

BOOK REVIEWS

Book Review: *Inflation and the Family: Monetary Policy's Impact on Household Life*

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Inflation and the Family: Monetary Policy's Impact on Household Life

Jeffery L. Degner

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Jeffery L. Degner has written a book of broad relevance to scholars and the general public, addressing issues that are both timely and urgent. The importance of its central themes—inflation, money, and the family—is self-evident, but the book also offers something more: it treats these themes not in isolation but in their mutual interdependence. In doing so, it reflects the Austrian school's rich and multifaceted intellectual tradition, which characteristically combines economic analysis with foundational philosophical, political, and sociological reflection. For the same reason, it also meets the more classical expectations of economists—insofar as they are social scientists rather than mere technicians manipulating numbers—which in turn makes the book more widely interesting and accessible. What makes it especially valuable is not only the choice of subjects but also the way in which Degner elucidates the relations among them, revealing patterns that would remain invisible to narrower perspectives.

How exactly does he treat those topics? Not merely as a macro- or microeconomic phenomenon or as a matter of abstract variables or utility models but instead as forces that reshape institutional and normative structures of social life. He situates inflation within what he calls an “inflation culture”—a set of habits and institutions formed under expansionary monetary policy that permeate everyday economic and moral life, “characterized by rising indebtedness, increases in wealth inequality, and

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augmented moral hazard” (8). In his view, inflation distorts long-term household planning, undermines intergenerational responsibility, and erodes the cultural and moral frameworks historically associated with family life.

In this respect, Degner joins the subgroup of family economists who remain outside the mainstream. Unlike economists in the circle of Gary Becker—who, from the 1960s onward, paid increasing attention to the family but did so primarily within microeconomic models of individual rational choice (analyzing the costs and benefits of marriage, divorce, and childbearing, while overlooking broader institutional conditions, especially those related to monetary policy, and failing to consider the cultural and moral consequences of these processes for family life) (see Becker 1991)—Degner, drawing on the Austrian tradition, builds on the work of Jörg Guido Hülsmann (2008). Hülsmann examined the moral and cultural consequences of inflation at the societal level and reflected the Austrian school’s focus on institutions, subjective experience, and the nonneutrality of money. Degner remains attentive to these broader dynamics but places particular emphasis on the family as an institution fundamentally shaped by monetary conditions.

At the heart of his analysis lies the Cantillon effect—the idea that newly created money enters the economy unevenly, benefiting some groups while disadvantaging others (see 93–119). Degner argues that this asymmetry deepens economic inequality and disrupts household decision-making, particularly among lower-income families. It is precisely these households—those disadvantaged by the Cantillon effect—who bear the greatest social and moral costs of inflation. They are the last to access newly created money and the first to suffer from the resulting rise in prices for basic necessities such as food, housing, and childcare. Their ability to save, invest in their children’s education, or plan for the long term is systematically undermined. Inflation forces them to live paycheck to paycheck, encouraging short-term choices that erode family stability, increase dependence on the state, and diminish their sense of agency. Degner also observes that under inflationary regimes, poorer families suffer not only economic harm but also a degradation of the norms and values that once supported communal and familial cohesion. Under constant financial pressure and uncertainty, intergenerational solidarity weakens, and the family is increasingly perceived not as a source of stability but as an added burden. In this way, Degner shows that inflation functions not only as a hidden tax but as a systemic force of demoralization—one that deprives society’s most vulnerable families not only of material resources but also of hope and moral orientation. “As Schumpeter predicted, one would expect such people to resemble more of the homo economicus attitude that pays much more attention to material matters in life. They will tend to neglect non-material goals like familial love and affection, which implies a downgrading of children in their preferences” (201). In his analysis, Degner emphasizes the mechanism of an “intervention

spiral”—successive policy measures introduced to counteract the effects of inflation only generate further distortions, thereby calling forth yet more intervention. In this sense, redistributive or pronatalist policies can also be understood as part of the same cycle of interventionism rather than as a genuine restoration of stability (152–54, 163).

