

Study on European consumers' over-indebtedness and its implications

Annex B: Country fact sheets for Task 1

Study on European consumers' over-indebtedness & its implications

Country Reports
July 2022



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ECONOMICS & POLICY

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1 Introduction

1.1 Objectives and scope of the national reports

The aim of this report is to provide **an updated mapping of the situation of households' over-indebtedness** for each EU Member State. The report consists of a series of country fiches providing structured information on over-indebtedness in each Member States. The fiches build on the previous national reports from the European Commission Study on “the over-indebtedness of European households: updated mapping of the situation, nature and causes, effects and initiatives for alleviating its impact” published in 2013¹.

Each fiche gathers findings on the level of over-indebtedness at **national level**, at a **local level** (regions, smaller local entities, communities, and more) and per **social categories**, such as level of income, per professional categories, per household size, per age, per gender, per education level, per geographic location, such as households living in urban or rural areas, and more. Where possible, the fiches also identify the respective **role of the different types of credits** in the over-indebtedness situation, i.e. how much debt is due to the “traditional” consumer credit as opposed to other forms of personal credits (short term credits, revolving cards, crowdfunding loans, etc.), to mortgage credits and to daily living expenses.

1.2 Structure of the national reports

Each fiches is structured into three sections: comparable EU level data, national level data as available in each country and an additional data annex. The results of the debt advisor survey, which will be completed by end of June 2022 will be integrated into the final version of this report.

1.2.1 Statistics on households' over-indebtedness

EU level statistics

The key aim of the analysis of the EU level statistics is to enable a comparison of (over) indebtedness levels and their evolution between the Member States based on EU level indicators.

As in the 2012-2013 study, the key indicators that enable the comparison of over-indebtedness of households in the EU come from the EU SILC database. The indicators selected were:

- arrears on hire purchase instalments or other loan payments;
- arrears on mortgage or rent payments,
- arrears on utility bills, and
- inability to face unexpected financial expenses.

New indicators from the Eurostat and ECB Household Finance and Consumption Survey (HFCS) were included in the national and synthesis reports to complement the data from the EU SILC database. Some of the newly added indicators (i.e. gross median debt to income

¹ Civic Consulting (2013). The over-indebtedness of European households: updated mapping of the situation, nature and causes, effects and initiatives for alleviating its impact. Available at: https://ec.europa.eu/info/sites/default/files/final-report-on-over-indebtedness-of-european-households-country-reports_december2013_en.pdf

ratio, percentage of households holding debt, median debt to income/wealth ratios) illustrate the **general household indebtedness** levels of the Member State, while other indicators (i.e. regular expenses less than income, negative net wealth) provide a comparison on the level of the **household over-indebtedness** per Member State. The combination of indicators provides a full overview of the share of households in the Member State that have debts overall as well as the share of households that can be considered *over-indebted*.

A full description of the EU level indicators on household (over) indebtedness is in the table below.

Table 1: Overview of the indicators selected

Indicator	Comments
<i>EU SILC standard survey data</i>	
Arrears on hire purchase instalments or other loan payments	Indicator used in the 2012-2013 report: Yes, in the period from 2005 to 2011. Identifier: ilc_mdcs08 Period: 2005 to 2020 Scope: Household over-indebtedness
Arrears on mortgage or rent Payments	Indicator used in the 2012-2013 report: Yes, in the period from 2005 to 2011. Identifier: ilc_mdcs0 Period: 2005 to 2020 Scope: Household over-indebtedness
Arrears on utility bills	Indicator used in the 2012-2013 report: Yes, in the period from 2005 to 2011. Identifier: ilc_mdcs07 Period: 2005 to 2020 Scope: Household over-indebtedness
Inability to face unexpected financial expenses	Indicator used in the 2012-2013 report: Yes, in the period from 2005 to 2011. Identifier: ilc_mdcs04 Period: 2005 to 2020 Scope: Household over-indebtedness
<i>Eurostat</i>	
Gross debt-to-income ratio of households	Indicator used in the 2012-2013 report: No. Identifier: TEC00104 Period: 2013 to 2020 Scope: Household indebtedness Description: Gross debt-to-income ratio of households (including Non-Profit Institutions Serving Households) is defined as loans and liabilities divided by gross disposable income with the latter being adjusted for the net change in pension entitlements.
<i>ECB Household Finance and Consumption Survey (HFCS)</i>	
Percentage of households holding debt	Indicator used in the 2012-2013 report: No. Period: 2017 Scope: Household indebtedness
Shares of debt types on total liabilities % of total liabilities	Indicator used in the 2012-2013 report: No. Period: 2017 Scope: Type of indebtedness or credit Description: The indicator reports the share of the main types of debt out of the total amount of liabilities. Mortgage debt includes mortgages collateralised on household's main residence and mortgages collateralised on other real estate property owned by the household. Non-mortgage debt includes non-mortgage loans (consumer credit loans, private loans and other loans not collateralised on household's real estate property), credit lines/bank overdrafts debt and credit card debt (outstanding amount on which interest is paid at the end of the billing period).
Median debt to income ratio	Indicator used in the 2012-2013 report: No. Period: 2017 Scope: Household indebtedness Description: The debt to income ratio is the ratio of total debt to gross household income. Total debt includes mortgages collateralised on household's main residence, mortgages collateralised on other real estate property owned by the household, non-mortgage loans (consumer credit loans, private loans and other loans not collateralised on household's real estate property), credit lines/bank overdrafts debt and credit card debt (outstanding amount on which interest is paid at the end of the billing period). Total gross household income is calculated as the sum of the employee income, self-employment income, income from public pensions, income from private and occupational pensions and income from unemployment benefits (items collected for households members aged 16+) and income from social transfers other than unemployment benefits, regular private transfers (such as alimonies), rental income from real estate property, income from financial investments, income from private business or partnership and regular income from other sources (items collected at the household level).

Median debt to assets ratio	<p>Indicator used in the 2012-2013 report: No. Period: 2017 Scope: Household indebtedness Description: The debt to asset ratio is calculated as the ratio between total debt and total gross assets for indebted households.</p> <p>Debt includes mortgages collateralised on household's main residence and mortgages collateralised on other real estate property owned by the household, non-mortgage loans (consumer credit loans, private loans and other loans not collateralised on household's real estate property), credit lines/bank overdrafts debt and credit card debt (outstanding amount on which interest is paid at the end of the billing period).</p> <p>Total assets include the value of the household main residence for homeowners, other real estate property, vehicles, valuables (such as jewellery, works of art, antiques, etc.), value of self-employment businesses and value of household's financial assets.</p>
Regular expenses less than income	<p>Indicator used in the 2012-2013 report: No. Period: 2017 Scope: Household over-indebtedness Description: Indicator is based on the regular expenses less than income question asking on the balance of expenses and income over the last 12 months of the household. Positive balance of expenses and income means that household's regular expenses are less than income.</p>
Negative wealth	<p>Indicator used in the 2012-2013 report: No. Period: 2017 Scope: Household over-indebtedness Description: The indicator presents percentages of households with negative net wealth. Net wealth is the difference between total household assets and total household liabilities.</p> <p>Total assets include real assets (the value of the household main residence for homeowners, other real estate property, vehicles, valuables such as jewellery, works of art, antiques, etc. and value of self-employment businesses) and financial assets (deposits (sight and saving accounts), mutual funds, bonds, shares, money owed to the households, value of voluntary pension plans and whole life insurance policies of household members and other financial assets item - which includes private non-self-employment businesses, assets in managed accounts and other types of financial assets).</p> <p>Total liabilities include mortgages collateralised on household's main residence, mortgages collateralised on other real estate property owned by the household, non-mortgage loans (consumer credit loans, private loans and other loans not collateralised on household's real estate property), credit lines/bank overdrafts debt and credit card debt (outstanding amount on which interest is paid at the end of the billing period).</p>

National level data

National level data was also analysed to complement the findings from the EU level indicators and to provide a more detailed overview of the level of (over) indebtedness at the local level, per social category, and the role of the different types of credits.

However, the analysis of the national level data has not been done in a homogeneous manner due to differences in:

- Existence of national legal definition of household or consumer over-indebtedness in the Member States, and;
- Statistical coverage of consumer and household (over) indebtedness.

This section of the country fiches relies on available data from national central banks, ministries of finance, competent authorities, statistics authorities, industry associations, consumer organisations, policy and academic texts, and other datasets.

Debt advisor survey

Lastly, to further update the mapping of the situation of household over-indebtedness, the fiches provide the analysis of the debt advisor survey which aims to additionally explore the consumer over-indebtedness situation in the EU, in terms of:

- Key financial sources driving household over-indebtedness²;
- Main expenses leading to over-indebtedness³;
- Main drivers behind the need for debt⁴;
- Most relevant sociodemographic factors when analysing over-indebtedness⁵;
- Categories of households most likely to be debt-advice beneficiaries.

The debt advisors' survey findings provide valuable input on the overview of the over-indebtedness situation at the EU and the Member State levels. However, it should be mentioned that survey results are not fully representative, due to the low rate response in some countries. The results provided from the survey are estimates by the debt advisors based on their experience, therefore, they should not be treated as official statistical data.

Dissemination

The survey was opened in the beginning of April 2022 and ran for 13 weeks (4/04/2021 to 1/07/2021). The online survey was disseminated through VVA's database of debt advisors in all of the 27 EU Member States. During this period, the response rate of the survey was continuously monitored in order to identify any imbalances in response rates from the debt advisors. Reminders to fill in the survey were sent every week throughout the course of the survey.

Survey demographics

- The online survey received, in total, **101 valid responses** from the debt advisors.
- The survey received answers from **24 EU Member States** (Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Romania, Slovenia, Spain, Sweden)⁶.
- All of the respondents answered "Yes" to the question "Does your organisation provide and/or represent organisation(s) that provide debt advice?". Respondents identified themselves as debt advisors (26%, n=26), public authorities (19%, n=18), "others"⁷ (17%, n=17), consumer organisations (12%, n=12), private professionals (10%, n=10), industry association (5%, n=5), academia /think tank/expert (2%, n=2).

Confidentiality

Each respondent to the survey was given an identification number by the survey software in order to anonymise datasets. The survey analysts only worked on these anonymised raw datasets. In the interest of the respondents, VVA is obliged not to share the identity of the respondents with the Commission, national authorities or any other third parties, and the raw data will not be published but were shared with the Commission. The survey datasets are stored on the VVA's servers, password protected, until the publication of the study (or authorisation by the Commission to delete the data in case the study is not publicised, but not longer than 10 years from the moment of the data collection), after which they will be destroyed.

EU-level survey results

Based on their experience and considering all debt advice beneficiaries with whom debt advisors have been in contact, debt advisors were asked to estimate the share of the **main financial sources** of debt of clients. According to the debt advisors consulted:

² Mortgage, consumer loan, credit card, informal sources of funds.

³ Daily expenses (i.e. food, bills, childcare, etc), property (rent or purchase), big ticket items (i.e. cars, education, appliances), lifestyle expenses (luxury or expensive habits), addictive behaviours (gambling, alcohol, drugs, or similar).

⁴ Increase in cost of living, decrease in income, increase in cost of debt, credit availability (type of credit, availability of credit, marketing practices), unexpected events (loss of job, divorce, sickness, or others).

⁵ Age group; gender; household size; level of income; level of education; employment status; geographic location (urban or rural).

⁶ **17 respondents** from Germany, **8 respondents** from Belgium and Spain, **7 respondents** from Finland, **6 respondents** from France, and Germany, **5 respondents** from Czechia, **4 respondents** from Denmark and Greece, **3 respondents** from Bulgaria, Greece, Italy, Lithuania, Slovenia, and Sweden, **2 respondents** from Croatia, Hungary, Ireland, Latvia, Luxembourg, and Poland, **1 respondent** from Cyprus, Malta, and Romania.

⁷ 5 NGOs, 3 charity organisations, 2 foundations, 1 civil society organisation, 1 debt advice agency, 1 research institute, and 4 respondents that did not provide any details.

- Most of the over-indebted households had consumer loans (42%) followed by credit cards and mortgages (22% each).

Furthermore, debt advisors were also asked to rate (from 1 to 5) the **main expenses** driving the incidence of over-indebtedness. The results indicate that:

- Property expenses (3.5 average) drive the incidence of over-indebtedness the most, followed by daily expenses (3.1 average), big ticket items and addictive behaviours (3 points each). The least concerning expense in relation to over-indebtedness are lifestyle expenses (2.5 average).

Debt advisors were also asked to rate (from 1 to 5) the **main drivers behind the need for debt**. The results show that:

- Unexpected events (4-point average) are the key driver behind the need for debt followed by a decrease in income (3.4 average), credit availability (3.2 average), and an increase in the cost of living (3.1 average). An increase in the cost of debt appears to be the least significant driver with an average rate of 2.9.

In addition, debt advisors were asked to rate (from 1 to 5) the most relevant **sociodemographic factors** when looking at over-indebtedness. According to the debt advisors consulted:

- Level of income (3.6 average) is the most important sociodemographic factor driving over-indebtedness followed by employment status, sudden changes in life (3.5 average each), and level of education (3.4 average). On the other hand, gender (2.4 average) and geographic location (2.6 average) are the least important sociodemographic factors driving over-indebtedness.

Lastly, debt advisors were asked to specify which **specific sociodemographic groups** are the most likely to be over-indebted. According to the debt advisors consulted:

- The majority of the debt advice beneficiaries (57%) are living in urban areas.
- Debt advice beneficiaries are equally distributed between the two genders (men and women).
- Debt advice beneficiaries are equally distributed between the employed and unemployed households.
- Almost half (49%) of the debt advice beneficiaries have a basic level of education followed by households with intermediate (20%) or no to little formal education (19%).
- Single parents with children (29%), and single person households with no children (27%), and partner households with children (26%) are the key household groups that are most likely to be the debt advice beneficiaries
- Sudden loss of income (36%), personal circumstances (28%) are the key types of sudden changes in life impacting the likelihood of being over-indebted.
- Lower-income households are more likely to be debt advice beneficiaries.
- 45-54 year old age households seems most likely to be debt advice beneficiaries (46%) followed by 35-44 year olds (19%).

A full overview of the EU-level survey results is available in the table below. Country-level results are available in the country fiches.

Survey results		EU
1. Main financial source of debt ⁸		
	Mortgage	22%
	Consumer loan	42%
	Credit card ⁹	22%
	Informal sources of funds	13%
2. Main expenses leading to over-indebtedness ¹⁰		
	Daily expenses (i.e. food, bills, childcare, etc)	3.1
	Property (rent or purchase)	3.4

⁸ Percentage of 100%.

⁹ Debt accumulated via interest rates and penalties when the consumer does not pay the company for the money they have spent i.e. overdraft

¹⁰ Average rate from 1 to 5.

Big ticket items (i.e. cars, education, appliances)	3
Lifestyle expenses (luxury or expensive habits)	2.5
Addictive behaviours (gambling, alcohol, drugs, or similar)	3
3. Main drivers behind the need for debt¹¹	
Increase in cost of living	3.1
Decrease in income	3.4
Increase in cost of debt	2.9
Credit availability ¹²	3.2
Unexpected events (loss of job, divorce, sickness, or others)	4
4. Most relevant sociodemographic factors when looking at over-indebtedness¹³	
Geographic location	2.6
Age	2.9
Gender	2.4
Level of education	3.4
Level of income	3.6
Household size	2.9
Employment status	3.5
Sudden changes in life	3.5
Profession	3.2
5. Share of the debt advice beneficiaries by the sociodemographic group¹⁴	
<i>Geographic location</i>	
Urban	57%
Rural	43%
<i>Gender</i>	
Men	50%
Women	50%
<i>Employment status</i>	
Employed	50%
Unemployed	50%
<i>Level of education</i>	
No to little formal education	19%
Basic education	49%
Intermediate education	20%
Advanced education	12%
<i>Household size</i>	
Single person household with no children	27%
Partner household with no children	17%
Single parents with children	29%
Partner household with children	26%
<i>Sudden changes in life</i>	
Sudden loss of income ¹⁵	36%
Increase in cost of living	20%
Personal circumstances ¹⁶	28%
Other	16%
<i>Income group</i>	
Bottom 20%	35%
20-40%	27%
40-60%	19%
60-80%	12%
Top 20%	7%
<i>Age</i>	
16-34	13%
35-44	19%
45-54	46%
55-64	11%
65-74	7%
75+	5%

¹¹ Average rate from 1 to 5.

¹² Type of credit, availability of credit, marketing practices

¹³ Based on their experience, debt advisors were asked to rate the impact of each sociodemographic category on over-indebtedness from 1 to 5 across the sub-groups of each sociodemographic profile. The numbers included in the table are average rates of each sociodemographic factor in the Member States mentioned, and at the EU level overall.

¹⁴ Percentage of 100%

¹⁵ Unemployment, wage level, pandemics/lockdowns.

¹⁶ Death/health issue in the family, number of dependents, divorce/family breakdown.

2 Austria

2.1 Statistics on households' over-indebtedness

The share of households holding debt, and ratios related to debt to income and wealth ratios in Austria are considerably lower than the EU average. Furthermore, the level of household over-indebtedness in Austria is lower than the EU average for all of the indicators included in this study with a minor exception of arrears on mortgages where Austria has a slightly higher average compared to the EU (Austria 3.3% to EU 3.2%).

According to Austrian insolvency procedures, terminologically, over-indebtedness in Austria is associated with an inability to pay off (some) due debt¹⁷. Hence, the main indicators of private over-debt that are available are the number of private insolvencies and the average debt. Based on the

data from national federation of debt advisories in Austria that provide socio-demographic data about people using debt advice services, household groups that are the most involvement in Austria are people with lower levels of education, lower income households, unemployed, and males. Vienna is the region with the highest number of private insolvencies per 100,000 inhabitants while households in Steiermark tend to have the highest average debt in Austria.

A more detailed analysis of the indicators of the household (over) indebtedness, and an overview of the impact of over-indebtedness on the different household groups in Austria are available in the chapters below.

EU level data

This section concentrates on the analysis of the selected EU-level statistical indicators on household over-indebtedness in Austria, this includes:

- Statistics on arrears and inability to face unexpected financial expenses (EU SILC data)¹⁸;
- Gross debt-to-income ratio of households¹⁹;
- Statistics concerning the share of households holding debt, liabilities, median to income/asset ratios, regular expenses less than income, and negative wealth²⁰.

Statistics on arrears and inability to face unexpected financial expenses (EU SILC data)

Overall, the proportion of households in arrears in Austria is lower **than the EU average**.

On the positive side:

- The share of households in arrears on hire purchase **instalments or other loan payments** in Austria has been in decline since 2015 and is considerably lower than the EU average (1% in 2020 to 2.1% for EU27).
- The share of households in arrears on **utility bills** in Austria (3.1%) is also below the EU average (6.3%), although the trend in this area did not decrease much compare to the EU average.
- Households in Austria are able to **face unexpected financial expenses** better than the average EU household²¹.

¹⁷ Insolvenzordnung, Articles 66 and 67.

¹⁸ Data from 2005 to 2020. Indicators used: ilc_mdcs04, ilc_mdcs06, ilc_mdcs07, and ilc_mdcs08.

¹⁹ Data from 2013 to 2020. Indicator used: tec00104.

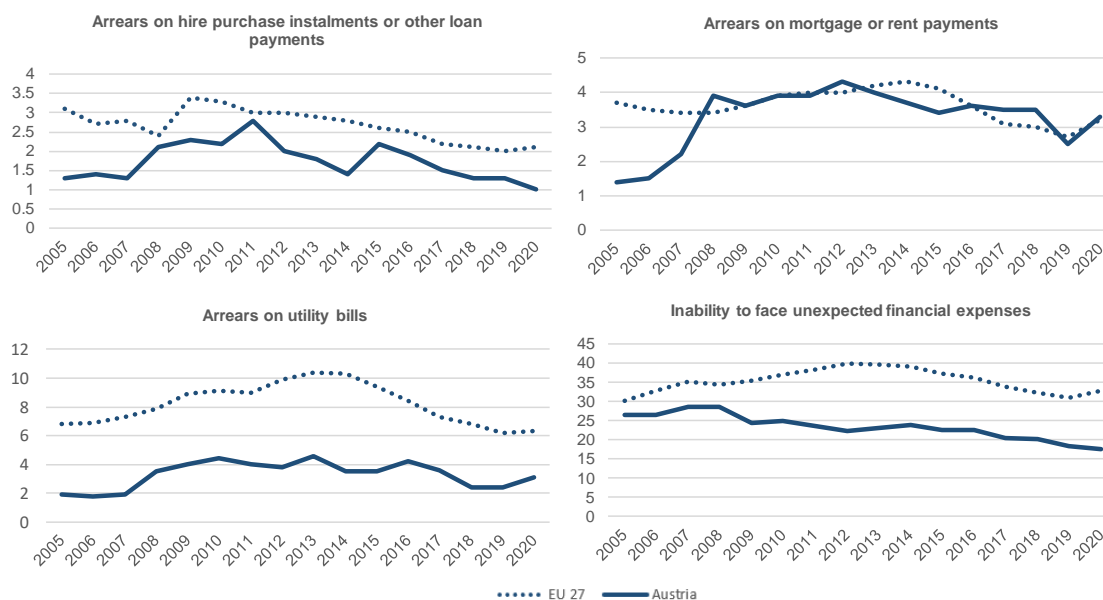
²⁰ Anonymised microdata from 2017 wave made available in March 2020. Note: the report for the next wave in 2020 is expected to be released in the last quarter of 2022.

²¹ Results from 2020, Inability to face unexpected financial expenses: Austria = 17,6%, EU = 32.8%.

On the negative side:

- In 2020, the share of households in Austria (3.3%) that had **arrears on mortgages** was a **bit higher** than the EU average (3.2%), and, similarly to the EU average, this trend has been increasing in 2019 and 2020.

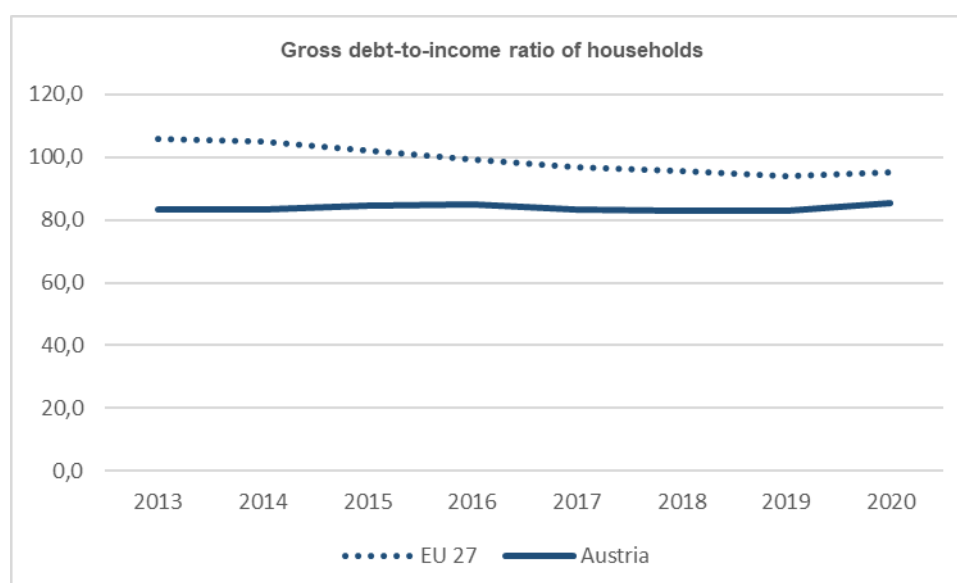
A full overview of the statistics mentioned above from 2005 to 2020 is available below.



Gross debt-to-income ratio of households

Since 2013, the the gross debt-to-income ratio of households in Austria is lower than the EU average.

- Unlike in the EU as a whole, the the gross debt-to-income ratio of households in Austria has remained steady, from 83.33% (EU: 105.7%) in 2013 to 85.28% (EU: 95.1%) in 2020.



Findings from the ECB Household Finance and Consumption Survey

According to the ECB Household Finance and Consumption Survey, in 2017, the share of **households holding debt in Austria** (32,7%) **was lower than the EU average** (42%). This was the case across all age and income groups.

In terms of the debt types, Austria is **similar to the rest of the EU with mortgages being the main source of household debt** (Austria and EU: 88.1%).

- The share of households in Austria with debt related to credit line/overdraft²² is also similar to the EU average.
- Finally, the share of households in Austria with debts related to consumer credit loans, private loans and other loans not collateralised on a household's real estate property is also exactly similar to the EU average.²³

In 2017, the total **median debt to income ratio** of the indebted households in Austria **was considerably lower than the EU average** (Austria 34% to EU 70.8%). Similarly, in 2017, the total share of households in Austria with **regular expenses less than their income** was relatively similar to the EU average (Austria 39.2% to EU 40.2%).

The **total median debt to assets ratio** is also **lower in Austria compared with the EU average** (Austria 17%; EU 25.5%) across all population segments (level of income, household size, housing status and age group). In addition, the share of households in Austria with **negative wealth**²⁴ is also lower than the EU average (Austria 3.9% to EU 4.7%).

Full details of the ECB Household Finance and Consumption Survey are in ANNEX A: EU level data, findings from ECB HFC (2017).

National level data

As confirmed by several sources, comprehensive data on over-indebtedness in Austria does not exist. The main indicators of private over-debt that are available are the number of private insolvencies and the average debt. In their annual report, the ASB Schuldnerberatungen, which is the national federation of debt advisories in Austria, provides socio-demographic data about people using debt advice services²⁵:

- With regard to the level of education, **almost 90% of people using debt advice services have a level of education corresponding to middle school or vocational school**. This group is significantly overrepresented, as in the total population it accounts for only 70.2%. People with an education level above high school account for 15.1% of the total population, but only 2.8% of the people using debt advice services.
- People using debt advice services have a **median income of EUR 1,300** at their disposal, compared to a median income of 2,182 EUR in the average population.
- The **unemployed are highly overrepresented** in the group of people using debt-advice services. They account for 36.7%, compared to 8.0% of unemployed people in the general population.
- When looking at the age structure, **the age group 21 to 60 years makes up 89.7%** of all people seeking debt advice. In the overall population, this age group accounts for only 55.0%. It is the age group where debt typically accumulates and becomes a problem. Young and old people are therefore underrepresented in the group of people using debt advice.

²² Austria 0,9% to EU 1%.

²³ Austria and EU 11,9%.

²⁴ Net wealth is the difference between total household assets and total household liabilities. Negative net wealth means the household has more total liabilities than total assets.

²⁵ ASB Schuldnerberatungen (2022), *Schuldenreport 2022*, pp. 18-20. Available at: https://www.schuldenberatung.at/downloads/infodatenbank/schuldenreport/asb_Schuldenreport2022_EndV.pdf?m=1651146306&.

- The **average debt of people seeking debt advice is EUR 57,438**. This value is EUR 112,342 significantly higher for those who were formerly self-employed.
- The average debt of men seeking debt advice is EUR 63,792 EUR, whereas for women it is 48,050 EUR.

In terms of regional distribution, the KSV1870 (the Austrian association for the protection of creditor interests)²⁶ publishes annual statistics on private insolvencies and the volume of private debt for the nine states²⁷. This data shows that:

- **Vienna has the highest number of private insolvencies** per 100,000 inhabitants. At the same time, it is the region where **the average debt is the lowest**.
- **Burgenland has the lowest number of private insolvencies** per 100,000 inhabitants (one-third of the value for Vienna) and still the **third lowest average debt** (EUR 103,000 compared to EUR 92,000 EUR in Vienna (the lowest) and EUR 213,000 in Steiermark (the highest)). It is also the region where the average age of debtors is the highest (72% are older than 41 years).
- **Steiermark has the fourth highest number of private insolvencies and the highest average debt** (EUR 213,000, which is 133% of the second highest average debt (Carinthia with 159,000)).
- In terms of gender, there are no significant differences between the regions: across all regions, **about two-thirds of insolvent private individuals are male** (between 61% and 65%).

The full national and regional level data identified for this report is in ANNEX B: Complementary national statistical data.

2.2 Results of the debt advisor survey

According to the debt advisors consulted in Austria:

- Most of the over-indebted households had **consumer loans** (41%) followed by **credit cards** (26%) and **mortgages** (22%).
- Contrary to the EU-level findings, **lifestyle expenses and addictive behaviours** are the key expenses driving over-indebtedness.
- **Unexpected events and decrease in income** are the most significant drivers behind the need for debt.
- **Level of education and sudden changes in life** are the most relevant sociodemographic factors when looking at over-indebtedness

Furthermore:

- More than two-thirds of the debt advice beneficiaries (69%) are living **in rural areas**.
- The majority (59%) of the debt advice beneficiaries are **men**.
- A slight majority (52%) of the debt advice beneficiaries are **unemployed**.
- Around 79% of the debt advice beneficiaries have either **basic or no to little formal education**.
- **Single parents with children** (38%) and **partner households with children** (32%) are the key groups that are most likely to be the debt advice beneficiaries
- **Sudden loss of income** (45%), **personal circumstances** (26%), and **increased cost of living** (25%) are the key types of sudden changes in life impacting the likelihood of being over-indebted.
- Contrary to the EU-level findings stating that lowest income households are the most likely to be debt advice beneficiaries, in Austria, households belonging to the **20-40% income group** are most likely to be over-indebted.

²⁶ KSV1870, Analyse zur Privatinsolvenz 2021. Available at: <https://www.ksv.at/en/node/2299>.

²⁷ Burgenland, Carinthia (Kärnten), Lower Austria (Niederösterreich), Salzburg, Styria (Steiermark), Tyrol (Tirol), Upper Austria (Oberösterreich), Vienna (Wien), Vorarlberg.

- **Middle-age households** (35 to 54) are most likely to be over-indebted, however, the difference between the young (16-34) and older age (55+) households is not significant.

Survey results			
1. Main financial source of debt ²⁸		Austria	EU
	Mortgage	22%	22%
	Consumer loan	41%	42%
	Credit card ²⁹	26%	22%
	Informal sources of funds	11%	13%
2. Main expenses leading to over-indebtedness ³⁰			
	Daily expenses (i.e. food, bills, childcare, etc)	2.9	3.1
	Property (rent or purchase)	2.6	3.4
	Big ticket items (i.e. cars, education, appliances)	3.0	3.0
	Lifestyle expenses (luxury or expensive habits)	3.1	2.5
	Addictive behaviours (gambling, alcohol, drugs, or similar)	3.1	3.0
3. Main drivers behind the need for debt ³¹			
	Increase in cost of living	3.1	3.1
	Decrease in income	4.1	3.4
	Increase in cost of debt	2.9	2.9
	Credit availability ³²	2.7	3.2
	Unexpected events (loss of job, divorce, sickness, or others)	4.3	4.0
4. Most relevant sociodemographic factors when looking at over-indebtedness ³³			
	Geographic location	2.9	2.6
	Age	3.2	2.9
	Gender	3.2	2.4
	Level of education	3.8	3.4
	Level of income	3.7	3.6
	Household size	2.8	2.9
	Employment status	3.6	3.5
	Sudden changes in life	3.8	3.5
	Profession	3.6	3.2
5. Share of the debt advice beneficiaries by the sociodemographic group ³⁴			
<i>Geographic location</i>			
	Urban	31%	57%
	Rural	69%	43%
<i>Gender</i>			
	Men	59%	50%
	Women	41%	50%
<i>Employment status</i>			
	Employed	48%	50%
	Unemployed	52%	50%
<i>Level of education</i>			
	No to little formal education	38%	19%
	Basic education	42%	49%
	Intermediate education	15%	20%
	Advanced education	6%	12%
<i>Household size</i>			
	Single person household with no children	18%	27%
	Partner household with no children	12%	17%
	Single parents with children	38%	29%
	Partner household with children	32%	26%
<i>Sudden changes in life</i>			
	Sudden loss of income ³⁵	45%	36%
	Increase in cost of living	25%	20%
	Personal circumstances ³⁶	26%	28%
	Other	4%	16%
<i>Income group</i>			
	Bottom 20%	26%	35%
	20-40%	37%	27%

²⁸ Average rate from 1 to 5.

²⁹ Debt accumulated via interest rates and penalties when the consumer does not pay the company for the money they have spent i.e. overdraft

³⁰ Average rate from 1 to 5.

³¹ Average rate from 1 to 5.

³² Type of credit, availability of credit, marketing practices

³³ Based on their experience, debt advisors were asked to rate the impact of each sociodemographic category on over-indebtedness from 1 to 5 across the sub-groups of each sociodemographic profile. The numbers included in the table are average rates of each sociodemographic factor in the Member States mentioned, and at the EU level overall.

³⁴ Percentage of 100%

³⁵ Unemployment, wage level, pandemics/lockdowns.

³⁶ Death/health issue in the family, number of dependents, divorce/family breakdown.

	40-60%	19%	19%
	60-80%	9%	12%
	Top 20%	9%	7%
Age			
	16-34	19%	13%
	35-44	23%	19%
	45-54	25%	46%
	55-64	17%	11%
	65-74	12%	7%
	75+	5%	5%

2.3 Annexes (EU level data & Complementary national statistical data)

ANNEX A: EU level data

ECB HFC (2017)		AUSTRIA			
		Austria (%)	EU (%)	Lowest ↓	Highest ↑
Percentage of households holding debt					
Total		32.7	42	19.7	58
<i>By level of income</i>					
Bottom 20%		21.2	24.1	8.1	35.7
20-40%		27.1	30.6	12.6	53.7
40-60%		29.8	41.1	15.1	59.9
60-80%		39.4	52.8	22.1	74.3
80-90%		41.8	59.4	22.8	83.1
90-100%		50.5	63.3	29	81.3
<i>By age group</i>					
16-34		43.0	50.7	13.8	75.7
35-44		51.2	61.3	26.2	82.1
45-54		48.2	56.5	27.2	78
55-64		27.1	42.5	17.7	64.5
65-74		12.7	25.4	9.4	44.6
75+		8.5	9.2	2.3	34.5
Shares of debt types on total liabilities % of total liabilities					
Mortgage		88.1	88.1	65.7	97.3
Non-mortgage debt		11.9	11.9	2.7	34.3
Of which: other		10.9	10.7	2	23.6
Credit line/ overdraft		0.9	1	0.1	9.5
Credit card debt		N	0.2	0.1	2
Median debt to income ratio					
Total		34.0	70.8	16.7	243
<i>By level of income</i>					
Bottom 20%		14.0	73.3	14	664.7
20-40%		12.8	47.4	8.3	253.8
40-60%		38.0	53.6	10.6	266.9
60-80%		47.2	77.6	13.8	260.7
80-90%		49.1	97.7	21.7	213.7
90-100%		49.6	80.4	17.9	174.4
<i>By household size</i>					
1		17.9	58.8	13.9	260.2
2		23.7	50	15.9	216.6
3		27.4	79.8	9.4	268.6
4		62.5	109.5	19.8	251.8
5+		79.7	91.3	11.7	268.6
<i>By housing status</i>					
Owners - outright		10.2	24.1	5.4	68.1
Owners - with mortgage		112.6	186.7	76.3	309.5
Renters		8.2	17.9	8.2	68.1
<i>By age group</i>					
16-34		27.6	56.7	16.7	257.7
35-44		48.1	143.5	26.7	315.7
45-54		43.6	79.5	11.7	248
55-64		21.2	54.8	9	181.3
65-74		19.6	30.7	5.5	252.5
75+		11.3	22.1	6	217.1
Median debt to assets ratio					
Total		17.0	25.5	4.8	52.1
<i>By level of income</i>					
Bottom 20%		33.1	37	3	94.9
20-40%		15.9	28.4	2.9	48.8
40-60%		18.8	27.8	4.5	54.4
60-80%		16.9	25.1	6.3	57.5
80-90%		12.6	24.7	8.8	52.6
90-100%		12.7	20.1	5.3	39.5
<i>By household size</i>					

	1	23.3	32.9	2.6	55.8
	2	12.6	17.8	3	42.3
	3	13.9	27.1	4.7	58.2
	4	18.9	27.3	5.6	56.9
	5+	17.4	30.1	3.5	57.1
<i>By housing status</i>					
	Owners - outright	1.5	3.7	0.9	7.4
	Owners - with mortgage	19.2	34.3	19.2	52.7
	Renters	22.9	40.3	22.9	104.6
<i>By age group</i>					
	16-34	34.1	52.9	20.9	75.6
	35-44	19.3	38.6	10.2	66
	45-54	15.7	21.6	3.8	54
	55-64	9.5	13.2	2.4	38.1
	65-74	7.2	8.6	1.5	34.5
	75+	3.0	5.5	1.3	27.4
Regular expenses less than income³⁷					
	Total	39.2	40.2	15.5	65.2
<i>By level of income</i>					
	Bottom 20%	22.1	23.9	4	49.9
	20-40%	33.5	33.1	8.3	66
	40-60%	39.4	41.2	13.9	63.9
	60-80%	47.2	47.1	19.5	69.7
	80-90%	46.3	51.2	24.9	75.9
	90-100%	61.9	61.3	29.6	78.2
<i>By household size</i>					
	1	34.5	40.5	14.1	61.5
	2	43.6	43.5	18.5	70.9
	3	39.9	38.2	11.3	68.4
	4	40.7	37.3	13.2	65.8
	5+	39.3	32.9	9.7	54.7
<i>By housing status</i>					
	Owners - outright	47.6	42.2	17.9	67.8
	Owners - with mortgage	40.2	43.2	11	65.4
	Renters	34.2	36.8	11.4	61.5
<i>By age group</i>					
	16-34	34.5	41.1	9.4	61.9
	35-44	39.7	38.2	13.7	64
	45-54	41.5	40.4	13.5	66.1
	55-64	39.7	41.5	18.6	66.4
	65-74	40.0	42	16.7	72.8
	75+	39	38.3	10.4	63.2
% of households that have negative net wealth					
	Total	3.9	4.7	0.3	9.4
<i>By level of income</i>					
	Bottom 20%	8.0	6.9	0.3	16.1
	20-40%	4.5	5	0.2	12.9
	40-60%	2.6	5.4	0.8	10.8
	60-80%	3.0	3.8	0.3	10.8
	80-90%	1.3	3	0	10.8
	90-100%	1.5	1.7	0	6.1
<i>By household size</i>					
	1	5.5	5.4	0.2	12
	2	1.9	3.2	0.4	8
	3	4.5	5.7	0.3	13.1
	4	3.2	4.6	0.2	11.5
	5+	5.5	6.4	0	11.8
<i>By housing status</i>					
	Owners - outright	0.1	0.1	0	0.5
	Owners - with mortgage	1.6	4.6	0	16.3
	Renters	6.7	9.4	1.7	24.9
<i>By age group</i>					
	16-34	7.3	10.6	0.6	25.6
	35-44	5.2	6.4	0	15.4
	45-54	5.4	5	0.3	11
	55-64	3.5	3.8	0.2	8.8
	65-74	1.0	2.3	0.4	3.9
	75+	0.4	0.5	0	5.1

³⁷ Oppositely to the other indicators from the ECB HCF survey, the higher share of households with regular expenses less than income is considered a positive result.

ANNEX B: Complementary national statistical data

Austria		
National-level data		
Data on people using debt advice services for 2021 ³⁸ :		
	People using debt advice	General population
<i>Level of education</i>		
Middle school	44.6%	25.0%
Vocational school	45.1%	45.2%
High school	7.5%	14.7%
Above high school	2.8%	15.1%
<i>Employment status</i>		
Unemployed	36.7%	9.0%
Employed	41.2%	n/a
Other (e.g. students, housewives/househusbands)	22.1%	n/a
Average Debt (in EUR)³⁹		
All people using debt advice		57438
Formerly self-employed		112342
<i>Age</i>		
Under 30y		30,126
31y-50y		58,717
Over 50y		80,248
<i>Gender</i>		
Male		63,792
Female		48,050

³⁸ ASB Schuldnerberatungen (2022), Schuldenreport 2022, pp. 18-20. Available at: https://www.schuldenberatung.at/downloads/infodatenbank/schuldenreport/asb_Schuldenreport2022_EndV.pdf?m=1651146306&

³⁹ Ibid.

Data on private insolvencies for 2021 ⁴⁰ :														
Bundesland	Population	Private bankruptcies	Private bankruptcies per 100,000	Average debt in EUR	By gender		By age				Formerly self-employed			
					% male	% female	% under 25y	% 26y-40y	% 41y-60y	% over 60y	% private individuals	% formerly self-employed	Private individuals: average debt in EUR	Formerly self-employed: average debt in EUR
Burgenland	296,010	127	43	103,000	62	38	3	25	55	17	65	35	66,000	134,000
Kärnten	562,089	542	96	159,000	65	35	5	35	47	13	75	25	78,000	382,000
Niederösterreich	1,690,879	1,001	59	129,000	64	36	4	37	49	10	76	24	77,000	283,000
Oberösterreich	1,495,608	933	62	106,000	63	37	4	39	48	9	76	24	56,000	294,000
Salzburg	560,710	281	50	133,000	63	37	3	35	52	10	67	33	73,000	286,000
Steiermark	1,247,077	872	70	213,000	61	39	3	31	55	11	72	28	65,000	366,000
Tirol	760,105	513	67	99,000	61	39	3	38	46	13	70	30	68,000	188,000
Vorarlberg	399,237	324	81	107,000	64	36	3	41	47	9	84	16	64,000	472,000
Wien	1,920,949	2,634	137	92,000	62	38	4	40	47	9	75	25	59,000	191,000

⁴⁰ KSV1870, Analyse zur Privatinsolvenz 2021. Available at: <https://www.ksv.at/en/node/2299>.

3 Belgium

3.1 Statistics on households' over-indebtedness

Overall, while the gross debt-to-income ratio of households and the share of households holding debt in Belgium were higher than the EU average, the proportion of households in arrears in Belgium is relatively lower than the EU average.

Definition of the over-indebtedness is included in the chapter on personal insolvency schemes of the Code of Civil Procedure⁴¹. To be eligible for a personal insolvency procedure, a consumer (that is, a natural person) needs to be unable to pay his or her debts for a significant period of time. Men, and households of 35 to 44 years of age are the most common group of households to be involved in the insolvency procedures.

At the regional level, this study shows that collective debt agreements are more likely to happen in Wallonia than in Flanders, since there are significantly more debts related to credit lines in Wallonia than in Flanders, as well as the highest proportion of defaulting borrowers.

A more detailed analysis of the indicators of the household (over) indebtedness, and an overview of the impact of over indebtedness on the different regions in Belgium are available in the chapters below.

EU level data

This section concentrates on the analysis of the selected EU-level statistical indicators on household over-indebtedness in Belgium, including:

- Statistics on arrears and inability to face unexpected financial expenses (EU SILC data)⁴²;
- Gross debt-to-income ratio of households⁴³;
- Statistics concerning the share of households holding debt, liabilities, median to income/asset ratios, regular expenses less than income, and negative wealth⁴⁴.

Statistics on arrears and inability to face unexpected financial expenses (EU SILC data)

Overall, the proportion of households in arrears in Belgium is relatively **lower than the EU average**.

On the positive side:

- The share of households in arrears on hire purchase **instalments or other loan payments** in Belgium (1%) is significantly lower than the EU average (2.1%), and, similarly to what is happening at EU level, since 2017 the trend has been quite stagnant.
- The share of households in arrears on **utility bills** in Belgium (3.8%) is also below the EU average (6.3%), although compared to the EU, the trend in this area has been quite stagnant and the situation has not improved considerably throughout the period from 2005 to 2020 (5%).

⁴¹ The Belgian Code of Civil Procedure (Article 1675/2).

⁴² Data from 2005 to 2020. Indicators used: ilc_mdcs04, ilc_mdcs06, ilc_mdcs07, and ilc_mdcs08.

⁴³ Data from 2013 to 2020. Indicator used: tec00104.

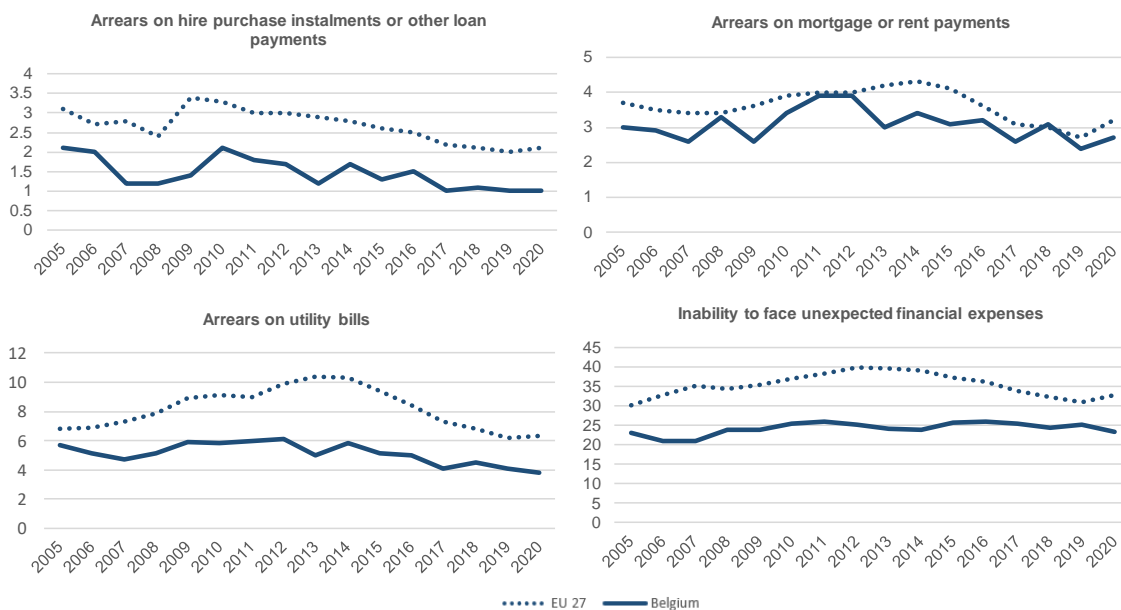
⁴⁴ Anonymised microdata from 2017 wave made available in March 2020. Note: the report for the next wave in 2020 is expected to be released in the last quarter of 2022.

- Households in Belgium are able to **face unexpected financial expenses** better than the average EU household⁴⁵, even though, once more, the situation in the EU on average has been improving at a faster rate than in Belgium.

On the negative side:

- In 2018, the share of households in Belgium (3.1%) that had **arrears on mortgages was a little bit higher** than the EU average (3.2%), and, even though it was below the EU average in 2020, the trend in this area has been increasing (2.7% in 2020 compared to 2.4% in 2019).

A full overview of the statistics mentioned above from 2005 to 2020 is available below.

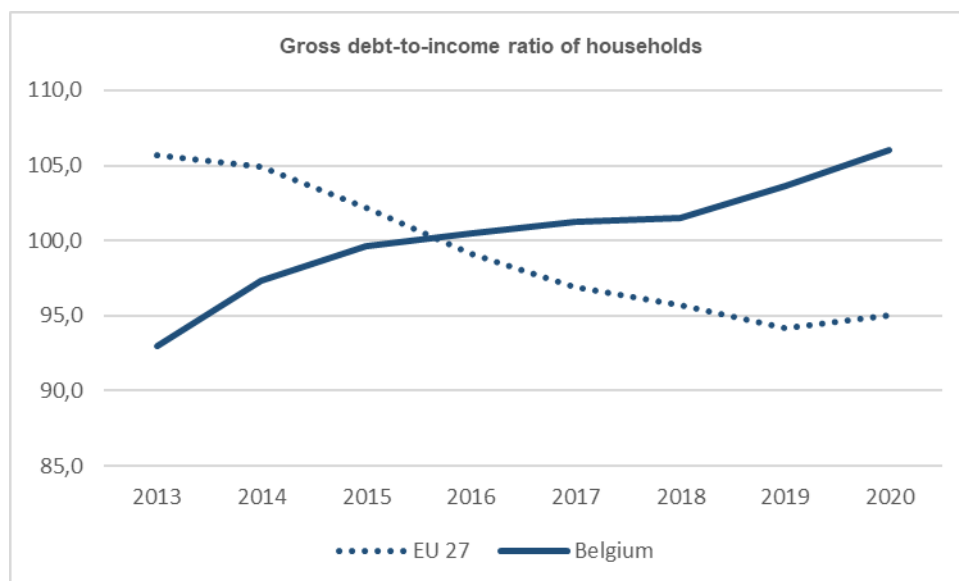


Gross debt-to-income ratio of households

Since 2016, the gross debt-to-income ratio of households in Belgium has been higher than the EU average.

- Unlike in the EU as a whole, the gross debt-to-income ratio of households in Belgium has been steadily increasing from 93% (EU: 105.7%) in 2013 to 106.6% (EU: 95.1%) in 2020.

⁴⁵ Results from 2020, Inability to face unexpected financial expenses: Belgium = 23,3%, EU = 32.8%.



Findings from the ECB Household Finance and Consumption Survey

According to the ECB Household Finance and Consumption Survey, in 2017, the share of **households holding debt in Belgium (49.9%) was higher than the EU average (42%)**.

- This was the case across all income groups, except for households belonging to the bottom 20% in terms of income⁴⁶.
- This was the case across age groups between 16 to 64 years old, but the opposite for households between 65 and 75+ years old⁴⁷.

In terms of the debt types, Belgium is also **similar to the rest of the EU with mortgages being the main source of household debt** (Belgium 94.1% to EU 88.1%).

- The share of households in Belgium with debts related to consumer credit loans, private loans and other loans not collateralised on a household's real estate property (non-mortgage debt) is significantly lower than the EU average.⁴⁸
- The share of households with debt related to credit line/ overdraft⁴⁹ is lower in Belgium compared to the EU average, while credit card debt⁵⁰ is similar to the EU average.

In 2017, the total **median debt to income ratio** of the indebted households in Belgium **was considerably higher than the EU average** (Belgium 90.6% to EU 70.8%). On the positive side, in 2017, the total share of households in Belgium with **regular expenses less than their income** was considerably higher than the EU average⁵¹ (Belgium 52% to EU 40.2%) and across all age and income groups.

The **total median debt to assets ratio** is also **higher in Belgium compared with the EU average** (Belgium 26.4%; EU 25.5%). Nonetheless, the share of households in Belgium with **negative wealth**⁵² is lower than the EU average (Belgium 3.5% to EU 4.7%).

Full details of the ECB Household Finance and Consumption Survey are in ANNEX A: EU level data, findings from ECB HFC (2017).

⁴⁶ Belgium 23% to EU 24.1%.

⁴⁷ Belgium 21,5% to EU 25.4% for 65-74; and Belgium 5,6% to EU 9,2 for 75+.

⁴⁸ Belgium 5,9 % to EU 11,9%.

⁴⁹ Belgium 0.3% to EU 1%.

⁵⁰ Belgium and EU average : 0,2%

⁵¹ Oppositely to the other indicators from the ECB HCF survey, the higher share of households with regular expenses less than income is considered a positive result.

⁵² Net wealth is the difference between total household assets and total household liabilities. Negative net wealth means the household has more total liabilities than total assets.

National level data

To provide a broader overview of the level of over-indebtedness across different household categories in Belgium, the study relies firstly on a study from the Federal Planning Bureau conducted in 2021⁵³ which shows that:

- Overall, **men** are **more likely** to use the **collective debt settlements** than women in Belgium. However, it must be noted that these numbers have decreased for both genders between 2015 and 2020.
- In terms of age groups, **people aged 35 to 44 and 45 to 54** are the **most likely** to use collective debt settlements among these age groups.

Secondly, several studies allow a **regional level analysis of collective debt settlements, characteristics of debt and borrowers in Belgium**:

- **Flanders** has the **highest number of people using collective debt settlements**. However, these numbers have been steadily decreasing across all three regions (Flanders, Wallonia, and Brussels-Capital) between 2015 and 2020.⁵⁴
- Regarding the characteristics of debts, there are **far more debts related to credit lines in Wallonia than in Flanders**. As far as non-credit debts are concerned, **debts to utilities and energy as well as debts related to health care are particularly striking**, both in Flanders and in Wallonia.⁵⁵
- Regarding the number of borrowers, **Wallonia has proportionally the largest number of borrowers** (68.0%), followed by Flanders (66.2%) and Brussels (52.6%). However, the ratio differs according to the nature of the credit: the proportion of the population with consumer credit is higher in Wallonia than in Flanders (60.3% compared to 53.0%), while the opposite is true for mortgage credit (31.6% compared to 36.0%). In both cases, Brussels has the smallest number of borrowers.⁵⁶
- Finally, regarding the number of borrowers with a default payment, **Brussels and Wallonia have the highest proportion of defaulting borrowers**, with 4.4% and 4.1% respectively, followed at a distance by Flanders (2.0%). This trend is true regardless of the nature of the credit: in Flanders, 3.5% of people who have taken out a consumer credit have defaulted, while it is 6.3% in Wallonia and 9.3% in Brussels. For mortgage loans, the default percentages are much lower: in Flanders, only 0.7% of borrowers encounter difficulties in repaying their mortgage loans, while this proportion is 1.5% in Wallonia and 1.4% in Brussels. In general, the proportion of borrowers with a defaulted credit has decreased in all three regions, both for consumer credit and mortgage credit.⁵⁷

The full national and regional level data identified for this report is in ANNEX B: Complementary national statistical data.

3.1 Results of the debt advisor survey

According to the debt advisors consulted in Belgium:

- Most of the over-indebted households had either **credit card debt** (33%) or **consumer loans** (32%).
- **Property expenses and addictive behaviours** are the key expenses driving over-indebtedness.

⁵³ Federal Planning Bureau (2021). Surendettement des ménages. Available at : https://indicators.be/fr/i/G01_OIH/Surendettement_des_m%C3%A9nages.

⁵⁴ Federal Planning Bureau (2021). Surendettement des ménages. Available at : https://indicators.be/fr/i/G01_OIH/Surendettement_des_m%C3%A9nages.

⁵⁵ Service de lutte contre la pauvreté, la précarité et l'exclusion sociale, Combien de personnes sont-elles surendettées en Belgique? (2020). Available at: https://www.luttepauvrete.be/wp-content/uploads/sites/2/2020/02/chiffres_surendettement.pdf.

⁵⁶ Banque Nationale de Belgique, Statistiques Centrale des crédits aux particuliers – 2021. Available at : https://www.nbb.be/doc/cr/ccp/publications/bro_ckpstat2021f_26012022.pdf.

⁵⁷ Banque Nationale de Belgique, Statistiques Centrale des crédits aux particuliers – 2021. Available at : https://www.nbb.be/doc/cr/ccp/publications/bro_ckpstat2021f_26012022.pdf.

- Contrary to the EU-level findings, **increase in the cost of living and cost of debt** are the most significant drivers behind the need for debt.
- **Level of income and household size** are the most relevant sociodemographic factors when looking at over-indebtedness.

Furthermore:

- Almost two-thirds of the debt advice beneficiaries (64%) are living in **rural areas**.
- A slight majority (52%) of the debt advice beneficiaries are **women**.
- Almost two-thirds of the debt advice beneficiaries (64%) are **unemployed**.
- Around 30% of the debt advice beneficiaries have **no to little formal education** followed by households with **basic** (27%) and **intermediate** (26%) education.
- **Single persons without children** (33%) and **single persons with children** (30%) are the key groups that are most likely to be the debt advice beneficiaries
- There seems to be **no consensus** on what kind of sudden changes in life are most impactful in terms of the over-indebtedness.
- **Lower income households** are more likely to be debt advice beneficiaries.
- **Middle-age** (35 to 54) **and young** (16 to 34) households are most likely to be over-indebted.

Survey results		
1. Main financial source of debt ⁵⁸	Belgium	EU
Mortgage	14%	22%
Consumer loan	32%	42%
Credit card ⁵⁹	33%	22%
Informal sources of funds	21%	13%
2. Main expenses leading to over-indebtedness ⁶⁰		
Daily expenses (i.e. food, bills, childcare, etc)	3.1	3.1
Property (rent or purchase)	3.6	3.4
Big ticket items (i.e. cars, education, appliances)	2.7	3.0
Lifestyle expenses (luxury or expensive habits)	2.4	2.5
Addictive behaviours (gambling, alcohol, drugs, or similar)	3.3	3.0
3. Main drivers behind the need for debt ⁶¹		
Increase in cost of living	3.9	3.1
Decrease in income	2.8	3.4
Increase in cost of debt	3.4	2.9
Credit availability ⁶²	2.9	3.2
Unexpected events (loss of job, divorce, sickness, or others)	3.3	4.0
4. Most relevant sociodemographic factors when looking at over-indebtedness ⁶³		
Geographic location	2.3	2.6
Age	2.5	2.9
Gender	2.5	2.4
Level of education	2.8	3.4
Level of income	3.1	3.6
Household size	2.8	2.9
Employment status	3.0	3.5
Sudden changes in life	2.8	3.5
Profession	2.6	3.2
5. Share of the debt advice beneficiaries by the sociodemographic group ⁶⁴		
<i>Geographic location</i>		
Urban	36%	57%
Rural	64%	43%
<i>Gender</i>		
Men	48%	50%
Women	52%	50%
<i>Employment status</i>		
Employed	36%	50%
Unemployed	64%	50%

⁵⁸ Percentage of 100%

⁵⁹ Debt accumulated via interest rates and penalties when the consumer does not pay the company for the money they have spent i.e. overdraft

⁶⁰ Average rate from 1 to 5.

⁶¹ Average rate from 1 to 5.

⁶² Type of credit, availability of credit, marketing practices

⁶³ Based on their experience, debt advisors were asked to rate the impact of each sociodemographic category on over-indebtedness from 1 to 5 across the sub-groups of each sociodemographic profile. The numbers included in the table are average rates of each sociodemographic factor in the Member States mentioned, and at the EU level overall.

⁶⁴ Percentage of 100%

<i>Level of education</i>		
No to little formal education	30%	19%
Basic education	27%	49%
Intermediate education	26%	20%
Advanced education	17%	12%
<i>Household size</i>		
Single person household with no children	33%	27%
Partner household with no children	14%	17%
Single parents with children	30%	29%
Partner household with children	23%	26%
<i>Sudden changes in life</i>		
Sudden loss of income ⁶⁵	26%	36%
Increase in cost of living	28%	20%
Personal circumstances ⁶⁶	26%	28%
Other	20%	16%
<i>Income group</i>		
Bottom 20%	32%	35%
20-40%	26%	27%
40-60%	19%	19%
60-80%	15%	12%
Top 20%	8%	7%
<i>Age</i>		
16-34	20%	13%
35-44	28%	19%
45-54	19%	46%
55-64	15%	11%
65-74	13%	7%
75+	6%	5%

⁶⁵ Unemployment, wage level, pandemics/lockdowns.

⁶⁶ Death/health issue in the family, number of dependents, divorce/family breakdown.

3.2 Annexes (EU level data & Complementary national statistical data)

ANNEX A: EU level data

ECB HFC (2017)		BELGIUM			
		Belgium (%)	EU (%)	Lowest ↓	Highest ↑
Percentage of households holding debt					
Total		49.9	42	19.7	58
<i>By level of income</i>					
Bottom 20%		23.0	24.1	8.1	35.7
20-40%		34.9	30.6	12.6	53.7
40-60%		49.3	41.1	15.1	59.9
60-80%		67.9	52.8	22.1	74.3
80-90%		71.5	59.4	22.8	83.1
90-100%		77.7	63.3	29	81.3
<i>By age group</i>					
16-34		67.2	50.7	13.8	75.7
35-44		77.3	61.3	26.2	82.1
45-54		71.6	56.5	27.2	78
55-64		44.5	42.5	17.7	64.5
65-74		21.5	25.4	9.4	44.6
75+		5.6	9.2	2.3	34.5
Shares of debt types on total liabilities % of total liabilities					
Mortgage		94.1	88.1	65.7	97.3
Non-mortgage debt		5.9	11.9	2.7	34.3
Of which: other		5.4	10.7	2	23.6
Credit line/ overdraft		0.3	1	0.1	9.5
Credit card debt		0.2	0.2	0.1	2
Median debt to income ratio					
Total		90.6	70.8	16.7	243
<i>By level of income</i>					
Bottom 20%		24.1	73.3	14	664.7
20-40%		43.9	47.4	8.3	253.8
40-60%		118.6	53.6	10.6	266.9
60-80%		144.1	77.6	13.8	260.7
80-90%		99.0	97.7	21.7	213.7
90-100%		71.6	80.4	17.9	174.4
<i>By household size</i>					
1		81.9	58.8	13.9	260.2
2		64.9	50	15.9	216.6
3		101.2	79.8	9.4	268.6
4		98.8	109.5	19.8	251.8
5+		133.7	91.3	11.7	268.6
<i>By housing status</i>					
Owners - outright		14.1	24.1	5.4	68.1
Owners - with mortgage		157.7	186.7	76.3	309.5
Renters		14.5	17.9	8.2	68.1
<i>By age group</i>					
16-34		223.6	56.7	16.7	257.7
35-44		183.7	143.5	26.7	315.7
45-54		71.6	79.5	11.7	248
55-64		22.1	54.8	9	181.3
65-74		18.5	30.7	5.5	252.5
75+		N	22.1	6	217.1
Median debt to assets ratio					
Total		26.4	25.5	4.8	52.1
<i>By level of income</i>					
Bottom 20%		35.1	37	3	94.9
20-40%		33.4	28.4	2.9	48.8
40-60%		27.9	27.8	4.5	54.4
60-80%		29.3	25.1	6.3	57.5
80-90%		17.2	24.7	8.8	52.6
90-100%		21.0	20.1	5.3	39.5
<i>By household size</i>					
1		29.6	32.9	2.6	55.8
2		21.9	17.8	3	42.3
3		26.6	27.1	4.7	58.2

	4	25.1	27.3	5.6	56.9
	5+	31.2	30.1	3.5	57.1
<i>By housing status</i>					
	Owners - outright	2.2	3.7	0.9	7.4
	Owners - with mortgage	29.8	34.3	19.2	52.7
	Renters	48.6	40.3	22.9	104.6
<i>By age group</i>					
	16-34	55.9	52.9	20.9	75.6
	35-44	39.5	38.6	10.2	66
	45-54	18.1	21.6	3.8	54
	55-64	4.6	13.2	2.4	38.1
	65-74	5.6	8.6	1.5	34.5
	75+	N	5.5	1.3	27.4
Regular expenses less than income⁶⁷					
	Total	52.0	40.2	15.5	65.2
<i>By level of income</i>					
	Bottom 20%	29.6	23.9	4	49.9
	20-40%	47.0	33.1	8.3	66
	40-60%	57.2	41.2	13.9	63.9
	60-80%	58.0	47.1	19.5	69.7
	80-90%	67.6	51.2	24.9	75.9
	90-100%	68.8	61.3	29.6	78.2
<i>By household size</i>					
	1	48.7	40.5	14.1	61.5
	2	55.7	43.5	18.5	70.9
	3	53.6	38.2	11.3	68.4
	4	54.9	37.3	13.2	65.8
	5+	44.6	32.9	9.7	54.7
<i>By housing status</i>					
	Owners - outright	59.7	42.2	17.9	67.8
	Owners - with mortgage	59.5	43.2	11	65.4
	Renters	34.9	36.8	11.4	61.5
<i>By age group</i>					
	16-34	61.9	41.1	9.4	61.9
	35-44	54.7	38.2	13.7	64
	45-54	51.1	40.4	13.5	66.1
	55-64	50.8	41.5	18.6	66.4
	65-74	45.8	42	16.7	72.8
	75+	49.5	38.3	10.4	63.2
% of households that have negative net wealth					
	Total	3.5	4.7	0.3	9.4
<i>By level of income</i>					
	Bottom 20%	6.2	6.9	0.3	16.1
	20-40%	6.9	5	0.2	12.9
	40-60%	2.1	5.4	0.8	10.8
	60-80%	2.0	3.8	0.3	10.8
	80-90%	0.6	3	0	10.8
	90-100%	0.6	1.7	0	6.1
<i>By household size</i>					
	1	4.5	5.4	0.2	12
	2	2.1	3.2	0.4	8
	3	4.1	5.7	0.3	13.1
	4	2.1	4.6	0.2	11.5
	5+	7.0	6.4	0	11.8
<i>By housing status</i>					
	Owners - outright	0.0	0.1	0	0.5
	Owners - with mortgage	0.8	4.6	0	16.3
	Renters	10.7	9.4	1.7	24.9
<i>By age group</i>					
	16-34	8.2	10.6	0.6	25.6
	35-44	3.2	6.4	0	15.4
	45-54	3.8	5	0.3	11
	55-64	3.4	3.8	0.2	8.8
	65-74	3.5	2.3	0.4	3.9
	75+	0.1	0.5	0	5.1

⁶⁷ Oppositely to the other indicators from the ECB HCF survey, the higher share of households with regular expenses less than income is considered a positive result.

ANNEX B: Complementary national statistical data

BELGIUM National-level data				
1. Sociodemographic profile ⁶⁸				
Over-indebtedness of households by gender				
Sex of people using collective debt settlements (thousands)	2015	2019	2020	Average growth rates between 2015-2020
Women	47.4	40.2	35.7	-5.5
Men	50.2	43.2	39	-4.9
Over-indebtedness of households by age				
Age of people using collective debt settlements (thousands)	2015	2019	2020	Average growth rates between 2015-2020
18-24	1.9	1.1	1	-12.2
25-34	21	15.8	13.7	-8.2
35-44	27.8	23.6	21.1	-5.4
45-54	26.2	22.8	20.2	-5
55-64	14.8	13.9	12.8	-2.9
65+	5.9	6.2	5.9	-0.1
2. Regional-level data				
Over-indebtedness of households by region ⁶⁹				
Region of people using collective debt settlements (thousands)	2015	2019	2020	Average growth rates between 2015-2020
Bruxelles-Capital	6	5	4.3	-6.6
Flanders	50.3	43.5	38.9	-5
Wallonia	40.8	34.3	31.1	-5.3
Others	0.5	0.5	0.5	-1
Characteristics of debts by region in 2018 ⁷⁰				
Types of debts	Region			
	Wallonie	Flandre		
Credit debts				
Instalment loans	32.5%	28.9%		
Credit openings	46.2%	22.8%		
Instalment sales	11%	13.7%		
Mortgage credit	6.9%	5.6%		
Debts related to current expenses				
Energy debts	56.2%	No data		

⁶⁸ Federal Planning Bureau (2021). Surendettement des ménages. Available at : https://indicators.be/fr/i/G01_OIH/Surendettement_des_m%C3%A9nages.

⁶⁹ Federal Planning Bureau (2021). Surendettement des ménages. Available at : https://indicators.be/fr/i/G01_OIH/Surendettement_des_m%C3%A9nages.

⁷⁰ Summary table from Service de lutte contre la pauvreté, la précarité et l'exclusion sociale, Combien de personnes sont-elles surendettées en Belgique? (2020). Available at: https://www.luttepauvrete.be/wp-content/uploads/sites/2/2020/02/chiffres_surendettement.pdf. Data for Wallonie can be found in C. Jeanmart (2019), Les ménages en situation de surendettement : Profil, endettement et éléments déclencheurs des difficultés financières. Available at: <https://observatoire-credit.be/storage/209/Les-m%C3%A9nages-en-situation-de-surendettement.pdf>. Data for Flandres can be found in SAM, steunpunt Mens en Samenleving, Cijferen profielgegevens van de Vlaamse huishoudens, p. 29- 30. Available at: https://www.samvzw.be/sites/default/files/2020-01/Onderzoeksrapport_UR_dd_01102019.pdf.

Water debts	33.9%	No data
Energy and utility debts utilities	No data	57.5%
Health debt	54.5%	48.3%
Telecommunication debts	53.6%	41.5%
Housing debts	16.8%	37.6%
Debts to public authorities		
Tax liabilities	75.2%*	41.4%**

* public debts (personal income tax, municipal or regional taxes, criminal fines, withholding tax on real estate; traffic tax)

** tax liabilities

Number of borrowers by region in 2021⁷¹

Province	Nb of persons registered	Share in the total of registered persons	Share of population
Province d'Anvers	978 162	15.9%	65.1%
Province du Brabant Flamant	623 674	10.1%	67.2%
Province du Brabant Wallon	221 192	3.6%	67.8%
Province de Hainaut	732 663	11.9%	68.5%
Province de Liège	588 779	9.6%	66.6%
Province de Limbourg	493 874	8.0%	68.4%
Province de Luxembourg	155 658	2.5%	67.9%
Province de Namur	277 784	4.5%	69.7%
Province de Flandre orientale	813 065	13.2%	65.6%
Province de Flandre occidentale	656 958	10.7%	66.4%
Bruxelles-Capitale	498 412	8.1%	52.6%
Residence abroad	119 830	1.9%	
TOTAL	6 160 051	100%	65,4%

Number of borrowers with a payment default in 2021⁷²

Province	Nb of persons registered	Share in the total of registered persons	Share of population
Province d'Anvers	30 838	10.6%	2.1%
Province du Brabant Flamant	16 850	5.8%	1.8%
Province du Brabant Wallon	7 356	2.5%	2.3%
Province de Hainaut	53 221	18.3%	5.0%
Province de Liège	34 983	12.0%	4.0%
Province de Limbourg	14 274	4.9%	2.0%
Province de Luxembourg	7 591	2.6%	3.3%
Province de Namur	14 844	5.1%	3.7%
Province de Flandre orientale	26 975	9.3%	2.2%
Province de Flandre occidentale	19 940	6.8%	2.0%
Bruxelles-Capitale	41 284	14.2%	4.4%

⁷¹ Banque Nationale de Belgique, Statistiques Centrale des crédits aux particuliers – 2021, p. 28. Available at : https://www.nbb.be/doc/cr/ccp/publications/bro_ckpstat2021f_26012022.pdf.

⁷² Banque Nationale de Belgique, Statistiques Centrale des crédits aux particuliers – 2021, p. 34. Available at : https://www.nbb.be/doc/cr/ccp/publications/bro_ckpstat2021f_26012022.pdf.

Residence abroad	23 002	7.9%	
TOTAL	291 158	100%	2,9%

4 Bulgaria

4.1 Statistics on households' over-indebtedness

Even though the overall level of household indebtedness (gross debt to income ratio) in Bulgaria is relatively low compared to the EU average, households in Bulgaria are significantly over-indebted. Bulgaria has one of the highest arrears in the EU in terms of utility bills. In addition, Bulgarian households generally have more difficulties in facing unexpected financial expenses compared to the average EU household.

Due to the lack of standard or widely accepted definition of over-indebtedness in Bulgaria, national level data for Bulgaria illustrates only the general trends of household indebtedness in Bulgaria in terms of the most popular types and sizes of debts in Bulgaria.

A more detailed analysis of the indicators of the household (over) indebtedness in Bulgaria is available in the chapters below.

EU level data

This section focuses on the analysis of the selected EU-level statistical indicators on household over-indebtedness in Bulgaria.

- Statistics on arrears and inability to face unexpected financial expenses (EU SILC data)⁷³;
- Gross debt-to-income ratio of households⁷⁴.

Statistics on arrears and inability to face unexpected financial expenses (EU SILC data)

Overall, the proportion of households in arrears in Bulgaria is **one of the lowest compared to the EU average with a tendency to decline**.

On the positive side:

- In 2020, the share of households in Bulgaria (1.3%) that had **arrears on mortgages was considerably lower** than the EU average (3.2%). According to this indicator, only Estonia (1.1%), Croatia (0.8%), Poland (0.6%), Romania (0.4%) had a lower share of households in arrears on mortgages in 2020 in the EU.
- The same tendency applies also to hire purchase instalments or other loan payments, where the share of households in Bulgaria (3%) that had **arrears was similar** to the EU average (2.1%).

On the negative side:

- Households in Bulgaria are able to **face unexpected financial expenses** worse than the average EU household⁷⁵. In fact, in 2020 the percentage grew to 43.5 % which is an increase of more than 11 % compared to 2018.

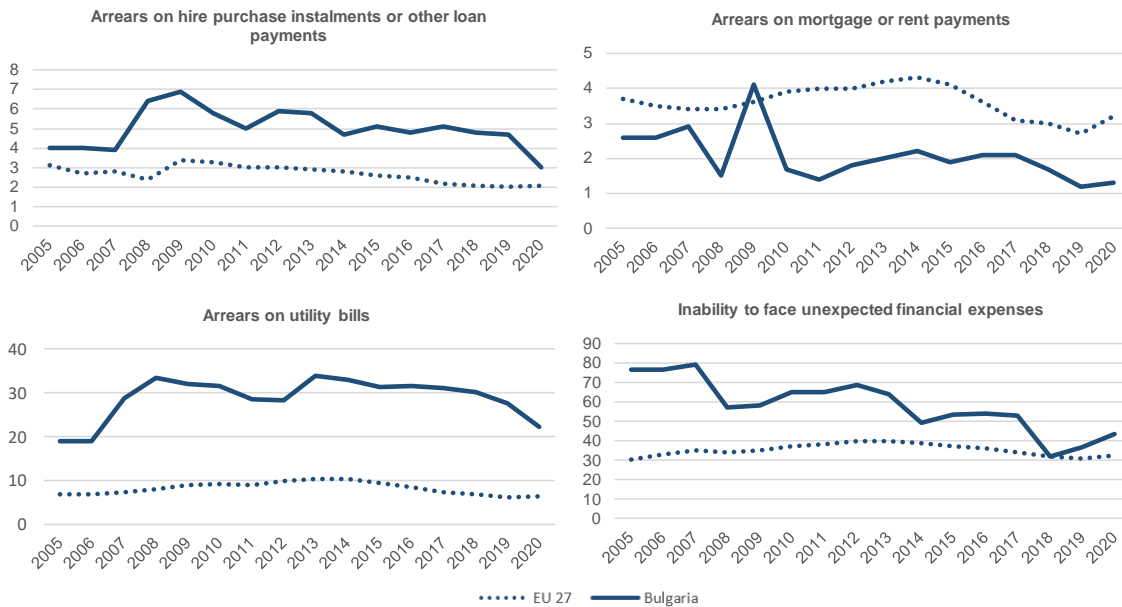
⁷³ Data from 2005 to 2020. Indicators used: ilc_md04, ilc_md06, ilc_md07, and ilc_md08.

⁷⁴ CEIC DATA (2022). Bulgaria Household Debt: % of GDP. Available at: <https://www.ceicdata.com/en/indicator/bulgaria/household-debt--of-nominal-gdp#:~:text=What%20was%20Bulgaria's%20Household%20Debt,table%20below%20for%20mor%E2%80%A6%201/5>

⁷⁵ Results from 2020, Inability to face unexpected financial expenses: Bulgaria = 43.5%, EU = 32.8%.

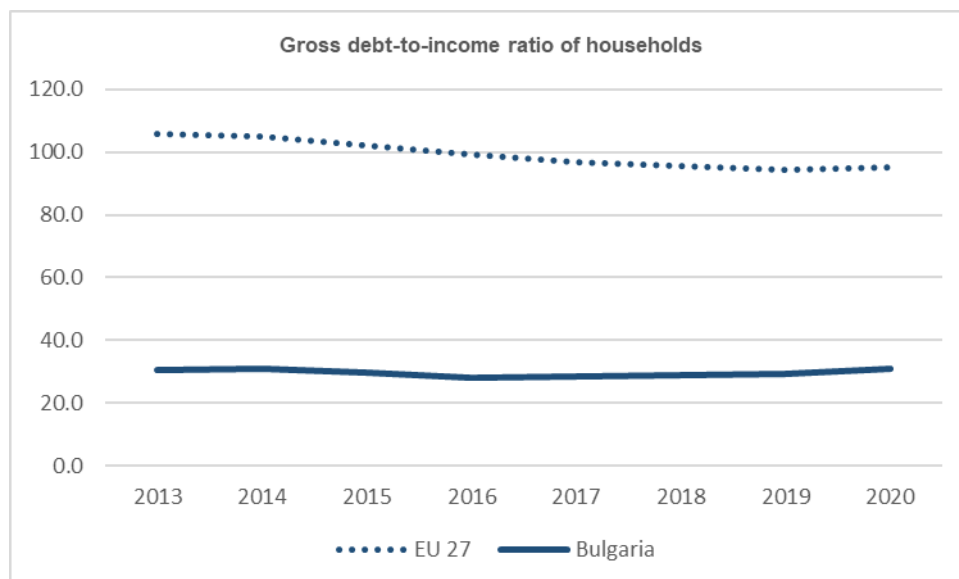
- The share of households in arrears on **utility bills** in Bulgaria (22.2%) is almost three times higher than the EU average (6.3%), although the trend in this area has been quite dynamic and the situation has improved since 2013. Still, this percentage is considerably higher than the other Member States, and only Greece (28.2%) ranks higher.

A full overview of the statistics mentioned above from 2005 to 2020 is available below.



Gross debt-to-income ratio of households

Since 2013, the gross debt-to-income ratio of households in Bulgaria has been close to the EU average. Even though there is no official EU data on this available, the CEIC's most recent report⁷⁶ indicates that the country's household debt accounted for 30.9 % of the country's Nominal GDP in Dec 2020, compared with the ratio of 29.1 % in the previous year.



⁷⁶ CEIC DATA (2022). Bulgaria Household Debt: % of GDP. Available at: <https://www.ceicdata.com/en/indicator/bulgaria/household-debt--of-nominal-gdp#:~:text=What%20was%20Bulgaria's%20Household%20Debt,table%20below%20for%20or%E2%80%A6%201/5>

National level data

According to a Bulgarian National Bank report from February 2022, the share of household debt in 2021 has increased by 13% compared to 2020 with housing loans (49%) and consumer loans (46%) being the main sources of debt among Bulgarian households. Almost half (48.4%) of the indebted households in Bulgaria have small debts (up to 1000 Leva, or around EUR 500). More detailed statistics about the sociodemographic profile of the households in debt were not available in Bulgaria.

Full details on the trends of the household debt in Bulgaria are available in ANNEX B: Complementary national statistical data.

4.1 Results of the debt advisor survey

According to the debt advisors consulted in Bulgaria:

- Most of the over-indebted households had **consumer loans** (32%), **credit cards** (24%), and **mortgages** (23%).
- **Big ticket items** are the key expenses driving over-indebtedness followed by expenses related to property.
- **Credit availability and unexpected events** are the the most relevant sociodemographic factors when looking at over-indebtedness.
- **Sudden changes in life and employment status** are the key sociodemographic factors driving over-indebtedness.

