



Young Consumers' Credit Based Lifestyles and Payment Problems

Anna-Riitta Lehtinen

Johanna Leskinen

National Consumer Research Centre

Finland

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Nordic Council of Ministers

Store Strandstræde 18

DK-1255 Copenhagen K

Phone (+45) 3396 0200

Fax (+45) 3396 0202

Homepage: www.norden.org

Nordic Council

Store Strandstræde 18

DK-1255 Copenhagen K

Phone (+45) 3396 0400

Fax (+45) 3311 1870

Consumer Co-operation in the Nordic Countries

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Preface

This research report is a joint Nordic contribution to add understanding about young consumers' credit based lifestyles and payment problems and, to provide insights and suggestions for policy actions in order to find solutions and preventive mechanisms to the credit problems of the Nordic youth. It is also an implication of a fruitful research collaboration between Nordic research institutions supported by the Nordic Council of Ministers.

Finnish National Consumer Research Centre (NCRC) coordinated the project which started in late 2002. Nordic research partners included CFK (Sweden), SIFO (Norway) and SINE (Iceland). All partners provided qualitative interviews (including transcripts) in respective countries among young people who had run into payment problems as a result of credit use. However, Swedish. CFK conducted qualitative interviews in Denmark. Qualitative material was analyzed, interpreted and reported at NCRC.

Greatful acknowledgements are extended to all Nordic partners for their collaboration. Special thanks to Karin Ekström and Jesper Olesen from CFK, Christian Poppe from SIFO, Heidur Reynisdottir and Groa Monsdottir from SINE for providing research material and valuable insights into the project. Christian Poppe and Jesper Olesen receive special thanks for brainstorming in the early beginning of the project. Anna-Riitta Lehtinen as responsible researcher and Johanna Leskinen as responsible leader of the project deserve sincere thanks for bringing the project to the end.

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Sincere thanks to all partners for pleasant and inspiring collaboration.

Eila Kilpiö
Professor, Director
NCRC

Summary

This study focuses on the credit-based lifestyle of young consumers and its relation to their payment problems. Further, it investigates the reasons for and ways of coping with these difficulties, and the views of young debtors concerning their own responsibility and that of other pertinent actors with respect to their indebtedness.

The study data were collected by interviewing young people who had run into problems as a result of credit use in Denmark, Finland, Iceland and Norway during 2003. Young persons had incurred debts as a result of credit card loans, overdrafts, mail orders and bank loans. The final data comprise 28 interviews: 5 from Denmark, 6 from Finland, 12 from Iceland and 5 from Norway. The interviewees were aged 18-30 years. Only two were under 21 years, while the older age groups, 22-25 and 26-30 years, each had 13 interviewees.

Recruitment of interviewees for this study proved very difficult despite the fact that they were sought in many different ways. The common recruiting basis had not worked as planned despite our efforts. Consequently the data sets for this study differ from country to country. Moreover, the material is uneven in that the Icelandic data comprise only students and also include the highest number of interviews. The Norwegian data comprise the largest amount of multi-problem youth and those who had had dealings with social welfare. The materials from Denmark and Finland resemble each other most. In any case, the fact that the collected sets of data sets are not quite comparable calls for caution in their interpretation. It should also be borne in mind that the very translation of the interviews into English already involved some interpretation.

We have used a qualitative approach in this study. By means of a type analysis we found three different lifestyles based on the way the young talked about consumption and credit use. Easy-living, pleasure-seeking lifestyle type used credits to maintain a certain lifestyle. In risk-investing lifestyle the young used credits to make financial investments or invest in their own education and in rambling lifestyle to purchase necessities. Credit-based consumption enabled them to lead these kinds of lifestyles. Hardly any differences were observed between young consumption and use of credit between countries. A common feature for all interviewees was that they had incurred their debts mainly around the age of 20.

Our interviewees kept referring to their own consumption and their own lifestyle. In general the young had been looking for a better and more carefree life through consumption. Yet, their consumption possibilities had been often affected by a small income, which forced them to make choices. Our interviewees had solved the problem by obtaining consumer

credit. Thus, they did not have to make choices so often, and it was possible to lead a good life without financial worries. With a credit card they did not have to exert so much control or reflect so much.

Their own consumption meant expenditure into leisure time, entertainment (cinema, videos, music, clubs), partying and travel. Their own lifestyle, in turn, consisted of things they appreciated about consumption. When their studies had started taking up more time, the young were no longer able to work as much as before. However, their expenditure did not always decrease in line with their decreasing income. In hindsight, many saw this as one of the many reasons for running into debt. Some of the main expenditure groups mentioned in the interviews included housing, food, transport and telecommunications, leisure, household equipment and clothes. Nearly everyone used a mobile phone and had a telecom connection. The mobile phone was an essential tool in their interaction and contacts.

When the interviewees had applied credit they had been informed about the interest rates, installments and other contractual matters related to credits, and these had been gone through when they had received their credit cards. Yet, few reported having paid much attention. The young obviously had not thought about what these things meant in practice.

The youth (12) in the *easy-living, pleasure-seeking* category were the youngest in the sample. Their ages varied between 19 and 27. They talked most about their own consumption, and most of all about the pleasure brought by consumption and about how life had become easier along with greater possibilities for consumption without financial worries. Their own consumption consisted of design clothes, entertainment electronics, mobile phone costs, music, good food, self-indulgence in various ways, partying and travel. They emphasized that their choices were motivated by a desire towards a certain type of consumption. Their circle of friends and fellow employees had a major effect on their consumption behaviour. They did not consider themselves as the only ones to be blamed; they had just gone along with the stream. It was very important for them to belong to some group, but they talked less about their friends being especially close. Since those around them had not changed their consumption habits, these young found it hard to change theirs even though they were aware that things were perhaps not going in the right direction. Interestingly, they had mainly run into debt when their income was at its highest. The interviewees had had various credit cards, and overdrafts had been frequent. Many had taken out a study loan but had not yet paid it back.

When young in this group had settled their debts they had negotiated on their own with collection companies, banks and debt recovery officials. These young stressed their own activity and negotiation skills in taking care of matters. The easiest alternative was to consolidate the debts and take out a bank loan, for instance, and start repaying the debt to one creditor. Those who had chosen this alternative were satisfied, particular-

ly since the automatic payment service took care of things, so they did not have to worry about the debt. Although interviewees did not blame anyone else for their indebtedness, they later pondered over the responsibility of the credit grantors in granting credit cards, the overall attitude to overdrafts and the operations of the collection companies. Some concluded that they had been cheated somehow, because they had run into financial difficulties out of a lack of judgement and had not really had a need for such big overdrafts or credits as they had been offered. The young also wondered about other alternative ways of settling their debts. They called for the responsibility of parents to teach their children to take care of financial matters. Moreover, they acknowledged that the media had a role to play in young people's payment problems by promoting consumption-friendliness in society. These young consumers were also critical of the ease of obtaining credit. It would not have been a bad thing if they had not been granted any credit.

Risk-investing young people (8) could be characterized as investors. They were aged 22-29 years, in other words, a little older than the previous group. A consumption-centred life emerged also from the talk of risk-investing young people. They sought pleasure into their everyday life through consumption, but not as emphatically as in the previous group – nor was pleasure the only reason for consumption. The risk-investing type included young persons who had spent very little, for instance, on leisure-time expenses. Consumption was in some sense more goal-oriented and there was a utilitarian aspect to it. In contrast to the previous type, these young had given a little more consideration before buying something on credit and made comparisons between different types and models of equipment but also between interest rates and prices. They had used credit to purchase mobile phones, personal computers, household equipment, entertainment electronics and bicycles. The items that had been bought were fairly expensive and had a certain monetary exchange value. There were more young people in this lifestyle type who owned a flat than in the other groups and who had taken a housing loan for it. A few had invested in stock and some had studied abroad on a bank loan.

These young consumers had plans for affluence and a better income, and a desire to seize new opportunities. Even if their consumption style was *expensive*, they felt they could afford it. It was common for these young to grow tired of routines, both with respect to investing and in their job. They would look for higher-risk investments or, when they felt they could master their duties at work they wanted to try something new. Those who had used credit for studies abroad or for travel said they had invested in themselves and in their own future. They considered the experiences they had gained as valuable, as having utility value in the future.

The influence of the circle of friends was weakest among risk-investing young people as compared to the other types. They did not talk about their friends affecting their own consumption. The talk of interview-

wees in this type reflected a wider knowledge of financial issues. They were better aware of the effects of the overall economy – such as changes in interest or exchange rates – on their own personal finances, because they had previous experience of these issues. What was more apparent in the interviews of risk-investing young than the others was their confidence in their own ability to get along and take risks. The interviewees talked about coping or managing in various connections.

Risk-investing youth had managed to cope with their debts by means of extra jobs, assistance from the parents, readjustment of debts, major cuts in expenditure, and additional income from renting their flat. For these young people – as for the easy-living, pleasure-seeking type – the hardest thing had been changing their consumption habits. It was hard to accept that they no longer could have everything they desired. They had negotiated with the bank or with collection companies about instalments and interest rates, and modified their payment schedules more often than the other groups. If their repayment schedule, work situation or interest rate had changed, causing them problems, they considered it to be because of the risks they had taken. Risk-investing young consumers would sometimes create repayment models of their own that corresponded to their life situation, but as a rule they strove to follow the rules laid down by the other party.

The young people (8) representing what we call a *rambling* lifestyle were aged 22-30 years. This category had the highest number of interviewees from the oldest age groups, and they had had payment problems the longest. They also lacked a professional education more often than the other interviewees. It was common for them to have tried out several schools or jobs; some were still looking for their own field. Many had left home at a very young age (15-16 years), after which they had attempted to manage on their own. The rambling type included young persons who, besides having difficulties due to their own credit use, had added to their problems by guaranteeing and paying other people's credits.

Consumption among the young in this lifestyle type was characterized by a lack of reflection and partly by impulsiveness, and by what they later realized had been "*stupid decisions*", as they themselves put it. The young in the previous categories spoke about consumption itself much more often. Although consumption was important for these rambling young consumers as well, they did not place such a strong emphasis on the pleasure derived from it. When they talked about consumption it was more about buying things that they considered *necessities*. The circle of friends of these young were dealing with similar problems. Relationships with friends emerged in their talk as closer and more confidential than among youth in the other two lifestyles. Social relations were important to the rambling-type young. They were loyal, generous and honest with their friends. This, for its part, made the situation easier to bear and gave them strength in the midst of difficulties.

Many rambling young consumers lacked a clear goal in life, something to pursue. They differed from the others, however, in that they had had less resources, less income, at their disposal from the very start and lacked the support of their childhood home. They had based their choice of credits on miscalculations. Their fairly large debts had been accrued by relatively small purchases. Once the situation had grown very bad, some of them had applied for more credit through a mail-order firm. Rambling-type young consumers had spent their money on expenses that belonged to normal everyday life. The debts consisted of study loans, unpaid rent, phone bills, magazine bills, mail orders, credit card loans, overdrafts, and car and housing loans.

Debts had depressed these young people more than those in the other types. This depression had even affected their ability to take care of everyday matters. In many cases the efforts to settle the debts had been quite random. The young were caught in-between: even when they had tried to settle their debts and sought help from the outside, their debt had either been too small or their situation had not yet grown bad enough to entitle them to external assistance in debt adjustment – not to mention financial support. They were faced with many rules and procedures they had had no knowledge of. Moreover, procedures varied depending on the creditor. The repayment of a study loan, for example, involved problems. The young either did not recall or did not know what had been agreed earlier about loan repayment. They had not understood the messages they had received and were unaware of how much they would ultimately have to pay. When debt settlement had finally begun, many of these young strove to attend to them very responsibly. Yet, matters were frequently very hard for them to deal with and, therefore, some of them did nothing to sort things out. A scanty income combined with unrealistic payment schemes increased the sense of hopelessness among many debtors.

Even though the payment morale in the rambling type was not as strong as in the risk-investing type, yet these young debtors had at least *made an effort* to pay their debts back. Something that came up at many points in the interviews of rambling-type young – more often than in the other groups – was the issue of social inequality. In their view, society does not pay attention to those who fail to keep up and become socially excluded. Part of the rambling young wanted to settle their debts and get into working life and, thereby, back into society. Although their resources were scarce, they did not complain about actual poverty.

In this study interviewees' lifestyles and consumption had been largely based on different kinds of consumer credit. What the young sought by consumption was a better life with more freedom and no financial worries. Today's youth live in the middle of the consumption society, in which marketing and advertising play a key role and there is nothing to urge moderation in the use of credit. To the contrary, credit use is encouraged with eye-catching advertisements and the ease of obtaining credit.

Even though their credit use had been conscious, the young did not ultimately understand the impact of credits on their own economy. Our findings clearly show that the young had trouble understanding what they had agreed to in signing a credit agreement. They had not been interested in such matters before and did not know where they might have found information on these issues. Only those in the risk-investing group realized that they had taken a risk which might have consequences.

The key factor behind problem indebtedness was usually the young person's own consumption. External circumstances and occurrences as well as debts incurred by other people were other reasons. Changes in family relations had caused major financial problems. No differences were found between men and women in their indebtedness, credit use or debt settlement. Neither were there differences between countries. In the light of our material, young Nordic consumers had got into debt in very similar ways and their talk about consumption was almost identical. The large share of students in the data might have some effect on this. Overall, it is good to remember here that social as well as economic development in the Nordic countries has been fairly uniform and their societies and social institutions have many similar features.

All of the interviewees had found it very easy to obtain credit, and since no one had questioned their capacity to manage, neither had they begun to ponder their resources. Nevertheless, these young consumers had made their decisions themselves, and so it was difficult for them to put the blame on anyone else. They had taken responsible action by clearing up their debts on their own and by striving to settle them quickly. Repayment of a debt with a scanty income is a strenuous task indeed. They would interrupt the payments every now and then, and this further lengthened their ultimate repayment time. In such cases, the danger of social exclusion is quite close. There is obviously a need to reconsider the division of responsibilities between the pertinent parties. The credit grantors are in the role of expert, and this study clearly shows that the ones applying for credit are not. Therefore, serious reflection should be given to pre-emptive, consumer-policy and social-policy measures and to the division of duties among the various interest groups. Pre-emptive measures are obviously needed to prevent young people's indebtedness. Research knowledge, training, advisory services and practical instructions are actually available in all of the studied countries. The question is how to target this information so that it reaches the ones who need it. It is of major importance to ensure young people's access to consumer education and advice, if we aim to prevent them from debt problems. It is also necessary to encourage public debate to increase understanding and knowledge at the societal level of young consumers' debt trends and the seriousness of their debt problems.

These young could have sought help afterwards, but they did not know about the available forms of assistance. Our interviewees did not

look for financial support, only *advice* on how they might have settled things more flexibly. They did not ask for financial assistance from society until there were no other alternatives left. They were unaware of the support provided by different advisory organizations, for instance. They were in debt and had a hard time making it through everyday life. Nevertheless, their situation was not bad enough to entitle them to debt adjustment. Advice sought at this level was often denied them, and this gave them a sense of failure. These young people had got used to an easy life by using credits, and had assumed that debt arrangements would be easy as well. Our findings suggest that more attention should be paid to the identification of potential risk groups to prevent problems due to credit use.

The young in our study took the blame for their indebtedness, but they also felt that other parties, specifically the credit grantors, were involved as well. Their debts were not the other parties' fault, even though obtaining credit had been very easy. The media were seen as a contributory factor because of their appealing advertisements and marketing. In addition, our modern Nordic societies are very consumption-friendly.

This study will continue as a dissertation work in which an additional data will be collected and already existing interviews will be reanalyzed. Final conclusions will be drawn once the dissertation part of the project is completed. So far it can be concluded that:

- there is need for pre-emptive measures to prevent indebtedness
- establishment of effective means of targeting the existing information which already is available so that it reaches those who need it
- access to consumer education and advice through out the whole educational system
- attention to the identification of potential risk-groups
- establishment of a positive debt register
- 'fresh start' for young debtors
- confirmation young consumers in-between with 'new institutional design'
- permanent negotiation board for the key representatives of credit system (legislators, bankers, merchandizes, consumer authorities, educators, counselors, politicians)
- public discussion on the 'acceptable' level of debt problems in society
- public discussion on how to support decent consumption and credit use
- crucial issue is how to share responsibility or provide responsible behavior at free market

Yhteenveto

Tutkimus käsittelee nuorten kuluttajien näkemysten pohjalta nuorten luoton käyttöön perustuvia elämäntyyliä ja luottojen aiheuttamia maksuongelmia. Edelleen selvitetään maksuongelmien syitä ja nuorten selviytymiskeinoja sekä nuorten näkemyksiä omasta vastuustaan ja muiden osapuolten vastuusta nuorten kulutusluottojen käytössä ja velkaantumisessa.

Tutkimuksen aineisto kerättiin vuoden 2003 aikana haastattelemalla nuoria, jotka olivat joutuneet maksuongelmiin kulutusluottojen vuoksi Islannissa, Norjassa, Tanskassa ja Suomessa. Nuoret olivat joutuneet vaikeuksiin luottokorttiluottojen käytön, tilin ylitysten tai pankin myöntäminen kulutusluottojen vuoksi. Aineisto koostuu 28 haastattelusta: Islannista 12, Norjasta viisi, Tanskasta viisi ja Suomesta kuusi. Haastatellut nuoret olivat iältään 18-29 -vuotiaita. Kaksi haastatelluista oli alle 21 vuotta, vanhemmissa ikäluokissa, 22-25-vuotiaat ja 26-30-vuotiaat, oli kummassakin 13 haastateltua.

Aineiston keruu tuotti vaikeuksia huolimatta siitä, että haastateltavia yritettiin tavoittaa monin eri tavoin. Aineistot eroavat maittain jonkin verran toisistaan. Aineisto on myös siinä mielessä epäsuhtainen, että Islannista kerätty aineisto koostuu lähinnä opiskelijoiden haastatteluista ja haastattelujen määrä on suurin. Norjan aineisto koostuu moniongelmaisten sekä sosiaalitoimen kanssa asioineiden nuorten haastatteluista. Tanskasta ja Suomesta kerätyt aineistot ovat lähinnä toisiaan. Koska aineistot eivät ole täysin vertailukelpoiset keskenään, on tulkinnat tehtävä varoen. On myös huomioitava, että haastattelujen käänös alkukielestä englanniksi vaikuttaa aineistosta tehtäviin tulkintoihin.

Tutkimus on luonteeltaan laadullinen. Tyyppianalyysin avulla on muodostettu kolme erilaista elämäntyyliä perustuen siihen, miten nuoret ovat puhuneet kulutuksestaan ja luoton käytöstä. *Easy-living*, *pleasure-seeking*-elämäntyyliä on tärkeää säilyttää tietyntyyppinen elämäntyyli. *Risk-investing*-elämäntyyliä nuoret käyttivät luottoja tehden rahallisia tai koulutukseen liittyviä sijoituksia. *Rambling*-elämäntyylin edustajat sen sijaan hankkivat heille tarpeellisia tavaroita. Luottoperusteinen kulutus mahdollisti nuorille edellä mainittujen elämäntyylien viettämisen. Maittain ei havaittu nuorten kesken eroja kulutuksessa tai luotonkäytössä. Tavallista sen sijaan oli, että nuoret olivat velkaantuneet pääasiallisesti 20-ikävuoden tienoilla.

Haastateltavamme koettivat ylläpitää omaksumansa kulutusta ja omaa elämäntapaansa. Yleisesti nuoret olivat tavoitelleet parempaa ja huolettomampaa elämää kulutuksen avulla. Heidän kulutusmahdollisuuksiinsa olivat vaikuttaneet pienet tulot, jotka olivat pakottaneet heidät tekemään

valintoja. Edellä mainitun ongelman aineiston nuoret olivat ratkaisseet ottamalla kulutusluottoa. Sen vuoksi heidän ei tarvinnut tehdä valintoja niin usein ja heidän oli mahdollista jatkaa ns. parempaa elämää ilman rahahuolia. Luottokortin kanssa ei tarvinnut miettiä tai kontrolloida tekemisiään.

Nuorten oma kulutus käsitti vapaa-ajan menoja, viihdettä (elokuvat, videot, musiikkiklubit), juhlimista ja matkustelua. Heidän oma elämäntyyliinsä sisälsi asioista, joita he arvostivat omassa kulutuksessaan. Kun opiskelut veivät enemmän aikaa, nuoret eivät pystyneet käymään yhtä paljon työssä kuin aiemmin. Tämä ei kuitenkaan vaikuttanut heidän kulutukseensa, sillä menot eivät laskeneet alentuneiden tulojen myötä. Jälkikäteen monet arvelivat sen olleen syyn velkaantumiseen. Nuorilta kului eniten rahaa asumiseen, ruokaan, liikenteeseen, ja tietoliikenteeseen, vapaa-aikaan, kotitalouskoneisiin ja vaatteisiin. Lähes kaikki käyttivät matkapuhelinta ja heillä oli myös tietoliikenneyhteys. Matkapuhelin oli nuorille välttämätön kanssakäymisen väline.

Kun nuoret olivat hakeneet luottoa, heitä oli informoitu korkoprosenteista, lyhennyksistä ja muista luottosopimukseen liittyvistä asioista. Samoin näitä asioita oli käyty läpi heidän vastaanottaessaan kortit. Moni ei ollut kuitenkaan kiinnittänyt niihin huomiota. Nuoret eivät ilmeisesti käsittäneet mitä kaikki merkitsi käytännössä.

