

Elderly people living with their children are decreasing, but they still rely on them for emotional support

- In a FY2005 survey of people who offer mental support for the elderly, the majority said that the children provide such support, showing that the children continue to be the emotional support for the elderly people.(Figure 1-2-6)
- Regarding their patterns of socializing with children and grandchildren, if we look at people above 60 years old, the number of elderly people who want to live constantly together with their children has decreased. Thus, the number of elderly people who are satisfied with a more remote relationship is increasing compared to the past. (Figure 1-2-8)

2 Economic Situation of Elderly People

Though the income differential between elderly people's households is large, it is improving due to redistribution through social security benefits and the like

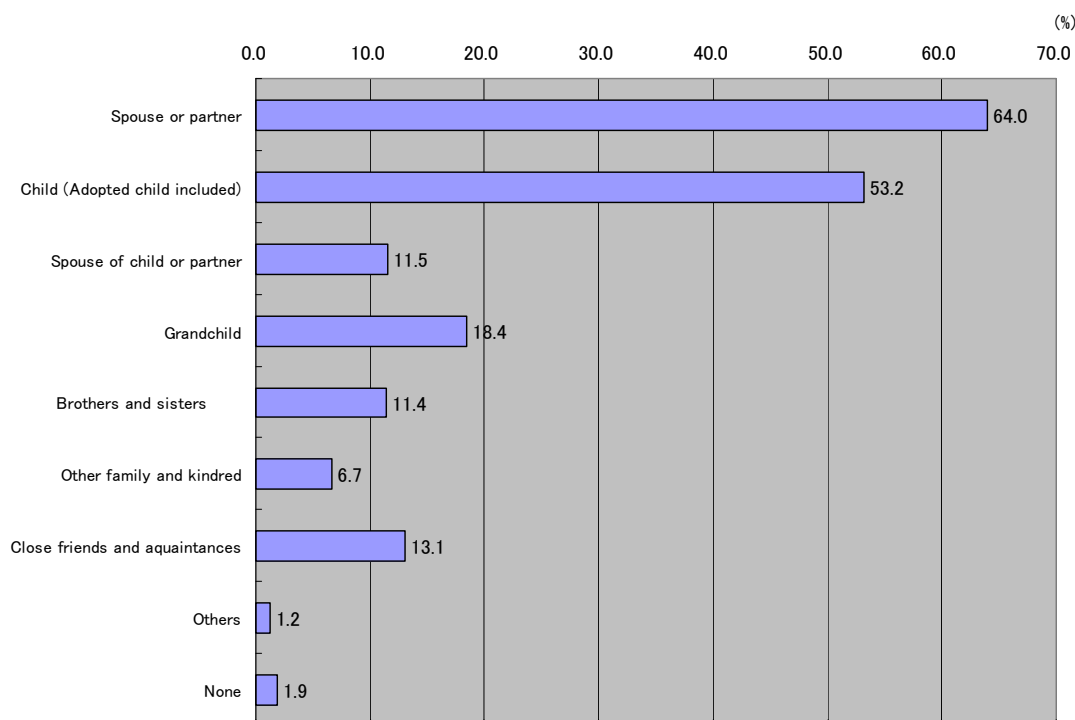
- The annual income (2005 average) for elderly people's households (households of elderly people only above 65 years old, or plus an unmarried person under 18 years old) is 3.019 million yen,

which is slightly more than half of the average annual income (5.638 million yen) for all households. Although, calculating it per person in the household, it comes to 1.89 million yen, meaning no big difference is seen in comparison to the average for all households of 2.059 million yen, since the number of people in the average elderly household is less than for other kinds of household (Figure 1-2-14)

- According to a survey in 2005 showing a big income differential among elderly people's households, looking at the situation of income difference for elderly people by Gini coefficient reveals that the income for general households is 0.4252 and elderly people's households, 0.8223. If we look at the situation of redistributed income by Gini coefficient, the income in general household was 0.3618 and an elderly people's household was 0.4129. Although the difference became smaller due to the influence of income redistribution through social security benefits, the differential in incomes has become large compared to general households. (Figure 1-2-18).

