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Russians Spend More Than They Earn For First Time Since 1998

By The Moscow Times

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The spending of Russians exceeded their income in 2015 for the first time in 18 years, the Kommersant newspaper reported Wednesday, citing the Center of Macroeconomic Analysis and Short-term Forecasting.

According to the Rosstat state statistics service, the expenditures of Russians exceeded their revenues by 418 billion rubles ($5.3 billion). In 2014, the amount earned by Russians was 76 billion rubles ($960 million) greater than the amount they spent.

The deficit can be explained by Russians needing to repay loans quickly, make bank deposits and buy foreign currency, which are also considered expenditures by Rosstat, the newspaper reported.

The real incomes of Russian citizens fell by 9.5 percent last year compared to 2014 and, according to the estimates of the Ministry for Economic Development, will continue to shrink over the next two years, according to the Vedomosti newspaper.

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