

Household Debt and Default in Brazil

Evidence on Recent Trends and Impact Factors

April 2026



Introduction

Household debt and delinquency in Brazil have been rising in recent years, sparking growing concern among both the public and the government. The rise in delinquency has negative impacts not only on households but also on the economy as a whole, and it signals potential distortions in the functioning and incentives of the national financial system.

Household debt can be beneficial when it is tied to high-value investments, such as purchasing real estate and investing in education. However, when this debt is based on emergency or short-term credit, such as credit cards and overdrafts, it places disproportionate pressure on household income, especially in a context of skyrocketing interest rates, resulting in increased delinquency.

This is the current scenario of the credit market in Brazil, as pointed out by various experts.

Since the COVID-19 pandemic, Brazilian families have been making increasingly intense and poorly planned use of highly accessible but extremely costly lines of credit.

The growing availability of these financial instruments, facilitated by new digital technologies and the increasing access to banking services among the population, has not been accompanied by adequate levels of financial education for consumers, which hinders risk management in these markets and creates an environment conducive to rising delinquency rates.

In this same context, the argument has emerged in public debate that the rise in household delinquency is linked to spending on betting. However, this hypothesis is not supported by any available data. Spending on *betting* in Brazil is much lower than spending on debt service and other consumer goods. Furthermore, the profile of bettors is quite different from that of delinquent borrowers.

Income commitment, indebtedness, and delinquency: **when debt ceases to be functional**



Income commitment



This is the portion of income allocated to consumption, payment of expenses, or debt service (interest, fees, and principal payments on loans). When income commitment is less than 100%, the household saves the difference; when it is higher, the household increases its indebtedness.

In practice, this reflects intertemporal consumption decisions. If a household spends more than its income and goes into debt, it is because it is bringing forward consumption. If a household spends less than its income and saves, it is postponing consumption. In other words, spending more than one's income is the primary cause of debt.

Indebtedness

It is the financial obligation assumed by the household due to excessive spending relative to its income. Indebtedness creates an obligation to make debt service payments, depending on the type of credit taken out.

Debt, in and of itself, does not pose a problem for the economy. In fact, household debt is part of the normal functioning of a market economy, precisely because it allows for the anticipation of consumption—mainly to address moments of unexpected need (e.g., medical expenses) or to acquire high-value goods (e.g., real estate)—and only becomes a problem when it is excessive and/or leads to default.



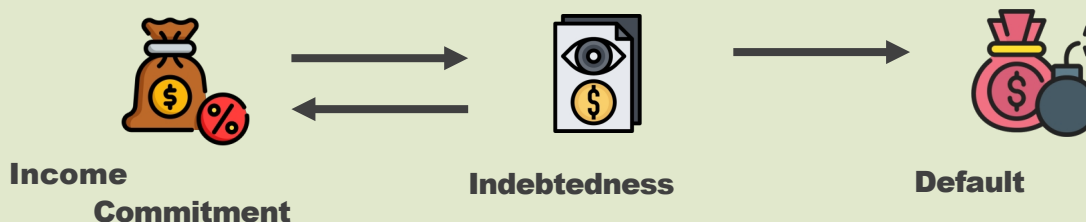
Default



It is the inability to meet debt obligations under the agreed terms¹. It results primarily from a mismatch between a household's planned and actual financial conditions, whether due to an income shock (e.g., unemployment) or poor debt management.

When it occurs, it results in severe consequences—not only financial but also legal. Default is indeed always bad, and in an “ideal world,” it would always be zero.

There is, therefore, a primary causal relationship between these three factors and a feedback loop between debt and the burden on income due to the costs of debt itself.

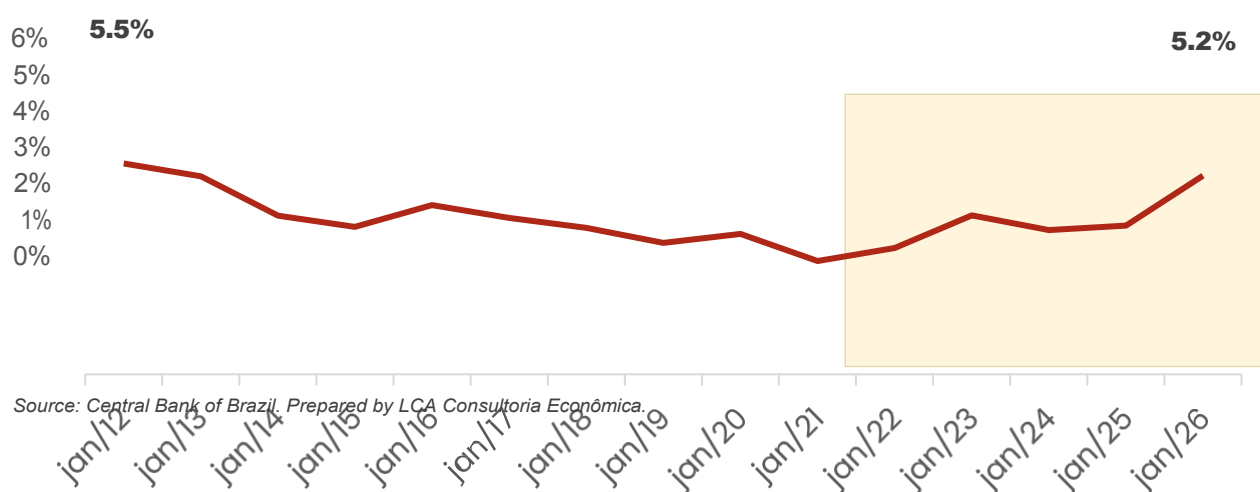


In macroeconomic terms, default is always bad; indebtedness is only bad if it is excessive and/or causes default; and income burden is only bad if it causes excessive indebtedness. Therefore, let's analyze each of them.

Household Delinquency: Growth and Economic Implications

According to data from the Central Bank, individual delinquency in Brazil, within the National Financial System (SFN), has been on an upward trajectory since 2021, reaching 5.2% in February 2026 and approaching the level observed in 2012 (5.5% in May).

Delinquency¹ in the retail credit portfolio relative to the total amount of credit granted within the SFN



Source: Central Bank of Brazil. Prepared by LCA Consultoria Econômica.

The current level of delinquency among Brazilian households is not unprecedented in the economy and has been experienced at other points in history.

On the other hand, the consistent rise in this indicator in recent years raises important questions, as it foreshadows negative consequences not only for the affected households but for the economy as a whole. It is a warning sign regarding the functioning and incentives generated by the current national financial system.

The Federal Government itself and Central Bank authorities have been closely monitoring the situation and treating the issue as a priority on the national agenda. In this context, it is important to further analyze the origin and characteristics of this growth.

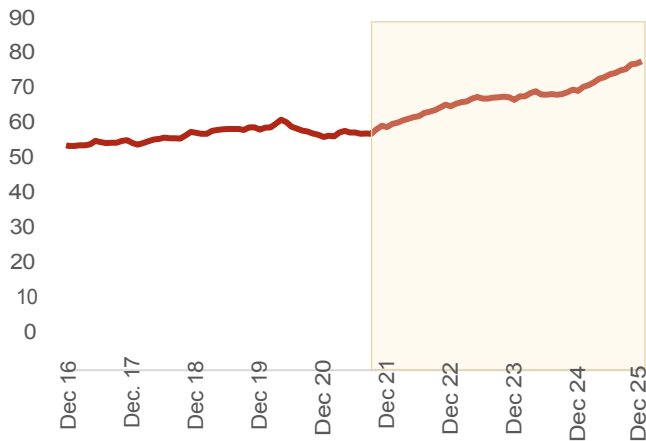
¹: According to the Central Bank's credit glossary, non-performing loans are the balance of credit transactions that are more than 90 days past due and have not been written off as a loss. For more information, see: https://www.bcb.gov.br/content/estatisticas/Documents/Estatisticas_mensais/Monetaria_credito/glossariocredito.pdf

Financial debts are behind the rise in delinquency

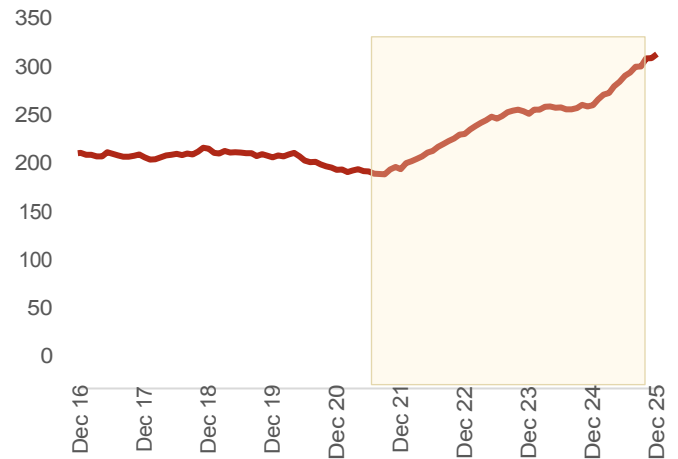


Data from Serasa show an increase in both the number of delinquent consumers and the number of unpaid debts.

Defaulting consumers
(in millions of people)



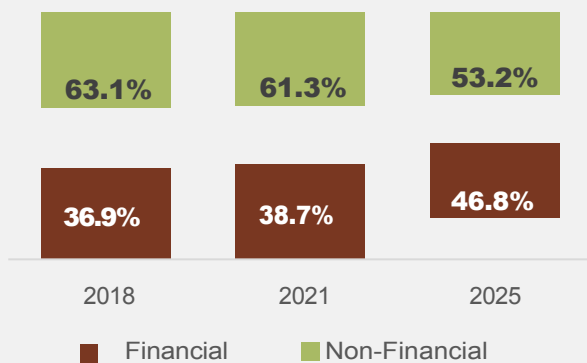
Delinquency as a percentage of total debt
(millions of outstanding debts)



Source: Serasa. Prepared by LCA Consultoria Econômica.

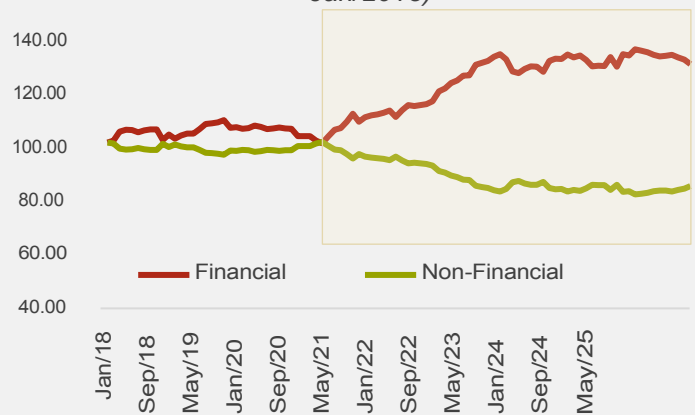
When we analyze the trend in delinquency rates, as measured by Serasa, breaking them down into financial and non-financial debt, it becomes clear that the rise in household delinquency since 2020 is directly linked to delinquency on financial debt.

