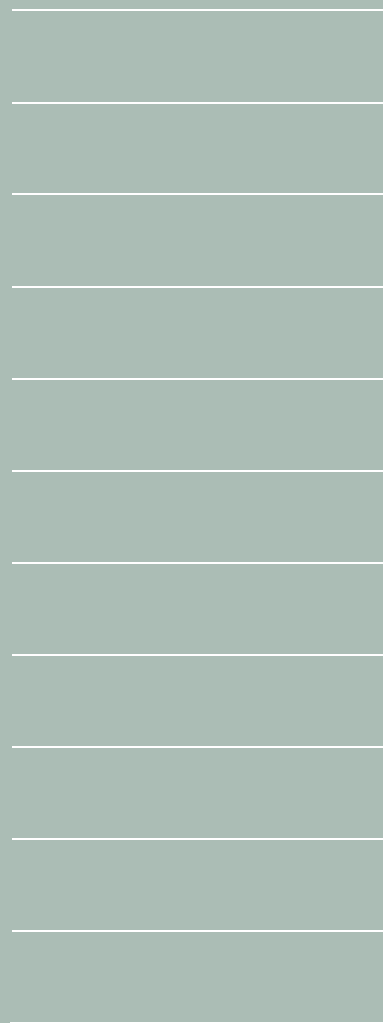




LIETUVOS BANKAS
EUROSISTEMA

REVIEW OF THE SURVEY OF HOUSEHOLDS

2016



REVIEW OF THE SURVEY OF HOUSEHOLDS 2016 / 1

The Survey of Households aims to define the saving and borrowing habits of households and the reasons for doing so, as well as find out how households assess their current financial situation. The Survey also includes questions related to the future expectations of households and their financial literacy.

In preparing the data for the Review, data from a Survey of Households, conducted on behalf of the Bank of Lithuania, was used.

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AIMS, METHODS AND PRINCIPLES OF THE SURVEY

The financial situation and behaviour of households¹ has a significant impact on the stability of the financial system of Lithuania. According to Bank of Lithuania data, in February 2016, loans to households extended by credit institutions operating in Lithuania amounted to 40.6 per cent of the entire portfolio of loans to Lithuanian residents issued by such institutions, while deposits — 60.5 per cent of all deposits of Lithuanian residents. In order to adequately assess the financial habits of households, the reasons for their formation, and assessment of the future, the Survey of Households is prepared bi-annually²; it is the basis for the Review of the Survey results.

The Review is comprised of four parts:

- the first part presents a summary of the data on household saving habits: reasons for saving, possibilities to save, saving means, and saving plans;
- the second part addresses financial liabilities of households: their types, reasons for borrowing, assessment of the liabilities burden, reasons for not implementing the liabilities, development of their terms and conditions, and the decision to borrow within the upcoming six months;
- the third part summarises the financial situation of households. Data on household income, their behaviour when lacking funds, and planning of income and expenses is presented;
- the fourth part analyses the assessment of households of their future: factors that raise concerns, information on how households assess housing price dynamics, actions in case of an increase in income, as well as summary results related to questions that measure financial literacy.

In the Survey, the terms 'respondent' and 'household' are synonymous. Lithuanian household members aged 18 or older that knew the most about the financial situation of the household were surveyed. Vilnius, Kaunas, Klaipėda, Šiauliai, and Panevėžys are referred to as large cities, other cities and regional centres — as other cities, whereas rural locations and farmsteads — as villages. The distribution of respondents by age, place of residence and household income is presented in Tables 1 and 2 below.

Table 1. Distribution of the surveyed respondents by age and place of residence
(percentages)

Age group	Place of residence			Total
	Large cities	Other cities	Villages	
18–29 y.	9.0	5.3	5.7	20.0
30–49 y.	13.4	9.0	10.0	32.5
50 y. or more	17.1	14.0	16.5	47.5
Total	39.5	28.3	32.2	100.0

Table 2. Distribution of the surveyed respondents by household income

Household income, EUR	Distribution, %
Less than 350	20.3
351–600	23.5
601–900	23.3
More than 900	21.9
Do not know, did not answer	11.0
Total	100.0

The Review was prepared
by the Economics and Financial Stability Service
of the Bank of Lithuania

¹ Household — an individual living separately or a group of individuals living together in one home, who share their expenditure and collectively procure the necessary means to live. Familial or marital relations among members of a household are not necessary.

² The Survey was conducted on behalf of the Bank of Lithuania and conducted by the public opinion and market research company UAB Baltijos tyrimai. The Survey was conducted in February–March 2016. 1,020 households were surveyed.

SUMMARY

- Every second household assess their current financial situation positively; however, over the half-year, the share of such households reduced by more than 6 p.p. The largest increase of those assessing their financial situation poorly was seen among households earning the lowest income (up to EUR 350 per month) (from 64.0 to 82.1%).
- When facing financial difficulties, households would firstly cut their expenses. When lacking funds, households showed a tendency to borrow from family or friends.
- Those planning their income and expenses accounted for somewhat more than three-fourths of the surveyed. Households earning higher income as well as households with at least one member with a higher education were more keen on doing so.
- Almost half of households manage to save, yet younger residents saved less in the previous half-year. The most-often saved amount remained EUR 31–150. Nine out of ten respondents that managed to save in the previous half-year stated that they intend to continue saving, while overall almost two out of three households expect to save. However, the share of households planning to save among those with low income reduced significantly. In addition, the Survey results show that a substantial share of households that intend to save part of their income end up not doing so.
- Conservative saving means — cash savings and an account with a credit institution — remained prevalent, and usually households saved to secure against a possible drop in income or to have sufficient funds for contingent expenses.
- Should their income increase by more than 20 per cent over the year, four out of ten households would save the majority of their funds, one out of five households would spend almost all of their additional income, whereas a third would save half of their additional income and spend the rest. Those earning average income tend to save their additional income, while those earning the lowest income — spend it.
- Having lost their main source of income and without having to borrow, 16.0 per cent of households would survive for less than a week, 27.5 per cent — no more than a month, while every fifth respondent (21.3%) — no longer than three months.
- Even though almost half of respondents continue to assess their financial liabilities as a heavy burden, the share of households that were unable to fulfil their financial liabilities in due time reduced. From those that plan to borrow money (from a bank, other credit institutions, family, friends, etc.) in the upcoming half-year, the majority intend to use funds borrowed to cover living expenses, acquire housing or carry out repairs, slightly less households — to acquire consumer goods or a car.
- According to households, rising food prices will raise major concerns in the upcoming six months. The increase in utility prices will agitate an increasingly smaller share of respondents.
- Slightly less than every second household believes that in the upcoming 12 months housing prices will rise. 9.4 per cent of the surveyed households indicated a potential rise in prices, whereas one out of four households expect that housing prices will remain unchanged.
- The Survey results show that a large share of households find basic financial literacy questions difficult. Approximately half of the respondents did not answer the question related to the impact of inflation on funds accumulated, while more than 60 per cent of the surveyed households were unable to compare the terms and conditions of two loans that differed only in the level of interest rates and the size of the administrative fee. A similar share of households did not know or indicated incorrectly the approximate amount recovered from a EUR 100 deposit of an indicated term and bearing indicated interest rates. Only every sixth household answered all questions that measure financial literacy correctly.

