

Discussion Paper

Household wealth: A regional analysis for Malta and Gozo using the HFCS

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Contents

Abstract	3
Authors Bio-Note.....	4
1. Introduction	5
2. Demographic Characteristics.....	6
3. Household Assets	7
3.1 Real Assets.....	8
3.2 Financial Assets.....	10
4. Household Debt.....	11
5. Household Net Wealth.....	13
6. Household Gross Income.....	14
7. Household Consumption	16
8. Conclusions.....	17
9. References	18
Annex.....	19
A. Medians.....	19
B. Participation Rates	20
C. Compositions.....	20

Household wealth: A regional analysis for Malta and Gozo using the HFCS¹

Valentina Antonaroli
Martina Cassar
Valerio Sergio Castaldo

In this paper we analyse the components of households' wealth from a regional dimension, a novel approach not yet exploited for the Maltese Islands. We use data from the Household Finance and Consumption Survey to study if there are substantial differences at regional level, with an emphasis on Gozo. We focus on the changes which might have occurred between the last two consecutive waves of the Survey, conducted in 2017 and 2021. Our findings show that Gozo has consistently remained one of the wealthiest regions in Malta, with real estate properties being the main determinant. Although house prices have increased across all Maltese regions, in Gozo the shift from larger, often multi-level homes to smaller residences, typically in the form of apartments has led to a more modest increase in the overall wealth of Gozitans than initially expected. Despite this, Gozo's household finances remain robust, characterized by decreasing debt levels and rising consumption rates relative to previous survey periods.

Keywords: Household finance, consumption, wealth, survey data, comparative studies.

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Household wealth: A regional analysis for Malta and Gozo using the HFCS

1. Introduction

This discussion paper provides a novel dimension in the analysis of wealth of Maltese and Gozitan households, disaggregating results by region and examining their changes from 2016 to 2020.

We divide the Maltese islands into six regions, according to Eurostat's system of Local Administrative Units (LAUs): Southern Harbour, Northern Harbour, South Eastern, Western, Northern and Gozo and Comino.^{2,3}

We use data from the Household Finance and Consumption Survey (HFCS; henceforth the Survey), which provides detailed information on households' real and financial assets, their liabilities, net wealth, gross income, consumption and savings.⁴ It is the only harmonised source of information about household wealth and its distribution in Malta. The household represents the main unit of collection and only private households are included in the sample.

The survey enables a deeper understanding of households' behaviour and provides insights into phenomena such as the composition of their wealth, how it is distributed, as well as policy-related questions, such as monetary policy and financial stability. For the first time in Malta, data from this project will be used from a regional perspective, where the regional dimension is determined by the household main residence.

² Specifically, we adopt the LAU1 classification where:

1. *Southern Harbour*: Cospicua, Fgura, Floriana, Ħal Luqa, Ħal Tarxien, Ħaż-Żabbar, Kalkara, Marsa, Paola, Santa Lucija, Senglea, Valletta, Vittoriosa, Xgħajra.
2. *Northern Harbour*: Birkirkara, Gżira, Ħal Qormi, Ħamrun, Msida, Pembroke, San Ġwann, Santa Venera, St Julian's, Swieqi, Ta' Xbiex, Tal-Pietà, Tas-Sliema.
3. *South Eastern*: Birżebbuġa, Gudja, Ħal Ġhaxaq, Ħal Kirkop, Ħal Safi, Marsaskala, Marsaxlokk, Mqabba, Qrendi, Żejtun, Żurrieq.
4. *Western*: Ħ'Attard, Ħad-Dingli, Ħal Balzan, Ħal Lija, Ħaż-Żebbuġ, Iklin, Mdina, Mtarfa, Rabat, Siġġiewi.
5. *Northern*: Ħal Ġharghur, Mellieħa, Mgarr, Mosta, Naxxar, St Paul's Bay.
6. *Gozo and Comino*: Fontana, Ġhajnsielem, Ġharb, Ġhasri, Munxar, Nadur, Qala, San Lawrenz, Ta' Kerċem, Ta' Sannat, Victoria, Xagħra, Xewkija, Żebbuġ.

For more information, please refer to: [https://metadata.nso.gov.mt/classificationdetails.aspx?id=Districts%20\(Local%20Administrative%20Unit\)](https://metadata.nso.gov.mt/classificationdetails.aspx?id=Districts%20(Local%20Administrative%20Unit)).

³ In this paper, the term Malta and Maltese Islands are used interchangeably.

⁴ The Household Finance and Consumption Survey is an initiative co-ordinated by the European Central Bank (ECB) and consists of professionals from euro area national central banks (NCBs) and a number of national statistical institutes (NSIs). For more information please refer to the CBM's and ECB' dedicated webpages, respectively: Household Finance and Consumption Survey - Central Bank of Malta (centralbankmalta.org), Household Finance and Consumption Survey (HFCS) (europa.eu).

The results in this paper are obtained from anonymised data collected from private Maltese residents in the last two waves of the survey – i.e. the 2017 and 2021 rounds - and are weighted to national totals. The reference period is typically the year preceding the survey, that is the data collected for the 2021 wave refers to 2020, and similarly for the 2017 vintage the underlying data refers to 2016.

We cover the household's portfolio items, namely assets and liabilities which make up net wealth. In the process, we distinguish between real and financial assets. We also assess household income and consumption. Moreover, we focus on recent developments in real estate wealth to explain the trend in overall growth experienced for the Maltese households.

2. Demographic Characteristics

Table 1 outlines the main characteristics of the households included in the Survey by region, highlighting important changes between the 2017 and 2021 waves. The percentage of single-person households increased in most regions, particularly in Northern and Southern Harbours, where it rose by 14.5% and 11.5% respectively.

Table 1: Demographic Characteristics by Region *(Percentage of households)*

	Region											
	Southern harbour		Northern harbour		South Eastern		Western		Northern		Gozo and Comino	
	2017	2021	2017	2021	2017	2021	2017	2021	2017	2021	2017	2021
Household size												
1 person	20.8	32.3	26.9	41.4	22.2	22.0	21.5	22.0	29.6	26.7	23.4	31.4
2 persons	30.1	48.0	30.0	32.2	26.2	49.0	26.7	47.4	28.0	56.3	33.6	41.9
3 persons	19.0	11.6	22.3	15.1	23.1	19.2	25.4	12.0	19.0	7.9	20.8	14.3
4 and more persons	30.1	7.1	20.8	11.4	28.5	9.8	26.5	18.6	23.5	9.1	22.2	12.5
Housing status												
Owners outright	51.0	48.5	61.7	62.7	64.4	62.4	57.9	60.2	76.1	61.2	82.4	70.3
Owners - with mortgage	12.7	12.5	17.8	12.3	24.9	28.7	26.8	27.6	14.5	23.0	9.0	18.9
Renters/other	36.4	39.1	20.6	25.0	10.8	8.9	15.3	12.2	9.4	15.7	8.6	10.9
Age (in years) of reference person												
16-34	9.8	11.1	14.4	8.2	17.3	20.4	15.8	7.0	9.4	19.7	6.2	16.3
35-44	13.5	17.0	16.4	21.4	28.6	19.4	22.6	26.9	14.2	23.8	17.6	30.2
45-54	20.5	18.7	16.2	13.8	11.4	27.1	20.3	22.4	24.7	20.1	14.1	11.3
55-64	22.3	18.3	19.7	23.4	16.8	14.1	15.6	21.9	23.6	13.3	27.9	14.9
65-74	21.9	22.0	19.6	19.4	20.0	12.7	15.6	16.6	12.3	15.1	26.5	17.8
75+	12.1	12.8	13.7	13.8	5.9	6.3	10.2	5.3	15.9	8.0	7.8	9.5
Work status of reference person*												
Employee	30.9	45.1	45.9	45.9	52.3	66.8	53.1	59.6	34.6	45.3	42.0	59.7
Self-employed	2.3	4.3	5.9	5.5	8.2	3.4	3.3	8.0	10.3	20.0	12.0	8.8
Retired	33.3	26.5	29.6	26.5	24.5	18.1	25.2	17.8	26.4	21.8	25.8	26.0
Other	33.4	24.2	18.5	22.1	15.0	11.7	18.5	14.6	28.7	13.0	20.1	5.5

