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INFLATION AND THE SOCIAL REPRODUCTION OF PAKISTAN'S MIDDLE CLASS: FINANCIAL STRESS, HOUSEHOLD ADAPTATION, AND WELL-BEING IN RAWALPINDI

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Abstract
The economic security and livelihoods of middle-class households have been severely impacted by inflation in Pakistan, particularly over the past few years. This study aims to investigate the effect of increasing living expenses on people's financial stress, adaptation strategies, well-being and social reproduction of the middle class in Dhok Syedan, Rawalpindi. A qualitative research design was adopted with purposive sampling and in-depth semi-structured interviews with middle-class household members with various occupations, incomes, and family statuses. Thematic analysis was used to analyze the data. Six themes related to each other emerged: increase in essential household expenditure; financial pressure and economic insecurity; changing spending habits; lower saving and borrowing; pressure on expenditure on education and healthcare; and reduced well-being of households and their future social mobility. The participants reported cutting back on discretionary spending, switching to lower-cost options, making non-essential purchases with savings, borrowing informally, finding other ways to generate income and delaying certain healthcare and/or educational costs. The pressures also led to feelings of anxiety, family conflict and indecision about future plans. The study shows how the process of social reproduction, as theorized by Bourdieu, and the Family Stress Model are influenced by persistent inflation, not only in terms of how much people consume in their current generation, but also how well their families are able to sustain their economic and cultural resources across generations. The results underscore the importance of policies for price stability, essential services that remain affordable, income security, and economic resilience in the middle class.

INTRODUCTION

Inflation is not only a macro problem but also has a direct impact on the lives of households, as it decreases purchasing power and increases the cost of sustaining the desired living standard of a household. A rise in the cost of living will necessitate rethinking family resource allocation priorities for food, shelter, education, health care, transportation, utilities, savings, and social needs. The continuous process of inflation thus has the potential to alter one's consumption choices and

overall views of economic security and welfare (Deaton, 1992; Easterly & Fischer, 2001; Huang, W., 2025).

Middle-class households are especially affected by the effects of inflation. The middle class typically rely on their salary, professional income, small business or other fairly fixed form of income, as they do not have the economic privilege of depending on an inheritance or a trust fund. They might also not have formal social protection at their disposal. Their ability to afford their immediate consumption needs and to save and invest in education and health care, in housing, and in financial risk management is vital. OECD (2019) also highlights that, as living costs rise faster than households can afford to meet them, middle-income households can become more financially constrained.

But the idea of the middle class is not just one about income. Education, occupational position, housing, lifestyle, social networks, cultural practices and expectations of upward mobility are also used to sustain the middle-class status. Bourdieu (1986) says that social position is perpetuated by means of different types of capital, economic, cultural and social. In this view, spending on children's school, health and family, their training for their future careers, and their relationships and friendships is not just consumption, it is an investment in the social standing of a family from one generation to the next.

This social reproduction is at risk of being undermined by persistent inflation. As families' budgets shrink, they may cut back on spending on mobility-enabling activities to maintain their basic consumption needs.As the budget gets tighter and tighter, families may choose to cut back on expenditures on mobility-enabling activities in order to meet their basic consumption needs. Funds for education may be deferred, plans for health care may be set aside, savings might decrease and planned purchases or home improvements may be deferred. Such changes can result in greater protection of household resources in the short run, but also limit household capacity to sustain the economic and social resources more commonly associated with middle-class life. Inflation can thus impact current and future prospects.

Being under financial strain also has impacts on psychological and family well-being. Economic stress studies have found that economic stress can exacerbate emotional stress levels and can lead to conflict in family relationships, due to uncertainty and lack of perceived control within the household (Conger & Elder, 1994; Conger et al., 2010; Abebaw, S. E., 2025). Households that have ongoing problems in paying bills can then face anxiety, frustration, insecurity and conflict, as well as material deprivation. Sen (1999) also argued that well-being ought to be measured as people's capacity to live in meaningful ways rather than just income.

