

Financial Situation of Families with Dependent Children in the Czech Republic, Spring 2017



The financial situation of families is defined by key indicators such as parent/guardian's age, number of dependent children and type of family unit.

Financial needs are the greatest for parents over 40 yrs, families with numerous children and single parents.

The hypothesis that the financial score is worse for young parents under 30 yrs is only partially accurate- the situation of "young" families is somewhat satisfactory.

The financial situation of families depends on education, profession and hence the income of providers – the critical borderline of net monthly family income is 24,000 CZK on average.

- ✓ 59 % of families have loans.
- ✓ Average amount of a loan is 536,000 CZK.
- ✓ Average monthly instalment is 6,700 CZK.
- ✓ Every tenth family has a problem meeting its commitments.
- ✓ 1/3 of families do not know how to deal with potential problems regarding loan liabilities. The other 2/3 would seek help from family members or banks.
- ✓ According to respondents' judgement, the most financially vulnerable are single parents - on the other hand, young parents under 30 yrs are the least vulnerable.
- ✓ Families should be offered help particularly from Labor offices and charitable or non-profit organizations. Only 8% of respondents have, however, received support services from these organizations.

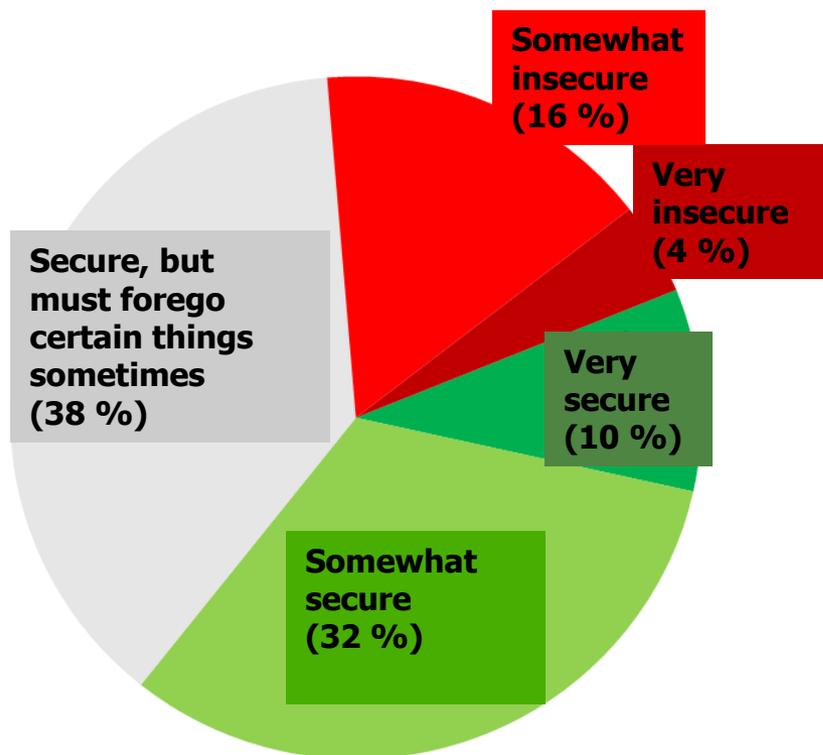


The Economic Situation of Families

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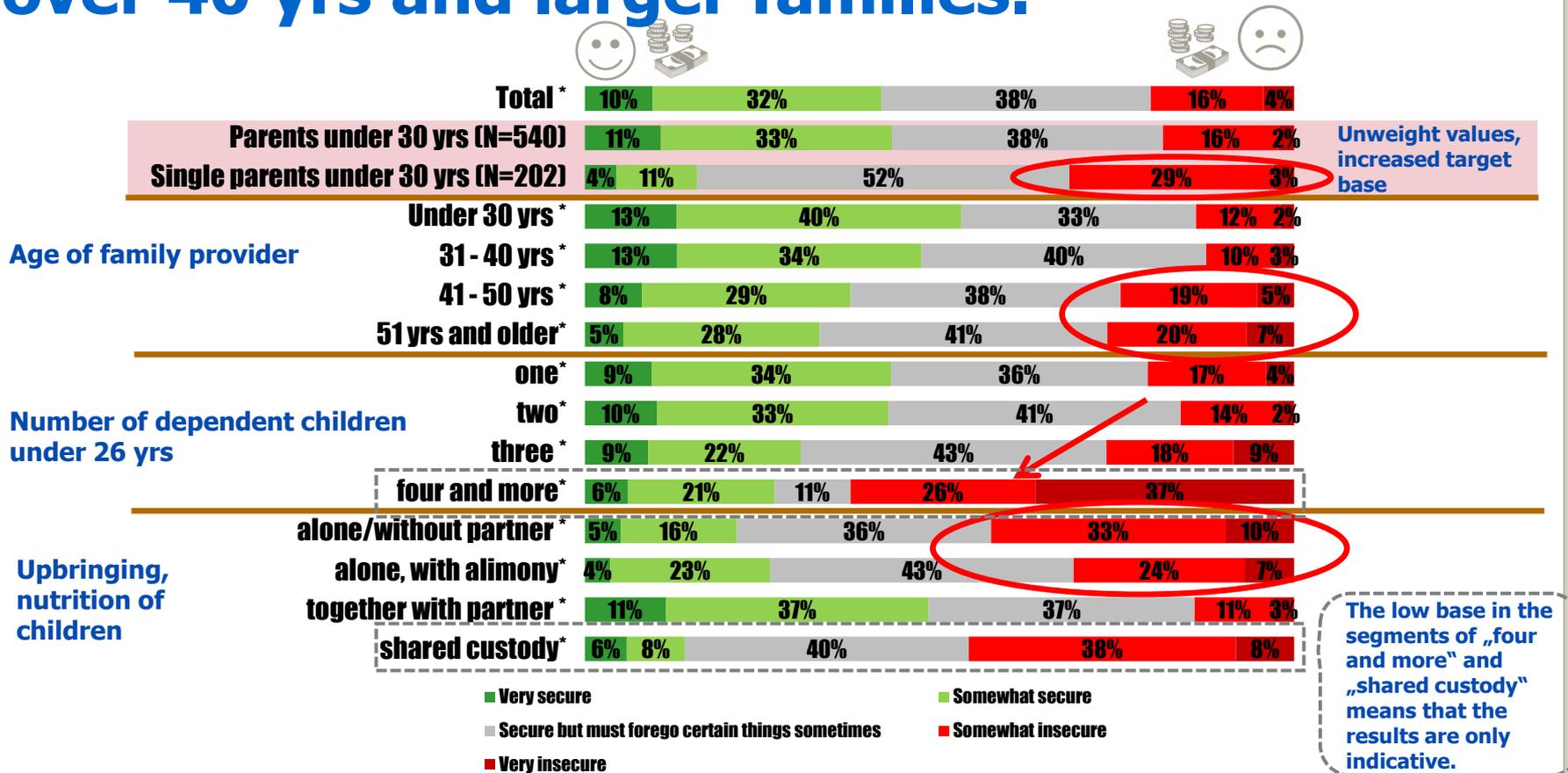


Every fifth Czech family with dependant children finds itself in an insecure economic situation. In absolute numbers, this is a total of 233,000 families in Czech Republic.



Q1.1) Is your family secure financially/materially? (Total sample N = 1,212)

The least secure are single providers, parents over 40 yrs and larger families.



