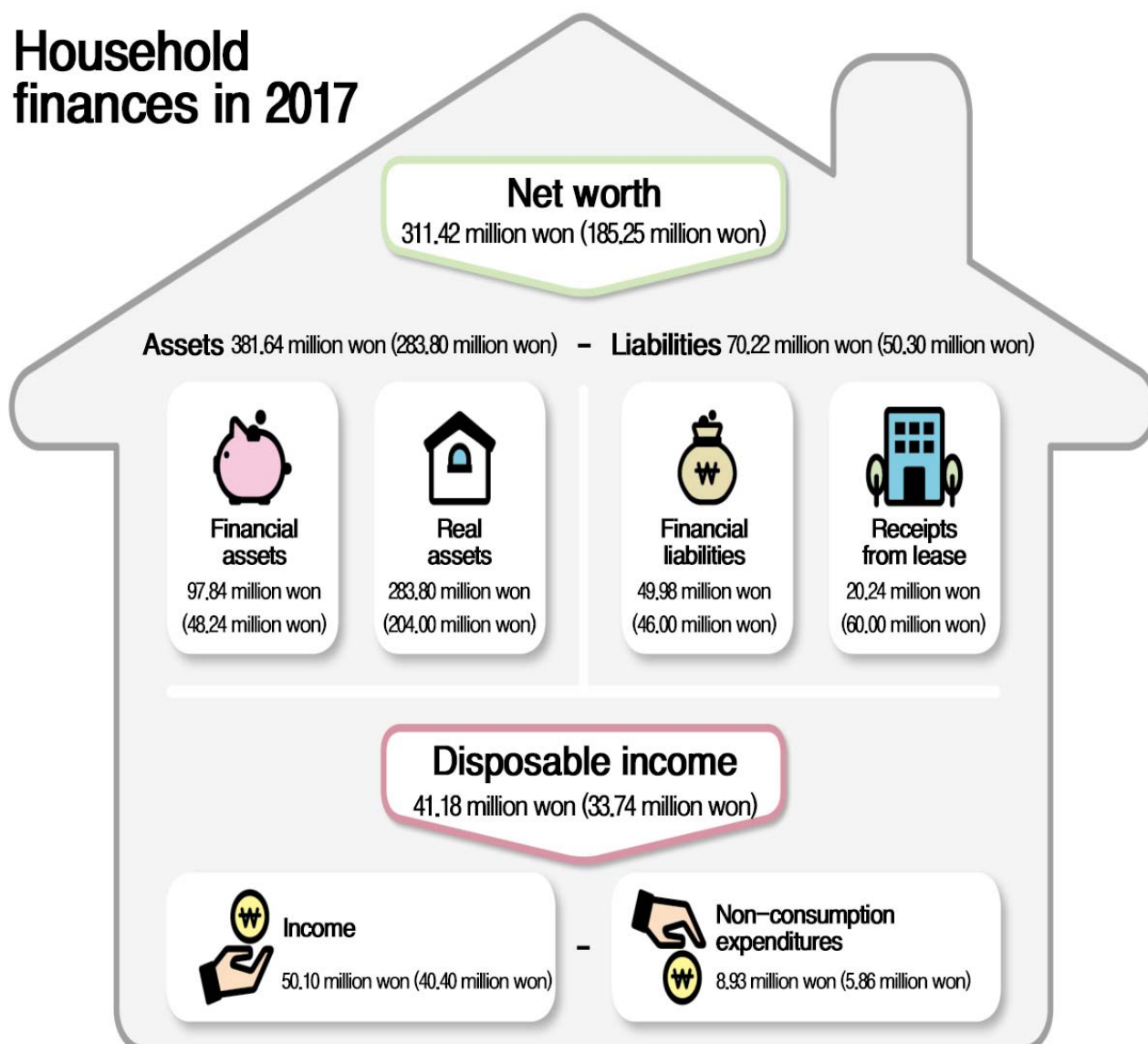


The Survey of Household Finances and Living Conditions (SFLC) in 2017

I. Household finances

- As of the end of March 2017, the mean value of household assets and liabilities was 381.64 million won and 70.22 million won, respectively. In 2016, the mean household income and disposable income recorded 50.10 million won and 41.18 million won, respectively.

Household finances in 2017



* Figures in parentheses represent median. As for assets and liabilities, median is calculated from households with assets and liabilities.

