

BOFIT Policy Brief  
2025 No. 8

Sinikka Parviainen and William Pyle

Household well-being under  
sanctions: Insights from the Russian  
longitudinal monitoring survey



Bank of Finland, BOFIT  
Bank of Finland Institute for Emerging  
Economies

BOFIT Policy Brief  
Editor-in-Chief Sanna Kurronen

BOFIT Policy Brief 8/2025  
21 March 2025

Sinikka Parviainen and William Pyle:  
Household well-being under sanctions: Insights from the Russian longitudinal monitoring survey

ISSN 2342-205X (online)

Bank of Finland  
BOFIT – Institute for Emerging Economies

PO Box 160  
FIN-00101 Helsinki

Phone: +358 9 1831

Email: [bofit@bof.fi](mailto:bofit@bof.fi)  
Website: [www.bofit.fi/en](http://www.bofit.fi/en)

The opinions expressed in this paper are those of the authors and do not necessarily reflect the views of the Bank of Finland.

Sinikka Parviainen<sup>1</sup> and William Pyle<sup>2</sup>

## Household well-being under sanctions: Insights from the Russian longitudinal monitoring survey

### Abstract

This Policy Brief examines the economic well-being of Russian households in the wake of war-related sanctions, leveraging ten years of data from the Russian Longitudinal Monitoring Survey (RLMS). Building on macroeconomic indicators suggesting resilience, we analyze subjective well-being, consumption patterns, and financial security across demographic and geographic groups. Our general findings point to increased satisfaction and savings, although we also find disparities. Ethnic Russians, for one, appear to be doing relatively well, whereas the opposite holds for retirement age citizens. The results offer insight into Russia's adaptability to sanctions and carry implications for political stability.

Keywords: Russia, households, economy, sanctions, war

---

<sup>1</sup> Senior Economist, Bank of Finland Institute for Emerging Economies (BOFIT)

<sup>2</sup> Frederick C. Dirks Professor of International Economics, Middlebury College, Vermont U.S.

# 1 Introduction

In the wake of Russia’s invasion of Ukraine in February 2022, a broad multinational coalition imposed sanctions of unprecedented scope and severity. Analysts struggled to find historical parallels. One wrote that “[n]ever before had such a large economy been subjected to such severe restrictions in such a short period of time [Kluge, 2024],” while another likened the economic decoupling to “the blockades of Germany and Japan during World War II [Zubok, 2022].” Given Russia’s already sluggish economic growth, many expected a sharp, sanctions-induced contraction. Some commentators speculated that mounting social pressure would eventually force the Putin regime to change course [Snegovaya et al., 2023].

Neither a deep contraction nor sustained anti-regime social pressure has materialized. Instead, boosted by increased military spending and reoriented trade flows, the Russian economy has proven unexpectedly resilient. If anything, it has grown faster since February 2022. Between 2013 and 2021, real GDP increased at an annual average of 1.09 percent; in the following two years, it increased to 1.17 percent.<sup>1</sup> Headline GDP figures can, however, obscure deeper shifts in economic well-being. Growth propelled by military spending may not translate into improved living standards for ordinary Russians.<sup>2</sup> Aggregate figures do not reveal trends in material and subjective well-being or how different social groups have fared.

This policy brief assesses how Russian citizens have experienced wartime economic conditions under sanctions. Drawing on ten years of data from the Russian Longitudinal Monitoring Survey (RLMS), including the latest wave collected through December 2023, we compare Russians’ fortunes in the first two years of the war to those of the preceding decade. We examine whether more Russians report being satisfied with their economic situation, how their consumption and savings patterns have changed, and how they view the future. Using demographic and geographic data from RLMS, we identify which groups - defined by age, gender, marital and educational status, and ethnicity - have seen notable changes, for better or worse. We also explore regional variation, highlighting differences between urban centers, regions near and far from the war zone, and areas specializing in military-related production.

Several findings stand out. In terms of subjective well-being, recent trends have been positive. By several measures, 2023 was the best year for Russians in the past decade. Ethnic Russians, in particular, report doing better since the war began than in the years leading up to it. More Russians are dining out and attending cultural events, and while durable goods consumption remains depressed, a greater share of households now have enough savings to withstand a multi-month income disruption.

The gains have not been evenly distributed. Elderly Russians have fared less well since the invasion, and subjective well-being has declined sharply in Rostov Oblast—the only RLMS-sampled region bordering Ukraine. In contrast, people in regions specializing in military-related production and residents of regional capitals report notable improvements in quality of life.

---

<sup>1</sup>This calculation is based on annual GDP at 2021 prices: <https://rosstat.gov.ru/statistics/accounts#> .

<sup>2</sup>A report from Stockholm Institute of Transition Economics [2024] suggests that the Russian government may be understating inflation, thus overstating real GDP growth. In addition, Russia has restricted the publication of key economic data - including foreign trade, oil production, and budget spending - complicating efforts to assess both economic conditions and the potential for sanctions-related discontent [Anisimova and Meyer, 2023, Prokopenko, 2023]. Using statistical methods to detect irregularities in available data, Simola [2024] finds “no compelling evidence of systematic, large-scale manipulation of statistics since the invasion of Ukraine.”

The stability of Putin’s regime and the trajectory of the war depend in part on whether economic hardship generates public discontent. As of late 2023, our analysis finds little evidence of rising dissatisfaction that could translate into political unrest, either among the broader population or within groups historically more inclined to protest, such as young adults and urban residents.

The remainder of this policy brief is structured as follows. Section 2 reviews recent macroeconomic trends in wages, household income, and subjective well-being from 2013 to 2023, drawing on prior economic and polling data. Section 3 introduces the well-being and behavioral indicators that we draw from the RLMS, presents the change in their averages over time, and explains the demographic and geographic variables we use to track disparities. Section 4 presents findings from a series of regression models. Section 5 concludes.

