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Household Finance and Consumption Network

The Household Finance and  
Consumption Survey:  
Results from the 2017 wave



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### Household Finance and Consumption Network

This report was drafted by the Household Finance and Consumption Network (HFCN). The HFCN is chaired by Ioannis Ganoulis (ECB) and Oreste Tristani (ECB), with Juha Honkkila (ECB) and Jiri Slacalek (ECB) as Secretaries. The HFCN is composed of members from the European Central Bank, the Nationale Bank van België/Banque Nationale de Belgique, Česká národní banka, Danmarks Nationalbank, the Deutsche Bundesbank, Eesti Pank, the Central Bank of Ireland, the Bank of Greece, the Banco de España, the Banque de France, Hrvatska narodna banka, the Banca d'Italia, the Central Bank of Cyprus, Latvijas Banka, Lietuvos bankas, the Banque centrale du Luxembourg, the Magyar Nemzeti Bank, the Central Bank of Malta, De Nederlandsche Bank, the Oesterreichische Nationalbank, Narodowy Bank Polski, the Banco de Portugal, Banca Națională a României, Banka Slovenije, Národná banka Slovenska, Suomen Pankki – Finlands Bank, and Sveriges Riksbank, as well as Statistics Estonia, the Irish Central Statistics Office, the French National Institute of Statistics and Economic Studies (INSEE), the Hungarian Central Statistical Office, Statistics Portugal, Statistics Finland, Eurostat, and consultants from Goethe University Frankfurt and the University of Naples Federico II. The HFCN collects household-level data on households' finances and consumption in the euro area through a harmonised survey. It aims to study in depth the micro-level structural information on euro area households' assets and liabilities.

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# Salient changes in euro area household finances from 2014 to 2017

The Household Finance and Consumption Survey (HFCS) provides detailed household-level data on various aspects of household balance sheets, income, consumption and related economic and demographic variables. Data have been collected in a harmonised way in all the euro area countries, as well as in Croatia, Hungary and Poland, for a total sample of more than 91,000 households. The most common reference period for balance sheet data is 2017.

Over the period between 2014, when the previous survey was conducted, and 2017, the gradual economic recovery observed in the wake of the sovereign debt crisis continued. Albeit initially uneven, it progressively became broad-based across euro area countries. The unemployment rate declined steadily, reaching almost pre-crisis levels by the end of 2016. The financing costs of euro area households remained near record lows, albeit continuing to vary across countries.

Against this macroeconomic background, the survey results highlight heterogeneous developments in net wealth, the difference between total assets and total liabilities, across the household distribution between 2014 and 2017. Broad-based gains were recorded in income.

The median value of total assets edged down between 2014 and 2017 to just over €130,000. Drops in the median value were recorded among households at the bottom of the income distribution between 2014 and 2017 (by 23.9%) and also among households in which the reference person<sup>1</sup> has a basic or secondary education (by 9.7% and 3.5%, respectively). Other households, including those in which the reference person has a tertiary education and homeowners with a mortgage, experienced an increase in the median value of their assets (by 2.0% and 8.2% respectively). The median values of the assets held by the top decile of the 2017 net wealth and income distributions were higher than in the corresponding deciles of the 2014 distributions (by 5.8% and 12.7% respectively).

The most important real asset remained the household main residence: for homeowners, the median value of the main residence rose from just over €160,000 to almost €166,000. The median value of financial assets dropped by 2.9% to approximately €10,000.

The share of indebted households in the euro area decreased somewhat, from 42.7% to 41.9% between 2014 and 2017. The lower and middle quintiles of the 2017 net wealth distribution display lower total indebtedness, by between 1.7 and 3.2 percentage points, compared with the corresponding quintiles of the 2014 distribution. For the wealthiest decile, indebtedness is higher by 3.6 percentage

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<sup>1</sup> The “reference person” is chosen according to the criteria given by the Canberra Group on household income statistics and is loosely in practice defined as the highest income earner in the household. See UNECE (2011), *Canberra Group Handbook on Household Income Statistics, second edition*.

points. For indebted households, the median outstanding amount of debt increased slightly. This increase is more marked across the upper-middle parts of the wealth distributions in both 2014 and 2017. The median outstanding balance of mortgage debt, the largest component of household debt, remained broadly stable around €80,000. However, a pronounced increase was experienced by the youngest households (below 35 years of age), where mortgage debt rose from approximately €110,000 to over €124,000.

Indicators of debt burden and financial vulnerability suggest that the most heavily indebted euro area households may have felt an easing of their financing pressure, while those with more financial capacity appear to have taken advantage of rises in income and asset prices to increase their leverage. The debt-asset ratio remained especially high for wealth-poor households in 2017, with a median of 113.3%. The highest median debt-income ratio was recorded for the middle wealth quintile (142.7%).

Median net wealth remained broadly stable between 2014 and 2017 at just under €100,000, but this overall stability masks heterogeneous developments. For example, heterogeneity is marked across the age distribution of the reference person, where both gains and losses in net wealth can be observed without a clear age-dependent pattern. The median household in which the reference person has tertiary education experienced an increase in net wealth (of 4.5%), while net wealth declined when the reference person had basic education (by 8.3%). Homeowners with a mortgage benefited the most from the increases in house prices, experiencing double-digit gains in their median wealth (13.9%). Net wealth increased for the median household in which the reference person was employed (by 3.5%) but fell for the median household in which the reference person was self-employed, retired or not working (by between 2.4% and 4.3%). Net wealth for the second and third quintiles of the 2017 net wealth distribution was comparable to the corresponding quintiles of the 2014 distribution; it was higher for the top and bottom quintiles. These dynamics led to a reduction in inequality in the lower half of the distribution and an increase in inequality in the upper half. All in all, there was a slight compression of the net wealth distribution: the ratio between the median net wealth of households in the 80th and 20th percentiles of the net wealth distribution was lower in 2017 compared with 2014.

Median annual gross income increased by 4.1% between 2014 and 2017 to €31,000. Income gains were broad-based, although somewhat larger at the top of the income distribution. Households in the bottom quintile of the 2017 income distribution had higher median and mean income by 4.9% and 6.7%, when compared to those in the corresponding quintile of the 2014 distribution. Households in the top decile of the 2017 income distribution had higher median and mean income by 8.9% and 7.9% (in comparison to those in the upper part of the 2014 distribution). Households with basic and secondary education levels benefitted in percentage terms at least as much (6.4% and 2.7% respectively) as those with tertiary education (3%). Income inequality in the euro area, as measured by the ratio between the highest and lowest income earners, remained essentially unchanged.

The proportion of credit-constrained households decreased in almost all population subgroups. The euro area as a whole saw a drop from 7.4% to 6.1%. There was also a

reduction by 2.7 percentage points in the proportion of households that were refused a loan when applying for credit, from 11.9% to 9.2%.

# 1 Introduction

The Household Finance and Consumption Survey (HFCS) is a joint project of all the national central banks of the Eurosystem, the central banks of three EU countries that have not yet adopted the euro, and several national statistical institutes.<sup>2</sup>

The HFCS provides detailed household-level data on various aspects of household balance sheets and related economic and demographic variables, including income, private pensions, employment and measures of consumption. A household is defined as a person living alone or a group of people who live together and share expenditures; for example, flatmates and employees of other residents are considered separate households. The target reference population of the survey is all private households; it excludes people living in collective households and in institutions, such as the elderly living in nursing homes.

The HFCS is conducted in a decentralised manner. Each institution participating in the Household Finance and Consumption Network (HFCN) (the national central bank and/or the national statistical institute) is responsible for conducting the survey. The European Central Bank (ECB), in conjunction with the HFCN, coordinates the whole project, ensuring the application of a common methodology, pooling the country datasets and performing quality control on them, as well as disseminating the survey results and microdata through a single access gateway.

The third wave of the HFCS was conducted mainly in 2017. Table 1 provides a summary snapshot of the fieldwork periods in each country. To facilitate comparisons over time in real terms, the figures from past survey waves have been converted to 2017 prices using the Harmonised Index of Consumer Prices in all tables and graphs.<sup>3</sup> The adjustment factors between the two latest survey waves are shown on the right-hand column of Table 1. An adjustment factor of, for example, 1.047 indicates that inflation between the two survey waves was 4.7%.<sup>4</sup> For countries that have not yet adopted the euro, results in local currency are converted into euro using the exchange rate for 2016-17.

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<sup>2</sup> The first wave of the HFCS was conducted in 15 euro area countries, the second wave in 18 euro area countries, as well as in Hungary and Poland, and the third wave in all 19 euro area countries, as well as in Croatia, Hungary and Poland; it is envisaged that the fourth wave of the survey will also include the Czech Republic.

<sup>3</sup> The values of assets, debt, income and consumption have been adjusted for by multiplying the first- and second-wave figures with the ratio between the yearly averages of the price level in the reference years for the survey waves.

<sup>4</sup> Comparability over time can also be affected by the changing euro area coverage. However, restricting statistics for the 2017 wave to the 18 euro area countries covered in 2014 has negligible effects on the results. For simplicity, this change is therefore ignored in any comparisons of euro area characteristics between the two waves.

**Table 1**

## Fieldwork and reference periods of the 2017 wave and inflation adjustment factor

Country	Fieldwork period	Assets and liabilities	Income	Inflation adjustment factor between the 2014 and 2017 waves
Belgium	January 2017 – September 2017	2017	2016	1.047
Germany	March 2017 – October 2017	Time of interview	2016	1.022
Estonia	March 2017 – June 2017	Time of interview*	2016	1.050
Ireland	April 2018 – January 2019	Time of interview	Last 12 months	1.011
Greece	February 2018 – September 2018	2018	Last 12 months	1.008
Spain	October 2017 – May 2018	Time of interview	2016	1.011
France	September 2017 – January 2018	Time of interview	2016	1.011
Croatia	March 2017 – June 2017	Time of interview	2016	-
Italy	January 2017 – September 2017	31 December 2016**	2016	1.000
Cyprus	February 2017 – September 2017	Time of interview	Last 12 months	0.979
Latvia	September 2017 – November 2017	Time of interview	2016	1.032
Lithuania	December 2017 – May 2018	31 December 2016	2016	-
Luxembourg	March 2018 – November 2018	Time of interview	2017	1.043
Hungary	October 2017 – December 2017	Time of interview	Last 12 months	1.029
Malta	January 2017 – April 2017	31 December 2016	2016	1.029
Netherlands	May 2017 – July 2017	Time of interview	2016	1.006
Austria	November 2016 – July 2017	Time of interview	2016	1.040
Poland	September 2016 – November 2016	Time of interview	Last 12 months	0.991
Portugal	May 2017 – September 2017	Time of interview	2016	1.030
Slovenia	April 2017 – October 2017	Time of interview	2016	0.991
Slovakia	February 2017 – April 2017	Time of interview	2016	1.005
Finland	January 2017 – June 2017	31/12/2016	2016	1.014

Source: HFCS metadata.

\*Time of interview for variables collected at the interview, 30 April 2017 for variables derived from register data.

\*\* Time of interview for values of dwellings.

In describing the evidence, reference is made to groups of households, identified by either economic or demographic characteristics. The key economic characteristics are quintiles of net wealth and income; the last quintile is disaggregated into two deciles. Quintiles are defined by the points that divide data into five equal groups of



households.<sup>5</sup> In the 2017 wave of the HFCS, the cut-off points identifying the euro area net wealth quintiles are €7,500, €56,600, €153,300 and €318,600. The cut-off points for euro area gross annual household income are €15,200, €25,200, €38,500 and €60,100. The cut-off points between the two deciles forming the last quintiles of net wealth and gross annual income are €525,000 and €83,500 respectively. The key socio-demographic characteristics include the household size, as well as age, education and employment status of the household reference person.

