

Young people's perception of inflation in Hungary

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Abstract: Inflation generally means the devaluation of money, which leads to a relative rise in prices. Nowadays inflation is a prevalent phenomenon, the causes of which include the Covid pandemic that broke out in 2020 and the Russian-Ukrainian war of 2022. Although the epidemic has now reached a resting point, and the war also affects our country only indirectly, these events still have an impact on the Hungarian economy. Inflation is increasing and the economy is heading towards recession.

The purpose of this article is to assess how well young Hungarian people are aware of the current inflationary processes, the reasons behind them, and the expected consequences.

After processing the relevant literature, primary research has been prepared in which we tried to get answers to our research questions using an online questionnaire. Our research approach is functionalist since we do not intend to change perceptions about inflation, but to observe and quantify them.

We have used a convenience sampling procedure, with snowball methodology, so our research results cannot be considered representative, however, many interesting correlations were revealed during the research. With the questionnaire, we reached 270 young people, including 33 foreigners studying in Hungary, which provided an opportunity to investigate whether foreigners have a better understanding of the inflation process, its causes and consequences.

In the light of the results, it can be said that since young people do not yet have their own income, and they hardly or only partially make financial decisions, they are therefore not really aware of the causes and consequences of inflation. No significant difference was found between respondents from the two genders. However, those who are already working and their main source of income is their work are significantly more aware of the effects of inflation than those who can buy mainly with the support of their families.

Keywords: inflation; perceptions; young people

1 Introduction

Inflation generally means the devaluation of money, leading to a relative price rise. A household can feel this best when shopping, as buying a cheap product for the same amount also affects the prices of individual leisure activities (cinemas, nightclubs, restaurants). As a result, inflation is a financially tighter time, which can impact young people's financial situation. While inflation is an objective phenomenon, there are perceptive elements to it as well. For example, in case of devaluation, people start stocking up on goods, causing further increase in inflation. In order to forgo a downward spiral, it is inevitable to understand the causes and effects of inflation.

2 Inflation

In order to understand the concept of inflation, we must first know a few basic economic factors and their effects on each other. (Lim-Sek, 2015). We can talk about inflation if the companies pay their employees the same level of salary, but the employees, i.e. the households, are no longer able to pay for the basic products necessary for their livelihood from the same amount. As a result, household savings are reduced. It is important to note, that fluctuations in the price of individual goods cannot be classified as inflation, since we can only speak of inflation if the prices of a wide range of products increase permanently. The rate of inflation is determined using the consumer price index, which shows the extent to which the prices of representative products have changed in a year (Brya, Cecchetti, 1993). The consumer basket contains the aforementioned products and services, and the percentage price change that occurred in one year is determined based on this.

All members of every economic sector want to mitigate the negative effects of inflation, for example, employees can negotiate their salaries to rise if they have the opportunity, businesses can increase the price of their products or services. These opportunities differ between different social groups, so there will be those who do well and others who do poorly with this monetary fluctuation (Doepke-Schneider, 2006; Yunusovna, 2022).

An increase in inflation can lead to early purchases, as due to price increases, people try to make the purchases due before further price increases. This further increases prices, as businesses can sell the same products to their customers at a higher price. Depending on the level of inflation, there can be creeping, galloping and hyperinflation. In the case of creeping inflation, the rate is a few percent per year, the annual rate of galloping inflation is already 2-3 digits. In hyperinflation, the price level increases to such an extent that it completely disintegrates the economy (Anghelache et al, 2022).

Triggers of inflation may be, for example, the sudden increase in the already mentioned demand, in such cases, businesses cannot satisfy the demand of customers, so they raise prices (demand driven inflation), or if the source of raw materials necessary for the production of a certain product is insufficient, or the cost of its transportation increases (cost driven inflation), as well as if a bankrupt country prints too much money to pay its debts (money supply inflation) (Totonchi, 2011).

Demand driven inflation occurs when the total demand for goods and services increases and exceeds the supply of goods and services that can be sustainably produced (Shapiro, 2022). Excess demand puts pressure on prices for a wide range of goods and services and ultimately leads to an increase in inflation. Aggregate demand may increase because consumer, business, or government spending increases, or net exports increase. As a result, the demand for goods and services will increase relative to their supply, and because of this, companies will raise the price of goods and services. At the same time, companies will hire more workers to meet this additional demand. Due to the increased demand for labour, companies must offer higher wages to attract new workers and retain existing employees. Firms may raise the prices of their goods and services to cover their higher labour costs. More jobs and higher wages increase household incomes and lead to higher consumer spending, further increasing aggregate demand and the ability of firms to raise the prices of their goods and services. If this happens in a large number of businesses and sectors, it will lead to an increase in inflation.

