

Chapter 1

Situation on Aging

Section 1

Situation of Aging

Current State and Future Outlook on Aging

A society where 1 out of every 5 is elderly

- The population of the aged will peak at 17.44 million by 2016, once the baby boomer generation enters the 65 to 74 year old age bracket. From 2017, there will be a declining trend until 2032, then another upturn until 2041 to 16.99 million. After 2042, a declining trend is expected.
- On the other hand, the population of elderly people between 75 and 84 years old will continue rising, and in 2017 will exceed the population of elderly people between 65 and 74 years old. A continued rising trend is expected thereafter. Of the increasing elderly population, the number of those aged 75 to 84 will further increase. (Figure 1-1-4)

Both the young population and the number of births will more than halve, and the population of those of productive age will be 45.95 million

- The young population (0 to 14 years old) will be less than 10 million by 2039, and estimates are that it will be, at most, half its current state by 2055, or 7.52 million.

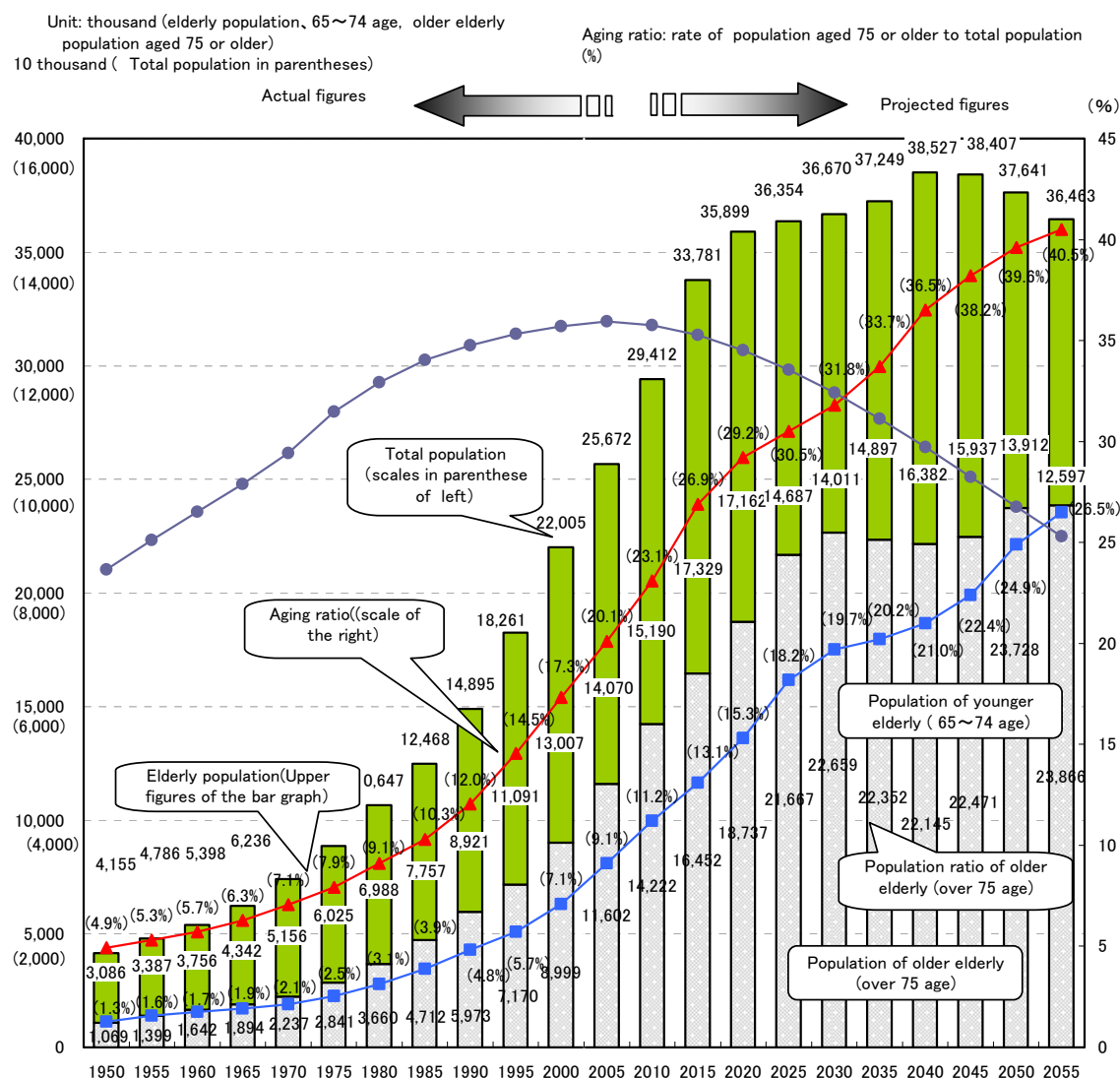
The decrease in the number of births will affect even the productive age population of 15 to 64 year olds, and is estimated to be less than 80 million by 2012, and continue to decrease to 45.95 million by 2055.

