



## Do you have debt?

Survey carried out within international project

'Think Twice, debt is a serious issue'

DEBTLESS

2011-1-CZ1-GRU06-07128 3

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**About project:**

Think Twice – Debt is a Serious Issue! is a Grundtvig Partnership Project – a small-scale European cooperation project – focused on co-operation activities between six diverse organizations working in the field of adult education in the broadest sense. Countries represented are: Czech Republic, UK, Netherlands, Bulgaria, Italy, Lithuania and Slovenia.

The Project was instigated in response to the current economic climate in which many individuals and families find themselves in debt.

Agreement number: 2011-1-CZ1-GRU06-07128

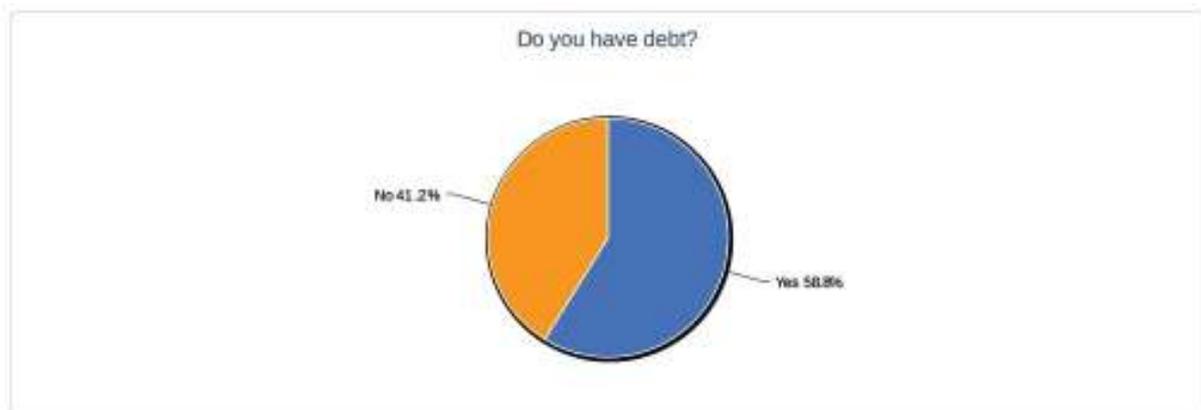
Internal reference number: GRP/11/204P

## Results of the survey

The Target group of the UK survey was a representative mix of adult respondents from different age groups and backgrounds. A total of 17 people agreed to take part.

The survey was carried out using 'SurveyGizmo' – a powerful data online collection and analysis tool. Each question is examined in turn with graphical analysis first, the data second and finally a comment on each.

1

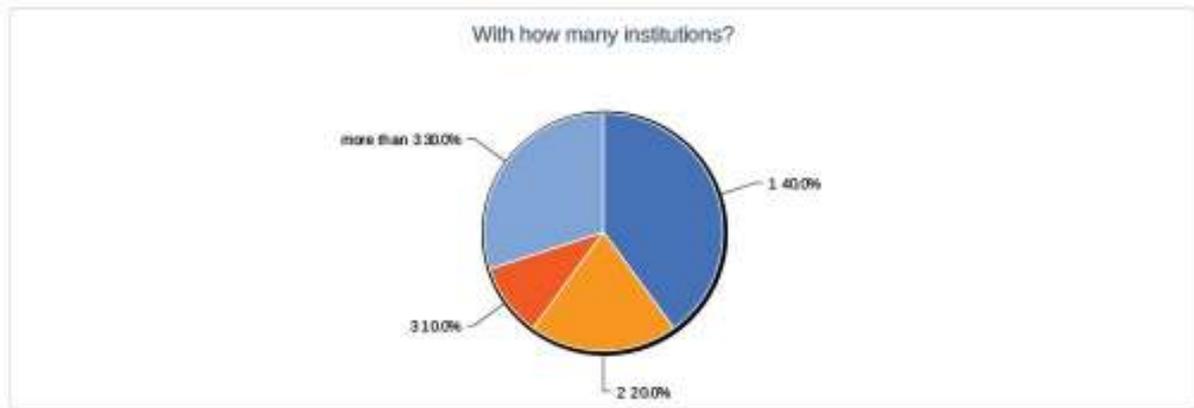


### 1. Do you have debt?

Value	Count	Percent %	Statistics	
Yes	10	58.8%	Total Responses	17
No	7	41.2%		

Of the 17 respondents only 10 people (58%) had debt. This is an interesting finding as it indicates that the sample is perhaps not representative of the UK population as a whole.

2



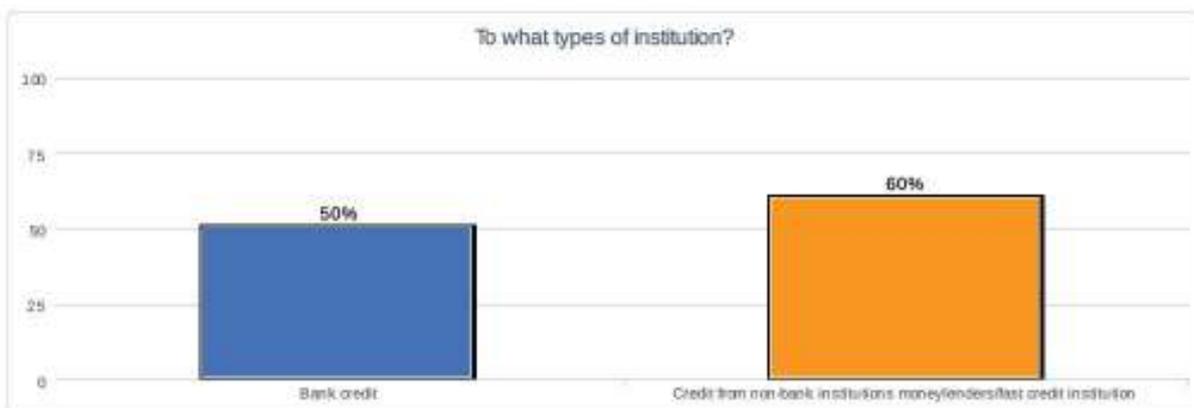
2. With how many institutions?

