

# INFLATION AND THE PUBLIC

How are the public  
reacting to the rising  
cost of living?

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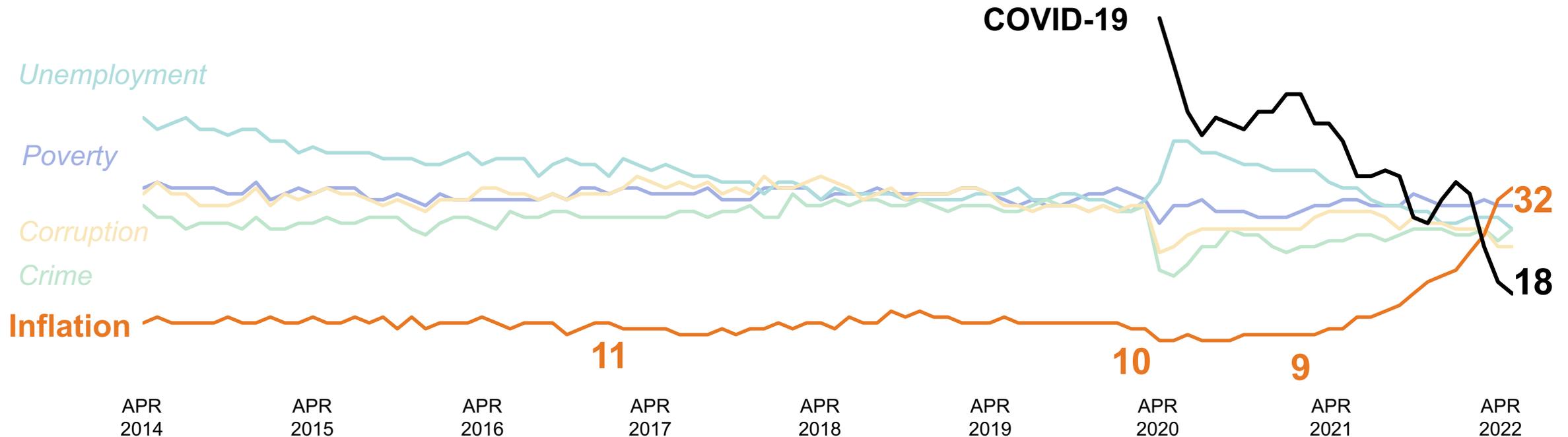
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# Nine things to know about consumers and inflation

1. Globally, **consumer confidence stalled in mid-2021**. Economic optimism is now more diverse than it was pre-pandemic, with South America and MENA both reporting lower consumer confidence than in 2019
2. **Concern about inflation has risen sharply and is seen as a worry by 34% - ahead of all other issues**: it varies widely between countries (from 66% in Argentina to 12% in Saudi Arabia)
3. In this eleven-country study **many people report struggling financially**: A third are “just about getting by” and a quarter are finding it quite or very difficult
4. **Pessimism for the future is high**: in eight of 11 countries, more people say they expect their living standards to fall, rather than rise, over the year.
5. The most common response to rising costs are to **cut spending on socialising and large purchases**.
6. The proportion of the public who say they would **look for higher paid work or ask their employer for a pay rise** in response to rising prices is currently low. This suggests we are not yet at a tipping point causing a wage-price spiral...so far
7. The public are most likely to see **the causes of current inflationary pressures as global**: the top three are COVID, war in Ukraine and the global economy – not their own government or central banks so far.
8. Looking to the future **there is a widespread expectation of further increases in inflation**, ranging from 85% of Britons to 72% in Spain – but even so evidence suggests the public do not appreciate how difficult it may become.
9. Public **expectations for further price rises are highest in the sectors which will also have the biggest impact on household budgets**: food, utilities and motoring fuel.

# Globally concern about inflation slept for a decade – it is now the biggest world worry

Which three of the following topics do you find the most worrying in your country?



Ipsos What Worries the World  
Base: Representative sample of adults aged 16-64, c.18,000-21,000 per month.

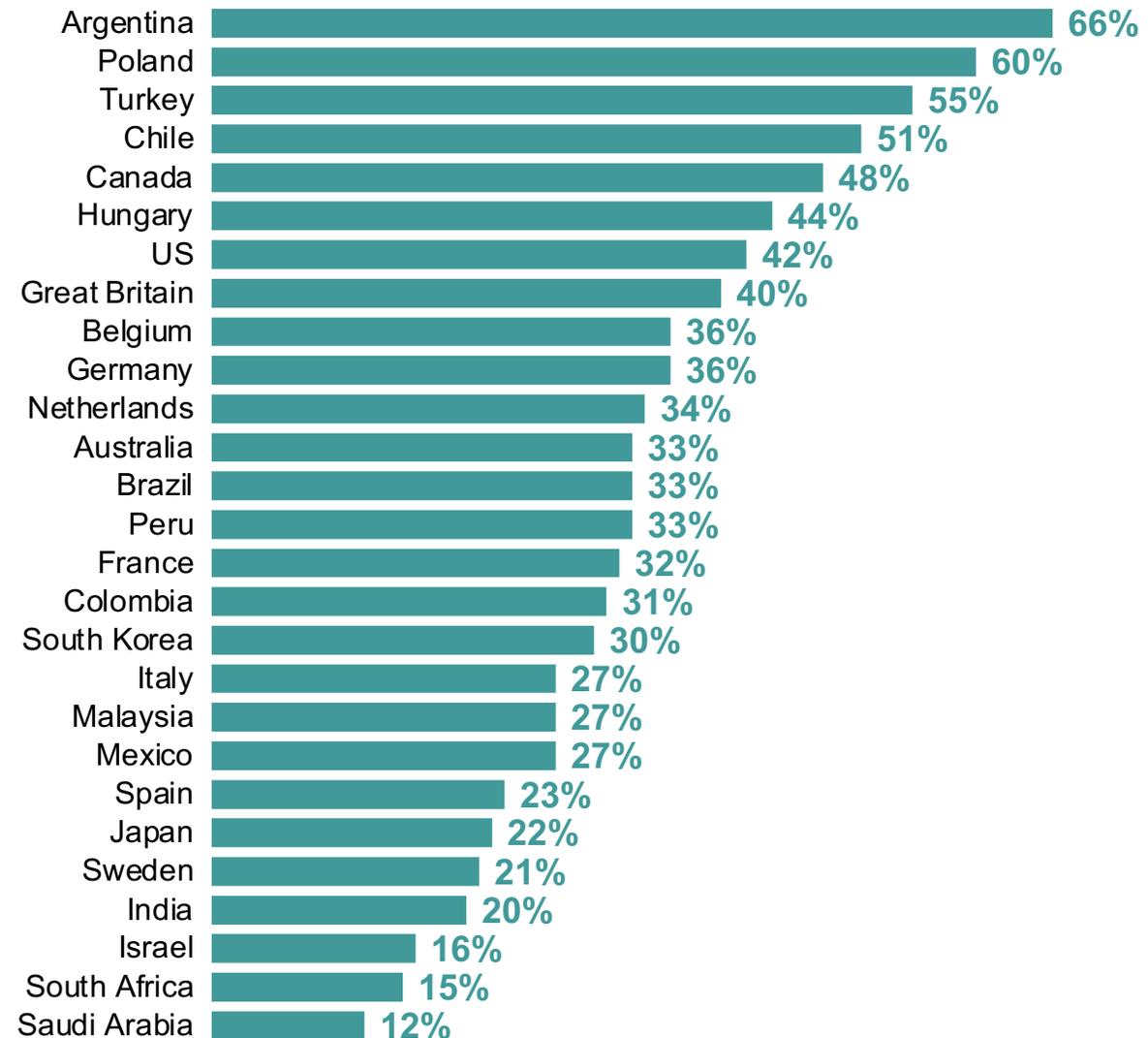
# But there is still great variation by country