	Southern harbour		Northern harbour		South Eastern		Western		Northern		Gozo and Comino	
	2017	2021	2017	2021	2017	2021	2017	2021	2017	2021	2017	2021
Education level of reference person**												
Primary /NoneW	58.3	64.9	54.5	61.8	56.8	44.5	44.6	49.2	54.4	48.3	66.2	53.7
Secondary	34.8	23.8	21.4	21.2	28.9	27.4	25.9	21.8	28.6	24.9	14.8	24.3
Tertiary	6.9	11.3	24.1	17.0	14.3	28.2	29.5	29.0	17.1	26.8	19.0	22.0

* The 'Other' category includes reference persons who are not working for pay (unemployed, students,ly disabled, doing compulsory military service, fulfilling domestic tasks).

** Educational attainment is measured on the basis of the ISCED-2011 scale, ranging from 0 to 8. The 'Primary' category is composed of reference persons with ISCED scale 0 to ISCED scale 2; the 'Secondary' category for persons with ISCED level 3 and 4, while the 'Tertiary' category refers to ISCED scale 5 to ISCED scale 8.

Note: Statistics should be treated with caution due to the low number of observations by regional dimension.

Data Source: Authors' calculations based on MT-HFCS data.

Regarding housing status, the Northern region saw a notable shift, with a decrease of almost 15 percentage points in the share of outright owners and a rise of around 9% in mortgaged owners. The proportion of persons aged 75 and above declined only in the Northern region, while those in the younger age bracket (16-34) saw declines in the Western and Northern Harbour regions but increased in Northern and Gozo and Comino.

In the regions of Gozo and Comino and South Eastern we observe the highest increase in the share of employees, respectively by 17.7% and 14.5%. Educational attainment trends also show a rise in tertiary-educated individuals, especially in the South Eastern and Northern regions.

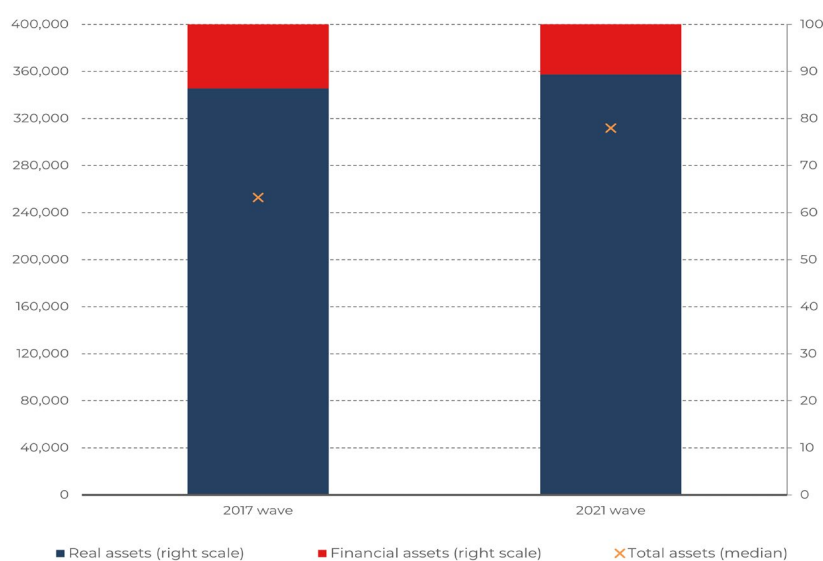
These shifts suggest changing household structures, aging populations, and increasing education levels.

3. Household Assets

One of the main contributions of the HFCS is the detailed collection of information on households' assets, both in terms of type and estimated value. Furthermore, the Survey collects such information for both real and financial assets. Real assets include all physical valuables owned by the household (the main residence, secondary residences, vehicles, jewellery, art) and the value of any activity undertaken by any of the household members that classifies as an occupation (self-employment businesses). Financial assets include all financial instruments held by the household, namely deposit holdings, savings accounts, securities such as bonds, stocks and Treasury bills, as well as voluntary pension plans and life insurances.

Figure 1 displays the median value and composition of total assets for all Maltese households. In 2020, the median value of total assets stood at €311,900, up from €252,800 in the previous wave. A breakdown between real and financial assets reveals that the former accounted for most total assets in the Maltese islands, with a share of 86.4% in 2016, increasing to 89.4% in 2020. This reflects a high homeownership rate of 79.0% according to the most recent 2010 HFCS wave. Conversely, the share of financial assets has decreased from 13.6% in 2017 to 10.6% of total assets in 2020.

Figure 1: Median and Composition of Total Assets in Malta
(EUR; percentage of total assets)



Data Source: Authors' calculations based on MT-HFCS data.

home. Composition effects may also play a role, as the latest Census indicates that Gozo has a higher share of terraced and detached properties compared to other regions.

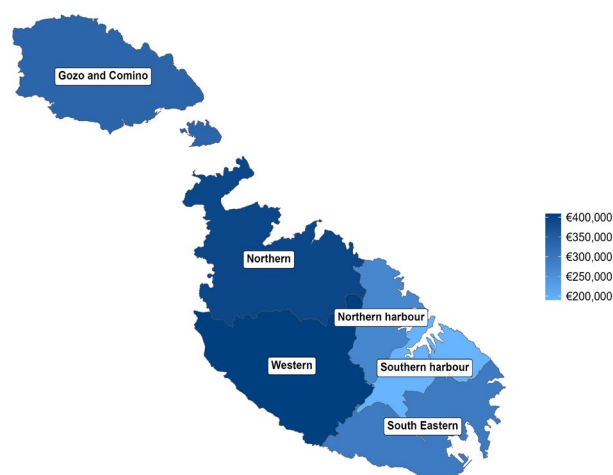
However, it is worth noting that when inspecting the growth rates of total assets between 2017 and 2020, other regions appear to have experienced much stronger increases (see Figure 3). This is especially true for the Western, Southern Harbour, and Northern Harbour regions, which have seen growth rates of 35.1%, 24.9%, and 23.0% respectively. Looking at Gozo, the data shows barely any growth at all. The following focus on real assets, along with a closer look at its components, will provide further insight into the reasons behind such developments.

3.1 Real Assets

In 2020, the median value of real assets in Gozo was €311,500, slightly below the national median, reaffirming its position as the primary component of household wealth. Figure 4 provides a breakdown of the main components

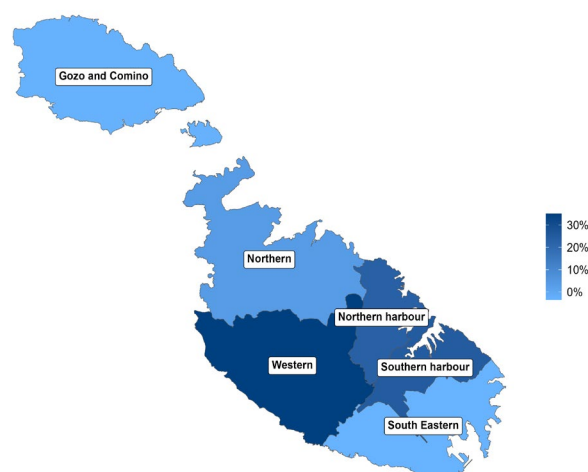
In the following charts and tables, we repeat the same analysis performed earlier, but this time breaking it down across the various regions of the Maltese islands. Figure 2 shows the median value of total assets by region, with the value for Gozo standing at €334,000, ranking as the third wealthiest region in Malta, after the Western and Northern regions. This mainly reflects the fact that Gozo has the second highest homeownership rate in Malta, with over 89.1% of Gozitan households in 2020 owning a

Figure 2: Median value of Total Assets by Region (2021 Wave)



Data Source: Authors' calculations based on MT-HFCS data.

