

The euro area, 2010

Public attitudes and perceptions

Summary

Fieldwork: September 2010

Publication: December 2010

This survey was requested by the DG ECFIN-R-4: External Communication and coordinated by the Eurobarometer Team of the European Commission.

This document does not represent the point of view of the European Commission. The interpretations and opinions contained in it are solely those of the authors.

Flash EB Series #306

The euro area, 2010

Conducted by
The Gallup Organization, Hungary
upon the request of Directorate-General for
Economic and Financial Affairs (R-4, External
Communication)



Survey co-ordinated by DG Communication of
the European Commission

This document does not represent the point of
view of the European Commission.
The interpretations and opinions contained in it
are solely those of the authors.

THE GALLUP ORGANISATION

Table of contents

Introduction 4

Main findings 5

General attitudes 8

The euro cash..... 9

The euro as a mental benchmark for price calculations 12

The euro’s impact on travel..... 15

Macroeconomic assessments 15

Economic reform 19

Personal economic outlook 25

Introduction

The euro is the official currency of Austria, Belgium, Cyprus, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Malta, the Netherlands, Portugal, Slovakia, Slovenia and Spain. These countries are collectively known as *the euro area*. Slovakia was the most recent entrant, in January 2009. The euro is now the single currency of more than 327 million people in Europe. On 1 January 2011, Estonia will become the seventeenth country to adopt the euro. Since its launch in physical form (as banknotes and coins) in 2002, the euro has become a recognised international currency, enjoying the kind of stability and predictability favoured by consumers and investors, both in the EU and worldwide.

The European Commission regularly measures changes in public perceptions about the euro in the euro area countries. This report is part of a trend survey that follows up on some of the earlier surveys' questions. The first survey, in March 2000 (Flash EB 76), which concerned respondents' expectations regarding the euro, has been followed by specifically adapted survey rounds at regular intervals since that time. This has reflected the various stages of the process by which the euro has become an established currency in the countries of the euro area.

The current study conducted among respondents in the euro area and identified their opinions about the euro. The main topics of the survey are:

- support for the euro;
- practical aspects of the single currency, i.e. how easy or difficult is it to distinguish and to handle euros;
- the use of the euro as a mental benchmark when making purchases;
- macro-economic assessments;
- economic reforms that have taken place;
- opinions about the rate of inflation and on household incomes, pre and post-euro.

The fieldwork for the survey was carried out between September 20 and 24, 2010. Over 16,000 randomly selected respondents aged 15 and above were interviewed across the 16 euro area countries. The survey was carried out by telephone using WebCATI (web-based computer assisted telephone interviewing). To correct sampling disparities, a post-stratification weighting of the results was implemented, based on socio-demographic variables.

Main findings

- Two-thirds of respondents of the euro area countries believed that having the euro was a *good thing* for Europe; this was a slight decrease compared to 2009 (- 3 percentage points over 2009).
- Approximately three-quarters (77%) of interviewees from euro area countries said that the introduction of the euro had *not* had an influence on their European identity (no change from 2009).

Euro cash in daily use

- A clear majority of respondents felt comfortable when handling euros: 90% found it very or rather easy to distinguish or handle euro banknotes and 72% felt that way about euro coins. Note that for coins, in the past two years, this proportion has dropped by six percentage points from 78%, thereby reaching levels comparable to those of the first survey rounds (2003).
- Generally, the survey found that more respondents have difficulties with coins (25%) than with banknotes (6%). The 1- and 2- euro cent coins were thought to be the most difficult to handle.
- Over the years, there has been an increase in the number of interviewees who use the euro as a mental benchmark for price calculations and this has continued. Now, almost half (48%) of respondents (+5 percentage points) said they calculated most frequently in euros when making or considering exceptional (high value) purchases. Compared to 2009, 12 countries saw an increase in the number of respondents who primarily used the euro as a mental benchmark for such purchases. The exceptions were Belgium, Greece, Italy and Slovakia.
- Even so, interviewees in the euro area were significantly more likely to report that they used the euro as a mental benchmark when making everyday purchases than they did when making high value ones. Over two-thirds of respondents (69%) in the euro area stated that they calculated prices mostly in euros when doing everyday shopping (+4 percentage points compared to 2009).
- Even though Slovakia joined the euro area on January 1, 2009, over 6 in 10 (62%) Slovak respondents would support the prolongation of dual price displays. A look at the results recorded a year ago in Malta and Cyprus, countries that joined the euro area on January 1, 2008, puts these figures into perspective. The 2009 data showed that half (51%) of Maltese respondents and 36% of Cypriot interviewees wanted to prolong dual price displays. Against this backdrop, Slovaks appear to be especially hesitant about giving up their dual price tags.
- Just under two-thirds of respondents (64%) agreed that the euro had made price comparisons easier and just under half of them (47%) agreed that it had made travelling easier and cheaper. In addition, fewer respondents said the euro had contributed to reduce cross-border banking charges between euro area countries (29%). All these figures were down on those reported in 2009 (by two or four percentage points). Those respondents who said they travelled abroad at least once a year were significantly more likely to see positive influences from the euro.

Macroeconomic assessments

- A large majority of respondents (77%, +10 points) thought that their country's budget was in deficit in the year before the survey. This has been the biggest rise in respondents thinking this way.
- Due to the effects of the financial and economic crisis, all 16 members of the euro area reported a budget deficit in 2009. Survey participants were quite aware of this situation; in all countries, a majority, or at least a relative majority, of interviewees said their country was running a deficit.
- When asked about the inflation rate, i.e. the average increase in consumer prices in their countries in the last year, only 13% of respondents stated that the consumer price inflation rates were *below 1.5%* in their country.
- In detail, about 3 in 10 respondents thought that last year's inflation rate was somewhere between 1.5% and 2.5%, roughly a quarter estimated a rate between 2.5% and 4%, about 1 in 10 gave an estimate from 4% to 10% and less than 1 in 20 said the rate was above 10%.
- With the exception of Finnish citizens, interviewees in the euro area generally overestimated their country's inflation rate. In 11 euro area countries, a majority of respondents gave a wrong estimate.
- Respondents in the euro area were divided over this year's inflation rate. While a relative majority of respondents (41%) said they expected a higher rate than last year, a third expected the inflation rate to remain the same as in 2009, while another 16% thought it would decrease.
 - Compared with the previous round, the share of those survey participants expecting prices for services and goods to increase at a higher rate than the previous year rose by four percentage points, while the ratio of those expecting a lower rate this year decreased by 10 percentage points.
 - Across the euro area, Greek interviewees were the most likely to expect price increases: 68% expected inflation to be higher in 2010 than in 2009 and only a small minority expected the opposite (13%). Furthermore, more than half of Slovak and Cypriot interviewees (both 51%) and Portuguese respondents (57%) expected a higher rate of inflation in 2010.
- Looking at the three countries that have most recently joined the euro area, in the current survey, a higher share of Slovak respondents attributed rises in inflation (actual or perceived) to the introduction of the euro, following a pattern found in earlier surveys in Cyprus and Malta.
- Just over half of the respondents in the euro area said they had heard about the Stability and Growth Pact (51%, +8 points). Over a third (19% of the total sample) of those who had heard about the Pact said they were aware of the nature of the issues it regulated. Less than half of respondents (46%) had never heard of this fundamental instrument for safeguarding sound public finances in the EU – the first time this figure has dropped below 50% since 2006.

Economic reforms

- People in the euro area acknowledged that the consequences of the ageing of populations would need to be taken into account when devising economic policy (82%, no change). In addition, respondents believe that there was the need for significant economic reforms (80%, - 1 point), but again showed resistance to financing structural reforms by lowering public expenditure or increasing taxes: only 40% (no change) thought that the government should reduce public expenditure and even fewer, only 19% (+2 points), supported an increase in taxes).
- In general, there was no sector that was most often mentioned by survey participants as one where important reforms had taken place. *Health, education and pension systems* as well as reforms in *other specific areas* were all named by 11% of respondents.
- As to how sectoral reforms affected respondents' personal life, in eight of the nine sectors under survey, a majority or relative majority reported that reforms had not affected them personally. When it came to the effects of reforms on the national economy, opinions were radically different. Respondents were more likely to say that reforms had had a significant effect on their national economy than on their personal lives (between 18% and 27% reported "no significant effects" of sectoral reforms on their national economy - depending on the area). For example, 39% had seen a positive effect from market reforms, e.g. telecoms, while 41% had seen a negative impact from taxation reforms.

Personal outlook

- A third of respondents in the euro area still seemed to be feeling the effects of the economic crisis by saying that their household income had *decreased* since last year. However, half of respondents had household incomes that had remained *stable* during this period (50%). Meanwhile, about one in seven (14%) interviewees reported an *increase* in their income.
- Expectations for this year were brighter. Almost one in five (18%) of respondents in the euro area believed that their household income would *increase* during the current year. They were still outnumbered, however, by those who feared a *decrease* (26%). More than half (52%) of survey participants expected *no change* in their income.

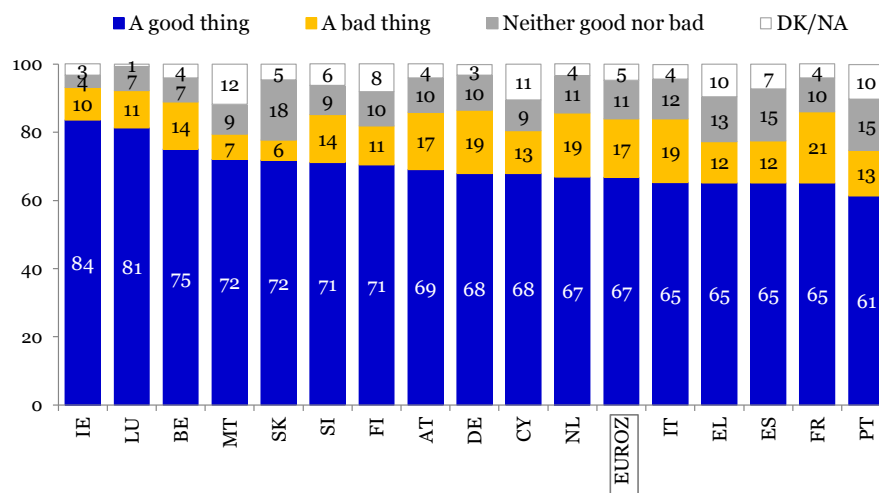
General attitudes

Two-thirds (67%) of respondents in the euro area countries believed that **having the euro was a good thing for Europe**; however, this result represented a slight decrease in the proportion of those having such an opinion in 2009 (down from 70% to 67%, - 3 percentage points).