Share of financial and non-financial sectors in the composition of delinquency



Source: Serasa. Prepared by LCA Consultoria Econômica.

Delinquency by financial and non-financial sectors (base 100 in Jan/2018)



Source: Serasa. Prepared by LCA Consultoria Econômica.

Different types of credit in the financial system



It is therefore useful to understand the default associated with financial debts. To do so, it is important to understand the different types of credit in the financial sector.

Credit in the financial sector is divided into two main types:

(i) Targeted Funds and (ii) Unrestricted Funds.



Credit with Directed Funds

operations regulated by the CMN or linked to budgetary resources, intended to finance medium- and long-term production and investment in the real estate, rural, and infrastructure sectors.

For example:

- Real estate financing
- Rural credit
- Microcredit
- BNDES and other secured lines with specific purposes

These are transactions with longer repayment terms, collateral, and higher amounts, which helps spread out the installments and reduces risk for the lender, resulting in lower interest rates.



Loans with Discretionary Funds

Transactions with interest rates freely agreed upon between financial institutions and borrowers, in which the institutions have autonomy over the allocation of the funds raised.

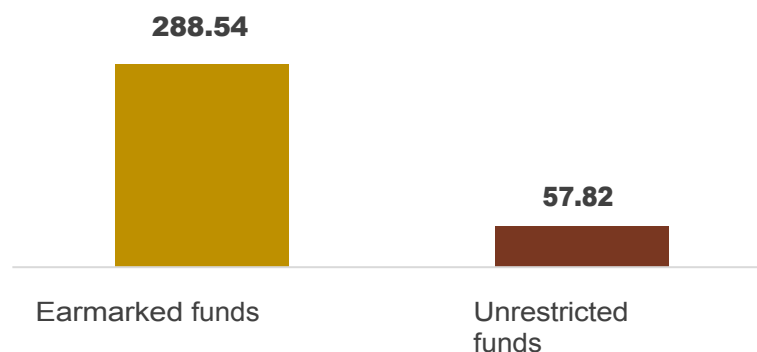
For example:

- Credit cards, revolving credit, and installment plans
- Overdraft
- Personal loans
- Payroll loans
- Auto loans

These are transactions with shorter repayment terms and no collateral, implying greater risk for the lender and, consequently, higher interest rates.

Average repayment terms

(months, Dec. 2025)



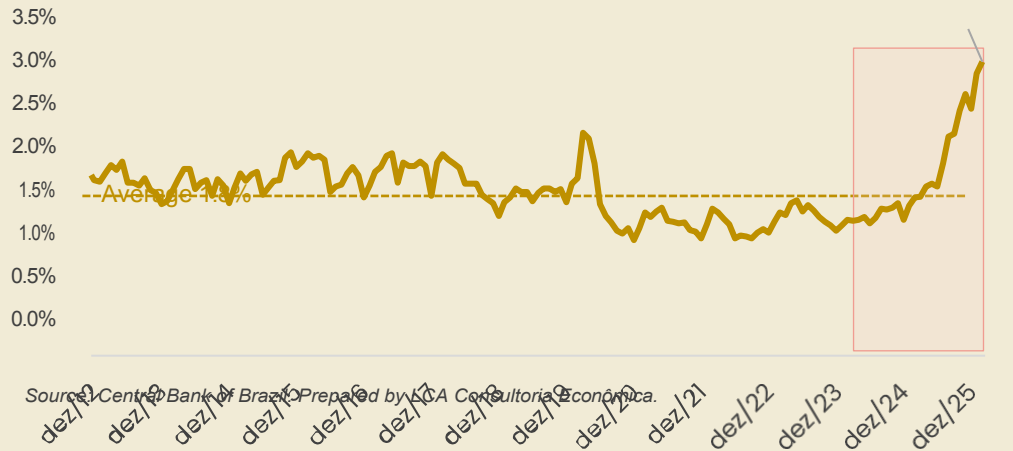
Source: Central Bank of Brazil. Prepared by LCA Consultoria Econômica.

Available at: https://www.bcb.gov.br/content/estatisticas/Documents/Estatisticas_mensais/Monetaria_credito/glossariocredito.pdf

Delinquency in directed credit rises due to rural credit

Delinquency in the targeted credit portfolio

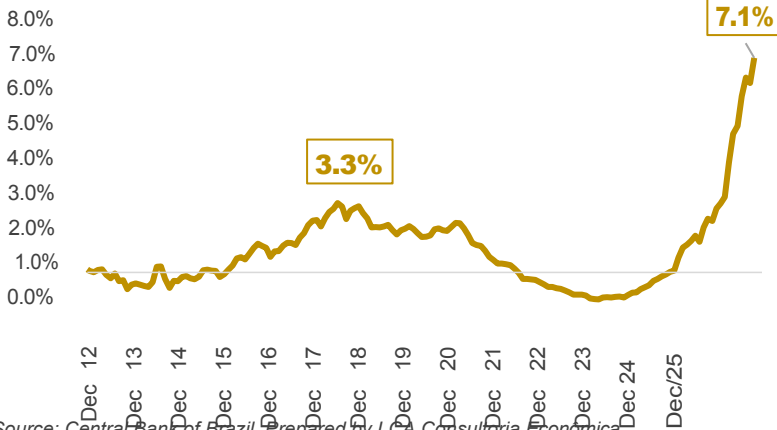
The data show an increase in delinquency in directed credit in recent months, contrasting with the traditional stability of this indicator.



Source: Central Bank of Brazil. Prepared by LCA Consultoria Econômica.

The breakdown of data across the two main segments comprising the targeted credit portfolios, highlights the source of the increase in delinquency.

Rural credit delinquency



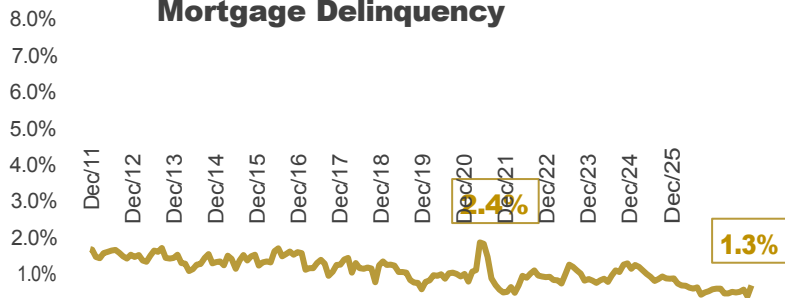
Source: Central Bank of Brazil. Prepared by LCA Consultoria Econômica.



Rural Credit

According to experts, the main drivers of the recent exponential rise in rural credit defaults are declining income and rising debt costs. Since 2023, declining harvests and falling commodity prices have reduced producers' revenue, while high interest rates have made credit more expensive, contributing to the accumulation and burden of debt, with consequent defaults.¹

Mortgage Delinquency



Source: Brasilagro. March 2026. Available at: <https://www.brasilagro.com.br/conteudo/inadimplencia-no-credito-rural-chega-a-73-em-janeiro-e-bate-novo-recorde.html#:~:text=Rural%20credit%20delinquency%20reaches%20and%20sets%20a%20new%20record%20%7C%20Brasilagro>

Source: Central Bank of Brazil. Prepared by LCA Consultoria Econômica.



Mortgage Financing

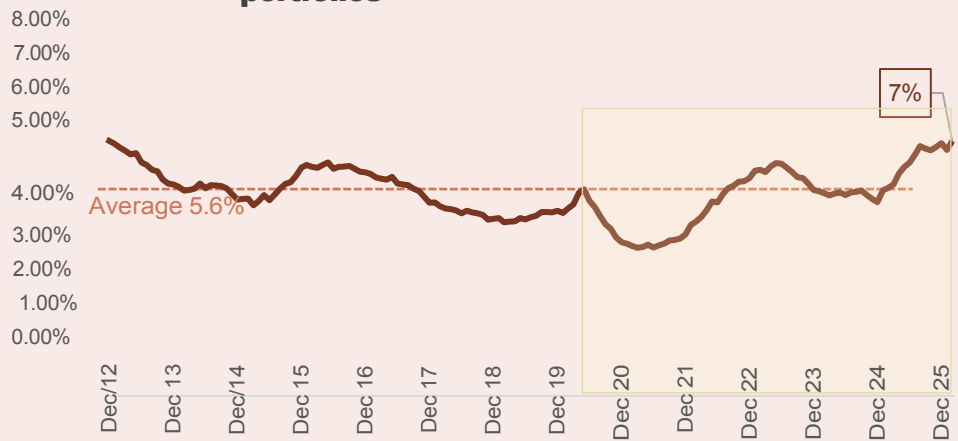
On the other hand, delinquency in real estate financing has been on a long-term downward trend since 2011.

Delinquency in **unsecured** credit is mainly driven by credit cards

In the aggregate of Free Resources, despite the increase in the most recent period, delinquency remains fluctuating near the average for the period since 2011.

