



FINANCIAL DATA OF HOUSEHOLDS



2023



FINANCIAL DATA OF HOUSEHOLDS

2023

This publication has been prepared at the Statistics Directorate of the Magyar Nemzeti Bank under the management of János Gerendás, Director.

Contributors: Katalin Dunai, Judit Mária Horváth, Gábor Huszár, Orsolya Kőrös, Anna Márton, András Németh, Judit Potóczki, Béla Simon, Ádám Valentiny.

The publication is based on information available for the period ending 30 September 2023.

Published by the Magyar Nemzeti Bank

Publisher in charge: Eszter Hergár

H-1013 Budapest, Krisztina körút. 55.

www.mnb.hu

ISBN 978-615-5318-96-2

Contents

Introduction	5
1 The Key Data and Features of the Household Wealth Survey	8
2 Household Income and Consumption	19
3 Gross and Net Household Wealth; the Distribution of Wealth	25
4 Residential Properties and Other Real Estate Owned by Households	32
5 The Financial Assets of Households, by Type	40
6 The Loan Debt of Households	49
7 Living Conditions, Income and Wealth of Households with Children	60
8 The Financial Literacy, Financial Awareness and Risk Appetite of Households	67
9 Household Income and Wealth in a Geographical Breakdown	73
10 Household Wealth in an International Comparison	88
11 Some Interesting Facts Revealed by the Wealth Survey	94
Related Publications	100
Annex 1	101
Annex 2	106
Annex 3	107
Annex 4	108
Annex 5	109

Introduction

Hungary joined the second wave of the **Household Finance and Consumption Survey** (HFCS) coordinated by the European Central Bank (ECB) in 2014; since that date, the MNB and the Hungarian Central Statistical Office (HCSO) have conducted every three years a survey entitled **What Do We Live From?**, which assesses the income and wealth of Hungarian households in alignment with the Europe-wide survey. The ECB and Hungarian statistical bodies reported the main results of the various waves of the wealth survey, and, in order to facilitate the exploring and publication of further results and correlations, the ECB provides access to the data files for researchers and analysts.

This publication includes detailed figures from the **2014, 2017 and 2020 waves** of the What Do We Live From? household wealth survey, alongside information from other data collections and statistics. Household sector indicators included in the system of national accounts (macroeconomic statistical indicators), information collected in the Household Budget and Living Conditions Survey (HKÉF), certain census and housing survey results are presented alongside with extracts from the central bank's Credit Register (HITREG) and corporate balance sheets. The aim of this compilation is to offer an understanding of both the **indicators of the household sector as a whole and the specific characteristics of the various groups and strata constituting the sector, along with the distribution of incomes and wealth within the sector**. This publication also includes international figures on wealth distribution, for which it relies on the distributional wealth accounts compiled and published by the ECB.

Presenting the data from all three waves of the What Do We Live From? wealth survey together with additional information also offers a chance for identifying the differences and the similarities of the various sources of data and using all the sources of data in combination makes the information about the household sector more robust. On their own, sample surveys of households do not capture the financial situation of households accurately; nevertheless, the combination of a variety of surveys and other data sources can provide a more precise view on the income and wealth of the household sector. Highlighting this fact is a key objective of this publication, which juxtaposes different data and aligns survey data with macroeconomic statistics.

MAIN CONCLUSIONS FROM THE WHAT DO WE LIVE FROM? WEALTH SURVEY

Net annual income per capita (income received after taxes and contributions) amounted to HUF 1,128,000 in 2014, HUF 1,482,000 in 2017 and HUF 1,914,000 in 2020. The median income was HUF 916,000 in 2014, HUF 1,208,000 in 2017 and HUF 1,500,000 in 2020. 554,000 households (over 13 percent of households) spent more than their income in 2014, 426,000 households (nearly 11 percent) in 2017 and 370,000 households (over 9 percent) in 2020.

At the end of 2014, **gross wealth** (total assets) in the household sector stood at HUF 89,412 billion and liabilities at HUF 10,400 billion, so that net wealth, the difference between the above, amounted to HUF 79,013 billion. Within total assets, financial assets amounted to HUF 39,661 billion, and non-financial assets were HUF 49,752 billion. By the end of 2017, the gross wealth of the sector rose to HUF 118,774 billion and net wealth to HUF 109,478 billion, while debt decreased to HUF 9,296 billion. Under assets, non-financial assets amounted to HUF 68,650 billion and financial assets to HUF 50,124 billion. At the end of 2020, the sector held HUF 169,949 billion in assets, of which non-financial assets amounted to HUF 100,903 billion; liabilities stood at HUF 12,187 billion, which means that net wealth had grown to HUF 157,762 billion. Over the course of 6 years, net wealth per household grew from HUF 19.1 million to HUF 39.6 million, and median net wealth from HUF 8.9 million to HUF 19.7 million. The highest earning 10 percent of households earned approximately 30 percent of incomes, while the wealthiest household decile held over half of the net wealth of the sector in the period surveyed.

Household sector net wealth nearly doubled between the end of 2014 and 2020, while inflation over the course of these six years was only 15 percent. Although all household groups experienced significant growth in wealth, there was above-average growth for those in the medium and low wealth categories and below-average growth in the highest wealth strata. This realignment took place in the second half of the period. The bottom 50 percent of households saw their wealth rise by 133 percent, while the top 10 percent experienced only a 90 percent rise in wealth over the course of these six years. The share of the bottom 50 percent in the net wealth of the sector rose from 9 percent to 11 percent, while that of the top 10 percent decreased from 53 percent to 51 percent. **Wealth disparities among households decreased to a small extent;** the number of households with negative net wealth halved.

In the period under review, **non-financial assets (real assets) rose more steeply in value** than financial assets, and their proportion to gross assets increased from 55 percent to nearly 60 percent. Real assets are significantly more evenly distributed across households than financial assets, and thus a rise in real asset values and their proportion to total household assets has contributed to a narrowing of the wealth gap. The trend has continued in recent years, as the appreciation of real asset (real estate) values outpaced the value growth of financial assets.

Approximately two thirds of financial asset value are held by the wealthiest decile of households; by contrast, this decile accounts for a lower proportion in terms of ownership of real assets. Substantial fortunes are constituted by financial assets; the assets of wealthy households are dominated by financial assets. Under financial assets, the variety of securities and equity holdings are to be found mostly in the asset portfolios of wealthy households. Around 80 percent of the bond and over 90 percent of the shares and other equity holdings of the sector are concentrated in the wealthiest decile of households, which also holds half of all deposits and investments in insurance and pension funds.

The reduction in wealth disparities across households was also enabled by the **fall in the liabilities of the sector up to 2016, which was followed by a moderate rate of increase.** The households on the lower half of the net wealth scale carried 50 percent of loan and other liabilities at the end of 2014, but this rate has gradually decreased since then to around 40 percent. The top wealth decile held approximately 20 percent of the liabilities in this period. **The proportion of households with loan debt decreased from 40 to 38 percent;** in six years, the total loan amount per debtor household increased from HUF 5.5 million to HUF 6.8 million. A factor contributing to the fall in the number of highly indebted households was the steep decline in the number of households with multiple loans between 2014 and 2017. This involved a decrease in the proportion of households using private loans (from 10 to 6 percent) and also in the relevant loan amounts. For the period between 2014 and 2020, wealth survey results indicate a **fall in the number of households spending more than their income,** fewer households taking out consumer loans, defaulting or delaying on their loan repayments, or accumulating debts on their bills to utilities providers.

Between the end of 2014 and 2020, **net wealth per household** more than doubled, rising from HUF 19.1 million to HUF 39.6 million. In terms of **geographical distribution,** the increase in net wealth remained far below the mean in Southern Transdanubia and Northern Hungary, where, as in the Northern Great Plain and Southern Great Plain regions, mean net wealth per household ranged between HUF 21 to 23 million at the end of 2020. By contrast, mean net wealth amounted to approximately HUF 40 million in the regions of Western Hungary and stood at HUF 64 million in Central Hungary at the end of 2020. Households in Central Hungary held over 50 percent of the total assets of the sector; within this, households in Budapest owned 37 percent of the net wealth of the sector. At the end of 2020, net wealth per household was HUF 74 million in Budapest, which is 1.9 times the national mean. **Settlement size is correlated household wealth.** In cities with county rights, average wealth approximates the national mean, while the average wealth figures measured in other towns and cities are only slightly below these levels. In villages, however, per-household wealth is increasingly falling short of the national mean (falling from 70 percent to 50 percent of the average over the period of six years).

International experience suggest that households tend to accumulate wealth as they age. By contrast, in Hungary – and in other former Soviet-bloc countries – **households with active-age earners have the highest wealth, while young people and pensioners tend to have less wealth on average.** The highest average fortunes are measured in the 46-to-55 age group, where net wealth per household was HUF 26 million at the end of 2014 and HUF 52 million at the end of 2020. While the 66-to-75 age group had average net wealth approximately equal to the national mean, households with

persons over 75 years of age are characterized by significantly lower average wealth figures. However, average household wealth increased to a greater degree in older groups over the course of the surveyed period: wealth rose by 2.7 times in pensioner households, which helped reduce wealth disparities.

Similarly to other former Soviet-bloc countries, Hungary stands towards the bottom of European Union rankings in terms of both mean and median net household wealth. However, since 2014 **Hungarian household wealth has risen much faster than the euro area growth rate**, in terms of both mean and median wealth. Compared to the European Union as a whole, Hungary is characterized by more moderate disparities in household wealth.

1 The Key Data and Features of the Household Wealth Survey

Fieldwork for the three Hungarian waves of the What Do We Live From? household wealth survey (hereinafter referred to by its acronym HFCS) took place in the last months of 2014, 2017 and 2020. Respondents were asked about their current wealth, and their income and transactions in the preceding twelve months. The persons interviewed were not told that the theoretical reference date of the survey was 30 September and therefore gave their answers based on the latest available information. To facilitate comparison with macroeconomic statistical data, we assume that **the transaction data from the survey apply to the given calendar year, and the stock data apply to the end of the year**. The household sample was selected by two-stage stratified sampling, selecting first the settlements and then the addresses. The selection method has changed, however; in 2014, successful surveys had to be taken at 6,000 households out of a total of 18,000 households selected, whereas the same result had to be achieved from an initial number of 15,000 households in the later waves. At the same time, the number of settlements included in the sample increased from 187 to 340, improving the representativeness of the survey. In a further change to the sampling, the overrepresentation of wealthy households was based on the regional taxation data in 2014 and on the use of real property values in later waves.¹ The survey is geographically representative at the level of regions, but cities with county rights were included in the sample as self-representing settlements.²

Table 1.1
Key features of the implementation of the three survey waves of the HFCS

Waves of surveys	2014	2017	2020
Fieldwork period	20 Oct. - 23 Nov.	1 Oct. - 31 Dec.	16 Sept. - 31 Dec.
Number of settlements surveyed	187	343	340
Number of selected households	18000	15000	15000
Number of households surveyed	6207	5968	6032

The What Do We Live From? household survey **concerns private households and the persons living in them** and does not include persons living in institutional households (2–3 percent of the population). Those communities (monastic orders, hospitals, prisons, care homes, student residences) are not significant in either number or economic weight and, therefore, we apply the extrapolated figures of the household survey directly to the household sector as a whole. The data collected in the survey are subjected to corrections, additions and supplementation. The survey data are then extrapolated with weights (multipliers) to the total population. On average, a household in the survey represents 660 to 670 households in Hungary, with the weights ranging generally between 50 and 2200. All attributes of a household (and the persons constituting it) have the same weight allocated, thus **the accuracy of the extrapolation to the total population will be different for the different attributes**.

¹ The purpose of over-representing wealthy households in the selected sample is to access more detailed information about the assets they hold. Weighting is then used to offset and remedy in the sample the disproportionality caused by oversampling.

² A self-representing settlement is a unit within a region the survey of which is itself representative.

Table 1.2
The key demographic indicators of the three survey waves and the HCSO's relevant statistical indicators

Waves of surveys	HFCS, unweighted			HFCS, weighted			HCSO survey		
Main personal variables	2014	2017	2020	2014	2017	2020	2014	2017	2020
Number of households	6 209	5 968	6 035	4 128 371	4 004 215	3 983 293	4 149 511	4 131 281	4 126 849
Number of persons	14 634	13 937	13 002	9 701 247	9 596 525	9 603 443	9 680 000	9 609 800	9 599 000
Number of children (<18)	2 464	2 299	2 142	1 688 579	1 700 107	1 793 923	1 721 637	1 713 360	1 700 000
Number of active workers	5 542	5 692	5 273	4 076 068	4 190 818	4 278 526	4 190 000	4 409 549	4 490 000
Number of pensioners	4 173	4 057	3 729	2 228 949	2 173 295	2 080 440	2 145 000	2 169 828	2 079 923

Although intentionally overrepresented and oversampled, wealthy households tend to represent a smaller proportion of the survey results, and major fortunes and incomes are mostly missing from the observations.³ The results of the 2014 and 2020 waves of the What Do We Live From? household survey had to be complemented with 2 and 3 notional households, respectively (Table 1.3) in order to better align the results of the three survey waves and enable comparison in this publication.⁴ There was no need to supplement the 2017 figures. The notional households (and persons) additionally incorporated into the sample alter demographic attributes to a limited extent but appropriately represent the missing wealthy households. **All the indicators in this publication are based on the supplemented data of households (and persons).**

Table 1.3
Key data of the notional households added to the sample in 2014 and 2020

Year	Weight	Assets, HUF million	Liabilities, HUF million	Income, HUF million	Consumption, HUF million	Number of person	Age of reference person, year	Location of residence
2020	100	7 571	99	212	9	2	70	Veszprém
2020	100	7 571	99	212	9	2	70	Kőszeg
2020	517	259	135	12	9	1	68	Budapest
2014	100	4 351	300	170	25	2	54	Budapest
2014	600	2 451	150	148	15	2	50	Budapest

In spite of survey data corrections and supplementation, **the weighted data (extrapolated to the total population) do not always correspond to the sector-level macroeconomic values.** Whereas the surveyed non-financial asset figure (real estate, vehicles, machines, valuables) is practically the same as in macroeconomic statistics, the surveyed value of financial assets and liabilities (financial wealth) is only approximately half of the macroeconomic figure (presented in the financial accounts) (Table 1.4). **For the purposes of this publication we have used financial instrument data adjusted to macro data by multiplication at the household level.** To adjust financial wealth, different multipliers were used for each instrument; this changes the composition of household wealth and increases disparity among households.

Data adjusted to the financial accounts enable the compilation of **distributional financial accounts or distributional wealth accounts** as an illustration of the distribution of wealth. Financial account balances may be subdivided using survey data even in the periods between surveys, by way of estimation based on the proportions gleaned from the survey. The publication also contains, in a few instances, data that are extrapolated to total population (weighted) but not adjusted, as these are available in other publications. The adjustment/proportional multiplication of financial instrument values to match the relevant instruments in the financial accounts is based on the assumption that the distribution of different asset values across households is properly surveyed; however, the valuation of assets is generally incomplete, and specifically in

³ These households are generally difficult to reach and may be missed by surveys; even if they are included in a survey, their data may be incomplete.

⁴ The attributes of notional households were defined on the basis of the 2017 survey, the publication entitled The 100 Richest Hungarians, and company information.

a value-proportionate distribution. Later it is also clear that the quantity and prevalence of specific assets in the household sector also falls short of the macroeconomic statistics.

Table 1.4
The relationship of the wealth data of the three survey waves to household sector macro data

Waves of survey	Survey data, unweighted			Survey data, weighted			Macro data (NA, FA)		
Stocks, HUF billion	2014	2017	2020	2014	2017	2020	2014	2017	2020
Non-financial assets	78,4	143,9	177,4	49 752	68 650	100 903	49 752	68 650	100 903
Financial assets	31,4	59,2	81,6	19 316	23 703	35 516	39 661	50 124	69 046
Currency	0,4	0,6	0,8	245	339	492	3 004	4 102	6 005
Transferable deposits	2,7	9,8	10,8	1 698	4 999	5 387	2 967	5 258	8 833
Term deposits	5,7	5,1	4,9	3 765	2 779	2 605	4 673	3 312	3 591
Debt securities	3,6	6,6	8,6	2 064	2 177	3 211	3 052	5 308	9 393
Loans to corporations							1 418	1 756	2 348
Private loans	0,8	0,6	0,7	577	395	316	577	395	316
Listed shares	0,5	1,9	3,8	335	381	994	465	769	1 148
Other equities	11,6	26,2	40,9	6 817	8 980	16 968	11 523	15 963	22 804
Investment fund shares	3,7	4,7	6,0	2 181	1 546	2 255	4 075	4 291	4 547
Insurance, pension reserves	2,4	3,9	5,1	1 634	2 108	3 288	3 531	4 132	4 949
Other accounts receivable							4 375	4 838	5 112
Liabilities	9,8	8,6	9,0	6 599	5 677	6 357	10 400	9 297	12 187
Loans from institutions	9,0	8,0	8,5	6 022	5 282	6 040	8 382	7 296	10 072
Private loans	0,8	0,6	0,5	577	395	316	577	395	316
Other accounts payable							1 440	1 605	1 799

Other receivables and other liabilities of households and their loans granted to companies are **not observed in the survey**; their values per household, adjusted to the macro data, were calculated for the purposes of this publication based on the total gross income and total equity holdings of households. On the other hand, macroeconomic statistics (financial accounts) do not include the loans of households to each other (private loans), as the only source of data on these is the household wealth survey. Here, the adjustment is made within the survey: the lower amounts on the liability side are raised to the higher levels on the asset side. Household financial leasing debts are not included in the survey, either, and have been calculated from the reported lease payments and added to loan debts in the data compilation process.

In terms of **quantity and prevalence of different types of assets**, households exhibit characteristic differences in the three survey waves. The number of owner-occupier households temporarily fell in 2017 (although only when measured on a weighted basis), while there was a steep rise in the number of renters (also only when measured on a weighted basis), which is due mostly to an error in the 2017 survey. In another survey error, the number of households with other real estate and the number of households with loan debt showed a continued decrease. The surveyed number of sole proprietorships at the end of 2014 was much lower than the number of registered businesses (240,000 versus 400,000); in later waves of the survey, the figures were gradually converging (400,000 versus 568,000 at the end of 2020)⁵. In 2017, the surveyed (weighted) quantity of certain financial assets (the number of households concerned) is also lower than expected; in this category, investment fund shares coverage decreased further by 2020. The assumption that the number of items surveyed is accurate and their prevalence is complete is thus not satisfied in the case of several assets. All these quantitative shortcomings are also reflected in the value data. Over time, the value of non-financial assets is less and less likely to exceed the macro value, and financial assets and liabilities require higher multipliers to match macro values.

⁵ A household may have more than one sole proprietorships, which explains why the number of relevant households is smaller (cf. Table 1.5).

Table 1.5

Number of households with certain types of assets based on weighted and unweighted survey data; highlighted under unweighted data, the number of households in the bottom net wealth decile

Number of households	2014			2017			2020		
Asset types	Weighted	Original	1. decile	Weighted	Original	1. decile	Weighted	Original	1. decile
Lives in own residence	3 476 700	5 264	188	3 362 300	5 222	103	3 417 600	5 085	159
Owens other real estate	948 300	1 506	35	880 000	1 479	20	785 400	1 251	16
Lives in rented apartment	384 900	580	237	437 600	448	222	376 400	629	328
Owens a car	2 043 900	3 160	165	2 156 800	3 535	136	2 407 200	3 460	190
Has a current account	3 420 600	5 118	432	3 331 100	5 079	301	3 511 400	5 285	502
Has a term deposit	302 600	498	6	302 400	634	2	368 500	637	7
Owens equities	294 300	415	10	269 400	507	4	394 300	555	8
Self-employed	222 400	300	6	295 000	432	11	352 700	397	22
Has life insurance	631 100	896	23	665 100	1 058	14	703 000	984	29
Has housing loan	549 500	820	99	539 700	770	51	528 800	743	48

The **coverage differences** of the three survey waves are also reflected by the distribution of variables across households. Prevalence data tend to be volatile over time especially in the bottom wealth strata but may be considered stable in the middle and top wealth strata⁶. Similarly, differences between household strata defined by gross versus net wealth are observable mainly in the bottom wealth strata (deciles); **in the higher wealth strata it is irrelevant whether gross or net wealth is used for examining household wealth** and the prevalence of assets and characteristics. The ranking of households by net wealth pushes to the bottom of the distribution those households of the higher wealth strata that combine their high asset portfolio (real estate) with high debts (loans). While differences across household strata defined by size of gross wealth also exist in the distribution of the results of the three survey waves, this was not due to a fall in debt or a realignment of wealth in 2017 but mainly the structural differences between the surveys.

⁶ The higher or lower prevalence of certain variables in 2017 compared to the 2014 and 2020 surveys affect mainly the bottom wealth stratum.

Table 1.6

Number of households owning certain asset types in the three waves of the survey, in household deciles defined by size of gross and net wealth, thousand households

1000 HHs	Year	1	2	3	4	5	6	7	8	9	10	Total
Household deciles formed by size of net worth												
Lives in own residence	2014	150	238	341	384	387	390	395	401	401	392	3 477
	2017	84	279	342	350	381	386	379	390	385	388	3 362
	2020	124	257	355	373	383	387	381	389	382	387	3 418
Owns other real estate property	2014	21	19	37	47	53	80	92	119	185	297	948
	2017	18	31	49	47	52	61	83	109	160	270	880
	2020	10	18	28	36	40	56	66	95	168	269	785
Lives in rented apartment	2014	161	93	44	12	20	14	9	8	6	18	385
	2017	231	84	32	30	14	9	13	6	11	9	438
	2020	180	100	28	18	8	6	16	6	9	8	376
Has loan from institutions	2014	238	143	159	147	149	127	139	137	122	152	1 511
	2017	157	138	154	139	104	116	122	134	143	172	1 379
	2020	167	119	126	131	129	133	137	146	156	162	1 407
Household deciles formed by size of gross worth												
Lives in own residence	2014	89	271	362	389	392	389	395	398	400	392	3 477
	2017	59	292	344	368	375	386	381	385	385	388	3 362
	2020	100	284	353	371	384	388	380	390	381	387	3 418
Owns other real estate property	2014	7	17	35	50	52	83	107	123	184	290	948
	2017	9	30	48	44	58	62	85	103	171	270	880
	2020	4	17	27	25	50	52	79	85	178	270	785
Lives in rented apartment	2014	181	88	28	18	13	15	9	8	7	18	385
	2017	249	74	31	20	16	7	11	10	12	9	438
	2020	197	74	35	18	8	6	15	6	9	8	376
Has loan from institutions	2014	84	125	144	149	160	160	177	184	154	174	1 511
	2017	71	121	131	121	139	125	145	165	170	192	1 379
	2020	70	112	132	111	136	161	148	179	180	177	1 407

Note: Information on the distribution percentages of the prevalence of certain assets and liabilities in the household deciles defined by net wealth is available in Tables 3.5, 5.3, 6.4 and 6.5.

The What Do We Live From? household survey covers the **gross annual cash incomes** of households, earned as individuals or as a household. In this publication, incomes surveyed at the level of the person (labour incomes, unemployment benefits and pensions) are aggregated for the household and are combined with the incomes surveyed at the household level (grants, property income). This part of the survey provides information of higher quality due to the fact that income data are easier to survey, correct and supplement. Compared to the income data available from other household surveys, the What Do We Live From? survey is distinguished by the high amounts of income from labour and from property holdings (Table 1.7). The simultaneous surveying of financial assets makes it easier to survey, and correct and supplement, the information on property income (interest, dividends). For this reason, the income data are not adjusted to the macro data.

Table 1.7**Income and consumption data from the three survey waves, and the HCSO's household data**

Waves of survey	HFCS, unweighted			HFCS, weighted			HCSO survey		
Turnover, HUF billion	2014	2017	2020	2014	2017	2020	2014	2017	2020
Annual gross income	21,5	30,1	35,8	14 101	18 546	24 323	13 291	15 794	21 486
Wages, salaries	13,4	19,6	24,3	9 485	13 150	18 059	9 070	11 378	15 810
Social transfers	6,8	7,8	8,2	3 791	4 238	4 454	3 959	4 161	5 260
Annual net income	17,1	23,7	27,8	10 940	14 221	18 385	10 648	12 493	16 961
Annual consumption	10,4	14,7	16,1	6 760	8 798	10 683	8 789	10 628	13 131

It is difficult to compare different gross incomes with each other or with consumption spending due to the differences in their taxation terms. In this publication we are therefore deducting from the relevant gross labour incomes the taxes and contributions and are using the **calculated annual net amounts of incomes**. In terms of **consumption spending**, the survey focused on regular subsistence and housing maintenance costs, rents and vehicle purchase expenditures, and its aggregate totals are therefore below the HCSO's household statistics. Besides, there are fewer items in the survey that would support the correction and supplementation of consumption spending than is the case with incomes. The surveying of consumption spending changed between the individual survey waves.

The distribution of incomes or wealth across households is examined mostly in terms of household deciles defined by size of income or wealth (subdividing the approximately 4 million Hungarian households/population into 10 equal parts). The publication also offers further details on the top wealth decile in some cases; these are mostly data about the richest 1 to 10 percent of households. Table 1.8 shows how many households interviewed in the What Do We Live From? survey waves represented a specific income and wealth decile, and what amount represents the entry point, i.e. the bottom boundary value for a specific income or wealth decile. The **median household** is the bottom boundary of the 6th decile. The net wealth of the median household amounted to HUF 8.9 million at the end of 2014, HUF 12.3 million at the end of 2017 and HUF 19.7 million at the end of 2020.

Table 1.8**The number and lowest net wealth of households representing the household deciles defined by net income and net wealth in the three survey waves, in HUF thousand**

1000 HUF	2014 - income		2014 - net wealth		2017 - income		2017 - net wealth		2020 - income		2020 - net wealth	
Deciles	Number of HHs	Bottom value	Number of HHs	Bottom value	Number of HHs	Bottom value	Number of HHs	Bottom value	Number of HHs	Bottom value	Number of HHs	Bottom value
10	639	4 805	631	37 734	742	6 606	992	50 247	585	8 830	719	80 418
9	674	3 523	666	23 277	623	4 956	761	30 354	501	6 578	642	49 189
8	664	2 842	668	16 252	552	4 147	650	21 159	510	5 330	689	33 377
7	676	2 381	650	11 894	613	3 316	583	16 259	606	4 296	624	25 795
6	677	1 980	670	8 946	605	2 668	562	12 348	584	3 493	584	19 747
5	646	1 664	624	6 809	580	2 201	529	9 285	617	2 818	543	14 826
4	625	1 320	618	4 797	617	1 770	502	6 493	640	2 256	537	10 370
3	592	1 096	550	2 767	604	1 330	480	3 881	690	1 650	503	5 974
2	530	850	564	931	542	1 000	470	1 292	620	1 245	552	2 564
1	486	0	568	-82 572	490	0	439	-60 515	682	0	642	-83 815

A significant part of incomes and assets is concentrated in the households with higher income and/or wealth. An in-depth analysis of these requires a high number of sample units in the relevant categories, which is to be achieved by the oversampling of wealthy households in the household wealth surveys. **The impact of the oversampling of wealthy households** is most prominent in the 2017 survey results, where 742 households represent the top income decile (as opposed to 639 in 2014 and 585 in 2020), and 992 households constitute the top wealth decile (versus 631 in 2014 and 719 in 2020), calculated on the basis of household-level net income and net wealth. It is in part due to the above that, whereas the top 10 percent of households held 55 percent of net wealth in 2017, the figures were only 53 and 51 percent, respectively, in 2014 and in 2020 (together with the notional wealthy households added to the sample, based on weighted and adjusted data, cf. Table 1.9).

Table 1.9

Aggregated gross and net income and wealth of households in the household deciles defined by those factors, in the three waves of the wealth survey, HUF billion

HUF bn	2014 - income		2014 - wealth		2017 - income		2017 - wealth		2020 - income		2020 - wealth	
Deciles	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net
10	4 697	3 493	44 197	41 765	5 790	4 369	62 744	60 465	7 468	5 589	82 378	79 835
9	2 258	1 677	13 152	12 065	3 104	2 244	16 506	15 339	4 234	3 041	26 337	24 590
8	1 722	1 299	9 044	7 991	2 504	1 819	11 184	10 093	3 284	2 366	17 533	15 974
7	1 386	1 072	6 754	5 740	1 976	1 496	8 324	7 507	2 583	1 897	12 843	11 725
6	1 122	898	5 151	4 264	1 536	1 191	6 500	5 727	2 047	1 540	9 985	8 918
5	906	752	4 006	3 237	1 213	969	4 997	4 305	1 618	1 245	7 787	6 851
4	725	614	3 094	2 378	936	793	3 844	3 160	1 211	1 014	5 939	5 052
3	569	502	2 217	1 561	702	614	2 701	2 102	880	769	4 030	3 226
2	452	402	1 324	752	505	469	1 500	1 000	632	567	2 308	1 682
1	265	231	473	-741	281	258	473	-220	367	357	810	-88
Total	14 101	10 940	89 412	79 013	18 546	14 221	118 774	109 478	24 323	18 385	169 949	157 762
TOP 10%	33,3	31,9	49,4	52,9	31,2	30,7	52,8	55,2	30,7	30,4	48,5	50,6

Note: Gross income is equal to the net income received by a private individual plus any applicable taxes and contributions. Gross wealth is total assets, while net wealth is assets minus liabilities.

Greater differences are measured across the households in terms of gross rather than net income, because taxes and contributions on labour incomes are higher than on other sources of income. However, differences measured on the basis of size of wealth are greater in net wealth than in gross wealth, because the incorporation of liabilities extends the wealth range wider towards negative values. A limitation on analysis based on net wealth based is the very fact that the negative net wealth seen in bottom wealth strata (with liabilities exceeding assets) is difficult to interpret and compare to other values. While the gross versus net interpretation of income or wealth does not materially rearrange the ranking of households, the rankings based on wealth versus based on income are very different.

Table 1.10

Position of households included in the top decile defined by gross wealth in the deciles defined by gross and net income, and by net wealth, in the three waves of the wealth survey

Households	2014			2017			2020		
Deciles	Gross income	Net income	Net wealth	Gross income	Net income	Net wealth	Gross income	Net income	Net wealth
10	346	367	589	386	421	937	308	340	681
9	105	104	25	163	186	34	98	111	21
8	62	47	5	101	92	4	80	66	2
7	34	38	1	101	98	0	62	60	1
6	26	23	0	83	64	0	49	46	0
5	21	25	0	50	41	1	44	30	0
4	18	7	2	41	28	0	38	26	0
3	5	8	1	27	19	0	15	19	0
2	5	2	1	11	11	0	9	6	0
1	5	6	3	14	17	1	2	1	0
Total	627	627	627	977	977	977	705	705	705

Great wealth does not necessarily coincide with high current income, and vice versa. Whereas over 90 percent of households in the top gross wealth decile also fall in that decile based on their net wealth, more than 50 percent of this group is in a lower income decile (Table 1.10). The divergence of households based on size of income and wealth is especially notable in the 2017 survey; however, the fall in liabilities results in a closer association between gross and net wealth than was the case in 2014. **In addition to current income, the size of wealth is also determined by past income, intergenerational transfers and the revaluation of wealth.**

The basic unit of the What Do We Live From? survey is the household, which is a community of persons living and managing their finances together. Most questions in the wealth survey assess finances at the level of the household, but persons of 16 years of age and older are also asked about their economic activities and personal incomes as individuals. 85 to 87 percent of all surveyed income is personal income; the remaining incomes apply at the level of the household. Due to joint financial management, however, all incomes are applied to the entire household and all its members, with dependants also allocated a share (for consumption, capital formation). However, examining income distribution in income groups defined at the level of the household (household deciles) may be misleading: larger households appear to have higher income and the number of dependants cannot be taken into account in the calculations (cf. Table 1.11).

Table 1.11

Number of persons, the number of persons per household and the ratio of personal incomes to total income in deciles defined by net household income (HFCS)

Quantity, %	2014				2017				2020			
Deciles	Number of persons	Person/ household	Total net income	Ratio of personal income, %	Number of persons	Person/ household	Total net income	Ratio of personal income, %	Number of persons	Person/ household	Total net income	Ratio of personal income, %
10	1 395 005	3,38	3 493	78,1	1 428 453	3,57	4 369	73,1	1 329 296	3,34	5 589	73,3
9	1 299 333	3,15	1 677	92,7	1 270 250	3,17	2 244	87,1	1 322 243	3,32	3 041	89,2
8	1 169 008	2,83	1 299	93,1	1 247 697	3,12	1 819	89,6	1 205 707	3,03	2 366	89,9
7	1 108 132	2,68	1 072	92,5	1 143 330	2,86	1 496	89,0	1 129 722	2,84	1 897	90,5
6	1 026 974	2,49	898	91,7	978 215	2,44	1 191	91,9	1 088 889	2,73	1 540	89,7
5	905 903	2,19	752	92,0	891 748	2,23	969	91,9	937 555	2,35	1 245	90,7
4	802 762	1,94	614	90,3	795 639	1,99	793	91,6	824 381	2,07	1 014	92,6
3	658 611	1,60	502	90,4	684 689	1,71	614	92,0	658 785	1,65	769	91,5
2	627 806	1,52	402	88,2	565 992	1,41	469	91,5	594 272	1,49	567	93,1
1	707 713	1,71	231	74,0	590 512	1,47	258	84,7	512 593	1,29	357	89,0
Total	9 701 247	2,35	10 940	87,1	9 596 525	2,40	14 221	84,6	9 603 443	2,41	18 385	85,3

Note: Total net income, the aggregate annual net income of households in a given household decile, in HUF bln, cf. Table 1.9.

The income differences across households are normally examined on the basis of groups (deciles) defined by per-capita net income. The same number of persons (ten percent of the population) is put in each income decile, and household size decreases as income rises. It is a disadvantage of this methodology that the number of households in individual income categories is not the same; instead, it rises as income grows. There are therefore limitations on the extent to which the results can be compared with the household-level indicators. We must be mindful of all of the above when using income data in this publication.

Table 1.12

Number of households, the number of persons per household, net income in total (HUF bln) and per capita (HUF thousand), in deciles defined by the net incomes of the persons (HFCS)

Quantity, capita	2014				2017				2020			
Deciles	Number of Households	Person/ household	Net income	Income per capita	Number of Households	Person/ household	Net income	Income per capita	Number of Households	Person/ household	Net income	Income per capita
10	515 507	1,88	3 316	3 418	477 118	2,01	3 966	4 133	498 571	1,93	5 368	5 590
9	517 979	1,87	1 608	1 657	441 194	2,18	2 085	2 173	443 273	2,17	2 752	2 866
8	502 940	1,93	1 271	1 310	410 242	2,34	1 693	1 764	420 117	2,29	2 175	2 265
7	475 247	2,04	1 097	1 130	414 943	2,31	1 442	1 503	406 919	2,36	1 868	1 945
6	441 861	2,20	951	981	430 900	2,23	1 244	1 296	395 153	2,43	1 556	1 620
5	412 400	2,35	826	852	414 452	2,32	1 094	1 140	424 461	2,26	1 359	1 415
4	346 008	2,80	695	717	373 858	2,57	943	982	428 158	2,24	1 158	1 206
3	334 809	2,90	555	572	345 861	2,77	810	844	366 268	2,62	975	1 015
2	294 648	3,29	408	421	367 794	2,61	621	647	320 807	2,99	754	785
1	286 972	3,38	213	220	327 853	2,93	325	338	279 566	3,44	420	437
Total	4 128 371	2,35	10 940	1 128	4 004 215	2,40	14 221	1 482	3 983 293	2,41	18 385	1 914

Just as with income data, the examination of the **distribution of wealth data across households** is also impacted by the fact that **average household sizes vary in the different household strata**. Under assets, financial assets (similarly to personal incomes) tend to be associated with individuals and their quantity tends to change as the number of persons changes, whereas real assets (real estate) are mostly linked to the entire household as a unit. Household sizes are interrelated primarily with the lifecycle of households. On average, active-age households have around 3 members (of which even the average number of adult members of the household is higher than 2), whereas the average number of household members is half the previous figure in pension-age households (cf. Table 1.13). Household groups defined by size of wealth also exhibit the differences attributable to household size (cf. Table 1.14). As wealth increases, the average household size first decreases slightly and then starts to rise. In the bottom wealth deciles of households defined by net wealth, the average size of households is barely larger than 2 persons, whereas in the top wealth decile it is almost 3 persons; the sector-wide average is around 2.4 persons. The differences in the number of household members concomitant with wealth size are also attributable to the lifecycle: households with children are concentrated on the edges of the distribution, while pensioner households are in the middle.

Table 1.13

The number and composition of households across groups defined by age of reference person, in the three waves of the wealth survey

	Composition of households	Age of reference person						Total
		age 18-35	age 36-45	age 46-55	age 56-65	age 66-75	above age 75	
2014	Number of households, thousand	599	795	749	890	671	424	4 128
	Population, thousand persons	1 571	2 414	2 157	1 864	1 098	597	9 701
	Number of members of the household, person	2,6	3,0	2,9	2,1	1,6	1,4	2,3
	Number of adult members of the household, person	1,9	2,0	2,4	2,0	1,6	1,4	1,9
2017	Number of households, thousand	579	784	814	757	621	450	4 004
	Population, thousand persons	1 473	2 488	2 290	1 594	1 074	678	9 597
	Number of members of the household, person	2,5	3,2	2,8	2,1	1,7	1,5	2,4
	Number of adult members of the household, person	1,9	2,1	2,4	2,0	1,7	1,5	2,0
2020	Number of households, thousand	515	761	841	769	638	459	3 983
	Population, thousand persons	1 285	2 426	2 486	1 686	1 079	642	9 603
	Number of members of the household, person	2,5	3,2	3,0	2,2	1,7	1,4	2,4
	Number of adult members of the household, person	1,8	2,1	2,4	2,1	1,6	1,4	2,0

Table 1.14

The number and composition of households across deciles defined by size of net wealth, in the three waves of the wealth survey

	Composition of households	Household deciles based on size of net worth										Total
		1	2	3	4	5	6	7	8	9	10	
2014	Number of households, thousand	413	413	413	413	412	413	412	413	413	413	4 128
	Population, thousand persons	934	895	907	886	879	936	944	1 030	1 083	1 207	9 701
	Number of members of the household, person	2,3	2,2	2,2	2,1	2,1	2,3	2,3	2,5	2,6	2,9	2,4
	Number of adult members of the household, person	1,7	1,7	1,7	1,8	1,8	1,9	2,0	2,1	2,2	2,4	1,9
2017	Number of households, thousand	399	401	401	400	401	400	401	400	401	400	4 004
	Population, thousand persons	886	971	926	884	838	863	931	1 065	1 084	1 149	9 597
	Number of members of the household, person	2,2	2,4	2,3	2,2	2,1	2,2	2,3	2,7	2,7	2,9	2,4
	Number of adult members of the household, person	1,7	1,8	1,9	1,9	1,8	1,9	2,0	2,3	2,3	2,3	2,0
2020	Number of households, thousand	398	399	400	398	398	398	398	398	398	398	3 983
	Population, thousand persons	843	924	979	906	886	908	952	1 010	1 079	1 118	9 603
	Number of members of the household, person	2,1	2,3	2,4	2,3	2,2	2,3	2,4	2,5	2,7	2,8	2,4
	Number of adult members of the household, person	1,6	1,8	2,0	1,8	1,9	1,9	2,0	2,2	2,2	2,3	2,0

For the What Do We Live From? household survey to be successful, the interviewed households had to respond in general at least to yes-or-no questions (does the household or person possess the given thing); however, it was generally not mandatory to disclose value figures (if yes, then what is the amount). **Data gaps due to non-response were supplemented** in the editing and imputing phase. Missing labour incomes and real property values were supplemented on the basis of occupational information and real property characteristics, while for other variables the supplementation of values formed part of the survey. The proportion of supplemented values impacts the utility of the survey results. Overall, the number (and proportion) of households not providing value data was the lowest in 2017; that was the survey wave in which the supplementation of data was least necessary. In general, the proportion of households not declaring their non-listed equity holdings is very high, even though this is the most valuable financial asset within the wealth of the relevant households. In 2020, the need to supplement non-listed equity holdings data was especially high at over 50 percent; a data gap of such size cannot be covered without high-quality external information. A further issue is that **the declared quantity of certain financial assets was also far below** the expected quantity; as a result, the missing prevalence values also had to be supplemented in addition to the undeclared values relating to declared assets. Responses to other questions in the survey were used to identify missing quantities and prevalence.

Table 1.15

Number of households owning certain assets, in the three waves of the survey, highlighting the number of households reporting (aware of) versus not reporting (not aware of) asset values, based on weighted data

Thousand household	2014				2017				2020			
Presence of assets	Aware	Not aware	Total	Corrected	Aware	Not aware	Total	Corrected	Aware	Not aware	Total	Corrected
Value of cash	3 287	841	4 128	4 128	3 659	345	4 004	4 004	3 409	574	3 983	3 983
Value of bank account	2 122	1 298	3 420	3 420	2 767	381	3 148	3 331	2 583	746	3 329	3 531
Term deposit	1 273	854	2 127	2 127	683	135	818	824	618	200	818	818
Value of bond	212	91	303	303	186	43	229	302	258	94	352	369
Mutual fund share	47	120	167	304	101	31	132	243	96	36	132	185
Listed share	55	0	55	55	42	6	48	47	71	11	82	83
Value of enterprise	329	165	494	495	310	164	474	531	245	310	555	620

Note: Figures in bold indicate the prevalence (thousand households) of instruments for which significant data supplementation was necessary in terms of prevalence as well (the number of households concerned) in the various survey waves.

2 Household Income and Consumption

The most comprehensive view on income conditions, consumption spending, savings and capital formation trends in the household sector is offered by **national account statistics**. National accounts present the economy at the **level of economic sectors** and are not suitable for capturing the characteristics of the various groups constituting the sectors. This purpose is served by the **administrative data** originating from households and private individuals, and **household surveys**. However, household surveys are simpler data collections that, in general, do not satisfy the methodological and qualitative requirements applicable to the national accounts. Households are not asked about imputed incomes or benefits in kind or about how they use them; as a result, the **total available household income** and **final consumption expenditure** figures are lower than the relevant amounts in the national accounts (as they contain only cash revenues and expenditures). Their balance, however, which is the amount of **savings** that is used for accumulation through real assets (capital formation) or financial assets (financial investments, financial savings) does in fact approximate the relevant figure in the national accounts. (In practice, the national accounts do not constitute a consistent set of data, as net lending calculated on the income, consumption and capital formation side is consistently below the net financing measured on the financing side, which, in the case of households, is their financial savings.)

