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Bank of England/NOP Inflation Attitudes Survey

This news release describes the main results of the Bank of England's quarterly survey of public attitudes to inflation, undertaken in November 2002. A Summary table of results is attached.

Highlights from the survey

- Question 1: Asked to give the current rate of inflation, respondents give a median answer of 2.1%. This is the same as the average of 2.1% in the previous 12 surveys.
- Question 2: Median expectations of inflation over the coming year were also 2.1%. This again is the same as the average over the past three years.
- Question 3: By a margin of 48 to 8%, people think that Britain's economy would end up weaker rather than stronger if prices started to rise faster, in line with previous surveys.
- Question 4: 56% of respondents think the 2.5% inflation target is about right. This is the same as the three-year average.
- Question 5: 37% think interest rates have fallen over the past 12 months, while 18% think they have risen. These are very similar to the outturns in August of 38% and 19% respectively.
- Question 6: Asked about the future path of interest rates, the proportion expecting them to rise has fallen to 40% from 49-52% recorded in the three previous surveys conducted this year. The proportion expecting rates to fall has increased only slightly, from 9% to 10% since August. However, the proportion saying "don't know" has increased from 16 to 22% - the highest since this series began.
- 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 slipped back from 19% in August (the highest in this series) to 17%. The same proportion (17%) think a fall would be best; but once again, the largest proportion, 39%, think rates should stay where they are.
- Questions 8: When asked what would be best "for you personally", 22% say interest rates should "go up", while 29% say "go down". These figures have changed little during 2002.
- Questions 9-13 are only once a year in February.*

- Question 14: Respondents were asked to assess the way the Bank of England is "doing its job to set interest rates to control inflation". The proportion satisfied with the Bank of England remains high at 53%, although below the high of 62% in November 2001. Only 10% of respondents were dissatisfied.

Notes to Editors

*Although the main survey is conducted quarterly, the February survey each year includes five extra questions, the answers to which have been shown to change slowly over time, and it has also double the sample size of the other surveys. An article in the summer Quarterly Bulletin examined the trends seen in the four surveys up to and including February, and included the responses to the five annual questions.

In the November survey, NOP interviewed a quota sample of 1,960 in 175 randomly-selected enumeration districts throughout Great Britain between 14 and 19 November 2002. The raw data was weighted to match the demographic profile of Great Britain as a whole.