## 2 Aggregate Trends in Household Well-Being

Regarding material well-being, the period from 2013 to 2023 has often been described as a “lost decade” for Russians<sup>3</sup>. As shown in Figure 1, real disposable income in 2020 was nearly 10% lower than in 2013, and despite recent robust growth in real wages, it had only increased 5% above its 2013 level by 2023. Recent improvements in official economic indicators have been accompanied by gains in subjective well-being measures. As seen in Figure 2, the largest recorded increases in the Levada Centre’s Social Sentiment Index (SSI) and Consumer Sentiment Index (CSI) occurred in 2022 and 2023.<sup>4</sup> According to Goncharov [2024], the CSI in December 2023 reached its highest level since its inception in 2009.

Recent gains in material and subjective well-being can be attributed, at least in part, to the real-wage effects of military spending and demographic pressures. Russia’s natural population growth has stagnated since 2000 [BOFIT Weekly, 09/2024]. With a short-lived break in 2021 due to the pension reform, Russia’s labour force has been shrinking since 2016 [Kapeliushnikov, 2023]. Wartime mobilization and emigration have accelerated this trend. The Governor of the Central Bank of Russia<sup>5</sup> has identified labor shortages as the country’s biggest constraint on economic growth, with enterprise surveys showing record labor shortages every quarter since the last quarter of 2020 [Central Bank of Russia, 2024a].

---

<sup>3</sup>See for example <https://en.thebell.io/real-incomes-keep-on-falling/>

<sup>4</sup>The SSI is based on survey questions assessing respondents’ current mood, family well-being, perceptions of the country’s economic and political situation, approval of the government and key officials, and expectations for future quality of life.

<sup>5</sup><https://www.cbr.ru/press/event/?id=18869>

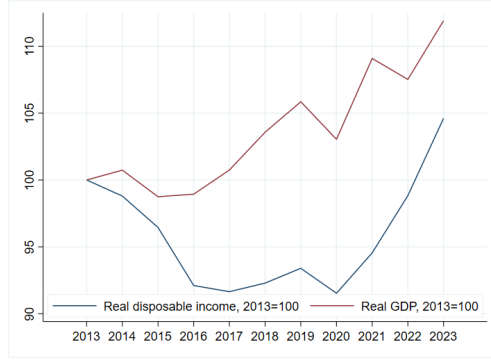


Figure 1: Official indicators of material well-being

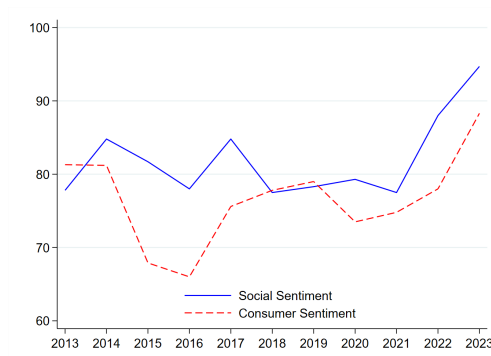


Figure 2: Levada Centre indices of subjective well-being

At the same time, government stimulus, particularly in war-related industries, has been a key driver of rising wages. With a shrinking labor pool, companies have been forced to offer higher salaries to attract new workers and retain existing staff. The largest wage increases occurred in industries directly related to the war effort. Following the classification used by Simola [2023], these industries include the manufacturing of fabricated metals (including arms and ammunition), the production of computers, electronics and optical equipment (which are essential for military applications) and the manufacture of transport equipment (including military vehicles). Wages in these sectors have outpaced the national average since 2021.<sup>6</sup> Beyond war-related industries, coal mining and machine building, both of which require skilled technical labor, have also experienced significant wage growth, driven in part by military demand.

The war has also reshaped Russia’s regional economic landscape. Some of the country’s poorest regions, which have contributed disproportionately to military recruitment, have experienced an increase in living standards. Rising incomes in these regions have fueled mortgage debt growth since 2023, aided by state-supported mortgage programs [Zvonovskiy, 2024]. Meanwhile, deposit growth has been strongest

<sup>6</sup>[https://rosstat.gov.ru/labor\\_market\\_employment\\_salaries#](https://rosstat.gov.ru/labor_market_employment_salaries#)

in regions supplying large numbers of soldiers, particularly those historically dependent on federal subsidies [Solanko, 2024]. At the same time, regions with a strong military-industrial base have experienced above-average growth in industrial production and wages, a trend that began in autumn 2022 and became even more pronounced in 2023. Zubarevich [2023] documents particularly strong wage growth in Tula, Ryazan, Yaroslavl, Tver, Udmurtia, Penza, Sverdlovsk, Chelyabinsk, and Omsk, all of which have high concentrations of defense industries.<sup>7</sup>

The war has also led to notable shifts in household consumption and savings behavior. Household consumption contracted in 2022 but recovered in 2023 to pre-invasion levels in food and services. However, due to international sanctions, access to durable goods has changed significantly, forcing Russian consumers to adjust to lower-quality imports [RE:Russia, 2023]. Despite rising incomes, uncertainty about the future, coupled with the disruption of traditional supply chains, has led to lower consumption of durable goods than income growth alone would suggest.

At the same time, Russian households have dramatically increased their savings. The total volume of household savings doubled between 2021 and 2023, and as is evident in Figure 3, most of this growth was directed toward bank deposits. The Central Bank of Russia reports that total household deposits in 2023 were 3.5 times higher than in 2021 [Central Bank of Russia, 2024b]. This surge in deposits was driven by both strong income growth and high interest rates and has continued to 2024 with rising interest rates. The role of cash in household savings also reflected shifting economic conditions. As a sign of crisis, cash holdings increased 3.7-fold in 2022 compared to 2021, reflecting heightened uncertainty. However, as economic conditions stabilized in 2023, cash holdings declined significantly, with deposits becoming the preferred form of savings.

