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Interpreting Japan's Unique Financial Asset Gap

Increase in households with no financial assets is worrisome

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Summary

- Looking at the Gini coefficient of financial assets, which is an indicator of the gap, it has been on an upward trend over the long term. According to previous studies, the Gini coefficient of financial assets by head of household age group is on an upward trend in amongst the middle and young-aged, partly due to an increase in the number of households with few financial assets.
- Looking at the distribution of financial assets, the ratio of households with no financial asset balance is 10%, and that of households with financial assets of less than 1 mil yen accounts for 23% (figures are based on the Ministry of Internal Affairs and Communications' 2019 National Survey of Family Income and Expenditure). In addition, it was confirmed that growth in the ratio of single-person households holding no financial assets is prominent according to the Central Council for Financial Services Information's Survey.
- Turning to households with a large amount of financial assets, the majority of households are 60 years of age or older. Basically, elderly households tend to have more financial assets per household. However, due to the increase in elderly households, there is a structural gap in the household sector as a whole. In addition, the ratio of financial assets held by the top group (such as the top 1%) to total household financial assets rose from 2014 to 2019. However, Japan is less concentrated in wealth than other developed countries, such as the United States.
- The most worrisome thing about financial asset disparities in Japan is the increase in the number of households with zero or few financial assets. Looking ahead, it will be necessary to keep a close eye on the recent diversification of financial asset selection and lifestyles, which can be a factor behind the spread of the financial asset gap.

Attention

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