



ICCR 2016

ICCR International Conference
on Consumer Research



The 21st Century Consumer: Vulnerable, Responsible, Transparent?

September 26-27, 2016

Wissenschaftszentrum Bonn, Ahrstr. 45, 53175 Bonn
North Rhine-Westphalia, Germany

Exploring Consumers' Financial Fragility in Europe

Over-indebtedness, rainy days funds and the role of financial literacy

(Gianni Nicolini¹, PhD)



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University of Rome "Tor Vergata" (Rome, Italy) - Faculty of Economics 1
mail: gianni.nicolini@uniroma2.it



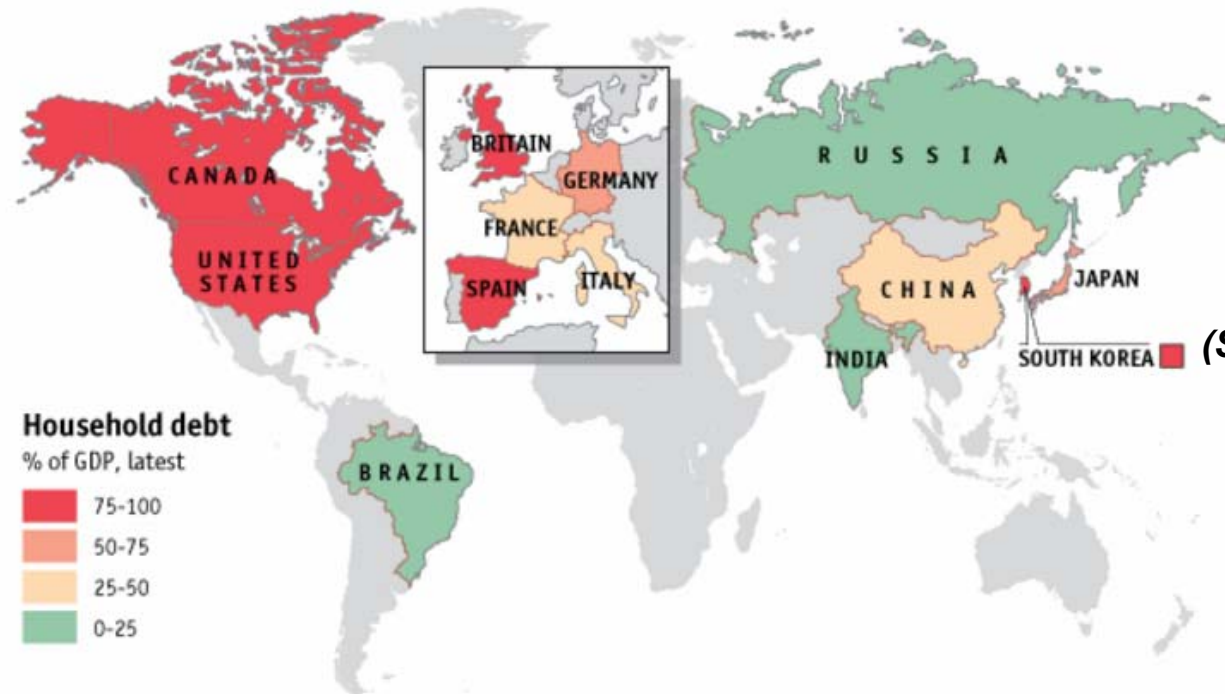
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Agenda

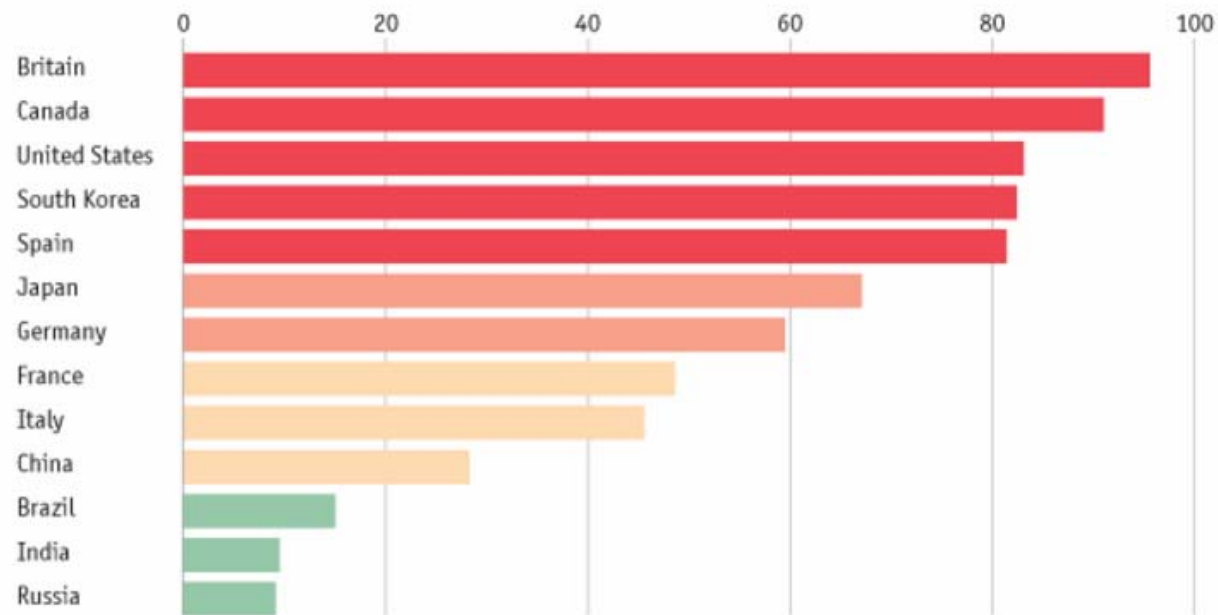
- 1** The aims of the study
- 2** Financial Fragility...*and its measure*
- 3** Financial Literacy... *and its measure*
- 4** Data and Methodology
- 5** Results
- 6** Conclusions



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(September, 19th 2012)

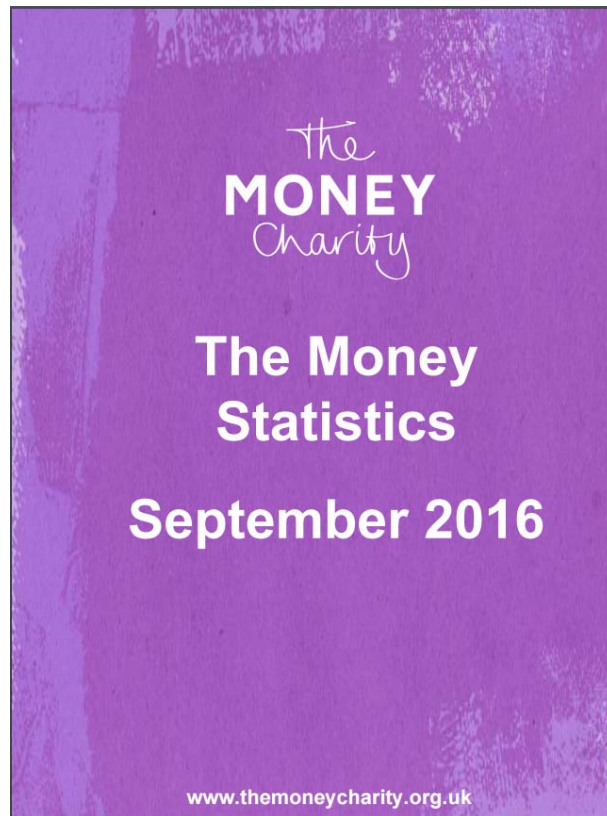


Source: McKinsey



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Household debt ... in the UK



*“There were 22,503 **individual insolvencies** in England and Wales in Q2 2016.*

*This is equivalent to 247 people a day or, **one person every 5 minutes 49 seconds.***



*This was up 6.9% on the previous quarter and **up 22.4% on the same period a year ago.**”*

*“18 **properties are repossessed** every day”
(one every 1 hour and 19 minutes)*



*“Citizens Advice Bureaux in England and Wales dealt with 4,495 **new debt problems** every day during the quarter ending March 2016”*



(one every 19 seconds)

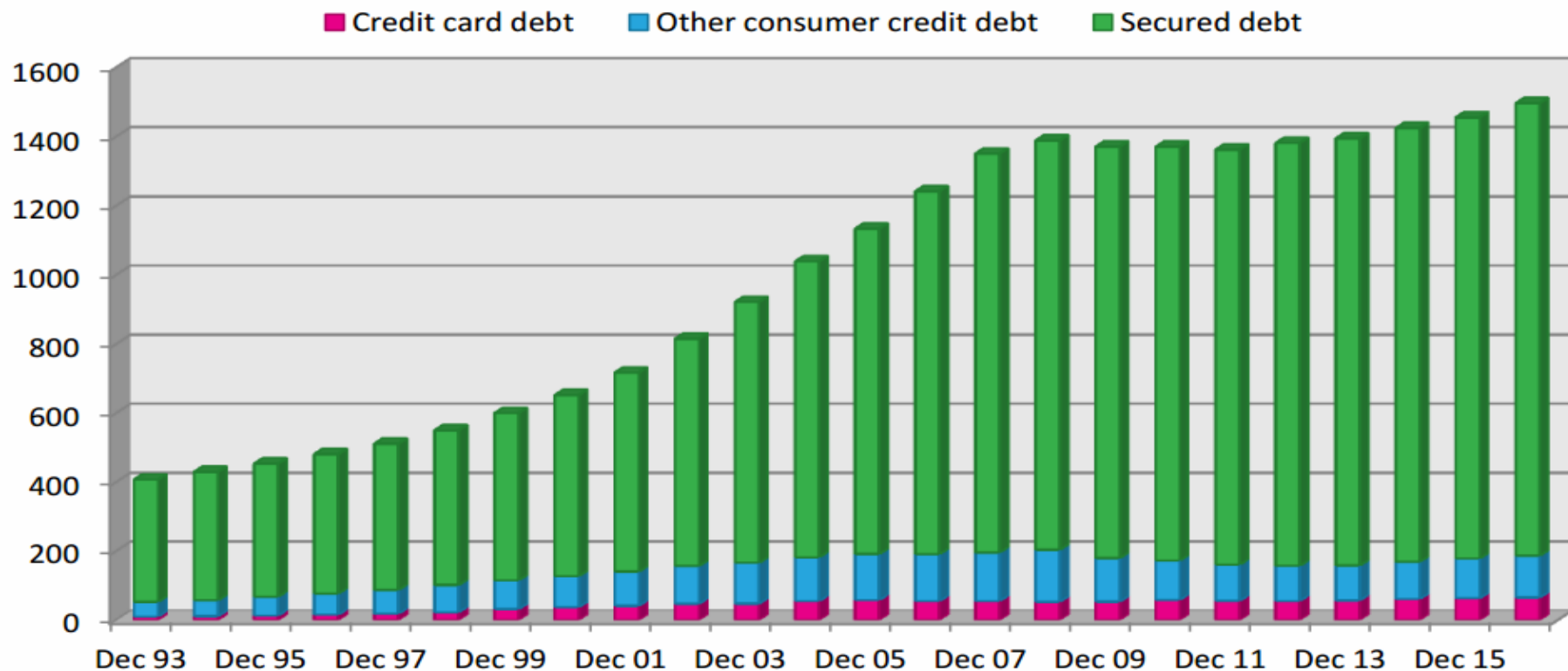


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Household debt ... in the UK



Total UK personal debt (£bn)