Furthermore:

- Two-thirds of the debt advice beneficiaries are living **in urban areas**.
- The majority (62%) of the debt advice beneficiaries are **men**.
- More than two-thirds (70%) of the debt advice beneficiaries are **unemployed**.
- Contrary to the EU-level findings, the absolute majority (93%) of the debt advice beneficiaries have either **intermediate** (53%) or **advanced** (42%) level of education.
- **Single parents with children** (38%) and **partner households with children** (28%) are the key groups that are most likely to be the debt advice beneficiaries
- **Sudden loss of income** (50%) and **personal circumstances** (40%) are the most impactful sudden changes in life in terms of the over-indebtedness.
- **Middle-aged** (35 to 54) households are most likely to be over-indebted.

Survey results		
1. Main financial source of debt ⁷⁷	Bulgaria	EU
Mortgage	23%	22%
Consumer loan	39%	42%
Credit card ⁷⁸	24%	22%
Informal sources of funds	14%	13%
2. Main expenses leading to over-indebtedness ⁷⁹		
Daily expenses (i.e. food, bills, childcare, etc)	2.3	3.1
Property (rent or purchase)	2.5	3.4
Big ticket items (i.e. cars, education, appliances)	2.7	3.0
Lifestyle expenses (luxury or expensive habits)	1.7	2.5
Addictive behaviours (gambling, alcohol, drugs, or similar)	2.3	3.0
3. Main drivers behind the need for debt ⁸⁰		
Increase in cost of living	2.3	3.1
Decrease in income	3.0	3.4
Increase in cost of debt	2.3	2.9

⁷⁷ Percentage of 100%.

⁷⁸ Debt accumulated via interest rates and penalties when the consumer does not pay the company for the money they have spent i.e. overdraft

⁷⁹ Average rate from 1 to 5.

⁸⁰ Average rate from 1 to 5.

Credit availability ⁸¹	3.7	3.2
Unexpected events (loss of job, divorce, sickness, or others)	3.7	4.0
4. Most relevant sociodemographic factors when looking at over-indebtedness⁸²		
Geographic location	3.0	2.6
Age	2.7	2.9
Gender	2.4	2.4
Level of education	2.4	3.4
Level of income	2.8	3.6
Household size	2.8	2.9
Employment status	3.4	3.5
Sudden changes in life	3.6	3.5
Profession	2.3	3.2
⁸³5. Share of the debt advice beneficiaries by the sociodemographic group		
<i>Geographic location</i>		
Urban	66%	57%
Rural	34%	43%
<i>Gender</i>		
Men	62%	50%
Women	38%	50%
<i>Employment status</i>		
Employed	30%	50%
Unemployed	70%	50%
<i>Level of education</i>		
No to little formal education	0%	19%
Basic education	5%	49%
Intermediate education	53%	20%
Advanced education	42%	12%
<i>Household size</i>		
Single person household with no children	18%	27%
Partner household with no children	18%	17%
Single parents with children	38%	29%
Partner household with children	28%	26%
<i>Sudden changes in life</i>		
Sudden loss of income ⁸⁴	50%	36%
Increase in cost of living	10%	20%
Personal circumstances ⁸⁵	40%	28%
Other	0%	16%
<i>Age</i>		
16-34	15%	13%
35-44	31%	19%
45-54	33%	46%
55-64	10%	11%
65-74	5%	7%
75+	5%	5%

Survey results ⁸⁶		
1. Main source of debt	Bulgaria	EU
Mortgage	23%	22%
Consumer loan	39%	42%
Credit card ⁸⁷	24%	22%
Informal sources of funds	14%	13%
2. Average rate of the sociodemographic factors⁸⁸		
Geographic location	3.0	2.6
Age	2.7	2.9
Gender	2.4	2.4
Level of education	2.4	3.4
Level of income	2.8	3.6
Household size	2.8	2.9

⁸¹ Type of credit, availability of credit, marketing practices

⁸² Based on their experience, debt advisors were asked to rate the impact of each sociodemographic category on over-indebtedness from 1 to 5 across the sub-groups of each sociodemographic profile. The numbers included in the table are average rates of each sociodemographic factor in the Member States mentioned, and at the EU level overall.

⁸³ Percentage of 100%.

⁸⁴ Unemployment, wage level, pandemics/lockdowns.

⁸⁵ Death/health issue in the family, number of dependents, divorce/family breakdown.

⁸⁶ The online survey, in total, received 101 responses for task 1 (debt advisors only) including 3 responses from Bulgaria.

⁸⁷ Debt accumulated via interest rates and penalties when the consumer does not pay the company for the money they have spent i.e. overdraft

⁸⁸ Based on their experience, debt advisors were asked to rate the impact of each sociodemographic category on over-indebtedness from 1 to 5 across the sub-groups of each sociodemographic profile. The numbers included in the table are average rates of each sociodemographic factor in the Member States mentioned, and at the EU level overall.

Employment status	3.4	3.5
Sudden changes in life	3.6	3.5
Profession	2.3	3.2
3. Share of the debt advice beneficiaries by the sociodemographic group		
<i>Geographic location</i>		
Urban	66%	57%
Rural	34%	43%
<i>Gender</i>		
Men	62%	50%
Women	38%	50%
<i>Employment status</i>		
Employed	30%	50%
Unemployed	70%	50%
<i>Level of education</i>		
No to little formal education	0%	19%
Basic education	5%	49%
Intermediate education	53%	20%
Advanced education	42%	12%
<i>Household size</i>		
Single person household with no children	18%	27%
Partner household with no children	18%	17%
Single parents with children	38%	29%
Partner household with children	28%	26%
<i>Sudden changes in life</i>		
Sudden loss of income ⁸⁹	50%	36%
Increase in cost of living	10%	20%
Personal circumstances ⁹⁰	40%	28%
Other	0%	16%
<i>Age</i>		
16-34	15%	13%
35-44	31%	19%
45-54	33%	46%
55-64	10%	11%
65-74	5%	7%
75+	5%	5%

⁸⁹ Unemployment, wage level, pandemics/lockdowns.

⁹⁰ Death/health issue in the family, number of dependents, divorce/family breakdown.

4.2 Annexes (EU level data & Complementary national statistical data)

ANNEX B: Complementary national statistical data

Bulgaria ⁹¹ Type of debt			
Type of debt	Debt in Leva	Share of total (%)	Change from 2020 (%)
Overdraft	1169824	4%	-1%
Consumer loans	13223717	46%	11%
Housing loans	14130780	49%	18%
Other loans	383271	1%	-5%
Total	28907592	100%	13%

Number of households in debt			
Level of debt	Number of households indebted in 2021	Share of total (%)	Change from 2020 (%)
Up to 1000 Leva	1348977	48.4%	-2%
From 1000 to 2500 Leva	394492	14.1%	0%
From 2500 to 5000 Leva	260473	9.3%	4%
From 5000 to 10000 Leva	47292	1.7%	24%
From 10000 to 25000 Leva	258041	9.3%	-4%
From 25000 to 50000 Leva	156043	5.6%	6%
From 50000 to 100000 Leva	5746	0.2%	40%
From 100000 to 250000 Leva	231043	8.3%	4%
From 250000 to 500000 Leva	86687	3.1%	18%
From 500000 to 1 million Leva	699	0.0%	33%
More than 1 million Leva	115	0.0%	-2%
Total	2789608	100%	1%

⁹¹ Bulgarian National Bank (2021). Annual BNB Report 2021. Available at: <https://www.bnb.bg/ResearchAndPublications/PubPeriodical/PubPAnnualReport/>

5 Cyprus

5.1 Statistics on households' over-indebtedness

Cyprus seems to be a Member State with high overall household indebtedness and over-indebtedness levels meaning that a high share of households not only have debts and liabilities but they also struggle to pay off some of their debts,

Based on the conducted desk research, a specific definition of over-indebtedness does not exist in Cyprus. Thus, nationally available data from Cyprus focuses on the overall loan trends, the share of non-performing loans, and the share of households with the financial burden of the repayment of debts based on their median income level. The findings show that household groups that have the most financial burdens are households with a median income below 60%.

A more detailed analysis of the indicators of the household (over) indebtedness, and an overview of the impact of over-indebtedness on the different household groups in Cyprus are available in the chapters below.

EU level data

This section concentrates on the analysis of the selected EU-level statistical indicators on household over-indebtedness in Cyprus, this includes:

- Statistics on arrears and inability to face unexpected financial expenses (EU SILC data)⁹²;
- Gross debt-to-income ratio of households⁹³;
- Statistics concerning the share of households holding debt, liabilities, median to income/asset ratios, regular expenses less than income, and negative wealth⁹⁴.

Statistics on arrears and inability to face unexpected financial expenses (EU SILC data)

Overall, the proportion of households in arrears in Cyprus is relatively **higher than the EU average**.

On the positive side:

- The share of households in arrears on **hire purchase instalments or other loan payments** in Cyprus (7.3%) has shown a **significant fall** since 2013 to 14.8%⁹⁵. Despite the share in Cyprus still being higher than the EU average (2.1%), the gap between them has been gradually decreasing from 19.2% in 2013 to 5.2% in 2020.
- In 2020, the share of households in Cyprus (9.2%) that had **arrears on utility bills** had positively improved since 2013 (21.9%). In a similar context, despite the share in Cyprus still being higher than the EU average (6.3%), the gap between them has also been decreasing from 11.5% in 2013 to 3% in 2020.
- The share of households in arrears on **mortgage or rent payments** in Cyprus (3.5%) has almost reached the EU average (3.2%) in 2020, entailing that the situation has **improved considerably** since 2013 (8.8%). In fact, the only Member States that had a higher share of households in arrears on mortgages in 2020 were Greece (9.3%), Ireland (8%), and Spain (6.9%).

⁹² Data from 2005 to 2020. Indicators used: ilc_mdcs04, ilc_mdcs06, ilc_mdcs07, and ilc_mdcs08.

⁹³ Data from 2013 to 2020. Indicator used: tec00104.

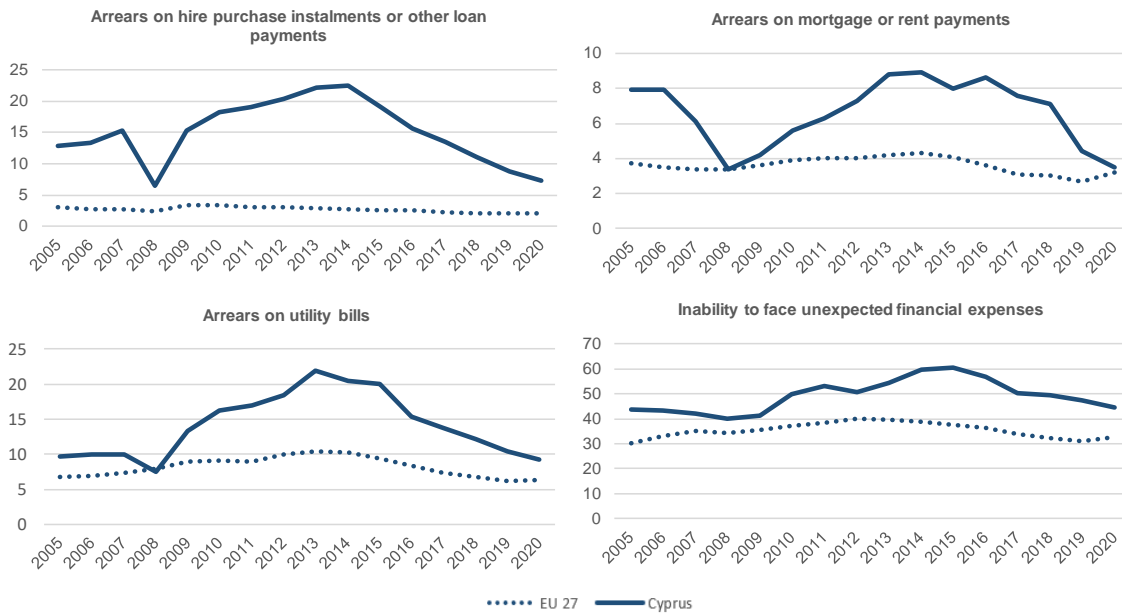
⁹⁴ Anonymised microdata from 2017 wave made available in March 2020. Note: the report for the next wave in 2020 is expected to be released in the last quarter of 2022.

⁹⁵ Results for the arrears on hire purchase instalments or other loan payments in Cyprus were 22.1% in 2013 and 7.3% in 2020.

On the negative side:

- In comparison to the average EU household, households in Cyprus have been unable to **face unexpected financial expenses**. The EU on average has in fact shown a steadier development within this area, whilst in Cyprus it seems to be slightly fluctuating.

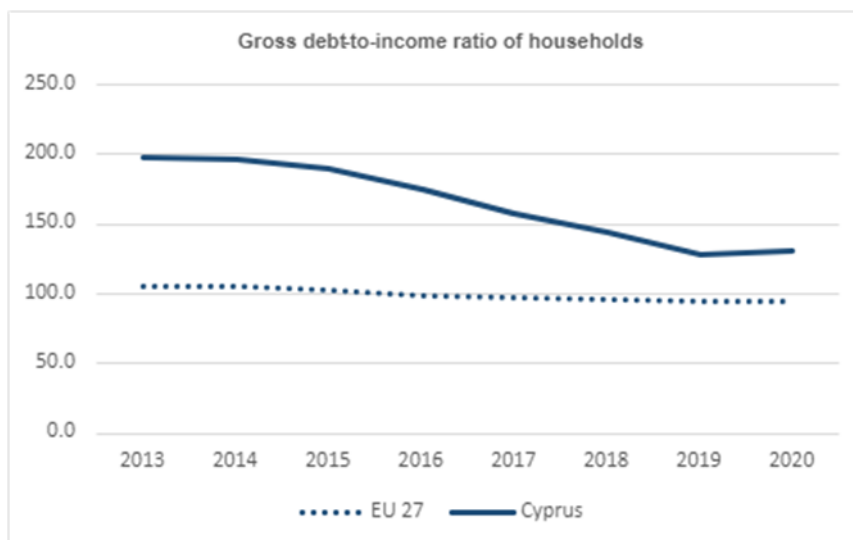
A full overview of the statistics mentioned above from 2005 to 2020 is available below.



Gross debt-to-income ratio of households

Since **2013**, the gross debt-to-income ratio of households in Cyprus has been higher than the EU average.

- Although Cyprus has shown to have a higher ratio than the EU average, gross debt-to-income in Cyprus has been steadily decreasing from 197.4% (EU: 105.7%) in 2013 to 131.3% (EU: 95.1%) in 2020.



Findings from the ECB Household Finance and Consumption Survey

According to the ECB Household Finance and Consumption Survey, in 2017, the share of **households holding debt in Cyprus** (56.8%) **was slightly higher than the EU average** (42%).

- This was the case across all age⁹⁶ and income groups, with the highest gap existing between the households belonging to the 20-40% income level⁹⁷ and those aged 45-54.⁹⁸

In terms of the debt types, Cyprus is also **similar to the rest of the EU with mortgages being the main source of household debt** (Cyprus 90.8% to EU 88.1%).

- The share of households in Cyprus with debt related to non-mortgage debt⁹⁹ and other types of debt¹⁰⁰ is significantly smaller compared with the EU average.
- At the same, time there is a higher share of households in Cyprus with relatively high rates of credit line/overdraft and credit card debt in relation to the EU average.

In 2017, the total **median debt to income ratio** of the indebted households in Cyprus was **significantly higher than the EU average** (Cyprus 280.6% to EU 70.8%). In addition, in 2017, the total share of households in Cyprus with **regular expenses less than their income** was lower than the EU average¹⁰¹ (Cyprus 20.2% to EU 40.2%).

The **total median debt to assets ratio** is also **lower in Cyprus compared with the EU average** (Cyprus 20.5%; EU 25.5%) across most of the population segments. In addition, the share of households in Cyprus with **negative wealth**¹⁰² is considerably higher than the EU average (Cyprus 5.5% to EU 4.7%).

Full details of the ECB Household Finance and Consumption Survey are in ANNEX A: EU level data, findings from ECB HFC (2017).

National level data

To provide a further overview of the level of over-indebtedness at a national level, the study relies on the Survey on Households study made by the Republic of Cyprus Statistical Service and a study made by the Central Bank of Cyprus.

The data illustrates that:

- On the one hand, the households facing heavy financial burden due to housing costs are higher for the households below 60% of the median income, with 2016 (93.2%) being the highest rate. Households, without financial burden seem to be at a higher percentage level within the households above 60% of the median income. However, when looking at the average growth rate between 2015-2020, the trend seems to be higher for the household below the median income. On the other hand, households with financial burdens due to housing costs have been significantly increasing for households above 60% of median income, with a 10% average growth rate from 2015 to 2020.
- At the national level, housing loans seem to be the most popular type of loan used by Cypriot households, with the highest being in 2016 (EUR 137,472). It could be seen that requests for all types of loans have been overall decreasing by 12% between 2016-2020.
- Non-performing loans across households have been decreasing in the past three years by 34%, showing that at an aggregate level, households are gradually paying off their debt.

⁹⁶ Apart from those aged 16-34

⁹⁷ Cyprus 53.7% to EU 30.6%

⁹⁸ Cyprus 78% to EU 56.5%

⁹⁹ Cyprus 9.2% to EU 11.9%

¹⁰⁰ Cyprus 6.3% to EU 10.7%

¹⁰¹ Oppositely to the other indicators from the ECB HCF survey, the higher share of households with regular expenses less than income is considered a positive result.

¹⁰² Net wealth is the difference between total household assets and total household liabilities. Negative net wealth means the household has more total liabilities than total assets.

Full details on the trends of the household debt in Cyprus is available in ANNEX B: Complementary national statistical data.

5.1 Results of the debt advisor survey

According to the debt advisors consulted in Cyprus:

- Contrary to the EU-level findings, the absolute majority (80%) of the over-indebted households had **mortgages**.
- **Expenses related to property, big ticket items and lifestyle expenses** are the key expenses driving over-indebtedness.
- **Decrease in income, increase in cost of debt and unexpected events** are the most significant drivers behind the need for debt.
- Contrary to the EU-level findings, **age and level of education** are the most relevant sociodemographic factors when looking at over-indebtedness.

Furthermore:

- All of the debt advice beneficiaries are living in **rural areas**.
- More than two-thirds (70%) of the debt advice beneficiaries are **women**.
- Almost two-thirds of the debt advice beneficiaries (64%) are **unemployed**.
- Almost all of the debt advice beneficiaries (99%) have **basic education**.
- Half of the debt advice beneficiaries belong to the **45-54 year old** group.

Survey results		
1. Main financial source of debt¹⁰³		
	Cyprus	EU
Mortgage	80%	22%
Consumer loan	10%	42%
Credit card ¹⁰⁴	5%	22%
Informal sources of funds	5%	13%
2. Main expenses leading to over-indebtedness¹⁰⁵		
Daily expenses (i.e. food, bills, childcare, etc)	3.0	3.1
Property (rent or purchase)	5.0	3.4
Big ticket items (i.e. cars, education, appliances)	5.0	3.0
Lifestyle expenses (luxury or expensive habits)	5.0	2.5
Addictive behaviours (gambling, alcohol, drugs, or similar)	1.0	3.0
3. Main drivers behind the need for debt¹⁰⁶		
Increase in cost of living	3.0	3.1
Decrease in income	5.0	3.4
Increase in cost of debt	5.0	2.9
Credit availability ¹⁰⁷	4.0	3.2
Unexpected events (loss of job, divorce, sickness, or others)	5.0	4.0
4. Most relevant sociodemographic factors when looking at over-indebtedness¹⁰⁸		
Geographic location	1.8	2.6
Age	5.0	2.9
Gender	1.0	2.4
Level of education	5.0	3.4
Level of income	4.6	3.6
Household size	3.7	2.9
Employment status	3.9	3.5
Sudden changes in life	4.1	3.5
Profession	4.0	3.2
5. Share of the debt advice beneficiaries by the sociodemographic group¹⁰⁹		
<i>Geographic location</i>		
Urban	100%	57%

¹⁰³ Percentage of 100%.

¹⁰⁴ Debt accumulated via interest rates and penalties when the consumer does not pay the company for the money they have spent i.e. overdraft

¹⁰⁵ Average rate from 1 to 5.

¹⁰⁶ Average rate from 1 to 5.

¹⁰⁷ Type of credit, availability of credit, marketing practices

¹⁰⁸ Based on their experience, debt advisors were asked to rate the impact of each sociodemographic category on over-indebtedness from 1 to 5 across the sub-groups of each sociodemographic profile. The numbers included in the table are average rates of each sociodemographic factor in the Member States mentioned, and at the EU level overall.

¹⁰⁹ Percentage of 100%.

	Rural	0%	43%
<i>Gender</i>			
	Men	30%	50%
	Women	70%	50%
<i>Employment status</i>			
	Employed	64%	50%
	Unemployed	36%	50%
<i>Level of education</i>			
	No to little formal education	1%	19%
	Basic education	99%	49%
	Intermediate education	0%	20%
	Advanced education	0%	12%
<i>Age</i>			
	16-34	10%	13%
	35-44	20%	19%
	45-54	50%	46%
	55-64	10%	11%
	65-74	5%	7%
	75+	5%	5%

5.2 Annexes (EU level data & Complementary national statistical data)

ANNEX A: EU level data

CYPRUS		Cyprus (%)	EU (%)	Lowest ↓	Highest ↑
ECB HFC (2017)					
Percentage of households holding debt					
Total		56.8	42	19.7	58
<i>By level of income</i>					
Bottom 20%		31.9	24.1	8.1	35.7
20-40%		53.7	30.6	12.6	53.7
40-60%		59.0	41.1	15.1	59.9
60-80%		65.8	52.8	22.1	74.3
80-90%		69.7	59.4	22.8	83.1
90-100%		77.5	63.3	29	81.3
<i>By age group</i>					
16-34		48.9	50.7	13.8	75.7
35-44		75.5	61.3	26.2	82.1
45-54		78.0	56.5	27.2	78
55-64		62.5	42.5	17.7	64.5
65-74		29.6	25.4	9.4	44.6
75+		10.6	9.2	2.3	34.5
Shares of debt types on total liabilities % of total liabilities					
Mortgage		90.8	88.1	65.7	97.3
Non-mortgage debt		9.2	11.9	2.7	34.3
Of which: other		6.3	10.7	2	23.6
Credit line/ overdraft		2.4	1	0.1	9.5
Credit card debt		0.5	0.2	0.1	2
Median debt to income ratio					
Total		208.6	70.8	16.7	243
<i>By level of income</i>					
Bottom 20%		337.1	73.3	14	664.7
20-40%		238.9	47.4	8.3	253.8
40-60%		201.9	53.6	10.6	266.9
60-80%		193.7	77.6	13.8	260.7
80-90%		183.9	97.7	21.7	213.7
90-100%		174.4	80.4	17.9	174.4
<i>By household size</i>					
1		164.1	58.8	13.9	260.2
2		183.0	50	15.9	216.6
3		236.8	79.8	9.4	268.6
4		251.8	109.5	19.8	251.8
5+		157.6	91.3	11.7	268.6
<i>By housing status</i>					
Owners - outright		68.1	24.1	5.4	68.1
Owners - with mortgage		309.5	186.7	76.3	309.5
Renters		68.1	17.9	8.2	68.1
<i>By age group</i>					
16-34		193.7	56.7	16.7	257.7
35-44		245.3	143.5	26.7	315.7
45-54		248.0	79.5	11.7	248
55-64		142.9	54.8	9	181.3
65-74		252.5	30.7	5.5	252.5
75+		N	22.1	6	217.1
Median debt to assets ratio					
Total		20.5	25.5	4.8	52.1
<i>By level of income</i>					
Bottom 20%		36.1	37	3	94.9
20-40%		21.1	28.4	2.9	48.8
40-60%		18.3	27.8	4.5	54.4
60-80%		21.1	25.1	6.3	57.5
80-90%		21.7	24.7	8.8	52.6
90-100%		13.9	20.1	5.3	39.5
<i>By household size</i>					

	1	23.1	32.9	2.6	55.8
	2	15.5	17.8	3	42.3
	3	29.0	27.1	4.7	58.2
	4	19.0	27.3	5.6	56.9
	5+	13.2	30.1	3.5	57.1
<i>By housing status</i>					
	Owners - outright	4.5	3.7	0.9	7.4
	Owners - with mortgage	27.5	34.3	19.2	52.7
	Renters	31.4	40.3	22.9	104.6
<i>By age group</i>					
	16-34	20.9	52.9	20.9	75.6
	35-44	24.0	38.6	10.2	66
	45-54	19.9	21.6	3.8	54
	55-64	13.6	13.2	2.4	38.1
	65-74	11.0	8.6	1.5	34.5
	75+	N	5.5	1.3	27.4
Regular expenses less than income¹¹⁰					
	Total	20.2	40.2	15.5	65.2
<i>By level of income</i>					
	Bottom 20%	8.2	23.9	4	49.9
	20-40%	17.7	33.1	8.3	66
	40-60%	14.0	41.2	13.9	63.9
	60-80%	21.2	47.1	19.5	69.7
	80-90%	33.7	51.2	24.9	75.9
	90-100%	45.9	61.3	29.6	78.2
<i>By household size</i>					
	1	23.8	40.5	14.1	61.5
	2	25.6	43.5	18.5	70.9
	3	11.3	38.2	11.3	68.4
	4	19.6	37.3	13.2	65.8
	5+	14.2	32.9	9.7	54.7
<i>By housing status</i>					
	Owners - outright	23.2	42.2	17.9	67.8
	Owners - with mortgage	18.0	43.2	11	65.4
	Renters	18.6	36.8	11.4	61.5
<i>By age group</i>					
	16-34	17.7	41.1	9.4	61.9
	35-44	21.6	38.2	13.7	64
	45-54	13.5	40.4	13.5	66.1
	55-64	22.4	41.5	18.6	66.4
	65-74	24.9	42	16.7	72.8
	75+	24.2	38.3	10.4	63.2
% of households that have negative net wealth					
	Total	5.5	4.7	0.3	9.4
<i>By level of income</i>					
	Bottom 20%	9.1	6.9	0.3	16.1
	20-40%	3.3	5	0.2	12.9
	40-60%	8.3	5.4	0.8	10.8
	60-80%	4.3	3.8	0.3	10.8
	80-90%	1.3	3	0	10.8
	90-100%	3.3	1.7	0	6.1
<i>By household size</i>					
	1	6.9	5.4	0.2	12
	2	3.3	3.2	0.4	8
	3	8.9	5.7	0.3	13.1
	4	2.8	4.6	0.2	11.5
	5+	7.3	6.4	0	11.8
<i>By housing status</i>					
	Owners - outright	0.5	0.1	0	0.5
	Owners - with mortgage	6.2	4.6	0	16.3
	Renters	10.7	9.4	1.7	24.9
<i>By age group</i>					
	16-34	12.3	10.6	0.6	25.6
	35-44	6.4	6.4	0	15.4
	45-54	4.6	5	0.3	11
	55-64	1.8	3.8	0.2	8.8
	65-74	2.8	2.3	0.4	3.9
	75+	5.1	0.5	0	5.1

¹¹⁰ Oppositely to the other indicators from the ECB HCF survey, the higher share of households with regular expenses less than income is considered a positive result.

ANNEX B: Complementary national statistical data

Cyprus National-level data							
1. Financial burden of the repayment of debts from hire purchases or loans ¹¹¹							
<i>Households with heavy financial burden due to the housing costs</i>							
	2015	2016	2017	2018	2019	2020	Average growth rate between 2015-2020
Below 60% of median equivalised income	89.2	93.2	89.3	87.9	86.5	80.8	2%
Above 60% of median equivalised income	78.5	75	67.9	65.9	65.9	61.2	-5%
<i>Households with financial burden due to the housing costs</i>							
	2015	2016	2017	2018	2019	2020	Average growth rate between 2015-2020
Below 60% of median equivalised income	10.8	6.1	5.5	9.6	13.5	11.3	9%
Above 60% of median equivalised income	19.0	23.3	25.6	29.1	28.8	29.8	10%
<i>Households without financial burden due to the housing costs</i>							
	2015	2016	2017	2018	2019	2020	Average growth rate between 2015-2020
Below 60% of median equivalised income	0.0	0.8	5.1	2.5	0.0	7.9	77%
Above 60% of median equivalised income	2.5	1.7	6.5	5.0	5.2	9.0	61%
2.Monetary Financial Institution Loans To Domestic Residents (€ million, outstanding amount) ¹¹²							
	2016	2017	2018	2019	2020	Average growth rate between 2016-2020	
Consumer credit	31,748	30,431	26,175	21,186	18,983	-12%	
Housing loans	137,472	135,215	121,584	102,923	102,700	-7%	
Other lending	80,912	78,046	59,426	33,077	28,603	-21%	
Total loans	250,132	243,691	207,185	157,185	150,286	-12%	
3. Information On Non-Performing Loans On Households (in €000) ¹¹³							

¹¹¹ Republic of Cyprus Statistical Service, Survey on Income and living conditions <https://www.cystat.gov.cy/en/StaticPage?id=1204>

¹¹² Central Bank of Cyprus Monetary and Financial Statistics (2022), <https://www.centralbank.cy/en/publications/monetary-and-financial-statistics>

¹¹³ Central Bank of Cyprus, Monetary and Financial Statistics and Financial Accounts (2022), <https://www.centralbank.cy/en/statistics/money-and-banking-statistics-and-financial-accounts>

	2018	2019	2020	Average growth rate between 2018-2020
Non-performing loans	106,973,093	60,072,992	45,023,466	-34%

6 Croatia

6.1 Statistics on households' over-indebtedness

The level of overall household indebtedness in Croatia is generally lower than the EU average for most of the indicators included in this study, however, households in Croatia, on average, are significantly more likely to be on arrears in utility bills and more unable to face unexpected financial outcomes compared to the average EU household.

There seems to be no uniform definition of over-indebtedness in Croatia, however, the nationally available data in Croatia shows that household groups that are the most likely to be on arrears in Croatia are single person households (especially single parents with dependent children), and middle aged households (between 30 and 55 years of age). Regionally, it seems that households from eastern Croatia are more likely to have credit card debt, overdrafts, or another form of non-collateralised debt.

A more detailed analysis of the indicators of the household (over) indebtedness, and an overview of the impact of over-indebtedness on the different household groups in Croatia are available in the chapters below.

EU level data

This section concentrates on the analysis of the selected EU-level statistical indicators on household over-indebtedness in Croatia, this includes:

- Statistics on arrears and inability to face unexpected financial expenses (EU SILC data)¹¹⁴;
- Gross debt-to-income ratio of households¹¹⁵;
- Statistics concerning the share of households holding debt, liabilities, median to income/asset ratios, regular expenses less than income, and negative wealth¹¹⁶.

Statistics on arrears and inability to face unexpected financial expenses (EU SILC data)

Overall, the proportion of households in arrears in Croatia really **differs from the EU average**, depending on the type of arrears.

On the positive side:

- The share of households in arrears on **hire purchase instalments or other loan payments** in Croatia has been in decline since 2015, and is now below the EU average since 2020 (1.7% in Croatia and 2.1% in EU27).
- Since 2010, the share of households in Croatia that had **arrears on mortgages** has always been considerably lower than the EU average. Furthermore, it continued to decline in 2020 (0.8%), while the EU average increased (3.2%).

On the negative side:

- Since 2010, the share of households in arrears on **utility bills** in Croatia has always been considerably higher than the EU average, even though, it has considerably declined (30.4% in 2013 and 13.6% in 2020).

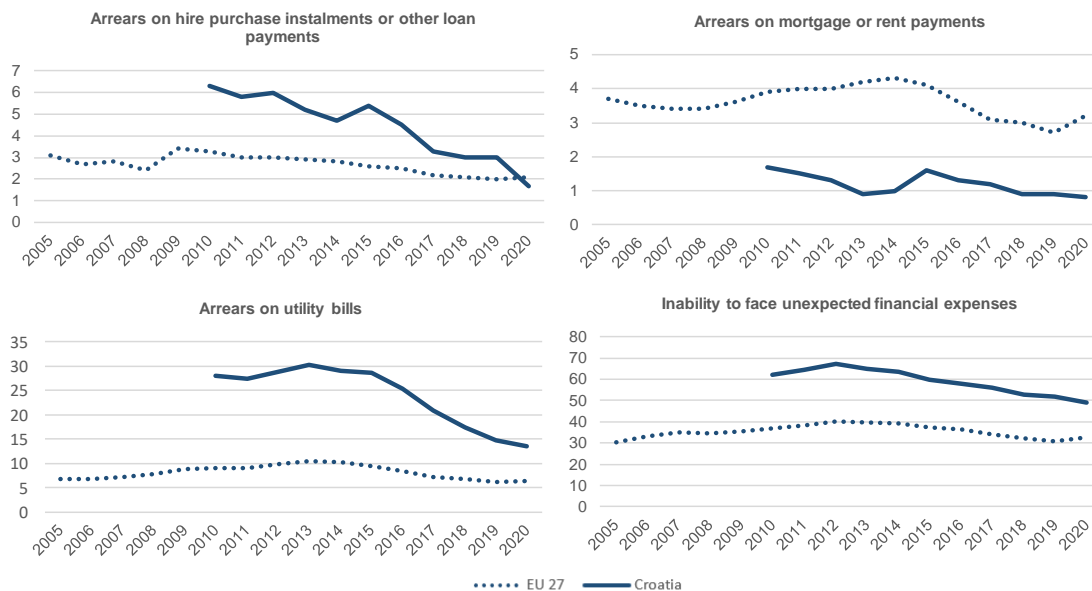
¹¹⁴ Data from 2005 to 2020. Indicators used: ilc_mdcs04, ilc_mdcs06, ilc_mdcs07, and ilc_mdcs08.

¹¹⁵ Data from 2013 to 2020. Indicator used: tec00104.

¹¹⁶ Anonymised microdata from 2017 wave made available in March 2020. Note: the report for the next wave in 2020 is expected to be released in the last quarter of 2022.

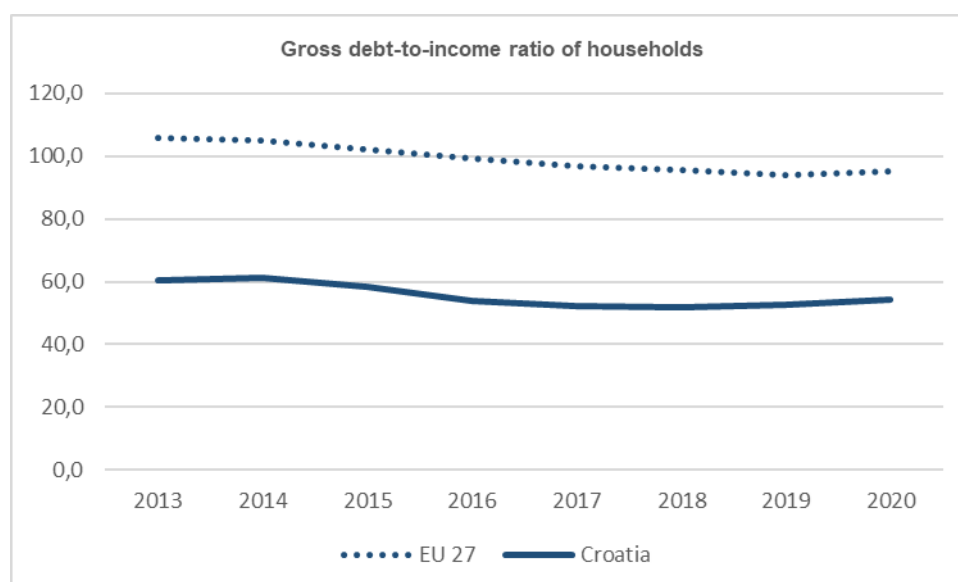
- Households in Croatia have bigger difficulties to **face unexpected financial expenses** than the average EU household¹¹⁷, even though this trend has been decreasing at a faster rate than the EU average.

A full overview of the statistics mentioned above from 2005 to 2020 is available below.



Gross debt-to-income ratio of households

Since **2018**, the **gross debt-to-income ratio of households in Croatia has been lower than the EU average**. Similarly to the EU as a whole, the gross debt-to-income ratio of households in Croatia has been decreasing very slowly from 60.35% (EU: 105.7%) in 2013 to 54.12% (EU: 95.1%) in 2020.



¹¹⁷ Results from 2020, Inability to face unexpected financial expenses: Croatia = 48,9%, EU = 32,8%.

Findings from the ECB Household Finance and Consumption Survey

According to the ECB Household Finance and Consumption Survey, in 2017, the share of **households holding debt in Croatia (40.7%) was slightly lower than the EU average (42%)**.

- However, this finding needs to be differentiated by age and income groups. In terms of the level of income, the bottom 20% and 40% to 80% of households hold more debt than the EU average. In terms of age group, The 35-44 and 55+ households also hold more debt than the EU average.

In terms of the debt types, Croatia is very different **to the rest of the EU. If mortgages are also the main source of household debt, it is much lower than in the rest of Europe** (Croatia 65.7% to EU 88.1%). On the other hand, the share of households in Croatia with debt related to credit line/ overdraft¹¹⁸, credit card debt¹¹⁹, and non-mortgage debts (consumer credit loans, private loans and other loans not collateralised on a household's real estate property)¹²⁰ is considerably higher than the EU averages.

In 2017, the total **median debt to income ratio** of the indebted households in Croatia **was considerably lower than the EU average** (Croatia 26.6% to EU 70.8%). On the negative side, the total share of households in Croatia with **regular expenses less than their income** was considerably below the EU average¹²¹ (Croatia 19.5% to EU 40.2%).

The **total median debt to assets ratio** is also **lower in Croatia compared with the EU average** (Croatia 4.8%; EU 25.5%), and as well across all levels of income, age group, household size, and housing status (except for renters for which it is higher). In addition, the share of households in Croatia with **negative wealth**¹²² is lower than the EU average (Croatia 3.5% to EU 4.7%).

Full details of the ECB Household Finance and Consumption Survey are in ANNEX A: EU level data, findings from ECB HFC (2017).

National level data

Indebtedness of Croatian citizens has been steadily decreasing since the economic crisis in 2008, nonetheless, household debt reached approximately 35% of Croatia's GDP in 2020.¹²³

In 2020 most households also reported having had difficulties to make ends meet, with only 20% reported having no or very few difficulties.¹²⁴ Furthermore, **almost half reported not being able to face unexpected financial expenses**.¹²⁵

A study by the Croatian National Bank (CNB)¹²⁶ presents **the structure of Croatia's household debt** taking into account three types of debt:

- Secured debt (almost exclusively consists of mortgages),
- Non-collateralised debt (e.g., cash loans for living expenses, vehicle purchase or debt consolidation), and
- Overdrafts and credit card debt.

According to the findings of the Household Finance and Consumption Survey (HFCS)¹²⁷:

¹¹⁸ Croatia 9,5% to EU 1%.

¹¹⁹ Croatia 1,2% to EU 0.2%.

¹²⁰ Croatia 34,3% to EU 11,9%.

¹²¹ Oppositely to the other indicators from the ECB HCF survey, the higher share of households with regular expenses less than income is considered a positive result.

¹²² Net wealth is the difference between total household assets and total household liabilities. Negative net wealth means the household has more total liabilities than total assets.

¹²³ Rosan, M., & Zauder, K. (2020). Which Loans Do We Take?: a Micro-level Analysis of Croatian Households' Debt Participation. Croatian National Bank, Publishing Department.

¹²⁴ Croatian Bureau of Statistics, Income and Living Conditions Survey Results, 2020, available at: <https://podaci.dzs.hr/media/wt3lyxzw/si-1693-rezultati-ankete-o-dohotku-stanovnistva-u-2020.pdf>

¹²⁵ Ibid.

¹²⁶ Rosan, M., & Zauder, K. (2020). Which Loans Do We Take?: a Micro-level Analysis of Croatian Households' Debt Participation. Croatian National Bank, Publishing Department.

¹²⁷ Available at: <https://www.hnb.hr/en/statistics/statistical-surveys/household-finance-and-consumption-survey>

- Around 9% of households possess a secured debt, mostly in a form of a mortgage. This is likely due to the fact that the vast majority of households (between 85-90% according to various sources, namely HFCS and Eurostat) own real estate
- Approximately 10% of households have some form of non-collateralised debt
- Overdrafts and credit card debt are used by almost 30% of Croatian households. This also means that 75% of all indebted households have overdrafts and credit card debt.

There are a few reasons why most indebted households rely on non-collateralised debt, credit card debts and overdrafts. Firstly, households that report not being able to finance their expenses from their income also report using overdrafts and credit card debt as a source of finance.¹²⁸ Secondly, some households are excluded from using secured loans which usually include lower interest rates.¹²⁹

With regards to **age**, households with **middle aged members (between 30 and 55 years of age) are the most likely to have some form of debt.**¹³⁰ The elderly have the lowest share in overdrafts and credit card loans. Most users of credit card debt and overdrafts are again middle-aged consumers (between 30 and 55 years of age).¹³¹

There are not many publicly available sources that provide a **regional overview of indebtedness** however, the CNB¹³² found that there is a significantly higher probability a household is going to have credit card debt, overdrafts, or another form of non-collateralised debt if they come from eastern Croatia.

The Croatian Bureau of Statistics¹³³ provides a more detailed overview of indebtedness and arrears of different household types. From the participants who reported not being able to face unexpected expenses, it seems that single persons are more affected, especially single women and people above the age of 65 (approximately 75% feel unable to face unexpected financial expenses). On the other hand, households with two adults and either one or two dependent children seem to feel the most prepared (around 60% felt able to face unexpected expenses in 2020).

In terms of the financial burdens of repaying loans, only 6% of households do not feel burdened, while roughly half report being heavily burdened. Furthermore, **in 2020 approximately 14% of households were in arrears** which included mortgages, rent payments, utility bills, consumer credits and other loans. However, only a minority was related to mortgages, rent payments and loans.

In 2020 arrears on mortgage or rent payments were low at 0.8% of households being late with payments. Arrears were slightly higher for households with two adults both younger than 65 years (1.4%), single parent households with one or more dependent children (1.5%), and households with three or more adults with dependent children (1.5%).

Similarly, arrears on consumer credits or other loan payments were also low with only 1.7% of households reporting late payments in 2020. However, around 3.5% of households with single parents of one or more children, and households comprising of two adults and two dependent children had arrears on consumer credits and other loan payments.

As confirmed by other sources discussed in the previous section, **utility bills constitute the most significant source of arrears for Croatian households.** In 2020, **13,6% of households were**

¹²⁸ Rosan, M., & Zauder, K. (2020). Which Loans Do We Take?: a Micro-level Analysis of Croatian Households' Debt Participation. Croatian National Bank, Publishing Department.

¹²⁹ Ibid.

¹³⁰ Ibid.

¹³¹ Ibid.

¹³² Ibid.

¹³³ Ibid.

¹³³ Croatian Bureau of Statistics, Income and Living Conditions Survey Results, 2020, available at: <https://podaci.dzs.hr/media/wt3lyxzw/si-1693-rezultati-ankete-o-dohotku-stanovnistva-u-2020.pdf>

late in paying their utility bills, which is a significant decrease since 2017 when over 20% reported arrears with utility bills. There are also differences between households, with the figures for 2020 showing that:

- one person households comprising of either women or persons older than 65 years had the lowest amount of late payments with only 9% and 7,2% having arrears.
- on the other hand, around 29% of households with single parents and one or more dependent children were in arrears. In addition, one-fifth of households with two adults and three or more dependent children were in arrears.

6.2 Results of the debt advisor survey

According to the debt advisors consulted in Croatia:

- Most of the over-indebted households had **consumer loans** (32%), **credit card debt** (26%), and **mortgages** (24%).
- **Daily expenses and big ticket items** are the key expenses driving over-indebtedness.
- **Credit availability, decrease in income and unexpected events** are the most significant drivers behind the need for debt.
- **Sudden changes in life and employment status** are the most relevant sociodemographic factors when looking at over-indebtedness.

Furthermore:

- Three-quarters of the debt advice beneficiaries are living **in rural areas**.
- A slight majority (52%) of the debt advice beneficiaries are **women**.
- The absolute majority (90%) debt advice beneficiaries are **employed**.
- Around one third (34)% of the debt advice beneficiaries have **basic education** followed by households with the **intermediate level of education** (29%).
- **Single parents with children** (33%) and **partner households with children** (30%) are the key groups that are most likely to be the debt advice beneficiaries
- **Sudden loss of income** and **personal circumstances** are the most impactful sudden changes in life in terms of over-indebtedness.
- Contrary to the EU-level findings, **middle-income households** are more likely to be debt advice beneficiaries.
- **Middle-age** (35 to 54) households are most likely to be over-indebted, however, older age (55+) households are more likely to be debt-advice beneficiaries when compared to the EU-level results.

Survey results		
1. Main financial source of debt	Croatia	EU
Mortgage	24%	22%
Consumer loan	32%	42%
Credit card ¹³⁴	26%	22%
Informal sources of funds	18%	13%
2. Main expenses leading to over-indebtedness ¹³⁵		
Daily expenses (i.e. food, bills, childcare, etc)	4.0	3.1
Property (rent or purchase)	3.0	3.4
Big ticket items (i.e. cars, education, appliances)	3.5	3.0
Lifestyle expenses (luxury or expensive habits)	2.5	2.5
Addictive behaviours (gambling, alcohol, drugs, or similar)	3.0	3.0
3. Main drivers behind the need for debt ¹³⁶		
Increase in cost of living	3.0	3.1
Decrease in income	4.0	3.4
Increase in cost of debt	3.0	2.9
Credit availability ¹³⁷	4.5	3.2
Unexpected events (loss of job, divorce, sickness, or others)	4.0	4.0

¹³⁴ Debt accumulated via interest rates and penalties when the consumer does not pay the company for the money they have spent i.e. overdraft

¹³⁵ Average rate from 1 to 5.

¹³⁶ Average rate from 1 to 5.

¹³⁷ Type of credit, availability of credit, marketing practices

4. Most relevant sociodemographic factors when lookin at over-indebtedness ¹³⁸		
Geographic location	3.3	2.6
Age	3.1	2.9
Gender	2.6	2.4
Level of education	2.5	3.4
Level of income	3.4	3.6
Household size	3.7	2.9
Employment status	4.0	3.5
Sudden changes in life	4.2	3.5
Profession	2.4	3.2
5. Share of the debt advice beneficieries by the sociodemographic group		
<i>Geographic location</i>		
Urban	75%	57%
Rural	25%	43%
<i>Gender</i>		
Men	53%	50%
Women	48%	50%
<i>Employment status</i>		
Employed	90%	50%
Unemployed	10%	50%
<i>Level of education</i>		
No to little formal education	16%	19%
Basic education	34%	49%
Intermediate education	29%	20%
Advanced education	21%	12%
<i>Household size</i>		
Single person household with no children	20%	27%
Partner household with no children	18%	17%
Single parents with children	33%	29%
Partner household with children	30%	26%
<i>Sudden changes in life</i>		
Sudden loss of income ¹³⁹	40%	36%
Increase in cost of living	10%	20%
Personal circumstances ¹⁴⁰	30%	28%
Other	20%	16%
<i>Income group</i>		
Bottom 20%	10%	35%
20-40%	33%	27%
40-60%	29%	19%
60-80%	19%	12%
Top 20%	10%	7%
<i>Age</i>		
16-34	7%	13%
35-44	26%	19%
45-54	21%	46%
55-64	19%	11%
65-74	17%	7%
75+	10%	5%

¹³⁸ Based on their experience, debt advisors were asked to rate the impact of each sociodemographic category on over-indebtedness from 1 to 5 across the sub-groups of each sociodemographic profile. The numbers included in the table are average rates of each sociodemographic factor in the Member States mentioned, and at the EU level overall.

¹³⁹ Unemployment, wage level, pandemics/lockdowns.

¹⁴⁰ Death/health issue in the family, number of dependents, divorce/family breakdown.

6.3 Annexes (EU level data & Complementary national statistical data)

ANNEX A: EU level data

ECB HFC (2017)		CROATIA			
		Croatia (%)	EU (%)	Lowest ↓	Highest ↑
Percentage of households holding debt					
Total		40.7	42	19.7	58
<i>By level of income</i>					
Bottom 20%		27.2	24.1	8.1	35.7
20-40%		29.6	30.6	12.6	53.7
40-60%		42.8	41.1	15.1	59.9
60-80%		54.1	52.8	22.1	74.3
80-90%		51.3	59.4	22.8	83.1
90-100%		49.4	63.3	29	81.3
<i>By age group</i>					
16-34		42.0	50.7	13.8	75.7
35-44		62.7	61.3	26.2	82.1
45-54		45.6	56.5	27.2	78
55-64		44.5	42.5	17.7	64.5
65-74		27.4	25.4	9.4	44.6
75+		16.1	9.2	2.3	34.5
Shares of debt types on total liabilities % of total liabilities					
Mortgage		65.7	88.1	65.7	97.3
Non-mortgage debt		34.3	11.9	2.7	34.3
Of which: other		23.6	10.7	2	23.6
Credit line/ overdraft		9.5	1	0.1	9.5
Credit card debt		1.2	0.2	0.1	2
Median debt to income ratio					
Total		26.6	70.8	16.7	243
<i>By level of income</i>					
Bottom 20%		N	73.3	14	664.7
20-40%		21.8	47.4	8.3	253.8
40-60%		19.8	53.6	10.6	266.9
60-80%		14.7	77.6	13.8	260.7
80-90%		31.6	97.7	21.7	213.7
90-100%		17.9	80.4	17.9	174.4
<i>By household size</i>					
1		42.3	58.8	13.9	260.2
2		25.9	50	15.9	216.6
3		22.0	79.8	9.4	268.6
4		32.5	109.5	19.8	251.8
5+		21.2	91.3	11.7	268.6
<i>By housing status</i>					
Owners - outright		17.1	24.1	5.4	68.1
Owners - with mortgage		145.3	186.7	76.3	309.5
Renters		16.0	17.9	8.2	68.1
<i>By age group</i>					
16-34		56.1	56.7	16.7	257.7
35-44		26.7	143.5	26.7	315.7
45-54		27.4	79.5	11.7	248
55-64		22.8	54.8	9	181.3
65-74		20.0	30.7	5.5	252.5
75+		N	22.1	6	217.1
Median debt to assets ratio					
Total		4.8	25.5	4.8	52.1
<i>By level of income</i>					
Bottom 20%		3.0	37	3	94.9
20-40%		2.9	28.4	2.9	48.8
40-60%		5.3	27.8	4.5	54.4
60-80%		6.3	25.1	6.3	57.5
80-90%		10.5	24.7	8.8	52.6
90-100%		5.3	20.1	5.3	39.5
<i>By household size</i>					
1		2.6	32.9	2.6	55.8
2		3.0	17.8	3	42.3
3		4.7	27.1	4.7	58.2
4		10.9	27.3	5.6	56.9

	5+	7.6	30.1	3.5	57.1
<i>By housing status</i>					
	Owners - outright	2.0	3.7	0.9	7.4
	Owners - with mortgage	19.9	34.3	19.2	52.7
	Renters	80.8	40.3	22.9	104.6
<i>By age group</i>					
	16-34	21.7	52.9	20.9	75.6
	35-44	10.2	38.6	10.2	66
	45-54	8.2	21.6	3.8	54
	55-64	3.1	13.2	2.4	38.1
	65-74	1.7	8.6	1.5	34.5
	75+	1.9	5.5	1.3	27.4
Regular expenses less than income¹⁴¹					
	Total	19.5	40.2	15.5	65.2
<i>By level of income</i>					
	Bottom 20%	18.7	23.9	4	49.9
	20-40%	15.9	33.1	8.3	66
	40-60%	14.5	41.2	13.9	63.9
	60-80%	19.6	47.1	19.5	69.7
	80-90%	26.2	51.2	24.9	75.9
	90-100%	31.9	61.3	29.6	78.2
<i>By household size</i>					
	1	19.1	40.5	14.1	61.5
	2	18.5	43.5	18.5	70.9
	3	18.7	38.2	11.3	68.4
	4	21.4	37.3	13.2	65.8
	5+	21.3	32.9	9.7	54.7
<i>By housing status</i>					
	Owners - outright	19.1	42.2	17.9	67.8
	Owners - with mortgage	26.9	43.2	11	65.4
	Renters	17.2	36.8	11.4	61.5
<i>By age group</i>					
	16-34	27.7	41.1	9.4	61.9
	35-44	21.7	38.2	13.7	64
	45-54	17.4	40.4	13.5	66.1
	55-64	18.6	41.5	18.6	66.4
	65-74	17.9	42	16.7	72.8
	75+	17.5	38.3	10.4	63.2
% of households that have negative net wealth					
	Total	3.5	4.7	0.3	9.4
<i>By level of income</i>					
	Bottom 20%	2.9	6.9	0.3	16.1
	20-40%	3.1	5	0.2	12.9
	40-60%	4.1	5.4	0.8	10.8
	60-80%	5.5	3.8	0.3	10.8
	80-90%	1.5	3	0	10.8
	90-100%	2.3	1.7	0	6.1
<i>By household size</i>					
	1	2.1	5.4	0.2	12
	2	1.8	3.2	0.4	8
	3	6.1	5.7	0.3	13.1
	4	5.6	4.6	0.2	11.5
	5+	2.9	6.4	0	11.8
<i>By housing status</i>					
	Owners - outright	0.1	0.1	0	0.5
	Owners - with mortgage	2.3	4.6	0	16.3
	Renters	21.7	9.4	1.7	24.9
<i>By age group</i>					
	16-34	7.4	10.6	0.6	25.6
	35-44	6.6	6.4	0	15.4
	45-54	3.5	5	0.3	11
	55-64	3.2	3.8	0.2	8.8
	65-74	0.5	2.3	0.4	3.9
	75+	0.9	0.5	0	5.1

¹⁴¹ Oppositely to the other indicators from the ECB HCF survey, the higher share of households with regular expenses less than income is considered a positive result.

ANNEX B: Complementary national statistical data

CROATIA				
National level data				
Arrears per household type (2017-2020) ¹⁴²				
Household type	2017 (%)	2018 (%)	2019 (%)	2020 (%)
<i>Arrears on mortgage or rent payment</i>				
Total	1,2	0,9	0,9	0,8
Households without dependent children	0.9	0.7	0.7	0.7
One-person households	0.6	1.1	1	0.4
Men	0.8	1.6	1.3	0.7
Women	0.5	0.8	0.8	0.2
One-person household, person under 65 years	1.1	1.8	1.9	0.6
One-person household, person 65 years or over	0.3	0.6	0.4	0.3
Two adults	0.9	0.4	0.3	0.9
Two adults, both under 65 years	1.8	0.6	0.1	1.4
Two adults, at least one adult 65 years or over	0.3	0.2	0.4	0.6
Three or more adults	1	0.7	1	0.6
Households with dependent children	1.6	1.2	1	1
Single parent with on or more dependent children	4	3.3	3.6	1.5
Two adults with one dependent child	2.6	1.5	1.7	0.8
Two adults with two dependent children	1.5	0.1	1	0.2
Two adults with three or more dependent children	1.9	2.8	0.9	1.2
Three or more adults with dependent children	0.9	1.1	0.6	1.5
<i>Arrears with utility bills</i>				
Total	21	17,5	14,8	13,6
Households without dependent children	18.2	15.1	13	12.4
One-person households	18.2	15.8	13.7	11.2
Men	23.4	19.1	17.6	15.5
Women	15.3	13.9	11.4	8.8
One-person household, person under 65 years	27.4	24	20.7	17.7
One-person household, person 65 years or over	12.6	10.6	9.3	7.2
Two adults	15.6	12.8	11.3	10.8
Two adults, both under 65 years	20.2	19.4	15.6	14.6
Two adults, at least one adult 65 years or over	12.6	8.9	8.7	8.6
Three or more adults	20.6	16.7	14.3	14.5
Households with dependent children	23.5	19.8	16.4	14.7
Single parent with on or more dependent children	29.5	38.2	33.2	29
Two adults with one dependent child	19.4	19.6	14.6	13.7
Two adults with two dependent children	20.6	14.2	12.3	11.3
Two adults with three or more dependent children	30.2	20.2	19.8	18.7
Three or more adults with dependent children	24	22.2	17.2	14.5
<i>Arrears on consumer credits and other loan payments</i>				
Total	3,3	3	3	1,7
Households without dependent children	2.2	2.2	2	1.5

¹⁴² Croatian Bureau of Statistics, Income and Living Conditions Survey Results, 2020, available at: <https://podaci.dzs.hr/media/wt3lyxzw/si-1693-rezultati-ankete-o-dohotku-stanovnistva-u-2020.pdf>

One-person households	1.3	1.6	1.6	0.7								
Men	1.7	2.2	1.4	0.5								
Women	1	1.3	1.7	0.9								
One-person household, person under 65 years	1.7	3.4	2.6	1.5								
One-person household, person 65 years or over	1	0.5	1	0.3								
Two adults	2	1.9	1.7	1.2								
Two adults, both under 65 years	2.8	3.8	2.6	2.1								
Two adults, at least one adult 65 years or over	1.5	0.9	1.2	0.7								
Three or more adults	2.8	2.7	2.3	2.1								
Households with dependent children	4.3	3.8	4	2								
Single parent with on or more dependent children	3.7	4.4	6	3.7								
Two adults with one dependent child	4.5	3.7	4.2	1.8								
Two adults with two dependent children	3	2.6	4.2	3.3								
Two adults with three or more dependent children	5.3	4.4	2.2	1.9								
Three or more adults with dependent children	4.8	4.4	4.3	1								
Structure of household debt¹⁴³												
<table border="1"> <thead> <tr> <th>Type of debt</th> <th>Number of households (%)</th> </tr> </thead> <tbody> <tr> <td>Secured debt</td> <td>9</td> </tr> <tr> <td>Non-collateralised debt</td> <td>10</td> </tr> <tr> <td>Overdrafts and credit card debt</td> <td>30</td> </tr> </tbody> </table>					Type of debt	Number of households (%)	Secured debt	9	Non-collateralised debt	10	Overdrafts and credit card debt	30
Type of debt	Number of households (%)											
Secured debt	9											
Non-collateralised debt	10											
Overdrafts and credit card debt	30											

¹⁴³ Rosan, M., & Zauder, K. (2020). Which Loans Do We Take?: a Micro-level Analysis of Croatian Households' Debt Participation. Croatian National Bank, Publishing Department.

7 Czechia

7.1 Statistics on households' over-indebtedness

The level of household over-indebtedness in the Czechia is lower than the EU average for all of the indicators included in this study. General household indebtedness also seems to be lower than the EU average based on the comparison of the gross debt-to-income ratios.

No common definition seems to be present in Czechia regarding the over-indebtedness, thus, the national report looks at the general household debt indicators which show that about one-quarter of Czech households has some form of debt, the loans on house purchase (i.e. mortgage) being the most common financial commitment.

A more detailed analysis of the indicators of the household (over) indebtedness and an overview of the impact of over-indebtedness on the different household groups in Czechia is available in the chapters below.

EU level data

This section concentrates on the analysis of the selected EU-level statistical indicators on household over-indebtedness in Czechia, this includes:

- Statistics on arrears and inability to face unexpected financial expenses (EU SILC data)¹⁴⁴;
- Gross debt-to-income ratio of households¹⁴⁵.

Statistics on arrears and inability to face unexpected financial expenses (EU SILC data)

Overall, the proportion of households in arrears in Czechia is **lower than the EU average**.

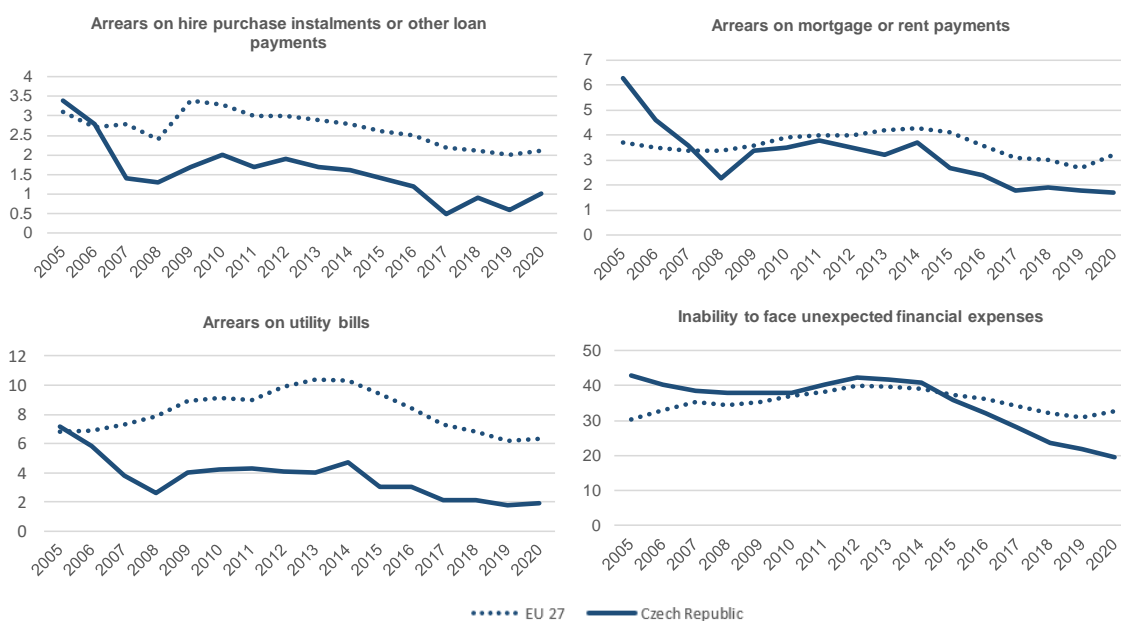
On the positive side:

- The share of households in arrears on hire purchase **instalments of other loan payments** in Czechia was in decline from 2012 to 2017 and relatively volatile, yet not exceeding 1%, until 2020. However, the overall trend was decreasing from 1,7% in 2013 to 1.0% in 2020 which was 1.1% less than EU average in 2020.
- In 2020, the share of households in Czechia (1.7%) that had **arrears on mortgages** was lower than the EU average (3.2%). Over the period from 2013 to 2020, the Czech curve in principle copied the EU average one, but with lower figures.
- The share of households in **arrears on utility bills** in Czechia was significantly lower than the EU average. The trend was constantly decreasing from 4.7% in 2013 to 1.9% in 2020 for Czechia, from 10.4% in 2013 to 6.3% in 2020 for the EU average respectively.
- The ability of Czech households to **face unexpected financial expenses** had improved over time, getting below the EU average in 2014, and further decreasing over the rest of the period. In 2020, the share of Czech (19.6%) households unable to face unexpected financial expenses was lower than the EU average (32.8%).

A full overview of the statistics mentioned above from 2005 to 2020 is available below.

¹⁴⁴ Data from 2005 to 2020. Indicators used: ilc_mdcs04, ilc_mdcs06, ilc_mdcs07, and ilc_mdcs08.

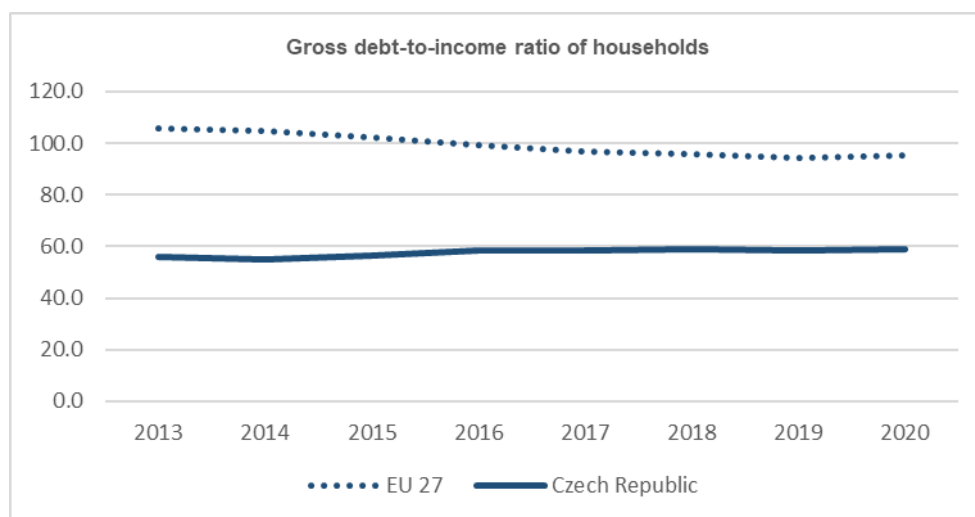
¹⁴⁵ Data from 2013 to 2020. Indicator used: tec00104.



Gross debt-to-income ratio of households

Overall, the gross debt-to-income ratio of households was relatively lower than the EU average.

- The trend was contradictory, where the EU 27 was steadily decreasing from 105.7% in 2013 to 95.1% in 2020, whereas the Czechia ratio was gradually growing from 56.1% in 2013 to 58.9% in 2020.



National level data

In general, according to the Czech National Bank¹⁴⁶, approximately 1 million households out of 4.5 million households in total have some type of credit (i.e. debt).

- The highest ratio of debts refers to loans on house purchases (mortgage) amounting to 32% of all household debts, followed by loans on consumption (10%).

¹⁴⁶ Czech National Bank (2021). Financial Stability Report 2020/2021. Available at: https://www.cnb.cz/export/sites/cnb/en/financial-stability/.galleries/fs_reports/fsr_2020-2021/fsr_2020-2021.pdf.

- Concerning mortgages, the trend in entering into loan contracts on house purchases was steadily increasing between 2010 and 2020, reaching an 8.5% year-on-year increase (from 2019 to 2020).

In the period from 2015 to 2020, the ratio of total debt to gross disposable income (GDI) was gradually increasing from 56.6% in 2015 to 59.6 % in 2020. In the same period, concerning the proportion of debts in comparison to gross domestic product, the loans from Czech banks to households (% of GDP) were also increasing from 26.7% in 2015 to 31.2% in 2020.

The full national and regional level data identified for this report is in ANNEX B: Complementary national statistics data.

7.1 Results of the debt advisor survey

According to the debt advisors consulted in Czechia:

- Almost half (48%) of the over-indebted households had **consumer loans**.
- There seems to be **no consensus** on what kind of expenses drive over-indebtedness.
- Credit availability and unexpected events** are the most significant drivers behind the need for debt.
- Level of income and education, and sudden changes in life** are the most relevant sociodemographic factors when looking at over-indebtedness.

Furthermore:

- Almost two-thirds (64%) of the debt advice beneficiaries are living **in urban areas**.
- The majority (61%) of the debt advice beneficiaries are **men**.
- Almost two-thirds (64%) of the debt advice beneficiaries are **employed**.
- Almost half (47)% of the debt advice beneficiaries have **basic education** followed by households with **intermediate education** (30%).
- Single parents with children** (32%) and **partner households with children** (27%) are the key groups that are most likely to be the debt advice beneficiaries.
- Sudden loss of income** and **personal circumstances** are the most impactful sudden changes in life in terms of over-indebtedness.
- Lower-income households** are more likely to be debt advice beneficiaries.
- Middle-age** (35 to 54) and **young** (16-34) households are most likely to be over-indebted.

Survey results		
1. Main financial source of debt	Czechia	EU
Mortgage	22%	22%
Consumer loan	48%	42%
Credit card ¹⁴⁷	18%	22%
Informal sources of funds	11%	13%
2. Main expenses leading to over-indebtedness ¹⁴⁸		
Daily expenses (i.e. food, bills, childcare, etc)	3.0	3.1
Property (rent or purchase)	3.0	3.4
Big ticket items (i.e. cars, education, appliances)	2.5	3.0
Lifestyle expenses (luxury or expensive habitudes)	3.0	2.5
Addictive behaviours (gambling, alcohol, drugs, or similar)	3.0	3.0
3. Main drivers behind the need for debt ¹⁴⁹		
Increase in cost of living	2.4	3.1
Decrease in income	3.2	3.4
Increase in cost of debt	1.8	2.9
Credit availability ¹⁵⁰	4.0	3.2
Unexpected events (loss of job, divorce, sickness, or others)	3.8	4.0

¹⁴⁷ Debt accumulated via interest rates and penalties when the consumer does not pay the company for the money they have spent i.e. overdraft

¹⁴⁸ Average rate from 1 to 5.

¹⁴⁹ Average rate from 1 to 5.

¹⁵⁰ Type of credit, availability of credit, marketing practices

4. Most relevant sociodemographic factors when looking at over-indebtedness ¹⁵¹		
Geographic location	2.9	2.6
Age	2.5	2.9
Gender	2.0	2.4
Level of education	3.7	3.4
Level of income	3.7	3.6
Household size	2.5	2.9
Employment status	3.4	3.5
Sudden changes in life	3.7	3.5
Profession	3.4	3.2
5. Share of the debt advice beneficiaries by the sociodemographic group		
<i>Geographic location</i>		
Urban	64%	57%
Rural	36%	43%
<i>Gender</i>		
Men	61%	50%
Women	39%	50%
<i>Employment status</i>		
Employed	64%	50%
Unemployed	36%	50%
<i>Level of education</i>		
No to little formal education	11%	19%
Basic education	47%	49%
Intermediate education	30%	20%
Advanced education	12%	12%
<i>Household size</i>		
Single person household with no children	18%	27%
Partner household with no children	23%	17%
Single parents with children	32%	29%
Partner household with children	27%	26%
<i>Sudden changes in life</i>		
Sudden loss of income ¹⁵²	29%	36%
Increase in cost of living	20%	20%
Personal circumstances ¹⁵³	27%	28%
Other	23%	16%
<i>Income group</i>		
Bottom 20%	36%	35%
20-40%	27%	27%
40-60%	15%	19%
60-80%	13%	12%
Top 20%	10%	7%
<i>Age</i>		
16-34	24%	13%
35-44	24%	19%
45-54	20%	46%
55-64	13%	11%
65-74	10%	7%
75+	10%	5%

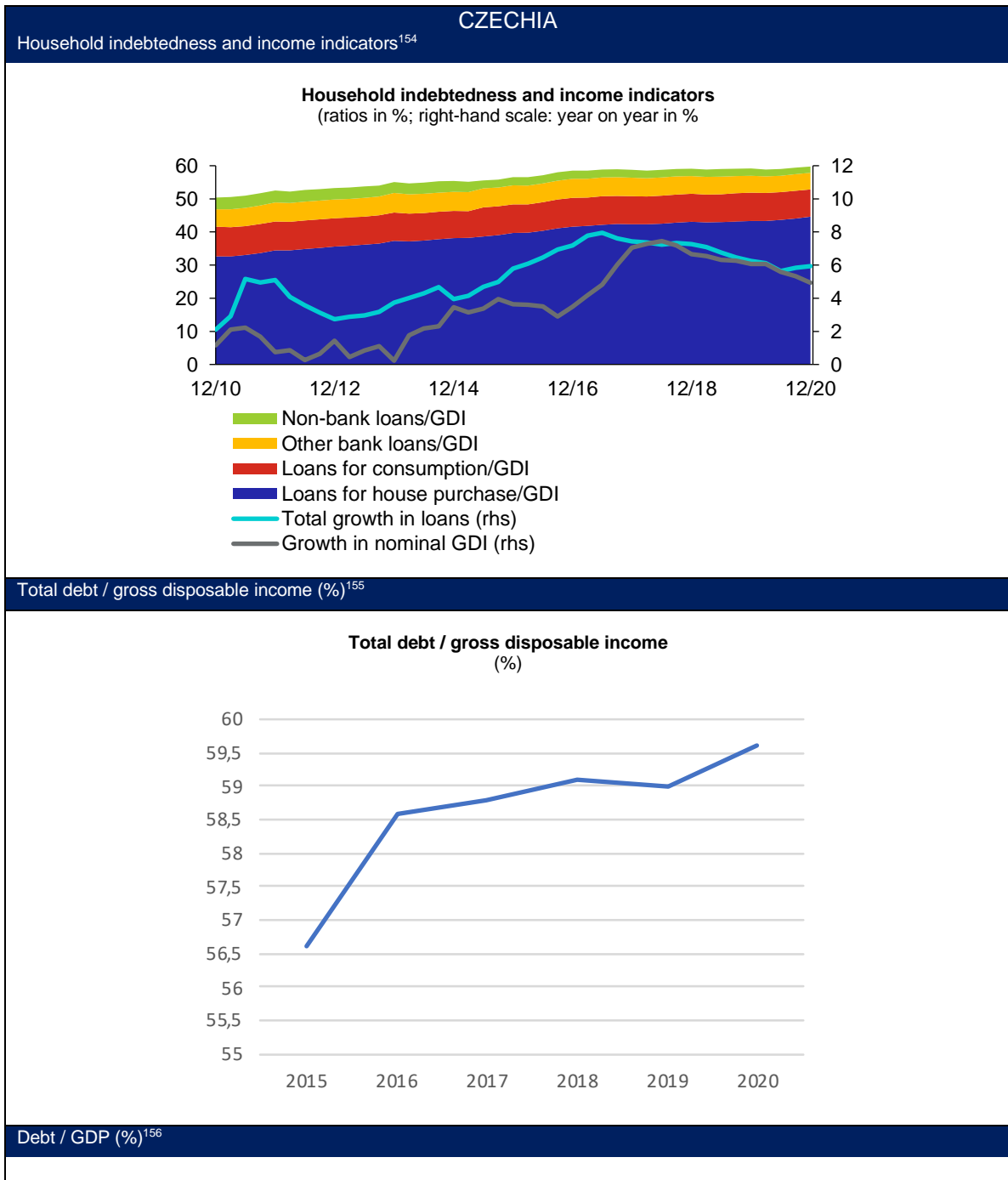
¹⁵¹ Based on their experience, debt advisors were asked to rate the impact of each sociodemographic category on over-indebtedness from 1 to 5 across the sub-groups of each sociodemographic profile. The numbers included in the table are average rates of each sociodemographic factor in the Member States mentioned, and at the EU level overall.

¹⁵² Unemployment, wage level, pandemics/lockdowns.

¹⁵³ Death/health issue in the family, number of dependents, divorce/family breakdown.

7.2 Annexes (EU level data & Complementary national statistical data)

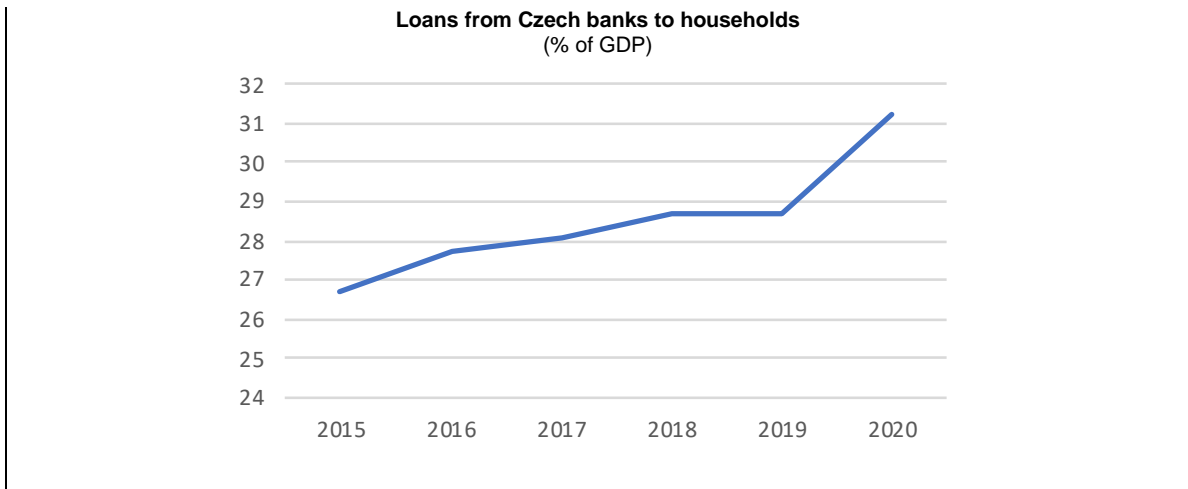
ANNEX B: Complementary national statistical data



¹⁵⁴ Czech National Bank (2021). Financial Stability Report 2020/2021. Available at: https://www.cnb.cz/export/sites/cnb/en/financial-stability/galleries/fs_reports/fsr_2020-2021/fsr_2020-2021.pdf.

¹⁵⁵ Czech National Bank (2021). Financial Stability Report 2020/2021. Available at: https://www.cnb.cz/export/sites/cnb/en/financial-stability/galleries/fs_reports/fsr_2020-2021/fsr_2020-2021.pdf.

¹⁵⁶ Czech National Bank (2021). Financial Stability Report 2020/2021. Available at: https://www.cnb.cz/export/sites/cnb/en/financial-stability/galleries/fs_reports/fsr_2020-2021/fsr_2020-2021.pdf.



8 Denmark

8.1 Statistics on households' over-indebtedness

Even though households in Denmark seem to be outstandingly more indebted than the average EU household (highest gross debt to income ratio in the EU), households' over-indebtedness in Denmark seems to be lower than the EU average with the exception of the arrears on hire purchase instalments or other loan payments

A common definition of over-indebtedness does not exist in Denmark, there is, however, data available that shows where debt is concentrated and what the debt-to-income/debt-to-asset ratios are for different social categories. Households that hold the largest share of debt are couples especially couples with children, men between the ages of 50 and 59 years, and households in the top 10% of the income distribution. Self-employed and households in the bottom 10% of the income distribution have the highest mean debt-to-income ratio.

A more detailed analysis of the indicators of the household debt, and an overview of the impact of debt on the different household groups in Denmark are available in the chapters below.

EU level data

This section concentrates on the analysis of the selected EU-level statistical indicators on household over-indebtedness in Denmark, this includes:

- Statistics on arrears and inability to face unexpected financial expenses (EU SILC data)¹⁵⁷;
- Gross debt-to-income ratio of households¹⁵⁸.

Statistics on arrears and inability to face unexpected financial expenses (EU SILC data) Overall, the proportion of households in arrears in Denmark is relatively **close to the EU average**.

On the positive side:

- The share of households in arrears on mortgage or rent payments in Denmark in 2020 (3%) is slightly lower than in 2013 (3.2%) it is also slightly lower than the EU average (3.2%).
- The share of households in arrears on utility bills in Denmark (4.2%) is below the EU average (6.3%).
- The share of households that are unable to meet unexpected financial expenses has fallen from 2013 (27%) to 2020 (22.7%). This is below the EU average (32.8%).

