

Section 2 Existing State and Trends of Elderly People and their Environment

How have elderly people's families and households been changed?

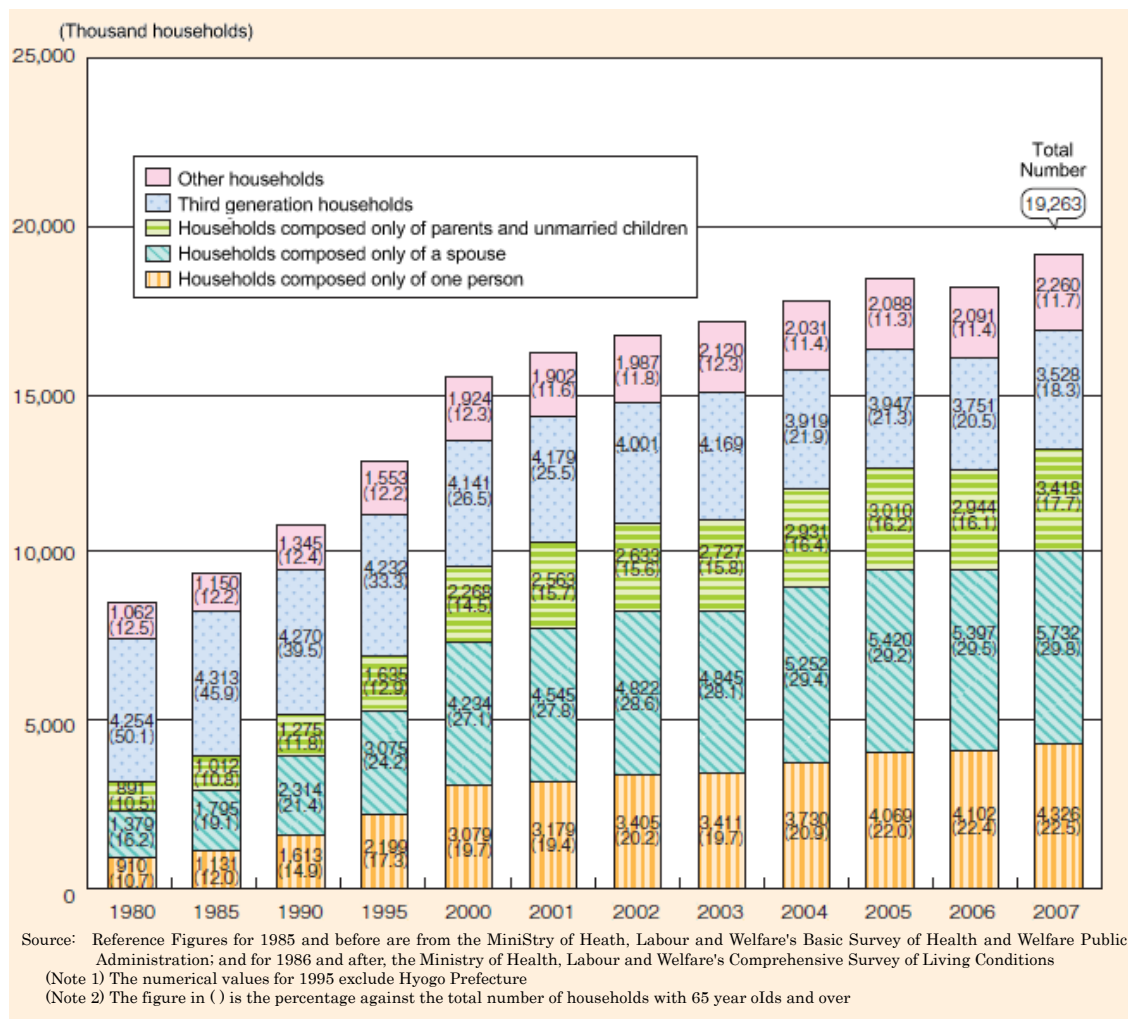
Households with elderly people comprise 40% of the total, and the majority either live 'alone' or consist of a 'married couple only'

- As of 2007 there were 19.26 million households of people aged 65 or older, accounting for 40.1% of the total (48.02 million). 4.33 million (22.5%) of them were “one-person households”, 57.3 (29.8%) “couple only households”, “0.42 (17.7%) parents and unmarried children only households”, and “three-generation family households” 3.53 (18.3%). In addition, the share of households consisting of one-person or a couple only in elderly people's households is increasing (Fig. 1-2-1).

