

Results of the 21st Opinion Survey on the General Public's Mindset and Behavior

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Public Relations Department
Bank of Japan

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I. Introduction

The Bank of Japan, through public relations activities conducted at its Head Office and branches, has been seeking to determine the concerns of a broad cross-section of the general public relative to its policy and operations. An example of such action is the Bank's *Opinion Survey on the General Public's Mindset and Behavior*, conducted since 1993 with a nationwide sample of 4,000 individuals who are at least 20 years of age. This survey is essentially an opinion poll designed to gain insight into the public's perceptions and actions, and therefore differs in character from the Bank's *Tankan* (Short-Term Economic Survey of Enterprises in Japan), which is conducted separately from this survey.

II. Survey Outline

Survey period:	From December 1 to December 13, 2004.
Sample size:	4,000 people (2,938 people [i.e., 73.5 percent of the overall sample size] provided valid responses to questions).
Survey sample participants:	Individuals living in Japan who are at least 20 years of age.
Sampling method:	Stratified two-stage random sampling method.
Survey methodology:	Questionnaire survey. (Researchers visit sample individuals, ask them to complete the questionnaire within a prescribed period, and then collect the finished questionnaires upon subsequent visits.)

III. Summary

A. Impression of Economic Conditions

1. Economic conditions

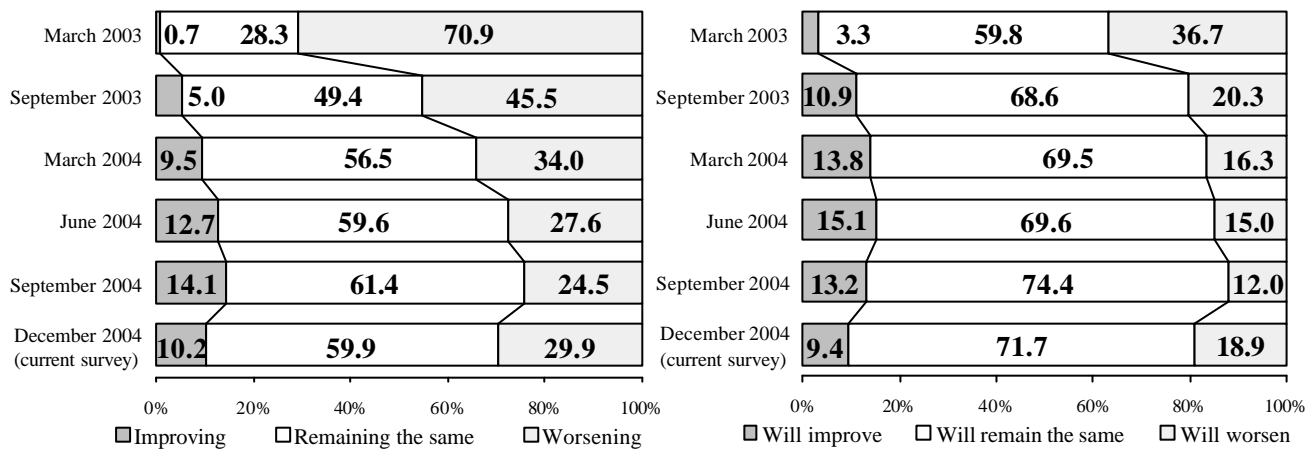
Compared with one year ago, the number of people who judged economic conditions to be “improving” decreased, while those who judged them to be “worsening” increased. As a result, the diffusion index (D.I.) (“improving” minus “worsening”) deteriorated from the previous survey.

The D.I. outlook for one year from now (“will improve” minus “will worsen”) also deteriorated from the previous survey.

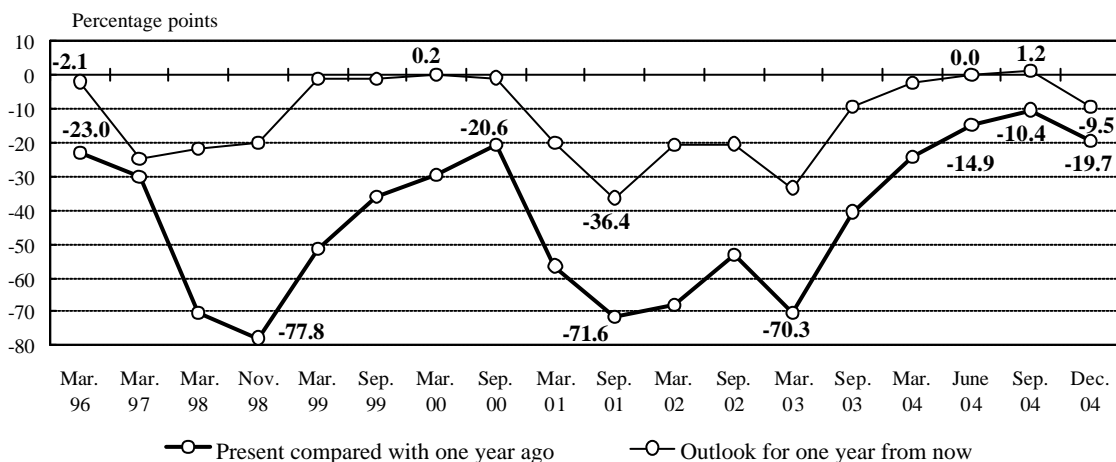
Chart 1 Economic Conditions (Questions 1 and 4)

(1) Present Compared with One Year Ago

(2) One Year from Now Compared with the Present



(3) Changes in the Economic Conditions D.I.



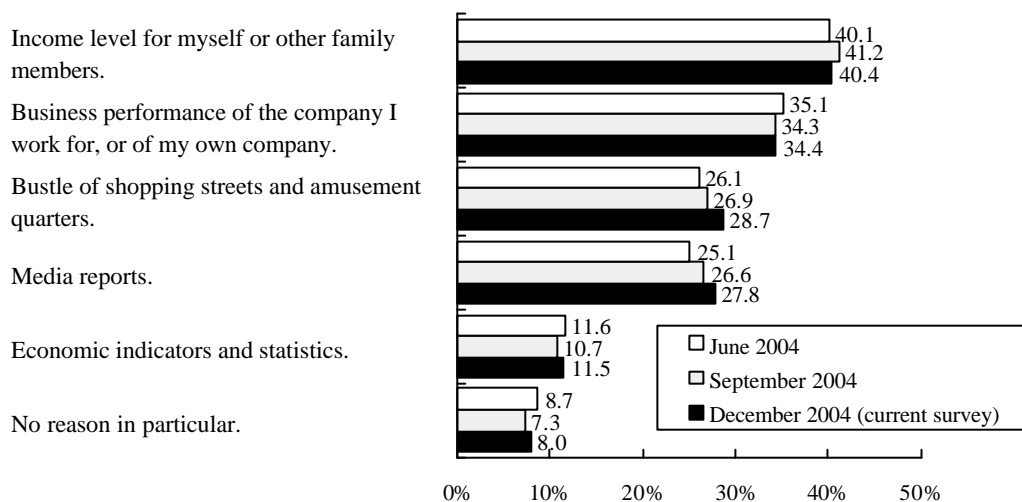
	Mar. 96	Mar. 97	Mar. 98	Nov. 98	Mar. 99	Sep. 99	Mar. 00	Sep. 00	Mar. 01	Sep. 01	Mar. 02	Sep. 02	Mar. 03	Sep. 03	Mar. 04	June 04	Sep. 04	Dec. 04
Present compared with one year ago	-23.0	-30.2	-70.5	-77.8	-51.5	-35.9	-29.8	-20.6	-56.5	-71.6	-68.2	-53.2	-70.3	-40.5	-24.5	-14.9	-10.4	-19.7
Changes from the previous survey		(-7.2)	(-40.3)	(-7.3)	(+26.3)	(+15.6)	(+6.1)	(+9.2)	(-35.9)	(-15.1)	(+3.4)	(+15.0)	(-17.1)	(+29.8)	(+16.0)	(+9.6)	(+4.5)	(-9.3)
Outlook for one year from now	-2.1	-24.8	-21.7	-20.0	-1.3	-1.4	0.2	-0.9	-20.1	-36.4	-20.9	-20.5	-33.4	-9.3	-2.5	0.0	1.2	-9.5
Changes from the previous survey		(-22.7)	(+3.1)	(+1.7)	(+18.7)	(-0.1)	(+1.6)	(-1.1)	(-19.2)	(-16.3)	(+15.5)	(+0.4)	(-12.9)	(+24.1)	(+6.8)	(+2.5)	(+1.2)	(-10.7)

2. Basis for assessment of economic conditions

When asked their basis for assessment of economic conditions, many answered “income level for myself or other family members” and “business performance of the company I work for, or of my own company.” These were followed by “bustle of shopping streets and amusement quarters” and “media reports.”

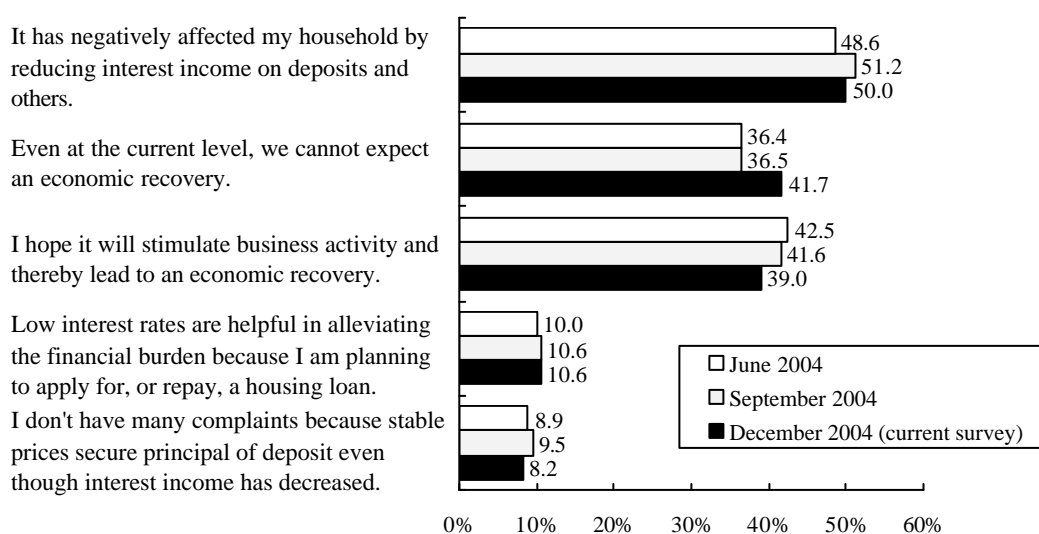
In terms of the interest rate level, 50 percent of respondents stated that “it has negatively affected my household by reducing interest income on deposits and others,” which marked the highest percentage selected among the choices offered, as in the previous survey. This was followed by “even at the current level, we cannot expect an economic recovery” and “I hope it will stimulate business activity and thereby lead to an economic recovery.” (The second-highest percentage selected in the previous survey was “I hope it will stimulate business activity and thereby lead to an economic recovery.”)

Chart 2 Basis for Assessment and Interpretation of Economic Conditions (Question 2)¹



Note: 1. Up to two answers were allowed.

Chart 3 Perception of the Interest Rate Level (Question 5)¹



Note: 1. Up to two answers were allowed.

