

15 July 2021

Living Conditions Survey (LCS). Year 2020
ECV-2020 Module on over-indebtedness and savings (/)

A total 5.9% of households had delays in paying non-housing related bills

At the end of a normal month, 41.1% of households saved money, while 7.3% needed to borrow

A total of 19.6% of households could maintain their standard of living for more than 12 months with savings. This, while 44.0% could not do it for more than three months

The Living Conditions Survey (LCS) includes a module each year, harmonised at European level, to study in depth different aspects of the life of households. The 2020 edition, whose data was collected between October and December, includes a module on *over-indebtedness and savings*. It consists of a limited set of questions, directed at households, about delays in paying bills, the level of indebtedness or the ability to save.

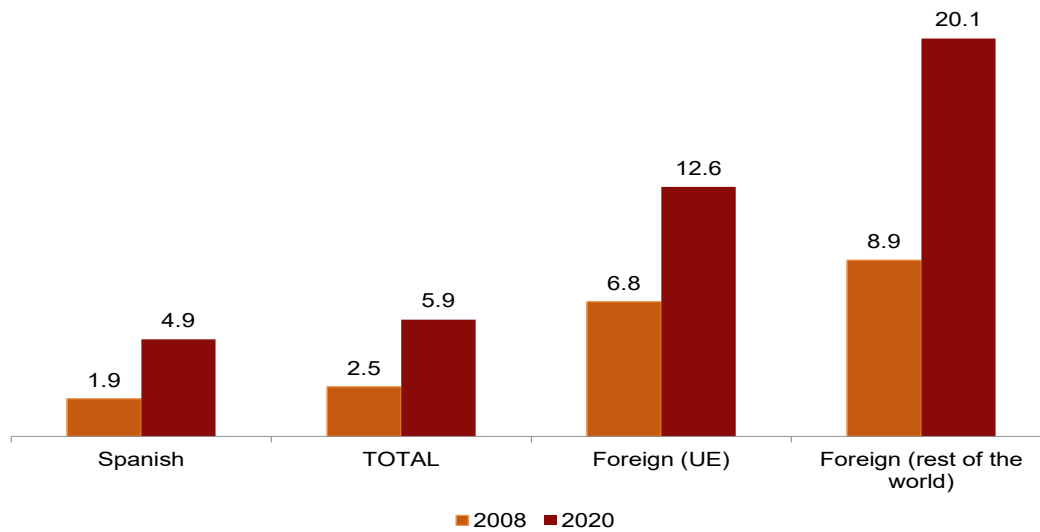
Delay in paying bills not related to housing

In 2020, 5.9% of households had delays in paying bills not related to housing, such as telephone, education, health, etc. (this does not include mortgage loan payments or home-related bills such as water, gas, heat, etc.).

By nationality of the person of reference (the persons contributing the most income to the household), the delays were 4.9% for Spaniards, 12.6% for foreigners from the European Union (EU) and 20.1% for foreigners who were not from an EU country.

These differences in percentages also occurred in the previous module of this survey, carried out in 2008. However, the percentages were lower. For all households, the percentage that had delays in paying non-household related bills was 2.5% in 2008.

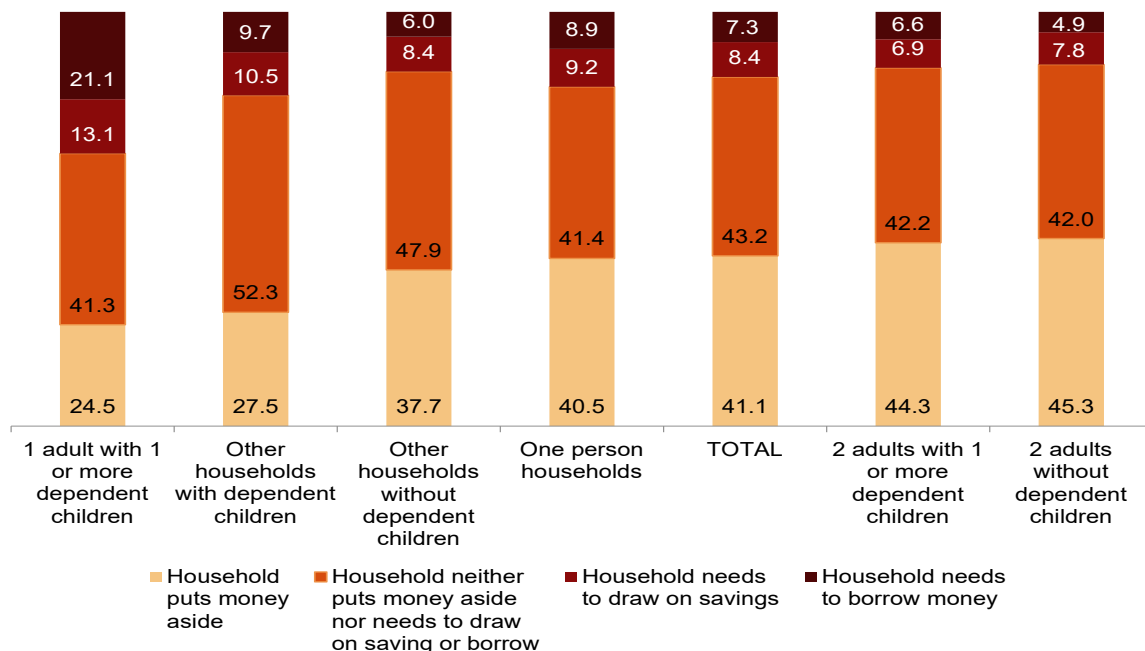
Households according to their arrears on non-housing bills by nationality of the reference person. Percentage



