



# Household Income and Expenditure Trends in the Fourth Quarter of 2020

## 1. Income

- The average monthly household income amounted to 5.161 million won in the fourth quarter of 2020, which grew by 1.8% from the fourth quarter of 2019. (At 2015 prices an increase of 1.4% from the fourth quarter of 2019)

<Table 1> Average monthly income per household

(Unit: 1,000 won, %, year-on-year)

	Amount					Percent change	
	4Q 2019	Compo- sition	3Q 2020	4Q 2020	Compo- sition	3Q 2020	4Q 2020
Household size (person)	3.03	-	3.02	3.01	-	-	-
Age of household head (age)	52.1	-	52.5	52.5	-	-	-
Income	5,069	100.0	5,305	5,161	100.0	1.6	1.8
Current income	5,001	98.7	5,225	5,059	98.0	1.2	1.2
Employee income	3,419	67.4	3,477	3,401	65.9	-1.1	-0.5
Self-employment income	1,048	20.7	991	994	19.3	-1.0	-5.1
Property income*	26	0.5	40	28	0.6	18.5	7.4
Transfer income	508	10.0	717	636	12.3	17.1	25.1
Public transfer	339	6.7	503	417	8.1	29.5	22.7
Private transfer	169	3.3	214	220	4.3	-4.3	30.0
Non-current income*	68	1.3	80	102	2.0	33.3	49.1

\* Pay attention to a high relative standard error (RSE).

## 2. Consumption Expenditure

- The average monthly consumption expenditure per household marked 2.907 million won in the fourth quarter of 2020, which fell by 0.1% from the fourth quarter of 2019. (At 2015 prices a drop of 0.5% from the fourth quarter of 2019)
- The expenditures on 'Food and non-alcoholic beverages', 'Furnishings, household equipment and routine household maintenance' and 'Health' rose by 16.9%, 15.6% and 8.5%, respectively.
- The expenditures on 'Clothing and footwear', 'Recreation and culture', 'Education' and 'Restaurants and hotels' fell by 9.2%, 18.7%, 15.2% and 11.3%, respectively.

<Table 2> Average monthly consumption expenditure per household  
(Unit: 1,000 won, %, year-on-year)

	Amount					Percent change	
	4Q 2019	Compo- sition	3Q 2020	4Q 2020	Compo- sition	3Q 2020	4Q 2020
Consumption expenditure	2,908	100.0	2,945	2,907	100.0	-1.4	-0.1
Food and non-alcoholic beverages	408	14.0	499	477	16.4	18.7	16.9
Alcoholic beverages and tobacco	35	1.2	43	40	1.4	10.7	12.5
Clothing and footwear	196	6.8	118	178	6.1	-13.6	-9.2
Housing, water, electricity and other fuels	283	9.7	281	299	10.3	6.7	5.5
Furnishings, household equipment and routine household maintenance	137	4.7	163	159	5.5	19.8	15.6
Health	249	8.6	257	270	9.3	12.8	8.5
Transport	374	12.9	336	384	13.2	-12.4	2.6
Communication	158	5.4	154	148	5.1	1.2	-6.8
Recreation and culture	191	6.6	165	155	5.3	-28.1	-18.7
Education	219	7.5	295	186	6.4	-13.6	-15.2
Restaurants and hotels	407	14.0	392	361	12.4	-6.6	-11.3
Miscellaneous goods and services	250	8.6	242	250	8.6	2.1	0.3

### 3. Non-consumption Expenditure

- The average monthly non-consumption expenditure per household totaled 986 thousand million won in the fourth quarter of 2020, which fell by 0.3% from the fourth quarter of 2019.
- The interest, the transfer between households and the transfer to non-profit institutions dropped by 4.7%, 4.0% and 16.1% from the fourth quarter of 2019, respectively.
- The regular tax, the pension contribution and the social insurance increased by 4.4%, 5.0% and 7.9% from the fourth quarter of 2019, respectively.

