Survey questions and series calculations prior to Q1 2022

12 August 2022

Reserve Bank of New Zealand
Te Pūtea Matua

Perception of current inflation:

1) Statistics NZ provides the official measure of inflation (the consumer price index (CPI)). What do you think inflation was over the last year (i.e. the annual change in the CPI)?

- -10% to -0.1%
- 0.0% to 0.4%
- 0.5% to 0.9%
- 1.0% to 1.4%
- 1.5% to 1.9%
- 2.0% to 2.4%
- 2.5% to 3.4%
- 3.5% to 4.4%
- 4.5% to 5.4%
- 5.5% to 6.4%
- 6.5% to 7.4%
- 7.5% to 8.4%
- 8.5% to 10.4%
- 10.5% to 15.4%
- More than 15.5%
- Unsure/no estimate

To find mean and median current inflation estimates the midpoint of each category was used as the estimate. For example, if a respondent chose the category 0.5% to 0.9% their answer would be recorded as 0.7%.

The median current inflation estimate was calculated by taking the middle value of the sorted numerical responses given in question 1.

The mean current inflation estimate was calculated by taking the weighted average of the responses given in question 1.

Expected inflation 1-year:

2) Over the next twelve months what do you think will happen to inflation?

- Inflation will increase
- Inflation will stay the same
- Inflation will decrease
- Unsure

3) Please give your estimate of inflation in a year's time.

- -10% to -0.1%
- 0.0% to 0.4%
- 0.5% to 0.9%
- 1.0% to 1.4%
- 1.5% to 1.9%
- 2.0% to 2.4%
- 2.5% to 3.4%

- 3.5% to 4.4%
- 4.5% to 5.4%
- 5.5% to 6.4%
- 6.5% to 7.4%
- 7.5% to 8.4%
- 8.5% to 10.4%
- 10.5% to 15.4%
- More than 15.5%
- Unsure/no estimate

To find mean and median 1-year estimates the midpoint of each category was used as the estimate. For example, if a respondent chose the category 0.5% to 0.9% their answer would be recorded as 0.7%.

The median expected inflation 1-year estimate was calculated by taking the middle value of the sorted numerical responses given in question 3.

The mean expected inflation 1-year estimate was calculated by taking the weighted average of the responses given in question 3.

The net percent expecting higher inflation estimate was calculated by using the answers to question 2. The calculation is as follows:

$$\frac{no.\,expecting\,inflation\,will\,increase\,1\,year\,ahead - \,no.\,expecting\,inflation\,will\,decrease\,1\,year\,ahead}{\text{total no. of responses}}$$

Expected inflation 5-years:

4) Please give your estimate of inflation in five years' time.

- -10% to -0.1%
- 0.0% to 0.4%
- 0.5% to 0.9%
- 1.0% to 1.4%
- 1.5% to 1.9%
- 2.0% to 2.4%
- 2.5% to 3.4%
- 3.5% to 4.4%
- 4.5% to 5.4%
- 5.5% to 6.4%
- 6.5% to 7.4%
- 7.5% to 8.4%
- 8.5% to 10.4%
- 10.5% to 15.4%
- More than 15.5%
- Unsure/no estimate

To find mean and median 5-year inflation estimates, the midpoint of each category was used as the estimate. For example, if a respondent chose the category 0.5% to 0.9% their answer would be recorded as 0.7%.

The median expected inflation 5-year estimate was calculated by taking the middle value of the sorted numerical responses given in question 4.

The mean expected inflation 5-year estimate was calculated by taking the weighted average of the responses given in question 4.

Net percent expecting higher house prices:

5) In a year's time do you think house prices in your region will…

- Increase
- Decrease
- Stay the same
- Unsure

The net percent expecting higher house prices estimate was calculated by using the weighted responses to question 5. The calculation is as follows:

$$\frac{\text{no. expecting house prices to increase} - \text{no. expecting house prices to decrease}}{\text{total no. of responses}}$$

*Note: This series was backdated in 2022 to become a weighted net percent.

Expected inflation house prices 1-year:

6) By what percentage do you think house prices in your region will have increased/decreased?

- 0.0% to 0.4%
- 0.5% to 0.9%
- 1.0% to 1.4%
- 1.5% to 1.9%
- 2.0% to 2.4%
- 2.5% to 3.4%
- 3.5% to 4.4%
- 4.5% to 5.4%
- 5.5% to 6.4%
- 6.5% to 7.4%
- 7.5% to 8.4%
- 8.5% to 10.4%
- 10.5% to 15.4%
- More than 15.5%
- Unsure/no estimate

To find mean and median expected house price inflation 1-year ahead the midpoint of each category was used as the estimate. For example, if a respondent chose the category 0.5% to 0.9% their answer would be recorded as 0.7%.

The median expected house price inflation 1-year estimate calculated by taking the middle value of the sorted numerical responses given in question 5.

The mean expected house price inflation 1-year estimate was calculated by taking the weighted average of the responses given in question 5.