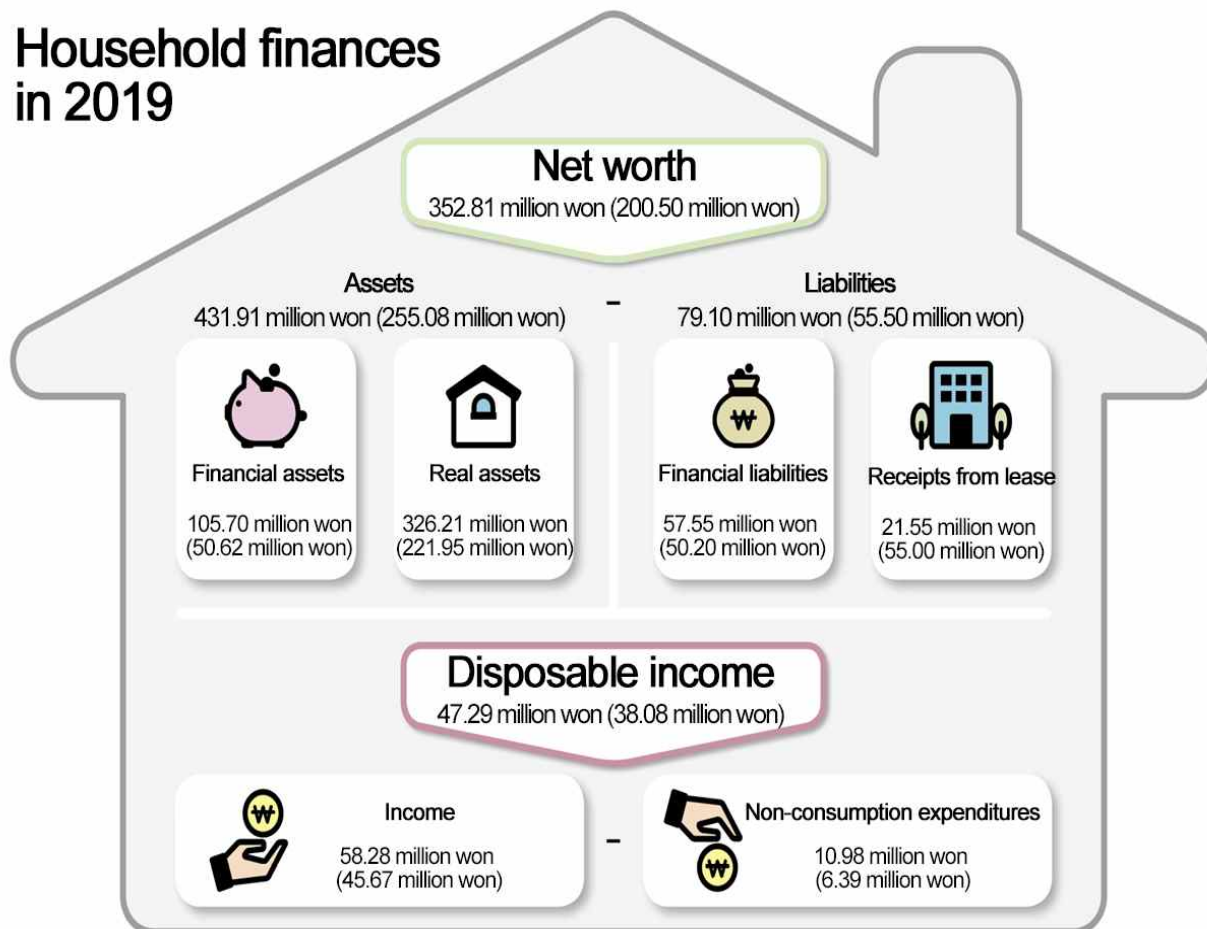# The Survey of Household Finances and Living Conditions (SFLC) in 2019

Ⅰ. Household finances

❑ As of the end of March 2019, the mean value of household assets and liabilities was 431.91 million won and 79.10 million won, respectively. In 2018, the mean household income and disposable income recorded 58.28 million won and 47.29 million won, respectively.

