



Household Income and Expenditure Trends in the Second Quarter of 2021

1. Income

- The average monthly household income amounted to 4.287 million won in the second quarter of 2021, which dropped by 0.7% from the second quarter of 2020. (At 2015 prices a decrease of 3.0% from the second quarter of 2020)

<Table 1> Average monthly income per household

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

	Amount					Percent change	
	2Q 2020	Compo- sition	1Q 2021	2Q 2021	Compo- sition	1Q 2021	2Q 2021
Household size (person)	2.40	-	2.37	2.37	-	-	-
Age of household head (age)	52.4	-	52.8	52.7	-	-	-
Income	4,315	100.0	4,384	4,287	100.0	0.4	-0.7
Current income	4,244	98.4	4,300	4,208	98.2	1.1	-0.9
Employee income	2,576	59.7	2,778	2,743	64.0	-1.3	6.5
Self-employment income	778	18.0	767	806	18.8	-1.6	3.6
Property income*	27	0.6	33	42	1.0	-14.4	59.7
Transfer income	863	20.0	723	617	14.4	16.5	-28.6
Public transfer	669	15.5	497	421	9.8	27.9	-37.1
Private transfer	194	4.5	226	196	4.6	-2.4	1.1
Non-current income*	71	1.6	83	79	1.8	-26.2	11.1

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

2. Consumption Expenditure

- The average monthly consumption expenditure per household marked 2.475 million won in the second quarter of 2021, which rose by 3.8% from the second quarter of 2020. (At 2015 prices a rise of 1.3% from the second quarter of 2020)
- The expenditures on 'Food and non-alcoholic beverages', 'Housing, water, electricity and other fuels' and 'Health' rose by 2.0%, 7.8% and 10.6%, respectively. The expenditures on 'Recreation and culture', 'Education' and 'Restaurants and hotels' rose by 4.1%, 31.1% and 3.3%, respectively.
- The expenditures on 'Clothing and footwear', 'Furnishings, household equipment and routine household maintenance' and 'Transport' fell by 4.2%, 7.0% and 0.4%, respectively.

<Table 2> Average monthly consumption expenditure per household

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

	Amount					Percent change	
	2Q 2020	Compo- sition	1Q 2021	2Q 2021	Compo- sition	1Q 2021	2Q 2021
Consumption expenditure	2,385	100.0	2,419	2,475	100.0	1.6	3.8
Food and non-alcoholic beverages	364	15.3	384	371	15.0	7.3	2.0
Alcoholic beverages and tobacco	39	1.6	36	40	1.6	6.0	1.6
Clothing and footwear	135	5.6	107	129	5.2	9.3	-4.2
Housing, water, electricity and other fuels	284	11.9	340	306	12.4	6.8	7.8
Furnishings, household equipment and routine household maintenance	143	6.0	119	133	5.4	14.1	-7.0
Health	212	8.9	215	234	9.5	-4.5	10.6
Transport	297	12.5	271	296	12.0	-2.9	-0.4
Communication	117	4.9	120	119	4.8	1.5	1.5
Recreation and culture	141	5.9	137	147	5.9	-9.4	4.1
Education	114	4.8	202	150	6.1	8.0	31.1
Restaurants and hotels	332	13.9	292	343	13.9	-2.4	3.3
Miscellaneous goods and services	207	8.7	195	207	8.4	-5.6	0.2

3. Non-consumption Expenditure

- The average monthly non-consumption expenditure per household totaled 833 thousand won in the second quarter of 2021, which grew by 4.6% from the second quarter of 2020.
- The regular tax, the social insurance and the transfer between households grew by 14.3%, 9.1% and 5.7% from the second quarter of 2020, respectively.
- The interest and the transfer to non-profit institutions declined by 2.7% and 6.0% from the second quarter of 2020, respectively.

<Table 3> Average monthly non-consumption expenditure per household

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

	Amount				Percent change	
	2Q 2020	1Q 2021	2Q 2021	Composition	1Q 2021	2Q 2021
Non-consumption expenditure	796	873	833	100.0	-1.3	4.6
Regular tax	138	172	158	18.9	1.4	14.3
Non-regular tax*	31	26	23	2.7	48.9	-26.9
Pension contribution	120	127	129	15.5	4.5	7.0
Social insurance	142	148	155	18.6	5.8	9.1
Interest	89	83	86	10.4	-2.9	-2.7
Transfer between households	195	241	207	24.8	-9.9	5.7
Transfer to non-profit institutions	80	75	76	9.1	-8.8	-6.0

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

4. Disposable Income and Surplus

- The average monthly disposable income per household was 3.454 million won in the second quarter of 2021, which went down by 1.9% from the second quarter of 2020.
- The surplus amounted to 979 thousand won, which fell by 13.7% from the second quarter of 2020.
- The surplus rate stood at 28.3%, down 3.9%p from the second quarter of 2020.
- The average propensity to consume stood at 71.7%, up 3.9%p from the second quarter of 2020.

