

## HS060: CAPACITY TO FACE UNEXPECTED FINANCIAL EXPENSES

**Topic and detailed topic:** Living conditions, including material deprivation, housing, living environment, access to services / Material deprivation

**Variable type:** Annual

**Unit:** Household

**Reference period:** Current

**Mode of collection:** Household respondent

**In use (period):** Yes, since first year of EU-SILC data collection

**Series' differences:** No changes

### VALUES AND FORMAT

1	Yes
2	No

### FLAGS

1	Filled
-1	Missing

### DESCRIPTION

The variable records whether, according to the household respondent, the household can face itself unexpected financial expenses.

**'Own resources'** means:

- Your household does not ask for financial help from anybody;
- Your account has to be debited within the required period;
- Your situation regarding potential debts is not deteriorated.

You do not pay through own resources if you pay in instalments (or by taking a loan) expenses that you previously used to pay in cash.

**Required expenses:** A required expense could be different across countries but examples are surgery, a funeral, major repairs in the house, replacement of durables like washing machine, car.

For the calculation of the **amount that should be filled** in the questionnaire, the national at-risk-of-poverty threshold has to be used per single consumption unit, which means it has to be used independently of the size and structure of the household. A ratio of 1/12 of the above value is used in the questionnaire. This value can be rounded but the difference between calculated value and rounded value cannot exceed 5% (for example; a calculated value of 136 can be rounded to 140 but not to 150).

The calculation for year 'n' comes from year 'n-2' EU-SILC data. For year 1 and 2, appropriate national data has to be used.

Suggested question:

*Can your household afford an unexpected required expense (amount to be filled) and pay through its own resources? Yes/No*