

This focus was modified on 4 May 2023 in order to clarify the scope of Figure 4. The text has also been amended accordingly.

In 2022, faced with rising prices, households changed their consumption habits

At the end of 2022, with prices having risen almost constantly throughout the year, more than two thirds of households said they had changed their consumption habits because of inflation. These were mostly young households or households with children. They were from all social contexts (measured by socio-professional category) and from both urban and rural areas. Changing consumption habits as a result of inflation seems to be something that has affected the entire scale of living standards, although it is more apparent in households that are financially stretched. These changes mainly concern housing energy and food, linked to the high inflation affecting these two consumer items. In the case of food, this has led to a reduction in amounts consumed and, to a lesser extent, to changing product range or supermarket.

In December 2022, two out of three households said that they had changed their consumption habits over the past year, due to the rise in the general level of prices

For the past year, households have reported growing concern about the economic situation. In spring 2022, the composite indicator of household confidence tumbled to a very low level, close to that of the crisis in 2008, and it has not risen since then. The context of continuous price rises (+5.2% on average across 2022) contributes to this concern: in December 2022, 76% of households considered that prices had risen sharply over the previous 12 months, a higher percentage than the highest point reached in May 2008.

In this context, and as part of the monthly consumer confidence survey (CAMME) in December 2022, INSEE asked households about any changes in their consumption habits (► **Box**). In December 2022, 68% of households said they had changed their consumption habits over the last twelve months because of inflation (► **Figure 1**).¹ More specifically, almost one in two households (46%) reported that they had changed their

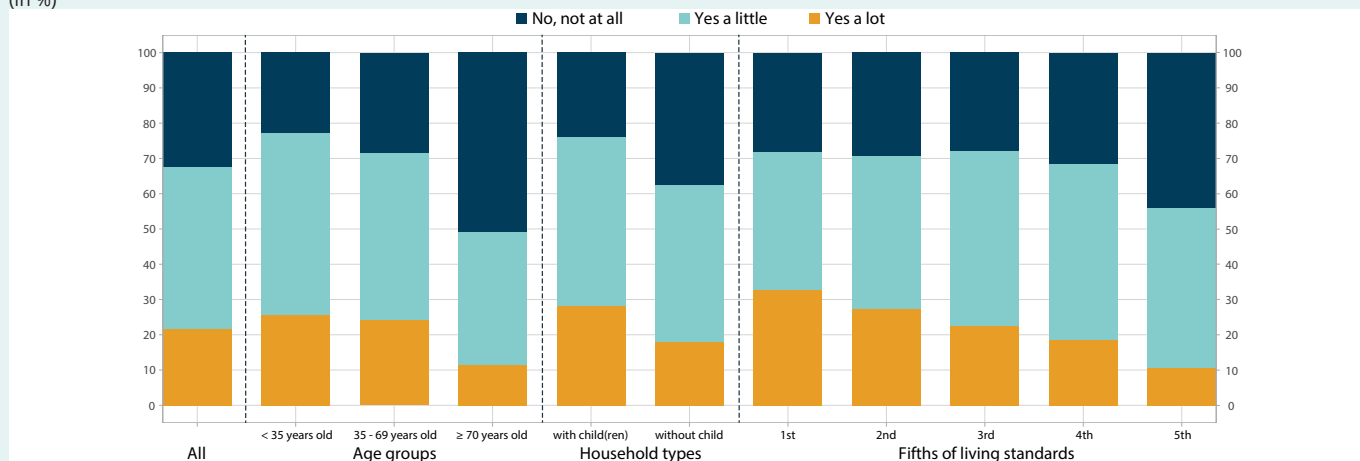
consumption habits a little because of inflation and about one in five households (22%) said they had changed their habits a lot. These responses can be related to the sharp slowdown observed in 2022 compared to 2021 (+2.7% in 2022, after +5.2%), where in fact the average annual growth in 2022 was largely a “carry-over effect” associated with the upturn in purchases in H2 2021.

