

Inequality and Household Borrowing in The Eurozone

Sine Kontbay Busun ¹

Abstract

This paper looks at the change in debt accumulation of households in the Eurozone from 2010 to 2015 by using Household Finance Consumption Survey data. The aim is to compare the debt accumulation of low income households living in higher inequality Eurozone countries with that of low income households living in lower inequality Eurozone countries through difference in difference analysis. The analysis also looks at the wealth inequality and run the similar analysis when the inequality is measured by wealth. The baseline regression results suggests that low income households in high inequality countries are indebted more than the low income households living in low inequality countries.

Keywords: Income Inequality, Household Debt, Wealth inequality

Jel Codes: D31, E21, D14

¹ **Corresponding Author:** University of Bonn, Germany, kontbaysine@gmail.com