Value	Count	Percent %
1	4	40%
2	2	20%
3	1	10%
more than 3	3	30%

Statistics	
Total Responses	10
Sum	11.0
Average	1.6
StdDev	0.73
Max	3.0

Most people who have debt are indebted to only one institution although it is not clear how many different loans could be in place within that one institution.

3



3. To what types of institution?

Value	Count	Percent %
Bank credit	5	50%
Credit from non-bank institutions moneylenders/fast credit institution	6	60%
Delayed bills for utility costs (rent, electricity, water, telephone, internet) or mobile phone	0	0%

Statistics	
Total Responses	10

A near equal split between bank and non-bank institutions.

4



4. Have you ever trusted to advisors for instant credits?

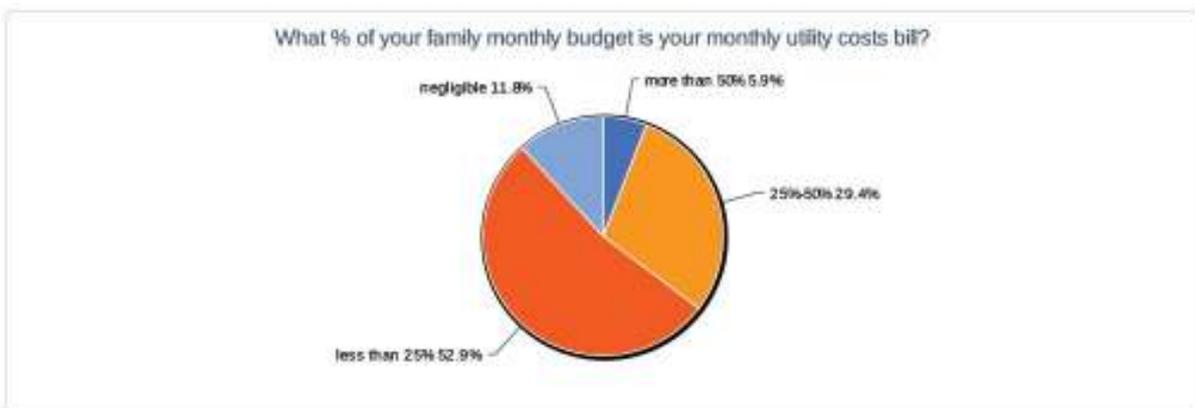
Value	Count	Percent %
No	14	100%
Yes	0	0%

Statistics	
Total Responses	14

A resounding lack of 'instant credit' users – very wise!

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5



5. What % of your family monthly budget is your monthly utility costs bill?

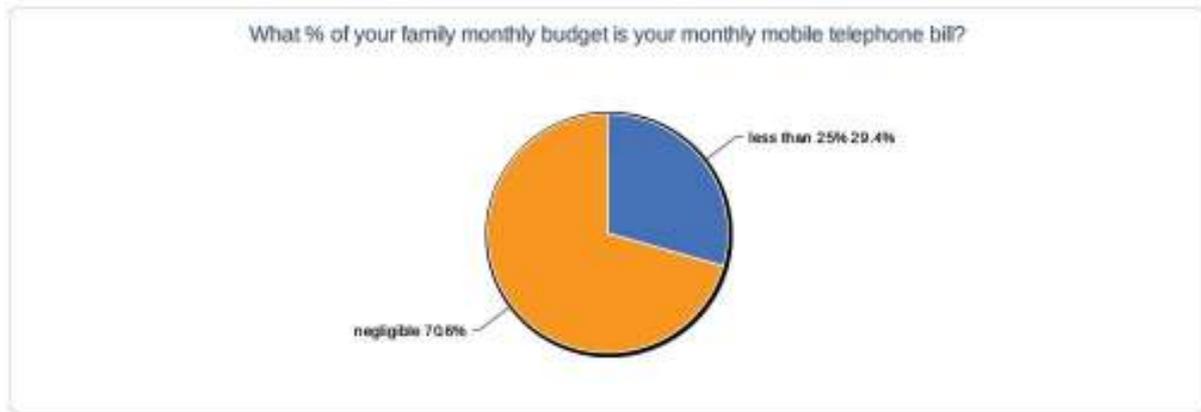
Value	Count	Percent %
more than 50%	1	5.9%
25%-50%	5	29.4%
less than 25%	9	52.9%
negligible	2	11.8%

Statistics	
Total Responses	17
Sum	125.0
Average	25.0
Max	25.0

Utility costs do make up a significant part of people's budget but in most cases (53%) less than 25%.

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6.