Household finances in 2019

Net worth
352.81 million won (200.50 million won)

Assets — 431.91 million won (255.08 million won)   **−**   **Liabilities** — 79.10 million won (55.50 million won)

Financial assets	Real assets	Financial liabilities	Receipts from lease
105.70 million won (50.62 million won)	326.21 million won (221.95 million won)	57.55 million won (50.20 million won)	21.55 million won (55.00 million won)

Disposable income
47.29 million won (38.08 million won)

Income
58.28 million won (45.67 million won)

−

Non-consumption expenditures
10.98 million won (6.39 million won)

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

<div align="center">< Year-on-year change ></div>

<div align="right">(Unit: 10,000 won)</div>

Classification	Net worth (A-B)	Assets (A)	Liabilities (B)
2018[1]	34,368	42,036	7,668
2019[1]	35,281	43,191	7,910
Percent change	2.7	2.7	3.2

Classification	Disposable income (C-D)	Income (C)	Non-consumption expenditures (D)
2018[1]	4,671	5,705	1,034
2019[1]	4,729	5,828	1,098
Percent change	1.2	2.1	6.2

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.

※ (Basic data for statistical production)
   When calculating income, non-consumption expenditures and disposable income, administrative data are used as supplementary data. Data on assets, liabilities and net worth are obtained through the interviewing survey method.
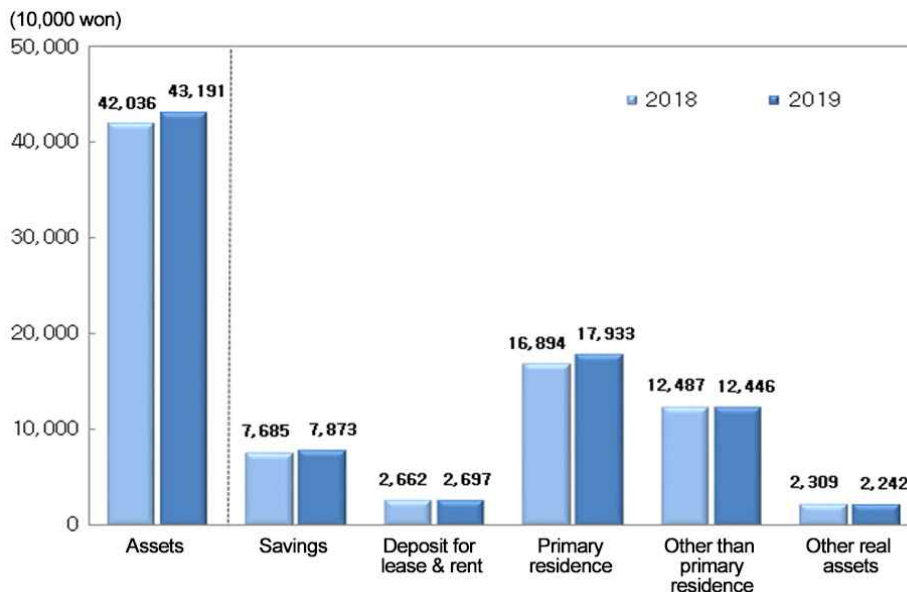
Ⅱ. Size and management of assets

❏ **(Size of assets)**
   As of the end of March 2019, the mean value of household assets increased 2.7% to 431.91 million won from the previous year.

○ Household financial assets, which took up 24.5% of the total assets, reached 105.70 million won. Real assets, which took up 75.5% of the total assets, reached 326.21 million won.

○ The assets of the fifth income quintile and the first income quintile accounted for 43.8% and 6.1% 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.

<div align="center">< Household assets by type of assets ></div>

❑ **(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 46.8%. This share was followed by 'Purchase` of real estate' (24.5%) and 'Debt repayment' (22.7%).

○ 'Deposits' (91.5%) were the most preferred method to invest in financial assets, which was followed by 'Stocks' (4.4%) and 'Private pension' (2.5%).

Ⅲ. Size and awareness of liabilities

❑ **(Size of liabilities)**
   As of the end of March 2019, the mean value of household liabilities marked 79.10 million won, rising by 3.2% from the previous year.

○ Household financial liabilities, which made up 72.8% of the total liabilities, marked 57.55 million won. Whereas, receipts from lease, which accounted for 27.2% of the total liabilities, marked 21.55 million won.

○ The liabilities of the fifth income quintile and the first income quintile accounted for 44.8% and 4.1% of the total liabilities, respectively.

