

# ***Results of the 27th Opinion Survey on the General Public's Views and Behavior***

\*This is an English translation of the Japanese original released on October 16, 2006.

November 24, 2006  
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 Views 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.

The 27th *Opinion Survey* introduced a mail survey method. For the previous surveys, researchers visited sampled individuals, asked them to complete the questionnaire within a prescribed period, and then collected the finished questionnaires upon subsequent visits (hereafter "in-home survey method"). This change reflects recent changes in the survey environment. The results of this round of the survey were compared to those obtained via mail survey method preliminarily conducted in the 26th *Opinion Survey*.

## **II. Survey Outline**

Survey period:	From August 23 to September 11, 2006.
Sample size:	4,000 people (1,979 people [i.e., 49.5 percent of the overall sample size] provided valid responses to questions).
Population of the survey:	Individuals living in Japan who are at least 20 years of age.
Sampling method:	Stratified two-stage random sampling method.
Survey methodology:	Questionnaire survey. (Mail survey method.)

### III. Summary

#### A. Impression of Economic Conditions

##### 1. Economic conditions

With regard to economic conditions compared with one year ago, the proportion of respondents who answered that economic conditions "have improved" declined, while those who stated that they "have worsened" rose. As a result, the diffusion index (D.I.) ("have improved" minus "have worsened") fell from the previous survey.

In terms of economic conditions one year from now, the proportion of respondents who answered that economic conditions "will improve" and "will worsen" decreased, with the decline in "will improve" exceeding that of "will worsen." As a result, the D.I. ("will improve" minus "will worsen") declined from the previous survey.

Chart 1 Economic Conditions (Questions 1 and 3)

(1) Present Compared with One Year Ago

*In-home survey*

	[Improving]	[Remaining the same]	[Worsening]
Dec. 05	19.2	59.4	21.4
Mar. 06	22.0	61.9	15.9
June 06	20.8	60.1	19.0

*Mail survey*

	[Have improved]	[Have remained the same]	[Have worsened]
June 06	15.1	62.4	21.8
Sep. 06	11.9	65.0	22.9

(2) One Year from Now Compared with the Present

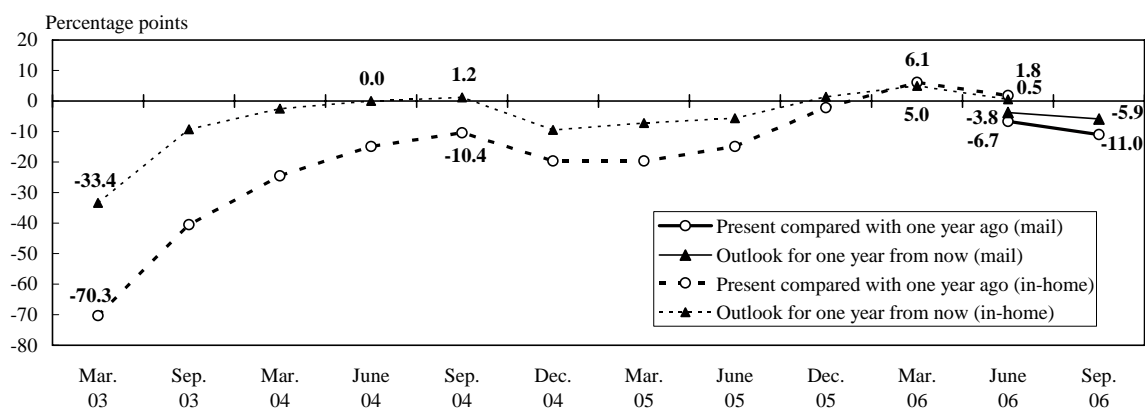
*In-home survey*

	[Will improve]	[Will remain the same]	[Will worsen]
Dec. 05	18.0	65.0	16.6
Mar. 06	18.1	68.4	13.1
June 06	17.5	65.1	17.1

*Mail survey*

	[Will improve]	[Will remain the same]	[Will worsen]
June 06	16.5	62.3	20.3
Sep. 06	13.8	65.7	19.7

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



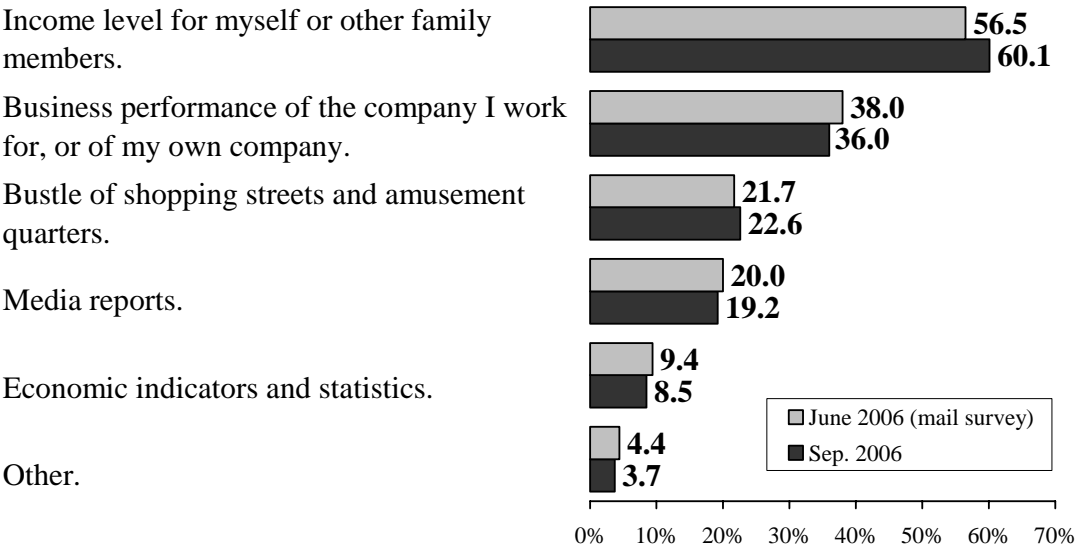
	<i>In-home survey</i>										<i>Mail survey</i>		
	Mar. 03	Sep. 03	Mar. 04	June 04	Sep. 04	Dec. 04	Mar. 05	June 05	Dec. 05	Mar. 06	June 06	June 06	Sep. 06
Present compared with one year ago	-70.3	-40.5	-24.5	-14.9	-10.4	-19.7	-19.7	-14.9	-2.2	6.1	1.8	-6.7	-11.0
Changes from the previous survey	-17.1	+29.8	+16.0	+9.6	+4.5	-9.3	0.0	+4.8	+12.7	+8.3	-4.3	-4.3	-4.3
Outlook for one year from now	-33.4	-9.3	-2.5	0.0	1.2	-9.5	-7.2	-5.6	1.4	5.0	0.5	-3.8	-5.9
Changes from the previous survey	-12.9	+24.1	+6.8	+2.5	+1.2	-10.7	+2.3	+1.6	+7.0	+3.6	-4.5	-2.1	-2.1

**2. Basis for assessment of economic conditions**

When asked their basis for assessment of economic conditions, "income level for myself or other family members" and "business performance of the company I work for, or of my own company" continued to be the responses chosen most often, followed by "bustle of shopping streets and amusement quarters" and "media reports."

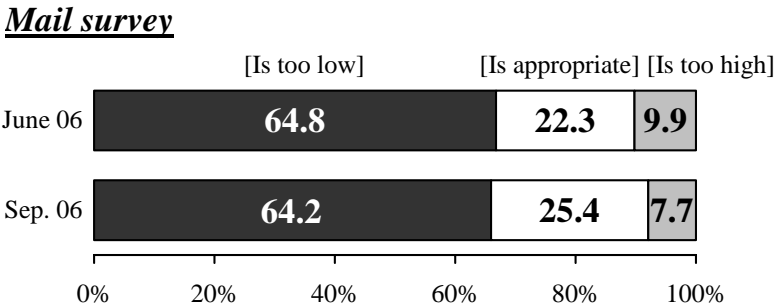
In terms of perception of the interest rate level, the proportion of respondents who stated that it "is too low" continued to account for just under 65 percent.

Chart 2 Basis for Assessment and Interpretation of Economic Conditions (Question 2)<sup>1</sup>



Note: 1. Up to two answers were allowed.

Chart 3 Perception of the Interest Rate Level (Question 4)



## B. Household Circumstances and the General Public's Views

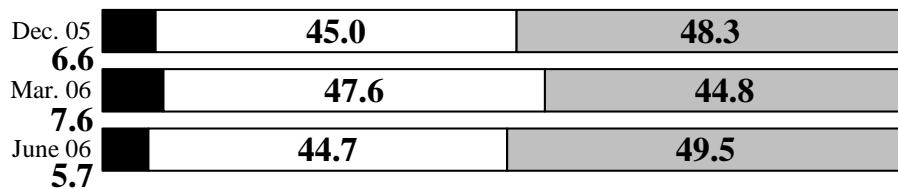
### 1. Present household circumstances

In terms of the general public's household circumstances compared with one year ago, the proportion of respondents who answered that their household circumstances "have become somewhat worse off" increased, while those who stated that they "have become somewhat better off" decreased somewhat. As a result, the D.I. ("have become somewhat better off" minus "have become somewhat worse off") declined.

