



BANK OF ENGLAND

News release

Press Office

Threadneedle Street

London EC2R 8AH

T 020 7601 4411

F 020 7601 5460

press@bankofengland.co.uk

www.bankofengland.co.uk

11 June 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 May 2009.

Highlights from the survey

Question 1: Asked to give the current rate of inflation, respondents gave a median answer of 4.0%, compared with 4.2% in February 2009.

Question 2: Median expectations of the rate of inflation over the coming year were 2.4%, compared with 2.1% in February.

Question 3: By a margin of 63% to 9%, survey respondents believed that the economy would end up weaker rather than stronger if prices started to rise faster, compared with 67% to 6% in February.

Question 4: 52% of respondents thought the inflation target was 'about right', compared with 53% in February, while the proportions saying the target was 'too high' or 'too low' were 20% and 16% respectively.

Question 5: 63% of respondents thought that interest rates had fallen over the past 12 months, compared with 64% in February, whilst 17% of respondents said that interest rates had risen over the past 12 months, compared with 16% in February.

Question 6: When asked about the future path of interest rates, 44% of respondents expected rates to rise over the next 12 months, compared with 33% in February. 10% of respondents expected interest rates to fall over the next 12 months, compared with 18% in February.

Question 7: Asked what would be 'best for the economy' – higher interest rates, lower rates or no change – 25% thought rates should 'go up', compared with 21% in February. 17% of respondents thought that interest rates should 'go down', the same response as in February. 34% thought interest rates should 'stay where they are', compared with 32% in February.

Question 8: When asked what would be 'best for you personally', 29% said interest rates should 'go up' compared with 30% in February. 25% of respondents said it would be better for them if interest rates were to 'go down', the same response as in February, which was the lowest proportion since the survey began in November 1999.

Question 9*: When asked how strongly respondents agreed or disagreed that a rise in interest rates would make prices rise more slowly in the short term, the net response was 15% in February 2009, compared with 14% in February 2008. When asked how strongly respondents agreed or disagreed that a rise in interest rates would make prices rise more slowly in the medium term, the net response was 26%, compared with 18% in February 2008.

Question 10*: When asked in February if a choice had to be made either to raise interest rates to try to keep inflation down, or to keep interest rates lower and allow prices to rise faster, 66% of respondents said interest rates should rise, a series high; and 13% said prices should be allowed to rise, a series low. These compared with 52% and 17% in February 2008.

Questions 11-13*: The responses to these questions – which ask respondents about which organisation is responsible for setting the basic interest rate – are broadly similar to the responses given in February 2008.

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 17%, compared with 10% in February.

Notes to Editors

GfK NOP interviewed a quota sample of 2,099 people aged 15 and over in 175 randomly-selected enumeration districts throughout the United Kingdom between 7-12 May 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 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. These responses are from the February 2009 survey.

The Q2 Quarterly Bulletin, published on 12 June, will include an article on public attitudes to inflation drawing on the results of this opinion poll.

Summary Results – May 2009

<http://www.bankofengland.co.uk/statistics/Documents/nop/inflationattitudesmay09.xls>

Detailed Survey Tables – May 2009

<http://www.bankofengland.co.uk/statistics/Documents/nop/nopmay09.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>