



THE MAIN RESULTS OF THE FOURTH WAVE OF THE SPECIAL SURVEY OF ITALIAN HOUSEHOLDS

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Between the end of February and the beginning of March 2021, before the new containment measures, the Bank of Italy conducted the fourth edition of the Special Survey of Italian Households to collect information on the effects of the Covid-19 epidemic on the economic situation and on the expectations of households. Households' expectations on the outlook for the economy and the labor market improved; however, the health emergency is not expected to be overcome in the short term. Almost a third of households reported having suffered a decline in income in the last month; the worsening of income conditions is mitigated by income support measures. Consumption behaviors continue to be affected by the health emergency: for households with difficulty in making ends meet, the contraction mainly depends on lower economic resources; for those under less financial strain, it is above all due to the containment measures and the fear of infection. A significant share of households saved in 2020: only one third of the savings put aside last year would be spent in 2021.

Between the end of February and the start of March, before the new tightening of the measures to limit the spread of the virus (Decree Law 30/2021), the Bank of Italy conducted the fourth edition of its Special Survey of Italian Households to collect information on the financial situation and expectations of households.² The interviews were conducted remotely on a sample of over 2,800 households, using a multimedia touchscreen device; about 1,800 of these households had also taken part in the third edition of the survey.³

The main descriptive findings are the following.

- Despite remaining negative, the balance of answers on the general outlook for the economy has improved and is better than in the summer months, following the first wave of the pandemic

¹ Bank of Italy. The views expressed in this note are those of the authors and do not necessarily reflect those of the Bank of Italy.

² The content of this Note largely coincides with the box 'Italian households during the epidemic: the Bank of Italy's survey' in [Economic Bulletin](#), 2, 2021; the set of statistical tables provides greater detail on the answers provided by the households participating in the survey.

³ As of April 2020, four editions of the survey have been carried out. The main findings and the methodology used in the third edition are described in the box 'Italian households during the epidemic: the Bank of Italy's survey' in [Economic Bulletin](#), 1, 2021, and in C. Rondinelli and F. Zanichelli, '[The main results of the third wave of the special survey of Italian households in 2020](#)', Banca d'Italia, NoteCOVID-19, 30 March 2021.

(see panel (a) of Figure 1). The percentage of households in the latest edition that expect a significant deterioration over the next twelve months has fallen by 9 percentage points compared with the survey conducted in November, reaching 23 per cent (table 1). The assessments of the outlook for the labour market for the next twelve months are also more favourable; households whose heads are self-employed remain more pessimistic (table 2).

- Households do not expect the health emergency to be resolved in the near future: only 16 per cent believe it will come to an end during 2021, while one third think it will continue at least until 2023.
- Almost 70 per cent of households expect their income for this year to be the same as that earned in 2020 (table 3). Just over one sixth expect it to be lower; this figure rises to one fourth among those who think that the health emergency will continue for longer (for at least another two years)
- Almost a third of households report having earned a lower income last month than before the outbreak of the pandemic (table 4); the fall is more widespread among households whose head is self-employed or unemployed and in the areas hardest hit by the health emergency at the time of the interview (orange and red zones). The worsening in income conditions has continued to be mitigated by the income support measures:⁴ one fourth of households benefited from such measures between December 2020 and February 2021.
- More than 60 per cent of households declare that they are struggling to get to the end of the month, 10 percentage points more compared with the pre-pandemic period; the percentage has increased by over 20 points (to 65 per cent) for households whose head is self-employed (see panel (b) of Figure 1). Just under 40 per cent of households report that in the last 12 months they have found that their income was not enough to meet expenses; almost half of these households report that in the absence of any income or transfers they would not have enough financial resources to meet essential expenses for even one month.
- Households' consumption patterns continue to be affected by the public health emergency. Over 80 per cent report that they have reduced spending on hotels, coffee bars and restaurants and have made less frequent purchases in clothing stores than prior to the pandemic; about two thirds report spending less on beauty and personal care services (table 5). For households that struggle to reach the end of the month, the contraction mainly depends on having fewer economic resources; for those under less financial strain, it is above all due to the containment measures and the fear of infection (Figure 2).
- Just over one fourth of households think that they will reduce their consumption of non-durable goods and services over the next three months, compared with about one third in the November edition. The decline in consumption appears to be more pronounced for households whose income decreased between January and February and that have more difficulty in meeting their monthly expenses (see panel (a) of Figure 3). However, this will also affect some (around one fifth) of those expecting an increase in income in 2021 (table 6).
- A significant share of households have put money aside over the last year. Around 40 per cent report having spent less than their annual income in 2020, thereby managing to accumulate some

