



Household Income and Expenditure Trends in the Third Quarter of 2021

1. Income

- The average monthly household income totaled 4.729 million won in the third quarter of 2021, which grew by 8.0% from the third quarter of 2020. (At 2015 prices a rise of 5.3% from the third quarter of 2020)

<Table 1> Average monthly income per household

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

	Amount					Percent change	
	3Q 2020	Compo- sition	2Q 2021	3Q 2021	Compo- sition	2Q 2021	3Q 2021
Household size (person)	2.40	-	2.37	2.37	-	-	-
Age of household head (age)	52.5	-	52.7	52.6	-	-	-
Income	4,377	100.0	4,287	4,729	100.0	-0.7	8.0
Current income	4,308	98.4	4,208	4,666	98.7	-0.9	8.3
Employee income	2,781	63.5	2,743	2,954	62.5	6.5	6.2
Self-employment income	853	19.5	806	885	18.7	3.6	3.7
Property income*	31	0.7	42	24	0.5	59.7	-23.9
Transfer income	642	14.7	617	804	17.0	-28.6	25.3
Public transfer	447	10.2	421	583	12.3	-37.1	30.4
Private transfer	195	4.4	196	221	4.7	1.1	13.4
Non-current income*	70	1.6	79	63	1.3	11.1	-10.0

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

2. Consumption Expenditure

- The average monthly consumption expenditure per household recorded 2.544 million won in the third quarter of 2021, which rose by 4.9% from the third quarter of 2020. (At 2015 prices a rise of 2.2% from the third quarter of 2020)
- The expenditures on all items showed a year-on-year increase. In particular, the expenditures on 'Food and non-alcoholic beverages', 'Clothing and footwear' and 'Furnishings, household equipment and routine household maintenance' rose by 5.7%, 10.0% and 7.2%, respectively. The expenditures on 'Transport', 'Education' and 'Restaurants and hotels' rose by 5.8%, 6.9% and 5.2%, respectively.

<Table 2> Average monthly consumption expenditure per household

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

	Amount					Percent change	
	3Q 2020	Compo- sition	2Q 2021	3Q 2021	Compo- sition	2Q 2021	3Q 2021
Consumption expenditure	2,426	100.0	2,475	2,544	100.0	3.8	4.9
Food and non-alcoholic beverages	407	16.8	371	430	16.9	2.0	5.7
Alcoholic beverages and tobacco	40	1.7	40	42	1.7	1.6	5.3
Clothing and footwear	96	4.0	129	106	4.2	-4.2	10.0
Housing, water, electricity and other fuels	263	10.8	306	269	10.6	7.8	2.5
Furnishings, household equipment and routine household maintenance	131	5.4	133	140	5.5	-7.0	7.2
Health	216	8.9	234	223	8.8	10.6	3.2
Transport	271	11.2	296	287	11.3	-0.4	5.8
Communication	124	5.1	119	128	5.0	1.5	3.0
Recreation and culture	136	5.6	147	142	5.6	4.1	3.7
Education	207	8.5	150	221	8.7	31.1	6.9
Restaurants and hotels	335	13.8	343	353	13.9	3.3	5.2
Miscellaneous goods and services	199	8.2	207	202	8.0	0.2	1.9

3. Non-consumption Expenditure

- The average monthly non-consumption expenditure per household marked 956 thousand won in the third quarter of 2021, which grew by 11.4% from the third quarter of 2020.
- The regular tax, the social insurance and the transfer between households increased by 16.8%, 12.1% and 14.4%, respectively, from the third quarter of 2020.
- The transfer to non-profit institutions declined by 3.2% from the third quarter of 2020.

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

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

	Amount				Percent change	
	3Q 2020	2Q 2021	3Q 2021	Compo- sition	2Q 2021	3Q 2021
Non-consumption expenditure	858	833	956	100.0	4.6	11.4
Regular tax	224	158	262	27.4	14.3	16.8
Non-regular tax*	17	23	25	2.6	-26.9	45.7
Pension contribution	128	129	137	14.3	7.0	7.4
Social insurance	143	155	160	16.7	9.1	12.1
Interest	85	86	87	9.1	-2.7	2.1
Transfer between households	183	207	209	21.9	5.7	14.4
Transfer to non-profit institutions	79	76	76	8.0	-6.0	-3.2

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

4. Disposable Income and Surplus

- The average monthly disposable income per household was 3.773 million won in the third quarter of 2021, which increased by 7.2% from the third quarter of 2020.
- The surplus amounted to 1.229 million won, which grew by 12.4% from the third quarter of 2020.
- The surplus rate stood at 32.6%, up 1.5%p from the third quarter of 2020.
- The average propensity to consume stood at 67.4%, down 1.5%p from the third 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	
	3Q 2020	2Q 2021	3Q 2021	2Q 2021	3Q 2021
Disposable income ¹⁾	3,519	3,454	3,773	-1.9	7.2
Surplus ²⁾	1,093	979	1,229	-13.7	12.4
Surplus rate ³⁾	31.1	28.3	32.6	-3.9p	1.5p
Average propensity to consume (%) ⁴⁾	68.9	71.7	67.4	3.9p	-1.5p

