

Results of the 18th Opinion Survey on the General Public's Mindset and Behavior

*This is an English translation of the Japanese original released on April 15, 2004.

May 31, 2004

Bank of Japan

Public Relations Department

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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 a quarterly statistical indicator.

Starting with this 18th survey, new questions regarding prices¹ have been added, which asked respondents to put a specific figure on (1) what percent the prices have changed compared with one year ago and (2) what percent the prices will change in one year and over the next five years. These questions were designed so as to more specifically comprehend the general public's perception of changes in the price levels.

In addition, the Bank has decided to now conduct the survey quarterly, instead of semiannually, in order to more closely keep track of the general public's mindset and behavior.

Note: 1. Defined as "overall prices of goods and services the respondents purchase."

II. Survey Outline

Survey period:	From March 5 to March 15, 2004.
Sample size:	4,000 people (2,832 people [i.e., 70.8 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

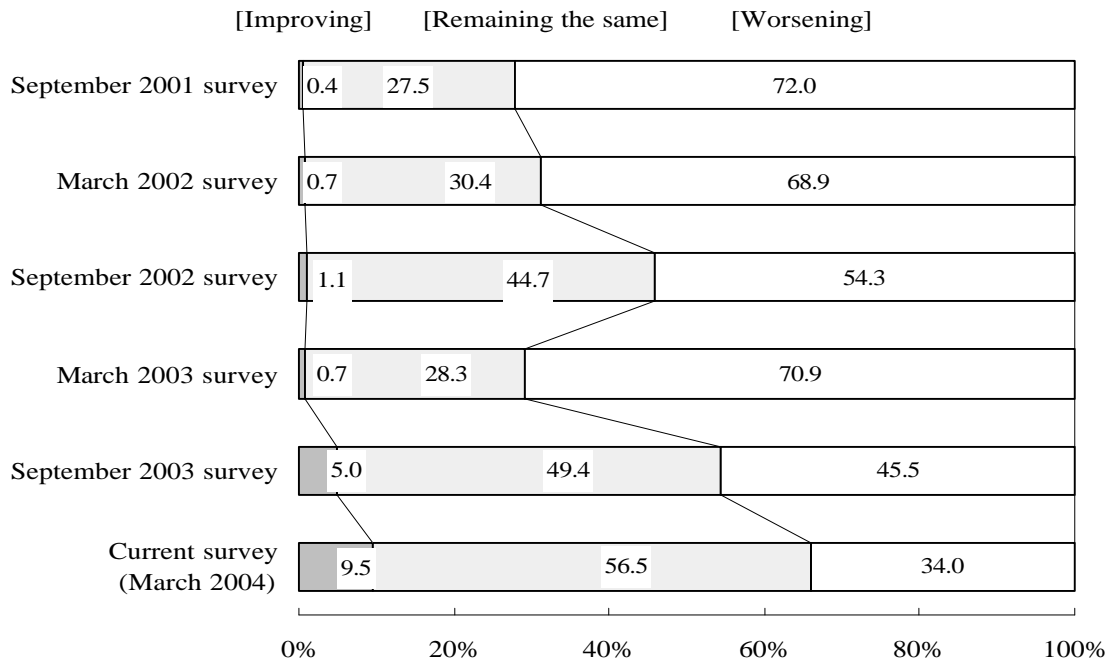
1. Economic conditions

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

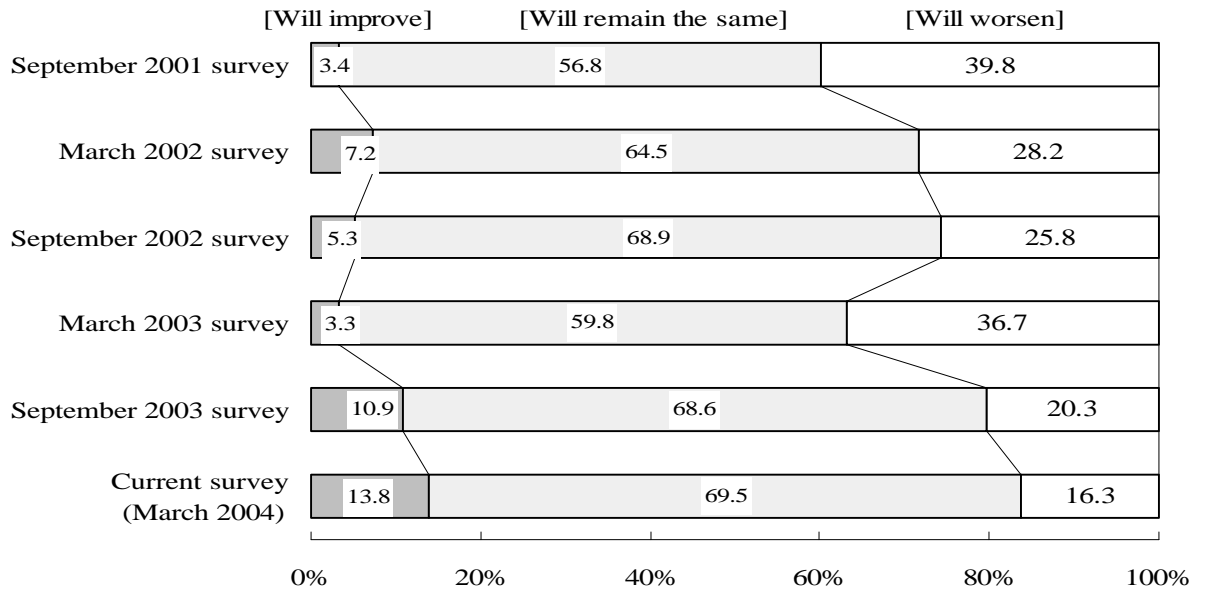
The D.I. outlook for one year from now (“will improve” minus “will worsen”) also continued to improve from the previous survey.

Chart 1 Economic Conditions (Questions 1 and 4)