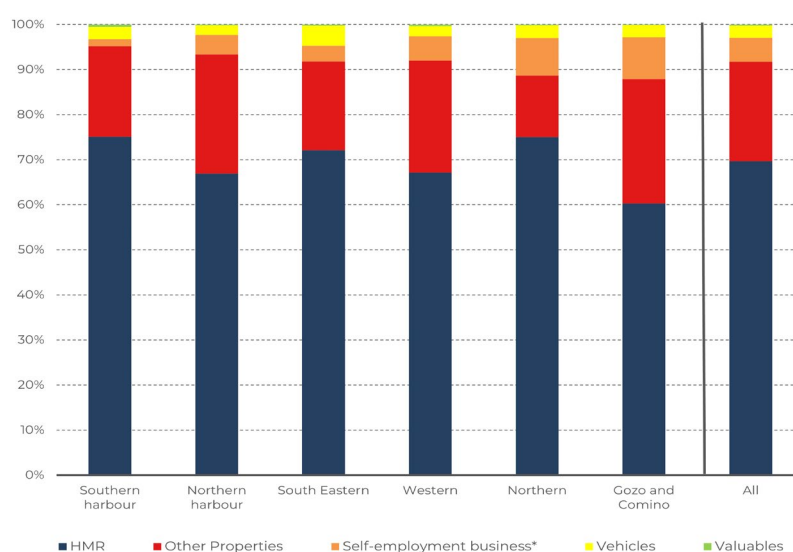
Figure 3: Median Total - Growth Rate by Region (2021/2017 Wave)



Data Source: Authors' calculations based on MT-HFCS data.

of real assets by region. Across all regions, real estate dominates as the primary component of real assets, encompassing both the Household Main Residence (HMR) and the value of other properties. In Gozo, the HMR accounts for 60.3% of the total value of real assets, which is below the national average of 69.6%. Conversely, the value of Other Properties (OP) in Gozo represents 27.7% of real assets, surpassing the national average of 22.1%.⁵ The remaining portion of real assets includes self-employment businesses, vehicles, and valuables, whose value stands in line with that of other regions.

Figure 4: Composition of Real Assets by Region (Wave 2021)
(Percentage of real assets)



* Number of observations is less than 21 for all regions. Statistics should be treated with caution.
Data Source: Authors' calculations based on MT-HFCS data.

Table 2 highlights the growth rate in the median value of HMR across different regions. In Gozo, this growth rate is among the lowest, after that of the South Eastern region which experienced a negative rate. This outcome appears to be linked to a reduction in property sizes, marking a shift from a landscape dominated by large, often multi-story single-family houses to one increasingly characterized by smaller apartments. While this trend began earlier and persisted longer in other regions, it seems to have intensified in Gozo during the period covered by this study, possibly due to the gradual convergence in property prices. Despite these dynamics, properties in Gozo remain, on average, larger yet more affordable compared to other regions.

Table 2: Median HMR Value by Region (EUR, percentages)

Region	Median HMR Value		
	2017 wave	2021 wave	% change
Southern harbour	165,000	250,000	51.5%
Northern harbour	175,001	300,000	71.4%
South Eastern	225,001	220,000	-2.2%
Western	230,000	350,000	52.2%
Northern	225,001	350,000	55.6%
Gozo and Comino	225,001	250,000	11.1%
Total	200,000	300,000	50.0%

Data Source: Own calculations based on MT-HFCS data.

⁵ Other properties do not necessarily belong to the same locality as the one of the main residence.

3.2 Financial Assets

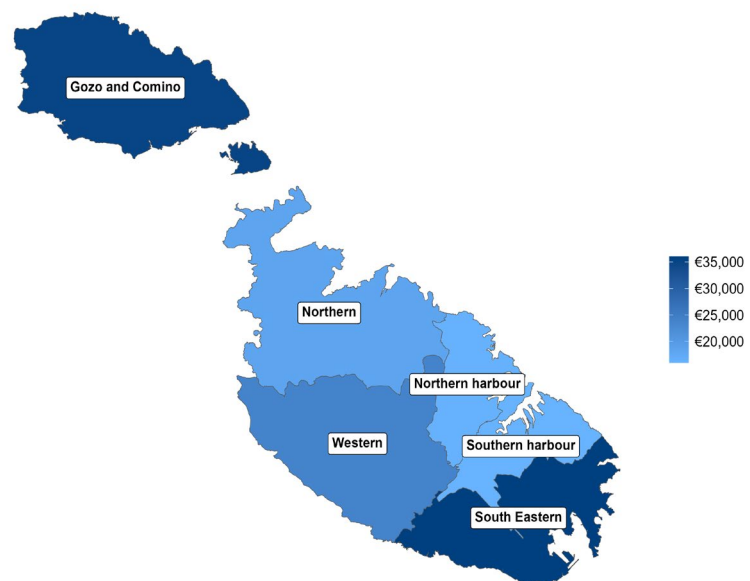
Financial assets, as previously noted, constitute a relatively low share of total assets in Malta. A similar pattern can also be observed in the regional disaggregation. Figure 5 illustrates the median value of financial assets by region. Gozo is the second wealthiest region in terms of financial wealth, after the South-Eastern one, with a median of €35,000. Financial assets represent 11.2% of total assets in Gozo, a figure in line with the national average of 10.4%.

Examining the growth in the median value of financial assets across regions between 2017 and 2020,

Figure 6 shows that Gozitan households experienced nearly a 20% increase. Although this growth was significant, it lagged behind the increases in the South-Eastern and Southern Harbour regions, which saw rises of 69.4% and 28.7%, respectively. Nonetheless, the growth in Gozo's financial assets was enough to elevate it from the third wealthiest region to the second in terms of financial wealth level. In contrast, the Northern, Western, and Northern Harbour regions saw declines in financial assets since 2017.

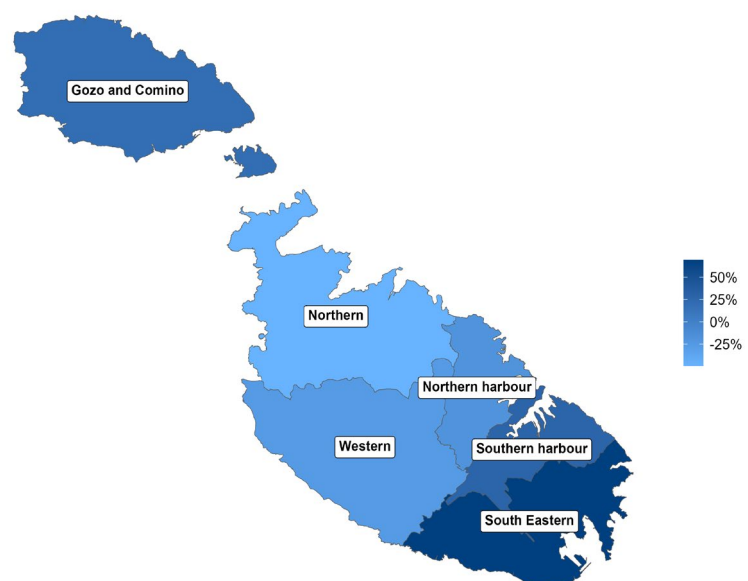
Lastly, a disaggregation of the main subcomponents of financial assets, shown in Figure 7, reveals that deposits has the largest share, capturing more than 80.7% of the financial wealth of Gozitan households in 2020. This figure is significantly higher than the national average of 59.1%. Other regions with a particularly high share of deposits include the Northern Harbour and Northern regions, with 66.2% and 63.2% respectively. In contrast, the Western Region had a lower share than the national average, with deposits making up 47.8% of financial assets in 2020.