The pressures can be particularly strong where the essential expenditure of the household grows quickly, compared to a slowdown in income growth. Most middle-class families have responsibilities which are difficult to remove, such as being connected to school or university, paying rent or housing, paying your utilities, paying for transport, paying for medical needs, paying for dependent family members, etc. As these costs increase, households might have to cut back on discretionary spending and begin to make a distinction between their need in the here and now and their future goals.

Families can learn to cope in various ways. They might choose cheaper alternatives, cut back on leisure and social activities, buy less than they need, delay non-essential items, save money or go into informal debt with friends and relatives or find another job. Households' ability to adapt is illustrated by these strategies, but reliance on coping mechanisms over time can reduce economic resilience. These factors can make families more susceptible to financial shocks in the future, such as a drop in savings and an increase in debt.

Inflation can also impact the symbolic aspects of middle-class life. The need to conform to expectations in terms of children's education, respectable housing, suitable consumption, involvement in family and community events and the provision of financial security to family members can be seen as ways of maintaining social

status. These practices become a burden on the household when they are no longer possible to keep, and when this occurs, financial pressure can be felt not only as a lack of purchasing power, but also as a loss of social identity, dignity and expectations of social mobility. Bourdieu's (1986) approach is of particular relevance here as he relates economic resources to the larger social position reproduction process.

The knowledge of these experiences is crucial in Pakistan, as economic measures are not the only influencing factors of the household experience of inflation. While statistical indicators can highlight price and purchasing power changes, they can be less revealing of the ways households reimagine their daily lives, reconcile their conflicting demands and desires, feel financial pressure, and re-evaluate their expectations for the future. A qualitative study can therefore find new aspects of inflation which are not so apparent in economic analysis.

This would give a closer look at these processes in the middle-class household in Dhok Syedan, Rawalpindi. It delves into the impact of high and prolonged inflation on household financial strain, consumption choices, the mental health and family health of households, and their capacity to sustain a middle-class standard of living and dream. The changes in spending on essential commodities, housing, education, healthcare and utilities, reduction in savings, alternative ways of borrowing and earning extra money, and attitudes towards future economic security are given special focus. The study looks at inflation from the perspective of the everyday life of households, as both an economic constraint and a social process, which can reconfigure the reproduction of middle-class life in Pakistan.

1.1 PROBLEM STATEMENT

Household income lost due to rising food, housing, healthcare, education, transportation and utility costs is a primary source of concern in the problem of persistent inflation for middle-class households. Families may find themselves facing challenges in keeping up with past levels of standard of living, saving and long-term financial planning when they aren't earning at the same rate as prices. Pressures are particularly significant for middle-class households, which often rely on more stable incomes, investment in education, stable housing and future mobility planning (Bourdieu, 1986; OECD, 2019).

There's more to the impact of inflation than just a drop in buying power. Financial strain can lead to higher stress, uncertainty and family problems and make households cut back on spending, postpone medical needs, cut back on education spending, take on informal loans and/or find a new source of income. Economic stress research indicates that chronic economic stress may impact psychological health, family relations as well as one's material circumstances (Conger & Elder, 1994; Conger et al., 2010). These pressures can erode over time the assets and means by which middle-class families preserve their social status and promote the social mobility of the next generation.

While inflation is a commonly talked about macroeconomic indicator in Pakistan, little consideration is paid to how middle-class families feel, perceive and cope with inflation in their daily lives. Qualitative aspects of financial stress, household wellbeing, coping strategies, savings, educational and healthcare choices and expectations of social mobility are particularly underdeveloped at the community level, even though there is growing quantitative understanding of these relationships. The current study looks into this by studying the lived experience of the middle-class households of Dhok Syedan, Rawalpindi, with a specific focus on how the sustainability of economic security for households is being impacted by persistent inflation and the implications for the social reproduction of middle-class life.