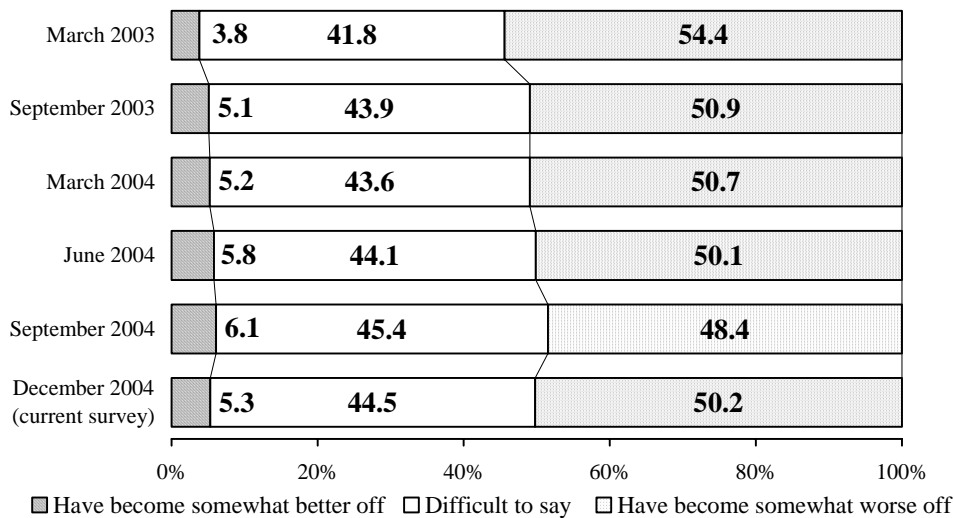
B. Household Circumstances and the General Public's Mindset

1. Present household circumstances

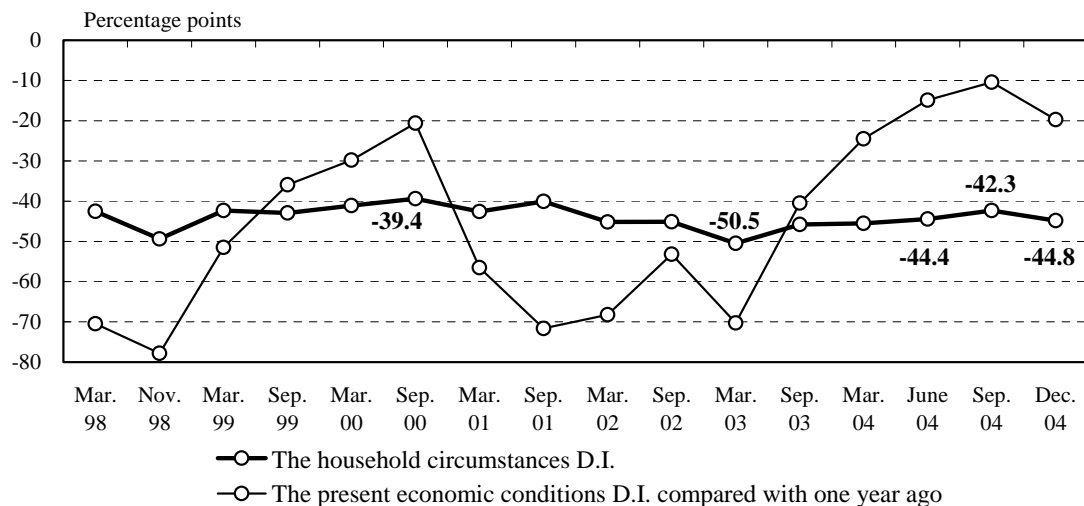
The number of people who responded that their household circumstances “have become somewhat better off” compared with one year ago decreased from the previous survey, while those who answered “have become somewhat worse off” increased. As a result, the D.I. (“have become somewhat better off” minus “have become somewhat worse off”) deteriorated from the previous survey.

Chart 4 Present Household Circumstances (Question 20)

(1) Present Household Circumstances



(2) Changes in the Household Circumstances D.I.



	Mar. 98	Nov. 98	Mar. 99	Sep. 99	Mar. 00	Sep. 00	Mar. 01	Sep. 01	Mar. 02	Sep. 02	Mar. 03	Sep. 03	Mar. 04	June 04	Sep. 04	Dec. 04
The household circumstances D.I.	-42.5	-49.4	-42.3	-42.9	-41.1	-39.4	-42.6	-40.1	-45.2	-45.1	-50.5	-45.8	-45.5	-44.4	-42.3	-44.8
Changes from the previous survey		(-6.9)	(+7.1)	(-0.6)	(+1.8)	(+1.7)	(-3.2)	(+2.5)	(-5.1)	(+0.1)	(-5.4)	(+4.7)	(+0.3)	(+1.1)	(+2.1)	(-2.5)
The present economic conditions D.I. compared with one year ago	-70.5	-77.8	-51.5	-35.9	-29.8	-20.6	-56.5	-71.6	-68.2	-53.2	-70.3	-40.5	-24.5	-14.9	-10.4	-19.7
Changes from the previous survey	(-40.3)	(-7.3)	(+26.3)	(+15.6)	(+6.1)	(+9.2)	(-35.9)	(-15.1)	(+3.4)	(+15.0)	(-17.1)	(+29.8)	(+16.0)	(+9.6)	(+4.5)	(-9.3)

2. Income and spending

With regard to the present income and spending level compared with one year ago, the proportion of responses has been almost the same since the survey conducted in June 2004.

With respect to the outlook for income and spending over a one-year period, the number of respondents who answered “will decrease” rose slightly from the previous survey.

Chart 5 Income (Questions 6 and 7)

(1) Present Income Level Compared with One Year Ago (2) Income Level One Year from Now Compared with the Present

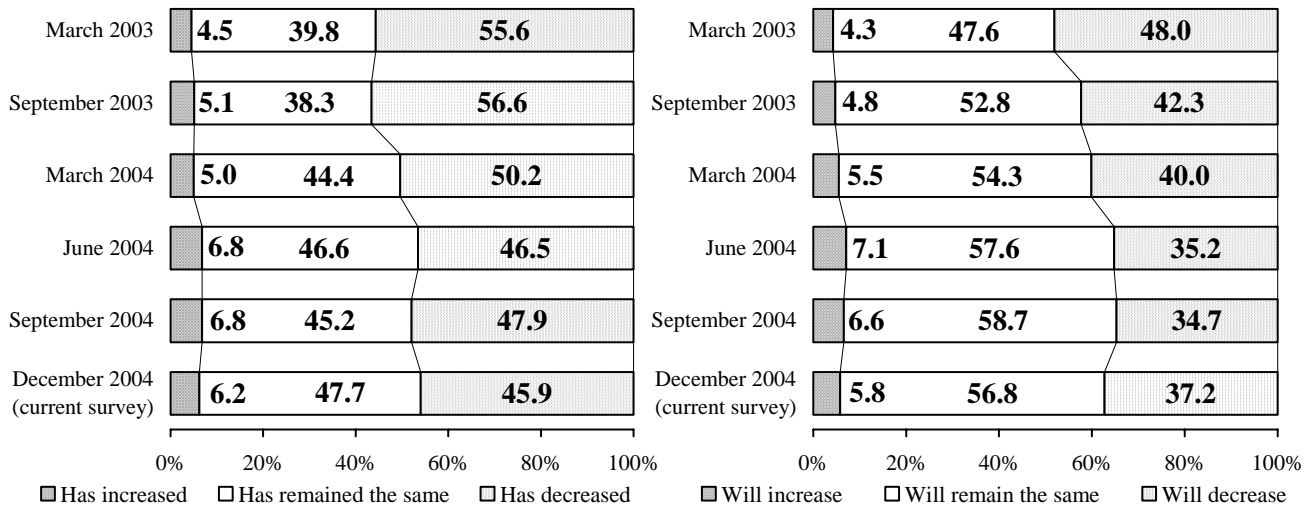
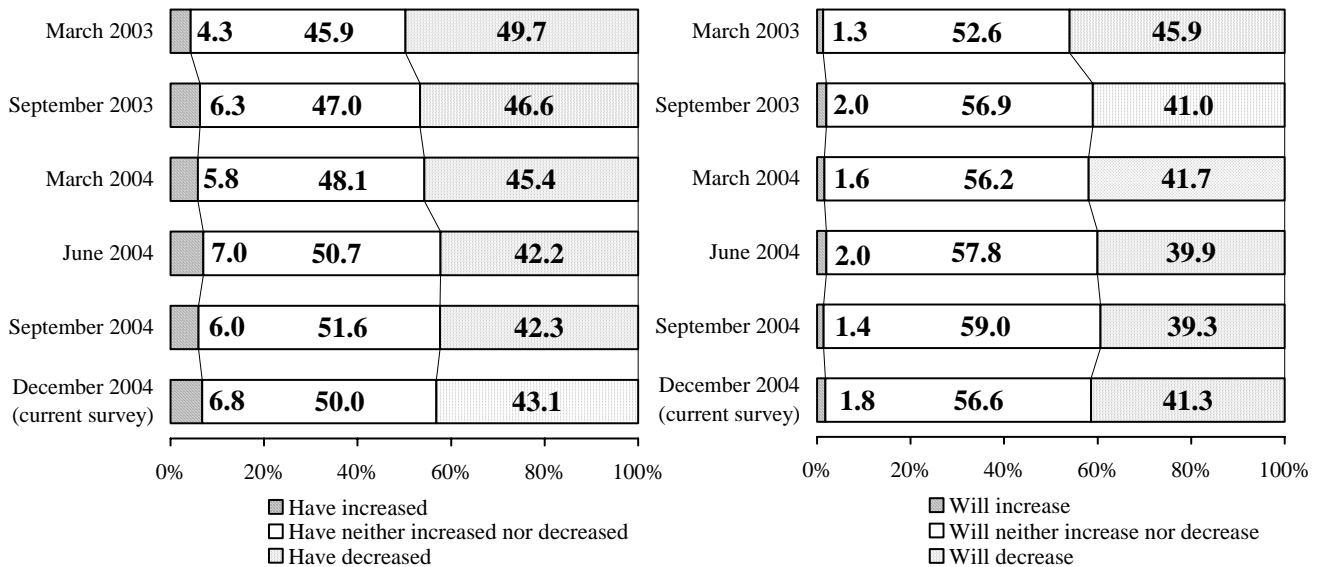


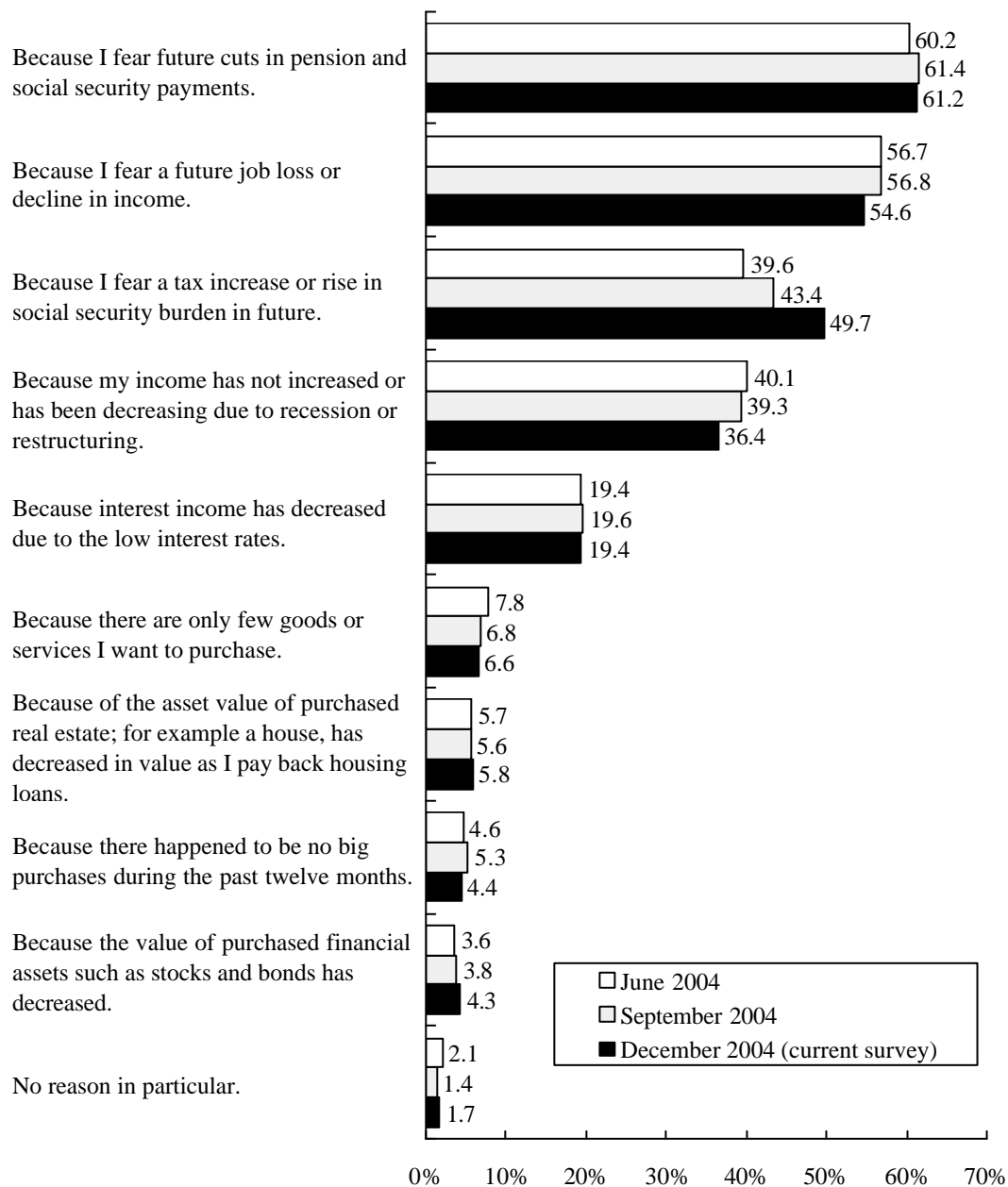
Chart 6 Spending (Questions 8 and 10)

(1) Present Spending Level Compared with One Year Ago (2) Spending Level One Year from Now Compared with the Present



When asked for reasons why they “have decreased” their spending compared with one year ago, about 60 percent of the respondents answered “because I fear future cuts in pension and social security payments,” which marked the highest percentage selected among the choices offered. This was followed by “because I fear a future job loss or decline in income” and “because I fear a tax increase or rise in social security burden in future.”