These reported changes in consumption habits and the slowdown in consumption dynamics at the macroeconomic level are linked to the decline in purchasing power associated with inflation. In fact, many households consider that their financial situation deteriorated markedly in 2022 or that it will probably deteriorate in 2023: the balances of opinion of households concerning their past and future personal financial situation are very far below their long-term average. During 2022, more households reported that they were in debt or drawing on their reserves (+3 points between December 2021 and December 2022, ► **Figure 2**), against a background of virtual stability in real gross disposable income at the macroeconomic level on average over the year.

¹ In the CAMME survey of December 2022, the consumption habits that the questionnaire was focusing on covered everyday consumer items (food, clothing, transport, telecommunications, outings and leisure, heating, electricity) and more occasional items (vehicle purchase, building work, leisure).

► 1. Share of households saying that they changed their consumption habits over the past year because of inflation in December 2022

(in %)



How to read it: in December 2022, 68% of households said they changed their consumption habits over the past year because of inflation (Yes a little, Yes a lot). Scope: households living in ordinary housing in Metropolitan France.

Source: INSEE, Monthly consumer confidence Survey.

French economic outlook

Households aged under 35 and households with children have made more changes to their consumption habits to cope with inflation

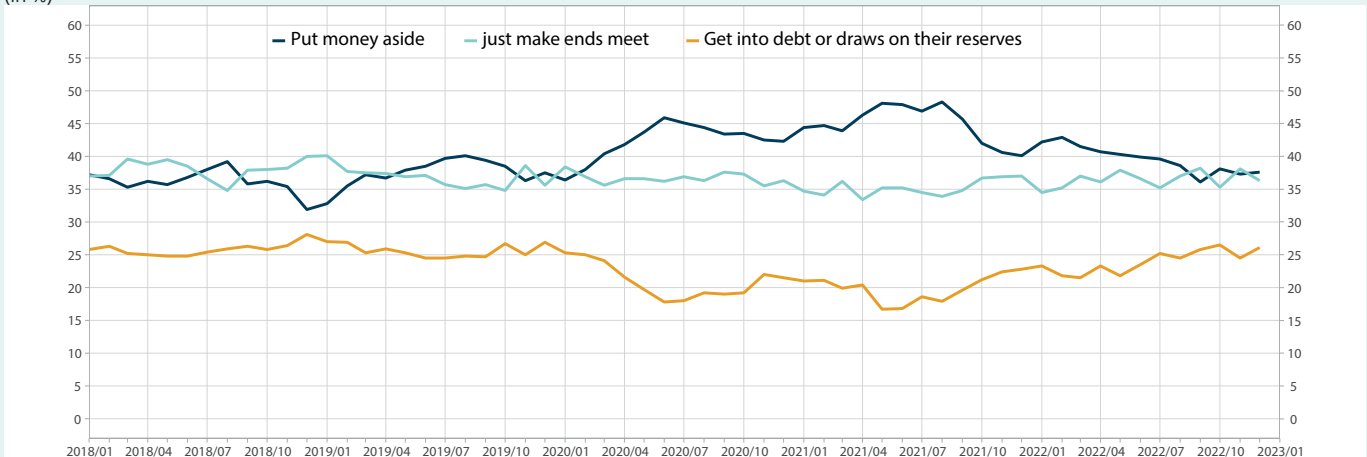
Among the households surveyed, the youngest respondents said they had changed their consumption habits most since the previous year because of inflation (► **Figure 1**). In particular, in households where the reference person is under 35 (► **definitions**), 77% said they had modified their consumer behaviour, either slightly or significantly, compared to 49% of the over-70s. 26% of the youngest households said they had even changed their habits a lot to cope with inflation, compared to only 11% of the oldest households. These statements may be surprising insofar as normally older people have to cope with higher inflation than

other households (► **Focus on inflation by category of household**), due to a consumption structure where spending on heating (► **Herpin and Michel, 2012**) and food (► **Ferret and Demoly, 2019**) have a disproportionate impact. However, greater stability in their income, and perhaps their greater wealth, compared to the youngest households, may provide possible explanations (► **Cazenave-Lacrouts and al., 2022**), thereby implying a lesser need to modify their consumption habits.

