



Media Release Embargoed until 11:00am AEDT, Thursday 12 March 2020

Melbourne Institute Survey of Consumer Inflationary and Wage Expectations

Inflation expectations static. Pay expectations remain weak.

The expected inflation rate (30-per-cent trimmed mean measure), reported in the Melbourne Institute Survey of Consumer Inflationary and Wage Expectations, was unchanged in March at 4.0 per cent. However, the proportion of respondents expecting an increase in prices fell by 3.5 percentage points to 61.1 per cent. The proportion of respondents anticipating no price change also fell by 1.5 percentage points to 18.2 per cent.

In terms of total pay growth, respondents reported a 0.1 percentage point fall in total pay over the past 12 months, from 1.6 per cent last month to 1.5 per cent this month. This is 0.6 percentage points lower than the value observed in the same month last year. In March, 39.4 per cent of respondents reported a rise in total pay (down from 40.4 per cent last month). Looking forward, total pay is expected to grow by 1.5 per cent in the next 12 months (down from 1.6 per cent last month). The data show a consistent trend of weak pay growth expectations for the coming year.

The April 2020 Survey of Consumer Inflationary Expectations will be released at 11am AEDT, Thursday, 16 April 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

General Macro@MI enquiries
Email: Macro-Melb-Inst@unimelb.edu.au