

Research notes

Findings from the Results of the “NHK/JILPT Joint Survey on Lifestyles and Attitudes”

The Japan Institute for Labour Policy and Training (JILPT) conducted a joint survey with Japan Broadcasting Corporation (NHK) on lifestyles and attitudes to grasp the state of peoples' lives, their image of the “middle-class,” and attitudes to society. High percentages of respondents, with or without a spouse, set the necessary annual income for what they consider a “middle-class life” as “more than 6 million yen.” When asked about their actual standard of living, more than half of the respondents answered that they are “living lower than a middle-class life.” Less than 40% of respondents indicated “I cannot be more financially affluent than my parents” and indicated a negative response to the idea of “anyone can become affluent as long as they work hard.” The survey was conducted among registered monitors of a survey company targeting men and women between the ages of 20 and 69, with a total of 5,370 valid responses. For details, see “Outline of the survey” at the end of this report. The following is the key findings from the first aggregation of the survey.

1. Image of “middle-class life”
2. Class identification in relation to living standards
3. Current standard of living
4. Prospects for future living conditions
5. The ideal way of working and earning a living, and conditions to realize it
6. Perceptions of equal opportunity
7. Most important condition for living a better life
8. Whether or not they think they can be more affluent than their parents

1. Image of “middle-class life”

Different people have different definitions of what “middle class” means. This survey aims to grasp people's perceptions of “middle class” and how they live by asking respondents about the necessary annual income and conditions required for living an imaged “middle-class life” and whether they think they are living an imaged “middle-class life.”

(1) Annual income required for an imaged “middle-class life”

To live an imaged “middle-class life,” how much annual income would be needed at least? The survey asked those with a spouse about their combined annual income, and those without a spouse about their individual annual income, in seven ranges from “more than 2 million yen” to “more than 20 million yen” (Figure 1). The responses by those with a spouse were concentrated between the options of “more than 6 million yen” and “more than 8 million yen,” while the responses by those without a spouse were concentrated between “more than 4 million yen” and “more than 6 million yen.” The percentage of responses of “more than 6 million yen” was the highest in both groups. There was a trend for females to choose a lower annual group for class, and the higher the educational attainment was, the higher the necessary annual income they set. There was also a trend for those with a spouse to set the required annual income as higher as the age group increased. In contrast, no trend in age group was seen in respondents without a spouse.

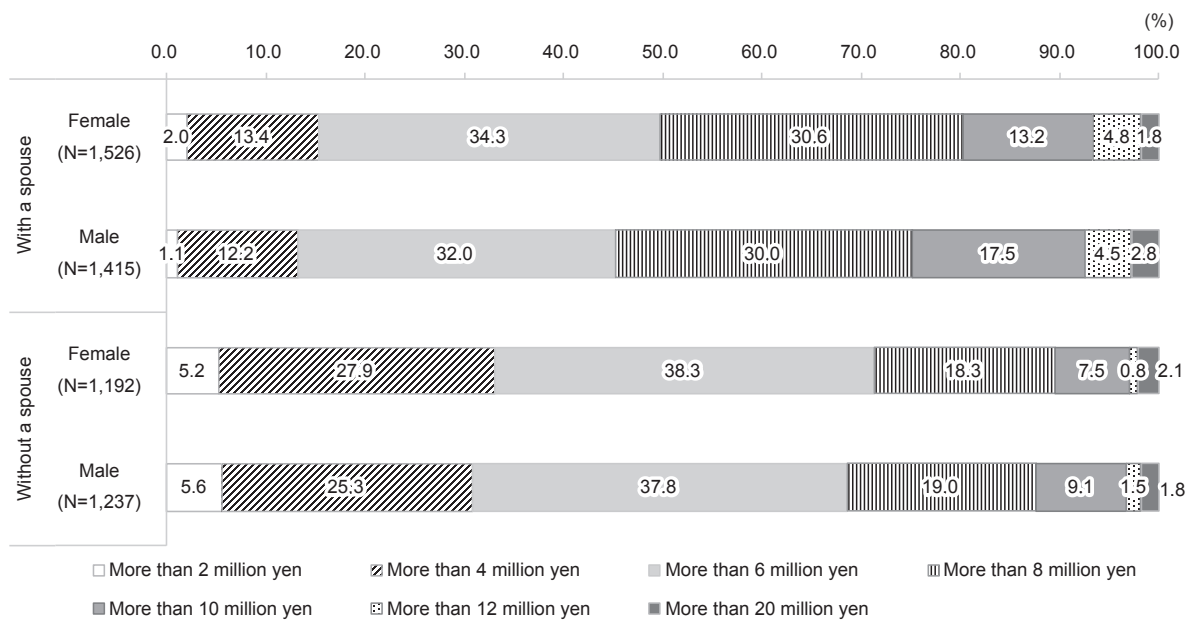


Figure 1. Annual income required to live an imagined “middle-class life” by gender and marital status (with or without a spouse)

	Gender		Educational attainment		
	Female	Male	High school graduates or below	Vocational technical school/Junior college graduates	University/ Graduate school graduates
	(%)				
Head of household is working as a regular employee	66.2	59.7	58.2	64.0	66.9
Living in your own house	64.8	57.5	63.2	61.6	59.3
Having your own car	62.8	56.0	59.1	61.1	58.8
Married and having a child	47.4	48.1	44.1	46.7	52.3
Able to go on a trip to your favorite place more than once a year	54.5	42.7	44.8	49.9	51.5
Can let your child get the higher education	50.7	41.1	37.2	45.7	54.7
Have a good prospect of funding your retirement	52.1	42.3	45.1	48.0	48.8
Can afford to spend money for your hobby	55.9	49.7	49.8	54.9	54.4
No need to worry about monthly living expenses in detail	46.8	36.7	39.8	43.6	42.6
Can eat out when I want to	47.7	35.9	38.2	44.7	43.0
Others	1.1	1.4	1.6	1.3	0.9
Sample size	2,718	2,652	1,808	1,548	1,977

Figure 2. Conditions for an imagined “middle-class life” by gender and educational attainment (multiple answers)

(2) Conditions for an imaged “middle-class life” (multiple answers)

When asked about the conditions for an imagined “middle-class life” by using 11 options shown in Figure 2 with multiple choices. Among 11 options, “the head of household is working as a regular

employee” (63.0%) was the most frequent response, followed by “living one’s own house” (61.2%), and “having one’s own car” (59.5%). In comparison to males, females chose a higher percentage for most options. With higher educational attainment, the options that they chose became higher, for example,

“the head of household is a regular employee,” “married and raising children,” and “able to provide higher education for children,” while the percentage who selected “living in one’s own house” decreased. Respondents in their 20s chose “living in one’s own house” and “having one’s own car” as conditions less frequently in comparison to other age groups.

