

New York Fed Survey of Consumer Expectations

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The views presented here are those of the author and do not necessarily reflect those of the Federal Reserve Bank of New York or the Federal Reserve System.

Elicitation of Probabilistic Beliefs

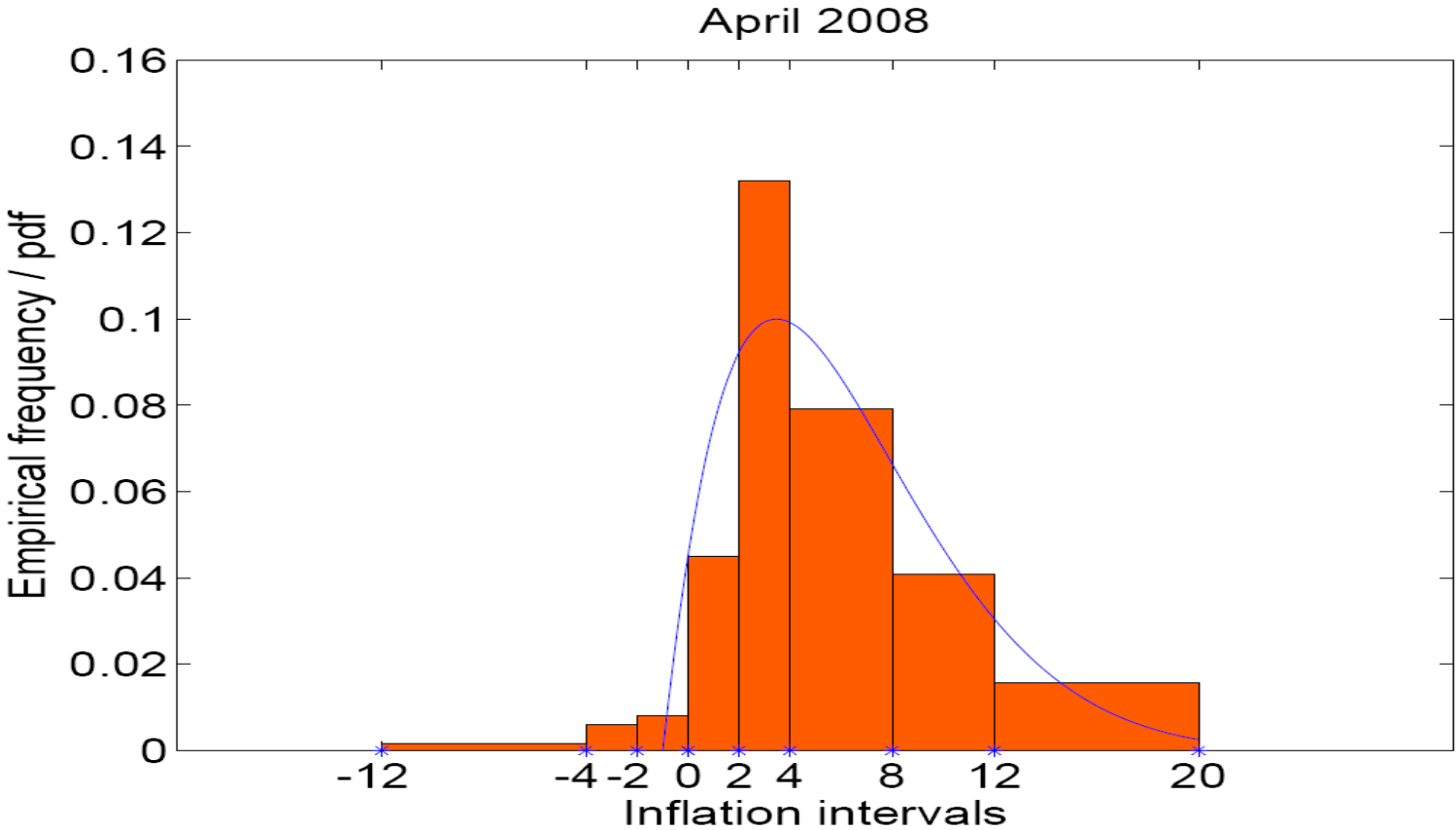
What do you think is the percent chance that, **over the next 12 months:**

- the rate of inflation will be 12% or more* _____
- the rate of inflation will be between 8% and 12%* _____
- the rate of inflation will be between 4% and 8%* _____
- the rate of inflation will be between 2% and 4%* _____
- the rate of inflation will be between 0% and 2%* _____
- the rate of deflation will be between 0% and 2%* _____
- the rate of deflation will be between 2% and 4%* _____
- the rate of deflation will be between 4% and 8%* _____
- the rate of deflation will be between 8% and 12%* _____
- the rate of deflation will be 12% or more* _____
- % Total** _____

To verify that your responses add up to 100%, press “Add.”