Savings Capacity

A total of 41.1% of households saved money at the end of a typical month, while 7.3% needed to borrow money in 2020. By type of household, these percentages were 24.5% and 21.1%, respectively, in households formed by an adult with dependent children¹ in charge. A total of 45.3% and 4.9% were in households with two adults without dependent children.

Households according to their saving capacity in a typical month by type of household. Percentage



¹ A dependent child is understood to be all those under the age of 18 and economically inactive persons between the ages of 18 and 24 for whom at least one of their parents is a member of the household .

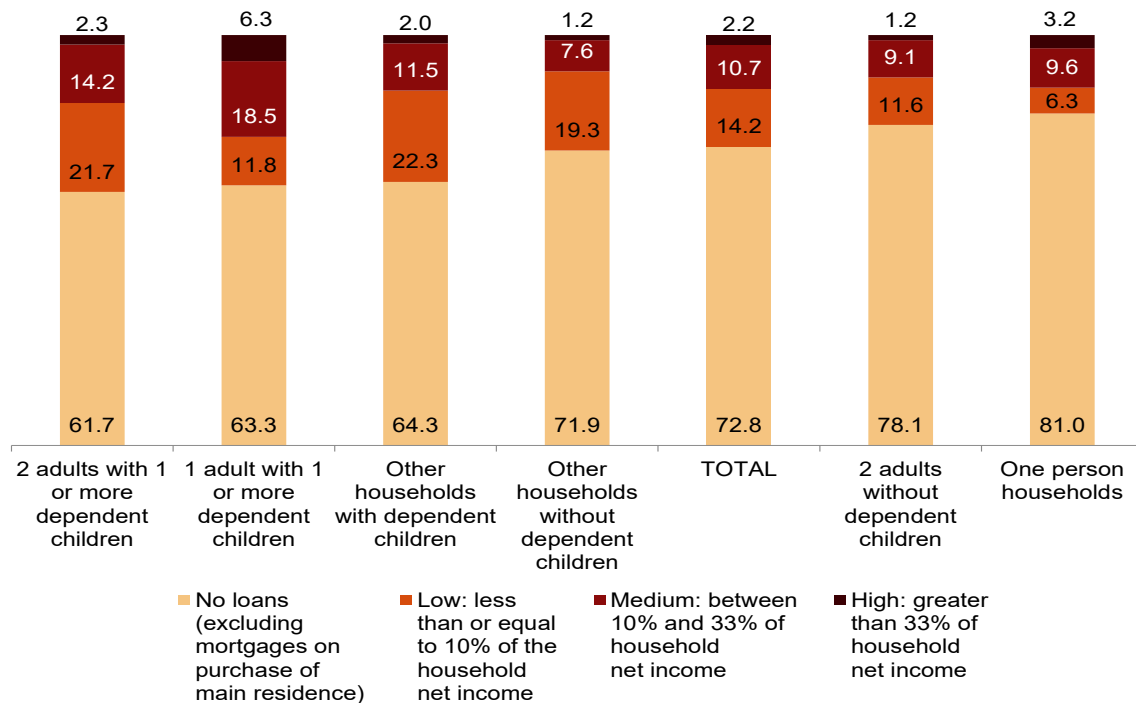
Debt Level

Excluding mortgage loans for the purchase of a main home, 2.2% of households had a high level of indebtedness in 2020 (greater than 33% of the household's net income), while 14.2% had a low level (less than 10 %).

On the other hand, 72.8% of households had no loans (except for mortgages for the purchase of a main residence).

By type of household, 6.3% of those made up of an adult with dependent children had a high level of indebtedness. The lowest percentages of high debt occurred in households without dependent children.

Households according to their indebtedness level regard to household net income by type of household. Percentage



Loan Purpose

In 2020, 12.7% of households had loans for the purchase of cars, motorcycles or other means of transport (this percentage was 15.2% in 2008).

