Households’ financial vulnerability

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Sigita Geske
European Commission
DG Eurostat
EU-SILC team

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Outline

• EU – SILC background information

• EU – SILC 2020 module on Over-indebtedness, consumption and wealth (OWC)

• Conclusions

Overview - Income and living conditions - Eurostat (europa.eu)
EU-SILC

- EU-Statistics on Income and Living Conditions (EU-SILC) is an annual survey collected in all EU MS and several countries from outside the EU.

- The EU-SILC collection is a key instrument in the European Pillar of Social Rights and the main source of data for microsimulation purposes, flash estimates of income distribution and poverty rates.

- AROPE is crucial to monitor European social policies, especially the EU 2030 target on poverty and social exclusion.

- The following aspects are covered in annual data: income, poverty, social exclusion, housing, labor, education, health
EU-SILC

Since 2021, EU SILC is collected under new framework regulation and its implementing acts that foresee the multi annual rolling modules.

Legislation - Income and living conditions - Eurostat (europa.eu)

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<th>Year of data collection</th>
<th>3-yearly rolling module</th>
<th>6-yearly rolling module</th>
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<td>Living arrangements and conditions of children in separated and blended families</td>
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</table>

First time implemented under previous legal basis in 2020
Module 2020 variables -> very similar proposal for module 2026

**Over-indebtedness, including reasons**
- Arrears on non-housing bills
- Number of loans (excluding mortgages on purchase of main residence)
- Purpose of loans (excluding mortgages on purchase of main residence)
- Source of loans (excluding mortgages on purchase of main residence)
- Amount due last month on loans (excluding mortgages on purchase of main residence)

**Elements of wealth, including dwelling ownership**
- Value of main residence
- Total left to repay for the mortgage on main residence
- Possession of real estate other than main residence
- Ability to maintain the same standard of living using savings

**Elements of consumption**
- Savings (in a typical month)
- Food or drink outside home
- Public transport
- Private transport
Module 2020 indicators

- **Arrears on non-housing bills** by risk of **poverty threshold** (ILC_ODBT01) and by **income quintile** (ILC_ODBT02)

- **Loans (excluding mortgages on purchase of main residence)** by **risk of poverty threshold** (ILC_ODBT03) and by **income quintile** (ILC_ODBT04)

- **Persons with loans for property** (ILC_ODBT06) / **transport** (ILC_ODBT06) / **education** (ilc_odbt07) / **daily living expenses** (ilc_odbt08) purposes by **risk of poverty threshold**

- **Persons with loans for other purposes** by **risk of poverty threshold** (ilc_odbt09)

- **Savings in a typical month** by household habits and **risk of poverty threshold** (ilc_odbt10) and **income quintile** (ilc_odbt11)

- **Persons owning real estate other than main residence** by **risk of poverty threshold** (ilc_odbt12) and **by income quintile** (ilc_odbt13)

- **Households maintaining the same standard of living using savings** by **duration** and **risk of poverty threshold** (ILC_ODBT14) and **income quintile** (ilc_odbt15)
Households' savings in a typical month, 2020, %

Note: ranked on households putting money aside
(1) low reliability.
(2) not available.
Source: Eurostat (online data code: ilc_odbt10)
Ability to maintain the same standard of living using savings, 2020, %

Note: sorted on less than 3 months data

(*) low reliability  
(‡) not available  

- Less than 3 months  
- From 3 to 6 months  
- From 6 to 12 months  
- Over 12 months
Households having loans (excluding mortgages on purchase of main residence), 2020, %

Note: ranked on share of households in the total population using loans

(1) low reliability.
(2) not available.

Source: Eurostat (online data codes: ilc_odbt03) and (ilc_odbt03)
Conclusions

• EU-SILC module on OCW broadens EU-SILC instrument and allows analysis of multidimensional poverty

• Used for statistical matching between EU-SILC, HBS (Household budget survey) and HFCS (household finance and consumption survey) by Eurostat and the countries
Thank you

Sigita.Geske@ec.europa.eu

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