Table 2.1

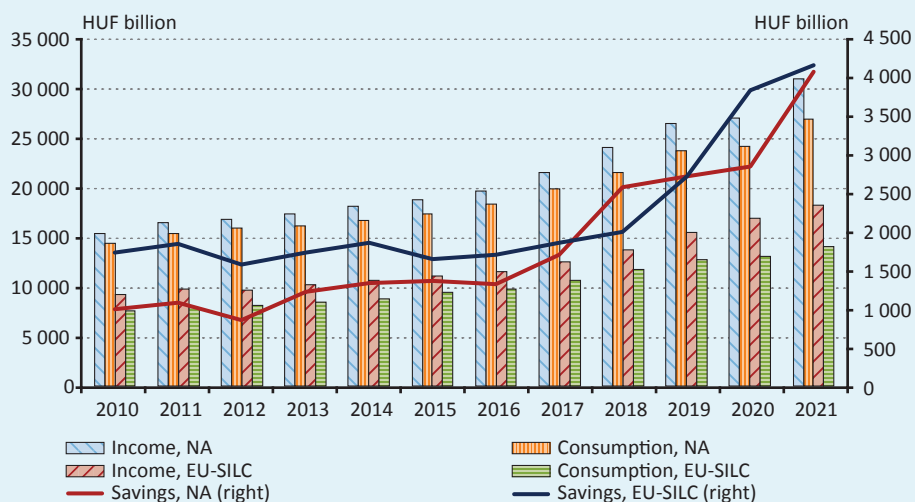
Household disposable income, consumption and savings based on the national accounts (simplified presentation), HUF bln

Annual data, HUF billion	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Wages, salaries (net)	6 989	7 455	7 689	8 161	8 563	8 892	9 447	10 482	11 392	12 316	12 549	14 280
Entrepreneurial income	2 819	3 297	3 140	3 164	3 370	3 550	3 859	4 220	4 926	5 716	5 871	7 104
Pension	3 289	3 410	3 277	3 468	3 558	3 629	3 730	3 898	4 096	4 313	4 562	5 105
Transfers received	1 510	1 471	1 631	1 529	1 520	1 484	1 489	1 529	1 651	1 778	1 842	1 867
Property income	820	841	1 069	1 059	1 073	1 234	1 186	1 434	2 021	2 298	2 165	2 636
Total income	15 426	16 475	16 806	17 381	18 084	18 790	19 711	21 562	24 087	26 422	26 988	30 993
Consumption expenditure	14 431	15 387	15 953	16 154	16 741	17 422	18 387	19 854	21 513	23 703	24 141	26 916
Savings	995	1 088	853	1 227	1 343	1 368	1 324	1 708	2 574	2 719	2 847	4 077
Net lending (NA)	834	1 357	1 236	1 375	1 564	2 078	1 158	1 338	2 230	2 336	2 186	3 503
Net lending (FA)	1 283	1 475	1 553	1 499	1 784	2 796	1 719	1 913	2 712	2 392	3 223	3 557

Note: Net lending (NA) is a balance measured in the national accounts from the perspective of the real economy; net lending (FA) is a balance measured in the financial accounts from the financing side (financial savings).

Chart 2.1

Household annual disposable income, consumption spending and savings based on data in the national accounts and the Household Budget and Living Conditions Survey



The **What Do We Live From? household wealth survey (HFCS)** contains **higher income amounts** than the Household Budget and Living Conditions Survey, which is due primarily to the fact that its figures of property income are higher and approximate the data in the national accounts; positive differences also appear in labour incomes and social payments, especially in 2017. Overall, income and per-capita income figures do not diverge substantively from the relevant aggregated amounts in the Household Budget and Living Conditions Survey (EU-SILC); however, **consumption spending is far below** the indicators calculated on the basis of the EU-SILC, and therefore the savings figure, which is revenues minus expenditures, is multiple times higher than in the EU-SILC and the national accounts. For this reason, a household wealth survey has limited suitability for examining the relationship between incomes and consumption, or the size of savings.

Table 2.2

Available household income (by main sources), consumption spending and savings based on data from the national accounts and household surveys (Household Budget and Living Conditions Survey, HFCS)

Survey waves	2014			2017			2020		
Annual turnover, HUF billion	NA	EU-SILC	HFCS	NA	EU-SILC	HFCS	NA	EU-SILC	HFCS
Wages, salaries (net)	11 934	6 437	6 323	14 701	8 082	8 825	18 419	11 317	12 120
Social benefit	5 078	3 959	5 498	5 427	4 161	4 238	6 404	5 260	4 454
Property income	1 073	252	825	1 434	250	1 158	2 165	384	1 810
Total income	18 084	10 648	10 940	21 562	12 493	14 221	26 988	16 961	18 385
Consumption expenditure	16 741	8 789	6 760	19 854	10 628	8 798	24 141	13 131	10 683
Savings	1 343	1 859	4 180	1 708	1 864	5 424	2 847	3 830	7 702

Table 2.3

Per-capita annual cash income and consumption spending of households, HUF thousand (Household Budget and Living Conditions Survey)

Annual data, HUF thousand	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Gross income	1 156	1 207	1 235	1 323	1 373	1 440	1 504	1 644	1 815	2 013	2 238	2 428
Net income	948	997	996	1 049	1 100	1 150	1 199	1 300	1 432	1 616	1 767	1 920
Consumption expenditure	772	809	834	871	908	979	1 022	1 106	1 223	1 332	1 368	1 483
Consumption, basic needs*	456	486	504	521	522	559	580	624	681	730	760	819

*Food, non-alcoholic beverages, household maintenance and household energy expenditures, transport

The **per-capita net income of households** were measured by the Household Budget and Living Conditions Survey and by the HFCS as follows: HUF 1,100,000 versus HUF 1,128,000 in 2014, HUF 1,300,000 versus HUF 1,482,000 in 2017 and HUF 1,767,000 versus HUF 1,914,000 in 2020. The household wealth survey shows much greater income variance than the Household Budget and Living Conditions Survey. The highest income decile of the population received 23 to 24 percent of total net income according to the Household Budget and Living Conditions Survey and 28 to 30 percent according to the HFCS. The Household Budget and Living Conditions Survey finds a difference of 7 to 8 times between the mean net incomes of the bottom and the top income deciles, whereas the HFCS measures a difference by a factor of 12 to 16.

According to the household wealth survey (HFCS), the high proportion of **property income** (interests, dividends, rents) raises incomes in the top income strata. In the top income decile, property incomes represent, on average, around 20 percent of net income, and dividend revenues dominate within property income. The highest surveyed (or imputed) per-capita annual net income was HUF 83 million in 2014, HUF 72 million in 2017 and HUF 98 million in 2020. As for the highest incomes, these originate mainly from property incomes, from dividends. Overall, the HFCS shows that both labour incomes and property incomes represent an increasing proportion over time within the total household income. The Household Budget and Living Conditions Survey observes property incomes only partially and therefore shows smaller income disparities. The lowest incomes fall short of the data in the Household Budget and Living Conditions Survey due to the fact that the HFCS covers more households and persons with no income (there are approximately 11,000 households without any substantive income in the country).

Chart 2.2
Per-capita net income, and per-capita incomes in the top and bottom income deciles defined by that factor, based on data from the Household Budget and Living Conditions Survey and the HFCS, HUF thousand

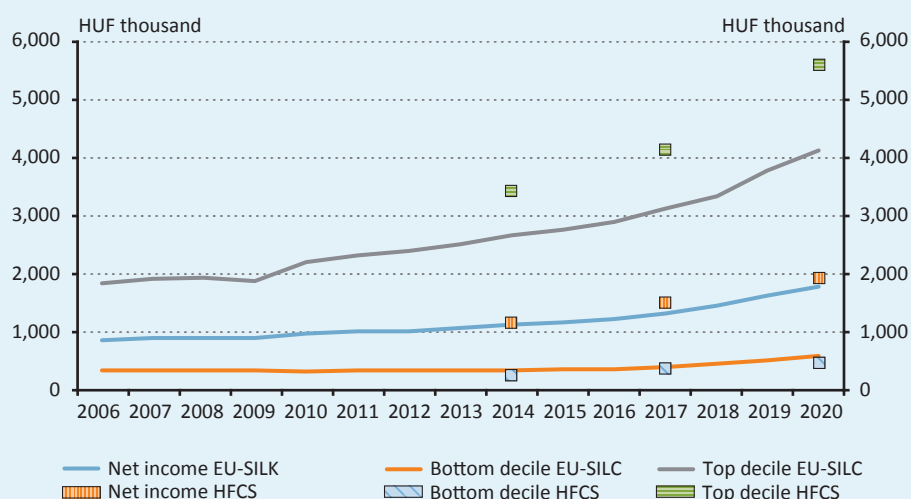


Table 2.4**Proportion of labour incomes, property incomes and social transfers to net income in household deciles defined by per-capita net income (HFCS)**

Percentage	2014			2017			2020		
Deciles	Wages	Property income	Social income	Wages	Property income	Social income	Wages	Property income	Social income
10	59,2	19,1	21,7	59,9	18,3	21,8	63,5	22,4	14,1
9	53,9	3,6	42,4	72,8	7,2	20,0	76,9	8,1	15,0
8	51,7	3,1	45,2	68,5	4,1	27,3	71,9	6,2	21,9
7	53,0	2,1	44,8	61,5	4,5	33,9	66,7	5,8	27,5
6	57,1	1,5	41,3	62,1	3,0	34,9	67,8	2,5	29,7
5	61,7	1,7	36,6	52,7	3,3	44,0	58,3	2,1	39,6
4	66,9	1,9	31,2	58,2	4,0	37,8	59,9	2,2	37,9
3	67,8	2,8	29,5	59,3	1,3	39,5	58,6	2,5	39,0
2	63,1	1,7	35,1	55,7	2,5	41,8	58,8	2,3	38,9
1	48,8	2,6	48,6	50,1	2,7	47,2	54,7	1,4	43,9
Total	57,8	7,5	34,7	62,1	8,1	29,8	65,9	9,8	24,2

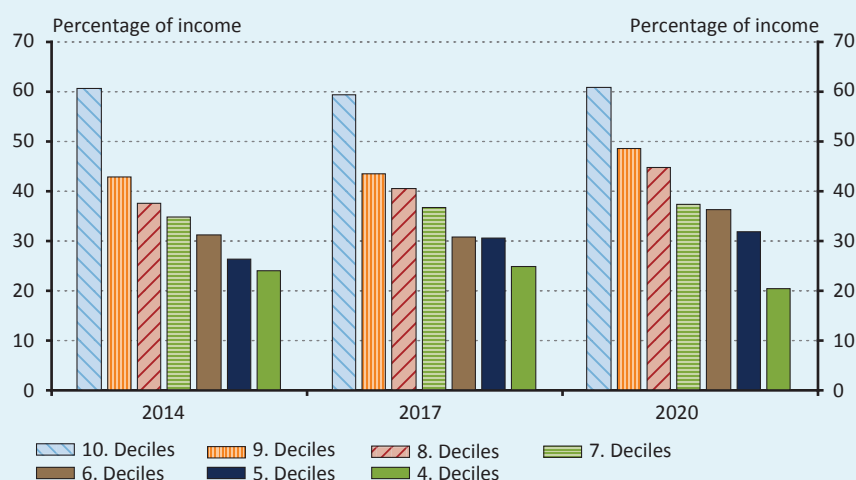
Whereas the 10 percent of the population with the highest income accounts for 28 to 30 percent of **net incomes**, the same stratum spends only 20 to 22 percent of the total **consumption expenditures** of the sector, according to data from the household wealth survey. Households in the top income decile can **save** 60 percent of their income on average (using it for capital investment, refurbishment or financial investments). Households in lower income strata can save a much smaller proportion of their income; in the lowest income quintile, households in general are unable to save any of their income.

Table 2.5**Key components of annual consumption spending, and share of the top income decile in consumption spending in the three waves of the HFCS, HUF bln**

HUF billion	Food	Meals (restaurant)	Overhead cost	Recreation	Consumer durables	Rents	Purchase of a vehicle	Other expenses	Total consumption	Ratio of top decile, %
2014	2 607	394	2 318	-	-	162	263	1 015	6 760	21
2017	2 929	413	2 334	331	362	246	498	1 685	8 798	20
2020	3 681	520	2 571	307	529	321	638	2 115	10 683	22

Chart 2.3

Households savings rates in the income deciles defined by per-capita net income in the three waves of the HFCS, percent



The What Do We Live From? household wealth survey also includes direct questions on the **relationship between revenues (incomes) and expenditures (consumption)** (over the past year, did the households spend more, less or the same as their income). The proportion of households able to save some of their income has been rising consistently in recent years, which was coupled by a decrease in the proportion of those spending more than their income. This positive trend characterized all the income strata. The proportion of households stating that their revenues and expenditures were in balance changed little over time, and their distribution across income strata is also stable (between 40 and 70 percent). The top income decile is dominated by households able to save (50 to 60 percent of households), while the middle income strata is dominated by those who say that their revenues and expenditures are in balance. In the bottom income strata, households reporting spending higher than income represent a higher proportion (25 to 32 percent), while households reporting savings are less frequent (11 to 12 percent).

Households that spend more than their incomes finance their extra consumption by borrowing, taking on debt or selling assets. In 2014, 554,000 households (over 13 percent of households), in 2017, 426,000 households (nearly 11 percent), and in 2020, 370,000 households (over 9 percent) said that they had spent more than their income. A steady proportion of approximately 30 percent of these households supplemented the missing amount through borrowing (as well); within this group, there was a decrease in the proportion of those taking out an overdraft or credit card debt and an increase in the proportion of those who took out other credit or loans. A proportion of households rising over time (38 to 45 percent) sold assets, investments and savings; however, there was a decrease in those seeking help from family and friends (42 to 38 percent) or not paying their bills (42 to 18 percent) within the total number of households with insufficient income⁷.

According to **the actually surveyed income and the consumption spending figures**, 767,000 households (18 percent) reported expenditures in excess of their revenues in 2014, 774,000 (19 percent) in 2017 and 662,000 (16 percent) in 2020. These high proportions were arrived at against a context of the partial observation and overall low level of consumption spending, which suggests an incomplete surveying of incomes (supplementary incomes).

⁷ Households were given the chance to specify multiple sources of financing, which explains the overlaps between answers.

Table 2.6

Proportion of households spending more, less or the same as their income in the deciles defined by per-capita net income, according to the HFCS, percent

Percentage	2014			2017			2020		
Deciles	Equal	Saves	Spends more	Equal	Saves	Spends more	Equal	Saves	Spends more
10	39,4	52,3	8,4	42,1	51,0	6,8	36,0	60,3	3,8
9	51,0	40,1	8,9	53,4	40,2	6,4	43,6	49,4	7,0
8	60,5	31,1	8,4	55,4	38,0	6,6	56,1	36,9	7,0
7	66,8	24,5	8,7	57,4	33,1	9,5	53,4	40,7	5,9
6	69,3	19,7	11,0	65,6	25,1	9,4	60,7	31,2	8,1
5	71,5	17,5	11,0	70,6	20,6	8,8	66,0	26,3	7,7
4	69,2	16,3	14,5	74,7	15,8	9,5	69,7	21,7	8,6
3	65,3	13,6	21,2	70,2	16,7	13,2	69,3	17,7	13,0
2	63,4	11,6	25,1	73,8	10,4	15,8	67,0	18,1	14,8
1	56,5	11,1	32,3	63,8	11,0	25,2	62,6	12,3	25,1
Total	60,5	26,1	13,4	61,9	27,4	10,6	57,4	33,3	9,3

Table 2.7

Annual net income components, and the share of the top and the bottom income deciles within incomes, according to HFCS data, in HUF billion and percent (summary table)

Annual data, HUF billion	2014					2017					2020				
Income categories	Total	Top decile		Bottom decile		Total	Top decile		Bottom decile		Total	Top decile		Bottom decile	
Wages, salaries	5 720	1 630	28%	100	2%	7 768	1 800	23%	154	2%	10 689	2 823	26%	220	2%
Entrepreneurial income	603	332	55%	5	1%	1 057	575	54%	13	1%	1 431	585	41%	15	1%
Pension from state	3 142	628	20%	17	1%	3 086	444	14%	59	2%	3 381	486	14%	74	2%
Private pension	15	6	39%	0	2%	90	57	63%	0	0%	136	80	59%	0	0%
Unemployed benefit	54	1	2%	11	21%	32	3	10%	7	22%	41	2	6%	8	18%
State aid	407	32	8%	60	15%	588	58	10%	77	13%	623	47	8%	88	14%
Private aid	80	10	12%	6	8%	144	62	43%	6	4%	88	15	17%	5	5%
Real estate rent	89	51	58%	0	0%	105	59	56%	2	2%	220	156	71%	0	0%
Interest income	261	155	60%	3	1%	253	87	34%	6	2%	217	124	57%	2	1%
Dividend income	476	428	90%	3	1%	800	580	73%	0	0%	1 373	924	67%	4	0%
Other income	93	43	46%	8	8%	298	242	81%	1	0%	185	126	68%	4	2%
Total income	10 940	3 316	30%	213	2%	14 221	3 966	28%	325	2%	18 385	5 368	29%	420	2%

3 Gross and Net Household Wealth; the Distribution of Wealth

According to **macroeconomic statistical data**, **household sector gross wealth** (total assets) amounted to 3.5 times GDP, while its net wealth (assets less liabilities) were equal to 3.3 times GDP as of the end of 2021. The sector's wealth has increased sharply since 2014, which was helped by the fact that non-financial assets rose at a rate greater than financial assets. As a result of a gradual loss of proportion in the preceding years, the value of non-financial assets fell to 55 percent of gross wealth by 2014, after which it rose progressively to 60 percent. Within **non-financial assets**, residential real estate represents the highest value (86 percent); these are properties serving as the residence of the owner households or other households (paying tenants or non-paying persons using the home on a courtesy basis). The value of the properties also includes the value of their plots. Agricultural land, livestock and crops, machinery and equipment, software and inventories are non-financial assets belonging to the production (business) activities of the households. Sole (self-employed) proprietorships constitute an inseparable part of households in statistics. Within **financial assets**, shares and other equity representing investments in corporations constitute the biggest instrument category, the weight of which is constantly increasing. In addition, households also have significant claims in cash, deposits and various securities. The outstanding amount of life, pension and other insurance reserves halved in 2011 when private pension wealth was transferred to the state; household claims equivalent to the transferred wealth was moved to other accounts receivable. However, this is a technical item, which will not grow but only decrease from this point onwards. The **liabilities** of households comprise mostly (at a rate of 82 to 86 percent) credit and loans. Loan debts decreased consistently between 2011 and 2016, and increased thereafter. Collectively, liabilities are equal to approximately 7 percent of assets, and 25 per cent of GDP.

Table 3.1

Household sector financial and non-financial assets, liabilities and net wealth based on national accounts statistics, stocks as at the end of the year, HUF billion

End of year stocks	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Residential property	41 507	41 049	39 619	38 402	39 687	44 247	49 939	56 574	66 408	80 340	85 918	100 013
Other property	3 194	3 142	3 007	2 927	3 035	3 404	3 864	4 371	5 140	6 250	6 627	7 657
Agricultural wealth	1 720	1 863	2 143	2 527	2 940	3 307	4 004	4 391	4 902	5 197	5 317	6 072
Machines, equipments	1 119	1 125	1 097	1 165	1 213	1 239	1 249	1 287	1 379	1 483	1 645	1 882
Inventory	141	143	143	141	146	140	151	151	156	155	160	174
Non-financial assets	47 681	47 322	46 009	45 162	47 021	52 337	59 207	66 774	77 985	93 425	99 667	115 798
Currency (cash holdings)	2 171	2 324	2 285	2 543	3 004	3 612	3 762	4 102	4 813	5 192	5 997	6 264
Bank deposits	7 798	8 357	8 386	7 650	7 640	7 878	8 205	8 570	9 742	10 456	12 424	14 209
Debt securities	1 591	1 726	2 134	2 752	3 052	3 756	4 530	5 307	6 017	8 335	9 393	10 304
Loans granted	1 155	1 224	1 274	1 302	1 487	1 585	1 765	1 862	2 031	2 281	2 509	2 819
Shares, equities	8 915	9 512	10 032	10 751	11 988	13 526	14 848	16 732	18 892	21 157	23 959	27 681
Investment fund shares	2 359	2 250	2 395	3 354	4 075	4 118	4 112	4 291	4 281	4 215	4 547	5 608
Insurance reserves	6 046	3 086	3 146	3 261	3 531	3 656	3 874	4 123	4 157	4 571	4 949	5 235
Financial derivatives	0	1	1	1	69	1	1	2	2	2	2	2
Other receiveables	1 182	4 021	4 171	4 211	4 237	4 357	4 642	4 726	4 871	5 001	4 955	5 779
Financial assets	31 217	32 501	33 826	35 824	39 083	42 488	45 740	49 714	54 806	61 208	68 735	77 901
Total assets	78 898	79 823	79 835	80 986	86 104	94 825	104 947	116 488	132 791	154 633	168 402	193 699
Loans received	10 804	10 657	9 166	8 552	8 382	7 356	7 252	7 296	7 653	8 807	10 073	11 606
Financial derivatives	3	5	2	1	4	1	2	6	2	2	3	4
Other liabilities	1 209	1 273	1 323	1 362	1 436	1 468	1 542	1 600	1 633	1 737	1 794	2 063
Total liabilities	12 016	11 934	10 492	9 916	9 822	8 826	8 796	8 902	9 288	10 546	11 870	13 674
Net worth	66 882	67 889	69 343	71 070	76 282	86 000	96 151	107 586	123 503	144 087	156 532	180 025

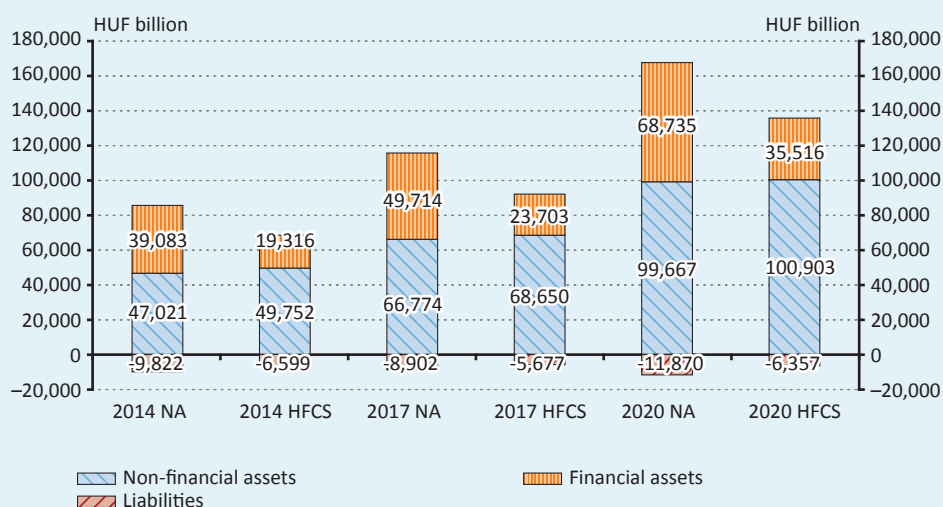
Note: The financial accounts do not include the (private) loans extended between households, and therefore the assets and liabilities are lower than in the surveys. Foreign real estate investments are shown as financial assets (other equity).

DISTRIBUTION OF HOUSEHOLD WEALTH BY SIZE OF WEALTH

The What Do We Live From? wealth survey (HFCS) is the only data source providing comprehensive information (covering all assets) regarding the composition of household sector wealth, and its distribution within the sector. The survey captures in full the macro economic value of non-financial assets but only in part that of financial assets and liabilities, to different degrees varying by instrument and by year. Since the prevalence and distribution of different assets varies across households, wealth coverage in the survey impacts on the accuracy of distribution measurement. For this reason, in this publication we use primarily **survey data adjusted to the financial accounts**.

Chart 3.1

Financial and non-financial assets as surveyed versus as shown in the national accounts in the years of the three waves of the household wealth survey (as per Tables 1.4 and 3.1)



In 2014, the HFCS survey managed to capture 106 percent of the stock of non-financial assets shown in the national accounts, followed by 103 percent in 2017 and 101 percent in 2020. HFCS coverage in the three waves was 49, 47 and 51 percent, respectively, for financial assets, and 64, 61 and 51 percent for liabilities. Survey data not adjusted to national (financial) accounts show lower wealth disparities than the adjusted data. This is due to the fact that the distribution of financial assets across households is much more uneven than that of non-financial assets, and so the increase in the proportion of financial assets increases the differences found. Based on data not adjusted to national accounts, the richest 10 percent (10th decile) of households held 48 to 51 percent of net wealth in the period, whereas they owned 51 to 55 percent of net wealth based on adjusted data.

According to adjusted data, **the household decile with the highest net wealth** held 36 percent of real assets, 66 percent of financial assets and 21 percent of liabilities at the end of 2014; at the end of 2017, these ratios stood at 41 percent, 69 percent and 22 percent, while at the end of 2020 they were again 36 percent, 66 percent and 19 percent. A large proportion of liabilities (22 percent at the end of 2014, 15 percent at the end of both 2017 and 2020) are observed in the bottom wealth decile of households, which is why aggregated net wealth is negative in this stratum, and liabilities exceed assets in value. Yet the number of households with negative net wealth decreased significantly in these years, which was attributable to the strong increase in asset values and the fall and subsequent moderate increase in liabilities.

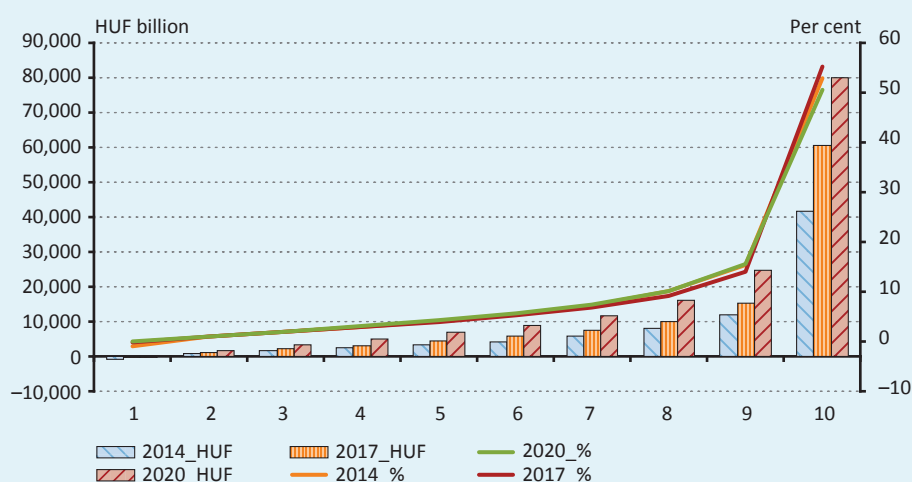
Table 3.2

Net wealth distribution across the household deciles defined by size of net wealth, based on data adjusted and not adjusted to the national accounts, in the three waves of the HFCS, percent

Percent	Not adjusted survey			Adjusted to financial account		
Deciles	2014	2017	2020	2014	2017	2020
10	49,6	51,2	47,7	52,9	55,2	50,6
9	16,5	15,4	16,2	15,3	14,0	15,6
8	11,0	10,3	11,0	10,1	9,2	10,1
7	7,9	7,6	8,1	7,3	6,9	7,4
6	5,9	5,8	6,1	5,4	5,2	5,7
5	4,4	4,3	4,7	4,1	3,9	4,3
4	3,1	3,0	3,3	3,0	2,9	3,2
3	1,9	1,9	2,0	2,0	1,9	2,0
2	0,7	0,7	0,9	1,0	0,9	1,1
1	-0,8	-0,3	0,0	-0,9	-0,2	-0,1
Total	100,0	100,0	100,0	100,0	100,0	100,0

Chart 3.2

Net wealth distribution across the household deciles defined by size of net wealth, expressed in value (HUF billion) and as a percentage of total net wealth, in the three waves of the HFCS

**Table 3.3**

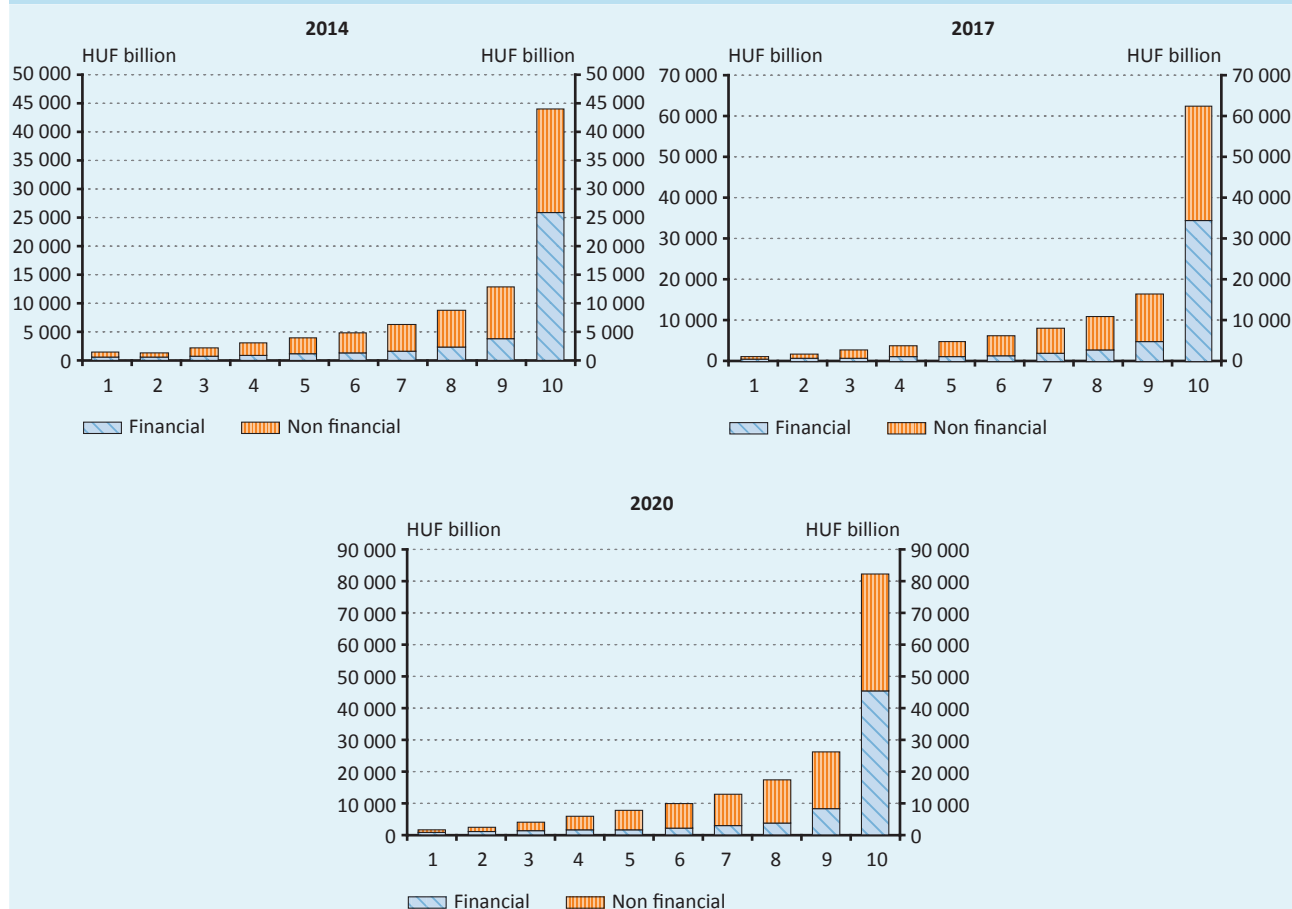
Average and median net wealth per household based on data adjusted and not adjusted to the national accounts

HUF million	Not adjusted survey			Adjusted to financial accounts		
Wealth indexes	2014	2017	2020	2014	2017	2020
Average net wealth	15,1	21,6	32,7	19,1	27,3	39,6
Median net wealth	7,8	10,6	17,4	8,9	12,3	19,7

The most valuable asset of households tends to be the **real estate serving as their residence**. 84 to 86 percent of households are owner-occupiers according to the wealth survey data. The aggregated value of these flats and houses stood at HUF 38,559 billion at the end of 2014 (77.5 percent of total non-financial assets), HUF 51,009 billion at the end of 2017 (74.3 percent per cent of total non-financial assets) and HUF 79,088 billion at the end of 2020 (78.4 percent per cent of total non-financial assets). For most households, non-financial assets represent the largest part of their wealth (both gross and net wealth). On average, financial assets are equal to half of non-financial assets in the lower wealth strata (deciles) and a third in the higher wealth strata. By contrast, financial assets dominate in the top wealth decile, where they represent 55 to 59 percent of assets.

Chart 3.3

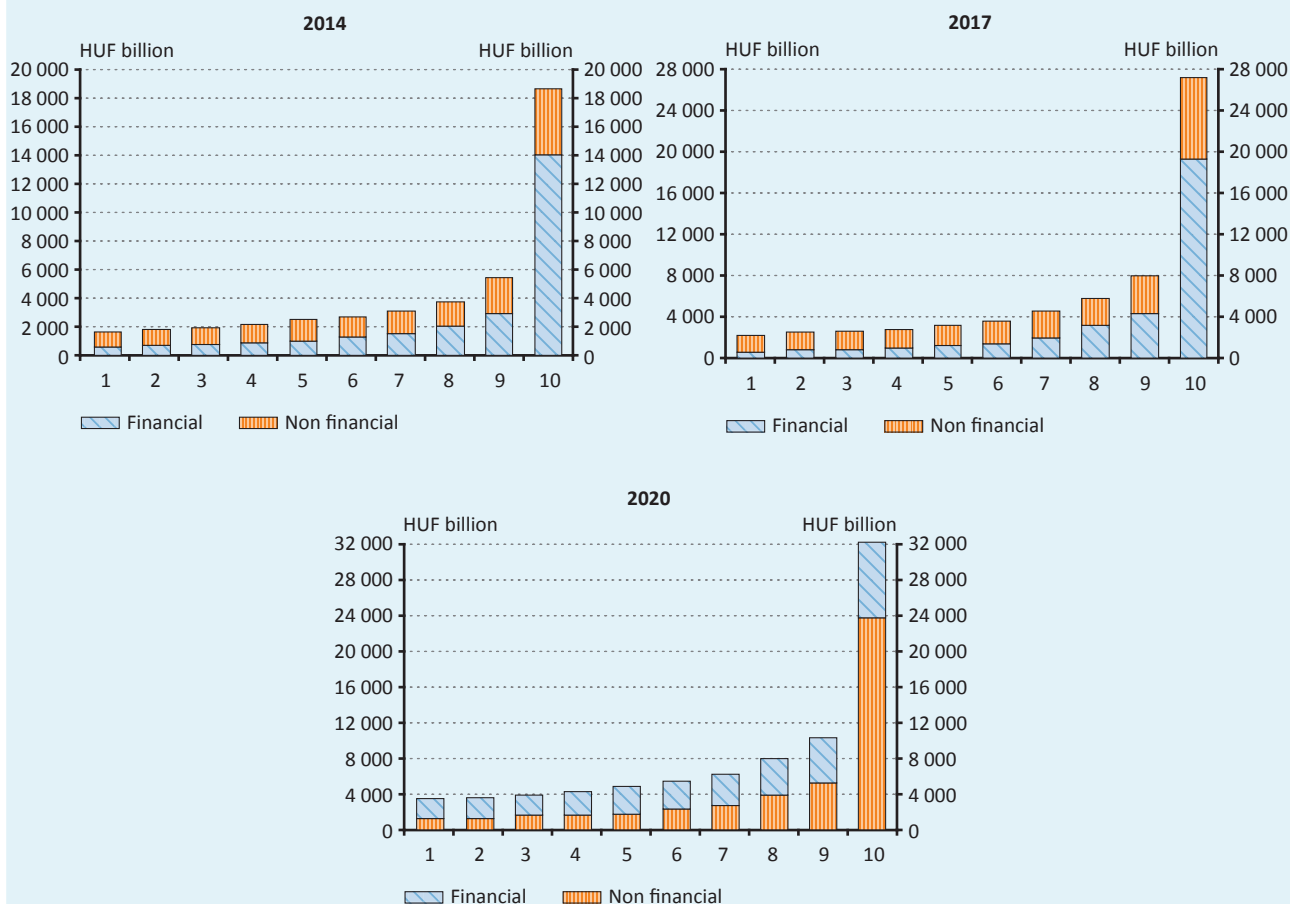
Distribution of non-financial and financial asset holdings in the wealth deciles defined by net household wealth in the three waves of the HFCS (adjusted data)



Besides non-financial assets, the lower wealth strata hold the **financial assets** of cash, deposits and other receivables; similarly to non-financial assets, these financial instruments are relatively evenly distributed across households. The top wealth strata of households is characterized by the higher percentage and value of their holdings of various securities, equity and insurance investments; these are the financial assets that make the category of financial assets dominant in the top wealth decile. Prominent within the **top wealth decile** of households is the **richest one percent** (40,000 households), which accounts for 40 to 44 percent of the stratum (approximately 400,000 households) and 20 to 24 percent of the entire sector (approximately 4 million households). This group holds 35 to 39 percent of the financial assets of the sector but only 9 to 12 percent of its non-financial assets. The financial assets of these households are dominated by equity (they account for 70 percent of the total holdings of the sector), while they also hold probably as much as 30 to 40 percent of investment fund shares and bonds.

Chart 3.4

Distribution of non-financial and financial asset holdings in the top wealth decile defined by net household wealth in the three waves of the HFCS (adjusted data)

**Table 3.4**

Distribution of non-financial and financial assets as well as gross and net wealth in the top wealth decile defined by net household wealth in the three waves of the HFCS

HUF billion	2014				2017				2020			
Top 1-10%	Real assets	Financial assets	Gross wealth	Net wealth	Real assets	Financial assets	Gross wealth	Net wealth	Real assets	Financial assets	Gross wealth	Net wealth
1%	4 648	14 002	18 649	17 683	7 923	19 373	27 296	26 708	8 512	23 689	32 201	31 768
2%	2 498	2 901	5 399	5 164	3 645	4 339	7 984	7 896	5 058	5 221	10 279	10 031
3%	1 811	2 014	3 825	3 684	2 660	3 143	5 803	5 662	4 022	3 907	7 929	7 558
4%	1 474	1 625	3 099	3 010	2 597	1 981	4 578	4 292	3 534	2 683	6 217	6 042
5%	1 357	1 370	2 727	2 629	2 187	1 384	3 572	3 463	3 149	2 312	5 462	5 256
6%	1 473	1 002	2 475	2 278	1 949	1 232	3 181	3 029	3 111	1 737	4 849	4 580
7%	1 357	838	2 195	2 047	1 787	980	2 767	2 655	2 669	1 649	4 318	4 142
8%	1 216	794	2 010	1 885	1 803	788	2 591	2 411	2 263	1 603	3 866	3 710
9%	1 084	746	1 830	1 727	1 736	779	2 515	2 296	2 271	1 302	3 573	3 410
10%	1 122	654	1 776	1 656	1 624	575	2 199	2 053	2 174	1 294	3 468	3 337
Total	18 039	25 947	43 986	41 765	27 911	34 575	62 485	60 465	36 763	45 398	82 162	79 835

THE PREVALENCE OF VARIOUS ASSETS IN HOUSEHOLDS

Table 3.5

Proportion of households holding certain assets in the deciles defined by net household wealth, based on the three waves of the HFCS, percent

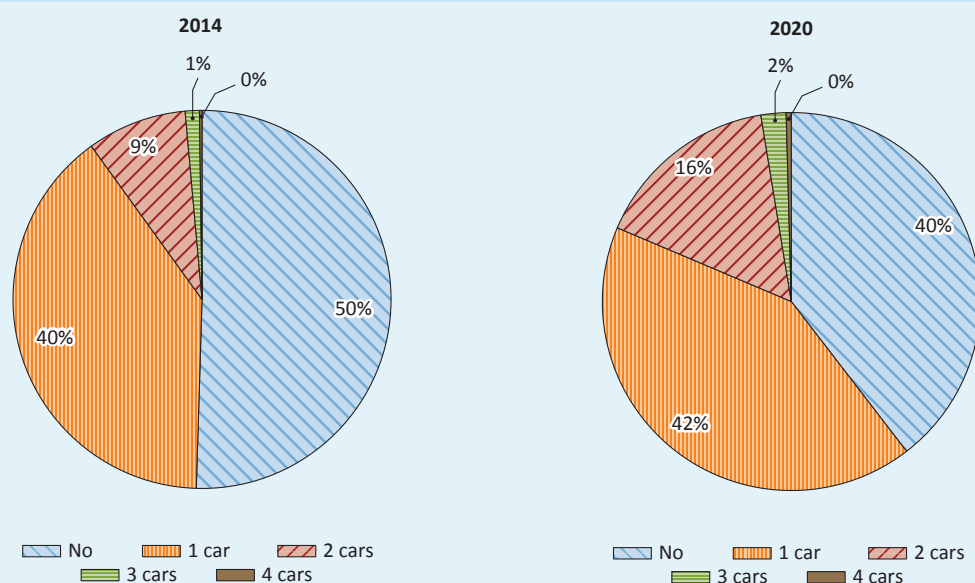
Percentage	Year	1	2	3	4	5	6	7	8	9	10	Total
Lives in own residence	2014	36,2	57,7	82,5	92,9	93,8	94,4	95,8	97,1	97,2	94,9	84,2
	2017	20,9	69,6	85,6	87,1	95,1	96,2	94,7	97,3	96,2	97,0	84,0
	2020	31,2	64,4	88,9	93,6	96,3	97,3	95,6	97,7	96,0	97,0	85,8
Owns other real estate property	2014	5,1	4,7	9,0	11,3	12,8	19,3	22,3	28,7	44,8	71,8	23,0
	2017	4,4	7,7	12,3	11,8	13,0	15,3	20,8	27,1	39,9	67,3	22,0
	2020	2,6	4,5	7,0	9,0	10,1	14,1	16,6	23,7	42,1	67,4	19,7
Lives in rented apartment	2014	38,9	22,5	10,5	2,9	4,9	3,5	2,2	1,9	1,5	4,4	9,3
	2017	57,7	20,9	7,9	7,4	3,4	2,3	3,3	1,4	2,8	2,2	10,9
	2020	45,2	25,0	7,0	4,4	2,0	1,4	3,9	1,5	2,2	2,0	9,5
Owns a car	2014	26,4	23,6	30,1	38,8	43,0	50,7	56,5	67,3	75,7	83,0	49,5
	2017	28,0	28,7	39,3	44,1	47,6	48,8	62,7	76,2	80,1	83,3	53,9
	2020	34,3	38,6	47,4	51,7	57,5	67,1	66,5	74,4	81,7	85,2	60,4
Owns a current account	2014	76,6	73,5	73,8	73,6	82,8	81,8	85,7	89,1	93,4	98,2	82,9
	2017	68,1	69,2	76,1	76,6	80,3	84,1	88,1	93,5	97,1	98,8	83,2
	2020	81,2	83,1	81,5	82,1	86,6	89,9	91,8	94,7	96,5	99,2	88,7
Owns bonds	2014	0,9	0,6	1,1	1,6	2,2	2,5	5,0	7,0	13,5	38,9	7,3
	2017	0,4	0,7	2,1	2,7	2,7	2,4	8,1	7,2	12,7	36,5	7,6
	2020	1,1	1,9	2,7	2,0	1,4	4,7	7,6	8,6	24,1	38,4	9,3
Owns investment funds	2014	0,4	0,3	0,7	0,6	0,7	2,8	5,2	7,4	13,8	41,9	7,4
	2017	0,1	1,2	0,6	0,7	1,7	2,3	2,8	6,0	12,1	33,2	6,1
	2020	0,0	1,1	1,0	0,9	0,2	0,9	2,5	3,7	11,6	24,7	4,6
Owns listed shares	2014	0,2	0,0	0,1	1,0	0,2	0,5	0,4	1,0	2,3	7,6	1,3
	2017	0,0	0,0	0,0	0,0	0,6	0,1	0,2	0,5	1,6	8,5	1,2
	2020	0,2	0,4	0,6	0,2	0,1	0,3	1,4	2,1	3,3	12,3	2,1
Owns other equities	2014	1,8	0,2	1,5	1,0	3,0	2,7	3,5	5,8	14,4	37,3	7,1
	2017	0,5	0,4	0,5	2,7	2,2	2,3	3,0	5,7	14,3	35,5	6,7
	2020	1,7	1,8	3,6	3,5	4,3	6,3	10,4	9,7	16,2	41,5	9,9
Self-employed	2014	1,0	0,5	2,9	2,7	3,6	4,6	5,9	9,1	9,7	14,0	5,4
	2017	2,7	2,3	3,9	4,7	3,8	6,0	7,1	10,5	16,7	15,9	7,4
	2020	5,6	4,0	4,0	3,9	5,1	7,1	12,5	14,3	16,6	15,3	8,9
Has insurance claims	2014	4,2	4,8	5,8	7,5	10,1	9,4	16,3	21,6	26,7	46,5	15,3
	2017	4,2	4,8	6,5	7,8	10,5	11,2	19,3	25,3	30,0	46,6	16,6
	2020	7,2	5,9	5,7	7,8	11,5	14,9	18,0	21,6	37,1	46,7	17,7

84 to 86 percent of Hungarian households own the **residential property** in which they live, 9 to 11 percent are renters and 5 to 7 percent use the property on a courtesy basis, as indicated by the results of the household wealth surveys. The comprehensive census data show a higher rate of owner-occupiers at around 90 percent, and a lower proportion of households renting their home. 20 to 23 percent of households own real estate in addition to their home. 2 to 3 percent of households own real estate but are not owner-occupiers. Possession of real estate is increasingly prevalent as wealth grows; in the top wealth strata, approximately 97 percent of households are owner-occupiers, and a large percentage also own other real estate.

