

Consumer Opinion

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IEA CONSUMER CONFIDENCE SURVEY

SUMMARY

The IEA conducted its second consumer confidence survey in September-October 2022 covering 1019 responses. The Survey solicited the views of consumers on their current economic perceptions (vis-à-vis 6 months ago) and 6 months ahead expectations on general economic outlook, own income, spendings and savings, job market conditions, and overall price level. The results of the survey are meant to give businesses and policy makers insights into the attitudes and behaviours of consumers as they relate to the ever-changing-economic conditions. The survey covered 7 major metropolitan areas in 7 regions of the country. In general, consumers reported that the economic and financial situations of their households have worsened in the past 6 months due mostly to the current economic crisis that has led to increasing cost of living. Consumers also have pessimistic outlook on both future economic situation and their finances. This short-term uncertainties of the direction of the economy coupled with the current and expected labour market conditions have impacted negatively on consumers' spending on consumer durables and savings decisions. The overall consumer confidence index dipped significantly as consumers' hope for post Covid-19 economic recovery is dashed by the current economic crisis which has exerted tougher hardships on them.

IEA
Ghana

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1. INTRODUCTION

In 2021, the IEA added a Consumer Confidence Survey (CCS) to its portfolio of surveys to solicit consumers' views on the state of the economy which will inform policy discussions and formulations as well as business decisions. Consumer confidence is an economic indicator that measures the degree of optimism or pessimism that consumers feel about the overall state of the economy. Due to the Covid-19 complications, the maiden CCS concentrated only in the Accra- Tema metropolitan area. This year, the CCS has been extended to cover 7 major metropolitan areas in 7 regions of the country to assess and compare consumers' perceptions and expectations over the two periods. Both surveys sought the views of respondents on several consumer-related issues, including their views on the economy and the labour market, household finances, expenditure and savings, and expectations for the future. A couple of months prior to the current survey, the government of Ghana began talks with the IMF for a financial bailout due to the economic crisis caused by unsustainable fiscal imbalances, debt problems, and some external factors. The crisis has led to increasing cost of living, depreciation of the Cedi, and generally worsened economic conditions. This makes for an interesting comparison of consumers' confidence in an economy in crisis and seeking IMF bailout, and an economy with Covid-19 pandemic. As Ghanaians battle inflationary pressures and the continued depreciation of the currency, it is unclear whether the intended IMF bailout will restore confidence in the economy and improve their expectations of the future. This report presents the findings of the second CCS which was conducted from September 2022 to October 2022 with results from 1019 responses.

1.1 Objectives of the Survey

Consumer confidence is an economic indicator that measures the level of optimism/pessimism that consumers have about the overall state of the economy, and their expectations of the direction of the economy. As a follow up to the 2021 consumer confidence survey, the current survey is designed to obtain information that will reflect prevailing economic conditions and gain insights into what consumers think are the likely developments in the months ahead.

2. DEMOGRAPHICS OF RESPONDENTS

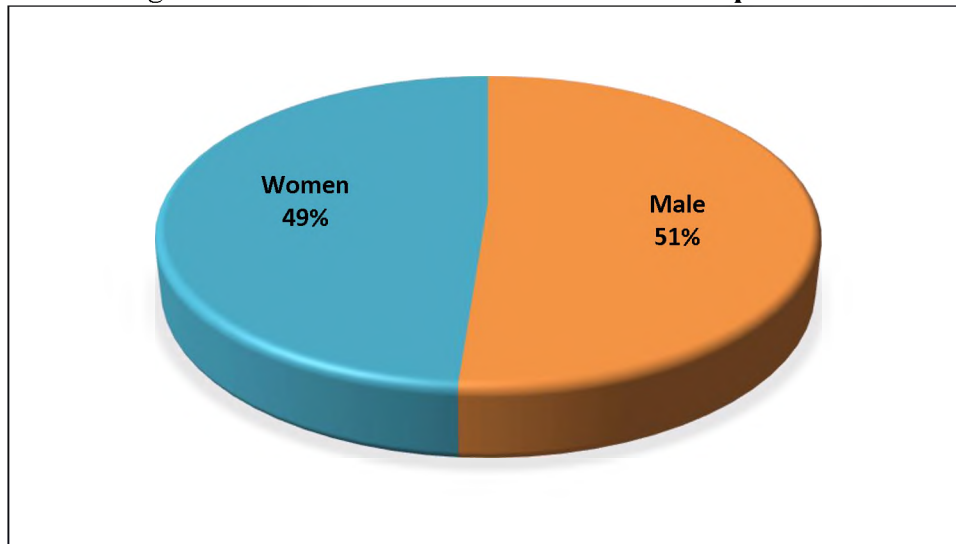
The survey sought information on the demographics of respondents. These are: gender, age, education, and employment status. Beside general analyses, demographic information is also used for analyzing responses to the substantive consumer confidence questions.

2.1 Gender Distribution

From figure 1 below, the overall proportion of male respondents (48.80%) turned out to be slightly lower than that of females (51.20%). These proportions compare with 49.3% men, and 50.70% females in the general population according to Ghana Statistical Service (GSS) Census (2021). The higher female percentage in the survey sample is satisfactory since women are those who take domestic economic decisions and are abreast with daily market conditions. The regional gender

proportions depict a similar pattern as the overall proportions except for Greater Accra and Volta regions where there are slightly higher percentages of male than female.

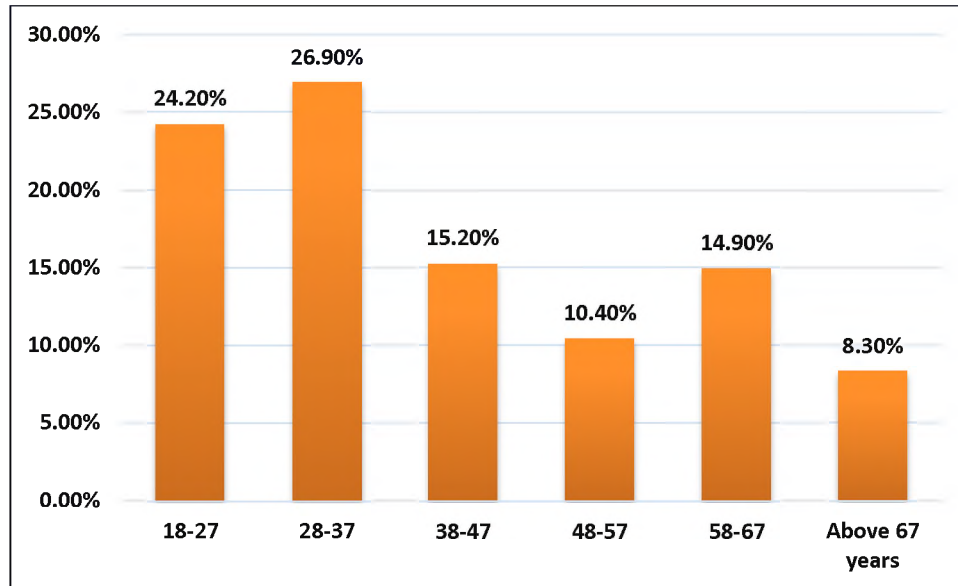
Figure 1: Overall Gender Distribution of Respondents



