



# How heterogeneous was the impact of the Covid-19 crisis on the financial situation of Portuguese households?

**Sónia Costa**  
Banco de Portugal

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## Outline

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- I. Conducting the HFCS during the Covid-19 pandemic
- II. Impact of the pandemic on the financial situation/income of the HH
- III. Impact on the labour market situation of the HH
- IV. Measures taken by the HH to deal with the decline in income
- V. Savings behaviour
- VI. Conclusions



## I. Conducting the HFCS during the Covid-19 pandemic

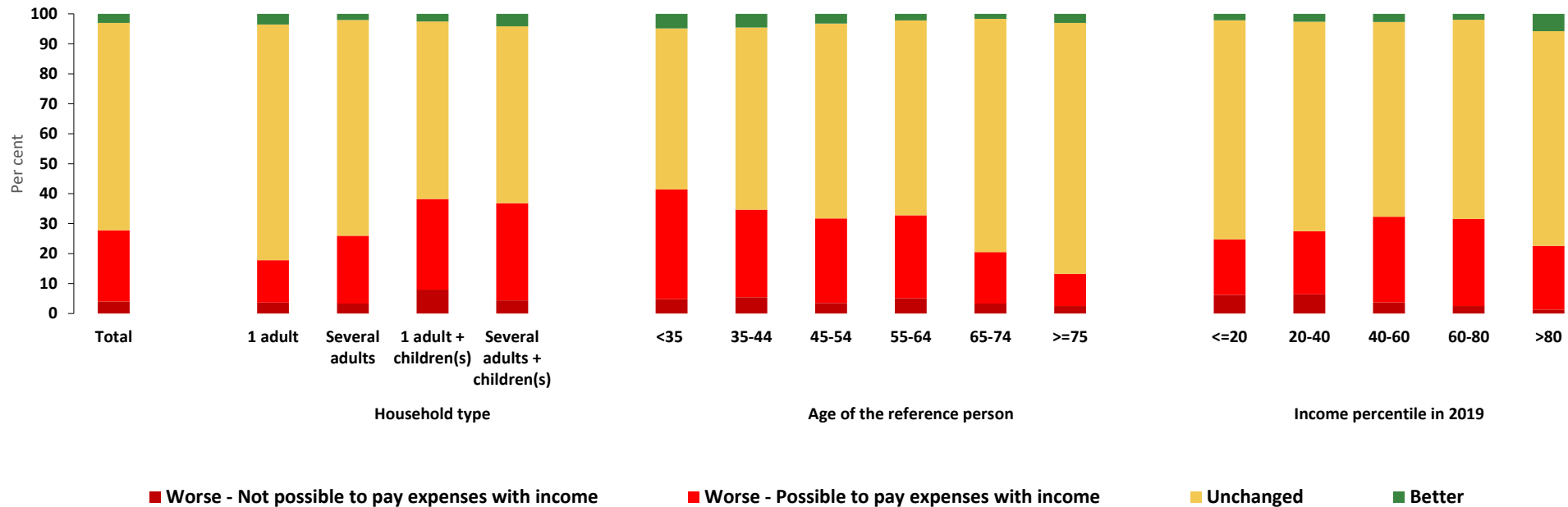
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- The same questionnaire + covid module
- Different fieldwork period: **October 2020 – February 2021** instead of 2020:Q2
- Different interview mode: **CATI (86%) + CAWI (14%)** instead of CAPI
- Increased gross sample: **14814 HH** (8000 in the previous waves)
- Similar net sample: **6107 HH** (5924 in 2017)
- Lower response rate: **43%** (85% in 2017)
- Higher item non-response: **in the value of main residence, 21% of no answer/don't know among the applicable cases** (7% in 2017)