1.3 RESEARCH OBJECTIVES

RO1: To examine how persistent inflation affects financial stress and household well-being among middle-class families in Dhok Syedan, Rawalpindi.

RO2: To explore the coping strategies adopted by middle-class households and assess how inflation influences their ability to maintain social status,

savings, educational and healthcare investments, and future mobility.

1.4 RESEARCH QUESTIONS

RQ1: How does persistent inflation affect financial stress and household well-being among middle-class families in Dhok Syedan, Rawalpindi?
RQ2: What coping strategies do middle-class households adopt in response to inflation, and how do these pressures influence their social reproduction and future mobility?

1.4 SIGNIFICANCE OF THE STUDY

The research presented is important as it also addresses inflation at the social and household level, in addition to its economic dimension. Although inflation is typically focused on prices, income and purchasing power, it is felt when there is financial strain, changes in consumption, drops in savings, and family strains and less capacity for investment in education, healthcare and future mobility.

This study focuses on the middle class, who often do not meet the criteria that define poverty but can be facing significant economic hardship when basic living expenses increase more quickly than income. In the face of growing financial pressures, middle-class families try to maintain educational quality, living conditions, social commitments and future aspirations. These pressures can erode over time the economic, cultural and social capital on which families rely to sustain their class position across generations (Bourdieu, 1986; OECD, 2019).

The study has explored the impact of inflation on the lives of households in a localized manner in Dhok Syedan, Rawalpindi, with a qualitative approach. It can therefore be used to inform sociological studies relating to social reproduction, economic pressure on the household level and vulnerability of the middle classes in Pakistan.

The insights gained could also be useful for policymakers, as they identify the importance of policy measures regarding price stability, social protection, affordable education and healthcare, household financial resilience and income security. These interventions can not only ensure the immediate welfare of the households but also contribute to the social stability and mobility of the middle class of Pakistan in the long run.

2. LITERATURE REVIEW

Households are the most affected by inflation because their income is diminished in terms of the purchasing power of their real income, and the costs of essential goods and services are raised. If wages and household earnings do not keep pace with increases in prices, families will have to change their spending habits, cut down on savings, or try to find more work. The impact of inflation is felt by all income groups but depends on the resources of the household, the degree of employment security, the type of consumption and the presence of savings or social protection schemes (Deaton, 1992; Easterly & Fischer, 2001).

An immediate impact of inflation is the reduction in the buying power of households. As prices rise, people spend more on food, housing, transportation, utilities, healthcare, education and other goods and services, and have less money to save or spend on discretionary items. Deaton (1992) and Rakesh,D., et.al. (2025) state that the reaction of the household to economic pressures is closely related to consumption choices, especially if the household is trying to ensure its essential consumption needs.

Inflation can also affect the spending priorities of households, as well as the amount they spend. Families might switch to lower-priced goods, cut back on non-essential spending, delay non-essential spending, or rethink education and healthcare decisions. The same is true of inflation, which is generally seen as a negative phenomenon since it provides economic insecurity and makes it difficult to ensure a stable living standard for households, as mentioned by Easterly and Fischer (2001).

During sustained inflation, middle-class households are in a special position. They can earn more than the typical poverty line, but are still at risk due to higher living expenses. OECD (2019) reports that in recent years, middle-income households have been feeling the squeeze as their housing, education, health care, and other living costs rise faster than their earnings.

Middle-class families tend to be more committed to a certain lifestyle need than to a certain lifestyle. This can be for private or higher education, housing, travel, healthcare, social responsibilities and saving for future children's needs. Such costs are linked to socioeconomic position and household mobility, and can carry the risk of jeopardizing future expectations of most households, as well as current consumption.

The vulnerability is particularly significant because middle-class families might not necessarily be eligible for targeted welfare programs even though they may be facing significant financial stresses. Their ability to respond to this, therefore, will rely significantly on their own reserves, extended families, borrowing, and other sources of income.

