

Squeezed in the middle in super-ageing Japan

By Deanna Elstrom, Fumiya Shirahama and Takayuki Higuchi



In many ways, Japan seems like an ideal place to spend one's golden years. With the world's highest life expectancy at 84 years old and 28% of the population aged 65+ (vs. 13% aged 0-14 years)¹, you certainly would have plenty of company. And you would likely be well cared for; Japan has the sixth-highest spending on health as a share of GDP amongst OECD countries, offering universal health and long-term care coverage, ensuring equitable access and affordability to quality care.² With safe and clean public spaces,

superlative public transportation and a tradition of Confucian filial piety (respect for elders), you might expect a relatively positive outlook on ageing in Japan.

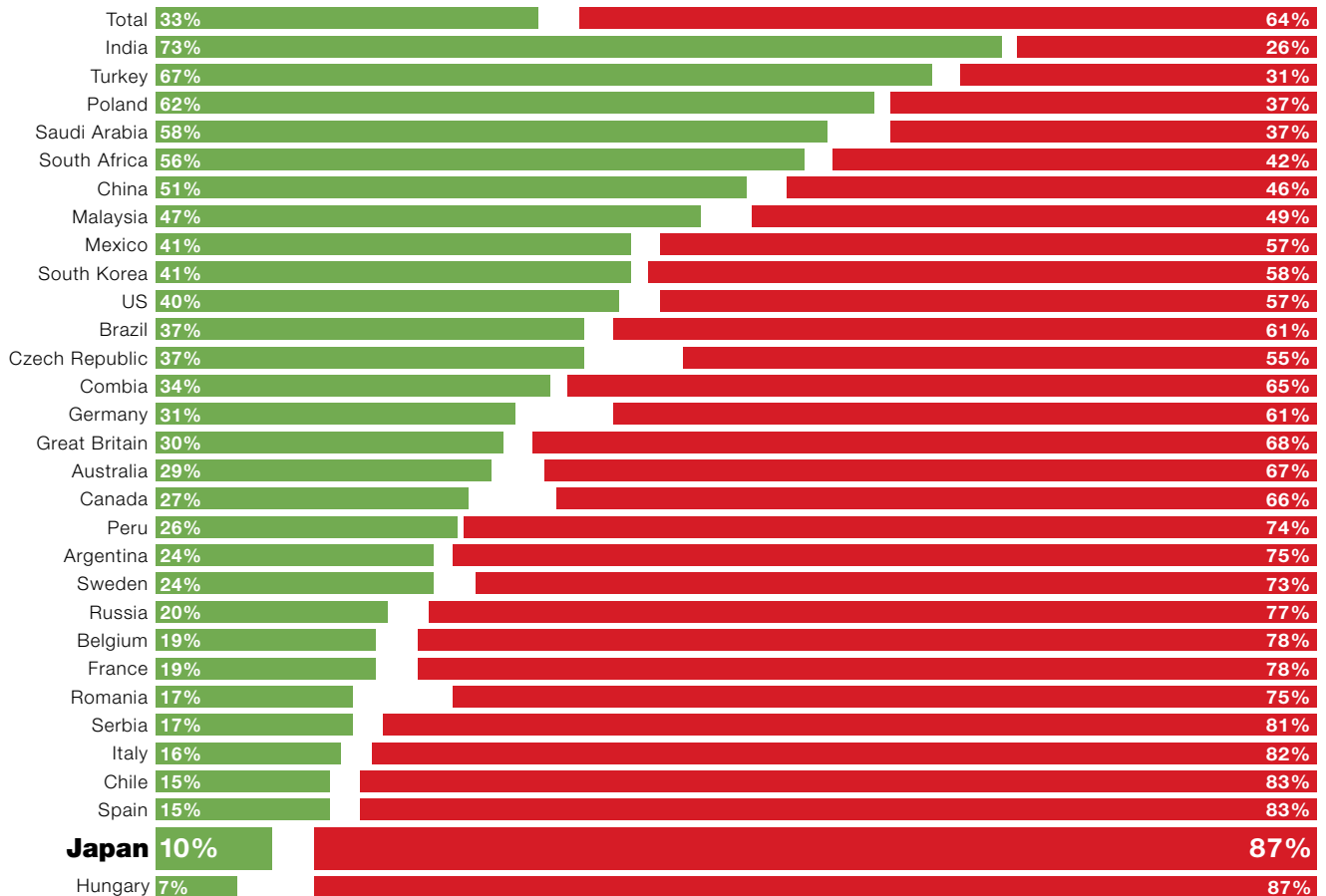
Yet, Ipsos' Global Advisor survey on ageing³ reveals that 87% of Japanese are not looking forward to their old age, while just 10% of the population are. This was far below the 33% average of the 30 countries surveyed. Only Hungarians are gloomier about the prospect of growing old (7%). (See figure 1).