(3) Living an imagined “middle-class life” or not

When asked whether they live an imagined “middle-class life,” more than half (55.7%) responded that they were “living below a middle-class life,”

while 5.9% responded that they were “living above a middle-class life” (Figure 3). The percentage of respondents without a spouse who chose “living above a middle-class life” was lower than that with a spouse, and the percentage of respondents without a spouse who chose “living below a middle-class life” was higher than that with a spouse. As the educational attainment increased, the percentage of respondents who chose “living above a middle-class life” increased, and a low percentage responded that they were “living below a middle-class life” (Figure 4).

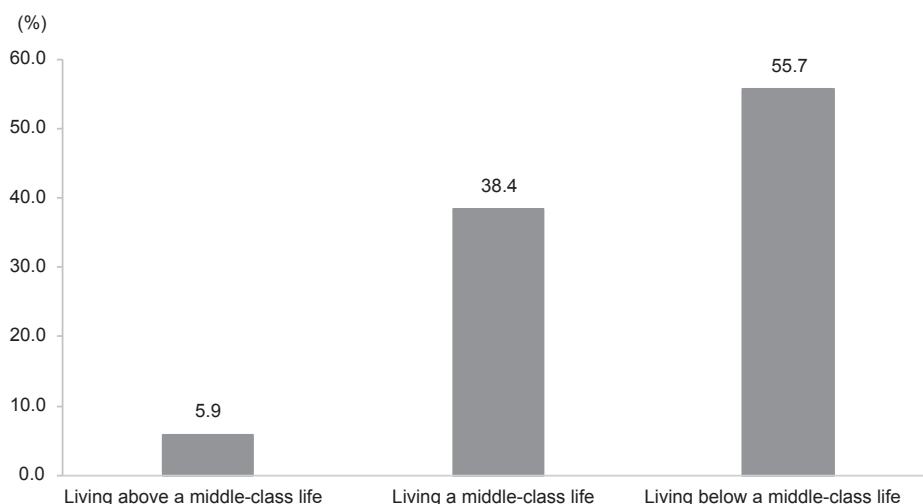


Figure 3. Whether they are living an imagined “middle-class life”

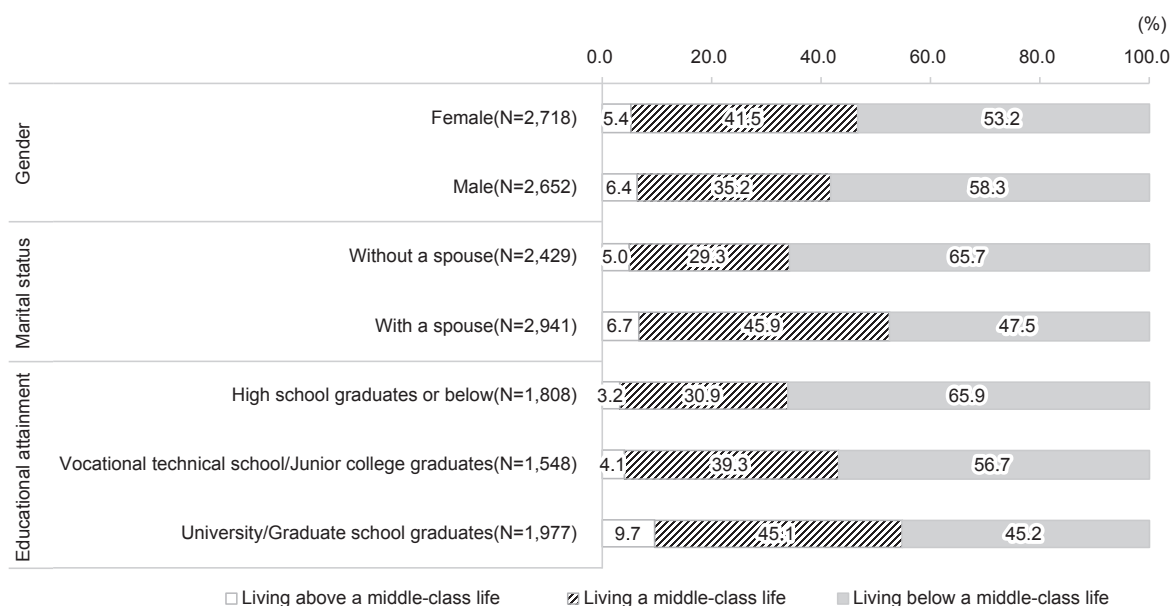


Figure 4. Whether they are living an imagined “middle-class life” by gender, marital status (with or without a spouse), and educational attainment

2. Class identification in relation to living standards

The survey asked the targets about their class identification in relation to living standards.¹ When asked which of tiers their standard of living should be categorized as from six options (“upper,” “upper-middle,” “lower-middle,” “upper-lower,” “lower-lower” classes, and “do not know”), 53.4% of males, 57.0% of females, and 55.3% of the total indicated that they were in the middle-class group (“upper-middle” and “lower-middle”) (Figures 5 and 6). A higher percentage of respondents with a spouse

indicated that they were in the middle-class group, and a low percentage of respondents with a spouse indicated that they were in the lower-class group (“upper-lower” and “lower-lower”). As the educational attainment increased, the percentage of respondents who indicated that they were in the middle-class group increased and the percentage of respondents who indicated that they were in the lower-class group decreased. As for respondents in their 20s and 40s, a lower percentage indicated that they were in the middle-class group in comparison to other age groups, and a higher percentage indicated they were in the lower-class group (figure omitted).

