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## Secção

# Investigação Científica / Scientific Research\*

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# Is Insolvency Gendered? An analysis of personal debtors' profiles in Portugal, 2011-2020

## A Insolvência é uma questão de género? Análise dos perfis de devedores em Portugal, 2011-2020

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**ABSTRACT:** Household indebtedness is a phenomenon that cuts across capitalist economies. Women and men face different challenges. The cross-cutting nature of this event can be best understood by an in-depth analysis of social and economic factors contributing to a greater predisposition to situations of imminent insolvency. By developing a statistical analysis of a sample of 641 court decisions in insolvency proceedings from 2011 to 2020 in Portugal, this article aims to explore how women and men are affected by the elaboration of different debt profiles. Our data suggests that women are particularly vulnerable to economic difficulty. Gender inequality in working practices and salaries, unemployment, divorce, health conditions, and the sexual division of domestic and childcare work are phenomena that condition women's ability to pay their debts, making them more exposed to the possibility of defaulting on their loans. The study concludes that gender is an explanatory factor in personal insolvency.

**KEYWORDS:** Insolvency; Personal Insolvency; Gender; Household Debt; Debtors' Profiles.

**RESUMO:** O processo de endividamento das famílias é um fenómeno que atravessa as economias capitalistas. Mulheres e homens enfrentam diferentes desafios. Uma melhor compreensão do fenómeno envolve uma análise aprofundada dos fatores sociais e económicos que contribuem para situações de insolvência iminente. Através de análise estatística a uma amostra de 641 decisões de processos de insolvência pessoal, decretadas no período entre 2011 e 2020, nos tribunais portugueses, foram desenvolvidos perfis de devedores. Os nossos dados demonstram que as mulheres se apresentam à insolvência numa situação de maior vulnerabilidade económica. As desigualdades de género no âmbito laboral, o divórcio, a condição de saúde e a divisão sexual do trabalho doméstico são fatores condicionantes da capacidade de as mulheres pagarem as suas dívidas. O estudo conclui que o género é um fator explicativo das insolvências pessoais.

**PALAVRAS-CHAVE:** Insolvência; Insolvência Pessoal; Género; Dívidas Familiares; Perfis de Devedores.

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## 1. Introduction

Contemporary societies are organized around systems of production and consumption, in which credit plays an important role in providing access to consumer goods which are essential for human life, including housing, food, education, health, and transport. Those who live in society live in a consumer society, with strong incentives to acquire a wide range of goods and services. With consumption comes credit, and when it reaches unviable levels for the individual or family that contracted it, it becomes opportune to renegotiate that credit. In cases of acute financial difficulty, over-indebtedness may even lead to insolvency, whereby the debtor is unable to fulfil his/her overdue obligations. In this situation, women and men experience these difficulties differently, with women being strongly impacted by a combination of factors<sup>5</sup>, arising from their relationship with the labor market<sup>6</sup>, the gender-based division of productive and reproductive labor<sup>7</sup> and the effects of single parenthood and separation or divorce<sup>8</sup>. What are the conditions and sociodemographic characteristics of individuals who declare insolvency? How do the types of loans taken out by women and men differ? The premise of this article is that the universal approach to insolvency legislation<sup>9</sup> in Portugal exacerbates gender inequalities between women and men regarding access to insolvency processes and to a positive outcome that facilitates a fresh start<sup>10</sup>. As stated by Warren, “bankruptcy is a women’s issue”<sup>11</sup> and starting from this premise, this article studies the circumstances in Portugal in order to propose changes in the legislation that can recognize and identify gender inequalities and thus act to mitigate them.

<sup>5</sup> WARREN, E. What Is a Women’s Issue? Bankruptcy, Commercial Law, and Other Gender-Neutral Topics. *SSRN Electronic Journal*. Rochester: Social Science Research Network, 2002, pp. 32-33. DOI: 10.2139/ssrn.310544.

<sup>6</sup> ALCÁÑIZ, M.; MONTEIRO, R. *She-Austerity. Women’s Precariousness and Labor Inequality in Southern Europe*. *Convergencia. Revista de Ciencias Sociales*. México: Universidad Autónoma del Estado de México, 2016, vol. 23, n.º 72, p. 39–62. ISSN: 1405-1435.

<sup>7</sup> CAPUTO, R. K. Marital Status and Other Correlates of Personal Bankruptcy, 1986–2004. *Marriage & Family Review*. London: Routledge, 2008, vol. 44, n.º 1, p. 7. ISSN: 0149-4929. CAPUTO, R. K. *Patterns and Predictors of Debt: A Panel Study, 1985–2008*. *The Journal of Sociology & Social Welfare*. Michigan: Western Michigan University, 2012, vol. 39, n.º 2, p. 26. ISSN: 0191-5096.

<sup>8</sup> CALLEGARI, J.; LIEDGREN, P.; KULLBERG, C. *Gendered Debt – A Scoping Study Review of Research on Debt Acquisition and Management in Single and Couple Households*. *European Journal of Social Work*. London: Taylor & Francis, 2020, vol. 23, n.º 5, p. 748. ISSN: 1369-1457.

<sup>9</sup> THORNTON, M. *Law and the Quest for Gender Equality*. 1. ed. Canberra: ANU Press, 2023.

<sup>10</sup> CATERINE, E. A Fresh Start for a Women’s Economy: Beyond Punitive Consumer Bankruptcy. *California Law Review Online*. Berkeley: University of California, 2018, p. 39. DOI: 10.15779/Z38QJ77Z4Z.

<sup>11</sup> WARREN, E. What Is a Women’s Issue? Bankruptcy, Commercial Law, and Other Gender-Neutral Topics. *SSRN Electronic Journal*. Rochester: Social Science Research Network, 2002, p. 24. DOI: 10.2139/ssrn.310544.

To this end, the first part of the article is a review of the literature on gender expectations and roles concerning sources of income and wage differences, access to property and household decisions on acquisitions, access to mortgages, and consumer credit. Next is a brief characterization of the insolvency process and the recent changes made to it in the Portuguese and international scenario, within the context of the Great Recession and its impact on family budgets<sup>1213</sup>. The research project on which the article is based is then briefly presented, accompanied by an explanation of the data collection process on insolvency proceedings concluded in Portuguese courts of first instance in the period 2011–2020, with particular emphasis placed on individual debtors' sociographic data. Section five presents the results, followed by a discussion and a reflection on limitations, and a conclusion.

The conclusion arising from this study is that insolvent women in Portugal are more financially vulnerable than men due to lower wages, unemployment, and divorce, and that single-parent women with minor children in their care experience increased vulnerability.

## 2. Expectations and gender roles regarding income, property, and debt

Household debt<sup>14</sup> is a phenomenon which occurs across capitalist economies<sup>15</sup>. Due to its cross-cutting nature and its roots in the capitalist model of society<sup>16</sup>, social and economic factors<sup>17</sup> seem to prompt more frequent situations of economic difficulty, whether more acute or less so.