The HFCS is designed around a common set of methodological principles, which ensures the comparability of results. When compared with other international household wealth surveys (such as the Luxembourg Wealth Study), one of the most distinctive features of the HFCS is that the constituent country wealth surveys follow an **ex ante harmonised methodology**. In particular, all country-level HFCS datasets provide a set of core output variables according to a set of common definitions and descriptive features according to an output-oriented approach. Nevertheless, cross-country comparisons should be made with caution, due to remaining methodological discrepancies in the national implementations of the common guidelines (for example the oversampling of wealthy households), as well as institutional and socio-demographic differences (for example household structure and age composition of the population).

Household samples have been designed in each country to ensure representative results at both the euro area and national level. More than 91,000 households were surveyed in the third wave, with sample sizes varying across countries. All country surveys have a **probabilistic sample design**. This means that each household in the target population has an ex ante defined non-zero probability of being part of the sample. Given the unequal distribution of household wealth and the fact that certain financial instruments are almost exclusively held (and in large quantities) by the wealthiest households, most countries apply some type of **oversampling of wealthy households**.

One feature of survey data is the existence of item non-response, i.e. respondents' inability to provide a reliable answer to all questions asked. However, economic analyses with survey data should always be run with complete datasets. Imputing missing values – i.e. the process of assigning values to variables that have been collected incorrectly or not at all – is, therefore, a prerequisite for being able to use the data. For the HFCS, a multiple stochastic imputation strategy has been chosen. The dataset provides five imputed values (replicates) for every missing value corresponding to a variable entering the composition of household wealth, consumption or income.

Finally, in the 2017 wave, 12 countries had a **panel component**, comprising the same households as in the previous wave.

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<sup>5</sup> Similarly, deciles are defined by the points that divide wealth, or income, data into ten equal groups of households.

## 2 Assets

### 2.1 Assets and asset components

Table 2 reports statistics for households' asset holdings and their participation rates. Between the 2014 and 2017 waves, participation rates for real and financial assets remained largely stable. Over the same period, the median total asset value edged down by 2.4% to €131,300. The mean value increased by 2.3% from €253,500 in 2014 to €259,400 in 2017.<sup>6</sup> The decrease in median and increase in mean value of total assets suggests a widening of the distribution of asset holdings. Drops in the median value were recorded among households at the bottom of the income distribution and also among households in which the reference person has a basic or secondary education. Other households, including those in which the reference person has a tertiary education and homeowners with a mortgage, experienced an increase in the median value of their assets.

Ownership of real assets, which include valuables, vehicles, self-employed business wealth, the household main residence and other real estate, remains widespread but not universal, with a participation rate of 91.2% in 2017, unchanged since 2014. There was a reduction in the ownership rate for some types of real asset, whereas others saw an increase. However, most changes were relatively minor.

Vehicle ownership, which mostly concerns cars, remains common, with slightly more than three out of four households owning a vehicle. The conditional median value of the vehicle rose by 7.1% to €6,000.

The most important real asset remained the household main residence. The ownership rate decreased slightly (60.3% in 2017 versus 61.0% in 2014). The conditional median value of the main residence rose from €161,300 to €165,700. The conditional mean rose by 2.9% to €209,400. The evolution of the value of other real estate property saw similar trends. The conditional median value rose to €95,900 in 2017 from €91,000 in 2014. The conditional mean value rose to €197,900 from €191,300. The ownership rate rose slightly, from 24.1% in 2014 to 24.8% in 2017.

Ownership of self-employment business wealth was 10.7% in 2017 (essentially the same as in 2014). The median value of self-employment business wealth also remained essentially the same at €30,000. The conditional mean dropped, from €228,000 in 2014 to €208,100 in 2017.

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<sup>6</sup> To provide a measure of the statistical significance of the developments, standard errors caused by sampling and imputation of missing data are given for selected estimates. The findings highlighted in the report are significant or interesting in a broader context.

**Table 2**  
Assets and asset components

(participation rates: percentages of households; medians and means: 2017 EUR thousands)

Asset type	Participation rate		Conditional median			Conditional mean		
	2014	2017	2014	2017	Percentage change	2014	2017	Percentage change
<b>Euro area</b>								
<b>Total assets</b>			134.6	131.3	-2.4	253.5	259.4	2.3
<b>Standard error</b>			(1.7)	(1.7)		(3.8)	(3.2)	
<b>Real assets</b>								
<b>Total real assets</b>	91.2	91.2	132.6	131.0	-1.1	226.7	230.2	1.5
<b>Standard error</b>	(0.2)	(0.2)	(1.7)	(1.6)		(3.8)	(3.2)	
<b>Household main residence</b>	61.0	60.3	161.3	165.7	2.7	203.4	209.4	2.9
<b>Other real estate property</b>	24.1	24.8	91.0	95.9	5.4	191.3	197.9	3.5
<b>Vehicles</b>	76.5	76.3	5.6	6.0	7.1	9.3	9.9	6.4
<b>Valuables</b>	44.6	44.2	3.0	3.0	-1.5	10.9	10.6	-2.8
<b>Self-employment business wealth</b>	10.8	10.7	30.4	30.0	-1.3	228.0	208.1	-8.7
<b>Financial assets</b>								
<b>Total financial assets</b>	97.2	97.7	10.6	10.3	-2.9	48.1	50.7	5.4
<b>Standard error</b>	(0.1)	(0.1)	(0.3)	(0.3)		(0.9)	(1.0)	
<b>Deposits</b>	97.0	97.6	5.9	6.1	2.9	21.0	22.2	5.8
<b>Mutual funds</b>	9.4	10.2	15.0	15.0	-0.1	47.4	52.1	10.0
<b>Bonds</b>	4.4	3.2	19.5	20.0	2.6	46.6	49.4	6.1
<b>Shares (publicly traded)</b>	8.8	8.6	7.4	8.0	8.4	41.1	46.3	12.6
<b>Money owed to households</b>	7.9	7.5	3.1	3.0	-2.8	17.2	14.9	-13.5
<b>Voluntary pensions/whole life insurance</b>	30.1	28.4	13.4	14.0	4.1	36.7	40.4	10.2
<b>Other financial assets</b>	7.5	7.7	3.1	2.5	-18.5	52.4	57.3	9.4
<b>Non-euro area</b>								
<b>Total assets</b>			51.7	58.8	13.7	90.4	96.8	7.0
<b>Standard error</b>			(1.2)	(1.0)		(2.6)	(1.7)	
<b>Real assets</b>								
<b>Total real assets</b>	89.2	91.7	56.7	59.4	4.7	94.9	96.5	1.7
<b>Standard error</b>	(0.5)	(0.4)	(1.7)	(1.1)		(2.8)	(1.8)	
<b>Financial assets</b>								
<b>Total financial assets</b>	87.5	87.0	2.2	2.8	27.4	6.6	9.5	44.2
<b>Standard error</b>	(0.5)	(0.4)	(0.1)	(0.1)		(0.2)	(0.3)	

Notes: The table reports the statistics for households' asset holdings and their participation rates and distinguishes between different real and financial asset components.

The first two columns show the participation rates, i.e. the percentages of households (i) having assets, (ii) having real assets, (iii) having financial assets, and (iv) holding each asset component. Total real assets has the following components: (1) household main residence, (2) other real estate property, (3) vehicles, (4) valuables and (5) self-employment business wealth. Financial assets include: (1) deposits, (2) mutual funds, (3) bonds, (4) shares (publicly traded), (5) money owed to the household, (6) total value of voluntary pensions and whole life insurance, and (7) other financial assets (private non-self-employed businesses, assets in managed accounts and other types of financial asset). Columns three to five show the conditional medians, i.e. the median asset value for households holding that asset, in 2014 and 2017, and the percentage change from 2014 to 2017. Likewise, columns six to eight report the conditional means. The standard errors were calculated with the Rao-Wu rescaled bootstrap method using replicate weights provided by the countries (1,000 replicates). Data from the Netherlands for the preceding two waves are based on smaller samples (around 1,200 households) and may show more sampling uncertainty when compared with the data from 2017. In addition, the information about assets and liabilities was derived from existing Dutch surveys. The 2017 data are based on a larger sample (around 2,500 households), following the exact wording of the HFCN questionnaire. Overall, the data from the 2017 wave are better aligned to the data on household wealth published by Statistics Netherlands.

The euro area consists of Belgium, Germany, Estonia, Ireland, Greece, Spain, France, Italy, Cyprus, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Austria, Portugal, Slovenia, Slovakia and Finland. Non-euro area countries are Croatia, Hungary and Poland.

Ownership of financial assets, which include deposits, mutual funds, bonds, publicly traded shares, money owed to households, voluntary pensions and whole life insurance, and other financial assets, rose very slightly to 97.7% in 2017 from 97.2% in 2014. The conditional median value of financial assets dropped 2.9% to €10,300 in 2017 from €10,600 in 2014. However, the conditional mean rose 5.4% to €50,700 in 2017 from €48,100 in 2014.

For most financial asset types, changes in participation rates were relatively small. Deposits remained the most widely held asset in household portfolios. The ownership rate rose slightly, from 97.0% in 2014 to 97.7% in 2017. The conditional median value rose by 2.9% from €5,900 in 2014 to €6,100 in 2017, and the conditional mean value rose by 5.8%, from €21,000 in 2014 to €22,200 in 2017.

The second most widely held financial asset was “voluntary pensions and whole life insurance”. Ownership of this asset type dropped a little to 28.4% in 2017 (from 30.1% in 2014). The conditional median value rose from €13,400 in 2014 to €14,000 in 2017, and the conditional mean value rose from €36,700 in 2014 to €40,400 in 2017.

Ownership of mutual funds rose from 9.4% in 2014 to 10.2% in 2017. The conditional median value stabilised at €15,000. The conditional mean value increased by 10.0%, from €47,400 in 2014 to €52,100 in 2017.

Other types of financial asset, such as publicly traded shares, bonds and other financial assets, were held by less than one out of ten households. The conditional mean and median values of shares and bonds rose between 2014 and 2017.

## 2.2 Heterogeneity in asset components across households

Table 3 reports conditional medians for households’ real, financial and total asset holdings across households with different characteristics. Table 4 shows the participation rates for such holdings. Between the 2014 and 2017 waves, participation rates for real and financial assets remained largely stable. Among those who held assets, however, the value of the assets held was very heterogeneous. This was true for both real and financial assets. The evolution over time of both ownership rates and asset values was also not homogeneous across households. The conditional median value of real and financial assets dropped for certain groups of households but rose for other groups. The largest drops in the conditional median value of total assets were observed for households at the bottom of the income and wealth distributions while the largest increases were observed for households at the top of these distributions. Households in which the reference person had a basic or secondary education saw a decrease in conditional median value of total assets, whereas households in which the reference person had a tertiary education saw an increase.

Single households tend to hold fewer assets than couples or households with children (or other people living in the household). In 2017, the conditional median real asset holdings of single households was €61,800, substantially below the median across all households of €131,000 (Table 3). The difference is less pronounced for financial assets: the median value of financial asset holdings of single households was €7,000,

below the median of €10,300 across all households. The evolution of the conditional median for real assets was very different for single households versus the evolution for all households. For single households, the conditional median value of real assets dropped by 12.4%, versus a decrease of 1.1% for all households. The conditional median value of financial assets of single households dropped by 5.4%, compared with a drop of 2.9% for all households.

