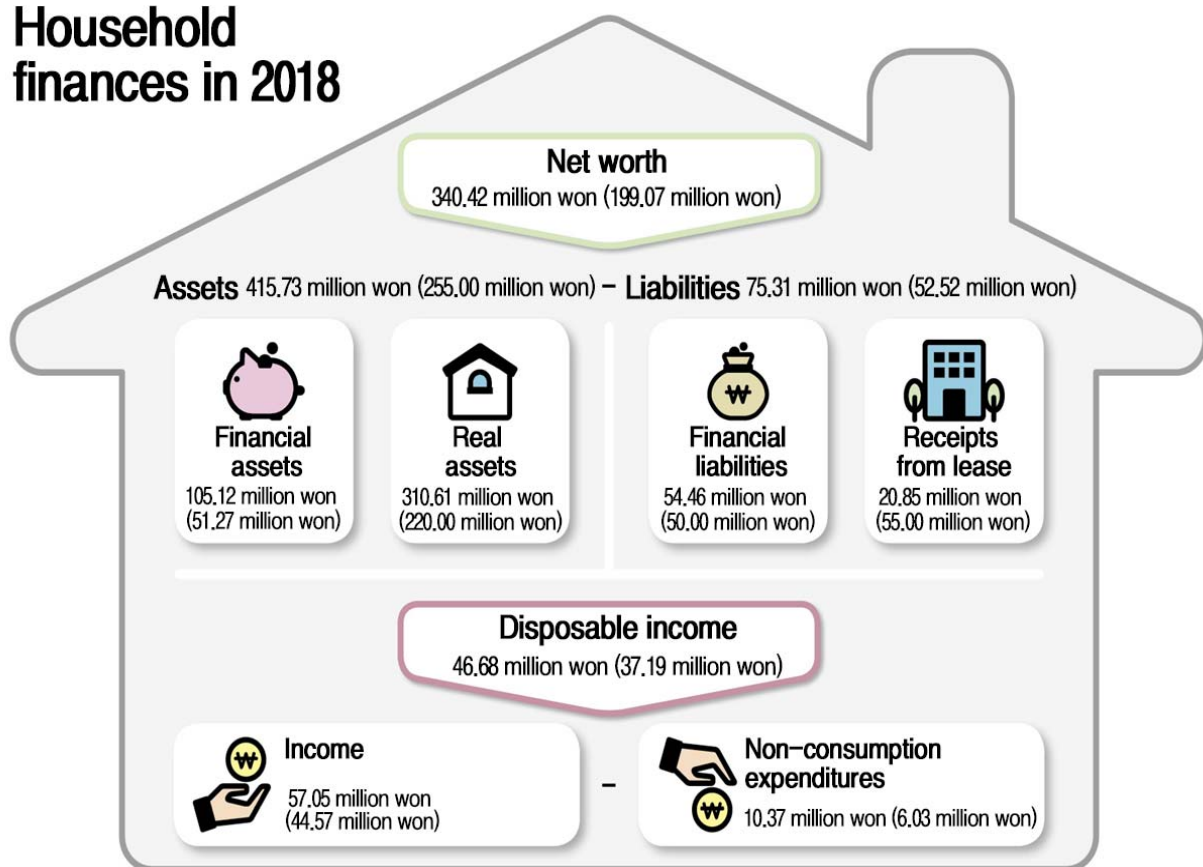# The Survey of Household Finances and Living Conditions (SFLC) in 2018

Ⅰ. Household finances

☐ As of the end of March 2018, the mean value of household assets and liabilities was 415.73 million won and 75.31 million won, respectively. In 2017, the mean household income and disposable income recorded 57.05 million won and 46.68 million won, respectively.

Household finances in 2018

Net worth
340.42 million won (199.07 million won)

Assets 415.73 million won (255.00 million won) − **Liabilities** 75.31 million won (52.52 million won)

Financial assets
105.12 million won
(51.27 million won)

Real assets
310.61 million won
(220.00 million won)

Financial liabilities
54.46 million won
(50.00 million won)

Receipts from lease
20.85 million won
(55.00 million won)

Disposable income
46.68 million won (37.19 million won)

Income
57.05 million won
(44.57 million won)

−

Non−consumption expenditures
10.37 million won (6.03 million won)

