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Household Income and Expenditure Trends in the Second Quarter of 2023

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Household Income and Expenditure Trends in the Second Quarter of 2023

1. Income

- The average monthly household income amounted to 4.793 million won in the second quarter of 2023, which fell by 0.8% from the second quarter of 2022. (At 2020 prices, a drop of 3.9% from the second quarter of 2022)

<Table 1> Average monthly income per household

(Unit: 1,000 won, %, year-on-year)

| | Amount | | | | | Percent change | | |
|-----------------------------|---------|------------------|---------|---------|------------------|----------------|---------|---------|
| | 2Q 2022 | Compo- sition | 1Q 2023 | 2Q 2023 | Compo- sition | 2Q 2022 | 1Q 2023 | 2Q 2023 |
| Household size (person) | 2.33 | - | 2.27 | 2.27 | - | - | - | - |
| Age of household head (age) | 52.3 | - | 52.7 | 52.7 | - | - | - | - |
| Income | 4,831 | 100.0 | 5,054 | 4,793 | 100.0 | 12.7 | 4.7 | -0.8 |
| Current income | 4,739 | 98.1 | 4,941 | 4,713 | 98.3 | 12.6 | 4.3 | -0.6 |
| Employee income | 2,887 | 59.8 | 3,326 | 3,028 | 63.2 | 5.3 | 8.6 | 4.9 |
| Self-employment income | 927 | 19.2 | 804 | 927 | 19.3 | 14.9 | -6.8 | 0.1 |
| Property income* | 33 | 0.7 | 38 | 40 | 0.8 | -22.9 | 18.2 | 21.8 |
| Transfer income | 893 | 18.5 | 773 | 718 | 15.0 | 44.9 | -0.9 | -19.6 |
| Public transfer | 679 | 14.1 | 530 | 500 | 10.4 | 61.5 | -2.6 | -26.4 |
| Private transfer | 214 | 4.4 | 243 | 218 | 4.5 | 9.2 | 3.1 | 1.7 |
| Non-current income* | 92 | 1.9 | 113 | 80 | 1.7 | 16.1 | 27.8 | -12.5 |

Note) Be careful when using data with a '*' mark due to a high relative standard error (RSE).

2. Consumption Expenditure

- The average monthly consumption expenditure per household marked 2.691 million won in the second quarter of 2023, which rose by 2.7% from the second quarter of 2022. (At 2020 prices, a drop of 0.5% from the second quarter of 2022)
- The expenditures on 'Recreation and cultures', 'Restaurants and hotel' and 'Housing, water, electricity and other fuels' rose by 14.0%, 6.0% and 7.4%, respectively, year-on-year.
- The expenditures on 'Health', 'Household equipment and housekeeping services' and 'Clothing and footwear' fell by 6.5%, 2.8% and 1.8%, respectively, year-on-year.

<Table 2> Average monthly consumption expenditure per household

(Unit: 1,000 won, %, year-on-year)

| | Amount | | | | | Percent change | | | |
|-----------------------------------------------|------------|------------------|------------|------------|------------------|----------------|------------|------------|------|
| | 2Q 2022 | Compo- sition | 1Q 2023 | 2Q 2023 | Compo- sition | 2Q 2022 | 1Q 2023 | 2Q 2023 | Real |
| Consumption expenditure | 2,619 | 100.0 | 2,822 | 2,691 | 100.0 | 5.8 | 11.5 | 2.7 | -0.5 |
| Food and non-alcoholic beverages | 365 | 13.9 | 377 | 372 | 13.8 | -1.8 | -2.9 | 2.1 | -2.2 |
| Alcoholic beverages and tobacco | 38 | 1.5 | 37 | 38 | 1.4 | -3.0 | 1.7 | -0.7 | -1.0 |
| Clothing and footwear | 145 | 5.5 | 125 | 142 | 5.3 | 12.5 | 11.4 | -1.8 | -8.5 |
| Housing, water, electricity and other fuels | 296 | 11.3 | 388 | 318 | 11.8 | -3.3 | 11.5 | 7.4 | 1.3 |
| Household equipment and housekeeping services | 120 | 4.6 | 111 | 117 | 4.4 | -9.4 | 4.9 | -2.8 | -8.0 |
| Health | 240 | 9.2 | 249 | 224 | 8.3 | 2.5 | 7.7 | -6.5 | -8.0 |
| Transportation | 331 | 12.6 | 339 | 337 | 12.5 | 11.8 | 21.6 | 1.9 | 10.8 |
| Communication | 123 | 4.7 | 130 | 122 | 4.5 | 3.6 | 7.1 | -1.0 | -1.9 |
| Recreation and culture | 176 | 6.7 | 194 | 201 | 7.5 | 19.8 | 34.9 | 14.0 | 10.0 |
| Education | 166 | 6.4 | 239 | 171 | 6.3 | 11.1 | 3.8 | 2.5 | 0.4 |
| Restaurants and hotels | 402 | 15.3 | 404 | 426 | 15.8 | 17.0 | 21.1 | 6.0 | -0.9 |
| Other miscellaneous goods and services | 216 | 8.3 | 230 | 222 | 8.3 | 4.4 | 13.6 | 2.7 | -4.0 |

