

## **Abstract**

Consumer price index captures the changing costs of the consumer basket of a typical household. Despite differences in spending patterns, change in consumer price index is used as a measure of inflation for the whole population. The aim of this thesis is to assess how close to the official inflation rate households are and determine which groups have significantly different inflation. Using the Czech data from the Household Budget Survey over the 1990–2012 period we calculated specific inflation for each household in our sample. We first found out that on average only two thirds of households are close to the official inflation rate, which led us to the construction of subgroup price indices. In the empirical part, we examined the effect of household characteristics on inflation by applying the fixed effects estimation. We found that low-income households, pensioners, households in urban areas and households with few members have higher than average inflation.