

Results of the 16th Opinion Survey on the General Public's Mindset and Behavior*

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October 8, 2003

Bank of Japan

Public Relations Department

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 a quarterly statistical indicator.

II. Survey Outline

Survey period: From March 7 to March 17, 2003.

Survey sample participants: Individuals living in Japan who are at least 20 years of age.

Sample size: 4,000 people (3,043 people [i.e., 76.1 percent of the overall sample size] provided valid responses to questions).

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. Survey Results

A. Impression of Economic Conditions¹

1. Economic conditions

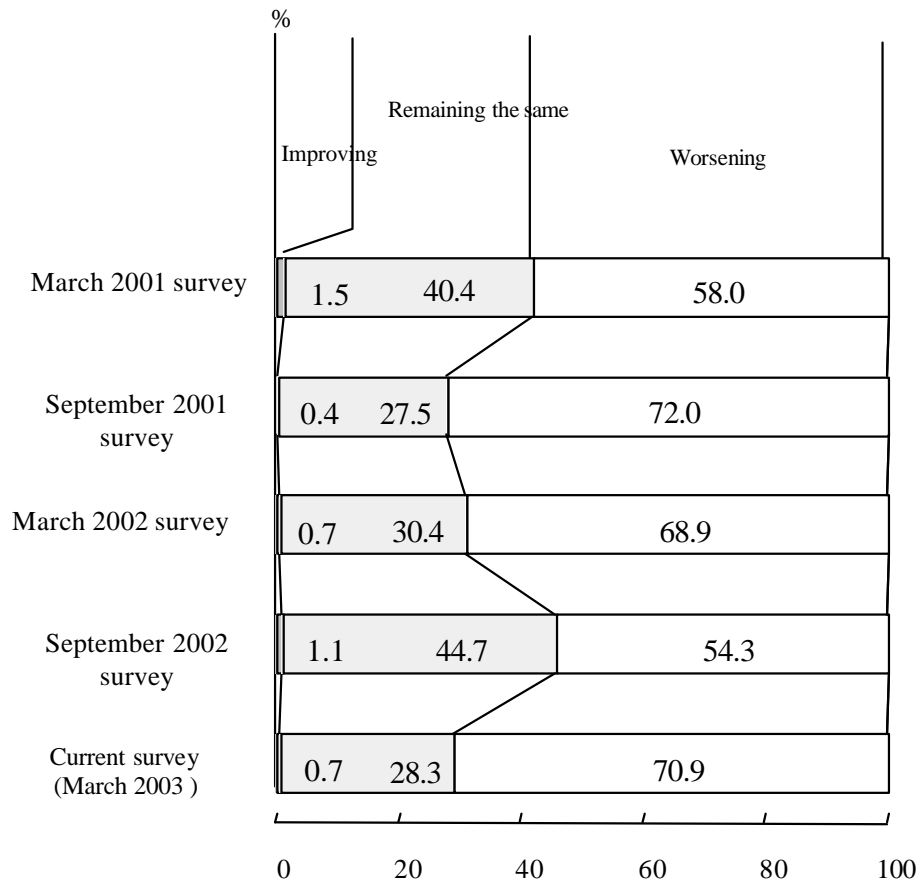
Compared with a year ago, a greater number of people judged economic conditions to be “worsening.” The diffusion index (DI) (“improving” minus “worsening”) deteriorated from the previous survey, falling 17 percentage points.

The DI outlook for the next twelve months (“will improve” minus “will worsen”) also declined by 13 percentage points.

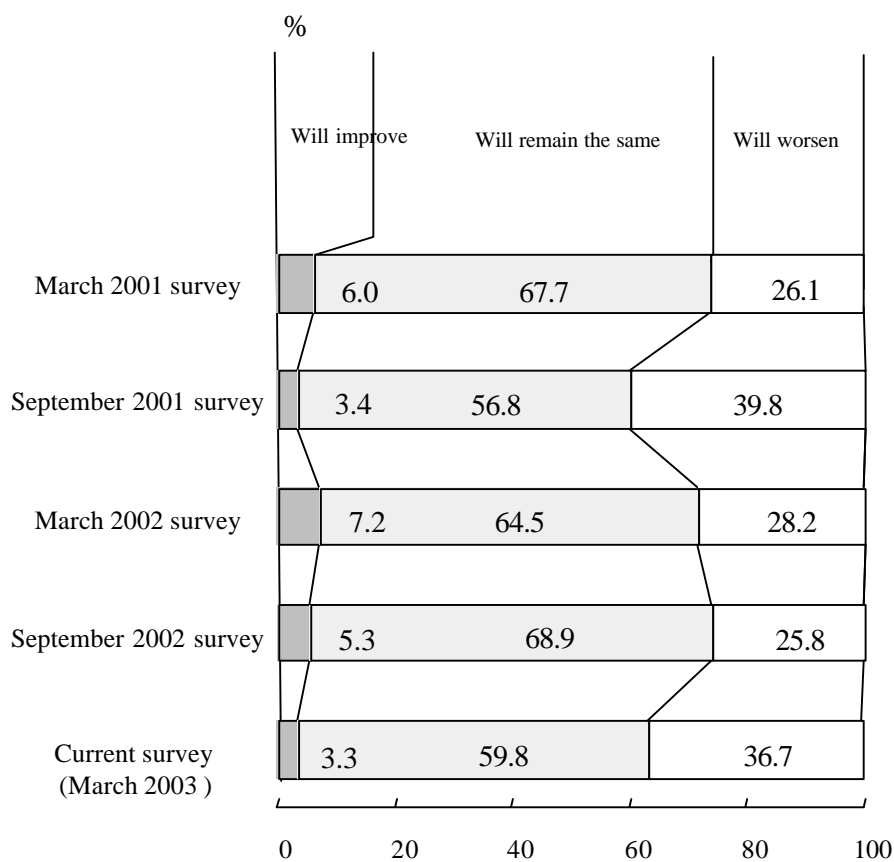
¹ This survey was conducted in March 2003.

Chart 1 Economic Conditions (Questions 1 and 4)

(1) Present Compared with One Year Ago



(2) One Year Ahead Compared with the Present



(3) Changes in the Economic Conditions DI

| | Mar-96 | Mar-97 | Mar-98 | Nov-98 | Mar-99 | Sep-99 | Mar-00 | Sep-00 | Mar-01 | Sep-01 | Mar-02 | Sep-02 | Current survey |
|----------|--------|---------|---------|--------|---------|---------|--------|--------|---------|---------|---------|---------|----------------|
| Current | -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 |
| Changes | -- | (-7.2) | (-40.3) | (-7.3) | (+26.3) | (+15.6) | (+6.1) | (+9.2) | (-35.9) | (-15.1) | (+3.4) | (+15.0) | (-17.1) |
| Forecast | -2.2 | -24.8 | -21.6 | -20.1 | -1.3 | -1.4 | 0.2 | -0.9 | -20.1 | -36.4 | -20.9 | -20.5 | -33.4 |
| Changes | -- | (-22.6) | (+3.2) | (+1.5) | (+18.8) | (-0.1) | (+1.6) | (-1.1) | (-19.2) | (-16.3) | (+15.5) | (+0.4) | (-12.9) |

(Note) Changes: current survey minus previous survey

Forecast: forecast of the economic condition one year after

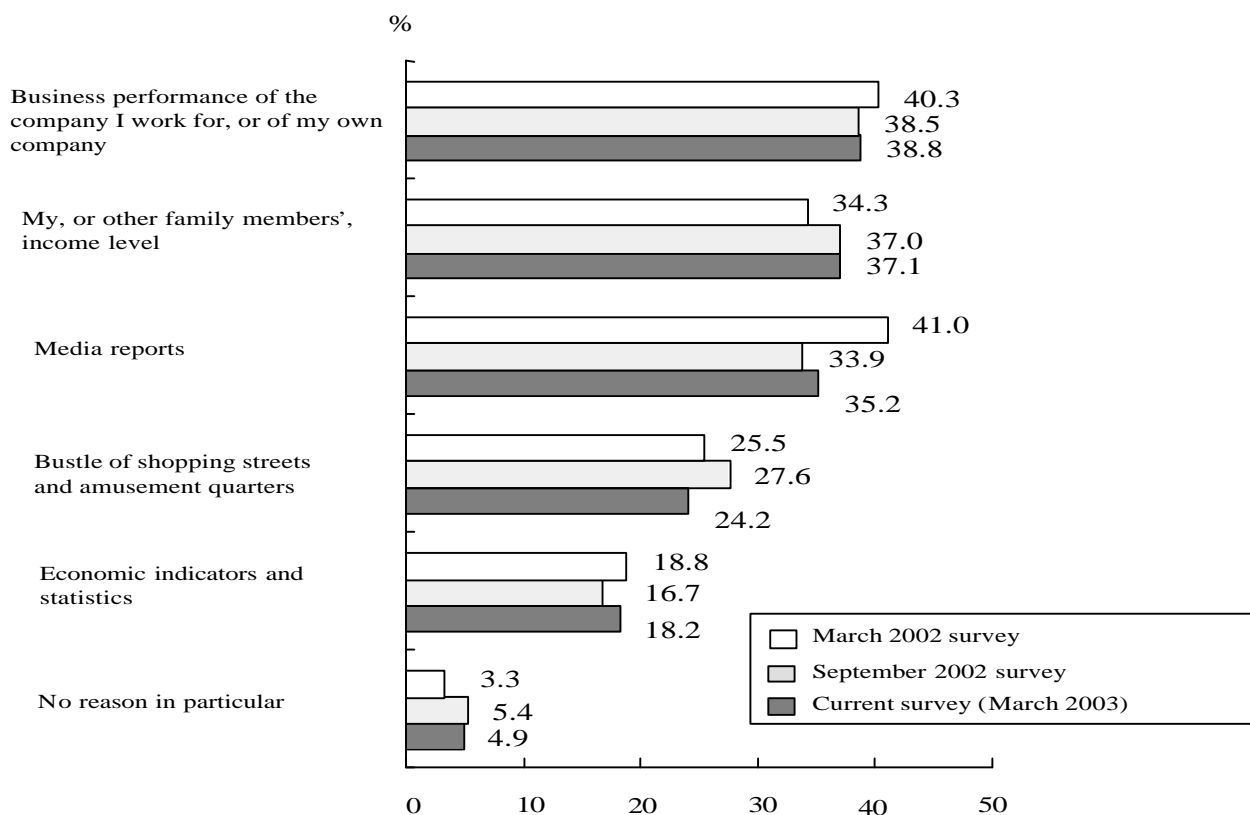
2. Basis for assessment and interpretation of economic conditions

Many people stated that their assessment of economic conditions was primarily based on the “business performance of the company I work for, or of my own company” and “my, or other family members’, income level,” followed by “media reports” and “bustle of shopping streets and amusement quarters.”

When asked their opinion of economic conditions, about 60 percent of respondents thought that “this is the most serious recession ever experienced and it seems that individual firms’ efforts are not enough to overcome the problem.” Moreover, the number of those believing that “the economy will eventually recover through firms’ own efforts” saw a decline against the previous survey’s level.

