

Press release

5 July 2023

ECB Consumer Expectations Survey results – May 2023

Compared with April 2023:

- consumer inflation expectations for the next 12 months decreased further, while those for inflation three years ahead remained stable;
- expectations for nominal income growth over the next 12 months increased slightly, while expectations for nominal spending growth continued to decline;
- 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 increased slightly.

Inflation

The median rate of perceived inflation over the previous 12 months decreased to 8.0% in May 2023, from 8.9% in April. Median expectations for inflation over the next 12 months also decreased to 3.9%, from 4.1% in April, while those for inflation three years ahead remained unchanged at 2.5%.

Uncertainty about inflation expectations 12 months ahead fell to its lowest level since March 2022 (after the start of Russia's war in Ukraine), although it remained above levels observed prior to this. Inflation expectations remained well below the perceived past inflation rate, particularly at the three-year horizon. Inflation perceptions and expectations continued to be closely aligned across income classes, with younger respondents (aged 18-34) still reporting 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 1.2%, compared with 1.1% in April. The increase in expected nominal income growth was mainly concentrated in the two lowest quintiles of the income distribution, while consumers' expectations in the fifth (highest) income quintile decreased, on average. Perceptions of nominal spending growth over the previous 12 months decreased slightly to 6.8%, from 7.0% in April. Expectations for nominal spending growth over the next 12 months decreased further to 3.5%, from 3.8% in April and 4.1% in March. The higher income groups reported a sharper drop in expectations for nominal spending growth than the lower two quintiles of the income distribution. ([Income and consumption results](#))

Labour market and economic growth

Economic growth expectations for the next 12 months were slightly less negative, standing at -0.7% compared with -0.8% in April. In line with these less negative expectations for economic growth, expectations for the unemployment rate 12 months ahead decreased to 11.0%, from 11.2% in April. Consumers continued to expect the future unemployment rate to be only slightly higher than the perceived current unemployment rate (10.9%), implying a broadly stable labour market. Consumers in the lowest income quintile reported the largest decline in perceived and expected unemployment rates. ([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 – the lowest value reported in the past two years – compared with 2.2% in April. The decline in expectations was driven by respondents aged 55 to 70 and was broad-based across income categories, with the noticeable exception of the lowest income quintile. Expectations for mortgage interest rates 12 months ahead edged up to 5.1%, from 5.0% in April. Perceived access to credit over the previous 12 months and expectations for access to credit over the next 12 months both eased slightly compared with April. ([Housing and credit access results](#))

The next release of the CES results is scheduled for 8 August 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 web page](#). 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 staff.

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