SUMMARY OF THE SURVEY RESULTS

1. Household saving habits

Almost half of households have managed to save. Compared to the results of the previous Survey, the share of households that save increased by 1.5 p.p., amounting to 47.0 per cent. Households, the most-earning member of which is middle-aged (30–49 y.), were most successful in saving, whereas households with younger most-earning members (18–29 y.) were least successful (52.3 and 36.8% respectively). Most often households saved from EUR 31 to EUR 150 (47% of all households that saved), while a fourth of households managed to save more than EUR 150 per month (see Table 1 of the Annex and Chart 1). The shares of households that managed to save among households with loans and those that did not have any loans were similar (47.8 and 46.8% respectively) (see Table 2 of the Annex).³

In terms of saving, households remain optimistic — the majority of the surveyed that manage to save intend to do so in the future as well. Nine out of ten respondents that managed to save in the previous half-year stated that they intend to continue saving, while overall almost two out of three households expect to save (62.4%) (see Table 3 of the Annex). As in the previous half-year, usually households with a higher income (from EUR 900 per month) planned to save (82.1%). The share of those intending to save among households that earn a low income (up to EUR 350 per month) reduced by almost 12 p.p. (to 33.8%) (see Table 4 of the Annex). Nonetheless, the Survey results show that many households that expect to save end up not doing so — even though in the previous Survey the share of those intending to save accounted for more than 60 per cent, only 47 per cent actually managed to do so.

As in previous Surveys, households often stated that they do not save for a specific purpose but to secure against a possible drop in income or have sufficient funds for contingent expenses (see Chart 2 and Table 5 of the Annex). The share of households that save due to these reasons accounted for 59.3 and 48.2 per cent respectively. The share of those saving for contingent expenses contracted by 8.7 p.p., whereas the share of households wishing to secure against a possible drop in income grew by 7.7 p.p. As a reason for saving, possible deterioration of the financial situation was mostly (65.1%) mentioned by residents aged 50 and older. Every third household (32.8%) stated that they save to attain long-term goals (e.g. their children’s education, retirement) — over the half-year the share of these households increased by 7.6 p.p. Most often, this reason served as an impetus for households, whose most-earning members were middle-aged (42.2%). The share of households that sought a return on their savings was the smallest (6.9%), even though, compared to results of the previous Survey, it increased somewhat (by 3.2 p.p.). Seeking to have sufficient funds for contingent expenses, households with the lowest income saved relatively less often (34.8%).

Conservative saving means — cash savings and an account with a credit institution — remained prevalent (see Chart 3 and Table 7 of the Annex). Two thirds of households that save (66.8%) accumulated financial assets on accounts or by holding deposits with credit institutions. A similar share (64.5%) accumulated financial assets in cash and held them at home. Households in villages were most keen on holding their cash savings at home (70.9%). Increasingly more households state that they intend to save by opting for life assurance or pension funds – compared to the previous

Chart 1. Distribution of households, the most-earning member of which belongs to an indicated age group, by average monthly-saved amount
(% of all households that managed to save within a respective age group)

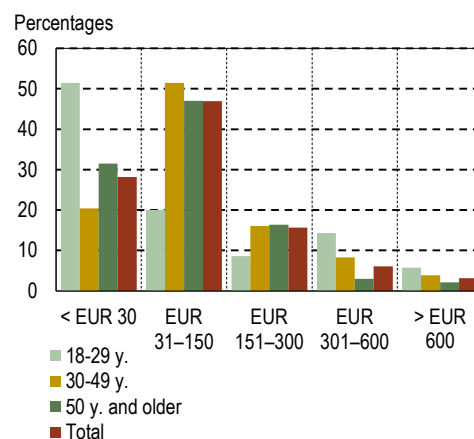
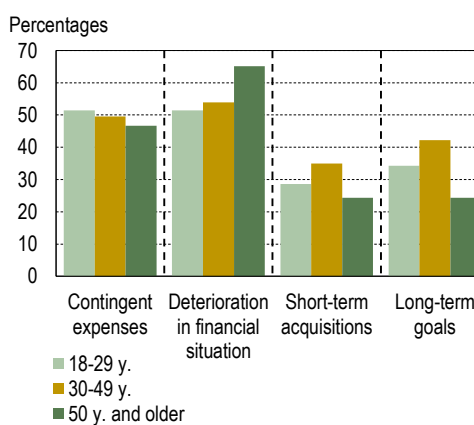
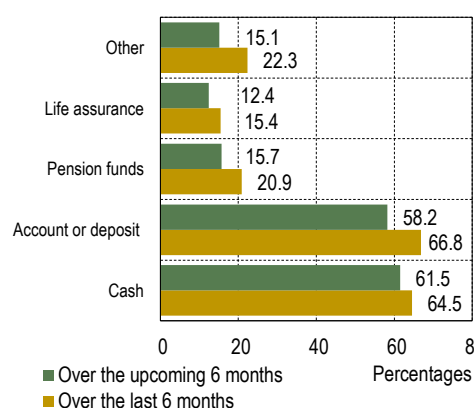


Chart 2. Distribution of households, the most-earning member of which belongs to an indicated age group, by reasons for saving
(% of all households that managed to save within a respective age group)



Note: one household may indicate several reasons.

Chart 3. Comparison of choices of saving means
(% of those who responded that they save or will save respectively)

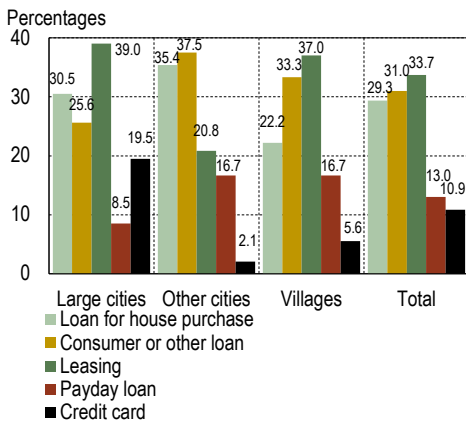


Note: one household may indicate several means.

