People's Understanding of Inflation in Japan

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1. Introduction

Over the past few years, Japan has transitioned from decades of low inflation or even deflation to a period of persistently positive inflation (Figure A1). This episode has sparked renewed interest in how households understand inflation: what they perceive as its causes, how they assess its consequences for their income and wealth, and which policies they consider appropriate for dealing with rising prices. While a growing literature documents that households' inflation expectations are often biased, dispersed, and weakly anchored (e.g., D'Acunto et al. 2024, Weber et al. 2022), we still know relatively little about the subjective models through which households interpret inflation and macroeconomic policy.

A first strand of related research asks why people dislike inflation and which channels they emphasize. Shiller (1997) and more recently Stantcheva (2024) show that households' reasoning often departs from the standard "inflation tax" narrative: respondents stress declining purchasing power, perceived unfairness, and the erosion of savings, and they rarely mention debt erosion as a benefit to borrowers. Building on this line, Schnorpfeil, Weber, and Hackethal (2023) and others document how households perceive and respond to the wealth effects of inflation. Niizeki (2024) provides evidence for Japan that many households do not recognize the debt erosion channel and that this "missing" mechanism contributes to the strong aversion to inflation.

A second, closely related strand studies households' broader macroeconomic narratives and subjective models. Andre et al. (2022, 2025) and Haaland et al. (2025) use structured and open-ended survey data to recover the ways in which households link macroeconomic variables to each other and to policy, while Piccolo et al. (2025) and Jain, Kostyshyna, and Zhang (2024) highlight the role of education and the joint perception of wages and prices. More narrowly on inflation, Binetti, Nuzzi, and Stantcheva (2024) provide a comprehensive analysis of people's understanding of inflation and show that narratives about causes and consequences are tightly connected to policy views. Related experimental work studies whether simple information can shift macroeconomic beliefs and preferences (Bo, Do, and Eyster 2018; Niizeki 2025).

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This paper contributes to these strands of research by providing a detailed portrait of Japanese households' subjective models of inflation and by evaluating their responsiveness to textbook-style economic information. We field a nationally representative internet survey in October 2025 that elicits responses on perceived causes and consequences of recent inflation, expectations for prices, wages, and interest rates, attributions of responsibility and blame, and policy preferences regarding inflation versus unemployment and the use of fiscal and monetary tools. Based on these data, we document eight key facts about how Japanese households think about inflation—covering, for example, their emphasis on supply-side explanations, their strong dislike of inflation despite limited recognition of debt erosion, their views on which institutions are responsible for price stability, and their preferences over fiscal and monetary measures to curb inflation—and relate these facts to educational attainment. We then conduct a follow-up survey with an information-provision experiment: a randomly selected treatment group is presented with a simple, data-based explanation of the short-run Phillips curve in Japan, and we re-elicited their views on the inflation–unemployment trade-off and policy; the results show that this concise intervention leads a non-trivial share of respondents to revise their beliefs in the direction of the textbook trade-off and to express greater acceptance of policies that may require temporarily weaker economic activity to bring down inflation.

Compared to the existing literature, this study offers two main contributions. First, it extends the emerging evidence on people's understanding of inflation (Binetti, Nuzzi, and Stantcheva 2024; Stantcheva 2024) to the Japanese context, where households have limited experience with sustained inflation but hold large deposits and face an aging society. Second, by combining rich survey data with an information-provision experiment centered on the Phillips curve, it shows that households' subjective models are not fully rigid: simple, textbook-style communication can systematically move beliefs about the inflation–unemployment trade-off and policy, offering concrete insights for macroeconomic communication and policy design.

The remainder of the paper is organized as follows. Section 2 describes the survey design, sampling strategy, and implementation of the information-provision experiment. Section 3 presents the eight main empirical findings on households' narratives and subjective models of inflation. Section 4 reports the experimental effects of providing textbook information about the inflation–unemployment trade-off on beliefs and policy preferences. Section 5 discusses the implications for macroeconomic policy and communication in Japan and concludes.

2. Data

We conducted three surveys—a pre-survey, main survey, and follow-up survey—in October 2025 using Freeasy, an internet survey tool provided by iBRIDGE Corporation. First, in the pre-survey conducted on October 16, 5,000 individuals were asked about their educational background, financial assets, and debt amount, followed by an attention check. The sample was drawn from the survey

company's panel aged 20 to 79, selected to match the age (in 5-year increments) and gender distribution of the Census. In the attention check, we asked how interested you are in Japan's future price outlook. Regardless of their opinions, respondents were instructed to choose *two* options: "Very interested" *and* "Not interested at all." Figure A2 illustrates the percentage of those who answered correctly by gender and age group. Males and older age groups tend to have higher correct answer rates than females and younger age groups. The overall correct answer rate for the entire sample was 21.3%.

The pre-survey was conducted to adjust the sample for educational attainment. While internet surveys are known to skew toward highly educated respondents, the respondent demographics provided free of charge by Freeasy do not include educational information. Therefore, 1,228 respondents were selected from the pre-survey sample to match the education level distribution obtained in the pre-survey to that of the national census. The main survey was then conducted on this sample. In doing so, we selected respondents who passed the attention check as much as possible.

The main survey was conducted from October 18 to 21. The questionnaire comprised 25 questions, drawing on Stantcheva (2024) and Binetti, Nuzzi, and Stantcheva (2024). It broadly examined respondents' views on the causes and consequences of inflation, their reactions to inflation, their perceptions and expectations of inflation, and their policy preferences regarding inflation control.

Finally, about one week following the main survey, a follow-up survey was conducted with the main survey respondents. The purpose of this survey is to examine whether providing information about standard economic principles—specifically, the short-term tradeoff between inflation and unemployment—would cause people's subjective models to align more closely with the textbook model (Binetti, Nuzzi, and Stantcheva 2024). To this end, the main survey respondents were randomly assigned to two groups: the treatment group received the information, while the control group received no information. Subsequently, respondents were asked again about the necessity of a short-term trade-off between inflation and economic activity (Q21), and about the fiscal and monetary policies needed to control inflation (Q22–Q23).

Table 1 presents the descriptive statistics for the main survey sample. The pass rate for the attention check in our main survey sample is approximately 60%, which provides a minimum level of quality assurance for our research. The average response time was 17 minutes and 4 seconds (1024 seconds), with a median of 4 minutes and 47 seconds (287 seconds). Finally, while the pre-survey asked about financial assets and liabilities, the analysis in this paper is based on the full sample of 1,228 respondents, regardless of whether these variables contain missing values.

3. Results

3.1. Perceived causes of inflation

In the main survey, we first asked respondents to describe in their own words the causes of recent

inflation they perceive (Q2). Since open-ended formats can directly reveal respondents' thoughts, their use has increased in recent years (Haaland et al. 2025). Figure 1 shows a word cloud of responses. The larger the word, the more frequently it appeared. The most frequently mentioned word was "weak yen," cited by about 18% of respondents who provided any answer. The next most frequently mentioned word was related to the "war in Ukraine", cited by about 14% of respondents. "Rising labor costs" and "soaring raw material costs" were also frequently cited. Overall, respondents tend to cite supply-side factors as perceived causes of recent inflation, with few mentions of terms related to excess demand. This trend aligns with findings in the U.S. (Andre et al. 2025).

One drawback of open-ended questions is that they may impose a high cognitive load, leading to a high number of non-respondents. Indeed, the response rate for Q2 is about 51%. Therefore, for Q3, we provided multiple choices for the same question and asked respondents to select up to three options. The choices were designed to cover as broadly as possible, including demand and supply factors, as well as government and central bank incompetence and corporate greed. Figure 2 shows the percentage of respondents who selected each option. Since Piccolo et al. (2025) have shown that households' subjective models vary by educational background, this paper basically divides the sample based on whether respondents hold a bachelor's degree.

The results obtained are broadly consistent with the open-ended format. The most frequently selected option was the rising energy and raw material prices, chosen by over 60% of respondents. Since the multiple-choice format did not include weak yen as an option, it is likely included within this option. It was followed by government incompetence and labor shortages. Furthermore, while the multiple-choice format explicitly incorporated excess aggregate demand and expansionary fiscal policy as demand factors, still less than 20% of respondents selected these as causes of inflation. Finally, the central bank incompetence was chosen by no more than 15% of respondents. This is interesting considering that raising interest rates is one of the standard macroeconomic policies for combating inflation. This result appears to be related to the fact that few people recognize the central bank as an organization responsible for price stability, as seen in Q25.

Finding 1: Households tend to cite supply-side factors such as soaring energy and raw material prices as the perceived causes of recent inflation.

3.2. Inflation and the macroeconomy

In standard economics, inflation can be seen as a sign of either an improving or a worsening economy. If inflation is demand-driven (or supply-driven), it can be interpreted as a sign of an improving (or worsening) economy. Which perspective do households tend to view inflation from?

Figure 3 shows respondents' views on the statement "Inflation is a sign that the economy is improving (or worsening)." The upper part of the figure shows that about 60% disagree with the view

that inflation is a sign of an improving economy, while only 5-8% agree. Meanwhile, the lower part of the figure reveals that about 40% agree with the view that inflation is a sign of a declining economy, with this pattern being particularly strong among the less educated sample. We also asked whether inflation offers any benefits (Figure A2). Approximately 66.7% responded that it does not, which is higher than the 51% in the U.S. (Stantcheva 2024)[1]. Japanese households, unaccustomed to inflation, may have a stronger aversion to it than their American counterparts.

Why do many respondents not see any benefits to inflation? To clarify it, we next asked what the disadvantages of inflation are. Figure 4 shows the results, where respondents were asked to select up to three applicable answers from the given options. The most widely supported choice was a decline in purchasing power, cited by about 60% of respondents as a disadvantage of inflation. This pattern aligns with findings from the U.S. (Stantcheva 2024, Shiller 1997). Additionally, between 30% and 50% of respondents pointed out that inflation leads to a reduction in the quantity or quality of goods and services. Furthermore, a significant number of respondents, particularly those with higher education, cited the erosion of financial asset values as a problem. As we will see later, this may stem from the low subjective pass-through rate from inflation to deposit interest rates. Interestingly, about 40% of respondents also mentioned that inflation makes price comparisons difficult. This suggests that inflation alters relative prices, potentially leading to non-negligible welfare losses.

The fact that many households perceive declining purchasing power as a downside of inflation suggests they expect inflation will not be fully passed through to their nominal wages. This appears to be the case. Figure 5 shows the results of asking about the expected response of nominal wages to an unexpected one percentage point rise in inflation expectations. As expected, the most frequent expected pass-through rate is 0%, with about 30% of respondents expecting nominal wages to remain unchanged despite unexpected inflation (the average is 0.12). Such low expected pass-through rates have also been reported in other developed countries.

Finding 2: Households tend to perceive inflation as a sign of a deteriorating economy and perceive it as having no benefits. They also tend to mention the decline in purchasing power as a disadvantage of inflation.

3.3. Who should be blamed for inflation?

Considering that many households dislike inflation, who do they think should be blamed for it? In Q11, we asked which organization you feel anger toward when you notice goods and services becoming more expensive. Figure 6 plots the percentage of selected options. Figure 6 plots the

[1] We asked the 146 respondents who answered that inflation has benefits to describe specifically what those benefits are in an open-ended format (Q6). We received responses from 96 of them, with many citing benefits such as inflation promoting wage increases and stimulating the economy.

percentage selected as organizations that should be condemned. While 14–20% reported feeling no anger, the primary target of anger was the Ishiba Cabinet, accounting for about 30% of responses. The pattern of the government being most blamed for inflation aligns with findings in the U.S. (Stantcheva 2024). This was followed by bureaucrats (Kasumigaseki) at about 17%. Interestingly, only 9% of respondents criticized firms. It seems that most households do not hold the view that price increases reflect corporate greed. In fact, there appears to be significant variation in household opinions regarding the impact of inflation on corporate profitability. Figure 7 illustrates the results of asking how inflation affects corporate real profits. Answers were divided: 17–22% said profits increase, 24–26% said they remain unchanged, and 27–28% said they decrease.

