

## HOUSEHOLD DEBT

The household debt ratio measures the indebtedness of households in relation to their income, that is their spending and saving capacity. High debt ratios are often interpreted as a sign of financial vulnerability though one should also take into account the availability of assets (e.g. dwellings) in such an assessment. High indebtedness levels generally increase the financing costs of the borrower, deteriorate balance sheet positions and may restrict access to new financing.

### Definition

Debt is a commonly used concept, defined as a specific subset of liabilities identified according to the types of financial instruments included or excluded. Generally, debt is defined as all liabilities that require payment or payments of interest or principal by the debtor to the creditor at a date or dates in the future.

Consequently, all debt instruments are liabilities, but some liabilities such as equity and investment fund shares and financial derivatives are not considered as debt. Debt is thus obtained as the sum of the following liability categories, whenever available/applicable in the financial balance sheet of the households and non-profit institutions serving households (NPISHs) sector: monetary gold and Special Drawing Rights (SDRs), currency and deposits; debt securities; loans; insurance, pension, and standardised guarantees; and other accounts payable. For

### Overview

Households remain highly indebted in a large number of OECD economies. In 2013, the ratio of household debt to net disposable income (NDI) was far higher than the OECD average (134%), in Denmark, the Netherlands, Norway, Ireland, Australia and Switzerland. Hungary had the lowest debt ratio at 57% in 2013.

The level of household debt rose in most OECD countries over the period 2007-13. As a percentage of NDI, Greece recorded the largest increase during this period (around 31 percentage points). Belgium, Canada, the Netherlands and Poland showed increases of around 20 percentage points, followed by the Slovak Republic with 19 percentage points. A net fall of respectively 31 and 28 percentage points were observed in the United Kingdom and the United States, and to a lesser extent in Estonia, Spain and Ireland.

Long-term loans, mainly consisting of mortgage loans, remain the largest component of household debt, contributing more than 80% of the total household debt in twenty four OECD countries and even more than 90% in eighteen countries. In 2013, the highest levels were recorded in Estonia (98%) and Norway (97%) and the lowest ratios were observed in the United States (72%), and Korea (82%).

the households sector, liabilities predominantly consist of loans, and more particularly mortgage loans for the purchase of houses.

### Comparability

As a number of OECD countries are not able to provide a breakdown between households and NPISHs, household debt refers to the aggregated sector “Households and NPISHs” to ensure the highest level of comparability between countries.

### Sources

- OECD (2015), “Financial Balance Sheets”, *OECD National Accounts Statistics* (Database).

### Further information

#### Analytical publications

- OECD (2015), *Economic Policy Reforms*, OECD Publishing.
- OECD (2015), *OECD Economic Outlook*, OECD Publishing.
- OECD (2015), *OECD Economic Surveys*, OECD Publishing.
- Schich S. and J.-H. Ahn (2007), “Housing Markets and Household Debt: Short-term and Long-term Risks”, *Financial Market Trends*, Vol. 2007/1.

#### Statistical publications

- OECD (2015), *National Accounts at a Glance*, OECD Publishing.
- OECD (2014), *National Accounts of OECD Countries, Financial Balance Sheets*, OECD Publishing.

#### Methodological publications

- Lequiller, F. and D. Blades (2014), *Understanding National Accounts: Second Edition*, OECD Publishing.
- OECD, et al. (eds.) (2010), *System of National Accounts 2008*, United Nations, Geneva.

#### Online databases

- OECD National Accounts Statistics.

#### Websites

- Financial statistics, [www.oecd.org/std/fin-stats](http://www.oecd.org/std/fin-stats).

## Household debt

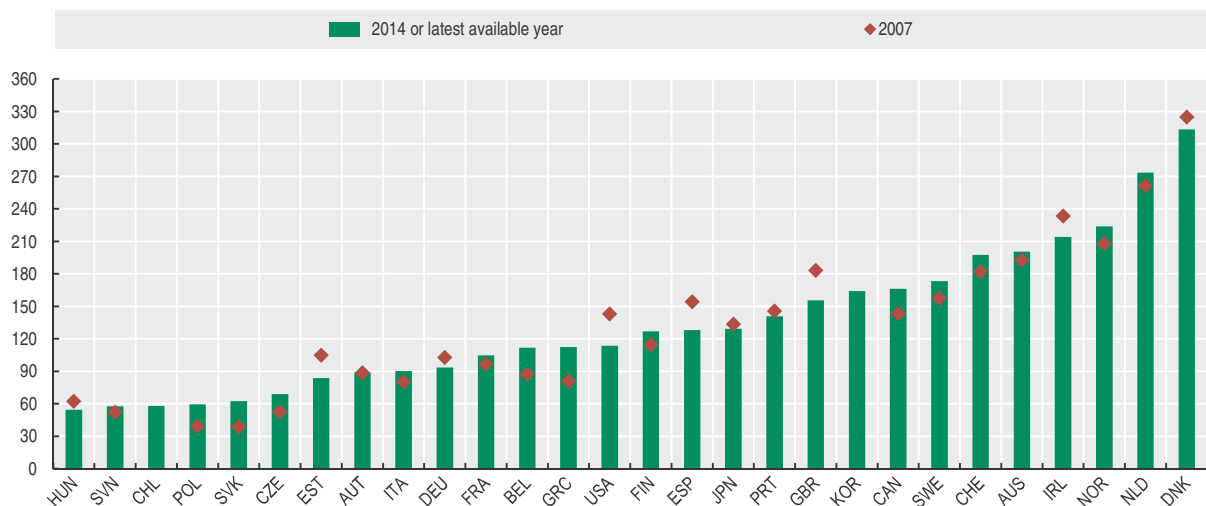
Debt of households and non-profit institutions serving households, as a percentage of net disposable income