(1) Present Compared with One Year Ago

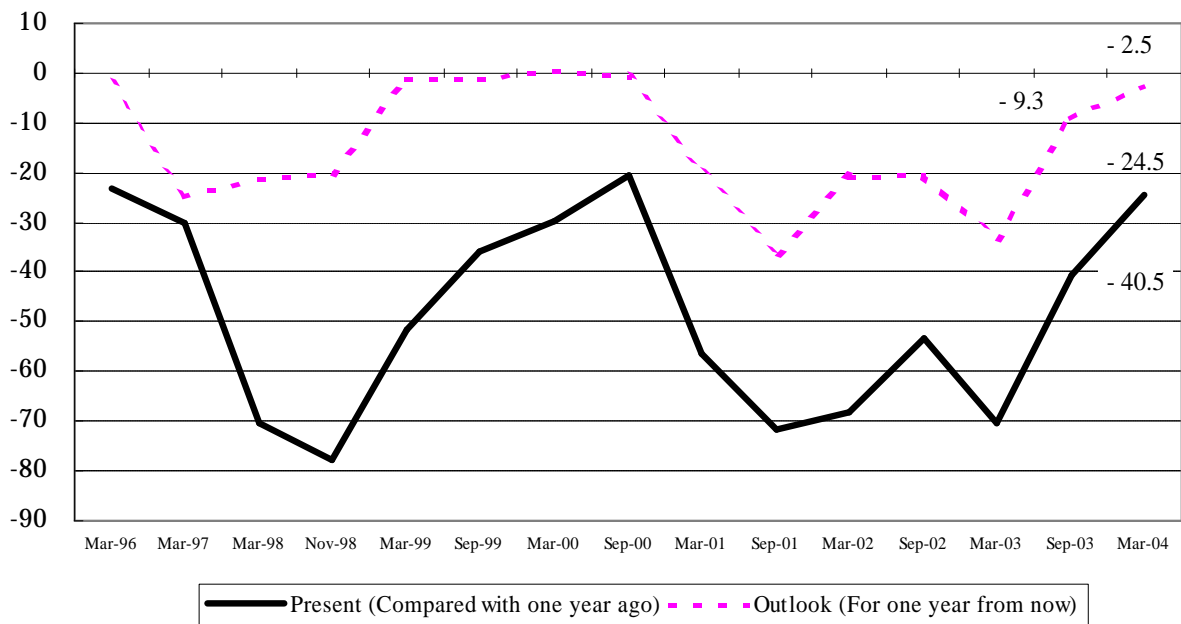


(2) One Year from Now Compared with the Present



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

Percentage points

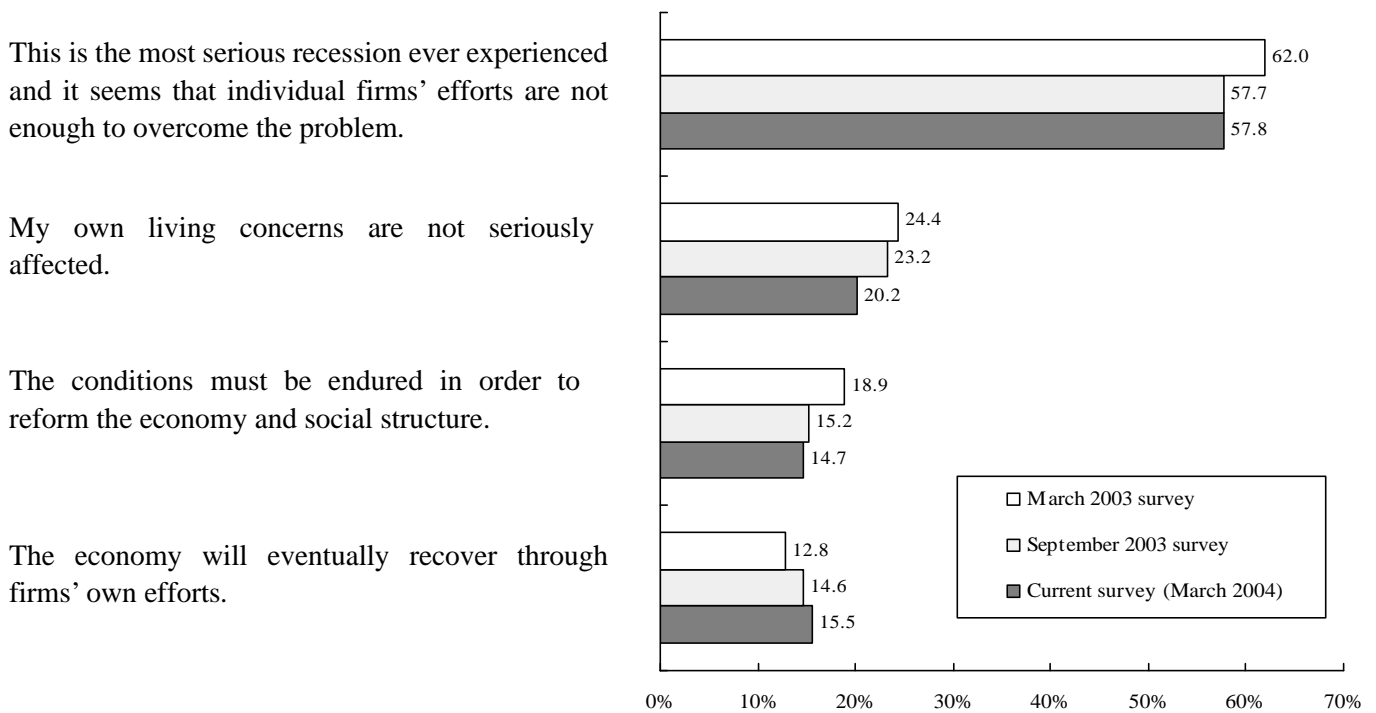


2. Basis for assessment and interpretation of economic conditions among the respondents who judged the economy to be “worsening”

When asked their opinion of economic conditions, just under 60 percent of respondents who replied that the economic conditions have been “worsening” still thought that “this is the most serious recession ever experienced and it seems that individual firms’ efforts are not enough to overcome the problem.”

In terms of the interest rate level, roughly 50 percent of respondents, a number equivalent to the previous survey, stated that “it has negatively affected my household by reducing interest income on deposits and others.” The number of people who responded with “even at the current level, we cannot expect an economic recovery” still totaled about 40 percent, although the number decreased slightly compared with the previous survey.

Chart 2 Interpretation of Economic Conditions (Question 3)¹



Note : 1. Multiple answers were allowed.

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

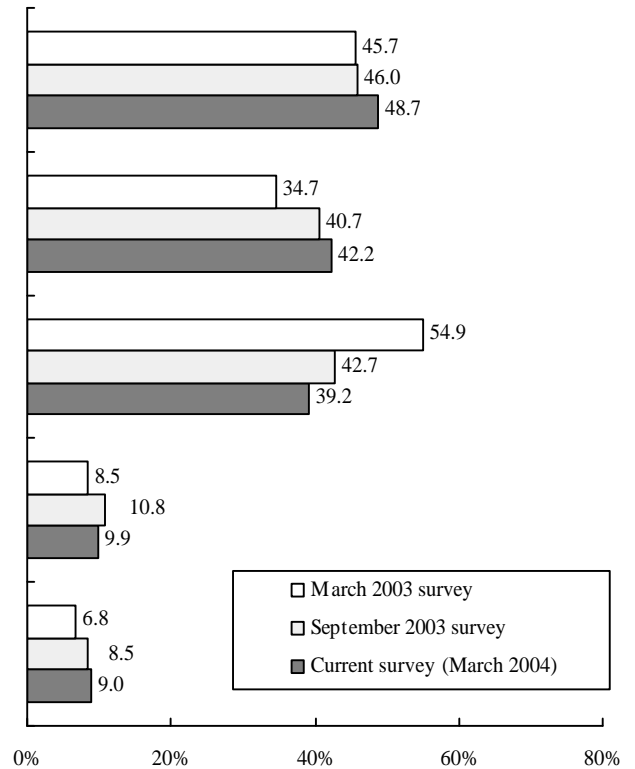
It has negatively affected my household by reducing interest income on deposits and others.

I hope it will stimulate business activity and thereby lead to an economic recovery.

Even at the current level, we cannot expect an economic recovery.

Low interest rates are helpful in alleviating the financial burden because I am planning to apply for, or repay, a housing loan.

I don't have many complaints because stable prices secure principal of deposit even though interest income has decreased.



Note:1. Up to two answers were allowed.

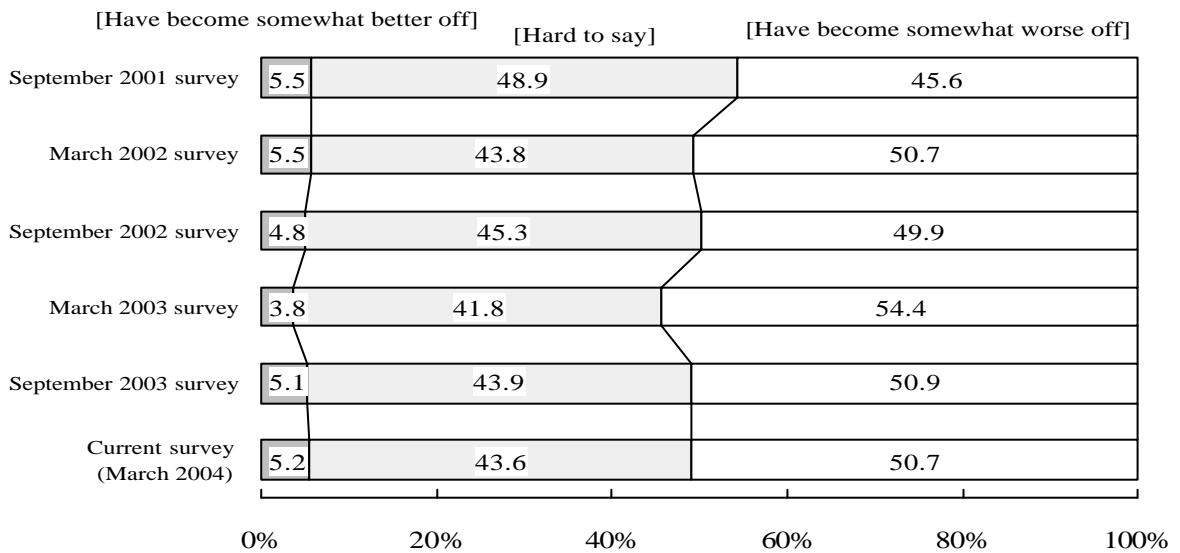
B. Household Circumstances and the General Public's Mindset

1. Present household circumstances

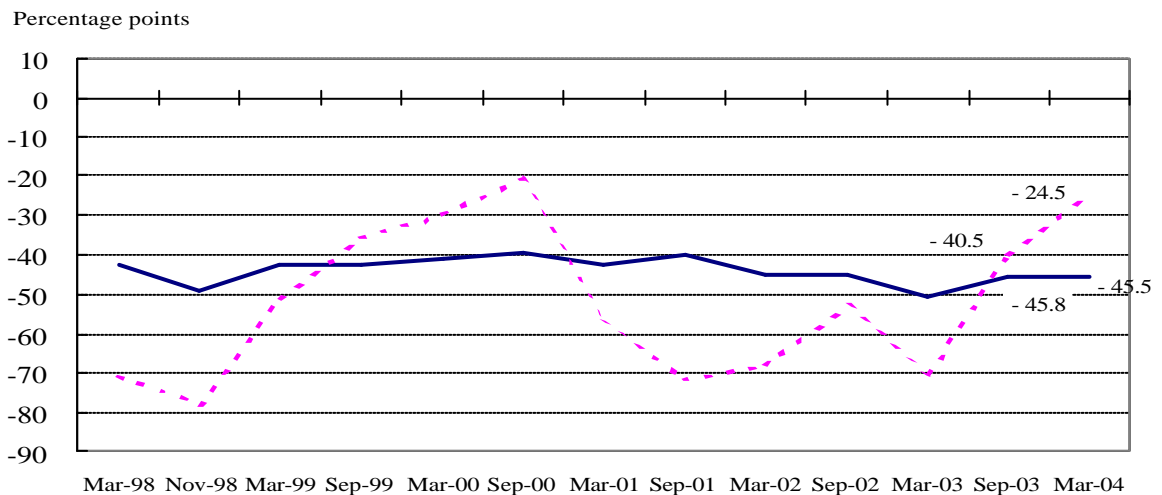
About 50 percent of those surveyed responded that their household circumstances “have become somewhat worse off” compared with one year ago, a similar number to the previous survey. As a result, the D.I. (“have become somewhat better off” minus “have become somewhat worse off”) was virtually level compared with the previous survey.