The proportion of **households owning a vehicle** rose steeply, from 50 percent to 60 percent between the end of 2014 and 2020. This increase applied in all household strata but its rate was significant only in the lower wealth strata. According to 2020 household wealth survey data, private individuals owned 3,287,000 cars at the end of the year; this represented 2,408,000 households and a total value of HUF 4,650 billion. (On average, car owner households had 1.4 vehicles, and the average value of vehicles was almost HUF 2 million.) At the end of 2014, the survey found 2,526,000 privately owned cars worth a total of HUF 2,191 billion, at 2,044,000 households. (At the time, the households concerned owned 1.2 vehicles on average, and the average value of these was below even HUF 1 million.)

Chart 3.5

Proportion of households owning versus not owning a car, at the end of 2014 and 2020, based on HFCS data



A large proportion of the cars owned by private individuals are treated as consumption articles in the national accounts according to their methodology, and are therefore not included in capital formation or the macroeconomic statistical wealth of households. Only the vehicles used for business purposes are classified as assets; however, they are not easy to identify and represent a low proportion of the total number of privately owned vehicles. According to the data from the What Do We Live From? survey, of the 2,044,000 households that had a car at the end of 2014, 187,000 households conducted self-employed business activities; at the end of 2020, 321,000 households of the 2,408,000 that owned cars operated a business of any kind. At the end of 2017, 2,157,000 households owned one or more cars; of these, 259,000 households had some sort of self-employment business activities as well. For this reason, this publication considers all the surveyed vehicles as consumption articles, and the purchasing of a vehicle as consumption spending. In 2014, 213,000 households reported buying or replacing a car in the previous year; the relevant figure was 260,000 in 2017 and 293,000 in 2020.

In **financial assets**, the most widely held category is cash, which, in all likelihood, may be found in all households. In addition, 83 to 89 percent of households had (at least one) bank account (current account, deposit) according to the wealth survey data; the prevalence of fixed deposits is much lower, however (cf. also Table 1.15). A wider range of households also had life insurance and pension fund savings, which were held by 15 to 18 percent of households in the period under review. All other forms of investment concerned a more limited range of households, with 7 to 9 percent of Hungarian households probably holding various bonds (government securities and other bonds), while a similar percentage of households may have held shares and other equity investments in the period between 2014 and 2020.

4 Residential Properties and Other Real Estate Owned by Households

In general, the real estate owned by a household is the most valuable of all its assets; real properties are the most important assets in the household sector. The What Do We Live From? wealth survey asks about the existence and value of all kinds of real estate (residential real estate, vacation home, industrial, commercial or other business real estate, garage, plot, forest, other land, homestead, farm, family farm); however, the level of detail and the quality of the data is such that it limits the examination of characteristics mainly to the residential real estate (the home).

Table 4.1

Number of different types of real estate owned by households and number of owner households as at the end of the year, based on the three waves of the HFCS, thousand items

Number of owners, thousand	Number of real estates			Number of owner households		
Types of real estate	2014	2017	2020	2014	2017	2020
Residential property (flat, house, vacation home)	4 277	4 161	4 281	3 559	3 461	3 485
Industrial, commercial or other business real estate	31	30	27	29	28	25
Separate garage	79	79	60	74	74	55
Plot, forest, agricultural land	222	314	120	205	234	101
Family farm, farm, homestead	52	42	35	49	38	34
Real estate total, Household total	4 661	4 626	4 523	3 575	3 481	3 489

87 to 88 percent of Hungarian households own real estate of some kind (land or an immovable property standing on the land). Within this, 86 to 87 percent of households own residential real estate (apartments, houses, vacation homes). The number of properties surveyed constantly decreased between 2014 and 2020, and, similarly, the number of observed households (extrapolated to total population) also fell across the surveys (cf. Table 1.2). Updated census data indicate that there may have been 4,415,000 properties in Hungary at the end of 2014, 4,440,000 at the end of 2017 and 4,501,000 at the end of 2020 (Table 4.2). The number of occupied homes (and vacation homes) was significantly lower. The What Do We Live From? wealth survey can observe occupied homes as well as occupied and not occupied homes owned by private individuals; unoccupied institutional (municipal, corporate) and foreign-owned residential properties are not covered by the survey. In the following, therefore, we present the characteristics of residential real estate owned by households and/or serving as residences for households.⁸

Table 4.2

Number of residential properties based on housing statistics (HCSO) and the three waves of the household wealth survey (HFCS), thousand items

Number of residential properties, thousand	2011*	2014	2017	2020	2022*
Total number of residential properties	4 390	4 415	4 440	4 501	4 581
Total number of occupied residential properties	3 912	3 870	3 879	3 936	4 009
Total number of residential properties owned by private individuals	4 208	4 234	4 260	4 322	4 403
Total number of occupied residential properties owned by private individuals	3 769	3 727	3 737	3 795	3 869
Total number of occupied residential properties, HFCS		4 128	4 004	3 983	
Total number of occupied residential properties owned by private individuals		4 277	4 161	4 281	

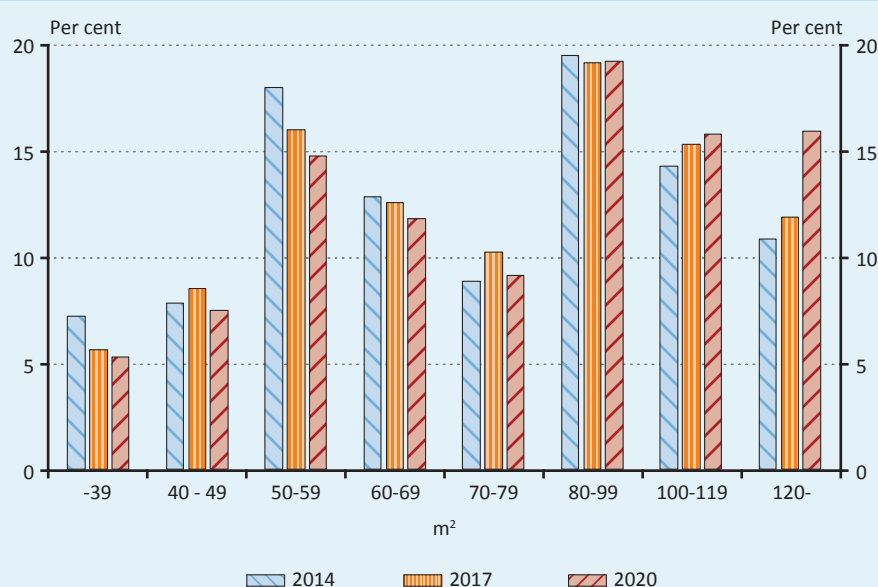
* Census data, the intervening years are estimates.

⁸ The observation range of real estate owned by households may be considered precise, but the range of properties serving as residences for households may be overestimated by a few per cent. This is due to the inaccuracy in identifying co-ownership and separating multiple households living at the same address.

CHARACTERISTICS OF REAL ESTATE USED FOR RESIDENCE

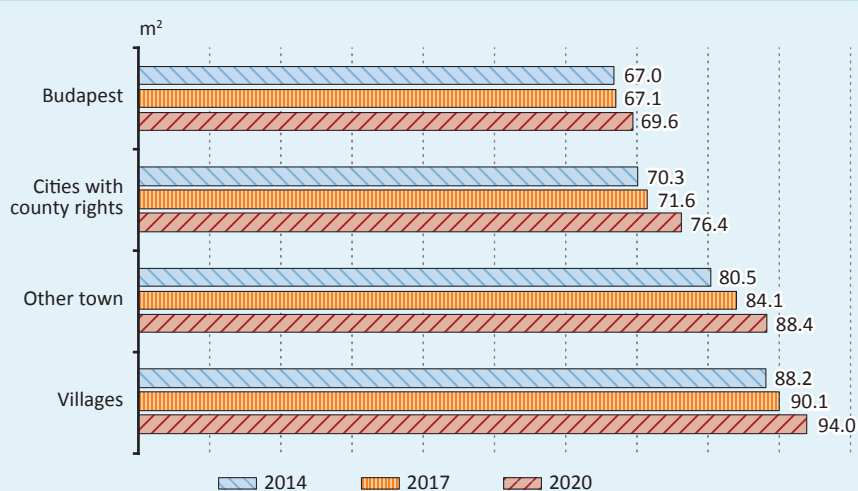
The **average floor area of the homes occupied** by households grew steadily, from 78 m² in 2014 to 80 m² in 2017 (also 80 m² in 2015, according to the HCSO's What Do We Live In? survey) and 84 m² in 2020. The same trend is seen in terms of the distribution of homes by size, where the proportion of smaller homes decreased between 2014 and 2020 and the proportion of homes with a larger floor area increased within the total housing stock.

Chart 4.1
Distribution of occupied homes by size based on the three waves of the HFCS survey



In terms of **settlement types**, average home size is smallest in the capital and largest in villages; however, by 2020 its value had grown compared to 2014 data in all the categories, with the most significant degrees of change occurring in other towns and cities, i.e. urban settlements other than the capital and cities with county rights.

Chart 4.2
Average floor area of occupied homes by settlement type, based on the three waves of the HFCS



In the What Do We Live From? wealth survey, households declared **the value of the properties they owned**. These responses were also used as a basis for estimating the **value of homes occupied** (in any arrangement). This revealed that the average value of occupied homes more than doubled by the end of 2020, rising to HUF 23.3 million from HUF 11.5 million at the end of 2014. This increase matches the growth captured by the consolidated housing market price index, which is published by the HCSO and is based on all transactions on the housing market.

House prices reveal relatively large differences across the regions. The average price of a home is highest in Budapest, and has been lowest recently in the counties Jász-Nagykun-Szolnok and Borsod-Abaúj-Zemplén.

Chart 4.3

Average value of real estate occupied by households, by county, at the end of 2020, HUF million

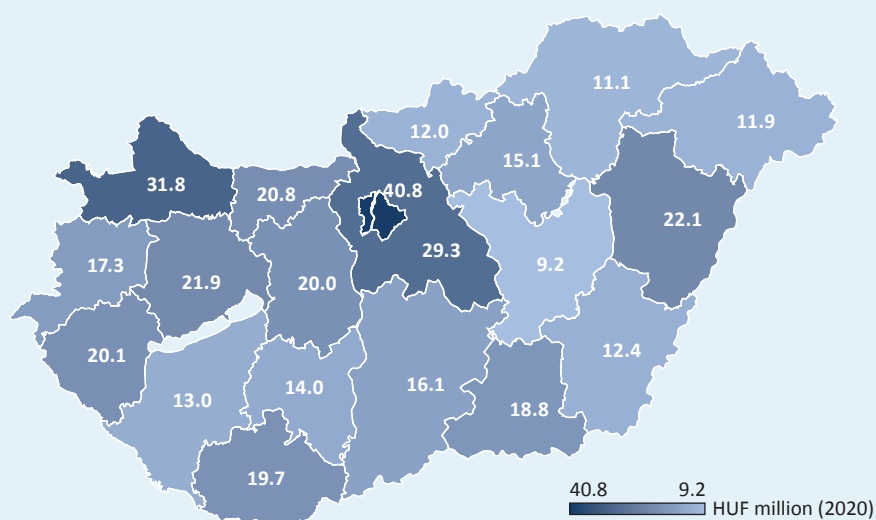


Table 4.3

Changes in the average value of occupied homes based on the three waves of the HFCS, HUF million

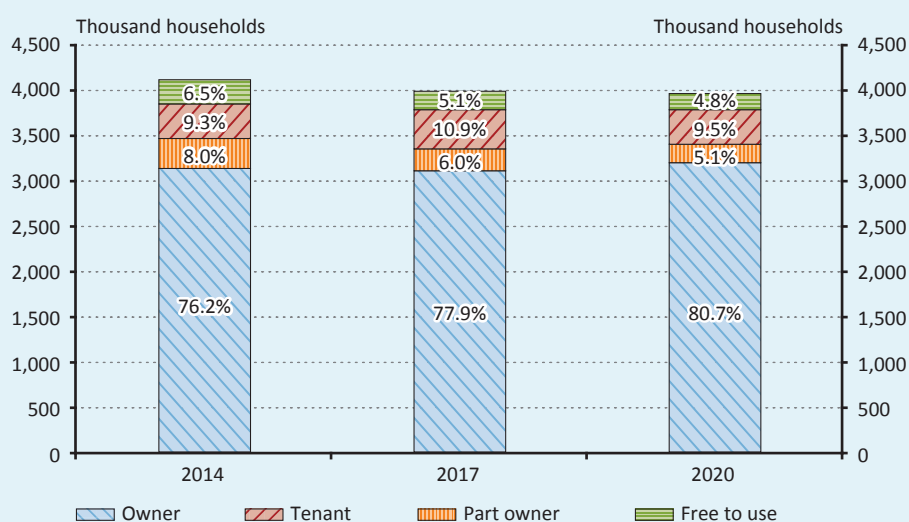
County	2014	2017	2020	County	2014	2017	2020
Bács-Kiskun	7,3	11,6	16,1	Jász-Nagykun-Szolnok	5,4	7,7	9,2
Baranya	6,8	12,0	19,7	Komárom-Esztergom	10,0	13,3	20,8
Békés	7,7	7,7	12,4	Nógrád	5,7	8,3	12,0
Borsod-Abaúj-Zemplén	8,0	7,1	11,1	Pest	15,8	20,8	29,3
Budapest	17,8	26,9	40,8	Somogy	12,3	10,4	13,0
Csongrád-Csanád	8,1	11,8	18,8	Szabolcs-Szatmár-Bereg	8,5	8,5	11,9
Fejér	10,4	13,2	20,0	Tolna	8,8	10,4	14,0
Győr-Moson-Sopron	14,0	17,0	31,8	Vas	10,7	15,5	17,3
Hajdú-Bihar	9,4	13,4	22,1	Veszprém	11,4	15,1	21,9
Heves	11,9	12,3	15,1	Zala	9,8	11,5	20,1

The survey results also show that size of home and settlement type are also determinants of property value. The market value of a property rises with the increase in the size of the home and the size of the settlement.

The **proportion of owner-occupied homes** was between 84 and 86 percent, and those occupied by tenants was around 10 percent in the period between 2014 and 2020 according to the results of the household wealth survey. In 2014, 84.2 percent of homes were occupied by their owners; this changed to 85.8 percent by 2020. The proportion of **homes occupied by tenants** was 9.5 percent in 2020, representing minor growth compared to 2014 and a decrease versus 2017.

(The decrease in the proportion of owner-occupier households and the increase in the proportion of persons living in rented properties in 2017 is largely due to an error in the surveys.)

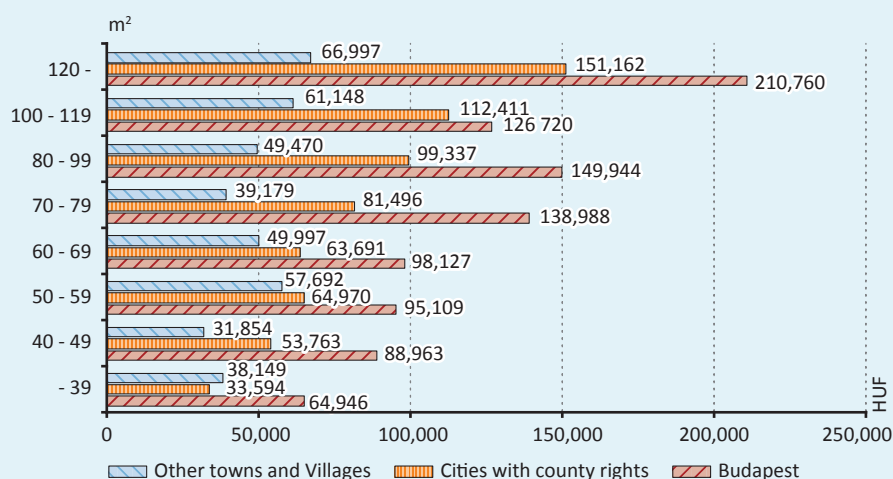
Chart 4.4
Distribution of homes occupied by households by grounds for occupancy, based on the three waves of the HFCS, percent



At the end of 2020, owner-occupiers were most dominant in villages, where 92.2 percent of residential real estate was occupied by their owners; the figure was only 76.3 percent in Budapest. By contrast, the largest number of properties occupied by tenants were found in the capital; these represented over 17 percent. The smaller the settlement, the lower the proportion of rented homes; the indicator stood at 16 percent in cities with county rights, at 6 percent in other cities/towns, and 3 percent in villages. Where persons occupy their home for free, the owners are typically their relatives, or the occupiers hold usufruct rights. According to the responses of survey participants, only 0.3 percent of all homes that are occupied on a courtesy basis are not provided by the person's relatives; these homes tend to be accommodation available under service, work or sports arrangements.

Average **rents** paid by tenants more than doubled between 2014 and 2020 and exhibited relatively large variance in the wealth survey data in all the years surveyed. The data capture the principles followed in the pricing of sublets; overall, rents are the highest in the capital and tend to rise as the size of the property increases.

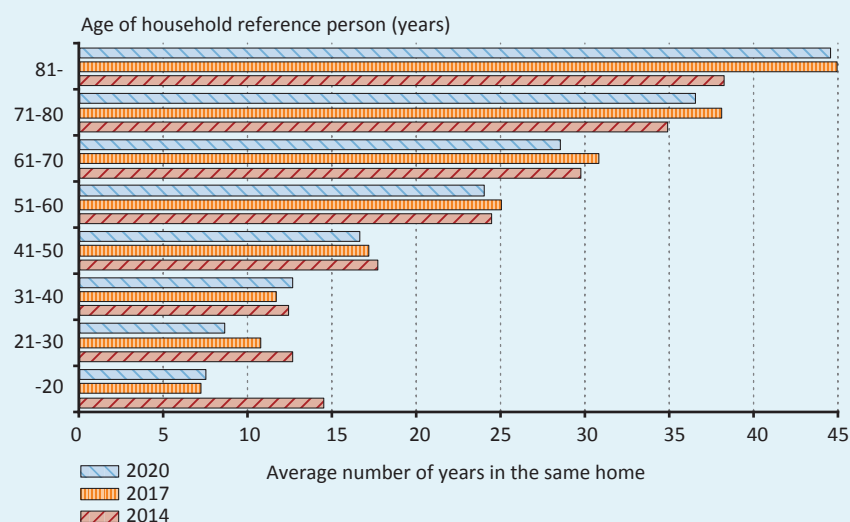
Chart 4.5
Average monthly rent paid by tenants, by settlement type and property size, in 2020



The legal title of occupancy is a fundamental determinant of how long the occupants' housing needs are served by their current residence. On average, owner-occupier households moved to their property more than 24 years previously, while tenants had been living for just over 7 years only in the property they were occupying during the survey.

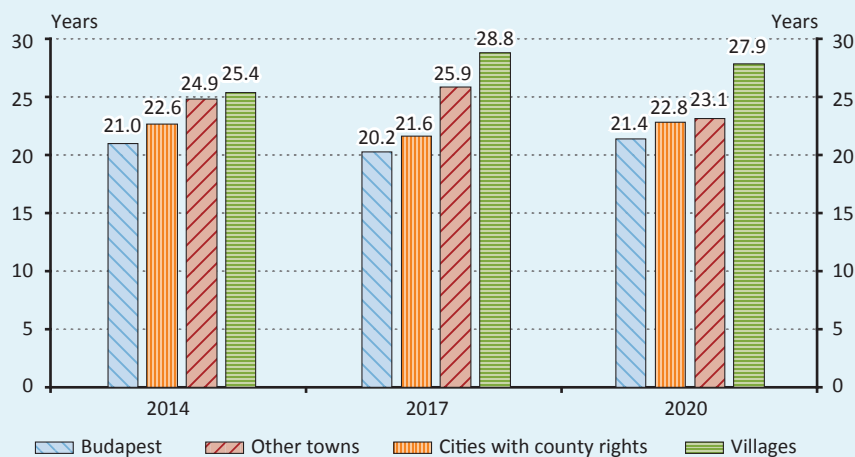
Although the What Do We Live From? surveys are not intended as data collections on housing mobility, since the questionnaires only included questions on the home occupied by the households at the time of asking; nevertheless, the survey data also reflect the **low housing mobility**. A comparison of the age of the reference person and the average number of years as owner-occupier in the same home up to the survey date shows that moving to a new home is not typical above the ages of 30 to 40.

Chart 4.6
Average number of years spent in same owner-occupied home up to survey date, categorized by age of reference person, based on the three waves of the HFCS



When **examining** the time lived in the current residence **by settlement types**, it becomes clear that **housing mobility rises with the increase in the size of the settlement**. In all three years of the wealth survey, owner-occupiers had been living in their current home for the longest in villages, and the average number of years spent in a given home is the lowest in the capital.

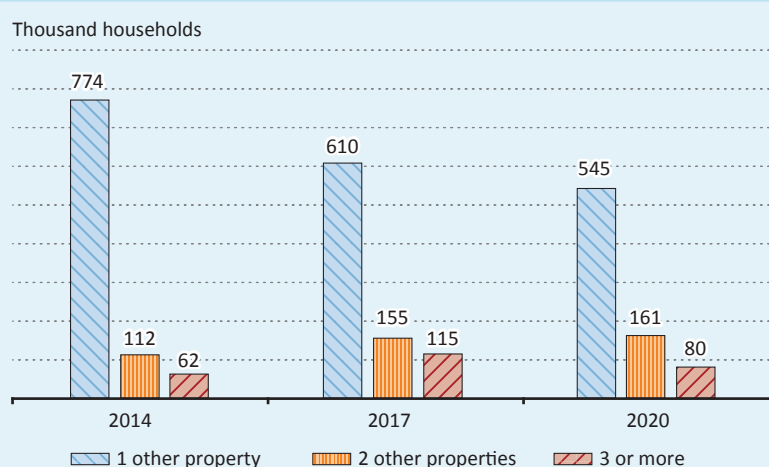
Chart 4.7
Average number of years spent in the same owner-occupied home, by settlement type, based on the three survey waves of the HFCS



REAL ESTATE OWNED BY HOUSEHOLDS IN ADDITION TO THEIR RESIDENCE

In addition to the property serving as their residence, 23 percent of households (948,000 households) also had other properties at the end of 2014; the ratio was 22 percent (880,000 households) at the end of 2017, and 20 percent (785,000 households) at the end of 2020. Most of this other real estate was residential real estate (detached houses, flats, or vacation homes), used mainly for holidaying and other private purposes. 16 to 17 percent of households own residential real estate other than their residence according to the data of the household wealth surveys. At the end of 2020, nearly 14 percent of households (15 percent at the end of 2017 and 19 percent at the end of 2014) owned real estate other than their residence; 4 percent owned two and 2 percent owned three or more such other properties. The average value of other properties was HUF 17.5 million at the end of 2020 according to the responses to the questionnaire.

Chart 4.8
Number of households owning one, two, or three or more other properties, based on the three waves of the HFCS, thousand households



At the end of 2020, 0.8 percent of households (32,000 households) owned **properties abroad**, at an average value of HUF 27.9 million (total value of HUF 883 billion), according to the wealth survey data. More than 40 percent of the households that also owned real estate abroad lived in homes in the capital worth far above the average, and a third of them owned at least one other additional property. At the end of 2017, half a percent of households (20,000 households) declared ownership of a property abroad; their total value was HUF 879 billion.

REAL ESTATE AS LOAN COLLATERAL, MORTGAGE LOANS ON PROPERTIES

In terms of the **mortgage loans** closely associated with real properties, 16.6 percent of households (661,000 households) had debt secured with a real property owned by the household at the end of 2020; the average amount of these loans was a little over HUF 8 million. At the end of 2017 and 2014, 17.5 and 20.1 percent of households (700,000 and 831,000 households, respectively) had a mortgage; the average loan amount was HUF 6.2 million and HUF 5.9 million, respectively. The proportion of households with multiple mortgage-based debts decreased from 11 per cent to 8 per cent over the period of six years. Within mortgage loans, **housing loans** dominated in all three years, and the survey data also indicate that the proportion of households with a home equity loan decreased significantly between 2014 and 2020. By definition, average loan amounts increased in both housing and other mortgage loans.

The results of the What Do We Live From? wealth survey indicate a gradual decrease in the number of mortgage loans outstanding in the period under review. The aggregated value of loan debts also decreased, but only until 2016, when it started to rise. As a ratio of the total number of properties owned by households, the number of mortgage loans decreased from 20 percent to 16 percent between the end of 2014 and 2020, while aggregated loan debt contracted from 10 percent of aggregate property value to 5 percent as the average property value doubled. As a result, of the total number of borrower households, the proportion of households with mortgage loan debt in excess of the aggregate value

of their properties halved, from 13 percent to 6 percent. (109,000 households were affected at the end of 2014, 63,000 at the end of 2017, and 40,000 at the end of 2020.)

Table 4.4

Number and total value of properties owned by households and their mortgage loan debt based on the three waves of the HFCS

Number and total value of properties and mortgage loans	Number of pieces, thousand pieces			End of year stocks, billion HUF		
	2014	2017	2020	2014	2017	2020
Real estate owned by households	4 661	4 626	4 523	48 161	66 527	98 492
Households' mortgage loans	925	774	717	4 917	4 316	5 309
Real estate serving as collateral	853	728	685	10 555	12 738	17 207

Note: Maximum 3 real estates and 5 mortgage loans can be distinguished by households in HFCS

18 percent of the different pieces of real estate owned by households served as collateral for their mortgage loans at the end of 2014. The **proportion of encumbered properties** decreased to 16 percent by the end of 2017 and stood at 15 percent at the end of 2020 based on the wealth survey data. Total debt was equal to 47, 34 and 31 percent, respectively, of the aggregate value of the relevant properties in these years. A comparison of loan debt amounts to the value of the collateral properties reveals that debt exceeded the value of the collateral property in the case of 122,000 households (nearly 15 percent of debtors) at the end of 2014, over 10 percent of debtor households (74,000 households) at the end of 2017, and about 49,000 households (over 7 percent of debtor households) at the end of 2020. The aggregated value of mortgage debt (as debtor or co-debtor) amounted to HUF 487 billion at the end of 2014, HUF 352 billion at the end of 2017 and HUF 214 billion at the end of 2020, according to the wealth survey data.

Real estate serving as collateral for mortgage loans represent varying proportions of the properties owned by households in the different household groupings defined by various criteria. In terms of geographical differences, the proportion of encumbered properties is far above the average (15 percent at the end of 2020) in the counties Baranya, Fejér, Pest, Vas and Zala, and well below it in the counties Jász-Nagykun-Szolnok, Komárom-Esztergom and Somogy (Chart 4.9). The average value of encumbered properties is somewhat higher than the average value of the real properties of households (HUF 25.1 million and HUF 23.3 million at the end of 2020), but the differences in terms of geographical breakdown are not significant. As for the age distribution of households, 26 to 27 percent of young households had real estate serving as collateral for a mortgage loan at the end of 2020, while the proportion of debtor households and encumbered properties gradually decreases in the older age groups (Chart 4.10). The proportion of households with mortgage debt was highest in the 36-to-45 age group with a highest (30 percent); the average for this age group was as high as 1.17 properties per household. The number of properties per household is highest for those aged 46 to 55 (1.29 properties), even though there are fewer encumbered properties and debtors in this age group. In older age groups, the number of properties owned by the households falls instead of rising as age increases.

Table 4.5

Number of households, properties owned and properties encumbered, in household groups defined by age of reference person, in the three waves of the HFCS survey, thousand

	Composition of household	Age of the reference person of households						Total
		age 18-35	age 36-45	age 46-55	age 56-65	age 66-75	above age 75	
2014	Number of households , thousand	599	795	749	890	671	424	4 128
	Number of real estate properties, thousand	510	921	924	1 116	757	434	4 661
	Proportion of encumbered properties, thousand	148	292	189	166	51	8	853
2017	Number of households , thousand	579	784	814	757	621	450	4 004
	Number of real estate properties, thousand	464	913	1 074	956	742	476	4 626
	Proportion of encumbered properties, thousand	106	261	207	105	39	10	728
2020	Number of households , thousand	515	761	841	769	638	459	3 983
	Number of real estate properties, thousand	397	887	1 085	919	740	495	4 523
	Proportion of encumbered properties, thousand	104	236	200	114	28	5	686

Chart 4.9

Chart 4.5
Proportion of real properties securing mortgage loans versus various real estate items owned by the households at the end of 2020, based on HFCS results, percent

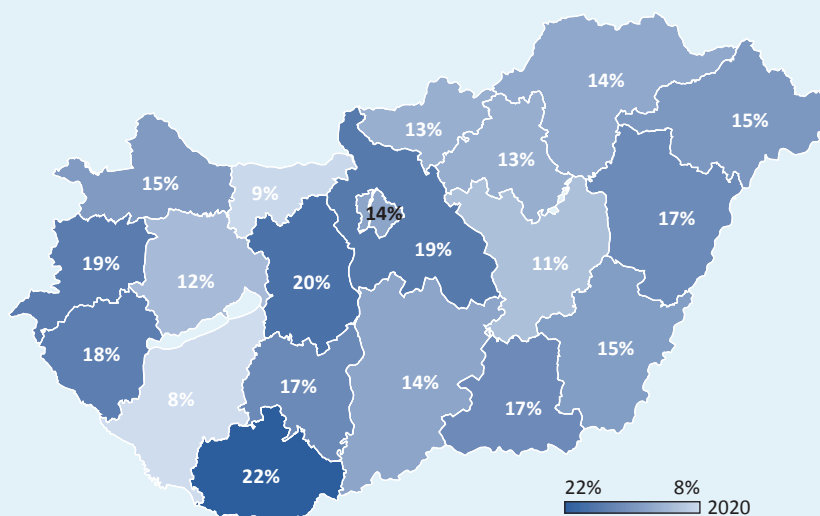
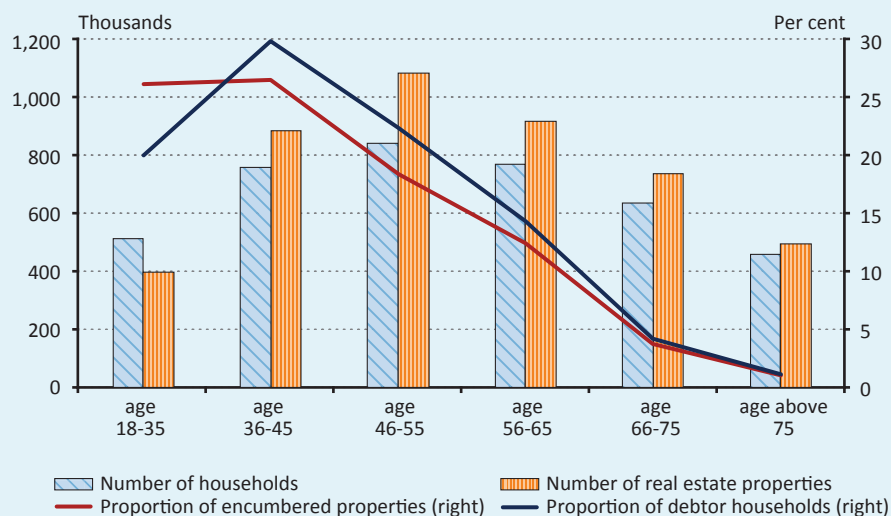


Chart 4.10

Number of households and real estate properties, also ratio of encumbered properties to debtor households in household groups defined by age of reference person, at the end of 2020, based on the HFCS

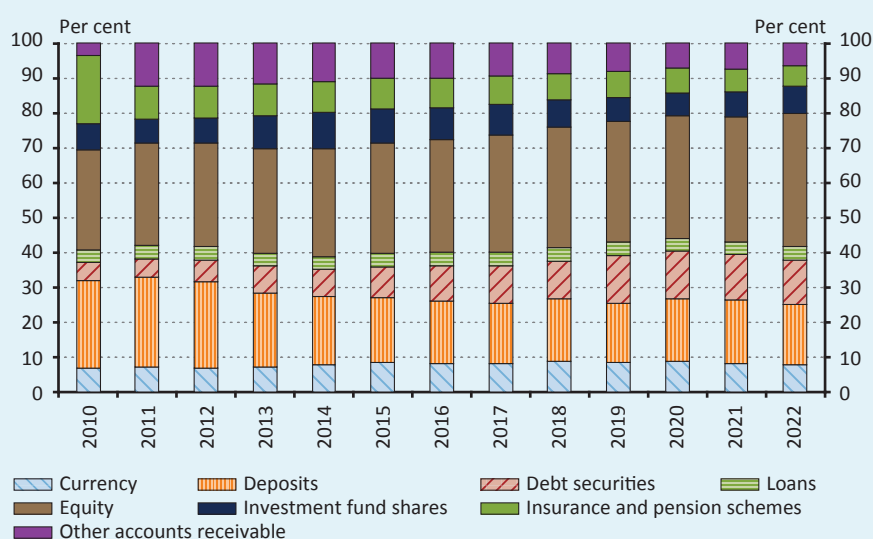


5 The Financial Assets of Households, by Type

For the purposes of analysis, the financial assets of households may be subdivided according to the national accounts methodology into **currency and deposits** (bank accounts and term deposits), **debt securities** (bonds), loans given (credit granted), **equity investments** (corporate shares and other equity), **investment fund shares**, **insurance technical reserves** (life and non-life insurances, pension claims), and **other receivables** (receivables related to incomes) (cf. Table 3.1).⁹ With the exception of other receivables and some loans granted, the What Do We Live From? household wealth survey observes all types of financial assets of households. This publication presents the data from the survey after adjustment to the macro data (the financial accounts) (adjusted by instrument); the adjustment process also involved supplying the missing instruments.

According to macroeconomic statistical data, the financial assets of the household sector account for 40 to 45 percent of its gross wealth. Equity holdings represent a gradually increasing proportion of financial assets (29 percent at the end of 2010, 38 percent at the end of 2022); this instrument ensures that financial assets grow at a similar rate as non-financial assets within the total wealth of households. Within financial wealth, the proportion of debt securities (bonds, treasury bills) is also rising, whereas the weight of deposits, insurance technical reserves and other receivables has fallen (Chart 5.1).

Chart 5.1
Household sector financial asset structure based on year-end data from the financial accounts, percent



⁹ Claims from financial derivatives are small in the case of households and are therefore categorized here under other receivables.

DISTRIBUTION OF FINANCIAL ASSETS ACROSS HOUSEHOLDS, BY SIZE OF WEALTH

In the majority of households, the value of financial assets is well below that of non-financial assets. In three quarters of all households, financial assets account for a smaller proportion of wealth than non-financial assets. As wealth rises, the proportion of financial assets also tends to rise within total wealth; the wealth of the richest households is normally dominated by financial assets. The financial assets of the majority of households comprise mainly cash, deposits (bank accounts) and other receivables. Holding various securities (bonds, investment fund shares) and equity holdings (shares, other equity) becomes a priority only in the wealthy household strata. Both prevalence and value of non-financial assets (real estate) is small in the bottom wealth strata, which is why financial assets dominate the wealth of these households (Table 5.1, Chart 5.2).

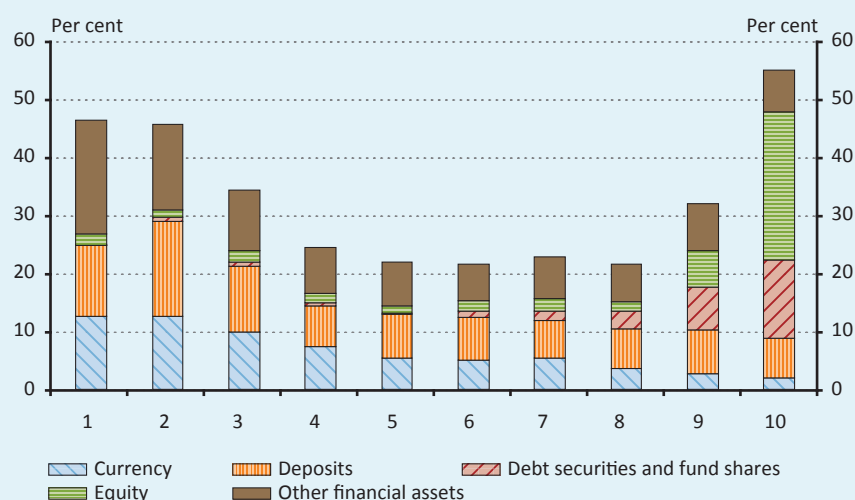
Table 5.1

Gross household wealth by asset type, in household deciles defined by size of net wealth, at the end of 2020, based on the HFCS, HUF billion

Deciles	Currency	Transferable deposits	Other deposits	Investment fund shares	Debt securities	Listed shares	Other equity	Insurance technical reserves	Loans	Other accounts receivable	Non-financial assets
10	1 705	3 825	1 785	4 009	7 056	1 071	20 143	2 389	2 229	1 187	36 763
9	694	1 301	699	387	1 532	37	1 632	1 151	214	732	17 706
8	635	815	358	96	436	26	256	491	54	569	13 537
7	700	623	214	30	183	9	280	340	69	501	9 926
6	494	557	176	8	99	3	161	197	25	406	7 655
5	412	444	141	0	17	0	96	173	16	392	5 994
4	441	353	58	6	32	0	97	86	18	367	4 457
3	397	377	82	9	19	2	80	42	13	360	2 625
2	311	350	55	2	16	0	30	40	13	311	1 325
1	216	188	22	0	3	0	31	39	13	287	914
Total	6 005	8 834	3 590	4 547	9 393	1 148	22 804	4 949	2 664	5 111	100 903

Chart 5.2

Proportion of main financial asset types within the gross wealth of households, in household deciles defined by net wealth, at the end of 2020, based on the HFCS, percent



DISTRIBUTION OF FINANCIAL ASSETS ACROSS HOUSEHOLDS, BY AGE OF

REFERENCE PERSON

In general, wealth is modest in **young households** (the average gross wealth of households with a reference person between 18 and 35 years of age was HUF 24 million at the end of 2020); their real assets and financial assets are both low, while deposits represent a high proportion of their financial assets. In general, **middle-aged households** are the wealthiest (the average gross household wealth of households with a reference person between 46 and 55 years of age was HUF 56 million at the end of 2020); their financial assets are high due to their equity holdings. Above this age group, average household wealth decreases as age increases, and the weight of financial assets (equity holdings) also decreases gradually. In **older age groups**, cash and securities tend to dominate financial assets.

Chart 5.3

Proportion of the main financial asset types within the gross wealth of households, in household groups defined by age of reference person, at the end of 2020, based on the HFCS, percent



The uneven distribution and concentrated presence of financial instruments within the household sector facilitate an examination primarily of total financial wealth, and its dominant components and instruments. Such financial instruments of dominant weight are household holdings of cash, deposits and equity holdings; their prevalence and distribution data are presented after the general description of financial assets. Chapter 7 on households with children and Chapter 8 on financial literacy and financial awareness contain further information about the availability, prevalence and value of certain asset types in the different types of households.

CHARACTERISTICS OF CASH HOLDINGS

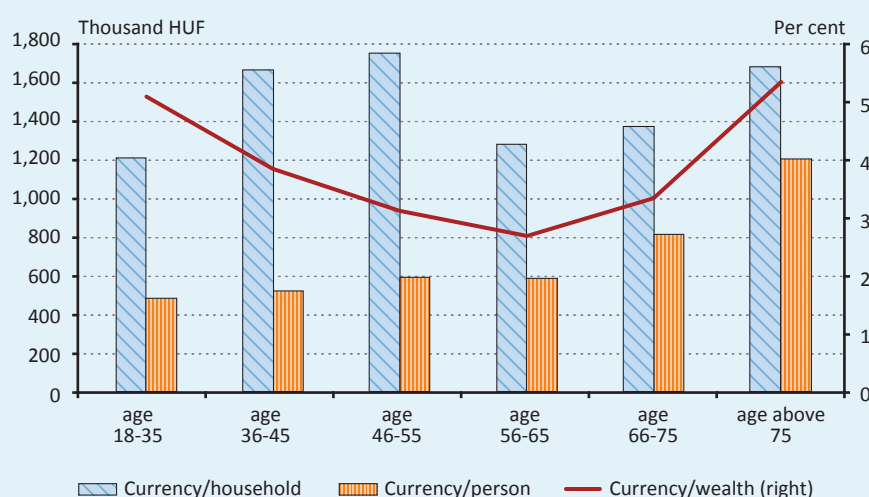
The household sector holds over 80 percent of the Hungarian forint and foreign currency in circulation in this country. At the end of 2014, the sector held approximately HUF 3,000 billion in banknotes and coins; the relevant figures were HUF 4,100 billion at the end of 2017 and nearly HUF 6000 billion at the end of 2020 according to macroeconomic statistical data (cf. Table 3.1). Wealth surveys can cover only 8 percent of the sector's macro statistical cash holdings (cf. Table 1.4), so that the results derived from them are of limited utility for presenting the circumstances surrounding the holding of cash.

Over the past decade, cash holdings have accounted for between 3 and 4 percent of household assets. The less wealthy a household is, the less cash it holds on average, but the higher proportion cash represents within its total assets. In the wealthiest strata cash accounts for 2 percent of total wealth on average, whereas it represents more than 10 percent in the least wealthy groups (Table 5.1 and Chart 5.2). At the end of 2020, the average household held HUF 1.5 million in cash, with the bottom wealth decile having HUF 540,000 and the top wealth decile HUF 4.3 million on average per household, according to survey data adjusted to macroeconomic statistics.