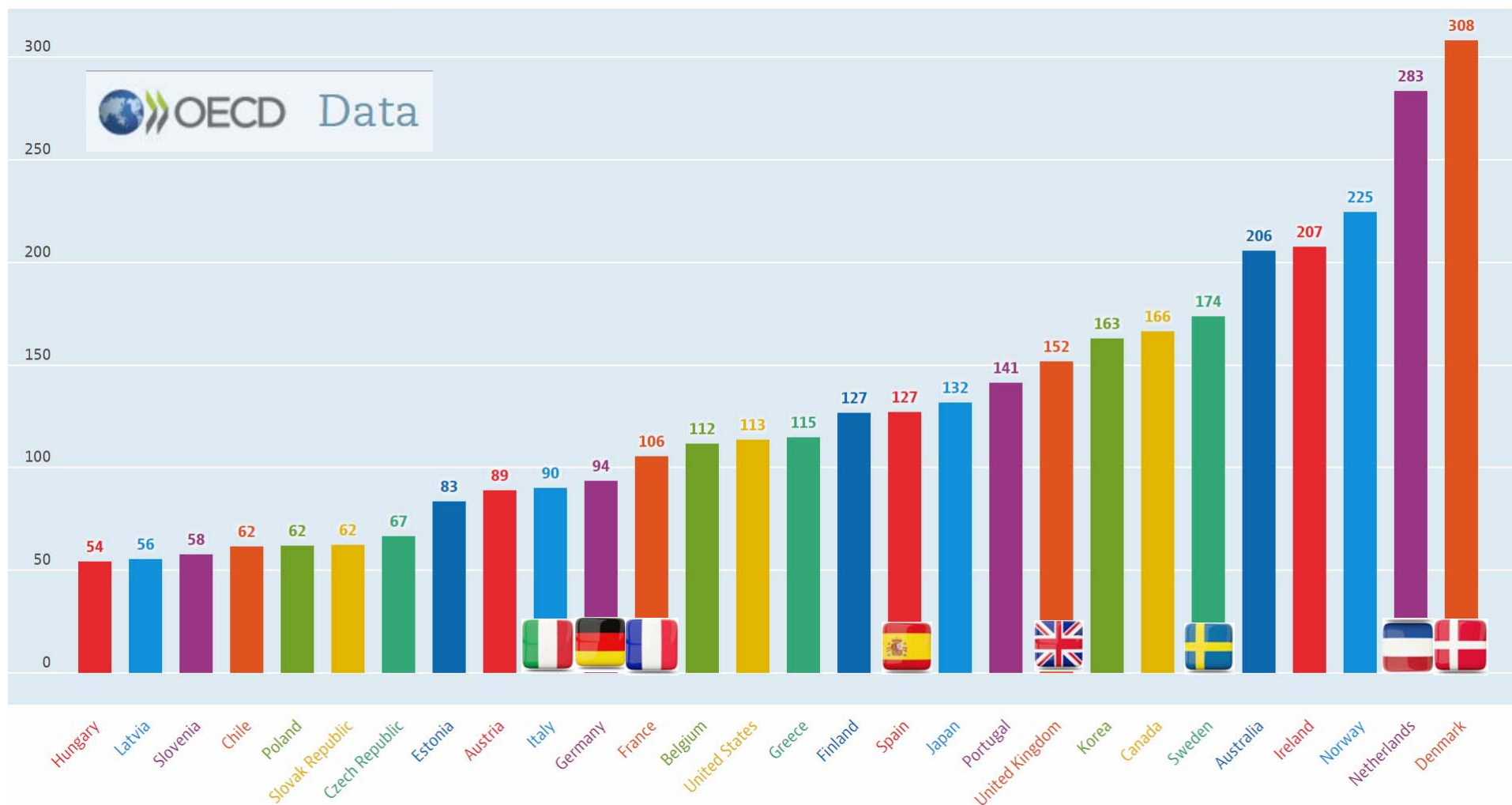
Based on Bank of England Data



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Household debt

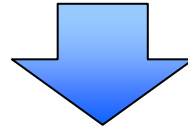
(Total, % of net disposal income, 2014)





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The aim of the study



To measure financial fragility in Europe



To test the role of financial literacy in explaining financial fragility



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Financial Fragility



Fragility

Fragility ➡ *“The quality of being easy to break”*

Fragile ➡ *“Able to be broken easily”*

Fragile ➡ *“In a weakened physical state”*
(referred to a person)

Vulnerable ➡ *“Easy to hurt or attack”*

Vulnerable ➡ *“Exposed to the possibility of being attacked or harmed, either physically or emotionally”*



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Financial Fragility



*Not being ready for
the unexpected?*

Being indebted?

***What does it means to be
“Financially Fragile”?***

To struggle to make ends meet?

Being over-indebted?

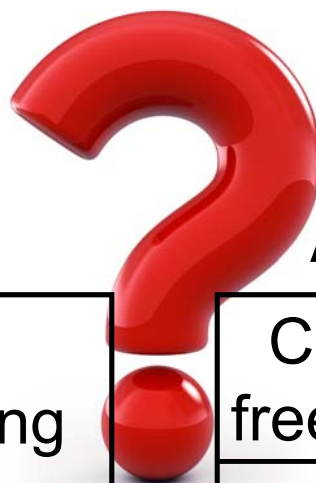


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Financial Fragility



How to measure financial fragility?



Revenues	Costs	Assets	Liabilities
Income	Basic living needs <i>(Food, housing, etc.)</i>	Cash and free deposits	Debts
	Debt service <i>(Interests, fees, etc.)</i>	“Semi-liquid” Assets <i>(e.g. Securities, Precious, etc.)</i>	
	Other needs	Illiquid Assets <i>(e.g. House and other Real Estate Properties)</i>	Equity
Other	Savings		



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Financial Fragility



How to measure financial fragility?

Debt-to-Income ratio

Revenues	Costs	Assets	Liabilities
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Financial Fragility



How to measure financial fragility?

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Other	Savings		

Debt-to-Income ratio



Portugal

Costa and Farinhas (2012)



Euro Area

Du caju, Ricx and Tojerow (2016)



Euro Area

ECB (2013)



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Financial Fragility



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Financial Fragility



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	Savings		

Debt service-to-Income ratio



Portugal

Costa and Farinhas (2012)



Euro Area

Bartiloro et al. (2015)



Euro Area

Du caju, Ricx and Tojerow (2016)



Austria

Albacete and Lindner (2013)



United States

Weller and Sabatini (2008)



Euro Area

Ampudia et al. (2016)



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Financial Fragility



How to measure financial fragility?

Disposal Income
(or “Financial Margin”)

Revenues	Costs
<div>Income</div>	<div>Basic living needs <i>(Food, housing, etc.)</i></div>
<div>Disposal Income</div>	<div>Debt service <i>(Interests, fees, etc.)</i></div>
	<div>Other needs</div>
<div>Other</div>	<div>Savings</div>

Assets	Liabilities
<div>Cash and free deposits</div>	<div>Debts</div>
<div>“Semi-liquid” Assets <i>(e.g. Securities, Precious, etc.)</i></div>	
<div>Illiquid Assets <i>(e.g. House and other Real Estate Properties)</i></div>	<div>Equity</div>



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Financial Fragility



How to measure financial fragility?

Disposal Income
(or "Financial Margin")

Revenues	Costs	Assets	Liabilities
Income	Basic living needs (Food, housing, etc.)	Cash and free deposits	Debts
Disposal Income	Debt service (Interests, fees, etc.)	"Semi-liquid" Assets (e.g. Securities, Precious, etc.)	Equity
Other	Other needs	Illiquid Assets (e.g. House and other Real Estate Properties)	
	Savings		

Disposal Income
(or "Financial Margin")



Sweden

Johansson and Persoon (2006)



Portugal

Costa and Farinhas (2012)



Poland

Zajazkowski and Zochoski (2007)



Tunisia

Abid et al. (2015)



Hungary

Hollò and Papp (2007)



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Financial Fragility



How to measure financial fragility?

Debt-to-Asset ratio

Revenues	Costs	Assets	Liabilities
Income	Basic living needs (Food, housing, etc.)	Cash and free deposits	Debts
	Debt service (Interests, fees, etc.)	“Semi-liquid” Assets (e.g. Securities, Precious, etc.)	
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Financial Fragility



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Other	Savings		

Debt-to-Asset ratio



United States

Weller and Sabatini (2008)



Austria

Albacete and Lindner (2013)



Euro Area

Du caju, Ricx and Tojerow (2016)



Portugal

Costa and Farinhas (2012)



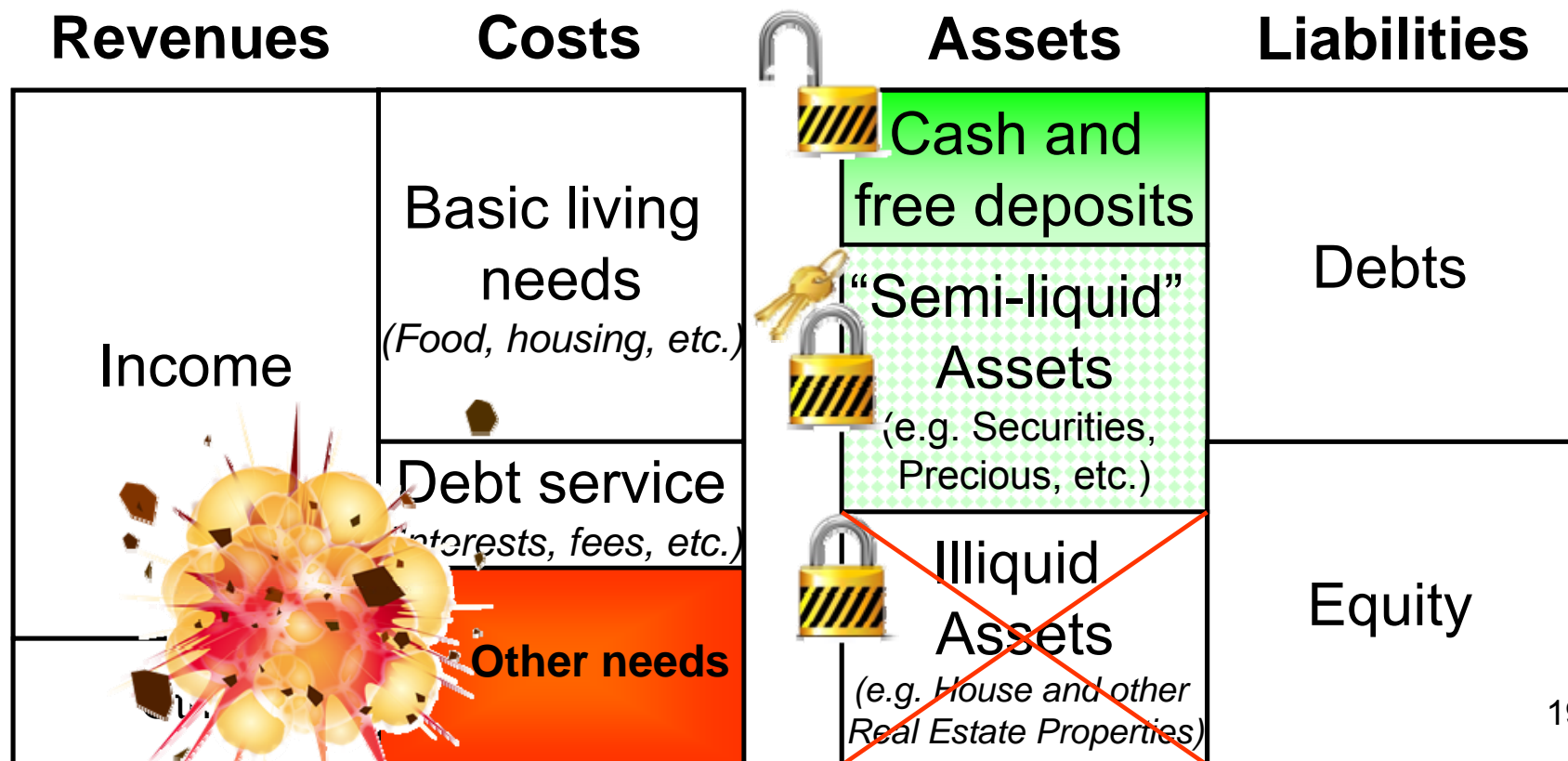
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Financial Fragility



How to measure financial fragility?

Lack of “Emergency Funds”





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Financial Fragility



How to measure financial fragility?

Lack of “Emergency Funds”

Revenues	Costs	Assets	Liabilities
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Lack of “Emergency Funds”



United States

Lusardi and De Bassa Scheresberg (2016)



United States

West and Mottola (2016)



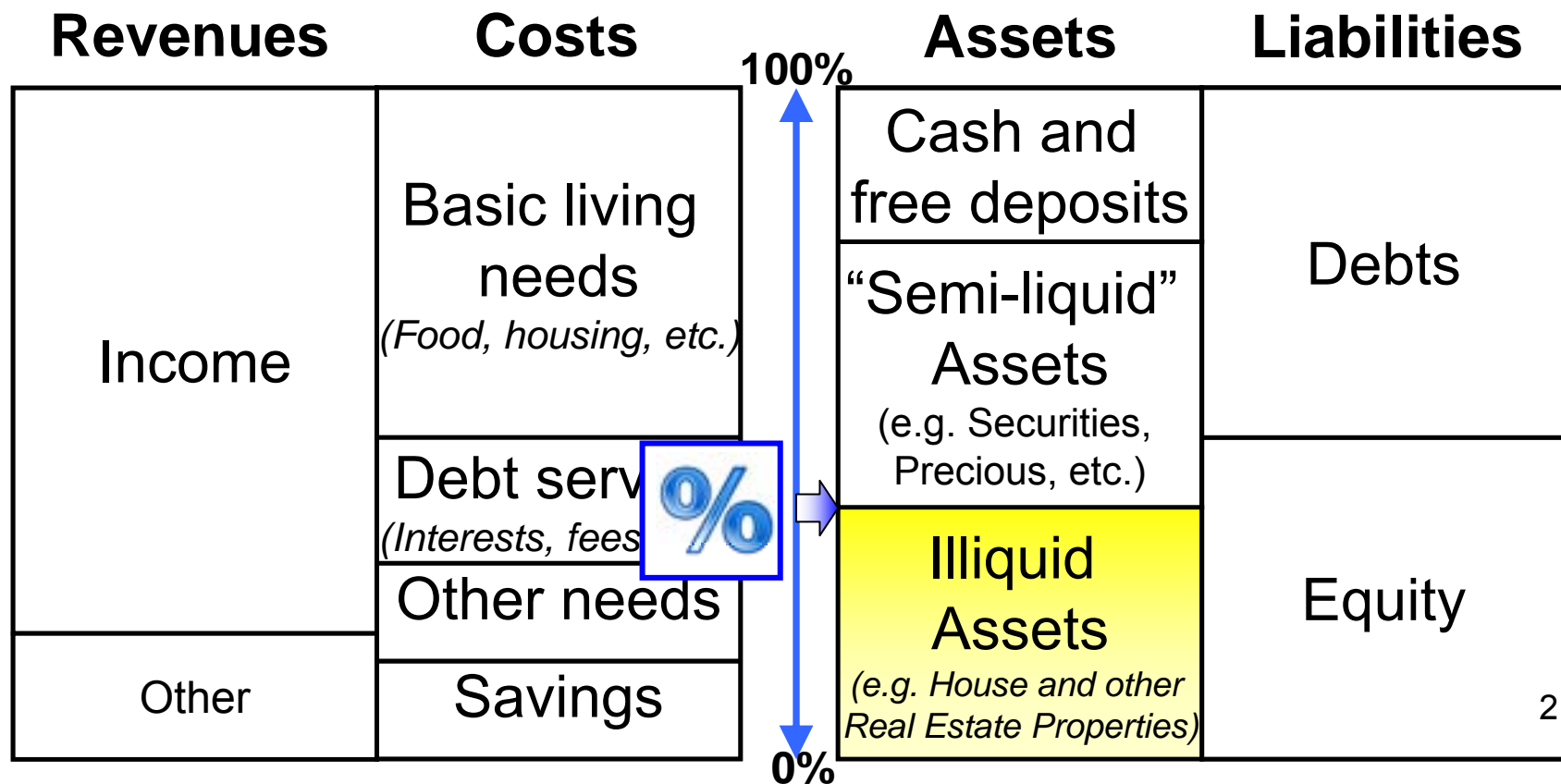
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Financial Fragility



How to measure financial fragility?

