



13 December 2007

Bank of England/Gfk NOP Inflation Attitudes Survey

This news release describes the results of the Bank of England's latest quarterly survey of public attitudes to inflation, undertaken in November 2007.

Highlights from the survey

Question 1: Asked to give the current rate of inflation, respondents gave a median answer of 3.2%, a series high, compared with 2.8% in the August survey.

Question 2: Median expectations of the rate of inflation over the coming year were 3.0%, a series high, compared with 2.7% in August, the previous series high.

Question 3: By a margin of 56% to 7%, survey respondents believed that the economy would end up weaker rather than stronger if prices started to rise faster. These outturns are in line with responses since November 2005.

Question 4: 51% of respondents thought the inflation target was 'about right', while the proportions saying the target was 'too high' or 'too low' were 22% and 15% respectively. These outturns are broadly in line with those of recent years.

Question 5: 73% of respondents said that interest rates had risen over the past 12 months, compared with 77% in August. 2% of respondents thought that interest rates had fallen over the past 12 months, the same proportion as in August.

Question 6: When asked about the future path of interest rates, 52% expected rates to rise in the next 12 months, compared with 69% in August. 15% of respondents expected interest rates to fall in the next 12 months, compared with 4% in August.

Question 7: Asked what would be 'best for the economy' - higher interest rates, lower rates or no change - 9% thought rates should 'go up', compared with 12% in August. 39% of respondents, a series high, thought that interest rates should 'go down', compared with 33% in August. 30% thought interest rates should 'stay where they are', compared with 35% in August.

Question 8: When asked what would be 'best for you personally', 16% said interest rates should 'go up', similar to responses over the past few years. 45% of respondents said it would be better for them if interest rates were to 'go down', which was the same proportion as the series high in August.

Questions 9-13 are only asked 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 net satisfaction index - the proportion satisfied minus the proportion dissatisfied - was 31%, compared with 32% in August. This was the lowest net satisfaction index outturn since May 2000, when it was 30%.

Notes to Editors

GfK NOP interviewed a quota sample of 2,054 people aged 15 and over in 175 randomly-selected enumeration districts throughout Great Britain between 15 and 20 November 2007. The raw data were weighted to match the demographic profile of Great Britain as a whole.

*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 is double the sample size of the other surveys. An article in the summer 2007 Quarterly Bulletin examined the pick up in the general public's inflation expectations since 2005 and the factors that may have contributed to that rise. This also included the responses to the five annual questions.

Summary Results - November 2007

<http://www.bankofengland.co.uk/statistics/Documents/nop/inflationattitudesnov07.xls>