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

- Regarding the person of mental support to the elderly, in fiscal 2005 too, more than the number of people regard their children to be, making it clear that for elderly people their children are of mental support (Fig. 1-2-5).

Fig. 1-2-1 Number of households with 65 years or older elderly and their percent distribution <classified by structure of household>



Aging—7

- Regarding their patterns of socializing with children and grand children, 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. On the other hand, the share of them who think “Hope to frequent contact with them for meals and dining” is increasing. The number of elderly people who are satisfied with a more remote relationship is increasing compared to the past. (Fig 1-2-8).

Fig 1-2-5 Persons who serve as mental supports (multiple answer)

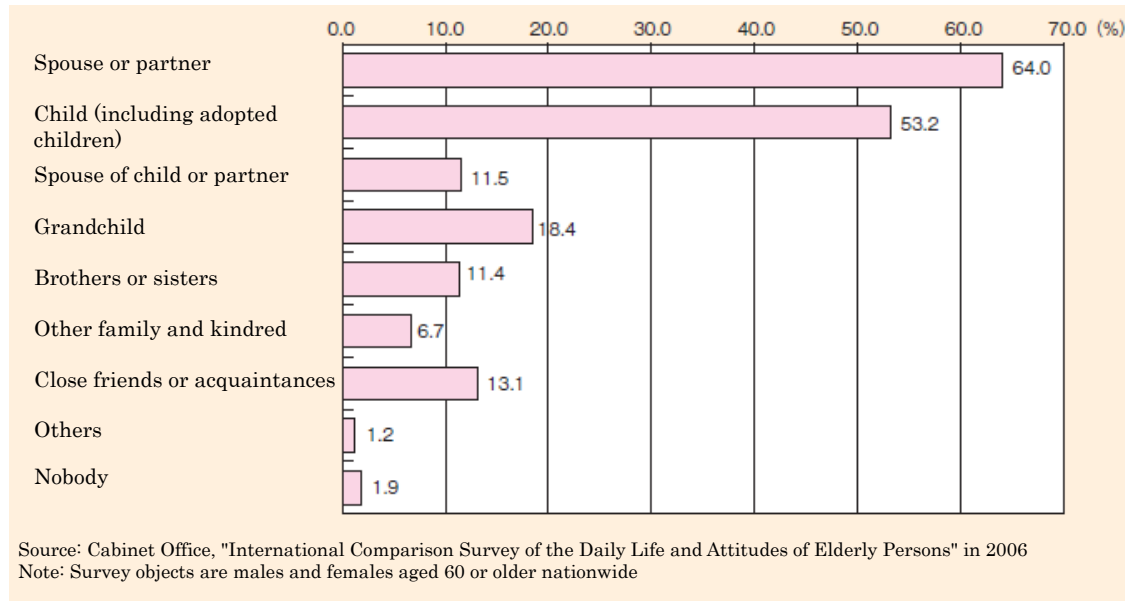
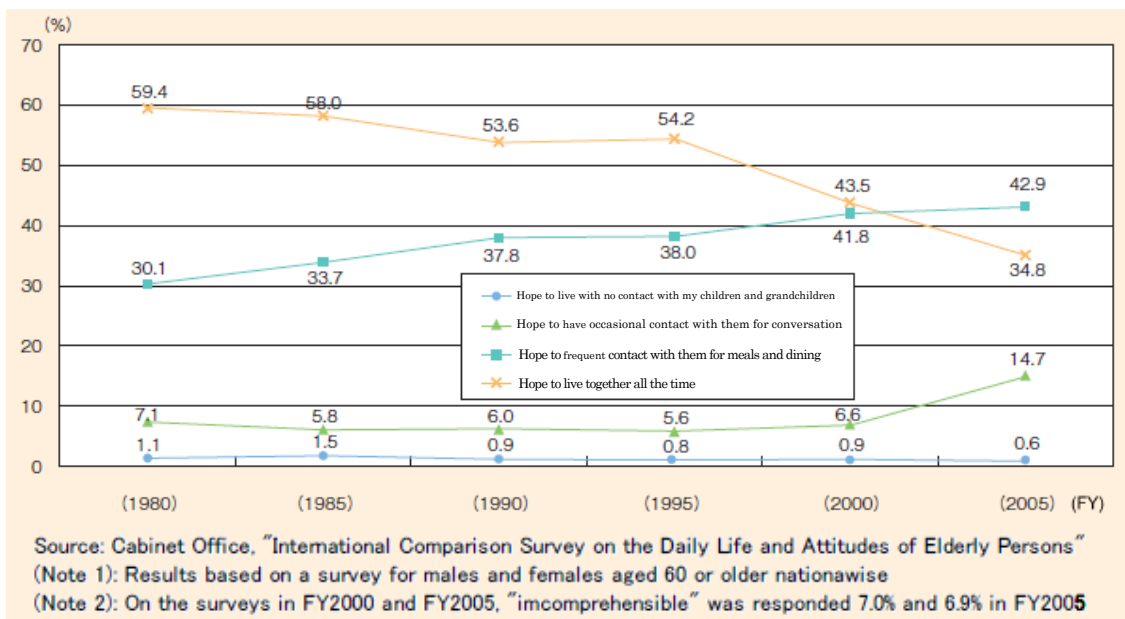