**Table 3**  
Conditional amounts of real, financial and total assets

(2017 EUR thousands)

Household characteristics	Conditional median, real assets			Conditional median, financial assets			Conditional median, total assets		
	2014	2017	Percentage change	2014	2017	Percentage change	2014	2017	Percentage change
<b>Euro area</b>									
<b>All households</b>	132.6	131.0	-1.1	10.6	10.3	-2.9	134.6	131.3	-2.4
<b>Standard error</b>	(1.7)	(1.6)		(0.3)	(0.3)		(1.7)	(1.7)	
<b>Number of household members</b>									
<b>1</b>	70.6	61.8	-12.4	7.4	7.0	-5.4	59.6	50.7	-14.9
<b>2</b>	151.6	154.9	2.2	15.3	15.9	3.5	165.5	172.8	4.4
<b>3</b>	154.1	153.5	-0.4	10.4	10.0	-4.1	163.8	165.7	1.2
<b>4</b>	189.3	195.3	3.1	12.0	12.9	7.3	208.4	212.9	2.1
<b>5 and more</b>	170.6	176.8	3.7	6.8	7.1	5.0	176.9	186.3	5.4
<b>Age of reference person</b>									
<b>16-34</b>	14.1	12.9	-8.2	4.9	5.2	5.5	21.8	19.9	-9.0
<b>35-44</b>	130.2	125.8	-3.4	9.0	8.7	-4.1	134.8	127.9	-5.1
<b>45-54</b>	158.9	157.8	-0.7	12.4	12.0	-3.7	170.9	165.9	-2.9
<b>55-64</b>	167.1	166.6	-0.3	16.0	15.9	-0.3	185.8	188.2	1.3
<b>65-74</b>	166.4	163.5	-1.8	13.9	14.9	7.3	177.8	175.3	-1.4
<b>75+</b>	117.1	120.1	2.6	11.4	10.4	-9.0	119.8	116.2	-3.0
<b>Education of reference person</b>									
<b>Basic education</b>	102.0	95.6	-6.3	4.3	4.5	3.2	95.6	86.3	-9.7
<b>Secondary</b>	122.6	120.8	-1.5	10.2	10.0	-1.8	120.7	116.4	-3.5
<b>Tertiary</b>	202.4	209.0	3.3	26.7	26.8	0.4	233.5	238.1	2.0
<b>Housing status</b>									
<b>Owner – outright</b>	197.5	198.7	0.6	18.4	18.0	-2.0	231.5	231.2	-0.2
<b>Owner with mortgage</b>	214.7	231.3	7.8	16.1	17.0	6.2	245.5	265.7	8.2
<b>Renter or other</b>	5.6	6.0	6.7	4.2	4.5	5.9	10.5	11.0	3.8
<b>Work status of reference person</b>									
<b>Employee</b>	126.4	125.1	-1.1	11.3	10.9	-3.7	134.2	130.2	-2.9
<b>Self-employed</b>	256.8	252.4	-1.7	19.8	19.8	-0.4	291.0	283.6	-2.6
<b>Retired</b>	151.2	149.4	-1.2	14.0	13.4	-4.6	155.9	151.6	-2.7
<b>Other not working</b>	50.4	41.0	-18.7	1.8	1.6	-9.5	20.7	17.3	-16.1
<b>Percentile of income</b>									
<b>Below 20</b>	50.7	40.9	-19.3	1.6	1.9	18.9	30.1	22.9	-23.9
<b>20-39.9</b>	72.5	70.9	-2.2	4.4	4.4	-2.0	65.7	62.7	-4.5
<b>40-59.9</b>	116.8	120.7	3.3	9.7	9.3	-3.3	125.4	131.2	4.7

Household characteristics	Conditional median, real assets			Conditional median, financial assets			Conditional median, total assets		
	2014	2017	Percentage change	2014	2017	Percentage change	2014	2017	Percentage change
60-79.9	175.0	177.5	1.4	19.4	18.8	-3.0	204.3	202.5	-0.9
80-89.9	235.0	252.9	7.6	33.5	35.6	6.1	284.4	301.4	6.0
90-100	343.5	389.1	13.3	72.5	75.1	3.6	444.7	501.1	12.7
<b>Percentile of net wealth</b>									
Below 20	2.3	2.0	-13.3	0.7	0.9	25.3	2.6	2.5	-2.0
20-39.9	13.4	13.6	1.9	8.2	8.1	-1.3	27.8	28.3	1.8
40-59.9	102.6	102.9	0.3	11.7	10.0	-14.5	120.0	118.4	-1.4
60-79.9	203.4	208.4	2.5	20.9	22.0	4.8	236.2	245.1	3.8
80-89.9	331.1	354.8	7.2	49.0	55.0	12.2	399.7	422.8	5.8
90-100	640.8	686.6	7.1	108.8	126.2	16.1	795.4	841.8	5.8
<b>Non-euro area</b>									
All households	56.7	59.4	4.7	2.2	2.8	27.4	51.7	58.8	13.7
Standard error	(1.7)	(1.1)		(0.1)	(0.1)		(1.2)	(1.0)	

Notes: The table reports the median values of households' real, financial and total assets, conditional on holding such assets, and differentiates by several breakdowns of household types. Total real assets has the following components: household main residence, other real estate property, vehicles, valuables and self-employed business wealth. The components of financial assets are: deposits, mutual funds, bonds, shares (publicly traded), money owed to the household, total value of voluntary pensions and whole life insurance, and other financial assets (private non-self-employed businesses, assets in managed accounts and other types of financial asset). The first three columns show the median values of real assets in 2014 and 2017 and the percentage change from 2014 to 2017. Columns four to six show the median values of financial assets, and columns seven to nine show the median values of total assets. Each type of asset is broken down by different household groups, using the following criteria: (1) all households, (2) number of household members, (3) age of the reference person, (4) education of the reference person, (5) housing status of the household, (6) work status of the reference person, (7) percentile of the household income within the euro area, (8) percentile of the household net wealth within the euro area, and (9) all households of the non-euro area countries. The standard errors were calculated with the Rao-Wu rescaled bootstrap method using replicate weights provided by the countries (1,000 replicates). Data is included for the following euro area countries in this table: Belgium, Germany, Estonia, Ireland, Greece, Spain, France, Italy, Cyprus, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Austria, Portugal, Slovenia, Slovakia and Finland. Non-euro area countries are Croatia, Hungary and Poland.

Households accumulate asset holdings over time by saving income or through inheritance. When members of the household retire, they usually receive less income and might start to use accumulated assets to finance their consumption. Such life-cycle behaviour leads usually to a hump-shaped pattern of household asset holdings as a function of the reference person's age.

The conditional median value of real asset holdings of households with a reference person below 35 years of age is €12,900, more than ten times lower than the conditional median for all households, at €131,000. Households with a reference person between 55 and 64 years of age have the highest conditional median real asset and financial asset holdings, consistent with life-cycle saving behaviour.

Households where the reference person has a higher education level tend to have more assets than households where the reference person has a basic education. Total assets in 2017 for households with a reference person with basic education amounted to €86,300, versus €238,100 for households with a reference person with tertiary education. The evolution of real asset values was also less favourable for households with a reference person with only basic education. Between 2014 and 2017, the conditional median value of real assets of households with a reference person with basic education dropped by 6.3%, versus an increase of 3.3% for households with a reference person with tertiary education. The conditional median value of financial assets of households with a reference person with basic education

increased by 3.2% but dropped by 0.4% for households with a reference person with tertiary education.

When households own their own home, it is often their most valuable real asset. Households which rent their home usually have a very low value of real assets, as these assets often consist of vehicles and valuables only. In 2017, the conditional median value of real assets for outright owners was €198,700, for owners with a mortgage it was €231,300, and for renters it was €6,000. For all three groups, the conditional median value of real assets rose between 2014 and 2017.

The conditional median asset holdings of households at the bottom of the income distribution (the first two deciles) was, at €22,900 in 2017, more than 20 times less than that of households in the top decile of the income distribution, at €501,100.

Compared with 2014, the conditional median value of total assets for households at the bottom of the income distribution, the first two deciles, dropped significantly, by 23.9%. For the top decile of the income distribution, the conditional median value of total assets increased by 12.7%.

**Table 4**  
Participation rates for real, financial and total assets

(percentages of households)

Household characteristics	Participation rate, real assets			Participation rate, financial assets		
	2014	2017	Change	2014	2017	Change
<b>Euro area</b>						
All households	91.2	91.2	0.0	97.2	97.7	0.5
Standard error	(0.2)	(0.2)		(0.1)	(0.1)	
<b>Number of household members</b>						
1	82.7	82.6	-0.1	96.5	97.1	0.6
2	94.7	95.0	0.4	97.8	98.1	0.2
3	95.6	95.9	0.2	97.4	98.2	0.8
4	97.7	97.2	-0.5	97.3	98.1	0.8
5 and more	94.9	96.0	1.0	96.7	97.2	0.5
<b>Age of reference person</b>						
16-34	83.7	83.0	-0.7	97.3	97.9	0.6
35-44	93.3	92.9	-0.4	97.1	97.3	0.3
45-54	93.7	93.6	-0.2	97.5	97.7	0.2
55-64	94.0	94.5	0.5	97.4	98.1	0.7
65-74	92.4	93.2	0.9	97.6	97.8	0.3
75+	88.2	87.8	-0.4	96.2	97.4	1.1
<b>Education of reference person</b>						
Basic education	89.1	89.0	-0.1	94.4	95.0	0.6
Secondary	90.3	90.4	0.1	98.0	98.5	0.5
Tertiary	95.1	94.7	-0.4	99.2	99.4	0.2
<b>Housing status</b>						
Owner – outright	100.0	100.0	0.0	97.2	97.7	0.5
Owner with mortgage	100.0	100.0	0.0	99.2	99.7	0.4
Renter or other	77.5	77.8	0.3	96.1	96.7	0.5

Household characteristics	Participation rate, real assets			Participation rate, financial assets		
	2014	2017	Change	2014	2017	Change
<b>Work status of reference person</b>						
<b>Employee</b>	93.4	93.0	-0.4	98.3	98.6	0.3
<b>Self-employed</b>	98.4	98.1	-0.3	98.3	98.3	0.0
<b>Retired</b>	90.7	90.8	0.0	97.3	98.0	0.7
<b>Other not working</b>	78.9	78.6	-0.3	91.8	92.2	0.5
<b>Percentile of income</b>						
<b>Below 20</b>	77.7	78.3	0.6	90.6	91.9	1.3
<b>20-39.9</b>	89.7	89.4	-0.3	97.2	97.9	0.7
<b>40-59.9</b>	93.4	93.9	0.6	98.9	99.2	0.3
<b>60-79.9</b>	96.7	95.8	-0.9	99.5	99.7	0.2
<b>80-89.9</b>	98.6	98.2	-0.3	99.8	99.9	0.1
<b>90-100</b>	98.8	98.7	-0.1	99.8	99.9	0.1
<b>Percentile of net wealth</b>						
<b>Below 20</b>	65.4	65.5	0.2	92.9	93.5	0.6
<b>20-39.9</b>	92.6	91.9	-0.7	97.1	98.4	1.3
<b>40-59.9</b>	98.5	98.9	0.4	97.5	97.9	0.4
<b>60-79.9</b>	99.8	99.7	0.0	98.8	98.8	0.0
<b>80-89.9</b>	99.8	99.8	0.0	99.5	99.8	0.3
<b>90-100</b>	99.9	99.9	0.0	99.8	99.9	0.1
<b>Non-euro area</b>						
<b>All households</b>	89.2	91.7	2.5	87.5	87.0	-0.5
<b>Standard error</b>	(0.5)	(0.4)		(0.5)	(0.4)	

Notes: The table reports participation rates, i.e. the percentages of households having real and financial, and differentiates by several breakdowns of household types.

