The Survey of Household Finances and Living Conditions (SFLC) in 2014

Ⅰ. Household finances

☐ **(Household finances)**

As of the end of March 2014, the mean value of household assets was 333.64 million won. The mean value of household liabilities was 59.94 million won. As the mean value of household income and expenditures was 46.76 million won and 31.51 million won in 2013 respectively, surplus recorded 15.25 million won.

☐ **(Distribution of net worth)**

Households with 0~300 million won in net worth occupied 68.8% of the total households and those with more than 1,000 million won occupied 4.1% of the total households.

Ⅱ. Size and management of assets

☐ **(Size of assets)**

As of the end of March 2014, the mean value of household assets increased 2.1% to 333.64 million won from the previous year.

○ Household financial assets, which made up 26.8% of the total assets, reached 89.31 million won, whereas real assets, which accounted for 73.2% of the total assets, reached 244.33 million won.

○ According to the assets by age group of household heads, the assets of the households with heads in their fifties were the highest. According to the assets by status of workers, households with self-employed heads were the highest.

○ The assets of the fifth income quintile and the fifth net worth quintile accounted for 45.3% and 58.9% of the total assets, respectively.

☐ **(Management of assets)**

As for the management of increased household income or spare cash, 'Saving and investment in financial assets' occupied the largest share at 47.0%. This share was followed by 'Purchase of real estate' (23.4%) and 'Debt repayment' (23.4%).

○ As for the investment purposes in financial assets, 'Preparation for the old age' occupied the largest share at 53.3%. This share was followed by 'Related to housing' (17.6%) and 'Debt repayment' (9.2%).

Ⅲ. Size and awareness of liabilities

□ **(Size of liabilities)**

As for the end of March 2014, the mean value of household liabilities grew 2.3% to 59.94 million won from the previous year.

○ Household financial liabilities, which made up 68.3% of the total liabilities, marked 40.95 million won, whereas money received from leasing, which accounted for 31.7% of the total liabilities, marked 19.00 million won.

○ According to the liabilities by age group of household heads, the assets of the households with heads in their fifties were the highest. According to the liabilities by status of workers, households with self-employed heads were the highest.

○ The liabilities of the fifth income quintile and the fifth net worth quintile accounted for 46.5% and 47.0% of the total liabilities, respectively.

□ **(Awareness of household heads in debts)**

71.8% of households in financial liabilities said 'Repaying principal and interest is burdensome'. This share grew by 1.6%p from the previous year.

○ 6.9% of households in financial liabilities said 'Repaying debts is impossible'. This share dropped by 1.3%p from the previous year.

□ **(Financial soundness of household economy)**

The ratio of holdings of financial liabilities to disposable income declined 2.0%p to 106.8% from the previous year. The ratio of repayment of principal and interest to disposable income rose by 2.4%p to 21.5% from the previous year.

Ⅳ. Household income

□ **(Household income)**

In 2013, the mean household income was 46.76 million won, up 4.4% from 2012.

○ (Household income by source)
Household income was composed of 30.26 million won of wages and salaries (64.7%), 11.70 million won of self-employed income (25.0%), 1.96 million won of property income (4.2%), etc.

○ (Household income by income quintile)
In 2013, the income of the fifth income quintile, which took up 46.3% of the total income, declined by 0.2%p from 2012.

- The public transfer of the first, second and third income quintile was 2.45 million won, 2.19 million won and 2.20 million won, respectively. These three income quintiles recorded higher figures than the average public transfer (2.10 million won).

○ (Household Income distribution)

'Households with income of less than 10 million won', 'those with 10~30 million won' and 'those with 30~50 million won' occupied 12.8%, 25.5% and 25.6%, respectively. 'Households with 50~70 million won', 'those with 70~100 million won' and 'those with 100 million won or more' occupied 15.9%, 12.0% and 8.1%, respectively.

- As for the share of households with income of less than 10 million won, one-person households, households of grandparents with only grandchildren, elderly households and disabled households were 46.7%, 30.8%, 59.6% and 27.9%, respectively.

Ⅴ. Household expenditures

□ **(Household expenditures)**

In 2013, the average consumption expenditures marked 23.07 million won, up 0.2% from 2012. The average non-consumption expenditures marked 8.44 million won, up 1.9% from 2012.

○ (Consumption expenditures)

Expenditures on food, education and housing recorded 6.33 million won (27.4%), 3.34 million won (14.5%) and 3.03 million won (13.1%), respectively.

○ (Non-consumption expenditures)

Expenditures on 'public pension and social security', taxes and interest paid recorded 2.74 million won (32.5%), 2.06 million won (24.5%) and 1.83 million won (21.6%), respectively.

Ⅵ. Assets, liabilities and income by provinces

□ **As of the end of March 2014, Seoul, Gyeonggi and Ulsan showed higher assets than the mean assets for the nation. In 2013, Ulsan, Gyeonggi and Seoul showed higher income compared to other regions.**

○ (Assets)

The assets for Seoul, Gyeonggi and Ulsan exceeded the mean assets for the nation.

○ (Liabilities)

The liabilities for Seoul and Gyeonggi exceeded the mean liabilities for the nation.

○ (Income)

The income for Ulsan, Gyeonggi and Seoul was relatively higher compared to other regions.

Ⅶ. Poverty indicators

□ **(Poverty rate and poverty gap)**

Estimated from the 2013 equivalised disposable income (which is based on a 50% of median income), the poverty rate was 16.4% and the poverty gap was 36.4%.

* Poverty gap is calculated as the difference between the poverty line (50% of median income) and the mean disposable income of poor, expressed as a percentage of poverty line.

○ (Poverty rate by household type)
The more household members, the lower poverty rates. The poverty rate for one-person households recorded 51.8%, while that for households consisting of 4 persons or more recorded 8.4%. The more employed persons, the lower poverty rates. The poverty rate for households without any employed person marked 71.5%, while that for households with 3 employed persons or more marked 3.4%.

○ (Poverty rate by individual type)
The poverty rate was 11.8% for people aged less than 18, 11.8% for those aged 18 to 65 and 49.7% for those aged 66 or more.

Ⅷ. Retirement

○ (Retirement)
The expected retirement age for household heads was 66.2 years. The actual retirement age for household heads was 61.3 years.

- As of the end of March 2014, 14.0% of household heads said that they retired from work. As for living expenses of households whose heads retired, 6.7% of them said that their living expenses were sufficient. 42.2% of them said that their living expenses were insufficient. 20.9% of them said that their living expenses were very insufficient.