

Great Centenarians

〈The Oldest Person〉

Man 112 years old (lives in Kyoto Prefecture, P13 map No.26)

Woman 114 years old (lives in Okinawa Prefecture, P13 map No.47)

Source: Ministry of Health, *Labour and Welfare*, 2009



Tame Moriya
(Born in 1904)

Ms. Tame Moriya has a habit of saying “Don’t worry! Whatever will be will be!”

It is admirable she came out of breast cancer surgery under general anesthetic when she was 101 years old.

She still shares cooking lunch and dinner. Also, she enjoys meeting with her new centenarian friend.

From a series of “HYAKU-SAI-OH (Great Centenarians)”
photographed by Shoichi Ono

These are photos of older people aged 100 and over who live in an exotic port city Yokohama.
956 centenarians live in Yokohama as of January 1, 2009.

Economic Status

6.

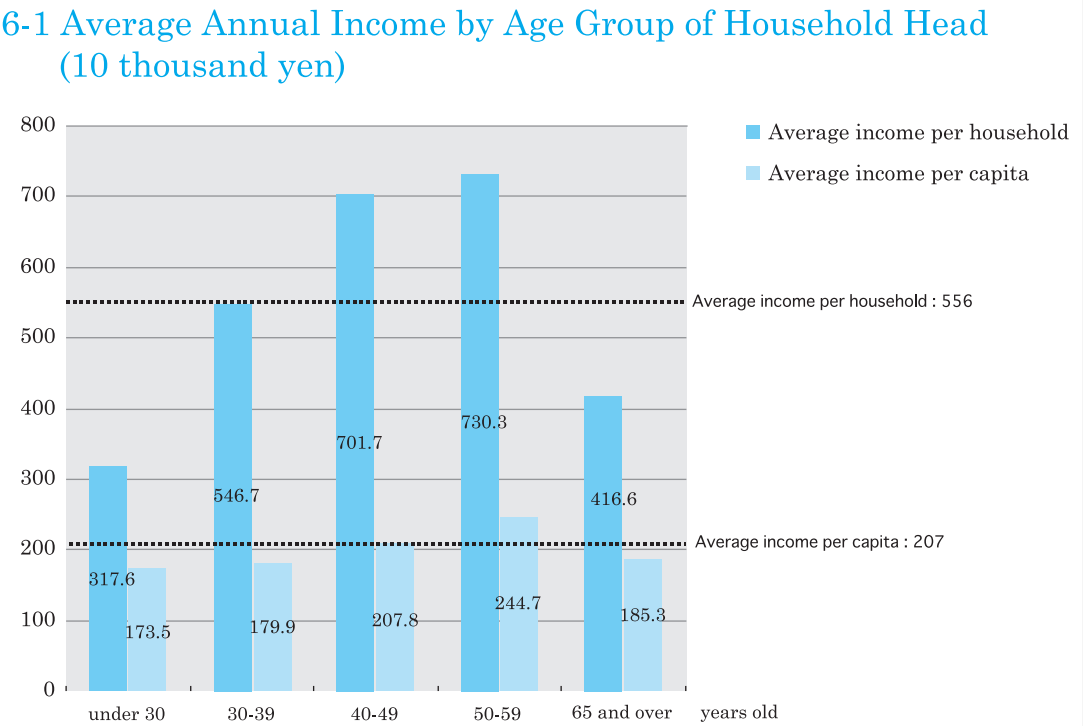
Economic Status

Standard
of
Living

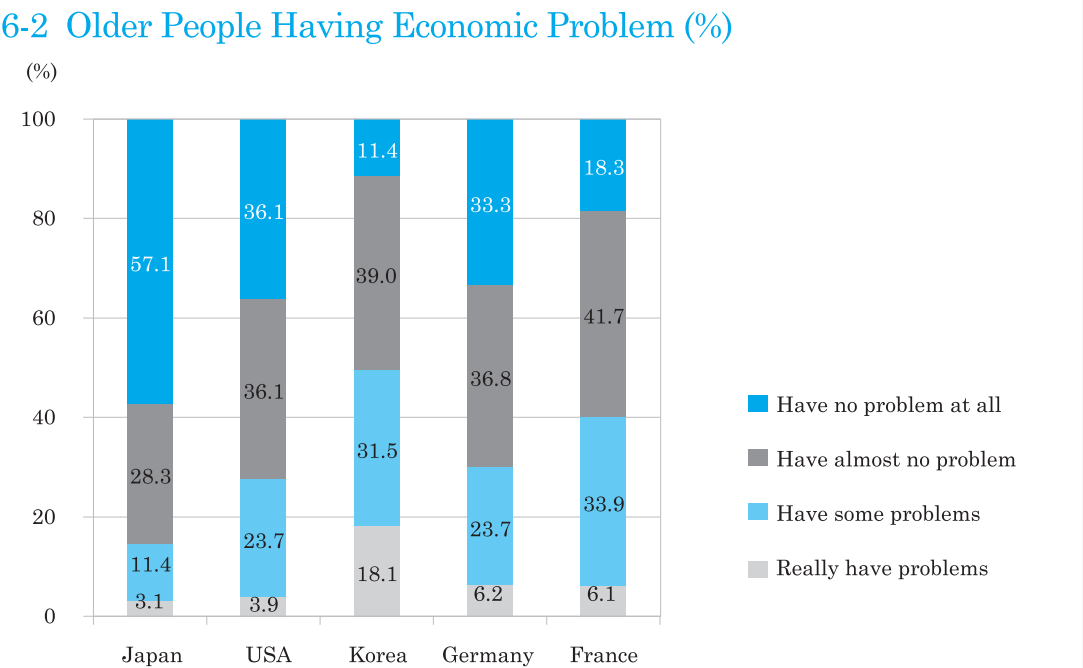
On average, Japanese older people are economically comfortable with decent incomes, substantial savings, high rates of home ownership.

The average annual income of households headed by the elderly is 4.17 million yen, much less than 5.56 million yen, average income of all households. However, this gap is misleading. Because elderly headed households are much smaller than average households, incomes per each member of the household are fairly similar, 1.85 million yen in elderly headed households vs. 2.07 million yen in all households. (6-1)