Source: IEA Consumer Confidence Survey, 2022

2.2 Age Distribution

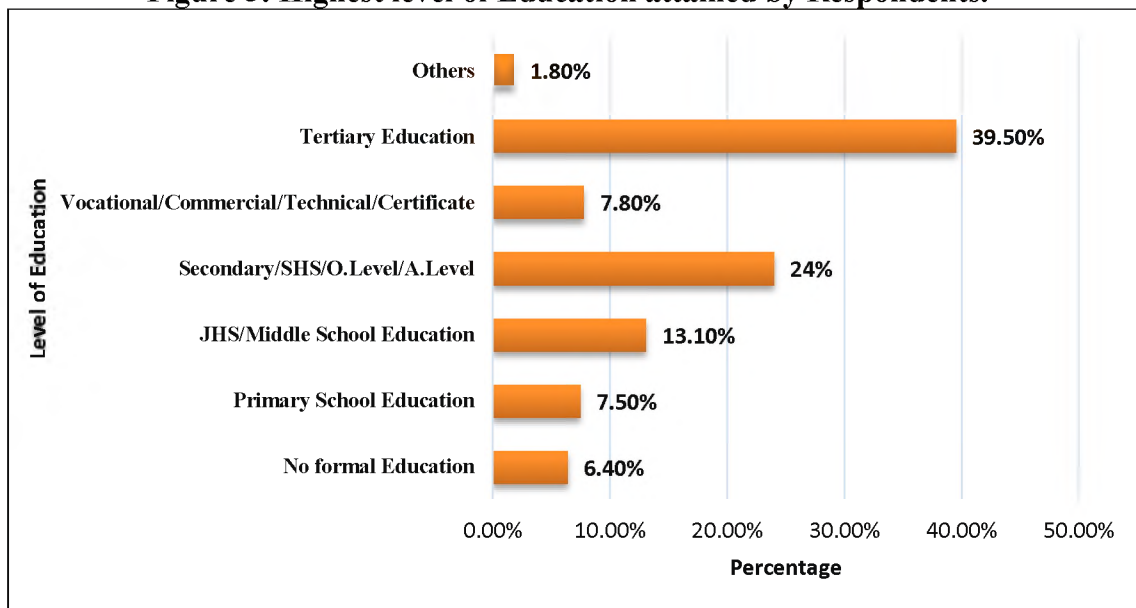
A large majority (51.10%) of respondents fall within the 18-37-year bracket. Hence, the sample reflects the youthful nature of Ghana's population. 40.5% of the respondents are between the 38- and 67-year bracket and only 8.3% of respondents are 67 years old and above. The youthfulness of the respondents is particularly important because it captures a large part of the population who have a longer time horizon for the formation of expectations. In addition, having 40.5% of the respondents in the 38-67 captures a large proportion of current heads of households who make decisions on purchases of durable goods and household savings.

Figure 2: Age Distribution of Respondents

Source: IEA Consumer Confidence Survey, 2022

2.3 Education

Most of respondents (93.60%) reported having some formal education, ranging from primary to tertiary. The high proportion of educated respondents in the survey sample, mirrors the predominance of the youth, who are generally more educated than the elderly.

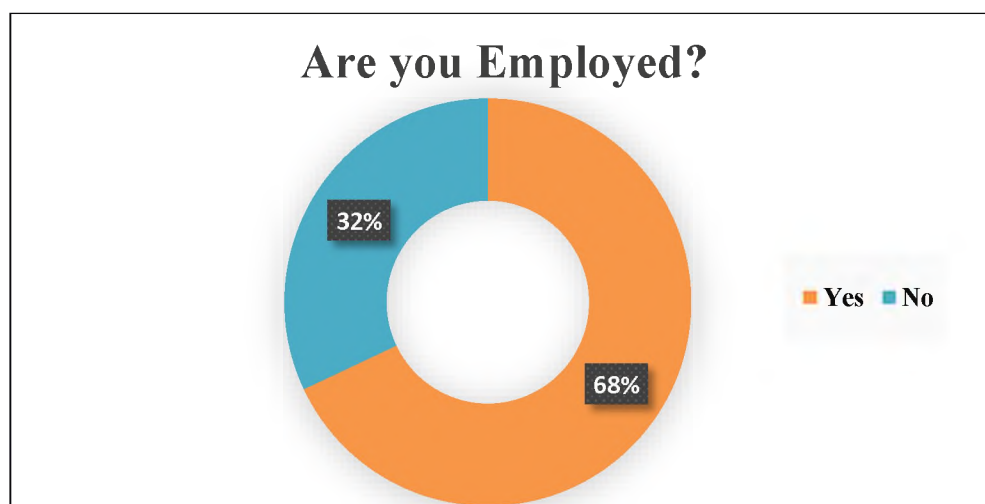
Figure 3: Highest level of Education attained by Respondents.

Source: IEA Consumer Confidence Survey, 2022

2.4 Employment

As is expected, a large majority of respondents (68.00%) are employed, while 32.00% are unemployed. The unemployed percentage is relatively high, though, and confirms the severity of the unemployment problem in the country. Unemployment is especially acute among the youth who dominate the survey sample.

Figure 4: Employment Status



Source: IEA Consumer Confidence Survey, 2022

3. RESULTS OF SURVEY

The survey asked respondents questions that required them to compare the economic conditions of the past 6 months with those of the preceding 6 months. To measure respondents short term expectations, they were also asked what their expectations of economic outcomes are in the next 6 months. Since the survey was conducted in September / October 2022, the reference to the past 6 months would be around March /April 2022 to September/October 2022, and the preceding 6 month is September/October 2021 to March/April 2022. The next 6 months would be from September /October 2022 to March/April 2023. In the analyses below, we compare the results from the 2022 survey with those from the 2021 survey to identify the dynamics in the components of consumer confidence and determine the overall consumer confidence index.