Social and economic inequalities may influence the financial problems that families bring to the courts<sup>18</sup>. By ascertaining the ways in which these inequalities affect

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<sup>12</sup> FRADE, C.; CONCEIÇÃO, A. F. A Reprodução do Estigma na Insolvência das Famílias. *Revista Crítica de Ciências Sociais*. Coimbra: Centro de Estudos Sociais, 2013, n.º 101, p. 139. ISSN: 0254-1106.

<sup>13</sup> FRADE, C.; COELHO, L. *Surviving the Crisis and Austerity: The Coping Strategies of Portuguese Households*. *Indiana Journal of Global Legal Studies*. Bloomington: Indiana University Press, 2015, vol. 22, n.º 2, p. 633. ISSN: 1080-0727.

<sup>14</sup> PAVEZ, M. C. Are All Debtors the Same? Personal Insolvency and Debtors' Profiles in Chile. *International Insolvency Review*. New Jersey: Wiley, 2025, vol. 34, n.º 1, p. 105. ISSN: 1180-0518.

<sup>15</sup> BIRKENMAIER, J.; CURLEY, J.; KELLEY, P. *The Financial Credit Profile of Low-Income Families Seeking Assets*. *Journal of Financial Therapy*. Kansas: Kansas State University, 2011, vol. 2, n.º 2, p. 68–85. ISSN: 1945-7774.

<sup>16</sup> GRAEBER, David. *Debt: The First 5,000 Years*. New York: Melville House, 2011. ISBN: 9781933633862.

<sup>17</sup> CAVALLERO, Luci; GAGO, Verónica; BHATTACHARYA, Tithi. *A Feminist Reading of Debt*. Tradução de Liz Mason-Deese. Londres: Pluto Press, 2021.

<sup>18</sup> FOOHEY, P.; LAWLESS, R. M.; THORNE, D. Portraits of Bankruptcy Filers. *Georgia Law Review*. Athens: University of Georgia, 2021, vol. 56, n.º 2, p. 630. ISSN: 0016-8300.

household economies, more effective pre-insolvency and insolvency mechanisms could be developed, thus resolving these families' problems.

The proposal for a feminist reading of debt emphasizes the importance of studying the social context and the subjects on whom the burden of debt falls as

there is not a singular subjectivity of indebtedness that can be universalized nor a sole debtor-creditor relation that can be separated from concrete situations and especially from sexual, gender, racial, and locational difference, precisely because debt does not homogenize those differences, but rather exploits them<sup>19</sup>.

Both men and women have varying experiences of gaining access to goods and services, depending on their social class, status and position. This positioning within the social structure is also determined by the world region and country of location; a woman with a precarious state of employment and low level of education is expected to cope better with the cost of living in a developed country, compared to a woman in the same social conditions in a developing country. Argentina constitutes a paradigmatic case of how the lives of its citizens – particularly women – can be affected by their country's access to financing and its stability in international markets<sup>20</sup>.

During the Great Recession, Portugal underwent economic austerity and decreased purchasing power on the one hand<sup>21</sup> and the withdrawal of the welfare state on the other<sup>22</sup>. This impacted the economic life of citizens and had repercussions on their ability to meet the full range of their daily expenses. Pressure on extended family networks and the number of credit defaults were thus subject to a substantial increase<sup>23</sup>.

The labor and credit markets<sup>24</sup> are intrinsically interconnected, with the possibility of access to the former determining access to the latter. Candidates must provide proof of employment and income for credit approval. A better position in the job market

<sup>19</sup> CAVALLERO, Luci; GAGO, Verónica; BHATTACHARYA, Tithi. *A Feminist Reading of Debt*. Tradução de Liz Mason-Deese. Londres: Pluto Press, 2021, p. 4.

<sup>20</sup> CAVALLERO, Luci; GAGO, Verónica; BHATTACHARYA, Tithi. *A Feminist Reading of Debt*. Tradução de Liz Mason-Deese. Londres: Pluto Press, 2021, p. 57.

<sup>21</sup> EUROPEAN CENTRAL BANK. The Eurosystem Household Finance and Consumption Survey – Results from the First Wave. *Statistics Paper Series*. Frankfurt: ECB, 2013, n.º 2. ISSN: 2314-9248.

<sup>22</sup> FERREIRA, V.; MONTEIRO, R. Austeridade, emprego e regime de bem-estar em Portugal: Em processo de refamíliação? *Ex Aequo*. Lisboa: APEM, 2015, n.º 32, pp. 60-61. ISSN: 0874-5560.

<sup>23</sup> FRADE C.; COELHO, L. Surviving the Crisis and Austerity: The Coping Strategies of Portuguese Households", *Indiana Journal of Global Legal Studies*, 2015, vol. 22, n.º 2, pp. 631-664. doi:10.2979/indjglolegstu.22.2.631.

<sup>24</sup> BIRKENMAIER, J.; CURLEY, J.; KELLEY, P. *The Financial Credit Profile of Low-Income Families Seeking Assets*. *Journal of Financial Therapy*. Kansas: Kansas State University, 2011, vol. 2, n.º 2, p. 69. ISSN: 1945-7774.



ensures access to higher credit and better conditions, as lower rates become available<sup>25</sup>. Women generally hold lower-paid jobs, are more likely to work part-time and hold greater responsibility for caring for their families. This trend is particularly noticeable in Southern European countries such as Portugal<sup>26</sup> and Spain<sup>27</sup>.

It should be understood that a family's response to financial difficulties is necessarily different from that of businesses. For example, a family does not have the option of closing down or downsizing to deal with its debts<sup>28</sup>.

Mechanisms other than economic resources can be identified in the literature that affect a couple's organization in terms of economic issues, and greater participation of females in the workforce does not necessarily lead to more control over household finances. Expectations based on gender and stereotypes concerning male and female financial behaviors are interrelated with the potential power of economic resources<sup>29</sup>.

Typically, the male partner has sole responsibility for significant financial and economic decisions in both low-income and high-income households, including distribution of income and high-cost purchases. Low-income households, however, are particularly vulnerable to accumulating debt<sup>30</sup>, and it is frequently women who carry greater responsibility for the day-to-day budgeting<sup>31</sup> and management of finances<sup>32</sup>.

Women's debt is more likely to be associated with consumption and credit cards, while men's debt is more usually related to bankruptcies in business, unpaid alimony

<sup>25</sup> MAROTO, M. The Scarring Effects of Bankruptcy: Cumulative Disadvantage Across Credit and Labor Markets. *Social Forces*. Oxford: Oxford University Press, 2012, vol. 91, n.º 1, pp. 99–130. ISSN: 0037-7732.

