



BANK OF ENGLAND

News release

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11 December 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 November 2008.

Highlights from the survey

Question 1: Asked to give the current rate of inflation, respondents gave a median answer of 4.9%, compared with the series high of 5.4% in August 2008. This was the largest quarterly fall since the survey began in November 1999.

Question 2: Median expectations of the rate of inflation over the coming year were 2.8%, compared with the series high of 4.4% in August. This was the largest quarterly fall since the survey began.

Question 3: By a margin of 73% to 4%, survey respondents believed that the economy would end up weaker rather than stronger if prices started to rise faster, compared with 76% to 3% in August.

Question 4: 49% of respondents thought the inflation target was 'about right', compared with 39% in August, while the proportions saying the target was 'too high' or 'too low' were 19% and 18% respectively.

Question 5: 41% of respondents said that interest rates had risen over the past 12 months, compared with 63% in August. 33% of respondents thought that interest rates had fallen over the past 12 months, compared with 7% in August. The survey was conducted after the 150 basis point cut in Bank Rate on 6 November.

Question 6: When asked about the future path of interest rates, 26% of respondents expected rates to rise over the next 12 months, compared with 54% in August. 39% of respondents expected interest rates to fall over the next 12 months, compared with 10% in August. The proportion of respondents expecting rates to fall was the highest since the survey began.

Question 7: Asked what would be 'best for the economy' - higher interest rates, lower rates or no change - 8% thought rates should 'go up', compared with 9% in August. 46% of respondents thought that interest rates should 'go down', compared with 40% in August. 24% thought interest rates should 'stay where they are', compared with 28% in August.

Question 8: When asked what would be 'best for you personally', 20% said interest rates should 'go up', while 41% of respondents said it would be better for them if interest rates were to 'go down', similar to responses over the past few years.

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 19%, compared with 18% in August.

Notes to Editors

GfK NOP interviewed a quota sample of 2,065 people aged 16 and over in 175 randomly-selected enumeration districts throughout Great Britain between 13-18 November 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 - November 2008

<http://www.bankofengland.co.uk/statistics/Documents/nop/inflationattitudesnov08.xls>

Detailed Survey Tables - November 2008

<http://www.bankofengland.co.uk/statistics/Documents/nop/nopnov08.xls>

Long-Run Summary Results data - November 1999 – present

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

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

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