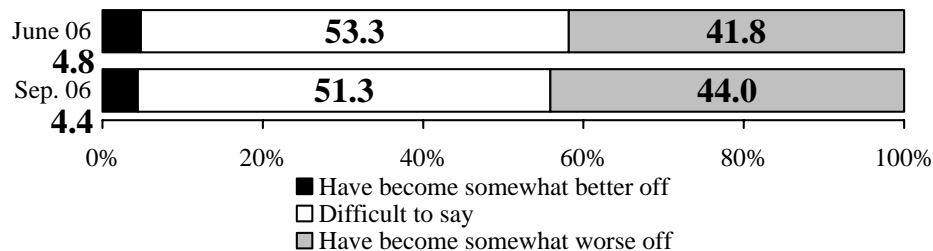
Chart 4 Present Household Circumstances (Question 5)

#### (1) Present Household Circumstances

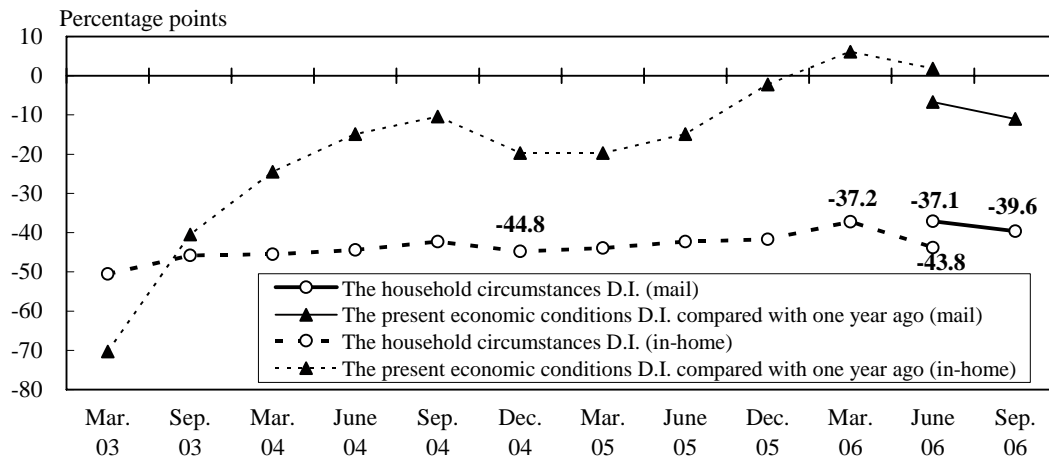
##### *In-home survey*



##### *Mail survey*



#### (2) Developments in the Household Circumstances D.I.



	<i>In-home survey</i>											<i>Mail survey</i>	
	Mar. 03	Sep. 03	Mar. 04	June 04	Sep. 04	Dec. 04	Mar. 05	June 05	Dec. 05	Mar. 06	June 06	June 06	Sep. 06
The household circumstances D.I.	-50.5	-45.8	-45.5	-44.4	-42.3	-44.8	-43.9	-42.3	-41.7	-37.2	-43.8	-37.1	-39.6
Changes from the previous survey	-5.4	+4.7	+0.3	+1.1	+2.1	-2.5	+0.9	+1.6	+0.6	+4.5	-6.6		-2.5
The present economic conditions D.I. compared with one year ago	-70.3	-40.5	-24.5	-14.9	-10.4	-19.7	-19.7	-14.9	-2.2	6.1	1.8	-6.7	-11.0
Changes from the previous survey	-17.1	+29.8	+16.0	+9.6	+4.5	-9.3	0.0	+4.8	+12.7	+8.3	-4.3		-4.3

## 2. Income and spending

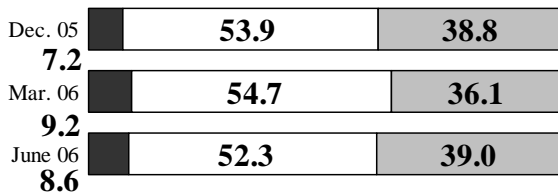
With regard to income level compared with one year ago and the outlook for income over a one-year period, the proportion of respondents who answered that their income "has increased" and "will increase" declined, while those who stated that it "has decreased" and "will decrease" rose; thus, the proportions of positive responses to Questions 6 and 7 decreased.

In terms of spending level compared with one year ago, the proportion of respondents who indicated that they "have increased" their spending rose mainly as a result of the higher costs of consumer goods and services, while those who stated they "have decreased" spending declined slightly. Concerning the outlook for spending over a one-year period, the proportion of responses was almost the same as in the previous survey.

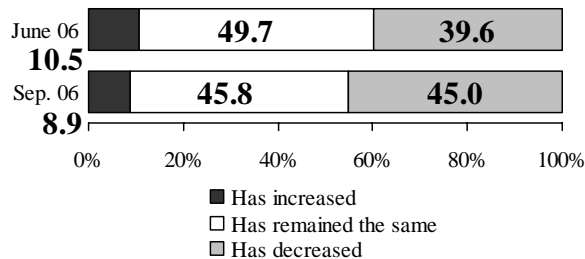
Chart 5 Income (Questions 6 and 7)

(1) Present Income Level Compared with One Year Ago

### In-home survey

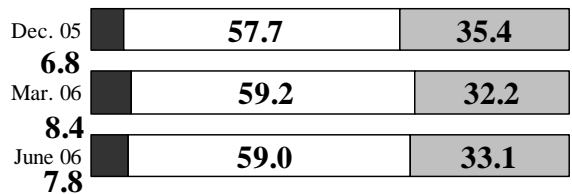


### Mail survey



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

### In-home survey



### Mail survey

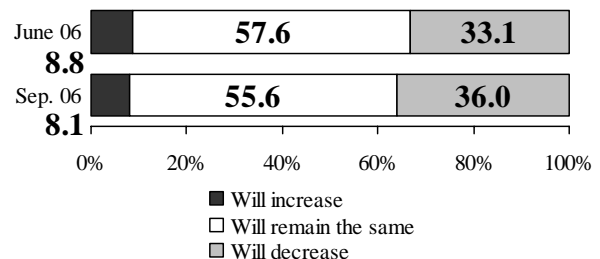
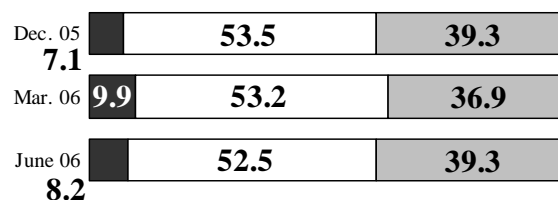


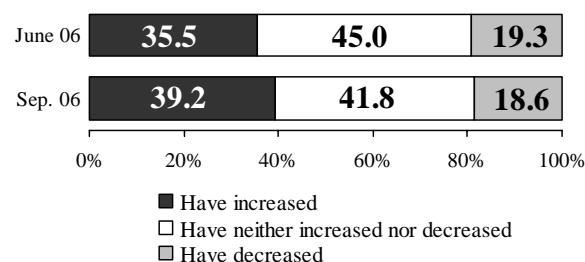
Chart 6 Spending (Questions 8 and 10)

(1) Present Spending Level Compared with One Year Ago

### In-home survey

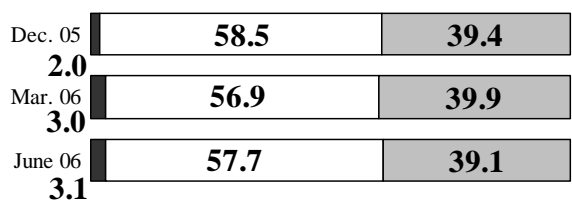


### Mail survey

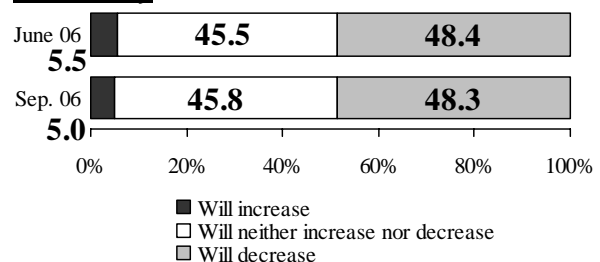


(2) Spending Level One Year from Now Compared with the Present

### In-home survey



### Mail survey

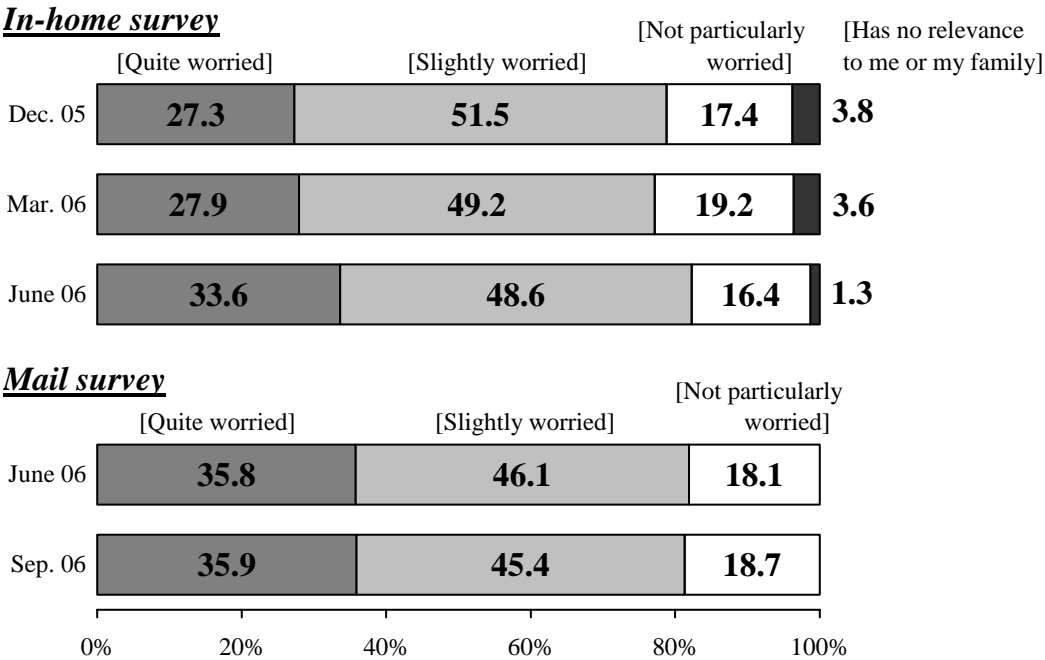


### 3. Employment conditions

When asked about concerns over employment and working arrangements, the proportion of respondents<sup>1</sup> who felt "quite worried" and "not particularly worried" was almost the same as in the previous survey.

<sup>1</sup> Respondents are workers who are company employees, civil servants, other types of employees, or part-timers.

Chart 7 Concerns over Employment and Working Arrangements (Question 19 [workers<sup>1</sup>])



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

## C. Perception of the Price Levels

### 1. Present price levels

Regarding their perception of the present price levels compared with one year ago, the proportion of respondents who felt that prices<sup>1</sup> "have gone up"<sup>2</sup> increased, accounting for about 60 percent, while those who felt that they "have gone down"<sup>3</sup> decreased.