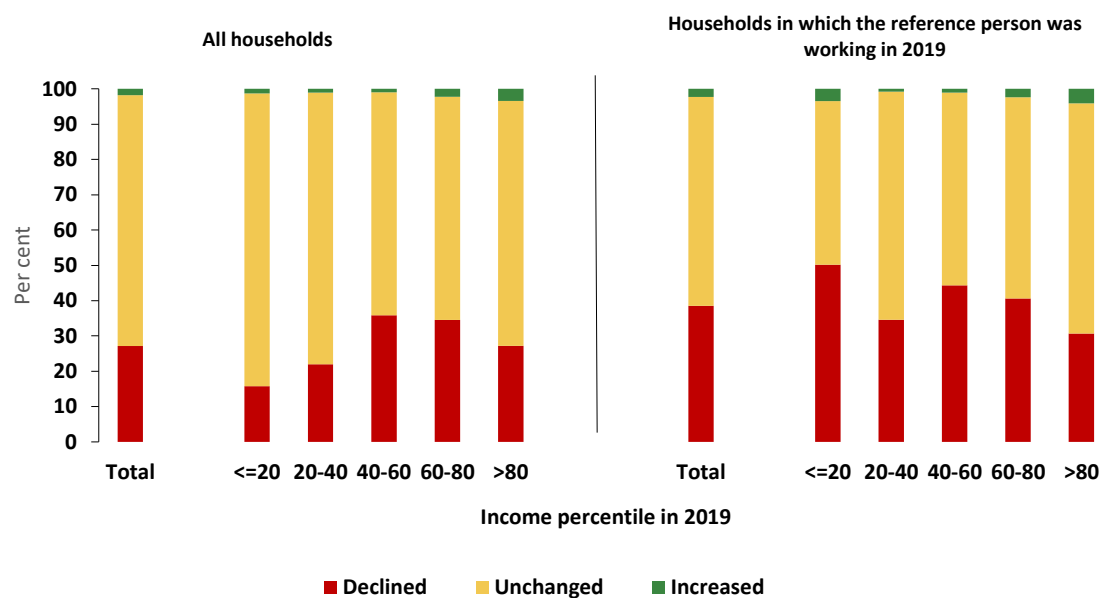
## II. Impact of the pandemic on the financial situation/income of the HH

***Which of the following statements best describes your household financial situation compared to the period before the pandemic crisis?***

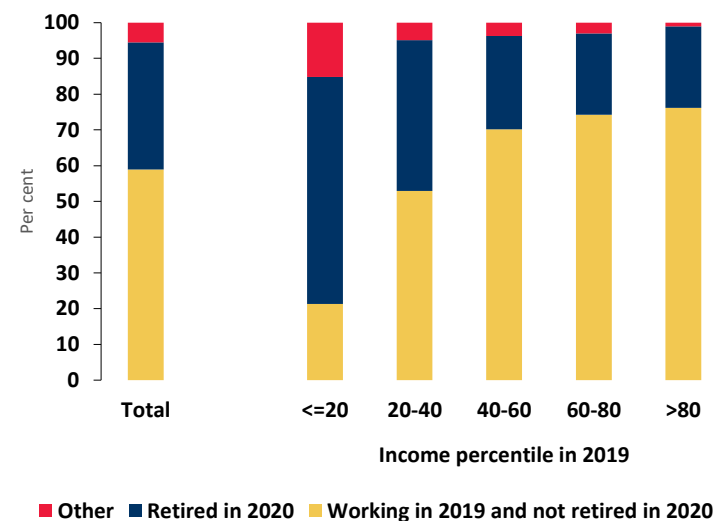


## II. Impact of the pandemic on the financial situation/income of the HH

Change in the household income between 2019 and 2020 as a result of the pandemic crisis, by income quintiles