Easy-living, pleasure-seeking-elämäntyyliä edustavat nuoret olivat aineiston nuorimpia. Heidän ikänsä vaihteli 19-27-vuoden välillä. He puhuivat kaikkein eniten omasta kulutuksestaan ja siitä, miten kulutus toi mielihyvää, miten elämä muuttui helpommaksi suurempien kulutusmahdollisuuksien myötä ilman rahahuolia. Heidän oma kulutuksensa käsitti merkkivaatteita, viihde-elektroniikkaa, matkapuhelinkuluja, musiikkia, hyvää ruokaa, hemmottelua erilaisilla tavoilla sekä juhlimista ja matkustelua. Heidän ystävillään ja erityisesti työtovereillaan oli suuri vaikutus kulutukseen. He eivät pitäneet itseään ainoina *syllisinä*, he olivat vain kulkeneet muiden mukana. Heille oli tärkeää kuulua tiettyyn ryhmään, mutta he eivät puhuneet erityisen läheisistä ystäväistä. Koska muut eivät muuttaneet kulutustaan heidän ympärillään, eivät sitä tehneet nämä nuoretkaan, vaikka he ehkä samalla tiesivät, etteivät asiat olleet menossa oikeaan suuntaan heidän omalla kohdallaan. Mielenkiintoinen havainto oli se, että nuoret olivat ajautuneet suuriin velkoihin juuri silloin, kun olivat ansainneet eniten. Näillä nuorilla oli lukuisia korttiluottoja ja tilinylitykset olivat tavallisia. Monet olivat myös nostaneet opintolainaa, mutta eivät maksaneet sitä vielä takaisin.

Nuoret olivat omatoimisesti ja yksin neuvotelleet perintätoimistojen, pankkien ja ulosoton kanssa järjestellessään lainojaan. Nuoret korostivat omaa aktiivisuuttaan ja neuvottelutaitojaan asioiden hoitamisessa. Helppoin vaihtoehto oli esimerkiksi yhdistää velat ja nostaa pankkilaina ja maksaa velkaa vain yhdelle velkojalle. Ne nuoret, jotka olivat valinneet

tämän tavan, olivat erittäin tyytyväisiä etenkin, jos pankin automaattinen maksupalvelu hoiti asian eikä heidän tarvinnut enää huolehtia velasta.

Vaikka nuoret eivät syyttäneet ketään muuta tahoja omasta velkaantumisestaan, he pohtivat jälkikäteen luoton myöntäjien vastuuta korttien myöntämisessä, suhtautumisesta tillinylityksiin ja perintätoimistojen menettelytapoihin. Pari nuorta päätteli joutuneensa jollakin tavalla huijatuksi, koska joutuivat ymmärtämättömyyttään rahavaikeuksiin eikä heillä oikeastaan olisi ollut tarvetta esimerkiksi niin suuriin tilinylityksiin tai luottoihin kuin oli loppujen lopuksi tarjottu. Nuoret myös miettivät, mitä muita vaihtoehtoja velkojen hoitamiseen olisi voinut olla. Nuoret pohtivat myös vanhempien vastuuta lasten kasvattamisessa raha-asoiden hoitoon. Medialla oli osuutta nuorten maksuongelmissa, koska yhteiskunta on hyvin kulutusmyönteinen. Nuoret olivat kriittisiä vaivattoman luoton saannin suhteen. Ei olisi ollut huono asia, vaikka luottoa ei olisi saanut. Mikään taho ei ollut *pannut hanttiin* matkan varrella.

Risk investing-elämäntyylin nuoria voisi luonnehtia investoijiksi (8 nuorta). Nuoret olivat hieman vanhempia kuin edellisessä tyypissä, ikä vaihteli 22-29-vuoden välillä. Kulutuskeskeinen elämä nousi esiin myös risk investing-tyypin nuorten puheesta. Kulutuksen avulla etsittiin nautintoja arkipäivän elämään, mutta sitä ei painotettu yhtä voimakkaasti kuin edellä eikä se ollut kulutuksen ainoa syy. Tässä tyypissä oli nuoria, jotka olivat kuluttaneet mm. vapaa-ajan menoihin hyvin vähän. Kuluttaminen oli jollakin tavoin tavoitteellisempaa ja siinä oli mukana hyötynäkökulma. Risk investing-tyypin nuoret olivat poikkeuksena edellisiin käyttäneet hieman enemmän harkintaa ennen hankintoja ja tehneet vertailuja niin laitteiden, korkojen kuin hintojenkin välillä. He olivat hankkineet matkapuhelimia, tietokoneita, kodin tarvikkeita, viihde-elektroniikkaa, polkupyöriä. He olivat hankkineet useammin sellaisia asioita ja tavaroita, jotka olivat melko kalliita ja joilla oli tietty rahaksi muunnettava arvo. Tavaroita olikin myyty pois monesti erinäisistä syistä. Lisäksi tämän tyypin nuorilla useimmalla oli oma asunto, johon oli nostettu asuntolainaa. Muutamalla oli ollut osakesijoituksia ja muutama nuori oli opiskellut ulkomailla pankkilainan turvin.

Nuorilla oli suunnitelmia vaurastumiseen, parempiin ansioihin sekä halua kokeilla uusia mahdollisuuksia. Kulutustyyli saattoi olla *expensive*, mutta heillä oli siihen omasta mielestään varaa. Kyllästyminen rutiineihin niin sijoituksissa kuin työssä oli yleistä. Nuoret hakivat suuremman riskin sijoituksia tai kun työtehtävä hallittiin omasta mielestä hyvin, he halusivat kokeilla taas jotain uutta.

Kaveripiirin vaikutus oli risk investing-tyypin nuoriin vähäisin verrattuna muihin tyyppisiin. Risk investing-tyypin nuoret eivät puhuneet kavereiden vaikutuksesta omaan kulutukseensa. Kukaan ei maininnut, että kavereiden kulutus olisi vaikuttanut heihin tai että muut kuluttivat samalla tavalla kuin haastateltava. Tässä tyypissä haastateltujen puheessa nousi esiin laajemmin tietämys talousasioista sekä talouselämän vaiku-

tukset omaan talouteen, mm korko- ja valuutta-kurssimuutokset, koska heillä oli kokemuksia niistä. Risk investing-tyyppin nuorten haastatteluista nousee esille muita selvemmin itseluottamus omiin kykyihin selvitä ja ottaa riskejä. Haastateltavat puhuivat selviytymisestä eri yhteyksissä.

Risk investing-tyyppin nuorten veloista selviytymistä olivat auttaneet lisätöiden tekeminen, apu vanhemmilta, luottojen uudelleenjärjestelyt, menojen tuntuva tiukentaminen sekä mm. lisätulot asunnon vuokraamisesta. Kulutustottumusten muutos oli heille kaikkein vaikeinta samoin kuin easy-living pleasure seeking-elämäntyylin nuorilla. Oli vaikeaa hyväksyä, ettei kaikkea haluamaansa voinut saada. Nuoret olivat neuvotelleet pankin tai perintätoimistojen kanssa muiden tyyppien nuoria useammin lyhennyksistä, korkojen suuruudesta ja tehneet muutoksia maksusuunnitelmiinsa. Jos takaisinmaksussa, työtilanteessa tai korkotasossa tapahtui muutoksia aiheuttaen heille ongelmia, se oli heidän mielestään seurausta ainoastaan heidän ottamistaan riskeistä. Risk investing-tyyppin nuoret loivat joskus omia toimintamalleja elämäntilanteittensa mukaan takaisinmaksussa, mutta pyrkivät pääsääntöisesti noudattamaan vastapuolen sääntöjä.

Rambling-elämäntyylin nuoret (8) olivat iältään 22-30-vuotiaita. Heissä oli eniten vanhimpiin ikäryhmiin kuuluvia. Näillä nuorilla maksuongelmat olivat kestäneet kaikkein kauimmin. Heiltä puuttui useimmin ammatillinen koulutus verrattuna edellisten tyyppien nuoriin. Tavallista oli myös se, että nuoret olivat kokeilleet useita kouluja ja työpaikkoja ja osa haki edelleen omaa alaansa. Monet olivat lähteneet hyvin nuorina kotoaan (15-16-vuotiaina) ja yrittäneet selviytyä sen jälkeen itsenäisesti. Tässä tyypissä on myös henkilöitä, jotka olivat joutuneet vaikeuksiin oman luoton käytön lisäksi toisten luottojen takaamisesta ja maksamisesta.

Rambling-elämäntyylin nuorten kulututusta kuvaa harkitsemattomuus ja osittain impulsiivisuus sekä jälkikäteen oivallettu omien sanojensa mukaan *tyhmien ratkaisujen tekeminen*. Aiempien tyyppien nuoret puhuivat selvästi useammin kulutuksesta. *Rambling*- tyyppin nuorille kulutus oli tärkeää, mutta sen tuomaa mielihyvää ei korostettu voimakkaasti. Kulutuksesta puhuttiin enemmänkin heidän mielestään *välttämättömien* tavaroiden hankkimisena.

Rambling-tyypin nuorten kaveripiiri eli samanlaisten ongelmien parissa kuin he itse. Suhteet ystäviin nousevat esiin läheisempinä ja luottamuksellisempina kuin edellisillä kahdella tyyppillä. Sosiaaliset suhteet olivat heille tärkeitä. Ystäville oltiin lojaaleja, anteliaita ja rehellisiä. Se osaltaan helpotti tilannetta ja antoi tukea omien ongelmien keskellä.

Monelta *rambling*-tyypin nuorelta puuttui elämässä selvä päämäärä, jota kohden olisi pyrkinyt. Poikkeuksen tekee kuitenkin se, että heillä oli alusta saakka pienemmät resurssit (tulot) käytettävissään ja heiltä puuttui usein lapsuuden kodin tuoma tuki. He olivat tehneet virhearviointeja siinä, mitä luottoja olivat käyttäneet. Pienillä ostoksilla oli aikaansaatu koh-

tuullisen suuret velat. Kun tilanne oli oikein huono, muutama oli hakenut postimyyntin kautta uutta luottoa. Nämä nuoret olivat käyttäneet rahaa menoihin, joita kuului arkipäivän elämään. Velat koostuivat opintolainoista, maksamattomista vuokrista, puhelinlaskuista, lehtilaskuista, postimyyntitilauksista, korttiluotoista, tilinylityksistä, auto- ja asuntolainasta.

Velat olivat masentaneet näitä nuoria enemmän kuin muiden tyyppien nuoria. Masennus oli vaikuttanut kykyyn hoitaa arkisia asioita. Ramling-tyyppin nuorten velkojen selvittely oli ollut monissa tapauksissa sattumanvaraista. Nuoret olivat väliinpuotoajia tilanteessa, jossa olivat selvitelleet velkojaan ja yrittäneet hakea apua ulkopuolisilta tahoilta. Heillä oli ollut liian pienet velat tai heidän tilanteensa ei ollut vielä niin huono, että he olisivat saaneet ulkopuolista apua velkojen järjestelyyn puhumattakaan rahallisesta avusta. Edessä oli ollut paljon sellaisia sääntöjä ja menettelytapoja, joista heillä ei ollut tietoa. Lisäksi menettelytavat olivat erilaisia riippuen velkojasta. Mm. opintolainan takaisinmaksuun liittyi ongelmia. Nuoret eivät muistaneet tai tienneet, mitä oli aikoinaan sovittu esimerkiksi opintolainan takaisinmaksusta. Nuoret eivät olleet ymmärtäneet velkojilta saamiaan viestejä, eivätkä tienneet mitä heidän tulisi loppujen lopuksi maksaa. Kun velkoja selvitettiin, monet pyrkivät hyvin vastuuntuntoisesti hoitamaan niitä. Asiat olivat heille usein hankalia hoitaa ja silloin oma vastuuntunto horjui. Tulokseton yrittäminen aiheutti välinpitämättömyyttä eikä muutama nuori tehnyt sen vuoksi mitään velkojen selvittämiseksi. Pienet tulot ja joillekin epärealistiset maksusuunnitelmat heidän tilanteeseensa nähden lisäsivät toivottomuutta.

Maksumoraali ei ollut yhtä vahva kuin risk investing-tyypillä, mutta näillä nuorilla oli kuitenkin *pyrkimys* maksaa velkansa takaisin. Rambling-tyyppin nuorten haastatteluista nousee monessa kohdin esille epäoikeudenmukaisuus yhteiskunnassa useammin kuin muiden tyyppien nuorilla. Heidän mielestään yhteiskunnan järjestelmät ja tukiverkot ovat puutteelliset. Yhteiskunnassa ei huomioida riittävästi heidän mukaansa niitä, jotka eivät pysy siinä mukana ja syrjäytyvät. Osa nuorista halusi hoitaa velat, päästä kiinni työelämään ja sitä kautta mukaan yhteiskuntaan. Vaikka näiden nuorten resurssit olivat niukat, he eivät silti puhuneet varsinaisesta köyhyydestä.

Tässä tutkimuksessa haastateltujen elämäntyyli ja kulutus perustuivat laajalti erilaisten kulutusluottojen käyttöön. Nuoret hakivat ennen kaikkea kulutuksellaan parempaa elämää ja enemmän vapautta ilman rahahuolia. Nykypäivän nuoret elävät kulutusyhteiskunnassa, jossa mainonnalla ja markkinoinnilla on merkittävä asema eikä myöskään mikään taho tue maltillista luotonkäyttöä. Päinvastoin luotonkäyttöä vahvistetaan näkyvillä ja puoleensavetävillä mainoksilla ja luoton saannin helppoudella. Vaikka näiden nuorten luotonkäyttö oli tietoista, eivät nuoret kuitenkaan olleet ymmärtäneet luottojen vaikutuksia omaan talouteensa. Nuorilta puuttui selvästi ymmärrystä, mihin he olivat sitoutuneet luottosopimuksia

tehdessään. Asiat eivät olleet heitä aiemmin kiinnostaneet, eivätkä he tienneet, mistä he olisivat voineet saada tietoa. Ainoastaan risk-investing-elämäntyylin nuoret olivat ymmärtäneet riskit ja niiden seuraukset.

Ongelmavelkaantumisen taustalla oli pääsääntöisesti oma kulutus. Muita syitä olivat ulkopuoliset olosuhteet, tapahtumat ja muiden aiheuttamat velat. Perhesuhteissa tapahtuneet muutokset vaikuttivat nuorten talouteen. Naisten ja miesten välillä ei ollut eroja velkaantumisen, luotonkäytön tai velkojen selvittämisen suhteen. Myöskään eri maiden välillä ei noussut eroja. Päinvastoin, nuoret olivat velkaantuneet hyvin samalla tavalla ja puhe kulutuksesta oli maittain tämän aineiston valossa lähes identtistä. Opiskelijoiden suuri määrä aineistossa vaikuttanee osaltaan siihen. Pohjoismaissa yhteiskunnallinen ja osin taloudellinen kehitys on ollut yhdenmukaista ja samankaltaisia piirteitä on havaittavissa niin yhteiskunnissa kuin sen instituutioissa.

Luotonsaanti oli ollut kaikille haastatelluille nuorille hyvin helppoa, joten koska sitä ei miltään taholta estetty, eivät nuoret myöskään miettineet omia resurssejaan. Nuoret olivat itse tehneet ratkaisunsa, joten heidän oli vaikea olla syyttää siitä muita. Nuoret olivat vastuullisina tekoina pääasiallisesti selvittäneet itse velkojaan ja pyrkivät hoitamaan ne nopeasti pois. Pienituloisilla nuorilla velkojen hoitaminen oli kuitenkin raskasta. Heillä velanhoito keskeytyi silloin tällöin, ja tuloksena oli entistä pitemmät maksuajat. Heille syrjäytymisen vaara yhteiskunnasta oli lähellä. Vastuun jakoa eri osapuolten välillä olisikin pohdittava uudelleen luottomarkkinoilla. Luotonmyöntäjät ovat asiantuntijan roolissa, kun taas tämän tutkimuksen perusteella luottoa hakevat eivät sitä ole. Olisi pohdittava kuluttaja- ja muiden yhteiskuntapoliittisten, ennalta ehkäisevien toimenpiteiden kohdentamista sekä intressitahojen työnjakoa.

Velkaantumista ennaltaehkäiseviä toimia tarvitaan, jotta nuorten velkaantumista voitaisiin välttää. Tutkimustietoa, opetusta, neuvontaa ja käytännön ohjeita on olemassa kaikissa tutkimuksessa mukana olleissa maissa. Miten ne saadaan kohdennettua niin, että ne tavoittavat tiedon tarvisijat? Kuluttajakasvatuksen ja neuvonnan saatavuus sekä kehittäminen ovat tärkeällä sijalla nuorten velkaantumisen ehkäisyssä. Välttämättömä on myös lisätä julkista keskustelua yhteiskunnallisen ymmärryksen ja tietämyksen lisäämiseksi nuorten velkaantumiskehityksestä ja velkaongelmien vakavuudesta.

Tutkimuksen nuoret olisivat voineet hakea apua, mutta he eivät tienneet saatavilla olevista tuki- tai neuvontajärjestelmistä. Nuoret eivät kaivanneet pääsääntöisesti rahallista tukea vaan neuvoja, miten asioita olisi voinut hoitaa joustavammin. Rahallista tukea yhteiskunnan taholta haettiin vasta sitten, kun muita vaihtoehtoja ei enää ollut. Nuoret eivät tienneet neuvontajärjestöjen tms. antamasta tuesta. Nuoret olivat velkaantuneita ja arkipäivästä selviytyminen oli vaikeaa. Heidän tilanteensa ei kuitenkaan ollut niin vaikeaa, että he olisivat päässeet esimerkiksi velkajärjestelyyn. Tältä tasolta haetut neuvot usein evättiin ja nuoret ko-

kivat epäonnistumista. Nuoret olivat tottuneet luottojen käytön myötä helppoon elämään ja nuoret toivoivat, että velkojen järjestelykin sujuisi helposti. Riskiryhmien tunnistamiseen tulisikin kiinnittää huomiota, jotta luotonkäyttö ei aiheuttaisi ongelmia

Nuoret ottavat vastuun velkaantumisestaan itselleen, mutta näkevät muut tahot (luotonmyöntäjät) osallisena omaan velkaantumiseensa. Velkaantuminen ei ole muiden tahojen syy, vaikkakin luotonsaanti oli helppoa. Media nähtiin velkaantumisen yhdeksi osatekijäksi, sillä mainonta ja markkinointi on näyttävää. Lisäksi pohjoismainen yhteiskunta on hyvin kulutusmyönteinen

Jatkotutkimuksessa paneudutaan vastuun ja vastuullisuuden teoreettis-käsitteelliseen tarkasteluun yritysten yhteiskuntavastuun näkökulmasta. Tähän kerätään luotonmyöntäjiltä lisäaineistoa. Lisäksi sanomalehtikirjoittelusta tehtävän analyysin pohjalta tutkitaan, miten vastuusta kirjoitetaan. Pohjoismainen laadullinen aineisto analysoidaan uudestaan nuorten vastuupuheen ja vastuutekojen näkökulmasta. Käsillä olevan tutkimuksen pohjalta voidaan esittää seuraavanlaisia näkemyksiä:

- tarve velkaantumisen ennaltaehkäiseviin toimiin
- olemassa olevan tiedon kohdentaminen sitä tarvitseville
- mahdollisuus koko kuluttajakasvatukseen läpi koko kasvatus- ja koulutusjärjestelmän
- huomion kiinnittäminen potentiaalsiin riski-ryhmiin
- positiivisen luottorekisterin perustaminen
- nuorille velallisille mahdollisuus 'uuteen alkuun'
- nuorten kuluttajien aseman vahvistaminen 'new institutional design'-keinoin
- pysyvä neuvottelukunta, jossa edustajat luottotoiminnan eri osapuolista (lainsäätäjä, pankki, kauppiat, kuluttajaviranomaiset, koululaitos, neuvontajärjestöt, poliitikot)
- julkisen keskustelun käynnistäminen velkaongelmien hyväksyttävästä tasosta
- julkisen keskustelun käynnistäminen, miten tukea maltillista kulutusta ja luotonkäyttöä
- pohdittava vastuun jakamista ja edistämistä vapaille markkinoilla

1 Background and rationale of the study

The credit society began to gain a stronger foothold in the Nordic countries during the 1980s and 1990s (e.g. Poppe 1999; Mutttilainen 2002; see also Ritzer 1995). Financial markets were liberated toward the end of the 1980s, and the credit pressure that had been established during market regulation grew more intense. Credit use among Nordic consumers, thus, was stimulated by the liberation of financial markets together with the introduction of new forms of consumer credit, and further by increasing well-being, growth of consumption, more leisure time and a higher level of income. All of these also contributed to emerging credit problems. Credit use transformed from something morally objectionable to an ordinary everyday practice. Credits began to grow into an integral part of the household economy, often for a whole lifetime. In sum, this development was the result of two key factors: the deregulation of financial markets and an extended possibility to be discharged of one's debts (Mutttilainen 2002, 70-83). Consumers' credit practices changed in the course of the 1980s, leading to uncontrolled . By the end of the 1990s, debt problems had become a permanent element of the modern credit market, quite independently of the simultaneous economic recession (see e.g. Poppe 1999; Mutttilainen 2002).