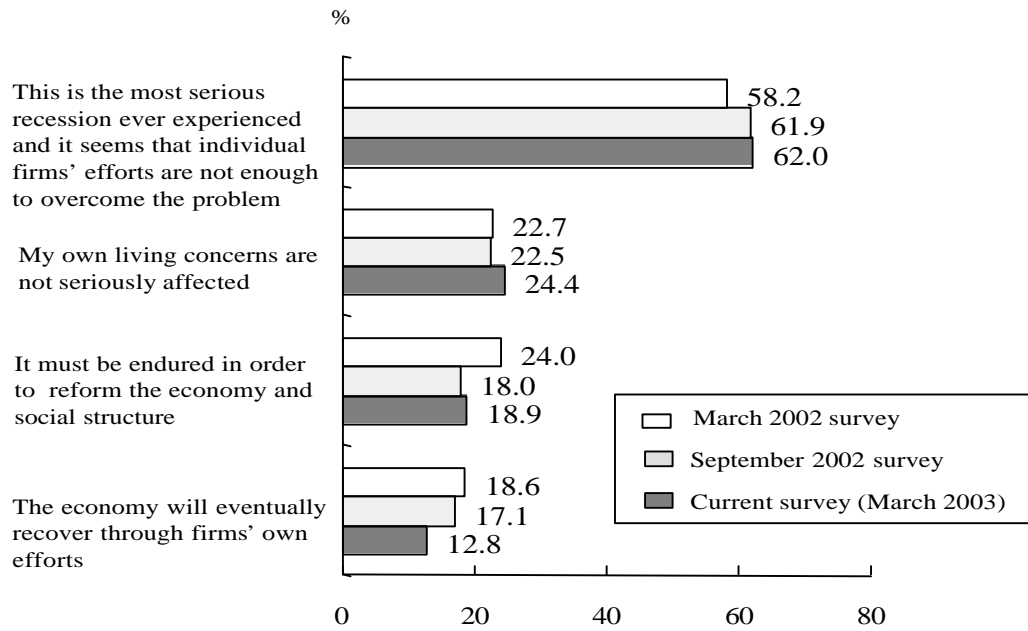
In terms of the interest rate level, more than 50 percent of respondents stated that “even at the current level, we cannot expect an economic recovery.” Compared with the last survey, fewer people responded with “I hope it will stimulate business activity and thereby lead to an economic recovery.”

Chart 2 Basis for Assessing Economic Conditions (Question 2)¹



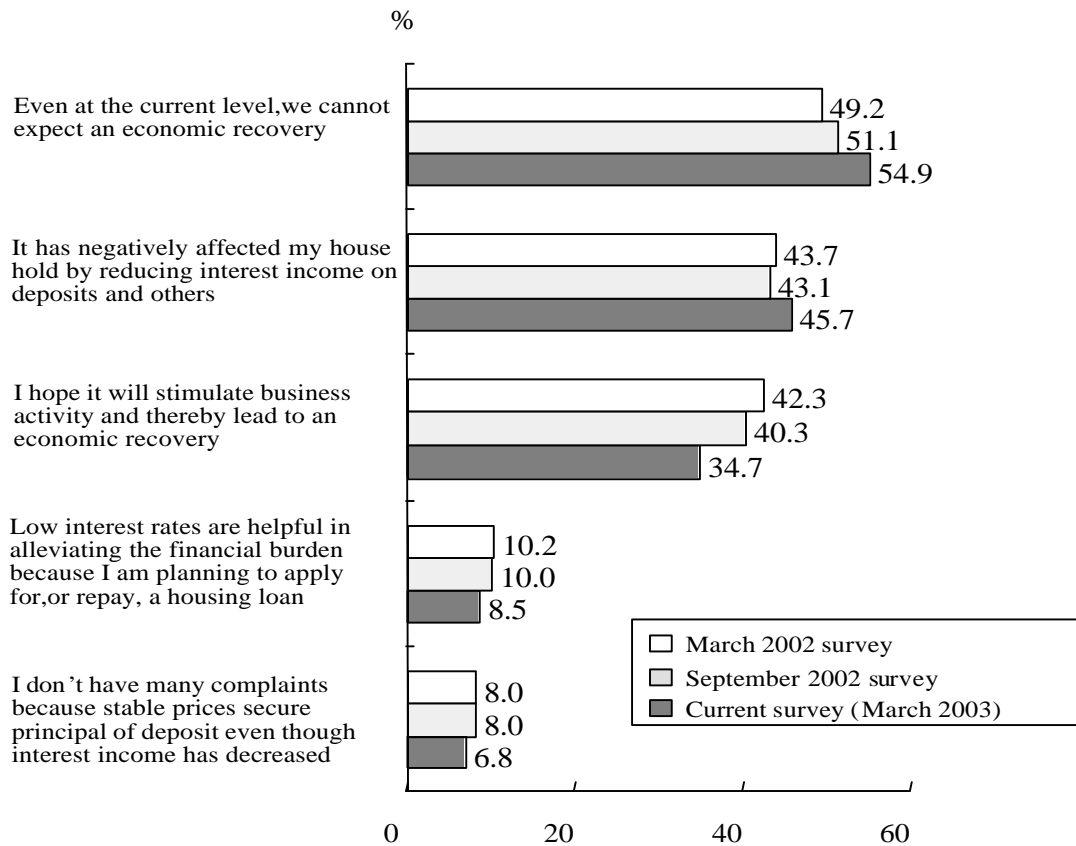
Note: 1. Up to two answers were allowed.

Chart 3 Interpretation of Economic Conditions (Question 3)¹



Note:1. Multiple answers were allowed.

Chart 4 Perception of the Interest Rate Level (Question 5)¹



Note:1. Up to two answers were allowed.

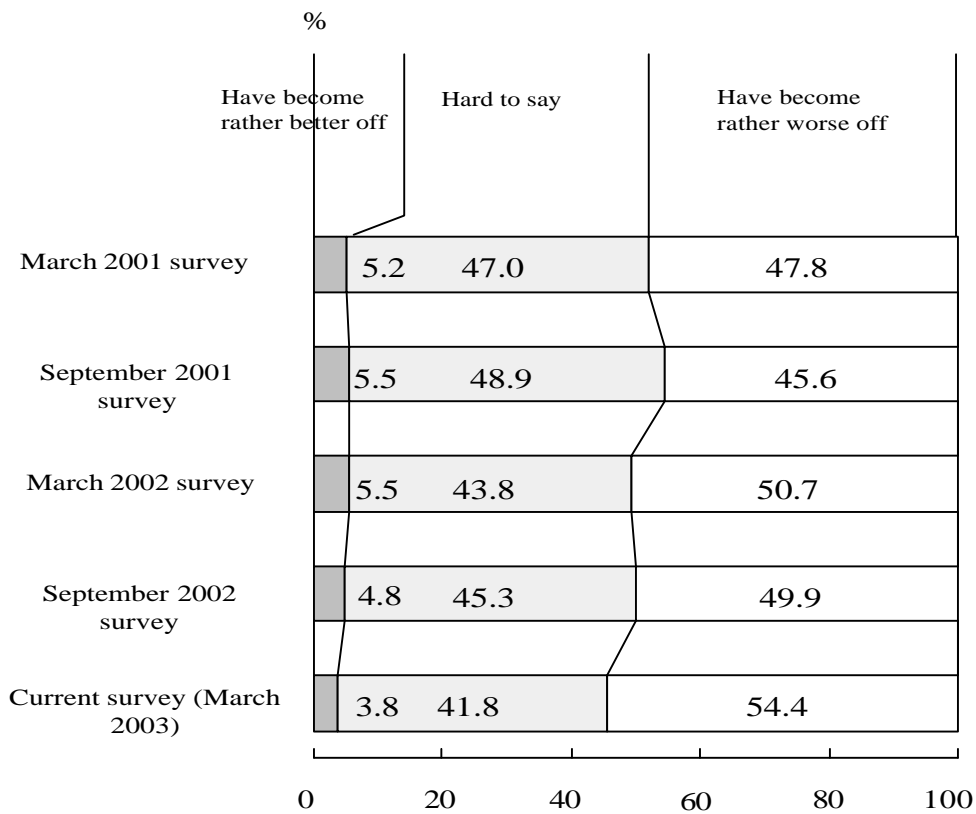
B. Household Circumstances and the General Public’s Mindset

1. Present household circumstances

The number of those surveyed believing that their household circumstances “have become rather worse off” rose compared with a year ago and reached a record-high level. As a result, the DI (“have become rather better off” minus “have become rather worse off”) fell 5 percentage points against the previous survey, recording the largest negative DI ever.

Chart 5 Present Household Circumstances (Question 17)

(1) Present Household Circumstances



(2) Changes in the Household Circumstances DI

| | Mar-98 | Nov-98 | Mar-99 | Sep-99 | Mar-00 | Sep-00 | Mar-01 | Sep-01 | Mar-02 | Sep-02 | Current survey |
|--------------------------------------|---------|--------|---------|---------|--------|--------|---------|---------|--------|---------|----------------|
| Current | -42.5 | -49.4 | -42.2 | -42.9 | -41.1 | -39.4 | -42.6 | -40.1 | -45.2 | -45.1 | -50.5 |
| Changes | -- | (-6.9) | (+7.2) | (-0.7) | (+1.8) | (+1.7) | (-3.2) | (+2.5) | (-5.1) | (+0.1) | (-5.4) |
| Perception of the economic condition | -70.5 | -77.8 | -51.5 | -35.9 | -29.8 | -20.6 | -56.5 | -71.6 | -68.2 | -53.2 | -70.3 |
| Changes | (-40.3) | (-7.3) | (+26.3) | (+15.6) | (+6.1) | (+9.2) | (-35.9) | (-15.1) | (+3.4) | (+15.0) | (-17.1) |

(Note) Changes : current survey minus previous survey

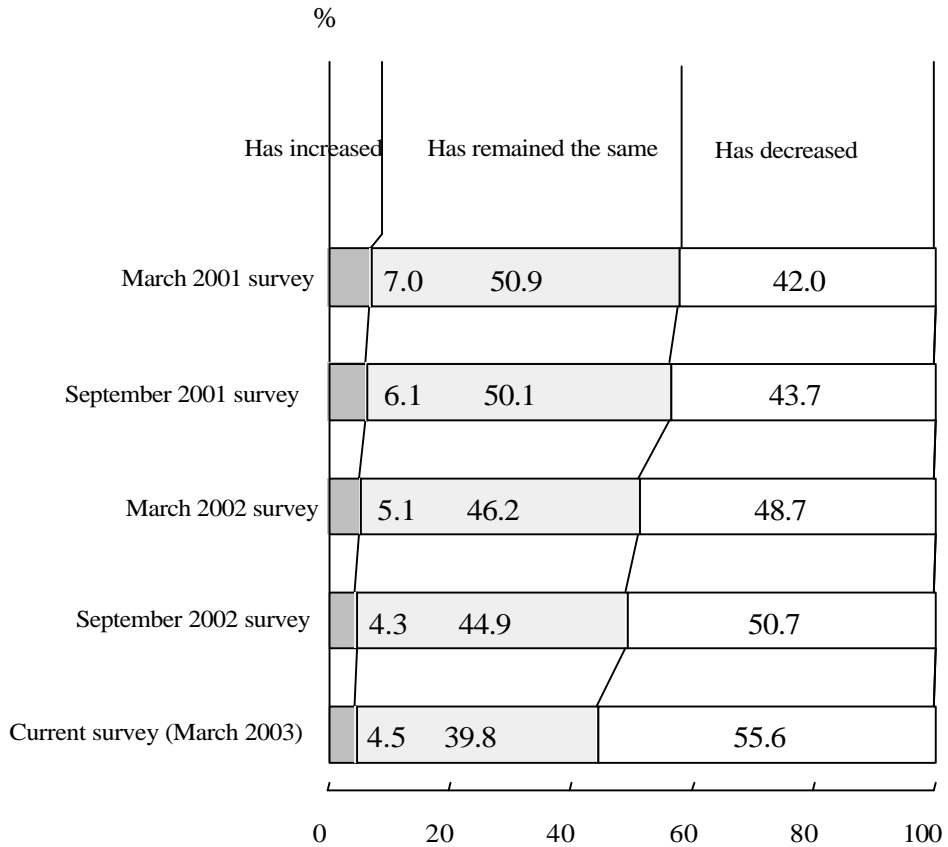
2. Income

A larger number of respondents than in the previous survey stated that their income “has decreased” compared with a year ago. The DI (“has increased” minus “has decreased”) fell below the level of the largest negative DI, recorded in the previous survey, thereby setting a new record.