3.1 Perceptions and Expectations of General Economic Situation

The survey solicited views on the general economic situation in the country to determine whether it has changed for the past 6 months compared to the preceding 6 months, and what the expectation is for the next 6 months. Table 1 below shows the results for the responses for the 2022 survey compared to that of 2021. Generally, consumers were more pessimistic in 2022 compared to 2021. The percentage of the consumers who said the general economic condition has either improved or slightly improved declined significantly from 34.3% in 2021 to 7.2% in 2022. These perceptions

are also captured by the percentage of consumers who said the general economic condition has worsened or slightly worsened. In 2022, 84.3% said the general economic condition has worsened or slightly worsened. This is up from 44.2% in 2021. The net response value, which measures consumers' confidence on a particular question/issue and is derived as the percentage of positive responses less negative responses, also decreased significantly from -3.83 in 2021 to -23.6 in 2022¹ (See figure 5) Certainly, concerns about currency depreciation and inflation which has been increasing since the first quarter of 2022, with petrol, transportation, and food prices serving as main drivers, have had negative economic impact on consumers and their perceptions on the general economic condition.

Consumers expressed more pessimism on their expectation of future economic conditions in 2022 compared to 2021. Hence, they expect the present worse economic conditions to continue at least for the next 6 months. In 2022, a smaller proportion of consumers (31.4%) said that they expect the 6 months ahead outlook on the general economic condition to improve or slightly improve. This is a significant decline from the 63.5% of consumers with the same expectation in 2021. Though the net response is positive (1.03) in 2022, it has decreased significantly from 9.66 in 2021 (See figure 5) However, among those who expect the future economic condition to improve in 2022, 65.8% of them cite the expected effect of already implemented government policies or the effect on new government policies as reasons for their optimism about future general economic conditions.

A breakdown of the survey results into gender and age brackets shows that the negative perception of the general condition of the economy cuts across gender and age groups. For the purpose of this report, we categorized various age groups as 18-37 (young age), 38-67 (middle age) and 68 and up (old age). A smaller percentage of both men and women responded that the general economic condition has improved or slightly improved in 2022, while a large majority said that the situation has become worse or slightly worse. This pessimism is worse compared to the situation in 2021. Responses by the various age groups also followed the same pattern. Based on gender and age groups, consumers expressed more pessimism on their expectation of future economic conditions in 2022 compared to 2021, except for the old age group who were more optimistic in 2022.

¹ The net response lies between -100 (extreme worse situation), and +100 (extreme better situation). Detail explanation of the calculation of net responses is in the technical notes.

**Figure 5: Perceptions and Expectations of General Economic Situation
(Net Responses)**



Source: IEA Consumer Confidence Survey, 2022

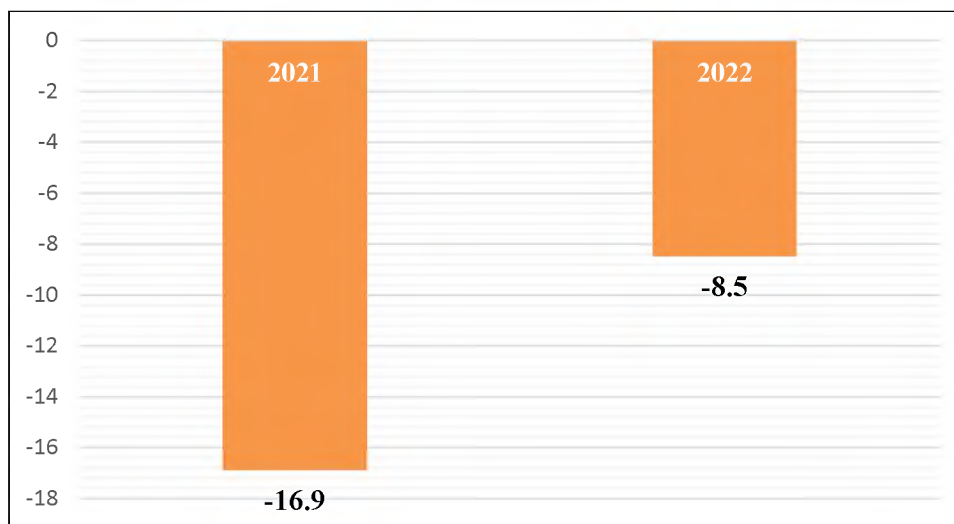
3.2 Expectation of Change in Consumer Prices

Consumer prices in Ghana normally rise faster. However, for policy purposes, it is always important to determine consumers' expectation of change in prices as that could lead to future price changes. In addition, consumers' expectation of changes in prices affects their purchasing pattern over time. The results from table 2 show that amidst the rapid increase in consumer prices only 46.6% of consumers surveyed reported that they expect consumer prices to increase in the next 6 months compared to 29.5% who expected prices to decrease. In 2021 most consumers (55.8%) reported that they expect consumer prices to increase in the next 6 months and only 21.9% expected prices to decrease. The results indicate that consumers have favourable expectations for price changes in 2022 (when inflation is high) than they did in 2021 (when inflation was low). The net responses confirm the pattern of responses over the two periods by improving from -16.95 in 2021 to -8.55 in 2022 (See figure 6). This is an anomaly, however, a possible explanation of the low expected price increases in 2022 compared to 2021 is that during the 2021 survey (July 2021) inflation was 9.98 % while during the 2022 survey (September 2022) inflation was 37.2%. So, during the 2022 survey, consumers may have thought that inflation had increased too fast, too high, and that it is not likely that there would be further price increases in the future. Whereas during the 2021 survey, inflation was relatively lower and was expected to rise faster in the future due to the expected build-up effect of the decline in output growth on prices due to the Covid-19 pandemic.

Based on gender, the responses follow the same pattern as the general responses in both years. In 2021 more than 50% of both men and women reported that they expected consumer prices to increase in the next 6 months. However, less than 50% of both men and women have the same expectation in 2022. Hence, both men and women have similar expectations when it comes to

future consumer prices. Based on age groups, a greater percentage of the young age group (less than 38 years) compared to the other age groups expected consumer prices to decrease in both survey years. Comparatively, a smaller percentage of them expected prices to increase in both survey years. Given the youthfulness of the Ghanaian population and the survey sample, the fact that a greater percentage of younger people relative to older people expect future prices to fall in one of Ghana's worst economic crises, is good for monetary policy effectiveness especially in the inflation targeting framework of the Bank of Ghana which requires lower inflation expectations.