<sup>26</sup> COELHO, L. (coord.); FERREIRA-VALENTE, A.; CORDEIRO SANTOS, A.; et al. *Finances, Gender and Power: How Are Portuguese Households Managing Their Finances in the Context of Economic Crises? – Preliminary Results*. Coimbra: CES – University of Coimbra, 2014.

<sup>27</sup> ALCAÑIZ, M.; MONTEIRO, R. *She-Austerity. Women's Precariousness and Labor Inequality in Southern Europe*. *Convergencia. Revista de Ciencias Sociales*. México: Universidad Autónoma del Estado de México, 2016, vol. 23, n.º 72, pp. 39–62. ISSN: 1405-1435.

<sup>28</sup> FRADE, C. O Perdão de Dívidas nas Insolvências das Famílias. In: SANTOS, A. (org.). *Famílias Endividadas: Uma Abordagem de Economia Política e Comportamental*. Coimbra: Almedina, 2015, pp. 133–145. ISBN: 9789724048912.

<sup>29</sup> CALLEGARI, J.; LIEGREN, P.; KULLBERG, C. *Gendered Debt – A Scoping Study Review of Research on Debt Acquisition and Management in Single and Couple Households*. *European Journal of Social Work*. London: Taylor & Francis, 2020, vol. 23, n.º 5, p. 748. ISSN: 1369-1457.

<sup>30</sup> KRUMER-NEVO, M.; GORODZEISKY, A.; SAAR-HEIMAN, Y. Debt, Poverty and Financial Exclusion. *Journal of Social Work*. London: Sage, 2017, vol. 17, n.º 5, pp. 514-515. ISSN: 1468-0173.

<sup>31</sup> GOODE, J. The Role of Gender Dynamics in Decisions on Credit and Debt in Low-Income Families. *Critical Social Policy*. London: Sage, 2010, vol. 30, n.º 1, pp. 99–119. ISSN: 0261-0183.

<sup>32</sup> VOGLER, C.; PAHL, J. Money, Power and Inequality Within Marriage. *The Sociological Review*. Oxford: Wiley, 1994, vol. 42, n.º 2, pp. 263–288. ISSN: 0038-0261.

and public debt (i.e. debts to the state)<sup>33</sup>. Goode<sup>34</sup> argues that these gender-influenced paths to debt are related to the way the finances are organized with the household, with different spheres of responsibility being assigned to men and women. Responsibility for managing and prioritizing between bills, food and child-related expenditures and debt instalments is more usually apportioned to the female partner. As available income may barely cover or be unable to cover expenses in low-income households, the female partner often limits her own spending in order to meet the needs of the household or children, requiring new credit to be taken on to meet monthly payments<sup>35</sup>.

The last area where cuts are made is the needs of the children, as families engage in various efforts to ensure that all their children's needs are met<sup>36</sup>, even if this implies taking out new credit or intensifying economic needs<sup>37</sup>. Furthermore, as childcare costs are disproportionately borne by women, in accordance with traditional gender roles<sup>38</sup>, motherhood tends to exacerbate inequality by causing a loss of income for mothers<sup>39</sup>, while also incurring increased expenses<sup>40</sup>.

Single parenthood aggravates this situation, especially for mothers. Although there has been progress in sharing expenses as well as childcare, women persistently bear a disproportionate burden of care in the event of divorce. Studies in the USA<sup>41</sup> indicate divorce as a factor that can exacerbate economic conditions and bring about more serious consequences for women; divorce engenders a greater likelihood of

<sup>33</sup> WARREN, E. What Is a Women's Issue? Bankruptcy, Commercial Law, and Other Gender-Neutral Topics. *SSRN Electronic Journal*. Rochester: Social Science Research Network, 2002, pp. 32-33. DOI: 10.2139/ssrn.310544.

<sup>34</sup> GOODE, J. The Role of Gender Dynamics in Decisions on Credit and Debt in Low-Income Families. *Critical Social Policy*. London: Sage, 2010, vol. 30, n.º 1, pp. 99-119. ISSN: 0261-0183.

<sup>35</sup> GOODE, J. For Love or Money? Couples' Negotiations of Credit and Debt in Low-Income Families in the UK. *Policy Press*. Bristol: University of Bristol, 2009, vol. 17, n.º 3, pp. 213-224. ISSN: 1474-7464.

<sup>36</sup> FRADE C.; COELHO, L. Surviving the Crisis and Austerity: The Coping Strategies of Portuguese Households", *Indiana Journal of Global Legal Studies*, 2015, vol. 22, n.º 2, pp. 631-664. doi:10.2979/indjglolegstu.22.2.631.

<sup>37</sup> COELHO, L. (coord.); FERREIRA-VALENTE, A.; CORDEIRO SANTOS, A.; et al. *Finances, Gender and Power: How Are Portuguese Households Managing Their Finances in the Context of Economic Crises? – Preliminary Results*. Coimbra: CES – University of Coimbra, 2014.

<sup>38</sup> PAHL, J. Individualisation in Couple Finances: Who Pays for the Children? *Social Policy*. Cambridge: Cambridge University Press, 2005, vol. 4, n.º 4, pp. 381-399. ISSN: 1474-7464.

<sup>39</sup> PAHL, J. Family Finances, Individualisation, Spending Patterns and Access to Credit. *The Journal of Socio-Economics*. Amsterdam: Elsevier, 2008, vol. 37, p. 585. ISSN: 1053-5357.

<sup>40</sup> COELHO, L. Finanças Conjugais, Desigualdades de Género e Bem-Estar: Facetas de um Portugal em Crise. *Revista Crítica de Ciências Sociais*. Coimbra: Centro de Estudos Sociais, 2016, n.º 111, pp. 59-80. ISSN: 0254-1106.

<sup>41</sup> FOOHEY, P.; LAWLESS, R. M.; THORNE, D. Portraits of Bankruptcy Filers. *Georgia Law Review*. Athens: University of Georgia, 2021, vol. 56, n.º 2, p. 620. ISSN: 0016-8300.



women defaulting on their loans and consequently becoming insolvent. Therefore, the following hypothesis can be formulated:

*H1. Divorced women run a greater risk of becoming insolvent given their greater inherent economic fragility, compared to men in the same situation.*

Expenses arise from the education and care of children; often associated with low incomes of both members of the former couple, they can accumulate and overburden one of the parents. In a scenario where there is a general worsening of the economic situation, as in the period from 2012 to 2015 in Portugal, this may even create greater conflict in allocating child custody and keeping up maintenance payments. Casaleiro and Santos's<sup>42</sup> study focuses on the austerity period and concludes that civil courts were called upon to intervene in the steadily increasing non-payment of child support or disputes between parents over the payment of children's health and education expenses, with mothers being in a clearly unequal situation. The study shows that women are much more frequently represented in cases over the full custody of children<sup>43</sup>. Even when both parents make a similar contribution to the children's expenses, the combination of deteriorating economic conditions and low wages places families with children in a more fragile situation compared to others<sup>44</sup>.

