

PRESS RELEASE

December 19, 2024

Consumer Climate: Slight recovery at the end of the year, modest outlook for 2025

Nuremberg, December 19, 2024 – Consumer sentiment recovered slightly towards the end of the year. Both income expectations and the willingness to buy rose in December, while the willingness to save decreased. As a result, the consumer climate is expected to improve slightly at the beginning of the new year. For January 2025, an increase of 1.8 points to -21.3 points is forecast compared to the previous month (revised -23.1 points). This is shown by the latest results of the GfK Consumer Climate powered by NIM. It has been published jointly by GfK and the Nuremberg Institute for Market Decisions (NIM), founder of GfK, since October 2023.

In addition to the positive developments in income expectations and the willingness to buy, a declining willingness to save is contributing to the slight recovery of the consumer climate. The indicator fell by six points compared to the previous month and now stands at 5.9 points.

“After the slump in the previous month, consumer sentiment has improved slightly, but only partially offsetting the previous declines. At -21.3 points, the consumer climate remains at a very low level. Looking back, we have just seen stagnation since mid-2024,” explains Rolf Bürkl, consumer expert at NIM. “A sustained recovery in consumer sentiment is not yet in sight, as consumer uncertainty is still too high. The main reason is high food and energy prices. In addition, concerns about job security are growing in many sectors.”

Economic expectations stabilize at a low level

After four consecutive declines, consumers' economic expectations stabilize at the end of the year. The indicator gains 3.9 points, thus offsetting the losses of the previous month. It currently stands at 0.3 points, roughly the same as last year's level.

Although the downward trend in economic sentiment has been stopped for the time being, consumers do not yet see any signs of a sustained economic recovery. This view is shared by economic experts: the growth outlook for 2025 has been significantly downgraded in the latest forecasts. Economic research institutes expect minimal growth at best for the coming year. The forecast for 2024 is a negative zero.

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Income expectations recover after slump in the previous month






After the sharp decline in the previous month, income expectations recovered somewhat in December. However, the increase of 4.9 points only sharply compensates for the heavy losses of over 17 points in November. The income indicator now stands at 1.4 points

Despite the increase, the level of income sentiment is still significantly lower than it was in the summer of this year. Downward revisions in growth forecasts and rising unemployment figures are currently preventing a significant recovery in income expectations. In addition, the significant real income gains that we have seen this year are likely to be a thing of the past in 2025.

Willingness to buy remains stable at a low level

Willingness to buy also continues its stable development at the end of the year. The indicator has gained 0.6 points and now stands at -5.4 points. This makes up for about half of the losses from the previous month. Compared with the same period last year, the indicator has risen by more than three points. In addition to high food and energy prices, increasing job concerns are currently preventing an improvement in consumer sentiment. Intense discussions about job cuts, plant closures and the relocation of production abroad are also contributing to these concerns.

The following **table** shows the values of the individual indicators in December 2024 compared to the previous month and previous year:

		2025		2024	2023
		January	December	November	December
	Economic expectations	-	0,3	-3,6	-0,4
	Income expectations	-	1,4	-3,5	-6,9
	Willingness to buy	-	-5,4	-6,0	-8,8
	Willingness to save	-	5,9	11,9	7,3
<i>The Consumer Climate is calculated from these 3 indicators</i>					
	Consumer Climate¹	-21,3	-23,1	-18,4	-27,6

Source: GfK Consumer Climate powered by NIM | co-funded by the European Commission | 12/24