Total real assets has the following components: household main residence, other real estate property, vehicles, valuables and self-employed business wealth. The components of financial assets are: deposits, total mutual funds, bonds, shares (publicly traded), money owed to the household, total value of voluntary pensions and whole life insurance, and other financial assets (private non-self-employed businesses, assets in managed accounts and other types of financial asset). The first three columns show the medians for real assets in 2014 and 2017, and the percentage point change from 2014 to 2017. Columns four to six show the medians for financial assets and columns seven to nine show the medians for total assets. Each type of asset is broken down by different household groups, using the following criteria: (1) all households, (2) number of household members, (3) age of the reference person, (4) education of the reference person, (5) housing status of the household, (6) work status of the reference person, (7) percentile of the household income within the euro area, (8) percentile of the household net wealth within the euro area and (9) all households of the non-euro area countries. The standard errors were calculated with the Rao-Wu rescaled bootstrap method using replicate weights provided by the countries (1,000 replicates).

Data is included for the following euro area countries in this table: Belgium, Germany, Estonia, Ireland, Greece, Spain, France, Italy, Cyprus, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Austria, Portugal, Slovenia, Slovakia and Finland. Non-euro area countries are Croatia, Hungary and Poland.



## 3 Liabilities

### 3.1 Debt and debt components

The share of indebted households in the euro area decreased from 42.7% to 41.9% between 2014 and 2017 (Table 5). The decrease was mainly driven by lower participation rates for non-mortgage debt (from 28.2% to 27.2%). The share of households holding mortgage debt remained unchanged at 23.5%.

The decrease in the share of indebted euro area households was driven by those in the lower and middle quintiles of the wealth distribution. The top decile saw their participation rate increase by almost 3.6 percentage points (from 42.9% to 46.5%, as seen in Table 6).

This shift in participation rates was accompanied by an increase in the median outstanding amount of debt, conditional on holding debt, from €28,700 to €29,500. This increase was driven largely by households in the mid-upper and upper tail of the wealth distribution. The median outstanding amount of debt for households in the fourth wealth quintile increased by 17.4%, from €36,200 to €42,500 (Table 7). When looking at the age distribution, increases were concentrated among households with a reference person between 35 and 64 years old, as well as among those with a reference person above 75 years old.

Mortgage debt is the most significant component of households' debt portfolio by far. Table 6 shows that the stability in participation rates reported above masks considerable differences between subgroups. While the group of rich households in 2017 increased their participation in the mortgage market with respect to the rich households in 2014 – participation of the highest wealth decile increased from 32.5% to 35.3% – in the group of poorer households participation declined. For the first wealth quintile, the participation rate fell from 9.2% to 7.0%, and for the second wealth quintile it dropped from 16.1% to 14.7%. Looking at the age distribution, participation declined in the 16-34 age group by 1.9 percentage points, from 22.0% to 20.1%.

**Table 5**  
Debt and debt components

(participation rates: percentages of households; medians and means: 2017 EUR thousands)

Liability type	Participation rate		Conditional median			Conditional mean		
	2014	2017	2014	2017	Percentage change	2014	2017	Percentage change
<b>Euro area</b>								
<b>Total debt</b>	42.7	41.9	28.7	29.5	2.8	69.3	72.2	4.2
<b>Standard error</b>	(0.4)	(0.3)	(1.1)	(0.9)		(1.1)	(1.3)	
<b>Mortgage debt</b>								
<b>Total mortgage debt</b>	23.5	23.5	80.3	80.0	-0.3	108.3	113.3	4.6
<b>Standard error</b>	(0.3)	(0.3)	(1.3)	(0.9)		(1.8)	(2.1)	
<b>Household main residence mortgage</b>	20.0	20.5	78.4	80.0	2.1	98.4	102.6	4.2
<b>Other property</b>	5.2	4.7	63.5	69.8	9.9	109.4	117.2	7.2
<b>Non-mortgage debt</b>								
<b>Total non-mortgage debt</b>	28.2	27.2	5.0	5.0	0.0	14.6	13.4	-8.4
<b>Standard error</b>	(0.4)	(0.3)	(0.1)	(0.1)		(0.4)	(0.5)	
<b>Credit line/overdraft</b>	7.9	6.9	1.0	1.2	17.4	3.6	4.3	17.0
<b>Credit card</b>	3.6	3.9	1.0	0.8	-19.3	1.8	1.5	-14.7
<b>Other non-mortgage</b>	22.5	21.8	6.2	6.5	4.8	16.8	15.1	-10.0
<b>Non-euro area</b>								
<b>Total debt</b>	37.0	38.6	3.1	2.8	-10.3	13.5	13.9	2.7
<b>Standard error</b>	(0.8)	(0.6)	(0.2)	(0.2)		(0.7)	(0.7)	
<b>Mortgage debt</b>								
<b>Total mortgage debt</b>	15.0	15.1	17.9	21.0	17.0	28.8	30.6	6.2
<b>Standard error</b>	(0.6)	(0.4)	(1.4)	(1.1)		(1.4)	(1.5)	
<b>Non-mortgage debt</b>								
<b>Total non-mortgage debt</b>	27.7	29.8	1.1	0.7	-38.2	2.5	2.5	1.9
<b>Standard error</b>	(0.8)	(0.6)	(0.1)	(0.0)		(0.1)	(0.1)	

Notes: The table reports the statistics for households' outstanding debt balances and their participation rates, and distinguishes between mortgage and non-mortgage debt components.

Mortgage debt is defined as the outstanding balance of mortgage debt (collateralised liabilities and secured debt) owed by households on all properties they own. This is the sum of mortgage debt with the household main residence as collateral and the mortgage debt collateralised by other household properties. Non-mortgage debt is defined as the outstanding balance of other, non-mortgage debt (total unsecured debt and non-collateralised liabilities) and includes outstanding balances on credit lines or overdrafts, outstanding balances of credit cards for which the owner of the card is charged interest, and outstanding balances on all other loans (car loans, consumer loans, instalment loans, and private loans from relatives, friends, employers etc.). The first two columns show participation rates for 2014 and 2017. Columns three to five show the conditional median of each debt component among indebted households in 2014 and 2017 and the percentage change between 2014 and 2017. Columns six to seven report the conditional means. The standard errors were calculated with the Rao-Wu rescaled bootstrap method using replicate weights provided by the countries (1,000 replicates).

Data is included for the following euro area countries in this table: Belgium, Germany, Estonia, Ireland, Greece, Spain, France, Italy, Cyprus, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Austria, Portugal, Slovenia, Slovakia and Finland. Non-euro area countries are Croatia, Hungary and Poland.

The median outstanding balance of mortgage debt remained broadly unchanged at €80,000 (Table 7). The largest increases were concentrated among the youngest households, where the median outstanding balance of mortgage debt increased from €110,100 to €124,300. By contrast, older households reduced their mortgage debt.

**Table 6**  
Participation rates for liabilities

(percentages of households)

Household characteristics	Participation rate, mortgage debt			Participation rate, non mortgage debt			Participation rate, total debt		
	2014	2017	Change	2014	2017	Change	2014	2017	Change
<b>Euro area</b>									
All households	23.5	23.5	0.0	28.2	27.2	-1.0	42.7	41.9	-0.7
Standard error	(0.3)	(0.3)		(0.4)	(0.3)		(0.4)	(0.3)	
<b>Number of household members</b>									
1	11.0	11.8	0.8	21.0	19.6	-1.4	28.6	27.8	-0.8
2	20.5	19.7	-0.7	27.0	25.5	-1.5	39.7	37.9	-1.8
3	33.3	34.0	0.7	33.1	35.3	2.2	54.2	56.8	2.6
4	43.8	43.8	0.0	38.4	36.5	-1.9	63.6	63.2	-0.5
5 and more	38.4	40.8	2.4	39.8	40.0	0.2	60.9	62.5	1.6
<b>Age of reference person</b>									
16-34	22.0	20.1	-1.8	39.7	38.6	-1.1	52.7	50.8	-1.9
35-44	41.4	41.3	-0.1	37.6	36.1	-1.5	62.2	61.2	-1.0
45-54	34.3	36.3	2.0	34.7	34.8	0.0	55.5	56.5	1.0
55-64	22.5	22.8	0.3	28.7	27.6	-1.1	43.0	42.4	-0.6
65-74	10.3	10.7	0.4	17.3	17.1	-0.2	24.9	25.3	0.4
75+	3.0	3.3	0.2	7.2	6.5	-0.7	9.4	9.1	-0.4
<b>Education of reference person</b>									
Basic education	13.9	12.6	-1.3	20.4	21.0	0.6	29.2	28.7	-0.5
Secondary	22.5	22.4	-0.1	33.0	30.7	-2.3	46.2	44.4	-1.9
Tertiary	36.6	36.5	-0.2	30.3	28.8	-1.5	53.5	52.3	-1.1
<b>Housing status</b>									
Owner – outright	5.3	4.7	-0.6	19.4	18.7	-0.7	23.2	22.0	-1.2
Owner with mortgage	100.0	100.0	0.0	39.5	37.7	-1.7	99.9	100.0	0.1
Renter or other	3.3	2.7	-0.6	31.7	30.3	-1.4	33.7	31.9	-1.9
<b>Work status of reference person</b>									
Employee	33.7	33.9	0.2	36.6	35.7	-0.9	57.0	56.4	-0.6
Self-employed	38.9	35.4	-3.5	34.0	33.5	-0.5	56.5	55.3	-1.2
Retired	7.6	7.8	0.2	14.4	13.0	-1.4	20.0	18.9	-1.1
Other not working	11.8	9.7	-2.1	25.3	22.4	-2.9	32.9	28.5	-4.4
<b>Percentile of income</b>									
Below 20	8.5	7.2	-1.3	18.0	18.5	0.5	24.2	23.6	-0.6
20-39.9	12.9	12.3	-0.7	23.9	22.4	-1.4	32.3	30.5	-1.7
40-59.9	19.9	19.5	-0.4	30.8	29.1	-1.7	42.9	41.1	-1.7
60-79.9	31.2	31.7	0.5	34.1	33.8	-0.3	52.9	52.9	-0.1
80-89.9	41.1	42.6	1.4	35.4	34.2	-1.2	60.2	59.6	-0.5
90-100	48.6	51.0	2.4	33.2	30.0	-3.2	62.0	63.3	1.4
<b>Percentile of net wealth</b>									
Below 20	9.2	7.0	-2.2	41.1	37.7	-3.4	44.5	41.4	-3.2
20-39.9	16.1	14.7	-1.4	28.8	27.5	-1.3	37.1	35.4	-1.7
40-59.9	33.7	32.3	-1.4	25.8	25.6	-0.2	46.9	44.9	-2.0
60-79.9	28.2	31.3	3.1	24.3	23.5	-0.8	42.8	44.0	1.2

Household characteristics	Participation rate, mortgage debt			Participation rate, non mortgage debt			Participation rate, total debt		
	2014	2017	Change	2014	2017	Change	2014	2017	Change
80-89.9	27.7	28.9	1.2	21.6	21.9	0.3	40.8	41.1	0.3
90-100	32.5	35.3	2.8	20.5	21.5	1.1	42.9	46.5	3.6
<b>Non-euro area</b>									
All households	15.0	15.1	0.1	27.7	29.8	2.1	37.0	38.6	1.7
Standard error	(0.6)	(0.4)		(0.8)	(0.6)		(0.8)	(0.6)	

Notes: The table reports the participation rates, i.e. the percentages of households' having debt, mortgage debt and non-mortgage debt and differentiates by several breakdowns of household types.

The first three columns show the median rates for mortgage debt in 2014 and in 2017, and the percentage point change from 2014 to 2017. Columns four to six show the median rates for non-mortgage debt and columns seven to nine the median rates for total debt. Each type of liability is broken down by different household groups, using the following criteria: (1) all households, (2) number of household members, (3) age of the reference person, (4) education of the reference person, (5) housing status of the household, (6) work status of the reference person, (7) percentile of the household income within the euro area, (8) percentile of the household net wealth within the euro area and (9) all households of the non-euro area countries. The standard errors were calculated with the Rao-Wu rescaled bootstrap method using replicate weights provided by the countries (1,000 replicates).