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 third quarter of 2021, the average monthly income of the lowest quintile recorded 1.142 million won, which grew by 21.5% from the third quarter of 2020. The average monthly income of the highest quintile recorded 10.037 million won, which increased by 5.7% from the third quarter of 2020.
- The disposable income of the lowest quintile marked 910 thousand won, which grew by 17.7% from the third quarter of 2020.
 - The average propensity to consume of the lowest quintile stood at 129.4%, down 13.4%p from the third quarter of 2020.
- The disposable income of the highest quintile totaled 7.748 million won, which grew by 3.8% from the third quarter of 2020.
 - The average propensity to consume of the highest quintile stood at 56.3%, up 0.2%p from the third 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)		1.50		1.74		2.40		2.91		3.30
Age of household head (age)		60.9		52.7		50.4		49.2		49.8
Income	1,142	21.5	2,647	12.0	4,018	8.6	5,792	7.6	10,037	5.7
Current income	1,133	21.1	2,627	11.8	3,997	8.9	5,744	7.8	9,822	6.1
Employee income	239	22.6	1,405	9.5	2,289	1.5	3,782	4.7	7,048	7.5
Self-employee income	124	20.7	432	-3.3	851	15.0	1,108	8.5	1,908	-2.5
Property income	6	-50.7	13	-39.5	26	20.3	21	-13.8	52	-30.8
Transfer income	763	22.2	777	30.1	831	27.5	834	24.9	813	22.0
Public transfer	559	21.8	576	26.8	618	31.4	619	32.7	543	41.0
Private income	204	23.2	201	40.6	213	17.3	215	6.8	271	-3.9
Non-current income	9	78.0	20	32.2	21	-28.3	48	-15.8	215	-11.0
Household expenditure	1,410	10.9	2,197	8.8	3,052	5.7	4,185	4.0	6,651	7.0
Consumption expenditure	1,178	6.6	1,736	6.3	2,355	5.9	3,088	3.4	4,361	4.3
Non-consumption expenditure	232	39.1	461	19.2	697	5.2	1,097	5.7	2,289	12.5
Disposable income ¹⁾	910	17.7	2,186	10.6	3,321	9.4	4,695	8.0	7,748	3.8
Surplus ²⁾	-268	19.1	450	30.5	966	19.1	1,607	18.3	3,387	3.2
Surplus rate ³⁾	-29.4	13.4p	20.6	3.2p	29.1	2.4p	34.2	3.0p	43.7	-0.2p
Average propensity to consume (%) ⁴⁾	129.4	-13.4p	79.4	-3.2p	70.9	-2.4p	65.8	-3.0p	56.3	0.2p

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 third quarter of 2021, the average monthly consumption expenditure of the lowest quintile amounted to 1.178 million won, which rose by 6.6% from the third quarter of 2020. The average monthly consumption expenditure of the highest quintile amounted to 4.361 million won, which rose by 4.3% from the third quarter of 2020.
- As for the consumption expenditure of the lowest quintile, 'Food and non-alcoholic beverages' occupied the largest share at 23.7%, which was followed by 'Housing, water, electricity and other fuels' (16.3%) and 'Health' (13.1%). As for the consumption expenditure of the highest quintile, 'Food and non-alcoholic beverages' occupied the largest share at 14.2%, which was followed by 'Restaurants and hotels' (13.7%) and 'Transport' (13.2%).

<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)	1.50		1.74		2.40		2.91		3.30	
Age of household head (age)	60.9		52.7		50.4		49.2		49.8	
Consumption expenditure	1,178	6.6	1,736	6.3	2,355	5.9	3,088	3.4	4,361	4.3
Food and non-alcoholic beverages	279	7.2	329	4.3	416	8.0	506	4.5	620	5.1
Alcoholic beverages and tobacco	29	13.3	38	8.2	44	-1.1	50	0.7	51	9.7
Clothing and footwear	37	7.4	64	7.9	92	11.4	133	8.1	204	11.6
Housing, water, electricity and other fuels	193	3.5	255	1.2	266	1.3	288	-4.5	345	10.6
Furnishings, household equipment and routine household maintenance	55	3.4	93	11.3	129	22.1	161	3.6	264	2.5
Health	154	-0.1	175	8.9	211	3.5	250	3.8	326	1.3
Transport	85	6.6	185	34.6	244	12.8	346	5.2	575	-3.1
Communication	60	13.8	93	1.2	129	-3.4	165	6.7	192	2.3
Recreation and culture	54	16.7	87	3.2	125	0.7	173	0.1	268	5.3
Education	22	10.9	49	-11.0	166	9.5	310	4.0	559	9.5
Restaurants and hotels	138	13.7	244	5.9	339	2.9	445	4.8	598	4.8
Miscellaneous goods and services	73	1.9	123	-2.5	195	4.5	261	3.0	360	1.1