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Exploring Differences in Household Debt Across the United States and Euro Area Countries[#]

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Abstract

Household debt has played a central role in the global financial crisis, yet our understanding of it remains limited. We put US household leverage in an international perspective, using household-level data for the US and ten euro area economies. US households have the highest prevalence of mortgage and consumer debt, hold comparatively large amounts and face higher debt burdens despite having higher income. We find that the US economic environment is associated with a higher propensity to hold debt, primarily because a given level of collateral is associated with higher prevalence and larger amounts of mortgage debt in the US.

JEL-codes: D12, E21, G11

Keywords: household debt, debt burden, household finance, counterfactual decompositions

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1. Introduction

US household debt has played a central role in the global financial crisis and its aftermath. The high levels of debt held by US households seemed to be sustainable until house prices fell sharply and many households faced a drop in income or income prospects, making it harder for them to service their debt. The resulting deleveraging process has shaped the US post-crisis macroeconomic performance. Mian and Sufi (2011) stress the negative feedback effect of foreclosures and forced house sales on US house prices, which in turn lower collateral values and lead to negative wealth effects. But even in the absence of foreclosures, households with high debt burdens have cut down their consumption (Dynan, 2012). Taken together, these developments have had substantial macroeconomic repercussions. For instance, using regional variation across the US, Mian and Sufi (2010) show that US household leverage in 2006 predicts most of the fall in durable consumption in the subsequent recession.

While US household debt clearly has been important in explaining the fate of the US macroeconomy in recent years, we still know very little about factors that contributed to the high level of household debt. Likewise, our understanding about factors that fuelled the significant household credit expansion in a number of other advanced economies over the same period remains limited. Zinman (2015) provides a thorough review, pointing to an array of possible factors that range from increased availability of credit, marketing of loan products, and housing price growth to changes in demographic composition. To shed more light on such factors we put US household debt in an international perspective and examine cross-country differences in household debt holdings and the concomitant household exposure to a high debt burden. To that effect, we use household-level data from the 2010 US Survey of Consumer Finances (SCF). We supplement them with comparable data from the Eurosystem Household Finance and Consumption Survey

(HFCS), covering ten euro area countries, many of which witnessed a significant rise in household debt.

Our approach has two main advantages. First, micro-level data help to shed light on issues related to household leverage that are typically hidden in national accounts and regional aggregates. For instance, household-level information allows distinguishing between debt prevalence and amounts as well as assessing individual debt burden on the basis of payments that each household makes to service different types of debt. Second, putting US household leverage into an international perspective allows gaining insights on factors that are associated with debt holdings and can be relevant to the US or to the other developed countries under study. For example, such international comparisons help assess the extent to which the economic environment in the US is associated with a higher propensity to hold debt and to have high debt burdens than the environment that counterpart households face in other advanced economies. Likewise, one could assess the extent to which the different patterns for US household debt are associated with differences in the demographic composition in relation to countries under comparison.

Our starting premise is that cross-country differences in debt holdings and debt burden can be – on the one hand – associated with differences in the configuration of household characteristics and – on the other hand – with differences in the economic environment within which households operate. As we discuss, the data suggest significant variation in a number of household characteristics across different countries. Differences in economic environments usually comprise a broad set of factors that include market characteristics (such as the availability and marketing of certain debt products), legal conditions (such as the difficulty of entering into and getting out of bankruptcy), cultural factors (such as differences in the social acceptance of indebtedness), or

economic policies (e.g., macro-prudential or monetary policies or the tax treatment of debt). As we discuss later, we use regression decomposition techniques to assess the association between observed differences in household debt and household characteristics, and between observed differences in household debt and the economic environment. In so doing, we study prevalence and outstanding amounts of mortgage (i.e., real estate debt) and consumer debt (i.e., non-real estate debt) as well as the resulting debt burden.

Our key findings can be summarized as follows. First, according to comparisons of raw data, US households have the highest prevalence of both mortgage and consumer debt, and those who hold debt have comparatively large amounts of loans outstanding; conditional median amounts outstanding are higher only in the Netherlands (for both types of debt) and in Luxembourg (for mortgage debt). Second, according to our decomposition analysis, these discrepancies are not primarily driven by differences in observed household characteristics across countries, with the exception of mortgage debt amounts. Rather, these discrepancies are mainly accounted for by the US economic environment, which, for a given configuration of characteristics, appears more conducive to a higher propensity to hold debt.

The first two key findings are in line with earlier evidence on the importance of economic environment for cross-country differences in household assets and mortgages, most notably among older households (see Christelis et al., 2013). Importantly, our analysis here goes one step further, as it identifies the main underlying factors associated with this result. Accordingly, our third key finding is that the same level of collateral is associated with higher holdings of mortgage debt in the US, and that for a given level of education, households in the US appear to hold more consumer debt than their European counterparts.

Fourth, even though US households have on average higher PPP-adjusted income than their European counterparts, they are found to have a considerably higher debt-service-to-income ratio. Also this result is primarily due to the economic environment in the US, which is associated with higher debt burdens for a given level of collateral.

Fifth, while differences in household characteristics have a relatively small association overall with observed differences in debt holdings, this association is non-trivial in many pairwise comparisons. In most of these cases, we find that US households have characteristics that are associated with a higher likelihood to hold debt than their European counterparts.

The present paper is related to two strands of existing literature. The first deals with factors determining household debt. Several authors have stressed the importance of loan supply in determining debt levels: Mian and Sufi (2009) argue that more widespread securitization practices among US banks shifted the supply of mortgages; Corbae and Quintin (2015) point to the large number of low-down-payment mortgage contracts in the US prior to the crisis; in line with this, there has been an increased share of borrowers with relatively ‘poor’ characteristics: Demyanyk and Van Hemert (2012) document that the quality of mortgage loans deteriorated for six consecutive years prior to the crisis.

Other studies emphasize the role of loan demand in shaping debt levels. Georgarakos et al. (2014) show that those who consider themselves poorer than their peers tend to borrow more and assume a higher debt-service burden, in particular during periods of economic expansion. House prices have also been shown to be instrumental in explaining household debt: with rising house prices, debt levels tend to increase (see, e.g., Mian and Sufi, 2009). In addition, there is a possible role for legal and economic institutions. In their cross-European study, Bover et al. (2016) find the

length of asset repossession periods in each country to correlate with differences in the prevalence and amounts of mortgage debt.

A second strand of the literature to which this paper relates uses decomposition techniques to study differences in household finances across countries. Bover (2010) estimates wealth distributions in a comparative analysis of the US and Spain and finds that differences in household structure account for most of the differences in the lower part of the wealth distribution, whereas its upper part would be even more heterogeneous in the absence of differences in household structure. Christelis et al. (2013) use data on older households in the US and twelve European countries to study differences in assets accumulated over the life-cycle (such as stocks, houses and businesses) and in outstanding mortgages. They find that the economic environment is the main driver of differences in participation and amounts. Sierminska and Doorley (2012) use data from various surveys conducted in the US, Germany, Italy, Luxembourg and Spain in 2007. They conclude that the importance of household characteristics in determining differences in several assets and debts varies by age. Finally, Mathä et al. (2017) use more recent cross-country survey data that are fully harmonized to examine the importance of intergenerational transfers, home ownership and house price dynamics for wealth differences in the euro area.

The present paper adds to this literature in a number of ways. First, it provides a more detailed analysis of household sector leverage than the previous papers by studying prevalence and amounts of mortgage and consumer debts as well as the implied debt burden. Second, it generalizes the findings for mortgages of older households by Christelis et al. (2013) to the debt holdings of the entire population. This is important given that older households typically have a lower debt burden to service and exhibit quite different debt behaviour from their younger counterparts. Third, the paper applies recent decomposition techniques by Firpo et al. (2009) that provide more detailed

and informative decompositions than those found in earlier literature, allowing us to understand which factors are associated with the differences in debt holdings and debt burden.

The paper proceeds as follows: Section 2 presents the data, and Section 3 the decomposition method. Sections 4 and 5 discuss the findings with regard to the prevalence and amounts of debt holdings, respectively. Section 6 studies differences in debt burden, and Section 7 concludes.

2. Data

2.1 Household debt

We use data from two household surveys. The two surveys share a common questionnaire design, offering comparable information that we utilise to conduct international comparisons in household debts. The first survey is the 2010 wave of the US SCF. We supplement this with comparable data from a second survey, namely the Eurosystem HFCS, covering Austria, Belgium, France, Germany, Greece, Italy, Luxembourg, the Netherlands, Portugal and Spain (i.e., ten euro area countries which account for 95% of euro area GDP, and 94% of the euro area population).¹

The reference year for this survey is end-2008 in Spain, 2009 in Greece and the Netherlands, and 2010 in all other countries.² We match data from the two surveys based on a common set of variables recording household debt, assets and various demographic characteristics.

Both surveys offer survey weights that we use to calculate summary statistics that are country-

¹ While we could have pooled the euro area data, we decided against doing so because this would have masked considerable cross-country differences and therefore made our comparisons less powerful. Data for Cyprus, Finland, Malta, Slovakia and Slovenia will not be used: these either do not cover some relevant information, or are found only in small samples. For more details on the survey, see http://www.ecb.europa.eu/home/html/researcher_hfcn.en.html as well as Household Finance and Consumption Network (2013a, b).

² The differences in the reference years do not seem to pose a major problem, because no household deleveraging occurred prior to the HFCS fieldwork. In contrast, in 2010 deleveraging in the US had already started. It is therefore important to keep in mind that our comparisons relate to a pre-deleveraging Europe and a post-deleveraging United States. Given that we find, in general, higher debt prevalence as well as larger outstanding volumes in the United States, these differences would likely have been even starker if the SCF had had available information on household debt holdings in 2009 or 2008.

representative. In total, we compare nearly 6,500 households in the US with more than 44,000 European households. In the analysis, we consider two types of debt: mortgage debt (mortgages, home equity loans and debt for other real estate) and consumer debt (credit card debt, instalment loans, overdrafts and other loans).

Table 1 here

Table 1 shows how prevalence and amounts conditional on ownership (which are transformed into 2005 US dollars based on purchasing-power-parity [PPP] estimates) differ across countries. We sort countries by geographic latitude, to allow for an easier comparison of the northern and the southern euro area countries. The fraction of households having mortgage and consumer debt varies considerably across countries. Prevalence in the US is substantially larger than in all other countries, with a particularly large difference in consumer debt; more than 60% of US households have such debt, as opposed to around 20%-40% of European households. There are also vast cross-country differences within Europe: less than 20% of Austrian, Greek and Italian households report having mortgage debt, this number stands around 40% in the Netherlands and Luxembourg.

Table 1 also shows outstanding amounts at the 10th, 50th, and 90th percentile of the conditional distribution by country and type of debt. In particular, the median US and German household with mortgage debt has an outstanding amount of around \$100,000 and \$90,000, respectively. In contrast, median mortgage debt holdings are higher in Luxembourg and the Netherlands, at around \$130,000 and \$150,000, respectively. Looking at consumer debt, the overall amounts are (as expected) much smaller than for mortgage debt. Median consumer debt in the US is lower than in the Netherlands and in the same order of magnitude, namely around

\$10,000, as in Luxembourg and Spain. Cross-country heterogeneity is also present if one looks at the tails of the conditional debt distributions.

Finally, Table 1 shows statistics on a debt burden indicator. Debt Service to Income Ratio (DSIR) is calculated as the fraction of monthly disposable income that every household has to pay in order to service any mortgage and consumer debt.³ Financial practitioners typically use a DSIR of 33% as a cut-off point, above which a household is classified as a “risky” borrower and considered as likely to face significant difficulties in servicing debt (see, e.g., DeVaney and Lytton, 1995). The fraction of households with a DSIR greater than 33% is 15% in the US, followed by 12% in Spain and 8% in the Netherlands. On the other hand, at most 3% of households in Austria, Germany and Italy have such a high debt-service burden.

2.2 Household characteristics

In what follows, we discuss a basic set of household socio-economic characteristics that we control for in the decomposition analysis. In particular, we take into account characteristics that are expected to associate with indebtedness, as suggested by both theory and established empirical practice. Importantly, the variables we use are based on questions that are harmonised across the surveys conducted in the US and European countries to enhance the comparability of our results across all pairwise comparisons.

First, we include various demographics, such as the age group of the household head (less than 39; 40-49; 50-59; those aged 60 and above are our base category), household size, and marital status (married; never married; widowed; the divorced form the base category). Furthermore, we control for the level of education (finished high school; having at least some post-secondary

³ We drop about 130 of observations with DSIR greater than 200%.

education; not having finished high school is the base category). These factors likely influence the willingness to borrow and the ease of getting credit by signalling a household's earning capacities. In addition, we control for work status (being employed; retired; inactive; being unemployed is the base category), since it also indicates the ability to repay debt. We also account for the reported willingness to undertake some financial risk, which may influence the propensity to get into debt and borrow a higher debt amount.

Moreover, we include information on household income, financial and non-financial wealth. Non-financial wealth is typically dominated by the owner-occupied house, hence we label it real wealth in the remainder of the paper. We include information on these variables because they represent resources with varying degrees of liquidity and indicate both the need for holding debt and the capacity to shoulder its burden. For instance, we would expect those who own an expensive house or other real estate to be more likely to have financed them through a loan, and those with large financial assets to be less likely to have a large mortgage or consumer debt. All income and wealth items are adjusted for differences in the purchasing power of money, and their values are all expressed in 2005 US dollars.

One could think of our counterfactual comparisons in terms of a small-scale immigration experiment, where a euro area household, given own characteristics, migrates to the US and faces the market conditions prevailing in the US. This implies that a euro area household which ranks at the top of the income distribution in its own country will also rank relatively high in the US income distribution, as it would likely find a well-paid job that is commensurate with its skills and experience. Consistent with this, in our counterfactual exercise, euro area households retain the relative income position they have in the income distribution of their own country (i.e., they are assigned to the same income quartile). We also control for whether a household has received a

sizable inheritance or gift, which has been found to be important for explaining household wealth (see, e.g., Mathä et al., 2017).

As households decide about consumer debt on a relatively frequent basis and the underlying loans have short maturities, we have also experimented with additional controls that may influence borrowing in the short-run. In particular, we have included an indicator of whether households had an unexpectedly low income during the previous year (which could induce some short-term borrowing) and whether they expect a higher income next year (which could increase current borrowing). Decompositions using this richer specification produce very similar results to those we present.

Summary statistics on various household characteristics by country are shown in Table 2. It is worth noting that many of these characteristics vary significantly across countries. With respect to education, US households are on average more educated than their European counterparts. In some cases, these differences are marked (e.g., the fraction of college graduates ranges from 37% in the US to only 9% in Portugal). US households are also the most likely to be working.

Table 2 here

Notably, US households do in general have more relatively liquid economic resources. In particular, US households in the top income quartile have the highest income compared to any other European country, except for Luxembourg. With respect to financial assets, US households at the 75th financial wealth percentile rank at the top (after the Netherlands and together with Belgium). In contrast, when it comes to real assets, many European countries in the top quartile of the real wealth distribution record higher amounts than their US counterparts, mainly due to a higher prevalence of home ownership.

3. Decomposition Methodology

To investigate more thoroughly the observed differences in both the prevalence and outstanding amounts of the two types of debt across countries, we use decomposition methods that estimate counterfactual distributions. Decomposition techniques have been used extensively in labour economics to examine cross-sectional differences in incomes across demographic groups (e.g., men versus women; minorities versus the rest). Oaxaca (1973) and Blinder (1973) were the first to implement these techniques in order to study the sources of the gender gap in average wages.⁴ Since their seminal work, the development of new counterfactual techniques has allowed researchers to examine differences not only in means, but also in percentiles of the distribution and in measures of inequality.⁵

These newer techniques have been used to address distributional questions such as whether the gender pay gap increases at higher income percentiles (Albrecht et al., 2003) and to compare changes in US income distribution across different points in time (e.g., Autor et al., 2008). Moreover, they have been employed to compare differences in income distributions across regions (Nguyen et al., 2007) as well as across countries (e.g., Blau and Kahn, 1996). Following the recent availability of micro surveys with information on household balance sheets, decomposition methods have also been used to perform comparisons in household finances across time or countries (see, e.g., Gale and Pence, 2006; Christelis et al., 2013; Bover, 2010; Sierminska and Doorley, 2012; Mathä et al., 2017).

⁴ They use ordinary least-squares estimates from a regression of (log) wages on various covariates to construct the counterfactual average wage that women would earn if they had the same characteristics as men. They then show how one can decompose the average wage gap into an ‘explained’ part that is due to gender differences in characteristics (e.g., education and experience) and an ‘unexplained’ part that is due to differences in wages that men and women of similar characteristics earn. This latter part is often interpreted to reflect wage discrimination.

⁵ See, for example, Juhn et al. (1993); DiNardo et al. (1996); Machado and Mata (2005).

In this paper, we use decomposition methods to study differences in debt holdings across countries. When comparing outstanding amounts we employ new decomposition techniques that draw on recentered influence function (RIF) regressions (Firpo et al., 2009). The latter are implemented as linear regressions of the RIF of the quantile of interest on an array of covariates. RIF regressions allow evaluating the impact of explanatory variables on the quantiles of the unconditional (marginal) distribution of the dependent variable and can be used to extend the popular Oaxaca-Blinder decomposition method to any quantile (or to any other distributional measure of interest; see Firpo et al., 2007).⁶ RIF regressions are also termed unconditional quantile regressions to highlight the contrast to the widely used quantile regressions that estimate changes in the quantiles of the conditional distribution of the dependent variable. These unconditional methods are the most appropriate in our case, as we are interested in decomposing cross-country differences in unconditional debt quantiles. We bootstrap (using 300 replications) the entire estimation procedure (including the derivation of the weights used in the decomposition and the components of the decomposition) in order to derive estimated standard errors.⁷ As we discuss below, we present results from both an aggregate and a detailed decomposition.