About one in six (17%) interviewees felt that the common currency was a *bad thing* for Europe and roughly 1 in 10 (11%) respondents believed that the consequences were *neither good nor bad*.

Across the euro area, at least 6 out of 10 respondents in each country were positive about the consequences of the euro for Europe. As in the previous round, the highest proportions of interviewees who agreed that the euro was a *good thing* for Europe were found in Ireland (84%) and Luxembourg (81%). On the other hand, the lowest level of support was seen in Portugal (61%). The ratio of those respondents believing that the euro has negative consequences for Europe ranged from 6% in Slovakia to 21% in France, while the share of respondents seeing neither good nor bad consequences for Europe varied between 4% in Ireland and 18% in Slovakia.

Consequence of having the euro for Europe



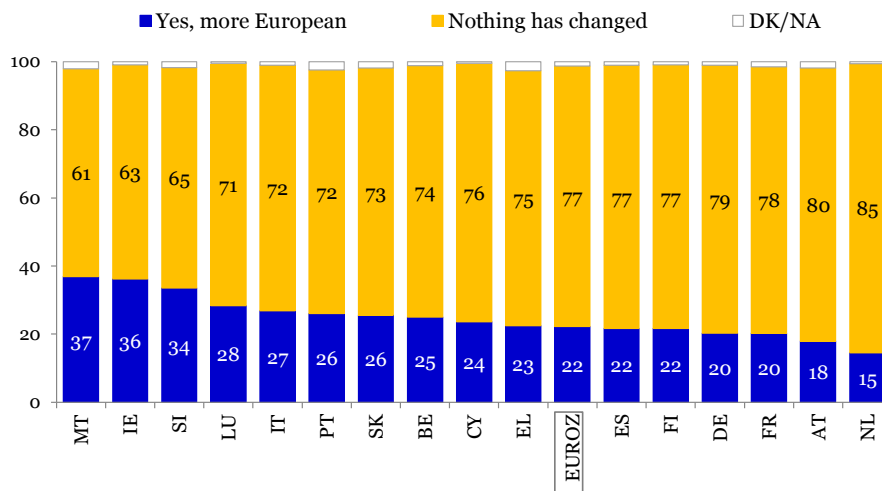
Q1. Generally speaking, do you think that having the euro is a good or bad thing for Europe?

Base: all respondents, % by country

As in the previous rounds of this trend survey, approximately three-quarters (77%) of respondents from euro area countries said that the euro had not had an **impact on their European identity**. Just over one in five interviewees (22%) reported that the euro made them feel more European than before.

Analysing the results by country, the survey showed that Slovene, Irish and Maltese respondents were most prone to say that the euro made them feel more European (34%-37%). In Malta, the number of respondents feeling that way has increased by six percentage points compared to the previous round. Meanwhile, as in September 2009, Dutch respondents were most likely to say that the euro has changed nothing regarding their European identity (85%).

The euro and European identity



Q2. Does the euro make you personally feel more European than before or would you say that your feeling of being European has not changed?

Base: all respondents, % by country

Euro cash

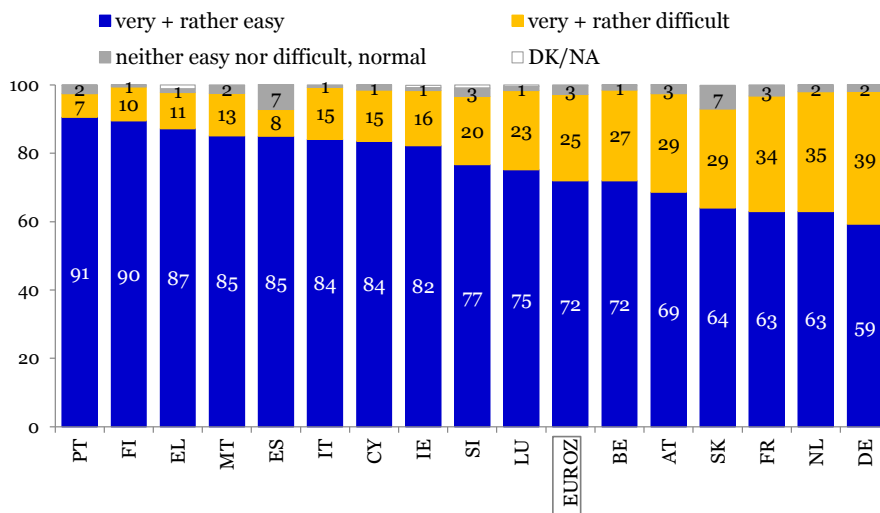
A clear majority of respondents felt comfortable when handling euros. Generally, the survey found that more interviewees had difficulties with coins than with banknotes. However, in the two latest rounds of the survey (2009 and 2010), respondents in the euro area seemed to be less comfortable with having the euro as their currency.

In the period from 2003 to 2008, respondents in the euro area found that using **euro coins** became easier and easier; this reached a highpoint in 2008 with 78% of respondents stating that it was *very or rather easy* to handle the coins. However, in the past two years, this proportion first dropped to 75% in 2009 and to 72% in the current survey, thereby reaching levels comparable to those of the first survey rounds (2003). These reductions were accompanied by rising shares of interviewees reporting that it was *very or rather difficult* to distinguish and handle euro coins. While in 2008, less than one in five (19%) of respondents felt this way, this share rose to a quarter of respondents in the current survey.

In each of the euro area Member States, a clear majority of respondents found it *easy* to handle the common currency coins, with proportions varying from 59% in Germany to 91% in Portugal. Other countries where more than 8 in 10 interviewees felt at ease with the euro coins were Finland (90%), Greece (87%), Malta (85%), Spain (85%), Italy (84%), Cyprus (84%) and Ireland (82%). Countries with more than 3 in 10 respondents saying that it was *very or rather difficult* to use euro coins were Germany (39%), the Netherlands (35%) and France (34%).

Interestingly, the most substantial negative trends have been observed in some of the founding countries of the euro area; in France, for instance, the percentage of respondents reporting that handling euro coins was easy has dropped by eight percentage points, followed by the Netherlands, Luxembourg and Austria (all -7 points), while positive trends were primarily seen in Cyprus (+ 6 points) and Malta (+5 points).

Recognising and handling the euro coins



Q3b. When you pay cash, would you say that it is: very easy, rather easy, rather difficult or very difficult to distinguish and handle euro coins?

Base: all respondents, % by country

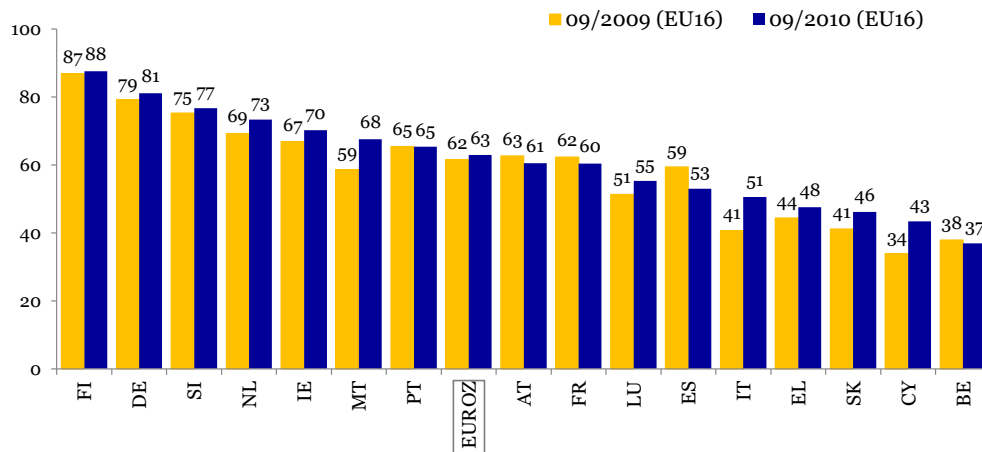
Respondents who reported difficulties distinguishing and handling euro coins (25% in total) were asked **which particular coins caused problems for them**. The 2-cent euro coin was considered to be the most problematic – by 58% of those who said they had difficulties handling euro coins; this represented 15% of all respondents. The second most difficult coin to handle was the smallest denomination, the 1-cent euro coin – according to 47% of those having problems handling the euro coins (12% of all respondents). These figures were rather stable compared with the previous round in 2009.

As in previous years, a majority of survey participants in the euro area countries were satisfied with the current selection of euro coins – 63% believed that there was *just the right number* of euro coins. In contrast, 3 out of 10 respondents thought that there were *too many* euro coins with different values (30%), and 1 in 20 (5%) interviewees considered that there were *not enough*.

In 12 of the 16 euro area countries, over half of the respondents considered the selection of euro coins to be just right. The order of the countries with the highest level of satisfaction with the selection of euro coins was the same as in September 2009: Finland at the top (88%), followed by Germany (81%), and Slovenia (77%). The positive assessment in Finland may reflect the fact that this country introduced rules rounding cash payments to the nearest five cents; this meant that 1-cent and 2-cent euro coins are now seldom used in practice. The lowest level of satisfaction was seen in Belgium, where only 37% of respondents were satisfied with the number of different euro coins. Other countries where less than half of respondents were satisfied were Cyprus (43%), Slovakia (46%) and Greece (48%).

Comparing this year's data with last year's, the biggest positive changes have taken place in Italy (+10 percentage points), Cyprus and Malta (both +9 points). In Spain the share of respondents that were satisfied with the selection of euro coins has fallen by six percentage points.

