



Media Release Embargoed until 11:00am AEDT, Thursday 23 January 2020

Melbourne Institute Survey of Consumer Inflationary and Wage Expectations

Inflation expectations rise in January. 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, increased by 0.7 percentage points in January to 4.7 per cent.

In January, the proportion of respondents expecting an increase in prices rose by 3.6 percentage points in to 67.0 per cent. The proportion of respondents anticipating no price change fell by 3.3 percentage points to 16.2 per cent.

In terms of total pay growth, respondents reported a 0.4 percentage point rise in total pay over the past 12 months, from 1.4 per cent last month to 1.9 per cent this month. In December, 46.1 per cent of respondents reported a rise in total pay (up from 45.4 per cent last month). Looking forward, total pay is expected to grow by 1.8 per cent in the next 12 months (down from the 2.2 per cent pay rise expected last month). Similar to previous months, the data continue to suggest weak pay growth rate for the Wage Price Index (WPI) in the coming year.

The February 2020 Survey of Consumer Inflationary Expectations will be released at 11am AEDT, Thursday, 13 February 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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