



Provision of an European Platform for the Prevention of Over-indebtedness by the Increase Accessibility and the Improvement of effectiveness of Debt Advice for Citizens (PEPPI)



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WEBINAR

Psychosocial Problems of Debtors

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The situation of debtors in Germany 2022 – some figures

- Number of over-indebted households: approx. 3 - 7 million, depending on the source
- Official figure does not exist
- Official social debt counselling services: 1400
- Amount of advised clients in the services (in 2020): 600.000 → only 10% of the potential target group
- Advised Persons:
 - 315 000 Men (53,6 %)
 - 273 000 Women (46,4 %)
 - 13,8% single mothers; proportion of total population: 5,2
 - 29,9% single men; proportion of total population: 19,5
 - Age of the most advised people (51,6%): 25 - 44, proportion of total population: 30,2%

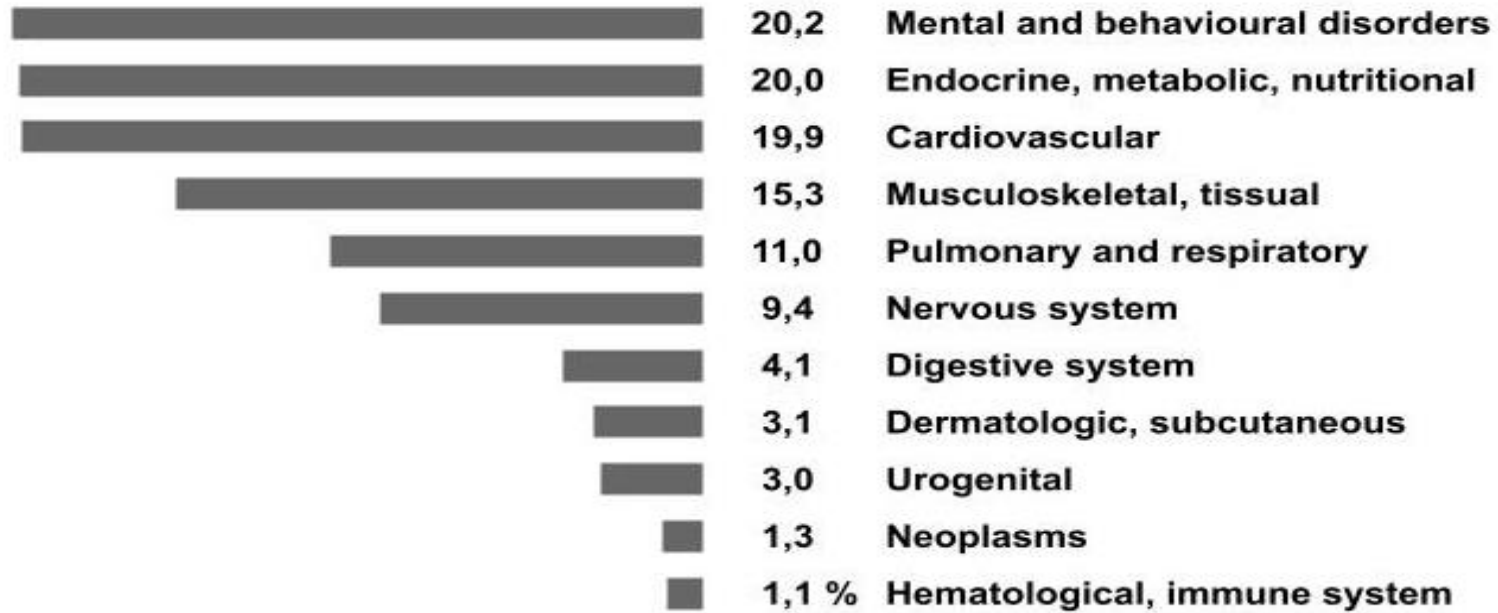
The situation of debtors in Germany in 2022 – some more figures

- Average debt burden: 29 230 Euro:
 - Men: 33 050 EUR
 - Women: 24 830 EUR
- 35% of over-indebted people live with minimum one child in a household; 10% responsible for minimum one child outside the own household
- Reasons for over-indebtedness: (Status in 2019)
 - 19,9% Unemployment
 - 16,6% Illness, addiction or accident
 - 14,3% Uneconomic budget management
 - 12,5% Separation, divorce, death of partner
 - 8,7% Longer-term low income (in households with children: 9,2%)
 - 8,3% Failed self-employment
 - 2,1% Starting a household / birth of a child
 - 17,9% Other reasons