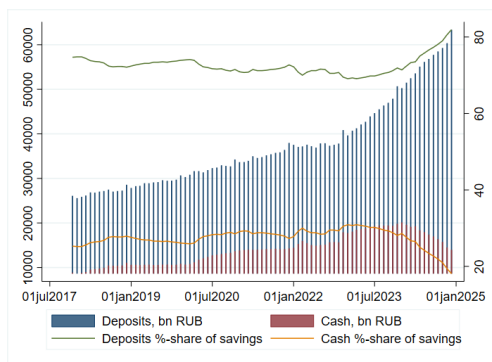


Figure 3: Household Savings and Deposits

At an aggregate level, official indicators suggest that Russian households have experienced an overall improvement in well-being since the onset of the full-scale war, driven by rising wages, increased savings, and record-low unemployment. However, these trends have been highly uneven, benefiting some regions and

<sup>7</sup>Zubarevich [2023] writes: “Above-average growth began in autumn 2022 and became even more pronounced in 2023. These include a third of central regions (Tula, Ryazan, Yaroslavl, Tver, etc. — 9-19 % growth), Udmurtia (21%), Penza (15%), Sverdlovsk and Chelyabinsk (10%), and Omsk (9%).”

industries while leaving others behind. Macroeconomic figures, while useful for identifying broad trends, fail to capture the diversity of experiences across different social and demographic groups.

To gain a more granular understanding of how these economic changes have affected individual households, we turn to the Russian Longitudinal Monitoring Survey (RLMS). By drawing on RLMS data, we can assess who has benefited from recent economic shifts and who has been left behind, offering a more nuanced picture of well-being in wartime Russia.

### 3 The Russian Longitudinal Monitoring Survey

The Russian Longitudinal Monitoring Survey (RLMS) is a nationally representative survey designed to track the health and economic well-being of individuals and households in Russia. Phase II of the survey, which began in 1994, has been conducted annually, except for 1997 and 1999. The sample sizes range from 6,000 to 8,000 in the household series and from 17,000 to 21,000 in the individual series. The survey collects extensive data on various aspects of life from which we have selected a subset of well-being and behavioral indicators measured between 2013 and 2023.

From the individual survey, we use two key questions to assess subjective well-being:

- To what extent are you satisfied with your life in general at the present time?
- How satisfied are you with your economic conditions at the present time?

Responses are scaled from 1 to 5, corresponding to “Fully satisfied,” “Rather satisfied,” “Both yes and no,” “Less than satisfied,” and “Not at all satisfied.” We generate binary variables for both questions, assigning a value of ‘1’ to individuals who report being Fully or Rather satisfied, and ‘0’ to all others.

From the household survey, we track three indicators:

- Durable Goods Acquisition: A binary variable is assigned ‘1’ if the household has acquired at least one major durable good (color TV, refrigerator, washing machine, or car) within the past 12 months.
- Discretionary Spending: A binary variable is assigned ‘1’ if, in the past month, any household member spent money on cultural or entertainment events (e.g., theater, concerts, movies) and dined out in the past week.
- Financial Resilience: A binary variable is assigned ‘1’ if the household reports being able to maintain its current lifestyle for “a few months” or longer without income, based only on savings.

In addition, we incorporate demographic and geographic characteristics. Individual-level attributes include gender, age cohort (young adult: 21-40 years; middle-aged; and retirement-aged), education level (college or university completion) and ethnicity (Russian or non-Russian). For household-level variables, we record household size.

We also track geographic factors, categorizing respondents according to their place of residence.

- Moscow or Saint Petersburg
- Regional capitals



- Other cities or towns
- Rural areas
- Specific geographic zones
  - Rostov Oblast (the only RLMS-tracked region bordering Ukraine)
  - The Far East and eastern Siberia (Primorsky Krai, Amur Oblast, and Krasnoyarsk Krai)
  - Military-industrial regions (Udmurt Republic, Perm Krai, Penza Oblast, Tula Oblast, Chelyabinsk Oblast, and Novosibirsk Oblast) [Zubarevich, 2023]

Finally, we record the year and month of each survey response. In our dataset, as reported in Table 1, approximately half of the respondents report being satisfied with life, and slightly less than a quarter express satisfaction with their economic conditions.

Table 1: Summary statistics

Satisfied with life	0.510
Satisfied with economic conditions	0.221
Male	0.414
Russian	0.861
Higher education	0.295
Young adult	0.354
Middle aged	0.302
Retirement aged	0.344
Moscow or St. Pete	0.116
Regional capital	0.310
Other city or town	0.335
Rural	0.241
Ukraine border	0.025
East	0.092
Military industrial region	0.159
War year 1	0.082
War year 2	0.084
January	0.027
February	0.001
September	0.065
October	0.441
November	0.351
December	0.114

Responses from 2022 (after February 24th) and 2023, classified as “War Year 1” and “War Year 2,” respectively, account for about 8% of the sample each. Over 90% of responses are collected in the later months of the calendar year (October, November, and December).

Figures 4 and 5 illustrate trends in these well-being indicators over time. The former suggests that Russians are feeling better, with 2022 and 2023 marking the highest levels of life satisfaction in the past decade. Figure 5 shows that by 2023, economic satisfaction had returned to 2014 levels. This pattern aligns with the U-shaped trajectory of real disposable income and consumer sentiment observed in Figures 1 and 2.

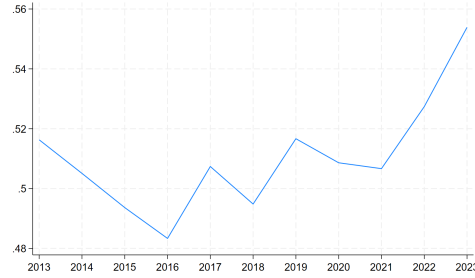


Figure 4: In general, are you satisfied with your life?