Chart 4 Present Household Circumstances (Question 21)

(1) Present Household Circumstances



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



— The household circumstances D.I. - - - The present economic conditions D.I.(Compared with one year ago)

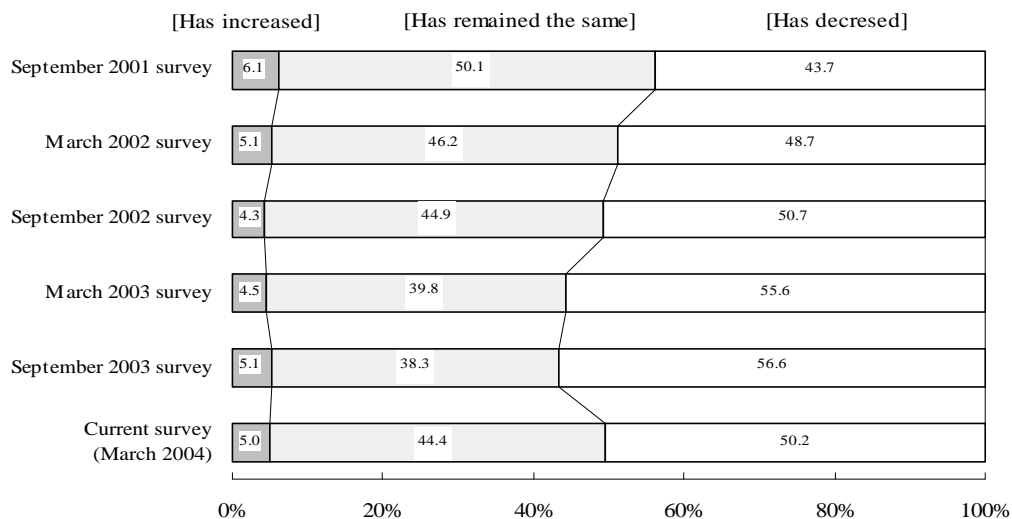
2. Income and spending

About 50 percent of respondents continued to reply that their income “has decreased” compared with one year ago, although the number declined compared with the previous survey. With respect to outlook, the numbers for each answer were virtually level compared with the previous survey.

Concerning their spending compared with one year ago, about 45 percent of respondents answered that they still “have decreased” their spending. With respect to outlook, a little above 40 percent of people responded that they “will decrease” spending one year from now.

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

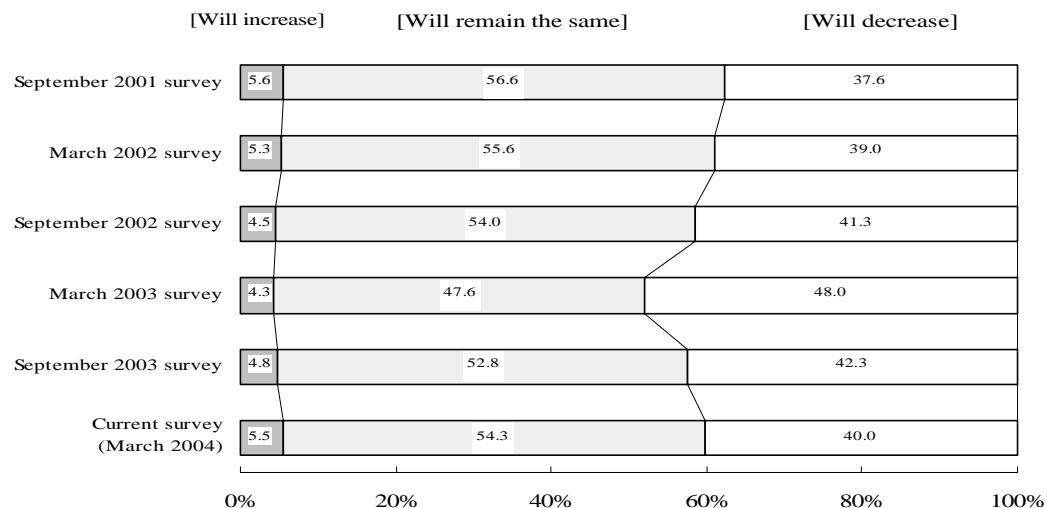
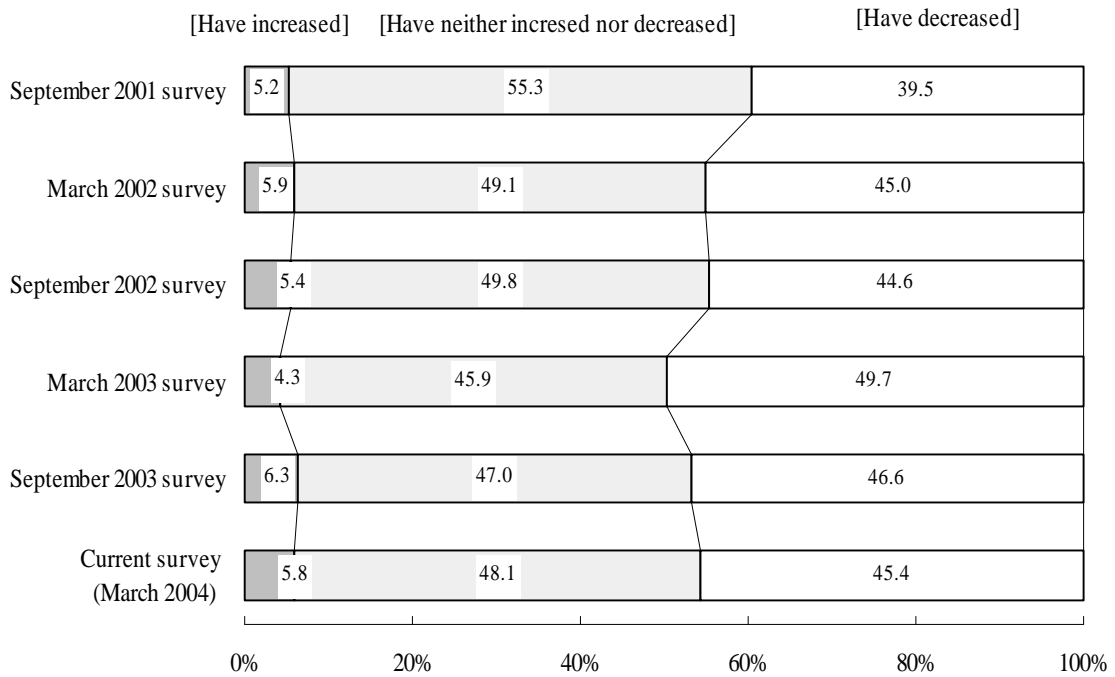
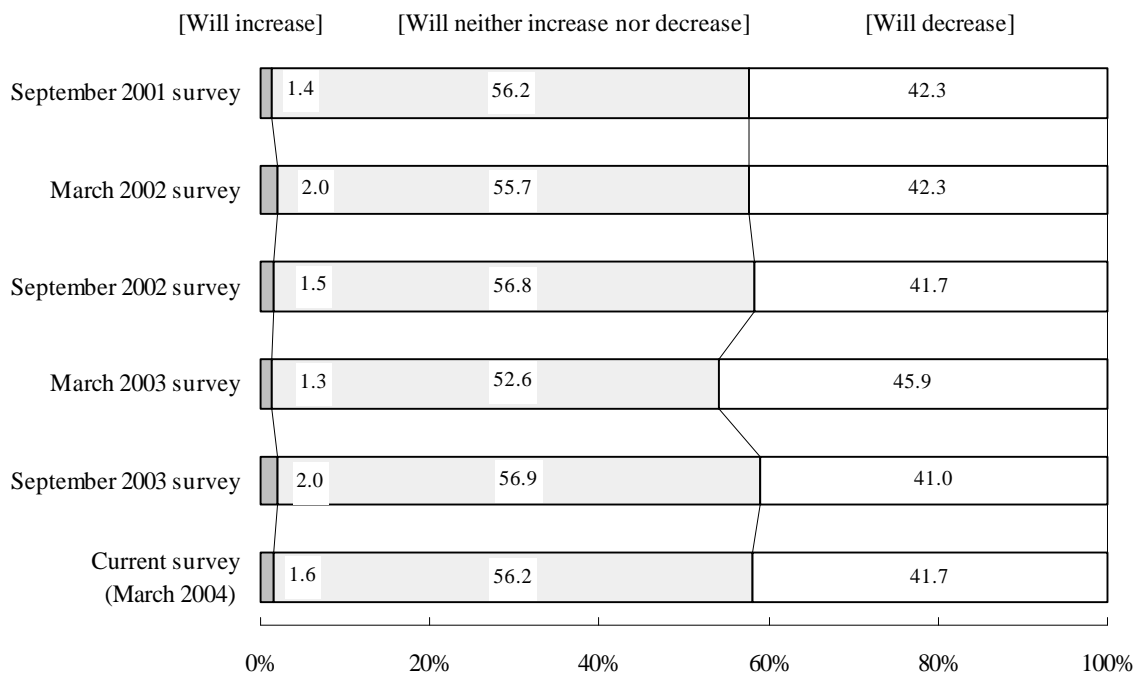


Chart 6 Spending (Questions 8 and 10)