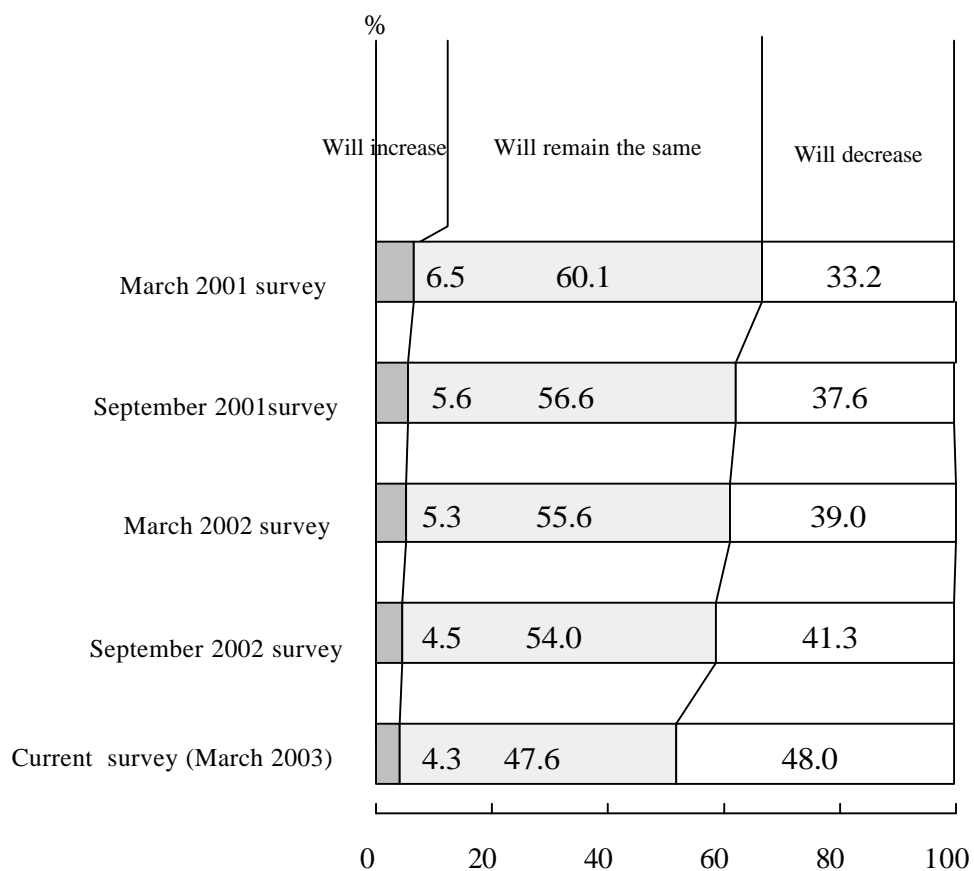
With respect to outlook, nearly half of the respondents expect their income “will decrease.” The DI outlook (“will increase” minus “will decrease”) saw further deterioration compared with the previous survey, recording the largest negative DI ever.

Chart 6 Income (Questions 6 and 7)

(1) Present Income Level Compared with One Year Ago



(2) Income Level One Year Ahead Compared with the Present



(3) Changes in the Income DI

| | Mar-96 | Mar-97 | Mar-98 | Nov-98 | Mar-99 | Sep-99 | Mar-00 | Sep-00 | Mar-01 | Sep-01 | Mar-02 | Sep-02 | Current survey |
|----------|--------|--------|---------|---------|--------|--------|--------|--------|--------|--------|--------|--------|----------------|
| Current | -11.9 | -10.0 | -22.8 | -37.0 | -34.2 | -39.3 | -37.1 | -34.7 | -35.0 | -37.6 | -43.6 | -46.5 | -51.1 |
| Changes | -- | (+1.9) | (-12.8) | (-14.2) | (+2.8) | (-5.1) | (+2.2) | (+2.4) | (-0.3) | (-2.6) | (-6.0) | (-2.9) | (-4.6) |
| Forecast | | -7.6 | -21.0 | -29.8 | -23.1 | -27.1 | -26.5 | -23.3 | -26.7 | -32.0 | -33.7 | -36.8 | -43.7 |
| Changes | -- | -- | (-13.4) | (-8.8) | (+6.7) | (-4.0) | (+0.6) | (+3.2) | (-3.4) | (-5.3) | (-1.7) | (-3.1) | (-6.9) |

(Note) Changes: current survey minus previous survey

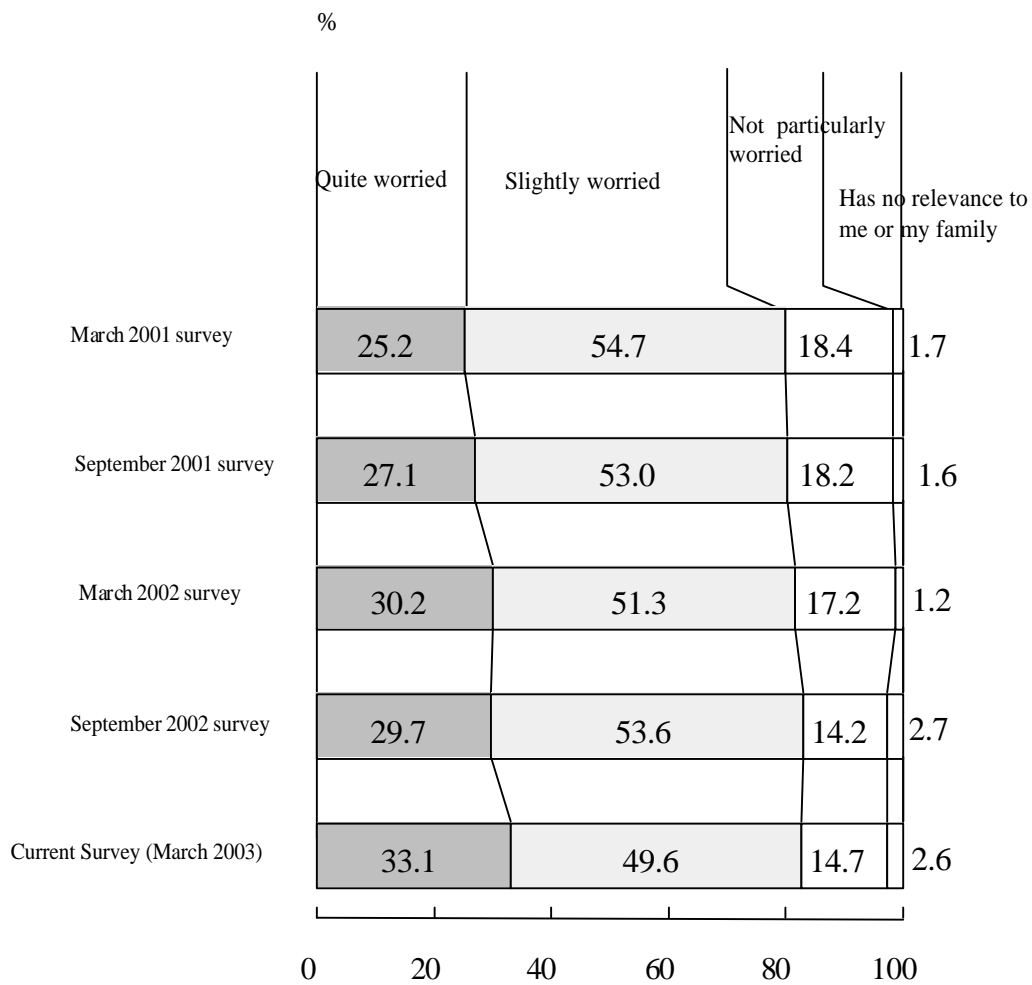
Forecast: forecast of the economic condition one year after

3. Employment conditions

A little more than 80 percent of respondents continued to feel “worried” about employment and working arrangements.² The number of those stating that they were “quite worried” saw an increase against the previous survey.

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

Chart 7 Concerns about Employment and Working Arrangements (Question 20)¹



Note:1. Answers were provided specifically by workers.

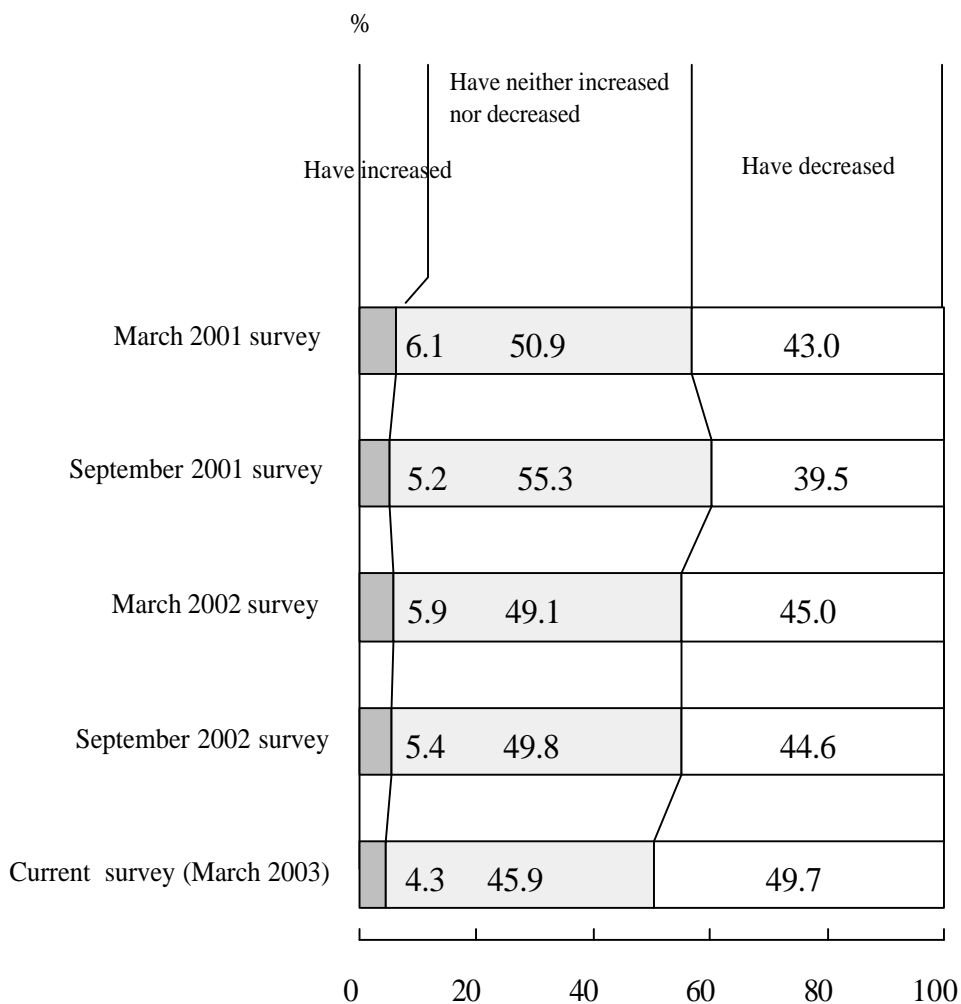
4. Spending

The number of respondents who “have decreased” their spending compared with a year ago rose to about 50 percent. The DI (“have increased” minus “have decreased”) deteriorated against the previous survey, surpassing last year’s record for the largest negative DI.

