Public attitudes to inflation

By Colin Ellis of the Bank's Inflation Report and Bulletin Division.

Over the past five and a half years, NOP has carried out surveys of public attitudes to inflation on behalf of the Bank of England. As part of an annual series, this article analyses the results of the surveys from May 2004 to February 2005. Public opinion on most issues has changed little over the past year. One in five people — the largest group — thought inflation had been between 2% and 3%, and a similar proportion expected price increases in that range over the next twelve months. In February a majority of respondents expected interest rates to rise over the next year, but that was a smaller proportion than a year ago. Around 40% of people thought the economy would fare best if interest rates remained unchanged, and over half of the sample was satisfied with the way the Bank is setting rates. But there remained a lack of understanding about monetary policy in some demographic groups.

Introduction

The new monetary policy framework established in May 1997 gave the Bank of England operational responsibility for setting interest rates to meet the Government's inflation target. The Bank believes that monetary policy will be most effective if the public understand and support the goal of price stability, as well as the means of achieving it.

Interest rates are set by the Monetary Policy Committee (MPC), which has nine members. MPC members use a variety of methods to explain their interest rate decisions. These include the publication of minutes of their monthly meetings, the quarterly *Inflation Report*, and research papers. MPC members give speeches and lectures, appear before parliamentary committees, conduct interviews with the media, and visit the regions of the United Kingdom. Bank staff, particularly the twelve regional Agents, also spend a considerable amount of time explaining monetary policy to a wide audience. And the Bank has an education programme, including the 'Target Two Point Zero' competition for schools, that is designed to promote understanding of, and support for, price stability.

Public support for price stability is hard to gauge. The Bank decided that one way to measure it was to carry out quarterly surveys of public opinion and awareness. After early trials, the survey has been in use since February 2001. The first annual article on the survey results was published in the Summer 2001 edition of the *Quarterly Bulletin*: this article describes the results from May 2004 to February 2005.

The survey covers a total of 14 questions.(1) But the trials showed that the results of five of them varied little over three-month periods, and so these questions are asked just once a year each February. The nine other questions are asked every quarter, after the publication of the *Inflation Report* in February, May, August and November. The sample size for the quarterly surveys is around 2,000 people, roughly half the size of the annual February survey.

The February 2005 survey was carried out between 17 February and 8 March. NOP interviewed 3,842 people aged 15 and over in 350 randomly selected districts throughout Great Britain. The raw data were weighted to match the demographic profile of Great Britain as a whole.(2)

The five annual questions (numbers 9–13) ask about the relationship between interest rates and inflation, and who actually sets interest rates. The nine quarterly questions, which are also asked in the annual survey,

(1) Since February 2004, the annual survey has included two extra parts to Question 3, asking respondents about the change in the inflation target made by the Chancellor of the Exchequer in December 2003.
(2) The quarterly results of the May survey have been published as a separate News Release at the same time as this *Bulletin* article. The quarterly survey results for February were published in March, whereas the answers to the five annual questions for February are published here for the first time.

cover views of past and future interest rates and inflation, the impact of inflation and interest rates on the economy and individuals, and how satisfied people are with the way the Bank of England is doing its job of setting interest rates to meet the inflation target.(1)

The questions are asked by the market research agency NOP in its regular Omnibus surveys. It uses a random location sample designed to be representative of all adults in Great Britain, and interviewing is carried out face-to-face in homes.

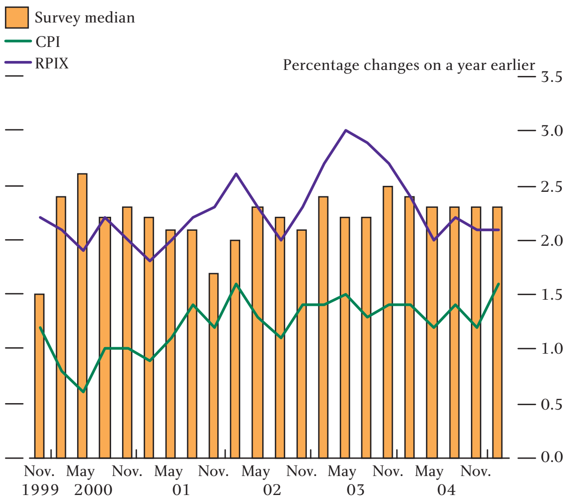
The following sections look at the survey responses in a demographic and historic context, and compare answers across questions.

Knowledge and predictions

Inflation outturns (*Question 1*)

Question 1 asks about people's perceptions of the current annual inflation rate and offers a range of responses, from falling prices to inflation of 5% or more. The median(2) view of the current annual rate of inflation was 2.3% in February 2005, similar to that a year earlier. The survey question does not ask about the rate of inflation according to a particular measure. At the time of the February survey, the latest published estimate of annual CPI inflation — the MPC's target measure — was 1.6%, and for RPI inflation it was 3.2%. Annual RPIX inflation was closer to the survey response at 2.1%. During the past year the survey responses have been broadly stable, despite some variation in published inflation rates (Chart 1). Furthermore, the median responses have been a little higher than the levels of actual RPIX inflation (and CPI inflation) recorded in the months before the surveys.(3) This gap persisted throughout the year. This suggests that the change in the inflation target in December 2003, from 2.5% for annual RPIX inflation to 2.0% for annual CPI inflation, may not have affected respondents' interpretation of the first question. If it had, perhaps the survey measure of inflation would have been notably lower, given that CPI inflation has been below RPIX inflation.

