

Over-indebtedness of European households in 2008

Highest share of population in a 'critical' situation in the United Kingdom, Germany, Cyprus, Austria and Greece

In 2008 the proportion of individuals in the total population that were living in households in a critical situation (owing an amount¹ larger than the household monthly disposable income) was above 5% in five Member States: the United Kingdom, Germany, Cyprus, Austria and Greece.

At EU-27 level, around nine people in 10 lived in households with at least one bank account and slightly under one out of two lived in a household with credit or store card(s).

When comparing the actual financial situation to that of 12 months ago, fewer than one EU resident in five was part of a household that had experienced a major drop in the household income.

It should be noted that this survey took place in 2008, at a time when the financial and economic crisis had not yet begun in some countries (see methodological notes/fieldwork period).

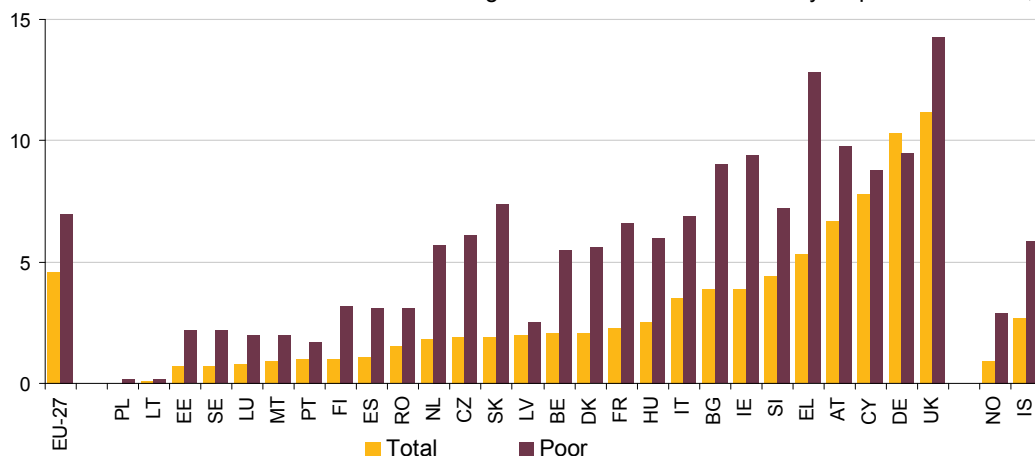
When asked about expectations regarding the financial situation for the following 12 months, 14% of EU residents were in households that thought their situation would improve, against 25% who predicted their financial situation would deteriorate.

All figures are based on data from EU-SILC (Statistics on Income and Living Conditions).

Figure 1 below shows that in 2008, people in households assessed as being at risk of poverty according to the concept of relative poverty adopted in the EU were more often exposed to a critical situation (i.e. owing an amount larger than their household monthly disposable income) than the rest of the population. The only exception to this was Germany. Although the share of people living in 'critical households' was above 5% in only five Member States for the population as a whole, for the population at risk of poverty the 5% mark was exceeded in 16 Member States.

¹ The amount of the mortgage itself is not taken into account, only the arrears related to the payment of the mortgage are included (See methodological notes)

Figure 1: Individuals in a 'critical' situation with respect to arrears and outstanding amounts, 2008
% of individuals in households with an owed amount larger than the household monthly disposable income, by country



Source: Eurostat (see methodological notes/data source)

NB: 'Poor' refers to the people assessed to be at risk of poverty following the concept of relative poverty adopted in the EU (see methodological notes/risk of poverty)

One EU resident in 20 was living in a household with arrears and outstanding amounts larger than the household monthly disposable income

The amount of arrears takes into account:

- 1) the amount owed in arrears for:
 - housing bills or repayment
 - consumption loans or credit repayment
 - other non-housing bills
- 2) and the outstanding amounts in:
 - bank overdrafts
 - credit and/or store card(s) with arrears.

Although the scales used for each of the variables were not cumulative, it was possible to judge the overall degree of financial difficulties in aggregating these different dimensions for a household. For instance, a household was deemed to be in a 'critical' situation with respect to arrears and outstanding amounts if it had owed an amount higher than its monthly disposable income in one dimension or in the combination of various dimensions.

Table 1 shows the content and the intensity of the owed amount for indebted households. It shows, for instance, that 15.6% of individuals in Germany lived in households with an imbalanced amount on the household bank account(s) which represented

33% or more than their monthly disposable income and 7.7% with an imbalance higher than their monthly disposable income (i.e. $\geq 100\%$). The percentage of individuals in households with an imbalance on bank account over 100% was above 2% in four other Member States: Austria (5.3%), Slovenia (3.4%), Cyprus (2.9%) and the United Kingdom (2.1%), as well as at the EU-27 level (2.2%).

Regarding people with an owed amount on credit/store card(s) worth more than 100% of the household monthly disposable income, the highest numbers were found in the United Kingdom (8.6%), Greece (2.5%) and Ireland (2.1%).

As for the arrears on housing bills, on non-housing bills and for other loans and credits, the percentage of individuals in households owing an amount higher than their monthly disposable income was below 1% with only four exceptions: Germany (arrears for other non-housing bills: 1.7%), Bulgaria (arrears for housing bills: 2.9%), and Greece and Cyprus (arrears for other loans and credit repayment: 1.1% and 1.0% respectively).