³ Data of the Survey for the previous half-year mentioned in this and other paragraphs is available here: http://www.lb.lt/namu_ukiu_finansines_elgsenos_apklausa_apzvalga_2015_nr_2

Chart 4. Types of financial liabilities of households residing in an indicated area

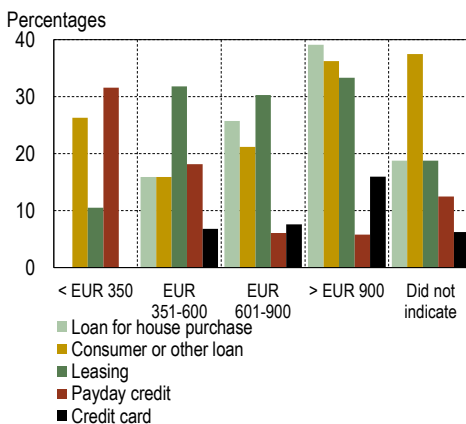
(% of those with financial liabilities in a respective area)



Note: households may indicate several types of financial liabilities.

Chart 5. Types of financial liabilities of households earning indicated income

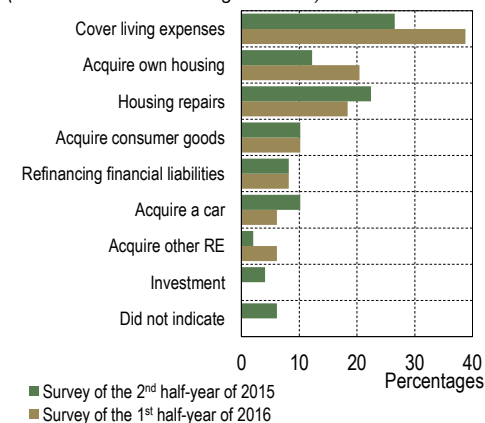
(% of those with financial liabilities within a respective income group)



Note: households may indicate several types of financial liabilities.

Chart 6. Purposes for intended household borrowing

(% of households intending to borrow)



Note: one household may indicate several reasons.

Survey, the share of such households rose by 14.3 and 4.5 p.p. respectively.

2. Household borrowing habits

The share of households with financial liabilities grew somewhat — more than every sixth (18.0%) household that participated in the Survey indicated having financial liabilities (see Table 8 of the Annex). As in the previous Survey, most often households used the services of leasing companies (33.7%), as well as borrowed for consumer spending (31.0%) and house purchase (29.3%) (see Chart 4). The share of those that indicated having payday loans contracted (from 18.8 to 13.0%). Among households with the largest income (more than EUR 900 per month), the most popular liability was a housing loan (40.3%), whereas consumer loans and payday loans were most often issued to households earning the smallest income (up to EUR 350 per month) — 41.7 and 50.0 per cent respectively (see Chart 5).

Almost half of households continue to claim that financial liabilities are a heavy burden for them (see Table 9 of the Annex). In total, 48.4 per cent of households saw their financial liabilities as a great burden. Moreover, the majority of them (87.6%) did not expect this situation to change in the future (see Table 10 of the Annex). Mostly (93.3%) financial liabilities were a burden for those households that had payday loans — compared to the previous Survey, this share increased by 9.4 p.p. (see Table 11 of the Annex). Even though the financial liability burden was felt more by households earning low income (up to EUR 350 per month) (91.7%), their share reduced by slightly more than 8 p.p., while among households with the largest income (more than EUR 900 per month) this share increased (from 28.8 to 37.3%) (see Table 12 of the Annex).

There were fewer households that were not able to meet financial liabilities on due time. The share of such households reduced by 4.5 p.p., amounting to 17.9 per cent (see Table 13 of the Annex). This time households unable to discharge their financial liabilities on time were those earning EUR 351–600 (44.4% of all households earning such an income and having financial liabilities). As in the previous Survey, the main reason for default in liabilities was the increased cost of living (63.6%) (see Table 14 of the Annex).

The share of households intending to borrow (from a bank, other credit institutions, family, friends, etc.) over the upcoming half-year remained basically unchanged (it reduced from 4.9 to 4.4%). More than one out of three (38.8%) households intend to use the funds borrowed to cover living expenses (see Table 15 of the Annex and Chart 6), one out of five (20.4%) — for acquisition of own housing, 18.4 per cent of households — for home improvement or repair works, while 10.2 per cent — for acquisition of other durable consumer goods (e.g. domestic appliances). The share of those intending to borrow for acquisition of own housing or other real estate grew rapidly (8.2 and 4.1 p.p. respectively).

Favourable lending conditions and low service fees continue to be the major criteria in choosing a credit institution that would grant a loan.

Respectively, 91.8 and 84.8 per cent of the surveyed who had financial liabilities indicated that these are important factors (see Table 17 of the Annex). Households saw their personal relations with a credit institution (41.8% of those with financial liabilities) and the speed of decision-making (48.4%) as the least important criteria. The importance of their friends and family members' experience increased the most (from 57.1 to 71.7%).

3. Household assessment of their financial situation

Households assessed their family's financial situation more poorly — the situation was deteriorating most rapidly among households earning lowest income and those that are not in large cities. Overall, more than every second household (58.6%) assessed their family's financial situation as good or average — over the half-year this share reduced by more than 6 p.p. (see Chart 7). Compared to the previous Survey, the share of those that assessed their financial situation as poor increased the most among households earning up to EUR 350 per month (from 64.0 to 82.1%) (see Tables 18 and 19).

In terms of the composition of households' income, no considerable changes were observed — wages remain one of the major income sources for two-thirds of the surveyed households (see Chart 8 and Table 20 of the Annex). In addition, more than every third household indicated their pension as a source of income (32.8% of the surveyed), while 15.0 per cent of the households — scholarships, parental support, benefits and other social payments. A significantly smaller share of respondents received income from additional sources: individual activities, remittances from abroad, dividends (4.6, 3.6 and 1.5% respectively).