Data is included for the following euro area countries in this table: Belgium, Germany, Estonia, Greece, France, Italy, Cyprus, Latvia, Luxembourg, Malta, Austria, Portugal, Slovenia, Slovakia and Finland. Non-euro area countries are Croatia, Hungary and Poland.

**Table 7**  
Conditional amounts of liabilities

(2017 EUR thousands)

Household characteristics	Conditional median, mortgage debt			Conditional median, non mortgage debt			Conditional median, total debt		
	2014	2017	Percentage change	2014	2017	Percentage change	2014	2017	Percentage change
<b>Euro area</b>									
All households	80.3	80.0	-0.3	5.0	5.0	0.0	28.7	29.5	2.8
Standard error	(1.3)	(0.9)		(0.1)	(0.1)		(1.1)	(0.9)	
<b>Number of household members</b>									
1	67.7	66.8	-1.4	3.1	4.0	30.5	10.4	13.7	32.0
2	70.9	71.3	0.5	5.1	5.0	-2.2	22.4	20.0	-10.5
3	85.7	80.2	-6.4	5.1	6.0	17.9	42.1	36.9	-12.4
4	88.1	95.0	7.8	6.5	6.6	1.8	59.3	60.2	1.5
5 and more	96.2	98.6	2.4	6.1	6.5	7.6	48.6	55.0	13.1
<b>Age of reference person</b>									
16-34	110.1	124.3	12.9	4.8	5.5	14.6	15.5	13.2	-14.9
35-44	97.4	100.2	2.9	5.6	5.7	1.6	59.7	63.1	5.6
45-54	71.0	72.1	1.5	5.5	5.9	5.9	36.9	39.9	8.0
55-64	52.6	57.0	8.4	5.1	5.2	2.4	19.1	21.1	10.5
65-74	52.8	49.0	-7.3	4.0	3.6	-9.9	10.4	10.0	-3.7
75+	53.3	39.4	-26.1	2.0	2.6	29.2	3.7	5.7	56.0
<b>Education of reference person</b>									
Basic education	57.8	56.3	-2.6	4.1	4.0	-3.3	14.1	11.0	-22.3
Secondary	71.6	72.7	1.6	4.4	5.0	12.8	19.4	20.0	3.0
Tertiary	100.1	100.0	-0.1	6.9	6.9	-0.6	61.2	61.9	1.1
<b>Housing status</b>									
Owner – outright	60.2	61.8	2.6	6.1	6.0	-2.3	9.7	9.0	-7.1
Owner with mortgage	81.8	81.6	-0.2	6.4	6.2	-3.5	86.9	86.7	-0.2
Renter or other	66.1	79.4	20.1	3.5	4.2	18.4	4.1	5.0	22.3

Household characteristics	Conditional median, mortgage debt			Conditional median, non mortgage debt			Conditional median, total debt		
	2014	2017	Percentage change	2014	2017	Percentage change	2014	2017	Percentage change
<b>Work status of reference person</b>									
<b>Employee</b>	84.8	88.7	4.6	5.1	5.7	11.1	39.2	38.0	-3.2
<b>Self-employed</b>	84.7	80.0	-5.5	8.2	8.0	-2.5	54.6	50.6	-7.3
<b>Retired</b>	46.1	44.7	-3.0	3.4	3.8	13.3	8.4	9.7	15.1
<b>Other not working</b>	59.6	60.4	1.3	3.5	2.3	-34.5	8.5	5.7	-32.5
<b>Percentile of income</b>									
<b>Below 20</b>	42.8	41.2	-3.7	2.6	2.4	-10.0	6.3	5.2	-17.5
<b>20-39.9</b>	53.7	47.8	-11.0	2.6	3.4	32.6	8.2	9.3	13.7
<b>40-59.9</b>	69.7	68.4	-1.9	4.6	4.7	2.0	16.6	17.0	2.3
<b>60-79.9</b>	81.1	80.8	-0.4	6.1	6.9	12.7	36.2	36.4	0.4
<b>80-89.9</b>	96.2	107.0	11.3	8.3	7.1	-13.8	62.3	71.4	14.6
<b>90-100</b>	120.3	126.0	4.7	10.1	9.6	-4.6	92.0	98.3	6.8
<b>Percentile of net wealth</b>									
<b>Below 20</b>	146.8	140.5	-4.3	4.0	4.2	5.0	6.8	5.9	-12.8
<b>20-39.9</b>	89.9	88.7	-1.4	3.4	4.3	24.9	11.2	11.3	0.5
<b>40-59.9</b>	75.8	78.0	2.9	5.3	5.3	0.0	51.5	51.7	0.4
<b>60-79.9</b>	63.0	69.5	10.3	6.5	6.5	-0.4	36.2	42.5	17.4
<b>80-89.9</b>	65.7	70.0	6.5	6.2	7.0	12.1	42.0	41.7	-0.7
<b>90-100</b>	94.1	98.9	5.1	8.4	7.9	-5.7	69.7	74.4	6.8
<b>Non-euro area</b>									
<b>All households</b>	17.9	21.0	17.0	1.1	0.7	-38.2	3.1	2.8	-10.3
<b>Standard error</b>	(1.4)	(1.1)		(0.1)	(0.0)		(0.2)	(0.2)	

Notes: The table reports the median values of households' mortgage debt, non-mortgage debt and total debt, conditional on having such debt, and differentiates by several breakdowns of household types. The first three columns show the median values of mortgage debt in 2014 and in 2017, and the percentage change from 2014 to 2017. Columns four to six show the median values of non-mortgage debt, and columns seven to nine show the median values of total debt. Each type of liability is broken down by different household groups, using the following criteria: (1) all households, (2) number of household members, (3) age of the reference person, (4) education of the reference person, (5) housing status of the household, (6) work status of the reference person, (7) percentile of the household income within the euro area, (8) percentile of the household net wealth within the euro area and (9) all households of the non-euro area countries. The standard errors were calculated with the Rao-Wu rescaled bootstrap method using replicate weights provided by the countries (1,000 replicates). Data is included for the following euro area countries in this table: Belgium, Germany, Estonia, Greece, France, Italy, Cyprus, Latvia, Luxembourg, Malta, Austria, Portugal, Slovenia, Slovakia and Finland. Non-euro area countries are Croatia, Hungary and Poland.

The reported decrease in participation rates of non-mortgage debt was more concentrated in the two lower quintiles of the net wealth distribution. In the top net wealth decile participation increased slightly. In terms of other household characteristics, decreases in participation rates were larger for non-working households (from 25.3% to 22.4%) and, in contrast to the developments along the net wealth distribution, for households in the highest income decile (from 33.2% to 30.0%).

The median outstanding balance of non-mortgage debt remained unchanged at €5,000 (Table 7). This conceals a heterogeneous evolution across the different household groups. For instance, the top and bottom quintiles of the income distribution experienced considerable declines, in contrast with the significant increase in some of the middle quintiles (20th to 80th percentiles).

## 3.2 Debt burden and financial vulnerability

Indicators of debt burden and financial vulnerability suggest that the most heavily indebted euro area households may have felt an easing of their financing pressure, while those with more financial capacity appear to have taken advantage of rises in income and asset prices to increase their leverage (Table 8).<sup>7</sup>

The debt-asset ratio reflects the household's ultimate capacity to pay its debts. A value above 100% for this ratio is an indicator of high insolvency risk. The median ratio of debt to total assets for the euro area decreased slightly, from 26.5% in 2014 to 25.5% in 2017. This ratio showed the largest decrease between waves in the first net wealth quintile (9.0 percentage points), staying however at a high level (113.3%). By contrast, the larger increase was observed in the fourth net wealth quintile (by 1.7 percentage points, to 16.3%). There were also some age-related heterogeneous dynamics: the median debt-asset ratio rose for younger households (from 51.2% to 52.7% for those aged 16-34), while it decreased for those in retirement age (from 8.9% to 8.5% for those aged 65-74 and from 9.3% to 5.6% for those aged 75 and older).

The debt-income ratio provides information on the extent to which a household can service its debt on the basis of its income-generating capability. It is a commonly used measure of debt sustainability in the medium to long run. The median debt-income ratio fell from 72.8% to 70.3%, a decrease of 2.4 percentage points. The largest decreases were observed in wealth groups displaying higher initial ratios. The median debt-income ratio decreased by 5.4 percentage points for the third wealth quintile, to 142.7%, and by 6.1 percentage points for the uppermost decile, to 82%.

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<sup>7</sup> In this section all figures are calculated for indebted households only.

**Table 8**  
Debt burden and financial fragility

(ratios)

Household characteristics	Conditional median, debt-asset ratio		Conditional median, debt-income ratio		Conditional median, mortgage debt service income ratio		Conditional median, loan-value ratio of household main residence	
	2014	2017	2014	2017	2014	2017	2014	2017
<b>Euro area</b>								
All households	26.5	25.5	72.8	70.3	15.8	14.6	45.5	44.6
Standard error	(0.7)	(0.6)	(2.3)	(2.0)	(0.3)	(0.2)	(0.9)	(0.7)
<b>Number of household members</b>								
1	30.4	33.0	49.8	58.8	18.5	18.7	44.9	43.9
2	21.2	17.8	53.7	50.0	14.4	13.8	41.8	41.2
3	28.3	27.3	94.0	79.8	16.2	14.0	51.1	47.2
4	28.3	27.2	113.4	109.0	15.3	14.2	44.7	44.4
5 and more	30.8	30.1	91.6	89.4	15.4	13.9	46.8	44.6
<b>Age of reference person</b>								
16-34	51.2	52.7	62.3	56.6	20.8	17.7	70.0	71.0
35-44	38.7	39.0	141.7	144.6	17.1	15.4	56.1	54.9
45-54	21.9	21.7	78.7	78.9	14.3	13.9	38.9	35.0
55-64	12.5	13.1	45.1	53.9	13.2	12.8	27.5	29.5
65-74	8.9	8.5	36.3	30.5	13.5	12.7	27.1	23.2
75+	9.3	5.6	17.0	22.1	11.3	13.1	23.1	19.8
<b>Education of reference person</b>								
Basic education	25.5	25.2	57.5	47.3	19.0	16.2	42.7	43.1
Secondary	27.2	25.7	53.4	55.9	15.2	14.9	45.0	43.8
Tertiary	26.2	25.7	113.3	100.3	14.9	13.9	48.5	46.1
<b>Housing status</b>								
Owner – outright	4.0	3.7	28.0	24.1	14.0	11.6		
Owner with mortgage	36.6	34.3	198.0	184.5	16.0	15.0	45.5	44.6
Renter or other	40.7	40.5	15.7	18.0	13.9	11.7		
<b>Work status of reference person</b>								
Employee	32.4	31.9	83.6	80.9	15.4	14.5	49.9	48.5
Self-employed	17.0	15.8	126.4	110.4	16.5	15.0	40.2	36.0
Retired	8.2	7.5	26.3	29.6	14.2	13.4	23.4	20.8
Other not working	40.2	36.7	67.0	40.6	23.4	20.3	44.2	47.8
<b>Percentile of income</b>								
Below 20	42.8	38.0	94.4	70.3	44.8	36.4	45.5	45.8
20-39.9	27.6	28.3	44.3	46.1	24.2	20.7	45.7	45.5
40-59.9	30.9	27.7	56.1	54.0	19.1	17.8	49.9	47.7
60-79.9	25.3	25.1	78.6	77.3	15.4	15.0	48.8	46.5
80-89.9	25.3	24.9	94.1	98.8	13.2	12.7	46.3	46.2
90-100	19.8	20.0	81.8	78.7	10.1	9.8	39.9	36.3
<b>Percentile of net wealth</b>								
Below 20	122.3	113.3	29.8	27.3	22.5	20.5	120.2	122.6
20-39.9	34.7	33.5	36.1	37.5	19.1	17.5	78.5	80.7
40-59.9	34.4	34.2	148.1	142.7	16.3	15.6	51.6	52.0

Household characteristics	Conditional median, debt-asset ratio		Conditional median, debt-income ratio		Conditional median, mortgage debt service income ratio		Conditional median, loan-value ratio of household main residence	
	2014	2017	2014	2017	2014	2017	2014	2017
<b>60-79.9</b>	14.6	16.3	81.1	84.6	14.0	13.5	30.1	31.7
<b>80-89.9</b>	10.3	9.7	72.4	74.0	12.1	12.9	20.4	23.0
<b>90-100</b>	6.7	6.9	88.1	82.0	12.9	12.4	20.2	20.0
<b>Non-euro area</b>								
<b>All households</b>	9.1	7.4	23.5	20.9	14.8	12.9	35.4	30.7
<b>Standard error</b>	(0.8)	(0.5)	(1.8)	(1.4)	(0.5)	(0.3)	(2.0)	(1.1)

Notes: The table reports different measures of financial burden in 2014 and 2017.