Liquidity ratios



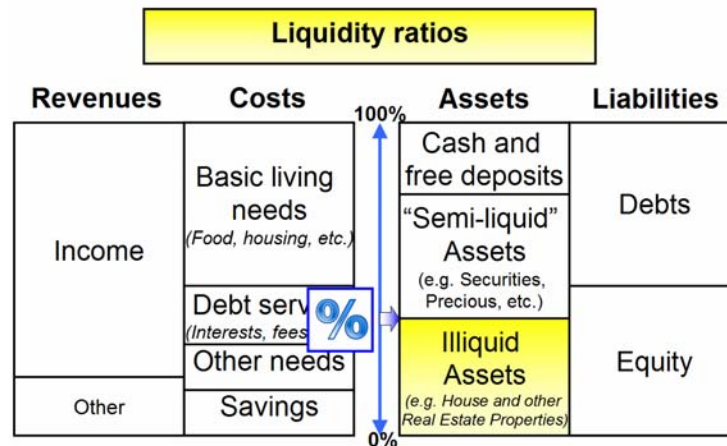


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Financial Fragility



How to measure financial fragility?



Liquidity ratios



Italy

Brunetti et al. (2015)



United States

West and Mottola (2016)

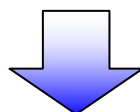


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Financial Fragility



How to measure financial fragility?



Measures of financial fragility

Overindebtedness



**Debt-to-Income
ratio**



*Debt to Annual
Income > 5*



*Debt to Annual
Income > 1*

**Lack of
“Emergency Funds”**



**Availability of free
savings equal to 3
months of living
costs**



Yes / No

Financial Hardship



**Difficulty to make
ends meet**
(Self-assessed)



Very difficult



*Somewhat or
very difficult*





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Financial Literacy



Financial Literacy

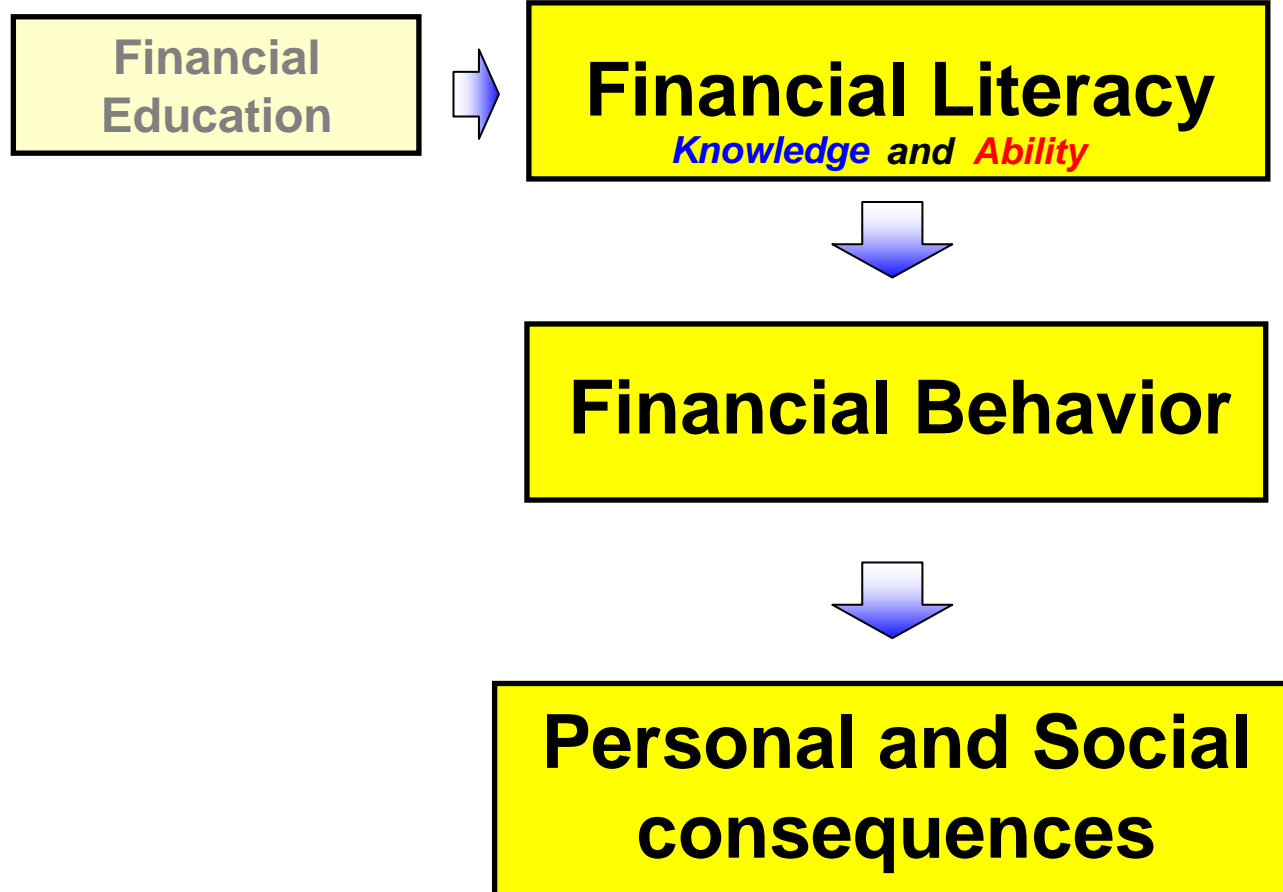
Knowledge and Ability

- | | | | |
|------|--|------|--|
| 1992 | <i>"The ability to make informed judgements and to make effective decisions regarding the use and management of money"</i>
(Noctor, Stoney and Stradling 1992) | 2007 | <i>"Financial literacy is the ability to use knowledge and skills to manage financial resources effectively for a lifetime of financial well-being"</i>
(US FLEC 2007, Jump\$tart Coalition 2007) |
| 2000 | <i>"The ability to read, analyse, manage and communicate about the personal financial conditions that affect material wellbeing"</i>
(Vitt et al. 2000) | 2010 | <i>"Financial literacy consists of both knowledge and application (ability) of human capital specific to personal finance"</i> (Huston 2010) |
| 2001 | <i>"Financial literacy is a basic knowledge that people need in order to survive in a modern society"</i> (Kim 2001) | 2010 | <i>"Financial literacy is a measure of the degree to which one understand key financial concepts (knowledge) and possesses the ability and confidence to manage personal finances through appropriate, short-term decision-making and sound, long-range financial planning, while mindful of life events and changing economic conditions"</i> (Remund 2010) |
| 2001 | <i>"Financial literacy is the ability to interpret, communicate, compute, develop independent judgement, and take actions resulting from those processes in order to thrive in our complex financial world"</i> (Danes and Habermann 2007) | | |



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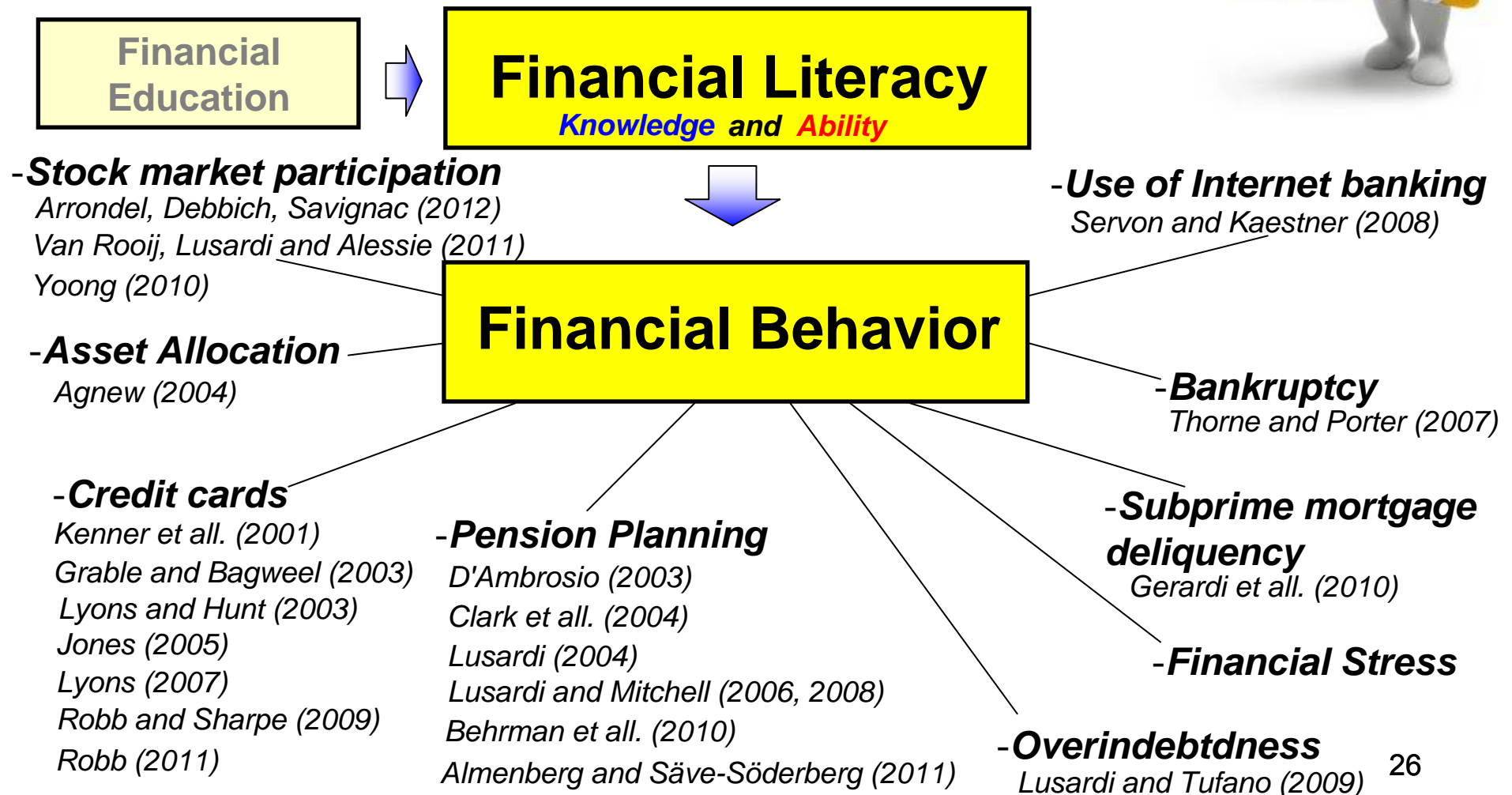
Financial Literacy





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Financial Literacy





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Financial Literacy



How to measure financial literacy?



Financial knowledge indices developed
using answers to multiple choice questions
on financial knowledge



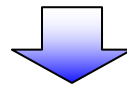
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Financial Literacy



How to measure financial literacy?

Example



Compound interest

Question	Options
Suppose you had \$100 in a savings account and the interest rate was 2% per year. After 5 years, how much do you think you would have in the account if you left the money to grow?	More than \$102 (correct answer)
	Exactly \$102
	Less than \$102
	<i>Don't know</i>
	<i>Prefer not to say</i>



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Financial Literacy



How to measure financial literacy?

Example



Bond pricing

Question	Options
If interest rates rise, what will typically happen to bond prices?	They will rise
	They will fall (correct answer)
	They will stay the same
	There is no relationship between bond prices and the interest rate
	<i>Don't know</i>
	<i>Prefer not to say</i>



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Financial Literacy



How to measure financial literacy?