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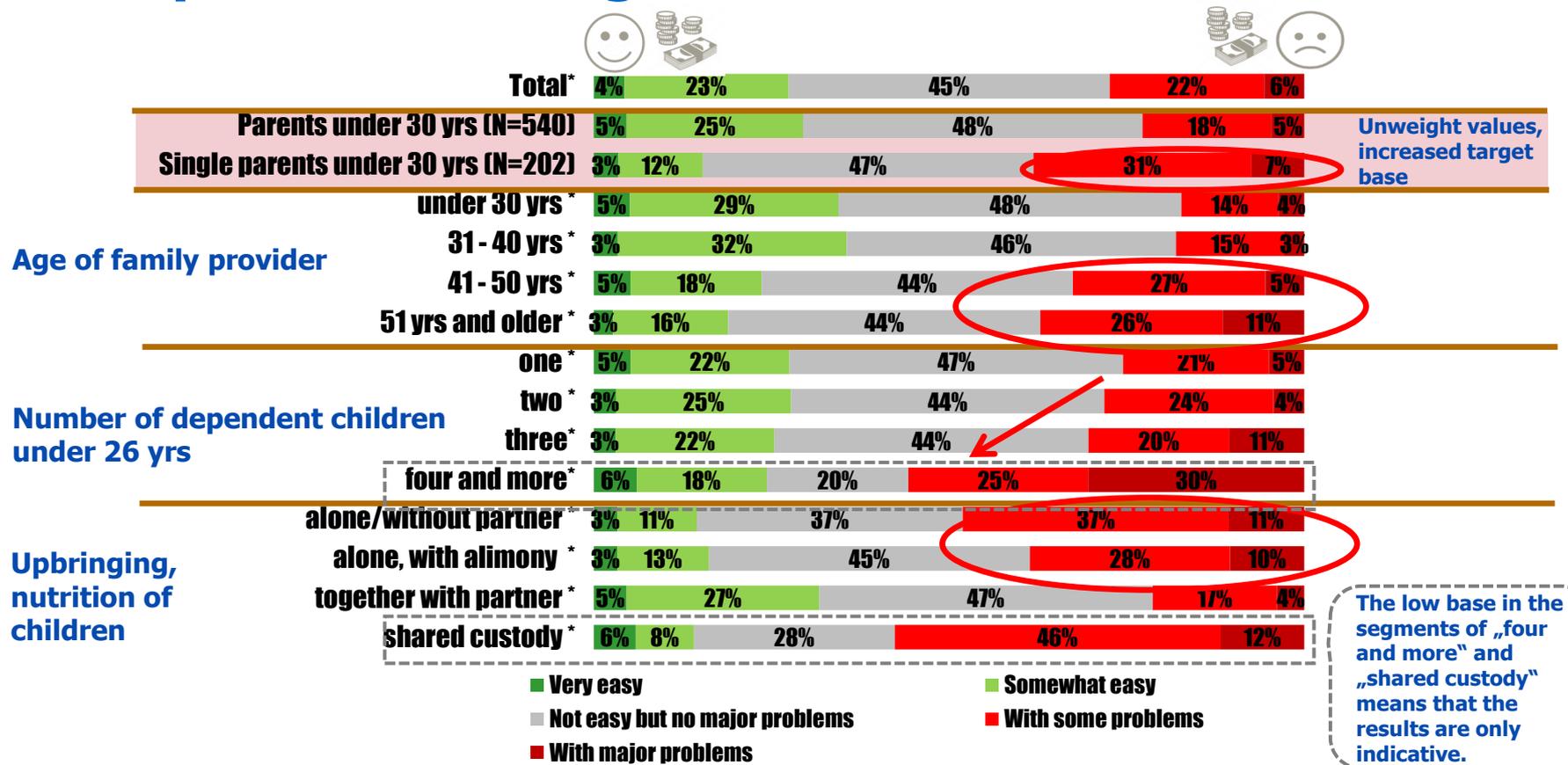
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