Thus, we formulate the following hypotheses:

*H2. The existence of dependents increases the likelihood of family insolvency compared to families without children.*

*H3. Single-parent women with dependent minors are more likely to become insolvent than men.*

Unemployment can further increase the risk of insolvency for individuals in general, but has a particular impact on women<sup>45</sup>, as their situation is intrinsically more

<sup>42</sup> CASALEIRO, P.; SANTOS, A. *Famílias em Tempos de Crise: A Regulação Judicial do Exercício das Responsabilidades Parentais*. *Sociologia: Revista da Faculdade de Letras da Universidade do Porto*. Porto: Universidade do Porto, 2018, vol. XXXV, p. 43–62. ISSN: 0872-3419.

<sup>43</sup> CASALEIRO, P.; SANTOS, A. *Famílias em Tempos de Crise: A Regulação Judicial do Exercício das Responsabilidades Parentais*. *Sociologia: Revista da Faculdade de Letras da Universidade do Porto*. Porto: Universidade do Porto, 2018, vol. XXXV, p. 43–62. ISSN: 0872-3419.

<sup>44</sup> BIRKENMAIER, J.; CURLEY, J.; KELLEY, P. *The Financial Credit Profile of Low-Income Families Seeking Assets*. *Journal of Financial Therapy*. Kansas: Kansas State University, 2011, vol. 2, n.º 2, p. 82. ISSN: 1945-7774.

<sup>45</sup> ALCANIZ, M.; MONTEIRO, R. *She-Austerity. Women's Precariousness and Labor Inequality in Southern Europe*. *Convergencia. Revista de Ciencias Sociales*. México: Universidad Autónoma del Estado de México, 2016, vol. 23, n.º 72, p. 39–62. ISSN: 1405-1435. And CAPUTO, R. K. *Marital Status and Other Correlates of Personal Bankruptcy, 1986–2004*. *Marriage & Family Review*. London: Routledge, 2008, vol. 44, n.º 1, p. 12. ISSN: 0149-4929.

likely to be precarious and/or low-paid<sup>46</sup> and involve part-time work. As a direct consequence, they have greater difficulty in accessing unemployment subsidies or other social benefits, for shorter periods with a lower value<sup>47</sup>. Taking the results of these studies into account, the following hypothesis can be formulated:

*H4. Unemployment has a greater impact on the economic situation of women than men, and unemployed women are expected to be more predominant in insolvency proceedings.*

According to Vogler & Pahl<sup>48</sup>, these findings are connected to the dichotomy of the male breadwinner/female homemaker, in which traits of altruism and self-sacrifice are typically assigned to the female. It is therefore the woman who is more often seen as being responsible for family- and child-related expenditures<sup>49</sup>. It has been shown in several studies that women have a more family-oriented financial behavior regarding both consumption and saving.

Although women have had growing access to their own income with their participation in the labour market, and couples are progressively opting for more egalitarian forms of managing income<sup>50</sup>, men still hold greater power in important financial decisions and generally have the last word on them. And as women's direct income is lower than that of men on average<sup>51</sup>, in the absence of equitable redistribution, they will experience lower levels of material well-being than their male counterparts.

Family money management practices are thus determined by social values and norms related to social class, age and gender. Although money implies power, prestige and success for any person, "women's incomes do not seem to grant the same rewards in the family that men's incomes do. Women who have a higher income than their

<sup>46</sup> FOOHEY, P.; LAWLESS, R. M.; THORNE, D. Portraits of Bankruptcy Filers. *Georgia Law Review*. Athens: University of Georgia, 2021, vol. 56, n.º 2, p. 622. ISSN: 0016-8300.

<sup>47</sup> O'BRIEN, L.; RAMSAY, I.; ALI, P. The Distinctive Features of Women in the Australian Bankruptcy System: An Empirical Study. *Australian Journal of Social Issues*. Melbourne: Wiley, 2019, vol. 54, n.º 2, p. 188. ISSN: 0157-6321.

<sup>48</sup> VOGLER, C.; PAHL, J. Money, Power and Inequality Within Marriage. *The Sociological Review*. Oxford: Wiley, 1994, vol. 42, n.º 2, pp. 263–288. ISSN: 0038-0261

<sup>49</sup> PAHL, J. Family Finances, Individualisation, Spending Patterns and Access to Credit. *The Journal of Socio-Economics*. Amsterdam: Elsevier, 2008, vol. 37, p. 585. ISSN: 1053-5357.

<sup>50</sup> COELHO, L. Finanças Conjugais, Desigualdades de Género e Bem-Estar: Facetas de um Portugal em Crise. *Revista Crítica de Ciências Sociais*. Coimbra: Centro de Estudos Sociais, 2016, n.º 111, pp. 59–80. ISSN: 0254-1106.

<sup>51</sup> COELHO, L. *My Money, Your Money, Our Money: Contributions to the Analysis of Couples' Financial Management in Portugal*. *RCCS Annual Review*. Coimbra: Centro de Estudos Sociais, 2014, n.º 6. ISSN: 1647-3175.

husbands are not more likely to say that their career is more important, even though men would say their careers are more valued.”<sup>52</sup>. As a more direct and evident source of men’s power, money tends to reproduce gender<sup>53</sup>. Although progress has been made in equality, distributive equity and individual freedom, it has not removed sexual segregation of work nor gender inequalities in access to economic resources or the ability to influence family decisions<sup>54</sup>.

Thus, we formulate our last hypothesis:

*H5: Women and men take on different types of credit.*

Women are expected to have a greater proportion of personal or consumer loans which are applied to cover current expenses, while loans associated with professional and business activities are expected to be more prevalent among men.

### **3. The case of Portugal: access to insolvency, 2011–2020**

Portugal constitutes an interesting case study as it combines high rates of household debt and low rates of credit default<sup>55</sup>. According to the Bank of Portugal, in the period 2011–2020, debt measured as a percentage of GDP varied between 93% in the first quarter of 2011 and 72% in the last quarter of 2020. Despite this decrease, it remains at high levels.

The period under study (2011–2020) was one in which Portugal endured particular social, political and economic turbulence. The Great Recession or sovereign debt crisis that began in 2008 hit Portugal particularly severely and culminated in a request for financial aid and intervention from the European Commission (EC), the European Central Bank (ECB) and the International Monetary Fund (IMF). Portuguese individuals and families were particularly affected by a blend of cuts in contributory and social benefits, reduced wages and subsidies, growing unemployment and rising prices of goods and services, as well as an increase in emigration<sup>56</sup>. Salaries of civil service workers and pensions were frozen, and an economic downturn led to several

<sup>52</sup> ATWOOD, J. D. *Couples and Money: The Last Taboo. The American Journal of Family Therapy*. Philadelphia: Routledge, 2012, vol. 40, pp. 7. ISSN: 0192-6187.