Satisfaction with the current selection of the euro coins: % of just the right number, 2009-2010



Q4. Do you consider that there are too many or, on the contrary, not enough euro coins with different values or do you consider that there are just the right number?

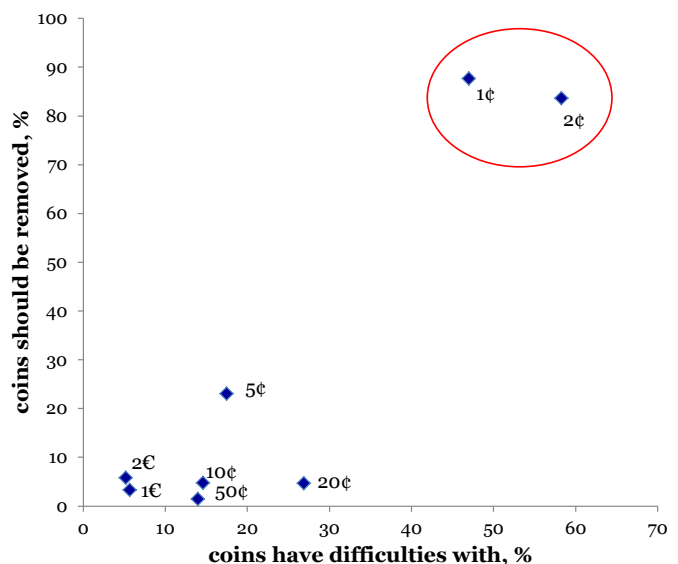
Base: all respondents, % by country

The respondents who felt that there were too many euro coins with different values (30% of the total) were asked **which denominations were superfluous**. Almost 9 in 10 (88%) of them would like to see the 1-cent euro coin removed from circulation (26% of all respondents). A similar share (84%), of those interviewees in the euro area countries who felt that there were too many euro coin denominations, would like the 2-cent euro coin removed (representing 25% of all survey respondents). Almost a quarter of interviewees responding to this question (23%) believed that the 5-cent euro coin should be removed (representing 7% of all respondents). There were minor changes between the two latest rounds.

The chart on the right summarises the above results on the preference of coins to be removed among those who thought there were too many denominations. It is quite clear that most respondents in the euro area only have difficulties with 1-cent and 2-cent euro coins and it was these coins that they would like to see removed.

When asked about the difficulties encountered using **euro banknotes**, the vast majority of respondents in the euro area reported that it was *very or rather easy* to recognise and handle them (90%). Only a few respondents found it *very or rather difficult* (6%) and 3% found it *neither easy nor difficult*. As in the case of euro coins, the results have hardly changed since September 2009. It should be noted though that these results present a slight deterioration when compared with the 2008 data, when 95% said they found handling euro banknotes to be easy.

Euro and euro cent coins



Q3bis. With which of the following euro coins do you have particular difficulties?

Base: those who said it is rather or very difficult to distinguish and handle euro coins

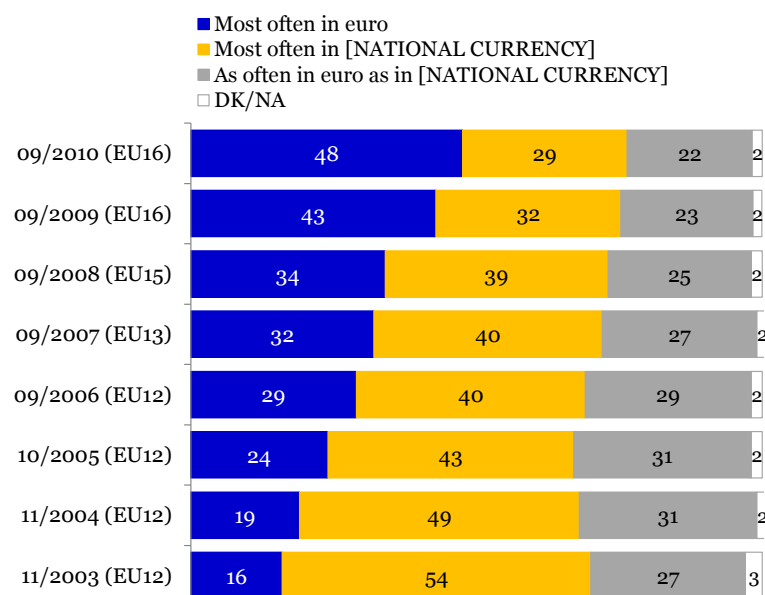
Q4bis. Please indicate whether any of the euro coin denominations should be removed. If yes, which one or which ones?

Base: those who answered there are "too many" coins with different values

The euro as a mental benchmark for price calculations

Since the euro's introduction, the various survey rounds have shown a continuous increase in the number of respondents in the euro area who use **the euro as a mental benchmark when making exceptional purchases**, such as buying a car or house. The results of the present round confirmed this trend: almost half (48%) of respondents in the euro area counted most frequently in euros when making or considering exceptional purchases. In contrast, approximately 3 in 10 (29%) respondents stated that they mostly calculated in their former national currency when making such important acquisitions; an additional 22% indicated that they used the euro as often as their former national currency for such price assessments. The use of the euro as a mental benchmark when making exceptional purchases has increased in a linear fashion since 2003, at the expense of a similar role for the old national currencies. The proportion of those who use both currencies in evaluating prices has ranged from a low of 22% in the current survey to a high of 31% in 2004 and 2005.

The euro as a mental benchmark for exceptional purchases, 2003-2010



Q5a(2008-2010)/Q8(2007)/Q2(2003-2006). Today, when purchasing, do you count mentally: most often in euro, most often in [NATIONAL CURRENCY], or as often in euro as in [NATIONAL CURRENCY] when it concerns:

Base: all respondents, % EURO AREA

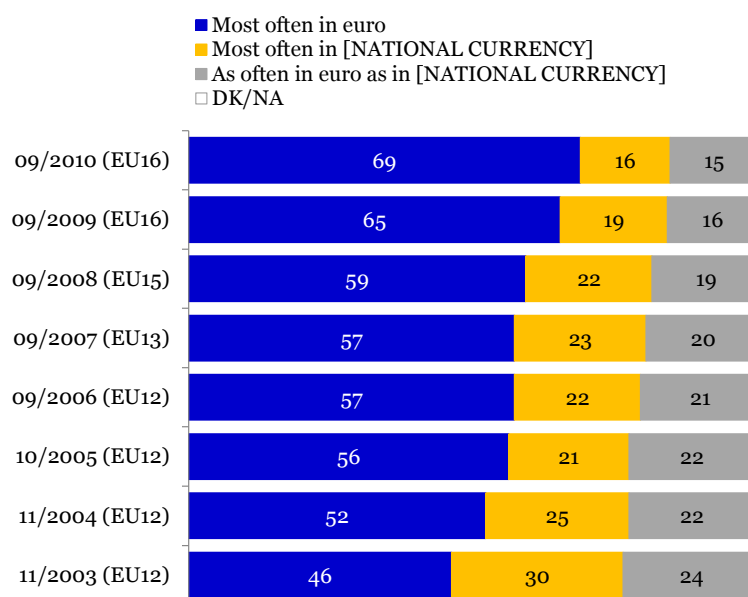
Turning to country data, it is worth mentioning that in 13 of the 16 euro area countries, the majority or relative majority of respondents said they *mostly* use the euro as a mental benchmark when considering the price of an exceptional purchase (e.g. a car or house).

A vast majority of Irish respondents – 92% – said they used the *common currency* as a mental benchmark for important acquisitions. In addition, absolute majorities of respondents with a similar behaviour were recorded in Slovenia (69%), Greece (59%), the Netherlands (57%), Italy (56%), Luxembourg (55%) and Finland (55%). On the other hand, the survey found that in Belgium, over half (52%) of the survey participants said they still primarily used their old *national currency* (the Belgian Franc) when evaluating the prices of exceptional purchases. Not surprisingly, as the latest newcomer to the euro area (as of January 1, 2009), Slovakia had the second highest ratio of respondents that calculated most often in their old national currency (46%).

Compared to 2009, in 12 countries the current survey detected an increase in the number of interviewees who *primarily* used the *euro* as a mental benchmark for major acquisitions such as a car

or house. Still, respondents in the euro area were more likely to report that they used the **euro as a mental benchmark when making everyday purchases** than they did when making exceptional (high value) purchases. About 7 in 10 (69%) respondents in the euro area stated that they *mostly* calculated prices *in euros* when shopping on an everyday basis. As in the case of exceptional purchases, using the euro as a benchmark has also become more popular as far as such everyday purchases are concerned (+4 percentage points compared to 2009). Following the euro's introduction in 2002, its usefulness as a mental benchmark when making everyday purchases increased relatively rapidly between the rounds of 2003 and 2005 (+10 percentage points: from 46% in 2003 to 56% in 2005), before levelling in the following years. Since 2007, however, there has been a pronounced increase in the exclusive use of the common currency for everyday price calculations (+12 percentage points; from 57% to 69% in 2010).