Despite the global increase in concern, country context matters.

The level of concern about inflation varies from 66% in Argentina to just 12% in Saudi Arabia.

*Which three of the following topics do you find the most worrying in your country?*

*Inflation – May 2022*



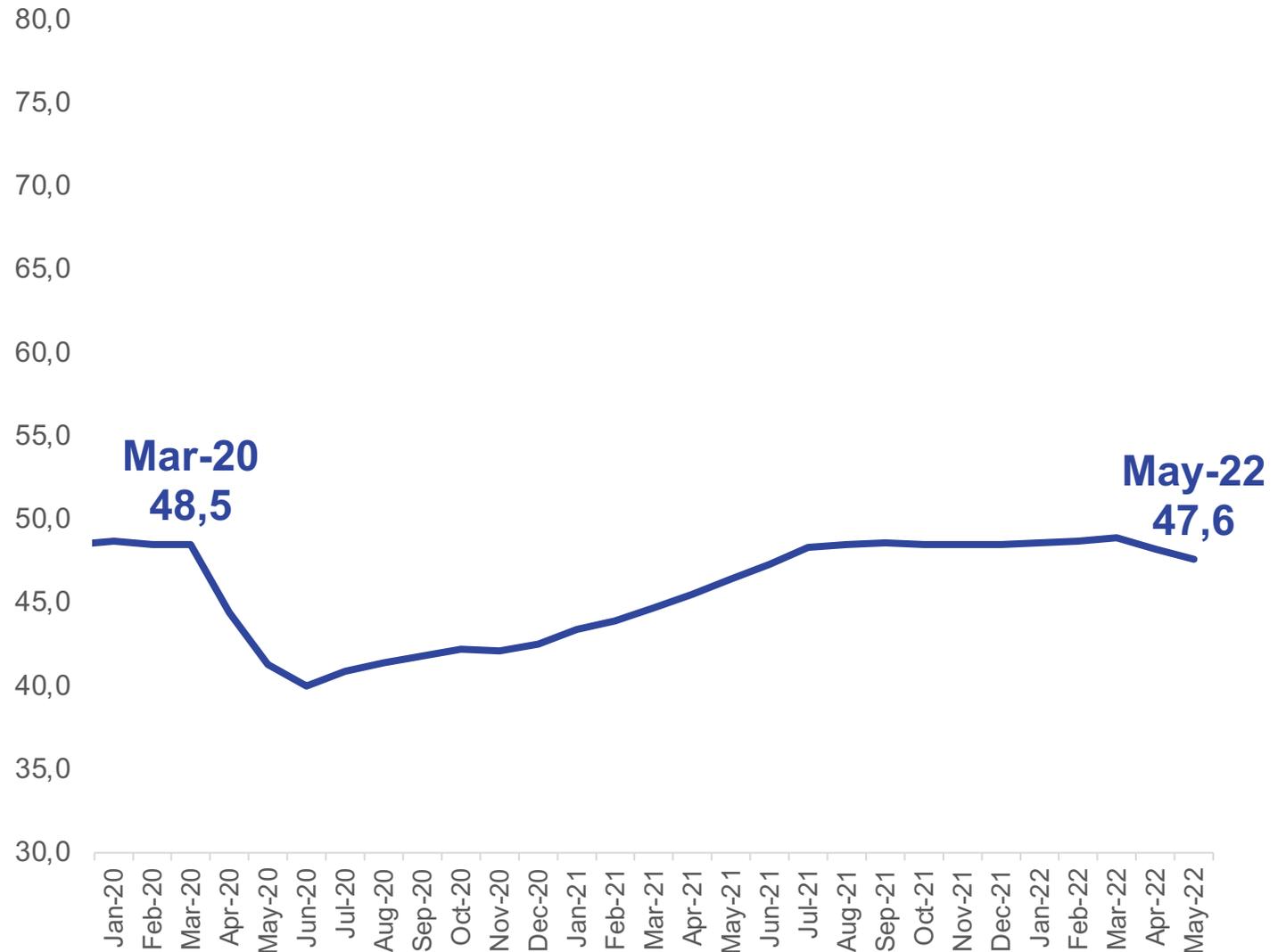
# At the topline, consumer confidence has recovered from the pandemic

Economic optimism measured by the Ipsos Global Consumer Confidence Index now stands at a level similar to immediately before the pandemic.

However in May 2022 it fell below its pre-pandemic level.

*24-country Global Consumer Confidence National Index*

*Global market average*



Base: 17,500+ online adults aged 18-74 across 24 countries per month.

Online samples in Brazil, mainland China, India, Israel, Mexico, Russia, Saudi Arabia, South Africa, and Turkey tend to be more urban, educated, and/or affluent than the general population.