6. What % of your family monthly budget is your monthly mobile telephone bill?

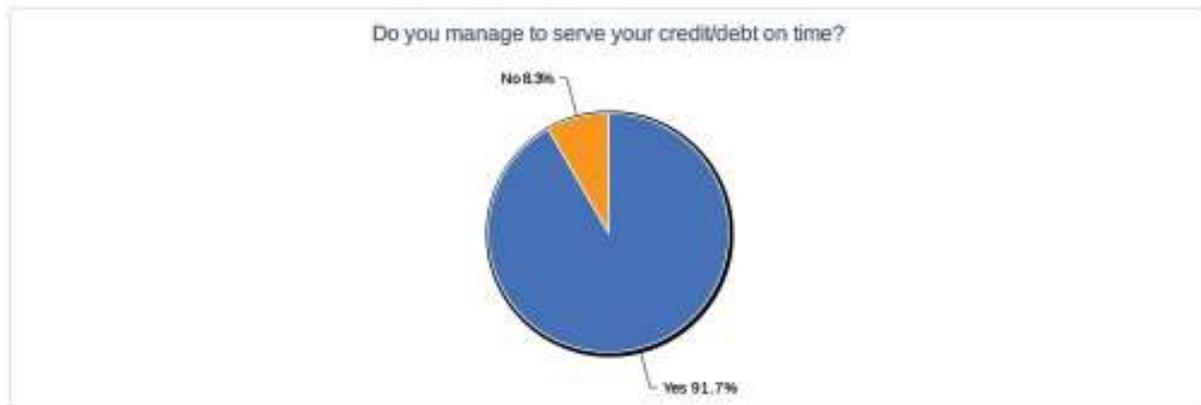
Value	Count	Percent %
less than 25%	5	29.4%
negligible	12	70.6%
more than 50%	0	0%
25%-50%	0	0%

Statistics	
Total Responses	17

Although 'negligible' in most cases it is interesting to note that 30% of the sample felt that their mobile phone was above that level.

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7.



7. Do you manage to serve your credit/debt on time?

Value	Count	Percent %
Yes	11	91.7%
No	1	8.3%

Statistics	
Total Responses	12

In our sample all but one were able to keep up the payments.

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### 8. What is your monthly payment?

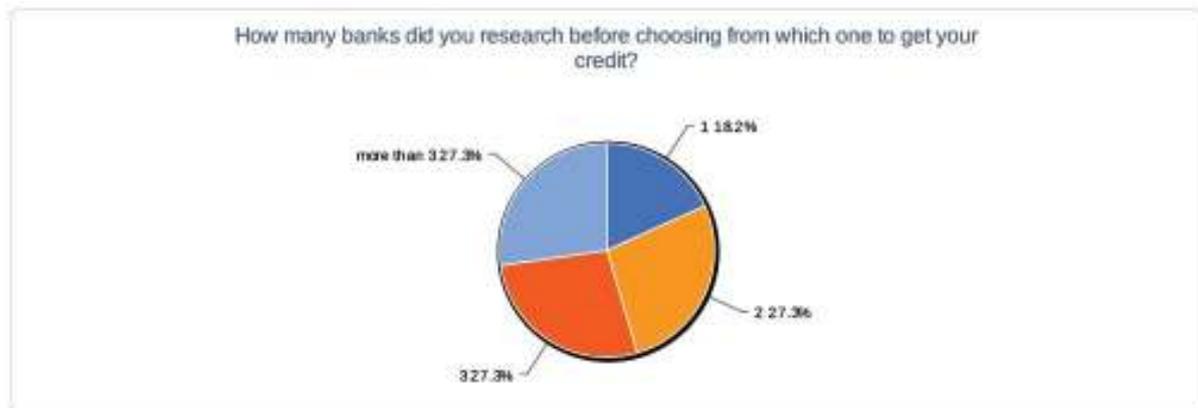
There were eight responses:

- £550
- £400
- £170
- £350
- £198
- £426
- £190
- £50

These figures are self explanatory – higher figures presumably related to mortgages.

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### 9.



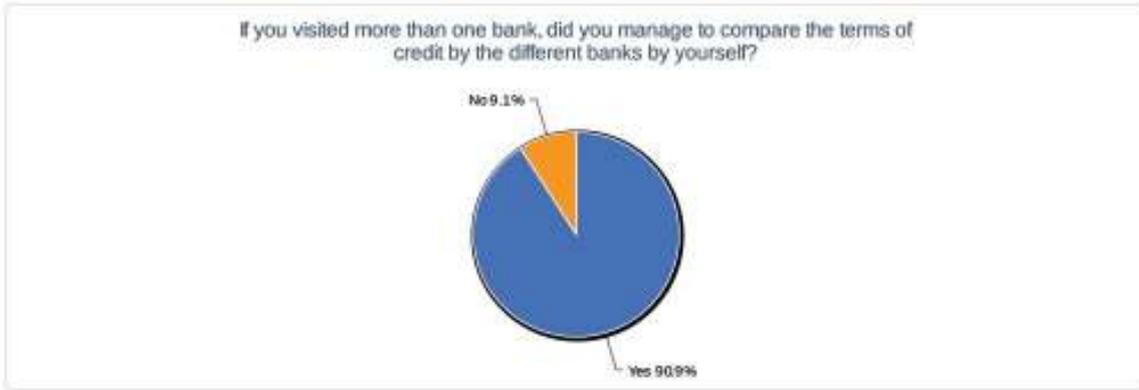
### 9. How many banks did you research before choosing from which one to get your credit?

Value	Count	Percent %
1	2	18.2%
2	3	27.3%
3	3	27.3%
more than 3	3	27.3%

Statistics	
Total Responses	11
Sum	17.0
Average	2.1
StdDev	0.78
Max	3.0

A wide spread with equal numbers of respondents in each category.