The euro as a mental benchmark for common purchases, 2003-2010



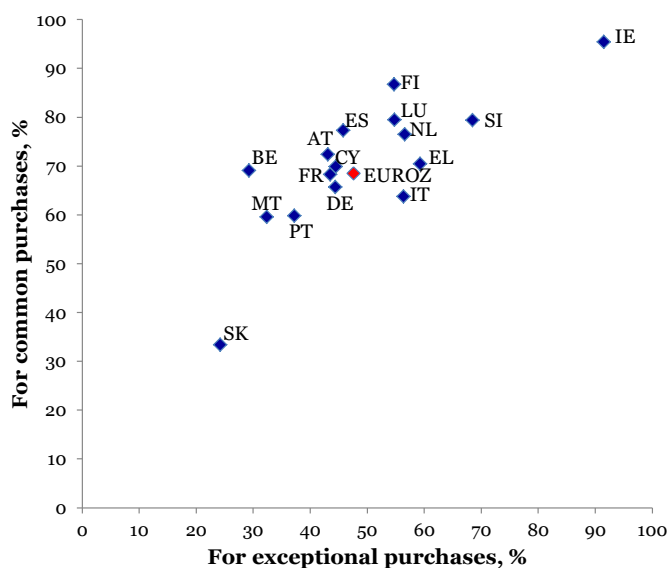
Q5b(2008-2010)/Q8(2007)/Q2(2003-2006). Today, when purchasing, do you count mentally: most often in euro, most often in [NATIONAL CURRENCY], or as often in euro as in [NATIONAL CURRENCY] when it concerns:

Base: all respondents, % EURO AREA

In each EU Member State that has adopted the euro, apart from the latest newcomer Slovakia, more than 6 in 10 interviewees said they *most frequently* calculated *in euros* when making small purchases. This ratio ranged widely between individual countries, from 60% in Portugal and Malta to 95% in Ireland. Finland ranked second with 87% of respondents calculating in this way. The most dramatic change when comparing the latest results with those of 2009 was registered in Malta: the ratio of respondents using the euro as a mental benchmark for everyday shopping has increased by 11 percentage points. Other positive changes were noted in Spain and Belgium (both +6 points), and in Cyprus, Austria and Slovakia (all +5 points).

As the chart on the right shows, the overwhelming majority of Irish interviewees said they used the euro a mental benchmark for both high value and everyday purchases. Respondents from other euro area countries were less likely than Irish interviewees to calculate in euros, particularly in the case of major purchases. However, other countries that were more likely, compared to the euro area average, to use the euro as a mental benchmark for all purchases, were Slovenia, Greece, Greece, the Netherlands, Finland, Luxembourg and Italy. At the other end of the scale, Slovaks (as newcomers to the euro area) were the least likely to assess prices in euros.

The euro as a mental benchmark...



Q5. Today, when purchasing, do you count mentally: most often in euro, most often in [NATIONAL CURRENCY], or as often in euro as in [NATIONAL CURRENCY] when it concerns:

Base: all respondents, % by country

Dual price displays are mandatory for a period of six months following the changeover in order to help people with price conversions between the old and new currencies. While shopkeepers in certain euro area countries voluntarily continue to maintain dual price tags beyond this transition period, it is no longer mandatory. This phenomenon, on the one hand, responds to popular demand, as many price calculations are still conducted in the old national currency in most euro area countries; however, it also perpetuates a situation in which people do not adapt fully to the new currency. In the latest rounds of this trend-survey, respondents in Cyprus, Malta and Slovakia were questioned about the usefulness of dual price displays in their countries.

Slovakia joined the euro area on January 1, 2009 and the mandatory six months period of dual price displays has now elapsed; even so, a majority of more than 6 in 10 (62%) Slovak interviewees would support the prolongation of dual price displays. Slightly more than a third (35%) of respondents in Slovakia considered this to be unnecessary.

A look at the results recorded a year ago in Malta and Cyprus, countries that joined the euro area on January 1, 2008, puts the Slovakia figures into perspective. The 2009 data showed that half (51%) of Maltese respondents and 36% of Cypriot interviewees wanted to prolong dual price displays. Against this backdrop, Slovaks appear to be especially hesitant about giving up their dual price tags.

A review of the latest data for Cyprus and Malta shows that the gap between the two countries has reduced in terms of respondents' evaluations of the usefulness of dual price tags. In Cyprus, roughly one-third (32%) of interviewees agreed that it would be useful to keep dual price displays (-4 percentage points compared to 2009) and two-thirds saw no need to continue with this practice (+4 points). Changes have been more pronounced in Malta, where for the first time since 2008 an absolute majority of 55% said they no longer saw the usefulness of dual price displays (+10 percentage points compared to 2009), while 43% still regarded this measure as useful (-8 points).

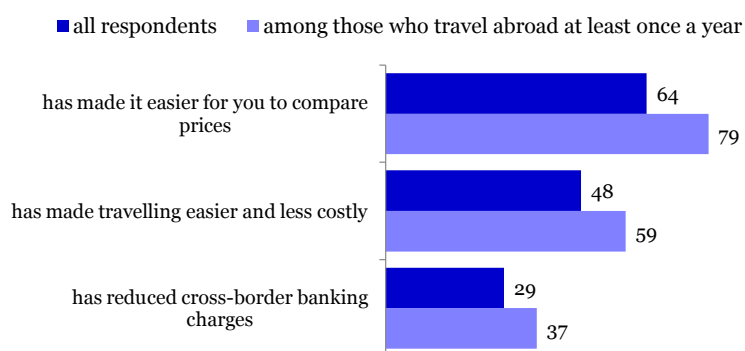
The euro's impact on travel

While 64% of respondents agreed that the euro's introduction had made **price comparisons** easier, and slightly less than half of them (48%) thought that it had made **travelling** easier and cheaper, barely 1 in 3 (29%) respondents said that the euro had reduced **cross-border banking charges**.

Respondents were almost evenly divided between those who did not travel abroad regularly (51%), and those who said that they travelled abroad at least once a year (49%). These figures varied widely, however, across the 16 euro area countries. In 9 of the 16 countries, regular travellers outnumbered those who rarely went abroad. The order of the three countries with the highest shares of regular travellers remained the same as in 2009: Luxembourg (87%), Ireland (81%) and Slovenia (80%). At the other end of the spectrum, Greek respondents were clearly the least likely to travel abroad regularly (31%), followed by Italian (37%), Spanish and Portuguese (38%) interviewees. On average, the ratio of regular travellers in the euro area has increased by four percentage points since the last round. The most notable changes were seen in Belgium (+9 points), Malta and Austria (both +6 points) as well as in Italy, Slovenia and Germany (all +5 points).

Regular travellers tended to be more likely to acknowledge the advantages of the common currency. Almost 8 in 10 (79%) respondents who went abroad regularly thought that comparing prices had become easier. Furthermore, roughly 6 in 10 (59%) regular travellers held the view that the euro has made travelling more convenient and cheaper, and just over one-third (37%) felt the euro had reduced cross-border banking charges.

The influence of the euro



Q8. Do you think that the euro...
Base: all respondents,
% of "Yes" shown, EURO AREA

Macroeconomic assessments

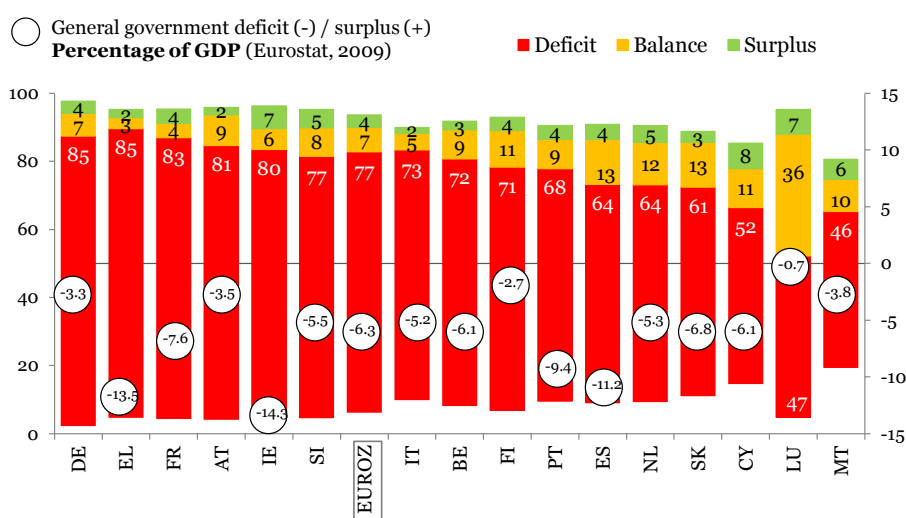
In line with previous results, a clear majority (77%) of respondents thought that their **country's budget** was in *deficit* in the previous year. Since 2007, there has been a trend of more and more respondents in the euro area believing that their government's expenditure has exceeded its revenues: an increase of 22 percentage points. It should be noted, however, that the rise between September 2009 and the current round was the most pronounced (+10 points).

Furthermore, in the latest round, less than 1 in 20 (4%) respondents believed that their country had a budgetary *surplus*, while 7% were of the opinion that the budget was *balanced*. Another 13% of interviewees in the euro area did not or could not tell whether their country's budget was in balance or not.

The following chart compares the survey results to the actual national budget situation. Due to the effects of the financial and economic crisis, all 16 members of the euro area reported a budget deficit in 2009. Survey participants were quite aware of this situation; in all countries, a majority, or at least a relative majority, of interviewees said their country was running a deficit.

Luxembourg and Malta were the only two countries where the survey just showed a relative majority of respondents holding this view. Luxembourg clearly had the highest share of respondents believing in a balanced budget (36%). This was not a surprise, as Luxembourg's budget deficit was the smallest in the euro area (-0.7%) and was therefore almost in balance. In comparison, just 1 in 10 Maltese respondents thought that their country's government deficit was in balance; this was an accurate reflection of reality as Malta's actual deficit of 3.8% was far higher than that of Luxembourg. In five countries, 8 in 10 survey participants or more were aware of their country running a budget deficit: Germany and Greece (both 85%), France (83%), Austria (81%) and Ireland (80%).

Evaluation of public finances, compared to the actual situation



Q9. From what you know, would you say that in 2009, [COUNTRY] had a budgetary surplus (meaning that the revenues of the State exceeded its expenditure), a budgetary deficit (meaning that the state spent more than it received) or had a budget in balance?
Base: all respondents, % by country

As the previous chart showed, on average, in the current round, respondents in the euro area were clearly more likely to say that their respective country was operating with a budget deficit. Notable increases in such a view were seen in Cyprus (+21 points), Finland and Slovenia (both +17), Luxembourg (+16), Spain and Slovakia (both +15 points). These six countries all witnessed substantial deteriorations in their budgets (between 4 and 7 points as a percentage of GDP).