Chart 7 Reasons for Decreasing Spending (Question 8-(b))¹



Note: 1. Multiple answers were allowed.

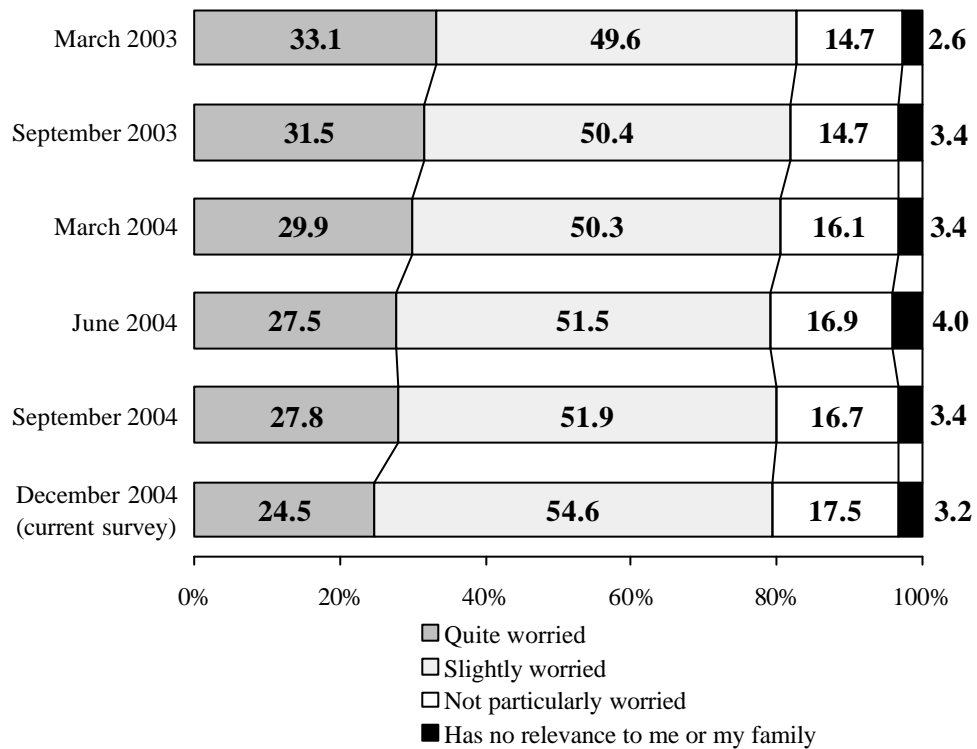
3. Employment conditions

About 80 percent of the respondents¹ continued to feel “worried”² about employment and working arrangements, as in the previous survey.

¹ Workers who are company employees, civil servants, other types of employees, or part-timers.

² “Worried” comprises “quite worried” and “slightly worried.”

Chart 8 Concern about Employment and Working Arrangements (Question 23 <respondents¹>)



C. Perception of the Price Levels

The number of people who felt that prices¹ compared with one year ago “have gone down”² decreased, while those who felt that prices “have gone up”³ increased.

When asked to what extent the price levels have changed compared with one year ago in terms of a specific figure, the average was 1.3 percent while the median was 0.0 percent.

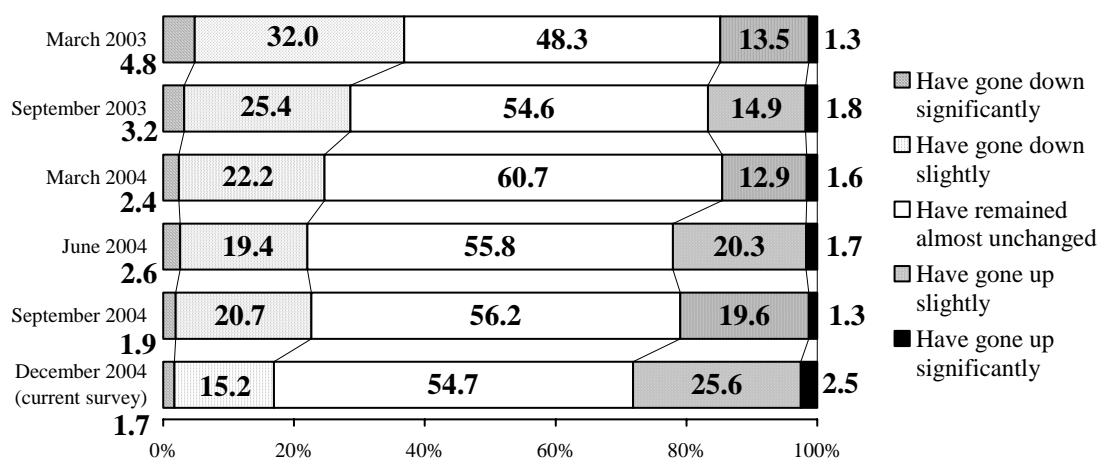
¹ Defined as “overall prices of goods and services the respondents purchase.”

² “Have gone down” comprises “have gone down significantly” and “have gone down slightly.”

³ “Have gone up” comprises “have gone up significantly” and “have gone up slightly.”

Chart 9 Perception of the Price Levels (Questions 13 and 14)

(1) Present Compared with One Year Ago



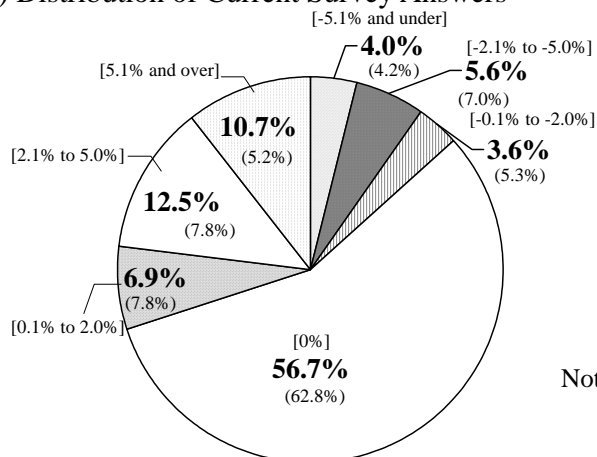
(2) Changes in the Price Levels Compared with One Year Ago

	Average ¹	Median ²
March 2004	-0.3 %	0.0 %
June 2004	0.2 %	0.0 %
September 2004	0.2 %	0.0 %
December 2004 (current survey)	1.3 %	0.0 %

Notes: 1. Calculated by excluding 0.5 percent of the highest and the lowest figures, respectively, in order to avoid extremes (the simple average is **1.4** percent). (The simple average of the last survey in September 2004 was **0.2** percent.)

2. The number that appears in the middle when the answers are listed in numerical order.

(3) Distribution of Current Survey Answers¹



Note: 1. Figures in parentheses represent results of the previous survey (September 2004).

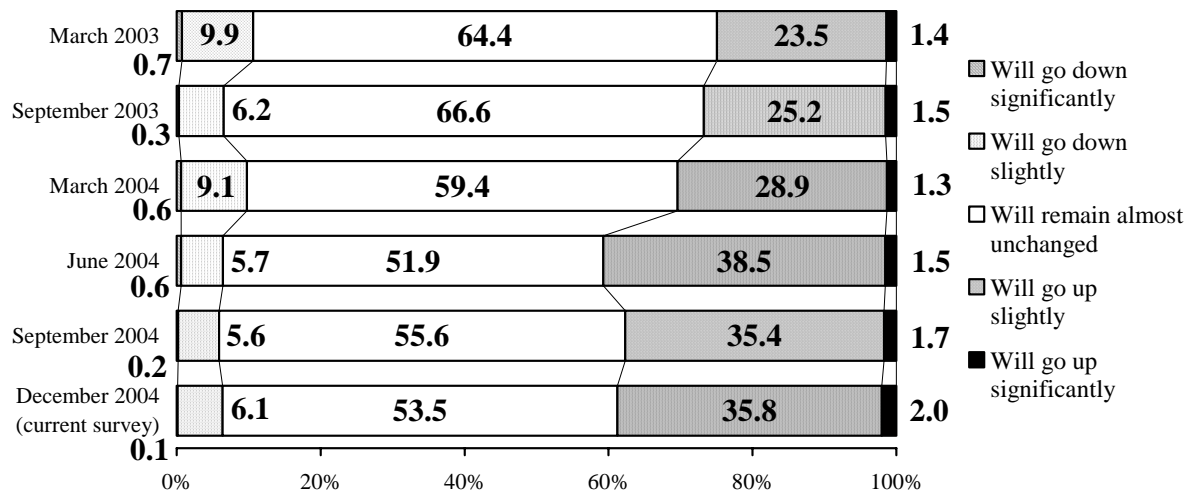
In terms of the outlook for one year from now, more than 50 percent of respondents expected that prices “will remain almost unchanged,” while over 35 percent of respondents replied that the prices “will go up.”¹

When asked to what extent the price levels will change one year from now in terms of a specific figure, the average was 1.8 percent while the median was 0.0 percent.

¹ “Will go up” comprises “will go up significantly” and “will go up slightly.”

Chart 10 Outlook for the Price Levels One Year from Now (Questions 15 and 16)

(1) One Year from Now Compared with the Present



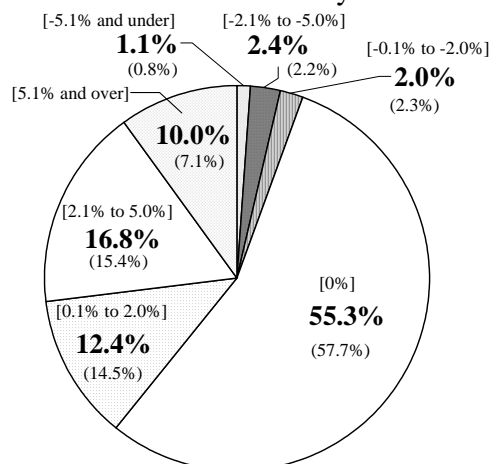
(2) Changes in the Price Levels One Year from Now

	Average ¹	Median ²
March 2004	1.2 %	0.0 %
June 2004	1.6 %	0.0 %
September 2004	1.4 %	0.0 %
December 2004 (current survey)	1.8 %	0.0 %

Notes: 1. Calculated by excluding 0.5 percent of the highest and the lowest figures, respectively, in order to avoid extremes (the simple average is **1.9** percent). (The simple average of the last survey in September 2004 was **1.5** percent.)

2. The number that appears in the middle when the answers are listed in numerical order.

(3) Distribution of Current Survey Answers¹



Note: 1. Figures in parentheses represent results of the previous survey (September 2004).

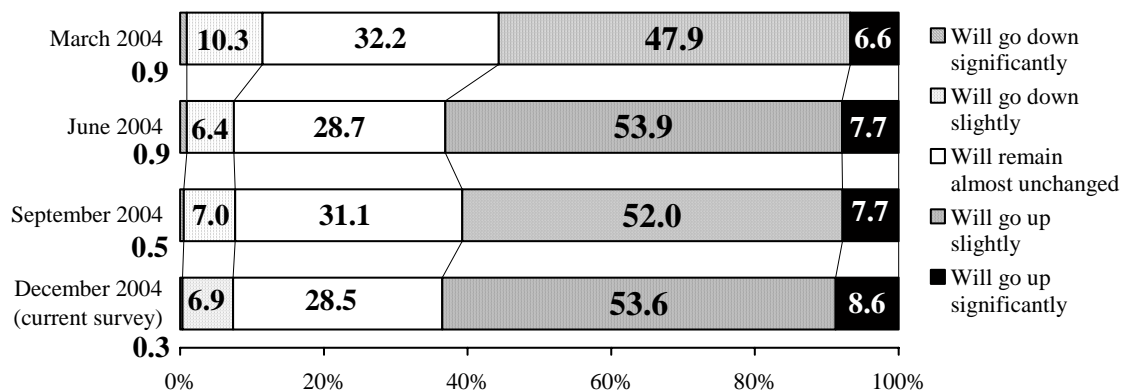
Regarding the outlook for the next five years, the share of respondents who answered that the prices “will go up”¹ was about 60 percent, almost unchanged from the previous survey.