(1) Present Spending Level Compared with One Year Ago

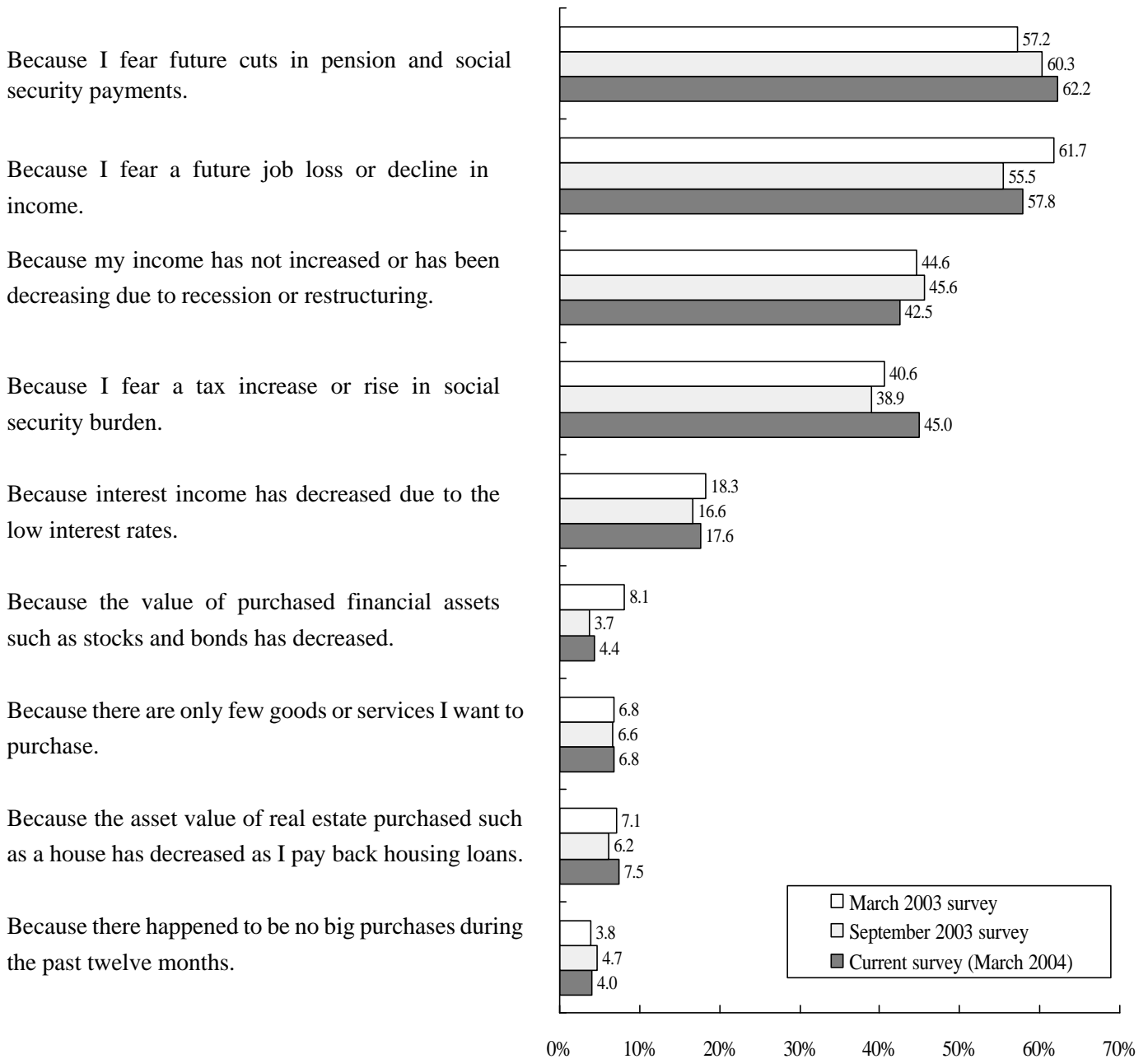


(2) Spending Level One Year from Now Compared with the Present



When asked for reasons why they have been spending less compared with one year ago, a little more than 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. The number of people who responded “because I fear a tax increase or rise in social security burden” increased compared with the previous survey.

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



Note: 1. Multiple answers were allowed.

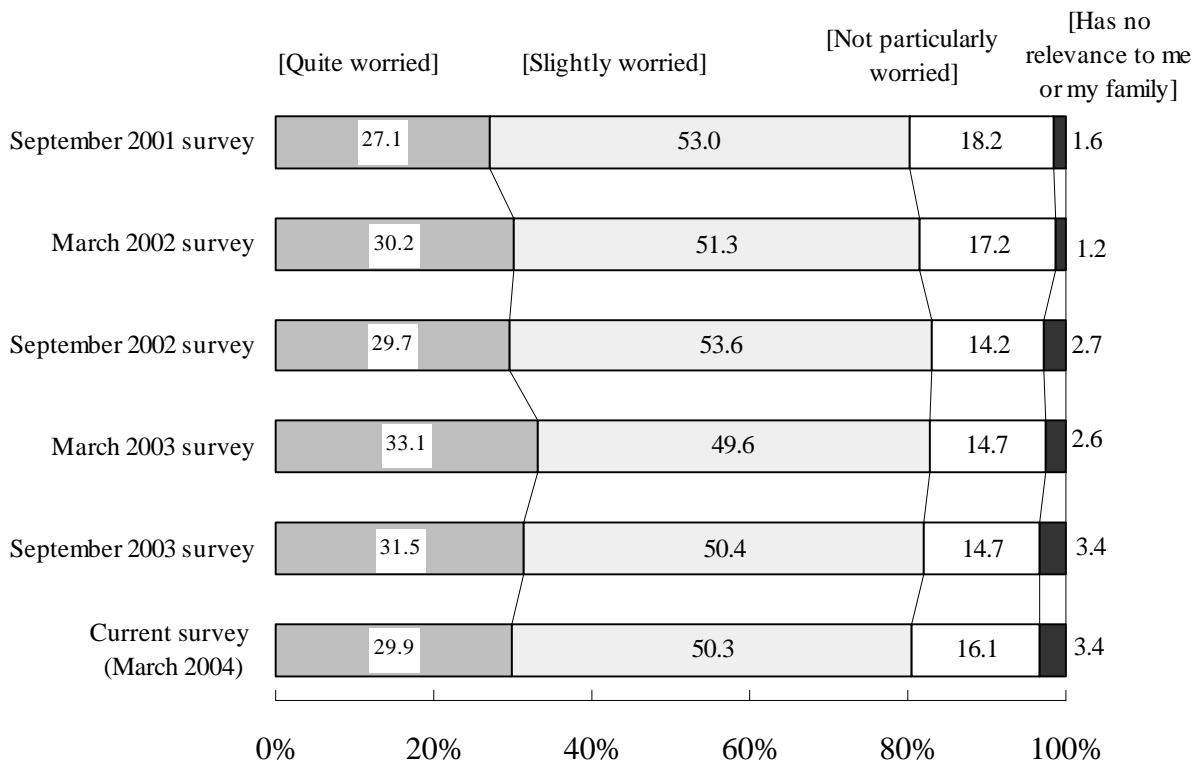
3. Employment conditions

About 80 percent of the respondents¹ continued to feel “worried”² about employment and working arrangements.

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 Concerns about Employment and Working Arrangements (Question 24 <respondents¹>)



C. Perception of the Price Levels

The number of respondents who feel that prices¹ compared with one year ago “have gone down”² decreased, while those who feel that prices “have remained almost unchanged” increased to just above 60 percent.

When asked to what extent the price levels have changed compared with one year ago, the average and the median of answers were minus 0.3 percent and 0.0 percent, respectively.

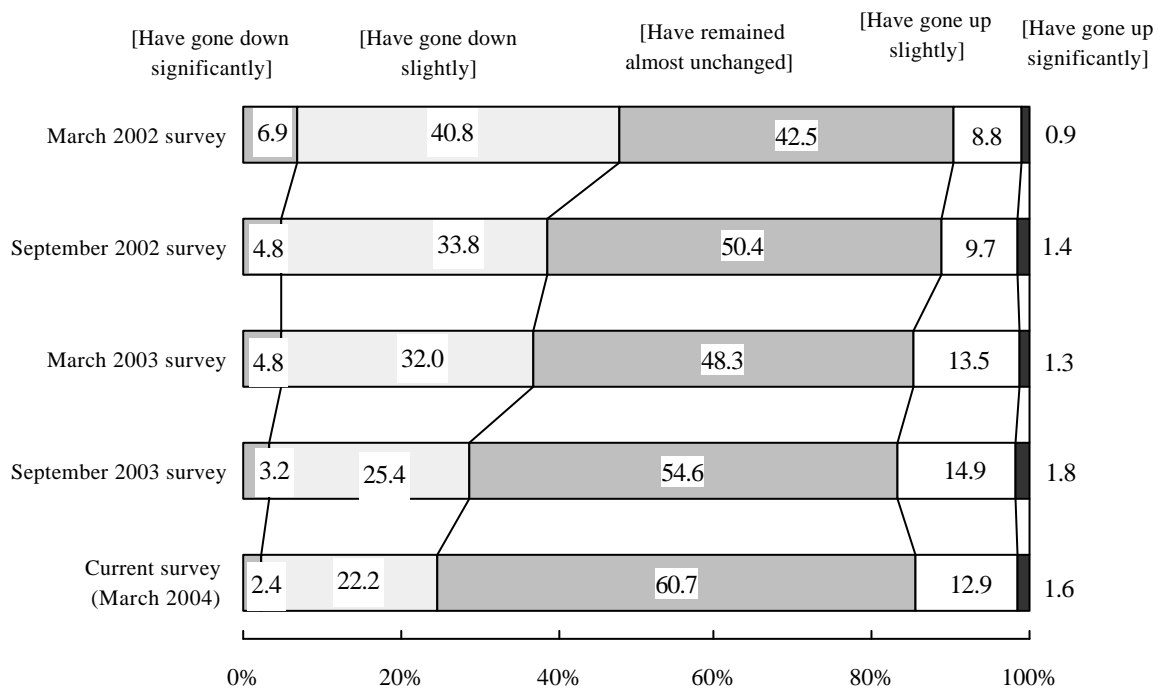
¹ Defined as “overall prices of goods and services the respondents purchase.”

