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Lived Experience Of Middle-Class Families In Inflation

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ABSTRACT

The purpose of current research was to explore the lived experience of middle-class families in inflation and to gain a comprehensive understanding of how people cope with this situation. Using a qualitative approach, this study applied thematic analysis to examine the underlying themes and sub-themes that characterize the lived experiences of middle-class families in the context of economic inflation. In the present study, in-depth interviews were conducted with 10 men and 10 women (N = 20) using a semi-structured interview guide. The results were analyzed using thematic analysis (Braun& Clarke, 2006), and eight main themes were extracted, including financial strains, psychological and emotional impact, family dynamics, social isolation, health impact, Lifestyle Changes/ lifestyle adaptation to rising prices, Inflationary Pressure and Economic Struggle, and Covid-19 Economic Fallout on Middle Class. This study aims to contribute to the theoretical literature on lived experience of middle-class families in inflation. Overall, these findings illustrate the significant psychological strain placed on middle-class families as a result of inflation.

Keywords: Lived Experience, Middle Class Families, Inflation, Psychological Impact, Mental Health Issues

INTRODUCTION

Pakistan's inflation more than tripled in less than a year, the highest level since 1964. A significant currency falls coupled with a point in food and energy prices is having a devastating effect on people across. Some Pakistani observers claimed that the strain of inflation has made it "difficult" for individuals to save something in light of the current state of the economy. Pakistanis in the medium income categories claimed they were unable to consider saving since their fixed income was in conflict with the rising cost of living ("As Inflation Rises, Pakistan's Middle Class Turn Penny Pinchers," 2023). In 2022, there was a significant global increase in inflation in many nations. Pakistan imports food and fuel products net. The global crisis has caused the price of crude oil to soar and double. the country's inflation rate in single digits since November 2021: The cost of imported items has grown due to the ongoing devaluation of the Pakistani Rupee. The tightening of US monetary policy and the energy crisis are two major factors driving the dollar's growth.

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Inflation is defined as a general increase in prices or the money supply, both of which can reduce a currency's purchasing power (Montevirgen, 2023). Inflation is a state in which the value of money diminishes while the price level continues to grow. The middle class is a socioeconomic group of working people who are not wealthy but earn enough to live reasonably well. Any economy needs the middle class since they are essential for stability and growth. Their investment and consumption habits are crucial for sustaining economic growth, which makes them an important group for policymakers to take into account. However, inflation affects the middle class disproportionately, making it more difficult for them to maintain their standard of living. A long-lasting financial phenomenon known as inflation raises rates for things and services over period. The middle class has less money available to spend on other necessities like housing, healthcare, and education as a result of having to spend more on maintaining their lifestyle in response to rising costs of living. The middle class is also disproportionately affected by inflation since they rely on fixed earnings such as salaries or pensions that do not rise with inflation. Their level of living declines as a result, as does their purchasing power. The middle class is impacted by inflation in ways other than just their financial circumstances. Making ends meet can be stressful and anxious, which can clue to psychological well-being problems that affect general quality of life, productivity, and relationships.

The middle class is critical to sustaining economic growth and stability. However, when inflation occurs, it has a disproportionate impact on them, making it more difficult for them to maintain their quality of living (Bold News, 2023).

The effect of environmental and/or biological elements on an individual's social and/or psychological features is referred to as psychosocial impact (De Oliveira et al., 2013). Psychosocial impact describes how both psychological factors (like thoughts, emotions, and behaviors) and social factors (such as relationships, societal norms, and cultural influences) interact to shape an individual's well-being, development, and overall functioning. It stems from the interplay of environmental and biological elements with a person's psychological and social traits.

Numerous mental illnesses can impact an individual's social and psychological well-being. One example is (a) obsessive-compulsive disorder (OCD), where individuals may exhibit low income, issues with their employment, and social and marital difficulties (Vikas, Avasthi, & Sharan, 2009).

Inflation has two key effects on mental health, according to Kara Nassour, a registered professional counselor in her own right, financial stress and uncertainty. It weakens the purchasing power of your money, which might lead to more financial hardship. Stress related to money can lead to long-term worry, tiredness, broken relationships with spouses, and the inability to obtain housing, healthcare, or education. "Being poor itself can be traumatizing." Single-parent households and other individuals experiencing a substantial decline in their standard of life may find these problems to be even more severe (Fielding, 2022).

