

Since the legislative elections, renewed optimism varies according to category of household

Since 1987, the monthly household consumer confidence survey has collected the opinions of 2,000 households on changes in their economic environment and compiled their overall confidence level. Over the long term, national election cycles (presidential and legislative elections) usually give rise to a wave of optimism on the composite confidence indicator and some balances of opinion.

Household confidence increased by 5 points between June and September 2024. This improvement coincided not only with the election period, but also with the hosting of the Olympic and Paralympic Games in Paris, and also a trend throughout Europe that saw a recovery in confidence in the wake of purchasing power. Looking at household categories, improvement in the balance relating to standard of living in France was mainly driven by low-income households, while the opinion of the wealthier households or managers fluctuated widely from month to month. As in previous elections, the share of households not wishing to express an opinion on certain questions increased, such as future change in standard of living or unemployment, and this proportion was only partially back to normal in September, which in itself reflects a degree of uncertainty.

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Election cycles are usually accompanied by a temporary surge of optimism

Every month, INSEE interviews about 2,000 households as part of the monthly consumer confidence survey ("CAMME"): balances of opinion on their economic environment and their personal situation are calculated on the basis of their responses, as the difference between the share of "positive responses" and the share of "negative responses". A composite indicator of household confidence is then developed from these different balances (► [Method Box](#)).

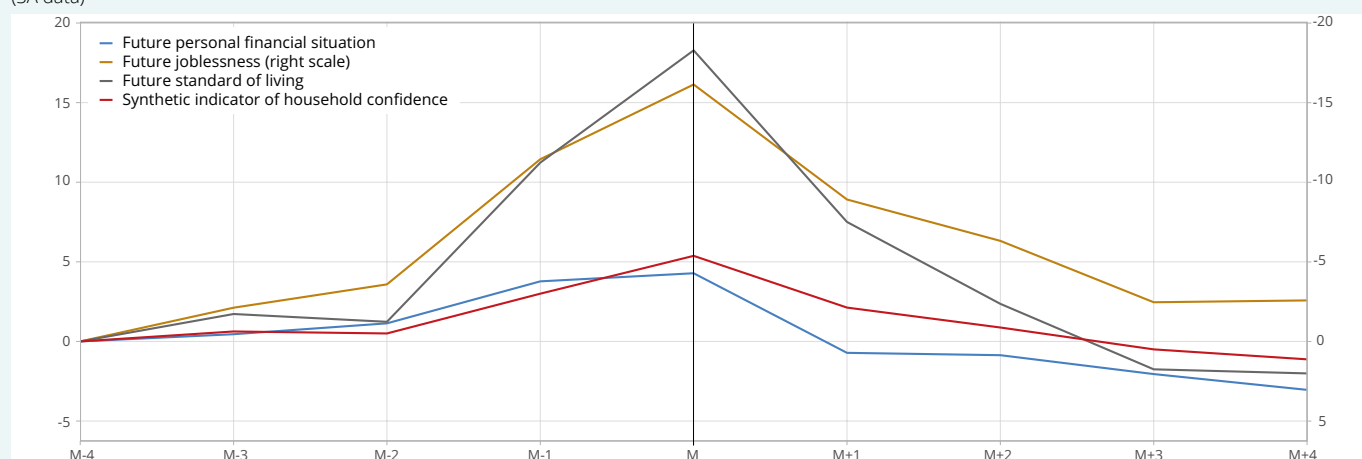
Households' responses to the survey reveal peaks of optimism following national elections held since 1987 (start date for the monthly surveys¹). These bursts of optimism, although temporary, are statistically significant on the composite confidence indicator and on three forward-looking balances: standard of living in France, unemployment rate and personal financial situation (► [Economic outlook](#), March 2017). The peak of optimism is observed, on average, during the month when the election results² are known by all the households surveyed (reference month, or month "M"): since the responses associated with a given month are in practice collected from the end of the previous month onwards, month M

¹ The household consumer confidence survey has existed since 1957 but became monthly in 1987.

² The study includes the presidential elections of 1988, 1995, 2002, 2007, 2012 and 2017, also the legislative elections of 1993 and 1997, which also resemble general elections as they did not immediately follow a presidential election. Conversely, legislative elections that took place just after a presidential election are not taken into account.

