

Comments to:
The Gendered Inequality Impact of the Cost-of-Living Crisis:
A Comparative Analysis

Authors: Sologon, D.M., O'Donoghue, C., Doorley, K., Kyzyma, I. and Peluso, E.

Discussant: Boscolo, S.*

*Italian Parliamentary Budget Office

Rome, 4th July 2025

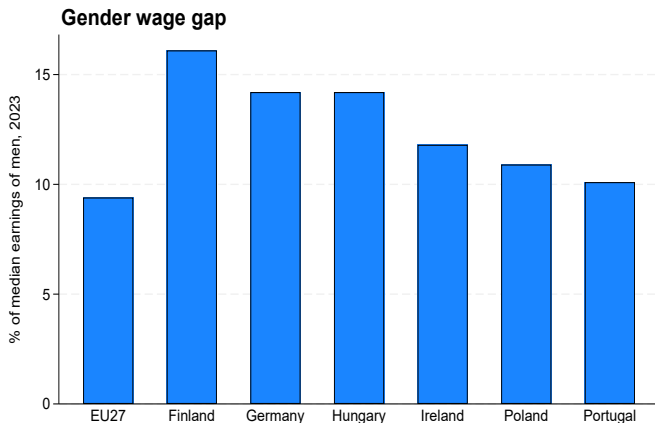
**The views expressed here are those of the discussant
and do not reflect those of the institution with which the discussant is affiliated**

- Aim: to explore the distributional and welfare impact of the inflation surge, differentiated by gender, across a selection of European countries → changes in CPI 2020–2023: from 13.9% in PT to 41.1% in PL
- Data: 2015 Household Budget Survey and Eurostat price changes
- Methodology:
 - OLS and quantile regression: to explore how demographic and economic factors correlate with inflation exposure
 - Demand system for consumption behaviours: to account for responses to price changes in welfare analysis
- Main results:
 - Gender disparities in inflation exposure diminish with rising income:
 - women-led households more impacted by heating and electricity inflation
 - men-led households more affected by motor fuel and services inflation
 - Female-led households experienced limited welfare losses, if any

- Clear and specific contribution to the literature
- The analysis is well executed
- Informative results on the distributional impact of inflation
- My suggestions:
 - acknowledge/control for structural changes in consumption patterns and nonlinearities in behavioural responses
 - more disaggregation on welfare results
 - greater policy relevance by including other inflation transmission channels

Comment #1: country selection

- Different snapshot of gender disparity across selected countries



Note: Estimates of earnings refer to gross earnings of full-time employees.

Source: OECD data.

Comment #2: consumption patterns and nonlinearities

- HBS data provides a representative sample of the population in 2015 (elasticities estimated using these data)
- COVID may have changed consumption patterns or accelerated changes already underway → e.g., impact of working from home → structural changes in consumption patterns and price elasticities, regardless of price changes → potential bias in exposure to inflation and behavioural responses → Do these biases differ from a gender perspective? How?
- Causal relationships between price levels and responsiveness to prices (Bardazzi et al., 2024): in a budget-constrained environment, households can become more sensitive to price changes when prices are especially high; Peersman and Wauters (2024) find that households lower energy consumption more for larger price increases, but less than proportional to the price shift → potential bias in behavioural responses → Do nonlinearities differ from a gender perspective? How?

Comment #3: welfare analysis

- Welfare analysis by household types
- Gender differences in welfare losses are limited → bootstrap confidence intervals
- Would it be possible to add a benchmark that assumes no behavioural responses (elasticities = 0)? This may provide insight into magnitude and relative responses to price increases (who are the household types less responsive to price changes?) → compensating variation to measure household welfare: monetary amount that would be needed to reach the initial level of utility the household enjoyed before the inflationary shock
- (perhaps less relevant) Income losses due to COVID disproportionately affected households along the income distribution → policy measures provided income support, but did not flatten these disproportions: net losses increased with higher pre-pandemic income (Cantó et al., 2022; Christl et al., 2024), in a context in which we observe structural differences in disposable income between single female-led households (poorer) and male-led households (richer) → differences in disposable income between 2015 and 2021 from a gender perspective → Do these changes in income levels and relative positions affect social welfare evaluations? How?

Comment #4: policy relevance

- Regarding your methodology, I would include:
 - changes in disposable income resulting from (partial and delayed) inflation adjustments to gross income and tax-benefit indexation → gender-differentiated impact of fiscal drag and benefit changes (if women are generally poorer than men):
 - fiscal drag (no indexation, progressive tax system): more severe on women
 - pension indexation (full up to a certain income level, then diminishes gradually): more generous for women
 - social transfer indexation: multiple effects, but generally more favourable for women, depending on whether benefit amounts and thresholds are indexed, and to means-testing procedures
 - changes in disposable income due to income and price government measures → comparison with other studies analysing policy responses to the inflation surge (Amores et al., 2025)

- Quantile regression: I would include Q10 and Q90. From a gender perspective, exposure to inflation at Q10 (Q90) differs substantially from that at Q25 (Q75)
- OLS and quantile regression: I would include the household head being self-employed among the factors investigated in relation to inflation. Self-employed face greater uncertainty compared to employees, which may have some reflection on consumption patterns → uncertainty: men and women may differ in risk aversion
- In the section introducing the logit analysis, I would add some statistics on frequency and disposable income by household types
- I assume that imputed rents are not included in your study. Does their exclusion affect your results and, more importantly, do they need to be included? Food for thought

References

- Amores, A. F., Basso, H., Bischl, J. S., De Agostini, P., De Poli, S., Dicarlo, E., Flevotomou, M., Freier, M., Maier, S., García-Miralles, E., et al. (2025). Inflation, Fiscal Policy, and Inequality: The Impact of the Post-Pandemic Price Surge and Fiscal Measures on European Households. *Review of Income and Wealth*, 71(1): e12713.
- Bardazzi, R., Gastaldi, F., Iafate, F., Pansini, R. V., Pazienza, M. G., and Pollastri, C. (2024). Inflation and distributional impacts: Have mitigation policies been successful for vulnerable and energy poor households? *Energy Policy*, 188: 114082.
- Cantó, O., Figari, F., Fiorio, C. V., Kuypers, S., Marchal, S., Romaguera-de-la Cruz, M., Tasseva, I. V., and Verbist, G. (2022). Welfare resilience at the onset of the COVID-19 pandemic in a selection of European countries: Impact on public finance and household incomes. *Review of Income and Wealth*, 68(2): 293–322.
- Christl, M., De Poli, S., Figari, F., Hufkens, T., Leventi, C., Papini, A., and Tumino, A. (2024). Monetary compensation schemes during the COVID-19 pandemic: Implications for household incomes, liquidity constraints and consumption across the EU. *The Journal of Economic Inequality*, 22(2): 411–431.
- Peersman, G. and Wauters, J. (2024). Heterogeneous household responses to energy price shocks. *Energy Economics*, 132: 107421.

Thank you!

Congratulations to the Authors for their interesting paper

stefano.boscolo@upbilancio.it