<sup>53</sup> DEUTSCH, F. M.; ROKSA, J.; MEESKE, C. *How Gender Counts When Couples Count Their Money. Sex Roles*. New York: Springer, 2003, vol. 48, pp. 291–304. ISSN: 0360-0025.

<sup>54</sup> VOGLER, C.; PAHL, J. Money, Power and Inequality Within Marriage. *The Sociological Review*. Oxford: Wiley, 1994, vol. 42, n.º 2, pp. 263–288. ISSN: 0038-0261.

<sup>55</sup> FRADE, C. O Perdão de Dívidas nas Insolvências das Famílias. In: SANTOS, A. (org.). *Famílias Endividadas: Uma Abordagem de Economia Política e Comportamental*. Coimbra: Almedina, 2015, pp. 134. ISBN: 9789724048912.

<sup>56</sup> FERREIRA, V.; MONTEIRO, R. Austeridade, emprego e regime de bem-estar em Portugal: Em processo de refamíliação? *Ex Aequo*. Lisboa: APEM, 2015, n.º 32, p. 50. ISSN: 0874-5560.

companies closing<sup>57</sup>. Unemployment rose by eight percentage points, reaching a historic high of 17% in 2013<sup>58</sup>. This economic situation induced an increase in the number of insolvency proceedings involving companies and individuals during this period, with a peak of 23,268 new insolvency cases filed in court in 2014 and 22,720 insolvencies declared; 70% of these involved individual cases in 2014<sup>59</sup>. The exponential growth of personal insolvencies – which in 2008 constituted 19% of the total and in 2020 71% – highlights the extremely fragile economic circumstances of Portuguese families<sup>60</sup>; they were attracted by a combination of easy access to credit<sup>61</sup> as a corollary of public policies to encourage the purchase of their own housing, while simultaneously suffering the impact of Portugal's accession to the euro and the eurozone's convergence policy<sup>62</sup>.

The analysis of the Living Conditions Survey (*Inquérito às Condições de Vida – INE, EU-SILC 2012*)<sup>63</sup> in Portugal shows that austerity policies greatly impacted the distribution of disposable income with greater inequality between those with the highest and lowest income levels. Unemployment increased to double the OECD average in 2011 and 2012<sup>64</sup>.

One of the observable results is how the minimum poverty threshold is correlated to the national minimum wage. The social support index also serves as a reference for the provision of social support to combat poverty (unemployment benefit, social integration income, and birth and child support). Thus, it can be seen that, on the one hand, the national minimum wage, the aim of which is to ensure that people's income is slightly above the poverty threshold, grows slowly, and on the other hand, that those who only have access to social support are below the poverty threshold in all years

<sup>57</sup> IMF. Fiscal Policy and Income Inequality. *IMF Policy Paper*. Washington: International Monetary Fund, 2014.

<sup>58</sup> FRADE C.; COELHO, L. Surviving the Crisis and Austerity: The Coping Strategies of Portuguese Households", *Indiana Journal of Global Legal Studies*, 2015, vol. 22, n.º 2, pp. 631-664. doi:10.2979/indjglolegstu.22.2.631

<sup>59</sup> Justice Statistics. Directorate General for Justice Policy. <https://estatisticas.justica.gov.pt/sites/siej/en-us/Pages/Temas/Insolvencias-decretadas.aspx>

<sup>60</sup> CARDOSO, F.; FARINHA, L.; LAMEIRA, R. *Household Wealth in Portugal: Revised Series*. Lisboa: Bank of Portugal, 2008, pp. 7-8. (*Occasional Papers*)

<sup>61</sup> EUROPEAN CENTRAL BANK. The Eurosystem Household Finance and Consumption Survey – Results from the First Wave. *Statistics Paper Series*. Frankfurt: ECB, 2013, n.º 2. ISSN: 2314-9248.

<sup>62</sup> PINHO, P. The Impact of the Single Market Programme and the Preparation in Portuguese Banking. *Working Paper Series*. Lisboa: NOVA School of Business and Economics, 1997, n. 32.

<sup>63</sup> CARMO, R. M.; CANTANTE, F. *Precariedade, desemprego e proteção social: caminhos para a desigualdade?* [Precarity, unemployment and social protection: ways for inequality?]. Lisboa: Observatório das Desigualdades, Iscte-IUL, CIES-IUL, 2014. Disponível em: <http://wp.me/p4h6tu-m3>.

<sup>64</sup> OECD. Society at a Glance. The Crisis and the Aftermath – Highlights Portugal. Paris: OECD, 2014. Disponível em: <http://www.oecd.org/portugal/OECD-SocietyAtaGlance2014-Highlights-Portugal.pdf>.

analyzed, with a worrying trend of non-convergence.

These data are particularly important if we analyze the profile of those who are unemployed and with dependent children and who declare insolvency.

**Table 1. National poverty threshold, social support index, and national minimum wage values (€), years 2011–2020**

Year	National Threshold (€)	Poverty	Social Support Index (€)	National Wage (€)	Minimum
2011	416.17		419.22	485.0	
2012	408.83		419.22	485.0	
2013	411.42		419.22	485.0	
2014	421.75		419.22	485.0	
2015	439.08		419.22	505.0	
2016	453.58		419.22	530.0	
2017	467.25		421.32	557.0	
2018	501.17		429.90	580.0	
2019	540.00		431.76	600.0	
2020	554.42		438.81	635.0	

Source: PORDATA, Portuguese Institute of Statistics

#### 4. Research design

Data for this article is taken from the IN\_SOLVENS<sup>65</sup> project, a multi-disciplinary, long-term project that investigates both the people who use pre-insolvency mechanisms in Portugal and those who file for insolvency and, in each case, their reasons for filing. The IN\_SOLVENS project uses a nationally representative sample combining data from pre-insolvency and insolvency court records with data from interviews with key stakeholders whose activity is connected to pre-insolvency and insolvency law (i.e., judges, lawyers, and insolvency practitioners). The goal of the IN\_SOLVENS project is to ascertain the main difficulties in practice and obtain feedback on how to mitigate or overcome such difficulties.

This article specifically focuses on personal insolvency. According to art. 3, no. 1, of the Portuguese Insolvency and Corporate Recovery Code (DL no. 53/2004, of March 18 – henceforth, CIRE), individuals who are unable to fulfill their matured obligations are considered insolvent. We will not deal with debtors facing a difficult economic situation or on the verge of insolvency (pre-insolvency situations), as the specific mechanisms set out for these debtors in Portuguese law were otherwise addressed in IN\_SOLVENS.