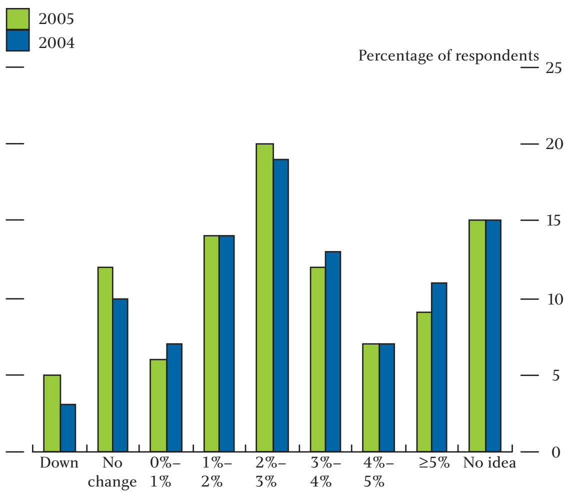
Chart 1
Median survey and official estimates(a) of inflation



(a) Official estimates in the months before surveys.

As noted in last year's *Bulletin*, the distribution of responses to *Question 1* across different inflation ranges has changed little since February 2003. For the past two years, around one in five people have thought that annual retail price inflation was between 2% and 3% (Chart 2). Over the same period, annual RPIX inflation ranged between 1.9% and 3.0%.

Chart 2
The distribution of responses about price changes over the past twelve months



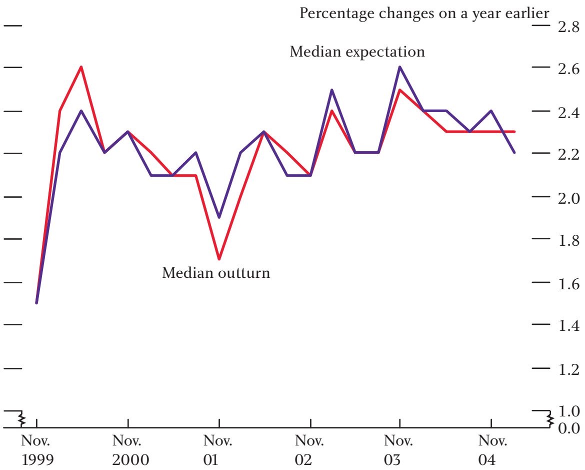
(1) The precise wording of all of the questions and the full results since the start of the survey are shown in the annex to this article.
(2) To calculate the median (a type of average), responses are assumed to be evenly distributed within bands.
(3) The MPC targeted RPIX inflation until December 2003, so it is possible that respondents may be thinking of this measure when answering the question. Although individuals' consumption patterns may differ from that underlying the RPIX, such differences have no significant effect on responses to the questions about past (and expected) price changes (see Lombardelli, C and Saleheen, J (2003), 'Public expectations of UK inflation', *Bank of England Quarterly Bulletin*, Autumn, pages 281–90). This may suggest that respondents do not report their own inflation experience over the past year, but instead correctly interpret Question 1 as being about inflation in the economy. Inflation expectations (Question 2) are, however, significantly affected by individuals' lifetime inflation experiences and are therefore not necessarily related to expected changes in any measure of inflation.

As in the February 2004 survey, the distribution of responses was similar across most demographic groups, with the largest concentration of answers generally in the 2%–3% range. But again, as in the previous annual survey, in some groups the largest proportion of people had 'no idea' about inflation. These included 15–24 year olds, semi and unskilled workers and those living on benefits (categorised as 'DE' respondents), and those renting council accommodation.

Inflation expectations (*Question 2*)

The median expectation of inflation over the next twelve months edged down slightly, from 2.4% in the February 2004 survey to 2.2% in the February survey this year. Since the survey began, median inflation expectations have moved in line with respondents' perceptions about inflation over the previous year (Chart 3).

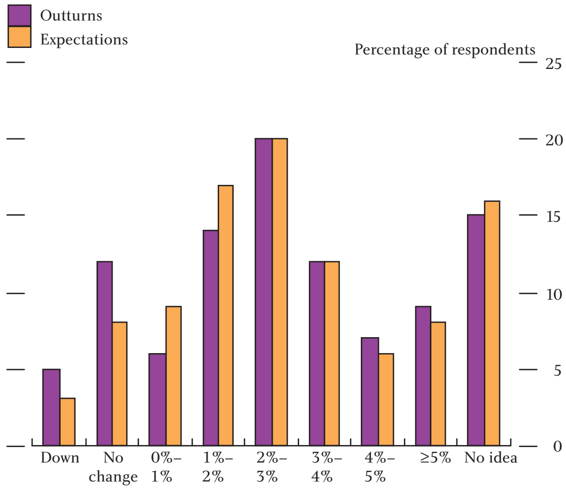
Chart 3
Median outturns and expectations of inflation



The distributions of responses to *Questions 1* and *2* were also very similar in February (Chart 4): again, that chimes with results from previous surveys. At the individual level, responses to *Questions 1* and *2* were less closely related than at the median level, though the correlation — a measure of how close the responses were — was still significant at 0.64. However, the bands respondents can choose from are fairly broad, so they could mask more precise differences between outturns and expectations.

Once again, the distribution of responses to *Question 2* was similar across demographic groups, with the highest concentration generally in the 2%–3% and 1%–2% bands. However, around a fifth of DE respondents, together with individuals who left school before 16, the non-employed, and people renting council homes, had no idea what inflation would be over the next twelve months.