○ As for the liabilities by age group of household heads, the liabilities 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 >
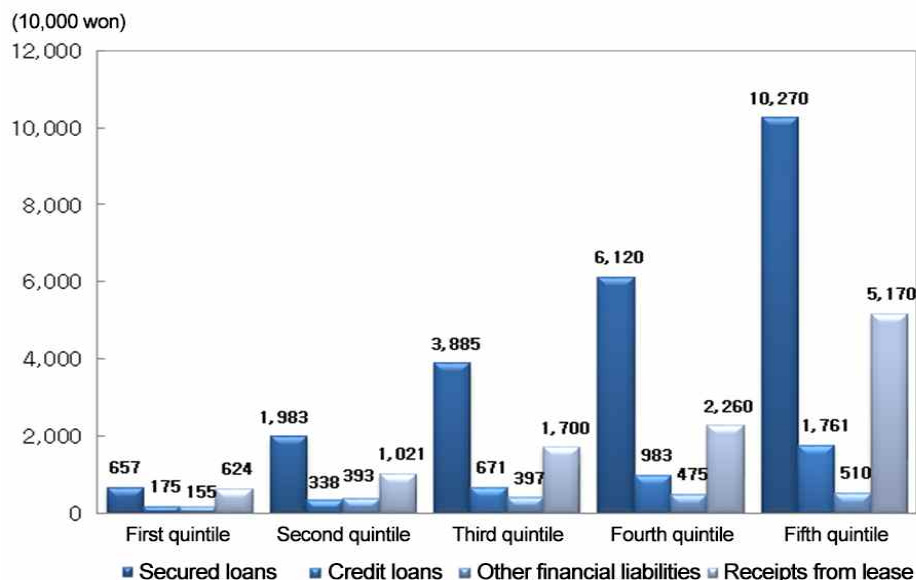
❑ **(Supplementary indicators of financial liabilities)**
   When using credit information, the average financial liabilities stood at 93.57 million won per household at the end of March 2019, rising by 4.5% compared to the previous year.

❍ The average financial liabilities as a supplementary indicator were 36.02 million won higher than the result of the interviewing survey method (57.55 million won).

❑ **(Awareness of household heads in debts)**
   66.5% of households in financial liabilities said that 'Repaying principal and interest is burdensome'. This share declined by 0.8%p from the previous year.

❍ 6.2% of households in financial liabilities said that 'Repaying debts is impossible'. This share went up by 0.4%p from the previous year.

❑ **(Financial soundness of household economy)**
   Compared to the previous year, the ratio of liabilities to assets went up by 0.1%p to 18.3% as of the end of March 2019. The ratio of financial liabilities to savings rose by 1.0%p to 73.1% from the previous year.
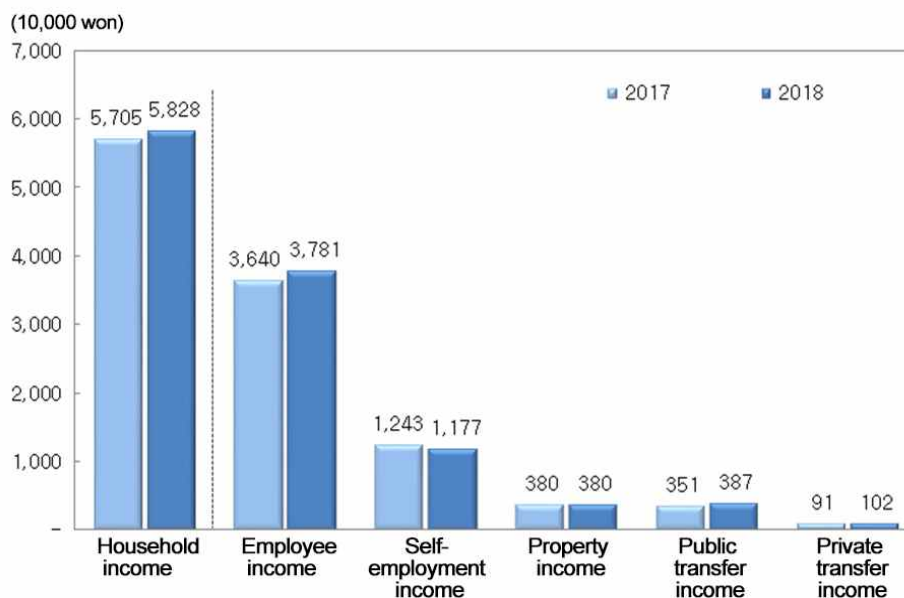
Ⅳ. Household income and retirement
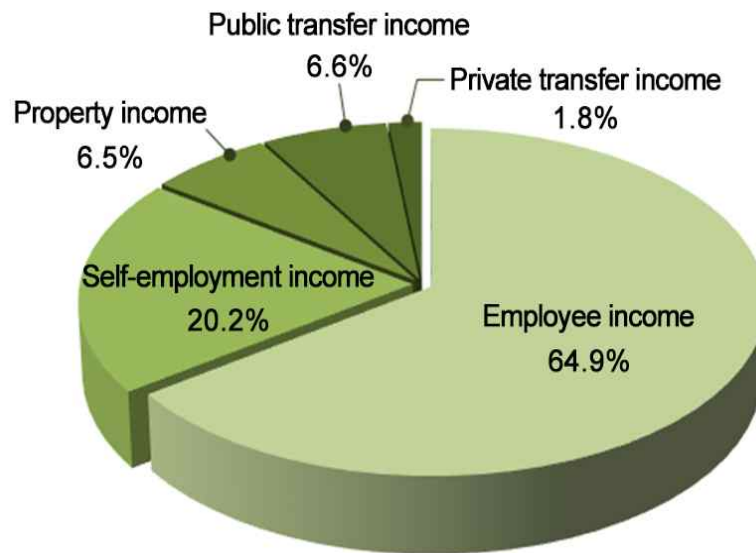
❑ **(Household income)**
   In 2018, the mean household income was 58.28 million won, up 2.1% from 2017.