When asked to what extent the price levels have changed compared with one year ago in terms of a specific figure, the average was 4.2 percent, rising from 3.6 percent in the previous survey. The median was 2.0 percent, rising from 1.5 percent in the previous survey.

<sup>1</sup> Defined as "overall prices of goods and services the respondents purchase."

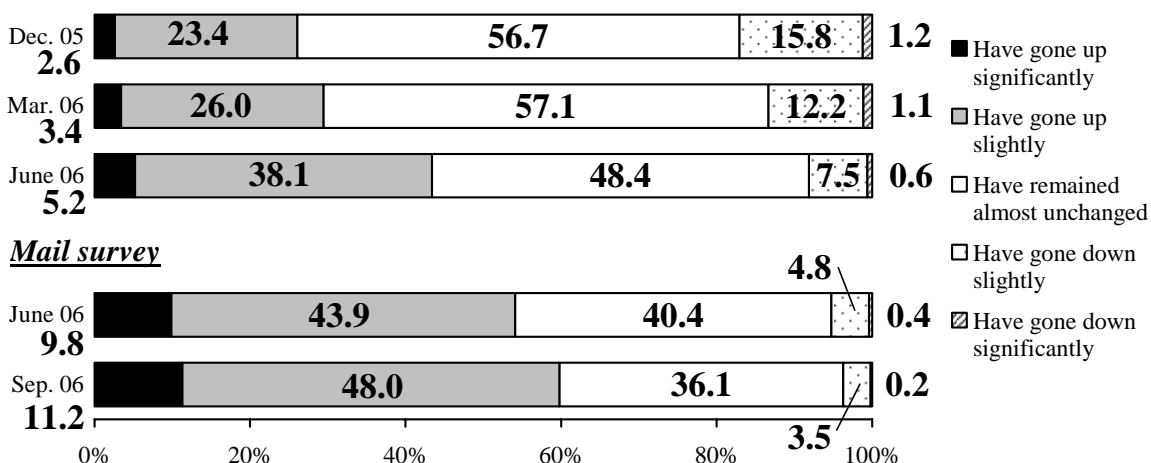
<sup>2</sup> "Have gone up" comprises "have gone up significantly" and "have gone up slightly."

<sup>3</sup> "Have gone down" comprises "have gone down significantly" and "have gone down slightly."

Chart 8 Perception of the Present Price Levels (Questions 11 and 12)

#### (1) Present Compared with One Year Ago

##### In-home survey



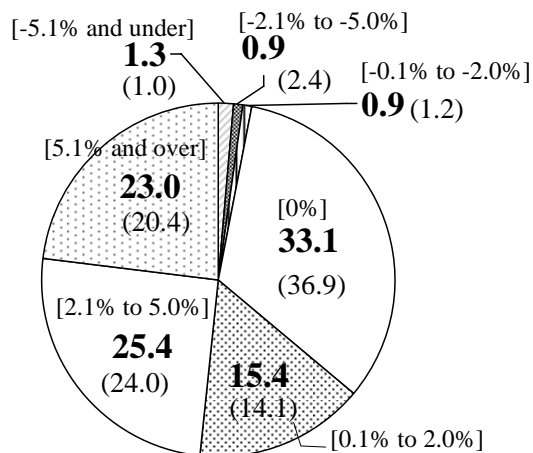
#### (2) Changes in the Price Levels Compared with One Year Ago

	Average <sup>1</sup>	Median <sup>2</sup>
Dec. 05	+0.8%	0.0%
Mar. 06	+1.2%	0.0%
June 06	In-home +2.4%	In-home 0.0%
	Mail +3.6%	Mail +1.5%
Sep. 06	+4.2%	+2.0%

Notes: 1. Calculated by excluding 0.5 percent of the highest and the lowest figures, respectively, in order to avoid extremes. (The simple average of this survey is +4.3 percent, and that of the previous mail survey in June 2006 was +3.8 percent.)

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

#### (3) Distribution of Current Survey Answers<sup>1,2</sup>



Notes: 1. Percent.

2. Figures in parentheses represent results of the previous mail survey (June 2006).

## 2. Outlook for price levels one year from now

In terms of the outlook for price levels one year from now, the proportion of respondents who expected that prices "will go up"<sup>1</sup> continued to account for about 80 percent.

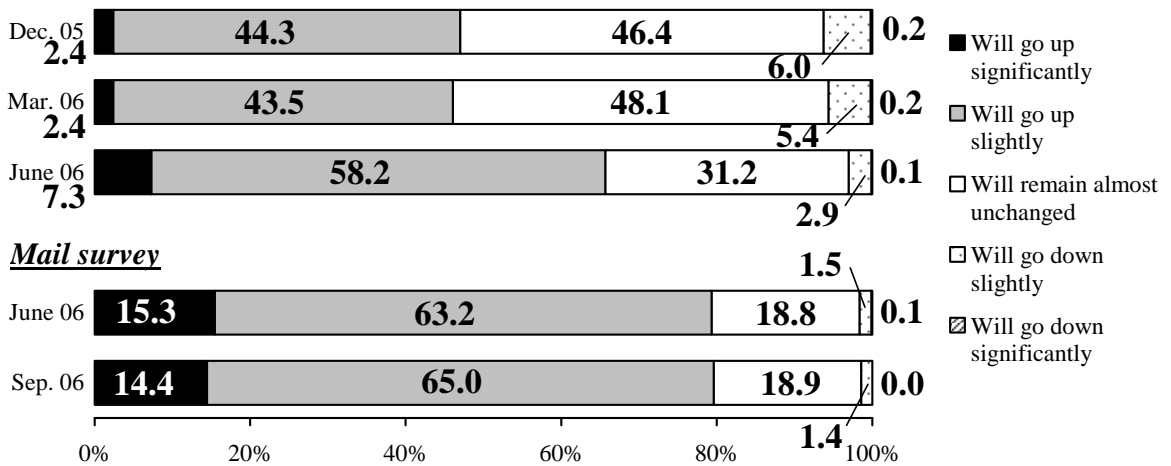
When asked to what extent the price levels will change one year from now in terms of a specific figure, the average was 5.1 percent, almost unchanged from 4.8 percent in the previous survey. The median was 3.0 percent, unchanged from 3.0 percent in the previous survey.

<sup>1</sup> "Will go up" comprises "will go up significantly" and "will go up slightly."

Chart 9 Outlook for the Price Levels One Year from Now (Questions 13 and 14)

### (1) One Year from Now Compared with the Present

#### In-home survey



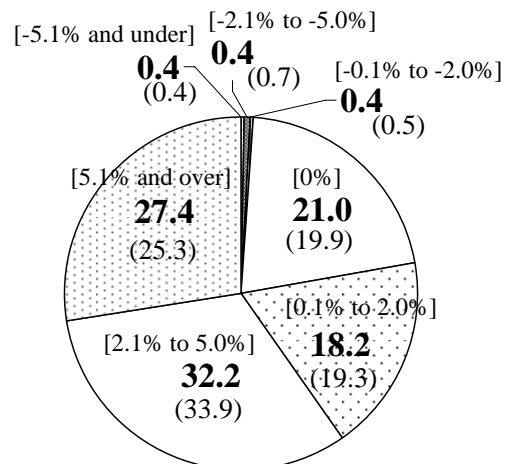
### (2) Changes in the Price Levels One Year from Now

	Average <sup>1</sup>	Median <sup>2</sup>
Dec. 05	+2.2%	0.0%
Mar. 06	+2.1%	0.0%
June 06	In-home +3.7% Mail +4.8%	In-home +2.0% Mail +3.0%
Sep. 06	+5.1%	+3.0%

Notes: 1. Calculated by excluding 0.5 percent of the highest and the lowest figures, respectively, in order to avoid extremes. (The simple average of this survey is +5.3 percent, and that of the previous mail survey in June 2006 was +5.0 percent.)

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

### (3) Distribution of Current Survey Answers<sup>1,2</sup>



Notes: 1. Percent.

2. Figures in parentheses represent results of the previous mail survey (June 2006).



### 3. Outlook for price levels over the next five years

Regarding the outlook for price levels over the next five years, the proportion of respondents who answered that prices "will go up"<sup>1</sup> continued to account for around 85 percent.

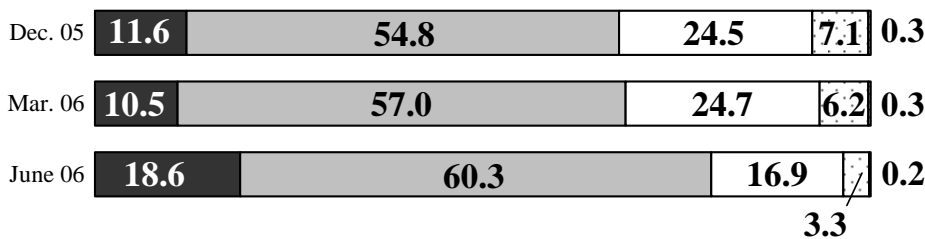
When asked about the specific rate of price change per year on average over the next five years, the average was 5.0 percent, almost unchanged from 5.2 percent in the previous survey. The median was 3.0 percent, unchanged from 3.0 percent in the previous survey.

<sup>1</sup> "Will go up" comprises "will go up significantly" and "will go up slightly."