Past research consistently shows that poverty and economic hardship negatively impact children. However, few studies have explored whether these effects continue into adulthood. This study addresses this gap by investigating whether economic resources in one's family of origin have long-term effects on psychological well-being in adulthood. Specifically, we examine two processes: interpersonal dynamics within

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the family of origin and the child's socioeconomic attainment, which may clarify the connection between early economic conditions and later well-being. Findings indicate that economic hardship in the family of origin predicts adult well-being through factors such as parents' marital relationship, parent-teen relationship, children's educational achievement, and children's earned income. Additional analyses suggest that prolonged economic hardship or hardship occurring during adolescence is particularly detrimental. Although many poor or near-poor children live with single mothers, children in two-parent families are also at risk of economic hardship if their parents have limited education, work minimum wage jobs, face unemployment periods, or have work-related disabilities (Sobolewski & Amato, 2005). Economic hardship elevates the risk for behavior problems, mental disorders, and physical health issues, making it a major public health concern (Conger, Conger, & Martin, 2010; Sareen, Afifi, McMillan, & Asmundson, 2011).

Different researches have been conducted to check the psychological impact of inflation in different countries and also in Pakistan. Garrison et. al. (2022) they organized a study on a wide sample of a country and targeted persons with an average income from a country with high inflation. Their findings demonstrate that there is a link between poverty, unemployment, and inflation. Idrees et al., (2022) conduct research about the inflation and its effect on low salary class of Sindh in short and long period. It is found that there is a negative and positive connection between money related strategy, joblessness, inflation, and destitution. Yasmeen & Ejaz,(2021) conduct research to explore the impact of income on psychological wellbeing of families.

Current research is aimed to explore how middle-class families, perceive inflation and its impact on their daily lives. Furthermore, the emotions, attitudes and concerns associated with rising prices was explored. Moreover, financial stressors may influence family dynamics, friendships, and community interactions was explored.

METHOD

This study of the research is qualitative in nature. Qualitative research supports the researcher's active participation and aims to reduce the distance between the researcher and what is being examined. The researcher can connect with participants in their language and on their terms, which helps counteract the concept of power and control inherent in the quantitative approach. The research design for this study was a phenomenological research design to examine the lived experience and psychological impact of inflation on middle class families. The approach investigates the daily experience of human beings while suspending the predetermined assumptions about the phenomenon.

Research Question

What changes middle class families have done to cope up with the increase in prices?
How current conditions affect life style of middle-class families?

Setting: The research was conducted in District Jhelum. The data was collected from head of families that manage monthly expenses of families (male, female) also visited nearest villages in the city of Jhelum.

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Participants

Population of present study was the middle class from Jhelum. The middle class is a socioeconomic category composed of well-educated individuals, such as doctors, attorneys, and teachers, who have good occupations and are not poor, but are not extremely wealthy (Cambridge dictionary). The criterion of Durre-Nayab (2011) was used to define the middle class, which contains five dimensions: education, income, occupation, lifestyle and housing (Nayab, 2011). The sampling technique used for this study is purposive sampling. This includes recognizing and selecting individuals or groups of individuals who are particularly knowledgeable about or experienced with a topic of interest (Cresswell & Plano Clark, 2011). Rigorous data collection and analysis was conducted until saturation is achieved, providing a holistic understanding of the middle-class experience amidst inflation. It is better to ensure that the data has been saturated (Fusch & Ness, 2015). Therefore, the breadth and depth of the data should decide the number of participants in the qualitative study. The sample consisted of twenty participants (N= 20) comprising ten males and 10 females from Jhelum. The ages ranged from 30 to 70 years. The participants belonged to urban and rural areas of Jhelum.

Procedure

Head of families were included in the study. The data was obtained through semi-structured interviews. The interview method (collaborative conversation) was used to collect data from the participants by using open ended questionnaire to explore the lived experience and psychological impact of inflation on middle class families.