Figure 5: Median Value of Financial Assets by Region (2021 Wave)



Data Source: Authors' calculations based on MT-HFCS data.

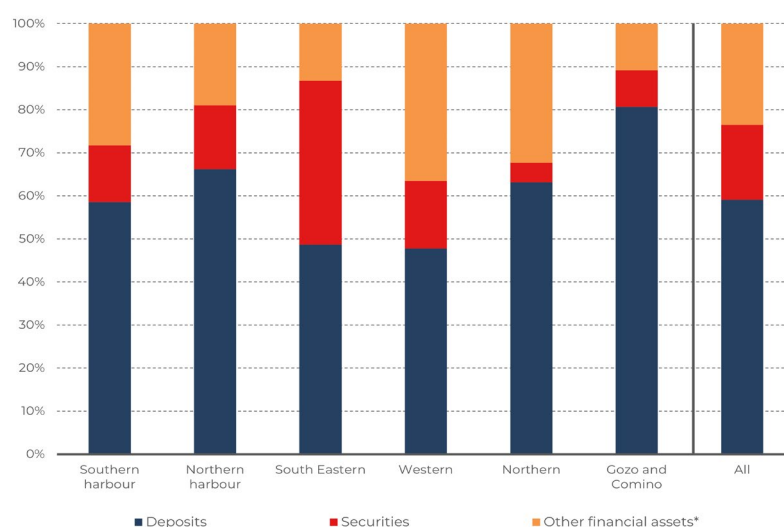
Figure 6: Median Financial Assets - Growth Rate by Region (2021/2017 Wave)



Data Source: Authors' calculations based on MT-HFCS data.

The second major component of financial wealth in Gozo is securities, which accounted for 8.5% of financial assets, a figure notably smaller than the national average of 17.4%. Only the Northern Region has a lower share than Gozo, at 4.5% in 2020. At the other end of the spectrum, the South-Eastern Region leads with securities comprising 38.1% of financial assets. Mutual funds and pension schemes, makes up approximately 11% of the total financial assets in Gozo.

Figure 7: Composition of Financial Assets by Region (2021 Wave)
(Percentage of financial assets)



* Number of observations is less than 21 for the Gozo and Comino region. Statistics should be treated with caution.

Other financial assets include: Mutual Funds, Listed Shares, Voluntary pensions and life insurance, non self-employment private (not traded) businesses, managed accounts and other instruments (options, futures, etc.).

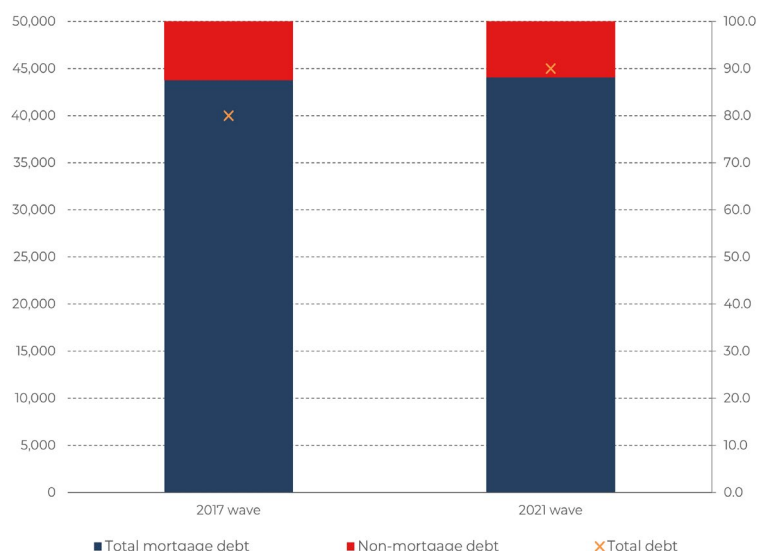
Data Source: Authors' calculations based on MT-HFCS data.

4. Household Debt

Information collected from the HFCS regarding household liabilities can be characterised either as mortgage or non-mortgage debt. The former is then further split between HMR - or other properties (OP)-related.

In Figure 8 we plot the median value of total debt for the Maltese islands as a whole, together with its composition. The median value of total debt in 2020 was €45,000, that is, a 12.5% increase since the 2017 wave.⁶ The most common type of debt is in the form of mortgages, making up 88.4% of total liabilities in 2020. This, along with our previous findings on real assets, highlights the significance of homeownership in Malta.

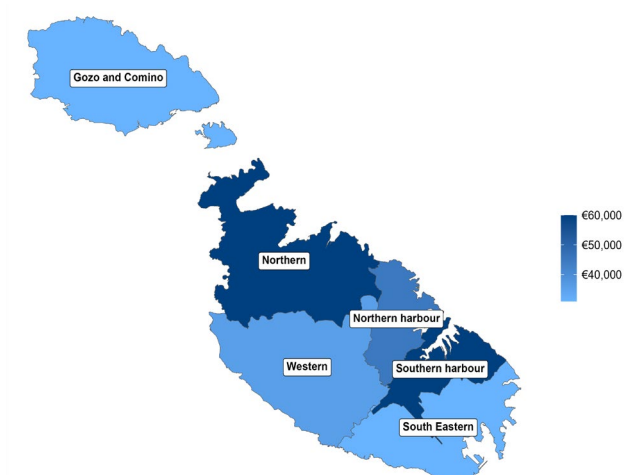
Figure 8: Median and Composition of Total Debt in Malta
(EUR, percentage of total debt)



Data Source: Authors' calculations based on MT-HFCS data.

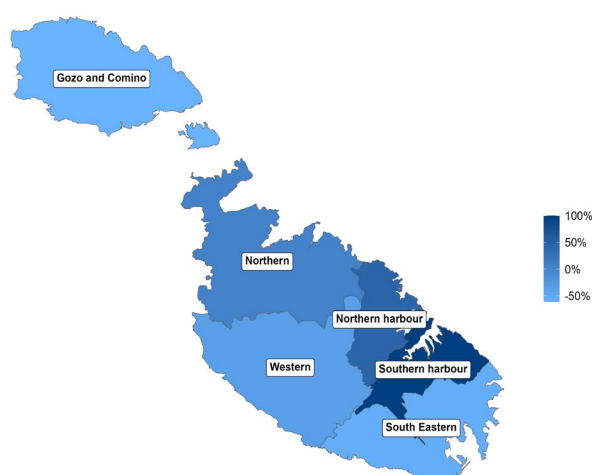
⁶ The conditional median is computed by considering only households which have debt.

Figure 9: Median Value of Debt by Region (2021 Wave)



Data Source: Authors' calculations based on MT-HFCS data.

