BANCA D'ITALIA
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Statistics

# Survey on Italian Household Income and Wealth

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## Main results

In 2022, the mean household income of Italian households and their mean equivalized income rose in real terms by 1.4 and 1.8 per cent, respectively, from 2020. They are still, however, lower than those observed in 2006 prior to the global financial crisis (by 10 and 5 per cent, respectively). The Gini index of equivalent income increased from 32.8 per cent to 33.6 per cent over the two-year period and, excluding the impact of the new sample design, it is still lower than the figures recorded between the late 1990s and the early 2000s and those prior to the pandemic.

After falling sharply during the pandemic, mean household spending turned upwards in 2022, rising by 5.7 per cent in real terms compared with the previous survey, driven mainly by durable goods. Spending by households in the top quintile of the income distribution increased by around 11 per cent, owing to the robust recovery in purchases of non-essential goods and services, while spending by households in the bottom quintile continued to fall (-2 per cent).

In 2022, more than half of all households did not put aside any savings: this percentage rises to 70 per cent for households belonging to the lowest quintile of the income distribution and drops to 28 per cent for those in the top quintile.

Mean net wealth, valued at constant prices, rose by 1.8 per cent compared with 2020; the median instead fell by 2 per cent. The share attributable to the most affluent 10 per cent of households increased by around 2 percentage points, to 52 per cent.

The percentage of indebted households held stable at 26 per cent. Households with income above the median accounted for 85 per cent of total financial debt. Compared with 2020, the share of financial debt held by households with below-the-median income fell by around 2 percentage points, with the largest drop occurring in consumer credit (-6 percentage points).

The percentage of financially vulnerable households also held steady vis-à-vis 2020 at 1.5 per cent of total households. However, they make up a smaller share of indebted households than two years earlier, falling by about 1 percentage point to 7 per cent.

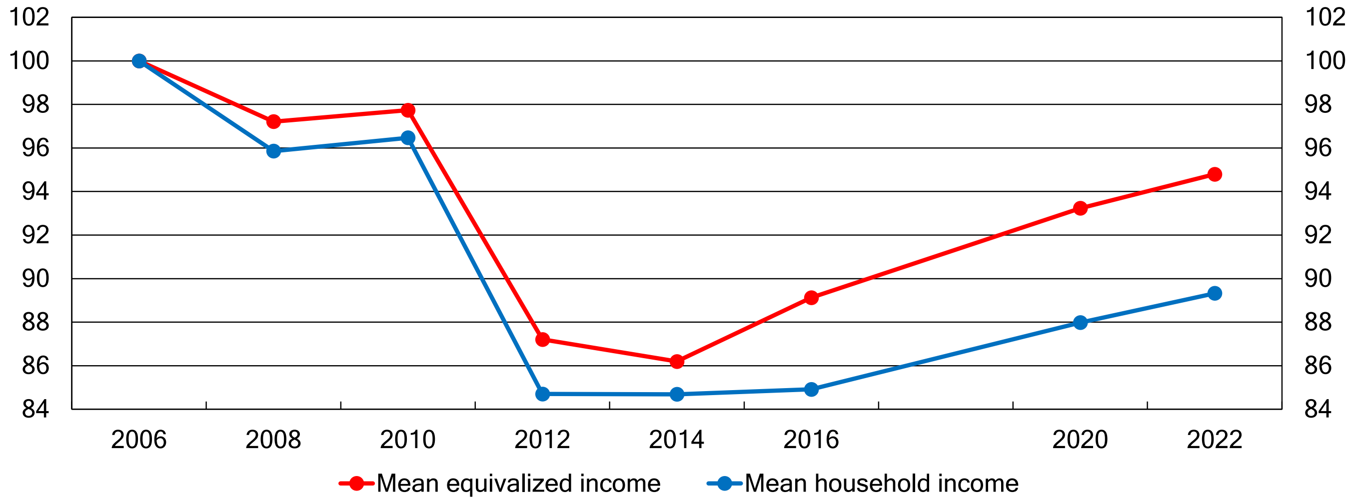
# Italian household income and wealth in 2022[1]

## Income and its distribution

According to the information reported by the more than 9,500 households interviewed, in 2022 the mean annual household income, in real terms and net of income taxes and social security contributions, was about 1.4 per cent higher than that reported in the 2020 survey. However, excluding the effect of the new survey sample design,[2] it was still more than 10 per cent lower than in 2006, prior to the global financial crisis (Figure 1).[3]

**Figure 1**

**Mean household income and equivalized income** (1)
(*constant prices, 2006=100*)




Source: Based on data from the historical database of the Survey on Household Income and Wealth, version 12.1. (1) Estimates weighted with the weights for historical comparison.

