Melbourne Institute Survey of Consumer Inflationary and Wage Expectations

Inflationary and wage expectations relatively flat in July

The expected inflation rate (30-per-cent trimmed mean measure), reported in the Melbourne Institute Survey of Consumer Inflationary Expectations, decreased by 0.1 percentage points in July to 3.2 per cent.

In July, the weighted proportion of respondents (excluding the ‘don’t know’ category) expecting the inflation rate to fall within the 0-5 per cent range increased by 1.1 percentage points to 72.9 per cent. The weighted mean of responses within this range decreased by 0.1 percentage points to 2.2 per cent.

This month’s survey also includes information on past and future pay growth in Australia. Total pay growth over the 12 months to July 2019 decreased to 1.6 per cent, compared to 2.0 per cent over the 12 months to June 2019. In July, 43 per cent of respondents reported a rise in total pay while 11.6 per cent reported a fall. Pay expectations in the coming 12 months rose to 2.1 per cent. Overall, actual wage conditions remain weak, while pay growth expectations picked up in July.

The August 2019 Survey of Consumer Inflationary Expectations will be released at 11am AEST, Thursday, 15 August 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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