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News release

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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 February 2008.

Highlights from the survey

Question 1: Asked to give the current rate of inflation, respondents gave a median answer of 3.9%, a series high, compared with 3.2% in the November 2007 survey, the previous series high.

Question 2: Median expectations of the rate of inflation over the coming year were 3.3%, a series high, compared with 3.0% in November, the previous series high.

Question 3: By a margin of 63% to 4%, 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.

Question 4: 46% 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 20% and 14% respectively.

Question 5: 58% of respondents said that interest rates had risen over the past 12 months, compared with 73% in November. 10% of respondents thought that interest rates had fallen over the past 12 months, compared with 2% in November. The survey was conducted after the interest rate cut on 7 February.

Question 6: When asked about the future path of interest rates, 43% expected rates to rise over the next 12 months, compared with 52% in November. 20% of respondents expected interest rates to fall over the next 12 months, compared with 15% in November.

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

Question 8: When asked what would be 'best for you personally', 15% said interest rates should 'go up', similar to responses over the past few years. 37% of respondents said it would be better for them if interest rates were to 'go down', compared with 45% in November.

Questions 9-13 are asked only once a year in February.* The results of the responses to these questions will be published as part of the full analysis of the opinion poll in the Bank's Quarterly Bulletin Q2 2008 (June).

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 30%, compared with 31% in November. This was the lowest net satisfaction index outturn since May 2000, when it was also 30%.

Notes to Editors

GfK NOP interviewed a quota sample of 3,985 people aged 15 and over in 350 randomly-selected enumeration districts throughout Great Britain between 7 and 19 February 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.

Summary Results – February 2008

<http://www.bankofengland.co.uk/statistics/Documents/nop/inflationattitudesfeb08.xls>

Public Attitudes to Inflation and Interest Rates – Quarterly Bulletin Article, Q2 2007

<http://www.bankofengland.co.uk/publications/Documents/quarterlybulletin/qb070201.pdf>