Between 2020 and 2022, mean income in real terms rose for households in which the primary income earner is self-employed (+2.8 per cent; Figure 2), likely also owing to the improved ability of many of these workers to adjust their compensation to inflation and, to a lesser extent, for households in which the primary income earner is a payroll

[1] The survey report was prepared by David Loschiavo, Gioia Maria Mariani and Concetta Rondinelli. We would like to thank the households that agreed to take part in the survey, providing the information requested in sometimes lengthy interviews, and Mirko Moscatelli, Eleonora Porreca and Federico Tullio, who were involved in all the necessary stages of developing and carrying out the survey. https://www.bancaditalia.it/statistiche/tematiche/indagini-famiglie-imprese/bilanci-famiglie/index.html?com.dotmarketing.htmlpage.language=1.

[2] The survey underwent significant methodological changes to improve the statistical coverage of high-income households starting with the 2020 edition. These changes have brought the estimates obtained through the survey considerably closer to the corresponding figures in the national accounts and have also improved the survey's ability to paint a more accurate picture of their distribution across the population. However, this caused breaks in the time series. In this report, in order to make it comparable to editions of the survey prior to 2020, a data re-weighting scheme will be used to approximate the composition of the sample that would have been obtained without the changes made to the sampling methodology ('weights for historical comparison'). Changes in the main balance sheet items between the last two editions of the survey (for 2020 and 2022) will instead be measured based on the new re-weighting scheme ('new design weights'), which makes it possible to take full advantage of the improved accuracy of the new sampling design. For the 2022 survey, it was possible to obtain more detailed data regarding the income of the sample households than were available for the 2020 survey. Having these data available has made it possible to refine the system for constructing the sample weights and has made it necessary to revise those used for the 2020 survey. The new methodology and the effects of the revision of the 2020 survey results are described in the methodological section of the Banca d'Italia website at: https://www.bancaditalia.it/statistiche/tematiche/indagini-famiglie-imprese/bilanci-famiglie/metodologia-ibf/index.html?com.dotmarketing.htmlpage.language=1.

[3] Nominal variables (i.e. income and wealth) are deflated by the ratio of households' consumption expenditure at current prices to the same variable at chain-linked prices as taken from the national accounts published by Italy's National Institute of Statistics (Istat).

employee (+0.8 per cent). The mean income instead fell for households dependent on pension income (-2.6 per cent) or on other transfer payments (-15.4 per cent). Property income, which rose by 5.7 per cent on average, contributed significantly to the growth in the mean household income of working households, but also played a part in the decline in the income of households in which the primary earner is unemployed.

**Figure 2**

**Change in mean income from 2020 by work status of the primary income earner**
*(percentage changes at constant prices)*


Source: Based on annual Survey on Household Income and Wealth (SHIW) data for 2022.
(1) Self-employed workers include professionals, freelancers, entrepreneurs, partners or managers of companies, and non-standard workers.

As a result of these developments, the mean income of households in which the primary earner is a pension recipient fell in real terms from 86 to 82 per cent of the general mean income between 2020 and 2022. Overall, the relative position of households in which the highest income earner is a payroll employee held broadly stable (from 109 to 108 per cent). For households that are more dependent on self-employment, on the other hand, mean household income, which was already above the overall mean, grew further, from 147 to 149 per cent.[4]

Looking at the distribution of households by income deciles, the bottom 10 per cent accounted for 2.4 per cent of total income, while the top 10 per cent of the income distribution made 27.9 per cent of the total income. The gap between the two groups widened by around 1.6 percentage points from 2020.

Mean equivalized income[5] – a measure that approximates individual financial well-being by taking account of household size and composition and the resulting economies of scale – was 1.8 per cent (in real terms) higher than two years earlier, confirming the recovery since the mid-point of the previous decade (Figure 1). The Gini index of equivalized income was 33.6 per cent, higher than in 2020 (32.8 per cent) but still lower than both the values recorded between the end of the 1990s and the beginning of the 2000s and the pre-pandemic values (net of the effects of changes in the sample design).