3. Non-consumption Expenditure

- The average monthly non-consumption expenditure per household totaled 962 thousand won in the second quarter of 2023, which grew by 8.3% from the second quarter of 2022.
- The interest, the non-regular tax, the social insurance and the regular tax increased by 42.4%, 95.0%, 5.4% and 5.0%, respectively, from the second quarter of 2022. Whereas, the transfer between households decreased by 0.8% from the second quarter of 2022.

<Table 3> Average monthly non-consumption expenditure per household

(Unit: 1,000 won, %, year-on-year)

| | Amount | | | | Percent change | | |
|-------------------------------------|------------|------------|------------|------------------|----------------|------------|------------|
| | 2Q 2022 | 1Q 2023 | 2Q 2023 | Compo- sition | 2Q 2022 | 1Q 2023 | 2Q 2023 |
| Non-consumption expenditure | 888 | 1,063 | 962 | 100.0 | 6.6 | 10.2 | 8.3 |
| Regular tax | 167 | 234 | 176 | 18.3 | 6.0 | 5.9 | 5.0 |
| Non-regular tax* | 13 | 19 | 25 | 2.6 | -43.3 | -0.6 | 95.0 |
| Pension contribution | 138 | 141 | 140 | 14.5 | 6.8 | 4.9 | 1.7 |
| Social insurance | 171 | 171 | 180 | 18.7 | 10.1 | 5.3 | 5.4 |
| Interest | 92 | 124 | 131 | 13.7 | 7.1 | 42.8 | 42.4 |
| Transfer between households | 223 | 280 | 221 | 23.0 | 7.9 | 6.6 | -0.8 |
| Transfer to non-profit institutions | 84 | 93 | 88 | 9.2 | 11.5 | 20.0 | 4.8 |

Note) Be careful when using data with a '*' mark due to a high relative standard error (RSE).

4. Disposable Income and Surplus

- The average monthly disposable income per household was 3.831 million won in the second quarter of 2023, which went down by 2.8% from the second quarter of 2022.
- The surplus amounted to 1.141 million won, which fell by 13.8% from the second quarter of 2022.
- The surplus rate stood at 29.8%, down 3.8%p from the second quarter of 2022.
- The average propensity to consume stood at 70.2%, up 3.8%p from the second quarter of 2022.

<Table 4> Average monthly surplus and average propensity to consume per household
(Unit: 1,000 won, %, year-on-year)

| | Amount | | | (Percent) change | | |
|-------------------------------------------------|---------|---------|---------|------------------|---------|---------|
| | 2Q 2022 | 1Q 2023 | 2Q 2023 | 2Q 2022 | 1Q 2023 | 2Q 2023 |
| Disposable income ¹⁾ | 3,943 | 3,991 | 3,831 | 14.2 | 3.4 | -2.8 |
| Surplus ²⁾ | 1,323 | 1,169 | 1,141 | 35.2 | -12.1 | -13.8 |
| Surplus rate ³⁾ | 33.6 | 29.3 | 29.8 | 5.2p | -5.1p | -3.8p |
| Average propensity to consume (%) ⁴⁾ | 66.4 | 70.7 | 70.2 | -5.2p | 5.1p | 3.8p |