Coming of a society where 1.3 working people support 1 elderly person

- Examining the population ratio of the over-65s and those of productive age, between 15 and 64, there was one elderly person for every 11.2 people of productive age in 1960, which fell to 1:3.3 in 2005. In the future, the aging rate will continue to rise while the ratio of the generation still working will decline. In 2055, the ratio will be one elderly person for every 1.3 people of productive age. Taking the 15 to 69 year old population as being of working age and over-70s as elderly, the ratio will be one elderly person for every 1.7 people aged 15 to 69. (Figure 1-1-6)

Figure 1-1-4

Transition and Future Projection of Aging



Source: Up to 2005, Ministry of Internal Affairs and Communications, "Population Census of Japan"

After 2010, National Institute of Population and Social Security Research, "Projected Population of Japan" in December 2006 is based on the estimated figure on the assumption that birth and death rates are ranked medium.

(Note): With regard to Okinawa in 1955, the population of over 70 age of 23,328 was divided into the age groups 70~74 and 75 or older, based on the ratio of the population over 75 age to the population 70 age in 1954 and 1956.

Figure 1-1-6

Ratio of Aged generation population to productive age population

Year	If productive-age population (15-64) is presumed as a supporting person			If productive-age population (15-69) is presumed as a supporting person	
	(a) How many persons an elderly aged over 65 is supported by?	(b) How many persons an elderly aged over 70 is supported by?	(c) How many persons an elderly aged over 75 is supported by?	(b') How many persons an elderly aged over 70 is supported by?	(c') How many persons an elderly aged over 75 is supported by?
(2005)	3.3	4.6	7.3	5.0	7.9
(2015)	2.3	3.2	4.7	3.6	5.3
(2025)	2.0	2.4	3.3	2.7	3.6
(2035)	1.7	2.1	2.8	2.4	3.2
(2045)	1.4	1.7	2.4	2.0	2.7
(2055)	1.3	1.5	1.9	1.7	2.2

Source: National Institute of Population and Social Security Research, "Future-Projected Population of Japan" in December 2006 is based on the estimated figure on the assumption that birth and death rate are ranked

Reference) Number of persons aged 15-64 who have supported the elderly aged 65 or older (per person)

(Unit: Person)

(1960)	11.2
(1965)	10.8
(1970)	9.8
(1975)	8.6
(1980)	7.4
(1985)	6.6
(1990)	5.8
(1995)	4.8
(2000)	3.9

Source: Produced on "the National Census" of Ministry of Internal Affairs and Communications

Average life expectancy for men is 83.67 years, for women, 90.34 years

- The average life expectancy for men as of 2006 is 79.00 years, while for women is 85.81 years. It will rise continuously in the future for both men and women, and by 2055 it will be 83.67 years for men and 90.34 years for women, the average life expectancy for women therefore exceeding 90 years. (Figure 1-1-7)