WHY SO PESSIMISTIC?

In comparing these results across countries, it is important to note that the respondents of Ipsos' Global Advisor surveys reflects the actual age demographics of each country. With a far higher median age in Japan (46.9 years)⁴

than others such as Malaysia (28.5 years) or Peru (28 years), many of those answering the survey are personally familiar with the experience of growing old. For those in middle age who are caring for elderly parents, the realities of ageing are very real and acutely felt, which may contribute towards this negative assessment.

Figure 1: Percentage who are looking forward to old age



■ A great deal/fair amount

■ Not very much/not at all

Base: 20,788 adults aged 16-64 in 30 countries online 24th August – 7th September 2018

FEELING OVERWHELMED

As the world's premier "super-ageing society"⁵, government and media messaging provides a constant drumbeat of doomsday forecasts for Japan: shrinking and disappearing pensions, later eligibility for social security benefits, the elderly caring for the elderly and more and more older Japanese living and dying alone... Growing older in Japan seems to become more full of dangers every day. Japan's economy, society and individuals themselves are being overwhelmed by demographics that are shifting at a scale and pace

never experienced before, anywhere. At current rates, the population is projected to fall by a third from 126 million today to 87 million in 2060.

Meanwhile, the elderly dependency ratio (the elderly population as a share of working-age population), at 44% was already the highest in the OECD in 2015, and is forecast to grow to 73% by 2050.⁶ In this context, healthcare spending and social services spending is ballooning and contributing to Japan's gross government debt, which has risen to close to 220% of GDP - the highest level ever recorded in the OECD area.⁷

NOT THE GIG IT USED TO BE

Our survey on ageing shows that negative sentiment towards ageing is most intense amongst those aged 45-54 years: 93% of those in this age group do not look forward to old age. Compared to their parents' generation who came of age during the era of high economic growth of post-war industrialization, experienced the heady days of the late-80s "Bubble Era", and have known relative societal and economic stability, those currently aged 45-54 reached adulthood during the decades-long economic and corporate restructuring following the bursting of the bubble. Economic contraction, instability and a sense of Japan's diminishing power and stature in the world have been the backdrop of their adult lives. This generation is well aware that social benefits are likely to be greatly reduced by the time they enter old age. We can see this concern reflected in Ipsos' *What Worries the World* survey in which a third of the population cite 'Maintaining social programs' as a top worry. In our survey on ageing, Japanese rank the seventh most worried about growing older with 60% agreeing that

they are worried, and the most acute worry amongst those aged 45-54 (67% agreeing).

Compounding the concern about diminished social programs is increasing social inequality; income inequality amongst those over 65 in Japan is much higher than the average of OECD countries, especially for women. About 1 in 4 women aged 75+ live below the poverty line, compared to the OECD average of about 1 in 7.¹¹ The effects of the past several decades of economic contraction, stagnation and, most recently, muted growth continue to play out. Corporate restructuring has gradually replaced much of the stable, lifetime-employment careers with lesser-paid contract jobs lacking in security and benefits. Today, 40% of the labor force is in such contract positions, with two-thirds held by women. Those who will be retiring in the forthcoming decades and have not enjoyed the security and benefits of "regular" employment, will be most vulnerable; the widening of income inequality will extend into old age and the different financial situations between those with and without pensions will be extreme. Longer lives and gender inequality compound these problems.