Financial literacy index

$$\sum \left(\begin{array}{c} \text{★} \\ 1 \\ 0 \end{array} \right) + \left(\begin{array}{c} \text{★} \\ 1 \\ 0 \end{array} \right) + \left(\begin{array}{c} \text{★} \\ 1 \\ 0 \end{array} \right) + \left(\begin{array}{c} \text{★} \\ 1 \\ 0 \end{array} \right) + \left(\begin{array}{c} \text{★} \\ 1 \\ 0 \end{array} \right)$$

(correct answer = 1)
(... zero otherwise) (correct answer = 1)
(... zero otherwise) (correct answer = 1)
(... zero otherwise) (correct answer = 1)
(... zero otherwise) (correct answer = 1)
(... zero otherwise)

=

Financial Knowledge Index

...as sum of correct answers

Moore (2003)

Range [0;5]

Sabri *et al.* (2008)

Robb and Sharpe (2009)

Gerardi, Goette and Meier (2010)₃₀

Agnew and Szkyman (2005)



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Financial Literacy



How to measure financial literacy?

Financial literacy index



Are all the answers rights? Yes =1, No = 0

Dummy var [0;1]



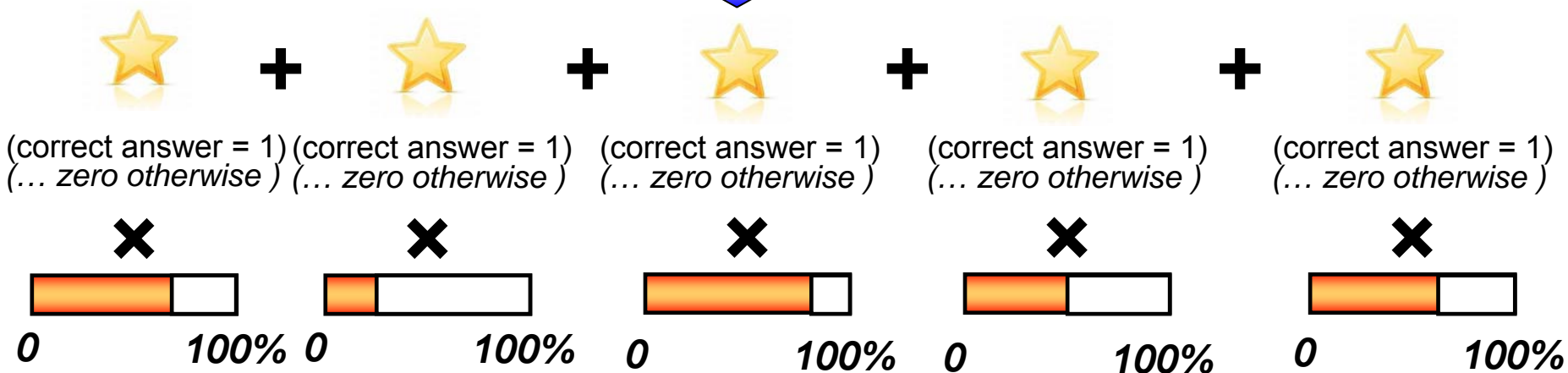
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Financial Literacy



How to measure financial literacy?

Financial literacy index



=

Financial Knowledge Index as sum of correct answers... weighted by their difficulty

Lusardi, Mitchell and Curto (2012)

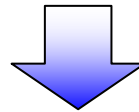


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Financial Literacy



How to measure financial literacy?



Measures of financial literacy

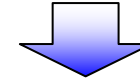
Sum of correct answers to a set of multiple choice questions on financial knowledge



Number of correct answers to 5 questions about Debts



Score from 0 to 5
(0 / 1 / 2 / 3 / 4 / 5)



Number of correct answers to 50 questions on ten different financial topics



Score from 0 to 50
(0 / 1 / 2 / 3 / 4 / 5 / ... / 50)

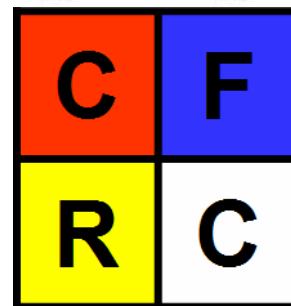
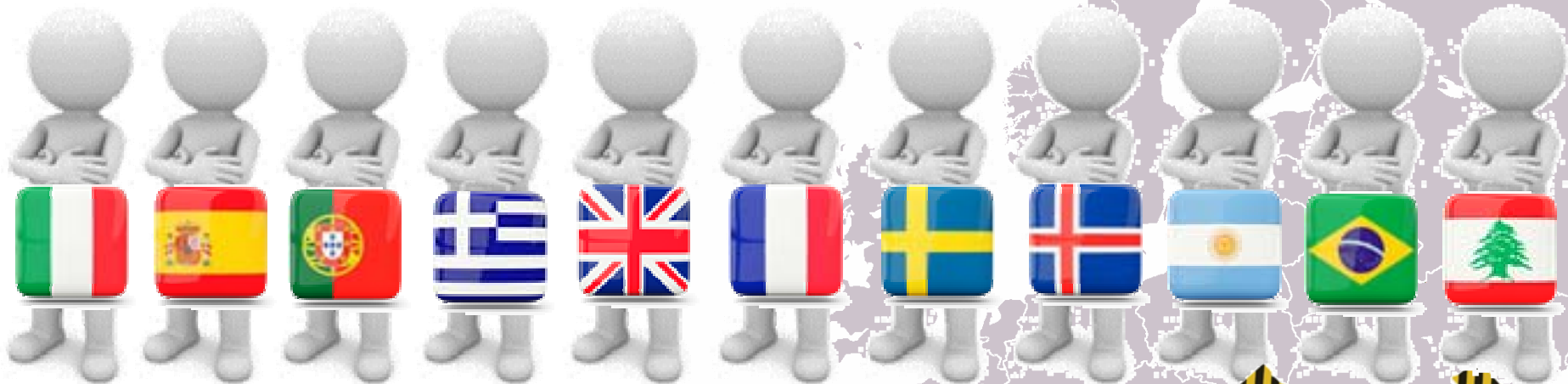


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Data



The research network



Consumer Finance Research Center

www.consumer-finance.org

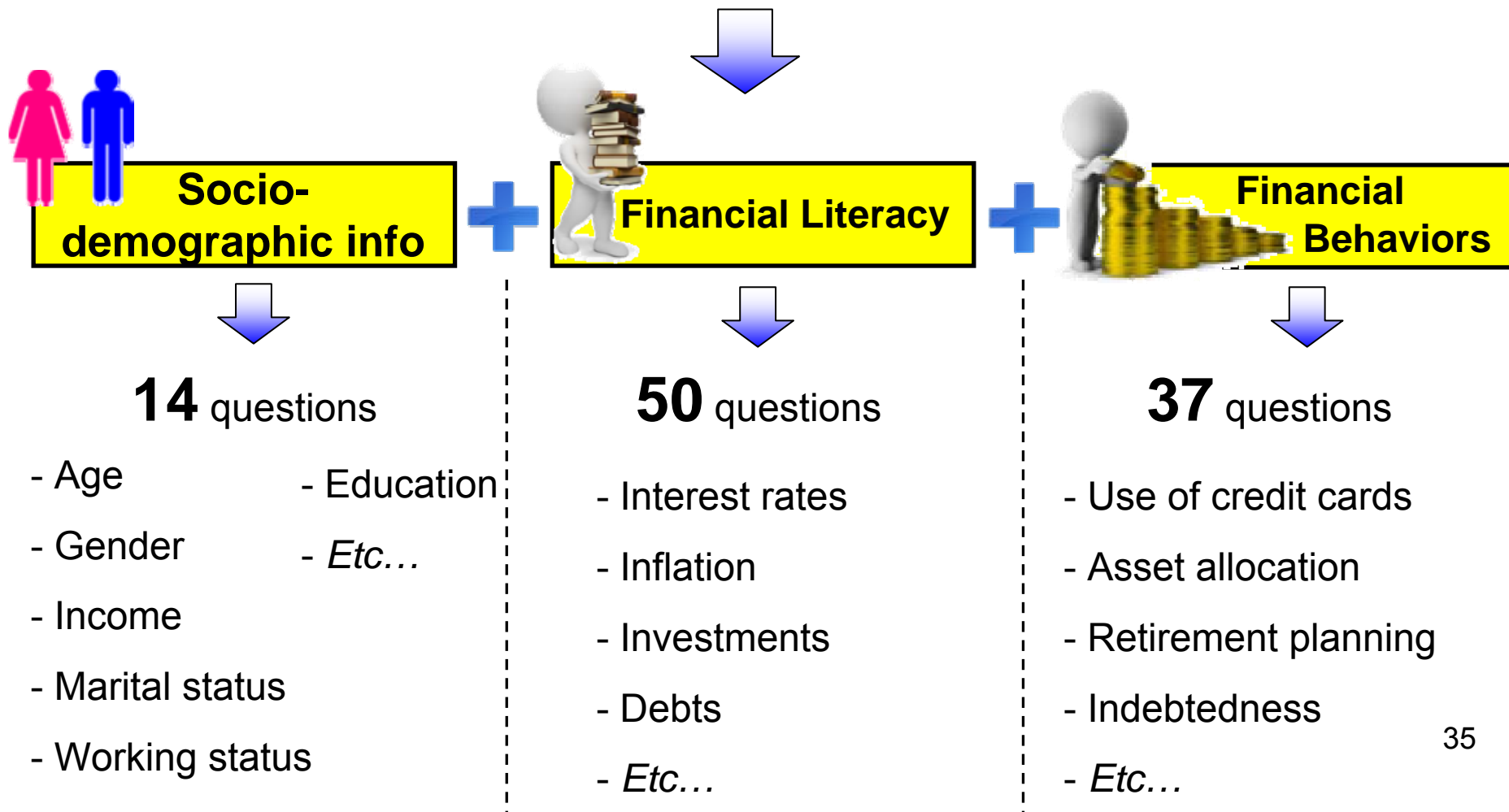


ICCR 2016

Data



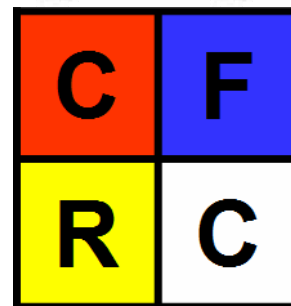
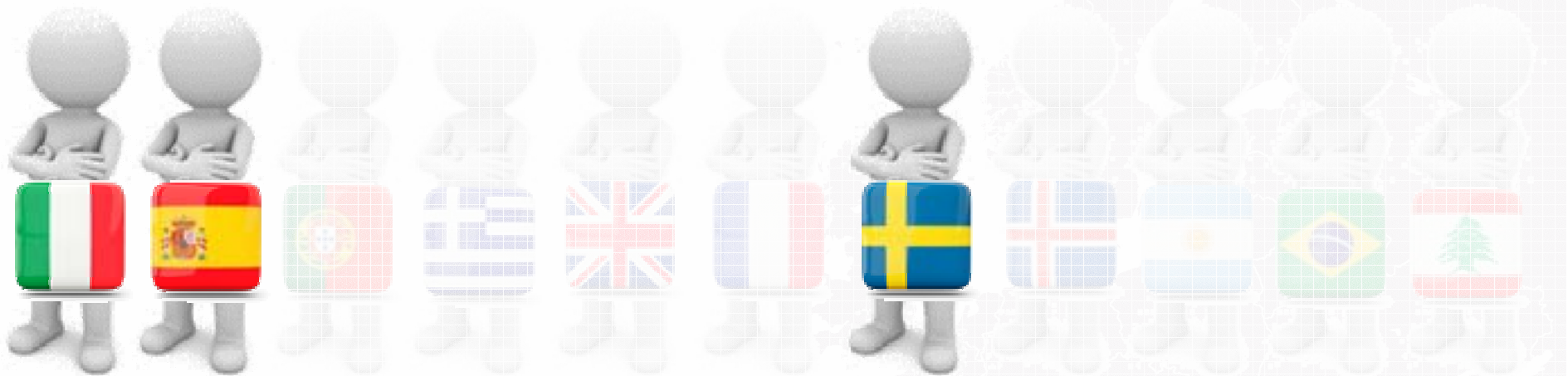
The survey





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Data of the study



Consumer Finance Research Center

(www.consumer-finance.org)



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Data



Financial Fragility

Overindebtedness



“What is the total amount of your debts (not considering any mortgages on houses)?”



	Italy	Spain	Sweden
No debts	52.5 %	64.3 %	39.8 %
Less than 3 times my monthly income	21.3 %	14.3 %	17.4 %
Between 3 and 6 times my monthly income	7.8 %	7.1 %	7.4 %
Between 6 and 12 times my monthly income	5.5 %	2.9 %	7.0 %
Between 1 to 5 times my ANNUAL income	2.7 %	6.4 %	8.5 %
Above 5 times my ANNUAL income	2.7 %	2.1 %	4.5 %
<i>Do not know</i>	4.1 %	0.7 %	8.8 %
<i>Prefer not to say</i>	3.3 %	2.1 %	6.6 %
#Obs.	512	125	640





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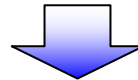
Data



Financial Fragility



Lack of “Emergency Funds”



“Have you set aside emergency or rainy day funds that would cover your expenses for 3 months in case of sickness, job loss, economic downturn, or other emergencies?”



	Italy	Spain	Sweden
Yes	51.2 %	73.9 %	49.3 %
No	35.6 %	21.7 %	41.0 %
Do not know	7.4 %	1.4 %	7.1 %
Prefer not to say	5.8 %	2.9 %	2.6 %
#Obs.	500	138	605





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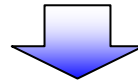


Data



Financial Fragility

Financial Hardship



“In a typical month, how difficult is it for you to cover your expenses and pay all your bills and obligations?”