Table 1: Share of individuals in indebted households, by type and size of the owed amount (%), 2008

	Imbalance on bank account		Imbalance on credit/store card(s)		Arrears for other non-housing bills		Arrears for housing bills		Arrears for other loans and credit repayment	
	$\geq 33\%$	$\geq 100\%$	$\geq 33\%$	$\geq 100\%$	$\geq 33\%$	$\geq 100\%$	$\geq 33\%$	$\geq 100\%$	$\geq 33\%$	$\geq 100\%$
EU-27	5.3	2.2	2.6	1.4	0.9	0.4	1.4	0.5	0.5	0.3
BE	3.1	0.8	0.9	0.3	1.0	0.5	1.8	0.6	0.1	0
BG	0.2	0.1	0.7	0.2	0.6	0.2	6.5	2.9	1.3	0.5
CZ	6.2	1.3	0.6	0.1	0.1	0	0.5	0.1	0.2	0.2
DK	2.3	1.2	0.1	0	0.3	0.1	1.1	0.4	0.7	0.3
DE	15.6	7.7	2.4	1.0	3.0	1.7	0.9	0.2	0.3	0.2
EE	0.6	0.2	0.5	0.1	0.1	0	0.8	0.2	0.2	0.1
IE	2.5	1.3	5.5	2.1	0.3	0.1	2.1	0.4	0.8	0.4
EL	1.0	0.7	5.0	2.5	1.2	0.5	3.2	0.9	3.3	1.1
ES	0.9	0.3	0.7	0.2	0.4	0.1	0.9	0.2	0.5	0.1
FR	4.4	0.6	0.8	0.4	0.8	0.2	1.5	0.6	0.6	0.3
IT	3.5	2.0	0.1	0.1	0.4	0.1	1.9	0.8	0.6	0.5
CY	12.4	2.9	6.8	1.0	0.6	0.4	1.3	0.7	2.4	1.0
LV	2.6	0.6	0.3	0.1	0.6	0.2	2.6	0.8	0.6	0.1
LT	0.1	0	0.1	0	0	0	0.2	0	0.2	0
LU	1.0	0.3	0.3	0.1	0.1	0	0.2	0.1	0.2	0.1
HU	3.5	1.2	0.6	0.3	0.8	0.3	1.7	0.7	0.5	0.2
MT	1.0	0.2	1.3	0.2	0.3	0.2	1.0	0.1	0.1	0.1
NL	3.9	1.0	0.5	0.2	0.7	0.2	0.4	0.1	0.2	0.1
AT	11.8	5.3	0.4	0.2	1.6	0.6	1.4	0.6	1.1	0.8
PL	0.1	0	0	0	0	0	0	0	0	0
PT	1.3	0.5	0.2	0.1	0.3	0.1	0.3	0.2	0.3	0.1
RO	1.2	0.4	0.2	0.1	1.1	0.2	1.8	0.3	0.2	0.1
SI	10.1	3.4	0.3	0	0.7	0.1	1.2	0.3	0.2	0
SK	5.0	1.1	0.2	0.1	0.3	0.1	1.0	0.4	0.3	0.1
FI	:	:	:	:	0.8	0.4	1.2	0.2	0.5	0.3
SE	0.2	0.1	0.3	0.2	0.1	0.1	0.3	0.2	0.4	0.4
UK	6.6	2.1	14.0	8.6	0.1	0	2.2	0.9	0.4	0.3
IS	2.1	1.2	3.3	0.6	1.0	0.3	1.3	0.3	0.6	0.2
NO	0.8	0.4	0.3	0.1	0.3	0.1	0.7	0.1	0.3	0.2

Source: Eurostat (see methodological notes/data source). ':' data not collected

NB: ' $\geq 33\%$ ' and ' $\geq 100\%$ ' refer to the amount owed as a percentage of the monthly disposable income of the household

2% of EU residents lived in households with an imbalance on a bank account greater than the household monthly disposable income

At EU-27 level, about 9 people out of 10 lived in households with a bank account. Table 2 shows the percentage of people living in households with at least one bank account and among them those with a large bank account overdraft. The percentage of people living in households with a bank account

was above 80% in all EU-27 countries, with three exceptions: Bulgaria (17.1%), Romania (24.6%) and Greece (29.9%). The percentage of households with a bank account even exceeded 95% in 15 out of 27 EU countries.

Table 2: Bank account ownership and overdraft (%), 2008

	Bank account		Imbalance on bank account			
			≥33%		≥100%	
	Total	Poor	Total	Poor	Total	Poor
EU-27	88.4	77.5	5.3	5.3	2.2	2.1
BE	99.4	98.6	3.1	2.6	0.8	0.6
BG	17.1	4.4	0.2	0.2	0.1	0.1
CZ	85.8	63.9	6.2	6.0	1.3	1.2
DK	100	100	2.3	2.0	1.2	0.9
DE	99.6	98.4	15.6	16.2	7.7	8.3
EE	96.8	87.9	0.6	0.6	0.2	0.1
IE	83.2	67.6	2.5	2.0	1.3	0.8
EL	29.9	20.6	1.0	1.0	0.7	0.7
ES	98.8	96.2	0.9	0.5	0.3	0.1
FR	99.7	99.1	4.4	3.9	0.6	0.4
IT	80.9	55.2	3.5	3.4	2.0	1.9
CY	80.2	45.1	12.4	13.8	2.9	3.0
LV	85.8	64.2	2.6	3.2	0.6	0.8
LT	82.3	69.7	0.1	0.1	0	0
LU	99.8	99.7	1.0	0.8	0.3	0.2
HU	80.1	67.3	3.5	3.5	1.2	1.1
MT	96.1	90.0	1.0	1.0	0.2	0.2
NL	99.8	99.7	3.9	3.0	1.0	0.7
AT	98.2	94.2	11.8	11.2	5.3	5.2
PL	83.9	69.0	0.1	0.1	0.0	0.0
PT	95.4	87.7	1.3	1.1	0.5	0.4
RO	24.6	7.9	1.2	1.4	0.4	0.5
SI	95.5	83.3	10.1	9.8	3.4	3.4
SK	86.0	68.9	5.0	4.9	1.1	0.9
FI	100	100	:	:	:	:
SE	99.9	100	0.2	0.2	0.1	0.1
UK	97.9	94.0	6.6	6.4	2.1	1.6
IS	99.5	98.0	2.1	1.7	1.2	1.1
NO	99.8	99.4	0.8	0.6	0.4	0.3