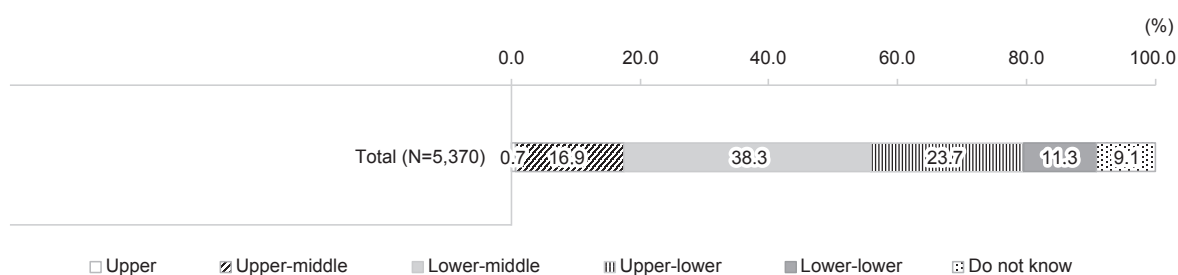


Figure 5. Distribution of class identification in relation to living standards

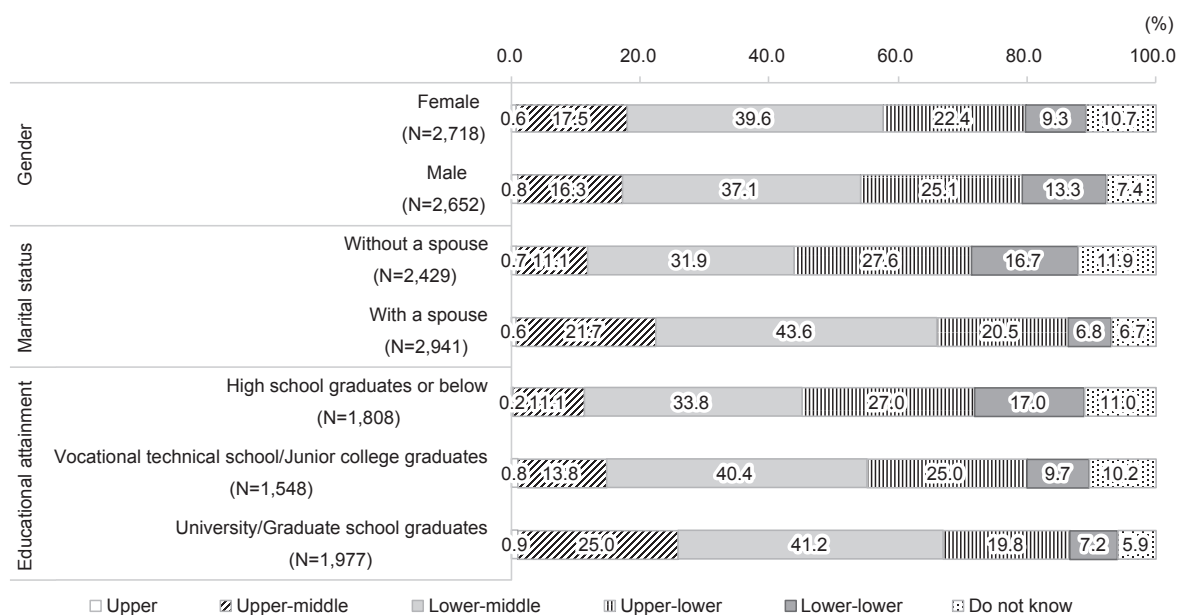


Figure 6. Distribution of class identification in relation to living standards by gender, marital status (with or without a spouse), and educational attainment

3. Current standard of living

When the survey targets were asked how they feel about their current standard of living, 3.1% responded “I can afford to live quite well,” and 40.2% responded “I can afford to live well to some extent.” On the other hand, 41.8% responded “I cannot afford to live well to some extent,” and 14.9% responded “I cannot afford to live well at all.” Accordingly, more than half (56.7%) of the total respondents answered they cannot afford to live well (total of “to some extent” and “at all”) (Figure 7). As the educational attainment decreased, the percentage of respondents who indicated that they cannot afford to live well increased (figures omitted for the results by attribute in Figures 7 through 14). The percentage of respondents who indicated that they cannot afford to live well was 61.5% in the 40-49 age group and 60.7% in the 50-59 age group, which were higher in comparison to other age groups. Regarding the type of employment, the percentage of respondents who indicated that they cannot afford to live well was highest among non-regular employee/freelance (64.2%), and the lowest among managers and executives of companies (36.1%). With regard to the annual income group, as the annual income decreased, the percentage of respondents who indicated that they cannot afford to live well increased.

4. Prospects for future living conditions

When asked about the prospects for their own living conditions in the future, 9.6% responded “life will be better than now,” 53.2% responded “I can maintain my current lifestyle,” and 37.2% responded “life will be worse than now” (Figure 8). By type of employment, the percentage who indicated “life will be better than now” was the lowest among the non-regular employee/freelance group, followed by the jobless. The percentage who indicated “life will be worse than now” was the highest among the jobless, followed by non-regular employee/freelance. By annual income group, as the annual income decreased, the percentage who indicated “life will be worse than now” increased.