Chart 4
The distribution of responses about price changes over the past and next twelve months[(a)]

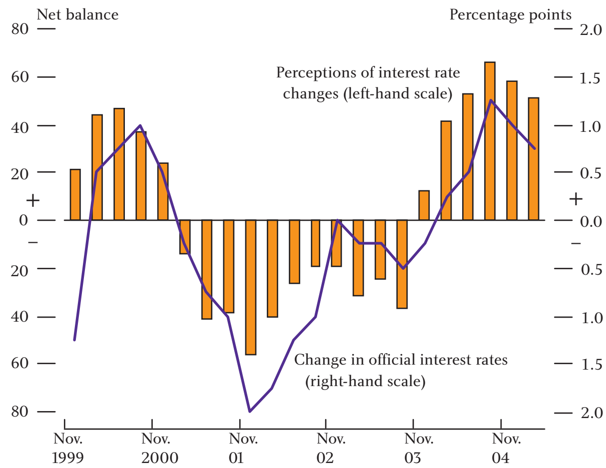


(a) From the February 2005 survey.

Interest rate outturns (*Question 5*)

In the February 2005 survey, 58% of respondents correctly believed that interest rates had risen over the past twelve months: the official interest rate was 4.75% in February 2005, compared with 4% a year earlier. Only 7% of people thought interest rates had fallen.[(1)] Since the start of the survey, there has been a reasonable relationship between the net balance of respondents citing a change in rates over the past year, and actual changes in official rates (Chart 5).

Chart 5
Perceptions of interest rates and actual changes in official rates



(1) Respondents' views may also reflect their personal experience over the past year with interest rates on savings accounts, mortgages and bank loans. These rates do not all move in line with official interest rates.

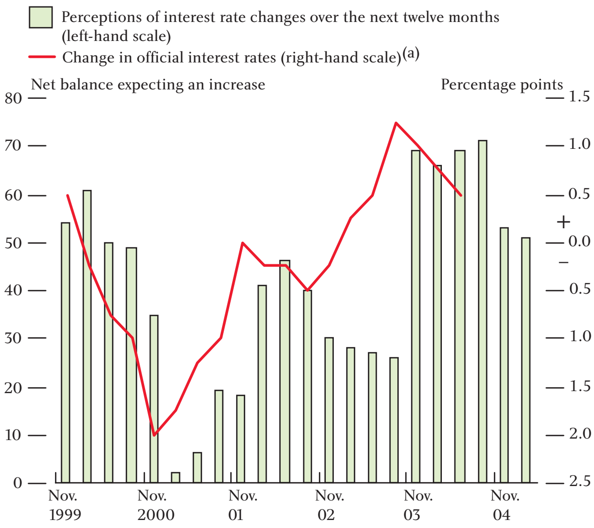
Across most demographic groups, the highest proportion of people thought that rates had 'risen a little' over the past twelve months. The exceptions were 15–24 year olds, 33% of whom had 'no idea' what had happened to rates, and individuals renting council accommodation — 31% had no idea how rates had behaved, the same proportion as thought they had risen a little.

Expectations of interest rates (*Question 6*)

In the February 2005 survey, 56% of respondents expected interest rates to rise over the next year. That was lower than February 2004 (69%). The percentage of people expecting rates to stay about the same rose from 12% in February 2004 to 23% this year — the highest since August 2003.

Respondents' views on future interest rates appear to be biased. In every survey so far, a net balance of respondents has expected interest rates to rise over the next twelve months, even when official rates have subsequently fallen. But nonetheless, there appears to be a relationship between expectations and outturns (Chart 6).

Chart 6
Perceptions of future changes in interest rates and outturns



(a) Lagged by a year, to correspond to the survey question.

At the individual level, respondents' expectations for interest rates over the next twelve months in the February survey were positively related to their view of changes in rates over the past year: the correlation coefficient was +0.64. This could be consistent with individuals forming expectations on the basis of their recent experience. Alternatively, respondents may expect interest rates to move in the same direction for some time.

The Bank of England (*Questions 11–13*)

Understanding of the monetary policy process appears to have changed little over the past year. When asked, without prompting, who sets 'Britain's basic interest rate level' (*Question 11*), 38% replied the Bank of England, and a further 4% the Monetary Policy Committee. This was a little higher than a year earlier, when 36% of individuals identified the Bank, and 4% the MPC. The percentage of people replying 'don't know' fell to 50% in February 2005, the lowest since the November 1999 survey. When respondents were given five options (*Question 12*), 70% chose the Bank, the highest proportion on record, 12% answered 'government ministers', and 12% had no idea. But overall, awareness has changed little since the 2004 survey, both within and across demographic groups.

Knowledge of how the MPC is appointed was a little lower than a year earlier; 36% answered that it is an independent body, partly appointed by the government (*Question 13*), compared with 38% in February 2004. A quarter of respondents thought the MPC is completely independent, and 18% had no idea. 7% thought the MPC was a quango, wholly appointed by the government.

Attitudes

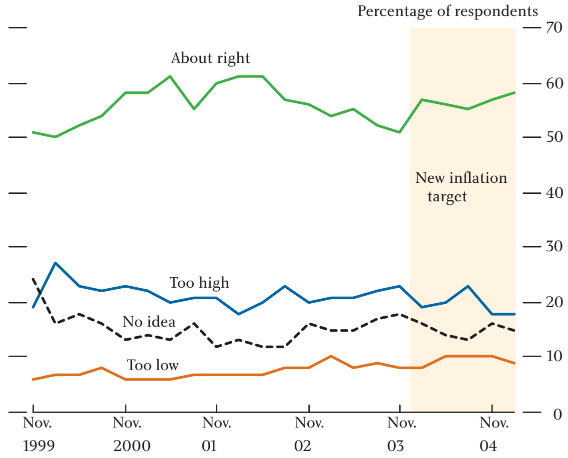
Inflation (*Questions 3 and 4*)

Inflation is thought to have a negative impact on the strength of the economy. The proportion of people who were aware of this relationship (*Question 3A*) stayed at just under a half over the past year (48% in February this year, compared with 49% a year earlier). Just 8% of people thought that higher inflation would benefit the economy, down from 10% a year earlier. But 27% of respondents thought that higher inflation would make little difference, up from 22% in February 2004. Across all demographic groups, the highest proportion of respondents answered that higher inflation would make the economy weaker.

