

2020-04-21

PRESS RELEASE

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Monthly consumer survey – April 2020

Consumer confidence collapses in April

- **With the biggest monthly change ever recorded (a drop of 17 points), the confidence indicator has reached a level close to its historic low.**
- **The loss of confidence has affected all components of the indicator, except for savings forecasts.**
- **Roughly 1 in every 8 households is extremely vulnerable to the Covid-19 crisis, incurring a loss of at least 10 % of their income, while having only a limited savings buffer.**

Expectations reported by consumers regarding the general economic situation and unemployment in Belgium have collapsed. This is the biggest drop ever recorded for these two components and the lowest level ever reached for the economic outlook.

On the personal front, there is also great concern among households about the change in their financial situation over the next twelve months. Once again, this is a historically unprecedented fall. On the other hand, their savings forecasts have not been affected.

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	April	-13	12	-1	-1	-7	
	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	

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 Covid-19 in the April 2020 survey

As was the case in March, the findings from the consumer survey for the month of April have undoubtedly been influenced by the Covid-19 crisis. The survey was carried out by telephone from 31 March to 15 April, that is, after the confinement measures came into force on 18 March. However, the extension of these measures, officially announced in the evening of 15 April, had not yet been confirmed when the survey was carried out.

Alongside the questions that consumers are normally asked each month, the Bank has decided to add two extra questions to the April survey, related to the Covid-19 crisis: 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?"

	April 2020
No loss	67 %
Less than 10 %	6 %
Between 10 and 30 %	14 %
Between 30 and 50 %	6 %
More than 50 %	7 %

Around three-quarters of the people surveyed in April reckon they will not lose any income or incur losses of no more than 10 %. Within this group, 55 % are retired people, people on social benefit, housewives/husbands or students; the others are workers. 14 % of people surveyed fear they will lose between 10 and 30 % of their income as a result of the current crisis, while 13 % estimate their income loss at more than 30 %. There is a very large majority of workers among this most hard-hit group.

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

	April 2020
Less than 1 month	11 %
From 1 to 3 months	20 %
More than 3 months	69 %

69 % of households surveyed say they have enough savings to cover their subsistence expenses for at least three months, while 20 % mention sufficient savings to meet these expenses for between one and three months. For one in every ten households, however, 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

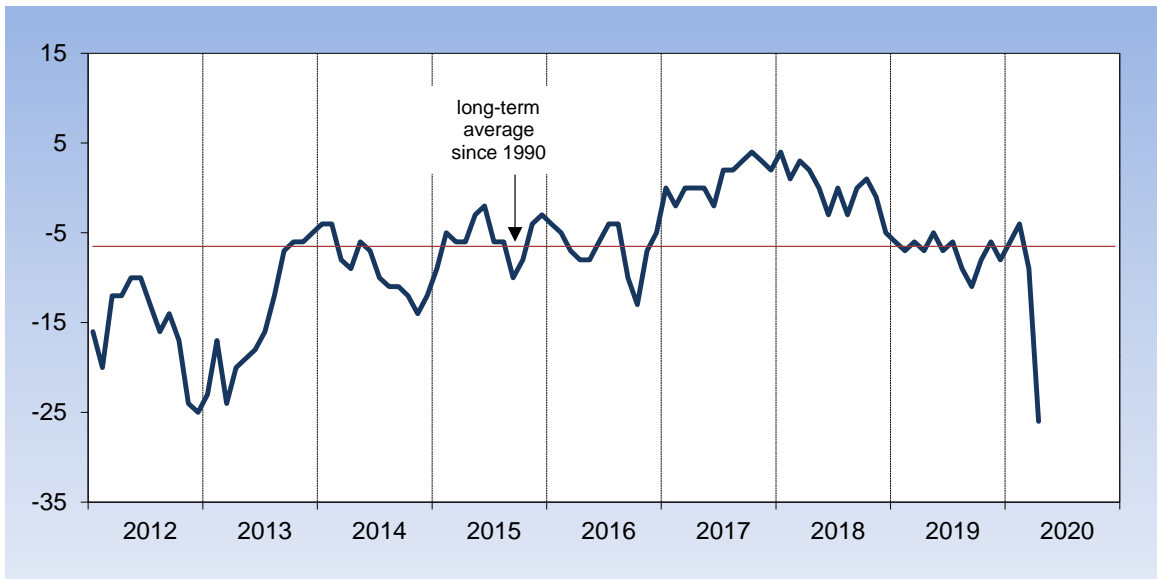
Loss of income	Savings buffer			Total
	Less than 1 month	From 1 to 3 months	More than 3 months	
No loss	7 %	11 %	49 %	67 %
Less than 10 %	0 %	2 %	4 %	6 %
Between 10 and 30 %	1 %	4 %	9 %	14 %
Between 30 and 50 %	1 %	2 %	3 %	6 %
More than 50 %	1 %	2 %	3 %	7 %
Total	11 %	20 %	69 %	100 %

