

Middle Class Perception a Dozen Years Later

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Middle Class Perception —a Dozen Years Later—

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Abstract

This paper follows up on the work of Momma (2004), and investigates how people's middle class perception has changed since the beginning of this century. Data indicate that people's perception of their relative living standard is improving while the average income of workers' households is declining and income inequality is rising. Economic factors alone are not enough to explain the way people rate their relative standard of living.

1. Introduction

Japan is a country where a majority of its people consider themselves to be in the middle class. Momma (2004) has studied this 'middle class perception' in detail, and found that despite the so called rise in income inequality, roughly 90% of the people still consider themselves to be in the wider-sense middle class (lower-middle, middle, and upper-middle class combined). Since then, a dozen years have passed, and the Japanese economy has experienced at least two major setbacks, namely, the global financial crisis triggered by the collapse of the Lehman brothers in 2008, and the devastating Tohoku earthquake and tsunami of 2011. What are their impacts? It is worth exploring whether these shocks or any other changes in economic and social structure have had an impact on people's perceptions of their relative living standards. Taking these into account, this paper will follow up on the work of Momma (2004), and examine how, if any, people's standard of living perceptions have changed since the beginning of this century.

As with the 2004 article, people's perceptions of their relative living standards are the main subject of the study. Survey on People's Lifestyles in Japan, conducted by the Cabinet Office, is the principal source of data. One of the questions in the survey asks the participants to rate their standard of living compared to the general public, and chose from the following five categories: high, upper-middle, middle, lower-middle and low. Surveys have been conducted annually since 1958 with a few exceptional years, namely, they were taken twice a year between 1974

and 1976 while no survey was conducted in 1998. Several changes have been made regarding the questions in the survey over the course of these years. Recent changes include elimination of the question on people's income level, which was found to be one of the factors affecting people's perceptions of their living standards in Momma (2004). Unfortunately, comparative study regarding income and perception is not possible because of this change. On the plus side, some new and interesting questions have been added to the survey.

One thing to note is the difference between the concept of 'relative living standard' and 'class'. In the Survey on People's Lifestyles in Japan, participants are asked to rate their standard of living compared to the general public, not to specify the 'class' they belong to. To be precise, there is a distinction between the two concepts as class implies social hierarchy. However, the social stratification system no longer exists in Japan and what remains is mostly economic stratification. In this narrow sense, the two concepts are closely related to each other, and consequently, the two terms will be used interchangeably throughout this paper with the premise that class refers to economic status.

This paper is organized as follows. Section 2 discusses the potential non-sampling problem, that is, the response rate and the possibility of bias in the results. Section 3 discusses results of the data analysis, mainly focusing on the findings of the last dozen years. Section 4 concludes.

2. Response Rates and Non-Sampling Errors

As has been noted in Momma (2004), survey results almost always contain errors. One of the main concerns is the potential bias of the results due to the existence of non-respondents. Non-response occurs for the following reasons: change of address, temporary and longtime absence, unknown address, illness, etc., and also a deliberate refusal by some to take part in the survey. If the people not responding, especially those who refuse to answer, possess certain characteristics in common, omission of these non-respondents could create a bias in the resulting data. In fact, it is known that people with high income as well as those with low income have a higher tendency to avoid participating in such studies. This being the case, the result of the survey could be skewed toward the middle, and there is no objective way to assess the size of the bias without additional information.

The seriousness of the non-sampling error, such as the one noted above, depends on the response rate of the survey. If the response rate is high enough, the effect of a potential bias from the non-respondents will likely be small, whereas, if the response rate is low, a careful and thorough interpretation of the results is necessary. The number of people chosen for the survey on people's lifestyles in Japan, as well as the sampling method, remains unchanged over the years, that is, 10,000 people are sampled using a stratified sampling method. However, the number of refusals to the survey rose from 1288 persons in 2003 to 1474 persons in 2016, more than a 10% increase. Combined with the number of non-responses from other reasons, the response rate of

the 2016 survey declined to 62.8% from 70.3% for the 2003 survey. Results of the 2003 survey are used as benchmarks for comparative purposes since it was the main subject of the study in Momma (2004).

Table 1 Survey Response Rates

age	male			female		
	2016 response rate (%)	2003 response rate (%)	difference (%)	2016 response rate (%)	2003 response rate (%)	difference (%)
18-19	53.4	-	-	45.7	-	-
20-29	39.8	50.0	-10.2	43.5	55.6	-12.0
30-39	51.4	58.2	-6.8	65.3	68.9	-3.6
40-49	55.4	64.8	-9.3	68.8	78.3	-9.5
50-59	59.4	66.6	-7.2	68.7	76.8	-8.1
60-69	73.2	76.2	-3.0	73.3	82.4	-9.1
over 70	68.0	82.0	-14.0	64.6	79.2	-14.6
total	60.2	66.5	-6.2	65.4	74.0	-8.5