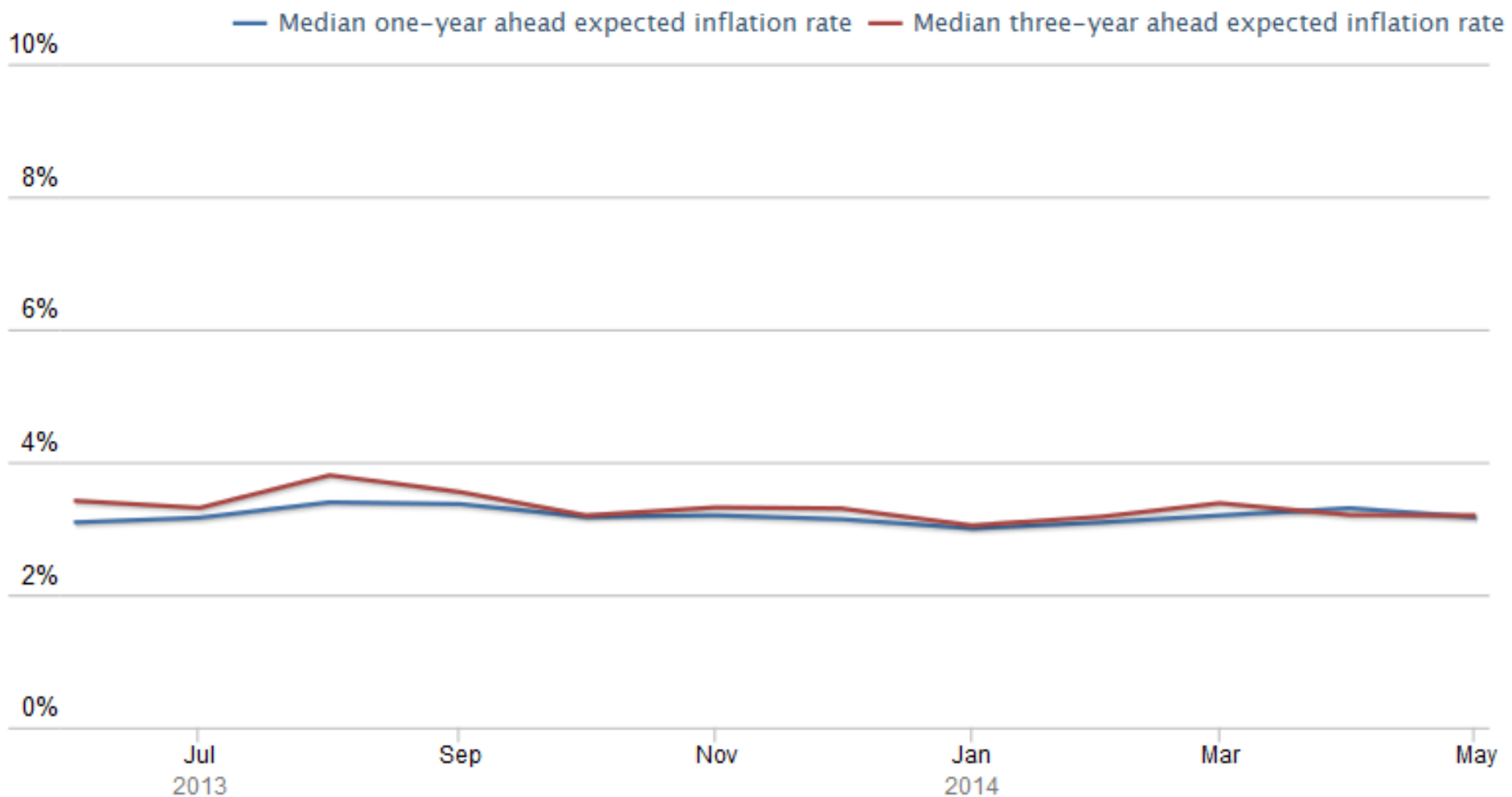
Example of Fitted Density



Mean	Median	IQR
6.2	5.4	5.9

Chart 1: Inflation Expectations

One-year and three-year ahead expected inflation rates

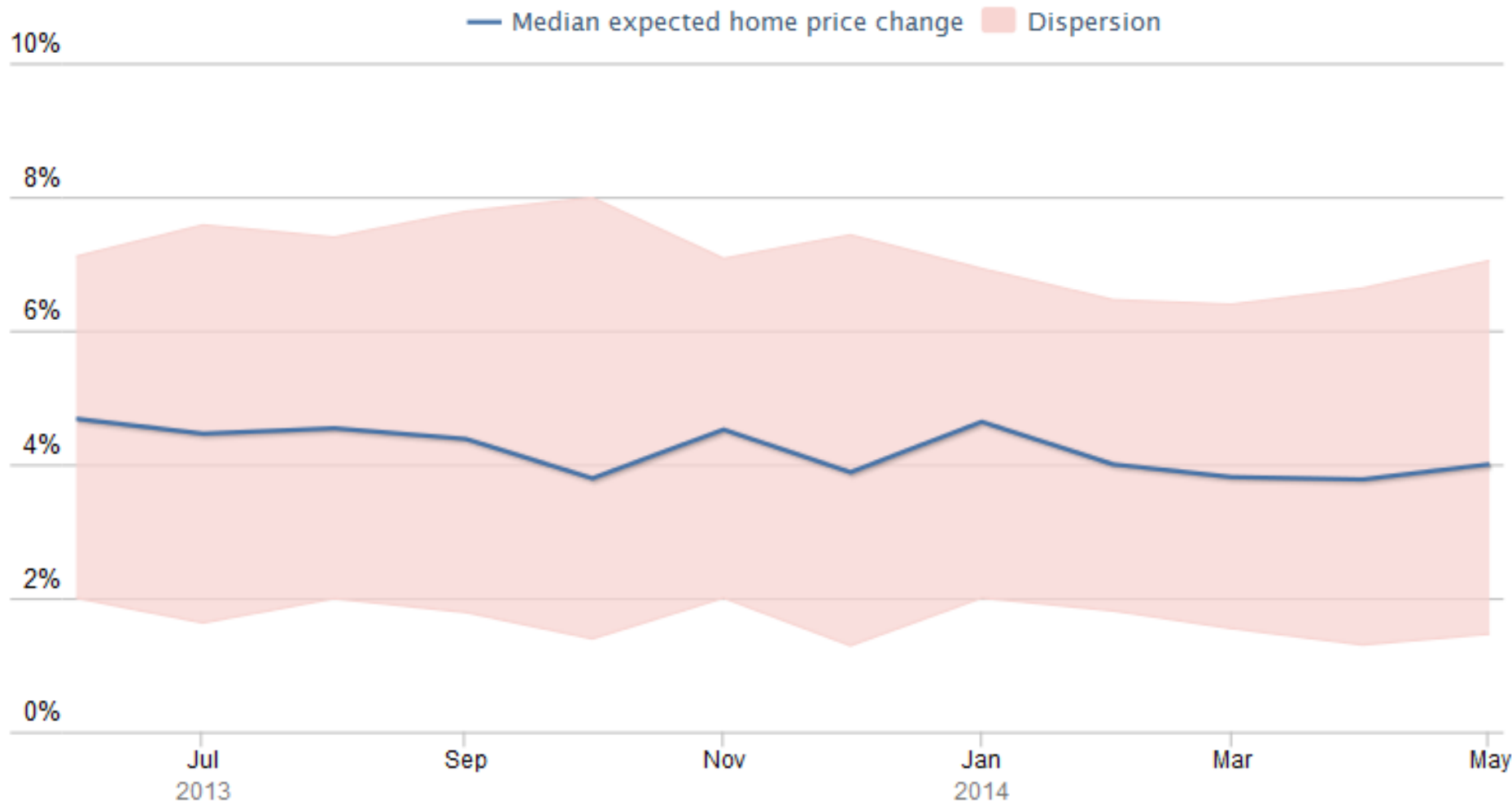