According to an international survey carried out in 2005, Japanese older people are much less likely than their counterparts in the US, Germany, France and Korea to see themselves as having economic problems in their daily lives. (6-2)



Ministry of Health, Labour and Welfare,
Comprehensive Survey of Living Conditions of the People on Health and Welfare, 2008



Cabinet Office, *The 6th International Survey on Living and Consciousness of Senior Citizens*, 2005

Household Economy and Income Disparity

The relative standard of living of elderly headed households is higher than indicated by income statistics alone due to high rates of savings.

Elderly headed households have higher cash savings than average households — 13.3 million yen vs. 11.4 million yen. ^{*5} It is estimated that some 60% of all household savings in Japan is held by households headed by people aged 60 and over. (6-3)

Since many older people have paid off their mortgages, they can use their savings for their household expenses.

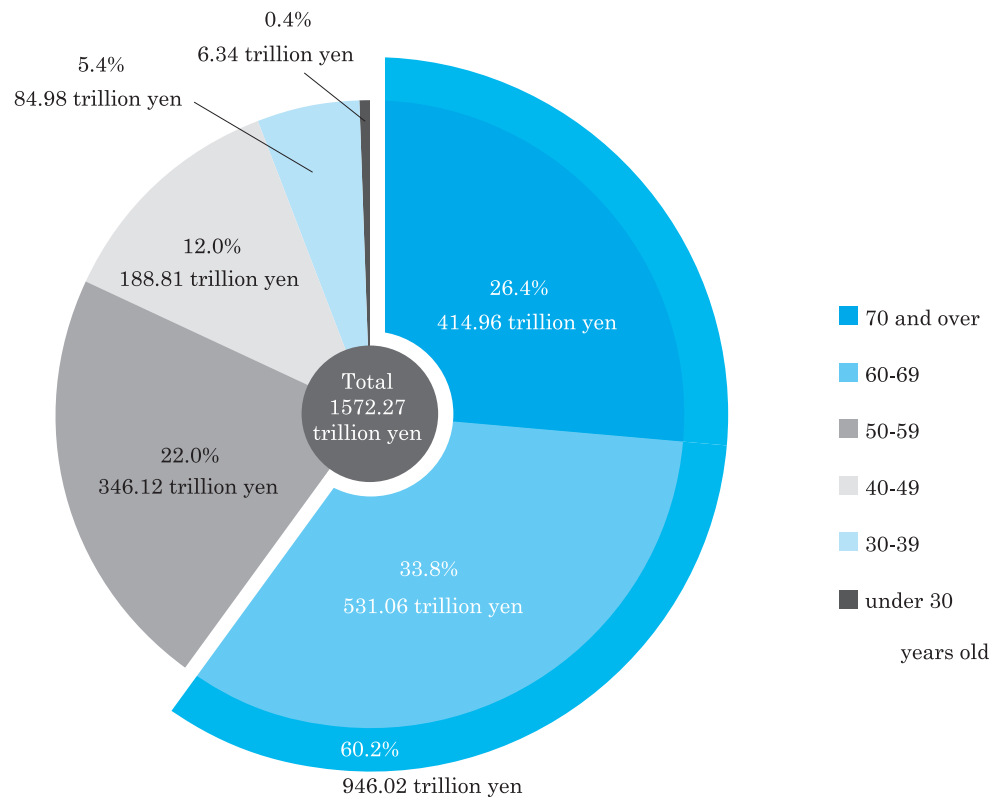
Moreover, elderly households are treated favorably by the government in paying social insurance premiums and other fees. For example, when receiving medical care, elder people aged 70 and over have a 10% co-payment, compared to 30% for the general population. (People aged 70 and over with high income, however, pay 30%.)