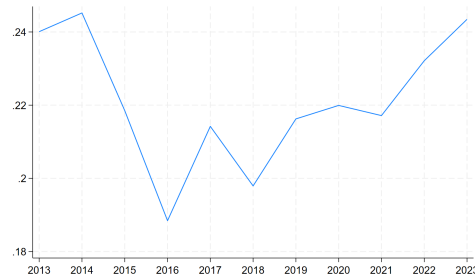


Figure 5: Are you satisfied with your economic conditions now?

The household behavior indicators provide further insight. While Figure 6 shows a steady decline in the acquisition of major durable goods since 2014, Figure 7 indicates a sharp recovery in discretionary spending on entertainment and dining out in the past two years, returning to pre-COVID levels.<sup>8</sup> Finally, Figure 8 reveals that households feel increasingly financially secure, with a growing percentage reporting the ability to withstand an income loss for several months—consistent with the rise in savings documented by the Central Bank of Russia.<sup>9</sup>

<sup>8</sup>A Central Bank of Russia survey turns up evidence that the share of consumers who believe it is a good time to make large purchases dropped to its lowest level in April 2022 [Central Bank of Russia, 2024c]. For one, many durable goods that used to be imported are now subject to stiffer sanctions; for another, the prices of Russian-made durables have increased sharply in recent years.

<sup>9</sup>The Levada Centre surveys also turn up evidence that consumers regard the circumstances that make savings attractive and possible have improved greatly since the February 2022 invasion.

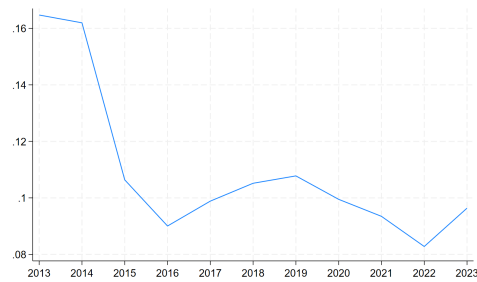


Figure 6: Family has new durable good (car, washer/dryer, refrigerator, color TV)

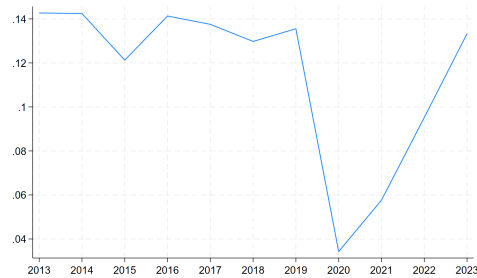


Figure 7: Family has both eaten out in past week and gone to entertainment event in past month

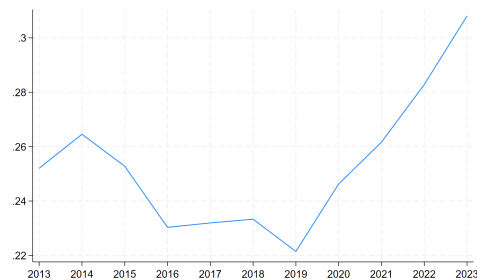


Figure 8: Family could survive on savings for more than few months

These trends underscore the complexity of economic well-being in wartime Russia. While aggregate indicators suggest resilience and improvement, the detailed RLMS data allow for a more nuanced examination of which groups have benefited most and which remain vulnerable to economic shocks.

## 4 Relative Well-Being under Wartime Conditions

To further analyze how life satisfaction, material well-being, and household behavior have evolved between 2013 and 2023, we estimate linear probability models using the five indicators described in Section 3 as outcome variables. The models take the following general form:

$$Y_{it} = \alpha + \beta_1 \text{WarYear1}_{it} + \beta_2 \text{WarYear2}_{it} + \gamma X_{it} + \delta Z_{it} + \varepsilon_{it} \quad (1)$$

where  $Y_{it}$  represents the binary responses of an individual or household  $i$  in year  $t$  (for individuals: satisfied with life in general at present, satisfied with economic conditions at present; for households: owns major durable good less than year old, ate out, bought tickets to shows, concerts etc in past week, if lost income would live without decreasing spending for at least few months),  $X_{it}$  includes their characteristics (for individuals: gender, age group, marital status, education, ethnicity; for households: number of members), and  $Z_{it}$  captures geographic location. The variables  $\text{WarYear1}_{it}$  and  $\text{WarYear2}_{it}$  are dummy variables indicating whether an observation falls in the first or second year following the Russian invasion of Ukraine. Specifically,  $\text{WarYear1}_{it} = 1$  for observations in 2022 collected after February 24, and  $\text{WarYear2}_{it} = 1$  for all observations in 2023. Observations before February 24, 2022, serve as the baseline category. In some models, we include interactions between war years and key demographic and geographic variables to assess differential effects.

The regression results indicate notable differences between the demographic groups. Table 2 shows that before the February 2022 invasion, the university educated, the young, and men all exhibited higher life satisfaction compared, respectively, to the unmarried, those who are of middle-aged or retirement age, women, and those without university education. The pattern with respect to satisfaction with one's economic conditions is similar with the noteworthy exception that retirement age adults are more satisfied than the young.

Columns (1) and (4) also confirm the patterns we observed in Figures 4 and 5, that the war years have witnessed improvements in measures of subjective well-being. In particular, the coefficient on  $\text{WarYear2}$  is positive and statistically significant at the level 1%. It suggests that the probability of reporting being satisfied with life is 5.7 percentage points higher than the average in the pre-invasion period.

