



**Media Release** Embargoed until 11:00am AEST, Thursday 16 April 2020

Melbourne Institute Survey of Consumer Inflationary and Wage Expectations

## Inflation expectations are conflicting, with the proportion of respondents expecting prices to fall surging in April. Actual and expected pay growth also fell heavily in April.

The expected inflation rate (30-per-cent trimmed mean measure), reported in the Melbourne Institute Survey of Consumer Inflationary and Wage Expectations, increased by 0.6 percentage points in April to 4.6 per cent. However, the proportion of respondents expecting an increase in prices fell by a large 7.9 percentage points in April to 53.2 per cent. The proportion of respondents expecting a decrease in prices more than doubled from March to April to 12.1 per cent.

In terms of total pay growth, respondents reported total pay growth over the year to April 2020 of only 0.1 per cent. This rate of growth represents a historically unprecedented low since wage growth was first reported in 1998. In April, 15.1 per cent of respondents reported a decrease in total pay (compared to 10.7 per cent last month). Total pay was expected to grow by only 0.4 per cent over the year, reflecting a large fall in wage expectations from last month's 1.5 per cent expected annual wage growth.

The May 2020 Survey of Consumer Inflationary Expectations will be released at 11am AEST, Thursday, 14 May 2020.

ENDS

*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>*

For queries regarding this report please contact:

Dr Sam Tsiaplias  
Tel: 03 9035 3353  
Email : [stsiaplias@unimelb.edu.au](mailto:stsiaplias@unimelb.edu.au)

General Macro@MI enquiries  
Email: [Macro-Melb-Inst@unimelb.edu.au](mailto:Macro-Melb-Inst@unimelb.edu.au)