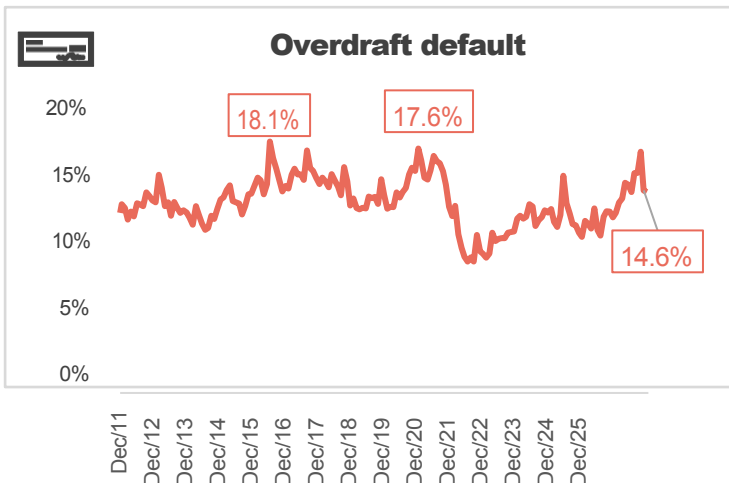
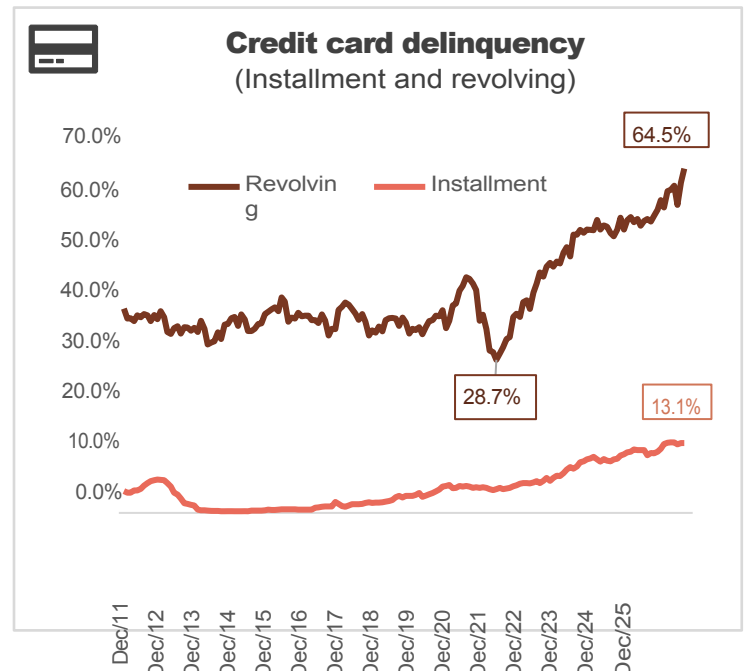
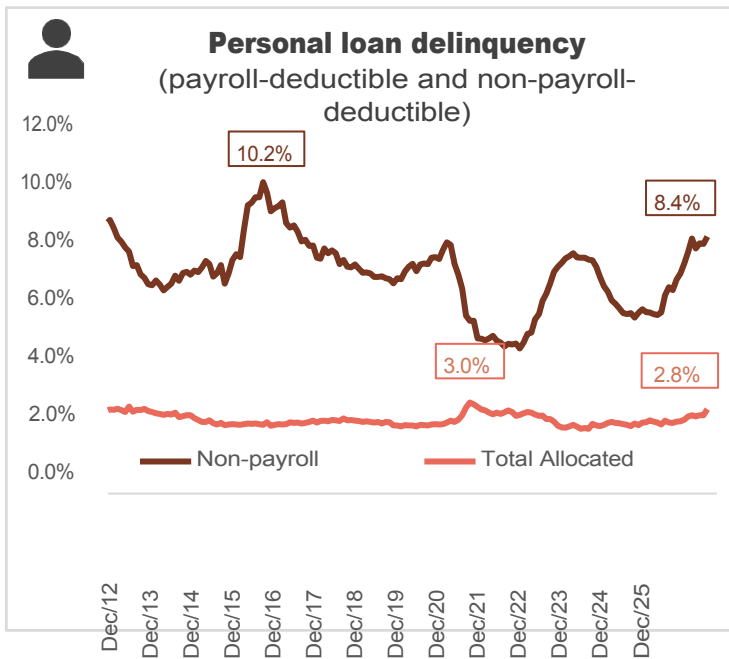
In 2026, the delinquency rate is lower than it was in 2012.

Delinquency in Free Resources loan portfolios



Source: Central Bank of Brazil. Prepared by LCA Consultoria Econômica.

We can then examine the main segments that make up the unsecured loan portfolios.



The breakdown by different segments of unsecured credit makes it clear that the main culprit is the credit card, particularly the revolving credit card, both in terms of default rates and recent growth.

Recent data from the U.S. Federal Reserve¹ shows that credit card delinquency in the U.S. economy stands at 12.7%.

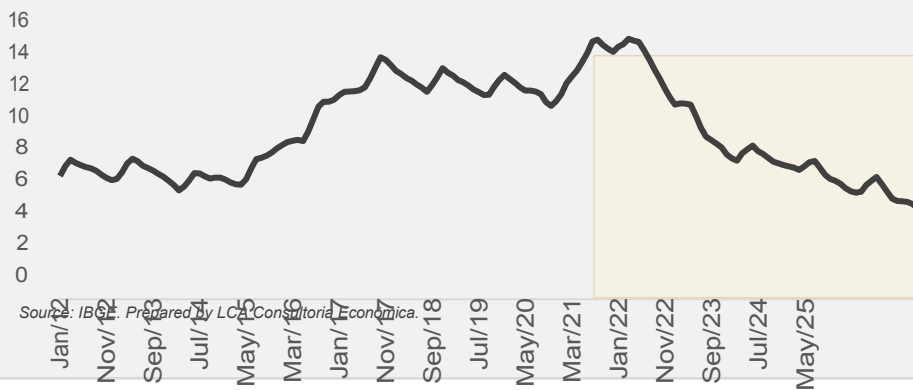
Available at: https://www.newyorkfed.org/medialibrary/interactives/householdcredit/data/pdf/HHDC_2025Q4. Accessed on 04/09/2026.

Rising incomes do not prevent the rise in delinquency



The rise in delinquency among households with financial debt occurs during the same period in which the Brazilian economy is experiencing a historic drop in unemployment and a consistent increase in income.

Unemployment Rate in Brazil (%)

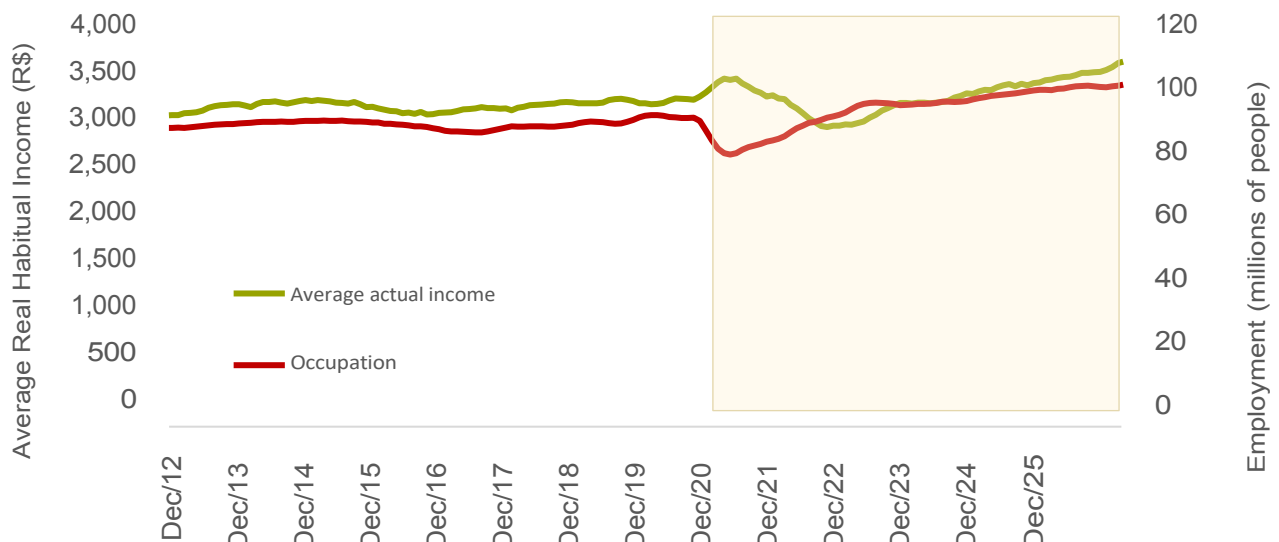


Historic Low in Unemployment Rate

In November 2025, the unemployment rate fell to 5.2%, the lowest level in the IBGE's historical series, which began in 2012.

Following the shock to the labor market caused by the pandemic, there was a recovery in employment and real average income, which reached the highest level on record.

Average Real Household Income and Employment in Brazil



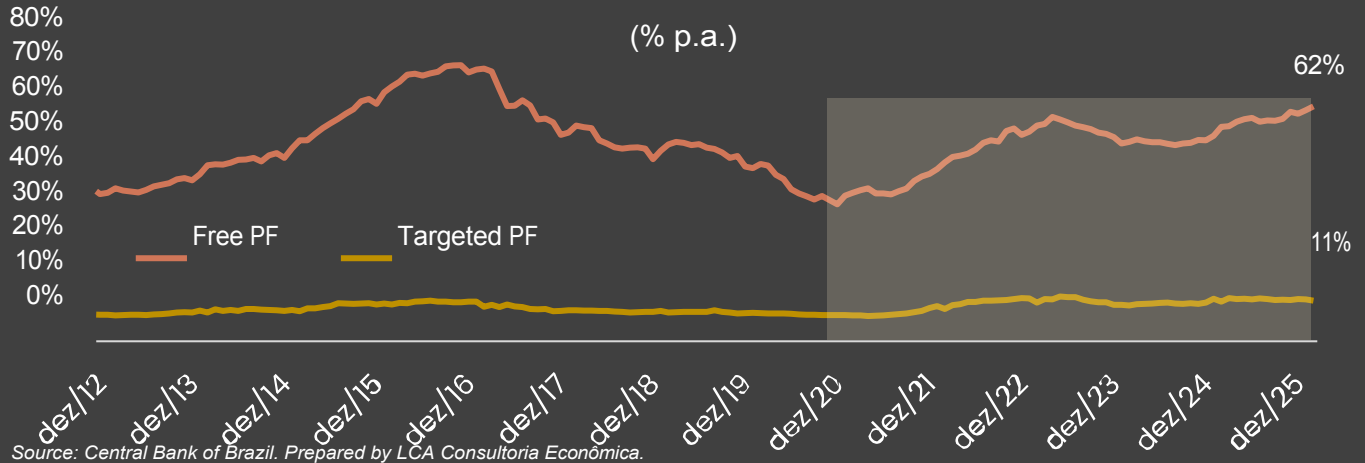
Source: Continuous PNAD. Prepared by LCA Economic Consulting.

If employment and income have been on an upward trajectory since 2020, what explains the rise in financial debt defaults, particularly for unsecured credit, during the same period?