Two extra parts to *Question 3* (*Questions 3B* and *3C*) were introduced in the February 2004 survey following the introduction of the new inflation target, to monitor public awareness of this change. In this February's survey, 23% of people identified that the target was between 1.5% and 2.5%, and 30% of respondents correctly asserted that the target was the same as a year ago: in both cases the highest proportions of those people specifying an answer. However, 41% of respondents had no idea what the targeted inflation rate was, and 33% did not know if it had changed over the past twelve months.

Since the survey started, at least half of the sample population have thought that the actual inflation target at the time of questioning was 'about right' (*Question 4*). This proportion was 58% in February this year, broadly unchanged from a year earlier. Fewer than one in ten saw the current target as too low and fewer than one in five thought it was too high. The inflation target was changed from 2.5% for annual RPIX inflation to 2.0% for annual CPI inflation in December 2003. Even so, changes in the distribution of responses have been small, both within and across demographic groups.

Chart 7
Views on the level of the inflation target



Interest rates (*Questions 7* and *8*)

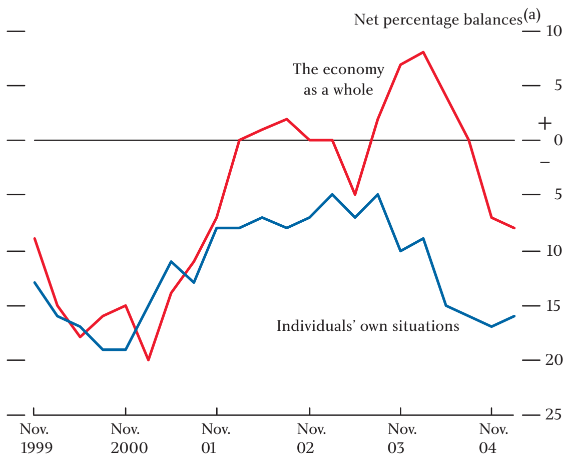
The survey asks respondents what they think should happen to interest rates. In previous surveys, the largest group of respondents have tended to think that the best option for the British economy would be for interest rates to remain unchanged. That pattern was repeated this February, with 41% of individuals thinking rates should stay put. The proportion arguing that rates should fall (21%) was larger than the proportion who thought rates should increase (13%): this was a reversal from February 2004, when 15% thought that rates should fall compared with 23% arguing for a rise. And those two proportions were balanced in the August 2004 survey, before the 'falls' overtook the 'rises'. That is around the same time that the MPC stopped raising interest rates: the official rate has now been unchanged since August last year. The proportion of people who thought that interest rates did not matter for the economy remained low, at 8%.

Asked about the relationship between interest rates and their personal situation (*Question 8*), 35% of the February survey participants would like lower interest rates, and 19% preferred higher rates. In the past, responses to this question have tended to vary only a little. But in August 2004 the proportion of people preferring a cut in rates reached 37%, the highest so far. However, that proportion fell back in the November survey, despite official rates remaining unchanged in the intervening months.

For most demographic groups, the highest proportion of people preferred a cut in rates. Unsurprisingly, 51% of those with a mortgage would like a cut in rates, but 40% of outright homeowners preferred a rise, probably because they would benefit from a higher return on their savings. This pattern was also reflected across age groups, with younger respondents generally preferring a cut in rates, and older people leaning more towards higher rates.

Responses to what would be best for the economy and what would benefit respondents personally were very similar when the survey started. But a divergence has become apparent in recent years (Chart 8). This could suggest that people have become more aware that what they would personally like may not be appropriate for the economy as a whole.

Chart 8
Respondents' views on what would be best for rates



(a) Percentage citing an increase in rates minus that citing a fall.

Inflation versus interest rates (*Questions 9* and *10*)

In light of this distinction between the whole economy and the individual, does the general public understand how monetary policy works? As in previous surveys, the biggest proportion of respondents thought that a rise in interest rates would make high street prices rise more slowly (*Question 9*), both over a month or two (36%) and over a year or two (40%). This suggests that respondents are still not fully aware of the timing delay between a change in rates and its impact on inflation: inflation would probably be unaffected by a rise in rates after a month or two, but would be weaker in a year to two.

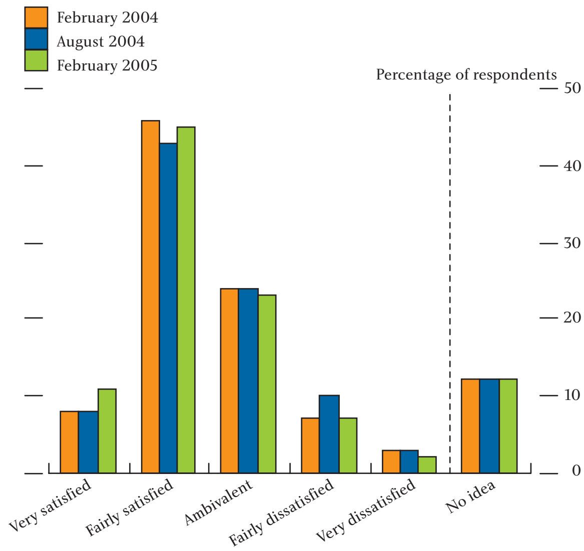
Asked to choose between higher interest rates to keep inflation under control or lower rates and faster increases in shop prices (*Question 10*), 55% of people preferred the former, down slightly from 57% in February 2004. 20% of respondents preferred faster rises in prices, the highest proportion since the survey began.