The interview guide contained questions about lived experiences of middle-class families in inflation, such as, “What changes middle class families have done to cope up with the increase in prices? How current conditions affect life style of middle-class families?”

Open ended detailed questions were asked in sequence to obtain in-depth information about the phenomenon of lived experiences of middle-class families in inflation. The interviews were planned for a mutually agreeable day and time. The duration of the interviews ranged from 30 to 90 minutes, with an average of 60 minutes. The length of each interview varied depending on the information and cooperation of the participants. The interviews were conducted in Urdu, Punjabi, and English language in order to allow the participants to freely and simply convey their perspectives. Interviews were audiotaped and specific notes were collected throughout the sessions. The researcher eventually transcribed the taped interviews verbatim.

Analysis of Data

Thematic analysis was used to analyzed the data obtained from interviews. Thematic analysis is a qualitative research method used by academics to systematically arrange and analyze large amounts of data. It is a search for themes that can capture the tales contained in data sets. It entails identifying themes by carefully reading and re-reading the recorded material (King, 2004; Rice & Ezzy, 1999).

The following phases were included in the formulation of the thematic analysis: in the first step, the recorded data was completely transcribed into written form on paper and read repeatedly to acquire familiarity with the data; this helped in gaining insight into

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the data and general trends and thought pattern in the data. After gaining comprehension of the concepts and patterns reflected in the patterns reflected in the data, the essential points and extracts were brought to light. During the second step, the data were narrowed down and arranged into meaningful groupings that were referred to as initial codes. Additionally, significant and notable words or phrases were added to the initial codes, and various codes were joined to produce subthemes. The subthemes were created from the original codes and tested against the interview transcripts to assess their relevance to the study goals. In the last step, the sub themes were analyzed, and then subthemes with similar characteristics were united to produce the main themes.

At the very end of the process, names were assigned to the many subthemes and themes that had served as the primary focus of the research. A thematic map was produced at the end to explain the original codes, subthemes, and final themes that were discovered.

Ethical Consideration

Informed consent was taken from all participants. In this study the respect of the individual's rights was considered. As if they do not want to fill the form then he or she must not be forced to do it. Their dignity, competence, responsibility and integrity should be followed in this study. The responses of respondents were confident.

RESULTS

Interviews were transcribed and coded. The results were subdivided into main themes subthemes, and codes The codes were divided into different categories, each category of codes was grouped under a sub theme, and a final main theme evolved from these sub themes The present data explored eight key themes in the study: financial strain, psychological and emotional impact, family dynamics, social isolation, health impact ,lifestyle changes/lifestyle adaption to rising prices, inflationary pressure and economic struggle,covid-19 economic fallout on middle class. The objective of the study was to sought lived experiences of middle-class families in inflation period.

First main theme, financial strains contain four subthemes; budgeting challenges, Debt accumulation, Reduced savings, Impaired investment opportunities. Second main theme psychological and emotional impact contains five subthemes; Anxiety, stress, depression frustration and anger, Mental health stigma, Mental health challenges (depression, anxiety). Third main theme family dynamics contains one subtheme; relationships dynamics. Fourth main theme social isolation contains two subthemes; decreased social interactions, reduced community engagement. Fifth main theme is health impact contains two subthemes; Health implications/Inflation effects on physical health, Increased health risks. Sixth main theme is Lifestyle Changes/ lifestyle adaptation to rising prices contains two subthemes; Reduction in quality of life, Alteration in spending habits. Seventh main theme is Inflationary Pressure and Economic Struggle contains two subthemes; Impact on education, Employment instability. Eighth main theme is Covid-19 Economic Fallout on Middle Class contains three subthemes; Income loss, Business closures, Government support.