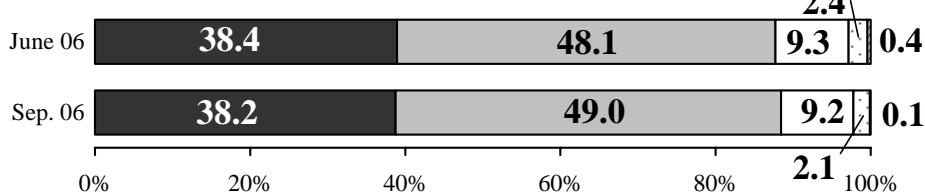
Chart 10 Outlook for Price Levels over the Next Five Years (Questions 15 and 16)

(1) Outlook for the Next Five Years

**In-home survey**



**Mail survey**



- Will go up significantly
- ▒ Will go up slightly
- Will remain almost unchanged
- ▤ Will go down slightly
- ▥ Will go down significantly

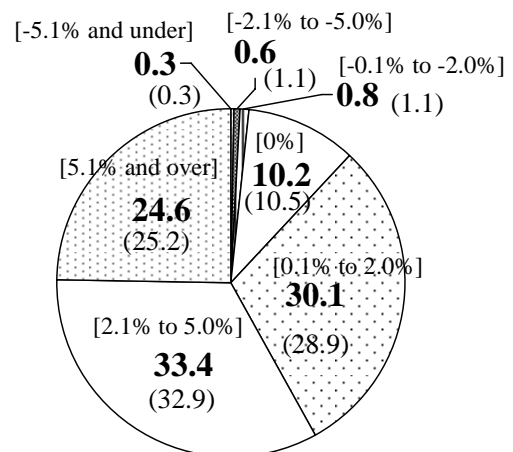
(2) Changes in the Price Levels per Year on Average over the Next Five Years

	Average <sup>1</sup>	Median <sup>2</sup>
Dec. 05	+2.4%	+1.0%
Mar. 06	+2.3%	+1.0%
June 06	In-home +3.1% Mail +5.2%	In-home +2.0% Mail +3.0%
Sep. 06	+5.0%	+3.0%

Notes: 1. Calculated by excluding 0.5 percent of the highest and the lowest figures, respectively, in order to avoid extremes. (The simple average of this survey is +5.2 percent, and that of the previous mail survey in June 2006 was +5.4 percent.)

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

(3) Distribution of Current Survey Answers<sup>1,2</sup>



Notes: 1. Percent.

2. Figures in parentheses represent results of the previous mail survey (June 2006).

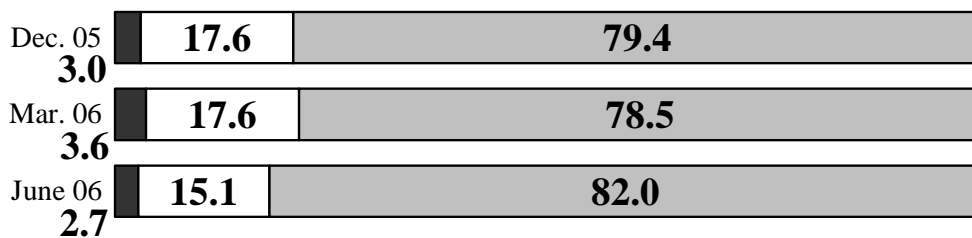
#### 4. Comments on the rise in prices

Among all respondents, 59.2 percent answered that prices compared with one year ago "have gone up"<sup>1</sup> and were asked for comments on the price rise; those who stated that the price rise was "rather unfavorable" accounted for about 80 percent, as in the previous survey.

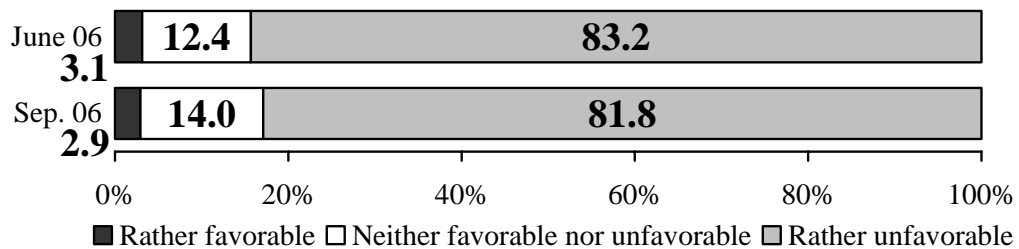
<sup>1</sup> "Have gone up" comprises "have gone up significantly" and "have gone up slightly."

Chart 11 Comments on the Price Rise (Question 11-(a))

##### *In-home survey*



##### *Mail survey*



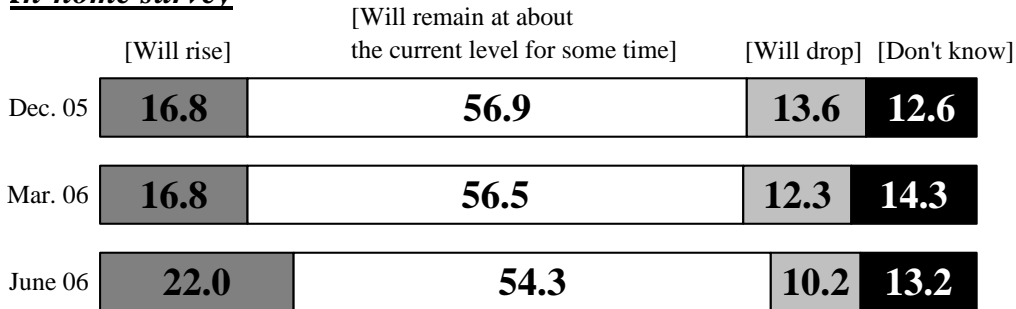
## D. Future Developments in Land Prices

When asked about future developments in land prices, the proportion of respondents who answered that land prices "will drop" slightly decreased, while those who stated that they "will rise" slightly increased.

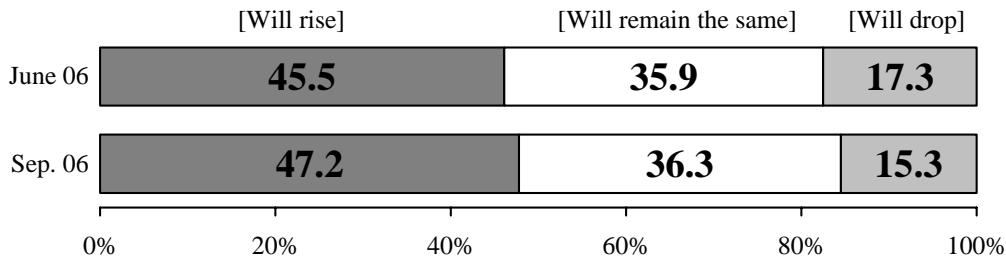
Chart 12 Perception of the Future Development in Land Prices (Question 17)

### (1) Perception of the Future Development in Land Prices

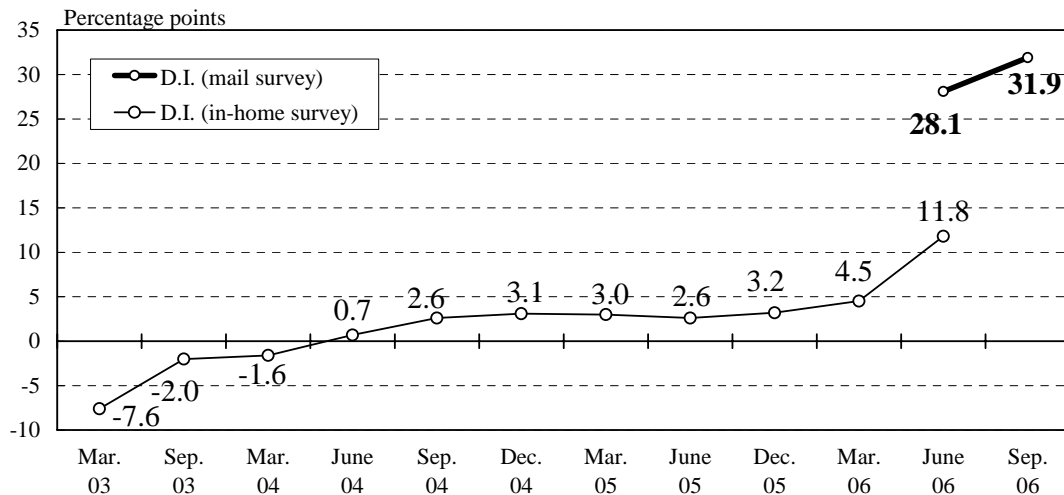
#### In-home survey



#### Mail survey



### (2) Developments in the Land Prices D.I.



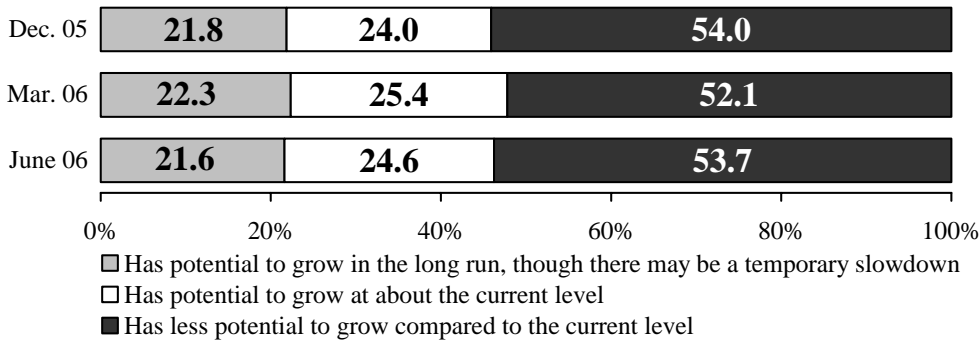
## E. Growth Potential of the Japanese Economy

When asked about the Japanese economy's growth potential, the proportion of respondents who replied that the Japanese economy "has less potential to grow compared to the current level" slightly increased, while those who answered it "has greater potential to grow above the current level" slightly decreased.