► 1. Impact of the electoral period on different balances for national elections between 1988 and 2017

(SA data)



How to read it: balances are shown here so that their average in month "M-4" is equal to 0. The balance for unemployment is represented on the right-hand scale: the balance decreases when fewer households believe that unemployment will increase. The composite indicator is standardized so that its standard deviation is equal to 10 and its average since 1987 equal to 100.

Scope: households living in mainland France in ordinary housing.

Source: monthly business survey of households, INSEE.

Economic outlook

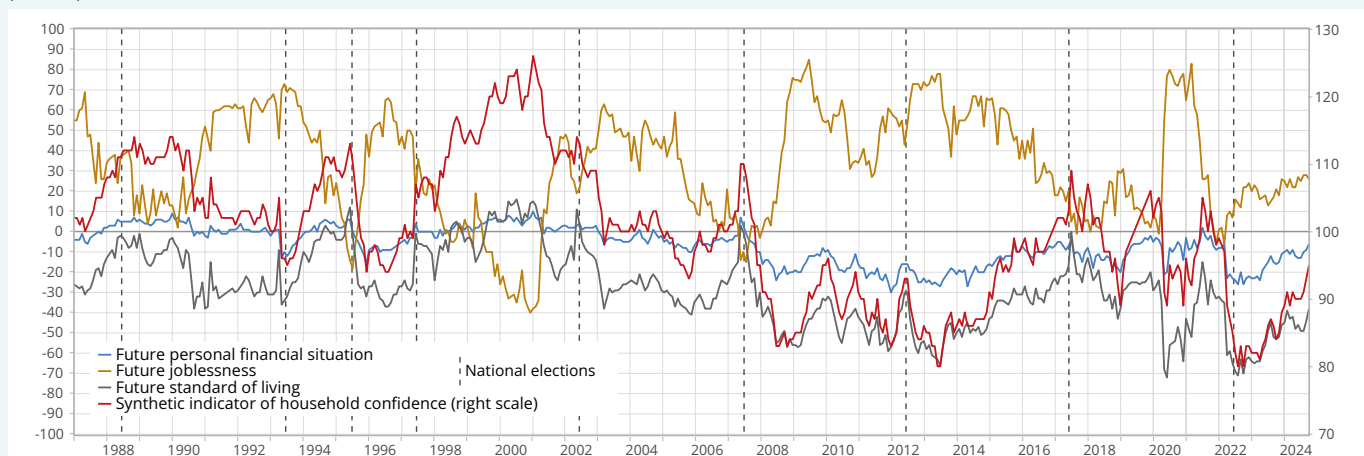
usually corresponds to the first full month following the election results. For example, for the 2017 presidential election, the result of which was known on 7 May 2017, the reference month “M” is June.

By superimposing the monthly average profiles for each balance around month “M” during national elections held between 1988 and 2017, a temporary peak can be identified, on the one hand for the three balances mentioned (► **Figure 1**), and on the other hand for the composite indicator for overall household confidence, constructed from eight balances (the three forward-looking balances mentioned above plus five others, most of them retrospective).

The 2022 presidential election, which took place in the very unusual context of the invasion of Ukraine a few weeks earlier and the rise in inflation (which reached 4.8% from April 2022), does not seem to have had any effect on the balances considered (► **Figure 2**).

► 2. Balances of opinion on change in standard of living in France, the number of unemployed and personal financial situation in the next twelve months and the composite indicator of household confidence

(SA data)



Last point: September 2024.

How to read it: in September 2024, households' balance of opinion on change in standard of living in France was -38.

Scope: households living in mainland France in ordinary housing.

Source: monthly business survey of households, INSEE.

The summer of 2024 saw a noticeable resurgence of optimism, but it is not certain that this was due to the elections