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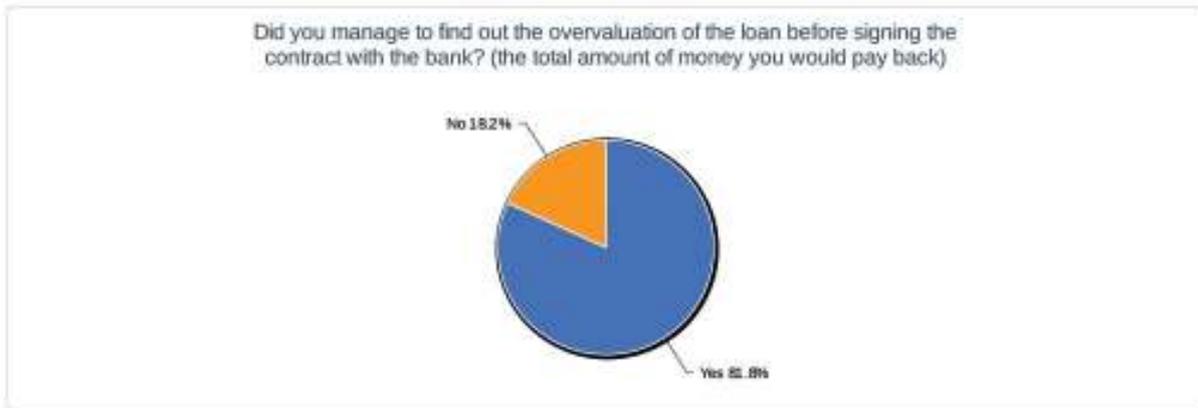


**10. If you visited more than one bank, did you manage to compare the terms of credit by the different banks by yourself?**

Value	Count	Percent %	Statistics	
Yes	10	90.9%	Total Responses	11
No	1	9.1%		

A confident indication that over 90% were able to understand the terms and conditions without external help.

**11**

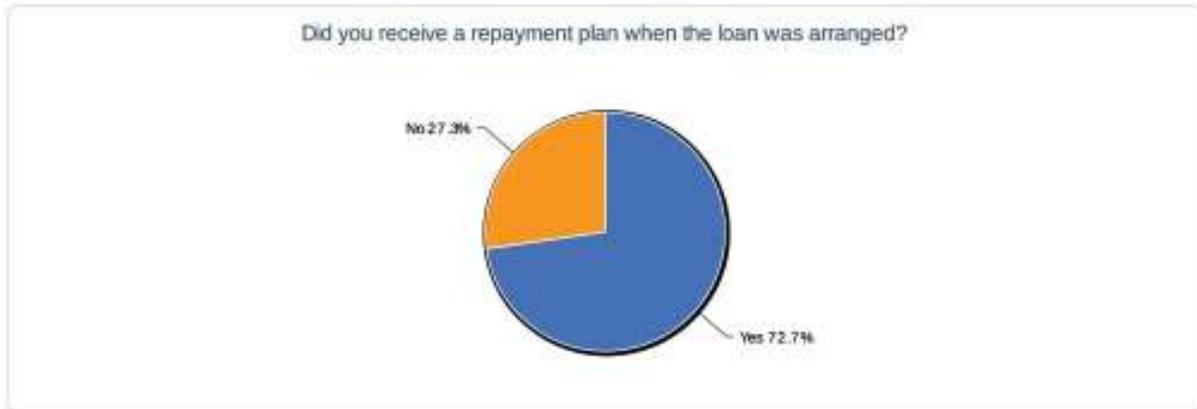


**11. Did you manage to find out the overvaluation of the loan before signing the contract with the bank? (the total amount of money you would pay back)**

Value	Count	Percent %	Statistics	
Yes	9	81.8%	Total Responses	11
No	2	18.2%		

Most people (82%) were able to work out the amount of interest they would be paying.

12



12. Did you receive a repayment plan when the loan was arranged?

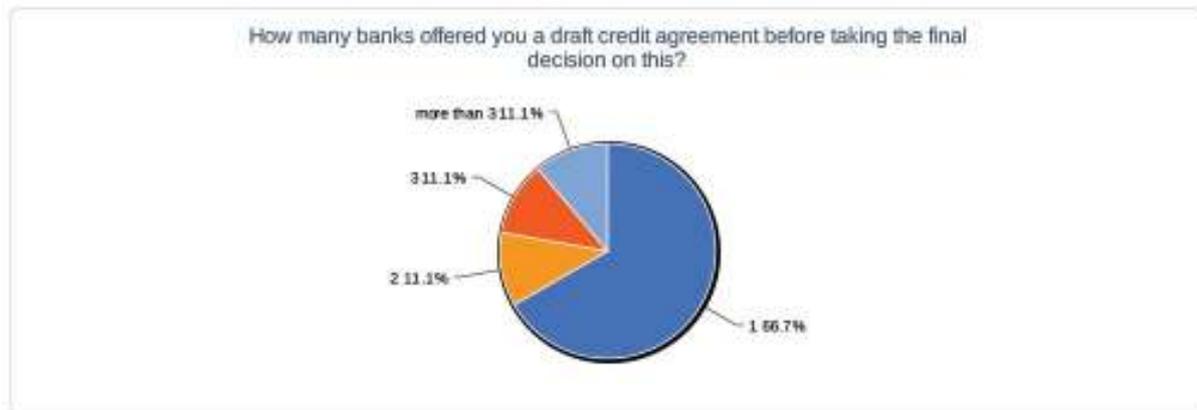
Value	Count	Percent %
Yes	8	72.7%
No	3	27.3%

Statistics	
Total Responses	11

It is interesting that 3 people did not (or do not remember) getting a 'repayment plan' when their loan was taken out.

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13



13. How many banks offered you a draft credit agreement before taking the final decision on this?

Value	Count	Percent %
1	6	66.7%
2	1	11.1%
3	1	11.1%
more than 3	1	11.1%

Statistics	
Total Responses	9
Sum	11.0
Average	1.4
StdDev	0.70
Max	3.0

It is difficult to pick out what this tells us without a more detailed analysis of individual responses.