5. The ideal way of working and earning a living, and conditions to realize it

When asked how they think they ideally work and earn a living, the highest percentage (50.5%) indicated “continue working at the same company for a long time (lifetime employment)” (Figure 9). The percentage tended to increase in higher age groups. On the other hand, the percentages who indicated “continue choosing a light burden job regardless of income” and “living on unearned income from investments, etc., while working as

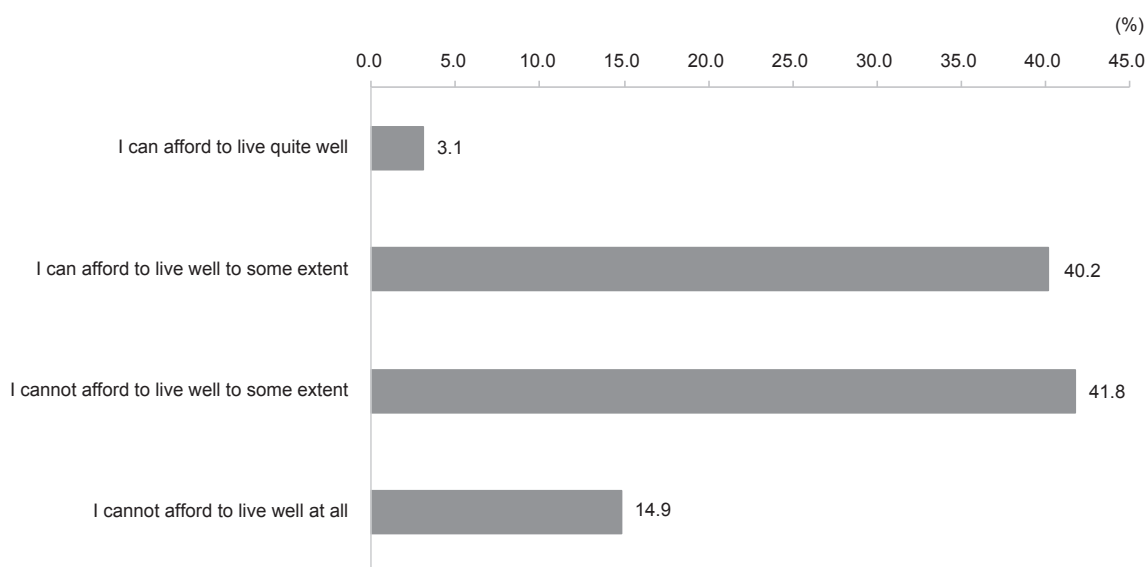


Figure 7. The way they feel about their current standard of living

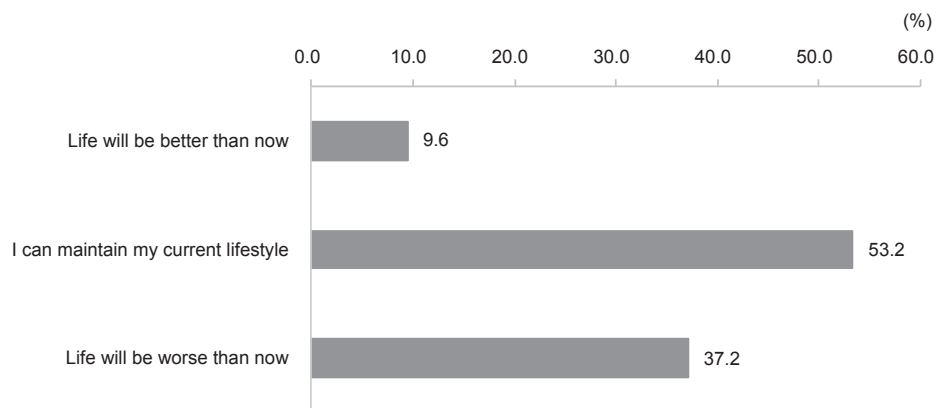


Figure 8. Prospects for future living conditions



Figure 9. The ideal way of working and earning a living

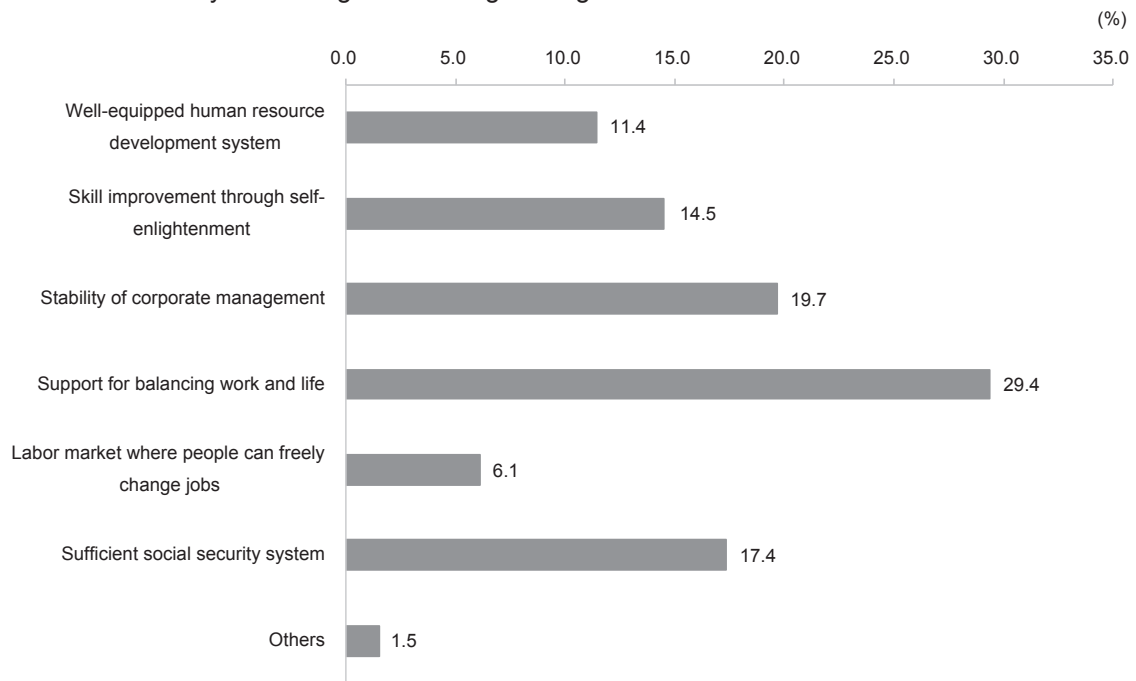


Figure 10. Most necessary thing they think to realize an ideal way of working

little as possible” tended to be higher in the lower age group. The most necessary thing to realize an ideal way of working was “support for balancing work and life” (29.4%), followed by “stability of corporate management” (19.7%) and “sufficient social security system” (17.4%) (Figure 10).