Economically, there can be an impact on psychological and family health. Financial stress is felt when the available financial resources are considered to be inadequate in order to cover existing needs and/or future expectations. Conger and Elder (1994) have shown that financial difficulties can lead to emotional problems and family stress, especially if there are ongoing monetary pressures which diminish people's sense of security and control.

The Family Stress Model also proposes that financial difficulties can impact family functioning indirectly via psychological stress, family conflict, and poor family functioning (Conger et al., 2010). With this view, inflation can have social effects even if the consumers' income is not low enough to be considered as poverty. Families can feel the need to pay their bills, meet their basic needs and have some savings, but also be worried about bills, reduced savings, kids' education, medical costs, and the family's financial future.

Income should not therefore be the sole indicator of household well-being. Sen (1999) and Tuyet, N. T. B., & Dinh, L. Q. (2025) believe that the key to well-being is people's ability to realize desired modes of life. Inflation's impacts on access to good education, healthcare, safe housing, social inclusion and future opportunities can have a negative effect even if the nominal income level stays the same.

There are a variety of coping responses to economic pressures for households. These can range from cutting back on non-essential spending to buying cheaper products and food, delaying spending, using savings, borrowing from family and friends or finding extra work. These can be used to address the current financial situation of the household, but may also leave the household vulnerable in the future.

Decisions on the spending of money on leisure/luxury items can be less catastrophic in terms of long-term impact. But cuts in health care, education, nutrition, and/or skills training could have harmful consequences for future household capacities. Likewise, relying on savings for recurrent bill payments may undermine financial security in the event of future crises, and borrowing may make people feel more insecure when it comes to their finances.

Further income-generating opportunities may also be relevant as a response. Household members can work a second job, informally or work longer hours. This may help to keep consumption going, but may also decrease the time available for family life, rest and caregiving. Adapting to inflation is thus an economic challenge and a social choice.

Social reproduction is the concept that brings a sociological perspective to the problem of inflation. Bourdieu (1986) believes that social position is transmitted via a variety of capital: economic, cultural and social. In addition to their income, families can also raise their social status by earning degrees, qualifications, having social networks, living a healthy life, and accessing opportunities.

For middle-class families, spending on children's education, health care, housing, technology, professional growth and social interactions can be considered as investments in keeping the family in the middle class. This inflation can erode these investments through a shift of resources into current needs.

An example of this is that a delay in educational investment could have a negative impact on the cultural capital that can be built, and a decrease in saving could have a negative impact on future economic capital. The same goes for a decrease in socialization, as it can have an impact on social networks and symbolic representations of class position. Households' capacity to do this,

therefore, may be reduced over time because of the pressures of inflation on their capacity to pass the middle-class status on to their children.

This is relevant because it helps to move the focus away from consumption and onto the social issues in the long run. This household may not be technically middle class but might lose some of the resources they need to sustain the standards of their middle-class lifestyle, and to offer the same or better opportunities to future generations.

Middle-classhood is sometimes linked with ambitions for progress, stability and mobility up. The family can spend their money on education, housing, professional development and savings to the expectation that their children will have the same or higher social status. If households have to spend most of their income on consumption, this undermines the expectations for future inflation. When they increase their spending on inflation, this weakens the expectations for future inflation. The decline of savings along with increased uncertainty could also have an impact on household expectations. Families may delay owning their own home, attending college, investing in their businesses, getting married, or making other important investments. This can change plans, meaning that inflation can change aspirations, as well as what people are living with at the moment.

Social effects of inflation can thus be an increasing feeling of insecurity among households who used to have a feeling of economic security. This is especially significant for comprehending the vulnerability of the middle class, as it could also affect their belief in the prospects of moving up in the future.