The size of households and in particular the presence of children also seem to be important factors in the way they adapt to inflation. 76% of households with one or more children say that they have changed their consumption habits to cope with inflation, compared to 62% of households without children (single-person

► 2. Share of households saying that they put money aside, just make ends meet or get into debt/draw on their reserves

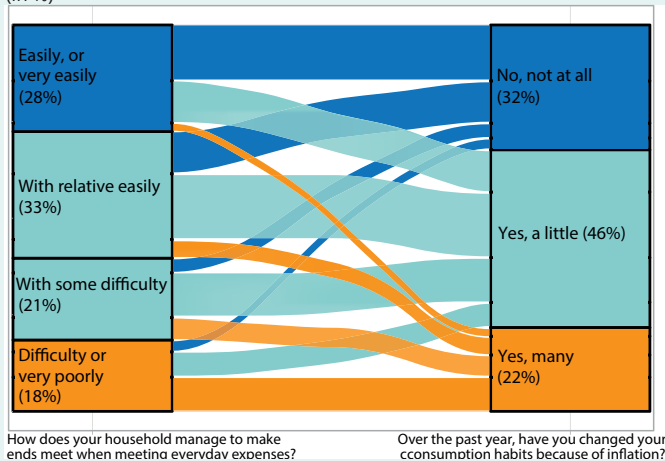
(in %)



how to read it: in December 2022, 38% of households said that they put money aside. Scope: households living in ordinary housing in Metropolitan France. Source: INSEE, INSEE, Monthly consumer confidence Survey.

► 3a. Responses from households on their consumption habits, cross-referenced with the way they manage to make ends meet

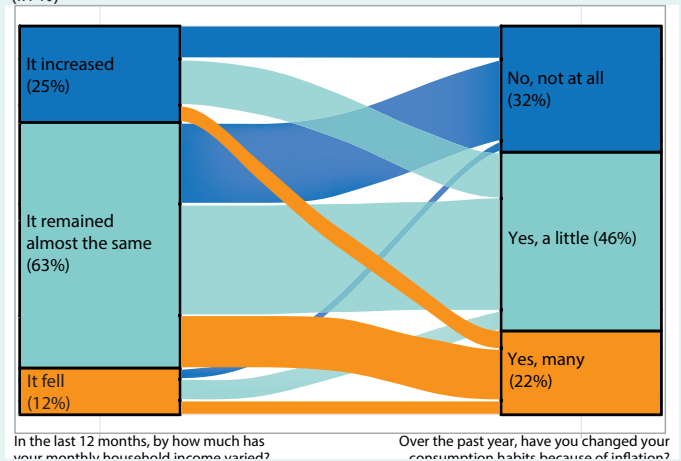
(in %)



How to read it: in December 2022, 25% of households said that their monthly income increased year-on-year, 46% of households said that they had changed their consumption habits a little over the past year. Among households whose income increased, 48% said they had changed their habits a little. Scope: households living in ordinary housing in Metropolitan France. Source: INSEE, Monthly consumer confidence Survey.

► 3b. Responses from households on their consumption habits, cross-referenced with change in their income

(in %)



or couple). These results are consistent with those obtained according to age, as there are many more households without children among the elderly. However, they remain true, all other things being equal, when considering other known socio-demographic household characteristics (sex of the reference person, socio-professional category, level of education and income, place of residence, housing situation –owner or tenant).² Characteristics such as socio-professional category or place of residence (according to the different sizes of urban unit) do not seem to produce significant differences in whether consumption habits were altered as a result of inflation.

Changes in consumption habits concern all households, regardless of standard of living, although they affect those with financial difficulties more

Changes in consumption habits due to inflation seem to concern all households, with no distinction made for income or standard of living (► **definitions**). Half of households that reported that they can easily or very easily meet their everyday expenses for the month, nevertheless said that they had changed their consumption habits, probably to keep their budget constant, to maintain their saving capacity or in order not to use up their savings (► **Figure 3a**). In addition, among households that said their income was stable or that it increased during 2022, two thirds said that they changed their consumption habits a little or a lot to cope with inflation (► **Figure 3b**).