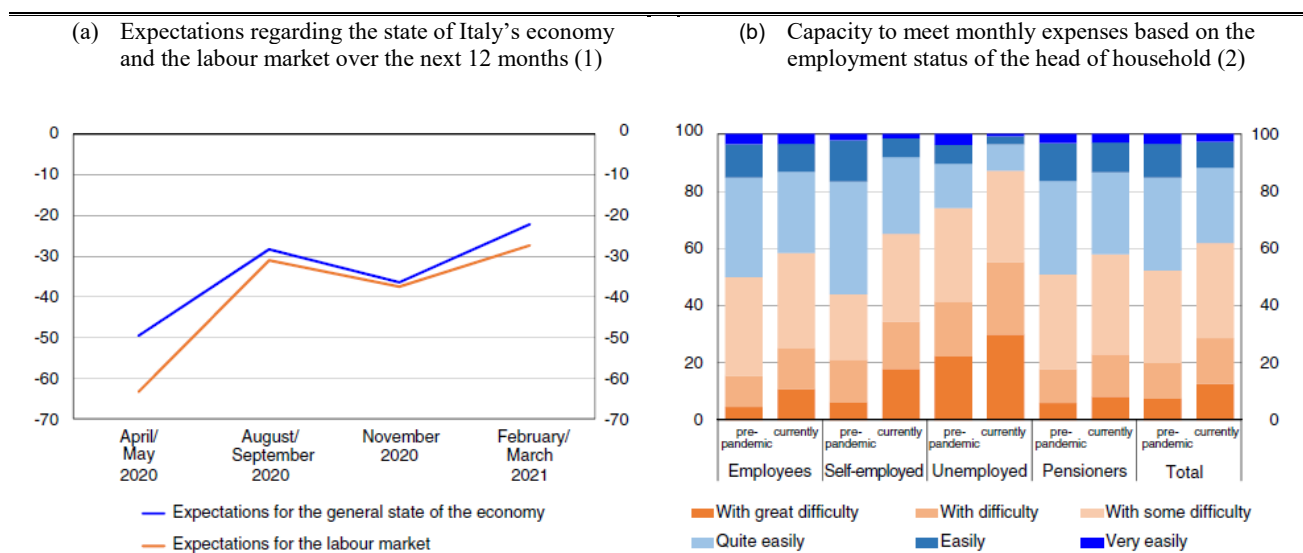
⁴ The income support measures considered included: the wage supplementation scheme (Cassa integrazione guadagni), the ordinary allowance from the wage supplementation fund (Fondo di integrazione salariale) and the solidarity funds (Fondi di solidarietà), the New Social Insurance for Employees (NASpI) and for farm workers (disoccupazione agricola), the new minimum income scheme (Reddito di cittadinanza), emergency income (Reddito di emergenza), measures in support of selfemployed workers and professionals, and the vouchers for the purchase of baby-sitting services and other types of bonus.

savings (table 7);⁵ among these, nearly one third saved more than in 2019. The increase in saving is, however, only prevalent among households that get to the end of the month easily or quite easily (see panel (b) of Figure 3), which are the ones that typically detain the largest amount of savings.⁶

- Only one third of the savings accumulated in 2020 are likely to be spent in 2021; just over half will be held in the form of deposits or other forms of investment and the rest will be used to repay debts. Some 45 per cent of households expect to spend less than their annual income over the next 12 months (table 8). Saving expectations are widespread both among households that easily make ends meet and among those declaring greater economic difficulties (see panel (b) of Figure 3).

Figure 1

Assessments of economic and financial conditions
(percentage points and per cent)



Source: Based on Bank of Italy data from the 1st, 2nd, 3rd and 4th editions of the Special Survey of Italian Households. For the 1st edition, only the data collected with the same interview technique as in subsequent editions were used.