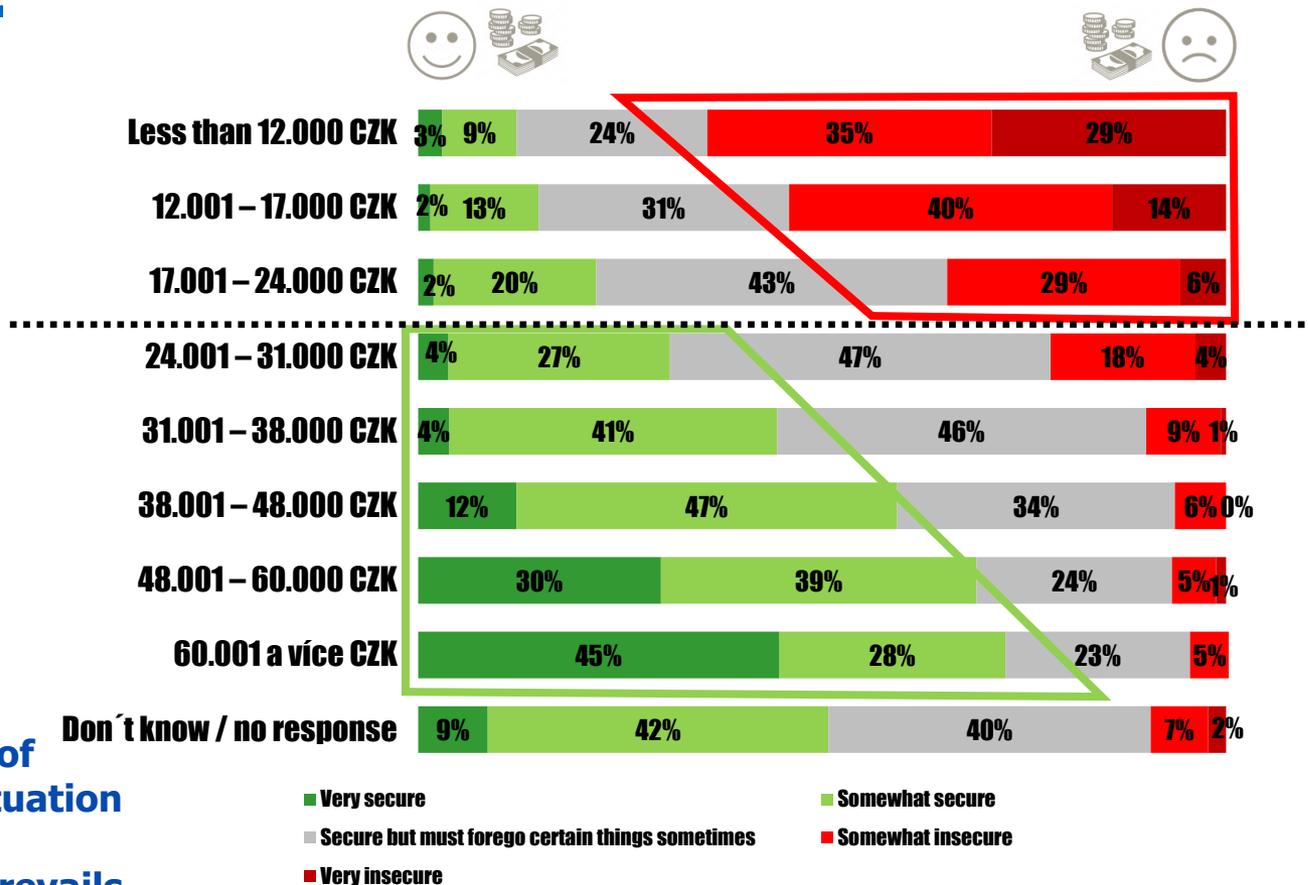
The ability to make ends meet of single providers, older parents and larger families is somewhat worse.