Household expectations about the income and expenses developments have been gradually changing — the share of those believing that expenses will increase in the upcoming half-year reduced, whereas slightly less than three out of four households expect that income will remain unchanged (see Chart 9 and Tables 21 and 22 of the Annex). 34.3 per cent of households believed that expenditure would increase in the upcoming six months (compared to 43.5% in the last half-year). Slightly more than 70 per cent of the respondents expect that income will remain unchanged.

Increasingly more households listed cutting their expenditure as the first measure that they would take when lacking income; the significance of borrowing from banks and using a credit card has been diminishing (see Table 23 of the Annex). The share of households that listed cutting their expenditure as the first measure that they would take in case of a shortage of income increased by almost 9 p.p. (to 44.3%); almost every fifth respondent (19.2%) would borrow from relatives. Even though there were fewer households that in such case would firstly use their savings (the share decreased from 20.5 to 11.5%), there were increasingly more of those that attached the least importance to borrowing from banks (34.7%) or using a credit card (19.6%).

More than three quarters of households plan their income and expenses.⁴ Even though households earning higher income as well as households whose the most-earning member has a higher education were more likely to plan their income (84.8 and 84.6% respectively) (see Tables 24, 25 and 26 of the Annex), more than 70 per cent of households with the lowest income also claim to be planning their income and expenses. In taking decisions related to financial issues, households mostly rely on their personal experience (91.6%) and their acquaintances' advice (75.7%).

⁴ During this Survey, the question was reformulated. Previously the question was as follows: "Do you/your household plan the most significant earnings and expenses for the upcoming six months?", while in this Survey the question is more general, i.e. "Do you/your household plan your income and expenses?"

Chart 7. Share of households earning indicated income that assess their financial situation as good or average (% of total surveyed earning indicated income)

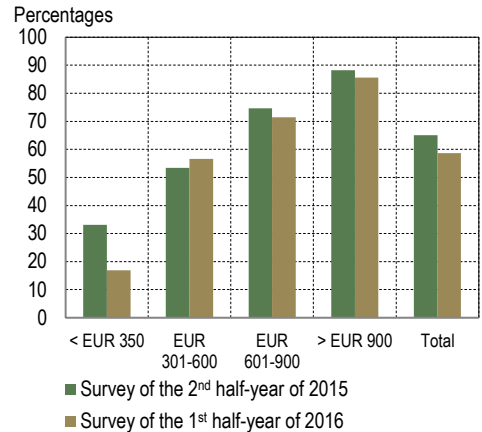
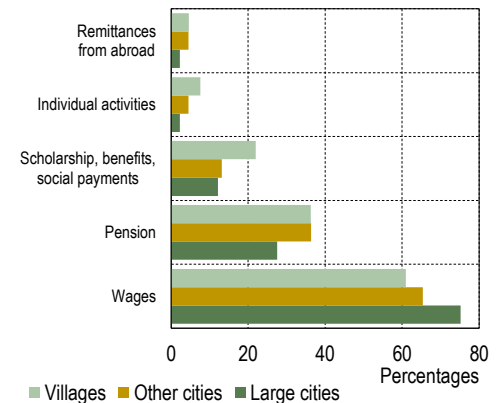


Chart 8. Source of income of households residing in an indicated area (% of total surveyed within a respective area)



Note: one household may indicate several sources.

Chart 9. Assessment of changes in income and expenses over the upcoming six months (comparison of Q2 2015 and Q1 2016 survey results; % of total surveyed)

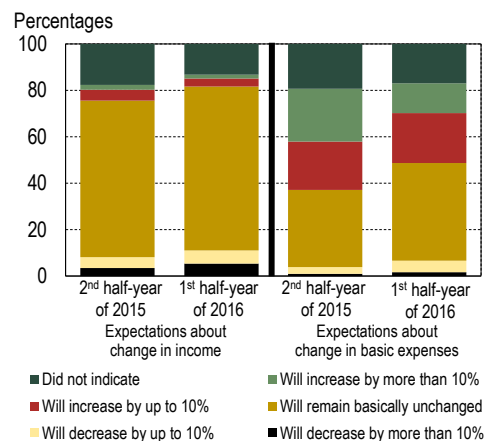


Chart 10. Factors important for taking financial decisions
(% of total surveyed)

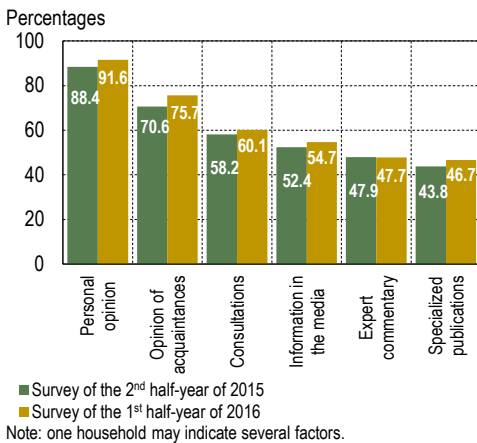


Chart 11. Factors to raise major concerns for households over the upcoming six months
(% of total surveyed)

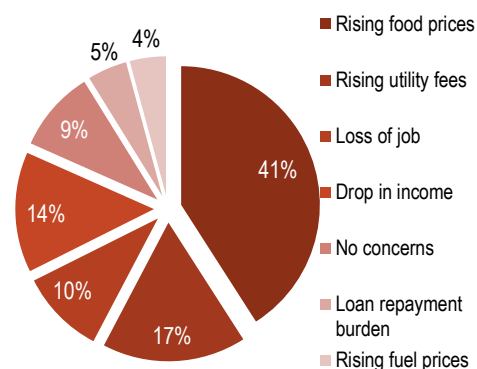
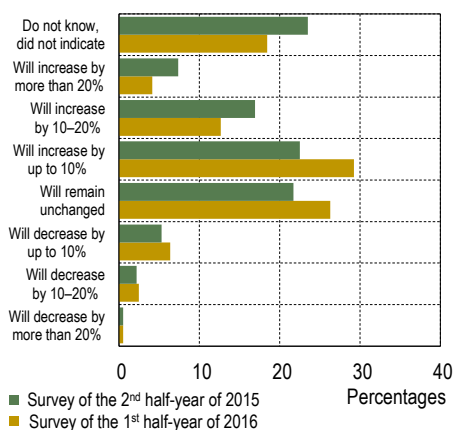


Chart 12. Expectations about housing price dynamics over the next 12 months
(% of total surveyed)



4. Household assessment of the future

In the nearest half-year more households will be mostly concerned about the increase in food prices (see Chart 11 and Table 27 of the Annex). 40.9 per cent of the surveyed households, or 9.3 p.p. more compared to the previous Survey, identified this factor as the most important. As in the previous Survey, the potentially rising food prices raised the most concerns for households with one member (49.8%). The importance of rising utility prices is diminishing — compared to the previous half-year, 14 p.p. less households indicated it as an unsettling factor. This was mostly indicated by residents living in large cities (18.9%) and households with one member (23.4%).