## Consumption and savings

After falling sharply during the pandemic, mean household spending rose in 2022 by 5.7 per cent in real terms compared with the previous survey, driven by growth in all components, particularly in durable goods. Spending by households in the top quintile of the income distribution increased by around 11 per cent at constant prices,

[4] Over the past quarter-century, the relative position of households for which work is the main source of income has remained broadly unchanged, while that of households that rely predominantly on transfer payments other than pensions has worsened considerably. By contrast, and despite the worsening of the last two years, the position of households whose primary income is a pension has improved.

[5] Equivalized income is the income required by a member of a given household to attain the same level of well-being that they would have living alone. It is calculated by assigning to each member of the household a weight based on their age. The sum of these weights yields the number of equivalized adults in the household. Equivalized income is equal to the ratio of total household income to the number of equivalized adults. We adopt the OECD-modified equivalence scale, which assigns a value of 1 to the household head, 0.5 to each member aged 14 or over, and 0.3 to each member under age 14.

associated with the robust recovery in purchases of non-essential goods and services, which were heavily constricted during the health emergency. By contrast, household spending by the lowest quintile continued to decline (-2 per cent). According to the survey, in order to cope with higher electricity and gas bills, caused by the rising energy prices that drove the inflation burst between 2021 and 2022, poorer households not only continued to cut any spending that could still be trimmed, but also delayed the payment of some bills or received help from family and friends or through public grants, such as the so-called 'social bonus for gas and electricity bills'.

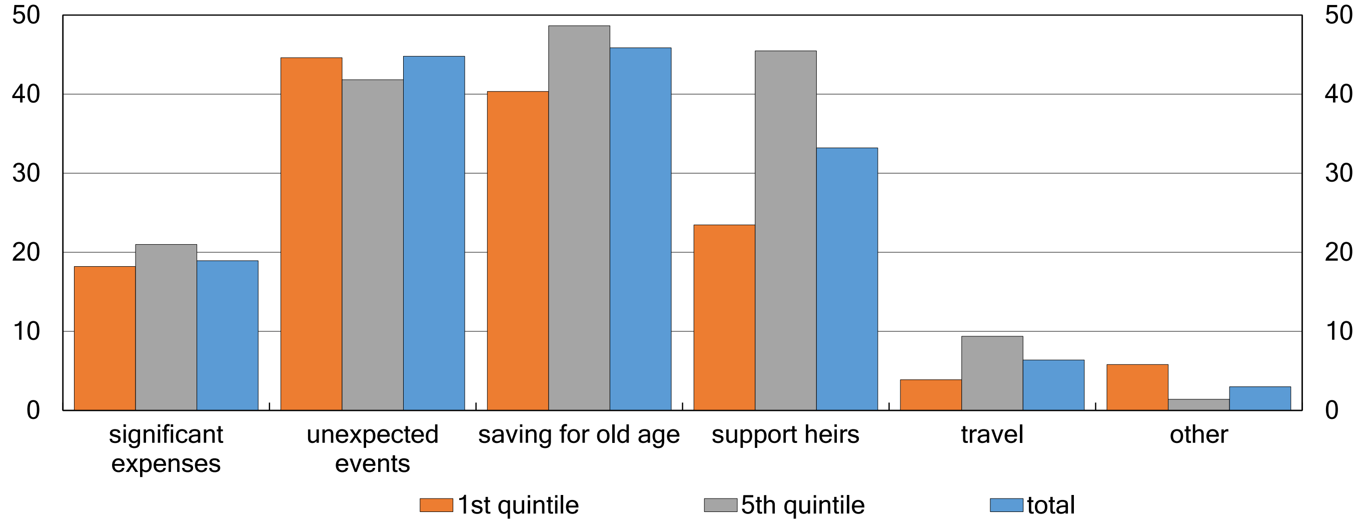
The recovery in spending was only partially offset by an increase in income. This led to a reduction in the flow of household savings of 7 per cent on average. According to the survey, more than half of all households did not put aside any savings: this percentage rises to 70 per cent for households belonging to the lowest quintile of the income distribution and drops to 28 per cent for those in the top quintile.

When mentioning the reasons for saving, regardless of the actual accumulation in 2022, households most frequently cited their desire to set aside resources for old age or to handle unexpected or unknown events. Wealthier households added providing financial support for their heirs (Figure 3).

**Figure 3**

**Reasons for household saving by income quintile (1)**

*(per cent)*




Source: Based on annual Survey on Household Income and Wealth (SHIW) data for 2022.