Since then, new phenomena have affected the development of the credit society. We are back to the problems caused by an excessive use of consumer credit. Flexible credit products and services based on new innovations of information technology are spreading in the market. These developments have given new consumer groups access to credit. The biggest and most challenging group are the youth (e.g. Tapscott 1998, 55-57; also Kopomaa 2000). It has been easy for young consumers to make use of the possibilities offered by new technology. They have created new communication cultures and new consumption styles; they might, in fact, be called "masters of mobile game" (Tapscott 1998). Recent research indicates that young people's "mobile culture" began to evolve in waves in the mid 1990s. The current, fourth wave has been prevalent since 1999 making the mobile phone an everyday device. Young consumers express their individual identity by the appliance itself – its design, colour, ringing tones and other accessories – in addition to its actual use (Kopomaa 2000; Kasesniemi 2001). In Finland, for instance, all women aged 20 and all men aged 30 have a mobile phone, and 99% of young people aged 15-20 have access to the internet (Nurmela et al 2000).

Moreover, easy access to telecom products and services and aggressive marketing and advertising of novelty products have been important catalysts for the growing use of consumer credit to purchase other consumer goods and services. Prevailing post-modern values which emphasize individualism, new experiences and hedonism have supported that development (e.g. Saarinen 2001). Young people's lifestyles are increasingly based on credit products and services (Poppe 2001). At the same time, the ongoing development has brought along new risks related to people's finances, consumption habits and credit use. Young consumers are increasingly susceptible to debt problems and excessive use of credit. Not only young Nordics but also young North American consumers aged 18-29 belong to a special risk group that is liable to run into debt problems (Hodge and Webster 2000). Among Finnish students, for example, the mobile bill is most often in the background of the first payment problems and registered payment defaults of Finnish students, and young females get entangled in debt more than earlier (Finnish Credit Customer Information Ltd 2001).

What is the actual scope of debt problems among consumers, particularly in the younger age groups? In Finland, one third of all who suffer from excessive credit use are under 30 years. Moreover, one out of every 10 consumers under 30 – that is, about 70 000 young Finns altogether – has a registered payment default, (e.g. Koljonen and Römer-Paakkanen 2000; see also Guardia 2000 and Betti et al. 2001, ref. Muttilainen 2002). Development has followed much the same lines in the other Nordic countries. In Norway, for example, the amount of registered payment defaults increased by 28% in the age group 18-29 in 2001-2002, meaning a total of more than 101 700 new cases during a year (http://www.creditinform.no/ciinfo/presserom/presserom_flere_inkasso.htm 2003). A challenging – and so far unknown – issue is how the “necessity” of owning and using information and communication technology products and services has affected the debt structure of young consumers and their ways of handling “traditional” credits (consumer credits, study loans, housing or renovation loans, principal debts). Are they more likely to be careful with ICT-related credits and payments as compared to credit use on other items like clothes, food, beverages or travel?

Despite the development of new ways to govern debt problems, young indebted consumers continue to pose a major challenge to so-called “new institutional design” (see Muttilainen 2002). The young may be left in a vacuum: in the worst case, issues such as unemployment, a too low income and/or a student status may prevent access to debt adjustment or other provisions. Yet, previous research has shown that young people are fairly responsible as consumers (Koljonen 2002). What about the other actors in the market? What are the scope and the limits of their responsibility? Further empirical evidence is definitely needed about the joint responsibility of the market actors. To this end, our ongoing research

investigates the complex relationship between young consumers' credit-based lifestyles and payment problems and the role and responsibility of various societal actors in the development and prevention of debt problems in the Nordic countries. Among conventional credit-based goods, devices and services, we are focusing specifically on mobile phones and the internet and their related services.

2 Complexity of young consumers' credit-based lifestyles and payment problems

2.1 Lifestyle – integrating consumption with credit use and payment problems

Based on previous research on the multifaceted nature of consumption and credit use and potential payment problems (Leskinen 1990), this study is based on the preconception that payment problems are not caused by any single factor but by the overall lifestyle of consumers. Additionally, different personal and societal circumstances affect this development.

We define our attitudes and values and show our wealth and social position through our lifestyle. Talk about lifestyles is a phenomenon of the modern world, of modernity. Lifestyles can be thought of as patterns of action that differentiate people. They help to make sense of *what* people do, *why* they do what they do, and what doing *means* to them and others. People use lifestyles in everyday life to identify and explain wider complexes of their identity and affiliation. Lifestyles represent structural situations as well as habitual behavior and social affinities (Chaney 1996, 4).

Lifestyle, a central concept in this study, is broadly taken to be the totality of people's conditions and resources, practices or activities, as well as values, attitudes and subjective experiences. Giddens (1991, 5) suggests that the development of lifestyles and the structural changes of modernity are interlinked through institutional reflexivity. Thus, the choice of lifestyle is increasingly important in the construction of one's self-identity and daily activities. Research indicates that certain objects, attitudes and styles grow into significant icons, and lifestyles are an especially important representation of the quest for individual identity (see Heino & Pantzar 2003).

Different life situations due to illness, unemployment, etc., may bring about a considerable decrease in people's income. Although they are usually temporary by nature, yet they have strong implications for consumers' management of their finances. Previous studies suggest that people are generally willing to pay back their debts, but that unexpected events may disturb or totally prevent repayment. Further, some lifestyles *per se*, without any problematic situations, may lead to excessive credit use (Leskinen 1990, Koljonen 2002). From the consumer perspective, the whole society follows a kind of "lifestyle"; we talk about societal values,

“a mental atmosphere”, structures and institutions, and activities or practices which help social institutions to reach their goals (see Leskinen 1990). The integration of consumption, credit use and payment problems can be visualized as follows (Figure 1):

Figure 1. Lifestyle as a concept that integrates consumption, credit use and payment problems

Elements of lifestyle	Consumers	Society
Values, attitudes	Values and attitudes to consumption and credit use	Consumption ideology; credit culture
Practices, activities	Consumption and credit-use habits and practices; problematic credit use	Institutional practices
Structures	Objective conditions and resources	Structures and institutions

Consumers' values come to be based on social values through a socialization and learning process. Consequently, lifestyles can also be understood in relation to the functional principles of society. Generally the interaction is not harmonious, but based on a tension between the agents. Thus, we acknowledge a conflict-oriented viewpoint in this study: it is typical for social structures to involve conflicting interests.

If we look at the societal elements of credit use, we see, on one hand, that institutional conditions provide the preconditions for consumer activities involving credit use. On the other hand, institutional conditions also include a regulating mechanism. Together with societal values, technological, economic and juridical institutions can be counted among the most essential factors affecting young consumers' credit-based lifestyles and payment problems. Technological and economic institutions offer an opportunity for growing consumption and credit use – and for the emergence of credit problems. Juridical institutions provide a regulating mechanism as well as protection related to credit use (for details, see Leskinen 1990).

2.2 Lifestyle, consumption and credit problems introduced by previous research

Today's young people represent a generation that has lived in a materially affluent society (e.g. Heinonen 2000). Young consumers have been socialized into a world that is directed by information and communication technology. They are key partners in the network society and, also shape the consumption and communication culture through their choices and actions. The “net generation” adopts new media technology as naturally as their parents adopted driving on highways. At the same time, there are certain expectations regarding their immaterial consumption. The use of mobile phones and the internet represents this immaterial kind of con-

sumption, and it is quite obvious that ICT takes up a fairly large portion of young people's expenditure. In Finland, for example, ICT accounts for 15% of all service costs outside housing among young consumers under 25 years (www.stat.fi, 2002).

Individual choices are characteristic of the generation of consumers born after the 1970s (Hoikkala 2002). Internal migration, expanding ICT and continuously changing fashions and trends challenge their lifestyles, but also set demands on them. They have to make the proper choices and develop the skills necessary to survive in the information society. The same applies to consumption. They have to be able to make an impression, to stand out. Consumption and consumer goods – and also rivalry – qualify as ingredients in the construction of identity and in self-reflection, but they are sources of togetherness as well. Young people must be able to make choices from among an array of alternatives and rely on themselves in their choices to an increasing extent. Today's model favours independent, ambitious and motivated personalities. A fundamental, or even existential question is whether one is *good enough* according to currently prevailing criteria (Hoikkala 2002, 89).

The culture of consumption has raised "possibility-consciousness" as a driving force for the young. Possibility-consciousness originates from the consumption culture and qualifies a mental state in which one imagines what one can do, dream about or choose to aspire to in one's life. The media pour out this kind of material in a steady stream, and fashions and trends are offered endlessly to nourish the consumers' imagination (e.g. Hoikkala 2002, 94). In other words, possibility-consciousness in the meaning of "wishes" refers to conceptions of what is good in a possible world, but not the same *Lebenswelt* one is surrounded by, which can be influenced by one's actions and choices (see Airaksinen 2003, 59-60).

What kind of picture can be drawn of young consumers' lifestyles and consumption? Wilska (1999, 26; 2002, 29) had noted the difficulties of constructing a realistic image of young lifestyles amidst contradictory media talk and contrasting studies and media myths. The young can be in very different circumstances and at very different stages on their way to independence. The traditional courses of life have become de-standardized and less dependent on age (see also Carle & Sjöstrand 1995; Klingander 1998).

Identity-seeking and self-creation through consumption can be considered to characterize a certain life stage and lifestyle, mainly because consumption is an essential element in the rites of passage from youth to adulthood in our modern society. Wilska (1999, 184; 2002) suggests that young people are often thought to be more hedonistic than adults. Their consumption is typically leisure-time consumption and based on experiences instead of material goods, in contrast to adults (see also Carle 2000, 32-47). Thus, the young comprise widely different consumer

groups (Saarinen 2001, see also Wilska 2001) with, for example, hedonistic, debt-oriented, saving-oriented or ecological consumption habits. Previous research (e.g. Wilska 2002) indicates that the mobile phone and the internet are not separate realms but closely related to other aspects of young consumption. Yet, we should avoid *technology blindness* and remember that neither the mobile phone nor the internet take up any major share of young people's leisure expenditure. To the contrary, despite the forceful emergence of information technology, other issues like clothes, transportation, beverages, travel and hobbies are the key indicators of young people's lifestyles.

There are several explanations for the financial and credit problems of young consumers. Commercial enterprises offer credit suing aggressive and appealing marketing. It has been made quite easy for the young to obtain credit without collateral or guarantees (Saarinen 2001). Short-term employment relationships and, thus, an uncertain income are challenging structural factors that mark the economic situation of many young consumers. Changing labour markets have brought further uncertainties regarding their job opportunities. Jobs are more and more often short-term or part-time and of a project nature (Lehtinen 1999; see also Autio & Heinonen 2002, 222). An uncertain income makes it difficult to plan one's personal economy and use of money in circumstances where the length of the employment term may be only a couple of months. Income development among the young has, moreover, been weaker than in the other population groups. In a situation where one's income is not very high, or even regular, one is tempted to compensate the scanty earnings by taking out consumer credit. In this process, young people may forget to think about their own repayment ability and the uncertainty of their employment relationship (see Koljonen 2002).

Furthermore, young consumers' credit problems are related to their uncontrolled use of money and their excessive consumption. Other reasons include their lacking skills in household economy and financial management and their scarce resources (Lehtinen 1999). According to the statistics of the Finnish Customer Service, 8% of young Finns aged 18-29 have registered payment defaults (see Koljonen 2002, 41), which is equivalent to about 50 000 young consumers under 30. In 2000, the majority of registered payment defaults were due to outstanding accounts of 160-830 EUR and about 20% to amounts less than 160 EUR. Compared to the older age groups, the young had fewer registered defaults due to credits above 830 EUR (Koljonen 2002, 50). It is worth noting that the share of registered payment defaults among girls aged 18-19 was considerably high (Fagbladet CreditInform 2003).

Experience from Norway indicates that registered payment problems in the telecom business have been growing and that every tenth new subscription leads to the collection of charges (Fagbladet CreditInform 2003). Among Finnish creditors, phone bills comprise the biggest item,

although their share has been diminishing as a result of the efforts of the telecom firms. Parents can now pay their youngsters' phone bills or help in some other way in their payment; this kind of parental assistance is more common in the younger (15-19) than in the older age groups (e.g. Koljonen 2002, 76).

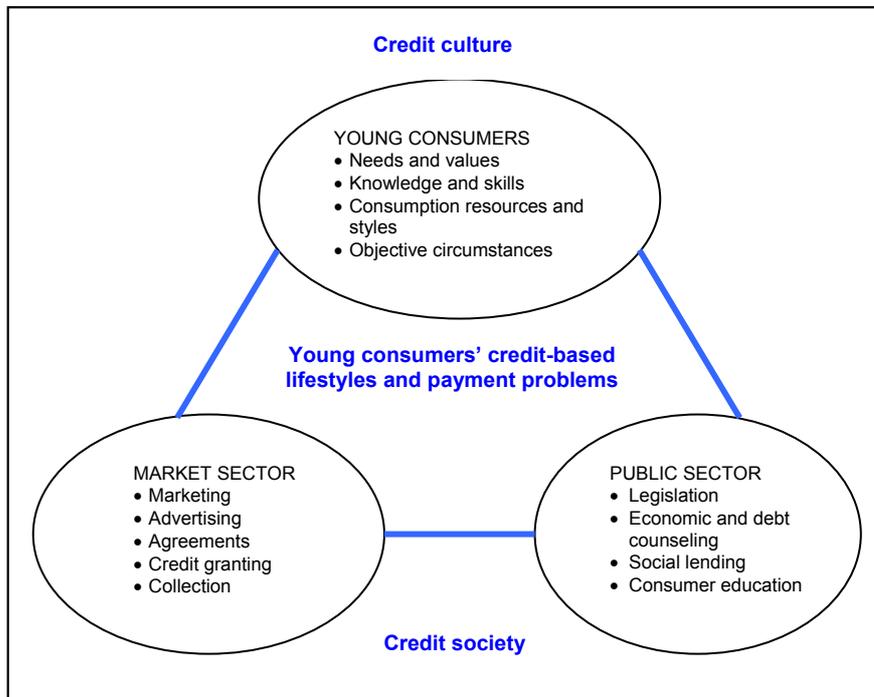
There are many other factors that may cause payment problems. Moving toward adulthood means, for instance, setting up a home of one's own. Earlier investigations indicate that young people under 30 years get entangled in debt basically for two reasons: setting up their own home and raising their social status through consumption. These things do not often work out without credit cards, and it is not unusual for young adults to have five credit cards simultaneously for home furnishing. And finally, it becomes necessary to obtain a bank loan to reduce former debts (see Leskinen 1990, 58). Young people may pursue the living standard of their parents, which they were accustomed to before moving out. There is also evidence that gambling, mental problems and divorce have a role in debt problems (Koljonen and Römer-Paakkanen 2000, 10). Loose morals have been considered as another reason behind the increasing amount of registered payment defaults, particularly in Norway (www.creditinform.no/ciinfo/presserom/presserom_betmoral.htm 2003).

3 Research setting and research questions

The connection between payment problems and lifestyles or life situations is not a clear cause-and-effect relationship. It is more a question of multi-dimensional factors, situations and events entangled into a complex totality (e.g. Leskinen 1990). The credit phenomenon has methodological implications as well. Thus, in order to understand the complexity of young consumers' credit-based lifestyles and payment problems, we apply a holistic, interpretative approach in this study. Such an approach helps us to understand the multifaceted nature of consumer credit, the complex conditions of credit use and the multiple dimensions of human behaviour. The emphasis here is on the totality of lifestyle factors: the impact of values (credit use and consumption), practices and activities (consumption and credit use) and structural factors (objective conditions and available resources) on credit use and payment problems (Leskinen 1990).

The holistic approach is incorporated into the research setting of this empirical Nordic study as follows. The interpretative framework of the study covers the central actors of the institutionalized *credit culture and credit society*: namely, the public sector, the market sector and the consumers or households. The research setting can be visualized as follows (Figure 2, p. 8).

Figure 2. Research setting



The credit culture that represents the mental atmosphere of the credit society refers to the societal values and goals that have enabled the establishment of an intensive credit market and actually made it justified to talk about a credit society (e.g. Ritzer 1995) – and about an emerging information society with its technological devices and services. The term also refers to the new, innovative culture of interaction that has emerged among the young (Tapscott 1998, 55-77; also Kopomaa 2000).

When we talk about a credit society we mean a society in which credits form an integral part of the consumers' economy. It also refers to the essential institutions, the constellations through which debt problems and debt settlement have become a part of everyday life for some debtors. The credit society further covers basic solutions aimed at securing the position of consumers by counteracting and correcting potential debt problems – the so-called *new institutional design* of the 1990s which reshaped the established practices at a societal level (Mutttilainen 2002). The credit society, thus, constitutes the pertinent actors in the public sector and in the market sector as well as the consumers or households themselves. The public sector provides the control and support systems; the market sector provides marketing and advertising; and the consumers and households lead credit-based lifestyles balancing between consumption and available resources. By credit-based lifestyles we mean easy access to and use of consumer credits, including the traditional forms of consumer credits, study loans, housing or renovation loans and principal credits, and credit use in connection with mobile phones and online services.

In order to reach an empirical understanding of young consumers' credit-based lifestyles and payment problems in the expanding Nordic ICT and credit societies, this study addresses the conceptions of young consumers about the following issues:

- Role of consumer credit and credit-based devices and services in their everyday life;
- Reasons for payment problems and strategies of coping with the problems; and
- Role and responsibility of young consumers in developing and preventing payment problems.

4 Methods and materials

4.1 Data acquisition and analysis

The study materials were gathered by interviewing young people who had run into problems as a result of credit use. The interviewees were aged 18-30 years and represented four Nordic countries: Denmark, Finland, Iceland and Norway. According to the original plan, 12 young consumers from each country were to be invited for interviews during spring 2003. This did not work out as anticipated, however, and so the final data comprise 28 interviews: 5 from Denmark, 6 from Finland, 12 from Iceland and 5 from Norway. Recruitment of interviewees for this study proved very difficult despite the fact that they were sought in many different ways. Iceland was the only country which managed to assemble the intended number of study participants. Our research team had planned beforehand where and how to look for interviewees for the study, but when this plan failed to bring results, the researchers in each country applied whatever means they deemed best to reach young consumers with payment problems. The data were collected from each country in the native tongue of the interviewees, and the interviews were transcribed word for word. The materials from Iceland, Denmark and Norway were then translated into English, the Danish and Norwegian data by the respective researchers who had made the interviews. The Finnish data have so far not been translated into English except for the quotations presented in this report.

Denmark, Finland and Norway all had problems in finding interviewees for the project. Iceland, on the other hand, was able to recruit the required interviewees within a short time period, although it had joined the project a half year after the other countries. Interviewees in Denmark and Finland were first sought by announcements on the notice boards of secondary schools, universities, supermarkets, labour offices and dormitories, and in a Finnish student journal (*Ylioppilaslehti*). A couple of interviewees were recruited in response to these notices. There was also an announcement on Danish web pages. In Finland, permission was obtained to send a letter to young consumers who had contacted the Guarantee Foundation (*Takuu-Säätiö*) according to their records, but only one interviewee was reached this way. A letter was also sent to church welfare workers asking them to tell potential interviewees about the study and encourage them to contact the pertinent researcher. In Denmark and Finland, interviewees were not sought through social welfare offices. The Danish researcher was, in fact, in contact with the social welfare office, but the social workers considered it hard to find young debtors in this

way. The personal contacts of the researchers themselves proved valuable in reaching interviewees, particularly in Denmark and Norway. The Norwegian researcher managed to recruit interviewees through his own contacts via the social security office, the enforcement office and the lower court.

Iceland acted most promptly in recruiting interviewees. The Icelandic researcher sent a request to schools and universities asking them for permission to send the students a letter looking for participants in the study. Some of these institutes took a favourable attitude and permitted the researcher to send their students an e-mail or a letter. The students responded well, and the researcher actually had to limit the number of willing interviewees. Recruitment in Iceland, thus, was quite different from the process in the other countries. It must be noted, however, that data consist exclusively of students.

The length of the recruitment varied considerably between countries. Denmark, Finland and Norway initiated the process in February 2003. Denmark finished in May, Finland in October and Norway in December 2003. In Iceland, the whole process took from June to September 2003, and the interviews were conducted within a period of two weeks in June 2003.

Why was it so hard to recruit youth with debt problems? We can only guess at the reasons. The Danish researcher, for instance, pointed out that debt problems are a subject not discussed in Denmark as a rule. This was why it was so essential to use a personal contact and face-to-face discussion in recruiting interviewees, since the researcher thereby had a chance to convince the young person of the importance of his or her participation. In Finland some young persons contacted the researcher in response to the announcement but then failed to arrive for the interview. They were either short of time, were too pressed at work, had some other personal reason or expected to be paid for participating. The ones who did come for an interview wanted to serve as examples for others to prevent them from making the same mistakes they had made.