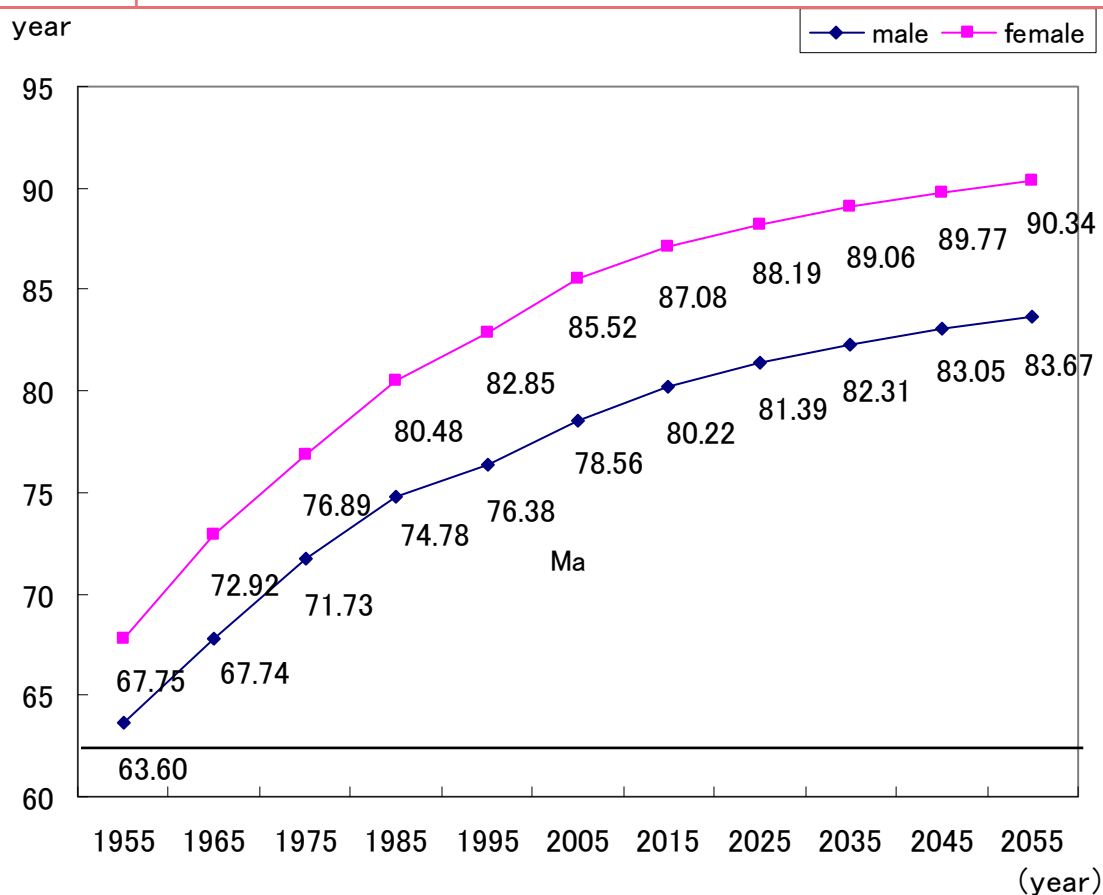
International Aging Trend

Japan will become an aged society on a scale unlike any other in the world

- Comparing the aging rate among advanced nations, Japan's was lower than that of others until the 1980s. In the 1990s, it rose to almost middle level, and in the early 21st century, it rose to the highest level. Japan is expected to become an aged society the like of which no other country in the world has experienced. (Figure 1-1-14)

