

Financial situation of households

Data from the Central Statistical Office show that in Poland the average annual increase in prices of goods and services in 2023 amounted to 11.4% y/y and was lower than in 2022 (14.4% y/y). After a decline in real wages in 2022, there was a real increase in 2023. Data from the first months of this year show further improvement - a decline in inflation and an increase in income. This translates into declarations regarding the standard of living.

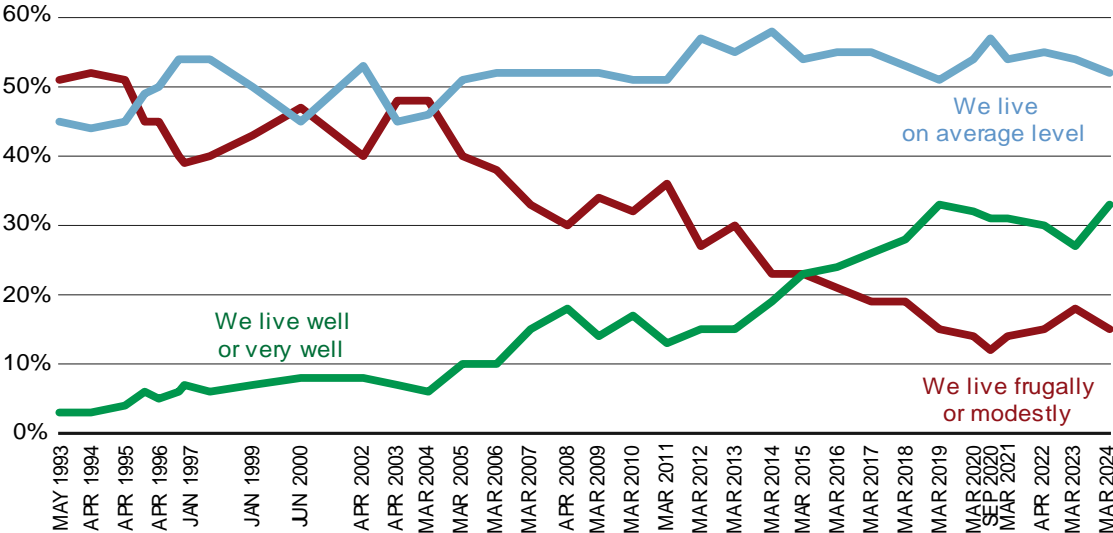
Describing the way they manage money in their households, more than half of respondents claim that they live at an average level - they have enough for everyday life, but they have to save up for more serious expenses (52%). One-third estimate that their life is good or very good – they have enough money for their expenses without saving much (29%) or can even afford some luxury (4%). One-seventh say that they live modestly - they have to manage money very sparingly on a daily basis (14%), and very few say that they are very poor - they do not have enough even for basic needs (1%).

Over the past year, assessments of living standards have improved. The percentage of people declaring that their life is good or very good has increased from 27% to 33%, and the proportion of people claiming that they are very poor or live modestly has decreased from 18% to 15%. Currently, the proportion of people who are satisfied with their financial

situation is among the highest in the history of our research. We recorded an equally high percentage of positive assessments in 2019, while the lowest percentage of people living in poverty or modestly was in the second half of 2020. In subsequent years, until this year, the ratings were slightly worse.

However, taking into account a longer perspective, covering the last three decades, one can notice a huge improvement in the perception of one's own financial situation. Until 2015, the share of those declaring a poor or modest life was higher than that of people living well or very well, and since 2016 the share of the latter has invariably predominated.

Which of the following terms best describes money management in your household?