The interviews were conducted in the form of theme interviews, for which our Nordic research team designed the frame in January 2003. Each interviewer used the framework at his or her own discretion. The interview proceeded partially on the conditions of the interviewee, but seeing to it that the themes that were considered important were dealt with in any case. These concerned the interviewees' consumption habits before they had into debt, the reasons that had led to indebtedness and the way they had coped with their debts, and finally, the division of responsibility among the parties involved. (Appendix 1)

We have used a qualitative approach in this study. Qualitative research does not aim at statistical generalizations but, instead, seeks to *describe* a phenomenon or an event, *understand* a given activity or give a theoretically meaningful *interpretation* of a phenomenon. In principle, it

is important that the informants in qualitative research know as much as possible about the studied phenomenon or that they have experience about it. (Tuomi & Sarajärvi 2002, 87-88) The young interviewees for this study all had personal experience of using consumer credit and of payment problems. The definition of payment problems in this study is based on the subjective experience of the debtors as well as on external records (debt collection offices, debt recovery proceedings, debt consolidation).

The interviewees' stories were categorized into different types that sum up and characterize the responses (Eskola ja Suoranta, 1998, 182). The objective of a type analysis is not to cover the characteristics of a phenomenon as a whole, but to divide it into dimensions, categories and features that enable us to find illustrative examples in the data as ideal types. These kinds of typical features were picked out so that we could position each case into a certain type. A type analysis does not need to produce types that exist as such in real life, but types are so close to reality that they *could* be found in real life as well (Eneroth 1984, 149-151). Grönfors talks about differentiating data into social types, which brings into mind Weber's ideal-type analysis. Weber's ideal types are not generalizations or abstract concepts but hypothetical individuals, things or situations whose features represent *possible* real features. The purpose is to help the researcher to understand the empirical world. However, the fact that the researcher constructs the types from the data on the basis of his or her own reasoning, makes it dangerous to draw comparisons between such types and the real world. (Grönfors 1985, 165-167.)

The data handling process took place in Finland. Our analysis was based on several rounds of reading of the interview transcriptions. In the first round the same interviews were read and re-read many times over. The main idea was to examine what kinds of cases made up the data. Already at this stage it was possible to detect certain similarities in young people's consumption habits and lifestyles in the studied countries. We paid particular attention to the way in which the young talked about their lifestyle and their relationship to consumption. What attracted our notice in the second round of readings was the young Nordics' use of credit and its role as part of their consumption-centred lifestyle. They also described the difficulties they had run into and how they had been able to solve them. In the third and fourth readings we looked for different types of credit-based lifestyles, which were then reduced to three types after further rounds of readings. An additional aim was to detect differences between the ways in which interviewees described their former and their present life, and the content of what they said. Subsequent readings deepened our understanding of the three types of consumption and of problem indebtedness, coping and responsibility.

Since the common recruiting basis had not worked as planned despite our efforts, the data sets for this study differ from country to country.

Moreover, the material is uneven in that the Icelandic data comprise only students and also include the highest number of interviews. The Norwegian data comprise the largest amount of multi-problem youth and those who had had dealings with social welfare. The materials from Denmark and Finland resemble each other most. In any case, the fact that the collected sets of data sets are not quite comparable calls for caution in their interpretation. It should also be borne in mind that the very translation of the interviews into English already involved some interpretation.

We have illustrated the interpretations made in this study by quotations from the interviews. Direct quotes are indicated in italics. The names of the interviewees are not given. The interviewees' quotes are marked with an 'A', the interviewers' with a 'Q'. The country, sex (W=woman, M=man) and age of the interviewee are given after each quote. There is an explanation in brackets whenever a quote would otherwise be hard to understand.

4.2 Description of data

The study data consists of interviews of men and women with payment difficulties and/or registered payment defaults due to credit use. The data contain an equal number of men and women, 14 of each sex. They lived either on their own or in their parental household. Three of the study participants had children. The interviewees were aged between 18 and 30 years. Only two were under 21 years, while the older age groups, 22-25 and 26-30 years, each had 13 interviewees. One interviewee had already turned 30 but was included in the data because of the difficulty of recruiting a sufficient number of participants. The following table gives background information on the study participants (Table 1).

Table 1. Background information of the informants.

Country	Age and number of informants		Sex	Status of employment
Denmark	22-25	3	3 men	2 student/part-time employment
	26-29	2	2 women	2 employed 1 employed/student
Finland	22-25	2	2 men	2 employed
	26-29	4	4 women	1 employed/student 2 student/part-time employment 1 housewife/part-time employment
Iceland	18-21	2	6 men	1 part-time employment
	22-25	6	6 women	5 student/part-time employment
	26-29	4		1 student/short-term jobs 1 student/employed 3 student 1 employed
Norway	22-25	3	2 men	3 employed
	26-30	2	3 women	1 unemployed 1 student

The interviewees consisted of employed young persons and/or students. Only one was unemployed at the time of the interview. With only a few exceptions, all had been working part-time while studying. Five had a full-time job which corresponded to their training; one had a university degree, but not corresponding work. Part-time jobs were seldom close to whatever field the young persons had been trained for. It was common to change jobs, either because the job had been a fixed-term employment or because they had grown tired of the job. Nearly all had acquired an education or training or were studying at the time of the interview. There were 12 university students and nine secondary-school students. Only five of the interviewees had no occupational or other training so far. They had started several training courses or other studies but had either not yet found their own field or had failed to finish their studies.

5 Consumption practices and credit use as lifestyle factors

5.1 Flexible consumption

Consumption forms an inseparable part of everyday life. It refers both to meeting one's basic needs as well as fulfilling one's desires. Besides being a means of survival, it is also a way of positioning oneself in the community. More and more frequently, consumption means entertainment, a way of seeking variety or pleasure or rewarding oneself, as a counterbalance to hard work or studying. Young people are increasingly interested in consumption, because they have disposable income and because all kinds of fashionable brand items are marketed specifically to them. The influence of youth on consumption is far greater nowadays, both culturally and ideologically, than it was in the 1960s and 1970s. The youth culture of those days has transformed into today's youthful lifestyles and consumption styles, which are considered the norm by the majority of the population (Wilska & Virtanen 2002, 102). The participants in this study were born in 1973-1984, so that they had grown into the consumer society at a time when these lifestyles and consumption styles were being shaped.

Marketing and advertising play a key role in the consumer society. Both are especially addressed to the young. Young people are quick to adopt new ideas and, thus, a favourable target for advertising and marketing. Moreover, the overall idealization of youth and a rejuvenation of culture, the powerful influence that young people exert on their increasingly affluent parents, and the rise of ICT as a major consumption item may well be why advertising is addressed to the young generation (Wilska & Virtanen 2002, 86). Today's youth live in a world exceptionally abundant in goods and services. When the young in this study spoke about consumption in general, their talk reflected a strong desire to keep up with the consumer society and the surrounding community. The few who also spoke about so-called alternative lifestyles did not differ significantly as to their credit use and consumption style from the rest. Consumption was very closely bound to the present, to here and now. Talk about consumption did not refer to the future except in remarks about how it was alright to be more irresponsible when one was still young than after having acquired a family, or how one had to try out different alternatives while young.

One of the biggest problems of young people in the consumer society is the discrepancy between their limited resources and the nearly unlimited supply of products to consume (Wilska & Virtanen 2002, 102). Moreover, the daily pleasures of consumption have come to be taken for granted and like routines (Autio & Heinonen 2002, 224). This ordinariness of consumption and its routine-like nature was also apparent in the talk of our interviewees. They spoke about the joy of consumption, about indulging themselves. They distinguished the issue of consumption in their talk but pointed out that their own consumption was not at all *extravagant* or *outrageous*.

Young people's position as consumers is a controversial issue which is influenced by a number of cultural, economic and social factors, write Wilska and Virtanen (2002, 86). The participants in this study had to try to balance their expenditure against their resources which were scarce because they were studying, had part-time jobs and an irregular income. They were, therefore, forced to make choices regarding their consumption. Low earnings together with problems of unemployment, difficulties in obtaining study loans and unstable family relationships had a strong impact on their consumption behaviour. Moreover, the girlfriend or boyfriend played a key role, first of all, as someone to share expenses with, but also in binding to a given lifestyle.

The interviewees had been in work life for many years, in part-time jobs or in fixed-term projects. Some could have more than one employment relationship at the same time, working at different jobs at different times of day. Those with several jobs occasionally had fairly good earnings depending, of course, how much they could work alongside their studies. It should be noted, however, that although they themselves considered their income quite good, yet the study loan was the major source of income for many. The earnings from work meant extra money for their own use, and their consumption possibilities were much better compared to those who had only their study loan to depend on. With a few exceptions the interviewees all belonged to the low-income group among the population.

At times, parents would assist their young with small sums of money or by paying bills on their behalf. Yet, the young did not first turn to their parents for support. According to a *Youth Barometer* survey (Saarela 2001, 35) conducted in Finland, parents continued to have considerable influence on the lives of young people who had moved to live on their own. Parents gave financial support, but this assistance would diminish as the children grew older. They would pay for items usually related to their children's basic needs, buying food, paying the phone bill and purchasing necessary furniture or household appliances (Saarela, 2001, 35). The young people in the present study led a very independent life away from their parents. It was perhaps slightly surprising, therefore, that they referred to their parents in numerous contexts: for instance, in talking about

their studies, coping with their debts, their family relations, and the support given by the parents or their inability to help. However, the young did not tell their parents about their payment problems until after all other means had been used up and they needed, for instance, a guarantor for a loan.

Those young (see Table 1, p. 14) who had a permanent job considered their income reasonable. Not all of the interviewees gave comparable information on the amount of their actual disposable income. Either they did not want to disclose it or were unaware of the exact amount. Their earnings went into food, housing, clothes and leisure, hobbies, spending time with friends or partying. According to Carle (2000, 32-47), young people's consumption usually refers to leisure-time consumption and is based on experiences. As one of the interviewees (Denmark, M26) put it: *'It is more like experiences that you buy once a while.'* Wilska (2001, 54) suggested that leisure-time consumption among the young is emphasized because it is more visible and more public than in the other population groups.

Consumption had a central role in the talk of the young interviewees and in their lives. Their aim was to keep up with the consumer society in one way or another to fulfil one's own lifestyle, here and now. Bauman introduced what he referred to as *neo-tribes* that might be described as lifestyles or consumption styles. Moving from one neo-tribe to another is flexible; people can join them or leave them at will. A person can join a tribe, for instance, by purchasing that tribe's symbols. (Bauman 2003, 258.) The media, for their part, display a variety of lifestyles from which to choose one's own tribe. Bauman also talks about a *consumer attitude* that makes life individualistic and a person an individual. A person, thus, consists of the objects and things he or she has obtained. Each one is responsible for constructing his or her own identity. (Bauman 2003, 255.)

Our interviewees kept referring to *their own consumption* and *their own lifestyle*. Their own consumption meant expenditure into leisure time, entertainment (cinema, videos, music, clubs), partying and travel. Their own lifestyle, in turn, consisted of things they appreciated about consumption. They talked about their lifestyle as *my lifestyle*, *a certain lifestyle* or *an expensive lifestyle*. The workplace and circle of friends had a strong impact on their own consumption habits. Interviewees often pointed out that they themselves were not the only ones who were *guilty* but that others, too, led the same kind of lifestyle.

The young had been looking for a better and more carefree life through consumption. They talked about consumption in an idealizing tone. A better life meant being able to buy impulsively whatever one desired. Impulsiveness was frequently mentioned in the interviews, and used as an overall explanation for one's behaviour. The young consumers did not talk about actual needs – rather, they described how a desire to get something developed into a need. It was possible to attain a good life

through consumption, but at the same time it was important not to have to worry about money matters.

When their studies had started taking up more time, the young were no longer able to work as much as before. However, their expenditure did not always decrease in line with their decreasing income. In hindsight, many saw this as one of the many reasons for running into debt. Even those who had purchased a flat or invested elsewhere had been unable to lower their level of consumption at once, and so they had continued as before and run into payment difficulties.

Payment problems, thus, had finally forced these young consumers to change their consumption patterns. Many had found it very difficult indeed. None of the interviewees actually mentioned the word poverty, but some had had trouble even buying their daily food because of a lack of money. To the contrary, they repeatedly emphasized that things had not really been so bad. Matters could have been worse, and they felt they had managed fairly well. The major reason for their difficulties was probably not in their current consumption level but in the fact that they compared it to the situation before their debts. This resembles Erola's (2000, 55) finding in a study on the consumption of persons with payment defaults: what had caused problems for them was not their consumption during their payment default period – it was their consumption in the former "good times".

What had the young spent their money on? Some of the main expenditure groups mentioned in the interviews are described below, included housing, food, transport and telecommunications, leisure, household equipment and clothes.

Housing costs took up a lion's share of the income of almost all our interviewees. The harsh natural conditions set strict requirements for housing in all the Nordic countries. In this respect there was no difference between countries in the sense that housing represents the biggest cost item. On the other hand, Icelandic interviewees had already bought a flat of their own more often than the young in the other countries. Two young persons lacked a permanent residence and were temporarily staying over with friends. The high cost of housing had been a surprise to many interviewees. Most of them had moved to the metropolitan areas from smaller municipalities where rents had been lower. The role of a girlfriend or boyfriend was significant in sharing housing costs. When such a relationship ended, it immediately doubled the rent, causing payment difficulties for many. Some of the students lived in dormitories where the rent was affordable. Such housing was not permanent, however. If one failed to acquire a sufficient amount of credits, one had to give the room up. This indicated the difficulty of combining work and study. Other housing expenses were incurred by frequent changes of residence. Many considered this very expensive. Six interviewees had obtained a housing loan and lived in their own flat. The dwellings were apparently quite spacious –

also the rented ones – since three interviewees who were having payment problems had taken tenants to get supplementary income from rent. With the exception of those who were homeless, the young were living quite comfortably, in their own words.

Apart from housing, food was a major cost item in young people's expenditure. It was interesting to note how the interviewees talked about food in the situation before and after getting into debt. In the former period, food had been associated with self-indulgence, and interviewees spoke about good food and quality foods. It had been common for them to dine in restaurants and fast-food outlets. When payment problems began, they had soon started to cut down on their food expenses and eat at home more often. They prepared food at home or bought it ready-made. They made food price comparisons and shopped at discount stores more often than before. They also ate more frequently at their parents' house; this applied especially to those young who already had a family of their own. Instead of dining at restaurants, they started using cafeterias. Food had changed from an indulgence to a necessity, now that there was less money available. Some young interviewees estimated that the savings incurred this way were considerable.

Transport costs had not been a big expense item before debt problems but after difficulties arrived, they, too, became something to try to save on. Savings could be incurred by replacing the taxi with the bus, the bus with the bicycle, or by buying a bus or tram ticket for a fixed period. Quite a few of the interviewees had access to the use of a car, but some had had to give it up due to payment difficulties. Icelanders had access to car use more often than the others.

The young had kept up-to-date with information technology development quite well (cf. Tapscott 1998). Nearly everyone used a mobile phone and had a telecom connection. The mobile phone was an essential tool in their interaction and contacts. The young were well aware of the available subscription alternatives on the market and had either a prepaid or a postpaid subscription. Danish and Icelandic young consumers frequently had prepaid subscriptions, whereas in Finland it was most common to bill afterwards. For some the mobile phone was a self-evidence; others said they were not too interested but still had to have one: *'But to be part of society... you simply have to have certain devices...'* (Norway, W29). The model of the mobile phone was not the newest – but quite new, anyway. A few interviewees had had their own subscription cancelled due to their credit references and registered payment defaults, but had then had a subscription opened for them by a friend or relative. Parents had only very rarely opened a subscription for their young.

The internet would be used either at home, at the workplace or at the place of study. The young used it for paying bills and for e-mail, games and chat services. Many of them had an ADSL connection, often paid for by the parents, especially in the case of students. The majority used a

portable PC for which they had obtained consumer credit. Only one young person had generated high phone bills due to chatting over the internet, but that had not been the primary reason for this interviewee's debts.

The young spent their leisure-time meeting friends, partying, going to the cinema or to concerts, and travelling. Some were keen on travelling and had travelled more than the rest. Still, there were some who had hardly travelled at all. One of the interviewees made this interesting remark (Denmark, M26): *'Never been on a real journey, have only been on charter.'* Young people's travels were connected to vacationing, visiting friends in foreign countries, and living and studying abroad. Icelanders commonly travelled to the U.S., the other nationalities mainly travelled to different parts of Europe.

Interviewees' hobbies were largely related to whatever their friends did for a hobby. In many instances the young talked about partying, which had been very common while things were still alright. Even after running into difficulties they emphasized the need to party once in a while. Partying is an essential part of any young person's life, and for these young it served as a counterbalance to their constant financial problems. Hobbies like music, concerts and films consumed money as well. A few young people had some physical hobby to which they were strongly committed and to which they had devoted a lot of money. They had been forced to give it up after landing into payment problems. Such hobbies had, in fact, incurred a large part of the debts. On the other hand, work could also be thought of as a kind of hobby, since so much time was spent at the workplace.

Quite soon after moving to live on their own, the young had acquired household equipment like a refrigerator, washing machine, television, video and stereos, and ordinary furniture like a bed and a table. They regarded these as normal expenses in setting up a home. Since their own income and the study loan were enough to cover only the most essential expenses (housing, food, transport, leisure), other costs had to be funded with different types of credit. It had been easy to obtain credit, so all purchases had been made quite quickly. Looking back the young debtors felt that, had they taken credits at a slower pace, the debt burden would not have grown too big to manage.

Fashion – youth fashion in particular – is widely and visibly displayed in advertisements and marketing. The interviewed young consumers had used credit also for buying clothes. Prior to payment problems it had been a must to buy new clothes every now and then – preferably trendy brands that demonstrated one's own lifestyle. But, our interviewees emphasized, after running into debt they had not bought new clothes for years, even if they had needed them.

5.2 Similarity and diversity of credit-use practices

Young consumers' indebtedness is closely related to their consumption habits. It is not possible to discuss consumption in the context of this study without discussing debt – these are by no means mutually exclusive. Consumption is something very important for young people. Yet, their consumption possibilities are often affected by a small income, which forces them to make choices. Our interviewees had solved the problem by obtaining consumer credit. Thus, they did not have to make choices so often, and it was possible to lead a good life without financial worries. With a credit card they did not have to exert so much control or reflect so much. According to Lehtonen (1999, 208), all that needs to be done is make the decision to get a card, and then it is easy to exceed the limits of one's economy and buy things at a moment's whim.

In this study we use the term consumer credit in a general sense. This is a very broad concept covering different forms of credit include running accounts, lump-sum credits and commodity-specific credits. Running accounts belong to so-called continuous consumer credits where the credit balance varies according to the used credit within the credit limit. One example are credit card loans, which are divided according to their payment terms into those with a fixed payment time (e.g. American Express) and actual credit cards. Actual credit cards can be obtained either from a bank or from a funding company through the internet, a household appliance store or a grocery store. Mail-order enterprises offer book credits and running accounts with which their customers can pay their mail-order purchases, but they also offer so-called private loans that are not tied to purchases (e.g. Ellos). A lump-sum credit is one that is obtained, for instance, in the form of an instalment plan to buy a single item. A commodity-specific credit refers to credit granted on a contract with the seller for the purchase of a specified product. (Peura-Kapanen 2004, 13-14.)

There are slight differences in the study loans and other student benefit systems between the Nordic countries. We will not go into these in the present study, even though study loans represent the most important types of young people's credits. In this study we have included study loans in the category of consumer credit, and similarly refer to credit from banks – that is, traditional loans – and the overdraft facility of running accounts as types of consumer credit.

The main focus here is on consumer credits and on problems caused by them, but some among our interviewees had a housing loan as well. Because it was so difficult to gather material for the study, we did not exclude those (6) with a housing loan. As a rule, these young persons had had problems with their consumer credits rather than with their housing loan. The consumer credits used by the young in our data were very similar and included credit obtained through a grocery store, a household appliance store or a bank. The same mail-order firms from which our

interviewees had ordered clothing or applied for credits operated in each of the studied countries.

The number of young borrowers in the credit market has grown within the past few years, and the number of women has risen as well. This is probably due to the increasing popularity of credit cards and account cards, which has also invited young women to join the credit market (Asikainen 2001, 59). Consumer credits have been marketed very noticeably; the internet forms one important marketing channel. Advertising leaflets with an attached application form for a loan from a funding company or mail-order firm are distributed to every home. Consumer credit is also offered in various shops and kiosks, and application is simple. No advance saving is called for – something that young people could rarely afford anyway, given their limited resources. Moreover, no guarantee is required. Our interviewees were, in fact, quite surprised afterwards at how easy it had been to obtain their several credit cards or bank loans and sometimes even more credit than they had applied for (cf. Koljonen 2002, 69). It became apparent in many of the interviews that the young persons in question would not necessarily have needed a credit card loan or an overdraft facility. However, given the opportunity, they took advantage of it. The Finnish *Youth Barometer* (2001, 22) survey found that young Finns expected financial institutions to be more strict in granting consumer credit. On the other hand, the fact that a person had been granted a credit card loan was evidence of his or her maturity, credit worthiness and general acceptance. It also indicated trust and responsibility on the part of the grantor of the credit (Lehtonen 2000, 206). A few of the young Icelanders considered the credit card as a status symbol among youth.