* 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)
2017[1]	31,572	38,671	7,099	4,520	5,478	958
2018[1]	34,042	41,573	7,531	4,668	5,705	1,037
Percent change	7.8	7.5	6.1	3.3	4.1	8.2

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.
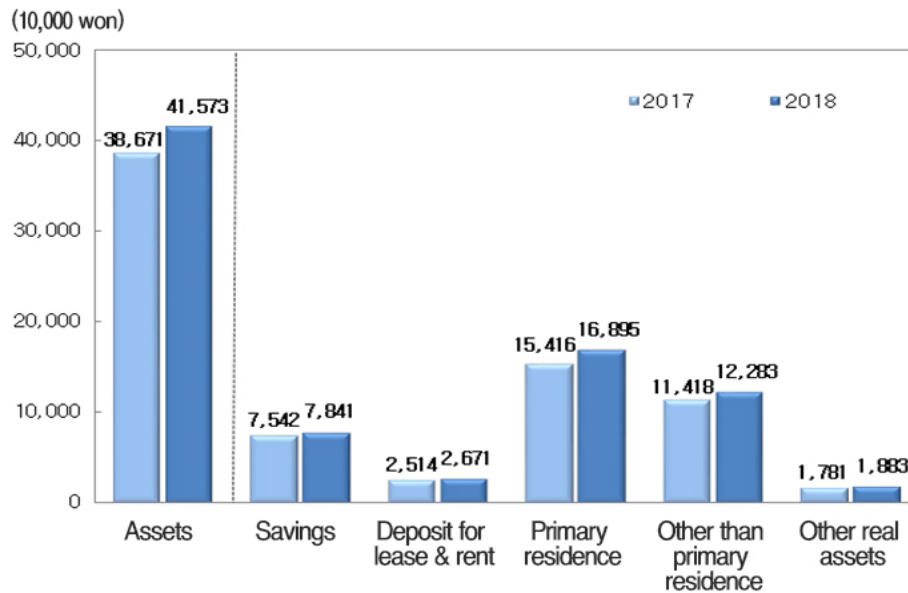
Ⅱ. Size and management of assets

□ (Size of assets)

As of the end of March 2018, the mean value of household assets increased 7.5% to 415.73 million won from the previous year.

○ Household financial assets, which took up 25.3% of the total assets, reached 105.12 million won. Real assets, which took up 74.7% of the total assets, reached 310.61 million won.

○ The assets of the fifth income quintile and the first income quintile accounted for 43.6% and 6.4% 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 45.8%. This share was followed by 'Purchase of real estate' (25.5%) and 'Debt repayment' (22.5%).

○ As for the investment purposes of financial assets, 'Preparation for retirement' occupied the largest share at 57.2%. This share was followed by 'Related to housing' (15.5%) and 'Debt repayment' (9.6%).

Ⅲ. Size and awareness of liabilities

□ (Size of liabilities)

As of the end of March 2018, the mean value of household liabilities marked 75.31 million won, rising by 6.1% from the previous year.

○ Household financial liabilities, which made up 72.3% of the total liabilities, marked 54.46 million won. Whereas, receipts from lease, which accounted for 27.7% of the total liabilities, marked 20.85 million won.

○ The liabilities of the fifth income quintile and the first income quintile accounted for 44.8% and 4.2% 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 >
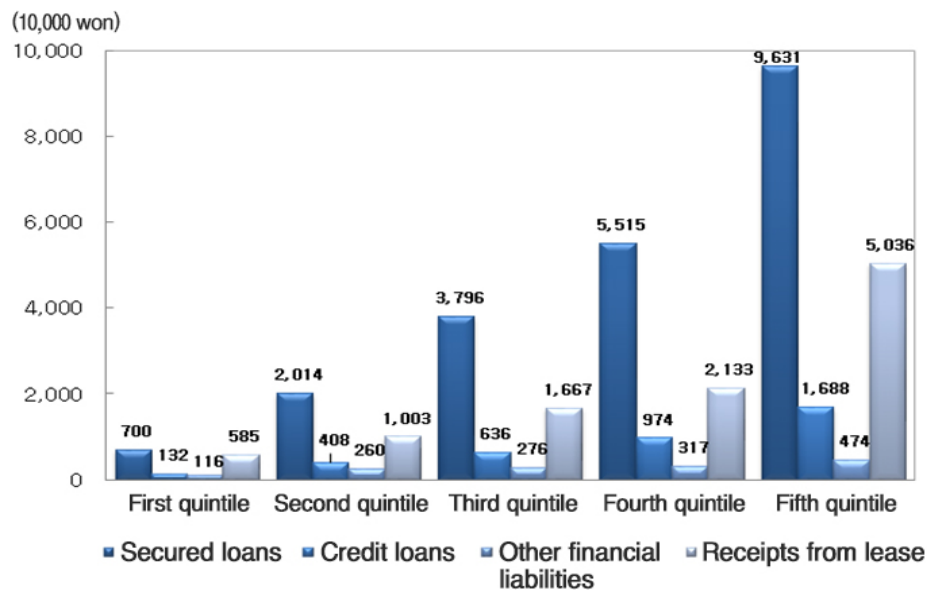
□ **(Supplementary indicators of financial liabilities)**
   When using credit information, the average financial liabilities stood at 89.47 million won per household at the end of March 2018, rising by 5.6% compared to the previous year.