Cost-driven inflation only happens when the lack of supply is coupled with enough demand for the producer to raise prices (Sbordone, 2005). On the supply side, several factors contribute to inflation. An increase in the price of raw materials can also cause an increase in inflation, since it can make it difficult for manufacturers to provide their products at the same price level. The goods and services we purchase often contain components from around the world and require extensive logistics to arrive at the local stores. A failure in this system may be yet another reason for a sharp rise of production costs for companies. For example, global supply chain disruptions such as those caused by the pandemic in 2020 could lead to cost inflation. Monopolies can also contribute to cost-driven inflation because a monopoly controls the entire supply of a good or service. Natural disasters temporarily cause costly inflation by damaging productive facilities. In general, the depletion of natural resources is increasingly causing cost-driven inflation.

Some believe that rising wages can result in cost-driven inflation due to higher costs for businesses, while others believe that higher wages also increase demand enough to offset price increases. Rising wages should allow consumers to fight inflation, especially if wages rise at the same or faster rate than the rate of inflation. Rising wages allow consumers to pay higher prices without affecting their purchasing power.

Certain regulations may also result in cost-driven or demand-driven inflation. When the government issues tax subsidies on certain products, it can increase demand. If

that demand is greater than supply, costs can rise. Additionally, strict building codes and even rent stabilization policies can inadvertently increase costs and create an inflationary environment by passing those costs on to residents or artificially reducing housing supply (Smith, 2005).

Money supply is defined as the total amount of money in circulation, which includes cash, coins, and bank accounts accredited by a country's central bank. If the money supply grows faster than the rate of production, it can result in inflation, especially demand-driven inflation, because there is too much demand for too few products. An increase in the money supply is usually created by a country's central bank through open market operations.

The strongest and most obvious consequence of inflation is the devaluation of money, since we can buy significantly fewer products for the same amount. With its devaluation, money loses its credibility and destroys its reputation on the world market, as a result of which economic participants invest in other currency-based systems. To this devaluation, purchasing needs usually increase inducing demand driven inflation and a negative inflation spiral.

The central bank however can influence inflation in a very specific way; by moderating inflation to achieve and maintain price stability through its actions by increasing the base interest rate (Mankiw-Reis, 2003; Davidson, 2006). Increasing the base interest rate makes local currency-based investments more favourable for foreign investors, thus increasing the value of a given country's currency. However, an increase in demand leads to an increase in inflation, as businesses have the opportunity to sell their products to their customers at a higher price. Another important effect of increasing the base interest rate is that it becomes significantly more expensive to take out a loan, so it becomes unfavourable also for the households. Due to the small amount of loans, the general demand for products falls, thus resulting in at least lower inflation or even a decrease in production. In addition, those who have entered into a fixed-rate loan contract before the start of inflation can repay their debt with the already inflated value of money upon repayment. Importantly, this only applies to fixed-rate loans, so it does not apply to credit card balances or other specific loans, that have the option of raising their interest rates to keep up with inflation.

Inflation, as a macroeconomic phenomenon, greatly affects all parts of an economy. To a small extent, it helps the progress and development of the economy, as soon as it exceeds the controllable level, it can cause serious financial problems for all economic actors. Inflation can mean profit for these actors, but its most important factor is that the profit of some can only result from the loss of others.

Recession basically means a decrease in the GDP or the decline of the economy. The production of a country in recession decreases, its unemployment may increase, thereby increasing the extent of the low standard of living (Friedman, 1977).

One of the defining characteristics of a country's economy is the unemployment rate. If the unemployment rate in a country is high, it undermines the strength of its economy (GPD). Inflation leads to unemployment in the long term, as companies lay their employees off as the demand for purchases decreases, since the income from sales does not allow for guaranteed wage payments. Employees who are dismissed as a result receive state benefits (unemployment benefits) and hence increase governmental expenditures that need to be covered from tax money, which also negatively influences inflation (Gordon, 1976).

Housing market prices can depend on other economic factors, such as the construction industry, because if construction industry prices rise, it can also cause real estate market prices to rise (Dougherty-Van Order, 1982). The increased costs of raw materials, tools and labour used for construction and renovation are added to the basic value of the properties, thus increasing their prices. In a general period, the price increase in the real estate market does not exceed the rate of inflation, but they may exceed it in an unfavourable period due to artificially stimulated price increases. This price increase is most significantly influenced by changes in energy prices. These price changes are mainly reflected in the costs included in the rent, for example water, gas, heating. Landlords can compensate for these price changes by increasing rents. Homeowners who took out fixed-rate mortgages before inflation started will have an easier time repaying their debt.