Malta stood out from the pack with a significant decrease in the share of respondents estimating that their country had a budgetary deficit (-8 points). This development might be because the Maltese government was the only one in the euro area that was able to reduce its budget deficit within the last year (from -4.7% in 2008 to -3.8% in 2009).

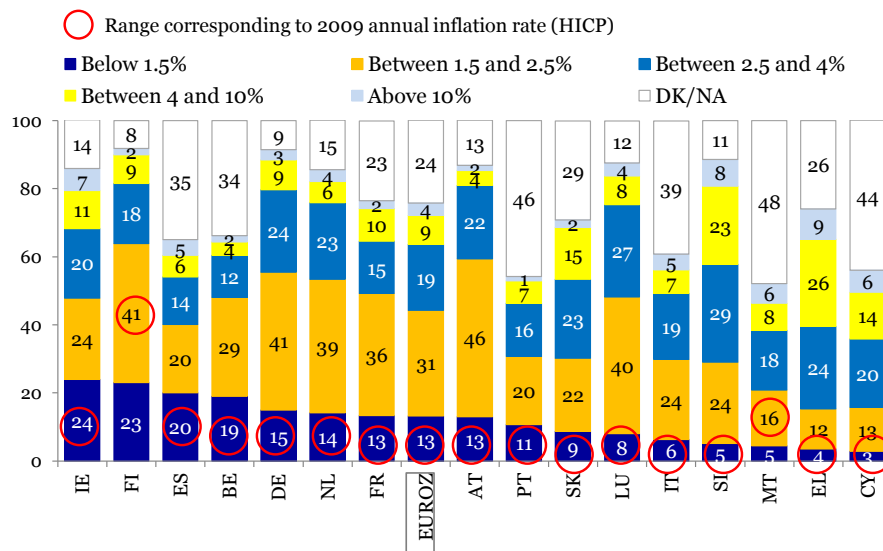
It should be noted that although Spain and Portugal had the third and fourth highest budget deficits in 2009 (after Ireland and Greece) the proportion of their respondents recognising this deficit was below the euro area average; 68% of Portuguese interviewees (9 points below the euro area average) and 64% of Spanish respondents (13 points below the average) were aware of the actual deficit/surplus status in their country. In those two countries, 9% and 13% of interviewees, respectively, thought their country's budget was in balance, surpassing the euro area average by two and five percentage points, respectively.

With the exception of Finnish citizens, interviewees in the euro area generally overestimated their country's inflation rate. In 11 euro area countries, a majority of respondents gave a wrong estimate. Note that the red circles on the chart below show the range matching the real inflation rate in each country. In the 2009 round, an opposite pattern was observed, with respondents generally underestimating their country's inflation rate. The proportion of correct answers was the highest in Finland (41%), followed at some distance by Ireland (24%), Spain (20%) and Belgium (19%). At the lower end of the distribution, less than 1 in 10 respondents in Cyprus, Greece, Malta, Slovenia, Italy, Luxembourg and Slovakia knew that last year's inflation rate in their country was below 1.5%.

For example, in Slovenia only 1 in 20 respondents estimated correctly that the country's inflation rate in 2009 was below 1.5%. About a quarter of Slovenes thought that the rate had been between 1.5% and 2.5%, about 3 in 10 estimated it was between 2.5% and 4%, roughly a quarter estimated a rate between 4% and 10%, and 8% believed it had been above 10%.

In six Member States of the euro area, more than a third of respondents did not give an estimate of last year's inflation rate in their country: Belgium (34%), Spain (35%), Cyprus (44%), Italy (39%), Portugal (46%) and Malta (48%).

Last year's inflation rate: estimates



Q14a. What do you think: How high was the inflation rate, i.e. the average increase in consumer prices in [COUNTRY] last year?
Base: all respondents, % by country

Respondents in the euro area were divided over **this year's inflation rate**. While a relative majority of respondents said they expected a higher rate than last year (41%), 33% expected the inflation rate to remain the same as in 2009, while another 16% thought it would decrease. One out of 10 respondents was unable or unwilling to answer this question (11%).

Compared to the previous round, the share of those survey participants expecting prices for services and goods to increase at a higher rate than in 2009 rose by four percentage points, while the ratio of those expecting a lower rate this year decreased by 10 percentage points. However, if one compares this year's results with the answers from September 2008, the current mood is considerably better; two years ago, over two-thirds of respondents expected inflation to be higher than in the previous year.

Across the euro area, Greek interviewees were the most likely to expect inflation to be higher in 2010 than in 2009 (68%) and just a small minority expected the opposite (13%). Furthermore, more than half of Slovak and Cypriot interviewees (both 51%) and Portuguese respondents (57%) expected a higher rate of inflation in 2010. The least likely to have negative expectations were Luxembourgish

respondents (32%): one in two expected this year's inflation rate to be the same as in 2009, with 14% believing that there would be lower inflation rates in the current year.

Higher proportions of respondents believing that this year's rate would drop compared to 2009 were seen in Finland, Austria and Germany (all 16%) as well as in Ireland (18%), Spain (19%) and France (20%). In addition to Luxembourg, Germany was the only country where a relative majority (43%) of respondents expected a stable inflation rate compared with 2009. About one in five Italian (20%), Maltese (23%) and Estonian interviewees (24%) were unable or unwilling to forecast the inflation rate in their country.

In 2002, the **changeover to the euro** in the first 12 Member States **contributed to perceptions of higher inflation** in these countries. The situation was similar in Slovenia¹, Cyprus and Malta and Slovakia; these countries introduced the euro at the beginning of 2007, 2008 and 2009, respectively.

As the 2009 data showed, Slovak interviewees were less likely than Cypriot and Maltese respondents to report price increases during the first year after changing to the euro. In the current survey, Slovaks followed the general trend of increasing numbers of respondents holding the euro responsible for increasing inflation in their country during the second round of the trend survey.

In the current round, 58% of Cypriot and 53% of Maltese interviewees felt that all prices have increased during the changeover period; this was now true for 38% of Slovak respondents (+13 points). At the same time, the share of Slovak respondents stating that prices had stayed more or less the same fell by nine percentage points to 25%. In Cyprus and Malta, 12% and 17% of respondents, respectively, were of this opinion. Finally, the share of Slovak interviewees thinking that prices in some categories had increased remained rather stable at 37%, compared to 25% of Maltese (-7 points) and 27% of Cypriot respondents.

About half (51%) of all respondents in the euro area had heard about the **Stability and Growth Pact** – an increase of eight percentage points compared to 2009, which was an all-time low as only 43% were then familiar with the Pact.

In detail, almost one-third (32% of the total sample) of respondents had heard about the Stability and Growth Pact without being particularly knowledgeable about it, while roughly one in five (19%) claimed they had a good knowledge of the Pact (+6 points). On the other hand, 48% still said they had not heard about this agreement (-6 points).

The share of those who had heard of the Stability and Growth Pact ranged from 24% in Ireland to 71% in Portugal. In five other euro area Member States, more than half of respondents were at least aware of or knowledgeable about the Pact: Germany and Greece (both 65%), Slovenia and Austria (both 60%) and Luxembourg (55%). As in 2009, at the other end of the scale, Irish (24%), Cypriot (28%) and Belgian respondents (29%) were the least likely to have heard of the Stability and Growth Pact. The highest proportions of respondents who were confident in their knowledge about the Stability and Growth Pact were recorded in Portugal (32% of the total sample) and Germany (29%); in Belgium, Cyprus and Ireland less than 1 in 10 respondents claimed to have such knowledge.

Awareness levels about the Stability and Growth Pact have risen in 13 euro area countries in the past 12 months. The exceptions were Malta, the Netherlands and France, where no statistically significant changes were registered. Portugal witnessed the most dramatic changes (+27 percentage points), followed by Greece (+19 points) and Finland (+17 points).

¹ In Slovenia, Q6b. was not asked in this current round

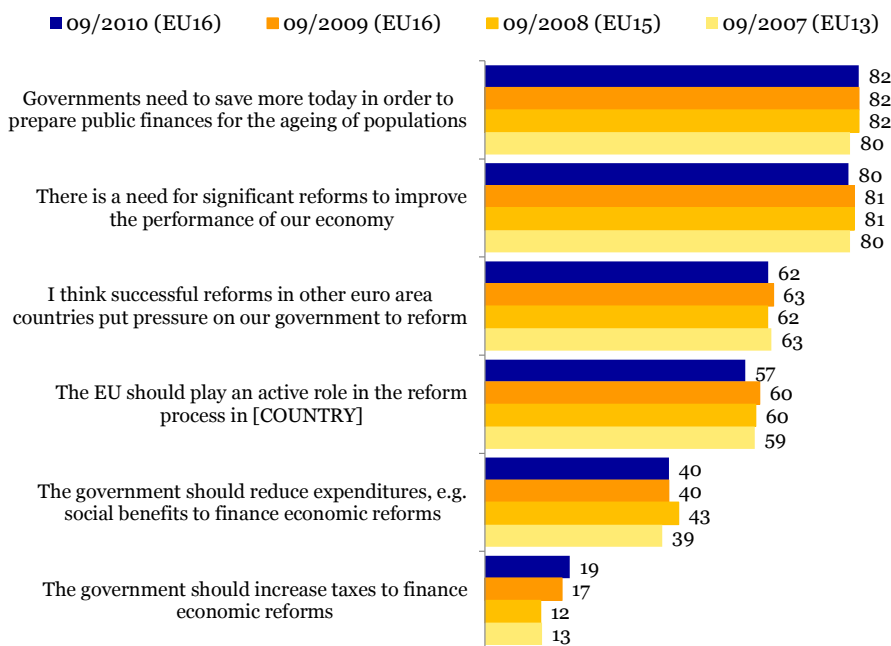
Economic reform

More than 8 out of 10 respondents in the euro area agreed that *governments needed to save more today in order to prepare public finances for ageing populations* (82%). A similar proportion argued that *there was a need for significant reforms to improve the performance of their national economy* (80%).

