

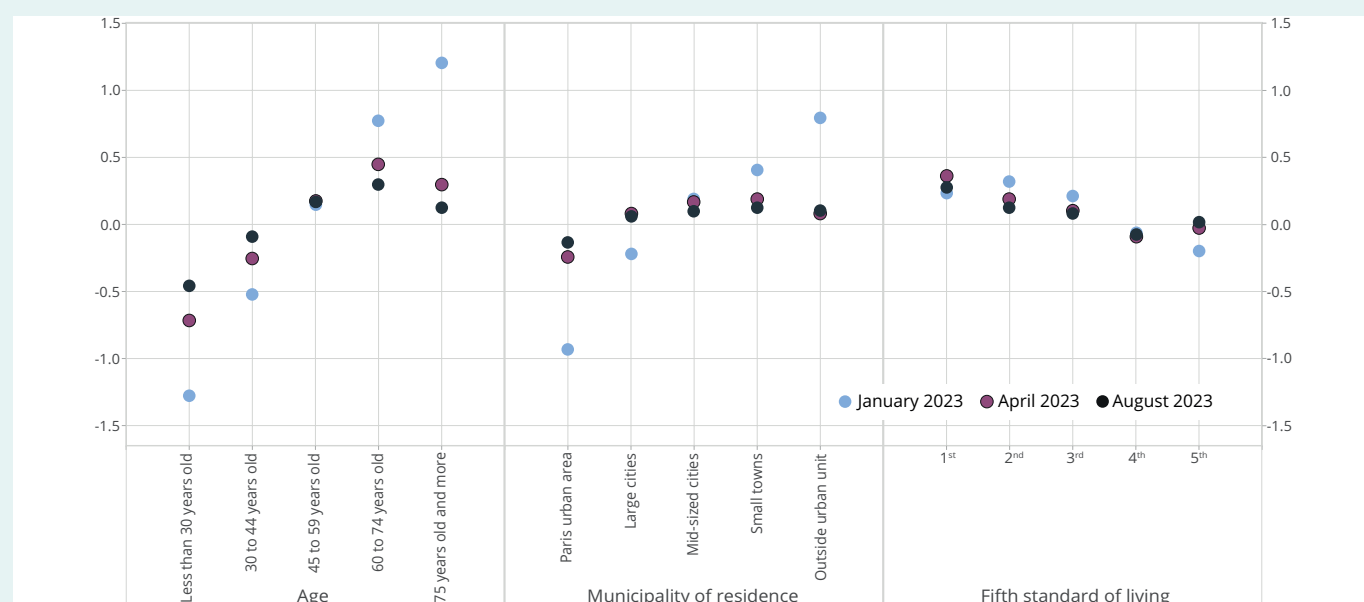
Compared with the situation at the start of this year, inflation disparities between households have diminished significantly, although the cumulative price rises accrued vary considerably

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Since June 2022, INSEE's *Economic outlook* reports have included regular analyses of the disparities in inflation experienced by different categories of households, taking into account the differences in the structure of consumption from one household to the next. In August 2023, the year-on-year variation in consumer prices was less substantial than in the spring. The disparities in inflation experienced by different categories of households have eased since April, particularly differences related to household age, and even more so since the start of the year (► [Figure 1](#)). In August, the youngest households (under-30s) experienced inflation 0.6 points below that experienced by the oldest households (over-75s), a gap which stood at 1.1 points in April and 2.5 points in January. Between the lowest-income and highest-income households, inflation disparities have also diminished and now appear to be limited in scale: for those on the lowest incomes (in the first quintile of the standard of living scale), inflation in August was 0.2 points higher, on average, than it was for the most well-off. This gap has halved in size since April and January. Inflation inequalities are also now less pronounced between different categories of town of residence, which had been a major source of disparity at the start of the year, on account of the very high level of energy inflation at that time (+16.4% year-on-year to January in Metropolitan France, falling to +6.9% in August).