Fig 1-2-7 The Relationship Between the Elderly and their Children and Grandchildren



Financial situation of elderly people

The percentage of elderly people who feel it hard to make a living is less than 30%

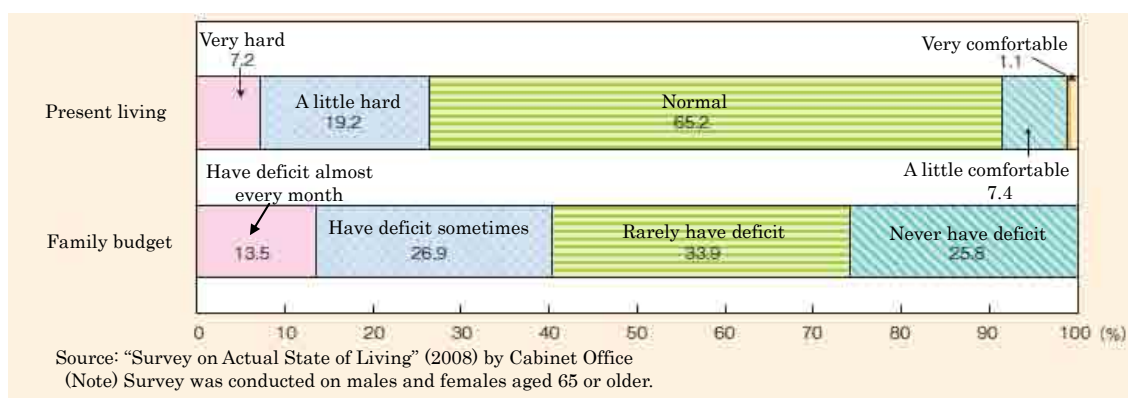
- Regarding the living situations of elderly people, 26.4% of persons feel it “hard” to make a living (total of “very hard” and “a little hard”) is 26.4%, which is more than that of persons (8.5%) who feel it “comfortable” (total of “very comfortable” and “a little comfortable”).

In addition, regarding the situation with the family budget, the percentage of people who answered “have a deficit” (total of “have a deficit almost every month” and “have a deficit sometimes”) is also about 40% (40.4%) (Fig. 1-2-12).