More than 6 in 10 (62%) respondents were optimistic that *successful reforms in other euro area countries put pressure on their own government to reform*. A comparable number of interviewees (57%, - 3 points) said *the EU should play an active role in the reform process in their country*.

However, interviewees tended to prefer reforms that would not involve anything beyond the restructuring of currently available funds; when it came to bearing the expenses of reforms or to reforms that would result in reducing benefits that people were entitled to, support evaporated. Two-fifths (40%) of survey participants thought that *the government should reduce expenditure* (such as social benefits) and even fewer agreed that *the government should increase taxes to finance economic reforms*. Support for this last statement has increased somewhat over time, from 13% in 2007 to the current level of 19%.

Implementation of the reforms, 2007-2010



Q11(2010)/Q12(2008-2009)/Q15(2007). Governments in all euro area countries are implementing various structural changes, often called reforms. Would you agree or disagree with the following statements related to such reforms?

Base: all respondents,
% of "Yes, I agree" shown, EURO AREA

In each country in the euro area, at least three-quarters of respondents were aware that their *government had to save more today in order to fund future pensions*; agreement ranged from 75% in Greece and Belgium to 90% in Ireland. The biggest changes in the level of agreement were registered in Greece (-10 points) and Austria (-5), while the opposite tendency was observed in Cyprus (+7) and Malta (+5).

At least two-thirds of respondents in each euro area country agreed that their *country needed wide-ranging reforms in order to improve economic performance*. Such reforms gained most support in Spain (92%), Italy (90%) and Ireland (89%), while they received the least support in Belgium and Finland (both 66%). Understanding for the need of reform grew in Luxembourg and the Netherlands (both +6 points), Slovakia (+5) and Cyprus (+4), meanwhile it fell in Portugal (-8), Germany (-6), France and Greece (both -4).

The idea that *successful reforms in other euro area countries put pressure on national governments to conduct reforms* was backed by a majority of respondents in all 16 Member States of the euro area; endorsement varied from 55% in Belgium to 75% in Ireland. Significant shifts of opinion took place in Slovakia, where the level of agreement rose by 11 percentage points and Cyprus (+7 points), the opposite pattern was recorded in France (-9 points), Austria (-7), Greece and Portugal (both -4).

As in the previous round, levels of support for an *active role of the EU in the reform process* varied greatly from one country to another. On the one hand, about three-quarters of respondents in Italy (76%), Ireland, Cyprus and Spain (all 75%) would welcome an active participation by the EU. On the other hand, support reached just 36% in Austria and this despite a seven percentage point increase in the share of respondents supporting such participation. Lower levels of support were also seen in the Netherlands (42%, -4 points) and Germany (43%, -7 points). Other notable changes since September 2009 were observed in Luxembourg (+5 points), Slovenia and Ireland (both +4), France (-8), Greece and Slovakia (both -5).

In just two countries a slim absolute majority of respondents were prepared to accept reforms that brought *cuts in public expenditures*, including social and other benefits: the Netherlands (56%) and Ireland (53%). In Italy and Cyprus a relative majority of respondents approved those measures (49%-50% vs. 42%-43% rejecting them). French, Luxembourgish and Portuguese respondents were equally divided between those favouring such cuts in expenditure and those who did not. In the remaining nine euro area countries, a majority of respondents were against these reforms. Maltese interviewees were the least convinced, with only 21% supporting budget cuts. In a number of countries opinion changed considerably regarding this question: Cyprus and Portugal (both +12 points for “Yes, I agree” responses), Slovenia (+6), the Netherlands (+5), Germany (+4), France (-10) and Greece (-8).

The least popular funding option for the financing of reforms was through *an increase in taxes*. In every country, a large majority opposed this idea; however, there were variations between countries. Relatively speaking, as in 2009, the highest levels of support for tax increases to finance economic reforms were recorded in Finland and Ireland, where 38% and 35% respectively supported the idea. In Portugal and Italy just 13% of respondents welcomed such a proposal, while in Austria and Malta agreement reached 15%. Support levels rose in Portugal and Slovakia (both +6 points) as well as in France and Luxembourg (both +4), while the opposite was true in Greece (-9 points) and Finland (-4).

Next, residents in euro area countries were asked to spontaneously mention the sectors in their countries that had undergone important structural changes over the past years. Approximately one in three respondents (31%) could not name any **sector** in their country **where structural changes or reforms had taken place**, compared to 35% of respondents who had been unaware of reforms in the previous survey in 2009.

In general, there was no sector that was most often mentioned by survey participants as one where important reforms had taken place. *Health, education and pension systems* as well as reforms in *other specific areas* were all named by 11% of respondents, followed by the *labour market* (10%), *taxation* (8%), the *social security system* (7%), *reforms in general* and *market reforms* (both 6%). The only statistically significant change that was registered since the previous round in 2009 was the four percentage point increase in the share of respondents mentioning the *pension system* as a sector that had witnessed the most important reforms.

When asked about the **effects of sectoral reforms on their personal lives**, an absolute majority of euro area respondents were not personally affected by reforms of *the labour market* (59%), *the social security system* (54%), *the pension system* (53%) and *reforms in other specific areas* (52%).

When looking at respondents who felt affected in isolation, the share of respondents who felt negatively affected by reforms always outweighed the proportions of those who said the impact had been positive. The clearest example was *taxation reform*: while 47% of interviewees felt a negative impact, just 17% felt positively affected and a third did not feel any personal impact. Other sectors

with big differences between the shares of positively and negatively affected respondents were *pension systems* (a 24 percentage point gap) and *education systems* (a 20 point gap).

Positive effects were mainly associated with *market reforms* such as the liberalisation of the telecoms, gas or electricity sectors (23%) as well as *general reforms* and *reforms in other specific areas* (both 20%). However, 32% of respondents felt negatively affected by *market reforms*, 28% and 26% were rather negative about the effects of *reforms in general* and *reforms in other specific areas*, respectively.

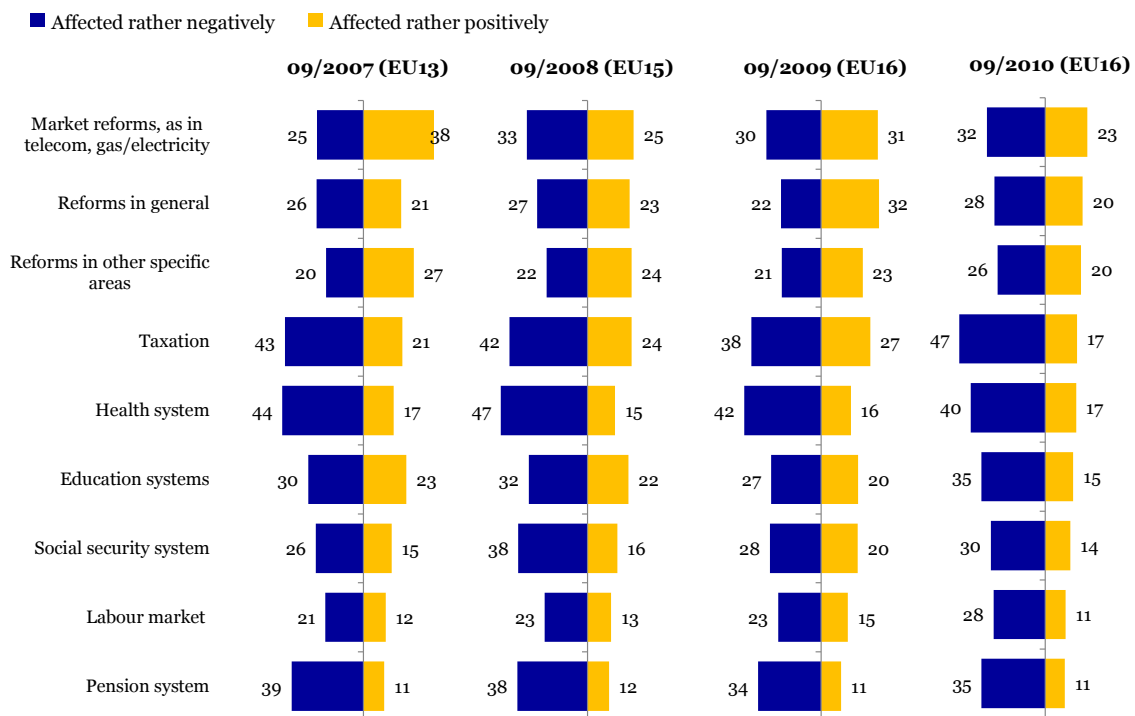
Since the last round of September 2009, in seven of the nine sectors listed, respondents became more negative concerning the impact of reform in these areas on their personal lives. The exceptions were *health* (+1) and *pension system* reforms (no change). In all of the sectors, except for *health*, the levels of positive support for the reforms were the lowest of all of the four survey rounds.

The most important development could be observed concerning the effects of *general reforms* at a personal level. The share of respondents who felt positively affected by these reforms fell from 32% to 20% (-12 points), meanwhile the proportions of negatively affected interviewees rose by six percentage points to 28%. These results were comparable to those of 2007 and negated the gains made in 2009. Another important shift of opinion was recorded in the case of *taxation reform*; the share of negatively affected respondents rose by nine percentage points (to 47%), at the expense of the ratio of interviewees reporting a positive impact on their personal lives (-10 points to 17%). The third biggest drop in the share of positive evaluations concerned *market reforms such as in telecoms, gas or electricity*; a reduction from 31% to 23% (-8 percentage points). The share of negatively affected respondents remained rather stable at 32%.

Furthermore, respondents' evaluations deteriorated in regard to reforms of the *education system*, the *social security system*, the *labour market* and *reforms in other specific areas*. In detail, the proportion of survey participants feeling that they benefitted from reform efforts in the *educational system* dropped from 20% in 2009 to 15% in the current round (-5 points), while the share of negatively affected respondents increased from 27% to 35% (+8). In 2009, one in five euro area respondents felt positively affected by reforms of the *social security system*, one year later just 14% felt this way (-6) with the share of negatively affected respondents remaining stable (30%). In the previous round, positive and negative effects of *labour market reform* were felt by 15% and 23% of respondents, respectively. In September 2010, these proportions changed to 11% and 28%, respectively. Finally, the share of interviewees who felt negatively affected by *reforms in other specific areas* rose by five percentage points to 26%, while 20% said these reforms had a positive effect (-3).