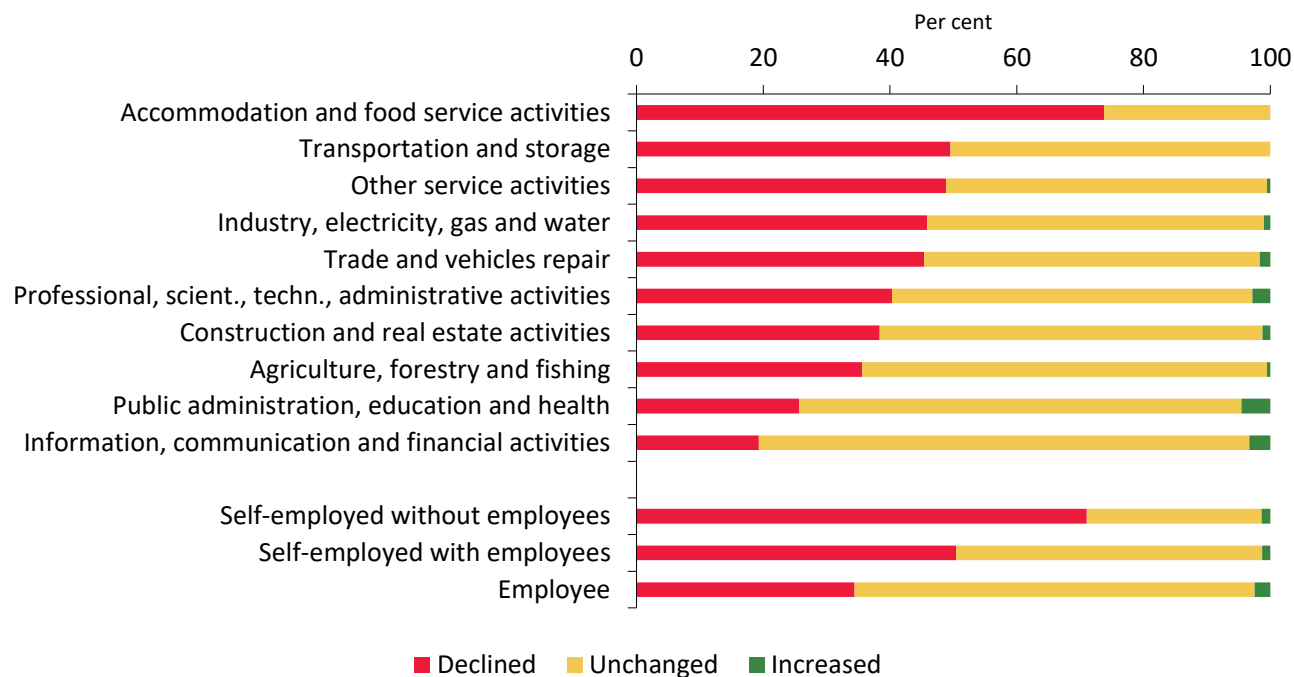


By memory: Labour status of the reference person



## II. Impact of the pandemic on the financial situation/income of the HH

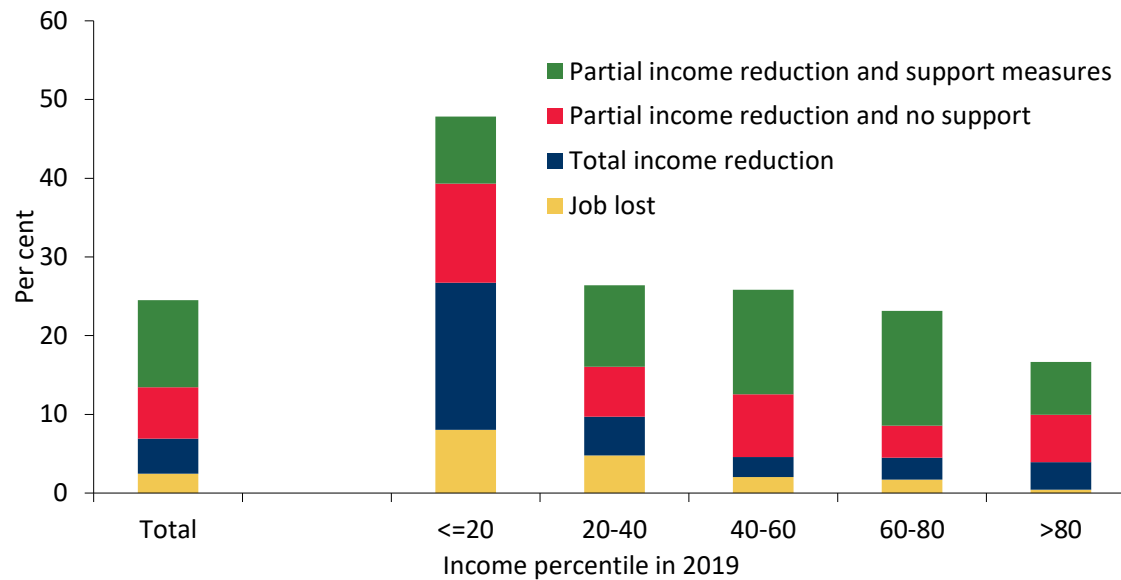
**Change in the household income between 2019 and 2020 as a result of the pandemic crisis**  
by labour status and activity sector of the reference person before the pandemic



### III. Impact on the labour market situation of the HH

#### Job lost, income reduction and support income measures by income quintiles

% of HH in which the reference person was affected among the HH in which the reference person was working in 2019

