

Pensions continue to be main source of income for half of Greek households

macropolis.gr 05/02/2018

A household survey by the Small Enterprises' Institute (IME) of the Hellenic Confederation of Professionals, Craftsmen and Merchants (GSEVEE) has found that while the economy is expected to stabilise, expectations for the future remain low.



The sixth annual edition of the Household Income and Expense survey covered a broad range of economic issues and behaviour, including employment, consumption habits and income.

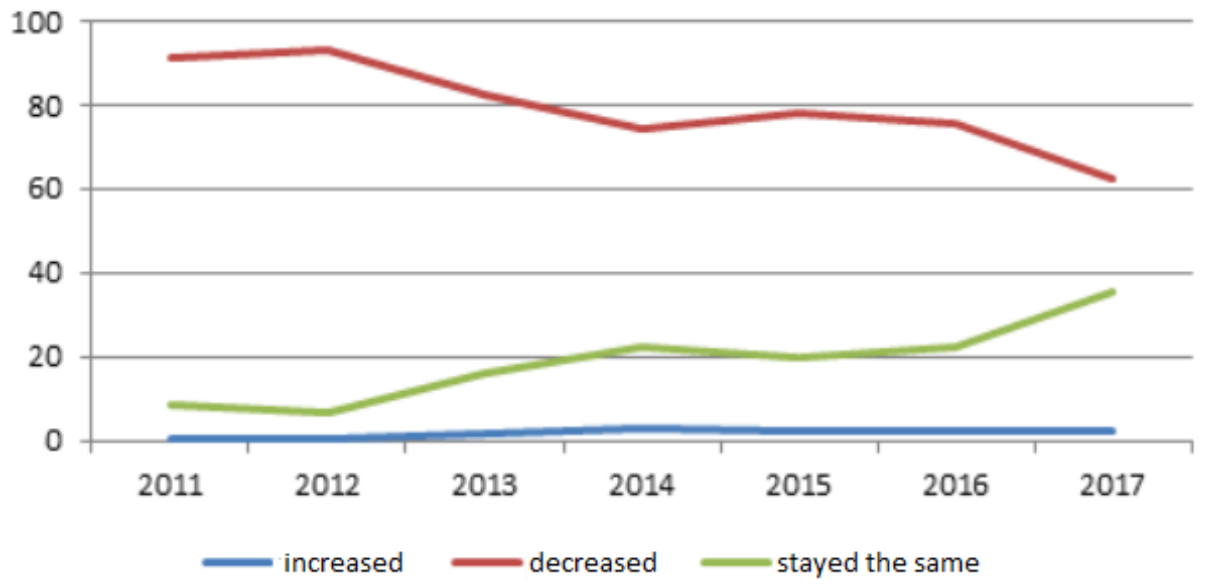
The latest survey found that three in four of those who report being unemployed fall into the category of long-term unemployed.

One in five households has a member who gets paid less than 586 euros a month and 72.3 percent of young people surveyed were seriously considering moving overseas for work.

Just over half (50.9 percent) of all households surveyed declared that pensions were their main source of income. This was followed by salaries (39.1 percent) and profits from a business (5.9 percent). Households reporting pensions as the main source of income has risen compared to last year's figure (49.2 percent). It was noted in the report that "pensions continue to display characteristics of a substitute for social benefits," and that without social benefits, the percentage of households classed as being in poverty would rise to 52.9 percent.

Around 62.4 percent of households said that their income had fallen in 2017 in relation to 2016, while the number of those who said that their income had stabilised rose from 22.2 percent last year to 35.6 percent in 2017.

Figure 1: Your income in relation to 2016:



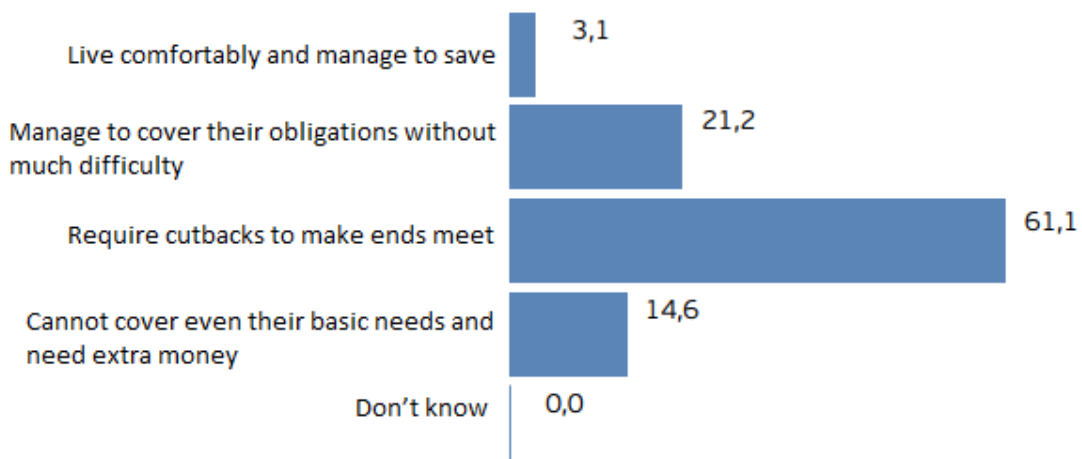
The report also noted that the Labour Ministry's Ergani information system showed that the average gross monthly wage in Greece came to 1021.31 euros in 2017 compared to 1057.1 euros in 2016.

