

Question in Project:

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

Question Topic:

Politics/ Inflation

Construct:

Estimation of the inflation rate in 10 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 10 years?

[Mit welcher jährlichen Inflationsrate rechnen Sie in 10 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:

In comparison to the previous question there are no notable differences in the expectations of the respondents. There is only a small trend towards higher inflation expectations. Similar to the last question, some respondents do not estimate the inflation rate for the year 2024, but sum up the rates for each year over ten years (e.g. *"Then we would be at 20%, 2% each year"* – respondent answers with 10% and more, ID 96).

Moreover, 21% of the respondents argue that they could not foresee such a long-term development and thus have to speculate (e.g. *"Pure speculation, I can't oversee the development for such a long term"*, ID 91).

Comparing the two experimental conditions we see again (similar to question 2 and 3) that in condition 2 a lot more people select 2% as their answer, which is the inflation rate the ECB aims at as the upper limit. The experimental manipulation is therefore probably even affecting the answers to question 4.

Recommendations:

Similar to question 3, it should be clarified in question 4 that the respondents are supposed to state the inflation rate they expect in 2024:

"What rate of inflation do you expect in 10 years, that is, in 2024? On this question, you can only give one answer."

["Mit welcher Inflationsrate rechnen Sie in 10 Jahren, also im Jahr 2024? Bei dieser Frage können Sie nur eine Antwort geben.]"

It should also be considered to remove this question as it will probably not provide additional information that has not already been gathered with question 3.

Implementation of Recommendations:

No