

## II Explanation of Terms

### 1. Savings

Savings is the sum of savings in financial institutions and in non-financial institutions.

The former refers to deposits in Japan Post Bank, Organization for Postal Savings, Postal Life Insurance and Post Office Network, banks and other financial institutions (commercial banks, etc.), premiums of life insurance and maturity-refund-type non-life insurance (total premiums paid since purchase of policies), as well as securities such as stocks, bonds, investment trusts, money in trusts: Stocks and investment trusts are valued at market prices at the time of the survey, and bonds, loan trusts and money in trusts at face value.

The latter includes deposits in one's own companies, savings at mutual aid societies of one's place of employment and the like.

Savings include those of all household members. Savings of the households engaged in unincorporated business include accounts both for household and for business.

#### (1) Deposits in financial institutions, etc.

##### ① Demand deposits:

Ordinary deposits in Japan Post Bank, and ordinary deposits, current accounts, deposits at notice and deposits for tax payment in banks and other financial institutions (credit associations, credit cooperatives, labour credit associations, the Central Co-operative Bank for Commerce and Industry, agricultural and fishery cooperatives, etc.)

##### ② Time deposits:

Fixed amount deposits, time deposits savings and installment savings in Japan Post Bank and Organization for Postal Savings, Postal Life Insurance and Post Office Network, as well as various types of time deposits, installment time deposits, etc. in banks and other financial institutions

##### ③ Life insurance & non-life insurance:

Savings-type life insurance of life insurance companies, non-life insurance of non-life insurance companies (which refers, of fire and personal

accident insurance, to savings-type insurance in which maturity-refund is paid on maturity), mutual relief for the aged managed by agricultural cooperatives, and postal life insurance, etc. handled by Organization for Postal Savings, Postal Life Insurance and Post Office Network.

##### ④ Securities:

Stocks, stock investment trusts, bonds, etc. The kinds of bonds are public bonds and corporate bonds. Public bonds include government bonds, local governments bonds, etc. Corporate Bonds include bonds issued by financial institutions such as a bank and by corporations.

#### (2) Deposits in non-financial institutions:

Deposits in one's own companies, deposits at mutual aid associations of one's own place of employment and the like.

Savings under mattresses is not included.

#### (3) (Regrouped) Savings for annuity:

Private annuity of life insurance companies, savings under asset-building pension scheme, private pension trusts, pension products (former post-office annuity) of postal life insurance.

Neither public pension plan (employee pension and national pension) nor corporate pension plan is included.

#### (4) (Regrouped) Foreign currency deposits and foreign bonds:

Foreign currency deposits such as dollar-denominated ones, foreign currency bonds, foreign stocks, foreign currency investment trusts, and foreign currency life insurance.

Yen-denominated foreign bonds and investment trusts issued by foreign institutes are not included, but dual-currency products (dual-currency bonds, reverse dual-currency bonds, etc.) are included.

## 2. Liabilities

Liabilities is the sum of borrowings from (a) financial institutions such as Japan Post Bank, Organization for Postal Savings, Postal Life Insurance and Post Office Network, life insurance companies, and Japan Housing Finance Agency (Former Housing Loan Corporation), from (b) non-financial institutions such as companies of one's own employment, mutual aid associations, relatives and acquaintances, and in the form of outstanding balance of monthly or yearly installments.

Liabilities include those of all household members. Liabilities of the households engaged in unincorporated business include accounts both for household and for business.

### (1) Liabilities for purchase of houses and/or land:

The balance of borrowing for buying, building, rebuilding and/or extending (including repairing) houses and/or for buying land

### (2) Liabilities other than purchase of houses and/or land:

The balance of borrowing for living, starting and/or operating business, etc., excluding (3) monthly & yearly installments

[Parties borrowed from]

Public financial institutions:

Japan Housing Finance Agency, Urban Renaissance Agency, Housing Supply Corporations, Japan Finance Corporations (Former National Life Finance Corporation, etc.), Organization for Postal Savings, Postal Life Insurance and Post Office Network.

Private financial institutions:

Banks, Credit Associations, Agricultural Cooperatives, Labour Bank, The Shoko Chukin Bank, Life Insurance Companies, Non-life Insurance Companies, etc. Japan Post Bank and Japan Post Insurance are included.

Others:

In-house Corporate Loans to employees, Mutual Aid Associations at the place of employment, Consumer Loans, Consumer Credit Company, Pawnshops, Relatives/Acquaintances, etc.

### (3) Monthly & yearly installments:

The outstanding balance of monthly or yearly installments for the purchase of automobiles, electronic appliances, clothes, etc.

## 3. Receipts and Disbursements

Receipts and disbursements are categorized in cash and in kind. Receipts and disbursements are given mainly in cash in the Family Income and Expenditure Survey.

## 4. 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.

## 5. 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.)

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 member**

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 household**

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

## **6. 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 1/5936 on the basis of the results of the 2020 population census, while the strata (municipalities) with the largest sampling ratio is 1/486. 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.

## **7. Distribution of households**

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

## **8. Yearly income groups, Quintile groups and Decile groups**

The yearly income is the income of the past twelve months at the first month after the survey.

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.

## **9. Quintile groups of amount of savings**

Quintile groups of amount of savings mean the five equally divided groups in terms of the number of households except for unknown savings, after arranging them in order of the savings (Savings Quintile Groups).

## **10. 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 a issued house.
- (iii) Publicly-owned rented house: house rented to a household living there, which is owned by the local government, 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.