# But this masks greater regional divergence

Again context is important, with **different regions of the world experiencing different pandemic recoveries.**

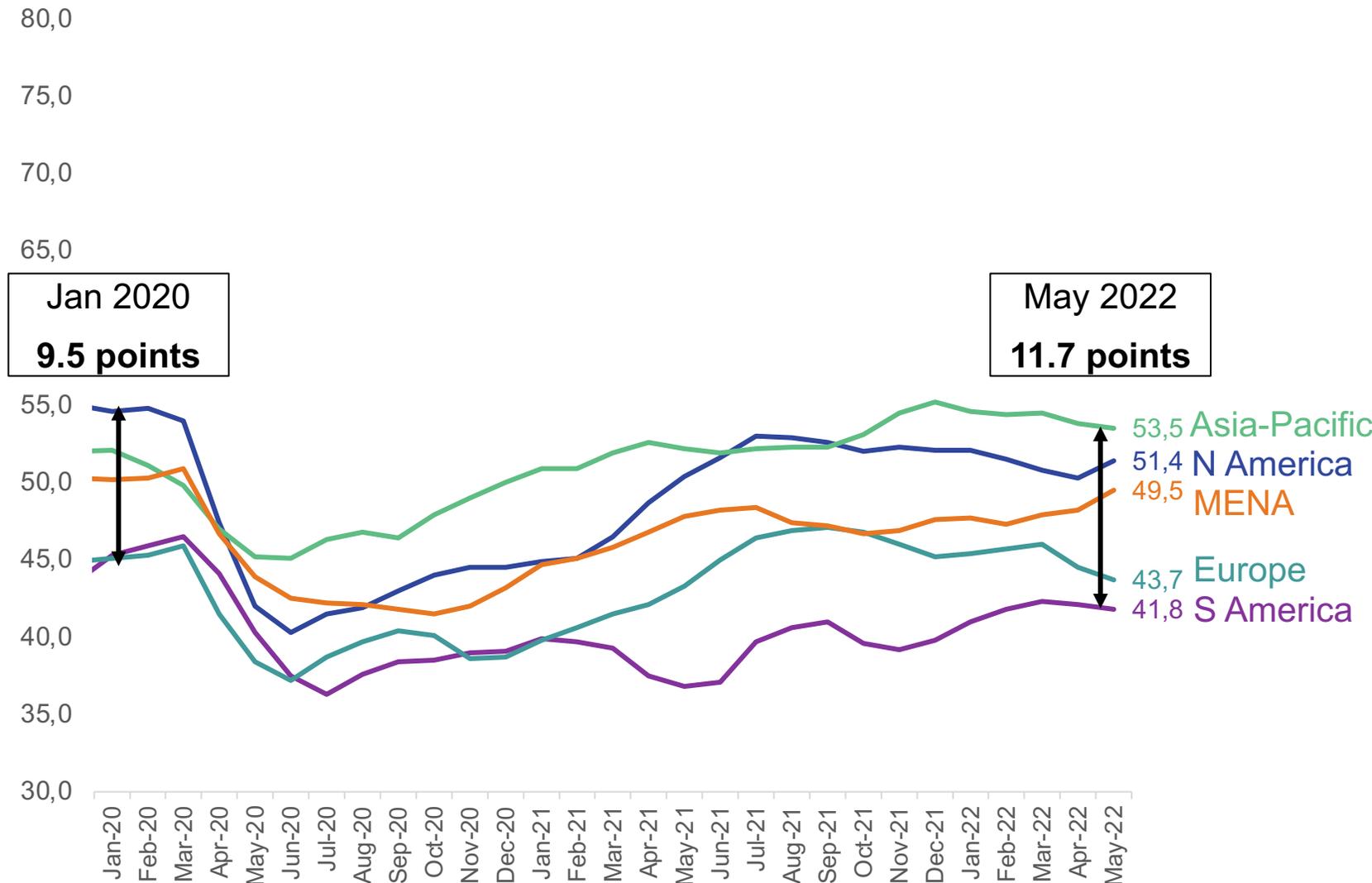
The Asia-Pacific region experienced the shallowest decline and a faster recovery. Europe and North America had a longer recovery and confidence has fallen again since, while in Latin America and MENA optimism has yet to return to pre-pandemic levels.

## 24-country Global Consumer Confidence National Index

Base: 17,500+ online adults aged 18-74 across 24 countries per month.

Online samples in Brazil, mainland China, India, Israel, Mexico, Russia, Saudi Arabia, South Africa, and Turkey tend to be more urban, educated, and/or affluent than the general population.

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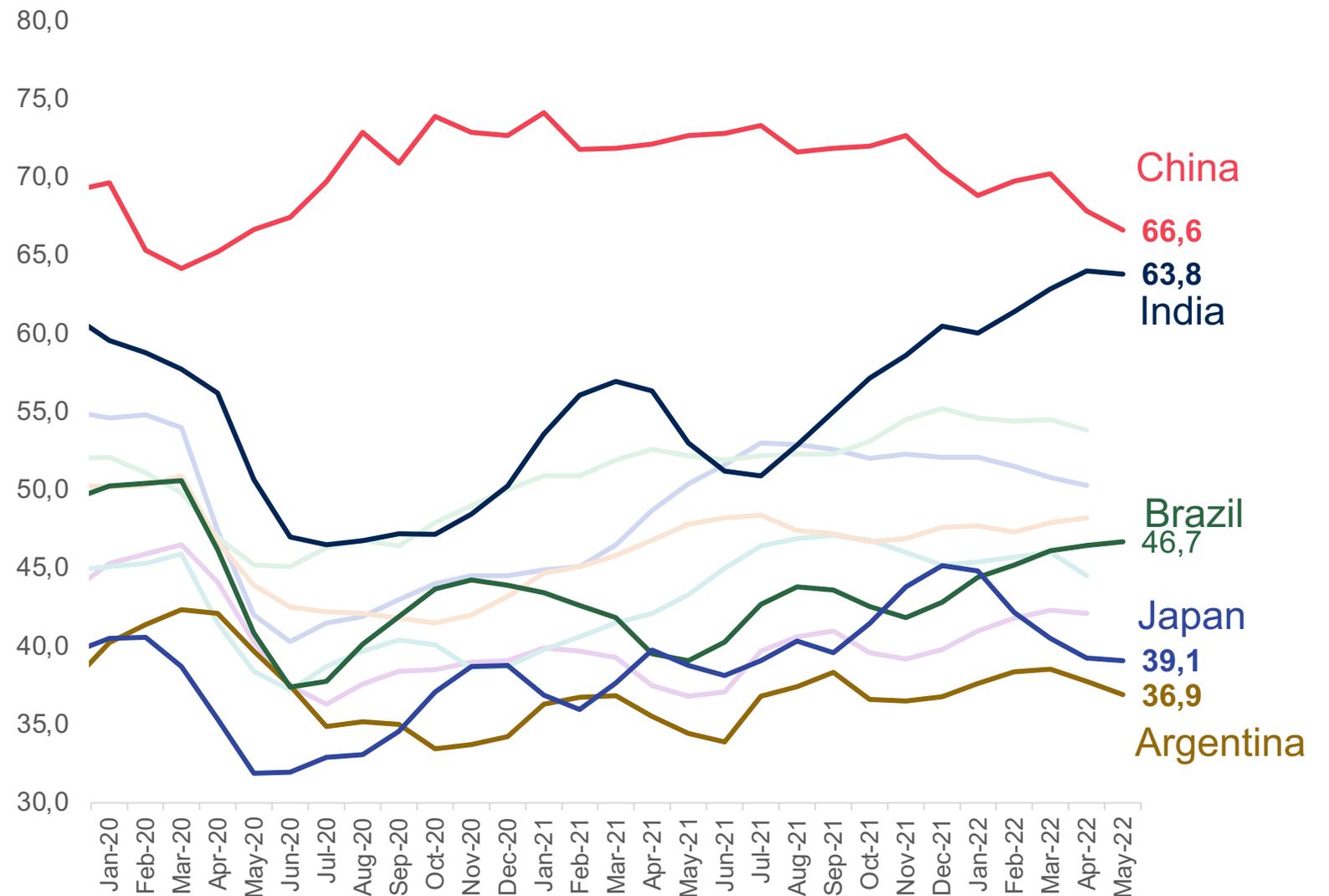