Since the start of the year the easing of energy inflation and, to a lesser extent, food inflation has been the primary factor in the attenuation of inflation disparities between different categories of household. In August 2023, energy thus had a very modest impact on inflation inequality (► [Figure 2](#)). Food remains the biggest contributor to inflation disparities, as the year-on-year increase in food prices remains high (+11.2% over the past year in Metropolitan France). In particular, food inflation is aggravating inflation inequalities between the youngest and oldest households, increasing inflation for the latter since food accounts for a larger proportion of their consumption expenditure. It also has the effect of increasing the inflation borne by lower-income households, compared with more well-off households. Once again, this is primarily because food spending accounts for a larger share of the budget of lower-income households.

► 1. Deviation from mean inflation for different categories of households in January, April and August 2023 (Metropolitan France) (percentage points)



Note: the municipality of residence is understood to mean belonging to an urban unit of large or small size.

How to read it: in August 2023, for households whose reference person is over 75, inflation was 0.1 point higher than inflation for all households (+0.3 points in April 2023 and +1.2 points in January 2023).

Scope: households living in ordinary housing in Metropolitan France.

Source: Consumer price indices, Family Budget Survey 2017, INSEE calculations.

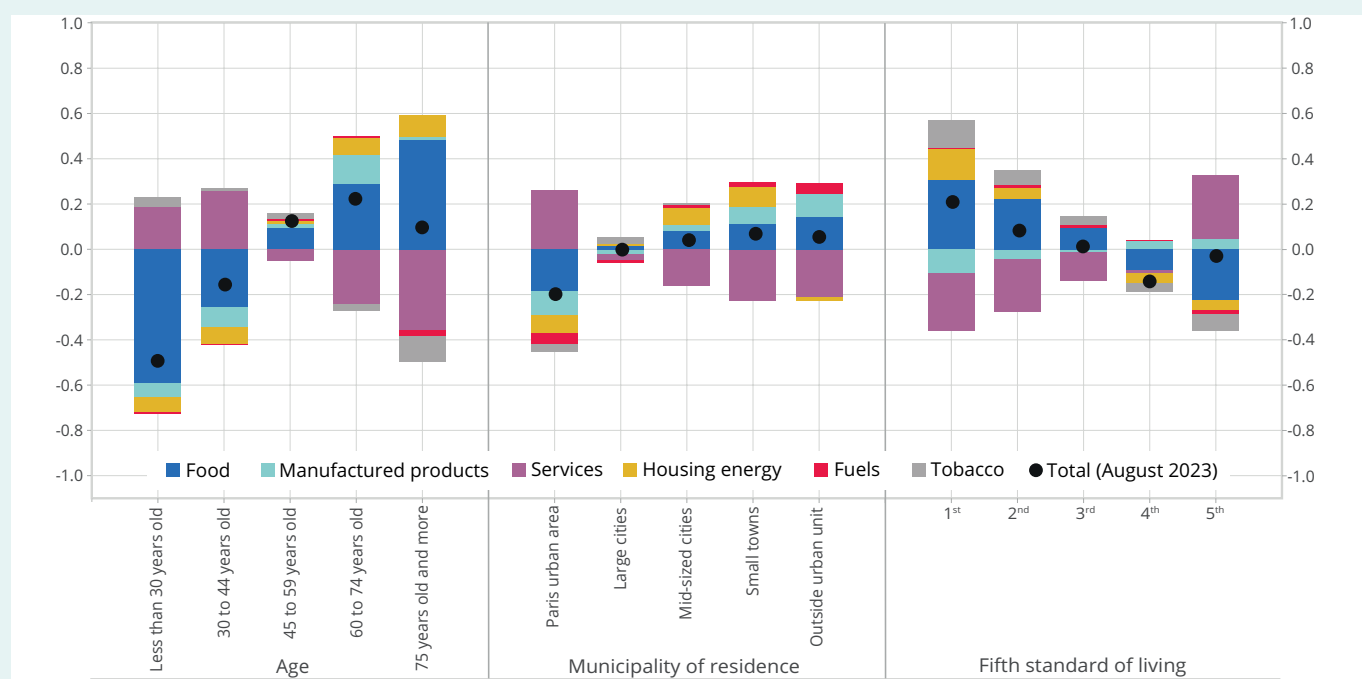
Economic outlook

In contrast, this August services contributed to a reduction in the inflation borne by older households compared to households as a whole, and particularly younger households, while also reducing the inflation borne by lower-income households compared with the most well-off households. This effect can be partly attributed to spending on accommodation and food services, where inflation in August was above the average recorded for services as a whole (+4.7% year-on-year in Metropolitan France for accommodation and food, compared with +3.0% for services in general) and which account for a smaller proportion of the spending of older and lower-income households.