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**14. Which clause of the credit agreement between you and the bank, did you find to be most disadvantageous for you (describe)**

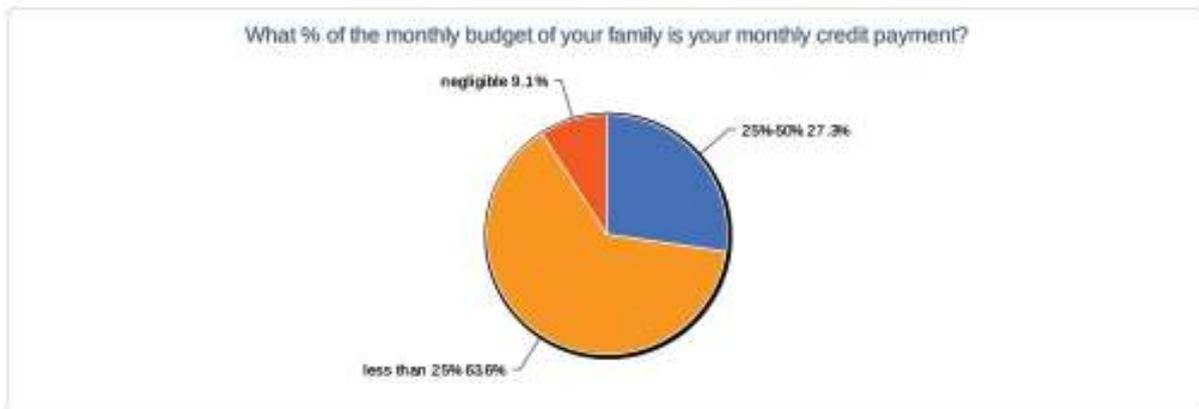
Only three responses:

- The one which states the penalty for default in payments
- Don't understand question
- None

Self explanatory

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**15.**



**15. What % of the monthly budget of your family is your monthly credit payment?**

Value	Count	Percent %	Statistics	
25%-50%	3	27.3%	Total Responses	11
less than 25%	7	63.6%	Sum	75.0
negligible	1	9.1%	Average	25.0
more than 50%	0	0%	Max	25.0

In the great majority of cases the % is a healthy 'less than 25%

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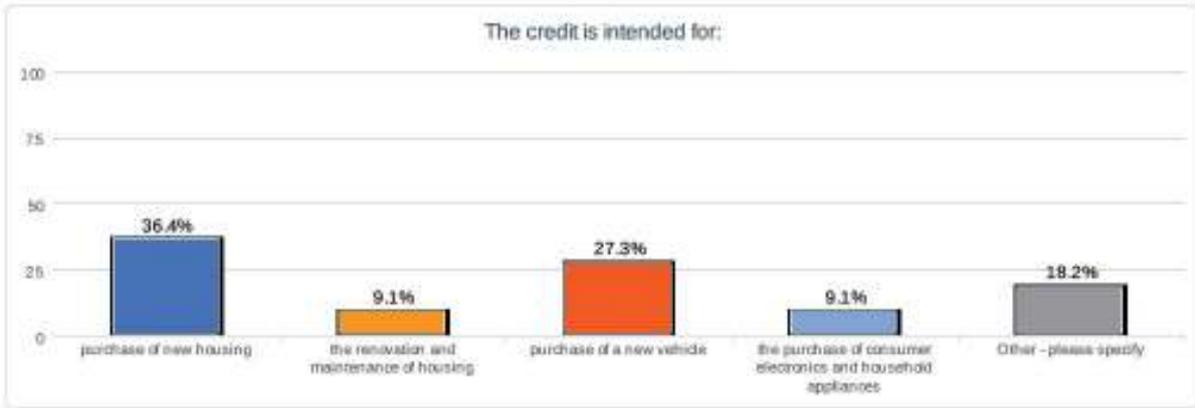
**16 What is your repayment period of this loan?**

Responses

- 25 years
- 25 years
- 4 years
- Various
- 5 years
- 35 years
- 36 months
- 3 years
- 2 years
- I am a student and so when I earn over £10000 I pay back a %

Again these figures would indicate two mortgages (25 years) while the others range between 2 and 5 years.

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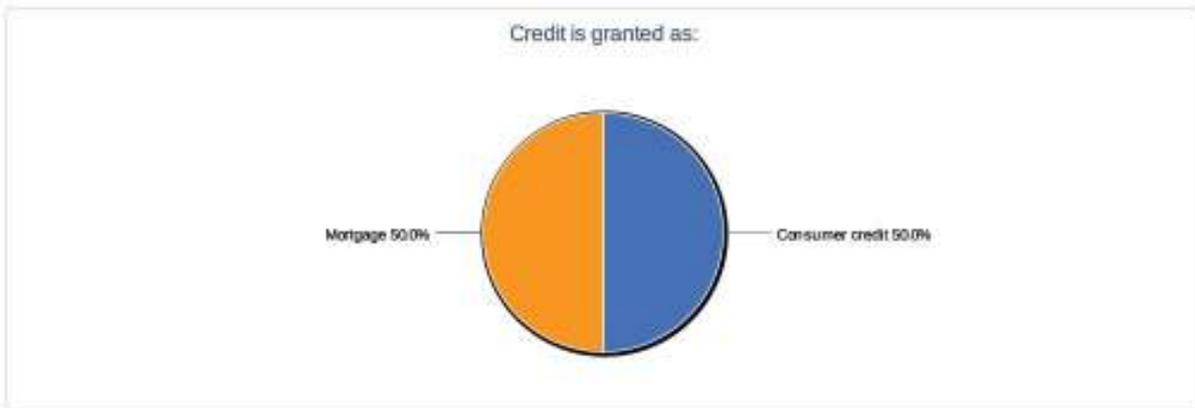
**17. The credit is intended for:**

Value	Count	Percent %
purchase of new housing	4	36.4%
the renovation and maintenance of housing	1	9.1%
purchase of a new vehicle	3	27.3%
the purchase of consumer electronics and household appliances	1	9.1%
Other - please specify	2	18.2%
purchase of a mobile phone	0	0%

Statistics	
Total Responses	11

Housing and vehicles make up the great majority as would be expected.