# And national stories are even more diverse

China has markedly higher economic optimism than most countries, however this has been declining since mid 2021.

24-country Global Consumer Confidence National Index

Selected country indices



Base: 17,500+ online adults aged 18-74 across 24 countries per month.

Online samples in Brazil, mainland China, India, Israel, Mexico, Russia, Saudi Arabia, South Africa, and Turkey tend to be more urban, educated, and/or affluent than the general population.

# How are people feeling now?



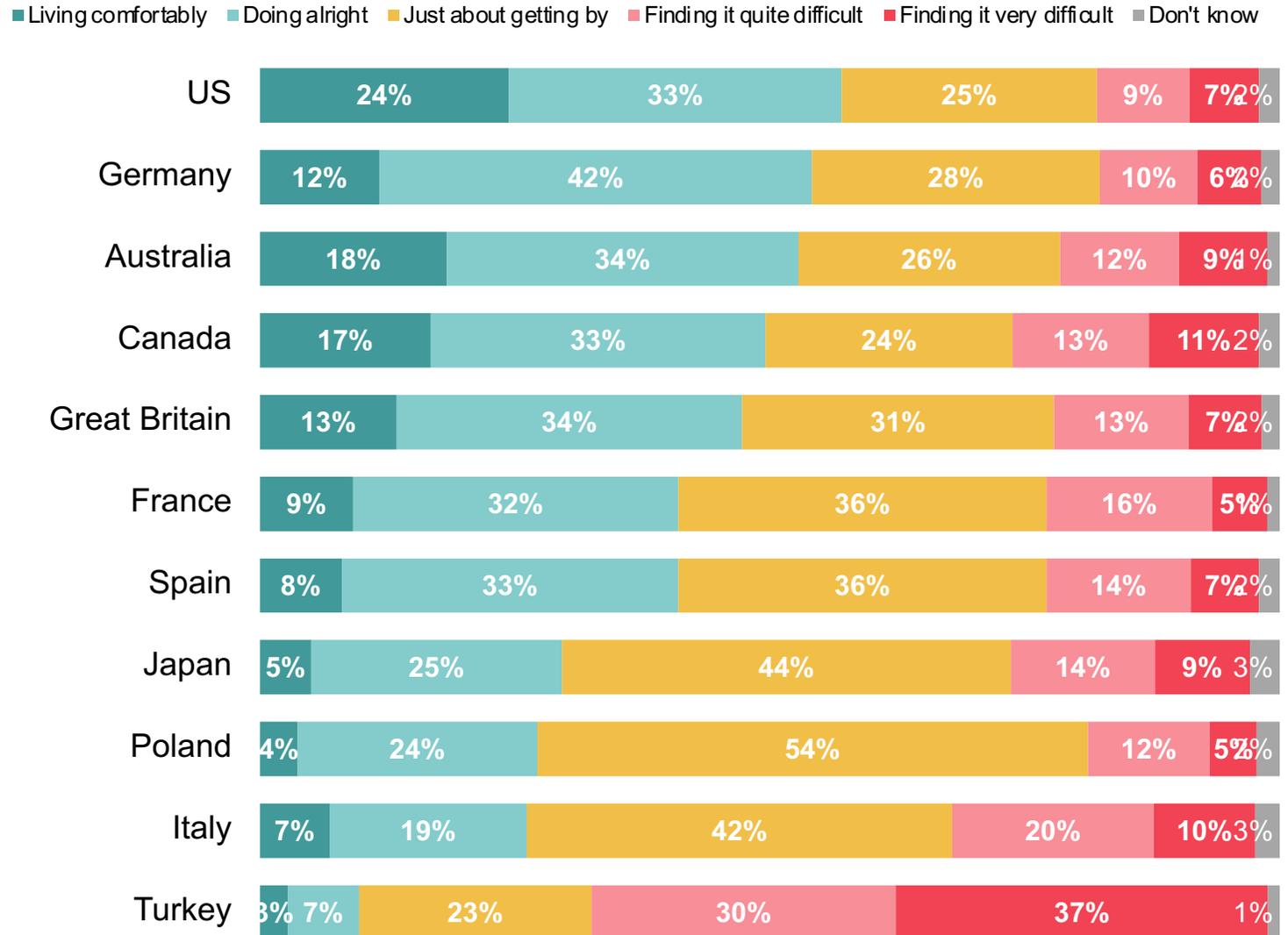
# Most are getting by financially...

With the exception of Turkey, most people say they are getting by financially, doing alright or living comfortably.

**However in only four countries do more than half feel financially comfortable**, saying they are doing alright or living comfortably (US, Germany, Australia and Canada).

In the other countries many are feeling stretched but managing their finances.

*How well would you say you are managing financially these days?  
Would you say you are...*



Ipsos Global Perceptions of Inflation 2022 – 11,030 participants across 11 countries, interviewed online 7 - 18 April 2022

# But future pessimism is widespread

In eight of 11 countries, **more people say they expect their living standards to fall, rather than rise, over the coming year.**

