

## Türkiye Household Inflation Expectations Survey (TEBA) Results<sup>1</sup>

**April'24**

- Annual inflation expectations as of April 2024: **121%**
- Year-end inflation expectations: **97%**

### Summary Statistics

	I Annual inflation expectations	II Year-end inflation expectations
	<i>How much do you think prices have increased on average from April 2023 to this April?</i>	<i>By the end of 2024, what percentage increase will prices have experienced from January to December?</i>
1. Mean	121	97
2. Median	100	90
3. Inter Quartile Range (IQR)	70	50
4. Standard Deviation	66	59

\* We exclude the outliers that are three standard deviations away from the mean.

**Household year-end inflation expectations** surged from 72% to 97% between January and April 2024, exceeding the rise in actual inflation during the first quarter. The January 2024 figure of 72% trails behind the data in Box 3.1 of the CBRT's Inflation Report for that period. According to the Consumer Trend Survey in the Report, household inflation expectations for the next 12 months were about 80% as of January 2024.

Looking at the trajectory of household inflation expectations for the rest of the year, the current annual inflation expectations, standing at approximately 121% as of April 2024, are projected to drop by as much as 24 points to 97% by year-end.

The average is higher than the median value, both for annual inflation expectations (1st column) and year-end inflation expectations (2nd column). This indicates a right-skewed distribution, suggesting that there are less respondents with inflation expectations higher than the average, compared to those with expectations lower than the average.

Furthermore, the substantial interquartile range value, serving as an indicator of variability, suggests considerable divergence in household inflation expectations (3rd row). Upon arranging responses in ascending order, this metric highlights the variance in expectations between individuals at the 25th and 75th percentiles of the distribution. However, the reduction in this variability concerning year-end

<sup>1</sup> This report has been updated to reflect the revisions made to the weighting system as of December 2024.

inflation expectations (2nd column) suggests a growing consensus regarding anticipated year-end inflation.

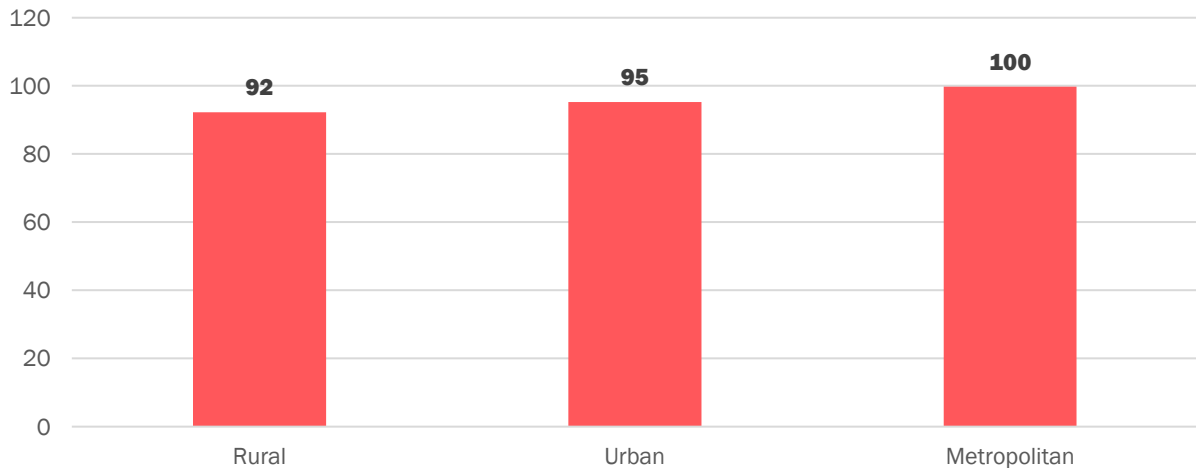
The survey asks an additional question: "Is now a good time to buy durable consumer goods such as refrigerators, electronic appliances, or would you prefer to wait and buy them six months later?" 92% of survey participants answered yes to this question.

### Demographic Analysis

In this section, year-end household inflation expectations are examined according to demographic characteristics.

