



News release

12 March 2009

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 2009.

Highlights from the survey

Question 1: Asked to give the current rate of inflation, respondents gave a median answer of 4.2%, compared with 4.9% in November 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 2.1%, compared with 2.8% in November. This was the lowest quarterly outturn since May 2005.

Question 3: By a margin of 67% to 6%, survey respondents believed that the economy would end up weaker rather than stronger if prices started to rise faster, compared with 73% to 4% in November.

Question 4: 53% of respondents thought the inflation target was 'about right', compared with 49% in November, while the proportions saying the target was 'too high' or 'too low' were 17% and 15% respectively.

Question 5: 64% of respondents thought that interest rates had fallen over the past 12 months, compared with 33% in November, whilst 16% of respondents said that interest rates had risen over the past 12 months, compared with 41% in November. The survey began on the day of the 50 basis point cut in Bank Rate on 5 February.

Question 6: When asked about the future path of interest rates, 33% of respondents expected rates to rise over the next 12 months, compared with 26% in November. 18% of respondents expected interest rates to fall over the next 12 months, compared with 39% in November.

Question 7: Asked what would be 'best for the economy' - higher interest rates, lower rates or no change - 21% thought rates should 'go up', compared with 8% in November, which was the largest quarterly rise in responses to this question since the survey began. 17% of respondents thought that interest rates should 'go down', compared with 46% in November, which was the largest quarterly fall in responses to this question

since the survey began. 32% thought interest rates should 'stay where they are', compared with 24% in November.

Question 8: When asked what would be 'best for you personally', 30% said interest rates should 'go up' compared with 20% in November; this was the highest proportion since the survey began in November 1999. 25% of respondents said it would be better for them if interest rates were to 'go down', which was the lowest proportion since the survey began.

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 2009 (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 10%, compared with 19% in November. This was the lowest net satisfaction index outturn since the survey began.

Notes to Editors

GfK NOP interviewed a quota sample of 3,921 people aged 15 and over in 350 randomly-selected enumeration districts throughout the United Kingdom between 5-17 February 2009. The raw data were weighted to match the demographic profile of the UK 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 2009

<http://www.bankofengland.co.uk/statistics/Documents/nop/inflationattitudesfeb09.xls>

Detailed Survey Tables - February 2009

<http://www.bankofengland.co.uk/statistics/Documents/nop/nopfeb09.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>