

Debt Report Austria 2023

Debt advice: state-approved

The 10 state-approved debt advice organisations provide free services, they are granted public subsidies and they are officially recognized, entitled to use a specific debt advice label. They receive public funding from the federal states.

Officially recognised debt advice organisations aim at sustainable solutions rather than short-term results. They help clients plan individual repayment programmes and also analyse the reasons for debts and overindebtedness. They are affiliated to the asb umbrella organisation and employ qualified staff that are specifically trained for this type of work and regularly attend further training programmes.

Current Personal bankruptcy procedure

While the term personal bankruptcy is widely used, the official term given in the corresponding statute is debt regulation procedure, which is also referred to as repayment programme. The goal of debt regulation procedures is to give righteous and well-motivated debtors a realistic chance to make a fresh start. The prerequisites that debtors have to meet include manifest insolvency and the obligation not to incur any further debt. 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 and no interest rates have to be paid. If debtors meet the conditions of the repayment programme they are regarded as free of debt.

Reforms in private bankruptcy proceedings

In July 2021, two reforms concerning private bankruptcy proceedings came into force: The Garnishment Law Amendment (GREx) has been in force since 1 July 2021, the Insolvency Law Amendment (RIRUG) since 17 July 2021. Over-indebted persons thus have the possibility to get out of debt within three years under certain conditions. In case of being clearly unable to pay, the court publishes an order declaring the 'obvious insolvency' of the person concerned. From the date of its coming into force, affected debtors have a period of 30 days to work out a solution for their inability to pay. For example, this can be granted by registering for an officially recognized advisory service for debtors. No new debt may be incurred either.

Reasons for over-indebtedness

- 30.4 % unemployment/income decrease
- 22.5 % budgeting problems/lack of financial literacy
- 17.9 % former entrepreneurship
- 14.0 % Covid
- 12.9 % divorce/separation
- 12.2 % personal hardship



55,916 assisted persons
in 2022

Employment and income situation

- 32.6 % of clients are unemployed: 5 times more than in the general population.
- 44.5 % of the clients have a compulsory education as their highest completed level of education.
- 26.3 % of clients of debt advice centres have no more than 1,030 EUR income (minimum subsistence level 2022).

Debt sums

- 61,430 EUR average debt
(Adjusted average: contains only values between 1,000 and 700,000 EUR)

Personal bankruptcy

- 8,176 insolvency procedures started in 2022
- 70.9 % are assisted or represented by a debt advice centre during debt regulation

Financial education



In the context of debt advice, the term 'financial education' refers to the communication of basic knowledge and skills to enable a 'healthy' approach to money and to improve financial literacy. The focus is on the fundamentals of financial literacy to help children and young people make sound money-related decisions in everyday life, thus preparing them for financial independence in adult life in the best possible way.

21.7 % of the clients of the debt advice centres are 30 or younger: Even at a young age, their debts have become so high that they have difficulties paying them off.

Financial literacy can minimise the risk of over-indebtedness. The officially recognised debt advice services therefore also offer financial education programmes for children, young people and adults, in addition to advisory services for people with debt problems.

In 2022, 22,731 people were reached by the financial education services organised by the debt advice centres.

A total of 70,812 young people in Austria have meanwhile attended the modular financial education programme for school students and now own a 'financial driving licence'.

In autumn 2021, the „National Financial Education Strategy“ was launched by the Federal Ministry of Finance with the aim of bundling financial education offers in Austria. The debt counselling services were involved in an advisory capacity from the beginning, and the asb is a member of the steering committee.

Reference budgets



Reference budgets represent the monthly expenses of various types of households. They show what monthly income is needed to lead a life that permits one to eat healthy food, live in suitable housing, and which ensures a minimum level of social and cultural inclusion. The reference budgets for Austria drawn up by asb, with input from other European countries, are updated annually.

In 2022 a person living alone needed 1,487 EUR for a simple living. The at-risk-of-poverty threshold for this person was 1,371 EUR. The protected minimum subsistence level, i.e. the sum that must remain after attachment of earnings or in the case of private bankruptcy, was 1,030 EUR ('basic amount').

The monthly costs for a child in Austria were also surveyed: It is 814 EUR for a seven-year-old child and 872 EUR for a 14-year-old teenager.

The debt advice services therefore demand the following:

An increase of the 'protected' minimum income to at least the at-risk-of-poverty threshold.

For more information:

www.schuldenberatung.at/english
www.budgetberatung.at/budgetberatung/english