5.2.1 *Toward problematic credit use*

The interviewees themselves saw their own consumption and the life they had led as the primary reason for their indebtedness. A previous study similarly found that the problems arising from young people's credits were associated with uncontrolled money use and excessive consumption (cf. Koljonen 2002, Saarinen 2001). Several interviewees in our study openly admitted to carelessness and lack of control with money. Problems are also caused by young people's lacking skills in money management (Lehtinen 1999). Money *burnt in the pockets* of many interviewees, figuratively speaking. They did not save any money in advance nor did they plan the future – like planning their housing, their life or their studies in the longer term. The young had become used to getting things immediately instead of having to save and go into a lot of trouble to obtain something. This way of operating has partly been developed by the young themselves, but partly thrust at them through the media (Piha 2004, 51). Moreover, young people are not particularly interested in economic affairs. They do consider banking and financial matters important,

but are less interested in following such issues than before (Halonen 2004, 2-3).

The young in our study had considered saving or making advance preparations for some future purchase, but these intentions had not been put into practice. They had tried to plan and to save, but plans did not work out. The reason, according to our interviewees, was that saving was impossible on such a low and irregular income. The goal was too far off to save for it beforehand. Management of money matters was not a key issue for these young people, although their focus was on consumption and they handled money frequently. On the other hand, it was needless to save since things worked out anyway. Saving is more important for middle-aged and older people. Economy, for them, can be an established way of life, whereas the young only save if compelled to do so (Wilska 2001, 57). One of our young interviewees failed to understand what kind of saving was meant and assumed it to mean fund saving or pension saving, in which this young person would have been interested. Many young persons had attempted to keep up the same standard of living as they had had when they lived with their parents. In practice, this meant an increase in innumerable small costs which they had not considered and which had previously been taken care of by their parents.

There has been much public discussion lately about young people's payment morale and their growing payment defaults, which have been connected to the use of mobile phones. The rise in payment disorders has been ascribed specifically to the immateriality of services like telecommunications, meaning that users have failed to conceive of the money spent on them in concrete terms (Wilska 2001, 54). Many young consumers have run into payment problems despite the fact that it is hard for them to obtain credit in the absence of a permanent job and regular income. Payment defaults originally arise from unpaid bills for fairly insignificant amounts, but when these start piling up the debt burden can grow very heavy (Koljonen 2002, 53). Many recent studies show that young people are quite conscientious in paying their bills (Koljonen 2002; Saarela 2001; Saarinen 2001). The young in our study had also paid their bills on time, but once the situation got out of hand, when there was no money and no more credit to be had, they had to begin to prioritize their payments. Mobile phone bills were at the top of the list together with rents. The mobile phone was a necessity to our interviewees, but it was not the primary reason for their payment problems. An invoice for the use of a mobile phone or an ordinary wired phone would remain unpaid only if there was no money left for anything else either. In fact, mobile phone bills could become quite huge. This was because the share of collection charges and interest had grown disproportionate as things had been unattended to for so long. When bills for the different credits began to arrive, the young recipients were confused, firstly, by the amounts they owed,

and secondly, by the big share of their income that they swallowed up. They could not afford to pay.

These young people led a hard life, having to combine debt payments, work and studies. Many of them had big debts and a long repayment time ahead of them. Still, they did not consider matters especially difficult although, naturally, there were exceptions. A common remark was: '*It could be even worse*'. The majority looked forward to the day when their debts would be fully repaid. Although they had a hard time they tried to find ways to get some small joy into their life by seeing friends, partying or shopping. There was always someone in their circle of friends and acquaintances who was still worse off. Finnish interviewees, in particular, described their own situation by comparing it with that of a friend who had messed things up even more. In such cases they had been able to advise their friends based on their own experiences on how not to act in that situation or what the consequences would be if they did not act in time.

Our interviewees did not discuss their money problems in their immediate circle, even though their friends might have been in the same situation as they themselves were. If money was discussed, it was talked about at a general level: '*We are all in the same situation*', or '*Young people are always broke*'. Problems with money were talked about only with those persons who were specifically known to be in a similar situation. This made it possible to compare experiences and compete about who was worst off. Indebtedness and debt problems were generally not a popular topic of conversation either with friends or with parents. Money problems would not be matters that one wanted to discuss in a job interview or at the workplace. Some interviewees had not told even their close relatives or their friends about their difficulties. This was a topic that was absolutely banned. However, indebtedness in itself was not a reason to feel ashamed, because debt problems had become commonplace and are no longer unique.

Despite not having planned their financial matters beforehand, the young still did make calculations with respect to their income and study loans. Students attempted to maintain their earnings at such a level as not to lose their study loan or have to start repaying it prematurely. They also knew how to calculate their overdrafts. An overdraft could be made, for instance, if they knew that their salary would be paid on the account within a couple of days.

The interviewees' talk was marked by consumption and their chosen lifestyle. Working, having a job, was also important to them. On the other hand, despite the many students in the sample, there was not much talk about studies. Giddens argues that when one's future is uncertain and unplanned, an emphasis on one's *own* way of doing things can be interpreted as a kind of survival strategy in coping with uncertainty. One is more tied to one's own choices in building one's own future. Issues that

were taken for granted in one's former life (studies, work, family) disappear and are replaced by a calculation of the benefits and losses caused by one's actions and choices. (Giddens 1999, 20-35.) A person's future is determined more and more by his or her capabilities and resources. As a result of the changes taking place in society, there is an increasing demand for such human capabilities and resources and it also takes a longer time to acquire them (Oinonen 2001, 119).

5.2.2 Flexible credit use

A common feature for all interviewees was that they had incurred their debts mainly around the age of 20. It is noteworthy that credit cards had been granted to persons who had been under 18 at the time, who had no regular income and who had never before, up to that point, had to manage their own finances. The youngest one to obtain consumer credit had been only 17. Some of the interviewees had run into debt problems already seven or eight years ago. They had lived with debts for a long time without starting to settle them. At the time of the interviews, however, each one had attempted to sort out the debts one way or another. In the best cases, interviewees were going to complete their debt repayment within a few months from the interviews.

Debts consisted of study loans, credit card loans, overdrafts, unpaid rents and mail orders, and there were a few housing loans among our interviewees as well. Credit card loans had been used to purchase furniture, household appliances, personal computers and entertainment electronics. It was very typical for the young to have run into debt due to having many credit card loans. Finns, for instance, characteristically had more than one credit card loan from the same funding company. Such cases were not mentioned in the other countries – only that young people had several credit card loans. Overdrafts were common among Icelandic and Danish interviewees whereas there were none among Finns, and Norwegians did not mention them either. Although credit companies have increasingly adopted a credit scoring system to evaluate their customers' credit worthiness, there is no system that can control whether a person applies for credit from several credit companies (Peura-Kapanen 2004, 15).

Q: Did you have many credit cards?

A: Yes, actually there were many cards, but because it was so easy to get one. In other words, yes, well, I did have one from Nordea Bank, for instance, or what was then Merita [Bank] obviously, and so there were two different lines of credit. And then there was the Mustapörssi card and, well, which belongs to the same group and then one from Handelsbanken and then an Aktiiviraha card and then at some point a MasterCard again from Nordea. So, at least these. (Finland, M26)

Study loans attracted the most criticism among the interviewees. The amount of the loan was too small, the loan restricted earnings from work to a certain income limit or one had to have a certain number of study credits to qualify for a loan. Interviewees were also annoyed at needing a guarantor for the loan. They had not always reached an agreement with the body looking after loan repayment or with the grantor of the study loan, and had found it difficult to negotiate with them. Issues related to loan repayment were also unclear. These students had not much thought about such things when they took out the loan. A study loan seemed to be something that so automatically belonged in a student's life that they did not spare a second thought to paying it back.

Our young interviewees were well capable of differentiating between the various types of credit. They had asked for and received small loans from their parents and friends in addition to their other credits. Money borrowed from friends, so-called honorary debts, were in an altogether different position as compared to a debt that was being collected by a collection company or a debt recovery office. Loans from parents and relatives were somewhat similar to loans from friends. Money that had been borrowed from friends was repaid promptly and voluntarily, and the collected amount that was necessary was paid only after this had been taken care of. Friends were repaid quickly to ensure that they could be turned to in the future as well. The young were glad to loan money to their friends despite their own poor financial situation. Loans from parents or relatives, on the other hand, would be paid back sometime in the future, but were not deemed urgent. Some interviewees had received no financial assistance from their parents, either because the parents had been unable to help or because the young person had neither told them about his or her problems nor requested to borrow money from them.

When the young were asked about the amount of their debts, they often failed to give exact answers. In this respect there were differences between countries. Danish interviewees gave clear information about their income and rents, debts and instalments already early in the interviews. They talked about money and their money use frankly and touched on these issues in various contexts. Icelandic and Norwegian interviewees also spoke about money, but mainly with reference to rents and prices. When asked they gave the amounts of their debts and salaries. Finnish interviewees, on the other hand, talked about money by means of attributes like *expensive* or *cheap*. It was possible to get a rough estimate of the debt amounts by asking direct questions, but interviewees did not always want to divulge information on their debts. Interviewees would tell their income, however, when given alternatives to choose from. One reason for the overall reluctance to disclose the amounts might be that most interviewees did not really know the exact sums. Loans could be collected by several (even 10-20) different debt collection offices, which made it difficult to form a full picture. The young were not even aware always of

what debts the collection office was actually collecting. The sums had grown huge in relation to the original debt because of various charges and interest. They were much better informed about bank loans and overdrafts and talked more about them.

The interviewees had been informed about the interest rates, instalments and other contractual matters related to credits, and these had been gone through when they had received their credit cards. Yet, few reported having paid much attention. The young obviously had not thought about what these things meant in practice. Even less attention had been paid to such matters if the credit had been applied for by filling in a form or through an internet service. The money had been on their account within a couple of days, but they had not read the agreement through with any outsider. Even those young people who had been studying economics or fields close to economics had not considered credits from the viewpoint of repayment.

Q: When you made that agreement were you quite aware of its content? Did they tell you what the interest was and what the instalments were, did you understand everything you had agreed to?

A: Yes, they explained it, but I never really – even though I study math – understood what the final annual interest rate really was and so on ... they're like a bit obscure.

Q: So they went through those things but not thoroughly enough?

A: Yes, so that in principle, like, they didn't explain to me, for instance, what the amount was, but talked about percentages and terms.

Q: Well, you didn't ask then, or was it such a short meeting?

A: No I didn't ... I guess I didn't ask anything ... well yes, it wasn't an especially short meeting but it wasn't especially long either. So I guess that my attitude was like: okay, this is just one of these things. (Finland, W24)

As a rule, the young were not interested in the potential risks involved in credit use nor did they go deeper into the matter. The easy availability of credit did not make them think about the consequences.

6 Toward credit-based lifestyles

The interview material was approached from the perspective of young people's consumption and credit use, their ways of settling debts and their attitudes to responsibility. By perusing and summing up the data we detected three different credit-based lifestyles. The young consumers representing the first lifestyle are here referred to as *easy-living, pleasure-seeking* youth. The second group is characterized by a *risk-investing* and the third by a *rambling* lifestyle.

The categorization made here is primarily based on the way in which the interviewees spoke about their consumption and credit use. They were simultaneously describing their own lifestyle. Not all the cases were clear, however. On one hand, it was easy to differentiate between an easy-living, pleasure-seeking and a rambling lifestyle. On the other hand, distinguishing between an easy-living, pleasure-seeking and a risk-investing type was difficult in some cases, and the same applied to risk-investing and rambling types. In our sample of 28 interviewees, 12 represent the easy-living, pleasure-seeking type, eight the risk-investing type and eight the rambling type of lifestyle

6.1 Easy-living, pleasure-seeking lifestyle

The youth (12) in the *easy-living, pleasure-seeking* category were the youngest in the sample. Their ages varied between 19 and 27. Two had a full-time job; the others were students who worked alongside their studies. The majority lived independently in a rented flat and four with their parents. This lifestyle type included five Icelanders, four Finns, two Danes and one Norwegian. Seven of these were women and five men.

6.1.1 Carefree consumption

The young representing an easy-living, pleasure-seeking lifestyle talked most about their own consumption, and most of all about the pleasure brought by consumption and about how life had become easier along with greater possibilities for consumption without financial worries. Their own consumption, as they called it, consisted of design clothes, entertainment electronics, mobile phone costs, music, good food, self-indulgence in various ways, partying and travel. Their goal was an easy, comfortable and better life. They emphasized that their choices were motivated by a desire towards a certain type of consumption.

These young resemble the hedonistic type of consumer. What they were primarily after was pleasure. The pleasure they got through consumption and self-indulgence became their normal way of life (cf. Saarinen 2001, 54). They described their life and consumption before indebtedness as follows.

A: Yes, before I got into debt, life was so much easier, you see. You never had to worry, you just had money and ... never had to worry about, you know, making next month's payment. (Iceland, W19)

A: ... I (laughs) just went bananas at the time, right? I was immature, like many young men at that age. There was a high pressure ... well, a lot of friends, a certain lifestyle, there is advertising and marketing — everything, right? And you feel you've GOT to have that mobile phone, you've GOT to have this and that ... It becomes such a stressed situation. And I simply didn't give a shit about the consequences, and there and then only focused on action. I didn't take responsibility for my actions. Still, I don't feel ... it's not only me to blame. After all, I had recently moved to Oslo when it all started, and was supposed to adapt to an entirely new life situation. I was victimized. (Norway, M29)

Young Finns differed from the others in that they were shy of talking about their lifestyle before the debts. It was difficult for them to admit that their consumption had been excessive. Danish, Norwegian and Icelandic interviewees in this group spoke more directly about enjoying consumption and luxury.

A: ... And it started off okay, the payment, but like, well, maybe I was living a too expensive life although I didn't have such a lot of money. (Finland, W24)

A: Yes, it is slightly extreme [in a dormitory environment]. But we spend the money.

Q: I suppose you have a relatively high level of consumption then.

A: Yes we do. (Denmark, M26)

Their circle of friends had a major effect on the consumption behaviour of the easy-living, pleasure-seeking type of young people. Fellow employees were particularly important. These young would spend a large part of their leisure time at the workplace. They did not consider themselves as the only ones to blame; they had just gone along with the stream. It was very important for them to belong to some group, but they talked less about their friends being especially close. They stressed their own choices and their independence and talked about a lifestyle of their own. The interviewees in this group made a distinction between themselves and what they referred to as ordinary people. Since those around them had not changed their consumption habits, these young found it hard to change

theirs even though they were aware that things were perhaps not going in the right direction.

A: Well, it wasn't just me. We were a bunch of people who lived similar lives. We all lived like that. Lots of drinking and fast food and partying and, in fact, drinking. And work. We smoked too many cigarettes. We drank too much and we spent too much money. And we worked too much. And we ate too little and we slept too little. That's how it was. (Denmark, W22)

A: Yeah... yeah... compared to other people my age ... I guess it's just ... I mean, I'm not... there are others, a lot more who spend more. But... also, many who know how to be frugal and I don't know how. Once you've established a pattern... a pattern of consumption as such, then it's really hard to back out of it. So, now I owe... just 150 000 and I've just paid off a credit card debt which I have had hanging over me since this fall and, well ... and I originally got the credit card because I was going on this trip with ... I was in the choir, and then it was naturally ... the point was the 5000 IKR travel cheque, you see. Immediately on this trip, I just... enjoyed... the freedom of having a credit card and... got myself into debt. I don't now, maybe it was connected to the society I was in ... no, it's not the cause of my debt status ... more like a direct consequence ... someone to share it with ... the pattern. (Iceland, W21)

These easy-living, pleasure-seeking youth were amazed to realize that nothing concrete remained of the money they had spent. The spent amount did not match whatever they had purchased – like household appliances. The novelty value of the objects had vanished. Money had gone into *'clothes and something; just some nonsense'* or *'I don't know, I didn't really buy anything'*. Had they purchased ordinary everyday items or had the money just simply vanished? This was not something they had thought about in the consumption phase. They emphasized the freedom that money brought along and their own impulsiveness, but ultimately they missed the concrete benefits they might have achieved with the amount they had spent. Their expectations had been clearly higher. Some said, with hindsight, that there had been no *sense* in their consumption. But on the other hand, they had gained good experiences – only, these were not appreciated afterwards as much as expected.

6.1.2 Conscious credit use

Money and credit use enabled a comfortable life and a certain standard of living. The use of money, or credit rather, among these young was excessive but enabled the adopted lifestyle. Easy-living, pleasure-seeking young consumers had been working since a very young age. They were accustomed to independent use of money, and credit use was just a continuation of the assumed consumption style. Interestingly, they had mainly run into debt when their income was at its highest. At that time they had been able to work more on the side of studying. Two interviewees in this

group had abandoned their studies to work full-time, and so their earnings were much higher than when they were still studying. The young felt they had a right to indulge themselves and to party in order to counterbalance their diligence in their job.

The easy-living, pleasure-seeking lifestyle comprised what these young persons considered important. Credit use made it possible to forget everyday matters and created a feeling that everything was possible. The use of credit increased a sense of freedom: *'It [the use of a credit card] makes you free to do whatever you want whenever you want, especially if you're an impulsive person like me'* (Finland, W27). They noted in several connections how difficult, and uninteresting, it was to reflect over money matters. Life became much more complicated if one had to think about such things. There was also a common understanding among these young that most people had a credit card and a credit card loan. They assumed that only few people managed to get by just on the salary they earn.

Although credit use had been conscious, this group of young lacked a full understanding of credits and were unable to control their credit use. Still, interviewees said they had understood what they had agreed to by signing their credit agreements. They had been able to pay their bills on time before, so they felt there was no reason to doubt that they could manage their credits as well. It was clear to everyone that the obtained credits would be paid back *'in due course'*. These young were not particularly interested in the repayment issue. It was unclear when it was to begin and with what size of payments. When their credits had been granted there had been talk about different terms and percentages, and these had seemed low. The young borrowers were unable to proportion them to the credit they had used up.

The interviewees had had various credit cards, and overdrafts had been frequent. Many had taken out a study loan but had not yet paid it back. Credit card loans had been surprisingly easy to obtain: *'How easy it was!'* (cf. Koljonen 2003, 69). Overdrafts had been inadvertent and easy. And if parents had guaranteed the credit card or loan, there were really no problems.

A: No, I was actually renting an apartment, you know. But, well ... or then I was, like I said, I didn't have any ... I didn't even know that it was that easy to get, you know, an overdraft. I thought that it was a huge issue. But ... but it's no problem. (Iceland, W24)

The numerous credit cards and loans are partly explained by the fact that whenever these young had run into small difficulties they had quickly obtained new credits to patch up the situation. Already at that point they were clearly having trouble taking care of the instalments, but were still granted the credits they had applied for because the grantors had no re-

cord of payment defaults. In this context interviewees used the term *balancing the economy*. They had often done this by obtaining a new, more expensive credit than the previous, and thereby landed into a vicious circle with their credits.

6.1.3 Strictly business

A common feature among the easy-living, pleasure-seeking type was that they had been able to struggle along for a long time with their debt payments. But finally, when instalments began to pile up they suddenly had no money for anything any more. When one debt went for collection, so did the others, and pretty soon collection companies and debt recovery offices entered the picture. The young did not know where to seek help for settling these matters. They had considered turning to the social welfare office, but decided to take care of things themselves without outside assistance. They had negotiated on their own with collection companies, banks and debt recovery officials. Only one young person sought outside assistance and received advice on how to sort things out. Our interviewees stressed their own activity and negotiation skills in taking care of matters. The easiest alternative was to consolidate the debts and take out a bank loan, for instance, and start repaying the debt to one creditor. Those who had chosen this alternative were satisfied, particularly since the automatic payment service took care of things, so they did not have to worry about the debt.

When interviewees spoke about taking care of and arranging their debts, they used phrases like: *'This is strictly business'* or *'now let's get this thing in order so then it'll be in order'*. Debt arrangement meant taking care of business; repayment in itself was not of much interest. The main thing was to get it over and done with quickly. It may be that the idea of *business* distanced the issue for these young and they did not have to think or fret about their failure. A business does not involve emotions and can be taken care of automatically – for example, through a bank payment service. Interviewees were, in fact, very happy about the payment and online services of banks. The portion of a salary or study loan that remained on their accounts after a direct charge was then available to be used for leisure-time expenditure. Despite the many problems, the pursuit of an easy life again emerged in the talk of these interviewees in this particular connection.

The above experiences did not cause any change in the money use of the easy-living, pleasure-seeking type of young. They lived on a smaller budget only due to outside pressure (cf. Wilska 2002, 194). In the case of a few young women, however, the boyfriend had taken a critical attitude to the girlfriend's money use and debts. This had had a dramatic impact on their consumption. On one hand, the girlfriends saw it as a form of support, but, on the other hand, they found it somewhat oppressive. Over-

all, when there was more money around, these young used it without much consideration. When they were partying, for instance, nothing was too expensive for them, but in the grocery store they might compare prices and look for ways to save in food expenses. In this lifestyle there was a marked difference in the way interviewees talked about food before and after debt problems. Their food expenditure had changed substantially as compared to the time before indebtedness. Previously they had frequented restaurants and fast-food outlets. Now that there was less to spend, they would save money by shopping at discount stores. Yet, they felt oppressed by constantly having to compare prices and count to see if there was enough money to pay for their shopping – and occasionally the situation got out of hand (cf. Koljonen 2002, 60).