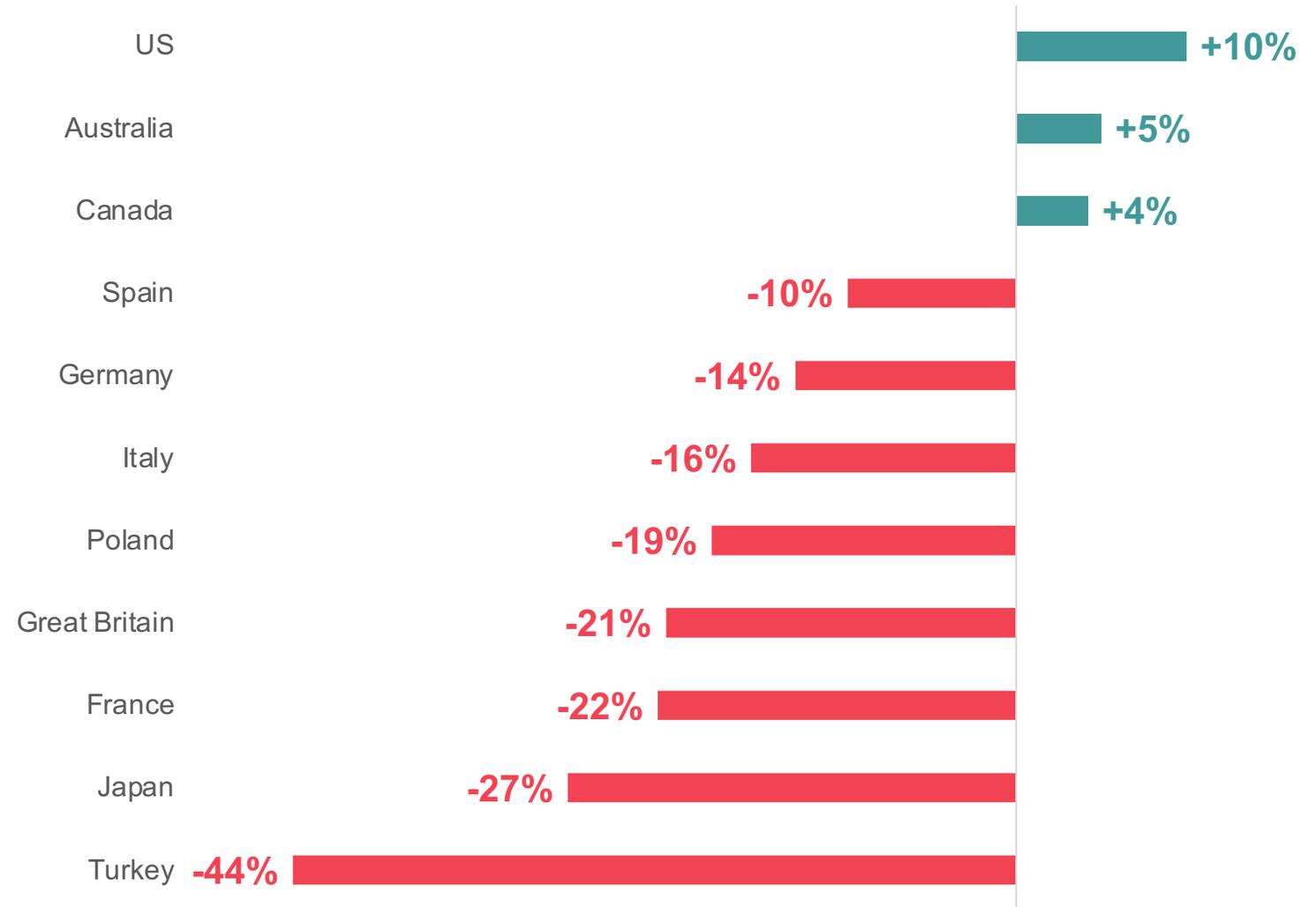
Turkey, Japan, France and Great Britain are especially pessimistic about their standard of living.

*Over the next year, do you think each of the following will rise, decline, or stay at about the same level?*

*Your own standard of living*

**Net “rise”**

Ipsos Global Perceptions of Inflation 2022 – 11,030 participants across 11 countries, interviewed online 7 - 18 April 2022

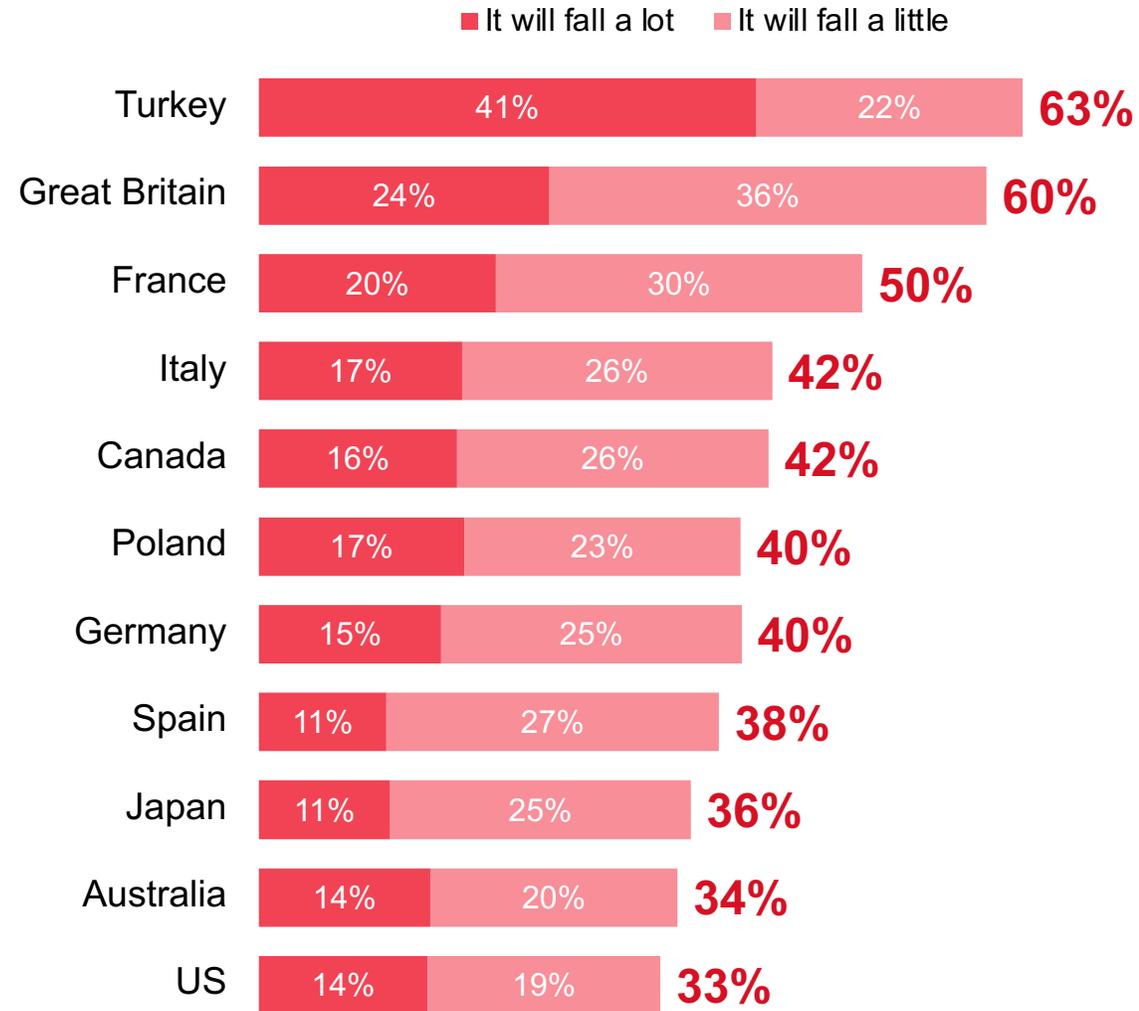


# Including for disposable income

In Turkey, Britain and France a majority say they expect their disposable income will fall over the next year.