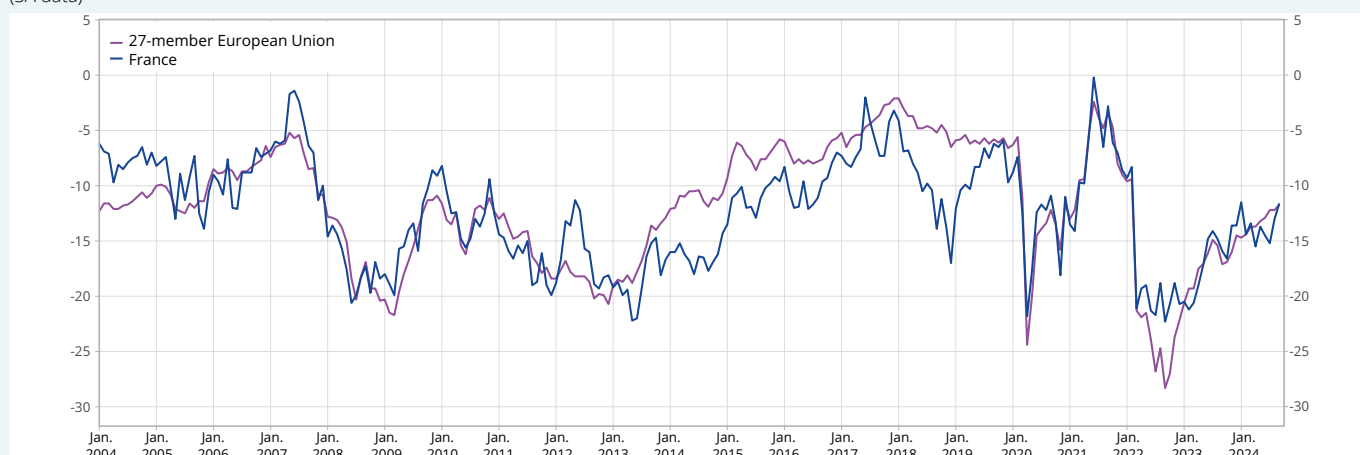
In summer 2024, household confidence rose continuously, having been relatively stable since the beginning of the year, increasing from 90 in June to 91 in July, then 93 in August, and finally 95 in September. The confidence level in June is based on responses collected mainly before the dissolution of the National Assembly was announced, whereas August corresponds to month “M”, when all households knew the result of the election:³ the increase in household confidence is therefore concomitant with the electoral sequence and continued into September. Nevertheless, the improvement in household confidence over the period could also be attributed, in part at least, to the hosting of the Olympic and Paralympic Games in Paris, or to a more global upward trend in household confidence throughout Europe since the low point of July 2022 (► **Figure 3**).

As regards the balances of opinion that are usually positively affected when elections are held, those relating to prospects for change in the standard of living in France and the personal financial situation of households' questioned increased in the thick of the electoral period, between June and August (by +5 points and +4 points respectively), and continued to improve in September (+6 points and +3 points between August and September respectively). This time, however, concerns about change in the number of unemployed, which usually tend to fall back during elections, increased between June and August (+3 points, where an increase in this balance corresponds to a deterioration in expectations), before falling back in September (-2 points): thus over the summer as a whole, this balance was more or less stable.

³ The 2024 legislative elections were called with only three weeks' notice and households could therefore not have anticipated them several months in advance, unlike most of the previous national ballots (since 1988, all national elections could be predicted several months in advance, with the exception of the legislatures in 1997). Confidence in June was based on responses collected between 28 May and 17 June, 87% of them before the dissolution of the National Assembly on 9 June 2024.

►3. Composite indicator of household confidence, in France and Europe

(SA data)



Last point: September 2024.

Note: the method used to calculate the composite indicator harmonised at European level differs slightly from that used by INSEE, ► [Method box](#).

How to read it: in September 2024, household confidence in France was -11.6.

Scope: France; European Union (27 countries).

Source: DGE/CFIN.

Improved expectations for the standard of living in France in the next twelve months are driven by the most modest households

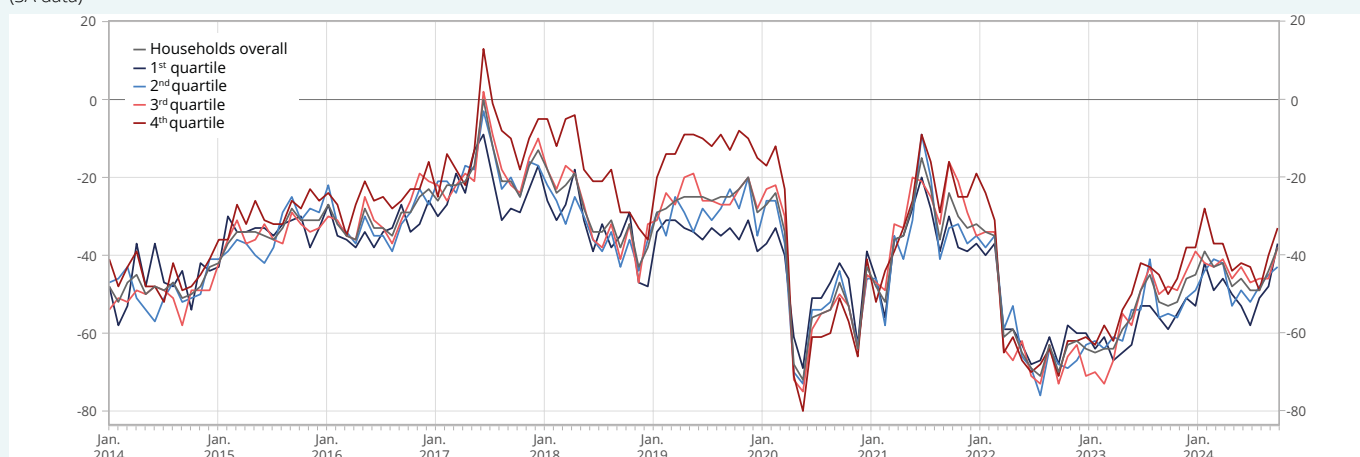
In August 2024, the first month in which all of the households surveyed knew the results of the legislative elections, the balance of opinion on the standard of living in France was 5 points above its June level. This general upturn is admittedly relatively small compared to the average movements observed during month “M” of previous electoral episodes, but it continued into September (the balance increased by 6 extra points between August and September). It also masks some contrasting changes from month to month by category of household.⁴