Inflation also has a particular impact on the price of different energy carriers. While a country that does not have sustainable energy sources is forced to import them from abroad, in the course of importing, a significant loss of foreign currency occurs, because due to the increase in inflation, the world market value of one's currency is less favourable on foreign markets (compared to other currencies). "The increase in energy prices ripples through the economy and occurs at all levels of production." (Ékes, 1998). Thus, thanks to globalization, the already mentioned real estate, basic foodstuffs, leisure services, and loans become more expensive. Based on this, it can be concluded that the most influential factors during inflation are actually energy prices.

3 Research

The main goal of our research was to find out how inflation affects young people, as well as how much they are generally aware of the root causes and consequences of inflation. We prepared a questionnaire-based survey with the help of Google Forms. We utilised a convenience sampling starting our research procedure with the students of Óbuda University, disseminating our questionnaire with snowball methodology, so the research results are not expected to be representative.

In the end, there were 270 people in our sample, of which 23 were foreigners and 247 were Hungarians, but regarding demographic variables, - of course besides

nationality - the only difference between foreigners and Hungarians was that the Hungarian sample included people younger than 18, while the foreign sample did not since we asked university students from abroad yes.

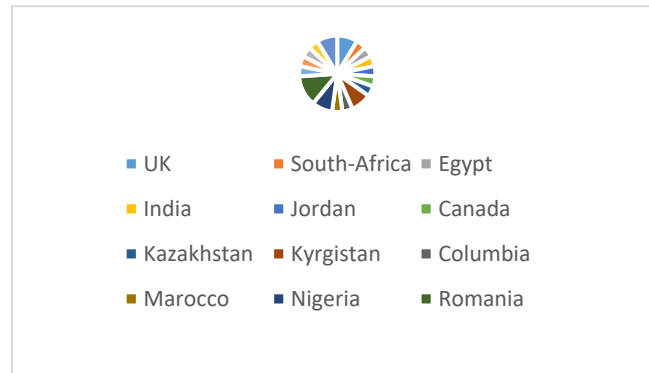


Figure 1

Distribution of foreign respondents by country of origin

While our primary target was Generation Z, we have broadened are definition later on, using the general term young people as a more adequate phrasing. Generational research considers those born after 1995 to belong to Generation Z due to the generation's special characteristics. However, the respondents born between 1990 and 1995 in the sample did not show any significant difference compared to those born between 1995 and 2000 beyond the size and composition of monthly expenses, so we took these respondents and their answers into account when examining the answers in order to increase the size of the sample.

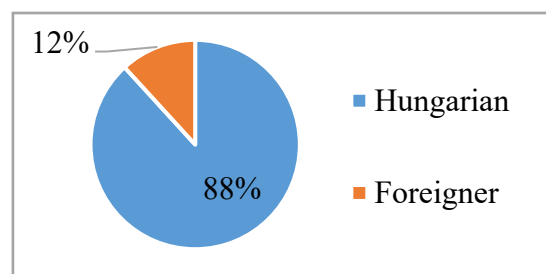


Figure 2

The ratio of Hungarians in the sample

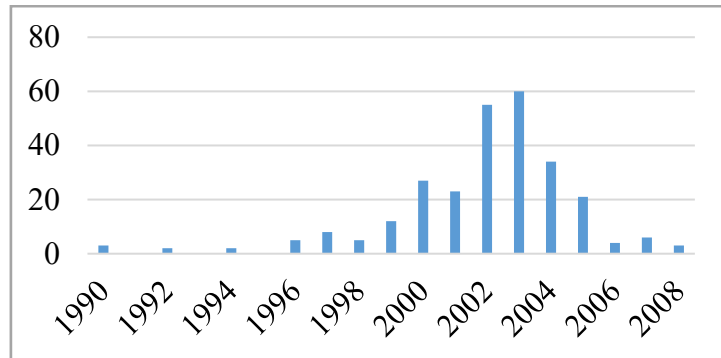


Figure 3
Distribution by age

4 The respondents

The average age of the respondents was 21 years, with a standard deviation of 2.8 years. Based on the data obtained after the screenings, we can say that we actually reached the target audience, the "young people" with our questionnaire.

By reaching the target audience, the vast majority of respondents are BSc or BSc graduate students.

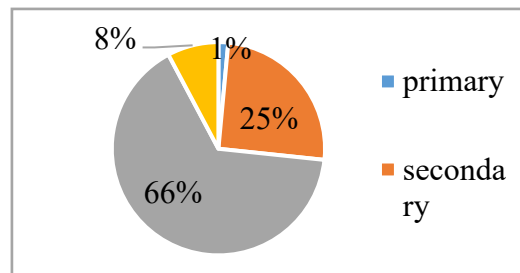


Figure 4
Respondents by highest education

The results of the questionnaire form a representative group in terms of age, since the respondents belong to the same generation, but the gender distribution is not biased at all. 52% of those who completed the survey were men, while 45% were women, and 3% did not wish to state their gender. Based on the Hungarian demographic age group, the results cannot be considered representative in terms of age distribution, nor in terms of gender based on the number of respondents. The survey was prepared as a convenience sampling, starting from the students of the John von Neumann Faculty of Informatics of Óbuda University, and collecting

additional answers and respondents using the snowball method. The overrepresentation of men can be closely aligned with the faculty's students' gender ratio.