Figure 6: Expectation of Change in Consumer Prices (Net Responses)



Source: IEA Consumer Confidence Survey, 2022

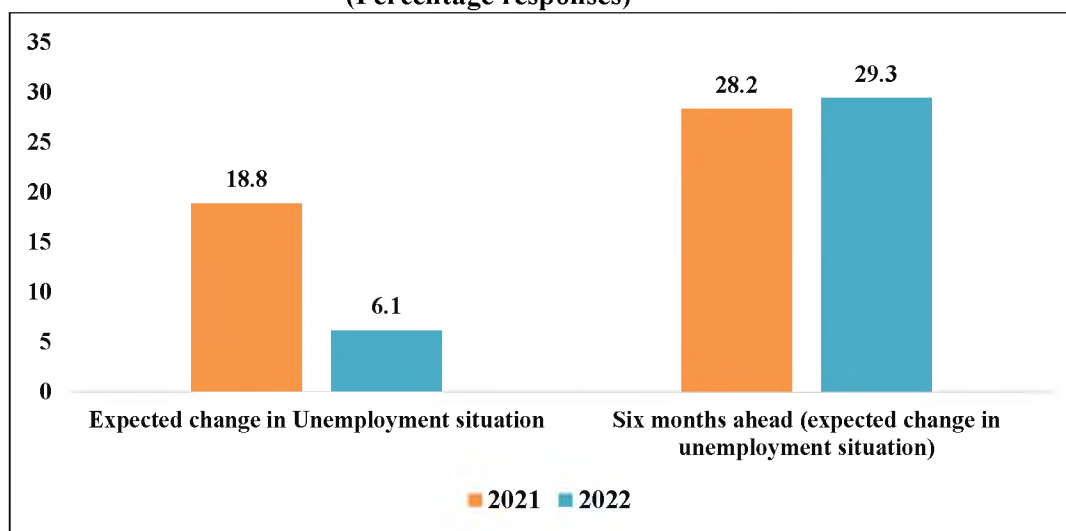
3.3 Expected changes in general unemployment and own employment situation.

Consumers' appraisal of the labour market in 2022 was upbeat, though a retreat from that of 2021. From table 3, many consumers (43.10%) said they expected the overall unemployment situation to improve in the next 6 months, while 31.0% reported that they expected it to worsen. This confidence in the labour market is less than that of 2021 when 54.20% expected general unemployment to improve and only 16.7% expected general unemployment to worsen. Those who expected unemployment to remain the same also decreased from 23.50% in 2021 to 12.9% in 2022. This culminated into the sharp decline in the net response from 18.8 in 2021 to 6.1 % in 2022 as shown in figure 7. Whereas in 2021 consumers were optimistic about the future economic situation and expected that some of the jobs lost under Covid-19 would be regained, the current economic crisis, which has lasting consequences on the labour market, has reduced consumers' optimism. Hence, it is fair to conclude that there is upbeat about the unemployment situation in the next 6 months, but the current economic crisis has reduced that optimism. However, on the personal level, a relatively large majority (61.70%) of consumers reported that they expected to maintain their own job in the next 6 months. Surprisingly, this is an increase from 56.6% in 2021. People are more optimistic about their personal employment situation than they are for the general employment situation. This optimism to maintain jobs by respondents can be seen in figure 7 as

the net response for the expected change in unemployment situation in the next 6 months increased from 28.2% in 2021 to 29.3% in 2022.

For both survey years, women were more optimistic than their male counterparts. In 2021, only 11% of women said the unemployment situation would worsen, while 21.5% of men had the same expectation. The same pattern is observed for 2022. Whereas 27.3% of women expected the unemployment situation to worsen, 34.7% of men had the same expectation. The possible explanation for the gender differences in responses is that most women are self-employed and have relatively more control over their employment situation. In 2021, a larger percentage of all age groups were optimistic about the general unemployment situation in the next 6 months. However, in 2022, the majority (36.6%) of the middle age group (38 to 67 age) reported that they expect the unemployment situation to be worse. Given that most working people belong to this age group, the decline of the labour market optimism in 2022 is driven by the middle age group. When it comes to personal employment situation, a significantly high percentage of the younger age group (35.0%) expected to lose their job in 6 months. Given that Ghana already has a very large unemployment rate among the youth, this expectation is worrisome and requires policy makers attention.

**Figure 7: Expected changes in unemployment and own unemployment situation
(Percentage responses)**



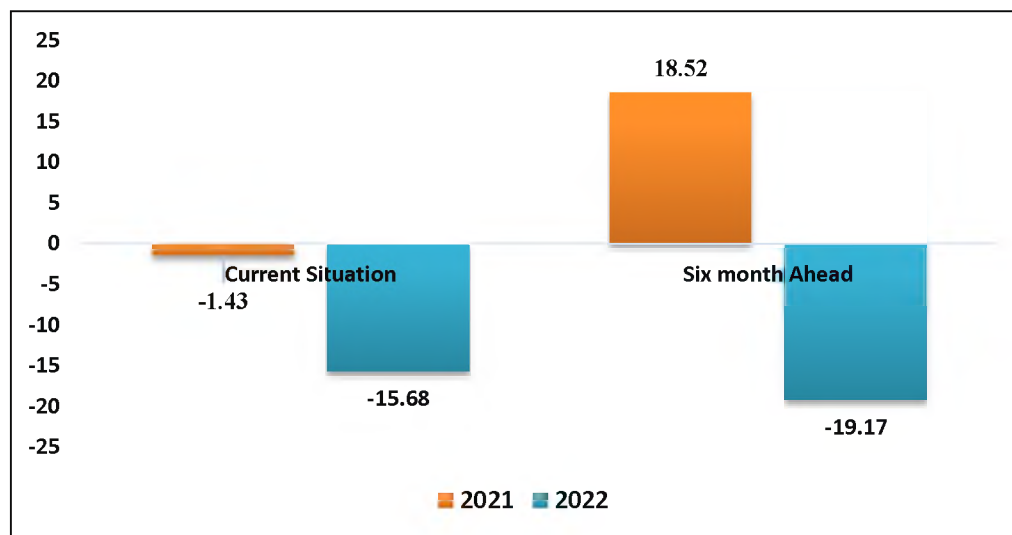
Source: IEA Consumer Confidence Survey, 2022

3.4 Perceptions and Expectations of Household Financial Situation

The survey statistics show that overall consumers' financial situation over the 6 months prior to the survey in 2022 has deteriorated significantly from what it was in 2021. From table 4, only 15.7% of consumers said their household financial situation has become better or slightly better. This is less than half of what the situation was in 2021. Again, a greater majority of consumers (71.6%) said their financial situation got worse or slightly worse. This is more than twice of the

35.0% of consumers who said the same in 2021. The short-term expectation of the financial situation (next 6 months) also depicts a worse pattern. In 2022, a smaller percentage of consumers (23.0%) expected the financial situation to become better or slightly better, compared to 80% of consumers who said the same in 2021. This is also confirmed by the significant drop in the net response for the current household financial situation as well as that of the six month ahead as shown in figure 8 below. The pattern of the general responses for 2022 are the same for each gender and age group. Hence, the financial burden on consumers equally cuts across both gender and age groups in the economy. The responses are also in line with the general pessimism about the future economic situation due to the economic crisis.

