



Media Release **Embargoed until 11:00am AEST, Thursday 16 September 2021**

Melbourne Institute Survey of Consumer Inflationary and Wage Expectations

Inflation and wage expectations higher in September.

The expected inflation rate (30-per-cent trimmed mean measure), reported in the Melbourne Institute Survey of Consumer Inflationary and Wage Expectations, rose by 1.1 percentage points in September to 4.4 per cent. The proportion of respondents expecting an increase in prices has consistently exceeded 50 per cent in 2021, after falling to below 50 per cent during 2020.

In terms of total pay, growth over the year to September 2021 was 0.9 per cent, up by 0.4 percentage points from the growth reported last month. In September, 34.1 per cent of respondents reported an increase in total pay, while 15.9 per cent reported a fall. Total pay was expected to grow by 0.7 per cent over the year.

Assoc. Professor Sam Tsiaplias notes that “the proportion of respondents expecting higher prices has averaged nearly 60 per cent in the past three months, considerably higher than the 47 per cent average over the July-September period in 2020. The increase is broadly consistent with a return to pre-COVID pricing conditions. In September, consumers also reported stronger actual and expected pay growth, suggesting improvement in labour market conditions. Nevertheless, expected wage growth over the next 12 months remains weak.”

The October 2021 Survey of Consumer Inflationary Expectations will be released at 11am AEDT, Thursday, 14 October 2021.

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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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