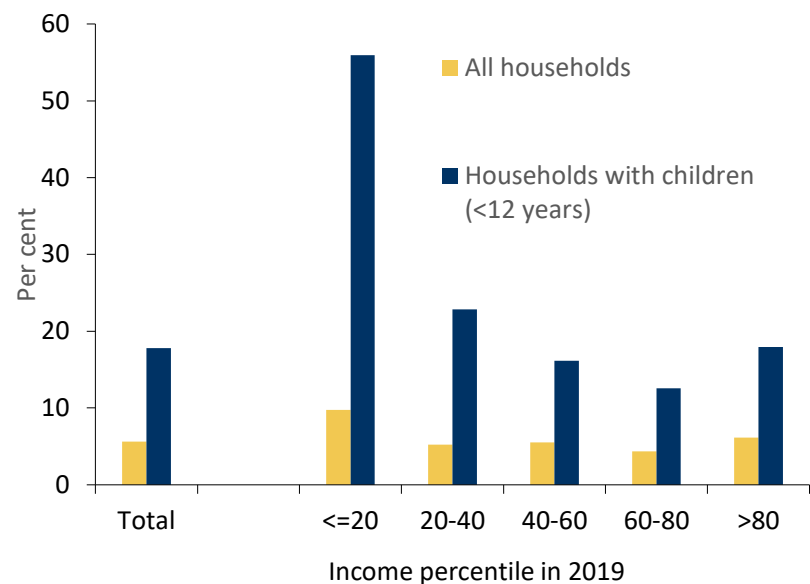
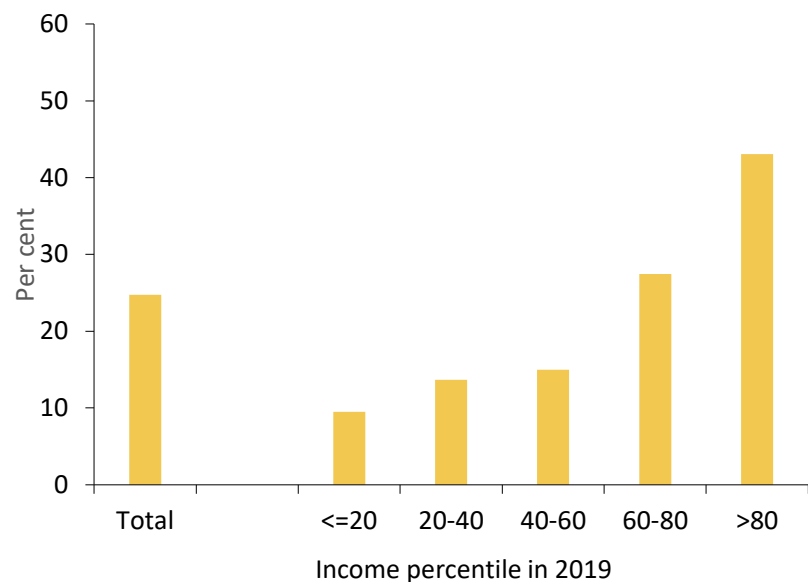


### III. Impact on the labour market situation of the HH

#### Teleworking

#### Reduction in hours worked to take care of children

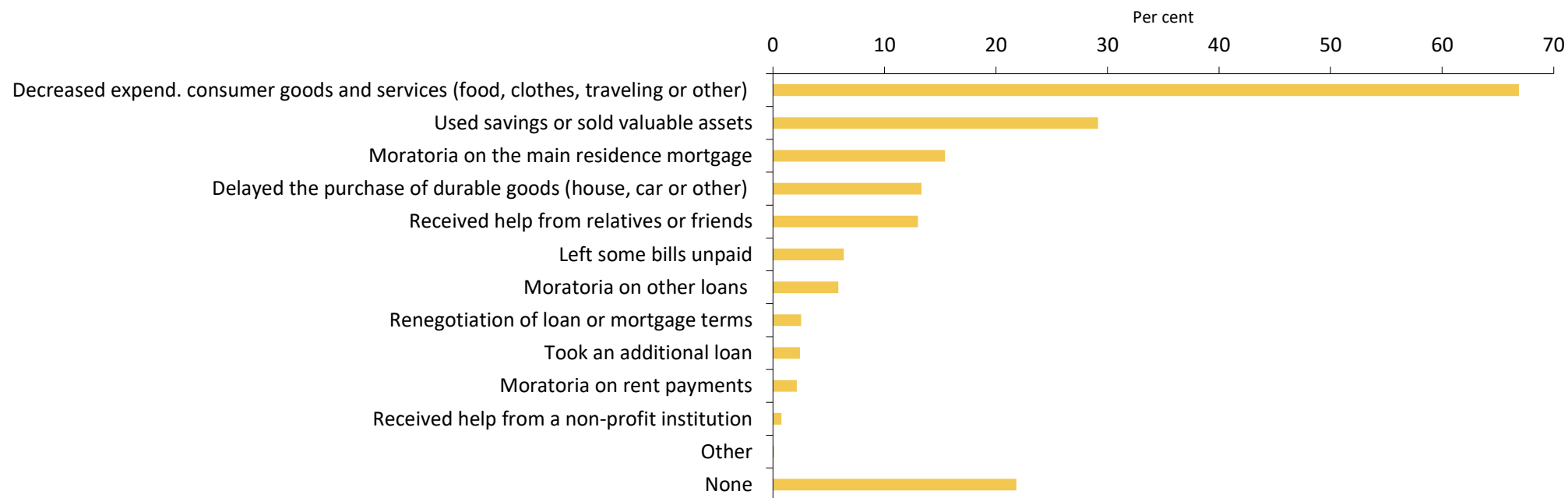
% of HH in which the reference person was affected, among the HH in which the reference person was working in 2019