That said, some behavioural disparities persist, depending on standard of living. Thus the wealthiest households (the 20% of households with the highest standard of living) said less often than other households that they changed their consumption habits because of inflation. Moreover, the higher the standard of living, the fewer households report a change in their habits (► **Figure 1**). Households that find it difficult or very difficult to meet their everyday expenses –this proportion increased in 2022– are significantly more likely to say that they have made considerable changes to their consumption (► **Figure 3a**).

To make savings, efforts focused mainly on housing energy and food

Among the households saying that they changed their consumption habits, efforts primarily concerned energy for housing (heating, electricity) and food (► **Figure 4**). According to the survey, 70% of households said they had changed their habits regarding the consumption of housing energy in order to make savings, and 54% said this for food. However, many fewer said this for spending on travel (46%) or clothing (41%). Finally, among the households saying that they changed their consumption habits, 39% had planned to change their end-of-year purchasing habits in order to save money.³

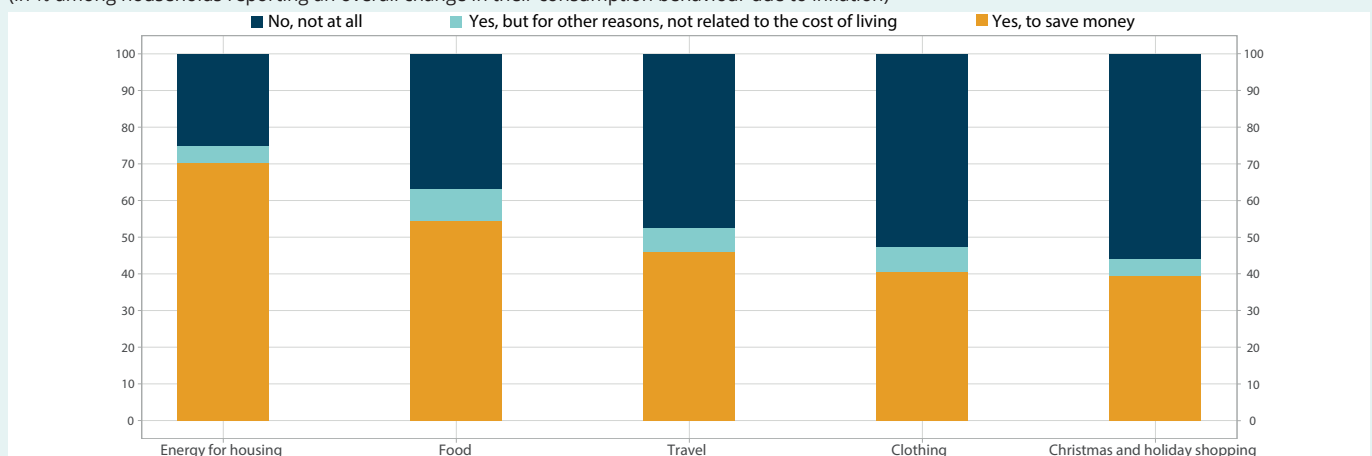
These responses from households are consistent with the significant reductions in consumption observed at the end of the year both for energy for housing and for food, and also with the high levels of inflation measured for these items. Between December 2021 and December 2022,

² Among the households surveyed, those with the oldest members (over-75s) changed their consumption habits significantly less than the under-35s, all other characteristics being the same. Similarly, people living alone and couples without children report having changed their consumption habits following price rises less often than larger households, and in particular families with children.

³ For the December 2022 edition of the CAMME survey, households were interviewed over a three-week period, between 25 November and 15 December 2022. The Christmas holidays started on 16 December.

► 4. Share of households saying that they changed their consumption habits regarding housing energy, food, travel, clothing, and purchases for the end-of-year celebrations

(in % among households reporting an overall change in their consumption behaviour due to inflation)



How to read it: in December 2022, among households who, according to the survey, have changed their overall consumption behaviour because of inflation over the past year, 70% said they changed their consumption habits regarding housing energy (Yes a little, Yes a lot).

Scope: households living in ordinary housing in Metropolitan France and reporting an overall change in their consumption behaviour due to inflation over a year.

Source: INSEE, Monthly consumer confidence Survey.