2.1 RESEARCH GAP

There is ample existing research literature to demonstrate that inflation has a negative impact on the purchasing power of households and that economic difficulties result in poorer household outcomes. Studies in social reproduction also show the ways in which families pass on their class position from one generation to the next through economic, cultural and social resources (Bourdieu, 1986; Conger et al., 2010; OECD, 2019).

There is, however, comparatively little qualitative research on the fact that middle-class families in Pakistan are living with constant inflation on a day-to-day basis and how financial pressure impacts their capacity to keep up their social standing, their capacity to save, their investment in education, their medical costs, and their aspirations for future mobility. Limited understanding of how coping strategies that are taken up in response to rising prices can impact psychological well-being and long-term social reproduction also exists.

This study seeks to fill this gap by studying the lived experiences of middle-class households in Dhok Syedan, Rawalpindi, with a particular focus on financial stress, adaptation, well-being and maintenance of middle-class status and aspirations.

2.2 THEORETICAL FRAMEWORK

The theory of social reproduction by Bourdieu is the key theory used in this study as it deals with how families can secure or enhance their social status by using various forms of social capital such as economic, cultural and social capital (Bourdieu, 1986). Economic capital is the money and other financial assets that a person has; cultural capital encompasses the education, qualifications, knowledge and lifestyle habits of a person. Social Capital is a network of relationships and connections that give support and opportunities.

This framework is applicable to middle-class families since a person's current income is not the only criterion for determining his or her class status. Families invest in children's education, healthcare, housing, professional development and social relationships, in addition to saving money to maintain or enhance their social status. This process can be undermined by persistent inflation, which makes it more likely that households will turn to spending on their daily needs for food, utilities, transportation and housing or short-term investments or savings.

The study also incorporates the Family Stress Model that seeks to understand the relationship between economic stress and psychological wellbeing and family relationships. When households are faced with financial hardship and

are unable to meet their daily and future needs, this can compound emotional distress, anxiety and family tension, as outlined by Conger and Elder (1994) and Conger et al. (2010). This can help shed light on the impact of inflation on the well-being of non-poor households.

These views give some idea of how inflation can be regarded as an economic and social phenomenon. Financial strain in the short run is likely to be a consequence of rising prices, but the long-run impacts on savings, investment in education, healthcare spending, and upward mobility in the economy are likely to be a consequence of financial strain. So the study analyses if the continued inflationary trend is jeopardising the current living standard and inter-generational social reproduction of middle-class households in Dhok Syedan.

3. MATERIAL AND METHODS

The research design was qualitative for exploring the impact of persistent inflation on financial stress, household well-being, coping strategies and social reproduction of middle-class families in Dhok Syedan, Rawalpindi. A qualitative research method was deemed appropriate given the focus on lived experience, perceptions, financial decisions and everyday reactions of households to an increase in living costs.

The participants were selected by a purposive sampling method. To account for different ways in which inflation was experienced and managed, members included in the study were middle-class household members with varying jobs, income, and family composition. Participants were chosen based on their active participation in household financial decision-making, and on their capacity to explain the changes in their spending, saving, and borrowing patterns, in education, in health, and in family well-being.

In-depth semi-structured interviews were used to gather data. The interviews were directed towards household spending changes, financial pressure, changes in consumption, saving, borrowing, other sources of income, education and healthcare spending, family relations, mental health and social mobility. Participants were given open-ended questions to enable them to speak for themselves and give detailed accounts of the impact of inflation on everyday household life.

Thematic analysis was used for analyzing the interview data. The transcripts were repeatedly read, coded and grouped into similar meaning patterns. Codes that were related to one another were then combined into larger themes to reflect some of the themes that emerged, such as rising household costs, financial stress, coping strategies, reduced saving and investment, household wellbeing, and threats to middle-class stability and potential mobility.

The ethical principles were adhered to during the study. All participation was based on consent, and informed consent was obtained, and participants were anonymized using codes or pseudonyms. It was explained to participants that they could refuse to answer any question or withdraw from the study at any time.