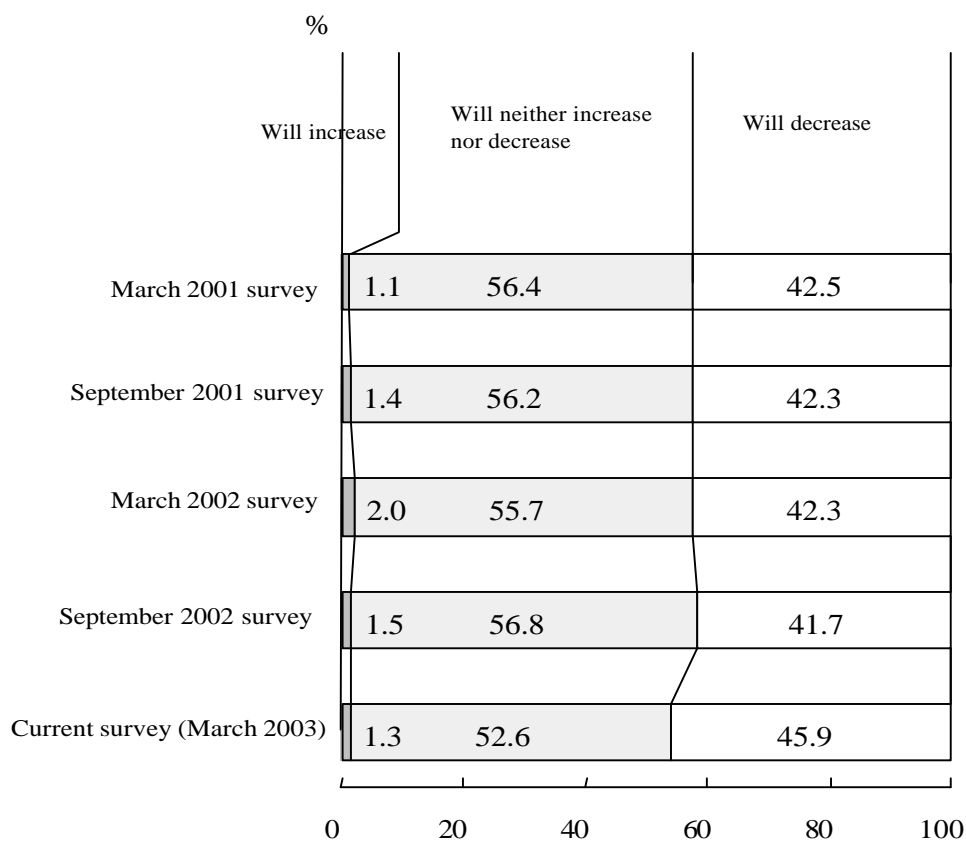
There was an increase in the number of people responding that they “will decrease” spending in the next twelve months.

Chart 8 Spending (Questions 8 and 10)

(1) Present Compared with One Year Ago



(2) One Year Ahead Compared with the Present



(3) Changes in the Spending DI

| | Mar-96 | Mar-97 | Mar-98 | Nov-98 | Mar-99 | Sep-99 | Mar-00 | Sep-00 | Mar-01 | Sep-01 | Mar-02 | Sep-02 | Current survey |
|----------|---------|---------|---------|--------|--------|--------|--------|--------|--------|--------|--------|--------|----------------|
| Current | [-38.4] | -16.7 | -34.7 | -36.0 | -35.8 | -35.4 | -35.4 | -32.4 | -36.9 | -34.3 | -39.1 | -39.2 | -45.3 |
| Changes | -- | (+21.7) | (-18.0) | (-1.3) | (+0.2) | (+0.4) | (±0.0) | (+3.0) | (-4.5) | (+2.6) | (-4.8) | (-0.1) | (-6.1) |
| Forecast | [-49.7] | -38.6 | -40.9 | -43.6 | -41.3 | -37.8 | -38.5 | -38.6 | -41.4 | -41.0 | -40.2 | -40.2 | -44.5 |
| Changes | -- | (+11.1) | (-2.3) | (-2.7) | (+2.3) | (+3.5) | (-0.7) | (-0.1) | (-2.8) | (+0.4) | (+0.8) | (±0.0) | (-4.3) |

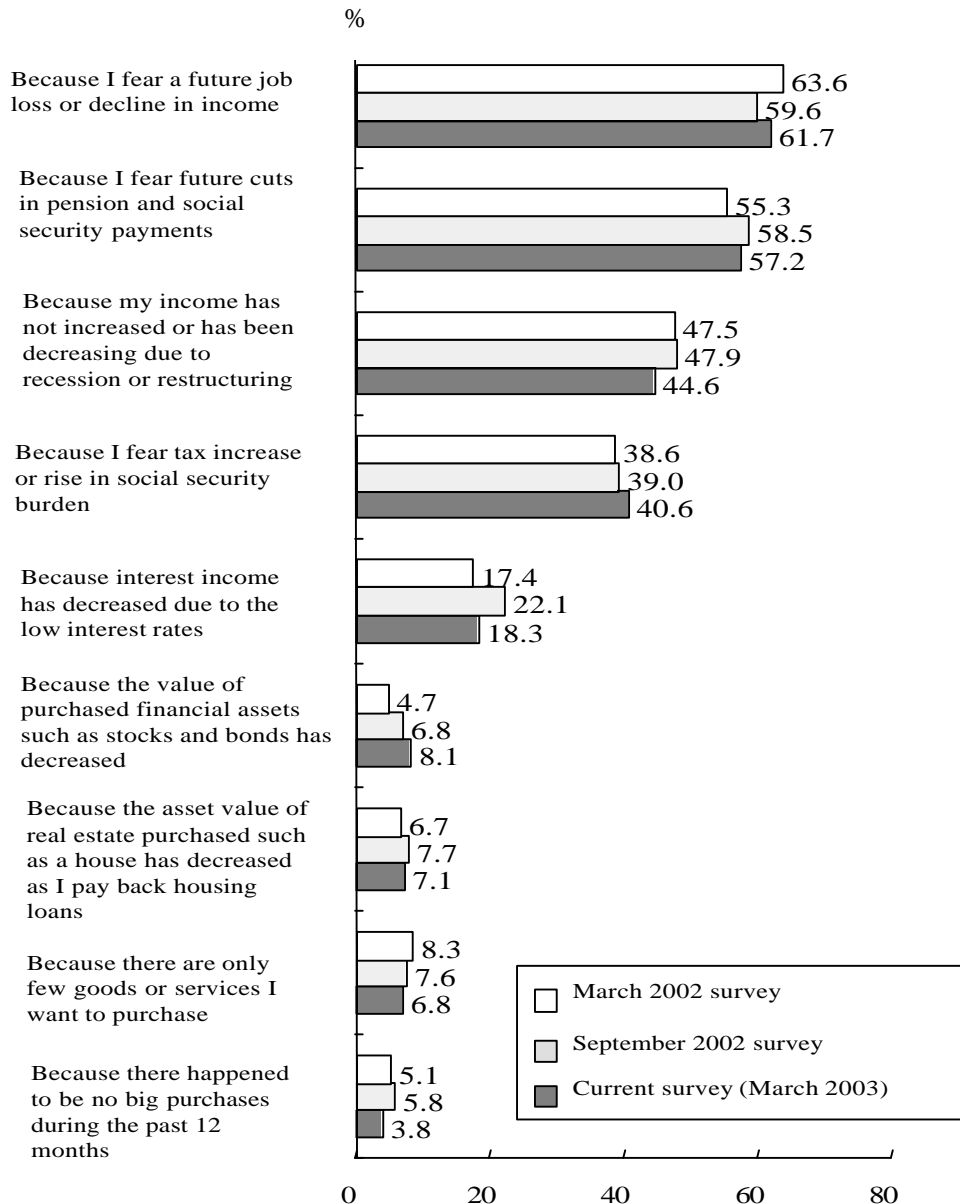
(Note) Changes: current survey minus previous survey

Forecast: forecast of the economy one year after

The answers of "Decreased" and "Decrease" were "Cut down" in Mar-96 survey.

When asked for reasons why they were spending less compared with a year ago, about 60 percent of respondents replied “because I fear a future job loss or decline in income” or “because I fear future cuts in pension and social security payments.” These were followed by “because my income has not increased or has been decreasing due to recession or restructuring” and “because I fear a tax increase or rise in social security burden.”

Chart 9 Reasons for Decreasing Spending (Question 8-b)¹



Note: 1. Multiple answers were allowed.

C. Perception of the Price Levels

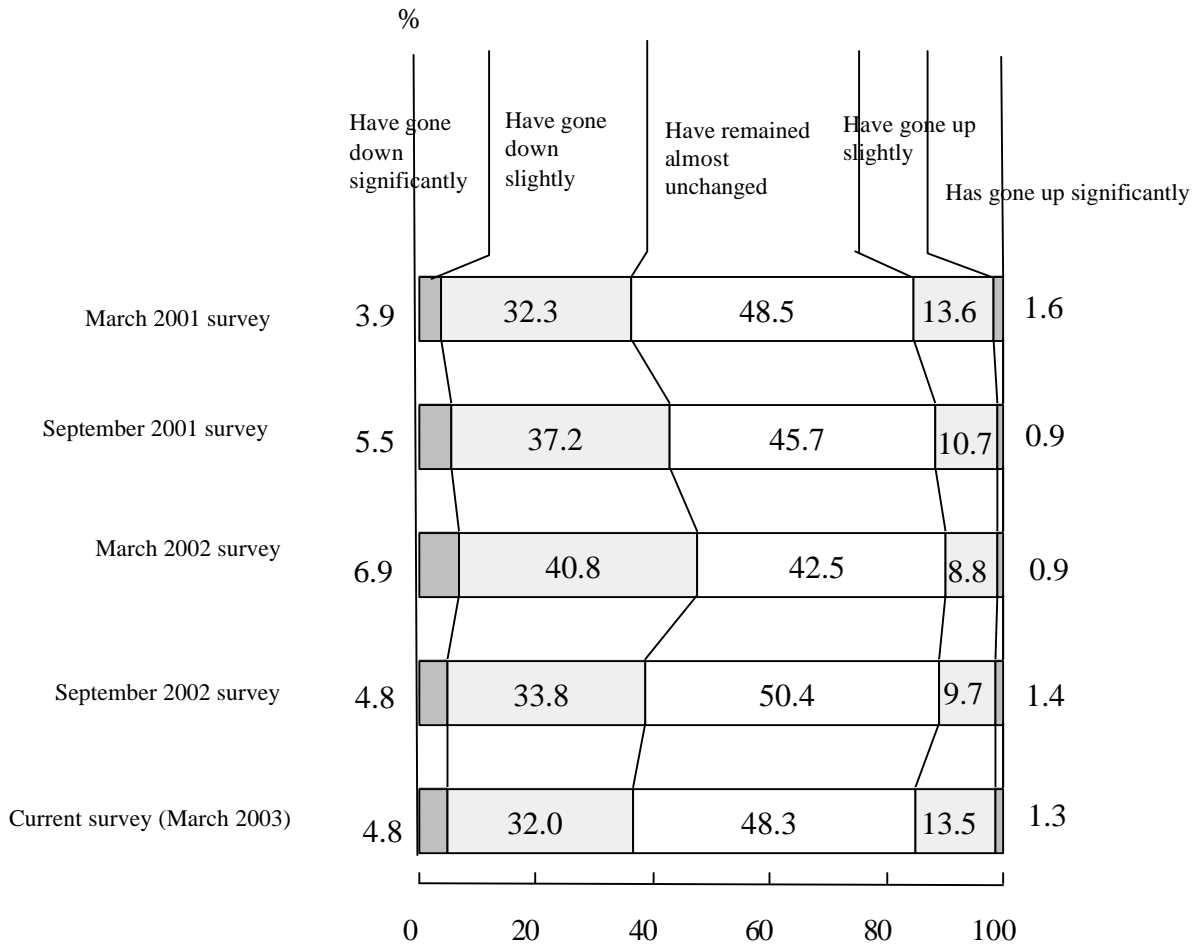
Nearly 40 percent of respondents feel that prices compared with a year ago “have gone down,” while about 15 percent believe that prices “have gone up.”³

In terms of outlook, about 10 percent of respondents foresee that prices “will go down,” while about 25 percent anticipate that prices “will go up.”³

