



Major findings of overindebtedness report

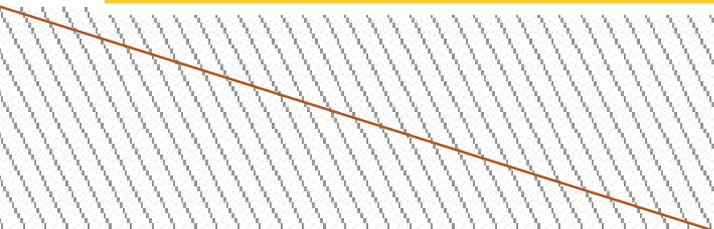
1. Overindebtedness is a growing problem in Europe
2. Overindebtedness is a growing problem in Europe
3. Overindebtedness is a growing problem in Europe

Study structure

Overindebtedness and its indicators

EU data collection and analysis

EFIN stakeholders' reactions



Some premises about OI

A wide plethora of OI definitions exists, that still share some features

Types of data related to OI and their sources are very heterogeneous

Lots of indices can be used to analyze debt burden

As such indicators as ... should be taken ... since they are likely signs of different stages or severities of debt difficulties

Working method

Collection of information from EU-wide surveys (EU SILC, HFCS, Eurobarometer)

Comparison between data related to EU (or Euro area) and those regarding single population groups/countries

Aim: highlighting which factors may have a link with a higher severity/frequency of OI

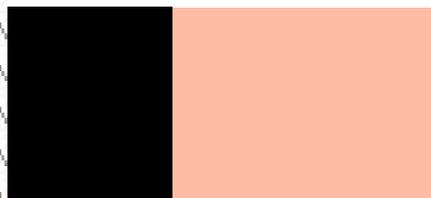
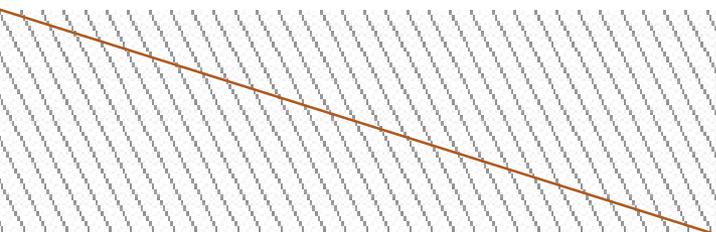
Main evidences about OI in the EU

Dimensions

- EU households with arrears, a very high debt or debt service (relative to income or assets) or perceiving themselves in difficulties are not a myriad but still a significant part of the population (up to 25% in some countries according to certain indicators)

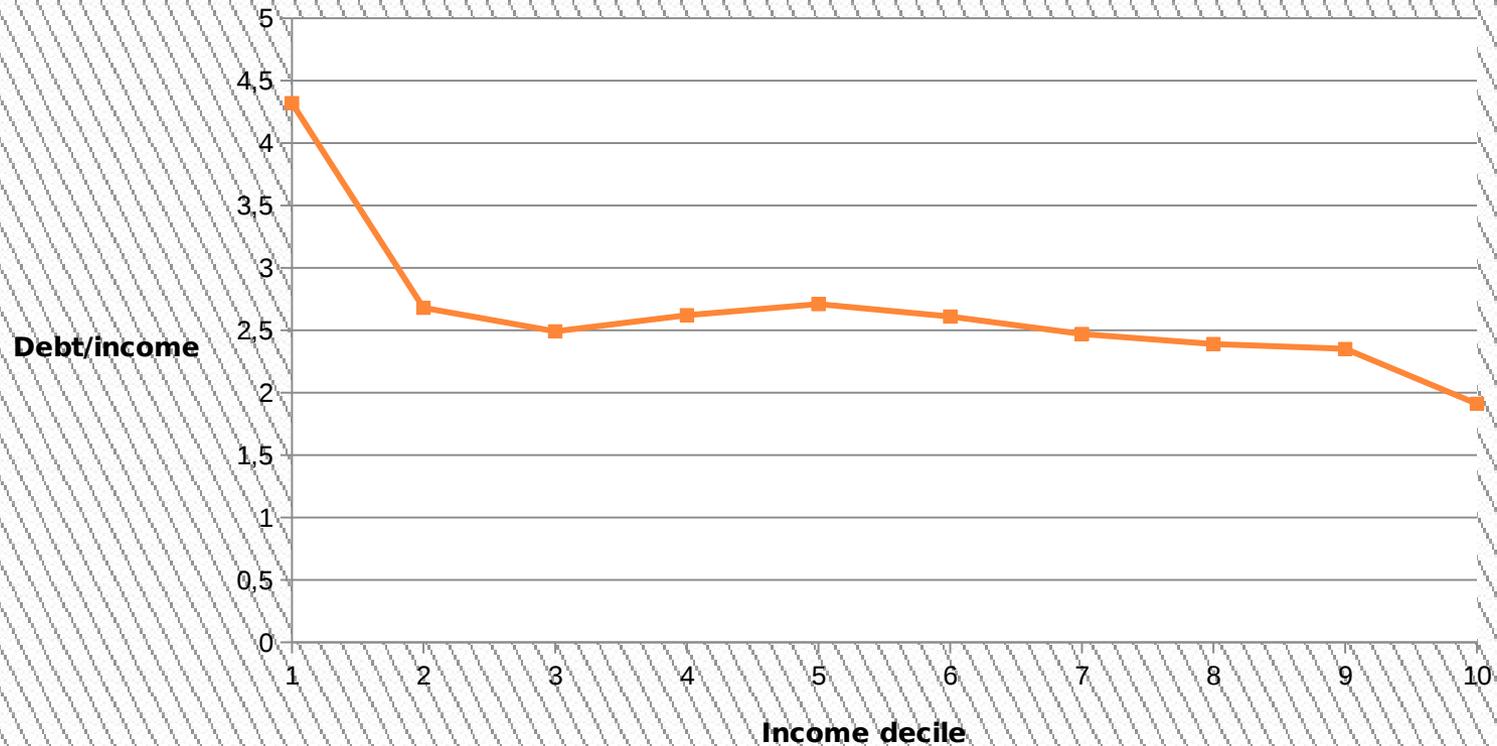
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Debt/income conditional on indebted households in Sweden

