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# Macro and micro pessimism as behavioral precursors of price anxiety and inflation expectations: evidence from Bulgaria's pre-euro period

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**JEL: E31, D84, D12, E71**

**Abstract**

Inflation expectations influence household behavior and policy credibility but often diverge from official data. This study explores how macro- and micro-level pessimism predict price anxiety and inflation expectations among Bulgarian households before euro adoption. Nationally representative, cross-sectional data is used - from the June 2025 European Commission Consumer Survey for Bulgaria - fielded by LOGO Market Research as part of its omnibus, within which the author inserted a brief behavioral module. Chi-square tests and independent-samples t-tests show that pessimistic appraisals of the general economy and household finances are associated with higher price anxiety, and anxious respondents report elevated 12-month inflation expectations. The pattern supports an appraisal-affect mechanism. Limitations include self-reports, single-wave design, item nonresponse for numeric perceptions, and national focus. Findings underscore the value of tracking affect alongside cognition to guide expectation-management during euro adoption.

**Key words:**

Price anxiety, inflation expectations, economic pessimism, behavioral economics, consumer sentiment, households, Bulgaria, pre-euro period.

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## 1. Introduction

Inflation expectations have become an increasingly important focus of economic analysis, as they influence household spending, saving behavior, and the transmission of monetary policy (Carroll 2003; Coibion & Gorodnichenko 2015). Their formation, however, depends not only on objective price movements but also on how people perceive and interpret economic change. Understanding these perceptions is particularly relevant for countries in transition, where institutional changes and public uncertainty heighten sensitivity to prices.

Bulgaria's preparation for euro adoption provides a timely example. Although official inflation slowed in mid-2025 (NSI 2025), public debate continued to centre on the possible price effects of the changeover, keeping cost-of-living issues highly salient. Surveys and media reporting suggest that many households remain cautious or pessimistic about future prices despite stabilising economic indicators (Ministry of Finance & Alpha Research 2025; ECB 2025). This divergence between measured inflation and perceived risk raises an empirical question: what drives household anxiety about prices, and how does it relate to their inflation expectations?

The present study, *Macro and micro pessimism as behavioral precursors of price anxiety and inflation expectations: evidence from Bulgaria's pre-euro period*, addresses this question using nationally representative data from the June 2025 European Commission Consumer Survey, supplemented with behavioral questions. It investigates whether pessimistic expectations about the general economy and unemployment (macro level) and about household finances and saving ability (micro level) are linked to greater price anxiety, and whether this emotional response corresponds to higher expected inflation.

By combining official survey data with behavioral indicators, the study aims to provide an evidence-based account of how household sentiment and worry interact with economic expectations in Bulgaria's pre-euro context. The findings are intended to inform expectation-management policies by highlighting the importance of monitoring emotional as well as informational drivers of inflation expectations.

## 2. Theoretical Background and Literature Review

Economic expectations are formed under limited information and bounded attention. Rather than optimizing over all available data, individuals rely on heuristics - simplified mental rules that economize on effort but can generate systematic biases (Tversky & Kahneman 1974). Availability, anchoring, and representativeness guide which signals are noticed, how strongly they are weighted, and which analogies are drawn when judging future prices. These cognitive shortcuts explain why expectations can diverge from fundamentals, yet they do not by themselves account for persistent differences in reactions among people exposed to similar conditions.

The appraisal-affect perspective addresses this gap by linking cognitive evaluation to emotion. In this view, individuals first appraise economic conditions - at both macro (general economy, unemployment) and micro (household finances, saving ability) levels - and these appraisals elicit affective responses (e.g., worry, fear, perceived uncertainty), which then shape expectations about inflation. Affect functions as an informational shortcut - people often ask "how do I feel about this situation?" rather than processing all facts - so emotional signals become inputs to risk judgments (Slovic et al. 2002; Loewenstein et al. 2001). Appraisal thus influences attention and memory, increasing the salience of adverse price information and biasing expectations upward when evaluations are pessimistic.