Most vulnerable households

Least exposed households

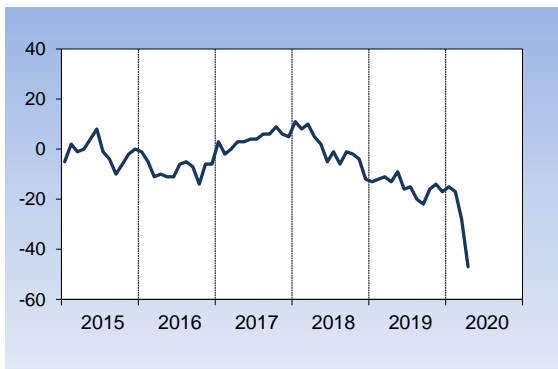
53 % of households surveyed expect a loss of income of as much as 10 %, while having savings covering at least three months of expenditure. At the other end of the scale, one in every eight households (12 % of households surveyed) is extremely vulnerable, expecting to lose at least 10 % of their income, while having a savings buffer of no more than three months' worth of subsistence expenses.

CONSUMER CONFIDENCE INDICATOR

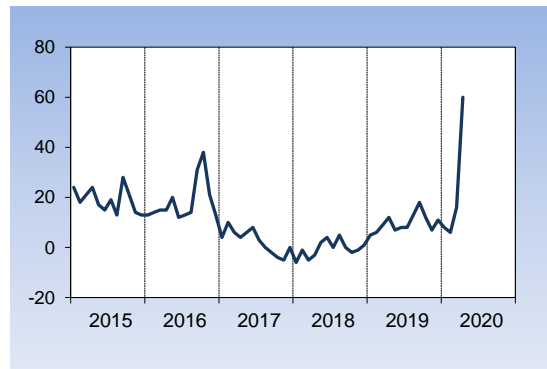


Expectations for the next twelve months

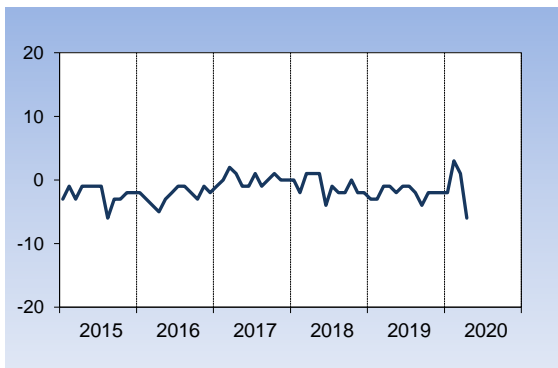
General economic situation in Belgium



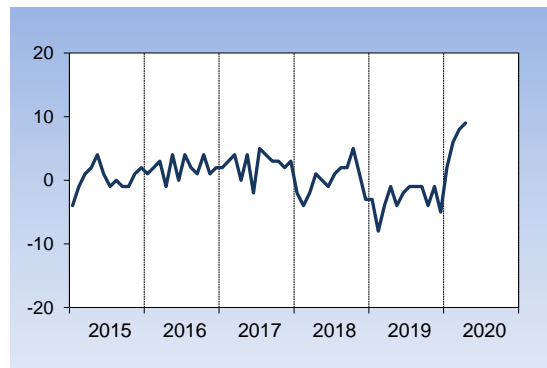
Unemployment in Belgium¹



Financial situation of households



Savings of households



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