

Over-indebtedness Report Austria 2018

Reasons for over-indebtedness

unemployment / income decrease	32.2 %
former entrepreneurship	23.7 %
budgeting problems	18.3 %
divorce / separation	14.2 %

Debt sums



64 204 Euro average debt

(Adjusted average: contains only values between 1 000 and 700 000 €)

Employment and income situation

40.5 % of clients are unemployed: 6 times more than in the general population.
38 % of clients of debt advice centres have no more than 1 000 Euro income.

Debt advice: state-approved



The 10 state-approved debt advice organisations provide free services, they are granted public subsidies and they are officially recognised,

entitled to use a specific debt advice label. They receive public funding from the provinces and the public employment service.

60 197 assisted persons

in 2017

Amendment: Personal bankruptcy procedure

The goal of the 'debt regulation procedures' is to give 'righteous and well-motivated debtors' a realistic chance to make a fresh start. During the repayment period the debtor shall be able to lead a life 'under modest conditions but in dignity'. In turn, collection measures are stopped, no interest rates have to be paid. If debtors meet the conditions they will be regarded as free of debt.

On 1st of November 2017 the **new insolvency law** in Austria entered into force. In addition to the reduction of the duration of personal bankruptcy procedure the minimum quota was abolished, which is an important socio-political goal. For the first time in history, all debtors will be granted debt relief, regardless of the amount of their debts and their available income.