< Year-on-year change >

(Unit: 10,000 won)

Classification	Net worth (A-B)	Assets (A)	Liabilities (B)	Disposable income (C-D)	Income (C)	Non-consumption expenditures (D)
2016 ¹⁾	29,918	36,637	6,719	4,021	4,882	861
2017 ¹⁾	31,142	38,164	7,022	4,118	5,010	893
Percent change	4.1	4.2	4.5	2.4	2.6	3.7

Note 1) Refer to the survey year. Assets, liabilities and net worth refer to the end of March of the survey year. In the meantime, income and expenditures refer to a year before the survey year.

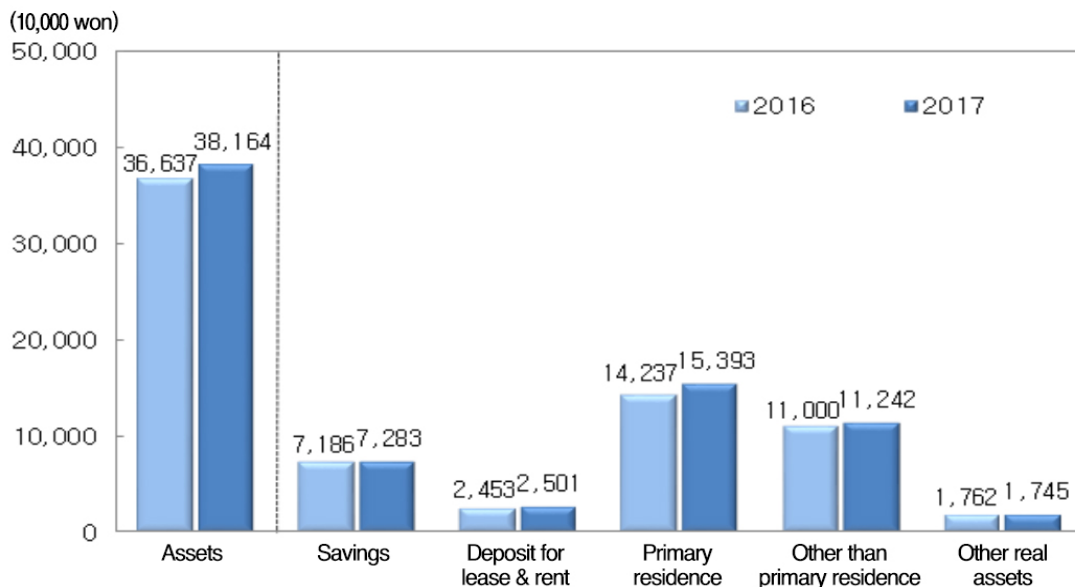
II. Size and management of assets

(Size of assets)

As of the end of March 2017, the mean value of household assets increased 4.2% to 381.64 million won from the previous year.

- Household financial assets, which took up 25.6% of the total assets, reached 97.84 million won. Whereas real assets, which took up 74.4% of the total assets, reached 283.80 million won.
- The assets of the fifth income quintile and the first income quintile accounted for 44.1% and 6.8% 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 >



□ (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 43.5%. This share was followed by 'Purchase of real estate' (28.9%) and 'Debt repayment' (22.4%).

- As for the investment purposes of financial assets, 'Preparation for retirement' occupied the largest share at 57.4%. This share was followed by 'Related to housing' (16.6%) and 'Debt repayment' (8.6%).