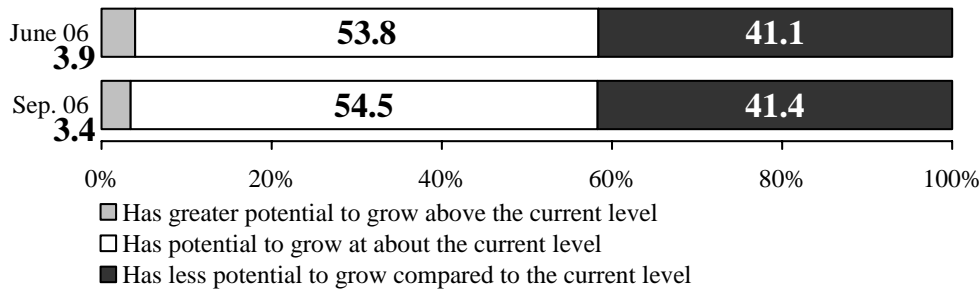
Chart 13 Perception of the Japanese Economy's Growth Potential (Question 18)

### (1) Perception of the Japanese Economy's Growth Potential

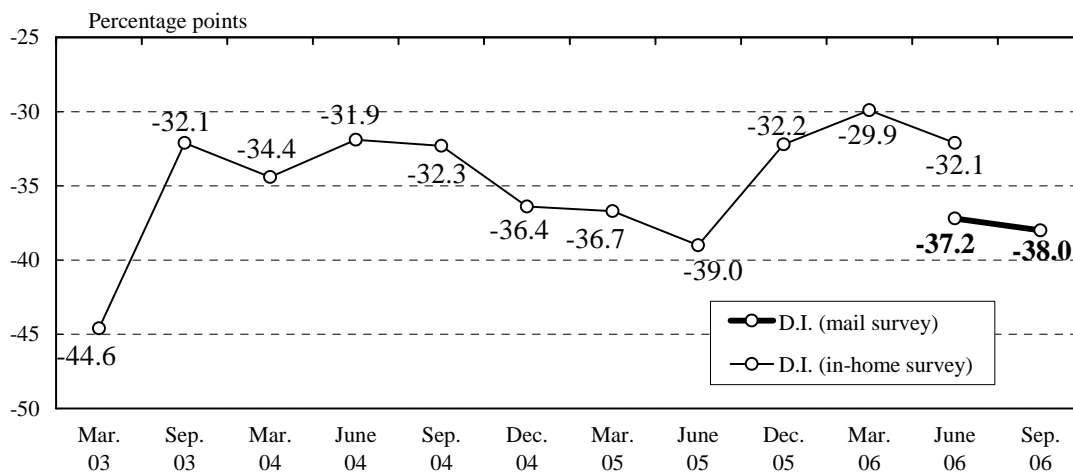
#### In-home survey



#### Mail survey



### (2) Developments in the Japanese Economy's Growth Potential D.I.



## F. Degree of Recognition and Credibility of the Bank

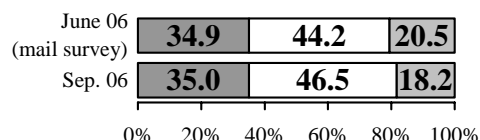
### 1. Objectives of the Bank

When asked about their recognition of two Bank objectives (price stability and financial system stability), the proportion of respondents who stated that they "have knowledge of it" was almost the same as in the previous survey.

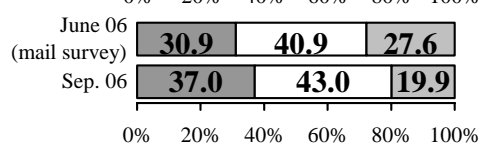
When asked whether they know that the Bank raised its target for a short-term interest rate from zero percent, 70 percent of respondents answered that they "have knowledge of it."

Chart 14 Recognition of Price Stability (Question 20)

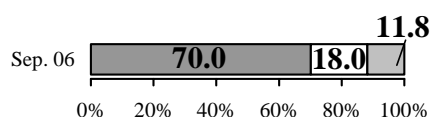
(1) One objective of the Bank is to maintain price stability.



(2) The Bank conducts its current monetary policy by controlling a short-term interest rate.



(3) The Bank raised its target for a short-term interest rate from zero percent.<sup>1</sup>

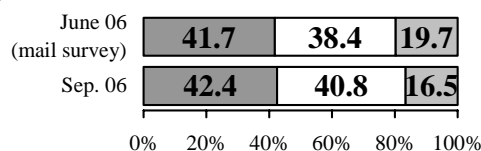


■ Have knowledge of it.  
 □ Have read or heard of it, but do not have detailed knowledge.  
 □ Have never heard of it.

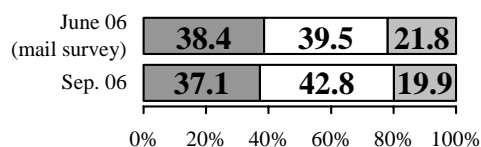
Note: 1. This item is new to the survey.

Chart 15 Recognition of Financial System Stability (Question 21)

(1) One objective of the Bank is to maintain financial system stability.



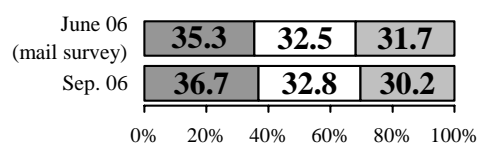
(2) The Bank provides safe settlement instruments with the highest settlement finality, such as banknotes and current accounts at the Bank, and operates its own funds transfer system and settlement system for Japanese government bonds.



(3) The Bank can extend loans such as special loans to financial institutions in order to ensure financial system stability.



(4) The Bank conducts on-site examinations and visits to financial institutions.



■ Have knowledge of it.  
 □ Have read or heard of it, but do not have detailed knowledge.  
 □ Have never heard of it.

**2. Interest in, recognition of, and evaluation of the Bank**

When asked about their interest in, recognition of, and evaluation of the Bank, the proportion of respondents who stated that they "have an interest in the Bank's activities"<sup>1</sup> increased, accounting for about 30 percent. The proportion of respondents who thought that the Bank "is related to our lives"<sup>2</sup> also increased, accounting for about 75 percent.

More than 45 percent replied that the Bank "is contributing to our lives,"<sup>3</sup> as in the previous survey.

The proportion of respondents who felt that "the Bank's explanations to the public are not clear enough"<sup>4</sup> continued to account for about 60 percent. Among all respondents, 59.5 percent felt that "the Bank's explanations to the public are not clear enough" and were asked for their reasons (Chart 17), with many stating that they have a "lack of basic knowledge about the Bank," "have difficulty understanding the mechanism of the financial system and the economy," "terms used in the Bank's explanations are too technical and difficult," and "have never had the opportunity to read or hear the Bank's explanations," as in the previous survey.

Over 40 percent of respondents stated that they "have confidence in the Bank,"<sup>5</sup> as in the previous survey, while the proportion of respondents who indicated that they "do not have confidence in the Bank" increased, accounting for a little more than 15 percent.

When asked the reasons for having confidence in the Bank (Chart 18), "because the Bank's activities are contributing to price stability and financial system stability" was most frequently mentioned, followed by "because the Bank maintains a neutral position in conducting its policy." In terms of reasons for not having confidence in the Bank (Chart 19), there was a substantial increase in the proportion of respondents who answered "because of my impression that the Bank and its staff are insincere," followed by "because the Bank does not maintain a neutral position in conducting its policy."

<sup>1</sup> "Have an interest in the Bank's activities" comprises "often pay attention" and "have an interest to some extent."  
<sup>2</sup> "Is related to our lives" comprises "is related to our lives" and "is somewhat related to our lives."  
<sup>3</sup> "Is contributing to our lives" comprises "is contributing to our lives" and "is somewhat contributing to our lives."  
<sup>4</sup> "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."  
<sup>5</sup> "Have confidence in the Bank" comprises "have confidence in the Bank" and "have confidence in the Bank to some extent."

**Chart 16 Interest in, Recognition of, and Evaluation of the Bank (Question 22)**

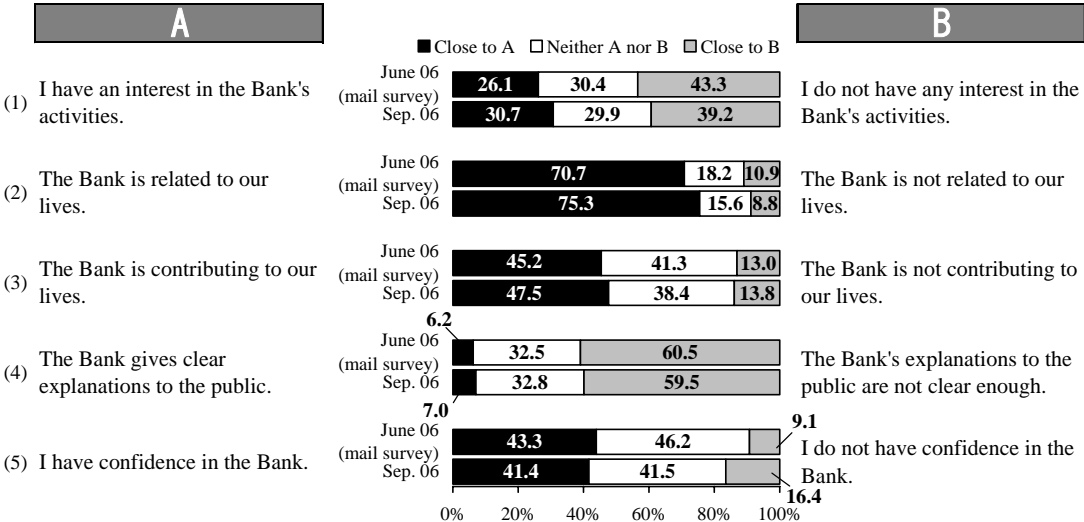
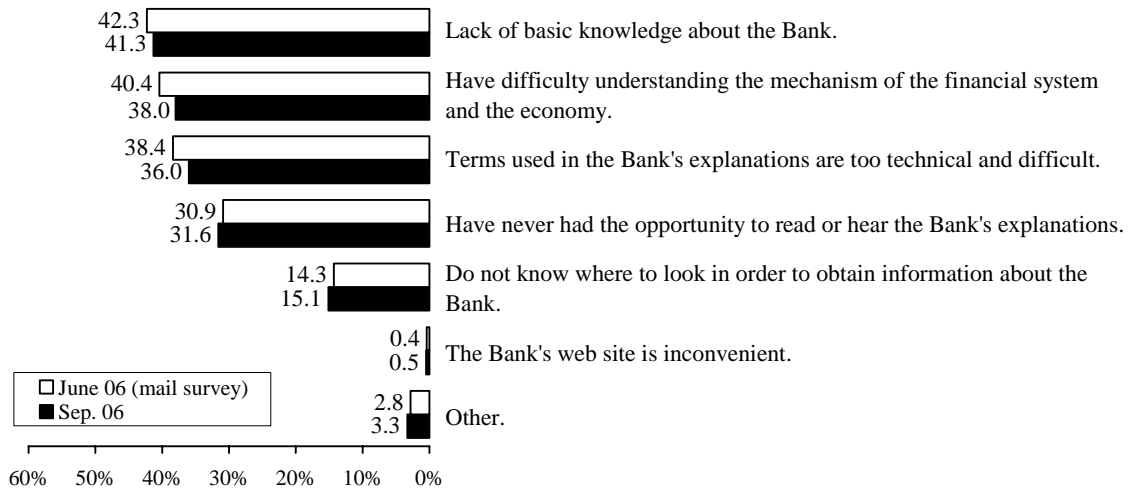
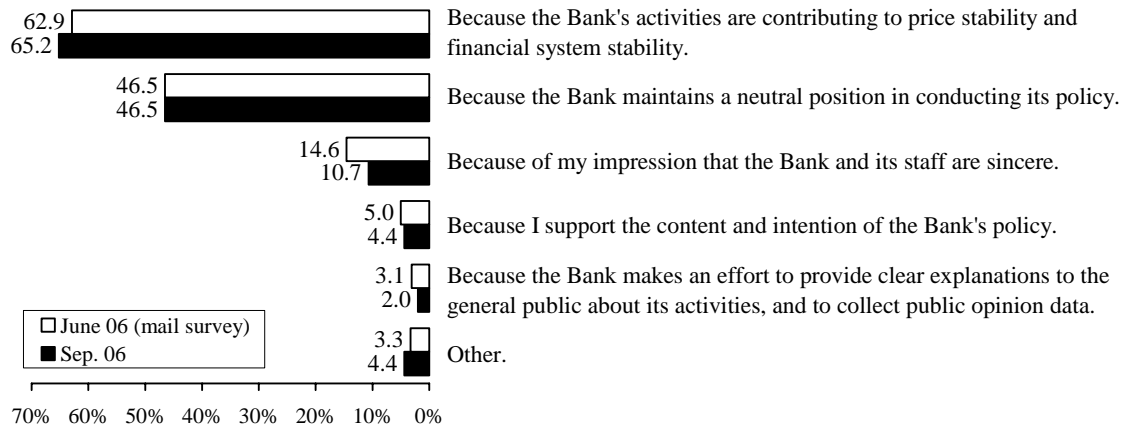