	Italy	Spain	Sweden
Very difficult	15.7 %	1.4 %	6.1 %
Somewhat difficult	37.1 %	2.9 %	8.6 %
Not so difficult	33.3 %	23.6 %	26.0 %
Not difficult at all	8.8 %	69.3 %	51.1 %
<i>Do not know</i>	2.0 %	1.4 %	4.2 %
<i>Prefer not to say</i>	3.2 %	1.4 %	4.0 %
#Obs.	502	140	642



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Data



Financial Literacy

Number of correct answers to 5
questions about Debts



	Italy	Spain	Sweden
0 on 5	14.9 %	8.8 %	18.1 %
1 on 5	14.7 %	8.1 %	24.2 %
2 on 5	23.9 %	20.9 %	23.7 %
3 on 5	29.1 %	26.4 %	21.1 %
4 on 5	14.1 %	25.0 %	10.4 %
5 on 5	3.2 %	10.8 %	2.5 %
#Obs.	502	148	636



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Data



Financial Literacy



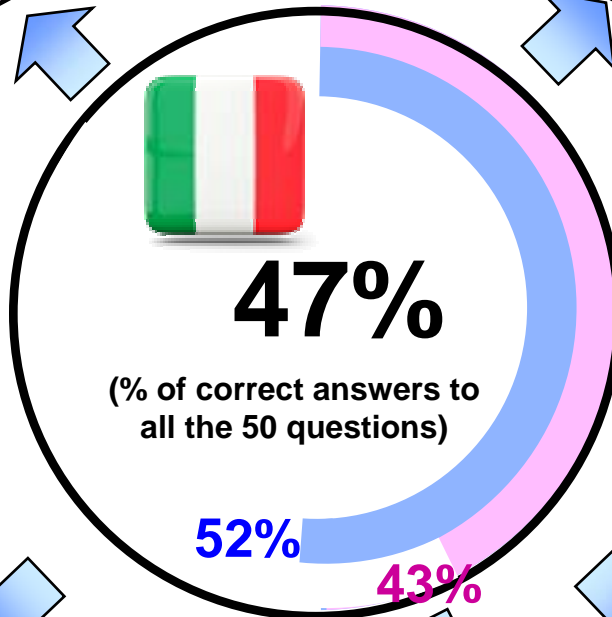
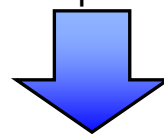
Number of correct answers to 50 questions about Debts



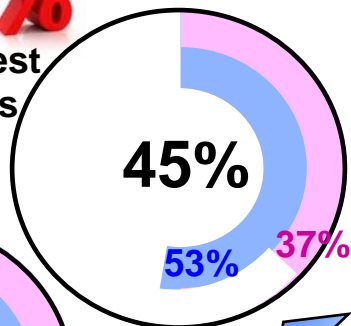
Male (18-65 years) Female (18-65 years)

Data

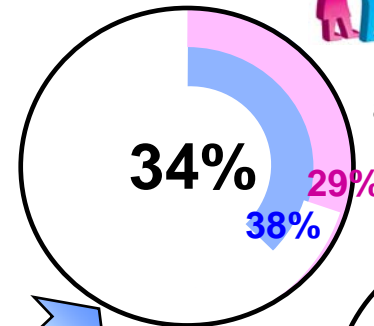
50 question on 10 topics



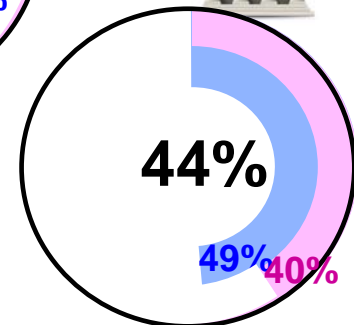
Interest rates



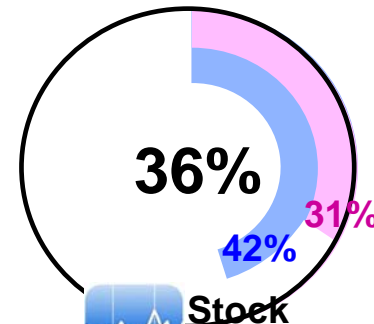
Retirement and Insurance



Debts

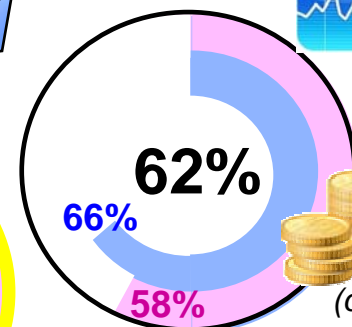


36%



Stock investments

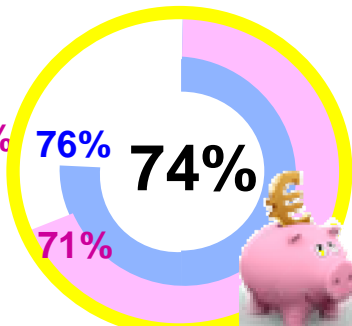
62%



Payments

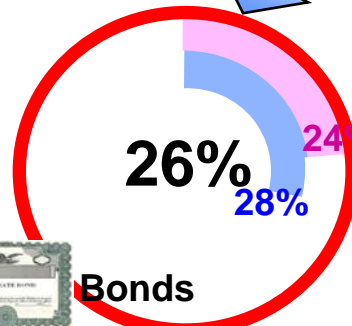
(credit cards, debit cards, etc.)

74%



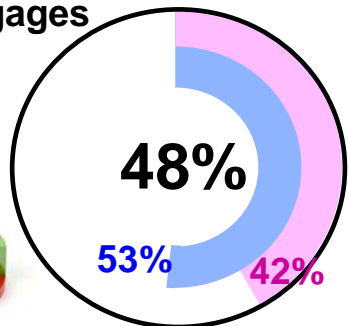
Bank accounts

26%



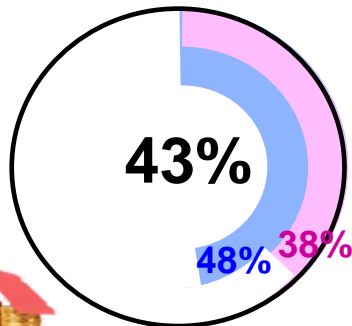
Bonds

48%



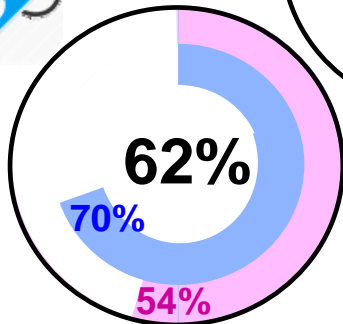
Diversification

43%



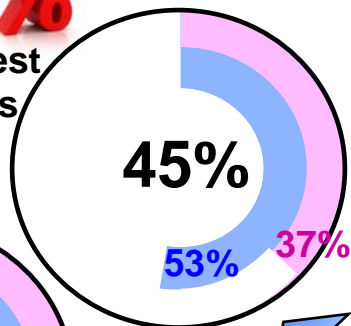
Mortgages

62%



Inflation

45%



Interest rates

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Male (18-65 years) Female (18-65 years)

Data

50 question on 10 topics



62%

(% of correct answers to all the 50 questions)

69%

54%

42%

50%

31%

82%

81%

75%

73%

72%



Stock investments



Payments

(credit cards, debit cards, etc.)

43



Retirement and Insurance



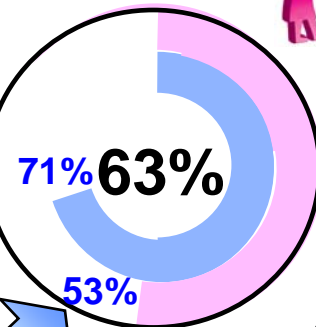
Debts



57%

66%

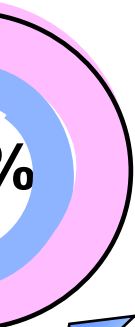
45%



53%

71%

63%



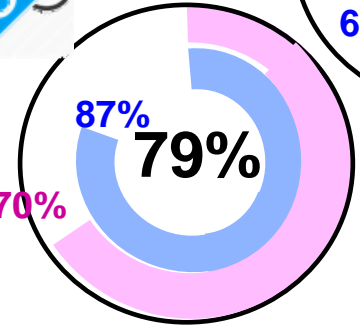
62%

57%

52%



Interest rates



79%

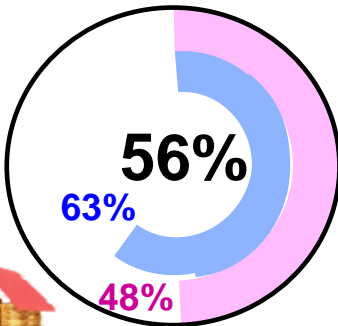
87%

70%

Inflation



ICCB 2016

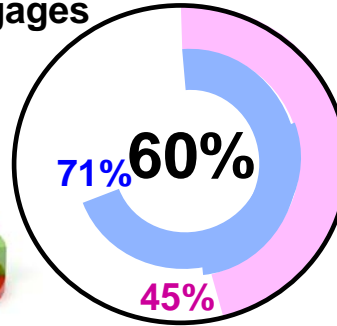


56%

63%

48%

Mortgages

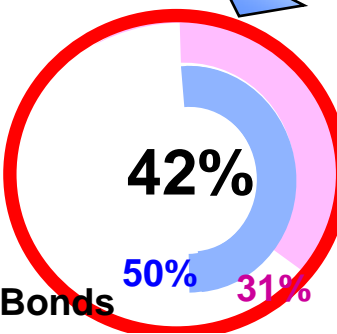


60%

71%

45%

Diversification

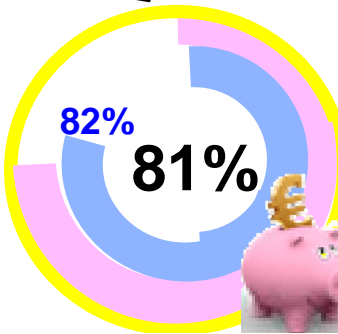


50%

31%

42%

Bonds



82%

81%

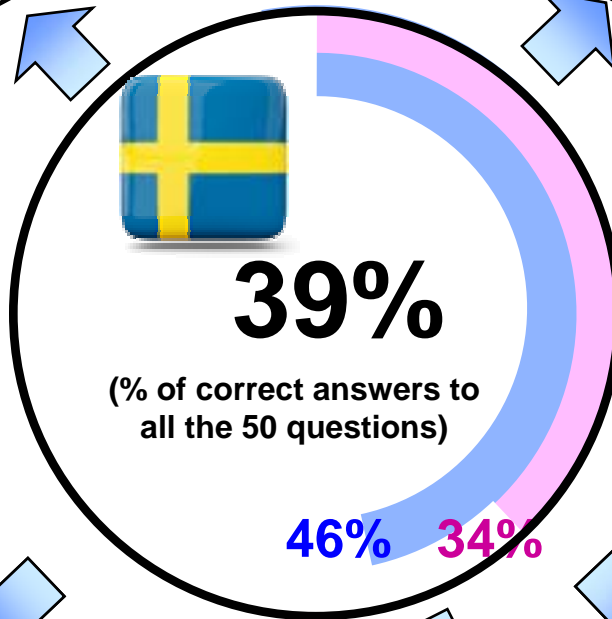
Bank accounts



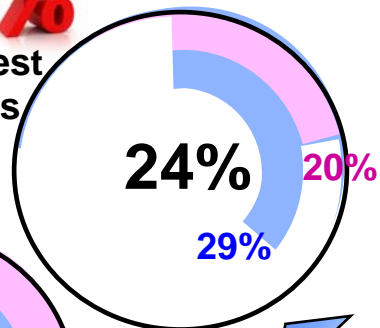
Male (18-65 years) Female (18-65 years)

Data

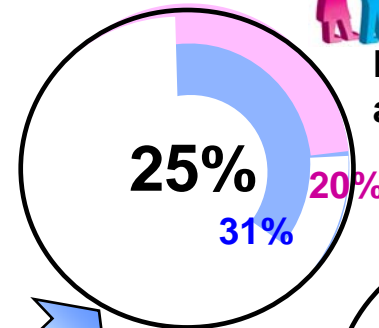
50 question on 10 topics



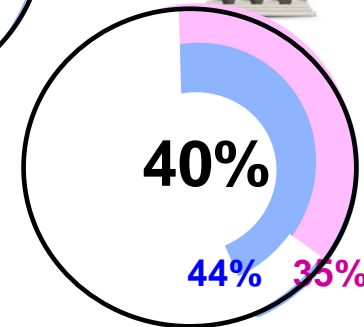
Interest rates



Retirement and Insurance



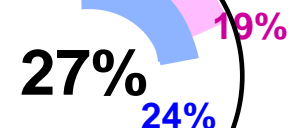
Debts



27%



Stock investments



58%



Payments

(credit cards, debit cards, etc.)