French economic outlook

housing energy is the consumption item that recorded the largest drop in volume (-14.1% for “energy, water, waste”) and the highest rise in prices (+18.6% year-on-year in December 2022 for “electricity, gas and other combustible liquids”). The rise in food prices (+12.9% year-on-year in December 2022) was also historic, as was the corresponding drop in household purchases for this consumer item (-8.5% over the same period).

Changes in consumption habits regarding housing energy concern all categories of household.⁴ Only households with children stand out, reporting more change in their habits.

There are more notable disparities, however, among households that have changed their food habits in order to make savings. Once again, the youngest households, the least well-off and those with children say that they have changed their habits most regarding food.

In addition, to make savings on food, households mainly choose to consume less:⁵ 41% give this behaviour change as their main action. Otherwise, households have also turned significantly to new stores⁶ or new product ranges:⁷ a quarter have done each of these choices (► [Figure 5](#)).

Regarding travel, households are less likely to have changed these habits, compared to what they report for housing energy or food. However, inflation on consumer products linked to travel was also very high

in 2022 (+14.3% year-on-year in December 2022 for petroleum products, +8.5% for transport services). In fact, household consumption has declined significantly for this item (-5.0% between December 2021 and 2022) although less than for housing energy or food. Although these changes do not exclude occasional travel, they are nevertheless consistent with the economic literature, which reports a relatively lower elasticity in spending linked to travel than to food spending when prices go up (► [Douenne, 2020](#); [Calvet and Marical, 2011](#); [Caillavet et al., 2009](#)), linked to a large proportion of travel that is compulsory.

Elderly people (over-75s) and people living alone have changed the way they move around less than younger people (under-35s) or than households of more than three people, when socio-demographic characteristics are equivalent. While the vast majority of daily journeys are compulsory for households in general, this is probably less the case for older people⁸ (over-65s), who are more often inactive or less likely to have children in their house. In addition, for this particular consumer item, place of residence is also a factor for disparities between households. Those who live in large metropolitan areas (towns of more than 100,000 inhabitants) –perhaps with shorter daily journeys or less affected by price increases (public transport networks, etc.)– are relatively less likely to report changes in their habits. ●

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⁴ With fixed socio-demographic characteristics, type and place of residence.
⁵ For example, by buying meat less often, or buying smaller portions, or not buying some products at all.
⁶ For example, to find the same products at a cheaper price.
⁷ For example, by buying budget lines, switching from organic to non-organic, etc.
⁸ “Se déplacer au quotidien: enjeux spatiaux, enjeux sociaux”, Fiche d’analyse de l’Observatoire des territoires 2019

► 5. Nature of behavioural changes described by households reporting changes in their food consumption habits

(in %)



Note: for this question, households had to say what the main change was in their food consumption habits (only one answer possible).
 How to read it: in December 2022, 41% of households who said that they had changed their food habits in the past year said they had focused on eating less.
 Scope: households living in ordinary housing in Metropolitan France.
 Source: INSEE, Monthly consumer confidence Survey.

Monthly consumer confidence survey

In order to monitor the opinions of households in Metropolitan France on the economic situation and their own personal situation, INSEE carries out a monthly consumer confidence survey (CAMME).

In December 2022, in a context of continuous price increases throughout the year, INSEE interviewed households on their consumption habits with regard to inflation. In addition to the usual questions, the CAMME survey included additional questions on changes in households' consumption habits in the course of the year, in order to gain a better understanding of their reactions to rising prices. Interviews took place between 25 November and 15 December 2022 with the household reference person or their spouse.

Detailed information on the methodology of these monthly surveys, the results of which are used each month to calculate the consumer confidence index, are available in the section "List of data sources" on the INSEE website.

An extract from the questionnaire of the exceptional December module is reproduced in the Appendix.

Definitions:

Reference person: in the CAMME survey the household reference person or their spouse is interviewed. This is the tax reference person. This is a different notion from that usually used in household surveys.

Income: the monthly income provided in the CAMME survey is declared spontaneously by the interviewee when data is collected. The interviewer may specify as follows: "take all types of income into account: wages, retirement pensions, unemployment benefit, family benefits, etc. Give the amount before tax is deducted at source". These declared data correspond more to a primary income or a wage than to the disposable income that is usually measured.

