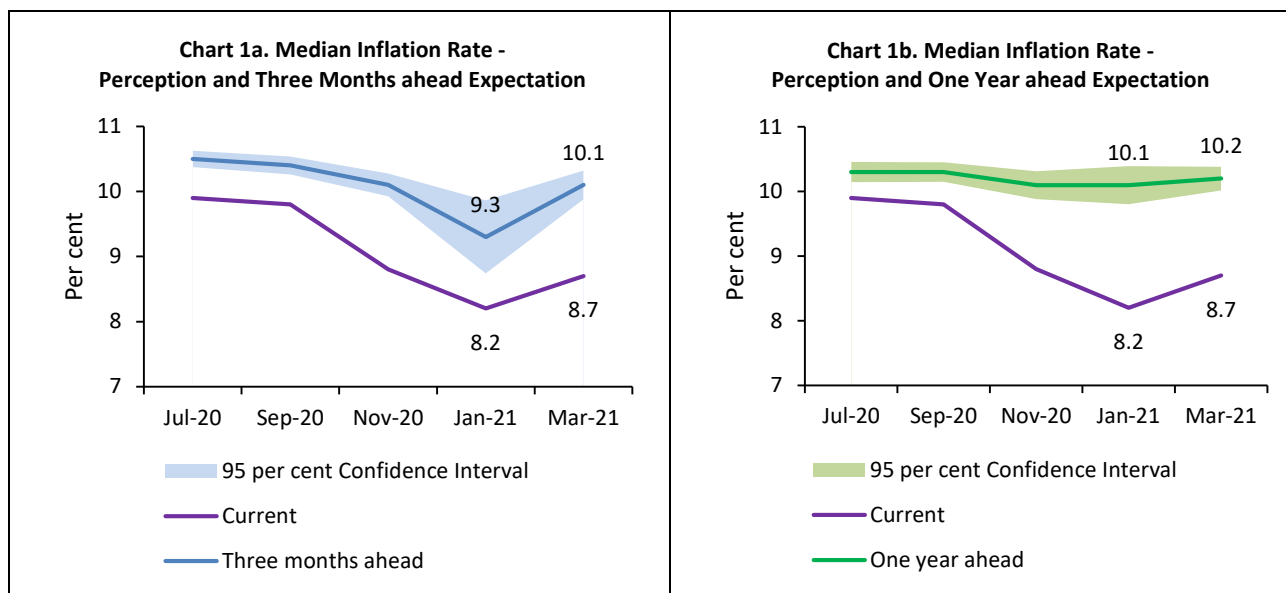


Households' Inflation Expectations Survey

Today, the Reserve Bank released the results of the March 2021 round of the Inflation Expectations Survey of Households (IESH)¹. The survey was conducted through field interviews during February 27 to March 08, 2021 in 18 major cities. The results² are based on responses from 5,955 urban households³.

Highlights:

- i. Households' median inflation perception for current period as well as three months ahead expectation increased by 50 basis points (bps) and 80 bps, respectively, as compared to the January 2021 round. [Charts 1a and 1b; Table 3].
- ii. Median inflation expectations for one year ahead remained at an elevated level [Charts 1a and 1b; Table 3].
- iii. Inflation expectations increased for the major categories of respondents (*viz.*, financial sector employees, other employees, self-employed, homemakers, retired persons and daily workers) for both three months and one year horizons.
- iv. Higher expectation of increase in general prices and inflation was led by the food and services groups [Tables 1a and 1b].



Note: [Please see the excel file for time series data.](#)

¹ The survey results reflect the respondents' views, which are not necessarily shared by the Reserve Bank. Results of the previous survey round were released on the Bank's website on [February 05, 2021](#).

² The survey is conducted at bi-monthly intervals by the Reserve Bank of India. It provides directional information on near-term inflationary pressures as expected by the respondents and may reflect their own consumption patterns. Hence, they should be treated as households' sentiments on inflation.

³ Unit-level data for previous rounds of the survey are available on the Database on Indian Economy (DBIE) portal of the Bank (weblink: <https://dbie.rbi.org.in/DBIE/dbie.rbi?site=unitLevelData>).