The amount of cash held correlates with the age of the members of the household and also with household composition and the number of household members. The older the household members are, the more cash they hold. The quantity of financial assets, especially cash, is associated with the individuals in the household and its amount is therefore highly dependent on the number of household members. The high (household-level) cash holdings of active-age households is a result of the high member count; per-capita cash quantity (on the individual level) falls short of the quantities measured in pension-age households (Chart 5.4). Even if to a lesser degree, the distortion due to differences in household size and household composition also emerges when examining the distribution of cash holdings by size of wealth.

Chart 5.4

Average amount of cash per person and per household, and proportion of cash within total wealth in groups defined by age of reference person, at the end of 2020, based on the HFCS, HUF thousand



BANK ACCOUNTS AND DEPOSITS OF HOUSEHOLDS

Deposits (bank accounts and fixed deposits) represent a value equal to nearly 20 percent of financial assets in the household sector and approximately 7 percent of the total assets (gross wealth) of the sector. Approximately 90 percent of deposits are with Hungarian credit institutions but the proportion of deposits placed abroad is rising gradually. At the same time, the deposits of sole proprietors represent a growing weight (besides retail deposits) within the total deposits of the household sector (Table 5.2). According to macroeconomic statistical data, the proportion of foreign currency deposits increased from 19 to 21 percent of total deposits in the period under review.

Table 5.2

Deposits of households with Hungarian and foreign credit institutions and the Hungarian State Treasury, HUF billion (financial accounts)

Stocks of deposits at the end of the year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Resident credit institutions	7 457	7 900	7 828	7 061	6 987	7 188	7 439	7 800	8 875	9 504	11 259	12 903
of which residential	7 334	7 775	7 698	6 901	6 793	6 944	7 180	7 507	8 521	9 113	10 754	12 298
of which entrepreneurial	123	125	130	160	194	244	259	293	354	391	505	605
General government (State Treasury)	20	23	33	43	49	70	100	103	130	109	114	118
Foreign credit institutions	321	435	525	546	604	620	665	667	737	843	1 050	1 188
Total deposits	7 798	8 357	8 386	7 650	7 640	7 878	8 205	8 570	9 742	10 456	12 424	14 209

According to the results of the What Do We Live From? household wealth survey, besides cash, bank accounts and deposits are the most popular financial instruments of households. **The proportion of households with a current account** stood at 83 percent at the end of 2014 and rose to 89 percent by the end of 2020. Almost all wealthy households have bank accounts, while only 70 to 80 percent of low-wealth households do (cf. Table 2.5). 20 percent of households reported having fixed deposits in addition to their bank accounts in both 2017 and 2020; in 2014, half of all households had fixed deposits. According to household wealth survey data, there were over 6.7 million **bank accounts of private individuals** at the end of 2020; these may have included 6.1 million retail bank accounts and 620,000 business bank accounts. The average value of a bank account was HUF 1,850,000. At the end of 2017, households reported having over 6.2 million bank accounts, including 5.7 million retail bank accounts and 560,000 business accounts.¹⁰ At the time the average balance of a bank account was HUF 1,380,000. According to the results of the What Do We Live From? wealth survey, of the 3,531,000 households declaring a bank account, at least 5,840,000 persons may have had bank accounts and deposits at the end of 2020.¹¹ Only some persons living in a household with bank accounts will have a bank account; even among adult members of a household, only over 80 percent are depositors (cf. Table 5.3). The number of bank accounts and of persons with a bank account increases in line with size of wealth across society. The top 10 percent of households with the highest net wealth use 3 bank accounts, and 90 percent of the adult members of these households have a bank account according to data as of the end of 2020.

Table 5.3

Estimated number of households with bank accounts, of adult persons living in such households, of bank accounts, and of persons with bank accounts in the household deciles defined by net wealth, at the end of 2020, based on HFCS data, thousand items or thousand persons

Have deposits	Net wealth of households by wealth deciles										Total
Thousand pieces and persons	1	2	3	4	5	6	7	8	9	10	
Number of households	323	331	326	327	345	357	366	377	384	395	3 531
Number of adults	553	616	661	647	683	708	739	830	855	900	7 192
Number of transferable deposits	496	514	510	519	570	590	701	761	877	1 163	6 702
Number of people affected	463	469	477	493	525	548	614	687	742	823	5 840

As of the end of 2020, 2.5 percent of the bank accounts of Hungarian private individuals had a value in excess of HUF 10 million; the sum total of these deposits represented 30 percent of total household deposits (cf. Table 5.4). 60 percent of deposit accounts held a value below HUF 1 million according to data calculated from the wealth survey.

Table 5.4

Number and total balance of deposits in the different size categories, the number of persons and households holding a deposit in the relevant category at the end of 2020, based on HFCS data

Categories of household deposits	Number of deposits, thousand	Total deposits, billion HUF	Number of persons, thousand	Number of households, thousand
100- million HUF	2	664	2	2
50-100 million HUF	3	186	3	2
20-50 million HUF	42	1 336	31	19
10-20 million HUF	118	1 590	96	59
5-10 million HUF	330	2 312	274	179
2 - 5 million HUF	1 060	3 214	898	583
1-2 million HUF	1 187	1 664	1 063	636
0,5-1 million HUF	1 260	939	1 073	590
-0,5 million HUF	2 700	523	2 401	1 461
Total	6 702	12 429	5 840	3 531

¹⁰ These figures refer to accounts with credit institutions and do not include the number of Start accounts or securities accounts with the Hungarian State Treasury.

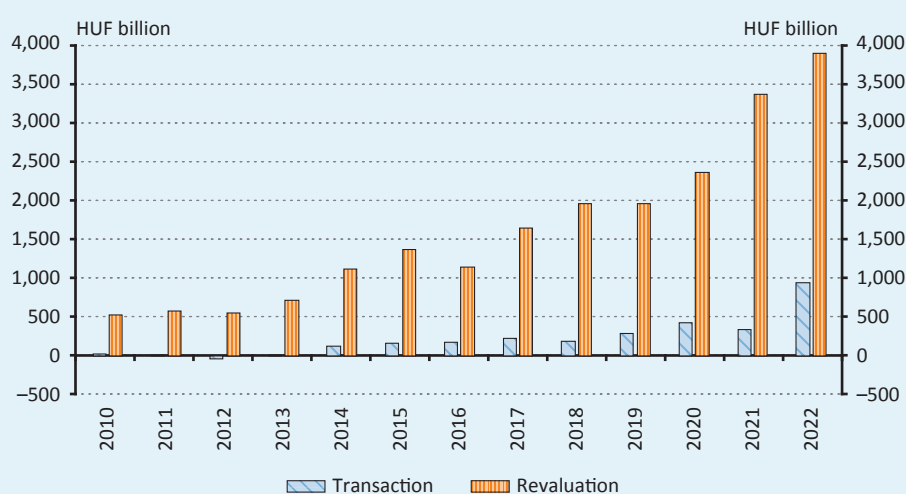
¹¹ The HFCS surveys bank account data at the household level; estimation is used to subdivide these figures among the adult members and persons in the household.

SHARES AND EQUITY INVESTMENTS OF HOUSEHOLDS

Equity holdings, i.e. equity investments in the forms of stocks or other equity in Hungarian and foreign companies represent a significant and growing proportion of the financial wealth of households; however, these equity investments are concentrated in a small proportion of households. Unlike other financial instruments, the value of equity holdings rises over time primarily not through investment (acquisition) transactions but revaluation. Over recent decades, 80 percent mean annual growth was due to asset appreciation and only 20 percent was contributed by the net equity investment transactions of households (Chart 5.5). The appreciation of equity holdings is attributable mainly to the profits, not paid out as dividends, of the companies held and the appreciation of company assets (primarily real estate and equity held). Revaluation plays a similarly significant role in the rise in value of the real estate owned by households directly.

Chart 5.5

Annual transactions and revaluation of shares and other equity investments of households, based on data from the financial accounts, HUF billion



Irrespective of type, the equity holdings of households in **partnerships** (financial or non-financial companies independent of the household) classify as financial instruments, as investments, whereas **sole proprietorships** constitute part of the household, and the assets used for the business are shown in the relevant asset categories within household wealth (and not under equity holdings). At the end of 2020, 11.5 percent of households held some kind of shares or other equity; 44 percent of the nearly 460,000 households with equity investments were in the top wealth decile, where half of all households possessed equity (Chart 5.6). The truly large fortunes are made up of equity holdings, i.e. shares and other equity. Self-employed businesses (sole proprietorships) operated in 353,000 Hungarian households (nearly 9 percent of all households) at the end of 2020, according to the wealth survey results (cf. Table 3.5).

The number of households with partnerships and sole proprietorships was similar in the lower wealth strata, but more modest amounts were invested in equity here. In the upper wealth strata, investments in partnerships dominate, the number self-employed businesses is significantly below that of the former. At the end of 2020, 787,000 households had investments of some kind in a business or corporate equities; accordingly, there is no significant overlap between households that are self-employed and those that participate/invest in partnerships. Overall, 620,000 households declared at the end of 2020 that they had one or more businesses (sole proprietorships or partnerships) in which one or more members of the household participated actively. 167,000 households had only passive equity investments (in the form of publicly traded or other shares), while an additional 100,000 households had both a business in which they participated actively and passive equity investments.

Chart 5.6

Proportion of households with equity or a self-employed business in the deciles defined by net household wealth, at the end of 2020, based on the HFCS, percent



A household may have more than one equity investments and ownership shares; wealthier households tend to invest in the various shares and other equities, either as active members or as passive owners. Of the nearly 460,000 households with equity investments, 410,000 held shares of only one company, 31,000 invested in two, and 19,000 had three or more investments. 80 percent of the households with multiple ownership shares were in the top wealth decile according to 2020 year-end data.

As of the end of 2020, the nearly 460,000 households with equity investments were in possession of a total of approximately 532,000 kinds of equity investments (stocks, participations) (Table 5.5). The number of **companies with equity investments from households** was somewhat lower, since multiple households may have had shares in the same company; these overlaps cannot be identified based on the household wealth survey results (Table 5.6). The duplications due to multiple investors represent a problem primarily in the case of the stocks of companies listed on the stock exchange. According to the results of the What Do We Live From? wealth survey, at the end of 2020 there may have been between 3,000 and 4,000 households with a total equity investment of over HUF 1 billion in companies, and there may have been 2,000 to 3,000 **equity investments for sums in excess of HUF 1 billion**. Households that held billions in equities in various companies accounted for nearly 30 percent of all corporate equity investments of the household sector. At the end of 2017, there may have been 5,000 to 6,000 households with equity holdings in companies in excess of HUF 1 billion; at the time, these households owned more than half of the equities of the sector. At the end of 2014, approximately 3,000 households held equities in excess of HUF 1 billion; collectively, these represented over 40 percent of the equities held by the sector.¹²

¹² At the end of 2014, the sample contained 5 households with corporate equity investments worth over a billion; at the end of 2017 there were 14 such households in the sample, while at the end of 2020 there were only 13. These small item counts allow only a rough estimation of the number of wealthy households and the size of their wealth. It can certainly be stated that the 2017 survey reached wealthy households to a greater extent than the 2020 wealth survey (cf. also the findings in Chapter 1).

Table 5.5**Number and value of household investments in equities, by size category of equities, at the end of 2020, based on HFCS data**

Category of share size	Number of equity investments, thousand	of which number of listed shares, thousand	Equity investments, billion HUF	of which are listed shares, billion HUF
1000- million HUF	2,4	0,2	4 522	236
500-1000 million HUF	8,4	0,5	5 477	308
100-500 million HUF	23,6	1,1	4 025	140
50-100 million HUF	72,0	2,0	4 762	139
20-50 million HUF	90,8	2,3	3 188	73
10-20 million HUF	43,3	6,5	614	78
5-10 million HUF	165,0	12,1	1 141	84
1-5 million HUF	70,2	30,0	207	81
-1 million HUF	56,0	27,8	18	10
Total	531,6	82,5	23 954	1 148

A comparison of the **per-household equity of companies** in which households have equity investments versus the **corporate equity investment information from the household wealth survey** indicates that the wealth survey results 'biased towards the mean' due to using averages for supplementing the data; equities are more prevalent in the middle part of the distribution by wealth size than at the bottom and top edges of the distribution than is suggested by the company data (Table 5.6). This problem causes distortion mainly in the 2020 survey, as that was the year in which the largest amount of missing equity data had to be supplemented (cf. also Table 1.15).

Table 5.6**Number and value of equity investments of households, by size category of the equities, at the end of 2020, based on company figures and HFCS data**

Denomination	Shares and equity of company by size category								Total
	-1	1-5	5-10	10-50	50-100	100-500	500-1000	1000-	
	million HUF								
Data of domestic corporations with private person equity holdings									
Number of corporations, thousand	127,0	139,0	77,0	103,0	24,0	24,2	3,9	2,7	500,8
Value of equities, billion HUF	41	412	551	2 423	1 710	5 137	2 666	8 539	21 479
Equities of private persons based on household wealth survey									
Number of equities, thousand	56,0	70,2	165,0	134,1	72,0	23,6	8,4	2,4	531,6
Value of equities, billion HUF	18	207	1 141	3 802	4 762	4 025	5 477	4 522	23 954

Table 5.7

Number of Hungarian companies in which households have an aggregated share of over HUF 0.5 billion and the equity of such companies held by households, by size of household participation, based on corporate balance sheet figures

Shares of households in domestic companies	End of 2010		End of 2014		End of 2017		End of 2020	
	Number of corporations	Equity, billion HUF	Number of corporations	Equity, billion HUF	Number of corporations	Equity, billion HUF	Number of corporations	Equity, billion HUF
above 100 billion HUF	0	0	2	213	1	101	7	1 111
between 50-100 billion HUF	2	131	3	198	6	400	4	299
between 20-50 billion HUF	4	126	3	77	8	240	20	567
between 10-20 billion HUF	9	125	16	214	34	438	56	760
between 5-10 billion HUF	31	201	58	393	97	646	162	1 105
between 1-5 billion HUF	812	1 470	1 243	2 328	1 700	3 188	2 492	4 697
between 0,5-1 billion HUF	1 359	936	1 932	1 324	2 611	1 791	3 900	2 666
Total above 0,5 billion HUF	2 217	2 989	3 257	4 747	4 457	6 804	6 641	11 205

6 The Loan Debt of Households

The **liabilities**¹³ of households comprise mostly (at a rate of 82 to 86 percent) **credit and loans**, in addition to which there may be other **liabilities** and, in negligible amounts, **financial derivatives** in the sectoral balance sheet. Other liabilities include the taxes and contributions payable by the households, dividend advances received and trade credits (fees payable). Other liabilities are estimated with macro level statistics for the national accounts and are not surveyed from the households. Loan debts decreased consistently between 2011 and 2016, and increased thereafter. Other liabilities consistently rise, which is correlated with the growth in income, consumption and production output. Overall, household liabilities are equal to approximately 7 percent of assets, and 25 percent of GDP (cf. Table 3.1).

Households may take out credit and loans from any sector. Financial companies (credit institutions, other financial intermediaries) provide real estate loans, consumption and business loans alike, whereas non-financial companies and the government (as employers) and foreign entities supply mainly real estate loans to Hungarian households. In addition, households also lend to each other (these are referred to here as private loans). The data on loans from other sectors are fed into the macroeconomic statistics (the financial accounts) from the reports of the lenders (financial and non-financial companies, general government, foreign institutions); household-to-household loans are omitted, however, and may be observed only with the household wealth survey.

Table 6.1
Household loan liabilities by main lender sector, HUF billion (financial accounts)

End of year credit stocks	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
From non-financial institution	251	275	266	263	253	241	267	315	337	377	445	636
From credit institutions	8 623	8 544	7 276	6 878	6 757	5 915	5 787	5 848	6 234	7 190	8 327	9 621
From other financial institutions	1 793	1 699	1 494	1 282	1 254	1 084	1 066	1 001	935	929	922	925
From general government	41	35	35	38	41	44	48	55	69	165	212	247
From foreign entities	95	102	95	90	77	73	85	78	79	147	167	177
Total credit debt	10 804	10 657	9 166	8 552	8 382	7 356	7 252	7 296	7 653	8 807	10 073	11 606

Approximately 80 percent of all household debt is from Hungarian credit institutions. The weight of credit institutions and non-financial sectors within the borrowing of households is rising consistently, while that of other financial intermediaries is falling (from 17 percent at the end of 2010 to 8 percent at the end of 2021). Almost half of all household debt is in housing loans (taken out to finance the construction, purchase or refurbishment of residential real estate), while the remaining amount is consumption and other loans. The loan debt of self-employed businesses in the household sector account for an increasing proportion (3 to 6 percent) of the debt total. Foreign currency loans represented 66 percent of all loans at the end of 2010, 50 percent at the end of 2014 and 2 percent from the end of 2015. The interest accumulated on these loans (and, here, included in the outstanding amounts) amounted to HUF 220 billion at the end of 2020, and HUF 302 billion at the end of 2021 due to the payment moratorium.

¹³ The terms 'payables' and 'liabilities' are used as synonyms, as are the terms 'credit' and 'loans'. Credit and loans constitute liabilities for the debtor on the basis of funds borrowed and repayable; interest is also usually payable on such sums. By contrast, other liabilities are temporary payables that originate from time lags of revenues or expenditures (payment in advance or in arrears), which are not subject to interest (at most some late payment interest). Credit may originate from a financial institution (bank loans) or from other organizations or persons. According to the national (financial) accounts methodology, the total amount of credit and loans comprises both principal and the accrued interest, i.e. the latter are not included in the other liabilities heading. This is followed, in general, in this publication.

Table 6.2**Household borrowing debt by type of loan and sector of lender, HUF billion (financial accounts)**

End of year stocks	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Real estate loan	5 054	5 012	4 260	3 889	3 828	3 464	3 434	3 559	3 877	4 388	4 933	5 801
From non-financial corporation	251	275	266	263	253	241	267	315	337	377	445	636
From credit institutions	4 406	4 266	3 556	3 359	3 357	3 021	2 961	3 048	3 352	3 654	4 065	4 694
From other financial institutions	261	333	308	138	99	85	75	63	40	46	44	46
From general government	41	35	35	38	41	44	48	55	69	165	212	247
From foreign entities	95	102	95	90	77	73	85	78	79	147	167	177
Consumer credit	5 466	5 370	4 665	4 423	4 284	3 613	3 381	3 239	3 256	3 854	4 533	5 168
From credit institutions	4 040	4 097	3 548	3 338	3 194	2 684	2 469	2 384	2 455	3 075	3 776	4 415
From other financial institutions	1 426	1 273	1 117	1 085	1 090	929	912	855	800	779	757	753
Business loan	283	275	241	240	271	279	437	500	521	565	606	637
From credit institutions	177	182	172	181	206	210	357	417	427	461	486	512
From other financial institutions	106	93	69	59	65	69	80	83	94	104	120	125
Total credit debt	10 804	10 657	9 166	8 552	8 382	7 356	7 252	7 296	7 653	8 807	10 073	11 606

The **What Do We Live From? household wealth survey** asks about all loan debts of the households. Under loan debts, the surveyed data on loans secured with real estate collateral (mortgage loans) may be considered complete, because these are surveyed together with the characteristics of the real estate. The surveyed data on other credit and loans tend to be incomplete and need supplementation in terms of both quantity and value to approximate the macroeconomic statistics. At the same time, the wealth survey is unique in that it allows examining all these debts together with the assets, incomes and other characteristics of households. **Launched in late 2019, the MNB's credit register (HITREG) data collection is a comprehensive database of loans from Hungarian credit institutions;** it contains (anonymized) information on retail and business loans by client and by loan transaction.¹⁴ This chapter presents the different loan debts of households **based on both data sources**, using the main categories available in those sources; this provides a more accurate and more detailed view of the debts of the sector (as of the end of 2020).¹⁵

GENERAL CHARACTERISTICS OF LOAN DEBTS AND LOAN DEBTORS BASED ON THE WEALTH SURVEY

According to the results of these three waves of the **What Do We Live From? household wealth survey**, 40 percent of resident households had outstanding debts under (one or more) loans at the end of 2014, 37 percent at the end of 2017, and 38 percent at the end of 2020 (Table 6.3). 10 percent of households had (one or more) private loans from other households (loans from family or friends) at the end of 2014; the proportion of the households concerned then fell to 6 percent and the amount of debts decreased as well. Loan(s) from institutions (credit or other institutions) were reported by 37 percent of households as of the end of 2014; the proportion of households indebted to other sectors decreased to nearly 34 percent by the end of 2017 and rose again to above 35 percent by the end of 2020. Average loan debt per debtor household stood at HUF 5.5 million at the end of 2014, HUF 5.1 million at the end of 2017 and HUF 6.8 million at the end of 2020.

¹⁴ Monthly data collection required pursuant to MNB Decree no. 35/2018 (XI.13.) on the data reporting obligations to the central bank's information system in respect of certain data of credit transactions. Since 2021 finance companies have also been reporting this information.

¹⁵ As a data source, HITREG provides information at the level of the individuals and the HFCS at the level of the households, and, given the anonymized handling of the data of individuals and households it is currently not possible to interconnect and use them in combination, or to supplement and correct in this way the data surveyed in the HFCS.

Table 6.3

The number of households with any type of loan debt and the aggregated value of debts by type of loan, based on the three waves of the HFCS survey, thousand items, HUF billion

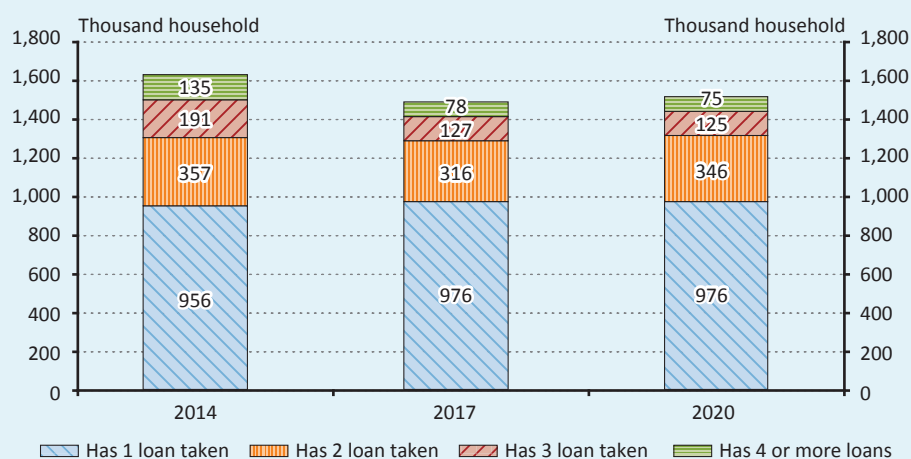
Households with various kinds of credit debt, HFCS	end of 2014		end of 2017		end of 2020	
	Number of households, thousand	Credit debt, HUF billion	Number of households, thousand	Credit debt, HUF billion	Number of households, thousand	Credit debt, HUF billion
With any kind of credit debt	1 639	8 959	1 497	7 692	1 522	10 388
Private loan debt	408	577	237	395	222	316
Institutional credit debt	1 511	8 382	1 379	7 296	1 407	10 073
of which mortgage loan	831	4 917	699	4 316	661	5 309
of which real estate loan (housing loan)	590	3 828	570	3 559	603	4 933

Note: Institutional loan debt means loans not received from private individuals but taken out from institutional sectors (from credit institutions, other financial companies, non-financial companies, the government, or abroad).

According to the results of the What Do We Live From? household wealth survey, households (the private individuals living in the households) had 2,847,000 loan transactions (outstanding loan debt) at the end of 2014, 2,333,000 at the end of 2017, and 2,381,000 at the end of 2020.¹⁶ The number and distribution of loan transactions across households changed very little between 2017 and 2020, while there had been a material change between 2014 and 2017. There was no change over time in that 23 to 24 percent of households had one loan outstanding; however, the **number of households with 2 or more loans decreased significantly** between 2014 and 2017. The total loan debt of households and the number of loan transactions thus decreased between 2014 and 2017 due to the fall in the number of households with multiple loans.

Chart 6.1

The number of loan debts (loan contracts) of debtor households at the end of 2014, 2017 and 2020, based on the three waves of the HFCS, thousand households



¹⁶ The quantity information on loans is not comprehensive; there is a limit on the number of transactions that may be identified per household in the survey. See below for more detail.

DISTRIBUTION OF LOAN DEBTS AND LOAN DEBTORS BY SIZE OF HOUSEHOLD WEALTH

Table 6.4

Proportion of households holding certain types of loans in the deciles defined by net household wealth, based on the three survey waves of the HFCS, percent

Percent	Year	Household deciles based on size of net wealth										Total
		1	2	3	4	5	6	7	8	9	10	
Has housing mortgage loan	2014	18,1	13,5	14,5	15,1	10,7	12,6	10,9	10,8	11,1	15,6	13,3
	2017	10,2	13,7	16,4	16,4	10,6	11,7	13,1	14,9	12,7	14,8	13,5
	2020	9,2	9,1	10,6	16,8	14,4	13,0	13,5	15,5	14,3	16,4	13,3
Has other loan	2014	34,0	14,3	13,0	11,1	13,5	8,9	11,0	11,7	8,1	16,5	14,2
	2017	19,0	12,4	12,2	10,6	9,4	11,5	9,5	13,0	16,3	18,0	13,2
	2020	30,7	11,9	13,3	12,6	13,9	15,5	15,4	17,9	21,6	17,3	17,0
Has private loan debt	2014	27,4	9,3	8,1	7,3	9,8	6,9	6,3	7,5	7,7	8,3	9,9
	2017	12,6	6,7	5,2	5,2	6,2	5,6	4,8	3,3	3,8	5,6	5,9
	2020	14,3	7,8	5,8	4,4	4,1	4,7	4,5	2,3	3,2	4,5	5,6
Has overdraft	2014	17,5	9,5	11,1	11,3	15,4	12,3	10,7	10,8	8,1	8,3	11,5
	2017	11,4	9,6	10,0	7,0	5,8	5,3	7,9	6,2	4,8	4,0	7,2
	2020	8,9	8,1	8,9	5,8	5,8	5,2	7,1	6,1	8,2	5,8	7,0
Has institutional loan	2014	57,6	34,6	38,4	35,5	36,2	30,8	33,6	33,0	29,5	36,8	36,6
	2017	39,2	34,4	38,7	34,7	25,9	29,0	30,6	33,3	35,7	42,8	34,4
	2020	42,0	29,8	31,6	33,0	32,4	33,4	34,5	36,7	39,3	40,7	35,3

An examination of household loan debt figures in a **breakdown by size of wealth** reveals that the greatest changes in the period between the end of 2014 and 2020 occurred in **households with low net wealth**. With the decrease in loan debt (in terms of quantity as well as value), the proportion of households with loan debt fell steeply in the bottom wealth strata (Table 6.4). In addition to mortgage loans, indebted households with low net wealth also had consumption and other loans in high proportions, and multiple loans often coexisted in the relevant households at the beginning of the period. Between 2014 and 2017, the number of borrower households in these strata fell in the case of every type of loan.

The distribution of loan debts changes completely if households are categorized by **gross wealth (total assets)** rather than the size of net wealth (assets less liabilities). The most significant realignment is visible in the bottom wealth strata (Table 6.5). The data of households ranked by size of gross wealth clearly demonstrate that the larger (gross) household wealth is, the likelier it is that the households will have loan debt and the higher the loan amount per household will be (Chart 6.2). By contrast, there is no significant difference between household groups defined by size of wealth in the number of loans the households have.

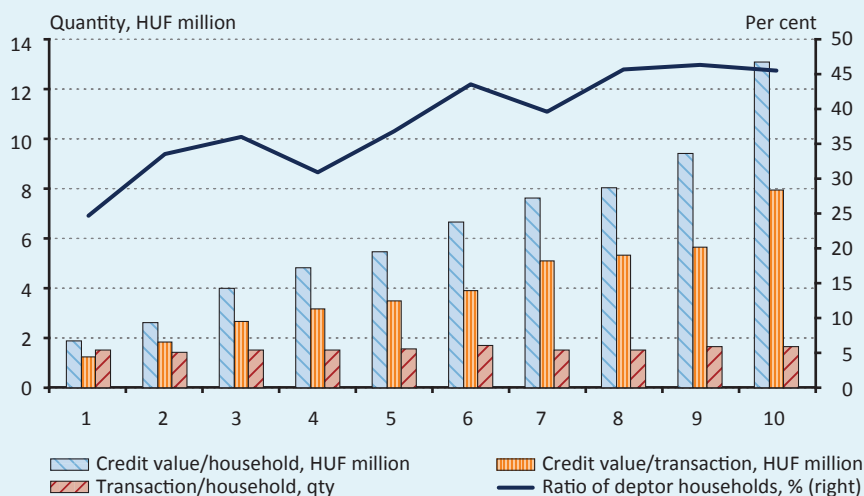
Table 6.5

Number of households with loans from institutions (not private individuals) in household deciles defined by gross/net wealth size, in the three waves of the HFCS

Thousand household	Year	Household deciles based on the size of gross and net wealth										Total
		1	2	3	4	5	6	7	8	9	10	
Based on gross wealth	2014	84	125	144	149	160	160	177	184	154	174	1 511
	2017	71	121	131	121	139	125	145	165	170	192	1 379
	2020	70	112	132	111	136	161	148	179	180	177	1 407
Based on net wealth	2014	238	143	159	147	149	127	139	137	122	152	1 511
	2017	157	138	154	139	104	116	122	134	143	172	1 379
	2020	167	119	126	131	129	133	137	146	156	162	1 407

Chart 6.2

Proportion of households with loan debt, number and value of loan items in deciles defined by gross household wealth, at the end of 2020, based on HFCS data

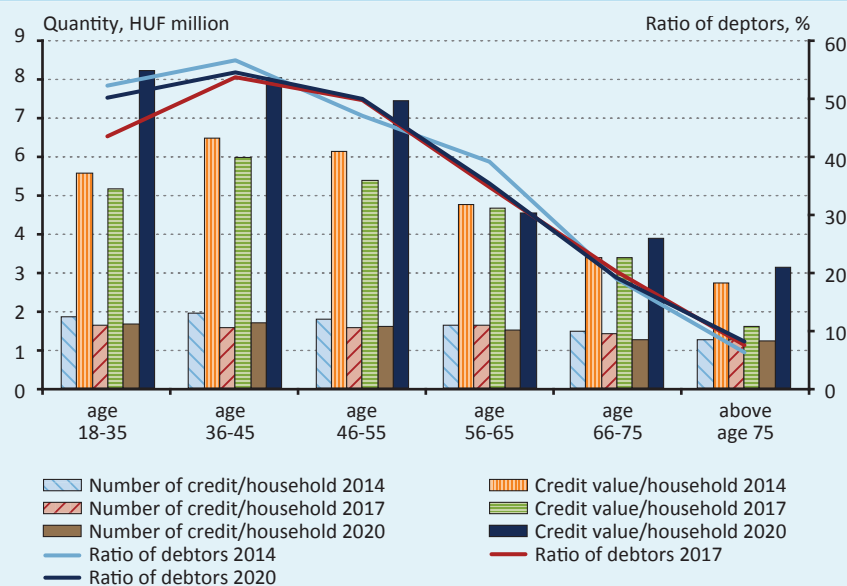


DISTRIBUTION OF LOAN DEBTS AND LOAN DEBTORS BY AGE

In **household groups defined by age of reference person**, the number of loans and the loan amount per debtor household and the proportion of debtor households decreases as age increases (Chart 6.3). The data of the three waves of the What Do We Live From? survey show the greatest differences in terms of size of outstanding loans per household: loan amounts decreased between 2014 and 2017, but then significantly increased by the end of 2020. Loan amounts increased especially steeply in young and middle-aged households. Half of all households with a reference person of 35 years or younger reported having loan debts as of the end of 2020, and their average loan debt amounted to HUF 8.2 million.

Chart 6.3

Proportion of borrower households (percent), mean loan value per household (HUF million), and average number of loans per household, in groups defined by age of reference person, at the end of 2014, 2017 and 2020, based on the three waves of the HFCS

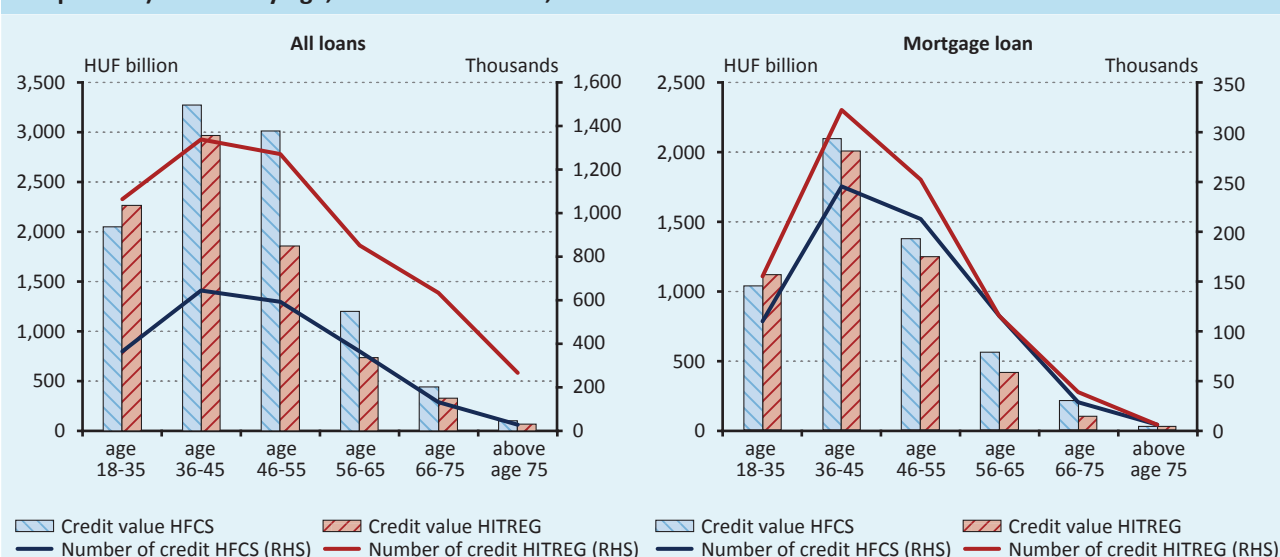


The **data collected for the central bank's credit register** show all debts of private individuals to Hungarian credit institutions at the level of the individual loans. The borrowing of the household sector from credit institutions accounted for 82 percent of all institutional loans (not loans from private individuals) as of the end of 2020, therefore the combined use of the credit register and the household wealth survey data must generate very similar results. The most striking difference in the results is that while the credit register contains 5,425,000 loans, only 2,135,000 loans may be identified based on the household wealth survey.¹⁷ Considering them by type of loan, the two data sources differ much less in terms of the quantity information on mortgage loans (717,000 versus 888,000 loans); significant difference is to be found in the data on other loans, which are characterized by lower values and high quantities (cf. Figure 6.4 and Table 4.4). However, the distribution of value data and quantity data appear similar.

The **breakdown by age group** of the loan debt of households to institutions can be gleaned from the wealth survey by considering the age of the reference person; a breakdown by age group of the loan debts to credit institutions is possible on the basis of the age of the private individual loan debtor (Chart 6.4). The combination of a minor difference in loan range and the methodology of age group definition causes the divergence in the distribution of the values. The household-level results of the wealth survey tend to suggest a higher age for borrowers, due to the fact that the age of the reference person is used for categorizing the loan debts, whereas in actual fact the debtors in a household are generally younger than the reference person. The credit register provides more accurate data in this respect as well.

Chart 6.4

Aggregated value and quantity of loan debts and mortgage loans aggregated in groups of debtors (households and persons) defined by age, at the end of 2020, based on HFCS versus HITREG data



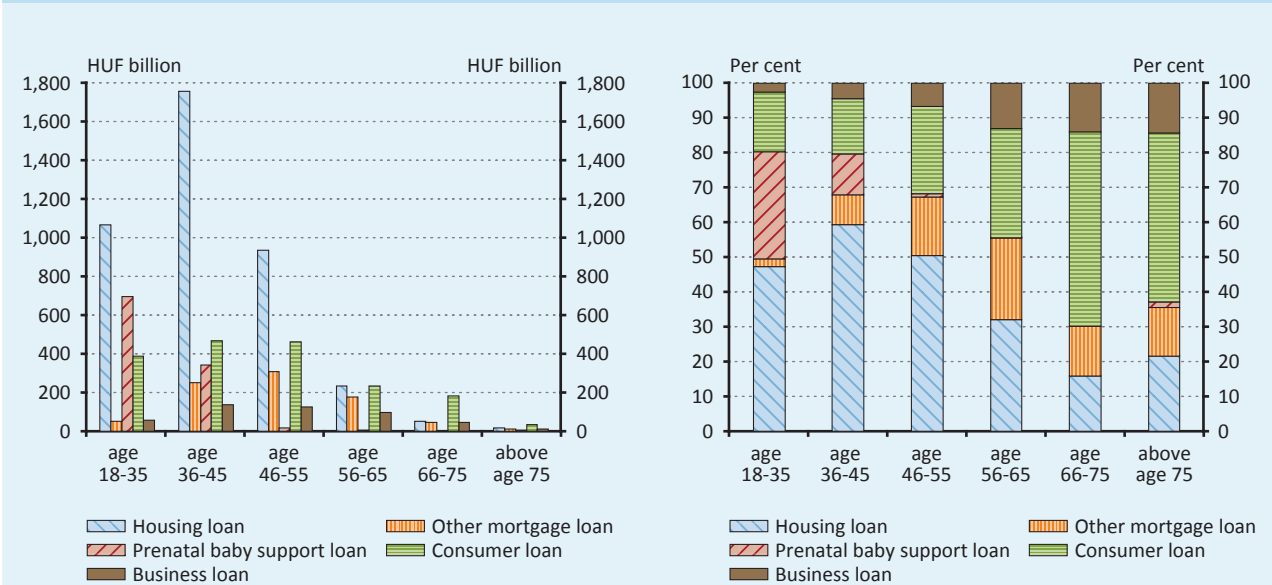
Note: HFCS: institutional loans, age of reference person; HITREG: credit institution loans, age of debtor person

¹⁷ In the HFCS, a household may report more than one housing loans, other real estate loans and other loans, but debt on leasing, overdraft facilities and credit cards must be aggregated by type for the household. This may limit the surveyable quantity of loans. Since the credit register does not facilitate deriving households from persons, it cannot be ascertained whether the data gap in the wealth survey concerns only the number of loan items within a household or also the range of households that have a loan. Adjusting the survey data to the macro data meant multiplication in value, raising the mean loan values but leaving the low transaction quantities unchanged.

Being a comprehensive database, the **credit register** also offers information for presenting the loan debts of private individuals to credit institutions **by loan type**. In terms of **age group**, debtors below 36 years have, in addition to their mortgage loans, mainly consumer loans, one reason for which is that prenatal baby support loans¹⁸ also fall under this category, which also includes personal loans and overdraft facilities contributing to the total. In the 36 to 45 age group, emphasis shifts to housing loans (the weights of unsubsidized and subsidized housing loans being similar in this age group) and other mortgage loans. In older age groups, mean borrowing decreases and consumer loans increasingly dominate; business loans also appear. The highest loan debts are held in the 36 to 45 age group.

Chart 6.5

Breakdown of loan debts to credit institutions by loan types, in various debtor age groups, at the end of 2020, based on HITREG data, HUF billion or percent



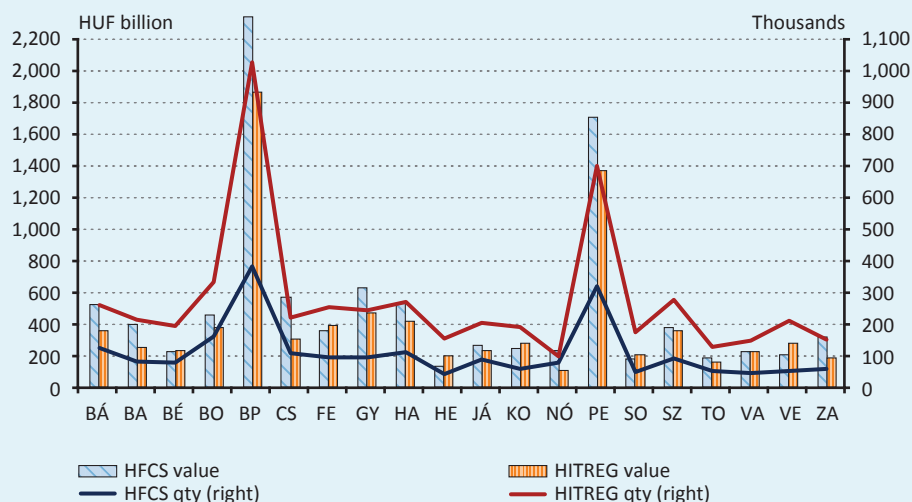
CHARACTERISTICS OF LOAN DEBTS AND LOAN DEBTORS, IN A GEOGRAPHICAL BREAKDOWN

A comparison of the loan data from the household wealth survey and the credit institution data from the loan register as at the end of 2020 is also possible in a **geographical breakdown**. The most comprehensively comparable loan category is loans from institutions (not private individuals) in the wealth survey versus loans from credit institutions in the loan register. Here too, figures from the two different data sources differ significantly (on average 2.5-fold) in terms of quantity of loan, while the distributions of loan values and transaction numbers are similar (Chart 6.6). Focusing the comparison on mortgage loans, the differences between both loan totals and transaction counts fall to a bare minimum (Chart 6.7). **Loan data detailed by county** bring to the fore the limitations to the accuracy of the household wealth survey. In the smaller counties, the survey sample included only 30 to 40 loan debtor households, which is too small a sample size to accurately reflect the population indicators of the loan register.

¹⁸ Loan type defined in Government Decree no. 44/2019. (III. 12.).

Chart 6.6

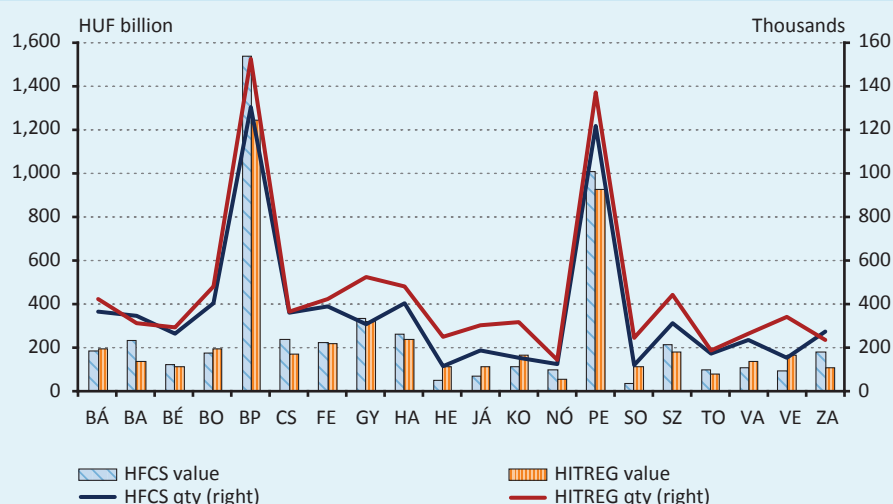
Aggregate value and quantity of institutional loans, and sum total and quantity of loans from credit institutions by county at the end of 2020, based on HFCS versus HITREG data



Note: County names are listed in the annex.