Approximately half of the surveyed households continue to expect a rise in housing prices in the upcoming 12 months (see Chart 12 and Table 28). Almost 46.0 per cent of households expect a rise in housing prices, while 9.4 per cent presume that prices will drop. The share of those believing that housing prices will rise up to 10 per cent increased more rapidly (from 22.5 to 29.2%). There were 7.6 p.p. less respondents believing that the prices might rise by 10 or more per cent (16.7%).

Should their income increase by more than 20 per cent over the year, four out of ten households would save the majority of their funds, one out of five households would spend almost all of their additional income, whereas a third would save half of their additional income and spend the rest (see Table 29). Those earning average income tend to save their additional income, while those earning the least — spend it (31.9%). Having lost their main source of income and without having to borrow, 16.0 per cent of households would survive for less than a week, 27.5 per cent — no more than a month, while every fifth respondent (21.3%) — no longer than three months (see Table 30).

Only every sixth household answered correctly all questions that measure financial literacy (16.2%). Respondents were given three questions relating to: 1) the calculation of interest on deposit, 2) the impact of inflation on funds accumulated, and 3) comparison of terms and conditions for loans (see Tables 31 and 32 of the Annex). Only a small share of respondents were able to adequately compare the terms and conditions for two loans: households were presented with two loans that differed only in terms of the interest rate level and the size of the administrative fee; they had to indicate which loan is less costly. Only slightly more than every third respondent (36.8%) provided a correct answer to this question. When asked how many goods they would be able to buy with deposited money after a year (more, less, or same as at the present moment), when the annual inflation rate is two times higher than the interest rates on the deposit, every second surveyed household (52.7%) answered correctly. Less than four out of ten households (38.2%) provided a correct answer to the question related to the calculation of interest rates on deposit. In this case, respondents had to indicate how much money they would get back from a 5-year EUR 100 deposit with a 2 per cent annual interest rate — more than EUR 102, EUR 102, or less than EUR 102.

ANNEX

*Table 1. Distribution of households, the most-earning member of which belongs to an indicated age group, by average amount saved per month over the last six months
(% of total surveyed within a respective group)*

Average amount saved per month	18–29 y.	30–49 y.	50 y. and older	All target groups
Do not save anything	51.6	32.7	46.9	41.9
Unspecified	11.6	15.0	8.3	11.1
Share of those who save	36.8	52.3	44.8	47.0
<i>less than EUR 30</i>	51.4	20.4	31.5	28.2
<i>EUR 31–150</i>	20.0	51.5	47.1	47.0
<i>EUR 151–300</i>	8.6	16.0	16.4	15.7
<i>EUR 301–600</i>	14.3	8.3	2.9	6.1
<i>more than EUR 600</i>	5.7	3.8	2.1	3.0
<i>Total</i>	100.0	100.0	100.0	100.0
Total	100.0	100.0	100.0	100.0

*Table 2. Distribution of households with and without financial liabilities by whether they managed to save over the last six months
(% of total surveyed within a respective group)*

Household savings	Have liabilities	Have no liabilities	Total
Save	47.8	46.8	47.0
Save nothing	45.7	41.0	41.9
Do not know, did not indicate	6.5	12.2	11.1
Total	100.0	100.0	100.0

*Table 3. Distribution of households within a respective group in terms of saving in the last six months by choice to save in the upcoming six months
(% of total surveyed within a respective group)*

Will aim to save within the upcoming six months	Household saved over the last six months			Total
	Yes	No	Do not know or did not indicate	
Yes	91.4	30.9	57.9	62.4
No	3.8	47.5	5.3	22.3
Do not know, did not indicate	4.8	21.6	36.8	15.3
Total	100.0	100.0	100.0	100.0

*Table 4. Distribution of households within a group of indicated-size income by the choice to save in the upcoming six months
(% of total surveyed within a respective group)*

Monthly household income, EUR	Household will seek to save in the upcoming six months			
	Yes	No	Do not know or did not indicate	Total
Less than 350	33.8	50.7	15.5	100.0
351–600	64.2	18.3	17.5	100.0
601–900	70.2	19.3	10.5	100.0
More than 900	82.1	7.2	10.7	100.0
Do not know, did not indicate	55.4	14.3	30.3	100.0
Total	62.4	22.3	15.3	100.0

Table 5. Households, the most-earning member of which belongs to an indicated age or income group by reason for saving (% of households within a respective group that have managed to save)

Reason for saving	Age groups			Monthly household income, EUR					All households
	18–29 y.	30–49 y.	50 y. and older	Less than 350	351–600	601–900	More than 900	Unspecified	
Wish to have enough money for contingent expenses	51.4	49.5	46.6	34.8	46.1	42.4	57.8	58.3	48.2
Planned acquisitions and other expenses in the future	28.6	35.0	24.4	32.6	20.3	25.8	37.3	41.7	29.2
Potential deterioration in financial situation in the future	51.4	53.9	65.1	54.3	61.7	62.1	57.1	50.0	59.3
Favourable possibilities for return on assets	8.6	8.3	5.5	0.0	2.3	6.8	12.4	8.3	6.9
Long-term goals	34.3	42.2	24.4	13.0	21.9	31.8	47.8	33.3	32.8

Note: households may indicate several reasons.

Table 6. Distribution of households by share of monthly income spent

Households indicating that they save nothing, spend their income	Total	All surveyed households spend their income	Total
Up to 50%	1.5	Up to 50%	4.4
From 50 to 69%	0.4	From 50 to 69%	5.3
From 70 to 79%	1.7	From 70 to 79%	13.4
From 80 to 89%	6.1	From 80 to 89%	22.3
From 90 to 99%	23.4	From 90 to 99%	16.4
100% — total income	59.8	100% — total income	28.0
More than 100%	4.1	More than 100%	2.0
Did not indicate	3.0	Did not indicate	8.2
Total	100.0	Total	100.0

Table 7. Saving means of households in an indicated area used in the last six months and to be used in the upcoming six months

(% of households within a respective group that have managed to save)

Saving means	In the last six months				In the upcoming six months (all households)
	Large cities	Other cities	Villages	All households	
Cash savings at home	56.5	70.2	70.9	64.5	61.5
Account with a bank or a credit union	58.5	59.5	53.2	57.2	51.3
Term deposit with a bank or a credit union	9.2	14.5	5.7	9.6	6.9
Life assurance	21.7	9.9	11.3	15.4	12.4
Pension fund	29.0	16.0	13.5	20.9	15.7
Investment fund	2.9	1.5	0.0	1.7	1.3
Debt securities	1.4	0.0	0.0	0.6	0.6
Investment in real estate	3.4	7.6	4.3	4.8	5.7
Corporate shares	1.4	0.8	0.0	0.8	0.6
Other or did not indicate	0.5	0.0	0.0	0.2	4.2

Note: households may indicate several means.