6. Perceptions of equal opportunity

The survey asked if they think “anyone can become affluent in Japan as long as they worked hard” to grasp their perceptions of equal opportunity. The responses, in order of frequency, were “somewhat disagree” (47.7%), “somewhat agree” (31.5%), “strongly disagree” (17.9%) and “strongly agree” (3.0%)

(3.0%). The percentage who indicated that they disagreed (total of “somewhat disagree” and “strongly disagree”) was 65.6%, indicating that two-thirds of respondents did not think that they could become affluent even if they worked hard (Figure 11). The total number of respondents who indicated that they disagreed was higher among those in their late 40s and among the lower annual income group.

7. Most important condition for living a better life

When asked about the most important condition for living a better life, the responses were “work hard” (46.1%), “getting a good education” (16.7%),

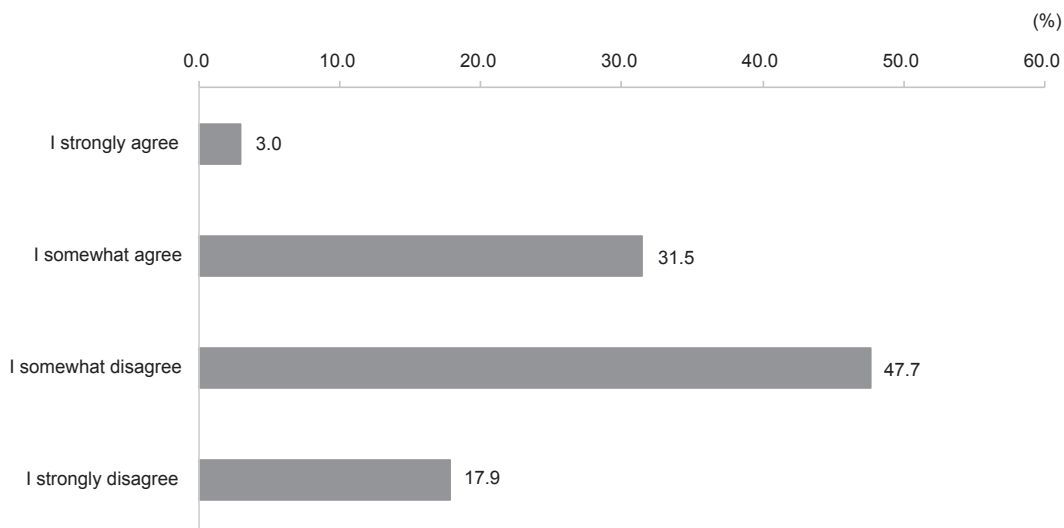


Figure 11. Whether they think that anyone can become affluent in Japan as long as they work hard (perceptions of equal opportunity)

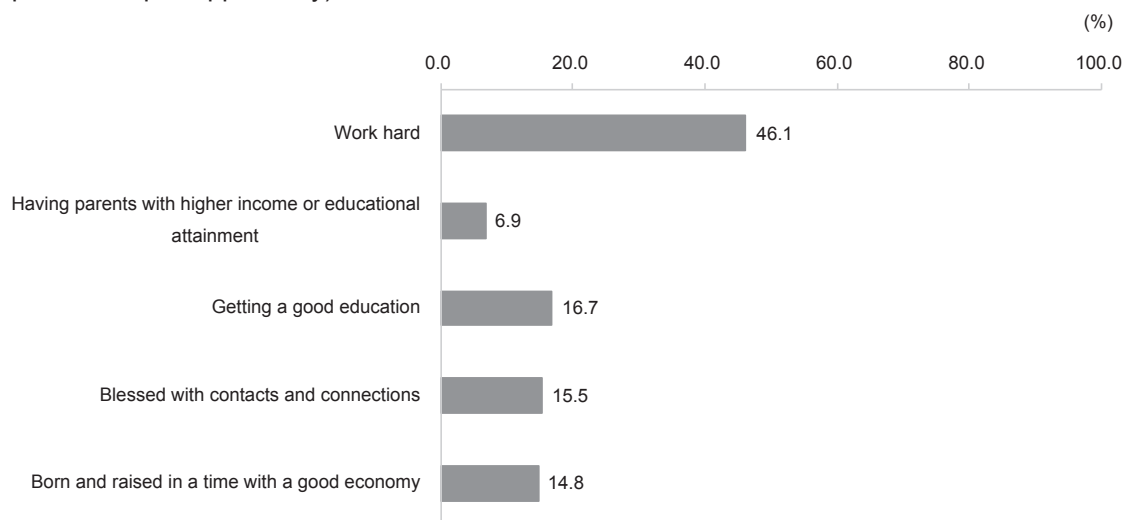


Figure 12. Most important condition for living a better life

“blessed with contacts and connections” (15.5%), “born and raised in a time with a good economy” (14.8%), and “having parents with higher income or educational attainment” (6.9%) (Figure 12). In the higher age groups, the percentage who indicated “work hard” increased and the percentage who indicated “blessed with contacts and connections”

decreased.

