

2020-05-20

PRESS RELEASE

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Monthly consumer survey – May 2020

Very slight rebound in consumer confidence in May

- After collapsing in April, consumer confidence has recovered a little in May. It nevertheless remains at an extremely low level.
- Expectations regarding the macroeconomic situation have improved, thanks to the implementation of the gradual deconfinement measures.
- Because of the COVID-19 crisis, almost one in every two self-employed people have incurred a loss of income of more than 30 %.

In May, consumers appeared to be less pessimistic about the general economic situation expected in Belgium over the coming twelve months. This recovery of confidence can very probably be linked to the entry into force of the gradual deconfinement measures. On the other hand, households' sentiment on the outlook for unemployment has continued to deteriorate.

As far as their own personal situation is concerned, households are a little less worried about how their financial situation will change over the next twelve months. Their prospects for saving have got slightly worse.

Consumer confidence indicators ¹

		Expectations for the next twelve months				Consumer confidence indicator	
		Economic situation in Belgium	Unemployment in Belgium ²	Financial situation of households	Savings of households		
2019	May	-9	7	-2	-4	-5	
	June	-16	8	-1	-2	-7	
	July	-15	8	-1	-1	-6	
	August	-20	13	-2	-1	-9	
	September	-22	18	-4	-1	-11	
	October	-16	12	-2	-4	-8	
	November	-14	7	-2	-1	-6	
	December	-17	11	-2	-5	-8	
	2020	January	-15	8	-2	2	-6
		February	-17	6	3	6	-4
		March	-28	16	1	8	-9
		April	-47	60	-6	9	-26
May		-28	70	-2	7	-23	

¹ As of February 2020, the survey sample has been adapted to better reflect the socio-demographic characteristics of the population. In line with the European Commission's recommendations, this change is being introduced only gradually, so as not to interfere too much with the information content of the indicator.

² Regarding unemployment expectations, a rise indicates a deterioration while a decline indicates an improvement.

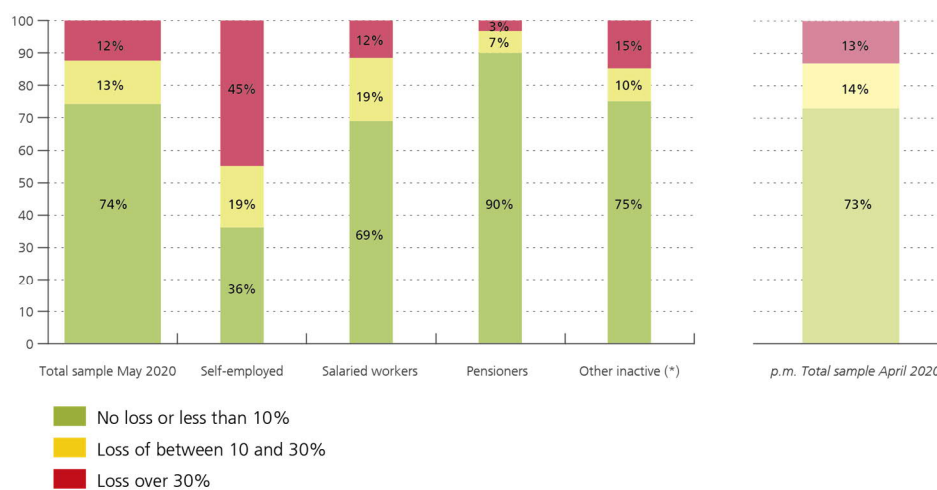
Source: National Bank of Belgium.

Two extra questions on the COVID-19 crisis

Since the month of April, the consumer survey has been enhanced by two questions geared specifically to the consequences of the COVID-19 crisis on households' financial situation. The first one covers the potential loss of income related to the crisis, while the second question deals with the scale of the savings buffer that consumers have to meet their subsistence needs.

These two extra questions have not been incorporated into the consumer confidence indicator.

Question 1 "Has your household suffered any loss of income because of this crisis?"



(*) People who are unemployed, on invalidity or long-term sick leave, housewives/husbands, students.