## IV. Measures taken by the HH to deal with the decline in income

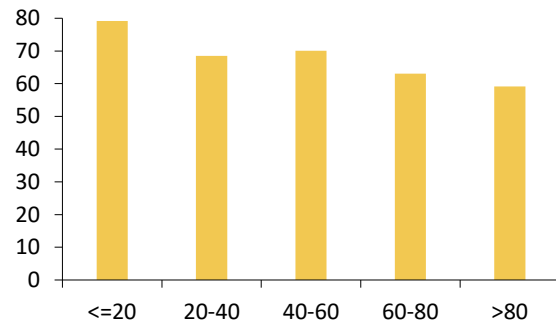
*Due to the reduction in income, has the household taken any of the following measures?*



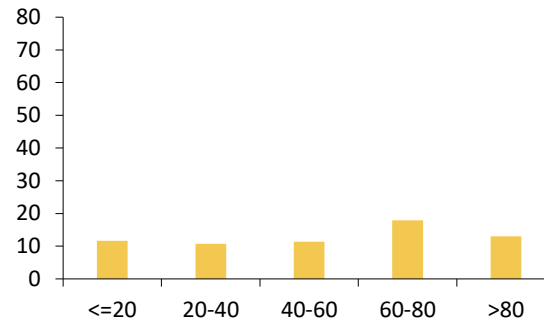
## IV. Measures taken by the HH to deal with the decline in income

### % of HH taking the most common measures to deal with income reduction, by income quintiles

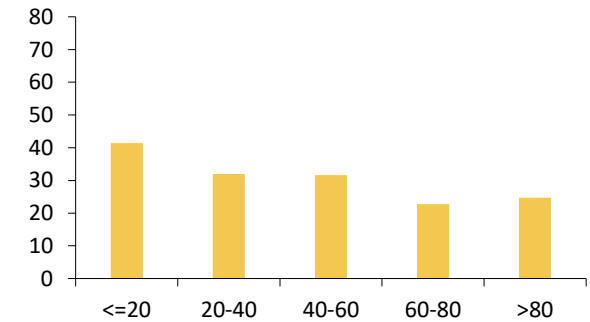
Decreased expenditure on food, clothes, traveling or other consumer goods and services



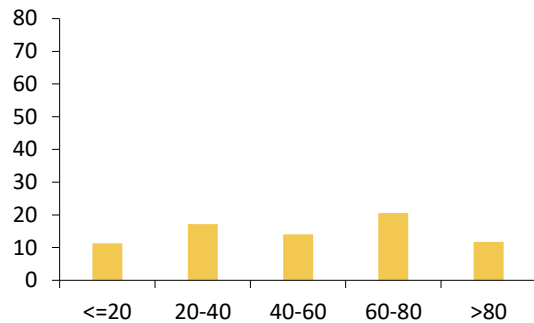
Delayed the purchase of a house, car or other durable good



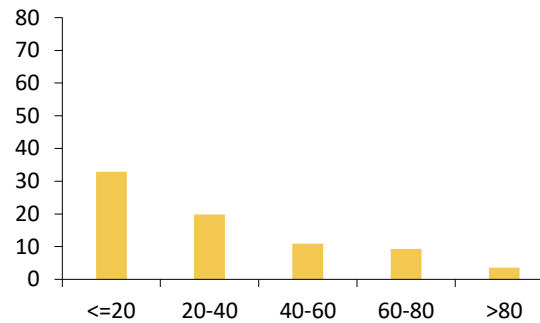
Used savings or sold valuable assets



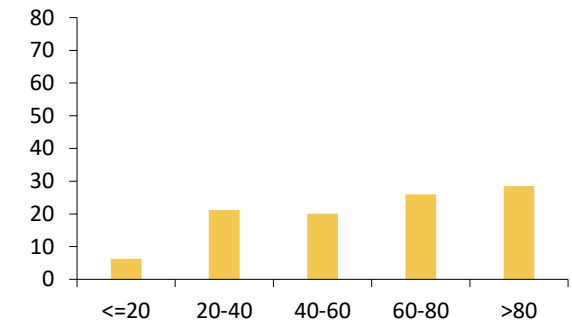
Moratoria on the main residence mortgage