A: Then this stinginess comes up in the most ridiculous things, so that when I'm shopping like I go out of my way to find the kilo price of macaroni ... Then if you go out somewhere you can buy expensive drinks and things. (Finland, W26)

A: No it is not so much the lifestyle. I am not an extravagant kind of person, but sometimes I see something I have to go and buy. It more like a shopping syndrome (laughs). It is not that I have a lot of clothes, but I do have a lot of books and CDs. I like to buy luxury foods and that kind of stuff. I have to avoid that. As my boyfriend says, it is a limitation in our life that I don't have any money. Then we can't go out much and we can't go to the cinema and the theatre. Then he has to pay. It is not that he isn't willing to do that. But I don't want it to be like that. I don't want to be a parasite sucking up his blood. I don't want it to be like that and sometimes I feel that way. It is not particularly funny. (Denmark, W22)

A: Not really. It varies. I generally spend more on food when I receive my salary, and less at the end of the month when money is scarcer. Then there are things that I can't afford. But to me, purchasing food and cooking add quality to life. I'd rather spend money on food than on a night downtown, to put it that way. Having friends for dinner and things like that. I'm not a party guy any more. It's more like visiting coffee shops like the one we're in now, and to have a pint after working hours and then go home. I don't drink to get drunk any more. It happens very seldom. (Norway, M 29)

6.1.4 Initiative credit arrangements

For the easy-living, pleasure-seeking type of youth, acting responsibly meant taking the blame for running into debt and assuming responsibility *themselves* for putting things back in order. It was everybody's own duty and responsibility to solve their problems (Bauman 2003, 255). The young felt it was important to take care of things independently and to cope. Responsible actions included cancelling their credit cards on their own initiative, changing residence (= lower rent), obtaining an extra job and altering their consumption habits. What was considered most difficult was changing of established consumption patterns. Even though these

young people were annoyed about the uncontrollability of their consumer credits, they did not blame any other party but themselves for the situation. They took the blame for their reckless money use, but felt that they had already received some sort of punishment for it. Life was difficult in all aspects, and choices had to be made daily as compared to previous times. They now had to ponder over their money use. They no longer used any credit cards and some had a registered payment default which would affect their life for yet a few years to come.

A: I feel like I want to fix my life myself. It's like ... I wouldn't feel like a grown-up if I'd let someone else pay my debts. I'd like to take responsibility for it myself, and solve it on my own. (Norway, M29)

A: Yes. So, you know, you ... at least I've made some drastic changes in the way I think about money and expenditure. (Iceland, W24)

Q: But you find it important that you yourself take care of these things?

A: Yes, maybe it'll make me feel better. (Finland, W24)

The young felt a sense of shame in front of their parents, but their own initiative and independent debt arrangement lessened that feeling. According to Erola (1997, 61), it is not the debts themselves that cause shame, but perhaps more the disappearance of all the features of a comfortable life. Indebtedness and payment defaults were topics that these young interviewees usually preferred not to discuss with other people. These were not a secret, but neither were they very willingly brought into the conversation. Interviewees were annoyed at the state of affairs, but it was useless to feel remorse because that would not help to sort things out. One of the interviewees remarked that it was pointless to talk about morals as long as the debts remained unpaid. Afterwards the young debtors reflected that with a slightly slower *consumption pace* and with more consideration, their debt burden might be smaller than it was.

A: Despite the expenses I don't regret anything. Well, maybe I regret the VCR. It should have been a different one. And maybe I should have gone to another store. The computer ... because my boyfriend is a computer technician, I haven't paid the full price for it. It has to do with connections. (Denmark, W22)

A: No, really, you know, I realize that people are understanding but still, somehow ... I don't know how to explain it. You see, people, people don't see anything wrong with it. I haven't encountered anyone who has seen anything wrong with me being in debt. But I feel that I could have, you know ... been less in debt, if I had just done things differently. (Iceland, W24)

Although interviewees did not blame anyone else for their indebtedness, they later pondered over the responsibility of the credit grantors in grant-

ing credit cards, the overall attitude to overdrafts and the operations of the collection companies. Some concluded that they had been cheated somehow, because they had run into financial difficulties out of a lack of judgement and had not really had a need for such big overdrafts or credits as they had been offered. The young also wondered about other alternative ways of settling their debts. They called for the responsibility of parents to teach their children to take care of financial matters. Moreover, they acknowledged that the media had a role to play in young people's payment problems by promoting consumption-friendliness in society. Young consumers were also critical of the ease of obtaining credit. It would not have been a bad thing if they had not been granted any credit. None of the pertinent parties had raised any objection along the way, although in some cases it would have been welcome (cf. Koljonen 2000, 48). Still, interviewees were not very strict about easy credit since they felt that certain groups of people, such as youth, had to have an opportunity to apply for and get credit. The underlying thought here was probably that since they themselves had not known how to use the credit they had obtained, they were not in a position to blame others very harshly. Everyone was responsible for him- or herself. If the inability to manage one's own limits grows too great and one is unwilling to assume responsibility, then outside instructions are desirable (see Lehtonen 1999, 212).

A: Well, yes ... I am not running away from my responsibility. I have made my choices — the choices are mine. But I do feel that there was a lack of limits. A 20-year-old young man is immature when it comes to these things. I had just moved on my own and I didn't have the faintest idea about money. (Norway, M29)

There was a serious worry among these interviewees about the future and whether they would ever be able to control their finances. They tried to take a strict line on their use of money, but every now and then things would get out of hand and they would lose their self-discipline.

6.2 Risk-investing lifestyle

Risk-investing young people (8) could be characterized as investors. They were aged 22-29 years, in other words, a little older than the previous group. They studied and worked at the same time slightly more often than the easy-living, pleasure-seeking young. There were also those who worked full-time. The representatives of this lifestyle included five Icelanders, two Danes and one Norwegian, two of them women and six men.

6.2.1 Credit use as an investment

A consumption-centred life emerged also from the talk of risk-investing young people. They sought pleasure into their everyday life through consumption, but not as emphatically as in the previous group – nor was pleasure the only reason for consumption. The risk-investing type included young persons who had spent very little, for instance, on leisure-time expenses. Consumption was in some sense more goal-oriented and there was a utilitarian aspect to it. In contrast to the previous type, these young had given a little more consideration before buying something on credit and made comparisons between different types and models of equipment but also between interest rates and prices. They had used credit to purchase mobile phones, personal computers, household equipment, entertainment electronics and bicycles. The items that had been bought were fairly expensive and had a certain monetary exchange value. Some of these young had, in fact, for various reasons resold items they had acquired. There were more young people in this lifestyle type who owned a flat than in the other groups and who had taken a housing loan for it. A few had invested in stock and some had studied abroad on a bank loan.

These young consumers had plans for affluence and a better income, and a desire to seize new opportunities. They, too, talked about their own consumption style but did not emphasize it like the previous type. Even if their consumption style was *expensive*, they felt they could afford it. It was common for these young to grow tired of routines, both with respect to investing and in their job. They would look for higher-risk investments or, when they felt they could master their duties at work they wanted to try something new. In describing their lifestyle they used phrases like '*have to try something new*', '*had to have something new*', '*just for fun*' or '*don't want to get bored*'. Those who had used credit for studies abroad or for travel said they had invested in themselves and in their own future. They considered the experiences they had gained as valuable, as having utility value in the future.

A: Anyway, I have always had an expensive lifestyle. I have always been careless with money. No, not careless. I have always made sure not to have money available. If I have any money available it turns out badly. One day a couple of weeks ago I had managed to bring my account to plus 300 DKR. Consequently, I had to go out and buy a new bike and a telephone. I can't handle it if there is available money on the account. So "bang!" now the balance is minus 9000. (Denmark, M 22)

A: I am 27 years old. I've never, really ... been buying a house, been buying a car, never had a car. Never, well ... been spending money on consumption, but more what people call investing in the future, investing in a degree and experience and such kind of gives me something... (Iceland, M27)

The influence of the circle of friends was weakest among risk-investing young people as compared to the other types. They did not talk about their friends affecting their own consumption. They had a social life, good friends and buddies with whom they would hang around and spend their leisure time. None of them mentioned their friends' consumption as having had an impact on themselves or other people's consumption as resembling their own.

These interviewees had had consumer credits before and had paid them back without problems. Thus, they had previous experience of credit use. They were conscious of the risks they had taken in making investments and consumption decisions. This was especially the case with young persons who had their flat as collateral security. Apart from risk-taking, these young could be very prudent and careful in making long-term purchases. Although they had a lot of debt and had it tight financially, they did not see themselves as being in difficulties.

6.2.2 Calculative and gambling, but risk-conscious credit use

Young consumers of the risk-investing type had used different types of credit such as credit card loans, study loans or overdrafts, or had taken out a bank loan for a specific purpose. Credit card loans were less common than in the easy-living, pleasure-seeking lifestyle. Interviewees had tried to attain wealth by buying flats, stocks and by investing into their own education. They had taken out credit card loans to buy personal computers or entertainment electronics. Besides housing loans these young consumers had obtained consumer credits which were the actual cause of their payment problems; but as far as they themselves saw it, they had things under control. They had been able to take care of their consumer credits more systematically than the other groups. It was clear to them that the credits had to be paid back. Many who were repaying a housing loan did not conceive it as a debt but as a financial investment in the first place. Debts had started to pile up and payment problems had emerged due to some outside event or due to a lack of control over their own consumption. The reason, according to these young consumers, was that they had not been able to change their consumption style before it was too late, even though they had less disposable income due to debt management charges, for instance. The talk of interviewees in this type reflected a wider knowledge of financial issues. They were better aware of the effects of the overall economy – such as changes in interest or exchange rates – on their own personal finances, because they had previous experience of these issues.

A: Yes. And when I got my own flat I didn't manage to scale down my consumption. I just carried on as before. After some time, I started postponing claims, I postponed even more payments, it became quite complex and hard to control, and

all of a sudden I had too much debt. At that point it was all too late. (Norway, M25)

A: ...but I suffered ... or more like changes in interest rates caused me great difficulties ... astronomical difficulties. When I went abroad, the rate was ca. 70 USD, i.e. the dollar was 70 IKR. During my third year it had reached almost 110 and really you were unprotected against that ... because you still need the overdraft just like if you were going to school here in Iceland. It [the overdraft] is naturally in IKR ... so that was rather unfortunate for me. I had to pay, eventually I paid one year, which is 1.8 million IKR, one year out of four... (Iceland, M27)

A: Yes. Some time ago one of my friends and I got really hooked on the stock market. We wanted to try something new. When I came over here I took a loan of 30 000 to buy some stocks. However, after the 11th of September they have not been doing so well. So now I'm trying to convert it to a state-guaranteed study loan because the interest is quite a bit lower. It is a third of the price of a bank loan. (Denmark, M29)

Risk-investing youth were also surprised at how easily they had been granted their credit cards and credits. They had even given more consumer credit than they had applied for. They felt they were well aware of what they had agreed to. In fact, when someone applies for a bank loan the bank representative normally goes through these matters quite carefully with the borrower and they also discuss the various repayment alternatives and interest rates.

Q: So the bank was willing to lend you 30 000 but not 45-46 000 so you could buy the stocks you really wanted?

A: It was 17 000 more than the amount I had originally asked for. So it is not that I don't understand him. After all I am only a student. I don't have anything that would serve as security. I don't have a house.

Q: So he wouldn't have mortgage on the property?

A: No he wouldn't. I understand him but I was annoyed at the time. (Denmark, M29)

These young people were very familiar with information technology and used online banking services and the automatic payment service as did the easy-living, pleasure-seeking young, and were thereby able to save money by not going to the bank. The service they had received at the bank had been good for the most part, and many had a designated bank clerk with whom they negotiated. If things had not run smoothly, these young people had moved to another bank.

Although risk-investing youth did financial planning, they failed to manage things like bookkeeping in the longer term. A few of them had tried to write down their expenses and monitor the payment dates of their bills to be able to prepare for them. These young consumers usually knew

how much money they had at their disposal and how much of their credit they had used. Their finances were seemingly under control. They often made calculations to see how they could purchase some item they had seen. They considered themselves aware of the potential risks and consequences of their actions.

A: Well, of course, I figure out how much money I am sure to earn every month. On the basis of that I have taken out those loans. The problem is ... I have always done that and it has never caused any trouble. For instance, if I knew that it would be impossible then I abstained. Nevertheless, I have always been in a very, very tight economic situation. If I figured out that I was able to pay the instalments, then I did not use the excess money to pay back on the loan. Any excess money was spent on everything else. Maybe you have 2000 DKR standing on your account. You really want to buy something that costs 2500. In that case I don't hesitate to spend the 2500 even though it stretches the cash credit account well above its limits. I have often done that. (Denmark, M 22)

A: Yes. I have calculated what I must save each month to be able to cover these necessities. I have a special account for that purpose. (Norway, M25)

The risk-investing type of young gambled at the expense of their own economy. They calculated by either adjusting their income level so that their study loan would not be cancelled, by keeping their account at a minus balance so that it would not incur extra charges, or by prioritizing their instalments and payments so as to avoid new problems. These were things that one had to be very careful with. As Lehtonen (2000, 222) pointed out, today's hedonism can be very calculative indeed.

6.2.3 Negotiating and customizing

Risk-investing youth had managed to cope with their debts by means of extra jobs, assistance from the parents, readjustment of debts, major cuts in expenditure, and additional income from renting their flat. For these young people – as for the easy-living, pleasure-seeking type – the hardest thing had been changing their consumption habits. It was hard to accept that they no longer could have everything they desired. They had to concentrate on tightening their belt. They had negotiated with the bank or with collection companies about instalments and interest rates, and modified their payment schedules more often than the other groups. If their repayment schedule, work situation or interest rate had changed, causing them problems, they considered it to be because of the risks they had taken. Risk-investing young consumers would sometimes create repayment models of their own that corresponded to their life situation, but as a rule they strove to follow the rules laid down by the other party.

A: So I, that's something my father taught me, you know, that ... if you owe money, you know, always go immediately and negotiate. And... and, well... and I did, like one time when I owed ... about 50 000 IKR in taxes, which was a huge amount for me at the time, you see. And I went down there and... and just negotiated. And that was just, "no problem, how would you like to ... pay it?" And I think there are a lot of people out there who don't realize ... that you can go, you know, if you show some effort in trying to negotiate ... that it is possible. (Iceland, W28)

Debt repayment had no marked effect on the lifestyle or money use of the risk-investing type. Maintaining a certain façade was more conscious than among the other types of young. They would sometimes have less, sometimes more money at their disposal, and in the latter case it was spent like in the time before indebtedness. They tried to avoid expenses, for example, by cancelling their insurance policy or by giving up their internet subscription or telephone (not the mobile), by moving to use text messages or buy less expensive food. Most of them had tried to keep a record of their expenditure and plan a budget, but this never seemed to work in the long run. They found it difficult to recall their expenses, especially if they used a cash card.

6.2.4 Responsibility and self-reliance

The sense of responsibility of the risk-investing young led them to change their operating patterns. What they considered responsible actions resembled those of the easy-living, pleasure-seeking youth. Risk-investors started to shop at discount stores, reduced their consumption and tried to be economical. They took the initiative themselves to look for easy solutions to get their economy in order. They did not involve their friends in their problems. Although these young may have told their friends about their payment difficulties, they avoided borrowing money from them. Only in an extreme case would they turn to the social welfare office, but fortunately the risk-investing type of young had not been compelled to do so. Yet, many of them had considered it but concluded that they would cope on their own. They had been active in solving their problems by making inquiries and finding out about things. One could be less responsible when one was young than after setting up a family, was a view that came up in some of the interviews. Even though these young had ideas and plans for better income opportunities, the absence of other plans left their future open. The future looked largely uncertain. Everything depended on when one would complete one's studies, whether one would find a job or keep one's current job, and how debt repayment would proceed.

What was more apparent in the interviews of risk-investing young than the others was their confidence in their own ability to get along and take risks. The interviewees talked about coping or managing in various connections. Alongside this they spoke about succeeding in the eyes of others, about other people's perceptions of their success or, specifically,

the success of their investments. They found it important to be self-reliant and independent. In other words, they did not want to borrow money from friends and would do so only in an emergency, but neither did they want to depend on their friends' help in other matters. These interviewees felt that the way to get things going was to make plans and finish whatever they had once started, not to stay at home waiting for something to happen. They stressed one's own responsibility in solving problems, and overall self-reliance – *standing on one's own two feet*.

A: It's just us, I mean we're the ones who... you know, are in the game, you see

Q: Yes. Exactly.

A: And how we play it is just up to us. (Iceland, W26)

Q: You don't spend ... more ... than you can afford? Don't usually ... spend?

A: No. No, usually ... yes, naturally I'm in a different situation now than I've usually been in. But ... yes, yes, sometimes I buy things I can't afford but then usually something else suffers, maybe I can't ... buy what I want ... what I want to eat or ... vice versa, you see, I mean, you know, it just ... naturally you can't get [everything] what you want, you see ... (Iceland, W28)

Q: What exactly did this down-scaling of consumption mean in your case? What did you have to give up?

A: You have to put restrictions on everything you do, buy, or potentially want to do or buy. And ... well, you get worn out, it takes a lot of energy.

Q: What about food?

A: Not a very big problem, really. Food can be expensive, but need not be so. It depends on what you buy. So it worked out fine.

Q: So you go for cheap foods?

A: Yes. I have to be focused. (Norway, M25)

These young people admitted feeling ashamed, but only in front of their parents and friends. They doubted whether their parents would understand them. The parents had grown up in a different kind of environment. They, too, had debts which they, for their part, were trying to settle. On the other hand, the parents gave assistance and support to those young who had asked them for help. Risk-investing young did not feel shame for having run into debts and payment problems. To the contrary, many were proud of having been able to cope in an economically situation.

6.3 Rambling lifestyle

The young people (8) representing what we call a *rambling* lifestyle were aged 22-30 years. This category had the highest number of interviewees from the oldest age groups, and they had had payment problems the longest. They also lacked a professional education more often than the other interviewees. It was common for them to have tried out several schools or jobs; some were still looking for their own field. Many had left home at a very young age (15-16 years), after which they had attempted to manage on their own. The rambling type included young persons who, besides having difficulties due to their own credit use, had added to their problems by guaranteeing and paying other people's credits. This category included three Norwegians, two Icelanders, two Finns and one Dane. Three were women and five men.

6.3.1 Credit use as a necessity

Consumption among the young in this lifestyle type was characterized by a lack of reflection and partly by impulsiveness, and by what they later realized had been "*stupid decisions*", as they themselves put it. The young in the previous categories spoke about consumption itself much more often. Although consumption was important for these rambling young consumers as well, they did not place such a strong emphasis on the pleasure derived from it. When they talked about consumption it was more about buying things that they considered *necessities*.

Consumption did not figure in the talk of these young as something clearly differentiated, but it emerged occasionally in their conversation. When interviewees in the other two categories described their life before getting into debt, they linked consumption with it. The stories of the rambling young, in turn, differed from the others in the sense what they told was primarily their life story, and consumption was somewhere in the background: they spoke about their numerous changes of residence, schools, and ended relationships with girlfriends or boyfriends. The story resembled a kind of curriculum vitae (cf. Kortteinen 1992, 94).

The circle of friends of these young were dealing with similar problems. Relationships with friends emerged in their talk as closer and more confidential than among youth in the other two lifestyles. Social relations were important to the rambling-type young. They were loyal, generous and honest with their friends. This, for its part, made the situation easier to bear and gave them strength in the midst of difficulties. With friends they did not run into unpleasant situations in cafés, for example, where they had to handle money. These young people trusted their friends. They were also somewhat credulous. The interviewees in this group had characteristically run into debt for something that other people (friends, co-habitants) had done. Some whose debts had been incurred due to a mobile

phone had either loaned their phone to a friend or opened several subscriptions for friends who had then failed to take care of the phone bills. There were also those whose co-habitant had made purchases in their name, at the same time as they themselves were trying to settle their debts. Despite having been treated badly, these young people did not blame anyone else but themselves.

Many rambling young consumers lacked a clear goal in life, something to pursue. They might have an idea or a dream about what they would really have wanted to do in their life. Either they had tried many different alternative fields or just felt that they were actually unable to do anything about things; they could only talk about them.

A: I did not find the future very promising. I must admit that since I finished school after 10th grade in 1998 I have not been sure about what I wanted to do with my life. I don't think it's something you should blame yourself for. I am still young. I am only 22. If I didn't try these things now I would have to do them later on when I get old. And that would not be very clever. So after all it is better to try it now. (Denmark, W22)

Interviewees in this category had worked in periodic jobs more often than the others. Their employment contracts had been short and many had an evening or a night job. They had sought permanent employment but had not succeeded.

6.3.2 *Consumer credit as a supplementary resource*

Like the other types of young consumers, those who led a rambling lifestyle had been quite carefree – even reckless – in their use of consumer credit. They differed from the others, however, in that they had had less resources, less income, at their disposal from the very start and lacked the support of their childhood home. Many of these young never even intended to pay their mail orders, for instance. They had based their choice of credits on miscalculations. Their fairly large debts had been accrued by relatively small purchases. Once the situation had grown very bad, some of them had applied for more credit through a mail-order firm. Rambling-type young consumers had spent their money on expenses that belonged to normal everyday life. The credit card loan had enabled them to buy something they could otherwise not have afforded. The mobile phone was one example of this kind of necessity; it was a way of staying in touch with the surrounding community. They had also used credits to buy household equipment such as a washing machine or refrigerator.