**18**

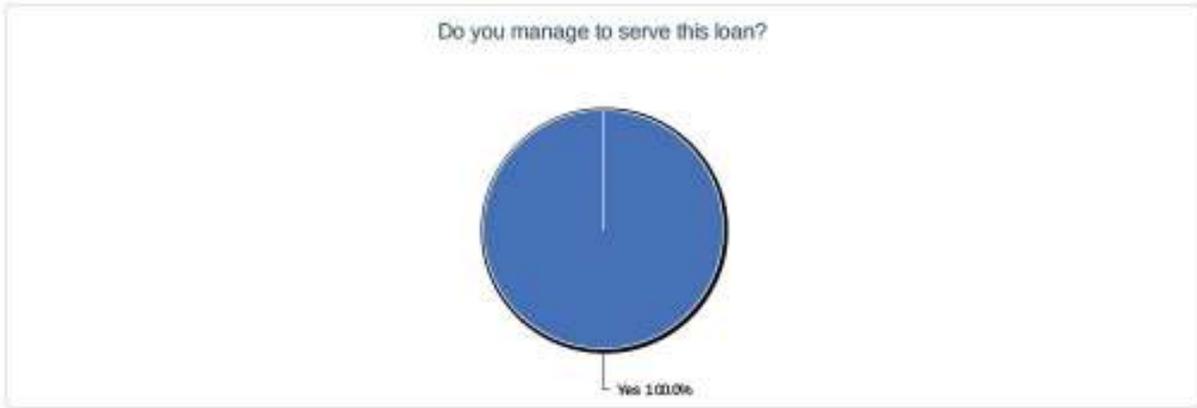


**18. Credit is granted as:**

Value	Count	Percent %
Consumer credit	5	50%
Mortgage	5	50%

Statistics	
Total Responses	10

A 50:50 split although there seems to be an anomaly between this and previous responses.

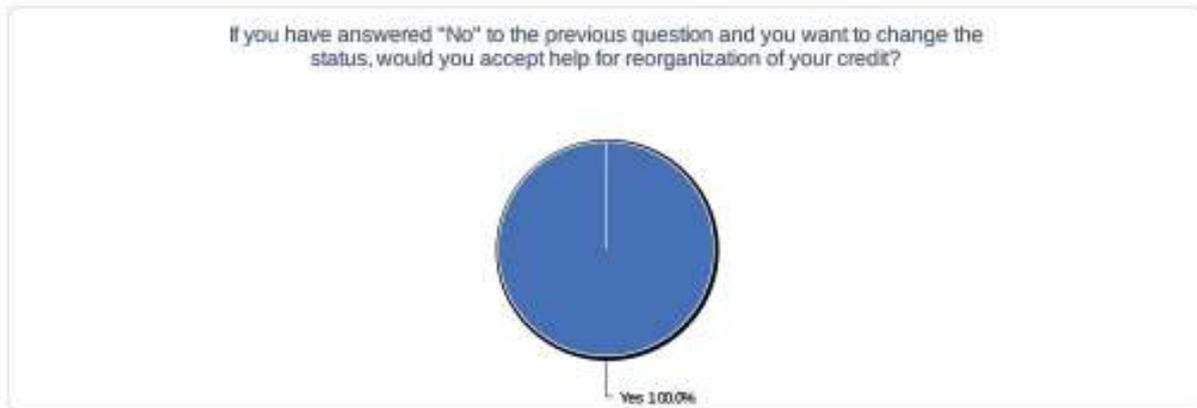


**19. Do you manage to serve this loan?**

Value	Count	Percent %	Statistics	
Yes	10	100%	Total Responses	10
No	0	0%		

It is encouraging that none of the respondents in this section were in difficulty with their loans.

**20**



**20. If you have answered "No" to the previous question and you want to change the status, would you accept help for reorganization of your credit?**

Value	Count	Percent %	Statistics	
Yes	1	100%	Total Responses	1
No	0	0%		

Unsure how we had a response in this category as all said 'yes' above.

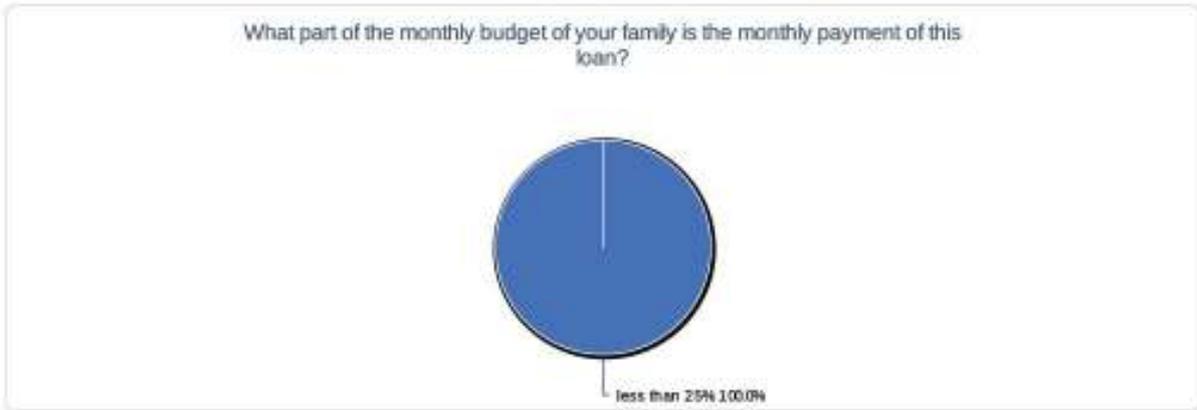
**21. What is your monthly payment?**

Only 2 responses:

- £300
- £35

Again – there are some confusing results here which do not appear to tally.