Figure 10: Median Debt - Growth Rate, by Region (2021/2017 Wave)

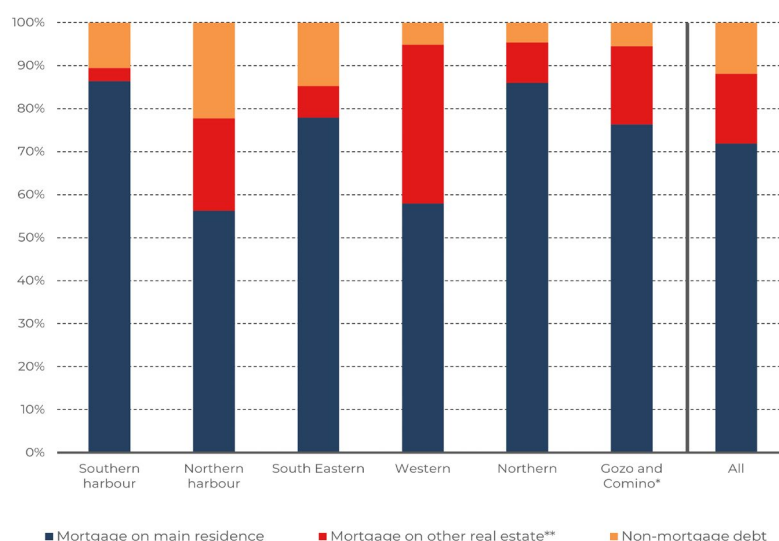


Data Source: Authors' calculations based on MT-HFCS data.

Figure 9 shows the median value of total liabilities by region in 2020, while Figure 10 depicts the growth rate compared to the previous survey wave of 2017. Reading these two graphs together, the data seem to suggest significant regional differences in debt levels. In 2020, Gozo's median debt level was €31,000, nearly half that of the Northern and Southern Harbour regions, which were the most indebted in the country, each with a median total liability of €60,000. Notably, Gozo saw a dramatic change from 2017, when it was the most indebted region in Malta, with a median liability of €80,000. This represents a 61.4% reduction in debt over the period.

Moving on to the disaggregation of debt components, Figure 11 shows that mortgage debt remains the largest component across all regions. However, there are notable differences in whether the mortgage is tied to the HMR or to OP. In Gozo, HMR mortgage debt accounts for 76.3% of total debt, which is slightly above the overall figure for Malta, where it represents 71.9% of total debt. OP mortgage debt in Gozo stands at 18.2% of total debt, also slightly above the national figure of 16.2%. The remaining 5.5% is captured by non-mortgage debt (11.9% in the Maltese Islands).

Figure 11: Composition of Debt, by Region (2021 Wave)
(Percentage of total debt)



* For Gozo and Comino, the number of observations is always below 21. Statistics should be treated with caution.

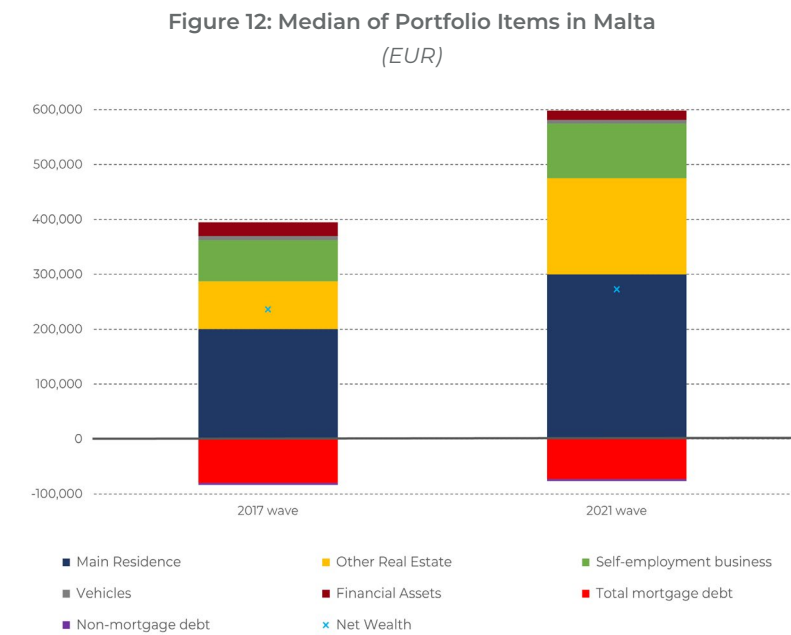
** Number of observations is less than 21 for all regions. Statistics should be treated with caution.

Data Source: Authors' calculations based on MT-HFCS data.

5. Household Net Wealth

Household net wealth is calculated as the difference between total household assets and total household liabilities. As for previous sections, we begin by examining the overall situation in the Maltese islands and then provide a regional breakdown.

Figure 12 reports the median household net wealth in 2017 and 2020 and its composition for the Maltese islands. Over this period, the median household net wealth in Malta rose by 15.7% to reach €273,000 in 2020. A disaggregation among its various

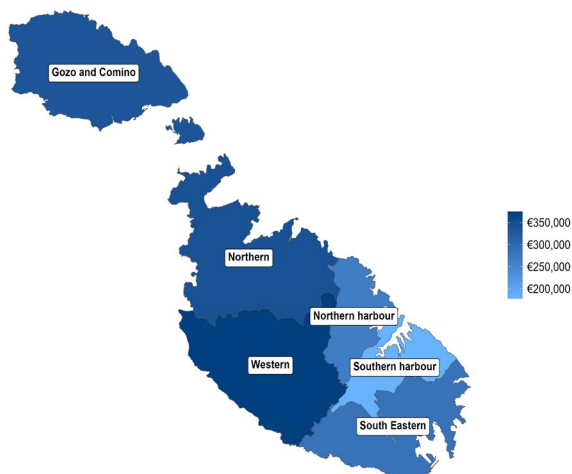


Data Source: Authors' calculations based on MT-HFCS data.

components confirms the previous observation that real estate wealth, in particular HMR, is the predominant component of net wealth, whose median value strongly outweighs that of liabilities. The second largest component is represented by the value of self-employment business, with a median value of €100,000 in 2020. Furthermore, the increase in net wealth since 2017 was primarily driven by increases in the perceived value of HMR and OP.

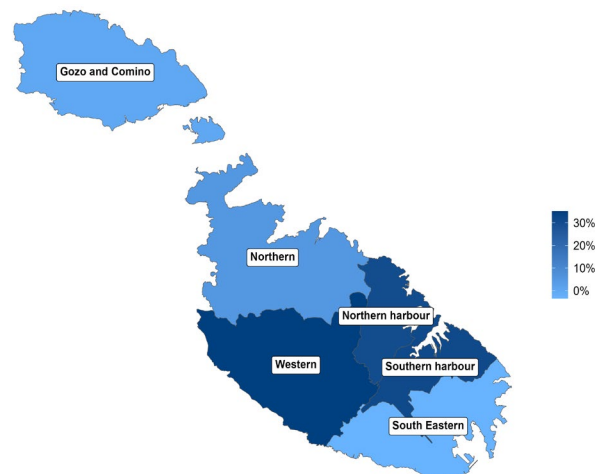
The regional breakdown is shown in Figures 13 and 14, which depict the median net wealth in 2020, and the growth rate between 2017 and 2020, respectively. Given the relatively small value of debt, the value and trend of net wealth closely mirror the ones for total assets. In 2017 Gozitan households had the highest median net wealth in Malta at €334,000. In 2020 it moved down to third place due to a higher relative growth in net wealth in other regions. In contrast, the Western Region, which ranked fourth in 2017, became the wealthiest region in Malta in 2020,

Figure 13: Median Value of Net Wealth by Region (2021 Wave)



Data Source: Authors' calculations based on MT-HFCS data.