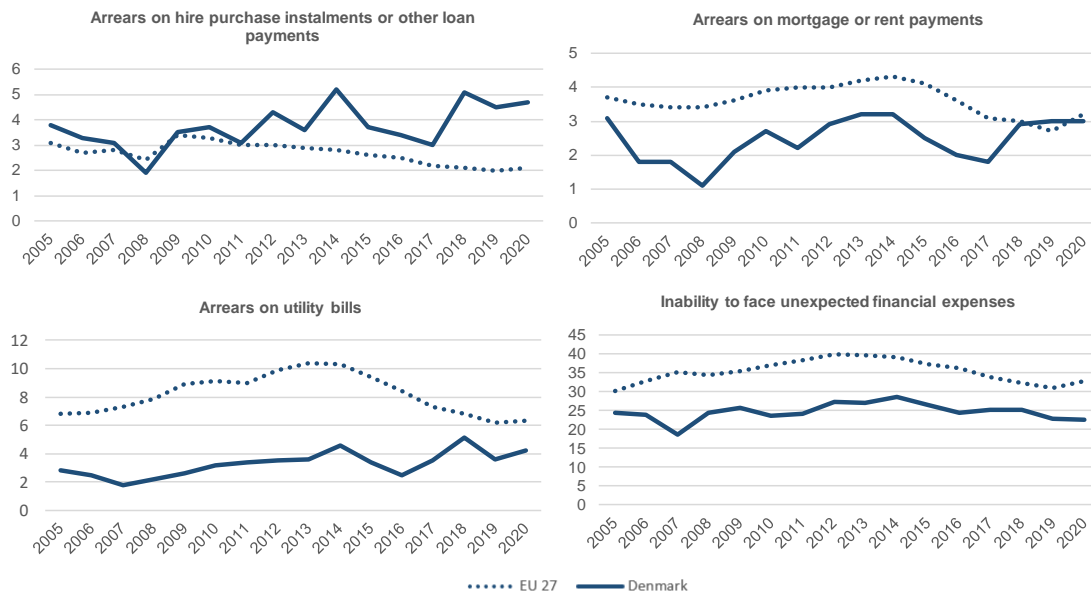
On the negative side:

- The share of households in arrears on hire purchase **instalments or other loan payments** has grown from 2009 (1.9%) to 2020 (4.7%). This is considerably above the EU average (2.1).

A full overview of the statistics mentioned above from 2005 to 2020 is available below.

¹⁵⁷ Data from 2005 to 2020. Indicators used: ilc_mdcs04, ilc_mdcs06, ilc_mdcs07, and ilc_mdcs08.

¹⁵⁸ Data from 2013 to 2020. Indicator used: tec00104.

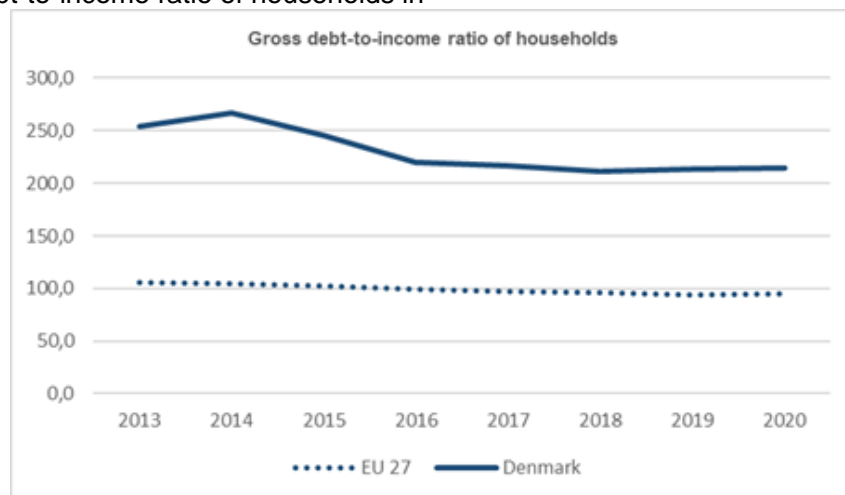


Gross debt-to-income ratio of households

The the gross debt-to-income ratio of households in Denmark (214.6%) is considerably higher than the EU average (95.1%).

- The the gross debt-to-income ratio of households in Denmark has fallen from 2013 (253.8%) to 2020 (214.6%) and has moved closer to the EU average, but it is still considerably above.

the gross debt-to-income ratio of households in



National level data

Denmark does not have a set definition of over-indebtedness, therefore there is no national or regional data on specific over-indebtedness. There is however data available that shows where debt is concentrated and what the debt-to-income/debt-to-asset ratios are for different social categories. The study relies on data from Statistics Denmark¹⁵⁹ which shows that:

¹⁵⁹Statistics Denmark (2022). INDKF101: Familiernes indkomster efter område, enhed, ejer/lejer af bolig og indkomsttype. Available at: <https://statistikbanken.dk/indkf101>

- In terms of the family structure of households, households that consist of **couples hold the most debt** with 79.4% of total debt while they make up only 47.1% of households in Denmark. **Couples with children** are the group which holds the largest amount of the total debt with 33.6% while making up 15.2% of households. Couples with children are also the group with the highest mean debt-to-income ratio with a ratio of 201.1%.
- The age group between **40 and 49 years** old is the group that holds the largest share of the total debt with 25.4% and is also the group with the highest mean debt-to-income ratio with a ratio of 184.3%. The group with the highest mean debt-to-asset ratio is the group between **30 and 39 years** with a ratio of 56.2%. **Men between the ages of 50-59** are the age and sex group that holds the most debt with 15.5% of total debt while making up 8.6% of the population. The group with the highest mean debt-to-income ratio is **men between 40 and 49 years** with a ratio of 188.6%. The group with the highest mean debt-to-asset ratio are **women between 30 and 39 years** with a ratio of 58.3%.
- In terms of housing status, **owners** hold the largest amount of the total debt with 87.3% of total debt while making up 44% of households. Owners also have the highest mean debt-to-income and debt-to-asset ratios respectively 216.1% and 29.6%.
- In terms of the professional situation, households with an active head of household hold the largest amount of total debt with 83.8% of total debt. More specifically **wage earners** are the group with the largest share of debt, as they hold 70.4% of the total debt while making up 52.5% of households. **Self-employed** have the highest mean debt-to-income ratio with a ratio of 326% and **wage earners without specification** have the highest mean debt-to-asset ratio with a ratio of 37.5%.
- **Household with an income in the top 10%** holds the largest share of total debt with 33.1% of total debt. **Households with an income in the bottom 10%** have the highest mean debt-to-income and debt-to-asset ratio being 223.5% and 40.8% respectively.
- The most common debt is **property debt (mortgage)** which accounts for 71.3% of total debt.

Finally in terms of the five regions of Denmark:

- **The capital region of Denmark** holds the largest share of total debt with 33.7%. The region of northern Denmark has the highest mean debt-to-income and debt-to-asset ratio being 166.7% and 31.6% respectively.

8.2 Results of the debt advisor survey

According to the debt advisors consulted in Denmark:

- Most of the over-indebted households had **consumer loans** (32%), **credit card debt and mortgages** (26% each).
- **Daily expenses and expenses related to property** are the key expenses driving over-indebtedness.
- **Credit availability** stands out as the most significant drivers behind the need for debt.
- **Level of income and education** are the most relevant sociodemographic factors when looking at over-indebtedness.

Furthermore:

Statistics Denmark (2022). INDKP201: Hovedtabel personindkomster efter indkomsttype, køn, alder, population, prisenhed og enhed. Available at: <https://statistikbanken.dk/indkp201>

Statistics Denmark (2022). FORMUE1: Familiefordelt nettoformue efter komponenttype og familietype. Available at: <https://statistikbanken.dk/formue1>.

Statistics Denmark (2022). FORMUE2: Familiefordelt nettoformue efter område og komponenttype. Available at: <https://statistikbanken.dk/formue2>

Statistics Denmark (2022). FORMUE3: Familiefordelt nettoformue efter deciler af ækvivalensvejet disponibel indkomst og komponenttype. Available at: <https://statistikbanken.dk/formue3>

Statistics Denmark (2022). FORMUE4: Familiefordelt nettoformue efter hovedpersonens socioøkonomiske status og komponenttype. Available at: <https://statistikbanken.dk/formue4>

Statistics Denmark (2022). FORMUE5: Familiefordelt nettoformue efter ejerforhold til bolig og komponenttype. Available at: <https://statistikbanken.dk/formue5>

Statistics Denmark (2022). FORMUE7: Formue og gæld pr. person efter komponenttype, køn og alder. Available at: <https://statistikbanken.dk/formue7>

- More than two-thirds (70%) of the debt advice beneficiaries are living **in urban areas**.
- Almost three-quarters (73%) of the debt advice beneficiaries are **men**.
- The absolute majority (78%) of the debt advice beneficiaries are **unemployed**.
- Around 44% of the debt advice beneficiaries have **no to little formal education** followed by households with **basic education** (28%).
- The absolute majority (89%) of the debt advice beneficiaries are **single person households without children**.
- **Personal circumstances** (65%) is the most impactful sudden change in life in terms of the over-indebtedness.
- **Lowest-income households** (84%) are the most likely to be debt advice beneficiaries.
- Contrary to the EU-level findings, **young households** (16-34) are most likely to be debt advice beneficiaries.

Survey results		
1. Main financial source of debt¹⁶⁰		
Mortgage	Denmark	EU
	26%	22%
Consumer loan	40%	42%
Credit card ¹⁶¹	26%	22%
Informal sources of funds	8%	13%
2. Main expenses leading to over-indebtedness¹⁶²		
Daily expenses (i.e. food, bills, childcare, etc)	3.3	3.1
Property (rent or purchase)	3.3	3.4
Big ticket items (i.e. cars, education, appliances)	2.0	3.0
Lifestyle expenses (luxury or expensive habits)	2.8	2.5
Addictive behaviours (gambling, alcohol, drugs, or similar)	3.0	3.0
3. Main drivers behind the need for debt¹⁶³		
Increase in cost of living	2.3	3.1
Decrease in income	3.3	3.4
Increase in cost of debt	1.5	2.9
Credit availability ¹⁶⁴	4.0	3.2
Unexpected events (loss of job, divorce, sickness, or others)	2.8	4.0
4. Most relevant sociodemographic factors when looking at over-indebtedness¹⁶⁵		
Geographic location	2.8	2.6
Age	2.8	2.9
Gender	2.5	2.4
Level of education	3.3	3.4
Level of income	3.3	3.6
Household size	2.0	2.9
Employment status	3.1	3.5
Sudden changes in life	3.2	3.5
Profession	2.9	3.2
5. Share of the debt advice beneficiaries by the sociodemographic group¹⁶⁶		
<i>Geographic location</i>		
Urban	70%	57%
Rural	30%	43%
<i>Gender</i>		
Men	73%	50%
Women	27%	50%
<i>Employment status</i>		
Employed	22%	50%
Unemployed	78%	50%
<i>Level of education</i>		
No to little formal education	44%	19%
Basic education	28%	49%
Intermediate education	22%	20%
Advanced education	6%	12%
<i>Household size</i>		
Single person household with no children	89%	27%
Partner household with no children	11%	17%

¹⁶⁰ Percentage of 100%.

¹⁶¹ Debt accumulated via interest rates and penalties when the consumer does not pay the company for the money they have spent i.e. overdraft

¹⁶² Average rate from 1 to 5.

¹⁶³ Average rate from 1 to 5.

¹⁶⁴ Type of credit, availability of credit, marketing practices

¹⁶⁵ Based on their experience, debt advisors were asked to rate the impact of each sociodemographic category on over-indebtedness from 1 to 5 across the sub-groups of each sociodemographic profile. The numbers included in the table are average rates of each sociodemographic factor in the Member States mentioned, and at the EU level overall.

¹⁶⁶ Percentage of 100%.

	Single parents with children	0%	29%
	Partner household with children	0%	26%
<i>Sudden changes in life</i>			
	Sudden loss of income ¹⁶⁷	28%	36%
	Increase in cost of living	8%	20%
	Personal circumstances ¹⁶⁸	65%	28%
	Other	0%	16%
<i>Income group</i>			
	Bottom 20%	84%	35%
	20-40%	9%	27%
	40-60%	2%	19%
	60-80%	2%	12%
	Top 20%	2%	7%
<i>Age</i>			
	16-34	46%	13%
	35-44	23%	19%
	45-54	19%	46%
	55-64	8%	11%
	65-74	3%	7%
	75+	1%	5%

¹⁶⁷ Unemployment, wage level, pandemics/lockdowns.

¹⁶⁸ Death/health issue in the family, number of dependents, divorce/family breakdown.

8.3 Annexes (EU level data & Complementary national statistical data)

ANNEX B: Complementary national statistical data

DENMARK ¹⁶⁹				
National-level data				
1. Sociodemographic profile	Share of total debt (%)	Total population (%)	Mean debt-to-income ratio (%)	Mean debt-to-asset ratio (%)
<i>By family structure of households</i>				
Singles	20.6	52.9	107.4	22.2
Under 30 years with no children	1.5	12.3	52.9	38.2
Between 30-59 years with no children	8.4	16.3	121.7	31.1
Over 59 years with no children	7.8	19.9	107.7	14.3
Singles with kids	2.9	4.4	130.5	39.8
Couples	79.4	47.1	175.2	29.4
Two adults, protagonist under 30 years	1.7	3.2	92.8	54.3
Two adults, protagonist 30-59 years	13.1	8.2	162.8	31.9
Two adults, protagonist over 59 years	19.6	15.8	160.4	17.0
Two adults with children	33.6	15.2	201.1	46.7
Two adults with adult children living at home	11.4	4.7	178.0	33.6
<i>By age and sex</i>				
From 18 to 29 years old	5.1	19.2	80.7	49.7
Men	2.6	9.8	75.9	47.4
Women	2.5	9.4	86.5	52.3
From 30 to 39 years old	17.4	14.8	170.8	56.2
Men	9.2	7.5	165.8	47.4
Women	8.1	7.3	176.9	58.3
From 40 to 49 years old	25.4	16	184.3	41
Men	14.6	8	188.6	41.5
Women	10.7	8	178.8	40.5
From 50 to 59 years old	25.2	17.2	171.7	28.9
Men	15.5	8.6	183.2	30.4

¹⁶⁹Statistics Denmark (2022). INDKF101: Familiernes indkomster efter område, enhed, ejer/lejer af bolig og indkomsttype. Available at: <https://statistikbanken.dk/indkf101>

Statistics Denmark (2022). INDKP201: Hovedtabel personindkomster efter indkomsttype, køn, alder, population, prisenhed og enhed. Available at: <https://statistikbanken.dk/indkp201>

Statistics Denmark (2022). FORMUE1: Familiefordelt nettoformue efter komponenttype og familietype. Available at: <https://statistikbanken.dk/formue1>.

Statistics Denmark (2022). FORMUE2: Familiefordelt nettoformue efter område og komponenttype. Available at: <https://statistikbanken.dk/formue2>

Statistics Denmark (2022). FORMUE3: Familiefordelt nettoformue efter deciler af ækvivalensvejede disponibel indkomst og komponenttype. Available at: <https://statistikbanken.dk/formue3>

Statistics Denmark (2022). FORMUE4: Familiefordelt nettoformue efter hovedpersonens socioøkonomiske status og komponenttype. Available at: <https://statistikbanken.dk/formue4>

Statistics Denmark (2022). FORMUE5: Familiefordelt nettoformue efter ejerforhold til bolig og komponenttype. Available at: <https://statistikbanken.dk/formue5>

Statistics Denmark (2022). FORMUE7: Formue og gæld pr. person efter komponenttype, køn og alder. Available at: <https://statistikbanken.dk/formue7>

Women	9.7	8.6	156	26.8
From 60 to 69 years old	15.5	14.4	162.1	18.6
Men	9.8	7.1	179.8	20.2
Women	5.7	7.3	138.7	16.4
From 70 to 79 years old	9.1	12.4	142.6	14.5
Men	5.5	5.9	157.1	14.6
Women	3.6	6.5	124.8	14.2
Over 80 years old	2.4	6.1	82.7	11.3
Men	1.3	2.4	101.6	11.5
Women	1.1	3.6	67.7	11
<i>By housing status</i>				
Owners	87.3	44	216.1	29.6
Renters (including housing cooperatives)	12.7	56	52.8	19.9
<i>By professional situation of household protagonist</i>				
Active	83.8	55.9	168.9	33.3
Self-employed	13.4	3.4	326	34
Wage earners	70.4	52.5	154.7	33.2
High level wage earners	27.8	13.9	167.4	32.6
Medium level wage earners	14.9	10.5	160.7	33.8
Base level wage earners	17.3	18.9	134.4	32.3
Other wage earners	2.7	4	110	30
Wage earners without specification	7.7	5.2	179.1	37.5
Inactive	16.2	44.1	109.5	15.2
Unemployed	0.7	1.9	116.2	30.3
Students	0.6	6.2	60.4	35.9
Retirees	12.9	29	112	13.6
Others outside the workforce	1.9	7	119	26.4
<i>By levels of income of households</i>				
Bottom 10%	2.5	10	223.5	40.8
10-20%	2.2	10	80.4	29.4
20-30%	2.3	10	71.4	24.1
30-40%	3.4	10	89.1	23.7
40-50%	5.4	10	114.3	25.1
50-60%	7.9	10	137	27.7
60-70%	10.9	10	156.6	29.7
70-80%	14.3	10	172.5	30.6
80-90%	18.1	10	181.1	29.7
90-100%	33.1	10	185.2	26.1
2. Characteristics of debt		Overall debt (%)		
Financial debts	79.2			
Property debt (mortgage)	71.3			
Senior bank debt	7.3			
Senior debt to a municipality	0.4			
Other debts	17.3			
Loans in banks etc	13.9			

Account debt	3.4			
Other debts to the government	3.5			
Regional-level data				
Region	Share of total debt (%)	Total population (%)	Mean debt-to-income ratio (%)	Mean debt-to-asset ratio (%)
The capital region of Denmark	33.7	32.7	149.8	25.3
Region Zealand	14.4	14.3	159.3	28.5
Region of southern Denmark	19	20.7	150.2	29.1
Region of central Denmark	22.8	22.3	161.2	29.5
Region of northern Denmark	10.1	10.1	166.7	31.6

9 Estonia

9.1 Statistics on households' over-indebtedness

Although the share of households with debt in Estonia seems to be higher than the EU average (Estonia 48% to EU 42%), based on the debt to income and wealth indicators general household indebtedness levels seem to be relatively low. In addition, indicators related to the level of over-indebtedness (i.e. arrears) show that level of household over-indebtedness seems to be fairly similar to the EU average.

Estonia does not have any generally recognised or official definition of households being over-indebted or at risk of becoming over-indebted, however, Estonia has national data available regarding the payment defaults, arrears, and general debt. The results illustrate that males are more likely to have default payments, a higher share of Estonian ethnicity households seem to be on arrears compared to Russian ethnicity households, households of 36-45 years old and households living in Northern Estonia seem to be the most indebted.

A more detailed analysis of the indicators of the household (over) indebtedness, and an overview of the impact of over-indebtedness on the different household groups in Estonia are available in the chapters below.

EU level data

This section concentrates on the analysis of the selected EU-level statistical indicators on household over-indebtedness in Estonia, this includes:

- Statistics on arrears and inability to face unexpected financial expenses (EU SILC data)¹⁷⁰;
- Gross debt-to-income ratio of households¹⁷¹;
- Statistics concerning the share of households holding debt, liabilities, median to income/asset ratios, regular expenses less than income, and negative wealth¹⁷².

Statistics on arrears and inability to face unexpected financial expenses (EU SILC data) Overall, the proportion of households in arrears in Estonia is lower than the EU average and shows a steady decrease over time.

- The share of households in arrears on hire purchase **instalments or other loan payments** in Estonia has been in decline since 2010 and it has decreased from 4.7% to 0.9% in 2020 which is 1.2% less than the EU average. In fact, the only Member State that had a lower share of households in arrears on hire purchase instalments in 2020 was Malta (0.8%).
- The share of households in arrears on **mortgage or rent payments** has been in decline since 2013 and it has decreased from 2.8% to 1.1% in 2020 which is 2.1% less than the EU average.
- The share of households in arrears on **utility bills** in Estonia has halved between 2011 and 2020 from 11.8% to 5% which is 1.3% less than the EU average.

On the negative side:

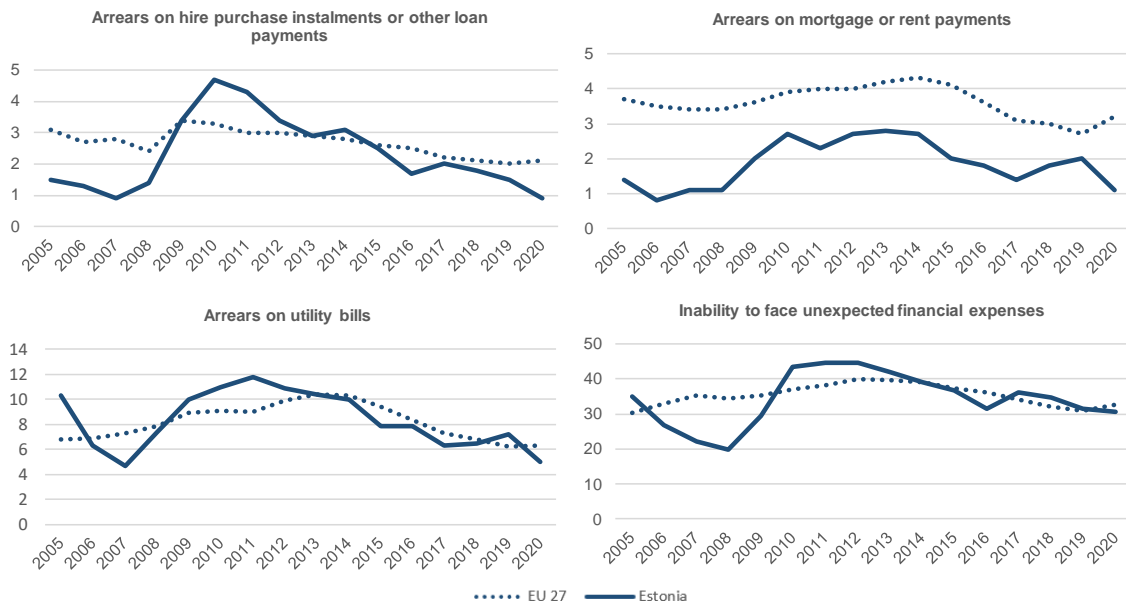
- Households in Estonia are able to **face unexpected financial expenses** better than the EU average household. However, in the recent years, the decrease rate of households unable to face unexpected financial expenses has slowed down.

¹⁷⁰ Data from 2005 to 2020. Indicators used: ilc_mdcs04, ilc_mdcs06, ilc_mdcs07, and ilc_mdcs08.

¹⁷¹ Data from 2013 to 2020. Indicator used: tec00104.

¹⁷² Anonymised microdata from 2017 wave made available in March 2020. Note: the report for the next wave in 2020 is expected to be released in the last quarter of 2022.

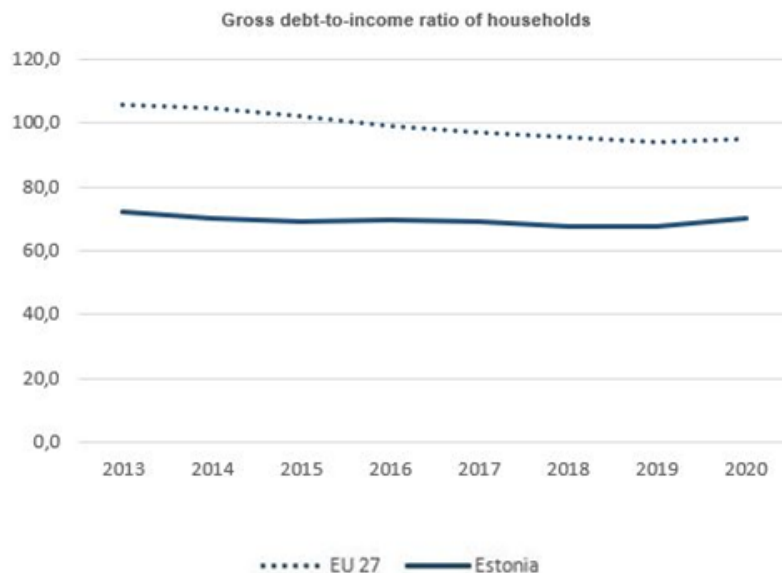
A full overview of the statistics mentioned above from 2005 to 2020 is available below.



Gross debt-to-income ratio of households

Since 2013, the gross debt-to-income ratio of households in Estonia has been substantially lower than the EU average.

Similarly to the EU as a whole, the gross debt-to-income ratio of households in Estonia has been decreasing from 72% (EU: 105.7%) in 2013 to 70.3% (EU: 95.1%). The figures demonstrate that in percentual terms the EU average number (10.6%) has decreased more than Estonia's by 1.7%.



Findings from the ECB Household Finance and Consumption Survey

According to the ECB Household Finance and Consumption Survey, in 2017, the share of **households holding debt in Estonia (48%) was higher than the EU average (42%)**.

- This was the case across all age and income groups, except for the age group 75+ and households belonging to the bottom 40% in terms of income.

In terms of **debt types**, Estonia is similar to the rest of the EU with mortgages being the main source of household debt (Estonia 88.2% to EU 88.1%).

- However, the share of households with debt related to credit line/overdraft in Estonia (0.2%) is five times lower compared with the EU average (1%).
- At the same time share of households with credit card debt in Estonia (2.0%) is ten times higher compared with the EU average (0.2%).

In 2017, the total **median debt to income** ratio of the indebted households in Estonia was significantly lower than the EU average (Estonia 21.7% to EU 70.8%). This was the case across all the population segments. On the negative side, however, the total share of households with **regular expenses less than their income** was lower than the EU average¹⁷³ (Estonia 30.8% to EU 40.2%). This was the case across all of the population segments.

The **total median debt to assets ratio** is also substantially lower in Estonia compared with the EU average (Estonia 15.3%; EU 25.5%) across all of the population segments except renters. At the same time, the share of households in Estonia with **negative wealth**¹⁷⁴ is just slightly lower than the EU average (Estonia 4.5% to EU 4.7%).

Full details of the ECB Household Finance and Consumption Survey are in ANNEX A: EU level data, findings from ECB HFC (2017).

National level data

National level data from 2022 shows that¹⁷⁵:

- Approximately 16.5% of Estonia's population has defaulted on payment at least once (parking fines and garbage bills are not considered).
- In more than half of the cases person has had previously defaulted on payment.
- Statistically, the **average debtor**, in 2022 is a 44-year-old man of Estonian nationality living in Northern Estonia, whose **total debt** is about EUR 3050 and who has or one two active payment defaults.

Overall, the **number of persons in payment difficulties** is steadily decreasing, yet, the **average amount of debt** per person in Estonia is increasing.

- The **average amount of debt per person** in Estonia is EUR 3,048 which is almost double the increase compared to 2017 when it was EUR 1,600 per person.
- At the same time, the **number of persons in payment difficulties** is steadily decreasing. In 2022, 84,090 persons have at least one payment default which is almost one-fifth less compared to 101,000 persons in 2020.
- In terms of the **number of payment defaults** in 2022, the majority (43.56%) has only one, however, more than half of debtors have two or more payment defaults and 15% have five or more payment defaults.

¹⁷³ Oppositely to the other indicators from the ECB HCF survey, the higher share of households with regular expenses less than income is considered a positive result.

¹⁷⁴ Net wealth is the difference between total household assets and total household liabilities. Negative net wealth means the household has more total liabilities than total assets.

¹⁷⁵ Julianus Inkasso (2022). Statistika: eestlase keskmise võlasumma kasvab aasta-aastalt. Available at: <https://julianus.ee/statistika-eestlase-keskmise-volasumma-kasvab-aasta-aastalt/>

Men predominate among debtors, but women's debt is rising

- In terms of gender, 52.6% of the Estonian population is women, yet, men represent the majority of debtors, accounting for 66.7% of debtors.
- However, the **average total amount of debt** is distributed nearly equally for a male debtor (EUR 3,097) and for a female debtor (EUR 2,950).
- Over the years, the average amount of debt of female has increased considerably compared to male, EUR 295 for female and EUR 63 for male.

The debts of Estonians exceed those of Russian debtors

- In terms of the two **largest ethnic groups** in Estonia, Estonians and Russians, the share of people of Russian nationality is 26.1%, yet, they make up a third of the debtors 33.6%.
- At the same time people of Estonian nationality have a higher number of payment defaults per person (Estonians 3.28 to Russians 3.01) and higher debts per person (Estonians EUR 4,055 to Russians EUR 3,394).

In terms of **regional differences**, the **share of debtors** is the smallest in the two counties with the largest population specifically, Harju County and Tartu County.

- Counties located on the islands namely Hiiu and Saare, have the smallest share of debtors.

In terms of **payment defaults** per person across different **age groups**, it is evident that individuals with 5 or more payment defaults have the largest average amount of debt. That is the case for age group 26-35 (EUR 8,419), which is followed by age group 46-55 years (EUR 8,037).

- The smallest average total quantity of debt is among people with payment default, specifically age groups 18-25 years (EUR 725) and 55+ years (EUR 979).

The full national and regional level data identified for this report is in ANNEX B: Complementary national statistical data.

9.2 Annexes (EU level data & Complementary national statistical data)

ANNEX A: EU level data

ECB HFC (2017)		ESTONIA			
		Estonia (%)	EU (%)	Lowest ↓	Highest ↑
Percentage of households holding debt					
Total		48.0	42	19.7	58
By level of income					
Bottom 20%		15.2	24.1	8.1	35.7
20-40%		28.5	30.6	12.6	53.7
40-60%		51.8	41.1	15.1	59.9
60-80%		64.4	52.8	22.1	74.3
80-90%		78.9	59.4	22.8	83.1
90-100%		81.3	63.3	29	81.3
By age group					
16-34		66.9	50.7	13.8	75.7
35-44		75.4	61.3	26.2	82.1
45-54		59.5	56.5	27.2	78
55-64		44.6	42.5	17.7	64.5
65-74		26.8	25.4	9.4	44.6
75+		2.7	9.2	2.3	34.5
Shares of debt types on total liabilities % of total liabilities					
Mortgage		88.2	88.1	65.7	97.3
Non-mortgage debt		11.8	11.9	2.7	34.3
Of which: other		9.6	10.7	2	23.6
Credit line/ overdraft		0.2	1	0.1	9.5
Credit card debt		2.0	0.2	0.1	2
Median debt to income ratio					
Total		21.7	70.8	16.7	243
By level of income					
Bottom 20%		39.5	73.3	14	664.7
20-40%		8.3	47.4	8.3	253.8
40-60%		16.8	53.6	10.6	266.9
60-80%		26.0	77.6	13.8	260.7
80-90%		21.7	97.7	21.7	213.7
90-100%		52.2	80.4	17.9	174.4
By household size					
1		17.3	58.8	13.9	260.2
2		17.9	50	15.9	216.6
3		26.4	79.8	9.4	268.6
4		37.5	109.5	19.8	251.8
5+		17.1	91.3	11.7	268.6
By housing status					
Owners - outright		5.7	24.1	5.4	68.1
Owners - with mortgage		97.9	186.7	76.3	309.5
Renters		10.5	17.9	8.2	68.1
By age group					
16-34		46.2	56.7	16.7	257.7
35-44		50.2	143.5	26.7	315.7
45-54		15.3	79.5	11.7	248
55-64		9.0	54.8	9	181.3
65-74		5.5	30.7	5.5	252.5
75+		N	22.1	6	217.1
Median debt to assets ratio					
Total		15.3	25.5	4.8	52.1
By level of income					
Bottom 20%		N	37	3	94.9
20-40%		6.8	28.4	2.9	48.8
40-60%		14.1	27.8	4.5	54.4
60-80%		14.9	25.1	6.3	57.5
80-90%		13.5	24.7	8.8	52.6
90-100%		19.5	20.1	5.3	39.5
By household size					
1		23.9	32.9	2.6	55.8
2		10.0	17.8	3	42.3
3		12.3	27.1	4.7	58.2
4		19.1	27.3	5.6	56.9

	5+	9.8	30.1	3.5	57.1
<i>By housing status</i>					
	Owners - outright	2.1	3.7	0.9	7.4
	Owners - with mortgage	30.7	34.3	19.2	52.7
	Renters	61.1	40.3	22.9	104.6
<i>By age group</i>					
	16-34	44.1	52.9	20.9	75.6
	35-44	26.0	38.6	10.2	66
	45-54	7.3	21.6	3.8	54
	55-64	4.3	13.2	2.4	38.1
	65-74	3.8	8.6	1.5	34.5
	75+	N	5.5	1.3	27.4
Regular expenses less than income¹⁷⁶					
	Total	30.8	40.2	15.5	65.2
<i>By level of income</i>					
	Bottom 20%	18.3	23.9	4	49.9
	20-40%	21.1	33.1	8.3	66
	40-60%	30.9	41.2	13.9	63.9
	60-80%	38.4	47.1	19.5	69.7
	80-90%	43.0	51.2	24.9	75.9
	90-100%	47.3	61.3	29.6	78.2
<i>By household size</i>					
	1	27.7	40.5	14.1	61.5
	2	34.6	43.5	18.5	70.9
	3	33.1	38.2	11.3	68.4
	4	30.7	37.3	13.2	65.8
	5+	27.3	32.9	9.7	54.7
<i>By housing status</i>					
	Owners - outright	31.6	42.2	17.9	67.8
	Owners - with mortgage	34.9	43.2	11	65.4
	Renters	25.7	36.8	11.4	61.5
<i>By age group</i>					
	16-34	37.5	41.1	9.4	61.9
	35-44	29.1	38.2	13.7	64
	45-54	29.6	40.4	13.5	66.1
	55-64	30.5	41.5	18.6	66.4
	65-74	24.2	42	16.7	72.8
	75+	31.9	38.3	10.4	63.2
% of households that have negative net wealth					
	Total	4.5	4.7	0.3	9.4
<i>By level of income</i>					
	Bottom 20%	5.7	6.9	0.3	16.1
	20-40%	3.9	5	0.2	12.9
	40-60%	7.1	5.4	0.8	10.8
	60-80%	4.2	3.8	0.3	10.8
	80-90%	2.5	3	0	10.8
	90-100%	0.3	1.7	0	6.1
<i>By household size</i>					
	1	6.3	5.4	0.2	12
	2	3.7	3.2	0.4	8
	3	2.2	5.7	0.3	13.1
	4	4.1	4.6	0.2	11.5
	5+	2.9	6.4	0	11.8
<i>By housing status</i>					
	Owners - outright	0.2	0.1	0	0.5
	Owners - with mortgage	2.2	4.6	0	16.3
	Renters	16.1	9.4	1.7	24.9
<i>By age group</i>					
	16-34	11.9	10.6	0.6	25.6
	35-44	5.6	6.4	0	15.4
	45-54	2.5	5	0.3	11
	55-64	2.6	3.8	0.2	8.8
	65-74	2.9	2.3	0.4	3.9
	75+	0.0	0.5	0	5.1

¹⁷⁶ Oppositely to the other indicators from the ECB HCF survey, the higher share of households with regular expenses less than income is considered a positive result.

ANNEX B: Complementary national statistical data

Estonia ¹⁷⁷ National-level data					
1. Sociodemographic profile					
<i>By gender</i>					
	Number of payment defaults	% share	Number of persons	% share	Average debt per person (€)
Male	139051	64.44	56104	66.72	3 097
Female	76736	35.56	27986	33.28	2 950
Total	215 787	100	84090	100	3 048
<i>By nationality</i>					
	Population in Estonia	% share	Share of debtors	Average debt per person	Number of arrears per person
Estonians	914896	73.9%	66.4%	4 055 €	3.28
Russians	322700	26.1%	33.6%	3 394 €	3.01
<i>By age</i>					
Number of debts per person	18-25 years	26-35 years	36-45 years	46-55 years	55+ years
	Debt per person (€)	Debt per person (€)	Debt per person (€)	Debt per person (€)	Debt per person (€)
1	725	1072	1428	1515	979
2	1889	2351	2610	2684	2129
3	3168	3585	3329	3791	3218
4	4690	4956	4472	5080	4602
5 or more	7531	8419	7776	8037	7312
2. Payment defaults and average amount of debt per person					
Number of payment defaults	% share of population		Average debt per person (€)		
1	43.56		1 217		
2	20.14		2 438		
3	12.72		3 473		
4	8.31		4 757		
5 or more	15.26		7 937		
Total	100		3 048		
Regional-level data					
Region	Population	% of Estonia population	% share of debtors	Total amount of debt	
Harju maakond	621281	46,4%	39,1%	42,0%	
Hiiu maakond	9557	0,7%	0,5%	0,8%	
Ida-Viru maakond	131757	9,8%	14,8%	10,7%	
Jõgeva maakond	27892	2,1%	2,5%	2,4%	
Järva maakond	29608	2,2%	2,9%	3,1%	
Lääne maakond	20441	1,5%	1,6%	1,6%	
Lääne-Viru maakond	58122	4,3%	5,8%	6,0%	

¹⁷⁷ Julianus Inkasso (2022). Statistika: eestlase keskmine võlasumma kasvab aasta-aastalt. Available at: <https://julianus.ee/statistika-eestlase-keskmine-volasumma-kasvab-aasta-aastalt/>

Põlva maakond	24439	1,8%	1,9%	1,7%
Pärnu maakond	86402	6,4%	6,5%	7,1%
Rapla maakond	33517	2,5%	2,6%	2,5%
Saare maakond	33613	2,5%	1,7%	1,8%
Tartu maakond	155290	11,6%	10,1%	10,0%
Valga maakond	27787	2,1%	3,1%	3,1%
Viljandi maakond	45506	3,4%	4,2%	4,4%
Võru maakond	34842	2,6%	2,9%	2,8%
Total	1340054	100%	100%	100%

10 Finland

10.1 Statistics on households' over-indebtedness

Finland seems to be a Member State with slightly higher overall household indebtedness and over-indebtedness levels meaning that a relatively high share of households not only have debts and liabilities but they also struggle to pay off some of their debts,

In Finland, there is no formal definition of over-indebtedness, however, there is nationally available data related to statistics on arrears and default payments. Household groups that are the most likely to be on arrears in Finland are predominantly upper or middle income households, and males aged 30 to 39. Päijät-Häme seems to be the region where households are the most likely to be on arrears while Ahvenanmaa appears to have the lowest share of households on arrears.

A more detailed analysis of the indicators of the household (over) indebtedness, and an overview of the impact of over-indebtedness on the different household groups in Finland are available in the chapters below.

EU level data

This section concentrates on the analysis of the selected EU-level statistical indicators on household over-indebtedness in Finland, this includes:

- Statistics on arrears and inability to face unexpected financial expenses (EU SILC data)¹⁷⁸;
- Gross debt-to-income ratio of households¹⁷⁹;
- Statistics concerning the share of households holding debt, liabilities, median to income/asset ratios, regular expenses less than income, and negative wealth¹⁸⁰.

Statistics on arrears and inability to face unexpected financial expenses (EU SILC data)

Overall, the proportion of households in arrears in Finland is **higher compared to the EU average**.

On the positive side:

- The share of households in arrears on hire purchase **instalments or other loan payments** in Finland has been in a sharp decline since 2019 and it has decreased from 4.1% to 3.1% in 2020 which is still 1.0% higher than the EU average.
- The share of households in arrears on **utility bills** in Finland has been in decline since 2013 and it has decreased from 8.4% to 7.1% in 2020, although it is still higher compared to the EU average of 6.3%.
- Households in Finland are able to **face unexpected financial expenses** better than the average EU household. Additionally, in recent years, the situation in Finland, on average, has been improving at a better rate than in the EU.

On the negative side:

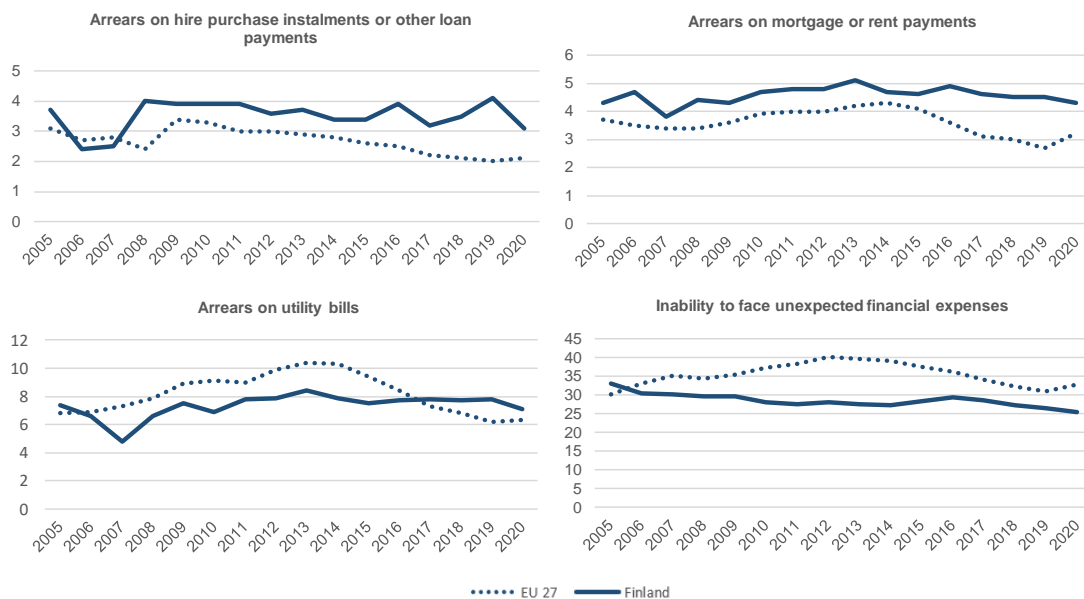
- In 2020, the share of households in **arrears on mortgage or rent payments** in Finland (4.3%) is higher than the EU average (3.2%). Additionally, the trend in this area has been quite stagnant and the situation has not improved substantially since 2008.

¹⁷⁸ Data from 2005 to 2020. Indicators used: ilc_mdcs04, ilc_mdcs06, ilc_mdcs07, and ilc_mdcs08.

¹⁷⁹ Data from 2013 to 2020. Indicator used: tec00104.

¹⁸⁰ Anonymised microdata from 2017 wave made available in March 2020. Note: the report for the next wave in 2020 is expected to be released in the last quarter of 2022.

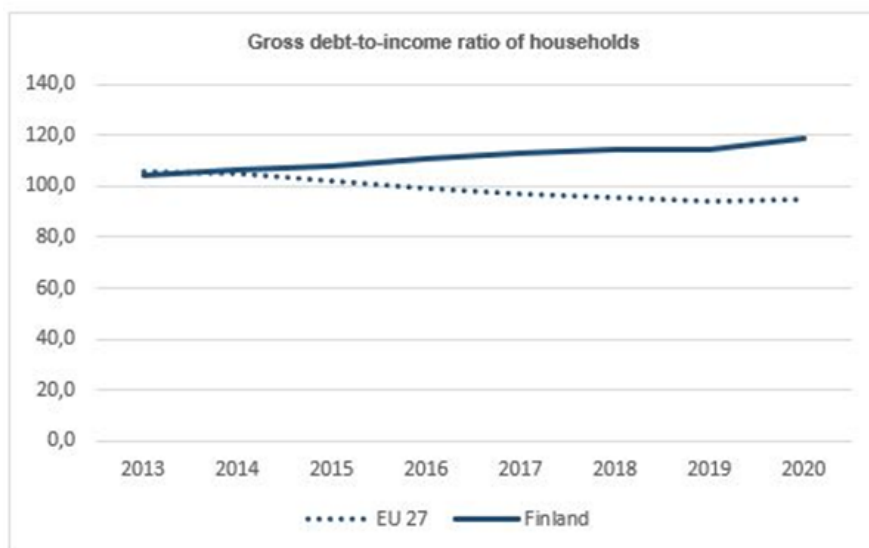
A full overview of the statistics mentioned above from 2005 to 2020 is available below.



Gross debt-to-income ratio of households

Since 2014, the gross debt-to-income ratio of households in **Finland has been higher the EU average.**

- Unlike in the EU as a whole, the gross debt-to-income ratio of households in Finland has been steadily increasing from 106% (EU: 104.9%) in 2014 to 118.8% (EU: 95.1%) in 2020.



Findings from the ECB Household Finance and Consumption Survey

According to the ECB Household Finance and Consumption Survey, in 2017, the share of **households holding debt** in Finland (58%) **was substantially higher than the EU average (42%).**

- This was the case across all age and income groups.
- The share of households holding debt in Finland across different age and income groups exceeds the EU average by at least 10%, except for age group 75+.

In terms of the debt types, Finland is **largely similar to the rest of the EU with mortgages being the main source of household debt** (Finland 76.8% to EU 88.1%).

- The share of households with non-mortgage debt in Finland (23.2%) is almost a double the EU average (11.9%). In the same vein, the share of households with other non-mortgage loans in Finland (22.1%) is more than a double the EU average (10.7%).
- The share of households in Finland with debt related to credit line/overdraft is considerably smaller compared with the EU average, however, credit card debt in Finland is much more common than that in the EU on average.

In 2017, the total **median debt to income ratio** of the indebted households in Finland **was higher than the EU average** (Finland 77.1% to EU 70.8%).

The **total median debt to assets ratio** is also higher in Finland compared with the EU average (Finland 38.1% to EU 25.5%) across all population segments. Additionally, the share of households in Finland with **negative wealth**¹⁸¹ is considerably higher than the EU average (Finland 9.4% to EU 4.7%).

Data on **regular expenses less than income** is not available.

Full details of the ECB Household Finance and Consumption Survey are in ANNEX A: EU level data, findings from ECB HFC (2017).

National level data

According to Bank of Finland, a **household is defined as heavily indebted** if it has personal debt equal to at least **four times its disposable annual cash income**. This definition therefore does not take into account any housing company loans that a homeowner may have in addition to personal debts.¹⁸²

- **Large personal debts** are concentrated in relatively well-off and wealthy households that are well placed to service their debts.
- **The average debt of the heavily indebted persons** increased from around EUR 145,000 to EUR 180,000 between 2009 and 2019.
- **High household indebtedness** is primarily due to **mortgages**. Nearly 90% of the heavily indebted had personal mortgages.
- **Heavily indebted households** are predominantly upper or middle income households.
- **The household indebtedness rate** in Finland between 2000 and 2020 was continuously increasing.
- In 2019, 41% of households in Finland **did not have any debt at all**, at the same time almost 6% of households were **heavily indebted**.

In terms of individuals in arrears in Finland (2012-2021)¹⁸³

¹⁸¹ Net wealth is the difference between total household assets and total household liabilities. Negative net wealth means the household has more total liabilities than total assets.

¹⁸² Bank of Finland (2021). Voimakkaasti velkaantuneiden taloudellinen tilanne vaihtelee Suomessa. Available at: <https://www.eurojatalous.fi/fi/2021/artikkelit/voimakkaasti-velkaantuneiden-taloudellisen-tilanne-vaihtelee-suomessa/#:~:text=Kotitalouksien%20velkaantumisen%20on%20jatkanut%20kasvuaan,asunto%20osakeyhti%C3%B6iden%20nimiss%C3%A4%20olevista%20lainoista>

¹⁸³ Asiakastieto (2022). Maksuhäiriöisten suomalaisten määrä pysyy loivassa laskussa. Available at: <https://www.asiakastieto.fi/web/fi/asiakastieto-media/uutiset/2022/04/maksuhairioisten-suomalaisten-maara-pysyy-loivassa-laskussa.html>

- There were at least 389,300 active **payment defaults** among individuals in Finland. 8.5% of population in Finland's is in **arrears**.
- Statistically, the **average debtor**, in 2021 is a man aged 30 to 39 living in Päijät-Häme.
- In 2021, 16% of **male population** aged 30 to 39 was in **arrears**. In 2021, **female population** was less often in arrears compared to male population across all age groups.

Overall, **the number of individuals in arrears** between 2012 and 2020 has been steadily increasing (346,000 in 2012 to 392,000 in 2020).¹⁸⁴

- In 2021, for the first time in almost ten years, a number of **individuals in arrears** decreased compared to the previous year 389,300 in 2021 to 392,000 in 2020.
- In 2021, the number of **individuals in arrears** has decreased compared to the previous year across all regions.

The **regional comparison** shows that the highest number of adults **in arrears** live in Päijät-Häme, almost one in ten is in arrears (9.4%).¹⁸⁵

- Second most individuals in arrears live in Kanta-Häme where 8.4% have defaulted on their debt payments in 2021.
- On the other end of the spectrum, Ahvenanmaa, has the lowest number of individuals in arrears (4.4%).

The full national and regional level data identified for this report is in ANNEX B: Complementary national statistical data.

10.1 Results of the debt advisor survey

According to the debt advisors consulted in Finland:

- The majority (60%) of the over-indebted households had **consumer loans**.
- **Addictive behaviours, lifestyle expenses and big ticket items** are the key expenses driving over-indebtedness.
- **Credit availability** stands out as the most significant driver behind the need for debt.
- **Level of education and income** are the most relevant sociodemographic factors when looking at over-indebtedness.

Furthermore:

- The majority (62%) of the debt advice beneficiaries are living **in urban areas**.
- Slight majority (51%) of the debt advice beneficiaries are **men**.
- Almost two-thirds (64%) of the debt advice beneficiaries are **employed**.
- Almost half (47%) of the debt advice beneficiaries have **basic education** followed by households with **intermediate education** (30%).
- More than one-third (35%) of the debt advice beneficiaries are **single person households without children**.
- **Sudden loss of income** (38%) and **personal circumstances** (30%) are the most impactful sudden changes in life in terms of the over-indebtedness.
- **Lower and mid-income households** are more likely to be debt advice beneficiaries.
- **Middle-aged** households (35-54) are the most likely to be over-indebted, however, the difference between the young (16-34) and older age (55+) households is not significant.

Survey results		
1. Main financial source of debt ¹⁸⁶	Finland	EU
Mortgage	12%	22%

¹⁸⁴ Ibid.

¹⁸⁵ Ibid.

¹⁸⁶ Percentage of 100%.

Consumer loan	60%	42%
Credit card ¹⁸⁷	21%	22%
Informal sources of funds	8%	13%
2. Main expenses leading to over-indebtedness¹⁸⁸		
Daily expenses (i.e. food, bills, childcare, etc)	2.7	3.1
Property (rent or purchase)	2.8	3.4
Big ticket items (i.e. cars, education, appliances)	3.0	3.0
Lifestyle expenses (luxury or expensive habits)	3.2	2.5
Addictive behaviours (gambling, alcohol, drugs, or similar)	3.3	3.0
3. Main drivers behind the need for debt¹⁸⁹		
Increase in cost of living	2.5	3.1
Decrease in income	2.5	3.4
Increase in cost of debt	2.8	2.9
Credit availability ¹⁹⁰	4.8	3.2
Unexpected events (loss of job, divorce, sickness, or others)	3.5	4.0
4. Most relevant sociodemographic factors when looking at over-indebtedness¹⁹¹		
Geographic location	2.1	2.6
Age	2.7	2.9
Gender	2.4	2.4
Level of education	3.6	3.4
Level of income	3.5	3.6
Household size	2.9	2.9
Employment status	3.4	3.5
Sudden changes in life	3.0	3.5
Profession	3.0	3.2
5. Share of the debt advice beneficiaries by the sociodemographic group¹⁹²		
<i>Geographic location</i>		
Urban	62%	57%
Rural	38%	43%
<i>Gender</i>		
Men	51%	50%
Women	49%	50%
<i>Employment status</i>		
Employed	64%	50%
Unemployed	36%	50%
<i>Level of education</i>		
No to little formal education	9%	19%
Basic education	35%	49%
Intermediate education	40%	20%
Advanced education	16%	12%
<i>Household size</i>		
Single person household with no children	35%	27%
Partner household with no children	16%	17%
Single parents with children	24%	29%
Partner household with children	25%	26%
<i>Sudden changes in life</i>		
Sudden loss of income ¹⁹³	38%	36%
Increase in cost of living	14%	20%
Personal circumstances ¹⁹⁴	30%	28%
Other	19%	16%
<i>Income group</i>		
Bottom 20%	30%	35%
20-40%	32%	27%
40-60%	24%	19%
60-80%	9%	12%
Top 20%	6%	7%
<i>Age</i>		
16-34	17%	13%
35-44	22%	19%
45-54	22%	46%
55-64	19%	11%
65-74	13%	7%
75+	6%	5%

¹⁸⁷ Debt accumulated via interest rates and penalties when the consumer does not pay the company for the money they have spent i.e. overdraft

¹⁸⁸ Average rate from 1 to 5.

¹⁸⁹ Average rate from 1 to 5.

¹⁹⁰ Type of credit, availability of credit, marketing practices

¹⁹¹ Based on their experience, debt advisors were asked to rate the impact of each sociodemographic category on over-indebtedness from 1 to 5 across the sub-groups of each sociodemographic profile. The numbers included in the table are average rates of each sociodemographic factor in the Member States mentioned, and at the EU level overall.

¹⁹² Percentage of 100%.

¹⁹³ Unemployment, wage level, pandemics/lockdowns.

¹⁹⁴ Death/health issue in the family, number of dependents, divorce/family breakdown.

10.2 Annexes (EU level data & Complementary national statistical data)

ANNEX A: EU level data

ECB HFC (2017)		FINLAND			
		Finland (%)	EU (%)	Lowest ↓	Highest ↑
Percentage of households holding debt					
Total		58.0	42	19.7	58
By level of income					
Bottom 20%		33.3	24.1	8.1	35.7
20-40%		43.8	30.6	12.6	53.7
40-60%		56.6	41.1	15.1	59.9
60-80%		74.3	52.8	22.1	74.3
80-90%		83.1	59.4	22.8	83.1
90-100%		80.6	63.3	29	81.3
By age group					
16-34		75.7	50.7	13.8	75.7
35-44		82.1	61.3	26.2	82.1
45-54		72.7	56.5	27.2	78
55-64		56.6	42.5	17.7	64.5
65-74		37.0	25.4	9.4	44.6
75+		11.6	9.2	2.3	34.5
Shares of debt types on total liabilities % of total liabilities					
Mortgage		76.8	88.1	65.7	97.3
Non-mortgage debt		23.2	11.9	2.7	34.3
Of which: other		22.1	10.7	2	23.6
Credit line/ overdraft		0.3	1	0.1	9.5
Credit card debt		0.8	0.2	0.1	2
Median debt to income ratio					
Total		77.1	70.8	16.7	243
By level of income					
Bottom 20%		61.6	73.3	14	664.7
20-40%		39.4	47.4	8.3	253.8
40-60%		57.3	53.6	10.6	266.9
60-80%		96.7	77.6	13.8	260.7
80-90%		110.5	97.7	21.7	213.7
90-100%		95.9	80.4	17.9	174.4
By household size					
1		60.6	58.8	13.9	260.2
2		58.1	50	15.9	216.6
3		97.0	79.8	9.4	268.6
4		133.8	109.5	19.8	251.8
5+		132.8	91.3	11.7	268.6
By housing status					
Owners – outright		28.3	24.1	5.4	68.1
Owners – with mortgage		147.5	186.7	76.3	309.5
Renters		25.6	17.9	8.2	68.1
By age group					
16-34		79.5	56.7	16.7	257.7
35-44		139.5	143.5	26.7	315.7
45-54		76.1	79.5	11.7	248
55-64		54.2	54.8	9	181.3
65-74		44.6	30.7	5.5	252.5
75+		30.3	22.1	6	217.1
Median debt to assets ratio					
Total		38.1	25.5	4.8	52.1
By level of income					
Bottom 20%		94.9	37	3	94.9
20-40%		44.3	28.4	2.9	48.8
40-60%		38.5	27.8	4.5	54.4
60-80%		36.6	25.1	6.3	57.5
80-90%		34.5	24.7	8.8	52.6
90-100%		26.9	20.1	5.3	39.5
By household size					
1		45.5	32.9	2.6	55.8
2		28.9	17.8	3	42.3
3		39.8	27.1	4.7	58.2
4		41.2	27.3	5.6	56.9

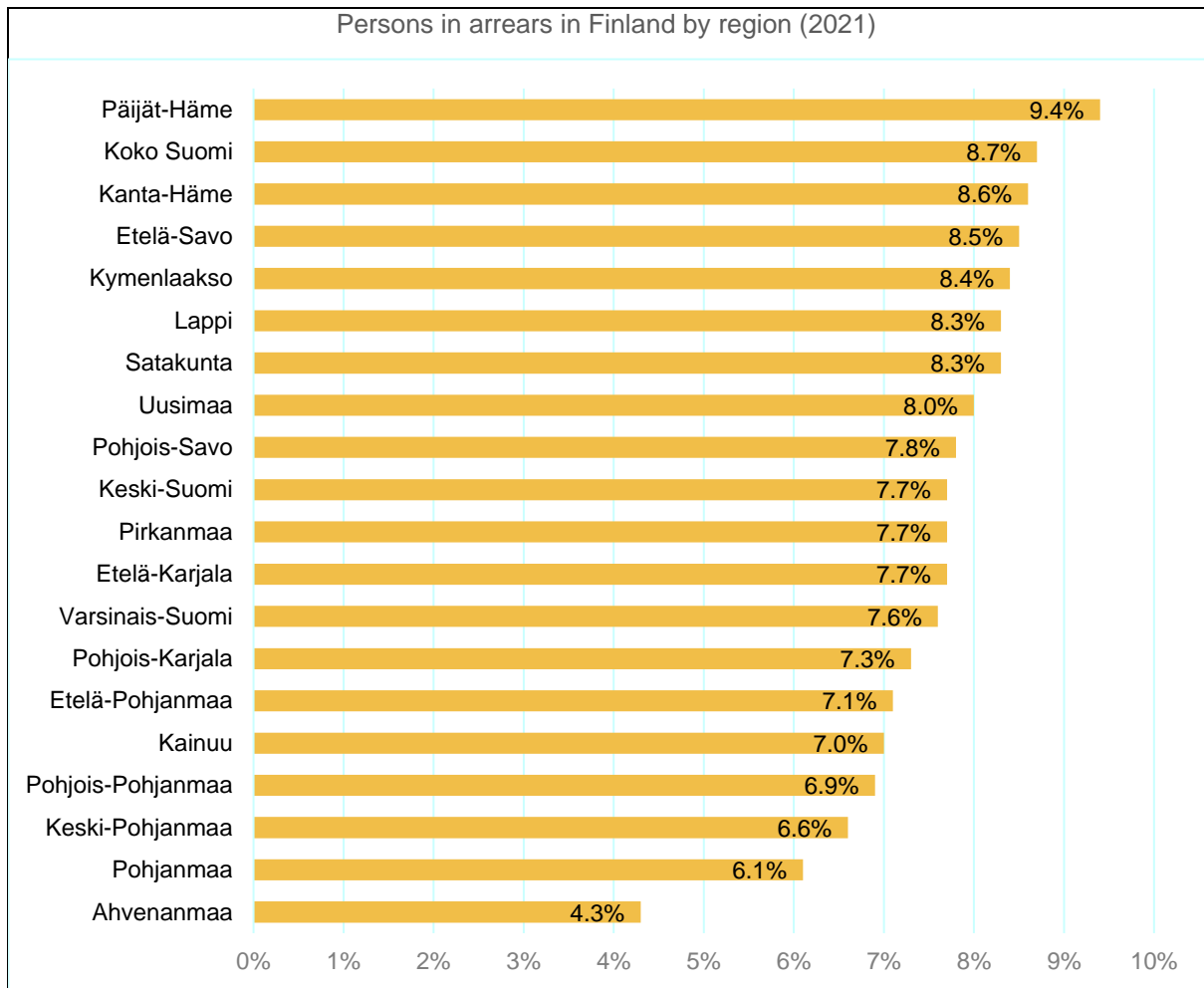
	5+	42.7	30.1	3.5	57.1
<i>By housing status</i>					
	Owners – outright	5.6	3.7	0.9	7.4
	Owners – with mortgage	39.1	34.3	19.2	52.7
	Renters	104.6	40.3	22.9	104.6
<i>By age group</i>					
	16-34	75.6	52.9	20.9	75.6
	35-44	45.8	38.6	10.2	66
	45-54	27.7	21.6	3.8	54
	55-64	17.2	13.2	2.4	38.1
	65-74	11.7	8.6	1.5	34.5
	75+	6.5	5.5	1.3	27.4
Regular expenses less than income¹⁹⁵					
	Total	N	40.2	15.5	65.2
<i>By level of income</i>					
	Bottom 20%	N	23.9	4	49.9
	20-40%	N	33.1	8.3	66
	40-60%	N	41.2	13.9	63.9
	60-80%	N	47.1	19.5	69.7
	80-90%	N	51.2	24.9	75.9
	90-100%	N	61.3	29.6	78.2
<i>By household size</i>					
	1	N	40.5	14.1	61.5
	2	N	43.5	18.5	70.9
	3	N	38.2	11.3	68.4
	4	N	37.3	13.2	65.8
	5+	N	32.9	9.7	54.7
<i>By housing status</i>					
	Owners – outright	N	42.2	17.9	67.8
	Owners – with mortgage	N	43.2	11	65.4
	Renters	N	36.8	11.4	61.5
<i>By age group</i>					
	16-34	N	41.1	9.4	61.9
	35-44	N	38.2	13.7	64
	45-54	N	40.4	13.5	66.1
	55-64	N	41.5	18.6	66.4
	65-74	N	42	16.7	72.8
	75+	N	38.3	10.4	63.2
% of households that have negative net wealth					
	Total	9.4	4.7	0.3	9.4
<i>By level of income</i>					
	Bottom 20%	16.1	6.9	0.3	16.1
	20-40%	12.9	5	0.2	12.9
	40-60%	10.8	5.4	0.8	10.8
	60-80%	5.3	3.8	0.3	10.8
	80-90%	2.2	3	0	10.8
	90-100%	1.4	1.7	0	6.1
<i>By household size</i>					
	1	12.0	5.4	0.2	12
	2	8.0	3.2	0.4	8
	3	8.7	5.7	0.3	13.1
	4	5.4	4.6	0.2	11.5
	5+	5.3	6.4	0	11.8
<i>By housing status</i>					
	Owners – outright	0.2	0.1	0	0.5
	Owners – with mortgage	2.9	4.6	0	16.3
	Renters	24.9	9.4	1.7	24.9
<i>By age group</i>					
	16-34	25.6	10.6	0.6	25.6
	35-44	9.5	6.4	0	15.4
	45-54	7.0	5	0.3	11
	55-64	4.0	3.8	0.2	8.8
	65-74	2.7	2.3	0.4	3.9
	75+	0.8	0.5	0	5.1

¹⁹⁵ Oppositely to the other indicators from the ECB HCF survey, the higher share of households with regular expenses less than income is considered a positive result.

ANNEX B: Complementary national statistical data



¹⁹⁶ Asiakastieto (2022). Maksuhäiriöisten suomalaisten määrä pysyy loivassa laskussa. Available at: <https://www.asiakastieto.fi/web/fi/asiakastieto-media/uutiset/2022/04/maksuhairioisten-suomalaisten-maara-pysyy-loivassa-laskussa.html>



11 France

11.1 Statistics on households' over-indebtedness

Overall, household indebtedness and over-indebtedness levels in France seem to be fairly similar to the EU average for most of the indicators included in this study. Overall, indicators related to assets (i.e. median debt to asset ratio, negative wealth) tend to show slightly more positive results when compared with the indicators related to income (i.e. gross/median debt to income ratios, regular expenses less than income).

Over-indebtedness in France is defined by the article L330.1269 of the French Consumer Code (Code de la consommation) which states that: Over-indebtedness of a natural person is characterised by the manifest inability of the debtor in good faith to repay the whole of his/her non-professional debts due now and in the future.

The national source used in this report (Bank of France) uses this term in their statistical database which is really relevant for the analysis in this report. Household groups that are the most affected by over-indebtedness in France are divorced/separated people, single men, single mothers, and unemployed people, while Hauts-de-France seems to be the region where over-indebtedness is the most prevalent.

A more detailed analysis of the indicators of the household (over) indebtedness, and an overview of the impact of over-indebtedness on the different household groups in France are available in the chapters below.

EU level data

This section concentrates on the analysis of the selected EU-level statistical indicators on household over-indebtedness in France, this includes:

- Statistics on arrears and inability to face unexpected financial expenses (EU SILC data)¹⁹⁷;
- Gross debt-to-income ratio of households¹⁹⁸;
- Statistics concerning the share of households holding debt, liabilities, median to income/asset ratios, regular expenses less than income, and negative wealth¹⁹⁹.

Statistics on arrears and inability to face unexpected financial expenses (EU SILC data)

Overall, the proportion of households in arrears in France is relatively **close to the EU average**.

On the positive side:

- The share of households in arrears on hire purchase **instalments or other loan payments** in France has been in decline since 2009 and it has decreased from 3.4% to 1.5% in 2020 which is 0.6% less than the EU average.
- The share of households in arrears on **utility bills** in France (5.4%) is also below the EU average (6.3%), although compared to the EU, the trend in this area has been quite stagnant and the situation has not improved considerably since 2009.
- Households in France are able to **face unexpected financial expenses** better than the average EU household²⁰⁰, yet, once more, the situation in the EU, on average, has been improving at a faster rate than in France.

¹⁹⁷ Data from 2005 to 2020. Indicators used: ilc_mdcs04, ilc_mdcs06, ilc_mdcs07, and ilc_mdcs08.

¹⁹⁸ Data from 2013 to 2020. Indicator used: tec00104.

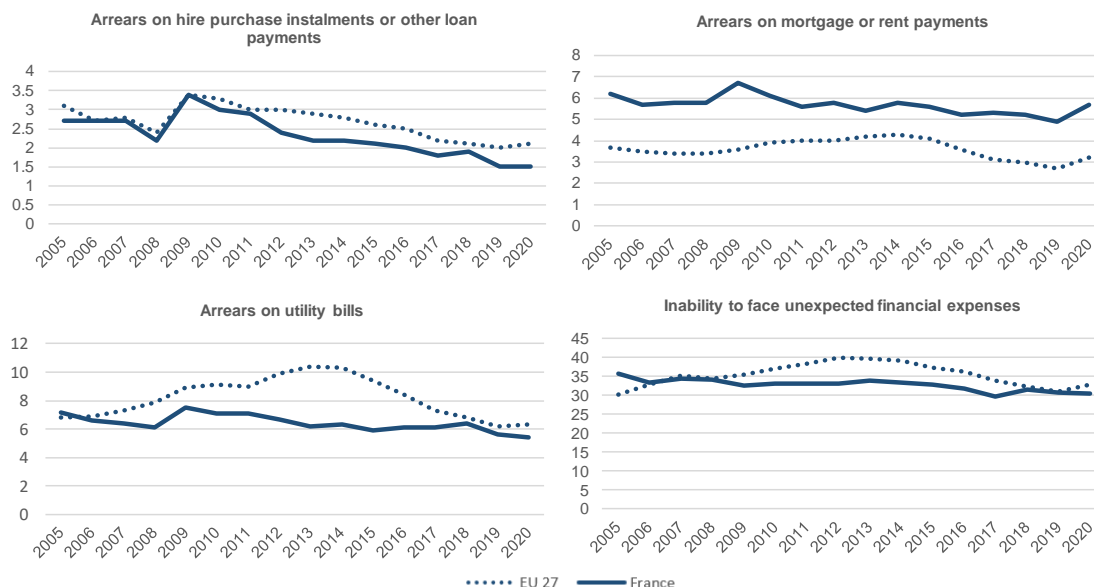
¹⁹⁹ Anonymised microdata from 2017 wave made available in March 2020. Note: the report for the next wave in 2020 is expected to be released in the last quarter of 2022.

²⁰⁰ Results from 2020, Inability to face unexpected financial expenses: France = 30.4%, EU = 32.8%.

On the negative side:

- In 2020, the share of households in France (5.7%) that had **arrears on mortgages was considerably higher** than the EU average (3.2%). In fact, the only Member States that had a higher share of households in arrears on mortgages in 2020 were Greece (9.3%), Ireland (8%), and Spain (6.9%).

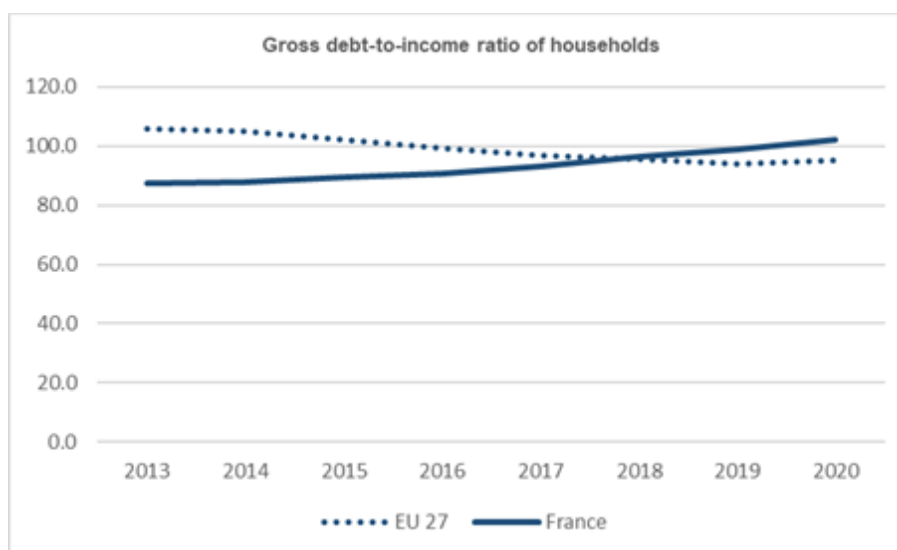
A full overview of the statistics mentioned above from 2005 to 2020 is available below.



Gross debt-to-income ratio of households

Since 2018, the gross debt-to-income ratio of households in France has been higher than the EU average.

- Unlike in the EU as a whole, the gross debt-to-income ratio of households in France has been steadily increasing from 87.6% (EU: 105.7%) in 2013 to 102.2% (EU: 95.1%) in 2020.



Findings from the ECB Household Finance and Consumption Survey

According to the ECB Household Finance and Consumption Survey, in 2017, the share of **households holding debt in France (45.5%) was slightly higher than the EU average (42%)**.

- This was the case across all age and income groups, except for households belonging to the bottom 20% in terms of income²⁰¹.

In terms of the debt types, France is also **similar to the rest of the EU with mortgages being the main source of household debt** (France 84.1% to EU 88.1%).

- The share of households in France with debt related to credit line/ overdraft²⁰², and credit card debt²⁰³ is significantly smaller compared with the EU average.
- At the same time, there is a higher share of households in France with debts related to consumer credit loans, private loans and other loans not collateralised on a household's real estate property.

In 2017, the total **median debt to income ratio** of the indebted households in France **was lower than the EU average** (France 64.5% to EU 70.8%), in addition, in 2017, the total share of households in France with **regular expenses less than their income** was slightly higher than the EU average²⁰⁴ (France 43.3% to EU 40.2%).

The **total median debt to assets ratio** is also **lower in France compared with the EU average** (France 21.5%; EU 25.5%) across most of the population segments. In addition, the share of households in France with **negative wealth**²⁰⁵ is considerably lower than the EU average (France 2.5% to EU 4.7%).

Full details of the ECB Household Finance and Consumption Survey are in ANNEX A: EU level data, findings from ECB HFC (2017).

National level data

To provide a broader overview of the level of over-indebtedness across different household categories in France, the study relies on a study from the Bank of France conducted in 2021²⁰⁶ which shows that:

- In terms of marital status, **divorced/separated** people in France tend to be considerably **more likely** to face over-indebtedness compared with couples, singles, or widows. In fact, over one-quarter of the over-indebted population in France is divorced/separated (27.7%), even though, overall, this segment of the population, in France, represents only 6.6% of the total population.
- **Single fathers and single mothers** are **most likely** to be over-indebted in consideration of the structure of the household. These categories constitute 45.8% of the over-indebted population in France (27.5% for single fathers, and 18.3% for single mothers), even though, overall, this segment of the population, in France, represents only 23.4% of the total population (15.7% for single fathers, and 7.7% for single mothers).
- Overall, **women** are **more likely** to be over-indebted than men as women form 53.8% of the over-indebted population in France compared with men' 46.8%.
- In terms of age groups, **men aged 45 to 54** (12.2%), 35 to 44 (11%), and 55 to 64(8.8%) are the **most likely** to face over-indebtedness. The situation for **women** is relatively similar with over-indebtedness being **most prevalent** among those aged **45 to 54** (13.6%), 35 to 44 (12.6%), and 25 to 34 (9.9%).
- **Men and women aged 18 to 24 years and 75+** are **least likely** to be over-indebted.

²⁰¹ France 23.1% to EU 24.1%.

²⁰² France 0.4% to EU 1%.

²⁰³ France 0.1% to EU 0.2%.

²⁰⁴ Oppositely to the other indicators from the ECB HCF survey, the higher share of households with regular expenses less than income is considered a positive result.

²⁰⁵ Net wealth is the difference between total household assets and total household liabilities. Negative net wealth means the household has more total liabilities than total assets.

²⁰⁶ Banque de France (2021). Les surendettement des ménages : enquête typologique 2020. Available at: https://particuliers.banque-france.fr/sites/default/files/media/2021/02/10/suren_2020.pdf

- **Unemployed people**, in general, are **much more likely** to face over-indebtedness compared with any other professional status. 26% of the over-indebted population in France are unemployed, even though, overall, this segment of the population represents only 5.1% of the total population in 2020.
- **Consumer loans** (37.1%), **mortgages** (34.4%), loans on other liabilities (9.2%), and rent (5.9%) seem to be the **most common sources of debt** among over-indebted people.

Finally in terms of the 13 regions in France²⁰⁷:

- **Hauts-de-France** has the **highest number of cases of over-indebtedness** per 100,000 inhabitants as well as the highest share of over-indebted households living below the poverty line. At the same time, this region has the lowest median debt in France.
- On the other end of the spectrum, **Corsica** has the **least cases of over-indebtedness** per 100,000 inhabitants as well as the lowest share of over-indebted households living below the poverty line.

The full national and regional level data identified for this report is in ANNEX B: Complementary national statistical data.

11.1 Results of the debt advisor survey

According to the debt advisors consulted in France:

- The majority (57%) of the over-indebted households had **consumer loans**.
- **Daily expenses and expenses related to property** are the key expenses driving over-indebtedness.
- **Unexpected events and decrease in income** are the most significant drivers behind the need for debt.
- **Sudden changes in life** stand out as the most relevant sociodemographic factor when looking at over-indebtedness.

Furthermore:

- The majority (60%) of the debt advice beneficiaries are living **in urban areas**.
- Slight majority (54%) of the debt advice beneficiaries are **women**.
- Almost two-thirds (64%) of the debt advice beneficiaries are **unemployed**.
- Households with **no to little formal education** and **basic education** are the most likely to be debt-advice beneficiaries (30% each).
- Almost half (45%) of the debt advice beneficiaries are **single person households without children**.
- **Sudden loss of income** (45%) and **personal circumstances** (28%) are the most impactful sudden changes in life in terms of the over-indebtedness.
- **Middle-aged households** (35-54 year old) are more likely to be over-indebted.

Survey results		
1. Main financial source of debt ²⁰⁸	France	EU
Mortgage	4%	22%
Consumer loan	57%	42%
Credit card ²⁰⁹	16%	22%
Informal sources of funds	22%	13%
2. Main expenses leading to over-indebtedness ²¹⁰		
Daily expenses (i.e. food, bills, childcare, etc)	3.3	3.1
Property (rent or purchase)	3.3	3.4
Big ticket items (i.e. cars, education, appliances)	2.8	3.0

²⁰⁷ Auvergne Rhône-Alpes, Bourgogne Franche-Comté, Bretagne, Centre Val de Loire, Corse, Grand Est, Hauts-de-France, Île-de-France, Normandie, Nouvelle-Aquitaine, Occitanie, Pays de la Loire, Provence-Alpes-Côte d'Azur.

²⁰⁸ Percentage of 100%.

²⁰⁹ Debt accumulated via interest rates and penalties when the consumer does not pay the company for the money they have spent i.e. overdraft

²¹⁰ Average rate from 1 to 5.

Lifestyle expenses (luxury or expensive habits)	2.2	2.5
Addictive behaviours (gambling, alcohol, drugs, or similar)	2.3	3.0
3. Main drivers behind the need for debt²¹¹		
Increase in cost of living	2.7	3.1
Decrease in income	3.3	3.4
Increase in cost of debt	2.3	2.9
Credit availability ²¹²	2.5	3.2
Unexpected events (loss of job, divorce, sickness, or others)	3.7	4.0
4. Most relevant sociodemographic factors when looking at over-indebtedness²¹³		
Geographic location	2.1	2.6
Age	2.2	2.9
Gender	1.8	2.4
Level of education	2.1	3.4
Level of income	2.4	3.6
Household size	2.5	2.9
Employment status	2.6	3.5
Sudden changes in life	4.1	3.5
Profession	2.1	3.2
5. Share of the debt advice beneficiaries by the sociodemographic group²¹⁴		
<i>Geographic location</i>		
Urban	60%	57%
Rural	40%	43%
<i>Gender</i>		
Men	46%	50%
Women	54%	50%
<i>Employment status</i>		
Employed	36%	50%
Unemployed	64%	50%
<i>Level of education</i>		
No to little formal education	30%	19%
Basic education	30%	49%
Intermediate education	20%	20%
Advanced education	20%	12%
<i>Household size</i>		
Single person household with no children	45%	27%
Partner household with no children	13%	17%
Single parents with children	28%	29%
Partner household with children	14%	26%
<i>Sudden changes in life</i>		
Sudden loss of income ²¹⁵	45%	36%
Increase in cost of living	13%	20%
Personal circumstances ²¹⁶	28%	28%
Other	14%	16%
<i>Age</i>		
16-34	8%	13%
35-44	36%	19%
45-54	25%	46%
55-64	15%	11%
65-74	9%	7%
75+	7%	5%

²¹¹ Average rate from 1 to 5.

