



BANK OF ENGLAND

News release

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Bank of England/NOP Inflation Attitudes Survey

This news release describes some of the main results of the Bank of England's November 2001 survey of public attitudes to inflation.

Highlights from the survey

Question 1: Asked to give the current rate of inflation, respondents' median answer is 1.7%, the lowest figure since the first survey two years ago. This follows five consecutive quarters when the median remained at 2.2% +/- 0.1.

Question 2: Median expectations of inflation over the coming year are also down, to 1.9% - again the lowest since the first survey two years ago.

Question 3: By a margin of 48 to 8%, people believe that Britain's economy would end up weaker rather than stronger if prices started to rise faster. These figures are similar to those in all previous surveys.

Question 4: 60% of respondents think the 2.5% inflation target is about right. This is similar to the figures reported in February and May, and suggests that the dip to 55% in those saying "about right" in August was a statistical blip, rather than a real change.

Question 5: 66% think interest rates have fallen over the last 12 months (the highest since this series began; it compares with 54% in August), while 10% think they have risen (the lowest; down from 15% three months ago). The proportion saying rates have fallen "a lot" is up to 37%, more than double the 17% recorded in August - the previous highest figure in this series.

Question 6: Expectations of future interest rate movements have not, however, shifted since August, with 36% expecting them to rise over the next 12 months while just 18% expect them to fall.

Question 7: Asked what would be best for the British economy - higher interest rates, lower or no change - the proportion saying they should go up has risen again. At 14%, the proportion is still low, and only a point higher than in the previous survey.

Question 8: When asked what would be best "for you personally", 24% say interest rates should "go up", while 32% say "go down". The net 8% saying "down" rather than "up" is the lowest since the series began; it compares with a net 13% in August and 19% a year ago.

Questions 9 to 13 are asked in the February survey only.

Question 14: The satisfaction ratings of the Bank of England have reached a new peak, with a highest-ever 62% satisfied and just 8% dissatisfied. Overall, the results confirm that satisfaction with the Bank is inversely related to perceptions of interest rate movements. The Bank's lowest net ratings, in February and May 2000, were when the highest numbers said rates had risen over the previous 12 months. This month's rating comes in a survey that shows that more people than in previous surveys have noticed that rates have been falling.

Notes to Editors

NOP interviewed a quota sample of 1,929 people aged 15 and over in 175 randomly-selected enumeration districts throughout Great Britain between 15 and 20 November 2001. The raw data was weighted to match the demographic profile of Great Britain as a whole. This survey comprises nine questions, which are asked every February, May, August and November. The February 2001 survey, described in an article in the Summer 2001 issue of the Quarterly Bulletin, included an additional five questions that will be asked once a year (every February) because the answers are likely to change only slowly.