Bank accounts

67%



17%



Bonds

50%

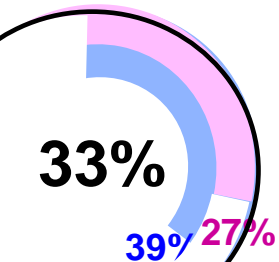
Diversification



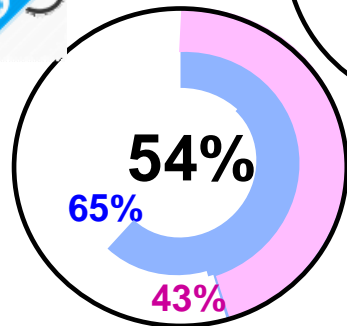
Mortgages



33%



54%



Inflation

ICCB 2016



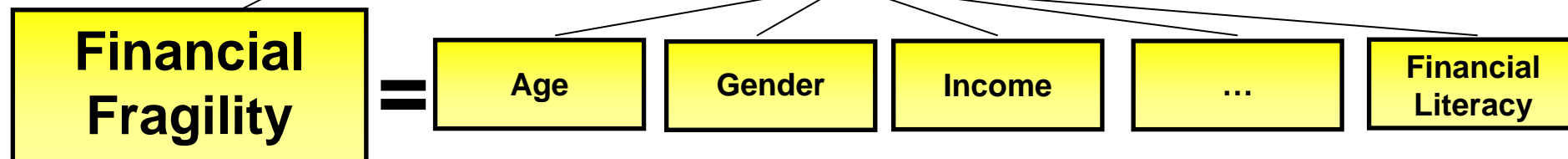


ICCR 2016

Regression models...

Methodology

$$y = \beta_0 + \beta_1 x_1 + \beta_2 x_2 + \dots + \beta_n x_n + \varepsilon$$



Overindebtedness

(Debt-to-Income ratio > 5) → [0 | 1]

(Debt-to-Income ratio > 1) → [0 | 1]



Lack of “Emergency Funds”

(Savings < 3 months of living expenses) → [0 | 1]



Financial Hardship

(“Very difficult” to make ends meet) → [0 | 1]

(“Somewhat or Very difficult” to make ends meet) → [0 | 1]⁴⁵

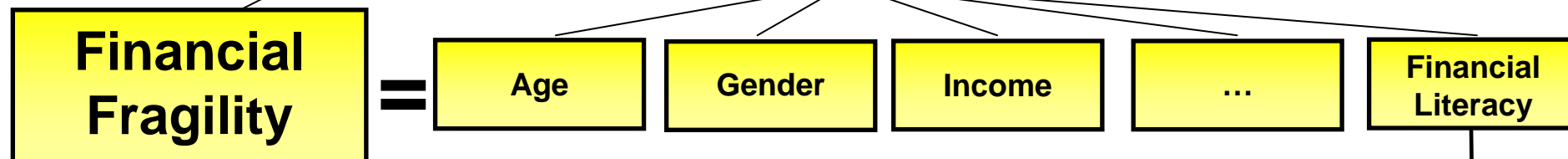


ICCR 2016

Regression models...

Methodology

$$y = \beta_0 + \beta_1 x_1 + \beta_2 x_2 + \dots + \beta_n x_n + \varepsilon$$



Debt literacy

(# of correct answer to 5 questions on debts)

[0 | 1 | 2 | 3 | 4 | 5]



Overall financial literacy

(# of correct answer to 50 questions on ten topics)

[0 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | ... | 49 | 50]



ICCR 2016

Results



Debt-to-Income ratio > 5



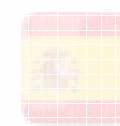
Debt-to-Income ratio > 1



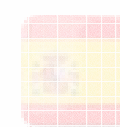
Savings < 3 months of living expenses



“Very difficult” to make ends meet



“Somewhat or Very difficult” to make ends meet





ICCR 2016



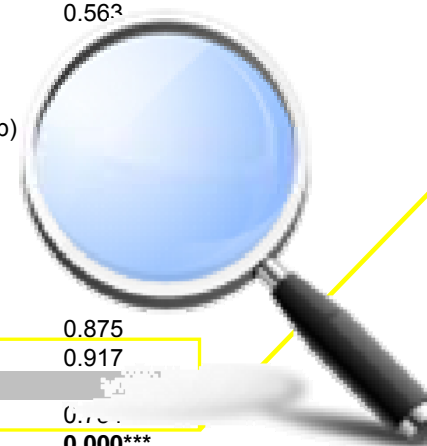
Results Debt-to-Income ratio > 5



Variables	Coeff.	P-value	Coeff.	P-value
Age1 (18-24)	(reference group)		(reference group)	
Age2 (25-30)	17.89103	0.000***	18.18503	0.000***
Age3 (31-35)	17.10558	0.000***	17.18409	0.000***
Age4 (36-40)	15.87727	0.000***	16.08929	0.000***
Age5 (41-45)	15.91571	0.000***	16.01514	0.000***
Age6 (46-50)	15.71548	0.000***	15.83764	0.000***
Age7 (51-55)	15.96158	0.000***	16.20606	0.000***
Age8 (56-60)	16.47328	0.000***	16.63072	0.000***
Age9 (61-65)				
Age10 (65+)	17.42767	0.000***	17.6292	0.000***
Male (1=yes)	.0647341	0.931	.0387864	0.959
Income1 (<500€)	(reference group)		(reference group)	
Income2 (500-749€)	.7437566	0.639	.7830863	0.619
Income3 (750-999€)	-.5462447	0.741	-.5479817	0.736
Income4 (1,000-1,499€)	.5364282	0.691	.4389829	0.738
Income5 (1,500-1,999€)	-2.033194	0.235	-1.975437	0.244
Income6 (2,000-2,999€)	-.6969927	0.646	-.6997372	0.638
Income7 (3,000-3,999€)				
Income8 (4,000€+)				

Mortgage (1=yes)	-.0848161	0.910	-.0776118	0.917
FinLit_Debts	.2500638	0.299		
FinLit_Total			.0137449	0.754

Marital_ Single	(reference group)		(reference group)	
Marital_ Cohabitant	.143792	0.917	.266414	0.847
Marital_ Married	.5162901	0.595	.561452	0.563
Marital_ Separated				
Marital_ Divorced	.4495326	0.780	.485106	
Marital_ Widow				
Job_ Self employed	(reference group)		(reference group)	
Job_ Full time employee	2.034619	0.083*	1.915101	
Job_ Part time employee				
Job_ Housekeeper	1.518246	0.260	1.404805	
Job_ Full time student				
Job_ Permanent sick				
Job_ Unemployed				
Job_ Retired	-.2530314	0.869	-.2410343	0.875
Mortgage (1=yes)	-.0848161	0.910	-.0776118	0.917
FinLit_Debts	.2500638	0.299		
FinLit_Total			.0137449	0.754
Constant	-22.33123	0.000***	-22.48073	0.000***
# Obs.		266	# Obs.	266
Pseudo R2		0.1586	Pseudo R2	0.9263





ICCR 2016



Results *Debt-to-Income ratio > 5*



Variables	Coeff.	P-value	Coeff.	P-value
Age1 (18-24)	(reference group)		(reference group)	
Age2 (25-30)	2.192202	0.096 *	2.175197	0.098*
Age3 (31-35)	1.01545	0.549	1.044841	0.536
Age4 (36-40)	3.017445	0.036**	2.975317	0.039**
Age5 (41-45)	2.896753	0.045**	2.799163	0.052*
Age6 (46-50)	2.656356	0.077*	2.563919	0.088*
Age7 (51-55)	2.683917	0.077*	2.623039	0.084*
Age8 (56-60)	3.232676	0.035**	3.167823	0.038**
Age9 (61-65)	2.729694	0.101	2.712582	0.102
Age10 (65+)	6.21762	0.007**	6.205735	0.007**
Male (1=yes)	-.0558008	0.911	-.1008998	0.845
Income1 (<500€)	(reference group)		(reference group)	
Income2 (500-749€)	-1.677002	0.037**	-1.63088	0.041**
Income3 (750-999€)	-1.652224	0.077*	-1.624532	0.081*
Income4 (1,000-1,499€)	-2.420466	0.011**	-2.347969	0.012**
Income5 (1,500-1,999€)	-2.001371	0.028**	-1.913015	0.033**
Income6 (2,000-2,999€)	-2.535696	0.028	-2.4501	0.032**
Income7 (3,000-3,999€)	-1.886255	0.170	-1.848141	0.181
Income8 (4,000€+)				

Mortgage (1=yes)	-.2114247	0.699	-.2962346	0.579
FinLit_Debts	-.169496	0.397		
FinLit_Total			-.0108569	0.727

Marital_ Single	(reference group)		(reference group)	
Marital_ Cohabitant	.491052	0.401	.467512	0.423
Marital_ Married	-.0986072	0.883	-.1247639	0.853
Marital_ Separated	-.8263699	0.581	-.8320045	0.577
Marital_ Divorced	.8708582	0.444	.9787859	0.382
Marital_ Widow				
Job_ Self employed	(reference group)		(reference group)	
Job_ Full time employee	.2007492	0.883	.2207308	0.871
Job_ Part time employee	.387735	0.766	.3903746	0.765
Job_ Housekeeper	-.1343068	0.935	-.0925764	0.955
Job_ Full time student	.3743857	0.814	.3947318	0.804
Job_ Permanent sick	.8249576	0.539	.8930609	0.508
Job_ Unemployed	-.2307499	0.873	-.2250837	0.876
Job_ Retired	.8395435	0.571	.7907091	0.593
Mortgage (1=yes)	-.2114247	0.699	-.2962346	0.579
FinLit_Debts	-.169496	0.397		
FinLit_Total			-.0108569	0.727
Constant	-19.83443	0.000***	-20.02059	0.000***
# Obs.		492	# Obs.	492
Pseudo R2		0.3119	Pseudo R2	0.3373



ICCR 2016



Results → Debt-to-Income ratio > 1



Variables	Coeff.	P-value	Coeff.	P-value
Age1 (18-24)	(reference group)		(reference group)	
Age2 (25-30)	1.206203	0.373	1.394704	0.308
Age3 (31-35)	-.221535	0.850	-.1761713	0.880
Age4 (36-40)	.967399	0.369	1.060487	0.327
Age5 (41-45)	.7454376	0.504	.8292911	0.459
Age6 (46-50)	.9269399	0.398	1.075264	0.332
Age7 (51-55)	.2515371	0.824	.4298539	0.705
Age8 (56-60)	1.120826	0.325	1.258084	0.273
Age9 (61-65)	-.4721527	0.711	-.3333523	0.795
Age10 (65+)	1.535216	0.224	1.679314	0.188
Male (1=yes)	.2504252	0.521	.2924324	0.456
Income1 (<500€)	(reference group)		(reference group)	
Income2 (500-749€)	.4474007	0.632	.3553109	0.707
Income3 (750-999€)	-.6712901	0.463	-.7716038	0.403
Income4 (1,000-1,499€)	-.0621245	0.932	-.0867737	0.905
Income5 (1,500-1,999€)	-.1210983	0.873	-.1596828	0.834
Income6 (2,000-2,999€)	.0044635	0.996	.0253268	0.975
Income7 (3,000-3,999€)				
Income8 (4,000€+)				

Mortgage (1=yes)	1.559589	0.000***	1.591637	0.000***
FinLit_Debts	-.0783786	0.540		
FinLit_Total			-.03	0.180

Marital_ Single	(reference group)		(reference group)	
Marital_ Cohabitant	-.8209073	0.207	-.8012301	0.219
Marital_ Married	-.7757408	0.115	-.7675929	0.121
Marital_ Separated				
Marital_ Divorced	-1.493465	0.246	-1.591241	0.221
Marital_ Widow				
Job_ Self employed	(reference group)		(reference group)	
Job_ Full time employee	.6077399	0.244	.6388783	0.223
Job_ Part time employee				
Job_ Housekeeper	.8406583	0.176	.831914	0.181
Job_ Full time student	-.4392052	0.741	-.3753485	0.777
Job_ Permanent sick				
Job_ Unemployed				
Job_ Retired	-.0183081	0.983	.0053273	0.995
Mortgage (1=yes)	1.559589	0.000***	1.591637	0.000***
FinLit_Debts	-.0783786	0.540		
FinLit_Total			-.03	0.180
Constant	-17.82815	0.000***	-16.27722	0.000***
# Obs.		386	# Obs.	386
Pseudo R2		0.1411	Pseudo R2	0.0498



ICCR 2016



Results → *Debt-to-Income ratio > 1*



Variables	Coeff.	P-value	Coeff.	P-value
Age1 (18-24)	(reference group)		(reference group)	
Age2 (25-30)	1.147729	0.017**	1.253448	0.011**
Age3 (31-35)	.562403	0.341	.7495791	0.215
Age4 (36-40)	1.035189	0.085*	1.219123	0.048**
Age5 (41-45)	2.127252	0.000***	2.347298	0.000***
Age6 (46-50)	1.587413	0.007**	1.91548	0.002**
Age7 (51-55)	1.815669	0.002**	2.238803	0.000***
Age8 (56-60)	1.516307	0.020**	1.909877	0.005**
Age9 (61-65)	2.037971	0.004**	2.382707	0.000***
Age10 (65+)	4.267746	0.010**	4.443493	0.006**
Male (1=yes)	.2246397	0.345	.4738859	0.058*
Income1 (<500€)	(reference group)		(reference group)	
Income2 (500-749€)	-.3203709	0.454	-.3205098	0.456
Income3 (750-999€)	-.5158545	0.301	-.5871923	0.242
Income4 (1,000-1,499€)	-1.242753	0.012**	-1.242144	0.012**
Income5 (1,500-1,999€)	-.8619093	0.093*	-.9480174	0.066*
Income6 (2,000-2,999€)	-.8346874	0.148	-.8676998	0.135
Income7 (3,000-3,999€)	-.8701333	0.263	-.7205058	0.359
Income8 (4,000€+)	-1.994173	0.031**	-1.930576	0.042**