One advantage of using RIF regressions in aggregate decompositions is that identification rests on the ignorability assumption, which is relatively milder than the conditional independence assumption that a standard Oaxaca-Blinder framework requires. That is, the error term is allowed to correlate with covariates in the model as long as this correlation is similar in the two groups

⁶ Pairwise counterfactual decompositions using RIF regressions offer a much more flexible way to perform comparisons between the distribution of outcomes of two groups in relation to an OLS regression estimated over a pooled sample of data with country fixed effects. In particular, they allow for each covariate and constants to have a differential effect on the outcome by country. Moreover they allow tracing these differences across different parts of the respective distributions, thereby assessing their importance for differences at the lower and upper part of the distribution of outcomes.

⁷ We have experimented with increasing the number of replications to 1000 and standard errors remain virtually the same.

being compared. In any case, as is typical in empirical studies that apply decomposition methods, the regression estimates used as input to the decomposition should be viewed as capturing associations, rather than as identifying causal effects. Another advantage of RIF-based decompositions over other methods that allow quantile decompositions (e.g., the kernel reweighting approach of DiNardo et al., 1996, or the quantile regression-based method of Machado and Mata, 2005) is that it is resilient to the order that covariates enter in a detailed decomposition.

More specifically, we perform pairwise decompositions in debt holdings between the US and the comparison euro area country of the following form:

$$Y^{US} - Y^{EA} = \{X^{US}\beta^{US} - X^{EA}\beta^{US}\} + \{X^{EA}\beta^{US} - X^{EA}\beta^{EA}\}, \quad (1)$$

where differences in the left-hand side denote either differences in prevalence of each of the two types of debt; differences in the relevant outstanding amounts (normalised by household income); or differences in certain debt burden indicators. X 's consist of the rich set of household-specific characteristics discussed in Section 2.2. Estimated coefficients derive either from a linear probability model in the case of participation in debt markets or the prevalence of high debt burdens, or alternatively from RIF regressions evaluated at different percentiles of the distribution of normalised outstanding debt amounts.

Equation (1) decomposes the observed differences in debt prevalence, normalised debt amounts or debt burdens between the US and each euro area country into: (i) a part that is linked to differences in the configuration of households' socio-economic characteristics ($X^{US}\beta^{US} - X^{EA}\beta^{US}$; often termed 'covariate' or 'composition' effects); and (ii) a part that is linked to differences in the way these characteristics associate with households' debt holdings in the respective countries ($X^{EA}\beta^{US} - X^{EA}\beta^{EA}$; often termed 'coefficient' or 'unexplained' effects). As previously discussed, in our context, this latter part can be thought of as reflecting differences in

economic, legal, cultural or market environments that households of similar characteristics in different countries face.

While decompositions into covariate and coefficient effects are interesting, they do not allow us to understand which characteristics are associated to the differences in debt holdings. We do therefore go further than the previous literature and also present results from a detailed decomposition that allows splitting the covariate and coefficient effects into components that can be attributed to a given group of covariates. This allows us to provide additional insights into the relative importance of certain household characteristics (e.g., education, income, real and financial wealth) for the differences in debt holdings across countries.

4. Decomposing the Participation in Debt Markets

We start our analysis by studying the prevalence of mortgage and consumer debt. As already mentioned, estimated coefficients used in the decomposition are derived from linear probability models in which the dependent variable takes the value of one if a household has the relevant type of debt and zero otherwise.⁸

Recall that we are modelling the difference in debt prevalence as $Y^{US} - Y^{EA}$, and thus a positive coefficient effect (equal to $X^{EA}\beta^{US} - X^{EA}\beta^{EA}$) implies that the economic environment in the US is associated with a higher propensity to take on debt than the environment in the respective European country. By contrast, a positive covariate effect (equal to $X^{US}\beta^{US} - X^{EA}\beta^{US}$) implies that US households have a configuration of characteristics that is more conducive to holding debt than their European counterparts.

⁸ Estimation results of these linear probability models are shown in Tables A.1 and A.2 in the online appendix.

4.1 Mortgage debt

Panel A of Table 3 contains the results of the Oaxaca-Blinder decompositions for mortgage debt. The numbers in bold denote the overall difference (in the first row) and the overall coefficient and the covariate effects, as derived from an aggregate decomposition. The first notable finding is that coefficient effects typically dominate covariate effects, and that they are all positive, statistically significant (with the exception of the comparison with the Netherlands) and also generally economically large. In general, coefficient effects considerably outweigh the estimated covariate effects in explaining the observed differences. Notably, the coefficient effects account for more than 100% of the total difference in the prevalence of mortgage debt between the US and Belgium, Luxemburg, Italy, Spain and Greece, while they account for close to 100% of the total difference between the US and France and Portugal. In other words, the environment in the US is associated with a substantially larger propensity to have mortgage debt.

Table 3 here

Table 3 also contains results from a detailed decomposition, which allows us to probe further into the importance of certain variables (or groups thereof). This analysis reveals that real wealth accounts for at least 56% of the coefficient effects, thus it plays a key role in generating their positive contribution to the overall difference.⁹ This implies that, for any given level of household real assets, the probability of holding a mortgage loan is larger in the US. A reason behind this finding could be that real assets are deemed to be safer collateral in the US than in Europe, or to denote higher future ability to repay the debt.

Besides real wealth, income is also an important determinant of the coefficient effect; once more, US households are, for a given level of income, considerably more likely to hold mortgage

⁹ Other characteristics, such as marital or occupational status, or inheritance received, do generally play an economically small or statistically insignificant role and are thus not shown in the Table.

debt than households in a number of euro area countries, most notably Austria and Greece. On the other hand, we find a negative coefficient effect for financial wealth in France, the Netherlands, Italy and Austria. Finally, education has no significant influence on coefficient effects.

Looking at the covariate effects, there are a number of countries for which these are estimated to be negative, namely Greece, Italy, Belgium, Luxembourg and Spain, and in the latter two cases they are about half the size of the corresponding coefficient effects. This negative sign implies that if households in the US had the characteristics of the households in these countries, they would be less likely to hold mortgage loans.

The detailed decomposition of the covariate effects shows that the overall positive effect estimated for the US when compared to these countries largely stems from real wealth. The mechanism behind these results likely works as follows: in some countries, real wealth is higher than in the US. Also, real wealth is positively associated with having mortgage debt. Accordingly, if US households had the higher real wealth of their European counterparts, the prevalence of mortgage debt in the former would be higher than in the latter.

There are also negative covariate effects for the US due to financial wealth, but in this case the underlying mechanism is likely different. Financial wealth is found to negatively associate with the likelihood of holding mortgage debt in the US, possibly because having large financial assets makes taking a mortgage less necessary. Given that households in the US have higher financial wealth than those in a number of comparator countries, the probability of having mortgage debt in the US would have been higher if households therein had had the lower financial wealth of their European counterparts.

4.2 Consumer debt

Results for consumer debt are reported in Panel B of Table 3. We know from Table 1 that US households are much more likely to have this kind of debt and find in the first row of Panel B that these differences are also statistically significant. As was the case with mortgage debt, the decomposition analysis suggests that these differences are overwhelmingly driven by coefficient effects. Again, the results imply that the economic environment in the US is associated with a considerably higher propensity to take out loans than in any of the euro area economies under study. In particular, coefficient effects account for between 79% and about 100% of the observed differences, while the remaining gap is explained by covariate effects. The latter are typically positive, suggesting that household characteristics in the US are more conducive to taking out consumer debt.

Looking at the detailed decomposition of coefficient effects, we note that financial wealth in particular, but also real wealth, make an important contribution. This result implies that for any given level of financial and real wealth, the economic environment in the US is associated with a higher take-up of consumer loans than in any European country.

Another notable finding relates to the estimated constant, which represents the propensity for the household in the base category to hold debt. We have chosen the base category such that it refers to households that are more likely to be at an economic disadvantage, namely the oldest, the divorced, the least educated, the unemployed, those who have not received an inheritance, and those in the lowest income and the real and financial wealth groups. Accordingly, the constant in our decompositions reflects to what extent the prevalence of debt among the most economically disadvantaged euro area households would differ if they were facing the environment prevailing in the US. Our results imply that the most disadvantaged households in the US are much more

likely to have consumer debt than the corresponding group in Portugal, Italy, Spain, Greece, Belgium and France. This finding is consistent with the notion that debt holdings are rather common among US households with low resources, that is, households that are more likely to face problems in servicing their debt. It may also denote the possibility that households in some euro area countries had difficulties in accessing credit due to the banking sector and financial system problems occurring in 2010.

As mentioned above, covariate effects play a relatively limited role in explaining the observed overall differences in debt prevalence. Yet, they are statistically significant in most comparisons and uniformly suggest that US households have characteristics that make them more likely to hold consumer debt. One such characteristic, according to the detailed decomposition, is education, which accounts for about 1.5-5.6 percentage points in the difference in the prevalence of consumer debt between the US and all countries, except Germany and Austria. This is to be expected, given that on average US households are more educated, and education is positively associated with having consumer debt. Also, many US students have to borrow significant amounts of money to finance their college education.¹⁰

We have performed a number of robustness exercises to ensure the consistency of the above-mentioned findings. First, instead of using the quartile dummies for income, financial wealth and real wealth, we have included non-linear transformations (i.e., inverse hyperbolic sine) of these variables. Second, we have reversed the order of the decomposition to examine its sensitivity to the choice of the base country. That is, we have repeated every pairwise decomposition by treating the respective euro area country as the base country and the US as the

¹⁰ Student loans are quite rare in Europe; as a result, the HFCS questionnaire, unlike the one of the SCF, does not contain any questions on them.

comparison country (i.e., using $Y^{EA} - Y^{US} = \{X^{EA}\beta^{EA} - X^{US}\beta^{EA}\} + \{X^{US}\beta^{EA} - X^{US}\beta^{US}\}$). In both cases, results are qualitatively similar to those derived from our baseline specifications.

5. Decomposing Conditional Amounts of Debt

Next, we conduct a related exercise for the intensive debt margin. To facilitate a more direct comparison of outstanding debt amounts across different countries, we decompose differences in mortgage and consumer debts per unit of household income (i.e., we normalise each amount of debt by household income). Here, we only consider households that actually report having debt. We include in our specifications all the covariates used to model the prevalence of mortgage and consumer debt (see Section 2.2). Moreover, we can control for some additional factors that are likely to be associated with the accumulation of mortgage debt. In particular, we take into account information on the length of the mortgage. In addition, we know the year in which the mortgage was taken out, which allows us to control for the time elapsed since that date, and for certain macroeconomic conditions that prevailed at the time the mortgage was taken out.¹¹ As regards the latter, we assess the role of house price developments by matching our data with the cumulative growth of the national house price index (defined over the three years prior to the mortgage take-out).¹² In this section, we use RIF-regression-based decomposition methods focusing on differences in the medians of the (normalised) mortgage and consumer debt distributions.¹³

¹¹ It should be mentioned that there are marked differences in the mortgage contracts that prevail in some of the countries under comparison. For example, floating-rate mortgages dominate in Spain and Portugal, while fixed-rate mortgages dominate in the US, Germany and France. Also, the duration of the most popular mortgage products may differ (e.g., thirty years in the US vs. ten years in Germany). These fundamental differences should be taken into account when interpreting decomposition results for these covariates.

¹² House price index data are taken from the AMECO database. Due to missing information on the three additional variables included in the specifications of the mortgage amounts, we lose from our estimation sample roughly 10% of households with mortgage debt outstanding.

¹³ RIF regression results at the median of mortgage and consumer debt distributions are shown in Tables A.3 and A.6 in the online appendix.

5.1 Mortgage debt

We first decompose differences in normalised outstanding amounts of mortgage debt. We report decomposition results at the median of the conditional distribution in Table 4. Corresponding results for the 10th and 90th percentiles are shown in Tables A.4 and A.5 in the online appendix, respectively.

Table 4 here

According to Table 4, the coefficient effects are insignificant in a number of pair-wise comparisons and negative in some countries (Germany, the Netherlands, Italy and Portugal). This suggests that, as compared to many euro area countries, the US economic environment is not conducive to greater amounts of mortgage debt for a median borrower. The detailed decompositions indicate that real wealth makes an important contribution to coefficient effects mostly at the bottom of the mortgage debt distribution, suggesting that the economic environment in the US is associated with more borrowing particularly at low levels of mortgage debt. In other words, if European households with relatively small debt holdings were to borrow as much as their US counterparts with comparable real wealth, they would hold larger amounts of mortgage debt.

Covariate effects are in general sizeable and positive (with the exception of the Netherlands, Luxembourg, Spain, and Greece). They are about equal or larger than the total difference in mortgage debt amounts between the US and Germany, Belgium, France and Italy, and about half of the difference between the US and Portugal. This implies that there are certain covariates that make US households more prone to assume larger amounts of mortgage debt than what is observed for their European counterparts. This is mainly the case for the years elapsed since the loan was taken (which is shorter for US households, given more frequent refinancing)

and the original loan duration (which is longer for US households).¹⁴ We derive negative covariate effects of house price developments prior to the mortgage take-out in a number of comparisons with countries that experienced a strong housing price growth. In particular, these covariate effects account for more than 43% of the overall covariate effects in the Netherlands, Luxembourg, Spain and Greece. In other words, had house price increases been as strong in the US as in these European countries, US households would have borrowed more, and this is evident in different parts of the debt distribution.¹⁵

5.2 Consumer debt

Table 5 shows decomposition results at the median of consumer debt normalised by household income (corresponding results for the 10th and 90th percentiles are shown in Tables A.7 and A.8 in the online appendix, respectively). Coefficient effects are in general positive, suggesting that the US economic environment is associated with larger amounts of median consumer debt.

Table 5 here

Results from detailed decompositions suggest a statistically significant role of education that exceeds in magnitude the overall coefficient effects (with the exception of the Netherlands). That is, European households would have had higher consumer debt, had they experienced the economic environment in which US households of comparable education had been living. This finding maybe due to the fact that in the US, much more so than in Europe, education is financed with a significant amount of debt.

¹⁴ Recall that estimated coefficients from RIF regressions imply a negative (positive) association between years elapsed since getting the loan (original loan duration) and mortgage debt.

¹⁵ This finding confirms prior evidence that house price growth in the US was a key contributing factor to both supply of and demand for mortgage credit. Our analysis, however, cannot identify why the housing market boom has been such a large contributor to household leverage. Shedding light on this issue would require a general-equilibrium analysis, detailed modeling for the workings of the financial system, and high-frequency and harmonized household surveys that would track households in different countries over a long period of time.

Covariate effects, with very few exceptions, are also significant and positive. That is, household characteristics in the US differ in a way that makes households prone to hold larger amounts of consumer debt. Education contributes significantly to such positive covariate effects, accounting for more than 60% of the overall covariate effects. This reflects the fact that, on average, US households are more educated and education is positively associated with consumer debt.

The results presented in this section are qualitatively robust to a similar set of checks as those described in the previous section. Moreover, given that the estimation of debt amounts conditional on participation is based on relatively smaller samples, we check the reweighting error that corresponds to the difference between the total covariate effect under the standard Oaxaca-Blinder decomposition and under the reweighted regression decomposition, and find that reweighted errors are in general small and insignificant.

6. Decomposing Indicators of Debt Burden

Finally, we examine differences across countries using a debt burden indicator. The results discussed so far suggest that US households are in general more likely to hold debt and have higher amounts outstanding than European ones, even when the outstanding debt amounts are normalised with regard to income. At the same time, US households tend to have mortgages with much longer durations. Thus, the higher debt holdings in the US do not necessarily imply a larger debt burden.

We consider DSIR, an indicator often used by financial practitioners to assess household financial vulnerability. In general, the higher this indicator, the more vulnerable is a household to idiosyncratic and aggregate economic shocks, and consequently the more exposed to financial stress it can become.

We identify a household as vulnerable if it has a DSIR greater than 33%, and we use linear probability models to perform the decomposition analysis. Results are shown in Table 6. The sample consists of all households (i.e., including those without any debt holdings and therefore a zero debt service) – in order to put the highly indebted households in perspective relative to the overall population.¹⁶

Table 6 here

Looking at the total difference, it is apparent that the fraction of US households with a DSIR greater than 33% is larger than in any euro area country. These observed differences are mostly accounted for by positive and significant coefficient effects, thus implying that the US economic environment is associated with higher DSIRs. According to the detailed decompositions, real wealth is a key contributor to this result.

While coefficient effects drive the observed differences, covariate effects are significant in most comparisons, often working in the opposite direction. This is mainly due to the negative covariate effects estimated for financial wealth. This suggests that if US households had had the lower relatively liquid resources of their European counterparts, they would have taken on an even larger debt burden.

All in all, our findings suggest that while US households have a configuration of characteristics (mainly financial wealth) that is associated with a lower debt burden, they are considerably more likely to take on large debts. Hence, they may be more exposed to financial stress in the case of negative idiosyncratic or aggregate shocks. This can be partly linked to the

¹⁶ Table A.9 in the online appendix shows the estimates of the linear probability models. For robustness, we have estimated the same models and performed the subsequent decompositions in a sample that excludes households without any debt to service. Results (available from the authors upon request) are very much comparable to those we present.

economic environment in the US, which is associated with high debt burdens for a given level of real wealth.

