



Media Release Embargoed until 11:00am AEST, Thursday 12 September 2019

Melbourne Institute Survey of Consumer Inflationary and Wage Expectations

Inflation expectations decline in September

The expected inflation rate (30-per-cent trimmed mean measure), reported in the Melbourne Institute Survey of Consumer Inflationary Expectations, decreased by 0.4 percentage points in September to 3.1 per cent.

In September, the weighted proportion of respondents (excluding the 'don't know' category) expecting the inflation rate to fall within the 0-5 per cent decreased by 2.4 percentage points to 69.4 per cent. The weighted mean of responses within this range fell by 0.2 percentage points to 2.0 per cent.

Total pay growth over the 12 months to September 2019 was unchanged relative to August's value at 1.9 per cent. In September, 42.1 per cent of respondents reported a rise in total pay while 11.3 per cent reported a fall. Pay expectations in the coming 12 months rose to 2.4 per cent. It is noted that this series is relatively volatile and reflects significant heterogeneity in expected pay growth. Given this volatility, the data continue to suggest a relatively flat growth rate for the Wage Price Index (WPI) in the coming year.

The October 2019 Survey of Consumer Inflationary Expectations will be released at 11am AEDT, Thursday, 10 October 2019.

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: www.melbourneinstitute.com/miaesr/publications/indicators/cie.html

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