When asked about the specific amount of price change per year over the next five years, the average was 2.1 percent while the median was 1.0 percent.

¹ “Will go up” comprises “will go up significantly” and “will go up slightly.”

Chart 11 Outlook for Price Levels over the Next Five Years (Questions 17 and 18)

(1) Outlook for the Next Five Years



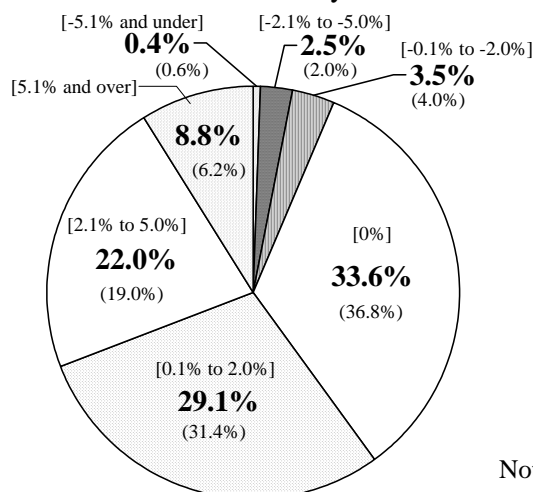
(2) Changes in the Price Levels per Year over the Next Five Years

	Average ¹	Median ²
March 2004	1.7 %	0.2 %
June 2004	1.9 %	1.0 %
September 2004	1.6 %	0.5 %
December 2004 (current survey)	2.1 %	1.0 %

Notes: 1. Calculated by excluding 0.5 percent of the highest and the lowest figures, respectively, in order to avoid extremes (the simple average is **2.2** percent). (The simple average of the last survey in September 2004 was **1.7** percent.)

2. The number that appears in the middle when the answers are listed in numerical order.

(3) Distribution of Current Survey Answers¹



Note: 1. Figures in parentheses represent results of the previous survey (September 2004).

Among the respondents who answered that prices compared with one year ago “have gone down,”¹ those who commented that the price decline was “rather favorable” increased gradually.

Among the respondents who answered that prices compared with one year ago “have gone up,”² more than 75 percent commented that the price rise was “rather unfavorable.”

¹ “Have gone down” comprises “have gone down significantly” and “have gone down slightly.”

² “Have gone up” comprises “have gone up significantly” and “have gone up slightly.”

Chart 12 Comments on the Price Decline (Question 13-(a))

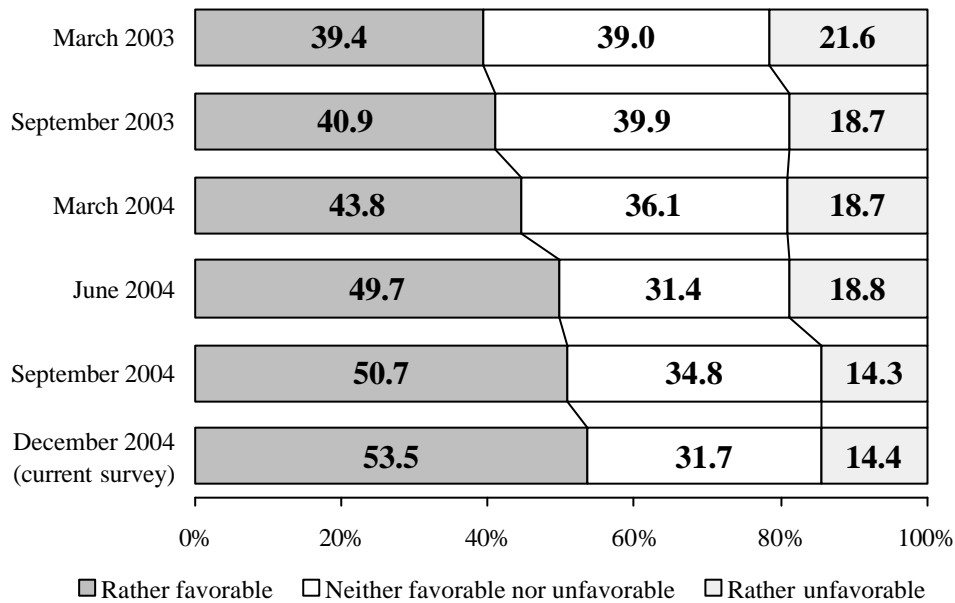
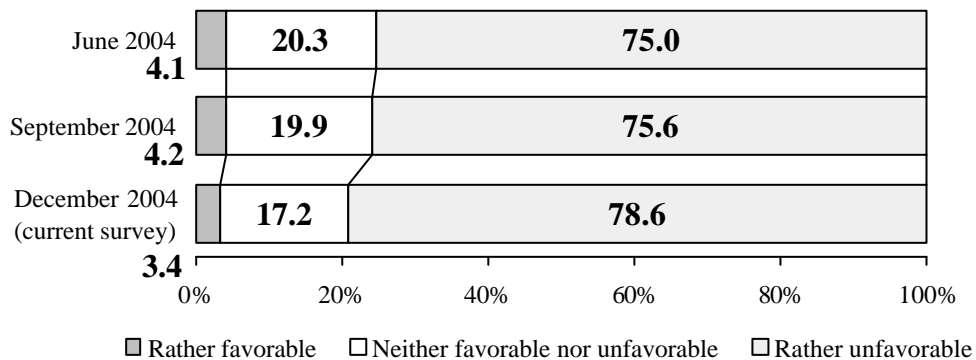


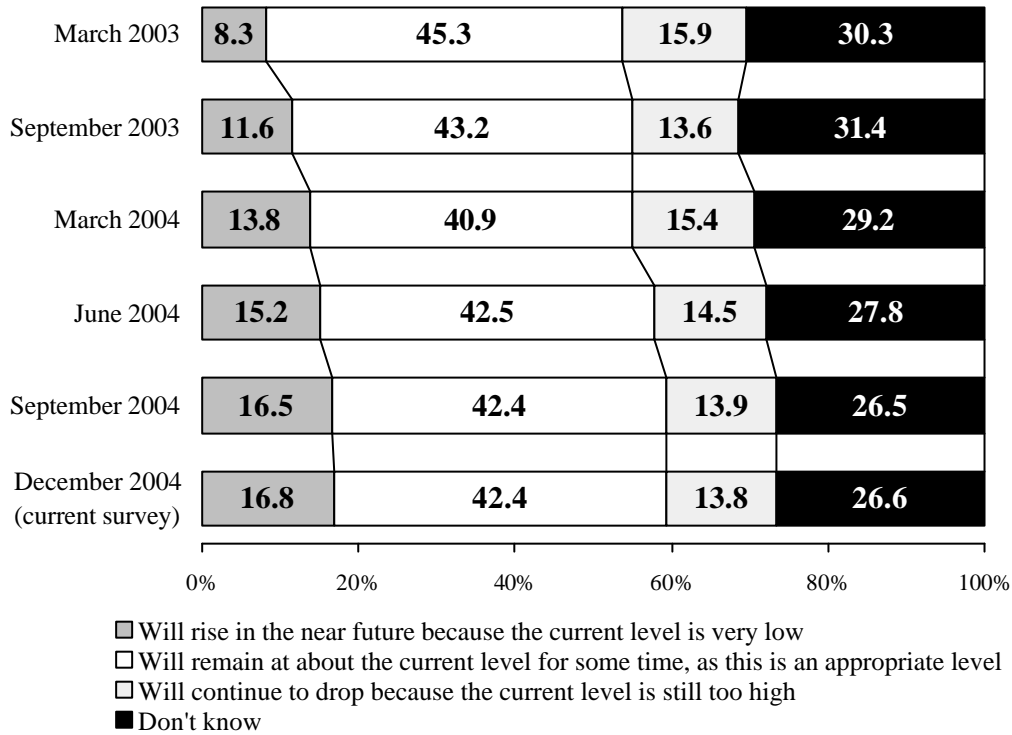
Chart 13 Comments on the Price Rise (Question 13-(b))



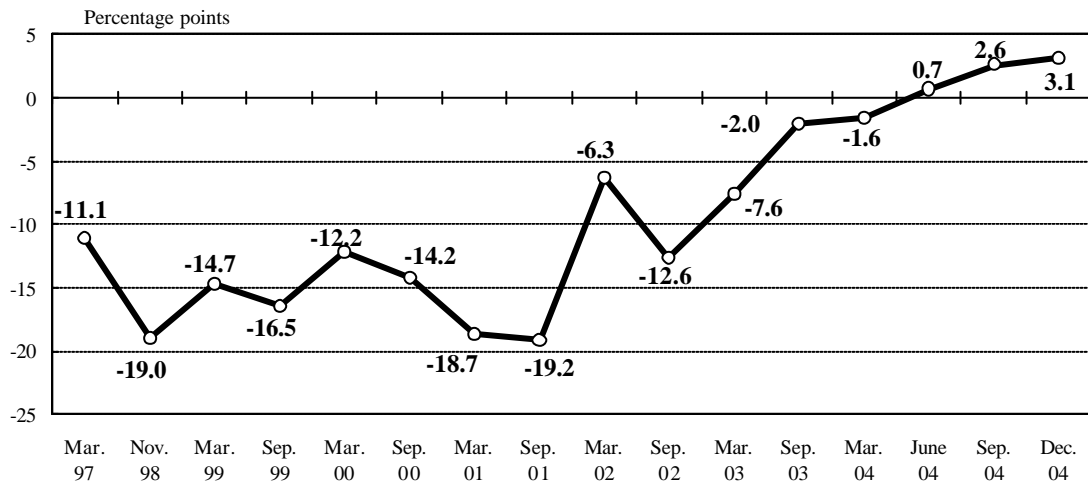
D. Future Development in Land Prices

When asked about the future development in land prices, the number of people who answered that land prices “will rise in the near future because the current level is very low” continued to increase marginally from the previous survey. As a result, the D.I. (“will rise in the near future ” minus “will continue to drop”) improved slightly, as in the previous survey.

Chart 14 Perception of the Future Development in Land Prices (Question 19)¹



Changes in the Land Prices D.I.

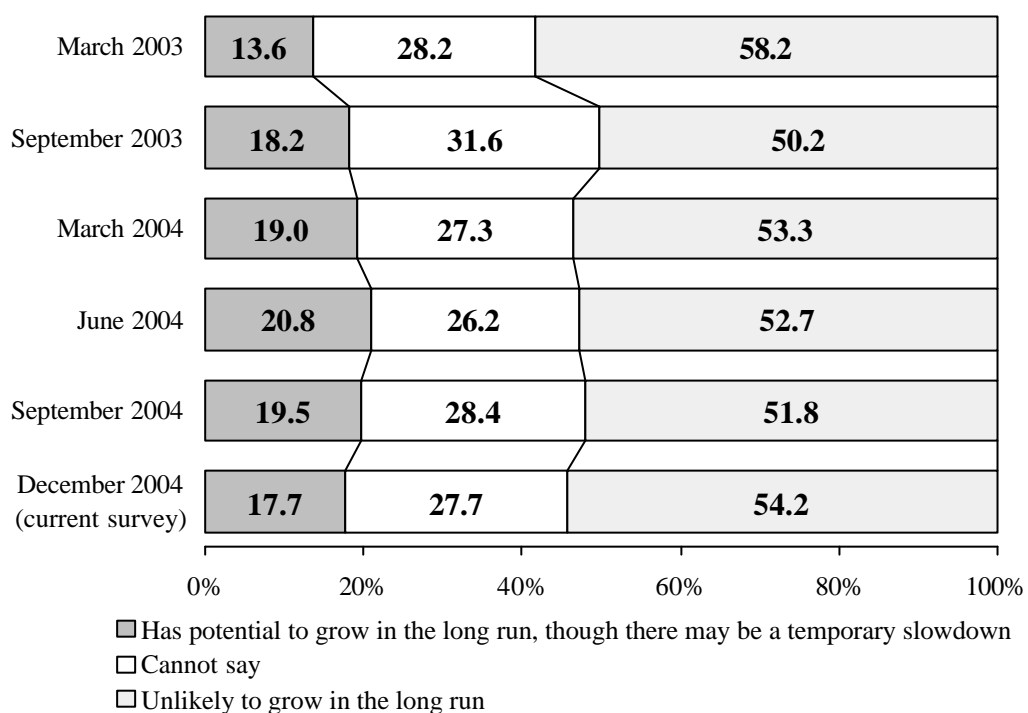


Note: 1. This question was not included in the sixth round of the survey, conducted in March 1998.

