



**BANK OF ENGLAND**

# 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 May 2012.

### **Highlights from the survey**

**Question 1:** Asked to give the current rate of inflation, respondents gave a median answer of 4.7%, compared with 4.8% in February.

**Question 2a:** Median expectations of the rate of inflation over the coming year were 3.7%, compared with 3.5% in February.

**Question 2b:** Asked about expected inflation in the twelve months after that, respondents gave a median answer of 3.4%, compared with 2.9% in February.

**Question 2c:** Asked about expectations of inflation in the longer term, say in five years time, respondents gave a median answer of 3.6%, compared with 3.2% in February.

**Question 3:** By a margin of 68% to 4%, survey respondents believed that the economy would end up weaker rather than stronger if prices started to rise faster, compared with 70% to 5% in February.

**Question 4:** 45% of respondents thought the inflation target was 'about right', while the proportions saying the target was 'too high' or 'too low' were 22% and 17% respectively.

**Question 5:** 16% of respondents thought that interest rates had fallen over the past 12 months, compared with 19% in February, while 32% of respondents said that interest rates had risen over the past 12 months, compared with 25% in February.

**Question 6:** When asked about the future path of interest rates, 41% of respondents expected rates to rise over the next 12 months, compared with 35% in February. 7% of respondents expected interest rates to fall

over the next 12 months, unchanged from February. As a result, the net balance – those expecting rates to rise less those expecting them to fall – was +34%.

**Question 7:** Asked what would be 'best for the economy' – higher interest rates, lower rates or no change – 16% thought rates should 'go up', the same as in February. 18% of respondents thought that interest rates should 'go down', compared with 19% in February. 38% thought interest rates should 'stay where they are', compared with 37% in February.

**Question 8:** When asked what would be 'best for you personally', 25% of respondents said interest rates should 'go up', compared with 24% in February. 26% of respondents said it would be better for them if interest rates were to 'go down', compared with 23% in February.

**Question 9-13:** These questions 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 +11%, lower than the outturn in February (+20%).

**Question 15:** This question is asked only once a year, in February.\*

## Notes to Editors

GfK NOP interviewed a quota sample of 1,966 people aged 16 and over in 175 randomly selected output areas throughout the United Kingdom in two waves, between 17 and 22 May 2012. 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 six extra questions, the answers to which have been shown to change slowly over time, and is double the sample size of the other surveys. Question 15 was added to the February 2011 survey.

## Key Resources

### Summary Results

May 2012

<http://www.bankofengland.co.uk/statistics/Documents/nop/inflationattitudesmay12.xls>

### Detailed Survey Tables

May 2012

<http://www.bankofengland.co.uk/statistics/Documents/nop/nopmay12.xls>

**Long-Run Summary Results data**

November 1999-present

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