

Abstract

The diploma work 'Financial education as prevention against over-indebtedness of Czech households' deals with the issue of constantly rising over-indebtedness. In the Czech Republic the number of people who find themselves in financial shortcoming due to over-indebtedness has recently raised. When we compare the Czech Republic with the advanced countries in the European Union, we find out the over-indebtedness is not so high. What is, however, alarming is its dynamics in the recent years. These figures are confirmed with statistic data. The phenomenon of consumer loans started to develop in the late 1990's when the first negative consequences, i.e. social and psychological impact, and distrains, which had not been known so far, appeared for the first time. Mortgages are seen as relatively healthy form of debt because their reimbursement is not as problematic as it is with the consumer loans. Investment into living is considered as long-lasting. There are several possibilities how to cope with debts. One possibility and prevention is financial education the application of which is in the centre of this work, i.e. financial education as the tool for orientation in market environment, part of social work and especially as the prevention itself. The essential part is educational activities and projects which raise financial literacy. The over-indebtedness is becoming topical nowadays and effort to solve it and prevent it is the important challenge for the whole society.