The analysis relies on cross-sectional data collection, measuring a snapshot in

<sup>65</sup> Funded by the Foundation for Science and Technology through national funds. Reference: PTDC/DIR-OUT/2939/2020. More information available in the project's website: <https://insolvens.novalaw.unl.pt/>



time of completed personal insolvency courtcases over nine years (i.e., 2011–2020). Data collection was made available by a protocol with the Minister of Justice, who gave access to a dataset of 25972 case decisions on personal insolvency. Of these, 80% were filed by the debtors, and 20% were required by the creditors. Because of technological and time limits, the project relied on random samples from insolvency courts located in all of the 23 Portuguese judicial districts, which were believed to be nationally representative. A total of 641 closed court decisions were randomly selected, observing three criteria: number of cases in each judicial district; duration (less than 12 months, between 12-24 months, 24-36 months, and more than 36 months); and filers – debtors or creditors. Quantitative data collected from court records include demographic, professional, and sociological information, reasons for filing, economic difficulties, type and number of debts, and procedural data. In case of a lack of personal information, the court case was substituted for another one observing the same combined criteria.

Data analysis was carried out using SPSS software, with descriptive statistics methods (frequencies and means) and hypothesis tests (chi-square test of independence and Student's t-test for independent samples).

## 5. Results

The study sample consists of 641 cases of personal insolvency, 372 men and 269 women. In terms of age, the women are slightly younger, with a greater concentration of women declaring insolvency at active and reproductive age, between the ages of 31 and 51. There is a greater concentration of men than expected among those aged 65 or over; male debtors tend to be older and already retired.

Another distinguishing factor between insolvent women and men in the sample is marital status. Insolvent women are more likely to be divorced or widowed, while most insolvent men are married. The percentage of divorced women, 39% of those in the sample, is significantly higher than that of men ( $\chi^2 (1) = 23.543$   $p < .01$ ). This difference is in line with the literature and confirms our first hypothesis that divorced women are more prone to insolvency than men with the same marital status. To better understand the impact of divorce, the reason for filing constitutes another indicator observed in insolvency proceedings. It can be seen (see Table 5) that divorce as a reason distinguishes women and men in the study sample ( $\chi^2 (1) = 29.013$ ,  $p .000$ ), with women most often reporting divorce as the cause for the decline in their economic



conditions.

Regarding demographic and sociological data, 43% of debtors lived in single-parent families, with a prevalence of female single-parent families (35%) over male single-parent families (26%), ( $\chi^2 (1) = 17.131, p < .01$ ) (see Table 2).

Debtors with dependent children – whether women or men – are more common, with men having two or more dependents and women one. Thus, hypothesis 2 is corroborated, as men and women with parental responsibilities are at increased risk of becoming insolvent when compared to debtors with no dependent children.

As for single parenthood, it affects women and men differently. In our sample, 70% of women live in single-parent households compared to 46% of men (see Table 2). Conversely, there are more men in couples facing insolvency. Fifty-four per cent of male debtors live with a partner compared to 30% of women in this situation. These differences enable hypothesis 3 to be confirmed, corroborating the idea that single-parent women run a greater risk of defaulting on loans than insolvent men in the same situation.

**Table 2. Social and demographic characteristic of the sample**

			
Gender	47%	53%	<i>Statistical Significance</i>
Average age	45	47	*
Marital status (%)			
• Single	25	20	<i>n.s.</i>
• Married	30	50	**
• Divorced	39	30	*
• Widowed	6	1	**
Living with children (%)	42	53	*
Parental status (%)			
• Single parent	70	46	**
• Two parents	30	54	**
Average monthly income (€)	498.16	611.84	*



In all cases, chi-squared tests of independence were used.

\* Significant at the .05 level; \*\* Significant at the .01 level

As regards employment status, significant differences were found between genders in

the subgroup of unemployed insolvents and in the subgroup of insolvents employed by others. These two situations are more frequently found among female debtors (39.9% and 42.2%, respectively) than male (29.4% and 36.2%, respectively). As for entrepreneurs, there are more men than women (14.4% and 4.3% respectively), as is the case of those who are self-employed (6.5% and 1.6% respectively) and also retired (13.5% and 11.6% respectively) (see Table 3).

**Table 3. Job status by gender (%)**

			Statistical Significance
Entrepreneur	4.3%	14.4%	*
Self-employed	1.6%	6.5%	*
Employed	42.6%	36.2%	**
Unemployed	39.9%	29.4%	**
Retired	11.6%	13.5%	*

In all cases, chi-squared tests of independence were used.

\*  $p < .05$ ; \*\*  $p < .01$ ; Cramer's  $V = .224$

Differences in professions were also found (see Table 4). A greater number of men are entrepreneurs, service workers and skilled workers in industry and machine operators, while more women specialize in scientific activities, and administrative occupations. A significant number of women on our sample have non-qualified jobs, entering the workforce as unskilled labors, including cleaning and third-party care services. Academically and professionally qualified professions and low-qualified ones were evenly distributed among both men and women, with some differences. Professions associated with greater risk, whether financial or physical, are occupied by men, while professions with lower financial risk, generally involving formal employment and more associated with care and low qualifications or lack of professional differentiation, are occupied by women.

These differences – job status and professions - in conjunction with age, indicate that insolvent women are younger, have a greater tendency to be unemployed and are less likely to create their own job or manage a business. Conversely, insolvent men are older, less affected by unemployment and have a greater capacity to create their own jobs or become entrepreneurs.

**Table 4. Professions according to the International Standard Classification of Occupations (ISCO) (10 major groups)**

	Women	Men	Total Cases
Managers	28	116	144
Professionals	15	18	33
Technicians	4	10	14
Clerical Support Workers	27	9	36
Service and Sales Workers	36	39	75
Skilled agricultural, forestry and fishery workers	1	4	5
Craft and related trade workers	4	37	41
Plant and machine operators and assemblers	13	29	42
Elementary Occupations	39	14	53
Armed Forces Occupations	0	4	4
Profession Unknown	100	90	190

The most frequently cited reasons for insolvency are unemployment, divorce, illness and salary cuts (see Table 5). The reason most mentioned by women as a cause for filing for insolvency is unemployment ( $\chi^2(1) = 11.575$ ,  $p < .01$ ). In conjunction with other sociodemographic data, particularly the wage gap between women and men, this corroborates hypothesis 4. Unemployment impacts women's economic life more than that of men, with more unemployed women filing for insolvency than unemployed men. It is, however, noteworthy that unemployment is also a relevant factor for male insolvents, and is the main reason for insolvency in this group.

Illness is the third most frequently cited reason by insolvent women and men – 16% and 10% respectively – although it has a different impact, with a greater preponderance for insolvent women ( $\chi^2(1) = 4.640$ ,  $p < .05$ ).

Salary cuts are the fourth most frequently cited reason for filing for insolvency, although there is no differentiation between women and men, as it affects both. Austerity had an equal impact on wage compression for women and men<sup>66</sup>; however, it should be borne in mind that there are differences in income between women and men within the sample, with more women in lower-income groups (wages, pensions and other social support benefits).