Source: New York Fed Survey of Consumer Expectations



Chart 2: Home Price Change Expectations

Median expected home price change, one-year ahead

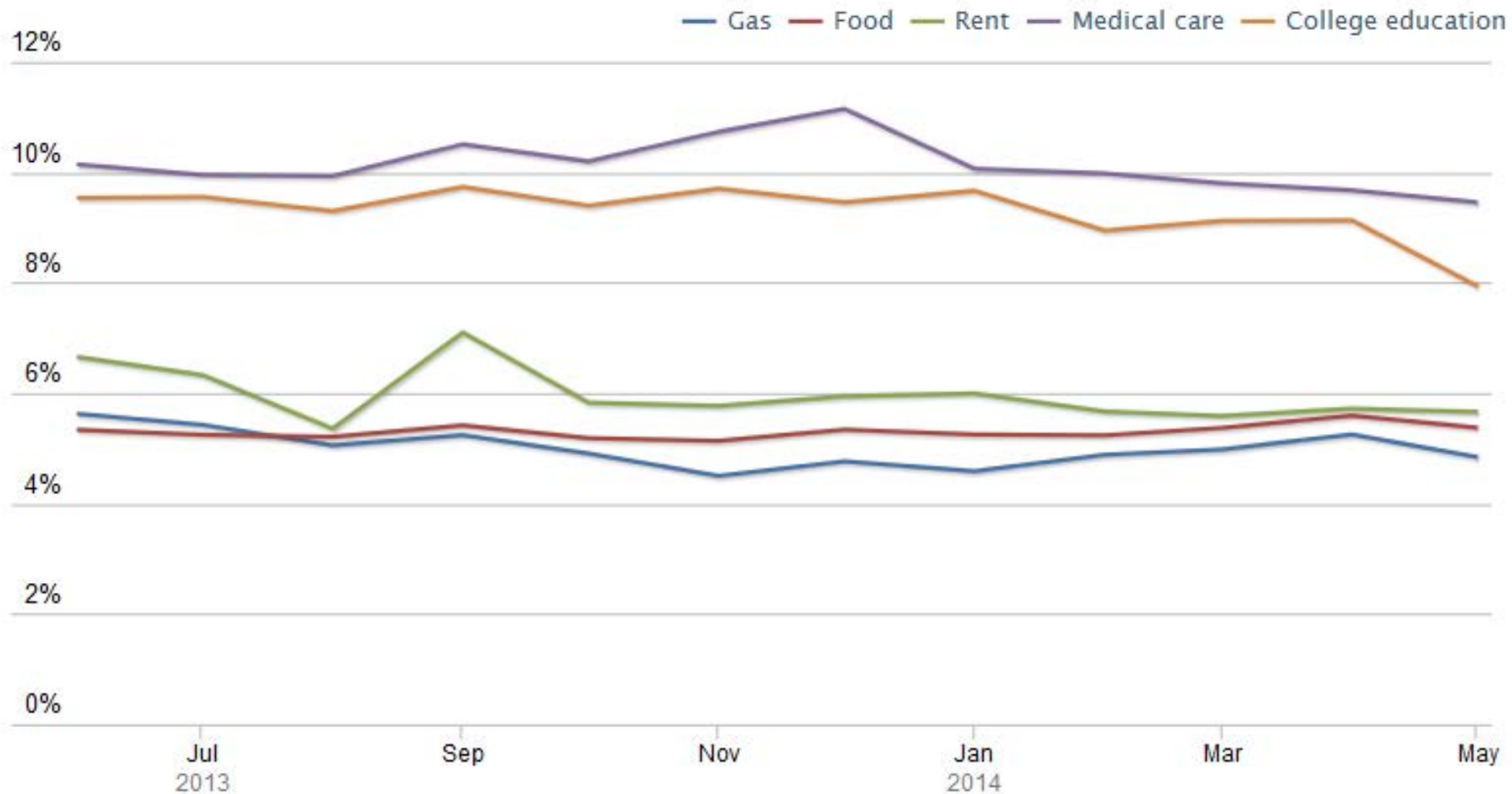


Source: New York Fed Survey of Consumer Expectations