Q1.2) How easy/difficult is for your household to make ends meet? (Total sample, N = 1212)

Critical monthly family income threshold is 24,000CZK on average.

Net monthly family income:



Negative perception of financial situation below this threshold prevails.

Q1.1) How is your family secured financially/materially? (Total sample N = 1,212)

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The costs of housing and food are the biggest burdens of the family budget.



■ 1 - No burden or almost none ■ 2 - Less of burden ■ 3 - Moderate burden ■ 4 - Major burden ■ 5 - Major/critical burden

Q1.3) To which extent the following categories of expenditures burden your family budget? (Total sample N=1,212)

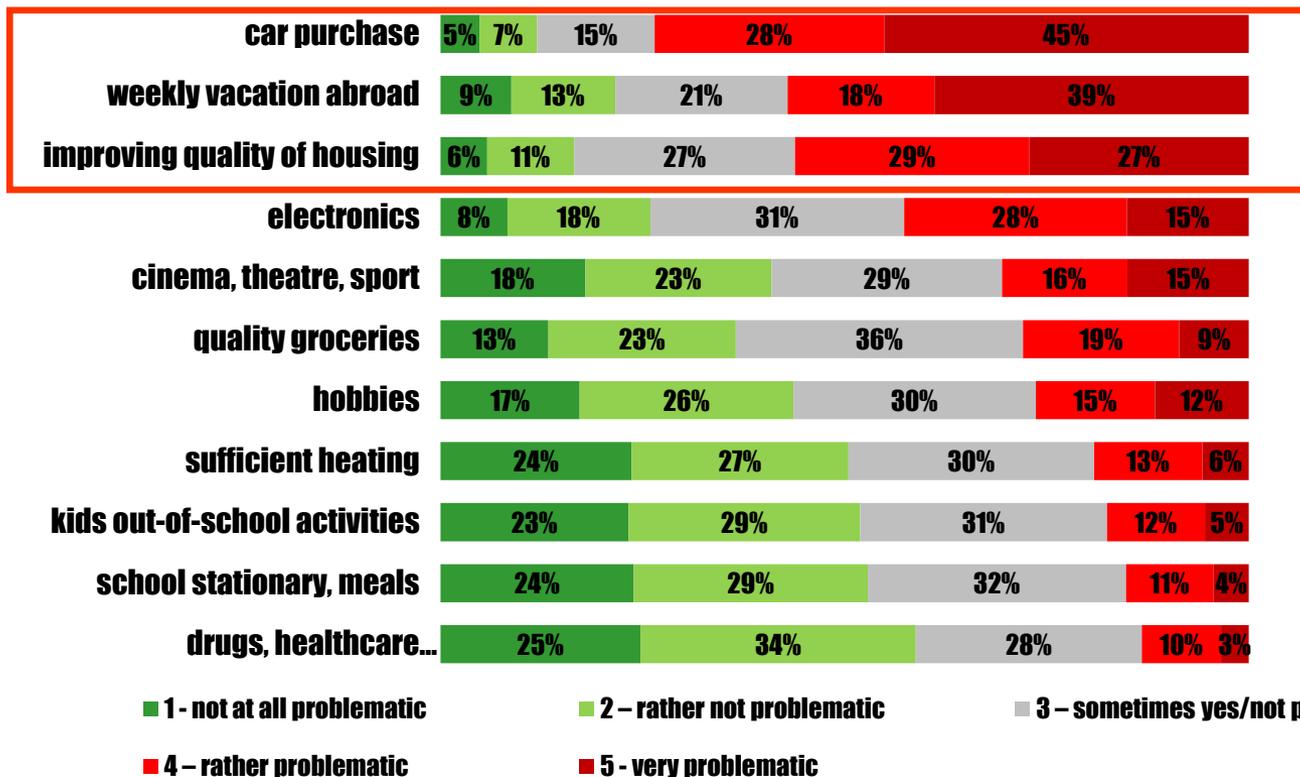
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Only 22 % of Czech families manage one week of vacation abroad without problems.



Q1.4) How difficult do you find the following expenditures? (Total sample N=1,212)

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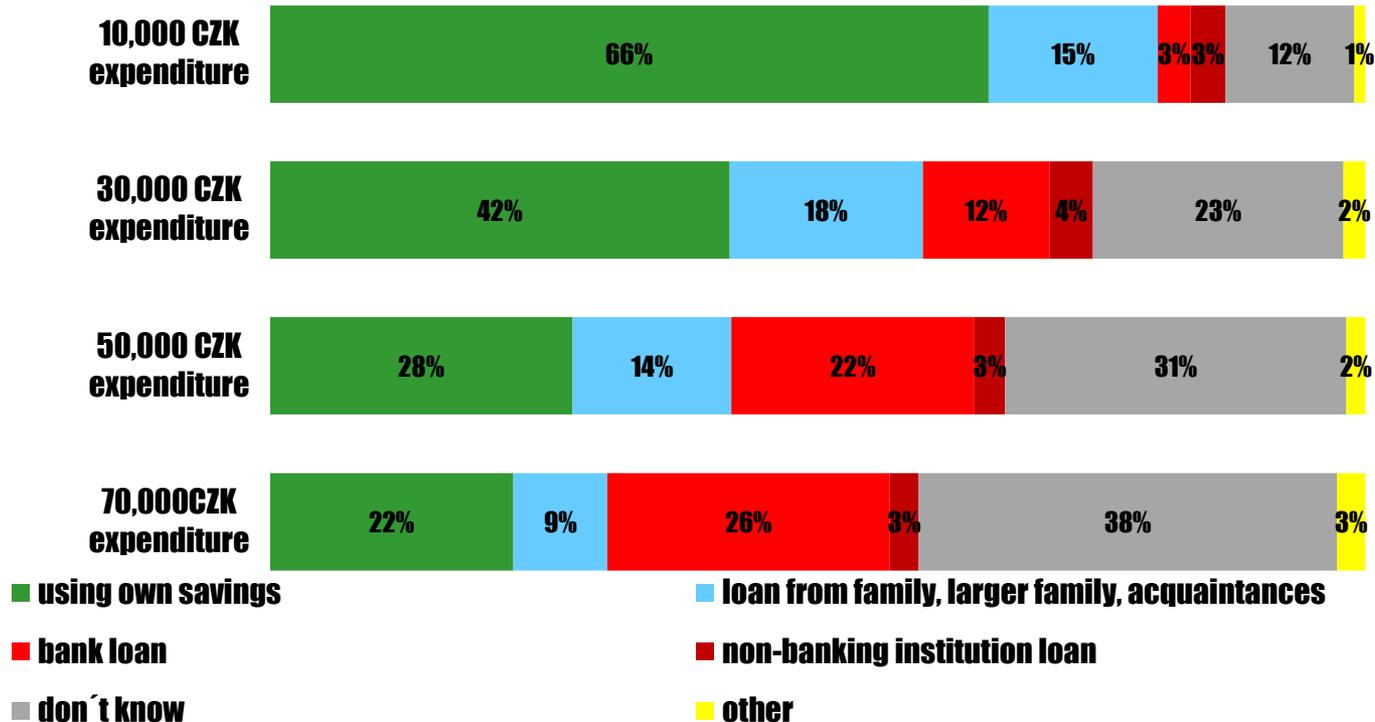


