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PRESS RELEASE

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Monthly consumer survey – June 2020

Pick-up in consumer confidence continues into June

- The consumer confidence indicator has recovered for the second month in a row. The lowest point seems to have been reached in April.
- The renewed confidence is mainly attributable to a less gloomy general macroeconomic outlook, even though expected developments on the labour market are not getting any better in the eyes of consumers.

On the macroeconomic front, expectations about the general economic situation in Belgium have been revised upwards, following an initial rebound in May. This component of the indicator is thus almost back up to its level in February, before the COVID-19 crisis. However, consumers are still extremely pessimistic about future trends in unemployment.

On a more personal front, households are expecting a slight improvement in their financial situation over the next twelve months. Their expectations are not much different from those before the health crisis. But their savings intentions have been revised upwards.

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	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
	June	-18	70	1	13	-19

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.

On these two questions, households appeared to be less pessimistic during the month of June, which reflects the impact of the easing of the lockdown measures on their financial situation.

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

	June 2020	p.m. May 2020	p.m. April 2020
No loss or less than 10 %	80	74	73
Loss of between 10 and 30 %	12	13	14
Loss over 30 %	9	12	13

80 % of the people surveyed in June (compared with 74 % in May) replied that they were not losing any income or were incurring losses of no more than 10 %. The proportion of households incurring the biggest loss of income is down: 12 % of the survey respondents mentioned a loss of income of between 10 and 30 % and 9 % reported a loss of more than 30 %. It is precisely among the ranks of workers (the self-employed as well as employees) that the assessment of income loss is improving, following the resumption of economic activity.

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

	June 2020	p.m. May 2020	p.m. April 2020
Less than 1 month	9 %	11 %	11 %
From 1 to 3 months	18 %	20 %	20 %
From 3 to 6 months	18 %	16 %	69 %
More than 6 months	55 %	53 %	

The proportion of respondents saying they have only very little savings, enough to cover their subsistence expenses for just one month, has contracted a little: this is now the case for 9 % of those taking part in the survey (against 11 % before). For the middle-of-the-range categories, a slight improvement has been recorded: compared with May, a bigger proportion of households say they have savings covering three to six months, rather than between one and three months. Lastly, the June survey confirms that just over one in every two households have enough savings to cover at least six months of subsistence expenses.

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

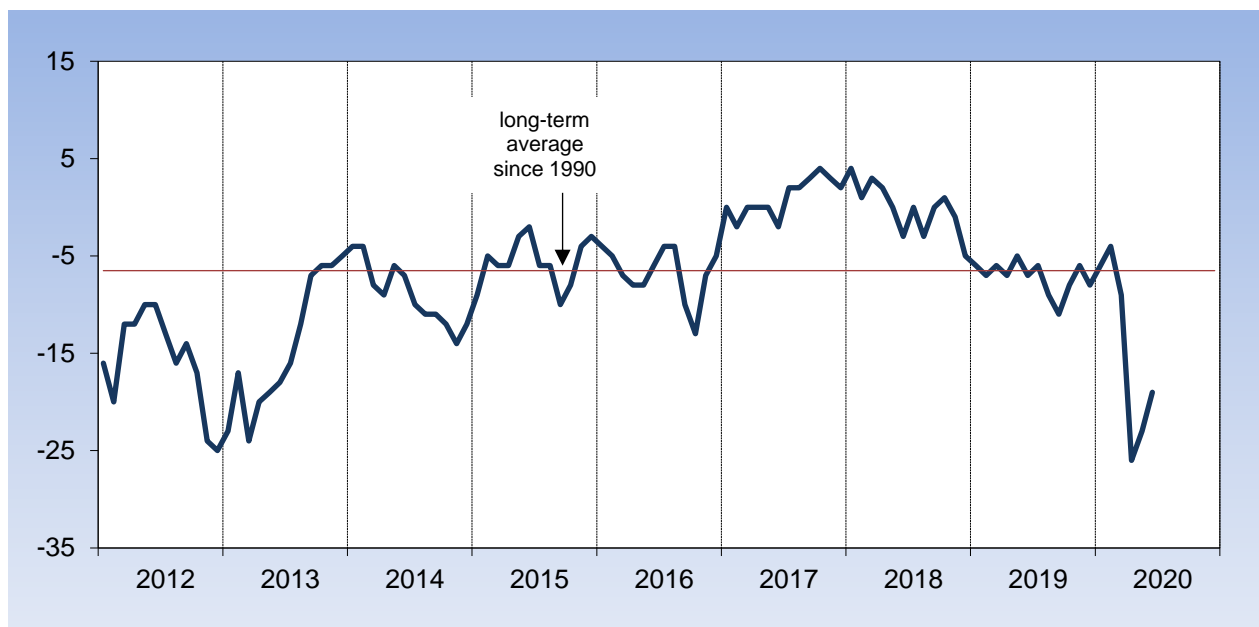
Between May and June, the proportion of the groups of households singled out as being the most vulnerable, on the one hand, or the least exposed, on the other hand, has also improved a bit. 9 % of households (compared with 11 % last month) are in a precarious situation, expecting to lose at least 10 % of their income, while having a savings buffer of no more than three months' worth of subsistence expenses. The proportion of least exposed households, i.e. those incurring a loss of income of 10 % maximum, while having savings covering at least three months of expenditure, has gone up significantly, to 61 % (compared with 54 % in May).