²¹² Type of credit, availability of credit, marketing practices

²¹³ Based on their experience, debt advisors were asked to rate the impact of each sociodemographic category on over-indebtedness from 1 to 5 across the sub-groups of each sociodemographic profile. The numbers included in the table are average rates of each sociodemographic factor in the Member States mentioned, and at the EU level overall.

²¹⁴ Percentage of 100%.

²¹⁵ Unemployment, wage level, pandemics/lockdowns.

²¹⁶ Death/health issue in the family, number of dependents, divorce/family breakdown.

11.2 Annexes (EU level data & Complementary national statistical data)

ANNEX A: EU level data

ECB HFC (2017)		FRANCE			
		France (%)	EU (%)	Lowest ↓	Highest ↑
1. Percentage of households holding debt					
Total		45.5	42	19.7	58
<i>By level of income</i>					
	Bottom 20%	23.1	24.1	8.1	35.7
	20-40%	32.5	30.6	12.6	53.7
	40-60%	45.7	41.1	15.1	59.9
	60-80%	59.7	52.8	22.1	74.3
	80-90%	65.3	59.4	22.8	83.1
	90-100%	68.1	63.3	29	81.3
<i>By age group</i>					
	16-34	52.3	50.7	13.8	75.7
	35-44	66.9	61.3	26.2	82.1
	45-54	62.2	56.5	27.2	78
	55-64	44.0	42.5	17.7	64.5
	65-74	30.8	25.4	9.4	44.6
	75+	10.3	9.2	2.3	34.5
2. Shares of debt types on total liabilities % of total liabilities					
	Mortgage	84.1	88.1	65.7	97.3
	Non-mortgage debt	15.9	11.9	2.7	34.3
	Of which: other	15.4	10.7	2	23.6
	Credit line/ overdraft	0.4	1	0.1	9.5
	Credit card debt	0.1	0.2	0.1	2
3. Median debt to income ratio					
Total		64.5	70.8	16.7	243
<i>By level of income</i>					
	Bottom 20%	30.4	73.3	14	664.7
	20-40%	35.1	47.4	8.3	253.8
	40-60%	49.4	53.6	10.6	266.9
	60-80%	90.2	77.6	13.8	260.7
	80-90%	93.8	97.7	21.7	213.7
	90-100%	96.2	80.4	17.9	174.4
<i>By household size</i>					
	1	44.4	58.8	13.9	260.2
	2	34.6	50	15.9	216.6
	3	81.9	79.8	9.4	268.6
	4	144.6	109.5	19.8	251.8
	5+	102.4	91.3	11.7	268.6
<i>By housing status</i>					
	Owners - outright	25.3	24.1	5.4	68.1
	Owners - with mortgage	210.2	186.7	76.3	309.5
	Renters	17.2	17.9	8.2	68.1
<i>By age group</i>					
	16-34	170.9	56.7	16.7	257.7
	35-44	173.2	143.5	26.7	315.7
	45-54	74.8	79.5	11.7	248
	55-64	37.3	54.8	9	181.3
	65-74	22.3	30.7	5.5	252.5
	75+	10.0	22.1	6	217.1
4. Median debt to assets ratio					
Total		21.5	25.5	4.8	52.1
<i>By level of income</i>					
	Bottom 20%	18.4	37	3	94.9
	20-40%	26.0	28.4	2.9	48.8
	40-60%	23.4	27.8	4.5	54.4
	60-80%	25.4	25.1	6.3	57.5
	80-90%	19.9	24.7	8.8	52.6
	90-100%	17.2	20.1	5.3	39.5
<i>By household size</i>					
	1	21.4	32.9	2.6	55.8
	2	12.0	17.8	3	42.3
	3	24.4	27.1	4.7	58.2
	4	31.3	27.3	5.6	56.9
	5+	29.9	30.1	3.5	57.1

<i>By housing status</i>					
	Owners - outright	3.7	3.7	0.9	7.4
	Owners - with mortgage	35.7	34.3	19.2	52.7
	Renters	29.5	40.3	22.9	104.6
<i>By age group</i>					
	16-34	48.5	52.9	20.9	75.6
	35-44	38.9	38.6	10.2	66
	45-54	19.5	21.6	3.8	54
	55-64	8.2	13.2	2.4	38.1
	65-74	4.5	8.6	1.5	34.5
	75+	2.4	5.5	1.3	27.4
5. Regular expenses less than income²¹⁷					
	Total	43.3	40.2	15.5	65.2
<i>By level of income</i>					
	Bottom 20%	49.9	23.9	4	49.9
	20-40%	48.2	33.1	8.3	66
	40-60%	44.9	41.2	13.9	63.9
	60-80%	39.6	47.1	19.5	69.7
	80-90%	38.5	51.2	24.9	75.9
	90-100%	29.6	61.3	29.6	78.2
<i>By household size</i>					
	1	43.6	40.5	14.1	61.5
	2	42.7	43.5	18.5	70.9
	3	44.1	38.2	11.3	68.4
	4	40.6	37.3	13.2	65.8
	5+	49.1	32.9	9.7	54.7
<i>By housing status</i>					
	Owners - outright	40.1	42.2	17.9	67.8
	Owners - with mortgage	41.1	43.2	11	65.4
	Renters	47.3	36.8	11.4	61.5
<i>By age group</i>					
	16-34	41.2	41.1	9.4	61.9
	35-44	43.2	38.2	13.7	64
	45-54	44.5	40.4	13.5	66.1
	55-64	43.5	41.5	18.6	66.4
	65-74	45.3	42	16.7	72.8
	75+	42.1	38.3	10.4	63.2
6. % of households that have negative net wealth					
	Total	2.5	4.7	0.3	9.4
<i>By level of income</i>					
	Bottom 20%	2.5	6.9	0.3	16.1
	20-40%	3.8	5	0.2	12.9
	40-60%	2.9	5.4	0.8	10.8
	60-80%	2.3	3.8	0.3	10.8
	80-90%	1.5	3	0	10.8
	90-100%	0.4	1.7	0	6.1
<i>By household size</i>					
	1	2.9	5.4	0.2	12
	2	1.4	3.2	0.4	8
	3	2.5	5.7	0.3	13.1
	4	3.1	4.6	0.2	11.5
	5+	4.9	6.4	0	11.8
<i>By housing status</i>					
	Owners - outright	0.1	0.1	0	0.5
	Owners - with mortgage	1.9	4.6	0	16.3
	Renters	4.9	9.4	1.7	24.9
<i>By age group</i>					
	16-34	4.6	10.6	0.6	25.6
	35-44	4.0	6.4	0	15.4
	45-54	3.0	5	0.3	11
	55-64	1.7	3.8	0.2	8.8
	65-74	0.9	2.3	0.4	3.9
	75+	0.5	0.5	0	5.1

²¹⁷ Oppositely to the other indicators from the ECB HCF survey, the higher share of households with regular expenses less than income is considered a positive result.

ANNEX B: Complementary national statistical data

FRANCE ²¹⁸			
National-level data			
1. Sociodemographic profile		Over-indebted (%)	Total population (%)
<i>By marital status</i>			
	Couples (married and not married)	46.6	59.3
	Divorced/separated	27.7	6.6
	Singles	20.9	26.9
	Widowed	4.8	7.2
<i>By family structure</i>			
	Single men	27.5	15.7
	Single women	22.1	20.7
	childless couples	10.5	26.4
	Single-parent families	20.4	9.4
	<i>of which: single men with children</i>	2.1	1.7
	<i>of which: single women with children</i>	18.3	7.7
	Couples with children	17.5	25.7
	Other households without family c)	2.1	2.1
<i>By sex and age (Men)</i>			
	From 18 to 24 year old	1.1	5.2
	From 25 to 34 year old	7	7.2
	From 35 to 44 year old	11	7.7
	From 45 to 54 year old	12.2	8.4
	From 55 to 64 year old	8.8	7.7
	From 65 to 74 year old	4.6	6.6
	75 year old+	1.5	4.8
	Total	46.2	47.6
<i>By sex and age (Women)</i>			
	From 18 to 24 year old	1.7	5
	From 25 to 34 year old	9.9	7.5
	From 35 to 44 year old	12.6	8
	From 45 to 54 year old	13.6	8.6
	From 55 to 64 year old	8.9	8.3
	From 65 to 74 year old	5.1	7.5
	75 year old+	2	7.5
	Total	53.8	52.4
<i>By professional situation</i>			
	Active	60.1	55.8
	Employees on permanent contracts on permanent contracts	27.2	37.9
	Fixed-term employees	4.5	4.6
	Temporary employees	2.1	1.2
	Apprentices na	no data	0.8
	Maternity leave	0.1	no data
	Self-employed	no data	6.2
	Liberal professions	0	no data
	Artisans traders	0.2	no data
	Unemployed	26	5.1
	Inactive	39.9	44.2
	No occupation	12.9	no data
	Retired	16.2	28.5
	Students trainees	0.3	8
	Long-term sick leave	4.1	no data
	Parental leave	0.7	no data
	Disabled	5.7	no data
2. Characteristics of debt		Overall debt (%)	
Financial debts		73.2	
	Property debt (mortgage)	34.4	
	Consumer debt	37.1	
	Microcredit and pledge loans	0	
	Other bank debts (overdrafts and overdrafts)	1.6	
Debts related to current expenses		12.6	
	Rent	5.9	
	Energy and communication debts	1.7	
	Transport debts	0	
	Insurance/mutual insurance liabilities	0.5	
	Health/education debt	0.6	
	Maintenance debts	0.3	
	Tax debts	3.6	

²¹⁸ Banque de France (2021). Les surendettement des ménages : enquête typologique 2020. Available at: https://particuliers.banque-france.fr/sites/default/files/media/2021/02/10/suren_2020.pdf

Other debts		14.2	
Other liabilities		9.2	
Social debts		2.5	
Professional debts		1	
Fines		1.6	
Regional-level data			
Region	Number of situations of over-indebtedness per 100.000 inhabitants	Median debt. excluding real estate. of overindebted households in Eur	Share of over-indebted households below the poverty line (%)
Auvergne Rhône-Alpes	178	16243	56.8
Bourgogne Franche-Comté	234	16827	54.7
Bretagne	173	14715	56.6
Centre Val de Loire	240	16157	55.2
Corse	146	18845	48
Grand Est	191	16185	59.1
Hauts-de-France	319	13844	63.2
Île-de-France	156	21716	52.2
Normandie	276	15743	56.8
Nouvelle-Aquitaine	208	15814	57.2
Occitane	184	15834	57.9
Pays de la Loire	171	15306	54.7
Provence-Alpes-Côte d'Azur	217	18757	52.7

12 Germany

12.1 Statistics on households' over-indebtedness

Overall, household indebtedness and over-indebtedness levels in Germany seem to be fairly similar, yet, slightly lower than the EU averages overall.

The definition of over-indebtedness in Germany is based on the law on insolvency (Insolvenzordnung or InsO). In particular, the inability to pay is defined as when the debtor is not in the position to fulfil their payment obligations. This is usually presumed if the debtor has suspended their payments. Over-indebtedness is then strictly defined as when the income and property of the debtor no longer cover their payment obligations²¹⁹. Based on the nationally available data, it seems that, overall, men are affected by over-indebtedness more often than women, as are single parents. Unemployment is the most influential factor overall. Regionally there seem to be strong differences, the north of Germany seems to have much more insolvency procedures compared to the regions in the south.

A more detailed analysis of the indicators of the household (over) indebtedness, and an overview of the impact of over-indebtedness on the different household groups in Germany are available in the chapters below.

EU level data

This section concentrates on the analysis of the selected EU-level statistical indicators on household over-indebtedness in Germany, this includes:

- Statistics on arrears and inability to face unexpected financial expenses (EU SILC data)²²⁰;
- Gross debt-to-income ratio of households²²¹;
- Statistics concerning the share of households holding debt, liabilities, median to income/asset ratios, regular expenses less than income, and negative wealth²²².

Statistics on arrears and inability to face unexpected financial expenses (EU SILC data)

Overall, the proportion of households in arrears in Germany is for all but one indicator **below the EU average**.

On the positive side:

- The share of households in arrears on hire purchase **instalments or other loan payments** in Germany has been fluctuating since 2007 and has remained relatively similar throughout this period.
- The share of households in arrears on **utility bills** in Germany (3.6%) is significantly below the EU average (6.3%), the EU and Germany have grown closer in recent years. However, Germany has always remained relatively constant over the years.

²¹⁹ "Überschuldung liegt vor, wenn das Vermögen des Schuldners die bestehenden Verbindlichkeiten nicht mehr deckt, es sei denn, die Fortführung des Unternehmens ist nach den Umständen überwiegend wahrscheinlich." Source: § 19 Insolvenzordnung vom 5. Oktober 1994 (BGBl. I S. 2866).

²²⁰ Data from 2005 to 2020. Indicators used: ilc_mdcs04, ilc_mdcs06, ilc_mdcs07, and ilc_mdcs08.

²²¹ Data from 2013 to 2020. Indicator used: tec00104.

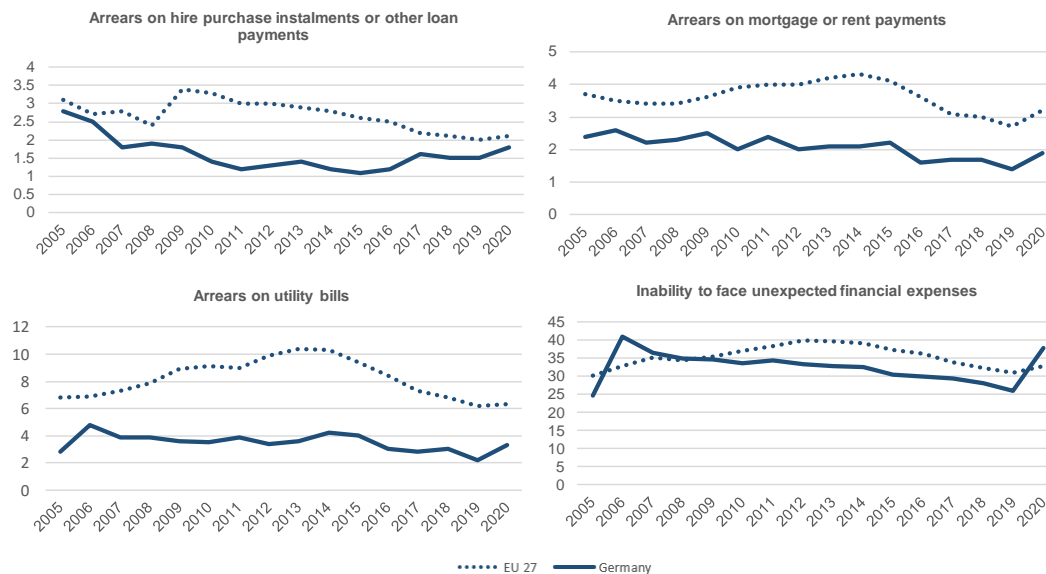
²²² Anonymised microdata from 2017 wave made available in March 2020. Note: the report for the next wave in 2020 is expected to be released in the last quarter of 2022.

- In 2020, the share of households in Germany (2%) that had **arrears on mortgages** was **also below the EU average** (3.2%). The trend in Germany in recent years has been relatively constant. Over the entire period, a decline of 0.5% can be observed.

On the negative side:

- Households in Germany are less able to **face unexpected financial expenses** than the average EU household. In Germany, this figure is 45.3%, which is 12.5% higher than the EU average. In Germany, this figure is 45.3%, which is 12.5% higher than the EU average.

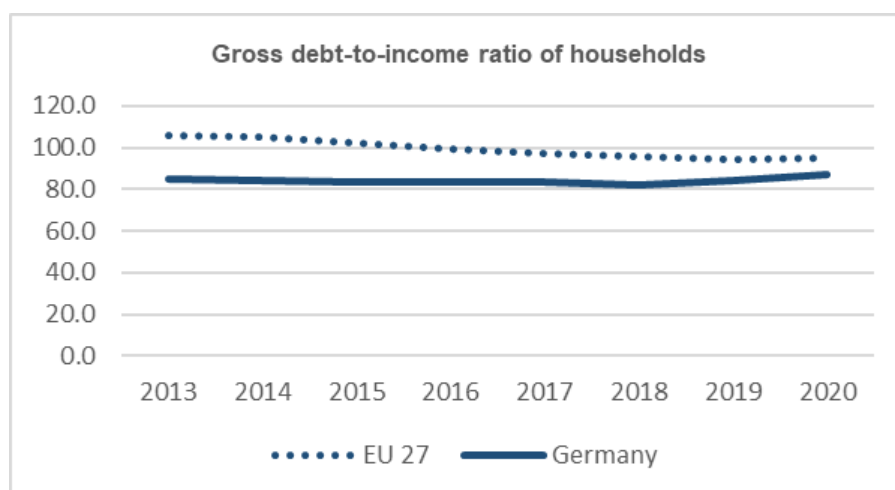
A full overview of the statistics mentioned above from 2005 to 2020 is available below.



Gross debt-to-income ratio of households

Since **2013**, the **gross debt-to-income ratio of households in Germany has been always below the EU average**.

Over time, the gross debt-to-income ratio of households in Germany has increased slightly, moving closer to the EU average.



Findings from the ECB Household Finance and Consumption Survey

According to the ECB Household Finance and Consumption Survey, in 2017, the share of **households holding debt in Germany (45.5%) was slightly higher than the EU average (42%)**.

- This was the case across all age and income groups, except for households belonging to top 10% in terms of income²²³.

In terms of the debt types, Germany is **similar to the rest of the EU. Both at EU level and in Germany mortgages are with 88.1% the main source of household debt**.

- The share of households in Germany with credit line/ overdraft is significantly above the EU average with 2.1% compared to 1%.
- Non-mortgage debt is both at EU level and in Germany with 11.9% the source of debt.
- Credit card debts are significantly lower in Germany with 0.1% to 0.2%

In 2017, the total **median debt to income ratio** of the indebted households in Germany **was significantly lower than the EU average** (Germany 45.1% to EU 70.8%), in addition, in 2017, the total share of households in Germany with **regular expenses less than their income** was significantly higher than the EU average²²⁴ (Germany 49.3% to EU 40.2%).

The **total median debt to assets ratio** is **slightly higher in Germany compared with the EU average** (Germany 26.6%; EU 25.5%) across most of the population segments. The share of households in Germany with **negative wealth**²²⁵ is considerably higher than the EU average (Germany 7.4% to EU 4.7%).

Full details of the ECB Household Finance and Consumption Survey are in ANNEX A: EU level data, findings from ECB HFC (2017).

National level data

To provide a broader overview of the level of over-indebtedness across different household categories in Germany, the study relies on data from Federal Statistical Office of Germany (Statistisches Bundesamt)²²⁶ which shows that:

In terms of the regional differences in the 16 federal states:

- **The city state of Bremen in Western Germany** has the **highest number of private insolvencies** per 100,000 inhabitants.
- Generally speaking, there seem to be major regional differences. The five **northern states** are all in the top 6 of the states with the highest personal insolvencies. While the states with the lowest private insolvency values are all located in the South.

The **main triggers of over-indebtedness** are unemployment (19.7%), illness, addiction, accidents (16.5%) and uneconomical household management (14.5%)

The average debt is EUR 29,230. The biggest share of debt is owed credit institutions with EUR 11,949.

With regards to **socio-economic characteristics** the following can be observed:

- Nearly half of all overindebted people are unemployed (43.5%).
- People living in single households are far more likely to be overindebted. Men are generally more likely to have problems with debt than woman.
- The socio-economic group with the **highest** likeliness of over-indebtedness are **unemployed single woman living alone with three or more children**. Single men

²²³ Germany 23.1% to EU 24.1%.

²²⁴ Oppositely to the other indicators from the ECB HCF survey, the higher share of households with regular expenses less than income is considered a positive result.

²²⁵ Net wealth is the difference between total household assets and total household liabilities. Negative net wealth means the household has more total liabilities than total assets.

²²⁶ Statistisches Bundesamt (2022). Einkommen, Konsum und Lebensbedingungen - Vermögen und Schulden Available at: https://www.destatis.de/DE/Themen/Gesellschaft-Umwelt/Einkommen-Konsum-Lebensbedingungen/Vermoeegen-Schulden/_inhalt.html

without children are more often overindebted than single women without. Both for men and women **children increase the likeliness of over-indebtedness**. However, for women this effect is stronger than for men.

- In terms of marital status, **married** people in Germany tend to be considerably **less likely** to face over-indebtedness compared with couples, singles, or widows.
- In terms of age groups, **men aged 45 to 54** (12.2%), 35 to 44 (11%), and 55 to 64 (8.8%) are the **most likely** to face over-indebtedness. The situation for **women** is relatively similar with over-indebtedness being **most prevalent** among those aged **45 to 54** (13.6%), 35 to 44 (12.6%), and 25 to 34 (9.9%).
- **In terms of age, people between 25 and 45 seem far more likely to be** overindebted.

The full national and regional level data identified for this report is in ANNEX B: Complementary national statistical data.

12.1 Results of the debt advisor survey

According to the debt advisors consulted in Germany:

- Half of the over-indebted households had **consumer loans**.
- **Expenses related to property and addictive behaviours** are the key expenses driving over-indebtedness.
- **Unexpected events and decrease in income** are the most significant drivers behind the need for debt.
- **Level of income and employment status** are the most relevant sociodemographic factors when looking at over-indebtedness.

Furthermore:

- Slight majority (51%) of the debt advice beneficiaries are living **in rural areas**.
- Slight majority (54%) of the debt advice beneficiaries are **men**.
- Two thirds of the debt advice beneficiaries are **unemployed**.
- Households with **no to little formal education** (41%) and **basic education** (37%) are the most likely to be debt-advice beneficiaries.
- **Single person households without children** (37%) are the most likely to be debt advice beneficiaries
- **Personal circumstances** (35%) and **sudden loss of income** (32%) are the most impactful sudden changes in life in terms of the over-indebtedness.
- **Lower-income households** are more likely to be debt advice beneficiaries.
- **Middle-aged** households are the more likely to be over-indebted.

Survey results		
1. Main financial source of debt ²²⁷	Germany	EU
Mortgage	8%	22%
Consumer loan	50%	42%
Credit card ²²⁸	31%	22%
Informal sources of funds	11%	13%
2. Main expenses leading to over-indebtedness ²²⁹		
Daily expenses (i.e. food, bills, childcare, etc)	2.9	3.1
Property (rent or purchase)	3.4	3.4
Big ticket items (i.e. cars, education, appliances)	2.9	3.0
Lifestyle expenses (luxury or expensive habits)	2.2	2.5
Addictive behaviours (gambling, alcohol, drugs, or similar)	3.2	3.0
3. Main drivers behind the need for debt ²³⁰		
Increase in cost of living	2.6	3.1
Decrease in income	3.8	3.4
Increase in cost of debt	2.8	2.9

²²⁷ Percentage of 100%.

²²⁸ Debt accumulated via interest rates and penalties when the consumer does not pay the company for the money they have spent i.e. overdraft

²²⁹ Average rate from 1 to 5.

²³⁰ Average rate from 1 to 5.

	Credit availability ²³¹	2.6	3.2
	Unexpected events (loss of job, divorce, sickness, or others)	4.7	4.0
4. Most relevant sociodemographic factors when looking at over-indebtedness²³²			
	Geographic location	2.1	2.6
	Age	2.7	2.9
	Gender	2.2	2.4
	Level of education	3.7	3.4
	Level of income	4.1	3.6
	Household size	3.3	2.9
	Employment status	4.0	3.5
	Sudden changes in life	3.6	3.5
	Profession	3.8	3.2
5. Share of the debt advice beneficiaries by the sociodemographic group²³³			
<i>Geographic location</i>			
	Urban	49%	57%
	Rural	51%	43%
<i>Gender</i>			
	Men	54%	50%
	Women	46%	50%
<i>Employment status</i>			
	Employed	34%	50%
	Unemployed	66%	50%
<i>Level of education</i>			
	No to little formal education	41%	19%
	Basic education	37%	49%
	Intermediate education	15%	20%
	Advanced education	8%	12%
<i>Household size</i>			
	Single person household with no children	37%	27%
	Partner household with no children	19%	17%
	Single parents with children	24%	29%
	Partner household with children	20%	26%
<i>Sudden changes in life</i>			
	Sudden loss of income ²³⁴	32%	36%
	Increase in cost of living	21%	20%
	Personal circumstances ²³⁵	35%	28%
	Other	12%	16%
<i>Income group</i>			
	Bottom 20%	41%	35%
	20-40%	26%	27%
	40-60%	16%	19%
	60-80%	13%	12%
	Top 20%	5%	7%
<i>Age</i>			
	16-34	17%	13%
	35-44	28%	19%
	45-54	24%	46%
	55-64	15%	11%
	65-74	10%	7%
	75+	7%	5%

²³¹ Type of credit, availability of credit, marketing practices

²³² Based on their experience, debt advisors were asked to rate the impact of each sociodemographic category on over-indebtedness from 1 to 5 across the sub-groups of each sociodemographic profile. The numbers included in the table are average rates of each sociodemographic factor in the Member States mentioned, and at the EU level overall.

²³³ Percentage of 100%.

²³⁴ Unemployment, wage level, pandemics/lockdowns.

²³⁵ Death/health issue in the family, number of dependents, divorce/family breakdown.

12.2 Annexes (EU level data & Complementary national statistical data)

ANNEX A: EU level data

ECB HFC (2017)		GERMANY			
		German y(%)	EU (%)	Lowest ↓	Highest ↑
1. Percentage of households holding debt					
Total		45.5	42	19.7	58
<i>By level of income</i>					
	Bottom 20%	23.1	24.1	8.1	35.7
	20-40%	32.5	30.6	12.6	53.7
	40-60%	45.7	41.1	15.1	59.9
	60-80%	59.7	52.8	22.1	74.3
	80-90%	65.3	59.4	22.8	83.1
	90-100%	68.1	63.3	29	81.3
<i>By age group</i>					
	16-34	52.3	50.7	13.8	75.7
	35-44	66.9	61.3	26.2	82.1
	45-54	62.2	56.5	27.2	78
	55-64	44.0	42.5	17.7	64.5
	65-74	30.8	25.4	9.4	44.6
	75+	10.3	9.2	2.3	34.5
2. Shares of debt types on total liabilities % of total liabilities					
	Mortgage	84.1	88.1	65.7	97.3
	Non-mortgage debt	15.9	11.9	2.7	34.3
	Of which: other	15.4	10.7	2	23.6
	Credit line/ overdraft	0.4	1	0.1	9.5
	Credit card debt	0.1	0.2	0.1	2
3. Median debt to income ratio					
Total		64.5	70.8	16.7	243
<i>By level of income</i>					
	Bottom 20%	30.4	73.3	14	664.7
	20-40%	35.1	47.4	8.3	253.8
	40-60%	49.4	53.6	10.6	266.9
	60-80%	90.2	77.6	13.8	260.7
	80-90%	93.8	97.7	21.7	213.7
	90-100%	96.2	80.4	17.9	174.4
<i>By household size</i>					
	1	44.4	58.8	13.9	260.2
	2	34.6	50	15.9	216.6
	3	81.9	79.8	9.4	268.6
	4	144.6	109.5	19.8	251.8
	5+	102.4	91.3	11.7	268.6
<i>By housing status</i>					
	Owners - outright	25.3	24.1	5.4	68.1
	Owners - with mortgage	210.2	186.7	76.3	309.5
	Renters	17.2	17.9	8.2	68.1
<i>By age group</i>					
	16-34	170.9	56.7	16.7	257.7
	35-44	173.2	143.5	26.7	315.7
	45-54	74.8	79.5	11.7	248
	55-64	37.3	54.8	9	181.3
	65-74	22.3	30.7	5.5	252.5
	75+	10.0	22.1	6	217.1
4. Median debt to assets ratio					
Total		21.5	25.5	4.8	52.1
<i>By level of income</i>					
	Bottom 20%	18.4	37	3	94.9
	20-40%	26.0	28.4	2.9	48.8
	40-60%	23.4	27.8	4.5	54.4
	60-80%	25.4	25.1	6.3	57.5
	80-90%	19.9	24.7	8.8	52.6
	90-100%	17.2	20.1	5.3	39.5
<i>By household size</i>					
	1	21.4	32.9	2.6	55.8
	2	12.0	17.8	3	42.3
	3	24.4	27.1	4.7	58.2
	4	31.3	27.3	5.6	56.9

	5+	29.9	30.1	3.5	57.1
<i>By housing status</i>					
	Owners - outright	3.7	3.7	0.9	7.4
	Owners - with mortgage	35.7	34.3	19.2	52.7
	Renters	29.5	40.3	22.9	104.6
<i>By age group</i>					
	16-34	48.5	52.9	20.9	75.6
	35-44	38.9	38.6	10.2	66
	45-54	19.5	21.6	3.8	54
	55-64	8.2	13.2	2.4	38.1
	65-74	4.5	8.6	1.5	34.5
	75+	2.4	5.5	1.3	27.4
5. Regular expenses less than income²³⁶					
	Total	43.3	40.2	15.5	65.2
<i>By level of income</i>					
	Bottom 20%	49.9	23.9	4	49.9
	20-40%	48.2	33.1	8.3	66
	40-60%	44.9	41.2	13.9	63.9
	60-80%	39.6	47.1	19.5	69.7
	80-90%	38.5	51.2	24.9	75.9
	90-100%	29.6	61.3	29.6	78.2
<i>By household size</i>					
	1	43.6	40.5	14.1	61.5
	2	42.7	43.5	18.5	70.9
	3	44.1	38.2	11.3	68.4
	4	40.6	37.3	13.2	65.8
	5+	49.1	32.9	9.7	54.7
<i>By housing status</i>					
	Owners - outright	40.1	42.2	17.9	67.8
	Owners - with mortgage	41.1	43.2	11	65.4
	Renters	47.3	36.8	11.4	61.5
<i>By age group</i>					
	16-34	41.2	41.1	9.4	61.9
	35-44	43.2	38.2	13.7	64
	45-54	44.5	40.4	13.5	66.1
	55-64	43.5	41.5	18.6	66.4
	65-74	45.3	42	16.7	72.8
	75+	42.1	38.3	10.4	63.2
6. % of households that have negative net wealth					
	Total	2.5	4.7	0.3	9.4
<i>By level of income</i>					
	Bottom 20%	2.5	6.9	0.3	16.1
	20-40%	3.8	5	0.2	12.9
	40-60%	2.9	5.4	0.8	10.8
	60-80%	2.3	3.8	0.3	10.8
	80-90%	1.5	3	0	10.8
	90-100%	0.4	1.7	0	6.1
<i>By household size</i>					
	1	2.9	5.4	0.2	12
	2	1.4	3.2	0.4	8
	3	2.5	5.7	0.3	13.1
	4	3.1	4.6	0.2	11.5
	5+	4.9	6.4	0	11.8
<i>By housing status</i>					
	Owners - outright	0.1	0.1	0	0.5
	Owners - with mortgage	1.9	4.6	0	16.3
	Renters	4.9	9.4	1.7	24.9
<i>By age group</i>					
	16-34	4.6	10.6	0.6	25.6
	35-44	4.0	6.4	0	15.4
	45-54	3.0	5	0.3	11
	55-64	1.7	3.8	0.2	8.8
	65-74	0.9	2.3	0.4	3.9
	75+	0.5	0.5	0	5.1

²³⁶ Oppositely to the other indicators from the ECB HCF survey, the higher share of households with regular expenses less than income is considered a positive result.

ANNEX B: Complementary national statistical data

Statistisches Bundesamt ²³⁷				
1. Consumer insolvencies by state 2021				
State	Openend	Total procedures	Total procedures per 100.000 inhabitants	Projected claims in EUR million
Germany	78 615	79 620	95,75	3 460,5
Baden-Württemberg	6 988	7 196	6481	349,6
Bavaria	7 036	7 104	5406	347,1
Berlin	3 529	3 573	9751	167,2
Brandenburg	2 629	2 648	10462	108,2
Bremen	1 334	1 346	19790	41,7
Hamburg	2 269	2 276	12286	135,4
Hesse	4 932	5 053	8029	232,5
Mecklenburg-Vorpommern	2 089	2 111	13106	67,9
Lower Saxony	11 604	11 733	14660	403,9
North Rhine-Westphalia	20 262	20 506	11440	942,4
Rhineland-Palatinate	3 486	3 525	8601	158,3
Saarland	1 310	1 320	13415	67,4
Saxony	3 689	3 698	9115	149,9
Saxony-Anhalt	2 161	2 175	9974	84,7
Schleswig-Holstein	3 622	3 655	12556	138,7
Thuriniga	1 675	1 701	8023	65,8
2. Main triggers of overindebtedness in %				
Characteristics	2017	2018	2019	2020
Unemployment	20,6	20	19,9	19,7
Separation, divorce, death of partner	13,3	13,1	12,5	12
Illness, addiction, accident	15,1	15,8	16,3	16,5
Uneconomical household management	12,3	12,9	14,3	14,5
Failed self-employment	8,3	8,5	8,3	8,2
Payment obligation from guarantee, assumption or joint liability	2,7	2,6	2,1	2,2
Failed property financing	2,4	2	1,6	1,6
Inadequate credit or guarantee advice	1,3	1,3	1,2	1,3
Long-term low income	7,2	8,3	8,7	9,6
Other	17	15,4	15,1	14,3
3. Average debt per creditor type, 2020				
Total			29230	
Credit institutions			11949	
Collection agencies			1703	
Telecommunications companies			1213	

²³⁷ Statistisches Bundesamt (2022). Einkommen, Konsum und Lebensbedingungen - Vermögen und Schulden Available at: https://www.destatis.de/DE/Themen/Gesellschaft-Umwelt/Einkommen-Konsum-Lebensbedingungen/Vermögen-Schulden/_inhalt.html

	Landlords		848		
	private individuals		600		
	Mail order companies		537		
	Maintenance obligations		491		
	other creditors		11891		
4. Socio-economic characteristics 2020					
<i>Socio-economic characteristics</i>	<i>Persons in total</i>		<i>Employment situation</i>		
		Self-employed	Dependent employed	Unemployed	Other not gainfully employed
			in %		
Total	100	1.1	35.3	43.4	20.3
<i>Persons according to household size</i>					
1	47,9	1,1	31,9	43,3	23,7
2	23,6	1,1	35,9	42,3	20,7
3	13,7	0,9	41,5	44,2	13,4
4	8,6	1,2	42,2	42,8	13,7
5 or more	6,2	/	35,1	47,3	16,3
<i>Persons according to household type</i>					
Single woman	16,9	0,9	27,9	42	29,2
Single woman living alone with one child	7,5	0,5	32,1	55.3	12,1
Single woman living alone with two children	4,2	/	29,2	60	10,1
Single woman living alone with three or more children	2,1	/	21,6	64.4	13,7
Single man	29,9	1,2	34,7	44.8	19,3
Single man living alone with one child	1,5	/	45,7	42.3	-10,6
Single man living alone with two children	0,5	/	45,7	43.9	-8,4
Single man living alone with three or more children	0,2	/	-33,7	57.1	/
Couples without a child	13,7	1,4	38,6	34.1	25,9
Couples with one child	7,7	-1,1	48,3	36.5	14,1
Couples with two children	6,2	-1,3	46	38.3	14,3
Couples with three children and more	4,7	/	35,9	45.9	16,9
Other living arrangements	4,9	-1	31,3	39	28,7
<i>Persons according to gender</i>					
Female	46,4	0,7	30,4	45,7	23,2
Male	53,6	1,4	39,5	41,4	17,7
<i>Persons according to marital status</i>					
Single	48,5	0,9	32,8	50,5	15,8
Married	21,3	1,2	42,9	33	22,9
Married, separated	8,2	-1,3	39,6	39,8	19,4
Widowed	3,9	/	21,8	28,5	48,7
Divorced	18,2	1,2	33,8	41,5	23,5
<i>Persons by age</i>					
under 20	0,5	/	-26,5	41,6	31,8
20 to 25	5,9	/	27,9	53,2	18,6
25 to 35	25,5	0,6	37,3	49	13,1

35 to 45	26,1	1,1	41,1	46,4	11,3
45 to 55	20,2	-1,6	40,2	42,8	15,4
55 to 65	14,3	1,5	32,1	40,8	25,6
65 to 70	3,7	-1,2	11,2	21,4	66,2
70 and more	3,8	/	-2,9	-4,3	92,1

13 Greece

13.1 Statistics on households' over-indebtedness

Even though only 20% of Greek households compared to 42% of EU households hold debt, based on the results from the debt to income and wealth ratios, the overall indebtedness level of Greek households seems to be similar to the EU average. In addition, in terms of the statistics related to household over-indebtedness (arrears, inability to face unexpected financial outcomes, regular expenses less than income) it seems that household over-indebtedness is outstandingly higher than the EU average. This shows that a high share of Greek households that do hold debt are also quite likely to be over-indebted.

In Greece, there is no commonly used definition of over-indebtedness, and data at both national and regional level has been largely unavailable. National level data shows that households tend to request more long term loans than short term loans.

A more detailed analysis of the indicators of the household (over) indebtedness, and an overview of the impact of over-indebtedness on the different household groups in Greece are available in the chapters below.

EU level data

This section concentrates on the analysis of the selected EU-level statistical indicators on household over-indebtedness in Greece, this includes:

- Statistics on arrears and inability to face unexpected financial expenses (EU SILC data)²³⁸;
- Gross debt-to-income ratio of households²³⁹;
- Statistics concerning the share of households holding debt, liabilities, median to income/asset ratios, regular expenses less than income, and negative wealth²⁴⁰.

Statistics on arrears and inability to face unexpected financial expenses (EU SILC data)

Overall, the proportion of households in arrears in Greece is relatively **higher to the EU average**. On the positive side:

- The share of households in arrears on hire purchase **instalments or other loan payments** in Greece has been **decreasing** since 2015 and it has been falling from 16.9% to 12% in 2020, with the gap between the EU average reducing to 10% in 2020.
- Although Greece was one of the Member States²⁴¹ that had the **highest share of households in arrears on mortgages** in 2020 (9.3%) comparatively to the EU average (3.2%), there has been a gradual decrease since 2016.

On the negative side:

- The share of households in arrears on **utility bills** in Greece (28.2%) has also been remaining highly above the EU average (6.3%). Whilst the share of households **in arrears on utility bills has been decreasing** since 2016, the gap between Greece and the EU average, however, remained at a stable level.
- Households in Greece have been unable to **face unexpected financial expenses** in comparison to the average EU household²⁴², with the situation in the EU, improving at a faster rate than in Greece.

²³⁸ Data from 2005 to 2020. Indicators used: ilc_mdcs04, ilc_mdcs06, ilc_mdcs07, and ilc_mdcs08.

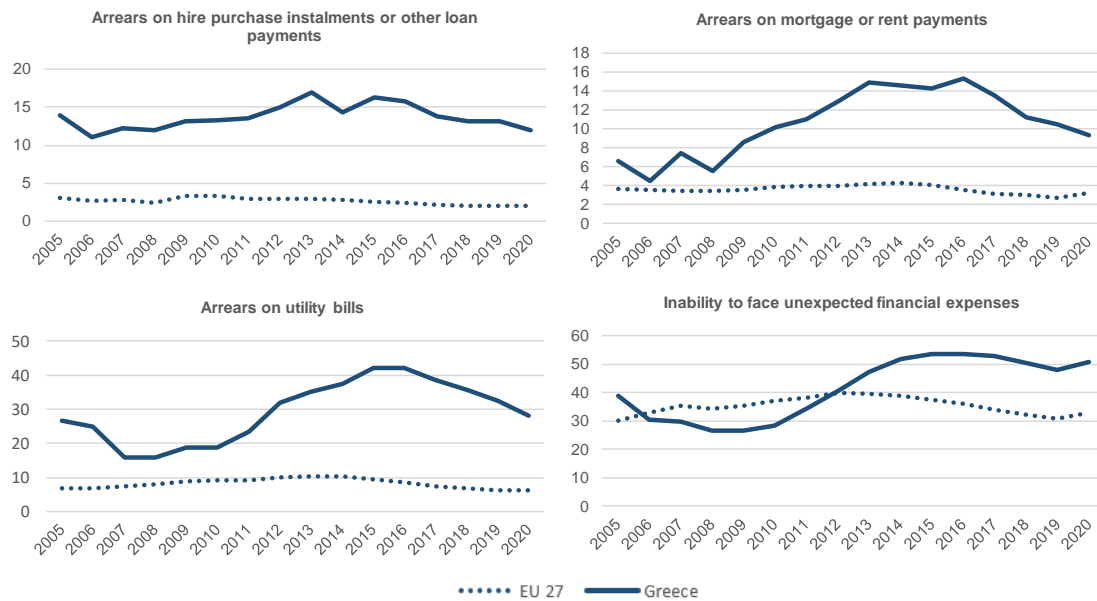
²³⁹ Data from 2013 to 2020. Indicator used: tec00104.

²⁴⁰ Anonymised microdata from 2017 wave made available in March 2020. Note: the report for the next wave in 2020 is expected to be released in the last quarter of 2022.

²⁴¹ Including Ireland (8%) and Spain (6.9%).

²⁴² Results from 2020, Inability to face unexpected financial expenses: Greece 50.7%, EU = 32.8%.

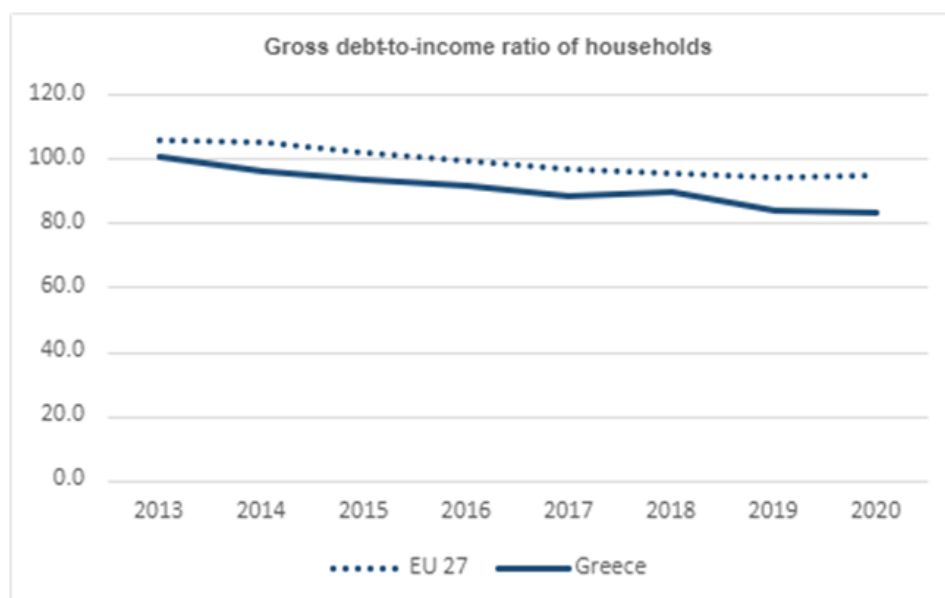
A full overview of the statistics mentioned above from 2005 to 2020 is available below.



Gross debt-to-income ratio of households

Since 2013, the gross debt-to-income ratio of households in Greece has been lower than the EU average.

- Unlike in the EU as a whole, the gross debt-to-income ratio of households in Greece has been steadily decreasing from 100.9% (EU: 105.7%) in 2013 to 83.3% (EU: 95.1%) in 2020.



Findings from the ECB Household Finance and Consumption Survey

According to the ECB Household Finance and Consumption Survey, in 2017, the share of **households holding debt in Greece (45.5%) was higher than the EU average (42%)**.

- This was the case across all age and income groups, with the groups having the highest difference to the EU average being of 80-90% level of income²⁴³ and between the age of 16 to 34.²⁴⁴

In terms of the debt types, Greece, to some extent, is **similar to the rest of the EU with mortgages being the main source of household debt** (Greece 82.1% to EU 88.1%) but at a lower rate.

- The share of households in Greece with debt related to credit card debt is higher by 1.2% from the rest of the EU.²⁴⁵ There is also a higher share of households in Greece where non-mortgage debts²⁴⁶ and other types of debts²⁴⁷ than that of the average EU household.

In 2017, the total **median debt to income ratio** of the indebted households in Greece was **2.1% higher than the EU average** (Greece 72.9% to EU 70.8%), in addition, in 2017, the total share of households in Greece with **regular expenses less than their income**²⁴⁸ was significantly lower than the EU average (Greece 15.5% to EU 40.2%).

Nonetheless, the **total median debt to assets ratio** was **lower in Greece in relation to the EU average** (Greece 24.6%; EU 25.5%) across some of the population segments. In addition, the share of households in Greece with **negative wealth**²⁴⁹ is lower than the EU average (Greece 3.1% to EU 4.7%), with the exception of the households with 60-80% of income level, housing owners with mortgage and those of the age between 45 to 64.

Full details of the ECB Household Finance and Consumption Survey are in ANNEX A: EU level data, findings from ECB HFC (2017).

National level data

Available data at both national and regional level has only been available to a small extent in Greece. However, a study made by the Bank of Greece presented below in Annex B shows that:

- Short term loans have decreased at a significant level since 2013 from EUR 18,037 million to EUR 8,356 million in 2020.
- Long term loans, on the other hand, seem to be the most popular form of loan in Greece, as it is higher than the short-term provision. This is proof that loan term loans, such as perhaps housing loans, tend to be the most popular type of loan.

Overall, due to the lack of data available, no solid conclusion can be made on this context.

The full national and regional level data identified for this report is in ANNEX B: Complementary national statistical data.

13.1 Results of the debt advisor survey

According to the debt advisors consulted in Greece:

- Contrary to the EU-level results, the majority of the over-indebted households (56%) had **mortgages**.

²⁴³ Greece 22.8% to EU 59.4%

²⁴⁴ Greece 13.8% to EU 50.7%

²⁴⁵ Greece 1.2% to EU 0.2%

²⁴⁶ Greece 17.5% to EU 11.9%

²⁴⁷ Greece 15.8% to EU 10.7%

²⁴⁸ Oppositely to the other indicators from the ECB HCF survey, the higher share of households with regular expenses less than income is considered a positive result.

²⁴⁹ Net wealth is the difference between total household assets and total household liabilities. Negative net wealth means the household has more total liabilities than total assets.

- **Expenses related to property and addictive behaviours** are the key expenses driving over-indebtedness.
- **Decrease in income, unexpected events and increase in cost of debt** are the most significant drivers behind the need for debt.
- **Profession and level of income** are the most relevant sociodemographic factors when looking at over-indebtedness.

Furthermore:

- Two-thirds of the debt advice beneficiaries are living **in urban areas**.
- The majority (56%) of the debt advice beneficiaries are **men**.
- More than two thirds (68%) of the debt advice beneficiaries are **employed**.
- Contrary to the EU-level results, households with **advanced** (40%) and **intermediate education** (33%) are the most likely to be debt-advice beneficiaries.
- **Single parents with children** (35%) and partner households with no children (25%) are the most likely to be debt advice beneficiaries.
- **Sudden loss of income** (34%) is the most impactful sudden change in life in terms of the over-indebtedness.
- Contrary to the EU-level findings, **middle-income households** are more likely to be debt advice beneficiaries.
- Contrary to the EU-level results, **older-age** (55+) households are the most likely to be over-indebted.

Survey results		
1. Main financial source of debt ²⁵⁰	Greece	EU
Mortgage	56%	22%
Consumer loan	19%	42%
Credit card ²⁵¹	19%	22%
Informal sources of funds	6%	13%
2. Main expenses leading to over-indebtedness ²⁵²		
Daily expenses (i.e. food, bills, childcare, etc)	2.3	3.1
Property (rent or purchase)	3.0	3.4
Big ticket items (i.e. cars, education, appliances)	2.8	3.0
Lifestyle expenses (luxury or expensive habits)	2.5	2.5
Addictive behaviours (gambling, alcohol, drugs, or similar)	3.0	3.0
3. Main drivers behind the need for debt ²⁵³		
Increase in cost of living	2.8	3.1
Decrease in income	3.5	3.4
Increase in cost of debt	3.0	2.9
Credit availability ²⁵⁴	2.0	3.2
Unexpected events (loss of job, divorce, sickness, or others)	3.3	4.0
4. Most relevant sociodemographic factors when looking at over-indebtedness ²⁵⁵		
Geographic location	2.9	2.6
Age	2.8	2.9
Gender	2.4	2.4
Level of education	2.8	3.4
Level of income	2.9	3.6
Household size	2.5	2.9
Employment status	2.7	3.5
Sudden changes in life	2.9	3.5
Profession	3.0	3.2
5. Share of the debt advice beneficiaries by the sociodemographic group ²⁵⁶		
<i>Geographic location</i>		
Urban	67%	57%
Rural	33%	43%
<i>Gender</i>		
Men	56%	50%

²⁵⁰ Percentage of 100%.

²⁵¹ Debt accumulated via interest rates and penalties when the consumer does not pay the company for the money they have spent i.e. overdraft

²⁵² Average rate from 1 to 5.

²⁵³ Average rate from 1 to 5.

²⁵⁴ Type of credit, availability of credit, marketing practices

²⁵⁵ Based on their experience, debt advisors were asked to rate the impact of each sociodemographic category on over-indebtedness from 1 to 5 across the sub-groups of each sociodemographic profile. The numbers included in the table are average rates of each sociodemographic factor in the Member States mentioned, and at the EU level overall.

²⁵⁶ Percentage of 100%.

	Women	44%	50%
<i>Employment status</i>			
	Employed	68%	50%
	Unemployed	32%	50%
<i>Level of education</i>			
	No to little formal education	14%	19%
	Basic education	13%	49%
	Intermediate education	33%	20%
	Advanced education	40%	12%
<i>Household size</i>			
	Single person household with no children	20%	27%
	Partner household with no children	25%	17%
	Single parents with children	35%	29%
	Partner household with children	20%	26%
<i>Sudden changes in life</i>			
	Sudden loss of income ²⁵⁷	34%	36%
	Increase in cost of living	26%	20%
	Personal circumstances ²⁵⁸	16%	28%
	Other	25%	16%
<i>Income group</i>			
	Bottom 20%	22%	35%
	20-40%	19%	27%
	40-60%	31%	19%
	60-80%	12%	12%
	Top 20%	16%	7%
<i>Age</i>			
	16-34	11%	13%
	35-44	18%	19%
	45-54	18%	46%
	55-64	19%	11%
	65-74	27%	7%
	75+	7%	5%

²⁵⁷ Unemployment, wage level, pandemics/lockdowns.

²⁵⁸ Death/health issue in the family, number of dependents, divorce/family breakdown.

13.2 Annexes (EU level data & Complementary national statistical data)

ANNEX A: EU level data

ECB HFC (2017)		GREECE			
		Greece (%)	EU (%)	Lowest ↓	Highest ↑
Percentage of households holding debt					
Total		19.7	42	19.7	58
By level of income					
Bottom 20%		15.5	24.1	8.1	35.7
20-40%		14.7	30.6	12.6	53.7
40-60%		20.4	41.1	15.1	59.9
60-80%		22.1	52.8	22.1	74.3
80-90%		22.8	59.4	22.8	83.1
90-100%		29.0	63.3	29	81.3
By age group					
16-34		13.8	50.7	13.8	75.7
35-44		26.2	61.3	26.2	82.1
45-54		27.2	56.5	27.2	78
55-64		27.2	42.5	17.7	64.5
65-74		13.8	25.4	9.4	44.6
75+		5.8	9.2	2.3	34.5
Shares of debt types on total liabilities % of total liabilities					
Mortgage		82.5	88.1	65.7	97.3
Non-mortgage debt		17.5	11.9	2.7	34.3
Of which: other		15.8	10.7	2	23.6
Credit line/ overdraft		N	1	0.1	9.5
Credit card debt		1.4	0.2	0.1	2
Median debt to income ratio					
Total		72.9	70.8	16.7	243
By level of income					
Bottom 20%		474.3	73.3	14	664.7
20-40%		88.0	47.4	8.3	253.8
40-60%		37.6	53.6	10.6	266.9
60-80%		69.5	77.6	13.8	260.7
80-90%		44.0	97.7	21.7	213.7
90-100%		68.9	80.4	17.9	174.4
By household size					
1		67.0	58.8	13.9	260.2
2		51.3	50	15.9	216.6
3		88.8	79.8	9.4	268.6
4		145.4	109.5	19.8	251.8
5+		45.8	91.3	11.7	268.6
By housing status					
Owners - outright		35.1	24.1	5.4	68.1
Owners - with mortgage		162.0	186.7	76.3	309.5
Renters		13.6	17.9	8.2	68.1
By age group					
16-34		N	56.7	16.7	257.7
35-44		53.3	143.5	26.7	315.7
45-54		91.9	79.5	11.7	248
55-64		109.3	54.8	9	181.3
65-74		60.1	30.7	5.5	252.5
75+		N	22.1	6	217.1
Median debt to assets ratio					
Total		24.6	25.5	4.8	52.1
By level of income					
Bottom 20%		51.7	37	3	94.9
20-40%		33.6	28.4	2.9	48.8
40-60%		18.8	27.8	4.5	54.4
60-80%		21.4	25.1	6.3	57.5
80-90%		20.0	24.7	8.8	52.6
90-100%		24.1	20.1	5.3	39.5
By household size					
1		36.4	32.9	2.6	55.8
2		11.2	17.8	3	42.3
3		24.9	27.1	4.7	58.2
4		36.6	27.3	5.6	56.9

	5+	15.5	30.1	3.5	57.1
<i>By housing status</i>					
	Owners - outright	7.4	3.7	0.9	7.4
	Owners - with mortgage	39.4	34.3	19.2	52.7
	Renters	32.4	40.3	22.9	104.6
<i>By age group</i>					
	16-34	60.4	52.9	20.9	75.6
	35-44	25.3	38.6	10.2	66
	45-54	30.4	21.6	3.8	54
	55-64	20.7	13.2	2.4	38.1
	65-74	13.2	8.6	1.5	34.5
	75+	N	5.5	1.3	27.4
Regular expenses less than income²⁵⁹					
	Total	15.5	40.2	15.5	65.2
<i>By level of income</i>					
	Bottom 20%	4.0	23.9	4	49.9
	20-40%	8.3	33.1	8.3	66
	40-60%	13.9	41.2	13.9	63.9
	60-80%	19.5	47.1	19.5	69.7
	80-90%	24.9	51.2	24.9	75.9
	90-100%	38.5	61.3	29.6	78.2
<i>By household size</i>					
	1	14.1	40.5	14.1	61.5
	2	19.1	43.5	18.5	70.9
	3	15.5	38.2	11.3	68.4
	4	13.2	37.3	13.2	65.8
	5+	9.7	32.9	9.7	54.7
<i>By housing status</i>					
	Owners - outright	17.9	42.2	17.9	67.8
	Owners - with mortgage	17.9	43.2	11	65.4
	Renters	11.4	36.8	11.4	61.5
<i>By age group</i>					
	16-34	9.4	41.1	9.4	61.9
	35-44	13.7	38.2	13.7	64
	45-54	13.6	40.4	13.5	66.1
	55-64	19.4	41.5	18.6	66.4
	65-74	20.6	42	16.7	72.8
	75+	13.0	38.3	10.4	63.2
% of households that have negative net wealth					
	Total	3.1	4.7	0.3	9.4
<i>By level of income</i>					
	Bottom 20%	6.0	6.9	0.3	16.1
	20-40%	2.4	5	0.2	12.9
	40-60%	2.4	5.4	0.8	10.8
	60-80%	2.2	3.8	0.3	10.8
	80-90%	3.7	3	0	10.8
	90-100%	1.7	1.7	0	6.1
<i>By household size</i>					
	1	2.5	5.4	0.2	12
	2	2.0	3.2	0.4	8
	3	4.5	5.7	0.3	13.1
	4	4.5	4.6	0.2	11.5
	5+	2.7	6.4	0	11.8
<i>By housing status</i>					
	Owners - outright	0.1	0.1	0	0.5
	Owners - with mortgage	16.3	4.6	0	16.3
	Renters	5.5	9.4	1.7	24.9
<i>By age group</i>					
	16-34	2.4	10.6	0.6	25.6
	35-44	4.5	6.4	0	15.4
	45-54	5.2	5	0.3	11
	55-64	4.5	3.8	0.2	8.8
	65-74	1.4	2.3	0.4	3.9
	75+	0.2	0.5	0	5.1

²⁵⁹ Oppositely to the other indicators from the ECB HCF survey, the higher share of households with regular expenses less than income is considered a positive result.

ANNEX B: Complementary national statistical data

GREECE									
National-level data									
1. Households and Non Profit Institutions Serving Households Financial Liabilities (End of period stocks in EUR million) ²⁶⁰									
	2013	2014	2015	2016	2017	2018	2019	2020	Average Growth rate of Loans
Short-term Loans	18,037	16,272	14,989	14,107	12,842	10,833	9,564	8,356	-10%
Long-term Loans	100,896	97,575	95,315	92,628	90,271	94,710	93,130	90,367	-2%

²⁶⁰ Bank of Greece (2022), Financial Accounts. <https://www.bankofgreece.gr/en/statistics/financial-accounts>

14 Hungary

14.1 Statistics on households' over-indebtedness

Even though the overall level of household indebtedness (i.e. share of households holding debt, debt to income and wealth ratios) in Hungary is significantly lower compared to the EU average, the indicators related to over-indebtedness seem to be either similar to (arrears and inability to face unexpected financial outcomes) or higher than the EU averages (regular expenses less than income).

Common definition of over-indebtedness in Hungary does not exist, thus, the national report relies on the national statistics on the number of households with financial obligations (per age group, level of income, and region) and details on the payment of loans (on time or late). Based on the available data, it seems that most households with financial obligations belong to those aged 45-55 and can be found in Budapest.

A more detailed analysis of the indicators of the household (over) indebtedness, and an overview of households with financial obligations and information on the delays in loan payments in Hungary are available in the chapters below.

EU level data

This section concentrates on the analysis of the selected EU-level statistical indicators on household over-indebtedness in Hungary, this includes:

- Statistics on arrears and inability to face unexpected financial expenses (EU SILC data)²⁶¹;
- Gross debt-to-income ratio of households²⁶²;
- Statistics concerning the share of households holding debt, liabilities, median to income/asset ratios, regular expenses less than income, and negative wealth²⁶³.

Statistics on arrears and inability to face unexpected financial expenses (EU SILC data)

Overall, the proportion of households in arrears in Hungary has been steadily declining and **getting closer to, or even going below, the EU average**.

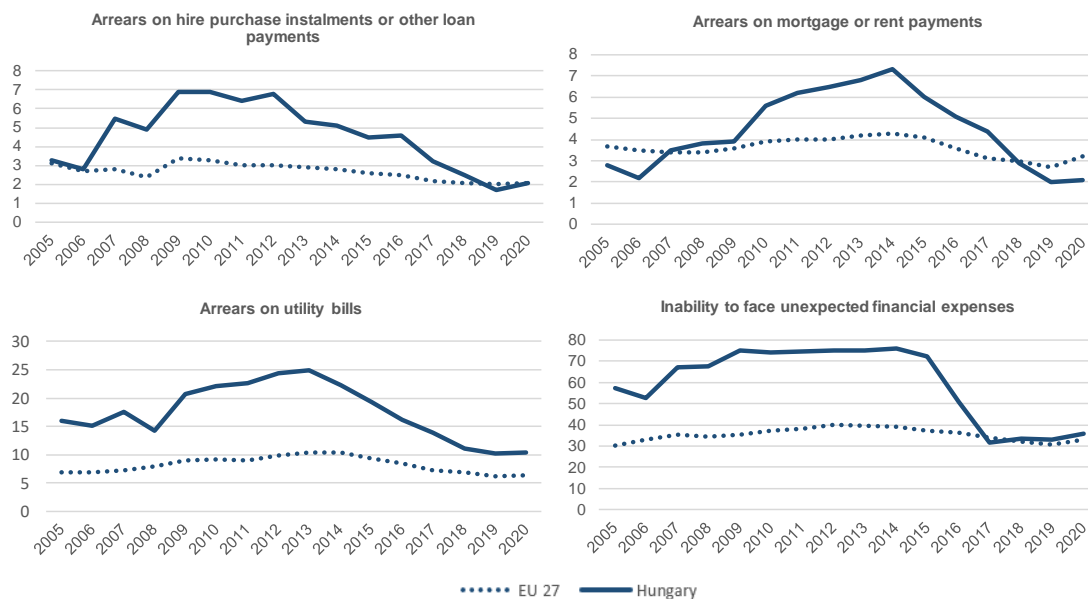
- The share of households in arrears on hire purchase **instalments or other loan payments** in Hungary has been in decline since 2012, reaching the EU average by 2020.
- Since 2018, the share of households in Hungary that had **arrears on mortgages has become lower** than the EU average. While in 2018, the share in Hungary was only 0.1% below the EU average, in 2020, the difference rose to 1.1%.
- The share of households in arrears on **utility bills** in Hungary (10.4%), which is above the EU average (6.3%). However, this is the result of a steady decline since 2013, when the rate in Hungary was 25%.
- The share of households in Hungary that are **unable to face unexpected financial expenses** has been rapidly improving since 2016, as it decreased from 74.9% to 35.7%, which is only 2.9% higher than the EU average.

²⁶¹ Data from 2005 to 2020. Indicators used: ilc_mdcs04, ilc_mdcs06, ilc_mdcs07, and ilc_mdcs08.

²⁶² Data from 2013 to 2020. Indicator used: tec00104.

²⁶³ Anonymised microdata from 2017 wave made available in March 2020. Note: the report for the next wave in 2020 is expected to be released in the last quarter of 2022.

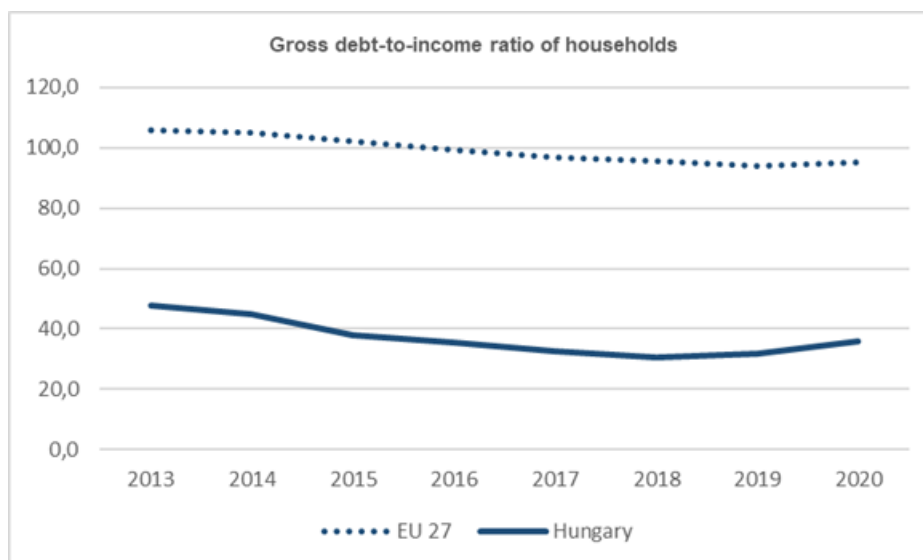
A full overview of the statistics mentioned above from 2005 to 2020 is available below.



Gross debt-to-income ratio of households

The gross debt-to-income ratio of households in **Hungary has been much lower than the EU average** since 2013.

- Mimicking the rate at which the EU average has been declining, gross debt-to-income ratio of household in Hungary has been declining since 2013. However, the ratio has risen between 2019 and 2020 by more than the EU average.²⁶⁴



Findings from the ECB Household Finance and Consumption Survey

According to the ECB Household Finance and Consumption Survey, in 2017, the share of **households holding debt in Hungary (31.6%) was lower than the EU average (42%)**.

²⁶⁴ Hungary 31.8% (2019) to 35.7% (2020). EU 94.2% (2019) to 95.1% (2020)

- This was the case across all age and income groups. Across age groups, the households holding debt of those aged 45-64 was 15% lower than the EU average, making it the most striking difference. Across income groups, the biggest difference between Hungary and the EU average was between the upper 90-100%, where the rate in Hungary was 18.7% lower than the EU average.

In terms of the debt types, Hungary is also **similar to the rest of the EU with mortgages being the main source of household debt** (Hungary 79.1% to EU 88.1%).

- There is a higher share of households in Hungary with debts related to credit line/ overdraft²⁶⁵, credit card debts²⁶⁶, but the share is also higher in terms of non-mortgage²⁶⁷ and other debts²⁶⁸.

In 2017, the total **median debt to income ratio** of the indebted households in Hungary was **significantly lower than the EU average** (Hungary 38.3% to EU 70.8%). However, in Hungary the **regular expenses less than their income**²⁶⁹ was considerably lower than the EU average (Hungary 25.8% to EU 40.2%).

The **total median debt to assets ratio** is also **lower in Hungary compared with the EU average** (Hungary 15.1%; EU 25.5%) across all of the population segments. In addition, the share of households in Hungary with **negative wealth**²⁷⁰ is lower than the EU average (Hungary 2.9% to EU 4.7%).

Full details of the ECB Household Finance and Consumption Survey are in ANNEX A: EU level data, findings from ECB HFC (2017).

National level data

To provide a broader overview of the level of over-indebtedness across different household categories in Hungary, the study relies on a study from the Hungarian National Bank²⁷¹ conducted in 2020 which shows that:

- The most households with financial obligations belong to those **aged 46-55** (837,852), while only 458,933 households belonging to those aged 76 and older have financial obligations.
- **Dél-Alföld region** has the most financial obligations per capita (0.42).
- The number of households with financial obligations is roughly **the same across all income groups**.

Furthermore, according to the Ministry of Justice²⁷², as of April 2018, there were **750,000 ongoing enforcement cases**, worth HUF 2,650 billion (EUR 6.7 billion), or around 7% of the annual GDP. Out of these cases, 228,000 were pending enforcement due to insolvency or uncollectability.

Additionally, data collected by the Hungarian National Bank²⁷³ on late payments between the beginning of 2019 and the end of 2021 shows that:

²⁶⁵ Hungary 2.2% to EU 1%

²⁶⁶ Hungary 0.9% to EU 0.2%

²⁶⁷ Hungary 20.9% to EU 11.9%

²⁶⁸ Hungary 17.8% to EU 10.7%.

²⁶⁹ Oppositely to the other indicators from the ECB HCF survey, the higher share of households with regular expenses less than income is considered a positive result.

²⁷⁰ Net wealth is the difference between total household assets and total household liabilities. Negative net wealth means the household has more total liabilities than total assets.

²⁷¹ Hungarian National Bank (2022). „A Miből élünk? a 2020-as háztartási vagyongfelmérés eredményei“. Available at: https://sta.mnb.hu/Reports/powerbi/STA-PSZF/HaztVagyon_HU?rs:embed=true

²⁷² Ministry of Justice. 17 May 2018. Available at: <https://www.parlament.hu/documents/10181/1577015/20386/6077ad31-1483-2132-dcee-8102bfed3c37>

²⁷³ The data can be downloaded from: <https://www.mnb.hu/statisztika/statisztikai-adatok-informaciok/adatok-idosorok/iii-penzugyi-stabilitasi-statisztikak>

- **The absolute majority (97%) of payments on all types of loans** – mortgages, real estate secured loans, free use individual loans, vehicle loans, bank overdraft, consumer loans and other loans – **were made either on time or within 30 days of the payment deadline.**
- There has been an **overall 41% increase of total loans** from 2019 to 2021.
- Mortgages (51%) appear to be the most common source of debt.

The full national and regional level data identified for this report is in ANNEX B: Complementary national statistical data.

14.1 Results of the debt advisor survey

According to the debt advisors consulted in Hungary:

- The majority (60%) of the over-indebted households had **consumer loans**.
- **Expenses related to property and big ticket items** are the key expenses driving over-indebtedness.
- **Unexpected events and decrease in income** are the most significant drivers behind the need for debt.
- **Level of income** stands out as the most relevant sociodemographic factor when looking at over-indebtedness.

Furthermore:

- The majority (60%) of the debt advice beneficiaries are living **in rural areas**.
- The absolute majority (78%) of the debt advice beneficiaries are **women**.
- The absolute majority (85%) of the debt advice beneficiaries are **employed**.
- Most of the debt advice beneficiaries have either **intermediate** (40%) or **basic level of education** (37%).
- More than one-third (35%) of the debt advice beneficiaries are **single person households without children** followed by **partner households with children** (27%).
- **Sudden loss of income** (50%) and **personal circumstances** (35%) are the most impactful sudden changes in life in terms of the over-indebtedness.
- **Lower income households** are more likely to be debt advice beneficiaries.
- **Middle-aged** (35-54 year old) households are more likely to be over-indebted.

Survey results		
1. Main financial source of debt ²⁷⁴	Hungary	EU
Mortgage	22%	22%
Consumer loan	60%	42%
Credit card ²⁷⁵	8%	22%
Informal sources of funds	11%	13%
2. Main expenses leading to over-indebtedness ²⁷⁶		
Daily expenses (i.e. food, bills, childcare, etc)	3.0	3.1
Property (rent or purchase)	4.0	3.4
Big ticket items (i.e. cars, education, appliances)	3.5	3.0
Lifestyle expenses (luxury or expensive habits)	2.5	2.5
Addictive behaviours (gambling, alcohol, drugs, or similar)	3.0	3.0
3. Main drivers behind the need for debt ²⁷⁷		
Increase in cost of living	4.0	3.1
Decrease in income	3.0	3.4
Increase in cost of debt	4.5	2.9
Credit availability ²⁷⁸	4.0	3.2
Unexpected events (loss of job, divorce, sickness, or others)	4.5	4.0

²⁷⁴ Percentage of 100%.

²⁷⁵ Debt accumulated via interest rates and penalties when the consumer does not pay the company for the money they have spent i.e. overdraft

²⁷⁶ Average rate from 1 to 5.

²⁷⁷ Average rate from 1 to 5.

²⁷⁸ Type of credit, availability of credit, marketing practices

4. Most relevant sociodemographic factors when looking at over-indebtedness ²⁷⁹		
Geographic location	2.9	2.6
Age	2.9	2.9
Gender	2.9	2.4
Level of education	2.9	3.4
Level of income	3.5	3.6
Household size	3.0	2.9
Employment status	3.0	3.5
Sudden changes in life	3.2	3.5
Profession	3.2	3.2
5. Share of the debt advice beneficiaries by the sociodemographic group ²⁸⁰		
<i>Geographic location</i>		
Urban	40%	57%
Rural	60%	43%
<i>Gender</i>		
Men	22%	50%
Women	78%	50%
<i>Employment status</i>		
Employed	85%	50%
Unemployed	15%	50%
<i>Level of education</i>		
No to little formal education	13%	19%
Basic education	37%	49%
Intermediate education	40%	20%
Advanced education	10%	12%
<i>Household size</i>		
Single person household with no children	35%	27%
Partner household with no children	19%	17%
Single parents with children	19%	29%
Partner household with children	27%	26%
<i>Sudden changes in life</i>		
Sudden loss of income ²⁸¹	50%	36%
Increase in cost of living	15%	20%
Personal circumstances ²⁸²	35%	28%
Other	0%	16%
<i>Income group</i>		
Bottom 20%	47%	35%
20-40%	26%	27%
40-60%	16%	19%
60-80%	8%	12%
Top 20%	3%	7%
<i>Age</i>		
16-34	9%	13%
35-44	26%	19%
45-54	33%	46%
55-64	23%	11%
65-74	10%	7%
75+	1%	5%

²⁷⁹ Based on their experience, debt advisors were asked to rate the impact of each sociodemographic category on over-indebtedness from 1 to 5 across the sub-groups of each sociodemographic profile. The numbers included in the table are average rates of each sociodemographic factor in the Member States mentioned, and at the EU level overall.

²⁸⁰ Percentage of 100%.

²⁸¹ Unemployment, wage level, pandemics/lockdowns.

²⁸² Death/health issue in the family, number of dependents, divorce/family breakdown.

14.2 Annexes (EU level data & Complementary national statistical data)

ANNEX A: EU level data

ECB HFC (2017)		HUNGARY			
		Hungary (%)	EU (%)	Lowest ↓	Highest ↑
Percentage of households holding debt					
Total		31.6	42	19.7	58
By level of income					
Bottom 20%		16.9	24.1	8.1	35.7
20-40%		22.2	30.6	12.6	53.7
40-60%		30.8	41.1	15.1	59.9
60-80%		42.9	52.8	22.1	74.3
80-90%		46.1	59.4	22.8	83.1
90-100%		44.6	63.3	29	81.3
By age group					
16-34		39.7	50.7	13.8	75.7
35-44		48.6	61.3	26.2	82.1
45-54		41.5	56.5	27.2	78
55-64		25.9	42.5	17.7	64.5
65-74		17.8	25.4	9.4	44.6
75+		6.2	9.2	2.3	34.5
Shares of debt types on total liabilities % of total liabilities					
Mortgage		79.1	88.1	65.7	97.3
Non-mortgage debt		20.9	11.9	2.7	34.3
Of which: other		17.8	10.7	2	23.6
Credit line/ overdraft		2.2	1	0.1	9.5
Credit card debt		0.9	0.2	0.1	2
Median debt to income ratio					
Total		38.3	70.8	16.7	243
By level of income					
Bottom 20%		110.5	73.3	14	664.7
20-40%		40.0	47.4	8.3	253.8
40-60%		41.1	53.6	10.6	266.9
60-80%		33.4	77.6	13.8	260.7
80-90%		39.6	97.7	21.7	213.7
90-100%		27.2	80.4	17.9	174.4
By household size					
1		48.8	58.8	13.9	260.2
2		38.1	50	15.9	216.6
3		32.3	79.8	9.4	268.6
4		43.5	109.5	19.8	251.8
5+		33.8	91.3	11.7	268.6
By housing status					
Owners - outright		9.5	24.1	5.4	68.1
Owners - with mortgage		76.3	186.7	76.3	309.5
Renters		10.1	17.9	8.2	68.1
By age group					
16-34		34.4	56.7	16.7	257.7
35-44		52.1	143.5	26.7	315.7
45-54		38.3	79.5	11.7	248
55-64		29.4	54.8	9	181.3
65-74		19.0	30.7	5.5	252.5
75+		27.5	22.1	6	217.1
Median debt to assets ratio					
Total		15.1	25.5	4.8	52.1
By level of income					
Bottom 20%		15.4	37	3	94.9
20-40%		15.5	28.4	2.9	48.8
40-60%		15.7	27.8	4.5	54.4
60-80%		14.9	25.1	6.3	57.5
80-90%		16.7	24.7	8.8	52.6
90-100%		10.8	20.1	5.3	39.5
By household size					
1		11.9	32.9	2.6	55.8
2		13.5	17.8	3	42.3
3		15.9	27.1	4.7	58.2
4		16.2	27.3	5.6	56.9

	5+	17.3	30.1	3.5	57.1
<i>By housing status</i>					
	Owners - outright	3.0	3.7	0.9	7.4
	Owners - with mortgage	24.1	34.3	19.2	52.7
	Renters	55.3	40.3	22.9	104.6
<i>By age group</i>					
	16-34	28.1	52.9	20.9	75.6
	35-44	21.2	38.6	10.2	66
	45-54	11.1	21.6	3.8	54
	55-64	9.5	13.2	2.4	38.1
	65-74	5.9	8.6	1.5	34.5
	75+	6.9	5.5	1.3	27.4
Regular expenses less than income²⁸³					
	Total	25.8	40.2	15.5	65.2
<i>By level of income</i>					
	Bottom 20%	13.4	23.9	4	49.9
	20-40%	20.4	33.1	8.3	66
	40-60%	23.3	41.2	13.9	63.9
	60-80%	30.8	47.1	19.5	69.7
	80-90%	36.1	51.2	24.9	75.9
	90-100%	47.4	61.3	29.6	78.2
<i>By household size</i>					
	1	23.8	40.5	14.1	61.5
	2	27.3	43.5	18.5	70.9
	3	26.9	38.2	11.3	68.4
	4	28.6	37.3	13.2	65.8
	5+	29.5	32.9	9.7	54.7
<i>By housing status</i>					
	Owners - outright	27.0	42.2	17.9	67.8
	Owners - with mortgage	26.1	43.2	11	65.4
	Renters	20.6	36.8	11.4	61.5
<i>By age group</i>					
	16-34	30.1	41.1	9.4	61.9
	35-44	25.5	38.2	13.7	64
	45-54	28.9	40.4	13.5	66.1
	55-64	22.6	41.5	18.6	66.4
	65-74	26.2	42	16.7	72.8
	75+	21.0	38.3	10.4	63.2
% of households that have negative net wealth					
	Total	2.9	4.7	0.3	9.4
<i>By level of income</i>					
	Bottom 20%	3.1	6.9	0.3	16.1
	20-40%	2.8	5	0.2	12.9
	40-60%	3.5	5.4	0.8	10.8
	60-80%	3.4	3.8	0.3	10.8
	80-90%	2.2	3	0	10.8
	90-100%	1.6	1.7	0	6.1
<i>By household size</i>					
	1	2.1	5.4	0.2	12
	2	2.4	3.2	0.4	8
	3	3.7	5.7	0.3	13.1
	4	4.0	4.6	0.2	11.5
	5+	4.7	6.4	0	11.8
<i>By housing status</i>					
	Owners - outright	0.1	0.1	0	0.5
	Owners - with mortgage	5.4	4.6	0	16.3
	Renters	12.8	9.4	1.7	24.9
<i>By age group</i>					
	16-34	7.2	10.6	0.6	25.6
	35-44	3.4	6.4	0	15.4
	45-54	2.8	5	0.3	11
	55-64	1.5	3.8	0.2	8.8
	65-74	2.1	2.3	0.4	3.9
	75+	0.8	0.5	0	5.1

²⁸³ Oppositely to the other indicators from the ECB HCF survey, the higher share of households with regular expenses less than income is considered a positive result.

