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# Increasing Concerns Over Single-Person Household Financial Asset Formation due to the *Corona Disaster*

## *Analysis of current situation and future formation of financial assets*

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### Summary

- According to the Central Council for Financial Services Information's "Survey of Household Finances" [Survey of Single-person Households] (2019), 38% of single-person households have no financial assets other than money to live on.
- The reason why many single-person households have not made progress in forming financial assets is the increase in the number of low-income households due to the difficulty of increasing their income. Among single-person households, the proportion of low-income households is rising in all age groups, indicating that many households cannot afford to save.
- Another factor behind the fact that many single-person households have not made progress in financial asset formation is the increasing number of households with low interest in life planning and a weak sense of urgency in financial asset formation. The working generation tends to depend on employment income to provide money for living expenses when they become old, rather than using financial assets built up over time. There is always a possibility that jobs could be lost suddenly due to a crisis, so it is necessary to prepare sufficient funds from an early stage.
- With the impact on the economic activities of the household and corporate sectors facing the Corona Crisis, which may be bigger than the global financial crisis of 2008, concerns among households without financial assets are increasing. Consequently, there is a possibility that single-person households, may begin to focus more on financial asset formation. Until now, this sector may not have been a major customer base for financial institutions, but the time may be ripe with the strengthening of initiatives to meet new needs, such as collaboration with Fintech ventures.

### Attention

This report is a summary translation. The official document is only in Japanese.