BOFIT blog

Russian households in 2025: Better off, but not happier

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The latest wave of the Russian Longitudinal Monitoring Survey reveals that Russian households in 2025 enjoyed their best material circumstances in a decade. A record share of households reported they had accumulated sufficient savings to live several months. Even so, the rise in life satisfaction following the 2022 full-on invasion of Ukraine ended last year. The share of respondents reporting serious depression increasing also rose for the first time in eight years. Households said they acquired fewer new durable goods than at any point since 2013. This apparent discrepancy is the division of households into winners and losers arising from Russia's wartime economy. Material gains and improvements in well-being have gone to the university-educated and those working within the military-industrial complex, while pensioners and other groups have been left behind.

Bullet point summary produced with the assistance of AI

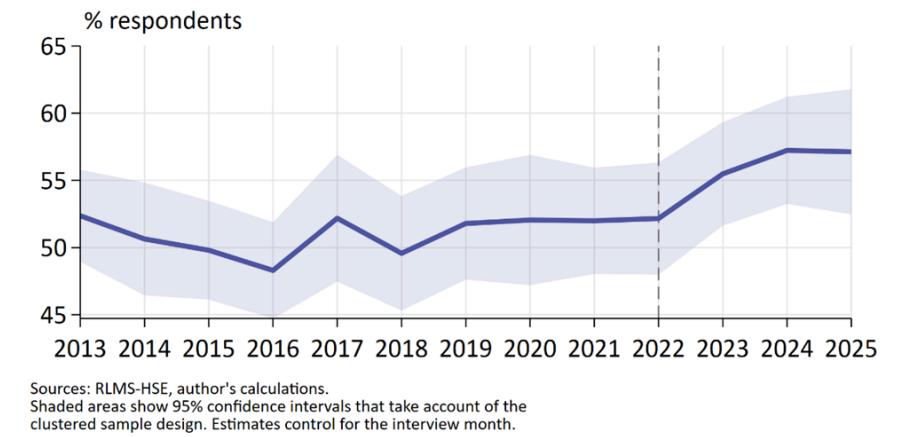
- A recent nationally representative survey from Russia shows that Russian households' material position improved in 2025, but overall well-being stopped rising. Satisfaction with economic situation reached decade highs, while life satisfaction stagnated and reported serious depression increased.
- The gains from Russia's wartime economy have been uneven. Defence-linked workers and university-educated people recorded particularly strong improvements, whereas pensioners and other non-working groups saw little or no material progress.
- Households prefer to save rather than make large purchases. Despite larger financial buffers, purchases of durable goods fell sharply as high interest rates, sanctions and uncertainty encouraged saving; slowing growth and strained public finances suggest the wartime boost may have peaked.

Russia's economy grew by roughly 4 % a year in 2023 and 2024, mirroring an exceptional fiscal impulse. The finance ministry injected a cumulative stimulus during 2022–2024 of 10 % of Russia's annual GDP. Despite continued high public spending in 2025, GDP growth decelerated to around 1 %. While household consumption was still supported by the tight labour market and ongoing real wage growth, fiscal stimulus had reached a point of diminishing returns. The labour force was almost fully utilised, options for deficit financing had narrowed and high interest rates and the increased tax burden weighed on everything outside the military supply chain.

The 34th round of the Russian Longitudinal Monitoring Survey (RLMS-HSE), fielded in 2025, shows how households experienced the fourth year of war under these conditions. The RLMS-HSE, conducted since 1994, is a nationally representative panel survey of households and individuals. Its findings are based on interviews of roughly 4,800 households and some 12,000 adults in each round. Responses are drawn from 38 survey sites in 32 Russian regions.

Chart 1.

Positive responses to survey question: "Are you satisfied with your life in general right now?"



Sources: RLMS-HSE, author's calculations.
Shaded areas show 95% confidence intervals that take account of the clustered sample design. Estimates control for the interview month.

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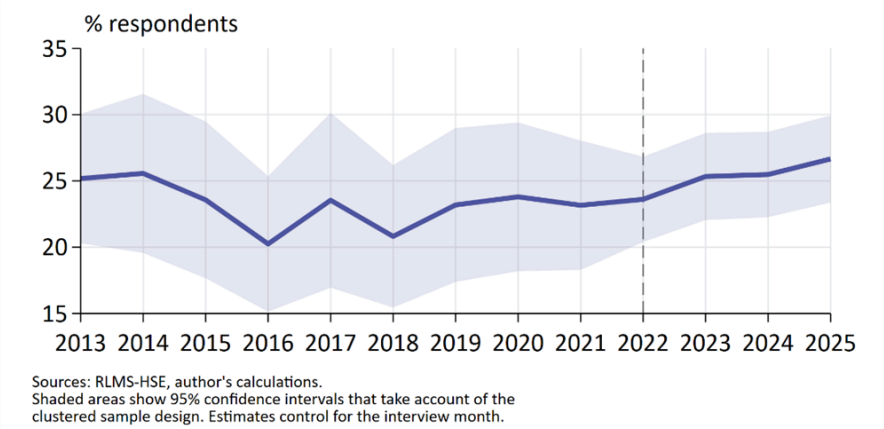
The share of respondents “rather satisfied” or “fully satisfied” with their lives rose from 52 % in 2021 to 57 % in 2024 (Chart 1). While there was no further improvement in life satisfaction last year, the share of those reporting serious depression over the previous 12 months increased from 4.2 % in 2024 to 5.1 % – the first statistically significant on-year change since 2013.[1]