(1) Share of households by reason for saving, regardless of the actual accumulation of financial resources in 2022. The sum of the shares may exceed 100 per cent because survey respondents were able to choose up to three of the options mentioned in the question.

## Wealth and its distribution

According to the survey, at the end of 2022, Italian households' net wealth, consisting of the sum of real and financial assets net of financial liabilities, averaged around €296,000 (up 1.8 per cent at constant prices compared with 2020). The median value, which separates the poorest half of households from the wealthiest half, was €152,000 (down 2 per cent).[6] Growth in mean wealth was driven by growth in the financial wealth component, which benefited from

[6] Wealth estimates may be distorted by the reticence of respondents and the difficulty they encounter in making assessments. For these reasons, besides the differences in the definitions and in the methodology, the figures for household wealth and its components reported in the survey may differ from the corresponding national aggregate figures. For further details, see G. D'Alessio and A. Neri, 'Income and wealth sample estimates consistent with macro aggregates: some experiments', Banca d'Italia, Questioni di Economia e Finanza (Occasional Papers), 272, 2015. Since early 2024, the Distributional Wealth Accounts (DWA) data for the household sector have been available on an experimental basis. This is a new feature that enables the national accounts to keep timely records of the trends in the distribution of wealth and its components in a manner that is consistent with aggregate statistics. For further details, see Neri, M. Spuri and F. Vercelli, 'Distributional Wealth Accounts: methods and preliminary evidence', Banca d'Italia, Questioni di Economia e Finanza (Occasional Papers), 836, 2024 (only in Italian).

positive market developments and more than offset the increase in liabilities and the slight decline in real estate wealth.

At the end of 2022, the poorest 10 per cent of households owned less than 0.1 per cent of the total net wealth, while the richest 10 per cent owned about 52 per cent.[7] Compared with 2020, the share of net wealth held by the most affluent decile of households increased by about 2 percentage points. Excluding the effects of the new sample design, the gap between the share of net wealth held by the richest households and that held by the poorest continues to be larger than in the pre-pandemic period (2016).

The share of households holding financial assets as of the end of 2022 was 92 per cent, consistent with the previous survey: their mean value, considering only the households actually owning financial assets, was around €62,400. Financial wealth distribution is more concentrated than net wealth distribution: almost two thirds of financial assets were held by the wealthiest 10 per cent of households, while the poorest 10 per cent held only 0.1 per cent (Table 1).

The gap in the share of financial wealth owned is attributable to the very different portfolio compositions. Households belonging to the poorest decile hold almost exclusively deposit accounts, while those belonging to the wealthiest decile entrust the management of a large part of their financial assets to professionals and invest directly in shares. This diversification allows for greater protection against inflation, such as the particularly high inflation seen in 2022.

**Table 1**

**Breakdown of financial assets by net wealth distribution deciles**
*(per cent)*

| Decile of net wealth | Share of financial assets | Per cent | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | Deposits (1) | Managed investment schemes (2) | Equity shares and other participating interests | Corporate bonds (3) | Government securities (4) | Securities issued abroad (5) | Other (6) | Total financial wealth |
| 1st decile | 0.1 | 99.4 | 0.6 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 100.0 |
| 2nd decile | 1.0 | 95.7 | 2.7 | 0.0 | 0.0 | 1.2 | 0.0 | 0.4 | 100.0 |
| 3rd decile | 2.3 | 83.0 | 6.2 | 1.4 | 3.1 | 5.4 | 0.1 | 0.7 | 100.0 |
| 4th decile | 2.1 | 86.2 | 10.2 | 0.7 | 1.4 | 1.1 | 0.0 | 0.4 | 100.0 |
| 5th decile | 2.6 | 80.2 | 11.6 | 0.9 | 1.5 | 4.4 | 0.2 | 1.3 | 100.0 |
| 6th decile | 3.4 | 71.7 | 11.6 | 1.3 | 6.7 | 8.4 | 0.0 | 0.3 | 100.0 |
| 7th decile | 5.2 | 72.0 | 18.4 | 1.0 | 3.6 | 4.1 | 0.1 | 0.8 | 100.0 |
| 8th decile | 7.1 | 63.8 | 20.2 | 2.7 | 4.3 | 7.4 | 0.1 | 1.5 | 100.0 |
| 9th decile | 12.1 | 58.4 | 26.4 | 3.7 | 4.3 | 5.4 | 1.1 | 0.9 | 100.0 |
| 10th decile | 64.1 | 24.6 | 40.0 | 23.6 | 3.5 | 4.9 | 3.1 | 0.4 | 100.0 |
| **Total** | **100.0** | **40.4** | **32.3** | **15.9** | **3.6** | **5.1** | **2.1** | **0.6** | **100.0** |