Finally, very few people selected the Bank of Japan (BOJ) as an organization they feel angry at due to inflation, with only 3% among the less educated sample. This suggests that many households do not view the BOJ as an organization responsible for price stability, and indeed Figure 8 supports this view. When asked which organization bears responsibility for price stability, the most frequently selected option was the Ishiba Cabinet, chosen by over 30% of respondents. Additionally, bureaucrats (*Kasumigaseki*) were selected by around 15%. Defining the combination of these two as the government in a broad sense, 46–50% of respondents answered that the government bears responsibility for price stability. Meanwhile, even in the highly educated sample, only 28% of respondents answered BOJ, while in the less educated sample, the figure was 18%.

Finding 3: Households' anger over inflation is primarily directed at the government.

3.4. Reactions to inflation as workers

Next, we examine how respondents responded to inflation as workers. Approximately half of respondents reported no change in their wages, consistent with the low pass-through from prices to wages observed in Figure 5. Only 14–22% of respondents reported wage increases. Figure 9 shows the reasons cited by those who reported wage increases. Nearly half of respondents cited inflation adjustments as the reason, while around 20% mentioned wage increase demands from workers to management and scheduled periodic raises. Figure 10 shows the results of asking respondents how they responded to inflation as workers. Respondents were asked to select all applicable choices. It reveals that most working respondents did not take any specific action. This contrasts sharply with the United States, where 47% of respondents sought new jobs, 20% found new jobs, and 36% increased their working hours in response to inflation (Stantcheva 2024). These results suggest that while a flexible labor market in the U.S. may cushion households from inflation shocks, Japan's rigid labor market leaves households more directly exposed to inflation's adverse effects.

Finding 4: Many workers are not taking action against inflation, such as changing jobs.

3.5. Perceived impact of inflation on assets and liabilities

How do households perceive the impact of inflation on their assets and liabilities? First, we examine how they expect inflation to affect nominal deposit interest rates. Figure 11 summarizes responses regarding the impact of an unexpected one percentage point increase in inflation expectations on nominal deposit rates. Since this was a somewhat difficult question, “don't know” responses were high at 48% among the less educated sample. However, focusing only on samples that provided answers reveals that many respondents expect low pass-through. The mode was 0% and 0.5% for the higher-educated sample, and 0% for the lower-educated sample. The mean for the entire sample was 0.16%, and the median was 0%. This means inflation leads to a decline in real deposit interest rates, which is bad news for Japanese households that hold a large portion of their financial assets in savings deposits. This means inflation leads to a decline in real deposit interest rates, which is bad news for Japanese households holding a large portion of their financial assets in deposits. Indeed, according to Q17, which asked about how inflation affects households' real financial asset balances, 43–57% responded that inflation causes their real financial asset balances to shrink (Figure A3). This aligns with Figure 4, where 21–39% of respondents cited the erosion of financial asset value as a disadvantage of inflation. In summary, it appears that many households believe inflation leads not only to negative income effects through lower real wages but also to negative wealth effects through the erosion of real financial asset balances.

Meanwhile, inflation benefits borrowers. If households expect nominal lending rates to rise less than the increase in the inflation rate, real lending rates will fall, thereby benefiting borrowers. First, let us examine how households expect rising inflation rates to affect nominal lending rates. Figure 12 shows the results of responses indicating how they believe an unexpected one percentage point increase in inflation expectations would impact nominal lending rates. Once again, “Don’t know” responses were high at 37-53%. The average answer among respondents was 0.38 percentage points, a relatively high number compared to the average of 0.16 percentage points for deposit rates. However, since the expected pass-through rate is still significantly below 100%, it appears that the average household expects inflation to lower real lending rates, which will have positive wealth effects for borrowers. However, households do not seem to think this way. Figure 13 shows the results of asking about the impact of inflation on households' real debt balances. Only 11–15% of respondents answered that it would *decrease*, while 29–36% answered that it would *increase*. This pattern is also observed in the United States (Stantcheva 2024) and is consistent with Niizeki (2024), who found that many Japanese households do not hold the view that inflation benefits borrowers. This asymmetric perception of inflation’s impact on assets versus liabilities may be an underlying reason for households’ aversion to inflation.

Finding 5: Households perceived that inflation erodes the real value of financial assets while increasing the real balance of liabilities.

3.6. Policy preferences on inflation

The standard macroeconomic model suggests that there is a trade-off between inflation and unemployment in the short run. Which of these do households prioritize more? Figure 14 shows the results of asking which should be the policy priority: lowering the unemployment rate or lowering the inflation rate. For reference, the unemployment rate (seasonally adjusted) in Japan in October 2025, when the survey was conducted, was 2.6%, and the inflation rate (all items, year-on-year) was 3.0%. Households appear to prioritize curbing inflation over suppressing unemployment. While 35–43% of respondents indicated that curbing inflation should relatively be prioritized, only 12–15% stated that suppressing unemployment should be prioritized. In Japan, chronic labor shortages have kept unemployment rates low and stable. However, the sharp post-COVID inflation may have led people to place greater emphasis on curbing inflation.

Finding 6: Households prioritize inflation control over unemployment prevention.

3.7. Policies necessary to combat inflation

In the previous section, we conducted our analysis under the assumption that households understand there is a trade-off between inflation and unemployment in the short term. However, do they actually perceive such a trade-off? To examine this, we asked whether it is necessary to improve or worsen the economy to combat inflation (Q21). Surprisingly, the household's subjective model of the tradeoff between inflation and unemployment differed sharply from the standard macroeconomic model. The upper chart in Figure 15 shows that 35–36% of respondents agree with the view that the economy needs to be temporarily improved to curb inflation, while opposition remains at just 20% even among the highly educated sample. Conversely, 43–44% of respondents oppose the view that the economy needs to be temporarily worsened to curb inflation, with only 7–13% agreeing (lower chart in Figure 15).

Overall, households seem to believe that the economy needs to *improve* to combat inflation. Why do they not assume a short-term tradeoff between inflation and unemployment? First, they may not anticipate demand-driven inflation. It has been suggested that they may possess a simple good-bad heuristic: when the economy is good (bad), all macroeconomic variables move in a good (bad) direction (Andre et al. 2022). Under this framework, they expect inflation to be muted when the economy improves. Another possibility is that they primarily focus on the supply-side when forming macroeconomic expectations (Andre et al. 2025, Zhang 2024, Kamdar 2019). If they believe the macroeconomy is mainly affected by supply shocks like changes in energy prices, it makes sense that

they would think improving the economy—that is, lowering energy prices—is necessary to curb inflation.

To explore this further, we asked respondents whether expansionary or contractionary macroeconomic policies are necessary to curb inflation. Theoretically, contractionary macroeconomic policies are required to combat inflation. Figure 16 shows the results regarding fiscal policy. As the chart above indicates, about 55% of respondents answered that *expansionary* fiscal policy is necessary to curb inflation, and even among the highly educated sample, only 15% disagreed. Similarly, the chart below shows that only about one in four respondents recognizes that fiscal tightening is necessary to curb inflation. These findings suggest households do not believe stimulating aggregate demand promotes inflation; rather, they believe it moderates inflation. This may reflect that households generally do not consider general equilibrium effects when evaluating policy (Bo, Do, and Eyster 2018).

Figure 17 shows the results regarding monetary policy necessary to curb inflation. Theoretically, to combat inflation, interest rates must be raised to dampen aggregate demand. Unlike fiscal policy, households' perceptions regarding monetary policy were consistent with theory. That is, respondents indicated that raising interest rates is appropriate to combat inflation. However, there are at least two interpretations for this result. The first is that households may have a good understanding of the mechanisms of monetary policy. Since the monetary policy presented here was traditional monetary policy in the form of interest rate changes, unlike complex unconventional monetary policies, it may have been relatively easier to understand. However, this interpretation contradicts the view held by many households shown in Figure 15 that the economy should be improved to curb inflation.

Another interpretation is that households may perceive rate hikes as beneficial for the economy. According to Niizeki (2025), who randomly presented actual rate hike news to Japanese households, their inflation expectations declined and economic outlooks became more optimistic. The reason cited by many households was increased interest income from rate hikes, leading them to anticipate higher consumption and, consequently, greater output. This interpretation is consistent with the view of households shown in Figure 15, who believe the economy should be improved to combat inflation. To judge which interpretation, or whether another interpretation, is more plausible requires further research.

Finding 7: Households believe that improving the economy is necessary to combat inflation.

3.8. Rigidity in household subjective models

Section 3.6 showed that many households do not hold the economic view that inflation and unemployment represent a short-term tradeoff. How rigid are these subjective household models that differ from textbook models? This section employs an information provision experiment to examine

whether providing information about standard economic principles changes people's views on macroeconomy. To this end, a follow-up survey was conducted on the same individuals several days after the main survey. In the follow-up survey, the sample was randomly divided into two groups. The treatment group was presented with a Phillips curve based on Japanese data from 1953 to 2024 and given an explanation that inflation and unemployment have a short-term trade-off relationship (see Appendix B for specific wording). In contrast, the control group was given no information. Then, we asked both groups again whether it is necessary to improve (worsen) the economy to curb inflation, and whether expansionary (contractionary) policies are needed to curb inflation.

Table 2 presents the results of estimating the marginal effects of the ordered probit model using the follow-up survey data. Since the ordered probit model requires the outcome variable to be ordinal, responses of "Don't know" were excluded from the sample. The key explanatory variable is a dummy variable that takes a value of one if assigned to the treatment group and zero if assigned to the control group. All estimates control for age, gender, household pretax income, home ownership status, marital status, presence of children, educational attainment, and whether the respondent passed the attention test. Furthermore, in the follow-up survey, the treatment group was asked whether they understood the information provided. Only 25.2% of respondents indicated they "did not understand very well" or "did not understand at all" the information provided, suggesting that most respondents understood the content to a reasonable degree.[2]

Column (1) of Table 2 shows that when provided with information about the short-run Phillips curve, respondents' probability of agreeing that the economy needs to be improved to curb inflation decreased by 13.8 percentage points, while their probability of disagreeing increased by 12.9 percentage points. Similarly, in column (2), the probability of agreeing with the view that the economy needs to be worsened to curb inflation increased by 18.5 percentage points, while the probability of disagreeing decreased by 22.7 percentage points. These results suggest that household subjective models of the macroeconomy can flexibly change in response to information provision, potentially becoming more aligned with textbook models.

Columns (3) through (6) in Table 2 indicate whether providing information about the short-run Phillips curve changed households' views on macroeconomic policy. As shown in column (3), the information provided reduced the probability of agreeing with the view that expansionary fiscal policy is necessary to curb inflation by 6.3 percentage points, while increasing the probability of disagreeing by 3.8 percentage points. It appears that some respondents changed their view, considering that expansionary fiscal policy could stimulate the economy and potentially lead to further inflation. Meanwhile, as shown in column (4), respondents' views on the argument that contractionary fiscal policy is necessary to curb inflation did not change significantly even after receiving information.