Chart 17 Reasons Why the Bank's Explanations Are Unclear (Question 22-(a))<sup>1</sup>



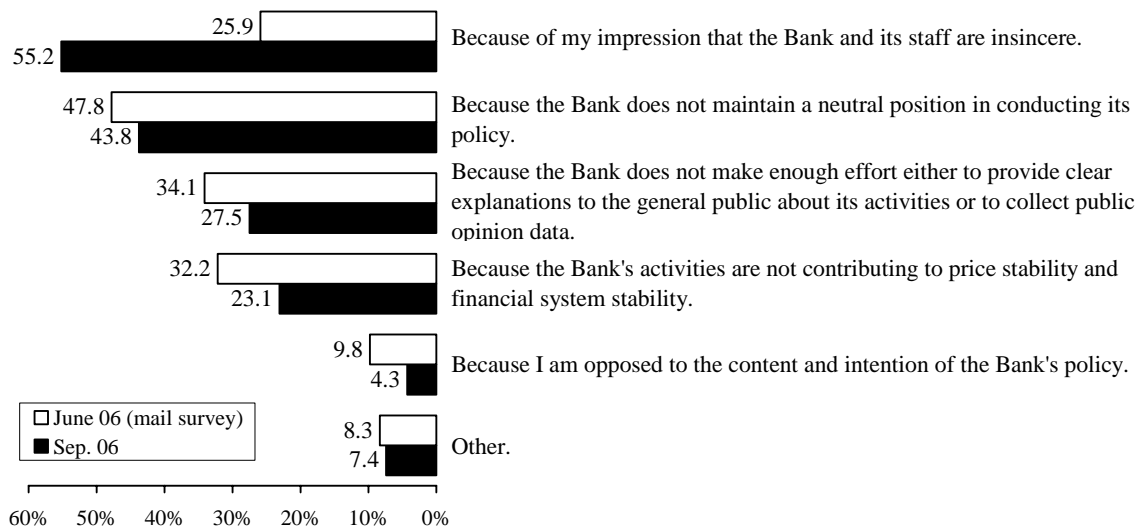
Note: 1. Up to two answers were allowed.

Chart 18 Reasons for Having Confidence in the Bank (Question 22-(b))<sup>1</sup>



Note: 1. Up to two answers were allowed.

Chart 19 Reasons for Not Having Confidence in the Bank (Question 22-(c))<sup>1</sup>



Note: 1. Up to two answers were allowed.

#### IV. Distribution of the Sample by Category

	27 <sup>th</sup> round of the survey (Sep. 2006) <sup>1</sup> (A)	Population of the survey <sup>1,2</sup> (B)	Difference between (A) and (B) <sup>3</sup> (A) - (B)	Samples (reference) <sup>1</sup>
<b>By sex</b>				
Male	49.6	48.4	1.2	51.1
Female	50.4	51.6	-1.2	48.9
<b>By age</b>				
20–29	9.9	15.6	-5.7	14.3
30–39	15.0	18.0	-3.0	17.9
40–49	16.8	15.2	1.6	16.0
50–59	23.3	18.5	4.8	20.6
60–69	19.2	15.5	3.7	15.6
70–	15.9	17.3	-1.4	15.7
<b>By region</b>				
Hokkaido	4.0	4.5	-0.5	4.5
Tohoku	7.7	7.6	0.1	7.5
Kanto	32.8	32.5	0.3	32.6
Hokuriku	4.6	4.4	0.2	4.5
Chubu	15.4	13.9	1.4	14.2
Kinki	15.8	16.2	-0.5	16.1
Chugoku	6.4	6.0	0.3	6.0
Shikoku	3.3	3.3	0.1	3.4
Kyushu	10.0	11.5	-1.5	11.2

Notes: 1. Percent.

2. Based on the population of municipalities recorded in the Basic Resident Registers as of March 31, 2005.

3. Percentage points.



## V. 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<sup>1,2,3</sup>).

<sup>1</sup> Only one choice is allowed except where otherwise noted.

<sup>2</sup> Because of rounding, response ratios do not necessarily add up to 100 percent even for questions that allow for only one choice.

<sup>3</sup> Figures in parentheses represent results obtained via mail survey method in the previous survey (June 2006).

### Question 1

**How do you think economic conditions have changed compared with one year ago?**

- |                             |                      |
|-----------------------------|----------------------|
| (a) Have improved.          | <b>11.9</b> ( 15.1 ) |
| (b) Have remained the same. | <b>65.0</b> ( 62.4 ) |
| (c) Have worsened.          | <b>22.9</b> ( 21.8 ) |

### Question 2

**With regard to Question 1, what makes you think so? (Choose up to two answers.)**

- |   |                      |
|---|----------------------|
| (a) Media reports.  | <b>19.2</b> ( 20.0 ) |
| (b) Economic indicators and statistics.                                   | <b>8.5</b> ( 9.4 )   |
| (c) Business performance of the company I work for, or of my own company. | <b>36.0</b> ( 38.0 ) |
| (d) Income level for myself or other family members.                      | <b>60.1</b> ( 56.5 ) |
| (e) Bustle of shopping streets and amusement quarters.                    | <b>22.6</b> ( 21.7 ) |
| (f) Other.  | <b>3.7</b> ( 4.4 )   |

### Question 3

**How do you foresee economic conditions one year from now?**

- |                           |                      |
|---------------------------|----------------------|
| (a) Will improve.         | <b>13.8</b> ( 16.5 ) |
| (b) Will remain the same. | <b>65.7</b> ( 62.3 ) |
| (c) Will worsen.          | <b>19.7</b> ( 20.3 ) |

### Question 4

**Considering the current economic conditions, what do you think about the current interest rate level?**

- |                     |                      |
|---------------------|----------------------|
| (a) Is too low.     | <b>64.2</b> ( 64.8 ) |
| (b) Is appropriate. | <b>25.4</b> ( 22.3 ) |
| (c) Is too high.    | <b>7.7</b> ( 9.9 )   |

### Question 5

**What do you think about your household circumstances compared with one year ago?**

- |                                      |                      |
|--------------------------------------|----------------------|
| (a) Have become somewhat better off. | <b>4.4</b> ( 4.8 )   |
| (b) Difficult to say.                | <b>51.3</b> ( 53.3 ) |
| (c) Have become somewhat worse off.  | <b>44.0</b> ( 41.8 ) |

If you chose (a) in Question 5, please answer Question 5-(a). If you chose (c), please answer Question 5-(b). For remaining respondents, please skip questions 5-(a) and 5-(b) and go on to Question 6.

**Question 5-(a)**

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

- |   |      |   |      |   |
|---|------|---|------|---|
| (a) Salary and business income have increased.                            | 55.2 | ( | 61.7 | ) |
| (b) Income, such as interest income and dividend payments, has increased. | 3.4  | ( | 8.4  | ) |
| (c) Gained special income from sales of real estate.                      | 3.4  | ( | 0.9  | ) |
| (d) Prices have declined.   | 4.6  | ( | 9.3  | ) |
| (e) The value of assets such as real estate and stocks has increased.     | 4.6  | ( | 14.0 | ) |
| (f) The number of dependents in my family has decreased.                  | 20.7 | ( | 15.0 | ) |
| (g) Other.  | 19.5 | ( | 17.8 | ) |

**Question 5-(b)**

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

- |   |      |   |      |   |
|---|------|---|------|---|
| (a) Salary and business income have decreased.                            | 66.4 | ( | 63.9 | ) |
| (b) Income, such as interest income and dividend payments, has decreased. | 13.9 | ( | 14.7 | ) |
| (c) Purchased real estate.  | 4.1  | ( | 4.2  | ) |
| (d) Prices have risen.  | 30.9 | ( | 30.0 | ) |
| (e) The value of assets such as stocks and real estate has declined.      | 6.3  | ( | 5.9  | ) |
| (f) The number of dependents in my family has increased.                  | 9.8  | ( | 7.7  | ) |
| (g) Other.  | 26.4 | ( | 26.9 | ) |

(For all respondents.)