In spite of the attenuation of inflation inequalities between different categories of households, the cumulative price rises experienced over the past few years vary considerably from one category to the next (► [Figure 3](#)). In August, for example, consumer prices were 12% above their 2019 level for households aged under 30, compared with an average of 14% for all households, and 15% for the over-75s. The town in which households reside can also be a source of considerable disparity, with a cumulative increase of 13% in the Greater Paris area since 2019, compared with 15% in rural areas.

Moreover, although inflation inequality may appear limited, on average, between one category of households and the next, inflation may in fact vary considerably within each category. For all households, the “interquartile” variation for August was almost 2 points (► [Figure 4](#)). This gap has closed somewhat since April (2.7 points) and, generally speaking, inflation within each category of households appears less heterogeneous in August than it did in April, and particularly in January. The youngest households represent the group for whom inflation is least heterogeneous (interquartile variation of 1.5 points among the under-30s). Inflation inequality is much more pronounced among older households (interquartile variation of 2.5 points) and lower-income households (2.3 points), reflecting the significant heterogeneity of individual structures of consumption within these categories. ●

► 2. Breakdown of variation from mean inflation in Metropolitan France, and contribution by post (percentage points)



Note: whose reference person is over 75

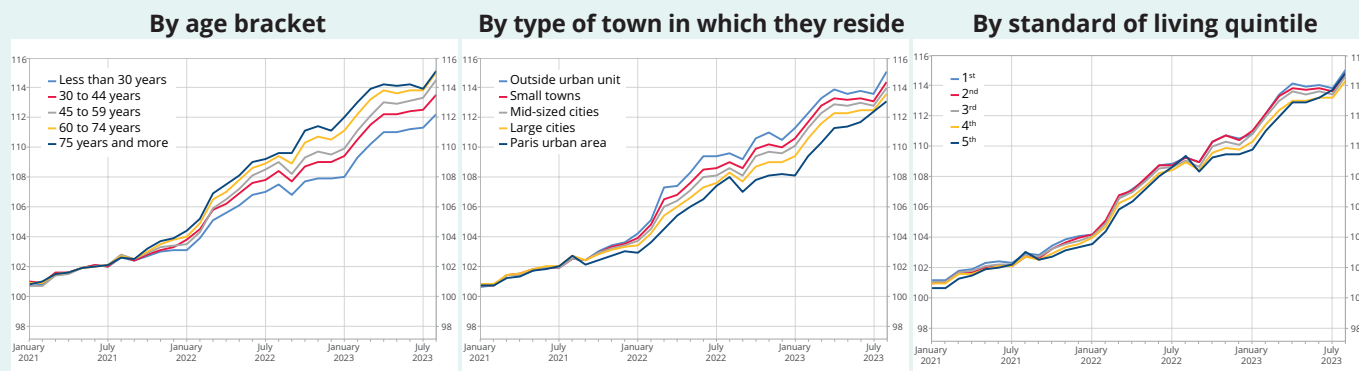
How to read it: in August 2023, for households whose reference person is over 75, inflation was 0.1 point higher than inflation for all households. Food contributed +0.5 points to this gap, and services -0.4 points.

Scope: households living in ordinary housing in Metropolitan France.

Source: Consumer price indices, Family Budget Survey 2017, INSEE calculations.

► 3. Variation of consumer price indices for different categories of households between January 2021 and August 2023

(base 100 = average index in 2019)



Last point: August 2023.

