The Survey of Household Finances and Living Conditions (SFLC) in 2016

Ⅰ. Household finances

☐ **(Household finances)**

As of the end of March 2016, the mean value of household assets was 361.87 million won. The mean value of household liabilities was 66.55 million won. In 2015, the mean household income and disposable income recorded 48.83 million won and 40.22 million won, respectively.

☐ **(Distribution of net worth)**

Households with less than 300 million won in net worth occupied 68.0% of the total households and those with more than 1,000 million won occupied 4.5% of the total households.
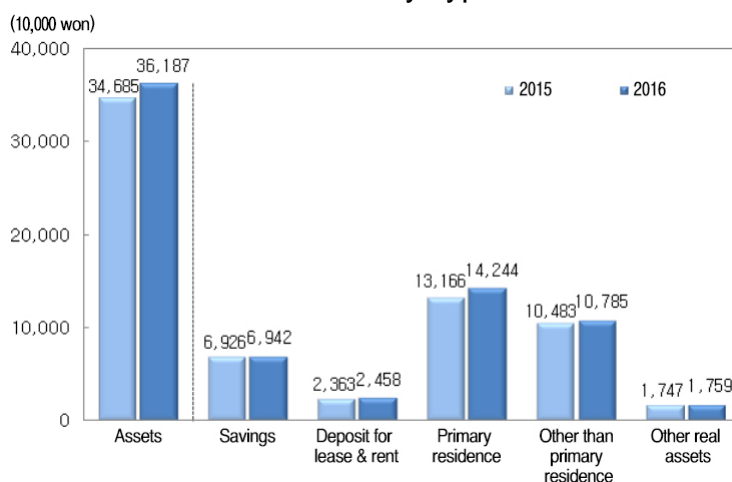
Ⅱ. Size and management of assets

☐ **(Size of assets)**

As of the end of March 2016, the mean value of household assets increased 4.3% to 361.87 million won from the previous year.

○ Household financial assets, which took up 26.0% of the total assets, reached 94.00 million won. Whereas real assets, which took up 74.0% of the total assets, reached 267.88 million won.

○ The assets of the fifth income quintile and the first income quintile accounted for 44.7% and 6.7% of the total assets, respectively.

○ As for the assets by age group of household heads, the assets of the households with heads in their fifties showed the highest figure. As for the assets by status of workers, households with self-employed heads showed the highest figure.

< Household assets by type of assets >

(10,000 won)

	2015	2016
Assets	34,685	36,187
Savings	6,926	6,942
Deposit for lease & rent	2,363	2,458
Primary residence	13,166	14,244
Other than primary residence	10,483	10,785
Other real assets	1,747	1,759

□ **(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 44.3%. This share was followed by 'Purchase of real estate' (27.0%) and 'Debt repayment' (22.7%).

○ As for the investment purposes in financial assets, 'Preparation for the old age' occupied the largest share at 55.2%. This share was followed by 'Related to housing' (17.4%) and 'Debt repayment' (9.6%).

Ⅲ. Size and awareness of liabilities

□ **(Size of liabilities)**

As of the end of March 2016, the mean value of household liabilities marked 66.55 million won, rising by 6.4% from the previous year.

○ Household financial liabilities, which made up 70.4% of the total liabilities, marked 46.86 million won. Whereas, receipts from lease, which accounted for 29.6% of the total liabilities, marked 19.68 million won.

○ The liabilities of the fifth income quintile and the first income quintile accounted for 47.2% and 3.9% of the total liabilities, respectively.

○ As for the liabilities by age group of household heads, the assets of the households with heads in their fifties recorded the highest figure. As for the liabilities by status of workers, households with self-employed heads recorded the highest figure.

< Household liabilities by income quintile >
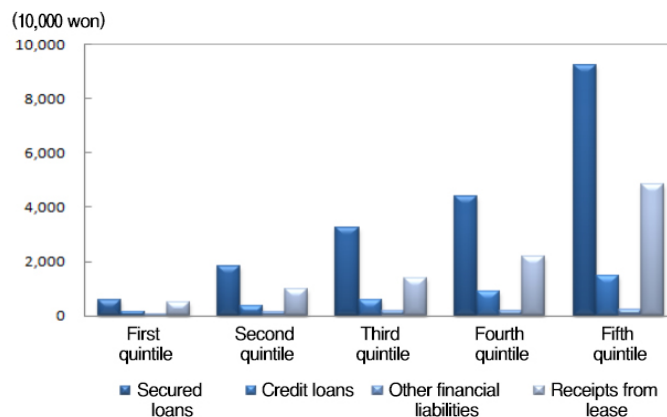
□ **(Awareness of household heads in debts)**

70.1% of households in financial liabilities said 'Repaying principal and interest is burdensome'. This share remained the same as the previous year.

○ 6.1% of households in financial liabilities said 'Repaying debts is impossible'. This share declined by 0.9%p from the previous year.

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

Compared to the previous year, the ratio of holdings of financial liabilities to disposable income grew by 5.5%p to 116.5%. The ratio of repayment of principal and interest to disposable income rose by 2.6%p to 26.6% from the previous year.