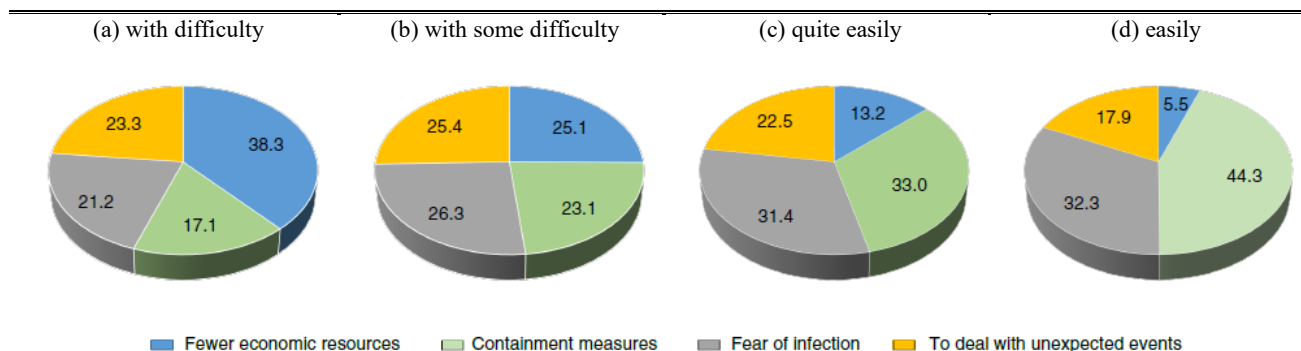
(1) Balance between reports of improvement and deterioration. For the 1st edition, expectations for the labour market refer to the trend in the number of unemployed over the next 12 months. – (2) Percentage of households that declare they get to the end of the month with: great difficulty, difficulty, some difficulty, quite easily, easily or very easily. The question was asked with reference both to a household's current situation and to that prior to the public health emergency.

⁵ According to data from the Survey on Household Income and Wealth (SHIW), about one third of households declared they had spent less than their annual income and managed to put some money aside in 2016.

⁶ According to data from the SHIW in 2016, more than 60 per cent of total savings are accumulated by households in the highest income quintile.

Figure 2

Reasons for reducing consumption (1)
(based on the capacity to meet monthly expenses; average score)

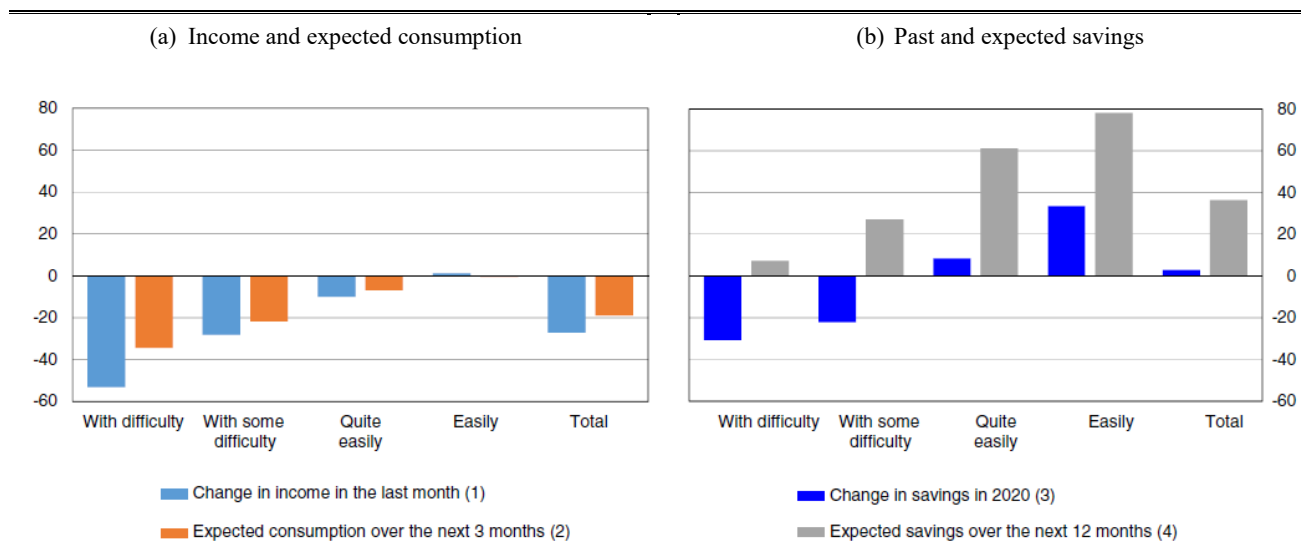


Source: Based on data from the Bank of Italy, 4th edition of the Special Survey of Italian Households.

(1) Households were asked to distribute 100 points among the following reasons for reducing consumption: fewer economic resources, containment measures, fear of infection and to deal with unexpected events.

Figure 3

Assessments of income, consumption and saving
(based on the capacity to meet monthly expenses; percentage points)



Source: Based on data from the Bank of Italy, 4th edition of the Special Survey of Italian Households.