8. Whether or not they think they can be more affluent than their parents

(1) The responses

When asked if they think they can be more affluent than their parents, the responses, in order of

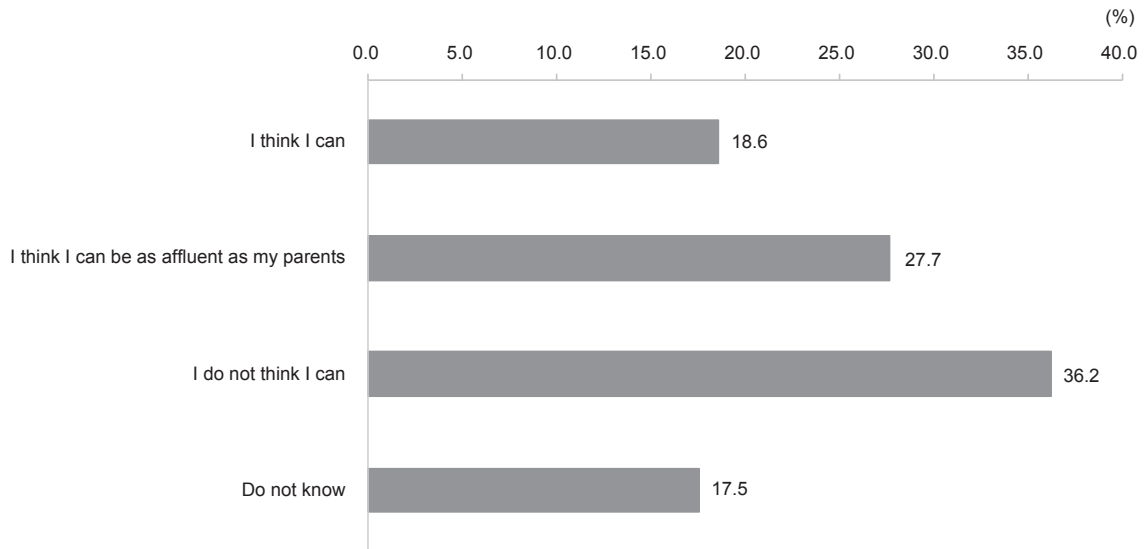
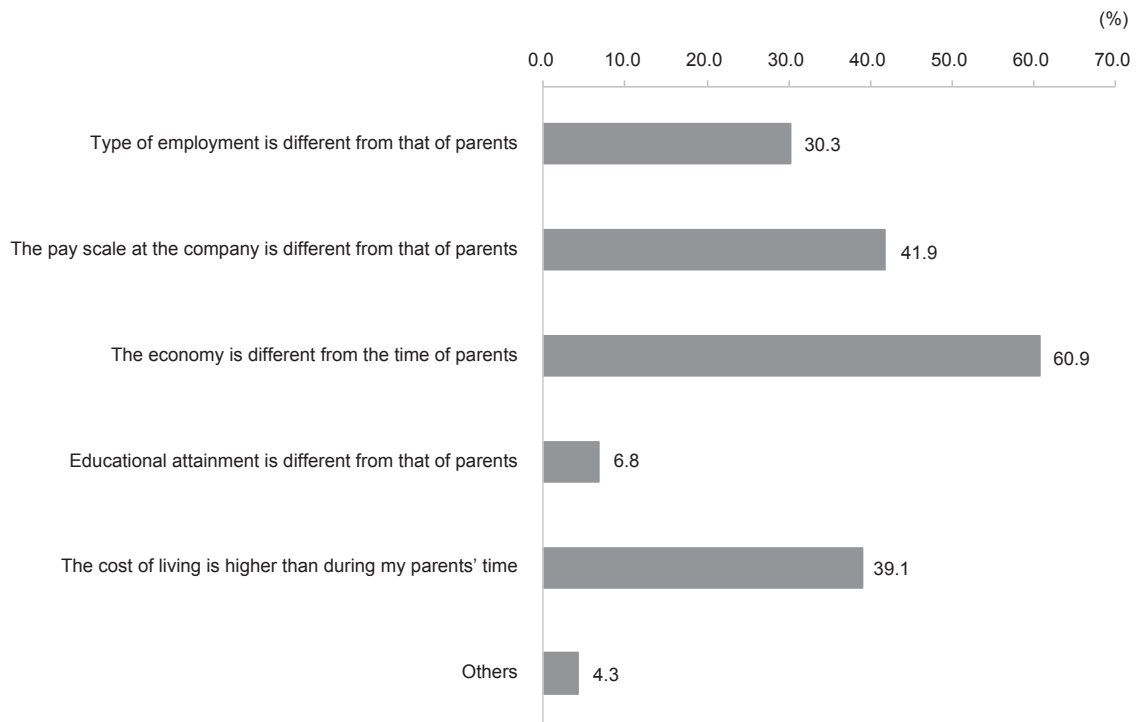


Figure 13. Whether they think that they can be more financially affluent than their parents



Note: Respondents who answered “I do not think I can be more financially affluent than my parents” (N=1,944).

Figure 14. Reasons why they do not think they can be more financially affluent than their parents (multiple answers)

frequency, were as follows: “I do not think I can” (36.2%), “I think I can be as affluent as my parents” (27.7%), and “I think I can” (18.6%) (Figure 13). By age group, the percentage of respondents who indicated “I do not think I can” increased at ages 20 to 49 (20–29 [31.3%], 30–39 [41.3%], and 40–49 [42.5%]). By type of employment, the percentage of respondents who indicated “I do not think I can” was higher among non-regular employees/freelance (41.8%) than among regular employees (34.1%).

(2) Reasons for denying

The reasons for answering the above question as “I do not think I can” were, in order of frequency, as follows: “the economy is different from the time of my parents” (60.9%), “the pay scale at the company I work for is different from that of my parents” (41.9%), “the cost of living is higher than during my parents’ time” (39.1%), and “my type of employment is different from that of my parents” (30.3%) (Figure 14). By age group, for “the economy is different from the time of my parents,” the percentages were comparatively high in the 40–49 (66.7%), 50–59

(63.5%), and 30–39 (58.5%) age groups, while for “the pay scale at the company I work for is different from that of my parents” the percentages were comparatively high in the 30–39 (53.7%) and 20–29 (50.2%) age groups.

