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Title of contribution	<i>Objective and subjective indicators on over-indebtedness in Switzerland</i>
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Presenter Organization	<i>Federal Statistical Office FSO, Switzerland</i>
Topic	<i>Assets-based poverty and inequality</i>
Summary:	
<p><i>In the past few years, the Swiss FSO has developed new experimental indicators on the joint consideration of income and wealth. These findings have been presented to the Expert Group on several occasions and been integrated in the Guide to Data Disaggregation. However, the role of negative wealth or debt has not been explored further to date. Information on debt is important for several reasons. Firstly, it is necessary to determine net wealth so as to not overestimate the financial resources of (income poor) households. Secondly, while debt can enable households to purchase goods that would otherwise not be accessible to them, it can also reduce the household's financial and material opportunities and increase their risk of poverty, especially in the case of over-indebtedness. Such situations can be assessed using suitable indicators, providing a useful addition to analyses of financial poverty.</i></p> <p><i>In 2020 and 2022, the European SILC module on over-indebtedness has been run in Switzerland with additional questions on the amount of several types of debt, enabling us to calculate a number of objective indicators on over-indebtedness following Balestra & Tonkin (2018). In particular, we looked at different debt-to-income and debt-to-asset ratios of households. Additionally, we developed a subjective indicator on critical indebtedness using an annual question in SILC on the financial burden of the repayment of debts from hire purchases or loans. We plan to publish these objective and subjective indicators for the first time in the Swiss Poverty Monitoring report 2025.</i></p> <p><i>The presentation will focus on the development of the indicators and their interpretation in the context of Switzerland. Our findings show that the share of persons with high debt-to-income ratios tends to increase with higher income while the share of persons with high debt-to-asset ratios tends to decrease. This is likely due to high property prices and mortgages and a considerable variation in home ownership rates by income group in Switzerland.</i></p>	
Please select your preferred contribution (you may select both options):	
<input checked="" type="checkbox"/>	Presentation
<input type="checkbox"/>	Paper (to be submitted by 18 October)