Table 8. Type of financial liabilities taken on by households within an indicated income group in the last six months (% of those with financial liabilities within a respective group)

Type of liabilities	All households	Monthly household income, EUR				
		Less than 350	351–600	601–900	More than 900	Unspecified
Housing loan	29.3	0.0	19.4	30.9	40.3	21.4
Consumer loan or loan for another purpose	31.0	41.7	19.4	25.5	37.3	42.9
Leasing	33.7	16.7	38.9	36.4	34.3	21.4
Payday loan	13.0	50.0	22.2	7.3	6.0	14.3
Credit card	10.9	0.0	8.3	9.1	16.4	7.1
Have financial liabilities within a respective income group	18.0	6.5	16.1	16.4	29.6	12.9

Note: households may indicate several types of liabilities.

Table 9. Distribution of households within an indicated area by whether their financial liabilities are a burden (% of those with financial liabilities within a respective group)

Financial liabilities	Large cities	Other cities	Villages	Total
Is a burden	40.2	50.0	59.3	48.4
Is not a burden	59.8	50.0	38.9	51.1
Do not know, did not indicate	0.0	0.0	1.8	0.5
Total	100.0	100.0	100.0	100.0

Table 10. Distribution of households that indicated whether their financial liabilities are a burden by assessment on whether their financial liabilities will be a burden in the upcoming six months (% of those with financial liabilities within a respective group)

Financial liabilities within the upcoming six months	Is a burden	Is not a burden	Total
Will be a burden	87.6	2.1	43.5
Will not be a burden	7.9	86.2	47.8
Do not know, did not indicate	4.5	11.7	8.7
Total	100.0	100.0	100.0

Table 11. Distribution of households with an indicated type of financial liabilities by whether their financial liabilities are a burden (% of those with financial liabilities within a respective group)

Financial liabilities	Type of liability				Total
	Housing loan	Consumer loan or loan for other purposes	Leasing	Payday loan	
Is a burden	57.4	51.9	27.8	93.3	48.4
Is not a burden	42.6	46.3	72.2	6.7	51.1
Do not know, did not indicate	0.0	1.8	0.0	0.0	0.5
Total	100.0	100.0	100.0	100.0	100.0

Table 12. Distribution of households within an indicated income group by whether their financial liabilities are a burden (% of those with financial liabilities within a respective group)

Monthly household income, EUR	Is a burden	Is not a burden	Unspecified	Total
Less than 350	91.7	8.3	0.0	100.0
351–600	69.4	30.6	0.0	100.0
601–900	32.7	65.5	1.8	100.0
More than 900	37.3	62.7	0.0	100.0
Do not know, did not indicate	71.4	28.6	0.0	100.0
Total	48.4	51.1	0.5	100.0

Table 13. Distribution of households within an indicated area or an indicated income group by discharge of financial liabilities in the last six months (% of those with financial liabilities within a respective group)

Discharge of financial liabilities	Place of residence			Monthly household income, EUR				Total	
	Large cities	Other cities	Villages	Less than 350	351–600	601–900	More than 900		Unspecified
There were cases of default	12.2	25.0	20.3	33.3	44.4	5.5	9.0	28.6	17.9
There were no cases of default	86.6	75.0	77.8	66.7	52.8	92.7	91.0	71.4	81.0
Do not know, did not indicate	1.2	0.0	1.9	0.0	2.8	1.8	0.0	0.0	1.1
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Table 14. Reasons for default in financial liabilities of households within an indicated area (% of those who defaulted within a respective group)

Reasons for default	Place of residence			All households
	Large cities	Other cities	Villages	
Increase in cost of living	100.0	41.7	54.5	63.6
Loss of regular income source	0.0	16.7	18.2	12.1
Decrease in salary	0.0	58.3	9.1	24.2
Loss of working capacity	0.0	16.7	0.0	6.1
Rise in loan and interest repayment costs	20.0	16.7	0.0	12.1
Decline in remittances from abroad	0.0	0.0	9.1	3.0
Other	0.0	0.0	0.0	0.0

Note: households may indicate several reasons.

Table 15. Distribution of households within an indicated area by whether they applied to credit institutions to change the terms and conditions of their financial liabilities in the last six months (% of those with financial liabilities within a respective group)

Application for the change of terms and conditions of financial liabilities	Place of residence			Total	Share of those that applied due to an indicated reason (compared to those with financial liabilities)
	Large cities	Other cities	Villages		
Did not apply	89.0	75.0	77.8	82.1	–
Do not know or did not respond	0.0	0.0	3.7	1.1	–
Applied in relation to:	11.0	25.0	18.5	16.8	–
<i>extending of loan repayment term</i>	41.7	43.8	27.3	38.5	8.2
<i>revision of interest rate</i>	16.7	31.2	27.2	25.6	5.4
<i>deferment of loan repayment</i>	25.0	18.8	36.4	25.6	5.4
<i>shortening of loan repayment term</i>	16.6	6.2	9.1	10.3	2.2
<i>early repayment of total loan or part of it</i>	0.0	0.0	0.0	0.0	0.0
<i>Total</i>	100.0	100.0	100.0	100.0	–
Total	100.0	100.0	100.0	100.0	–

Table 16. Purposes reported by households within an indicated area or an indicated income group behind, for which money borrowed would be allocated during the upcoming six months (% of those intending to borrow within a respective group)

Purposes	Place of residence			Monthly household income, EUR					All households
	Large cities	Other cities	Villages	Less than 350	351–600	601–900	More than 900	Unspecified	
Share of those intending to borrow (compared to all respondents within the group)	5.0	4.5	4.9	4.3	3.8	5.9	4.5	6.3	4.4
To acquire own housing	45.0	0.0	6.3	11.1	11.1	28.6	20.0	28.6	20.4
For home improvement and repair	20.0	23.1	12.5	11.1	22.2	14.3	30.0	14.3	18.4
To refinance financial liabilities	10.0	15.4	0.0	11.1	11.1	0.0	20.0	0.0	8.2
To acquire durable goods (e.g. domestic appliances)	10.0	0.0	18.8	11.1	11.1	7.1	10.0	14.3	10.2
To acquire other real estate (e.g. land)	10.0	7.7	0.0	0.0	0.0	7.1	20.0	0.0	6.1
To acquire a car or for its repairs	5.0	0.0	12.5	0.0	0.0	14.3	10.0	0.0	6.1
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
For living expenses	10.0	69.2	50.0	55.6	55.6	28.6	20.0	42.9	38.8
For investment	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Note: households may indicate several purposes.