Figure 1-1-7

Trends and Future Projection of Average Life Expectancy



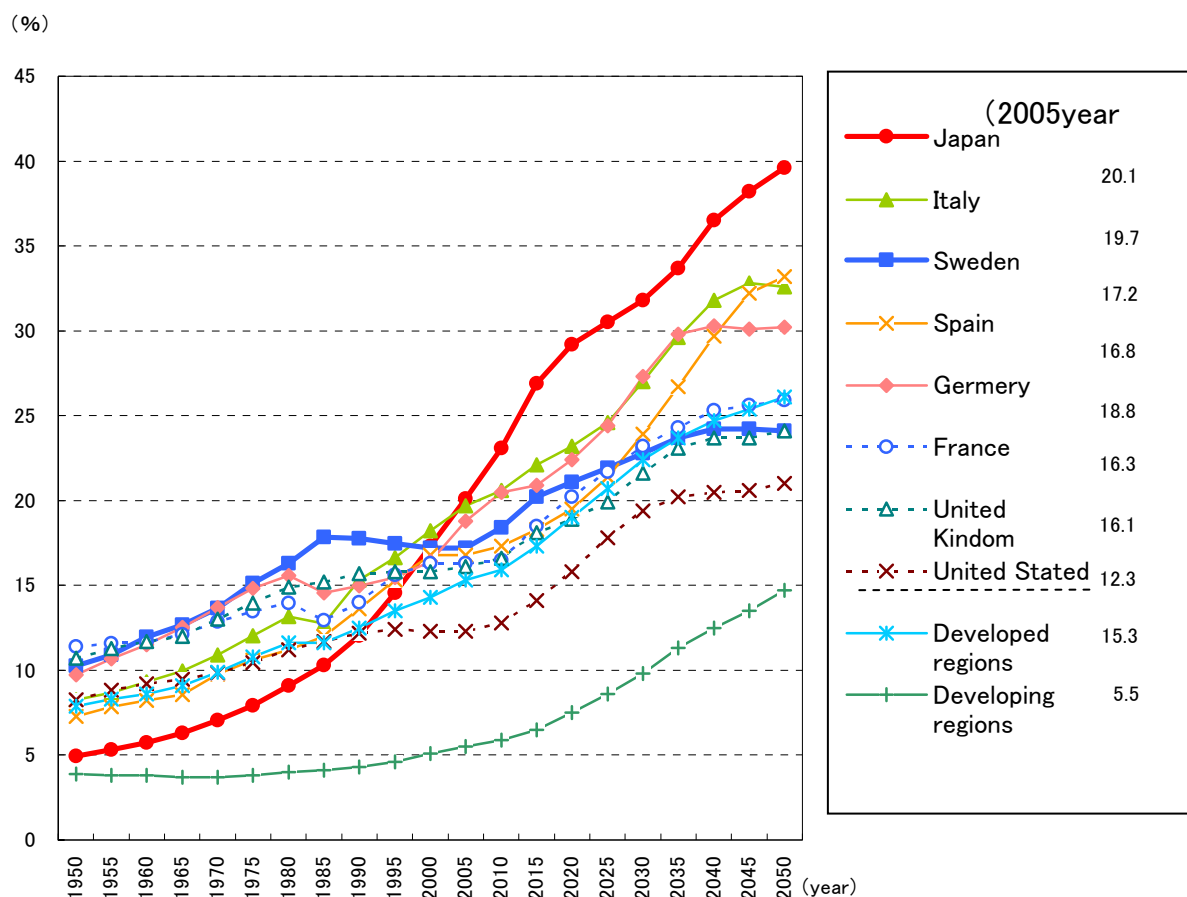
Source: Up to 2005, Ministry of Health, Labour and Welfare "Complete Life Table"

After 2015, National Institute of Population and Social Security Research "Future Projected Population of Japan" in December 2006 is based on the estimated figure on the assumption that death rate is ranked medium