<sup>66</sup> CARMO, R. M.; CANTANTE, F. *Precariedade, desemprego e proteção social: caminhos para a desigualdade?* [Precarity, unemployment and social protection: ways for inequality?]. Lisboa: Observatório das Desigualdades, Iscte-IUL, CIES-IUL, 2014. Disponível em: <http://wp.me/p4h6tu-m3>.

**Table 5. Most cited causes of bankruptcy by gender (%)**

	Women	Men	Chi-Square (Pearson)	df	Signif	Stat Signif
Unemployment	32	20	11.575	1	.001	**
Ill health	16	10	4.640	1	.031	*
Divorce/breakdown of relationship	26	10	29.013	1	.000	**
Wage cuts	6	8	0.511	1	.475	

In all cases, chi-squared tests of independence were used.

\* Significant at the .05 level \*\* Significant at the .01 level

Regarding the mean value of household income (see Table 2), we found that women debtors lived with lower incomes ( $M = €498.16$ ) than men debtors ( $M = €611.84$ ),  $t(450; 428,261) = 2,563$ ;  $p = .01$ . However, in this case, marital status and caregiving status could not explain these differences, since there were no statistical differences among these sub-groups.

**Table 6. Primary source of income (%)<sup>(1)</sup>**

	Wages		Government benefits		Chi-Sq (Pearson)	df	Signif	Stat Signif
	Women	Men	Women	Men				
All	76	85	24	15	5.401	1	.20	*
Married	84	85	16	15	0.039	1	.84	
Married w/ children	92	83	8	17	-	-	-	-(2)
Married, no children	77	89	23	11	-	-	-	-(2)
Single <sup>(3)</sup>	73	84	27	16	4.348	1	.37	*
Single w/ children	71	90	29	10	6.252	1	.12	*
Single, no children	76	80	24	10	0.232	1	.63	

In all cases, chi-squared tests of independence were used. \* Significant at the .05 level.

<sup>(1)</sup> Cases with no references to the debtor's source of income were excluded from the analysis.

<sup>(2)</sup> The assumptions of the chi-squared test of independence were not fulfilled for these sub-groups.

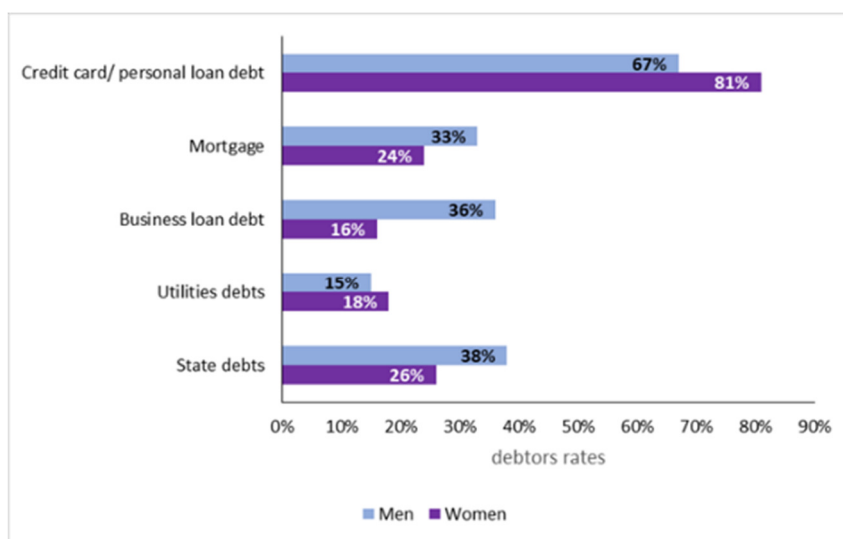
<sup>(3)</sup> Refers to never-married, divorced, and widowed debtors.

Significant differences were found between genders in terms of the type of credit, as insolvent women resort to personal credit more frequently (81%), compared to insolvent men (67%). Conversely, commercial credit and credit related to financing business activities were mainly taken out by insolvent men (36%, compared to only 16% of insolvent women) (Fig. 1).



Thus, our fifth hypothesis is confirmed. Women use personal credit to cover current expenses more often, while men are notable for using credit associated with financing their professional and business activities. In keeping with this business or professional activity, men are more often in debt to the state, including tax payments and social security contributions.

**Figure 1 – type of credits, by gender/%**



## 6. Discussion

Divorce, single parenthood, childcare and unemployment are explanatory and differentiating factors for insolvency in women and men. As this study shows, divorce is one of the main reasons for insolvency in the Portuguese female population. In line with other studies<sup>67</sup>, divorce<sup>68</sup> clearly not only disrupts women's lives, but undermines their ability to honor debts and/or take out new loans to meet daily expenses. There is a tendency for this situation to worsen when there are minor children in a female, single-parent household. In accordance with the literature<sup>69</sup>, children's well-being is their parents' last bastion<sup>70</sup>, and they will sacrifice other activities and expenses to

<sup>67</sup> FOOHEY, P.; LAWLESS, R. M.; THORNE, D. Portraits of Bankruptcy Filers. *Georgia Law Review*. Athens: University of Georgia, 2021, vol. 56, n.º 2, p. 630. ISSN: 0016-8300.

<sup>68</sup> CAPUTO, R. K. Marital Status and Other Correlates of Personal Bankruptcy, 1986–2004. *Marriage & Family Review*. London: Routledge, 2008, vol. 44, n.º 1, p. 12. ISSN: 0149-4929.

<sup>69</sup> PAHL, J. Family Finances, Individualisation, Spending Patterns and Access to Credit. *The Journal of Socio-Economics*. Amsterdam: Elsevier, 2008, vol. 37, p. 585. ISSN: 1053-5357.

<sup>70</sup> FRADE C.; COELHO, L. Surviving the Crisis and Austerity: The Coping Strategies of Portuguese Households", *Indiana Journal of Global Legal Studies*, 2015, vol. 22, n.º 2, pp. 631-664. doi:10.2979/indjglolegstu.22.2.631.

ensure it. In the Portuguese case, the period under analysis from 2011 to 2020 had a background of austerity policies, with declining wages<sup>71</sup> and social benefits<sup>72</sup> and increasing unemployment and job insecurity<sup>73</sup>. The economic crisis placed families with dependent children in a more vulnerable state than those without children, as their needs were different and their financial capacity was limited, with one or both members of the couple being unemployed at times. In the case of single-parent families, there was a greater incidence of litigation in family and juvenile courts<sup>74</sup> over the payment of alimony and child custody due to austerity.