The Bank of England (*Question 14*)

Finally, survey participants were asked for their degree of satisfaction with the way the Bank of England is doing its job of setting interest rates to control inflation. Over the past five years, a majority of respondents has generally been satisfied with the Bank's performance. The proportion of satisfied responses fell to 51% in August 2004. That could be consistent with the rise in the net balance of individuals preferring a cut in rates, when one did not materialise (*Question 8*). However, the proportion of satisfied respondents picked up in the next two surveys, reaching 56% in February 2005, leaving the distribution of responses little changed from a year earlier (Chart 9).

Across most demographic groups, the highest proportion of respondents was fairly satisfied with the Bank's performance; but in some instances (15–24 year olds and council tenants) the proportion that was neither satisfied nor dissatisfied was at least as high. In part, this could reflect a lack of understanding about the role and aim of monetary policy, consistent with responses to earlier questions on these topics.

Chart 9
Public satisfaction with the Bank of England



Conclusion

Overall, the NOP survey of public perceptions suggests that individuals' views on past and expected inflation remained stable. A majority of people always think that interest rates will rise in the future, though the proportion has fallen back in recent quarters. Two fifths of respondents think unchanged rates would be best for the economy. There is a common understanding that higher inflation is bad for the economy. But in some demographic groups there is still limited awareness of inflation and monetary policy.