Table 2: Individual subjective well-being

	Satisfied with life in general at present			Satisfied with economic conditions at present		
	(1)	(2)	(3)	(4)	(5)	(6)
War year 1	0.024 (0.022)	-0.095 (0.111)	0.041*** (0.014)	0.008 (0.021)	-0.125 (0.124)	0.028*** (0.010)
War year 2	0.057*** (0.019)	-0.024 (0.094)	0.070*** (0.013)	0.025 (0.020)	-0.079 (0.113)	0.040*** (0.010)
male	0.004 (0.005)	0.005 (0.005)	0.003 (0.006)	0.013*** (0.004)	0.014*** (0.004)	0.015*** (0.004)
male X War year 1		-0.003 (0.009)			-0.019** (0.008)	
male X War year 2		-0.009 (0.007)			0.008 (0.008)	
married	0.122*** (0.007)	0.119*** (0.007)	0.126*** (0.007)	0.006 (0.006)	0.004 (0.007)	0.010 (0.006)
married X War year 1		0.019 (0.015)			0.019* (0.010)	
married X War year 2		0.012 (0.015)			0.009 (0.009)	
Russian	-0.069 (0.043)	-0.088 (0.057)	0.000 (.)	-0.133 (0.086)	-0.155 (0.103)	0.000 (.)
Russian X War year 1		0.131 (0.105)			0.155 (0.119)	
Russian X War year 2		0.107 (0.085)			0.119 (0.107)	
university	0.085*** (0.007)	0.088*** (0.007)	0.085*** (0.008)	0.059*** (0.006)	0.057*** (0.007)	0.063*** (0.006)
university X War year 1		-0.024* (0.013)			0.009 (0.011)	
university X War year 2		-0.007 (0.012)			0.012 (0.010)	
middle-aged	-0.089*** (0.008)	-0.091*** (0.008)	-0.090*** (0.008)	-0.025*** (0.006)	-0.026*** (0.006)	-0.023*** (0.006)
middle-aged X War year 1		0.011 (0.013)			-0.006 (0.010)	
middle-aged X War year 2		0.003 (0.016)			0.006 (0.013)	
retirement aged	-0.113*** (0.008)	-0.111*** (0.008)	-0.118*** (0.008)	0.051*** (0.012)	0.054*** (0.012)	0.056*** (0.010)
retirement aged X War year 1		0.002 (0.014)			-0.011 (0.012)	
retirement aged X War year 2		-0.032* (0.016)			-0.032** (0.013)	
N	149917	149917	129196	149752	149752	129069
r2	0.043	0.044	0.046	0.023	0.025	0.016
Month controls	Yes	Yes	Yes	Yes	Yes	Yes
Settlement type controls	Yes	Yes	Yes	Yes	Yes	Yes
Just ethnic Russians	No	No	Yes	No	No	Yes

Standard errors in parentheses

\*  $p < 0.10$ , \*\*  $p < 0.05$ , \*\*\*  $p < 0.01$

In column (2), in relation to general life satisfaction, we observe that the coefficient on the interaction of university education and WarYear1 turns negative and was marginally significant at the 10% level, suggesting that the advantage of higher education diminished during the initial stages of the war. The effect of being male also diminished during the war years, although this change was not statistically significant.

With respect to satisfaction with economic conditions, columns (4) and (5) demonstrate that the pre-war positive association with being of retirement age diminished significantly in the second year of the war. A similar pattern can be observed among men in the first year of the war.

Columns (3) and (6) reproduce the models of columns (1) and (4), respectively, but only for the 86% of the sample who report being ethnically Russian. For this important subset of respondents, we observe quite strong associations between both the war years and subjective well-being. The four war-year coefficients are all positive and statistically significant at the 1% level. In the second war year, ethnic Russians are seven percentage points more likely to report being satisfied with their lives and four percentage points more likely to report being satisfied with their economic conditions than in the pre-invasion period.

Table 3 focuses on the geographic correlates of subjective well-being. Columns (2), (3), (5) and (6) demonstrate that residents of regions with a strong military-industrial base have experienced substantial improvements in their well-being, reversing the pre-war situation in which they had lagged behind other parts of the country. Residents of regional capitals, outside of Moscow and St. Petersburg, also recently experienced improvements in their reported levels of life satisfaction. However, residents of Rostov Oblast, the only RLMS-tracked region bordering Ukraine, reported sharp declines in both life satisfaction and perceived economic conditions during the war years, which is consistent with the region's proximity to an active conflict zone.

Table 3: Individual subjective well-being: geographic correlates

	Satisfied with life in general at present			Satisfied with economic conditions at present		
	(1)	(2)	(3)	(4)	(5)	(6)
War year 1	-0.011 (0.048)	0.016 (0.029)	-0.021 (0.053)	-0.032 (0.048)	-0.008 (0.028)	-0.053 (0.055)
War year 2	0.026 (0.040)	0.045* (0.024)	0.010 (0.043)	-0.009 (0.042)	0.012 (0.026)	-0.027 (0.048)
Moscow or St. Pete	0.064* (0.035)	0.059* (0.034)	0.056 (0.037)	0.016 (0.041)	0.019 (0.040)	0.012 (0.047)
Moscow or St. Pete X War year 1	-0.004 (0.049)		0.006 (0.053)	0.035 (0.046)		0.057 (0.053)
Moscow or St. Pete X War year 2	0.012 (0.039)		0.028 (0.042)	0.020 (0.040)		0.038 (0.046)
regional capital	0.001 (0.035)	0.016 (0.033)	0.001 (0.035)	-0.029 (0.043)	-0.019 (0.037)	-0.029 (0.043)
regional capital X War year 1	0.089 (0.054)		0.091* (0.053)	0.064 (0.051)		0.064 (0.050)
regional capital X War year 2	0.090* (0.046)		0.091** (0.045)	0.060 (0.045)		0.060 (0.044)
small town	0.027 (0.032)	0.043 (0.029)	0.041 (0.030)	0.011 (0.034)	0.028 (0.031)	0.020 (0.033)
small town X War year 1	0.022 (0.035)		0.025 (0.029)	0.046 (0.031)		0.054* (0.027)
small town X War year 2	0.004 (0.032)		0.008 (0.028)	0.038 (0.027)		0.046* (0.023)
Ukrainian border		-0.208*** (0.018)	-0.212*** (0.019)		-0.135*** (0.021)	-0.134*** (0.021)
Ukrainian border X War year 1		-0.079*** (0.028)	-0.067* (0.037)		-0.060** (0.027)	-0.069* (0.038)
Ukrainian border X War year 2		-0.096*** (0.026)	-0.069** (0.033)		-0.090*** (0.025)	-0.097** (0.037)
Eastern Siberia and Far East		-0.031 (0.025)	-0.028 (0.026)		-0.012 (0.029)	-0.012 (0.029)
E Siberia and Far East X War year 1		-0.034 (0.024)	-0.035 (0.026)		0.022 (0.024)	0.026 (0.024)
E Siberia and Far East X War year 2		0.034 (0.033)	0.021 (0.039)		0.044 (0.030)	0.044 (0.032)
reg'l mil.-ind. center		-0.019 (0.039)	-0.019 (0.039)		-0.014 (0.029)	-0.014 (0.030)
reg'l mil.-ind. center X War year 1		0.070* (0.039)	0.068 (0.049)		0.075** (0.034)	0.077* (0.040)
reg'l mil.-ind. center X War year 2		0.073** (0.031)	0.077** (0.037)		0.076** (0.032)	0.076** (0.036)
N	149917	149917	149917	149752	149752	149752
r2	0.044	0.048	0.049	0.023	0.027	0.027
Month controls	Yes	Yes	Yes	Yes	Yes	Yes
Individual controls	Yes	Yes	Yes	Yes	Yes	Yes