The first two columns report the medians of the debt-asset ratio, which is calculated as the ratio between total liabilities and total gross assets for indebted households. The third and the fourth columns report the medians of the debt-income ratio, which is calculated as the ratio between total liabilities and household annual gross income for indebted households. The fifth and sixth columns show the mortgage debt service-income ratio, defined as the ratio between total monthly mortgage debt payments and household gross monthly income. The last two columns report the loan-value ratio, defined as the ratio between the outstanding amount of household main residence mortgage and the current value of that property. Both indicators are calculated for households broken down using the following criteria: (1) all households, (2) number of household members, (3) age of the reference person, (4) education of the reference person, (5) housing status of the household, (6) work status of the reference person, (7) percentile of the household income within the euro area, (8) percentile of household net wealth within the euro area and (9) all households of the non-euro area countries. The standard errors were calculated with the Rao-Wu rescaled bootstrap method using replicate weights provided by the countries (1,000 replicates). Data is included for the following euro area countries in this table: Belgium, Germany, Estonia, Ireland, Greece, Spain, France, Italy, Cyprus, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Austria, Portugal, Slovenia, Slovakia and Finland. Non-euro area countries are Croatia, Hungary and Poland.

The median debt service-income ratio provides information on the drain that debt payments place on the current income flow and thus reflects the burden of short-term commitments. It decreased from 15.8% to 14.6% between 2014 and 2017. Decreases were seen throughout the income distribution, but the largest declines were in the lower tail. The ratio dropped from 44.8% to 36.4% for the first income quintile and from 24.2% to 20.7% for the second income quintile. The pattern is relatively similar across the wealth distribution, with the exception of a mixed evolution for wealth-rich households. For the top wealth decile, it decreased slightly, from 12.9% to 12.4%, and for the second highest decile, it increased from 12.1% to 12.9%. This shows an easing of pressure for those subgroups of the population where repayment risk is higher.

Finally, the median loan-to-value ratio for the mortgage related to the main residence decreased from 45.5% to 44.6%, a change mainly caused by the positive evolution of real estate prices observed in most survey countries.



## 4 Net wealth

Net wealth in the euro area, the difference between total assets and total liabilities, remained broadly unchanged between 2014 and 2017. While it declined by 0.5% to €99,400 for the median household, mean net wealth rose by 2.5% to €229,200 (Table 9). These developments mark the end of the strong declines in median and mean net wealth between 2011 and 2014, by 13.7% and 10.0%, respectively (Chart 1).

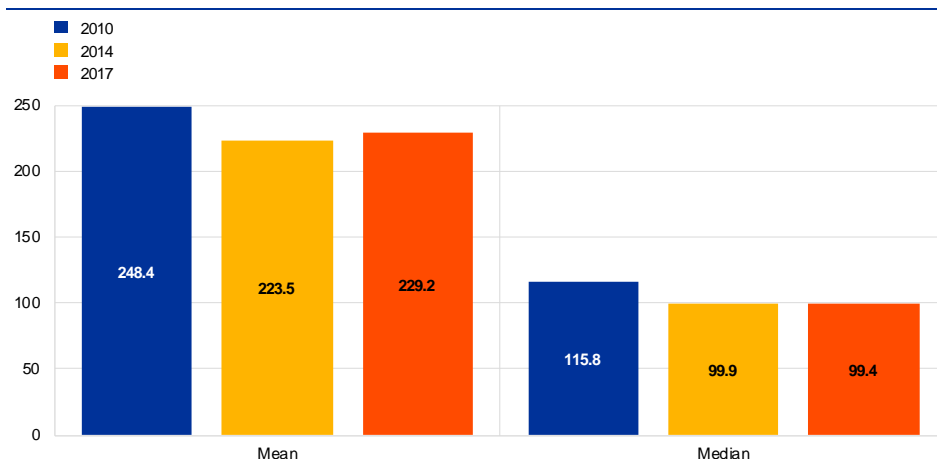
Changes in house prices are particularly important for the wealth of most households, given the large share of housing in household portfolios. In the period from 2011, median net wealth first declined by more than the mean, and it has not subsequently rebounded. The persistently wide gap between the mean and median, suggests a substantial heterogeneity in the structure of balance sheets across households.

Looking across household subgroups, considerable heterogeneity in net wealth is noticeable both in amounts and evolution over time.

Net wealth tends to increase with the number of household members, in part related to the fact that larger households tend to have more income earners. In 2017, the median and mean net wealth ranged from €43,100 and €144,800, respectively, for single-member households, to €112,800 and €318,300 for households with five and more members.

**Chart 1**

Median and mean net wealth, euro area



Source: HFCS. The euro area consists of Belgium, Germany, Estonia, Ireland, Greece, Spain, France, Italy, Cyprus, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Austria, Portugal, Slovenia, Slovakia and Finland.

Note: Data for 2010 do not include Estonia, Ireland, Latvia and Lithuania; data for 2014 do not include Lithuania.

When charted against the age of the reference person, net wealth had a hump-shaped pattern, rising until the age of 65 or so, and declining thereafter. In 2017, the median peaked at €166,500, for the 65-74 age range, while the mean peaked at €306,700, for the 55-64 age range. Young households under 34 years of age recorded declines in net wealth between 2014 and 2017 for the median, though not for the mean. For

middle-aged and older households, the patterns for the median and the mean differ (the median tends to have risen for middle-aged households but fell for households above 75 years of age, while the opposite pattern is observed for the mean).

Both median and mean net wealth rise strongly with education level. Households with basic education recorded declines in both median and mean net wealth. By contrast, households with a higher level of education experienced some uneven increases in net wealth.

The housing status of the reference person is strongly correlated with net wealth: while renters own €51,100 of net wealth (mean), for homeowners with a mortgage and outright homeowners, the corresponding value is close to or over €300,000. Homeowners with a mortgage benefited the most from the recent increases in house prices, experiencing double-digit gains in both median and mean net wealth.

Net wealth also varies by the work status of the reference person. It is lowest when the reference person does not work, increases for employees and the retired, and is highest for the self-employed. Between 2014 and 2017 median and mean net wealth for employees increased by 3.5% and 3.2% respectively, while for the self-employed it fell by 2.4% and 1.7% respectively.

Net wealth declined for the lowest 20% of the income distribution and tended to increase for middle-income households. Net wealth for households in the lower middle and middle categories (percentiles 20-80) increased moderately, while for the top 20% it increased relatively strongly. Net wealth dynamics led to a reduction in inequality in the lower half of the distribution: the ratio between the net wealth of the median household and that of the household in the tenth percentile of the net wealth distribution fell from 127.3 in 2014 to 94.9 in 2017. Inequality in the upper half of the net wealth distribution remained roughly unchanged: the ratio between the net wealth of the household in the 95th percentile and that of the median household stayed at around 7.0. All in all, there was a slight compression of the net wealth distribution: the ratio between the median net wealths of households in the top 80th and 20th bottom percentiles quintiles of the net wealth distribution was lower in 2017, compared with 2014.

**Table 9**  
**Net wealth**

(2017 EUR thousands)

Household characteristics	Median net wealth			Mean net wealth		
	2014	2017	Percentage change	2014	2017	Percentage change
<b>Euro area</b>						
All households	99.9	99.4	-0.5	223.5	229.2	2.5
Standard error	(1.4)	(1.4)		(3.7)	(3.1)	
<b>Number of household members</b>						
1	50.6	43.1	-15.0	146.1	144.8	-0.9
2	137.3	143.7	4.7	267.0	283.4	6.1
3	112.4	116.8	3.9	234.5	236.0	0.6
4	141.6	143.1	1.1	278.1	276.3	-0.7
5 and more	107.6	112.8	4.8	278.0	318.3	14.5
<b>Age of reference person</b>						
16-34	14.6	14.2	-2.6	63.6	66.5	4.6
35-44	70.6	70.2	-0.5	161.1	158.5	-1.6
45-54	127.2	129.2	1.5	258.5	271.7	5.1
55-64	161.4	166.4	3.1	320.0	306.7	-4.2
65-74	168.4	166.5	-1.1	293.8	297.0	1.1
75+	118.5	114.2	-3.6	220.0	242.0	10.0
<b>Education of reference person</b>						
Basic education	79.7	73.0	-8.3	152.1	144.1	-5.3
Secondary	83.7	83.6	-0.1	186.9	199.1	6.6
Tertiary	164.9	172.2	4.5	364.1	361.7	-0.7
<b>Housing status</b>						
Owner – outright	225.6	226.7	0.5	376.7	377.7	0.3
Owner with mortgage	137.8	156.9	13.9	251.7	285.2	13.3
Renter or other	8.7	9.0	3.5	48.4	51.1	5.5
<b>Work status of reference person</b>						
Employee	78.9	81.7	3.5	175.5	181.2	3.2
Self-employed	242.4	236.6	-2.4	576.3	566.3	-1.7
Retired	150.5	146.8	-2.4	252.8	261.6	3.5
Other not working	14.2	13.6	-4.3	96.8	96.3	-0.5
<b>Percentile of income</b>						
Below 20	23.8	18.7	-21.6	77.9	73.6	-5.5
20-39.9	51.0	49.5	-3.1	116.7	114.4	-2.0
40-59.9	92.6	100.7	8.8	168.3	176.7	5.0
60-79.9	148.9	150.1	0.8	233.4	238.8	2.3
80-89.9	216.5	228.6	5.6	327.3	349.0	6.6
90-100	371.2	411.2	10.8	716.9	736.1	2.7
<b>Percentile of net wealth</b>						
Below 20	0.8	1.0	34.1	-4.7	-4.5	-4.4
20-39.9	23.9	24.0	0.5	26.8	26.7	-0.6
40-59.9	99.9	99.4	-0.5	101.2	101.3	0.1
60-79.9	215.1	218.9	1.7	219.3	224.9	2.5

Household characteristics	Median net wealth			Mean net wealth		
	2014	2017	Percentage change	2014	2017	Percentage change
<b>80-89.9</b>	377.4	399.8	5.9	383.7	406.0	5.8
<b>90-100</b>	750.8	782.2	4.2	1166.9	1189.7	2.0
<b>Non-euro area</b>						
<b>All households</b>	47.7	53.8	12.8	85.4	91.4	7.0
<b>Standard error</b>	(1.1)	(1.0)		(2.5)	(1.7)	

Notes: The table reports the median and mean values for households' net wealth in 2014 and in 2017. The first three columns report the median for 2014 and 2017, and the percentage change from 2014 to 2017 of various household groups in the population. Columns four to six report the means and the corresponding percentage change. Net wealth is defined as the difference between total gross assets and total liabilities. All statistics are calculated only for households with non-missing net wealth values and are broken down by different household groups, using the following criteria: (1) all households, (2) number of household members, (3) age of the reference person, (4) education of the reference person, (5) housing status of the household, (6) work status of the reference person, (7) percentile of the household income within the euro area, (8) percentile of the household net wealth within the euro area and (9) all households of the non-euro area countries. The standard errors were calculated with the Rao-Wu rescaled bootstrap method using replicate weights provided by the countries (1,000 replicates). Data is included for the following euro area countries in this table: Belgium, Germany, Estonia, Ireland, Greece, Spain, France, Italy, Cyprus, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Austria, Portugal, Slovenia, Slovakia and Finland. Non-euro area countries are Croatia, Hungary and Poland.