7. Conclusions

Since the onset of the Great Recession, household debt has attracted considerable attention by academics as well as policymakers. A high level of household indebtedness has often been seen as one of the major factors that eventually triggered the recent crisis, while the ensuing deleveraging has considerably affected the economic performance of the US and other advanced economies. We have put US household debt into an international perspective to gain insights on factors that have influenced household leverage.

Using data from the US SCF and supplementing them with comparable household-level data for Europe from the HFCS, we shed light on a number of issues that cannot be analysed with cross-country aggregate data or micro data from a single country. We show that US households have a substantially higher prevalence of debt, and also hold relatively large amounts of it. This difference is largely associated with the economic environment in the US – had European households encountered the US economic environment, many more would be expected to hold debt, and also considerably larger amounts of it. A notable exception to this is the Netherlands. These findings are in line and generalize the earlier results related to outstanding mortgages of older households in Christelis et al. (2013).

Going beyond this aggregate analysis, we shed light on the underlying factors. Our detailed decompositions point to a substantial role of household assets – if European households, given the value of their assets, were to face US conditions, they would hold more debt. With regard to

mortgage debt, the differences are particularly related to real assets, suggesting that US households take on mortgage debt at much lower levels of collateral.

A considerably higher fraction of US households is exposed to high debt burdens, despite the fact that US households have on average higher income than their European counterparts. Once more, this result is linked to the economic environment in the US, making US households more vulnerable to idiosyncratic and aggregate shocks.

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Table 1: Summary statistics for debt holdings (prevalence and conditional amounts) and the debt-service-to-income ratio

Country	Observations	Mortgage Debt				Consumer Debt				Debt Burden Prevalence of DSIR>.33
		Prevalence	<i>Percentiles among holders</i>			Prevalence	<i>Percentiles among holders</i>			
			P10	P50	P90		P10	P50	P90	
US	6,482	0.48	22,211	100,487	304,864	0.63	854	11,059	48,811	0.15
DE	3,565	0.21	14,657	92,094	254,632	0.35	350	3,672	20,721	0.03
NL	1,301	0.44	40,822	149,213	317,766	0.37	499	15,545	113,204	0.08
BE	2,327	0.31	15,081	75,245	198,594	0.24	543	5,604	24,557	0.04
LU	950	0.39	25,463	130,943	402,658	0.37	1,037	10,394	41,144	0.07
FR	15,006	0.24	6,657	62,397	188,775	0.33	573	5,791	43,334	0.04
AT	2,380	0.18	5,009	42,981	213,533	0.21	351	3,460	35,200	0.02
IT	7,951	0.11	9,024	67,677	203,030	0.18	1,128	6,429	50,758	0.03
ES	6,197	0.33	16,812	81,298	237,471	0.31	936	9,866	44,037	0.12
PT	4,404	0.27	10,832	66,020	163,155	0.18	338	4,484	22,070	0.07
GR	2,971	0.18	9,901	57,929	175,414	0.26	864	6,117	28,910	0.04

Notes: The table reports summary statistics for the prevalence and conditional amounts of mortgage and consumer debt holdings, and the fraction of households with debt-service-to-income ratio greater than 33% in each country. P10/P50/P90 denote the 10th/50th/90th percentile. Country names are abbreviated as follows: US: USA; DE: Germany; NL: Netherlands; BE: Belgium; LU: Luxembourg; FR: France; AT: Austria; IT: Italy; ES: Spain; PT: Portugal; GR: Greece. Statistics use survey weights and are adjusted for multiple imputations. Nominal amounts are expressed in 2005 US dollars.

Table 2: Summary statistics for household characteristics

	Age<40	Age: 40-49	Age: 50-59	Couple	Single	Widowed	Employed	Self-employ.	Retired	Inactive	High School grad	College grad
US	0.29	0.20	0.21	0.58	0.16	0.09	0.57	0.11	0.25	0.02	0.52	0.37
DE	0.26	0.20	0.17	0.50	0.25	0.13	0.49	0.07	0.31	0.08	0.57	0.31
NL	0.22	0.24	0.22	0.44	0.36	0.08	0.45	0.04	0.22	0.14	0.39	0.32
BE	0.27	0.20	0.19	0.55	0.20	0.13	0.44	0.05	0.33	0.07	0.38	0.36
LU	0.26	0.27	0.18	0.53	0.25	0.09	0.57	0.06	0.27	0.07	0.40	0.25
FR	0.28	0.18	0.17	0.46	0.29	0.14	0.45	0.08	0.35	0.06	0.40	0.21
AT	0.26	0.21	0.18	0.50	0.24	0.11	0.44	0.10	0.38	0.04	0.71	0.14
IT	0.15	0.23	0.18	0.62	0.14	0.16	0.41	0.12	0.41	0.02	0.34	0.11
ES	0.24	0.22	0.18	0.64	0.14	0.15	0.44	0.11	0.24	0.12	0.19	0.25
PT	0.19	0.21	0.20	0.66	0.11	0.15	0.42	0.11	0.37	0.04	0.13	0.09
GR	0.29	0.18	0.17	0.64	0.18	0.12	0.37	0.19	0.34	0.06	0.35	0.20
	HH size	Income-Q1	Income-Q2	Income-Q3	Financial wealth-Q1	Financial wealth-Q2	Financial wealth-Q3	Real wealth-Q1	Real wealth-Q2	Real wealth-Q3	Inheritance received	Willing take risks
US	2.56	21,849	40,968	73,013	1,274	15,315	95,104	12,467	121,140	267,625	0.20	0.17
DE	2.04	20,894	37,098	62,109	3,995	19,402	58,693	1,081	25,326	225,750	0.34	0.03
NL	2.21	30,626	45,996	67,448	7,667	36,357	104,574	4,536	201,361	315,463	0.07	0.02
BE	2.29	20,305	36,565	66,420	4,954	27,650	95,575	13,696	220,996	354,021	0.34	0.05
LU	2.48	38,554	66,272	105,134	6,363	27,527	82,165	74,980	456,784	760,445	0.29	0.02
FR	2.23	20,690	32,563	49,535	2,590	11,703	39,286	3,610	138,376	296,190	.	.
AT	2.12	22,246	36,756	60,990	4,237	15,220	46,869	3,446	59,394	259,649	0.35	0.08
IT	2.53	18,260	29,620	49,147	1,784	9,024	29,751	24,815	191,751	345,152	.	0.19
ES	2.67	19,491	33,825	51,720	1,464	8,130	32,574	137,966	262,227	450,144	0.30	0.02
PT	2.69	11,160	19,806	32,867	834	5,078	23,616	21,972	110,677	224,220	0.29	0.02
GR	2.64	18,425	31,178	49,768	0	2,366	13,298	45,549	148,084	280,729	0.30	0.06

Notes: The table reports: the fraction of households in each category of age, marital status, education and work status; the fraction of households that have received an inheritance and are willing to take more than average financial risks; the average number of household members; and the 25th percentile (Q1), median (Q2) and the 75th percentile (Q3) of the values of household income, financial and real wealth (all PPP-adjusted). Country abbreviations are as explained in the notes to Table 1. “.” denotes that the respective information is not available. Statistics use survey weights and are adjusted for multiple imputations.

Table 3: Decomposition results – differences in the prevalence of mortgage and consumer debt relative to the US

Panel A. Mortgage Debt												
	DE	NL	BE	LU	FR	AT	IT	ES	PT	GR		
Total Difference	0.273 <i>0.012</i> ***	0.037 <i>0.019</i> *	0.174 <i>0.016</i> ***	0.097 <i>0.019</i> ***	0.240 <i>0.009</i> ***	0.302 <i>0.011</i> ***	0.376 <i>0.009</i> ***	0.158 <i>0.013</i> ***	0.216 <i>0.012</i> ***	0.308 <i>0.011</i> ***		
<i>Selected Covariate Effects</i>												
Education	0.001 <i>0.001</i> *	0.001 <i>0.004</i>	0.000 <i>0.003</i>	0.003 <i>0.005</i>	0.003 <i>0.005</i>	0.005 <i>0.003</i> *	0.004 <i>0.009</i>	0.003 <i>0.009</i>	0.006 <i>0.013</i>	0.004 <i>0.006</i>		
Income	0.000 <i>0.002</i>	0.000 <i>0.002</i>	-0.001 <i>0.002</i>	-0.001 <i>0.002</i>	-0.001 <i>0.001</i>	0.000 <i>0.002</i>	-0.001 <i>0.001</i>	0.000 <i>0.001</i>	-0.001 <i>0.001</i>	-0.001 <i>0.001</i>		
Financial Wealth	-0.005 <i>0.003</i> *	0.013 <i>0.004</i> ***	0.008 <i>0.003</i> ***	0.006 <i>0.004</i>	-0.012 <i>0.003</i> ***	-0.009 <i>0.003</i> **	-0.023 <i>0.004</i> ***	-0.018 <i>0.003</i> ***	-0.026 <i>0.004</i> ***	-0.037 <i>0.005</i> ***		
Real Wealth	0.124 <i>0.010</i> ***	0.008 <i>0.015</i>	-0.065 <i>0.011</i> ***	-0.112 <i>0.014</i> ***	0.030 <i>0.007</i> ***	0.083 <i>0.009</i> ***	-0.060 <i>0.007</i> ***	-0.153 <i>0.008</i> ***	-0.001 <i>0.008</i>	-0.060 <i>0.007</i> ***		
Total Covariate Effects	0.156 <i>0.012</i> ***	0.032 <i>0.018</i> *	-0.025 <i>0.013</i> *	-0.093 <i>0.018</i> ***	0.050 <i>0.010</i> ***	0.118 <i>0.012</i> ***	-0.043 <i>0.012</i> ***	-0.145 <i>0.014</i> ***	0.015 <i>0.016</i>	-0.056 <i>0.012</i> ***		
<i>Selected Coefficient Effects</i>												
Education	0.007 <i>0.024</i>	-0.001 <i>0.023</i>	0.012 <i>0.023</i>	0.018 <i>0.025</i>	-0.010 <i>0.013</i>	0.011 <i>0.023</i>	0.000 <i>0.011</i>	-0.015 <i>0.013</i>	-0.003 <i>0.006</i>	-0.008 <i>0.016</i>		
Income	0.043 <i>0.022</i> *	0.072 <i>0.030</i> **	0.051 <i>0.026</i> *	0.034 <i>0.038</i>	0.049 <i>0.016</i> ***	0.080 <i>0.021</i> ***	0.054 <i>0.016</i> ***	0.022 <i>0.020</i>	0.017 <i>0.019</i>	0.063 <i>0.020</i> ***		
Financial Wealth	-0.020 <i>0.024</i>	-0.079 <i>0.039</i> **	-0.038 <i>0.034</i>	-0.014 <i>0.043</i>	-0.040 <i>0.016</i> **	-0.038 <i>0.023</i> *	-0.033 <i>0.015</i> **	0.015 <i>0.020</i>	-0.001 <i>0.017</i>	0.037 <i>0.015</i> **		
Real Wealth	0.158 <i>0.016</i> ***	0.046 <i>0.019</i> **	0.203 <i>0.024</i> ***	0.106 <i>0.035</i> ***	0.202 <i>0.013</i> ***	0.209 <i>0.014</i> ***	0.432 <i>0.015</i> ***	0.253 <i>0.022</i> ***	0.198 <i>0.016</i> ***	0.331 <i>0.018</i> ***		
Constant	0.006 <i>0.068</i>	0.000 <i>0.121</i>	0.145 <i>0.082</i> *	0.186 <i>0.125</i>	-0.012 <i>0.041</i>	-0.032 <i>0.064</i>	0.075 <i>0.049</i>	0.056 <i>0.083</i>	0.000 <i>0.081</i>	0.026 <i>0.072</i>		
Coefficient Effects	0.117 <i>0.012</i> ***	0.005 <i>0.016</i>	0.199 <i>0.014</i> ***	0.190 <i>0.019</i> ***	0.190 <i>0.010</i> ***	0.183 <i>0.012</i> ***	0.419 <i>0.013</i> ***	0.303 <i>0.016</i> ***	0.200 <i>0.017</i> ***	0.364 <i>0.014</i> ***		
Panel B. Consumer Debt												
	DE	NL	BE	LU	FR	AT	IT	ES	PT	GR		
Total Difference	0.281 <i>0.014</i> ***	0.260 <i>0.021</i> ***	0.384 <i>0.014</i> ***	0.256 <i>0.020</i> ***	0.298 <i>0.009</i> ***	0.412 <i>0.012</i> ***	0.447 <i>0.009</i> ***	0.318 <i>0.012</i> ***	0.442 <i>0.010</i> ***	0.364 <i>0.012</i> ***		
<i>Selected Covariate Effects</i>												
Education	0.001 <i>0.001</i>	0.015 <i>0.004</i> ***	0.013 <i>0.004</i> ***	0.021 <i>0.006</i> ***	0.024 <i>0.006</i> ***	0.002 <i>0.004</i>	0.037 <i>0.011</i> ***	0.038 <i>0.011</i> ***	0.056 <i>0.016</i> ***	0.028 <i>0.007</i> ***		
Income	0.000 <i>0.002</i>	0.000 <i>0.002</i>	-0.001 <i>0.002</i>	-0.001 <i>0.002</i>	-0.001 <i>0.001</i>	0.000 <i>0.002</i>	-0.001 <i>0.001</i>	0.000 <i>0.001</i>	-0.001 <i>0.001</i>	0.000 <i>0.001</i>		
Financial Wealth	-0.025 <i>0.004</i> ***	0.002 <i>0.006</i>	-0.002 <i>0.004</i>	-0.009 <i>0.005</i> *	-0.034 <i>0.004</i> ***	-0.032 <i>0.004</i> ***	-0.044 <i>0.004</i> ***	-0.038 <i>0.004</i> ***	-0.041 <i>0.005</i> ***	-0.047 <i>0.006</i> ***		
Real Wealth	0.020 <i>0.004</i> ***	0.018 <i>0.004</i> ***	0.011 <i>0.004</i> ***	0.026 <i>0.008</i> ***	0.014 <i>0.002</i> ***	0.016 <i>0.003</i> ***	0.002 <i>0.003</i>	0.001 <i>0.006</i>	-0.009 <i>0.002</i> ***	-0.009 <i>0.002</i> ***		
Total Covariate Effects	0.028 <i>0.009</i> ***	0.054 <i>0.014</i> ***	0.046 <i>0.010</i> ***	0.049 <i>0.014</i> ***	0.040 <i>0.009</i> ***	0.023 <i>0.009</i> **	0.037 <i>0.013</i> ***	0.011 <i>0.015</i>	0.037 <i>0.017</i> **	-0.004 <i>0.011</i>		
<i>Selected Coefficient Effects</i>												
Education	0.047 <i>0.037</i>	0.046 <i>0.033</i>	0.043 <i>0.026</i> *	0.072 <i>0.031</i> **	0.033 <i>0.016</i> **	0.054 <i>0.030</i> *	0.036 <i>0.013</i> ***	0.035 <i>0.016</i> **	0.006 <i>0.007</i>	0.014 <i>0.018</i>		
Income	0.017 <i>0.033</i>	0.039 <i>0.039</i>	0.052 <i>0.029</i> *	0.040 <i>0.053</i>	-0.014 <i>0.020</i>	0.036 <i>0.028</i>	0.045 <i>0.021</i> **	-0.055 <i>0.026</i> **	0.015 <i>0.022</i>	-0.010 <i>0.025</i>		
Financial Wealth	0.113 <i>0.042</i> ***	0.180 <i>0.073</i> **	0.122 <i>0.041</i> ***	0.004 <i>0.067</i>	0.113 <i>0.022</i> ***	0.106 <i>0.035</i> ***	0.070 <i>0.019</i> ***	0.118 <i>0.026</i> ***	0.049 <i>0.018</i> ***	0.088 <i>0.018</i> ***		
Real Wealth	0.069 <i>0.020</i> ***	0.089 <i>0.035</i> **	0.064 <i>0.032</i> **	0.044 <i>0.056</i>	0.033 <i>0.017</i> **	0.111 <i>0.021</i> ***	0.039 <i>0.020</i> *	0.077 <i>0.037</i> **	0.090 <i>0.022</i> ***	0.038 <i>0.026</i>		
Constant	0.054 <i>0.113</i>	-0.179 <i>0.189</i>	0.203 <i>0.104</i> *	0.228 <i>0.211</i>	0.176 <i>0.057</i> ***	-0.050 <i>0.096</i>	0.382 <i>0.069</i> ***	0.259 <i>0.095</i> ***	0.360 <i>0.095</i> ***	0.229 <i>0.089</i> **		
Coefficient Effects	0.253 <i>0.014</i> ***	0.207 <i>0.024</i> ***	0.339 <i>0.016</i> ***	0.207 <i>0.022</i> ***	0.258 <i>0.012</i> ***	0.389 <i>0.015</i> ***	0.411 <i>0.016</i> ***	0.307 <i>0.019</i> ***	0.404 <i>0.019</i> ***	0.368 <i>0.015</i> ***		

Notes: The table reports results from decomposition analyses based on equation (1), comparing debt holdings in each euro area country to those in the US. Results are based on decompositions using linear probability models. Panel A reports results for mortgage debt, Panel B for consumer debt. Numbers in italics denote standard errors. */**/** denote statistical significance at the 10%/5%/1% level. Country abbreviations are as explained in the notes to Table 1. Further to the reported variables the analysis controls for age, household size, marital status, work status, willingness to undertake some financial risk, and whether a household has received a sizable inheritance or gift.