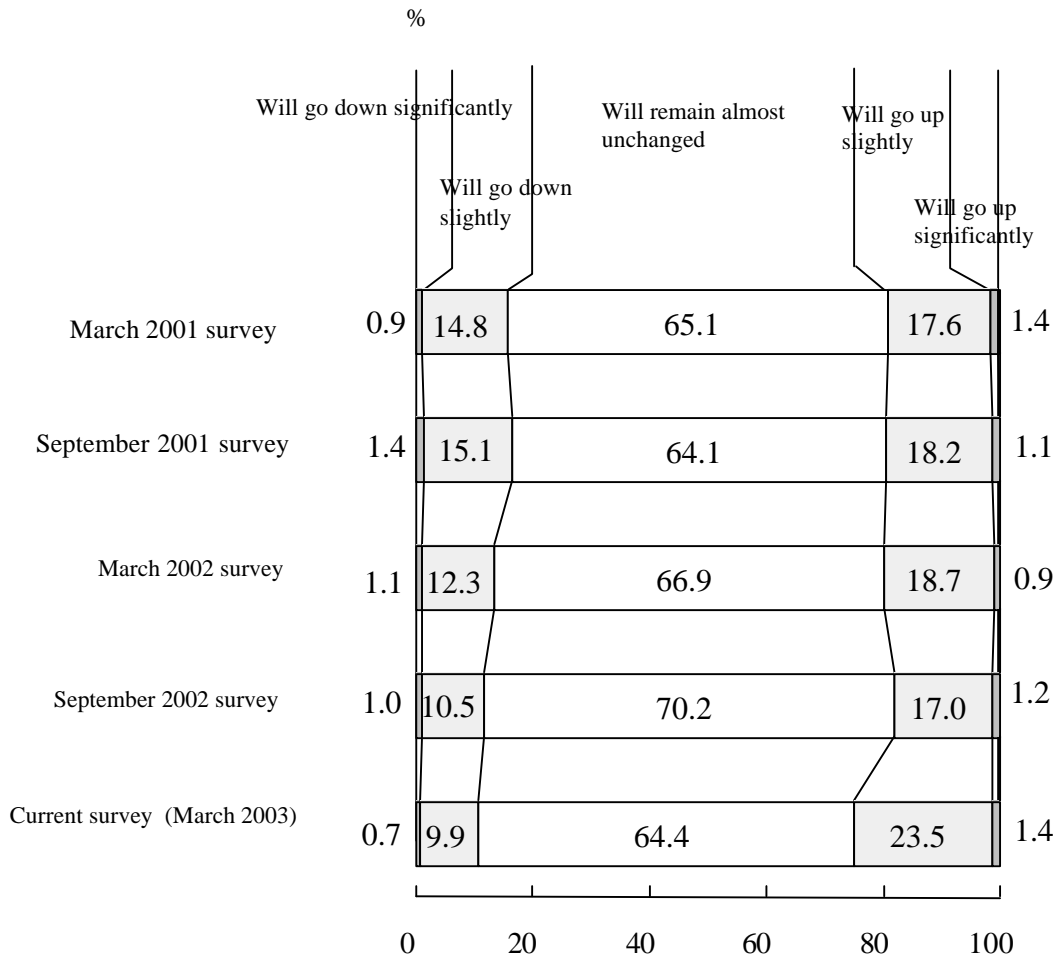
³ “Have gone down/will go down” comprises “have gone down significantly/will go down significantly” and “have gone down slightly/will go down slightly.”
 “Have gone up/will go up” comprises “have gone up significantly/will go up significantly” and “have gone up slightly/will go up slightly.”

Chart 10 Perception of the Price Levels (Questions 13 and 15)

(1) Present Compared with One Year Ago



(2) One Year Ahead Compared with the Present



Concerning price declines, about 20 percent of respondents believed these to be “rather unfavorable,” while around 40 percent considered them “rather favorable.”

When commenting on prices, among those respondents who replied that these “have gone down,” many were considering prices of “foodstuffs,” “clothing,” and “daily commodities.” On the other hand, those who replied that prices “have gone up” were more focused on “doctors’ consultation fees and pharmaceuticals,” “public utility charges such as electricity, gas, and water,” and “transportation fares,” as opposed to those who replied that prices “have gone down.”

Chart 11 Comments on the Price Decline (Question 13-a)

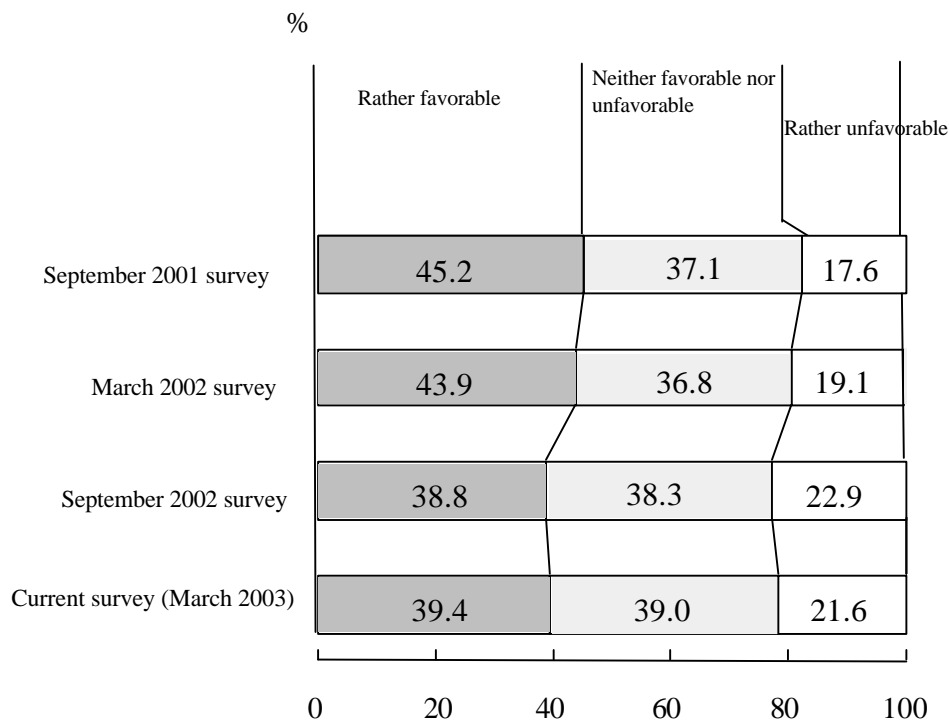
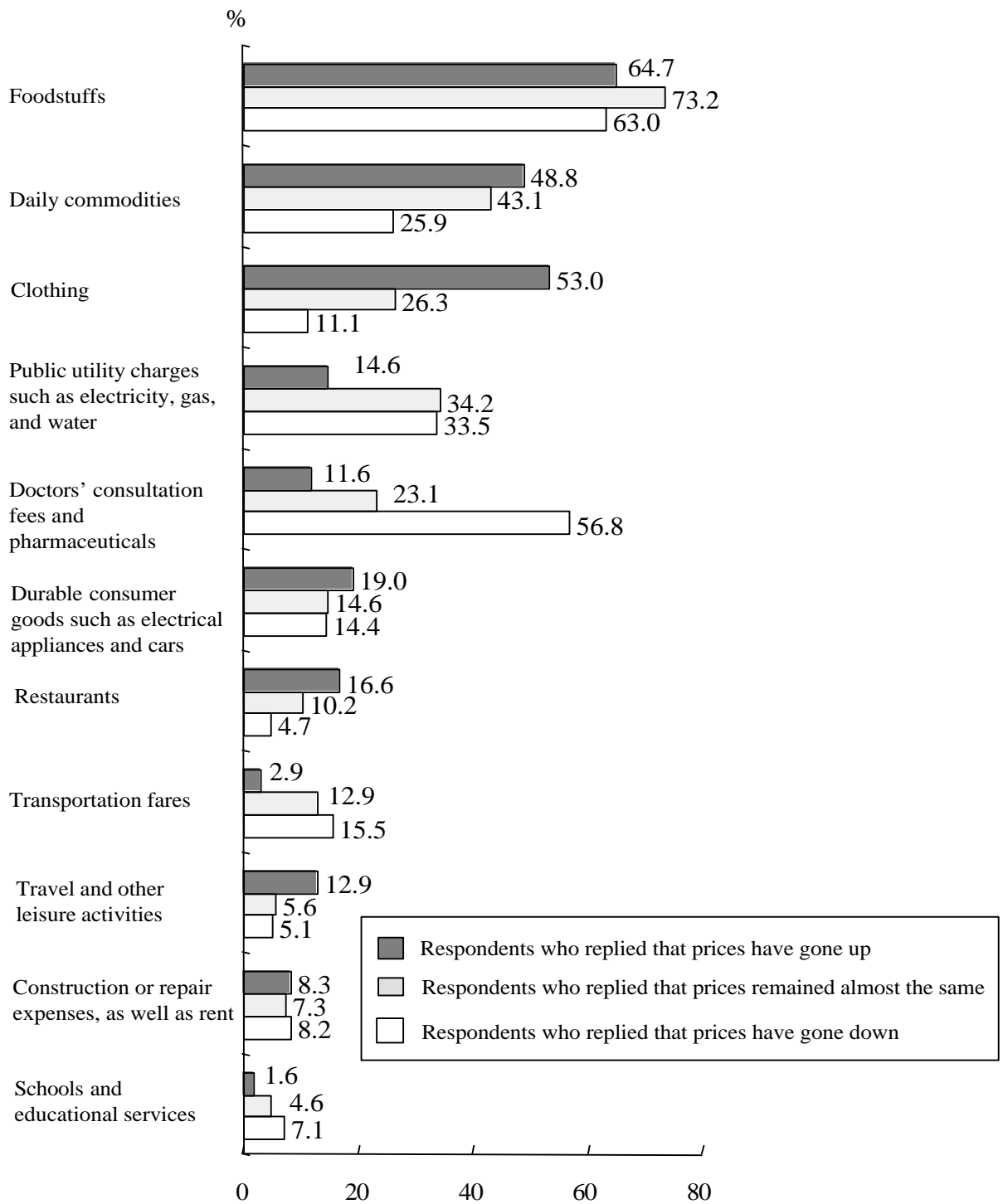


Chart 12 Reference Prices for Judging the Price Levels (Question 14)¹



Note: 1. Up to three answers were allowed.

D. Recognition and Credibility of the Bank

Somewhat fewer than 80 percent of respondents “know”⁴ that the Bank issues banknotes, while about 40 percent “know”⁴ that it provides treasury fund services and 10–30 percent “know”⁴ of other policy and operations about the Bank.

⁴ “Know” comprises “know very well” and “familiar with.”