BEST AND WORST THINGS ABOUT AGEING

Many of the concerns that Japanese feel about ageing mirror those felt globally. Consistent with the global average, the 3 worst things about getting old for the Japanese are ‘losing mobility’, ‘not having enough money to live on’ and ‘losing memory’. On the other hand, ‘being in pain’, ‘being lonely’ and ‘losing independence’ are uniformly less worrisome for Japanese than the global average.

There is a stronger than average concern about providing care to others, which is perhaps unsurprising as many middle-aged and elderly relatives are already caring for many of the 35 million Japanese currently aged 65+, including 11 million aged 80+ and 2.2 million aged 90+.⁸ And, with Japanese living longer than ever before, many are acquiring age-related diseases that make their care especially taxing. Dementia, for example, currently affects 4% of the Japanese population (5 million) and is forecast to grow to 6-7% by 2030.⁹

According to Japanese individuals, the best things about getting older parallel those chosen globally, but with less enthusiasm. Only ‘having a slower pace of life’ elicited a stronger response in Japan, (26% Japan versus 20% global average). The desire for more free time is evident in the remaining advantages of ageing chosen by most respondents: ‘more time for hobbies/leisure’ (32% Japan vs. 32% global average), ‘more time to spend with friends/family’ (21% vs. 36%) and ‘more time for holidays and travel’ (20% vs. 26%).

The lower than global average level of ‘more time to spend with friends/family’ may reflect the smaller and more geographically-dispersed families prevalent in Japan today. Over the past 50 years, the Japanese population has become concentrated, with 93% living in urban areas. Smaller nuclear families, combined with the clearly-defined gender roles that foster separate social worlds of Japanese husbands and wives, may help to explain the relatively muted anticipation of greater time together.

A final notable difference is that only 5% of Japanese chose ‘being financially secure’ as something to look forward to in older age in comparison to the 20% global average, providing another indicator of the anxiety that many Japanese feel about their financial futures.

PESKY OLD FOLKS

In recent years, the word *rougai* 老害 has increasingly entered the public lexicon. Defined as “the nuisance caused by the elderly”, the term describes incidences of elderly people causing societal disruption such as delaying trains seemingly on purpose and dressing down younger people in public.¹⁰ Indeed, the survey results reveal the generational friction and polarized perspectives between older and younger Japanese; opinion is split between those who agree with the statement ‘People don’t respect old people as much as they should’ (32%) and those who disagree (24%). As one might expect, those ages 45-64 were most likely to agree, while those ages 16-44 were least likely to agree.

Figure 2: Percentage agreeing that people don’t respect old people as much as they should

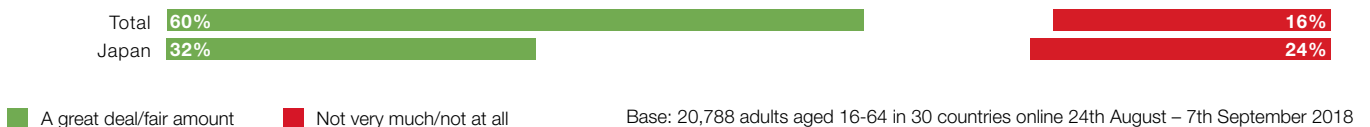
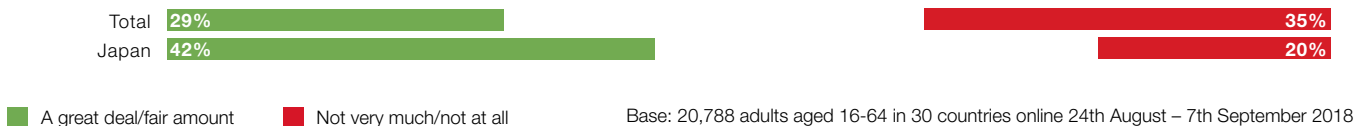


Figure 3: Percentage agreeing that old people have “too much political influence”



The perception that older people wield too much political influence is another source of friction. Japanese were the most likely of all countries surveyed to agree with the statement 'Old people have too much political influence' (42% vs. 29% global average), with the youngest agreeing even more strongly (56%).