[2] Even when limiting the analysis to respondents who answered "I understood very well" or "I understood somewhat," the estimated results in Table 2 remained largely unaffected.

Although the underlying causes of this asymmetric view on fiscal policy remain unclear, households may exhibit a strong loss aversion. That is, they may tend to overestimate the negative effects of fiscal tightening on the macroeconomy.

Columns (5) and (6) summarize the impact of information provision on households' views of monetary policy. The probability that households agreed with the view that expansionary monetary policy (interest rate cut) is necessary to curb inflation *rose* by 7.3 percentage points, while the probability of disagreement *fell* by 9.3 percentage points following the provision of information on the short-term Phillips curve. Meanwhile, the probability that they agreed with the view that contractionary monetary policy (interest rate hike) is necessary to curb inflation *fell* by 6.5 percentage points, while the probability of disagreement *rose* by 5.2 percentage points. That is, the information provided led households to believe that interest rates should be *lowered* further to curb inflation. This differs sharply from the standard macroeconomic model.

It is important to recall that households believe the economy must improve to combat inflation (Figure 15). Also, the information provided to households suggested that the economy must worsen to combat inflation. This suggests that households likely believe that lowering interest rates will worsen the economy, thereby curbing inflation.

Finding 8: Household subjective models of inflation become more textbook-like when informed about the short-run Phillips curve.

4 Conclusions

This paper has examined how Japanese households understand inflation, what they see as its causes and consequences, and which policies they consider appropriate for dealing with it, using a new nationally representative survey combined with an information-provision experiment. We have documented eight key facts about households' subjective models: they place strong weight on supply-side explanations; they dislike inflation mainly because of perceived losses in purchasing power, quantity and quality of goods, and real financial wealth; they pay little attention to the debt erosion channel; they tend to interpret inflation as a sign of a worsening economy; they attribute responsibility for price stability primarily to the government rather than the central bank; they prefer policies that prioritize reducing inflation over lowering unemployment; they view expansionary fiscal policy as a tool to curb inflation; and they hold nuanced yet sometimes inconsistent views on the role of monetary policy. Together, these findings show that Japanese households' mental models of inflation and the macroeconomy are structured but differ systematically from textbook macroeconomics and from the assumptions embedded in many policy analyses.

The information-provision experiment provides additional insight into how rigid these subjective models are and how they respond to simple economic communication. Presenting a short, data-based

explanation of the short-run Phillips curve in Japan leads a non-trivial share of respondents to revise their beliefs in the direction of the standard trade-off and to express greater acceptance of policies that may require temporarily weaker economic activity to curb inflation. The treatment effects are particularly pronounced for respondents with higher education but are also visible among less-educated households, suggesting that concise, carefully designed information can move macroeconomic beliefs more than is often assumed. At the same time, not all misconceptions disappear: many households continue to see inflation primarily through a supply-side lens, to overlook the debt erosion channel, and to regard the government rather than the central bank as the main actor responsible for price stability. This pattern indicates that information interacts with existing narratives and institutional perceptions rather than replacing them entirely.

These results have several implications for macroeconomic policy and communication in Japan. First, because households strongly associate inflation with declining real incomes and wealth and do not perceive offsetting benefits for borrowers, sustained inflation is likely to be politically costly even at moderate levels. Policymakers who rely on standard textbook arguments about debt relief or demand management may therefore misjudge public support for different policy options. Second, the widespread view that expansionary fiscal policy can help curb inflation highlights the importance of communicating general-equilibrium effects and trade-offs more clearly, especially in a context where fiscal and monetary policies are often discussed jointly. Third, the finding that a simple Phillips-curve illustration can shift beliefs suggests that central banks and governments can, at relatively low cost, influence how households think about inflation and unemployment, but that such communication needs to be sustained and tailored to different educational backgrounds to have lasting effects.

More broadly, our findings underscore the value of studying households' subjective models, rather than expectations alone, when assessing the transmission and acceptance of macroeconomic policy. Models that treat household beliefs as black boxes may miss important channels through which policies are evaluated and contested. Future research could extend our analysis along at least three dimensions. One is to track the stability of these subjective models over time as macroeconomic conditions and policy regimes change. Another is to link subjective models more directly to actual behavior—such as wage bargaining, portfolio choices, or voting—to assess their economic and political relevance. A third is to explore alternative forms of communication, including narratives, visualizations, and interactive tools, to identify which approaches are most effective at aligning household beliefs with basic economic principles while respecting their concerns about fairness and distribution.

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Table 1: Descriptive Statistics

	Mean	Median	Std	N
Age (20-79)	51.7	52.0	15.7	1,228
Male (0 or 1)	0.48	0	0.50	1,228
Household pretax income (10k yen)	508	450	376	1,228
Homeowner (0 or 1)	0.68	1.00	0.47	1,228
Marriage (0 or 1)	0.50	1.00	0.50	1,228
Child (0 or 1)	0.46	0	0.50	1,228
College graduate (0 or 1)	0.28	0	0.45	1,228
Attention (0 or 1)	0.59	1.00	0.49	1,228
Response time (seconds)	1,024	287	5,652	1,228
Financial assets (10k yen)	1,510	375	2,258	822
Debt (10k yen)	191	0	536	1,050

Notes: Attention is a dummy variable that takes a value of one if the respondent passed the attention check conducted in the pre-survey, and zero if failed. Financial assets include all forms such as cash, deposits, stocks, bonds, and investment trusts. Since the amount of financial assets was asked using a multi-choice format with a wide range, the midpoint value of each option was used for quantification. The lower limit and upper limit were set at ¥1.25 million and ¥100 million, respectively. Liability balances encompass all types of debt, including mortgages and auto loans. Similar to financial assets, when quantifying these, the midpoint value of each option was used, with lower and upper limits set at ¥0 and ¥30 million, respectively.

Table 2: Order Probit Estimation Results

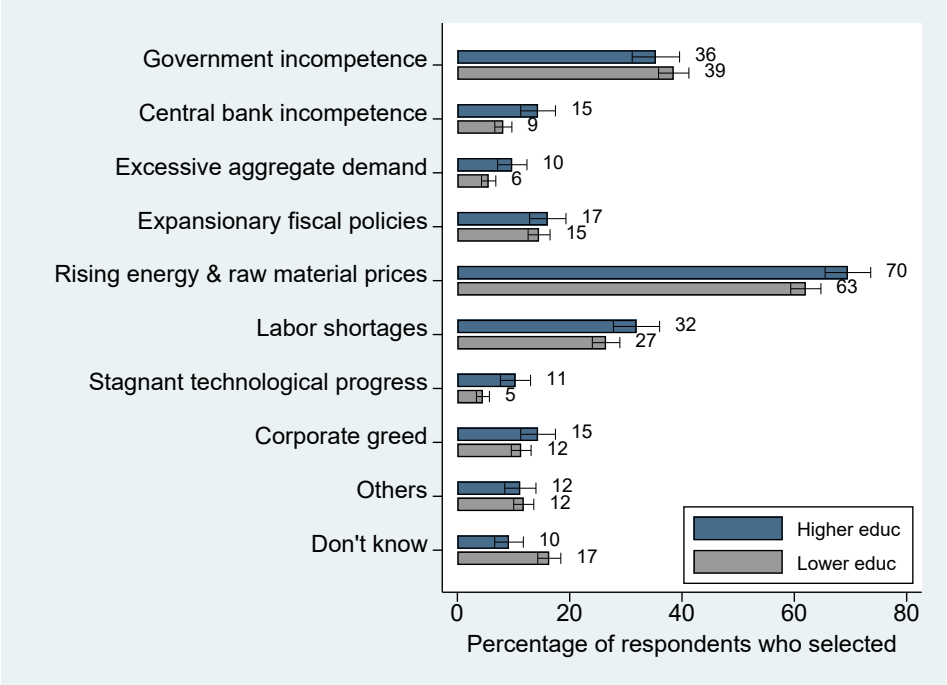
	(1) Improve the economy	(2) Worsen the economy	(3) Expansionary FP	(4) Contractionary FP	(5) Expansionary MP	(6) Contractionary MP
Agree	-0.129***	0.131***	-0.063**	0.039	0.073***	-0.065**
	(0.029)	(0.024)	(0.031)	(0.027)	(0.025)	(0.033)
Neither	0.005	0.037***	0.025**	0.001	0.020***	0.012*
	(0.004)	(0.008)	(0.012)	(0.002)	(0.007)	(0.007)
Disagree	0.123***	-0.169***	0.038**	-0.04	-0.093***	0.052**
	(0.028)	(0.030)	(0.019)	(0.028)	(0.032)	(0.026)
N	786	771	823	785	708	709

Notes: This table summarizes the marginal effects from ordered probit estimation. Robust standard errors are reported in parentheses. The key explanatory variable is a dummy variable that takes a value of one if assigned to the treatment group and zero if assigned to the control group. All estimates control for age, gender, household pretax income, home ownership status, marital status, presence of children, educational attainment, and whether the respondent passed the attention test. FP and MP represent fiscal policy and monetary policy, respectively. ***, **, * represent the 1%, 5%, and 10% significance levels, respectively.

Figure 1: Word Cloud on the Perceived Causes of Inflation

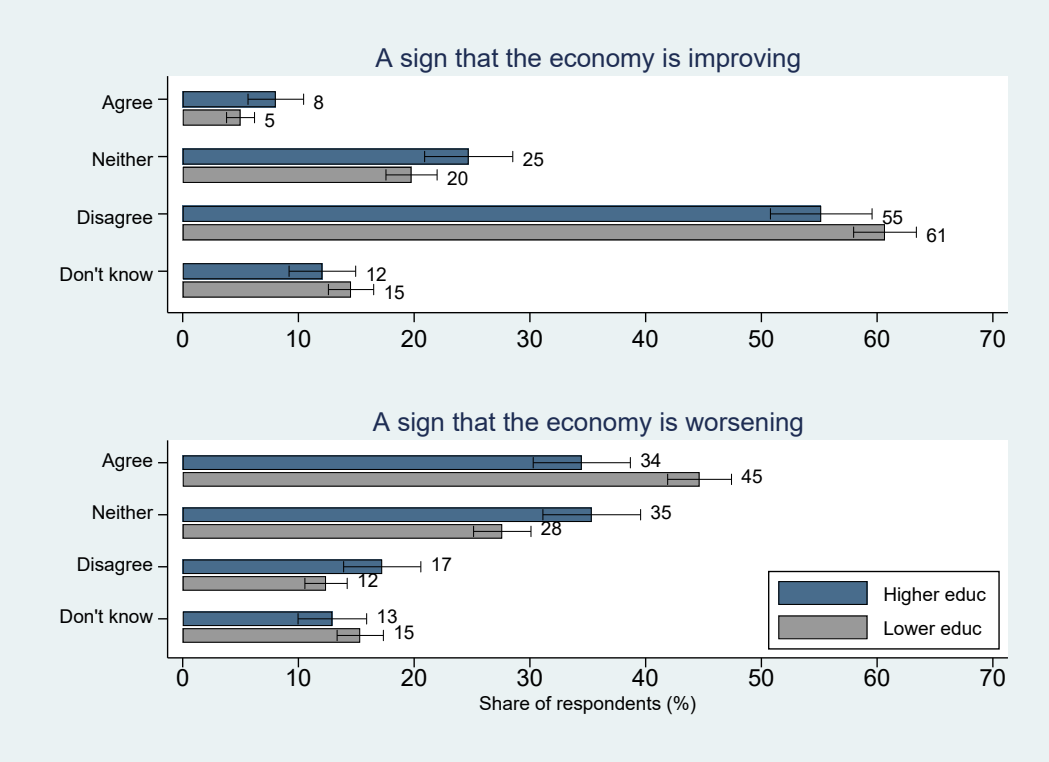
Notes: The word cloud was created by having Google Gemini translate the Q2 responses into English and then importing that text into WordArt.com.