Annex
Survey results

Per cent

	1999	2000				2001				2002				2003				2004				2005
	Nov.	Feb.	May	Aug.	Nov.	Feb.	May	Aug.	Nov.	Feb.	May	Aug.	Nov.	Feb.	May	Aug.	Nov.	Feb.	May	Aug.	Nov.	Feb.
Q.1 Which of these options best describes how prices have changed over the last 12 months?																						
Gone down	11	7	5	8	6	7	7	5	8	7	5	6	7	6	5	8	4	3	3	3	4	5
Not changed	18	12	10	12	14	15	15	16	18	16	14	13	14	11	14	13	12	10	11	11	13	12
Up by 1% or less	7	5	4	7	5	6	6	6	7	7	6	7	6	6	7	7	6	7	7	6	6	6
Up by 1% but less than 2%	12	11	12	12	13	12	13	13	14	14	12	15	14	12	13	10	10	14	15	16	13	14
Up by 2% but less than 3%	16	17	18	20	18	20	19	18	17	19	20	20	17	20	20	19	20	19	21	20	20	20
Up by 3% but less than 4%	7	11	13	13	13	11	11	11	9	10	12	12	10	13	11	13	13	13	13	12	12	12
Up by 4% but less than 5%	4	8	7	5	6	6	6	6	5	7	8	7	6	7	7	5	6	7	6	8	7	7
Up by 5% or more	9	12	13	10	11	12	10	9	7	9	10	11	11	10	9	11	12	11	10	9	11	9
No idea	17	17	17	12	13	13	12	15	15	11	13	10	15	14	14	13	18	15	15	15	13	15
Median	1.5	2.4	2.6	2.2	2.3	2.2	2.1	2.1	1.7	2.0	2.3	2.2	2.1	2.4	2.2	2.2	2.5	2.4	2.3	2.3	2.3	2.3
Q.2 How much would you expect prices in the shops generally to change over the next 12 months?																						
Go down	10	7	4	6	4	5	5	4	5	3	2	4	4	3	3	4	2	2	2	2	2	3
Not change	14	8	9	9	9	11	11	9	13	9	9	9	10	7	10	11	5	7	6	8	8	8
Up by 1% or less	10	7	7	10	8	9	9	10	10	10	10	10	8	7	8	9	8	8	9	9	9	9
Up by 1% but less than 2%	16	15	14	15	16	16	17	16	18	17	16	20	17	15	18	15	16	17	17	18	18	17
Up by 2% but less than 3%	17	21	21	19	21	20	20	21	20	22	22	22	20	20	21	20	20	22	21	23	22	20
Up by 3% but less than 4%	6	12	10	12	12	11	9	11	9	11	11	11	10	12	11	11	15	11	12	12	10	12
Up by 4% but less than 5%	3	7	7	6	6	5	7	6	5	6	8	6	5	8	6	6	7	7	6	7	7	6
Up by 5% or more	8	10	11	9	11	10	9	9	7	9	9	9	10	13	8	9	11	11	12	8	11	8
No idea	16	13	16	13	12	13	13	13	13	12	13	10	16	15	15	14	17	14	14	12	14	16
Median	1.5	2.2	2.4	2.2	2.3	2.1	2.1	2.2	1.9	2.2	2.3	2.1	2.1	2.5	2.2	2.2	2.6	2.4	2.4	2.3	2.4	2.2
Q.3A If prices started to rise faster than they do now, do you think Britain's economy would...																						
End up stronger	8	8	8	6	8	7	8	9	8	8	9	7	8	7	7	7	8	10	8	9	7	8
Or make little difference	28	23	22	23	25	26	27	23	28	27	29	26	25	22	26	24	24	22	28	27	27	27
Or weaker	44	48	47	50	49	47	47	48	48	48	44	50	48	53	47	48	48	49	45	47	49	48
Don't know	20	21	23	21	18	20	18	20	15	17	18	16	20	18	19	21	20	19	19	16	17	18
Q.3B The Government sets a target each year for what it thinks inflation should be. What do you think that the target is for this year?																						
Up by less than 0.5%																		1				2
Up by 0.5% but less than 1.5%																		5				6
Up by 1.5% but less than 2.5%																		23				23
Up by 2.5% but less than 3.5%																		18				18
Up by 3.5% but less than 4.5%																		5				6
Up by 4.5% or more																		5				4
Don't know																		44				41
Q.3C Do you think the figure the Government has given for the current target is higher, lower or the same as last year's figure?																						
Higher																		36				25
Lower																		12				11
The same																		27				30
Don't know																		26				33
Q.4 The Government has set an inflation target of 2.0%.(a) Do you think this target...																						
Is too high	19	27	23	22	23	22	20	21	21	18	20	23	20	21	21	22	23	19	20	23	18	18
Or too low	6	7	7	8	6	6	6	7	7	7	7	8	8	10	8	9	8	8	10	10	10	9
Or about right	51	50	52	54	58	58	61	55	60	61	61	57	56	54	55	52	51	57	56	55	57	58
No idea	24	16	18	16	13	14	13	16	12	13	12	12	16	15	15	17	18	16	14	13	16	15
Q.5 How would you say interest rates on things such as mortgages, bank loans and savings have changed over the last 12 months?																						
Risen a lot	7	18	19	13	10	6	4	5	2	4	5	5	6	5	6	4	7	8	13	25	19	15
Risen a little	35	37	37	36	29	16	10	10	8	11	13	14	12	12	12	11	28	46	47	45	45	43
Stayed about the same	18	12	13	20	26	20	12	12	7	13	20	25	24	14	20	13	23	16	14	9	11	16
Fallen a little	17	8	7	10	12	33	39	37	29	32	28	26	24	34	31	35	18	10	5	3	5	6
Fallen a lot	4	3	2	2	3	3	16	17	37	23	16	12	13	15	12	17	5	3	2	1	1	1
No idea	19	21	22	19	21	21	19	20	17	16	19	18	21	19	19	20	18	17	19	16	19	19
All saying 'risen'	42	55	56	49	39	22	14	15	10	15	18	19	18	17	18	15	35	54	60	70	64	58
All saying 'fallen'	21	11	9	12	15	36	55	54	66	55	44	38	37	49	43	52	23	13	7	4	6	7
Net risen	21	44	47	37	24	-14	-41	-39	-56	-40	-26	-19	-19	-32	-25	-37	12	41	53	66	58	51
Q.6 How would you expect interest rates to change over the next 12 months?																						
Rise a lot	7	16	10	8	6	4	4	6	5	6	6	6	6	8	5	4	15	12	17	19	10	9
Rise a little	52	50	46	47	39	24	24	30	31	43	46	43	34	33	33	32	56	57	54	54	47	47
Stay about the same	19	12	19	23	27	26	30	28	30	27	26	27	28	28	33	33	11	12	11	11	20	23
Fall a little	4	4	5	6	10	25	21	16	16	7	5	8	9	11	10	9	2	3	2	2	4	5
Fall a lot	1	1	1	0	0	1	1	1	2	1	1	1	1	2	1	1	*	*	*	*	*	*
No idea	18	17	20	16	17	20	20	19	17	16	17	16	22	18	18	20	16	16	16	13	17	17
All saying 'rise'	59	66	56	55	45	28	28	36	36	49	52	49	40	41	38	36	71	69	71	73	57	56
All saying 'fall'	5	5	6	6	10	26	22	17	18	8	6	9	10	13	11	10	2 (b)	3	2	2	4	5
Net rise	54	61	50	49	35	2	6	19	18	41	46	40	30	28	27	26	69	66	69	71	53	51
Q.7 What do you think would be best for the British economy — for interest rates to go up over the next few months, or to go down, or to stay where they are now, or would it make no difference either way?																						
Go up	12	12	11	11	9	8	10	13	14	16	17	19	17	17	14	17	22	23	21	20	14	13
Go down	21	27	29	27	24	28	24	24	21	16	16	17	17	17	19	15	15	15	17	20	21	21
Stay where they are	40	33	28	35	42	34	40	37	40	40	41	40	39	36	40	38	37	36	36	38	39	41
Make no difference	7	10	10	9	11	10	10	10	10	10	10	9	9	11	8	10	8	8	9	8	9	8
No idea	20	18	23	17	15	19	16	17	14	17	17	15	19	19	19	20	19	18	17	13	16	17
Net balance down	9	15	18	16	15	20	14	11	7	0	-1	-2	0	0	5	-2	-7	-8	-4	0	7	8

Survey results (continued)