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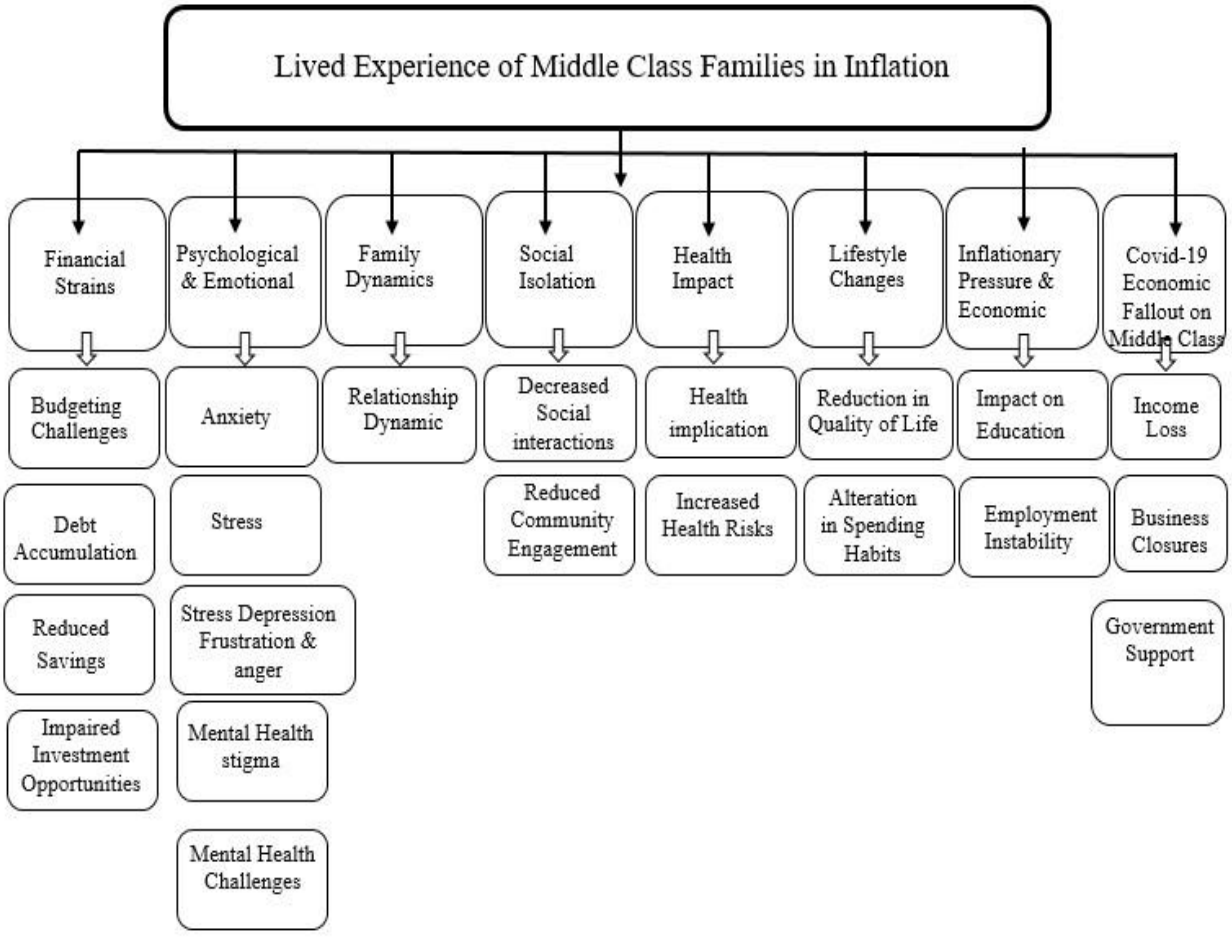

Main Themes	Sub-themes	Initial Codes	Explanation
Financial Strains	Budgeting challenges	Income stagnation, increasing expenses	Refers to the difficulties individuals face in managing their finances due to stagnant incomes and rising expenses, leading to challenges in budgeting and financial planning.
		Expenses management challenges	Highlights the obstacles encountered in managing and controlling expenses within a budget, which can be exacerbated by various factors