Source) Survey on People's Lifestyle in Japan, Cabinet Office

Table 1 depicts the breakdown of the response rate by age and gender, for the 2016 and the 2003 survey. People of age group 18-19 were surveyed for the first time in 2016. The response rate has declined for all age groups in 2016 compared to that of 2003, with the largest decline occurring in the over-70 age group, for both men and women. Although older age groups have always boasted a high response rate, the percentage of people responding has fallen conspicuously in recent years. For female respondents, over-70 age group is now one of the groups with the lowest response rate. A possible reason for this symptom is the increase in the number of latter-state elderly people. It is understandable, for example, that older people, such as people in their 90s are more difficult to interview. Another possible factor is that the number of older people living alone has increased in recent years. These people may not be willing to take part in the survey, simply out of caution. At the opposite end of the spectrum, the 20-29 age group has also seen a large drop in the response rate. The low response rate of this age group has always been a problem, and the situation is not getting any better. As can be seen from the table, the response rate for this age group is now below 50%, and in particular, less than 40% for men.

Examining gender differences, it is seen that women respond more than men for most age groups. For the 30-39 age group and 40-49 age group, difference between male and female response rate exceeds 10%. The difference becomes smaller as age goes up, until male response rate surpasses female response rate for the over-70 age group. The low response rate for women over-70 is not an anomaly of the 2016 survey. In recent years, response rates for women in this age group have been consistently low. Response rate of the 2015

Table 2 Demographic Composition of the Population and the Sample

2003						
	male			female		
age	survey ratio (%)	actual ratio (%)	difference (%)	survey ratio (%)	actual ratio (%)	difference (%)
20-29	10.1	17.3	-7.2	10.5	15.4	-4.9
30-39	14.7	18.4	-3.7	16.9	16.8	0.1
40-49	16.6	16.0	0.7	18.0	14.7	3.2
50-59	21.2	19.3	1.9	20.2	18.3	1.9
60-69	20.5	15.3	5.1	19.6	15.5	4.1
over 70	16.9	13.7	3.2	14.7	19.3	-4.5
2016						
	male			female		
age	survey ratio (%)	actual ratio (%)	difference (%)	survey ratio (%)	actual ratio (%)	difference (%)
18-19	1.6	2.4	-0.83	1.3	2.1	-0.83
20-29	6.5	12.0	-5.50	6.0	10.8	-4.80
30-39	12.1	15.3	-3.17	12.6	13.8	-1.21
40-49	15.4	18.2	-2.79	16.4	16.5	-0.07
50-59	15.5	15.2	0.31	15.2	14.1	1.13
60-69	24.7	17.4	7.28	22.0	17.0	4.94
over 70	24.2	19.5	4.71	26.6	25.8	0.85

Sources) Survey ratio: Survey on People's Lifestyle in Japan, Cabinet Office

Actual ratio: Author's calculations using Population Estimates for 2003, and the Population Census for 2015, Statistics Bureau, Ministry of Internal Affairs and Communications

survey is in fact worse, with only 61.9% for women and 63.3% for men who were over-70.

It is important to stress that the drop in the response rate does not necessarily imply a drop in the proportion of the corresponding age group in the sample. Table 2 shows the demographic composition of the surveyed sample, along with the actual demographic composition of people over 20 (over 18 for the 2016 survey) for the entire country. Percentages for the actual demographic composition of Japan were calculated using data from population estimates for 2003, and the population census for 2015, published by the Statistics Bureau, Ministry of Internal Affairs and Communications. The population estimates for 2016 were not available at the time of publishing of this article. Since the target population of the survey on people's lifestyles in Japan is the people of Japanese nationality, Japanese population was used for calculation.

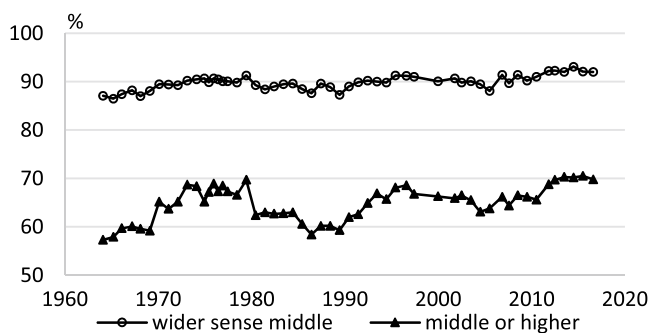
It is seen from Table 2 that the proportion of the over-70 age group in the sample has increased significantly in 2016, despite the lowering of the response rate. The actual proportion of the older generation has increased due

to the aging of the society, but the survey ratio has increased even more. Interestingly enough, the percentage of women over 70 in the 2016 survey sample ended up being very close to the actual demographic composition. Taking into consideration the results from other years, it is safe to say that the younger age group is consistently underrepresented while older age group is overrepresented, mainly due to the low response rates of the younger age groups. This tendency is more prominent in 2016 than in 2003. With less than 50% of the people in age group 20-29 agreeing to participate in the survey as of 2016, it is essential to study the traits of the non-respondents.