Source: Eurostat (see methodological notes/data source). ':' data not collected

NB: The column 'Imbalance on bank account' refers to people with one or more bank accounts which is overdrawn 'Poor' refers to the concept of relative poverty adopted in the EU (see methodological notes/risk of poverty) '%' refers to the amount owed as a percentage of the monthly disposable income of the household

In all EU countries, the percentage of people in households with a bank account was consistently lower among those assessed as being at risk of poverty (labelled as 'poor' in Table 2). This difference was higher than 20 percentage points (pp) in four countries: Czech Republic (22 pp), Italy (26 pp), Cyprus (35 pp) and Latvia (22 pp).

As regards the percentage of those overdrawn relative to their household's monthly disposable income, 5.3% of EU residents lived in a household in which the amount overdrawn was equal to or exceeded 33% of disposable income;

2.2% had debt worth more than their disposable income.

The share of those living in households in which the amount overdrawn exceeded 33% of monthly disposable income was above 10% in four countries: Germany (15.6%), Cyprus (12.4%), Austria (11.8%) and Slovenia (10.1%). In this situation, the difference between 'poor' and 'total' households was very small. The largest difference was found in Cyprus, with 1.4 pp.

Among women and men living alone, there was a 6 pp difference on average as to whether they had a bank account (more men had an account). On the other hand, for those living alone, there was a 13 pp difference between those aged under 65, and those over 65, with the younger age group being more likely to have an account.

In general, at EU level, if there are dependent children in the household, it is more likely to hold a bank account.

Those who did not have an account were asked why. They were offered the following possible replies (non exclusive):

1. the household did not need one and preferred to deal in cash,
2. the charges were too high,
3. there was no bank branch near where the household lived or worked,

4. the household had applied for an account and had been turned down, and/or
5. the household thought that banks would refuse them.

At EU-27 level, the most common reply was option 1 (83%), followed by option 2 (50%). Less than 20% of respondents chose one of the other replies.

As mentioned above (see Table 2), three countries had a very low percentage of individuals with a bank account (Bulgaria, Greece and Romania). Most of the respondents in those countries replied that they did not need one, and that they preferred to deal in cash: Bulgaria (65.0%), Greece (60.6%) and Romania (55.3%).

Just under one in two people was living in a household with a credit card and/or store card(s)

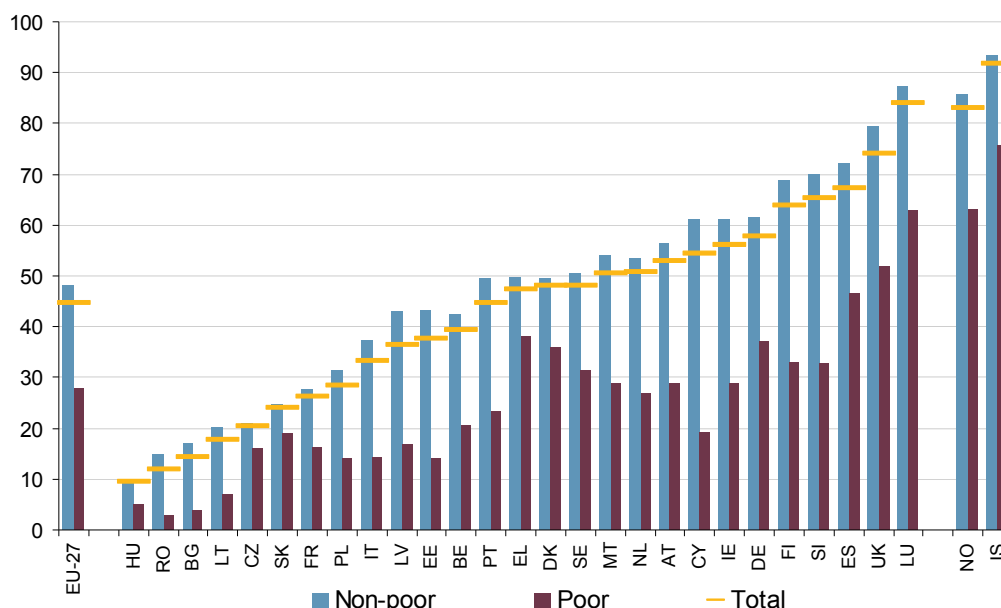
About 45% of respondents were members of households with at least one credit or store card. This percentage varied widely among Member States, from around 10% in Hungary (9.4%) and Romania (12.0%) to more than 70% in the United Kingdom (74.1%) and Luxembourg (84.1%).

For the EU-27 as a whole, the percentage of people with credit/store card(s) was 27.8% for

those defined as 'poor', and 48.0% for the 'non-poor'.

In all Member States, the percentage of people with credit and/or store cards was lower for those considered to be at risk of poverty. The gap ranged from 5 pp in Hungary and the Czech Republic to more than 30 pp in Cyprus (35 pp), Slovenia (33 pp) and Finland (31 pp).