Chart 3: Commodity Price Change Expectations

One-year ahead

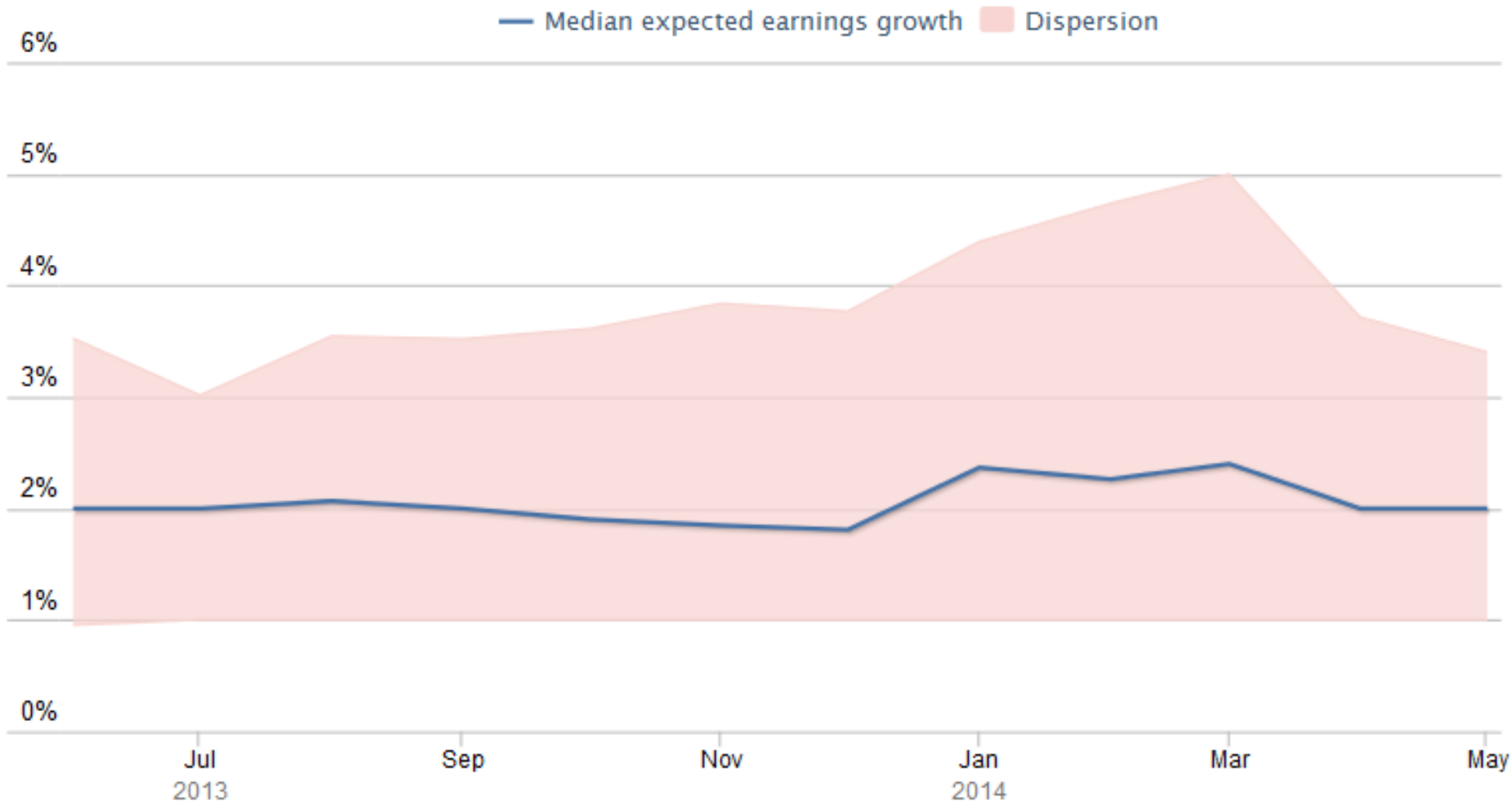


Source: New York Fed Survey of Consumer Expectations



Chart 4: Earnings Growth Expectations