**Question 6**

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

- |                            |      |   |      |   |
|----------------------------|------|---|------|---|
| (a) Has increased.         | 8.9  | ( | 10.5 | ) |
| (b) Has remained the same. | 45.8 | ( | 49.7 | ) |
| (c) Has decreased.         | 45.0 | ( | 39.6 | ) |

**Question 7**

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

- |                           |      |   |      |   |
|---------------------------|------|---|------|---|
| (a) Will increase.        | 8.1  | ( | 8.8  | ) |
| (b) Will remain the same. | 55.6 | ( | 57.6 | ) |
| (c) Will decrease.        | 36.0 | ( | 33.1 | ) |

**Question 8**

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

- |   |      |   |      |   |
|---|------|---|------|---|
| (a) Have increased.                       | 39.2 | ( | 35.5 | ) |
| (b) Have neither increased nor decreased. | 41.8 | ( | 45.0 | ) |
| (c) Have decreased.                       | 18.6 | ( | 19.3 | ) |

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.  | 5.2 ( 5.4 )   |
| (b) Because my income is likely to increase in the future.                          | 1.2 ( 2.8 )   |
| (c) Because the value of non-financial assets such as real estate has increased.    | 1.5 ( 2.1 )   |
| (d) Because the value of financial assets such as stocks and bonds has increased.   | 1.2 ( 1.4 )   |
| (e) Because I purchased real estate such as a house.                                | 6.1 ( 9.6 )   |
| (f) Because I purchased consumer durable goods such as a car.                       | 20.7 ( 25.3 ) |
| (g) Because my spending rose due to an increased number of dependents in my family. | 24.1 ( 26.7 ) |
| (h) Because the costs of consumer goods and services have risen. <sup>1</sup>       | 50.1          |
| (i) Other.  | 32.2 ( 45.0 ) |

Note: 1. This choice is new to the survey.

**Question 8-(b)**

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

- |  |               |
|--|---------------|
| (a) Because my income has decreased.   | 71.0 ( 68.1 ) |
| (b) Because my income is not likely to increase in the future.                           | 40.1 ( 46.3 ) |
| (c) Because the value of non-financial assets such as real estate has decreased.         | 2.7 ( 3.2 )   |
| (d) Because the value of financial assets such as stocks and bonds has decreased.        | 4.9 ( 4.2 )   |
| (e) Because my spending has fallen due to a decreased number of dependents in my family. | 11.7 ( 14.8 ) |
| (f) Other.   | 14.6 ( 11.6 ) |

(For all respondents.)

**Question 9-1**

**How have you (or other family members) changed your attitude toward everyday spending such as on living and educational expenses compared with one year ago?**

- |   |               |
|---|---------------|
| (a) Have increased.                       | 12.8 ( 12.8 ) |
| (b) Have neither increased nor decreased. | 57.5 ( 54.8 ) |
| (c) Have decreased.                       | 28.8 ( 31.1 ) |

**Question 9-2**

**How have you (or other family members) changed your attitude toward selective spending such as on hobby and leisure activities (spending other than asked in Question 9-1) compared with one year ago?**

- |   |               |
|---|---------------|
| (a) Have increased.                       | 6.9 ( 6.2 )   |
| (b) Have neither increased nor decreased. | 40.6 ( 38.4 ) |
| (c) Have decreased.                       | 51.6 ( 54.0 ) |

**Question 10**

**Do you plan to increase or decrease your spending within the next twelve months?**

- |   |               |
|---|---------------|
| (a) Will increase.                      | 5.0 ( 5.5 )   |
| (b) Will neither increase nor decrease. | 45.8 ( 45.5 ) |
| (c) Will decrease.                      | 48.3 ( 48.4 ) |

### Question 11

How do you think prices<sup>1</sup> have changed compared with one year ago?

- |                                     |      |   |      |   |
|-------------------------------------|------|---|------|---|
| (a) Have gone up significantly.     | 11.2 | ( | 9.8  | ) |
| (b) Have gone up slightly.          | 48.0 | ( | 43.9 | ) |
| (c) Have remained almost unchanged. | 36.1 | ( | 40.4 | ) |
| (d) Have gone down slightly.        | 3.5  | ( | 4.8  | ) |
| (e) Have gone down significantly.   | 0.2  | ( | 0.4  | ) |

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 11, please answer Question 11-(a). If you chose (d) or (e), please answer Question 11-(b). For remaining respondents, please skip questions 11-(a) and 11-(b) and go on to Question 12.

### Question 11-(a)

What is your opinion of the price rise?

- |  |      |   |      |   |
|--|------|---|------|---|
| (a) Rather favorable.                  | 2.9  | ( | 3.1  | ) |
| (b) Rather unfavorable.                | 81.8 | ( | 83.2 | ) |
| (c) Neither favorable nor unfavorable. | 14.0 | ( | 12.4 | ) |

### Question 11-(b)

What is your opinion of the price decline?

- |  |      |   |      |   |
|--|------|---|------|---|
| (a) Rather favorable.                  | 63.0 | ( | 67.0 | ) |
| (b) Rather unfavorable.                | 17.8 | ( | 11.3 | ) |
| (c) Neither favorable nor unfavorable. | 17.8 | ( | 20.9 | ) |

(For all respondents.)

### Question 12

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

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

Average<sup>1</sup> : +4.2 (+3.6) percent  
Median<sup>2</sup> : +2.0 (+1.5) 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 of this survey is +4.3 percent, and that of the previous survey was +3.8 percent.)

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

### Question 13

In which direction do you think prices will move one year from now?

- |                                   |      |   |      |   |
|-----------------------------------|------|---|------|---|
| (a) Will go up significantly.     | 14.4 | ( | 15.3 | ) |
| (b) Will go up slightly.          | 65.0 | ( | 63.2 | ) |
| (c) Will remain almost unchanged. | 18.9 | ( | 18.8 | ) |
| (d) Will go down slightly.        | 1.4  | ( | 1.5  | ) |
| (e) Will go down significantly.   | -    | ( | 0.1  | ) |

### Question 14

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

The prices one year from now will go **up** about  percent.  
**down**

Average<sup>1</sup> : +5.1 (+4.8) percent

Median<sup>2</sup> : +3.0 (+3.0) 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 of this survey is +5.3 percent, and that of the previous survey was +5.0 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 the prices will move over the next five years?

- |                                   |      |   |      |   |
|-----------------------------------|------|---|------|---|
| (a) Will go up significantly.     | 38.2 | ( | 38.4 | ) |
| (b) Will go up slightly.          | 49.0 | ( | 48.1 | ) |
| (c) Will remain almost unchanged. | 9.2  | ( | 9.3  | ) |
| (d) Will go down slightly.        | 2.1  | ( | 2.4  | ) |
| (e) Will go down significantly.   | 0.1  | ( | 0.4  | ) |

### Question 16

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

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

Average<sup>1</sup> : +5.0 (+5.2) percent

Median<sup>2</sup> : +3.0 (+3.0) 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 of this survey is +5.2 percent, and that of the previous survey was +5.4 percent.)

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

### Question 17

What do you foresee as the future development in land prices?

- |                           |      |   |      |   |
|---------------------------|------|---|------|---|
| (a) Will rise.            | 47.2 | ( | 45.5 | ) |
| (b) Will remain the same. | 36.3 | ( | 35.9 | ) |
| (c) Will drop.            | 15.3 | ( | 17.3 | ) |

### Question 18

How do you view the Japanese economy's growth potential in the long run?

- |   |      |   |      |   |
|---|------|---|------|---|
| (a) Has greater potential to grow above the current level.    | 3.4  | ( | 3.9  | ) |
| (b) Has potential to grow at about the current level.         | 54.5 | ( | 53.8 | ) |
| (c) Has less potential to grow compared to the current level. | 41.4 | ( | 41.1 | ) |

### Question 19

In consideration of the situation over the next twelve months, are you worried about your (or other family members') employment or work arrangements (pay, job position, and benefits) at the current workplace?

	All respondents	Workers <sup>1</sup>
(a) Not particularly worried.	18.3 ( 17.2 )	18.7 ( 18.1 )
(b) Slightly worried.	45.9 ( 46.0 )	45.4 ( 46.1 )
(c) Quite worried.	33.7 ( 35.0 )	35.9 ( 35.8 )

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

Questions 20 through 22 ask about your knowledge of the Bank of Japan (hereafter "the Bank").

(For all respondents.)

### Question 20

Questions 20-(1), 20-(2) and 20-(3) ask about price stability, which is one of the Bank's two objectives. Please choose the most applicable level of your knowledge relative to these questions.

#### Question 20-(1)

Do you know that one objective of the Bank is to maintain price stability?

(a) Have knowledge of it.	35.0 ( 34.9 )
(b) Have read or heard of it, but do not have detailed knowledge.	46.5 ( 44.2 )
(c) Have never heard of it.	18.2 ( 20.5 )

#### Question 20-(2)

Do you know that the Bank conducts its current monetary policy by controlling a short-term interest rate?

(a) Have knowledge of it.	37.0 ( 30.9 )
(b) Have read or heard of it, but do not have detailed knowledge.	43.0 ( 40.9 )
(c) Have never heard of it.	19.9 ( 27.6 )

#### Question 20-(3)

Do you know that the Bank raised its target for a short-term interest rate from zero percent?<sup>1</sup>

(a) Have knowledge of it.	70.0
(b) Have read or heard of it, but do not have detailed knowledge.	18.0
(c) Have never heard of it.	11.8

Note: 1. This question is new to the survey.

### Question 21

Questions 21-(1), 21-(2), 21-(3) and 21-(4) ask about financial system stability, which is one of the Bank's two objectives. Please choose the most applicable level of your knowledge relative to these questions.

#### Question 21-(1)

Do you know that one objective of the Bank is to maintain financial system stability?