Foundational work in appraisal theory underscores this sequence from evaluation to emotion. Emotions arise from cognitive assessments of relevance, controllability, and anticipated outcomes; these assessments determine the intensity and direction of affective states that guide subsequent judgments (Arnold 1960; Lazarus 1991; Scherer 1984). In the context of inflation, fear heightens vigilance to threatening cues, anxiety sustains negative priors about the near future, and perceived uncertainty reduces tolerance for ambiguous signals - each channel reinforcing a tendency toward higher expected inflation when appraisals are negative.

This study adopts that compact mechanism appraisal - affect - expectations - as its organizing framework. Macro and micro appraisals provide the evaluative inputs; price-related worry operationalizes affect; and 12-month inflation expectations capture the forward-looking judgment. The aim is not to enumerate all behavioral channels but to test whether this theoretically grounded pathway is visible in household data.

## 3. Data and Methodology

### 3.1. Research and Sampling Design

This study uses quantitative data from the European Commission's Consumer Survey for Bulgaria, fielded in June 2025 on a nationally representative sample of 1,008 respondents. The fieldwork is conducted by LOGO Market Research as part of an omnibus survey that combined the EC's standard questionnaire with an author-designed supplementary module. The supplementary module introduces questions on behavioral and sentiment-related dimensions of consumer expectations.

The analysis focuses on three domains: macro appraisals (e.g., expectations for the general economic situation and unemployment over the next twelve months), micro appraisals (e.g., expectations regarding household income and personal financial situation over the next twelve months, including saving possibilities), and affective responses (self-reported worry about price increases). Together, these variables capture subjective economic outlook and price-related affect, allowing an examination of how pessimism or optimism at the macro and micro levels co-varies with price anxiety and relates to inflation expectations.

The population of interest comprises Bulgarian households covered by the EC Consumer Survey. A stratified random sample is employed to ensure representativeness across gender, age, education, region, and type of settlement, following parameters from the National Statistical Institute. The achieved sample size (N = 1,008) supports generalization to the adult population at a 95% confidence level with a maximum sampling error of ±3.1 percentage points. Interviews are conducted face-to-face using a structured questionnaire. Replacement procedures are applied within strata to maintain proportional representation and to limit bias arising from non-response.

### 3.2. Limitations of the Research

Several limitations should be acknowledged when interpreting the results.

- Cross-sectional design. The analysis relies on a single-wave survey and therefore cannot establish causal relationships or track changes over time.
- Self-reported measures. Indicators of price anxiety, perceived/expected inflation, and economic outlook are self-reported and may be subject to recall error, scale use differences, or numeric interpretation biases.
- Partial nonresponse. Although the survey is nationally representative, item nonresponse - especially on numeric expectation items - may introduce minor selection effects despite replacement procedures and weighting.
- Mechanism scope. The study focuses on an appraisal-affect pathway (macro/micro pessimism lead to price anxiety which in turn affects inflation expectations). Other behavioral channels - such as anchoring effect or institutional trust - are not analyzed here and remain for future work.

These boundaries delineate the scope of the present study, which offers an initial empirical view of behavioral drivers of inflation expectations in Bulgaria's pre-euro context.

## 4. Empirical Findings and Analysis

The empirical analysis follows a three-step design consistent with the proposed appraisal-affect mechanism.

- **Step 1** examines whether macro-level economic expectations - specifically views on the general economy and unemployment - are associated with price anxiety, testing the broad appraisal-affect link.
- **Step 2** considers the micro-level dimension, assessing whether expectations about household finances and saving ability co-vary with price anxiety.

- **Step 3** evaluates whether price anxiety itself is related to inflation expectations, exploring the affect-expectation connection.

The design proceeds from macro appraisals to individual financial outlooks and finally to the association between affect and numeric expectations. Each step employs chi-square tests of independence for categorical relationships and an independent-samples t-test for mean differences where applicable. The analysis is limited to associational evidence, aiming to identify statistically significant patterns consistent with the theoretical framework rather than to establish causality.

### 4.1. Relationship Between Macro Expectations and Price Anxiety

This section examines whether macro-level economic expectations - perceptions of the national economic situation and of unemployment - are associated with price anxiety, thereby testing the first step of the hypothesized "*pessimism leads to worry"* behavioral mechanism. According to appraisal-based behavioral theories, negative beliefs about the near-term economic outlook evoke affective responses such as worry or anxiety, which then color households' expectations about inflation.