Interest payments are the main driver of household debt

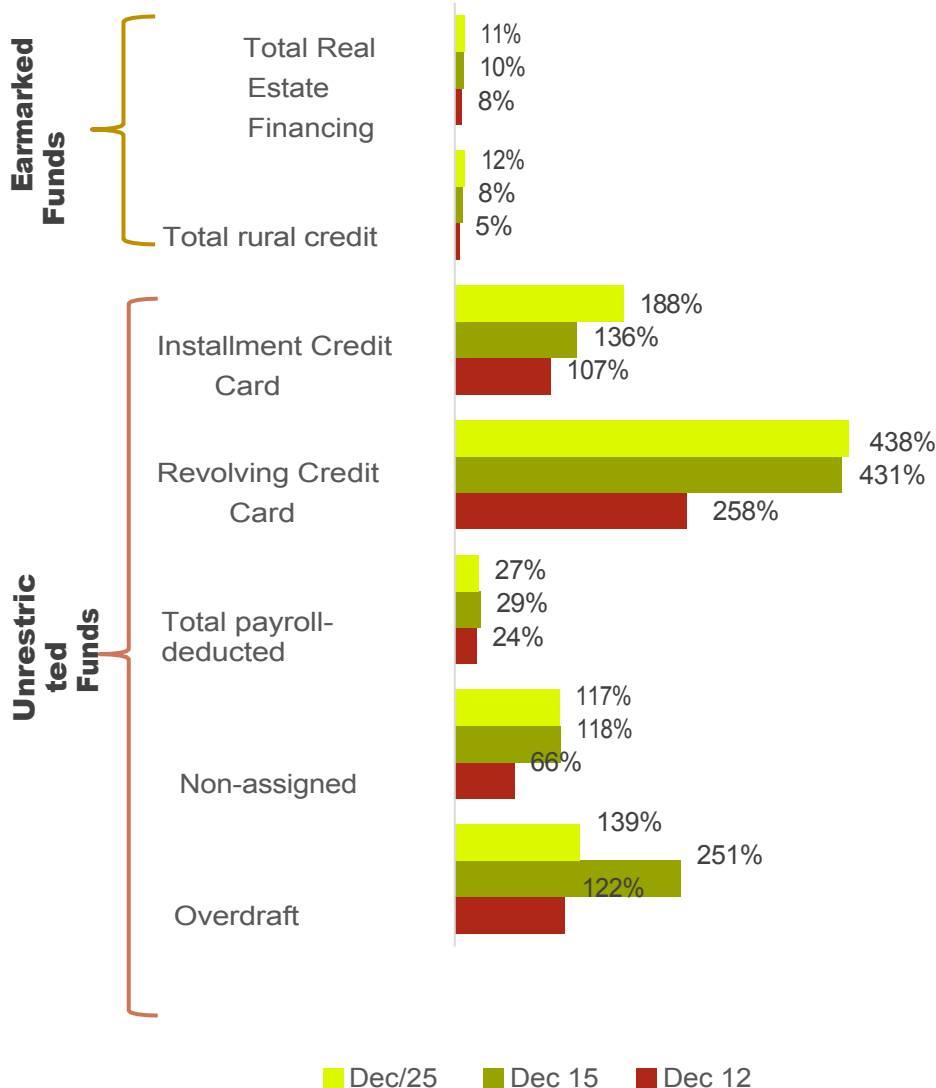
The all-time high and recent growth in delinquency on financial debts are directly related to interest rate dynamics.

Interest rates on unsecured and secured credit



Interest rates on unsecured and directed credit

(% p.a.)



The interest rate charged on loans from unrestricted funds is consistently and significantly higher than on loans from restricted funds.

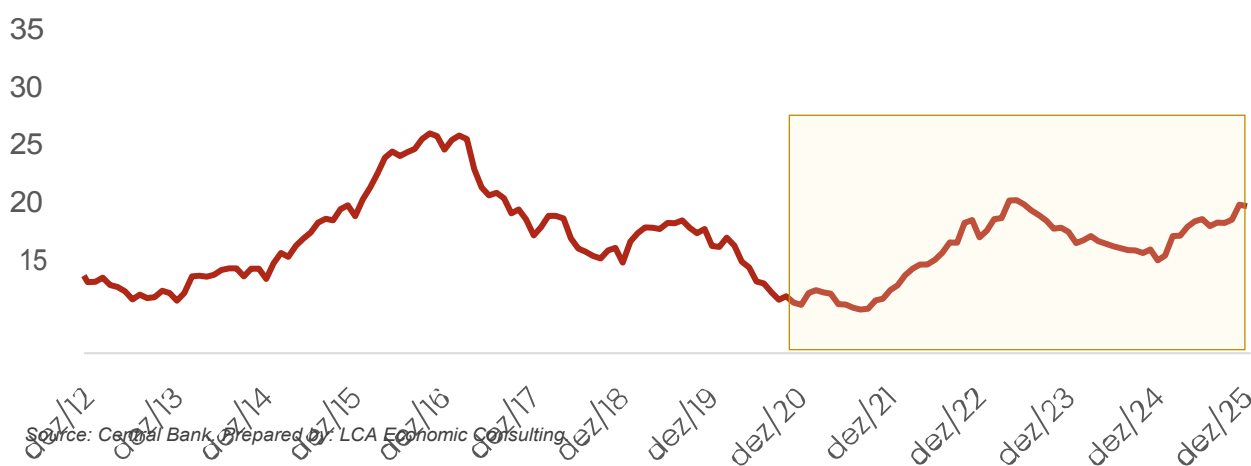
This difference is even greater for Credit Card (installment and revolving).

Rising interest rates reflect *the* and restrictive monetary policy

There are several theories and hypotheses regarding why interest rates in Brazil have historically been high. However, regardless of any theory, interest rates on unsecured loans for individuals have been rising in Brazil since 2020, mainly due to two factors.

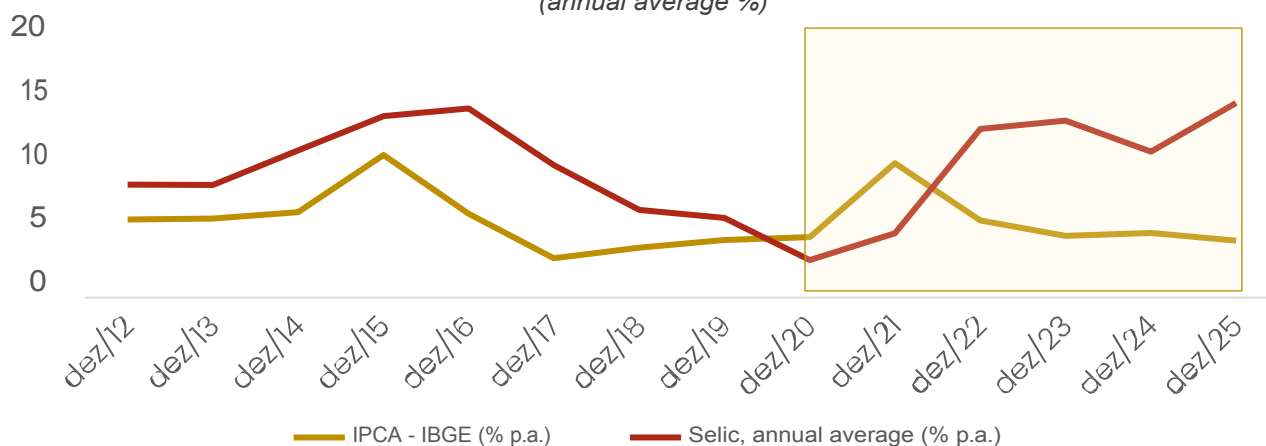
The first is the bank *spread*.

Bank Spread on Credit for Individuals
(%)



The second is the Selic rate, which has even diverged from the inflation index.

Evolution of the IPCA and Selic Rate
(annual average %)

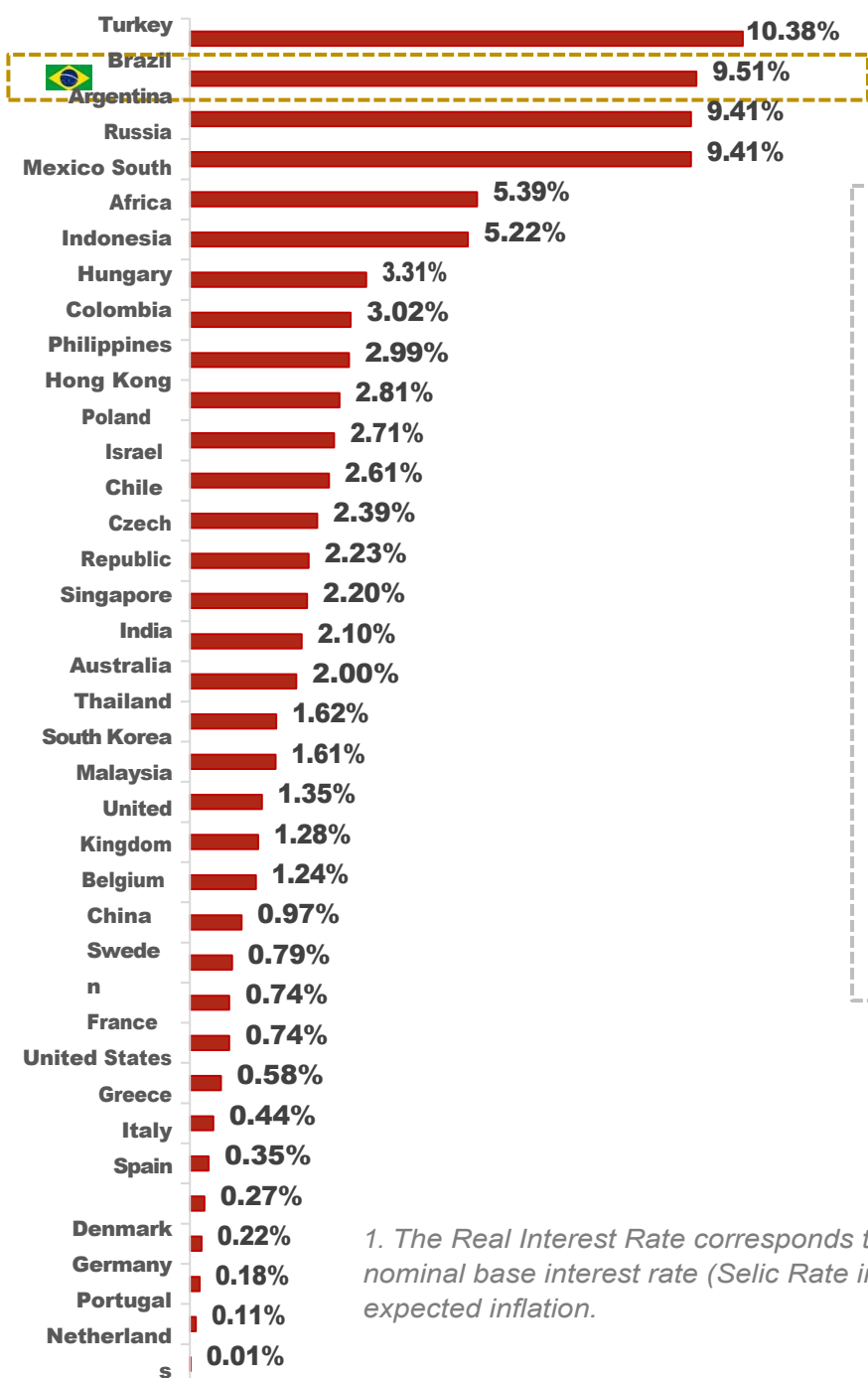


Real interest rates in Brazil are the second highest in the world

%

This divergence between the Selic rate and inflation has made Brazil the country with the **second-highest real interest rate in the world!**

Global Ranking of Real Interest Rates¹



Currently, real interest rates in Brazil are exceeding the levels seen in war-torn economies (such as Russia) and in the midst of a long-term economic crisis (such as Argentina).