While older persons or elderly headed households in general are relatively well off, they are balanced by many who struggle on minimal incomes and no savings in inadequate housing.

In 2006, for the first time, over half the people receiving public assistance were age 60 and over; the rate of receiving public assistance was 2.0% for 65 and over age group compared with 1.2% total. ^{*6} A substantial proportion of people who subsist mainly on the basic retirement pension—older couples and especially single older women—get by on incomes that are marginal at best.

^{*5} Ministry of Health, Labour and Welfare, *Comprehensive Survey of Living Conditions of the People on Health and Welfare*, 2007
^{*6} Ministry of Health, Labour and Welfare, *Report on National Survey of Public Assistances Recipient*, 2007.

6-3 Amount of Household Savings by Age Group of Household Head (trillion yen, %)



Ministry of Internal Affairs and Communications, *Family Income and Expenditure Survey*, 2007
Cabinet Office, *System of National Accounts*, 2006

Sources of Income

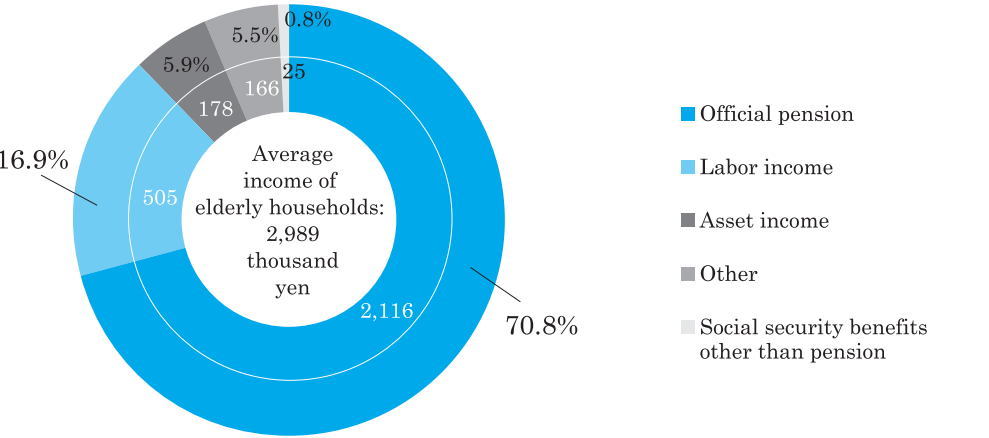
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Japanese older people derive most of their income from public pensions and from employment. (6-4)

Public pensions comprise fully 70% of elderly household (households consisting of persons aged 65 and over, with or without unmarried dependents under age 18) income. In fact, 61% of elderly households who receive pensions have no other source of income. (6-5)