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

(1) Present Compared with One Year Ago

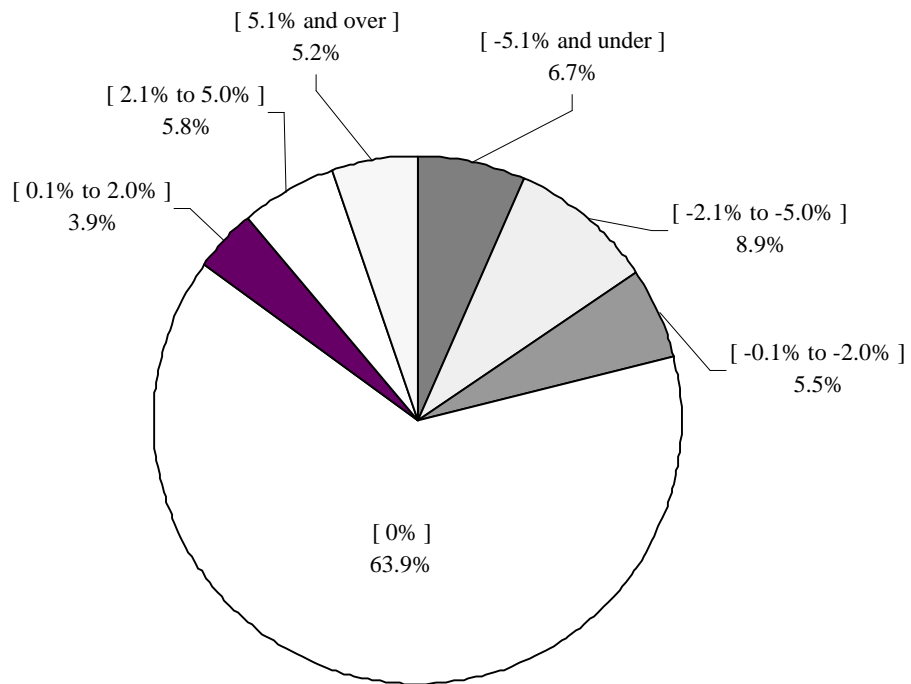


(2) Change in the Price Levels Compared with One Year Ago

Average ¹	Median ²
-0.3 %	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 minus 0.2 percent).
2. The number that appears in the middle when the answers are listed in numerical order.

(3) Percentage Share

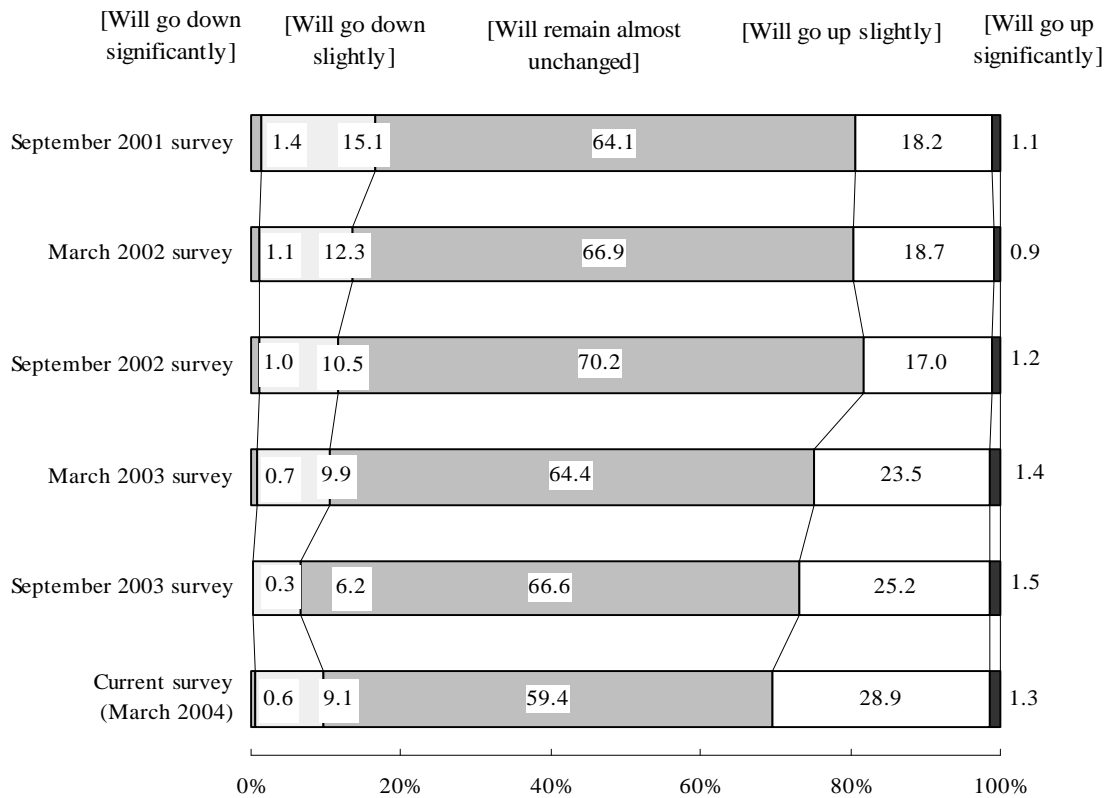


In terms of the outlook for one year from now, the number of respondents who expect that prices “will go up” increased compared with the previous survey.

When asked to what extent the price levels will change one year from now in a specific figure, the average was 1.2 percent while the median was 0.0 percent.

Chart 10 Outlook for the Price Levels One Year from Now (Questions 16 and 17)

(1) One Year from Now Compared with the Present



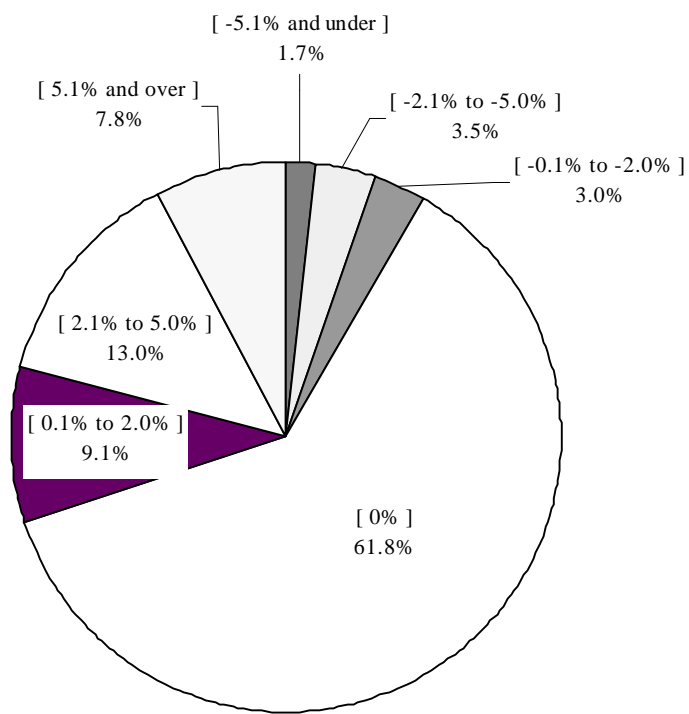
(2) Change in the Price Levels One Year from Now

Average ¹	Median ²
1.2 %	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 1.2 percent).

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

(3) Percentage Share

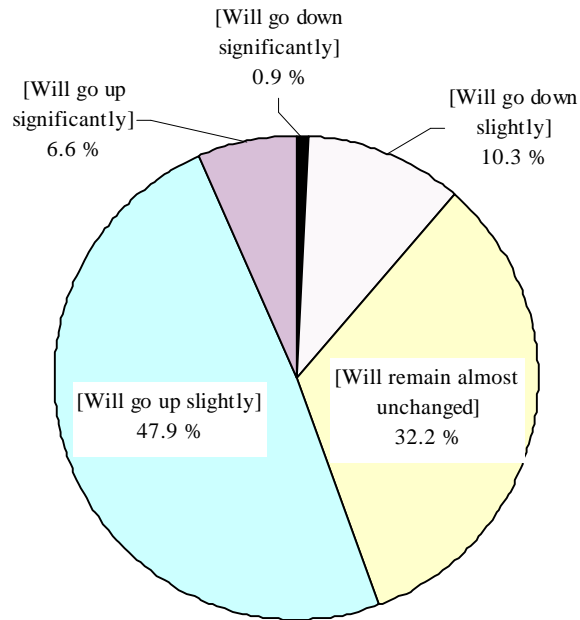


Regarding the outlook for the next five years, about 55 percent of the respondents answered that the prices “will go up,” while a little above 10 percent responded that they “will go down.”

When asked how much prices will change every year over the next five years, the average was 1.7 percent while the median was 0.2 percent.