Comparable relationships have been documented in international research. Analyses based on the ECB Consumer Expectations Survey show that households reporting greater worry about the economic outlook also predict higher inflation in the year ahead (ECB, 2025). Findings from the BIS Bulletin 104 (2024) indicate that perceived financial insecurity and emotional distress amplify inflation expectations even when actual price movements are moderate. These results collectively support the appraisal-affect hypothesis that pessimistic evaluations of economic conditions elicit affective reactions which shape inflationary expectations.

Two chi-square tests of independence are conducted in SPSS to explore these relationships. For interpretability and to maintain adequate expected cell counts, the variables are recoded into dichotomous categories: expected economic situation over the next 12 months (improve / worsen), expected number of unemployed over the next 12 months (decrease / increase), and price increase anxiety over next 12 months (calm / anxious).

As reported in Table 1, the relationship between expectations for the general economic situation and price anxiety is statistically significant ($\chi^2 = 67.053$, $p < 0.001$, $\varphi = 0.277$). The positive φ coefficient indicates that respondents who anticipate a worsening of Bulgaria's economic situation are substantially more likely to feel anxious about future price increases than those who expect improvement. The coefficient is presented only as an indicator of association and direction, without claims about effect magnitude.

**Table 1.**

**Chi-square test of independence between economic situation expectations and price anxiety**

| Variables | Pearson Chi-Square | P-value | Significance (α = 0.05) | Phi (φ) | Direction |
|---|---|---|---|---|---|
| Expected economic situation change over next 12 months *(improve / worsen)* | 67053 | 0,000 | Significant | 0,277 | Consistent with the hypothesis |
| Reported price increase anxiety for the next 12 month *(calm/anxious)* | | | | | |

*Source: Own calculations, using SPSS, 2025*

The second test, shown in Table 2, examines whether expectations for unemployment are linked to price anxiety. This association is likewise significant ($\chi^2 = 32.816$, $p < 0.001$, $\varphi = -0.210$). The negative sign results from variable coding - in this case "increase in unemployment" is contrasted with "decrease" - yet the substantive interpretation is identical: respondents anticipating rising unemployment also report higher price anxiety.

**Table 2.**

**Chi-square test of independence between expected number of unemployed and price anxiety**

| Variables | Pearson Chi-Square | P-value | Significance (α = 0.05) | Phi (φ) | Direction |
|---|---|---|---|---|---|
| Expected number of unemployed over next 12 months *(increase / decrease)* | 32,816 | 0,000 | Significant | - 0,210 | Consistent with the hypothesis |
| Reported price increase anxiety for the next 12 month *(calm/anxious)* | | | | | |

*Source: Own calculations, using SPSS, 2025*

Taken together, the two macro-level results provide clear evidence for the hypothesized behavioral pathway. Individuals who view Bulgaria's near-term economic prospects pessimistically - whether in terms of general performance or labor-market conditions - tend to experience stronger emotional concern about rising prices. These associations are directionally consistent with the theoretical assumption that pessimistic macro expectations may function as antecedents of price anxiety, although the cross-sectional design does not permit causal inference. In the specific pre-euro context, where public discourse in mid-2025 often linked the forthcoming currency changeover with potential price pressures, such pessimistic appraisals plausibly intensified worry about future household costs.

All chi-square computations are performed in SPSS. Detailed contingency tables and frequency distributions are available in Appendix 1 and Appendix 2.

### 4.2. Relationship Between Micro Expectations and Price Anxiety

This section explores whether micro-level expectations - specifically those concerning one's own household finances and ability to save - are related to price anxiety. Whereas macro pessimism reflects general beliefs about the national economy, micro expectations capture the personal financial outlook that may determine how strongly individuals experience or express worry about future price increases. Behavioral theories of affective appraisal suggest that feelings of economic vulnerability enhance the emotional salience of price movements, making households more attentive and anxious about potential inflation.