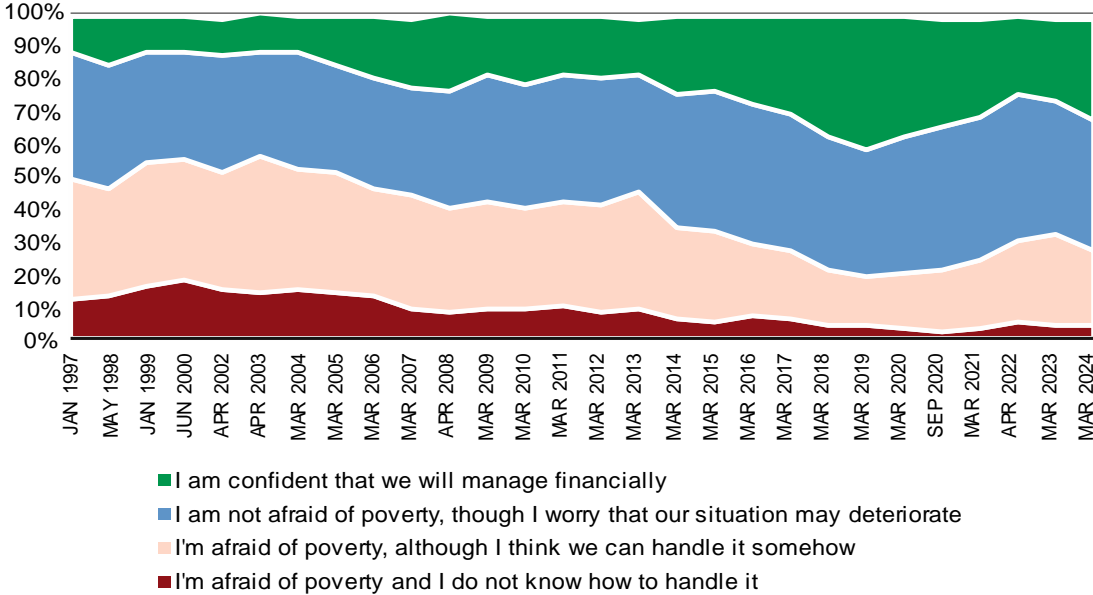


Currently, more than a quarter of respondents are afraid of poverty (27%), including 23% who believe that they will somehow cope and 4% who feel helpless. The rest are not afraid of poverty, with two-fifths (40%) afraid of a deterioration of their financial situation, and almost one-third (31%) are completely confident about their financial future.

Over the last year, the percentage of respondents afraid of poverty has decreased significantly from 32% to 27%, and the proportion of those who are confident about their financial future has increased from 25% to 31%. The lowest level of fear of poverty in the history of our research and the highest percentage of people who were completely confident about their financial future was recorded in 2019. The events of the following years, including the pandemic, war on our eastern border and dynamically rising prices, shook the financial security of Poles. In the following years, fears of poverty increased and

only this year have we recorded their decline. Taking into account a longer perspective covering the last quarter of a century, it can be said that fears of poverty have decreased significantly.

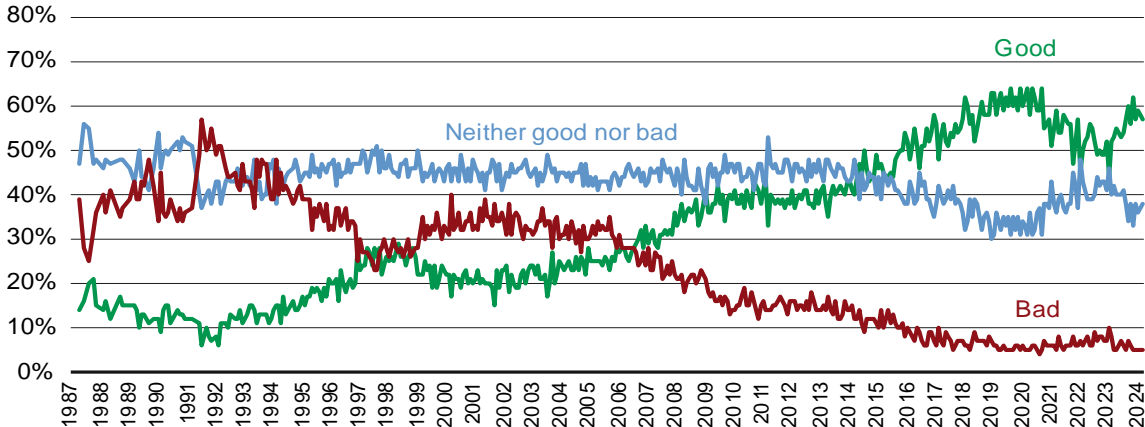
Which of the following statements best describes your household's current financial situation?



“Don't know” answers omitted

In March 2024, 57% of respondents assessed the financial conditions of their households as good, nearly two-fifths (38%) as average, and relatively few called it bad (5%). These ratings have improved slightly over the past year. Taking a slightly longer perspective into account, it can be noticed that Poles were most satisfied with the financial conditions of their households in the period preceding the pandemic. In the following years there was a deterioration. The worst ratings at this time were recorded at the beginning of 2023, during a period of high inflation.

Evaluation of material living conditions of the household



More information about this topic can be found in CBOS report in Polish: "Financial Situation of Households", April 2024. Fieldwork dates for the sample: March 2024, N=1089. The random sample is representative for adult population of Poland.