Health condition of over- indebtedters – an overview

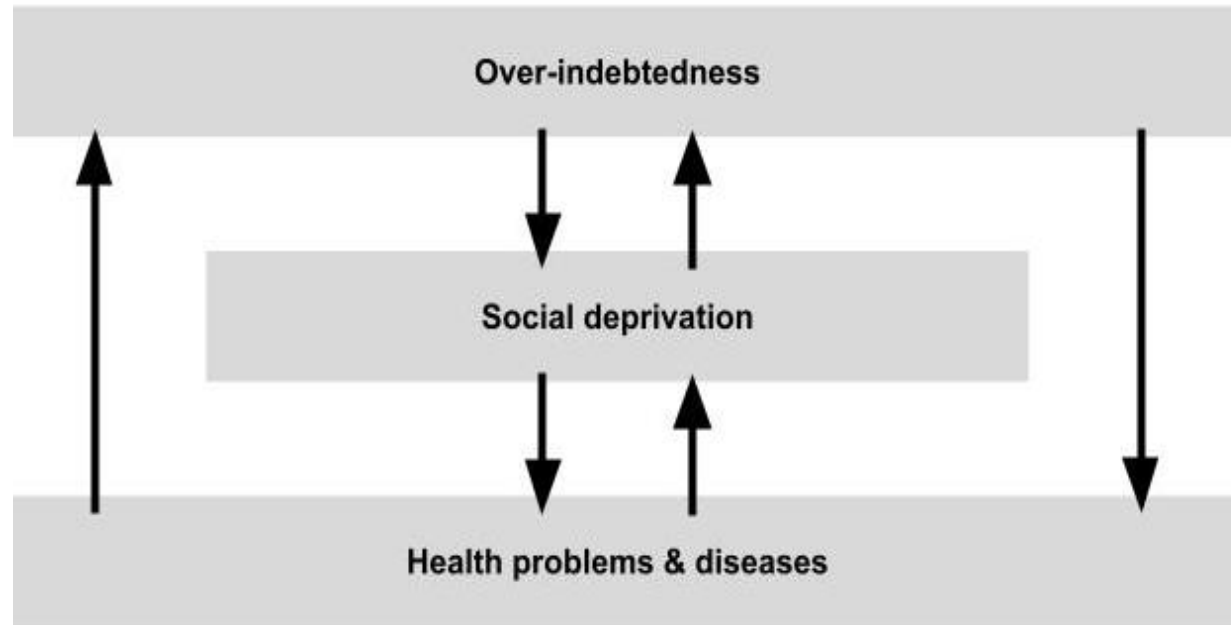
- The ArSemü-study (Use of medicines, in particular self-medication among over-indebted citizens in North Rhine-Westphalia) emphasizes:
 - 58% of the participants in the study stated in their self-report that they felt moderately to poorly or very poorly in terms of health
 - ‚Normal‘ population: 28,5% stated their health condition in above categories
 - 59,9% report chronic diseases
 - ‚Normal‘ population: 32,2%

Relative frequencies of current illnesses of over-indebted people in the ASG study



Own representation according to Münster 2010: 122

Interdependency between over-indebtedness, health problems and social deprivation



Own representation according to Münster 2010: 124

Possible diseases of debtors

- Mental Diseases: with need for medical and psychological support
 - Depression
 - Psychoses, Schizophrenia
 - Borderline Syndrome
 - Age-related diseases as Alzheimer or Dementia
 - Post-traumatic Stress Disorder
 - Substance-related and substance-free Addictions

Possible syndromes of debtors

- Syndromes which are much harder to detect as they often have cross-symptomes, e.g.
 - Inability to pay bills punctual
 - Procastination of unpleasant tasks
 - Inability to draw up a budget

- Fetal Alcohol Syndrome
- Attention Deficit Hyperactivity Disorder ADHD
- Autism Spectrum Disorder
- Traumata