Figure 14: Median Net Wealth - Growth Rate, by Region (2021/2017 Wave)

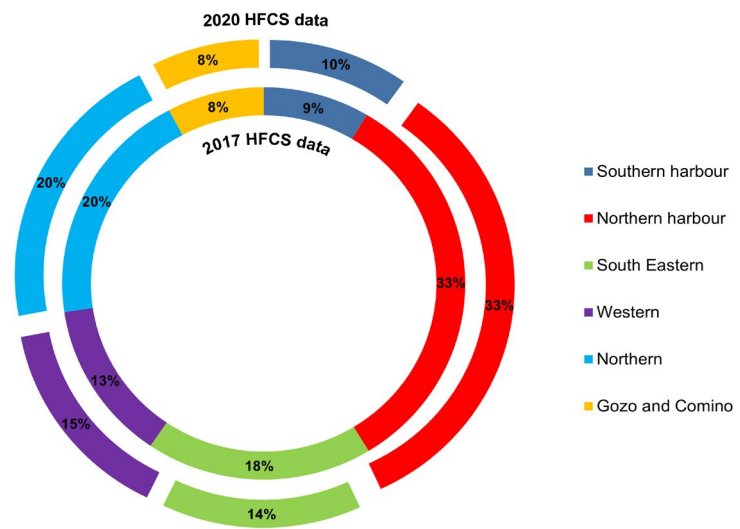


Data Source: Authors' calculations based on MT-HFCS data.

achieving a median net wealth of €374,000, which reflected a 35.1% increase from the previous survey wave.

Additionally, Figure 15 offers a slightly different perspective on regional disaggregation by showing the share of net wealth held by each region in 2017 and in the most recent survey wave of 2020. The share of wealth held by Gozitan households remained steady at 8% in both years. No region experienced a particularly dramatic shift, with the possible exception of the South Eastern Region, where the share of net wealth decreased from 18% to 14% in 2020.

Figure 15: Share of Net Wealth held by each Region
(Percentage of households)



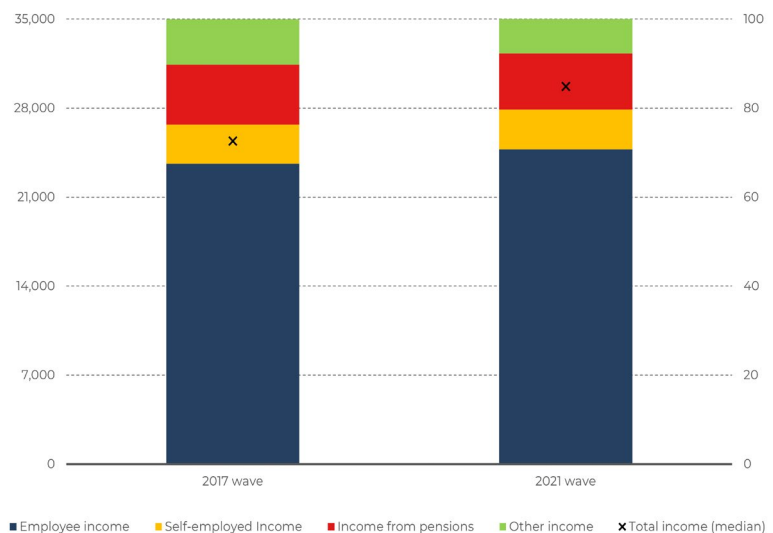
Data Source: Authors' calculations based on MT-HFCS data.

6. Household Gross Income

The survey defines gross household income as the sum of all pre-tax income and social contributions, including labour/pension income, rents from real estate assets, return from financial assets, regular social/private transfers, and any income from other sources of all members within the household.

In Figure 16 we show the median household income for Malta as a whole in 2017 and 2020, together with a disaggregation of its main components. The median income in Malta reached €29,700 in 2020, which constitutes a 16.9% increase from €25,400 in 2017. The main component remains employee income, whose share went up, accounting for 70.8% of overall income in 2020.

Figure 16: Median and Composition of Total Income in Malta, (2017-2020)
(EUR; percentage of total income)

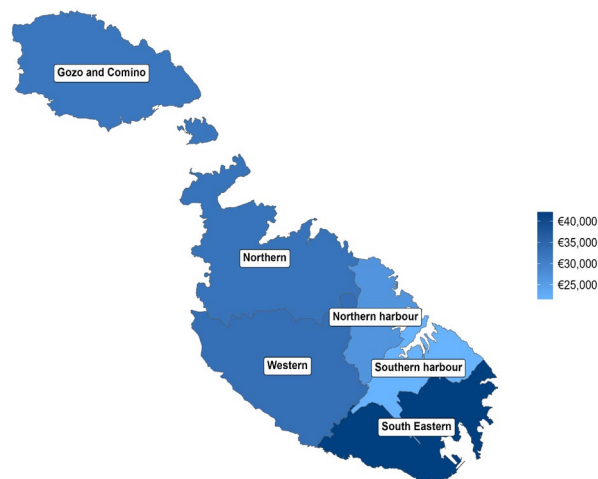


* Other income includes: regular private transfers, private businesses other than s.e. and "other" (residual item- like prizes/lump-sum payments).

Data Source: Authors' calculations based on MT-HFCS data.

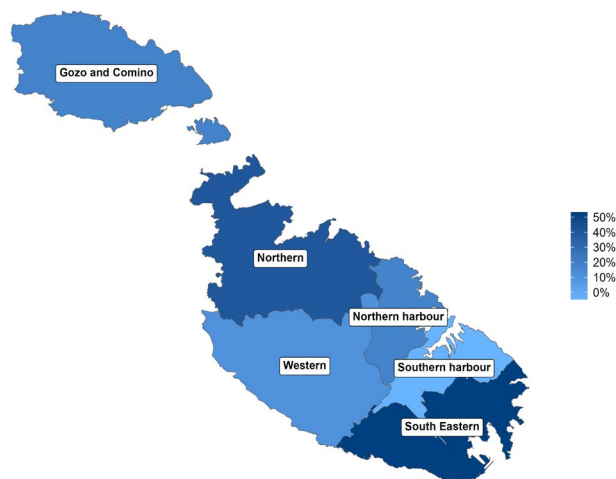
Figure 17 shows the median value of total income for each Maltese region in 2020, while Figure 18 illustrates the change since the previous 2017 survey. In both survey rounds, Gozitan households had income levels slightly above the national median. In 2020, income for Gozitan households stood at €31,843. From 2017 and 2020 this value increased by 18.2%. However, similar to the observed trend in asset growth, income growth in Gozo has been more moderate compared to other regions. Consequently, Gozo's relative ranking dropped from 3rd highest in 2017 to 4th in 2020, as other regions experienced faster growth.

Figure 17: Median Value of Income by Region (2021 Wave)



Data Source: Authors' calculations based on MT-HFCS data.

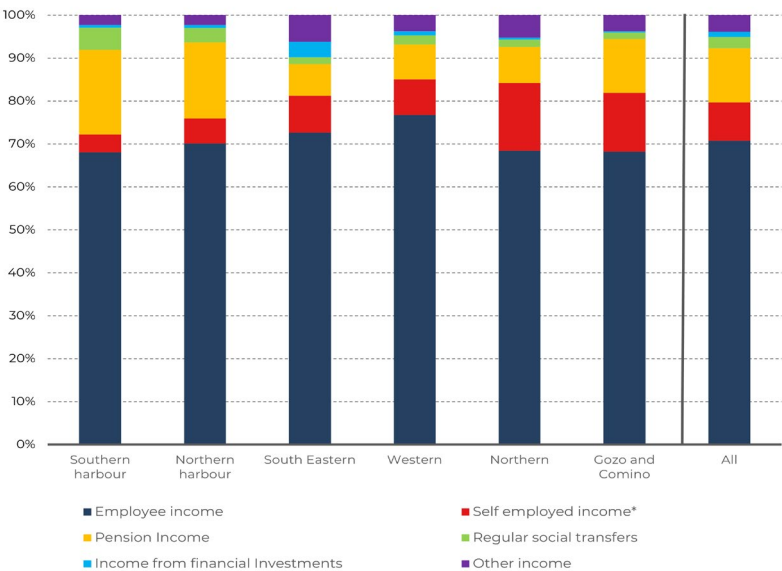
Figure 18: Median Income - Growth Rate, by Region (2021/2017 Wave)



Data Source: Authors' calculations based on MT-HFCS data.