The distribution of the respondents by education is very diverse. In addition to Computer science students (45%), there were also a large number of students majoring in Tourism and Hospitality (17%), Business and Management (5%), and Commerce and Marketing (4%). The large number of IT engineering students is a consequence of the previously mentioned snowball method, since we started distributing the questionnaire among engineering IT students.

The survey shed light on how the respondents manage their financial issues and what sources of income they have. Based on the results, it is clear that in the case of the vast majority of them, i.e. 92%, their parents help in some form and only 8% are able to manage their financial affairs on their own. Due to their age, a large part of the respondents still live with their families and parents, which explains their financial dependence. In addition to parental help, 31% have some other source, but this will be clarified in later questions.

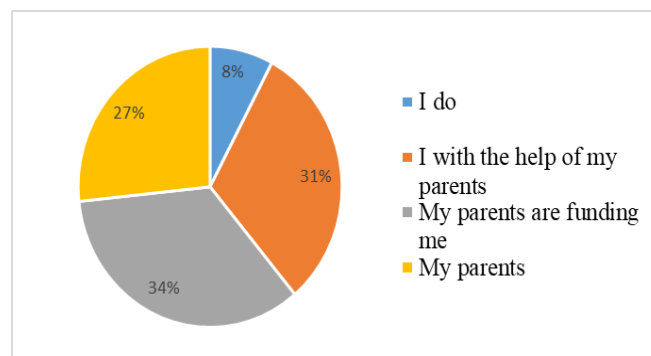


Figure 5
Who makes your financial decisions?

For the vast majority of respondents, the main source of income is pocket money received from their parents. This further emphasizes the dependence on parents from a budgetary point of view. However, this is not the only source for most students, as thanks to their studies they are entitled to various scholarships or work based on their professional knowledge. The following figure indicate how many of the respondents have the various sources of incomes. As t is clearly visible, most of them have multiple sources of income.

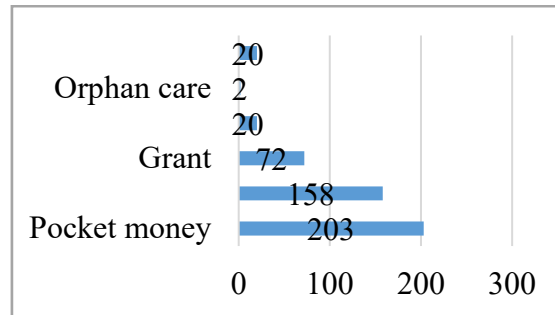


Figure 6
Source of income

Only 21% of the respondents work or work full-time. This is a rational value, since most of the respondents are university students, for whom it is usually not possible to take on full-time jobs in addition to their studies. 12% of the respondents have not yet worked at all, they are probably among those supported only by their parents in the earlier part of the questionnaire.

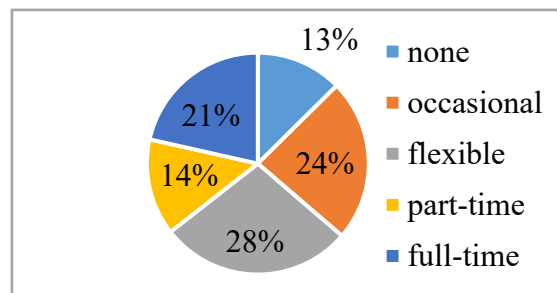


Figure 7
Work experience

The next question of the questionnaire tried to shed light on the self-earned income of the respondents. By aggregating the data, we obtained the values shown in the table below. The graph shows again that most of the respondents are financially dependent on their parents. Regardless, it is extremely different who has how much total income. Apart from the millions, the earnings of part-time or occasional jobs are lined up. It can be seen that the earnings values between fifty and four hundred thousand forints show that among the respondents there are a significant number of those who have already performed some kind of casual or part-time activity. The data in the table are shown in thousands of forints.