Although unemployment rose for both women and men in the period under analysis, its consequences were different. Unemployment is the main reason for women to file for insolvency. In accordance with other studies, unemployment in the female population has a strong impact on women's financial capacity. As such, the persistence of the wage inequality phenomena that tends to harm women must be considered, associated as it is with periods of contribution interrupted by childcare, greater participation in part-time work and the exercise of less qualified professions such as domestic service, cleaning and administrative work. Despite unemployment also having had an impact on men's financial lives, it was far smaller and these effects were mitigated by the fact that more men have higher salaries and more qualified and specialized professions.

The type of debt constitutes a further indicator of differences between women and men. Women in the sample mainly take out personal loans for current expenses, in keeping with the literature that demonstrates different money management practices<sup>75</sup>. Men accrue greater debt from commercial credits and payments to the state associated with their professional and business activities and their profile<sup>76</sup> is more associated with

<sup>71</sup> IMF. Fiscal Policy and Income Inequality. *IMF Policy Paper*. Washington: International Monetary Fund, 2014.

<sup>72</sup> OECD. Society at a Glance. The Crisis and the Aftermath – Highlights Portugal. Paris: OECD, 2014. Disponível em: <http://www.oecd.org/portugal/OECD-SocietyAtaGlance2014-Highlights-Portugal.pdf>.

<sup>73</sup> CARMO, R. M.; CANTANTE, F. *Precariedade, desemprego e proteção social: caminhos para a desigualdade?* [Precarity, unemployment and social protection: ways for inequality?]. Lisboa: Observatório das Desigualdades, Iscte-IUL, CIES-IUL, 2014. Disponível em: <http://wp.me/p4h6tu-m3>.

<sup>74</sup> CASALEIRO, P.; SANTOS, A. *Famílias em Tempos de Crise: A Regulação Judicial do Exercício das Responsabilidades Parentais*. *Sociologia: Revista da Faculdade de Letras da Universidade do Porto*. Porto: Universidade do Porto, 2018, vol. XXXV, p. 58. ISSN: 0872-3419.

<sup>75</sup> VOGLER, C.; PAHL, J. Money, Power and Inequality Within Marriage. *The Sociological Review*. Oxford: Wiley, 1994, vol. 42, n.º 2, pp. 263–288. ISSN: 0038-0261.

<sup>76</sup> CALLEGARI, J.; LIEDGREN, P.; KULLBERG, C. *Gendered Debt – A Scoping Study Review of Research on Debt Acquisition and Management in Single and Couple Households*. *European Journal of Social Work*. London: Taylor & Francis, 2020, vol. 23, n. 5, p. 751. ISSN: 1369-1457.

financial risk and entrepreneurial activities.

Thus, the sociodemographic and financial profile of women and men who enter insolvency is different.

## 7. Limitations

For this study, the research team had access to a sample of personal insolvency cases from 2011 to 2020 provided by the Portuguese Ministry of Justice. This sample included 25972 closed court cases from all judicial districts. Although it is a large sample, minimizing the statistical procedures and improving the probability of random selection ensures that all cases have an equal chance of being included. Furthermore, due to the amount of work involved in reading and coding each case, it was necessary to reduce our sample to 641 cases, assuming a combined criterion of judicial districts, duration, and filers.

The analysis is restricted to the period from 2011 to 2020 considering that our goal was to analyse closed court cases and the database provided by the Portuguese Ministry of Justice was built on the first semester of 2021. This allowed us to focus on the significant shift in the insolvency landscape following the legal, social and economic consequences of the Great Recession, namely the exponential growth of personal insolvencies.

## Conclusion

This study shows that gender is an explanatory factor in personal insolvency in Portugal. Based on literature from various countries, it can be confirmed that women, especially those with dependent children, are less likely to be able to meet the payments on the loans taken out to ensure their family's well-being in their day-to-day existence.

Women tend to have lower levels of debt, which could be an initial advantage in the insolvency process and during discharge mechanisms, thus providing the possibility for a fresh start. However, according to studies carried out in the USA<sup>77</sup>, the

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<sup>77</sup> FOOHEY, P.; LAWLESS, R. M.; THORNE, D. Portraits of Bankruptcy Filers. *Georgia Law Review*. Athens: University of Georgia, 2021, vol. 56, n.º 2, p. 575. ISSN: 0016-8300. CATHERINE, E. A Fresh

actual possibility for women to have a fresh start is very limited. This is because there is a disproportionate requirement for them to combine productive work – that is, work outside the home – and reproductive work, understood as work caring for the home and for family members, placing them in a more difficult position in both contexts. As demonstrated, women have lower incomes and are more often in low-skilled professions or low-paid professions with low qualifications; this makes them more exposed to debt and its adverse effects. Women undergoing divorce, especially when there are dependent children, are more likely to assume responsibilities for finances and care, and once again become the more vulnerable group economically. In these situations, the law must be applied sensitively on a case-by-case basis, and the idea of universality which, Thornton<sup>78</sup> argues, has guaranteed a situation of privilege for men in relation to women over time, must be abandoned. One of the ways in which courts can be agents of change is by ensuring better coordination between cases and courts. It is true that when insolvency is declared, most judicial proceedings against the debtor are either suspended, attached to the insolvency or terminated (arts. 85.º, 86.º and 88.º of CIRE). Additionally, individual debtors may be granted discharge from debts that they are unable to pay during insolvency proceedings – the so-called “fresh start” – provided that some requirements are met (arts. 235.º to 248.º-A of CIRE). These are two of the biggest beneficial effects for debtors as a result of an insolvency order. However, other types of proceedings such as disputes over non-payment or requests for review of the amounts for child support that take place in family and juvenile courts also have great sway in these situations. A better coordination between these various courts (e.g. commercial, family and juvenile courts) and a greater use of Information and Communications Technologies (ICT) is needed so that judges can have access to information as a tool to combat gender inequalities. This may enable women to honour the payment of their debts in a fairer and more balanced way; disposable income can be more equitably distributed to simultaneously safeguard family life and ensure payment of part of the debts incurred. One of the main proposals in IN\_SOLVENS is the creation of a digital platform for managing insolvency proceedings that allows real-time data sharing between courts, insolvency

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Start for a Women's Economy: Beyond Punitive Consumer Bankruptcy. *California Law Review Online*. Berkeley: University of California, 2018, pp. 39-40. DOI: 10.15779/Z38QJ77Z4Z. WARREN, E. What Is a Women's Issue? Bankruptcy, Commercial Law, and Other Gender-Neutral Topics. *SSRN Electronic Journal*. Rochester: Social Science Research Network, 2002, p. 32. DOI: 10.2139/ssrn.310544.

<sup>78</sup> THORNTON, M. *Law and the Quest for Gender Equality*. 1. ed. Canberra: ANU Press, 2023.

practitioners, parties, public entities and registry offices.

In future research, we expect to incorporate the voices of debtors, their experiences dealing with insolvency procedures, their perspectives on how relief mechanisms were applied in their cases and to address the effects of both the COVID-19 pandemics and recent amendments to the CIRE.

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