Percentage of total number of respondents	June 2020	p.m. May 2020	p.m. April 2020
Most vulnerable households (*)	9%	11 %	12 %
Least exposed households (**)	61%	54 %	53 %

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

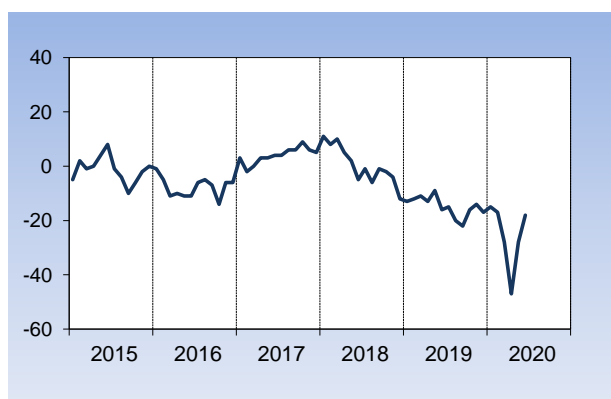
(**) Households incurring a loss of income of maximum 10 %, while having a savings buffer of three months minimum.

CONSUMER CONFIDENCE INDICATOR

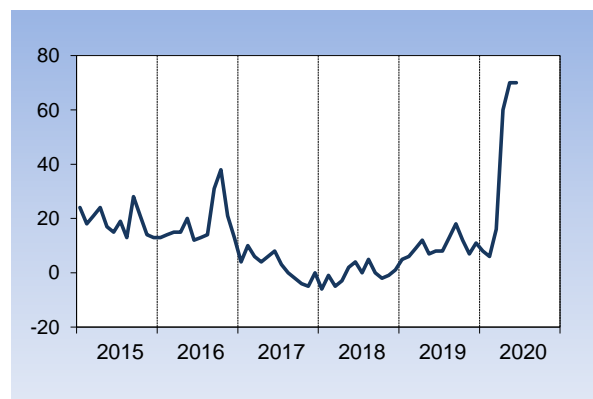


Expectations for the next twelve months

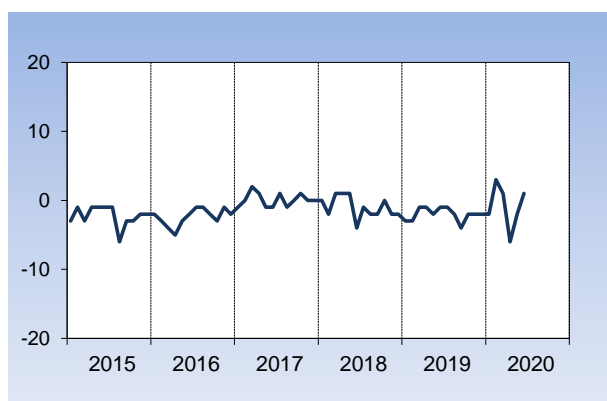
General economic situation in Belgium



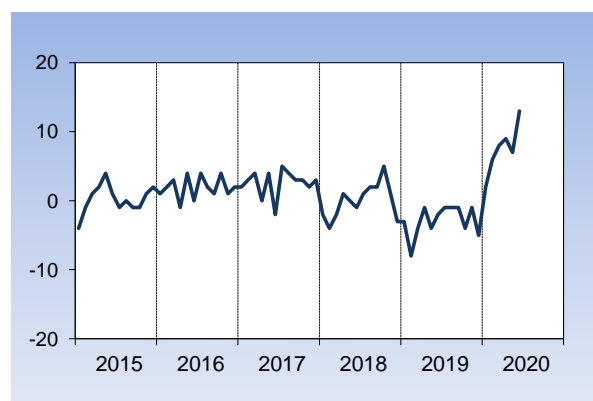
Unemployment in Belgium¹



Financial situation of households



Savings of households



¹ Regarding unemployment expectations, a rise indicates a deterioration while a decline indicates an improvement.