Median expected earnings growth, one-year ahead

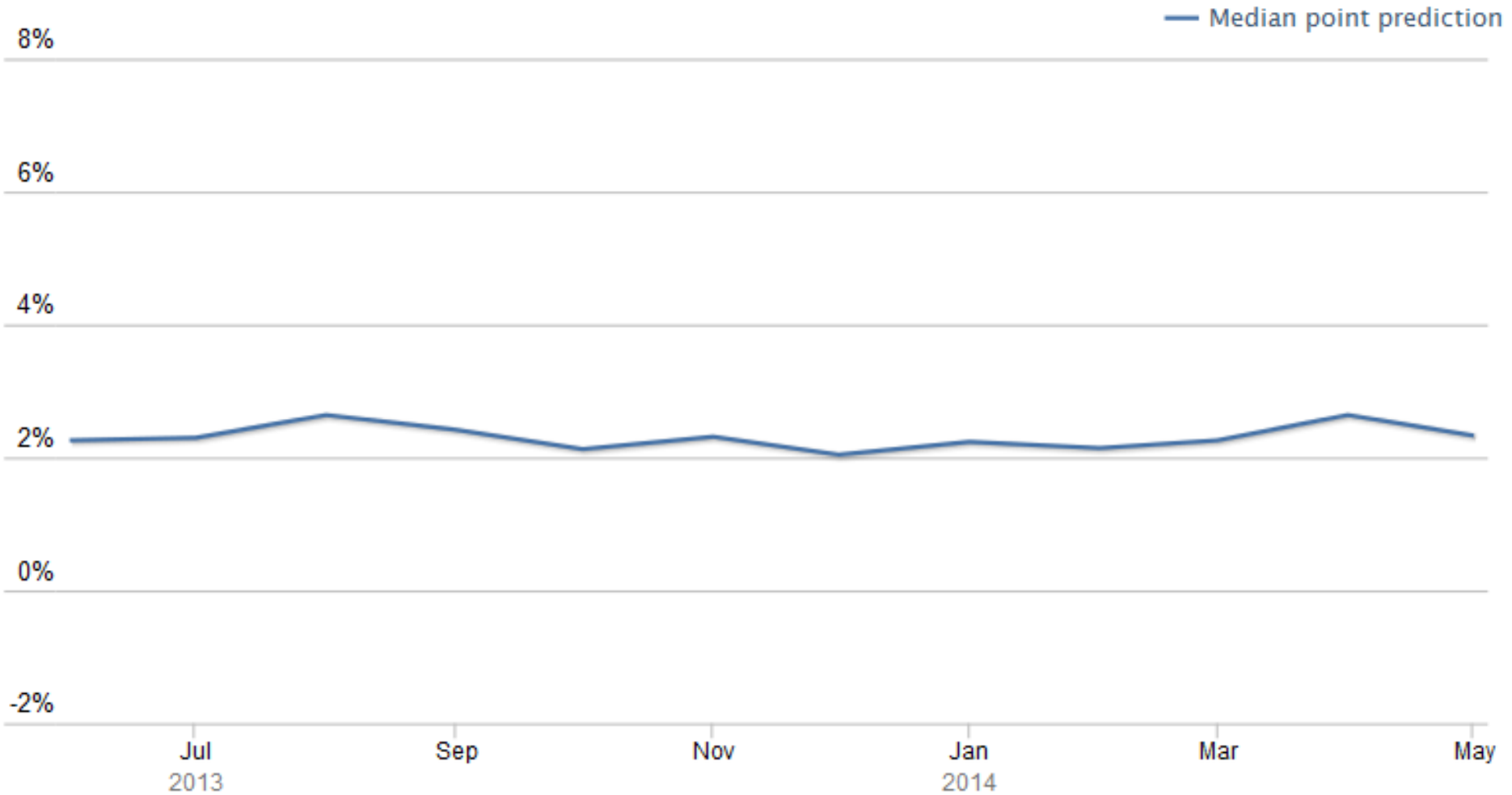


Source: New York Fed Survey of Consumer Expectations



Chart 5: Household Income Growth Expectations

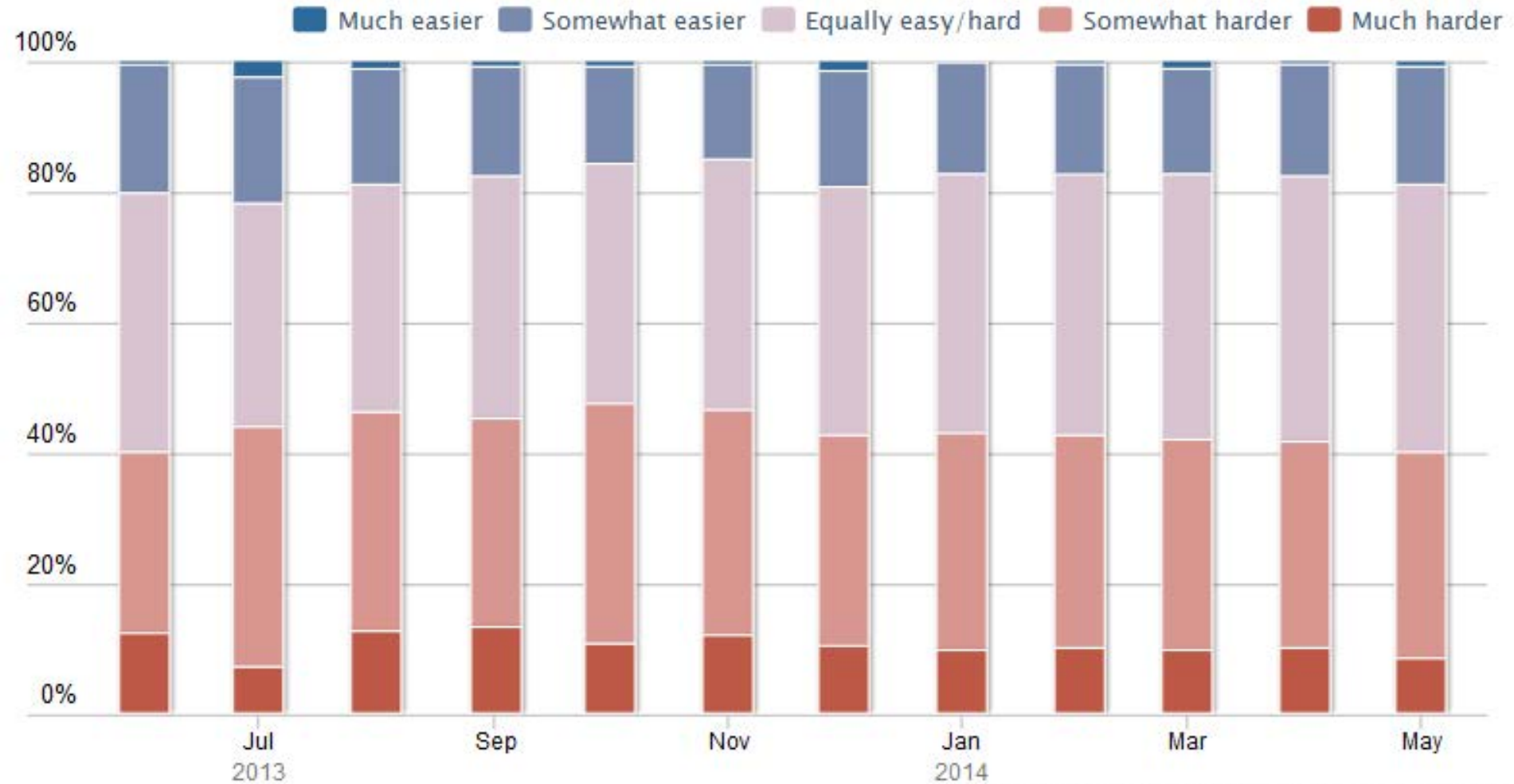