❍ As for household income by source, employee income, which occupied 64.9% of the total household income, marked 37.81 million won. Self-employment income, which occupied 20.2% of the total household income, marked 11.77 million won. Public transfer income, which occupied 6.6% of the total household income, marked 3.87 million won.

❍ The share of employee income stood at 64.9% of the total income, up 1.1%p from 2017. The share of self-employment income went down by 1.6%p from 2017.
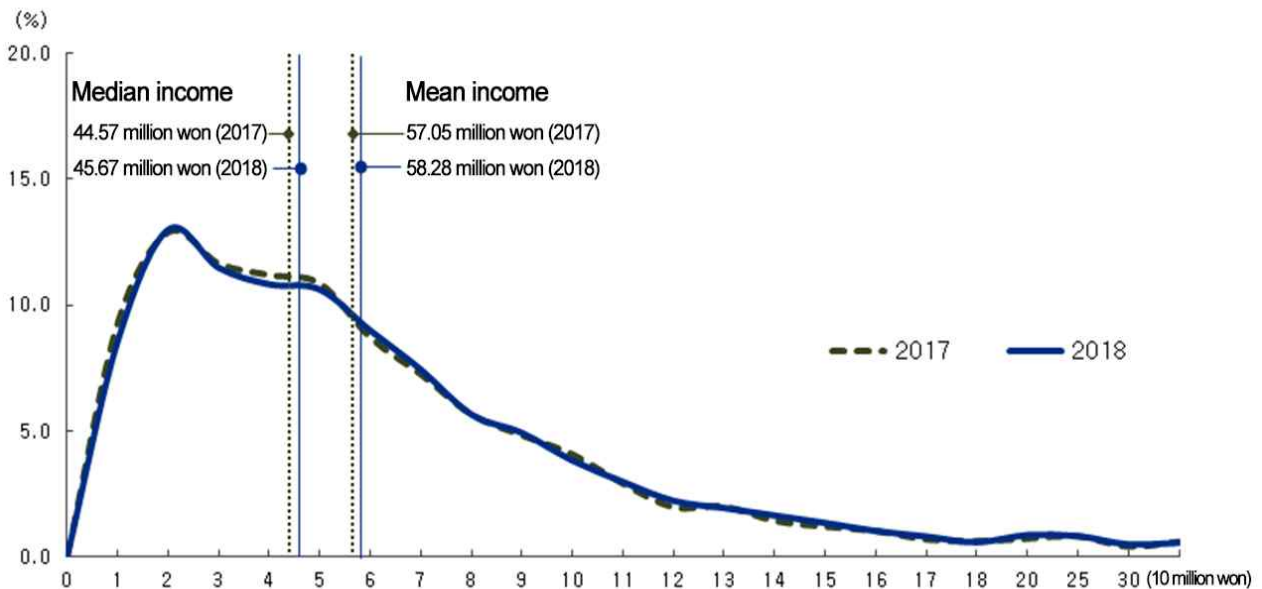
< Mean household income by source >

(10,000 won)

	2017	2018
Household income	5,705	5,828
Employee income	3,640	3,781
Self-employment income	1,243	1,177
Property income	380	380
Public transfer income	351	387
Private transfer income	91	102

< Share of household income by source >

Public transfer income
6.6%

Private transfer income
1.8%

Property income
6.5%

Self-employment income
20.2%

Employee income
64.9%

○ 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 >

(%)

Median income

44.57 million won (2017)
45.67 million won (2018)

Mean income

57.05 million won (2017)
58.28 million won (2018)

2017   2018

0 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 20 25 30 (10 million won)

○ In 2018, the income of the fifth income quintile, which took up 47.2% of the total income, fell by 0.2%p from 2017.