Figure 8: Perceptions and Expectations of Household Financial Situation (Net Responses)



Source: IEA Consumer Confidence Survey, 2022

3.5 Time to Purchase Consumer Durables

Consumers were mixed about their desire to purchase consumer durables. Results from table 5 show that in 2022, a relative minority of consumers (25.3%) reported that it was the right time to purchase consumer durables. This is a decline from the 36.80% of consumers who thought it was the right time to purchase consumer durables in 2021. A significant percentage of consumers (32.5%) reported that the time was not right to purchase consumer durables in 2022. This is also a rise from 22.4% in 2021. However, there is a significant percentage (28.30%) of consumers who were unsure and responded that it was neither the right time nor the wrong time to purchase consumer durables in 2022. The result above is an indication that the short-term uncertainty of the direction of the economy due to the current economic crisis has made more consumers become cautious about committing funds into consumer durables in case it becomes necessary for them to use those funds to purchase everyday consumption goods. The net response in 2022 is -3.6 which is a significant reduction from the level of 7.2 in 2021. Hence, consumers are more uncertain about the current economic crisis than they were during the Covid-19 pandemic.

From table 5 it is obvious that the responses by men and women in both 2021 and 2022 surveys are similar and follow the same pattern as the general responses reported above. Men and women are equally more uncertain about the current economic situation than they were during the Covid-19 pandemic. Based on age groups, the mature age groups (38-67, and over 67) are generally pessimistic about buying household durables compared to the younger age group (18-37) in 2022. This is completely the reverse of the situation in 2021 when the younger age group was more pessimistic. The older age group (67 and older) demonstrated a significant swing in their perceptions on the decision to purchase consumer durables. In 2021, an overwhelming percentage (75.00%) of them reported that the time was right to buy consumer durables though 25% of them were unsure. However, in 2022, only 25.88% reported that the time was right to buy consumer durables and a significant majority of them think it is not the right time. This significant shift in perceptions by this age group may indicate that though they may have greater financial capability than the youth, their perceptions on purchasing consumer durables are significantly volatile since most of them are on fixed income.

3.6 Household Spending Expectation

Household spending expectation has not changed between the 2021 and 2022 surveys. Results from table 6 indicate that almost 60% of respondents in both years reported that they expect their households to spend more on general goods in the next 6 months. This is impressive in an economy with an ongoing economic crisis that has led to astronomical increase in cost of living and significant depreciation of the currency over a short period. Though the situation is understandable for the 2021 survey when consumers expressed optimism about future economic developments, it is an anomaly for consumers in 2022 to expect to spend more in the future when they are pessimistic about future economic developments and financial positions. However, if they have significant savings from which they could use as buffer stock for future spending, then the results may make sense. This may also be due to the Christmas season on the horizon when consumers increase their spending on general goods. On the other hand, 22.0% said they expect their households to spend less in 2022 compared to 27.40% in 2021.

Generally, men and women had similar expectations for both survey years. Based on age groups, a greater percentage of all age groups reported that they expect to spend more on general household goods in the next 6 months in both survey years. The younger age group (18-37) are consistently less pessimistic compared to the two older age groups. This results together with those on the purchase of household durable goods show that, though the younger age group is committed to buying household durables for the start of their family life, they are pessimistic about spending more in the future as they build up savings over their life cycle.

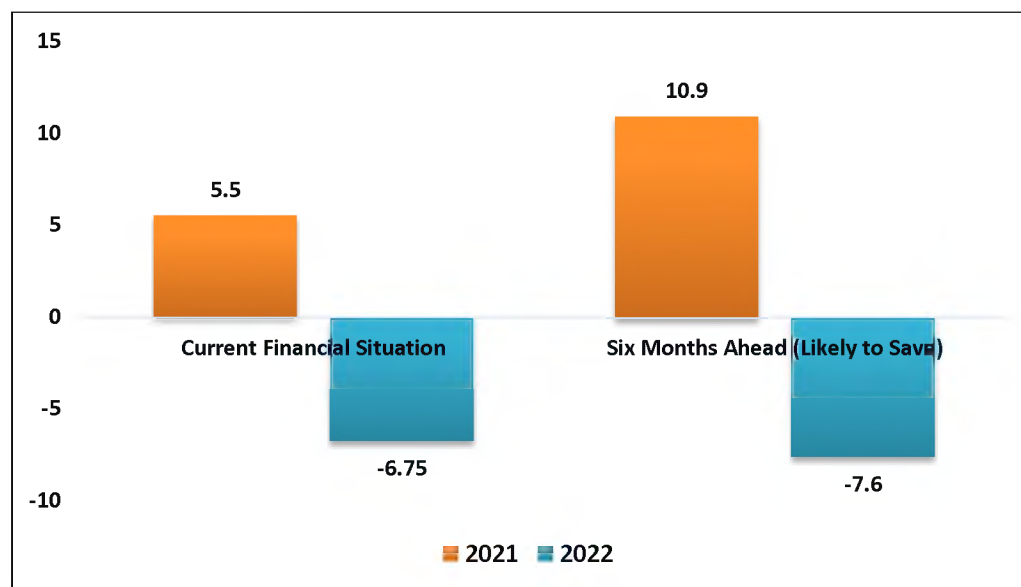
3.7 Perceptions and Expectations of Savings

Two important factors from the survey have implications on consumers' current and expected savings decisions. First, consumers' pessimism about their expectation on the overall economic situation, including their financial situation in 2022 compared to 2021 may have positive impact on consumers' current and expected savings. Second, consumers' upbeat about their employment

status in the labour market may have negative effect on current and expected future savings. Table 7 below presents the statistics on the question of how likely it was that consumers' households would change their current and expected savings behaviour. In 2022, 18.4% of consumers said they are saving, and 39.0% said they are running into debt or depending on previous savings. The corresponding percentages are 41.2% and 11.5% respectively for 2021. A significant percentage of consumers (44.4% for 2021 and 40.3% for 2022) responded that they are managing to make ends meet on their income. Hence, consumers' upbeat about their own employment status in the labour market has led to their desire to save less. Consumers also indicated that they have confidence in saving more in the next 6 months. In 2021, 72.4% of consumers indicated that it is likely or fairly likely they will save more in the next 6 months. This percentage reduced significantly to 41% in 2022. Certainly, consumers' expectations on the overall economic and financial situations have reduced their confidence in future savings. For those who said they are not likely to save in the next 6 months, 47.7% of them said they are expecting the economic situation to worsen. Also, 41.2% of those who said they are likely to save in the future, said they are expecting the general economic situation to improve and 31.1% of them expected future higher income. Hence, present and expectations on general economic conditions and financial situations, have significant impact on present and expected savings.