Received help from relatives or friends



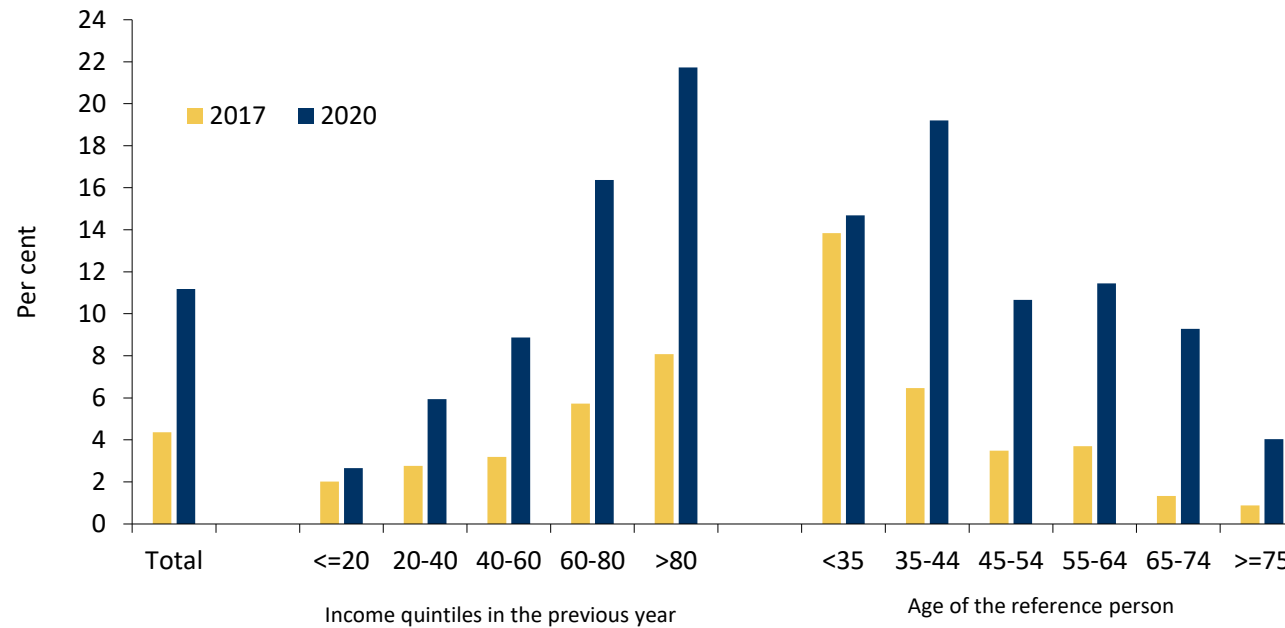
None



## V. Savings behaviour

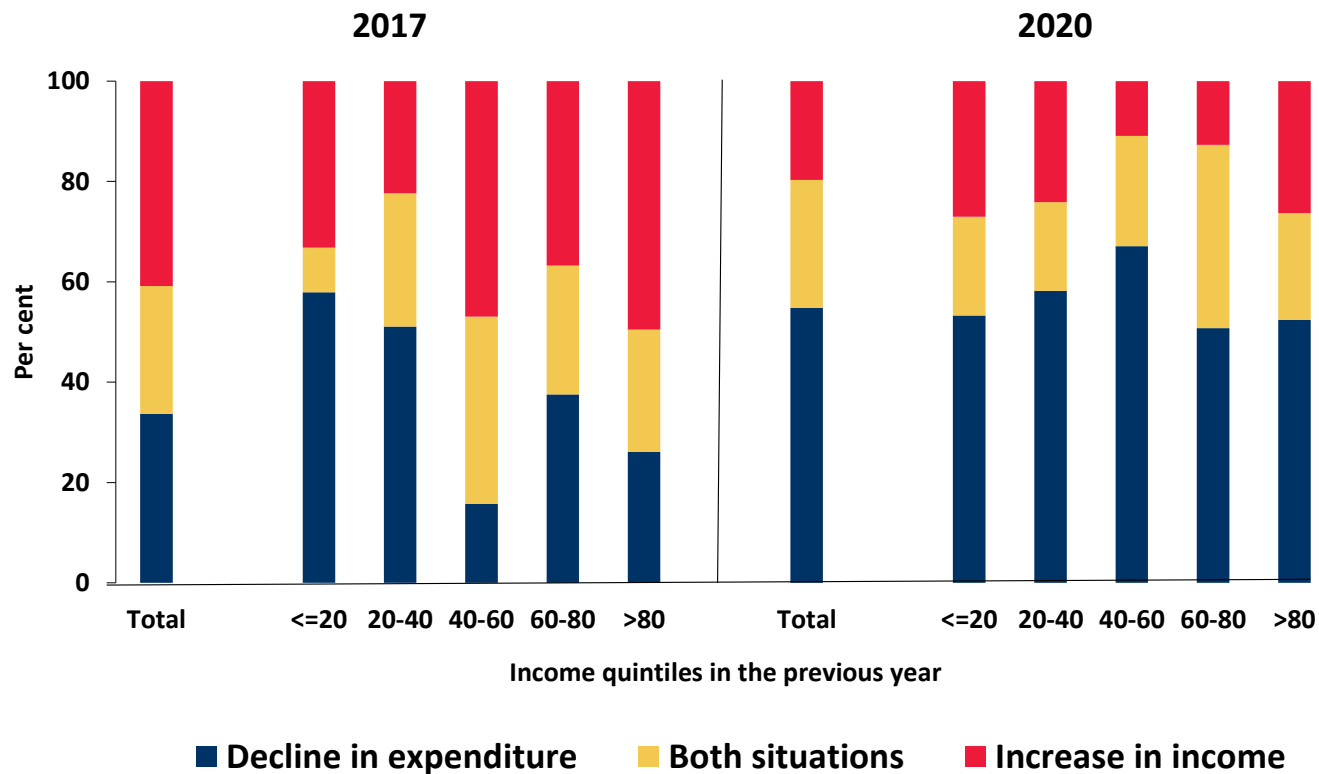
*In the last 12 months, the amount you saved was less, equal to or greater than usual?*