Over the entire period, it is mainly the least well-off households that are driving the overall improvement in the expectations for future change in the standard of living in France. The balance of opinion of households whose standard of living is among the lowest 25%, has in fact increased by 21 points continuously between June and September (+7 points in July, then +3 points in August and +11 points in September, ► [Figure 4](#)), after reaching its lowest level in over a year in June. In September 2024, the balance of opinion of the most modest households was 9 points above its Q1 2024 average, whereas this gap was 3 points for the aggregated balance. The balance of opinion of manual and non-manual workers also increased over the summer: +15 points between June and September.

⁴ In order to be analysed in a way that is consistent with the changes in the overall balance (which is usually presented in a seasonally adjusted form), balances broken down by household category have also been seasonally adjusted (► [Method box](#)).

►4. Opinion on future standard of living in France, by standard of living quartile

(SA data)



Last point: September 2024.

How to read it: in September 2024, the balance of opinion on the future standard of living in France was -37 for the first standard of living quartile.

Scope: households living in mainland France in ordinary housing.

Source: monthly business survey of households, INSEE.

Economic outlook

For the wealthiest households (those whose standard of living is among the highest 25%), the balance of opinion also improved over the summer (+10 points between June and September), although less sharply. In addition, some strong movements in opposite directions from month to month reflect their difficulty in anticipating changes in the standard of living in France during the electoral period. At first, their balance of opinion deteriorated significantly by -6 points in July (survey month when all data collection came after the dissolution of the National Assembly but for the most part before the results of the second round of the legislative elections⁵). Their expectations then rebounded sharply in August (+9 points) and September (+7 points). The observation is the same by socio-professional category: the balance of opinion of managers followed the same changing profile (-6 points in July, +8 points in August and +4 points in September).

Households' expectations over their personal financial situation also improved, with strong fluctuations from month to month depending on household category

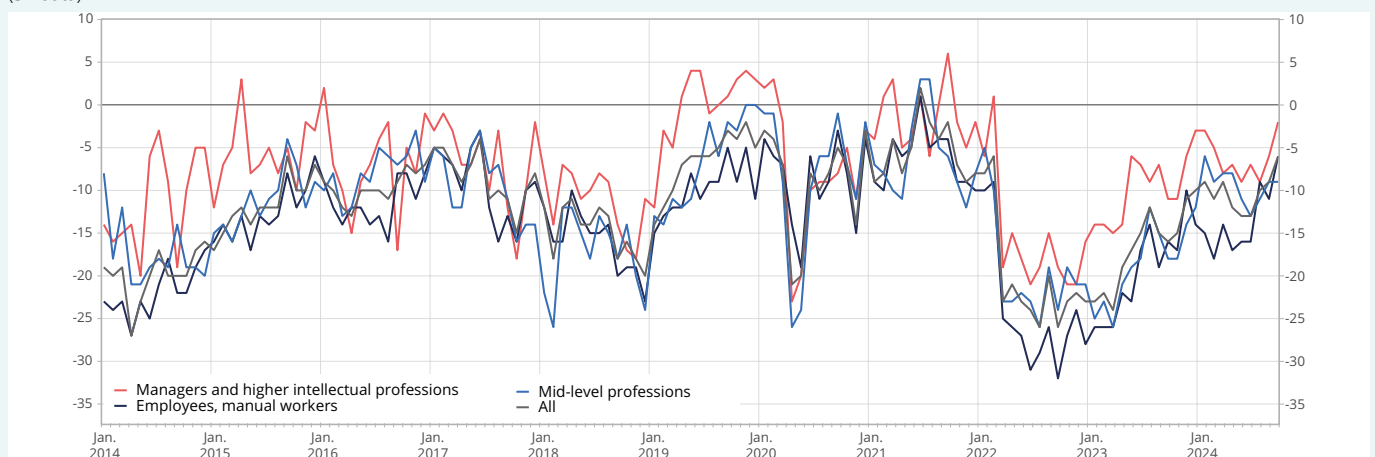
Households' expectations regarding their personal financial situation picked up in July 2024 (+3 points) and continued to improve in August (+1 point), then September (+3 points). Although this improvement is on a similar scale to what is usually observed during electoral periods, it masks some disparities by household category.

