

# Indebtedness in Early Adulthood

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Ted Lindblom  
Editors

# Indebtedness in Early Adulthood

Causes and Remedies

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## PREFACE

In Sweden several governmental reports have expressed concern that young adults are at risk of over-borrowing, in particular owing to their increased use of credit cards and unsecured instant loans at high interest for purchases of consumer products. Housing shortage driving up prices furthermore forces many young adult families into expensive mortgages.

The concerns about young adults' increasing indebtedness attracted attention from our interdisciplinary research group at the Centre for Finance (CFF) in the School of Business, Economics and Law at the University of Gothenburg,<sup>1</sup> and we decided to start a research program to identify the problems, their causes and remedies. The group consists of researchers from the disciplines of Accounting, Banking and Finance, Marketing, and Psychology, making feasible an appropriate interdisciplinary approach. This book reports some of the results of our efforts from 2015 to 2018. In addition, the chapters in the book review relevant international research.

We hope the readers will find that the book increases their understanding of young adults' credit use, indebtedness, and over-indebtedness as well as their interactions with lenders. We also hope that the book conveys a sense of how important the problems are and what can be done to alleviate them.

The research reported in the book was financially supported by grants to CFF from Handelsbanken Research Foundations and from the Swedish Agency for Innovation Systems (Vinnova). We thank our

collaborators in the research program and coauthors of the chapters, Viktor Elliot, Amelie Gamble, Patrik Michaelsen, and Jonas Nilsson. We also thank Richard Ahlström, Erich Kirchler, Rob Ranyard, and Greg Udell for comments, Gianni Nicolini for inviting us to participate in a cross-country study of financial literacy, Anders Carlander for co-authoring the chapter on financial literacy and debt, and Faisal Ahmed and Erik Sturén for research assistance.

Gothenburg, Sweden  
January 2019

Jeanette Carlsson Hauff  
Tommy Gärling  
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## NOTE

1. The Centre for Finance (CFF) is one of three national competence centers that were established in 2011 through funding by the Swedish Governmental Agency for Innovation Systems (VINNOVA) in order to support high-quality research on financial institutions and markets with relevance to the finance industry, consumers, and society. CFF is a platform for interdisciplinary cooperation of the type required by the specific research problems. CFF's main focus is "financial intermediation" with a sub-focus on financial consumers.

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