Table 1(a): Product-wise Expectations of Prices for Three Months ahead

(Percentage of Respondents)

Survey period ended	Mar-20		Sep-20		Nov-20		Jan-21		Mar-21	
General	Estimate	SE	Estimate	SE	Estimate	SE	Estimate	SE	Estimate	SE
Prices will increase	83.3	0.79	81.6	0.78	83.3	0.85	83.7	0.89	86.6	0.74
Price increase more than current rate	52.5	1.10	53.9	1.02	55.4	1.14	56.0	1.26	58.4	1.14
Price increase similar to current rate	25.6	0.99	22.5	0.84	23.6	0.95	22.4	0.95	24.1	0.94
Price increase less than current rate	5.2	0.56	5.2	0.46	4.4	0.46	5.3	0.53	4.1	0.50
No changes in prices	14.9	0.76	15.9	0.74	14.2	0.81	14.3	0.86	11.1	0.71
Decline in prices	1.8	0.25	2.5	0.31	2.4	0.32	1.9	0.30	2.3	0.29
Food Product										
Prices will increase	81.9	0.81	80.4	0.80	81.5	0.83	80.9	0.95	85.2	0.70
Price increase more than current rate	55.4	1.02	52.6	1.00	54.7	1.10	54.2	1.16	61.2	1.01
Price increase similar to current rate	20.0	0.88	21.2	0.81	20.3	0.90	20.0	0.95	18.1	0.81
Price increase less than current rate	6.5	0.56	6.6	0.51	6.5	0.59	6.7	0.57	6.0	0.55
No changes in prices	12.4	0.68	14.3	0.70	11.6	0.67	13.0	0.82	9.3	0.60
Decline in prices	5.7	0.43	5.3	0.46	6.9	0.54	6.1	0.54	5.5	0.45
Non- Food Product										
Prices will increase	77.8	0.87	75.8	0.87	74.8	0.99	79.3	0.98	81.0	0.78
Price increase more than current rate	50.8	1.00	47.3	0.99	48.0	1.11	51.6	1.20	57.0	1.00
Price increase similar to current rate	20.8	0.89	21.9	0.82	20.3	0.87	20.9	0.90	19.4	0.77
Price increase less than current rate	6.2	0.50	6.6	0.50	6.4	0.57	6.7	0.56	4.7	0.43
No changes in prices	17.7	0.79	19.2	0.80	20.1	0.92	16.9	0.91	12.9	0.69
Decline in prices	4.5	0.42	5.0	0.45	5.2	0.48	3.8	0.40	6.2	0.48
Household Durables										
Prices will increase	64.5	1.02	56.3	1.02	60.3	1.09	64.3	1.11	68.1	0.92
Price increase more than current rate	42.3	1.03	35.0	0.96	38.2	1.11	42.5	1.15	46.0	0.98
Price increase similar to current rate	17.2	0.80	15.8	0.74	16.2	0.82	16.8	0.77	17.7	0.74
Price increase less than current rate	5.0	0.44	5.5	0.47	5.8	0.59	5.0	0.49	4.4	0.44
No changes in prices	24.2	0.90	30.7	0.94	27.4	1.00	27.2	1.05	24.6	0.84
Decline in prices	11.2	0.63	13.1	0.69	12.3	0.71	8.4	0.58	7.3	0.50
Cost of Housing										
Prices will increase	71.0	1.07	51.8	0.98	60.7	1.12	66.1	1.11	68.9	0.93
Price increase more than current rate	49.5	1.10	32.8	0.93	40.4	1.14	45.1	1.20	48.4	1.03
Price increase similar to current rate	17.4	0.78	14.4	0.69	15.9	0.80	16.2	0.79	16.7	0.75
Price increase less than current rate	4.2	0.39	4.6	0.43	4.4	0.50	4.8	0.49	3.8	0.40
No changes in prices	22.1	0.96	29.1	0.91	25.9	1.01	24.6	1.02	22.2	0.86
Decline in prices	6.9	0.52	19.1	0.78	13.4	0.84	9.3	0.66	8.9	0.54
Cost of Services										
Prices will increase	70.8	0.99	70.3	0.91	70.4	1.02	68.8	1.06	75.6	0.90
Price increase more than current rate	46.2	1.02	45.5	1.01	44.8	1.10	45.7	1.15	51.6	1.02
Price increase similar to current rate	19.3	0.84	19.1	0.79	20.3	0.88	18.5	0.81	19.4	0.79
Price increase less than current rate	5.2	0.44	5.7	0.47	5.3	0.50	4.6	0.50	4.5	0.44
No changes in prices	25.9	0.94	25.8	0.88	25.2	0.98	27.4	1.02	20.8	0.84
Decline in prices	3.3	0.34	3.9	0.38	4.4	0.44	3.8	0.47	3.6	0.36

Note:

1. The table provides estimates and standard errors for qualitative responses.
2. Constituent items may not add up to the corresponding total, due to rounding off.