Figure 1-1-14

Trends with Ratio of Aging in the world

1. Europe & N.America

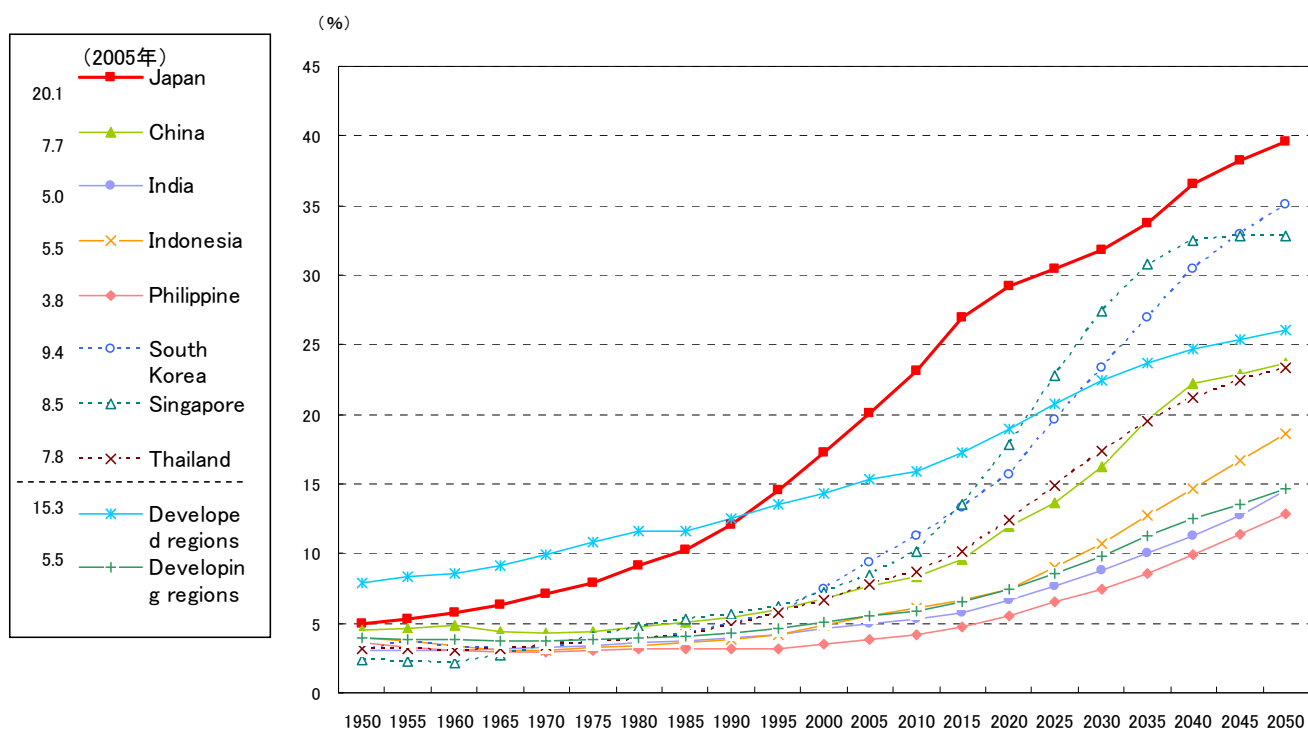


Source: Data for Japan is based on "National Census of Japan" (Ministry of Internal Affairs and Communications) and on "Projected Population of Japan" (National Institute of Population and Social Security Research) on the assumption that birth and death rates are ranked medium. (estimated in December 2006).

(Note): Developed regions include North America, Japan, Europe, Australia and New Zealand

Developing regions include Africa, Asia (other than Japan), Central and South America, Melanesia,

2. Asia



Source: Data for Japan is based on "National Census of Japan" (Ministry of Internal Affairs and Communications) and on "Projected Population of Japan" (National Institute of Population and Social Security Research) on the assumption that birth and death rates are ranked medium. (estimated in December 2006).

(Note): Developed regions include North America, Japan, Europe, Australia and New Zealand
 Developing regions include Africa, Asia (other than Japan), Central and South America, Melanesia, Micronesia, and Polynesia.

Aging of the "Baby Boomer generation"

When the "Baby Boomer generation" reaches old age, the number of elderly will increase by one million each year

- The number of people born in the baby boom (between 1947 and 1949) was approximately 8.06 million. In October 2006, that population was approximately 6.77 million and formed approximately 5.3 percent of the total population - a large component in the population structure. According to the *Estimation of future population of Japan* (a projection from December, 2006 by the National Institute of Population and Social Security Research), elderly people over 65 years old will increase by approximately one million per year when the baby boomers reach 65 between 2012 and 2014. (Figure 1-1-15)

"Baby Boomer generation" wants a variety of employment styles

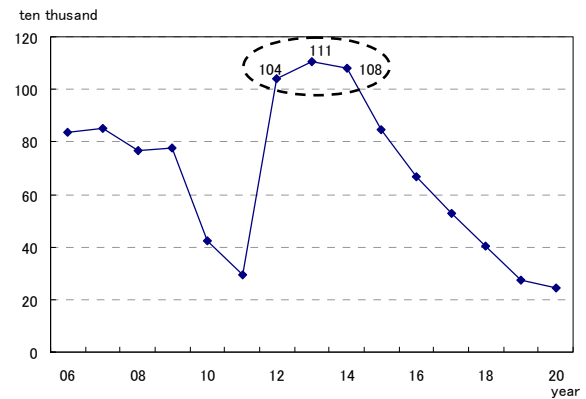
- Examining the employment styles which baby boomers hope for, the wish to work as a regular employee, a contract worker, or a non-regular employee lessens as age increases after 60. On the other hand, the ratio of those who wish to work part-time or be involved in volunteer work increases, meaning that employment and working styles diversify with age.

