



TRENDS
1/2017

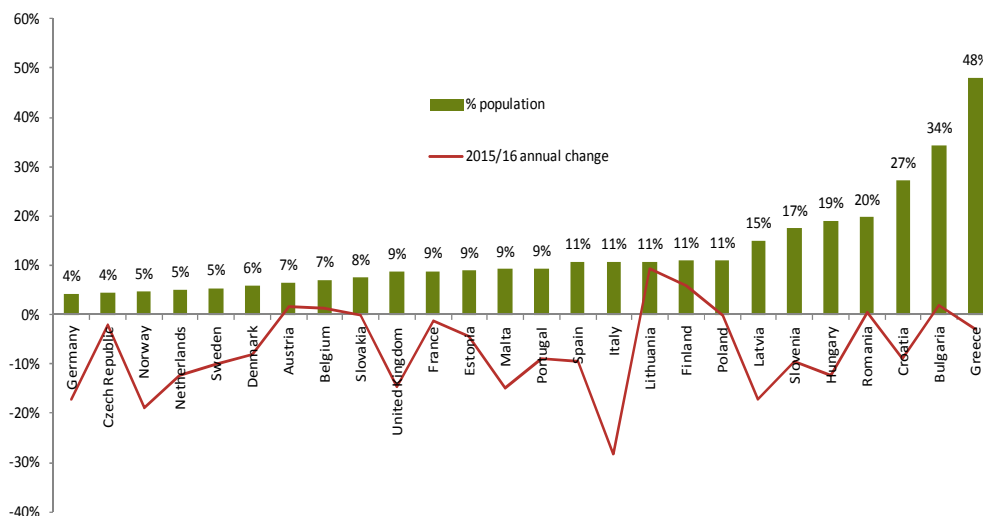
OVER-INDEBTEDNESS TRENDS IN EUROPE

2016 was a year of broad improvement of the financial situation of many European households, whereas in most countries arrears on housing, utilities or hire purchases decreased. The most remarkable improvement was observed in Italy, where the share of the population in arrears decreased by 28%, followed by Norway (a 19% decrease), Latvia and Germany (a 17% decrease). However, in six European countries the incidence of arrears increased, with the largest change observed in Lithuania (9%) and Finland (6%).

Despite these improvements, the percentage of the population with arrears exceeds 10% in 12 countries, affecting 48% of the population in Greece, 34% in Bulgaria, and 27% in Croatia.

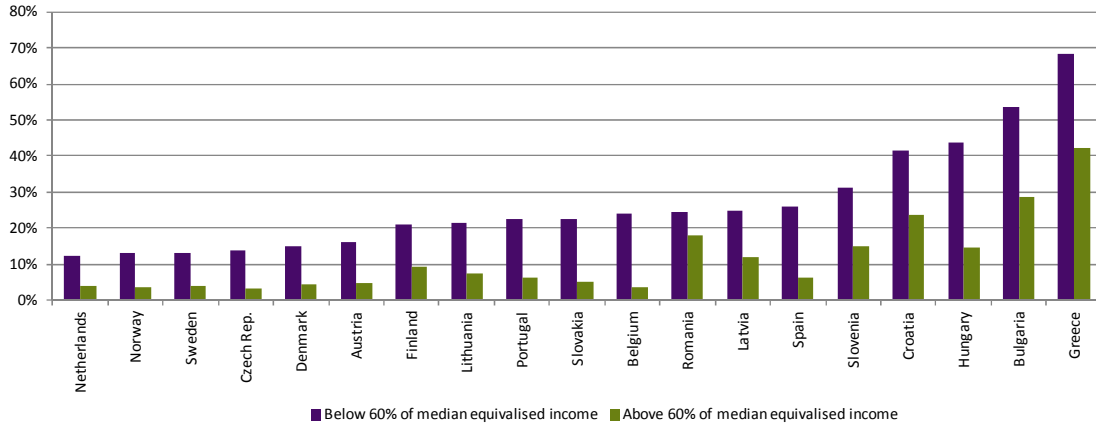
People living in low-income households with income below 60% of median national income are far more likely to fall behind with payments. The largest difference between people below and above this line is seen in Belgium, where the incidence of arrears is 5 times higher among people living in low-income households, compared to those with income above 60% of the median. In three other countries, (the Czech Republic, Slovakia and Slovenia) the difference in the incidence in arrears between two income groups was three-fold.

Figure 1: Arrears on mortgage or rent, utility bills or hire purchase



Source: Eurostat: EU-Statistics on Income and Living Conditions (EU-SILC)

Figure 2: Arrears on mortgage or rent, utility bills or hire purchase in 2016 by income group (% specified population)



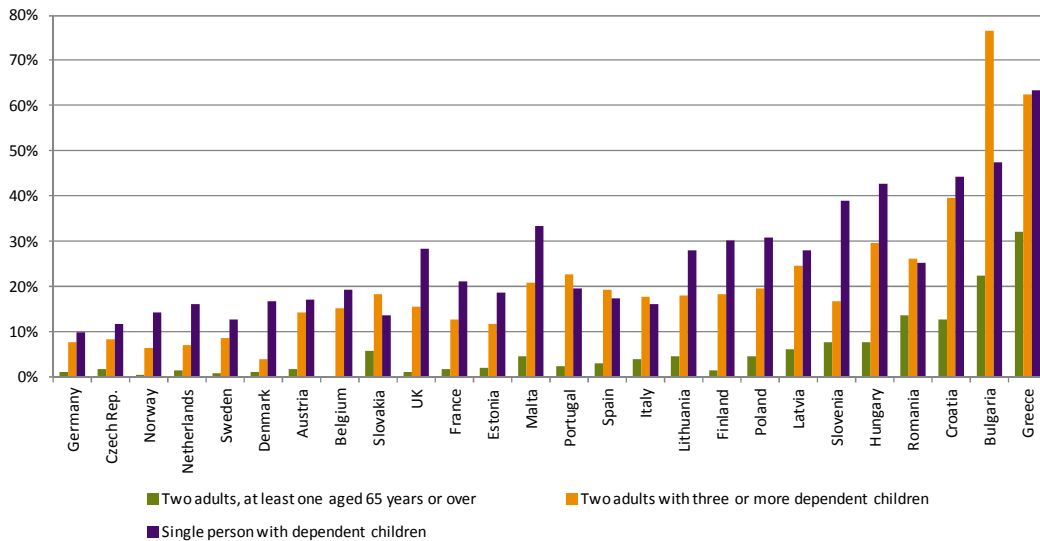
Source: Eurostat: EU-Statistics on Income and Living Conditions (EU-SILC)

In most countries, the highest share of the population with difficulties in making timely payments lived in households composed of a single adult with dependent children. In eight countries (Bulgaria, Croatia, Finland, Greece, Hungary, Malta, Poland and Slovenia) over one third of single parents were not able to make timely payments. The situation is particularly severe in Greece, where as many as 63% of single adults with children were overdue on payments. However, in several countries

(Bulgaria, Italy, Portugal, Spain and Slovakia) people living in households with three or more children were the most often overdue group.

On the other end of the spectrum are two-adult households where at least one of them is over 65 years old. In such households people are the least often in arrears on payments of mortgage, rent utility bills or installments on hire purchase loans.

Figure 3: Arrears on mortgage or rent, utility bills or hire purchase in 2016 of most vulnerable groups (% specified population)



Source: Eurostat: EU-Statistics on Income and Living Conditions (EU-SILC)