Source: Based on the annual database for the Survey on Household Income and Wealth (SHIW) for 2022.
(1) Bank and post office current and deposit accounts, certificates of deposit, repos and interest-bearing postal savings certificates. – (2) Managed assets and investment fund/ETF shares. – (3) Italian bank or corporate bonds. – (4) Italian government securities. – (5) Deposits held abroad and other foreign securities (government securities, bonds, shares, etc.). – (6) Loans to cooperatives and other financial assets (derivatives, hedge funds, private equity funds, etc.).

## Indebtedness

In 2022, 26 per cent of Italian households had debt. While the share of households with consumer debt remained essentially stable (at about 10 per cent), there was an increase in the percentage of households with property-related (from 12.1 to 13.9 per cent) or work-related debt (from 2.1 to 2.5 per cent). By contrast, the share of households with current account overdrafts or revolving credit card debt decreased (from 5.7 to 4.6 per cent) and so did the share of households with loans from family and friends (from 2.3 to 1.4 per cent).

The debt is concentrated among households that have a greater ability to bear its cost: in 2022 the top half of households by income held 85 per cent of total loans provided by financial intermediaries (Figure 4). Unlike mortgage loans, which follow the same pattern and account for the bulk of total debt, consumer loans are less concentrated, with 71 per cent given to households with above-the-median income. Compared with 2020, the share of total debt held by households with below-the-median income fell by around 2 percentage points: the reduction was smaller for

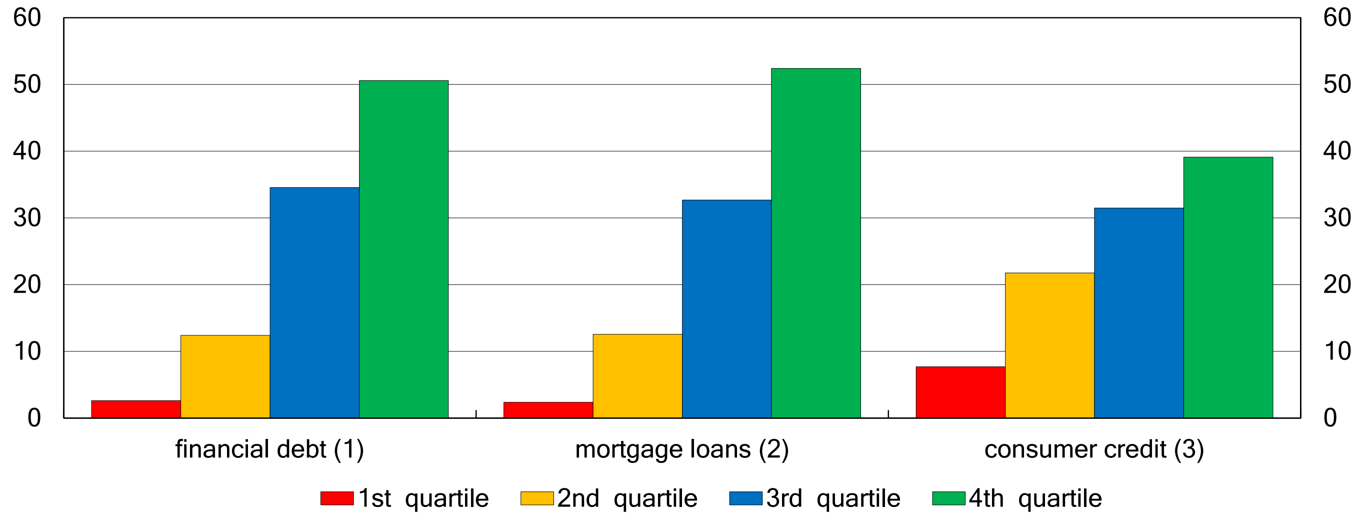
[7] According to the Distributional Wealth Accounts (DWA), which introduce adjustments to take account of possible distortions in the measurement of wealth in the survey (such as respondents' reluctance to report the actual amounts held), at the end of 2023 the richest 10 per cent of households possessed 60 per cent of the net wealth.

mortgage loans but significantly higher for consumer credit (-6 percentage points).