E. Growth Potential of the Japanese Economy

Almost 55 percent of respondents replied that the Japanese economy was “unlikely to grow in the long run,” as in the previous survey. The number of respondents who answered that the Japanese economy “has potential to grow in the long run, though there may be a temporary slowdown” was on a slightly decreasing trend.

Chart 15 Perception of the Japanese Economy’s Growth Potential (Question 21)



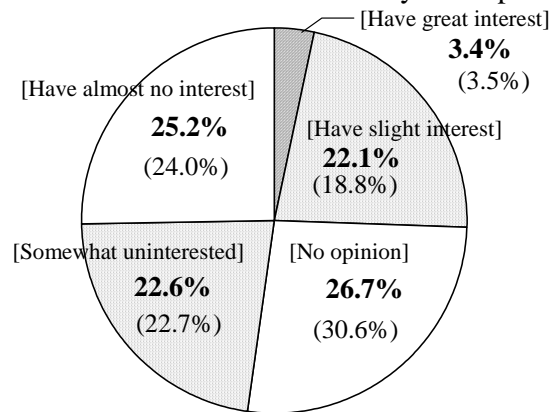
F. Degree of Interest in, Recognition, and Credibility of the Bank

About 25 percent of respondents answered that they “have great interest” and “have slight interest” in the Bank’s policy and operations.

Among the respondents who answered “have interest”¹ in the Bank’s policy and operations, many specified interests in “monetary policy” and “the role of the Bank in the Japanese economy.”

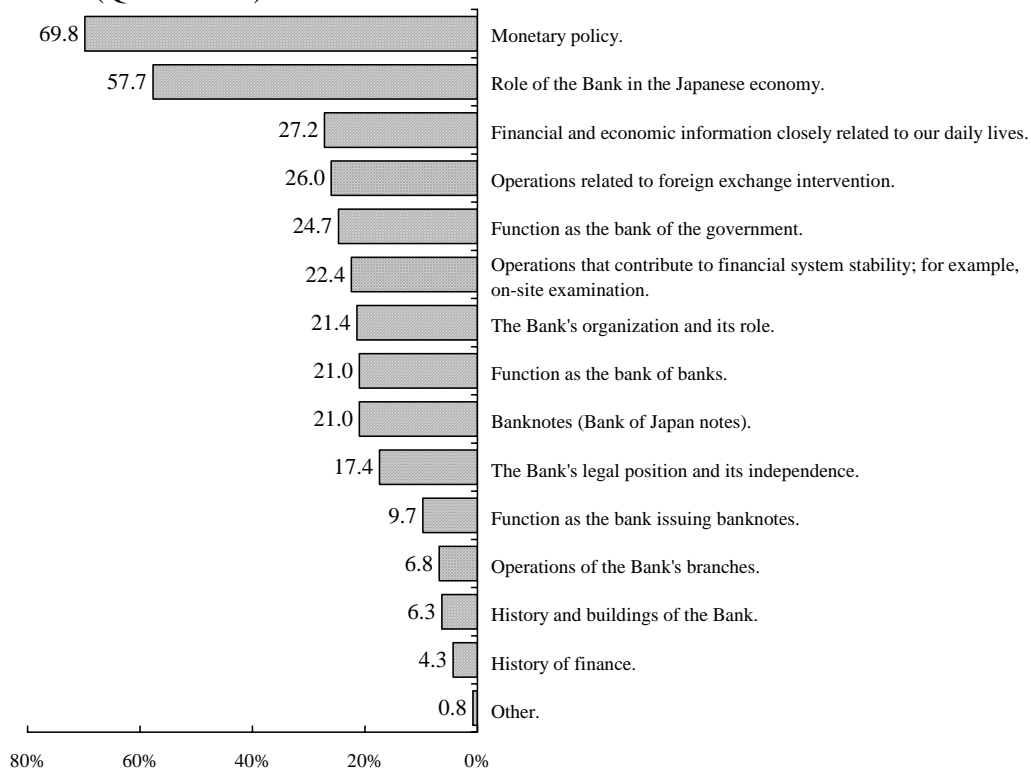
¹ “Have interest” comprises “have great interest” and “have slight interest.”

Chart 16 Degree of Interest in the Bank’s Policy and Operations (Question 28)¹



Note: 1. Figures in parentheses represent results of the 19th round of the survey because Question 28 was not included in the previous survey.

Chart 17 Information about the Bank in which Respondents Have Much Interest (Question 28)¹

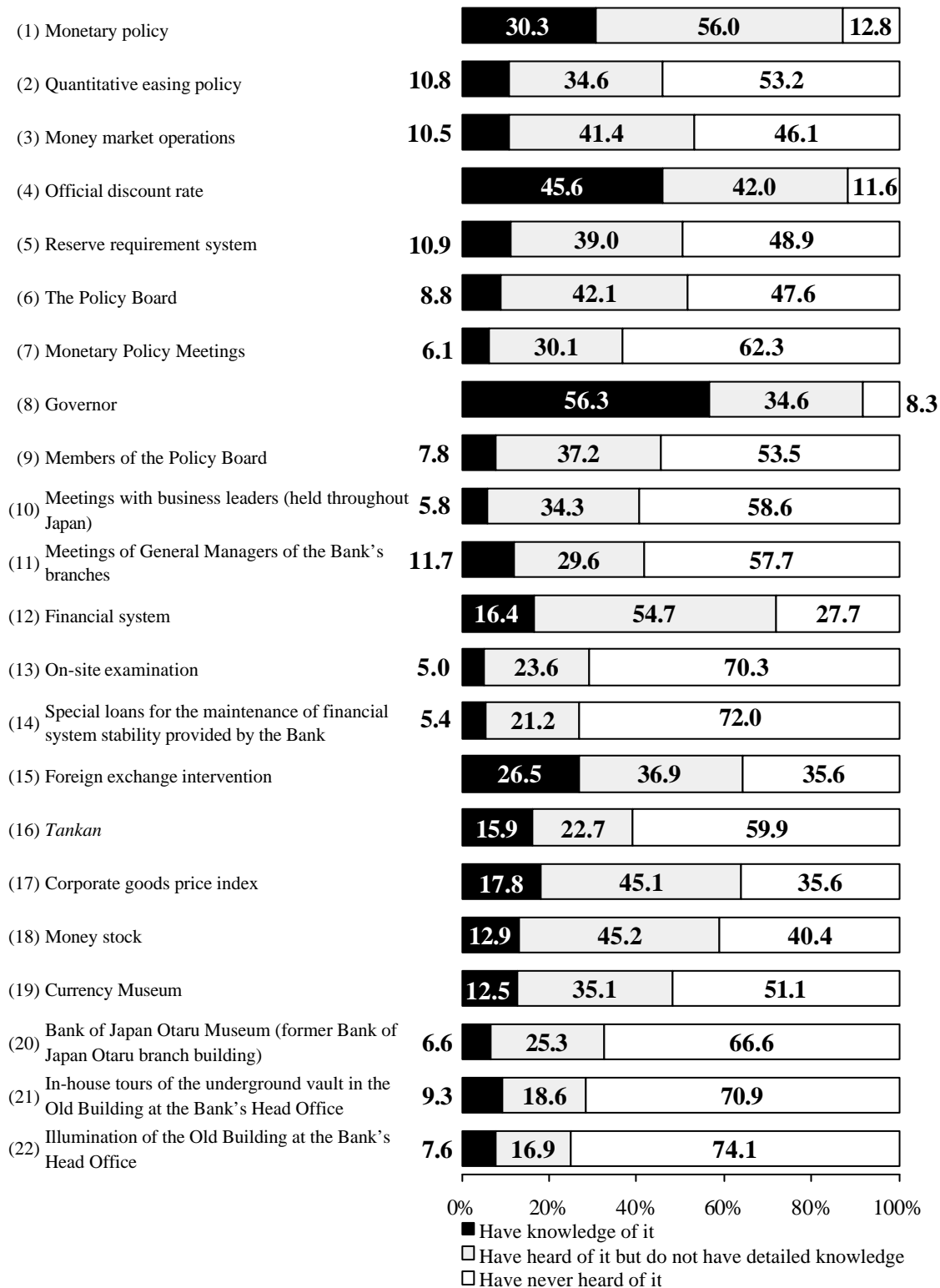


Note: 1. This question was not included in the previous survey.

2. Multiple answers were allowed.

When asked about terms and events related to the Bank, more than 55 percent of respondents indicated that they “have knowledge of” the “Governor.” This was followed by a little more than 45 percent for “official discount rate,” with about 30 percent for “monetary policy” and “foreign exchange intervention,” respectively. Responses to all remaining terms and events were below 20 percent.

Chart 18 Recognition of the Bank’s Terms and Events (Question 30)



When asked about recognition of the Bank, somewhat more than 60 percent of respondents stated that they “know almost nothing about the Bank’s policy and operations.”¹

A little more than 55 percent of respondents thought that “the Bank is related to our lives,”² with a little over 35 percent replying that “the Bank is contributing to our lives.”

Just over 50 percent of respondents felt that “the Bank’s explanations to the public are not clear enough.”³ When asked for reasons why the Bank’s explanations are unclear, many answered “lack of basic knowledge about the Bank,” as in the previous survey.

A little over 25 percent of respondents answered that they “have confidence in the Bank,”⁴ while about 15 percent of respondents answered they “do not have confidence in the Bank.”

When asked the reasons for having confidence in the Bank, “because the Bank is a neutral organization” was frequently mentioned, as in the previous survey, followed by “because I support the Bank’s policy” and “because of the sincere and solid impression of the Bank.” In terms of reasons for not having confidence in the Bank, answers such as “because the Bank is distant and unfamiliar” and “because I cannot understand the content and intention of the Bank’s policy” were frequently mentioned, as in the previous survey.

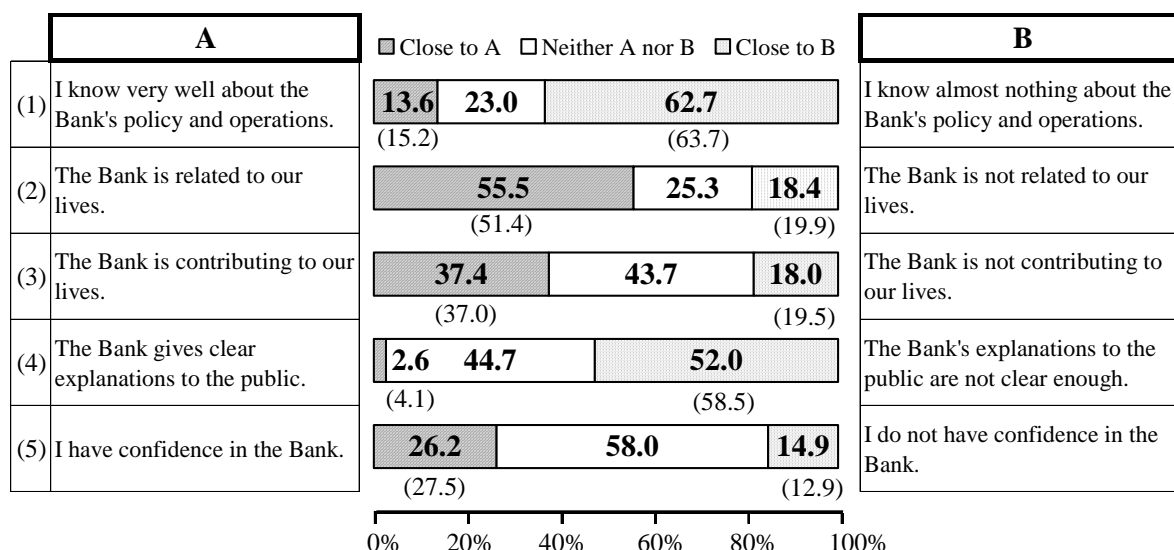
¹ “Know almost nothing about the Bank’s policy and operations” comprises “know almost nothing” and “do not know very much.”

² “The Bank is related to our lives” comprises “the Bank is related to our lives” and “the Bank is somewhat related to our lives.”