Table 4: Decomposition results – differences in the conditional amounts of mortgage debt normalised by income relative to the US, at the 50th percentile

	DE	NL	BE	LU	FR	AT	IT	ES	PT	GR
Total Difference	0.400 0.113 ***	-0.769 0.141 ***	0.408 0.138 ***	0.170 0.161	0.442 0.065 ***	0.860 0.241 **	0.164 0.105	-0.150 0.105	-0.633 0.125 ***	0.112 0.124
<i>Selected Covariate Effects</i>										
Education	-0.001 0.006	0.044 0.024 *	0.020 0.015	0.068 0.037 *	0.046 0.022 **	0.030 0.019	0.086 0.043 **	0.091 0.050 *	0.168 0.085 *	0.084 0.042 **
Income	0.207 0.039 ***	-0.100 0.039 **	0.076 0.039 *	-0.061 0.040	0.096 0.022 ***	0.054 0.047	0.127 0.039 ***	-0.036 0.029	0.022 0.030	-0.046 0.040
Financial Wealth	-0.004 0.018	0.019 0.019	0.002 0.017	-0.016 0.019	-0.082 0.021 ***	-0.020 0.020	-0.111 0.024 ***	-0.128 0.026 ***	-0.145 0.028 ***	-0.229 0.049 ***
Real Wealth	-0.120 0.036 ***	-0.287 0.037 ***	-0.262 0.037 ***	-0.536 0.061 ***	-0.193 0.029 ***	-0.221 0.040 ***	-0.277 0.040 ***	-0.309 0.038 ***	0.031 0.028	-0.102 0.035 ***
Years since take-out	0.304 0.042 ***	0.464 0.059 ***	0.209 0.035 ***	0.268 0.048 ***	0.101 0.017 ***	0.290 0.057 ***	0.178 0.035 ***	0.187 0.026 ***	0.334 0.038 ***	0.063 0.024 ***
Original loan duration	0.737 0.078 ***	-0.166 0.031 ***	0.419 0.047 ***	0.305 0.041 ***	0.727 0.069 ***	0.298 0.249	0.515 0.055 ***	0.198 0.030 ***	-0.086 0.034 **	0.442 0.050 ***
House price growth	0.051 0.020 **	-0.051 0.020 **	-0.069 0.028 **	-0.081 0.032 **	-0.107 0.041 ***	0.010 0.008	-0.021 0.009 **	-0.110 0.043 **	0.013 0.006 **	-0.082 0.032 **
Total Covariate Effects	1.240 0.124 ***	-0.118 0.094	0.404 0.098 ***	-0.042 0.106	0.564 0.103 ***	0.462 0.266	0.502 0.102 ***	-0.109 0.099	0.346 0.111 ***	0.141 0.094
<i>Selected Coefficient Effects</i>										
Education	-0.136 0.379	-0.211 0.251	0.173 0.225	0.327 0.212	0.217 0.143	0.010 0.289	0.248 0.149 *	0.121 0.114	0.162 0.092 *	0.214 0.179
Income	-0.303 0.478	0.481 0.423	0.007 0.399	0.298 0.738	-0.511 0.200 **	-0.649 0.471	-0.175 0.359	0.143 0.305	0.670 0.487	0.109 0.355
Financial Wealth	-0.085 0.477	-0.124 0.519	-0.183 0.370	-0.192 0.470	-0.130 0.196	-0.261 0.408	-0.464 0.177 ***	0.039 0.192	-0.068 0.219	-0.051 0.112
Real Wealth	-0.616 1.145	1.223 3.865	1.644 0.714 **	1.304 1.152	1.588 0.500 ***	1.436 1.333	2.126 0.511 ***	1.313 0.924	1.170 2.100	2.986 1.221 **
Years since take-out	-0.551 0.167 ***	0.001 0.271	0.394 0.239 *	0.499 0.399	0.343 0.108 ***	-0.458 0.264	0.227 0.220	0.522 0.245 **	0.152 0.242	0.412 0.258
Original loan duration	0.545 0.252 **	1.707 0.630 **	-0.529 0.500	-1.193 0.852	-1.324 0.222 ***	0.845 0.656	-0.936 0.482 *	-1.062 0.506 **	-0.494 0.557	-0.171 0.379
House price growth	-0.044 0.116	0.169 0.093 *	-0.054 0.151	-0.024 0.153	-0.081 0.069	0.035 0.021 *	-0.047 0.069	-0.038 0.104	-0.003 0.025	-0.158 0.190
Constant	-0.117 1.354	-3.875 4.144	-0.734 1.093	-0.225 1.739	0.008 0.631	-0.216 1.412	-1.337 0.852	-0.380 1.095	-2.047 2.169	-3.435 1.749 *
Coefficient Effects	-0.840 0.143 ***	-0.651 0.143 ***	0.005 0.127	0.212 0.139	-0.122 0.108	0.398 0.223	-0.338 0.117 ***	-0.041 0.123	-0.979 0.145 ***	-0.030 0.135

Notes: The table reports results from decomposition analyses based on equation (1), comparing debt holdings in each euro area country to those in the US. Amounts of debt outstanding are conditional on holding this type of debt. Results are based on decompositions using RIF regressions. Numbers in italics denote standard errors. */**/** denote statistical significance at the 10%/5%/1% level. Country abbreviations are as explained in the notes to Table 1. Further to the reported variables the analysis controls for age, household size, marital status, work status, willingness to undertake some financial risk, and whether a household has received a sizable inheritance or gift.

Table 5: Decomposition results – differences in the conditional amounts of consumer debt normalised by income relative to the US, at the 50th percentile

	DE	NL	BE	LU	FR	AT	IT	ES	PT	GR
Total Difference	0.140 0.010 ***	-0.102 0.071	0.102 0.016 ***	0.074 0.014 ***	0.070 0.008 ***	0.145 0.011 ***	0.046 0.013 ***	-0.004 0.017	0.070 0.022 ***	0.069 0.015 ***
<i>Selected Covariate Effects</i>										
Education	0.009 0.003 ***	0.013 0.005 **	0.013 0.005 ***	0.031 0.008 ***	0.026 0.005 ***	0.021 0.005 ***	0.047 0.010 ***	0.041 0.010 ***	0.065 0.016 ***	0.024 0.006 ***
Income	-0.004 0.003	-0.007 0.005	0.004 0.004	0.000 0.005	0.009 0.002 ***	-0.005 0.004	0.012 0.004 ***	0.014 0.003 ***	0.017 0.004 ***	0.021 0.005 ***
Financial Wealth	-0.012 0.003 ***	0.003 0.005	0.000 0.003	-0.002 0.004	-0.015 0.003 ***	-0.012 0.003 ***	-0.017 0.004 ***	-0.015 0.004 ***	-0.016 0.005 ***	-0.017 0.006 ***
Real Wealth	0.022 0.006 ***	0.012 0.005 ***	0.002 0.004	0.000 0.008	0.008 0.003 ***	0.022 0.006 ***	-0.003 0.004	-0.007 0.006	0.000 0.002	-0.005 0.003
Total Covariate Effects	0.012 0.008	0.021 0.014	0.023 0.009 **	0.030 0.014 **	0.027 0.008 ***	0.032 0.010 ***	0.047 0.012 ***	0.033 0.013 **	0.069 0.017 ***	0.021 0.011 *
<i>Selected Coefficient Effects</i>										
Education	0.147 0.036 ***	0.004 0.114	0.082 0.035 **	0.064 0.029 **	0.055 0.020 ***	0.131 0.042 ***	0.038 0.019 *	0.041 0.021 **	0.040 0.014 ***	0.122 0.028 ***
Income	-0.039 0.028	0.064 0.140	-0.018 0.049	-0.004 0.049	-0.090 0.024 ***	-0.105 0.040 **	0.055 0.036	0.007 0.044	-0.016 0.052	-0.008 0.036
Financial Wealth	-0.037 0.029	0.128 0.266	0.023 0.039	-0.002 0.058	0.008 0.022	-0.027 0.037	0.045 0.026 *	0.081 0.034 **	-0.001 0.025	0.027 0.019
Real Wealth	0.033 0.015 **	-0.071 0.099	-0.020 0.033	-0.020 0.051	-0.005 0.017	0.049 0.019 ***	0.021 0.035	-0.036 0.047	0.012 0.032	0.026 0.033
Constant	-0.185 0.092 **	-0.283 0.504	-0.066 0.110	-0.011 0.173	0.099 0.060 *	-0.003 0.096	-0.172 0.088 **	-0.206 0.122 *	-0.185 0.132	-0.285 0.097 ***
Coefficient Effects	0.127 0.012 ***	-0.123 0.072 *	0.079 0.017 ***	0.044 0.018 **	0.043 0.010 ***	0.113 0.014 ***	0.000 0.017	-0.037 0.023	0.001 0.026	0.048 0.018 ***

Notes: The table reports results from decomposition analyses based on equation (1), comparing debt holdings in each euro area country to those in the US. Amounts of debt outstanding are conditional on holding this type of debt. Results are based on decompositions using RIF regressions. Numbers in italics denote standard errors. */**/** denote statistical significance at the 10%/5%/1% level. Country abbreviations are as explained in the notes to Table 1. Further to the reported variables the analysis controls for age, household size, marital status, work status, willingness to undertake some financial risk, and whether a household has received a sizable inheritance or gift.

Table 6: Decomposition results – differences in indebtedness relative to the US

	Prob(DSIR)>.33																				
	DE		NL		BE		LU		FR		AT		IT		ES		PT		GR		
Total Difference	0.121	0.007 ***	0.080	0.015 ***	0.111	0.011 ***	0.088	0.011 ***	0.110	0.006 ***	0.137	0.009 ***	0.128	0.006 ***	0.035	0.009 ***	0.083	0.008 ***	0.110	0.007 ***	
<i>Selected Covariate Effects</i>																					
Education	0.001	0.001	0.003	0.003	0.002	0.003	0.005	0.005	0.005	0.005	0.005	0.003 *	0.008	0.008	0.007	0.008	0.012	0.012	0.007	0.006	
Income	0.000	0.003	0.000	0.004	0.003	0.003	0.001	0.003	0.000	0.002	0.000	0.003	0.001	0.002	0.001	0.002	0.001	0.002	0.001	0.002	
Financial Wealth	-0.008	0.003 ***	0.011	0.005 **	0.007	0.003 **	0.004	0.004	-0.017	0.003 ***	-0.013	0.003 ***	-0.027	0.004 ***	-0.021	0.003 ***	-0.029	0.004 ***	-0.038	0.006 ***	
Real Wealth	0.062	0.006 ***	-0.005	0.009	-0.052	0.007 ***	-0.092	0.010 ***	0.009	0.004 **	0.039	0.006 ***	-0.040	0.005 ***	-0.097	0.007 ***	0.005	0.004	-0.033	0.004 ***	
Total Covariate Effects	0.081	0.008 ***	0.008	0.012	-0.018	0.008 **	-0.072	0.012 ***	0.013	0.007 *	0.057	0.008 ***	-0.035	0.009 ***	-0.096	0.011 ***	0.013	0.012	-0.044	0.009 ***	
<i>Selected Coefficient Effects</i>																					
Education	0.022	0.020	0.003	0.024	-0.002	0.017	-0.019	0.017	0.006	0.011	0.012	0.017	0.007	0.009	0.004	0.012	0.007	0.005	0.006	0.012	
Income	-0.076	0.017 ***	-0.005	0.030	-0.008	0.029	0.008	0.032	-0.052	0.014 ***	-0.068	0.016 ***	-0.061	0.015 ***	-0.024	0.020	-0.026	0.019	-0.038	0.018 **	
Financial Wealth	-0.057	0.016 ***	-0.070	0.043	-0.027	0.027	-0.044	0.037	-0.040	0.014 ***	-0.047	0.016 ***	-0.035	0.013 ***	0.027	0.021	-0.005	0.015	0.003	0.011	
Real Wealth	0.152	0.012 ***	0.194	0.022 ***	0.226	0.023 ***	0.210	0.031 ***	0.180	0.012 ***	0.199	0.015 ***	0.262	0.015 ***	0.174	0.023 ***	0.156	0.015 ***	0.225	0.016 ***	
Constant	0.052	0.053	-0.064	0.123	-0.017	0.064	0.038	0.115	0.050	0.039	0.048	0.049	0.032	0.052	0.007	0.080	0.010	0.066	0.032	0.062	
Coefficient Effects	0.040	0.008 ***	0.071	0.016 ***	0.129	0.012 ***	0.160	0.015 ***	0.096	0.009 ***	0.080	0.010 ***	0.163	0.011 ***	0.131	0.015 ***	0.070	0.014 ***	0.154	0.011 ***	

Notes: The table reports results from decomposition analyses based on equation (1), comparing indebtedness in each euro area country relative to the US. Results from decompositions are based on linear probability models explaining the prevalence of DSIRs larger than 33%. Numbers in italics denote standard errors. */**/** denote statistical significance at the 10%/5%/1% level. Country abbreviations are as explained in the notes to Table 1. Further to the reported variables the analysis controls for age, household size, marital status, work status, willingness to undertake some financial risk, and whether a household has received a sizable inheritance or gift.

Supplementary Online Appendix (not for publication)

