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PRESS RELEASE

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Monthly consumer survey – January 2021

January brings slight drop in consumer confidence

- After last month's strong improvement, the consumer confidence indicator has fallen back a bit in January.
- For the first time since September 2020, prospects about the general economic situation as well as expectations about unemployment trends have deteriorated.

While, last month, households had appeared clearly more positive about the general economic situation in the near future, this optimism has faded a little in January. At the same time, fears of a rise in unemployment over the coming twelve months have grown a bit.

On a personal front, consumers have not altered their expectations regarding their financial situation. On the other hand, their savings intentions have been revised downwards. From a historical perspective, these remain high.

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
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
	July	-22	70	1	12	-20
	August	-38	77	-1	12	-26
	September	-20	62	2	17	-16
	October	-20	59	1	10	-17
	November	-17	58	1	13	-15
	December	-3	51	4	20	-8
2021	January	-5	54	4	17	-10

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?"

	January 2021
No loss	77 %
Loss less than 10 %	7 %
Loss of between 10 and 30 %	9 %
Loss over 30 %	5 %
Loss over 50 %	3 %

During the month of January under review, replies to the question about loss of income revealed that a very large proportion of households have been spared or relatively spared by the crisis: 77 % of the people surveyed in January replied that they had not lost any income, and 7 % said their income loss had been limited to 10 %. Moreover, 9 % of those taking part in the survey mentioned a loss of income of between 10 and 30 %, and 8 % reported a loss of more than 30 %.

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

	January 2021
Less than 1 month	12 %
From 1 to 3 months	14 %
From 3 to 6 months	16 %
More than 6 months	58 %

In January, roughly one in every four households said they have only a relatively small savings buffer (enough for less than a month or between one and three months). 16 % of the households surveyed have enough savings to last for between three and six months, while the majority of households (58 %) can count on savings for more than six months.

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

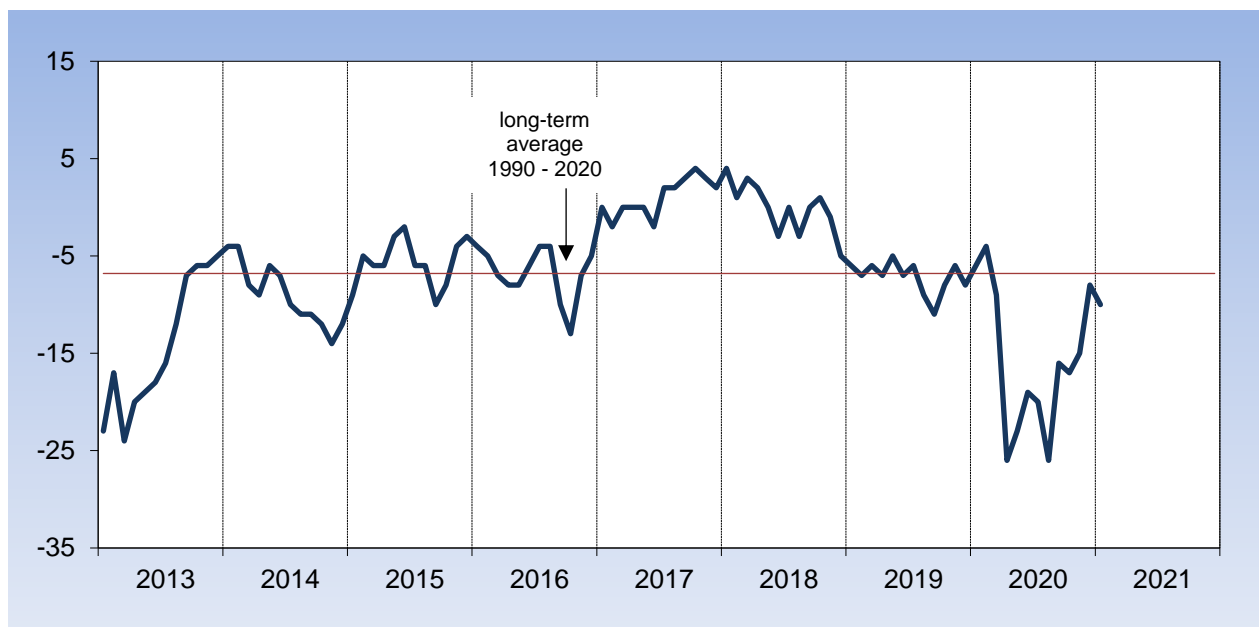
Trends recorded regarding the size of household savings buffers have changed the proportion of households considered as being the most vulnerable or least exposed to the health crisis. Thus, the share of the most vulnerable households – those who are expecting to lose at least 10 % of their income, while having a savings buffer of no more than three months' worth of subsistence expenses – worked out at around 6 % in January. The share of the least exposed households – those only incurring a loss of income of 10 % maximum, while having savings covering at least three months of expenditure – now comes to 64 %.