The low current savings and confidence in future savings are shown equally by both men and women and across all age groups except the old age group (over 67 years) who generally do not save much and most of them (75% in 2021 and 48.58% in 2022) depend on their income to spend. In summary, figure 9 shows the net responses which generally summarizes the trend of the financial situation in 2021 and 2022.

Figure 9: Perceptions and Expectations of Savings (Net Responses)



Source: IEA Consumer Confidence Survey, 2022

4. SUMMARY OF THE CONSUMER CONFIDENCE SURVEY RESULTS

The CCS reflects prevailing economic conditions and likely developments for 6 months ahead. This year's CCS reports detailed consumers' attitudes based on current and expected economic conditions, financial situations, labour market conditions, expectations for inflation, buying intentions and savings behaviour. Data are available by gender, age, and region, and the analyses in this report compared the results from the 2022 survey with those from the 2021 survey.

Consumers were pessimistic in their assessment of the current and 6 months ahead general economic situations. They also expected future price levels to increase. Certainly, concerns about currency depreciation and inflation which have been increasing significantly since the beginning of the current economic crisis, with petrol, transportation, and food prices serving as main drivers, have had a negative economic impact on consumers and their perception on the general economic situation. In 2022, 84.3% of consumers said the general economic conditions have worsened or slightly worsened. This is up from 44.2% in 2021 and has negatively impacted consumers' financial situation. Consumers expressed more pessimism on their expectation of future economic conditions in 2022 compared to 2021. A smaller proportion of consumers (31.4%) said that they expect the 6 months ahead outlook on the general economic condition to improve or slightly improve. This is a significant decline from the 63.5% of consumers with the same expectation in 2021. Hence, most consumers expect the present worse economic conditions to continue at least for the next 6 months.

The pessimism about the present and expected general economic situation has impacted negatively on consumers' financial situation. Only 15.7% of consumers said their household financial situation has become better or slightly better. This is less than half of what the situation was in 2021. A greater majority of consumers (71.6%) said their financial situation got worse or slightly worse. This is also more than twice the 35.0% of consumers who said the same in 2021. The short-term expectation of the financial situation (next 6 months) also depicts a worse pattern. In 2022, a smaller percentage of consumers (23.0%) expected the financial situation to become better or slightly better, compared to 80% in 2021.

Consumers' appraisal of the labour market was cautiously upbeat. Many consumers (43.10%) said they expected the overall unemployment situation to improve in the next 6 months, while 31.0% reported that they expected it to worsen. This confidence in the labour market is a retreat from 2021 when 54.20% of consumers expected general unemployment to improve and only 16.7% expected general unemployment to worsen.

The general economic and financial situations, coupled with current and expected labour market conditions have impacted negatively on consumers spending on consumer durables and savings behaviour. Consumers reported that they are not confident to commit funds into consumer durables in case it becomes necessary to use those funds to purchase everyday consumption goods. In 2022, a minority of consumers (25.3%) reported that it was the right time to purchase consumer durables. This is a fall from the 36.80% of consumers who thought it was the right time to purchase consumer durables in 2021. Given that a higher percentage of consumers (32.5%) reported that the time was not right to

purchase consumer durables in 2022, which is a rise from 22.4% in 2021, it can be concluded that consumers' assessment of their spending on consumer durables declined in 2022.

However, the current economic crisis does not seem to impact significantly on consumers' spending expectations. Almost 60% of respondents in 2022 reported that they expect their household to spend more on general goods in the next 6 months. This is the same as 2021. Though the situation is understandable for the 2021 survey when consumers expressed optimism about future economic developments, it is an anomaly in 2022 for consumers to expect to spend more in the future when the economy is in crisis, and they are pessimistic about future economic developments and their financial positions. May be the Christmas buying effect is reflected in their expectations. Perhaps they intend to finance future spending with accumulated savings. However, consumers reported low current savings and low confidence in future savings in 2022.

The summary net responses and consumer confidence indices are reported on table 8 below. All net responses related to present perceptions were averaged to obtain the overall present perception index, and all net responses related to expected situations were averaged to obtain the overall expected situation index. The net responses for 2021 and 2022 for both present perceptions and expected situations are reported and their weighted differences calculated. The net responses for 2022 for all the components of present perceptions are negative and smaller than those for 2021. Hence, the changes are negative. This implies that consumers' confidence for all components were lower in 2022 compared to 2021. The present situation index (48.49) for 2022 is significantly lower than 100 (the base year-2021 value), implying a significant decline in consumer confidence in terms of present perceptions. For the expected situations, only the labour market and general spending components show improvements in consumer confidence by smaller percentages. However, given that there is very large decline in confidence for expected financial situation and expected savings, the overall future expectation index for 2022 (71.37) is also smaller than 100, indicating a decline in consumer confidence in terms of expected outcomes. The overall measure of consumer confidence index of 59.93 for 2022 is the average of the two sub-indices (present situation index and expectation index). This is smaller than 100, which indicates a significant decline in the overall consumer confidence in 2022. Hence, the hope for a better post Covid-19 recovery economy as expressed by consumers during the 2021 survey has been dashed with the current economic crisis that has exerted tougher hardships on consumers than Covid-19 did.

5. TECHNICAL NOTES

5.1 Sample Design

The questionnaires were administered to adults of 18 years and above in 7 main metropolitan areas (Accra-Tema, Kumasi, Sekondi-Takoradi, Cape Coast, Ho, Tamale, and Koforidua), because of their large, dense, and diversified population. The survey used a probability sample design whereby each person aged 18 years and above and of sound mind within these metropolises has a known non-zero chance of being included in the sample. The sample design is stratified and clustered and employed sampling with probability-proportional-to-size (PPS) of the population. Stratification was based on twenty-five locations in the seven domains of analysis (the selected metropolitan areas). The sub-domains were the gender and age of the respondents. The selection of individuals within the primary sampling units (PSUs) followed the strict sampling procedures recommended by the United Nations (2005).

5.2 Sample Size and its Allocation

Several factors, including resources, logistics, and the questions to be asked influenced the choice of the sample size. However, the guiding principle was the United Nations Sustainable Development Goals (SDGs), especially SDG1 & SDG8, which refer to “Ending poverty in all its forms everywhere” and “Decent Work and Economic Growth”, respectively, by 2030. The final sample size of 1050 individuals were targeted. However, a total of 1019 responses were successfully mobilized from the field work.