Chart 11 Outlook for Price Levels over the Next Five Years (Questions 18 and 19)

(1) Outlook for the Next Five Years



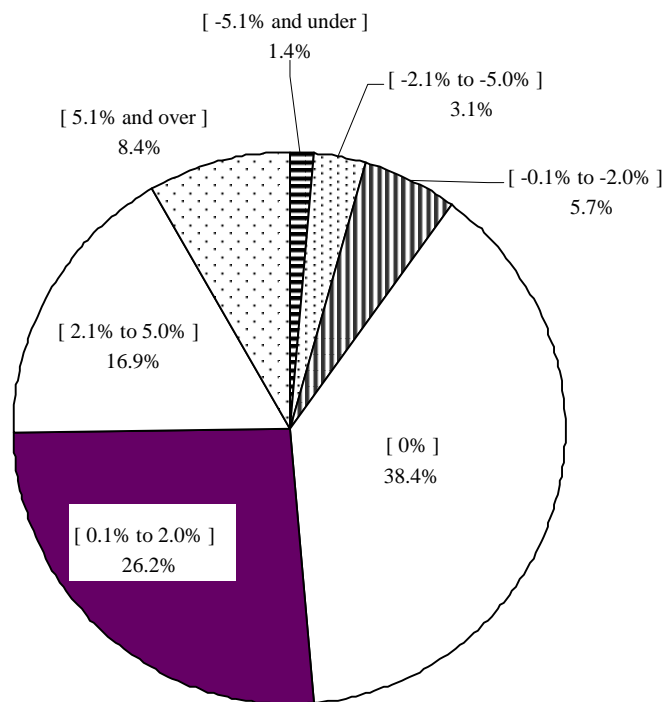
(2) Change in the Price Levels Every Year over the Next Five Years

Average ¹	Median ²
1.7 %	0.2 %

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 1.7 percent).

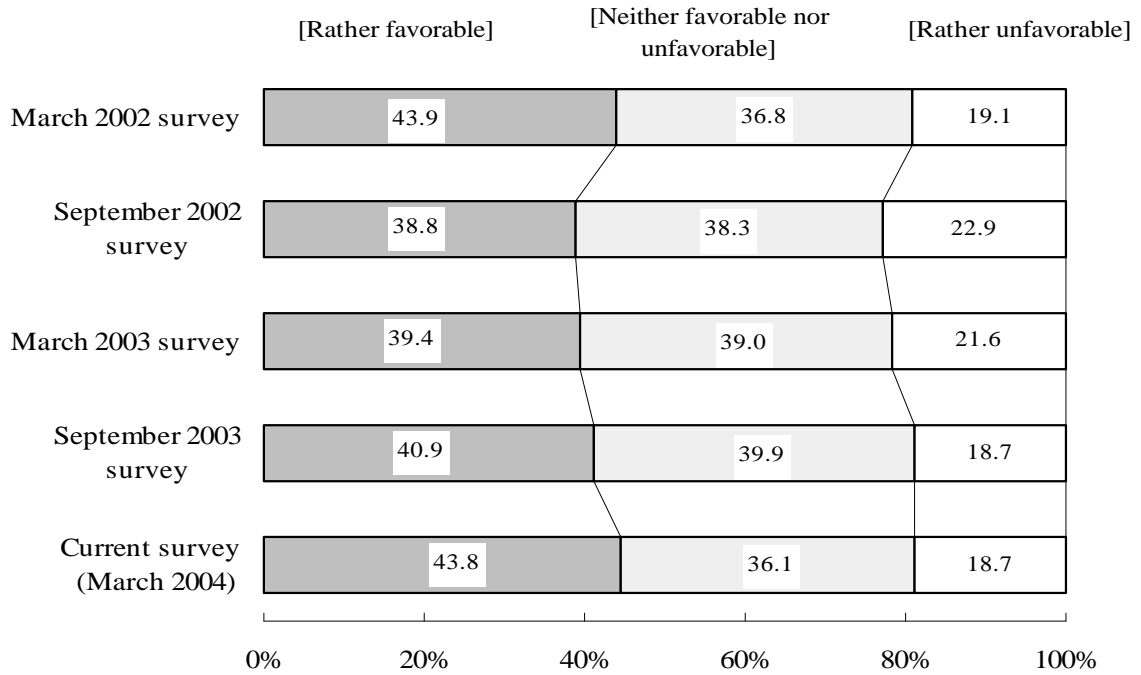
2. The number that appears in the middle when the answers are listed in numerical order.

(3) Percentage Share



Concerning price declines, about 20 percent of respondents believed these to be “rather unfavorable,” same as the previous survey, while a little less than 45 percent considered them “rather favorable.”

Chart 12 Comments on the Price Decline (Question 15)

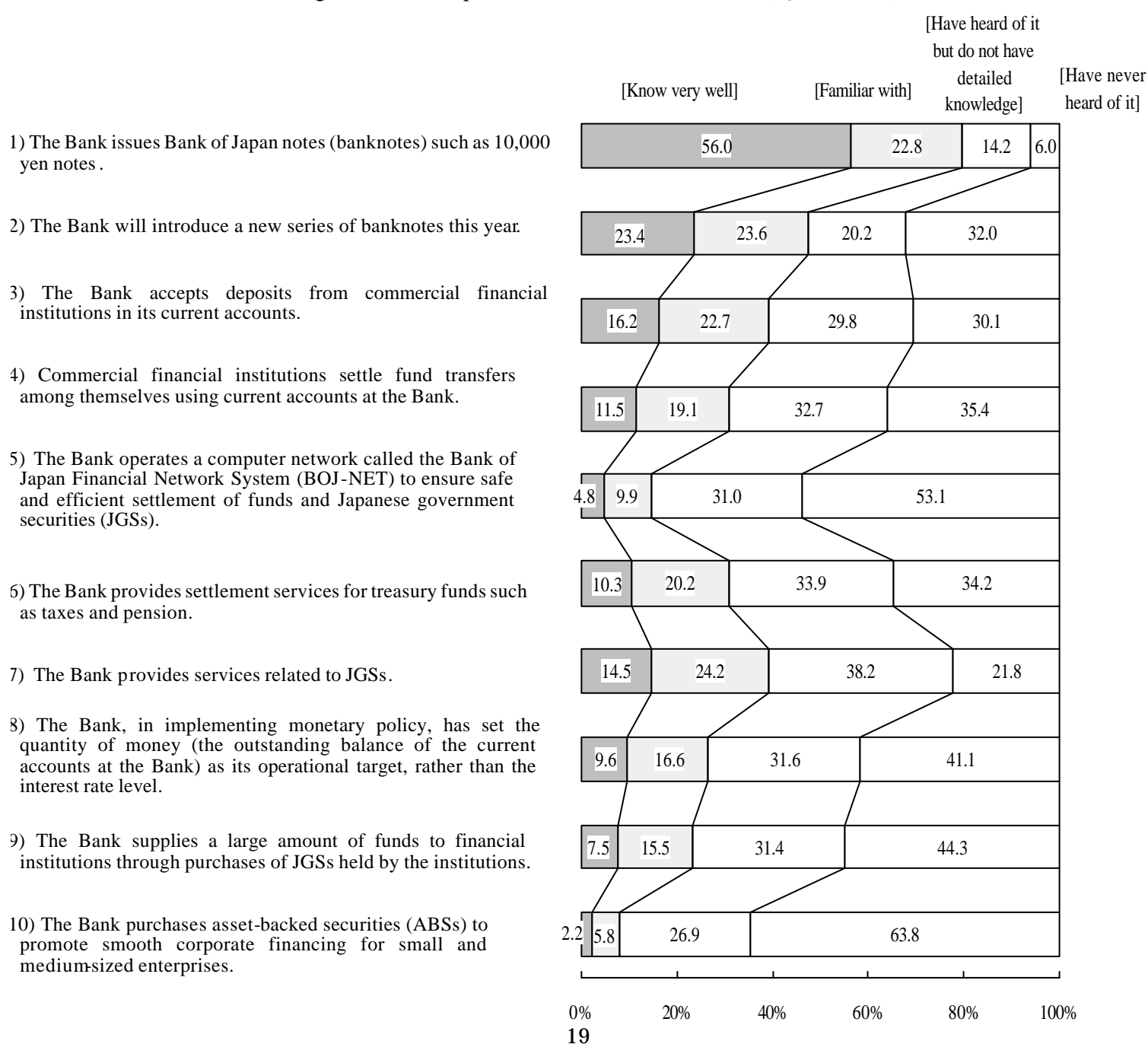


D. Recognition and Credibility of the Bank

Somewhat fewer than 80 percent of respondents “know”³ that the Bank issues banknotes, approximately 50 percent “know” of its introduction of a new series of banknotes this year, while about 40 percent “know” that it provides Japanese government securities (JGSs) related services, accepts deposits from commercial financial institutions, and has branches across Japan. Meanwhile, 10–30 percent replied that they “know” of the Bank’s remaining listed operations or roles.

³ “Know” comprises “know very well” and “familiar with.”