## 5 Income

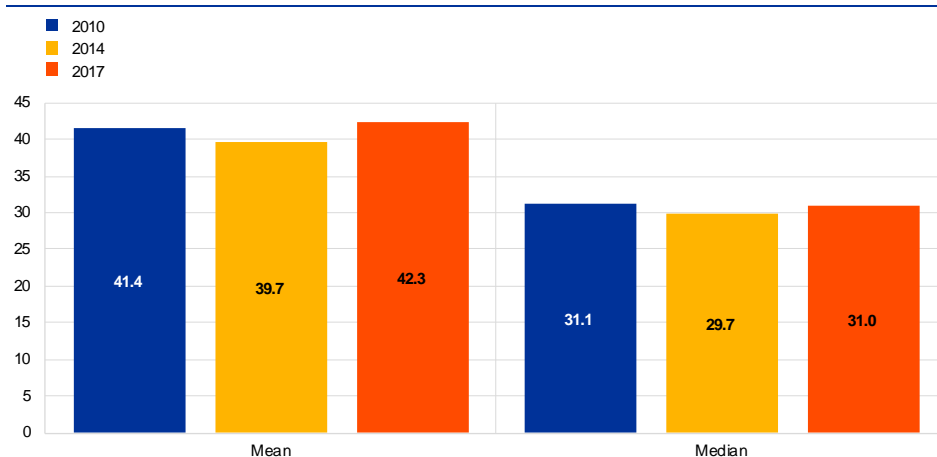
Gross household income rose robustly between 2014 and 2017. For the median household, gross income increased by 4.1% to €31,000; mean gross income increased by 6.5% to €42,300 (Table 10). These changes brought income back to the levels observed in 2010 after the considerable decline in median and mean income (by 4.4% and 4.2% respectively) observed in 2014 (Chart 2).

Looking across household characteristics, income varies across households less than net wealth, though still considerably.

Household income tends to increase with household size, as larger households typically have more income earners. For single-member households the median income in 2017 stood at €19,500 and mean income was €25,400. Median and mean incomes for households with three and more household members exceeded €40,000 and €50,000 respectively. Between 2014 and 2017, income increased considerably (by almost 5% or more) for households of all sizes, and somewhat more strongly for larger households.

When charted against age of the reference person, gross income has a hump-shaped pattern, similar to net wealth. However, income tends to peak somewhat earlier in life, around 50 years of age. In 2017 income by age peaked at €39,900 for the median and €53,600 for the mean. Between 2014 and 2017, household incomes grew robustly across the whole age distribution.

**Chart 2**  
Median and mean household income, euro area



Source: HFCS. The euro area consists of Belgium, Germany, Estonia, Ireland, Greece, Spain, France, Italy, Cyprus, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Austria, Portugal, Slovenia, Slovakia and Finland.

Note: Data for 2010 do not include Estonia, Ireland, Latvia, and Lithuania; data for 2014 do not include Lithuania.

In 2017 both median and mean incomes were strongly increasing in the education level. Income gains from 2014 to 2017 were broad-based, with those with lower education levels benefiting in percentage terms at least as much as those with tertiary education.

Homeowners with a mortgage tend to have substantially higher mean and median incomes than outright homeowners and renters. Between 2014 and 2017 incomes of homeowners with a mortgage grew more strongly than those of outright homeowners; the income of renters also increased substantially, especially the mean.

In 2017 the mean income of the self-employed was substantially higher than the mean income of the employed, though the medians for the two groups of households were comparable. Incomes were lower for households in which the reference person was retired or not employed. The median and mean incomes of retired people grew particularly strongly between 2014 and 2017, by 6.0% and 6.5% respectively. Incomes of employees also grew strongly; by contrast, income of the self-employed stagnated.

In 2017 median income ranged from €10,000 for the lowest income quintile to €109,700 for the top 10% of the income distribution. Between 2014 and 2017 incomes have grown across the whole income distribution, although somewhat more strongly at the top. Across all euro area households, median and mean annual gross income increased by 4.1% and 6.5%, respectively. Households in the bottom quintile of the 2017 income distribution had higher median and mean income by 4.9% and 6.7%, respectively, when compared to those in the corresponding quintile of the 2014 distribution. Households in the top decile of the 2017 income distribution had higher median and mean income by 8.9% and 7.9%, respectively (in comparison to those in the upper parts of the 2014 distribution).

Measures of income inequality remained essentially unchanged between 2014 and 2017. The ratio between the income of the household at the 95th percentile of the income distribution and the income of the median household stayed constant at 3.5. The ratio between the income of the median household and the income of the household at the tenth percentile of the income distribution remained similar at about 3.1 in both years.

Income changes across the net wealth distribution were more diverse and skewed towards the upper parts of the wealth distribution. While for percentiles 0 to 60, mean and median incomes increased modestly, by around 2-3%, for the top 10% of the wealth distribution, median and mean household income increased by more than 10%.

**Table 10**  
Gross household income

(2017 EUR thousands)

Household characteristics	Median income			Mean income		
	2014	2017	Percentage change	2014	2017	Percentage change
<b>Euro area</b>						
All households	29.7	31.0	4.1	39.7	42.3	6.5
Standard error	(0.2)	(0.2)		(0.3)	(0.3)	
<b>Number of household members</b>						
1	18.6	19.5	4.9	24.2	25.4	5.0
2	33.9	36.5	7.7	43.8	46.3	5.7
3	37.8	40.7	7.9	47.4	51.8	9.2
4	43.8	47.7	8.7	53.9	58.9	9.3
5 and more	42.5	46.3	9.0	53.6	59.8	11.6
<b>Age of reference person</b>						
16-34	26.5	27.9	5.4	32.2	34.0	5.6
35-44	34.9	36.8	5.5	44.5	46.4	4.1
45-54	36.5	39.9	9.4	49.0	53.6	9.5
55-64	34.5	35.3	2.3	45.8	48.2	5.2
65-74	26.7	28.5	6.7	35.2	37.2	5.9
75+	19.9	21.3	7.0	26.0	28.6	10.3
<b>Education of reference person</b>						
Basic education	18.9	20.1	6.4	24.3	25.6	5.5
Secondary	31.6	32.5	2.7	38.7	40.7	5.2
Tertiary	47.2	48.6	3.0	59.7	62.2	4.3
<b>Housing status</b>						
Owner – outright	30.0	30.9	3.1	40.3	42.6	5.7
Owner with mortgage	46.7	49.8	6.6	56.6	61.0	7.8
Renter or other	23.3	24.0	2.8	30.5	32.4	6.3
<b>Work status of reference person</b>						
Employee	38.0	39.8	4.9	46.9	50.0	6.5
Self-employed	39.0	39.2	0.4	60.5	60.6	0.2
Retired	24.6	26.0	6.0	31.3	33.3	6.5
Other not working	12.4	12.9	4.7	17.8	17.9	0.8
<b>Percentile of income</b>						
Below 20	9.5	10.0	4.9	8.7	9.2	6.7
20-39.9	19.1	20.1	4.8	19.2	20.1	4.8
40-59.9	29.7	31.0	4.1	29.8	31.3	4.9
60-79.9	44.9	47.3	5.2	45.4	48.0	5.7
80-89.9	64.9	69.8	7.4	65.5	70.3	7.5
90-100	100.7	109.7	8.9	125.7	135.7	7.9
<b>Percentile of net wealth</b>						
Below 20	17.4	18.0	3.3	22.3	22.7	1.5
20-39.9	25.6	25.7	0.4	30.9	31.0	0.3
40-59.9	28.1	28.8	2.3	34.9	35.8	2.6
60-79.9	34.6	38.1	9.9	41.3	46.6	13.0

Household characteristics	Median income			Mean income		
	2014	2017	Percentage change	2014	2017	Percentage change
<b>80-89.9</b>	46.5	50.4	8.5	55.8	58.9	5.5
<b>90-100</b>	63.6	70.3	10.5	82.3	92.0	11.8
<b>Non-euro area</b>						
<b>All households</b>	10.9	12.6	16.2	13.7	15.6	13.3
<b>Standard error</b>	(0.2)	(0.1)		(0.2)	(0.2)	

Notes: The table reports the median and mean values for household income in 2014 and in 2017. The first three columns report the median for 2014 and 2017, and the percentage change from 2014 to 2017 of various household groups in the population. Columns four to six report the means and the corresponding percentage change. Income is defined as the total gross household income net of interest paid on mortgages and non-collateralised loans. All statistics are calculated only for households with non-missing income values and are broken down by different household groups, using the following criteria: (1) all households, (2) number of household members, (3) age of the reference person, (4) education of the reference person, (5) housing status of the household, (6) work status of the reference person, (7) percentile of the household income within the euro area, (8) percentile of the household net wealth within the euro area and (9) all households of the non-euro area countries. The standard errors were calculated with the Rao-Wu rescaled bootstrap method using replicate weights provided by the countries (1,000 replicates). Data is included for the following euro area countries in this table: Belgium, Germany, Estonia, Ireland, Greece, Spain, France, Italy, Cyprus, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Austria, Portugal, Slovenia, Slovakia and Finland. Non-euro area countries are Croatia, Hungary and Poland.



## 6 Consumption and credit constraints

Between 2014 and 2017 the median value of food consumption rose from €5,000 to €5,200; the amount spent on utilities remained almost at the same level, at €2,600 in 2014 and at €2,500 in 2017 (Table 11).

The share of households that had applied for credit within the last three years increased by 3.4 percentage points, from 18.6% in 2014 to 22.0% in 2017 (Table 12). An increase was seen among all different subgroups of the population considered.

The percentage of those that did not apply for credit because of perceived credit constraints decreased from 6.1% to 4.7%. Across the age distribution, the largest decreases were seen among younger households; the percentage fell from 10.2% to 6.7% for those aged 16-34, and from 8.4% to 6.0% for those aged 35-44.

There was also a reduction in the proportion of households that were fully or partially refused a loan, from 11.9% in 2014 to 9.2% in 2017. While this reduction was generally widespread among household sub-groups, it was more marked for older and wealthier households.

These combined developments resulted in the proportion of credit-constrained households (as defined in the notes to Table 11) decreasing in practically all subgroups of the population, from 7.4% to 6.1% for the euro area as a whole.