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

- The annual income (average income in 2006) of elderly people’s households (i.e. households composed of only persons aged 65 or older or those with unmarried persons aged 18 or less too) is 3.063 million yen, which is a little higher than half the average income of all households. However, the income per capita of a household is 1.955 million yen because its average number of members is small and thus not that different to that of all households (2.071 million) (Tab. 1-2-13).
- Regarding the change in the number of assisted elderly persons (i.e. persons receiving public assistance), the number of persons aged 65 or older did increase over the 5 years by 168 thousand, with the percentage of assisted persons in the population of 65 or older being 2.25%, which is about three times higher than that of the entire assisted population, i.e. 0.69% (Fig. 1-2-15).

Fig. 1-2-12 Living status of elderly people



Tab. 1-2-13 Incomes of Aged Household

Division	Average income	
	Income per household	Per person in the household (Average number of persons in the household)
Elderly people’s household	Aggregate income	3.063 million yen
	Operational income	0.562 million yen (18.4%)
	Public pension / Pension	2.094 million yen (68.4%)
	Property income	0.230 million yen (7.5%)
	Social security benefits other than pension	0.025 million yen (0.8%)
	Remittance and other incomes	0.152 million yen (5.0%)
All households	Total income	5.668 million yen
		2.071 million yen (2.74)

Source: “Comprehensive Survey of Living Conditions” (2007) by Ministry of Health, Labour and Welfare (Income for one year of 2006 in this survey)

(Note) Elderly household means a household that is composed of persons aged 65 or older only or such with unmarried persons aged less than 18 added.

Aging—9

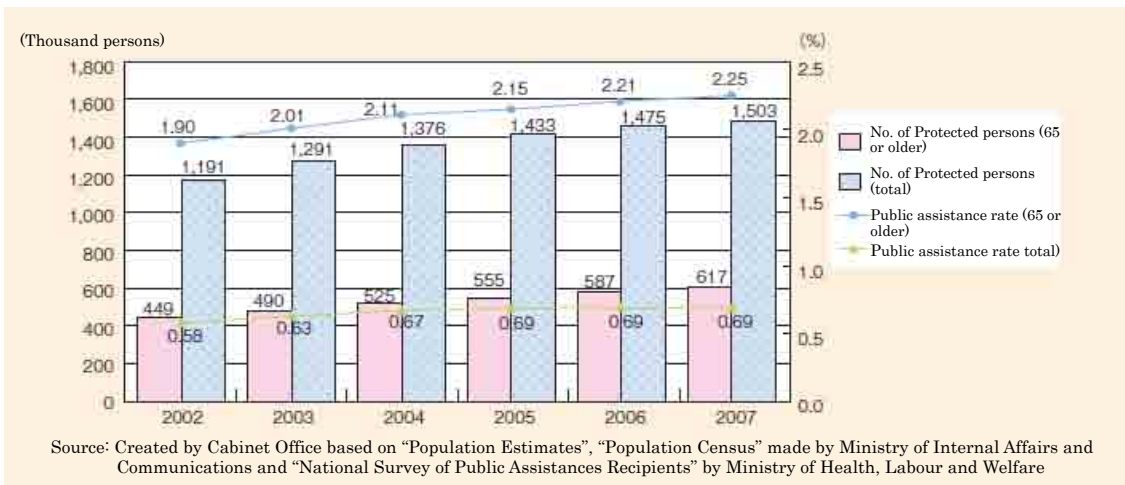
According to a survey in 2005 showing a big income differential among elderly people's households, looking at the situation of income difference for elderly people by Gini coefficient reveals that the income for general households is 0.4252 and elderly people's households, 0.8223. If we look at the situation 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 1-2-17)

Elderly people and health and welfare

From the international point of view, there are comparatively many people in Japan who consider themselves in good health

- Japan has not only the world's longest average life expectancy, but also the longest healthy life span (age when one can live independently and healthily). Comparing elderly people in four countries who consider themselves healthy (United States, Germany, France and South Korea), Japan holds the highest ratio of people who consider themselves health, at 64.4%. The second highest is America, with 61.0%, followed by France, 53.5%, South Korea, 43.2, and Germany 32.9%. (Figure 1-2-25)

Fig 1-2-15 Change in number of assisted persons



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)

Tab. 1-2-17 Situations of income differential of elderly people by Gini coefficient