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

	Amount			(Percent) change	
	2Q 2020	1Q 2021	2Q 2021	1Q 2021	2Q 2021
Disposable income ¹⁾	3,519	3,511	3,454	0.8	-1.9
Surplus ²⁾	1,134	1,092	979	-0.9	-13.7
Surplus rate ³⁾	32.2	31.1	28.3	-0.5p	-3.9p
Average propensity to consume (%) ⁴⁾	67.8	68.9	71.7	0.5p	3.9p

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 second quarter of 2021, the average monthly income of the lowest quintile amounted to 966 thousand won, which dropped by 6.3% from the second quarter of 2020. The average monthly income of the highest quintile amounted to 9.241 million won, which increased by 1.4% from the second quarter of 2020.
- The disposable income of the lowest quintile totaled 812 thousand won, which fell by 7.2% from the second quarter of 2020.
 - The average propensity to consume of the lowest quintile stood at 142.0%, up 18.8%p from the second quarter of 2020.
- The disposable income of the highest quintile totaled 7.222 million won, which dropped by 0.5% from the second quarter of 2020.
 - The average propensity to consume of the highest quintile stood at 61.4%, up 4.8%p from the second quarter of 2020.

<Table 5> 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)		1.49		1.86		2.33		2.89		3.26
Age of household head (age)		61.7		52.8		49.4		49.3		50.1
Income	966	-6.3	2,365	-0.9	3,661	-0.7	5,192	-3.1	9,241	1.4
Current income	957	-5.9	2,347	-1.2	3,637	-0.5	5,143	-3.2	8,946	1.0
Employee income	212	19.6	1,274	9.1	2,351	15.4	3,447	2.3	6,422	4.8
Self-employee income	111	16.1	447	18.1	661	-12.7	1,078	13.6	1,734	1.3
Property income	10	41.1	17	1.0	24	0.1	28	4.0	134	127.7
Transfer income	625	-15.3	609	-24.9	602	-28.2	591	-38.9	656	-31.7
Public transfer	448	-22.5	430	-33.2	412	-40.0	386	-43.9	426	-43.0
Private income	177	10.5	179	6.7	190	25.6	204	-26.4	230	7.9
Non-current income	9	-33.4	18	40.4	24	-25.5	48	12.2	295	16.4
Household expenditure	1,307	6.0	2,049	5.2	2,828	1.4	3,897	-1.9	6,454	8.2
Consumption expenditure	1,153	7.0	1,674	3.6	2,194	-0.1	2,915	-0.4	4,435	8.0
Non-consumption expenditure	154	-1.5	375	12.6	634	7.1	982	-6.1	2,019	8.9
Disposable income ¹⁾	812	-7.2	1,990	-3.1	3,028	-2.2	4,210	-2.3	7,222	-0.5
Surplus ²⁾	-341	-68.4	316	-28.0	833	-7.5	1,295	-6.4	2,787	-11.4
Surplus rate ³⁾	-42.0	-18.8p	15.9	-5.5p	27.5	-1.6p	30.8	-1.4p	38.6	-4.8p
Average propensity to consume (%) ⁴⁾	142.0	18.8p	84.1	5.5p	72.5	1.6p	69.2	1.4p	61.4	4.8p

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 second quarter of 2021, the average monthly consumption expenditure of the lowest quintile amounted to 1.153 million won, which grew by 7.0% from the second quarter of 2020. The average monthly consumption expenditure of the highest quintile amounted to 4.435 million won, which rose by 8.0% from the second quarter of 2020.
- As for the consumption expenditure of the lowest quintile, 'Food and non-alcoholic beverages' occupied the largest share at 21.2%, which was followed by 'Housing, water, electricity and other fuels' (17.8%) and 'Health' (13.2%). As for the consumption expenditure of the highest quintile, 'Transport' occupied the largest share at 15.0%, which was followed by 'Restaurants and hotels' (13.2%) and 'Food and non-alcoholic beverages' (12.2%).

<Table 6> 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)	1.49		1.86		2.33		2.89		3.26	
Age of household head (age)	61.7		52.8		49.4		49.3		50.1	
Consumption expenditure	1,153	7.0	1,674	3.6	2,194	-0.1	2,915	-0.4	4,435	8.0
Food and non-alcoholic beverages	244	12.0	285	6.8	347	0.9	441	-3.8	540	1.2
Alcoholic beverages and tobacco	26	-8.6	33	-7.5	41	-0.3	47	9.8	51	8.6
Clothing and footwear	41	4.5	78	0.6	116	1.2	159	-9.5	250	-5.8
Housing, water, electricity and other fuels	205	-7.1	280	3.1	283	-1.9	306	-1.1	457	38.5
Furnishings, household equipment and routine household maintenance	49	-16.6	75	-12.7	105	-18.0	156	-11.6	279	5.2
Health	152	8.3	181	4.9	211	5.9	265	14.6	361	14.7
Transport	113	42.6	146	-4.3	238	-14.2	318	-12.5	664	8.2
Communication	60	12.8	90	8.4	117	0.4	150	2.9	178	-5.2
Recreation and culture	54	6.0	91	0.0	130	11.7	170	-5.4	290	8.0
Education	17	125.0	43	67.0	99	46.4	208	32.3	382	22.0
Restaurants and hotels	121	3.6	234	2.0	334	4.2	442	4.0	586	2.8
Miscellaneous goods and services	73	10.3	138	11.9	173	-5.0	254	-2.9	398	-0.8