Note) 1. Disposable Income = Income - Non-consumption Expenditure

2. Surplus = Disposable Income - Consumption Expenditure

3. Surplus Rate = (Surplus / Disposable Income) × 100

4. Average Propensity to Consume = (Consumption Expenditure / Disposable Income) × 100

5. Income and Expenditure by Income Quintile

- In the second quarter of 2023, the average monthly income of the lowest quintile amounted to 1.117 million won, which dropped by 0.7% from the second quarter of 2022. The average monthly income of the highest quintile amounted to 10.138 million won, which declined by 1.8% from the second quarter of 2022.
- The disposable income of the lowest quintile totaled 947 thousand won, which grew by 0.7% from the second quarter of 2022.
 - The average propensity to consume of the lowest quintile stood at 129.7%, down 0.3%p from the second quarter of 2022.
- The disposable income of the highest quintile totaled 7.878 million won, which fell by 5.4% from the second quarter of 2022.
 - The average propensity to consume of the highest quintile stood at 57.9%, up 5.2%p from the second quarter of 2022.

<Table 5> Income and expenditure by income quintile

(Unit: 1,000 won, %, year-on-year)

| | Lowest quintile | | Second quintile | | Third quintile | | Fourth quintile | | Highest quintile | |
|-------------------------------------|-----------------|------------------|-----------------|------------------|----------------|------------------|-----------------|------------------|------------------|------------------|
| | | (Percent) change | | (Percent) change | | (Percent) change | | (Percent) change | | (Percent) change |
| Household size (person) | 1.42 | - | 1.68 | - | 2.23 | - | 2.83 | - | 3.19 | - |
| Age of household head (age) | 61.5 | - | 52.8 | - | 49.3 | - | 49.3 | - | 50.7 | - |
| Income | 1,117 | -0.7 | 2,645 | -1.1 | 4,096 | 0.1 | 5,966 | 0.5 | 10,138 | -1.8 |
| Current income | 1,108 | -0.7 | 2,618 | -1.5 | 4,058 | -0.1 | 5,909 | 0.7 | 9,867 | -1.2 |
| Employee income | 262 | -15.8 | 1,434 | -12.2 | 2,558 | -3.9 | 4,056 | 9.5 | 6,827 | 11.5 |
| Self-employee income | 135 | 51.1 | 467 | 43.5 | 751 | 26.6 | 1,056 | -11.1 | 2,225 | -8.6 |
| Property income * | 12 | 16.4 | 21 | 27.2 | 28 | 4.2 | 44 | -0.5 | 93 | 44.4 |
| Transfer income | 699 | -0.8 | 695 | 2.2 | 720 | -7.6 | 753 | -19.5 | 722 | -47.2 |
| Public transfer | 500 | -2.2 | 495 | 1.7 | 491 | -12.5 | 500 | -29.1 | 514 | -54.6 |
| Private income | 198 | 2.7 | 200 | 3.5 | 230 | 4.9 | 253 | 10.2 | 208 | -11.8 |
| Non-current income | 9 | -7.2 | 27 | 52.7 | 38 | 27.1 | 57 | -14.5 | 270 | -19.3 |
| Household expenditure | 1,399 | -0.6 | 2,223 | 1.6 | 3,236 | 1.9 | 4,582 | 4.5 | 6,822 | 6.9 |
| Consumption expenditure | 1,228 | 0.5 | 1,789 | 1.4 | 2,490 | 1.9 | 3,382 | 3.3 | 4,562 | 3.9 |
| Non-consumption expenditure | 170 | -8.3 | 433 | 2.4 | 746 | 2.1 | 1,199 | 8.2 | 2,260 | 13.4 |
| Disposable income1) | 947 | 0.7 | 2,211 | -1.8 | 3,350 | -0.3 | 4,767 | -1.3 | 7,878 | -5.4 |
| Surplus2) | -281 | 0.2 | 422 | -13.1 | 860 | -6.2 | 1,385 | -10.9 | 3,316 | -15.9 |
| Surplus rate3) | -29.7 | 0.3p | 19.1 | -2.5p | 25.7 | -1.6p | 29.1 | -3.1p | 42.1 | -5.2p |
| Average propensity to consume (%)4) | 129.7 | -0.3p | 80.9 | 2.5p | 74.3 | 1.6p | 71.0 | 3.1p | 57.9 | 5.2p |