Figure 2: Perceived Causes of Inflation (Multiple Choice)



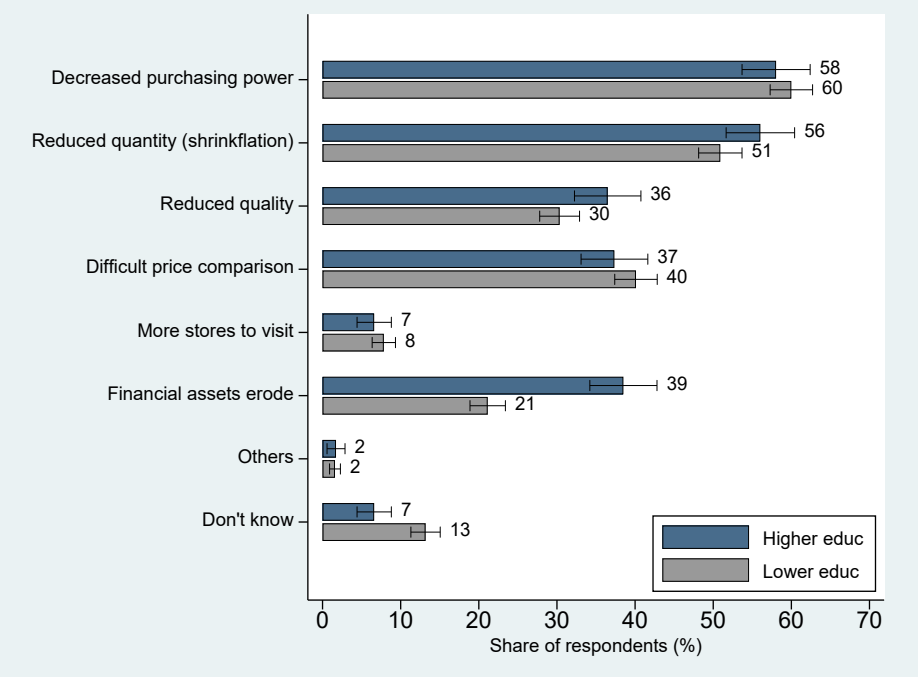
Notes: The figure above shows the percentage of respondents who selected each option for Q3, along with the 90% confidence interval. The sample is divided by educational background: Higher educ refers to those with a bachelor's degree or higher, and Lower educ refers to those with less than that. The order of display for the options other than the bottom two is random.

Figure 3: Inflation is…



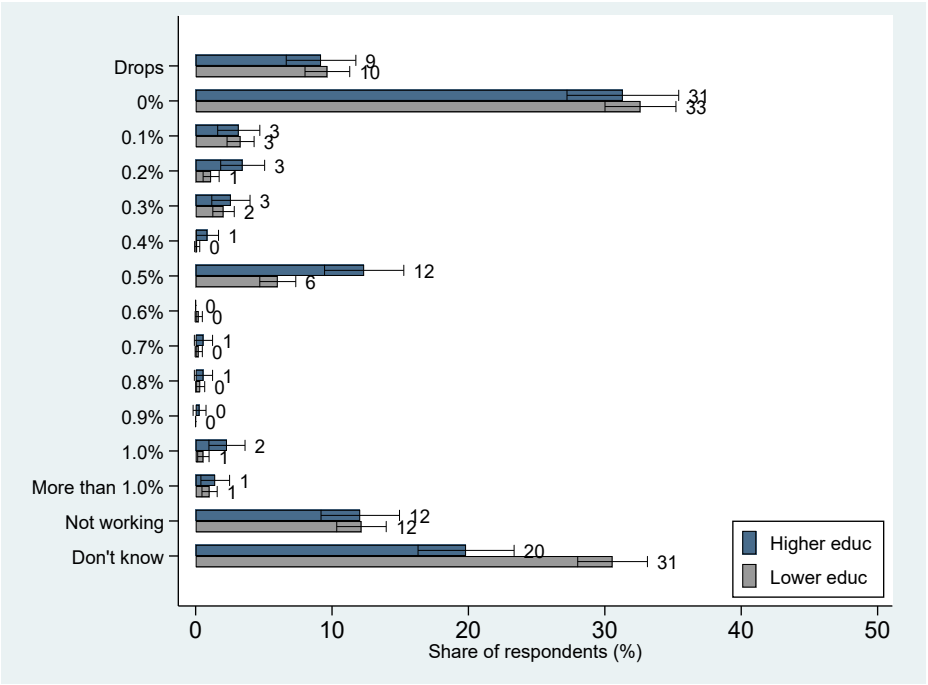
Notes: The figure above illustrates the distribution of respondents' opinions regarding the statement "Inflation is a sign that the economy is improving (worsening)," based on Q4, along with a 90% confidence interval.

Figure 4: Perceived Disadvantages of Inflation (Multiple Choice)



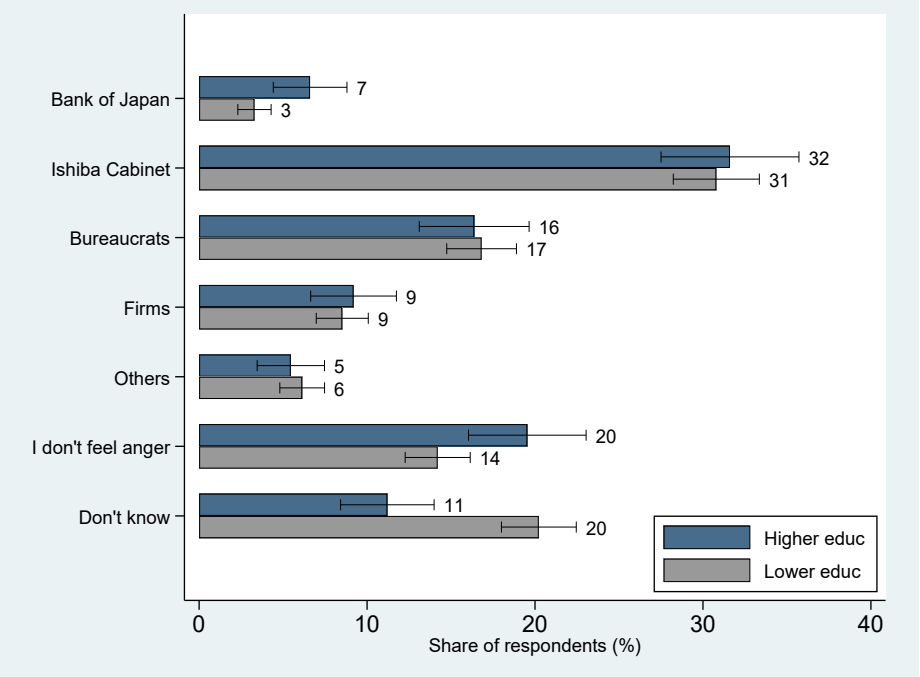
Notes: The figure above shows the percentage of respondents who selected each option for Q7, "What are some disadvantages of inflation (rising prices) in your life?", along with 90% confidence intervals. Respondents were asked to select up to three applicable answers. The order of the options, except for the last two, was randomized.

Figure 5: Perceived pass-through rate from prices to wages



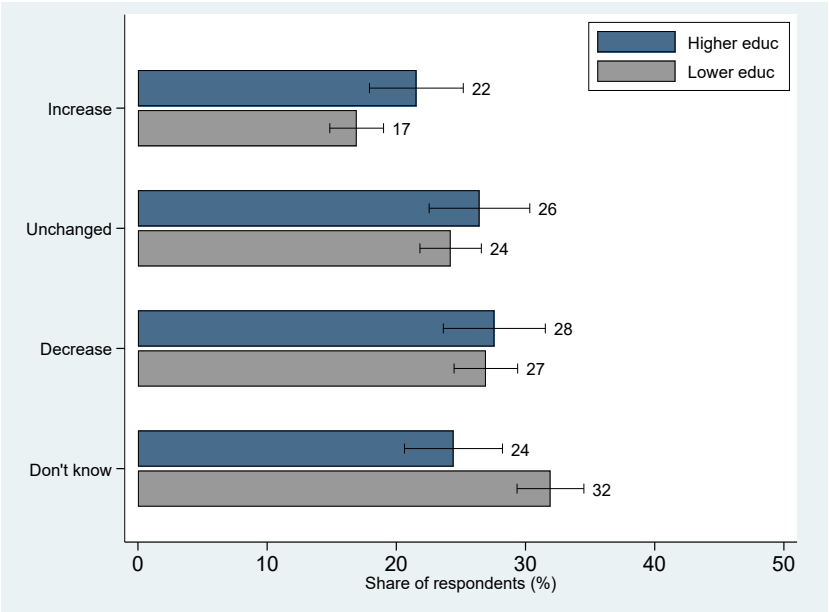
Notes: The figure above shows the percentage of respondents who selected each option for Q10, "Suppose your expected inflation rate (price change rate) unexpectedly rises by one percentage point. How do you think your wages would change as a result?", along with 90% confidence intervals. Pension recipients are asked to respond based on how they think their pension payments will change.

Figure 6: Which organization do you feel angry at during inflation?



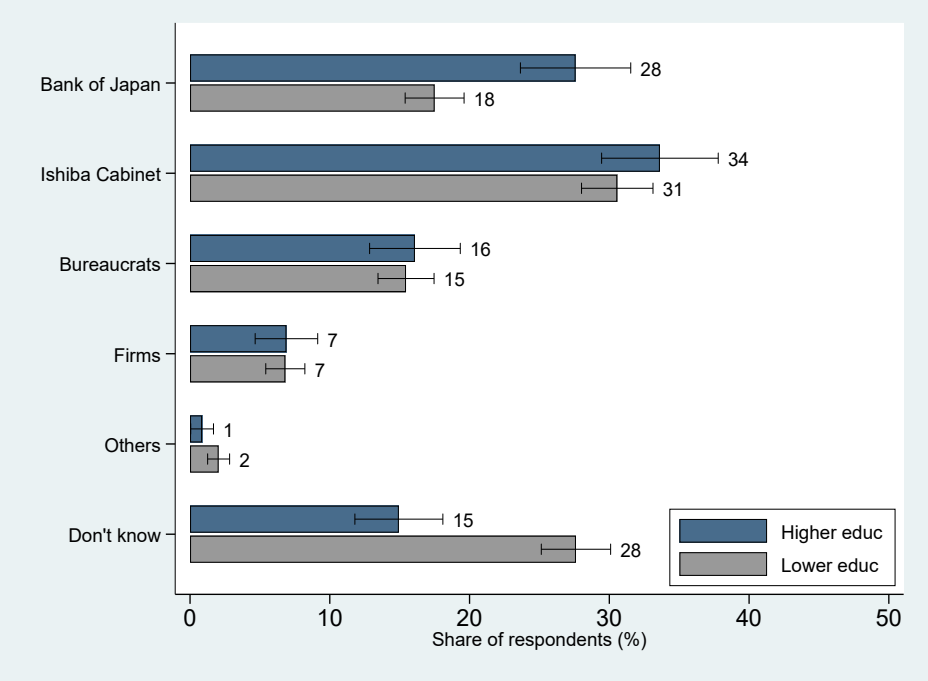
Notes: The figure above shows the percentage of respondents who selected each option for Q11, "When you notice prices for goods and services going up, which organization do you feel angry at?", along with 90% confidence intervals. Except for the last three options, the display order is random.