Figure 2: Credit or store card(s) for 'total', 'poor' and 'non-poor' populations (%), 2008
% of individuals in households with credit or store card(s), by country



Source: Eurostat (see methodological notes/data source)

NB: 'Non-poor' and 'Poor' refer to the concept of relative poverty adopted in the EU (see methodological notes/risk of poverty)

One EU resident in 20 had a credit/store card(s) overdrawn

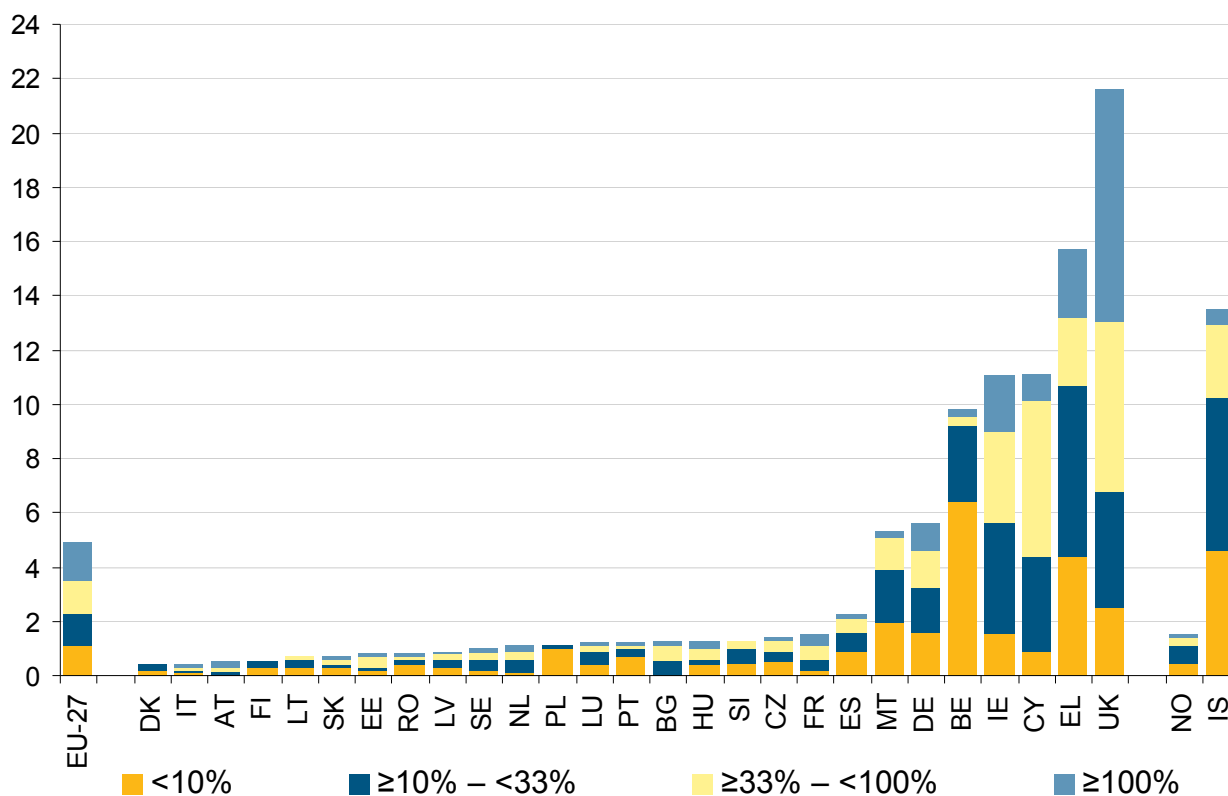
At EU level, the percentage of those in households with an imbalance on a credit/store card(s) was 4.9%. Looking at the amount owed on credit/store card(s), the percentages were:

1. below 10% of the household's monthly disposable income for 1.1% of the population;
2. between 10% and 33% of the household's monthly disposable income for 1.2%;
3. between 33% and 100% of the household's monthly disposable income for 1.2%;
4. above 100% of the household's monthly disposable income for 1.4%.

Figure 3 shows the share of individuals in households with an imbalance on their credit or store card(s) expressed as a percentage of the household monthly disposable income. At the country level the total share of those with overdrawn credit/store card(s) ranges from below 1% in nine countries, namely Denmark, Italy, Austria, Finland, Lithuania, Slovakia, Estonia, Romania and Latvia, to above 10% in four countries: Ireland, Cyprus, Greece and the United Kingdom.

Figure 3: Credit or store card(s) with an imbalance and size of the imbalance (%), 2008

% of individuals in households having credit/store card(s) with imbalance by size of the amount owed, by country



Source: Eurostat (see methodological notes/data source)

NB: Percentages in the legend refer to the amount owed as a percentage of the monthly disposable income of the household

Overall, the percentage of people in households who owed more on their credit/store card(s) than they earned in a month (monthly household disposable income) was 1.4% at EU-27 level, with

larger percentage in three countries: the United Kingdom (8.6%), Greece (2.5%) and Ireland (2.1%). This corresponds to the upper part of the bars in Figure 3 above.

About one EU resident in five had suffered a major drop in their income in the 12 previous months

In 2008 at the time of the survey a very large share of people said that they had not suffered a major drop in household income during the 12 previous months. However, the survey took place at different times in different countries in 2008 (see methodological notes/fieldwork period).

In nine countries, more than one person in five lived in households that reported a major drop in income in the previous 12 months: Ireland (20.4%), Latvia (21.8%), Bulgaria (21.9%), the United Kingdom (22.2%), Lithuania (23.1%),