Figure 1-2-6

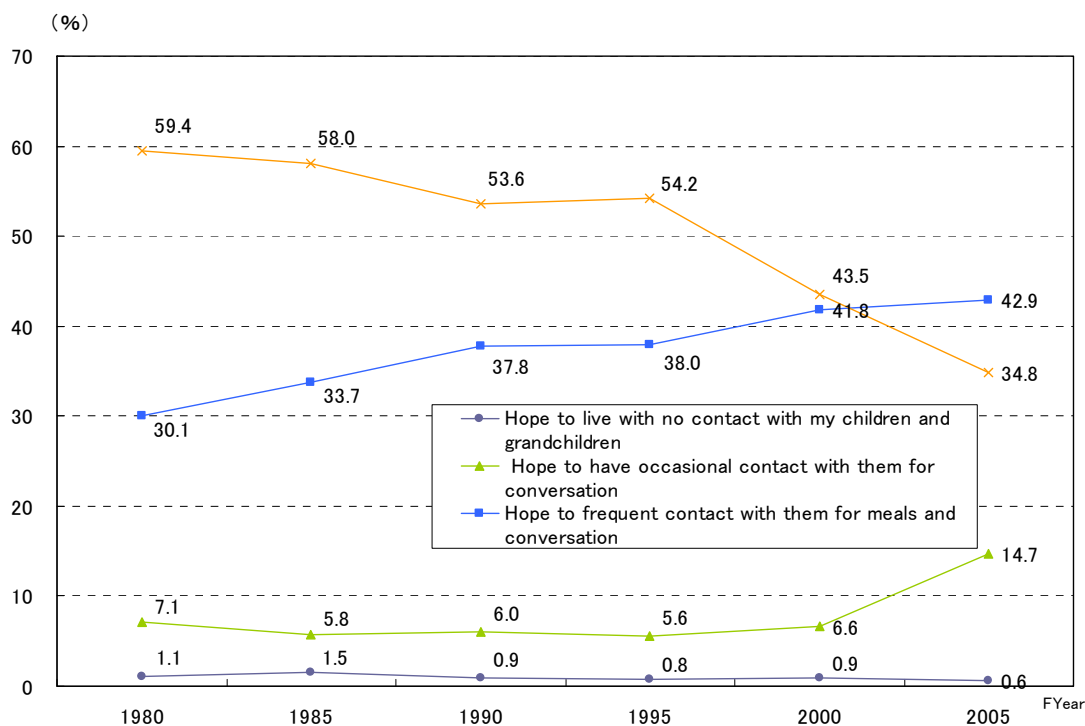
The person who offers mental and spiritual comfort



Source: Cabinet Office, "International Comparison Survey of the Daily Life and Attitudes of Elderly Persons" in 2006
Note: Survey objects are males and females aged 60 or older nationwide

Figure 1-2-8

The Relationship Between the Elderly and their Children and Grandchildren



Source: Cabinet Office, "International Comparison Survey on the Daily Life and Attitudes of Elderly Persons"

(Note 1): Results based on a survey for males and females aged 60 or older nationwide

(Note 2): On the surveys in FY2000 and FY2005, "imcomprehensible" was responded 7.0% and 6.9% in FY2005

Figure 1-2-14

Incomes of Aged Households

Division	Average income		
	Per household		Per person in the household (Average number of persons in the household)
Elderly people's household	Aggregate income	3.019 million yen	1.89 million yen (1.60 people)
	Operational income	0.545 million yen (18.0 percent)	
	Public pension / Pension	2.119 million yen (70.2 percent)	
	Property income	0.157 million yen (5.2 percent)	
	Social security benefits other than pension	25 thousand yen (0.8 percent)	
	Remittance and other incomes	0.172 million yen (5.7 percent)	
All households	Aggregate income	5.638 million yen	2.059 million yen (2.74 people)

Reference: Ministry of Health, Labour and Welfare, *Basic Survey National Life* (2006) (2005 income in this investigation)

(Note 1) An elderly people's household is defined as a household composed of only elderly people above 65 years old, or a household with unmarried persons under 18 years old living with elderly people.

(Note 2) The following is called property income:

- a. Income from house/land
Money, from which necessary expenses are subtracted (benefit in kind included), obtained from rent for land or housing that belongs to a member of the household.
- b. Interest and dividends
Money (including separate withholding tax), from which necessary expenses are subtracted, from the interest obtained from savings, public corporate bonds, stocks etc. that belong to a member of the household.