Figure 7: Perceived Impact of Inflation on Corporate Real Profits



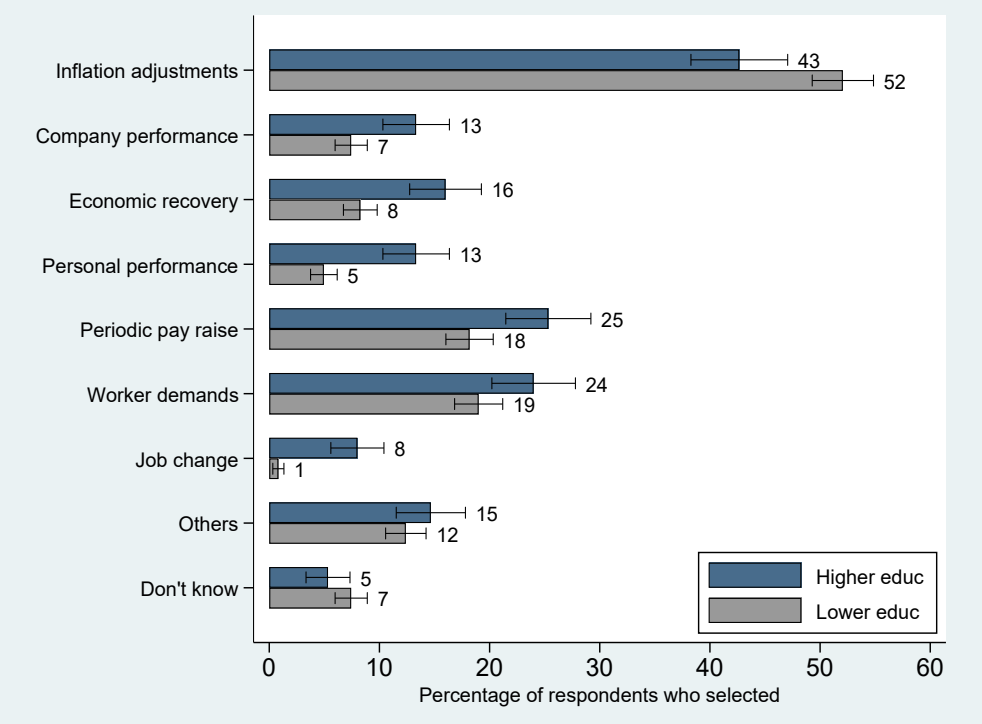
Notes: The figure above shows the percentage of respondents who selected each option for Q15, "How do you think inflation (rising prices) affects corporate (real) profits?", along with 90% confidence intervals.

Figure 8: Which Organization is Responsible for Price Stability?



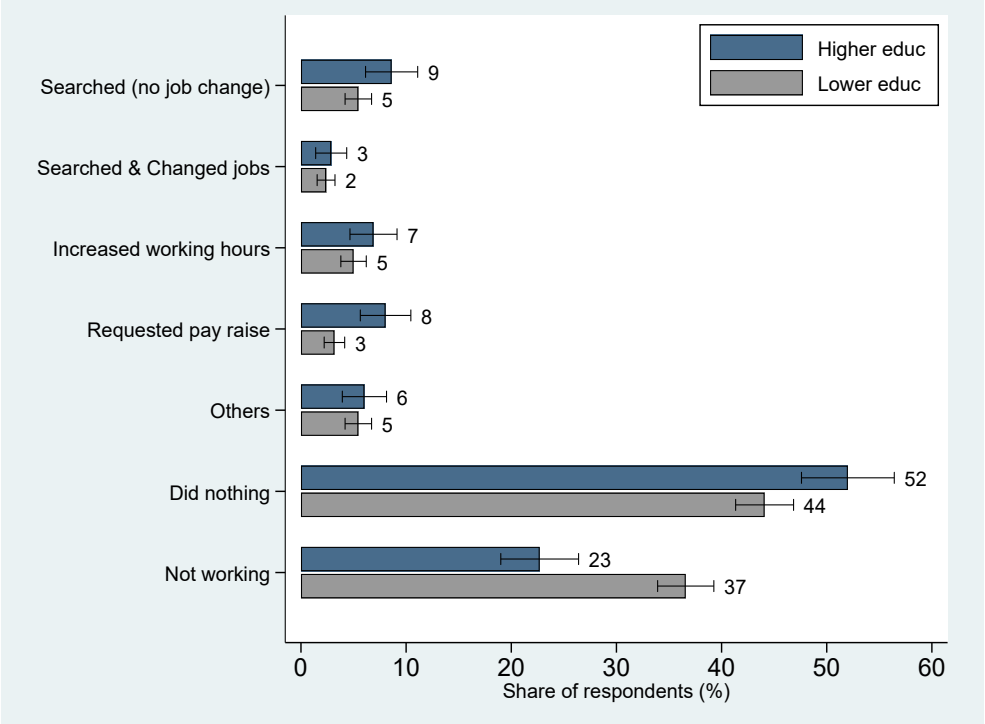
Notes: The figure above shows the percentage of respondents who selected each option for Q25, "Which organization in Japan do you think is responsible for maintaining price stability?", along with 90% confidence intervals. Except for the last two options, the display order is random.

Figure 9: Reasons for Your Wage Increase



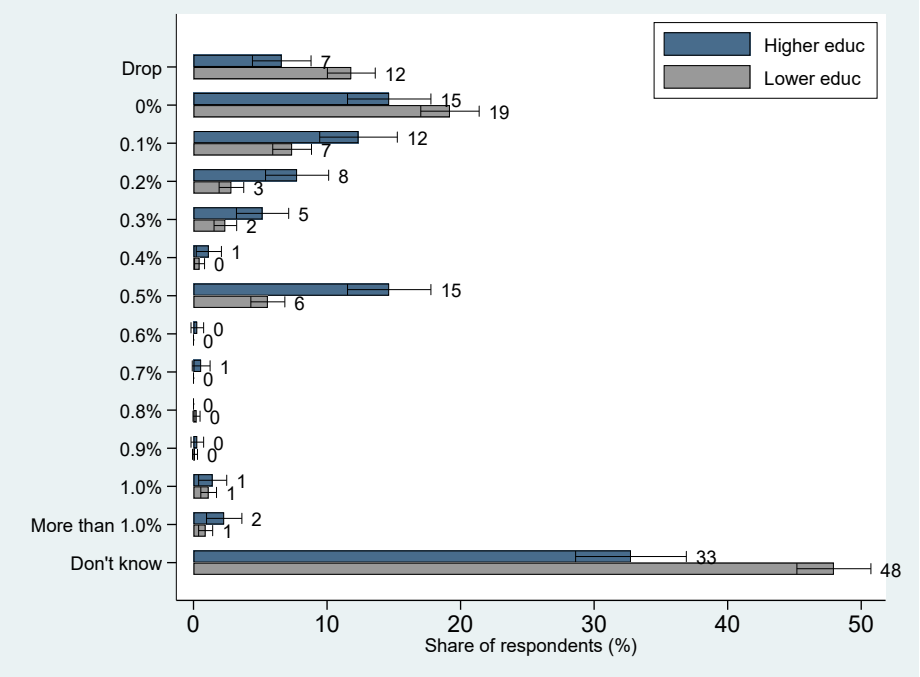
Notes: The figure above shows the percentage of respondents who selected each option for Q13, "Over the past 12 months, what do you think was the reason your wages (or pension payments) increased?", along with 90% confidence intervals. Respondents were asked to select up to three applicable reasons. Except for the last two options, the display order is random.

Figure 10: Response to Inflation as workers



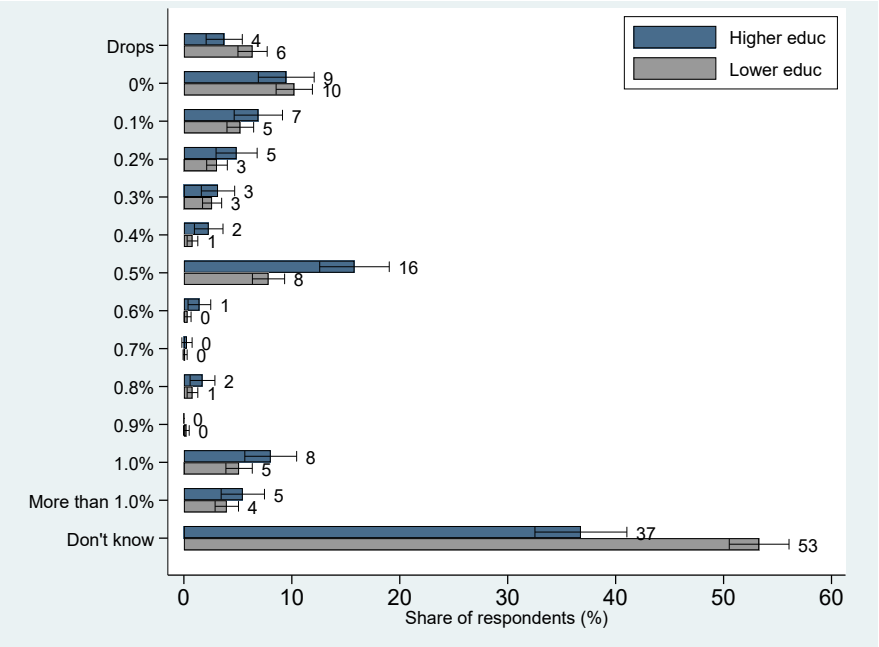
Notes: The figure above shows the percentage of respondents who selected each option for Q14, "As a worker (including self-employed), how did you respond to inflation (rising prices)?", along with 90% confidence intervals. Respondents were asked to select all applicable options. Except for the last three options, the display order is random.

Figure 11: Expected pass-through rate from prices to nominal deposit interest rates



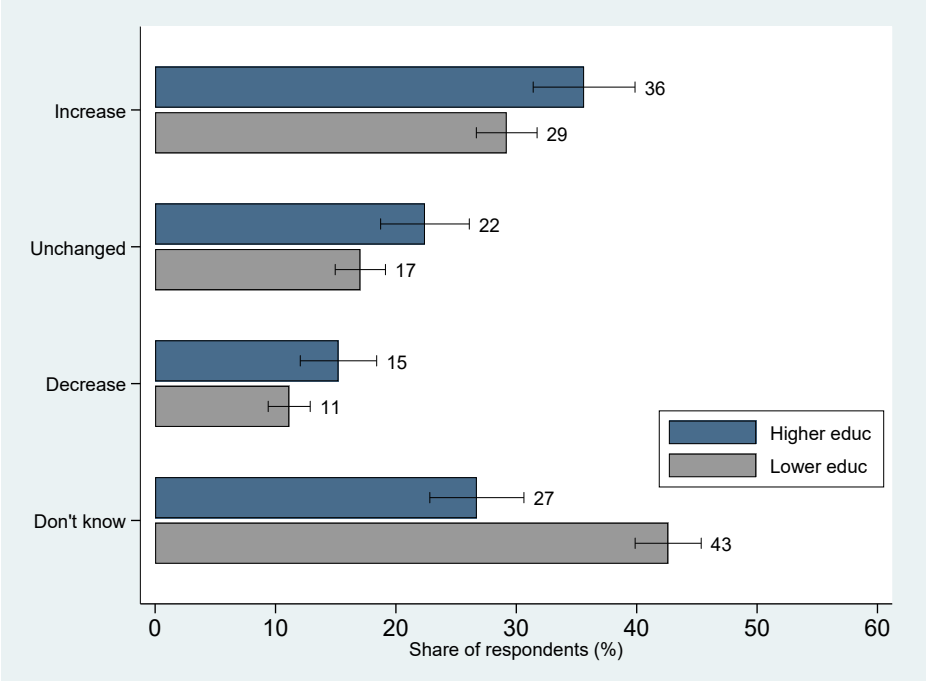
Notes: The figure above shows the percentage of respondents who selected each option for Q16, "Suppose your expected inflation rate (rate of price change) unexpectedly rises by one percentage point. How do you think bank deposit interest rates would change as a result?", along with 90% confidence intervals. When calculating the average expected pass-through rate, responses of "Drop" and "More than 1 percentage point" were assigned values of -0.1 percentage points and 1.1 percentage points, respectively.

