

Press release

27 September 2024

ECB Consumer Expectations Survey results – August 2024

Compared with July 2024:

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

Inflation

The median rate of perceived inflation over the previous 12 months declined further in August to 3.9%, from 4.1% in July. Perceptions of past inflation have thus declined by 4.5 percentage points since their peak of 8.4% in September 2023. Meanwhile, inflation expectations at the one-year and three-year horizons remained below the perceived past inflation rate. Median expectations for inflation over the next 12 months edged down to 2.7%, from 2.8% previously, and stood at their lowest level since September 2021. Median expectations for inflation three years ahead edged down by 0.1 percentage points in August to 2.3%, back to their June level. Uncertainty about inflation expectations over the next 12 months remained unchanged at its lowest level since February 2022, when Russia invaded Ukraine. While the broad evolution of inflation perceptions and expectations remained relatively closely aligned across income groups, expectations for lower income quintiles were slightly above those for higher income quintiles. Younger respondents (aged 18-34) continued to report lower inflation perceptions and expectations than older respondents (those aged 35-54 and 55-70). ([Inflation](#))

[results](#))

Income and consumption

Consumer nominal income growth expectations increased to 1.2%, from 1.1% in June. The increase in income expectations was mainly driven by the lowest two quintiles. Perceptions of nominal spending growth over the previous 12 months decreased further to 5.2%, from 5.4% in July and 5.8% in June. The latest datapoint continues a sustained decline which started in March 2023. Expectations for nominal spending growth over the next 12 months remained stable at 3.2%. Nominal spending expectations are at their lowest level since February 2022, when Russia invaded Ukraine. ([Income and consumption results](#))

Economic growth and labour market

Economic growth expectations for the next 12 months became less negative, standing at -0.9%, compared with -1.0% in July. Meanwhile, expectations for the unemployment rate 12 months ahead decreased to 10.4%, from 10.6% in July, their lowest level since the start of the series. Consumers continued to expect the future unemployment rate to be only slightly higher than the perceived current unemployment rate (10.0%), implying a broadly stable labour market. The lowest income quintile continued to report the highest expected and perceived unemployment rate, as well as the lowest economic growth expectations. ([Economic growth and labour market results](#))

Housing and credit access

In August consumers expected the price of their home to increase by 2.7% over the next 12 months, which was slightly higher than in July (2.6%). Households in the lowest income quintile continued to expect higher growth in house prices than those in the highest income quintile (3.2% and 2.5% respectively). Expectations for mortgage interest rates 12 months ahead remained stable at 4.8%. As in previous months, the lowest income households expected the highest mortgage interest rates 12 months ahead (5.5%). The net percentage of households reporting a tightening (relative to those reporting an easing) in access to credit over the previous 12 months increased marginally, as did the net percentage of those expecting a tightening over the next 12 months. Nevertheless, both indicators remained close to levels last seen in the second quarter of 2022. ([Housing and credit access results](#))

The release of the CES results for September is scheduled for 25 October 2024.

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Notes

- Unless otherwise indicated, the statistics presented in this press release refer to the 2% winsorised mean. For further details, see [ECB Consumer Expectations Survey – Guide to the computation of aggregate statistics](#).
- 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, K. 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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