*Over the next year, do you think each of the following will rise, decline, or stay at about the same level?*

*Your disposable income (what you can spend after paying your bills for living expenses)*



# How are people changing behaviors?



# The most common responses are cutting discretionary spend and luxuries

Across the countries people are less likely to say they will make changes to behaviour – such as using less heating or water, or driving less – compared with cutting spending.

Fewer still say they will look for a higher-paid job or ask their current employer for a pay rise

*And if price rises meant that you could no longer afford your normal lifestyle, which, if any, of the below actions would you be likely to take?*

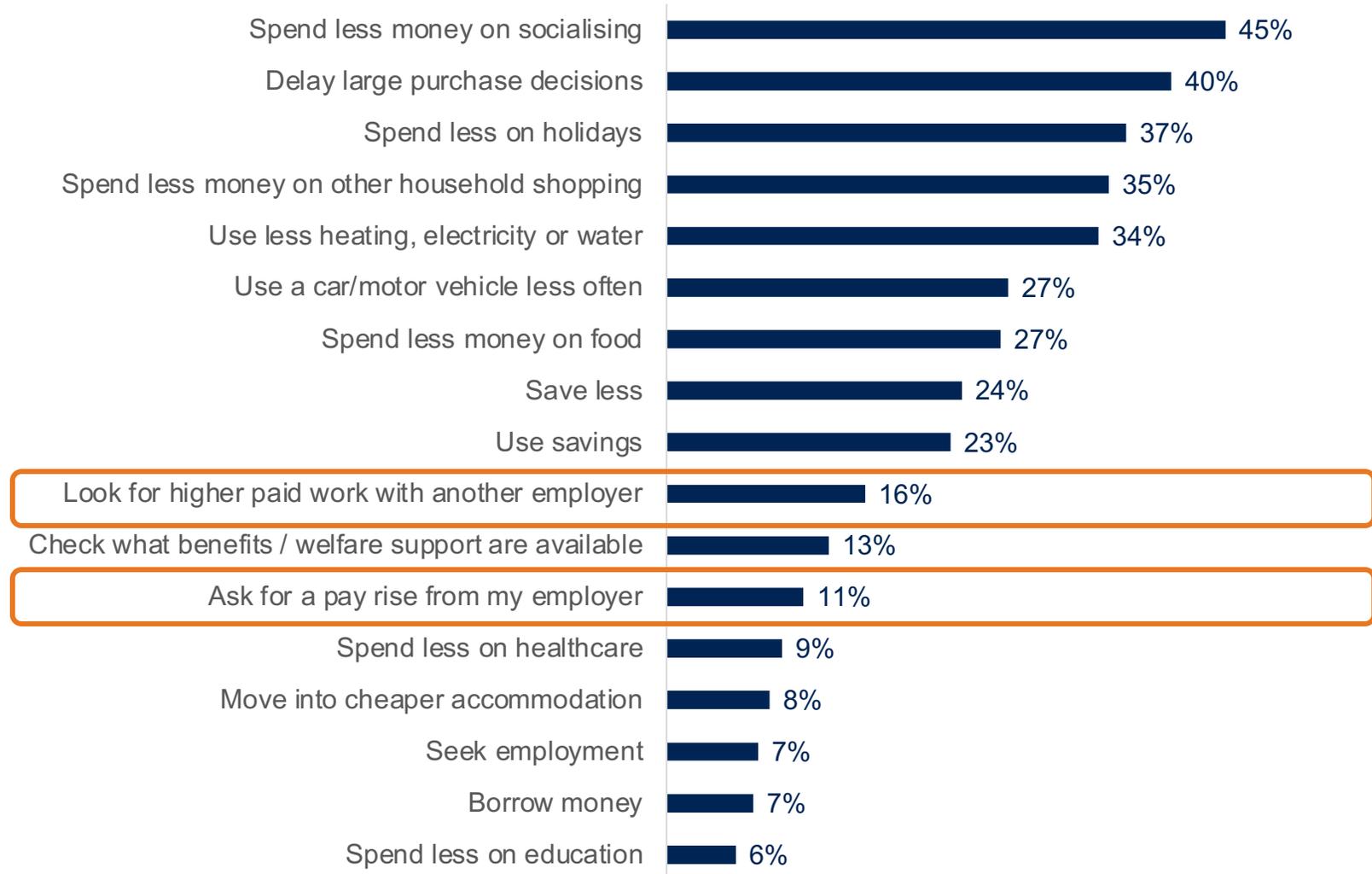
	USA	GBR	CAN	FRA	ITA	DEU	JAP	AUS	POL	ESP	TUR
Spend less money on socialising	42%	47%	51%	47%	43%	42%	24%	47%	40%	50%	51%
Delay large purchase decisions	38%	39%	47%	45%	36%	43%	37%	42%	39%	39%	44%
Spend less money on other household shopping	37%	43%	44%	33%	34%	31%	38%	37%	41%	32%	44%
Spend less on holidays	29%	37%	39%	39%	37%	35%	28%	34%	34%	40%	41%
Use less heating, electricity or water	24%	49%	23%	40%	34%	46%	37%	27%	34%	34%	44%
Use a car/motor vehicle less often to spend less on fuel	26%	30%	28%	34%	20%	34%	16%	31%	30%	31%	42%
Spend less money on food	28%	34%	33%	29%	19%	25%	41%	30%	27%	16%	29%
Use savings	24%	29%	25%	24%	17%	20%	31%	25%	23%	17%	19%
Save less	21%	35%	24%	22%	16%	21%	19%	28%	17%	22%	20%
Check what benefits/support are available to me	14%	12%	14%	17%	14%	15%	7%	18%	16%	12%	19%
Seek employment	13%	9%	15%	6%	9%	7%	9%	12%	18%	10%	19%
Seek higher-paid work from another employer	11%	10%	10%	10%	6%	7%	4%	12%	18%	8%	12%
Spend less on healthcare	8%	8%	9%	12%	10%	8%	7%	16%	8%	4%	13%
Move into cheaper accommodation	9%	5%	11%	8%	5%	6%	7%	9%	7%	8%	15%
Ask for a pay rise from my employer	9%	5%	6%	9%	5%	6%	2%	7%	12%	5%	10%
Borrow money	9%	8%	9%	4%	4%	4%	4%	8%	6%	6%	13%
Spend less on education	6%	3%	5%	4%	5%	7%	2%	5%	7%	3%	8%
Other	2%	2%	2%	1%	2%	3%	2%	1%	1%	2%	2%
None of these	7%	4%	4%	4%	2%	6%	5%	4%	2%	3%	2%
Don't know	5%	4%	6%	4%	6%	5%	8%	5%	10%	6%	4%

# Including among workers

Looking solely at those in employment the pattern is similar, with cutting spending ranking ahead of looking for higher-paid work or asking an existing employer for more pay.