Per cent

	1999	2000				2001				2002				2003				2004				2005
	Nov.	Feb.	May	Aug.	Nov.	Feb.	May	Aug.	Nov.	Feb.	May	Aug.	Nov.	Feb.	May	Aug.	Nov.	Feb.	May	Aug.	Nov.	Feb.
Q.8 And which would be best for you personally, for interest rates to...																						
Go up	17	19	16	17	17	18	22	20	24	22	22	22	22	24	22	23	20	22	19	21	18	19
Go down	30	35	33	36	36	33	33	33	32	30	29	30	29	29	29	28	30	31	34	37	35	35
Stay where they are	22	15	16	18	19	17	18	16	18	20	21	23	22	20	22	20	21	20	20	19	18	20
Make no difference	17	22	22	19	20	22	20	22	21	20	21	19	18	18	19	18	19	19	19	16	21	17
No idea	14	10	13	10	8	10	20	8	6	8	7	6	9	10	9	10	10	9	8	7	8	10
Net balance down	13	16	17	19	19	15	11	13	8	8	7	8	7	5	7	5	10	9	15	16	17	16
Q.9 How strongly do you agree with the following statements? (A) A rise in interest rates would make prices in the high street rise more slowly in the short term — say a month or two																						
Agree strongly					2	2	n.a.	n.a.	n.a.	1	n.a.	n.a.	n.a.	2	n.a.	n.a.	n.a.	1	n.a.	n.a.	n.a.	3
Agree					35	32	n.a.	n.a.	n.a.	34	n.a.	n.a.	n.a.	35	n.a.	n.a.	n.a.	35	n.a.	n.a.	n.a.	33
Neither agree nor disagree					16	19	n.a.	n.a.	n.a.	19	n.a.	n.a.	n.a.	18	n.a.	n.a.	n.a.	19	n.a.	n.a.	n.a.	17
Disagree					25	20	n.a.	n.a.	n.a.	20	n.a.	n.a.	n.a.	19	n.a.	n.a.	n.a.	20	n.a.	n.a.	n.a.	22
Disagree strongly					2	2	n.a.	n.a.	n.a.	1	n.a.	n.a.	n.a.	2	n.a.	n.a.	n.a.	1	n.a.	n.a.	n.a.	3
Don't know					21	25	n.a.	n.a.	n.a.	25	n.a.	n.a.	n.a.	24	n.a.	n.a.	n.a.	23	n.a.	n.a.	n.a.	21
All agree					37	34	n.a.	n.a.	n.a.	35	n.a.	n.a.	n.a.	37	n.a.	n.a.	n.a.	36	n.a.	n.a.	n.a.	36
All disagree					27	22	n.a.	n.a.	n.a.	21	n.a.	n.a.	n.a.	21	n.a.	n.a.	n.a.	21	n.a.	n.a.	n.a.	25
Net agree					10	12	n.a.	n.a.	n.a.	14	n.a.	n.a.	n.a.	16	n.a.	n.a.	n.a.	15	n.a.	n.a.	n.a.	11
(B) A rise in interest rates would make prices in the high street rise more slowly in the medium term — say a year or two																						
Agree strongly					2	2	n.a.	n.a.	n.a.	1	n.a.	n.a.	n.a.	1	n.a.	n.a.	n.a.	2	n.a.	n.a.	n.a.	3
Agree					39	35	n.a.	n.a.	n.a.	38	n.a.	n.a.	n.a.	38	n.a.	n.a.	n.a.	37	n.a.	n.a.	n.a.	37
Neither agree nor disagree					16	19	n.a.	n.a.	n.a.	18	n.a.	n.a.	n.a.	18	n.a.	n.a.	n.a.	19	n.a.	n.a.	n.a.	17
Disagree					21	16	n.a.	n.a.	n.a.	15	n.a.	n.a.	n.a.	16	n.a.	n.a.	n.a.	16	n.a.	n.a.	n.a.	17
Disagree strongly					1	1	n.a.	n.a.	n.a.	1	n.a.	n.a.	n.a.	1	n.a.	n.a.	n.a.	1	n.a.	n.a.	n.a.	2
Don't know					22	27	n.a.	n.a.	n.a.	26	n.a.	n.a.	n.a.	25	n.a.	n.a.	n.a.	25	n.a.	n.a.	n.a.	24
All agree					41	37	n.a.	n.a.	n.a.	39	n.a.	n.a.	n.a.	39	n.a.	n.a.	n.a.	39	n.a.	n.a.	n.a.	40
All disagree					22	17	n.a.	n.a.	n.a.	16	n.a.	n.a.	n.a.	17	n.a.	n.a.	n.a.	17	n.a.	n.a.	n.a.	19
Net agree					19	20	n.a.	n.a.	n.a.	23	n.a.	n.a.	n.a.	22	n.a.	n.a.	n.a.	22	n.a.	n.a.	n.a.	21
Q.10 If a choice had to be made, either to raise interest rates to try to keep inflation down; or keep interest rates down and allow prices in the shops to rise faster, which would you prefer:																						
Interest rates to rise	51	58	52	57	63	62	n.a.	n.a.	n.a.	63	n.a.	n.a.	n.a.	62	n.a.	n.a.	n.a.	57	n.a.	n.a.	n.a.	55
Prices to rise faster	17	19	16	15	19	16	n.a.	n.a.	n.a.	16	n.a.	n.a.	n.a.	16	n.a.	n.a.	n.a.	19	n.a.	n.a.	n.a.	20
No idea	31	24	31	28	18	22	n.a.	n.a.	n.a.	21	n.a.	n.a.	n.a.	23	n.a.	n.a.	n.a.	24	n.a.	n.a.	n.a.	25
Q.11 Each month, a group of people meets to set Britain's basic interest rate level. Do you know what this group is?																						