Serie 1



Income considered is annual
elaboration on data from Ölcer and Windtrand, 2014

OI geographic distribution

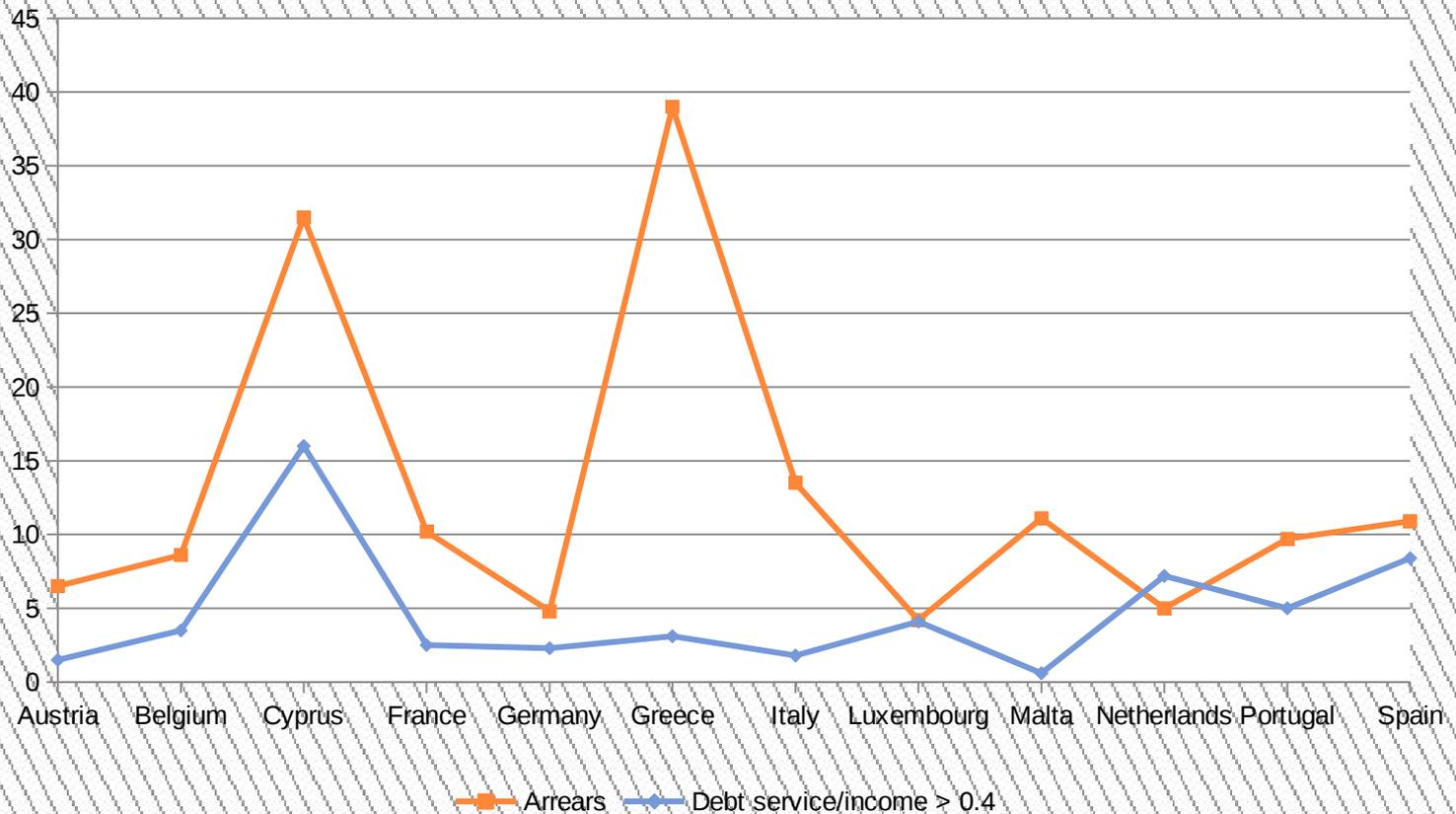
According to OI indicators it's possible to individuate 3 different situations

Few countries are associated to high levels of almost all OI measures (e.g. Cyprus)

Others are in the opposite situation (e.g. Austria)

In the rest of the cases it's difficult to get to definitive conclusions (e.g. Netherlands)

Euro area population with debt difficulties (in %)



Income and debt service considered monthly. Euro Area doesn't include Latvia, Estonia, Ireland, Slovenia and Finland
Own calculation on data from Eurostat, 2014; Bank of Italy, 2014

Stakeholders' feedback

Despite the variety of opinions, some common points

A weak macroeconomic scenario would seem correlated with debt difficulties

Lack of regulation is considered an important driver of OI

Income-based creditworthiness assessments would be more reliable than those asset-based