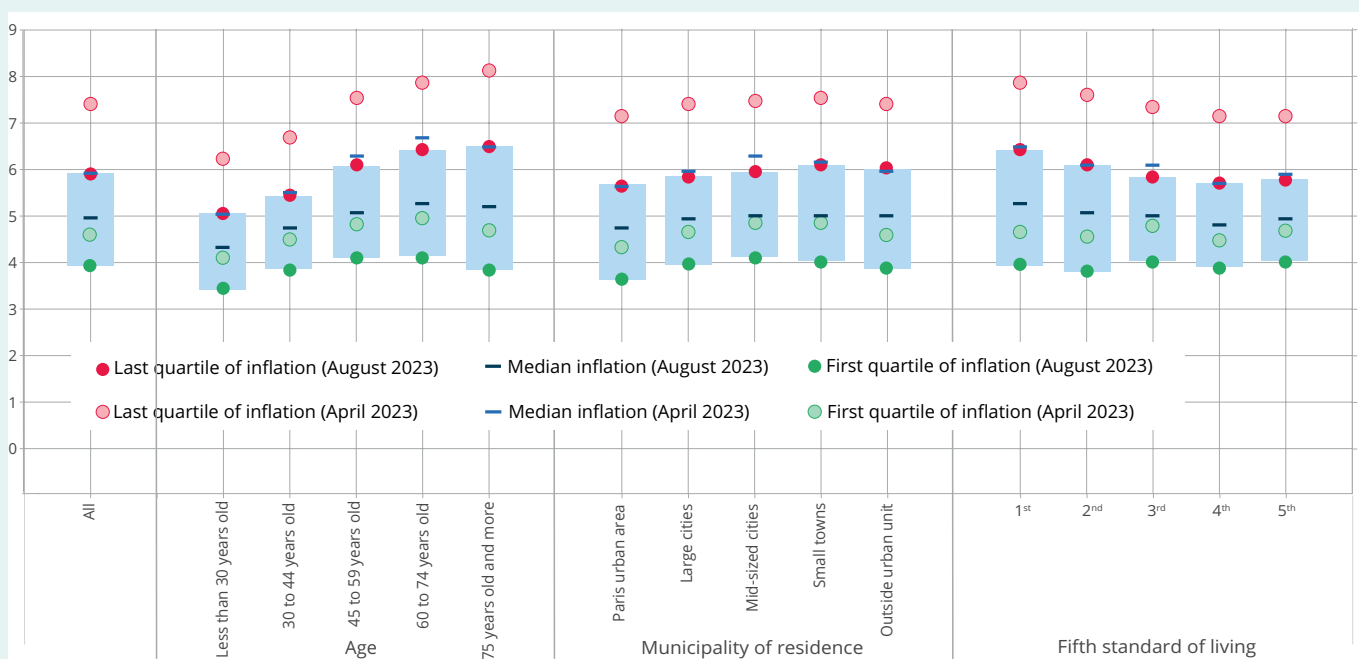
Note: the municipality of residence is understood to mean belonging to an urban unit of large or small size.

Scope: households living in ordinary housing in Metropolitan France.

Source: Consumer price indices, Family Budget Survey 2017, INSEE calculations.

► 4. Distribution of inflation within categories of households in August 2023

(year-on-year change of consumer price index, in %)



Note: the municipality of residence is understood to mean belonging to an urban unit of large or small size.

How to read it: in August 2023, for households whose reference person is over 75, median inflation stood at 4.3% (5.1% in April 2023). 25% faced inflation of below 3.6% (4.1% in January 2023), while 25% faced inflation of more than 5.1% (6.3% in January 2023).

Scope: households living in ordinary housing in Metropolitan France.

Source: Consumer price indices, Family Budget Survey 2017, INSEE calculations.

Bibliography

É. Cupillard et O. Simon (2023), "At the start of 2023, inflation differentials between households were accentuated by the sharp rise in food and energy prices", Focus on the *Economic Outlook* of 15 March 2023.

Ch.-M. Chevalier (2022), "Depending on their energy and food expenditure, some household categories are exposed to apparent inflation that may differ by more than one point from the average", Focus on the *Economic Outlook* of 24 June 2022. ●