

## Question in Project:

German Internet Panel (GIP) – Module "Inflation" November Wave 2014 (English Version)

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## Question Topic:

Politics/ Inflation

## Construct:

Estimation of the inflation rate in 5 years

## General Information:

**\*Note: The item was tested in German. This is an English translation of the original German wording.\***

Both experimental conditions from question 2 are taken into account in this question. The two groups were compared in the evaluation in order to find differences in their answer behaviors.

## Question Text:

What annual inflation rate do you expect in 5 years?

*[Mit welcher jährlichen Inflationsrate rechnen Sie in 5 Jahren?]*

## Instruction:

*Please choose one answer. [Bei dieser Frage können Sie nur eine Antwort geben.]*

## Answer Categories:

-1% (i.e. negative inflation and increasing value of the currency) *[-1 % (d. h. negative Inflation und steigender Wert der Währung)]*

0%

1%

2%

3%

4%

5%

6%  
7%  
8%  
9%  
10% or more [*10 % oder mehr*]

## **Cognitive Techniques:**

Category Selection Probing.

## **Findings for Question:**

More than 70% of the participants assume that the inflation rate will be between two and five percent in five years. Approximately seven percent select the maximum value; they expect more than 10% inflation in five years.

Roughly 10% of the respondents do not correctly estimate the annual rate of inflation in five years, that is, in 2019, but sum up the expected rates of inflation for the next five years (e.g. *"I think it increases by one percent each year"* – respondent answers with 5%, ID 154).

Comparing the two experimental conditions we see again (similar to question 2) that in condition 2 clearly more people select 2% as their answer, which is the inflation rate the ECB aims at as the upper limit as stated in question 2. The experimental manipulation is therefore probably also affecting the answers to question 3.

## **Recommendations:**

To clarify that the topic of this question is the inflation rate in 2019, we recommend rephrasing the question like this:

"What inflation rate do you expect in 5 years, i.e. in 2019? You can only give one answer to this question."

*["Mit welcher Inflationsrate rechnen Sie in 5 Jahren, also im Jahr 2019? Bei dieser Frage können Sie nur eine Antwort geben.]"*

## **Implementation of Recommendations:**

No