ANNEX B: Complementary national statistical data

HUNGARY ²⁸⁴		Number of households with financial obligations
<i>Age groups</i>		
	17-35	508 331
	36-45	757 129
	46-55	837 852
	56-65	763 200
	66-75	637 393
	76 and older	458 933
<i>Regions</i>		<i>Per capita</i>
	Észak-Magyarország	0.38
	Észak-Alföld	0.37
	Dél-Alföld	0.42
	Közép-Magyarország	0.17
	Közép-Dunántúl	0.40
	Nyugat-Dunántúl	0.40
	Dél-Dunántúl	0.39
<i>Income deciles</i>		
	I.	378 451
	II.	397 682
	III.	398 482
	IV.	398 307
	V.	398 623
	VI.	398 407
	VII.	398 359
	VIII.	398 181
	IX.	398 512
	X.	397 834

²⁸⁴ Hungarian National Bank (2022). „A Miből élünk? a 2020-as háztartási vagyontermelés eredményei“. Available at: https://sta.mnb.hu/Reports/powerbi/STA-PSZF/HaztVagyon_HU?rs:embed=true

Payment of loans (within a period or late)								
Date	On time - Within 30 days (HUF) *	Annual change (%)	31-90 days (HUF)	Annual change (%)	91-365 days (HUF)	Annual change (%)	Over 1 year (HUF)	Annual change (%)
<i>Mortgage</i>								
2019	13487200		95771		50916		185982	
2020	15286110	13%	86896	-9%	49238	-3%	132117	-29%
2021	17487450	14%	77377	-11%	35279	-28%	109993	-17%
Share	98.3%		0.6%		0.3%		0.9%	
<i>Real estate secured loans</i>								
2019	3032005		81433		49444		273443	
2020	3094199	2%	67411	-17%	40551	-18%	181168	-34%
2021	3129703	1%	61441	-9%	33082	-18%	116254	-36%
Share	91.1%		2.1%		1.2%		5.6%	
<i>Free use individual loans</i>								
2019	3091856		37228		38442		45153	
2020	3778737	22%	41904	13%	37449	-3%	64790	43%
2021	4454996	18%	73672	76%	39551	6%	50972	-21%
Share	96.3%		1.3%		1.0%		1.4%	
<i>Vehicle loans</i>								
2019	526919		11212		3708		114800	
2020	511388	-3%	6188	-45%	1544	-58%	70206	-39%
2021	511365	0%	7113	15%	1169	-24%	42935	-39%
Share	85.7%		1.4%		0.4%		12.6%	
<i>Bank overdraft</i>								
2019	1266797		14581		18613		59303	
2020	1375949	9%	14123	-3%	15096	-19%	52404	-12%
2021	1415423	3%	25629	81%	12023	-20%	41257	-21%
Share	94.1%		1.3%		1.1%		3.5%	
<i>Consumer loans</i>								
2019	1775424		2954		3059		4428	
2020	4697616	165%	4174	41%	2310	-24%	4509	2%
2021	6751062	44%	10153	143%	4094	77%	3308	-27%
Share	99.7%		0.1%		0.1%		0.1%	
<i>Other loans</i>								
2019	1239103		10565		3121		16229	
2020	1539496	24%	9848	-7%	5299	70%	11987	-26%
2021	1593057	3%	9229	-6%	2683	-49%	6619	-45%
Share	98.3%		0.7%		0.2%		0.8%	
Total								
2019	24419304		253744		167303		699338	
2020	30283495	24%	230544	-9%	151487	-9%	517181	-26%
2021	35343056	17%	264614	15%	127881	-16%	371338	-28%
Share	97.0%		0.8%		0.5%		1.7%	
Sources of loans								
Type of loan							Share (%)	
Mortgages							51%	
Consumer loans							14%	
Free use individual loans							13%	
Real estate secured loans							11%	
Otherloans							5%	
Bank overdraft							5%	
Vehicle loans							2%	

15 Ireland

15.1 Statistics on households' over-indebtedness

Households indebtedness and over-indebtedness levels in Ireland has been gradually declining and approaching the EU average for most of the indicators included in this study since 2012-2013.

There are no national definitions of 'over-indebtedness' or 'at risk of over-indebtedness' in Ireland, thus, the national level data in Ireland shows the overall household indebtedness level in the country. Household groups that are the most **indebted** in Ireland are those with children and those whose reference person is aged 35 to 54, while Eastern and Midlands seem to be the region where over-indebtedness is the most prevalent.

A more detailed analysis of the indicators of the household (over) indebtedness, and an overview of the impact of over-indebtedness on the different household groups in Ireland are available in the chapters below.

EU level data

This section concentrates on the analysis of the selected EU-level statistical indicators on household over-indebtedness in Ireland, this includes:

- Statistics on arrears and inability to face unexpected financial expenses (EU SILC data)²⁸⁵;
- Gross debt-to-income ratio of households²⁸⁶;
- Statistics concerning the share of households holding debt, liabilities, median to income/asset ratios, regular expenses less than income, and negative wealth²⁸⁷.

Statistics on arrears and inability to face unexpected financial expenses (EU SILC data)

Overall, the proportion of households in arrears in Ireland is relatively **close to the EU average**.

On the **positive side**:

- The share of households in arrears on hire purchase **instalments or other loan payments** in Ireland has been in decline since 2012 and it has decreased from 8.1% to 2.1% in 2019 with a setback in 2020, year in which the share reached 4.1%, which is still lesser than in 2013 but twice than the EU average.
- The share of households in arrears on **utility bills** in Ireland (8.7%) is also above the EU average (6.3%), although the trend in this area has improved considerably since 2014 (18.1%).
- Households in Ireland are less able to **face unexpected financial expenses** than the average EU household²⁸⁸, yet, once more, the situation in Ireland, has been improving at a faster rate than in the EU as a whole.

On the **negative side**:

²⁸⁵ Data from 2005 to 2020. Indicators used: ilc_mdcs04, ilc_mdcs06, ilc_mdcs07, and ilc_mdcs08.

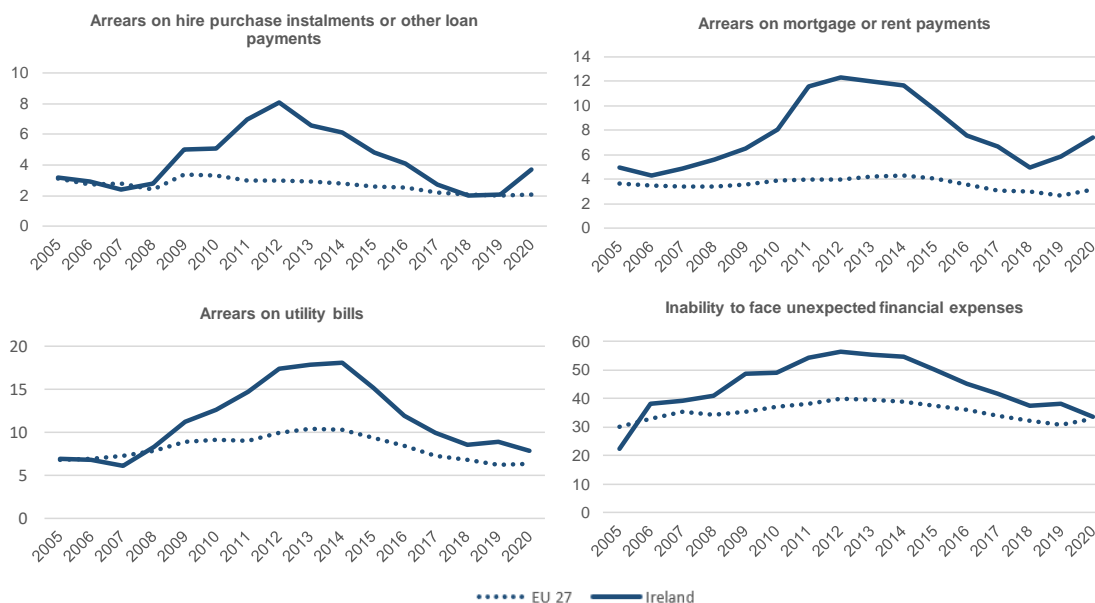
²⁸⁶ Data from 2013 to 2020. Indicator used: tec00104.

²⁸⁷ Anonymised microdata from 2017 wave made available in March 2020. Note: the report for the next wave in 2020 is expected to be released in the last quarter of 2022.

²⁸⁸ Results from 2020, Inability to face unexpected financial expenses: Ireland = 35.6%, EU = 32.8%.

- In 2020, the share of households in Ireland (8.0%) that had **arrears on mortgages was considerably higher** than the EU average (3.2%). In fact, the only Member State that had a higher share of households in arrears on mortgages in 2020 was Greece (9.3%).

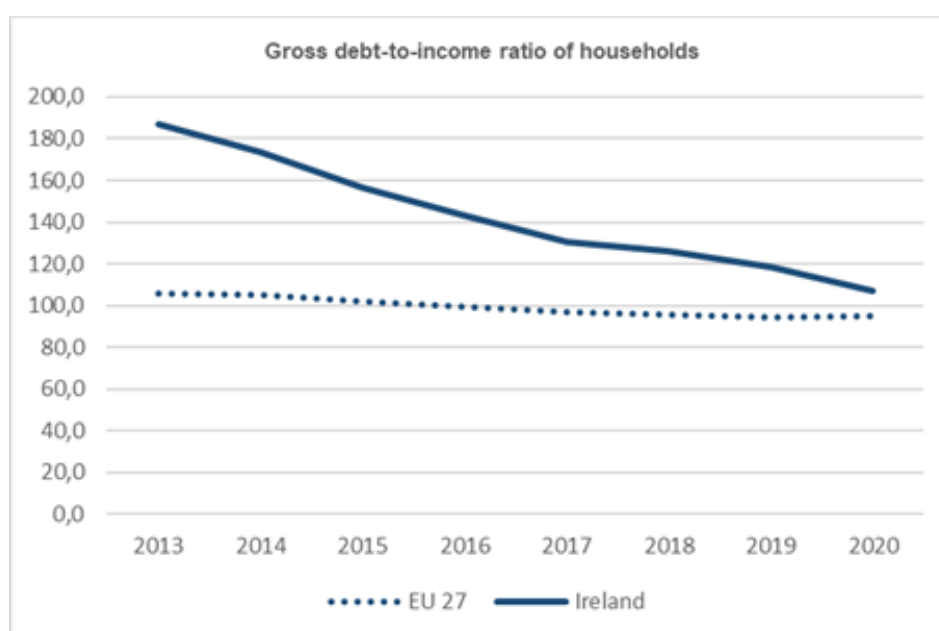
A full overview of the statistics mentioned above from 2005 to 2020 is available below.



Gross debt-to-income ratio of households

Since 2013, the **gross debt-to-income ratio of households in Ireland has been higher than the EU average.**

- However, as in the EU, the gross debt-to-income ratio of households in Ireland has been steadily decreasing from 187.2% (EU: 105.7%) in 2013 to 107.0% (EU: 95.1%) in 2020.



Findings from the ECB Household Finance and Consumption Survey

- According to the ECB Household Finance and Consumption Survey, in 2017, the share of **households holding debt in Ireland (51.8%) was higher than the EU average (42%)**. This was the case across all income groups and ages, except for households younger than 35 and older than 75 years²⁸⁹.

In terms of the debt types, Ireland is also **similar to the rest of the EU with mortgages being the main source of household debt** (Ireland 90.3% to EU 88.1%).

- The share of households in Ireland with debt related to consumer credit loans, private loans and other loans not collateralised on a household's real estate property and debt related to credit line/ overdraft²⁹⁰, is smaller compared with the EU average.
- At the same time, there is a higher share of households in Ireland with credit card debts²⁹¹.

In 2017, the total **median debt to income ratio** of the indebted households in Ireland **was lower than the EU average** (Ireland 66.4% to EU 70.8%), in addition, in 2017, the total share of households in Ireland with **regular expenses less than their income**²⁹² was slightly higher than the EU average (Ireland 40.5% to EU 40.2%).

The **total median debt to assets ratio** is also **lower in Ireland compared with the EU average** (Ireland 22.7%; EU 25.5%) across most of the population segments. In addition, the share of households in Ireland with **negative wealth**²⁹³ is lower than the EU average (Ireland 3.7% to EU 4.7%).

Full details of the ECB Household Finance and Consumption Survey are in ANNEX A: EU level data, findings from ECB HFC (2017).

National level data

To provide a broader overview of the level of indebtedness across different household categories in Ireland, the study relies on a study from the Central Statistics Office conducted in 2018²⁹⁴ which shows that:

- In terms of family structure, **families with children** in Ireland tend to be considerably **more likely** to face over-indebtedness compared with couples, singles, or widows. In fact, over two-thirds of these households are indebted in Ireland.
- **Single under 65** are **most likely** to be indebted, 50.9%, then those with more than 65 years that is the less indebted category, 13.9%.
- In terms of age groups, **households whose reference person is aged 35 to 44 (73.5%) and 45 to 54 (69.7%)** are the **most likely** to face indebtedness while, again, those whose reference person has **more than 65 years** face indebtedness only in 18.5% of cases.
- The most common **sources of debt** are **mortgages (34%)** and **non-mortgage loans (30.4%)** followed by credit card debt (12.7%) and overdrafts (7.9%).

Finally **in terms of the 3 regions in Ireland**²⁹⁵:

- **Eastern and Midland** have the **highest rate of debt** in every typology, as the highest median value of debt in quite every category shown (except non-mortgage loans and overdrafts).

²⁸⁹ Ireland 50.6% and 8.0% to EU 50.7% and 9.2%.

²⁹⁰ Ireland 9.7% and 0.3% to EU 11.9% and 1.

²⁹¹ Ireland 0.4% to EU 0.2%.

²⁹² Oppositely to the other indicators from the ECB HCF survey, the higher share of households with regular expenses less than income is considered a positive result.

²⁹³ Net wealth is the difference between total household assets and total household liabilities. Negative net wealth means the household has more total liabilities than total assets.

²⁹⁴ Central Statistics Office (2018) Household Finance and Consumption Survey 2018. Available at: [Introduction - CSO - Central Statistics Office](#)

²⁹⁵ Northern and Western, Southern, Eastern and Midland.

- On the other end of the spectrum, **Northern and Western** have the **lowest values of indebtedness** both as share then as median value (except non-mortgage loans and overdrafts) in every typology of debt shown.

The full national and regional level data identified for this report is in ANNEX B: Complementary national statistical data.

15.2 Results of the debt advisor survey

According to the debt advisors consulted in Ireland:

- Daily expenses, expenses related to property and addictive behaviours** are the key expenses driving over-indebtedness.
- Unexpected events and increase in cost of living** are the most significant drivers behind the need for debt.
- Level of income** stands out as the most relevant sociodemographic factor when looking at over-indebtedness.

Furthermore:

- The absolute majority (90%) of the debt advice beneficiaries are **women**.
- The majority (60%) of the debt advice beneficiaries are **employed**.
- Sudden loss of income** (70%) is the most impactful sudden changes in life in terms of the over-indebtedness.
- Middle-aged** (35-54 year old) households are more likely to be debt advice beneficiaries’.

Survey results		
	Ireland	EU
1. Main expenses leading to over-indebtedness²⁹⁶		
Daily expenses (i.e. food, bills, childcare, etc)	5.0	3.1
Property (rent or purchase)	5.0	3.4
Big ticket items (i.e. cars, education, appliances)	3.0	3.0
Lifestyle expenses (luxury or expensive habitudes)	2.0	2.5
Addictive behaviours (gambling, alcohol, drugs, or similar)	5.0	3.0
2. Main drivers behind the need for debt²⁹⁷		
Increase in cost of living	5.0	3.1
Decrease in income	3.0	3.4
Increase in cost of debt	2.0	2.9
Credit availability ²⁹⁸	3.0	3.2
Unexpected events (loss of job, divorce, sickness, or others)	5.0	4.0
3. Most relevant sociodemographic factors when lookin at over-indebtedness²⁹⁹		
Geographic location	3.0	2.6
Age	2.7	2.9
Gender	3.7	2.4
Level of education	3.0	3.4
Level of income	4.3	3.6
Household size	3.7	2.9
Employment status	3.3	3.5
Sudden changes in life	2.3	3.5
Profession	3.0	3.2
4. Share of the debt advice beneficiaries by the sociodemographic group³⁰⁰		
Gender		
Men	10%	50%
Women	90%	50%
Employment status		
Employed	60%	50%
Unemployed	40%	50%
Sudden changes in life		

²⁹⁶ Average rate from 1 to 5.

²⁹⁷ Average rate from 1 to 5.

²⁹⁸ Type of credit, availability of credit, marketing practices

²⁹⁹ Based on their experience, debt advisors were asked to rate the impact of each sociodemographic category on over-indebtedness from 1 to 5 across the sub-groups of each sociodemographic profile. The numbers included in the table are average rates of each sociodemographic factor in the Member States mentioned, and at the EU level overall.

³⁰⁰ Percentage of 100%.

	Sudden loss of income ³⁰¹	70%	36%
	Increase in cost of living	20%	20%
	Personal circumstances ³⁰²	10%	28%
	Other	0%	16%
Age			
	16-34	10%	13%
	35-44	35%	19%
	45-54	30%	46%
	55-64	25%	11%
	65-74	0%	7%
	75+	0%	5%

³⁰¹ Unemployment, wage level, pandemics/lockdowns.

³⁰² Death/health issue in the family, number of dependents, divorce/family breakdown.

15.3 Annexes (EU level data & Complementary national statistical data)

ANNEX A: EU level data

IRELAND		Ireland (%)	EU (%)	Lowest ↓	Highest ↑
ECB HFC (2017)					
Percentage of households holding debt					
Total		51.8	42	19.7	58
By level of income					
Bottom 20%		28.9	24.1	8.1	35.7
20-40%		35.0	30.6	12.6	53.7
40-60%		50.7	41.1	15.1	59.9
60-80%		68.1	52.8	22.1	74.3
80-90%		80.7	59.4	22.8	83.1
90-100%		72.6	63.3	29	81.3
By age group					
16-34		50.6	50.7	13.8	75.7
35-44		72.7	61.3	26.2	82.1
45-54		70.2	56.5	27.2	78
55-64		51.6	42.5	17.7	64.5
65-74		26.2	25.4	9.4	44.6
75+		8.0	9.2	2.3	34.5
Shares of debt types on total liabilities % of total liabilities					
Mortgage		90.3	88.1	65.7	97.3
Non-mortgage debt		9.7	11.9	2.7	34.3
Of which: other		9.0	10.7	2	23.6
Credit line/ overdraft		0.3	1	0.1	9.5
Credit card debt		0.4	0.2	0.1	2
Median debt to income ratio					
Total		66.4	70.8	16.7	243
By level of income					
Bottom 20%		24.8	73.3	14	664.7
20-40%		20.6	47.4	8.3	253.8
40-60%		40.5	53.6	10.6	266.9
60-80%		89.9	77.6	13.8	260.7
80-90%		122.7	97.7	21.7	213.7
90-100%		96.5	80.4	17.9	174.4
By household size					
1		37.2	58.8	13.9	260.2
2		35.1	50	15.9	216.6
3		59.8	79.8	9.4	268.6
4		120.8	109.5	19.8	251.8
5+		91.6	91.3	11.7	268.6
By housing status					
Owners - outright		14.8	24.1	5.4	68.1
Owners - with mortgage		176.3	186.7	76.3	309.5
Renters		9.3	17.9	8.2	68.1
By age group					
16-34		29.7	56.7	16.7	257.7
35-44		145.6	143.5	26.7	315.7
45-54		100.9	79.5	11.7	248
55-64		26.6	54.8	9	181.3
65-74		12.7	30.7	5.5	252.5
75+		13.7	22.1	6	217.1
Median debt to assets ratio					
Total		22.7	25.5	4.8	52.1
By level of income					
Bottom 20%		25.8	37	3	94.9
20-40%		15.0	28.4	2.9	48.8
40-60%		23.0	27.8	4.5	54.4
60-80%		22.6	25.1	6.3	57.5
80-90%		30.1	24.7	8.8	52.6
90-100%		23.2	20.1	5.3	39.5
By household size					
1		23.3	32.9	2.6	55.8
2		12.8	17.8	3	42.3
3		23.0	27.1	4.7	58.2

	4	30.1	27.3	5.6	56.9
	5+	25.7	30.1	3.5	57.1
<i>By housing status</i>					
	Owners - outright	2.3	3.7	0.9	7.4
	Owners - with mortgage	38.0	34.3	19.2	52.7
	Renters	36.0	40.3	22.9	104.6
<i>By age group</i>					
	16-34	42.5	52.9	20.9	75.6
	35-44	41.8	38.6	10.2	66
	45-54	21.7	21.6	3.8	54
	55-64	7.2	13.2	2.4	38.1
	65-74	1.5	8.6	1.5	34.5
	75+	2.0	5.5	1.3	27.4
Regular expenses less than income³⁰³					
	Total	40.5	40.2	15.5	65.2
<i>By level of income</i>					
	Bottom 20%	24.6	23.9	4	49.9
	20-40%	31.8	33.1	8.3	66
	40-60%	37.9	41.2	13.9	63.9
	60-80%	51.1	47.1	19.5	69.7
	80-90%	52.6	51.2	24.9	75.9
	90-100%	61.4	61.3	29.6	78.2
<i>By household size</i>					
	1	39.7	40.5	14.1	61.5
	2	45.2	43.5	18.5	70.9
	3	39.2	38.2	11.3	68.4
	4	39.7	37.3	13.2	65.8
	5+	34.3	32.9	9.7	54.7
<i>By housing status</i>					
	Owners - outright	45.4	42.2	17.9	67.8
	Owners - with mortgage	44.0	43.2	11	65.4
	Renters	30.9	36.8	11.4	61.5
<i>By age group</i>					
	16-34	37.7	41.1	9.4	61.9
	35-44	41.6	38.2	13.7	64
	45-54	40.9	40.4	13.5	66.1
	55-64	43.4	41.5	18.6	66.4
	65-74	38.7	42	16.7	72.8
	75+	39.7	38.3	10.4	63.2
% of households that have negative net wealth					
	Total	3.7	4.7	0.3	9.4
<i>By level of income</i>					
	Bottom 20%	4.4	6.9	0.3	16.1
	20-40%	4.3	5	0.2	12.9
	40-60%	5.6	5.4	0.8	10.8
	60-80%	2.8	3.8	0.3	10.8
	80-90%	1.1	3	0	10.8
	90-100%	1.3	1.7	0	6.1
<i>By household size</i>					
	1	4	5.4	0.2	12
	2	2	3.2	0.4	8
	3	4.7	5.7	0.3	13.1
	4	3.9	4.6	0.2	11.5
	5+	5.3	6.4	0	11.8
<i>By housing status</i>					
	Owners - outright	0.1	0.1	0	0.5
	Owners - with mortgage	2.9	4.6	0	16.3
	Renters	9.2	9.4	1.7	24.9
<i>By age group</i>					
	16-34	5.9	10.6	0.6	25.6
	35-44	7.2	6.4	0	15.4
	45-54	3.7	5	0.3	11
	55-64	1.2	3.8	0.2	8.8
	65-74	0.9	2.3	0.4	3.9
	75+	0.1	0.5	0	5.1

³⁰³ Oppositely to the other indicators from the ECB HCF survey, the higher share of households with regular expenses less than income is considered a positive result.

ANNEX B: Complementary national statistical data

IRELAND ³⁰⁴ National-level data			
1. Sociodemographic profile			
<i>By family structure</i>			
1 adult aged 65+			13,9
2 adults, at least 1 aged 65+			22,5
1 adult aged <65			50,9
3 or more adults			54,1
2 adults, both aged <65			58,5
1 adult with children aged under 18			61,5
2 adults with 1-3 children aged under 18			72,8
Other households with children aged under 18			74,3
<i>By percentile of income</i>			
Less than 20			28,9
20-39			34,7
40-59			51,1
50-79			68,2
80-100			76,6
<i>By age of reference person</i>			
Under 35			48,9
35-44			73,5
45-54			69,7
55-64			53,2
65+			18,5
2. Characteristics of debt		Overall debt (%)	
Any debt		51,8	
Mortgage on household main residence			26,1
Mortgage on other property			7,3
Non-mortgage loans			30,4
Overdrafts			7,9
Credit Card			12,7
Regional-level data			
Participation in debt by region			
Type of debt	Northern and western	Southern	Eastern and Midland
	%	%	%
Mortgage on household main residence	20,9	25,5	28,3
Mortgage on other property	5,5	6,8	8,3
Non-mortgage loans	25,5	30,2	32,3
Overdrafts	6,9	8,1	8,2
Credit Card	8,3	11,9	14,8
Any debt	44,5	51,2	55
Median values of debt by region			
Type of debt	Northern and western	Southern	Eastern and Midland
	In thousands Euros	In thousands Euros	In thousands Euros
Mortgage on household main residence	100	102,4	152

³⁰⁴ Central Statistics Office (2018) Household Finance and Consumption Survey 2018. Available at: [Introduction - CSO - Central Statistics Office](#)

Mortgage on other property	113,6	139,4	162,4
Non-mortgage loans	6,3	6,2	6,2
Overdrafts	0,6	0,9	0,8
Credit Card	0,8	0,8	1,8
Any debt	30,2	38,7	62,5

16 Italy

16.1 Statistics on households' over-indebtedness

The level of household's over indebtedness Italy is relatively lower to the EU average for most of the indicators included in this study. In 2020, the gross debt-to-income ratio of households in Italy was around 64.4%, against 95.1% of the EU average.

Even though over-indebtedness is defined³⁰⁵ by Italian legislation³⁰⁶, national level statistics in Italy (i.e. data from Bank of Italy) lacks the data on household over-indebtedness and instead focuses on the general indebtedness levels in Italy. National level data shows that household groups that are the most likely to be **indebted** in Italy are male, middle age (35 to 54 years old), with higher education and employed. Lombardy, Lazio and Campania are the regions with the highest share of debtors in Italy.

A more detailed analysis of the indicators of the household (over) indebtedness are available in the chapters below.

EU level data

This section concentrates on the analysis of the selected EU-level statistical indicators on household over-indebtedness in Italy, this includes:

- Statistics on arrears and inability to face unexpected financial expenses (EU SILC data)³⁰⁷;
- Gross debt-to-income ratio of households³⁰⁸;
- Statistics concerning the share of households holding debt, liabilities, median to income/asset ratios, regular expenses less than income, and negative wealth³⁰⁹.

Statistics on arrears and inability to face unexpected financial expenses (EU SILC data)

Overall, the proportion of households in arrears in Italy is relatively **lower to the EU average**.

On the positive side:

- In 2019, the share of households in arrears on hire purchase **instalments or other loan payments** in Italy (0.5%) was significantly lower than the EU average (2%). Similarly to what is happening at EU level, since 2017 the trend has been quite stagnant. Moreover, it is worth mentioning that between 2014 and 2017 the share has been significantly decreasing from 2% to 0.4%.
- Until 2016 the share of households in arrears on **utility bills** in Italy was above the EU average. For example, in 2015 the share of households in arrears on utility bills in Italy reached 12.6%, in contrast to 9.4% of the EU average. However, since 2015, there has been a steady decrease. The gap between Italy and the EU average has been narrowed down and inverted in 2017 when the Italian share reached 4.8%, in contrast to EU average which remained around 7.3%.
- Similar to the trend described above, also the share of households in arrears **on mortgage or rent payments in Italy** has been decreasing since 2015, reaching 1.9% in 2019.

³⁰⁵ A situation of persistent imbalance between obligations and assets that can be promptly liquidated to meet them, and the definitive inability of the obligor to regularly meet its obligations.

³⁰⁶ Law no. 3 of January 27, 2012 "Disposizioni in materia di usura ed estorsione, nonché di composizione delle crisi da sovraindebitamento" [Provisions on usury and extortion, and provisions for the settlement of over-indebtedness crisis].

³⁰⁷ Data from 2005 to 2020. Indicators used: ilc_mdcs04, ilc_mdcs06, ilc_mdcs07, and ilc_mdcs08.

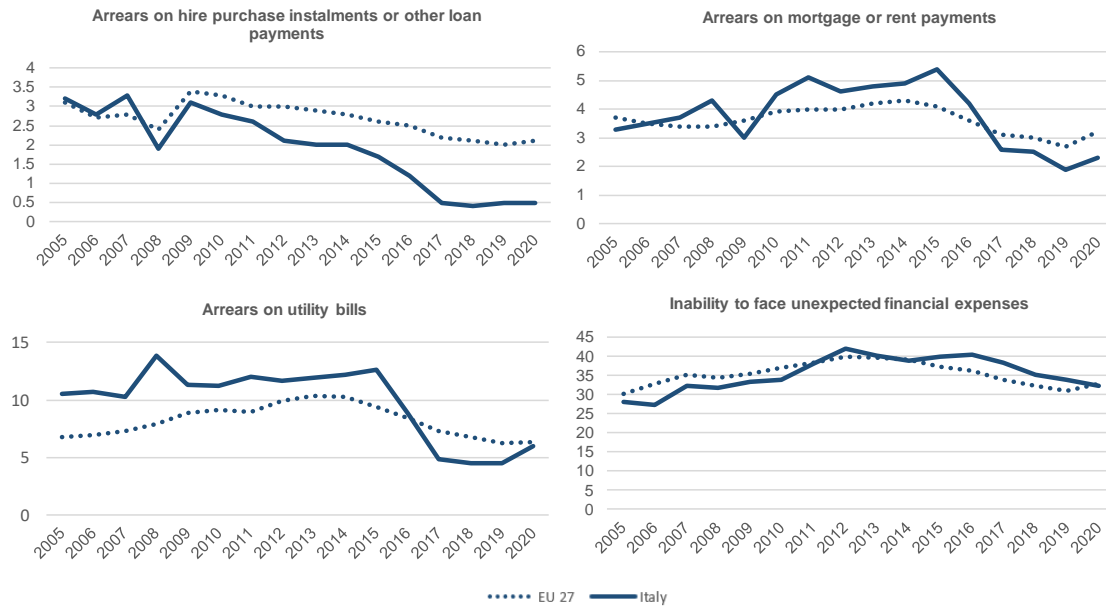
³⁰⁸ Data from 2013 to 2020. Indicator used: tec00104.

³⁰⁹ Anonymised microdata from 2017 wave made available in March 2020. Note: the report for the next wave in 2020 is expected to be released in the last quarter of 2022.

On the negative side:

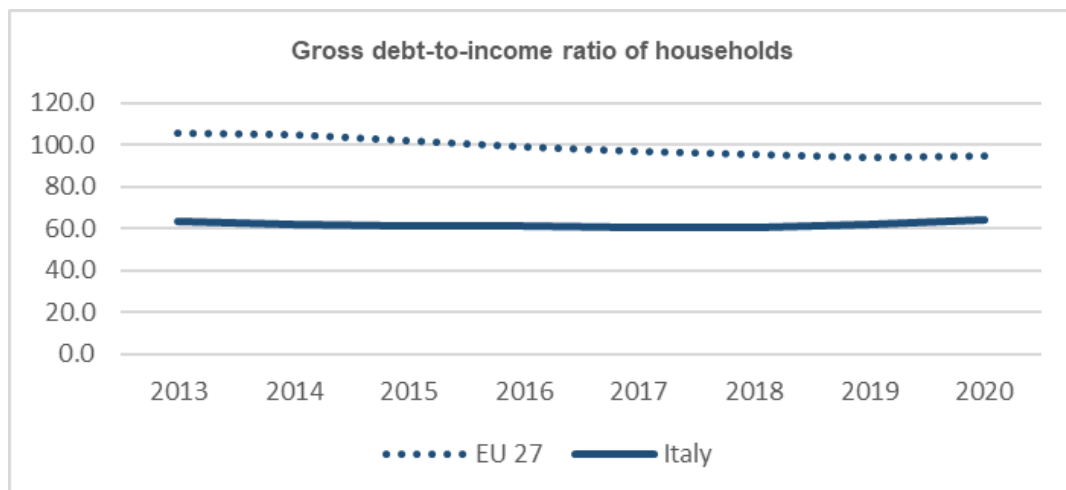
- The share of households in Italy (33.8%) that are **unable to face unexpected financial expenses** is higher than the average EU household (30.9%).

A full overview of the statistics mentioned above from 2005 to 2020 is available below.



Gross debt-to-income ratio of households

Since 2013, **the gross debt-to-income ratio of households in Italy** has been lower than the EU average. Similar to the EU as a whole, the gross debt-to-income ratio of households in Italy has remained stabled.



Findings from the ECB Household Finance and Consumption Survey

According to the ECB Household Finance and Consumption Survey, in 2017, the share of **households holding debt in Italy** (21.4%) **was lower than the EU average** (42%). This was also the case across all income and age groups.

In terms of the debt types, Italy shows **similar trends to the rest of the EU, with mortgages being the main source of household debt** (Italy 90.6% to EU 88.1%).

- The share of households in Italy with debts related to consumer credit loans, private loans and other loans not collateralised on a household's real estate property (non-mortgage debt) is significantly higher than the EU average³¹⁰.
- The share of households with debt related to credit line/ overdraft³¹¹ is slightly higher in Italy compared to the EU average, while credit card debt³¹² is similar to the EU average.

In 2017, the total **median debt to income ratio** of the indebted households in Italy was **considerably lower than the EU average** (Italy 47.2% to EU 70.8%). Moreover, the total share of households in Italy with **regular expenses higher than their income**³¹³ was lower than the EU average (Italy 33.1% to EU 40.2%). This was the case across all age and income groups, except for households belonging to the highest threshold 90-100% in terms of income.

The **total median debt to assets ratio** is also **lower in Italy compared with the EU average** (Italy 15.9%; EU 25.5%). The share of households in Italy with **negative wealth**³¹⁴ is lower than the EU average (Italy 1.6% to EU 4.7%).

Full details of the ECB Household Finance and Consumption Survey are in ANNEX A: EU level data, findings from ECB HFC (2017).

National level data

Italy is among the European countries with households less inclined to resort to financing instruments for their consumption and spending projects, and the Covid-19 emergency has not reversed this trend. Overall, the number of consumers who have activated a mortgage or a loan has grown further, but always paying great attention to the sustainability of the commitments undertaken, opting for monthly installments that are not too heavy with respect to available income and longer repayment plans³¹⁵.

Thanks to the moratorium launched by the Italian Government for the suspension of payment of the installments of the loans granted, it was possible to keep the riskiness of the sector under control, with the default rate which remained substantially stable, albeit with a slight increase recorded in the last survey³¹⁶. Indeed, in 2020, the scope of the mortgage moratoriums was expanded to provide support to indebted families affected by the Covid-19 crisis. It is estimated that at the end of 2020 and 2021 the share of financially vulnerable households was approximately 1.9 % of the total (half a million households), with a debt share of around 10%. In the absence of the moratoriums, the share of financially vulnerable households would have been 2% in 2020³¹⁷.

Concerning regional differences, Lombardy, Lazio and Campania alone account for almost 40 per cent of debtors³¹⁸. Lombardy and Lazio together account for a third of the entire volume of non-performing loans (EUR 21.5). Such a high number of non-performing loans in Lombardy, which represents around 15% of total debtors (96,800) and 21% of non-performing loans of companies, could be explained in light of the high concentration of business in the region, and the fact that Lombardy is one of the most populated Italian regions (approximately 10 million inhabitants,

³¹⁰ Italy 19.4% and EU average 11.9%

³¹¹ Italy 1.1% to EU 1%.

³¹² Italy and EU average : 0,2%

³¹³ Oppositely to the other indicators from the ECB HCF survey, the higher share of households with regular expenses less than income is considered a positive result.

³¹⁴ Net wealth is the difference between total household assets and total household liabilities. Negative net wealth means the household has more total liabilities than total assets.

³¹⁵ Ibid.

³¹⁶ Ibid.

³¹⁷ Banca d'Italia, 2021, Principali risultati della quinta edizione dell'indagine straordinaria sulle famiglie italiane, available at: https://www.bancaditalia.it/pubblicazioni/note-covid-19/2021/Nota_Covid_ISF5.pdf

³¹⁸ ABI, 2022, Rapporto Menisile ABI, Available at: <https://formatresearch.com/wp-content/uploads/2022/01/Sintesi-febbraio-2022-st.pdf>

representing approximately 15 % of the national population)³¹⁹. On the other hand, as far as families are concerned, greater fragility is confirmed in the southern regions (Lazio and Campania), especially in terms of consumer debt.

National statistics about households in debt (percentage of households in debt) from Banca d'Italia from 2016³²⁰, show that:

- Males are more likely to be in debt compared with females.
- Middle-age households (35 to 54 year old) are more likely to take out loans compared with younger (under 35) or older age (over 54 year old) households.
- Households with higher education background take out loans more often than middle and lower education background households.
- Employed households are considerably more likely to be in debt compared with unemployed households.
- Households with 3 members or more are significantly more likely to be in debt compared to smaller size households.
- Higher income households are significantly more likely to be in debt compared to lower income households.
- Households living in big towns (over 500.000 inhabitants) are more indebted than households living in smaller towns.
- Households of Italian origin are more likely to be in debt compared to other households.

When analysing these results, it is important to point out that these statistics households in debt (households that have taken loans) and not over-indebted households.

The full national and regional level data identified for this report is in ANNEX B: Complementary national statistical data.

16.1 Results of the debt advisor survey

According to the debt advisors consulted in Italy:

- Most of the over-indebted households had **consumer loans** (35%), **credit card debt** (30%) and **mortgages** (28%).
- **Addictive behaviours, expenses related to property and big ticket items** are the key expenses driving over-indebtedness.
- **Unexpected events** stand out as the most significant driver behind the need for debt.
- **Sudden changes in life and level of income** are the most relevant sociodemographic factors when looking at over-indebtedness.

Furthermore:

- Almost three-quarters (74%) of the debt advice beneficiaries are living **in urban areas**.
- The majority (55%) of the debt advice beneficiaries are **men**.
- More than two-thirds (70%) of the debt advice beneficiaries are **employed**.
- Most of the debt advice beneficiaries have either **basic** (40%) or **intermediate level of education** (35%).
- Half of the debt advice beneficiaries are **partner households with children** followed by **single parent households with children** (30%).
- Contrary to the EU-level findings, **increase in the cost of living** (45%) is the most the most impactful sudden changes in life in terms of the over-indebtedness followed by **personal circumstances** (35%).
- **Middle-aged** (35-54 year old) households are more to be debt advice beneficiaries.

³¹⁹ Ibid.

³²⁰ Banca d'Italia, 2016, Indagine sui bilanci delle famiglie italiane nell'anno 2016, Available at: <https://www.bancaditalia.it/statistiche/tematiche/indagini-famiglie-imprese/bilanci-famiglie/risultati-indagine/index.html>

Survey results		
1. Main financial source of debt³²¹		
	Italy	EU
Mortgage	28%	22%
Consumer loan	35%	42%
Credit card ³²²	30%	22%
Informal sources of funds	7%	13%
2. Main expenses leading to over-indebtedness³²³		
Daily expenses (i.e. food, bills, childcare, etc)	3.3	3.1
Property (rent or purchase)	3.7	3.4
Big ticket items (i.e. cars, education, appliances)	3.7	3.0
Lifestyle expenses (luxury or expensive habitudes)	2.7	2.5
Addictive behaviours (gambling, alcohol, drugs, or similar)	4.0	3.0
3. Main drivers behind the need for debt³²⁴		
Increase in cost of living	3.7	3.1
Decrease in income	4.0	3.4
Increase in cost of debt	2.3	2.9
Credit availability ³²⁵	3.7	3.2
Unexpected events (loss of job, divorce, sickness, or others)	4.7	4.0
4. Most relevant sociodemographic factors when looking at over-indebtedness³²⁶		
Geographic location	2.1	2.6
Age	3.4	2.9
Gender	1.8	2.4
Level of education	3.0	3.4
Level of income	3.6	3.6
Household size	3.2	2.9
Employment status	3.5	3.5
Sudden changes in life	3.7	3.5
Profession	2.1	3.2
5. Share of the debt advice beneficiaries by the sociodemographic group³²⁷		
<i>Geographic location</i>		
Urban	74%	57%
Rural	26%	43%
<i>Gender</i>		
Men	55%	50%
Women	45%	50%
<i>Employment status</i>		
Employed	70%	50%
Unemployed	30%	50%
<i>Level of education</i>		
No to little formal education	10%	19%
Basic education	45%	49%
Intermediate education	35%	20%
Advanced education	10%	12%
<i>Household size</i>		
Single person household with no children	10%	27%
Partner household with no children	10%	17%
Single parents with children	30%	29%
Partner household with children	50%	26%
<i>Sudden changes in life</i>		
Sudden loss of income ³²⁸	10%	36%
Increase in cost of living	45%	20%
Personal circumstances ³²⁹	35%	28%
Other	10%	16%
<i>Age</i>		
16-34	8%	13%
35-44	24%	19%
45-54	38%	46%
55-64	17%	11%
65-74	11%	7%
75+	2%	5%

³²¹ Percentage of 100%.

³²² Debt accumulated via interest rates and penalties when the consumer does not pay the company for the money they have spent i.e. overdraft

³²³ Average rate from 1 to 5.

³²⁴ Average rate from 1 to 5.

³²⁵ Type of credit, availability of credit, marketing practices

³²⁶ Based on their experience, debt advisors were asked to rate the impact of each sociodemographic category on over-indebtedness from 1 to 5 across the sub-groups of each sociodemographic profile. The numbers included in the table are average rates of each sociodemographic factor in the Member States mentioned, and at the EU level overall.

³²⁷ Percentage of 100%.

³²⁸ Unemployment, wage level, pandemics/lockdowns.

³²⁹ Death/health issue in the family, number of dependents, divorce/family breakdown.

16.2 Annexes (EU level data & Complementary national statistical data)

ANNEX A: EU level data

ECB HFC (2017)		ITALY			
		Italy (%)	EU (%)	Lowest ↓	Highest ↑
Percentage of households holding debt					
Total		21.4	42	19.7	58
By level of income					
Bottom 20%		11.8	24.1	8.1	35.7
20-40%		17.7	30.6	12.6	53.7
40-60%		15.1	41.1	15.1	59.9
60-80%		26.0	52.8	22.1	74.3
80-90%		34.8	59.4	22.8	83.1
90-100%		37.7	63.3	29	81.3
By age group					
16-34		25.2	50.7	13.8	75.7
35-44		32.1	61.3	26.2	82.1
45-54		33.8	56.5	27.2	78
55-64		21.7	42.5	17.7	64.5
65-74		12.4	25.4	9.4	44.6
75+		4.0	9.2	2.3	34.5
Shares of debt types on total liabilities % of total liabilities					
Mortgage		80.6	88.1	65.7	97.3
Non-mortgage debt		19.4	11.9	2.7	34.3
Of which: other		18.0	10.7	2	23.6
Credit line/ overdraft		1.1	1	0.1	9.5
Credit card debt		0.2	0.2	0.1	2
Median debt to income ratio					
Total		47.2	70.8	16.7	243
By level of income					
Bottom 20%		65.6	73.3	14	664.7
20-40%		47.5	47.4	8.3	253.8
40-60%		42.2	53.6	10.6	266.9
60-80%		31.7	77.6	13.8	260.7
80-90%		31.6	97.7	21.7	213.7
90-100%		64.3	80.4	17.9	174.4
By household size					
1		76.9	58.8	13.9	260.2
2		33.2	50	15.9	216.6
3		31.3	79.8	9.4	268.6
4		53.1	109.5	19.8	251.8
5+		42.0	91.3	11.7	268.6
By housing status					
Owners - outright		17.8	24.1	5.4	68.1
Owners - with mortgage		173.9	186.7	76.3	309.5
Renters		23.3	17.9	8.2	68.1
By age group					
16-34		80.7	56.7	16.7	257.7
35-44		98.6	143.5	26.7	315.7
45-54		49.9	79.5	11.7	248
55-64		26.5	54.8	9	181.3
65-74		20.3	30.7	5.5	252.5
75+		16.2	22.1	6	217.1
Median debt to assets ratio					
Total		15.9	25.5	4.8	52.1
By level of income					
Bottom 20%		28.6	37	3	94.9
20-40%		19.3	28.4	2.9	48.8
40-60%		18.9	27.8	4.5	54.4
60-80%		13.1	25.1	6.3	57.5
80-90%		13.9	24.7	8.8	52.6
90-100%		13.4	20.1	5.3	39.5
By household size					
1		26.8	32.9	2.6	55.8
2		15.9	17.8	3	42.3
3		13.5	27.1	4.7	58.2

	4	14.6	27.3	5.6	56.9
	5+	16.7	30.1	3.5	57.1
<i>By housing status</i>					
	Owners - outright	2.3	3.7	0.9	7.4
	Owners - with mortgage	30.7	34.3	19.2	52.7
	Renters	37.8	40.3	22.9	104.6
<i>By age group</i>					
	16-34	43.0	52.9	20.9	75.6
	35-44	24.2	38.6	10.2	66
	45-54	13.9	21.6	3.8	54
	55-64	6.6	13.2	2.4	38.1
	65-74	5.3	8.6	1.5	34.5
	75+	2.5	5.5	1.3	27.4
Regular expenses less than income³³⁰					
	Total	33.1	40.2	15.5	65.2
<i>By level of income</i>					
	Bottom 20%	11.8	23.9	4	49.9
	20-40%	22.4	33.1	8.3	66
	40-60%	33.9	41.2	13.9	63.9
	60-80%	42.7	47.1	19.5	69.7
	80-90%	46.2	51.2	24.9	75.9
	90-100%	63.4	61.3	29.6	78.2
<i>By household size</i>					
	1	34.7	40.5	14.1	61.5
	2	34.7	43.5	18.5	70.9
	3	32.8	38.2	11.3	68.4
	4	31.6	37.3	13.2	65.8
	5+	22.3	32.9	9.7	54.7
<i>By housing status</i>					
	Owners - outright	37.6	42.2	17.9	67.8
	Owners - with mortgage	36.1	43.2	11	65.4
	Renters	23.8	36.8	11.4	61.5
<i>By age group</i>					
	16-34	33.7	41.1	9.4	61.9
	35-44	30.5	38.2	13.7	64
	45-54	32.7	40.4	13.5	66.1
	55-64	35.8	41.5	18.6	66.4
	65-74	35	42	16.7	72.8
	75+	31.6	38.3	10.4	63.2
% of households that have negative net wealth					
	Total	1.6	4.7	0.3	9.4
<i>By level of income</i>					
	Bottom 20%	3.3	6.9	0.3	16.1
	20-40%	2.5	5	0.2	12.9
	40-60%	1.3	5.4	0.8	10.8
	60-80%	0.6	3.8	0.3	10.8
	80-90%	0.6	3	0	10.8
	90-100%	0.1	1.7	0	6.1
<i>By household size</i>					
	1	1.3	5.4	0.2	12
	2	1.7	3.2	0.4	8
	3	1.6	5.7	0.3	13.1
	4	1.7	4.6	0.2	11.5
	5+	3.1	6.4	0	11.8
<i>By housing status</i>					
	Owners - outright	0.0	0.1	0	0.5
	Owners - with mortgage	0.6	4.6	0	16.3
	Renters	5.0	9.4	1.7	24.9
<i>By age group</i>					
	16-34	0.6	10.6	0.6	25.6
	35-44	2.8	6.4	0	15.4
	45-54	2.2	5	0.3	11
	55-64	1.6	3.8	0.2	8.8
	65-74	1.8	2.3	0.4	3.9
	75+	0.3	0.5	0	5.1

³³⁰ Oppositely to the other indicators from the ECB HCF survey, the higher share of households with regular expenses less than income is considered a positive result.

ANNEX B: Complementary national statistical data

Italy ³³¹							
Characteristics	Households in debt for purchases of property	Households in debt for purchases of consumer goods	Households with current account overdraft or credit card debts	Households in debt for business reasons	Households in debt with friends or relatives	Households in debt for household needs ³³²	Households in debt for household or business needs
Gender							
<i>male</i>	10	9.4	5.7	2.5	3	22.8	24
<i>female</i>	8	5.2	3.1	2.4	2.5	15.7	16.7
Age							
<i>34 and under</i>	11	8.5	2.6	0.9	5.3	23.6	24.5
<i>35-44</i>	19	9.5	4.8	3.9	2.8	30	31.4
<i>45-54</i>	15.4	13.4	8.2	4.3	4.2	32	33.8
<i>55-64</i>	6.7	8.3	6.7	3.6	2.6	20.1	22.2
<i>over 64</i>	1.7	3.2	2.1	0.3	1.4	7.3	7.5
Educational qualification							
<i>none</i>	0.1	0.4	1.5	0.7	0.8	2.9	2.9
<i>primary school certificate</i>	2	2.6	1.7	0.6	2.1	7.4	8
<i>lower secondary school certificate</i>	7.3	8.3	3.6	2	4.1	19.9	20.8
<i>upper secondary school diploma</i>	13.2	10.4	7.3	3.6	2.3	26.8	28.5
<i>university degree</i>	19.1	10.4	7.7	4.2	1.5	29.1	30.8
Branch of activity							
<i>agriculture</i>	5.4	8.3	1.7	5.7	3.9	18.1	22.9
<i>industry</i>	14	12.2	5.2	0.8	2.1	28.1	28.3
<i>general government, public services</i>	13.8	13	8.3	2.2	1	27.7	28.8
<i>other sector</i>	16.2	10.8	7.2	6.1	3.8	30.6	33.2
<i>no sector</i>	2	3	2	0.2	2.7	8.5	8.7
Work status							
<i>Employee</i>	14.1	12.3	5.9	0.9	2.9	28.2	28.6

³³¹ National statistics about Households in debt (percentages of households), from Banca d'Italia, 2016, Indagine del

³³² Debts for household needs include debts for properties, for consumer goods, with relatives and friends, overdraft and credit card debt

<i>Self-employed</i>	17.5	7.8	10.8	19	2.5	32.4	40.5
<i>Not employed</i>	2	3	2	0.2	2.7	8.5	8.7
Number of household members							
<i>1 member</i>	5.1	4.4	2.6	1.1	2.4	11.5	11.9
<i>2 members</i>	6.6	6.4	4.1	1.8	2.4	16.4	17.4
<i>3 members</i>	11.9	12.5	5.5	3.7	3.2	28	30.3
<i>4 members</i>	17.6	11.5	7.2	5.3	3	31.8	33.6
<i>5 or more members</i>	14.8	10.1	10.7	1.3	5	31.6	31.8
Quintiles of households with respect to household net wealth (**)							
<i>1° quintile</i>	1.1	8.9	4.2	0.3	6.6	17.8	17.9
<i>2° quintile</i>	13	8	3.5	1.7	3.2	22.4	23.2
<i>3° quintile</i>	12.7	8	5	2.3	2	22.7	23.6
<i>4° quintile</i>	9.5	6.5	4.7	2.8	1.2	18.1	19.7
<i>5° quintile</i>	10.1	7.8	6.1	5	1	19.7	21.9
Quintiles of households with respect to household income (**)							
<i>1° quintile</i>	2.9	2.3	3	0.6	7	13.4	13.8
<i>2° quintile</i>	5.4	7.1	2	1.6	2.9	15.1	16.2
<i>3° quintile</i>	7.2	7.4	4.4	1.7	1.8	16.8	17.8
<i>4° quintile</i>	11.6	9.6	6.3	2.7	1.1	23.6	24.4
<i>5° quintile</i>	19.4	12.8	7.9	5.5	1.1	31.8	34.3
Town size							
<i>up to 20.000 inhabitants</i>	8.1	7.6	4.8	2.8	1.9	18.3	19.6
<i>from 20.000 to 40.000 inhabitants</i>	8.9	7.8	4.5	2.5	4.2	20.8	22.3
<i>from 40.000 to 500.000 inhabitants</i>	9.7	8.3	4.8	1.9	3.1	21.1	22.1
<i>over 500.000 inhabitants</i>	13.2	7.8	4.7	2	3.9	24.3	24.6
Geographical area							
<i>North</i>	11.5	8.2	4.9	1.9	2	20.8	21.6
<i>Centre</i>	10.8	6.5	4.1	2.7	2.4	20.5	21.9
<i>South and Islands</i>	4.9	8.2	4.9	3	4.3	18.9	20.4

<i>Country of origin</i>								
<i>Italy</i>	9.2	8.1	4.8	2.6	2.8	20.4	21.5	
<i>Other</i>	9.6	5.2	3.9	1	3.3	18.2	18.8	
All	9.3	7.8	4.7	2.4	2.8	20.2	21.3	

17 Latvia

17.1 Statistics on households' over-indebtedness

While the overall level of household indebtedness (i.e. share of households with debt, debt to income and wealth ratios) in Latvia is relatively low compared to the EU average, households in Latvia appear to be slightly more over-indebted than the EU average.

There is no generally accepted specific definition of household over-indebtedness in Latvia. In addition, national statistical coverage on arrears or payment defaults seems to be scarce. Nonetheless, data from the Latvian Central Statistical Bureau shows that the share of households in arrears on utility bills in Latvia is relatively high, as in 2021, 6.1% of households had arrears for utility payments at least once in the last 12 months due to lack of available funds. Households with children (single and couple) is the household group most likely to be in arrears in Latvia.

More information on the above statistics is available in the chapters below.

EU level data

This section focuses on the analysis of the selected EU-level statistical indicators on household over-indebtedness in Latvia, including:

- Statistics on arrears and inability to face unexpected financial expenses (EU SILC data);³³³
- Gross debt-to-income ratio of households;³³⁴
- Statistics concerning the share of households holding debt, liabilities, median to income/asset ratios, regular expenses less than income, and negative wealth.³³⁵

Statistics on arrears and inability to face unexpected financial expenses (EU SILC data)

Overall, the proportion of households in arrears in Latvia is slightly higher **than the EU average**.

On the positive side:

- The share of households in arrears on hire purchase **instalments or other loan payments** in Latvia has declined since 2018, decreasing from 3.6% in 2018 to 2.3% in 2020, albeit still being slightly higher than the EU average.
- The share of households in arrears on **mortgage or rent payments** in Latvia has gradually declined since 2011 and is generally lower than the EU average in every year starting from 2014.

On the negative side:

- The share of households in arrears on **utility bills** in Latvia is considerably above the EU average, although in recent years (starting from 2017) the gap becomes not as noticeable as from 2010 to 2013 when the difference was double.
- Households in Latvia are generally not able to **face unexpected financial expenses** and the share is considerably worse than the average EU household. For example, the EU

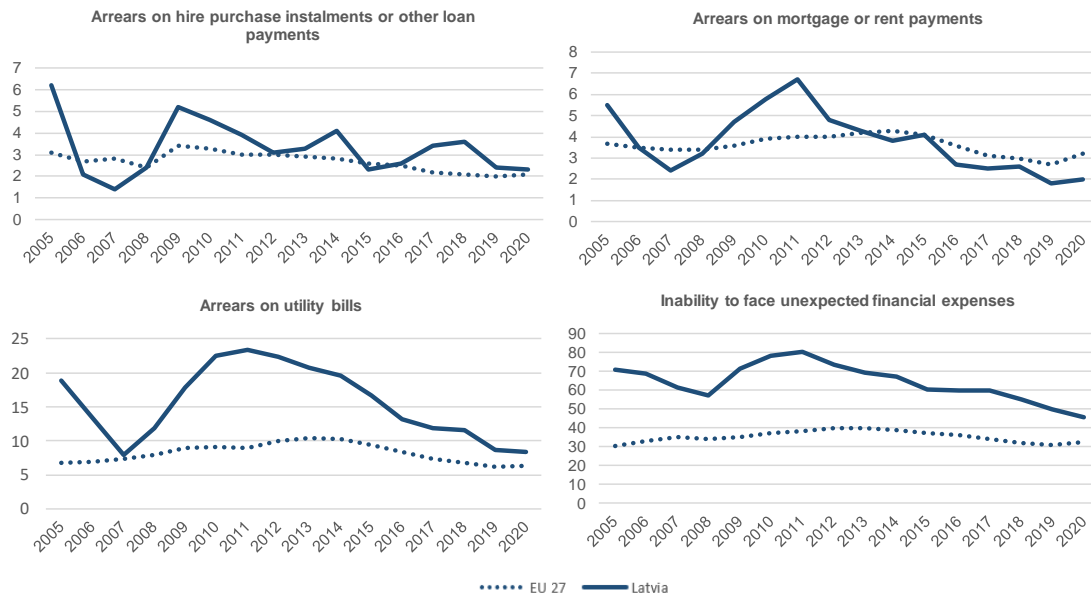
³³³ Data from 2005 to 2020. Indicators used: ilc_mdcs04, ilc_mdcs06, ilc_mdcs07, and ilc_mdcs08.

³³⁴ Data from 2013 to 2020. Indicator used: tec00104.

³³⁵ Anonymised microdata from 2017 wave made available in March 2020. Note: the report for the next wave in 2020 is expected to be released in the last quarter of 2022.

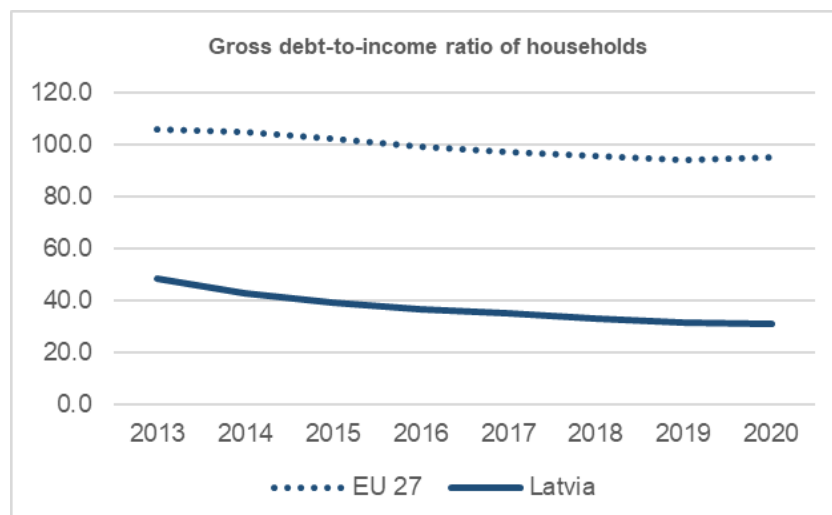
average in 2013 was 39.7% while in Latvia – 69.5%. In 2014 the EU average was 39% while in Latvia – 67.4%. However, in recent years it can be seen that households in Latvia are better at facing unexpected financial expenses and the difference with the EU average is not as noticeable as from 2009 and 2013.

A full overview of the statistics mentioned above from 2005 to 2020 is available below.



Gross debt-to-income ratio of households

Since 2013, the gross debt-to-income ratio of households in Latvia has been considerably lower than the EU average, and has been decreasing gradually from 48.64% in 2013 to 30.84% in 2020.



Findings from the ECB Household Finance and Consumption Survey

According to the ECB Household Finance and Consumption Survey, in 2017, the share of households holding debt in Latvia (39.6%) was slightly lower than the EU average (42%).

- This was the case across most age groups, except for the 16-34 and 35-44 age group where the share was much higher than the EU average (51.4% and 68.6% respectively), and some income groups (bottom 20%, 20-40% and 60-80%) while the rest income groups (40-60%, 80-90% and 90-100%) were all slightly higher than the EU average.

In terms of the debt types, Latvia is below **the rest of the EU with mortgages being the main source of household debt** (Latvia 79.1% to EU 88.1%).

- The share of households in Latvia with non-mortgage debt is significantly higher than the EU average (Latvia 20.9% to EU 11.9%).
- The share of households in Latvia with debt related to credit line/overdraft is lower than the EU average (Latvia 0.7% to EU 1%), whereas credit card debt slightly higher (Latvia 0.3% to EU 0.2%).

In 2017, the total **median debt to income ratio** of the indebted households in Latvia was **considerably lower than the EU average** (Latvia 21.2% to EU 70.8%).

The **total median debt to assets ratio** is also **lower in Latvia compared with the EU average** (Latvia 19%; EU 25.5%) across most of the population segments. However, the total **regular expenses less than income**³³⁶ are also lower than the EU average (Latvia 19.3% to EU 40.2%). In addition, the share of households in Latvia with **negative wealth**³³⁷ is slightly higher than the EU average (Latvia 5.4% to EU 4.7%).

Full details of the ECB Household Finance and Consumption Survey are in ANNEX A: EU level data, findings from ECB HFC (2017).

National level data

Latvian Central Statistical Bureau in March 2022 published a newsletter,³³⁸ which illustrates that in 2021, 6.1% of households had arrears for utility payments at least once in the last 12 months due to lack of available funds (8.0% in 2020).

Since 2011, when 22.6% of households at least once have had arrears for utility payments due to lack of available funds, the number of such households has gradually decreased. In 2021, the highest number of households for utility payments was among households with children – one adult with children (12.9%), couples with three or more children (10.6%) and households with one person aged 16-64 (10.0%). In turn, utility payments were paid most conscientiously by households with single senior (aged 65 and over) and by couples with one child, where there was the smallest number of debtors for utility payments – 3.2%.³³⁹

For more details on this element see ANNEX B: Complementary national statistical data.

17.1 Results of the debt advisor survey

According to the debt advisors consulted in Latvia:

- Half of the over-indebted households had **consumer loans**.
- **Addictive behaviours and daily expenses** are the key expenses driving over-indebtedness.
- **Increase in cost of living and decrease in income** are the most significant drivers behind the need for debt.

³³⁶ Oppositely to the other indicators from the ECB HCF survey, the higher share of households with regular expenses less than income is considered a positive result.

³³⁷ Net wealth is the difference between total household assets and total household liabilities. Negative net wealth means the household has more total liabilities than total assets.

³³⁸ Available (in English) here: <https://stat.gov.lv/lv/statistikas-temas/iedzivotaji/majokli/preses-relizes/8234-majokla-uzturesanas-izdevumi-2021-gada?themeCode=MA> (accessed 11.05.2022)

³³⁹ Ibid.

Survey results		
1. Main financial source of debt³⁴⁰		
Mortgage	Latvia	EU
	20%	22%
Consumer loan	50%	42%
Credit card ³⁴¹	20%	22%
Informal sources of funds	10%	13%
2. Main expenses leading to over-indebtedness³⁴²		
Daily expenses (i.e. food, bills, childcare, etc)	3.5	3.1
Property (rent or purchase)	2.5	3.4
Big ticket items (i.e. cars, education, appliances)	1.0	3.0
Lifestyle expenses (luxury or expensive habits)	2.0	2.5
Addictive behaviours (gambling, alcohol, drugs, or similar)	4.0	3.0
3. Main drivers behind the need for debt³⁴³		
Increase in cost of living	4.0	3.1
Decrease in income	3.5	3.4
Increase in cost of debt	3.0	2.9
Credit availability ³⁴⁴	2.0	3.2
Unexpected events (loss of job, divorce, sickness, or others)	1.0	4.0

³⁴⁰ Percentage of 100%.

³⁴¹ Debt accumulated via interest rates and penalties when the consumer does not pay the company for the money they have spent i.e. overdraft

³⁴² Average rate from 1 to 5.

³⁴³ Average rate from 1 to 5.

³⁴⁴ Type of credit, availability of credit, marketing practices

17.2 Annexes (EU level data & Complementary national statistical data)

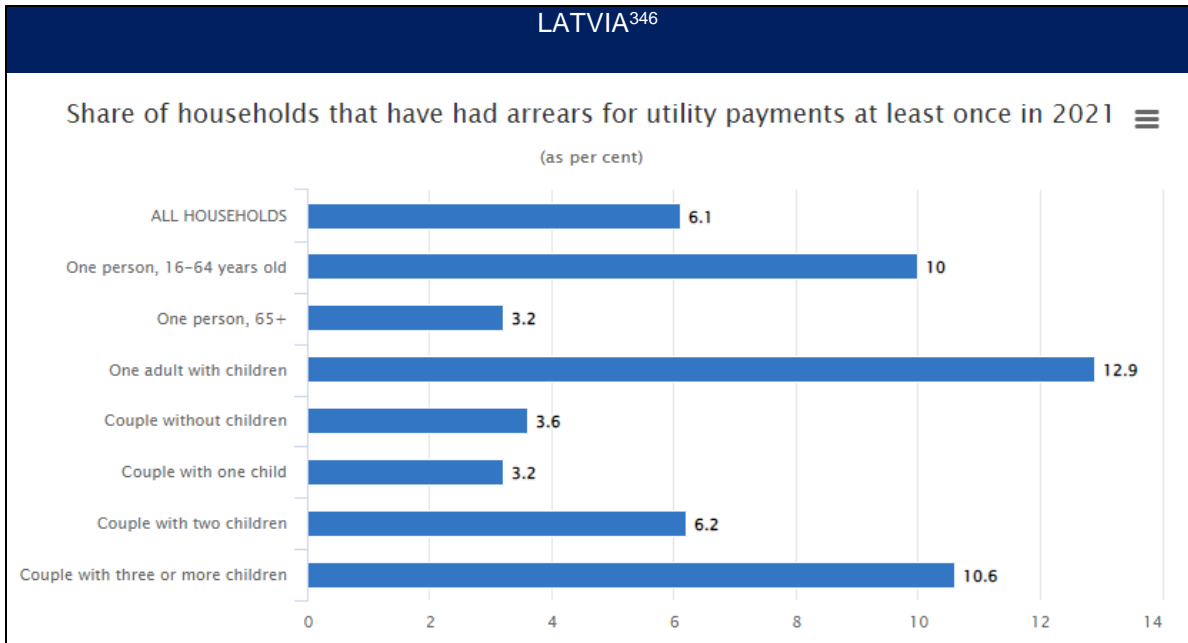
ANNEX A: EU level data

ECB HFC (2017)		LATVIA			
		Latvia(%)	EU (%)	Lowest ↓	Highest ↑
Percentage of households holding debt					
Total		39.6	42	19.7	58
By level of income					
Bottom 20%		13.0	24.1	8.1	35.7
20-40%		22.5	30.6	12.6	53.7
40-60%		45.4	41.1	15.1	59.9
60-80%		51.0	52.8	22.1	74.3
80-90%		63.6	59.4	22.8	83.1
90-100%		69.6	63.3	29	81.3
By age group					
16-34		51.4	50.7	13.8	75.7
35-44		68.6	61.3	26.2	82.1
45-54		47.7	56.5	27.2	78
55-64		40.9	42.5	17.7	64.5
65-74		21.6	25.4	9.4	44.6
75+		3.6	9.2	2.3	34.5
Shares of debt types on total liabilities % of total liabilities					
Mortgage		79.1	88.1	65.7	97.3
Non-mortgage debt		20.9	11.9	2.7	34.3
Of which: other		19.8	10.7	2	23.6
Credit line/ overdraft		0.7	1	0.1	9.5
Credit card debt		0.3	0.2	0.1	2
Median debt to income ratio					
Total		21.2	70.8	16.7	243
By level of income					
Bottom 20%		N	73.3	14	664.7
20-40%		N	47.4	8.3	253.8
40-60%		10.6	53.6	10.6	266.9
60-80%		13.8	77.6	13.8	260.7
80-90%		27.9	97.7	21.7	213.7
90-100%		37.0	80.4	17.9	174.4
By household size					
1		14.2	58.8	13.9	260.2
2		26.0	50	15.9	216.6
3		9.4	79.8	9.4	268.6
4		33.7	109.5	19.8	251.8
5+		59.3	91.3	11.7	268.6
By housing status					
Owners - outright		10.0	24.1	5.4	68.1
Owners - with mortgage		116.0	186.7	76.3	309.5
Renters		13.9	17.9	8.2	68.1
By age group					
16-34		16.7	56.7	16.7	257.7
35-44		37.0	143.5	26.7	315.7
45-54		16.8	79.5	11.7	248
55-64		10.6	54.8	9	181.3
65-74		9.3	30.7	5.5	252.5
75+		N	22.1	6	217.1
Median debt to assets ratio					
Total		19.0	25.5	4.8	52.1
By level of income					
Bottom 20%		N	37	3	94.9
20-40%		N	28.4	2.9	48.8
40-60%		10.0	27.8	4.5	54.4
60-80%		14.5	25.1	6.3	57.5
80-90%		24.8	24.7	8.8	52.6
90-100%		14.5	20.1	5.3	39.5
By household size					
1		11.9	32.9	2.6	55.8
2		23.0	17.8	3	42.3
3		11.4	27.1	4.7	58.2
4		18.3	27.3	5.6	56.9

	5+	22.6	30.1	3.5	57.1
<i>By housing status</i>					
	Owners - outright	4.5	3.7	0.9	7.4
	Owners - with mortgage	35.5	34.3	19.2	52.7
	Renters	98.9	40.3	22.9	104.6
<i>By age group</i>					
	16-34	35.7	52.9	20.9	75.6
	35-44	23.4	38.6	10.2	66
	45-54	15.7	21.6	3.8	54
	55-64	11.3	13.2	2.4	38.1
	65-74	N	8.6	1.5	34.5
	75+	N	5.5	1.3	27.4
Regular expenses less than income³⁴⁵					
	Total	19.3	40.2	15.5	65.2
<i>By level of income</i>					
	Bottom 20%	5.9	23.9	4	49.9
	20-40%	13.3	33.1	8.3	66
	40-60%	21.6	41.2	13.9	63.9
	60-80%	23.6	47.1	19.5	69.7
	80-90%	26.7	51.2	24.9	75.9
	90-100%	37.6	61.3	29.6	78.2
<i>By household size</i>					
	1	16.7	40.5	14.1	61.5
	2	19.0	43.5	18.5	70.9
	3	22.0	38.2	11.3	68.4
	4	28.4	37.3	13.2	65.8
	5+	10.9	32.9	9.7	54.7
<i>By housing status</i>					
	Owners - outright	19.6	42.2	17.9	67.8
	Owners - with mortgage	24.6	43.2	11	65.4
	Renters	16.5	36.8	11.4	61.5
<i>By age group</i>					
	16-34	32.0	41.1	9.4	61.9
	35-44	19.3	38.2	13.7	64
	45-54	18.2	40.4	13.5	66.1
	55-64	20.8	41.5	18.6	66.4
	65-74	16.7	42	16.7	72.8
	75+	10.4	38.3	10.4	63.2
% of households that have negative net wealth					
	Total	5.4	4.7	0.3	9.4
<i>By level of income</i>					
	Bottom 20%	2.9	6.9	0.3	16.1
	20-40%	8.2	5	0.2	12.9
	40-60%	7.1	5.4	0.8	10.8
	60-80%	5.6	3.8	0.3	10.8
	80-90%	2.4	3	0	10.8
	90-100%	3.9	1.7	0	6.1
<i>By household size</i>					
	1	2.4	5.4	0.2	12
	2	6.1	3.2	0.4	8
	3	11.4	5.7	0.3	13.1
	4	5.1	4.6	0.2	11.5
	5+	4.3	6.4	0	11.8
<i>By housing status</i>					
	Owners - outright	0.3	0.1	0	0.5
	Owners - with mortgage	3.9	4.6	0	16.3
	Renters	17.5	9.4	1.7	24.9
<i>By age group</i>					
	16-34	12.3	10.6	0.6	25.6
	35-44	8.1	6.4	0	15.4
	45-54	3.6	5	0.3	11
	55-64	5.3	3.8	0.2	8.8
	65-74	3.8	2.3	0.4	3.9
	75+	0.0	0.5	0	5.1

³⁴⁵ Oppositely to the other indicators from the ECB HCF survey, the higher share of households with regular expenses less than income is considered a positive result.

ANNEX B: Complementary national statistical data



³⁴⁶ Available (in English) here: <https://stat.gov.lv/lv/statistikas-temas/iedzivotaji/majokli/preses-relizes/8234-majokla-uzturesanas-izdevumi-2021-gada?themeCode=MA> (accessed 11.05.2022)

18 Lithuania

18.1 Statistics on households' over-indebtedness

While the overall level of household indebtedness (i.e. share of households with debt, debt to income and wealth ratios) in Lithuania is relatively low compared to the EU average, households in Lithuania appear to be slightly more or equally as over-indebted as an average EU household.

There is no general definition of over-indebtedness in Lithuania, however, Lithuanian Department of Statistics has conducted studies which show, for example, share of households on arrears, share of households with minimal savings, sources of loans and other kind of data that is relevant in the context of this study. It seems that household groups that are the most likely to be in arrears in Lithuania are couples with three or more children, single-parent households with children(s), couples over the age of 65, and households living in villages, while Telšiai, Tauragė, and Šiauliai seem to be the regions where higher share of households tend to be on arrears..

A more detailed analysis of the indicators of the household (over) indebtedness, and an overview of the impact of over-indebtedness on the different household groups in Lithuania are available in the chapters below.

EU level data

This section concentrates on the analysis of the selected EU-level statistical indicators on household over-indebtedness in Lithuania, this includes:

- Statistics on arrears and inability to face unexpected financial expenses (EU SILC data)³⁴⁷;
- Gross debt-to-income ratio of households³⁴⁸;
- Statistics concerning the share of households holding debt, liabilities, median to income/asset ratios, regular expenses less than income, and negative wealth³⁴⁹.

Statistics on arrears and inability to face unexpected financial expenses (EU SILC data)

Overall, the proportion of households in arrears in Lithuania is relatively **lower than the EU average**.

On the positive side:

- From 2005 to 2020, the share of households in Lithuania that had **arrears on mortgages was considerably lower** than the EU average throughout the whole given period.
- The share of households in arrears on hire purchase **instalments or other loan payments** in Lithuania (1.7%) was slightly lower than the EU average (2.1%) in 2020.
- The share of households in arrears on **utility bills** in Lithuania has been decreasing steadily since 2013³⁵⁰. In fact, in 2020, this share has decreased significantly and was equal to the EU average (6.3%).

On the negative side:

³⁴⁷ Data from 2005 to 2020. Indicators used: ilc_mdcs04, ilc_mdcs06, ilc_mdcs07, and ilc_mdcs08.

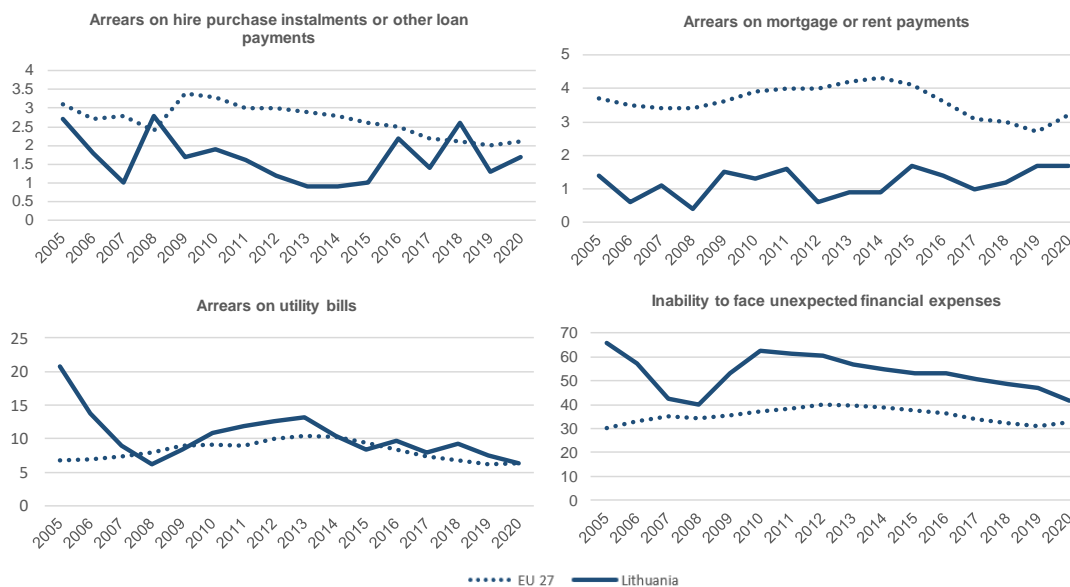
³⁴⁸ Data from 2013 to 2020. Indicator used: tec00104.

³⁴⁹ Anonymised microdata from 2017 wave made available in March 2020. Note: the report for the next wave in 2020 is expected to be released in the last quarter of 2022.

³⁵⁰ 13.2% of households had arrears on utility bills in Lithuania compared to the EU average of 10.4% in 2013.

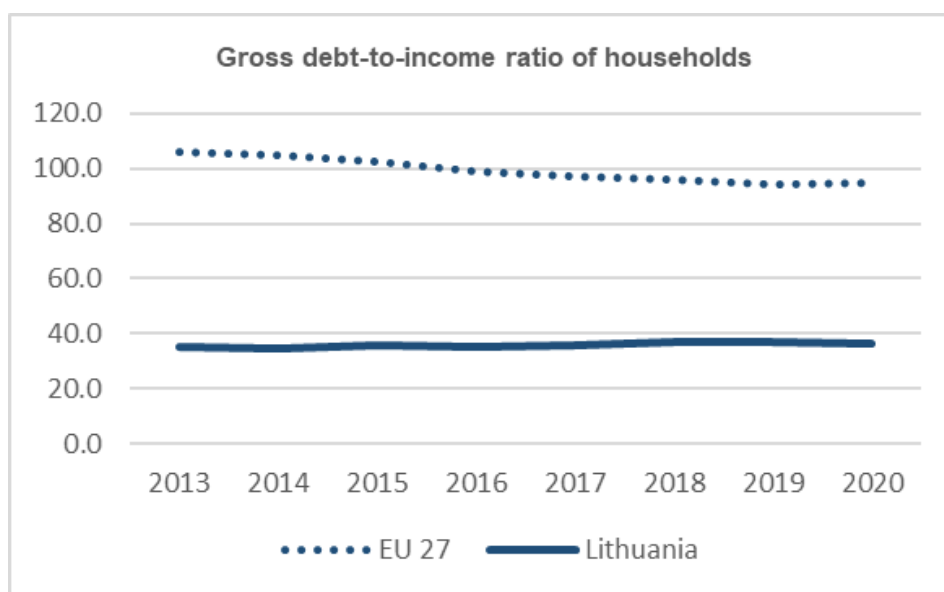
- From 2005 to 2020, households in Lithuania had more difficulties in **facing unexpected financial expenses** compared with the average EU household. However, the share of households unable to face unexpected financial expenses in Lithuania has decreased at a relatively fast rate and is getting closer to the EU average³⁵¹.

A full overview of the statistics mentioned above from 2005 to 2020 is available below.



Gross debt-to-income ratio of households

From 2013 to 2020, the gross debt-to-income ratio of households in **Lithuania, on average, has been lower than the EU average by more than 60%**. In fact, in 2020, the only two Member States that had lower gross debt-to-income ratio of households than Lithuania (36.3%) were Hungary (35.7%), and Latvia (30.8%).



³⁵¹ The share of households unable to face unexpected financial expenses in Lithuania decreased from 56.9% in 2013 to 41.8% in 2020 (-15.1%), while in the same period of time the EU average has decreased from 39.7% to 32.8% (-6.9%).