The average interest rate in the countries analyzed is 2.18%. Brazil (9.51%) is far above this average by **+7.33 percentage points.**

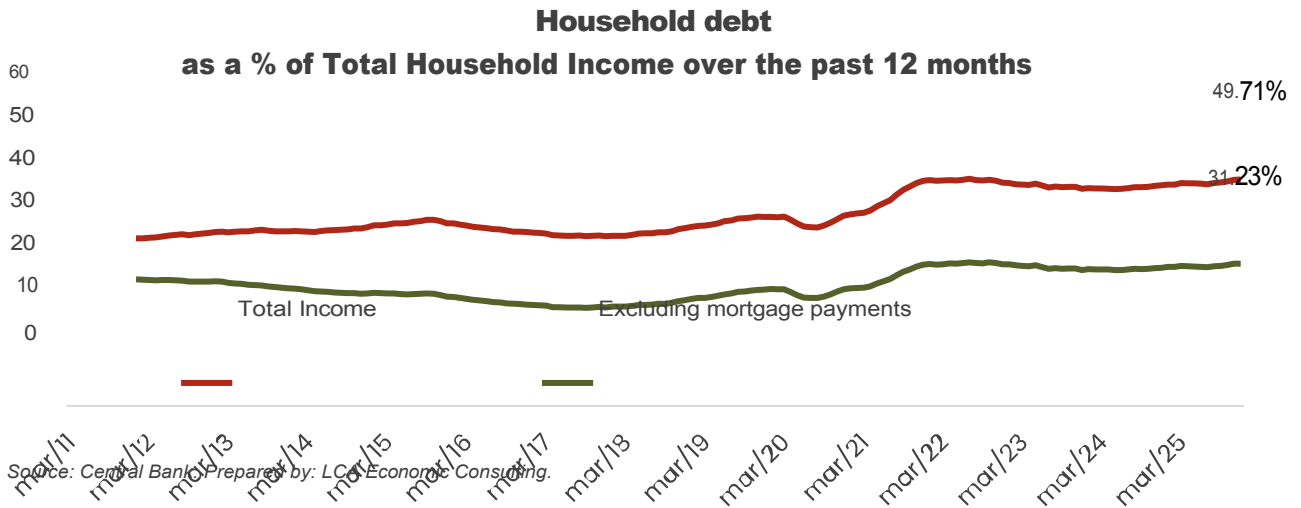
1. The Real Interest Rate corresponds to the economy's nominal base interest rate (Selic Rate in Brazil) adjusted for expected inflation.

High but stable debt, and still low compared to other countries



So far, we have seen that household delinquency has been rising in recent years, particularly with regard to unsecured financial debt (such as credit cards), which carries higher interest rates that have also been rising in recent years. But is overall household debt growing at the same pace?

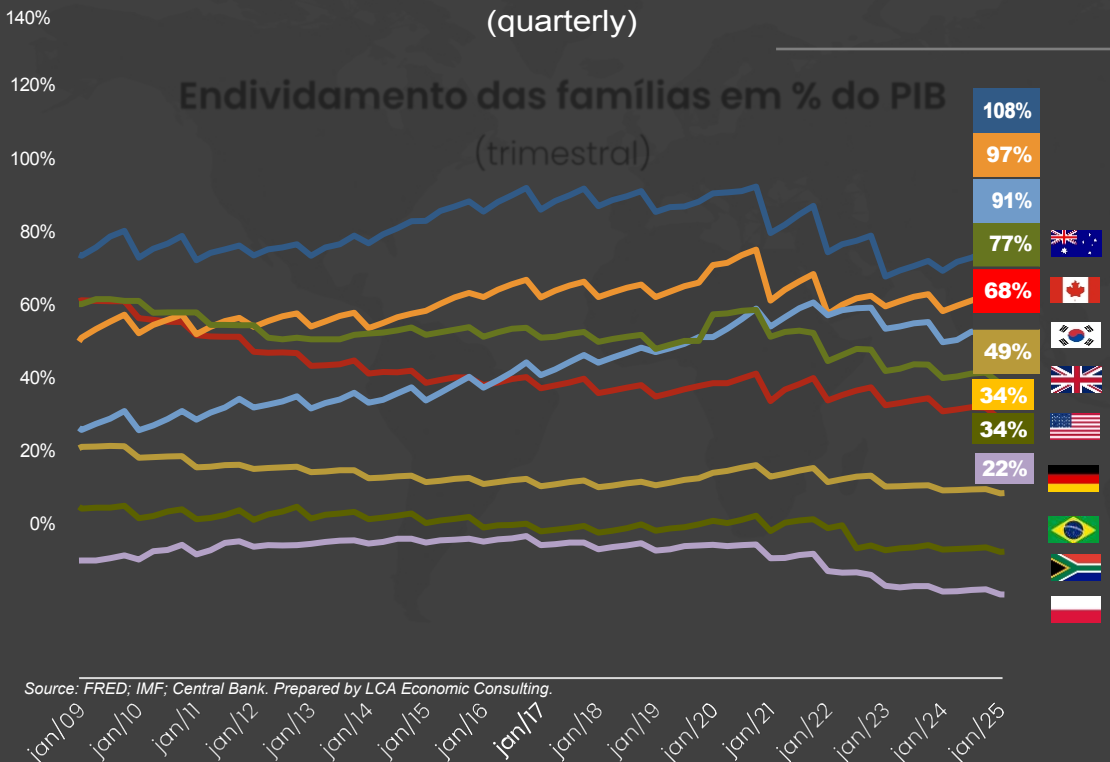
Although higher than pre-pandemic levels, household debt does not appear to be growing at an alarming rate.



debt, although growing, is substantially lower than household debt in those countries.

Household debt as a % of GDP

(quarterly)



The problem of delinquency does not seem to lie in the size of household debt, but in the quality of that debt. O problema da inadimplência parece estar no tamanho do endividamento das famílias, mas na qualidade desse endividamento.

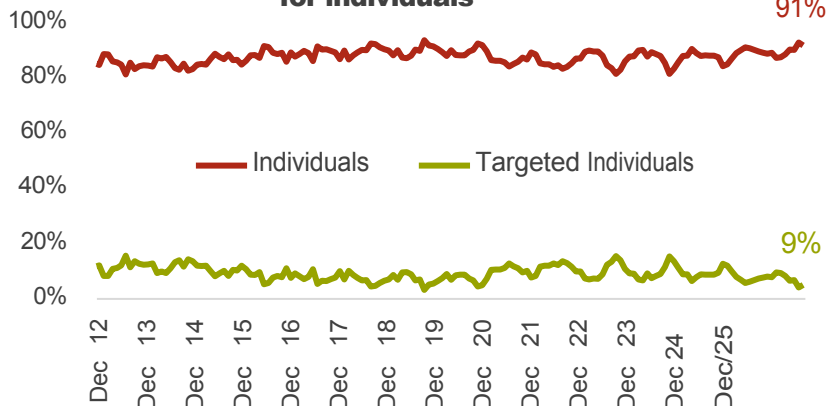
Revolving credit predominates and amplifies the impact of higher interest rates



Although more expensive, unsecured credit has historically accounted for more than 80% of funds extended to households, reflecting its characteristic of short-term operations and high turnover (as in the case of credit cards and overdrafts).

Share of credit granted

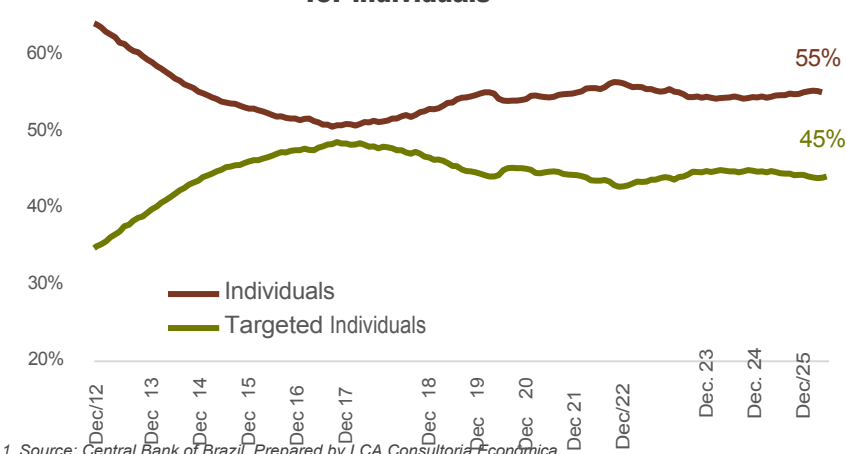
for individuals¹



Even in terms of the balance of available funds, make up the majority and are growing.

Share of total credit

for individuals¹



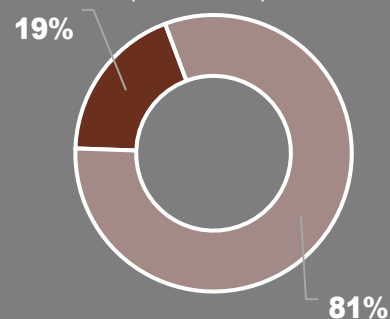
1. Source: Central Bank of Brazil. Prepared by LCA Consultoria Econômica.

When analyzing only the unsecured credit segment, revolving credit accounts for the majority of loans granted, once again indicating households' greater reliance on short-term lines

affordable, but more expensive.

Participation in the provision of unsecured credit to individuals

(Dec 2025)



■ Non-revolving □ Revolving

Note: The revolving credit category includes overdrafts and revolving and cash credit cards. Source: Central Bank of Brazil. Prepared by LCA Consultoria Econômica.

65% of Brazilians have more than one credit



According to Serasa, it is common for Brazilians to use multiple credit cards to increase their credit limit and facilitate spending.

Available at: <https://www.serasa.com.br/imprensa/brasileiros-tem-mais-uma-cartao-credito/> Accessed on 04/01/2026

A survey of consumers in São Paulo confirms the growth in credit card debt in recent years.