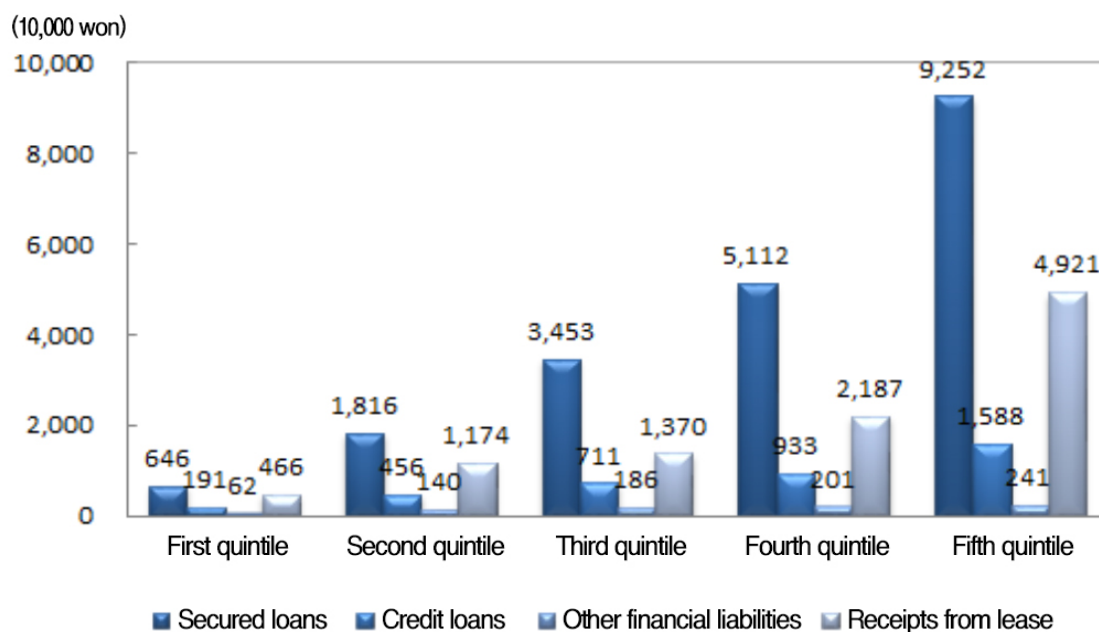
III. Size and awareness of liabilities

□ (Size of liabilities)

As of the end of March 2017, the mean value of household liabilities marked 70.22 million won, rising by 4.5% from the previous year.

- Household financial liabilities, which made up 71.2% of the total liabilities, marked 49.98 million won. Whereas, receipts from lease, which accounted for 28.8% of the total liabilities, marked 20.24 million won.
- The liabilities of the fifth income quintile and the first income quintile accounted for 45.6% 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 forties 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)

67.8% of households in financial liabilities said 'Repaying principal and interest is burdensome'. This share declined by 2.4%p from the previous year.

- 5.3% of households in financial liabilities said 'Repaying debts is impossible'. This share declined by 0.8%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 4.0%p to 121.4%. The ratio of repayment of principal and interest to disposable income fell by 1.6%p to 25.0% from the previous year.

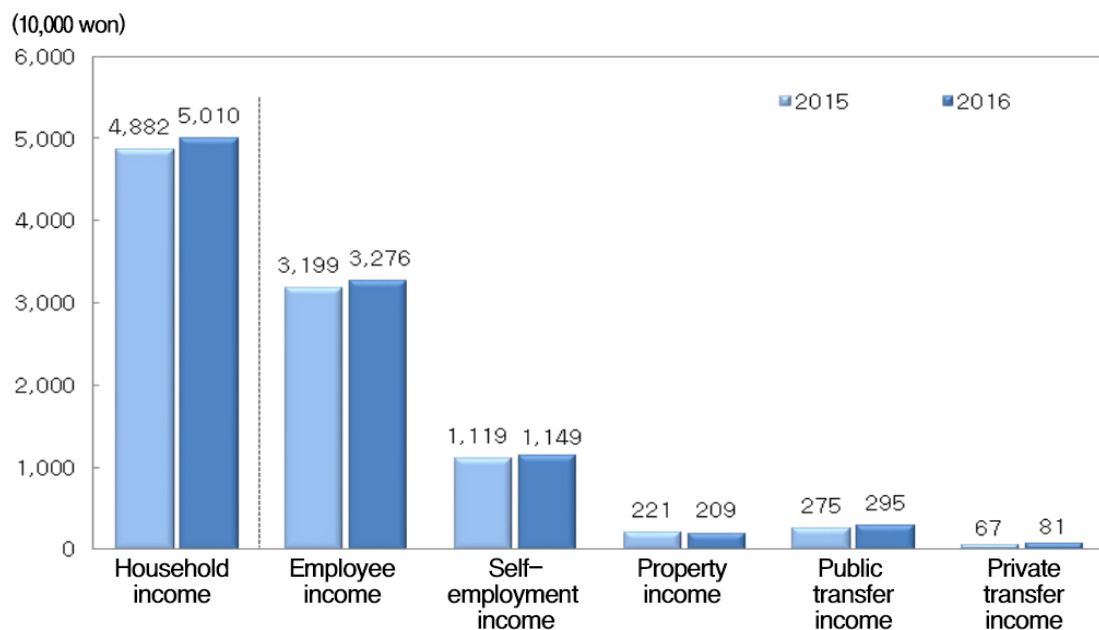
IV. Household income and retirement

(Household income)