*And if price rises meant that you could no longer afford your normal lifestyle, which, if any, of the below actions would you be likely to take?*

*11-country average – workers only*



**What do  
they expect  
will happen  
next?**



# The causes of inflation are seen as primarily global

Generally, the public are most likely to see the drivers of current price rises as external to their country: COVID-19, the global economy and the Russian invasion of Ukraine.

This suggests they will think there is little national governments can do to stop the causes of current inflation.

*How much, if at all, do you think each of the following are contributing to the rising cost of living in your country today?*

*% a great deal/a fair amount*

	USA	GBR	CAN	FRA	ITA	DEU	JAP	AUS	POL	ESP	TUR
The COVID-19 pandemic	70%	79%	79%	74%	72%	61%	73%	80%	66%	70%	66%
The state of the global economy	76%	82%	78%	82%	81%	72%	77%	79%	72%	82%	71%
The policies of my national government	72%	76%	65%	71%	72%	61%	68%	68%	76%	69%	80%
The Russian invasion of Ukraine and its consequences	69%	81%	71%	81%	83%	78%	75%	73%	80%	78%	68%
Businesses making excessive profits	64%	70%	68%	73%	65%	52%	47%	68%	50%	72%	71%
Workers demanding pay rises	58%	43%	47%	35%	34%	35%	31%	43%	45%	31%	38%
The interest rate level in my country	67%	69%	63%	58%	70%	48%	48%	61%	78%	63%	81%
Immigration into my country	54%	45%	43%	47%	47%	47%	26%	41%	55%	41%	84%

Ipsos Global Perceptions of Inflation 2022 – 11,030 participants across 11 countries, interviewed online 7 - 18 April 2022

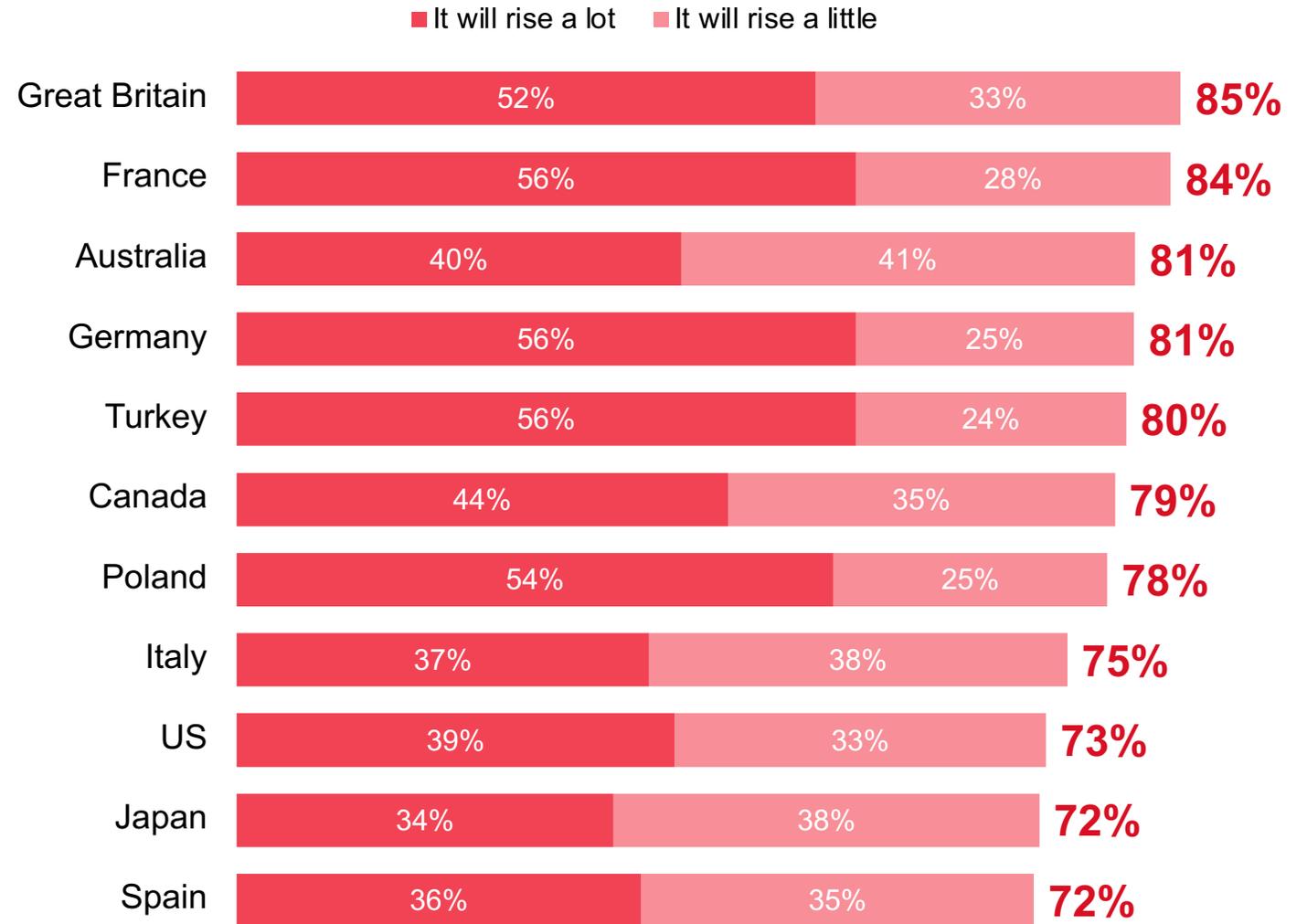
# And further rises in inflation are expected

At least seven in ten of the public in all 11 markets expect inflation to rise further over the coming year.

In Britain and France more than eight in ten believe this, with more than half of the public in these countries expecting inflation to rise a lot.