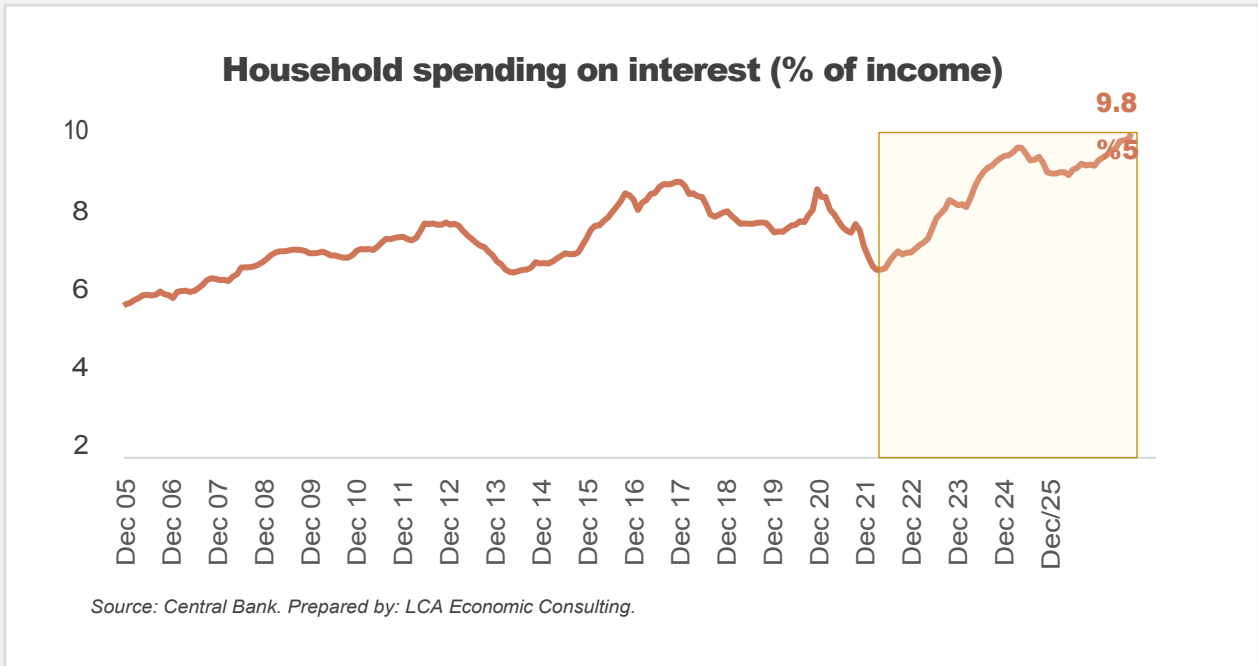
Composition of household debt in São Paulo

Year	Credit Card	Home Financing	Car Financing	Personal Loans	Payroll Loan	Overdraft	Postdated Check	Other Debts	Don't know or no answer
2010	68.9%	2.2%	6.7%	25.8%	2.2%	7.0%	4.8%	0.3%	2.5%
2025	81.5%	13.2%	8.7%	8.1%	6.0%	3.1%	0.2%	0.0%	13.2%

Source: PEIC - FecomercioSP. Prepared by LCA Consultoria Econômica.

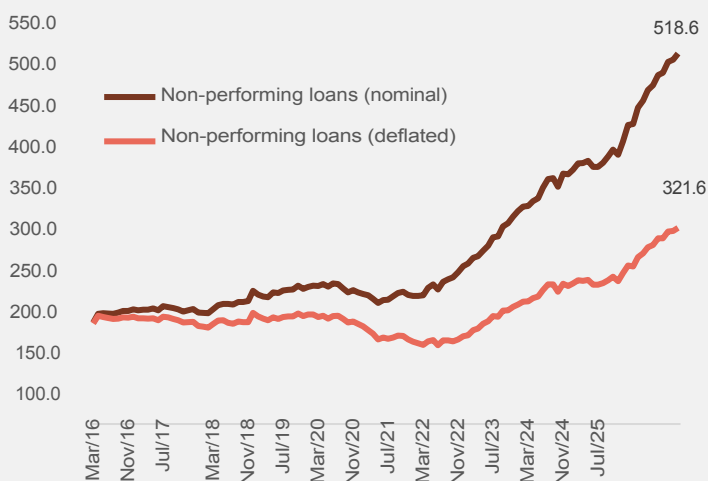
High interest rates squeeze disposable income, increase debt burdens, and lead to defaults

Brazilian households' heavy reliance on more expensive credit lines is directly reflected in the portion of household income allocated to interest payments.



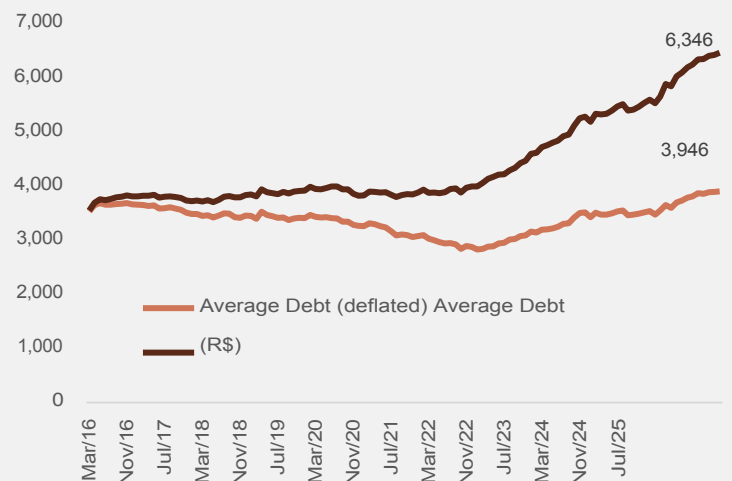
Consequently, the amount of delinquent debt and the average debt balance have also been growing steadily.

Non-performing loans¹ in R\$ billion
(deflated to Feb. 2016 R\$)



Source: Serasa. Prepared by LCA Consultoria Econômica.

Average value of delinquent debts¹ in R\$
(deflated to Feb. 2016 R\$)



Source: Serasa. Prepared by LCA Consultoria Econômica.

¹ According to Serasa, a reported debt is a debt that has been recorded in the delinquency registry, causing the debtor's CPF number to be flagged. For more information, visit: <<https://www.serasa.com.br/limpa-nome-online/blog/divida-negativada/>>

Experts highlight the problem of the cost of credit and consumers' lack of financial literacy



Based on all the evidence presented so far, many economists and experts have pointed to the increasingly frequent and indiscriminate use of strategically accessible but extremely expensive lines of credit as a decisive factor in the rise in delinquency.

This surge in credit supply and demand—with some of the highest interest rates in the world—combined with the inability of many families to manage their debt, is creating the conditions that are driving the alarming rise in delinquency rates.



According to Gabriel Galípolo¹, president of the Central Bank, many Brazilians use credit cards and emergency credit lines with high “punitive” interest rates, which accounts for a significant portion of their debt, with recurring use of these lines.

For the president of the Central Bank², many citizens do not consider themselves in debt as long as they keep their payments up to date: “You ask people who have some kind of financing: ‘Do you have debt?’ ‘No.’ Brazilians only think they have debt when they fall behind on a payment.”

“You have this strange situation where, on the one hand, 40 million people have credit cards with a 60% default rate. Would you get on a plane that crashes 60% of the time? [...] The credit limit shown on the card is viewed as part of one’s disposable income for potential emergencies”².

The Central Bank president’s view is in line with the findings of a recently released analysis³ by economists Livio Ribeiro and Katherine Hennings of FGV IBRE.



The data analyzed by the FGV IBRE economists show that lower-income households are the most affected by the disorderly expansion of credit card use and the resulting delinquency.

“Lower-income groups have a higher proportion of unsecured credit [which includes credit cards] than higher-income groups (Table 1).” [...] “In unsecured transactions, interest rates are higher and agreed-upon terms are shorter, characteristics typical of emergency credit lines.”

The authors also point out that this disorderly rise in delinquency among the poorest households is fueled by the population’s lack of financial literacy.

“In this context, financial literacy has never been more important. A significant portion of the population has gained access to new financial instruments in recent years, as part of a healthy process of increased banking penetration and financial deepening. Innovations of this nature are typically not accompanied, at the same pace, by the necessary regulation, increasing the risks of the transition to a new equilibrium—one that is more “banked” and involves greater use of sophisticated financial instruments. In this process, it is essential that the population be informed and empowered to use the new financial and credit instruments, including the management of multiple obligations and commitments. This does not seem to be what we are seeing today in Brazil: the evolution of financial innovations is outpacing the population’s capacity to learn.”

¹ Available at: <https://g1.globo.com/economia/noticia/2026/03/26/101-milhoes-de-pessoas-tem-dividas-no-cartao-de-credito-com-juros-acima-de-100percent-ao-ano-diz-presidente-do-bc.ghtml>. Accessed on 04/01/2026.

² Available at: <https://valor.globo.com/google/amp/financas/noticia/2026/04/10/brasileiro-so-acha-que-tem-divida-quando-atrasa-prestacao-diz-galipolo.ghtml>. Accessed on 04/12/2026.

³ Available at: <https://blogdoibre.fgv.br/posts/precisamos-falar-sobre-o-endividamento-e-inadimplencia-das-familias> Accessed on April 2, 2026.

Several studies point to credit card interest rates as the main culprit

What do other experts and scholars on the subject say?

On the variables that explain household default in Brazil

"The results show, via Tobit regression, that credit cards and credit-related variables are the ones best able to explain delinquency. It can be concluded that the inappropriate use of credit, combined with low financial literacy, contributes to delinquency." Gabriel Medeiros and Carlos Pinheiro¹

On the variables explaining household indebtedness in Brazil

"The analysis revealed a significant link between credit card use and high levels of indebtedness among Brazilian households, especially during the pandemic." Isabella Bim, José do Carmo, and Mara Olivera²

On how recent interest rate trends have impacted credit card use

"The main issue is that if [interest] rates go up, debt becomes more expensive—credit cards and especially those that people use for short-term borrowing, such as revolving credit overdrafts." Luiz Rabi³

On the high level of interest rates in Brazil

"First, in every year between 2005 and 2025, Brazil's real interest rate remained significantly above the level that separates the top 25% of countries with the highest interest rates." group of economies with the highest real interest rates in the world." Carlos Eduardo Gonçalves and Tiago Cavalcanti⁴

On the role of the banking spread in the cost of interest

"While average spreads in comparable countries are just a few percentage points or single-digit, in Brazil have reached exceptionally high levels, above 30%. High spreads make financial intermediation more expensive and, as a result, raise the the cost of capital across the entire economy, affecting not only corporate credit and household, but also the rates charged on long-term instruments, including government bonds." Tiago Cavalcanti⁵

¹ Gabriel Medeiros, Carlos Pinheiros, Foco Magazine. BEHAVIORAL FINANCE: AN ANALYSIS OF DEFAULT RATES IN BRAZIL IN THE POST-PANDEMIC CONTEXT AND CREDIT CARDS

² BIM, I. C.; CARMO, J. G. do; OLIVEIRA, M. J. G. de. Credit Cards and Brazilian Debt. Interface Tecnológica, vol. 20, no. 2, 2023.

³ Available at: <https://www.cnnbrasil.com.br/economia/macroeconomia/risco-medio-de-inadimplencia-das-empresas-brasileiras-atinge-recorde-aponta-estudo/>. Accessed on 04/12/2026.

⁴ Available at: <https://valor.globo.com/opiniao/coluna/juro-real-no-brasil-uma-jabuticaba.ghtml>. Accessed on 04/12/2026.

⁵ Available at: <https://valor.globo.com/opiniao/tiago-cavalcanti/coluna/juro-real-no-brasil-a-jabuticaba-e-suas-raizes.ghtml>. Accessed on April 12, 2026.