Loans, Debts

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2/3 of families would be able to cover unexpected expenditures of 10,000CZK from their savings, only 1/4 would be able to cover expenditures of 70,000 CZK.



Single parents, parents over 40 yrs, and larger families are less able to cover unexpected expenditures.

Q2.1) Should unexpected expenditures occur, would your family be able to cover them with personal savings? If not, how would you choose to cover them? (Total sample N=1,212)

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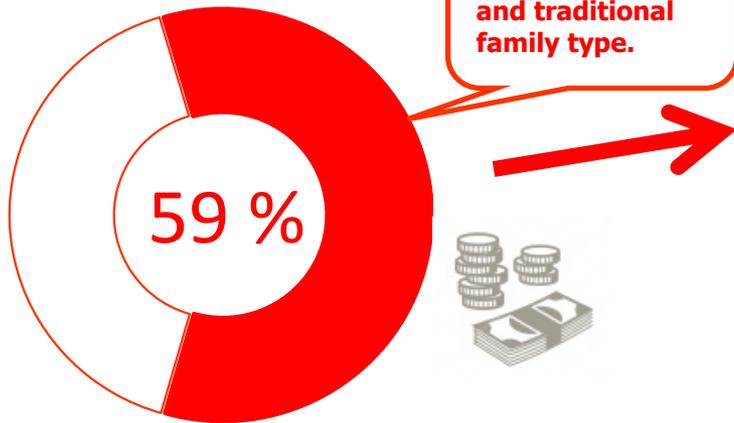
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59 % of Czech families have some type of loan.

Have a loan:



Type of loans (stated most often, multiple answers possible):

31%

Mortgage, housing loan

More often parents of 31 – 40yrs

28%

Consumer loan

More often parents over 50yrs

11%

Credit loan/purchase

Re-calculated on total respondent base

Average loan is 536, 000 CZK.

Average monthly installment is 6, 700 CZK.

11 % of families have problems paying their loans
(mainly parents over 40 yrs and single parents).

When unable to re-pay debts, the respondents most often seek help from the extended family or bank.

Solution in case of inability to re-pay the debts (more answers possible):

67% Postponement of installments

67% Consolidation of debts

52% Debt consultancy

Whom they would address in case of inability to re-pay the debts (more answers possible):

74% Family, acquaintances

71% Banks

24% Credit companies

22% Non-profit organisations

50 % of respondents know of someone who obtains another loan to solve debts.