The results concerning the personal effects of *pension system* and *health system* reforms have hardly changed between the two latest rounds. Respondents were still three more times as likely to report negative personal effects of *pension system* reforms than positive ones (35% vs. 11%). As for *health system* reform, respondents were still more than twice as likely to feel negatively affected than to report positive effects (40% vs.17%).

Effects of sectoral reforms on respondents' personal lives, 2007-2010

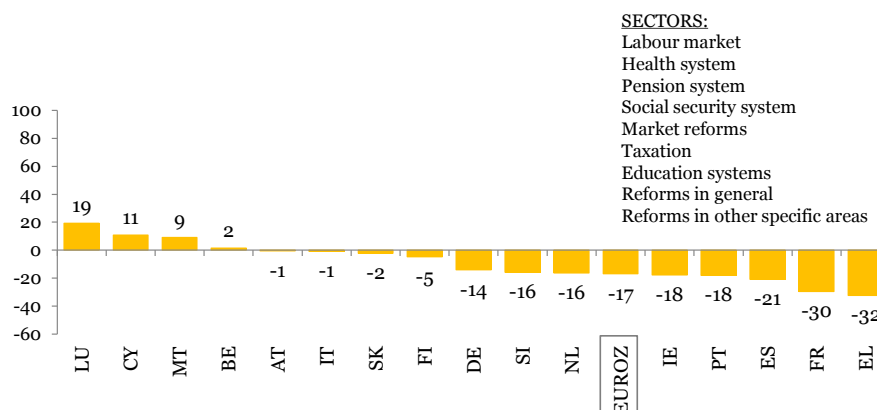


Q13a(2010)/Q14a(2008-2009)/Q17a(2007). Please tell me about each of these reform areas you mentioned if they affected you personally in any way, and if yes, did they affect you rather positively or rather negatively on balance?
Base: those who mentioned it as a sector where reforms took place, % by country

Overall – averaging out all of the nine areas of reform – Luxembourgish citizens were clearly the most likely to report positive personal impacts as a result of the reforms, followed by Cypriot, Maltese and, at some distance, Belgian citizens.

Respondents in all of the other 12 euro area countries saw negative impacts from the reforms overall. Those in Greece and France were the least likely to report positive personal consequences as a result of the reforms. A pronounced negative personal impact resulting from reforms overall was also seen in Spain, Portugal, Ireland, the Netherlands, Slovenia and Germany (although to a lesser extent than in France and Greece).

Overall reform effect score: Mean Score (positive effect – negative effect), personal level



Q13a. Please tell me about each of these reform areas you mentioned if they affected you personally in any way, and if yes, did they affect you rather positively or rather negatively on balance?

Base: those who mentioned it as a sector where reforms took place, % by country

As discussed earlier, high proportions of respondents in the euro area did not feel personally affected by reforms of the various sectors listed. However, when it came to the **effects of reforms on the national economy**, opinions were radically different. Respondents were more likely to say that the reforms had had a significant effect on their national economy than on their personal lives (depending on the area, just roughly a quarter or less said there had been “no significant effects” of the sectoral reforms on their national economy). Furthermore, in three sectors, a relative majority reported a positive impact at the national level.

Those sectors in which reforms were considered as having positive effects on the national economy by a relative majority of respondents were *market reform* (39%), *reforms in general* (37%), and *reforms in other specific areas* (34%).

The opposite picture, of a relative majority of respondents regarding sectoral reforms as having negative effects on the national economy, was seen in the six remaining sectors. Negative evaluations were highest concerning reforms in the *pension* and *taxation system* reforms (both 41%) and the reform of the *labour market* (40%). Slightly fewer respondents (38%) felt that the reform of the *health and education systems* had had a bad influence on the national economy and 36% thought the same about the reform of the *social security system*.

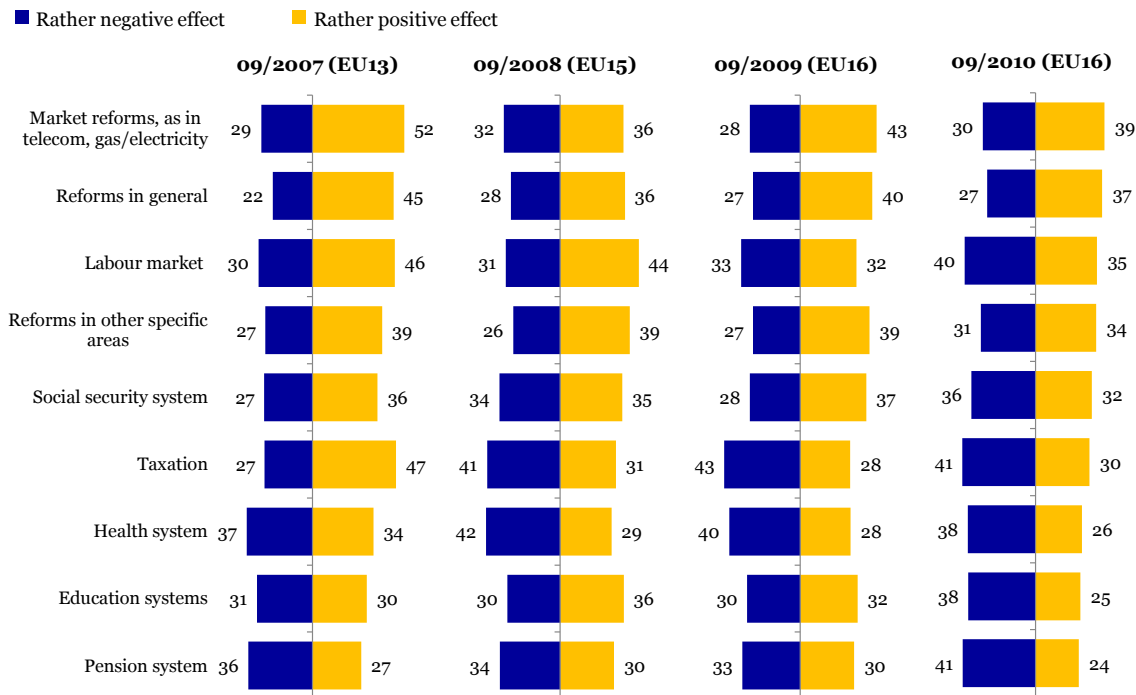
Respondents were more reluctant to evaluate the effects of reforms on the national economy than was the case for the effects on their personal lives: the proportions not responding ranged from 8% (labour market and taxation) to 13% (pension system reform).

Comparing the 2010 and 2009 results, the changes in respondents’ opinion about the impact of sectoral reforms on the national economy were less pronounced than the shifts of opinion regarding the impact of those reforms on their personal lives. As with the results of the previous question about personal consequences, those changes that were statistically significant all showed a deterioration of the public mood.

Starting with respondents’ evaluation of the impact of reforms in the *education sector*, the level of support dropped by seven percentage points to 25%; simultaneously, the share of respondents being critical of the effects on the national economy due to this reform rose by eight points to 38%. The proportions of interviewees in the euro area saying that the reform of the *pension system* had had adverse effects on the national economy increased by eight percentage points to 41%; this growth came at the expense of a drop in the share of survey participants seeing a positive contribution of the reform on the national economy to 24% (-6 points). Pessimism also grew as far as the effects of the reform of the *social security system* were concerned with the share of respondents seeing negative effects of this reform rising by eight percentage points to 36%, while the ratio of positive evaluations fell by five points to 32%.

As mentioned earlier, in the current survey 4 in 10 respondents in the euro area attributed a negative economic effect to the *labour market* reforms; this represented an increase of seven percentage points in the number of respondents seeing such a negative impact. Finally, the fifth statistically significant shift of opinion was a decrease in the share of respondents seeing a positive effect on the national economy in recent *market reforms* (-4 points to 39%).

Effects of sectoral reforms on the national economy, 2007-2010

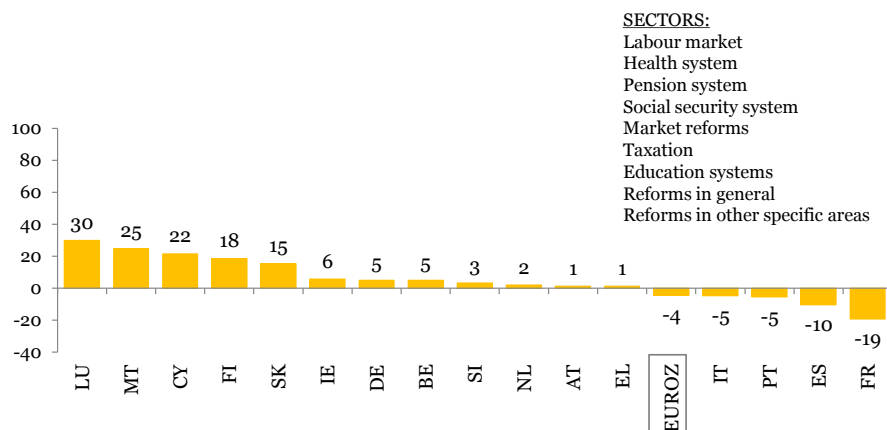


Q13b(2010)/Q14b(2008-2009)/Q17b(2007). Please also tell me about the reform areas you mentioned if you consider them to have any significant effect on the national economy in general, and if yes, did they affect it rather positively or rather negatively on balance?

Base: those who mentioned it as a sector where reforms took place, % by country

At the country level, Luxembourg showed the highest levels of respondents who gave a positive assessment of the various reforms' impact on their national economy (an *overall reform effect score* of 30). As the previous section showed, Luxembourgish citizens were also the most optimistic about the effects of the various reforms on their personal lives. Malta (a score of 25) and Cyprus (a score of 22) followed at some distance. Other countries with comparatively high shares of respondents being positive about this issue were Finland (a score of 18) and Slovakia (a score of 15). French citizens proved to be the most sceptical regarding the effect of reforms on their national economy (an overall reform effect score of -19). Spanish respondents were also rather sceptical of the reform effects on their economy (a score of -10).