		General household		Elderly household	
		First income (ten thousand yen)	Disposable income (ten thousand yen)	Redistributed income (ten thousand)	Gini coefficient
		578.2	536.8	370.7	0.8223
			605.8		0.4129
Gini coefficient	Original income	0.4252			
	Redistribution income	0.3618			
	Improvement factor (%)	14.9			49.8

	Improvement factor of Gini coefficient (%)		
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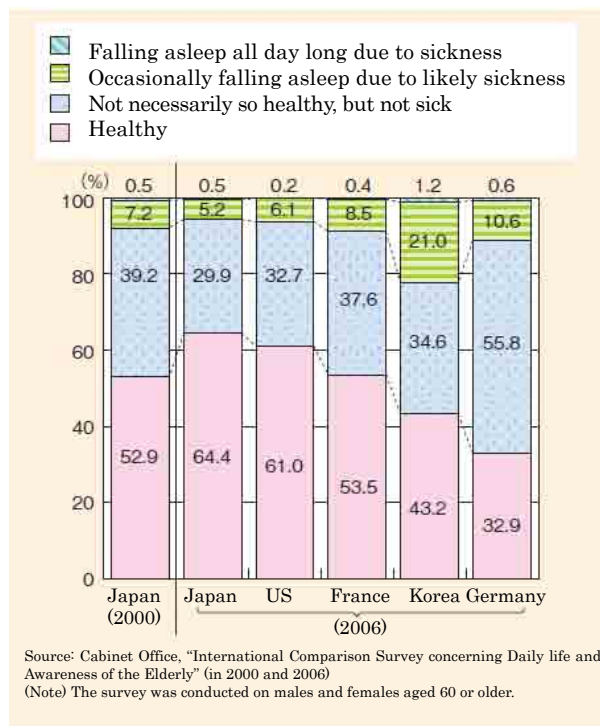
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The rate of elderly people using medical services is high compared to the international standard

- From the results of comparison between the four countries: the United States, Germany, France and South Korea, on how often elderly people use medical services, it can be said that, although there are a lot of people in Japan who think of themselves as healthy compared to other countries, the total ratio of those who use medical services almost every day or about once in a month, occupies a high ratio at 56.8%, along with 56.7% in Korea, showing that the frequency of the use of medical services is higher compared to other countries (Figure 1-2-29)

Fig. 1-2-25 Awareness of the Elderly aged 60 or older of their Health (International comparison)



The number of elderly people who are under condition of need for long-term care is rapidly increasing and it is higher in particular among the elderly aged 75 years or over

- Of those in the long-term care insurance system who are regarded as requiring long-term care or support, the number of aged 65 years or over increased to 4.251 million at the end of the FY 2006, up 1.374 million from the end of FY 2001, accounting for 16.0% of elderly population. (Figure 1-2-30)

○ 1.2% of people aged 65 to 74 are requiring support, and 3.3% of them are requiring long-term care. 6.6% of people aged 75 or over are requiring support, and 21.4% of them are requiring long-term care. Thus, the ratio of those who are under condition of need for long-term care is high in 75 years or over (Figure 1-2-31).

■ Total from nearly everyday to once a month ■ Several times a year ■ Non-utilization