(a) Have knowledge of it.	42.4 ( 41.7 )
(b) Have read or heard of it, but do not have detailed knowledge.	40.8 ( 38.4 )
(c) Have never heard of it.	16.5 ( 19.7 )

#### Question 21-(2)

Do you know that the Bank provides safe settlement instruments with the highest settlement finality, such as banknotes and current accounts at the Bank, and operates its own funds transfer system and settlement system for Japanese government bonds?

(a) Have knowledge of it.	37.1 ( 38.4 )
(b) Have read or heard of it, but do not have detailed knowledge.	42.8 ( 39.5 )
(c) Have never heard of it.	19.9 ( 21.8 )

**Question 21-(3)****Do you know that the Bank can extend loans such as special loans to financial institutions in order to ensure financial system stability?**

- |   |      |   |      |   |
|---|------|---|------|---|
| (a) Have knowledge of it.   | 41.4 | ( | 43.0 | ) |
| (b) Have read or heard of it, but do not have detailed knowledge. | 37.4 | ( | 33.4 | ) |
| (c) Have never heard of it.                                       | 20.9 | ( | 23.5 | ) |

**Question 21-(4)****Do you know that the Bank conducts on-site examinations and visits to financial institutions?**

- |   |      |   |      |   |
|---|------|---|------|---|
| (a) Have knowledge of it.   | 36.7 | ( | 35.3 | ) |
| (b) Have read or heard of it, but do not have detailed knowledge. | 32.8 | ( | 32.5 | ) |
| (c) Have never heard of it.                                       | 30.2 | ( | 31.7 | ) |

**Question 22**

Questions 22-(1), 22-(2), 22-(3), 22-(4) and 22-(5) ask about your view of the Bank. Please make the most applicable choice relative to these questions.

**Question 22-(1)****Do you have an interest in the Bank's activities?**

- |                                      |      |   |      |   |
|--------------------------------------|------|---|------|---|
| (a) Often pay attention.             | 8.0  | ( | 6.0  | ) |
| (b) Have an interest to some extent. | 22.7 | ( | 20.1 | ) |
| (c) No comment.                      | 29.9 | ( | 30.4 | ) |
| (d) Do not pay very much attention.  | 27.6 | ( | 31.7 | ) |
| (e) Do not have any interest.        | 11.6 | ( | 11.6 | ) |

**Question 22-(2)****Do you think that the Bank is related to our lives?**

- |  |      |   |      |   |
|--|------|---|------|---|
| (a) Is related to our lives.               | 43.7 | ( | 39.1 | ) |
| (b) Is somewhat related to our lives.      | 31.6 | ( | 31.6 | ) |
| (c) Difficult to say.                      | 15.6 | ( | 18.2 | ) |
| (d) Is not very much related to our lives. | 6.0  | ( | 7.4  | ) |
| (e) Is not related to our lives.           | 2.8  | ( | 3.5  | ) |

**Question 22-(3)****Do you think that the Bank is contributing to our lives?**

- |   |      |   |      |   |
|---|------|---|------|---|
| (a) Is contributing to our lives.               | 20.1 | ( | 17.1 | ) |
| (b) Is somewhat contributing to our lives.      | 27.4 | ( | 28.1 | ) |
| (c) Difficult to say.                           | 38.4 | ( | 41.3 | ) |
| (d) Is not contributing to our lives very much. | 8.3  | ( | 8.1  | ) |
| (e) Is not contributing to our lives.           | 5.5  | ( | 4.9  | ) |

**Question 22-(4)****Do you think that the Bank gives clear explanations to the public?**

- |   |      |   |      |   |
|---|------|---|------|---|
| (a) Gives clear explanations.                                   | 1.2  | ( | 0.9  | ) |
| (b) Gives somewhat clear explanations.                          | 5.8  | ( | 5.3  | ) |
| (c) Difficult to say.   | 32.8 | ( | 32.5 | ) |
| (d) The Bank's explanations to the public are somewhat unclear. | 37.3 | ( | 38.8 | ) |
| (e) The Bank's explanations to the public are not clear enough. | 22.2 | ( | 21.7 | ) |

**Question 22-(5)****Do you have confidence in the Bank?**

- |   |      |          |
|---|------|----------|
| (a) Have confidence in the Bank.                | 15.3 | ( 17.0 ) |
| (b) Have confidence in the Bank to some extent. | 26.1 | ( 26.3 ) |
| (c) No comment.                                 | 41.5 | ( 46.2 ) |
| (d) Do not have very much confidence.           | 12.2 | ( 6.6 )  |
| (e) Do not have confidence in the Bank.         | 4.2  | ( 2.5 )  |

If you chose (d) or (e) in Question 22-(4), please answer Question 22-(a). If you chose (a) or (b) in Question 22-(5), please answer Question 22-(b), but if you chose (d) or (e), please answer Question 22-(c). Otherwise, please skip questions 22-(a), 22-(b), and 22-(c) and go on to Question 23.

**Question 22-(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.               | 36.0 | ( 38.4 ) |
| (b) Lack of basic knowledge about the Bank.  | 41.3 | ( 42.3 ) |
| (c) Have difficulty understanding the mechanism of the financial system and the economy. | 38.0 | ( 40.4 ) |
| (d) Have never had the opportunity to read or hear the Bank's explanations.              | 31.6 | ( 30.9 ) |
| (e) Do not know where to look in order to obtain information about the Bank.             | 15.1 | ( 14.3 ) |
| (f) The Bank's web site is inconvenient.   | 0.5  | ( 0.4 )  |
| (g) Other.   | 3.3  | ( 2.8 )  |

**Question 22-(b)****Why do you have confidence in the Bank? (Choose up to two answers.)**

- |  |      |          |
|--|------|----------|
| (a) Because the Bank's activities are contributing to price stability and financial system stability.  | 65.2 | ( 62.9 ) |
| (b) Because I support the content and intention of the Bank's policy.  | 4.4  | ( 5.0 )  |
| (c) Because the Bank maintains a neutral position in conducting its policy.  | 46.5 | ( 46.5 ) |
| (d) Because the Bank makes an effort to provide clear explanations to the general public about its activities, and to collect public opinion data. | 2.0  | ( 3.1 )  |
| (e) Because of my impression that the Bank and its staff are sincere.  | 10.7 | ( 14.6 ) |
| (f) Other.   | 4.4  | ( 3.3 )  |

**Question 22-(c)****Why do you not have confidence in the Bank? (Choose up to two answers.)**

- |   |      |          |
|---|------|----------|
| (a) Because the Bank's activities are not contributing to price stability and financial system stability.   | 23.1 | ( 32.2 ) |
| (b) Because I am opposed to the content and intention of the Bank's policy.   | 4.3  | ( 9.8 )  |
| (c) Because the Bank does not maintain a neutral position in conducting its policy.   | 43.8 | ( 47.8 ) |
| (d) Because the Bank does not make enough effort either to provide clear explanations to the general public about its activities or to collect public opinion data. | 27.5 | ( 34.1 ) |
| (e) Because of my impression that the Bank and its staff are insincere.   | 55.2 | ( 25.9 ) |
| (f) Other.  | 7.4  | ( 8.3 )  |



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.

### Question 23

**Are you male or female?**

- |             |      |          |
|-------------|------|----------|
| (a) Male.   | 49.6 | ( 48.9 ) |
| (b) Female. | 50.4 | ( 51.1 ) |

### Question 24

**What age group are you in?**

- |            |      |          |
|------------|------|----------|
| (a) 20–29. | 9.9  | ( 11.3 ) |
| (b) 30–39. | 15.0 | ( 18.2 ) |
| (c) 40–49. | 16.8 | ( 17.5 ) |
| (d) 50–59. | 23.3 | ( 20.2 ) |
| (e) 60–69. | 19.2 | ( 19.5 ) |
| (f) 70–.   | 15.9 | ( 13.3 ) |

### Question 25

**What is your field of occupation?**

**Self-employed or working for a family business**

- |   |      |          |
|---|------|----------|
| (a) Agriculture, forestry, and fisheries.                                 | 2.4  | ( 2.9 )  |
| (b) Self-employed, working for a family business, or professional worker. | 12.2 | ( 11.8 ) |

**All other workers**

- |   |      |          |
|---|------|----------|
| (c) Company employee, civil servant, or other type of employee. | 35.3 | ( 39.0 ) |
| (d) Part-timer.   | 11.5 | ( 12.4 ) |

**Having no occupation**

- |                          |      |          |
|--------------------------|------|----------|
| (e) Full-time homemaker. | 14.8 | ( 14.2 ) |
| (f) Student.             | 1.5  | ( 1.7 )  |
| (g) Pensioner.           | 14.7 | ( 12.6 ) |
| (h) Other.               | 0.4  | ( 0.3 )  |
| (i) Unemployed.          | 4.5  | ( 4.5 )  |

### Question 26

**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.)**

- |   |      |          |
|---|------|----------|
| (a) Less than 3 million yen.                        | 33.3 | ( 32.6 ) |
| (b) 3 million or more but less than 5 million yen.  | 27.4 | ( 28.7 ) |
| (c) 5 million or more but less than 10 million yen. | 26.7 | ( 26.1 ) |
| (d) 10 million yen or greater.                      | 6.6  | ( 7.4 )  |
| (e) No income.                                      | 4.2  | ( 3.8 )  |

### Question 27

**How large is your family?**

- |  |      |          |
|--|------|----------|
| (a) Single-person household (live by myself).  | 7.9  | ( 8.7 )  |
| (b) Married-couple household (myself and my partner).  | 28.1 | ( 26.2 ) |
| (c) Two-generation family (nuclear family).  | 48.3 | ( 52.0 ) |
| (d) Three-generation family (extended family).   | 13.3 | ( 11.0 ) |
| (e) Other (household consisting only of siblings, friends, or grandparents and grandchildren, etc.). | 1.9  | ( 1.7 )  |

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

- |                          |      |          |
|--------------------------|------|----------|
| (a) Offered comments.    | 17.3 | ( 19.9 ) |
| (b) Offered no comments. | 82.7 | ( 80.1 ) |