Median point prediction, one-year ahead



Source: New York Fed Survey of Consumer Expectations



Chart 6: Change in Credit Availability



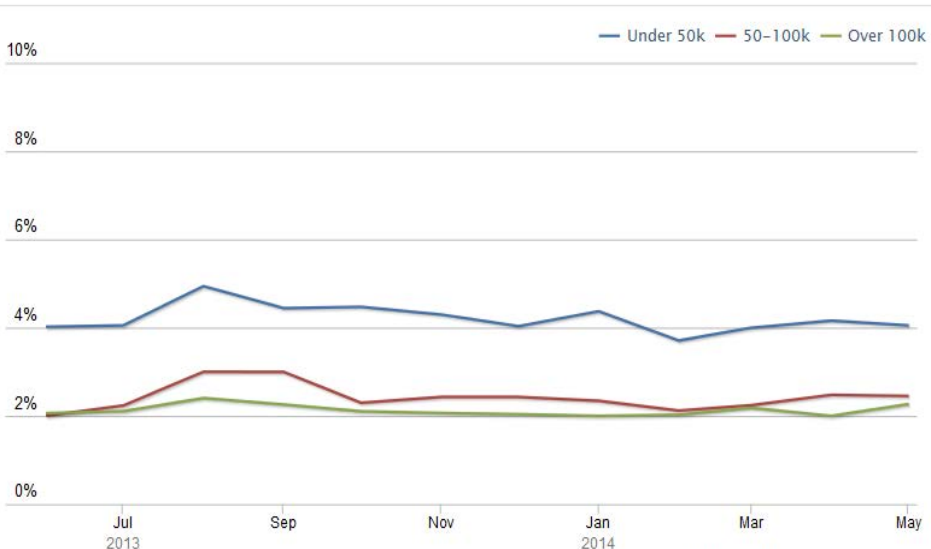
Source: New York Fed Survey of Consumer Expectations