**Figure 4**

**Share of total debt held by indebted households by quartile of income in 2022**

*(per cent)*




Source: Based on annual Survey on Household Income and Wealth (SHIW) data for 2022.
(1) Only includes loans from banks and financial corporations. – (2) Includes loans for home purchase and renovation. – (3) Includes loans for the purchase of transport equipment, durable goods (for example, furniture and household appliances) and non-durable goods.

Some 2.1 per cent of indebted households reported they had been late with debt service payments by over 90 days, which was sharply down from 2020 (3.7 per cent) when, due to the effects of the pandemic, this share was particularly high despite the fact that many indebted households had been able to suspend repayment of debt service payments by taking advantage of debt moratoriums.

The ratio of the cost of debt[8] to monetary income continues to rise as equivalized income falls (Table 2). In 2022, almost 30 per cent of households in the top quartile were indebted to finance the purchase or renovation of property or consumer spending; for these households, the mean annual debt service payments amounted to €8,800, or just under 15 per cent of their income. Conversely, just 12 per cent of households in the bottom quartile were indebted, and their mean debt service payments amounted to €3,800, or 21 per cent of their income.

**Table 2**

**Financial vulnerability of households**

*(per cent; euros)* (1)

| Quartile of equivalized income | Share of indebted households | Indebted households only | | | | | Share of vulnerable households out of total population |
|---|---|---|---|---|---|---|---|
| | | Median debt service payments | Median ratio of debt payments to (monetary) income | Mean annual debt service payments | Ratio of mean debt service payments to mean (monetary) income | Share of vulnerable households | |
| 1st quartile | 12 | 3.500 | 19.3 | 3.754 | 20.8 | 23.9 | 2.9 |
| 2nd quartile | 19.2 | 4.200 | 15.3 | 4.763 | 17.8 | 17.7 | 3.4 |
| 3rd quartile | 24.4 | 5.000 | 15.3 | 5.576 | 15.8 | - | - |
| 4th quartile | 28.5 | 7.000 | 14.1 | 8.718 | 15 | - | - |
| **Total** | **21.5** | **5.070** | **15.1** | **6.270** | **16** | **7** | **1.5** |
| | | | *Memorandum item:* | | | | |
| *2020* | *19.6* | *5.000* | *15.8* | *5.714* | *16.5* | *7.9* | *1.5* |

Source: Based on annual Survey on Household Income and Wealth data for 2022 and 2020.
(1) Only includes home purchase or renovation loans and consumer debt.

[8] The annual debt service payments amount including interest.

In 2022, financially vulnerable households[9] accounted for 1.5 per cent of the total, just as in 2020. They made up 7 per cent of indebted households, around 1 percentage point lower than two years earlier as a result of the drop in the ratio of debt service payments to income for indebted households with equivalized income below the median.

Accumulated savings may prop up households' ability to service their debt in the face of an income shock. Among indebted households, 37.4 per cent were 'liquidity poor'[10] and accounted for 29.4 per cent of overall household debt.[11] Despite growing inequality in the distribution of financial assets, in 2022 the share of 'liquidity-poor' indebted households shrank further.[12] The risk of illiquidity was particularly widespread among financially vulnerable households (almost 59 per cent of cases), though with a significant improvement from 2020, when this share was around 11 percentage points higher.

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[9] Financially vulnerable households are defined as those whose equivalized income is below the median income and whose annual debt-service ratio is more than 30 per cent of their monetary income.

[10] Liquidity-poor households are defined as those whose wealth in the form of liquid financial assets (bank and post office deposits), adjusted for household structure, is less than one fourth of the at-risk-of-poverty threshold (60 per cent of median equivalized income). In other words, a household is financially poor if it would not have sufficient resources to avoid the risk of poverty for at least three months even if it liquidated all its readily accessible financial assets. For further details, see D. Loschiavo and M. Graziano, 'Liquidity-poor households in the midst of the Covid-19 pandemic', *Review of Income and Wealth*, 68(2), 2022, pp. 541-562, also published in Banca d'Italia, Questioni di Economia e Finanza (Occasional Papers), 642, 2021.

[11] Only includes debt for property purchases or renovations and for purchases of consumer goods.

[12] Among households with equivalized income below the median, indebted households saw their savings increase from 2020, while those without debt saw their savings shrink (see the section 'Consumption and savings').