**22.**



**22. What part of the monthly budget of your family is the monthly payment of this loan?**

Value	Count	Percent %	Statistics	
less than 25%	4	100%	Total Responses	4
more than 50%	0	0%		
25%-50%	0	0%		
negligible	0	0%		

All less than 25%

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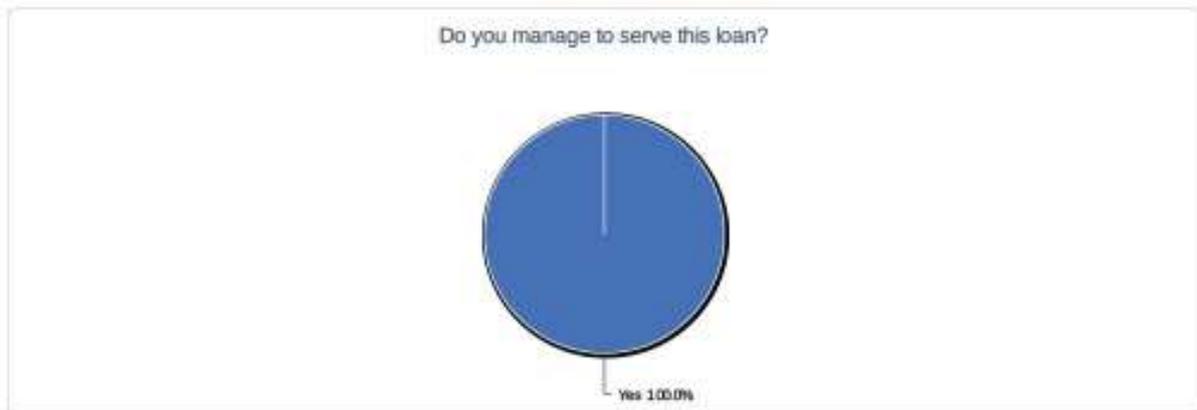
**23. What is your repayment period of this loan?**

Only 2 responses:

- 9 years
- 2 years

Inconsistent responses.

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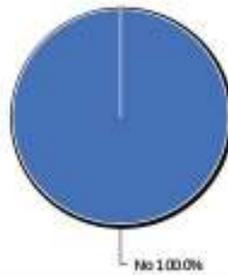
**24. Do you manage to serve this loan?**

Value	Count	Percent %	Statistics	
Yes	3	100%	Total Responses	3
No	0	0%		

100% are able to service the loan.

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If you have answered "No" to the previous question and you want to change the status, would you accept help for reorganization of your credit?



25. If you have answered "No" to the previous question and you want to change the status, would you accept help for reorganization of your credit?

Value	Count	Percent %
No	1	100%
Yes	0	0%

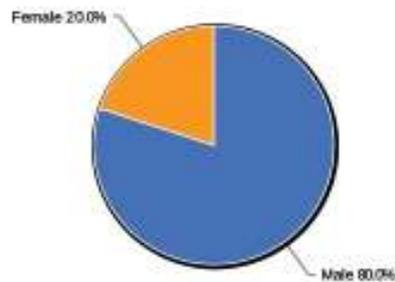
Statistics	
Total Responses	1

This would be an interesting follow up to make to look at people's views / opinions on the help that is available for people in debt.

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26

Your gender?



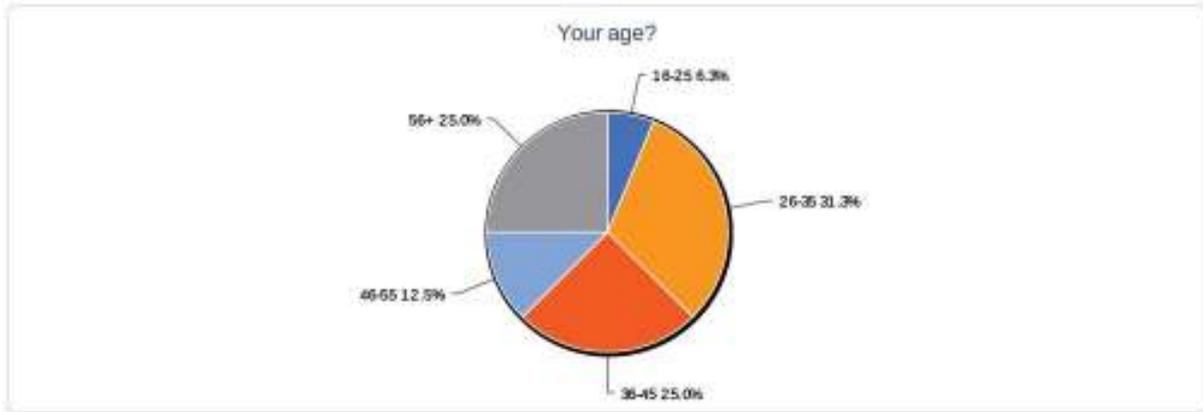
26. Your gender?

Value	Count	Percent %
Male	12	80%
Female	3	20%

Statistics	
Total Responses	15

This indicates that our survey was somewhat unbalanced with a great majority of respondents being male.