The least well-off households, those in the first quartile on the standard of living scale, appear to have had some difficulty in predicting their personal financial situation from month to month. Their balance of opinion improved substantially in July (+8 points), but then fell back in August (-5 points) and finally improved again in September (+2 points). By socio-professional category, the opinions of manual and non-manual workers fluctuated in the same way: +6 points in July, -2 points in August then +5 points in September (► Figure 5). For the wealthiest households, such movements were reversed and less pronounced: although they were less pessimistic overall in July regarding their future personal financial situation (-1 point compared to June for the wealthiest quartile, -3 points for managers and the more intellectual professions), their expectations picked up in August and September (+3 points in August and +4 points in September for the wealthiest quartile, the same as for managers).

⁵ Balances of opinion for July 2024 are based on responses collected between 24 June and 18 July: 50% of households responded before the first round of the legislative elections, 34% between the two rounds and 16% after the results of the second round.

► 5. Opinion on future personal financial situation, according to socio-professional category

(SA data)



Last point: September 2024.

How to read it: in September 2024, the balance of opinion on future personal financial situation in France was -6 for manual and non-manual workers.

Scope: households living in mainland France in ordinary housing.

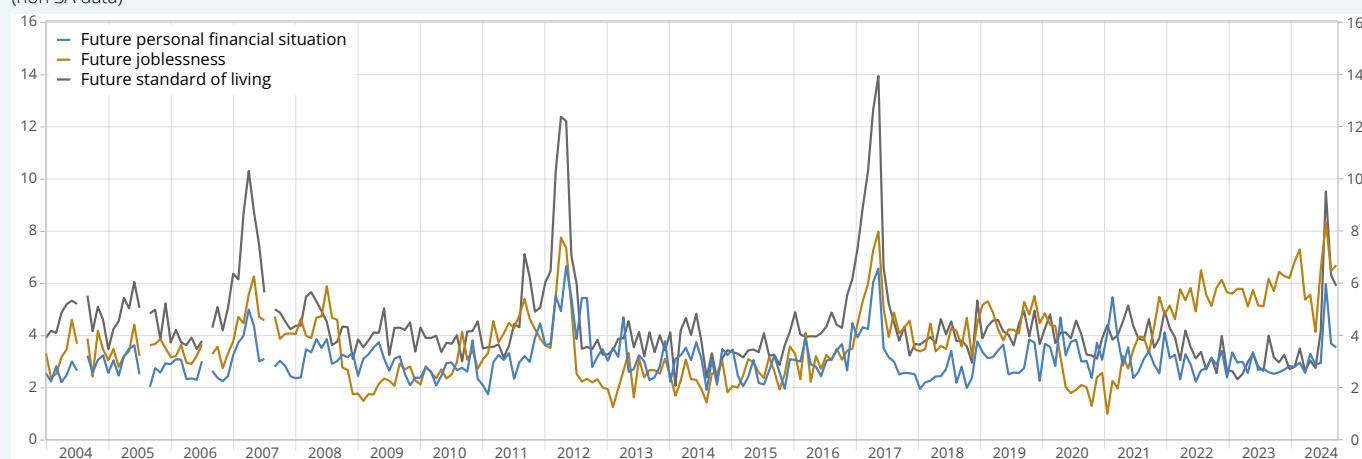
Source: monthly business survey of households, INSEE.

