**Abstract**

This study examines the impact of inflation on households’ purchasing power the level of perception towards the rise of inflation. They level of perception heads are food and other edible products, basic domestic amenities and cost of other expenses. A sample of 200 heads of households’ was taken from Coimbatore city; using Likert scale. Interview schedule was used as a tool for data collection. This study also analysis the spare money after covering essential living expenses; using ranked order method. Inflation effects, at family level, can reduce, never eliminate, through keeping money circulation and abating saving during persistently intensifying of inflation and income ought to be increased with the same ratio of rise in inflation.