Assessments of material circumstances, in contrast, continued to report gains. The share of respondents satisfied with their own material situation reached 27 % in 2025, its highest level since at least 2013 (Chart 2). In addition, fewer people worried about their ability to afford basic necessities over the coming year than at any point in the past decade: 58 %, down from 62 % in 2021 and 65 % in 2013. Expectations, like life satisfaction, stalled, with the share of respondents expecting to live better over the next 12 months no higher than a year earlier (24 %) and well below the 31 % reading of 2013.

Chart 2.

Positive responses to survey question: "Are you satisfied with your material situation?"



Sources: RLMS-HSE, author's calculations.
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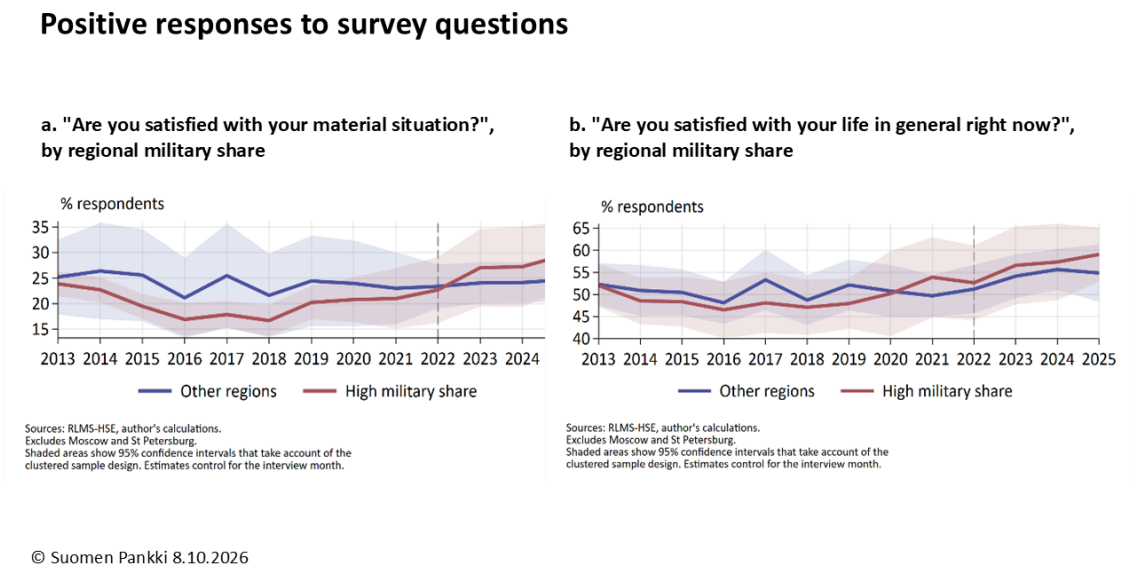
In our recent working paper, William Pyle and I follow the same individuals through 2013–2024 with the HSE-RLMS survey data. We found that the post-invasion rise in life satisfaction was not explained solely by higher incomes. Instead, it was systematically larger in military-industrial regions and sharply lower among persons living closest to the front.[2] Such differentiated patterns are hard to reconcile with respondents simply giving the answers they think are expected of them, although we must grant that the prevailing political environment inevitably colours the RLMS-HSE. For example, the survey asks about participation in the "special military operation" and payments to soldiers and their families. However, these items only appear in the Russian-language version of the survey, even though an English-language version of the survey is still published. While a clumsy effort to conceal information, it does reflect caution on the part of the survey producers.

Gains for workers in military-industrial hubs and the highly educated

Where the military industry is concentrated, people have grown more satisfied with their lives and exceptionally so with their finances. In regions where the military accounted for the largest share of value added before the war (roughly a third of surveyed regions), life satisfaction had risen by about five percentage points since 2021 — the same as in the rest of the country (Chart 3a). The difference appears only in how people assess their own material circumstances, which improved by 8.6 percentage points in the military-industrial regions against 1.7 points elsewhere (Chart 3b).

Both charts exclude Moscow and St. Petersburg.

Chart 3.



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The pattern is sharper for people, who report being employed in military-linked industries. Their life satisfaction rose from 57 % in 2021 to 70 % in 2025, against a rise from 58 % to 63 % among employees in other industries. Respondent satisfaction with their material situation climbed by 16 percentage points, more than twice the gain elsewhere.

