreased, to 3.1% from 3.3%. They are now at the lowest level since the start of Russia's unjustified war against Ukraine in February 2022. Expectations for inflation three years ahead remained unchanged at 2.5%. Inflation expectations at the one-year and three-year horizons remained well below the perceived past inflation rate. Uncertainty about inflation expectations over the next 12 months remained unchanged. Developments in inflation perceptions and expectations remained relatively closely aligned across income groups, albeit somewhat higher for the two lowest income quintiles. Younger respondents (aged 18-34) continued to report lower inflation perceptions and expectations than older respondents (those aged 35-54 and those aged 55-70). (*Inflation results*)

## Income and consumption

Consumer expectations for nominal income growth increased to 1.4%, from 1.2% in January. This increase was observed across all age groups. Perceptions of nominal spending growth over the previous 12 months decreased further, for the fourth consecutive month, to 6.4%, from 6.6% in January, aligned with the developments in inflation perceptions. This decrease was solely observed in older respondents (those aged 35-54 and those aged 55-70). Expectations for nominal spending growth over the next 12 months remained stable at 3.7%. (*Income and consumption results*)

## Labour market and economic growth

Economic growth expectations for the next 12 months remained unchanged at -1.1%. Expectations for the unemployment rate 12 months ahead also remained unchanged at 10.9%. Consumers continued to expect the future unemployment rate to be slightly higher than the perceived current unemployment rate (10.5%), implying a broadly stable labour market. The lowest income quintile continued to report the highest expected and perceived unemployment rate. (*Labour market and economic growth results*)

## Housing and credit access

Consumers expected the price of their home to increase by 2.4% over the next 12 months, which was higher than in January (2.2%). Households in the lowest income quintile continued to expect higher growth in house prices than those in the top income quintile (3.1% and 2.1%, respectively). Expectations for mortgage interest rates 12 months ahead remained unchanged from January at 5.1%. As in previous months, the lowest income households expected the highest mortgage interest rates 12 months ahead. The net percentage of households reporting a tightening (relative to those reporting an easing) in the access to credit over the previous 12 months declined, as did the net percentage of those expecting a tightening over the next 12 months, reaching levels last seen in early 2022. (*Housing and credit access results*)

The release of the CES results for March is scheduled for 26 April 2024.

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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 [ECB Consumer Expectations Survey – Aggregate statistics guide](#) published on the [CES web page](#).
- The CES is a monthly online survey of, currently, around 19,000 adult consumers (i.e. aged 18 or over) from 11 euro area countries: Belgium, Germany, Ireland, Greece, Spain, France, Italy, the Netherlands, Austria, Portugal and Finland. 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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