

Mid-Term Report: Comprehensive Analysis of Inflation Perception (2008–2024)

Introduction

This report synthesizes findings from the Inflation Expectations Survey of Households conducted by the Reserve Bank of India (RBI), covering an extensive period from 2008 to 2024. It offers detailed insights into how inflation perceptions evolved across various demographics, occupational groups, and geographic locations.

Age Group Analysis

Younger respondents (up to 25 years and 25-30 years) consistently perceive higher inflation rates throughout 2008–2024.

2008–2010

Younger demographics predominantly report moderate-to-high inflation perceptions (8–12% and 16%).

2011–2014

Significant spike in extreme inflation perceptions (16%), especially among younger groups.

2015–2017

Moderation observed in middle-aged groups (35–45 years), though younger groups maintain higher perceptions.

2018–2020

Inflation perceptions intensify, particularly among younger and mid-aged groups (25–30, 35–40 years), peaking during the pandemic year of 2020.

2022–2024

Younger groups (up to 25, 25–30 years) dominate in reporting severe inflation, while older respondents (50+ years) increasingly express broader inflation concerns post-2022.

Occupational Analysis

Distinct occupational patterns persisted:

2008–2017

Homemakers exhibit highest sensitivity due to direct household budget impact, consistently indicating extreme perceptions (16%). Self-employed and daily wage earners also demonstrate considerable inflation concerns. Financial sector employees maintain lowest perceptions due to economic stability and literacy.

2018–2020

Homemakers continue dominating inflation perceptions. Self-employed and daily workers experience notable perception spikes, particularly self-employed during the COVID-induced economic disruption.

2022–2024

Homemakers' perceptions reach historic peaks. Other Employees and Self-employed demonstrate persistent perception growth. Financial sector employees and retired persons remain relatively moderate, signaling consistent economic insulation.

Regional Analysis (Cities)

Metropolitan areas consistently indicate elevated perceptions:

2008–2017

Major cities (Mumbai, Delhi, Kolkata, Chennai, Bangalore) exhibit consistently higher perceptions, notably peaking between 2011–2014. Emerging cities (Patna, Jaipur) reveal gradual increases post-2012.

2018–2020

Delhi, Mumbai, and Kolkata sustain high perception levels, peaking significantly in 2020 amidst COVID-19 impacts. Hyderabad and Chennai show fluctuation, with smaller cities indicating lower but gradually increasing concerns.

2022–2024

Bangalore emerges notably, surpassing Delhi and Mumbai by 2024. Hyderabad rebounds strongly post-pandemic. Smaller cities (Chandigarh, Jaipur, Jammu) increasingly report inflation concerns, highlighting geographic spread of economic anxiety.

Overall Trends and Insights

- Inflation perception consistently intensified from 2008 to 2024, correlating strongly with actual economic events, particularly visible during economic disruptions (e.g., COVID-19 in 2020).
- Persistent high perceptions among homemakers highlight targeted areas for policy intervention.
- Younger demographics’ increasing sensitivity to inflation underscores growing economic burdens.
- Gradual geographic diffusion of inflation concerns from major urban centers to smaller cities suggests widening economic stress.

Recommendations for Further Research

- Deepen examination of homemakers and younger demographics to understand factors driving their heightened inflation sensitivity.
- Investigate financial literacy and occupational security’s role in moderating perceptions, especially among financial sector employees.

- Expand regional studies to identify localized economic dynamics contributing to varied city-wise perceptions.

Conclusion

This comprehensive report emphasizes significant demographic, occupational, and regional variations in inflation perceptions over an extended period (2008–2024). Ongoing research and targeted policy interventions remain crucial for effectively addressing economic concerns reflected in these perceptions.