The Survey of Household Finances and Living Conditions (SFLC) in 2015

Ⅰ. Household finances

☐ (Household finances)

As of the end of March 2015, the mean value of household assets was 342.46 million won. The mean value of household liabilities was 61.81 million won. In 2014, the mean household income and disposable income recorded 47.67 million won and 39.24 million won, respectively.

☐ (Distribution of net worth)

Households with 0~300 million won in net worth occupied 68.0% of the total households and those with more than 1,000 million won occupied 4.2% of the total households.

Ⅱ. Size and management of assets

☐ (Size of assets)

As of the end of March 2015, the mean value of household assets increased 2.1% to 342.46 million won from the previous year.

○ Household financial assets, which made up 26.5% of the total assets, reached 90.87 million won. Whereas real assets, which accounted for 73.5% of the total assets, reached 251.59 million won.

○ As for the assets by age group of household heads, the assets of the households with heads in their fifties were the highest. As for 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 44.5% and 58.4% of the total assets, respectively.

☐ (Management of assets)

As for the management of increased household income or spare cash, 'Savings and investment in financial assets' occupied the largest share at 43.0%. This share was followed by 'Purchase of real estate' (27.8%) and 'Debt repayment' (23.6%).

○ As for the investment purposes in financial assets, 'Preparation for the old age' occupied the largest share at 54.0%. This share was followed by 'Related to housing' (17.5%) and 'Debt repayment' (10.0%).

Ⅲ. Size and awareness of liabilities

☐ (Size of liabilities)

As of the end of March 2015, the mean value of household liabilities grew 2.2% from the previous year to 61.81 million won.

○ Household financial liabilities, which made up 69.9% of the total liabilities, marked 43.21 million won. Whereas, receipts from lease, which accounted for 30.1% of the total liabilities, marked 18.60 million won.

○ As for the liabilities by age group of household heads, the assets of the households with heads in their fifties were the highest. As for 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 46.2% and 46.7% of the total liabilities, respectively.

□ **(Awareness of household heads in debts)**
70.1% of households in financial liabilities said 'Repaying principal and interest is burdensome'. This share declined by 1.7%p from the previous year.

○ 7.1% of households in financial liabilities said 'Repaying debts is impossible'. This share rose by 0.2%p from the previous year.

□ **(Financial soundness of household economy)**
The ratio of holdings of financial liabilities to disposable income grew 2.3%p to 110.1% from the previous year. The ratio of repayment of principal and interest to disposable income rose by 2.5%p to 24.2% from the previous year.

Ⅳ. Household income
□ **(Household income)**
In 2014, the mean household income was 47.67 million won, up 2.3% from 2013.

○ (Household income by source)
Household income was composed of 31.28 million won of employee income (65.6%), 11.43 million won of self-employment income (24.0%), 1.89 million won of property income (4.0%), etc.

○ (Household income by income quintile)
In 2014, the income of the fifth income quintile, which took up 45.9% of the total income, declined by 0.2%p from 2013.

- The public transfers of the first, second and third income quintile were 2.94 million won, 2.51 million won and 2.59 million won, respectively. These three income quintiles recorded higher figures than the average public transfers (2.39 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 12.2%, 25.6% and 25.0%, respectively. 'Households with 50~70 million won', 'those with 70~100 million won' and 'those with 100 million won or more' occupied 15.9%, 12.5% and 8.8%, respectively.

○ (Disposable income)
The mean disposable income marked 39.24 million won in 2014, up 2.7% compared to 2013.

- (Non-consumption expenditure)
The non-consumption expenditures per household amounted to 8.43 million won. The public pension & social insurance, tax and interest recorded 2.83 million won (33.5%), 2.13 million won (25.3%) and 1.70 million won (20.1%), respectively.

Ⅴ. Assets, liabilities and income by provinces

□ **As of the end of March 2015, Seoul, Gyeonggi and Ulsan showed higher assets than the mean assets for the nation. In 2014, Ulsan, Seoul and Gyeonggi showed higher income compared to other regions.**

○ (Assets)
The assets for Seoul, Gyeonggi, Ulsan and Daegu exceeded the mean assets for the nation.

○ (Liabilities)
The liabilities for Seoul, Gyeonggi and Incheon exceeded the mean liabilities for the nation.

○ (Income)
The income for Ulsan, Seoul, Gyeonggi and Daejeon was relatively higher compared to other regions.

Ⅵ. Poverty indicators

□ **(Poverty rate and poverty gap)**
Estimated from the 2014 equivalised disposable income (which is based on a 50% of median income), the poverty rate was 16.3% and the poverty gap was 35.4%.

* Poverty gap is calculated as the difference between the poverty line (50% of median income) and the mean income of the poor, and 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 51.3%, while that for households consisting of 4 persons or more recorded 8.6%. The more employed persons, the lower poverty rates. The poverty rate for households without any employed person marked 69.5%, while that for households with 3 employed persons or more marked 2.4%.

○ (Poverty rate by individual type)
The poverty rate was 11.4% for people aged less than 18, 12.0% for those aged 18 to 65 and 48.3% for those aged 66 or more.

Ⅶ. Retirement

○ (Retirement)
The expected retirement age for household heads was 66.2 years. The actual retirement age for household heads was 61.7 years.

- As of the end of March 2015, 84.9% of household heads said that they didn't retire from work. As for the preparation for the old age of household heads and their spouses, 8.8% of household heads said that they were well prepared for the old age. 38.0% of household heads said that they weren't well prepared for the old age. 17.4% of household heads said that they were never prepared for the old age.

- As of the end of March 2015, 15.1% of household heads said that they retired from work. As for living expenses of households whose heads retired, 7.9% of them said that their living expenses were sufficient. 41.7% of them said that their living expenses were insufficient. 20.4% of them said that their living expenses were very insufficient.