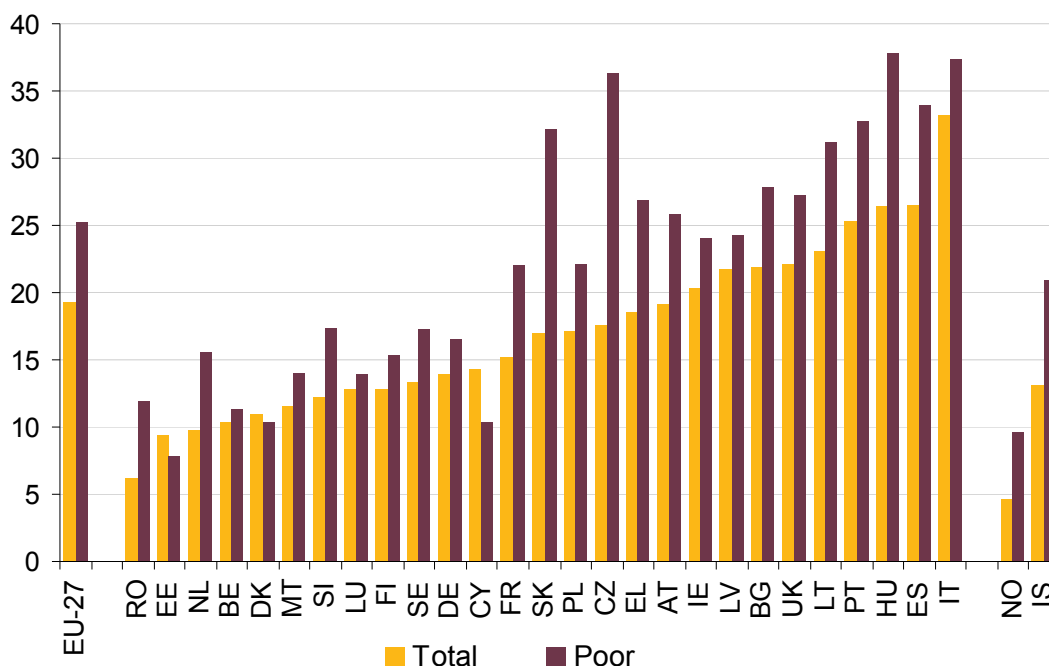
Portugal (25.4%), Hungary (26.4%), Spain (26.6%) and Italy (33.2%).

Figure 4 shows the percentage of those who said they had experienced a drop in income among the total population, and among those assessed as being at risk of poverty.

In almost all countries, the percentage of those in households that said they had experienced a drop in income was higher for those at risk of poverty. The only three exceptions were Denmark, Estonia and Cyprus.

Figure 4: Drop in income for the 'total' and 'poor' population (%), 2008

% of individuals in households that reported a drop in income the previous 12 months for total population and for population assessed to be at risk of poverty, by country



Source: Eurostat (see methodological notes/data source)

NB: 'Poor' refers to the concept of relative poverty adopted in the EU (see methodological notes/risk of poverty)

Some differences can also be observed by type of household. Single parents with dependent children ranked highest, with 24.3% of individuals reporting a major drop in income. In general, households with dependent children were more likely to report a drop in income than those without (21.6% versus 16.7%).

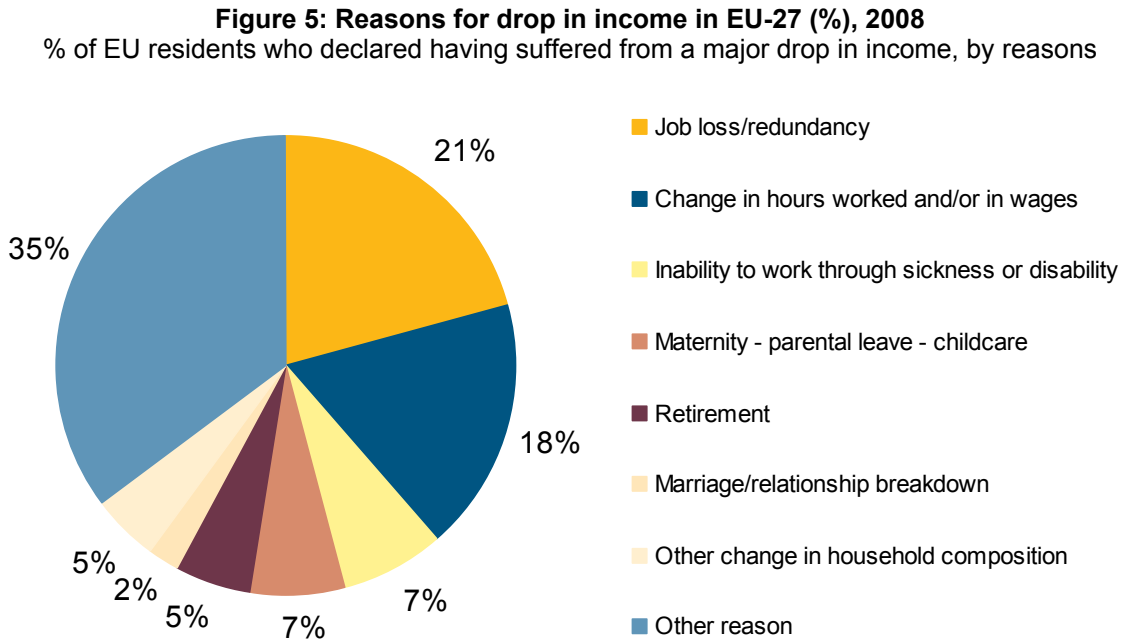
Table 3: EU residents in households that reported a drop in income the previous 12 months by household type (%), 2008

Total	19.3
Households without children	16.7
Households with children	21.6
Lone parents with children	24.3
Women living alone	12.5
Men living alone	14.6

Source: Eurostat (see methodological notes/data source)

There were eight reasons for the drop in income: job loss/redundancy; change in hours worked and/or in wages; inability to work because of sickness or disability; maternity, parental leave or childcare; retirement; marriage or relationship breakdown; other change in household composition; and other reason.

Figure 5 shows that at EU level, the most common explanation for a drop in income were ‘other reason’ (35%), ‘job loss/redundancy’ (21%) and ‘change in hours worked and/or in wages’ (18%).