One survey result that stands out as particularly surprising for a country with a designated holiday of "Respect for the Aged" (敬老の日) is the relatively low level of agreement with the statement 'It is the job of the young to care for ageing relatives' (23% vs. 57% global average). More confounding is that those ages 55-64 are least likely to agree with this statement. Wouldn't this older generation want their younger relatives to feel a sense of responsibility for their care?

Yet this is the group of Japanese who are squeezed in the middle between raising children and making a living, and also actively providing care to their elderly parents and relatives. For them, there is nothing theoretical about this duty that they live every day.

FEELING THEIR AGE

Visit Japan and you will see the fittest and healthiest old people you can imagine. They crowd the gyms and swimming pools and are often out walking and exercising in parks. They eat healthy traditional diets and receive consistent, high-quality health care. Yet, survey results reveal a relatively low percentage of Japanese who expect to be fit and healthy in old age (23% vs. 57% global average). Once again, we must keep in mind that the survey respondents mirror the demographic makeup of the nation - as they are older than in other countries they are more likely to already be feeling the effects of ageing.

Also, with the world's longest life expectancy, staying fit and healthy to the end is a tall order for the Japanese. And likely at play in these low expectations is the Japanese propensity for perfectionism; you can always make a greater effort to eat healthily and exercise more.



THE FIRST, BUT NOT THE LAST

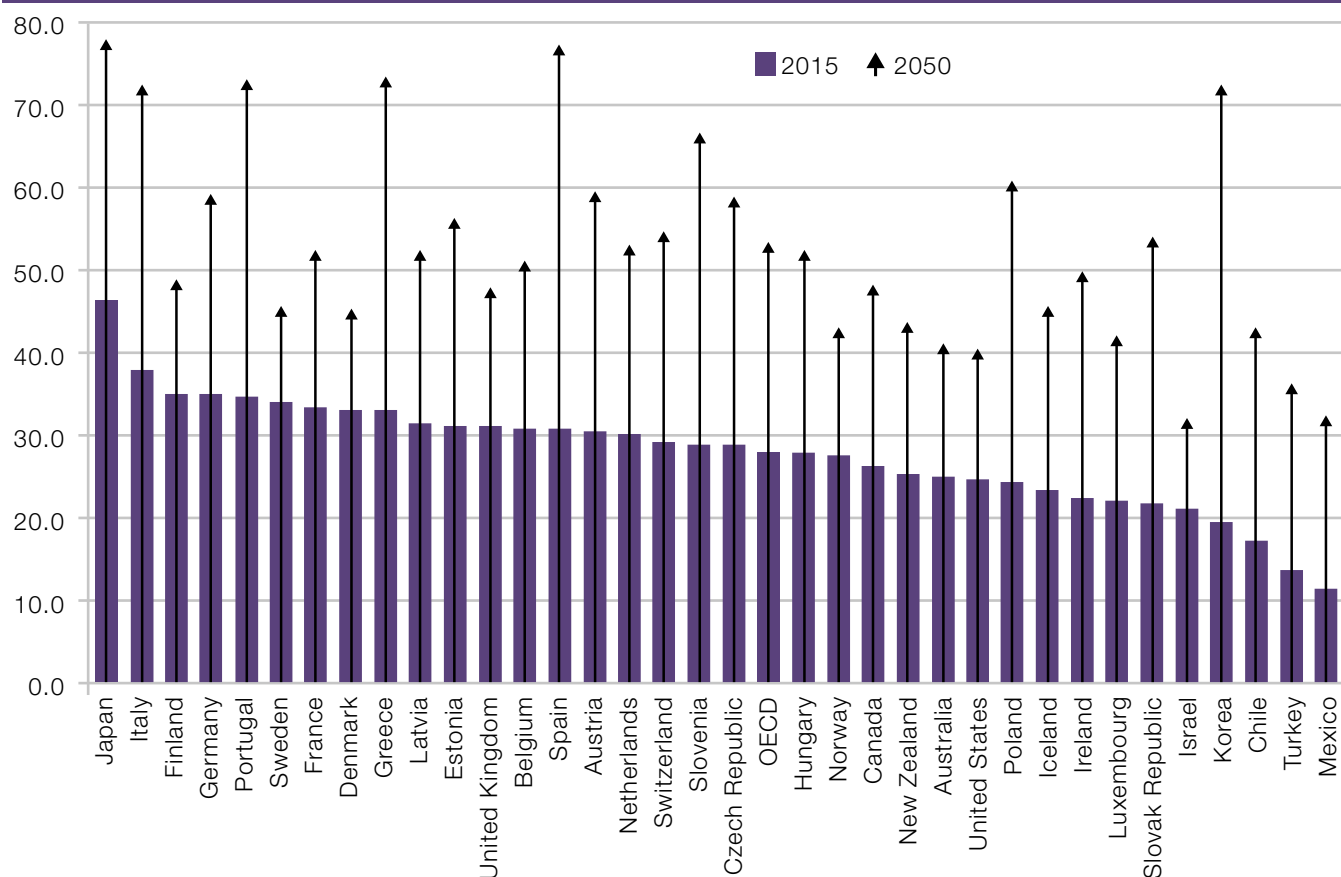
Though Japan may have the highest proportion of older citizens in the world, it is not alone. In fact, many countries are ageing at a rate even higher than Japan is. The UN forecasts that, by 2050, Spain will be equally “super-aged”, with Korea not far behind.

