# Price Stability and Inflation Inequality in Albania: Evidence Across Income Groups, Age, and Household Types (2000-2025)

Ilir Brasha
University of Tirana, Faculty of Economy, Tirana, Albania

**Abstract:**

The Consumer Price Index (CPI) measures price changes for the economy as a whole, reflecting variations in the cost of a representative consumption basket for the overall population. This study focuses on inflation differentials across economic classes, the age of the household head, and household typology. It is well established by Engel's Law that lower-income groups allocate a larger share of their income to food compared to higher-income groups. This pattern also holds in Albania. Using data from the 12 main consumption categories over the period 2000-2025, the study estimates inflation rates across different socioeconomic groups. The findings indicate that the lowest income quantile, elderly individuals aged 65 and above, and single-person households experience higher effective inflation due to their specific consumption structures. These results suggest that aggregate measures of inflation may mask significant distributional differences. Therefore, when pursuing price stability, Bank of Albania should consider the heterogeneous impact of inflation across population groups, particularly those most vulnerable to rising prices.

**Keywords:**

Future of Work, Human/AI Collaboration, Job Redesign, Generative AI, Human Resource Innovation.