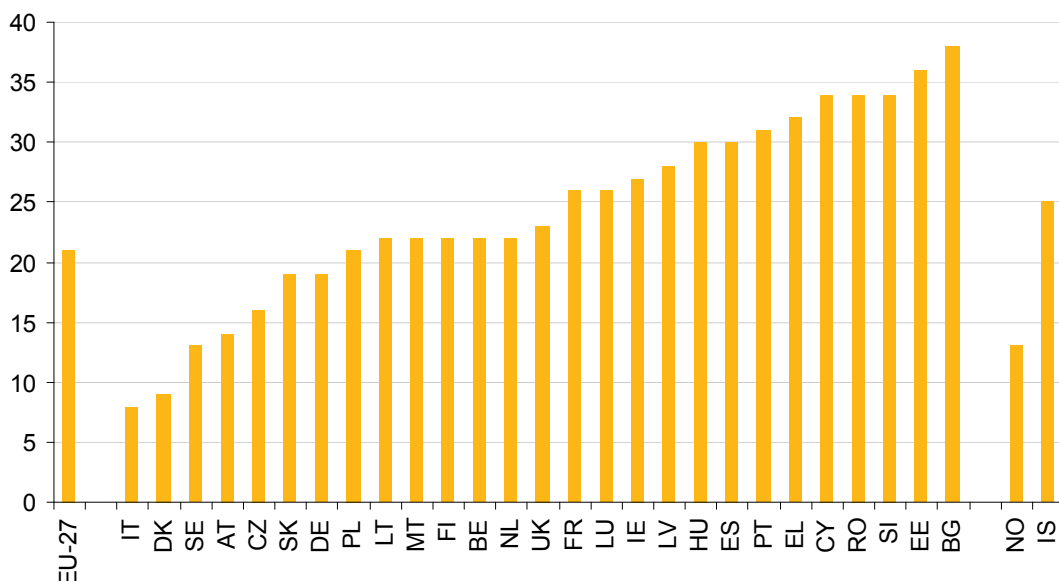


Source: Eurostat (see methodological notes/data source)

Among households that experienced a drop in income during the 12 preceding months, the reasons varied significantly across countries. Figure 6 shows the percentage of those who gave

job loss/redundancy as the main reason for the drop. The percentage ranges from below 10% in Italy and Denmark to above 35% in Estonia and Bulgaria.

Figure 6: Major drop in income due to a job loss/redundancy (%), 2008
 % of people who said they had suffered a major drop in income during the 12 preceding months because of job loss/redundancy, by country



Source: Eurostat (see methodological notes/data source)

Respondents were rather pessimistic about the outlook for their finances

When asked about their expectations concerning the financial situation for the 12 months ahead, households were most optimistic in Denmark, Finland, the United Kingdom, Romania and Estonia. More than 20% of respondents in these countries expected their situation to improve. At the other extreme, in Greece, Portugal, Malta and Hungary, over 40% of respondents expected their situation to get worse.

Figure 7 shows the situation of ‘optimists’ against ‘pessimists’ in all EU-SILC participating countries. In 20 out of 27 EU Member States, the percentage of people living in pessimistic households exceeded that for those living in

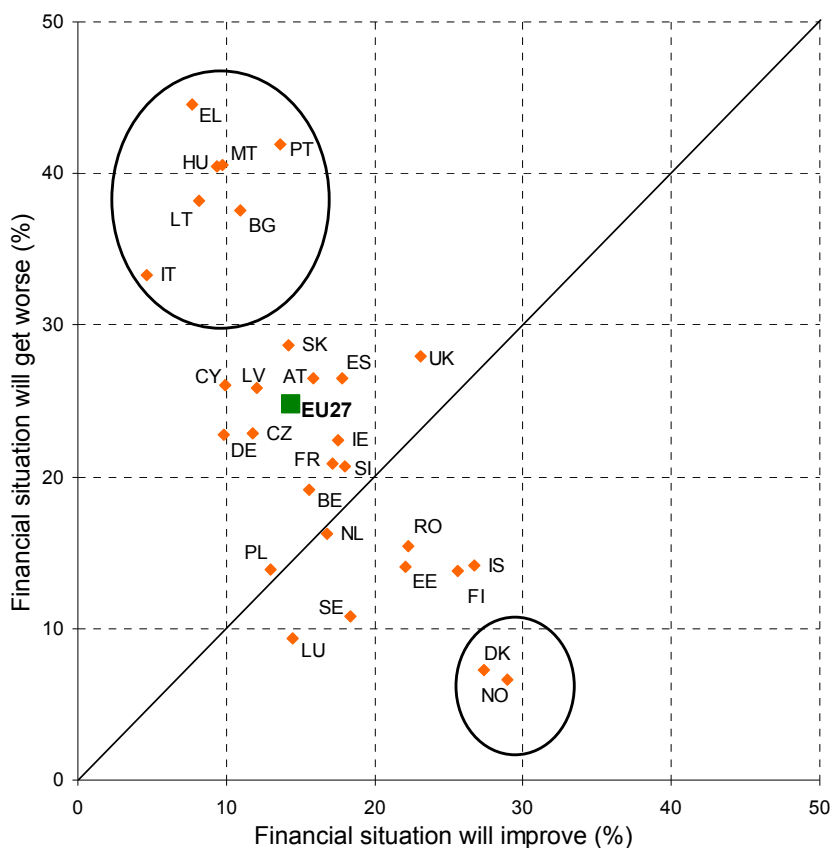
‘optimistic’ households. Denmark, Estonia, Finland, Luxembourg, the Netherlands, Romania and Sweden were the seven other countries.

The group of countries circled in the upper left-hand corner groups the largest percentage of ‘pessimists’ (Bulgaria, Greece, Italy, Hungary, Malta, Lithuania and Portugal).