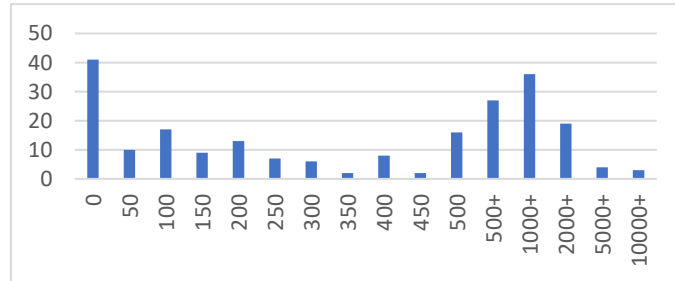


Figure 8
Self-earned income

5 Research results

The popularity of card payments is clearly visible from the questionnaires, as 80% of the respondents pay by card while only 20% pay with cash more regularly. In addition to all this, 98% of the respondents do their shopping themselves. Most people spent between 10,000 and 20,000 forints on food, but there are those who spent more than 100,000 forints per month on food alone, so the average value is 30,500 forints, with a standard deviation of 32,000 forints. Based on the standard deviation value, which is also clearly visible in the graph, it can be said that the monthly average value of the amounts spent on food by the respondents ranges over a very wide spectrum. This may stem from the fact that many people still live in the same household with their parents, which has already been established several times, and therefore do not spend much on food.

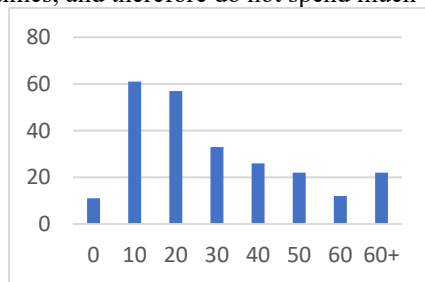


Figure 9
Food

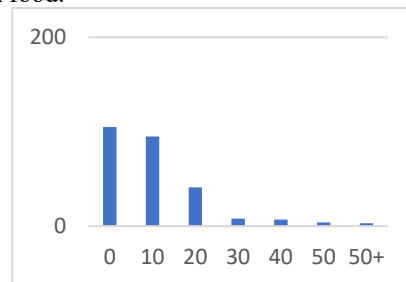


Figure 10
Clothing

The amounts spent on different clothes and outfits are surprisingly low. Again, this can be linked to dependence on parents, however it is important to note that most clothing is classified as durable goods. Thus, 38.9% of the respondents do not spend at all, that is, they do not spend an amount that can be broken down into months to

renew their wardrobe. In addition to all this, the average spending is HUF 8,925, which shows that in addition to the overwhelming lack of demand, there are also those who spend a significant amount to update their clothing. Among the columns of data there are also a few blatantly large sums, which may indicate a couple of purchased luxury items. These values can explain the deviation compared to the average, which is HUF 13,000.

70% of the respondents still live at home with their family or with the support of their parents in a dormitory or sublet. Based on this, the 187 respondents who spend zero forints on maintaining their accommodation can be explained. Although a small number, there are also a few presumably university students who pay the monthly costs of the dormitory themselves. This means HUF 30,000 on average, while the rest of them live on their own in a sublet or in their own apartment, the maintenance cost of which is relatively different based on the diagram. The number of people living in the dormitory is likely to be significant due to the recent price increases in the real estate market due to inflation.

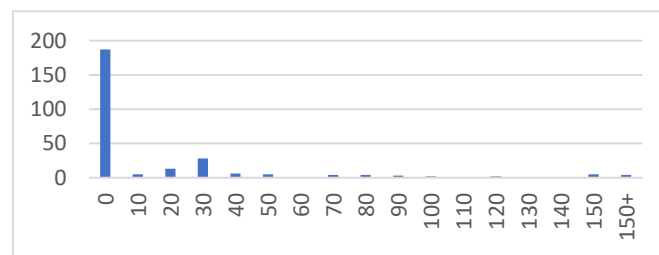


Figure 11
Accommodation

220 out of 270 respondents do not spend money on fuel at all, this can be for various reasons. The most typical may be that parking is not provided or very difficult in front of the schools, universities, and workplaces of the respondents, so they travel by using public transportation. This can also be seen from the diagram on the amounts spent on public transport, since the most common answers here are the prices of discounted monthly passes for students participating in public or higher education (HUF 3,450). Another reason could be that they don't even have a driver's license, so they don't even have a car. This can also be contributed by the fact that, due to inflation, obtaining a driver's license from the beginning of learning to the end of a successful driving test can cost up to half a million forints. In addition to all this, since a large percentage of the respondents do not even spend on real estate, it is likely that their wallets would not even be able to maintain the vehicle. However, even those who spend on fuel spend an average of HUF 10,000-15,000, which roughly corresponds to the minimum monthly consumption.