Figure 12: Expected pass-through rate from prices to nominal bank lending rates



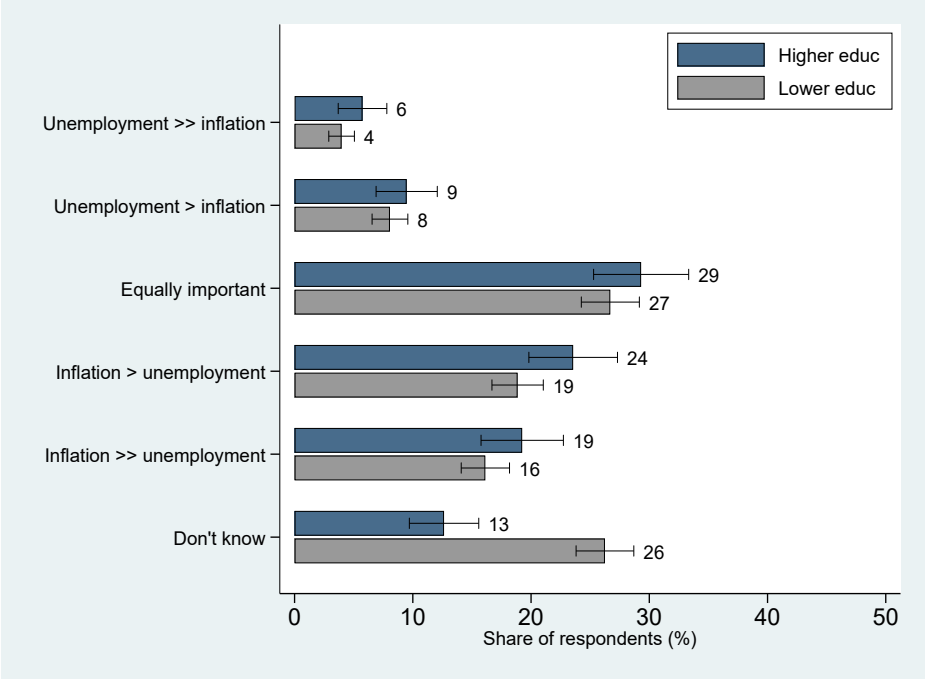
Notes: The figure above shows the percentage of respondents who selected each option for Q18, "Suppose your expected inflation rate unexpectedly rises by one percentage point. How do you think bank lending rates would change as a result?", along with 90% confidence intervals. When calculating the average expected pass-through rate, responses of "Drop" and "More than 1 percentage point" were assigned values of -0.1 percentage points and 1.1 percentage points, respectively.

Figure 13: Perceived Impact of Inflation on Real debt balances



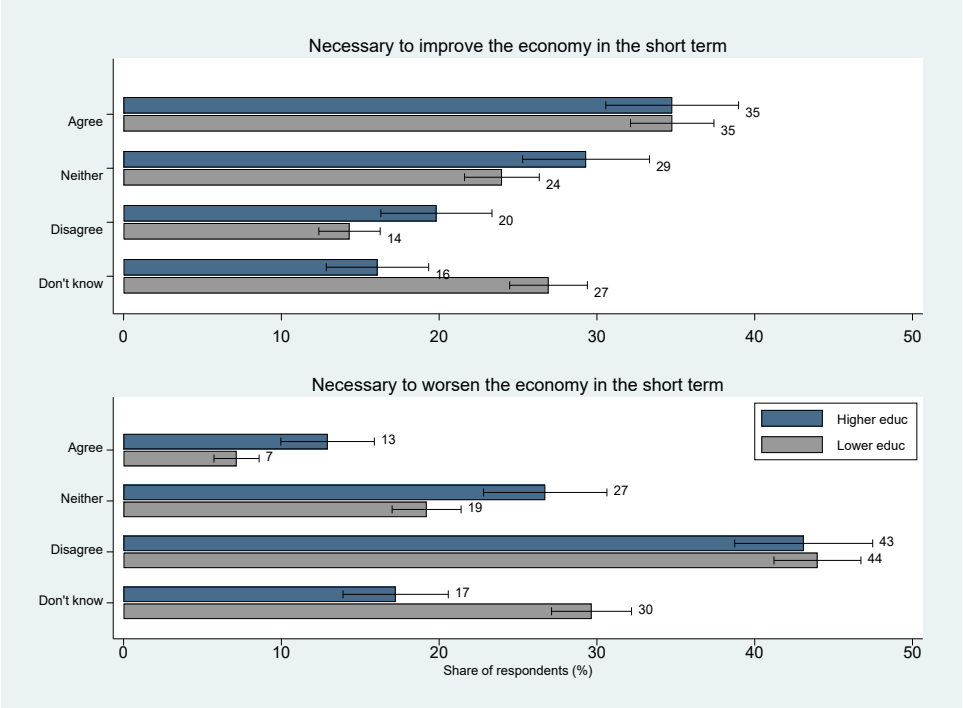
Notes: The figure above illustrates respondents' answers to Q19, "How do you think inflation (rising prices) affects the (real) debt balance held by households?" along with their 90% confidence intervals.

Figure 14: Which variable should we prioritize in policy?



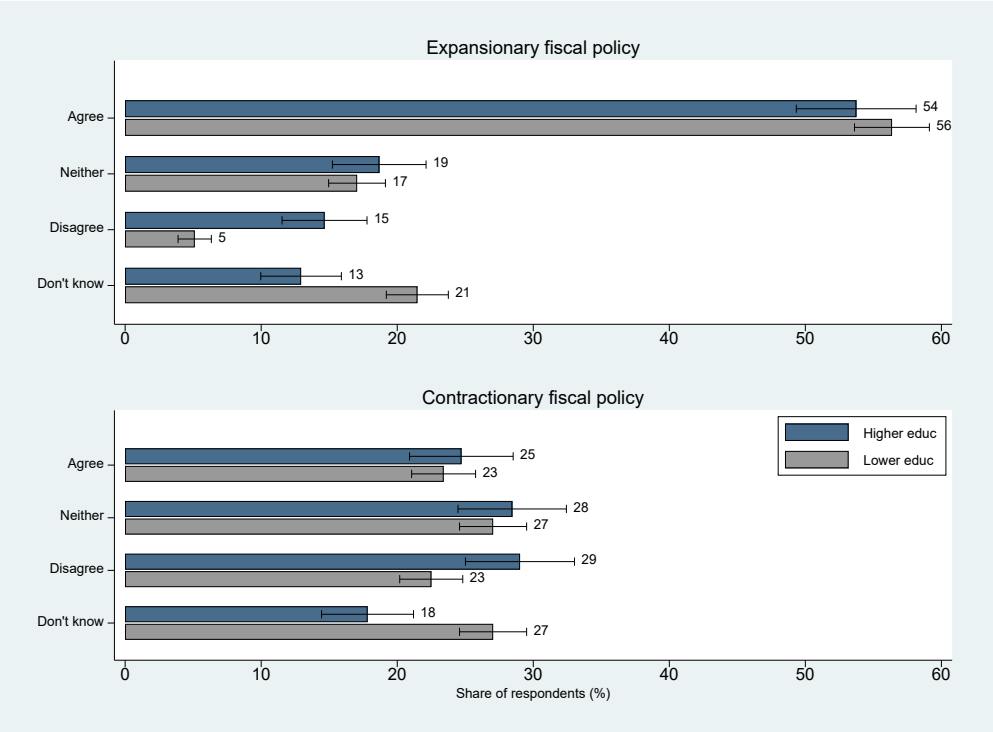
Notes: The figure above shows the percentage of respondents who selected each option for Q20, "If you had to choose between two policies—one to curb inflation (rising prices) and one to lower the unemployment rate—which policy do you think should be prioritized?", along with 90% confidence intervals. "Unemployment >> inflation" indicates a strong preference for lowering unemployment; "Unemployment > inflation" indicates a moderate preference for lowering unemployment; "Inflation > unemployment" indicates a moderate preference for lowering inflation; "Inflation >> unemployment" indicates a strong preference for lowering inflation.

Figure 15: To combat inflation, it is…



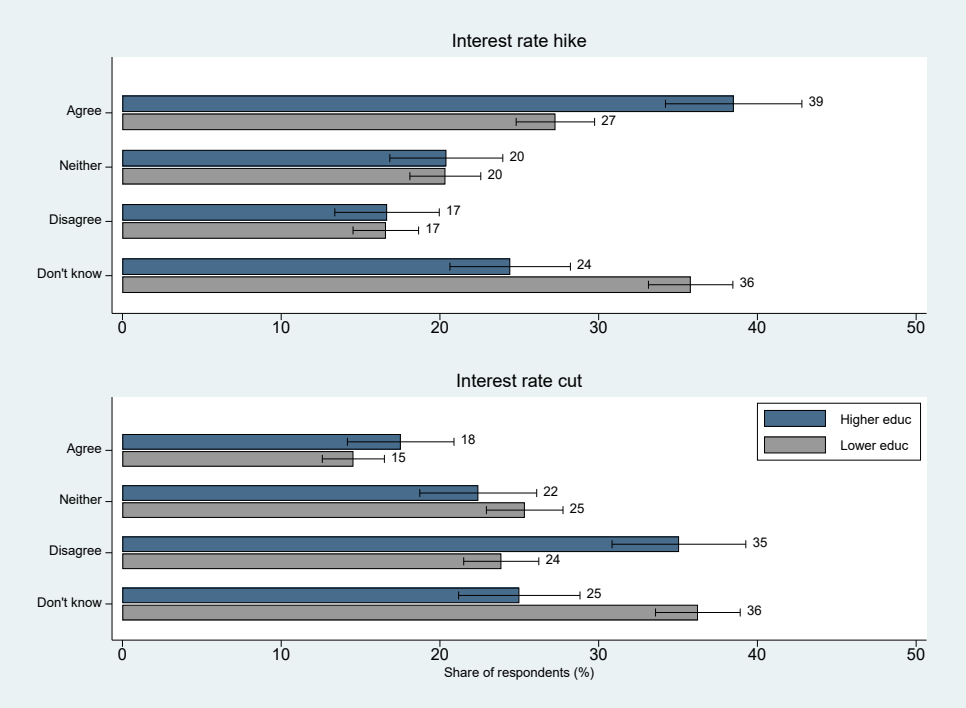
Notes: The figure above shows the percentage of respondents who selected each option for Q21, "Please state your opinion on the following claims regarding inflation (rising prices). To curb inflation, it is necessary to improve (or worsen) the economy in the short term", along with 90% confidence intervals.

Figure 16: Fiscal Policy Necessary to Curb Inflation



Notes: The figure above shows the percentage of respondents who selected each option for Q22, "To curb inflation (rising prices), do you think the following fiscal policies are necessary?", along with 90% confidence intervals. To aid respondents' understanding, the explanatory note "Fiscal policies include taxes, benefits, subsidies, infrastructure investment, etc." has been added to the question.