Mortgage (1=yes)	-.2584171	0.349	-.2549776	0.360
FinLit_Debts	-.4506562	0.000***		
FinLit_Total			-.0870792	0.000***

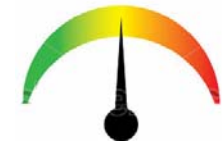
Marital_ Single	(reference group)		(reference group)	
Marital_ Cohabitant	.047115	0.871	.0567334	0.847
Marital_ Married	-.0112957	0.971	-.0621821	0.096*
Marital_ Separated	-1.642736	0.070*	-1.523699	0.622
Marital_ Divorced	-.0015021	0.998	.3331274	0.297
Marital_ Widow				
Job_ Self employed	(reference group)		(reference group)	
Job_ Full time employee	.7462667	0.288	.7379877	0.438
Job_ Part time employee	.6317694	0.392	.5786639	0.925
Job_ Housekeeper	.1667762	0.870	-.097862	0.192
Job_ Full time student	.8540965	0.292	1.079012	0.432
Job_ Permanent sick	.829953	0.284	.6209221	0.406
Job_ Unemployed	.7474952	0.332	.6489179	0.826
Job_ Retired	.0011447	0.999	-.2008206	0.360
Mortgage (1=yes)	-.2584171	0.349	-.2549776	0.360
FinLit_Debts	-.4506562	0.000***		
FinLit_Total			-.0870792	0.000***
Constant	-19.13492	0.000***	-18.33845	0.000***
# Obs.	515		# Obs.	515
Pseudo R2	0.1076		Pseudo R2	0.1293



ICCR 2016



Results Debt-to-Income ratio > 1



Variables	Coeff.	P-value	Coeff.	P-value
Age1 (18-24)	(reference group)		(reference group)	
Age2 (25-30)				
Age3 (31-35)	-70.97876	0.994	-75.06098	0.996
Age4 (36-40)	-70.94454	0.994	-74.4467	0.996
Age5 (41-45)				
Age6 (46-50)	-71.55054	0.994	-75.20244	0.996
Age7 (51-55)	-68.76356	0.994	-72.17262	0.996
Age8 (56-60)	-85.92593	1.000	-90.97906	.
Age9 (61-65)				
Age10 (65+)	-123.59	1.000	-141.5302	0.992
Male (1=yes)	3.063863	0.118	3.644194	0.082
Income1 (<500€)	(reference group)		(reference group)	
Income2 (500-749€)				
Income3 (750-999€)				
Income4 (1,000-1,499€)	-36.71903	0.995	-39.21553	0.997
Income5 (1,500-1,999€)	-3.023646	0.169	-3.743349	0.097
Income6 (2,000-2,999€)	-4.284555	0.130	-4.840519	0.088
Income7 (3,000-3,999€)	-22.5864	.	-34.5037	.
Income8 (4,000€+)				

Mortgage (1=yes)	.329425	0.830	1.086392	0.502
FinLit_Debts	-.7731065	0.290		
FinLit_Total			-.1480272	0.132

Marital_ Single	(reference group)		(reference group)	
Marital_ Cohabitant	-.3206026	0.871	.1439951	0.947
Marital_ Married	-1.154399	0.558	-.6804742	0.737
Marital_ Separated				
Marital_ Divorced				
Marital_ Widow				
Job_ Self employed	(reference group)		(reference group)	
Job_ Full time employee	-.7695039	0.705	.3159991	0.849
Job_ Part time employee				
Job_ Housekeeper				
Job_ Full time student				
Job_ Permanent sick				
Job_ Unemployed	-19.86293	0.997	-19.19112	0.997
Job_ Retired	51.79153	1.000	66.44717	.
Mortgage (1=yes)	.329425	0.830	1.086392	0.502
FinLit_Debts	-.7731065	0.290		
FinLit_Total			-.1480272	0.132
Constant	75.191	0.993	80.00796	0.995
# Obs.		65	# Obs.	65
Pseudo R2		0.5333	Pseudo R2	0.5555



ICCR 2016



Results Savings < 3 months of living expenses



Variables	Coeff.	P-value	Coeff.	P-value
Age1 (18-24)	(reference group)		(reference group)	
Age2 (25-30)	-.1601477	0.846	-.0771656	0.926
Age3 (31-35)	-.5782601	0.304	-.5960965	0.293
Age4 (36-40)	-.0368695	0.957	-.0302764	0.965
Age5 (41-45)	-.0078556	0.990	.0429439	0.948
Age6 (46-50)	.5272629	0.428	.7740818	0.254
Age7 (51-55)	1.166363	0.091	1.325978	0.059
Age8 (56-60)	-.0478839	0.945	.0793005	0.910
Age9 (61-65)	-.6638392	0.340	-.4710168	0.506
Age10 (65+)	-.3000792	0.707	-.1780034	0.826
Male (1=yes)	.5377828	0.043	.7195061	0.009
Income1 (<500€)	(reference group)		(reference group)	
Income2 (500-749€)	.458382	0.454	.3559398	0.561
Income3 (750-999€)	1.411022	0.790	.0238048	0.965

Mortgage (1=yes)	-.3426659	0.359	-.389132	0.301
Debt1(No-debts)	(reference group)		(reference group)	
Debt2(<3 times monthly income)	.1346882	0.772	.2129204	0.646
Debt3(3-to-6 times monthly income)	1.238204	0.023	1.447136	0.009**
Debt4(6-to-12 times monthly income)	-.370543	0.295	-.2878076	0.423
Debt5(1-to-5 times Annual income)				
Debt6(>5 times Annual income)	1.409426	0.037	1.506232	0.029**
FinLit_Debts	-.3398999	0.000***		
FinLit_Total			-.0841047	0.000***

Job_ Self employed	(reference group)		(reference group)	
Job_ Full time employee	.1276502	0.736	.1303114	0.733
Job_ Part time employee	-.4901455	0.324	-.520503	0.303
Job_ Housekeeper	.4638591	0.295	.3546619	0.433
Job_ Full time student	.7368118	0.252	.7470387	0.249
Job_ Permanent sick	.1761286	0.912	.4384666	0.785
Job_ Unemployed				
Job_ Retired	.1130684	0.847	.1641164	0.783
Mortgage (1=yes)	-.3426659	0.359	-.389132	0.301
Debt1(No-debts)	(reference group)		(reference group)	
Debt2(<3 times monthly income)	.1346882	0.772	.2129204	0.646
Debt3(3-to-6 times monthly income)	1.238204	0.023	1.447136	0.009**
Debt4(6-to-12 times monthly income)	-.370543	0.295	-.2878076	0.423
Debt5(1-to-5 times Annual income)				
Debt6(>5 times Annual income)	1.409426	0.037	1.506232	0.029**
FinLit_Debts	-.3398999	0.000***		
FinLit_Total			-.0841047	0.000***
Constant	1.326154	0.653	3.213374	0.377
# Obs.	431		# Obs.	431
Pseudo R2	0.2007		Pseudo R2	0.2190



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Results Savings < 3 months of living expenses



Variables	Coeff.	P-value	Coeff.	P-value
Age1 (18-24)	(reference group)		(reference group)	
Age2 (25-30)	.1084993	0.824	.1206463	0.801
Age3 (31-35)	.6344315	0.245	.7164174	0.184
Age4 (36-40)	.2448851	0.665	.2362951	0.673
Age5 (41-45)	-.3420711	0.560	-.3570145	0.538
Age6 (46-50)	.1894933	0.742	.2341511	0.681
Age7 (51-55)	.4919192	0.400	.6216581	0.283
Age8 (56-60)	-.3201987	0.626	-.2413823	0.712
Age9 (61-65)	.1645937	0.819	.2326994	0.744
Age10 (65+)	-1.702933	0.415	-1.492433	0.419
Male (1=yes)	-.2964172	0.238	-.1384175	0.593
Income1 (<500€)	(reference group)		(reference group)	
Income2 (500-749€)	-.1456393	0.768	-.1023249	0.833
Income3 (750-999€)	-.9668995	0.071*	-.9937564	0.060

Mortgage (1=yes)	-.2175366	0.438	-.2864907	0.299
Debt1(No-debts)	(reference group)		(reference group)	
Debt2(<3 times monthly income)	1.162935	0.000***	1.181588	0.000***
Debt3(3-to-6 times monthly income)	.1556898	0.715	.0931631	0.827
Debt4(6-to-12 times monthly income)	2.35004	0.000***	2.27146	0.000***
Debt5(1-to-5 times Annual income)	1.240243	0.003**	1.144034	0.005**
Debt6(>5 times Annual income)	1.61593	0.002**	1.651661	0.002**
FinLit_Debts	-.4368854	0.000***		
FinLit_Total			-.0566636	0.000***

Job_ Self employed	(reference group)		(reference group)	
Job_ Full time employee	.995352	0.148	.9189835	0.175
Job_ Part time employee	1.23069	0.088*	1.100077	0.121
Job_ Housekeeper	1.564944	0.151	1.316075	0.219
Job_ Full time student	.0884032	0.914	.0861457	0.915
Job_ Permanent sick	1.26765	0.106	1.18524	0.127
Job_ Unemployed	1.465649	0.063*	1.355999	0.079*
Job_ Retired	.4921852	0.576	.2508914	0.773
Mortgage (1=yes)	-.2175366	0.438	-.2864907	0.299
Debt1(No-debts)	(reference group)		(reference group)	
Debt2(<3 times monthly income)	1.162935	0.000***	1.181588	0.000***
Debt3(3-to-6 times monthly income)	.1556898	0.715	.0931631	0.827
Debt4(6-to-12 times monthly income)	2.35004	0.000***	2.27146	0.000***
Debt5(1-to-5 times Annual income)	1.240243	0.003**	1.144034	0.005**
Debt6(>5 times Annual income)	1.61593	0.002**	1.651661	0.002**
FinLit_Debts	-.4368854	0.000***		
FinLit_Total			-.0566636	0.000***
Constant	-.1770438		-.4680411	
# Obs.	458		458	
Pseudo R2	0.2365		Pseudo R2	0.2242



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Results Savings < 3 months of living expenses



Variables	Coeff.	P-value	Coeff.	P-value
Age1 (18-24)	(reference group)		(reference group)	
Age2 (25-30)	18.03091	0.000***	15.60668	0.006**
Age3 (31-35)	16.48615	0.000***	7.157809	0.067
Age4 (36-40)	18.49007	0.000***	11.8575	0.001**
Age5 (41-45)	17.14814	0.000***	4.974092	0.214
Age6 (46-50)	16.01315	0.000***	8.738468	0.000***
Age7 (51-55)	19.67107	0.000***	10.97821	0.001**
Age8 (56-60)	14.95913	0.000***	2.718552	0.497
Age9 (61-65)	-20.34127	0.000***	-25.96716	0.000***
Age10 (65+)				
Male (1=yes)	-.1368879	0.909	3.579924	0.107
Income1 (<500€)	(reference group)		(reference group)	
Income2 (500-749€)				
Income3 (750-999€)	-51.90553	0.000***	-35.48818	0.000***

Mortgage (1=yes)	-.3078936	0.800	3.591723	0.110
Debt1(No-debts)	(reference group)		(reference group)	
Debt2(<3 times monthly income)	.2150296	0.845	.1833045	0.913
Debt3(3-to-6 times monthly income)				
Debt4(6-to-12 times monthly income)				
Debt5(1-to-5 times Annual income)				
Debt6(>5 times Annual income)	.4552589	0.816	-2.184837	0.559
FinLit_Debts	-.0323635	0.939		
FinLit_Total			-.6066094	0.022**

Job_ Self employed	(reference group)		(reference group)	
Job_ Full time employee	.8944669	0.519	5.42998	0.162
Job_ Part time employee	4.37341	0.107	6.2458	0.163
Job_ Housekeeper				
Job_ Full time student				
Job_ Permanent sick				
Job_ Unemployed	3.378506	0.237	11.41262	0.075
Job_ Retired	20.02845	0.000***	16.0907	0.003**
Mortgage (1=yes)	-.3078936	0.800	3.591723	0.110
Debt1(No-debts)	(reference group)		(reference group)	
Debt2(<3 times monthly income)	.2150296	0.845	.1833045	0.913
Debt3(3-to-6 times monthly income)				
Debt4(6-to-12 times monthly income)				
Debt5(1-to-5 times Annual income)				
Debt6(>5 times Annual income)	.4552589	0.816	-2.184837	0.559
FinLit_Debts	-.0323635	0.939		
FinLit_Total			-.6066094	0.022**
Constant	31.78497	0.000***	15.61504	0.050*
# Obs.	83		83	
Pseudo R2	0.4216		0.5988	



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Results "Very difficult" to make ends meet