The other circle in the bottom right-hand corner groups countries with the lowest percentage of ‘pessimists’, and had the largest percentage of ‘optimists’ (Denmark and Norway).

Figure 7: Expectation for the financial situation (%), 2008

% of individuals in households that expected the situation either ‘to improve’ or ‘to get worse’ the next 12 months, by country



Source: Eurostat (see methodological notes/data source)

NB: Households could also answer ‘to stay about the same’ or ‘don’t know’

In general, at EU level, when people were asked about their expectations regarding the financial situation the following year, 54% of respondents said they expected the situation to remain about the same, against 14% who were ‘optimists’ (expecting the situation to improve) and 25%

who were ‘pessimists’ (expecting the situation to get worse). The difference in percentage points was therefore 11 points in favour of the ‘pessimists’ at EU-27 level. In 24 out of 27 Member States, the population at risk of poverty was more pessimistic than the others.

On average at EU-27 level, people living in 'poor' households expressed more polarised opinions about the next 12 months financial situation. A slightly larger percentage, by 2 pp, of people in 'poor' households answered that they expected the situation either to improve or to get worse than those in 'non-poor' households. In addition, 'poor' people expected the situation to remain about the same less often than the 'non-poor'.

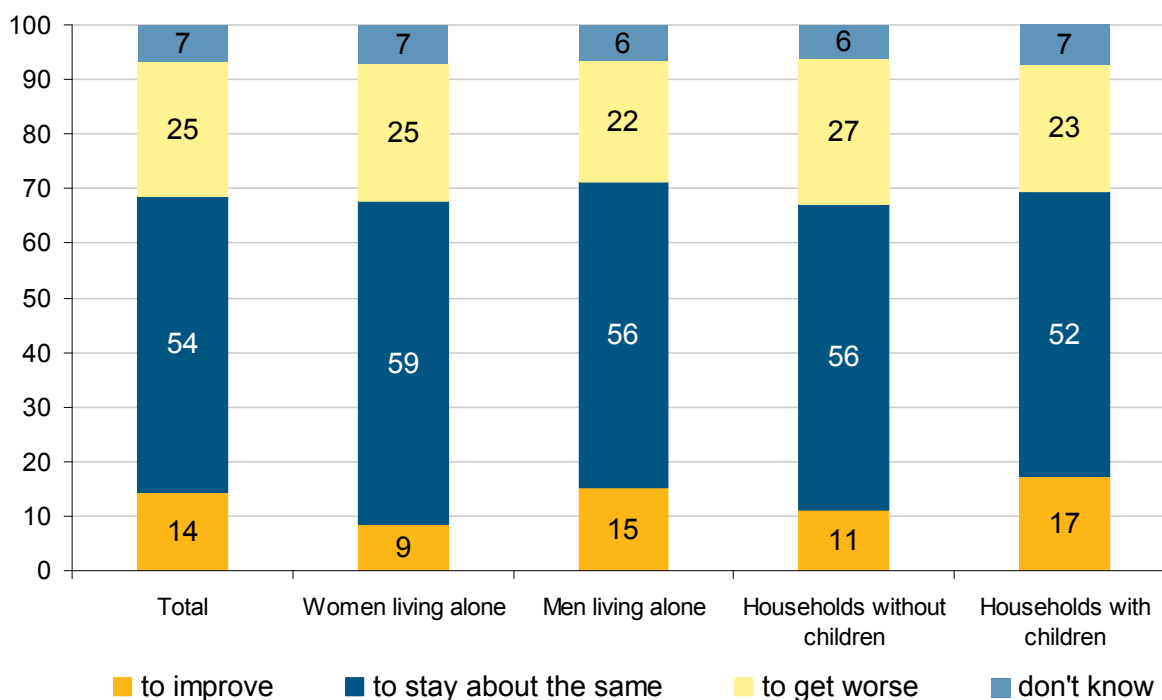
More surprisingly, the percentage of people expressing a positive expectation was higher among those who said they were in a 'critical' situation regarding arrears and outstanding amounts (25%) than for the total population (14%).

These results also vary widely according to type of household. For the EU-27, people aged 65 or over living alone were less likely to expect the situation to improve (3% versus 14% for the total population). Women living alone were also less positive in their expectations for their

financial situation (9%). The most optimistic group was those living in households with dependent children, corresponding to 17% of those expecting the situation to improve.

Figure 8 shows the results for different types of household. Among those who answered 'expecting the situation to improve', there were fewer women (8.6%) than men (15.2%), and the percentage of people in households without children was lower than that for households with children (11.2% against 17.4%). Among those who thought things would 'stay about the same', women living alone predominated (59.2%). The result is similar for people living alone aged 65 and more. Finally, for the category 'likely to get worse', women living alone outnumbered men living alone (25.1% against 22.2%), and the percentage for people in households without children was bigger than that for households with children (26.6% against 23.0%).

Figure 8: Financial expectations for different household types at EU-27 level (%), 2008
% of people by their households' financial expectations for the following 12 months, by household type



Source: Eurostat (see methodological notes/data source)

Methodological notes

Background

At the Laeken European Council in December 2001, European heads of state and government endorsed a first set of common statistical indicators of social exclusion and poverty; these are subject to a continuing process of refinement by the Indicators Sub-Group of the Social Protection Committee. These indicators are an essential element in the Open Method of Coordination to monitor the progress made by Member States in combating poverty and social exclusion.

EU-SILC was set up to provide the underlying data for these indicators. Organised under a [Framework Regulation 1177/2003](#), it is now the reference source for statistics on income and living conditions and for common indicators for social inclusion in particular.

Under the Europe 2020 agenda, the European Council adopted in June 2010 a headline target on social inclusion. EU-SILC is also the reference source for the three sub-indicators on which this new target is based.