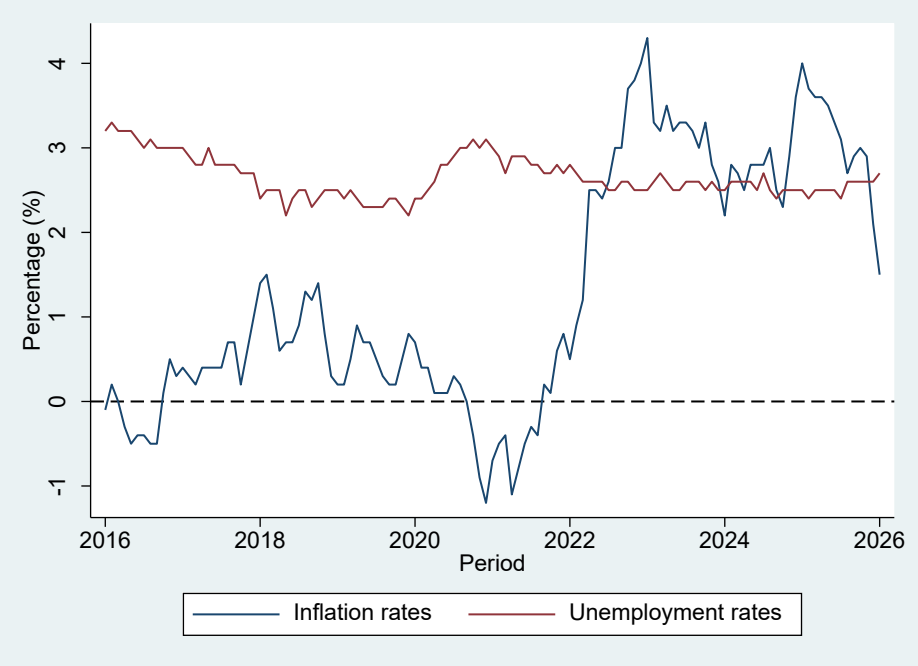
Figure 17: Monetary Policy Necessary to Curb Inflation



Notes: The figure above shows the percentage of respondents who selected each option for Q23, "To curb inflation (rising prices), do you think the following monetary policies are necessary?", along with 90% confidence intervals.

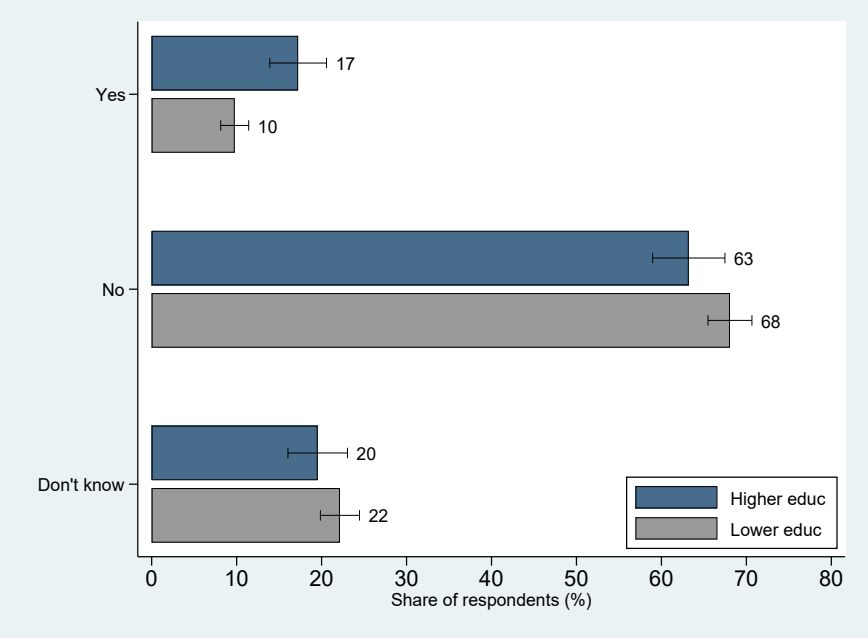
Appendix A: Additional figures

Figure A1: Inflation Rates and Unemployment Rates



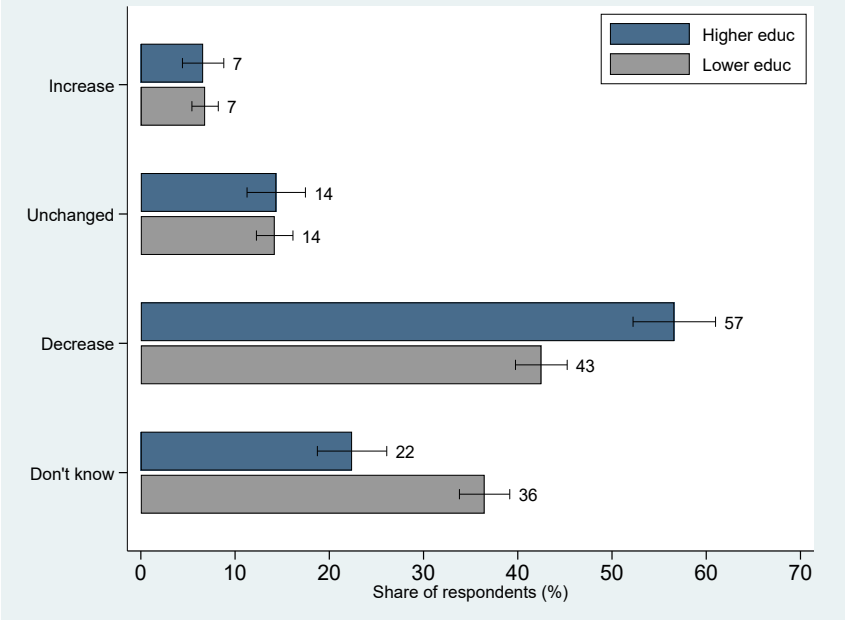
Notes: This figure shows the evolution of the inflation rates (Consumer Price Index, All Items, Year-on-Year Change) and the unemployment rates (seasonally adjusted) in Japan from January 2016 to January 2026.

Figure A2: Any Benefit to Inflation?



Notes: The figure above illustrates respondents' answers to Q5, "Is there any benefit to inflation (rising prices) for your life?", along with their 90% confidence intervals.

Figure A3: Perceived Impact of Inflation on Real Financial Assets



Notes: The figure above illustrates respondents' answers to Q17, "How do you think inflation (rising prices) affects the (real) balance of financial assets held by households? Please answer assuming all other factors remain unchanged," along with their 90% confidence intervals.

Appendix B: Questionnaires

Preliminary Survey (N=5,000), October 16, 2025

[1] Please tell us your educational background.

○ Junior high school graduate
○ High school graduate
○ Vocational school/technical college/junior college graduate
○ University graduate
○ Graduate school graduate
○ Prefer not to answer

[2] How much financial assets does your household have?

○ Less than ¥2.5 million
○ ¥2.5 million to less than ¥5 million
○ ¥5 million to less than ¥7.5 million
○ ¥7.5 million to less than ¥10 million
○ ¥10 million to less than ¥12.5 million
○ ¥12.5 million to less than ¥15 million
○ ¥15 million to less than ¥17.5 million
○ ¥17.5 million to less than ¥20 million
○ ¥20 million to less than ¥25 million
○ ¥25 million to less than ¥30 million
○ ¥30 million to less than ¥35 million
○ ¥35 million to less than ¥40 million
○ ¥40 million to less than ¥45 million
○ ¥45 million to less than ¥50 million
○ ¥50 million to less than ¥100 million
○ 100 million or more
○ I don't know / I don't want to answer

Notes: When quantifying financial assets, the midpoint value of each option is used. The lower and upper limits are set at ¥1.25 million and ¥100 million, respectively.

[3] How much debt does your household currently have (mortgage, student loans, etc.)?

○ No debt
○ Less than ¥2.5 million

○ ¥2.5 million to less than ¥5 million
○ ¥5 million to less than ¥7.5 million
○ ¥7.5 million to less than ¥10 million
○ ¥10 million to less than ¥12.5 million
○ ¥12.5 million to less than ¥15 million
○ ¥15 million to less than ¥17.5 million
○ ¥17.5 million to less than ¥20 million
○ ¥20 million to less than ¥25 million
○ ¥25 million to less than ¥30 million
○ ¥30 million or more
○ I don't know / I don't want to answer

Notes: When quantifying the debt balance, the midpoint value of each option is used. The lower and upper limits are set at ¥0 and ¥30 million, respectively.

[4] How interested are you in Japan's future price outlook? Regardless of your actual opinion, please select two options: “Very interested” and “Not interested at all.”

○ Very interested
○ Quite interested
○ Somewhat interested
○ Not very interested
○ Not interested at all

Main survey (N=1,500), October 18–21, 2025

[1] This survey is an academic research study conducted with funding from the Yu-cho Foundation. Your valuable opinions will provide important insights for future policy decisions. It consists of up to 25 questions, some of which may be difficult. We would appreciate it if you could carefully read each question and answer them to the best of your ability.

"I will read the questions carefully and answer them accurately."

○ Yes

○ No

[2] What do you think is the cause of recent inflation (rising prices)?

*If you don't know, please leave it blank and proceed to the next question.

Cause(s) of Inflation: _____

[3] Let me ask again. What do you think are the causes of recent inflation (rising prices)? Please select up to three applicable reasons.

*Except for the last two options, the display order is random.

○ Government incompetence

○ Central bank incompetence

○ Excessive aggregate demand

○ Expansionary fiscal policy and rising government debt

○ Rising energy and raw material prices

○ Labor shortages

○ Stagnant technological progress

○ Corporate greed

○ Others

○ I don't know / I don't want to answer

[4] Please share your thoughts on the following statements regarding inflation (rising prices).

- Inflation is a sign that the economy is improving
- Inflation is a sign that the economy is worsening

＊For each of the above, the options are as follows.

○ I agree

○ Neither

○ I disagree

○ I don't know

[5] Is there any benefit to inflation (rising prices) for your life?

○ Yes

○ No

○ I don't know / I prefer not to answer

(Only for respondents who answered “Yes” to the previous question)

[6] What specific benefits do you see?

＊If you don't know, please leave it blank and proceed to the next question.

Specific benefits of inflation:

[7] What are some disadvantages of inflation (rising prices) in your life? Please select up to three that apply.

*Except for the last two options, the display order is random.

○ Decreased purchasing power

○ Effective price increases due to reduced quantity

○ Effective price increases due to reduced quality

○ Shopping (price comparison) becomes more difficult

○ More stores to visit / End up going to stores farther away

○ Real value of financial assets erodes

○ Others (specify:)

○ I don't know / I prefer not to answer (exclusive)

[8] What percentage do you think Japan's inflation rate (price change rate) was over the past 12 months?

* If you think it decreased, please answer with a negative sign.

* If you don’t know, please leave it blank and proceed to the next question.

Perceived inflation rate (price change rate, %) over the past 12 months:

[9] What percentage do you think Japan's inflation rate (price change rate) will be over the next 12 months?

* If you think it will decrease, please answer with a negative sign.

* If you don’t know, please leave it blank and proceed to the next question.

Expected inflation rate (price change rate, %) over the next 12 months:

[10] Suppose your expected inflation rate (price change rate) unexpectedly rises by one percentage

point. How do you think your wages would change as a result?
*If you are a pension recipient, please indicate how you think your pension payment amount will change.