<Table 3> Average monthly non-consumption expenditure per household  
(Unit: 1,000 won, %, year-on-year)

	Amount				Percent change	
	4Q 2019	3Q 2020	4Q 2020	Compo- sition	3Q 2020	4Q 2020
Non-consumption expenditure	989	1,044	986	100.0	-4.6	-0.3
Regular tax	182	291	190	19.3	5.6	4.4
Non-regular tax*	27	22	26	2.6	47.1	-2.5
Pension contribution	164	161	173	17.5	-0.8	5.0
Social insurance	171	180	184	18.7	9.4	7.9
Interest	107	106	102	10.3	-1.4	-4.7
Transfer between households	223	184	214	21.7	-28.7	-4.0
Transfer to non-prinstitutions	115	100	97	9.8	-10.4	-16.1

\* Pay attention to a high relative standard error (RSE).

## 4. Disposable Income and Surplus

- The average monthly disposable income per household was 4.175 million won in the fourth quarter of 2020, which went up by 2.3% from the fourth quarter of 2019.
- The surplus amounted to 1.269 million won, which grew by 8.2% from the fourth quarter of 2019.
- The surplus rate stood at 30.4%, up 1.7%p from the fourth quarter of 2019.
- The average propensity to consume stood at 69.6%, down 1.7%p from the fourth quarter of 2019.

<Table 4> Average monthly surplus and average propensity to consume per household  
(Unit: 1,000 won, %, %p, year-on-year)

	Amount			(Percent) change	
	4Q 2019	3Q 2020	4Q 2020	3Q 2020	4Q 2020
Disposable income <sup>1)</sup>	4081	4,261	4,175	3.2	2.3
Surplus <sup>2)</sup>	1172	1,316	1,269	15.3	8.2
Surplus rate <sup>3)</sup>	28.7	30.9	30.4	3.2p	1.7p
Average propensity to consume (%) <sup>4)</sup>	71.3	69.1	69.6	-3.2p	-1.7p

Note) 1. Disposable Income = Income - Non-consumption Expenditure

2. Surplus = Disposable Income - Consumption Expenditure

3. Surplus Rate = (Surplus / Disposable Income) × 100

4. Average Propensity to Consume = (Consumption Expenditure / Disposable Income) × 100

## 5. Income and Expenditure by Income Quintile

- In the fourth quarter of 2020, the average monthly income of the lowest quintile amounted to 1.64 million won, which grew by 1.7% from the fourth quarter of 2019. The average monthly income of the highest quintile amounted to 10.026 million won, which increased by 2.7% from the fourth quarter of 2019.
- The disposable income of the lowest quintile totaled 1.376 million won, which grew by 2.2% from the fourth quarter of 2019.
  - The average propensity to consume of the lowest quintile stood at 117.8%, down 0.5%p from the fourth quarter of 2019.
- The disposable income of the highest quintile totaled 7.895 million won, which grew by 2.3% from the fourth quarter of 2019.
  - The average propensity to consume of the highest quintile stood at 57.2%, down 1.6%p from the fourth quarter of 2019.

&lt;Table 5&gt; Income and expenditure by income quintile

(Unit: 1,000 won, %, %p, year-on-year)