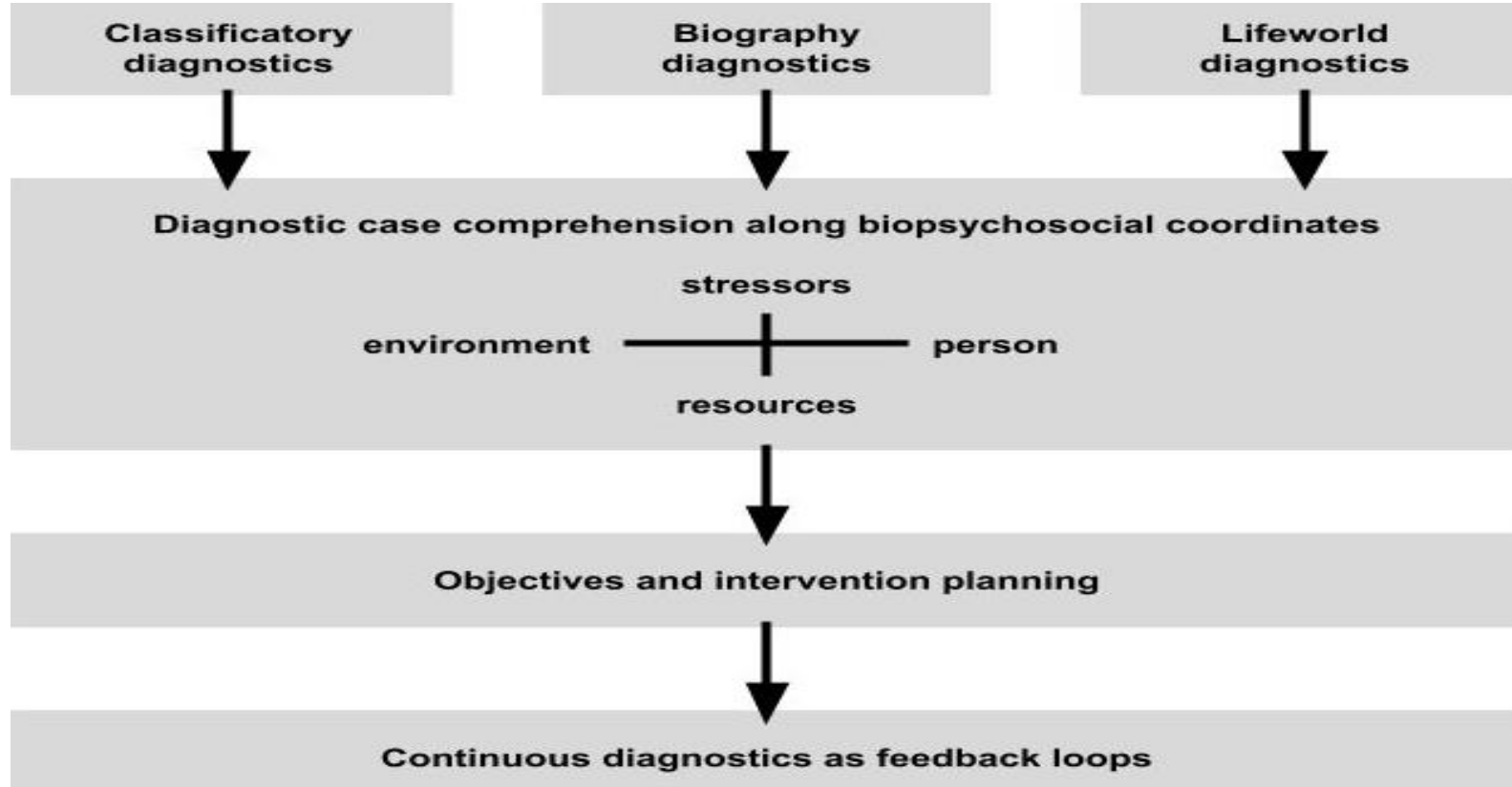
Social consequences of over-indebtedness

- Social withdrawal, depending on the phase of over-indebtedness
- Restriction of leisure activities (cinema, theatre, 'after-work beer' with colleagues)
- Rejection by the environment if the over-indebtedness becomes known
- Threat of losing their job
- Restriction of leisure activities of the children (no participation in class excursions, class trips)
- Restricting visits to the doctor and taking medication (co-payment is often necessary)

Consequences:

- Social isolation, which in turn leads to illnesses

Diagnostic case understanding – design diagnostics



Framework Model Psychosocial Diagnostics according to Gahleitner 2020: 78 (own adaptation)

Diagnostic case understanding – design diagnostic

- Classificatory diagnosis: ICD key (Which medical/psychological diagnosis exists?)
- Biography diagnosis: Biography work (What went well, What went wrong in the past? How the person has dealt with challenges up to now? (Aim of biography work: Understanding the past from the present in order to shape the future)
- Lifeworld diagnosis: How is the person situated in his or her living environment? What bonds exist? Where is the person excluded?
- Along the biopsychosocial coordinates stressors, environment, person, resources a diagnosis and an intervention planning can be developed
- Diagnostic case understanding is a circular process that needs constant feedback loops (evaluation)

Competences and needed knowledge of debt counsellors

- Knowledge:
 - Competence to apply the law
 - Knowledge about financial issues and its measures (e.g. attachment of wages and account garnishment enforcement measures etc.)
 - Knowledge about different behavioural symptoms, diseases, disabilities
 - Knowledge about effects of social exclusion
 - Referral competence

Competences and needed knowledge of debt counsellors

- Personal competences:
 - Basic ethnographic approach:
 - Principle of strangeness between debt counsellors and clients
 - Understanding and the ambivalence of closeness and distance
 - Recognising the foreign characteristics of clients and their behaviour and gradually making them understandable in the process of understanding others
 - Seeing themselves as learners, not knowing as quickly as possible what the case is and what needs to be done, but rather making it difficult for themselves to understand
 - Developing a trauma-sensitive attitude → assumption of ‚good cause‘

How can debt counsellors develop these skills?

- Basis is a Bachelor Degree in Social Work
- Specialisation in different fields of the Social Work
- Further training in counselling
- Further training in debt counselling
- Master's Degree in Social Counselling
- Intervision: Peer counselling
- Supervision

Thank you for your attention



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