Percentage of total number of respondents	January 2021
Most vulnerable households (*)	6 %
Least exposed households (**)	64 %

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

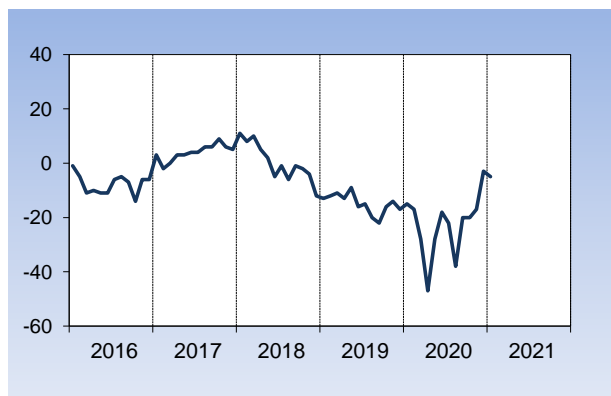
(**) Households incurring a loss of income of maximum 10 %, while having a savings buffer of three months minimum.

CONSUMER CONFIDENCE INDICATOR

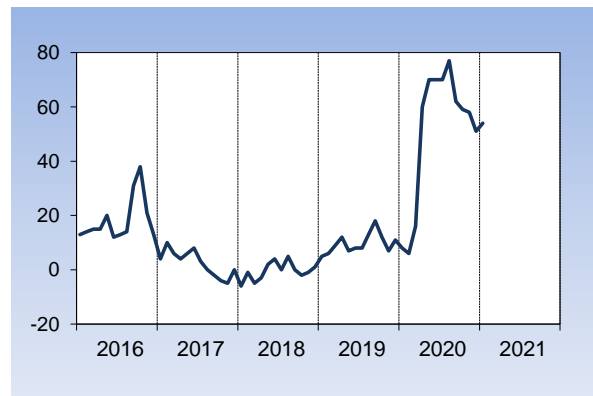


Expectations for the next twelve months

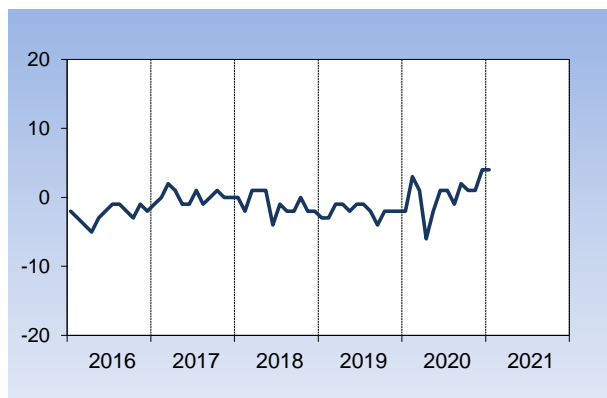
General economic situation in Belgium



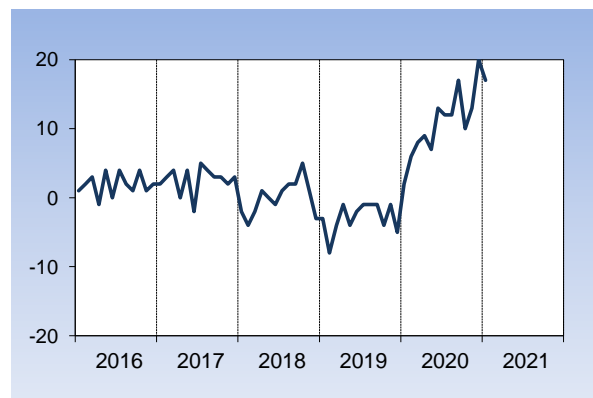
Unemployment in Belgium¹



Financial situation of households



Savings of households



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