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			such as lifestyle choices and unexpected costs.
		Sacrificing personal needs for children's education	Describes the necessity for individuals to prioritize spending on their children's education over their own personal needs, potentially causing strain on personal finances.
	Debt accumulation Reduced savings Impaired investment opportunities	Loans, credit card debt	Indicates the accumulation of debt from various sources such as loans and credit cards, which can lead to financial stress and impact one's ability to manage their financial situation effectively.
Psychological Impact and Emotional Impact	Anxiety	Financial uncertainty, future worries	Reflects the mental distress and unease caused by uncertainties surrounding finances and future financial stability, leading to anxiety and worry.
		Anxiety over managing household responsibilities	Describes the stress and anxiety experienced when trying to balance financial responsibilities with household duties, contributing to emotional strain and mental exhaustion.
	Stress	Psychological distress from financial strain	Refers to the pressure and strain experienced as a result of financial difficulties, such as managing expenses and job insecurity, which

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			can lead to emotional distress and affect overall well-being.
	Depression	Frustration and anger	Indicates feelings of frustration and anger arising from the inability to meet financial obligations and achieve desired financial stability, which can lead to depression and a sense of hopelessness.
		Feeling overwhelmed, loss of hope	Describes the sense of being overwhelmed and losing hope in the face of financial challenges, leading to feelings of despair and helplessness.
	Mental health stigma		Addresses the stigma surrounding mental health issues, making it difficult for individuals to seek help for psychological distress caused by financial concerns due to societal pressures and anxiety about their financial situation. Refers to the emotional distress and mental health challenges, such as depression and anxiety, resulting from financial strains and uncertainty, impacting overall well-being and psychological health.
	Mental health challenges (depression, anxiety)	Seeking help, societal pressure, stress and anxiety related to financial uncertainty	
Family dynamics	Relationship dynamic	Impact of financial stress on family relationships	The economic pressure caused by inflation is often accompanied by stress and tension in the family.

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			The parents tend to complain of feelings of guilt or frustration that comes due to their perceived failure to deliver as they used to in the past which often leads to arguments and puts a strain on interpersonal relationships. These stressors can also affect the marital satisfaction, increase irritability, and decrease the usefulness of communication. Children can become aware of the existing tension and as a result, become quite nervous or develop behavior issues. The family roles and responsibilities may change in response to the pressure to fulfil the economic obligation which might lead to development of power struggles and deterioration of family cohesion.
Social Isolation	Decreased social interactions	Limited outings, inability to afford gatherings	Highlights the reduction in social interactions and activities due to financial constraints, leading to limited outings and inability to afford gatherings, which can result in feelings of isolation and loneliness.
	Reduced	Shame,	Refers to the decreased involvement

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	community engagement	embarrassment maintaining budget by reducing social activities and overall lifestyle	in community activities and events due to financial limitations, leading to reduced engagement with others and potential feelings of shame and embarrassment.
			Describes the negative emotions and social stigma experienced when trying to maintain a budget by cutting back on social activities and lifestyle choices to manage financial constraints.
Health Impact	Health implications	Affordability, sleep disruption from heightened stress level, emotional distress	Addresses the impact of financial strain on physical health, including issues related to affordability, sleep disruption due to stress, and emotional distress, which can contribute to deteriorating health conditions.
	Increased health risks	Prevalence of health issues such as diabetes and hypertension	Refers to the heightened risks of health issues, such as neglecting preventive care and experiencing stress-related health problems, resulting from financial strains and uncertainties.
			Indicates the prevalence of chronic health conditions such as diabetes and hypertension, which may be exacerbated by financial stress and poor access to healthcare due to

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			affordability concerns.
		Impact on mental health frequent headaches due to stress, crying spells, negative emotion	Describes the impact of financial stress on mental health, including physical manifestations such as frequent headaches, emotional distress, and negative emotions resulting from financial worries and uncertainties.
Lifestyle Changes and Adaptation	Reduction in quality of life	Cutting back on leisure activities, change in food choices, eating habits, shopping behavior, social events according to budget	Reflects the adjustments individuals make to their lifestyle due to financial constraints, including cutting back on leisure activities, changing dietary habits, and modifying spending behavior to adhere to a budget.
	Alteration in spending habits	Prioritizing essentials and close family gathering, avoiding luxuries	Describes the changes individuals make in their spending habits, such as prioritizing essentials and family gatherings while avoiding luxuries, to adapt to their financial situation and maintain financial stability. Indicates the prioritization of essential expenses and family gatherings over non-essential luxuries to manage finances and ensure basic needs are met, reflecting adaptability to changing financial circumstances.

