



Policy Study 1/2013

WHO IS MOST AFFECTED BY RISING PRICES? DIFFERENCES IN INFLATION BY HOUSEHOLD CHARACTERISTICS

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Abstract

Numerous parameters of the social system are being adjusted according to official inflation rate data, for example pension valorization and the public sector salaries. Yet this inflation rate data informs us only of average price changes, whilst in reality different households purchase very different types of goods and services. This study shows how different demographic groups were exposed to price changes both greater and smaller than average inflation rates. Between 1999 and 2010 households with a low income were exposed to 10 percent higher cumulative price growth than households with an average income. The difference for pensioners' households was 7 percent. On the other hand, households in Prague were facing similar price growths to the national population average. Economic and social policy in terms of pension adjustment, modifications of parameters for social security and the whole social system should take into consideration the different impact of price growths on different groups of the population.

[Download](#) the complete study (in Czech only).

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