4. RESULTS

The thematic analysis resulted in six correlated themes: increase in essential household costs, financial stress and economic insecurity, changes in consumption patterns, decrease in saving and borrowing, pressure on education and healthcare spending, compromised household well-being and future social mobility. Combined these themes depict the impact of inflation on the immediate financial situation of middle-class families and their future potential to sustain social stability and aspirations.

4.1 Rising Cost of Essential Household Needs

Increased costs of food, electricity, gas, transportation, housing, health care and education were the most visible impacts of inflation that participants reported. More and more household income was allocated to consuming necessities and less to saving or spending on non-essential items. P1stated that:

“Earlier, the monthly grocery budget was manageable, but now the same amount of money hardly covers basic food items for the whole month.”

Similarly, P4 describe:

"Electricity, gas, school fees, and transport costs have all increased together. After paying these bills, very little money is left for anything else."
& P8 narrated:
"Our income has not increased according to the prices. Every month we have to decide which expense can be delayed."
These accounts suggest that the inflation experienced by these participants was most often due to the perception of a greater gap between a fairly stable household income and constantly rising living costs. It's not that one type of spending was rising; several crucial types of spending were rising at the same time. This meant that families had less opportunity to make changes without impacting another key aspect of family life. Inflation thus decreased the purchasing power of middle-class families, which in turn affected their financial flexibility.

4.2 Financial Stress and Economic Insecurity

Financial stress was a significant emotional impact of inflation. Persistent issues reported by participants included a lack of confidence in budgeting monthly, unexpected expenses, and a lack of financial security in the future. P3 described it as:
"Even before the month ends, I start worrying about how we will manage the remaining expenses."
P6 stated that:
"The biggest stress is that any unexpected medical or household expense can disturb our entire monthly budget."
& P11 stated that:
"We are earning, but still we do not feel financially secure because prices keep increasing and savings are disappearing."
These narratives illustrate that financial strain occurred even among those households that had regular incomes. But employment was no guarantee of security either, as the real value of income was being eroded as prices rose. In particular, the participants were worried about unplanned costs due to reduced saving capacity. Financial insecurity was thus both immediate and was also a worry about future uncertainty.

4.3 Changing Consumption and Household Priorities

There was a perception by participants that they had to change their normal consumption to fit ever tighter household budgets. Some of the changes they made were to buy cheaper goods, diminish leisure activities, eat less out of the home, and focus on essential spending. P2defined that:
"We now compare prices before buying almost everything and often choose cheaper brands, even if the quality is lower."
& P7:
"Eating outside and family outings have become very rare because these are the first things we cut when the budget becomes tight."
Similarly, P13 describe:
"Previously we could spend something on personal needs, but now almost all income goes toward necessities."
The experiences indicate that families were not simply passive victims of inflation, but active participants in a process of reorganisation of their consumption. But it was not only about adjusting to the economy. Practices like going out with the kids, favorite foods, buying personal items, and engaging in leisure activities can be part of the lifestyle that comes with middle-class identity. These sorts of activities are thus repeated sacrifices, which can change material living standards and families' social position.

4.4 Declining Savings, Borrowing, and Additional Income Strategies

In addition, participants reported lower savings ability. Some of the savings for emergencies or future plans were being allocated to regular day-to-day needs. Alternative coping strategies were informal borrowing and other types of jobs. P5 stated that:
"We used to save something every month, but now most of that money is spent on groceries, bills, and children's expenses."
Similarly P9 narrated:
"Sometimes we have to borrow from relatives near the end of the month and return the money when the salary comes."
& P14 defined:

"One income is no longer enough, so we are trying to find extra work just to maintain the same standard of living."

It appears from these accounts that a shift is taking place from long-term financial planning to short-term financial survival. Saving is generally intended to cushion households when they are hit by shocks or face spending needs in the future. Household resilience can be eroded over time as savings are continuously used for day-to-day needs. Likewise, members of family networks may be able to act as a source of short-term support but can also lead to further commitments. Households' efforts to make ends meet by seeking additional sources of income further indicate that they were trying to cushion the impact of the reduction in real purchasing power, but not necessarily to enhance their economic well-being.