Chart 6.7

Aggregate value and quantity of mortgage loans by county at the end of 2020, based on HFCS versus HITREG data



According to **the central bank's credit register** containing the data of credit institution loans, in Hungary **3,090,000 loan debtor** private individuals¹⁹, equal to 32 percent of the entire population (and nearly 39 percent of the adult population) had some type of debt to Hungarian credit institutions **as of the end of 2020** (Table 6.6, Chart 6.8). The average debt per debtor person was HUF 2.7 million. The **mean total of bank debts** (their transaction value) was especially high (above HUF 2 million) in the counties Gy r-Moson-Sopron and Pest, but the national mean was also exceeded in Budapest (HUF 1.8 million) and the counties Fej r and Hajd -Bihar (HUF 1.6 million). The high proportion of mortgage loans drove up the mean loan amounts in these counties. In **mortgage loans** (housing loans and home equity loans), the mean loan amount (average contract value) was HUF 5.5 million at the end of 2020, with an average loan amount of HUF 8.1 million in Budapest and HUF 6.7 million in Pest county. The mean loan amount of prenatal baby support loans was above HUF 9.5 million, while that of other consumer loans stood at HUF 4 million at the end of 2020.

¹⁹ The credit register enables only an estimation of the number of debtor private individuals, based on overlaps of the technical personal identifiers on loan contracts. The actual number of debtor persons may be somewhat lower.

Table 6.6**Key features of credit institution loans and mortgage loans in a breakdown by county, at the end of 2020, based on HITREG data**

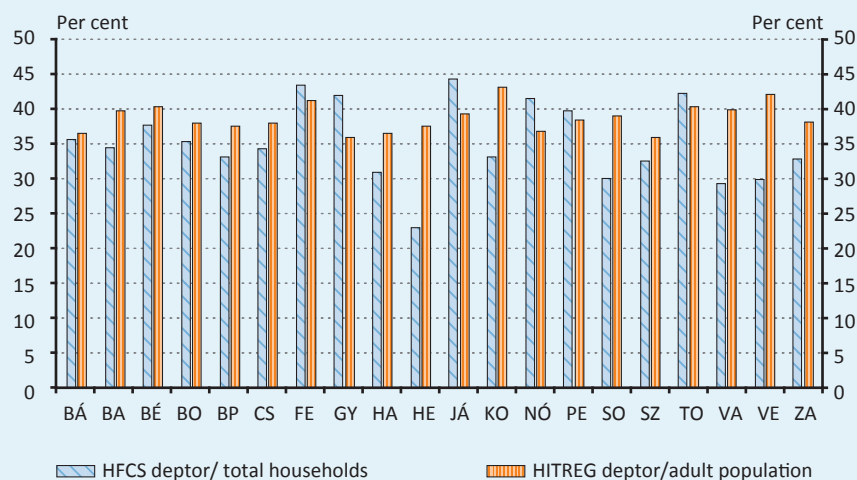
Characteristics of loans by regional distribution	Population, thousand persons	Total credit from credit institution					Mortgage loans of total credit			
		Debtors, thousand person	Ratio of debtors, %	Number of loans, thousand	Loan value, HUF billion	Contract value, HUF million	Number of loans, thousand	Loan value, HUF billion	Contract value, HUF million	Ratio of credit value, %
County										
Bács-Kiskun	500	151	30	260	359	1,4	42	189	4,5	53
Baranya	357	119	33	211	250	1,2	31	132	4,3	53
Békés	327	112	34	192	233	1,2	29	109	3,8	47
Borsod-Abaúj-Zemplén	633	195	31	331	382	1,2	48	190	4,0	50
Budapest	1724	547	32	1 028	1 894	1,8	152	1 241	8,1	66
Csongrád-Csanád	396	127	32	219	304	1,4	36	165	4,5	54
Fejér	419	143	34	251	391	1,6	42	217	5,2	55
Győr-Moson-Sopron	478	141	29	242	472	2,0	52	314	6,0	67
Hajdú-Bihar	526	158	30	270	424	1,6	48	236	4,9	56
Heves	292	91	31	154	196	1,3	25	109	4,4	55
Jász-Nagykun-Szolnok	364	118	32	203	233	1,1	30	110	3,7	47
Komárom-Esztergom	300	107	36	188	280	1,5	32	161	5,1	58
Nógrád	188	58	31	98	105	1,1	14	50	3,6	48
Pest	1310	402	31	700	1 386	2,0	137	923	6,7	67
Somogy	301	99	33	173	205	1,2	24	109	4,5	53
Szabolcs-Szatmár-Bereg	545	159	29	276	362	1,3	44	177	4,0	49
Tolna	213	72	34	125	158	1,3	19	77	4,1	49
Vas	253	85	34	146	226	1,5	26	133	5,1	59
Veszprém	341	120	35	210	279	1,3	34	164	4,8	59
Zala	265	86	32	148	188	1,3	23	104	4,5	55
Total	9731	3 090	32	5 425	8 327	1,5	888	4 909	5,5	59

Note: Highlighted fields denote data above the mean value.

The geographical differences in loan debts are magnified by the household wealth survey compared to the credit register; this is an idiosyncrasy of sample surveys. The survey data on counties with small populations are less accurate and more extremely distributed than the actual figures from the credit register (Chart 6.8). Clearly, other instruments in the survey will also entail similar uncertainties, but it is only in respect of loan debts that microdata are now available to identify and present these uncertainties. The geographical breakdown of data from the What Do We Live From? wealth survey, and their uses and limitations are discussed in further detail in Chapter 9.

Chart 6.8

Proportion of debtor households within all households, and proportion of debtor persons within the adult population, in a breakdown by county, at the end of 2020, based on HFCS versus HITREG data

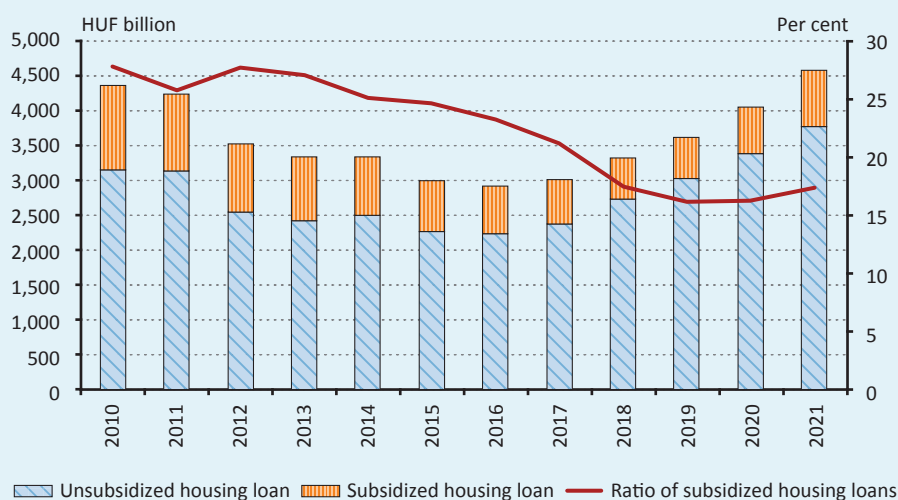


CHARACTERISTICS OF SUBSIDIZED AND UNSUBSIDIZED HOUSING LOANS BASED ON THE CREDIT REGISTER

Housing loans include those subsidized by the government, which are housing loans underpinned with a preferential arrangement provided by the government (e.g. interest subsidy for housing loans), as well as unsubsidized housing loans provided at market rates. Subsidized loans accounted for 16 percent of all real estate loans taken out from credit institutions at the end of 2020; the number of subsidized housing loans represented 23 percent of the 680,000 active loan contracts. At year-end, the average outstanding amount was HUF 6.5 million in unsubsidized housing loans and HUF 4.3 million in subsidized housing loans (loan contracts). The proportion of subsidized loans to the total portfolio of housing loans decreased consistently up until 2020 in the period under review, at which point a reversal took place in the structure of the loan portfolio (Chart 6.9).

Chart 6.9

Subsidized and unsubsidized housing loans from credit institutions; proportion of subsidized loans to total in 2010 versus 2021, at year-end, based on credit institution data

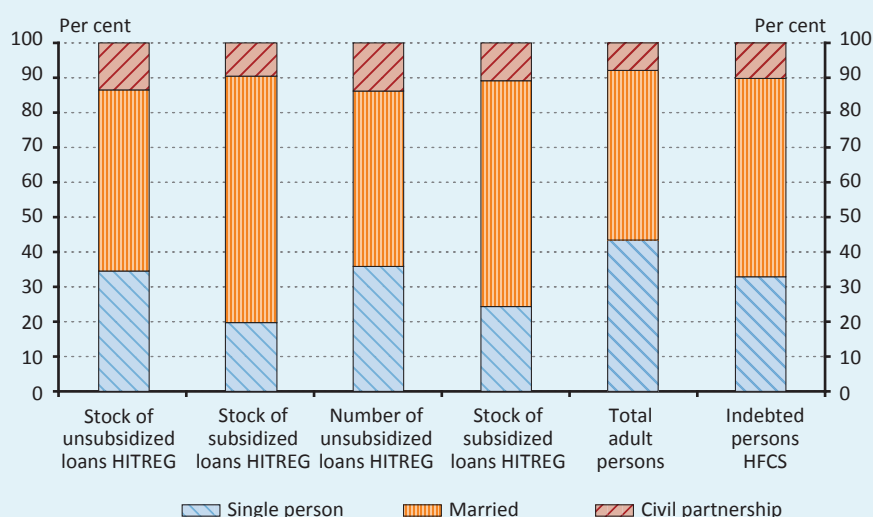


DISTRIBUTION OF LOAN DEBTS BY MARITAL STATUS OF DEBTORS

44 percent of the adult population (persons over 18 years of age) lived on their own, 48 percent were married and 8 percent were in a civil partnership according to the household wealth survey results for the end of 2020 (Chart 6.10). Single persons lived in 45 percent of households, married couples (with or without other household members) in 47 percent of households, and persons in a civil partnership (with or without other persons) in 8 percent of households. By contrast, when 57 percent of real estate loans (housing loans) were held by married couples and a further 10 percent by civil partnerships, while single-member households held only one third of these loans according to the estimate based on the household wealth survey (right-side distribution in Chart 6.10). Confirmation of this information and further details are provided by the estimates produced using the **central bank's credit register**. Half of all housing loans provided at market terms by the credit institutions (representing 52 percent of total loan value) were taken out by couples and 36 percent (35 percent in terms of value) by single persons. By contrast, 65 percent (or 71 percent in value terms) of housing loans with government subsidy were held by married couples and 24 percent (or 20 percent in terms of value) by single persons at the end of 2020 (columns on the left in Chart 6.10). The differences between the distribution of unsubsidized versus subsidized housing loans are thus significant in terms of both loan totals and quantities (the number of transactions) depending on the **marital status of the private individuals taking out the loan**. However, the two loan categories coincide in the fact that married persons have the highest mean loan amounts; the difference between the loan amounts of married versus unmarried persons is especially high in the case of subsidized housing loans.

Chart 6.10

Distribution by marital status of the total amount and number of unsubsidized versus subsidized housing loans, and the adult population versus housing loan borrowers, at the end of 2020, based on HITREG and HFCS data



Note: The data compilation includes estimates, as the reporting of marital status was introduced as mandatory in HITREG only in 2022. The classification as of the end of 2020 was based on the classification of debtors available from 2022 onwards.

7 Living Conditions, Income and Wealth of Households with Children

Population size and therein the number of children has been declining in Hungary for the past decades. At the same time, the number of private households increased until 2010 and has barely changed since (4.1 million). The number of family households and families decreased until the early 2010's, at which point it switched to slow growth (2.7 million). The number of households and families with children has been declining for a long time. As of the end of the 2010's, nearly 2.8 million children (persons of child status) lived in approximately 1.7 million families. Dependant children numbered 2 million (in 1.2 million households); 1.7 million children (in 1 million households) were below 18 years of age. While the steep rise in the number of single-parent households came to a halt in the 2010's (at 0.5 million), the number of multi-parent households continued to fall (to 1.2 million). 55 percent of families with children have 1 child, 33 percent had 2, 9 percent had 3, and 3 percent had 4 or more children.²⁰ Of the wide range of possible types of households and families, this chapter will focus on households with dependant children below 26 years of age and especially on households with children below 18.

Table 7.1
Number of children, and population count and distribution by economic activity (HCSO)

End of year, thousand persons	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Population, total	10 014	9 986	9 932	9 909	9 877	9 856	9 830	9 798	9 768	9 743	9 722	9 673	9 621
under the age 18	1 822	1 800	1 784	1 758	1 734	1 722	1 716	1 714	1 713	1 709	1 704	1 700	1 698
Population, EU-SILC	9 867	9 805	9 779	9 751	9 722	9 680	9 668	9 638	9 610	9 590	9 581	9 599	9 529
Active workers	3 734	3 695	3 715	3 774	3 849	4 067	4 190	4 333	4 410	4 454	4 490	4 499	4 569
Pensioner	2 250	2 244	2 245	2 249	2 232	2 196	2 145	2 167	2 170	2 127	2 098	2 078	2 050
Children	2 300	2 251	2 212	2 192	2 166	2 117	2 116	2 089	2 030	2 037	2 023	2 052	2 050
Other dependants	1 583	1 615	1 607	1 536	1 475	1 300	1 217	1 049	1 000	972	970	970	860

Table 7.2
Household composition in specific years, based on different surveys, thousand households

Number of households, thousand	Census data, Mikrocensus			Data on family allowance, HCSO			HCSO	"What do we live from?" surveys		
Composition of households	2001	2011	2016	2000	2007	2010	2015	2014	2017	2020
Households with children	1 860	1 778	1 716	1 275	1 228	1 212	1 316	1 220	1 232	1 246
Households with one child	985	969	935	668	643	617	619	615	628	595
Households with two children	662	591	569	457	420	419	476	420	414	453
Households with three or more children	213	218	211	151	164	176	221	185	190	198
Households without children	2 003	2 328	2 305				2 784	2 908	2 772	2 737
All households	3 863	4 106	4 021				4 100	4 128	4 004	3 983

Census: Households with child (any aged). KSH: Families receiving family allowance (MÁK).

HCSO: What do we live in? Data from year 2015 housing survey: with children under the age 25, What do we live from?: Households with dependants under the age 26.

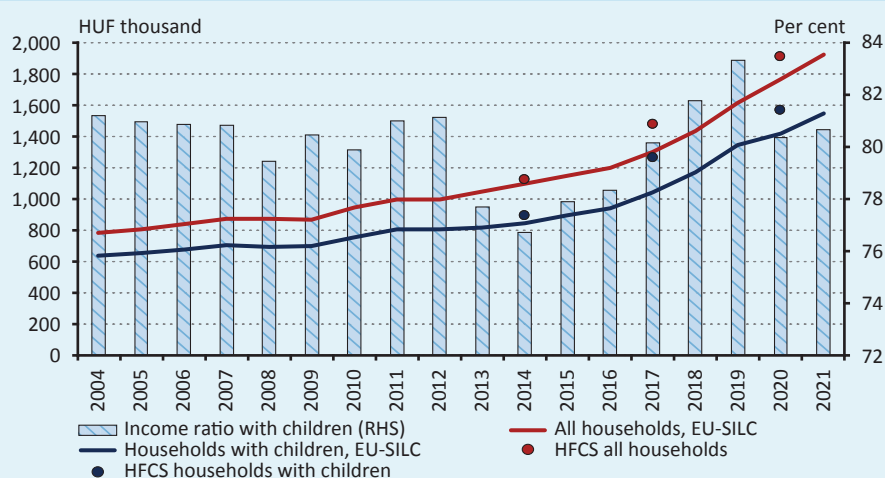
²⁰ The source for the summary information has been the HCSO's population statistics.

INCOME AND WEALTH CONDITIONS IN HOUSEHOLDS WITH CHILDREN

Based on data from the **Household Budget and Living Conditions Survey**, households with children achieved around 80 percent of the mean net per-capita cash income of all households. The economic crisis starting in 2008 has had an above-average impact on the income of households with children, although tax measures introduced in 2011 allowed the net income of these households to converge temporarily. A period of widening gaps then started in 2013; this was successfully reversed between 2017 and 2019. The **household wealth survey results** show higher net cash incomes for the entire sector²¹ and households with children alike, and suggest a smaller difference in income between the two groups. The income of households with children is given special prominence in the 2017 survey. Generally speaking the older the children are in a household, the closer its per-capita income is to the national mean. In households with dependants between 18 and 25 years of age, per-capita net incomes exceed the average values.

Chart 7.1

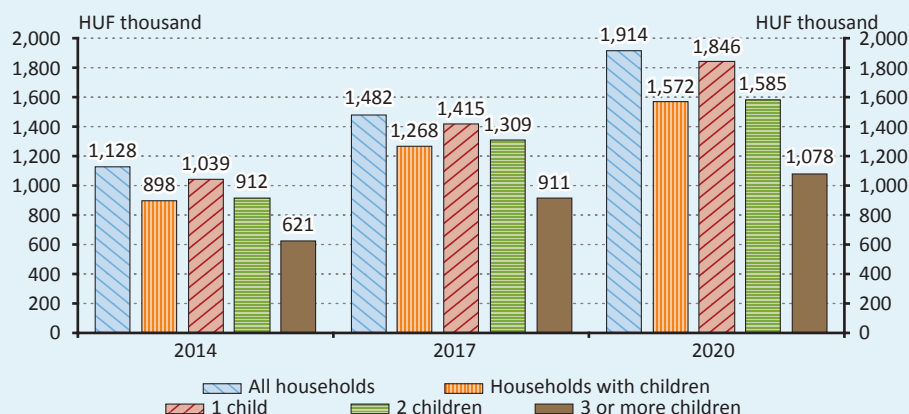
Per-capita annual net incomes in all households and in households with children, and their comparison based on the Household Budget and Living Conditions Survey and the What Do We Live From? (HFCS) survey



The results of the **What Do We Live From? wealth survey (HFCS)** indicate that the per-capita net income of households with one child below 26 years of age is close to the national mean, while the incomes of those with three or more children are far lower. The per-capita net cash income of households with no children may be 15 to 18 percent higher than the national mean.

Chart 7.2

Per-capita annual net incomes in all households and in households with children (HFCS)



²¹ For its reasons cf. the chapter on incomes.

In **household deciles defined by net income** (which means 400,000 households in each decile), there appears an approximately 16-fold income differential between the incomes of the bottom and top deciles of households in all three years of the household wealth survey (HFCS). The differences measured in per-capita net incomes are smaller and falling (8.1-fold in 2014, 7.2-fold in 2017 and 6.3-fold in 2020). The proportion of households with children (for this purpose, children below 18 years of age) increases markedly as incomes rise, while the proportion of pensioner households falls in the higher income categories. Households with children account for around 10 percent in the bottom income deciles and as much as 40 percent in the top deciles. The prevalence of households with children has become markedly less frequent in the bottom deciles; such households are present in higher proportions in the upper strata of income distribution.

Chart 7.3

Proportion of households with children and pensioner households, and annual net income per household in household deciles defined by net income (HFCS)

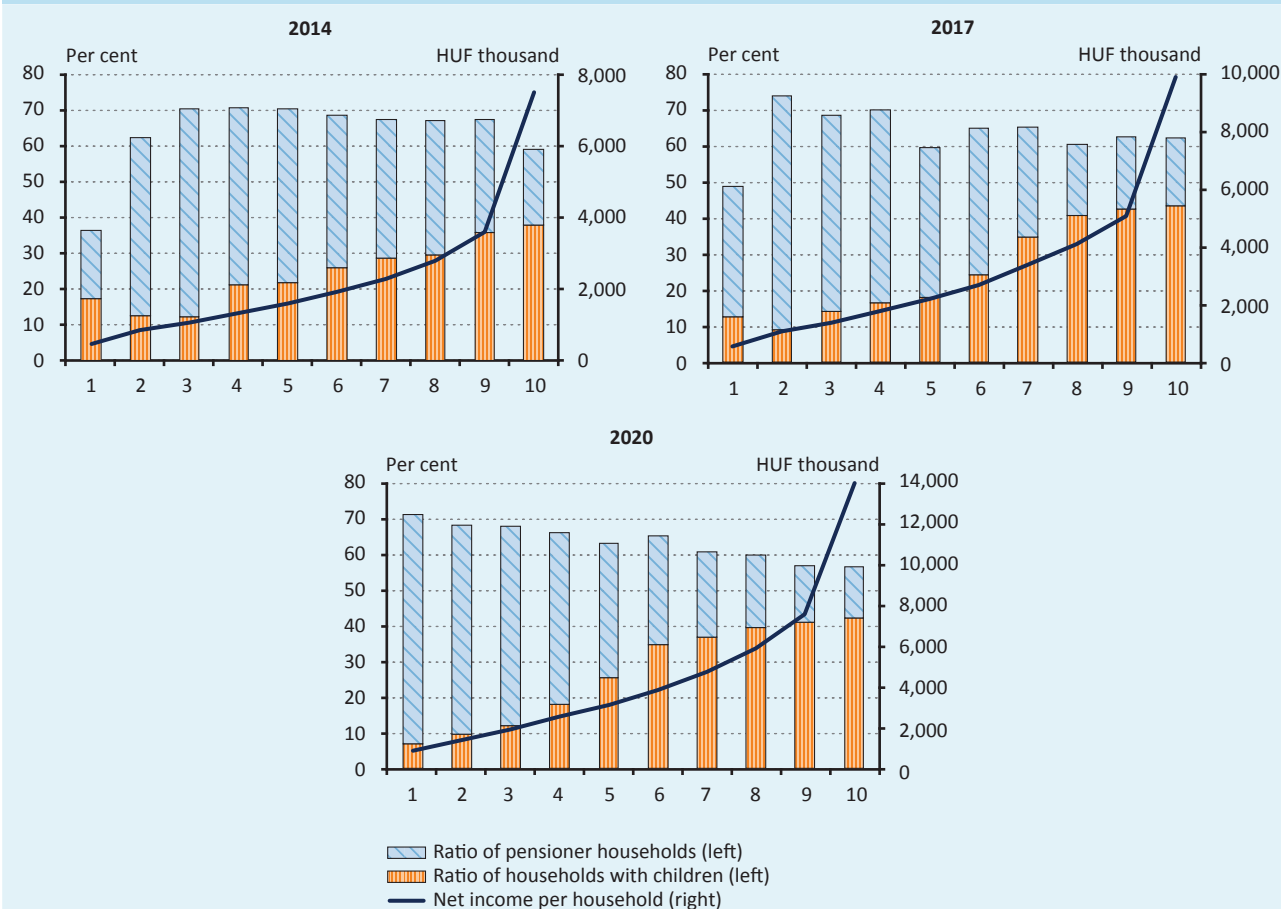
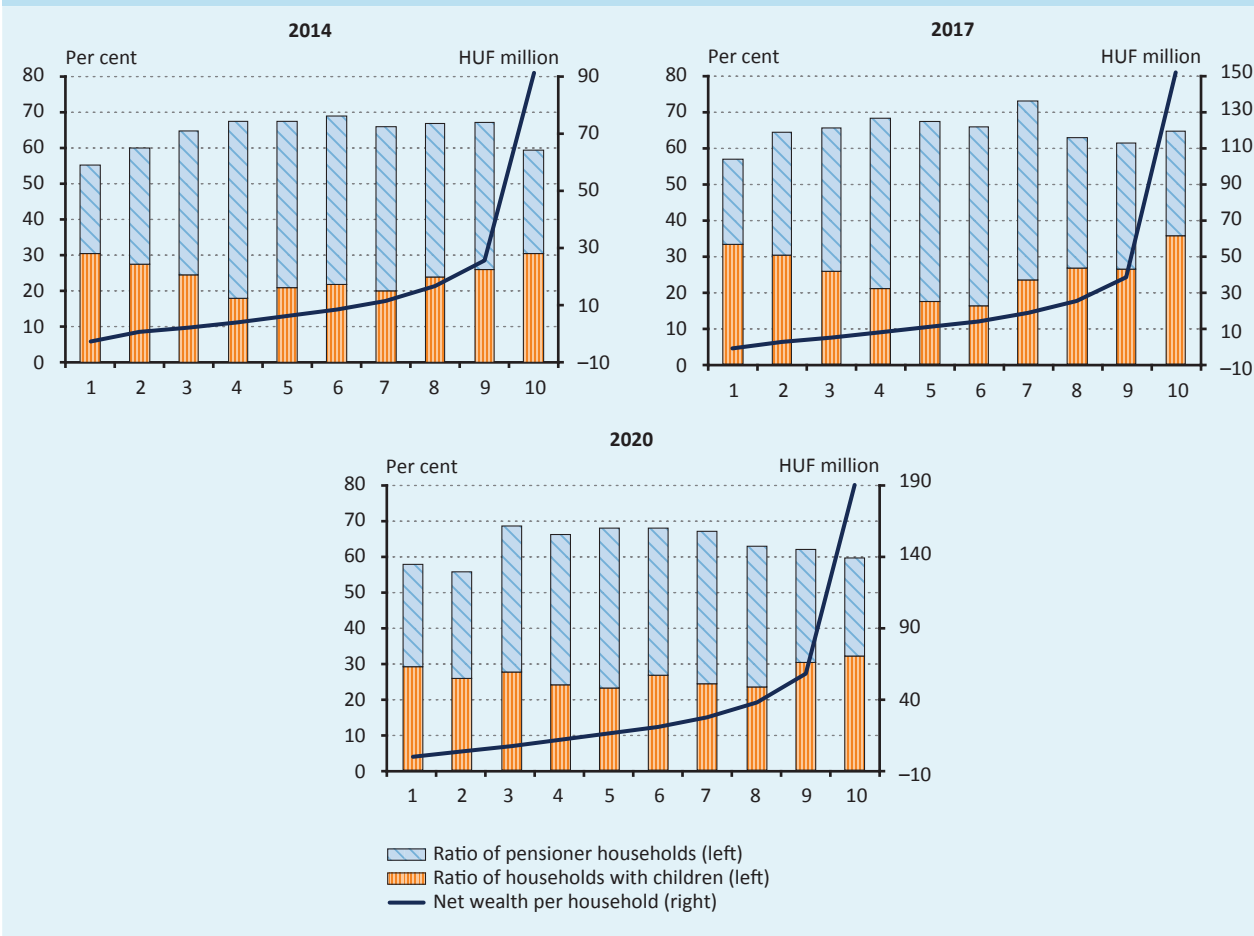


Chart 7.4

Proportion of households with children and pensioner households, and end-of-year net wealth per household in household deciles defined by net wealth (HFCS)



Households of different economic standing are more evenly distributed in terms of wealth size than net income in the three waves of the wealth survey. This may be due to the fact that incomes are more volatile than wealth. In **household deciles defined by net wealth** (where, similarly to the above, 400,000 households constitute a decile), households with children (households with children less than 18 years of age) and active-age households with no children tend to be found on the edges of the distribution, while pensioner households tend to be in the middle of the distribution. In the bottom wealth decile (where net wealth is on average negative) and in the top wealth decile approximately 30 percent of households are raising children. In the middle wealth deciles households with children account for around 20 percent. Pensioner households are in a late stage of the accumulation of wealth and may thus have, in spite of their more moderate current incomes, higher average net wealth than households with children, which are in the initial or first stage of the accumulation of wealth. However, in Hungary pensioner households are typically unable to achieve the sort of wealth some active-age households with or without children manage to create. This is due primarily to the wealth transfer between the generations, the passing on of financial and non-financial assets to the active-age group.

Responding to the **question on the relationship between revenues and expenditures**, 9.3 percent of households (370,000 households) reported spending more than their income in 2020; of households with children (below 26 years of age), 9.8 percent fell into this category. In 2017, 10.6 percent of households (426,000 households) reported spending more than they earned; the relevant figure for households with children was 12.3 percent. In 2014, 13.4 percent of households had insufficient revenues to cover their expenditures (554,000 households); the relevant figure for households with children was 18 percent.

The number of **households with negative net wealth** has fallen in recent years in Hungary. Households with more debt than assets numbered 190,000 at the end of 2014, 126,000 at the end of 2017 and 85,000 at the end of 2020 (representing

4.6, 3.1 and 2.1 percent of households, respectively). Negative net wealth is more prevalent but also decreasing over time in households with children (4.4 percent in 2017 and 2.8 percent in 2020). However, it was observed in all the years that as the number of children rose, the higher proportion of households had negative net wealth.

PREVALENCE AND VALUE OF DIFFERENT ASSETS IN HOUSEHOLDS WITH CHILDREN

In terms of the **non-financial assets held** by households with children less than 18 years of age, vehicles were the only surveyed category of assets in which there was variation across different household types in terms of prevalence. The proportion of households that owned a car grew from 50 to 60 percent of all households between 2014 and the end of 2020, including a rise from 63 to above 76 percent in vehicle ownership in households with children. The proportion of vehicle owner households increases with the number of children up to 2 children and starts to fall above that. Of the childless households, approximately 40 to 43 percent of pensioners and 50 to 65 percent of active-age households own cars. Approximately 6 percent of households have other vehicles; the ratio is somewhat higher (8 percent) for households with children. The wealth survey results did not reveal clear differences in distribution in terms of real estate owned by households of different composition. However, it can be stated that households with children own real estate in addition to their residence in greater proportion than the average and the childless households, and that the prevalence of such real estate rises as the number of children grows.

Table 7.3

Proportion of households with vehicles, own homes and/or other real estate in a breakdown by number of children, in households with children below 18 (HFCS)

%	Owns a vehicle				Lives in own residence or apartment				Owns other real estate properties				Household with children
	Total	0 children	1 child	2 children	Total	0 children	1 child	2 children	Total	0 children	1 child	2 children	
2014	49,5	45,0	63,5	68,3	84,2	85,0	82,3	81,4	23,0	22,8	23,2	24,6	1 007 400
2017	53,9	49,6	65,3	72,6	84,0	84,9	80,3	86,5	22,0	21,1	24,3	26,8	1 028 100
2020	60,4	54,5	75,7	79,9	85,8	84,8	89,7	86,9	19,7	18,3	21,1	28,0	1 063 300

According to the What Do We Live From? wealth survey, **84 to 86 percent of Hungarian households live in residential real estate they own** (the census figure is 90 percent); this ratio is similar for households both with and without children. The floor area and overhead costs of homes clearly increases along with the number of children, but the average value of the residential property per one unit of the property floor area (the price per square metre) starts to fall once the number of children reaches 2. Households with children are markedly more likely to have **housing loan debts** than childless ones, but this indicator does not continue to rise once the level of 2 children has been reached.

Table 7.4

Proportion of homeowners and housing loan debtors, average value, floor area and monthly overhead costs in households with a child or children below 26 years of age and in childless households

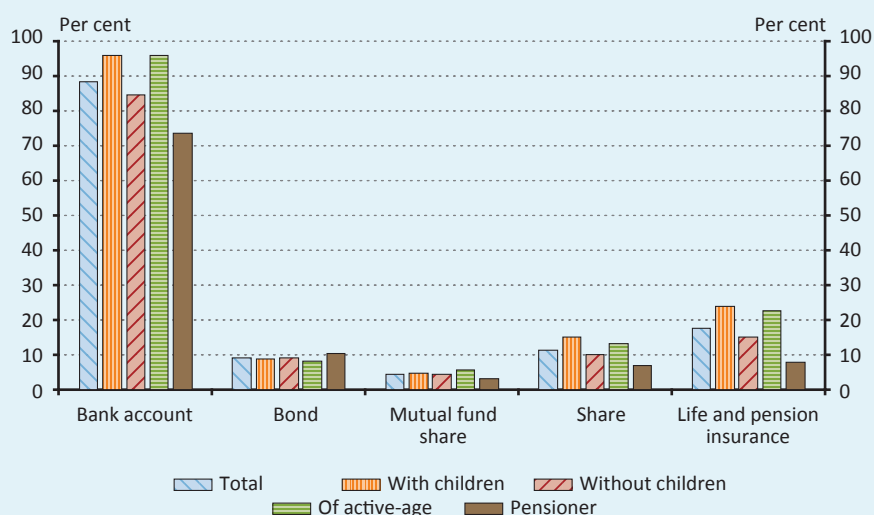
Residence characteristics	"What do we live in?" housing survey 2015					"What do we live from?" wealth survey 2014				
Types of households	Total	0 children	1 child	2 children	3 or more children	Total	0 children	1 child	2 children	3 or more children
Ratio of ownership %	85,2	85,5	84,3	87,3	80,2	84,2	85,0	82,3	83,4	82,0
Residence average value HUF million	11,9	11,3	12,5	14,1	13,0	11,5	11,0	12,0	14,0	12,5
Average floor area m2	80,4	75,1	84,9	95,3	96,6	78,1	75,8	80,6	89,6	94,5
Overhead cost/month HUF thousand	40,3	37,8	44,2	45,3	47,6	40,0	37,0	45,0	47,2	48,0
Housing loan ratio %	17,9	10,6	29,1	34,6	35,1	16,1	11,6	27,3	32,8	34,4
Residence characteristics	"What do we live from?" wealth survey 2017					"What do we live from?" wealth survey 2020				
Types of households	Total	0 children	1 child	2 children	3 or more children	Total	0 children	1 child	2 children	3 or more children
Ratio of ownership %	84,0	84,2	83,4	85,4	79,7	85,8	84,6	88,1	89,2	88,6
Residence average value HUF million	15,4	14,2	16,2	20,8	19,2	23,3	22,2	25,3	26,8	25,4
Average floor area m2	79,9	75,9	82,8	93,8	98,0	83,8	79,2	88,4	95,6	105,1
Overhead cost/month HUF thousand	48,6	45,2	55,2	57,6	58,1	53,8	49,6	61,3	64,5	64,3
Housing loan ratio %	13,5	8,7	21,2	29,5	22,6	13,3	8,6	22,2	24,5	25,5

Of the different financial assets, the prevalence and distribution of currency (domestic and foreign banknotes and coins) is the most even across society. All households have cash, and even its quantity is not clearly dependent on whether it is a household with or without children, with active-age or pensioner members. Besides cash, **bank accounts (current accounts)** are held most frequently by households, all other financial assets are limited to a much smaller range of households. At the end of 2020, 89 percent of households had a bank account; the relevant figure was 96 percent for both households with children (below the age of 18) and active-age childless households, and stood at 74 percent for pensioners. At the end of 2017, over 83 percent of Hungarian households (93 percent of households with children below 18) had a bank account; at the end of 2014, just below 83 percent of households had at least one bank account (including 94 percent of households with children, 79 percent of childless households and 70 percent of pensioners). Regardless whether they are raising children or not, active-age households have bank accounts in a much higher proportion than pension-age households. By 2020, bank account usage rates increased significantly in all household types compared to the results of the earlier survey waves.

According to the results of the What Do We Live From? wealth survey, **government securities and other bonds** may have been held by over 9 percent of Hungarian households as of the end of 2020 (the figure had stood at 8 percent at the end of 2017 and 7 percent in 2014). These securities were relatively evenly distributed across the different types of households. The same applies to the distribution of **investment fund shares**, which may be held by 6 to 7 percent of households. Corporate equity investments, i.e. **shares and other equity** were held by over 11 percent of households at the end of 2020 (7.5 percent at the end of 2017 and 8 percent at the end of 2014). The highest degree of corporate ownership is present in households with children; at the end of 2020, 15 percent held corporate shares or other equity, while the figure had been 11 percent previously. The proportion of households with corporate equity holdings is much lower in childless active-age households and, especially, pension-age households.

An increasing percentage (15 to 18 percent) of Hungarian households have insurance investments, that is **life insurance and pension fund reserves**. This form of investment is most prevalent among households with children, where 22 to 24 percent had life or pension insurance at the time of the surveys (255,000 households at the end of 2020 and 242,000 households at the end of 2017). Among childless households, 22 to 23 percent of active-age households, and 5 to 8 percent of pensioner households reported having insurance assets.

Chart 7.5
Prevalence of different financial assets in households with children (below 18) and childless households (including active-age and pensioner households) at the end of 2020 (HFCS)



8 The Financial Literacy, Financial Awareness and Risk Appetite of Households

While the main purpose of the What Do We Live From? household wealth survey is to observe for statistical purposes the incomes, consumption spending and different assets and liabilities of households, its main questions are accompanied by a large number of **supplementary questions** providing an insight into the living conditions of households, their financial environment and financial standing, and collecting information on the related decisions, plans and prospects. This chapter presents primarily this type of supplementary information.

The following topics are discussed in this chapter:

In what proportion households hold certain financial assets, to what extent they know and use these assets, and what degree of risk they are able and willing to assume in their investments.

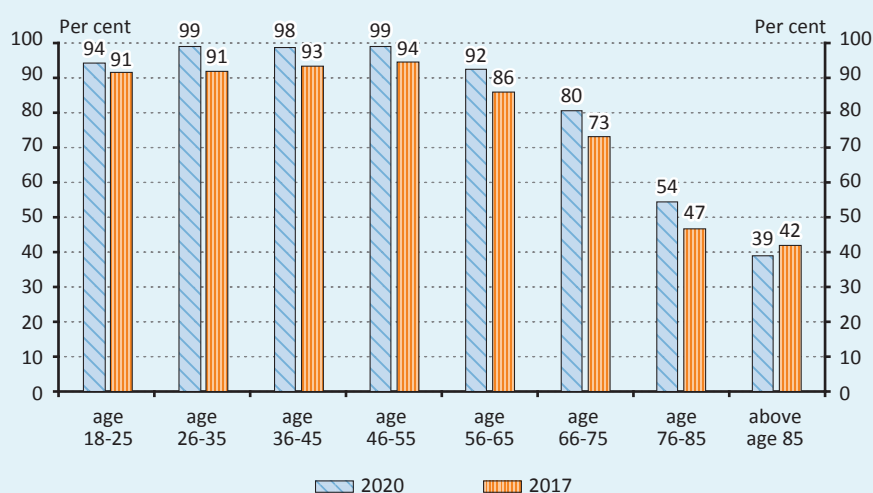
What proportion of households are faced with difficulties in paying for their expenditures as these exceed their revenues, and how they try to deal with the situation. What reasons prompt them to borrow from family and friends in addition to, or instead of, taking out loans from financial institutions.

What purposes the households save up for. Whether they consider short- or long-term goals more important if they have an opportunity to save and/or invest.

PREVALENCE AND USE OF DIFFERENT FINANCIAL ASSETS

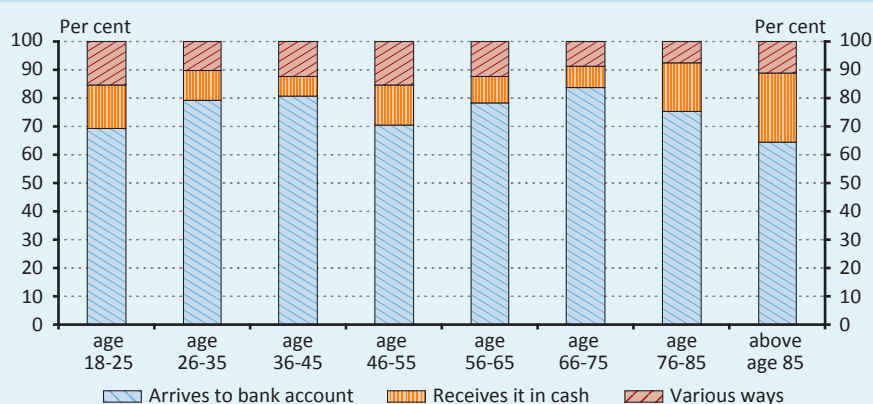
The most commonly used financial assets of Hungarian households are cash and deposits. The members of 89 percent of households had one or more bank accounts at the end of 2020. **Bank account usage in households** increases in parallel with the rise in wealth, and the number of bank accounts per household grows in parallel (cf. Tables 3.5. and 5.3). In terms of age of reference person, while almost all active-age households have bank accounts, the use of deposits is low in the older households: just over half of those above the age of 75 have a bank account (Chart 8.1). The information collected in the survey suggests that, even in young households with a reference person below 26 years of age, not all households have deposits.

Chart 8.1
Proportion of households with a bank account in household groups defined by age of reference person, at the end of 2017 and 2020, percent (HFCS)



Even though the vast majority of households use bank accounts, some incomes are received by households in cash. When asked about **how they receive their income**, 20 percent of households indicated cash only, 11 percent reported a variety of channels, and 69 percent said that all or most of their incomes were received on their bank accounts, as shown in the results of the survey at the end of 2020. 77 percent of **households with a bank account** receive their income mainly on their accounts, 12 percent receive their incomes in a variety of channels and 11 percent receive payments in cash. In terms of age distribution, young and old households show a lower prevalence of bank account usage (Chart 8.2). In the over-75 age group, 38 percent of households receive their incomes on bank accounts; therein, households with a bank account do so at a rate of 74 percent. In active-age groups, 70 to 80 percent of households (nearly 80 percent of households with deposits) generally receive their incomes on their bank accounts. There are significant differences in **income receipt channels** also based on the **types of income received by the household**. 10 percent of households with employment income (as well), 15 percent of households with business revenues (as well) and 30 percent of households receiving pensions (as well) do so in cash.