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Inflationary Pressure	Impact on education	tuition increases, education loan burden	Indicates the impact of inflation on education costs, including tuition increases and the burden of education loans, which can hinder access to education and financial well-being for individuals and families.
and Economic Struggle	Employment instability	Job loss, underemployment	Describes the challenges individuals face due to employment instability, including job loss and underemployment, resulting in financial insecurity and economic struggle.
Covid-19 Economic Fallout on Middle Class	Income loss	Layoffs, reduced hours, loss of benefits	Addresses the economic repercussions of the COVID-19 pandemic on the middle class, including income loss due to layoffs, reduced working hours, and loss of benefits, leading to financial instability and economic hardship.
	Business closures,	small business shutdowns, loss of livelihood	The pandemic had an extensive impact on. business organizations, causing mass shutdowns and The stress can also affect marital satisfaction, increase irritabilityhence causing loss of livelihood. to those they benefit, who rely on persons and families,

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		income generating small businesses which in turn escalated. economic adversity.
Government support	Dependency on stimulus packages	Reflects the reliance on government support and stimulus packages to mitigate the economic fallout from COVID-19, providing financial assistance to individuals and businesses affected by the pandemic.

DISCUSSION

The qualitative study was a rigorous investigation of the phenomenon of lived experiences of middle-class families in inflation.

According to the findings of the data analysis, the issue of financial strain is a much broader and more intricate phenomenon that includes a variety of subthemes such as difficulties with budgeting, debt accumulation, decreased savings, and diminished investment opportunities. Financial pressures on middle-class families due to inflation are severe. Quantitative data indicate a significant increase in the proportion of income spent on essentials. It also highlighted similar trends in Pakistan, where inflation significantly impacted household consumption patterns. According to present study it observed that inflation eroded the standard of living in Multan, Pakistan, leading to reduced spending on non-essentials. Our qualitative interviews suggest that families are reducing discretionary spending, tapping into savings, and taking on debt to manage expenditures. These results are in line with the earlier research thus supporting the widespread financial pressure among the middle classes (Manzoor et al., 2011; Farid et al., 2012).

The analysis of the data revealed the determinants that impact individual mental health and found that the psychological and emotional burden of financial strain is significant. The subthemes that will be explored in this construct are anxiety, stress, depression, frustration and anger, mental-health stigma and mental-health challenges. The participants explained the impact of inflation on their psychological wellbeing. The current study survey data indicate that the level of stress, anxiety, and depression is high among individuals of the middle-class, which was previously reported by Guerra et al. (2022), who had reported similar effects of mental-health in the context of an economic recession and emphasized the need to provide mental-health support in times of financial crisis.

The qualitative aspect of the present study implies an overwhelming feeling of insecurity about the future. The subjects were worried about the security of their job and the ability to maintain their quality of life. According to Sareen et al. (2011), mental disorders were strongly related to the household income, which is consistent with the current findings.

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Similar psychological problems due to inflation were identified by Ryu and Fan (2023), which is in line with the real-life story of middle-class families presented herein. The two studies that aim to analyze the psychological and emotional impacts of inflation on the middle-class families provide shocking parallels in the analysis of the mental-health issues that are enhanced by economic stress. Anxiety, stress, and depression are the main psychological reactions identified by both of them. Inflationary uncertainties invoke the experience of anxiety and stress in middle-class families and greater financial concerns that are the chief source of psychological distress in adults, which indicates a similar effect of economic pressure on emotional wellbeing. They also identify frustration and anger to be normal emotional responses. Inflation among families often results in the expression of frustration through a loss in financial control and anger regarding the impossibility of living the same standards of living, and this process is also reported by Ryu and Fan. Lastly, the articles agree on the high rate of clinical depression and anxiety disorders among middle-income families who have been affected by inflation, a phenomenon that may compromise everyday operations and general health.