Figure 19 provides a breakdown of the main components of income across the Maltese regions. Overall, employee income is the largest component of total income, accounting for 68.2% in Gozo, which is broadly consistent with the 70.8% share for Malta as a whole. The second most significant component is self-employment income, representing 13.7% in Gozo, which is higher than the national median of 8.9%. Pension income is the next largest component, making up 12.5% of total income in both Gozo and Malta overall. The remaining income is derived from rental income, income from financial investments, and transfers.

Figure 19: Composition of Total Income by Region, (2021 Wave)
(Percentage of total income)



* Number of observations is less than 21 for Gozo and Comino and the Southern Harbour. Statistics should be treated with caution.

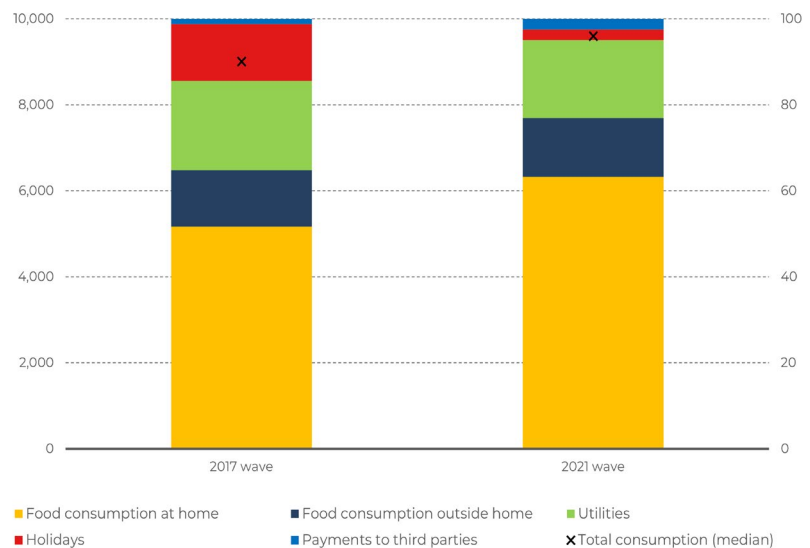
Other income includes: rental income, regular private transfers, private businesses other than self-employment and "other" (prizes/lump-sum payments).

Data Source: Authors' calculations based on MT-HFCS data.

7. Household Consumption

Information on consumption collected from the HFCS pertains mainly to spending on food (both at home and outside the home), utilities, expenses on travels and payments to third parties (alimonies). Figure 20 illustrates the national median consumption for the most recent Survey waves, along with a breakdown of its main components.⁷ Despite the impact of the COVID-19 pandemic, consumption rose between 2017 and 2020, reaching a median value of €9,600 for Maltese

Figure 20: Median and Composition of Total Consumption in Malta
(EUR; percentage of total consumption)

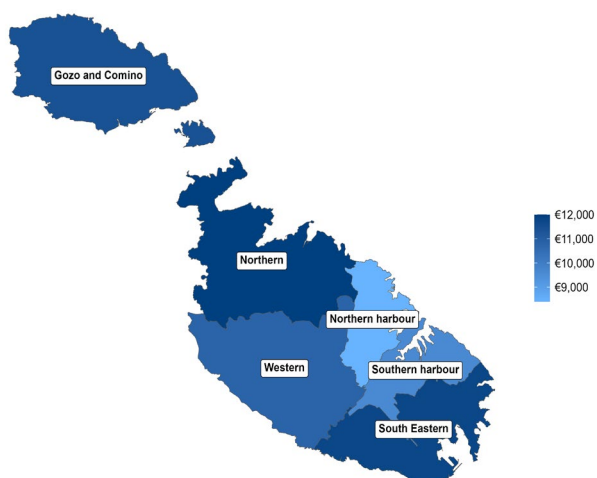


Data Source: Authors' calculations based on MT-HFCS data.

households. Understandably, due to lockdown measures, the share of holiday expenses and food consumption outside the home plummeted, resulting in food consumption at home and utilities jointly comprising more than 95.1% of total household consumption in 2020.

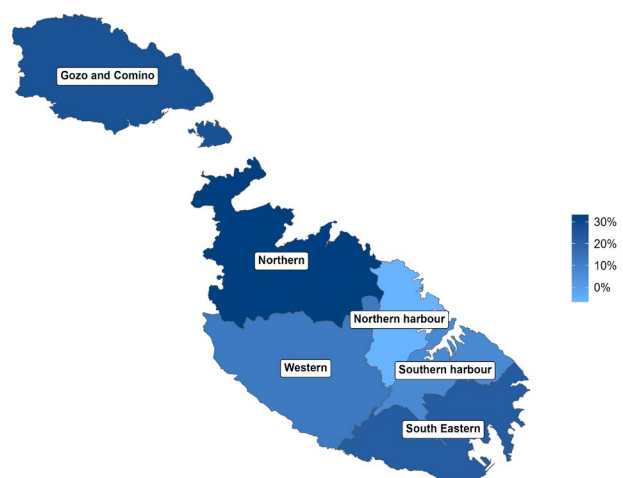
Figure 21 reports the median value of consumption for each region. In 2020 the median value for Gozitan households was €11,400, slightly above the national median. Figure 22 shows the growth rate in median consumption from the previous 2017 wave, with Gozo experiencing an increase of 26.6%. This rate represents the second highest growth in the country, only after the Northern Region.

Figure 21: Median Value of Consumption by Region
(2021 Wave)



Data Source: Authors' calculations based on MT-HFCS data.

Figure 22: Median Consumption - Growth Rate, by Region
(2021/2017 Wave)



Data Source: Authors' calculations based on MT-HFCS data.

⁷ The regional disaggregation provided similar figures for all regions; therefore, we decided to only show it at the national level.

8. Conclusions

In this article, we utilised data from the 2017 and 2021 waves of the MT-HFCS to provide a regional overview of the economic situation of Maltese households, with a special focus on Gozo. Our findings reveal that the value of total assets across Malta has increased since the 2017 survey. Real assets, particularly real estate properties, continue to be key determinants of household wealth, accounting for over 90% of real assets in the Maltese Islands in 2020.

Among the various regions, Gozo has maintained its historical status as one of the wealthiest region in Malta. However, despite the widespread increase in property prices, the growth rate of total assets in Gozo has been slower than in most other regions. A key reason for this is the general decline in average dwelling size, as households transition from larger, often multi-storey houses to smaller apartments. This trend applies not only to primary residences but also to second properties.

While household debt has increased across Malta, the median debt value for Gozitan households remains below the national average. This is due to a significant reduction both in the value of debt, as well as a low share of indebted households in the region. In general, mortgage debt remains the main component of total debt in Malta, accounting for more than 80% in all regions. This high percentage underscores the critical role of property acquisition and homeownership in Malta.

Overall, household finances in Gozo remain robust, with the region having the third highest median value of net wealth, despite more moderate increases in real asset and financial asset values compared to certain other regions. This reflects its relatively low levels of indebtedness.

Lastly, Gozitan households experienced a notable improvement in income levels, with an 18.2% increase from 2017 values. A similar trend is observed in consumption, which rose by 26.6% in 2020, despite the impact of the COVID-19 pandemic.