Chart 13 Recognition of the Operations and Roles of the Bank (Question 24)

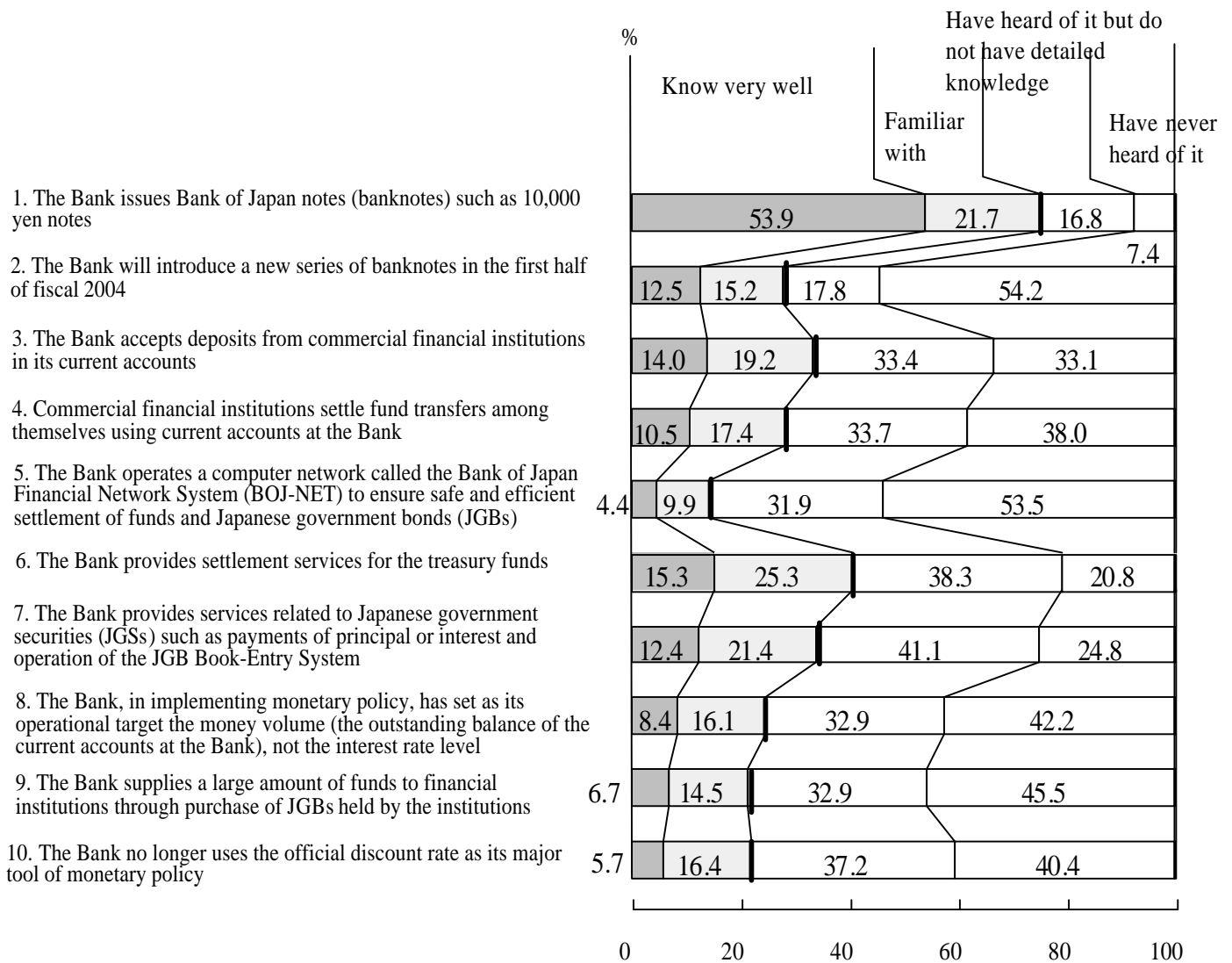
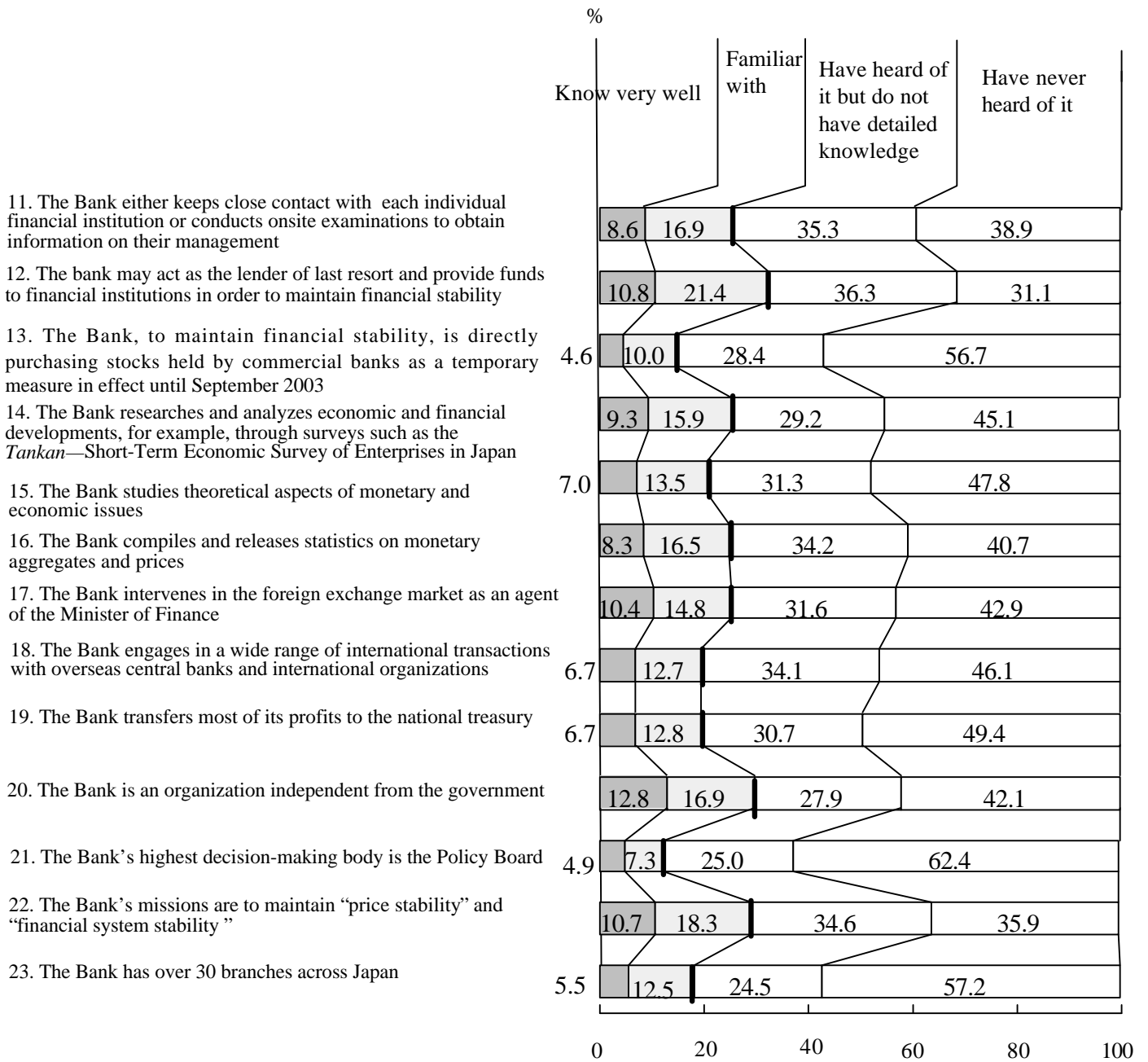


Chart 13 Recognition of the Operations and Roles of the Bank (continued from previous page)

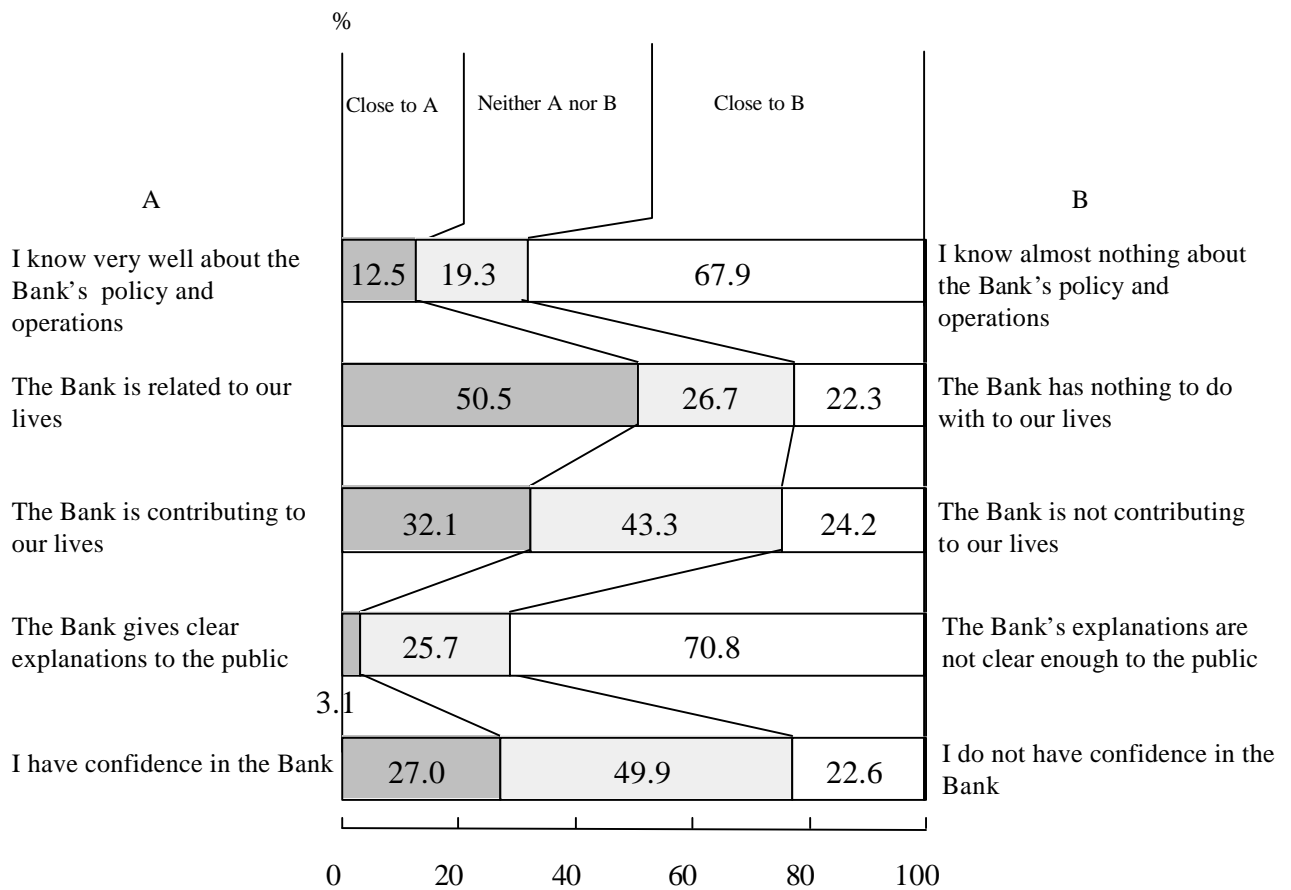


About 70 percent of respondents stated respectively that they “know almost nothing about the Bank’s policy and operations” and that “the Bank’s explanations are not clear enough to the public.”

Fifty percent of respondents think that “the Bank is related to our lives,” with roughly 30 percent replying that “the Bank is contributing to our lives.”

Somewhat fewer than 30 percent of respondents “have confidence in the Bank,” while a little more than 20 percent “do not have confidence in the Bank.”

Chart 14 Comprehensive Recognition and Evaluation of the Bank (Question 25)



Complete Questionnaire and Results

The 16th Opinion Survey on the General Public's Mindset and Behavior

Symbols used in the survey

N: "Number of cases"—refers to the number of people who provided a valid response to a given question.

NA: "Not Available"—refers to the ratio of the number of nonrespondents to respondents for a given question.

Note

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 off¹).

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

Question 1

<N=3,043>

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

- | | |
|-------------------------|-------------|
| (a) Improving. | 0.7 |
| (b) Remaining the same. | 28.3 |
| (c) Worsening. | 70.9 |

(NA 0.1)

Question 2

<N=3,043>

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

- | | |
|---|-------------|
| (a) Media reports. | 35.2 |
| (b) Economic indicators and statistics. | 18.2 |
| (c) Business performance of the company I work for, or of my own company. | 38.8 |
| (d) My, or other family members', income level. | 37.1 |
| (e) Bustle of shopping streets and amusement quarters. | 24.2 |
| (f) No reason in particular. | 4.9 |
| (g) Other. | 2.4 |

(NA 0.1)

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

Question 3

<N=2,159>

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. | 12.8 |
| (b) It must be endured in order to reform the economy and social structure. | 18.9 |
| (c) My own living concerns are not seriously affected. | 24.4 |
| (d) This is the most serious recession ever experienced and it seems that individual firms' efforts are not enough to overcome the problem. | 62.0 |
| (e) Other. | 8.2 |
- (NA 0.5)

(For all respondents.)