Ⅳ. **Household income**

□ **(Household income)**

In 2015, the mean household income was 48.83 million won, up 2.4% from 2014.
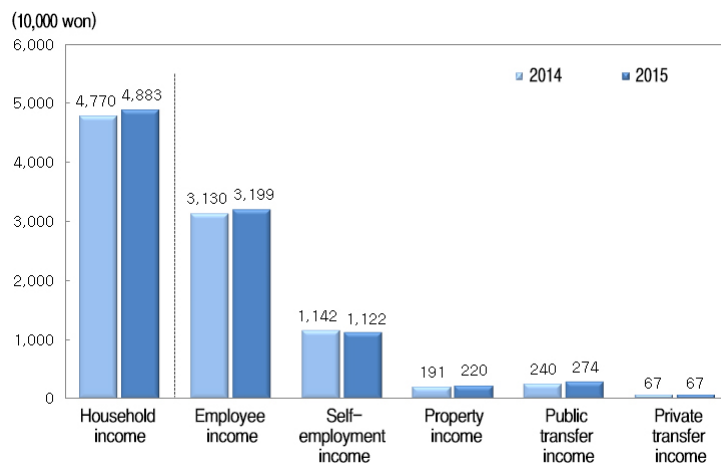
○ (Household income by source)

Household income consisted of 31.99 million won of employee income (65.5%), 11.22 million won of self-employment income (23.0%), 2.74 million won of public transfer income (5.6%), etc.

○ (Household income by income quintile)

In 2015, the income of the fifth income quintile, which took up 45.8% of the total income, dropped by 0.1%p from 2014.

- The public transfer income of the first, the second and the third income quintile was 3.56 million won, 2.88 million won and 2.75 million won, respectively. These three income quintiles recorded higher figures than the average public transfer income (2.74 million won).

< Household income by source >

< Household income by income quintile >
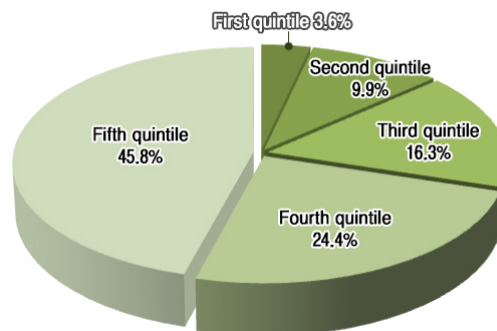
○ (Household income distribution)

'Households with income of less than 10 million won', 'those with 10~30 million won' and 'those with 30~50 million won' occupied 12.0%, 24.7% and 24.3%, respectively. 'Households with 50~70 million won', 'those with 70~100 million won' and 'those with 100 million won or more' occupied 16.4%, 13.2% and 9.3%, respectively.

○ (Disposable income)

The mean disposable income marked 40.22 million won in 2015, up 2.4% compared to 2014.

- (Non-consumption expenditure)

The non-consumption expenditures per household amounted to 8.60 million won. Expenditures on 'public pension & social insurance', 'tax' and 'interest paid' recorded 2.94 million won (34.2%), 2.15 million won (25.0%) and 1.77 million won (20.6%), respectively.

Ⅴ. Assets, liabilities and income by provinces

□ As of the end of March 2016, Seoul, Daegu and Gyeonggi showed higher assets than the mean assets for the nation. In 2015, Seoul, Ulsan and Gyeonggi showed higher income compared to other regions.

○ (Assets)

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

- Net worth: Higher regions (Seoul, Daegu, Ulsan), Lower regions (Gangwon, Jeonbuk, Jeonnam)

○ (Liabilities)

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

○ (Income)

The income for Seoul, Gwangju, Daejeon, Ulsan and Gyeonggi was relatively higher than the mean income for the nation.

Ⅵ. Poverty indicators

□ **(Poverty rate and poverty gap)**

Estimated from the 2015 equivalised disposable income (which is based on a 50% of median income), the poverty rate* was 16.0% and the poverty gap** was 35.4%.

* The poverty rate is the ratio of the number of people whose equivalised income falls below the poverty line (50% of median equivalised income).

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

○ (Poverty rate by age group)

The poverty rate stood at 11.5% for people aged less than 18, 11.1% for those aged 18 to 65 and 48.1% for those aged 66 or more.

○ (Poverty rate by status of worker)

The poverty rate stood at 10.1% for the employed persons, 4.1% for regular employees, 12.9% for self-employed persons and 21.8% for temporary employees.

Ⅶ. Retirement

○ (Retirement)

As of the end of March 2016, the expected retirement age for household heads was 66.9 years. The actual retirement age for household heads was 61.9 years.

- 83.7% 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. 37.3% of household heads said that they weren't well prepared for the old age. 19.3% of household heads said that they were never prepared for the old age.

- As for living expenses of households whose heads retired, 8.7% of them said that their living expenses were sufficient. 39.0% of them said that their living expenses were insufficient. 21.5% of them said that their living expenses were very insufficient.