Rather than viewing Japan from afar as an anomaly, it can serve as a catalyst for global action – a test lab of sorts to bring together the best ideas and put them into action. Urban planners, architects, social

scientists, designers, medical experts and others could work together to find solutions that make growing old as positive an experience as possible for the individual and the family, emotionally and physically, as well financially sustainable at a national level.

Ideas like intentionally intergenerational housing such as Saettedammen in Denmark¹² may challenge cultural norms, yet extend current thinking in creative new ways. The global demographic, societal and economic shifts of the past half-century require collective solutions that go beyond borders.

Figure 4: Proportion of citizens over 65 years old over the working population (20-64 years old)



Source: Pensions at a Glance 2017 - © OECD 2017

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JAPAN IN NUMBERS

LIFE EXPECTANCY IS THE WORLD'S HIGHEST, AT

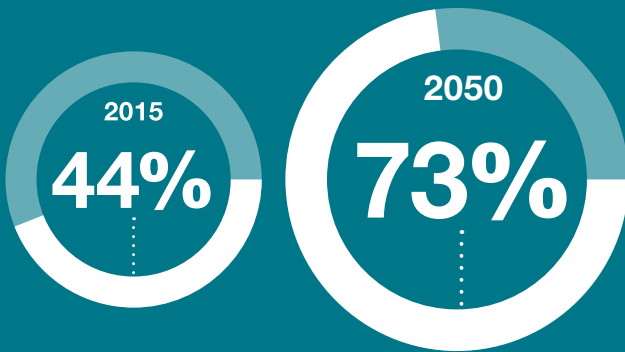
84 YEARS OLD

28%



OF THE POPULATION IS 65+

ELDERLY DEPENDENCY RATIO



ONLY **10%** ARE LOOKING FORWARD TO OLD AGE.

(MAKING JAPAN THE SECOND MOST PESSIMISTIC COUNTRY.)

WOMEN AGED 75+ IN POVERTY



1 IN 4
JAPAN



1 IN 7
OECD AVERAGE

35
MILLION

CURRENTLY AGED 65+

INCLUDING

11
MILLION

AGED 80+

2.2
MILLION

AGED 90+

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