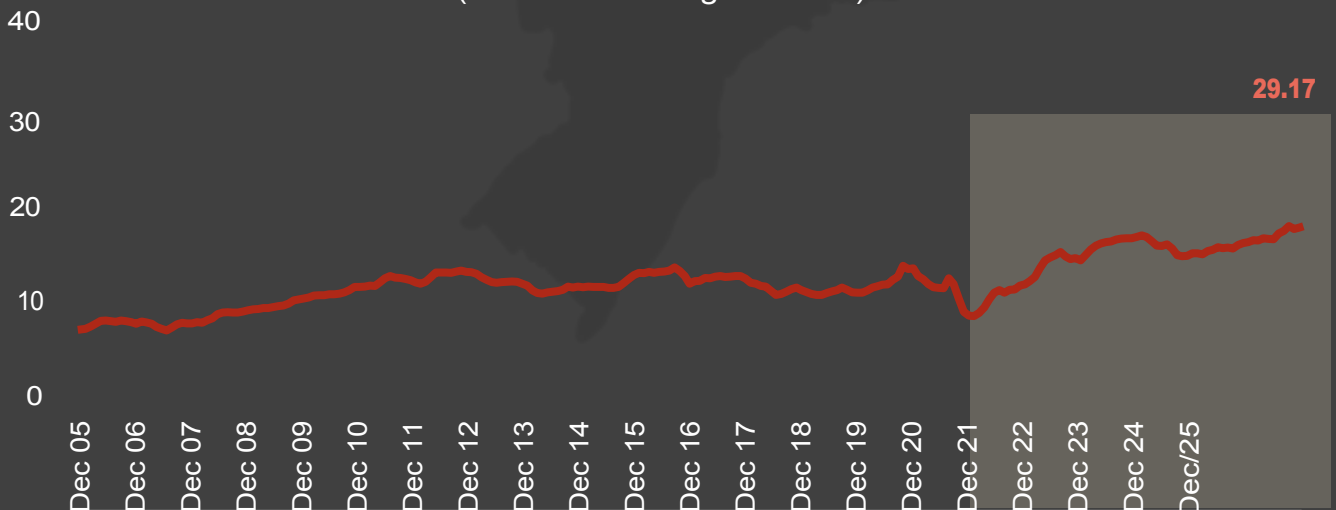
Cost of debt puts pressure on household budgets

The debt service ratio represents the percentage of household income allocated to interest payments and principal repayments on their debts. The higher this ratio, the less disposable income is available for other purposes—whether consumption or savings—and the greater the likelihood of imbalances in the household budget that lead to a need for further borrowing.

This figure has risen in recent years, reaching 29.33% in Jan/25, due both to the increase in the portion allocated to debt principal payments—which depends on the amount of debt—and to interest payments—which also depend on the amount of debt, but mainly on interest rates (which are rising).

Income Allocation to Debt Service

(as a % of average income)



Source: Central Bank. Prepared by: LCA Economic Consulting.

But beyond spending on financial debt, is there any other specific expenditure that has the power to compromise aggregate household income to the point of being considered a determining factor in the economy’s overall indebtedness and a direct cause of the household default crisis?

Recently, a theory has emerged in public debate suggesting that spending on gambling may be a factor explaining the rise in delinquency rates in recent years. It is this hypothesis that we will now investigate.

Gambling has a limited impact on household consumption



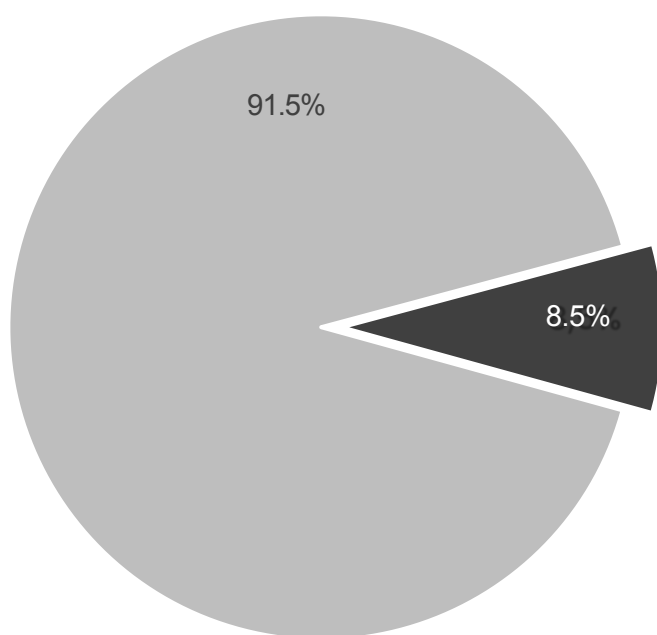
Based on the POF¹, it is possible to identify gambling as part of leisure

Data from the 2017 POF indicate that **8.5%** of household income was allocated to spending on leisure goods and services, of which eating out, travel, media consumption, tickets, and club memberships are the main items².

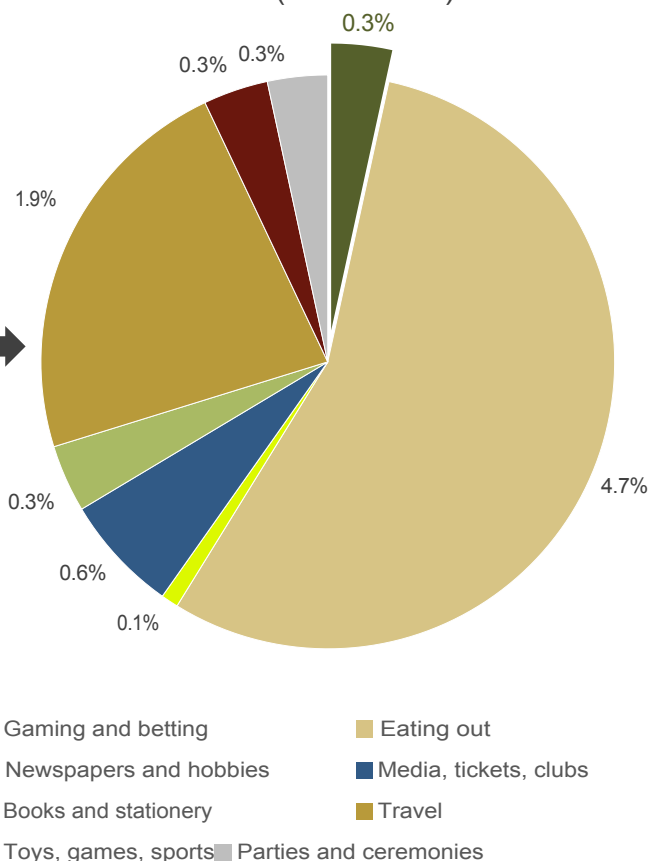


Gaming and betting, referring to spending on lotteries and legal and illegal games, accounted for **0.3%** of income.

Total spending by households on leisure
(2017–2018)



Breakdown of household spending
(2017–2018)



■ Recreational expenses ■ Other Expenses

Source: POF 2017-2018. Prepared by LCA Consultoria Econômica.

Although these data predate the legalization of fixed-odds betting (*Bets*) in Brazil, which took place in 2018, they show the proportion of income spent on games and betting at the time.

Since we have not yet had another POF, it is not possible to say whether there has been a change in total leisure spending; however, data from the Secretariat of Prizes and Betting (SPA) indicate that fixed-odds betting today accounts for 0.46% of household consumption,³ that is, still a modest fraction of total household spending.

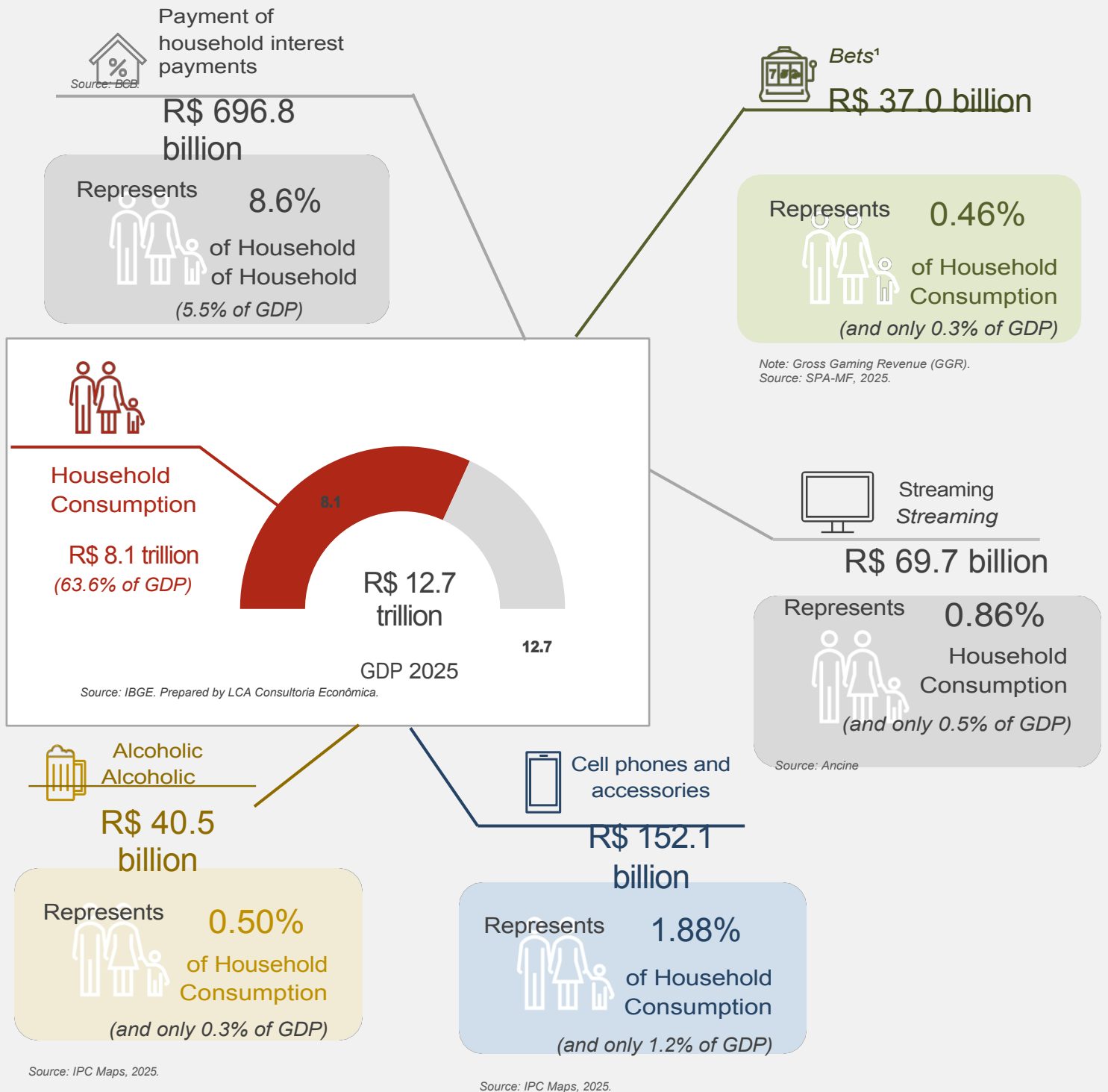
¹ Family Budget Survey. ² Source: IBGE. POF 2017, Individual Expenditures

² Source: Prepared by LCA based on data from SPA (GGR) and IBGE (National Accounts).