Standard errors in parentheses  
\*  $p < 0.10$ , \*\*  $p < 0.05$ , \*\*\*  $p < 0.01$

Patterns of consumption and savings have also changed during the war. As Table 4 shows, the purchase of new durable goods has declined during the war years, reflecting supply chain disruptions and increased economic uncertainty. Discretionary spending on entertainment dropped in 2022 but rebounded in 2023, likely due to rising wages and increased income stability. Financial resilience, measured by the ability to sustain income loss for several months, improved significantly in the second year after the invasion, supporting macroeconomic evidence that household savings had risen during this period.

These findings highlight the uneven impact of wartime economic conditions in different demographic and regional groups. Although certain cohorts, such as ethnic Russians and those in military-industrial regions, benefited from the economic restructuring, others, particularly elderly individuals and residents of conflict-adjacent areas, saw their well-being decline.



Table 4: Household material well-being: geographic correlates

	Owns major durable good less than year old		Ate out in past week and bought tickets to show, concert, etc. in past month		If lost income, able to live without decreasing spending for at least few months	
	(1)	(2)	(3)	(4)	(5)	(6)
War year 1	-0.030*** (0.004)	-0.032*** (0.011)	-0.016** (0.007)	0.001 (0.012)	0.039*** (0.013)	0.035 (0.029)
War year 2	-0.016*** (0.005)	-0.021* (0.012)	0.026*** (0.009)	0.017 (0.011)	0.063*** (0.014)	0.069** (0.027)
Moscow or St. Pete	-0.017 (0.014)	-0.021* (0.013)	0.098*** (0.014)	0.108*** (0.014)	0.050 (0.035)	0.055 (0.038)
Moscow or St. Pete X War year 1		-0.006 (0.017)		-0.052*** (0.013)		0.023 (0.031)
Moscow or St. Pete X War year 2		0.008 (0.016)		-0.037** (0.016)		0.027 (0.027)
regional capital	-0.009 (0.015)	-0.009 (0.016)	0.112*** (0.017)	0.113*** (0.017)	0.014 (0.049)	0.015 (0.050)
regional capital X War year 1		0.010 (0.012)		-0.020 (0.014)		-0.026 (0.033)
regional capital X War year 2		0.001 (0.015)		0.007 (0.013)		-0.019 (0.034)
small town	-0.007 (0.011)	-0.003 (0.011)	0.063*** (0.019)	0.056*** (0.019)	-0.011 (0.032)	-0.004 (0.035)
small town X War year 1		-0.002 (0.015)		-0.013 (0.012)		0.006 (0.026)
small town X War year 2		0.003 (0.018)		0.014 (0.014)		-0.007 (0.031)
Ukrainian border		-0.085*** (0.011)		0.120*** (0.019)		-0.074*** (0.025)
Ukrainian border X War year 1		0.034*** (0.009)		-0.009 (0.010)		-0.061*** (0.022)
Ukrainian border X War year 2		-0.003 (0.012)		0.064*** (0.020)		-0.114*** (0.027)
Eastern Siberia and Far East		0.019 (0.012)		0.020 (0.012)		-0.058 (0.038)
E Siberia and Far East X War year 1		-0.027*** (0.008)		0.005 (0.013)		0.052** (0.021)
E Siberia and Far East X War year 2		0.001 (0.013)		0.026 (0.017)		0.003 (0.026)
reg'l mil.-ind. center	-0.016 (0.011)	-0.021** (0.010)	0.009 (0.017)	0.014 (0.018)	-0.041 (0.032)	-0.045 (0.031)
reg'l mil.-ind. center X War year 1		0.011 (0.013)		-0.001 (0.020)		0.023 (0.035)
reg'l mil.-ind. center X War year 2		0.018 (0.011)		0.018 (0.021)		0.006 (0.040)
N	71569	71569	76553	76553	72843	72843
r2	0.009	0.010	0.054	0.057	0.010	0.009
Month controls	Yes	Yes	Yes	Yes	Yes	Yes
Family size control	Yes	Yes	Yes	Yes	Yes	Yes

Standard errors in parentheses  
\*  $p < 0.10$ , \*\*  $p < 0.05$ , \*\*\*  $p < 0.01$

## 5 Conclusions

The findings presented in this brief would have surprised commentators who anticipated adverse economic and social consequences from the unprecedented war-induced sanctions. Subjective well-being and financial security have improved on average. Our regressions confirm that individuals were significantly more likely to report being satisfied with their lives and economic conditions in 2023 than in pre-war years, a pattern consistent with the rising wages brought on by increased government spending and a labor market constrained by wartime mobilization and demographic pressures. Ethnic Russians and those living in military-industrial regions, in particular, have experienced notable gains in well-being, reversing pre-war disparities in subjective life assessments.