Findings from the ECB Household Finance and Consumption Survey

According to the ECB Household Finance and Consumption Survey, in 2017, the share of **households holding debt in Lithuania** (26.2%) was significantly lower than the EU average (42%) and this was the case across all age and income groups.

In terms of the **debt types**, Lithuania is also similar to the rest of the EU with mortgages being the main source of household debt (Lithuania 88.2% to EU 88.1%).

- However, the share of households in Lithuania with debt related to credit line/ overdraft³⁵², and credit card debt³⁵³ is significantly higher than the EU average.

In 2017, the total **median debt to income ratio** of the indebted households in Lithuania was significantly lower than the EU average (Lithuania 43.9% to EU 70.8%), however, the total share of households in Lithuania with **regular expenses less than their income**³⁵⁴ was lower than the EU average (Lithuania 33.3% to EU 40.2%).

The **total median debt to assets ratio** is also lower in Lithuania is less than half of the EU's average (Lithuania 11.3%; EU 25.5%) across most of the population segments. In addition, the share of households in Lithuania with **negative wealth**³⁵⁵ is also considerably lower than the EU average (Lithuania 1.7% to EU 4.7%).

- However, renters in Lithuania seem to be more likely to have negative wealth compared to the EU average (Lithuania 15.8% to EU 9.4%)

Full details of the ECB Household Finance and Consumption Survey are in ANNEX A: EU level data, findings from ECB HFC (2017).

National level data

To provide a broader overview of the level of (over) indebtedness across different household categories in Lithuania, the study relies on a study from the Lithuanian Department of Statistics conducted in 2021³⁵⁶ which shows that:

- In terms of the households who **have not been able to pay bills on time** (excluding the bills related to building expenses such as heating, water, etc.), couples with three or more children (13.1%), and single-parent households with children(s) (10.8%) seem to have the most difficulties in paying bills on time, while couples without children (2.4%) appear to be the least likely to be late for paying their bills. Furthermore, in terms of the geographic location, households living in villages (7.5%) are more likely to have difficulties in paying their bills on time compared with households living in big cities (3.7%). Households living in the regions of Telšiai, Tauragė and Šiauliai³⁵⁷ are the most likely to be not able to pay bills on time, while households living in the regions of Utena, Klaipėda, Panevėžys and Vilnius³⁵⁸ seem to be considerably less likely to face the same issue.
- Couples with three children and more (58.9%), and single-parent with children(s) (64.1%), **seem less likely to have savings** for at least three months, while couples with two children (83.3%) and couples under the age of 65 without children (82.5%) tend to be more likely to have savings. Concerning the geographic location, yet again, households living in villages (74.7%) are less likely to have savings compared to households living in cities

³⁵² Lithuania 2.9% to EU 1%.

³⁵³ Lithuania 0.7% to EU 0.2%.

³⁵⁴ Oppositely to the other indicators from the ECB HCF survey, the higher share of households with regular expenses less than income is considered a positive result.

³⁵⁵ Net wealth is the difference between total household assets and total household liabilities. Negative net wealth means the household has more total liabilities than total assets.

³⁵⁶ Lietuvos statistikos departamentas (2021). Namų ūkių per didelis įsiskolinimas, vartojimas ir turtas 2020 m. Available at: <https://osp.stat.gov.lt/pajamos-vartojimo-islaidos-gyvenimo-salygos>

³⁵⁷ 12.8%; 8.5%; 7.6%.

³⁵⁸ 0.5%; 3.8%; 4.1%; 4.4%.

(78%). Households living in Šiauliai, Panevėžys, and Tauragė³⁵⁹ are significantly less likely to have savings compared to households living in the regions of Klaipėda and Alytus³⁶⁰.

In terms of the most popular **sources of loans in** Lithuania, households typically rely on banks and other financial institutions (90.8%) to receive funding. However, there are significant differences across different households, for example:

- Couples over 65 years old without children are significantly more likely to receive their loans from short-term loan companies or pawnshops (12.6% to 5.5% on average), while single person households are more likely to receive their loans from friends or family (6.2% to 4.7% on average). In addition, couples with three children or more tend to rely significantly less on banks for their loans compared to other households (70.4% to 90.8% average).
- Households living in villages are more likely to receive their loans from short-term loan companies or pawnshops, and friends or family than households living in big cities³⁶¹. Regionally, households from Šiauliai (15%) and Tauragė (9.9%) are the most likely to request loans from short-term loan companies or pawnshops, while households from Telšiai (24.7%) are the most likely to request loans from friends or family.

In regard to the expenses covered by loans, households in Lithuania are most likely to borrow money for covering expenses related to the property (48.1%), and vehicles (31.3%). However, there are significant differences across different households, for example:

- Couples with three children or more (26.7%), as well as single person households (19.6%), are the most likely to borrow money to cover daily expenses (i.e. food, bills, etc.).
- Couples over the age of 65 are the most likely household group to borrow money to cover expenses related to holidays (18%), health treatment (14.3%), and loan refinancing (9.6%).
- Couples under the age of 65 are the most likely household group to borrow money to cover expenses related to education (11.2%).
- With the exception of loans related to covering education³⁶², shares of the expenses covered by loans for households living in villages and big cities are relatively similar.
- Regionally:
 - Tauragė has the highest share of households (42.3%) that borrow money to cover daily expenses.
 - Kaunas has the highest share of households (13.2%) that borrow money to cover expenses related to education.
 - Klaipėda has the highest share of households (10%) that borrow money to cover expenses related to health treatment.
 - Panevėžys has the highest share of households (9.5%) that borrow money to cover expenses related to holidays.
 - Utena has the highest share of households (9.2%) that borrow money to cover expenses related to business.

The full national and regional level data identified for this report is in ANNEX B: Complementary national statistical data.

18.1 Results of the debt advisor survey

According to the debt advisors consulted in Lithuania:

³⁵⁹ 65.5%; 65.4%; 58.6%.

³⁶⁰ 87.9%; 87.4%.

³⁶¹ Households in villages: 6.7% for both sources of loans. Households in big cities: 4% for short-term loan companies or pawnshops, and 3.7% for friends and family.

³⁶² 1.2% in villages to 9.6% in the big cities.

- Contrary to the EU-level results, there seems to be **no consensus** on what kind of debt is the most important in terms of being the financial source of over-indebtedness.
- **Expenses related to property and big ticket items** are the key expenses driving over-indebtedness.
- **Unexpected events** stand out as the most significant driver behind the need for debt.
- **Level of education and income** are the most relevant sociodemographic factors when looking at over-indebtedness.

Furthermore:

- Debt advice beneficiaries are **equally distributed** in urban and rural areas.
- The majority (55%) of the debt advice beneficiaries are **women**.
- The majority (60%) of the debt advice beneficiaries are **employed**.
- Contrary to the EU-level findings, most of the debt advice beneficiaries have either **advanced** (43%) or **intermediate level of education** (23%).
- Two-thirds of the debt advice beneficiaries are either **single person households with children** or **partner households with children** (33% each).
- **Sudden loss of income** (38%) is the most impactful sudden changes in life in terms of the over-indebtedness.
- Contrary to the EU-level results, **middle and higher income households** are more likely to be debt advice beneficiaries.
- Contrary to the EU-level results, **young households** (16-34 year old) households are the most likely to be debt advice beneficiaries.

Survey results		
1. Main financial source of debt ³⁶³	Lithuania	EU
Mortgage	26%	22%
Consumer loan	29%	42%
Credit card ³⁶⁴	21%	22%
Informal sources of funds	24%	13%
2. Main expenses leading to over-indebtedness ³⁶⁵		
Daily expenses (i.e. food, bills, childcare, etc)	2.7	3.1
Property (rent or purchase)	4.7	3.4
Big ticket items (i.e. cars, education, appliances)	4.3	3.0
Lifestyle expenses (luxury or expensive habits)	3.7	2.5
Addictive behaviours (gambling, alcohol, drugs, or similar)	3.7	3.0
3. Main drivers behind the need for debt ³⁶⁶		
Increase in cost of living	1.7	3.1
Decrease in income	2.3	3.4
Increase in cost of debt	2.3	2.9
Credit availability ³⁶⁷	2.0	3.2
Unexpected events (loss of job, divorce, sickness, or others)	4.0	4.0
4. Most relevant sociodemographic factors when looking at over-indebtedness ³⁶⁸		
Geographic location	1.8	2.6
Age	2.5	2.9
Gender	2.0	2.4
Level of education	3.4	3.4
Level of income	3.3	3.6
Household size	2.1	2.9
Employment status	3.0	3.5
Sudden changes in life	3.3	3.5
Profession	2.9	3.2
5. Share of the debt advice beneficiaries by the sociodemographic group ³⁶⁹		
<i>Geographic location</i>		
Urban	50%	57%
Rural	50%	43%

³⁶³ Percentage of 100%.

³⁶⁴ Debt accumulated via interest rates and penalties when the consumer does not pay the company for the money they have spent i.e. overdraft

³⁶⁵ Average rate from 1 to 5.

³⁶⁶ Average rate from 1 to 5.

³⁶⁷ Type of credit, availability of credit, marketing practices

³⁶⁸ Based on their experience, debt advisors were asked to rate the impact of each sociodemographic category on over-indebtedness from 1 to 5 across the sub-groups of each sociodemographic profile. The numbers included in the table are average rates of each sociodemographic factor in the Member States mentioned, and at the EU level overall.

³⁶⁹ Percentage of 100%.

<i>Gender</i>			
	Men	45%	50%
	Women	55%	50%
<i>Employment status</i>			
	Employed	60%	50%
	Unemployed	40%	50%
<i>Level of education</i>			
	No to little formal education	17%	19%
	Basic education	17%	49%
	Intermediate education	23%	20%
	Advanced education	43%	12%
<i>Household size</i>			
	Single person household with no children	18%	27%
	Partner household with no children	18%	17%
	Single parents with children	33%	29%
	Partner household with children	33%	26%
<i>Sudden changes in life</i>			
	Sudden loss of income ³⁷⁰	38%	36%
	Increase in cost of living	23%	20%
	Personal circumstances ³⁷¹	23%	28%
	Other	18%	16%
<i>Income group</i>			
	Bottom 20%	10%	35%
	20-40%	15%	27%
	40-60%	30%	19%
	60-80%	30%	12%
	Top 20%	15%	7%
<i>Age</i>			
	16-34	40%	13%
	35-44	33%	19%
	45-54	13%	46%
	55-64	7%	11%
	65-74	3%	7%
	75+	3%	5%

³⁷⁰ Unemployment, wage level, pandemics/lockdowns.

³⁷¹ Death/health issue in the family, number of dependents, divorce/family breakdown.

18.2 Annexes (EU level data & Complementary national statistical data)

ANNEX A: EU level data

ECB HFC (2017)		LITHUANIA			
		Lithuania (%)	EU (%)	Lowest ↓	Highest ↑
Percentage of households holding debt					
Total		26.1	42	19.7	58
<i>By level of income</i>					
Bottom 20%		11.6	24.1	8.1	35.7
20-40%		12.6	30.6	12.6	53.7
40-60%		23.2	41.1	15.1	59.9
60-80%		37.6	52.8	22.1	74.3
80-90%		41.5	59.4	22.8	83.1
90-100%		50.9	63.3	29	81.3
<i>By age group</i>					
16-34		49.4	50.7	13.8	75.7
35-44		40.6	61.3	26.2	82.1
45-54		30.6	56.5	27.2	78
55-64		17.7	42.5	17.7	64.5
65-74		10.6	25.4	9.4	44.6
75+		2.4	9.2	2.3	34.5
Shares of debt types on total liabilities % of total liabilities					
Mortgage		88.2	88.1	65.7	97.3
Non-mortgage debt		11.8	11.9	2.7	34.3
Of which: other		8.3	10.7	2	23.6
Credit line/ overdraft		2.9	1	0.1	9.5
Credit card debt		0.7	0.2	0.1	2
Median debt to income ratio					
Total		43.9	70.8	16.7	243
<i>By level of income</i>					
Bottom 20%		N	73.3	14	664.7
20-40%		N	47.4	8.3	253.8
40-60%		30.1	53.6	10.6	266.9
60-80%		36.7	77.6	13.8	260.7
80-90%		54.1	97.7	21.7	213.7
90-100%		38.7	80.4	17.9	174.4
<i>By household size</i>					
1		42.0	58.8	13.9	260.2
2		38.7	50	15.9	216.6
3		74.7	79.8	9.4	268.6
4		51.5	109.5	19.8	251.8
5+		141.2	91.3	11.7	268.6
<i>By housing status</i>					
Owners - outright		15.8	24.1	5.4	68.1
Owners - with mortgage		172.4	186.7	76.3	309.5
Renters		19.2	17.9	8.2	68.1
<i>By age group</i>					
16-34		93.2	56.7	16.7	257.7
35-44		71.1	143.5	26.7	315.7
45-54		26.3	79.5	11.7	248
55-64		17.0	54.8	9	181.3
65-74		N	30.7	5.5	252.5
75+		N	22.1	6	217.1
Median debt to assets ratio					
Total		11.3	25.5	4.8	52.1
<i>By level of income</i>					
Bottom 20%		N	37	3	94.9
20-40%		N	28.4	2.9	48.8
40-60%		5.2	27.8	4.5	54.4
60-80%		10.0	25.1	6.3	57.5
80-90%		13.7	24.7	8.8	52.6
90-100%		16.3	20.1	5.3	39.5
<i>By household size</i>					
1		12.1	32.9	2.6	55.8
2		7.1	17.8	3	42.3
3		13.0	27.1	4.7	58.2
4		13.9	27.3	5.6	56.9

	5+	N	30.1	3.5	57.1
<i>By housing status</i>					
	Owners - outright	1.9	3.7	0.9	7.4
	Owners - with mortgage	37.1	34.3	19.2	52.7
	Renters	N	40.3	22.9	104.6
<i>By age group</i>					
	16-34	30.6	52.9	20.9	75.6
	35-44	13.6	38.6	10.2	66
	45-54	5.8	21.6	3.8	54
	55-64	2.9	13.2	2.4	38.1
	65-74	N	8.6	1.5	34.5
	75+	N	5.5	1.3	27.4
Regular expenses less than income³⁷²					
	Total	33.3	40.2	15.5	65.2
<i>By level of income</i>					
	Bottom 20%	23.4	23.9	4	49.9
	20-40%	23.5	33.1	8.3	66
	40-60%	26.2	41.2	13.9	63.9
	60-80%	44.7	47.1	19.5	69.7
	80-90%	50.0	51.2	24.9	75.9
	90-100%	49.7	61.3	29.6	78.2
<i>By household size</i>					
	1	25.8	40.5	14.1	61.5
	2	35.7	43.5	18.5	70.9
	3	35.7	38.2	11.3	68.4
	4	53.4	37.3	13.2	65.8
	5+	34.2	32.9	9.7	54.7
<i>By housing status</i>					
	Owners - outright	31.5	42.2	17.9	67.8
	Owners - with mortgage	53.2	43.2	11	65.4
	Renters	25.3	36.8	11.4	61.5
<i>By age group</i>					
	16-34	41.4	41.1	9.4	61.9
	35-44	43.7	38.2	13.7	64
	45-54	34.6	40.4	13.5	66.1
	55-64	34.0	41.5	18.6	66.4
	65-74	20.0	42	16.7	72.8
	75+	20.7	38.3	10.4	63.2
% of households that have negative net wealth					
	Total	1.7	4.7	0.3	9.4
<i>By level of income</i>					
	Bottom 20%	1.1	6.9	0.3	16.1
	20-40%	2.2	5	0.2	12.9
	40-60%	2.2	5.4	0.8	10.8
	60-80%	1.5	3.8	0.3	10.8
	80-90%	2.5	3	0	10.8
	90-100%	0.6	1.7	0	6.1
<i>By household size</i>					
	1	2.7	5.4	0.2	12
	2	0.4	3.2	0.4	8
	3	1.1	5.7	0.3	13.1
	4	3.0	4.6	0.2	11.5
	5+	1.3	6.4	0	11.8
<i>By housing status</i>					
	Owners - outright	0.2	0.1	0	0.5
	Owners - with mortgage	4.7	4.6	0	16.3
	Renters	15.8	9.4	1.7	24.9
<i>By age group</i>					
	16-34	4.7	10.6	0.6	25.6
	35-44	1.7	6.4	0	15.4
	45-54	0.7	5	0.3	11
	55-64	2.2	3.8	0.2	8.8
	65-74	1.1	2.3	0.4	3.9
	75+	0.1	0.5	0	5.1

³⁷² Oppositely to the other indicators from the ECB HCF survey, the higher share of households with regular expenses less than income is considered a positive result.

ANNEX B: Complementary national statistical data

LITHUANIA³⁷³		
National-level data		
Households that have not been able to pay non - housing bills on time (for education, treatment, telephone, internet, etc.)	Not able to pay (%)	Able to pay (%)
Total	5.2	94.8
<i>By structure of the household</i>		
Households without children	4.0	96.0
One person	5.4	94.6
Two adults under the age of 65 without children	2.4	97.6
Two adults, at least one 65 years or older, without children	2.3	97.7
Other households without children	3.2	96.8
Households with children	7.6	92.4
One adult with one or more children	10.8	89.2
Two adults with 1 child	5.9	94.1
Two adults with 2 children	7.8	92.3
Two adults with 3 or more children	13.1	86.9
Other households with children	4.5	95.5
<i>By geographic location</i>		
City	4.3	95.8
Big cities	3.7	96.4
Other cities	5.4	94.7
Villages	7.5	92.5
<i>By a region</i>		
Vilnius	4.4	95.6
Central and Western Lithuania	5.5	94.5
Alytus	5.6	94.3
Kaunas	5.7	94.3
Klaipeda	3.8	96.1
Marijampole	5.1	94.9
Panevezys	4.1	95.9
Šiauliai	7.6	92.4
Taurage	8.5	91.5
Telšiai	12.8	87.2
Utena	0.5	99.5
Share of households with savings (3 months or more)	With savings (%)	Without savings (%)
Total	76.9	23.1
<i>By structure of the household</i>		
Households without children	76.9	23.1
One person	72.5	27.5
Two adults under the age of 65 without children	82.5	17.5
Two adults, at least one 65 years or older, without children	80.9	19.1
Other households without children	82.8	17.2
Households with children	76.8	23.2

³⁷³ Lietuvos statistikos departamentas (2021). Namų ūkių per didelis įsiskolinimas, vartojimas ir turtas 2020 m. Available at: <https://osp.stat.gov.lt/pajamos-vartojimo-islaidos-gyvenimo-salygos>

One adult with one or more children		64.1		35.9
Two adults with 1 child		79.9		20.1
Two adults with 2 children		83.3		16.7
Two adults with 3 or more children		58.9		41.1
Other households with children		82.6		17.4
<i>By geographic location</i>				
City		78		22.0
Big cities		77.9		22.1
Other cities		78.3		21.7
Villages		74.7		25.3
<i>By a region</i>				
Vilnius		80.6		19.4
Central and Western Lithuania		80.6		24.6
Alytus		75.4		12.6
Kaunas		87.4		25.8
Klaipeda		74.2		12.1
Marijampole		87.9		26.2
Panevezys		73.8		34.6
Šiauliai		65.4		34.5
Taurage		65.5		41.4
Telšiai		58.6		16.9
Utena		83.1		23.6
Source of loans (excluding the mortgage for first home)³⁷⁴	Bank or other financial institution (%)	Short-term loan company or pawnshop (%)	Family sources (family, friends, etc.) (%)	Other (%)
Total	90.8	5.5	4.7	2.6
<i>By structure of the household</i>				
Households without children	89.9	6.9	4.1	3.6
One person	89.8	7.1	6.2	3.8
Two adults under the age of 65 without children	91.8	4.3	2.6	4.1
Two adults, at least one 65 years or older, without children	85.3	12.6	0.0	2.1
Other households without children	87.9	9.7	2.0	2.5
Households with children	91.6	4.4	5.2	1.7
One adult with one or more children	98.3	6.7	4.7	0.0
Two adults with 1 child	95.5	3.6	4.5	1.2
Two adults with 2 children	93.3	3.2	4.9	2.2
Two adults with 3 or more children	70.4	7.8	1.9	0.0
Other households with children	86.3	4.3	9.2	3.6
<i>By geographic location</i>				
City	91.4	5.0	3.7	2.9
Big cities	93.2	4.0	3.4	2.3
Other cities	87.8	6.8	4.4	4.2
Villages	89.6	6.7	6.7	1.8
<i>By a region</i>				
Vilnius	95.1	2.4	2.5	2.6

³⁷⁴ Multiple sources available

Central and Western Lithuania	95.1	2.4	2.5	2.6					
Alytus	88.6	7.1	5.8	2.5					
Kaunas	98.7	0.0	0.0	1.3					
Klaipeda	94.7	3.8	3.6	2.5					
Marijampole	77.7	6.2	10.8	0.5					
Panevezys	83.0	3.6	0.0	17.0					
Šiauliai	86.1	9.9	10.7	0.0					
Taurage	89.5	15.0	3.7	4.2					
Telšia	69.4	5.9	24.7	0.0					
Utena	98.3	6.1	0.0	1.7					
Expenses covered by the loan (excluding the mortgage for first home)³⁷⁵	Property, including home furniture etc. (%)	Vehicles (%)	Holiday (%)	Health treatment (%)	Education (%)	Daily expenses (%)	Business loan (%)	Loan refinancing (%)	Other (%)
Total	48.1	31.3	1.9	3.5	4.9	12.6	2.5	1.5	16.0
<i>By structure of the household</i>									
Households without children	43.5	29.6	1.6	5.5	6.5	14.1	2.8	2.2	17.7
One person	50.4	24.4	0.9	3.9	0.0	19.6	1.3	1.8	22.6
Two adults under the age of 65 without children	32.3	44.1	0.0	8.0	11.2	7.4	3.3	2.0	12.3
Two adults, at least one 65 years or older, without children	49.7	8.9	18.0	14.3	0.0	14.8	0.0	9.6	13.8
Other households without children	42.4	23.1	0.0	0.7	22.4	10.0	8.6	0.0	14.8
Households with children	52.0	32.8	2.1	1.9	3.5	11.3	2.3	0.9	14.5
One adult with one or more children	61.4	10.8	0.0	0.9	2.6	18.6	0.0	4.3	16.4
Two adults with 1 child	50.3	32.4	4.9	0.6	4.4	7.4	3.3	0.4	9.6
Two adults with 2 children	53.8	44.3	2.1	0.4	1.2	7.2	4.2	0.0	17.8
Two adults with 3 or more children	49.2	21.4	0.0	0.0	0.0	26.7	0.0	0.0	16.2
Other households with children	45.0	35.8	0.0	8.5	8.9	12.1	0.0	0.9	14.5
<i>By geographic location</i>									
City	47.7	28.7	2.3	3.7	6.7	12.1	1.8	1.6	18.3
Big cities	45.7	32.6	3.4	4.3	9.6	9.5	1.6	1.4	19.6
Other cities	51.8	20.6	0.0	2.4	0.7	17.5	2.4	2.0	15.7
Villages	48.8	36.8	1.1	3.2	1.2	13.7	3.9	1.1	11.0
<i>By a region</i>									
Vilnius	52.4	36.8	0.6	1.1	7.8	11.7	0.8	0.9	16.7
Central and Western Lithuania	45.9	28.5	2.5	4.8	3.4	13.0	3.4	1.7	15.6
Alytus	49.8	17.7	3.1	6.2	0.0	31.5	0.0	0.0	1.3
Kaunas	48.6	25.9	1.2	0.0	13.2	5.4	4.6	2.1	19.8
Klaipeda	39.8	40.5	0.0	10.0	1.1	17.2	0.0	0.0	19.1
Marijampole	44.0	31.4	0.0	0.0	0.0	0.0	1.9	2.7	20.0
Panevezys	29.4	34.2	9.5	9.1	0.0	5.2	3.4	2.0	16.4
Šiauliai	59.2	28.6	3.0	6.8	0.0	12.9	4.4	2.5	13.7
Taurage	25.4	30.5	0.0	7.1	0.0	42.3	0.0	0.0	15.5

³⁷⁵ Multiple expenses available

Telšiai	62.2	12.3	3.5	0.0	0.0	10.6	6.9	4.0	6.9
Utena	32.3	27.1	0.0	0.0	1.0	18.5	9.2	1.4	21.9

19 Luxembourg

19.1 Statistics on households' over-indebtedness

Although the overall household indebtedness in Luxembourg seems to be considerably higher than the EU average (third highest gross debt to income ratio in the EU), indicators related to the over-indebtedness (arrears, inability to face financial outcomes, regular expenses less than income, negative wealth) seem to show that Luxembourg households are less over debt than the average EU household.

Over-indebtedness in Luxembourg is defined in national legislation by Article 2 of the law of 8 December 2000, which defines over-indebted persons as those who have lasting difficulties meeting the totality of their existing non-professional debts³⁷⁶. However, statistics on household over-indebtedness specifically is unavailable. Yet, Bank of Luxembourg has complemented the findings from the ECB HCF survey with their own data and research which brings light to the additional details related to the indicators related to the overall **household indebtedness**. Similarly to the data from ECB, this national level data shows that overall households indebtedness has been growing steadily for the last decade.

A more detailed analysis of the indicators of the household (over) indebtedness, and an overview of the impact of over-indebtedness on the different household groups in Luxembourg are available in the chapters below.

EU level data

This section concentrates on the analysis of the selected EU-level statistical indicators on household over-indebtedness in Luxembourg, this includes:

- Statistics on arrears and inability to face unexpected financial expenses (EU SILC data)³⁷⁷;
- Gross debt-to-income ratio of households³⁷⁸;
- Statistics concerning the share of households holding debt, liabilities, median to income/asset ratios, regular expenses less than income, and negative wealth³⁷⁹.

Statistics on arrears and inability to face unexpected financial expenses (EU SILC data)

Overall, the proportion of households in arrears in Luxembourg is **relatively close or lower to the EU average**.

On the positive side:

- In 2020, the share of households in Luxembourg (2.1%) that had **arrears on mortgages was lower** than the EU average (3.2%). Since 2005, the share of households in Luxembourg that had arrears on mortgages has always been lower than the EU average, with a greatest difference (2.2% Luxembourg vs. 4.3% EU average) in 2014.
- The share of households in arrears on **utility bills** in Luxembourg in 2020 (2.9%) is also **considerably below the EU average** (6.3%), although compared to the EU, the trend in

³⁷⁶ "La procédure de règlement collectif des dettes est ouverte à toute personne physique, autorisée à résider sur le territoire du GrandDuché de Luxembourg, éprouvant des difficultés financières durables pour faire face à l'ensemble de ses dettes non professionnelles

exigibles et à échoir.". See: <http://www.legilux.public.lu/leg/a/archives/2000/0136/a136.pdf>

³⁷⁷ Data from 2005 to 2020. Indicators used: ilc_mdcs04, ilc_mdcs06, ilc_mdcs07, and ilc_mdcs08.

³⁷⁸ Data from 2013 to 2020. Indicator used: tec00104.

³⁷⁹ Anonymised microdata from 2017 wave made available in March 2020. Note: the report for the next wave in 2020 is expected to be released in the last quarter of 2022.

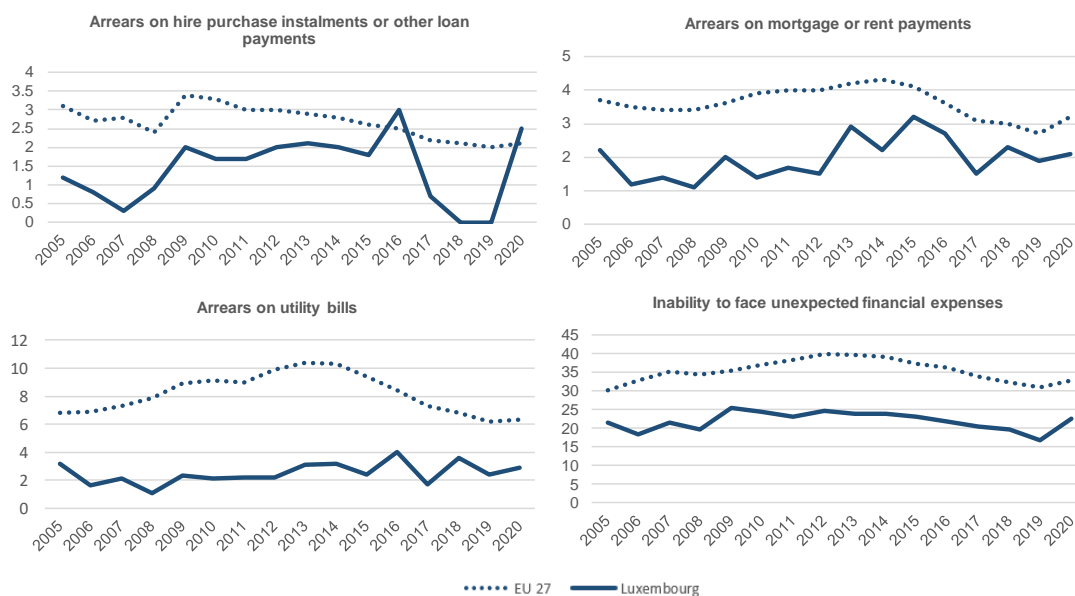
this area has been quite stagnant and the gap between the share in Luxembourg and the EU average has been narrowing since 2013.

- Households in Luxembourg are able to **face unexpected financial expenses** better than the average EU household.

On the negative side:

- The share of households in arrears on hire purchase **instalments or other loan payments** in Luxembourg has declined in 2017 to a low point of 0.7%, which is considerably lower than the EU average in 2017 (2.2%), but has since climbed back to 2.5% in 2020, higher than the average EU household (2.1%).

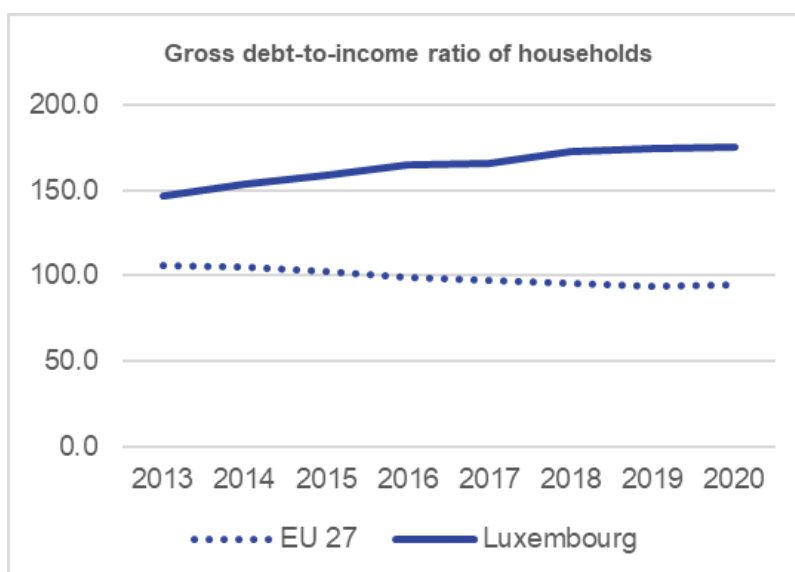
A full overview of the statistics mentioned above from 2005 to 2020 is available below.



Gross debt-to-income ratio of households

Since 2013, the gross debt-to-income ratio of households in Luxembourg has been considerably higher than the EU average.

- Unlike in the EU as a whole, the gross debt-to-income ratio of households in Luxembourg has been steadily increasing from 146.7% (EU: 105.7%) in 2013 to 175.3% (EU: 95.1%) in 2020.
- The gross debt-to-income ratio of households in Luxembourg in 2020 is amongst the highest of the EU member states, with only the Netherlands (188.98%), and Denmark (214.60%) ranking higher.



Findings from the ECB Household Finance and Consumption Survey

According to the ECB Household Finance and Consumption Survey, in 2017, the share of **households holding debt in Luxembourg (53.2%) was higher than the EU average (42%)** and close to the highest ranking member (58%). This was the case across all age and income groups.

In terms of the debt types, Luxembourg is also **similar to the rest of the EU with mortgages being the main source of household debt** (Luxembourg 91.4% to EU 88.1%).

In 2017, the total **median debt to income ratio** of the indebted households in Luxembourg **was higher than the EU average** (Luxembourg 95.5% to EU 70.8%).

- This was the case across most of the income groups, except for the bottom 20% and the lower 20%-40% income group.
- The total median debt to income ratio of the Luxembourgian households was only higher than the EU average for house-owners with mortgages. Renters and outright owners had a similar total median debt to income ratio to the EU average.
- The total median debt to income ratio of the indebted households in Luxembourg was only higher for the younger age groups. From the age of 55 to above, the number is lower or close to the EU average.

The **total median debt to assets ratio** is **lower in Luxembourg compared to the EU average** (Luxembourg 19.4%; EU 25.5%) and this is the case across all levels of income, household sizes, property status and age groups. In addition, the total median debt to asset ratio of the Luxembourgian households belonging to the age group 65-74 is the lowest amongst all the EU member states (1.5%).

In addition, the percentage of Luxembourgian households with **regular expenses less than income is significantly higher than the EU average**³⁸⁰ (Luxembourg 65.2% to EU 15.5%). This is the case across all levels of income, household sizes, property status and age groups. In addition, these percentages are, in almost all cases, amongst, if not the highest of all EU member states.

The percentage of households in Luxembourg that have negative wealth³⁸¹ is **lower than the EU average** (Luxembourg 2.0% to EU 4.7%).

³⁸⁰ Oppositely to the other indicators from the ECB HCF survey, the higher share of households with regular expenses less than income is considered a positive result.

³⁸¹ Net wealth is the difference between total household assets and total household liabilities. Negative net wealth means the household has more total liabilities than total assets.

Full details of the ECB Household Finance and Consumption Survey are in ANNEX A: EU level data, findings from ECB HFC (2017).

National level data

According to a study conducted in 2021³⁸² by the Central Bank of Luxembourg (BCL), **Household debt in Luxembourg has increased to historically unprecedented levels** raising questions about the driving forces behind this process, its sustainability and the possible role of (macroprudential) policymakers.

Another report³⁸³ presents the main results and underlying methodology of the third wave of the Luxembourg Household Finance and Consumption Survey (LU-HFCS) and compares them to results obtained in the first and second wave in 2010 and 2014. The study shows that:

The **median debt-to-income ratio** was **96.0% in 2018** compared to 114.1% in 2014 and 86.9% in 2010.

- As could be expected, the median debt-to-income ratio was particularly high for homeowners with a mortgage, reaching 270% in 2018, after 239% in 2014 and 171% in 2010.
- Across the net wealth distribution, this ratio was highest in the second quintile, reaching 290% in 2018 after 280% in 2014 and 263% in 2010. For higher net wealth quintiles, this ratio generally tends to decline.
- Widowed households have known a sharp increase (doubled from 2014 to 2018) of the median debt-to-income ratio.

The **median debt-to-income ratio** was **96.0% in 2018** compared to 114.1% in 2014 and 86.9% in 2010.

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- Across the net wealth distribution, this ratio was highest in the second quintile, reaching 290% in 2018 after 280% in 2014 and 263% in 2010. For higher net wealth quintiles, this ratio generally tends to decline.
- Widowed households have known a sharp increase (doubled from 2014 to 2018) of the median debt-to-income ratio.

In terms of the most prevalent types of debt in Luxembourg:

- In 2018, the share of mortgage debt in total debt was 91.3%, only marginally higher than in 2014 (91.1%).
- The share of non-mortgage debt in total debt was 8.6% in 2018, which is comparable to 2014 when it was 8.9%.
- Analysing the individual components of non-mortgage debt suggests that the share of households with overdraft debt declined (from 8.8% in 2014 to 6.8% in 2018), while the share of households with credit card debt did not change significantly compared to 2014 (from 5.5% to 5.3%).

The full national and regional level data identified for this report is in ANNEX B: Complementary national statistical data.

³⁸²Central Bank of Luxembourg (2021). 3. Household indebtedness in Luxembourg. Available at: https://www.bcl.lu/fr/publications/revue_stabilite/rfs-2021/RSF-2021_04_CHAPTER4_ANALYSE_3.pdf

³⁸³Chen et al. (2020). The Luxembourg Household Finance and Consumption Survey: results from the third wave. Available at: <https://www.bcl.lu/en/Research/publications/Working-papers/142/index.html>

19.2 Results of the debt advisor survey

According to the debt advisors consulted in Luxembourg:

- The absolute majority (79%) of the over-indebted households had **consumer loans**.
- **Expenses related to property** stand out as the key expense driving over-indebtedness.
- **Increase in cost of living and unexpected events** are the most relevant sociodemographic factors when looking at over-indebtedness.

In terms of the sociodemographic factors:

- **Level of income** stands out as the key sociodemographic factor driving over-indebtedness.

Furthermore:

- The majority (58%) of the debt advice beneficiaries are living in **urban areas**.
- The absolute majority (78%) of the debt advice beneficiaries are **men**.
- The absolute majority (86%) of the debt advice beneficiaries are **employed**.
- Most of the debt advice beneficiaries have either **basic** (38%) or **no to little level of formal education** (33%).
- More than one-third (38%) of the debt advice beneficiaries are **single person households with children** followed by **partner households without children** (25%).
- **Sudden loss of income** (48%) is the most impactful sudden change in life in terms of the over-indebtedness.
- Contrary to the EU-level results, **lower and middle-income households** are more likely to be debt advice beneficiaries.
- **Middle-aged** (35-54 year old) households are more likely to be over-debt advice beneficiaries.

Survey results		
1. Main financial source of debt ³⁸⁴	Luxemb ourg	EU
Mortgage	10%	22%
Consumer loan	79%	42%
Credit card ³⁸⁵	8%	22%
Informal sources of funds	4%	13%
2. Main expenses leading to over-indebtedness ³⁸⁶		
Daily expenses (i.e. food, bills, childcare, etc)	3.0	3.1
Property (rent or purchase)	4.0	3.4
Big ticket items (i.e. cars, education, appliances)	3.0	3.0
Lifestyle expenses (luxury or expensive habits)	1.5	2.5
Addictive behaviours (gambling, alcohol, drugs, or similar)	1.5	3.0
3. Main drivers behind the need for debt ³⁸⁷		
Increase in cost of living	4.0	3.1
Decrease in income	3.5	3.4
Increase in cost of debt	3.0	2.9
Credit availability ³⁸⁸	3.0	3.2
Unexpected events (loss of job, divorce, sickness, or others)	4.0	4.0
4. Most relevant sociodemographic factors when looking at over-indebtedness ³⁸⁹		
Geographic location	1.3	2.6
Age	2.7	2.9
Gender	1.5	2.4
Level of education	3.3	3.4
Level of income	3.9	3.6
Household size	1.6	2.9

³⁸⁴ Percentage of 100%.

³⁸⁵ Debt accumulated via interest rates and penalties when the consumer does not pay the company for the money they have spent i.e. overdraft

³⁸⁶ Average rate from 1 to 5.

³⁸⁷ Average rate from 1 to 5.

³⁸⁸ Type of credit, availability of credit, marketing practices

³⁸⁹ Based on their experience, debt advisors were asked to rate the impact of each sociodemographic category on over-indebtedness from 1 to 5 across the sub-groups of each sociodemographic profile. The numbers included in the table are average rates of each sociodemographic factor in the Member States mentioned, and at the EU level overall.

Employment status	3.0	3.5
Sudden changes in life	3.1	3.5
Profession	3.3	3.2
5. Share of the debt advice beneficiaries by the sociodemographic group³⁹⁰		
<i>Geographic location</i>		
Urban	58%	57%
Rural	43%	43%
<i>Gender</i>		
Men	52%	50%
Women	48%	50%
<i>Employment status</i>		
Employed	86%	50%
Unemployed	14%	50%
<i>Level of education</i>		
No to little formal education	33%	19%
Basic education	38%	49%
Intermediate education	25%	20%
Advanced education	5%	12%
<i>Household size</i>		
Single person household with no children	20%	27%
Partner household with no children	25%	17%
Single parents with children	38%	29%
Partner household with children	18%	26%
<i>Sudden changes in life</i>		
Sudden loss of income ³⁹¹	48%	36%
Increase in cost of living	15%	20%
Personal circumstances ³⁹²	13%	28%
Other	25%	16%
<i>Income group</i>		
Bottom 20%	18%	35%
20-40%	45%	27%
40-60%	29%	19%
60-80%	5%	12%
Top 20%	3%	7%
<i>Age</i>		
16-34	19%	13%
35-44	28%	19%
45-54	29%	46%
55-64	15%	11%
65-74	6%	7%
75+	4%	5%

³⁹⁰ Percentage of 100%.

³⁹¹ Unemployment, wage level, pandemics/lockdowns.

³⁹² Death/health issue in the family, number of dependents, divorce/family breakdown.

19.3 Annexes (EU level data & Complementary national statistical data)

ANNEX A: EU level data

ECB HFC (2017)		LUXEMBOURG			
		Luxembo urg (%)	EU (%)	Lowest ↓	Highest ↑
Percentage of households holding debt					
Total		53.2	42	19.7	58
By level of income					
Bottom 20%		32.8	24.1	8.1	35.7
20-40%		51.8	30.6	12.6	53.7
40-60%		52.6	41.1	15.1	59.9
60-80%		62.9	52.8	22.1	74.3
80-90%		66.1	59.4	22.8	83.1
90-100%		66.1	63.3	29	81.3
By age group					
16-34		68.0	50.7	13.8	75.7
35-44		67.0	61.3	26.2	82.1
45-54		66.6	56.5	27.2	78
55-64		47.0	42.5	17.7	64.5
65-74		30.1	25.4	9.4	44.6
75+		14.3	9.2	2.3	34.5
Shares of debt types on total liabilities % of total liabilities					
Mortgage		91.4	88.1	65.7	97.3
Non-mortgage debt		8.6	11.9	2.7	34.3
Of which: other		7.9	10.7	2	23.6
Credit line/ overdraft		0.6	1	0.1	9.5
Credit card debt		0.1	0.2	0.1	2
Median debt to income ratio					
Total		95.5	70.8	16.7	243
By level of income					
Bottom 20%		45.8	73.3	14	664.7
20-40%		35.2	47.4	8.3	253.8
40-60%		133.4	53.6	10.6	266.9
60-80%		133.3	77.6	13.8	260.7
80-90%		140.2	97.7	21.7	213.7
90-100%		88.0	80.4	17.9	174.4
By household size					
1		81.4	58.8	13.9	260.2
2		53.8	50	15.9	216.6
3		126.4	79.8	9.4	268.6
4		121.6	109.5	19.8	251.8
5+		148.2	91.3	11.7	268.6
By housing status					
Owners - outright		21.9	24.1	5.4	68.1
Owners - with mortgage		270.0	186.7	76.3	309.5
Renters		17.3	17.9	8.2	68.1
By age group					
16-34		188.4	56.7	16.7	257.7
35-44		229.6	143.5	26.7	315.7
45-54		88.1	79.5	11.7	248
55-64		54.5	54.8	9	181.3
65-74		19.2	30.7	5.5	252.5
75+		N	22.1	6	217.1
Median debt to assets ratio					
Total		19.4	25.5	4.8	52.1
By level of income					
Bottom 20%		28.7	37	3	94.9
20-40%		19.5	28.4	2.9	48.8
40-60%		23.4	27.8	4.5	54.4
60-80%		22.4	25.1	6.3	57.5
80-90%		19.6	24.7	8.8	52.6
90-100%		13.4	20.1	5.3	39.5
By household size					
1		27.3	32.9	2.6	55.8
2		10.6	17.8	3	42.3
3		25.5	27.1	4.7	58.2
4		20.6	27.3	5.6	56.9

	5+	21.0	30.1	3.5	57.1
<i>By housing status</i>					
	Owners - outright	2.0	3.7	0.9	7.4
	Owners - with mortgage	33.0	34.3	19.2	52.7
	Renters	36.4	40.3	22.9	104.6
<i>By age group</i>					
	16-34	47.8	52.9	20.9	75.6
	35-44	35.6	38.6	10.2	66
	45-54	14.5	21.6	3.8	54
	55-64	8.7	13.2	2.4	38.1
	65-74	1.5	8.6	1.5	34.5
	75+	N	5.5	1.3	27.4
Regular expenses less than income³⁹³					
	Total	65.2	40.2	15.5	65.2
<i>By level of income</i>					
	Bottom 20%	49.7	23.9	4	49.9
	20-40%	66.0	33.1	8.3	66
	40-60%	63.9	41.2	13.9	63.9
	60-80%	69.7	47.1	19.5	69.7
	80-90%	75.9	51.2	24.9	75.9
	90-100%	78.2	61.3	29.6	78.2
<i>By household size</i>					
	1	61.5	40.5	14.1	61.5
	2	70.9	43.5	18.5	70.9
	3	68.4	38.2	11.3	68.4
	4	65.8	37.3	13.2	65.8
	5+	54.7	32.9	9.7	54.7
<i>By housing status</i>					
	Owners - outright	67.8	42.2	17.9	67.8
	Owners - with mortgage	65.4	43.2	11	65.4
	Renters	61.5	36.8	11.4	61.5
<i>By age group</i>					
	16-34	59.4	41.1	9.4	61.9
	35-44	64.0	38.2	13.7	64
	45-54	66.1	40.4	13.5	66.1
	55-64	66.4	41.5	18.6	66.4
	65-74	72.8	42	16.7	72.8
	75+	63.2	38.3	10.4	63.2
% of households that have negative net wealth					
	Total	2.0	4.7	0.3	9.4
<i>By level of income</i>					
	Bottom 20%	4.6	6.9	0.3	16.1
	20-40%	2.4	5	0.2	12.9
	40-60%	1.2	5.4	0.8	10.8
	60-80%	1.3	3.8	0.3	10.8
	80-90%	0.1	3	0	10.8
	90-100%	0.6	1.7	0	6.1
<i>By household size</i>					
	1	2.2	5.4	0.2	12
	2	1.5	3.2	0.4	8
	3	2.4	5.7	0.3	13.1
	4	1.7	4.6	0.2	11.5
	5+	2.0	6.4	0	11.8
<i>By housing status</i>					
	Owners - outright	0.0	0.1	0	0.5
	Owners - with mortgage	1.2	4.6	0	16.3
	Renters	5.3	9.4	1.7	24.9
<i>By age group</i>					
	16-34	3.8	10.6	0.6	25.6
	35-44	3.2	6.4	0	15.4
	45-54	0.6	5	0.3	11
	55-64	2.0	3.8	0.2	8.8
	65-74	1.1	2.3	0.4	3.9
	75+	0.7	0.5	0	5.1

³⁹³ Oppositely to the other indicators from the ECB HCF survey, the higher share of households with regular expenses less than income is considered a positive result.

ANNEX B: Complementary national statistical data

Total household debt, participation rate by household characteristic	2010	2014	2018
Total	58.3	54.6	53.2
<i>Gender</i>			
Male	59.6	55.6	52.4
Female	56.6	53.1	54.3
<i>Age of reference person</i>			
16-34	70.3	65.8	68.6
35-44	77.8	67.1	66.2
45-54	70.1	68.5	67.7
55-64	54.9	55.6	44.4
65+	16.2	17.0	21.7
<i>Civil status</i>			
Single	60.2	51.7	49.9
Couple	63.8	61.3	60.6
Divorced	64.3	59.5	54.6
Widowed	12.7	20.5	18.9
<i>Country of birth</i>			
Belgium	66.3	57.1	56.1
Germany	51.4	53.2	40.9
France	53.6	63.7	50.9
Italy	59.9	55.4	44.9
Luxembourg	56.2	53.4	53.2
Portugal	64.6	54.6	58.5
Other countries	62.9	53.7	52.4
<i>Education level</i>			
Low (ISCED=0:2)	52.0	40.8	45.6
Middle (ISCED=3,4)	56.8	57.3	54.4
High (ISCED=5,6 or 5:8)	69.3	64.3	57.4
<i>Employment status</i>			
Employed	73.1	68.0	65.2
Self-employed	71.5	64.2	76.3
Unemployed	44.7	49.8	41.4
Retired	26.2	29.7	27.4
Other	50.2	41.4	44.0
<i>Housing status</i>			
Owner-outright	29.6	29.2	33.0
Owner with mortgage	100.0	100.0	100.0
Renter or other	46.8	43.9	40.1

Total mortgage debt, participation rate by household characteristic	2010	2014	2018
---	------	------	------

All households	38.8	35.2	31.2
<i>Gender</i>			
Male	38.7	35.8	31.3
Female	38.8	34.4	31.2
<i>Age of reference person</i>			
16-34	44.9	39.7	37.3
35-44	58.7	51.9	47.9
45-54	47.7	46.9	44.2
55-64	31.0	31.5	22.2
65+	7.6	5.6	5.8
<i>Civil status</i>			
Single	35.6	32.4	27.0
Couple	46.1	42.6	38.8
Divorced	38.3	34.0	28.8
Widowed	5.5	6.6	5.3
<i>Country of birth</i>			
Belgium	42.3	36.9	38.3
Germany	34.4	51.6	38.7
France	26.7	42.8	26.8
Italy	36.6	29.5	19.4
Luxembourg	39.4	33.9	33.1
Portugal	36.7	36.2	33.1
Other countries	44.9	32.1	25.8
<i>Education level</i>			
Low (ISCED=0:2)	29.7	24.8	20.1
Middle (ISCED=3,4)	37.9	33.6	30.5
High (ISCED=5,6 or 5:8)	52.4	47.3	39.9
<i>Employment status</i>			
Employed	51.7	48.1	42.4
Self-employed	52.5	52.2	51.5
Unemployed	24.6	22.3	13.0
Retired	13.1	12.5	7.9
Other	25.7	18.9	24.2
<i>Housing status</i>			
Owner-outright	6.6	6.4	5.6
Owner with mortgage	100.0	100.0	100.0
Renter or other	11.3	11.3	6.6

20 Malta

20.1 Statistics on households' over-indebtedness

Based on the debt to income ratio, general household indebtedness in Malta seems to be higher than the EU average (Malta 110.6% to EU 70.8%), yet the indicators related to household over-indebtedness (i.e. arrears, regular expenses less than income, negative wealth) seem to show that households in Malta are less overindebted compared to the average EU household.

There is no legal definition of over-indebtedness in Malta. In addition, regional/local analysis of households' over-indebtedness in Malta is not possible due to the absence of such data. A more detailed analysis of the indicators of the household (over) indebtedness, and an overview of the impact of over-indebtedness on the different household groups in Malta are available in the chapters below.

EU level data

This section concentrates on the analysis of the selected EU-level statistical indicators on household over-indebtedness in Malta, this includes:

- Statistics on arrears and inability to face unexpected financial expenses (EU SILC data)³⁹⁴;
- Statistics concerning the share of households holding debt, liabilities, median to income/asset ratios, regular expenses less than income, and negative wealth³⁹⁵.

Statistics on arrears and inability to face unexpected financial expenses (EU SILC data)

Overall, the proportion of households in arrears in Malta is **lower to the EU average**.

On the positive side:

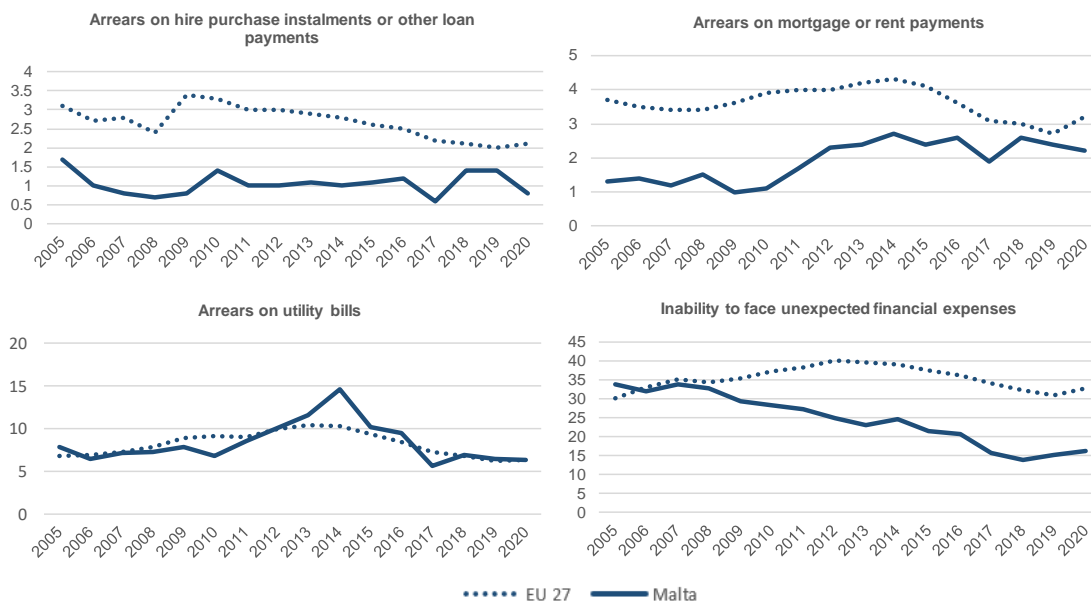
- The share of households in arrears on hire purchase **instalments or other loan payments** in Malta has been in decline since 2013 and it has slightly decreased from 1.1% to 0.8% in 2020 which is 1.3% less than the EU average.
- The share of households in arrears on **mortgage or rent payments** has been regularly low during the period from 2005 to 2020.
- The share of households in arrears on **utility bills** in Malta has reached the EU average (6.3%), following a decline similar to the EU average.
- Households in Malta are able to **face unexpected financial expenses** significantly better than the average EU household³⁹⁶. Nonetheless, starting from 2018 there has been a slightly negative trend in this regard.

A full overview of the statistics mentioned above from 2005 to 2020 is available below.

³⁹⁴ Data from 2005 to 2020. Indicators used: ilc_md04, ilc_md06, ilc_md07, and ilc_md08.

³⁹⁵ Anonymised microdata from 2017 wave made available in March 2020. Note: the report for the next wave in 2020 is expected to be released in the last quarter of 2022.

³⁹⁶ Results from 2020, Inability to face unexpected financial expenses: Malta = 16.3%, EU = 32.8%.



Findings from the ECB Household Finance and Consumption Survey

According to the ECB Household Finance and Consumption Survey, in 2017, the share of **households holding debt in Malta (34.3%) was lower than the EU average (42%)**.

- This was the case across all age and income groups, except for households younger than 35 years³⁹⁷ and to the households belonging to the upper 10% level of income³⁹⁸.

In terms of the debt types, Malta is also **similar to the rest of the EU with mortgages being the main source of household debt** (Malta 87.5% to EU 88.1%).

- The share of households in Malta with debt related to credit line/ overdraft³⁹⁹, and credit card debt⁴⁰⁰ is significantly higher compared with the EU average.
- At the same time, there is a higher share of households in Malta with debts related to other loans not collateralised on a household's real estate property.

In 2017, the total **median debt to income ratio** of the indebted households in Malta **was significantly higher than the EU average** (Malta 110.6% to EU 70.8%), however, the total share of households in Malta with **regular expenses less than their income**⁴⁰¹ was slightly higher than the EU average (Malta 45.6% to EU 40.2%).

On the other hand, the **total median debt to assets ratio** is **lower in Malta compared with the EU average** (Malta 13.5%; EU 25.5%) across most of the population segments. In addition, the share of households in Malta with **negative wealth**⁴⁰² is considerably lower than the EU average (Malta 0.3% to EU 4.7%).

Full details of the ECB Household Finance and Consumption Survey are in ANNEX A: EU level data, findings from ECB HFC (2017).

³⁹⁷ Malta 59.2% to EU 50.7%

³⁹⁸ Malta 67.9% to EU 63.3%.

³⁹⁹ Malta 4.7% to EU 1%.

⁴⁰⁰ Malta 0.8% to EU 0.2%.

⁴⁰¹ Oppositely to the other indicators from the ECB HCF survey, the higher share of households with regular expenses less than income is considered a positive result.

⁴⁰² Net wealth is the difference between total household assets and total household liabilities. Negative net wealth means the household has more total liabilities than total assets.

20.1 Results of the debt advisor survey

According to the debt advisors consulted in Malta:

- Most of the over-indebted households had **consumer loans and mortgages** (43% each).
- **Expenses related to property, big ticket items and addictive behaviours** are the key expenses driving over-indebtedness.
- There seems to be **no consensus** on what are the most significant drivers behind the need for debt.
- **Level of income and age** are the most relevant sociodemographic factors when looking at over-indebtedness.

Furthermore:

- All of the debt advice beneficiaries are living in **urban areas**.
- The absolute majority (90%) of the debt advice beneficiaries are **men**.
- The majority (86%) of the debt advice beneficiaries are **unemployed**.
- Debt advice beneficiaries have either **no to little level** (70%) or **basic level of education** (30%).
- Most of the debt advice beneficiaries are either **single person households with children** or **partner households with children** (38% each).
- **Sudden loss of income** (67%) is the most impactful sudden change in life in terms of the over-indebtedness.
- **Lower-income households** are more likely to be debt advice beneficiaries.
- **Middle-aged** (35-54 year old) households are more likely to be debt advice beneficiaries.

Survey results		
1. Main financial source of debt⁴⁰³	Malta	EU
Mortgage	43%	22%
Consumer loan	43%	42%
Credit card ⁴⁰⁴	0%	22%
Informal sources of funds	14%	13%
2. Main expenses leading to over-indebtedness⁴⁰⁵		
Daily expenses (i.e. food, bills, childcare, etc)	3.0	3.1
Property (rent or purchase)	5.0	3.4
Big ticket items (i.e. cars, education, appliances)	5.0	3.0
Lifestyle expenses (luxury or expensive habitudes)	4.0	2.5
Addictive behaviours (gambling, alcohol, drugs, or similar)	5.0	3.0
3. Main drivers behind the need for debt⁴⁰⁶		
Increase in cost of living	5.0	3.1
Decrease in income	5.0	3.4
Increase in cost of debt	4.0	2.9
Credit availability ⁴⁰⁷	5.0	3.2
Unexpected events (loss of job, divorce, sickness, or others)	5.0	4.0
4. Most relevant sociodemographic factors when lookin at over-indebtedness⁴⁰⁸		
Geographic location	3.8	2.6
Age	4.3	2.9
Gender	2.9	2.4
Level of education	3.9	3.4
Level of income	4.5	3.6
Household size	3.3	2.9
Employment status	3.9	3.5
Sudden changes in life	3.8	3.5
Profession	3.6	3.2
5. Share of the debt advice beneficieries by the sociodemographic group⁴⁰⁹		
<i>Geographic location</i>		

⁴⁰³ Percentage of 100%.

⁴⁰⁴ Debt accumulated via interest rates and penalties when the consumer does not pay the company for the money they have spent i.e. overdraft

⁴⁰⁵ Average rate from 1 to 5.

⁴⁰⁶ Average rate from 1 to 5.

⁴⁰⁷ Type of credit, availability of credit, marketing practices

⁴⁰⁸ Based on their experience, debt advisors were asked to rate the impact of each sociodemographic category on over-indebtedness from 1 to 5 across the sub-groups of each sociodemographic profile. The numbers included in the table are average rates of each sociodemographic factor in the Member States mentioned, and at the EU level overall.

⁴⁰⁹ Percentage of 100%.

	Urban	100%	57%
	Rural	0%	43%
<i>Gender</i>			
	Men	90%	50%
	Women	10%	50%
<i>Employment status</i>			
	Employed	40%	50%
	Unemployed	60%	50%
<i>Level of education</i>			
	No to little formal education	70%	19%
	Basic education	30%	49%
	Intermediate education	0%	20%
	Advanced education	0%	12%
<i>Household size</i>			
	Single person household with no children	8%	27%
	Partner household with no children	15%	17%
	Single parents with children	38%	29%
	Partner household with children	38%	26%
<i>Sudden changes in life</i>			
	Sudden loss of income ⁴¹⁰	67%	36%
	Increase in cost of living	22%	20%
	Personal circumstances ⁴¹¹	11%	28%
	Other	0%	16%
<i>Income group</i>			
	Bottom 20%	39%	35%
	20-40%	33%	27%
	40-60%	22%	19%
	60-80%	6%	12%
	Top 20%	0%	7%
<i>Age</i>			
	16-34	0%	13%
	35-44	45%	19%
	45-54	36%	46%
	55-64	18%	11%
	65-74	0%	7%
	75+	0%	5%

⁴¹⁰ Unemployment, wage level, pandemics/lockdowns.

⁴¹¹ Death/health issue in the family, number of dependents, divorce/family breakdown.

20.2 Annexes (EU level data & Complementary national statistical data)

ANNEX A: EU level data

MALTA		Malta (%)	EU (%)	Lowest ↓	Highest ↑
ECB HFC (2017)					
Percentage of households holding debt					
Total		34.3	42	19.7	58
<i>By level of income</i>					
Bottom 20%		8.1	24.1	8.1	35.7
20-40%		15.4	30.6	12.6	53.7
40-60%		38.6	41.1	15.1	59.9
60-80%		50.8	52.8	22.1	74.3
80-90%		50.1	59.4	22.8	83.1
90-100%		67.9	63.3	29	81.3
<i>By age group</i>					
16-34		59.2	50.7	13.8	75.7
35-44		61.2	61.3	26.2	82.1
45-54		39.3	56.5	27.2	78
55-64		27.5	42.5	17.7	64.5
65-74		9.4	25.4	9.4	44.6
75+		2.3	9.2	2.3	34.5
Shares of debt types on total liabilities % of total liabilities					
Mortgage		87.5	88.1	65.7	97.3
Non-mortgage debt		12.5	11.9	2.7	34.3
Of which: other		7.0	10.7	2	23.6
Credit line/ overdraft		4.7	1	0.1	9.5
Credit card debt		0.8	0.2	0.1	2
Median debt to income ratio					
Total		110.6	70.8	16.7	243
<i>By level of income</i>					
Bottom 20%		N	73.3	14	664.7
20-40%		157.3	47.4	8.3	253.8
40-60%		116.6	53.6	10.6	266.9
60-80%		96.1	77.6	13.8	260.7
80-90%		138.6	97.7	21.7	213.7
90-100%		110.6	80.4	17.9	174.4
<i>By household size</i>					
1		N	58.8	13.9	260.2
2		156.1	50	15.9	216.6
3		110.6	79.8	9.4	268.6
4		37.6	109.5	19.8	251.8
5+		124.1	91.3	11.7	268.6
<i>By housing status</i>					
Owners - outright		20.7	24.1	5.4	68.1
Owners - with mortgage		221.7	186.7	76.3	309.5
Renters		23.0	17.9	8.2	68.1
<i>By age group</i>					
16-34		243.7	56.7	16.7	257.7
35-44		156.1	143.5	26.7	315.7
45-54		43.9	79.5	11.7	248
55-64		23.0	54.8	9	181.3
65-74		N	30.7	5.5	252.5
75+		N	22.1	6	217.1
Median debt to assets ratio					
Total		13.5	25.5	4.8	52.1
<i>By level of income</i>					
Bottom 20%		N	37	3	94.9
20-40%		N	28.4	2.9	48.8
40-60%		16.2	27.8	4.5	54.4
60-80%		14.2	25.1	6.3	57.5
80-90%		14.9	24.7	8.8	52.6
90-100%		13.5	20.1	5.3	39.5
<i>By household size</i>					
1		N	32.9	2.6	55.8
2		28.5	17.8	3	42.3
3		16.6	27.1	4.7	58.2
4		5.6	27.3	5.6	56.9

	5+	15.1	30.1	3.5	57.1
<i>By housing status</i>					
	Owners - outright	1.8	3.7	0.9	7.4
	Owners - with mortgage	25.5	34.3	19.2	52.7
	Renters	N	40.3	22.9	104.6
<i>By age group</i>					
	16-34	39.4	52.9	20.9	75.6
	35-44	21.1	38.6	10.2	66
	45-54	3.9	21.6	3.8	54
	55-64	2.6	13.2	2.4	38.1
	65-74	N	8.6	1.5	34.5
	75+	N	5.5	1.3	27.4
Regular expenses less than income⁴¹²					
	Total	45.6	40.2	15.5	65.2
<i>By level of income</i>					
	Bottom 20%	25.4	23.9	4	49.9
	20-40%	45.9	33.1	8.3	66
	40-60%	42.3	41.2	13.9	63.9
	60-80%	47.2	47.1	19.5	69.7
	80-90%	66.2	51.2	24.9	75.9
	90-100%	68.6	61.3	29.6	78.2
<i>By household size</i>					
	1	42.8	40.5	14.1	61.5
	2	47.7	43.5	18.5	70.9
	3	50.6	38.2	11.3	68.4
	4	44.0	37.3	13.2	65.8
	5+	34.9	32.9	9.7	54.7
<i>By housing status</i>					
	Owners - outright	47.0	42.2	17.9	67.8
	Owners - with mortgage	53.1	43.2	11	65.4
	Renters	33.9	36.8	11.4	61.5
<i>By age group</i>					
	16-34	44.6	41.1	9.4	61.9
	35-44	51.4	38.2	13.7	64
	45-54	46.9	40.4	13.5	66.1
	55-64	49.3	41.5	18.6	66.4
	65-74	43.3	42	16.7	72.8
	75+	34.0	38.3	10.4	63.2
% of households that have negative net wealth					
	Total	0.3	4.7	0.3	9.4
<i>By level of income</i>					
	Bottom 20%	0.3	6.9	0.3	16.1
	20-40%	0.2	5	0.2	12.9
	40-60%	0.8	5.4	0.8	10.8
	60-80%	0.3	3.8	0.3	10.8
	80-90%	0.0	3	0	10.8
	90-100%	0.0	1.7	0	6.1
<i>By household size</i>					
	1	0.2	5.4	0.2	12
	2	0.6	3.2	0.4	8
	3	0.3	5.7	0.3	13.1
	4	0.2	4.6	0.2	11.5
	5+	0.0	6.4	0	11.8
<i>By housing status</i>					
	Owners - outright	0.0	0.1	0	0.5
	Owners - with mortgage	0.0	4.6	0	16.3
	Renters	1.7	9.4	1.7	24.9
<i>By age group</i>					
	16-34	0.8	10.6	0.6	25.6
	35-44	0.0	6.4	0	15.4
	45-54	0.3	5	0.3	11
	55-64	0.2	3.8	0.2	8.8
	65-74	0.4	2.3	0.4	3.9
	75+	0.4	0.5	0	5.1

⁴¹² Oppositely to the other indicators from the ECB HCF survey, the higher share of households with regular expenses less than income is considered a positive result.

21 Netherlands

21.1 Statistics on households' over-indebtedness

Although the overall household indebtedness in the Netherlands seems to be outstandingly higher than the EU average (highest median debt to income and second highest gross debt to income ratios in the EU), indicators related to the over-indebtedness (arrears, inability to face financial outcomes, regular expenses less than income) seem to show that Dutch households are less over debt than the average EU household. Hence, even though the volume of household debt seems to be high, the over-indebtedness situation in the Netherlands seems rather good.

Even though there is no official legal term of over-indebtedness in the Netherlands, Central Bureau of Statistics in the Netherlands use specific definition of households with problematic debts⁴¹³ and have the whole database dedicated to analyse the households with problematic debts. Household groups that are the most likely to have problematic debts in the Netherlands are unemployed households receiving social benefits, lower income, middle-aged, and non-European background households. Rotterdam is the municipality (15.5%) and Groningen is the region (9%) with the highest share of households with problematic debt in the Netherlands

A more detailed analysis of the indicators of the household (over) indebtedness, and an overview of the impact of over-indebtedness on the different household groups in the Netherlands are available in the chapters below.

EU level data

This section concentrates on the analysis of the selected EU-level statistical indicators on household over-indebtedness in the Netherlands, this includes:

- Statistics on arrears and inability to face unexpected financial expenses (EU SILC data)⁴¹⁴;
- Gross debt-to-income ratio of households⁴¹⁵;
- Statistics concerning the share of households holding debt, liabilities, median to income/asset ratios, regular expenses less than income, and negative wealth⁴¹⁶.

Statistics on arrears and inability to face unexpected financial expenses (EU SILC data)

Overall, the proportion of households in arrears in the Netherlands is relatively **close to the EU average**.

⁴¹³ At least one person in the household meets at least one of the following criteria at the reference moment of the relevant reporting year (1 January or 1 October): -

- Follows a WSNP programme.
- Follows an amicable process registered with BKR.
- Has payment arrears registered with BKR.
- Has been included in the Central Trusteeship and Administration Register (CCBR) on the grounds of problematic debts.
- Has not paid the healthcare premium for at least six months.
- Has a tax debt that was irrecoverable in the 12 months prior to the reference moment. In addition, the outstanding amount must be at least 50 euros in total.
- Has a supplement debt of a total of at least 50 euros outstanding with the tax authorities for more than 27 months.
- Has a debt of a total of at least 50 euros for other tax assessments with the Tax Authorities for more than 15 months.
- Has a tax debt that was irrecoverable in the 12 months prior to the reference moment.
- Has payment arrears of 3 months or longer and of at least 270 euros.

⁴¹⁴ Data from 2005 to 2020. Indicators used: ilc_mdcs04, ilc_mdcs06, ilc_mdcs07, and ilc_mdcs08.

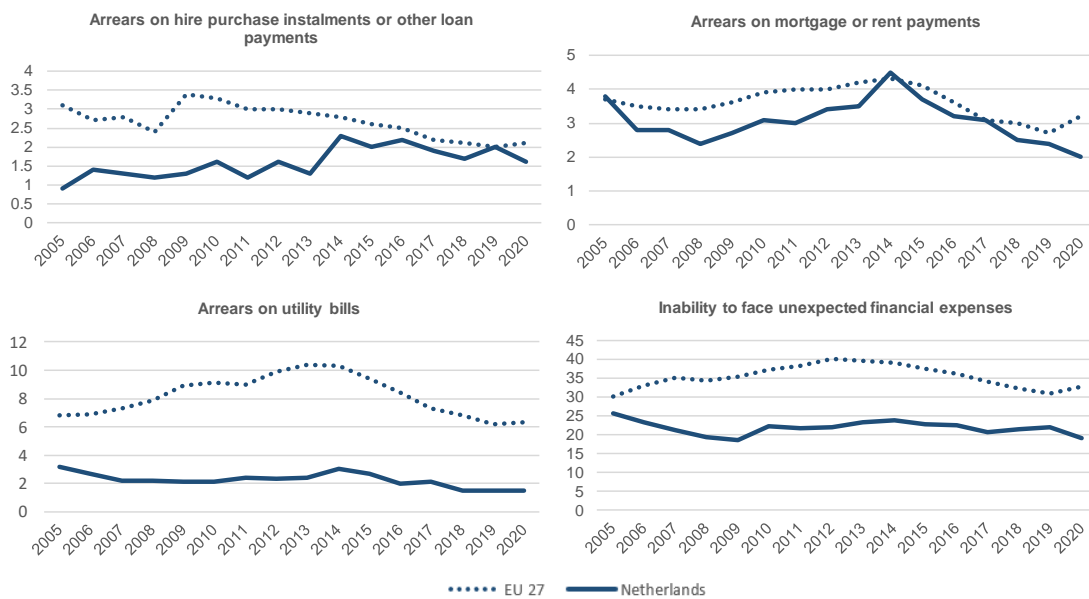
⁴¹⁵ Data from 2013 to 2020. Indicator used: tec00104.

⁴¹⁶ Anonymised microdata from 2017 wave made available in March 2020. Note: the report for the next wave in 2020 is expected to be released in the last quarter of 2022.

On the positive side:

- The share of households in arrears on hire purchase **instalments or other loan payments** in the Netherlands has seen a sharp rise in 2014 to 2.3 %, but in the years after that the country experienced a slight declining trend and it has decreased to 1.6% in 2020 which is 0.5% less than the EU average.
- The share of households in arrears on **utility bills** in the Netherlands (2.4%) is also below the EU average (6.3%), although compared to the EU, the trend in this area has been quite stagnant and the situation has improved only slightly since 2014.
- Households in the Netherlands are able to **face unexpected financial expenses** better than the average EU household⁴¹⁷, yet, once more, the situation in the EU, on average, has been improving at a faster rate than in the Netherlands.
- In 2020, the share of households in the Netherlands (2%) that had **arrears on mortgages** was considerably lower than the EU average (3.2%).

A full overview of the statistics mentioned above from 2005 to 2020 is available below.

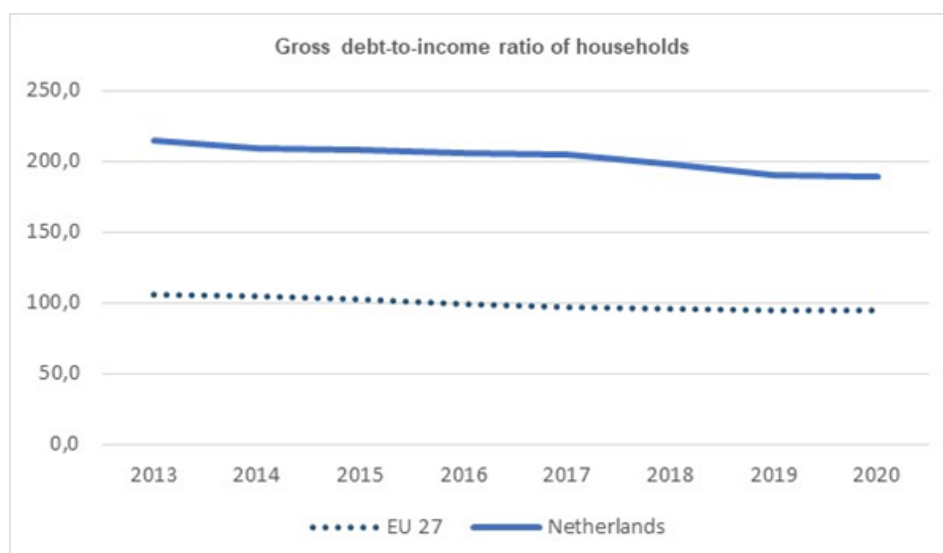


Gross debt-to-income ratio of households

Since **2018**, the **gross debt-to-income ratio of households in the Netherlands has been higher than the EU average.**

- Although extremely high, the gross debt-to-income ratio of households in the Netherlands has been steadily decreasing from 215% (EU: 105.7%) in 2013 to 189% (EU: 95.1%) in 2020, following the trend in the EU as a whole

⁴¹⁷ Results from 2020, Inability to face unexpected financial expenses: The Netherlands = 30.4%, EU = 32.8%.



Findings from the ECB Household Finance and Consumption Survey

According to the ECB Household Finance and Consumption Survey, in 2017, the share of **households holding debt in the Netherlands (57.8%) was a lot higher than the EU average (42%)**.

- This was the case across all age and income groups.⁴¹⁸

In terms of the debt types, the Netherlands is also **similar to the rest of the EU with mortgages being the main source of household debt** (the Netherlands 97.3% to EU 88.1%).

- The share of households in the Netherlands with debt related to credit line/ overdraft⁴¹⁹, and credit card debt⁴²⁰ is significantly smaller compared with the EU average.
- At the same time there is a much lower share of households in the Netherlands with debts related to consumer credit loans, private loans and other loans not collateralised on a household's real estate property.

In 2017, the total **median debt to income ratio** of the indebted households in the Netherlands **was considerably higher than the EU average** (the Netherlands 243% to EU 70.8%), nonetheless, in 2017, the total share of households in the Netherlands with **regular expenses less than their income**⁴²¹ was slightly higher than the EU average (the Netherlands 43% to EU 40.2%).

The **total median debt to assets ratio** is more than double **in the Netherlands compared with the EU average** (the Netherlands 52.1%; EU 25.5%) across most of the population segments. In addition, the share of households in the Netherlands with **negative wealth**⁴²² is double the EU average (the Netherlands 9.4% to EU 4.7%).

Full details of the ECB Household Finance and Consumption Survey are in ANNEX A: EU level data, findings from ECB HFC (2017).

⁴¹⁸ The Netherlands 23.1% to EU 24.1%.

⁴¹⁹ The Netherlands 0.4% to EU 1%.

⁴²⁰ The Netherlands 0.1% to EU 0.2%.

⁴²¹ Oppositely to the other indicators from the ECB HFC survey, the higher share of households with regular expenses less than income is considered a positive result.

⁴²² Net wealth is the difference between total household assets and total household liabilities. Negative net wealth means the household has more total liabilities than total assets.

National level data

To provide a broader overview of the level of over-indebtedness across different household categories in The Netherlands, the study relies on data aggregated by the Central Bureau for Statistics (CBS) conducted in 2020⁴²³. The CBS uses the term problematic debt to define over-indebtedness in the Netherlands. The data shows that:

- **Unemployed households** are more likely to have problematic debts compared with employed households.
- Households with income from wages as self-employed persons, unemployment, social assistance, and disability or sickness benefits are more likely to have problematic debts compared with households that receive their income from salaries as employees, pensioners or students. In particular, households that receive **their income from social assistance benefits are most likely**⁴²⁴, while the **pensioners are the least likely to have problematic debts**⁴²⁵.
- Households working in the sectors of transport and storage, hospitality, business services are more likely to have problematic debts compared with households working in the sectors of agriculture and industry, trade, government and healthcare, and culture, sport and recreation. In particular, households working in **the business services sector are the most likely**⁴²⁶, while the households working in the **government and healthcare are the least likely** to have problematic debts⁴²⁷
- In terms of the level of income, **households with the annual income of less than 20 thousand EUR are more likely** have problematic debts compared with households with the annual income of more than EUR 20,000. Specifically, household with the annual income from EUR 10,000 to EUR 15,000 are the most likely⁴²⁸, while the households with the annual income of EUR 75 000 or more are the least likely to have problematic debts⁴²⁹
- Regarding the level of education, households **with low and mid-level of education seem to be more likely** to have problematic debts compared with households with high level of education.
- **Middle age households have more problems with debt** compared with the youngest (16 to 25 years) and oldest (65 years or older) age households.
- **Non-Dutch background (especially non-Western migration background)** households are likely to face problematic debts more often than Dutch-background households.

In terms of the **345 municipalities in The Netherlands**:

- On average, around 6.4% of the households in the Netherlands are registered to face problematic debts.
- The municipalities with the **highest number of cases of over-indebtedness** of its households were **Rotterdam (15.5%), Schiedam (13.7%), Lelystad (13.4%) and Den Haag (13.3%)**. On the other end of the spectrum, **Rozendaal, Bunnik and Veere** have the **least cases of over-indebtedness** with just 1.3%, 2.5% and 2.9% respectively of its households facing problematic debts.
- When aggregating these results **regionally**, **Groningen** seems to be the province with the **highest level of households with problematic debts** (9%), while households in **Utrecht and North Brabant** (5.2% both) seem to be provinces with the **lowest share of households** with problematic debt.