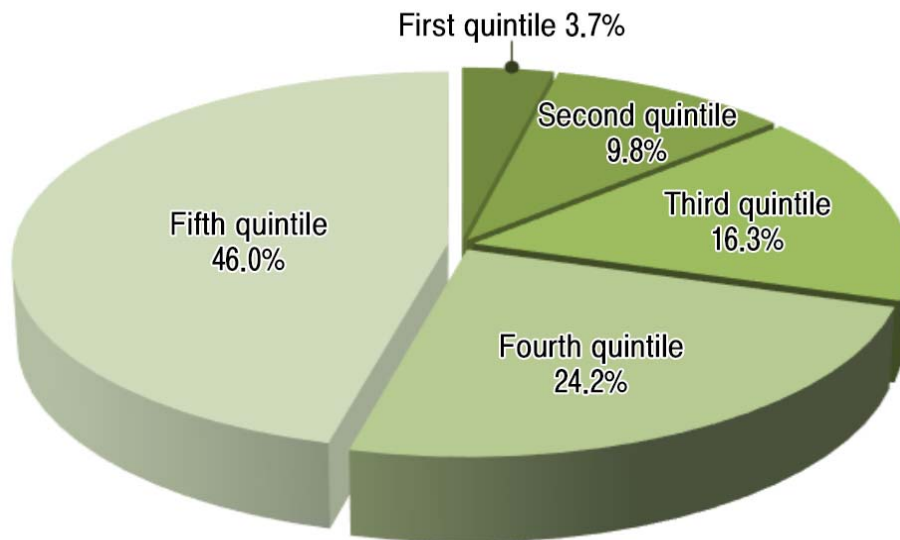
In 2016, the mean household income was 50.10 million won, up 2.6% from 2015.

- As for household income by source, employee income, which occupied 65.4% of the total household income, marked 32.76 million won. Self-employment income, which occupied 22.9% of the total household income, marked 11.49 million won. Public transfer income, which occupied 5.9% of the total household income, marked 2.95 million won.
- 'Households with income of 30~50 million won' occupied the highest share at 24.2%.

< Household income by source >



< Household income by income quintile >



- In 2016, the income of the fifth income quintile, which took up 46.0% of the total income, rose by 0.3%p from 2015.
- As for household income by age group of household heads, households with heads in their fifties recorded the highest figure. As for household income by status of workers, households with regular worker heads recorded the highest figure.

(Retirement)

As of the end of March 2017, the expected retirement age for household heads was 66.8 years. The actual retirement age for household heads was 62.1 years.

- 82.6% 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, 9.3% of household heads said that they were well prepared for the old age. 38.2% of household heads said that they weren't well prepared for the old age. 17.8% of household heads said that they were never prepared for the old age.
- As for living expenses of households whose heads retired, 8.0% of them said that their living expenses were sufficient. 39.9% of them said that their living expenses were insufficient. 22.4% of them said that their living expenses were very insufficient.

V. Assets, liabilities and income by provinces

As of the end of March 2017, Seoul, Gyeonggi and Jeju showed higher assets than the mean assets for the nation. In 2016, Seoul, Ulsan and Gyeonggi showed higher income compared to other regions.

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

- Net worth: Seoul, Daegu, Ulsan, Gyeonggi and Jeju exceeded the mean net worth for the nation.
- (Liabilities) The liabilities for Seoul, Ulsan and Gyeonggi exceeded the mean liabilities for the nation.
- (Income) The income for Seoul, Ulsan and Gyeonggi exceeded the mean income for the nation.

□ Income distribution indicators in 2016

- Estimated from the 2016 equivalised disposable income, the Gini coefficient, the ratio of income for the lowest quintile to income for the highest quintile and the relative poverty rate showed an increase from the previous year.
- The Gini coefficient stood at 0.357 in 2016, up 0.003 from 2015.
- The ratio of income for the first quintile to income for the fifth quintile rose by 0.05 times point to 7.06 times.
- The relative poverty rate stood at 17.9% in 2016, up 0.1%p from 2015.

< Income distribution indicators (estimated from the equivalised disposable income) >

	Gini coefficient		Ratio of income for the lowest quintile to the highest quintile		Relative poverty rate	
		Standard error		Standard error		Standard error
2015	0.354	0.0030	7.01	0.109	17.8	0.223
2016	0.357	0.0035	7.06	0.108	17.9	0.322

※ Change in income distribution indicators

- (Change in survey production)
Income distribution indicators are produced based on the Survey of Household Finances and Living Conditions, not on the Household Income and Expenditure Survey.
- (Use of administrative data)
Along with the Survey of Household Finances and Living Conditions, administrative data are also used when producing income distribution indicators.
- (International standards)
Income distribution indicators are produced by reflecting Wave 7* of OECD recommendations.

* Disposable income = (Employee income + Self-employment income + Property income + Private transfer income + Public transfer income) - (Tax + Public pension & social insurance + Private transfer expenditure)