Almost three-quarters of the people surveyed in May feel they will not lose any income or incur losses of no more than 10%; 13% mentioned a loss of income of between 10 and 30% and 12% reported a loss of more than 30%, results that closely reflect the April findings. It is clear that, among all the respondents, the self-employed have been hit the hardest by the loss of income: 45% of self-employed people have incurred an income loss of more than 30%; and for more than half of them, the loss is even higher than 50%. Partially affected by the temporary lay-off measures, salaried workers are in a less precarious situation, 12% of them have lost at least 30% of their income. Those whose income have been preserved the most are pensioners and the other categories of inactive people who enjoy a "guaranteed" income.

Question 2 "How long will your household's savings buffer cover your necessary subsistence expenditure (rent, shopping, etc.)?"

	May 2020	p.m. April 2020
Less than 1 month	11 %	11 %
From 1 to 3 months	20 %	20 %
From 3 to 6 months	16 %	69 %
More than 6 months	53 %	

The choice of replies has been widened so as to isolate the proportion of households that have enough savings to cover their subsistence expenses for at least six months: just over one in every two households that responded to the survey fall into this category. At the opposite end of the scale, for roughly one in every ten households, available savings are not even enough to cover one month of basic expenses.

Cross-results of the loss of income and scale of savings buffers

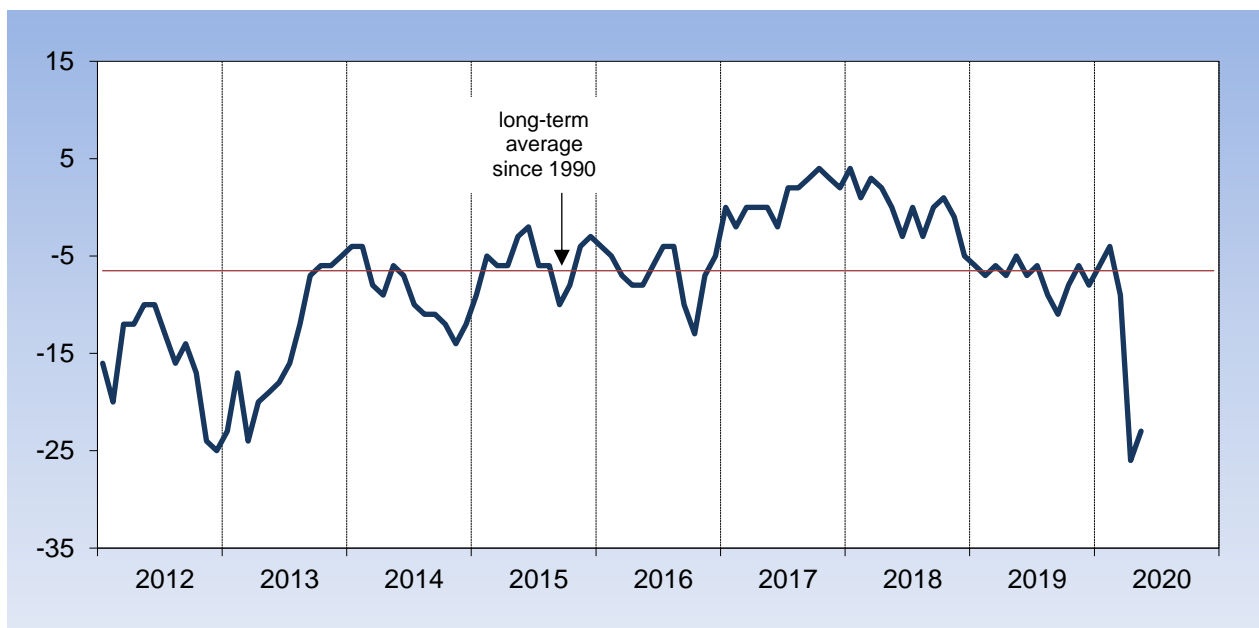
Between the two surveys, the proportion of the two groups of households singled out as being the most vulnerable or least exposed has changed very little. Effectively, 54% of the households surveyed in May (compared with 53% in April) expect a loss of income of as much as 10%, while having savings covering at least three months of expenditure. At the other end of the scale, 11% of households surveyed this month (compared with 12% in April) are extremely vulnerable, as they are expecting to lose at least 10% of their income, while having a savings buffer of no more than three months' worth of subsistence expenses.

