



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

16 September 2010

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 2010.

Highlights from the survey

Question 1: Asked to give the current rate of inflation, respondents gave a median answer of 3.6%, the same as in May 2010.

Question 2: Median expectations of the rate of inflation over the coming year were 3.4%, compared with 3.3% in May.

Question 3: By a margin of 62% to 9%, survey respondents believed that the economy would end up weaker rather than stronger if prices started to rise faster, compared with 56% to 11% in May.

Question 4: 54% of respondents thought the inflation target was 'about right', compared with 56% in May, while the proportions saying the target was 'too high' or 'too low' were 19% and 15% respectively.

Question 5: 24% of respondents thought that interest rates had fallen over the past 12 months, compared with 34% in May, whilst 29% of respondents said that interest rates had risen over the past 12 months, compared with 23% in May.

Question 6: When asked about the future path of interest rates, 48% of respondents expected rates to rise over the next 12 months, compared with 52% in May. 5% of respondents expected interest rates to fall over the next 12 months, compared with 6% in May.

Question 7: Asked what would be 'best for the economy' - higher interest rates, lower rates or no change - 20% thought rates should 'go up', compared with 25% in May. 17% of respondents thought that interest rates should 'go down', compared with 15% in May. 39% thought interest rates should 'stay where they are', compared with 37% in May.

Question 8: When asked what would be 'best for you personally', 23% of respondents said interest rates should 'go up' compared with 25% in May. 27% of respondents said it would be better for them if interest rates were to 'go down', compared with 26% in May.

Question 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 balance - the proportion satisfied minus the proportion dissatisfied - was 28%, compared with 29% in May.

Notes to Editors

GfK NOP interviewed a quota sample of 2,049 people aged 15 and over in 175 randomly-selected output areas throughout the United Kingdom between 12-17 August 2010. 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.

Key Resources

Summary Results - August 2010

<http://www.bankofengland.co.uk/statistics/Documents/nop/inflationattitudesaug10.xls>

Detailed Survey Tables - August 2010

<http://www.bankofengland.co.uk/statistics/Documents/nop/nopaug10.xls>

Long-Run Summary Results data - November 1999 – present

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