⁴²³ Centraal Bureau voor de Statistiek (CBS) (2020). Schuldenproblematiek in beeld. Available at: <https://dashboards.cbs.nl/v3/SchuldenproblematiekInBeeld/>

⁴²⁴ 18% out of total number of households with registered problematic debts, and 4.4% out of total number of households without problematic debts

⁴²⁵ 8.5% out of total number of households with registered problematic debts, and 27.6% out of total number of households without problematic debts

⁴²⁶ 11.4% out of total number of households with registered problematic debts, and 8.8% out of total number of households without problematic debts

⁴²⁷ 7.6% out of total number of households with registered problematic debts, and 12.7% out of total number of households without problematic debts

⁴²⁸ 15.8% out of total number of households with registered problematic debts, and 4.9% out of total number of households without problematic debts

⁴²⁹ 0.6% out of total number of households with registered problematic debts, and 2.1% out of total number of households without problematic debts

The full national and regional level data identified for this report is in ANNEX B: Complementary national statistical data.

21.1 Results of the debt advisor survey

According to the debt advisors consulted in the Netherlands:

- Contrary to the EU-level findings, most of the over-indebted households had **informal sources of funds** and **consumer loans** (30% each).
- **Expenses related to property and big ticket items** are the key expenses driving over-indebtedness.
- **Increase in cost of living, unexpected events and increase in cost of debt** are the most significant drivers behind the need for debt.
- **Sudden changes in life and employment status** are the most relevant sociodemographic factors when looking at over-indebtedness.

Furthermore:

- The majority (62%) of the debt advice beneficiaries are living **in rural areas**.
- The majority (62%) of the debt advice beneficiaries are **men**.
- The majority (55%) of the debt advice beneficiaries are **employed**.
- Contrary to the EU-level results, when it comes to level of education, there seems to be **no consensus** on what kind of households are the most likely to be debt advice beneficiaries.
- Most of the debt advice beneficiaries are either **single person households with children** (36%) or **single person households without children** (30%).
- **Personal circumstances** (41%) and **sudden loss of income** (32%) are the most impactful sudden change in life in terms of the over-indebtedness.
- **Lower-income households** are more likely to be debt advice beneficiaries.
- **Middle-aged** (35-54 year old) together with **young households** (16-34 year old) are the most likely households to be debt advice beneficiaries.

Survey results		
1. Main financial source of debt ⁴³⁰	Netherlands	EU
Mortgage	25%	22%
Consumer loan	30%	42%
Credit card ⁴³¹	14%	22%
Informal sources of funds	30%	13%
2. Main expenses leading to over-indebtedness ⁴³²		
Daily expenses (i.e. food, bills, childcare, etc)	2.5	3.1
Property (rent or purchase)	3.0	3.4
Big ticket items (i.e. cars, education, appliances)	2.8	3.0
Lifestyle expenses (luxury or expensive habits)	2.3	2.5
Addictive behaviours (gambling, alcohol, drugs, or similar)	2.5	3.0
3. Main drivers behind the need for debt ⁴³³		
Increase in cost of living	3.7	3.1
Decrease in income	3.0	3.4
Increase in cost of debt	3.5	2.9
Credit availability ⁴³⁴	3.2	3.2
Unexpected events (loss of job, divorce, sickness, or others)	3.7	4.0
4. Most relevant sociodemographic factors when looking at over-indebtedness ⁴³⁵		
Geographic location	2.7	2.6
Age	3.0	2.9

⁴³⁰ Percentage of 100%.

⁴³¹ Debt accumulated via interest rates and penalties when the consumer does not pay the company for the money they have spent i.e. overdraft

⁴³² Average rate from 1 to 5.

⁴³³ Average rate from 1 to 5.

⁴³⁴ Type of credit, availability of credit, marketing practices

⁴³⁵ Based on their experience, debt advisors were asked to rate the impact of each sociodemographic category on over-indebtedness from 1 to 5 across the sub-groups of each sociodemographic profile. The numbers included in the table are average rates of each sociodemographic factor in the Member States mentioned, and at the EU level overall.

Gender	2.4	2.4
Level of education	3.3	3.4
Level of income	3.3	3.6
Household size	2.6	2.9
Employment status	3.6	3.5
Sudden changes in life	3.9	3.5
Profession	3.1	3.2
5. Share of the debt advice beneficiaries by the sociodemographic group⁴³⁶		
<i>Geographic location</i>		
Urban	38%	57%
Rural	62%	43%
<i>Gender</i>		
Men	63%	50%
Women	38%	50%
<i>Employment status</i>		
Employed	55%	50%
Unemployed	45%	50%
<i>Level of education</i>		
No to little formal education	31%	19%
Basic education	20%	49%
Intermediate education	27%	20%
Advanced education	22%	12%
<i>Household size</i>		
Single person household with no children	30%	27%
Partner household with no children	18%	17%
Single parents with children	36%	29%
Partner household with children	17%	26%
<i>Sudden changes in life</i>		
Sudden loss of income ⁴³⁷	32%	36%
Increase in cost of living	27%	20%
Personal circumstances ⁴³⁸	41%	28%
Other	0%	16%
<i>Income group</i>		
Bottom 20%	38%	35%
20-40%	24%	27%
40-60%	20%	19%
60-80%	12%	12%
Top 20%	5%	7%
<i>Age</i>		
16-34	20%	13%
35-44	25%	19%
45-54	19%	46%
55-64	13%	11%
65-74	13%	7%
75+	10%	5%

⁴³⁶ Percentage of 100%.

⁴³⁷ Unemployment, wage level, pandemics/lockdowns.

⁴³⁸ Death/health issue in the family, number of dependents, divorce/family breakdown.

21.2 Annexes (EU level data & Complementary national statistical data)

ANNEX A: EU level data

ECB HFC (2017)		THE NETHERLANDS			
		Netherla nds (%)	EU (%)	Lowest ↓	Highest ↑
1. Percentage of households holding debt					
Total		57.8	42	19.7	58
<i>By level of income</i>					
	Bottom 20%	35.7	24.1	8.1	35.7
	20-40%	48.0	30.6	12.6	53.7
	40-60%	56.7	41.1	15.1	59.9
	60-80%	72.2	52.8	22.1	74.3
	80-90%	77.4	59.4	22.8	83.1
	90-100%	75.4	63.3	29	81.3
<i>By age group</i>					
	16-34	46.0	50.7	13.8	75.7
	35-44	74.1	61.3	26.2	82.1
	45-54	71.6	56.5	27.2	78
	55-64	64.5	42.5	17.7	64.5
	65-74	44.6	25.4	9.4	44.6
	75+	34.5	9.2	2.3	34.5
2. Shares of debt types on total liabilities % of total liabilities					
	Mortgage	97.3	88.1	65.7	97.3
	Non-mortgage debt	2.7	11.9	2.7	34.3
	Of which: other	2.0	10.7	2	23.6
	Credit line/ overdraft	0.7	1	0.1	9.5
	Credit card debt	0.1	0.2	0.1	2
3. Median debt to income ratio					
Total		243.0	70.8	16.7	243
<i>By level of income</i>					
	Bottom 20%	654.4	73.3	14	664.7
	20-40%	253.8	47.4	8.3	253.8
	40-60%	266.9	53.6	10.6	266.9
	60-80%	260.7	77.6	13.8	260.7
	80-90%	213.7	97.7	21.7	213.7
	90-100%	152.4	80.4	17.9	174.4
<i>By household size</i>					
	1	260.2	58.8	13.9	260.2
	2	216.6	50	15.9	216.6
	3	268.6	79.8	9.4	268.6
	4	238.4	109.5	19.8	251.8
	5+	268.6	91.3	11.7	268.6
<i>By housing status</i>					
	Owners - outright	N	24.1	5.4	68.1
	Owners - with mortgage	284.6	186.7	76.3	309.5
	Renters	15.4	17.9	8.2	68.1
<i>By age group</i>					
	16-34	257.7	56.7	16.7	257.7
	35-44	315.7	143.5	26.7	315.7
	45-54	240.7	79.5	11.7	248
	55-64	181.3	54.8	9	181.3
	65-74	209.7	30.7	5.5	252.5
	75+	217.1	22.1	6	217.1
4. Median debt to assets ratio					
Total		52.1	25.5	4.8	52.1
<i>By level of income</i>					
	Bottom 20%	50.2	37	3	94.9
	20-40%	48.8	28.4	2.9	48.8
	40-60%	54.4	27.8	4.5	54.4
	60-80%	57.5	25.1	6.3	57.5
	80-90%	52.6	24.7	8.8	52.6
	90-100%	39.5	20.1	5.3	39.5
<i>By household size</i>					
	1	55.8	32.9	2.6	55.8
	2	42.3	17.8	3	42.3
	3	58.2	27.1	4.7	58.2
	4	56.9	27.3	5.6	56.9

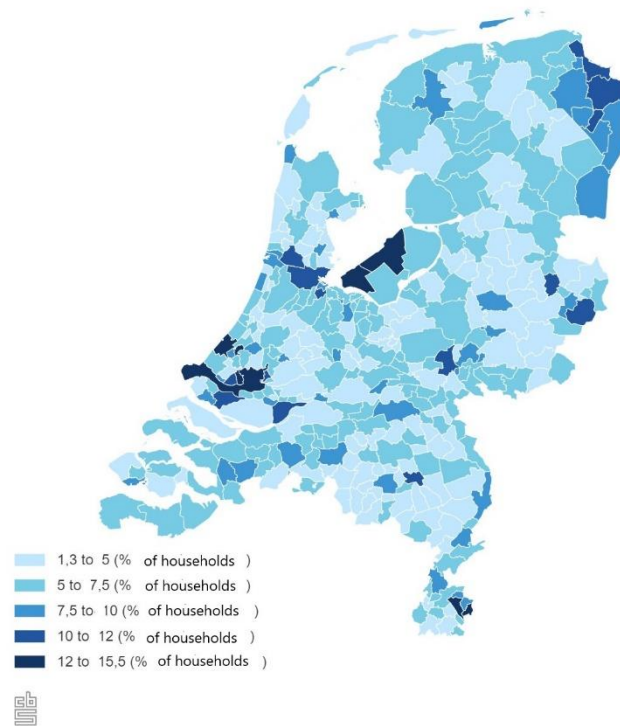
	5+	57.1	30.1	3.5	57.1
<i>By housing status</i>					
	Owners - outright	3.3	3.7	0.9	7.4
	Owners - with mortgage	52.7	34.3	19.2	52.7
	Renters	57.8	40.3	22.9	104.6
<i>By age group</i>					
	16-34	69.1	52.9	20.9	75.6
	35-44	66.0	38.6	10.2	66
	45-54	54.0	21.6	3.8	54
	55-64	38.1	13.2	2.4	38.1
	65-74	34.5	8.6	1.5	34.5
	75+	27.4	5.5	1.3	27.4
5. Regular expenses less than income⁴³⁹					
	Total	43.0	40.2	15.5	65.2
<i>By level of income</i>					
	Bottom 20%	24.9	23.9	4	49.9
	20-40%	36.1	33.1	8.3	66
	40-60%	42.4	41.2	13.9	63.9
	60-80%	48.5	47.1	19.5	69.7
	80-90%	61.0	51.2	24.9	75.9
	90-100%	63.9	61.3	29.6	78.2
<i>By household size</i>					
	1	38.4	40.5	14.1	61.5
	2	47.8	43.5	18.5	70.9
	3	40.9	38.2	11.3	68.4
	4	45.3	37.3	13.2	65.8
	5+	44.6	32.9	9.7	54.7
<i>By housing status</i>					
	Owners - outright	54.8	42.2	17.9	67.8
	Owners - with mortgage	50.4	43.2	11	65.4
	Renters	31.7	36.8	11.4	61.5
<i>By age group</i>					
	16-34	40.6	41.1	9.4	61.9
	35-44	46.7	38.2	13.7	64
	45-54	43	40.4	13.5	66.1
	55-64	42.4	41.5	18.6	66.4
	65-74	42.9	42	16.7	72.8
	75+	42.2	38.3	10.4	63.2
6. % of households that have negative net wealth					
	Total	9.4	4.7	0.3	9.4
<i>By level of income</i>					
	Bottom 20%	8.8	6.9	0.3	16.1
	20-40%	9.2	5	0.2	12.9
	40-60%	9.7	5.4	0.8	10.8
	60-80%	10.8	3.8	0.3	10.8
	80-90%	10.8	3	0	10.8
	90-100%	6.1	1.7	0	6.1
<i>By household size</i>					
	1	8.8	5.4	0.2	12
	2	7.7	3.2	0.4	8
	3	13.1	5.7	0.3	13.1
	4	11.5	4.6	0.2	11.5
	5+	11.8	6.4	0	11.8
<i>By housing status</i>					
	Owners - outright	0.2	0.1	0	0.5
	Owners - with mortgage	12.1	4.6	0	16.3
	Renters	8.5	9.4	1.7	24.9
<i>By age group</i>					
	16-34	12.6	10.6	0.6	25.6
	35-44	15.4	6.4	0	15.4
	45-54	11.0	5	0.3	11
	55-64	8.8	3.8	0.2	8.8
	65-74	3.5	2.3	0.4	3.9
	75+	1.3	0.5	0	5.1

⁴³⁹ Oppositely to the other indicators from the ECB HCF survey, the higher share of households with regular expenses less than income is considered a positive result.

ANNEX B: Complementary national statistical data

Netherlands National level data ⁴⁴⁰		
Percentage of households with or without registered problematic debts	With registered problematic debts (%)	Without registered problematic debts (%)
<i>By work status</i>		
Employee in household	57.8	60.1
No employee in household	42.2	39.9
<i>By type of income</i>		
Salary as an employee	41.8	47.3
Wage/profit as a self-employed person	12.4	10.4
Unemployment benefits	2	1
Social assistance benefit	18	4.4
Disability or sickness benefit	8.4	3.5
Pension benefit	8.5	27.6
Students/pupils	1.7	3.5
Other without income	7.2	2.3
<i>By the sector of employment</i>		
Agriculture and industry	8.6	11.2
Trade	6.1	7.4
Transport and storage	3.7	3.2
Hospitality	2.3	1.5
Business Services	11.4	8.8
Government and healthcare	7.6	12.7
Culture, sport and recreation	0.6	0.7
Other industries	3.2	6.2
No job as an employee	56.6	48.4
<i>By level of income</i>		
Less than 10,000 euros	5.9	3
10,000 to 15,000 euros	15.8	4.9
15,000 to 20,000 euros	23.4	13.2
20,000 to 30,000 euros	28.8	30.2
30,000 to 40,000 euros	13.5	24.3
40 000 to 50 000 euros	4.8	11.9
50 000 to 75 000 euros	2.3	7.2
75 000 euros or more	0.6	2.1
Income unknown	5	3.1
<i>By level of education</i>		
Low	40.9	25.7
Middle	43.8	40.8
High	15.3	33.5
<i>By age group</i>		
16 to 25 years	3.6	4.8
25 to 35 years	20	14.6
35 to 45 years	22.7	14.5
45 to 55 years	24.1	17.8
55 to 65 years	18.9	18.2
65 years or older	10.6	30.1
<i>By ethnicity</i>		
Dutch background	53.7	77.4
Non-Western migration background	32.9	10.9
Western migration background	13.4	11.7
Regional level data		
<i>Results per municipality</i>		

⁴⁴⁰ Centraal Bureau voor de Statistiek (CBS) (2020). Schuldenproblematiek in beeld. Available at: <https://dashboards.cbs.nl/v3/SchuldenproblematiekInBeeld/>



Results per province/region

Region	Share of households with problematic debt (%)
Utrecht	5.2
North Brabant	5.2
Overijssel	5.5
Zeeland	5.6
Drenthe	5.7
Gelderland	5.8
North Holland	5.9
Limburg	6.0
Friesland	6.0
South Holland	6.8
Flevoland	8.6
Groningen	9.0

22 Poland

22.1 Statistics on households' over-indebtedness

Households Poland are less over-indebted the EU average for all of the indicators included in this study with an exception of the indicator related to regular expenses less than income (Poland 26.2% to the EU 40.2%). Share of households holding debt, and ratios related to debt to income and wealth ratios in Poland are also considerably lower than the EU average.

There is no official definition of over-indebtedness in Poland, yet national data exists regarding the over due debt and share of households on arrears. Most over-due debt belong to the age group between 35 and 54 years with a dominant proportion of men, while the region with the highest level of households in arrears is Zachodniopomorskie.

A more detailed analysis of the indicators of the household (over) indebtedness, and an overview of the impact of over-indebtedness on the different household groups in Poland are available in the chapters below.

EU level data

This section concentrates on the analysis of the selected EU-level statistical indicators on household over-indebtedness in Poland, this includes:

- Statistics on arrears and inability to face unexpected financial expenses (EU SILC data)⁴⁴¹;
- Gross debt-to-income ratio of households⁴⁴²;
- Statistics concerning the share of households holding debt, liabilities, median to income/asset ratios, regular expenses less than income, and negative wealth⁴⁴³.

Statistics on arrears and inability to face unexpected financial expenses (EU SILC data)

Within the period of 2013-2020 the percentage of households in arrears in Poland **mirrored the EU average in some aspects**:

- The share of households in **arrears on utility bills**, although in years 2013-2014 higher than the EU average (Poland 14%, EU 10%), significantly dropped in 2015 (9.2%) and maintained largely in line with the EU average for the remainder of the analysed period consistently decreasing until the level of 4.7% in 2020.
- Households in Poland are able to **face unexpected financial expenses** better than the average EU household (in 2020 inability to face unexpected financial expenses in Poland: 25.7%, EU: 32.8%), however over the years these numbers have been largely similar for Poland and EU (especially between 2015-2019). The general improvement however has been more dynamic in Poland than on average in the EU.
- The share of households in arrears on **hire purchase instalments and other loan payments** was consistently larger in Poland then, on average, in the EU between 2015 and 2019 (largest gap noted in 2017, Poland: 3.3%, EU 2.2%). From 2019 on the other hand, the numbers for Poland were rapidly decreasing achieving 1.5% in 2020 (EU: 2.1%).

However:

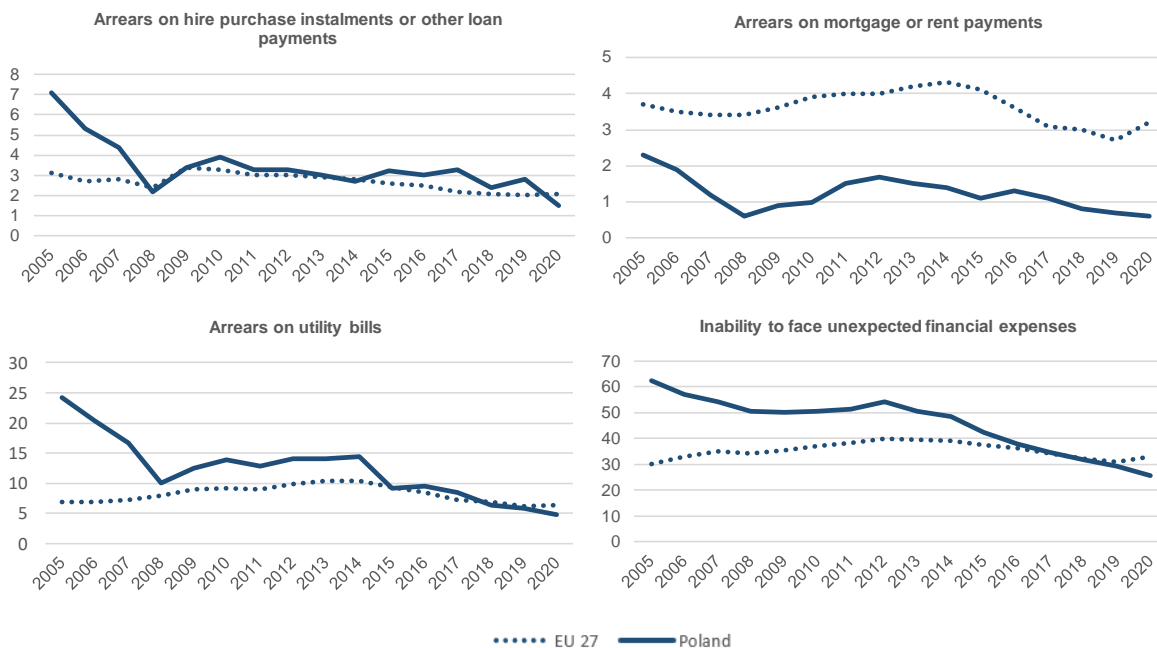
- Throughout the years, the share of households in Poland in **arrears on mortgage and rent payments** has been significantly smaller than the EU average. The lowest percentage of 0.7 was noted in 2020 (EU: 3.2%).

A full overview of the statistics mentioned above from 2005 to 2020 is available below.

⁴⁴¹Data from 2005 to 2020. Indicators used: ilc_mdcs04, ilc_mdcs06, ilc_mdcs07, and ilc_mdcs08.

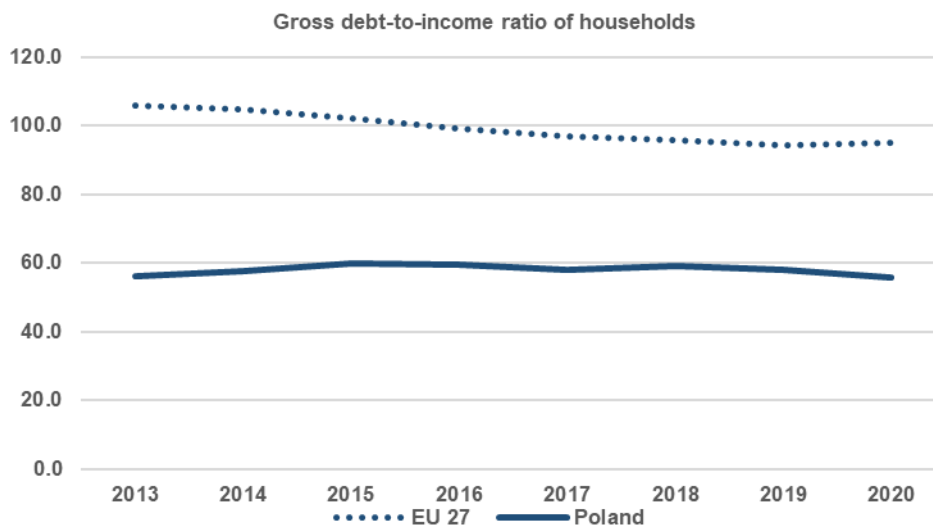
⁴⁴²Data from 2013 to 2020. Indicator used: tec00104.

⁴⁴³Anonymised microdata from 2017 wave made available in March 2020. Note: the report for the next wave in 2020 is expected to be released in the last quarter of 2022.



Gross debt-to-income ratio of households

Over the years, the gross debt-to-income ratio of households in Poland was on a **consistently lower level than the EU average**. In 2020 the ratio for Poland was 55.9% and for the EU average 95.1%, in line with the tendency observed in previous years.



Findings from the ECB Household Finance and Consumption Survey

According to the ECB Household Finance and Consumption Survey, in 2017, the share of **households holding debt in Poland (40.5%) was slightly smaller than the EU average (42%)**. This was observed across various income and age groups with the exception of the youngest and the oldest group of the Polish population⁴⁴⁴.

⁴⁴⁴ 16-34 years: Poland 56.1%, EU 50.7%; 75+ years: Poland 13%, EU 9.2%.

In terms of types of debts, Poland stays in line with the general EU structure with **mortgages being the main source of household debt** (Poland 89% to EU 88.1%). There is however a larger share of households in Poland with credit card debts (1.2%) compared to the EU average (0.2%).

The total median debt to income ratio and the total median debt to assets ratio in Poland have been considerably lower than the EU average in all groups and types of households in 2017. In addition, the share of households in Poland with **negative wealth**⁴⁴⁵ is considerably lower than the EU average (Poland 2.6% to EU 4.7%). At the same time, however, households with regular expenses less than income⁴⁴⁶ represent smaller numbers in all groups and categories comparing with the EU average⁴⁴⁷ which is a negative result overall.

Full details of the ECB Household Finance and Consumption Survey are in ANNEX A: EU level data, findings from ECB HFC (2017).

National level data

Results from the studies published in Social Indicators Research (2021)⁴⁴⁸ and BIG InfoMonitor (2020)⁴⁴⁹ show that“:

- **Men are more likely to have over due debt** than women as they have 59.2% of the over due debts
- Over-indebtedness affects primarily the population of **age between 25 and 54 years**, mostly those **with higher education**.
- **Cities with population of more than 500,000** inhabitants tend to be **the least indebted** (13.6%).
- **Households with 2, 3 and 4 members are the most indebted** groups within the whole over-indebted population (25.3%, 27.6%, 24.7% respectively).
- In terms of the main source of income of those experiencing over-indebtedness there are 2 almost equally large groups: **blue-collar workers** (33.1%) and **white-collar workers** (32.4%).
- The most dominant source of debt for those in arrears are banks (68.2%).
- On a **regional level**, amongst 16 regions in Poland, Zachodniopomorskie is the region with the most arrears per capita (in PL) as well as the highest share of households on arrears. On the other side, Podkarpackie is the region with the lowest amount of arrears per capita and the lowest share of population having arrears.

22.2 Results of the debt advisor survey

According to the debt advisors consulted in Luxembourg:

- Half of the over-indebted households had **consumer loans**.
- **Daily expenses** stand out as the key expenses driving over-indebtedness.
- **Increase in cost of living and credit availability** are the most significant drivers behind the need for debt.
- **Sudden changes in life and level of income** are the most relevant sociodemographic factors when looking at over-indebtedness.

Furthermore:

⁴⁴⁵ Net wealth is the difference between total household assets and total household liabilities. Negative net wealth means the household has more total liabilities than total assets.

⁴⁴⁶ Oppositely to the other indicators from the ECB HFC survey, the higher share of households with regular expenses less than income is considered a positive result.

⁴⁴⁷ Total: Poland 26.2%, EU 40.2%.

⁴⁴⁸ G.Wałęga, A. Wałęga, Over-indebted Households in Poland: Classification Tree Analysis, in: Social Indicators Research (2021) 153:561–584. Available at: <https://link.springer.com/article/10.1007/s11205-020-02505-6>

⁴⁴⁹ BIG InfoMonitor, InfoDług - Nationwide report on overdue debt and unreliable debtors. March 2020. Available at: <https://media.bik.pl/publikacje/read/494933/infodlug-ogolnopolski-raport-o-zaleglym-zadluzeniu-i-niesolidnych-dluznikach-marzec-2020-36-edycja>

- More than two-thirds (70%) of the debt advice beneficiaries are living **in urban areas**.
- Slight majority (53%) of the debt advice beneficiaries are **women**.
- The majority (58%) of the debt advice beneficiaries are **employed**.
- Contrary to the EU-level results, most of the debt advice beneficiaries have either **advanced** (36%) or **intermediate level of education** (28%).
- Most of the debt advice beneficiaries are either **partner households with children** (34%) or **single person households without children**, or **single parent households with children** (25% each).
- Contrary to the EU-level results, when it comes to sudden changes in life, there seems to be **no consensus** on what kind of events are the most likely to cause over-indebtedness.
- Contrary to the EU-level results, when it comes to level of income, there seems to be **no consensus** on what kind of households are the most likely to be debt advice beneficiaries.
- Contrary to the EU-level results, **old-age** (75+ year old) households are the most likely to be over-debt advice beneficiaries.

Survey results		
1. Main financial source of debt⁴⁵⁰		
Mortgage	Poland	EU
	26%	22%
Consumer loan	50%	42%
Credit card ⁴⁵¹	15%	22%
Informal sources of funds	9%	13%
2. Main expenses leading to over-indebtedness⁴⁵²		
Daily expenses (i.e. food, bills, childcare, etc)	4.0	3.1
Property (rent or purchase)	3.0	3.4
Big ticket items (i.e. cars, education, appliances)	2.5	3.0
Lifestyle expenses (luxury or expensive habits)	2.5	2.5
Addictive behaviours (gambling, alcohol, drugs, or similar)	2.5	3.0
3. Main drivers behind the need for debt⁴⁵³		
Increase in cost of living	4.5	3.1
Decrease in income	4.0	3.4
Increase in cost of debt	4.0	2.9
Credit availability ⁴⁵⁴	4.5	3.2
Unexpected events (loss of job, divorce, sickness, or others)	4.0	4.0
4. Most relevant sociodemographic factors when looking at over-indebtedness⁴⁵⁵		
Geographic location	3.0	2.6
Age	3.4	2.9
Gender	2.5	2.4
Level of education	4.4	3.4
Level of income	4.6	3.6
Household size	3.3	2.9
Employment status	4.3	3.5
Sudden changes in life	4.7	3.5
Profession	3.5	3.2
5. Share of the debt advice beneficiaries by the sociodemographic group⁴⁵⁶		
<i>Geographic location</i>		
Urban	70%	57%
Rural	30%	43%
<i>Gender</i>		
Men	47%	50%
Women	53%	50%
<i>Employment status</i>		
Employed	58%	50%
Unemployed	42%	50%
<i>Level of education</i>		
No to little formal education	13%	19%
Basic education	23%	49%
Intermediate education	28%	20%

⁴⁵⁰ Percentage of 100%.

⁴⁵¹ Debt accumulated via interest rates and penalties when the consumer does not pay the company for the money they have spent i.e. overdraft

⁴⁵² Average rate from 1 to 5.

⁴⁵³ Average rate from 1 to 5.

⁴⁵⁴ Type of credit, availability of credit, marketing practices

⁴⁵⁵ Based on their experience, debt advisors were asked to rate the impact of each sociodemographic category on over-indebtedness from 1 to 5 across the sub-groups of each sociodemographic profile. The numbers included in the table are average rates of each sociodemographic factor in the Member States mentioned, and at the EU level overall.

⁴⁵⁶ Percentage of 100%.

	Advanced education	36%	12%
<i>Household size</i>			
	Single person household with no children	25%	27%
	Partner household with no children	16%	17%
	Single parents with children	25%	29%
	Partner household with children	34%	26%
<i>Sudden changes in life</i>			
	Sudden loss of income ⁴⁵⁷	28%	36%
	Increase in cost of living	28%	20%
	Personal circumstances ⁴⁵⁸	28%	28%
	Other	16%	16%
<i>Income group</i>			
	Bottom 20%	20%	35%
	20-40%	20%	27%
	40-60%	20%	19%
	60-80%	20%	12%
	Top 20%	20%	7%
<i>Age</i>			
	16-34	6%	13%
	35-44	12%	19%
	45-54	15%	46%
	55-64	15%	11%
	65-74	11%	7%
	75+	41%	5%

⁴⁵⁷ Unemployment, wage level, pandemics/lockdowns.

⁴⁵⁸ Death/health issue in the family, number of dependents, divorce/family breakdown.

22.3 Annexes (EU level data & Complementary national statistical data)

ANNEX A: EU level data

ECB HFC (2017)		POLAND			
		Poland (%)	EU (%)	Lowest ↓	Highest ↑
Percentage of households holding debt					
Total		40.5	42	19.7	58
<i>By level of income</i>					
Bottom 20%		22.5	24.1	8.1	35.7
20-40%		33.4	30.6	12.6	53.7
40-60%		42.0	41.1	15.1	59.9
60-80%		48.4	52.8	22.1	74.3
80-90%		51.2	59.4	22.8	83.1
90-100%		61.1	63.3	29	81.3
<i>By age group</i>					
16-34		56.1	50.7	13.8	75.7
35-44		58.4	61.3	26.2	82.1
45-54		45.8	56.5	27.2	78
55-64		33.3	42.5	17.7	64.5
65-74		25.9	25.4	9.4	44.6
75+		13.0	9.2	2.3	34.5
Shares of debt types on total liabilities % of total liabilities					
Mortgage		89.0	88.1	65.7	97.3
Non-mortgage debt		11.0	11.9	2.7	34.3
Of which: other		9.9	10.7	2	23.6
Credit line/ overdraft		N	1	0.1	9.5
Credit card debt		1.2	0.2	0.1	2
Median debt to income ratio					
Total		16.7	70.8	16.7	243
<i>By level of income</i>					
Bottom 20%		15.0	73.3	14	664.7
20-40%		10.4	47.4	8.3	253.8
40-60%		12.8	53.6	10.6	266.9
60-80%		22.1	77.6	13.8	260.7
80-90%		24.7	97.7	21.7	213.7
90-100%		31.4	80.4	17.9	174.4
<i>By household size</i>					
1		13.9	58.8	13.9	260.2
2		15.9	50	15.9	216.6
3		19.4	79.8	9.4	268.6
4		25.5	109.5	19.8	251.8
5+		11.7	91.3	11.7	268.6
<i>By housing status</i>					
Owners - outright		5.4	24.1	5.4	68.1
Owners - with mortgage		128.5	186.7	76.3	309.5
Renters		8.9	17.9	8.2	68.1
<i>By age group</i>					
16-34		48.7	56.7	16.7	257.7
35-44		41.2	143.5	26.7	315.7
45-54		11.7	79.5	11.7	248
55-64		9.9	54.8	9	181.3
65-74		10.1	30.7	5.5	252.5
75+		6.0	22.1	6	217.1
Median debt to assets ratio					
Total		6.1	25.5	4.8	52.1
<i>By level of income</i>					
Bottom 20%		4.9	37	3	94.9
20-40%		4.4	28.4	2.9	48.8
40-60%		4.5	27.8	4.5	54.4
60-80%		7.1	25.1	6.3	57.5
80-90%		9.2	24.7	8.8	52.6
90-100%		7.8	20.1	5.3	39.5
<i>By household size</i>					
1		4.9	32.9	2.6	55.8
2		7.0	17.8	3	42.3
3		6.3	27.1	4.7	58.2
4		8.2	27.3	5.6	56.9

	5+	3.5	30.1	3.5	57.1
<i>By housing status</i>					
	Owners - outright	0.9	3.7	0.9	7.4
	Owners - with mortgage	25.2	34.3	19.2	52.7
	Renters	32.8	40.3	22.9	104.6
<i>By age group</i>					
	16-34	21.8	52.9	20.9	75.6
	35-44	10.9	38.6	10.2	66
	45-54	3.8	21.6	3.8	54
	55-64	2.4	13.2	2.4	38.1
	65-74	2.4	8.6	1.5	34.5
	75+	1.3	5.5	1.3	27.4
Regular expenses less than income⁴⁵⁹					
	Total	26.2	40.2	15.5	65.2
<i>By level of income</i>					
	Bottom 20%	14.3	23.9	4	49.9
	20-40%	23.7	33.1	8.3	66
	40-60%	24.6	41.2	13.9	63.9
	60-80%	30.3	47.1	19.5	69.7
	80-90%	31.4	51.2	24.9	75.9
	90-100%	44.9	61.3	29.6	78.2
<i>By household size</i>					
	1	25.2	40.5	14.1	61.5
	2	27.8	43.5	18.5	70.9
	3	27.4	38.2	11.3	68.4
	4	27.5	37.3	13.2	65.8
	5+	21.9	32.9	9.7	54.7
<i>By housing status</i>					
	Owners - outright	26.6	42.2	17.9	67.8
	Owners - with mortgage	29.0	43.2	11	65.4
	Renters	23.4	36.8	11.4	61.5
<i>By age group</i>					
	16-34	30.8	41.1	9.4	61.9
	35-44	30.7	38.2	13.7	64
	45-54	23.5	40.4	13.5	66.1
	55-64	24.3	41.5	18.6	66.4
	65-74	24.3	42	16.7	72.8
	75+	23.3	38.3	10.4	63.2
% of households that have negative net wealth					
	Total	2.6	4.7	0.3	9.4
<i>By level of income</i>					
	Bottom 20%	4.1	6.9	0.3	16.1
	20-40%	3.5	5	0.2	12.9
	40-60%	2.1	5.4	0.8	10.8
	60-80%	2.4	3.8	0.3	10.8
	80-90%	1.7	3	0	10.8
	90-100%	0.1	1.7	0	6.1
<i>By household size</i>					
	1	3.3	5.4	0.2	12
	2	3.6	3.2	0.4	8
	3	2.2	5.7	0.3	13.1
	4	1.4	4.6	0.2	11.5
	5+	1.5	6.4	0	11.8
<i>By housing status</i>					
	Owners - outright	0.0	0.1	0	0.5
	Owners - with mortgage	1.7	4.6	0	16.3
	Renters	11.5	9.4	1.7	24.9
<i>By age group</i>					
	16-34	3.8	10.6	0.6	25.6
	35-44	2.2	6.4	0	15.4
	45-54	2.4	5	0.3	11
	55-64	2.6	3.8	0.2	8.8
	65-74	2.8	2.3	0.4	3.9
	75+	1.8	0.5	0	5.1

⁴⁵⁹ Oppositely to the other indicators from the ECB HCF survey, the higher share of households with regular expenses less than income is considered a positive result.

ANNEX B: Complementary national statistical data

National-level data ⁴⁶⁰	
1. Sociodemographic profile	Over-due debt (%)
Gender	
Male	59.2
Female	40.8
Age	
18–24	6.1
25–34	23.5
35–44	23.7
45–54	21.2
55–64	16.0
65+	9.5
Level of education	
Lower secondary or lower	4.1
Vocational	14.7
Secondary vocational	25.1
General secondary	16.7
Higher	39.4
Number of household members	
1	10.8
2	25.3
3	27.6
4	24.7
5	7.4
6+	4.3
Place of residence	
Rural area	25.7
Town up to 50,000 inhabitants	28.7
Town with 50,000–100,000 inhabitants	16.0
City with 100,000–500,000 inhabitants	16.1
City over 500,000 inhabitants	13.6
Main source of income	
Self-employed	15.0
Blue-collar worker	33.1
White-collar worker	32.4
Working in agriculture	3.3
Pensioner	12.8
Disability pensioner	1.6

2. Characteristics of debt (%)	
Source of debt	
Banks	68.2
Instalments	34.8
Workplace	10.9
Family/friends	5.6
Other financial institutions and payday	3.7

⁴⁶⁰ G. Wałęga, A. Wałęga, *Over-indebted Households in Poland: Classification Tree Analysis*, in: *Social Indicators Research* (2021) 153:561–584. Available at: <https://link.springer.com/article/10.1007/s11205-020-02505-6>

3.Regional-level data ⁴⁶¹				
Voivodeship	Arrears per capita (in PL)			Share of population in arrears
	2018	2019	Change	2019
Dolnośląskie	2441.8	2379.5	-2.6%	9.5
Kujawsko-pomorskie	2240.6	2133.9	-4.8%	9.2
Lubelskie	1532.0	1465.2	-4.4%	5.7
Lubuskie	2234.0	2154.6	-3.6%	9.6
Łódzkie	2124.7	2030.4	-4.4%	7.5
Małopolskie	1401.6	1331.2	-5.0%	4.8
Mazowieckie	2543.8	2341.0	-8.0%	6.7
Opolskie	1545.9	1535.7	-0.7%	6.7
Podkarpackie	966.4	947.6	-1.9%	4.0
Podlaskie	1278.5	1244.4	-2.7%	5.2
Pomorskie	2313.9	2147.7	-7.2%	8.2
Śląskie	2268.3	2210.4	-2.6%	8.6
Świętokrzyskie	1331.0	1282.0	-3.7%	5.8
Warmińsko-mazurskie	2096.7	1948.5	-7.1%	8.9
Wielkopolskie	1959.1	1836.1	-6.3%	7.3
Zachodniopomorskie	2766.5	2701.3	-2.4%	9.7
Poland (average)	1940.3	1855.6	5,1%	7.3

⁴⁶¹ BIG InfoMonitor, *InfoDług - Nationwide report on overdue debt and unreliable debtors*. March 2020. Available at: <https://media.bik.pl/publikacje/read/494933/infodlug-ogolnopolski-raport-o-zaleglym-zadluzeniu-i-niesolidnych-dluznikach-marzec-2020-36-edycja>

23 Portugal

23.1 Statistics on households' over-indebtedness

Based on median debt to income and asset ratios, Portugal seems to be a Member State with high overall household indebtedness, yet, with relatively average over-indebtedness levels (i.e. arrears).

There is no official legal definition of over-indebtedness in Portugal. Yet, Portuguese Over-indebted Support Office – GAS does publish data regarding the households that seek support from their office when dealing with the issues related over debt. Household groups that are the most affected by over-indebtedness in Portugal are households of 40 to 54 year age, couples that are either married or live together, individuals that work in the private sector, and people with lower level of education. The city of Lisbon has the highest number of people requesting for financial support, while Vila has the lowest number of consumers in this regard.

A more detailed analysis of the indicators of the household (over) indebtedness, and an overview of the impact of over-indebtedness on the different household groups in Portugal are available in the chapters below.

EU level data

This section concentrates on the analysis of the selected EU-level statistical indicators on household over-indebtedness in Portugal, this includes:

- Statistics on arrears and inability to face unexpected financial expenses (EU SILC data)⁴⁶²;
- Statistics concerning the share of households holding debt, liabilities, median to income/asset ratios, regular expenses less than income, and negative wealth⁴⁶³.

Statistics on arrears and inability to face unexpected financial expenses (EU SILC data)

Overall, the proportion of households in arrears in Portugal is relatively **lower to the EU average**.

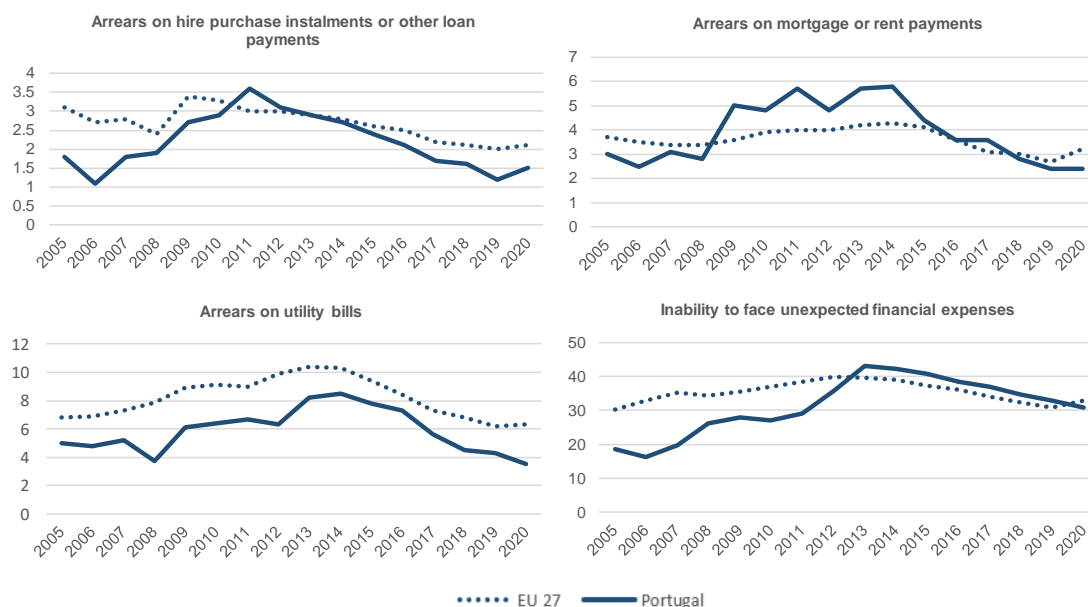
- The share of households in arrears on hire purchase **instalments or other loan payments** in Portugal has been in decline since 2011 and it has decreased from 3.6% to 1.5% in 2020 which is 3.1% less than the EU average.
- In 2020, the share of households in Portugal (2.4%) that had **arrears on mortgages was considerably lower** than the EU average (3.2%).
- The share of households in arrears on **utility bills** in Portugal was also **considerably lower** than the EU average, declining from 8.2% in 2013 to 3.5% in 2020, whereas the EU average fell from 10.4% to 6.6%, respectively.
- Households in Portugal are able to **face unexpected financial expenses** better than the average EU household⁴⁶⁴, improving as well at a faster rate than the average EU27 member state.

A full overview of the statistics mentioned above from 2005 to 2020 is available below.

⁴⁶² Data from 2005 to 2020. Indicators used: ilc_mdcs04, ilc_mdcs06, ilc_mdcs07, and ilc_mdcs08.

⁴⁶³ Anonymised microdata from 2017 wave made available in March 2020. Note: the report for the next wave in 2020 is expected to be released in the last quarter of 2022.

⁴⁶⁴ Results from 2020, Inability to face unexpected financial expenses: Portugal = 30.8%, EU = 32.8%.



Findings from the ECB Household Finance and Consumption Survey

According to the ECB Household Portugal and Consumption Survey, in 2017, the share of **households holding debt in Portugal (45%) was slightly higher than the EU average (42%)**.

- This was the case across almost all ages and income groups, except for households belonging to the bottom 20% in terms of income⁴⁶⁵ and age groups that belong to the category of 65-74⁴⁶⁶ and 75+⁴⁶⁷.

In terms of the debt types, Portugal **mortgages are the main source of household debt and are more popular than in the EU** (Portugal 93.6% to EU 88.1%).

- The share of households in Portugal with credit card debt⁴⁶⁸ is slightly higher when compared with the EU average, whereas there is a lower share of households with debts related to credit line/overdraft⁴⁶⁹
- At the same time, there is a lower share of households in Portugal with consumer credit loans, private loans and other loans not collateralised on a household's real estate property.

In 2017, the total **median debt to income ratio** of the indebted households in Portugal **was higher than the EU average** (Portugal 131.6% to EU 70.8%), in addition, in 2017, the total share of households in Portugal with **regular expenses less than their income**⁴⁷⁰ was considerably lower than the EU average (Portugal 27.1% to EU 40.2%).

The **total median debt to assets ratio** is **higher in Portugal compared with the EU average** (Portugal 31.5%; EU 25.5%) across most of the population segments, except for level incomes of 30-100%⁴⁷¹, household sizes of 5+⁴⁷² and age group of 65-75⁴⁷³. In addition, the share of

⁴⁶⁵ Portugal 18.4% to EU 24.1%.

⁴⁶⁶ Portugal 23.0% to EU: 25,4%.

⁴⁶⁷ Portugal 4.7% to EU 9.2%.

⁴⁶⁸ Portugal 0.3 % to EU 0.2%.

⁴⁶⁹ Portugal 0.1% to Europe 1%

⁴⁷⁰ Oppositely to the other indicators from the ECB HCF survey, the higher share of households with regular expenses less than income is considered a positive result.

⁴⁷¹ Portugal 18.3% to Europe 20.1%

⁴⁷² Portugal 22.1% to Europe 30.1%

⁴⁷³ Portugal 7.5% to Europe 8.6%

households in Portugal with **negative wealth**⁴⁷⁴ is considerably lower than the EU average (Portugal 3.1% to EU 4.7%).

Full details of the ECB Household Portugal and Consumption Survey are in ANNEX A: EU level data, findings from ECB HFC (2017).

National level data

To provide a broader overview of the level of over-indebtedness across different household categories in Portugal, the study relies on a report from the Portuguese Over-indebted Support Office - GAS conducted in 2019⁴⁷⁵ which shows that:

- In 2019, 29154 households facing over-indebtedness have requested the services of Portuguese Over-indebted Support Offices.
- The average age of households that seek out support are between **40-54 years old**
- In terms of marital status, **couples that are either married or live together**, represent the highest share (43%) of the indebted households.
- In terms of professional activity, the group that has the tendency to seek out for more help are **individuals that work in the private sector** (44%), followed by households that are **unemployed and retired** (19%) whereas the lowest reach-out is performed by individuals that are self-employed (5%)
- In terms of educational background, households with only the first to the first three educational cycles (from the 1st to the 9th grade) tend reach out more for support (44%) more frequently when compared with households that have the high school diploma (35%) or higher education (21%).
- In terms of regional comparison, the city of Lisbon has a higher number of people that reach out for financial support (27%) followed by Oporto (25%) and Setubal (11.6%). The city with the lowest reach out is Vila real with 0.2%.
- Looking over at intervention/renegotiation process, nationwide, in 2019, Portugal had 2,787 requests. Unemployment is not, anymore, the highest cause for financial difficulties for Portuguese families (remaining at 20% for both 2018 and 2019). Instead, it is attributed to the **deterioration of the labour conditions** (21%), increasing 2% from 2018⁴⁷⁶. Another rising cause is the inability to work, rising from 9% in 2018 to 12% in 2019.
- Although the number of loans for each household has progressively decreased in the past few years, it has remained at an average of 5, since 2018.

Data provided by the Bank of Portugal⁴⁷⁷ shows that:

- The indebtedness of the non-financial sector increased by EUR 3.4 billion in February 2022, whereas households indebtedness rose by 3.4% when compared to February 2021, increasing from EUR 143,500 million to EUR 148,314 million, respectively.

⁴⁷⁴ Net wealth is the difference between total household assets and total household liabilities. Negative net wealth means the household has more total liabilities than total assets.

⁴⁷⁵ Associação para a defesa do consumidor (2020). Boletim Estatístico O sobre-endividamento, os rendimentos e as despesas das famílias. Available at: <https://gasdeco.net/activeapp/wp-content/uploads/2020/01/Boletim-Estat%C3%ADstico-GPFDECO-2019.pdf>

⁴⁷⁶ Here late payment of wages, loss of earning, reduction of overtime or commissions, is included.

⁴⁷⁷ Banco de Portugal (2022). Endividamento do setor não financeiro: nota de informação estatística de fevereiro de 2022. Available at: <https://bpstat.bportugal.pt/conteudos/noticias/1659>

23.2 Annexes (EU level data & Complementary national statistical data)

ANNEX A: EU level data

PORTUGAL				
ECB HFC (2017)	Portugal (%)	EU (%)	Lowest ↓	Highest ↑
Percentage of households holding debt				
Total	45.7	42	19.7	58
By level of income				
Bottom 20%	18.4	24.1	8.1	35.7
20-40%	34.1	30.6	12.6	53.7
40-60%	49.9	41.1	15.1	59.9
60-80%	60.9	52.8	22.1	74.3
80-90%	64.9	59.4	22.8	83.1
90-100%	65.5	63.3	29	81.3
By age group				
16-34	54.2	50.7	13.8	75.7
35-44	75.4	61.3	26.2	82.1
45-54	64.1	56.5	27.2	78
55-64	45.5	42.5	17.7	64.5
65-74	23.0	25.4	9.4	44.6
75+	4.7	9.2	2.3	34.5
Shares of debt types on total liabilities % of total liabilities				
Mortgage	93.6	88.1	65.7	97.3
Non-mortgage debt	6.4	11.9	2.7	34.3
Of which: other	5.9	10.7	2	23.6
Credit line/ overdraft	0.1	1	0.1	9.5
Credit card debt	0.3	0.2	0.1	2
Median debt to income ratio				
Total	131.6	70.8	16.7	243
By level of income				
Bottom 20%	155.3	73.3	14	664.7
20-40%	139.8	47.4	8.3	253.8
40-60%	165.5	53.6	10.6	266.9
60-80%	143.0	77.6	13.8	260.7
80-90%	113.7	97.7	21.7	213.7
90-100%	96.1	80.4	17.9	174.4
By household size				
1	109.1	58.8	13.9	260.2
2	92.8	50	15.9	216.6
3	159.4	79.8	9.4	268.6
4	162.2	109.5	19.8	251.8
5+	95.2	91.3	11.7	268.6
By housing status				
Owners - outright	25.2	24.1	5.4	68.1
Owners - with mortgage	210.9	186.7	76.3	309.5
Renters	26.7	17.9	8.2	68.1
By age group				
16-34	200.1	56.7	16.7	257.7
35-44	250.5	143.5	26.7	315.7
45-54	126.0	79.5	11.7	248
55-64	73.6	54.8	9	181.3
65-74	33.9	30.7	5.5	252.5
75+	31.9	22.1	6	217.1
Median debt to assets ratio				
Total	31.5	25.5	4.8	52.1
By level of income				
Bottom 20%	37.5	37	3	94.9
20-40%	40.0	28.4	2.9	48.8
40-60%	38.5	27.8	4.5	54.4
60-80%	33.3	25.1	6.3	57.5
80-90%	27.0	24.7	8.8	52.6
90-100%	18.3	20.1	5.3	39.5
By household size				
1	37.2	32.9	2.6	55.8
2	24.2	17.8	3	42.3
3	34.8	27.1	4.7	58.2
4	35.1	27.3	5.6	56.9

	5+	22.1	30.1	3.5	57.1
<i>By housing status</i>					
	Owners - outright	4.5	3.7	0.9	7.4
	Owners - with mortgage	36.1	34.3	19.2	52.7
	Renters	49.3	40.3	22.9	104.6
<i>By age group</i>					
	16-34	63.3	52.9	20.9	75.6
	35-44	44.7	38.6	10.2	66
	45-54	27.0	21.6	3.8	54
	55-64	14.6	13.2	2.4	38.1
	65-74	7.5	8.6	1.5	34.5
	75+	9.0	5.5	1.3	27.4
Regular expenses less than income⁴⁷⁸					
	Total	27.1	40.2	15.5	65.2
<i>By level of income</i>					
	Bottom 20%	11.3	23.9	4	49.9
	20-40%	18.8	33.1	8.3	66
	40-60%	22.6	41.2	13.9	63.9
	60-80%	35.6	47.1	19.5	69.7
	80-90%	45.9	51.2	24.9	75.9
	90-100%	49.0	61.3	29.6	78.2
<i>By household size</i>					
	1	28.7	40.5	14.1	61.5
	2	26.8	43.5	18.5	70.9
	3	27.9	38.2	11.3	68.4
	4	27.4	37.3	13.2	65.8
	5+	17.0	32.9	9.7	54.7
<i>By housing status</i>					
	Owners - outright	28.6	42.2	17.9	67.8
	Owners - with mortgage	30.2	43.2	11	65.4
	Renters	20.8	36.8	11.4	61.5
<i>By age group</i>					
	16-34	30.9	41.1	9.4	61.9
	35-44	31.1	38.2	13.7	64
	45-54	25.1	40.4	13.5	66.1
	55-64	26.5	41.5	18.6	66.4
	65-74	26.1	42	16.7	72.8
	75+	24.3	38.3	10.4	63.2
% of households that have negative net wealth					
	Total	3.1	4.7	0.3	9.4
<i>By level of income</i>					
	Bottom 20%	3.6	6.9	0.3	16.1
	20-40%	4.8	5	0.2	12.9
	40-60%	3.2	5.4	0.8	10.8
	60-80%	3.5	3.8	0.3	10.8
	80-90%	0.8	3	0	10.8
	90-100%	0.2	1.7	0	6.1
<i>By household size</i>					
	1	3.6	5.4	0.2	12
	2	2.8	3.2	0.4	8
	3	1.6	5.7	0.3	13.1
	4	4.7	4.6	0.2	11.5
	5+	4.7	6.4	0	11.8
<i>By housing status</i>					
	Owners - outright	< 0.1	0.1	0	0.5
	Owners - with mortgage	2.4	4.6	0	16.3
	Renters	9.1	9.4	1.7	24.9
<i>By age group</i>					
	16-34	8.0	10.6	0.6	25.6
	35-44	4.9	6.4	0	15.4
	45-54	2.5	5	0.3	11
	55-64	1.5	3.8	0.2	8.8
	65-74	2.6	2.3	0.4	3.9
	75+	0.9	0.5	0	5.1

⁴⁷⁸ Oppositely to the other indicators from the ECB HCF survey, the higher share of households with regular expenses less than income is considered a positive result.

ANNEX B: Complementary national statistical data

PORTUGAL ⁴⁷⁹				
National-level data ⁴⁸⁰				
1. Total number of requests	2008	2012	2018	2019
Number of support requests	8,758	23,183	29,350	29,154
Number of interventions	2,034	5,407	2,737	2,787
2. Sociodemographic profile			2018 (%)	2019 (%)
<i>By marital status</i>				
	Married/Civil Union		45%	43%
	Divorced/Separated		22%	24%
	Widow		3%	5%
	Single		30%	28%
<i>By professional situation</i>				
	Employee for the private sector		43%	44%
	Employee for the public sector		14%	14%
	Self-employed		6%	5%
	Unemployed		20%	19%
	Retired		17%	19%
<i>By level of education</i>				
	Basic education		48%	44%
	Secondary education		36%	35%
	Higher education		16%	21%
<i>By an event that lead to seek support</i>				
	Deterioration of the labour conditions		19%	21%
	Unemployment		20%	20%
	Inability to work (sick leave)		9%	12%
	Pledges		12%	11%
	Divorce/Separation		11%	10%
	Change in household composition		11%	9%
	Increased health burden (illness)		7%	8%
	Support for ascendants (parents/grandparents)		3%	4%
	Business failure		5%	3%
	Early retirement (income reduction)		2%	1%
	Guarantor		0%	1%
<i>By age</i>				
		2012 (%)	2018 (%)	2019 (%)
	<25	2%	1%	3%
	25-39	37%	22%	23%
	40-45	40%	45%	41%
	55-65	16%	21%	22%
	>65	5%	11%	12%
Regional-level data ⁴⁸¹				
	Region	2018 (%)		2019 (%)
	Lisbon	22.0%		27.0%
	Oporto	27.0%		25.0%
	Setúbal	11.0%		11.6%
	Aveiro	6.0%		6.0%
	Coimbra	7.0%		5.9%
	Santarém	4.6%		4.2%
	Braga	4.0%		3.4%
	Faro	3.0%		2.6%
	Leiria	2.6%		2.5%
	Evora	3.6%		2.2%
	Viana do Castelo	2.6%		2.2%
	Portalegre	1.0%		1.5%
	Madeira	1.0%		1.1%
	Viseu	1.0%		1.1%
	Beja	1.0%		0.8%
	Açores	1.0%		1.1%
	Bragança	0.5%		0.6%
	Castelo Branco	0.6%		0.6%
	Guarda	0.0%		0.3%
	Vila Real	0.6%		0.2%

⁴⁷⁹ Associação para a defesa do consumidor (2020). Boletim Estatístico O sobre-endividamento, os rendimentos e as despesas das famílias. Available at: <https://gasdeco.net/activeapp/wp-content/uploads/2020/01/Boletim-Estat%C3%ADstico-GPFDECO-2019.pdf>

⁴⁸⁰ Households seeking support from the national and regional Portuguese Over-indebted Support Offices.

⁴⁸¹ Share of requests per region.

24 Romania

24.1 Statistics on households' over-indebtedness

Overall, even though the overall level of household indebtedness (gross debt to income ratio) in Romania is relatively low compared to the EU average, households in Romania are somewhat more over-indebted at least when it comes to arrears on utility bills and inability to face unexpected financial outcomes.

No official legal definition of over-indebtedness exist in Romania and there is no specific data regarding the situation of over-indebtedness in Romania. Yet, there is data available from the National Bank of Romania which shows the general trends regarding the household indebtedness levels. The data shows that the highest level of outstanding loans in Romania is registered in Bucuresti, while , the lowest level is noted in Tulcea. Moreover, from the geographical perspective, the east south regions of the Romania are characterised by a lower level of outstanding loans and available resources, whereas the centre south and western regions by a higher level of outstanding loans and available resources.

A more detailed analysis of the indicators of the household (over) indebtedness, and an overview of the impact of over-indebtedness on the different household groups in Romania are available in the chapters below.

EU level data

This section concentrates on the analysis of the selected EU-level statistical indicators on household over-indebtedness in Romania, this includes:

- Statistics on arrears and inability to face unexpected financial expenses (EU SILC data)⁴⁸²;
- Gross debt-to-income ratio of households⁴⁸³;

Statistics on arrears and inability to face unexpected financial expenses (EU SILC data)

Overall, the proportion of households in arrears in Romania is relatively **close to the EU average**.

On the positive side:

- The share of households in arrears on hire purchase **instalments or other loan payments** in Romania has been in decline since 2011 and it has decreased from 5.8% to 1.4% in 2020 which is 0.7% less than the EU average. In 2020, the share of households in Romania (0.4%) that had **arrears on mortgages was considerably lower** than the EU average (3.2%).

On the negative side:

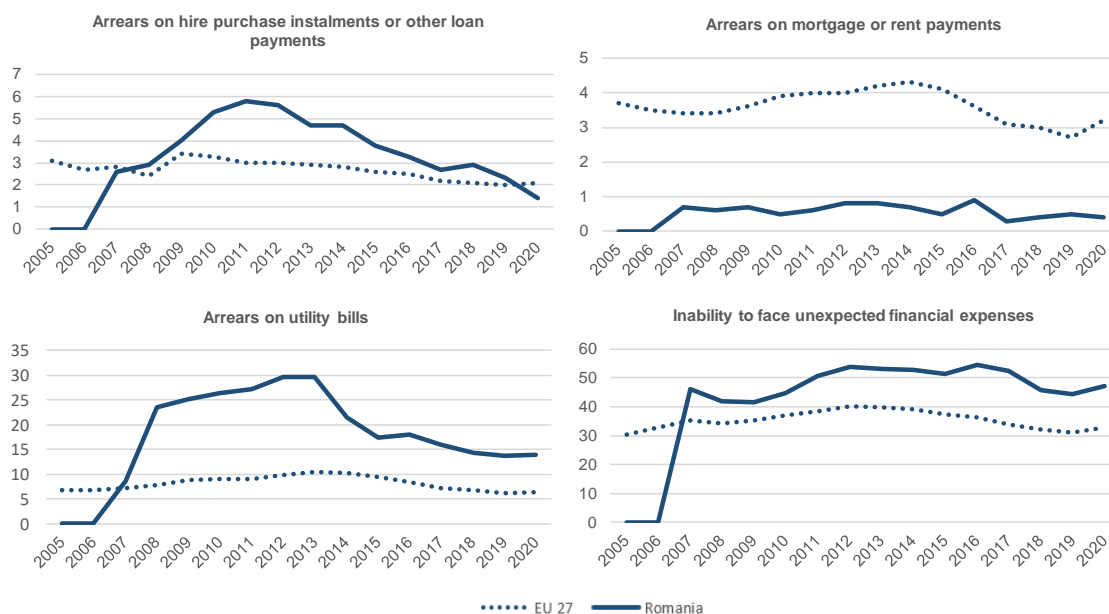
- The share of households in arrears on **utility bills** in Romania (13.9%) is above the EU average (6.3%), although compared to the EU, the trend in this area has been quite fluctuating and the situation has improved considerably since 2013.
- Households in Romania are less able to face unexpected financial expenses compared with the average EU household⁴⁸⁴.

⁴⁸² Data from 2005 to 2020. Indicators used: ilc_mdcs04, ilc_mdcs06, ilc_mdcs07, and ilc_mdcs08.

⁴⁸³ Data from 2013 to 2020. Indicator used: tec00104.

⁴⁸⁴ Results from 2020, Inability to face unexpected financial expenses: Romania = 47.3%, EU = 32.8%.

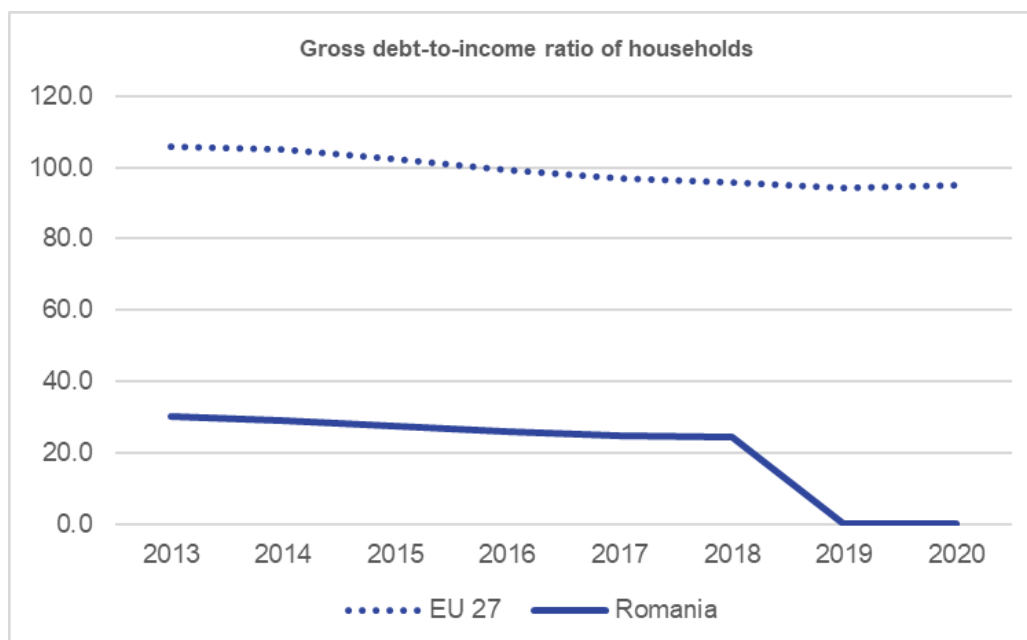
A full overview of the statistics mentioned above from 2005 to 2020 is available below.



Gross debt-to-income ratio of households

Since 2018, the gross debt-to-income ratio of households in Romania has been significantly lower than the EU average.

- Unlike in the EU as a whole, the gross debt-to-income ratio of households in Romania has been steadily decreasing from 30.2% (EU: 105.7%) in 2013 to 24.0% (EU: 95.1%) in 2020.



National level data

To provide a broader overview of the level of over-indebtedness across different household categories in Romania, the study relies on a study from the National Bank of Romania conducted in 2021⁴⁸⁵ which shows that:

- **Mortgages** (37.3%), **consumer loans** (27%), loans on other liabilities (5.6%), and rent (12.9%) seem to be the **most common sources of debt** among over-indebted people.

Finally, **in terms of the 41 regions in Romania:**

- **Bucuresti** has the **highest number of outstanding⁴⁸⁶, consumer, and mortgage loans** per capita. Nonetheless, households in Bucuresti also have **the highest level of available financial resources (deposits)**.
- On the other hand, **Tulcea** has the lowest level of the **outstanding loans** as well as the lowest level of **consumer loans** per capita. Lowest level of **mortgage credit** per capita was detected in **Teleorman** region. However, **Teleorman** region also seems to have the lowest level of financial resources per capita available in the country.

In general, besides several exceptions (i.e. Sălaj, Vaslui), regions where the households have less financial deposits available tend to have lower levels of loans as well. An explanation for this could be that households living in less developed regions tend to also have harder access to loans, hence, lower levels of credit. Furthermore, Bucuresti region is an absolute outlier in the statistics provided by the National Bank of Romania. Levels in loans and deposits in Bucuresti region seems to be, on average, **15 times higher** than in the rest of the regions in Romania highlighting a great **difference between Bucuresti and the rest of the Romania**.

The full national and regional level data identified for this report is in ANNEX B: Complementary national statistical data.

24.2 Results of the debt advisor survey

According to the debt advisors consulted in Romania:

- Most of the over-indebted households had **consumer loans** and **credit card debts** (33% each).
- **Daily expenses** stand out as the key expenses driving over-indebtedness.
- **Increase in cost of living and credit availability** are the most significant drivers behind the need for debt.
- **Increase in cost of living** stand out as the most relevant sociodemographic factor when looking at over-indebtedness.

Survey results		
1. Main financial source of debt⁴⁸⁷	Romania	EU
Mortgage	27%	22%
Consumer loan	33%	42%
Credit card ⁴⁸⁸	33%	22%
Informal sources of funds	7%	13%
2. Main expenses leading to over-indebtedness⁴⁸⁹		
Daily expenses (i.e. food, bills, childcare, etc)	5.0	3.1
Property (rent or purchase)	4.0	3.4
Big ticket items (i.e. cars, education, appliances)	3.0	3.0
Lifestyle expenses (luxury or expensive habitudes)	2.0	2.5
Addictive behaviours (gambling, alcohol, drugs, or similar)	1.0	3.0

⁴⁸⁵ National Bank of Romania, statistic report on the credits given to householders: <https://www.bnr.ro/Credite-acordate-gospodariilor-populatiei-5771-Mobile.aspx#peloc> (December 2021)

⁴⁸⁶ Loans which, on the last working day of the reporting month, are delayed by at least one day shall be considered outstanding.

⁴⁸⁷ Percentage of 100%.

⁴⁸⁸ Debt accumulated via interest rates and penalties when the consumer does not pay the company for the money they have spent i.e. overdraft

⁴⁸⁹ Average rate from 1 to 5.

3. Main drivers behind the need for debt ⁴⁹⁰		
Increase in cost of living	5.0	3.1
Decrease in income	2.0	3.4
Increase in cost of debt	1.0	2.9
Credit availability ⁴⁹¹	3.0	3.2
Unexpected events (loss of job, divorce, sickness, or others)	4.0	4.0

⁴⁹⁰ Average rate from 1 to 5.

⁴⁹¹ Type of credit, availability of credit, marketing practices

24.3 Annexes (EU level data & Complementary national statistical data)

ANNEX B: Complementary national statistical data

Romania ⁴⁹² National-level data ⁴⁹³		Overall debt (%)
Characteristics of debt		
	Financial debts	66.5
	Property debt (mortgage)	37.3
	Consumer debt	27
	Microcredit and pledge loans	0
	Other bank debts (overdrafts and overdrafts)	0.5
	Rent ⁴⁹⁴	12.9
	Other debts	5.6

⁴⁹² National Bank of Romania, statistic report on the credits given to householders: <https://www.bnr.ro/Credite-acordate-gospodariilor-populatiei-5771-Mobile.aspx#peloc> (December 2021)

⁴⁹³ National Bank of Romania, Annual report 2020: <https://www.bnr.ro/PublicationDocuments.aspx?icid=3043>

⁴⁹⁴ National Bank of Romania, Report on the financial stability December 2021: <https://www.bnr.ro/PublicationDocuments.aspx?icid=19966>

Regional-level data⁴⁹⁵

Regions	Outstanding loans (RON per capita) ⁴⁹⁶	Householder's Consumer credit (RON per capita)	Householder's Mortgage Credit (RON per capita)	Householder's Available Resources (RON per capita)
Alba	112.4	1,935.8	1,914.8	3,388.6
Arad	191.8	2,228.7	2,573.2	3,366.6
Argeş	189.8	2,843.8	2,722.7	3,700.9
Bacău	78.3	1,358.1	1,501.9	2,341.4
Bihor	154.7	2,142.2	2,955.5	3,508.2
Bistriţa Năsăud	141	1,512.6	1,310.1	2,850.6
Botoşani	33.6	1,178.1	966.1	1,844.7
Braşov	482.2	4,380.5	8,932.8	8,436.8
Brăila	591.9	10,455.0	10,650.3	18,165.4
Buzău	113.8	1,714.6	1,582.9	2,589.5
Caraş-Severin	72.2	1,361.9	887.2	1,702.3
Călăraşi	90.3	1,384.7	862.4	2,094.6
Cluj	253.7	3,020.2	8,733.0	7,543.9
Constanta	208.3	2,662.8	4,758.7	4,663.8
Covasna	66.5	1,475.2	1,126.0	2,968.7
Dâmboviţa	84.9	1,789.8	933.9	2,096.2
Dolj	104.5	2,118.6	2,587.6	3,512.7
Galaţi	93.8	1,580.3	2,027.9	3,175.4
Giurgiu	79.3	1,407.7	773.2	1,801.4
Gorj	76.3	2,432.7	1,341.0	2,650.3
Harghita	46.3	1,110.1	526.7	3,282.8
Hunedoara	94.2	2,052.1	1,107.5	261.5
Ialomiţa	136.9	1,807.7	1,114.2	2,665.8
Iaşi	160.5	2,329.5	4,723.5	4,196.8
Maramureş	203.6	3,007.5	2,466.3	4,429.0
Mehedinţi	37.1	939.6	616.9	1,236.7
Mureş	257.7	3,100.7	3,930.4	7,406.8
Neamţ	60.5	1,172.2	905.5	1,933.2
Olt	49.3	1,418.4	980.6	2,057.8
Prahova	259.6	4,155.8	3,523.7	5,595.7
Satu Mare	67.6	663.1	713.8	1,232.1
Sălaj	80.7	1,578.9	1,267.6	2,936.6

⁴⁹⁵ Credits and deposits in territorial profile, National Bank of Romania: <https://www.bnr.ro/Credite-si-depozite-in-profil-teritorial-3171.aspx> (December 2021)

Note: Following the adoption on the 1th of January 2022 of the "Regulamentului nr. 4/2021 privind raportarea de date și informații statistice la Banca Națională a României" the report "Structure in territorial profile of loans and deposits of non-governmental non-bank customers" is no longer made.

⁴⁹⁶ Loans which, on the last working day of the reporting month, are **delayed** by at least one day shall be considered outstanding.

Sibiu	314.3	2,688.8	5,991.5	5,431.2
Suceava	127.9	2,006.7	1,754.5	3,676.2
Teleorman	34	707.0	496.6	1,165.5
Tmiş	408.4	5,125.7	13,263.2	9,592.6
Tulcea	21.2	653.4	723.9	1,236.2
Vaslui	68.7	2,033.8	1,702.8	3,400.3
Vâlcea	160.1	1,821.4	1,546.3	2,634.7
Vrancea	80.2	1,326.9	1,127.7	2,114.9
Bucureşti (including Ilfov)	4,439.9	40,396.1	84,005.1	80,590.8
Average	74.7	3,148.3	4,673.9	5,597.1

25 Slovakia

25.1 Statistics on households' over-indebtedness

Based on the median debt to income indicator and share of households with debt, it seems that Slovak households are slightly less indebted compared to the EU average, while, in terms of the indicators related to over-indebtedness, it seems that households in Slovakia are relatively equally over-indebted to the average EU household.

There seems to be no national definition of over-indebtedness in Slovakia and the data from national sources mostly focuses on the general household indebtedness rather than over-indebtedness level. In this context, prevailing part of loans is granted to the 35-44 age cluster and to households falling within the higher income groups.

A more detailed analysis of the indicators of the household (over) indebtedness, and an overview of the impact of over-indebtedness on the different household groups in Slovakia are available in the chapters below.

EU level data

This section concentrates on the analysis of the selected EU-level statistical indicators on household over-indebtedness in Slovakia, this includes:

- Statistics on arrears and inability to face unexpected financial expenses (EU SILC data)⁴⁹⁷;
- Statistics concerning the share of households holding debt, liabilities, median to income/asset ratios, regular expenses less than income, and negative wealth⁴⁹⁸.

Statistics on arrears and inability to face unexpected financial expenses (EU SILC data)

Overall, the proportion of households in arrears in Slovakia was relatively close to the EU average until 2017, with a subsequent massive increase, reaching the peak in 2019, followed by a significant decrease.

On the positive side:

- The share of households in **arrears on utility bills** in Slovakia (5.2% in 2020) was slightly lower than the EU average (6.3% in 2020), although the trend underwent a turbulent rise and fall within the period from 2017 to 2020.
- The ratio of households able to **face unexpected financial expenses** was almost equivalent to the EU average ratio, with lower ratio (26.1%) in favour of Slovak households (32.8% EU average) in 2020.

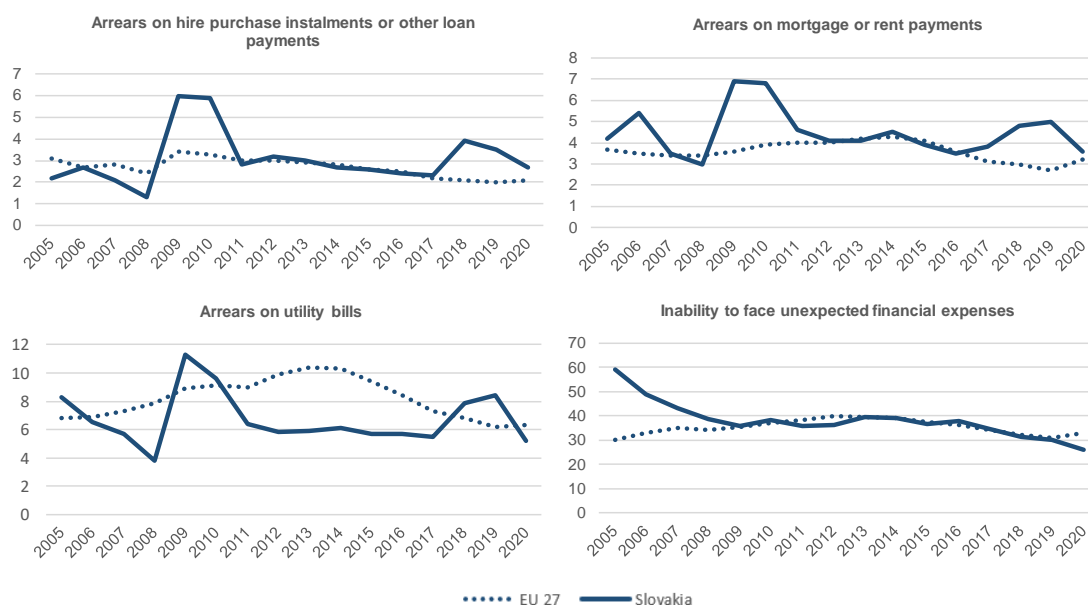
On the negative side:

- The share of households in **arrears on hire purchase instalments or other loan payments** in Slovakia (2.7%) was slightly higher than the EU average (2.1%) in 2020, despite undergoing a booming increase and decrease between 2017 and 2020.
- Similarly, the share of households in Slovakia (3.6%) that had **arrears on mortgage** was slightly higher than the EU average, (3.2%) in 2020, although also in this case the curve trend in Slovakia evidenced a dramatic increase and a subsequent decrease from 2017 to 2020.

⁴⁹⁷ Data from 2005 to 2020. Indicators used: ilc_mdcs04, ilc_mdcs06, ilc_mdcs07, and ilc_mdcs08.

⁴⁹⁸ Anonymised microdata from 2017 wave made available in March 2020. Note: the report for the next wave in 2020 is expected to be released in the last quarter of 2022.

A full overview of the statistics mentioned above from 2005 to 2020 is available below.



Findings from the ECB Household Finance and Consumption Survey

According to the ECB Household Finance and Consumption Survey, in 2017, the share of **households holding debt in Slovakia (36.6%) was relatively lower than the EU average (42%)**.

- As for the income groups, the lower ratio was applicable for all groups, except for households belonging to the 40-60% income group⁴⁹⁹.
- Similarly, in terms of the age groups, apart from the 16-34 age group⁵⁰⁰, all other age groups held lower percentage of debts in comparison to the EU average.