Standard of living: the standard of living is equal to the disposable income of the household divided by the number of consumer units (CU). The standard of living is therefore the same for all the individuals in a given household. The consumer units are generally calculated using the modified OECD scale which allocates 1 CU to the first adult in the household, 0.5 CUs to other persons aged 14 years or older and 0.3 CUs to children under 14. ●

Appendix: extract from the questionnaire in the Income and Inflation module of the CAMME survey for December 2022

Additional questions on income (included since September 2021) used in this study:

Q-A: In the last 12 months, by how much has your monthly household income varied?

1. It increased by 1,000 euros or more
2. It increased by 500 to 999 euros
3. It increased by 200 to 499 euros
4. It increased by 100 to 199 euros
5. It increased by 50 to 99 euros
6. It remained almost the same (variation between -49 and +49 euros)
7. It fell by 50 to 99 euros
8. It fell by 100 to 199 euros
9. It fell by 200 to 499 euros
10. It fell by 500 to 999 euros
11. It fell by 1,000 euros or more

Q-B: How does your household manage to make ends meet when meeting everyday expenses?

1. Very difficulty
2. Difficulty
3. With difficulty
4. With relative ease
5. Easily
6. Very easily

Additional questions on inflation (asked in December 2022) used in this study

Q1: Over the past year, have you changed your consumption habits because of inflation?

Consumption habits cover all everyday consumption items (food, clothing, transport habits, telecommunications, outings and leisure, heating, electricity) or more occasional items (vehicle purchase, building work, leisure, etc.).

1. No, not at all
2. Yes, a little
3. Yes, many

If households reply Yes, a little or Yes, a lot to question 1a:

You said that you have changed your consumption habits this year because of inflation. These changes may concern you or all of your household. For the following questions, give the main reason for these changes.

Q2a: Over the past year, have you changed your travel habits? This may concern daily journeys or occasional travel.

These may be individual motorised journeys (car, motorcycle, truck), collective motorised journeys (bus, train, plane, etc.) or non-motorised (e.g. bicycle).

For example, to make savings, the household uses its usual means of transport less/more, or tries to travel fewer/more kilometres with it. The household may also have changed its method of transport: switching from car to bicycle, or to public transport to reduce costs, on a daily basis or for leisure, cancelling or postponing planned trips.

Q2b: Compared to last winter, have you changed your habits in terms of energy consumption in your home (heating or electricity)?

For example, to limit costs, you may switch on the heating less or set it to a lower temperature, using electrical appliances less or paying more attention to off-peak hours, etc.

Q2c: Over the past year, have you changed your food habits?

The term food habits covers product purchasing habits in the broad sense, type of product, number of servings, product ranges consumed or supermarkets visited, etc.

Q2d: Over the past year, have you changed your consumption of clothing and footwear?

For example, waiting for the sales, changing brands, buying second-hand, etc.

Possible response modalities for questions 2a to 2d

1. No, it is the same as last year
2. Yes, a little, to save money
3. Yes, a lot, to save money
4. Yes, but for other reasons, not related to the cost of living

If households reply Yes, a little or Yes, a lot to question 2c:

You said that you have changed your food habits this year.

Q3: How have you changed your food habits? Give the main change.

The household can only give one possible answer.

1. You eat less (e.g. by buying meat less often, or buying smaller portions, or by not buying some products at all)
2. You go to different shops for your food shopping (e.g. to find the same products at a cheaper price)
3. You have changed product range (e.g. by buying budget lines, switching from organic to non-organic, etc.)
4. You eat in more at home (e.g. by going less often to the works canteen, school canteen, or to a restaurant, etc.)

Q4: Are you currently changing your habits for the end-of-year celebrations?

Consumption habits surrounding products related to Christmas celebrations include presents, meals, decorations, etc., as well as travel habits for parties or the number of guests invited if parties are held at home.

1. No, it is the same as last year
2. Yes, a little, to save money
3. Yes, a lot, to save money
4. Yes, but for other reasons, not related to the cost of living

Q5: If prices continue to increase in the next few months, do you anticipate having to change your consumption habits, or change them again?

1. No
2. Yes, a little
3. Yes, many

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