Table 1(b): Product-wise Expectations of Prices for One Year ahead

(Percentage of Respondents)

Survey period ended	Mar-20		Sep-20		Nov-20		Jan-21		Mar-21	
	Estimate	SE	Estimate	SE	Estimate	SE	SE	Estimate	SE	Estimate
General										
Prices will increase	89.2	0.65	84.8	0.73	86.5	0.77	88.0	0.80	88.7	0.61
Price increase more than current rate	60.7	1.07	59.6	1.00	59.5	1.09	62.9	1.23	63.4	1.07
Price increase similar to current rate	24.8	1.00	20.4	0.82	22.9	0.92	21.2	0.95	21.4	0.87
Price increase less than current rate	3.7	0.42	4.7	0.43	4.1	0.44	3.9	0.43	3.8	0.44
No changes in prices	9.0	0.62	12.1	0.67	10.3	0.69	9.6	0.75	8.5	0.54
Decline in prices	1.8	0.26	3.1	0.35	3.2	0.39	2.4	0.33	2.8	0.32
Food Product										
Prices will increase	85.6	0.73	77.3	0.85	77.7	0.97	80.5	0.96	81.7	0.74
Price increase more than current rate	55.6	1.10	48.3	0.99	48.4	1.10	53.0	1.21	54.6	1.01
Price increase similar to current rate	24.3	0.93	22.5	0.82	24.0	0.93	22.6	0.96	22.2	0.83
Price increase less than current rate	5.7	0.49	6.4	0.51	5.4	0.48	4.9	0.49	4.9	0.46
No changes in prices	10.3	0.64	14.8	0.72	14.3	0.82	13.4	0.84	12.0	0.61
Decline in prices	4.1	0.37	7.9	0.55	8.0	0.58	6.1	0.55	6.3	0.45
Non- Food Product										
Prices will increase	82.3	0.81	75.7	0.87	75.0	0.98	80.4	0.93	79.9	0.79
Price increase more than current rate	53.6	1.08	47.3	1.00	45.6	1.13	52.8	1.22	54.0	1.02
Price increase similar to current rate	23.4	0.92	22.2	0.83	23.5	0.93	22.7	0.93	21.4	0.83
Price increase less than current rate	5.3	0.47	6.1	0.49	5.9	0.55	4.9	0.45	4.6	0.44
No changes in prices	14.2	0.73	18.2	0.78	19.3	0.89	15.0	0.84	13.4	0.66
Decline in prices	3.4	0.36	6.1	0.49	5.8	0.51	4.6	0.46	6.6	0.47
Household Durables										
Prices will increase	70.8	1.02	62.3	0.98	65.0	1.08	69.8	1.07	70.3	0.90
Price increase more than current rate	46.6	1.09	38.8	0.98	39.9	1.08	45.0	1.20	47.2	0.98
Price increase similar to current rate	19.8	0.86	18.4	0.77	19.7	0.88	19.9	0.81	18.8	0.74
Price increase less than current rate	4.4	0.42	5.1	0.45	5.4	0.54	4.9	0.48	4.4	0.42
No changes in prices	19.7	0.87	26.5	0.88	24.6	1.01	22.1	0.97	22.7	0.81
Decline in prices	9.5	0.59	11.2	0.64	10.3	0.68	8.1	0.63	6.9	0.48
Cost of Housing										
Prices will increase	79.9	0.90	63.9	0.95	72.1	1.01	74.8	1.05	75.7	0.86
Price increase more than current rate	56.5	1.03	42.0	0.99	47.8	1.10	49.9	1.22	53.8	1.04
Price increase similar to current rate	19.6	0.82	17.4	0.75	19.8	0.87	20.2	0.91	18.3	0.79
Price increase less than current rate	3.8	0.39	4.6	0.43	4.5	0.44	4.7	0.48	3.6	0.38
No changes in prices	14.5	0.78	23.8	0.85	19.2	0.86	17.7	0.95	17.8	0.76
Decline in prices	5.5	0.47	12.2	0.67	8.7	0.65	7.5	0.61	6.5	0.48
Cost of Services										
Prices will increase	81.4	0.85	76.8	0.86	77.2	0.98	78.5	0.98	81.4	0.75
Price increase more than current rate	53.0	1.09	48.5	1.01	49.0	1.11	51.1	1.21	55.2	1.02
Price increase similar to current rate	23.3	0.90	22.0	0.83	22.2	0.87	22.9	0.96	21.5	0.82
Price increase less than current rate	5.0	0.44	6.3	0.50	6.1	0.55	4.6	0.45	4.7	0.44
No changes in prices	16.0	0.81	19.6	0.81	18.6	0.91	18.2	0.94	15.2	0.67
Decline in prices	2.7	0.30	3.6	0.37	4.2	0.45	3.3	0.41	3.4	0.35

Note:

1. The table provides estimates and standard errors for qualitative responses.
2. Constituent items may not add up to the corresponding total, due to rounding off.