In terms of the debt types, Slovakia was **relatively close to the EU average with mortgages being the main source of household debt** (Slovakia 89% to EU 88.1%).

- Except for mortgages, other types of debts, namely non-mortgage debts⁵⁰¹, credit line/overdraft⁵⁰², had lower ratio than the EU average, and credit card debts were on par with the EU average ratio⁵⁰³.

Overall, the **median debt to income ratio** of the indebted households in Slovakia **was lower than the EU average** (Slovakia 61.1% to EU 70.8%).

- As to the level of income groups, the ratio was significantly higher in both the 20-40% group⁵⁰⁴ as well as the 40-60% group⁵⁰⁵.
- With regard to the household size, a higher ratio, in comparison to the EU average, was evidenced in the households composed of 1⁵⁰⁶ or 2⁵⁰⁷ members.

The total **median debt to assets ratio was lower** in Slovakia **than the EU average** (Slovakia 18.9% to EU 25.5%).

⁴⁹⁹ Slovakia 43,6% to EU 41,1%.

⁵⁰⁰ Slovakia 56,9% to EU 50,7%.

⁵⁰¹ Slovakia 11,0% to EU 11,9%.

⁵⁰² Slovakia 0,3% to EU 1%.

⁵⁰³ Slovakia 0,2% to EU 0,2%.

⁵⁰⁴ Slovakia 85,2% to EU 47,4%.

⁵⁰⁵ Slovakia 73,5% to EU 53,6%.

⁵⁰⁶ Slovakia 72,1% to EU 58,8%.

⁵⁰⁷ Slovakia 65,4% to EU 50%.

- A slightly higher ratio occurred in the 20-40% income group⁵⁰⁸, and the 2-members size household group⁵⁰⁹.
- Predominantly higher ratio emerged in relation to the housing status groups, whereby a significantly higher ratio of renters⁵¹⁰ and slightly higher number of outright owners⁵¹¹, were symptomatic to Slovakia.

On the negative side, however, in 2017, the total **regular expenses less than income ratio was lower in Slovakia compared to the rest of the EU**⁵¹² (Slovakia 32.3% to EU 40.2%), whereby the ratio was lower on all instances across all population segments.

In total, the share of households in Slovakia with **negative wealth**⁵¹³ was considerably **lower than the EU average** (Slovakia 2.4% to EU 4.7%), with minor exceptions throughout the particular population segments.

Full details of the ECB Household Finance and Consumption Survey are in ANNEX A: EU level data, findings from ECB HFC (2017).

National level data

In Slovakia, **households' indebtedness has been rapidly increasing over the last years**⁵¹⁴. Therefore, the National Bank of Slovakia has introduced measures, namely debt service-to-income ratio (DSTI), debt-to-income ratio (DTI) and loan-to-value ratio (LTV), for mitigating the risk of excessive borrowing. The main objective of the measures is to ensure that loans are originated in accordance with borrowers' financial situation. Implementing the measures has had positive effect on non-performing loans and past due loans.⁵¹⁵

The households' **debt-to-income ratio in Slovakia underwent a sharp increase from 2015 to 2020** (increasing over 25% in that period). However, on a positive note, the income growth was the most significant factor behind the increase in household indebtedness.⁵¹⁶

Based on National Bank of Slovakia's data,⁵¹⁷ concerning the age clusters, the highest share of mortgage holders was in the 35-44 age cohort; that was the case within each year over the last three years. Further, the higher portion of mortgage loans was provided to medium and higher income groups in the period from 2018 to 2020. In the same period, a greater proportion of consumer credit was provided to medium income households.

The full national and regional level data identified for this report is in ANNEX B: Complementary national statistics data.

⁵⁰⁸ Slovakia 33,3% to EU 28,4%.

⁵⁰⁹ Slovakia 20,7% to EU 17,8%.

⁵¹⁰ Slovakia 95,2% to EU 40,3%.

⁵¹¹ Slovakia 3,8% to EU 3,7%.

⁵¹² Oppositely to the other indicators from the ECB HCF survey, the higher share of households with regular expenses less than income is considered a positive result.

⁵¹³ Net wealth is the difference between total household assets and total household liabilities. Negative net wealth means the household has more total liabilities than total assets.

⁵¹⁴ The aggregate debt of households increased by 8% in a year (from 2019 to 2020).

⁵¹⁵ National Bank of Slovakia (2021). Financial Stability Report. Available at: https://www.nbs.sk/_img/Documents/ZAKLNBS/PUBLIK/SFS/FSR_112021.pdf.

⁵¹⁶ National Bank of Slovakia (2021). Financial Stability Report. Available at: https://www.nbs.sk/_img/Documents/ZAKLNBS/PUBLIK/SFS/FSR_112021.pdf.

⁵¹⁷ National Bank of Slovakia (2021). Financial Stability Report. Available at: https://www.nbs.sk/_img/Documents/ZAKLNBS/PUBLIK/SFS/FSR_112021.pdf.

25.2 Annexes (EU level data & Complementary national statistical data)

ANNEX A: EU level data

ECB HFC (2017)		SLOVAKIA			
		Slovakia (%)	EU (%)	Lowest ↓	Highest ↑
1. Percentage of households holding debt					
Total		36.6	42	19.7	58
<i>By level of income</i>					
Bottom 20%		17.2	24.1	8.1	35.7
20-40%		28.7	30.6	12.6	53.7
40-60%		43.6	41.1	15.1	59.9
60-80%		46.9	52.8	22.1	74.3
80-90%		46.0	59.4	22.8	83.1
90-100%		47.7	63.3	29	81.3
<i>By age group</i>					
16-34		56.9	50.7	13.8	75.7
35-44		57.7	61.3	26.2	82.1
45-54		48.4	56.5	27.2	78
55-64		21.5	42.5	17.7	64.5
65-74		11.3	25.4	9.4	44.6
75+		3.9	9.2	2.3	34.5
2. Shares of debt types on total liabilities % of total liabilities					
Mortgage		89.0	88.1	65.7	97.3
Non-mortgage debt		11.0	11.9	2.7	34.3
Of which: other		10.6	10.7	2	23.6
Credit line/ overdraft		0.3	1	0.1	9.5
Credit card debt		0.2	0.2	0.1	2
3. Median debt to income ratio					
Total		61.1	70.8	16.7	243
<i>By level of income</i>					
Bottom 20%		43.1	73.3	14	664.7
20-40%		85.2	47.4	8.3	253.8
40-60%		73.5	53.6	10.6	266.9
60-80%		51.8	77.6	13.8	260.7
80-90%		59.4	97.7	21.7	213.7
90-100%		57.7	80.4	17.9	174.4
<i>By household size</i>					
1		72.1	58.8	13.9	260.2
2		65.4	50	15.9	216.6
3		79.0	79.8	9.4	268.6
4		55.3	109.5	19.8	251.8
5+		42.8	91.3	11.7	268.6
<i>By housing status</i>					
Owners - outright		15.6	24.1	5.4	68.1
Owners - with mortgage		139.9	186.7	76.3	309.5
Renters		17.3	17.9	8.2	68.1
<i>By age group</i>					
16-34		109.3	56.7	16.7	257.7
35-44		92.5	143.5	26.7	315.7
45-54		49.4	79.5	11.7	248
55-64		21.2	54.8	9	181.3
65-74		35.4	30.7	5.5	252.5
75+		N	22.1	6	217.1
4. Median debt to assets ratio					
Total		18.9	25.5	4.8	52.1
<i>By level of income</i>					
Bottom 20%		18.2	37	3	94.9
20-40%		33.3	28.4	2.9	48.8
40-60%		18.9	27.8	4.5	54.4
60-80%		15.1	25.1	6.3	57.5
80-90%		16.5	24.7	8.8	52.6
90-100%		18.4	20.1	5.3	39.5
<i>By household size</i>					
1		18.3	32.9	2.6	55.8
2		20.7	17.8	3	42.3
3		27.0	27.1	4.7	58.2
4		15.7	27.3	5.6	56.9

	5+	12.9	30.1	3.5	57.1
<i>By housing status</i>					
	Owners - outright	3.8	3.7	0.9	7.4
	Owners - with mortgage	33.5	34.3	19.2	52.7
	Renters	95.2	40.3	22.9	104.6
<i>By age group</i>					
	16-34	43.6	52.9	20.9	75.6
	35-44	24.5	38.6	10.2	66
	45-54	12.3	21.6	3.8	54
	55-64	4.9	13.2	2.4	38.1
	65-74	8.6	8.6	1.5	34.5
	75+	N	5.5	1.3	27.4
5. Regular expenses less than income⁵¹⁸					
	Total	32.3	40.2	15.5	65.2
<i>By level of income</i>					
	Bottom 20%	20.8	23.9	4	49.9
	20-40%	26.7	33.1	8.3	66
	40-60%	31.0	41.2	13.9	63.9
	60-80%	37.5	47.1	19.5	69.7
	80-90%	36.4	51.2	24.9	75.9
	90-100%	55.4	61.3	29.6	78.2
<i>By household size</i>					
	1	27.5	40.5	14.1	61.5
	2	34.1	43.5	18.5	70.9
	3	34.3	38.2	11.3	68.4
	4	33.7	37.3	13.2	65.8
	5+	29.3	32.9	9.7	54.7
<i>By housing status</i>					
	Owners - outright	33.4	42.2	17.9	67.8
	Owners - with mortgage	30.7	43.2	11	65.4
	Renters	29.0	36.8	11.4	61.5
<i>By age group</i>					
	16-34	32.9	41.1	9.4	61.9
	35-44	24.8	38.2	13.7	64
	45-54	30.4	40.4	13.5	66.1
	55-64	41.3	41.5	18.6	66.4
	65-74	36.0	42	16.7	72.8
	75+	28.5	38.3	10.4	63.2
6. % of households that have negative net wealth					
	Total	2.4	4.7	0.3	9.4
<i>By level of income</i>					
	Bottom 20%	3.3	6.9	0.3	16.1
	20-40%	3.6	5	0.2	12.9
	40-60%	2.4	5.4	0.8	10.8
	60-80%	0.8	3.8	0.3	10.8
	80-90%	1.6	3	0	10.8
	90-100%	1.8	1.7	0	6.1
<i>By household size</i>					
	1	2.7	5.4	0.2	12
	2	1.9	3.2	0.4	8
	3	2.9	5.7	0.3	13.1
	4	2.8	4.6	0.2	11.5
	5+	1.5	6.4	0	11.8
<i>By housing status</i>					
	Owners - outright	0.0	0.1	0	0.5
	Owners - with mortgage	2.6	4.6	0	16.3
	Renters	16.6	9.4	1.7	24.9
<i>By age group</i>					
	16-34	4.9	10.6	0.6	25.6
	35-44	3.6	6.4	0	15.4
	45-54	2.5	5	0.3	11
	55-64	1.4	3.8	0.2	8.8
	65-74	0.6	2.3	0.4	3.9
	75+	0.5	0.5	0	5.1

⁵¹⁸ Oppositely to the other indicators from the ECB HCF survey, the higher share of households with regular expenses less than income is considered a positive result.

ANNEX B: Complementary national statistical data



⁵¹⁹ National Bank of Slovakia (2021). Financial Stability Report. Available at: https://www.nbs.sk/img/Documents/ZAKLNBS/PUBLIK/SFS/FSR_112021.pdf.

⁵²⁰ National Bank of Slovakia (2021). Financial Stability Report. Available at: https://www.nbs.sk/img/Documents/ZAKLNBS/PUBLIK/SFS/FSR_112021.pdf.

26 Slovenia

26.1 Statistics on households' over-indebtedness

Based on the median debt to income indicator and share of households with debt, it seems that Slovenian households are considerably less indebted compared to the EU average, while, in terms of the indicators related to over-indebtedness, it seems that households in Slovenia are relatively equally over-indebted to the average EU household.

No common definition of over-indebtedness seems to be present in Slovenia, yet, Statistical Office of the Republic of Slovenia has a relatively good coverage on statistics related to households on arrears and general trends on households indebtedness levels. Household groups that are the most likely to be **indebted**⁵²¹ are higher income households, and single and couple parent households with at least one dependent children. Regionally, Koroška region seemed to be a region with the largest share of households in arrears in Slovenia through the period from 2013 to 2020.

A more detailed analysis of the indicators of the household (over) indebtedness, and an overview of the impact of over-indebtedness on the different household groups in Slovenia are available in the chapters below.

EU level data

This section concentrates on the analysis of the selected EU-level statistical indicators on household over-indebtedness in Slovenia, this includes:

- Statistics on arrears and inability to face unexpected financial expenses (EU SILC data)⁵²²;
- Statistics concerning the share of households holding debt, liabilities, median to income/asset ratios, regular expenses less than income, and negative wealth⁵²³.

Statistics on arrears and inability to face unexpected financial expenses (EU SILC data)

Overall, the proportion of households in arrears in Slovenia is relatively **close to the EU average**.

On the **positive side**:

- The share of households in arrears on hire purchase **instalments or other loan payments** in Slovenia has been in decline since 2014 and it has decreased from 4.6% to 1.6% in 2020 which is 0.5% less than the EU average.
- The share of households in arrears on **mortgages** has been in decline since 2014 and it has decreased from 4.2% to 1.8% in 2020 which is 1.4% less than the EU average.
- The share of households **unable to face unexpected financial expenses** has been in decline since 2013 and it has decreased from 45.8% to 29.6% in 2020 which is 3.2% less than the EU average.

On the **negative side**:

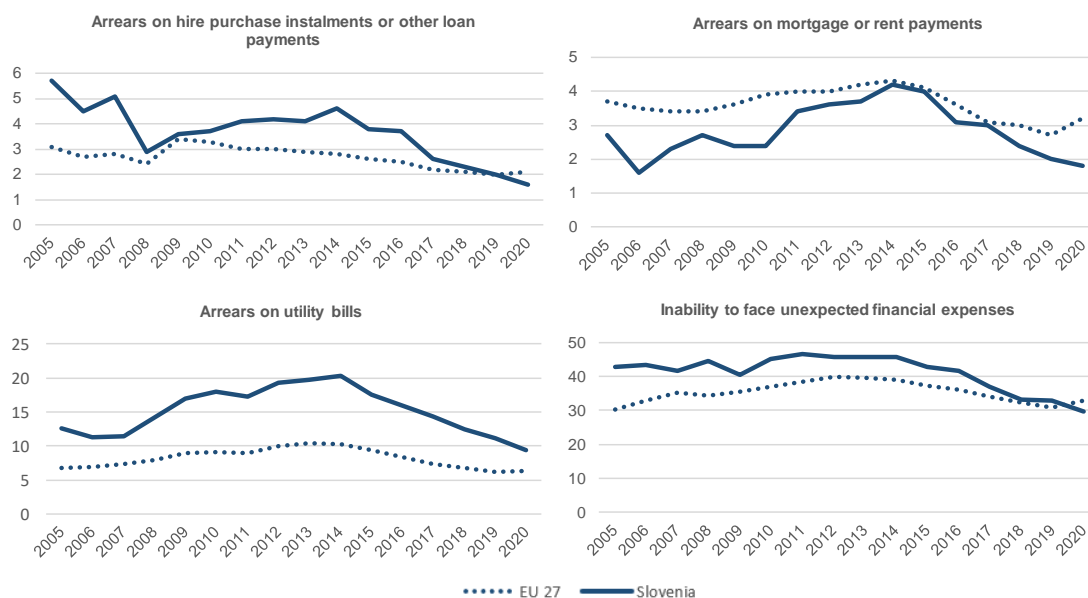
- In 2020, the share of households in Slovenia (9.4%) that had arrears on **utility bills** was higher than the EU average (6.3%). Nonetheless, in this area, the trend in Slovenia has been positive as well as back in 2014 this share was 20.3%.

A full overview of the statistics mentioned above from 2005 to 2020 is available below.

⁵²¹ Not necessarily over-debted.

⁵²² Data from 2005 to 2020. Indicators used: ilc_mdcs04, ilc_mdcs06, ilc_mdcs07, and ilc_mdcs08.

⁵²³ Anonymised microdata from 2017 wave made available in March 2020. Note: the report for the next wave in 2020 is expected to be released in the last quarter of 2022.



Findings from the ECB Household Finance and Consumption Survey

According to the ECB Household Finance and Consumption Survey, in 2017, the share of **households holding debt in Slovenia (32.2%) was smaller than the EU average (42%)**.

In terms of the debt types, **a smaller share** of households in Slovenia **has mortgages** compared to the EU average (Slovenia 73.5% to EU 88.1%).

- The share of households in Slovenia with debt related to credit line/ overdraft⁵²⁴, and credit card debt⁵²⁵ is significantly higher compared with the EU average.
- At the same time, there is a higher share of households in Slovenia with debts related to consumer credit loans, private loans and other loans not collateralised on a household's real estate property.

In 2017, the total **median debt to income ratio** of the indebted households in Slovenia **was significantly lower than the EU average** (Slovenia 27.6% to EU 70.8%)

- However, this was not the case for **the lowest income households**. In fact, median debt to income ratio for Slovenian households belonging to the bottom 20% of the income level **was the highest in the whole EU** (Slovenia 664.7% to EU 73.3%).

The total share of households in Slovenia with **regular expenses less than their income was lower**⁵²⁶ than the EU average (Slovenia 34.1% to EU 40.2%).

The **total median debt to assets ratio was significantly lower in Slovenia** compared with the EU average (Slovenia 7.8% to EU 25.5%) across most of the population segments. In addition, the share of households in Slovenia with **negative wealth**⁵²⁷ is also considerably lower than the EU average (Slovenia 2.8% to EU 4.7%).

Full details of the ECB Household Finance and Consumption Survey are in ANNEX A: EU level data, findings from ECB HFC (2017).

⁵²⁴ Slovenia 2.5% to EU 1%.

⁵²⁵ Slovenia 0.6% to EU 0.2%.

⁵²⁶ Oppositely to the other indicators from the ECB HFC survey, the higher share of households with regular expenses less than income is considered a positive result.

⁵²⁷ Net wealth is the difference between total household assets and total household liabilities. Negative net wealth means the household has more total liabilities than total assets.

National level data

To provide a broader overview of the level of (over) indebtedness across different household categories in Slovenia, the study relies on a study from the Statistical Office of the Republic of Slovenia conducted in 2021⁵²⁸ which shows that:

- Lower income households, one person households, and couples with no children are the **least likely to take out loans**, while the higher income households, single parents with children, and couples with children are the **most likely** household groups to take out loans.
- The absolute majority (98 to 99%) of households in Slovenia take out loans from **banks or other financial institutions** (68-69%) or **supplier of goods and services** (40-41%). Higher share (around 70%) of middle to higher income households as well as parents (single and couple) prefer to take out loans from banks, while around half of the lowest income households receive their loans from the suppliers of goods and services.
- Most popular **expenses** covered by loans in Slovenia are **means of transport** (i.e. vehicles, 52%), **purchase or renovation of property** (31%), and **furniture, home furnishings** (19%). Lower income households tend to take out loans to cover expenses related to furniture, home furnishings, while middle to higher income households tend to take loans to cover expenses related to means of transport and purchase or renovation of property.
- **Regionally**, throughout the period of 2013 to 2020, Koroška region had the highest share of households with arrears on hire-purchase instalments or other non-housing loan payments in the last 12 months due to inability to pay. However, as in the whole Slovenia, the situation improved outstandingly as only around 1% of households, in 2020, were in arrears compared to 4% nationally, and 13% Koroška region in 2013.

26.2 Results of the debt advisor survey

According to the debt advisors consulted in Slovenia:

- The majority (63%) over-indebted households had **consumer loans**.
- **Big ticket items, addictive behaviours and expenses related to property** are the key expenses driving over-indebtedness.
- **Unexpected events and increase in cost of debt** are the most significant drivers behind the need for debt.
- **Level of education and income, and employment status** are the most relevant sociodemographic factors when looking at over-indebtedness.

Furthermore:

- The majority (55%) of the debt advice beneficiaries are living **in urban areas**.
- Three-quarters of the debt advice beneficiaries are **men**.
- Almost two-thirds (65%) of the debt advice beneficiaries are **employed**.
- Most of the debt advice beneficiaries have either **advanced** (37%) or **basic level of education** (32%).
- Most of the debt advice beneficiaries are either **single person households with children** (33%) or **partner households with children** (28%).
- **Sudden loss of income** (48%) and **personal circumstances** (38%) are the most impactful sudden change in life in terms of the over-indebtedness.
- **Lowest-income households** are the most likely to be debt advice beneficiaries (53%).
- **Middle-aged** (35-54 year old) households are more likely to be debt advice beneficiaries.

Survey results		
1. Main financial source of debt ⁵²⁹	Slovenia	EU
Mortgage	23%	22%

⁵²⁸ Statistical Office of the Republic of Slovenia (2021). Over-indebtedness, consumption and wealth. Available at: <https://pxweb.stat.si/SiStat/en>

⁵²⁹ Percentage of 100%.

Consumer loan	63%	42%
Credit card ⁵³⁰	5%	22%
Informal sources of funds	10%	13%
2. Main expenses leading to over-indebtedness⁵³¹		
Daily expenses (i.e. food, bills, childcare, etc)	2.7	3.1
Property (rent or purchase)	3.5	3.4
Big ticket items (i.e. cars, education, appliances)	4.0	3.0
Lifestyle expenses (luxury or expensive habits)	2.7	2.5
Addictive behaviours (gambling, alcohol, drugs, or similar)	3.7	3.0
3. Main drivers behind the need for debt⁵³²		
Increase in cost of living	2.3	3.1
Decrease in income	3.3	3.4
Increase in cost of debt	3.7	2.9
Credit availability ⁵³³	3.0	3.2
Unexpected events (loss of job, divorce, sickness, or others)	4.0	4.0
4. Most relevant sociodemographic factors when looking at over-indebtedness⁵³⁴		
Geographic location	3.8	2.6
Age	3.1	2.9
Gender	2.9	2.4
Level of education	4.5	3.4
Level of income	4.3	3.6
Household size	3.6	2.9
Employment status	4.3	3.5
Sudden changes in life	4.0	3.5
Profession	4.1	3.2
5. Share of the debt advice beneficiaries by the sociodemographic group⁵³⁵		
<i>Geographic location</i>		
Urban	55%	57%
Rural	45%	43%
<i>Gender</i>		
Men	75%	50%
Women	25%	50%
<i>Employment status</i>		
Employed	65%	50%
Unemployed	35%	50%
<i>Level of education</i>		
No to little formal education	5%	19%
Basic education	32%	49%
Intermediate education	26%	20%
Advanced education	37%	12%
<i>Household size</i>		
Single person household with no children	22%	27%
Partner household with no children	17%	17%
Single parents with children	33%	29%
Partner household with children	28%	26%
<i>Sudden changes in life</i>		
Sudden loss of income ⁵³⁶	46%	36%
Increase in cost of living	17%	20%
Personal circumstances ⁵³⁷	38%	28%
Other	0%	16%
<i>Income group</i>		
Bottom 20%	53%	35%
20-40%	20%	27%
40-60%	20%	19%
60-80%	7%	12%
Top 20%	0%	7%
<i>Age</i>		
16-34	18%	13%
35-44	35%	19%
45-54	24%	46%
55-64	15%	11%
65-74	9%	7%
75+	0%	5%

⁵³⁰ Debt accumulated via interest rates and penalties when the consumer does not pay the company for the money they have spent i.e. overdraft

⁵³¹ Average rate from 1 to 5.

⁵³² Average rate from 1 to 5.

⁵³³ Type of credit, availability of credit, marketing practices

⁵³⁴ Based on their experience, debt advisors were asked to rate the impact of each sociodemographic category on over-indebtedness from 1 to 5 across the sub-groups of each sociodemographic profile. The numbers included in the table are average rates of each sociodemographic factor in the Member States mentioned, and at the EU level overall.

⁵³⁵ Percentage of 100%.

⁵³⁶ Unemployment, wage level, pandemics/lockdowns.

⁵³⁷ Death/health issue in the family, number of dependents, divorce/family breakdown.

26.3 Annexes (EU level data & Complementary national statistical data)

ANNEX A: EU level data

SLOVENIA		Slovenia (%)	EU (%)	Lowest ↓	Highest ↑
ECB HFC (2017)					
<u>Percentage of households holding debt</u>					
Total		32.2	42	19.7	58
<i>By level of income</i>					
Bottom 20%		18.9	24.1	8.1	35.7
20-40%		19.9	30.6	12.6	53.7
40-60%		30.9	41.1	15.1	59.9
60-80%		44.8	52.8	22.1	74.3
80-90%		46.1	59.4	22.8	83.1
90-100%		47.3	63.3	29	81.3
<i>By age group</i>					
16-34		42.9	50.7	13.8	75.7
35-44		50.1	61.3	26.2	82.1
45-54		37.6	56.5	27.2	78
55-64		34.9	42.5	17.7	64.5
65-74		18.2	25.4	9.4	44.6
75+		6.2	9.2	2.3	34.5
<u>Shares of debt types on total liabilities % of total liabilities</u>					
Mortgage		73.5	88.1	65.7	97.3
Non-mortgage debt		26.5	11.9	2.7	34.3
Of which: other		23.4	10.7	2	23.6
Credit line/ overdraft		2.5	1	0.1	9.5
Credit card debt		0.6	0.2	0.1	2
<u>Median debt to income ratio</u>					
Total		27.6	70.8	16.7	243
<i>By level of income</i>					
Bottom 20%		664.7	73.3	14	664.7
20-40%		16.6	47.4	8.3	253.8
40-60%		24.6	53.6	10.6	266.9
60-80%		21.2	77.6	13.8	260.7
80-90%		29.2	97.7	21.7	213.7
90-100%		19.8	80.4	17.9	174.4
<i>By household size</i>					
1		32.3	58.8	13.9	260.2
2		17.7	50	15.9	216.6
3		24.8	79.8	9.4	268.6
4		19.8	109.5	19.8	251.8
5+		53.1	91.3	11.7	268.6
<i>By housing status</i>					
Owners - outright		11.2	24.1	5.4	68.1
Owners - with mortgage		139.2	186.7	76.3	309.5
Renters		25.1	17.9	8.2	68.1
<i>By age group</i>					
16-34		50.2	56.7	16.7	257.7
35-44		61.7	143.5	26.7	315.7
45-54		24.3	79.5	11.7	248
55-64		15.1	54.8	9	181.3
65-74		12.6	30.7	5.5	252.5
75+		N	22.1	6	217.1
<u>Median debt to assets ratio</u>					
Total		7.8	25.5	4.8	52.1
<i>By level of income</i>					
Bottom 20%		11.5	37	3	94.9
20-40%		4.5	28.4	2.9	48.8
40-60%		5.5	27.8	4.5	54.4
60-80%		10.6	25.1	6.3	57.5
80-90%		8.8	24.7	8.8	52.6
90-100%		7.3	20.1	5.3	39.5
<i>By household size</i>					
1		6.2	32.9	2.6	55.8
2		4.1	17.8	3	42.3
3		8.5	27.1	4.7	58.2
4		8.8	27.3	5.6	56.9

	5+	20.5	30.1	3.5	57.1
<i>By housing status</i>					
	Owners - outright	2.0	3.7	0.9	7.4
	Owners - with mortgage	24.9	34.3	19.2	52.7
	Renters	48.7	40.3	22.9	104.6
<i>By age group</i>					
	16-34	30.2	52.9	20.9	75.6
	35-44	21.5	38.6	10.2	66
	45-54	7.9	21.6	3.8	54
	55-64	3.5	13.2	2.4	38.1
	65-74	1.5	8.6	1.5	34.5
	75+	N	5.5	1.3	27.4
Regular expenses less than income⁵³⁸					
	Total	34.1	40.2	15.5	65.2
<i>By level of income</i>					
	Bottom 20%	28.6	23.9	4	49.9
	20-40%	22.6	33.1	8.3	66
	40-60%	34.9	41.2	13.9	63.9
	60-80%	33.1	47.1	19.5	69.7
	80-90%	45.1	51.2	24.9	75.9
	90-100%	58.2	61.3	29.6	78.2
<i>By household size</i>					
	1	30.3	40.5	14.1	61.5
	2	38.6	43.5	18.5	70.9
	3	33.3	38.2	11.3	68.4
	4	40.3	37.3	13.2	65.8
	5+	31.7	32.9	9.7	54.7
<i>By housing status</i>					
	Owners - outright	34.8	42.2	17.9	67.8
	Owners - with mortgage	36.9	43.2	11	65.4
	Renters	31.2	36.8	11.4	61.5
<i>By age group</i>					
	16-34	39.0	41.1	9.4	61.9
	35-44	36.7	38.2	13.7	64
	45-54	36.5	40.4	13.5	66.1
	55-64	30.5	41.5	18.6	66.4
	65-74	30.2	42	16.7	72.8
	75+	33.6	38.3	10.4	63.2
% of households that have negative net wealth					
	Total	2.8	4.7	0.3	9.4
<i>By level of income</i>					
	Bottom 20%	2.5	6.9	0.3	16.1
	20-40%	1.9	5	0.2	12.9
	40-60%	3.8	5.4	0.8	10.8
	60-80%	3.5	3.8	0.3	10.8
	80-90%	1.7	3	0	10.8
	90-100%	3.2	1.7	0	6.1
<i>By household size</i>					
	1	1.9	5.4	0.2	12
	2	1.1	3.2	0.4	8
	3	3.6	5.7	0.3	13.1
	4	4.4	4.6	0.2	11.5
	5+	6.3	6.4	0	11.8
<i>By housing status</i>					
	Owners - outright	0.1	0.1	0	0.5
	Owners - with mortgage	3.3	4.6	0	16.3
	Renters	10.4	9.4	1.7	24.9
<i>By age group</i>					
	16-34	8.1	10.6	0.6	25.6
	35-44	5.9	6.4	0	15.4
	45-54	2.0	5	0.3	11
	55-64	1.6	3.8	0.2	8.8
	65-74	0.7	2.3	0.4	3.9
	75+	0.7	0.5	0	5.1

⁵³⁸ Oppositely to the other indicators from the ECB HCF survey, the higher share of households with regular expenses less than income is considered a positive result.

ANNEX B: Complementary national statistical data

SLOVENIA ⁵³⁹				
National-level data				
Share of indebted households (%) by number of loans (in 2020)	1 loan (%)	2 loans (%)	3 or more loans (%)	No loans (%)
Total	26	8	3	64
<i>By risk at poverty status</i>				
Bellow the at-risk-of-poverty threshold	12	2	1	84
Above the at-risk-of-poverty threshold	28	9	3	59
<i>By household type</i>				
One person household	17	3	1	79
2 adults with no dependent children	21	6	2	71
Single parent household with at least one dependent children	38	9	3	50
Two parent household with at least one dependent child	36	14	6	45
<i>By tenure status</i>				
Owner	25	8	3	64
Tenant	24	5	2	68
<i>By level of income</i>				
First quintile	16	4	1	79
Second quintile	28	7	3	62
Third quintile	29	10	3	58
Fourth quintile	32	11	4	53
Fifth quintile	28	10	3	59
<i>Share of indebted households (%) by source of loans (in 2020)</i>				
	Bank or other financial institution (%)	Payday loan company or pawnbroker/cash converter (%)	Private sources (e.g. family, friends) (%)	Supplier of goods or services (%)
Total	69	1	1	41
<i>By risk at poverty status</i>				
Bellow the at-risk-of-poverty threshold	56	0	3	50
Above the at-risk-of-poverty threshold	70	1	1	41
<i>By household type</i>				
One person household	65	2	2	40
2 adults with no dependent children	65	0	0	44
Single parent household with at least one dependent children	71	3	3	37
Two parent household with at least one dependent child	72	1	1	41
<i>By level of income</i>				
First quintile	57	1	2	50
Second quintile	69	0	1	40
Third quintile	71	1	1	41
Fourth quintile	74	0	0	38
Fifth quintile	69	1	1	41

⁵³⁹ Statistical Office of the Republic of Slovenia (2021). Over-indebtedness, consumption and wealth. Available at: <https://pxweb.stat.si/SiStat/en>

Share of indebted households (%) by purpose of loans (in 2020) ⁵⁴⁰	Purchase or renovation of property	Furniture, home furnishings	Means of transport	Holidays	Healthcare	Education	Covering daily expenses	Financing business or professional activity	Refinancing another loan	Helping relatives or friends	Other purpose
Total	31	19	52	1	1	1	4	1	1	1	12
<i>By risk at poverty status</i>											
Bellow the at-risk-of-poverty threshold	24	28	30	0	2	1	6	1	1	1	20
Above the at-risk-of-poverty threshold	32	18	54	1	1	1	4	1	1	1	11
<i>By household type</i>											
One person household	31	15	39	1	3	0	4	0	1	3	17
2 adults with no dependent children	25	21	49	1	3	1	4	2	0	1	14
Single parent household with at least one dependent children	37	22	36	0	1	6	7	0	1	0	11
Two parent household with at least one dependent child	34	19	57	1	0	1	4	1	1	1	10
<i>By tenure status</i>											
Owner	31	19	51	1	2	0	3	1	1	1	13
Tenant	12	22	56	2	1	1	8	0	2	1	11
<i>By level of income</i>											
First quintile	25	26	37	0	2	1	6	1	0	1	17
Second quintile	26	19	52	0	2	1	4	1	1	2	12
Third quintile	28	19	57	2	1	0	6	1	1	1	12
Fourth quintile	39	15	55	1	1	1	2	1	1	1	9
Fifth quintile	35	16	56	1	2	0	2	1	0	0	11
Regional-level data⁵⁴¹											
Region	2013 (%)	2014 (%)	2015 (%)	2016 (%)	2017 (%)	2018 (%)	2019 (%)	2020 (%)			
Slovenia	4	4	3	3	2	2	2	1			
Pomurska	3	5	5	4	2	4	3	3			
Podravska	5	5	4	3	3	3	2	1			
Koroška	13	6	8	13	1	3	3	3			
Savinjska	3	4	3	3	3	1	2	2			
Zasavska	3	4	3	2	1	4	1	1			
Posavska	4	4	3	2	3	1	3	1			
Jugovzhodna Slovenija	3	4	1	1	2	2	3	1			
Osrednjeslovenska	3	3	3	3	2	2	2	2			
Gorenjska	3	3	4	3	2	1	0	1			
Primorsko-notranjska	3	5	6	4	3	2	0	2			
Goriška	2	2	2	2	1	1	1	1			
Obalno-kraška	4	5	2	0	1	1	2	2			

⁵⁴⁰ Multiple options available.

⁵⁴¹ Share of households in arrears on hire-purchase instalments or other non-housing loan payments in the last 12 months due to inability to pay.

27 Spain

27.1 Statistics on households' over-indebtedness

Overall, household indebtedness and over-indebtedness levels in Spain seem to be fairly similar, yet, slightly lower than the EU averages overall.

Spain does not have an official or legal definition of over-indebtedness, yet, it has national relevant data concerning the share of households at risk-of poverty and exclusion, and statistics on the insolvent debtors both for physical persons with no business activity and businesses with individuals owners as well as households with foreclosure initiated. From 2017 onwards, females seem to be more at-risk-of-poverty and exclusion than males. Regionally, Cataluña has been a region with the most insolvent debtors both for physical persons with no business activity and businesses with individuals owners as well as households with foreclosure initiated.

A more detailed analysis of the indicators of the household (over) indebtedness, and an overview of the impact of over-indebtedness on the different household groups in Spain is available in the chapters below.

EU level data

This section concentrates on the analysis of the selected EU-level statistical indicators on household over-indebtedness in Spain, this includes:

- Statistics on arrears and inability to face unexpected financial expenses (EU SILC data)⁵⁴²;
- Gross debt-to-income ratio of households⁵⁴³;
- Statistics concerning the share of households holding debt, liabilities, median to income/asset ratios, regular expenses less than income, and negative wealth⁵⁴⁴.

Statistics on arrears and inability to face unexpected financial expenses (EU SILC data)

Overall, all the statistics taken into account for this analysis show the same **positive decreasing trend between 2013 and 2019** with figures similar to EU averages in most cases, and a strong spike in all indicators in 2020, bringing **the indicators for Spain above the EU averages**.

Specifically:

- The share of households in arrears on **hire purchase instalments or other loan payments** in Spain has been decreasing between 2009 and 2019 from 4.5% to 1.6%, a stronger decreasing trend in comparison to the EU. Nevertheless, in 2020 the indicator spiked to 3.8%, a figure which is considerably higher in comparison to the EU average of 2.1%.
- In 2020, the share of households in Spain (6.9%) that had **arrears on mortgages** was more than double the EU average (3.2%). The data between 2009 and 2019 show a marked decrease of the share of arrears with a peak in 2014 (7.2%) and a minimum in 2019 (3.8%).
- The share of households in **arrears on utility bills** in Spain (9.6%) is also higher than the EU average (6.3%). Between 2013 and 2019 the share of households in arrears on utility bills was decreasing going from 9.2% in 2013 (1.1% lower than the EU average), to 6.5% in 2019 (slightly higher than the EU average).

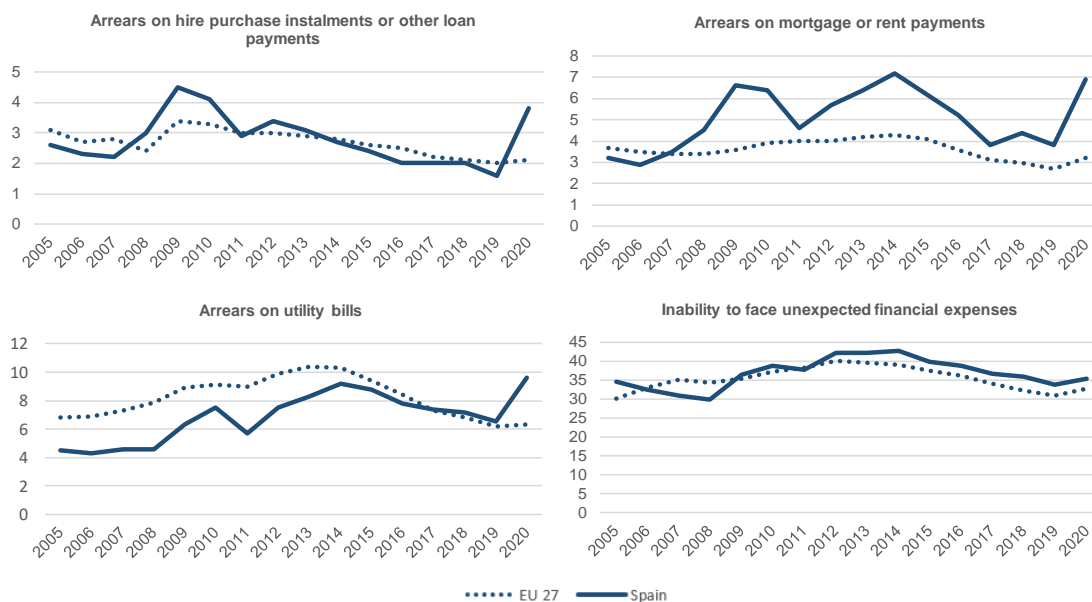
⁵⁴² Data from 2005 to 2020. Indicators used: ilc_mdcs04, ilc_mdcs06, ilc_mdcs07, and ilc_mdcs08.

⁵⁴³ Data from 2013 to 2020. Indicator used: tec00104.

⁵⁴⁴ Anonymised microdata from 2017 wave made available in March 2020. Note: the report for the next wave in 2020 is expected to be released in the last quarter of 2022.

- Regarding the indicator on the “**inability to face unexpected financial expenses**” of the EU SILC statistics, the indicator has improved since 2013 going from 42.1% (2013) to 35.4 (2020). In the period of analysis, this indicator has been slightly higher than the EU average and remained relatively stable in the period 2018-2020.

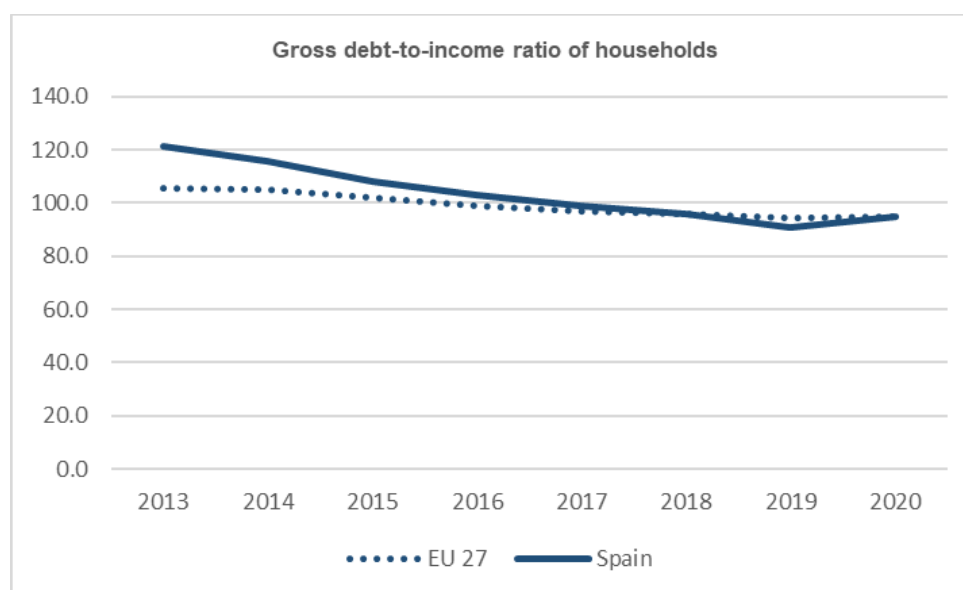
A full overview of the statistics mentioned above from 2005 to 2020 is available below.



Gross debt-to-income ratio of households

Since 2013, the gross debt-to-income ratio of households in Spain has declined considerably and as of 2020 is aligned with the EU average.

- According to Eurostat data, the gross debt-to-income ratio of households in Spain has been steadily decreasing from 121.5% (EU: 105.7%) in 2013 to 94.9% (EU: 95.1%) in 2020.
- This trend has been particularly strong between 2013 and 2019 in which the indicator declined by 30 points, to slightly increase in 2020.



Findings from the ECB Household Finance and Consumption Survey

According to the ECB Household Finance and Consumption Survey, in 2017, the share of **households holding debt in Spain (53.2%) was significantly higher than the EU average (42%)**. This was the case across all income groups and age groups.

In terms of the debt types, Spain is also **similar to the rest of the EU with mortgages being the main source of household debt** (Spain 85.8% to EU 88.1%).

- The share of households in Spain with debt related to credit line/ overdraft (0.6%), is smaller compared with the EU average (1%) while the credit card debt (0.5%) is higher than EU average (0.2%).

In 2017, the total **median debt to income ratio** of the indebted households in Spain **was significantly higher than the EU average** (Spain 117.7% to EU 70.8%). The debt to income ratio was particularly high for the bottom 20% population share (142.8%) doubling the EU average (73.3). The analysis of the debt to income ratio by age group, shows that the weight of the indebtedness is particularly high for the age group 35-44 (217.8%) and is significantly lower, below par, only for age groups above 55 years. In addition, this indebtedness is confirmed by the indicator of **regular expenses less than income which is significantly lower in Spain⁵⁴⁵ (32.6%) in comparison to EU average (40.2%)**.

The **total median debt to assets ratio in Spain (24.1%) is similar to the EU average (25.5%)** across most of the population segments (income, age and household size). However, households in Spain are more likely to have negative wealth when compared to the EU (Spain 5.8% to EU 4.7%).

Full details of the ECB Household Finance and Consumption Survey are in ANNEX A: EU level data, findings from ECB HFC (2017).

National level data

Looking at the AROPE index (At-Risk-Of-Poverty and Exclusion) between 2013 and 2020, it is possible to notice a significant decline of the share of population at risk: from a peak of 29.2% (2014) to 25.3% in 2019. The indicator increased again, breaking the decreasing trend, in 2020 (26.4%). According to the AROPE report, 12.5 million of people, in Spain, are at risk of poverty, an increase of circa 620.000 people in comparison to 2019.

The Spanish National Institute of Statistics also collects data on insolvent debtors due to bankruptcy. More specifically, between 2013 and 2020 the number of insolvent debtors (individuals with no entrepreneurial activity) increased significantly from 794 in 2013 to 4032 in 2020. The regions driving this increase were specifically Cataluña (from 135 in 2013 to 1511 in 2020), the Valencia Region (from 114 in 2013 to 517 in 2020) and the Region of Madrid (from 101 in 2013 to 415 in 2020). A similar trend also for businesses with an individual owner. The indicator of bankruptcy triplicated in the same period (from 240 in 2013 to 637 in 2020).

According to the statistics collected by the General Council of the Judiciary (Consejo General del Poder Judicial), the households with a foreclosure initiated has significantly declined between 2014 and 2020, going from a total of 44,682 cases in 2014 to 9 407 in 2020.

The full national and regional level data identified for this report is in ANNEX B: Complementary national statistical data.

⁵⁴⁵ Oppositely to the other indicators from the ECB HCF survey, the higher share of households with regular expenses less than income is considered a positive result.

27.1 Results of the debt advisor survey

According to the debt advisors consulted in Spain:

- Contrary to the EU-level findings, most of the over-indebted households had **mortgages** (35%) followed by **consumer loans** (28%) and **credit card debts** (26%).
- **Expenses related to property and daily expenses** are the key expenses driving over-indebtedness.
- **Unexpected events, decrease in income and increase in cost of debt** are the most significant drivers behind the need for debt.
- **Sudden changes in life and employment status** are the most relevant sociodemographic factors when looking at over-indebtedness.

Furthermore:

- The absolute majority (83%) of the debt advice beneficiaries are living in **urban areas**.
- Slight majority (52%) of the debt advice beneficiaries are **women**.
- Slight majority (52%) of the debt advice beneficiaries are **unemployed**.
- Most of the debt advice beneficiaries have either **basic** (34%) or **intermediate level of education** (29%).
- Most of the debt advice beneficiaries are either **partner households with children** (38%) or **single person households with children** (24%).
- **Sudden loss of income** (45%) and **personal circumstances** (22%) are the most impactful sudden change in life in terms of the over-indebtedness.
- **Lower-income households** are more likely to be debt advice beneficiaries.
- **Middle-aged** (35-54 year old) households are more likely to be over-debt advice beneficiaries.

Survey results		
1. Main financial source of debt ⁵⁴⁶	Spain	EU
Mortgage	35%	22%
Consumer loan	28%	42%
Credit card ⁵⁴⁷	26%	22%
Informal sources of funds	11%	13%
2. Main expenses leading to over-indebtedness ⁵⁴⁸		
Daily expenses (i.e. food, bills, childcare, etc)	3.8	3.1
Property (rent or purchase)	4.1	3.4
Big ticket items (i.e. cars, education, appliances)	2.9	3.0
Lifestyle expenses (luxury or expensive habits)	2.0	2.5
Addictive behaviours (gambling, alcohol, drugs, or similar)	2.3	3.0
3. Main drivers behind the need for debt ⁵⁴⁹		
Increase in cost of living	3.9	3.1
Decrease in income	3.9	3.4
Increase in cost of debt	3.0	2.9
Credit availability ⁵⁵⁰	3.5	3.2
Unexpected events (loss of job, divorce, sickness, or others)	4.0	4.0
4. Most relevant sociodemographic factors when looking at over-indebtedness ⁵⁵¹		
Geographic location	2.8	2.6
Age	3.1	2.9
Gender	2.7	2.4
Level of education	3.6	3.4
Level of income	3.6	3.6
Household size	3.5	2.9
Employment status	3.8	3.5
Sudden changes in life	3.9	3.5
Profession	3.3	3.2

⁵⁴⁶ Percentage of 100%.

⁵⁴⁷ Debt accumulated via interest rates and penalties when the consumer does not pay the company for the money they have spent i.e. overdraft

⁵⁴⁸ Average rate from 1 to 5.

⁵⁴⁹ Average rate from 1 to 5.

⁵⁵⁰ Type of credit, availability of credit, marketing practices

⁵⁵¹ Based on their experience, debt advisors were asked to rate the impact of each sociodemographic category on over-indebtedness from 1 to 5 across the sub-groups of each sociodemographic profile. The numbers included in the table are average rates of each sociodemographic factor in the Member States mentioned, and at the EU level overall.

5. Share of the debt advice beneficiaries by the sociodemographic group ⁵⁵²			
<i>Geographic location</i>			
	Urban	83%	57%
	Rural	18%	43%
<i>Gender</i>			
	Men	48%	50%
	Women	52%	50%
<i>Employment status</i>			
	Employed	48%	50%
	Unemployed	53%	50%
<i>Level of education</i>			
	No to little formal education	22%	19%
	Basic education	34%	49%
	Intermediate education	29%	20%
	Advanced education	15%	12%
<i>Household size</i>			
	Single person household with no children	20%	27%
	Partner household with no children	19%	17%
	Single parents with children	24%	29%
	Partner household with children	38%	26%
<i>Sudden changes in life</i>			
	Sudden loss of income ⁵⁵³	45%	36%
	Increase in cost of living	17%	20%
	Personal circumstances ⁵⁵⁴	22%	28%
	Other	16%	16%
<i>Income group</i>			
	Bottom 20%	27%	35%
	20-40%	25%	27%
	40-60%	23%	19%
	60-80%	16%	12%
	Top 20%	9%	7%
<i>Age</i>			
	16-34	13%	13%
	35-44	28%	19%
	45-54	30%	46%
	55-64	17%	11%
	65-74	8%	7%
	75+	4%	5%

⁵⁵² Percentage of 100%.

⁵⁵³ Unemployment, wage level, pandemics/lockdowns.

⁵⁵⁴ Death/health issue in the family, number of dependents, divorce/family breakdown.

27.2 Annexes (EU level data & Complementary national statistical data)

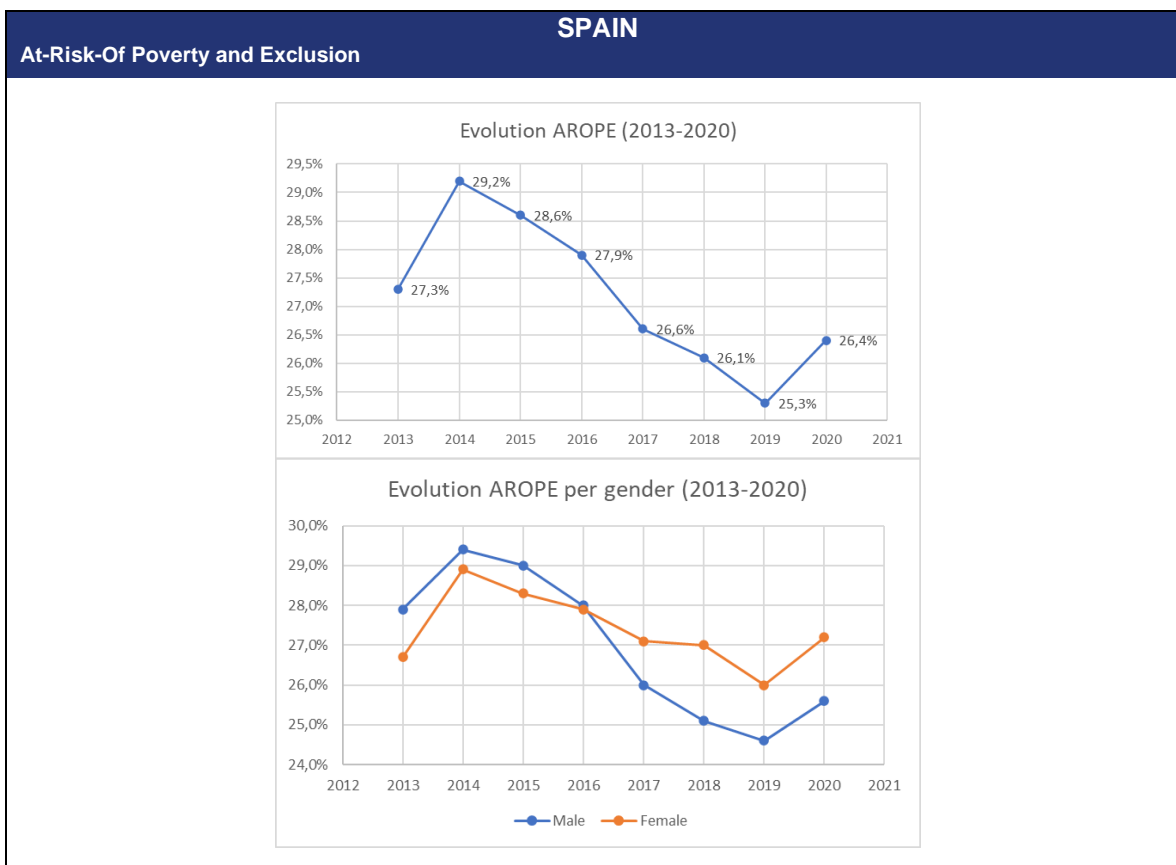
ANNEX A: EU level data

ECB HFC (2017)		SPAIN			
		Spain (%)	EU (%)	Lowest ↓	Highest ↑
1. Percentage of households holding debt					
Total		53.2	42	19.7	58
<i>By level of income</i>					
Bottom 20%		31.6	24.1	8.1	35.7
20-40%		42.3	30.6	12.6	53.7
40-60%		59.9	41.1	15.1	59.9
60-80%		62.1	52.8	22.1	74.3
80-90%		73.8	59.4	22.8	83.1
90-100%		66.2	63.3	29	81.3
<i>By age group</i>					
16-34		62.0	50.7	13.8	75.7
35-44		76.3	61.3	26.2	82.1
45-54		68.8	56.5	27.2	78
55-64		55.2	42.5	17.7	64.5
65-74		32.5	25.4	9.4	44.6
75+		12.0	9.2	2.3	34.5
2. Shares of debt types on total liabilities % of total liabilities					
Mortgage		85.8	88.1	65.7	97.3
Non-mortgage debt		14.2	11.9	2.7	34.3
Of which: other		13.1	10.7	2	23.6
Credit line/ overdraft		0.6	1	0.1	9.5
Credit card debt		0.5	0.2	0.1	2
3. Median debt to income ratio					
Total		117.7	70.8	16.7	243
<i>By level of income</i>					
Bottom 20%		142.8	73.3	14	664.7
20-40%		98.3	47.4	8.3	253.8
40-60%		112.7	53.6	10.6	266.9
60-80%		148.7	77.6	13.8	260.7
80-90%		118.3	97.7	21.7	213.7
90-100%		91.8	80.4	17.9	174.4
<i>By household size</i>					
1		104.1	58.8	13.9	260.2
2		83.0	50	15.9	216.6
3		129.2	79.8	9.4	268.6
4		151.4	109.5	19.8	251.8
5+		113.2	91.3	11.7	268.6
<i>By housing status</i>					
Owners - outright		30.0	24.1	5.4	68.1
Owners - with mortgage		221.6	186.7	76.3	309.5
Renters		27.3	17.9	8.2	68.1
<i>By age group</i>					
16-34		188.4	56.7	16.7	257.7
35-44		217.8	143.5	26.7	315.7
45-54		121.8	79.5	11.7	248
55-64		58.0	54.8	9	181.3
65-74		33.3	30.7	5.5	252.5
75+		17.0	22.1	6	217.1
4. Median debt to assets ratio					
Total		24.1	25.5	4.8	52.1
<i>By level of income</i>					
Bottom 20%		32.1	37	3	94.9
20-40%		27.7	28.4	2.9	48.8
40-60%		27.4	27.8	4.5	54.4
60-80%		25.3	25.1	6.3	57.5
80-90%		23.6	24.7	8.8	52.6
90-100%		17.0	20.1	5.3	39.5
<i>By household size</i>					
1		28.1	32.9	2.6	55.8

	2	17.7	17.8	3	42.3
	3	29.2	27.1	4.7	58.2
	4	25.4	27.3	5.6	56.9
	5+	28.2	30.1	3.5	57.1
<i>By housing status</i>					
	Owners - outright	3.8	3.7	0.9	7.4
	Owners - with mortgage	35.5	34.3	19.2	52.7
	Renters	42.7	40.3	22.9	104.6
<i>By age group</i>					
	16-34	49.3	52.9	20.9	75.6
	35-44	41.8	38.6	10.2	66
	45-54	22.0	21.6	3.8	54
	55-64	11.5	13.2	2.4	38.1
	65-74	6.7	8.6	1.5	34.5
	75+	2.9	5.5	1.3	27.4
5. Regular expenses less than income⁵⁵⁵					
	Total	32.6	40.2	15.5	65.2
<i>By level of income</i>					
	Bottom 20%	16.2	23.9	4	49.9
	20-40%	23.4	33.1	8.3	66
	40-60%	32.6	41.2	13.9	63.9
	60-80%	37.5	47.1	19.5	69.7
	80-90%	49.0	51.2	24.9	75.9
	90-100%	58.0	61.3	29.6	78.2
<i>By household size</i>					
	1	32.8	40.5	14.1	61.5
	2	34.6	43.5	18.5	70.9
	3	32.9	38.2	11.3	68.4
	4	32.0	37.3	13.2	65.8
	5+	22.5	32.9	9.7	54.7
<i>By housing status</i>					
	Owners - outright	34.9	42.2	17.9	67.8
	Owners - with mortgage	35.8	43.2	11	65.4
	Renters	24.5	36.8	11.4	61.5
<i>By age group</i>					
	16-34	30.8	41.1	9.4	61.9
	35-44	37.1	38.2	13.7	64
	45-54	30.9	40.4	13.5	66.1
	55-64	31.9	41.5	18.6	66.4
	65-74	36.1	42	16.7	72.8
	75+	27.5	38.3	10.4	63.2
6. % of households that have negative net wealth					
	Total	5.8	4.7	0.3	9.4
<i>By level of income</i>					
	Bottom 20%	8.3	6.9	0.3	16.1
	20-40%	6.8	5	0.2	12.9
	40-60%	7.6	5.4	0.8	10.8
	60-80%	5.0	3.8	0.3	10.8
	80-90%	1.3	3	0	10.8
	90-100%	0.9	1.7	0	6.1
<i>By household size</i>					
	1	3.9	5.4	0.2	12
	2	4.7	3.2	0.4	8
	3	7.3	5.7	0.3	13.1
	4	6.5	4.6	0.2	11.5
	5+	11.8	6.4	0	11.8
<i>By housing status</i>					
	Owners - outright	0.2	0.1	0	0.5
	Owners - with mortgage	8.7	4.6	0	16.3
	Renters	13.2	9.4	1.7	24.9
<i>By age group</i>					
	16-34	10.9	10.6	0.6	25.6
	35-44	9.9	6.4	0	15.4
	45-54	6.8	5	0.3	11
	55-64	4.1	3.8	0.2	8.8
	65-74	2.4	2.3	0.4	3.9
	75+	1.0	0.5	0	5.1

⁵⁵⁵ Oppositely to the other indicators from the ECB HCF survey, the higher share of households with regular expenses less than income is considered a positive result.

ANNEX B: Complementary national statistical data



Insolvent debtors by legal type (bankruptcy)								
Physical persons with no business activity								
	2013	2014	2015	2016	2017	2018	2019	2020
Total	794	716	649	956	1492	2 066	2 983	4 032
<i>By region</i>								
Andalucía	116	83	72	76	101	158	253	304
Aragón	32	19	20	42	84	102	136	184
Asturias, Principado de	12	24	25	22	31	38	61	101
Balears, Illes	40	34	15	16	12	42	61	112
Canarias	28	46	35	22	23	27	42	148
Cantabria	9	9	2	17	15	7	26	43
Castilla y León	47	33	35	64	62	87	102	174
Castilla - La Mancha	33	31	42	38	48	54	86	98
Cataluña	135	153	127	308	584	849	1 239	1 511
Comunitat Valenciana	114	87	107	134	213	248	358	517
Extremadura	20	10	7	5	10	11	23	29
Galicia	20	26	27	43	61	61	94	170
Madrid, Comunidad de	101	93	79	103	156	251	319	415
Murcia, Región de	58	42	31	26	33	48	66	90
Navarra, Comunidad Foral de	7	4	8	10	23	24	32	26
País Vasco	15	9	12	20	30	46	58	73
Rioja, La	7	13	5	7	5	12	18	28
Ceuta	0	0	0	0	0	0	5	5
Melilla	0	0	0	3	1	1	4	4
Businesses with individual owner								
Total	240	186	182	229	280	391	471	637
<i>By region</i>								
Andalucía	34	32	24	27	23	31	44	57
Aragón	11	3	2	11	12	15	23	25
Asturias, Principado de	10	5	4	6	9	12	11	21
Balears, Illes	6	6	5	9	6	10	11	23
Canarias	9	14	8	5	6	8	15	18

Cantabria	1	1	3	5	5	3	1	3
Castilla y León	9	15	12	14	17	18	13	34
Castilla - La Mancha	10	4	9	7	6	20	13	23
Cataluña	41	22	32	51	91	138	149	173
Comunitat Valenciana	32	27	28	39	36	48	60	100
Extremadura	8	2	2	3	2	5	7	6
Galicia	9	15	25	15	8	20	22	47
Madrid, Comunidad de	27	19	18	17	39	39	56	66
Murcia, Región de	22	12	5	7	6	10	23	15
Navarra, Comunidad Foral de	0	3	0	7	7	5	5	8
País Vasco	10	3	5	3	7	7	14	14
Rioja, La	0	3	0	3	0	1	2	4
Ceuta	0	0	0	0	0	0	1	0
Melilla	1	0	0	0	0	1	1	0
Households with foreclosure initiated (EH.2)								
Physical persons	2013	2014	2015	2016	2017	2018	2019	2020
Total	n.d.	44 682	39 151	26 954	14 102	8 912	7 382	9 407
<i>By region</i>								
Andalucía	n.d.	8 684	9 941	7 572	4 295	2 444	1 802	1 856
Aragón	n.d.	942	826	730	265	114	217	274
Asturias, Principado de	n.d.	441	412	299	206	224	140	194
Balears, Illes	n.d.	1 206	994	628	384	162	139	138
Canarias	n.d.	2 037	1 824	1 045	797	522	267	298
Cantabria	n.d.	216	249	147	88	93	124	113
Castilla - La Mancha	n.d.	2 229	1 586	1 069	647	364	377	421
Castilla y León	n.d.	1 569	1 009	542	326	321	253	272
Cataluña	n.d.	10 635	7 341	4 954	2 216	1 616	1 408	2 027
Ceuta	n.d.	16	13	7	22	5	1	2
Comunitat Valenciana	n.d.	8 250	7 459	4 466	2 123	1 456	1 195	1 917
Extremadura	n.d.	814	612	402	240	221	167	125
Galicia	n.d.	1 068	754	434	305	280	258	243
Madrid, Comunidad de	n.d.	3 495	3 319	2 298	1 227	577	651	865
Melilla	n.d.	8	5	16	7	7	5	2
Murcia, Región de	n.d.	2 312	2 038	1 789	581	329	244	416
Navarra, Comunidad Foral de	n.d.	319	296	209	98	49	33	54
País Vasco	n.d.	275	261	176	165	88	72	98
Rioja, La	n.d.	166	212	171	110	40	29	92

28 Sweden

28.1 Statistics on households' over-indebtedness

Although the overall household indebtedness in Sweden seems to be considerably higher than the EU average, indicators related to the over-indebtedness (arrears, inability to face financial outcomes) seem to show that Swedish households are less over debt than the average EU household. Hence, even though the volume of household debt seems to be high, the over-indebtedness situation in Sweden seems rather good.

A person is considered insolvent according to the Bankruptcy Act when they are unable to settle their debts as they fall due for payment, assuming that this inability is more than temporary. Based on this definition, Enforcement Authority has been collecting statistics on households indebted people, their total debt, median debt and what proportion of the population is in debt.

Household groups that are the most insolvent in Sweden are overall men, men between 35 and 54 years old and women between 35 and 54 years old, Gävleborg and Södermanland seem to be the regions where insolvency is the most prevalent.

A more detailed analysis of the indicators of the household (over) indebtedness, and an overview of the impact of over-indebtedness on the different household groups in Sweden are available in the chapters below.

EU level data

This section concentrates on the analysis of the selected EU-level statistical indicators on household over-indebtedness in Sweden, this includes:

- Statistics on arrears and inability to face unexpected financial expenses (EU SILC data)⁵⁵⁶;
- Gross debt-to-income ratio of households⁵⁵⁷.

Statistics on arrears and inability to face unexpected financial expenses (EU SILC data)

Overall, besides the proportion of households in arrears on utility bills, the proportion of households in arrears in Sweden is relatively **close to the EU average**.

On the positive side:

- The share of households in arrears on **utility bills** in Sweden (2.6%) is below the EU average (6.3%), and this percentage has been in significant decline since 2013.
- Households in Sweden can **face unexpected financial expenses** way better than the average EU household⁵⁵⁸, even if the situation in the EU, on average, has been improving at a faster rate than in Sweden.
- In 2020, the share of households in Sweden (3.1%) that had **arrears on mortgages was aligned with** the EU average (3.2%).

On the negative side:

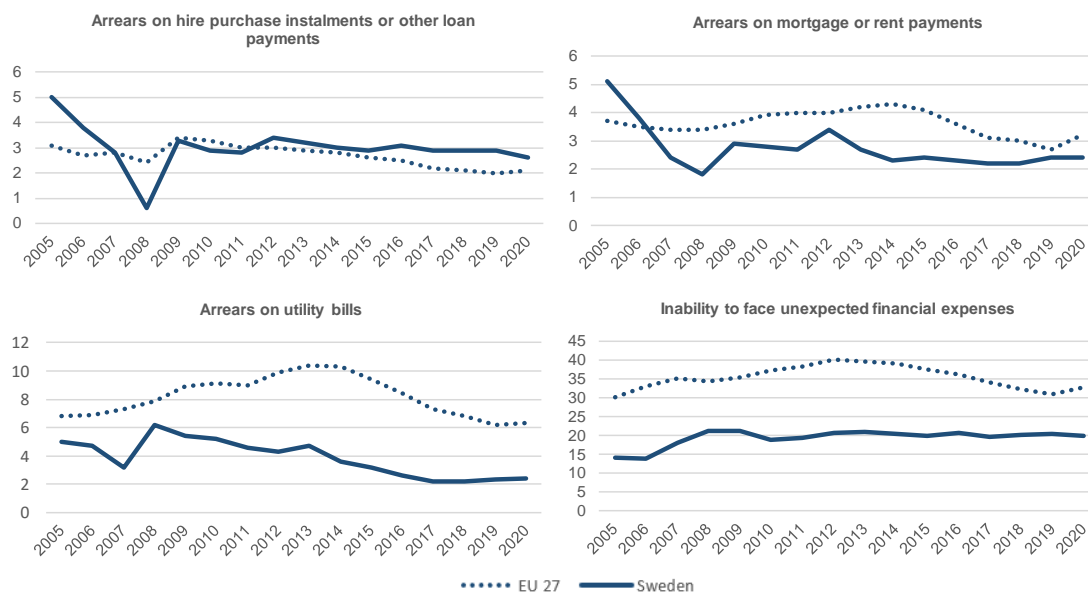
- The share of households in arrears on hire purchase **instalments or other loan payments** in Sweden has been rather stagnant since 2009. In 2020, 2.6% of the Swedish households were in arrears on hire purchase instalments or other loan payments, which is 0.5% more than the EU average.

⁵⁵⁶ Data from 2005 to 2020. Indicators used: ilc_mdcs04, ilc_mdcs06, ilc_mdcs07, and ilc_mdcs08.

⁵⁵⁷ Data from 2013 to 2020. Indicator used: tec00104.

⁵⁵⁸ Results from 2020, Inability to face unexpected financial expenses: Sweden = 26.8%, EU = 32.8%.

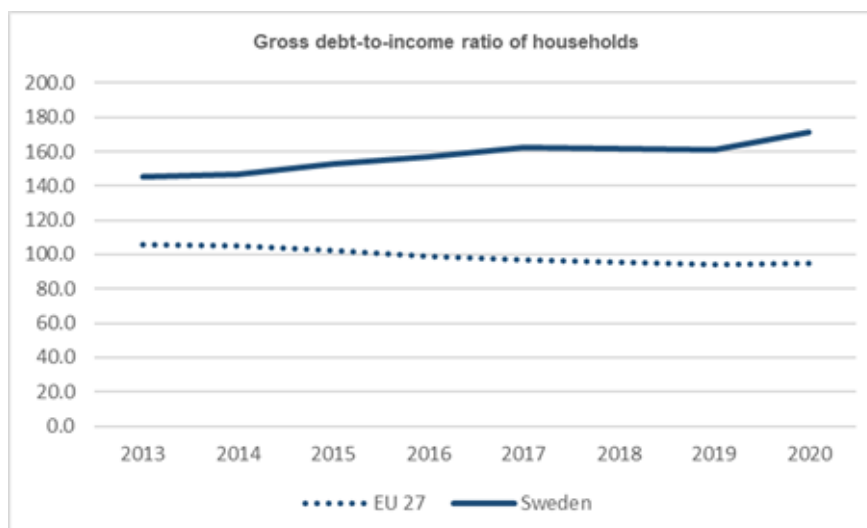
A full overview of the statistics mentioned above from 2005 to 2020 is available below.



Gross debt-to-income ratio of households

Since 2018, the gross debt-to-income ratio of households in Sweden has been significantly higher than the EU average.

- Unlike in the EU as a whole, the gross debt-to-income ratio of households in Sweden has been steadily increasing from 145.1% (EU: 105.7%) in 2013 to 171.6% (EU: 95.1%) in 2020.



National level data

To provide a broader overview of the level of insolvency across different household categories in Sweden, the study relies on data from 2021 from Swedish Enforcement Authority (Kronofogden)⁵⁵⁹ and from Statistiska centralbyrån (SCB)⁵⁶⁰ which show that:

- Overall, **men are more likely** be insolvent than women as men form 62.5% of the insolvent population in Sweden compared with women's 37.5%.
- In terms of age groups, **men aged 25 to 34 (12.3%), 35 to 44 (13.1%), and 45 to 54 (12.8%)** are the **most likely** to face over-indebtedness. The situation for **women** is quite better with insolvency being **most prevalent** among those aged **45 to 54 (7.2%), 35 to 44 (8.1%), and 25 to 34 (8.5%)**.
- **Men and women aged 18 to 24 year and 65+** are **least likely** to be insolvent.

Finally **in terms of the 21 regions in Sweden**⁵⁶¹:

- **Gävleborg** and **Södermanland** have the **highest number of cases of** insolvency per 100,000 inhabitants as well as the highest at-risk-of-poverty people regional index. **Halland** and **Södermanland** have the highest average debt per insolvent households.
- On the other hand, **Västerbotten** has the **least cases of over-** insolvency per 100,000 inhabitants as well as the lowest average debt per overindebted households, on top of one of the lowest at-risk-of-poverty people regional index.

The full national and regional level data identified for this report is in ANNEX B: Complementary national statistical data.

28.1 Results of the debt advisor survey

According to the debt advisors consulted in Sweden:

- The majority (63%) of the over-indebted households had **consumer loans**.
- **Expenses related to property** stand out as the key expenses driving over-indebtedness.
- **Credit availability and unexpected events** are the most significant drivers behind the need for debt.
- **Sudden changes in life** stand out as the most relevant sociodemographic factor when looking at over-indebtedness.

Furthermore:

- Around two-thirds of the debt advice beneficiaries are living **in rural areas**.
- Slight majority (52%) of the debt advice beneficiaries are **women**.
- The majority (60%) of the debt advice beneficiaries are **employed**.
- Most of the debt advice beneficiaries have either **basic (40%)** or **intermediate level of education (38%)**.
- Most of the debt advice beneficiaries are either **single person households with children (35%)** or **partner households with children (30%)**.
- **Personal circumstances (40%)** and **sudden loss of income (33%)** are the most impactful sudden change in life in terms of the over-indebtedness.
- **Lower-income households** are more likely to be debt advice beneficiaries.
- **Middle-aged (35-54 year old)** households are more likely to be over-debt advice beneficiaries.

Survey results		
1. Main financial source of debt ⁵⁶²	Sweden	EU
Mortgage	10%	22%

⁵⁵⁹ Swedish Enforcement Authority (Kronofogden). Available at: <https://kronofogden.se/>

⁵⁶⁰ Statistiska centralbyrån. Available at: <https://www.scb.se/en/>

⁵⁶¹ Blekinge, Dalarna, Gotland, Gävleborg, Halland, Jämtland, Jönköping, Kalmar, Kronoberg, Norrbotten, Skåne, Stockholm, Södermanland, Uppsala, Värmland, Västerbotten, Västernorrland, Västmanland, Västra götaland, Örebro, Östergötland.

⁵⁶² Percentage of 100%.

Consumer loan	50%	42%
Credit card ⁵⁶³	33%	22%
Informal sources of funds	8%	13%
2. Main expenses leading to over-indebtedness⁵⁶⁴		
Daily expenses (i.e. food, bills, childcare, etc)	3.0	3.1
Property (rent or purchase)	4.3	3.4
Big ticket items (i.e. cars, education, appliances)	2.7	3.0
Lifestyle expenses (luxury or expensive habits)	2.3	2.5
Addictive behaviours (gambling, alcohol, drugs, or similar)	3.0	3.0
3. Main drivers behind the need for debt⁵⁶⁵		
Increase in cost of living	3.3	3.1
Decrease in income	3.3	3.4
Increase in cost of debt	3.3	2.9
Credit availability ⁵⁶⁶	4.3	3.2
Unexpected events (loss of job, divorce, sickness, or others)	4.3	4.0
4. Most relevant sociodemographic factors when looking at over-indebtedness⁵⁶⁷		
Geographic location	3.3	2.6
Age	3.2	2.9
Gender	2.8	2.4
Level of education	2.7	3.4
Level of income	3.3	3.6
Household size	2.8	2.9
Employment status	3.5	3.5
Sudden changes in life	3.9	3.5
Profession	3.0	3.2
5. Share of the debt advice beneficiaries by the sociodemographic group⁵⁶⁸		
<i>Geographic location</i>		
Urban	33%	57%
Rural	67%	43%
<i>Gender</i>		
Men	48%	50%
Women	53%	50%
<i>Employment status</i>		
Employed	60%	50%
Unemployed	40%	50%
<i>Level of education</i>		
No to little formal education	8%	19%
Basic education	40%	49%
Intermediate education	38%	20%
Advanced education	15%	12%
<i>Household size</i>		
Single person household with no children	15%	27%
Partner household with no children	20%	17%
Single parents with children	35%	29%
Partner household with children	30%	26%
<i>Sudden changes in life</i>		
Sudden loss of income ⁵⁶⁹	33%	36%
Increase in cost of living	27%	20%
Personal circumstances ⁵⁷⁰	40%	28%
Other	0%	16%
<i>Income group</i>		
Bottom 20%	43%	35%
20-40%	40%	27%
40-60%	13%	19%
60-80%	5%	12%
Top 20%	1%	7%
<i>Age</i>		
16-34	13%	13%
35-44	18%	19%
45-54	30%	46%
55-64	20%	11%
65-74	15%	7%
75+	5%	5%

⁵⁶³ Debt accumulated via interest rates and penalties when the consumer does not pay the company for the money they have spent i.e. overdraft

⁵⁶⁴ Average rate from 1 to 5.

⁵⁶⁵ Average rate from 1 to 5.

⁵⁶⁶ Type of credit, availability of credit, marketing practices

⁵⁶⁷ Based on their experience, debt advisors were asked to rate the impact of each sociodemographic category on over-indebtedness from 1 to 5 across the sub-groups of each sociodemographic profile. The numbers included in the table are average rates of each sociodemographic factor in the Member States mentioned, and at the EU level overall.

⁵⁶⁸ Percentage of 100%.

⁵⁶⁹ Unemployment, wage level, pandemics/lockdowns.

⁵⁷⁰ Death/health issue in the family, number of dependents, divorce/family breakdown.

28.2 Annexes (EU level data & Complementary national statistical data)

ANNEX B: Complementary national statistical data

SWEDEN ⁵⁷¹			
National-level data			
1. Sociodemographic profile		Over-indebted/insolvent (%)	Total population (%)
<i>By family structure</i>			
	Men	62.5	49.7
	Women	37.5	50.3
	Children living in over-indebted families	-	8.4
<i>By sex and age (Men)</i>			
	From 18 to 24 year old	5.6	5.5
	From 25 to 34 year old	12.3	6.1
	From 35 to 44 year old	13.1	6.8
	From 45 to 54 year old	12.8	6.5
	From 55 to 64 year old	11.2	5.9
	65 year old+	7.4	9.4
<i>By sex and age (Women)</i>			
	From 18 to 24 year old	2.7	5.1
	From 25 to 34 year old	7.2	6.2
	From 35 to 44 year old	8.1	5.9
	From 45 to 54 year old	8.5	6.4
	From 55 to 64 year old	6.6	5.8
	65 year old+	4.3	10.9
Regional-level data			
Region	Number of situations of insolvency per 100.000 inhabitants	Median debt, excluding real estate, of insolvent households in SEK	At-risk-of-poverty rate per regional population (%)
Blekinge	2975	54144	17
Dalarna	3086	55054	16
Gotland	3439	53801	15
Gävleborg	3696	55979	17
Halland	2289	66493	11
Jämtland	2908	58937	15
Jönköping	2594	62966	15
Kalmar	3030	64884	16
Kronoberg	2563	55804	17
Norrbottn	2856	58679	12
Skåne	3393	56179	17
Stockholm	2843	62984	12
Södermanland	3639	63141	18

⁵⁷¹ Swedish Enforcement Authority (Kronofogden) (2020). Antal fysiska personer med skulder hos Kronofogden 2020. Available at: <https://www.government.se/government-agencies/swedish-enforcement-authority-kronofogden/> / Statistiska centralbyrån (2020). Low (at-risk-of-poverty rate) and high economic standard by region and age. Year 2020. Available at: https://www.statistikdatabasen.scb.se/pxweb/en/ssd/START_HE_HE0110_HE0110I/Tab4InkDesoN1/ / Statista. Population in Sweden in 2021, by age group (2021). Available at: <https://www.statista.com/statistics/521717/sweden-population-by-age/>

Uppsala	2502	55760	14
Värmland	3625	58579	16
Västerbotten	2098	51056	14
Västernorrland	3462	60849	15
Västmanland	3328	55077	16
Västra götaland	2888	60582	14
Örebro	3390	59569	17
Östergötland	3000	58639	16



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