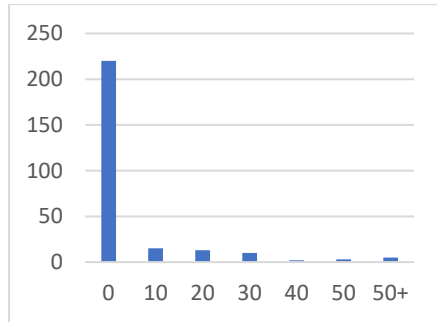


Figure 12
Petrol

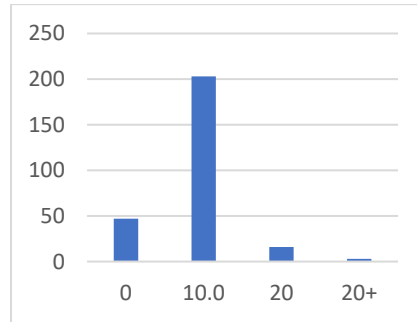


Figure 13
Public transport

The results of various electronic devices and services, as well as sports related answers, can be combined under one hat. In both cases, the vast majority of the respondents answered zero forints. This is probably due to the durability of electronics and sports equipment, as they do not pay such sums for them that we can break down over months. Furthermore, the amount of electronic services, such as telephone or internet packages, is also financed by their parents. In addition to all this, it is clear that the vast majority of respondents spend at least ten thousand forints on their leisure activities. This amount can be considered a bit high compared to the current rate of inflation, although it can easily be attributed to the lifestyle habits of young people.

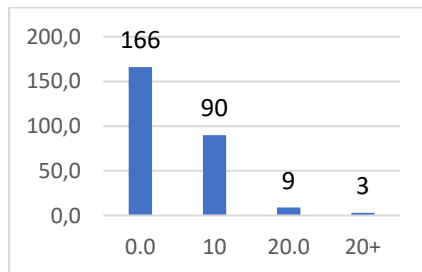


Figure 14
Phone, internet

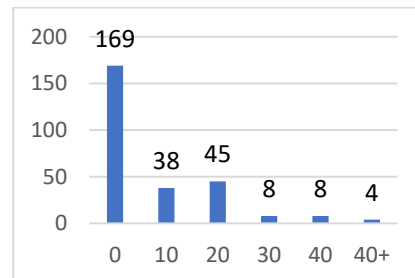


Figure 15
Sports and pastime activities

40% of the respondents have never studied economics, while 60% have. This result can be linked to the question asked at the end of the questionnaire, where, in addition to correct and realistic values, many surprising answers were received. We have asked the respondents how much economic knowledge they had on a scale from 1 to 10. As the diagram below shows, it appears that our questionnaire was not filled out by economists, no one was confident enough to write that they know economics very well.

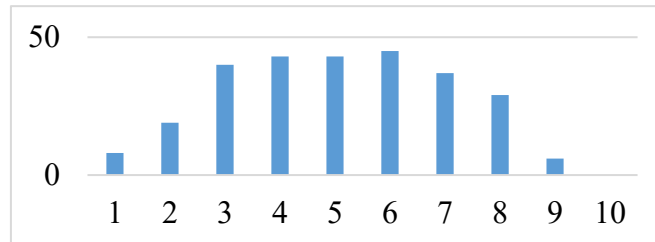


Figure 16

Economic knowledge (self reported level)

With the correlation test, we tried to find out which people guessed inflation best in their country, and we expected that it would correlate with various demographic or background variables, such as whether you have your own income or whether you work, but surprisingly, there were no significant correlations for most variables. Overall, there was a very low correlation with drug price and how much you spend in general in a month, but this correlation is 1.33 in the former case and 1.6 in the latter case, which can be considered a very weak correlation in both cases. So practically, the correlation study did not produce the results we expected.

In order to have a more in-depth understanding of the variances within our sample, we have conducted independent samples' T-test with the help of an SPSS20 program. In the coming paragraphs, only variables with significant differences will be displayed and analysed.

The first independent sample T-test examines the difference between men and women. We selected the cases in the table where there was a significant difference. There was a significant difference in his perception of the various causes, such as crime, climate change, oil, and the following consequence: GDP growth. Women thought that GDP growth was one consequence, men did not think so very often. About monopolies, oil and climate change, women thought it was typical, while men thought it was typical about criminal cases.

Table 1 Differences according to gender (male-female)

Differences according to gender (male-female)	Difference of means
Cause: Increase in criminal cases	,129
Cause: Climate change	-,139
Cause: Crude oil price fluctuations	-,077
Cause: Monopolies	-,201
Cause: Many abortions	,099
Effect: GDP growth	-,221

The men in the sample earned much more on average than the women. The female respondents in the sample earned an average of HUF 1,292,000 less during their lifetime than the male respondents, even though there is no significant difference between their ages. However, there is a significant difference in the ratio of the number of workers and non-workers. Men work in a higher proportion, so this is the reason for the difference, and a greater part of them are on the stock market, manage their finances alone and independently, and a greater part of them also have management skills. In fact, the fact that they have already worked, manage their finances on their own, and that they have knowledge of management can also influence the fact that they earned HUF 1.292 million more on average than the female respondents. However, with the following independent sample T-test, we examine significant differences between foreigners and Hungarians.