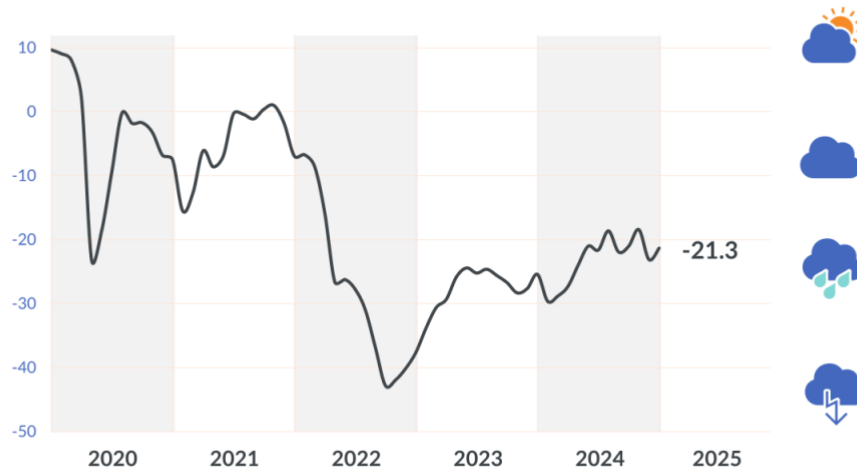
¹Consumer sentiment can be interpreted as a leading indicator of consumer behavior in Germany. Analyses have shown that sentiment is an early indicator for the actual development of private consumption. The consumer climate is calculated from the December values for income expectations, willingness to buy and willingness to save - as a leading indicator for the development of consumption in January 2025.

The following **diagram** shows the development of the Consumer Climate indicator over the last few years:

Consumer Climate: Slight recovery at the end of the year, modest prospects for 2025



Forecast for January 2025



12/19/2024

Source: GfK Consumer Climate powered by NIM | co-funded by the European Commission | 12/24

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Planned publication dates 1st half of 2025 (CET):

- Wednesday, 29.1.2025, 8:00 a.m.
- Wednesday, 26.2.2025, 8:00 a.m.
- Friday, 28.03.2025, 8:00 a.m.
- Tuesday, 29.4.2025, 8:00 a.m.
- Tuesday, 27.5.2025, 2025, 8:00 a.m.
- Thursday, 26.6.2025, 8:00 a.m.

About the method

The survey period for the current analysis was from December 5 to December 16, 2024. The results are extracted from the “GfK Consumer Climate *powered by NIM*” study and are based on around 2,000 consumer interviews per month conducted on behalf of the European Commission. The report presents the indicators in the form of graphics accompanied by brief comments. Consumer sentiment refers explicitly to all private consumer spending. Depending on the definition used, however, retail accounts for only around 30 percent of private consumer spending. Services, travel, housing costs, healthcare services, and the wellness sector as a whole account for the rest. Again, this does not apply to retail sales, but instead to total consumer spending. Like all other indicators, willingness to buy is a confidence indicator. It indicates whether consumers currently consider it advisable to make larger purchases. Even if they answer “Yes” to this question, there are two further requirements for making a purchase: The consumer must have both money required for such a large purchase and must also see a need to make this purchase. Furthermore, this only concerns durable consumer goods that also require a larger budget.

GfK Consumer Climate *powered by NIM*

The GfK Consumer Climate survey, which is being conducted regularly since 1974 and monthly since 1980, is regarded as an important indicator of German consumer behavior and a guiding light for Germany's economic development. Since October 2023, the Consumer Climate data collected by GfK has been analyzed and published jointly with the Nuremberg Institute for Market Decisions (NIM), the founder of GfK. By joining forces, it will be possible to invest further in the analysis and development of the Consumer Climate study to gain an even better understanding of the background to changes in consumer confidence.

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Nuremberg Institute for Market Decisions

The Nuremberg Institute for Market Decisions (NIM) is a non-profit research institute at the interface of academia and practice. NIM examines how consumer decisions change due to new technology, societal trends or the application of behavioral science, and what the resulting micro- and macroeconomic impacts are for the market and for society as a whole. A better understanding of consumer decisions and their impacts helps society, businesses, politics, and consumers make better decisions with regard to “prosperity for all” in the sense of the social-ecological market system.

The Nuremberg Institute for Market Decisions is the founder of GfK.

Further information is available at <https://www.nim.org/en> and [LinkedIn](#).