However, these improvements have not been uniformly distributed. Elderly Russians and residents of Rostov Oblast, the closest RLMS region to the war zone, have seen declines in well-being, highlighting the uneven burden of war and economic restructuring. Moreover, while income growth has contributed to increased financial buffers, it has not translated into increased consumption of durable goods. Instead, uncertainty about the future and restricted access to foreign products have led households to prioritize savings over some forms of spending. The divergence between rising financial security and stagnant durable goods consumption underscores the extent to which wartime economic conditions have reshaped household behavior.

At a broader level, these findings carry important implications for Russia's political stability. Contrary to expectations that economic hardship might generate public discontent, the war years have coincided with rising optimism among many Russians. The combination of higher incomes and tighter political control may help explain why public support for the regime has remained robust despite high casualty figures. But looking ahead, it is possible that the apparent gains in well-being that we observe in 2022 and 2023 are vulnerable to economic imbalances and pressures that may result from continued fighting.

The RLMS data offer a unique empirical window into the lived experiences of ordinary Russians during a time of war and sanctions. Future waves will be essential to track whether current trends hold, reverse, or give way to new patterns of economic and social adaptation.

## References

- Hanna Anisimova and Cecilia Meyer. Russia's data warfare. *Free Network Policy Brief Series*, 2023. URL <https://freepolicybriefs.org/wp-content/uploads/2023/04/fpb20230418.pdf>.
- BOFIT Weekly. Russian population in decline. *BOFIT Weekly Review*, 09/2024. URL [https://www.bofit.fi/en/monitoring/weekly/2024/vw202409\\_1/](https://www.bofit.fi/en/monitoring/weekly/2024/vw202409_1/).
- Central Bank of Russia. Monitoring predpriyatiy Dekabr 2024: ochenki, ozhidaniya, kommentariy. *Monitoring predpriyatiy: ochenki, ozhidaniya, kommentariy*, 2024a. URL <https://www.cbr.ru/analytics/dkp/monitoring/1224/>. Accessed: January 24, 2025.
- Central Bank of Russia. Financial assets and liabilities of the households sector. Technical report, Central Bank of Russia, 2024b. URL [https://www.cbr.ru/eng/statistics/macro\\_itm/households/hh/](https://www.cbr.ru/eng/statistics/macro_itm/households/hh/). Accessed: January 8, 2025.
- Stepan Goncharov. Consumer sentiment among Russians in December 2023. <https://www.levada.ru/en/2024/02/14/consumer-sentiment-among-russians-in-december-2023/>, February 2024. Accessed: January 2, 2025.
- Rostislav Kapeliushnikov. The Russian labor market: Long-term trends and short-term fluctuations. *Russian Journal of Economics*, 9(3):245–270, 2023. doi: 10.32609/j.ruje.9.113503. URL <https://doi.org/10.32609/j.ruje.9.113503>.
- Janis Kluge. From ad-hoc sanctions to strategic economic containment. *Economic studies at Brookings*, May 2024. URL [https://www.brookings.edu/wp-content/uploads/2024/05/20240528\\_ES\\_Sanctions\\_Kluge\\_Final.pdf](https://www.brookings.edu/wp-content/uploads/2024/05/20240528_ES_Sanctions_Kluge_Final.pdf). Accessed: March 18, 2025.
- Alexandra Prokopenko. How can you analyze the Russian economy amid data censorship? a guide. *The Bell*, January 20 2023. URL <https://en.thebell.io/your-guide-to-the-russian-economy/>. Accessed: December 17, 2024.
- RE:Russia. Consumption inertia: Russians are spending far less on durable goods than they could, an important feature of the current economic crisis. *RE: Russia*, 2023. URL <https://re-russia.net/en/review/245/>. Accessed: January 8, 2025.
- Heli Simola. The role of war-related industries in Russia's recent economic recovery. *BOFIT Policy Brief 16/2023*, 2023. URL <https://publications.bof.fi/handle/10024/53201>.
- Heli Simola. Detecting irregularities in Russian economic statistics. *BOFIT Policy Brief 9/2024*, 2024. URL <https://publications.bof.fi/handle/10024/53847>.
- Maria Snegovaya, Tina Dolbaia, Nick Fenton, and Max Bergmann. Russia sanctions at one year. *The Center for Strategic and International Studies*. <https://www.csis.org/analysis/russia-sanctions-one-year>, 2023.

- Laura Solanko. Where do russia's mobilized soldiers come from? evidence from bank deposits. *BOFIT Policy Brief 1/2024*, 2024. URL <https://publications.bof.fi/handle/10024/53281>.
- Stockholm Institute of Transition Economics. The Russian Economy in the Fog of War. *Stockholm Institute of Transition Economics at the Stockholm School of Economics*, September 2024. URL <https://www.konj.se/download/18.443e2a2a19246dbc98a2c89/1727781967239/2024-10-01%20Report%20on%20the%20Russian%20economy.pdf>. Accessed: March 18, 2025.
- Natalya Zubarevich. Special military economic geography: Changes in the russian economy by region. *RE:RUSSIA*, 2023. URL <https://re-russia.net/en/expertise/080/>. Accessed: December 20, 2024.
- Vladislav Zubok. Can Putin survive? the lessons of the Soviet collapse. *Foreign Affairs*, 101:84, 2022. URL <https://www.foreignaffairs.com/articles/russian-federation/2022-06-21/can-putin-survive>. Accessed: March 18, 2025.
- Vladimir Zvonovskiy. The economic divide of war: How the russia-ukraine conflict reshaped regional prosperity. *The George Washington University, The Russia Program, Academic Policy Paper Series, no.3*, 2024.

