



Media Release Embargoed until 11:00am AEDT, Thursday 14 November 2019

Melbourne Institute Survey of Consumer Inflationary and Wage Expectations

Inflation expectations increase in November. Small increase in actual pay growth also reported.

The expected inflation rate (30-per-cent trimmed mean measure), reported in the Melbourne Institute Survey of Consumer Inflationary and Wage Expectations, increased by 0.4 percentage points in November to 4.0 per cent.

In November, the proportion of respondents expecting an increase in prices rose by 4.3 percentage points to 62.7 per cent. By comparison, the proportion of respondents anticipating no price change fell by 2.2 percentage points to 19.3 per cent.

In terms of total pay growth, respondents reported a 0.1 percentage point rise in total pay over the past 12 months, from 1.8 per cent last month to 1.9 per cent this month. In November, 48.3 per cent of respondents reported a rise in total pay while 10.7 per cent reported a fall. Total pay was expected to grow by 1.8 per cent in the next 12 months. Given the inherent volatility in wage expectations, the data continue to suggest a relatively flat growth rate for the Wage Price Index (WPI) in the coming year.

The December 2019 Survey of Consumer Inflationary Expectations will be released at 11am AEDT, Thursday, 12 December 2019.

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

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