	Lowest quintile		Second quintile		Third quintile		Fourth quintile		Highest quintile	
		(Percent) change		(Percent) change		(Percent) change		(Percent) change		(Percent) change
Household size (person)	2.43		2.78		3.09		3.29		3.46	
Age of household head (age)	61.0		51.8		50.1		49.2		50.5	
Income	1,640	1.7	3,275	0.1	4,628	1.2	6,231	2.0	10,026	2.7
Current income	1,634	2.0	3,254	0.2	4,602	1.3	6,171	1.9	9,632	1.0
Employee income	596	-13.2	1,882	-5.6	3,031	0.0	4,279	0.0	7,214	1.8
Self-employee income	279	6.2	672	3.0	953	-5.7	1,236	-5.1	1,827	-8.9
Property income	22	7.7	25	32.4	31	143.0	15	-54.6	48	4.8
Transfer income	737	16.5	675	15.9	586	19.7	641	45.5	543	36.3
Public transfer	543	17.1	492	25.0	390	26.5	390	33.6	269	11.7
Private income	194	15.0	183	-2.9	197	8.2	251	68.8	274	73.7
Non-current income	6	-42.7	21	-10.9	26	-5.2	60	17.8	394	74.0
Household expenditure	1,885	1.4	2,717	-2.4	3,621	-2.3	4,592	0.9	6,643	1.0
Consumption expenditure	1,620	1.8	2,188	-1.7	2,775	-3.1	3,435	3.4	4,512	-0.4
Non-consumption expenditure	265	-0.8	529	-5.1	846	0.3	1,156	-6.0	2,131	4.3
Disposable income <sup>1)</sup>	1,376	2.2	2,746	1.2	3,782	1.4	5,075	4.1	7,895	2.3
Surplus <sup>2)</sup>	-244	0.4	558	14.2	1,007	16.3	1,640	5.4	3,383	6.1
Surplus rate <sup>3)</sup>	-17.8	0.5p	20.3	2.3p	26.6	3.4p	32.3	0.4p	42.8	1.6p
Average propensity to consume (%) <sup>4)</sup>	117.8	-0.5p	79.7	-2.3p	73.4	-3.4p	67.7	-0.4p	57.2	-1.6p

Note) 1. Disposable Income = Income - Non-consumption Expenditure

2. Surplus = Disposable Income - Consumption Expenditure

3. Surplus Rate = (Surplus / Disposable Income) × 100

4. Average Propensity to Consume = (Consumption Expenditure / Disposable Income) × 100

- In the fourth quarter of 2020, the average monthly consumption expenditure of the lowest quintile amounted to 1.62 million won, which grew by 1.8% from the fourth quarter of 2019. The average monthly consumption expenditure of the highest quintile amounted to 4.512 million won, which fell by 0.4% from the fourth quarter of 2019.
- As for the consumption expenditure of the lowest quintile, 'Food and non-alcoholic beverages' occupied the largest share at 23.4%, which was followed by 'Housing, water, electricity and other fuels' (14.8%) and 'Health' (12.9%). As for the consumption expenditure of the highest quintile, 'Transport' occupied the largest share at 15.9%, which was followed by 'Food and non-alcoholic beverages' (13.1%) and 'Restaurants and hotels' (12.6%).

&lt;Table 6&gt; Consumption expenditure by income quintile

(Unit: 1,000 won, %, year-on-year)

	Lowest quintile		Second quintile		Third quintile		Fourth quintile		Highest quintile	
		Percent change		Percent change		Percent change		Percent change		Percent change
Household size (person)		2.43		2.78		3.09		3.29		3.46
Age of household head (age)		61.0		51.8		50.1		49.2		50.5
Consumption expenditure	1,620	1.8	2,188	-1.7	2,775	-3.1	3,435	3.4	4,512	-0.4
Food and non-alcoholic beverages	378	15.2	425	15.4	474	17.8	514	14.6	592	20.6
Alcoholic beverages and tobacco	31	15.9	40	13.6	41	8.3	41	5.0	46	21.1
Clothing and footwear	69	-13.9	120	-20.1	178	-4.2	223	-1.9	301	-10.7
Housing, water, electricity and other fuels	239	2.1	289	6.5	289	-6.5	296	2.3	380	21.9
Furnishings, household equipment and routine household maintenance	69	5.4	116	35.8	155	3.9	200	24.9	255	12.4
Health	209	3.1	207	0.3	253	9.8	269	3.4	414	19.7
Transport	128	-15.1	227	-2.0	282	-12.4	563	26.3	719	0.1
Communication	93	5.9	133	-5.8	162	-5.0	168	-10.8	181	-10.8
Recreation and culture	78	6.2	103	-27.2	162	-3.2	200	-15.7	234	-30.4
Education	53	-2.6	98	-14.6	176	-23.7	238	-7.5	363	-16.8
Restaurants and hotels	159	-11.8	265	-12.2	367	-12.6	441	-8.1	571	-12.0
Miscellaneous goods and services	113	6.0	165	-6.9	236	-0.3	282	-1.8	456	3.8