**Table 11**  
Consumption

(2017 EUR thousands)

Household characteristics	Median expenditures on food			Median expenditures on utilities		
	2014	2017	Percentage change	2014	2017	Percentage change
<b>Euro area</b>						
All Households	5.0	5.2	3.3	2.6	2.5	-1.8
Standard error	(0.0)	(0.0)		(0.0)	(0.0)	
<b>Number of household members</b>						
1	3.6	3.6	0.0	2.0	1.9	-3.0
2	5.5	5.5	0.0	2.9	3.0	1.8
3	6.1	6.0	-1.0	3.0	3.0	0.0
4	7.2	7.2	0.0	3.1	3.0	-1.8
5 and more	7.7	8.4	9.4	3.1	3.5	12.4
<b>Age of reference person</b>						
16-34	4.3	4.2	-2.0	2.2	2.1	-5.8
35-44	5.6	6.0	7.1	2.7	2.6	-3.6
45-54	6.0	6.0	0.0	2.9	3.0	3.4
55-64	5.6	5.4	-3.9	2.9	2.9	-0.1
65-74	5.2	5.3	2.5	2.6	2.5	-3.1
75+	4.2	4.2	0.0	2.4	2.4	-1.5

Household characteristics	Median expenditures on food			Median expenditures on utilities		
	2014	2017	Percentage change	2014	2017	Percentage change
<b>Education of reference person</b>						
Basic education	4.3	4.6	7.3	2.0	2.0	2.0
Secondary	5.2	5.2	0.0	2.8	2.7	-2.3
Tertiary	6.1	6.0	-1.4	3.1	3.0	-2.0
<b>Housing status</b>						
Owner – outright	5.5	5.8	4.4	2.9	2.8	-1.1
Owner with mortgage	6.1	6.4	3.8	3.2	3.2	-0.1
Renter or other	4.3	4.2	-1.5	2.2	2.1	-3.5
<b>Work status of reference person</b>						
Employee	5.5	5.7	2.8	2.8	2.8	-1.5
Self-employed	6.1	6.0	-1.4	3.0	3.0	0.0
Retired	4.9	4.8	-1.5	2.5	2.5	-0.3
Other not working	3.6	3.6	0.7	1.8	1.8	0.3
<b>Percentile of income</b>						
Below 20	3.0	3.0	-1.0	1.6	1.6	-2.0
20-39.9	4.3	4.2	-1.3	2.1	2.0	-2.2
40-59.9	5.1	5.1	-1.1	2.5	2.5	-0.7
60-79.9	6.1	6.3	2.2	3.1	3.0	-2.0
80-89.9	7.3	7.2	-1.5	3.5	3.6	3.9
90-100	8.6	9.0	4.8	4.3	4.2	-2.2
<b>Percentile of net wealth</b>						
Below 20	3.7	3.6	-1.5	2.0	1.9	-1.3
20-39.9	4.4	4.6	3.9	2.3	2.2	-6.1
40-59.9	4.9	4.9	-0.1	2.6	2.5	-3.5
60-79.9	6.0	6.0	0.0	2.9	3.0	2.2
80-89.9	6.8	7.2	5.5	3.2	3.4	5.6
90-100	7.8	7.8	0.3	3.9	4.0	2.0
<b>Non-euro area</b>						
All households	2.9	2.9	-0.4	5.4	1.9	-64.2
Standard error	(0.0)	(0.0)		(0.2)	(0.0)	

Notes: The table reports household consumption in 2014 and 2017. There are two different indicators of household consumption, which both refer to annual amounts: (1) total household expenditure on food, at home or outside the home, and (2) total household expenditure on utilities. The first three columns report the median annual food expenditure at home or outside the home in 2014 and in 2017, and the percentage change from 2014 to 2017. Columns four to six report the median annual amount spent on utilities and the corresponding percentage change. All statistics are broken down by different household groups, using the following criteria: (1) all households, (2) number of household members, (3) age of the reference person, (4) education of the reference person, (5) housing status of the household, (6) work status of the reference person, (7) percentile of income within the euro area, (8) percentile of net wealth within the euro area and (9) all households in the non-euro area. The standard errors were calculated with the Rao-Wu rescaled bootstrap method using replicate weights provided by the countries (1,000 replicates). Data is included for the following euro area countries in this table: Belgium, Germany, Estonia, Ireland, Greece, Spain, France, Italy, Cyprus, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Austria, Portugal, Slovenia, Slovakia and Finland. Non-euro area countries are Croatia, Hungary and Poland. For columns four to six, Spain is not included in the euro area aggregate.

**Table 12**  
Credit constraints

(percentages of households)

Household characteristics	Applied for credit within last three years		Did not apply for credit owing to perceived credit constraint		Applied for credit in last three years but was refused or offered smaller amount		Credit-constrained household	
	2014	2017	2014	2017	2014	2017	2014	2017
<b>Euro area</b>								
All households	21.1	24.6	6.1	5.3	11.9	9.1	7.4	6.7
Standard error	(0.4)	(0.4)	(0.2)	(0.2)	(0.7)	(0.6)	(0.3)	(0.2)
<b>Number of household members</b>								
1	13.6	16.4	5.3	5.1	14.3	11.3	6.4	6.2
2	19.5	21.8	4.9	3.9	10.0	7.4	5.9	5.2
3	29.1	36.4	8.1	6.7	13.3	10.5	10.0	8.7
4	34.2	39.8	6.9	6.8	10.1	7.0	8.7	8.5
5 and more	32.8	35.8	11.5	8.1	13.1	10.1	14.0	10.3
<b>Age of reference person</b>								
16-34	29.4	34.3	10.2	7.0	11.8	11.5	12.1	9.8
35-44	31.4	37.8	8.4	6.8	12.4	9.9	10.3	9.1
45-54	25.7	31.4	7.0	7.5	11.5	7.8	8.7	8.7
55-64	19.2	21.6	5.0	4.7	11.2	8.4	6.2	5.8
65-74	12.4	13.2	3.2	2.6	11.2	5.3	3.8	3.1
75+	3.8	4.8	1.2	2.1	17.8	8.4	1.7	2.4
<b>Education of reference person</b>								
Basic education	12.5	15.2	7.4	6.5	18.1	14.3	8.6	7.8
Secondary	22.9	25.8	6.6	5.9	12.3	9.9	8.1	7.5
Tertiary	25.3	29.4	4.1	3.6	9.2	6.3	5.6	4.8
<b>Housing status</b>								
Owner – outright	13.3	14.9	2.8	2.5	10.1	7.5	3.5	3.3
Owner with mortgage	41.6	49.9	4.5	3.5	8.7	4.7	7.1	5.3
Renter or other	17.7	19.4	9.4	8.3	16.3	15.5	10.7	9.9
<b>Work status of reference person</b>								
Employee	29.5	34.5	6.2	5.4	10.6	8.0	8.1	7.2
Self-employed	28.5	30.8	9.0	7.7	12.2	15.8	10.5	10.3
Retired	9.1	10.3	2.3	2.7	12.4	6.6	2.9	3.1
Other not working	11.5	11.7	14.5	11.6	25.8	20.7	15.4	12.7
<b>Percentile of income</b>								
Below 20	8.6	10.1	8.0	7.6	24.8	22.8	8.7	8.8
20-39.9	13.8	16.4	8.7	8.0	21.0	16.9	10.2	9.4
40-59.9	21.7	24.2	7.4	6.0	14.6	11.1	9.0	7.8
60-79.9	25.6	32.4	4.5	3.8	8.2	5.3	5.8	5.1
80-89.9	32.0	35.0	3.3	2.5	8.4	6.3	5.2	4.1
90-100	32.2	35.7	2.2	2.0	6.0	4.2	3.6	2.8
<b>Percentile of net wealth</b>								
Below 20	19.4	22.1	13.1	11.4	21.7	18.1	15.0	13.5
20-39.9	20.4	22.8	6.5	5.5	15.0	10.9	8.3	7.2
40-59.9	23.2	27.5	4.2	4.1	8.4	8.4	5.5	5.6

Household characteristics	Applied for credit within last three years		Did not apply for credit owing to perceived credit constraint		Applied for credit in last three years but was refused or offered smaller amount		Credit-constrained household	
	2014	2017	2014	2017	2014	2017	2014	2017
<b>60-79.9</b>	21.7	26.9	2.8	3.2	7.6	4.6	3.9	4.1
<b>80-89.9</b>	19.9	23.1	2.1	1.4	6.5	4.4	2.9	2.2
<b>90-100</b>	22.8	26.4	2.8	1.7	5.7	3.2	3.3	2.4
<b>Non-euro area</b>								
<b>All households</b>	11.7	11.7	5.9	4.8	19.1	14.3	7.1	5.4
<b>Standard error</b>	(0.6)	(0.4)	(0.4)	(0.3)	(1.8)	(1.6)	(0.4)	(0.3)

Notes: The table reports households' credit constraints.

The first two columns show the percentage of households that had applied for credit in the previous three years in 2014 and 2017. Columns three and four show those not applying for credit owing to a perceived credit constraint and columns five and six show those that had applied for credit in the previous three years but were denied it or were offered a smaller amount than they had applied for. The last two columns show the percentage of credit-constrained households in 2014 and in 2017. A credit-constrained household is defined as a household to which one or more of the following situations apply: (i) applied for credit within the last three years but was turned down, and did not report a successful reapplication, (ii) applied for credit but was not granted the full amount applied for, or (iii) did not apply for credit owing to a perceived credit constraint. Households with missing information on applying for credit or on not applying for credit due to a perceived credit constraint are not included. The information on credit constraints is not necessarily fully imputed for all countries; remaining missing values may cause slight numerical inconsistencies between the individual components and the composite credit-constrained household indicator. All statistics are broken down by different household groups, using the following criteria: (1) all households, (2) number of household members, (3) age of the reference person, (4) education of the reference person, (5) housing status of the household, (6) work status of the reference person, (7) percentile of income within the euro area, (8) percentile of net wealth within the euro area and (9) all households in the non-euro area. The standard errors were calculated with the Rao-Wu rescaled bootstrap method using replicate weights provided by the countries (1,000 replicates).

Data is included for the following euro area countries in this table: Belgium, Germany, Estonia, Ireland, Greece, France, Cyprus, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Austria, Portugal, Slovenia, Slovakia and Finland. Non-euro area countries are Croatia, Hungary and Poland. Due to data availability, data from Spain and from Italy are not included in this table.

## Abbreviations

### Countries

<b>AT</b>	Austria
<b>BE</b>	Belgium
<b>BG</b>	Bulgaria
<b>CH</b>	Switzerland
<b>CY</b>	Cyprus
<b>CZ</b>	Czech Republic
<b>DK</b>	Denmark
<b>DE</b>	German
<b>EE</b>	Estonia
<b>IE</b>	Ireland
<b>ES</b>	Spain
<b>FI</b>	Finland
<b>FR</b>	France
<b>GR</b>	Greece
<b>HR</b>	Croatia
<b>HU</b>	Hungary

<b>IT</b>	Italy
<b>JP</b>	Japan
<b>LT</b>	Lithuania
<b>LU</b>	Luxembourg
<b>LV</b>	Latvia
<b>MT</b>	Malta
<b>NL</b>	Netherlands
<b>PL</b>	Poland
<b>PT</b>	Portugal
<b>RO</b>	Romania
<b>SE</b>	Sweden
<b>SI</b>	Slovenia
<b>SK</b>	Slovakia
<b>UK</b>	United Kingdom
<b>US</b>	United States

### Other

<b>CAPI</b>	Computer Assisted Personal Interview
<b>CATI</b>	Computer Assisted Telephone Interview
<b>CAWI</b>	Computer Assisted Web Interview
<b>ESA</b>	European System of Accounts
<b>EU-SILC</b>	EU Statistics on Income and Living Conditions
<b>FKP</b>	Financially knowledgeable person
<b>HFCN</b>	Household Finance and Consumption Network
<b>HFCS</b>	Household Finance and Consumption Survey
<b>HMR</b>	household main residence
<b>ISCED</b>	International Standard Classification of Education

<b>ISCO</b>	International Standard Classification of Occupations
<b>MI</b>	multiple imputation
<b>NACE</b>	European Classification of Economic Activities
<b>NCB</b>	national central bank
<b>NSI</b>	national statistical institute
<b>PSU</b>	primary sampling unit
<b>RP</b>	reference person
<b>UDB</b>	User Database

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