The relevance of this mechanism is supported by previous international and regional research. Studies within the European Commission's Consumer Confidence framework have shown that declines in consumer confidence - often driven by pessimistic assessments of household finances - tend to precede upward shifts in inflation expectations (European Commission, 2024). Evidence specific to Bulgaria reinforces this pattern. Surveys by the National Statistical Institute (NSI, 2025) and the Ministry of Finance/Alpha Research (2025) reveal that Bulgarian households remain markedly concerned about the cost of living despite slowing official inflation, and that expectations of further price increases are most pronounced among respondents reporting financial strain. The present analysis, based on the June 2025 EC Consumer Survey enriched with behavioral items, replicates this relationship at the micro level: pessimistic financial outlooks and emotional worry are statistically linked, and together they correspond to elevated inflation expectations.

To examine it, two chi-square tests of independence were performed in SPSS. Each variable was dichotomized for analytical clarity: expected household financial situation (improve / worsen), expected saving possibility (possible / impossible), and price anxiety (calm / anxious).

As shown in Table 3, the association between expectations for the household's financial situation and price anxiety is statistically significant ($\chi^2 = 35.656$, $p < 0.001$, $\varphi = 0.205$). The positive φ coefficient indicates that respondents who expect their personal finances to worsen over the next year are more likely to report feeling anxious about price increases than those anticipating an improvement.

**Table 3.**

**Chi-square test of independence between expected household's financial situation and price anxiety**

| Variables | Pearson Chi-Square | P-value | Significance (α = 0.05) | Phi (φ) | Direction |
|---|---|---|---|---|---|
| Expected household's financial situation change over next 12 months *(improve / worsen)* | 35,656 | 0,000 | Significant | 0,205 | Consistent with the hypothesis |
| Reported price increase anxiety for the next 12 month *(calm/anxious)* | | | | | |

*Source: Own calculations, using SPSS, 2025*

The second test, reported in Table 4, examines whether expected saving capability is linked to price anxiety. This relationship is likewise significant ($\chi^2 = 37.446$, $p < 0.001$, $\varphi = 0.193$). The positive direction shows that individuals who believe it will be impossible to save in the coming year are more prone to price worry than those expecting to save successfully.

**Table 4.**

**Chi-square test of independence between expected household's saving possibility and price anxiety**

| Variables | Pearson Chi-Square | P-value | Significance (α = 0.05) | Phi (φ) | Direction |
|---|---|---|---|---|---|
| Expected household's saving possibility over next 12 months *(possible / impossible)* | 37,446 | 0,000 | Significant | 0,193 | Consistent with the hypothesis |
| Reported price increase anxiety for the next 12 months *(calm/anxious)* | | | | | |

*Source: Own calculations, using SPSS, 2025*

Although chi-square tests do not imply causation, the direction and consistency of both results support the theoretical expectation that perceived financial strain is associated with higher emotional sensitivity to prices. In behavioral terms, limited perceived resources may amplify the affective response to potential price changes, as households expecting tighter budgets are more likely to interpret any increase in prices as personally threatening.

Within Bulgaria's pre-euro context, these associations are especially plausible. Public debate in 2025 frequently linked the forthcoming euro adoption to fears of "rounding-up" of prices, while household surveys indicated persistent concern over energy and food costs. For households already expecting worsening finances or reduced saving ability, such narratives could heighten anticipatory anxiety, reinforcing the "micro-pessimism leads to price-worry" connection.

All calculations were conducted in SPSS. Full contingency tables and frequency distributions are provided in Appendix 3 and Appendix 4.

### 4.3. Relationship Between Price Anxiety and Higher Inflation Expectations

This section investigates whether individuals who expect higher inflation also report greater price anxiety, thereby testing the final link in the proposed behavioral chain. Within the theoretical framework outlined in Section 2, affect and cognition are mutually reinforcing: individuals with more pessimistic or salient beliefs about price developments are expected to experience stronger emotional reactions, while heightened anxiety may, in turn, sustain elevated expectations (Loewenstein et al. 2001; Gennaioli & Shleifer 2018).

An independent samples t-test is conducted in SPSS to compare the mean level of price anxiety between respondents expecting low versus high inflation rates over the next 12 months. Expected inflation rates, reported numerically by respondents, are dichotomized at the sample median into *low-expected-inflation* and

*high-expected-inflation* groups. Price anxiety is measured on a scale from *calm* to *anxious* ("How worried are you about price increases over the next 12 months?").

