CHANGES IN HOUSEHOLD DEBT

Outcome indicator

Indicator Phrasing

English: % of cash transfer beneficiaries who report a reduction in household debt

French: % des bénéficiaires de transferts d'argent qui font état d'une réduction de la dette des ménages

Portuguese: % de beneficiários das transferências de dinheiro que reportam uma redução na dívida do agregado familiar

Czech: % příjemců peněžní pomoci uvádějících snížení dluhů jejich domácnosti

What is its purpose?

The indicator measures changes in household debt. It is an important proxy indicator of a household's economic situation.

How to Collect and Analyse the Required Data

Collect the following data by conducting individual interviews with a representative sample of your target group members:

RECOMMENDED SURVEY QUESTIONS (Q) AND POSSIBLE ANSWERS (A)

Q1: *Prior to receiving cash from* [specify the name of your organization], *did your family hold any debts?*

A1: yes / no / did not respond

(ask the following question only if the previous answer is YES)

Q2: *Since you have received cash transfers from* [specify the name of your organization]*, did the amount of debt your family holds decreased or increased or remained the same?*

A2:

1) decreased

2) increased

3) remained the same

4) does not know / did not respond

To **calculate the indicator's value,** divide the number of respondents whose debts became smaller by the total number of respondents who had debts prior to receiving the cash assistance (exclude those who did not know or did not respond). Multiply the result by 100 to convert it to a percentage.

Disaggregate by

Disaggregate the data by gender and other relevant criteria.

Important Comments

1) For guidance on assessing the **exact amount of a household's debt**, please see IndiKit's indicator Indebtedness - Existence and Levels.

2) It is recommended to measure the percentage of assistance that was spent on debt repayment.

3) Consider the **protection implications** relating to people prioritizing debt repayment over food or healthcare or the safety risks relating to people being unable to repay a debt.

4) Household debt can also provide a proxy for protection status, and indicate a reliance on negative coping strategies. Informal loans from friends and family can lead to social tensions or exploitation, while money lenders often charge very high-interest rates to people who do not have the collateral to access affordable credit. If this is a concern in your context, consider adding the following question in order to gain more understanding of local coping strategies:

Q2: *From where did you usually receive credit?*

A2:

1) friends / family

2) local trader(s)

3) MFI / bank / credit union

4) informal, last resort lenders (use the local term, e.g. "5/6" or "loan shark")

5) other - specify: .....

E-Questionnaire

- XLS form for electronic data collection - indicator Changes in Household Debt

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