Question 4

<N=3,043>

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

- | | |
|---------------------------|------|
| (a) Will improve. | 3.3 |
| (b) Will remain the same. | 59.8 |
| (c) Will worsen. | 36.7 |
- (NA 0.2)

Question 5

<N=3,043>

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. | 34.7 |
| (b) Even at the current level, we cannot expect an economic recovery. | 54.9 |
| (c) It has negatively affected my household by reducing interest income on deposits and others. | 45.7 |
| (d) I don't have many complaints because stable prices secure principal of deposit even though interest income has decreased. | 6.8 |
| (e) Low interest rates are helpful in alleviating the financial burden because I am planning to apply for, or repay, a housing loan. | 8.5 |
| (f) Other. | 2.5 |
- (NA 0.4)

Question 6

<N=3,043>

How has your income (or other family members' income) changed from a year ago?

(Choose one answer.)

- (a) Has increased. **4.5**
- (b) Has remained the same. **39.8**
- (c) Has decreased. **55.6**

(NA 0.1)

Question 7

<N=3,043>

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

- (a) Will increase. **4.3**
- (b) Will remain the same. **47.6**
- (c) Will decrease. **48.0**

(NA 0.2)

Question 8

<N=3,043>

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

- (a) Have increased. **4.3**
- (b) Have neither increased nor decreased. **45.9**
- (c) Have decreased. **49.7**

(NA 0.1)

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)

<N=131>

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

- | | |
|---|-------------|
| (a) Because my income has increased. | 15.3 |
| (b) Because my income is likely to increase in future. | 6.9 |
| (c) Because tax cuts and other factors have lessened the household budget burden. | 0.8 |
| (d) Because pension and social security payments are expected to increase. | 2.3 |
| (e) Because the value of purchased real estate such as a house has increased. | 0.8 |
| (f) Because the value of purchased financial assets such as stocks and bonds has increased. | 0.0 |
| (g) Because loan payment amounts have decreased due to low interest rates. | 1.5 |
| (h) Because I decided not to buy a house (or else postponed plans). | 0.0 |
| (i) Because there are goods and services I want to purchase. | 19.8 |
| (j) Because I made a big purchase in the past twelve months. | 66.4 |
| (k) No reason in particular. | 6.9 |

(NA 0.0)

Question 8-(b)

<N=1,511>

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. | 44.6 |
| (b) Because I fear a future job loss or decline in income. | 61.7 |
| (c) Because I fear future cuts in pension and social security payments. | 57.2 |
| (d) Because I fear a tax increase or rise in social security burden. | 40.6 |
| (e) Because the asset value of real estate purchased such as a house has decreased as I pay back housing loans. | 7.1 |
| (f) Because the value of purchased financial assets such as stocks and bonds has decreased. | 8.1 |
| (g) Because interest income has decreased due to the low interest rates. | 18.3 |
| (h) Because there are only few goods or services I want to purchase. | 6.8 |
| (i) Because there happened to be no big purchases during the past twelve months. | 3.8 |
| (j) No reason in particular. | 1.1 |

(NA 0.2)

(For all respondents.)

Question 9

<N=3,043>

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 that is separate from category 1)

| | Category 1 | Category 2 |
|--|-------------|-------------|
| (a) Have decreased spending. | 26.3 | 36.4 |
| (b) Have unintentionally decreased spending. | 30.7 | 35.9 |
| (c) Unchanged. | 31.2 | 23.5 |
| (d) Have unintentionally increased spending. | 11.3 | 2.8 |
| (e) Have Increased spending. | 0.3 | 1.2 |

Category 1 (NA 0.3)

Category 2 (NA 0.2)

Question 10

<N=3,043>

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

| | |
|---|-------------|
| (a) Will increase. | 1.3 |
| (b) Will neither increase nor decrease. | 52.6 |
| (c) Will decrease. | 45.9 |

(NA 0.1)

Question 11

<N=3,043>

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

- | | |
|--|------|
| (a) Income tax cut. | 31.4 |
| (b) Consumption tax cut. | 34.7 |
| (c) Tax incentive measures for those with housing or education loans. | 12.7 |
| (d) Dispelled fears of unemployment or an income decline. | 47.0 |
| (e) Dispelled fear of financial system uncertainty. | 21.2 |
| (f) Presentation of pension system and fiscal policy reform plans that clarify future public burden. | 34.4 |
| (g) Dispelled life-after-retirement concerns through expansion of the nursing care system; for example, creation of a publicly financed nursing program. | 31.4 |
| (h) Rise in interest rates on deposits. | 30.4 |
| (i) Dispelled fear of deflation. | 19.9 |
| (j) Other. | 2.8 |
| (k) I do not plan to increase spending. | 8.9 |

(NA 0.1)

Question 12

<N=3,043>

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

- | | |
|---|------|
| (a) Basically, I spend more if my income increases. | 62.3 |
| (b) It depends more on whether there is greater uncertainty over the future income level rather than the current level. | 44.5 |
| (c) It depends on the forecast for developments in the prices of goods and costs of services. | 9.2 |
| (d) It depends on real estate price developments because I own a house and/or other real estate. | 4.2 |
| (e) It depends on stock price developments because I have stocks and/or investment trusts. | 4.5 |
| (f) It is affected by tax and social insurance premiums because they decrease/increase my actual income. | 32.2 |
| (g) It depends on whether there are goods and services I want to purchase. | 12.3 |
| (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. | 3.6 |

(NA 0.5)

Question 13

<N=3,043>

Please tell us about your opinion on price levels.

What do you think of current price levels compared with those of a year ago? (Choose one answer.)

- (a) Have gone down significantly. **4.8**
- (b) Have gone down slightly. **32.0**
- (c) Have remained almost unchanged. **48.3**
- (d) Have gone up slightly. **13.5**
- (e) Have gone up significantly. **1.3**

(NA 0.1)

If you chose (a) or (b) in Question 13, please answer Question 13-(a). Otherwise, please skip Question 13-(a) and go on to Question 14.

Question 13-(a)

<N=1,120>

What is your opinion of the declining prices? (Choose one answer.)

- (a) Rather favorable. **39.4**
- (b) Rather unfavorable. **21.6**
- (c) Neither favorable nor unfavorable. **39.0**

(NA 0.0)

(For all respondents.)

Question 14

<N=3,043>

When answering Question 13, what kind of prices did you have in mind? (Choose up to three answers.)

- (a) Foodstuffs. **68.5**
- (b) Daily commodities. **42.6**
- (c) Clothing. **33.9**
- (d) Restaurants. **11.7**
- (e) Durable consumer goods such as electrical appliances and cars. **16.2**
- (f) Transportation fares. **9.6**
- (g) Public utility charges such as electricity, gas, and water. **26.9**
- (h) Construction or repair expenses, as well as rent. **7.8**
- (i) Travel and other leisure activities. **8.2**
- (j) Doctors' consultation fees and pharmaceuticals. **23.8**
- (k) Schools and educational services. **3.9**
- (l) Other. **1.6**

(NA 0.2)

Question 15

<N=3,043>

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

- (a) Will go down significantly. **0.7**
- (b) Will go down slightly. **9.9**
- (c) Will remain almost unchanged. **64.4**
- (d) Will go up slightly. **23.5**
- (e) Will go up significantly. **1.4**

(NA 0.1)

Question 16

<N=3,043>

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. **8.3**
- (b) Will remain at about the current level for some time, as this is an appropriate level. **45.3**
- (c) Will continue to drop because the current level is still too high. **15.9**
- (d) Don't know. **30.3**

(NA 0.1)

Question 17

<N=3,043>

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

- (a) Have become rather better off. **3.8**
- (b) Have become rather worse off. **54.4**
- (c) Hard to say. **41.8**

(NA 0.0)

If you chose (a) in Question 17, please answer Question 17-(a). If you chose (b) in Question 17, please answer Question 17-(b). For remaining respondents, please skip questions 17-(a) and 17-(b) and go on to Question 18.

Question 17-(a)

<N=116>

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

- | | |
|--|-------------|
| (a) Regular income such as salary has increased. | 50.0 |
| (b) Other income such as interest income has increased. | 1.7 |
| (c) Gained special income from sales of real estate such as land and houses. | 0.0 |
| (d) Abandoned or postponed plans of purchasing a house. | 2.6 |
| (e) Prices have declined or remained stable. | 26.7 |
| (f) The value of assets held such as stocks and real estate has increased. | 0.0 |
| (g) The number of dependents in my family has decreased. | 23.3 |
| (h) Other. | 19.0 |
| | (NA 0.0) |

Question 17-(b)

<N=1,654>

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

- | | |
|---|-------------|
| (a) Regular income such as salary has decreased. | 73.2 |
| (b) Other income such as interest income has decreased. | 24.8 |
| (c) Purchased or plan to purchase real estate such as land and houses. | 6.3 |
| (d) Prices have increased. | 12.5 |
| (e) The value of assets held such as stocks and real estate has declined. | 11.2 |
| (f) The number of dependents in my family has increased. | 9.3 |
| (g) Other. | 17.2 |
| | (NA 0.0) |

(For all respondents.)

Question 18

<N=3,043>

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

- | | |
|---|-------------|
| (a) Has potential to grow more in the long run, though there may be a temporary slowdown. | 13.6 |
| (b) Cannot expect significant growth in the long run. | 58.2 |
| (c) Cannot say. | 28.2 |
| | (NA 0.0) |

Question 19

<N=3,043>

In the past twelve months, 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. | 34.2 |
| (b) No, but it has been planning to do so in future. | 12.6 |
| (c) No, and it seems there is no plan to do so. | 22.7 |
| (d) Don't know. | 30.4 |

(NA 0.1)

If you chose (a) or (b) in Question 19, please answer Question 19-(a). Otherwise, please skip Question 19-(a) and go on to Question 20.

Question 19-(a)

<N=1,425>

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. | 33.7 |
| (b) Cut in salary and review of the wage system. | 66.5 |
| (c) Restrained recruiting of new graduates. | 21.7 |
| (d) Reduction in personnel through dispatching them to other companies and encouraging early retirement. | 32.1 |
| (e) Reduction in job positions, as well as organizational reform. | 19.6 |
| (f) Review of personnel or qualification system. | 14.5 |
| (g) Introduction of worksharing. | 3.5 |
| (h) Other. | 6.0 |
| (i) Restructuring is planned but don't know the details. | 3.5 |

(NA 0.4)

(For all respondents.)

Question 20

<N=3,043>

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.)

- | | |
|---|-------------|
| (a) Not particularly worried. | 12.9 |
| (b) Slightly worried. | 44.7 |
| (c) Quite worried. | 27.9 |
| (d) Has no relevance to me or my family | 14.2 |

(NA 0.3)

Question 21

<N=3,043>

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

- (a) Yes. **35.3**
- (b) No. **64.6**

(NA 0.1)

If you chose (a) in Question 21, please answer Question 21-(a). Otherwise, please skip Question 21-(a) and go on to Question 22.

Question 21-(a)

<N=1,073>

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

- (a) Not particularly worried. **5.9**
- (b) Slightly worried. **36.0**
- (c) Quite worried. **57.9**

(NA 0.3)

(For all respondents.)

Question 22

<N=3,043>

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. **92.0**
- (b) Plan to purchase a house for the first time. **3.7**
- (c) Plan to sell a house and buy another. **3.4**
- (d) Plan to buy a second house. **0.7**

(NA 0.2)

Question 23

<N=3,043>

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

- (a) Yes. **33.4**
- (b) No. **66.6**

(NA 0.0)

Questions 24 to 27 ask about your knowledge of the Bank of Japan (hereafter “the Bank”).

Question 24

<N=3,043>

The following 23 descriptions are of facts about the Bank including its policy and operations. Please choose the most applicable level of your knowledge relative to these facts. (Choose one answer for each description.)