Variables	Coeff.	P-value	Coeff.	P-value
Age1 (18-24)	(reference group)		(reference group)	
Age2 (25-30)	3.693362	0.007**	3.87235	0.004**
Age3 (31-35)	.5965448	0.516	.6118043	0.503
Age4 (36-40)	2.20184	0.042**	2.226686	0.038**
Age5 (41-45)	2.389081	0.025**	2.376228	0.024**
Age6 (46-50)	2.334024	0.031**	2.358204	0.027**
Age7 (51-55)	2.425312	0.023**	2.503018	0.018**
Age8 (56-60)	2.049042	0.060*	2.149058	0.047*
Age9 (61-65)	2.197503	0.046**	2.360685	0.031**
Age10 (65+)	.652191	0.649	.7713022	0.586
Male (1=yes)	-.5278754	0.166	-.4191173	0.277
Income1 (<500€)	(reference group)		(reference group)	
Income2 (500-749€)	-.6658856	0.343	-.5771776	0.404
Income3 (750-999€)	-.4617591	0.443	-.5781093	0.335

Mortgage (1=yes)	.8127071	0.111	.776909	0.129
Debt1(No-debts)	(reference group)		(reference group)	
Debt2(<3 times monthly income)	-.8523651	0.231	-.8139193	0.253
Debt3(3-to-6 times monthly income)	1.175043	0.076*	1.161306	0.077*
Debt4(6-to-12 times monthly income)	-.1140957	0.822	-.052018	0.919
Debt5(1-to-5 times Annual income)				
Debt6(>5 times Annual income)	1.821638	0.017**	1.895616	0.012**
FinLit_Debts	.1497699	0.239		
FinLit_Total			-.0155736	0.507
PawnShop (1=yes)	1.189505	0.000***	1.201869	0.000***

Job_ Self-employed	(reference group)		(reference group)	
Job_ Full time employee	-.4123667	0.431	-.4215455	0.419
Job_ Part time employee	-.4330172	0.498	-.425957	0.505
Job_ Housekeeper	.5184212	0.338	.502909	0.348
Job_ Full time student	.5854799	0.550	.6056821	0.532
Job_ Permanent sick	2.038842	0.259	1.806556	0.308
Job_ Unemployed				
Job_ Retired	-2.079034	0.029**	-2.102024	0.029**
Mortgage (1=yes)	.8127071	0.111	.776909	0.129
Debt1(No-debts)	(reference group)		(reference group)	
Debt2(<3 times monthly income)	-.8523651	0.231	-.8139193	0.253
Debt3(3-to-6 times monthly income)	1.175043	0.076*	1.161306	0.077*
Debt4(6-to-12 times monthly income)	-.1140957	0.822	-.052018	0.919
Debt5(1-to-5 times Annual income)				
Debt6(>5 times Annual income)	1.821638	0.017**	1.895616	0.012**
FinLit_Debts	.1497699	0.239		
FinLit_Total			-.0155736	0.507
PawnShop (1=yes)	1.189505	0.000***	1.201869	0.000***
Constant	-2.372346	0.036**	-1.866497	0.160
# Obs.		378		378
Pseudo R2		0.2358		0.2332



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Results *“Very difficult” to make ends meet*



Variables	Coeff.	P-value	Coeff.	P-value
Age1 (18-24)	(reference group)		(reference group)	
Age2 (25-30)	-.531366	0.679	-.5117331	0.687
Age3 (31-35)	2.336801	0.055*	2.438653	0.049**
Age4 (36-40)	1.632676	0.181	1.690856	0.177
Age5 (41-45)	1.700668	0.207	1.856084	0.177
Age6 (46-50)	1.367812	0.279	1.521127	0.240
Age7 (51-55)	2.065983	0.087*	2.338479	0.060*
Age8 (56-60)	2.369242	0.053*	2.539077	0.043**
Age9 (61-65)	1.787355	0.189	1.933247	0.164
Age10 (65+)				
Male (1=yes)	-.127676	0.805	.1418569	0.794
Income1 (<500€)	(reference group)		(reference group)	
Income2 (500-749€)	1.43812	0.092*	1.472967	0.083*
Income3 (750-999€)	.9063199	0.312	.8447955	0.348

Mortgage (1=yes)	.0809117	0.887	.1505987	0.791
Debt1(No-debts)	(reference group)		(reference group)	
Debt2(<3 times monthly income)				
Debt3(3-to-6 times monthly income)	.6027248	0.481	.5869053	0.493
Debt4(6-to-12 times monthly income)	.7022701	0.441	.7828327	0.383
Debt5(1-to-5 times Annual income)	1.620023	0.013**	1.563328	0.017**
Debt6(>5 times Annual income)	1.145224	0.146	1.184934	0.136
FinLit_Debts	-.1842527	0.374		
FinLit_Total			-.0612875	0.065*
PawnShop (1=yes)	1.010284	0.234	.9231825	0.278

Job_ Full time employee	.6450922	0.657	.6419757	0.658
Job_ Part time employee	1.195107	0.398	1.224844	0.386
Job_ Housekeeper	.9313049	0.606	.7258865	0.690
Job_ Full time student	1.194657	0.487	1.447197	0.406
Job_ Permanent sick	.4215381	0.768	.3479939	0.810
Job_ Unemployed	-1.537209	0.328	-1.601261	0.314
Job_ Retired	-.3267425	0.838	-.5297321	0.744
Mortgage (1=yes)	.0809117	0.887	.1505987	0.791

Debt1(No-debts)	(reference group)		(reference group)	
Debt2(<3 times monthly income)				
Debt3(3-to-6 times monthly income)	.6027248	0.481	.5869053	0.493
Debt4(6-to-12 times monthly income)	.7022701	0.441	.7828327	0.383
Debt5(1-to-5 times Annual income)	1.620023	0.013**	1.563328	0.017**
Debt6(>5 times Annual income)	1.145224	0.146	1.184934	0.136
FinLit_Debts	-.1842527	0.374		
FinLit_Total			-.0612875	0.065*
PawnShop (1=yes)	1.010284	0.234	.9231825	0.278
Constant	.8430666	0.745	.9058271	0.725

Obs. 338 # Obs. 338
Pseudo R2 0.2840 Pseudo R2 0.2975



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Results



**"Somewhat or Very difficult"
to make ends meet**



Variables	Coeff.	P-value	Coeff.	P-value
Age1 (18-24)	(reference group)		(reference group)	
Age2 (25-30)	-.2211898	0.787	-.1491614	0.856
Age3 (31-35)	-.0674221	0.907	-.0784396	0.892
Age4 (36-40)	.6077644	0.380	.6304443	0.364
Age5 (41-45)	.2950593	0.661	.3230687	0.633
Age6 (46-50)	.1975214	0.769	.3185737	0.639
Age7 (51-55)	.8475689	0.220	.9398082	0.176
Age8 (56-60)	1.107196	0.125	1.240603	0.089*
Age9 (61-65)	.3581266	0.602	.5180415	0.455
Age10 (65+)	.6406509	0.427	.7480436	0.358
Male (1=yes)	.6105053	0.022	.7510428	0.007**
Income1 (<500€)	(reference group)		(reference group)	
Income2 (500-749€)	.7758073	0.308	.7176318	0.345
Income3 (750-999€)	.1318317	0.822	.0772349	0.896
Income4 (1,000-1,499€)	.8858188	0.055*	.8887358	0.040**

Mortgage (1=yes)	.6825373	0.073*	.6695257	0.080*
Debt1(No-debts)	(reference group)		(reference group)	
Debt2(<3 times monthly income)	.5511131	0.248	.6235453	0.198
Debt3(3-to-6 times monthly income)	.3073238	0.565	.4127808	0.442
Debt4(6-to-12 times monthly income)	.1435279	0.683	.2239049	0.529
Debt5(1-to-5 times Annual income)				
Debt6(>5 times Annual income)	1.655005	0.045**	1.713548	0.039**
FinLit_Debts	-.1673911	0.064*		
FinLit_Total			-.0506707	0.000***
PawnShop (1=yes)	.7841632	0.012**	.8068343	0.011**

Job_ Self employed	(reference group)		(reference group)	
Job_ Full time employee	-.6380928	0.102	-.6264357	0.109
Job_ Part time employee	-.8933058	0.083*	-.9003759	0.082*
Job_ Housekeeper	.1891959	0.689	.1543582	0.744
Job_ Full time student	-.4392759	0.505	-.4509025	0.495
Job_ Permanent sick				
Job_ Unemployed				
Job_ Retired	-.5704845	0.314	-.5166289	0.366
Mortgage (1=yes)	.6825373	0.073*	.6695257	0.080*
Debt1(No-debts)	(reference group)		(reference group)	
Debt2(<3 times monthly income)	.5511131	0.248	.6235453	0.198
Debt3(3-to-6 times monthly income)	.3073238	0.565	.4127808	0.442
Debt4(6-to-12 times monthly income)	.1435279	0.683	.2239049	0.529
Debt5(1-to-5 times Annual income)				
Debt6(>5 times Annual income)	1.655005	0.045**	1.713548	0.039**
FinLit_Debts	-.1673911	0.064*		
FinLit_Total			-.0506707	0.000***
PawnShop (1=yes)	.7841632	0.012**	.8068343	0.011**
Constant		-1.745.275		-1.545.466

# Obs.	435	# Obs.	435
Pseudo R2	0.2080	Pseudo R2	0.2181



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Results



**"Somewhat or Very difficult"
to make ends meet**



Variables	Coeff.	P-value	Coeff.	P-value
Age1 (18-24)	(reference group)		(reference group)	
Age2 (25-30)	.2454421	0.713	.2179656	0.744
Age3 (31-35)	1.370693	0.064**	1.368674	0.065*
Age4 (36-40)	.4256902	0.603	.4048318	0.621
Age5 (41-45)	.8583682	0.303	.7955034	0.338
Age6 (46-50)	.5422965	0.483	.5096585	0.512
Age7 (51-55)	.6227819	0.430	.6198795	0.435
Age8 (56-60)	1.14982	0.170	1.11811	0.184
Age9 (61-65)	.1563075	0.877	.1209116	0.905
Age10 (65+)				
Male (1=yes)	-.3914844	0.253	-.3831196	0.292
Income1 (<500€)	(reference group)		(reference group)	
Income2 (500-749€)	-.2240479	0.682	-.1631519	0.763
Income3 (750-999€)	-.7176515	0.237	-.6852723	0.257

Mortgage (1=yes)	-.3471536	0.365	-.3853694	0.310
Debt1(No-debts)	(reference group)		(reference group)	
Debt2(<3 times monthly income)	.4934217	0.352	.4950933	0.348
Debt3(3-to-6 times monthly income)	.4626717	0.480	.4112981	0.529
Debt4(6-to-12 times monthly income)	2.124431	0.000***	2.11971	0.000***
Debt5(1-to-5 times Annual income)	1.781092	0.000***	1.742293	0.000***
Debt6(>5 times Annual income)	2.045513	0.000***	2.045027	0.000***
FinLit_Debts	-.1093428	0.414		
FinLit_Total			-.0072048	0.743
PawnShop (1=yes)	1.110883	0.070*	1.12591	0.067*

Job_ Self-employed	(reference group)		(reference group)	
Job_ Full time employee	-.0169787	0.985	.0077086	0.993
Job_ Part time employee	.9145521	0.304	.9354543	0.295
Job_ Housekeeper	-.2796042	0.822	-.2309501	0.853
Job_ Full time student	-.9340302	0.380	-.9188803	0.391
Job_ Permanent sick	.1153267	0.902	.1341396	0.886
Job_ Unemployed	-.1784231	0.844	-.1641915	0.857
Job_ Retired	.3517837	0.748	.3032059	0.782
Mortgage (1=yes)	-.3471536	0.365	-.3853694	0.310
Debt1(No-debts)	(reference group)		(reference group)	
Debt2(<3 times monthly income)	.4934217	0.352	.4950933	0.348
Debt3(3-to-6 times monthly income)	.4626717	0.480	.4112981	0.529
Debt4(6-to-12 times monthly income)	2.124431	0.000***	2.11971	0.000***
Debt5(1-to-5 times Annual income)	1.781092	0.000***	1.742293	0.000***
Debt6(>5 times Annual income)	2.045513	0.000***	2.045027	0.000***
FinLit_Debts	-.1093428	0.414		
FinLit_Total			-.0072048	0.743
PawnShop (1=yes)	1.110883	0.070*	1.12591	0.067*
Constant	.2639054	0.889	.1182191	0.951
# Obs.		414		414
Pseudo R2		0.2706		0.2691



ICCR 2016

Exploring Consumers' Financial Fragility in Europe

Over-indebtedness, rainy days funds and the role of financial literacy

Conclusions

1

Indebtedness is growing (OECD)

...but still regards the minority of the population

2

Emergency funds is an issue

(In Italy and Sweden only 1 on 2 has emergency funds... 3 on 4 in Spain)

3

Difficulty to make ends meet

*(1 on 2 in Italy find "somewhat or very difficult" to make ends meet...
...1 on 6 in Sweden; 1 on 20 in Spain)*

4

Financially fragile individuals: not an easy-to-find subgroup

5

Differences between countries exist

6

Financial Literacy matters... *(but not always)*

... to avoid lack of emergency funds



... to not struggle to make ends meet



... to not being in debt





ICCR 2016

ICCR International Conference
on Consumer Research



**The 21st Century Consumer:
Vulnerable, Responsible, Transparent?**

September 26-27, 2016

Wissenschaftszentrum Bonn, Ahrstr. 45, 53175 Bonn
North Rhine-Westphalia, Germany

Exploring Consumers' Financial Fragility in Europe

Over-indebtedness, rainy days funds and the role of financial literacy

(Gianni Nicolini¹)

For more details on the research project visit the



Consumer Finance Research Center
(www.consumer-finance.org)



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