Family dynamics also have been transformed by inflation as shown by the qualitative information. The analyses have shown that the interpersonal relationships are also affected by the inflation as family members depend on each other emotionally, physically, and economically. Financial restrictions provoke the changes of the pattern of interaction between relatives. The fact that more people have adopted the dual-income families due to the need to earn more to support the family reflects the trends as observed by Neppl et al. (2016) in their study of marital distress and harsh parenting. Increased family tensions are also revealed through interviews, as parents are trying to find a balance between work and family life, which is supported by Afifi et al. (2012), who examined how financial uncertainty affects conversation and mental well-being of the couples, and in many cases leads to stress and even break-up of a relationship.

Social isolation has been caused by economic hardship among the middle-class families. The quantitative data reflects a decrease of social activities and community activities. These results are in agreement with Louie et al. (2023), who reported similar patterns where financial pressures minimized social contacts and increased loneliness. Qualitative results indicate that families reduce the number of outing in an attempt to save money, which increases social isolation and worsens mental health.

There are severe health implications of financial strain. According to survey data, a large number of families are reducing their spending on healthcare, including regular check-ups and preventive health care. Similar health outcomes were reported by Naz et al. (2012) in Malakand in Pakistan, where inflation led to the limitation of healthcare services. In qualitative interviews it comes out that most people tend to neglect required medical procedures and medicines because of financial reasons which may lead to worse health consequences. These findings were also supported by Lund et al. (2010) who also emphasized the relationship between poverty and common mental diseases.

The rising prices cause middle-class families to change their lifestyles. Studies depict growing parsimony, families are putting cost-cutting methods in place. This is in line with Ahmad and Faraz (1998) who have reported that inflation compels families to

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focus on basic costs. Interviews will be used to explain the changes in the planning of meals, the transition of solving them on their own, or switching to cheaper leisure activities. Even though these adaptations are needed, they commonly come with the feeling of loss and adaptation. The general economic hardship can be observed in both quantitative and qualitative indicators where the families are documenting that they are struggling to maintain the previous standards of living and are down-mobility. These findings re-resonate with those of Bozkurt et al. (2022) in Turkey, which found that inflation undermined the rich living in the middle classes. The paper singles out the loss in savings, overdependence on debt, and the creation of a debt cycle and financial insecurity. The focus on qualitative narrative is on disillusionment and frustration as families are in the face of economic hardship, providing a challenge to the assumed stability of the middle class.

The problems of the middle-class households have become more severe due to the economic effects of the COVID-19 epidemic. The analyses indicate high revenue loss rates when it comes to free layoffs of jobs and a decrease in the number of working hours, which align with the findings of Idrees et al. (2022), who reported high rates of employment losses throughout the pandemic. Interviews depict the challenges of the work-family balance in the remote settings and the effect of school closures on the education of children. Similar impacts on psychological well-being were found by Yasmeen and Yasmeen and Ejaz (2021), which highlights the complexity of the connection between wealth and mental health in the context of the epidemic.

Conclusion

The life of middle-income families during inflationary time defines a complex raft of issues which take into account financial, psychological, social, and health-related aspects. This paper provides a detailed understanding regarding the coping strategies that these families use and the adjustment strategies that they make to the increased pressure on prices and permanent economic turmoil. The findings accentuate the invaluability of specific policy measures that will be undertaken to increase the stability and resilience of the middle-class, making sure that the urgent needs of today are attended to without jeopardizing the economic stability in the future. In line with the extant literature, the results shed light on the magnitude of the challenges facing middle-class families and highlight the urgent need to have effective solutions to curb the effects of inflation and strengthen economic well-being.

Implications

This research provides very relevant information to policymakers and financial institutions that need to integrate the identified aspects to the design of tailored intervention measures, such as financial-literacy programs and mental-health initiatives, as they prepare their families to overcome economic difficulties.

Limitations and Recommendations

The sample size can be considered relatively small, limiting the applicability of the results to the whole of the middle-class population as regional differences and cultural peculiarities can have an influential effect on inflation perceptions. Furthermore, the use of self-reported data implies the presence of the issue of response bias, according

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to which the participants can either underestimate or overestimate financial difficulties and affective responses. The research would be enhanced in the future through the use of a bigger sample which is more heterogeneous so that the continuum of experiences is better represented.

Conflict of interest

The authors do not have any conflict of interest.

Data Availability

The data that support the findings of this study are available from the corresponding author upon reasonable request.

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