The book opens with a broad contextual discussion of how family dynamics are embedded in processes of economic change (chapter 1). Chapter 2 provides a historical overview of doctrines in family economics, with particular emphasis on the work of Becker, whose microeconomic framework marks a turning point in the field. This intellectual background sets the stage for Degner's more institutionally oriented perspective. Chapter 3 adds empirical depth to his arguments by examining demographic and institutional patterns—in marriage, fertility, education debt, housing costs, and divorce—in relation to long-term monetary developments. Chapter 4 builds on this by offering a more systematic theoretical account of how inflationary regimes, especially those based on fiat money, affect household behavior and financial structure. Degner develops the notion of an “inflation culture” to explain changes in time preference, saving behavior, and family formation over time. While returning to some themes already introduced, chapter 5 explores how persistent inflation fosters broader cultural shifts—such as debt normalization, moral hazard, and widening inequality—that influence family structures and choices. It is in this chapter, too, that Degner introduces the notion of an “intervention spiral.” He also broadens the scope by discussing the politicization of family life and offering a critical view of pro-family interventions, giving the chapter a more policy-oriented dimension. Chapter 6 turns to descriptive data, using trends in housing, debt, and education costs to illustrate how inflation contributes to delayed marriage, declining fertility, and growing social divides. These observations serve to anchor earlier theoretical claims in measurable outcomes. Rather than adding new elements, chapter 7 synthesizes the argument and opens the door to interdisciplinary research at the intersection of monetary policy, psychology, sociology, and public finance. The chapter also serves as a conclusion, situating Degner's analysis within broader ideological debates.

In terms of style and structure, the book has notable strengths but also certain limitations. Degner's commitment to his thesis lends the text a cyclical rhythm: central arguments—particularly those concerning the Cantillon effect, inflation culture, and the disruption of long-term household planning—recur across multiple chapters. At times, these returns provide valuable elaboration; at others, they slip into mere repetition. The strategy may serve a rhetorical or pedagogical purpose, but it also risks redundancy and can occasionally slow the book's momentum. Some readers will welcome

the reinforcement of core themes, while others, already convinced of the framework's logic, may find it excessive. These, however, are editorial imperfections rather than substantive flaws in the analysis.

As for the book's substance, Degner's central message—that the family as an institution is systematically weakened by inflation—is presented in a way that leaves no doubt about this claim. The author formulates it clearly and supports it convincingly. Intuitions found earlier in the works of Hülsmann (e.g., 2008, 2016) and, for instance, in those of Charles Murray (2012), Václav Klaus (2022), and even Ludwig von Mises (1981, chap. 9) are here developed into an entire study offering a comprehensive account of inflation's impact on family life.

At this point, it seems worth dwelling on the fact that Degner's defense of the family—and of the moral frameworks historically bound to it as a foundational social institution—touches on a theme of special weight within Austro-libertarian thought. Interestingly, the significance of his conclusions extends beyond what is suggested by his direct remarks on divergent ideological responses to family change under inflation.

The book rightly notes that various ideological traditions assess the weakening or transformation of family bonds under inflation differently. While it is correct to note that conservatives and some libertarians—such as Hülsmann or Hans-Hermann Hoppe (2001)—explicitly see this development as harmful, and that Marxist writers often welcome it as part of broader social change, it seems problematic to present Steven Horwitz (2015) as representing a “neutral” classical-liberal or even Hayekian line (211). Horwitz (2015, 6–8) argues that changes in family life are best understood as forms of innovation within a spontaneous order and therefore essentially neutral, and he explicitly lays claim to Hayekian liberalism in doing so. Yet this characterization is misleading: even if it reflects Horwitz's own self-description, it remains at odds with Friedrich August von Hayek's thought, which repeatedly emphasizes the fragility of moral traditions and the dangers inherent in their erosion.

A closer look at Hayek's writings shows that his position runs contrary to the neutralist interpretation of Horwitz. Hayek (e.g., 1991, 11–28) argued that natural, voluntary ties and norms embedded in the moral tradition sustaining a free order are something to be defended. Although, in a free society, only the rules prohibiting coercion can legitimately be enforced by law, these principles form part of a wider normative framework that encompasses both the principles of the “extended order” of human cooperation and those of what may be called the “natural order.” The former regulate relations among unrelated individuals in large-scale societies and directly secure individual liberty; the latter preserve the interpersonal bonds and forms of assistance that are voluntary in nature, naturally and spontaneously arising within smaller communities. Importantly, these two sets of principles complement one

another. While the extended order provides the legal framework of freedom, respect for the norms of the natural order—together with the existence of voluntary interpersonal ties—indirectly safeguards liberty by enabling the voluntary resolution of human needs and conflicts that would otherwise invite coercive, top-down interventions. As Hayek (1960, 61) himself observed, “paradoxical as it may appear, it is probably true that a successful free society will always in a large measure be a tradition-bound society.” If the natural order were to be displaced entirely by the extended order, the consequence would be what Degner (2025, 155) aptly calls the “politicization of the private sphere.” The family becomes here a particularly visible case.