³ “The Bank’s explanations to the public are not clear enough” comprises “the Bank’s explanations to the public are not clear enough” and “the Bank’s explanations to the public are somewhat unclear.”

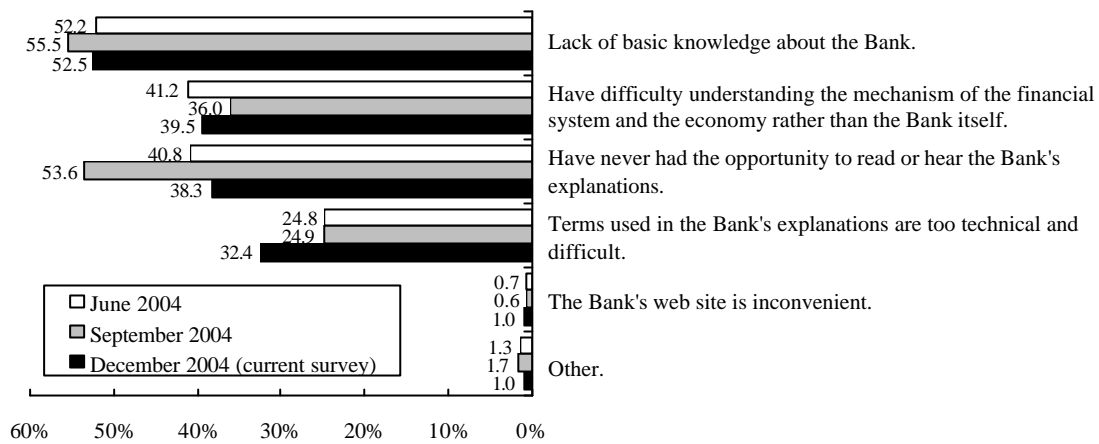
⁴ “Have confidence in the Bank” comprises “have confidence in the Bank” and “have confidence in the Bank to some extent.”

Chart 19 Comprehensive Recognition and Evaluation of the Bank (Question 31)¹



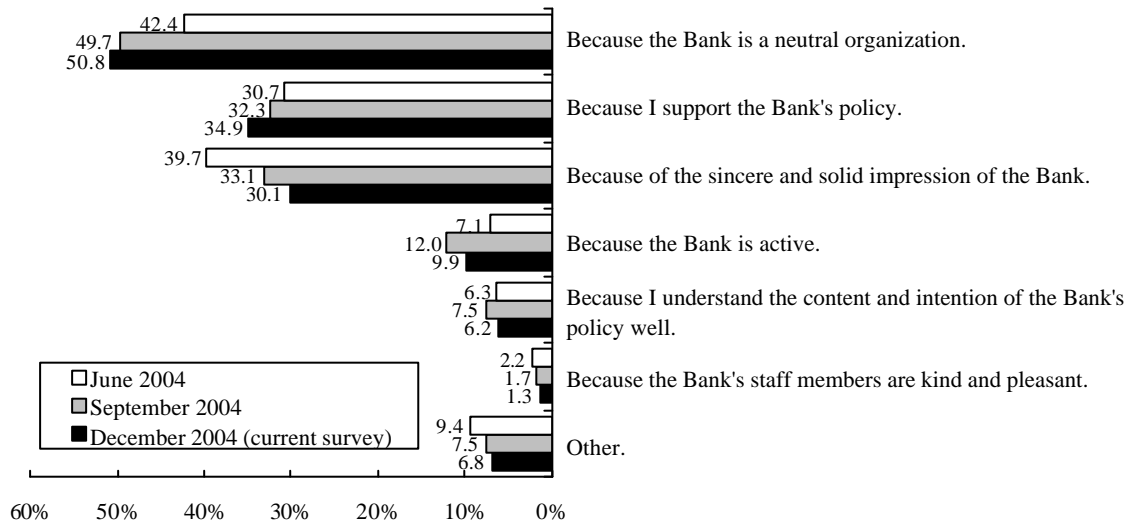
Note: 1. Figures in parentheses represent results of the previous survey (September 2004).

Chart 20 Reasons Why the Bank's Explanations Are Unclear (Question 31-(a))¹



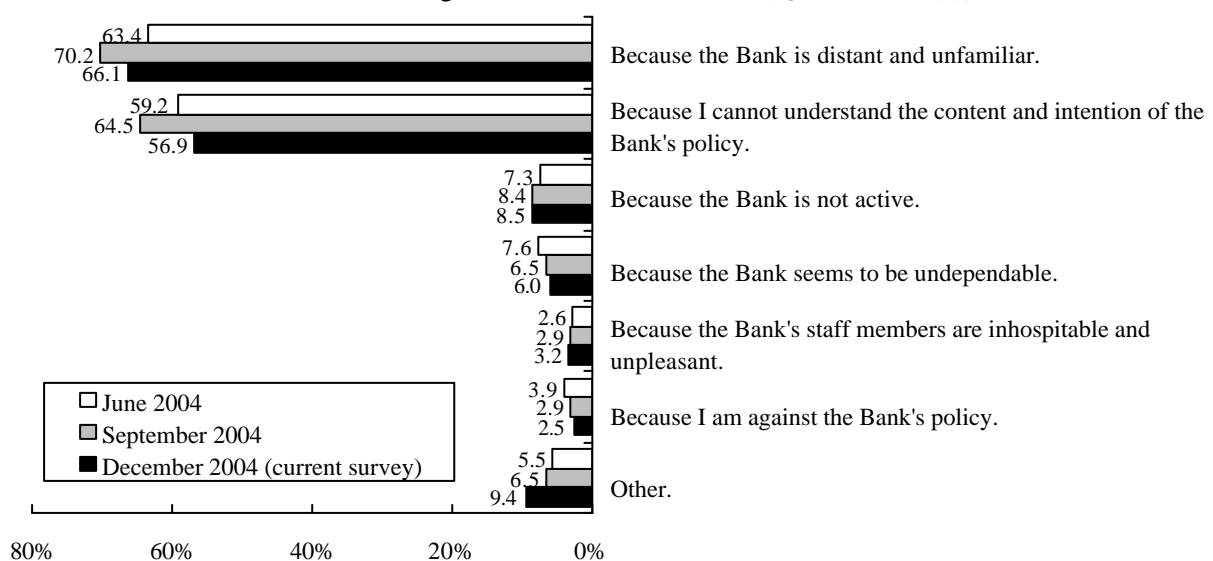
Note: 1. Up to two answers were allowed.

Chart 21 Reasons for Having Confidence in the Bank (Question 31-(b))¹



Note: 1. Up to two answers were allowed.

Chart 22 Reasons for Not Having Confidence in the Bank (Question 31-(c))¹



Note: 1. Up to two answers were allowed.

IV. Complete Questionnaire and Results

Bold numbers refer to the rate of responses for each menu of choices against total respondents for each question (percent; the second decimal place is rounded off^{1,2}).

¹ Because of rounding, response ratios do not necessarily add up to 100 percent even for questions that allow for only one choice.

² Figures in parentheses represent results of the previous survey (September 2004).

Question 1

In your opinion, has the Japanese economy been improving or worsening compared with one year ago? (Choose one answer.)

- | | |
|-------------------------|----------------------|
| (a) Improving. | 10.2 (14.1) |
| (b) Remaining the same. | 59.9 (61.4) |
| (c) Worsening. | 29.9 (24.5) |

Question 2

What makes you think so? (Choose up to two answers.)

- | | |
|---|----------------------|
| (a) Media reports. | 27.8 (26.6) |
| (b) Economic indicators and statistics. | 11.5 (10.7) |
| (c) Business performance of the company I work for, or of my own company. | 34.4 (34.3) |
| (d) Income level for myself or other family members. | 40.4 (41.2) |
| (e) Bustle of shopping streets and amusement quarters. | 28.7 (26.9) |
| (f) No reason in particular. | 8.0 (7.3) |
| (g) Other. | 2.4 (3.2) |

If you chose (c) in Question 1, please answer Question 3. Otherwise, please skip Question 3 and go on to Question 4.

Question 3

With regard to current economic conditions, which of the following best represents your impressions? (Choose all applicable answers.)

- | | |
|---|----------------------|
| (a) The economy will eventually recover through firms' own efforts. | 17.9 (17.6) |
| (b) The conditions must be endured in order to reform the economy and social structure. | 14.8 (15.0) |
| (c) My own living concerns are not seriously affected. | 27.1 (23.2) |
| (d) This is the most serious recession ever experienced and it seems that individual firms' efforts are not enough to overcome the problem. | 53.0 (54.6) |
| (e) Other. | 12.6 (12.0) |

(For all respondents.)

Question 4

How do you foresee economic conditions one year from now? (Choose one answer.)

- | | |
|---------------------------|----------------------|
| (a) Will improve. | 9.4 (13.2) |
| (b) Will remain the same. | 71.7 (74.4) |
| (c) Will worsen. | 18.9 (12.0) |

Question 5

What do you think about the current interest rate level? (Choose up to two answers.)

- | | | |
|-----|--|-----------------------------|
| (a) | I hope it will stimulate business activity and thereby lead to an economic recovery. | 39.0 (41.6) |
| (b) | Even at the current level, we cannot expect an economic recovery. | 41.7 (36.5) |
| (c) | It has negatively affected my household by reducing interest income on deposits and others. | 50.0 (51.2) |
| (d) | I don't have many complaints because stable prices secure principal of deposit even though interest income has decreased. | 8.2 (9.5) |
| (e) | Low interest rates are helpful in alleviating the financial burden because I am planning to apply for, or repay, a housing loan. | 10.6 (10.6) |
| (f) | Other. | 2.9 (3.7) |

Question 6

How has your income (or other family members' income) changed from one year ago? (Choose one answer.)

- | | | |
|-----|------------------------|-----------------------------|
| (a) | Has increased. | 6.2 (6.8) |
| (b) | Has remained the same. | 47.7 (45.2) |
| (c) | Has decreased. | 45.9 (47.9) |

Question 7

What do you expect your income (or other family members' income) will be one year from now? (Choose one answer.)

- | | | |
|-----|-----------------------|-----------------------------|
| (a) | Will increase. | 5.8 (6.6) |
| (b) | Will remain the same. | 56.8 (58.7) |
| (c) | Will decrease. | 37.2 (34.7) |

Question 8

How have you (or other family members) changed spending patterns compared with one year ago? (Choose one answer.)

- | | | |
|-----|---------------------------------------|-----------------------------|
| (a) | Have increased. | 6.8 (6.0) |
| (b) | Have neither increased nor decreased. | 50.0 (51.6) |
| (c) | Have decreased. | 43.1 (42.3) |

If you chose (a) in Question 8, please answer Question 8-(a). If you chose (c), please answer Question 8-(b). Otherwise, please skip questions 8-(a) and 8-(b) and go on to Question 9.

Question 8-(a)

Why have you increased your (or other family members') spending? (Choose all applicable answers.)

- | | |
|---|----------------------|
| (a) Because my income has increased. | 13.4 (21.3) |
| (b) Because my income is likely to increase in future. | 5.0 (3.9) |
| (c) Because tax cuts and other factors have lessened the household budget burden. | 0.5 (1.7) |
| (d) Because pension and social security payments are expected to increase. | 2.5 (3.9) |
| (e) Because of the asset value of real estate purchased; for example a house, has increased in value. | 0.5 (0.6) |
| (f) Because the value of purchased financial assets such as stocks and bonds has increased. | 1.0 (2.2) |
| (g) Because loan payment amounts have decreased due to low interest rates. | 2.0 (1.1) |
| (h) Because I decided not to buy a house (or else postponed plans). | 1.0 (1.7) |
| (i) Because there are goods and services I want to purchase. | 29.9 (26.4) |
| (j) Because I made a big purchase in the past twelve months. | 62.2 (56.7) |
| (k) No reason in particular. | 8.0 (8.4) |

Question 8-(b)

Why have you decreased your (or other family members') spending? (Choose all applicable answers.)

- | | |
|---|----------------------|
| (a) Because my income has not increased or has been decreasing due to recession or restructuring. | 36.4 (39.3) |
| (b) Because I fear a future job loss or decline in income. | 54.6 (56.8) |
| (c) Because I fear future cuts in pension and social security payments. | 61.2 (61.4) |
| (d) Because I fear a tax increase or rise in social security burden in future. | 49.7 (43.4) |
| (e) Because of the asset value of real estate purchased; for example a house, has decreased in value as I pay back housing loans. | 5.8 (5.6) |
| (f) Because the value of purchased financial assets such as stocks and bonds has decreased. | 4.3 (3.8) |
| (g) Because interest income has decreased due to low interest rates. | 19.4 (19.6) |
| (h) Because there are only few goods or services I want to purchase. | 6.6 (6.8) |
| (i) Because there happened to be no big purchases during the past twelve months. | 4.4 (5.3) |
| (j) No reason in particular. | 1.7 (1.4) |

(For all respondents.)