Table 17. Factors reported by households within an indicated area or an indicated income group that are important when choosing a credit institution (% of those with financial liabilities within a respective group)

Factors	Place of residence			Monthly household income, EUR					All households
	Large cities	Other cities	Villages	Less than 350	351–600	601–900	More than 900	Unspecified	
Personal relations with an institution	43.9	41.7	38.9	50.0	38.9	40.0	40.3	57.1	41.8
Experience of friends, family	72.0	72.9	70.4	66.7	61.1	63.6	83.6	78.6	71.7
Institution quickly takes decisions	51.2	47.9	44.4	41.7	41.7	56.4	49.3	35.7	48.4
Institution has a wide range of services	69.5	70.8	57.4	41.7	66.7	72.7	65.7	64.3	66.3
Institution has a wide network of branches	75.6	52.1	55.6	75.0	61.1	61.8	67.2	50.0	63.6
Lending conditions of the institution are favourable	97.6	93.8	81.5	75.0	88.9	90.9	97.0	92.9	91.8
Fees for services offered are small	90.2	81.3	79.6	75.0	86.1	83.6	89.6	71.4	84.8

Note: households may indicate several factors.

Table 18. Distribution of households within an indicated income group by assessment of financial situation (% of total surveyed within a respective group)

Financial situation			Poor	Average	Good	Unspecified	Total
Monthly household income, EUR	Less than 350	2 nd half-year of 2015	64.0	28.0	5.1	2.9	100.0
		1 st half-year of 2016	82.1	13.5	3.4	1.0	100.0
	351–600	2 nd half-year of 2015	44.8	43.9	9.4	1.8	100.0
		1 st half-year of 2016	41.3	48.3	8.3	2.1	100.0
	601–900	2 nd half-year of 2015	23.3	60.3	14.3	2.1	100.0
		1 st half-year of 2016	28.2	56.7	14.7	0.4	100.0
	More than 900	2 nd half-year of 2015	10.1	44.5	43.7	1.6	100.0
		1 st half-year of 2016	12.6	49.8	35.9	1.8	100.0
	Unspecified	2 nd half-year of 2015	13.5	46.5	22.4	17.6	100.0
		1 st half-year of 2016	22.3	41.1	17.9	18.8	100.0
Total	2 nd half-year of 2015	30.3	44.8	20.2	4.7	100.0	
	1 st half-year of 2016	38.1	42.7	15.9	3.2	100.0	

Table 19. Distribution of households within an indicated area or an indicated age group by assessment of financial situation (% of total surveyed within a respective group)

Financial situation			Poor	Average	Good	Unspecified	Total
Place of residence	Large cities	2 nd half-year of 2015	29.8	45.8	21.9	2.5	100.0
		1 st half-year of 2016	32.8	47.6	17.9	1.7	100.0
	Other cities	2 nd half-year of 2015	31.8	42.0	20.8	5.5	100.0
		1 st half-year of 2016	43.3	35.3	16.6	4.8	100.0
	Villages	2 nd half-year of 2015	29.6	46.0	17.6	6.8	100.0
		1 st half-year of 2016	40.2	43.3	12.8	3.7	100.0
Age groups	18–29 y.	2 nd half-year of 2015	25.3	51.6	19.8	3.3	100.0
		1 st half-year of 2016	43.2	46.3	8.4	2.1	100.0
	30–49 y.	2 nd half-year of 2015	22.7	44.7	27.1	5.4	100.0
		1 st half-year of 2016	26.4	49.2	20.3	4.1	100.0
	50 y. and older	2 nd half-year of 2015	36.7	43.7	15.2	4.4	100.0
		1 st half-year of 2016	46.0	37.3	13.9	2.8	100.0
Total	2 nd half-year of 2015	30.3	44.8	20.2	4.7	100.0	
	1 st half-year of 2016	38.1	42.7	15.9	3.2	100.0	

Table 20. Sources of income of households within an indicated area (% of total surveyed within a respective group)

Sources of household income	Place of residence			All households
	Large cities	Other cities	Villages	
Wages	75.2	65.4	61.0	67.8
Income from individual activities	2.2	4.5	7.6	4.6
Pension	27.5	36.3	36.3	32.8
Scholarships, parental support, benefits and other social payments	12.2	14.5	18.9	15.0
Remittances from abroad	2.2	4.5	4.6	3.6
Dividends and other property income	2.0	1.0	1.2	1.5
Do not know, did not indicate	0.0	0.0	2.1	0.7

Note: households may indicate several sources.

Table 21. Distribution of households that gave the indicated assessment on income developments over the upcoming six months by projected basic expense dynamics (% of the group projecting income change)

Basic expenses	Income						Total
	Will decrease by more than 10%	Will decrease by up to 10%	Will remain basically unchanged	Will increase by up to 10%	Will increase by more than 10%	Unspecified	
Will decrease by more than 10%	18.5	6.9	0.1	2.9	0.0	0.0	1.6
Will decrease by up to 10%	3.7	29.3	4.3	2.9	0.0	0.0	5.0
Will remain basically unchanged	20.4	6.9	54.2	35.3	38.9	3.7	42.2
Will increase by up to 10%	25.9	31.0	23.3	35.3	27.8	2.2	21.6
Will increase by more than 10%	29.6	22.4	11.2	23.5	27.8	5.2	12.7
Do not know, did not indicate	1.9	3.4	6.9	0.0	5.6	88.8	17.0
Total	100.0	100.0	100.0	100.0	100.0	100.0	
Total (% of the surveyed)	5.3	5.7	70.8	3.3	1.8	13.1	100.0

Table 22. Distribution of households by change in income and basic expenses over the upcoming six months (% of total surveyed)