Data source

Data in this document were extracted from a special module on 'Over-indebtedness and financial exclusion' of EU-SILC survey which was carried out in 2008. All data are available at: http://epp.eurostat.ec.europa.eu/portal/page/portal/income_social_inclusion_living_conditions/data_ad_hoc_modules

Fieldwork period

National surveys differ in terms of the time during which the fieldwork is carried out. In 2008 most countries adopted a survey in which the fieldwork was concentrated in a period of a few months, mainly in the first half of the year, although there were some notable exceptions: 1. Ireland and the United Kingdom conduct continuous surveys throughout the year; and 2. four countries had interviews also during the last quarter of the year, namely Belgium, Italy, Malta and Sweden. For exact dates on the fieldwork period by country in 2008 you may consult the EU Quality Report (page 23): http://epp.eurostat.ec.europa.eu/portal/page/portal/income_social_inclusion_living_conditions/documents/tab9/2008

Risk of poverty

The at-risk-of-poverty rate relies on a relative income definition and counts as poor individuals those living in households where equivalised disposable income is below the threshold of 60% of the national equivalised median income. Given the nature of the retained threshold, and the fact that having an income below this threshold is neither a necessary nor a sufficient condition of having a low standard of living, this indicator is referred to as a measure of poverty risk.

Household disposable income

The EU-SILC definition of household disposable income includes:

1. income from work, comprising employee income and self-employment income,
2. property income, including interests, dividends, profits from capital investment in an unincorporated business,
3. income from rental of a property or land,
4. pensions from individual private plans,
5. income from social benefits, taking into account unemployment benefits, old-age benefits, survivors benefits, sickness and disability benefits, education-related allowances, family/children related benefits, social exclusion allowances and housing allowances, and
6. regular inter-household cash transfers received.

The definition excludes imputed rent, i.e. money that one saves on full (market) rent by living in one's own accommodation or in accommodation rented at a price that is lower than the market rent.

The monthly household disposable income is estimated by the annual household disposable income divided by 12.

Specific 2008 module variables

All the variables were collected at the household level. When the authors refer in the context of this study to 'individuals' it should be understood that they live in a household having the given characteristics.

Bank account overdraft

The household is at the time of the survey maintaining a negative balance on at least one of its bank accounts because of financial difficulties

(urgent need of money, output higher than input...). Interest is charged on the amount owned. The bank accounts are not necessarily current accounts.

Credit/store card(s) unclear balance

The household has not paid in full at the end of the month the amount spent or owed with credit/store cards for at least three consecutive months because of financial difficulties.

Credit cards are characterised by a specific credit facility. Money is lent to people between the time they purchase goods and the time of full repayment of the amount. Interest is paid on any balance that is not cleared at the end of the month. There are monthly statements for the money spent specifying the minimum amount to be paid. Credit cards are not bank debit cards, on which the money spent on the card is immediately deducted from a linked bank account.

Store cards are credit cards issued by a single company/store, which can only be used for the company/store payments.

Arrears for housing and non-housing bills and for other loans and credit repayment

Credit and loans encompass any commercial credit or loans with planned and scheduled repayments, except mortgage loans for the main dwelling. Overdraft facilities, credit or store cards for which repayments are not planned are not included. Borrowing from friends and relatives (informal credit) is not included either.

These arrears take into account the amount owed (bills, rent, credit/mortgage repayment...) not paid on schedule during the last 12 months for financial reasons.

Total amount currently in arrears includes the sum of amount the household currently owed that could not be paid on schedule.

Housing related bills/payments comprise rent and mortgage repayment for the main dwelling and utility bills (water, electricity, gas, heating...).

Other loans and credit repayment take into account cash loans (other than mortgage repayment for the main dwelling) or hire

purchase instalments and similar (e.g. mail order catalogues, car finance...). Minimum credit/store card repayments are also included.

Other non-housing household bills: education, health, any other bills not covered by housing-related bills.

Household situation concerning arrears and outstanding amounts

The amount owed is recorded separately for each identified area. For outstanding amounts, the two following areas are recorded: bank overdrafts and credit and/or store card(s) not cleared. For arrears, the following three areas were recorded: housing bills/repayment, consumption loan/credit repayment and other non-housing bills.

Although the scale is not cumulative, it was possible to characterise the overall degree of household financial difficulties when aggregating different areas.

In this document a situation is referred to as 'critical' when the amount owed in one area (or more, when combined) exceeds the household monthly disposable income. The amount of the mortgage itself is not taken into account, only the arrears related to the payment of the mortgage are included.

EU-27 average

EU aggregates are computed as the population-weighted averages of national indicators.

Abbreviations

For the purpose of this publication EU means EU-27.

EU-27 Member States: Belgium (BE), Bulgaria (BG), Czech Republic (CZ), Denmark (DK), Germany (DE), Estonia (EE), Ireland (IE), Greece (EL), Spain (ES), France (FR), Italy (IT), Cyprus (CY), Latvia (LV), Lithuania (LT), Luxembourg (LU), Hungary (HU), Malta (MT), Netherlands (NL), Austria (AT), Poland (PL), Portugal (PT), Romania (RO), Slovenia (SI), Slovakia (SK), Finland (FI), Sweden (SE) and United Kingdom (UK). Iceland (IS) and Norway (NO) are also referred to in this publication.

Further information

Eurostat Website: <http://ec.europa.eu/eurostat>

Data on 'Population and social conditions — Living conditions and social protection'

http://epp.eurostat.ec.europa.eu/portal/page/portal/income_social_inclusion_living_conditions/data/ad_hoc_modules

More information about 'Population and social conditions — Living conditions and social protection'

http://epp.eurostat.ec.europa.eu/portal/page/portal/income_social_inclusion_living_conditions/introduction

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