○ The average financial liabilities were 35.01 million won higher than the result of interviewing survey method (54.46 million won).

□ **(Awareness of household heads in debts)**
   67.3% of households in financial liabilities said that 'Repaying principal and interest is burdensome'. This share declined by 0.5%p from the previous year.

○ 5.7% of households in financial liabilities said that 'Repaying debts is impossible'. This share went up by 0.5%p from the previous year.

□ **(Financial soundness of household economy)**
   Compared to the previous year, the ratio of liabilities to assets declined by 0.2%p to 18.1% in 2018. The ratio of financial liabilities to savings rose by 2.6%p to 69.5% from the previous year.

# Ⅳ. Household income and retirement

□ (Household income)

In 2017, the mean household income was 57.05 million won, up 4.1% from 2016.

○ As for household income by source, employee income, which occupied 63.8% of the total household income, marked 36.39 million won. Self-employment income, which occupied 21.8% of the total household income, marked 12.44 million won. Property income, which occupied 6.7% of the total household income, marked 3.80 million won.

○ The share of employee income stood at 63.8% of the total income, down 0.1%p from 2016. The share of self-employment income went down by 0.4%p from 2016.
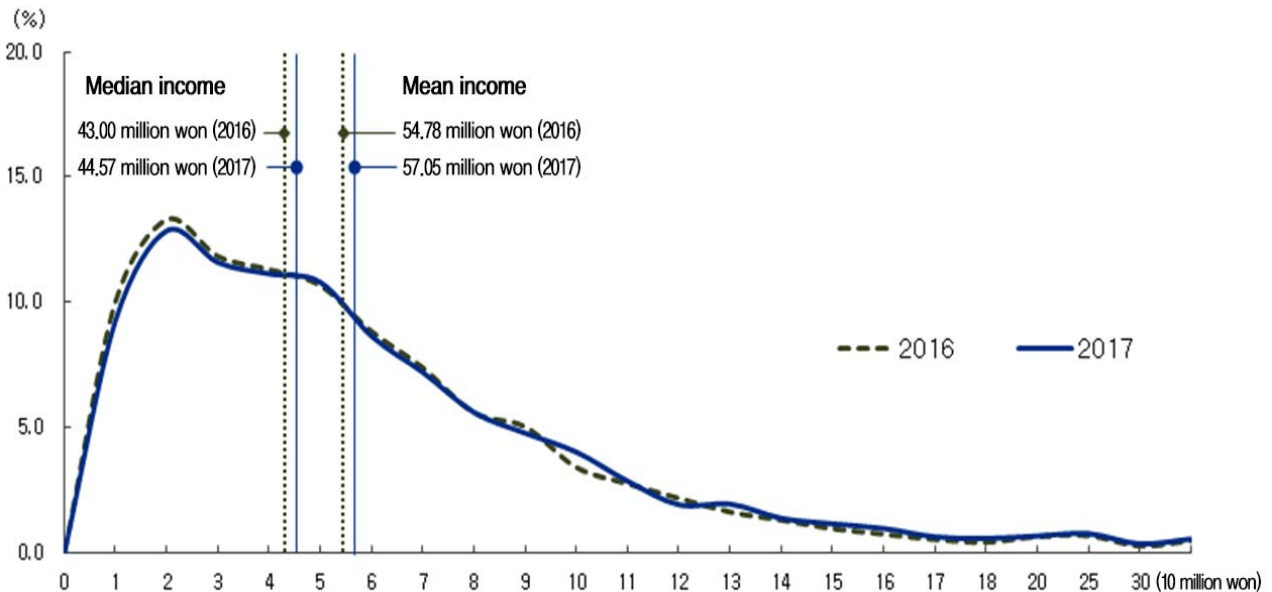
< Household income by source >
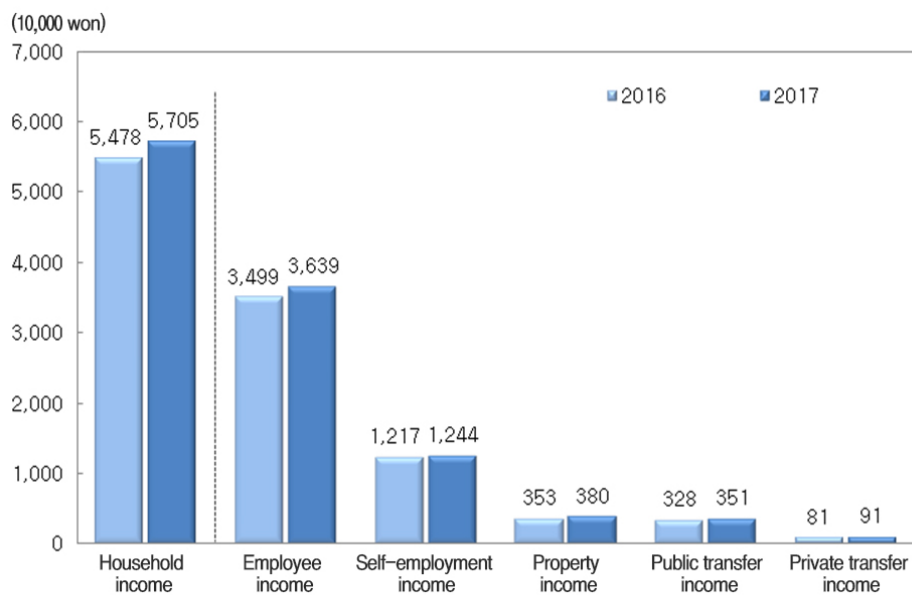
< Share of household income by source >
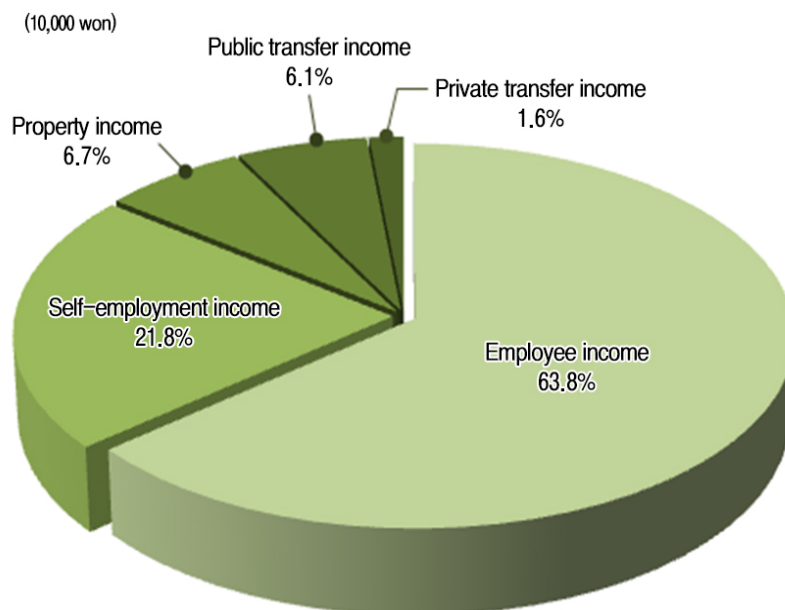
○ As for the share of households by income size, households with income of '10 million won ~ less than 30 million won' occupied the highest share at 24.5%.

< Households by income size >

○ In 2017, the income of the fifth income quintile, which took up 47.4% of the total income, rose by 0.2%p from 2016.

○ 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 2018, the expected retirement age for household heads was 67.5 years. The actual retirement age for household heads was 62.5 years.

○ 83.0% 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, 9.8% of household heads said that they were well prepared for the old age. 35.7% of household heads said that they weren't well prepared for the old age. 18.1% of household heads said that they were never prepared for the old age.

