



Media Release Embargoed until 11:00am AEDT, Thursday 15 October 2020

Melbourne Institute Survey of Consumer Inflationary and Wage Expectations

Pay growth rebounds in October. Inflation expectations also slightly higher.

The expected inflation rate (30-per-cent trimmed mean measure), reported in the Melbourne Institute Survey of Consumer Inflationary and Wage Expectations, increased by 0.3 percentage points in October to 3.4 per cent. The proportion of respondents expecting an overall increase in prices also rose by 1.7 percentage points in October.

In terms of total pay, growth over the year to October 2020 was 1.5 per cent, ending a run of four consecutive months of negative pay growth. In October, 31.2 per cent of respondents reported an increase in total pay, while 16.1 per cent reported a fall. Total pay was expected to grow by 1.2 per cent over the year, which is considerably higher than the 0.6 per cent expected last month.

Dr Tsiaplias noted, “in October we saw a rebound in both actual and expected pay growth. This follows four months of negative annual changes in total pay, and three months of expected annual pay growth that was below 1 per cent. That said, the data continue to highlight significant weakness in labour market conditions for younger people, with respondents aged 18-24 years reporting either negative or negligible annual pay growth for the fifth consecutive month.”

The November 2020 Survey of Consumer Inflationary Expectations will be released at 11am AEDT, Thursday, 12 November 2020.

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The Melbourne Institute Survey of Consumer Inflationary Expectations measures are designed to represent the average householder's expected rate of consumer price changes over the coming 12 months. Further information can be found in the attached report or by visiting: <https://melbourneinstitute.unimelb.edu.au/publications/macroeconomic-reports>

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