

## II Explanation of Terms

### 1. Different types of coefficients

Engel's coefficient:

Engel's coefficient is the ratio of spending for food (by the use classification) to consumption expenditures.

Ratio of surplus:

Ratio of surplus is the ratio of surplus (amount which subtracted consumption expenditures from disposable income) to disposable income.

Ratio of savings:

Ratio of savings is the ratio of net increase in deposits and insurance to disposable income.

Ratio of net increase in financial assets:

Ratio of net increase in financial assets is the ratio of net increase in financial assets (net increase in deposits, insurance and securities) to disposable income.

Average propensity to consume:

Average propensity to consume is the ratio of consumption expenditures to disposable income.

### 2. Receipts and Disbursements

Receipts and disbursements are categorized in cash and in kind. Regarding in kind items were aggregated only major items separately from in cash until 2017, and it has not been aggregated due to the deletion of the in kind items ("gifts" and "own products") in the household account book since 2018.

### 3. Use Classification and Commodity Classification

Consumption expenditures are classified in two ways, the use classification and the commodity classification. In the use classification, expenses are classified according to their purpose or use. In the commodity classification, they are classified according to the kind of commodities purchased irrespective of their use.

### 4. Household and Household Member

#### (1) Household

A household refers to a group of two-or-more-person sharing a dwelling and living expenses as well as a one-person household (excluding one-person student households, etc. For details, "I Outline: 1. Coverage of the survey")

By occupation of household head, who is a main earner in the household, the households are classified as follows:

All Households

Workers' Households

No-occupation Households

Other Households

Workers' Households refer to households whose heads are employed as clerks or wage earners by public or private enterprises, such as government offices, private companies, factories, schools, hospitals, shops, etc.: No-occupation Households refer to households whose heads have no occupation: Other Households refer to those other than Workers' Households and No-occupation Households.

For Other Households, receipts are not surveyed except for yearly income. Consequently, for All Households and Other Households, only disbursements and yearly income are given in the tables.

#### (2) Household Members

A household is composed of a household head and his or her family members. Relatives, main living-in business employees and household maids are considered as household members if they share living expenses.

Accordingly, household members living in separate houses or lodgers maintaining separate budgets are excluded from the household members.

### **(3) Characteristics of Households**

Households are classified by occupation, industry and size of enterprise of their household head.

Classifications by size of enterprise are based on the number of regular employees.

#### **Family Composition**

Households are classified according to their composition with regard to the relationship of household members to their household heads.

Examples are as follows:

- \* Married couple or married couple and unmarried children only
- \* Mother and children under 20 years old
- \* One parent and married couple with or without unmarried grandchildren

### **5. Adjusted number of tabulated household**

As the allocation of sample households is optimized to raise the efficiency of field operation of the survey, the sampling ratio is different for each strata. For example, the sampling ratio of ku-areas (ward) of Tokyo is 1/5805 on the basis of the results of the 2015 population census, while the strata (municipalities) with the largest sampling ratio is 1/498. Ignoring those differences in tabulation causes that the situation of the area that has smaller sampling ratio like Tokyo metropolitan area is not adequately reflected in the figures of the statistical tables. So that the statistical tables are made with weights (They are called “adjustment coefficient”.) which are calculated for each strata. “Adjusted number of tabulated household” is the total of the weights.

### **6. Distribution of Households**

Distribution of households refers to the adjusted number of tabulated households expressed in per 10,000 households or per 100,000 households.

The number of households is multiplied by coefficients proportionate to the reciprocals of the sampling ratios so as to obtain unbiased estimates.

### **7. Yearly Income Groups, Quintile Groups and Decile Groups**

The yearly income is the income of the past twelve months when the survey for each household begins. The money income is the money income of each survey month (including tax) and surveyed only for workers' households and no-occupation households.

Quintile groups mean the five equally divided groups in terms of the number of households, after arranging them in order of the yearly income (Yearly Income Quintile Groups) or the money income (Money Income Quintile Groups). They are referred to as Groups I, II, III, IV and V in order from low yearly income group (or low money income group). Decile groups are 10 groups divided similarly to Quintile groups.

### **8. Tenure of Dwelling**

The tenure of dwelling is classified in the following four categories with respect to households living in type of dwellings. The receipts and disbursements per household living in the rented room are not specified in the statistical tables but included in the total average figures.

- (i) Owned house: house owned by a household living there.
- (ii) Privately-owned rented house: house rented to a household living there other than a publicly-owned rented house or an issued house.
- (iii) Publicly-owned rented house: house rented to a household living there, which is owned by the local government, by Urban Renaissance Agency or a public corporation.
- (iv) Issued house: house owned by a company, private organization or the government and issued to an employee and his or her household for the convenience of his or her service or as a partial payment of his or her wages, irrespective of whether the rent is actually paid or not.