Table A.1 Linear probability regressions for the prevalence of mortgage debt

	US	DE	NL	BE	LU	FR	AT	IT	ES	PT	GR
Age<40	0.078 <i>0.021</i> ***	0.045 <i>0.037</i>	0.013 <i>0.052</i>	0.332 <i>0.049</i> ***	0.349 <i>0.077</i> ***	0.135 <i>0.023</i> ***	0.095 <i>0.043</i> **	0.153 <i>0.025</i> ***	0.388 <i>0.036</i> ***	0.274 <i>0.034</i> ***	0.116 <i>0.040</i> ***
Age: 40-49	0.117 <i>0.020</i> ***	0.092 <i>0.039</i> **	-0.008 <i>0.046</i>	0.286 <i>0.051</i> ***	0.307 <i>0.074</i> ***	0.144 <i>0.023</i> ***	0.102 <i>0.041</i> **	0.129 <i>0.020</i> ***	0.265 <i>0.034</i> ***	0.282 <i>0.031</i> ***	0.184 <i>0.041</i> ***
Age: 50-59	0.102 <i>0.019</i> ***	0.111 <i>0.037</i> ***	0.012 <i>0.043</i>	0.048 <i>0.047</i>	0.275 <i>0.068</i> ***	0.021 <i>0.022</i>	0.011 <i>0.034</i>	0.063 <i>0.018</i> ***	0.072 <i>0.030</i> **	0.120 <i>0.024</i> ***	0.153 <i>0.036</i> ***
Couple	-0.044 <i>0.017</i> **	0.022 <i>0.030</i>	-0.046 <i>0.032</i>	-0.093 <i>0.039</i> **	0.002 <i>0.050</i>	-0.067 <i>0.015</i> ***	-0.023 <i>0.026</i>	-0.003 <i>0.018</i>	0.019 <i>0.034</i>	-0.024 <i>0.028</i>	0.074 <i>0.027</i> ***
Single	-0.063 <i>0.018</i> ***	-0.034 <i>0.028</i>	-0.029 <i>0.031</i>	-0.147 <i>0.042</i> ***	-0.045 <i>0.053</i>	-0.074 <i>0.015</i> ***	-0.041 <i>0.024</i> *	-0.033 <i>0.021</i>	-0.139 <i>0.038</i> ***	-0.101 <i>0.032</i> ***	-0.024 <i>0.030</i>
Widowed	-0.066 <i>0.027</i> **	0.028 <i>0.033</i>	-0.114 <i>0.054</i> **	-0.119 <i>0.042</i> ***	-0.178 <i>0.059</i> ***	-0.064 <i>0.015</i> ***	0.020 <i>0.025</i>	0.013 <i>0.018</i>	-0.011 <i>0.036</i>	-0.029 <i>0.029</i>	0.044 <i>0.030</i>
High School grad	0.000 <i>0.019</i>	-0.011 <i>0.021</i>	-0.001 <i>0.026</i>	-0.012 <i>0.024</i>	-0.050 <i>0.033</i>	0.016 <i>0.009</i> *	-0.018 <i>0.019</i>	-0.003 <i>0.013</i>	0.009 <i>0.025</i>	0.016 <i>0.026</i>	0.017 <i>0.021</i>
College grad	0.023 <i>0.022</i>	0.021 <i>0.026</i>	0.025 <i>0.031</i>	0.002 <i>0.027</i>	0.030 <i>0.045</i>	0.034 <i>0.013</i> **	0.032 <i>0.034</i>	0.023 <i>0.022</i>	0.075 <i>0.024</i> ***	0.033 <i>0.031</i>	0.033 <i>0.028</i>
Employed	0.066 <i>0.023</i> ***	0.072 <i>0.024</i> ***	0.023 <i>0.035</i>	0.146 <i>0.040</i> ***	0.088 <i>0.046</i> *	0.079 <i>0.014</i> ***	0.031 <i>0.038</i>	0.072 <i>0.018</i> ***	0.041 <i>0.033</i>	0.054 <i>0.028</i> *	-0.039 <i>0.045</i>
Self-employed	-0.002 <i>0.028</i>	0.094 <i>0.043</i> **	-0.044 <i>0.101</i>	0.158 <i>0.065</i> **	0.057 <i>0.067</i>	0.070 <i>0.021</i> ***	-0.010 <i>0.049</i>	0.054 <i>0.025</i> **	0.027 <i>0.044</i>	-0.036 <i>0.036</i>	-0.091 <i>0.047</i> *
Retired	-0.067 <i>0.027</i> **	-0.029 <i>0.038</i>	-0.008 <i>0.050</i>	-0.047 <i>0.055</i>	-0.095 <i>0.073</i>	-0.072 <i>0.024</i> ***	-0.057 <i>0.045</i>	0.038 <i>0.023</i>	-0.058 <i>0.039</i>	-0.043 <i>0.031</i>	-0.024 <i>0.053</i>
Oth. Inactive	0.012 <i>0.040</i>	0.021 <i>0.026</i>	0.011 <i>0.046</i>	0.038 <i>0.045</i>	-0.074 <i>0.069</i>	-0.025 <i>0.015</i>	-0.034 <i>0.049</i>	0.018 <i>0.029</i>	-0.053 <i>0.040</i>	-0.107 <i>0.038</i> ***	-0.057 <i>0.048</i>
HH size	0.011 <i>0.005</i> **	0.016 <i>0.010</i>	0.033 <i>0.012</i> ***	0.022 <i>0.011</i> *	0.000 <i>0.014</i>	0.014 <i>0.005</i> ***	0.040 <i>0.011</i> ***	0.002 <i>0.006</i>	0.002 <i>0.010</i>	-0.010 <i>0.008</i>	0.019 <i>0.009</i> **
Income_Q2	0.038 <i>0.018</i> **	-0.028 <i>0.021</i>	-0.021 <i>0.044</i>	-0.023 <i>0.029</i>	0.032 <i>0.054</i>	-0.031 <i>0.010</i> ***	-0.012 <i>0.023</i>	-0.013 <i>0.011</i>	0.013 <i>0.024</i>	0.049 <i>0.020</i> **	-0.006 <i>0.021</i>
Income_Q3	0.114 <i>0.020</i> ***	0.035 <i>0.030</i>	0.005 <i>0.038</i>	0.035 <i>0.033</i>	0.051 <i>0.050</i>	0.043 <i>0.014</i> ***	-0.022 <i>0.024</i>	0.024 <i>0.015</i>	0.076 <i>0.026</i> ***	0.060 <i>0.024</i> **	0.027 <i>0.025</i>
Income_Q4	0.136 <i>0.024</i> ***	0.107 <i>0.035</i> ***	0.014 <i>0.037</i>	0.074 <i>0.039</i> *	0.069 <i>0.060</i>	0.086 <i>0.017</i> ***	0.000 <i>0.038</i>	0.070 <i>0.022</i> ***	0.109 <i>0.031</i> ***	0.111 <i>0.027</i> ***	0.014 <i>0.029</i>
Fin. wealth_Q2	-0.037 <i>0.018</i> **	0.011 <i>0.023</i>	0.015 <i>0.043</i>	-0.020 <i>0.035</i>	-0.013 <i>0.044</i>	0.021 <i>0.010</i> **	-0.003 <i>0.022</i>	-0.015 <i>0.013</i>	-0.067 <i>0.021</i> ***	-0.034 <i>0.018</i> *	-0.097 <i>0.018</i> ***
Fin. wealth_Q3	-0.069 <i>0.019</i> ***	-0.064 <i>0.026</i> **	0.020 <i>0.043</i>	-0.032 <i>0.039</i>	-0.047 <i>0.051</i>	-0.039 <i>0.012</i> ***	-0.036 <i>0.024</i>	-0.023 <i>0.016</i>	-0.091 <i>0.025</i> ***	-0.071 <i>0.023</i> ***	-0.138 <i>0.028</i> ***
Fin. wealth_Q4	-0.171 <i>0.022</i> ***	-0.154 <i>0.040</i> ***	-0.053 <i>0.045</i>	-0.091 <i>0.044</i> ***	-0.176 <i>0.061</i> ***	-0.134 <i>0.018</i> ***	-0.064 <i>0.043</i>	-0.071 <i>0.026</i> ***	-0.146 <i>0.035</i> ***	-0.165 <i>0.038</i> ***	-0.231 <i>0.053</i> ***
Real wealth_Q2	0.435 <i>0.017</i> ***	0.195 <i>0.025</i> ***	0.035 <i>0.032</i>	0.227 <i>0.053</i> ***	0.095 <i>0.056</i> *	0.184 <i>0.014</i> ***	0.137 <i>0.021</i> ***	0.057 <i>0.010</i> ***	0.242 <i>0.030</i> ***	0.247 <i>0.018</i> ***	0.175 <i>0.018</i> ***
Real wealth_Q3	0.753 <i>0.017</i>	0.404 <i>0.029</i> ***	0.779 <i>0.033</i> ***	0.512 <i>0.032</i> ***	0.540 <i>0.075</i> ***	0.411 <i>0.012</i> ***	0.386 <i>0.029</i> ***	0.141 <i>0.013</i> ***	0.441 <i>0.023</i> ***	0.435 <i>0.019</i> ***	0.267 <i>0.021</i> ***
Real wealth_Q4	0.768 <i>0.021</i> ***	0.501 <i>0.033</i> ***	0.709 <i>0.031</i> ***	0.472 <i>0.031</i> ***	0.672 <i>0.041</i> ***	0.458 <i>0.013</i> ***	0.418 <i>0.030</i> ***	0.184 <i>0.014</i> ***	0.478 <i>0.024</i> ***	0.496 <i>0.029</i> ***	0.340 <i>0.024</i> ***
Inherit. receiv.	-0.056 <i>0.016</i> ***	-0.048 <i>0.020</i> **	0.010 <i>0.040</i>	-0.005 <i>0.023</i>	-0.083 <i>0.033</i> **	-	-	-0.023 <i>0.020</i>	-	-0.102 <i>0.018</i> ***	-0.112 <i>0.017</i> ***
Take risk	-0.026 <i>0.014</i> *	-0.024 <i>0.039</i>	0.017 <i>0.106</i>	0.013 <i>0.048</i>	-0.025 <i>0.071</i>	-	-	-0.050 <i>0.031</i>	0.000 <i>0.000</i> ***	-0.088 <i>0.052</i> *	-0.028 <i>0.061</i>
Constant	-0.055 <i>0.036</i>	-0.062 <i>0.057</i>	-0.055 <i>0.117</i>	-0.200 <i>0.079</i> **	-0.242 <i>0.112</i> **	-0.080 <i>0.025</i> ***	-0.024 <i>0.057</i>	-0.141 <i>0.032</i> ***	-0.112 <i>0.072</i>	-0.055 <i>0.074</i>	-0.082 <i>0.064</i>
R2	0.45	0.37	0.57	0.45	0.47	0.35	0.27	0.13	0.35	0.34	0.17
Observations	6,482	3,468	1,235	2,264	950	15,006	2,340	7,951	6,188	4,356	2,958

Notes: The table reports results from linear probability models. Numbers in italics denote standard errors. */**/** denote statistical significance at the 10%/5%/1% level. Country abbreviations are as explained in the notes to Table 1. Reported estimates are adjusted for multiple imputation.

Table A.2 Linear probability regressions for the prevalence of consumer debt

	US	DE	NL	BE	LU	FR	AT	IT	ES	PT	GR
Age<40	0.122 <i>0.023</i> ***	0.194 <i>0.051</i> ***	0.360 <i>0.071</i> ***	-0.019 <i>0.056</i>	0.097 <i>0.091</i>	0.132 <i>0.028</i> ***	0.073 <i>0.050</i>	0.053 <i>0.035</i> *	0.047 <i>0.047</i>	0.111 <i>0.035</i> ***	0.078 <i>0.045</i> *
Age: 40-49	0.105 <i>0.023</i> ***	0.095 <i>0.048</i> **	0.097 <i>0.068</i>	0.080 <i>0.057</i>	0.096 <i>0.088</i>	0.120 <i>0.027</i> ***	0.111 <i>0.049</i> **	0.069 <i>0.031</i> **	0.052 <i>0.044</i>	0.081 <i>0.031</i> ***	0.086 <i>0.046</i> *
Age: 50-59	0.079 <i>0.022</i> ***	0.072 <i>0.046</i>	0.128 <i>0.060</i> **	0.083 <i>0.050</i>	0.128 <i>0.076</i> *	0.108 <i>0.024</i> ***	0.039 <i>0.040</i>	0.019 <i>0.024</i>	0.055 <i>0.039</i>	0.030 <i>0.024</i>	0.079 <i>0.039</i> **
Couple	0.029 <i>0.021</i>	-0.101 <i>0.042</i> **	0.078 <i>0.075</i>	-0.024 <i>0.043</i>	0.000 <i>0.064</i>	-0.018 <i>0.019</i>	-0.092 <i>0.034</i> ***	-0.023 <i>0.030</i>	-0.028 <i>0.039</i>	-0.079 <i>0.030</i> ***	-0.107 <i>0.040</i> ***
Single	-0.044 <i>0.023</i> *	-0.116 <i>0.047</i> **	0.015 <i>0.074</i>	-0.023 <i>0.046</i>	0.013 <i>0.069</i>	-0.069 <i>0.021</i> ***	-0.094 <i>0.035</i> ***	-0.039 <i>0.034</i>	-0.035 <i>0.042</i>	-0.070 <i>0.034</i> **	-0.122 <i>0.044</i> ***
Widowed	-0.076 <i>0.030</i> **	-0.172 <i>0.043</i> ***	-0.089 <i>0.075</i>	-0.047 <i>0.043</i>	-0.195 <i>0.071</i> ***	-0.062 <i>0.019</i> ***	-0.058 <i>0.038</i>	-0.016 <i>0.030</i>	-0.032 <i>0.044</i>	-0.028 <i>0.030</i>	-0.069 <i>0.042</i> *
High School grad	0.085 <i>0.023</i> ***	0.053 <i>0.035</i>	0.020 <i>0.050</i>	0.033 <i>0.030</i>	-0.006 <i>0.044</i>	0.049 <i>0.013</i> ***	0.033 <i>0.027</i>	0.013 <i>0.027</i>	0.018 <i>0.031</i>	0.056 <i>0.027</i> **	0.063 <i>0.026</i> **
College grad	0.081 <i>0.026</i> ***	-0.014 <i>0.040</i>	0.017 <i>0.048</i>	0.017 <i>0.031</i>	-0.067 <i>0.056</i>	0.003 <i>0.017</i>	-0.045 <i>0.037</i>	-0.019 <i>0.031</i>	-0.010 <i>0.029</i>	0.056 <i>0.031</i> *	0.052 <i>0.032</i>
Employed	-0.035 <i>0.029</i>	-0.032 <i>0.059</i>	-0.094 <i>0.062</i>	0.028 <i>0.050</i>	0.069 <i>0.116</i>	0.025 <i>0.027</i>	-0.121 <i>0.062</i> *	-0.005 <i>0.033</i>	0.021 <i>0.040</i>	-0.003 <i>0.033</i>	0.039 <i>0.054</i>
Self-employed	-0.067 <i>0.033</i> **	0.055 <i>0.070</i>	0.175 <i>0.120</i>	0.084 <i>0.078</i>	0.080 <i>0.131</i>	-0.055 <i>0.032</i> *	-0.099 <i>0.069</i>	0.100 <i>0.039</i> **	0.006 <i>0.050</i>	-0.023 <i>0.039</i>	0.023 <i>0.056</i>
Retired	-0.191 <i>0.033</i> ***	-0.148 <i>0.066</i> **	-0.059 <i>0.077</i>	-0.011 <i>0.062</i>	0.010 <i>0.135</i>	-0.072 <i>0.033</i> **	-0.171 <i>0.069</i> **	-0.071 <i>0.034</i> *	-0.063 <i>0.050</i>	-0.047 <i>0.034</i>	-0.065 <i>0.060</i>
Oth. Inactive	-0.063 <i>0.053</i>	-0.094 <i>0.071</i>	0.042 <i>0.079</i>	-0.054 <i>0.060</i>	0.027 <i>0.132</i>	-0.147 <i>0.032</i> ***	-0.146 <i>0.081</i> *	-0.107 <i>0.041</i> **	-0.061 <i>0.053</i>	-0.076 <i>0.041</i> *	-0.093 <i>0.062</i>
HH size	0.010 <i>0.005</i> *	0.031 <i>0.014</i> **	0.005 <i>0.021</i>	0.063 <i>0.014</i> ***	0.033 <i>0.018</i> *	0.026 <i>0.006</i> ***	0.030 <i>0.014</i> **	0.036 <i>0.009</i> ***	0.051 <i>0.012</i> ***	0.039 <i>0.009</i> ***	0.016 <i>0.011</i>
Income_Q2	0.046 <i>0.021</i> **	0.042 <i>0.036</i>	0.071 <i>0.058</i>	-0.004 <i>0.032</i>	-0.012 <i>0.068</i>	0.068 <i>0.016</i> ***	0.018 <i>0.031</i>	0.016 <i>0.021</i>	0.129 <i>0.027</i> ***	0.030 <i>0.021</i>	0.056 <i>0.024</i> **
Income_Q3	0.111 <i>0.024</i> ***	0.095 <i>0.044</i> **	0.054 <i>0.057</i>	0.066 <i>0.040</i> *	0.071 <i>0.066</i>	0.138 <i>0.019</i> ***	0.062 <i>0.044</i>	0.026 <i>0.025</i>	0.187 <i>0.033</i> ***	0.094 <i>0.025</i> ***	0.090 <i>0.030</i> ***
Income_Q4	0.141 <i>0.028</i> ***	0.091 <i>0.051</i> *	0.015 <i>0.058</i>	0.029 <i>0.046</i>	0.079 <i>0.078</i>	0.146 <i>0.022</i> ***	0.075 <i>0.044</i> *	0.073 <i>0.029</i> ***	0.201 <i>0.038</i> ***	0.115 <i>0.029</i> ***	0.192 <i>0.034</i> ***
Fin. wealth_Q2	0.068 <i>0.021</i> ***	-0.049 <i>0.044</i>	-0.165 <i>0.095</i> *	-0.150 <i>0.045</i> ***	0.059 <i>0.073</i>	-0.046 <i>0.018</i> **	-0.097 <i>0.038</i> **	-0.025 <i>0.020</i>	-0.083 <i>0.027</i> ***	-0.010 <i>0.020</i>	-0.091 <i>0.021</i> ***
Fin. wealth_Q3	0.016 <i>0.023</i>	-0.160 <i>0.048</i> ***	-0.253 <i>0.078</i> ***	-0.157 <i>0.048</i> ***	-0.030 <i>0.077</i>	-0.170 <i>0.020</i> ***	-0.127 <i>0.037</i> ***	-0.095 <i>0.020</i> ***	-0.171 <i>0.033</i> ***	-0.094 <i>0.020</i> ***	-0.126 <i>0.030</i> ***
Fin. wealth_Q4	-0.182 <i>0.027</i> ***	-0.230 <i>0.056</i> ***	-0.248 <i>0.083</i> ***	-0.201 <i>0.051</i> ***	-0.102 <i>0.082</i>	-0.236 <i>0.024</i> ***	-0.127 <i>0.051</i> **	-0.118 <i>0.035</i> ***	-0.230 <i>0.041</i> ***	-0.086 <i>0.035</i> **	-0.226 <i>0.060</i> ***
Real wealth_Q2	0.120 <i>0.020</i> ***	0.018 <i>0.036</i>	0.004 <i>0.097</i>	0.160 <i>0.065</i> **	0.058 <i>0.089</i>	0.044 <i>0.018</i> **	-0.026 <i>0.031</i>	0.039 <i>0.021</i> **	0.030 <i>0.044</i>	-0.020 <i>0.021</i>	0.050 <i>0.029</i> *
Real wealth_Q3	0.129 <i>0.022</i> ***	-0.021 <i>0.036</i>	-0.055 <i>0.054</i>	0.044 <i>0.041</i>	-0.163 <i>0.082</i> **	0.042 <i>0.015</i> ***	-0.084 <i>0.032</i> **	0.025 <i>0.023</i>	0.000 <i>0.036</i>	0.017 <i>0.023</i>	0.028 <i>0.029</i>
Real wealth_Q4	0.043 <i>0.026</i> *	-0.075 <i>0.037</i> **	-0.061 <i>0.051</i>	-0.063 <i>0.041</i>	0.011 <i>0.064</i>	0.041 <i>0.016</i> **	-0.140 <i>0.032</i> ***	0.054 <i>0.029</i> ***	-0.017 <i>0.038</i>	-0.035 <i>0.029</i>	0.085 <i>0.035</i> **
Inherit. receiv.	0.014 <i>0.016</i>	0.028 <i>0.025</i>	0.068 <i>0.059</i>	-0.031 <i>0.025</i>	0.005 <i>0.041</i>	.	0.005 <i>0.020</i>	.	-0.023 <i>0.021</i>	0.004 <i>0.016</i>	0.005 <i>0.020</i>
Take risk	-0.031 <i>0.017</i> *	0.029 <i>0.073</i>	-0.184 <i>0.114</i>	-0.024 <i>0.057</i>	-0.021 <i>0.125</i>	.	-0.080 <i>0.039</i> **	0.049 <i>0.016</i> ***	-0.002 <i>0.056</i>	0.023 <i>0.068</i>	-0.020 <i>0.039</i>
Constant	0.426 <i>0.045</i> ***	0.373 <i>0.103</i> ***	0.605 <i>0.177</i> ***	0.223 <i>0.090</i> **	0.198 <i>0.192</i>	0.222 <i>0.038</i> ***	0.477 <i>0.083</i> ***	0.047 <i>0.068</i>	0.167 <i>0.084</i> **	0.066 <i>0.083</i>	0.197 <i>0.082</i> **
R2	0.156 .	0.156 .	0.150 .	0.127 .	0.102 .	0.141 .	0.097 .	0.094 .	0.128 .	0.102 .	0.127 .
Observations	6,482 .	3,468 .	1,235 .	2,264 .	950 .	15,006 .	2,340 .	7,951 .	6,188 .	4,356 .	2,958 .