(1) Balance between the percentage of households whose income increased last month and the share of those whose income decreased compared with before the pandemic. – (2) Balance between households expecting an increase in their consumption of non-durables over the next three months and those expecting a decrease. – (3) Balance between the percentage of households that saved more in 2020 than in 2019 and the share of those that saved less (among households that saved in 2020). – (4) Balance between the percentage of households that expect to be able to make some savings and those that expect to use some savings or take on a debt.

Table 1

In your opinion, how will the general economic situation in Italy develop over the next 12 months?
(per cent)

	It will considerably improve	It will slightly improve	It will stay the same	It will slightly deteriorate	It will considerably deteriorate	Don't know	Total
Employment status⁽¹⁾							
Employees	3,7	20,2	22,8	24,4	22,9	6,1	100,0
Self-employed	3,8	19,5	22,7	20,2	30,0	3,9	100,0
Unemployed	4,9	17,0	21,4	20,4	26,3	10,0	100,0
Retired	2,9	22,5	25,7	25,6	18,7	4,6	100,0
Other	5,1	18,1	18,7	17,3	28,6	12,1	100,0
Level of education⁽¹⁾							
Up to lower secondary school	3,3	17,1	23,2	24,7	24,0	7,6	100,0
Upper secondary school	3,6	24,6	23,5	23,8	20,9	3,5	100,0
University degree	4,4	26,7	24,9	19,8	20,0	4,2	100,0
Geographical area							
North	2,5	18,9	23,6	27,0	22,4	5,6	100,0
Centre	3,7	21,3	25,4	22,5	23,6	3,5	100,0
South and islands	5,2	22,8	22,4	19,5	22,1	8,1	100,0
All	3,6	20,6	23,5	23,8	22,5	6,0	100,0

⁽¹⁾ Individual characteristics refer to the head of household.

Table 2

In your opinion, how will the labour market situation in Italy develop over the next 12 months?
(per cent)

	It will considerably improve	It will slightly improve	It will stay the same	It will slightly deteriorate	It will considerably deteriorate	Don't know	Total
Employment status⁽¹⁾							
Employees	3,9	17,3	21,7	24,6	26,8	5,7	100,0
Self-employed	3,7	18,0	14,6	28,1	31,9	3,8	100,0
Unemployed	6,1	14,1	19,4	20,2	31,8	8,4	100,0
Retired	3,8	24,1	19,1	25,8	22,2	5,0	100,0
Other	5,1	17,9	12,6	24,6	28,2	11,5	100,0
Level of education⁽¹⁾							
Up to lower secondary school	4,7	15,9	20,7	25,1	26,3	7,4	100,0
Upper secondary school	3,1	24,1	16,9	25,7	26,6	3,7	100,0
University degree	4,1	25,6	19,8	23,1	24,0	3,4	100,0
Geographical area							
North	2,4	18,3	18,6	27,7	27,8	5,2	100,0
Centre	2,6	19,0	19,9	26,3	28,6	3,5	100,0
South and islands	7,7	22,1	20,4	20,1	21,7	8,0	100,0
All	4,1	19,6	19,4	25,0	26,1	5,8	100,0

⁽¹⁾ Individual characteristics refer to the head of household.

Table 3

How do you expect your household income to change in 2021 compared to 2020?
(per cent)

	It will increase	It will stay the same	It will decrease	Total
Employment status⁽¹⁾				
Employees	17,1	68,0	14,9	100,0
Self-employed	13,6	55,5	30,9	100,0
Unemployed	17,3	45,4	37,3	100,0
Retired	7,0	81,5	11,6	100,0
Other	14,9	56,6	28,5	100,0
Level of education⁽¹⁾				
Up to lower secondary school	11,9	69,7	18,5	100,0
Upper secondary school	14,6	68,6	16,8	100,0
University degree	13,6	69,4	16,9	100,0
Geographical area				
North	12,4	71,0	16,6	100,0
Centre	12,6	65,6	21,8	100,0
South and islands	13,8	69,1	17,1	100,0
All	12,9	69,3	17,8	100,0

⁽¹⁾ Individual characteristics refer to the head of household.