Chart 8.2
Distribution by income channel of households with a bank account in household groups defined by age of reference person, at the end of 2020 (HFCS)



A further question on bank accounts concerns whether any household member **has a debit or credit card**. At the end of 2020, 69 percent of households (62 percent at the end of 2017) reported having a debit card and 12 percent (14 percent at the end of 2017) said they used a credit card (as well). Among those with a bank account, these figures stood at 78 percent (74 percent at the end of 2017) and 14 percent (17 percent at the end of 2017), respectively (cf. Table 8.1). Nearly 5 million debit cards (basic bank cards) may have been held by private individuals at the end of 2020 and 4.4 million at the end of 2017 according to data from the household wealth survey. Approximately 7 percent of households may have had an overdraft and 5 percent had credit card debt as of the end of the two survey years (cf. also Table 6.4). 37 to 38 percent of credit card holders had outstanding debt on their cards; the average debt amount may have been HUF 255,000 at the end of 2020 and HUF 310,000 at the end of 2017.²²

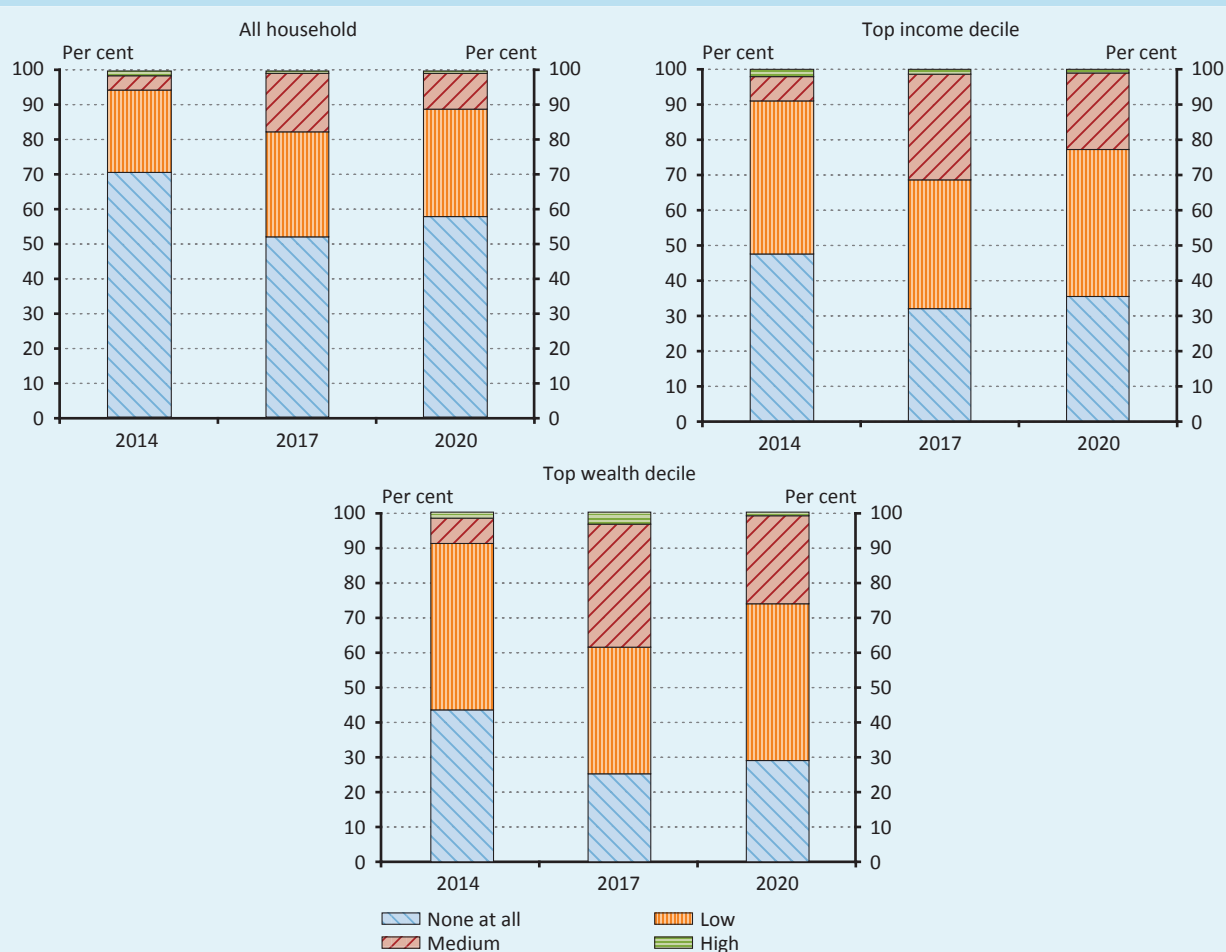
Table 8.1
Summary on the prevalence of certain items related to bank accounts in different household types, at the end of 2017 and 2020, based on the HFCS, thousand households

Number of relevant households, thousands	All household		Age of 75 or more		Budapest residents		Residents of cities with county rights		Residents of other cities	
	2017	2020	2017	2020	2017	2020	2017	2020	2017	2020
Owens retail bank account	3 331	3 535	206	236	676	728	744	760	1 031	1 138
Owens business account	559	562	5	12	154	138	122	115	170	208
Owens a debit card	2 475	2 742	100	171	533	607	579	594	765	897
Owens a credit card	565	487	14	17	171	154	117	96	159	153
Has overdraft	289	278	6	7	54	41	72	51	90	103
Has credit card debt	208	185	5	5	73	56	42	36	51	62
Number of all households	4 004	3 983	450	459	767	774	847	834	1 279	1 292

²² Household-level estimates. The debt figures are (corrected) amounts reported, not adjusted amounts.

The supplementary questions in the What Do We Live From? wealth survey include those on **savings and investment risk appetite**. A significant part of households (70 percent in 2014 and 58 percent in 2020) opt for risk-free investments. A further 24 to 31 percent of households assume low-risk investments. 4 to 16 percent of households are willing to take on medium risk in their investments, and only approximately 1 percent of households would accept high risk (Chart 8.3).²³ Overall, the Hungarian population is extremely risk-averse; at the three dates surveyed, 83 to 94 percent of respondents were willing to assume no more than low risk, which is also reflected in the rates of holding financial assets representing higher risk (Chart 8.4). Risk exposure relating to savings and investments rises as income and wealth grows, but high-risk assets are also avoided by wealthy or high-income households as well.

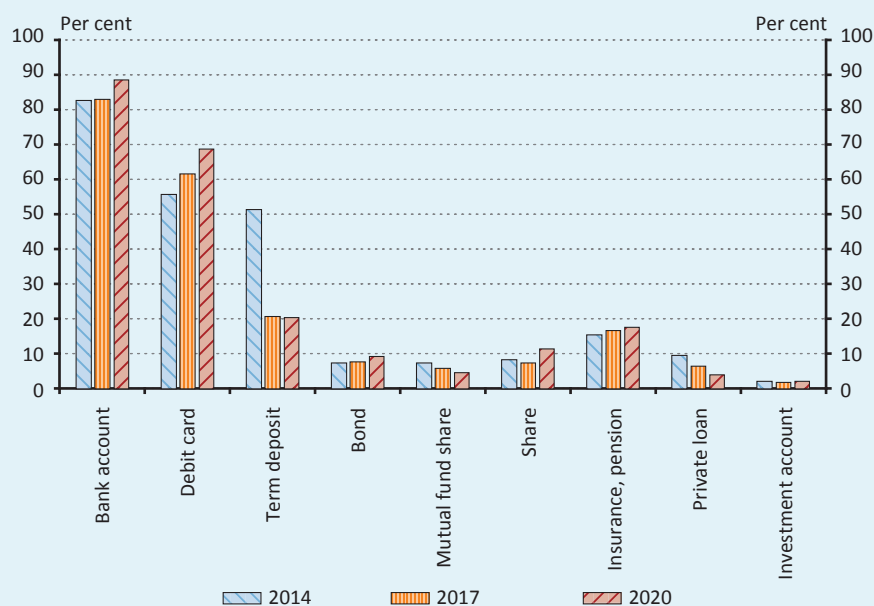
Chart 8.3
Risk appetite of all households and of the top income and wealth deciles of households, in the three waves of the HFCS, percent



²³ The differences in the data of the various years are in part due to structural variation in the surveys, cf. Chapter 1.

Chart 8.4

Penetration summary of different financial assets based on the three waves of the HFCS (proportion of households with different financial assets, percent)

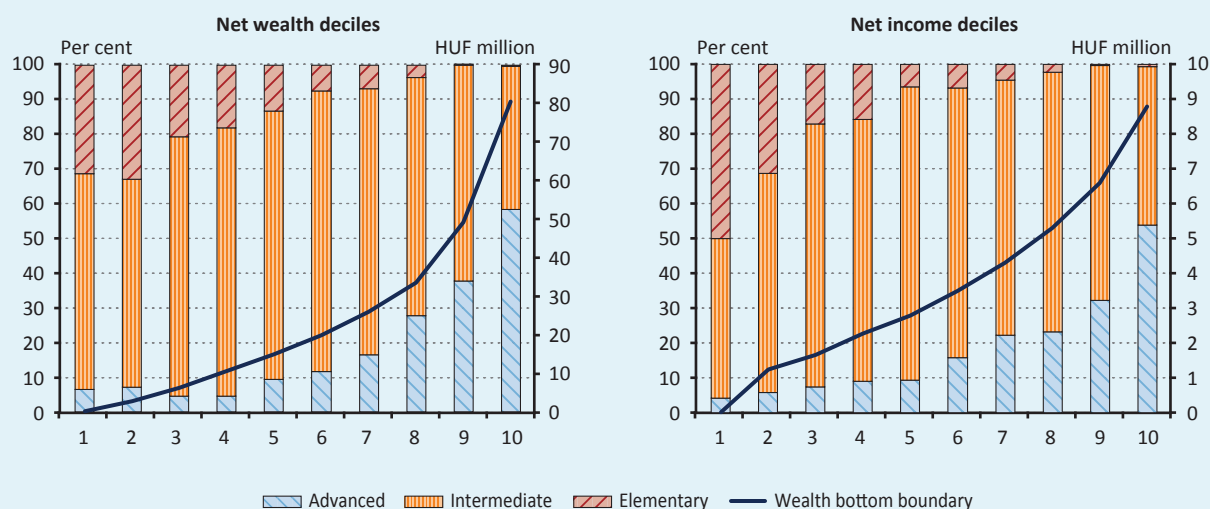


Note: Cf. also the information in Tables 1.15, 3.5, 5.3 and 8.1, and Chart 7.9.

Educational attainment is a key factor impacting on the market standing, the investment decisions and thus the achievable incomes and wealth of households (of the private individuals constituting the households). Households with lower qualifications²⁴ tend to be found in lower wealth and income distribution strata, while higher educational qualifications generally mean higher income and wealth (Chart 8.5). 31 percent of **households with tertiary qualifications** were in the net wealth decile (above HUF 80 million) and over 50 percent were in the top net wealth quintile (with net wealth over HUF 49 million) according to the data of the 2020 year-end survey. In the top wealth strata, higher-risk financial assets are present and, in fact, have a fundamental impact on the size of the wealth and the shareholding revenues of these wealthy households.

Chart 8.5

Proportion of households with various levels of highest educational attainment in household deciles defined by net wealth and by net income size, at the end of 2020 (HFCS)



²⁴ Households were classified based on the highest educational level found within the household.

Households with tertiary qualifications hold certain types of financial assets at a much higher rate than the Hungarian average. 98 percent of households had one or more bank accounts (89 percent at national level), 23 percent of households held various bonds (9 percent nationally), 13 percent had investment units (5 percent nationally), 8 percent held publicly traded stocks (2 percent nationally), 6 percent of these households had investment accounts (2 percent nationally) and 34 percent had insurance and/or pension fund investments (18 percent nationally) according to 2020 year-end data.

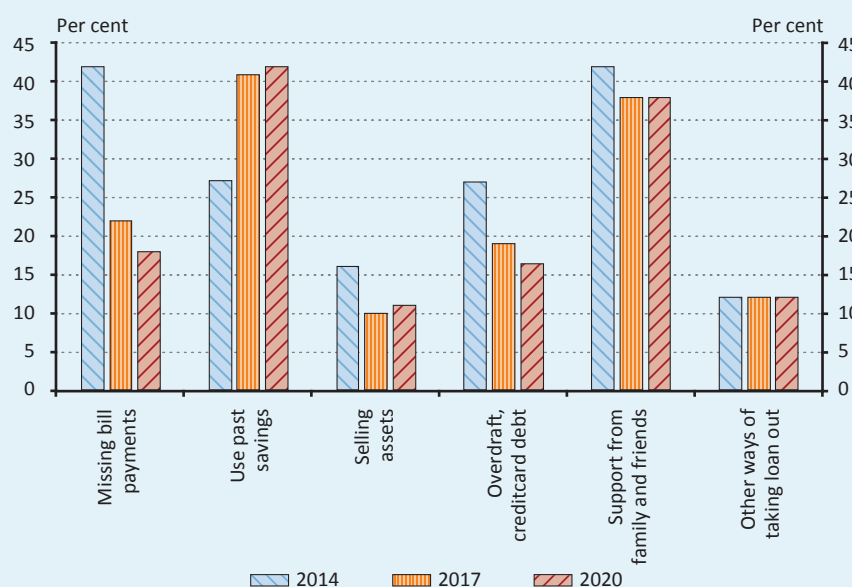
Households with tertiary qualifications have much higher risk appetite than the national mean, with nearly 20 percent reporting readiness to accept medium or high investment risk in response to this question (the nationwide figure is 11 percent); nevertheless, this is still below the average of households in the top wealth decile (26 percent) at the end of 2020. High risk is avoided by this stratum as well.

PROPORTION OF HOUSEHOLDS IN FINANCIAL DISTRESS, AND SOLUTION METHODS

In 2014, 13.4 percent of households reported **spending more than their income** in the previous year, but there has been undoubted improvement since then, as this figure fell to 10.6 percent by 2017 and 9.3 percent by 2020. In order to supplement their insufficient income, in 2014 households tended to borrow from friends and family (42 percent), did not pay all their bills (42 percent), used past savings (38 percent), took out an overdraft or used a credit card for this purpose (27 percent). By 2017 this changed to the extent that spending past savings became the most typical (41 percent), followed by loans from friends and family (38 percent), not paying bills (22 percent) and using overdraft facilities or credit cards (19 percent); in 2020, the spending of savings (42 percent) and borrowing from family and friends (38 percent) remained the two main solutions, while the use of overdraft facilities or card debt (17 percent) and not paying bills (18 percent) became less relevant.²⁵ In a positive development, the proportion of households not paying their bills fell to less than half of earlier levels, which helps limit any additional debt due to penalty interest; the same is true for overdraft facilities and credit card debt. Also notable is the significant rise in the proportion of households able to use their own savings and investments to overcome their financial difficulties.

Chart 8.6

Solutions employed by households in financial distress in the three waves of the HFCS (percentage of households reporting use of a particular solution)



²⁵ There are overlaps in the frequencies as households were able to select multiple solution methods in their responses. Chapter 2 on incomes and Chapter 7 on households with children also touch upon the management of financial difficulties.

Overall, **only a small percentage of households borrowed from family and friends or acquaintances** (took private loans from individuals in other households); from 9.9 percent of all households in the sector at the end of 2014, this figure fell to 5.9 percent by the end of 2017 and continued to decrease further, reaching 5.6 percent by the end of 2020 (cf. Table 6.4).²⁶ Where a household had taken out a private loan from other households, it was also asked about the three main reasons for doing so. At all three survey dates, households mentioned first of all the financing of living costs and major purchases other than buying a home, a vehicle or furniture. Ranked second in 2014 was the payment or refinancing of debts other than living costs (which was not included in the top three purposes later), while ranked third was the purchase or rebuilding of the residence. Three years later, in 2017, and also in 2020, the purchase or rebuilding of a home came second and the purchase of a vehicle was ranked third. The data clearly show that, while in 2014 households had used private loans mainly to cover their daily living costs, later the focus shifted to include the part-financing of large-scale spending items.

Another sign of financial distress is if a **borrower household is unable to service its debt at all (or on time)**. At the end of 2020, 48,000 households were at least 90 days in arrears on their loan debt according to the responses to the relevant question in the What Do We Live From? wealth survey.²⁷ Of these, 26,000 households took advantage of the loan payment moratorium, in effect from 19 March, while 22,000 households were not servicing their debt for other reasons. Overall, 210,000 households were late (by any period of time) with their repayment instalments in 2020; of these, 150,000 households were protected by the payment moratorium. At the end of 2017, 200,000 households reported being at least 90 days overdue with debt in the year before. Of these, 94,000 households were late with repayments on loan debt and nearly 100,000 households had utility bills at least three months overdue during the year.

THE SAVINGS GOALS OF HOUSEHOLDS

According to their responses to questions comparing their revenues and expenditures, the proportion of households able to save against their incomes has been rising consistently between 2014 and 2020, which was coupled by a decrease in the proportion of those spending more than their income. While households able to set aside in savings some of their annual revenues represented 26 percent of all households at the end of 2014, their rate increased to 33 percent by the end of 2020.

Where a household makes savings, the What Do We Live From? wealth survey also asks what savings goals it considers important. In 2014, building up a reserve for unexpected expenditures was named by most respondents (54 percent of households), followed by preparing for old age (38 percent), supporting studies, children and grandchildren (34 percent), travel (18 percent), the repayment of debt (14 percent), and the acquisition of valuable objects other than the home (over 10 percent). In 2017, the same goals were ranked in the top four but preparing for unexpected expenditures and old age was specified by much fewer respondents, with supporting studies, children and grandchildren also falling, and fewer respondents choosing saving up for travel. At that point in time, only a low percentage of households considered it important to save up in order to repay debt. In 2020, the top savings goal was supporting studies, children and grandchildren (selected by nearly 30 percent of households selected), followed by reserves for unexpected expenditures (25 percent), preparing for old age (20 percent), and lastly travel (12 percent).

²⁶ The question on private loans here applies to all households, not only households in financial distress.

²⁷ This form of this supplementary question was first introduced in the 2020 survey wave. In 2017 a similar question was asked but in a breakdown by debt type.

9 Household Income and Wealth in a Geographical Breakdown

This chapter focuses on the geographical differences across households in terms of wealth and income, using data from the What Do We Live From? household wealth survey (HFCS) that have been weighted (extrapolated to total population) and adjusted to the national accounts. The statistics capturing the wealth and income situation of households are first presented in a breakdown by region and county, after which an overview is offered in this chapter on the differences between settlement types. In the breakdown by county, the units of territory are the 19 counties of Hungary plus Budapest; they are referred to with abbreviations constituted from the first two letters of their names in the relevant tables and figures (an explanation is given in the annex). This publication differentiates 4 types of settlement in general: the capital city, cities with county rights, other cities/towns, and villages. In some cases, cities with county rights are merged with other cities/towns under the name cities/towns.

Table 9.1

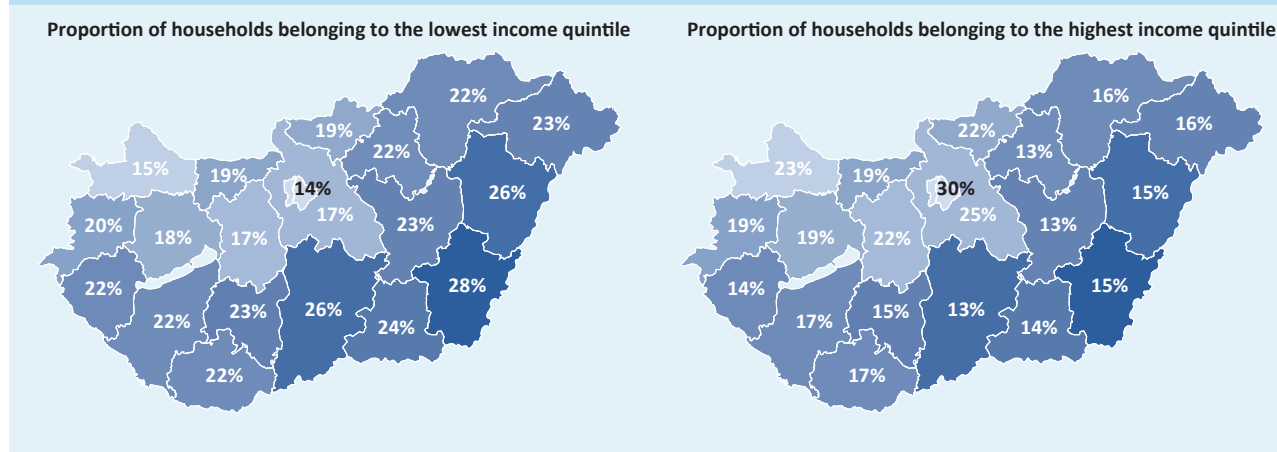
Number of households in the survey, also population size calculated from the survey and actual population size in the three survey waves, by territorial unit

Territorial units	Number of households (qty) HFCS surveyed			Population size (thousand persons) HFCS weighted			Population size (thousand persons) HCSO		
	2014	2017	2020	2014	2017	2020	2014	2017	2020
BP	1 030	1 391	1 586	1 700	1 692	1 686	1 758	1 750	1 724
PE	538	675	657	1 211	1 250	1 303	1 226	1 262	1 310
Central Hungary	1 568	2 066	2 243	2 911	2 942	2 989	2 984	3 012	3 034
FE	310	278	268	490	476	386	418	417	419
KO	167	159	198	259	297	361	299	297	300
VE	258	228	222	306	267	307	347	341	341
Central Transdanubia	735	665	688	1 055	1 040	1 055	1 063	1 056	1 060
GY	315	252	298	526	468	421	453	462	478
VA	143	133	141	273	185	240	254	253	253
ZA	135	185	175	172	317	324	277	271	265
Western Transdanubia	593	570	614	971	970	985	984	985	997
BA	303	256	278	382	367	346	371	364	357
SO	121	112	180	175	188	311	312	304	301
TO	191	208	79	341	318	201	226	219	213
Southern Transdanubia	615	576	537	899	872	858	909	887	871
BO	458	320	333	775	600	698	668	648	633
HE	221	229	124	277	345	192	301	296	292
NÓ	89	104	96	102	172	207	196	191	188
Northern Hungary	768	653	553	1 154	1 117	1 097	1 165	1 135	1 112
HA	402	317	267	525	577	519	537	530	526
JÁ	385	192	242	721	419	422	380	371	364
SZ	197	253	212	211	440	472	562	558	545
Northern Great Plain	984	762	721	1 457	1 435	1 413	1 480	1 460	1 435
BÁ	302	254	262	395	476	545	514	506	500
BÉ	288	262	118	349	440	259	351	338	327
CS	356	160	299	511	304	402	406	400	396
Southern Great Plain	946	676	679	1 255	1 220	1 206	1 271	1 244	1 222
Country total	6 209	5 968	6 035	9 701	9 597	9 603	9 856	9 778	9 731

HOUSEHOLD INCOME AND CONSUMPTION IN A BREAKDOWN BY COUNTY AND REGION

In this section, we describe geographical differences first with the weight within the specific county of the households in the (net) income quintiles defined on a nationwide level. The ratio of households in the nationally defined lowest income quintile to the total number of households in the county is higher in counties in the East and South-West than in the North-West or in Central Hungary; the reverse applies in the case of the highest income quintile. Accordingly, the households with the lowest incomes measured nationwide live mostly in the eastern and south-western parts of the country, while those with the highest income live mainly in the North-West or in Central Hungary.

Chart 9.1
Proportion of households belonging to the nationally defined bottom and top income quintiles, in specific counties (based on the average of the 3 survey waves)



According to the results of the What Do We Live From? wealth survey, per capita annual net income was HUF 1,914,000 nationwide in 2020 (previous figures were around HUF 1,128,000 in 2014 and HUF 1,482,000 in 2017). Excluding Budapest, per capita annual net income ranged between HUF 1,428,000 and HUF 2,034,000 in different counties in 2020, whereas the average in the capital amounted to HUF 2,761,000. In terms of regions, inhabitants earned the lowest incomes in the Northern Great Plain (HUF 1,559,000) and Northern Hungary (HUF 1,572,000), and the highest incomes were earned by the populations of the already mentioned Central Hungary (HUF 2,444,000) and Central and Western Transdanubia (HUF 1,884,000 and HUF 1,822,000, respectively).

In all geographical units, labour incomes (salaries and wages, and business incomes) are the main income sources, generating approximately two thirds of the total. Incomes from equity holdings (interest, dividends, rents) account for a relatively low percentage (below 10 percent) in most counties. Incomes from equity holdings tend to represent a higher proportion mainly in the counties where per capita net income is also higher (examples include Budapest and the counties Pest, Fejér and Győr-Moson-Sopron).

Chart 9.2

Per capita annual net income by territorial unit and by main type, in 2020, HUF thousand

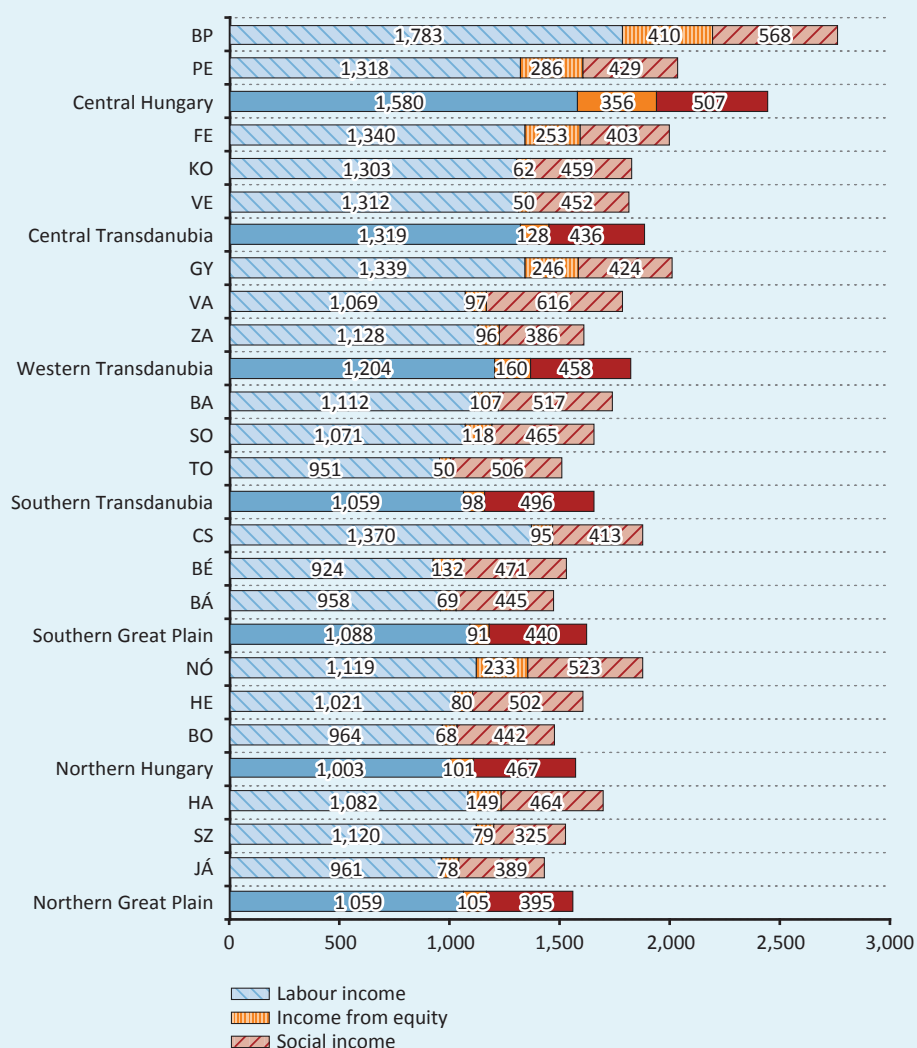
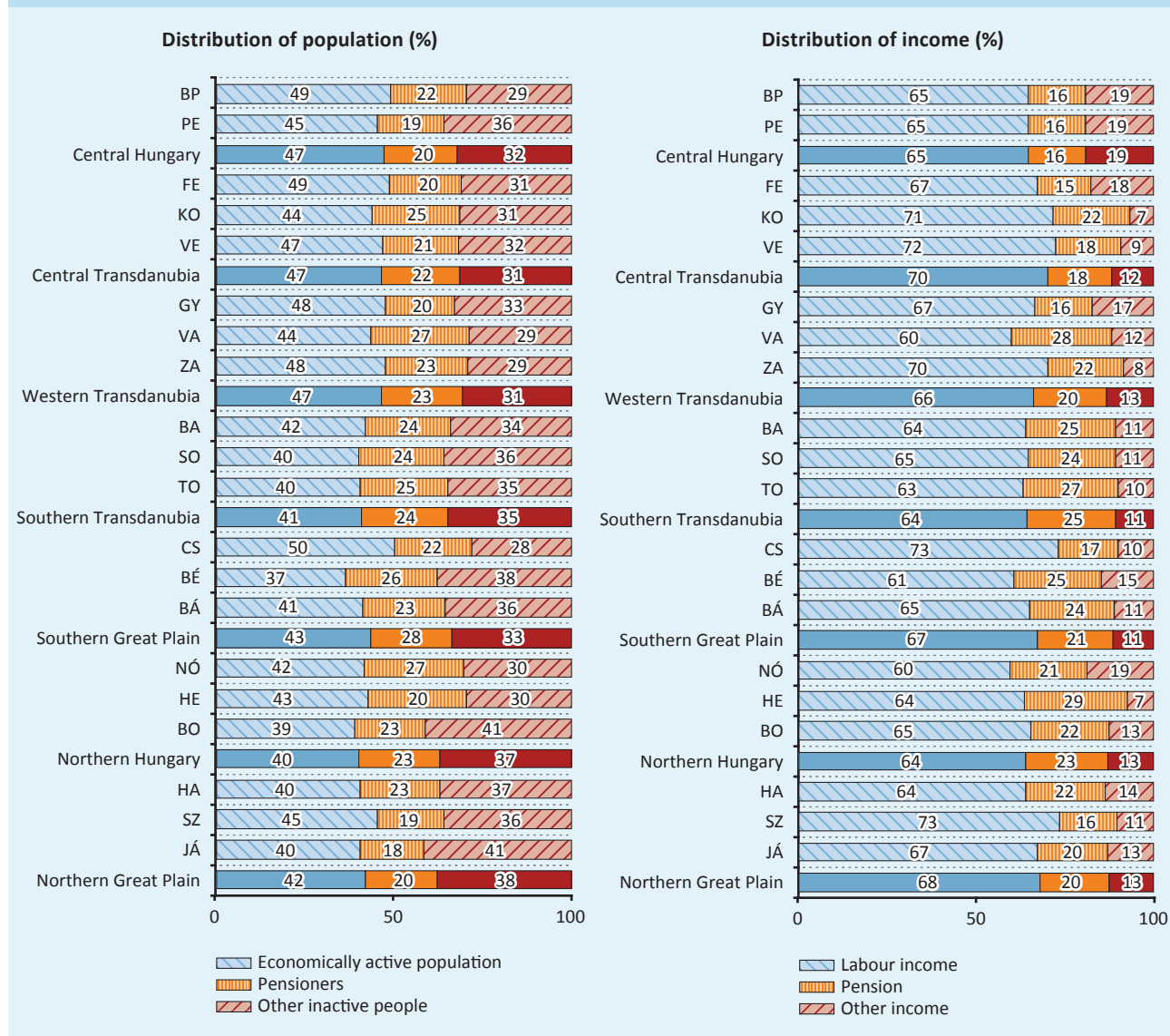
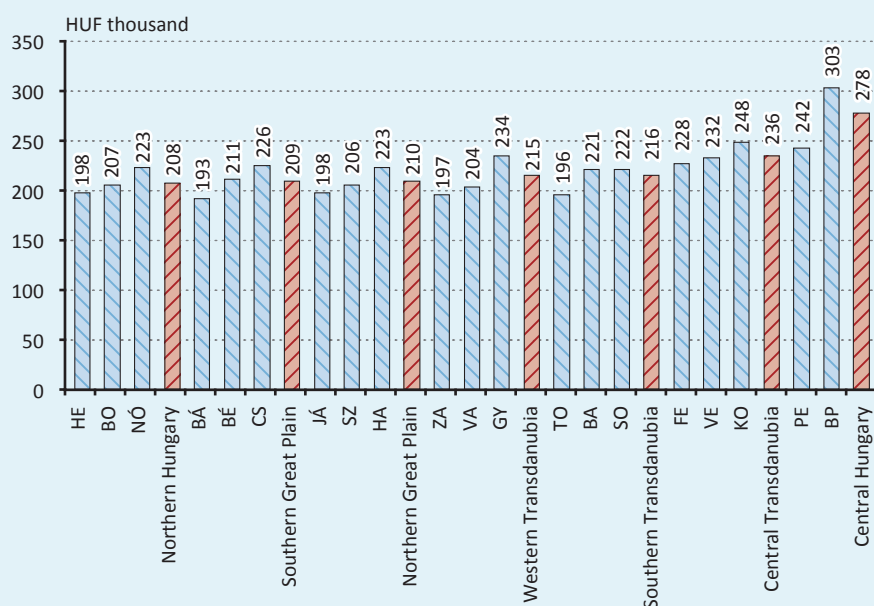


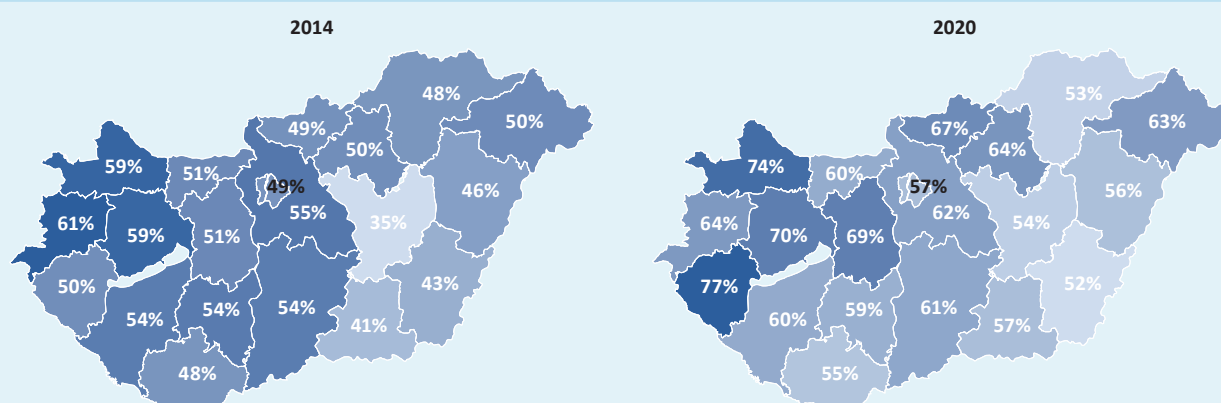
Chart 9.3
Population distribution by labour market activity, and income ratios associated with activity status in counties and regions, in 2020



According to the data from the wealth survey, the average net monthly pay per active earner was HUF 236,000 in Hungary in 2020. When considering the regional breakdown, 5 regions showed data at almost the same levels, while Central Transdanubia and especially Central Hungary were exceptions, as their net pay per active earner was significantly higher than the average of the rest of the regions. Measured at county level, values are distributed over a wider range, greater disparities are revealed.

Chart 9.4**Net monthly pay per active earner (according to residence) in 2020, HUF thousand**

While national account statistics do not consider passenger vehicles as an asset, the ownership of vehicles may serve as supplementary information on the wealth and income standing of households, as cars are one of the most valuable goods of consumption. Between 2014 and 2020 there was an increase in all counties in the proportion of households in possession of at least one passenger vehicle; nationwide, the rate of increase was 11 percent. In all three survey periods, the proportion of households with a car was lower in Budapest and in most counties in the East than in the western (and especially north-western) counties. (There is greater uncertainty in the data of counties with small populations.)

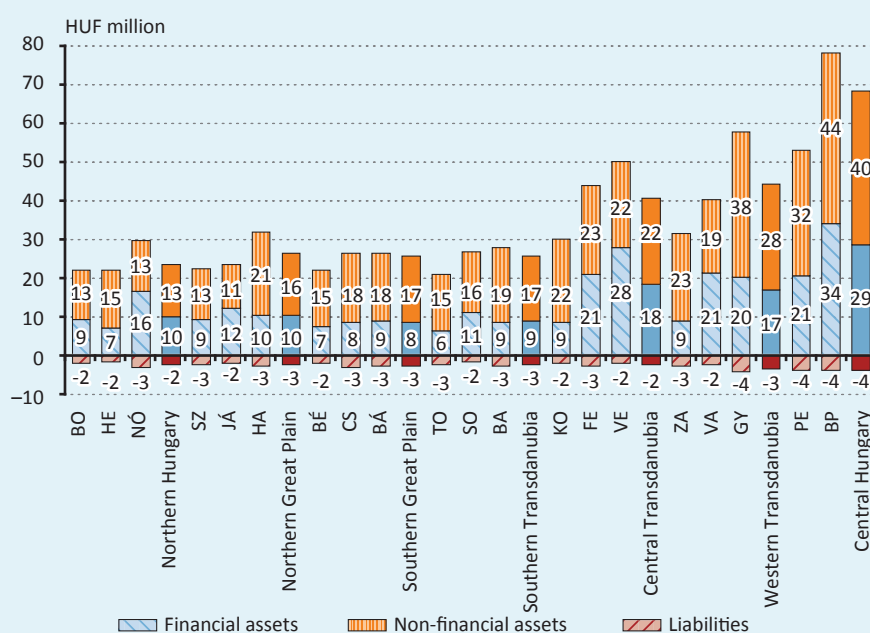
Chart 9.5**Proportion of households with cars in specific counties at the end of 2014 and 2020**

HOUSEHOLD WEALTH BY COUNTY AND REGION

According to What Do We Live From? wealth survey data adjusted to the financial accounts, there are marked differences across counties and regions in terms of wealth as well. The national mean of assets (gross wealth) per household was HUF 22 million in 2014, HUF 30 million in 2017 and HUF 43 million in 2020, of which non-financial assets represented around 55 to 60 percent in these three years. In 2014, gross wealth per household was lowest (HUF 13 million) in the two regions of the Great Plain, while in 2017 and in 2020, the figure was lowest in households in Northern Hungary (HUF 16 million and HUF 23 million, respectively). At the other end of the scale, the asset value per household was highest in Central Hungary in all three survey waves (HUF 32 million in 2014, HUF 48 million in 2017 and HUF 68 million in 2020). Besides the households of that region, those in Central and Western Transdanubia have the highest gross wealth averages (HUF 23 and 25 million in 2014, HUF 22 and 31 million in 2017 and HUF 41 and 45 million in 2020).

Chart 9.6

Average value of financial and non-financial assets and liabilities of households by region and county, at the end of 2020, HUF million



Calculated from gross wealth by subtracting liabilities, net wealth per household nearly doubled on the nationwide aggregate level in the period between 2014 and 2020, as shown by the results of the three waves of the survey. However, no material change may be observed in the relative standard deviation of net wealth per household calculated for individual counties, which was around 45 to 46 percent in both 2014 and 2020. The nominal rise in net wealth per household thus did not affect significantly the inequalities existing among the counties. Since the survey is not representative at the county level, the sizes of the samples from different counties may distort the results calculated per household. (There is greater uncertainty in the data of counties with small populations.)

2014

2020

In Hungary, a significant proportion of the non-financial assets of households are real estate assets, the average value of these properties varies considerably by geographical location. At the end of 2020, the average value of an owner-occupied dwelling in Central Hungary was three times the value of a home in Northern Hungary (HUF 36 million versus HUF 12 HUF million). Besides Central Hungary, average home values also exceeded HUF 20 million in the north-western areas of the country, while in the East and South-West, the average house values were lower. At county level, the value of properties owned (and occupied) by the households was highest in the capital and in Pest and Győr-Moson-Sopron counties (HUF 30 million or more in 2020), while the lowest average property values characterized the counties of Békés, Borsod-Abaúj-Zemplén, Jász-Nagykun-Szolnok, Nógrád and Szabolcs-Szatmár-Bereg (HUF 12 million or less in 2020). Nationally, almost 85 percent of households were owner-occupiers; the greatest divergence from this figure was observed in the Budapest metropolitan area (76 to 77 percent). In addition to collecting information on the value of properties in which the households are owner-occupiers, the What Do We Live From? survey is also concerned with the prevalence and value of other real estate of the households. One fifth to one fourth of households in the country have properties that are not occupied by themselves or fall in the category of other non-residential real estate; in terms of geographical distribution, households in Budapest are ranked at the top (29 to 30 percent) in this respect.

Table 9.2**Proportion of households with real estate and average property values by territorial unit HUF million**

Territorial units	Average value of owner-occupied homes (HUF million)			Proportion of owner-occupier households (%)			Average value of other immovable properties owned by households (HUF million)			Proportion of households with other immovable properties (%)		
	2014	2017	2020	2014	2017	2020	2014	2017	2020	2014	2017	2020
BP	18	27	42	77	77	76	14	27	38	29	29	30
PE	15	21	30	89	89	90	14	24	30	25	19	18
Central Hungary	17	25	36	81	82	82	14	26	36	28	25	25
FE	10	13	20	86	91	93	6	14	21	22	21	21
KO	10	13	21	84	90	90	11	7	19	17	15	11
VE	12	16	22	84	83	90	13	17	17	18	12	11
Central Transdanubia	10	13	21	85	88	91	9	13	20	19	17	15
GY	13	17	34	86	85	83	10	15	33	26	21	27
VA	11	16	17	91	86	89	9	16	18	26	16	19
ZA	10	11	20	87	89	95	8	10	10	29	32	12
Western Transdanubia	12	15	24	88	87	89	9	13	25	26	23	20
BA	6	12	20	81	77	79	6	11	12	20	28	16
SO	13	10	13	79	82	88	8	10	23	39	21	16
TO	8	10	14	91	85	92	11	15	7	25	18	22
Southern Transdanubia	8	11	16	84	80	85	8	14	14	26	23	18
BO	8	7	11	88	83	86	5	8	12	19	17	19
HE	12	12	15	79	82	86	9	12	11	28	16	10
NÓ	6	8	12	93	88	92	6	8	10	13	19	17
Northern Hungary	9	9	12	86	83	87	6	9	12	21	17	17
HA	9	13	22	86	84	85	11	16	14	24	15	17
JÁ	5	8	9	87	90	88	4	7	20	13	17	13
SZ	8	8	12	88	89	94	7	9	17	15	26	10
Northern Great Plain	7	10	15	87	87	89	8	11	16	17	19	14
BÁ	7	11	16	90	84	88	6	12	15	17	24	21
BÉ	8	8	12	86	85	88	8	11	16	18	28	21
CS	7	12	18	78	83	82	6	9	14	20	19	18
Southern Great Plain	7	10	16	84	84	86	6	11	15	19	24	20
Country total	11	15	23	84	84	86	10	18	25	23	22	20

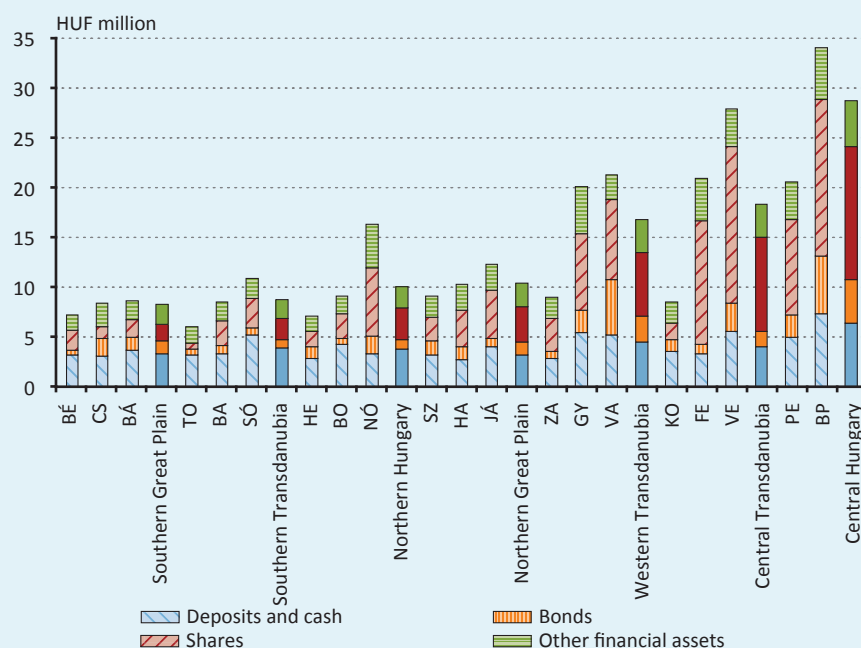
Financial assets may take a variety of forms within the wealth of households, including cash, deposits (current accounts or fixed deposits), securities (bonds), equity (publicly traded stocks, investment fund shares or other participations), and households may also hold other financial assets (e.g. insurance premium reserves, private loans given and other receivables). The prevalence of these asset types in the household sector shows a varied picture. All households have a certain amount of cash and it is relatively common for households to have cash balances on a current account. At the same time, it is less common for them to keep their savings in fixed deposits, which still represent a higher proportion of households than those holding securities or equity. Geographical differences are especially conspicuous in the last three asset categories. At the end of 2020, a fifth of all households in the country had fixed deposits; in Budapest and Győr-Moson-Sopron county, nearly a third of households did so. According to 2020 year-end figures, these two geographical units stand out from the other counties in terms of the prevalence of bonds and equity (the same applies to Bács-Kiskun county in bonds and Pest county in ownership shares).