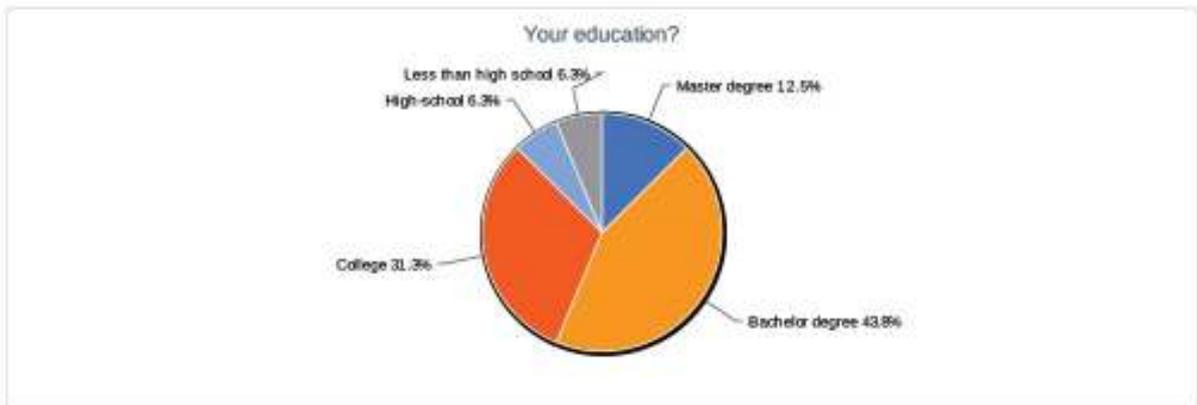
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### 27. Your age?

Value	Count	Percent %	Statistics	
16-25	1	6.3%	Total Responses	16
26-35	5	31.3%	Sum	606.0
36-45	4	25%	Average	37.9
46-55	2	12.5%	StdDev	12.85
56+	4	25%	Max	56.0

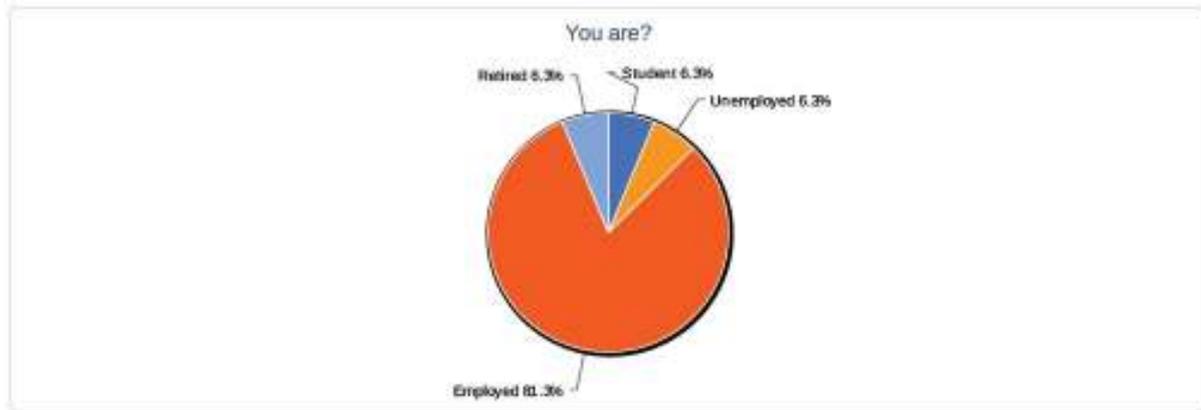
The range follows a normal distribution with most respondents in the 26 – 45 age range.



### 28. Your education?

Value	Count	Percent %	Statistics	
Master degree	2	12.5%	Total Responses	16
Bachelor degree	7	43.8%		
College	5	31.3%		
High-school	1	6.3%		
Less than high school	1	6.3%		

Most respondents were educated to a level a little above that which would be expected in the general public.

**29. You are?**

Value	Count	Percent %
Student	1	6.3%
Unemployed	1	6.3%
Employed	13	81.3%
Retired	1	6.3%

**Statistics**

Total Responses 16

These figures show that most were employed people.

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## UK Summary

The survey was carried out to try to give a 'snapshot' of the current situation in the different partner countries and there are some interesting findings. Having said that, the survey is flawed in many ways and in the UK at least there were many issues raised by respondents, and ourselves, in relation to the survey.

Our first problem was to identify suitable respondents. Debt is a very delicate issue and not something people wish to share with others. To overcome this we turned the paper-based survey into an electronic version to keep it anonymous. This led to some success in improving take-up but a large group of people who were invited to take part did not. This meant that we only had 17 respondents which is not enough to provide meaningful data.

The structure of the questionnaire, and some of the questions, also caused some confusion and with hindsight, various improvements could be suggested, such as clearly separating Mortgages from the other questions. Many people do not see their mortgage as a debt because they may have a huge amount of equity in the house that could be used to pay off the remaining debt should there be a repayment problem and the house has to be sold.

Also student debt is a major issue here in the UK with students building up huge debts by the time they start work. For this year, 2012 the average student debt on graduation is £26,000 – although it must be stated that the repayment terms are very favourable for the graduate through a Government sponsored repayment scheme. The survey did not allow these debts to be clearly identified. Also there were problems where someone had more than one loan from an institution and it was unclear how they should complete the survey in that case.

On reflection it might be interesting to have a survey / questionnaire to find people's attitudes to debt rather than to examine their own situations. This would have been far less intrusive and people would have been very happy to give their views! It would also have meant that we could have invited a wider range of people to participate, including people from our extensive client list who we obviously did not contact for this survey!

UK – Crystal  
Richard Jack



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