It is important not to be misled by interpretations such as the one advanced by Horwitz, for only by setting them aside can one fully appreciate the significance of Degner’s inquiry. The issue here is not merely a misreading of a strand of classical liberalism but something far more serious. Were Horwitz correct, it would follow that for a large part of the Austro-libertarian tradition, the deterioration of family bonds under inflation is a matter of indifference. But if he is wrong—as a closer look at Hayek strongly suggests—then the opposite conclusion must be drawn: consistent individualist reasoning within Austrian thought in fact treats these threats as profoundly alarming. For Hayek, only spontaneous processes arising under freedom are genuinely benign, whereas developments triggered by misguided monetary policy are pathological. Moreover, the “natural order” of inherited moral values and interpersonal bonds, far from being incidental, is indispensable for sustaining liberty since it allows needs to be met without coercive state interventions. On this reading, Degner’s warning speaks to the very core of the Austrian tradition and remains existentially relevant for it, regardless of how many individual scholars have chosen to emphasize the point explicitly. The pro-family stances of Hülsmann and Hoppe are not eccentric conservative departures but rather faithful expressions of Austrian insights, echoed already in Mises’s (1996, 422) warning that “if one looks at the catastrophic consequences of the great paper money inflations, one must admit that the expensiveness of gold production is the minor evil.”

From this Austro-libertarian perspective, I particularly appreciate that Degner highlights the feedback dynamic in which inflation not only undermines family structures but also turns the very dislocations created by inflationary regimes into arguments for further interventions, thereby perpetuating the culture of inflation. Here, the depth of the evil of inflation most clearly reveals itself.

In this context, it is peculiar to observe—as Degner aptly notes—that calls for intervention aimed at mitigating the harmful effects of inflation resound from both the Left and the Right. Contrary to appearances, it is not only *prima facie* socialists who advocate such measures; some conservative voices, despite their genuine concern for the family, also join in calling for top-down

interventions in the form of expansive pro-family programs (163). The main fault line here is therefore not between those who care about the family and those who do not, but between those who see its preservation in the renewal of sound foundations and those who advocate measures that, no matter how well-intentioned, perpetuate the spiral of government interventionism.

Yet there is more. The demand for intervention arises not only from ideologues but also from ordinary people caught in the culture of inflation. Unsettled households, unable to plan for the long term, come to accept state action as the only imaginable remedy (see 153–54). It is difficult to say which comes first—the ideologues who frame the problem in interventionist terms or the citizens who, resigned to their dependency, call for relief. In practice, both reinforce one another, locking society into a cycle in which inflation simultaneously damages the family and fuels demand for policies that deepen the very crisis it has produced. Degner paints a picture that practically calls to mind Klaus's stark formulation: he has characterized the present situation—using José Ortega y Gasset's categories—as a “revolt of the masses against economic reasoning.” What was once marginal has become mainstream: entire societies—elites and publics alike—now demand the very measures that perpetuate the disorder (Klaus 2022, 10; see Ortega y Gasset 1932).

In this way, Degner's book provides both theoretical and empirical confirmation of a mechanism that Mises (1996, 858) analyzed with remarkable clarity.

All varieties of interference with the market phenomena not only fail to achieve the ends aimed at by their authors and supporters, but bring about a state of affairs which—from the point of view of their authors' and advocates' valuations—is less desirable than the previous state of affairs which they were designed to alter. If one wants to correct their manifest unsuitableness and preposterousness by supplementing the first acts of intervention with more and more of such acts, one must go farther and farther until the market economy has been entirely destroyed and socialism has been substituted for it.

What is more, Mises emphasized the scale of the phenomenon: not only did every pressure group advance its own brand of interventionism but even professors devised their own versions. Competing theories, by contrast, were virtually outlawed and reduced to caricature (Mises 1990, 207–8).

Summing up, Degner's book not only presents inflation as a greater evil than it is usually taken to be but also makes clear—and vividly confirms the insight of Mises and those following in his tradition—that only a consistent liberalism—what we would today call libertarianism—offers a way out of this vicious circle.

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