Notes: The table reports results from linear probability models. Numbers in italics denote standard errors. */**/** denote statistical significance at the 10%/5%/1% level. Country abbreviations are as explained in the notes to Table 1. Reported estimates are adjusted for multiple imputation.

Table A.3 RIF regressions for the amount of holdings of mortgage debt normalised by income, at the 50th percentile

	US	DE	NL	BE	LU	FR	AT	IT	ES	PT	GR
Age<40	-0.016 <i>0.117</i>	1.237 <i>0.383</i> ***	0.653 <i>0.539</i>	0.304 <i>0.386</i>	0.734 <i>0.493</i>	0.194 <i>0.189</i>	0.177 <i>0.416</i>	0.137 <i>0.362</i>	-0.074 <i>0.308</i>	0.995 <i>0.510</i> *	0.435 <i>0.421</i>
Age: 40-49	-0.052 <i>0.106</i>	0.678 <i>0.341</i> **	0.192 <i>0.487</i>	-0.049 <i>0.353</i>	0.715 <i>0.492</i>	0.092 <i>0.173</i>	0.184 <i>0.418</i>	-0.183 <i>0.328</i>	0.043 <i>0.269</i>	0.371 <i>0.429</i>	0.077 <i>0.456</i>
Age: 50-59	-0.097 <i>0.092</i>	0.614 <i>0.342</i> *	0.042 <i>0.509</i>	-0.132 <i>0.347</i>	0.164 <i>0.438</i>	-0.065 <i>0.155</i>	-0.195 <i>0.410</i>	-0.042 <i>0.301</i>	0.229 <i>0.241</i>	0.167 <i>0.427</i>	-0.114 <i>0.404</i>
Couple	-0.293 <i>0.097</i> ***	-1.189 <i>0.317</i> ***	-0.405 <i>0.492</i>	-0.157 <i>0.266</i>	-0.083 <i>0.415</i>	0.186 <i>0.118</i>	0.467 <i>0.300</i>	0.263 <i>0.226</i>	-0.052 <i>0.258</i>	-0.112 <i>0.309</i>	0.419 <i>0.296</i>
Single	-0.060 <i>0.129</i>	-1.002 <i>0.423</i> **	-0.247 <i>0.532</i>	-0.645 <i>0.305</i> **	-0.730 <i>0.471</i>	0.202 <i>0.132</i>	0.215 <i>0.334</i>	0.213 <i>0.295</i>	0.513 <i>0.304</i> *	-0.060 <i>0.396</i>	-0.142 <i>0.386</i>
Widowed	-0.182 <i>0.180</i>	-0.173 <i>0.447</i>	-0.641 <i>0.663</i>	0.026 <i>0.560</i>	-0.678 <i>1.063</i>	0.076 <i>0.263</i>	-0.011 <i>0.628</i>	0.243 <i>0.538</i>	-0.332 <i>0.346</i>	-0.214 <i>0.592</i>	-0.291 <i>0.456</i>
High School grad	0.286 <i>0.139</i> **	0.371 <i>0.320</i>	0.415 <i>0.257</i>	-0.048 <i>0.246</i>	-0.232 <i>0.268</i>	-0.026 <i>0.089</i>	0.083 <i>0.305</i>	-0.112 <i>0.166</i>	0.185 <i>0.185</i>	0.121 <i>0.213</i>	0.038 <i>0.208</i>
College grad	0.365 <i>0.145</i> **	0.370 <i>0.341</i>	0.544 <i>0.290</i> *	0.208 <i>0.203</i>	-0.138 <i>0.283</i>	0.064 <i>0.100</i>	0.128 <i>0.403</i>	-0.183 <i>0.202</i>	0.108 <i>0.174</i>	-0.443 <i>0.227</i> *	-0.093 <i>0.242</i>
Employed	-0.181 <i>0.156</i>	-0.570 <i>0.542</i>	-0.537 <i>0.289</i> *	0.688 <i>0.431</i>	0.437 <i>0.868</i>	-0.251 <i>0.193</i>	0.075 <i>0.567</i>	-0.514 <i>0.460</i>	-0.257 <i>0.267</i>	-0.106 <i>0.369</i>	-0.337 <i>0.295</i>
Self-employed	-0.071 <i>0.167</i>	-0.429 <i>0.574</i>	-0.095 <i>0.659</i>	0.879 <i>0.527</i>	0.715 <i>0.999</i>	-0.134 <i>0.207</i>	0.139 <i>0.730</i>	-0.369 <i>0.485</i>	0.233 <i>0.314</i>	0.149 <i>0.428</i>	-0.374 <i>0.397</i>
Retired	-0.206 <i>0.187</i>	-0.160 <i>0.628</i>	-0.986 <i>0.461</i> **	0.445 <i>0.511</i>	0.613 <i>0.921</i>	-0.604 <i>0.229</i> ***	-0.001 <i>0.769</i>	-0.896 <i>0.518</i> *	-0.122 <i>0.362</i>	-0.075 <i>0.530</i>	-0.536 <i>0.440</i>
Oth. Inactive	-0.182 <i>0.285</i>	-0.130 <i>0.696</i>	-0.237 <i>0.422</i>	0.240 <i>0.587</i>	0.592 <i>0.870</i>	-0.352 <i>0.328</i>	-0.389 <i>0.917</i>	-0.956 <i>0.565</i> *	-0.198 <i>0.396</i>	-0.536 <i>1.077</i>	0.674 <i>0.780</i>
HH size	0.063 <i>0.027</i> **	0.059 <i>0.069</i>	0.065 <i>0.100</i>	-0.048 <i>0.068</i>	-0.132 <i>0.089</i>	0.007 <i>0.036</i>	-0.066 <i>0.084</i>	-0.070 <i>0.068</i>	0.076 <i>0.080</i>	-0.114 <i>0.087</i>	-0.029 <i>0.093</i>
Income_Q2	-0.463 <i>0.132</i> ***	-0.472 <i>0.446</i>	-0.796 <i>0.403</i> *	-0.429 <i>0.402</i>	-1.023 <i>0.472</i> **	-0.326 <i>0.165</i> **	0.128 <i>0.502</i>	-0.621 <i>0.304</i> **	-0.692 <i>0.263</i> ***	-1.251 <i>0.555</i> **	-1.078 <i>0.297</i> ***
Income_Q3	-1.178 <i>0.131</i> ***	-0.718 <i>0.454</i>	-1.365 <i>0.361</i> ***	-0.982 <i>0.403</i> **	-1.512 <i>0.563</i> **	-0.679 <i>0.160</i> ***	-0.142 <i>0.569</i>	-1.073 <i>0.284</i> ***	-1.518 <i>0.276</i> ***	-1.982 <i>0.563</i> ***	-1.318 <i>0.292</i> ***
Income_Q4	-1.906 <i>0.145</i> ***	-1.564 <i>0.525</i> ***	-2.239 <i>0.443</i> ***	-1.656 <i>0.398</i> ***	-1.910 <i>0.614</i> ***	-0.965 <i>0.182</i> ***	-0.506 <i>0.528</i>	-1.644 <i>0.292</i> ***	-2.041 <i>0.291</i> ***	-3.029 <i>0.604</i> ***	-1.930 <i>0.303</i> ***
Fin. wealth_Q2	-0.194 <i>0.103</i> *	-0.270 <i>0.439</i>	0.166 <i>0.548</i>	-0.278 <i>0.375</i>	-0.099 <i>0.502</i>	-0.048 <i>0.159</i>	0.012 <i>0.602</i>	0.387 <i>0.188</i> **	-0.114 <i>0.202</i>	-0.193 <i>0.224</i>	-0.310 <i>0.199</i>
Fin. wealth_Q3	-0.289 <i>0.110</i> ***	-0.201 <i>0.462</i>	-0.150 <i>0.505</i>	-0.151 <i>0.402</i>	0.058 <i>0.489</i>	-0.165 <i>0.163</i>	0.083 <i>0.555</i>	0.255 <i>0.211</i>	-0.448 <i>0.270</i> *	-0.537 <i>0.307</i> *	-0.225 <i>0.235</i>
Fin. wealth_Q4	-0.730 <i>0.117</i> ***	-0.518 <i>0.492</i>	-0.408 <i>0.559</i>	-0.331 <i>0.401</i>	-0.378 <i>0.513</i>	-0.453 <i>0.182</i> **	0.164 <i>0.629</i>	-0.008 <i>0.344</i>	-0.745 <i>0.289</i> **	-0.652 <i>0.405</i>	0.498 <i>0.734</i>
Real wealth_Q2	1.002 <i>0.280</i> ***	1.536 <i>0.550</i> ***	-1.173 <i>2.886</i>	-0.154 <i>0.340</i>	-0.119 <i>0.478</i>	0.063 <i>0.270</i>	0.322 <i>1.082</i>	-0.065 <i>0.215</i>	-1.043 <i>0.725</i>	0.426 <i>1.945</i>	-1.191 <i>1.179</i>
Real wealth_Q3	1.730 <i>0.284</i> ***	2.393 <i>0.549</i> ***	3.512 <i>2.635</i>	0.322 <i>0.451</i>	0.478 <i>0.936</i>	0.397 <i>0.241</i>	0.575 <i>1.227</i>	0.282 <i>0.345</i>	0.243 <i>0.617</i>	0.767 <i>1.867</i>	-1.370 <i>1.199</i>
Real wealth_Q4	2.523 <i>0.279</i> ***	3.106 <i>0.566</i> ***	4.057 <i>2.556</i>	0.706 <i>0.481</i>	1.099 <i>0.914</i>	0.675 <i>0.251</i> ***	0.765 <i>1.149</i>	0.310 <i>0.340</i>	0.700 <i>0.668</i>	1.280 <i>1.811</i>	-1.091 <i>1.212</i>
Yrs elapsed since loan take-up	-0.100 <i>0.007</i> ***	-0.038 <i>0.016</i> **	-0.105 <i>0.014</i> ***	-0.153 <i>0.016</i> ***	-0.182 <i>0.018</i> ***	-0.163 <i>0.008</i> ***	-0.056 <i>0.027</i> *	-0.134 <i>0.020</i> ***	-0.201 <i>0.018</i> ***	-0.133 <i>0.020</i> ***	-0.209 <i>0.028</i> ***
Origin loan duration	0.070 <i>0.004</i> ***	0.037 <i>0.011</i> ***	0.012 <i>0.017</i>	0.094 <i>0.017</i> ***	0.134 <i>0.019</i> ***	0.156 <i>0.006</i> ***	0.039 <i>0.021</i>	0.122 <i>0.010</i> ***	0.132 <i>0.011</i> ***	0.094 <i>0.011</i> ***	0.078 <i>0.010</i> ***
House price growth	0.581 <i>0.226</i> **	-0.457 <i>2.258</i>	-0.703 <i>0.561</i>	0.953 <i>0.876</i>	0.768 <i>0.727</i>	0.881 <i>0.214</i> ***	-0.761 <i>0.457</i> *	1.518 <i>0.737</i> **	0.706 <i>0.407</i> *	0.965 <i>1.182</i>	1.742 <i>0.940</i> *
Inherit. receiv.	-0.083 <i>0.077</i>	-0.502 <i>0.160</i> ***	-0.393 <i>0.346</i>	-0.133 <i>0.154</i>	-0.097 <i>0.232</i>		-0.236 <i>0.281</i>		-0.092 <i>0.184</i>	-0.108 <i>0.196</i>	0.090 <i>0.219</i>
Take risk	-0.117 <i>0.072</i>	-0.016 <i>0.394</i>	0.250 <i>0.583</i>	0.107 <i>0.316</i>	-0.220 <i>0.385</i>		-0.422 <i>0.350</i>	0.121 <i>0.177</i>	0.500 <i>0.396</i>	0.663 <i>0.461</i>	0.151 <i>0.288</i>
Constant	0.195 <i>0.349</i>	0.441 <i>0.919</i>	0.788 <i>2.674</i>	0.697 <i>0.734</i>	0.339 <i>1.529</i>	-0.026 <i>0.415</i>	0.104 <i>1.200</i>	1.294 <i>0.759</i> *	0.618 <i>0.896</i>	1.898 <i>1.815</i>	3.553 <i>1.825</i>
R2	0.38	0.29	0.37	0.51	0.56	0.52	0.19	0.49	0.49	0.43	0.49
Observations	2,717	872	602	641	395	3,726	329	653	1,500	943	403

Notes: The table reports results from RIF regressions. Numbers in italics denote standard errors. */**/** denote statistical significance at the 10%/5%/1% level. Country abbreviations are as explained in the notes to Table 1. Reported estimates are adjusted for multiple imputation.

Table A.4 Decomposition results – differences in the conditional amounts of mortgage debt normalised by income relative to the US, at the 10th percentile

	DE	NL	BE	LU	FR	AT	IT	ES	PT	GR
Total Difference	0.193 0.043 ***	-0.306 0.074 ***	0.234 0.044 ***	0.206 0.052 ***	0.299 0.029 ***	0.331 0.047 ***	0.185 0.065 ***	0.112 0.041 ***	-0.035 0.065	0.159 0.053 ***
<i>Selected Covariate Effects</i>										
Education	0.001 0.003	-0.016 0.013	-0.007 0.008	-0.024 0.021	-0.015 0.012	-0.009 0.012	-0.030 0.024	-0.033 0.029	-0.059 0.048	-0.029 0.024
Income	0.037 0.011 ***	-0.019 0.009 **	0.012 0.007	-0.010 0.008	0.016 0.006 ***	0.011 0.009	0.022 0.009 **	-0.005 0.006	0.005 0.006	-0.008 0.007
Financial Wealth	-0.018 0.010 *	-0.007 0.008	-0.012 0.008	-0.020 0.010 **	-0.029 0.013 **	-0.020 0.010 **	-0.037 0.014 ***	-0.028 0.015 *	-0.028 0.017	-0.029 0.029
Real Wealth	-0.019 0.010 *	-0.064 0.015 ***	-0.056 0.014 ***	-0.092 0.026 ***	-0.026 0.013 *	-0.044 0.013 ***	-0.055 0.014 ***	-0.062 0.016 ***	-0.001 0.007	-0.022 0.011 **
Years since take-out	0.150 0.028 ***	0.229 0.040 ***	0.103 0.022 ***	0.132 0.028 ***	0.050 0.010 ***	0.143 0.032 ***	0.088 0.021 ***	0.092 0.017 ***	0.164 0.028 ***	0.031 0.013 **
Original loan duration	0.336 0.050 ***	-0.075 0.016 ***	0.191 0.029 ***	0.139 0.025 ***	0.331 0.048 ***	0.133 0.109	0.234 0.035 ***	0.090 0.017 ***	-0.039 0.016 **	0.201 0.033 ***
House price growth	0.023 0.013 *	-0.023 0.013 *	-0.031 0.017 *	-0.036 0.020 *	-0.047 0.027 *	0.004 0.004	-0.009 0.005 *	-0.049 0.028 *	0.006 0.004 *	-0.037 0.021 *
Total Covariate Effects	0.534 0.067 ***	0.009 0.050	0.195 0.048 ***	0.071 0.056	0.247 0.059 ***	0.212 0.112	0.210 0.052 ***	0.017 0.050	0.056 0.060	0.117 0.056 **
<i>Selected Coefficient Effects</i>										
Education	-0.146 0.133	-0.094 0.161	-0.200 0.115 *	-0.139 0.097	-0.101 0.071	-0.147 0.141	-0.054 0.076	-0.021 0.064	0.010 0.047	-0.058 0.074
Income	-0.026 0.123	0.114 0.162	-0.098 0.114	-0.117 0.125	-0.110 0.077	-0.161 0.108	-0.064 0.133	0.060 0.109	-0.053 0.116	-0.085 0.121
Financial Wealth	-0.129 0.179	0.165 0.226	0.068 0.123	0.262 0.159	0.031 0.073	0.130 0.167	-0.032 0.103	0.078 0.073	-0.001 0.080	0.003 0.046
Real Wealth	2.057 0.960 **	2.020 1.053 *	2.026 0.913 **	2.077 0.948 **	2.016 0.905 **	1.771 1.287	1.919 0.919 **	1.929 0.911 **	0.536 2.421	2.132 0.893 **
Years since take-out	-0.346 0.086 ***	-0.067 0.180	-0.164 0.076 **	-0.165 0.112	-0.207 0.054 ***	-0.363 0.090 ***	-0.112 0.104	0.014 0.094	-0.365 0.096 ***	-0.185 0.089 **
Original loan duration	0.327 0.091 ***	0.749 0.211 ***	0.398 0.151 ***	0.173 0.212	0.151 0.081 *	0.650 0.210 **	0.190 0.132	0.178 0.147	0.262 0.229	0.417 0.132 ***
House price growth	-0.052 0.048	-0.078 0.069	-0.071 0.050	0.128 0.057 **	0.040 0.037	0.017 0.011	-0.019 0.041	0.024 0.053	-0.001 0.009	-0.090 0.086
Constant	-1.976 1.001 **	-3.390 1.208 ***	-1.561 0.982	-2.082 1.049 **	-1.825 0.907 **	-1.454 1.379	-1.822 0.960 *	-1.913 0.955 **	-0.561 2.459	-1.972 0.947 **
Coefficient Effects	-0.342 0.068 ***	-0.315 0.084 ***	0.039 0.058	0.135 0.065 **	0.052 0.058	0.119 0.097	-0.025 0.072	0.094 0.061	-0.091 0.086	0.042 0.073

Notes: The table reports results from decomposition analyses based on equation (1), comparing debt holdings in each euro area country to those in the US. Amounts of debt outstanding are conditional on holding this type of debt. Results are based on decompositions using RIF regressions. Numbers in italics denote standard errors. */**/** denote statistical significance at the 10%/5%/1% level. Country abbreviations are as explained in the notes to Table 1. Further to the reported variables the analysis controls for age, household size, marital status, work status, willingness to undertake some financial risk, and whether a household has received a sizable inheritance or gift.