5.3 Sample Selection

The selection of eligible respondents from selected enumeration areas, and households was undertaken in the following three stages:

- *Sample selection was limited to twenty-five selected business centres in the seven selected metropolitan areas for data collection. Each centre was selected based on the intensity of the economic activity carried out in the centre and the diversity of consumers in the centre.*
- *Each business centre was allocated a total number of target responses to be obtained according to the probable proportion of each gender in the business centre. This was to ensure adequate representation of the consumers in the centre.*
- *Data was collected at the identified business centres according to their sample targets allocated to them.*

5.4 Implementation of field data collection

The consumer confidence survey results were derived from personal interviews at the twenty-five selected business centres. A structured questionnaire was developed and used to ensure uniform responses. Eleven field workers were engaged in this exercise from 1st September 2022 to 4th

October 2022 in the selected business centres in the seven metropolitan areas. Each field worker had a minimum qualification of a bachelor's degree. Before embarking on the survey exercise, all the field workers received a one-day orientation and training organized and delivered by the Research Assistant at the IEA. The purpose of the training exercise was to explain the entire survey process and the survey questions to the field workers. The manual questionnaire administration technique was employed during the data gathering process. The field work was also supervised by the Research Assistant to ensure proper data gathering process. Data gathered were then captured in SPSS Software and Microsoft Excel for analyses. Under the analyses, simple descriptive statistics and cross tabulations were employed.

5.5 Measuring net responses and consumer confidence

Consumer confidence was measured by net responses which are derived as the percentage of respondents with positive response less the percentage with negative response. If the question has two positive responses, a neutral response, and two negative responses, we took the weighted average. Such responses are weighted as follows: improved (+10), improved slightly (+5), remained the same (0), slightly worsened (-5), and worsened (-10). If the question has three responses, then they are weighted as follows: increased (+10), remained the same (0), and decreased (-10). Hence, the net responses lie between -100 (extreme worse outcome) and +100 (extreme better outcome). The present situation index (PSI) is the average of indices for all present perceptions relative values using the 2021 relative values as the base year values. Similarly, the expectation index (EI) is the average of indices for all expected relative values using the 2021 relative values as the base year values.² The composite consumer confidence index is the average of the present situation index and the expectation index.

²² Relative value is a proportion which is calculated as each question's positive response divided by the sum of positive and negative responses. The relative value for each question in 2022 is compared against each relative value from 2021 (the base values) to generate an index value for each question. The index values of all questions are then averaged to obtain the Present Situation Index and the Expected Situation Index.

6. TABLES

Table 1: Perceptions and expectations of general economic situation (percentage responses)

Survey Year	Current Economic Situation					Net Response	Six Months Ahead Economic Situation					Net Response
	Improved	Slightly Improved	Remained the Same	Slightly Worsened	Worsened		Improved	Slightly Improved	Remained the same	Slightly Worsened	Worsened	
2021	5.2	29.1	19.9	25.9	18.3	-3.83	24.6	38.9	15.1	9.5	10.3	9.66
2022	2.9	4.3	5.0	16.8	67.5	-23.62	21.5	9.9	9.5	4.3	21.2	1.03
Gender 2021												
Male	6.9	30.8	20	23.1	18.5	-2.58	23.1	43.1	12.3	10	8.5	10.38
Female	3.3	27.3	19.8	28.9	18.2	-5.23	26.2	34.4	18	9	12.3	8.87
Gender 2022												
Male	3.65	5.27	4.67	18.05	64.71	-22.48	29.82	22.25	8.11	1.16	22.92	5.82
Female	2.14	3.50	5.44	15.92	69.71	-24.59	37.43	20.08	10.92	8.38	19.49	7.93
Age 2021												
18-37	5.73	28.65	21.88	25	16.67	-3.04	26.94	39.90	15.03	9.33	7.25	11.66
38-67	3.70	33.33	12.96	24.07	25.93	-5.87	18.52	37.04	12.96	7.41	22.22	3.71
Above 67	0	0	25	75	0	-2.5	0	25	50	25	0	0
Age 2022												
18-37	3.09	5.02	5.60	14.67	68.92	-23.55	37.79	21.12	9.11	9.30	20.16	7.85
38-67	2.67	3.64	4.37	18.45	66.26	-23.67	27.91	19.66	10.68	10.92	24.03	2.75
Above 67	2.35	3.53	4.71	22.35	64.71	-23.92	35.29	29.41	7.06	7.06	8.24	12.74

Source: IEA Consumer Confidence Survey, 2022

Table 2: Expectations of change in consumer prices (percentage responses)

Survey Year	Increase	Remain stable	Decrease	Net response
2021	55.8	17.9	21.9	-16.9
2022	46.6	17.9	29.5	-8.5
Gender 2021				
Male	56.6	17.1	23.3	-16.6
Female	54.9	18.9	20.5	-17.2
Gender 2022				
Male	49.2	16.8	27.2	-5.3
Female	43.9	19.3	31.9	-6.0
Age 2021				
18-37	52.8	18.65	23.3	-14.7
38-67	66.0	15.09	13.2	-26.4
Above 67	75.0	0.00	25.0	-25.0
Age 2022				
18-37	44.7	16.1	34.5	-5.1
38-67	50.2	18.4	23.6	-13.3
Above 67	45.2	26.2	28.6	-5.3

Source: IEA Consumer Confidence Survey, 2022

Table 3: Expected changes in unemployment and own unemployment situation (percentage responses)

Survey Year	Expected change in unemployment situation			Net response	Six months ahead (expected change in unemployment situation)		Net response
	Improve	Remain the same	Worsen		Maintain my job	Lose my job	
2021	54.2	23.5	16.7	18.8	56.7	0.4	28.2
2022	43.1	12.9	31.0	6.1	61.1	2.5	29.3
Gender 2021							
Male	53.1	23.8	21.5	15.8	59.5	0.0	29.8
Female	55.4	23.1	11.6	21.9	53.7	0.8	26.5
Gender 2022							
Male	39.6	12.3	34.7	2.45	29.3	1.3	14.0
Female	47.0	13.4	27.3	9.9	31.8	1.3	15.3
Age 2021							
18-37	57.8	21.9	15.6	21.1	52.1	0.0	26.1
38-67	40.7	29.6	20.4	10.15	71.7	0.0	35.9
Above 67	75.0	0	25.0	25.0	66.7	0.0	33.4
Age 2022							
18-37	50.0	12.7	27.5	11.2	58.0	35.0	11.5
38-67	32.8	12.8	36.6	-1.9	69.0	1.8	33.6
Above 67	52.4	14.3	23.8	14.3	40.0	0.0	20.0