Question 9

Spending is divided into two categories, as shown below. Please select the best description of your spending attitude from (a) to (e) for each category of spending. (Choose one answer for each category.)

Category 1. Everyday spending such as on living and educational expenses

Category 2. Selective spending such as on hobby and leisure activities (spending other than category 1)

	Category 1	Category 2
(a) Have decreased spending.	22.9 (24.0)	34.0 (31.0)
(b) Have unintentionally decreased spending.	29.1 (27.1)	32.2 (31.6)
(c) Unchanged.	34.0 (35.3)	26.6 (28.9)
(d) Have unwillingly increased spending.	12.8 (12.4)	4.5 (4.7)
(e) Have increased spending.	0.9 (0.7)	2.0 (2.6)

Question 10

Do you plan to increase or decrease your spending within the next twelve months? (Choose one answer.)

(a) Will increase.	1.8 (1.4)
(b) Will neither increase nor decrease.	56.6 (59.0)
(c) Will decrease.	41.3 (39.3)

Question 11

What will be your incentive to spend? (Choose all applicable answers.)

(a) Income tax cut.	36.2 (34.7)
(b) Consumption tax cut.	33.9 (31.4)
(c) Tax incentive measures for those with housing or education loans.	14.0 (13.7)
(d) Dispelled fears of unemployment or an income decline.	40.4 (41.5)
(e) Dispelled fear of financial system uncertainty.	14.3 (12.4)
(f) Presentation of pension system and fiscal policy reform plans that clarify future public burden.	41.0 (42.1)
(g) Dispelled life-after-retirement concerns through expansion of the nursing care system; for example, creation of a publicly financed nursing program.	34.7 (35.6)
(h) Rise in interest rates on deposits.	32.4 (32.3)
(i) Overcoming deflation.	9.4 (9.9)
(j) Other.	2.4 (2.3)
(k) I do not plan to increase spending.	9.7 (9.7)

Question 12

Which of the following best describes your spending attitude? (Choose up to two answers.)

- | | |
|---|----------------------|
| (a) Basically, I spend more if my income increases. | 63.1 (61.6) |
| (b) It depends more on whether there is greater uncertainty over the future income level rather than the current level. | 42.5 (42.7) |
| (c) It depends on the forecast for developments in prices of goods and costs of services. | 9.7 (9.7) |
| (d) It depends on real estate price developments because I own a house and/or other real estate. | 3.8 (4.2) |
| (e) It depends on stock price developments because I have stocks and/or investment trusts. | 3.7 (3.1) |
| (f) It is affected by tax and social insurance premiums because they decrease/increase my actual income. | 37.8 (36.0) |
| (g) It depends on whether there are goods and services I want to purchase. | 11.3 (11.4) |
| (h) It depends on whether new and similar products are introduced to the market over a short cycle and prices change in a short period. | 3.5 (3.3) |

Question 13

How do you think prices¹ have changed compared with one year ago? (Choose one answer.)

- | | |
|-------------------------------------|----------------------|
| (a) Have gone down significantly. | 1.7 (1.9) |
| (b) Have gone down slightly. | 15.2 (20.7) |
| (c) Have remained almost unchanged. | 54.7 (56.2) |
| (d) Have gone up slightly. | 25.6 (19.6) |
| (e) Have gone up significantly. | 2.5 (1.3) |

Note: 1. They are defined as overall prices of goods and services you purchase (hereafter the same).

If you chose (a) or (b) in Question 13, please answer Question 13-(a). If you chose (d) or (e), please answer Question 13-(b). For remaining respondents, please skip questions 13-(a) and 13-(b) and go on to Question 14.

Question 13-(a)

What is your opinion of the price decline? (Choose one answer.)

- | | |
|--|----------------------|
| (a) Rather favorable. | 53.5 (50.7) |
| (b) Rather unfavorable. | 14.4 (14.3) |
| (c) Neither favorable nor unfavorable. | 31.7 (34.8) |

Question 13-(b)

What is your opinion of the price rise? (Choose one answer.)

- | | |
|--|----------------------|
| (a) Rather favorable. | 3.4 (4.2) |
| (b) Rather unfavorable. | 78.6 (75.6) |
| (c) Neither favorable nor unfavorable. | 17.2 (19.9) |

(For all respondents.)

Question 14

By what percent do you think the prices have gone up or down compared with one year ago? Please fill in the appropriate box below with a specific figure. If you think that they have been unchanged, please put a "0" in either box.

Compared with one year ago, the prices have
gone up about percent.
gone down about percent.

Average¹: **1.3 (0.2)** percent

Median²: **0.0 (0.0)** percent

Notes: 1. Calculated by excluding 0.5 percent of the highest and the lowest figures, respectively, in order to avoid extremes (the simple average is **1.4** percent). (The simple average of the last survey was **0.2** percent.)
2. The number that appears in the middle when the answers are listed in numerical order.

Question 15

In which direction do you think prices will move one year from now? (Choose one answer.)

- | | |
|-----------------------------------|----------------------|
| (a) Will go down significantly. | 0.1 (0.2) |
| (b) Will go down slightly. | 6.1 (5.6) |
| (c) Will remain almost unchanged. | 53.5 (55.6) |
| (d) Will go up slightly. | 35.8 (35.4) |
| (e) Will go up significantly. | 2.0 (1.7) |

Question 16

By what percent do you think the prices will go up or down one year from now? Please fill in the appropriate box below with a specific figure. If you think that they will be unchanged, please put a "0" in either box.

The prices one year from now will
go up percent
go down percent
compared with the present.

Average¹: **1.8 (1.4)** percent

Median²: **0.0 (0.0)** percent

Notes: 1. Calculated by excluding 0.5 percent of the highest and the lowest figures, respectively, in order to avoid extremes (the simple average is **1.9** percent). (The simple average of the last survey was **1.5** percent.)
2. The number that appears in the middle when the answers are listed in numerical order.

Question 17

In which direction do you think the prices will move over the next five years? (Choose one answer.)

- | | |
|-----------------------------------|----------------------|
| (a) Will go down significantly. | 0.3 (0.5) |
| (b) Will go down slightly. | 6.9 (7.0) |
| (c) Will remain almost unchanged. | 28.5 (31.1) |
| (d) Will go up slightly. | 53.6 (52.0) |
| (e) Will go up significantly. | 8.6 (7.7) |

Question 18

By what percent do you think the prices will go up or down per year on average over the next five years? Please fill in the appropriate box below with a specific figure. If you think that they will be unchanged, please put a "0" in either box.

The prices will go up percent
per year on average over the next five years.
 go down percent

Average¹: **2.1 (1.6)** percent

Median²: **1.0 (0.5)** percent

Notes: 1. Calculated by excluding 0.5 percent of the highest and the lowest figures, respectively, in order to avoid extremes (the simple average is **2.2** percent). (The simple average of the last survey was **1.7** percent.)

2. The number that appears in the middle when the answers are listed in numerical order.

Question 19

What do you foresee as the future development in land prices? (Choose one answer.)

- | | |
|--|----------------------|
| (a) Will rise in the near future because the current level is very low. | 16.8 (16.5) |
| (b) Will remain at about the current level for some time, as this is an appropriate level. | 42.4 (42.4) |
| (c) Will continue to drop because the current level is still too high. | 13.8 (13.9) |
| (d) Don't know. | 26.6 (26.5) |

Question 20

What do you think about your household circumstances compared with one year ago? (Choose one answer.)

- | | |
|--------------------------------------|----------------------|
| (a) Have become somewhat better off. | 5.3 (6.1) |
| (b) Have become somewhat worse off. | 50.2 (48.4) |
| (c) Difficult to say. | 44.5 (45.4) |

If you chose (a) in Question 20, please answer Question 20-(a). If you chose (b), please answer Question 20-(b). For remaining respondents, please skip questions 20-(a) and 20-(b) and go on to Question 21.

Question 20-(a)

Why do you think your household circumstances have become better off? (Choose all applicable answers.)

- | | |
|--|----------------------|
| (a) Regular income; for example salary, has increased. | 51.6 (48.3) |
| (b) Other income such as interest income has increased. | 3.2 (2.2) |
| (c) Gained special income from sales of real estate such as land and houses. | 3.8 (0.6) |
| (d) Abandoned or postponed plans of purchasing a house. | 1.3 (1.1) |
| (e) Prices have declined or remained stable. | 15.3 (27.2) |
| (f) The value of assets held such as stocks and real estate has increased. | 5.7 (4.4) |
| (g) The number of dependents in my family has decreased. | 30.6 (27.8) |
| (h) Other. | 15.3 (20.0) |

Question 20-(b)

Why do you think your household circumstances have become worse off? (Choose all applicable answers.)

- | | |
|---|-----------------------------|
| (a) Regular income; for example salary, has decreased. | 70.8 (72.5) |
| (b) Other income such as interest income has decreased. | 18.7 (18.6) |
| (c) Purchased or plan to purchase real estate such as land and houses. | 5.4 (5.8) |
| (d) Prices have increased. | 22.5 (18.3) |
| (e) The value of assets held such as stocks and real estate has declined. | 5.7 (6.1) |
| (f) The number of dependents in my family has increased. | 10.9 (11.2) |
| (g) Other. | 19.8 (20.9) |

(For all respondents.)

Question 21

What do you believe is the Japanese economy's growth potential? (Choose one answer.)

- | | |
|--|-----------------------------|
| (a) Has potential to grow in the long run, though there may be a temporary slowdown. | 17.7 (19.5) |
| (b) Unlikely to grow in the long run. | 54.2 (51.8) |
| (c) Cannot say. | 27.7 (28.4) |

Question 22

In the past year, has the company you (or other family members) work for taken or planned to take restructuring measures related to salary payments and employment? (Choose one answer.)

- | | |
|--|-----------------------------|
| (a) Yes. | 28.7 (32.5) |
| (b) No, but it has been planning to do so in future. | 10.8 (8.6) |
| (c) No, and it seems there is no plan to do so. | 27.9 (26.9) |
| (d) Don't know. | 32.2 (31.5) |

If you chose (a) or (b) in Question 22, please answer Question 22-(a). Otherwise, please skip Question 22-(a) and go on to Question 23.

Question 22-(a)

Specifically, what kind of restructuring measures were taken or are to be taken by the company for whom you (or other family members) work? (Choose all applicable answers.)

- | | |
|--|-----------------------------|
| (a) Cut in overtime work. | 32.0 (36.9) |
| (b) Cut in salary and review of the wage system. | 61.8 (67.8) |
| (c) Restrained recruiting of new graduates. | 22.3 (21.0) |
| (d) Reduction in personnel through dispatching them to other companies and encouraging early retirement. | 33.8 (34.0) |
| (e) Reduction in job positions, as well as organizational reform. | 20.0 (20.9) |
| (f) Review of personnel or qualification system. | 16.1 (18.6) |
| (g) Introduction of worksharing. | 4.2 (4.4) |
| (h) Other. | 6.7 (6.5) |
| (i) Restructuring is planned but don't know the details. | 2.3 (2.2) |

(For all respondents.)

Question 23

Are you worried about your (or other family members') employment or work arrangements (pay, job position, and benefits) at the current workplace? (Choose one answer.)

	All respondents	Workers ¹
(a) Not particularly worried.	15.5 (14.7)	17.5 (16.7)
(b) Slightly worried.	47.9 (45.3)	54.6 (51.9)
(c) Quite worried.	21.0 (24.4)	24.5 (27.8)
(d) Has no relevance to me or my family.	15.1 (15.3)	3.2 (3.4)

Note: 1. Workers who are company employees, civil servants, other types of employees, or part-timers.

Question 24

Are you (or other family members) thinking of looking for a new job or otherwise re-entering the workforce? (Choose one answer.)

(a) Yes.	32.1 (35.6)
(b) No.	67.7 (64.2)

If you chose (a) in Question 24, please answer Question 24-(a). Otherwise, please skip Question 24-(a) and go on to Question 25.

Question 24-(a)

Are you (or other family members) worried about looking for a new job or re-entering the workforce? (Choose one answer.)

(a) Not particularly worried.	7.7 (6.2)
(b) Slightly worried.	38.7 (41.7)
(c) Quite worried.	53.5 (52.2)

(For all respondents.)