Table 4

Including any support measures, how was your household income in the last month compared to the monthly income earned before the start of the pandemic?
(per cent)

	It was higher	It was the same	It was lower by less than 25%	It was lower between 25% and 50%	It was lower by more than 50%	Total
Employment status⁽¹⁾						
Employees	5,6	66,5	17,2	8,0	2,7	100,0
Self-employed	2,1	43,3	25,2	18,3	11,2	100,0
Unemployed	4,9	38,8	17,2	20,5	18,6	100,0
Retired	1,6	79,0	11,5	5,1	2,8	100,0
Other	0,4	52,2	22,6	10,6	14,2	100,0
Level of education⁽¹⁾						
Up to lower secondary school	2,9	66,0	15,5	9,7	5,9	100,0
Upper secondary school	4,0	64,0	18,7	8,0	5,3	100,0
University degree	4,7	69,8	12,6	8,9	4,1	100,0
Geographical area						
North	4,0	65,9	17,3	7,8	5,0	100,0
Centre	3,0	62,3	14,9	13,0	6,8	100,0
South and islands	3,0	68,1	14,7	8,7	5,4	100,0
All	3,5	65,9	16,0	9,1	5,5	100,0

⁽¹⁾ Individual characteristics refer to the head of household.

Table 5

Compared to before the start of the pandemic, how often did you carry out these activities in the last month?
(per cent)

	I stopped doing this activity or I did it much less often	Slightly less often	With the same frequency	Slightly more often	Much more often
Buy food and other essential goods in shops	11,3	27,3	54,0	6,1	1,3
Buy clothes and shoes in shops	41,4	38,8	17,3	2,0	0,5
Go to the hairdresser/other personal care services	34,8	33,1	29,8	1,7	0,6
Buy furniture and home appliances in shops	58,0	21,6	17,5	2,1	0,8
Go to hotels, bars and restaurants	70,4	16,2	10,7	1,7	0,9

Table 6

Consider the following expenses for food, clothing, house appliances and services. How does your household expect to change the overall spending on these goods and services over the next 3 months?
(per cent)

	It will increase	It will stay the same	It will decrease	Total
Employment status⁽¹⁾				
Employees	9,4	67,0	23,6	100,0
Self-employed	7,6	62,5	30,0	100,0
Unemployed	10,0	54,4	35,6	100,0
Retired	5,4	67,9	26,6	100,0
Other	7,1	63,4	29,5	100,0
Level of education⁽¹⁾				
Up to lower secondary school	7,4	63,3	29,3	100,0
Upper secondary school	7,5	68,0	24,5	100,0
University degree	9,3	70,3	20,4	100,0
Geographical area				
North	7,6	65,1	27,4	100,0
Centre	6,8	65,2	28,0	100,0
South and islands	8,4	66,7	24,8	100,0
Expectations on household income in 2021				
It will be higher than in 2020	17,6	61,7	20,7	100,0
It will be the same as in 2020	5,9	71,6	22,5	100,0
It will be lower than in 2020	7,4	45,3	47,3	100,0
All	7,7	65,6	26,7	100,0

⁽¹⁾ Individual characteristics refer to the head of household.

Table 7

In 2020 did your household spend less than its entire yearly income and succeed in saving?
(per cent)

	Yes	No	Total
Employment status⁽¹⁾			
Employees	43,4	56,6	100,0
Self-employed	33,5	66,5	100,0
Unemployed	20,0	80,0	100,0
Retired	40,4	59,6	100,0
Other	33,9	66,1	100,0
Level of education⁽¹⁾			
Up to lower secondary school	32,5	67,5	100,0
Upper secondary school	44,0	56,0	100,0
University degree	53,6	46,4	100,0
Geographical area			
North	42,5	57,5	100,0
Centre	38,6	61,4	100,0
South and islands	33,2	66,8	100,0
All	38,8	61,2	100,0

⁽¹⁾ Individual characteristics refer to the head of household.

Table 8

In the next 12 months you expect that your household...
(per cent)

	...will spend less than its entire yearly income and succeed in saving	...will spend its entire yearly income and will not manage to save anything	...will spend more than its entire yearly income, drawing on savings or borrowing	Total
Employment status⁽¹⁾				
Employees	48,3	43,9	7,8	100,0
Self-employed	37,4	52,7	9,9	100,0
Unemployed	33,0	51,7	15,3	100,0
Retired	44,7	48,8	6,5	100,0
Other	48,1	42,4	9,5	100,0
Level of education⁽¹⁾				
Up to lower secondary school	40,4	50,7	8,9	100,0
Upper secondary school	47,6	44,7	7,7	100,0
University degree	55,0	38,2	6,8	100,0
Geographical area				
North	47,9	44,5	7,7	100,0
Centre	40,3	51,0	8,6	100,0
South and islands	42,1	48,9	8,9	100,0
Expectations on household income in 2021				
It will be higher than in 2020	59,3	36,0	4,7	100,0
It will be the same as in 2020	47,8	45,9	6,3	100,0
It will be lower than in 2020	21,2	60,2	18,6	100,0
All	44,6	47,2	8,3	100,0

⁽¹⁾ Individual characteristics refer to the head of household.