As in previous electoral periods, the share of households choosing not to comment when surveyed increased this summer

Month-by-month fluctuations in balances of opinion by household category are a sign of the uncertainty that households were experiencing over the period. This uncertainty can also be seen when studying the change over time in the share of households who were unable to answer certain questions during the survey, based on the use of the “I don’t know” option for each question. However, the share of households that do not express an opinion usually increases sharply at the time of national elections. For example, in 2007, 2012 and 2017, the share of households that did not express an opinion on change in the standard of living in France in the coming year exceeded 8% in the three months preceding the presidential election (with peaks above 10%), whereas this share was less than 4.5% on average in the years that preceded these fixed elections (► [Figure 6](#)). In 2022, however, the share of households unable to give an answer did not increase significantly. After the dissolution of the National Assembly on 9 June 2024, the share of households not expressing an opinion on expected change in the standard of living in France in the next twelve months increased from 4% in June to 9.5% in July: this increase did not affect the balance of opinion, however, as it resulted in a corresponding decrease in the “neutral” response option (the share of households stating that the situation will “stay the same” decreased by almost 6 points between June and July 2024). The questions on change in the number of unemployed and personal financial situations also saw an increase in the share of households not wishing to give their opinion. These household numbers have since fallen, although they have not yet returned to normal, especially for opinions relating to expectations for the standard of living and unemployment in France. ●

► 6. Share of households who did not give an opinion

(non SA data)



Last point: September 2024.

How to read it: in September 2024, the share of households who did not give an answer to the question on change in future standard of living in France was 6%.

Scope: households living in mainland France in ordinary housing.

Source: monthly business survey of households, INSEE.

Methodology

The household consumer confidence survey and the composite confidence indicator

As part of the Monthly Consumer Confidence Survey of households ("CAMME"), INSEE collects the responses of around 2,000 households each month on their opinion about their economic environment and their personal situation. This survey is harmonised at European level. The balances of opinion on the various subjects are calculated by subtracting the share of "negative responses" from the share of "positive responses", and are available from 2004 in the harmonised version at European level. However a breakdown by category of household is only possible from 2013.

The composite indicator of household confidence constructed by INSEE is calculated using the factor analysis technique from eight different balances of opinion (past and future standard of living in France, past and future personal financial situation, unemployment prospects, opportunity to make major purchases, ability to save currently and in future months).

The European Commission's Directorate-General for Economic and Financial Affairs (DGECFIN) publishes results from outlook surveys conducted among households in different Member States. These harmonised results can differ slightly from the indicators published by INSEE, due to the calculation methods, which differ marginally. In particular, when calculating balances of opinion, the DGECFIN weights low-intensity responses (e.g. "increase a little" or "decrease a little") at half as much as high-intensity responses ("increase significantly" or "decrease significantly"). In addition, the composite confidence indicator calculated by the DGECFIN is a simple arithmetical mean of the following four balances: past and future personal financial situation, general economic situation of the country in the coming months and ability to save in the coming months.

Details of questions on changes in the standard of living in France, the number of unemployed and the personal financial situation

The question on the future standard of living in France is: "In your opinion, in the next twelve months, overall, will the standard of living in France...". Five response options are proposed, those followed by a "+" are counted as positive, those followed by a "-" as negative: "improve significantly (+)", "improve a little (+)", "remain the same", "deteriorate a little (-)" and "deteriorate significantly (-)".

The question on future change in unemployment is: "Do you think that in the next twelve months, the number of unemployed will...". Five response options are proposed: "increase significantly (+)", "increase a little (+)", "remain the same", "decrease a little (-)" and "decrease significantly (-)".

The question on the future personal financial situation is: "Do you think that in the next twelve months, the financial situation in your household will...". Five response options are proposed: "improve significantly (+)", "improve a little (+)", "remain the same", "deteriorate a little (-)" and "deteriorate significantly (-)".

Adjustments for seasonal variations by household category

To ensure consistency between the balances of opinion calculated by household category and the aggregated series adjusted for seasonal variations, a summary seasonal adjustment is made: for each month, the difference between the balance adjusted for seasonal variations and the gross balance at the aggregate level is added to the value of the gross balance for each household category considered. Although this method assumes that seasonal effects are uniform from one category to another, it has the advantage of preserving the additivity of the series by household category. For example, in August 2024, the aggregate balance of opinion on changes in the standard of living in France in the next twelve months is three points lower after adjustment for seasonal variations than the gross balance. The applied method consists in reducing each balance of opinion calculated in August for the different categories by three points. ●