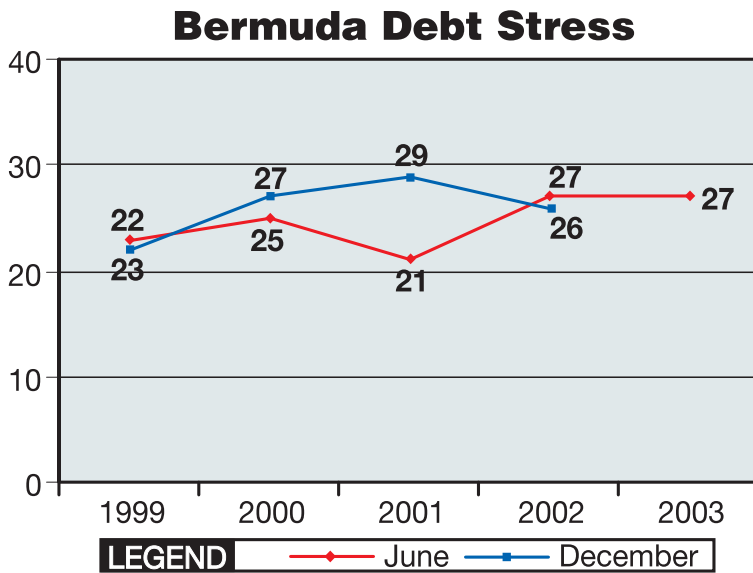


# The stress

# of debt



**In today's consumer-based society, it is important to understand the influence that consumer debt has on spending, finances and the quality of life.**

**B**eginning in December 1998, The Bermuda Omnibus reported a new measure, the 'Bermuda Debt Stress Index', and has reported it biannually since.

This index was developed by researchers at Ohio State University and it has also been used throughout Canada. It measures the extent to which residents worry about their financial debt, the amount of stress resulting from this debt and the level of concern that the debts will never be paid off.

While the absolute level of debt is one important measure, of equal importance is the way consumers feel about their debt load and what impact it is having on their lives.

The initial Bermuda Omnibus Debt Stress was measured at

23.3 in December 1998. This placed Bermuda residents in the medium level of debt stress.

While there were notable variations in residents' level of stress in 2001, it seems to have stabilised over 2002 and the first six months of 2003. As of the second quarter of 2003, the index stands at 26.7.

Survey findings showed there are continual variations in debt stress according to household income and age.

Not surprisingly, debt stress continues to decrease with household income, with highest income earners having the lowest level of debt stress. Age also plays a role in residents' level of stress, with older residents exhibiting the lowest stress index.

*The Bermuda Omnibus Survey is a syndicated quarterly survey of public opinion in Bermuda that is conducted by Total Marketing & Communications Limited of Bermuda and Corporate Research Associates Inc. of Canada. The Bermuda Omnibus provides subscribers with ongoing insight and market intelligence on the Bermuda population covering such areas as important issues on the public agenda, economic mood, consumer and lifestyle trends, Government policy, international business and politics. Each quarterly report is based on in-depth telephone interviews with a randomly selected sample of 400 Bermuda residents aged 18 or older. A sample of this size drawn from the population provides results accurate to within plus or minus 4.9 percent in 95 out of 100 samples. For more information, contact Graham Redford at Total Marketing & Communications Limited at 295-4558.*

GRAPH BY HOPE ROBBINS

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