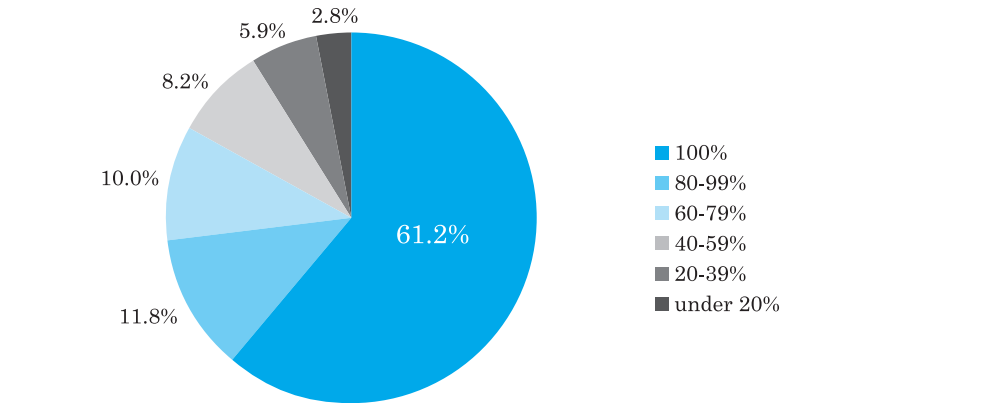
Due to their high levels of employment, almost 30% of men aged 65 and over are in the labor force, much higher than European countries and even USA. Japanese women too lead the world in labor force participation as well as American women. (6-6) As a result, wages and salaries account for over 1/6 of the income of elderly households.

6-4 Income Distribution of Elderly Households (thousand yen, %)



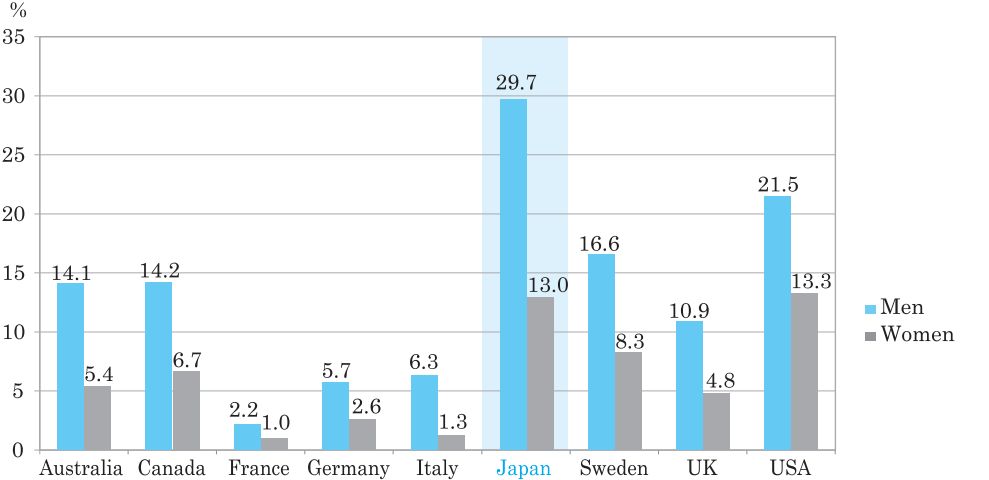
Ministry of Health, Labour and Welfare, *Comprehensive Survey of Living Conditions of the People on Health and Welfare*, 2008

6-5 Public Pensions in the Total Annual Income of Elderly Households (%)



Ministry of Health, Labour and Welfare, *Comprehensive Survey of Living Conditions of the People on Health and Welfare*, 2008

6-6 Labor Force Participation Rates of 65 and Over by Sex (%)



OECD, *Stat Extracts*, 2008

Sources of Income 2

Other income sources (interest, dividends, rents, etc.) are relatively minor. Most savings are in very low-interest bank accounts or insurance. However, older people do withdraw funds from their savings—a financial resource that does not show up in the income statistics above. In fact, elderly headed households in which someone is working continue to save money, but elderly headed households that do not contain a worker take an average of 42,000 yen a month from their savings. (6-7)

Finally, the “other” category in 6-4 is only 5.5% of total income. It has three categories: (1) individual pension plans (the so-called “Japanese-style 401K” system was established too recently to have an effect); (2) corporate pensions, which many employees receive, but mostly as lump-sum retirement bonuses rather than annuities so they do not appear as income, and (3) financial support from children, once a mainstay of older people’s income but now rather trivial.

6-7 Income and Expenditure of Households (yen)

	Working households		Non-working households	
	Whole	Elderly headed households	Whole	Elderly headed households
Income	486,805	342,850	176,753	187,974
Expenditure	375,371	307,843	231,482	229,844
Surplus (Income less expenditure = Disposable income less consumption)	111,434	35,007	△ 54,729	△ 41,870

Ministry of Internal Affairs and Communications, *Family Income and Expenditure Survey*, 2008