Table 9.3**Proportion of households with different financial assets in counties and regions**

Territorial units	Households with current account surplus			Households with fixed deposits			Households with securities (bonds)			Households with equity, investment fund shares		
	2014	2017	2020	2014	2017	2020	2014	2017	2020	2014	2017	2020
BP	88	88	94	62	30	31	12	14	17	28	22	25
PE	80	85	89	50	19	19	6	9	8	16	17	18
Central Hungary	85	87	92	58	26	26	10	12	13	23	20	22
FE	87	81	91	56	17	14	9	5	7	11	7	13
KO	79	79	87	43	20	11	7	5	6	9	10	9
VE	82	79	93	50	11	20	8	5	3	11	9	5
Central Transdanubia	83	80	90	51	16	15	8	5	6	10	8	9
GY	85	89	89	56	29	31	8	8	15	9	11	21
VA	80	87	83	58	15	13	9	6	9	12	13	5
ZA	79	76	90	53	15	21	7	6	1	11	6	8
Western Transdanubia	82	84	88	56	22	23	8	7	9	11	10	13
BA	78	85	91	43	21	23	4	4	6	6	7	11
SO	92	78	81	55	13	6	8	11	5	17	7	11
TO	87	86	86	50	19	18	4	6	6	6	4	8
Southern Transdanubia	84	84	87	48	19	16	5	6	6	8	6	11
BO	78	74	84	51	13	14	8	3	9	11	8	8
HE	85	83	86	43	18	23	9	7	7	11	5	15
NÓ	71	80	90	43	23	17	6	3	8	9	6	15
Northern Hungary	79	78	86	48	16	16	8	4	9	11	7	10
HA	79	82	83	50	18	13	6	7	7	11	10	14
JÁ	81	84	85	43	17	20	3	5	3	4	5	9
SZ	86	83	81	45	18	20	5	5	5	6	5	9
Northern Great Plain	81	83	83	46	18	18	4	6	5	7	7	11
BÁ	85	83	87	48	22	19	5	4	14	5	6	9
BÉ	84	80	84	43	14	14	7	5	5	10	8	14
CS	79	79	89	37	18	20	3	5	9	7	4	10
Southern Great Plain	82	81	87	42	18	18	5	5	10	7	6	11
Country total	83	83	89	51	21	21	7	8	9	13	11	14

The average financial assets per household figure stood at HUF 10 million at the end of 2014, HUF 13 million at the end of 2017 and HUF 17 million at the end of 2020. In a regional breakdown, this value is nearly one and a half to two times higher in the Central and Western Transdanubia regions than in Eastern Hungary (Northern Hungary, Northern and Southern Great Plain) and Southern Transdanubia, while in Central Hungary, financial assets per household are 2 to 3 times higher than in the latter regions.

In counties where financial assets per household are higher (for example Budapest, and the counties of Pest, Veszprém, Vas, Fejér and Győr-Moson-Sopron), this additional wealth is mostly in equity holdings (and, to a lesser extent, in securities).

Chart 9.8**Financial asset values per household in a breakdown by type, by territorial unit, at the end of 2020, HUF million**

HOUSEHOLD INCOME BY TYPE OF SETTLEMENT

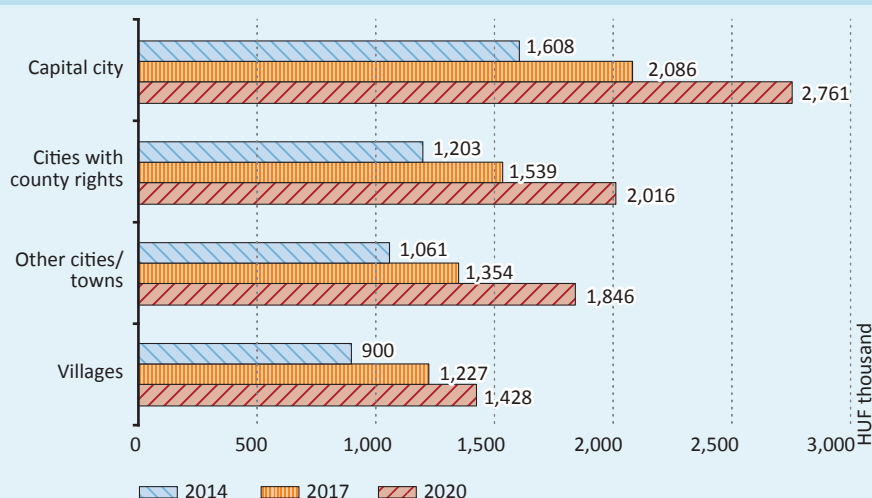
The What Do We Live From? survey also allows studying the income and wealth of households by settlement type. The comparison of data aggregated by the type of the settlement of the household's residence reveals further disparities in income and wealth. However, households in different types of settlement differ not only in terms of wealth and income standing, but also in their demographic variables. For example, whereas the average number of persons in a household is 2.2 in the capital and in cities with county rights, the relevant figure is 2.6 in villages.

Table 9.4**Number of households in the survey, also calculated and actual population size by settlement type, in the three survey waves of the HFCS**

Settlement types	Number of households (qty) HFCS surveyed			Population size (thousand persons) HFCS weighted			Population size (thousand persons) HCSO		
	2014	2017	2020	2014	2017	2020	2014	2017	2020
Capital city	1 030	1 391	1 586	1 700	1 692	1 686	1 758	1 750	1 724
Cities/towns	3 848	2 968	3 549	4 597	5 033	5 030	5 200	5 152	5 115
Cities with county rights	2 160	1 234	1 844	1 875	1 907	1 895	n.a.	n.a.	n.a.
Other cities/towns	1 688	1 734	1 705	2 721	3 126	3 135	n.a.	n.a.	n.a.
Villages	1 331	1 609	900	3 405	2 872	2 887	2 898	2 877	2 892
Country total	6 209	5 968	6 038	9 701	9 597	9 603	9 856	9 778	9 731

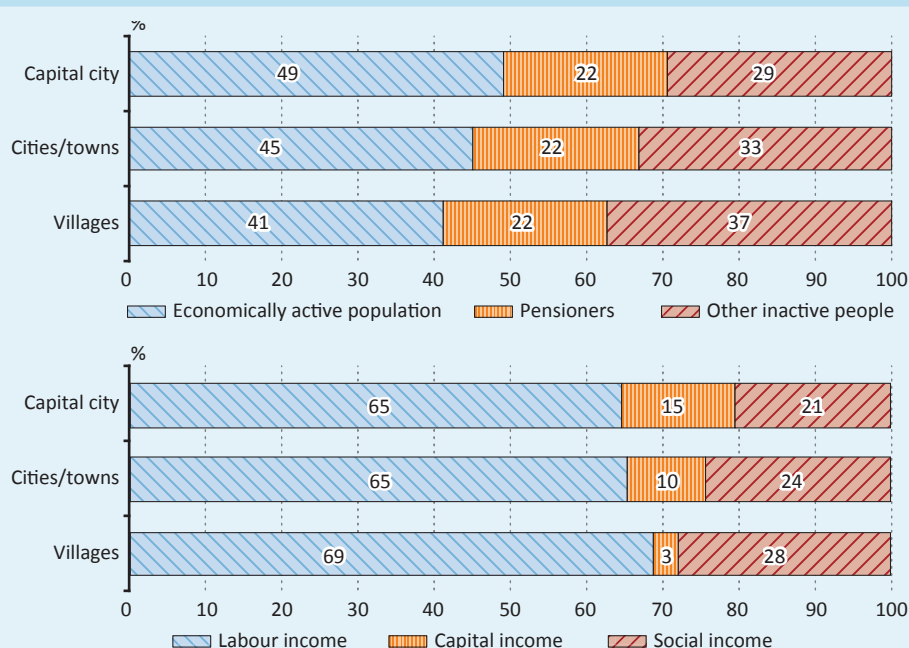
An examination of annual net income per capita reveals marked differences in the income standing of households in the different types of settlement. Mean net income per inhabitant in the capital (HUF 1,608,000 in 2014, HUF 2,086,000 in 2017 and HUF 2,761,000 in 2020) is more than double the figure for a person living in a village (HUF 900,000 in 2014, HUF 1,227,000 in 2017 and HUF 1,428,000 in 2020). The figure for city and town dwellers is somewhere between the averages of the capital and the villages.

Chart 9.9
Percapita annual net income by settlement type, in the three waves of the HFCS, HUF thousand



Besides the amount of income earned by the households, changes in per capita net income are also driven by factors such as the composition of the population at different types of settlements in terms of labour market activity. Active earners account for 49 percent of the total population in the capital (according to 2020 figures), which is 4 percent more than in towns, while villages fall short of towns by a further 4 percent. Pensioners represent the same share of the population in all settlement types but there is a difference in the proportion of other persons who are not active earners (including children). This may be connected to the fact that social payment ratios are the highest in the case of households living in villages. There is also a significant difference when looking at revenues from ownership. While incomes from equity holdings account for 15 and 10 percent of total net income in the capital city and in cities/towns, respectively, the figure is only 3 percent in villages (according to 2020 survey data). Village households thus earn low incomes from securities, ownership shares and rents from property rental, which is attributable to the lower prevalence and lower values of such financial and non-financial assets.

Chart 9.10
Population distribution by labour market activity, and distribution of net income by main categories and by settlement types, in 2020, percent



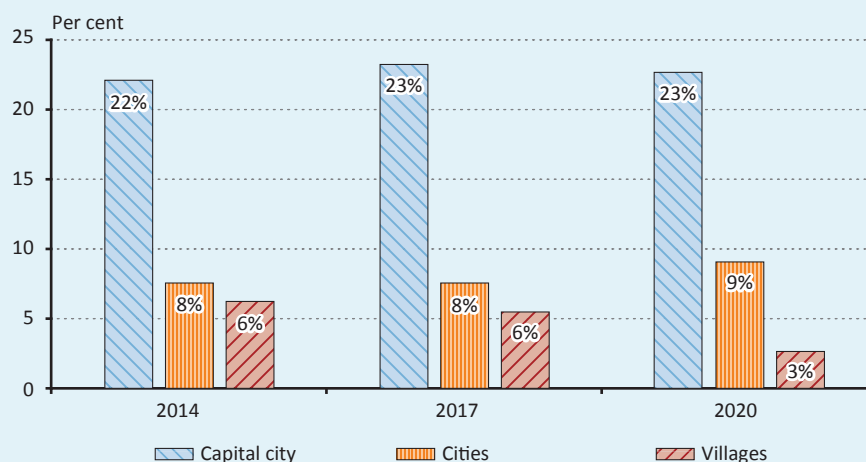
During the survey, a tenth of all households reported their annual spending exceeding their annual income; this ratio does not exhibit significant variances across the settlement types. In 2020, 44 percent of households in the capital realized more income than their spending, and 46 percent said that their income and spending were in balance. In villages only 24 percent of households earned revenues higher than their expenditures, while 65 percent found that their spending matched their income. Towns and cities ranked somewhere in the middle in this respect.

HOUSEHOLD WEALTH BY TYPE OF SETTLEMENT

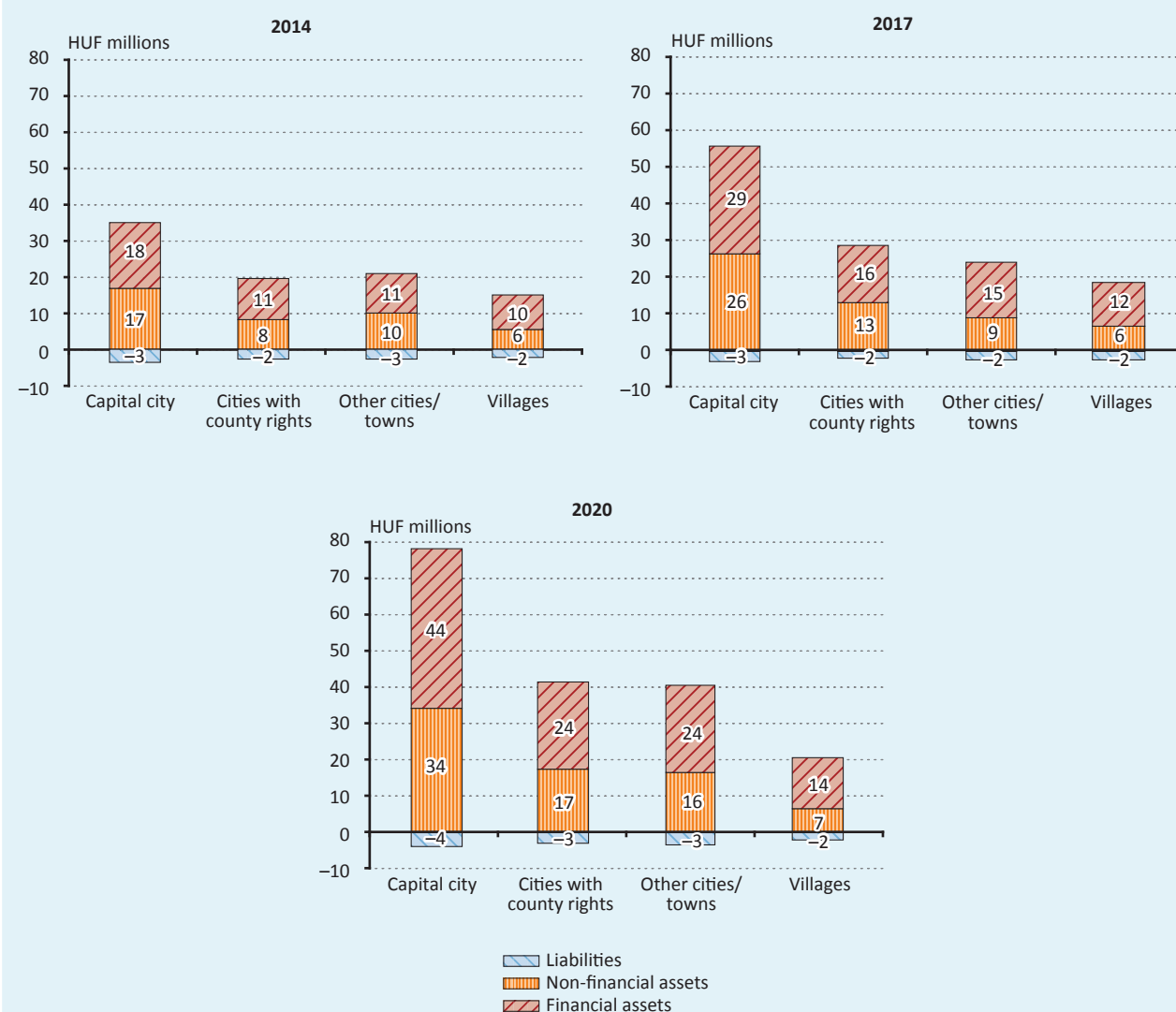
Information on the wealth characteristics of households in the different settlement types may be gleaned by examining the distribution of households in terms of net wealth deciles. According to data as of the end of 2020, 175,000 to 180,000 households in the capital belonged to the nationally defined top net wealth decile, which is equal to almost 22 to 23 percent of all households in Budapest. By contrast, 8 to 9 percent of the households in all other towns and cities and merely 3 to 6 percent of village households belonged to the nationally defined highest net wealth decile. Looking at this from a different perspective, nearly half (43 to 45 percent) of the wealthiest 10 percent of households in this country lived in Budapest.

Chart 9.11

Households in the nationally defined highest net wealth decile expressed as a proportion of total number of households in different settlement types, percent



More detailed information on the geographical distribution of wealth is offered by an analysis of net wealth per household, which amounted to HUF 74 million in the capital but barely half of that in cities with county rights and in other towns (HUF 38 and 37 million, respectively) and only a quarter of the capital city figure in the villages (HUF 18 million), according to 2020 survey data. All settlement types are characterized by a higher weight of non-financial assets versus financial assets, but there are differences in terms of the dominance of real assets. Financial assets represent a much higher proportion of gross wealth in the capital (43 to 48 percent) than in villages (32 to 37 percent on average).

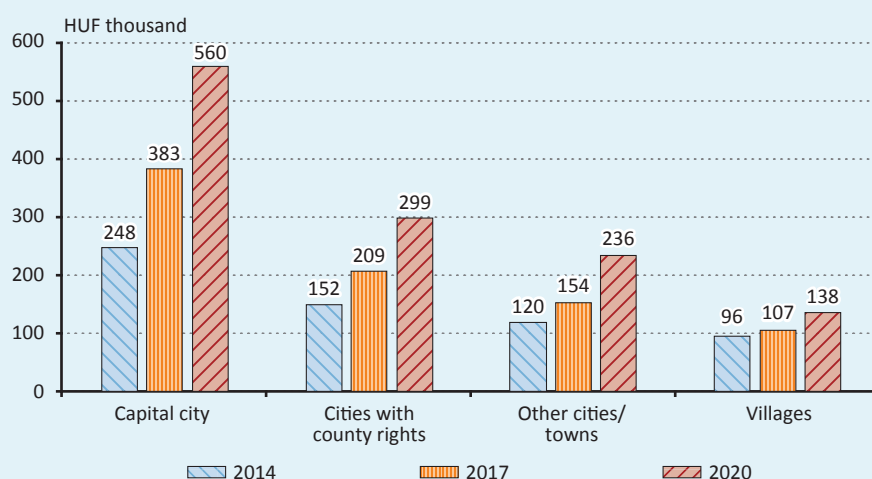
Chart 9.12**Value of financial and non-financial assets (gross wealth) and liabilities per household, by settlement type, HUF million**

The value of the home, which accounts for a major part of non-financial wealth, is an important determinant of the geographical differences in wealth. Owner-occupied homes in villages (HUF 9 million in 2014, HUF 10 million in 2017, HUF 13 million in 2020) were only a third to a half of the average in the capital (HUF 18 million in 2014, HUF 27 million in 2017 and HUF 42 million in 2020); at the same time, the proportion of owner-occupier households was higher in villages (90 to 92 percent) than in Budapest (76 to 77 percent). The phenomenon is not this clear when examining types of towns and cities; whereas the average value of homes do not differ significantly between cities with county rights and other towns and cities, the proportion of owner-occupier households is lower, similarly to the capital, in cities with county rights (77 to 79 percent), whereas the figure is nearer to the village figures in other towns and cities (87 to 90 percent).

Table 9.5**Proportion of households that own real estate, and average property values by settlement type, HUF million**

Settlement types	Proportion of owner-occupier households (%)			Average value of owner-occupied homes (HUF million)			Proportion of households with other immovable properties (%)			Average value of other immovable properties owned by households (HUF million)		
	2014	2017	2020	2014	2017	2020	2014	2017	2020	2014	2017	2020
Capital city	77	77	76	18	27	42	29	29	30	14	27	38
Cities/towns	83	83	86	11	14	23	23	22	20	9	14	22
Cities with county rights	78	77	79	11	16	24	25	24	20	9	12	21
Other cities/towns	87	87	90	10	13	22	21	20	19	10	15	23
Villages	90	91	92	9	10	13	20	18	13	8	16	10
Country total	84	84	86	11	15	23	23	22	20	10	18	25

Table 9.5 shows the average values of properties owned by households, while Chart 9.13 captures average home values per square metre, i.e. also taking into consideration the size of the properties. These data reflect similar geographical disparities.

Chart 9.13**Square-metre prices of owner-occupied homes by settlement types, based on the three waves of the HFCS, HUF thousand**

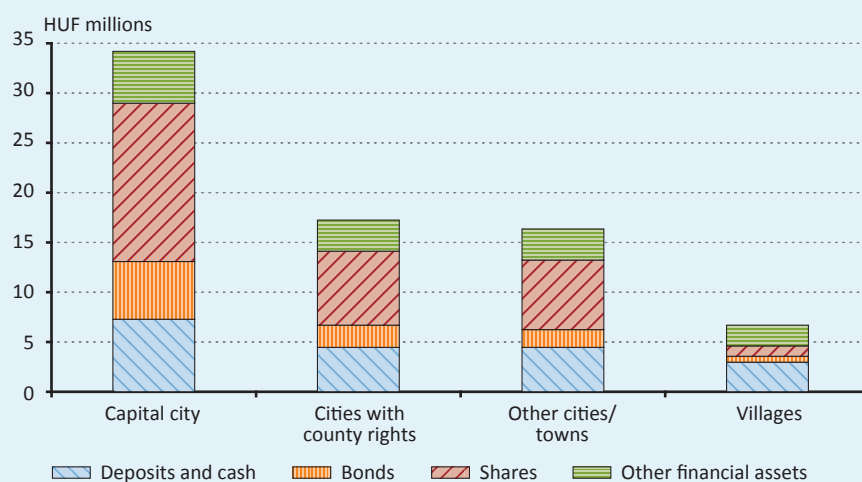
It is noteworthy that towns and cities are almost equal to the national mean concerning the proportion of households with different categories of financial assets. Cities and towns thus reflect the average values, while households in villages fall short, and in the capital significantly exceed, these prevalence values in all the asset categories. At the same time, geographical disparities are the most marked in terms of securities (bonds) and ownership shares, regarding both the prevalence of these financial assets across households and the average value of the assets.

Table 9.6
Proportion of households with different financial assets by settlement type

Percent	Households with current account surplus			Households with fixed deposits			Households with securities (bonds)			Households with equity, investment fund		
Settlement types	2014	2017	2020	2014	2017	2020	2014	2017	2020	2014	2017	2020
Capital city	88	88	94	62	30	31	12	14	17	28	22	25
Cities/towns	83	83	89	50	19	20	6	7	9	11	10	15
Cities with county rights	85	88	91	52	22	21	7	7	10	12	12	14
Other cities/towns	81	81	88	48	17	20	6	6	8	10	8	15
Villages	80	79	83	46	17	13	6	5	5	8	7	7
Country total	83	83	89	51	20	20	7	8	9	13	11	14

It may be concluded that the wealth surplus of households in the capital and other urban areas compared to households in villages is mainly in the form of ownership shares (stocks, business participations, investment fund units). In the capital and in other towns and cities, the ownership shares held by a household accounted for 40 to 50 percent of its financial assets. By contrast, less than a quarter of all the financial assets of village households were in equity (23 percent in 2014, 22 percent in 2017 and 16 percent in 2020).

Chart 9.14
Financial asset values per household in different asset types, by type of settlement, at the end of 2020, HUF million



10 Household Wealth in an International Comparison

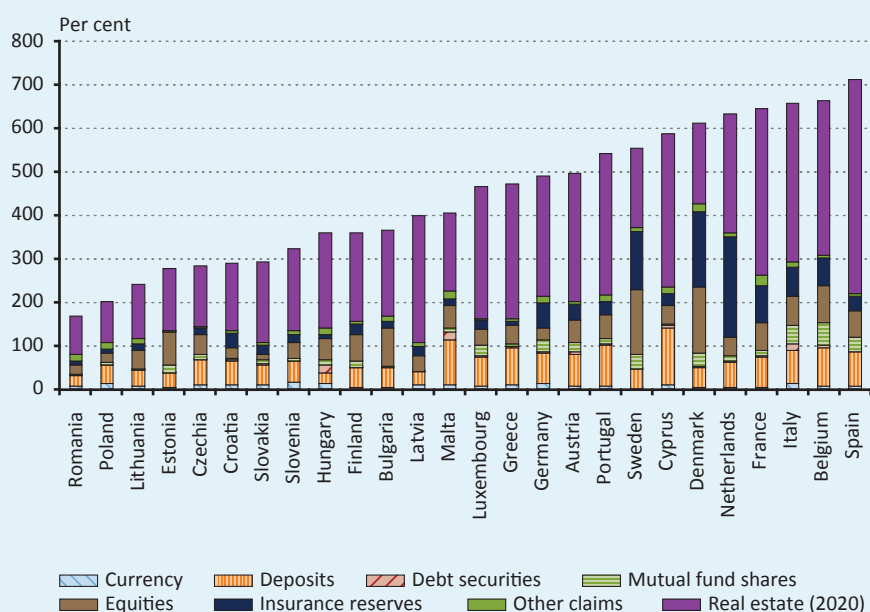
International comparisons are made in this chapter using macroeconomic statistical data on household accounts and the distributional wealth accounts of households. The macroeconomic statistical data are from the Eurostat database of national accounts, whereas the distributional wealth accounts are from the database of the European Central Bank (Distributional wealth accounts - DWA).

DISTRIBUTION OF GROSS HOUSEHOLD WEALTH BASED ON MACRO DATA

The wealth of households constituted by their real and financial assets is captured in full in the stock figures of the national accounts of individual countries in the household sector.²⁸ In national account statistics, financial wealth is reflected by the stock data in the financial accounts, and real assets are captured in the balance sheets produced of such items. In general, the balance sheets of the real assets of households become available with a considerable delay.²⁹

Chart 10.1

Household assets as a percentage of GDP in European Union members states, at the end of 2021



Source: Eurostat and own estimates

²⁸ Captured under the household sector in the national accounts are those assets directly held by households (persons in the households) that may be distributed among households. Also shown here are the ownership shares of corporate sector entities that are owned by households and represent their net wealth. In a broader sense, the assets of non-profit organisations assisting households and the assets of general government may also be considered as household assets, but they constitute the shared assets of households (of society) and cannot be divided across or attributed to specific households, and are therefore outside the scope of this analysis.

²⁹ As of the date of compiling this publication, information from several countries was available regarding the financial assets only as of 2021 year-end and of real assets only as of year-end 2020.

The **gross wealth** of Hungarian households comprising **financial assets and real estate** amounted to 358 percent of GDP at the end of 2021, which put it on the threshold between the lower and middle third of the European Union according to Eurostat data. Expressed as a percentage of GDP, Hungary ranks first in the category of debt securities (predominantly government securities). It also ranks very high in terms of cash held. Hungarian households rank in the middle in terms of investment fund units, ownership shares and real estate portfolio. By contrast, Hungary is in the bottom third when it comes to deposits, and insurance technical and voluntary pension fund reserves.

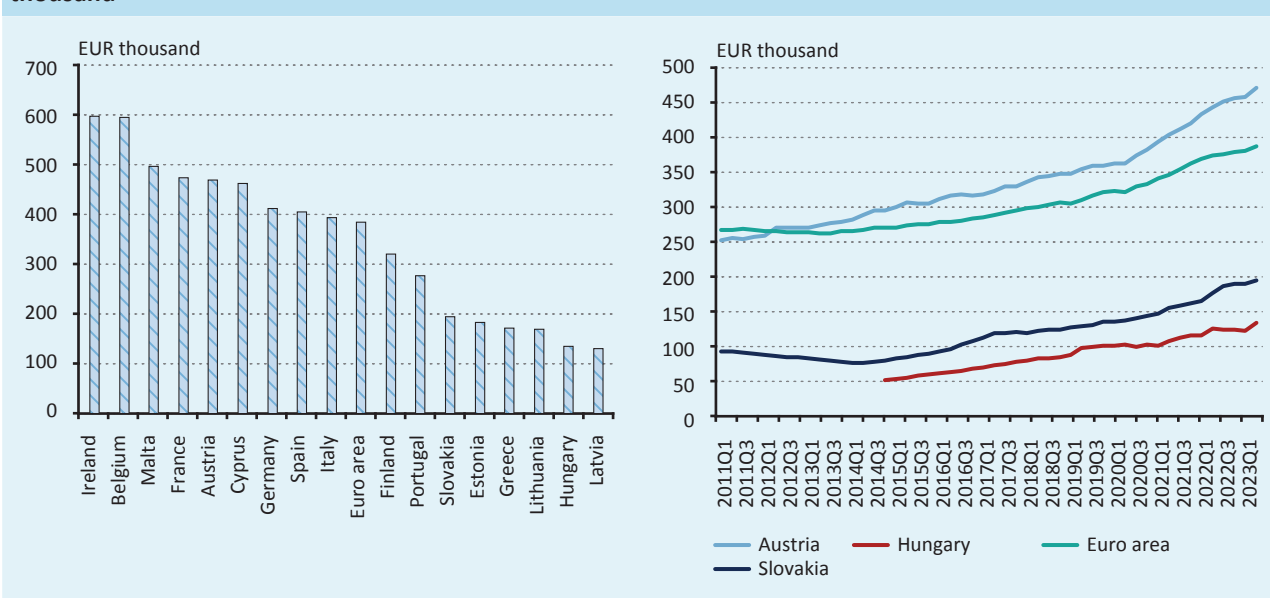
DISTRIBUTIONAL WEALTH ACCOUNTS OF HOUSEHOLDS

Since January 2024 the European Central Bank has published regularly, every quarter, the **household distributional wealth accounts** of the countries that participate in the common household wealth survey, the HFCS, and have an agreement with the ECB regarding the publication of the data. Distributional wealth accounts have a major advantage over survey data in that they are adjusted to macroeconomic statistical data (in fact, it is the macroeconomic statistical data that are broken down), are available just a few months after the relevant quarter, and the time series are published with a quarterly frequency.

Distributional wealth accounts are based on the stock data in the financial accounts of the countries and their real asset portfolio figures from their non-financial accounts. These stock data are distributed by a variety of dimensions on the basis of the results of the household wealth survey, using estimates for periods between the surveys and the period since the latest survey. Distributions are available regarding net wealth as well as individual financial assets and liabilities based on the following characteristics: decile defined by net wealth, labour market status (employee, entrepreneur, pensioner, unemployed, other), housing market status (owner, tenant). In addition, a variety of indicators are compiled based on net wealth size; these present primarily the inequality in the distribution of net wealth. These indicators include the proportion of households with wealth in excess of EUR 1 million, the share of the top 5 and the bottom 50 percent in total net wealth, median and average net wealth, and the Gini indicator calculated from net wealth.

The diagrams below visualize the indicators described in the paragraph above as of the end of the first quarter of 2023 in the countries participating in the survey,³⁰ and also present the time series for Hungary, Slovakia, Austria and the euro area. In Hungary, the first wealth survey took place in 2014, which is thus the first date from which data are available; for other countries that date is 2011.

Chart 10.2
Net wealth per household in EU countries, highlighting Austria, Slovakia and Hungary, in/up to 2023 Q1, EUR thousand

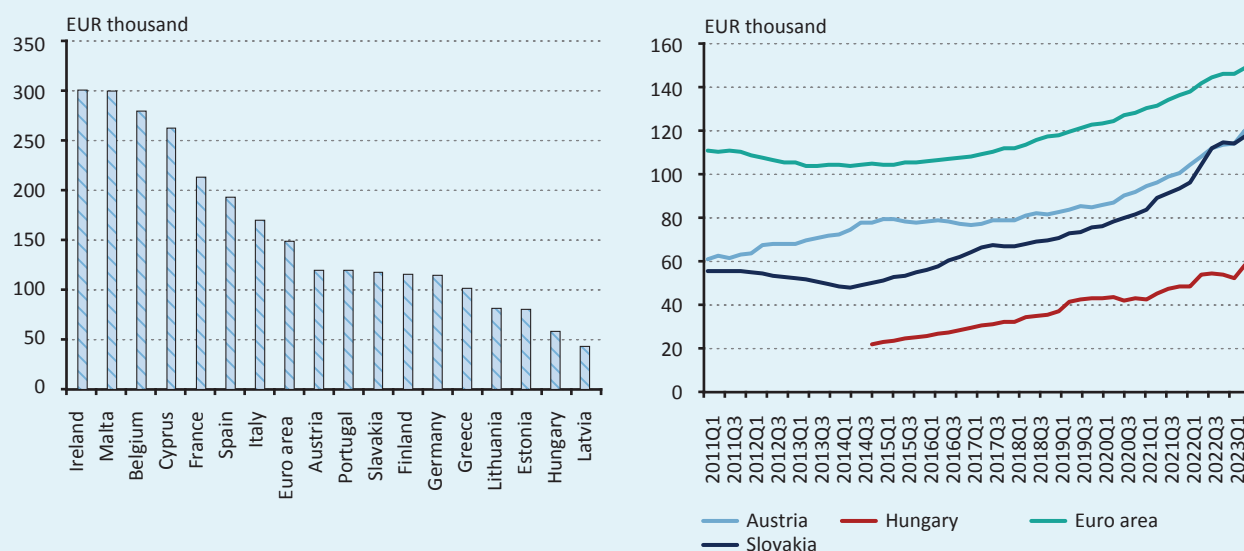


³⁰ Except for Luxembourg, where the values are in general outliers due to the unique situation of that country, which is therefore excluded from analysis.

As regards the changes in average net wealth per household, there were significant differences among European Union countries as of the end of 2023 Q1. Hungary is ranked towards the bottom of the league table, mostly with other former Soviet-bloc countries, with a net wealth per household of approximately EUR 130,000. Between 2014 and 2023, average net wealth grew significantly and nearly evenly in Hungary, by almost 160 percent in euro terms. In this period, significant growth may be observed also in the countries selected for comparison: growth was approximately the same in Slovakia as in Hungary, while the euro area and Austria grew by 40 and 60 percent, respectively.

Chart 10.3

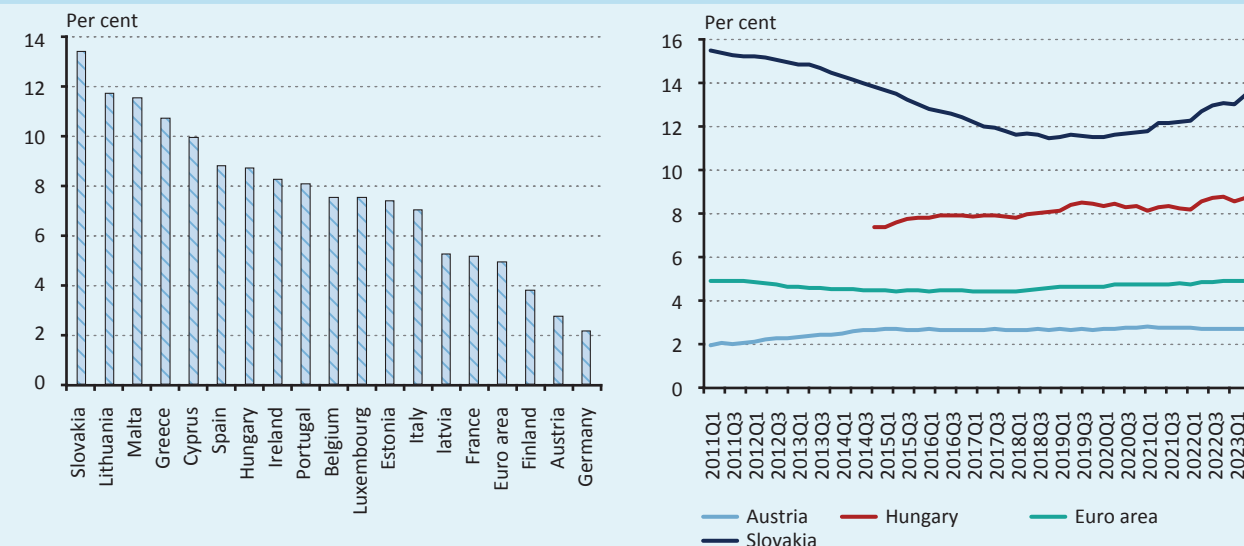
Net wealth of median household in EU countries, highlighting Austria, Slovakia and Hungary, in/up to 2023 Q1, EUR thousand



The net wealth of the median household is significantly lower than average wealth, because large fortunes raise the average to above the median. In a large part of the countries, the average is between two or three times the median; in certain countries with significant wealth inequalities (Austria and Germany) the ratio exceeds 3.5. In Hungary median household net wealth has grown significantly since 2014, approximately at the same rate as average net wealth growth (from EUR 22,000 to EUR 58,000). Over the same period, the median rose from EUR 50,000 to EUR 120,000 in Slovakia, thus levelling with Austria.

Chart 10.4

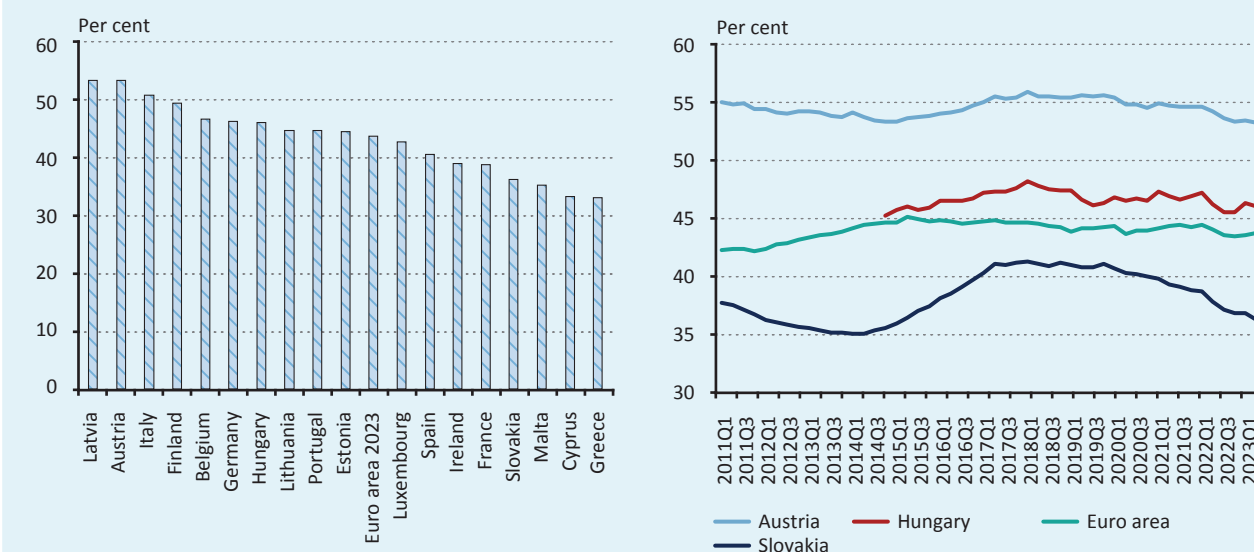
The share of the bottom 50 percent of households in the net wealth of the sector in EU countries, therein especially in Austria, Slovakia and Hungary, in/up to 2023 Q1, percent



As of the end of 2023 Q1, the bottom 50 percent of households defined by net wealth held between 2 and 13 percent of the net wealth of the sector in the countries participating in the survey. In general, this value is low in countries where owner-occupancy rates are low as households tend to rent (e.g. Germany and Austria). In Hungary the poorer half of households possessed 9 percent of net household wealth at the end of the first quarter of 2023; since 2014, this proportion has been growing nearly evenly, with minor variations, from around 7 percent to 9 percent according to the ECB's figures. (According to Hungarian data, the net wealth of the bottom 50 percent accounted for 9 percent of the net wealth of the sector as of the end of 2014, rising to 11 percent by the end of 2020, cf. Table 1.9).

Chart 10.5

The share of the top 5 percent of households in the net wealth of the sector in EU countries, therein especially in Austria, Slovakia and Hungary, in/up to 2023 Q1, percent



The top 5 percent of households held between 33 and 53 percent of the net wealth of the sector in the countries included in the publication as of the end of 2023 Q1; in Hungary, this figure stood at 46 percent, which puts us in the upper middle part of the rankings across Europe with a value somewhat higher than the euro area average. Hungary has consistently outperformed the euro area average since 2014; after an initial increase, a mild decrease may be observed from the end of 2017, similarly to the rest of the countries presented.