**Table 5.**
**Independent samples t-test comparing price anxiety and corresponding low and high rates of expected inflation**

| Independent samples t-test | | Mean difference (%) | P-value | Significance (α = 0.05) |
|---|---|---|---|---|
| The tested variable - **price anxiety**, in relation to the following groups: | | | | |
| Expected inflation over the next 12 months | Low rate | -12,947 | 0,000 | Significant |
| | High rate | | | |

*Source: Own calculations, using SPSS, 2025*

The results, presented in Table 5, show a statistically significant difference in price anxiety between the two groups (mean difference = -12.947%; $p < 0.001$). Respondents who anticipate higher inflation display significantly greater price anxiety than those expecting lower rates. The observed association is consistent with the behavioral hypothesis that stronger inflation expectations are accompanied by more intense emotional concern about prices. The finding fits within broader behavioral evidence showing that affective states and expectations co-evolve: individuals who perceive greater economic or price instability tend to magnify their subjective expectations of inflation. Full descriptive statistics, group means, standard deviations, and confidence intervals are provided in Appendix 5.

## 5. Discussion and Conclusions

The findings point to a coherent behavioral structure: more pessimistic macro- and micro-appraisals are associated with greater price anxiety, and greater anxiety coexists with higher 12-month inflation expectations. Read through an appraisal-affect lens, this sequence suggests that what households feel about the near-term economy is tightly intertwined with what they expect about prices - an especially relevant dynamic in Bulgaria's pre-euro environment.

A first implication is the need for behaviorally informed monitoring. Traditional confidence indicators summarize optimism and pessimism but often miss the emotional channel that helps transmit those appraisals into inflation beliefs. Routine tracking should therefore pair standard expectation items with compact affect measures - most practically, a one-question price-anxiety item harmonized across waves. Embedding this metric alongside macro (general economy, unemployment) and micro (household finances, saving ability) appraisals enables three operational uses:

- early-warning signals when anxiety rises faster than measured inflation;
- nowcasting inputs where shifts in anxiety help explain short-run movements in expectations; and
- segmentation of audiences (e.g., financially strained vs. financially secure households) for targeted responses.

In short, monitoring the state of mind becomes part of monitoring the state of the economy. Monitoring informs communication, which should aim to achieve affective resonance-speaking to what households are worried about while situating those worries in the broader price picture. Messages that acknowledge concern and then translate aggregates into familiar terms (monthly-budget examples, typical baskets, timing of utility adjustments) are more likely to recalibrate expectations than technical statements alone. Where highly visible items (food, energy) drive sentiment, communication should place these prices in context-showing their weight in the basket, distinguishing temporary shocks from persistent components, and previewing expected reversals where appropriate. During the euro-changeover period, clarity about operational details (duo pricing windows, rounding rules, enforcement channels) may help pre-empt the narrative that "everything will go up," reducing the scope for anxiety to harden into elevated expectations.

Conceptually, the results reinforce that inflation expectations are shaped by the interaction of cognition (appraisals of the economy and household finances) and affect (worry about prices). Treating the emotional channel as measurable - and managing it with the same discipline applied to macro indicators - broadens the policy toolkit. In practice, a cycle of *measure - detect - explain* is recommended: measure appraisals and anxiety every wave; detect emerging gaps between sentiment and data; and explain, in concrete terms, how current price developments map to household experience. In Bulgaria's pre-euro context, where narratives about future prices are highly salient, this combined approach offers a practical path to steadier expectations.

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## Appendices

**Appendix 1.**

**Chi-square test of independence between economic situation expectations and price anxiety**

**Expected economic situation next 12 months * Price anxiety next 12 months Crosstabulation**

| | | | Price increase anxiety next 12 months | | |
|---|---|---|---|---|---|
| | | | Calm | Anxious | Total |
| Expected economic situation next 12 months | Improve | Count | 164 | 254 | 418 |
| | | Expected Count | 110,6 | 307,4 | 418,0 |
| | Worsen | Count | 68 | 391 | 459 |
| | | Expected Count | 121,4 | 337,6 | 459,0 |
| Total | | Count | 232 | 645 | 877 |
| | | Expected Count | 232,0 | 645,0 | 877,0 |