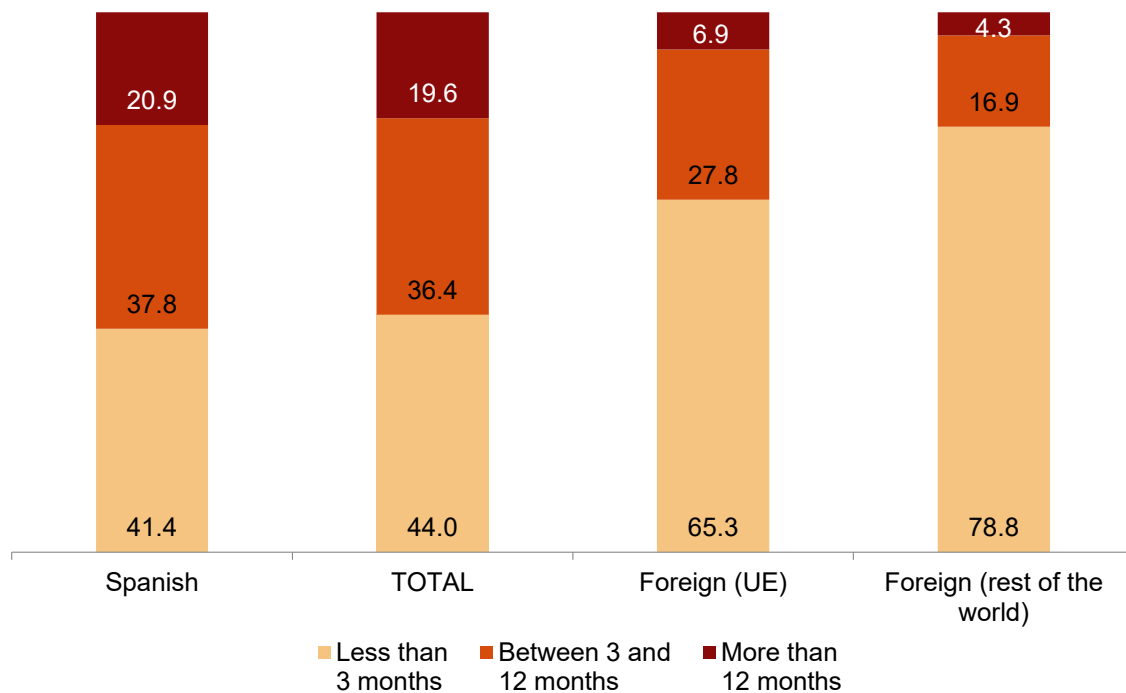
On the other hand, 7.6% had loans for the acquisition of home goods or services (home furnishings, electrical appliances, decoration, etc.), compared to 10.0% in 2008.

Ability to Maintain Standard of Living

Considering the ability to maintain the same standard of living with their own savings in case the household had no income, 44.0% could manage for less than three months, compared to 19.6% who could do so for more than 12 months.

By nationality of the person of reference, non-EU foreigners would have the least ability to maintain their standard of living (78.8% would not reach three months).

Households according to their ability to maintain the same standard of living using savings by nationality of the reference person. Percentage



Influence of COVID-19 on data collection

No face-to-face interviews were conducted during data collection in 2020. Due to the need to replace interviews with telephone calls in order to avoid risks to the health of informants and interviewers, there was a decrease in the size of the sample, particularly in the case of new participants (households collaborate in this survey for four years).

The effective sample size of the 2020 survey was 15,043 households, compared to approximately 18,000 households that would have been reached in a data collection with typical response rates.

Methodological note

The Living Conditions Survey (LCS) is an annual operation aimed at households that is conducted in all European Union countries. This is a harmonised statistic which is supported by Regulation (EC) No 1177/2003 of the European Parliament and of the Council of 16 June 2003 on Community statistics on income and living conditions.

Each year, the LCS incorporates a module for in-depth study of different aspects of the living conditions of households. The 2020 edition included a module on over-indebtedness, consumption, household wealth and activity, from which the current publication on *over-indebtedness and savings* was taken.

As with the main survey, this module is harmonised on a European level, and is included in the mandate of a European Regulation (*Commission Regulation (EU) 2014/414, of 14 March 2019 implementing Regulation (EC) No 1177/2003 of the European Parliament and of the Council concerning Community statistics on income and living conditions (EU-SILC) as regards the 2020 list of target secondary variables regarding over-indebtedness, consumption and wealth as well as work.*

The 2020 edition was carried out by the INE in collaboration with the Statistical Institute of Cataluña (IDESCAT) within the scope of this Autonomous Community.

Type of survey: Annual.

Collection period: Fourth quarter of 2020.

Sample size: The effective sample is made up of about 38,000 people.

Type of sampling: The LCS is a panel survey in which the persons interviewed collaborate for four consecutive years. It is a stratified two-stage sampling. The first stage units are the census sections and the second stage units are the family dwellings.

Collection method: Due to the pandemic, personal interviews have been replaced by telephone interviews.

For more information the methodology can be accessed at:

https://www.ine.es/daco/daco42/condivi/ecv_metodo.pdf

The standardized methodological report is at:

<https://www.ine.es/dynt3/metadatos/en/RespuestaDatos.html?oe=30453>

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