Monetary Policy Committee	7	4	5	6	5	5	n.a.	n.a.	n.a.	4	n.a.	n.a.	n.a.	4	n.a.	n.a.	n.a.	4	n.a.	n.a.	n.a.	4
Bank of England	39	29	33	38	29	32	n.a.	n.a.	n.a.	35	n.a.	n.a.	n.a.	35	n.a.	n.a.	n.a.	36	n.a.	n.a.	n.a.	38
The Government	4	2	3	2	3	3	n.a.	n.a.	n.a.	4	n.a.	n.a.	n.a.	3	n.a.	n.a.	n.a.	4	n.a.	n.a.	n.a.	3
The Treasury	1	1	1	1	1	1	n.a.	n.a.	n.a.	1	n.a.	n.a.	n.a.	1	n.a.	n.a.	n.a.	1	n.a.	n.a.	n.a.	2
Parliament	1	*	*	*	1	*	n.a.	n.a.	n.a.	*	n.a.	n.a.	n.a.	*	n.a.	n.a.	n.a.	*	n.a.	n.a.	n.a.	*
Other	1	2	1	2	1	2	n.a.	n.a.	n.a.	2	n.a.	n.a.	n.a.	1	n.a.	n.a.	n.a.	2	n.a.	n.a.	n.a.	2
Don't know	47	62	57	51	60	57	n.a.	n.a.	n.a.	54	n.a.	n.a.	n.a.	56	n.a.	n.a.	n.a.	54	n.a.	n.a.	n.a.	50
Q.12 Which of these groups do you think sets the interest rates?																						
Government ministers	14	15	12	13	16	15	n.a.	n.a.	n.a.	13	n.a.	n.a.	n.a.	12	n.a.	n.a.	n.a.	13	n.a.	n.a.	n.a.	12
Civil servants	*	*	*	*	*	1	n.a.	n.a.	n.a.	1	n.a.	n.a.	n.a.	*	n.a.	n.a.	n.a.	1	n.a.	n.a.	n.a.	2
Bank of England	67	63	63	69	65	66	n.a.	n.a.	n.a.	67	n.a.	n.a.	n.a.	69	n.a.	n.a.	n.a.	69	n.a.	n.a.	n.a.	70
High street banks	3	4	3	2	4	3	n.a.	n.a.	n.a.	3	n.a.	n.a.	n.a.	3	n.a.	n.a.	n.a.	2	n.a.	n.a.	n.a.	3
European Central Bank	2	3	3	3	3	3	n.a.	n.a.	n.a.	4	n.a.	n.a.	n.a.	2	n.a.	n.a.	n.a.	3	n.a.	n.a.	n.a.	2
No idea	13	14	18	12	12	13	n.a.	n.a.	n.a.	13	n.a.	n.a.	n.a.	13	n.a.	n.a.	n.a.	12	n.a.	n.a.	n.a.	12
Q.13 In fact, the decisions are taken by the Monetary Policy Committee of the Bank of England. Which of these do you think best describes the Monetary Policy Committee?																						
Part of the Government	11	11	9	10	12	11	n.a.	n.a.	n.a.	11	n.a.	n.a.	n.a.	13	n.a.	n.a.	n.a.	13	n.a.	n.a.	n.a.	13
A quango, wholly appointed by the Government	8	8	8	8	9	8	n.a.	n.a.	n.a.	7	n.a.	n.a.	n.a.	7	n.a.	n.a.	n.a.	8	n.a.	n.a.	n.a.	7
An independent body, partly appointed by the Government	38	39	37	42	37	38	n.a.	n.a.	n.a.	39	n.a.	n.a.	n.a.	36	n.a.	n.a.	n.a.	38	n.a.	n.a.	n.a.	36
A completely independent body	23	20	22	20	24	24	n.a.	n.a.	n.a.	23	n.a.	n.a.	n.a.	24	n.a.	n.a.	n.a.	23	n.a.	n.a.	n.a.	25
No idea	20	21	24	20	17	19	n.a.	n.a.	n.a.	19	n.a.	n.a.	n.a.	19	n.a.	n.a.	n.a.	18	n.a.	n.a.	n.a.	18
Q.14 Overall, how satisfied or dissatisfied are you with the way the Bank of England is doing its job to set interest rates in order to control inflation?																						
Very satisfied	7	4	5	6	7	8	9	10	11	11	10	11	11	8	9	12	10	8	9	8	8	11
Fairly satisfied	41	37	38	45	48	47	49	45	51	50	49	46	42	47	46	40	45	46	43	43	44	45
Neither satisfied nor dissatisfied	26	28	27	25	26	25	23	23	19	20	23	22	23	24	22	22	22	24	23	24	21	23
Fairly dissatisfied	7	12	9	9	8	7	6	6	6	6	6	7	7	7	7	6	6	7	9	10	7	7
Very dissatisfied	4	5	4	4	3	3	2	2	2	2	2	3	3	3	2	2	2	3	2	3	3	2
No idea	16	14	17	12	9	11	12	14	11	11	11	11	14	11	14	17	15	12	14	12	17	12
Total satisfied	48	41	43	51	55	55	58	55	62	61	59	57	53	55	55	52	55	54	52	51	52	56
Total dissatisfied	11	17	13	13	11	10	8	8	8	8	8	10	10	10	9	8	8	10	11	13	10	9
Net satisfied	37	24	30	38	44	45	50	47	54	53	51	47	43	45	46	44	47	44	41	38	42	47

n.a. = not available.

Note: * indicates less than 0.5%. Figures may not add to 100 due to rounding. Sampling error depends on the percentage response and the sample size. For example, given the sample size of 3,842 in the February 2005 survey, the sampling error on a 20% response is 0.65.

(a) Figures up to and including November 2003 are based on a target of 2.5%.
(b) The November 2003 release incorrectly stated that the November 2003 figure for all saying 'fall' was 5%.