**Chi-Square Tests**

| | Value | df | Asymp. Sig. (2-sided) | Exact Sig. (2-sided) | Exact Sig. (1-sided) |
|---|---|---|---|---|---|
| Pearson Chi-Square | 67,053[a] | 1 | ,000 | | |
| Continuity Correction[b] | 65,804 | 1 | ,000 | | |
| Likelihood Ratio | 68,348 | 1 | ,000 | | |
| Fisher's Exact Test | | | | ,000 | ,000 |
| Linear-by-Linear Association | 66,977 | 1 | ,000 | | |
| N of Valid Cases | 877 | | | | |

a. 0 cells (,0%) have expected count less than 5. The minimum expected count is 110,58.

b. Computed only for a 2x2 table

**Chi-Square test of independence**

**Hypotheses:**

Ho: two variables are independent

H1: two variables are dependent

Significance level: $\alpha = 0.05$

**Decision:**
p-value = 0.000 => p-value < $\alpha$ => reject Ho, accept H1 at $\alpha = 0.05$ => the two variables are dependent

**Appendix 2.**

**Chi-square test of independence between expected number of unemployed and price anxiety**

**Expected number of unemployed next 12 months * Price anxiety next 12 months Crosstabulation**

| | | | Price increase anxiety next 12 months | | |
|---|---|---|---|---|---|
| | | | Calm | Anxious | Total |
| Expected number of unemployed next 12 months | Increase | Count | 47 | 252 | 299 |
| | | Expected Count | 81,1 | 217,9 | 299,0 |
| | Remain the same or decrease | Count | 155 | 291 | 446 |
| | | Expected Count | 120,9 | 325,1 | 446,0 |
| Total | | Count | 202 | 543 | 745 |
| | | Expected Count | 202,0 | 543,0 | 745,0 |

**Chi-Square Tests**

| | Value | df | Asymp. Sig. (2-sided) | Exact Sig. (2-sided) | Exact Sig. (1-sided) |
|---|---|---|---|---|---|
| Pearson Chi-Square | 32,816[a] | 1 | ,000 | | |
| Continuity Correction[b] | 31,860 | 1 | ,000 | | |
| Likelihood Ratio | 34,474 | 1 | ,000 | | |
| Fisher's Exact Test | | | | ,000 | ,000 |
| Linear-by-Linear Association | 32,772 | 1 | ,000 | | |
| N of Valid Cases | 745 | | | | |

a. 0 cells (,0%) have expected count less than 5. The minimum expected count is 81,07.

b. Computed only for a 2x2 table

**Chi-Square test of independence**

**Hypotheses:**

Ho: two variables are independent

H1: two variables are dependent

Significance level: $\alpha = 0.05$

**Decision:**

p-value = 0.000 => p-value < $\alpha$ => reject Ho, accept H1 at $\alpha = 0.05$ => the two variables are dependent

**Appendix 3.**

**Chi-square test of independence between expected household's financial situation and price anxiety**

**Expected financial situation 12 months * Price increase anxiety 12 months**

**Crosstabulation**

| | | | Price increase anxiety 12 months | | |
|---|---|---|---|---|---|
| | | | Calm | Anxious | Total |
| Expected financial situation 12 months | Improve | Count | 63 | 62 | 125 |
| | | Expected Count | 35,3 | 89,7 | 125,0 |
| | Worsen | Count | 177 | 549 | 726 |
| | | Expected Count | 204,7 | 521,3 | 726,0 |
| Total | | Count | 240 | 611 | 851 |
| | | Expected Count | 240,0 | 611,0 | 851,0 |

**Chi-Square Tests**

| | Value | df | Asymp. Sig. (2-sided) | Exact Sig. (2-sided) | Exact Sig. (1-sided) |
|---|---|---|---|---|---|
| Pearson Chi-Square | 35,656[a] | 1 | ,000 | | |
| Continuity Correction[b] | 34,383 | 1 | ,000 | | |
| Likelihood Ratio | 32,686 | 1 | ,000 | | |
| Fisher's Exact Test | | | | ,000 | ,000 |
| Linear-by-Linear Association | 35,614 | 1 | ,000 | | |
| N of Valid Cases | 851 | | | | |

a. 0 cells (,0%) have expected count less than 5. The minimum expected count is 35,25.