- (a) Know very well.
- (b) Familiar with.
- (c) Have heard of it but do not have detailed knowledge.
- (d) Have never heard of it.

| | (a) | (b) | (c) | (d) | (NA) |
|--|-------------|-------------|-------------|-------------|-------|
| 1. The Bank issues Bank of Japan notes (banknotes) such as 10,000 yen notes. | 53.9 | 21.7 | 16.8 | 7.4 | (0.2) |
| 2. The Bank will introduce a new series of banknotes in the first half of fiscal 2004. | 12.5 | 15.2 | 17.8 | 54.2 | (0.3) |
| 3. The Bank accepts deposits from commercial financial institutions in its current accounts. | 14.0 | 19.2 | 33.4 | 33.1 | (0.3) |
| 4. Commercial financial institutions settle fund transfers among themselves using current accounts at the Bank. | 10.5 | 17.4 | 33.7 | 38.0 | (0.3) |
| 5. The Bank operates a computer network called the Bank of Japan Financial Network System (BOJ-NET) to ensure safe and efficient settlement of funds and Japanese government bonds (JGBs). | 4.4 | 9.9 | 31.9 | 53.5 | (0.3) |
| 6. The Bank provides settlement services for the treasury funds. | 15.3 | 25.3 | 38.3 | 20.8 | (0.3) |
| 7. The Bank provides services related to Japanese government securities (JGSs) such as payments of principal or interest and operation of the JGB Book-Entry System. | 12.4 | 21.4 | 41.1 | 24.8 | (0.3) |
| 8. The Bank, in implementing monetary policy, has set as its operational target the money volume (the outstanding balance of the current accounts at the Bank), not the interest rate level. | 8.4 | 16.1 | 32.9 | 42.2 | (0.4) |
| 9. The Bank supplies a large amount of funds to financial institutions through purchases of JGBs held by the institutions. | 6.7 | 14.5 | 32.9 | 45.5 | (0.4) |
| 10. The Bank no longer uses the official discount rate as its major tool of monetary policy. | 5.7 | 16.4 | 37.2 | 40.4 | (0.4) |
| 11. The Bank either keeps close contact with each individual financial institution or conducts onsite examinations to obtain information on their management. | 8.6 | 16.9 | 35.3 | 38.9 | (0.3) |

| | | | | | |
|---|-------------|-------------|-------------|-------------|-------|
| 12. The Bank may act as the lender of last resort and provide funds to financial institutions in order to maintain financial stability. | 10.8 | 21.4 | 36.3 | 31.1 | (0.4) |
| 13. The Bank, to maintain financial stability, is directly purchasing stocks held by commercial banks as a temporary measure in effect until September 2003. | 4.6 | 10.0 | 28.4 | 56.7 | (0.4) |
| 14. The Bank researches and analyzes economic and financial developments; for example, through surveys such as the <i>Tankan</i> —Short-Term Economic Survey of Enterprises in Japan. | 9.3 | 15.9 | 29.2 | 45.1 | (0.5) |
| 15. The Bank studies theoretical aspects of monetary and economic issues. | 7.0 | 13.5 | 31.3 | 47.8 | (0.4) |
| 16. The Bank compiles and releases statistics on monetary aggregates and prices. | 8.3 | 16.5 | 34.2 | 40.7 | (0.3) |
| 17. The Bank intervenes in the foreign exchange market as an agent of the Minister of Finance. | 10.4 | 14.8 | 31.6 | 42.9 | (0.4) |
| 18. The Bank engages in a wide range of international transactions with overseas central banks and international organizations. | 6.7 | 12.7 | 34.1 | 46.1 | (0.4) |
| 19. The Bank transfers most of its profits to the national treasury. | 6.7 | 12.8 | 30.7 | 49.4 | (0.4) |
| 20. The Bank is an organization independent from the government. | 12.8 | 16.9 | 27.9 | 42.1 | (0.3) |
| 21. The Bank's highest decision-making body is the Policy Board. | 4.9 | 7.3 | 25.0 | 62.4 | (0.5) |
| 22. The Bank's missions are to maintain "price stability" and "financial system stability." | 10.7 | 18.3 | 34.6 | 35.9 | (0.5) |
| 23. The Bank has over 30 branches across Japan. | 5.5 | 12.5 | 24.5 | 57.2 | (0.3) |

Question 25

<N=3,043>

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 | (NA) |
|---|--|-------------|-------------|-------------|-------------|-------------|---|-------|
| 1 | I know very well about the Bank's policy and operations. | 2.3 | 10.2 | 19.3 | 29.5 | 38.4 | I know almost nothing about the Bank's policy and operations. | (0.3) |
| 2 | The Bank is related to our lives. | 18.1 | 32.4 | 26.7 | 12.9 | 9.4 | The Bank has nothing to do with our lives. | (0.4) |
| 3 | The Bank is contributing to our lives. | 10.1 | 22.0 | 43.3 | 13.0 | 11.2 | The Bank is not contributing to our lives. | (0.4) |
| 4 | The Bank gives clear explanations to the public. | 0.7 | 2.4 | 25.7 | 29.1 | 41.7 | The Bank's explanations are not clear enough to the public. | (0.4) |
| 5 | I have confidence in the Bank. | 9.7 | 17.3 | 49.9 | 11.9 | 10.7 | I do not have confidence in the Bank. | (0.4) |

Question 26

<N=3,043>

What is your major source of information about the Bank? (Choose all applicable answers.)

- (a) Newspapers. **66.8**
 - (b) Magazines. **9.9**
 - (c) TV and radio. **77.3**
 - (d) Books in general. **2.8**
 - (e) The Bank's publications. **1.2**
 - (f) Internet. **3.3**
 - (g) The Bank's Web site. **0.7**
 - (h) Comments of scholars, politicians, and people within the business sphere. **15.2**
 - (i) Conversations with friends, family, and relatives. **4.6**
 - (j) Have hardly seen or heard any information about the Bank. **11.4**
- (NA 0.1)

Question 27

<N=3,043>

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

- | | |
|-------------------------|-------------|
| (a) Offered comments. | 12.8 |
| (b) Offered no comments | 87.2 |

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

<N=3,043>

Are you male or female?

- (a) Male. **50.1**
- (b) Female. **49.9**

(NA 0.0)

Q2

<N=3,043>

What age group are you in?

- (a) 20–29. **11.9**
- (b) 30–39. **17.3**
- (c) 40–49. **18.3**
- (d) 50–59. **21.3**
- (e) 60–69. **18.2**
- (f) 70–. **13.1**

(NA 0.0)

Q3

<N=3,043>

Are you married?

- (a) Yes. **74.8**
- (b) Was married but now divorced or widowed. **9.5**
- (c) No. **15.5**

(NA 0.2)

Q4

<N=3,043>

What is your occupational field? (Choose one answer.)

| | |
|--|-------------|
| Self-employed or working for a family business | 16.8 |
| (a) Agriculture, forestry, and fisheries. | 4.5 |
| (b) Commercial industry or services. | 9.2 |
| (c) Professional worker. | 3.1 |
| All other workers | 48.4 |
| (d) Manager. | 5.4 |
| (e) Engineer, teacher. | 9.0 |
| (f) Office worker. | 8.1 |
| (g) Nonoffice worker. | 8.3 |
| (h) Salesperson, sales assistant. | 7.5 |
| (i) Part-timer. | 10.1 |
| Unemployed | 34.5 |
| (j) Full-time homemaker. | 14.1 |
| (k) Student. | 1.8 |
| (l) Pensioner. | 13.8 |
| (m) Other. | 4.8 |

(NA 0.3)

If you made a selection between (a) and (j) in Q4, please answer Q4-(a). Otherwise, please skip Q4-(a) and go on to Q5.

Q4-(a)

<N=1,677>

What industry are you in? If you are a part-timer, please choose the industry group for the breadwinner in your family. If you are a full-time homemaker, choose that of your partner. (Choose one answer.)

| | |
|--|-------------|
| (a) Agriculture, forestry, and fisheries. | 8.6 |
| (b) Manufacturing. | 19.9 |
| (c) Wholesale, retail, and food. | 12.7 |
| (d) Transportation and telecommunications. | 4.7 |
| (e) Construction and real estate. | 12.0 |
| (f) Finance and insurance. | 3.5 |
| (g) Electricity, gas, and water. | 3.1 |
| (h) Services. | 16.9 |
| (i) Public service personnel. | 7.7 |
| (j) Other. | 10.3 |

(NA 0.7)

(For all respondents.)

Q5

<N=3,043>

Are you the breadwinner in your family? (Answer “yes” if you and your partner have more or less the same income.)

- (a) Yes. **54.9**
- (b) No. **44.8**

(NA 0.3)

Q6

<N=3,043>

How much income did you 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. **3.6**
- (b) Less than 3 million yen. **33.3**
- (c) 3 million or more but less than 4 million yen. **16.5**
- (d) 4 million or more but less than 5 million yen. **10.6**
- (e) 5 million or more but less than 6 million yen. **8.0**
- (f) 6 million or more but less than 8 million yen. **12.5**
- (g) 8 million or more but less than 10 million yen. **6.2**
- (h) 10 million or more but less than 15 million yen. **3.7**
- (i) 15 million or more. **1.8**

(NA 3.8)

Q7

<N=3,043>

How do you (and your partner) generate money needed to cover living expenses? Please choose the largest source of income. (Choose one answer.)

- (a) Salary (wages). **63.5**
- (b) Business profits. **8.9**
- (c) Rents received on flats and other real estate. **1.4**
- (d) Pension. **21.1**
- (e) Interest income. **0.0**
- (f) Dividends and investment profits on stocks and other. **0.0**
- (g) Savings withdrawals. **0.6**
- (h) Assistance from family, government, or other. **1.2**
- (i) Other. **1.0**
- (j) No income. **1.8**

(NA 0.5)

Q8

<N=3,043>

How much do you (and your partner) have in savings? (Please include savings deposits, trusts, insurance, stocks, bonds, and investment trusts, but exclude any related to business purposes. With respect to life, nonlife, and mutual assistance insurance, please include only refund payment types.) (Choose one answer.)

- | | |
|--|-------------|
| (a) No savings. | 23.0 |
| (b) Less than 5 million yen. | 39.1 |
| (c) 5 million or more but less than 10 million yen. | 14.9 |
| (d) 10 million or more but less than 20 million yen. | 9.8 |
| (e) 20 million yen or over. | 8.4 |

(NA 4.9)

Q9

<N=3,043>

How much do you (and your partner) owe in terms of loans? (Please exclude credit card shopping and borrowings for business purposes.) (Choose one answer.)

- | | |
|--|-------------|
| (a) No loans. | 64.0 |
| (b) Less than 5 million yen. | 13.8 |
| (c) 5 million or more but less than 10 million yen. | 5.9 |
| (d) 10 million or more but less than 20 million yen. | 7.2 |
| (e) 20 million or more but less than 50 million yen. | 5.6 |
| (f) 50 million yen or more. | 0.8 |

(NA 2.7)

Q10

<N=3,043>

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

- | | |
|--|-------------|
| (a) I am single. | 5.8 |
| (b) Myself and my partner. | 20.0 |
| (c) Myself, my partner, and an unmarried child (unmarried children) who is (are) of student age or younger. | 20.1 |
| (d) Myself, my partner, and an unmarried child (unmarried children) who does (do) not belong to the definition in (c) above. | 16.3 |
| (e) Myself (single) and my parents. | 13.8 |
| (f) Myself, my partner, and a married child (married children). | 2.4 |
| (g) Myself, my partner, and my parents. | 3.2 |
| (h) Myself, my partner, my married child (children), and my grandchild (grandchildren). | 4.3 |
| (i) Myself, my partner, my parents, and their grandchild (grandchildren). | 6.5 |
| (j) Other. | 7.1 |

(NA 0.7)

Q11

<N=3,043>

What kind of housing do you have? If you own more than one residence, please respond in terms of your main living base. (Choose one answer.)

- | | |
|--|-------------|
| (a) House in my ownership and on my own land. | 70.1 |
| (b) Condominium in my ownership. | 4.9 |
| (c) House in my ownership but on leased land. | 2.9 |
| (d) Rented house. | 4.1 |
| (e) Rented condominium or flat. | 15.1 |
| (f) Company housing, official residence, or dormitory. | 2.7 |

(NA 0.2)