(3) Influences by the pessimistic view of future life

How is the sense of whether “they think they can be more affluent than their parents financially” related to other social sense. Looking at the trends in responses to the question of “do you think anyone can become affluent in Japan as long as they work hard,” among those responded that they think they can be more affluent than their parents, 5.4% answered that they “strongly agree” and 37.8% answered that they “somewhat agree.”

Among those who responded that they do not think they can be more affluent than their parents, while the percentages of respondents who indicated “strongly agree” (1.6%) and “somewhat agree” (24.4%) were relatively low, the percentages of respondents who indicated “somewhat disagree” (48.9%) and “strongly disagree” (25.3%) were

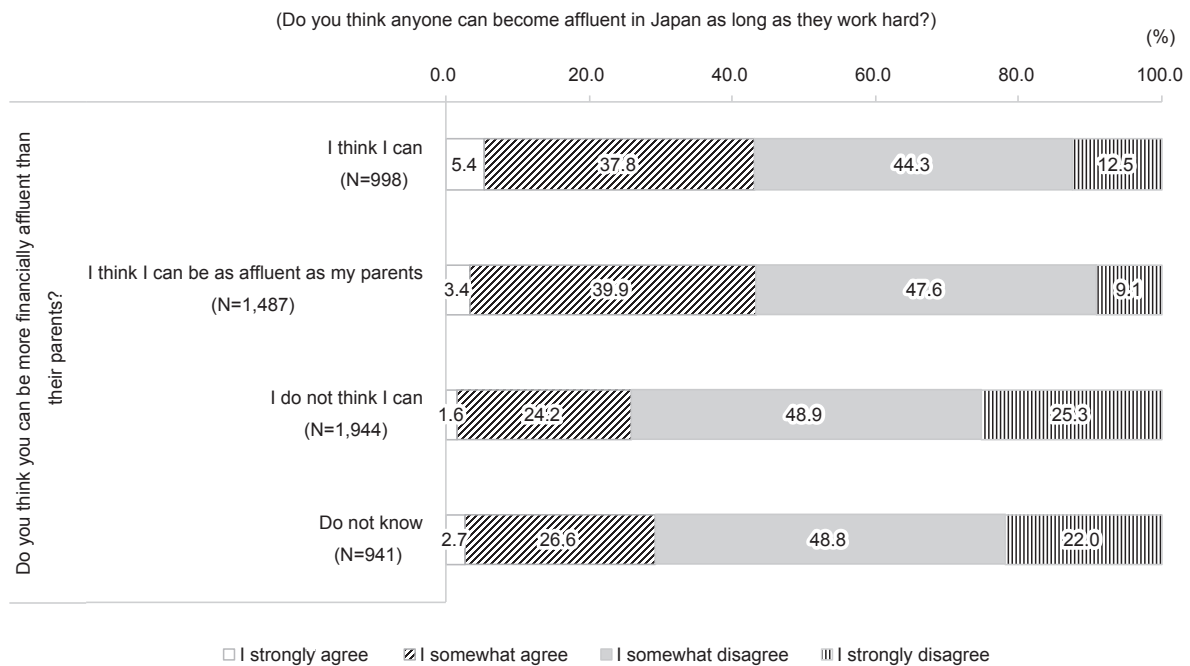


Figure 15. Whether they think that anyone can become affluent in Japan as long as they work hard (perceptions of equal opportunity) by responses to the question whether they think they can be more financially affluent than their parents

relatively high (Figure 15).

Let us see the trend of responses to the question, “what role do you want to play in the society?” by the response to the question “do you think you can be more affluent than your parents financially.” Among respondents who indicated that they think they can be more affluent than their parents,” the percentage of respondents who indicated “I want to perform an

activity if it is for the sake of society” was relatively high (54.1%). As for those who indicated that they do not think they can be more affluent than their parents, the percentage who chose the same response was relatively low (35.3%), and similarly, the percentages who chose “my action alone will not change the society” (46.1%) or “I am not interested in changing society” (18.6%) were relatively high (Figure 16).

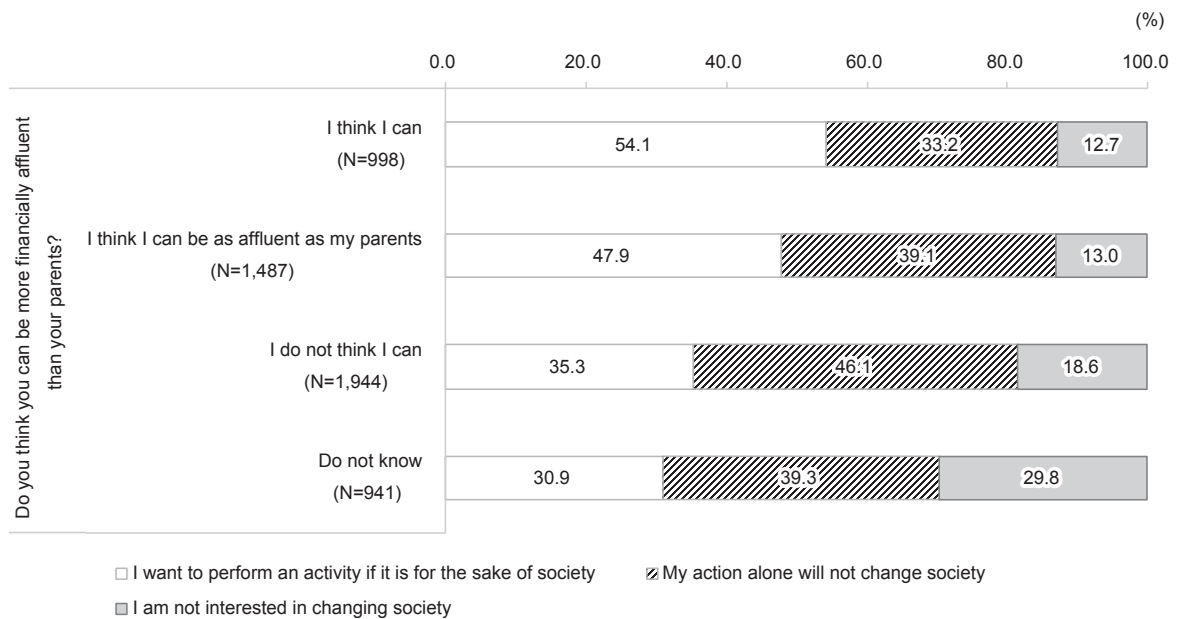


Figure 16. What role they want to play in the society by responses to the question whether they think they can be more financially affluent than their parents