Percentage of total number of respondents	May 2020	p.m. April 2020
Most vulnerable households (*)	11 %	12 %
Least exposed households (**)	54 %	53 %

(*) Households incurring a loss of income of at least 10%, while having a savings buffer of three months maximum.

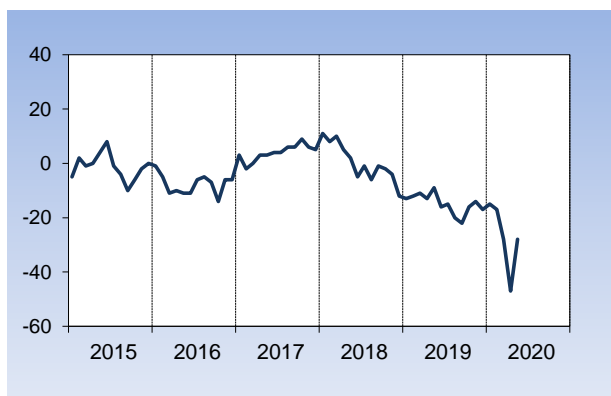
(**) Households incurring a loss of income of maximum 10%, while having a savings buffer of three months minimum.

CONSUMER CONFIDENCE INDICATOR

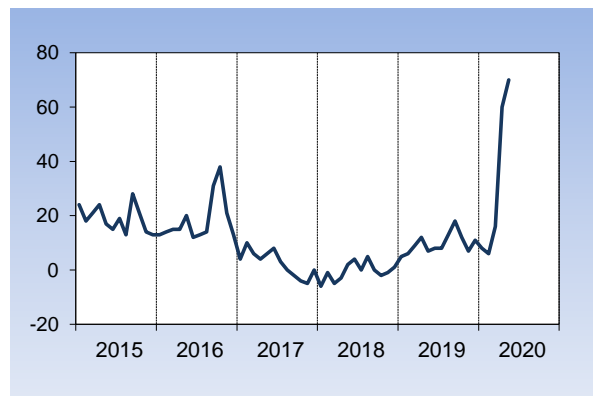


Expectations for the next twelve months

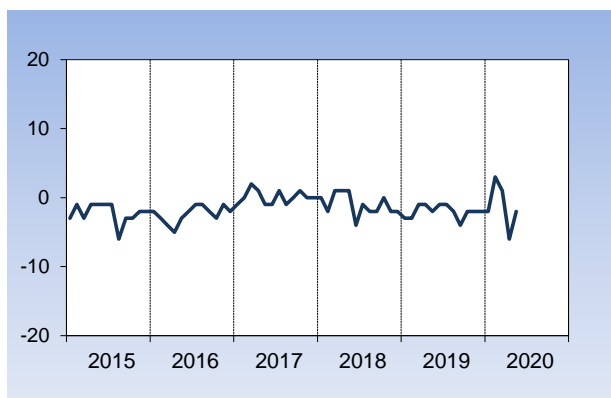
General economic situation in Belgium



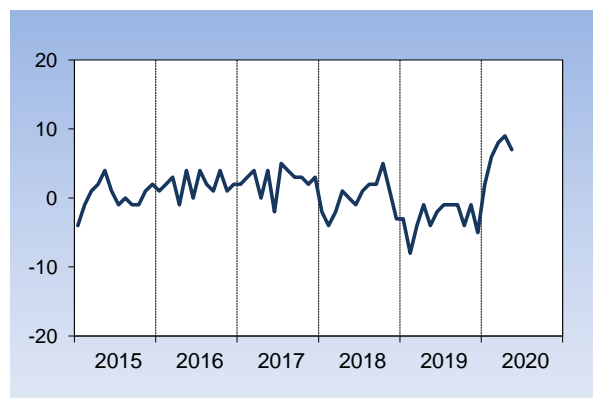
Unemployment in Belgium¹



Financial situation of households



Savings of households



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