○ As for living expenses of households whose heads retired, 10.7% of them said that their living expenses were sufficient. 38.3% of them said that their living expenses were insufficient. 21.2% of them said that their living expenses were very insufficient.

Ⅴ. Assets, liabilities and income by provinces

□ As of the end of March 2018, Seoul, Sejong and Jeju showed higher assets than the mean assets for the nation. In 2017, Seoul, Ulsan, Sejong and Gyeonggi showed higher income compared to the income of the nation.

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

- Net worth: Seoul, Daegu, Ulsan, Sejong, Gyeonggi and Jeju exceeded the mean net worth for the nation.

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

○ (Income) The income for Seoul, Ulsan, Sejong and Gyeonggi exceeded the mean income for the nation.

Ⅵ. Income distribution indicators in 2017

□ Estimated from the 2017 equivalised disposable income, the Gini coefficient remained the same as 2016. The ratio of income for the lowest quintile to income for the highest quintile rose by 0.02 times point from 2016. The relative poverty rate dropped by 0.2%p from 2016.

○ The Gini coefficient stood at 0.355 in 2017, remaining the same as 2016.

○ The ratio of income for the first quintile to income for the fifth quintile rose by 0.02 times point to 7.00 times.

○ The relative poverty rate stood at 17.4% in 2017, down 0.2%p from 2016.

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

	Gini coefficient		Ratio of income for the lowest quintile to the highest quintile (times)		Relative poverty rate (%)	
	Before the revision	After the revision	Before the revision	After the revision	Before the revision	After the revision
2011	-	0.388	-	8.32	-	18.6
2012	-	0.385	-	8.10	-	18.3
2013	-	0.372	-	7.68	-	18.4
2014	-	0.363	-	7.37	-	18.2
2015	0.354	0.352	7.01	6.91	17.8	17.5
2016	0.357	0.355	7.06	6.98	17.9	17.6
2017	-	0.355	-	7.00	-	17.4

※ Change in income distribution indicators

① (Change in income distribution indicators for the 2015-2016 period) Changed preliminary indicators of income distribution for the 2015-2016 period according to the change and addition of the use of administrative data on public pension and pension contributions.

② (Past time-series data for the 2011-2014 period)
The past time series data for the 2011-2014 period were produced through statistical estimation to increase the use of income distribution indicators.

* Statistics Korea produced income distribution indicators through statistical methods for the past income data (property income, income tax), which were partially missing when obtaining administrative data.

< Gini coefficient >
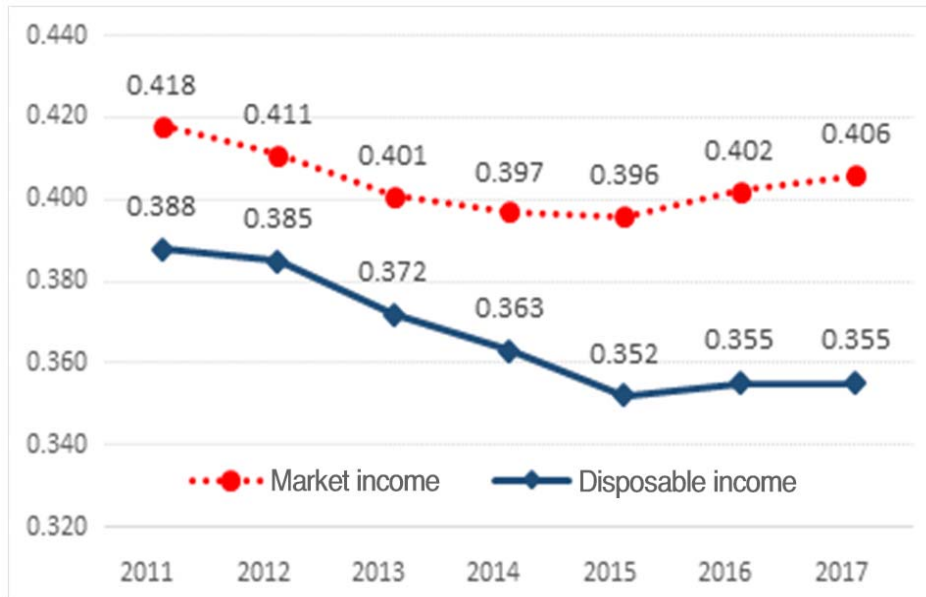
< Trends in the ratio of income for the lowest
quintile to the highest quintile >