Chart 13 Recognition of the Operations and Roles of the Bank (Question 28)

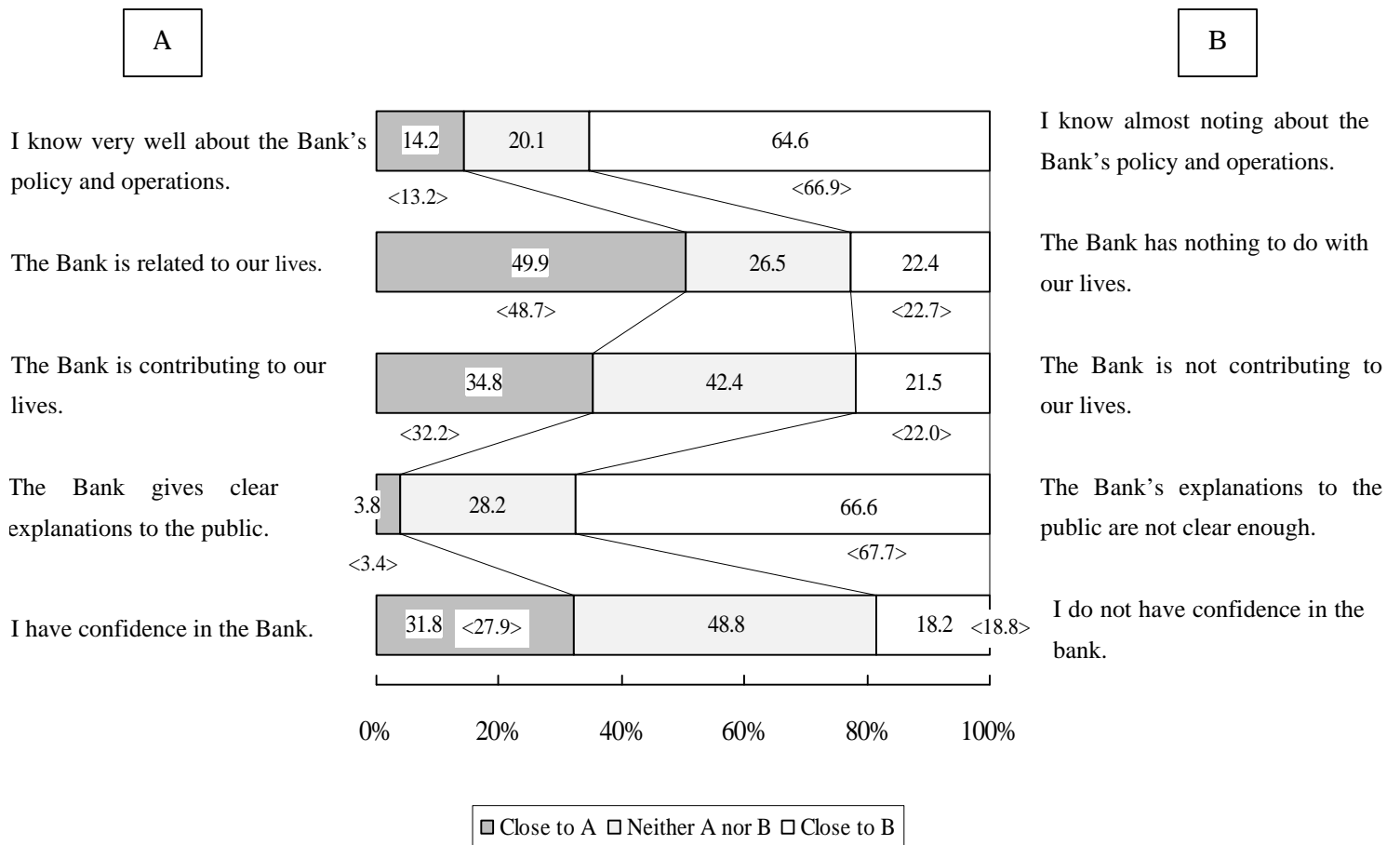


Somewhat more than 60 percent of respondents stated that they “know almost nothing about the Bank’s policy and operations” and that “the Bank’s explanations to the public are not clear enough.”

Nearly 50 percent of respondents think that “the Bank is related to our lives,” with around 35 percent replying that “the Bank is contributing to our lives.”

A little less than 20 percent still “do not have confidence in the Bank,” while approximately 30 percent of respondents “have confidence in the Bank,” reflecting a slight increase compared with the previous survey.

Chart 14 Comprehensive Recognition and Evaluation of the Bank (Question 29)¹



Note: 1. Figures in parenthesis are results of the previous survey (September 2003).

IV. Complete Questionnaire and Results

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

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

- | | |
|-------------------------|-------------|
| (a) Improving. | 9.5 |
| (b) Remaining the same. | 56.5 |
| (c) Worsening. | 34.0 |

Question 2

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

- | | |
|---|-------------|
| (a) Media reports. | 28.1 |
| (b) Economic indicators and statistics. | 11.6 |
| (c) Business performance of the company I work for, or of my own company. | 36.0 |
| (d) My, or other family members', income level. | 43.2 |
| (e) Bustle of shopping streets and amusement quarters. | 26.6 |
| (f) No reason in particular. | 6.4 |
| (g) Other. | 2.7 |

If you chose (c) for 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. | 15.5 |
| (b) The conditions must be endured in order to reform the economy and social structure. | 14.7 |
| (c) My own living concerns are not seriously affected. | 20.2 |
| (d) This is the most serious recession ever experienced and it seems that individual firms' efforts are not enough to overcome the problem. | 57.8 |
| (e) Other. | 11.7 |

(For all respondents.)

Question 4

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

- (a) Will improve. **13.8**
- (b) Will remain the same. **69.5**
- (c) Will worsen. **16.3**

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. **42.2**
- (b) Even at the current level, we cannot expect an economic recovery. **39.2**
- (c) It has negatively affected my household by reducing interest income on deposits and others. **48.7**
- (d) I don't have many complaints because stable prices secure principal of deposit even though interest income has decreased. **9.0**
- (e) Low interest rates are helpful in alleviating the financial burden because I am planning to apply for, or repay, a housing loan. **9.9**
- (f) Other. **3.1**

Question 6

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

- (a) Has increased. **5.0**
- (b) Has remained the same. **44.4**
- (c) Has decreased. **50.2**

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. **5.5**
- (b) Will remain the same. **54.3**
- (c) Will decrease. **40.0**

Question 8

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

- (a) Have increased. **5.8**
- (b) Have neither increased nor decreased. **48.1**
- (c) Have decreased. **45.4**

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. | 13.9 |
| (b) Because my income is likely to increase in future. | 4.8 |
| (c) Because tax cuts and other factors have lessened the household budget burden. | 0.6 |
| (d) Because pension and social security payments are expected to increase. | 7.9 |
| (e) Because the value of purchased real estate such as a house has increased. | 1.2 |
| (f) Because the value of purchased financial assets such as stocks and bonds has increased. | 1.8 |
| (g) Because loan payment amounts have decreased due to low interest rates. | 0.6 |
| (h) Because I decided not to buy a house (or else postponed plans). | 0.6 |
| (i) Because there are goods and services I want to purchase. | 24.2 |
| (j) Because I made a big purchase in the past twelve months. | 64.8 |
| (k) No reason in particular. | 4.2 |

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. | 42.5 |
| (b) Because I fear a future job loss or decline in income. | 57.8 |
| (c) Because I fear future cuts in pension and social security payments. | 62.2 |
| (d) Because I fear a tax increase or rise in social security burden. | 45.0 |
| (e) Because the asset value of real estate purchased such as a house has decreased as I pay back housing loans. | 7.5 |
| (f) Because the value of purchased financial assets such as stocks and bonds has decreased. | 4.4 |
| (g) Because interest income has decreased due to the low interest rates. | 17.6 |
| (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. | 4.0 |
| (j) No reason in particular. | 1.0 |

(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 that is separate from category 1)

	Category 1	Category 2
(a) Have decreased spending.	25.2	35.1
(b) Have unintentionally decreased spending.	27.6	31.8
(c) Unchanged.	33.1	26.3
(d) Have unintentionally increased spending.	12.2	3.5
(e) Have increased spending.	0.7	1.8

Question 10

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

(a) Will increase.	1.6
(b) Will neither increase nor decrease.	56.2
(c) Will decrease.	41.7

Question 11

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

(a) Income tax cut.	32.8
(b) Consumption tax cut.	30.9
(c) Tax incentive measures for those with housing or education loans.	12.6
(d) Dispelled fears of unemployment or an income decline.	44.3
(e) Dispelled fear of financial system uncertainty.	13.8
(f) Presentation of pension system and fiscal policy reform plans that clarify future public burden.	41.9
(g) Dispelled life-after-retirement concerns through expansion of the nursing care system; for example, creation of a publicly financed nursing program.	35.3
(h) Rise in interest rates on deposits.	31.2
(i) Dispelled fear of deflation.	13.4
(j) Other.	2.0
(k) I do not plan to increase spending.	10.7

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. **62.8**
- (b) It depends more on whether there is greater uncertainty over the future income level rather than the current level. **42.4**
- (c) It depends on the forecast for developments in the prices of goods and costs of services. **8.8**
- (d) It depends on real estate price developments because I own a house and/or other real estate. **4.5**
- (e) It depends on stock price developments because I have stocks and/or investment trusts. **3.8**
- (f) It is affected by tax and social insurance premiums because they decrease/increase my actual income. **34.1**
- (g) It depends on whether there are goods and services I want to purchase. **12.7**
- (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**

Question 13

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

- (a) Have gone down significantly. **2.4**
- (b) Have gone down slightly. **22.2**
- (c) Have remained almost unchanged. **60.7**
- (d) Have gone up slightly. **12.9**
- (e) Have gone up significantly. **1.6**

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

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: **-0.3** percent

Median²: **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 minus 0.2 percent).

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

If you chose (a) or (b) in Question 13, please answer Question 15. Otherwise, please skip Question 15 and go on to Question 16.

Question 15

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

- (a) Rather favorable. **43.8**
(b) Rather unfavorable. **18.7**
(c) Neither favorable nor unfavorable. **36.1**

(For all respondents.)

Question 16

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

- (a) Will go down significantly. **0.6**
(b) Will go down slightly. **9.1**
(c) Will remain almost unchanged. **59.4**
(d) Will go up slightly. **28.9**
(e) Will go up significantly. **1.3**

Question 17

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 compared with the present.
go down percent

Average¹: **1.2** percent

Median²: **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 1.2 percent).