*Over the next year, do you think each of the following will rise, decline, or stay at about the same level?*

*The rate of inflation (how much prices are going up by)*



# Food and utility costs are expected to rise most

Expectations for rising costs are highest for food and utility bills, however in most countries more than half expect increases in the cost of five of the seven categories listed here.

*Thinking now about your household spend in the next 6 months, for each of the following types of spend, please say whether you expect it to increase, decrease or the stay the same as it is now?*

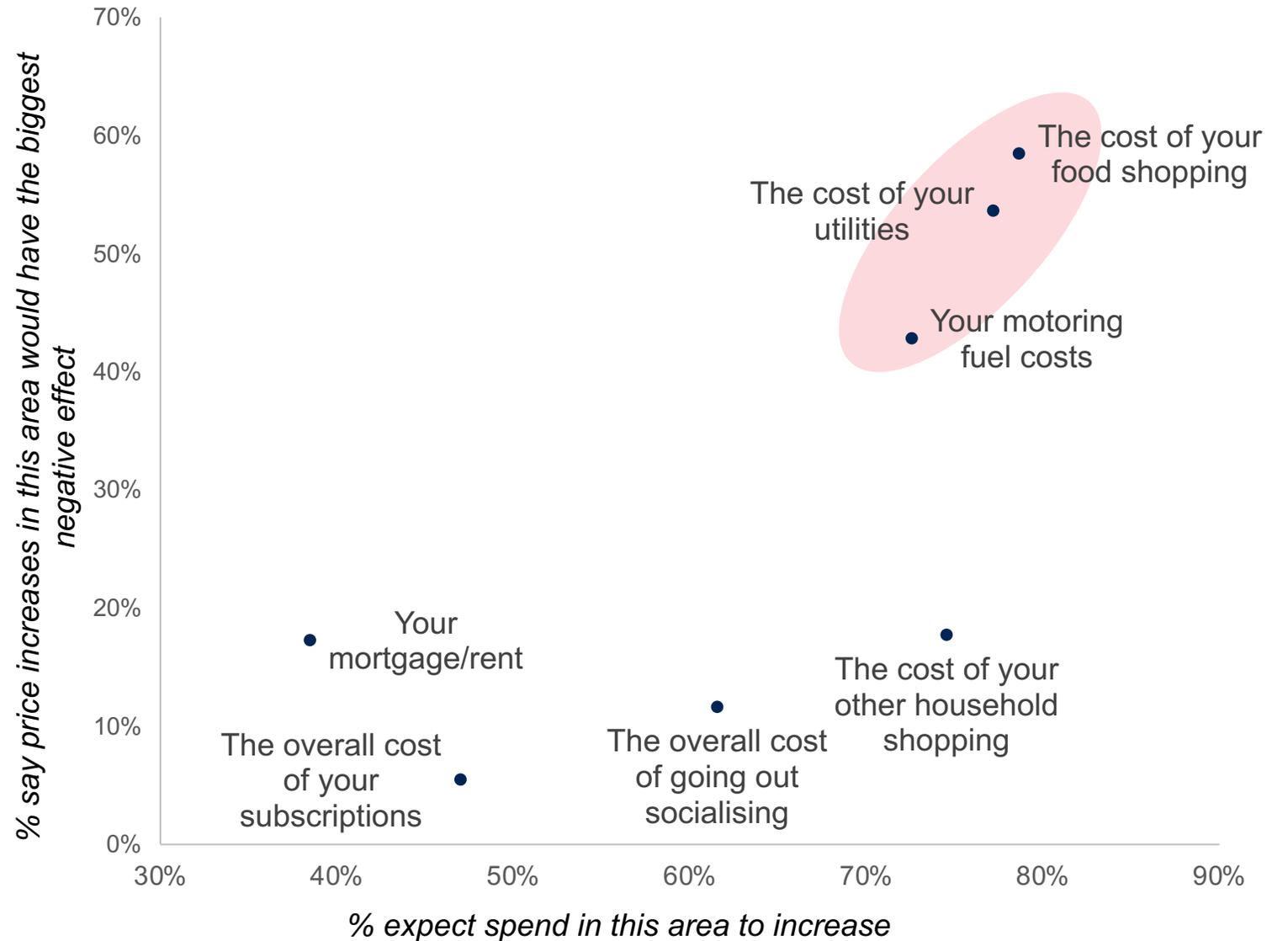
## % increase a lot/a little

	USA	GBR	CAN	FRA	ITA	DEU	JAP	AUS	POL	ESP	TUR
The cost of your food shopping	75%	88%	83%	85%	79%	85%	45%	79%	85%	77%	84%
The cost of your utilities	71%	89%	75%	85%	80%	84%	55%	72%	84%	71%	83%
The cost of your other household shopping	72%	85%	77%	76%	74%	80%	41%	75%	83%	73%	84%
Your motoring fuel costs	73%	75%	75%	77%	78%	74%	41%	76%	79%	69%	81%
The overall cost of going out socialising	60%	70%	68%	64%	60%	65%	18%	65%	66%	67%	74%
The overall cost of your subscriptions	45%	55%	58%	44%	48%	42%	10%	47%	55%	45%	68%
Your mortgage/rent	35%	38%	40%	28%	25%	39%	10%	44%	53%	36%	75%

# Expectations of price rises are highest in the most impactful categories

Expectations of price rises are highest in the spending categories which will have the biggest effect on household budgets.

Consumers are most likely to expect price rises in the cost of food, utilities and motoring fuel. Rises in these areas are also considered to have the biggest negative effect on their ability to make ends meet.



# Methodology

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These are the findings of an Ipsos online survey conducted between 7 and 18 April 2022.

The survey was conducted in 11 countries around the world, via the Ipsos Online Panel system in Australia, Canada, France, Germany, Great Britain, Italy, Japan, Poland, Spain, Turkey and the United States.

The results are comprised of an international sample of 11,030 adults aged 16-74 in most countries and aged 18-74 in Canada, Turkey and the United States. Approximately 1,000 individuals participated on a country by country basis via the Ipsos Online Panel.

The samples in Australia, Canada, France, Germany, Great Britain, Italy, Japan, Poland, Spain and United States can be taken as representative of their general adult population under the age of 75. The sample in Turkey produces a national sample that is more urban and educated, and with higher incomes than their fellow citizens. The survey results for these countries should be viewed as reflecting the views of the more “connected” segment of their population.

Weighting was then employed to balance demographics and ensure that the sample's composition reflects that of the adult population according to the most recent country Census data.

Where results do not sum to 100 or the difference appears to be plus or minus one point more or less than the actual, this may be due to rounding, multiple responses, or the exclusion of “don’t know” or not stated responses.

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