Table 2 Difference according to citizenship (Hungarian-foreigner)

Difference according to citizenship (Hungarian-foreigner)	Difference of means
Cause: Increase in criminal cases	-,340
Cause: Climate change	-,377
Cause: Increased money supply	,529
Cause: Unemployment	-,305
Cause: Many abortions	-,423
Cause: Excessive money issuance	,226
Effect: Outbreak of epidemics	-,659
Effect: Increase in product prices	,129
Effect: New inventions	-,520

There are a couple of foreigners in the sample, so we also wanted to see if there is a significant difference between them and the Hungarians. Of course, there is a difference in the level of education, as all of the foreign respondents are university students, while among the Hungarian respondents there are also high school students. Interestingly, however, foreigners have already worked in a higher proportion than Hungarians. Hungarians, on the other hand, earned radically more income on average. While domestic shoppers prefer to shop alone, foreigners spend more on food, which probably stems from the fact that most Hungarians live at home and therefore have to spend less on food. In the same way, foreigners also spend more on clothes, because because the majority of Hungarians still buy their clothes from their families. Regarding the amounts spent on sports, the proportion is reversed, because foreigners spend less than Hungarians, probably because they operate on a limited budget, and it is not certain that large-scale expenditures can fit into this. We received different answers for different reasons. Foreigners are much more likely to think that criminal matters, climate change, unemployment, and abortion are among the causes of inflation. While the Hungarian respondents believe that the increased money supply and excessive money issuance may be the

cause of inflation. The opinions of Hungarians also differ from those of foreigners regarding the effects, according to foreigners outbreaks of epidemics and new inventions are among the effects of inflation, while Hungarians prefer to believe that the increase in product prices is the effect of inflation. Both Hungarians and foreigners were asked to state how much they thought inflation was in their country, and interestingly, Hungarians gave a higher average inflation rate than the foreigners in the sample. There are foreign countries where the rate of inflation reaches up to 80%.

Table 3 Difference according to education (university-secondary)

Difference according to education (university-secondary)	Difference of means
Cause: Increase in criminal cases	,117
Cause: Climate change	,170
Cause: Unemployment	,286
Cause: Many abortions	,157
Effect: Outbreak of epidemics	,156
Effect: Increase in product prices	-,044
Effect: Overpopulation	,112
Effect: New inventions	,153

With the next independent sample T-test, we tried to compare the difference between students in higher education and students who have only graduated. Among those studying in higher education, for example, engineering informatics students also come across macroeconomics subjects and learn about inflation within their framework, so hypothetically they have more knowledge than those who go to secondary school.

Obviously, the level of education correlates with age, since the higher the level of education, the older someone can be. It is clear that the majority of the scholarship holders are students of the Faculty of Information Technology, as there are mostly students participating in state-funded education there. Since it is related to age, university students are more likely to have their own bank account than non-university students, and they tend to have a regular income and, of course, more often have work experience. What will be related to marital status is that more and more young people are moving away from their families and, in parallel, the value they spend on food, public transport, and entertainment will increase significantly, and overall, how much they spend on a monthly basis will change, compared to those who are still with their families. they live. This is both the real amount of the sub-expenditures and the claimed amount.

We also examined what they think about its causes and effects, and there were significant differences regarding the causes of criminal cases, climate change, unemployment, and many abortions. In all 4 cases, the university students thought

it was more likely to be the root cause than the high school students, which is surprising, since they should know through their studies, that none of them belong there. Despite the answer options, which included the option of "I don't know" in addition to yes and no answers, in several cases they marked an incorrect answer and did not refrain from answering. Regarding the effects of inflation, in three cases, the university students said that it would be an influencing factor: epidemics, overpopulation, new inventions, and in one case terrorism was nominated as a potential inflationary consequence. So, in several cases, those with official economic qualifications were wrong that it would be an influencing factor: epidemics, overpopulation, new inventions, in one case terrorism was indicated as a potential inflationary consequence.

Table 4 Difference according to economic studies (not studied-studied)

Difference according to economic studies (not studied-studied)	Difference of means
Cause: Crude oil price fluctuation	,103
Cause: Unemployment	-,190
Cause: Many abortions	-,111
Effect: New inventions	-,153

Those with higher education are older and have a greater knowledge of management, at least according to their own statements, these respondents (perhaps) due to their age already prefer to work and deal with the stock market, there is a greater chance that they have their own bank account and a regular daily income, as well as work experience. Also, in terms of their monthly expenses, they indicated higher values for food, entertainment and all monthly expenses. There were significantly higher values in relation to those already studying economics and those not studying it.

We also examined what they think about the causes and consequences of inflation. Despite their economic studies, they are not aware of the actual reasons, therefore, according to the majority of them, the number of abortions and the level of unemployment can be classified among the root causes of inflation. Among the consequences was an increase in new inventions, which is also incorrect. Those who have studied economics are no more aware of inflation than those without economics, a surprising finding.