Table 2: Inflation Expectations of Various Groups: March 2021

	Current Perception				Three Months ahead Expectation				One Year ahead Expectation			
	Mean		Median		Mean		Median		Mean		Median	
	Estimate	SE	Estimate	SE	Estimate	SE	Estimate	SE	Estimate	SE	Estimate	SE
Overall	9.4	0.11	8.7	0.16	10.4	0.11	10.1	0.11	10.0	0.12	10.2	0.09
Gender-wise												
Male	9.8	0.14	9.4	0.31	10.7	0.14	10.3	0.10	10.2	0.16	10.4	0.12
Female	9.1	0.15	8.4	0.19	10.3	0.15	9.7	0.34	10.0	0.18	10.2	0.14
Category-wise												
Financial Sector Employees	8.5	0.43	8.3	0.52	9.3	0.42	9.4	0.71	8.7	0.48	8.8	0.77
Other Employees	9.6	0.19	8.8	0.26	10.5	0.20	10.0	0.24	10.2	0.22	10.2	0.18
Self Employed	9.4	0.20	8.9	0.35	10.4	0.20	10.2	0.14	10.0	0.24	10.3	0.21
Homemakers	9.1	0.17	8.4	0.24	10.2	0.18	9.7	0.35	9.9	0.21	10.1	0.20
Retired Persons	10.6	0.37	10.3	0.47	11.4	0.34	11.3	0.82	10.6	0.44	11.3	0.81
Daily Workers	9.8	0.31	9.4	0.55	10.6	0.31	10.3	0.29	10.2	0.32	10.4	0.29
Other category	9.1	0.24	8.3	0.35	10.1	0.25	9.2	0.43	9.6	0.29	9.2	0.51
Age Group-wise												
Up to 25 years	8.8	0.19	8.0	0.23	10.0	0.20	9.3	0.41	9.8	0.24	9.9	0.36
25 to 30 years	9.0	0.19	8.3	0.21	10.0	0.20	9.2	0.40	9.9	0.23	9.7	0.38
30 to 35 years	9.3	0.21	8.5	0.26	10.3	0.21	9.8	0.32	10.0	0.25	10.0	0.25
35 to 40 years	9.5	0.22	8.9	0.36	10.5	0.22	10.2	0.20	10.1	0.26	10.3	0.17
40 to 45 years	9.4	0.23	8.9	0.35	10.5	0.23	10.1	0.28	9.9	0.28	10.3	0.20
45 to 50 years	10.1	0.25	9.9	0.32	11.1	0.24	10.6	0.19	10.6	0.28	10.6	0.34
50 to 55 years	10.0	0.24	10.0	0.25	11.0	0.24	10.5	0.19	9.5	0.34	10.1	0.29
55 to 60 years	10.4	0.32	10.2	0.20	11.4	0.30	11.0	0.52	10.7	0.37	11.0	0.48
60 years and above	10.6	0.30	10.3	0.20	11.5	0.28	11.3	0.80	10.9	0.37	11.6	0.91
City-wise												
Ahmedabad	10.1	0.67	9.6	1.04	11.3	0.66	11.4	1.62	11.0	0.64	11.4	1.62
Bengaluru	9.6	0.32	9.6	0.80	10.7	0.34	10.4	0.40	10.5	0.34	10.9	0.45
Bhopal	8.6	0.87	6.8	1.28	9.6	0.85	8.4	1.19	9.5	0.73	8.9	1.19
Bhubaneswar	10.5	0.59	10.1	0.68	11.2	0.49	11.0	1.25	9.1	0.87	9.8	1.13
Chennai	10.1	0.33	10.3	0.16	11.7	0.33	11.3	0.67	11.6	0.42	13.3	1.40
Delhi	9.6	0.21	9.1	0.44	10.6	0.23	10.1	0.30	10.1	0.25	10.1	0.29
Guwahati	7.6	0.39	8.0	0.46	7.7	0.41	8.2	0.40	7.0	0.71	8.1	0.86
Hyderabad	10.7	0.30	10.5	0.12	12.2	0.30	13.2	1.11	11.9	0.33	13.5	1.06
Jaipur	8.4	0.39	8.0	0.49	8.9	0.32	8.6	0.49	8.5	0.52	8.6	0.64
Kolkata	9.0	0.26	8.4	0.33	10.1	0.25	9.7	0.40	10.2	0.29	10.1	0.28
Lucknow	9.5	0.71	9.1	0.71	10.5	0.69	10.2	0.50	10.7	0.70	10.7	0.87
Mumbai	9.4	0.35	8.2	0.42	9.9	0.35	8.9	0.48	8.3	0.35	7.8	0.54
Nagpur	8.2	0.59	7.5	0.53	9.9	0.56	9.7	0.68	10.4	0.58	10.3	0.33
Patna	8.0	0.45	7.7	0.61	8.6	0.45	8.3	0.66	8.4	0.44	8.2	0.65
Thiruvananthapuram	5.6	0.67	4.9	0.62	7.1	0.77	6.0	0.67	8.2	1.02	7.3	1.00
Chandigarh	10.6	0.46	10.4	0.18	10.4	0.73	10.2	0.58	10.1	0.98	10.3	0.71
Ranchi	6.7	0.31	6.2	0.40	7.2	0.42	6.8	0.64	7.0	0.72	7.5	0.84
Raipur	7.4	0.75	6.9	0.69	8.7	0.84	8.2	0.65	10.4	0.67	10.7	1.05