4.5 Pressure on Education and Healthcare Expenditure

The most sensitive areas of household decision-making were education and healthcare. It was felt that they were both essential and that whilst costs were rising, their sustainability was becoming increasingly difficult. P4 narrated:

"We try not to compromise on our children's education, but school fees and other educational expenses are becoming increasingly difficult to manage."

& P10:

"If the illness is not serious, we sometimes delay visiting the doctor because consultation, tests, and medicines are all expensive."

Similarly, P15 stated that:

"We have reduced many household expenses so that we can continue paying the children's education costs."

In general, the importance of education was described as an investment in children's mobility, and the household accounts reflected this, with attempts by households to protect investment in education. This sometimes required reductions in other areas of consumption. There seemed to be more short-term compromises in healthcare, especially if treatment was non-urgent. This has far-reaching consequences for social reproduction, as both education and health are important determinants of the ability of families to sustain and enhance their socioeconomic status. Inflation can thus impact present welfare as well as future generations' resources.

4.6 Household Well-Being and Future Social Mobility

The last theme was about the overall impact of inflation on mental health, family life and prospects for social mobility. Increased tension and uncertainty around their family's ability to reach long-term family goals were reported. P1 described that:

"Financial problems create tension at home because everyone has needs, but we cannot meet all of them at the same time."

P8 narrated that:

"Our main concern is the future of our children. We want to give them better opportunities, but everything is becoming more expensive."

& P12:

"Buying a house, building savings, or improving our lifestyle now feels much more difficult than it did a few years ago."

The following accounts suggest that inflation has psychological and social impacts on the households. Money issues can result in conflict as families have to negotiate competing needs and priorities on an ongoing basis. Most significantly, participants reflected on their aspirations for the future, including their desire for home ownership, saving, education for their children and mobility. This is an indicator of a decline in the middle class's ability to reproduce themselves, because families are beginning to become more concerned with staying in their current social situation, than with improving it.

The results overall indicate that inflation has a system of linked impacts. Increasing costs of life necessitate financial strain, which in turn prompts households to cut their spending, to fork out from savings, or to borrow or to earn more; all these responses can eventually limit resources available for investment in education, health care, and possible mobility. Along with the price problem, the social problem of inflation can thus be described as a social process that has the potential

to transform the economic security, well-being, and long-term reproduction of the middle class.

5. DISCUSSION

The results revealed that chronic inflation has an impact on middle-class families in three ways: financial, psychological and social. As prices increased, households' incomes declined and led households to re-prioritise their spending. This result agrees with past studies which have found that inflation affects the economic security and the consumption of the household because it has a negative impact on household income's real value (Deaton, 1992; Easterly & Fischer, 2001).

One of the most significant consequences of financial stress was. The participants talked of worries regarding unexpected costs, monthly costs, and decreasing savings. The results are consistent with the Family Stress Model (Conger & Elder, 1994; Conger et al., 2010), stating that a family's economic stress can contribute to psychological distress and tension in family relationships.

Also, participants mentioned changing their consumption patterns, taking loans of all kinds, saving and finding other income sources. These coping strategies had a negative impact on households' financial resiliency, but they also aided in short-term coping. For middle-class families, this is especially important because savings, education, housing, and health and medical care are all related to social status.

The results concerning education and health care are significant, in particular from the point of view of Bourdieu's theory of social reproduction. Education is a significant source of cultural capital, and savings and assets of a household are a source of economic capital (Bourdieu, 1986). Families may lose the ability to enhance or maintain their social position when faced with a choice between cutting back on their education, postponing health care or using their savings for routine expenditures because of inflation.