A: Well, how did it begin ... yes, well, almost immediately I took out some credit, had to get a washing machine or a TV set home. And then, for the short time, I studied in between ... well, I took out a study loan. Luckily only one, so that I didn't manage to take out more. Had to get money for those kinds of generally ne-

cessary things, and then a little to live on, of course, since I had got used to having money available so then I really didn't know how to be without it. (Finland, M25)

A: Well, why do people do things like that? I think it has got something to do with a need for money. You get an irresistible offer, thinking that you cannot take care of the bill. Still, you can get it at that very moment. I really wanted that phone! I wanted a mobile phone, too. So I thought: I must have a phone. And now I can get it. But can you take care of the bill? No ... impulsive purchase ... you end up not thinking about it ... This is what happens every time I order something I cannot afford. I develop such a need for it, I let it totally control my head ... You get kind of desperate from never having money, always being broke. Take clothes for instance. I have not had money to buy clothes in ... well, a year or so. Then I was offered [the opportunity] to buy clothes through the Hennes & Mauritz [mail-order] catalogue, paying nothing now but more later. So I bought cheap bras and things like that. I think I ended up paying about NKR 1500 for each of them. Very stupid prioritization. (Norway, W29)

The debts consisted of study loans, unpaid rent, phone bills, magazine bills, mail orders, credit card loans, overdrafts, and car and housing loans. Life meant steady indebtedness in all directions. The debt burden had grown because many of the rambling young had a study loan to repay for unfinished studies. The share of costs incurred by unpaid debt management charges was high compared to the original debt. These young had many years of debt repayment ahead of them, since the owed amount was high in relation to their income. The debt capital was not reduced by the small instalments paid, so what the young were actually paying were largely interests and collection charges. A few of them had discovered that they could pay off their debts in order, one by one, and by doing so could get some debt wiped off altogether. They would then proceed to pay the next one off instead of continuing to pay charges for all the debts, while the overall debt situation remained unchanged. This option had not been suggested by the collection companies, but these had agreed to the arrangement on the young debtors' suggestion. Debts and payment defaults had caused more trouble to these young in their everyday lives than to the two other types. It had become difficult for them to rent a flat. They were unable to open a mobile phone or an internet subscription in their own name. They could no longer take a study loan nor were they able to obtain a credit card.

These young persons also saw their own behaviour as the reason for their indebtedness, although they did not emphasize this as much as the others. Rambling-type youth had, in a way, drifted into the situation by acquiring things they regarded as necessities, although some of them had no intention of paying their debts back. A few of them had expected some pertinent party to prevent such easy getting into debt and *playing around with credits* (cf. Koljonen 2000, 48).

A: When I was living in northern Norway and started working, I rented a flat. And I needed some furniture and borrowed some money for that purpose. I could wash my clothes for free at the bakery, but I found out I needed a washing machine. And I needed a fridge. It was like: buy now, pay in four months. So I tried so save money up to that point, but I didn't make it. So I started to pay monthly fees. That worked fine. And ... well, I have done it twice, in two different shops. Buy now, pay later.

Q: Furniture and ...

A: Wait ... three items. I borrowed money for the furniture from the bank, and then I bought a washing machine at Ideell and a fridge at Expert.

Q: Three items.

A: Yes. So when I moved here ... money became scarcer but I could manage even though I earned less and had to pay a higher rent. Then we had a hotel strike for five weeks, I was without money for five weeks, and that ruined everything. I knew I shouldn't do it, but I did it anyway and got myself an additional loan. I needed money. After that everything went to hell. I couldn't pay my bills. And I didn't tell anybody. Everybody thought I was all fine. (Norway, W25)

These young differed from the others in that their worst debts had been caused by an external factor, even though unpaid bills had piled up as well. Such external reasons included occurrences at the workplace that were beyond their control – a strike, a bankruptcy – which had then led to an unbearable situation with respect to their personal economy. In four cases, the situation had been triggered by breaking off with one's girlfriend or boyfriend, followed by numerous changes of residence. Major payment problems had also arisen due to illness; either the young person him- or herself or somebody close had fallen ill. Indebtedness in this group had grown even worse due to exploitation: others had taken advantage of the gullibility and naïveté of these young people. As their income was small and irregular, it was not possible to prepare for those kinds of surprises.

6.3.3 "A total mess"

When debts had piled up and it would have been necessary to start settling them, the rambling young had at first been indifferent about such matters. Whereas the two other groups talked about having put off their debt repayments, the rambling type had not cared about them at all. This kind of situation could continue for years, but generally lasted only a couple of years (cf. Koljonen 2000, 49). These young neither opened the collection letters nor contacted anyone in order to straighten things out. Collection letters and debt recovery procedures did not necessarily even reach the debtors because of their numerous changes of address. Finally they, too, had to start to unravel the situation, either on their own initiative or with assistance from others.

Q: You get letters from your creditors?

A: Yes, I do, and I wonder should I answer them or should I just pretend I don't exist?

Q: And what do you do upon receiving such a letter?

A: Well ... I ... well, I say to myself that I must open everything that comes into my mailbox. In some way or another it must be beneficial in the long run. But ... no, I file these letters in my archive. But this represents progress, you know. Before, I didn't even open such letters. I simply didn't want to know. But now I have decided that all letters must be opened, if for nothing else in order to file them in my archive.

Q: So you just file them?

A: I do.

Q: For how long did you avoid opening your mail?

A: Oh, for years on end. Between 1996 and 2001 I refused to face reality. But now I have changed, and I realize it doesn't work not to open my mails because these problems don't get solved by themselves. I don't know if not opening one's letters is equal to bad intentions. It's just that I don't want to think about things that I haven't got a chance to solve. A defence mechanism, I guess. (Norway, W29)

Debts had depressed these young people more than those in the other types. This depression had even affected their ability to take care of everyday matters. Two young persons had fallen gravely ill, and one had tried to solve the situation by attempting suicide.

In many cases the efforts to settle the debts had been quite random. These young debtors had approached their creditors by e-mail, by letter or by telephone. For many, the whole process was quite hopeless. After years of evading, they no longer remembered how big their original debt had been – it had grown into a huge sum – and they found it difficult to negotiate with several parties at the same time. They often failed to sort things out in a satisfactory way, which only increased their annoyance (e.g. Koljonen 2002, 52). At that point their capacity to pay the next monthly instalments was put to the test. Those who had been able to negotiate sometime earlier with the debt repayment office had the courage to contact them again for negotiations in this new life situation. The rambling-type young had frequently negotiated with debt recovery officials and collection companies, since they had not always been able to follow the agreed repayment schedule or instalments. Two young persons in this group were totally unconcerned about paying their debts; they had no plans whatsoever for repayment. The idea they had in their mind was that debts did not have to be paid back at all. One of these two did not accept even the whole concept of a *debt*. The other one had been taken seriously

ill and had, therefore, been incapable of taking care of things. Both had a deep contempt for society and collection companies. They failed to see any particular reason why they should pay back their debts.

The young representing a rambling lifestyle had no idea of how to take care of debt matters or where to look for information on how to solve their problems (cf. Nykänen 1995). At first they were very alone in trying to struggle with their payments. They could put matters off for years before taking them up again. What made the situation easier, in a way, was that many in their closest circle of friends were in a similar situation. The neglect to settle matters may have been affected by the fact that others had also failed to take care of things. The young were caught in-between: even when they had tried to settle their debts and sought help from the outside, their debt had either been too small or their situation had not yet grown bad enough to entitle them to external assistance in debt adjustment – not to mention financial support. Yet, they were in need of help and the situation was surely bad enough since they were finding it hard to make it through everyday life. It was frustrating to be advised to '*come again if your situation gets worse*'.

Unpaid bills would keep *popping up* even after a long time. The young debtors had believed that some matters at least would have become time-barred. They were faced with many rules and procedures they had had no knowledge of. Moreover, procedures varied depending on the creditor. The repayment of a study loan, for example, involved problems. The young either did not recall or did not know what had been agreed earlier about loan repayment. They had not understood the messages they had received and were unaware of how much they would ultimately have to pay.

Q: How much do you owe the government fund?

A: 20 000, 23 000 – at the most 25 000.

Q: Altogether?

A: Yes, in total. Actually I am not sure I have to pay everything back. I don't know. I received an annual report recently which I did not understand much of. I was supposed to pay some of it back. Some of it I did not have to pay back. And then all of a sudden they send me a giro form for 5000 DKR. I thought we had an agreement about a monthly payment of 200-300 DKR. So now I have written them a letter and I have sent them a mail. I ask them why they all of a sudden have to send me such a huge thing. The second month after I started at the new job I paid 500 DKR because they have been bitching about it all the time. So now I really want to clear this out and understand what is going on. I have told them that we should make a new agreement if that is necessary. Then we simply have to agree on a new amount, for instance 300 DKR a month. I would like to get it off my chest. I am tired of hearing it all the time. (Denmark, W22)

A: Well, I follow the arrangements made by the social security office. I transfer money every month to an account, and the creditors get their share.

Q: The bank transfers money to each of the creditors?

A: Yes. It is to my advantage. When I was in court ... I really didn't understand what was going on there, I just felt very bad. I just wanted to break down in tears. So I didn't manage to speak many words in front of those gentlemen. I just told them yes, and accepted that everything was my fault. And then: You have 14 days to clear your debts. I said: What?? I am in no position to do that. So I said I'll pay a little each month, and apparently they accepted. I didn't understand what was going on there. (Norway, W26)

A: I didn't ... when I was talking with them, I said they had sent such a huge number of envelopes ... so I said that couldn't you just lump all these together? That I'd start to pay one debt instead of this or that one separately. And so then I even paid something. But when they started sending more of them [envelopes], well, then this repayment stopped again, I thought: okay, I won't pay you anything then. Since you seem to keep on sending more and more of them, why should I start paying you. If they are first lumped into one bundle and I'm paying that bundle, and now suddenly, they're sending something else to me. So I'll hardly any longer ... so I figured: okay, then. That they [invoices] will lapse in time – but, oh no, they won't. (Finland, W28)

The young debtors attempted to pay their debts, but it was difficult or even hopeless to keep updated with so many different debts. They tried to reach an agreement with their creditors and looked for a solution they could stick to. It was hard for them to settle a debt because they did not always understand what it was about. The only thing which was quite clear was that they had no money but, nonetheless, had to pay their debts back one way or another.

6.3.4 *Too much, too young?*

It was interesting to follow how the sense of responsibility of rambling-type young people had varied in their different life phases, as expressed in their talk. They had moved away from their childhood home quite early (at the age of 15-16) to live on their own. A few of them had been assigned a fairly responsible job in relation to their young age. Furthermore, some had had to manage things independently and assume responsibility while still very young, as a result of some change in family circumstances. They had had a strong sense of responsibility at that stage. Then something had occurred in their life, and a new phase had begun which had led to indebtedness. It had been a period of indifference – *'I just hung around'*. They had drifted along from one school or job to another. Interviewees did not give a straightforward explanation for the change or what had made them so indifferent. They may have been exhausted by their overbearing responsibility at a young age – or it may be that they had not been encouraged or rewarded for their input at home or in their job. Some

were disappointed at having had to push their own aspirations into the background in order to look after their family members.

When debt settlement had finally begun, many of these young strove to attend to them very responsibly. Yet, matters were frequently very hard for them to deal with and, therefore, some of them did nothing to sort things out. A scanty income combined with unrealistic payment schemes increased the sense of hopelessness among many debtors.

The change in the talk about money and consumption before and after indebtedness was most striking in the rambling type. The problem period was marked by new debts here and there, and by a sense of indifference and a search for one's own place in life. They talked about money and consumption quite vaguely. Some had followed the example they had got from their own home and simply left their bills unpaid. Then, when they had managed to sort matters out, the content of their talk changed: they began used various economic terms, spoke about different forms of interest, made comparisons between them and estimated the effects of instalments or bills on their personal economy. They had grown more aware and tried to keep up-to-date with their financial situation. They had the will to get everything in order – but they also had the least resources to accomplish that. They had learned to be patient and proceeded with small steps. It was tough, and everyday life was a constant struggle for survival. They had to reconsider their money use and consumption on a daily basis. Food was a necessity – they would prepare it themselves and shop at discount stores. They had to think twice if they wanted to buy clothes. Assistance from parents, relations and friends was, indeed, very welcome.

Even though the payment morale in the rambling type was not as strong as in the risk-investing type, yet these young debtors had at least *made an effort* to pay their debts back. Other people's actions had a very notable effect on their payment morale. If they had somehow managed to negotiate and agree on things with the opposing party (creditors) on a repayment procedure that took the debtor's viewpoint into consideration, their attitude to payments was positive. If this had failed, however, these young would simply not care and left things as they were – until the next time they would pull themselves together. They would slip from their obligations every once in a while, but showed no understanding for others who failed to take care of matters in relation to them. Those who had rented their flat to a roomer were deeply disappointed – in their role of landlord or landlady – if their tenants did not pay the agreed rents on time. This also influenced their own efforts to handle their debts properly. Like the easy-living, pleasure-seeking young consumers, some of the rambling-type debtors had considered other options for settling their debts. As examples they mentioned debt payment in kind, by working for the creditor instead of paying in money. The further suggested payment

of smaller debts directly to the creditor and bypassing the collection company that was collecting the debt from them.

Like in the other two types of lifestyle, rambling young regarded it important to get things in order by themselves. These young had been depressed by their debt burden; the situation had sometimes been desperate and they had not known how to act. Their talk was marked by a similar ethos of coping and survival as found in the study by Kortteinen (1992, 92). They had to learn to make it in the market and hold their own. This brought along a sense of success and pride in having pulled through, even though at times the whole world had seemed to fall down on them.

The situation had been worst for those who had not been able to pay back any of their debts and had been gravely ill at the same time. They had already been partly excluded from society, and saw no chance of making it on their own. Whereas some had attempted to change their ways, others had developed a kind of ideology of their own for not making it in this society. They were contemptuous of all authorities. Though they were badly in need of outside help, they had no idea where to find it. With the exception of two interviewees, all the others in this group had had dealings with the social welfare office.

A: Like I was saying ... my concerns have more to do with how am I going to live and what's ahead of me rather than the loans, which aren't that important debts. But ... you know, my line of business has an awful lot to do with ... seeking ... financing for possible projects, seeking grants from possible funds and things like that ... you understand, that's, that's the most responsible behaviour I know of. And, that doesn't really pay [off] ... it can vary considerably, sometimes very little or not anything at all ... you know, but, but ... but it's rather important that when you've decided, how ... how you feel you want to live your life ... to take responsibility for yourself, not to just quit and fall back on other structures, but rather ... you know, just allow yourself to have a laugh at the bank's expense and let them wait while ... you try to be responsible in your own field. (Iceland, M25)

A: No, I have tried to pull myself together. In the end I thought: I won't do these things any more. I have learned a lesson. I don't want any more claims from money collection companies. But everything is so fuckin' hopeless these days — it was a lot more fun in the past when everything happened just like that, there and then. For back then I could actually do things, while now I am only supposed to pay debts. It doesn't work, you know. My debts are as large as ever. If I throw NKR 500 to the wolves — which I have to do every now and then — it doesn't really make any difference to them. But it does make a difference to me because whenever I do that I end up with no cigarettes and no food. So I really don't know ... (Norway, W29)201

A: No, when I thought about it [changing my ways], that maybe it's best to get things so, and now that the kids are going to start school and they're growing and so on ... so I really have to, like, get my credit references in order, so if we sometime need something. I always did try, like for instance, never to tear up a bill when the kids are around, like my mother sometimes did, like "this is just trash" and so. And then I never ... I always try to [show them] that all bills have got to

be paid. I have ... like, at home I often make payment schedules for myself. Like, for instance, what bills do I have, when I will pay them and what I will do and how much money I've got for it, so I calculate things so that I have money left for food and diapers and so. So, well, I make these payment plans, and then I've got terribly many bills on the table and all kinds of papers ... But, like, I never say that here I've got these bills, that when can I pay them ... "mommy just can't pay them". I don't think it's any of the kids' business at all, and they don't need to stress themselves over how many bills we have and what else. So that I'm always ... like, if we do get a bill they'll see that I'm putting it there in the cupboard, that "mommy's got to pay it", even if I didn't have any intention of paying ... So this is not at all about ... like, okay, they'll pick up all kinds of things, but so that they wouldn't lose those [credit references]. Like, they'd still be able [credit worthy] to apply [for credit] and learn, because those are rather important in that way. ... But I wouldn't start buying things, like now I'll go and shop for furniture and now I'll go and buy some clothes and let's have this ... So that I've got it quite tight even now, like I have to count what I'm going to pay then and then and what I'm going to pay then. So even now ... like just last month I didn't pay anything to the debt recovery office, I couldn't pay, so then I'll pay next month ... (Finland, W28)

Something that came up at many points in the interviews of rambling-type young – more often than in the other groups – was the issue of social inequality. These young considered that the social systems and support networks in society are insufficient. In their view, society does not pay attention to those who fail to keep up and become socially excluded. Part of the rambling young wanted to settle their debts and get into working life and, thereby, back into society. This was going to take time and be difficult. Although their resources were scarce, they did not complain about actual poverty. What oppressed were the restrictions in their life. Indeed, as Bauman (2003, 258) noted, poverty in the consumer society is a question of restrictions and a lack of options. Repaying of debts and getting things generally in order had inspired some of the interviewees to think about their own future, and they had returned to their unfinished studies intending to complete them. These efforts had coincided with another kind of turning point in the lives of most – a new pair relationship, children growing and starting school – which made them want to get things settled more quickly (cf. Iivari & Rastas 1996).

The young occasionally talked about life in the future. They would no longer have debts, but they realized that it would take time. Many felt uncertain about the future for a variety of reasons, and phrases like '*if I only could now ... then sometime later on*' occurred often in their speech. The cancelling of payment default entries from their records had strong implications for their future, since the lack of credit references made everyday life much harder. These young often had to deal with matters they had failed to take care of in the past. They also shared a fear of not learning to control their future money use. Whenever there was some change in their use of money – for example, if there was no money for a debt instalment or if they had spent too much over the weekend – it was very difficult for these young people to resume their tightened budget.

7 Discussion and conclusion

7.1 Research questions and study material

The objective of this study was to investigate the role of consumer credits and credit-based lifestyles in the everyday life of young consumers, the reasons for their payment problems and the views of these young concerning the division of responsibilities between the pertinent parties. The focus is on the way our young interviewees described their own lifestyle, credit use and responsibility. We used a type analysis to categorize the study participants into three different lifestyles or types, depending on the way they talked about their consumption and credit use prior to their debt problems. The lifestyles enabled us to detect the various dimensions of young people's credit-based consumption. The interviewees' views about their own responsibility were interpreted by examining the behaviour which reflected a sense of responsibility in the different lifestyle types. Responsibility will be discussed in more depth in a further study for which we will re-analyze the material of this study. Additional material will be collected from writings in the press and by interviews with grantors of credit.

Altogether 28 young persons from Denmark, Finland, Iceland and Norway were interviewed for the current study. They were aged between 18 and 30 years and lived either on their own or with their parents. Nearly all were working either full-time or alongside their studies. They all had personal experience of payment problems and had had to negotiate with an external collection party about debt repayment. Their debts had been incurred at around the age of 20 during period of a few years. After that, they had kept putting things off even for long periods, and had only recently started to settle their debts. The debts comprised credit card loans, study loans, bank loans and overdrafts, in addition to which some young persons also had a housing loan.

7.2 Credit-centred life and uncontrolled credit use

When the interviewees of this study spoke about life, their talk was very credit-centred. Consumption was a part of their everyday life at all levels. No one questioned the necessity of consumption – it was taken for granted. What the young sought by consumption was a better life with more freedom and no financial worries. Today's youth live in the middle of the consumer society, in which marketing and advertising play a key role and there is nothing to urge moderation in the use of credit. To the contrary,

credit use is encouraged with eye-catching advertisements and the ease of obtaining credit. Interviewees' lifestyles and consumption had been largely based on different kinds of consumer credit. They had used credit in the traditional manner (cf. Leskinen 1990). In other words, the new information technology did not emerge as a significant reason for indebtedness among the young, as had been anticipated.

Consumption and credit use are a question of money management. The interviewees admitted to recklessness in their use of credit and money in general. They had grown used to spending money for their own consumption – that is, on leisure-time expenses. Problems had not arisen because of how much they earned but how much they spent. None of the interviewees could ultimately have afforded to obtain and use credit to the extent they had. Necessities such as food and rent were usually paid from their study loan or salary. Whatever remained after these expenses had been paid was money for their own consumption. These young had been working from a very early age and had, therefore, had money at their disposal for a number of years already. They continued the same kind of practice with their credits. They used credit in a carefree manner, since all that was “extra” could be spent as they were used to doing. The situation had changed, however. Many of the young interviewees had moved away from their childhood home into their own household. They needed to buy furnishings, entertainment electronics, a personal computer, etc., for their home. Living was incurring costs that had formerly been taken care of by their parents.