Source: IEA Consumer Confidence Survey, 2022

Table 4: Perceptions and expectations of household financial situation (percentage responses)

Survey Year	Current Situation					Net response	Six Months Ahead					Net response
	Got better	Got slightly better	Remained the same	Got slightly worse	Got worse		Get better	Get slightly better	Stay the same	Get slightly worse	Get worse	
2021	13.4	19.5	27.9	15.1	19.9	-1.43	39.9	40.1	9.5	3.2	2.8	18.52
2022	7.6	8.1	9.9	25.8	45.8	-15.68	17.3	5.7	7.6	25.5	34.9	-9.17
Gender 2021												
Male	14.62	16.15	33.08	17.69	15.38	-0.51	36.15	46.15	9.23	3.08	2.31	18.46
Female	12.40	23.14	22.31	12.40	24.79	-2.34	42.62	33.61	9.84	3.28	3.28	18.17
Gender 2022												
Male	7.89	0.93	9.31	24.70	44.94	-16.31	18.02	6.48	8.70	26.52	30.77	-7.59
Female	7.45	7.06	10.59	26.67	46.27	-16.21	16.34	5.12	6.30	24.61	39.37	-10.93
Age 2021												
18-37	13.54	21.88	32.29	11.46	17.19	0.52	45.08	38.34	9.84	2.59	1.04	20.64
38-67	14.81	12.96	12.96	22.22	31.48	-7.1	22.22	44.44	7.41	3.70	9.26	11.11
Above 67	0	0	0	100	0	-16.67	0	75	0	25	0	8.33
Age 2022												
18-37	6.98	7.17	9.88	26.16	47.87	-16.80	17.48	5.63	6.99	5.63	22.72	-1.75
38-67	8.27	8.76	9.25	24.82	44.28	-14.68	19.02	5.61	7.80	13.41	26.34	-3.74
Above 67	8.33	10.71	13.10	28.57	39.29	-13.30	8.33	7.14	10.71	22.62	5.95	-1.79

Source: IEA Consumer Confidence Survey, 2022

Table 5: Time to purchase consumer durables (percentage responses)

Survey Year	Household Spending Expectation				Net Response
	Spend more	Spend the same	Spend less	Don't know	
2021	59.9	10.3	27.4	2.4	16.25
2022	59.8	8.6	22.0	9.7	18.9
Gender 2021					
Male	61.5	6.9	28.5	3.1	16.5
Female	58.2	13.9	26.2	1.6	16
Gender 2022					
Male	60.16	8.12	20.52	10.77	19.82
Female	59.33	8.22	23.54	8.75	17.89
Age 2021					
18-37	56.5	11.4	29.5	2.6	13.5
38-67	72.2	7.4	18.5	1.8	35.2
Above 67	75	0	25	0	25
Age 2022					
18-37	45.88	12.94	34.12	7.06	5.88
38-67	58.99	7.73	26.88	6.38	16.05
Above 67	63.51	8.75	13.38	14.35	25.06

Source: IEA Consumer Confidence Survey, 2022

Table 6: Household spending expectations (percentage responses)

Survey Year	Yes, it is the right time	It is neither the right nor the wrong time	No, it is the wrong time	Net response
2021	36.8	33.2	22.4	7.2
2022	25.3	28.3	32.5	-3.6
Gender 2021				
Male	37.2	32.6	23.3	6.95
Female	36.4	33.9	21.5	7.45
Gender 2022				
Male	25.86	28.56	31.56	-2.85
Female	25.24	28.37	33.46	-4.11
Age 2021				
18-37	35	34.55	21.99	6.51
38-67	40.74	29.63	24.07	8.34
Above 67	75	25	0	75
Age 2022				
18-37	28.6	31.7	27.82	0.39
38-67	21.22	25.12	36.10	-7.44
Above 67	25.88	23.53	42.35	-8.23

Source: IEA Consumer Confidence Survey, 2022

Table 7: Perceptions and expectations of savings

Survey Year	Current Financial Situation					Net Response	Six Months Ahead(Likely to Save)			Net Response
	We are saving	We are saving a little	We are managing to make ends meet on our income	We are depending on previous savings	We are running into debt		Very likely	Fairly likely	Not likely	
2021	8.7	32.5	44.4	6.3	5.2	5.5	24.2	48.2	21	10.9
2022	3.5	14.9	40.3	15.6	23.4	-6.75	12.4	28.6	45.6	-7.6
Gender 2021										
Male	8.5	34.6	43.1	7.7	3.1	6.3	27.7	50	15.4	14.9
Female	9.0	30.3	45.9	4.9	7.4	1.29	20.5	46.7	27	6.7
Gender 2022										
Male	3.2	14.4	40.9	14.8	23.3	-6.8	12.5	27.8	46.8	-8.2
Female	3.8	15.6	40.1	16.4	22.3	-6.3	12.4	29.7	44.5	-6.9
Age 2021										
18-37	9.8	35.8	40.4	6.2	4.1	6.8	26.9	50.3	16.1	14.4
38-67	5.6	22.2	55.6	7.4	9.3	1.2	16.7	44.4	33.3	2.2
Above 67	0.0	25.0	75.0	0.0	0.0	4.2	0.0	25.0	75.0	-25.0
Age 2022										
18-37	3.9	14.8	43.0	15.4	21.3	-5.9	14.99	31.2	43.5	-5.2
38-67	3.2	15.7	35.4	16.0	26.7	-7.9	9.0	26.5	46.3	-9.6
Above 67	2.4	11.9	48.8	15.5	19	-6.1	14.1	24.7	54.1	-11.1

Source: IEA Consumer Confidence Survey, 2022

Table 8: Summaries based on net responses and relative values.

Variables	Present perception compared with six months ago			Six months expectations compared with current situation		
	2021	2022	change	2021	2022	Change
Economic Situation	-3.83	-23.62	-19.79	9.66	1.03	-8.63
Price Levels				16.95	8.55	-8.40
Financial Situation	-1.43	-15.68	-14.25	18.52	-9.17	-27.69
Labour Market	18.80	6.10	-12.7	28.20	29.3	1.10
General Spending				16.25	18.9	2.65
Purchase of Durable Goods	7.20	-3.60	-10.80			
Savings	5.50	-6.75	-12.25	10.92	-7.56	-18.48
Present Situation Index	100	48.49		-	-	-
Future Expectation Index	-	-	-	100	71.37	
Consumer Confidence Index	59.93					

Source: IEA Consumer Confidence Survey, 2022. Changes are calculated as the 2022 values less the 2021 values.