Other issues raised by the participants were their concern for the mobility they might have in the future, such as children's education, home ownership, savings and financial security. The concerns are consistent with Sen's (1999) perspective on well-being, which is related not only to the level of income, but also to a person's capacity to pursue the desired objectives.

In general, the study indicates that inflation has more impact than raising the costs of households. Over time, it can wear down the resources available to middle-class families to sustain their current way of living and pass on their social status from one generation to the next.

LIMITATIONS AND FUTURE RESEARCH

There are some limitations to this study. First, it is the middle class that was targeted in the studied community of Dhok Syedan in Rawalpindi, and hence the results cannot be extrapolated to all the middle-class households in Pakistan. Second, the sampling of participants was done purposively, and although this was suitable for the qualitative research, it might not have included the experiences of the middle class as a whole. Thirdly, the results reflect the self-reported experience and perception of inflation, financial stress and well-being among participants.

The study is also a snapshot of the experiences of households during a specific phase of economic strain. The experiences that participants report may also change over time, as can inflation, income, and household expenditure patterns.

There is a need for further studies to be conducted on different cities and socio-economic groups of households to understand the difference in the impact of inflation on different segments of the middle class in Pakistan. Longitudinal studies would explore the impact of high inflation over time on savings, education, health care, debt and social mobility. Qualitative interviewing and household income and expenditure data would also give a better picture of inflation and middle-class vulnerability if they were considered alongside.

CONCLUSION

This study focused on the financial stress, social reproduction of middle-class families and their financial well-being in the context of persistent inflation in Dhok Syedan, Rawalpindi. The results indicate that inflation has placed a considerable burden on the essential expenses of the household, such as food, utilities, housing,

education, health care, and transportation. In turn, families have adapted their consumption behaviour, cut down on spending in other areas, tapped into savings, borrowed from informal sources, and looked for extra cash.

Another finding of the study is that inflation can have impacts beyond household budgets. Financial pressure was linked to anxiety, family tension, decreasing economic security, and increasing economic uncertainty. Transitions to education, healthcare, savings, and long-term planning were especially significant since these resources are at the core of middle-class status and future mobility.

Socially, the continued inflation process can erode the economic and cultural assets which work to ensure the continuity of the middle class from one generation to the next. Families are able to meet basic needs, but their ability to save, invest in their children's education, and move up in housing and in social and economic mobility is restricted.

In general, it can be concluded that the study was based on the results of the study on inflation, which is considered an economic and social problem. Policies to protect the middle class should take into account not just price stability but household resilience, access to affordable education and healthcare, income security and opportunities for long-term social mobility.

POLICY RECOMMENDATIONS

The results indicate that there are several policy options that could mitigate the impact of continuing high inflation on middle-class households.

Policies should make price stability and price control of essentials of life, especially food, transport, energy, health, and education, primary concerns for the government. These costs are a significant share of middle-class household income and have a significant impact on financial stress.

Secondly, social protection programmes should be progressively expanded from the poor to the non-poor. In times of extreme inflation, financially challenged middle-income families may also need temporary help, specific subsidies or relief.

Third, the availability of low-cost education and health care needs to be reinforced. Households can benefit from cost-saving opportunities, such as educational scholarships, discounted medical services, reduced fees and health insurance to encourage long-term investments in children's education and family health, without having to give up on it due to short-term financial pressures.

Fourth, policy measures which enhance income security and employment opportunities are critical. Households can cope with the drop in their purchasing power due to periodic wage increases, decent working conditions, skill development initiatives and additional income opportunities.

Fifth, financial literacy and household budgeting programs could be used to enhance a family's ability to manage their savings, make debt choices, and plan for emergencies. But without structural decreases in living expenses, household budgeting can only be used to balance off the ongoing rise in living expenses.

Last, but not least, there is a need for recognizing the middle class as one of the crucial components of social and economic stability. Strategies to safeguard savings, education, health and opportunities for upward mobility can prevent long-term deceleration of middle-class economic security and social reproduction.

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