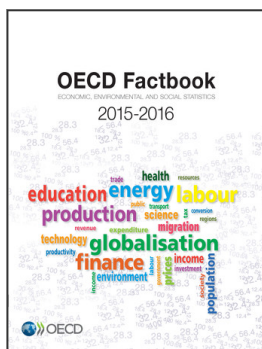
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Australia	154.6	165.0	178.4	186.4	190.3	192.8	188.1	195.3	195.5	194.2	196.6	200.4	..
Austria	79.3	79.4	83.3	87.5	88.8	88.6	90.2	90.3	94.2	93.5	89.5	89.3	89.1
Belgium	68.3	70.7	74.6	79.5	83.3	87.4	89.8	90.8	96.0	102.4	104.2	107.3	111.9
Canada	114.4	119.4	124.8	132.1	135.2	143.4	148.4	157.4	160.2	161.5	163.1	163.8	166.1
Chile	..	..	..	..	..	..	58.9	57.2	57.5	57.2	56.8	57.9	..
Czech Republic	27.1	29.2	34.1	39.4	43.6	52.9	58.8	60.3	61.9	64.4	65.8	67.6	68.9
Denmark	242.9	248.7	261.9	282.1	299.4	324.7	339.4	338.7	325.1	319.5	314.6	313.0	313.3
Estonia	32.7	41.7	54.0	71.7	93.6	104.7	101.1	108.6	107.1	95.6	92.8	83.6	83.7
Finland	75.6	79.9	88.6	99.2	109.4	114.7	117.1	117.5	119.6	121.0	124.0	123.3	126.7
France	77.5	81.1	81.9	88.4	93.6	96.6	98.7	104.3	107.5	107.1	103.4	103.8	104.7
Germany	113.6	112.0	110.4	108.1	105.7	102.6	99.4	100.3	98.3	96.5	95.5	94.5	93.6
Greece	..	..	..	..	72.7	80.8	85.3	86.7	104.3	111.5	109.0	112.4	..
Hungary	27.0	35.8	41.2	47.1	53.8	62.2	76.1	76.6	81.1	74.5	63.1	57.1	54.4
Iceland	..	..	..	..	..	..	..	..	..	..	..	..	..
Ireland	125.3	146.1	168.7	199.0	223.2	233.3	227.1	235.6	231.3	230.3	221.9	214.1	..
Israel	..	..	..	..	..	..	..	..	..	..	..	..	..
Italy	59.4	62.5	66.2	71.3	76.1	80.2	81.6	86.5	90.4	89.9	92.0	90.6	90.1
Japan	139.5	138.1	137.4	137.9	137.3	133.6	132.2	132.4	131.9	128.3	127.1	129.2	..
Korea	..	..	..	..	..	..	..	..	..	157.8	159.4	160.3	164.2
Luxembourg	..	..	..	..	..	..	..	..	..	..	..	..	..
Mexico	..	..	..	..	..	..	..	..	..	..	..	..	..
Netherlands	204.4	222.9	233.0	251.5	256.9	261.4	274.3	286.6	293.9	287.8	288.4	280.9	273.6
New Zealand	..	..	..	..	..	..	..	..	..	..	..	..	..
Norway	147.8	151.4	161.6	167.4	199.2	207.9	207.6	207.0	212.1	216.8	220.2	221.9	223.9
Poland	..	19.7	21.6	25.0	31.2	39.2	51.5	52.8	57.2	60.7	58.6	59.5	..
Portugal	121.6	123.6	126.8	135.9	140.6	145.7	148.9	151.4	154.4	144.9	150.9	141.3	140.8
Slovak Republic	24.2	27.7	25.9	29.8	32.8	38.9	42.5	42.1	43.1	49.4	54.8	57.6	62.3
Slovenia	33.6	35.4	36.0	40.3	44.9	52.2	53.5	56.2	58.9	57.7	59.5	58.8	57.6
Spain	94.1	102.3	113.6	128.2	144.3	154.1	150.1	145.2	148.6	142.7	141.2	134.1	128.0
Sweden	121.6	128.2	137.0	146.7	153.8	157.4	159.5	163.5	170.7	168.5	167.1	169.7	173.4
Switzerland	173.3	182.5	184.2	188.2	187.6	182.1	180.4	184.0	189.3	194.0	196.0	197.4	..
Turkey	..	..	..	..	..	..	..	..	..	..	..	..	..
United Kingdom	138.8	151.6	164.9	167.2	178.9	183.3	178.2	167.5	158.7	159.1	153.7	152.0	155.7
United States	112.4	120.3	126.9	134.6	139.7	143.1	135.3	133.7	127.2	119.0	113.6	115.1	113.4
EU 28	..	..	..	..	..	..	..	..	..	..	..	..	..
OECD	..	..	..	..	..	..	..	..	..	..	..	..	..
Brazil	..	..	..	..	..	..	..	..	..	..	..	..	..
China	..	..	..	..	..	..	..	..	..	..	..	..	..
India	..	..	..	..	..	..	..	..	..	..	..	..	..
Indonesia	..	..	..	..	..	..	..	..	..	..	..	..	..
Russian Federation	..	..	..	..	..	..	..	..	..	..	..	..	..
South Africa	..	..	..	..	..	..	..	..	..	..	..	..	..

1 2 <http://dx.doi.org/10.1787/888933336257>

## Households and NPISHs debt

As a percentage of net disposable income

1 2 <http://dx.doi.org/10.1787/888933335066>



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