Note: The table provides estimates and standard errors for quantitative responses.

Table 3: Household Inflation Expectations – Current Perception, Three Months and One Year Ahead Expectations

	Current Perception				Three Months ahead Expectation				One Year ahead Expectation			
	Mean		Median		Mean		Median		Mean		Median	
	Estimate	SE	Estimate	SE	Estimate	SE	Estimate	SE	Estimate	SE	Estimate	SE
Mar-20	8.4	0.09	7.6	0.12	9.2	0.10	8.5	0.11	9.1	0.11	9.0	0.18
Sep-20	9.9	0.10	9.8	0.25	10.8	0.10	10.4	0.07	9.9	0.12	10.3	0.08
Nov-20	9.5	0.11	8.8	0.18	10.4	0.11	10.1	0.09	9.8	0.13	10.1	0.11
Jan-21	9.1	0.12	8.2	0.17	10.0	0.12	9.3	0.29	9.7	0.13	10.1	0.15
Mar-21	9.4	0.11	8.7	0.16	10.4	0.11	10.1	0.11	10.0	0.12	10.2	0.09

Note: The table provides estimates and standard errors for quantitative responses.

Table 4: Households Expecting General Price Movements in Coherence with Movements in Price Expectations of Various Product Groups: Three Months Ahead and One Year Ahead

(Percentage of Respondents)

Survey period ended	Food	Non-Food	Households durables	Housing	Cost of services
Three Months Ahead					
Mar-20	65.4	64.6	55.8	61.1	64.7
Sep-20	62.1	61.0	50.4	45.9	60.5
Nov-20	62.7	63.5	52.4	54.0	60.7
Jan-21	63.3	64.3	54.5	55.7	62.8
Mar-21	67.0	65.7	57.4	58.6	65.1
One Year Ahead					
Mar-20	71.9	71.8	63.2	69.9	72.3
Sep-20	63.0	64.8	55.5	53.6	66.6
Nov-20	66.4	65.9	56.7	62.1	68.9
Jan-21	68.4	68.6	60.6	63.0	69.0
Mar-21	69.6	70.1	62.4	65.5	71.6

Note: Figures are based on sample observations

Table 5(a): Cross-tabulation of Number of Respondents by Current Inflation Perception and Three Months Ahead Inflation Expectations: March 2021