Gambling has a limited impact on household consumption



Household spending on legal gambling accounts for a negligible portion of household consumption as measured by the national GDP. It is unreasonable to speculate that consumption representing 0.46% of household spending could be responsible for a national crisis of debt and default.



The alcoholic beverage sector has an economic impact similar to that of gambling, with negative externalities that affect people's physical and financial health, but it is not used as the sole determinant of default.

Sources: IPC Maps, 2025. Available at: <https://monitormercantil.com.br/crescem-os-gastos-com-bebidas-alcoolicas-no-brasil/> Accessed on 04/04/2026
 Available at: <https://exame.com/tecnologia/brasileiros-batem-recorde-de-r-152-bilhoes-em-gastos-com-celulares-no-ano/> Accessed on 04/04/2026

Gambling represents a low monthly expense, with little impact on the budget



According to data from the Ministry of Finance's Secretariat of Prizes and Betting (SPA-MF), the average expenditure per bettor in 2025 was R\$ 122.00. If we consider the average income of Brazilian workers (IBGE), this means that each bettor spent 3.3% of their monthly income on betting. In other words, this is much less, for example, than the 30% that indebted families allocate of their income to debt service.

R\$ 122.00/month

is the average monthly net expenditure of gamblers

This represents:

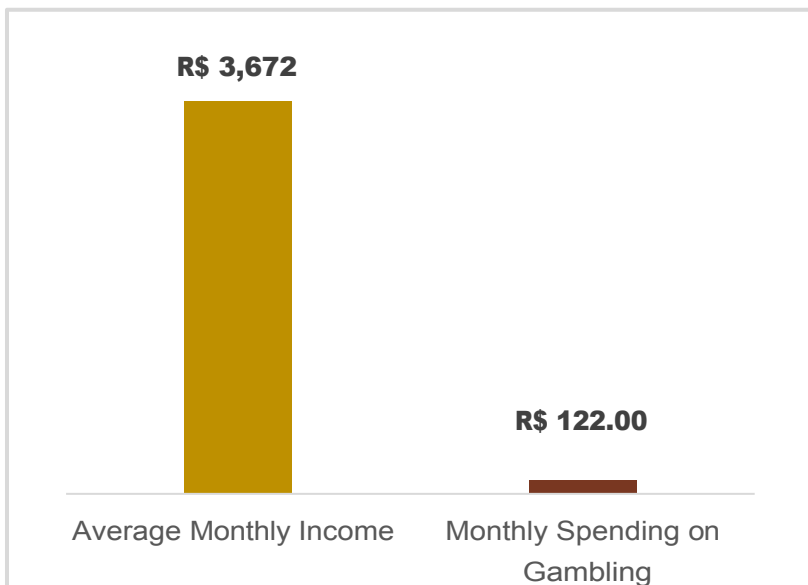
3.3%

of the average real monthly income from work (Feb/26)

Source: SPA-MF. Prepared by LCA Consultoria Econômica

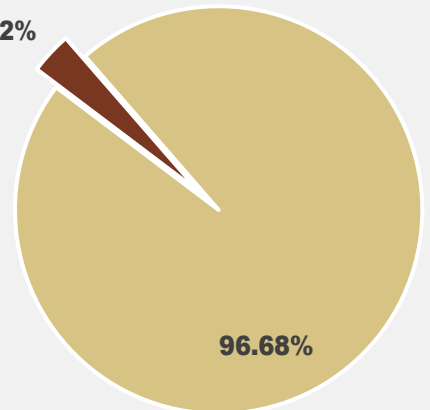
Note: Income in Feb/26 of R\$ 3,672.00. Source: PNADc - IBGE

Average Regular Income vs. Average Expenditure (2026)



What does this represent?

3.32%

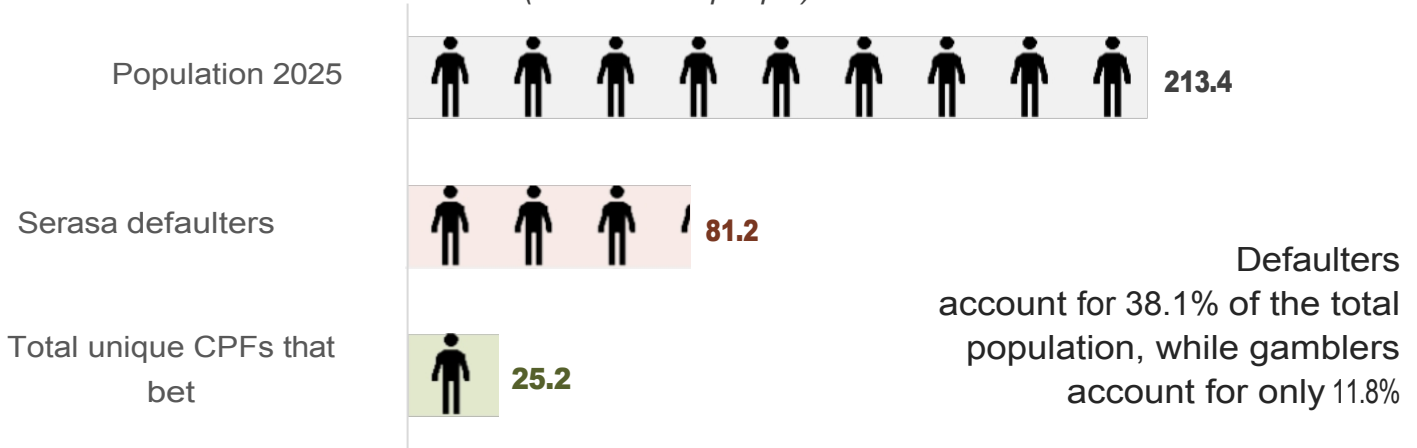


Source: IBGE, SPA. Prepared by LCA Consultoria Econômica.

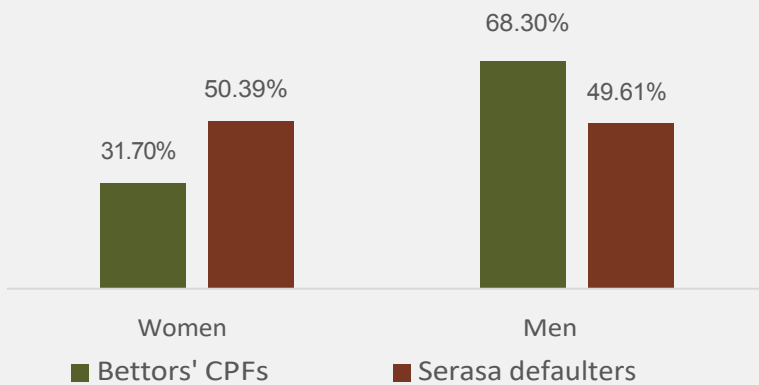
Gamblers and defaulters have distinct demographic profiles



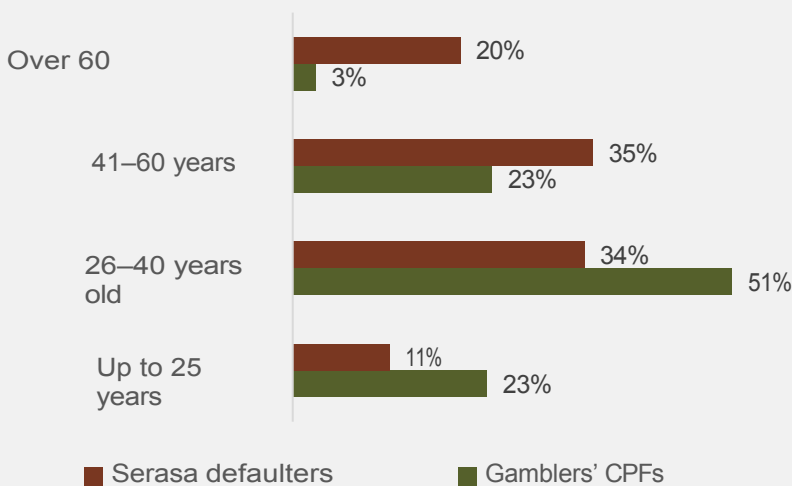
Population comparison between defaulters and gamblers
(in millions of people)



The gender distribution among players and defaulters is inconsistent



Gamblers and defaulters by age group show a distinct distribution



The data indicate that defaulters and bettors have distinct demographic profiles and do not comprise the same population

In the betting market, men predominate, with only 31.7% being women

Betting is concentrated among younger individuals, in contrast to the older profile of the population in default

These differences reinforce the fact that the betting phenomenon is more concentrated, while delinquency is more widespread among the population

In summary, spending on gambling cannot be considered a determining factor in explaining the household delinquency crisis in Brazil!

Brasil!

Relevance of gambling to the household budget



According to the POF (IBGE), gambling falls under the leisure spending category, competing with other expenditures in that category. In 2018, the entire leisure category accounted for 8.5% of household income.



More recent data show that fixed-odds betting accounts for 0.46% of household consumption, generating a monetary impact equivalent to that of the alcoholic beverages sector, and a negligible fraction of interest expenses, which are more relevant in the discussion of default.



The profile of gamblers differs significantly from that of those in debt, suggesting that there is no direct link between the two groups. Among gamblers, men predominate, while among defaulters there is a greater balance between women and men. Furthermore, gamblers are concentrated primarily in younger age groups (more than 74% are under 40), whereas defaulters are generally older (more than 54% are over 40).

The expansion of short-term credit, driven by new financial technologies that are advancing faster than the population's level of financial literacy and education, combined with rising interest rates, are the most direct and decisive factors behind the increase in delinquency.

Por todas as evidências, as apostas não representam fator determinante para explicar a crise de inadimplência das famílias no Brasil.
By all accounts, gambling does not represent a determining factor in household debt and aggregate delinquency.

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Household Indebtedness and Default in Brazil

evidence on recent trends and influencing factors

April 2026

Technical team

Eric Brasil – Ph.D. in Economics – Director of Regulation and Public Policy

Luís Jorge – Economist Lara

Coelho – Economist

Mariana Haase – Economist, Ph.D. candidate in Economics Tomás

Cardoso – Intern, undergraduate student in Economics



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