Fig 1-2-29 Situations with utilization of medical services

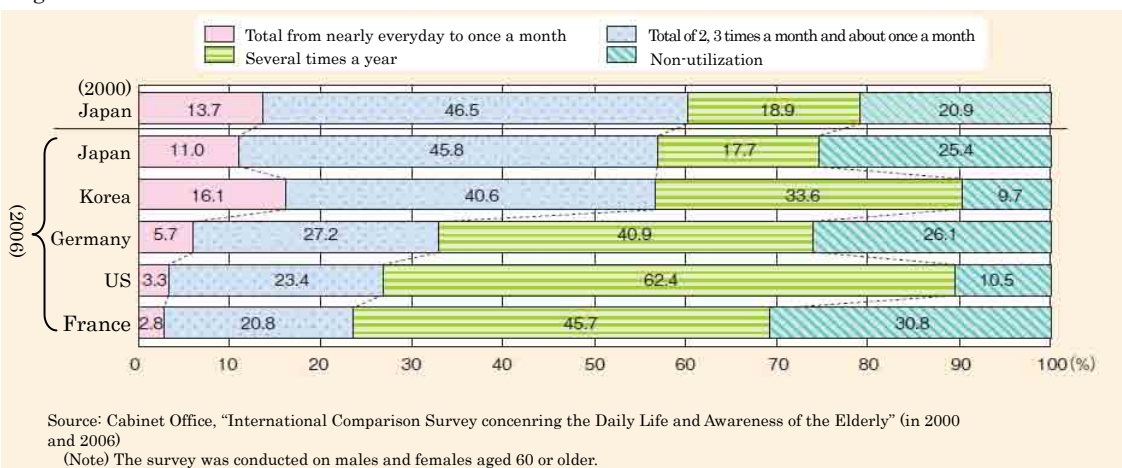
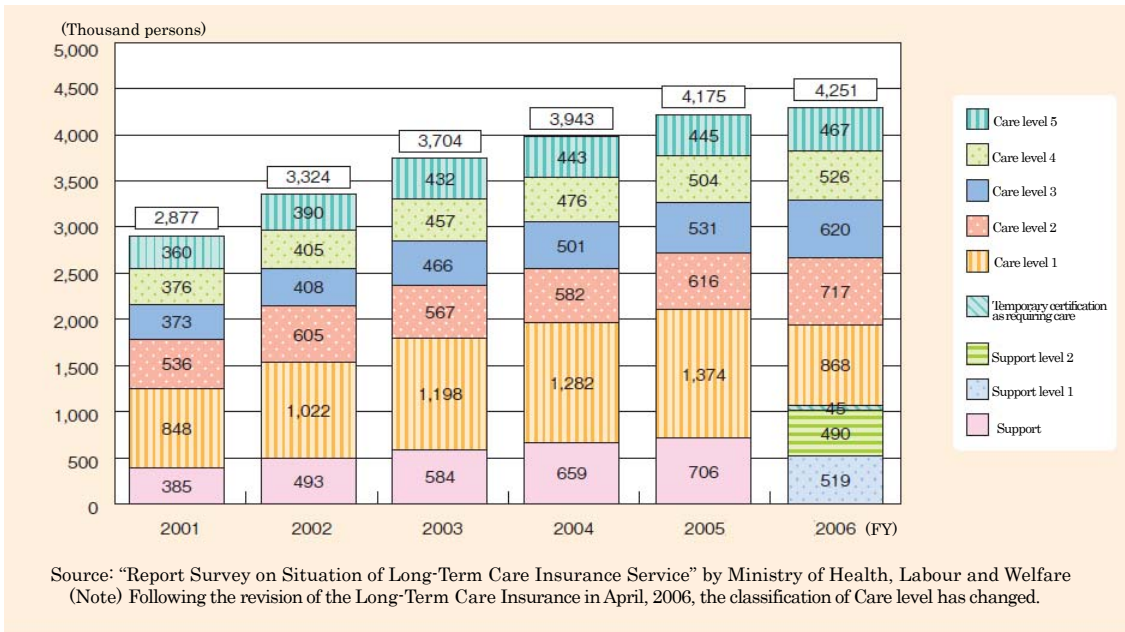


Fig. 1-2-30 Transition in number of Primary Insured Persons(aged 65 or over) requiring Long-Term Care or Support by Care level



Tab. 1-2-31 Situation of "Certification of Needed Long-Term Care" or "Certification of Needed Support" for the younger elderly and older elderly

Unit: thousand persons:
Numbers in parentheses indicate %

Elderly people between 65 & 74 years old		Elderly people 75 years old or over	
Needed Support	Needed Long-Term Care	Needed Support	Needed Long-Term Care
174 (1.2)	480 (3.3)	835 (6.6)	2,717 (21.4)

Reference: Calculated from the Ministry of Health, Labour and Welfare's "Report Survey on Situation of Long-Term Care Insurance Service" of FY 2007, and the Ministry of Internal Affairs and Communications' Population Estimates (figures as of October, 2007).
 (Note) Excluding those received temporary certification as requiring care.