- 2021
- No 1 Julia Lintunen: An overview of China's regional trade agreements
  - No 2 Heli Simola: The impact of Covid-19 on global value chains
  - No 3 Seija Parviainen: Jiefang-kuorma-autosta Nio-sähköautoon: Kiinan autoteollisuuden pitkä marssi
  - No 4 Juuso Kaaresvirta, Eeva Kerola, Riikka Nuutilainen, Seija Parviainen ja Laura Solanko: How far is China from hitting its climate targets? – An overview of China's energy sector
  - No 5 Juuso Kaaresvirta and Helinä Laakkonen: China as an international creditor
  - No 6 Heli Simola ja Laura Solanko: Venäjän öljy- ja kaasusektori globaalien energiamarkkinoiden murroksessa
  - No 7 Heli Simola and Laura Solanko: Russia's oil & gas sector in global energy transition
  - No 8 Jamie Barker and Risto Herrala: Assessing the mid-term growth outlook for the Indian economy
  - No 9 Iikka Korhonen: Russia's growth potential post-COVID-19
  - No 10 Heli Simola: CBAM! – Assessing potential costs of the EU carbon border adjustment mechanism for emerging economies
  - No 11 Heli Simola: Long-term challenges to Russian economic policy
  - No 12 Juuso Kaaresvirta, Eeva Kerola ja Riikka Nuutilainen: Kiinan kiinteistösektorin kriisiytymisen vaikutuksista Kiinan talouteen ja euroalueelle
  - No 13 Juuso Kaaresvirta, Eeva Kerola and Riikka Nuutilainen: China's real estate sector and the impacts of its possible disorder on Chinese economy and the euro area
- 2022
- No 1 Vesa Korhonen: Russia's government budget swings around elections and recessions
  - No 2 Iikka Korhonen and Heli Simola: How important are Russia's external economic links?
  - No 3 Heli Simola: Made in Russia? Assessing Russia's potential for import substitution
  - No 4 Heli Simola: Trade sanctions and Russian production
  - No 5 Heli Simola: Russian foreign trade after four months of war in Ukraine
  - No 6 Aino Röyskö and Heli Simola: Russia's technology imports from East Asia
  - No 7 Heli Simola: Can Russia reorient its trade and financial flows?
- 2023
- No 1 Lauri Heinonen and Iikka Korhonen: The effects of the war on the Ukraine economy: The situation at the end of 2022
  - No 2 Heli Simola: Venäjän öljy- ja kaasutulot ovat supistumassa jyrkästi tänä vuonna
  - No 3 Laura Solanko: Sotavuosi runteli Venäjän rahoitusmarkkinoita
  - No 4 Juuso Kaaresvirta, Eeva Kerola ja Riikka Nuutilainen: Suomen ja EU:n Kiinan-tuontiriippuvuuden tarkastelua
  - No 5 Heli Simola: Consumed in China - Rebalancing China's demand and Chinese imports
  - No 6 Eeva Kerola: Taiwan – kokoaan merkittävämpi saari
  - No 7 Juuso Kaaresvirta, Eeva Kerola and Riikka Nuutilainen: Assessing the dependency of Finland and the EU on Chinese imports
  - No 8 Heli Simola: What the literature says about the effects of sanctions on Russia
  - No 9 Heli Simola: The shift in Russian trade during a year of war
  - No 10 Alicia García-Herrero and Robin Schindowski: Global trends in countries' perceptions of the Belt and Road Initiative
  - No 11 Heli Simola: Turkin talous vaalien jälkeen
  - No 12 Juuso Kaaresvirta, Eeva Kerola and Riikka Nuutilainen: Do international investment and trade flows show any signs of fragmentation?
  - No 13 Lauri Vesala: Reorientation and rocket launchers? Regional insights into Russia's wartime economy
  - No 14 Heli Simola: Trends in Chinese value chains 2018–2022
  - No 15 Heli Simola: Latest developments in Russian imports of sanctioned technology products
  - No 16 Heli Simola: The role of war-related industries in Russia's recent economic recovery
- 2024
- No 1 Laura Solanko: Where do Russia's mobilized soldiers come from? Evidence from bank deposits
  - No 2 Risto Herrala: A comparative look at the economic and environmental performances of India and China
  - No 3 Sinikka Parviainen: Ukraine's economy two years on from the full-scale invasion
  - No 4 Heli Simola: Russia's wartime investment boom
  - No 5 Heli Simola: Recent trends in Russia's import substitution of technology products
  - No 6 Falk Laser, Alexander Mihailov and Jan Weidner: Currency compositions of international reserves – recent developments
  - No 7 Henna Hurskainen: Chinese exports to Central Asia after Russia's invasion of Ukraine
  - No 8 Anni Norring: The economic effects of geoeconomic fragmentation
  - No 9 Heli Simola: Detecting irregularities in Russian economic statistics
  - No 10 Tuuli McCully and Heli Simola: Are supply chain vulnerabilities increasing in the era of geoeconomic fragmentation?
- 2025
- No 1 Katja Ahoniemi, Eeva Kerola and Kimmo Koskinen: Exposure of the euro area's financial sector to risk coming from Russia, China, and the Middle East
  - No 2 Iikka Korhonen, Sinikka Parviainen, Heli Simola ja Laura Solanko: Kolme vuotta hyökkäyssotaa – Miten Venäjän talous on muuttunut
  - No 3 Iikka Korhonen, Sinikka Parviainen, Heli Simola and Laura Solanko: How have three years of war changed the Russian economy?
  - No 4 Iikka Korhonen, Heli Simola and Laura Solanko: The impacts of war on Russia's economic future
  - No 5 Iikka Korhonen, Heli Simola ja Laura Solanko: Sota määrittää myös Venäjän tulevaa talouskehitystä
  - No 6 Julian Cooper: Military production in Russian official statistics of industrial output
  - No 7 Risto Herrala ja Laura Solanko: Öljyn matka Venäjältä Intiaan ja sieltä Euroopan markkinoille
  - No 8 Sinikka Parviainen and William Pyle: Household well-being under sanctions: Insights from the Russian longitudinal monitoring survey