Table A.5 Decomposition results – differences in the conditional amounts of mortgage debt normalised by income relative to the US, at the 90th percentile

	DE		NL		BE		LU		FR		AT		IT		ES		PT		GR	
Total Difference	0.046	0.345	-1.226	0.578 **	0.350	0.278	-0.534	0.556	0.641	0.169 ***	0.388	0.760	0.183	0.342	-1.170	0.276 ***	-2.165	0.580 ***	-0.279	0.341
<i>Selected Covariate Effects</i>																				
Education	-0.013	0.016	0.086	0.084	0.055	0.045	0.126	0.125	0.063	0.076	-0.033	0.076	0.123	0.154	0.200	0.172	0.318	0.300	0.139	0.149
Income	0.913	0.236	-0.582	0.213	0.327	0.186	-0.252	0.182	0.406	0.120	0.229	0.205	0.537	0.193	-0.091	0.120	0.106	0.127	-0.231	0.179
Financial Wealth	0.003	0.049	0.015	0.041	0.009	0.038	0.001	0.048	-0.049	0.085	-0.009	0.051	-0.051	0.081	-0.071	0.100	-0.079	0.113	-0.103	0.183
Real Wealth	-0.491	0.147	-1.105	0.235	-1.020	0.223	-2.222	0.466	-0.763	0.155	-0.889	0.254	-1.105	0.241	-1.233	0.259	0.153	0.113	-0.393	0.142
Years since take-out	0.386	0.100	0.587	0.148	0.265	0.071	0.340	0.098	0.128	0.036	0.366	0.096	0.226	0.065	0.236	0.062	0.422	0.107	0.080	0.034
Original loan duration	0.632	0.180	-0.141	0.046	0.359	0.101	0.261	0.080	0.620	0.173	0.250	0.231	0.441	0.129	0.170	0.052	-0.073	0.034	0.379	0.110
House price growth	0.273	0.088	-0.273	0.087	-0.371	0.118	-0.438	0.141	-0.573	0.179	0.054	0.037	-0.110	0.040	-0.591	0.187	0.073	0.027	-0.442	0.139
Total Covariate Effects	1.850	0.432 ***	-1.564	0.411 ***	-0.480	0.275 *	-2.178	0.557 ***	-0.256	0.310	-0.103	0.345	0.016	0.293	-1.522	0.438 ***	0.842	0.362 **	-0.622	0.352 *
<i>Selected Coefficient Effects</i>																				
Education	0.317	1.465	-0.579	0.808	0.984	0.949	-0.461	1.126	0.404	0.438	0.875	1.356	0.190	0.481	0.852	0.425	0.311	0.339	-0.163	0.535
Income	-3.241	3.319	-0.749	3.430	-1.437	2.694	-2.576	7.964	-4.575	1.738	-3.697	3.287	-3.568	2.858	-2.633	2.252	-0.343	4.931	-2.330	2.797
Financial Wealth	-1.350	1.474	-0.170	1.848	0.465	0.928	-0.831	2.272	-0.445	0.497	0.002	2.445	1.302	1.087	0.170	0.579	0.268	0.667	0.212	0.370
Real Wealth	6.803	3.321	5.873	8.621	6.342	3.288	4.341	8.447	6.735	3.044	5.663	3.471	6.265	3.041	5.452	2.932	5.913	4.394	8.637	7.406
Years since take-out	-0.355	0.562	-0.512	0.621	0.207	0.600	0.287	1.680	0.164	0.269	0.557	1.199	0.005	0.517	1.550	0.804	0.171	0.838	0.568	0.657
Original loan duration	0.249	0.752	0.951	1.245	-0.105	0.973	-2.727	5.464	-1.688	0.502	-1.200	2.041	-1.753	1.506	-1.943	1.271	-0.137	1.505	-0.696	1.163
House price growth	-0.223	0.266	0.542	0.270	1.038	0.481	1.359	1.382	1.018	0.246	0.075	0.074	0.479	0.216	1.154	0.326	0.072	0.069	1.185	0.626
Constant	-3.440	4.792	-4.503	8.627	-3.640	4.152	8.646	9.788	0.773	2.672	-4.104	6.338	-2.465	4.429	-4.439	3.693	-7.936	6.623	-6.090	8.123
Coefficient Effects	-1.803	0.406 ***	0.338	0.692	0.830	0.365 **	1.644	0.828 *	0.897	0.380 **	0.490	0.795	0.167	0.402	0.352	0.562	-3.007	0.624 ***	0.342	0.485

Notes: The table reports results from decomposition analyses based on equation (1), comparing debt holdings in each euro area country to those in the US. Amounts of debt outstanding are conditional on holding this type of debt. Results are based on decompositions using RIF regressions. Numbers in italics denote standard errors. */**/** denote statistical significance at the 10%/5%/1% level. Country abbreviations are as explained in the notes to Table 1. Further to the reported variables the analysis controls for age, household size, marital status, work status, willingness to undertake some financial risk, and whether a household has received a sizable inheritance or gift.

Table A.6 RIF regressions for the amount of holdings of consumer debt normalised by income, at the 50th percentile

	US	DE	NL	BE	LU	FR	AT	IT	ES	PT	GR
Age<40	0.079 <i>0.025</i> ***	-0.010 <i>0.027</i>	0.359 <i>0.179</i> *	0.065 <i>0.057</i>	0.159 <i>0.070</i> **	0.085 <i>0.029</i> ***	0.020 <i>0.039</i>	0.033 <i>0.072</i>	-0.059 <i>0.063</i>	0.029 <i>0.072</i>	0.102 <i>0.048</i> **
Age: 40-49	0.030 <i>0.025</i>	-0.013 <i>0.027</i>	0.239 <i>0.167</i>	0.061 <i>0.056</i>	0.167 <i>0.062</i> ***	0.076 <i>0.028</i> ***	0.028 <i>0.039</i>	0.004 <i>0.070</i>	-0.001 <i>0.059</i>	0.024 <i>0.070</i>	0.079 <i>0.047</i> *
Age: 50-59	0.035 <i>0.023</i>	0.012 <i>0.026</i>	0.400 <i>0.137</i> ***	0.019 <i>0.056</i>	0.157 <i>0.059</i> ***	0.050 <i>0.026</i> *	0.013 <i>0.034</i>	0.024 <i>0.060</i>	-0.038 <i>0.058</i>	-0.005 <i>0.060</i>	0.055 <i>0.042</i>
Couple	0.008 <i>0.022</i>	0.016 <i>0.021</i>	-0.268 <i>0.196</i>	0.011 <i>0.039</i>	0.034 <i>0.048</i>	-0.009 <i>0.018</i>	-0.030 <i>0.024</i>	-0.001 <i>0.043</i>	0.000 <i>0.049</i>	0.005 <i>0.043</i>	-0.047 <i>0.039</i>
Single	0.001 <i>0.025</i>	-0.016 <i>0.022</i>	-0.190 <i>0.219</i>	0.002 <i>0.043</i>	0.007 <i>0.052</i>	-0.024 <i>0.020</i>	-0.031 <i>0.027</i>	-0.046 <i>0.057</i>	0.041 <i>0.059</i>	-0.105 <i>0.057</i> *	-0.064 <i>0.045</i>
Widowed	-0.041 <i>0.038</i>	0.012 <i>0.035</i>	-0.680 <i>0.281</i> **	0.008 <i>0.057</i>	-0.015 <i>0.092</i>	0.003 <i>0.028</i>	-0.082 <i>0.046</i> *	-0.069 <i>0.058</i>	-0.018 <i>0.083</i>	-0.033 <i>0.058</i>	-0.178 <i>0.058</i> ***
High School grad	0.084 <i>0.027</i> ***	-0.037 <i>0.018</i> **	0.035 <i>0.121</i>	0.004 <i>0.032</i>	-0.009 <i>0.034</i>	0.021 <i>0.013</i> *	-0.042 <i>0.027</i>	0.021 <i>0.040</i>	0.029 <i>0.036</i>	-0.036 <i>0.040</i>	-0.063 <i>0.030</i> **
College grad	0.147 <i>0.029</i> ***	-0.059 <i>0.021</i> ***	0.221 <i>0.155</i>	-0.008 <i>0.036</i>	0.027 <i>0.041</i>	0.034 <i>0.015</i> **	-0.043 <i>0.041</i>	0.043 <i>0.048</i>	0.035 <i>0.038</i>	-0.001 <i>0.048</i>	-0.084 <i>0.035</i> **
Employed	0.014 <i>0.029</i>	0.004 <i>0.023</i>	0.013 <i>0.147</i>	0.037 <i>0.048</i>	0.010 <i>0.086</i>	0.057 <i>0.021</i> ***	-0.014 <i>0.038</i>	-0.008 <i>0.048</i>	0.030 <i>0.048</i>	-0.018 <i>0.048</i>	-0.110 <i>0.063</i> *
Self-employed	0.003 <i>0.035</i>	0.013 <i>0.027</i>	0.111 <i>0.263</i>	-0.060 <i>0.058</i>	-0.032 <i>0.099</i>	0.080 <i>0.025</i> ***	-0.002 <i>0.047</i>	0.096 <i>0.062</i> *	0.219 <i>0.063</i> ***	0.043 <i>0.062</i>	-0.067 <i>0.064</i>
Retired	-0.031 <i>0.035</i>	-0.029 <i>0.035</i>	0.203 <i>0.203</i>	0.031 <i>0.064</i>	0.101 <i>0.098</i>	0.068 <i>0.033</i> **	0.002 <i>0.044</i>	0.000 <i>0.072</i>	0.012 <i>0.074</i>	0.007 <i>0.072</i>	0.031 <i>0.070</i>
Oth. Inactive	0.058 <i>0.052</i>	0.042 <i>0.027</i>	0.094 <i>0.200</i>	0.006 <i>0.060</i>	-0.026 <i>0.105</i>	0.043 <i>0.037</i>	-0.056 <i>0.049</i>	0.047 <i>0.091</i>	0.047 <i>0.084</i>	-0.002 <i>0.091</i>	-0.037 <i>0.086</i>
HH size	0.006 <i>0.006</i>	-0.017 <i>0.006</i> ***	0.022 <i>0.048</i>	-0.007 <i>0.011</i>	-0.005 <i>0.012</i>	-0.005 <i>0.005</i>	-0.001 <i>0.010</i>	0.008 <i>0.015</i>	0.024 <i>0.016</i>	-0.017 <i>0.015</i>	0.010 <i>0.012</i>
Income_Q2	-0.087 <i>0.023</i> ***	-0.039 <i>0.020</i> *	-0.109 <i>0.160</i>	-0.088 <i>0.048</i> *	-0.030 <i>0.052</i>	-0.006 <i>0.020</i>	0.013 <i>0.027</i>	-0.127 <i>0.054</i> ***	-0.065 <i>0.049</i>	-0.095 <i>0.054</i> *	-0.088 <i>0.036</i> **
Income_Q3	-0.120 <i>0.025</i> ***	-0.037 <i>0.023</i>	-0.200 <i>0.156</i>	-0.070 <i>0.046</i>	-0.146 <i>0.056</i> **	-0.016 <i>0.021</i>	0.012 <i>0.035</i>	-0.167 <i>0.051</i> ***	-0.149 <i>0.051</i> ***	-0.095 <i>0.051</i> *	-0.109 <i>0.038</i> ***
Income_Q4	-0.190 <i>0.032</i> ***	-0.069 <i>0.026</i> ***	-0.152 <i>0.193</i>	-0.125 <i>0.051</i> **	-0.180 <i>0.057</i> ***	-0.065 <i>0.023</i> ***	-0.021 <i>0.041</i>	-0.304 <i>0.061</i> ***	-0.213 <i>0.058</i> ***	-0.194 <i>0.061</i> ***	-0.196 <i>0.039</i> ***
Fin. wealth_Q2	0.025 <i>0.022</i>	0.036 <i>0.021</i> *	-0.149 <i>0.255</i>	-0.014 <i>0.045</i>	-0.004 <i>0.057</i>	0.001 <i>0.016</i>	0.031 <i>0.029</i>	-0.050 <i>0.033</i> *	-0.085 <i>0.041</i> **	-0.010 <i>0.033</i>	-0.024 <i>0.027</i>
Fin. wealth_Q3	0.001 <i>0.024</i>	0.029 <i>0.022</i>	-0.150 <i>0.301</i>	-0.054 <i>0.047</i>	-0.010 <i>0.054</i>	-0.012 <i>0.018</i>	0.017 <i>0.033</i>	-0.063 <i>0.047</i> *	-0.132 <i>0.049</i> ***	0.046 <i>0.047</i>	-0.077 <i>0.035</i> **
Fin. wealth_Q4	-0.100 <i>0.031</i> ***	0.024 <i>0.028</i>	-0.150 <i>0.325</i>	-0.020 <i>0.050</i>	-0.004 <i>0.062</i>	-0.012 <i>0.024</i>	0.022 <i>0.053</i>	-0.003 <i>0.066</i>	-0.142 <i>0.067</i> **	0.080 <i>0.066</i>	-0.003 <i>0.081</i>
Real wealth_Q2	0.082 <i>0.020</i> ***	0.003 <i>0.018</i>	-0.037 <i>0.233</i>	0.140 <i>0.043</i> ***	0.093 <i>0.080</i>	0.078 <i>0.019</i> ***	0.003 <i>0.025</i>	0.054 <i>0.043</i>	0.132 <i>0.062</i> **	0.118 <i>0.043</i> ***	0.053 <i>0.036</i>
Real wealth_Q3	0.080 <i>0.023</i> ***	-0.002 <i>0.020</i>	0.113 <i>0.131</i>	0.086 <i>0.036</i> **	0.112 <i>0.074</i>	0.062 <i>0.015</i> ***	-0.045 <i>0.033</i>	0.067 <i>0.041</i> *	0.110 <i>0.052</i> **	0.055 <i>0.041</i>	0.059 <i>0.036</i>
Real wealth_Q4	0.074 <i>0.027</i> ***	0.008 <i>0.023</i>	0.232 <i>0.141</i>	0.080 <i>0.040</i> **	0.089 <i>0.050</i> *	0.100 <i>0.016</i> ***	-0.017 <i>0.033</i>	0.043 <i>0.051</i>	0.123 <i>0.056</i> **	0.018 <i>0.051</i>	0.032 <i>0.039</i>
Inherit. receiv.	-0.002 <i>0.018</i>	-0.014 <i>0.013</i>	-0.129 <i>0.148</i>	-0.026 <i>0.028</i>	-0.051 <i>0.033</i>	.	0.001 <i>0.022</i>	0.040 <i>0.034</i>	0.040 <i>0.034</i>	0.012 <i>0.034</i>	0.024 <i>0.027</i>
Take risk	-0.026 <i>0.018</i>	-0.072 <i>0.030</i> **	-0.070 <i>0.255</i>	-0.077 <i>0.044</i> *	-0.130 <i>0.082</i>	.	0.006 <i>0.027</i>	-0.007 <i>0.034</i>	-0.143 <i>0.058</i> **	-0.073 <i>0.095</i>	-0.115 <i>0.038</i> ***
Constant	0.137 <i>0.049</i> ***	0.248 <i>0.048</i> ***	0.294 <i>0.383</i>	0.188 <i>0.086</i> **	0.157 <i>0.134</i>	0.024 <i>0.039</i>	0.123 <i>0.056</i> **	0.302 <i>0.095</i> ***	0.348 <i>0.114</i> ***	0.346 <i>0.129</i> ***	0.439 <i>0.090</i> ***
R2	0.064	0.100	0.136	0.128	0.124	0.038	0.063	0.137	0.096	0.080	0.160
Observations	3,734	1,098	380	516	358	4,600	463	1,302	1,379	788	802

Notes: The table reports results from RIF regressions. Numbers in italics denote standard errors. */**/** denote statistical significance at the 10%/5%/1% level.

Country abbreviations are as explained in the notes to Table 1. Reported estimates are adjusted for multiple imputation.