**% of HH answering greater than usual savings, by income and age**



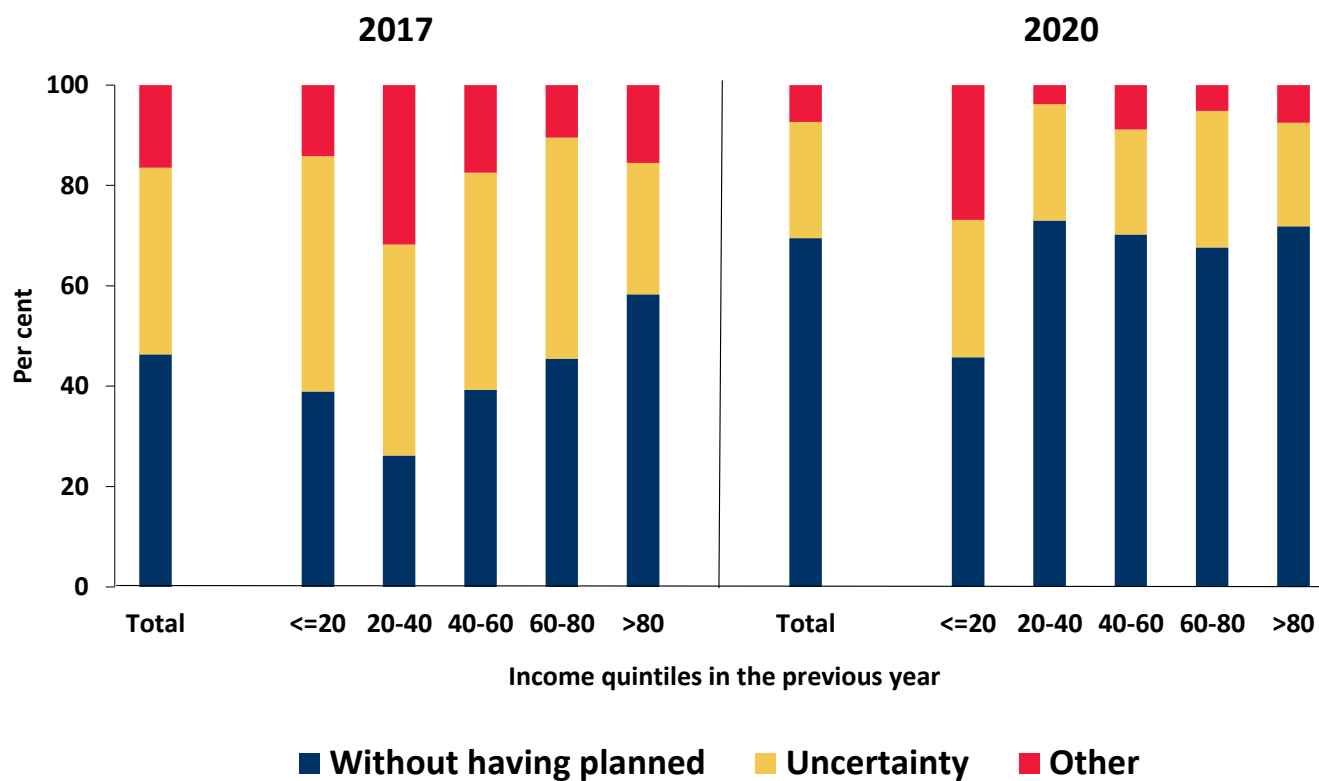
## V. Saving behaviour

*Did you save more than usual because of an increase in income, a reduction in expenses or both?*