Figure 1-2-18

Situation of Income Differential of Elderly People by Gini Coefficient

		General household	Elderly people's household
First income (ten thousand yen)		578.2	84.8
Disposable income (ten thousand yen)		536.8	261.3
Redistribution income (ten thousand yen)		605.8	370.7
Gini coefficient	Original income	0.4252	0.8223
	Redistribution income	0.3618	0.4129

Improvement factor of Gini coefficient

		Improvement factor by redistribution	
		Improvement factor by social security	Improvement factor by tax
1993	17.0	12.7	5.0
1996	18.3	15.2	3.6
1999	19.2	16.8	2.9
2002	23.5	20.8	3.4
2005	26.4	24.0	3.2

(Note 1) The Gini coefficient is the concentration ratio of distribution or the coefficient which shows inequality. 0 shows equality, whereas it shows inequality the closer it gets to 1.

(Note 2) "Redistribution income" means tax and social security payments are deducted from original income, and social security benefits (actual things and cash) are added.

Reference: Ministry of Health, Labour and Welfare, *Survey on the Redistribution of Income* (2005)

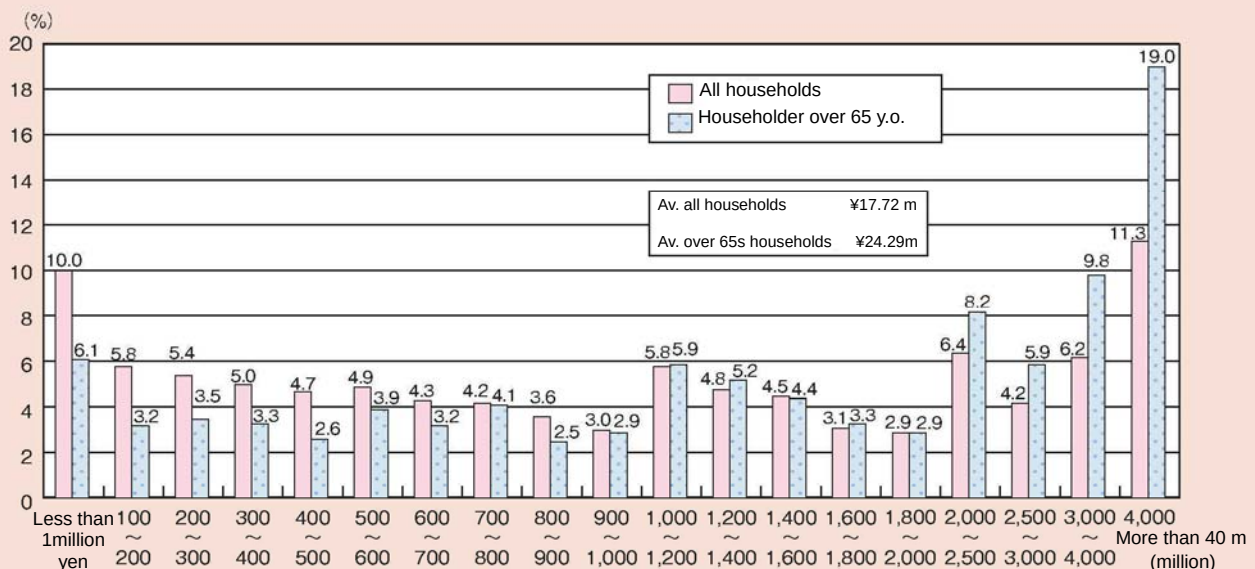
Savings for elderly people's households are approximately 1.4 times that of all households, but those for households earning less than 3 million yen are also about 10 percent

- Looking at the savings situation for households of elderly people above 65 years old, the average amount of savings in hand for one household in 2006 is 24.29 million yen: approximately 1.4 times the total household average (17.72 million yen)

If we look at the situation for households according to the distribution of savings in hand, among households with a householder aged 65 or over, households that have savings of more than 40 million yen make up 19.0 percent, almost 20 percent of the total, and nearly 1.7 times the number all households with the same savings level (11.3 percent). However, while the ratio of people with little savings compared with all households is low, elderly households with savings of less than 3 million yen make up approximately 10 percent of the national total (Figure 1-2-20).

Figure 1-2-20

Distribution of savings of householders aged 65 or older



Reference: Ministry of Internal Affairs and Communications, *Household Survey*, 2006

(Note 1) Single households are not targeted.

(Note 2) Savings at post office, bank and other financial institutions, life insurance premiums, valuable securities such as stocks, bonds, investment trusts, etc and total savings of financial institutions other than in-house savings deposits.