Table A.7 Decomposition results – differences in the conditional amounts of consumer debt normalised by income relative to the US, at the 10th percentile

	DE	NL	BE	LU	FR	AT	IT	ES	PT	GR
Total Difference	0.013 0.003 ***	0.002 0.010	0.006 0.005	0.006 0.005	0.004 0.002 *	0.013 0.003 ***	-0.003 0.003	-0.004 0.007	0.011 0.003 ***	0.002 0.003
<i>Selected Covariate Effects</i>										
Education	0.002 0.001	0.008 0.003 **	0.008 0.003 **	0.016 0.005 ***	0.012 0.004 ***	0.005 0.003 *	0.023 0.007 ***	0.023 0.008 ***	0.034 0.011 ***	0.012 0.004 ***
Income	-0.001 0.001	-0.001 0.001	0.001 0.001	0.000 0.001	0.001 0.001	-0.001 0.001	0.001 0.001	0.002 0.001	0.002 0.002	0.003 0.002
Financial Wealth	-0.005 0.002 ***	0.003 0.003	0.000 0.002	0.001 0.002	-0.005 0.002 **	-0.005 0.002 **	-0.007 0.002 ***	-0.007 0.002 ***	-0.008 0.003 ***	-0.012 0.004 ***
Real Wealth	0.010 0.004 **	0.006 0.002 **	0.001 0.002	0.002 0.006	0.004 0.002 **	0.010 0.004 **	-0.001 0.003	-0.002 0.004	0.000 0.001	-0.002 0.002
Total Covariate Effects	0.006 0.005	0.017 0.008 **	0.008 0.005	0.017 0.009 *	0.011 0.006 **	0.008 0.005	0.019 0.008 **	0.015 0.010	0.027 0.012 **	-0.002 0.007
<i>Selected Coefficient Effects</i>										
Education	0.046 0.026 *	-0.027 0.048	0.057 0.023 **	-0.051 0.021 **	0.037 0.016 **	0.045 0.029	0.032 0.013 **	0.035 0.015 **	0.020 0.009 **	0.047 0.019 **
Income	0.004 0.016	-0.013 0.052	0.030 0.027	-0.002 0.039	-0.036 0.018 **	-0.002 0.021	0.030 0.017 *	0.020 0.022	0.030 0.020	0.007 0.020
Financial Wealth	-0.035 0.019 *	-0.008 0.065	-0.015 0.018	-0.018 0.045	-0.036 0.014 ***	0.000 0.019	-0.003 0.015	0.024 0.017	-0.025 0.015 *	-0.007 0.011
Real Wealth	0.011 0.010	0.027 0.022	0.038 0.017 **	-0.041 0.045	-0.008 0.012	0.032 0.016 **	0.014 0.020	-0.013 0.031	0.043 0.019 **	0.020 0.020
Constant	-0.109 0.050 **	-0.029 0.144	-0.104 0.072	0.059 0.162	0.051 0.043	-0.103 0.055 *	-0.116 0.054 **	-0.207 0.064 ***	-0.124 0.106	-0.115 0.071
Coefficient Effects	0.007 0.005	-0.015 0.011	-0.001 0.007	-0.011 0.010	-0.007 0.006	0.005 0.006	-0.022 0.009 **	-0.019 0.011 *	-0.016 0.012	0.004 0.008

Notes: The table reports results from decomposition analyses based on equation (1), comparing debt holdings in each euro area country to those in the US. Amounts of debt outstanding are conditional on holding this type of debt. Results are based on decompositions using RIF regressions. Numbers in italics denote standard errors. */**/** denote statistical significance at the 10%/5%/1% level. Country abbreviations are as explained in the notes to Table 1. Further to the reported variables the analysis controls for age, household size, marital status, work status, willingness to undertake some financial risk, and whether a household has received a sizable inheritance or gift.

Table A.8 Decomposition results – differences in the conditional amounts of mortgage debt normalised by income relative to the US, at the 90th percentile

	DE		NL		BE		LU		FR		AT		IT		ES		PT		GR											
Total Difference	0.351	0.106	***	-2.284	1.079	**	0.307	0.140	**	0.439	0.121	***	0.025	0.090	0.172	0.133	-0.476	0.192	**	-0.166	0.133	0.169	0.102	*	0.127	0.092				
<i>Selected Covariate Effects</i>																														
Education	0.085	0.022	***	0.092	0.041	**	0.095	0.034	***	0.239	0.053	***	0.201	0.038	***	0.201	0.040	***	0.370	0.068	***	0.296	0.066	***	0.488	0.098	***	0.181	0.040	***
Income	-0.045	0.034		-0.065	0.055		0.039	0.043		-0.001	0.047		0.096	0.024	***	-0.056	0.046		-0.108	0.034	***	0.149	0.034	***	0.170	0.044	***	0.195	0.042	***
Financial Wealth	-0.033	0.013	**	0.020	0.018		0.001	0.012		0.008	0.019		-0.043	0.017	**	-0.034	0.014	**	-0.053	0.017	***	-0.051	0.020	**	-0.062	0.028	**	-0.079	0.039	**
Real Wealth	0.063	0.038	*	0.009	0.025		-0.017	0.019		-0.069	0.050		0.004	0.016		0.063	0.036	*	-0.037	0.024		-0.062	0.034	*	0.006	0.009		-0.033	0.019	*
Total Covariate Effects	0.043	0.065		0.009	0.103		0.116	0.065	*	0.179	0.089	**	0.258	0.057	***	0.182	0.071	**	0.368	0.081	***	0.292	0.084	***	0.583	0.113	***	0.195	0.077	**
<i>Selected Coefficient Effects</i>																														
Education	0.616	0.241	**	1.787	1.540		0.297	0.347		-0.301	0.223		0.352	0.148	**	0.833	0.432	*	0.212	0.211		0.317	0.152	**	0.263	0.090	***	0.667	0.206	***
Income	-0.423	0.378		6.354	9.105		-0.475	0.536		-0.621	0.451		-0.735	0.307	**	-0.838	0.325	**	1.017	0.945		0.158	0.543		-0.562	0.614		-0.042	0.477	
Financial Wealth	-0.177	0.222		-1.772	1.975		-0.376	0.358		-0.075	0.414		-0.172	0.180		-0.442	0.275		0.949	0.453	**	-0.192	0.219		-0.104	0.166		0.060	0.137	
Real Wealth	0.003	0.129		-1.825	2.699		0.191	0.310		0.050	0.363		-0.838	0.199	***	0.130	0.149		-1.172	0.537	**	-0.047	0.332		-0.193	0.233		-0.033	0.219	
Constant	0.650	0.615		-7.808	13.85		-0.129	0.895		0.079	1.128		1.803	0.599	***	0.585	0.849		-2.844	1.631	*	-1.808	1.329		-1.302	1.393		-1.326	0.924	
Coefficient Effects	0.308	0.113	***	-2.293	1.073	**	0.191	0.139		0.260	0.146	*	-0.233	0.095	**	-0.010	0.146		-0.844	0.193	***	-0.458	0.150	***	-0.414	0.130	***	-0.068	0.107	

Notes: The table reports results from decomposition analyses based on equation (1), comparing debt holdings in each euro area country to those in the US. Amounts of debt outstanding are conditional on holding this type of debt. Results are based on decompositions using RIF regressions. Numbers in italics denote standard errors. */**/** denote statistical significance at the 10%/5%/1% level. Country abbreviations are as explained in the notes to Table 1. Further to the reported variables the analysis controls for age, household size, marital status, work status, willingness to undertake some financial risk, and whether a household has received a sizable inheritance or gift.

Table A.9 Linear probability regressions for having a DSIR > 33%

	US	DE	NL	BE	LU	FR	AT	IT	ES	PT	GR
Age<40	0.053 <i>0.020</i> ***	0.044 <i>0.020</i> **	0.117 <i>0.055</i> **	0.027 <i>0.043</i>	0.094 <i>0.043</i> **	0.037 <i>0.010</i> ***	0.029 <i>0.024</i>	0.028 <i>0.025</i> **	0.151 <i>0.031</i> ***	0.112 <i>0.025</i> ***	0.073 <i>0.023</i> ***
Age: 40-49	0.072 <i>0.019</i> ***	0.029 <i>0.017</i> *	0.036 <i>0.038</i>	-0.007 <i>0.038</i>	0.086 <i>0.040</i> **	0.035 <i>0.010</i> ***	0.016 <i>0.016</i>	0.037 <i>0.023</i> ***	0.087 <i>0.027</i> ***	0.083 <i>0.023</i> ***	0.085 <i>0.023</i> ***
Age: 50-59	0.052 <i>0.017</i> ***	0.053 <i>0.020</i> ***	0.062 <i>0.039</i>	0.005 <i>0.038</i>	0.050 <i>0.027</i> *	0.016 <i>0.007</i> **	0.006 <i>0.013</i>	0.018 <i>0.016</i>	0.017 <i>0.023</i>	0.045 <i>0.016</i> ***	0.063 <i>0.022</i> ***
Couple	-0.072 <i>0.018</i> ***	0.002 <i>0.022</i>	-0.010 <i>0.052</i>	-0.027 <i>0.023</i>	-0.040 <i>0.040</i>	-0.004 <i>0.007</i>	0.002 <i>0.011</i>	-0.006 <i>0.024</i>	-0.025 <i>0.027</i>	-0.048 <i>0.024</i> **	0.008 <i>0.019</i>
Single	-0.047 <i>0.018</i> **	-0.037 <i>0.023</i>	-0.025 <i>0.038</i>	-0.042 <i>0.025</i> *	-0.019 <i>0.044</i>	-0.008 <i>0.008</i>	-0.007 <i>0.013</i>	-0.003 <i>0.026</i>	-0.031 <i>0.029</i>	-0.069 <i>0.026</i> ***	-0.027 <i>0.020</i>
Widowed	-0.053 <i>0.024</i> **	-0.001 <i>0.022</i>	-0.046 <i>0.039</i>	-0.037 <i>0.028</i>	-0.069 <i>0.038</i> *	-0.009 <i>0.007</i>	0.010 <i>0.011</i>	-0.009 <i>0.024</i>	-0.013 <i>0.028</i>	-0.070 <i>0.024</i> ***	-0.015 <i>0.021</i>
High School grad	0.010 <i>0.017</i>	-0.009 <i>0.012</i>	-0.015 <i>0.027</i>	0.013 <i>0.015</i>	0.048 <i>0.025</i> *	0.006 <i>0.006</i>	0.001 <i>0.009</i>	-0.005 <i>0.015</i>	0.030 <i>0.023</i>	-0.019 <i>0.015</i>	0.005 <i>0.013</i>
College grad	0.030 <i>0.020</i>	-0.005 <i>0.016</i>	0.051 <i>0.034</i>	0.031 <i>0.017</i> *	0.045 <i>0.028</i>	0.004 <i>0.007</i>	-0.009 <i>0.010</i>	-0.003 <i>0.016</i>	-0.001 <i>0.021</i>	-0.011 <i>0.016</i>	0.010 <i>0.016</i>
Employed	-0.034 <i>0.026</i>	-0.001 <i>0.015</i>	-0.025 <i>0.042</i>	0.003 <i>0.030</i>	-0.032 <i>0.071</i>	0.007 <i>0.010</i>	-0.017 <i>0.026</i>	-0.040 <i>0.023</i>	-0.017 <i>0.030</i>	0.006 <i>0.023</i>	-0.053 <i>0.033</i>
Self-employed	-0.004 <i>0.030</i>	0.043 <i>0.030</i>	0.108 <i>0.099</i>	0.072 <i>0.051</i>	-0.002 <i>0.075</i>	0.058 <i>0.015</i> ***	-0.003 <i>0.034</i>	0.010 <i>0.029</i>	0.034 <i>0.038</i>	0.063 <i>0.029</i> **	-0.008 <i>0.035</i>
Retired	-0.092 <i>0.031</i> ***	-0.016 <i>0.018</i>	-0.007 <i>0.050</i>	-0.022 <i>0.041</i>	-0.020 <i>0.072</i>	-0.022 <i>0.011</i> *	-0.020 <i>0.028</i>	-0.042 <i>0.023</i>	-0.052 <i>0.034</i>	-0.006 <i>0.023</i>	-0.014 <i>0.037</i>
Oth. Inactive	-0.054 <i>0.042</i>	-0.005 <i>0.019</i>	-0.009 <i>0.068</i>	0.001 <i>0.036</i>	-0.022 <i>0.082</i>	-0.009 <i>0.013</i>	-0.040 <i>0.026</i>	-0.039 <i>0.037</i>	-0.055 <i>0.037</i>	-0.030 <i>0.037</i>	-0.041 <i>0.038</i>
HH size	0.015 <i>0.005</i> ***	-0.011 <i>0.006</i> *	0.008 <i>0.014</i>	0.019 <i>0.007</i> ***	0.019 <i>0.010</i> *	0.003 <i>0.003</i>	0.005 <i>0.005</i>	0.005 <i>0.006</i>	0.034 <i>0.010</i> ***	0.004 <i>0.006</i>	0.006 <i>0.005</i>
Income_Q2	-0.029 <i>0.016</i> *	-0.012 <i>0.013</i>	-0.078 <i>0.034</i> **	-0.068 <i>0.026</i> **	-0.085 <i>0.042</i> **	-0.026 <i>0.006</i> ***	-0.017 <i>0.014</i>	-0.023 <i>0.021</i> **	-0.037 <i>0.021</i> *	-0.019 <i>0.021</i>	-0.040 <i>0.017</i> **
Income_Q3	-0.094 <i>0.018</i> ***	-0.013 <i>0.018</i>	-0.115 <i>0.044</i> **	-0.113 <i>0.036</i> ***	-0.126 <i>0.042</i> ***	-0.041 <i>0.008</i> ***	-0.033 <i>0.016</i> **	-0.041 <i>0.023</i> ***	-0.090 <i>0.026</i> ***	-0.089 <i>0.023</i> ***	-0.066 <i>0.020</i> ***
Income_Q4	-0.248 <i>0.023</i> ***	-0.042 <i>0.023</i> *	-0.157 <i>0.044</i> ***	-0.156 <i>0.041</i> ***	-0.193 <i>0.047</i> ***	-0.089 <i>0.010</i> ***	-0.047 <i>0.019</i> **	-0.058 <i>0.023</i> ***	-0.147 <i>0.028</i> ***	-0.162 <i>0.023</i> ***	-0.116 <i>0.022</i> ***
Fin. wealth_Q2	-0.010 <i>0.017</i>	0.025 <i>0.011</i> **	0.024 <i>0.046</i>	-0.034 <i>0.025</i>	-0.006 <i>0.037</i>	0.003 <i>0.007</i>	-0.001 <i>0.013</i>	0.003 <i>0.015</i>	-0.059 <i>0.023</i> **	-0.027 <i>0.015</i> *	-0.039 <i>0.010</i> ***
Fin. wealth_Q3	-0.053 <i>0.020</i> ***	0.004 <i>0.011</i>	-0.009 <i>0.047</i>	-0.048 <i>0.025</i> *	-0.017 <i>0.037</i>	-0.010 <i>0.007</i>	0.007 <i>0.013</i>	-0.001 <i>0.018</i>	-0.105 <i>0.024</i> ***	-0.041 <i>0.018</i> **	-0.043 <i>0.014</i> ***
Fin. wealth_Q4	-0.166 <i>0.024</i> ***	-0.011 <i>0.020</i>	-0.004 <i>0.040</i>	-0.043 <i>0.029</i>	-0.037 <i>0.046</i>	-0.014 <i>0.010</i>	0.007 <i>0.017</i>	-0.017 <i>0.023</i>	-0.094 <i>0.029</i> ***	-0.044 <i>0.023</i> *	0.005 <i>0.040</i>
Real wealth_Q2	0.195 <i>0.015</i> ***	0.016 <i>0.007</i> **	-0.011 <i>0.025</i>	0.093 <i>0.033</i> ***	0.036 <i>0.029</i>	0.038 <i>0.006</i> ***	0.009 <i>0.012</i>	0.013 <i>0.013</i>	0.110 <i>0.024</i> ***	0.062 <i>0.013</i> ***	0.035 <i>0.010</i> ***
Real wealth_Q3	0.362 <i>0.019</i> ***	0.079 <i>0.019</i> ***	0.082 <i>0.040</i> *	0.093 <i>0.022</i> ***	0.199 <i>0.073</i> ***	0.072 <i>0.007</i> ***	0.026 <i>0.016</i>	0.031 <i>0.016</i> ***	0.157 <i>0.020</i> ***	0.137 <i>0.016</i> ***	0.072 <i>0.013</i> ***
Real wealth_Q4	0.453 <i>0.022</i> ***	0.109 <i>0.022</i> ***	0.129 <i>0.036</i> ***	0.108 <i>0.023</i> ***	0.175 <i>0.036</i> ***	0.130 <i>0.009</i> ***	0.027 <i>0.023</i>	0.043 <i>0.021</i> ***	0.237 <i>0.022</i> ***	0.174 <i>0.021</i> ***	0.106 <i>0.017</i> ***
Inherit. receiv.	-0.053 <i>0.013</i> ***	-0.010 <i>0.012</i>	-0.027 <i>0.033</i>	-0.029 <i>0.012</i> **	-0.056 <i>0.016</i> ***		0.002 <i>0.010</i>		-0.043 <i>0.013</i> ***	-0.032 <i>0.012</i> ***	-0.019 <i>0.011</i> *
Take risk	-0.016 <i>0.014</i>	-0.007 <i>0.026</i>	-0.093 <i>0.102</i>	-0.035 <i>0.033</i>	-0.052 <i>0.084</i>		-0.013 <i>0.018</i>	0.005 <i>0.012</i>	-0.094 <i>0.055</i> *	0.003 <i>0.039</i>	-0.016 <i>0.018</i>
Constant	0.078 <i>0.038</i> **	0.027 <i>0.038</i>	0.143 <i>0.118</i>	0.095 <i>0.057</i> *	0.040 <i>0.111</i>	0.003 <i>0.013</i>	0.031 <i>0.036</i>	0.037 <i>0.039</i>	0.072 <i>0.071</i>	0.069 <i>0.054</i>	0.046 <i>0.041</i>
R2	0.163	0.076	0.141	0.116	0.134	0.073	0.026	0.043	0.132	0.119	0.080
Observations	6,378	3,443	1,211	2,216	943	14,964	2,334	7,898	6,127	4,291	2,896

Notes: The table reports results from linear probability models. Numbers in italics denote standard errors. */**/** denote statistical significance at the 10%/5%/1% level. Country abbreviations are as explained in the notes to Table 1. Reported estimates are adjusted for multiple imputation.