Q2.8) And would you use any of the given solutions to re-pay your debts in case of inability? Q2.9) Whom would you address in case of inability to re-pay your debts? Q2.10) Do you know anybody who has such issues paying debts and taking up another loan to re-pay them? (Total sample N = 1,212)

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Families at Risk

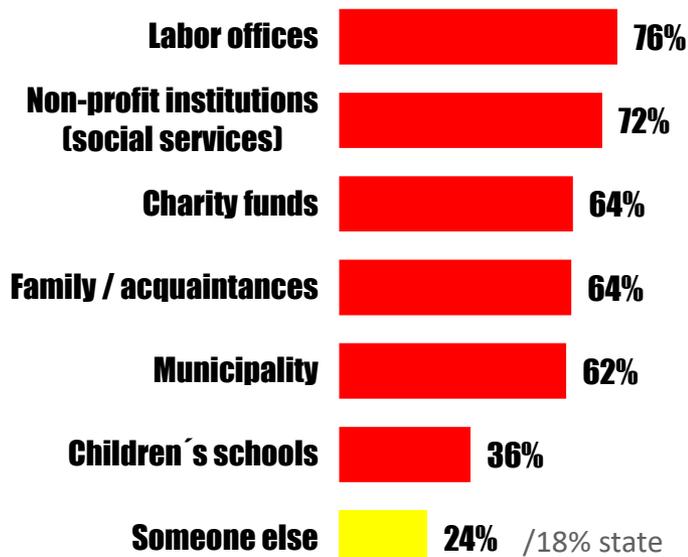
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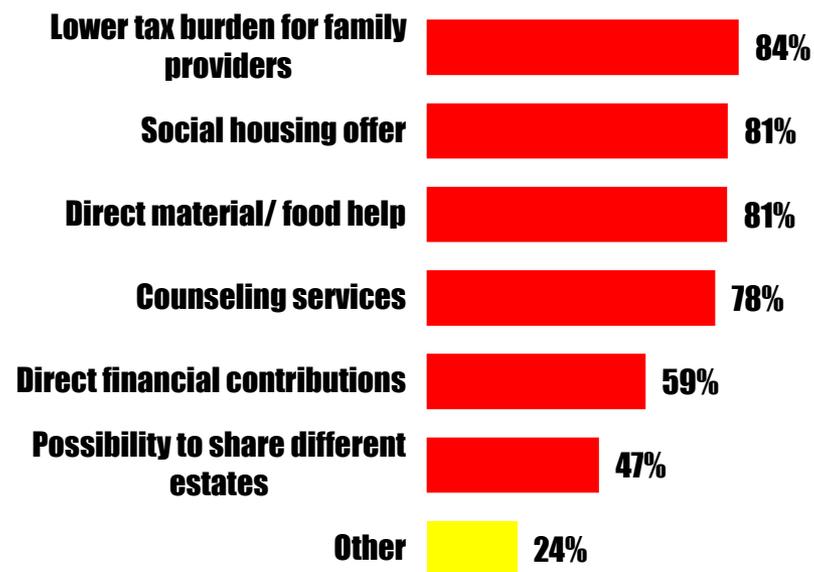
Labor offices and non-profit institutions should provide help to families in need.

The help should come as lower tax burdens for family providers.

Who should help the poverty-threatened families? (more answers possible):



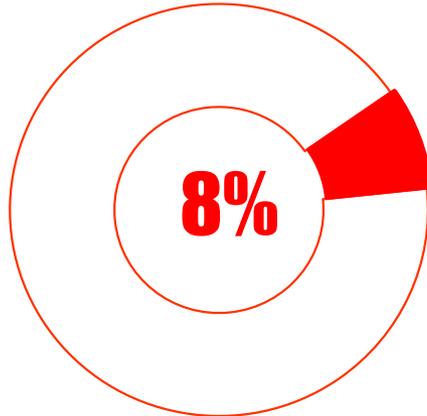
What type of help? (more answers possible):



Q3.4) Who should help the poverty-threatened families? Q3.5) What sort of help should be provided? (total sample N=1,212)

Only 8 % of citizens have received help from a charitable or non-profit organization.

Help from a non-profit or charitable organization:



Experienced more often by parents aged 41 – 50 yrs and single providers not receiving alimony.

- Consultation services
- Direct financial help

Q3.6) Do you personally have any experience with the help from charitable or non-profit institution during a difficult monetary situation? Q3.7) What kind of help did you receive? (Total sample N = 1,212)



Thank you for your attention!

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