



Media Release Embargoed until 11:00am AEDT, Thursday 13 February 2020

Melbourne Institute Survey of Consumer Inflationary and Wage Expectations

Inflation expectations fall. 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, decreased by 0.7 percentage points in February to 4.0 per cent.

In February, the proportion of respondents expecting an increase in prices fell by 2.4 percentage points to 64.6 per cent. The proportion of respondents anticipating no price change rose by 3.5 percentage points to 19.7 per cent.

In terms of total pay growth, respondents reported a 0.3 percentage point fall in total pay over the past 12 months, from 1.9 per cent last month to 1.6 per cent this month. In February, 40.4 per cent of respondents reported a rise in total pay (down from 46.1 per cent last month). Looking forward, total pay is expected to grow by 1.6 per cent in the next 12 months (down from 1.8 per cent last month). Similar to previous months, the data continue to suggest weak pay growth for the Wage Price Index (WPI) in the coming year.

The March 2020 Survey of Consumer Inflationary Expectations will be released at 11am AEDT, Thursday, 12 March 2020.

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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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