The report said that while disposable income fell in 2017, a marginal increase in private consumption was noted. However, this was not expected to yield sustainable results for the economy due to the fact that while unemployment had fallen, full-time work had been overtaken by more precarious types of employment such as part-time and shift work, "with lower earnings and exposure to poverty and social exclusion."

A third of households (34.2 percent) gets by on the lowest income band of 10,000 euros annually. This has fallen in comparison to the 2016 results (36.3 percent).

Furthermore, 61.1 percent said that they have had to cut back on expenses to make ends meet, while 14.6 percent said that their income was not enough to cover even basic needs. Only 3.1 percent reported being comfortable economically and managing to save money. This was double the figure for last year, when 1.5 percent of respondents reported being able to save.

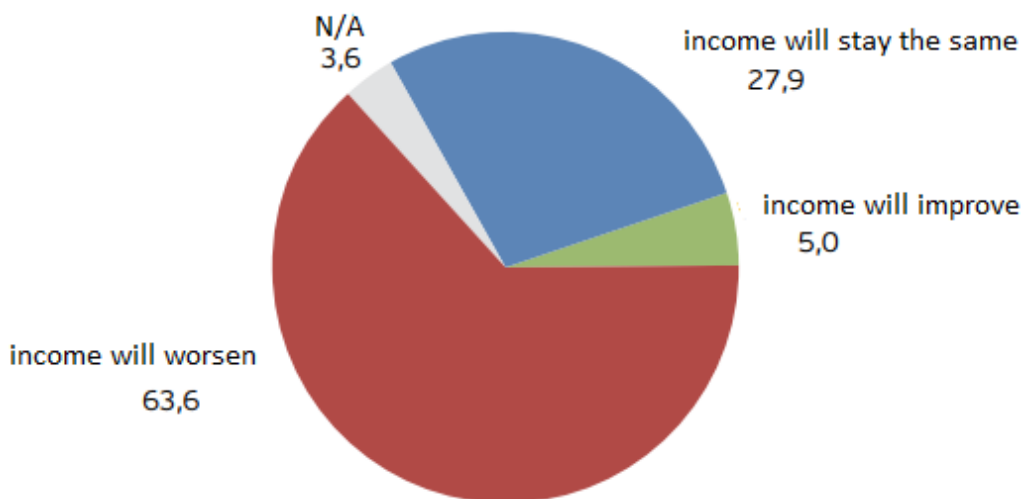
Figure 3: With the household income you have today, which category of households would you say you belong in? Those who:



When asked if they would be able to meet an unexpected expense of 500 euros, 51.4 percent said that they would be able to do so with great difficulty while 15.8 percent of households answered that they would not be able to meet such an expense. Households with more than five members, unemployed members and those on low incomes found it hardest to cover basic needs.

Regarding what they thought would happen to their financial situation, 63.6 percent thought that it would worsen, 27.9 percent that it would stay the same and 5 percent that it would improve. Those who thought that their situation would worsen improved compared to last year (73.5 percent), while the other responses remained broadly in line with recent years.

Figure 4: Prospects for income improvement



Almost one fifth (19.6 percent) of households had one member with overdue tax obligations. For the coming year, one in four households anticipated not being able to meet their tax obligations, while 14.8 percent of property owners said that they would not be able to pay the ENFIA property tax.

Although 25 percent of respondents in the current survey reported that they would not be able to meet their tax obligations, this represents a fall of 9 percentage points compared to the results from 2016 when 34 percent said that they would not be able to do so.

Some 20.2 percent of households have both the ENFIA tax plus a mortgage payment to deal with, out of which 35.8 percent stated that they were behind on mortgage payments. As a result of their unmet obligations, 18.6 percent of households, or one in five, feared the repossession of their property.

The report stated that based on Bank of Greece figures, the total for household loans stood at 89.7 billion, of which around 71.5 percent are mortgages and 25.6 percent consumer loans. The percentage of non-performing loans (NPLs) out of this total is 46.1 percent.

On how tax revenues should be spent, 73.2 percent felt that health should be prioritised, followed by education (45.8 percent) and employment/investment (40 percent). Only 2.3 percent responded that the revenues should be used by the government to service loan payments.

When asked what they put off due to economic difficulties, 47.8 percent of households responded that they delay visits to the doctor, while 33 percent said they delayed servicing their car or fixing broken household equipment.

The use of card payments was also reported have gone up significantly compared to the last survey, rising from 54 percent to 74 percent. Just 22.8 percent now favoured cash payments only, compared to 46 percent in the last survey.

The survey was conducted by Marc pollsters on a sample of 1,006 households across Greece in November 2017, and has been run each year since 2012.