Chart 10.6

Average net wealth per household with a pensioner as household reference person in EU countries, highlighting Austria, Slovakia and Hungary, in/up to 2023 Q1, EUR thousand

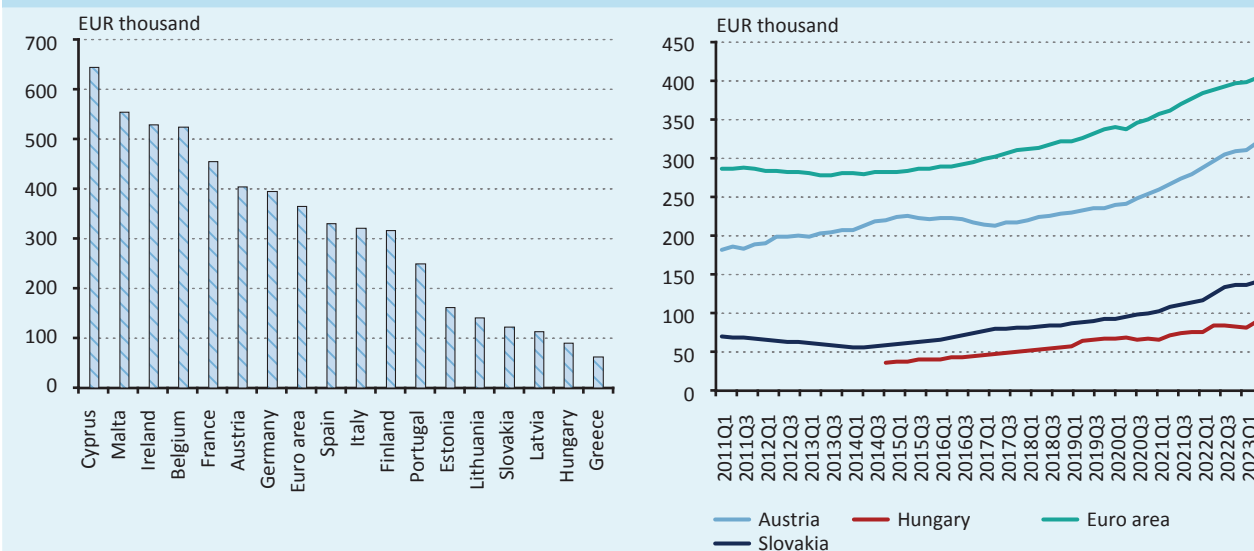
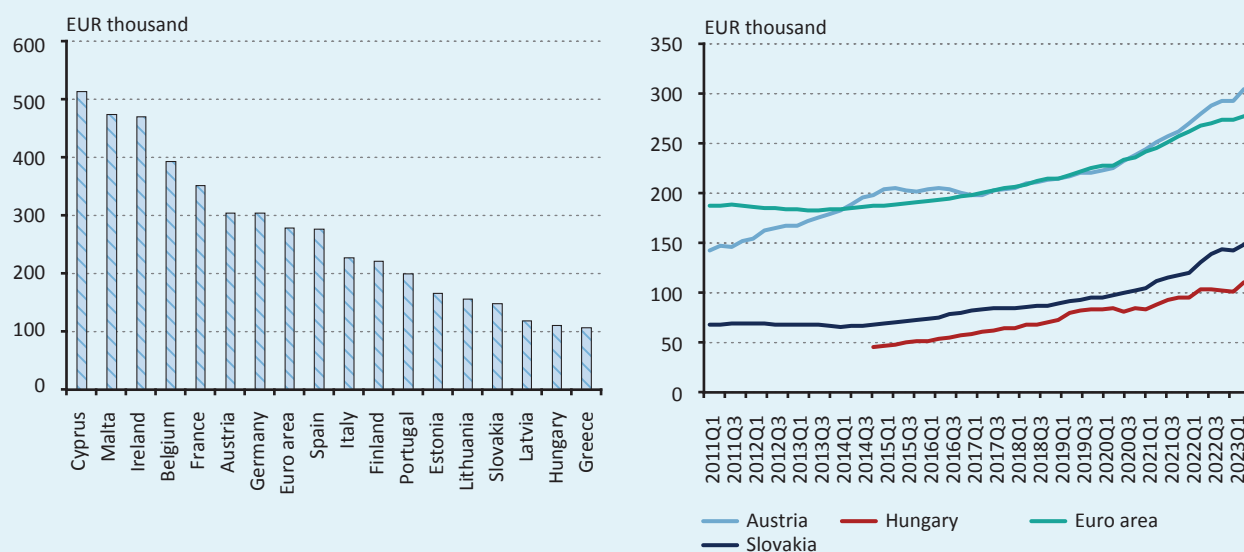
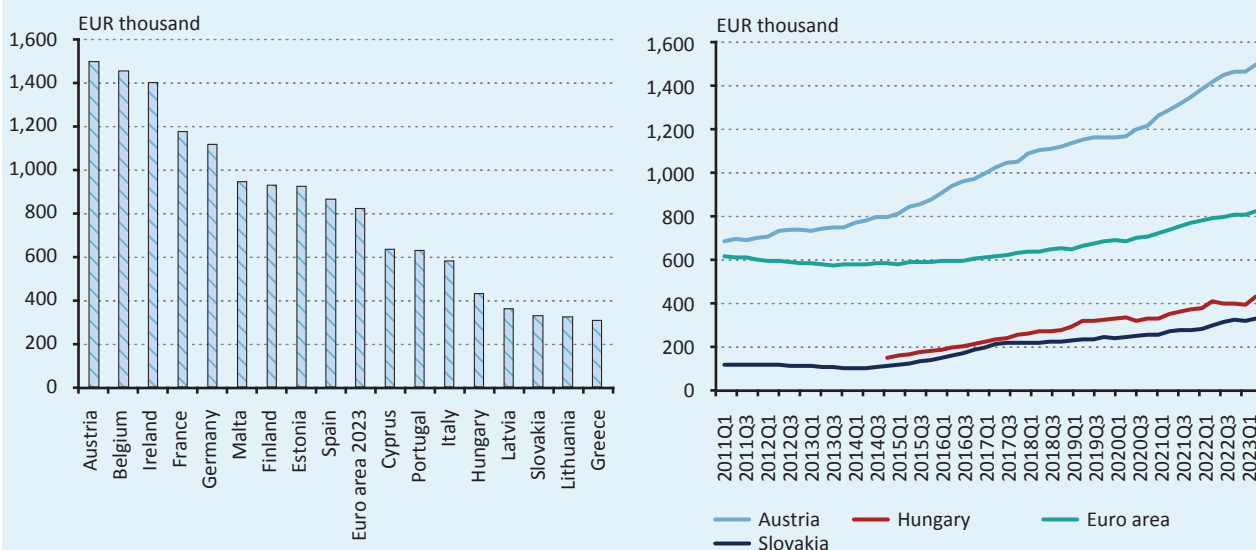


Chart 10.7

Average net wealth per household with a employee as household reference person in EU countries, highlighting Austria, Slovakia and Hungary, in/up to 2023 Q1, EUR thousand

**Chart 10.8**

Average net wealth per household with an entrepreneur as household reference person in EU countries, highlighting Austria, Slovakia and Hungary, in/up to 2023 Q1, EUR thousand



The proportion of households with net wealth over EUR 1 million ranges between 1 percent and 14 percent in the participating countries. The figure was lowest in Hungary in the beginning of 2023; low values are typically found in the former Soviet-bloc countries. In 2014, the rate had stood as low as 0.3 percent in Hungary; since then, the number of households with more than EUR 1 million in wealth has grown nearly fourfold, although this rate of increase falls short that in Slovakia. The data indicate that a little over 40,000 households had a net wealth of more than EUR 1 million in the beginning of 2023 in Hungary; there were a little over 300,000 such households in Austria. Rather than capturing disparities between households, this indicator primarily highlights how the nominal increase in total household wealth is accompanied by the rise in the number of wealthy households.

The labour market standing of a household has significant bearing on its net wealth. In the euro area, households of pensioners have higher average net wealth than those of employees, while the situation is the reverse in Hungary and in the former Soviet-bloc countries. Since 2014 the net wealth of households in Hungary has been lower throughout the period than in Slovakia in the case of households of pensioners and of employees, and higher in the case of households of entrepreneurs. The highest net wealth is observed in households of entrepreneurs; in the beginning of 2023, the average net wealth of entrepreneurs was three times higher than employees in the euro area and four times higher in Hungary. The average net wealth, denominated in euros, of households of entrepreneurs increased more than three times over in Hungary since 2014, while employees and pensioners experienced growth by a factor of two and a half.

11 Some Interesting Facts Revealed by the Wealth Survey

SURVEY IMPLEMENTATION INDICATORS AND THE LINK TO ONLINE COMPLETION

In addition to face-to-face interviews, in each wave it was also possible to participate in the wealth survey by self-completion and online response. There was a small decline between 2014 and 2020 in the proportion of respondents filling in the questionnaire online (from 31 percent to 29 percent), due to a steep fall in the proportion of online respondents in Budapest (from 58 percent to 48 percent). Even so, the proportion of respondents opting to fill in the data online was the highest in Budapest. A similarly high self-completion ratio is found in Pest county too (nearly 39 percent in 2014 and 44 percent in 2020). However, in settlements with a high rate of self-completion, the overall response rate was low. In Budapest the survey was successful at only 19 percent of selected addresses in 2014, 29 percent in 2017 and 32 percent in 2020; in Pest county 33 percent were surveyed in 2014, 36 percent in 2017 and 38 percent in 2020, whereas the nationwide implementation rate was nearly 35 percent in 2014 and 40 percent in the later years.

Table 11.1
Online response rates by settlement type in the 2020 wealth survey

Settlement type	Total implementation		Implementation through internet		Ratio of implementation through internet, %
	Surveyed adress, qty	Households, weighted, thousand	Surveyed adress, qty	Households, weighted, thousand	
Budapest	1 586	774	755	374	48
Cities with county rights	1 844	834	457	220	25
Other cities/towns	1 705	1 292	438	344	26
Villages	900	1 084	127	182	14
Total	6 035	3 983	1 777	1 120	29

OUTLIERS IN THE HOUSEHOLD WEALTH SURVEY

The approximately 6000 households interviewed in the waves of the What Do We Live From? survey and the 13,000 to 14,000 persons living in those households obviously cannot represent the full diversity of the sector.³¹ Even though the lowest and highest values surveyed tend not to match the lowest and highest values possible in the sector, they can still shed light on the sector and help assess the quality of the survey. For example, the settlement with the smallest population included in the 2020 survey was Baglad in Zala county, which is not the smallest village in Hungary but is among the 30 with the lowest population counts.³² Also, the highest surveyed household fortune was only HUF 4 billion at the end of 2020, whereas information in the public domain shows that even the one hundredth richest person (household) had over HUF 10 billion in assets (investments in corporate equity).³³ The biggest investor in the wealth survey may have ranked around four hundredth on the nationwide list, based on the company information available. The highest loan amount surveyed at the end of 2020 was HUF 135 million. In terms of loans from credit institutions, this amount ranks 730th in the credit register, where the highest existing loan debts are in the magnitude of billions of forints.

³¹ The surveyed subjects included in the data collection sample represent a group of households, persons or transactions, the average of a group.

³² Cf. the HCSO's publication on the 50 settlements with the smallest number of inhabitants.

³³ Cf. the publications entitled 'The 100 Richest Hungarians'.

Table 11.2**The highest figures in the three waves of the household wealth survey**

Outliers in the household wealth survey	2014	2017	2020
Age of eldest person	age 108	age 102	age 98
Largest household size	14 persons	11 persons	11 persons
Area of the largest residence	400 m ²	550 m ²	600 m ²
Value of the most valuable residential property	300 HUF million	540 HUF million	500 HUF million
The most real estate property in a household	11 qty	21 qty	9 qty
Largest surveyed net wealth	1,3 HUF billion	3,5 HUF billion	3,9 HUF billion
Largest surveyed net income	72 HUF million	144 HUF million	209 HUF million
The most vehicle in a household	5 qty	6 qty	7 qty
The most valuable vehicle (estimated value)	20 HUF million	35 HUF million	33 HUF million
Value of largest credit debt	300 HUF million	74 HUF million	135 HUF million

CHARACTERISTICS OF WEALTHY HOUSEHOLDS

The wealth of the richest one percent of households (40,000 households) is discussed in Chapter 3 on the distribution of household wealth. The sample size of the What Do We Live From? wealth survey (especially the 2017 and 2020 samples) allows presenting additional information on this household stratum.³⁴ Over half of the households concerned live in Budapest, and they are also present in larger numbers in Pest county and the Western part of the country. The survey has found that, within Budapest, Districts 2 and 12 are the preferred places of residence for wealthy households. Besides their high income and wealth,³⁵ wealthy households also stand out by virtue of household size and number of children, for instance (Table 11.3 and Chart 11.1). Wealthy households are typically active-age; the number of pensioners in these households is low. At the same time, the number of active earners and employees is at the average level and the number of dependants is particularly high. Among dependants, there are large numbers of both child-status household members and other dependants (persons living on other incomes, persons raising children); the proportion of other dependants is one and a half times higher than the national mean.

Table 11.3**Certain household characteristics across the entire sector and in its top 1 and 10 percent defined by net wealth size, at the end of 2017 and 2020, based on HFCS results**

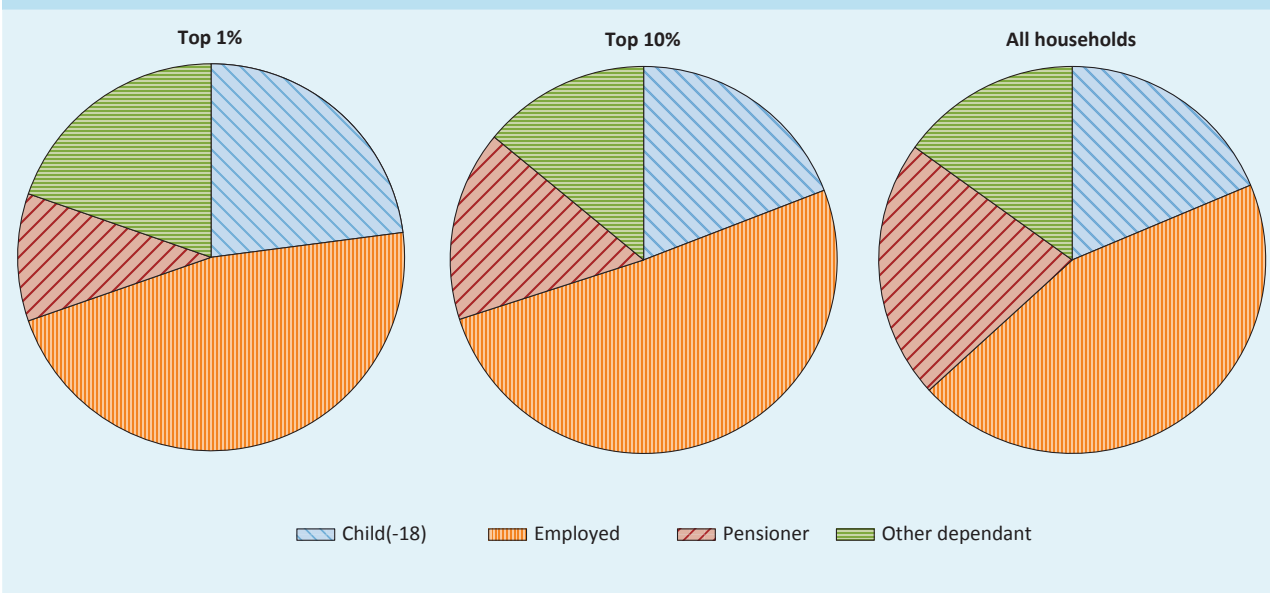
Net wealth size category	2017			2020		
Household characteristics	Nationally	Top 10%	Top 1%	Nationally	Top 10%	Top 1%
Average residence size	80 m ²	110 m ²	147 m ²	84 m ²	116 m ²	137 m ²
Average price/m ² of residences	193 HUF thousand	362 HUF thousand	537 HUF thousand	278 HUF thousand	501 HUF thousand	719 HUF thousand
Average number of real estate properties	1,15 qty	2,2 qty	2,5 qty	1,14 qty	2,1 qty	3,2 qty
Average size of households	2,4 person	2,9 person	3,3 person	2,4 person	2,8 person	3,1 person
Average age of reference person	age 54	age 53	age 51	age 55	age 54	age 55
Vehicle/household	0,7 qty	1,2 qty	1,2 qty	0,8 qty	1,3 qty	1,3 qty
Average annual net income	3,6 HUF million	8 HUF million	20 HUF million	4,6 HUF million	11 HUF million	28 HUF million

³⁴ The 40,000 households with the highest net wealth were represented in the survey by 59 households in 2014, 128 households in 2017 and 90 households in 2020.

³⁵ The entry point to the top 1 percent of households defined by net wealth (the wealth of the households with the lowest net wealth in the group) was HUF 155 million in 2014, HUF 238 million in 2017 and HUF 308 million in 2020.

Chart 11.1

Average composition of households across the entire sector and in its top 1 and 10 percent defined by net wealth size, at the end of 2020, based on HFCS results

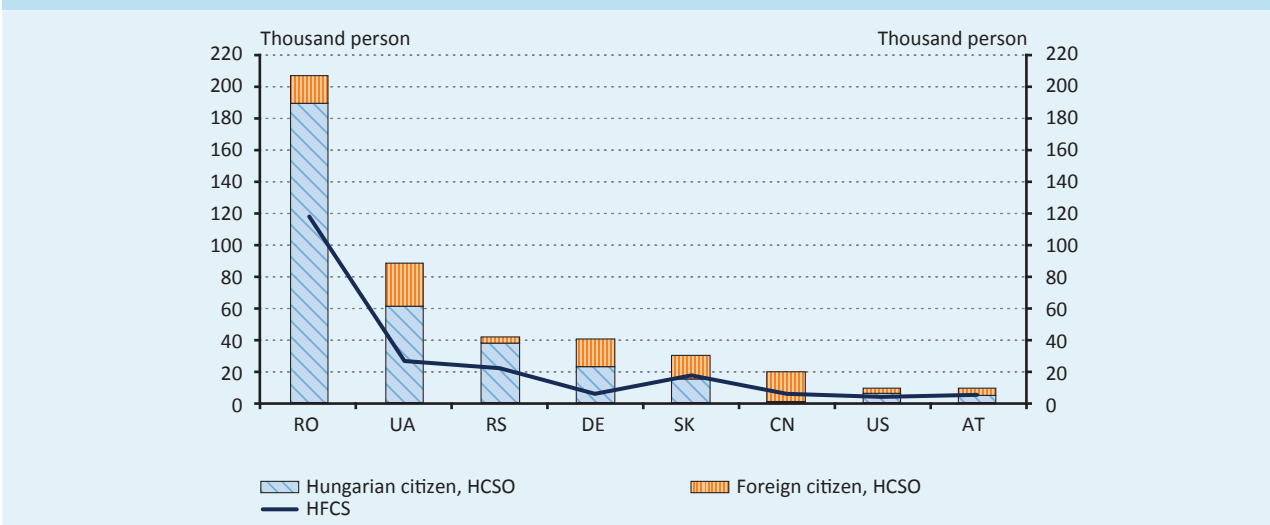


INCOME AND WEALTH OF PERSONS BORN ABROAD

The What Do We Live From? wealth survey asks about which country the selected persons were born and how long they have lived in Hungary. At the end of 2017, 406 persons responded in the wealth survey that they were not born in Hungary (weighted, this represents 240,000 persons); the figure at the end of 2020 was 415 (269,000 weighted). Nearly half of these subjects named Romania as their place of birth, and a significant number of respondents came from Ukraine, Serbia and Slovakia. In total, survey participants originated from more than 40 countries. Administrative records³⁶ show twice as many foreign-born persons resident in Hungary than the wealth survey, but the distribution of the countries of origin of these persons is similar in the two data sources (Chart 11.2).

Chart 11.2

The number of foreign-born persons residing in Hungary by main country of origin, from administrative sources (HCSO) and the HFCS survey, at the end of 2020, thousand persons



³⁶ Cf. HCSO, Summary tables (STADAT), Population and demographic movement, the number of foreign nationals residing in Hungary, and the number of foreign-born Hungarian nationals residing in Hungary.

Nearly a third of the persons originating from abroad live in Budapest (Chart 11.3). Foreign-born persons live in larger households than the population as a whole, with an average household size of 2.7 persons at the end of 2017 and 2.8 at the end of 2020, in contrast to the average household size of 2.4 persons in the population as a whole. Accordingly, one- and two-person households are less prevalent and households of three or more persons are more common where individuals born in Hungary and foreign-born persons live together. As for distribution by age, active-age persons are more and young persons and pensioners are less common among foreign-born persons than in the population as a whole (Chart 11.4). On average, the persons interviewed for the survey have lived in Hungary for just over 20 years and were 23 years old on average when they moved here.

Chart 11.3
Distribution of the total population and of foreign-born persons by region, at the end of 2020, based on HFCS results

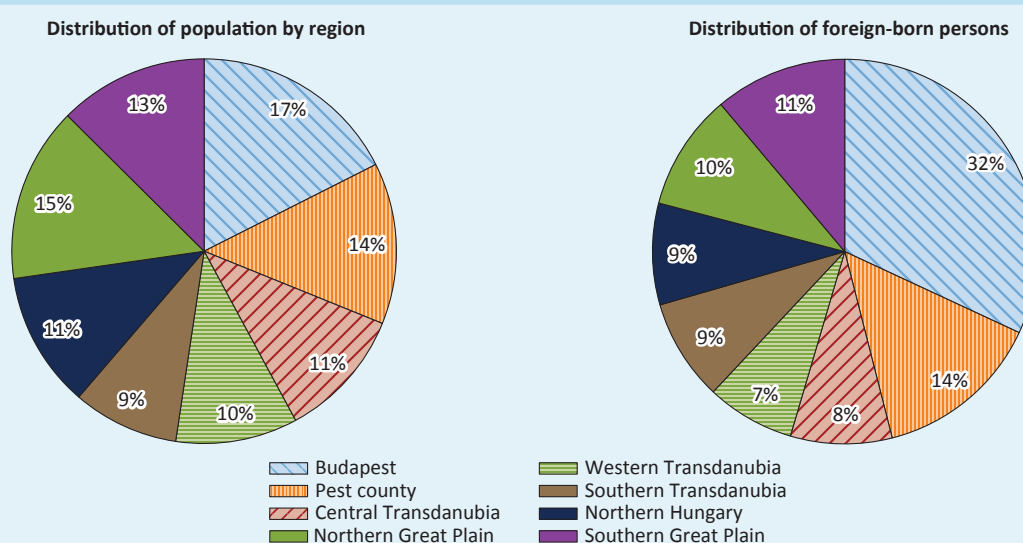
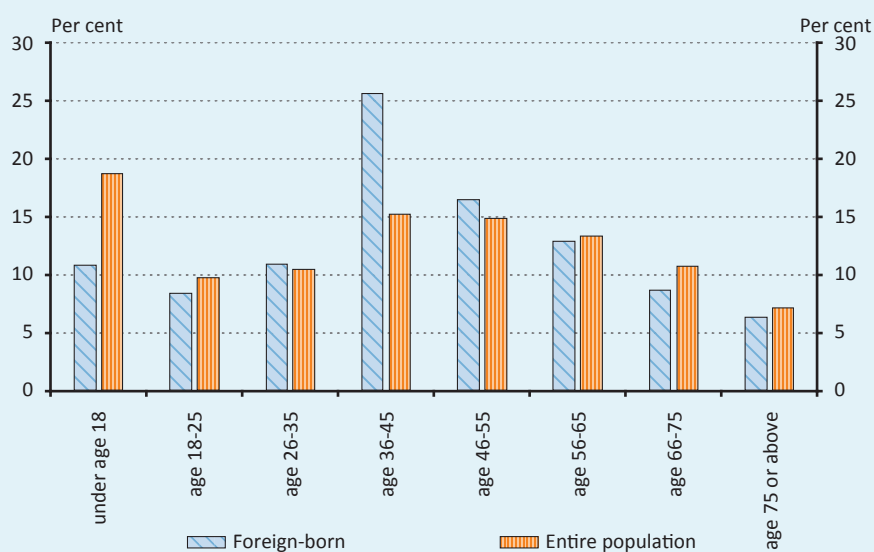


Chart 11.4
Distribution of the total population and of foreign-born persons by age group, at the end of 2020, based on HFCS results



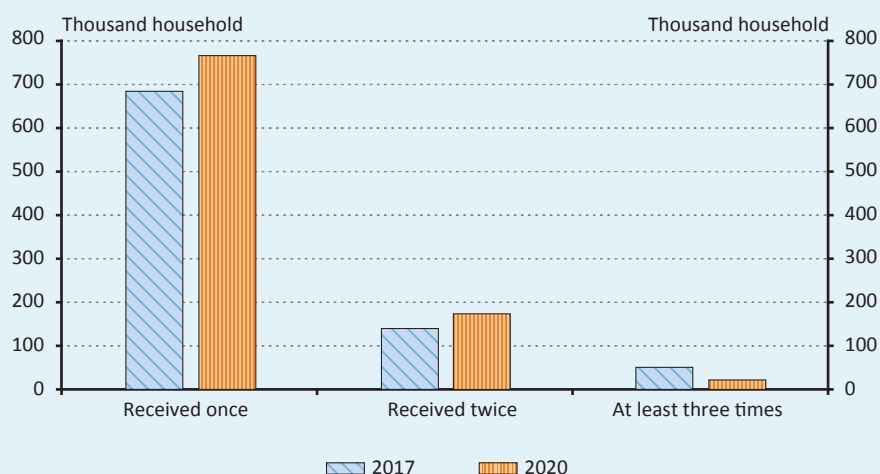
holds with a foreign-born person are represented at higher rates in the top income and wealth strata. Nearly two thirds of these households belonged to the half of the sector characterized by higher wealth or income in both the 2017 and the 2020 surveys.

INHERITANCE, GIFTS AND WINNINGS

The purpose of the questions in the What Do We Live From? wealth survey concerning inheritance, gifts and winnings is to gain a better insight into, and quantify more precisely, the income and wealth of households. However, these are rare events and difficult to survey; their impact on incomes and wealth cannot be ascertained conclusively. Yet the answers received offer interesting information on the world of cross-generational transfers. In 2017, 22 percent of households said that they had inherited or received as a gift money, real estate or any other valuable asset from friends or family in the previous year; the relevant figure in 2020 was 24 percent. Over 20 percent of the households concerned had received inheritance or gifts multiple times in recent years (Chart 11.5). Most households (70 percent) gained a home or other real estate in this way, approximately 40 percent received money, and 6 percent said that they inherited or were gifted land (as well).³⁷ Other assets are reported less frequently. It is more common for wealthier households to obtain assets as gifts or inheritance; this occurred in 40 percent of households in the top wealth decile (Chart 11.6).

In each wave of the wealth survey, approximately 11,000 households on average had received lottery winnings in the previous year.

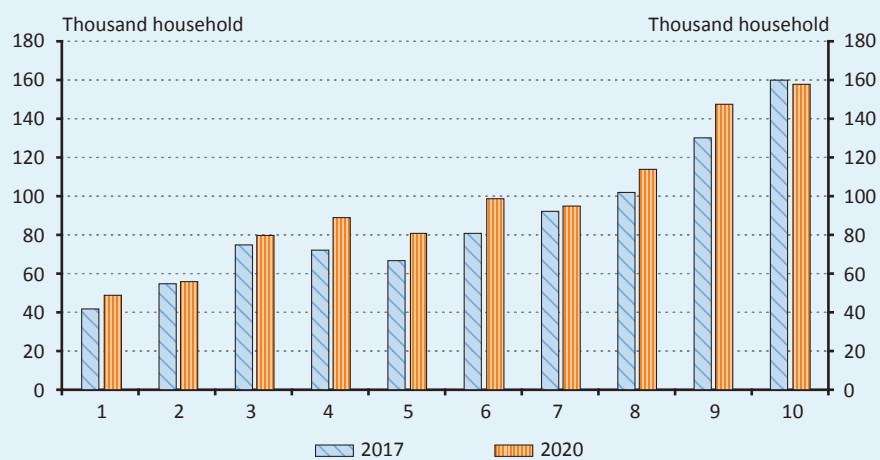
Chart 11.5
Number of households that received high-value gifts or inheritance one or more times in recent years, in the 2017 and 2020 waves of the HFCS



³⁷ Each household may have had multiple types of assets.

Chart 11.6

Number of households that received high-value gifts or inheritance in recent years, in household deciles defined by size of net wealth, in the 2017 and 2020 waves of the HFCS



Related Publications

The Financial Accounts of Hungary, 2014, Magyar Nemzeti Bank, 2016

Financial savings of households based on micro- and macro-statistical data, 2017. Magyar Nemzeti Bank, 2017

Simon, Béla – Valentiny, Ádám, Miből élünk? Az első átfogó hazai háztartási vagyonfelmérés bemutatása. (What Do We Live From? Introducing the First Household Asset Survey in Hungary.) *Statisztikai Szemle*, Vol. 94 Issue 7

Miből élünk? – A háztartások pénzügyei. (What Do We Live From? – The Finances of Households), Hungarian Central Statistical Office, 2017

Boldizsár, Anna – Kékesi, Zsuzsa – Kóczán, Balázs – Sisak, Balázs, A magyar háztartások vagyoni helyzete a HFCS felmérés alapján. (The Wealth of Hungarian Households According to the HFCS). *Hitelintézeti Szemle*, Vol. 15 Issue 4

Miben élünk? – A 2015. évi lakásfelmérés részletes eredményei. (What Do We Live In? Detailed Results from the 2015 Housing Survey), Hungarian Central Statistical Office, 2018

Mikrocenzus 2016. – 7. Lakáskörülmények (Microcensus 2016 – No. 7: Housing Conditions). Hungarian Central Statistical Office, 2018

Mikrocenzus 2016. – 2. A népesség és a lakások jellemzői (Microcensus 2016 – No. 2: Population and Housing Characteristics). Hungarian Central Statistical Office, 2017

A háztartások életszínvonala 2009 – 2020 (The Living Standard of Households 2009 – 2020), Hungarian Central Statistical Office, 2010 – 2021

A 100 leggazdagabb magyar (The 100 Richest Hungarians), *Napi.hu*, 2014 – 2022, ed. Szakony, Péter

The Eurosystem Household Finance and Consumption Survey: Results from the first wave. Statistical Paper Series No. 2, European Central Bank, 2013

The Household Finance and Consumption Survey: Results from the second wave. Statistical Paper Series No. 19, European Central Bank, 2016

The Household Finance and Consumption Survey: Methodological report for the second wave. Statistical Paper Series No. 17, European Central Bank, 2016

The Household Finance and Consumption Survey: Results from the 2017 wave. Statistical Paper Series No. 36, European Central Bank, 2020

The Household Finance and Consumption Survey: Methodological report for the 2017 wave. Statistical Paper Series No. 35, European Central Bank, 2020

Household Finance and Consumption Survey: Results from the 2021 wave. Statistical Paper Series No. 46, European Central Bank, 2023

Household Finance and Consumption Survey: Methodological report for the 2021 wave. Statistical Paper Series No. 45, European Central Bank, 2023

Annex 1

LIST OF QUESTIONS ON HOUSEHOLD WEALTH (ASSETS AND LIABILITIES) IN THE 2020 WAVE OF THE WHAT DO WE LIVE FROM? SURVEY

What is the square-metre size of the property in which your household lives?

How many years have you lived in this property?

Under what arrangement (legal title) do you live here?

Do you pay rent for the part not owned by you?

What is your monthly rent?

What percentage of the property do you own?

How did you acquire ownership of the property?

In which year did you become the owners of the property?

What was the value of your residential property when you acquired it?

What is the value of your residential property now? (How much could you sell it for?)

Do you have any outstanding mortgage loans secured against your residential property?

How many such mortgage loans do you have? (Cycle starts)

What was the purpose of this mortgage loan? (Maximum 3 answers, please start with the most important one!)

Did you refinance an earlier loan with this loan?

Why did you replace your earlier loan with this one? (Maximum 2 answers, please start with the most important one!)

In which year did you take out this mortgage loan?

What was the amount of the mortgage loan when you took it out?

When you took out the loan, how many years was the term?

What is your currently outstanding principal under the loan?

How many more years until you repay the loan in full?

Is this a variable-interest loan?

What is the annual rate of interest on the loan at the moment? (If interest-free, enter zero.)

What is your monthly repayment instalment at the moment?

So far, you have given us information about the two largest mortgage loans that are secured by your residential property. What is the sum total of your principal debt on loans that you have not mentioned yet but are also secured by your residential property? (Please do not include interest and commissions!)

How much in total do you pay on this (these) loan(s) per month?

How much do you pay in rent at the moment?

Do you have any real estate other than your residence?

How many such properties do your household members have in total? (Owned in full or in part)

What type is that other property?

What do you use that other property for?

What percentage of that property do you own?

What is the value of that entire property?

Do you have any loan debt secured by that other property?

How many such mortgage loans do you have? (Cycle starts)

What was the purpose of this mortgage loan? (Maximum 3 answers, please start with the most important one!)

Did you refinance an earlier loan with this loan?

Why did you replace your earlier loan with this one? (Maximum 2 answers, please start with the most important one!)

In which year did you take out this mortgage loan?

What was the amount of the mortgage loan when you took it out?

When you took out the loan, how many years was the term?

What is the outstanding principal under your loan currently? (excluding interest and commissions)

How many more years until you repay the loan in full?

Is this a variable-interest loan?

What is the annual rate of interest on the loan at the moment? (If interest-free, enter zero.)

What is your monthly repayment instalment at the moment?

What is the total value of the real properties you own in addition to the ones mentioned so far? (only the part you own)

Do you have mortgage loans other than the ones mentioned so far?

What is your combined outstanding principal debt under these loans?

How much in total do you pay on these loans per month?

How many real properties do you own abroad, if any? If none, enter zero.

What is the combined value of these foreign properties in million forints?

Does any household member have a personally owned car? (For private or business purposes)

How many such cars do you have altogether?

How much do you think the car(s) owned by you is (are) worth? (How much could you sell it for?)

Do you personally own other types of vehicles? (For private or business purposes)

How much in total could you sell your vehicles for?

Do you own objects of significant and lasting value (jewellery, paintings, antiques, etc.)?

Can you estimate their total value?

Have you bought a car, truck or motorcycle over the last 12 months?

How much did you pay in total for these vehicles? (If you sold or exchanged an old vehicle, then please enter here the difference between the purchase and sale prices.)

Does any member of the household have leasing debt? (One you have not included under loans)

How much do you pay in leasing fees a month?

Does any member of the household have an overdraft facility on their bank account? (Consider accounts that are allowed to have negative balances. Do not include credit cards.)

Do you have outstanding debt on these accounts currently?

Can you estimate the amount of this debt?

Does any member of the household have a credit card from a bank or a store card with a credit limit?

Do you have outstanding debt on your credit cards at the moment?

What is the total amount of this debt currently?

Do you have any loans from family and friends?

How many such loans do you have? (Cycle starts)

For what purpose did you request this loan? (Please limit your answers to 3, and list them in order of importance.)

How much debt is still outstanding under such a loan?

In total, how much additional outstanding debt do you have on private loans you have not detailed above?

Do you have any other loans, point-of-sale finance or other money debt in addition to the loans already mentioned?

How many such other loans and debt do you have? (Cycle starts)

For what purpose did you take out this loan? (Maximum 3 answers possible)

What was the amount of the loan when you took it out?

How many years was the term of this loan when you took it out?

How much debt is still outstanding under this loan?

What is the current annual interest rate on this loan?

What is your monthly repayment instalment on this loan at the moment?

In total, how much outstanding debt do you have on other debt and loans you have not listed above?

How much is your monthly repayment on all such debt and loans?

Did you fail to make your repayments or were you late with repayments at any point over the past 12 months?

Did you have any loan debt 90 or more days overdue in the past 12 months that you still have not paid?

Are you a sole trader or owner of a partnership? (Either in Hungary or abroad, either owners or co-owners. Consider only businesses not listed on a stock exchange!)

Is any member of the household actively self-employed or do they own a partnership or business in which they work actively? (Either as owners or co-owners.)

How many businesses do they work actively in? (Either as co-owners or owners.)

Please assign the core operation of your business to one of the categories below.

What is the legal form of your business?

How many employees does the business have, including members of the household working for the business?

Please select from the list the member(s) of the household employed by the business.

What percentage of the business is owned by the household?

How much could you sell your business for? (Please include only the ownership share of the household in your calculations.)

What is the total value of your businesses not listed above in which any member of your household works actively? (Please include only the equity of the household in your calculations.)

Does any member of the household have a participation in an unlisted Hungarian or foreign business as a partner or investor?

What is the total value of your equity in this (these) business(es)?

Does any member of the household own stocks of a listed Hungarian or foreign company?

What is the total current value of the stocks you hold?

Do these stocks include any that are traded on a foreign stock exchange?

Do the members of the household have current accounts?

How many retail bank accounts do the members of the household have in total, with Hungarian and/or foreign banks? (Please specify the total number of accounts of all household members.)

What is the approximate total balance currently on all these accounts?

How many debit cards ('regular' cards on your accounts) do you have?

How many members of the household have business bank accounts?

What is the approximate total balance currently on all these business accounts?

Does any member of the household have a fixed deposit or savings deposit, including a housing savings fund investment?

What is your total balance currently on these deposit accounts?

Do you have shares in any investment fund? (E.g. equity fund, bond fund, money market fund, real estate fund etc.)

What types of funds are these investments in? (Please tick option 1 or 2 for each of these.)

What is the market value of the different investment funds?

What is the total value of your investments in funds currently?

Does any household member hold government bonds, treasury bills, Hungarian or foreign corporate bonds, bank bonds or bills of exchange?

Please select the issuance types of your bonds.

What is the market value of the various bonds?

What is their aggregate value?

Do any members of the household have investment accounts (securities or deposit accounts) managed by an investment advisor or broker (personal banker)?

Among those managed by a personal banker, are there accounts you have not listed so far?

How much money in total do the household members have on their investment accounts?

Is the household owed money by any person who is not a member of it? (Loans to family and friends, alimony owed.)

What is the total amount owed?

Have you granted a member's loan to any business, or do you have receivables under a shareholder's loan?

If you had the opportunity to save, what degree of risk would you accept?

Considering all members of the household, approximately how much cash do you carry and keep at home in total?

Annex 2

COUNTY CODES AND NAMES

BA – Baranya county

BÁ – Bács-Kiskun county

BÉ – Békés county

BO – Borsod-Abaúj-Zemplén county

BP – Budapest

CS – Csongrád-Csanád county

FE – Fejér county

GY – Győr-Moson-Sopron county

HA – Hajdú-Bihar county

HE – Heves county

JÁ – Jász-Nagykun-Szolnok county

KO – Komárom-Esztergom county

NÓ – Nógrád county

PE – Pest county

SO – Somogy county

SZ – Szabolcs-Szatmár-Bereg county

TO – Tolna county

VA – Vas county

VE – Veszprém county

ZA – Zala county

Annex 3

KEY WEALTH AND INCOME DATA FROM THE WHAT DO WE LIVE FROM? SURVEY, BY TYPE, HUF BILLION

Total and within strata by net wealth	2014			2017			2020		
	Bottom 50%	Top 10%	Total	Bottom 50%	Top 10%	Total	Bottom 50%	Top 10%	Total
Non-financial assets	8 028	18 039	49 752	9 962	27 911	68 650	15 315	36 763	100 903
Residential property	7 415	10 907	38 559	9 091	15 323	51 009	14 376	22 333	79 088
Other real estate property	491	6 165	9 602	747	11 348	15 518	679	13 193	19 403
Valuables	17	274	370	21	410	585	28	545	654
Assets of business	105	693	1 221	103	830	1 538	232	692	1 758
Financial assets	4 387	25 947	39 661	4 397	34 575	50 124	6 458	45 398	69 046
Currency	1 000	644	3 004	1 188	983	4 102	1 777	1 705	6 005
Deposits	1 379	3 438	7 640	935	4 163	8 570	2 071	5 610	12 424
Securities (bonds)	19	2 607	3 052	67	4 601	5 308	87	7 056	9 393
Listed shares	16	419	465	1	697	769	3	1 071	1 148
Other equities	141	10 621	11 523	94	15 286	15 963	333	20 143	22 804
Investment fund shares	23	3 455	4 075	51	3 738	4 291	17	4 009	4 547
Loans given	104	1 682	1 995	98	1 840	2 151	73	2 229	2 664
Insurance reserves	255	1 877	3 531	251	2 204	4 132	380	2 389	4 949
Other receivables	1 449	1 203	4 375	1 712	1 064	4 383	1 717	1 187	5 112
Total assets	12 415	43 986	89 412	14 359	62 485	118 774	21 772	82 162	169 949
Liabilities	5 227	2 221	10 400	4 012	2 020	9 296	5 050	2 327	12 187
Housing loans	2 097	752	3 918	1 808	523	3 642	2 088	922	4 946
Other institutional loans	2 351	968	4 464	1 466	1 024	3 654	2 205	920	5 126
Private loans	302	105	577	170	120	395	152	69	316
Other liabilities	477	396	1 440	568	353	1 605	605	416	1 799
Net wealth	7 188	41 765	79 013	10 347	60 465	109 478	16 722	79 835	157 762
Wages, salaries, net	1 953	1 458	5 720	3 092	1 260	7 768	3 971	1 922	10 689
Entrepreneurial income	59	354	603	93	501	1 057	224	542	1 431
Pension	1 296	362	3 157	1 281	405	3 176	1 435	437	3 517
Unemployed benefit	34	3	54	22	3	32	25	3	41
Transfers received	295	98	581	392	322	1 030	389	167	896
Income from rent	9	59	89	5	70	105	5	177	220
Interest income	19	177	261	66	110	253	9	141	217
Dividend income	7	456	476	52	545	800	74	1 021	1 374
Total incomes, net	3 670	2 967	10 940	5 003	3 215	14 221	6 131	4 411	18 385

Annex 4

KEY WEALTH DATA FROM THE WHAT DO WE LIVE FROM? SURVEY, IN A GEOGRAPHICAL BREAKDOWN, HUF BILLION

Value of real assets, gross and net wealth by region and settlement size	2014			2017			2020		
	Real assets	All asset	Net wealth	Real assets	All asset	Net wealth	Real assets	All asset	Net wealth
Wealth per household by region, HUF million									
Dél-Alföld	8,0	13,2	11,0	11,7	20,7	19,1	17,2	25,6	22,7
Dél-Dunántúl	9,7	16,9	14,8	15,0	21,5	18,4	17,0	25,8	23,2
Észak-Magyarország	9,0	15,0	12,9	9,3	16,1	14,1	13,3	23,4	21,1
Észak-Alföld	7,6	13,1	11,1	11,1	18,8	17,1	15,9	26,4	23,8
Nyugat-Dunántúl	13,0	25,5	22,9	16,3	30,9	28,9	27,8	44,6	41,2
Közép-Dunántúl	10,9	22,5	20,1	14,6	22,1	19,8	22,2	40,6	38,2
Közép-Magyarország	17,9	32,0	28,7	27,1	48,4	45,5	39,6	68,4	64,5
Total	12,1	21,7	19,1	17,1	29,7	27,3	25,3	42,7	39,6
Size of total wealth by region, HUF billion									
Dél-Alföld	4 491	7 423	6 207	6 237	11 062	10 195	9 240	13 698	12 169
Dél-Dunántúl	3 859	6 678	5 857	5 472	7 831	6 727	6 047	9 175	8 275
Észak-Magyarország	4 206	6 958	5 998	4 412	7 626	6 719	5 804	10 238	9 223
Észak-Alföld	4 530	7 806	6 646	6 288	10 633	9 688	8 771	14 555	13 140
Nyugat-Dunántúl	5 142	10 057	9 034	6 641	12 627	11 811	11 028	17 693	16 339
Közép-Dunántúl	4 853	10 066	8 981	6 229	9 418	8 419	9 535	17 422	16 400
Közép-Magyarország	22 672	40 425	36 290	33 371	59 578	55 919	50 478	87 168	82 216
Total	49 752	89 412	79 013	68 650	118 774	109 478	100 903	169 949	157 762
Size of wealth per household by settlement type, HUF million									
Budapest	18,2	35,2	31,7	29,3	55,7	53,0	44,2	78,2	74,4
Cities with county rights	11,3	19,5	17,3	15,6	28,7	26,7	24,1	41,3	38,3
Other towns	11,0	21,3	18,7	15,1	24,1	21,9	24,4	40,8	37,4
Villages	9,7	15,3	13,2	12,3	18,8	16,4	14,0	20,6	18,4
Total	12,1	21,7	19,1	17,1	29,7	27,3	25,3	42,7	39,6
Size of total wealth by settlement type, HUF billion									
Budapest	14 580	28 144	25 358	22 456	42 694	40 621	34 197	60 537	57 617
Cities with county rights	10 076	17 353	15 328	13 192	24 336	22 602	20 059	34 432	31 947
Other towns	12 096	23 431	20 565	19 342	30 864	27 991	31 525	52 614	48 220
Villages	13 000	20 484	17 762	13 660	20 881	18 263	15 123	22 366	19 979
Total	49 752	89 412	79 013	68 650	118 774	109 478	100 903	169 949	157 762

Annex 5

KEY WEALTH DATA FROM THE WHAT DO WE LIVE FROM? SURVEY, BY AGE OF REFERENCE PERSON, HUF BILLION

Size of gross and net wealth by age of reference person	Age of reference person						Total
	Age 18-35	Age 36-45	Age 46-55	Age 56-65	Age 66-75	Age 75 or above	
Size of gross wealth per households, HUF million							
2014	16,8	27,6	29,3	22,2	16,1	11,7	21,7
2017	19,6	36,2	38,3	31,0	28,1	15,3	29,7
2020	23,8	43,3	56,2	47,6	41,3	31,6	42,7
Size of total gross wealth, HUF billion							
2014	10 065	21 911	21 939	19 780	10 766	4 952	89 412
2017	11 363	28 419	31 154	23 479	17 470	6 889	118 774
2020	12 256	32 994	47 295	36 590	26 334	14 480	169 949
Size of net wealth per households, HUF million							
2014	13,5	23,5	26,0	20,0	15,2	11,3	19,1
2017	17,0	32,5	35,1	29,0	27,2	15,0	27,3
2020	19,2	38,4	51,9	45,5	40,3	31,1	39,6
Size of total net wealth, HUF billion							
2014	8 087	18 646	19 454	17 840	10 183	4 804	79 013
2017	9 814	25 501	28 555	21 961	16 889	6 757	109 478
2020	9 906	29 211	43 667	35 005	25 694	14 279	157 762

FINANCIAL DATA OF HOUSEHOLDS

2023

Print: Prospektus Kft.

H-8200 Veszprém, Tartu u. 6.

mnb.hu

©MAGYAR NEMZETI BANK

H-1013 BUDAPEST, KRISZTINA KÖRÚT 55.