Outline of the Survey

1. Purpose and objective

In Japan, wage growth has remained low for a long time along with the long-term economic stagnation.² In addition, there are concerns about a decrease in the middle-income group (middle-class group) and an increase in the low-income group in the shape of a decline of the median income level in household income distribution.³

The reduction of the middle-class group, as measured by income indicators, was confirmed by any of analyses using *Comprehensive Survey of Living Conditions* (by Ministry of Health, Labour and Welfare) and *National Survey of Family Income* as well as *Consumption and Wealth* and *National Survey of Family Income and Expenditure* (both by the Ministry of Internal Affairs and Communications). A comparison of household distribution by income group conducted by the Cabinet Office in 1994 and 2019 using *National Survey of Family Income* and *Consumption and Wealth* and *National Survey of Family Income and Expenditure*⁴ confirmed the decline of middle-income households and an increase in the percentage of lower income household groups over the past 25 years.⁵ In a study using individual data from *Comprehensive Survey of Living Conditions*, Tanaka (2020) also reported the shrinking of the middle-class group from 1985 to 2015 by setting the income group area of each year as well as by fixing the income group area of the middle-class group in 1985.

While the income environment of Japan is in this situation, Japan Broadcasting Corporation (NHK) and the Japan Institute for Labour Policy and Training (JILPT) conducted the “NHK/JILPT Joint Survey on Lifestyles and Attitudes” to grasp the state of peoples’ lives and an image of the middle class and attitudes to society. Through the survey, we examined the following: 1) whether the younger generation is more likely to be less financially affluent than their parents; 2) the negative influence on society if people cannot become more financially affluent than their parents; 3) how people define a “middle-class life”; 4) how personal attributes such as age, education, and gender influence the gap between the imagined “middle-class life” and the actual life; and 5) where people consider themselves if their standard of living is set as an indicator. Note that the percentages shown in this report are all rounded to one decimal place; thus, in some cases, the total breakdown may not always equal 100% or the total of the breakdown may not always equal the sum of the breakdown percentages.

2. How the survey was conducted

Extraction of survey targets

This survey targeted males and females of 20 to 69 years of age in Japan. Sample extraction was performed to be proportional to the structure of gender, age, employment status, and residence area of the “Population Census” (2020). Specifically, the sample was assigned to 320 cells, consisting of gender × age group (5 classes) × employment status (4 categories: regular, non-regular, self-employed, and jobless) × residential area (8 blocks).

Survey method

The web survey targeting the registered monitors of the survey company

Survey period

July 29 to August 1, 2022 (examined the situation as of August 1, 2022).

Number of valid responses

5,370 people

Survey items (general items)

Gender, age, residence area, marital status (with or without a spouse), education status and educational attainment, graduation year, employment status, job, type of employment, thoughts on the current job, annual income (respondent, their spouse, the household), willingness for marriage, number of children, ideal number of children, imagined “middle-class life,” necessary annual income to realize an imagined “middle-class life,” living situation, household situation at 15 years of age, financial affluence in comparison to that of their parents, class identification, consumption style, prospects for future living, conditions for living a better life, ideal way of working, perceptions of equal opportunity, feeling toward people who succeed in the socially, and attitude to involvement in the society.

Notes

1. Regarding the class identification, this survey referred to the survey items of the SSM survey, one of the most traditional large-scale social surveys in Japan conducted every ten years since 1955 (by the Japan Sociological Society when started). The descriptions and options are arranged from those in the SSM survey according to the objectives of this study. Regarding the survey method, this is a web-based survey of registered monitors of a survey company while the SSM survey uses both the interview and leaving methods.
2. According to *Grand Design and Action Plan for a New Form of Capitalism: Realization of Investment in People, Technology, and Start-ups* (approved by the Cabinet Office on June 7, 2022), the real wages per capita in developed countries increased 1.48 times in UK, 1.41 times in US, and 1.34 times in France and Germany from 1991 to 2019, it remained at 1.05 times in Japan. See its basic materials at https://www.cas.go.jp/jp/seisaku/atarashii_sihonsyugi/pdf/ap2022.pdf (p.2, in Japanese).
3. In *Grand Design and Action Plan for a New Form of Capitalism* (see note 2 above), “II. Idea to realize a new form of capitalism,” the government says that “to formulate a thick middle-class is important for the healthy development of democracy, and that by enriching the middle class which is a major player in the economic society in a new form of capitalism, a sustainable economic society can be realized while avoiding the social fragmentation resulting from an widening of fixation of disparity.”
4. Source: The material 4-1 of the second meeting on 2022 for the Council on Economic and Fiscal Policy by Cabinet Office, <https://www5.cao.go.jp/keizai-shimon/kaigi/minutes/2022/0303/agenda.html> (in Japanese).
5. In detail, the median income before all household redistribution fell from 5.5 million yen in 1994 to 3.72 million yen in 2019. The median income after redistribution fell from 5.09 million yen to 3.74 million yen. The structural changes in income distribution over the past 25 years—which are considered

to be possibly influenced by the increase of the older age households (20% to 36%) and the increase of single households (26% to 38%)—confirmed the decrease in the median income of all age groups as well as the increase of lower income households in each age group except those of the 55 to 64 age group before redistribution.

References

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