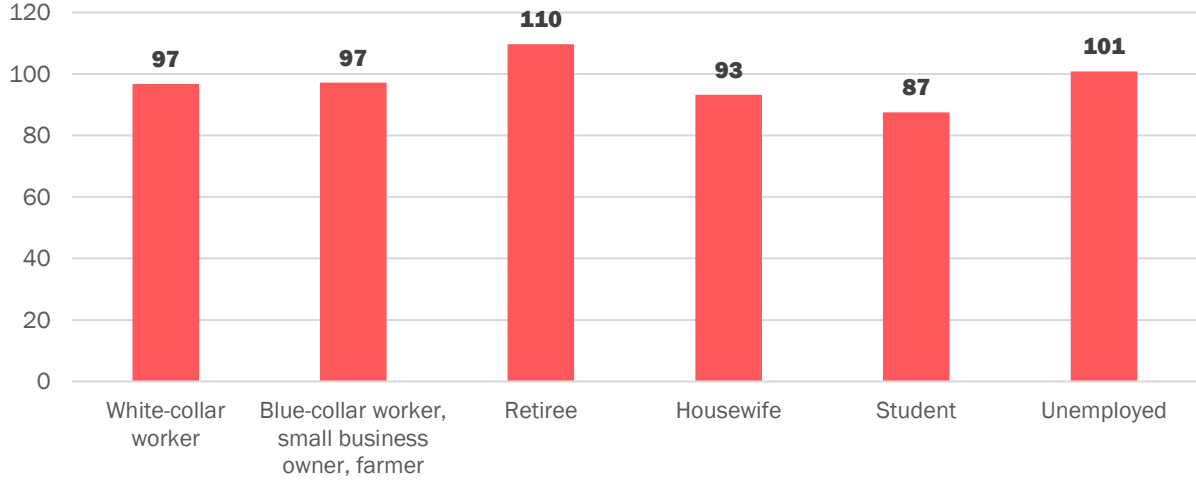
- 1) When individuals are categorized by where they live—rural, urban, or metropolitan—we notice a growing expectation of price increases as we move from rural to metropolitan areas. Currently, over half the population lives in cities.

**By the end of 2024, what percentage increase will prices have experienced from January to December?**



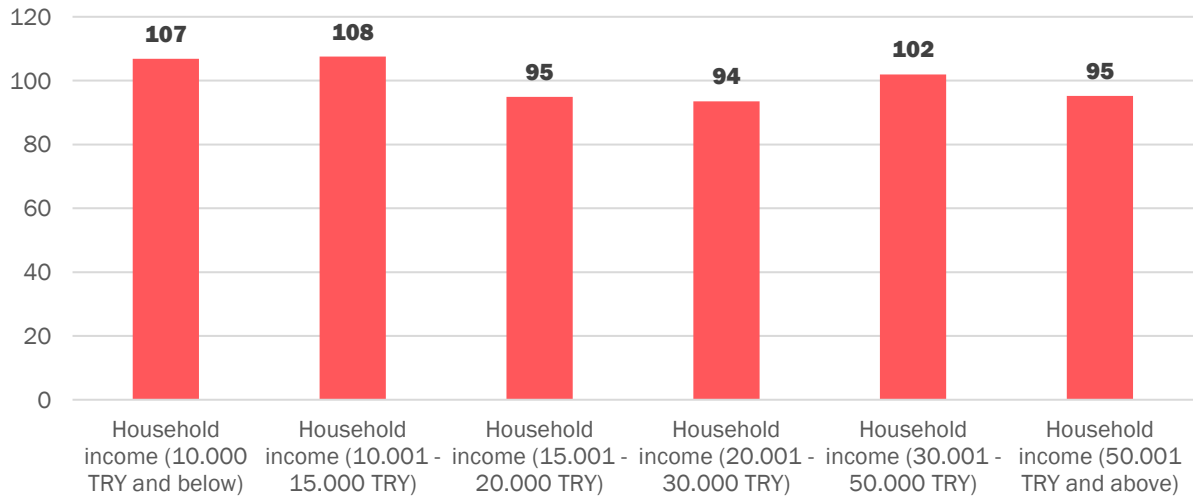
- 2) When analyzing the employment status of individuals, retirees have the highest inflation expectations, followed by the unemployed. These groups also express the most difficulty with their living conditions.

**By the end of 2024, what percentage increase will prices have experienced from January to December?**



- 3) When households are grouped by total declared income, a pattern emerges for the low income groups: as income decreases, year-end inflation expectations tend to increase.

**By the end of 2024, what percentage increase will prices have experienced from January to December?**



### **KONDA 2024 Household Inflation Expectations Survey Credits**

This report and the underlying research data were produced by KONDA Research and Consultancy Inc. for Koç University.

This research aims to measure the inflation expectations of the population aged 18 and over in Turkey.

The research was conducted through phone calls with individuals who agreed to participate in the KONDA Mediated Panel on April 19-21, 2024. Panelists voluntarily joined our panel system. Each panelist conducts the survey through a mediator affiliated with KONDA. 2710 individuals were interviewed in this study, living in 1435 different neighborhoods across 76 provinces.

The research was designed and implemented to determine and monitor trends and changes in the preferences of subjects representing the adult population aged 18 and over in Turkey. The margin of error for the research findings is +/- 1.88 at a 95% confidence level and +/- 2.23 at a 99% confidence level.

The sample was prepared by layering the population sizes and education levels of neighborhoods and villages based on ADNKS (Address-Based Population Registration System) data and the results of the May 14, 2023 General Elections. Settlements were initially categorized as rural/ urban/ metropolitan and the sample was determined based on 12 regions.