Overall reform effect score: Mean Score (positive effect – negative effect), national economy



Q13b. Please also tell me about the reform areas you mentioned if you consider them to have any significant effect on the national economy in general, and if yes, did they affect it rather positively or rather negatively on balance?

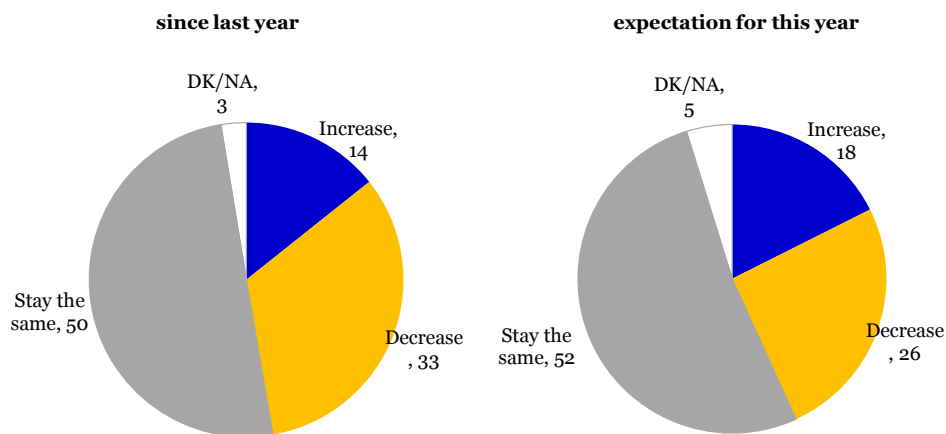
Base: those who mentioned it as a sector where reforms took place, % by country

Personal economic outlook

A third of respondents in the euro area still seemed to be feeling the effects of the economic crisis by saying that their household income had *decreased* since last year. However, half of respondents had household incomes that had remained *stable* during this period (50%). Meanwhile, about one in seven (14%) interviewees reported an *increase* in their income.

Expectations for this year were brighter. Almost one in five (18%) of respondents in the euro area believed that their household income would *increase* during the current year. They were still outnumbered, however, by those who feared a *decrease* (26%). More than half (52%) of survey participants expected *no change* in their income.

Change in household income...



Q15a. How has your household income changed since last year? Did it...
Q15b. When looking into the future, how do you expect your household income to change this year? Will it...

Base: all respondents, % EURO AREA

Since the previous round, the share of respondents reporting a decrease in their household income has grown by four percentage points to 33%, at the expense of the proportion of interviewees reporting an increase (-3 points to 14%).

Respondents taking part in the current survey were also slightly more pessimistic in their personal economic outlook than they were one year ago; in 2009, 21% of respondents expected their income to decrease over the year. In the 2010 round this proportion has risen by five percentage points to 26% - in this sense the economic crisis is still having an impact on people's outlooks.

Despite these aforementioned increases in pessimism, the cross-country comparisons showed that there is a certain amount of stability across the euro area. In nine of the 16 countries that have the euro as their official currency, more than half of the respondents stated that their household income has been *stable* since last year. This was true for 10 countries concerning respondents' expectations about any changes in their household income in the current year.

However, Greece stood out from the pack, with more than three-quarters (76%) of respondents saying that their household income had deteriorated since last year and two-thirds expecting further *decreases* in the current year. In addition, in Ireland and Spain, the proportions of respondents reporting a decrease in household income since September 2009 were also particularly high (59% and 50%, respectively). Expectations in these countries were a bit brighter with 37% of Irish and 26% of Spanish respondents fearing a fall of household income in 2010. In those two countries, 46% and 52%, respectively, of interviewees expected their income to *stay the same*.

Luxembourgish citizens were the most likely to have experienced an *increase* in their household income since last year (33%). Austria and Finland (both 25%), the Netherlands (23%), Belgium and Malta (both 21%), Cyprus (20%), Germany (19%) and France (18%) also had above euro area average (14%) proportions of respondents who had seen an increase in their income.

The ranking of countries with the most optimistic outlooks concerning developments in household income for 2010 was quite similar. This time, however, Belgium (28%) and Austria (25%) had more respondents who expected their income to increase this year than Luxembourg (24%).

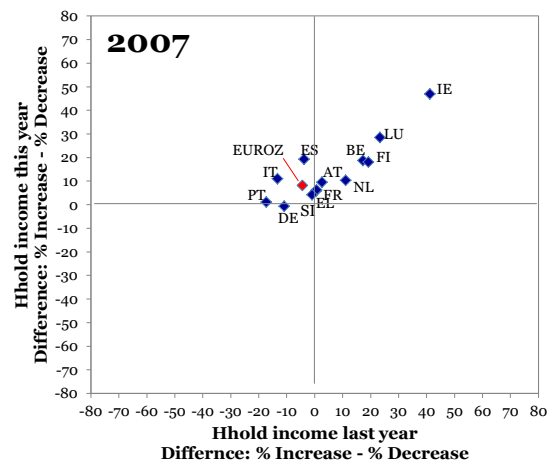
The next charts illustrate the aforementioned perceived deterioration in the financial situation of households in the euro area from 2007 until 2010. Looking exclusively at the differences between the proportions of those respondents reporting increases and those mentioning decreases,² the trend becomes more visible.

While the bottom left-hand side quadrant (containing countries with greater shares of respondents with decreasing incomes than with increasing incomes during last year as well as in the current year) was unpopulated in 2007, one year later, it contained six countries from the euro area: Germany, France, Spain, Portugal, Greece and Italy.

Surprisingly, in September 2009, in the context of a recession, the situation improved slightly in Spain, Italy, Portugal and France. The opposite tendency was observed in Ireland, which had the most optimistic citizens in the euro area in 2007, and since then has gradually turned into one of the most pessimistic euro area countries in terms of its respondents' personal financial outlook. This is particularly well illustrated by the charts, as we see Ireland migrating from the 'most positive/optimistic' upper right quadrant of the chart in 2007 to the 'most negative/pessimistic' one in the bottom left quadrant in 2009. This development can probably be explained by the fact that Ireland was among the countries hardest hit by the financial crisis.

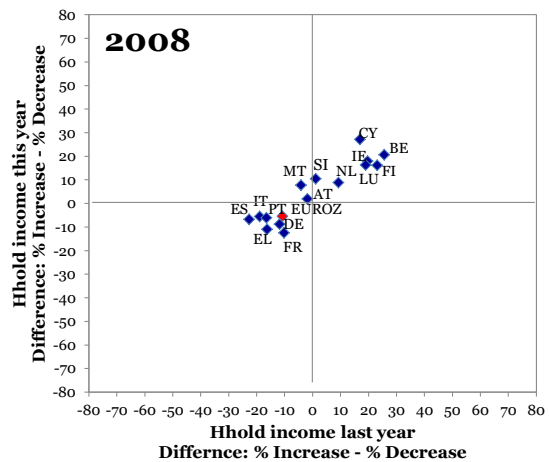
In 2010, Spain, Italy, Portugal and France dropped once more into the bottom left quadrant, to be joined by Slovenia. The financial situation of Irish households, however, has improved immensely, while Greek households have witnessed a dramatic deterioration in their financial situation, even outstripping the Irish figures in 2009.

Household income: the difference of perceptions and expectations



Q19a. How has your household income changed since last year? Did it...
Q19b. When looking into the future, how do you expect your household income to change this year? Will it...
Base: all respondents, % by country

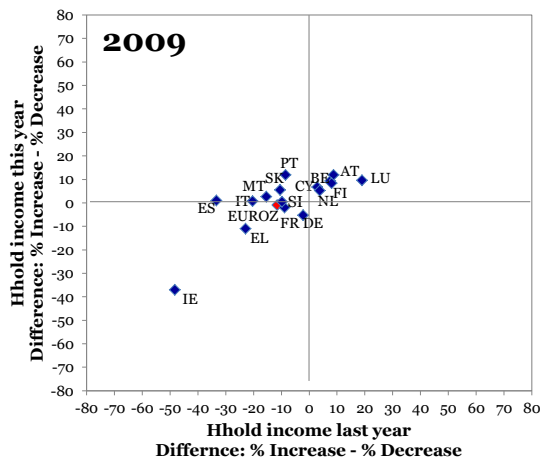
Household income: the difference of perceptions and expectations



Q16a. How has your household income changed since last year? Did it...
Q16b. When looking into the future, how do you expect your household income to change this year? Will it...
Base: all respondents, % by country

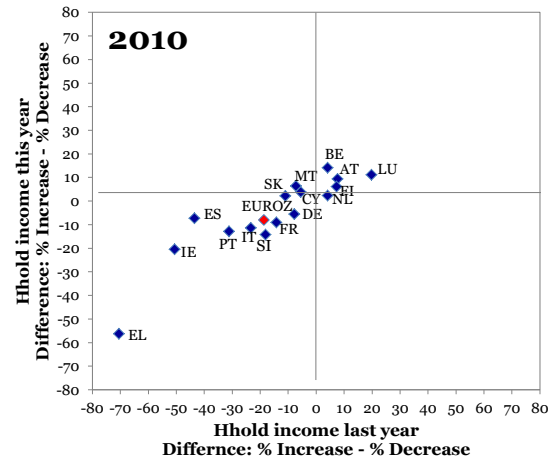
² Respondents whose income remained stable and those who did not answer the question were excluded.

**Household income:
the difference of perceptions and expectations**



Q16a. How has your household income changed since last year? Did it...
Q16b. When looking into the future, how do you expect your household income to change this year? Will it...
Base: all respondents, % by country

**Household income:
the difference of perceptions and expectations**



Q15a. How has your household income changed since last year? Did it...
Q15b. When looking into the future, how do you expect your household income to change this year? Will it...
Base: all respondents, % by country