		Three Months Ahead Inflation Rate (per cent)																			
Current Inflation Rate (per cent)		<1	1-<2	2-<3	3-<4	4-<5	5-<6	6-<7	7-<8	8-<9	9-<10	10-<11	11-<12	12-<13	13-<14	14-<15	15-<16	>=16	No idea	Total	
	<1	6	1	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	8
	1-<2	0	20	9	7	2	0	0	0	0	0	0	0	0	0	0	0	0	1	0	39
	2-<3	1	7	61	46	36	11	3	2	0	0	0	0	0	0	0	0	0	0	0	167
	3-<4	0	2	8	60	58	61	11	2	1	0	0	0	1	0	0	0	0	0	0	204
	4-<5	0	0	12	12	127	98	72	10	6	1	3	0	1	0	0	0	0	0	0	342
	5-<6	0	4	1	27	46	397	147	245	93	8	102	0	2	0	0	0	10	3	0	1085
	6-<7	0	1	1	1	5	12	126	95	73	15	24	1	2	0	0	0	1	0	0	357
	7-<8	0	0	1	1	3	10	4	175	105	47	63	5	9	3	2	3	0	0	0	431
	8-<9	0	1	1	0	1	7	4	8	220	73	131	12	24	4	4	6	5	0	0	501
	9-<10	0	0	1	0	2	0	0	2	1	102	57	28	26	6	4	9	5	0	0	243
	10-<11	0	0	0	0	0	22	3	16	18	8	406	56	166	45	19	244	118	0	0	1121
	11-<12	0	0	0	0	0	0	0	0	0	0	0	15	4	8	1	0	0	0	0	28
	12-<13	0	0	0	0	1	0	1	0	2	0	2	1	22	14	15	19	11	0	0	88
	13-<14	0	0	0	0	0	0	0	0	0	0	0	0	0	7	3	8	5	0	0	23
	14-<15	0	0	0	0	0	0	1	0	0	0	0	0	1	0	9	4	7	0	0	22
	15-<16	0	0	0	0	1	8	0	1	4	0	4	1	0	3	4	89	126	0	0	241
	>=16	0	0	0	0	0	7	0	1	1	0	29	0	1	2	1	26	984	3	0	1055
	Total	7	36	95	154	282	634	372	557	524	254	821	119	259	92	62	419	1265	3	0	5955

Note: Figures are based on sample observations

Table 5(b): Cross-tabulation of Number of Respondents by Current Inflation Perception and One Year Ahead Inflation Expectations: March 2021

		One Year Ahead Inflation Rate (per cent)																			
Current Inflation Rate (per cent)		<1	1-<2	2-<3	3-<4	4-<5	5-<6	6-<7	7-<8	8-<9	9-<10	10-<11	11-<12	12-<13	13-<14	14-<15	15-<16	>=16	No idea	Total	
	<1	4	0	0	1	0	2	0	0	0	0	0	0	0	0	0	0	0	0	1	8
	1-<2	10	10	7	5	4	3	0	0	0	0	0	0	0	0	0	0	0	0	0	39
	2-<3	22	4	32	31	30	23	12	4	4	1	3	0	1	0	0	0	0	0	0	167
	3-<4	21	0	2	39	23	62	18	21	9	4	4	0	1	0	0	0	0	0	0	204
	4-<5	50	0	2	6	75	61	68	36	25	1	11	0	1	1	0	3	2	0	0	342
	5-<6	150	1	3	11	12	228	86	199	119	37	166	10	11	3	1	31	15	2	0	1085
	6-<7	24	0	1	0	2	9	87	49	86	24	52	4	10	2	1	4	2	0	0	357
	7-<8	49	0	0	0	2	4	7	113	56	63	71	15	19	9	6	12	5	0	0	431
	8-<9	52	0	0	0	0	5	2	3	135	54	116	34	53	8	9	13	17	0	0	501
	9-<10	18	0	1	0	0	0	0	2	1	67	36	33	46	10	7	18	4	0	0	243
	10-<11	119	0	0	1	0	14	3	13	13	8	242	29	119	53	27	243	236	1	0	1121
	11-<12	1	0	0	0	0	0	0	0	0	0	0	13	6	6	1	1	0	0	0	28
	12-<13	5	0	0	0	0	1	0	0	0	0	5	1	17	3	14	23	19	0	0	88
	13-<14	0	0	0	0	0	0	0	0	0	0	0	0	0	5	2	10	6	0	0	23
	14-<15	3	0	0	0	0	0	0	0	0	0	0	0	0	0	5	2	12	0	0	22
	15-<16	28	0	0	0	0	1	0	0	1	0	5	0	2	1	1	66	136	0	0	241
	>=16	123	0	0	0	0	1	2	1	0	0	25	1	1	0	2	11	884	4	0	1055
	Total	679	15	48	94	148	414	285	441	449	259	736	140	287	101	76	437	1338	8	0	5955

Note: Figures are based on sample observations