Impact of the "baby boomer generation" on society

- The number of people going to high school and university noticeably increased when the baby boomers reached school-going age. The ratio of people going to high school used to be about 50 percent, but it reached about 64 percent in 1962, corresponding to the year when the baby boomers entered high school. The ratio of people going to high school and university kept increasing, but the baby boomer was the symbol of the popularization of higher education. (Figure 1-1-16)

Figure 1-1-15

Increases in the estimated number of elderly people when the "Baby-boom generation" reaches the aged period

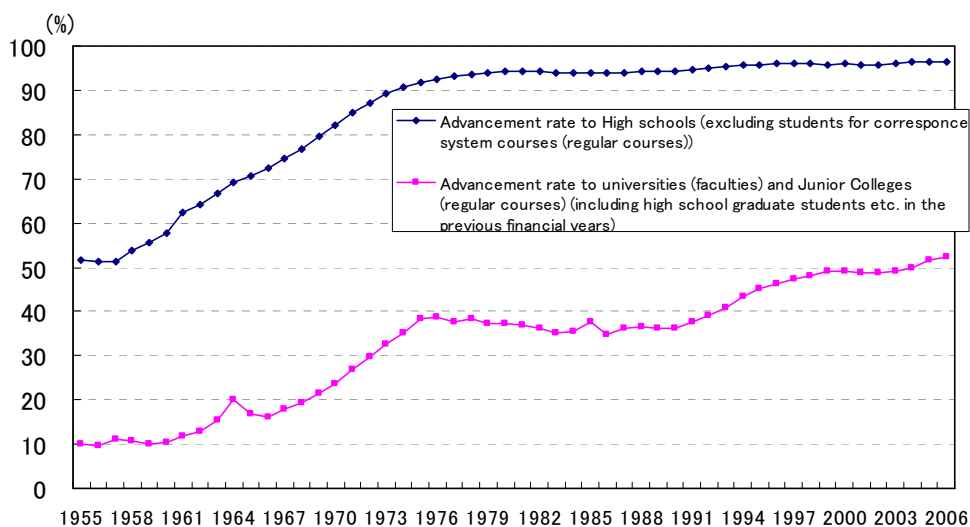


Source: Produced in "Future-Projected Population of Japan" in December 2006 with estimates using average birth and death rates

- Among the "baby boomer generation," those residing in the three major metropolitan areas of Japan made up about 30 percent in 1950, around the time the baby boomers were born. Although, for the purpose of starting school or work, approximately half of them had migrated to the three major metropolitan areas by 2005. Thus an urbanizing movement can be confirmed. (Table 1-1-17)
- The percentage of company employees amongst those in work was about 30 percent at the time the baby boomers were born. Now about 70 percent of the baby boomers are employees, meaning that the typical baby boomer is a salaried worker. Additionally, the number of nuclear families, where the husband is a salaried worker and the wife a full-time housewife with children, has increased. (Table 1-1-18)

Figure 1-1-16

Transition of Advancement Rate to Higher Academic Qualifications



Source: Produced in "School Fundamental Survey" of Ministry of Education, Culture, Sports, Science and Technology

Figure 1-1-17

Residential Status of "Baby-boom generation"

10 thousand person			
	1950 (a)	2005 (b)	Increase or Decrease (b) — (a)
Nationwide	744	678	▲66
Three Major Metropolitan areas	243 (32.7%)	334 (49.2%)	△90
Other areas	501 (67.3%)	345 (50.8%)	▲156

Source: Ministry of Internal Affairs and Communications, "National population census"

(Note): The three major metropolitan areas include the prefectures of Saitama, Chiba, Tokyo, Kanagawa, Gifu, Aichi, Mie, Kyoto, Osaka, and Hyogo

Figure 1-1-18

Transition to Salaried Workers of the "Baby-boom generation"

○“Baby-boom generation”(56-58 age) is as follows at the time of research in 20

- Labor force: about 5.14 mil(7.9% of the total labor forces)
- Number of employees: about 4.89 mil(8.0% of the total employed workers)

○About 70% of “Baby-boom generation working” account for salaried employees

The ratio of employers aged 55-59 in the year 2005 is 71.5%.

(Reference: Ratio of the employers in the past

year age	1975	1980	1985	1990	1995	2000
55~59	46.4%	51.1%	55.4%	60.9%	65.3%	68.9%
60~64	38.2%	39.5%	40.1%	45.8%	51.0%	54.6%