9. References

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A. Medians

Table A1: Medians 2021 Wave (EUR)

	Total Assets	Real Assets	Financial Assets	Total Debt*	Net Wealth	Income	Consumption
Region							
Southern Harbour	190,000	190,000	16,000	60,000	177,400	21,537	9,600
Northern Harbour	270,000	280,000	16,200	45,000	265,100	26,610	8,400
South Eastern	291,250	241,000	36,000	30,900	282,500	42,163	11,760
Western	409,250	391,000	23,800	35,650	374,800	33,250	10,800
Northern	394,000	371,250	18,220	60,000	342,000	32,463	12,000
Gozo & Comino	334,000	311,500	35,050	31,000	334,000	31,843	11,400
<i>Total</i>	<i>311,900</i>	<i>300,000</i>	<i>16,800</i>	<i>45,000</i>	<i>273,000</i>	<i>29,716</i>	<i>9,600</i>

* Number of observations is less than 21 for the region of Gozo and Comino. Statistics should be treated with caution.

Data Source: Own calculations based on MT-HFCS data.

Table A2: Medians 2017 Wave (EUR)

	Total Assets	Real Assets	Financial Assets	Total Debt*	Net Wealth	Income	Consumption
Region							
Southern Harbour	152,087	141,253	12,430	30,000	135,002	22,606	9,006
Northern Harbour	219,412	189,502	20,041	31,000	203,176	22,592	9,006
South Eastern	301,993	290,000	21,251	67,590	292,501	27,501	9,600
Western	303,000	261,000	32,127	55,000	277,419	30,001	9,600
Northern	379,744	315,000	36,000	58,000	325,700	23,182	9,006
Gozo & Comino	344,751	311,253	29,333	80,301	333,753	26,941	9,006
<i>Total</i>	<i>252,800</i>	<i>225,752</i>	<i>25,000</i>	<i>40,000</i>	<i>236,000</i>	<i>25,406</i>	<i>9,006</i>

* Number of observations is less than 21 for the region of Gozo and Comino. Statistics should be treated with caution.

Data Source: Own calculations based on MT-HFCS data.

Table A3: Medians 2021/2017 Growth Rate (Percentage Change)

	Total Assets	Real Assets	Financial Assets	Total Debt*	Net Wealth	Income	Consumption
Region							
Southern Harbour	24.9	34.5	28.7	100.0	31.4	-4.7	6.6
Northern Harbour	23.1	47.8	-19.2	45.2	30.5	17.8	-6.7
South Eastern	-3.6	-16.9	69.4	-54.3	-3.4	53.3	22.5
Western	35.1	49.8	-25.9	-35.2	35.1	10.8	12.5
Northern	3.8	17.9	-49.4	3.4	5.0	40.0	33.2
Gozo & Comino	-3.1	0.1	19.5	-61.4	0.1	18.2	26.6
<i>Total</i>	<i>23.4</i>	<i>32.9</i>	<i>-32.8</i>	<i>12.5</i>	<i>15.7</i>	<i>17.0</i>	<i>6.6</i>

* Number of observations is less than 21 for the region of Gozo and Comino. Statistics should be treated with caution.

Data Source: Own calculations based on MT-HFCS data.

B. Participation Rates

Table B1: Participation Rates: 2021 Wave (Percentage of households)

	Real Assets	Financial Assets	Total Debt*
Region			
Southern Harbour	89.1	97.7	28.0
Northern Harbour	90.6	95.2	26.0
South Eastern	98.6	99.4	42.4
Western	96.5	97.7	50.5
Northern	100.0	91.6	36.7
Gozo & Comino	97.8	98.8	23.8
<i>Total</i>	<i>94.3</i>	<i>96.0</i>	<i>33.1</i>

* Number of observations is less than 21 for the region of Gozo and Comino. Statistics should be treated with caution.

Data Source: Own calculations based on MT-HFCS data.

Table B2: Participation Rates: 2017 Wave (Percentage of households)

	Real Assets	Financial Assets	Total Debt*
Region			
Southern Harbour	90.0	96.2	33.7
Northern Harbour	93.1	96.8	32.8
South Eastern	98.3	98.5	48.8
Western	98.2	94.3	39.8
Northern	98.8	98.8	26.1
Gozo & Comino	100.0	100.0	22.0
<i>Total</i>	<i>95.4</i>	<i>97.2</i>	<i>34.3</i>

* Number of observations is less than 21 for the region of Gozo and Comino. Statistics should be treated with caution.

Data Source: Own calculations based on MT-HFCS data.

C. Compositions

Table C1: Composition of Real Assets: 2021 Wave (Percentage of total real assets)

	Household Main Residence	Other Properties	Self-employment business*	Vehicles	Valuables
Southern Harbour	75.1	20.1	1.5	2.7	0.5
Northern Harbour	66.9	26.4	4.3	2.1	0.2
South Eastern	72.1	19.7	3.5	4.5	0.2
Western	67.2	24.8	5.4	2.3	0.3
Northern	75.0	13.6	8.3	2.8	0.2
Gozo & Comino	60.3	27.7	9.3	2.7	0.1
<i>Total</i>	<i>69.6</i>	<i>22.1</i>	<i>5.3</i>	<i>2.7</i>	<i>0.2</i>

* Number of observations is less than 21 for all regions. Statistics should be treated with caution.

Data Source: Own calculations based on MT-HFCS data.

Table C2: Composition of Financial Assets: 2021 Wave *(Percentage of total financial assets)*

	Deposits	Securities	Other financial assets*
Southern Harbour	58.6	13.2	28.3
Northern Harbour	66.2	14.9	18.9
South Eastern	48.7	38.1	13.3
Western	47.8	15.7	36.5
Northern	63.2	4.5	32.3
Gozo & Comino	80.7	8.5	10.8
<i>Total</i>	<i>59.1</i>	<i>17.4</i>	<i>23.5</i>

* Number of observations is less than 21 for the Gozo and Comino region. Statistics should be treated with caution.

Other financial assets include: Mutual Funds, Listed Shares, Voluntary pensions and life insurance, non self-employment private (not traded) businesses, managed accounts and other instruments (options, futures, etc.).

Data Source: Own calculations based on MT-HFCS data.

Table C3: Composition of Debt: 2021 Wave *(Percentage of total debt)*

Ratio (%)	Mortgage on main residence	Mortgage on other real estate**	Non-mortgage debt
Southern harbour	86.4	3.1	10.5
Northern harbour	56.3	21.5	22.3
South Eastern	77.9	7.3	14.8
Western	58.0	36.9	5.1
Northern	86.0	9.4	4.6
Gozo and Comino*	76.3	18.2	5.5
<i>Total</i>	<i>71.9</i>	<i>16.2</i>	<i>11.9</i>

* For Gozo and Comino, the number of observations is always below 21. Statistics should be treated with caution.

** Number of observations is less than 21 for all regions. Statistics should be treated with caution.

Data Source: Own calculations based on MT-HFCS data.

Table C4: Composition of Household Gross Income: 2021 Wave *(Percentage of total income)*

	Employee income	Self employed income*	Pension Income	Regular social transfers	Income from financial Investments	Other income
Southern harbour	68.0	4.2	19.7	5.1	0.7	2.3
Northern harbour	70.1	5.8	17.7	3.3	0.7	2.3
South Eastern	72.7	8.6	7.4	1.6	3.6	6.2
Western	76.8	8.3	8.1	2.2	0.9	3.8
Northern	68.4	15.8	8.4	1.7	0.4	5.3
Gozo and Comino	68.2	13.7	12.5	1.5	0.3	3.8
<i>Total</i>	<i>70.8</i>	<i>8.9</i>	<i>12.6</i>	<i>2.6</i>	<i>1.2</i>	<i>3.9</i>

* Number of observations is less than 21 for Gozo and Comino and the Southern Harbour. Statistics should be treated with caution.

Other income includes: rental income, regular private transfers, private businesses other than self-employment and "other" (prizes/lump-sum payments).

Data Source: Own calculations based on MT-HFCS data.



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