Table 5 Difference according to work experience (no-yes)

Difference according to work experience (no-yes)	Difference of means
Cause: Price increase	-,153
Cause: Increase in criminal cases	,134
Cause: Lack of supply	-,171

Cause: Increased money supply	-,229
Cause: Many abortions	,212
Effect: Unemployment	-,159
Effect: Decrease in real wages	-,158
Effect: New inventions	,120

We compared the work experience and the status of those currently working (from now on referred to as “workers”) with those who have not yet worked. The results depend on age, so it can rather be said that those doing the work have more economic knowledge. They are more likely to attend a higher education institution, and they mostly manage their finances on their own. They are less dependent on pocket money, so they have secure resources, they are more likely to have a bank account and a regular monthly income.

In parallel with their age, in accordance with their social embeddedness, they move away from their families more often, spend more on food, clothes, public transport, sports, medicine, and overall, on a monthly basis. This can be explained relatively well by their living situation. It was examined what they think about the causes and circumstances of inflation. Those who work, the price increase, they see the lack of supply and the increased money supply more among the causes of inflation.

In contrast, non-workers associate inflation with crime and abortion. This is a variable that predicts relatively well how much they perceive the effects of inflation, or at least how well they are aware of them. It is interesting that not education, but work experience was the first variable that provided a good basis for comparison. We found that the workers indicated unemployment and a decrease in real wages as the effect of inflation, while the non-workers associated it with an increase in the number of new inventions, so again our previous statement is true, that regardless of the studies, the already working full-time workers see the causes and consequences of inflation better. they see the increased money supply as one of the causes of inflation.

Table 6 Difference according to regular income (no-yes)

ifference according to regular income (no-yes)	Difference of means
Cause: Unemployment	-,168

The increase in age among the respondents makes the prevalence of regular incomes more likely. Older people have greater economic knowledge, so they manage their own finances, have their own bank account and work experience. Of course, their total earnings to date are considerably higher, as salaries from full-time jobs are added to these numbers. In line with what was said earlier, the monthly costs are also higher in the various segments. They spend far more on food, real estate, public transportation, gasoline, entertainment, medicine, health care, and overall than those with no income. As for the inflation factors, there was only one case where there was an outstanding difference between their answers. Unemployment, as a cause of

inflation, appeared more frequently among those who have an income. Regular monthly income does not have reliable predictive power as to how well someone knows the causes and consequences of inflation.

Table 7 Difference owing to preferred method of payment (card-cash)

Difference owing to preferred method of payment (card-cash)	
Cause: Lack of supply	,210
Cause: Climate change	,168

With the last independent sample T-test, we examined whether there is any difference between those who prefer card or cash payment. Card holders prefer to manage their finances independently, spending more on food, clothes and everything in general each month. In general, those who have bank cards belong to the older age group. There was a decisive difference between the causes of inflation in the case of two factors, which were the topics of lack of supply and climate change. The lack of supply does, while climate change cannot be classified as one of the root causes of inflation, so we cannot clearly say that it is a predictive factor. Regarding the effects of inflation, there was no significant difference at all between the two trained groups, so overall it can be said that this cannot be considered a predictive variable either.

Conclusions

In present article, we have looked into inflation, its causes and consequences with the help of international literature. We then prepared a survey with the help of the students of Óbuda University. We started with a snowball method and wanted to explore young people's knowledge of inflation. In the end, there were 270 people in our sample, of which 23 were foreigners and 247 Hungarians, but as mentioned before, the only difference between foreigners and Hungarians was that the Hungarian sample included people younger than 18, while the foreign sample did not, as foreign we addressed university students.

We examined a total of 7 factors, how much they influence people's knowledge about inflation and, surprisingly, in the case of many factors, the factor had no predictive power, such as higher education or management knowledge. So, although we expected at the beginning of our research that those who already have management knowledge, training, and subjects, will probably know what the cause and consequence of inflation are, but basically, not only were the answers not significantly better for the respondents belonging to these groups, but in addition, in many cases they gave more incorrect answers, who, according to their own admission, did not have economic knowledge or training.

We managed to identify only one variable with the help of the sample, where it is a variable with a significant and clearly good predictive power, and this is work experience. Those who have work experience achieved significantly better values

in recognizing and identifying both the causes of inflation and the consequences of inflation. Hence, we can say that regardless of education, age, or economic knowledge, the relevant work experience itself is what brings people closer to the subject of inflation and its knowledge. In the future, of course, we would like to continue our research, as currently we have unfortunately managed to reach a very limited number of sources. Since the countries in the sample had very different inflation rates from a low of 7-8% to 85%, it may be interesting in the future to explore whether other factors influence the knowledge of causes and effects of inflation in countries with very high inflation.

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