○ Wages decline
○ Wages remain unchanged (inflation is not reflected in wages (pensions) at all)
○ Wages increase by 0.1%
○ Wages increase by 0.2%
○ Wages increase by 0.3%
○ Wages increase by 0.4%
○ Wages increase by 0.5% (half of inflation is reflected in wages (pensions))
○ Wages increase by 0.6%
○ Wages increase by 0.7%
○ Wages increase by 0.8%
○ Wages increase by 0.9%
○ Wages increase by 1.0% (inflation is fully reflected in wages (pensions))
○ Wages increase by more than 1.0%
○ Not working and not receiving a pension
○ I don't know / I prefer not to answer

[11] When you notice prices for goods and services going up, which organization do you feel angry at?

*Except for the last three options, the display order is random.

○ Bank of Japan
○ Ishiba Cabinet (or new cabinet)
○ Bureaucrats (*Kasumigaseki*)
○ Firms
○ Others
○ I don't feel anger
○ I don't know / I prefer not to answer

[12] How has your wage (or pension payment) changed over the past 12 months?
*If you are self-employed, please answer based on your own income.

○ Increased
○ Remained the same
○ Decreased
○ Not working and not receiving a pension

○ I don't know / I prefer not to answer

(Only for respondents who answered “Increased” to the previous question)

[13] Over the past 12 months, what do you think was the reason your wages (or pension payments) increased? Please select up to three that apply.

*Except for the last two options, the display order is random.

○ Adjustments due to inflation
○ Improved performance of the company I work for
○ Economic recovery across the entire economy
○ Improvement in my own performance
○ Scheduled periodic pay raise
○ Wage increase demands from workers to management
○ Changing jobs to a workplace with higher wages
○ Others
○ I don't know / I prefer not to answer

[14] As a worker (including self-employed), how did you respond to inflation (rising prices)? Select all that apply.

*Except for the last two options, the display order is random.

○ Searched for a new job but did not change jobs
○ Searched for a new job and changed jobs
○ Increased working hours
○ Requested a pay raise
○ Others
○ Did nothing
○ Not working

[15] How do you think inflation (rising prices) affects corporate (real) profits?
*Real means “excluding the effects of price changes.”

○ Increase
○ Remain unchanged
○ Decrease
○ I don't know / I prefer not to answer

[16] Suppose your expected inflation rate (rate of price change) unexpectedly rises by one percentage point. How do you think bank deposit interest rates would change as a result?

○ Deposit interest rates decline
○ Deposit interest rates remain unchanged (inflation is not reflected in deposit rates at all)
○ Deposit interest rates rise by 0.1 percentage points
○ Deposit interest rates rise by 0.2 percentage points
○ Deposit interest rates rise by 0.3 percentage points
○ Deposit interest rates rise by 0.4 percentage points
○ Deposit interest rates rise by 0.5 percentage points (Half of inflation is reflected in deposit interest rates)
○ Deposit interest rates rise by 0.6 percentage points
○ Deposit interest rates rise by 0.7 percentage points
○ Deposit interest rates rise by 0.8 percentage points
○ Deposit interest rates rise by 0.9 percentage points
○ Deposit interest rates rise by 1.0 percentage points (Inflation is fully reflected in deposit interest rates)
○ Deposit interest rates rise by more than 1.0 percentage points
○ I don't know / I prefer not to answer

[17] How do you think inflation (rising prices) affects the (real) balance of financial assets held by households? Please answer assuming all other factors remain unchanged.
*Real means “excluding the effects of price changes.”

○ (Real) financial asset balances increase
○ (Real) financial asset balances remain unchanged
○ (Real) financial asset balances decrease
○ I don't know / I prefer not to answer

[18] Suppose your expected inflation rate unexpectedly rises by one percentage point. How do you think bank lending rates would change as a result?

○ The lending rate decreases
○ The lending rate remains unchanged (inflation is not reflected in the lending rate at all)
○ The lending rate increases by 0.1 percentage points
○ The lending rate increases by 0.2 percentage points
○ The lending rate increases by 0.3 percentage points
○ The lending rate increases by 0.4 percentage points
○ The lending rate increases by 0.5 percentage points (half of inflation is reflected in the lending rate)
○ The lending rate increases by 0.6 percentage points

○ The lending rate increases by 0.7 percentage points
○ The lending rate increases by 0.8 percentage points
○ The lending rate increases by 0.9 percentage points
○ The lending rate increases by 1.0 percentage points (inflation is fully reflected in the lending rate)
○ The lending rate increases by more than 1.0 percentage points
○ I don't know / I prefer not to answer

[19] How do you think inflation (rising prices) affects the (real) debt balance held by households? Please answer assuming all other factors remain constant.
*Real means “excluding the effects of price changes.”

○ (Real) debt balance increases
○ (Real) debt balance remains unchanged
○ (Real) debt balance decreases
○ I don't know / I prefer not to answer

[20] If you had to choose between two policies—one to curb inflation (rising prices) and one to lower the unemployment rate—which policy do you think should be prioritized?

○ Curbing inflation should be significantly prioritized
○ Curbing inflation should be somewhat prioritized
○ Both are equally important
○ Lowering the unemployment rate should be somewhat prioritized
○ Lowering the unemployment rate should be significantly prioritized
○ I don't know / I prefer not to answer

[21] Please state your opinion on the following claims regarding inflation (rising prices).

- To curb inflation, it is necessary to improve the economy in the short term
- To curb inflation, it is necessary to worsen the economy in the short term

* For each of the above, the options are as follows

○ I agree
○ I neither agree nor disagree
○ I disagree
○ I don't know

[22] To curb inflation (rising prices), do you think the following fiscal policies are necessary?
* Fiscal policies include taxes, benefits, subsidies, infrastructure investment, etc.

- Expansionary fiscal policy

- Contractionary fiscal policy

＊For each of the above, the options are as follows

○ Agree
○ Neither agree nor disagree
○ Disagree
○ I don't know

[23] Do you think the following monetary policies are necessary to curb inflation (rising prices)?

- Interest rate hike
- Interest rate cut

＊For each of the above, the options are as follows

○ Agree
○ Neither agree nor disagree
○ Disagree
○ I don't know

[24] If the following two scenarios were to become reality, which would you prefer?

○ One percentage point increase in wage growth
○ One percentage point decrease in price growth
○ Both are equally desirable
○ I don't know

[25] Which organization in Japan do you think is responsible for maintaining price stability?

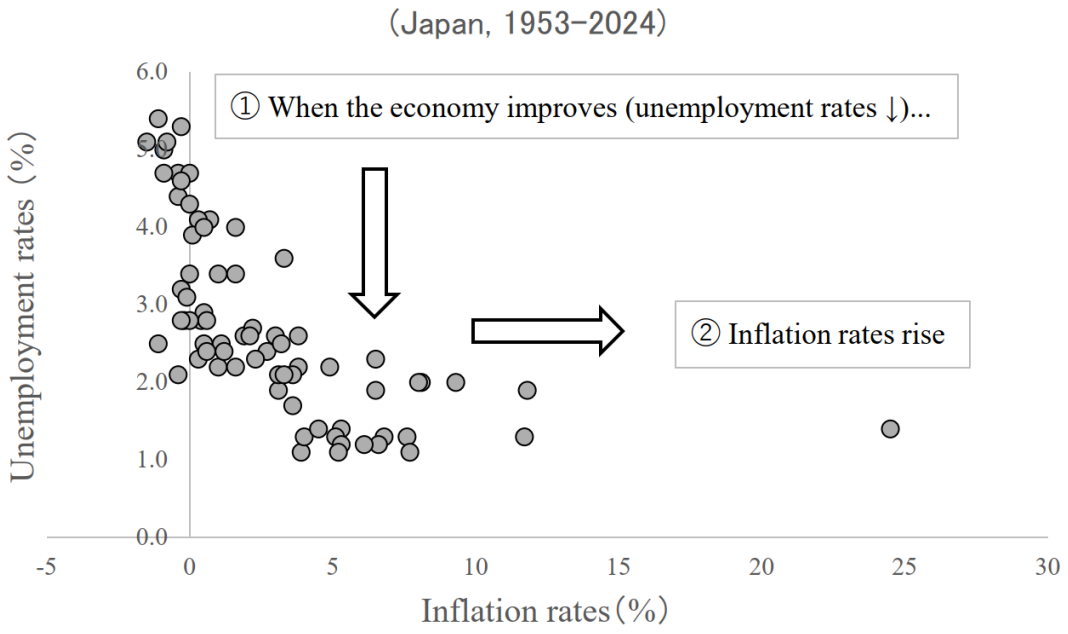
*Except for the last two options, the display order is random.

○ Bank of Japan
○ Ishiba Cabinet (or new cabinet)
○ Bureaucrats (*Kasumigaseki*)
○ Firms
○ Others
○ I don't feel anger
○ I don't know / I prefer not to answer

Follow-up survey, October 23–25, 2025

In this follow-up survey, we re-elicited questions [21], [22], and [23] from the original survey to both the treatment and control groups. Only the treatment group receives information about a standard economic principle as described below.

(Treatment group, N=489)



[1] Please read the following explanation carefully before answering.

One fundamental principle in economics states that "society faces a short-term trade-off between the inflation rate (price increase rate) and the unemployment rate." This principle appears to hold true for Japan's data (see figure above).

That is...

○ When the economy improves due to expansionary economic policies, people tend to buy more goods, causing prices to rise further.

○ On the other hand, if economic stimulus measures are insufficient, the economy worsens, but people stop buying goods, thereby suppressing price increases.

Implication: It is difficult to achieve both lower inflation and better economic conditions through policy in the short term.

Given the above, how well did you understand the explanation?

○ I understood very well

○ I understood somewhat

○ Neither

○ I didn't understand very well

○ I didn't understand at all

○ I don't know/I don't want to answer

[2] Please state your opinion on the following claims regarding inflation (rising prices).

- To curb inflation, it is necessary to improve the economy in the short term
- To curb inflation, it is necessary to worsen the economy in the short term

* For each of the above, the options are as follows

○ I agree

○ I neither agree nor disagree

○ I disagree

○ I don't know

[3] To curb inflation (rising prices), do you think the following fiscal policies are necessary?
* Fiscal policies include taxes, benefits, subsidies, infrastructure investment, etc.

- Expansionary fiscal policy
- Contractionary fiscal policy

* For each of the above, the options are as follows

○ Agree

○ Neither agree nor disagree

○ Disagree

○ I don't know

[4] Do you think the following monetary policies are necessary to curb inflation (rising prices)?

- Interest rate hike
- Interest rate cut

* For each of the above, the options are as follows

○ Agree

○ Neither agree nor disagree

○ Disagree

○ I don't know

(Control group, N=510)

[1] Please state your opinion on the following claims regarding inflation (rising prices).

- To curb inflation, it is necessary to improve the economy in the short term
- To curb inflation, it is necessary to worsen the economy in the short term

＊For each of the above, the options are as follows

○ I agree
○ I neither agree nor disagree
○ I disagree
○ I don't know

[2] To curb inflation (rising prices), do you think the following fiscal policies are necessary?
＊Fiscal policies include taxes, benefits, subsidies, infrastructure investment, etc.

- Expansionary fiscal policy
- Contractionary fiscal policy

＊For each of the above, the options are as follows

○ Agree
○ Neither agree nor disagree
○ Disagree
○ I don't know

[3] Do you think the following monetary policies are necessary to curb inflation (rising prices)?

- Interest rate hike
- Interest rate cut

＊For each of the above, the options are as follows

○ Agree
○ Neither agree nor disagree
○ Disagree
○ I don't know