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Household Finance and Consumption Survey 2010

The debt service exceeds 40% of income for 13% of indebted households

The Inquérito à Situação Financeira das Famílias (ISFF) collected in 2010 is part of the European project *Household Finance and Consumption Survey* (HFCS), which aims to characterise in detail the households' finances in a comparable way across euro area countries. In Portugal, the survey is developed by Banco de Portugal and Statistics Portugal.

In accordance with the ISFF, the average net wealth of the 10% top income group is 7 times the wealth of the 20% bottom income group.

The survey outcomes indicate the supremacy of the non financial assets in households' assets (88%), when compared to the weight of the financial assets (12%). The value of the household main residence represents more than half of the value of the non financial assets, while savings accounts are the most important financial assets for the households, accounting for almost 60% of the financial wealth.

Almost 40% of households are indebted; 25% have loans that use the main residence as collateral.

The median of the ratio between the debt service and the monthly monetary income is 16% for the indebted households. For 13% of these households, the value of the ratio exceeds 40%, a value usually considered as critical. The ratio decreases with income class, being particularly high for indebted families in the bottom income group, with a value clearly exceeding 40%. However, the weight of these families in the population is very small.