b. Computed only for a 2x2 table

**Chi-Square test of independence**

**Hypotheses:**

Ho: two variables are independent

H1: two variables are dependent

Significance level: $\alpha = 0.05$

**Decision:**
p-value = 0.000 => p-value < α => reject Ho, accept H1 at $\alpha = 0.05$ => the two variables are dependent

**Appendix 4.**

**Chi-square test of independence between expected household's saving possibility and price anxiety**

**Saving possibility next 12 months* Price increase anxiety next 12 months Crosstabulation**

| | | | Price increase anxiety | | |
|---|---|---|---|---|---|
| | | | Calm | Anxious | Total |
| Saving possibility next 12 months | Possible | Count | 119 | 162 | 281 |
| | | Expected Count | 79,7 | 201,3 | 281,0 |
| | Impossible | Count | 167 | 560 | 727 |
| | | Expected Count | 206,3 | 520,7 | 727,0 |
| Total | | Count | 286 | 722 | 1008 |
| | | Expected Count | 286,0 | 722,0 | 1008,0 |

**Chi-Square Tests**

| | Value | df | Asymp. Sig. (2-sided) | Exact Sig. (2-sided) | Exact Sig. (1-sided) |
|---|---|---|---|---|---|
| Pearson Chi-Square | 37,446[a] | 1 | ,000 | | |
| Continuity Correction[b] | 36,498 | 1 | ,000 | | |
| Likelihood Ratio | 35,884 | 1 | ,000 | | |
| Fisher's Exact Test | | | | ,000 | ,000 |
| Linear-by-Linear Association | 37,408 | 1 | ,000 | | |
| N of Valid Cases | 1008 | | | | |

a. 0 cells (,0%) have expected count less than 5. The minimum expected count is 79,73.

b. Computed only for a 2x2 table

**Chi-Square test of independence**

**Hypotheses:**

Ho: two variables are independent

H1: two variables are dependent

Significance level: $\alpha = 0.05$

**Decision:**
p-value = 0.000 => p-value < α => reject Ho, accept H1 at $\alpha = 0.05$ => the two variables are dependent

**Appendix 5.**

**Independent samples t-test comparing price anxiety and corresponding low and high rates of expected inflation**

**Group Statistics**

| | Price anxiety next 12 months | N | Mean | Std. Deviation | Std. Error Mean |
|---|---|---|---|---|---|
| Expected inflation rate 12 months | Calm | 159 | 17,60 | 13,910 | 1,103 |
| | Anxious | 569 | 30,54 | 23,046 | ,966 |

**Independent Samples Test**

| | | Levene's Test for Equality of Variances | | t-test for Equality of Means | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | 95% Confidence Interval of the Difference | |
| | | F | Sig. | t | df | Sig. (2-tailed) | Mean Difference | Std. Error Difference | Lower | Upper |
| Expected inflation rate 12 months | Equal variances assumed | 28,446 | ,000 | -6,747 | 726 | ,000 | -12,947 | 1,919 | -16,715 | -9,180 |
| | Equal variances not assumed | | | -8,829 | 423,95 | ,000 | -12,947 | 1,466 | -15,830 | -10,065 |

**Test for equality of variance**
**Hypotheses:**
Ho: $\sigma_1^{2} = \sigma_2^{2}$
H1: $\sigma_1^{2} \neq \sigma_2^{2}$

Significance level: $\alpha = 0.05$

**Decision:**
p-value = 0.000 => p-value < $\alpha$ => reject Ho at $\alpha = 0.05$ => Equal variances not assumed

**Independent samples t-test (one-tailed)**
**Hypotheses:**
Ho: $\mu 1 = \mu 2$
H1: $\mu 1 < \mu 2$
Significance level: $\alpha=0.05$

**Decision:**
p-value (one-tailed) = 0.000/2 => reject Ho, accept H1 at $\alpha = 0.05$ => the mean of sample 2 ($\mu 2$) is **significantly greater** than the mean of sample 1 ($\mu 1$) at the 5% significance level.