A similar gap runs along educational lines. Life satisfaction among the university-educated rose by 6.6 percentage points between 2021 and 2025, against 4.6 points for everyone else, and only the first of these is clearly distinguishable from zero. The same holds for satisfaction with material circumstances, up 4.9 points among degree holders. This reverses a pattern we reported on last year that showed university-educated respondents lost ground in the first year of the war. Four years in, it appears that the better-educated caught up and moved ahead.[3] Russia's labour shortage has become especially dire in the highly educated category, giving educated workers increased negotiating leverage in labour markets.

Life satisfaction among persons retired or not working increased by 3.4 percentage points since 2021, against 5.3 points for everyone else. The pensioner gain was not statistically significant. Their assessment of their own material situation is unchanged since 2021, while it improved by 5.0 points for the rest of the population. Their expectations for the coming year were also flat. While pensions are indexed, they have not kept pace with the wage growth that has lifted working households. Pensioners are not a marginal group in Russia, comprising roughly 28 % of survey

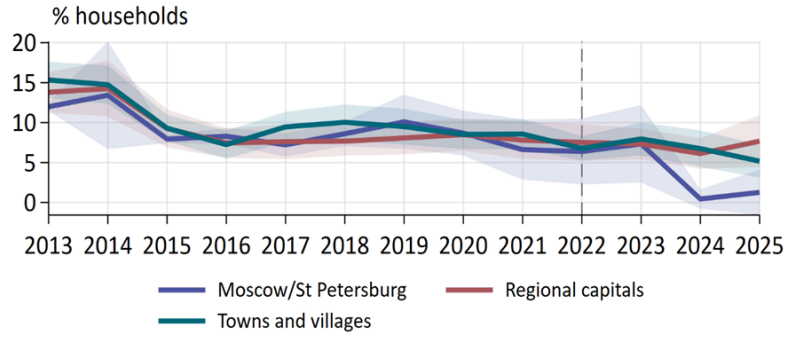
respondents in 2025. According to the Social Fund of Russia, there were 40.7 million pensioners as of autumn 2025, over a quarter of the population. Roughly 33 million persons were full-time retirees.

Households save rather than buy durables

Better finances have not translated into purchases of durable goods, particularly big-ticket items. The share of households owning a car, washing machine, refrigerator or television less than a year old fell to 5.4 % in 2025, down from 8.1 % in 2021 and 14.5 % in 2013. Not only have high interest rates, which reached record levels in 2024, made saving more attractive than borrowing, sanctions and import costs have increased prices of cars and household appliances. The survey results show that owning new durables plummeted for residents of Moscow and St. Petersburg (Chart 4), where consumption of Western durables has traditionally been quite robust.

Chart 4.

Households owning a car, washing machine, refrigerator or TV that is less than one year old



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Most of the monetary gains of households have gone to building financial buffers. A record 34 % of households say they could maintain their current standard of living on savings for more than a few months without any additional income, up from 27 % in 2021 and 22 % in 2019. Spending on everyday services also did better than spending on goods. The share of households reporting that they have both eaten out at least once in the past week and bought tickets to at least one event in the past month reached 14 % in 2025, the highest in the series and above the pre-pandemic level.

Another motive for increased buffers is precaution. Households facing a war of unknown length,

and an economy whose direction depends increasingly on political decisions, have reason to hold a larger cushion than before.

Has the wartime boost peaked?

Four years into the war, Russians assessed their material circumstances more favourably than at any time in the past decade. Their financial buffers were the largest ever recorded by the survey. Yet the improvement in overall well-being had come to a halt and depression was rising. Households are behaving as though they anticipate harder times ahead, saving rather than buying and delaying major purchases. The wartime gains have also been unevenly shared. Defence-sector employees and the highly educated have done well, while pensioners have seen no improvement.

As a notable caveat, we should mention the increase in non-responses to the life satisfaction question. Non-responses averaged 0.8 % over the previous decade, but rose to 2.2 % in 2024 and 1.7 % in 2025. The sister question on changes in material circumstances shows no such jump. Counting every non-answer as dissatisfied leaves the 2025 reading unchanged, so this is likely not the factor holding life satisfaction flat. Instead, more people than previously declined to place themselves on the scale at all, perhaps due to increased political repression or concerns about retribution. In any case, the stagnating of life satisfaction responses suggests that the limits of wartime Keynesianism have been reached.

With economic growth slowing, interest rates remaining at a high level and government budgets under increasing strain, the economic conditions that lifted material well-being after 2022 are unlikely to last much longer. Since 2025, consumer confidence has fallen on both independent and official surveys, returning to levels last seen before the full-scale invasion. If that trend holds, the next round is more likely to show satisfaction with material circumstances slipping than climbing further.

Keywords

households, Russia, war