Chart 7: Inflation Uncertainty

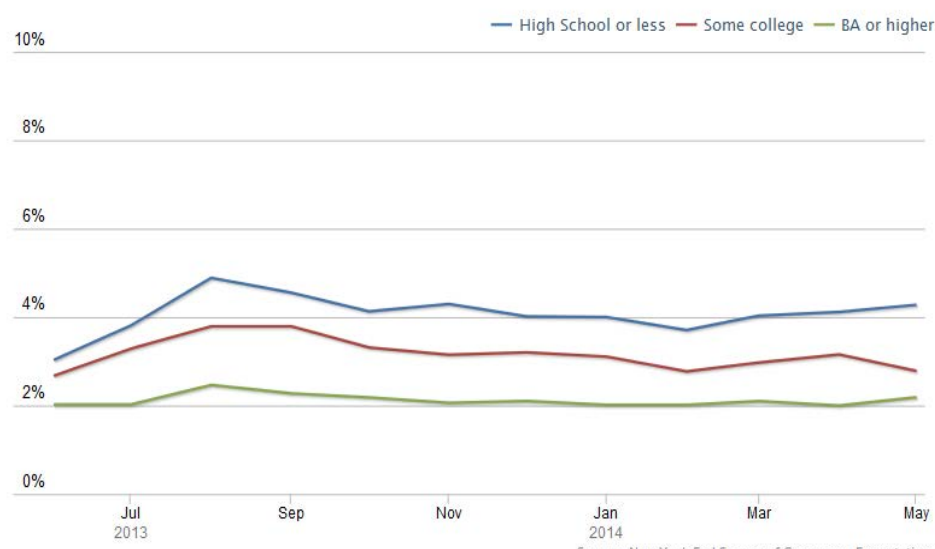
One-year ahead

Income

Education

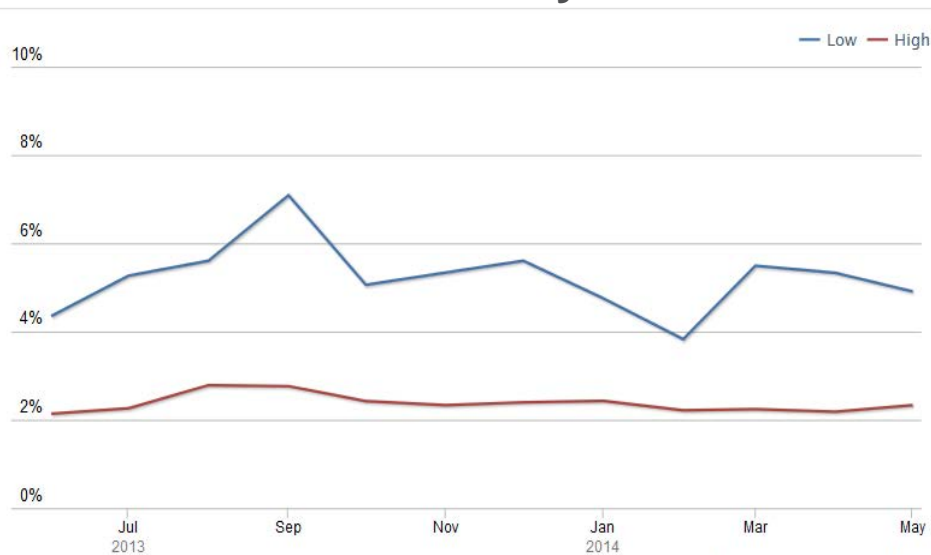


Source: New York Fed Survey of Consumer Expectations



Source: New York Fed Survey of Consumer Expectations

Numeracy



Source: New York Fed Survey of Consumer Expectations

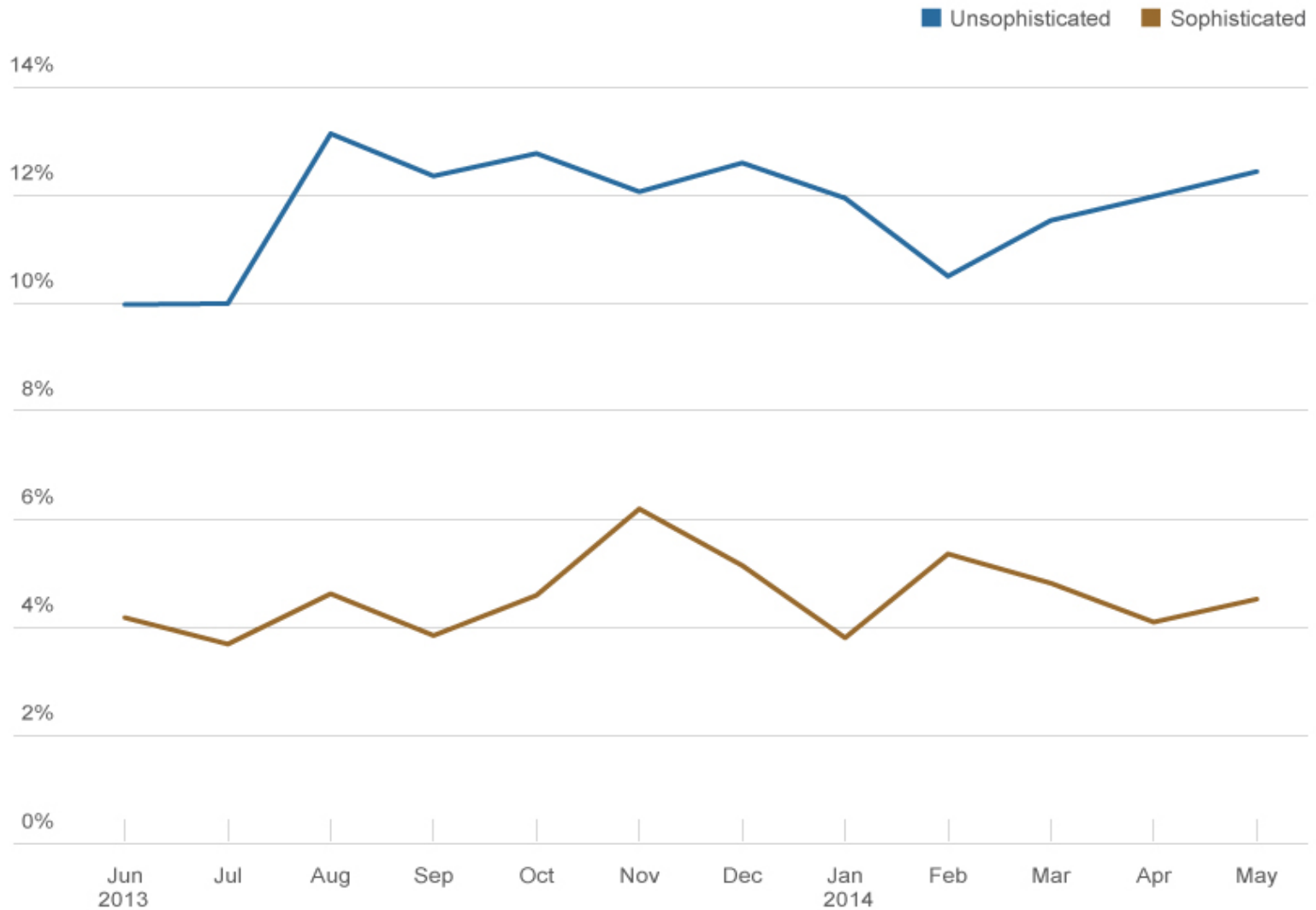


Possible Explanations for Consumers' Greater Dispersion of Expectations and Greater Right-Skewness

- Different inflation concepts
- Differences in information set and expectation-formation process