Change within the upcoming six months	Income	Basic expenses
Will decrease by more than 10%	5.3	1.6
Will decrease by up to 10%	5.7	5.0
Will remain basically unchanged	70.8	42.2
Will increase by up to 10%	3.3	21.6
Will increase by more than 10%	1.8	12.7
Do not know, did not indicate	13.1	16.9
Total	100.0	100.0

Table 23. Priority measures to be applied when lacking money (% of total surveyed)

Measures	Highest priority	Lowest priority
Would cut expenditure	44.3	2.3
Would borrow from family or friends	19.2	7.4
Would search for an additional source of income (second job)	14.9	0.4
Would use savings	11.5	1.6
Would take out a bank loan	1.6	34.7
Would use a credit card	1.3	19.6
Would sell property (real estate, investments)	1.1	7.0
Would use the services of payday loan companies	1.0	17.5
Would take out a loan from a credit union	0.0	0.0
Do not know, did not indicate	5.1	9.5
Total	100.0	100.0

Table 24. Distribution of households within an indicated income group by planning of income and expenses (% of surveyed within a respective group)

Income and expenses	Monthly household income, EUR					Total
	Less than 350	351–600	601–900	More than 900	Unspecified	
Planned	70.5	81.7	82.8	84.8	60.7	78.0
Not planned	23.2	15.4	11.3	10.8	21.4	15.7
Do not know, did not indicate	6.3	2.9	5.9	4.4	17.9	6.3
Total	100.0	100.0	100.0	100.0	100.0	100.0

Table 25. Distribution of households within an indicated education group by planning of income and expenses (% of households with members with respective education)

Education of household members	Plan	Do not plan	Unspecified	Total
Household member earning highest income has a higher education degree	84.6	11.5	3.9	100.0
Household member earning highest income does not have a higher education degree	76.6	16.6	6.8	100.0
Total	78.0	15.7	6.3	100.0

Table 26. Distribution of households within an indicated area by planning of income and expenses (% of surveyed within a respective group)

Place of residence	Household plans its income and expenses	Household does not plan its income and expenses	Unspecified	Total
Large cities	81.4	11.2	7.4	100.0
Other cities	73.7	21.1	5.2	100.0
Villages	77.7	16.5	5.8	100.0
Total	78.0	15.7	6.3	100.0

Table 27. Distribution of households within an indicated area or with an indicated number of members by reasons posing most concerns in the upcoming six months (% of surveyed within a respective group)

Reasons	Place of residence			Number of household members			Total
	Large cities	Other cities	Villages	One	Two	Three or more	
Rising food prices	40.9	40.1	41.5	49.8	38.3	39.0	40.9
Rising utility fees	18.9	18.0	13.1	23.4	19.1	11.8	16.8
Rising fuel prices	1.2	5.9	6.4	2.9	6.6	2.9	4.2
Drop in income	12.2	12.5	17.7	12.2	15.0	14.0	14.0
Loss of job	8.9	11.4	9.8	2.4	10.4	12.9	9.9
Loan repayment burden	4.0	6.2	4.0	2.0	2.2	7.8	4.6
Other or did not specify	13.9	5.9	7.5	7.3	8.4	11.6	9.6
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Table 28. Distribution of households within an indicated area or an indicated income group by projection of housing prices over next 12 months (% of surveyed within a respective group)

Price change	Place of residence			Total
	Large cities	Other cities	Villages	
Will decrease >20%	0.2	0.3	0.9	0.5
Will decrease >10–20%	2.0	2.4	3.0	2.5
Will decrease <10%	7.4	5.2	6.1	6.4
Will remain unchanged	29.3	25.6	23.2	26.3
Will increase <10%	32.8	27.3	26.5	29.2
Will increase 10–20%	10.7	13.8	14.0	12.6
Will increase >20%	2.0	4.8	6.1	4.1
Do not know, did not indicate	15.6	20.6	20.2	18.5
Total	100.0	100.0	100.0	100.0

Table 29. Distribution of households within an indicated income group by actions taken in case of 20 per cent higher income (% of surveyed within a respective group)

Distribution of additional income	Monthly household income, EUR					Total
	Less than 350	351–600	601–900	More than 900	Unspecified	
Would spend most of additional income	31.9	19.2	17.6	11.2	19.6	19.7
Would save most of additional income	36.2	46.7	43.7	44.8	21.4	40.7
Would save half of additional income and spend the rest	28.0	29.2	34.0	39.0	34.8	32.8
Do not know, did not indicate	3.9	4.9	4.7	5.0	24.2	6.8
Total	100.0	100.0	100.0	100.0	100.0	100.0

Table 30. Distribution of households by how long they would survive having lost their main source of income and without having to borrow for basic expenses (% of total surveyed)

Period	Total
Less than a week	16.0
No more than one month	27.5
No longer than three months	21.3
No longer than six months	10.7
Longer than six months	7.5
Unspecified	17.0
Total	100.0

Table 31. Distribution of households by answers to financial literacy questions
(% of total surveyed)

Answers to financial literacy questions	Question related to calculation of interest on deposit (see Table 32)	Question related to the impact of inflation on funds accumulated (see Table 32)	Question related to comparison of terms and conditions for loans (see Table 32)	Answered all questions
Correctly	38.2	52.7	36.8	16.2
Incorrectly or did not know	61.8	47.3	63.2	27.5
Total	100.0	100.0	100.0	-

Table 32. Financial literacy questions presented to households

Question related to calculation of interest on deposit	Suppose that you have a five-year fixed-term deposit, amounting to EUR 100; its annual interest rates are 2 per cent. Over this five-year term no additional contributions were made and no money was withdrawn. In your opinion, how much money will you recover after five years? a) more than EUR 102; b) EUR 102; c) less than EUR 102.
Question related to the impact of inflation on funds accumulated	Suppose that you get 1 per cent annual interest rates on EUR 100 deposited in a bank; at the same time, the annual inflation is 2 per cent. After a year, using the money from this deposit, will you be able to buy: a) more than today; b) same amount as today; c) less than today.
Question related to comparison of terms and conditions for loans	Suppose that you intend to take out a one-year loan, amounting to EUR 1,000. The loan is to be repaid at the end of the year. The bank would offer you these two types of loans: Option 1: a loan with 15 per cent annual interest rates and EUR 100 administrative fees charged at the end of the year; Option 2: a loan with 26 per cent annual interest rates and no administrative fees; In your opinion, which loan is less costly? a) option 1; b) option 2.