



News release

11 September 2008

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 August 2008.

Highlights from the survey

Question 1: Asked to give the current rate of inflation, respondents gave a median answer of 5.4%, a series high and compared with 4.9% in May 2008, the previous series high.

Question 2: Median expectations of the rate of inflation over the coming year were 4.4%, a series high and compared with 4.3% in May, the previous series high.

Question 3: By a margin of 76% to 3%, survey respondents believed that the economy would end up weaker rather than stronger if prices started to rise faster. This margin was the widest since the survey began in November 1999.

Question 4: 39% of respondents, a series low, thought the inflation target was 'about right', while the proportions saying the target was 'too high' or 'too low' were 19% and 29% respectively. The proportion of respondents saying the inflation target was 'too low' was the highest since the survey began.

Question 5: 63% of respondents said that interest rates had risen over the past 12 months, compared with 59% in May. 7% of respondents thought that interest rates had fallen over the past 12 months, compared with 12% in May.

Question 6: When asked about the future path of interest rates, 54% expected rates to rise over the next 12 months, compared with 48% in May. 10% of respondents expected interest rates to fall over the next 12 months, compared with 17% in May.

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 8% in May. 40% of respondents thought that interest rates should 'go down', compared with 45% in May. 28% thought interest rates should 'stay where they are', compared with 26% in May.

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', compared with 44% in May.

Questions 9-13: are asked 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 net satisfaction index – the proportion satisfied minus the proportion dissatisfied – was 18%, compared with 22% in May. This was the lowest net satisfaction index outturn since the survey began.

Notes to Editors

GfK NOP interviewed a quota sample of 2,115 people aged 16 and over in 175 randomly-selected enumeration districts throughout Great Britain between 14-19 August 2008. 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 2008 Quarterly Bulletin examined public attitudes to inflation and interest rates and can be found at

www.bankofengland.co.uk/publications/quarterlybulletin/m08qbcon.htm.

Summary Results - August 2008

<http://www.bankofengland.co.uk/statistics/Documents/nop/inflationattitudesaug08.xls>

Detailed Survey Tables – August 2008

<http://www.bankofengland.co.uk/statistics/Documents/nop/nopaug08.xls>

Long-Run Summary Results data – November 1999-present

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

Public Attitudes to Inflation and Interest Rates – Quarterly Bulletin Article, Q2 2008

<http://www.bankofengland.co.uk/publications/Documents/quarterlybulletin/qb080201.pdf>