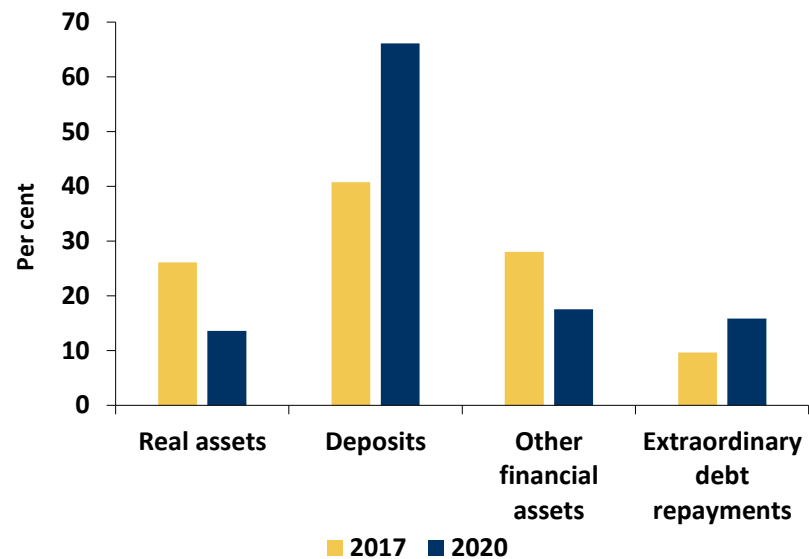
## V. Savings behaviour

**What is the main reason why in the last 12 months you have saved more than usual?**  
*I will read the answer options.*

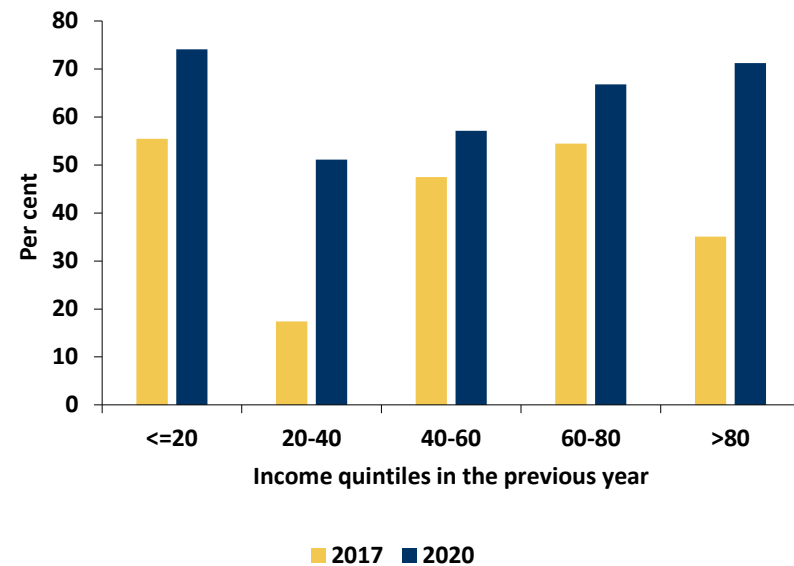


## V. Savings behaviour

*Where did you invest the additional savings?*



**% of HH investing in deposits in each income quintile**



## VI. Conclusions

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- Around 2/3 of the HH in Portugal considered their financial situation did not change with the pandemic and almost 1/3 considered it had worsened.
- The deterioration in the financial situation and the decline in income were more frequent among the younger, the HH with children, in the intermediate income levels and when the reference person was self-employed or worked in accommodation and food sector.
- The relatively low impact of the pandemic on the lowest income quintile is related with the low participation of this group in the labour market.
- Among the HH working before the pandemic the low income group is the one more negatively affected by the pandemic. In this group, job losses or total reductions in income were much more common than in other income quintiles.
- In the middle income groups a higher % of the affected HH benefited from income support measures, than in the lowest and highest quintiles.
- Most HH who suffered a reduction in income reduced spending on non-durable goods and services.
- The % of HH saving more than usual increased in the various types of HH, but mainly in higher income groups. In all groups it was mainly originated by a reduction in expenditure, it was not planned and was kept in deposits.