Question 25

Do you have any concrete plans to purchase a house, or sell your current house and buy another? (Choose one answer.)

(a) No such plans at present.	93.1 (92.7)
(b) Plan to purchase a house for the first time.	3.2 (3.1)
(c) Plan to sell a house and buy another.	2.8 (3.1)
(d) Plan to buy a second house.	0.4 (0.6)

Question 26

Are you repaying loans such as a housing or consumer loan? (Choose one answer.)

(a) Yes.	34.8 (32.6)
(b) No.	65.0 (67.2)

Questions 27 to 32 ask about your knowledge of the Bank of Japan (hereafter “the Bank”).

Question 27

Which of the following applies to your relationship with the Bank? (Choose all applicable answers.)

Figures in parentheses represent results of the 19th round of the survey because Question 27 was not included in the previous survey.

- | | | | |
|-----|---|-------------|-----------------|
| (a) | Have made visit(s) to the Head Office and/or the branch(es). | 6.5 | (6.8) |
| (b) | Have made visit(s) to the Bank's Currency Museum and/or the Bank of Japan Otaru Museum. | 3.1 | (3.2) |
| (c) | Have listened to speeches made by Bank executives at, for example, seminars. | 2.3 | (2.3) |
| (d) | Have visited the Bank's web site. | 3.8 | (3.9) |
| (e) | Have seen brochures and/or posters made by the Bank. | 7.4 | (5.5) |
| (f) | Have seen publications and/or reports released by the Bank. | 4.1 | (2.9) |
| (g) | Have seen or heard news regarding the Bank on TV and/or radio. | 60.0 | (53.9) |
| (h) | Have read articles about the Bank in newspapers and/or magazines. | 41.3 | (37.5) |
| (i) | None of the above. | 28.0 | (32.7) |
| (j) | Other () | 0.4 | (1.1) |

Question 28

How interested are you in the Bank's policy and operations? (Choose one answer.)

Figures in parentheses represent results of the 19th round of the survey because Question 28 was not included in the previous survey.

- | | | | |
|-----|--------------------------|------|----------|
| (a) | Have great interest. | 3.4 | (3.5) |
| (b) | Have slight interest. | 22.1 | (18.8) |
| (c) | No opinion. | 26.7 | (30.6) |
| (d) | Somewhat uninterested. | 22.6 | (22.7) |
| (e) | Have almost no interest. | 25.2 | (24.0) |

If you chose (a) or (b) in Question 28, please answer Question 28-(a). Otherwise, please skip Question 28-(a) and go on to Question 29.

Question 28-(a)

What kind of information about the Bank attracts your interest? (Choose all applicable answers.

This question is new to the survey.)

(a)	Role of the Bank in the Japanese economy.	57.7
(b)	Monetary policy.	69.8
(c)	Banknotes (Bank of Japan notes).	21.0
(d)	Function as the bank of banks.	21.0
(e)	Function as the bank of the government.	24.7
(f)	Function as the bank issuing banknotes.	9.7
(g)	Operations that contribute to financial system stability; for example, on-site examination.	22.4
(h)	Operations related to foreign exchange intervention.	26.0
(i)	Operations of the Bank's branches.	6.8
(j)	The Bank's legal position and its independence.	17.4
(k)	The Bank's organization and its role.	21.4
(l)	History and buildings of the Bank.	6.3
(m)	Financial and economic information closely related to our daily lives.	27.2
(n)	History of finance.	4.3
(o)	Other ().	0.8

(For all respondents.)

Question 29

Which of the following activities related to the Bank would you like to do? (Choose all applicable answers.)

Figures in parentheses represent results of the 19th round of the survey because Question 29 was not included in the previous survey.

(a)	Read brochures that explain the Bank's role and operations.	19.6 (21.1)
(b)	Watch the video on the Bank.	5.3 (6.0)
(c)	Watch TV programs that give plain explanations about the Bank.	26.4 (25.0)
(d)	Join seminars on finance and economy given by the Bank's officials and staff members.	7.2 (6.5)
(e)	Visit the Bank's web site designed for children.	6.1 (5.4)
(f)	Join the Bank's in-house tours.	8.6 (6.9)
(g)	Visit the Bank of Japan Otaru Museum, which was previously used as the Bank's branch.	5.7 (4.5)
(h)	Visit the Currency Museum at the Bank's Head Office.	14.8 (10.6)
(i)	Other ().	0.4 (0.6)
(j)	Nothing in particular.	46.5 (50.1)

Question 30

The following 22 items represent terms and events related to the Bank. Please choose the most applicable level of your knowledge relative to these items. (Choose one answer for each. This question is new to the survey.)

- (a) Have knowledge of it.
 (b) Have heard of it, but do not have detailed knowledge.
 (c) Have never heard of it.

		(a)	(b)	(c)
(1)	Monetary policy	30.3	56.0	12.8
(2)	Quantitative easing policy	10.8	34.6	53.2
(3)	Money market operations	10.5	41.4	46.1
(4)	Official discount rate	45.6	42.0	11.6
(5)	Reserve requirement system	10.9	39.0	48.9
(6)	The Policy Board	8.8	42.1	47.6
(7)	Monetary Policy Meetings	6.1	30.1	62.3
(8)	Governor	56.3	34.6	8.3
(9)	Members of the Policy Board	7.8	37.2	53.5
(10)	Meetings with business leaders (held throughout Japan)	5.8	34.3	58.6
(11)	Meetings of General Managers of the Bank's branches	11.7	29.6	57.7
(12)	Financial system	16.4	54.7	27.7
(13)	On-site examination	5.0	23.6	70.3
(14)	Special loans for the maintenance of financial system stability provided by the Bank	5.4	21.2	72.0
(15)	Foreign exchange intervention	26.5	36.9	35.6
(16)	<i>Tankan</i>	15.9	22.7	59.9
(17)	Corporate goods price index	17.8	45.1	35.6
(18)	Money stock	12.9	45.2	40.4
(19)	Currency Museum	12.5	35.1	51.1
(20)	Bank of Japan Otaru Museum (former Bank of Japan Otaru branch building)	6.6	25.3	66.6
(21)	In-house tours of the underground vault in the Old Building at the Bank's Head Office	9.3	18.6	70.9
(22)	Illumination of the Old Building at the Bank's Head Office	7.6	16.9	74.1

Question 31

The following table indicates five pairs of contrasting views on the Bank. Toward which end, A or B, is your view closer? (Choose one answer for each pair.)

- (a) Close to A.
 (b) Somewhat closer to A.
 (c) Neither A nor B.
 (d) Somewhat closer to B.
 (e) Close to B.

	A	(a)	(b)	(c)	(d)	(e)	B
(1)	I know very well about the Bank's policy and operations.	1.9 (2.3)	11.7 (12.9)	23.0 (20.3)	27.7 (28.1)	35.0 (35.6)	I know almost nothing about the Bank's policy and operations.
(2)	The Bank is related to our lives.	21.5 (17.4)	34.0 (34.0)	25.3 (27.9)	10.0 (11.8)	8.4 (8.1)	The Bank is not related to our lives.
(3)	The Bank is contributing to our lives.	10.8 (11.0)	26.6 (26.0)	43.7 (42.8)	9.8 (11.2)	8.2 (8.3)	The Bank is not contributing to our lives.
(4)	The Bank gives clear explanations to the public.	0.4 (0.8)	2.2 (3.3)	44.7 (36.9)	23.5 (24.9)	28.5 (33.6)	The Bank's explanations to the public are not clear enough.
(5)	I have confidence in the Bank.	8.4 (9.8)	17.8 (17.7)	58.0 (58.8)	9.9 (7.5)	5.0 (5.4)	I do not have confidence in the Bank.

If you chose (d) or (e) in Question 31-(4), please answer Question 31-(a). If you chose (a) or (b) in Question 31-(5), please answer Question 31-(b), but if you chose (d) or (e), please answer Question 31-(c). Otherwise, please skip questions 31-(a), 31-(b), and 31-(c) and go on to Question 32.

Question 31-(a)

Why do you think the Bank's explanations are unclear? (Choose up to two answers.)

- (a) Terms used in the Bank's explanations are too technical and difficult. **32.4** (24.9)
 (b) Lack of basic knowledge about the Bank. **52.5** (55.5)
 (c) Have difficulty understanding the mechanism of the financial system and the economy rather than the Bank itself. **39.5** (36.0)
 (d) Have never had the opportunity to read or hear the Bank's explanations. **38.3** (53.6)
 (e) The Bank's web site is inconvenient. **1.0** (0.6)
 (f) Other (). **1.0** (1.7)

Question 31-(b)

Why do you have confidence in the Bank? (Choose up to two answers.)

- (a) Because I support the Bank's policy. **34.9** (32.3)
 (b) Because the Bank is active. **9.9** (12.0)
 (c) Because I understand the content and intention of the Bank's policy well. **6.2** (7.5)
 (d) Because the Bank is a neutral organization. **50.8** (49.7)
 (e) Because the Bank's staff members are kind and pleasant. **1.3** (1.7)
 (f) Because of the sincere and solid impression of the Bank. **30.1** (33.1)
 (g) Other (). **6.8** (7.5)

Question 31-(c)

Why do you not have confidence in the Bank? (Choose up to two answers.)

- | | | | |
|-----|---|-------------|-----------------|
| (a) | Because I am against the Bank's policy. | 2.5 | (2.9) |
| (b) | Because the Bank is not active. | 8.5 | (8.4) |
| (c) | Because I cannot understand the content and intention of the Bank's policy. | 56.9 | (64.5) |
| (d) | Because the Bank is distant and unfamiliar. | 66.1 | (70.2) |
| (e) | Because the Bank's staff members are inhospitable and unpleasant. | 3.2 | (2.9) |
| (f) | Because the Bank seems to be undependable. | 6.0 | (6.5) |
| (g) | Other (). | 9.4 | (6.5) |

Question 32

Please freely give us your comments or express wishes relative to the Bank's policy and/or operations.

- | | | | |
|-----|----------------------|-------------|-----------------|
| (a) | Offered comments. | 16.0 | (13.9) |
| (b) | Offered no comments. | 84.0 | (86.1) |

This last set of questions asks about you and your household. Although these include questions of a personal nature, they are only used for analyzing the survey results and we would be very grateful for your responses.

(For all respondents.)

Q1

Are you male or female?

- | | |
|-------------|---------------|
| (a) Male. | 49.5 (48.7) |
| (b) Female. | 50.5 (51.3) |

Q2

What age group are you in?

- | | |
|------------|---------------|
| (a) 20–29. | 10.7 (11.8) |
| (b) 30–39. | 17.1 (15.4) |
| (c) 40–49. | 17.7 (17.8) |
| (d) 50–59. | 21.2 (21.2) |
| (e) 60–69. | 19.9 (19.8) |
| (f) 70–. | 13.3 (13.9) |

Q3

What is your field of occupation? (Choose one answer.)

Self-employed or working for a family business

- | | |
|---|---------------|
| (a) Agriculture, forestry, and fisheries. | 2.8 (2.9) |
| (b) Self-employed, working for a family business, or professional worker. | 13.6 (11.0) |

All other workers

- | | |
|---|---------------|
| (c) Company employee, civil servant, or other type of employee. | 34.1 (35.9) |
| (d) Part-timer. | 13.3 (12.0) |

Unemployed

- | | |
|--------------------------|---------------|
| (e) Full-time homemaker. | 15.0 (15.8) |
| (f) Student. | 1.5 (1.9) |
| (g) Pensioner. | 15.1 (15.2) |
| (h) Other. | 4.1 (4.9) |

Q4

How much income did you (and your partner) earn last year? (Annual income before deducting taxes; excludes temporary income such as retirement allowance and income from land sales, but includes pensions.) (Choose one answer.)

- | | |
|--|---------------|
| (a) No income. | 4.1 (4.1) |
| (b) Less than 3 million yen. | 37.1 (38.8) |
| (c) 3million or more but less than 5 million yen. | 26.1 (25.3) |
| (d) 5million or more but less than 10 million yen. | 21.6 (21.9) |
| (e) 10 million yen or greater. | 4.6 (4.8) |

Q5

How large is your family? (Choose one answer.)

- | | |
|---|---------------|
| (a) I am single. | 5.4 (7.0) |
| (b) Myself and my partner. | 22.6 (21.0) |
| (c) Myself, my partner, and an unmarried child (unmarried children) who is (are) financially dependent. | 34.2 (33.5) |
| (d) Other. | 37.1 (38.4) |