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

Question 18

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

- (a) Will go down significantly. **0.9**
- (b) Will go down slightly. **10.3**
- (c) Will remain almost unchanged. **32.2**
- (d) Will go up slightly. **47.9**
- (e) Will go up significantly. **6.6**

Question 19

By what percent do you think the prices will go up or down every 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 every year on average over the next five years.
go down percent

Average¹: **1.7** percent

Median²: **0.2** 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 1.7 percent).

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

Question 20

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. **13.8**
- (b) Will remain at about the current level for some time, as this is an appropriate level. **40.9**
- (c) Will continue to drop because the current level is still too high. **15.4**
- (d) Don't know. **29.2**

Question 21

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

- (a) Have become somewhat better off. **5.2**
- (b) Have become somewhat worse off. **50.7**
- (c) Hard to say. **43.6**

If you chose (a) in Question 21, please answer Question 21-(a). If you chose (b) in Question 21, please answer Question 21-(b). For remaining respondents, please skip questions 21-(a) and 21-(b) and go on to Question 22.

Question 21-(a)

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

- | | |
|--|-------------|
| (a) Regular income such as salary has increased. | 47.6 |
| (b) Other income such as interest income has increased. | 1.4 |
| (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. | 1.4 |
| (e) Prices have declined or remained stable. | 23.1 |
| (f) The value of assets held such as stocks and real estate has increased. | 3.4 |
| (g) The number of dependents in my family has decreased. | 26.5 |
| (h) Other. | 23.1 |

Question 21-(b)

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

- | | |
|---|-------------|
| (a) Regular income such as salary has decreased. | 75.1 |
| (b) Other income such as interest income has decreased. | 18.5 |
| (c) Purchased or plan to purchase real estate such as land and houses. | 6.3 |
| (d) Prices have increased. | 11.7 |
| (e) The value of assets held such as stocks and real estate has declined. | 6.3 |
| (f) The number of dependents in my family has increased. | 10.9 |
| (g) Other. | 20.1 |

(For all respondents.)

Question 22

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. | 19.0 |
| (b) Cannot expect significant growth in the long run. | 53.3 |
| (c) Cannot say. | 27.3 |

Question 23

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. | 33.9 |
| (b) No, but it has been planning to do so in future. | 10.6 |
| (c) No, and it seems there is no plan to do so. | 24.0 |
| (d) Don't know. | 30.5 |

If you chose (a) or (b) in Question 23, please answer Question 23-(a). Otherwise, please skip Question 23-(a) and go on to Question 24.

Question 23-(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. **35.3**
- (b) Cut in salary and review of the wage system. **68.0**
- (c) Restrained recruiting of new graduates. **21.9**
- (d) Reduction in personnel through dispatching them to other companies and encouraging early retirement. **34.7**
- (e) Reduction in job positions, as well as organizational reform. **22.0**
- (f) Review of personnel or qualification system. **19.3**
- (g) Introduction of worksharing. **3.7**
- (h) Other. **5.8**
- (i) Restructuring is planned but don't know the details. **2.1**

(For all respondents.)

Question 24

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.	14.2	16.1
(b) Slightly worried.	43.5	50.3
(c) Quite worried.	26.4	29.9
(d) Has no relevance to me or my family.	15.0	3.4

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

Question 25

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

- (a) Yes. **32.8**
- (b) No. **66.6**

If you chose (a) in Question 25, please answer Question 25-(a). Otherwise, please skip Question 25-(a) and go on to Question 26.

Question 25-(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. **7.3**
- (b) Slightly worried. **37.4**
- (c) Quite worried. **55.2**

(For all respondents.)

Question 26

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. | 93.4 |
| (b) Plan to purchase a house for the first time. | 2.8 |
| (c) Plan to sell a house and buy another. | 2.6 |
| (d) Plan to buy a second house. | 0.7 |

Question 27

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

- | | |
|----------|-------------|
| (a) Yes. | 34.0 |
| (b) No. | 65.8 |

Questions 28 to 31 ask about your knowledge of the Bank of Japan (hereafter “the Bank”).

Question 28

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)
(1)	The Bank issues Bank of Japan notes (banknotes) such as 10,000 yen notes.	56.0	22.8	14.2	6.0
(2)	The Bank will introduce a new series of banknotes this year.	23.4	23.6	20.2	32.0
(3)	The Bank accepts deposits from commercial financial institutions in its current accounts.	16.2	22.7	29.8	30.1
(4)	Commercial financial institutions settle fund transfers among themselves using current accounts at the Bank.	11.5	19.1	32.7	35.4
(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 securities (JGSs).	4.8	9.9	31.0	53.1
(6)	The Bank provides settlement services for treasury funds such as taxes and pension.	10.3	20.2	33.9	34.2
(7)	The Bank provides services related to JGSs.	14.5	24.2	38.2	21.8
(8)	The Bank, in implementing monetary policy, has set the quantity of money (the outstanding balance of the current accounts at the Bank) as its operational target, rather than the interest rate level.	9.6	16.6	31.6	41.1
(9)	The Bank supplies a large amount of funds to financial institutions through purchases of JGSs held by the institutions.	7.5	15.5	31.4	44.3

[Continued from the previous page]		(a)	(b)	(c)	(d)
(10)	The Bank purchases asset-backed securities (ABSs) to promote smooth corporate financing for small and medium-sized enterprises.	2.2	5.8	26.9	63.8
(11)	The Bank no longer uses the official discount rate as its major tool of monetary policy.	5.0	15.2	34.8	43.8
(12)	The Bank either keeps close contact with each individual financial institution or conducts onsite examinations to obtain information on their management.	8.3	18.4	32.6	39.4
(13)	The Bank may act as the lender of last resort and provide funds to financial institutions in order to maintain financial stability.	10.6	21.6	35.2	31.2
(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).	12.9	18.0	28.8	38.6
(15)	The Bank studies theoretical aspects of monetary and economic issues.	8.3	15.1	29.5	45.9
(16)	The Bank compiles and releases statistics on monetary aggregates and prices.	10.5	17.8	32.7	37.8
(17)	The Bank intervenes in the foreign exchange market as an agent of the Minister of Finance.	13.0	17.4	29.7	38.8
(18)	The Bank engages in a wide range of international transactions with overseas central banks and international organizations.	7.5	13.8	33.5	43.8
(19)	The Bank transfers most of its profits to the national treasury.	7.2	14.2	30.0	47.0
(20)	The Bank is an organization independent from the government.	12.9	17.4	27.0	41.5
(21)	The Bank's important decisions are made by the Policy Board.	5.8	8.6	26.4	57.9
(22)	The Bank's missions are to maintain "price stability" and "financial system stability."	10.8	22.0	30.9	35.0
(23)	The Bank has branches across Japan.	18.7	19.5	20.1	40.7

Question 29

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.	2.2	12.0	20.1	28.4	36.2	I know almost nothing about the Bank's policy and operations.
2	The Bank is related to our lives.	17.3	32.6	26.5	12.4	10.0	The Bank has nothing to do with our lives.
3	The Bank is contributing to our lives.	10.0	24.8	42.4	12.0	9.5	The Bank is not contributing to our lives.
4	The Bank gives clear explanations to the public.	0.6	3.2	28.2	28.2	38.4	The Bank's explanations to the public are not clear enough.
5	I have confidence in the Bank.	11.7	20.1	48.8	9.7	8.5	I do not have confidence in the Bank.

Question 30

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

- (a) Newspapers. **68.1**
- (b) Magazines. **9.4**
- (c) TV and radio. **70.4**
- (d) Books in general. **3.5**
- (e) The Bank's publications. **0.9**
- (f) Internet. **4.2**
- (g) The Bank's Web site. **1.3**
- (h) Comments of scholars, politicians, and people within the business sphere. **15.7**
- (i) Conversations with friends, family, and relatives. **5.9**
- (j) Have hardly seen or heard any information about the Bank. **12.9**

Question 31

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

- (a) Offered comments. **15.1**
- (b) Offered no comments. **84.9**

(For all respondents.)

Q1

Are you male or female?

- | | |
|-------------|-------------|
| (a) Male. | 49.1 |
| (b) Female. | 50.9 |

Q2

What age group are you in?

- | | |
|------------|-------------|
| (a) 20–29. | 11.1 |
| (b) 30–39. | 16.5 |
| (c) 40–49. | 17.8 |
| (d) 50–59. | 22.0 |
| (e) 60–69. | 18.6 |
| (f) 70–. | 14.1 |

Q3

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

Self-employed or working for a family business

- | | |
|---|-------------|
| (a) Agriculture, forestry, and fisheries. | 3.2 |
| (b) Self-employed, working for a family business, or professional worker. | 12.1 |

All other workers

- | | |
|---|-------------|
| (c) Company employee, civil servant, or other type of employee. | 37.1 |
| (d) Part-timer. | 12.3 |

Unemployed

- | | |
|--------------------------|-------------|
| (e) Full-time homemaker. | 14.7 |
| (f) Student. | 1.8 |
| (g) Pensioner. | 13.8 |
| (h) Other. | 4.6 |

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 |
| (b) Less than 3 million yen. | 39.0 |
| (c) 3million or more but less than 5 million yen. | 24.1 |
| (d) 5million or more but less than 10 million yen. | 22.2 |
| (e) 10 million yen or greater. | 5.1 |

Q5

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

- | | |
|---|-------------|
| (a) I am single. | 5.8 |
| (b) Myself and my partner. | 21.6 |
| (c) Myself, my partner, and an unmarried child (unmarried children) who is (are) financially dependent. | 33.7 |
| (d) Other. | 38.3 |