- Differences in numeracy, cognitive skills, understanding
- Loss aversion



Chart 8: Dispersion in Survey of Consumer Expectations Point Forecast



Source: New York Fed Survey of Consumer Expectations

Chart 9: Median Inflation Expectations

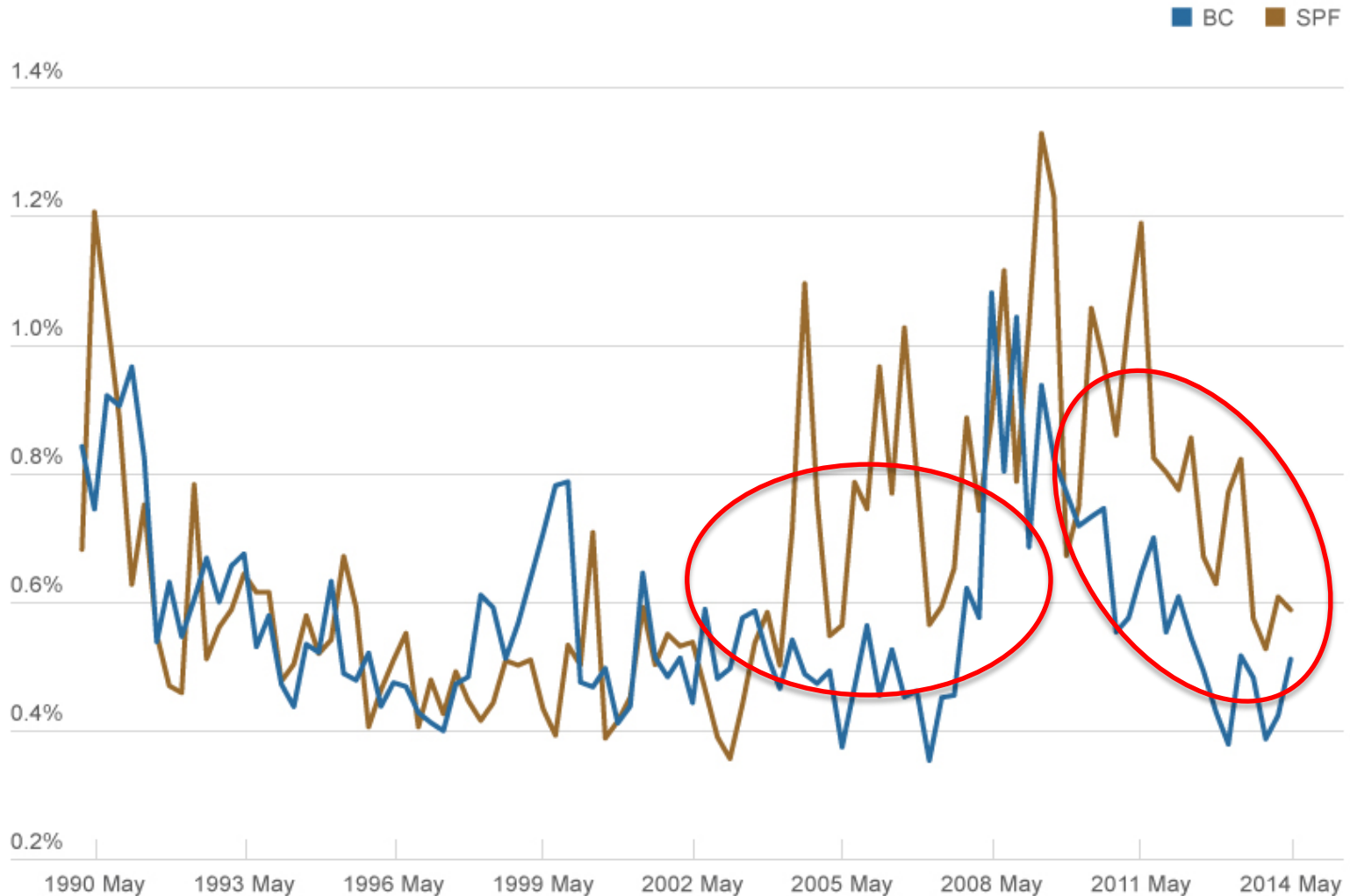
Blue Chip Survey (BC) and Survey of Professional Forecasters (SPF)



Source: New York Fed Survey of Consumer Expectations

Chart 10: Dispersion in Inflation Expectations

Blue Chip Survey (BC) and Survey of Professional Forecasters (SPF)



Source: New York Fed Survey of Consumer Expectations