The young interviewees had used consumer credit to maintain their own specific lifestyle (easy-living, pleasure-seeking), to make investments (risk-investing) and to cover necessary expenses (rambling). *Easy-living, pleasure-seeking* young emphasized the pleurability of consumption, which formed the basis of their own lifestyle. Through consumption they were able to obtain good experiences and an easier life free of financial worries. Their circle of friends had a considerable impact on their consumption which had, at times, been very intensive. Consumption in this lifestyle type was based mainly on different kinds of credit card loans. For these young, the meaning of consumption lay somewhere deeper than in the purchased objects, which lost their value or appreciation in hindsight. In addition to tangible things, the young in this type had sought experiences. Their consumption choices strengthened their sense of individuality (cf. Bauman 2003, 255). After running into debt, they had attempted to change their consumption pattern but found it difficult. *Risk-investing* young, on the other hand, had used credit to make various investments; for example, they had bought stocks and invested into their own education, which would benefit them in the future. These interviewees had purchased equipment like entertainment electronics and other fairly expensive objects more frequently than the other groups. They typically had a desire to experiment, both in making investments and in

working life: "*Have to try something new*". Their consumption was not as intensive as in the easy-living, pleasure-seeking type, and their purchases usually involved calculation and consideration. Indebtedness did not affect the life of the risk-investing type of young consumer. They felt that their life situation had changed by the force of circumstances and as a result of the risks they had taken. *Rambling*-type young consumers had utilized consumer credits primarily to make it through everyday life. Credit offered them the opportunity to buy something they could not otherwise have afforded due to their low income. Their debts had typically grown into huge sums from relatively small purchases. These young had a professional education less often than the others and they frequently lacked a clear goal in life. They had been indebted longer than those in the other groups, and this had influenced their consumption style for a long time already. Prior to indebtedness, their consumption had been marked by a lack of planning and a recklessness despite their scanty resources. After running into debt, they had had to worry about how to make it through everyday life.

The young consumers representing these three types did not mention any alternative lifestyles – for instance, so-called eco-consumption; instead, their style of consumption and credit use was fairly uniform within a given type. What is surprising is that although the different types had been constructed on the basis of young people's credit use and consumption, the young in each category also shared similar perceptions about debt settlement and responsibility.

Even though their credit use had been conscious, the young did not ultimately understand the impact of credits on their own economy. Only those in the risk-investing group realized that they had taken a risk which might have consequences. Tempting advertisements – '*Buy now, pay later!*' – postponed decision-making into an indefinite, distant future. All this may have partly weakened young consumers' internalization of the repayment obligation. Those who had taken out a study loan did not think about repayment either. Study loans are not paid back until one's studies are finished. Perhaps the fact that the repayment of a study loan does not start until after an indefinite period caused some confusion in young people's minds with respect to other credits as well? The easy-living, pleasure-seeking young and the rambling young consumers were, in general, quite unconcerned and careless. They were neither interested nor considered such matters important. They clearly failed to understand what these things actually meant in their case. But, had they realized in time the meaning of credits and the effects of the credit amounts, they would hardly have taken out so much credit as they did. This is probably related to the feeling of shame especially in front of their parents. Indebtedness in itself was not seen as a reason for shame: it is not an exceptional phenomenon anywhere in modern society. What these young were ashamed of was their failure to utilize the opportunities they had been

given sensibly and correctly. This was particularly true of easy-living, pleasure-seeking young people. They had lost the confidence that credit grantors had shown them. They had experienced a feeling of independence and freedom in not having to think about money matters. These feelings vanished when they had to start settling their debts and follow a payment schedule set down by and agreed with an outside party.

The young belonging to the easy-living, pleasure-seeking and rambling types also shared fears about the future regarding whether they would be able to handle their finances and control their use of money. They had not previously thought about their own money management. Insignificant debts had grown into significant problems. The young had had to make radical changes in their money use. In addition, many only used a cash card, and so they had to handle cash frequently. The value and purchasing power of money were now on a totally different scale than before the debt stage. When they were sorting things out they began to doubt whether they would know how to use money *in the right way* – that is, control it. If they slipped in their expenditure they might land into the same kind of debt cycle. Yet, now they were aware of the consequences and knew that they could not afford to spend extra and run into problems. Obviously these young people had had difficulties obtaining information as well as in understanding it.

As indicated also by this study, today's young generation is not a homogeneous group, but instead, very heterogeneous both with respect to their life story, their economy and their life situation (Wilska 2001, 58). Their consumption and their style of consumption vary by age, life phase and set of values. For the young interviewees in our study, credit use had either been a conscious choice, a calculated risk or a way of making it through everyday life. In this sense, none of the interviewees was a victim of market forces. They had simply made use of the opportunities that were available and that they were able to seize.

7.3 Shared responsibility?

One of the research questions was what the young regarded as their own responsibility in having run into debts and what kind of responsible action they had taken to settle them. The opinions and actions presented in this study are derived from the stories of the interviewees. They did not deny their own responsibility nor did they blame any other party directly. The fact that they admitted to having themselves caused their debts is an indication of their responsibility. Still, this sense of responsibility or self-discipline did not extend back to the time of their consumption party, and they acknowledged having acted irresponsibly then. Examples of responsible behaviour included active efforts to settle things – although these had usually been made out of necessity, not on their own initiative. They

had to take care of things, or it would have been very hard to get through everyday life. The most difficult part was changing their customary consumption practices and ways of doing things. In the background was a fear about how their self-discipline would hold in the future. A few young persons wished that some pertinent party would have intervened at some stage in the process of indebtedness. It had been too easy to get into trouble.

Most young consumers considered it important to settle their debts independently. A noteworthy observation was that in nearly all interviews the young made a point of describing how they had managed to cope and been able to take care of matters by themselves. This brings to mind Kortteinen's (1992, 92) *ethos of coping and survival* by which one describes one's own behaviour in the midst of varying market conditions. Our interviewees felt it important to be able to cope and hold their own in the consumer society. Having to sort things out, they had found themselves in the middle of the unknown. A registered payment default had made life very hard in different sectors of life. They felt ashamed about failing to manage something as simple as their own money use.

What lay in the background of settling matters independently was the young people's desire to be independent and lessen the feeling of shame. They had managed to cope and sort things out as a result of their own activity. Failure did not bother them so much after they succeeded in getting matters back in order again on their own. It was particularly important for them to have been the initiator of debt repayment negotiations. In this way they had got more room for negotiation and felt they had obtained more favourable payment terms. Their feeling of shame was not connected to their debts or payment problems as such, but mainly to having failed in their use of money and credit. The loss of the comfortable life and its distinctive signs was embarrassing as well. They had made the wrong decisions, but admitted that it was their own fault. They did not shift the blame to anyone else.

The studied Nordic countries all have their own practices of handling debt-related matters. They also have their own authorities for negotiating with debtors whose debts have run into recovery or when a payment default is registered. We did not go through these in this study. The main focus here was how young debtors had sought help. They had not been looking for direct financial assistance but for ways to take care of their debts more controllably. It was surprising that the participants in this study knew hardly anything about the bodies or organizations from whom they could have received help in the acute phase. They were aware of the social welfare office, but the majority did not want to contact it. The social welfare office had been contacted only by those whose situation had been so bad that they had no money even for necessities like food or rent. The rambling-type of young had been forced to contact the social welfare office or seek other outside help more often than the others.

Debts had been arranged in various ways, but there were no major differences between countries. On the contrary, the solutions reached with the young were quite similar. The important thing was that almost all of the interviewees intended to take care of their debts. Negotiations with the bank had usually gone quite well compared with the collection company. In many cases it had been possible to negotiate with the bank about lowering the interest rate. In fact, those who had a bank loan appeared to have a better picture of their debt situation than the others. Negotiations with collection companies were hampered, first of all, by the large number of debts: the debtor was not always even aware which debt was being collected. The situation was worst for those who had several debts which they were trying to pay back to different collection companies. The debt burden hardly decreased at all with the small instalments they were paying, because these consisted mainly of interests and collection charges. Also those young who were repaying their study loans were having problems because, too, were sometimes unaware of what they were paying. A question that arose usually at this point in the interviews was how much, after all, had the young persons actually understood about what they had agreed to in signing the credit agreement. Did they always even realize what the contacts from the bank or collection office were all about?

This problem was demonstrated most clearly by the sometimes desperate attempts made by the young to arrange and settle the debts. They not often sought advice on how to manage their debts. They were not fully aware of their own situation, nor did they know where to look for information. Moreover, even when they had been able to ask for advice, it had often been denied because their situation had not yet been bad enough. The debtors would have needed assistance in the flexible arrangement of their debts, and they were willing to do this. But, because they received help quite seldom, they would postpone their debt payments and, again, had more things to sort out in the future. The interviewees said they did not need financial assistance from society. They did not want to contact the social welfare office. Only a few of them had resorted to the welfare office in an emergency when they had run out of money for food even. The young did not tell their parents about their debts until there were no other means left and they needed guarantors for a debt consolidation loan, for example.

The young regarded their parents, credit grantors and the media as the "other" party. They did not really have a clear understanding of what they had agreed to and were surprised by the consequences. Although they had made the mistakes themselves, they considered the prevailing system very unfair in some respects. Who was, finally, to benefit from keeping them on a long leash with their debts, repaying their debts in small instalments, the creditor not getting his own back, and life being difficult in every way? Can we really talk about responsible behaviour if the per-

son in question has not known the surrounding system and has randomly tried to take care of things? It was really amateurs against professionals as the opposing sides in the credit market. We will go into this thematics in more depth in our forthcoming study.

7.4 On the research methodology and framework

The material for this study was collected in Denmark, Finland, Iceland and Norway. Data collection took longer than expected because it turned out to be very difficult to reach potential interviewees, except in Iceland. Young people with payment problems were hard to access and they were not interested in taking part in the study. The samples differ from country to country, and are not directly comparable. The material from Denmark and Finland are closest to each other. The data from Norway refer to multi-problem young persons; in other words, these young had other difficulties besides problems with money. The data from Iceland consist of students' interviews. Iceland was the only country that managed to conduct the designed number, or 12 interviews. The other countries were able to collect only about half the intended amount: Denmark 5, Finland 6 and Norway 5. These irregularities call for caution in the interpretation of the results. For example, the high number of students in the material is likely to affect the total consumption structure and, thereby, credit use. We must also bear in mind that the material was already subjected to a kind of preliminary interpretation when it was translated into English from the native languages of the participating countries.

Data collection posed problems in all countries but for Iceland. We can only guess at the reasons why young people elsewhere were not interested in taking part in the study. Perhaps they felt there was nothing to gain from participating, or simply were unconcerned. How would participation help solve their problems? Obviously the subject of the study was one reason which affected their interest in participating. People are probably more eager to discuss positive topics than to talk about money and failures. Money has become a measure of success, and the fact of running into trouble because of money may discourage people from telling about their problems. Those who agreed to take part in the study, however, did not as a rule feel particularly ashamed of their financial difficulties. Still, they had not told about their problems openly except to a very few friends and to their parents – and even then not before there were no other options left and they were forced to live on a tighter budget. It proved important for the researchers to get into personal contact with potential interviewees, because this usually led to an agreement for an interview. It would have been possible to obtain a list of potential interviewees through various registrars, but the process would have been very slow.

Furthermore, the personal data have to be kept secret, which immediately cancels the possibility for personal contact in recruitment.

The timing of the interviews did not appear to influence the content of the study data. Data collection took much longer than originally planned. We started collecting material in February 2003 and finished only in December that same year. The study participants had already been struggling with financial problems for years when we made the interviews, so in that sense the timing of the interview was irrelevant. It is naturally more difficult to remember things that happened years ago but, taking into account that our interviewees had been sorting out their problems for several years, this did not appear to affect the interviews either.

There are various ways of grouping study data into different types – in this study, into types of lifestyles. Grouping here was based on the underlying role of credit use in consumption and, specifically, on the way our interviewees talked about their use of credits. We used the concept of lifestyle to combine young people's use of consumer credit with their indebtedness and payment problems (see Figure 1, p. 4).

Our young interviewees underscored the individualistic nature of their choices and decisions in their consumption as well as in debt settlement. With respect to consumption and credit use, their choices and decisions were even surprisingly uniform. Young people's main cost items in each of the studied countries were housing, food, transport and leisure, and there was hardly any difference between youth of the various nationalities. The structures of the Nordic welfare state are clearly reflected in the background of this finding. The banking systems are fairly similar in these countries, and the credit granting systems operate in much the same way. Although the student benefit systems differ in their details between countries, still all of them have a state subsidy for students, unemployment security and social security. Moreover, indebted persons in all the Nordic countries are entitled to assistance and advice through different kinds of support systems.

7.5 Conclusions

This study concentrates on the way young consumers talked about their own consumption and credit use in interviews conducted in four Nordic countries. We grouped them into three different lifestyle types on that basis. The young in the first type followed an easy-living, pleasure-seeking lifestyle which they maintained by consumption and credit use. The second type had a risk-investing lifestyle and made financial investments as well as invested into their own education and personal development. Finally, those in the third, rambling type used credits to buy necessities. Credit-based consumption made it possible to follow these lifestyles. Consumption brought enjoyment and pleasure and enabled young

consumers to purchase objects of value or of necessity in the household. Consumption was *here and now*, but it also had a past and a future dimension. A consumption decision made today would be envisioned as better income or an education that might be useful in the future. The problems which the young were now trying to cope with had been caused by past consumption decisions.

The key factor behind problem indebtedness was usually the young person's own consumption. External circumstances and occurrences as well as debts incurred by other people were other reasons. Changes in family relations had caused major financial problems. No differences were found between men and women in their indebtedness, credit use or debt settlement. There were more men in the risk-investing type than in the other two categories, but it is impossible to say on the basis of our data that men would take more risks than women. Neither were there differences between countries. In the light of our material, young Nordic consumers had got into debt in very similar ways and their talk about consumption was almost identical. The large share of students in the data might have some effect on this. Overall, it is good to remember here that social as well as economic development in the Nordic countries has been fairly uniform and their societies and social institutions have many similar features.

Credit-based consumption among the young had, to some extent, been intentional or conscious, but they had often failed to think it through. All of the interviewees had found it very easy to obtain credit, and since no one had questioned their capacity to manage, neither had they begun to ponder their resources. Afterwards many did admit that they could not really have afforded to take out credits, but the opportunity and the very ease of obtaining credit – together with their own lack of consideration – had finally led to indebtedness. There were a few young debtors who hoped that some party would have intervened and objected when they were applying for credit. It was so easy to run into trouble with the scarce resources at hand. Those with a risk-investing lifestyle had been best aware of the risks they were taking. Although they claimed they were not in difficulties, they still had problems in coping with everyday life. They were constantly having to make calculations and plan their money use.

After running into debt the young did not know how they might have avoided indebtedness, how they could have taken care of matters, or how they would be able to make it through everyday life in the new situation. Credit use is not uncommon nowadays: it has grown increasingly popular in recent years. People often use credit to travel abroad or to finance important purchases for the home. However, resorting repeatedly to new and perhaps more expensive credits in a bad financial situation will only lead to bigger problems. This was the case especially when a debtor's resources were insufficient to take care of the debts. Pre-emptive measures are obviously needed to prevent young people's indebtedness. Re-

search knowledge, training, advisory services and practical instructions are actually available in all of the studied countries. The question is how to target this information so that it reaches the ones who need it. It is of major importance to ensure young people's access to consumer education and advice, if we aim to prevent them from debt problems. It is also necessary to encourage public debate to increase understanding and knowledge at the societal level of young consumers' debt trends and the seriousness of their debt problems. Such problems have long-term consequences on their studies, housing situation, health and attachment to society.

Our findings clearly show that the young had trouble understanding what they had agreed to in signing a credit agreement. They had not been interested in such matters before and did not know where they might have found information on these issues. All they had to rely on was the information given by the credit grantor that was necessary to sign the credit agreement. They had not known how, or had been afraid, to ask about these things when applying for the credit, and in any case had been unable to see these matters in relation to their own situation. Our results indicate that it is necessary to pay more attention to the assessment of the risk level in customer relationships concerning credits and financial commitments to help prevent young people's indebtedness. Some of the young in this study were totally indifferent, so it would have been hard to avoid problems even with pre-emptive measures. These young could have sought help afterwards, but they did not know about the available forms of assistance. Our interviewees did not look for financial support, only *advice* on how they might have settled things more flexibly. They did not ask for financial assistance from society until there were no other alternatives left. They were unaware of the support provided by different advisory organizations, for instance. They were in debt and had a hard time making it through everyday life. Nevertheless, their situation was not bad enough to entitle them to debt adjustment. Advice sought at this level was often denied them, and this gave them a sense of failure. These young people had got used to an easy life by using credits, and had assumed that debt arrangements would be easy as well. Our findings suggest that more attention should be paid to the identification of potential risk groups to prevent problems due to credit use.

The young in our study took the blame for their indebtedness, but they also felt that other parties, specifically the credit grantors, were involved as well. Their debts were not the other parties' fault, even though obtaining credit had been very easy. The media were seen as a contributory factor because of their appealing advertisements and marketing. In addition, our modern Nordic societies are very consumption-friendly. Nevertheless, these young consumers had made their decisions themselves, and so it was difficult for them to put the blame on anyone else. They had taken responsible action by clearing up their debts on their own and by

striving to settle them quickly. Repayment of a debt with a scanty income is a strenuous task indeed. They would interrupt the payments every now and then, and this further lengthened their ultimate repayment time. In such cases, the danger of social exclusion is quite close. There is obviously a need to reconsider the division of responsibilities between the pertinent parties. The credit grantors are in the role of expert, and this study clearly shows that the ones applying for credit are not. Therefore, serious reflection should be given to pre-emptive, consumer-policy and social-policy measures and to the division of duties among the various interest groups.

This study has focused on young people's credit-based lifestyles, payment difficulties and conceptions about their own responsibility. The results indicate that it is important to examine how the grantors of credit see these responsibility issues. Our further study will concentrate on a theoretical-conceptual investigation of responsibility, also from the viewpoint of corporate social responsibility. Additional data will be collected for this purpose from credit grantors. We will also analyze writings in the press to see how the issue of responsibility is dealt with in the media. Moreover, we will reanalyze our young interviewees' talk about responsibility and responsible behaviour. The central idea is to see how the conceptions of the different actors coincide or deviate, and how they justify their views on the division of responsibility.

This study will continue as a dissertation work in which an additional data will be collected and already existing interviews will be reanalyzed. Final conclusions will be drawn once the dissertation part of the project is completed. So far it can be concluded that:

- there is need for pre-emptive measures to prevent indebtedness
- establishment of effective means of targeting the existing information which already is available so that it reaches those who need it
- access to consumer education and advice through out the whole educational system
- attention to the identification of potential risk-groups
- establishment of a positive debt register
- 'fresh start' for young debtors
- confirmation young consumers in-between with 'new institutional design'
- permanent negotiation board for the key representatives of credit system (legislators, bankers, merchandizes, consumer authorities, educators, counselors, politicians)
- public discussion on the 'acceptable' level of debt problems in society
- public discussion on how to support decent consumption and credit use
- crucial issue is how to share responsibility or provide responsible behavior at free market

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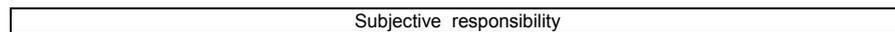
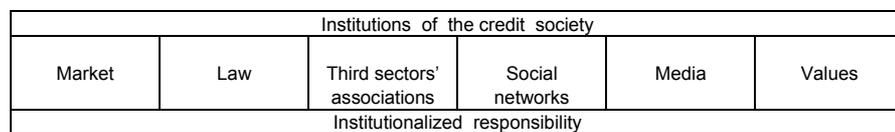
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Appendix 1

Young Consumers Credit-related Lifestyles and Payment Problems – Qualitative Individual Interviews

1 Framework of the interviews



2 Body of the interviews

Credit related Lifestyles

Topic	Themes/issues/indicators
Life before debt problems	<ul style="list-style-type: none"> • Description of the situation (housing, work, studies, groceries, travels, family, social networks, hobbies, ownership and use of ICT, especially mobile phone and internet) • Conception of one's economic situation • Conception of one's use of money for consumption as compared to others in the same age group or class • Ways of payment (groceries, clothes, ICT, etc.) • Economic management (planning, budgeting, saving, comparison of prices)
The indebtedness story ("as they see it")	<ul style="list-style-type: none"> • Circumstances/events which led to the problems • Main reason for payment problems • Duration • Consequences (changes in consumption habits, sources of subsistence, social relationship) • What has been done to settle things? • Situation/status quo? (plan for payments, support from others)
Credit issues	<ul style="list-style-type: none"> • Amount and types of credits and credit cards • Objects of credit use (ICT, clothes, furniture, travel) • Understanding of the credit agreement • Knowledge of the terms of agreement (interest, paying back, sanction if fails, etc.) • Conception of ones use of credit in consumption as compared to others in the same age group or class

<p>Subjective responsibility</p>	<p>Responsibility talk:</p> <ul style="list-style-type: none"> • Sense of guilt toward whom? • Sense of duty toward whom? • Sense of shame toward whom? • Sense of respect toward whom? • Sense of justice toward whom? • Decency? • Honesty? • Trust? • Economic management? • Future? (plans) <p>Responsibility actions:</p> <ul style="list-style-type: none"> • Do nothing? • Negotiate with whom? • Play a game with whom? • Borrow money from whom? • Seek debt settlement? • Other actions?
<p>Responsibility of other actors</p>	<ul style="list-style-type: none"> • List of responsible actors in persons debt situation OR a drawing • Duty of banks/the media, etc. • Guilt of banks, etc. • Justice of banks, etc. • Role of the media
<p>Background factors</p>	<ul style="list-style-type: none"> • Age • Education • Profession/job • Income • Family • Housing