Research interest in the reaction of consumption to expected inflation has increased sharply in recent years due to efforts by central banks to kick-start demand through higher inflation expectations. We contribute to this literature by analyzing whether various components of households’ balance sheets determine how consumption reacts to expected inflation. Theoretically, many channels are conceivable: an increase in inflation expectations can raise consumption through direct increases in expected real wealth, e.g. for households with nominal debt contracts. By affecting the real interest rate, expected inflation can interact with wealth if only those households can adapt their consumption to current real interest rates that are not credit constrained or sufficiently liquid to shift funds between consumption and savings. We use household-level information on balance sheets, vehicle expenditures and inflation expectations from the Dutch Central Bank’s Household Survey. We find evidence for a relation between a household’s expected inflation and the probability to have positive expenditures on durables. This effect is stronger for households with lower net worth. We find no evidence of such effects on the intensive margin.