○ As for household income by age group of household heads, households with heads in their forties 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 2019, the expected retirement age for household heads was 68.0 years. The actual retirement age for household heads was 62.8 years.

○ 82.8% 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, 8.6% of household heads said that they were well prepared for the old age. 39.6% of household heads said that they weren't well prepared for the old age. 16.1% of household heads said that they were never prepared for the old age.

○ As for living expenses of households whose heads retired, 10.2% of them said that their living expenses were sufficient. 38.1% of them said that their living expenses were insufficient. 21.7% of them said that their living expenses were very insufficient.

Ⅴ. Assets, liabilities and income by provinces

❑ As of the end of March 2019, Seoul, Sejong and Jeju showed higher assets than the mean assets for the nation. In 2018, Seoul, Ulsan, Sejong and Gyeonggi showed higher income compared to the income of the nation.

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

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

○ (Liabilities) The liabilities for Seoul, 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

❑ Estimated from the 2018 equivalised disposable income, the Gini coefficient recorded 0.345, dropping by 0.009 from 2017. The ratio of income for the lowest quintile to income for the highest quintile fell by 0.42 times point from 2017. The relative poverty rate dropped by 0.6%p from 2017.

○ The Gini coefficient stood at 0.345 in 2018, falling by 0.009 from 2017.

○ The ratio of income for the first quintile to income for the fifth quintile declined by 0.42 times point to 6.54 times.

○ The relative poverty rate stood at 16.7% in 2018, down 0.6%p from 2017.

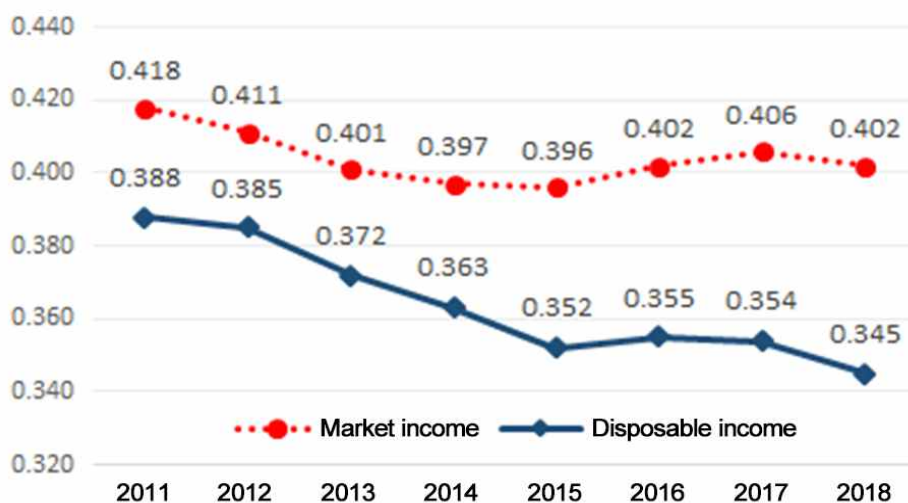< Income distribution indicators (estimated from the equivalised disposable income) >

(Unit: times, times point, %, %p)

	Gini coefficient	Change	Ratio of income for the lowest quintile to the highest quintile (times)	Change
2017	0.354	-0.001	6.96	-0.02
2018	0.345	-0.009	6.54	-0.42
	Relative poverty rate (%)	Change	Relative poverty rate of the retirement age (66 or more) (%)	Change
2017	17.3	-0.3	44.0	-1.0
2018	16.7	-0.6	43.4	-0.6

※ Details of income distribution indicators

① Since 2011, income distribution indicators have been compiled by using administrative data. Some time series data for the 2011-2014 period for which administrative data were missing were produced through the statistical estimation method.

② Statistics Korea partially recalculated the preliminary figures of income distribution indicators for 2017 that had been previously publicized by using additional administrative data including health insurance.

< Gini coefficient >

< Ratio of income for the lowest quintile to the highest quintile >