Note) 1. Disposable Income = Income - Non-consumption Expenditure

2. Surplus = Disposable Income - Consumption Expenditure

3. Surplus Rate = (Surplus / Disposable Income) × 100

4. Average Propensity to Consume = (Consumption Expenditure / Disposable Income) × 100

* Be careful when using data with a '*' mark due to a high relative standard error (RSE).

- In the second quarter of 2023, the average monthly consumption expenditure of the lowest quintile amounted to 1.228 million won, which grew by 0.5% from the second quarter of 2022. The average monthly consumption expenditure of the highest quintile amounted to 4.562 million won, which rose by 3.9% from the second quarter of 2022.
- As for the consumption expenditure of the lowest quintile, 'Food and non-alcoholic beverages' occupied the largest share at 19.5%, which was followed by 'Housing, water, electricity and other fuels' (19.5%) and 'Health' (12.9%). As for the consumption expenditure of the highest quintile, 'Restaurants and hotels' occupied the largest share at 16.0%, which was followed by 'Transportation' (14.5%) and 'Food and non-alcoholic beverages' (11.8%).

<Table 6> Consumption expenditure by income quintile

(Unit: 1,000 won, %, year-on-year)

| | Lowest quintile | | Second quintile | | Third quintile | | Fourth quintile | | Highest quintile | |
|-----------------------------------------------|-----------------|----------------|-----------------|----------------|----------------|----------------|-----------------|----------------|------------------|----------------|
| | | Percent change | | Percent change | | Percent change | | Percent change | | Percent change |
| Household size (person) | 1.42 | - | 1.68 | - | 2.23 | - | 2.83 | - | 3.19 | - |
| Age of household head (age) | 61.5 | - | 52.8 | - | 49.3 | - | 49.3 | - | 50.7 | - |
| Consumption expenditure | 1,228 | 0.5 | 1,789 | 1.4 | 2,490 | 1.9 | 3,382 | 3.3 | 4,562 | 3.9 |
| Food and non-alcoholic beverages | 240 | -3.2 | 276 | -2.0 | 353 | 1.1 | 452 | 5.5 | 539 | 4.6 |
| Alcoholic beverages and tobacco | 24 | -2.8 | 31 | -5.9 | 41 | -1.8 | 47 | 2.7 | 48 | 1.7 |
| Clothing and footwear | 50 | 0.7 | 88 | -3.4 | 127 | -6.6 | 187 | 2.3 | 259 | -2.0 |
| Housing, water, electricity and other fuels | 239 | 7.5 | 292 | 4.6 | 330 | 22.8 | 339 | 0.0 | 389 | 5.0 |
| Household equipment and housekeeping services | 46 | -21.2 | 73 | 5.9 | 104 | -0.1 | 167 | 3.9 | 196 | -7.1 |
| Health | 158 | 0.0 | 173 | -5.7 | 198 | -15.0 | 261 | -7.2 | 332 | -3.5 |
| Transportation | 92 | -7.4 | 197 | 14.2 | 277 | -13.4 | 458 | 3.6 | 662 | 6.7 |
| Communication | 52 | 0.0 | 86 | -5.6 | 124 | -2.6 | 159 | -0.9 | 188 | 2.0 |
| Recreation and culture | 74 | 8.5 | 107 | 5.1 | 189 | 14.3 | 253 | 18.5 | 381 | 14.8 |
| Education | 23 | 34.1 | 49 | -1.7 | 123 | 2.5 | 240 | -4.2 | 418 | 5.9 |
| Restaurants and hotels | 145 | -1.3 | 282 | 1.3 | 423 | 7.3 | 550 | 9.0 | 730 | 6.5 |
| Other miscellaneous goods and services | 84 | 10.5 | 135 | 0.8 | 202 | 9.0 | 269 | 1.0 | 420 | 0.1 |