3. Perception and Reality: Analysis of the 2016 Survey

Figure 1 shows the proportion of people with wider-sense middle class (lower-middle, middle, upper-middle) and middle-or-higher class (middle, upper-middle, high) perception over time. It can be seen from the figure that the ‘middle class myth’ is still alive and well in Japan, and that over 90% of the people consider their living standards to be in the wider-sense middle class. Since the beginning of this century, the ratio of people with wider-sense middle class perception has indeed been increasing. Even more noticeable is the rising tendency of the percentage of people who rate themselves as having middle-or-higher living standards. After a small drop in 2004 and 2005, the proportion of people with middle-or-higher class perception has been surging, and as of 2016, roughly 70% of the respondents assessed their living standards to be in this class. Further examination of the data reveals that improvement in the standard of living perception is caused mainly by the increase in the upper-middle class perception along with a decline in the low and lower-middle class perception. It is to be noted that neither the global financial disaster starting in 2008 nor the earthquake of 2011 is seen to have had a perceptible impact on people’s perceptions.

Figure 1 Middle Class Perception



Source) Author’s calculations using data from Survey on People’s Lifestyle in Japan, Cabinet Office

Momma (2004) has argued that since only a slight majority of the people considered themselves to be in the narrow sense middle class and far more people had lower-middle class perception than upper-middle class perception, ‘the 90% middle class perception’ may be overrated. It is interesting to note that while it is true that the proportion of lower-middle class perception is still higher than the proportion of the upper-middle class perception, the gap is now narrowing. In the late 1980’s, at the height of the bubble economy, the difference in percentages between the two classes was over 20%. Now it is down to 10% with 23.2% considering themselves to be in the lower-middle class and 12.3% in the upper-middle class. The proportion of the people with narrow sense middle class perception has hovered between 50% and 60% for the last 50 years and is currently at 56%.

To study the rising trend of wider-sense middle class and middle-or-higher class perception in more detail, a simple regression model was fitted to estimate the trend for upper-middle, lower-middle, and lower class perception by age group, during the period 2000 through 2015. Data on the middle class and the upper class perception did not show a clear trend, and therefore their regression results are not included (results available from the author by request) here. The estimated trend function takes the simple linear form:

$$y = \text{const.} + \beta \cdot \text{time} + \varepsilon$$

where the *time* variable refers to year and month of the survey, and ε is the error term.

Values of the estimated coefficients, along with the p-value for the regression coefficient β and the coefficient of determination R^2 are depicted in Tables 3-5, for each of the three classes, by age group. It is seen from these tables that for all age groups, upper-middle class perception is rising. Younger age groups show a significant decrease in lower-middle class perception while older age groups, namely, 60-69 age group and over-70 age group do not. In its place, older age groups show a large decline in the low class perception. For 30-39 and 40-49 age groups, the low class perception shows no significant decreasing trend. The youngest age group 20-29 shows a decline in both the lower-middle and the low class perception. Whether this is an indication that the younger generation is becoming more optimistic, or whether it is a mere indication that the younger people with low class perception did not participate in the survey itself is open to question.

An interesting aspect that has been true over the years is that a higher percentage of older people consider their relative living standard to be low, possibly due to retirement. For this reason, there has been a noticeable gap in the percentage of low class perception between people over 50 and people under 49, and this was still the case at the beginning of the century. However, due to the recent downward trend of low class perception among older age groups, the difference between age groups with regard to low class perception is now much smaller. In particular, the proportion of people in age group 40-49 that claim to have low standard of living is roughly at the same level as the proportion in the 60-69 age group.

Following the analysis of Momma (2004), the next step is to study the relationship between people’s

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Table 3 Upper-middle Class

age	const.	trend	p-value	R ²
20-29	-763.1	0.39	0.00233	0.47
30-39	-550.3	0.28	0.00004	0.69
40-49	-595.3	0.30	0.00004	0.69
50-59	-643.3	0.33	0.00002	0.72
60-69	-352.8	0.18	0.00079	0.54
70-	-391.1	0.20	0.00380	0.44

Table 4 Lower-middle Class

age	const.	trend	p-value	R ²
20-29	517.74	-0.25	0.023	0.30
30-39	558.75	-0.27	0.002	0.47
40-49	236.44	-0.11	0.062	0.21
50-59	462.28	-0.22	0.045	0.24
60-69	161.19	-0.07	0.467	0.04
70-	260.43	-0.12	0.165	0.12

Table 5 Lower Class

age	const.	trend	p-value	R ²
20-29	319.09	-0.16	0.0032	0.45
30-39	110.53	-0.05	0.3380	0.06
40-49	64.44	-0.03	0.3416	0.06
50-59	344.51	-0.17	0.0028	0.46
60-69	310.15	-0.15	0.0022	0.47
70-	462.01	-0.23	0.0001	0.65

Source) Author's calculations using data from Survey on People's Lifestyle in Japan, Cabinet Office

perceptions and various economic indicators. Does the recent improvement in the living standard perception reflect the economic condition of Japan? A simple answer, not necessarily. The average growth rate of real GDP between fiscal year 2000 and 2015 is only 0.8%, the unemployment rate has been historically high during this period, sometimes exceeding 5%, and most importantly, wages of salaried workers have been stagnant since the beginning of this century. Table 6 depicts values of the correlation coefficients between people's perception and major economic indicators, for the period 2000 to 2015. Although real GDP and unemployment rate are positively correlated to people's perception of higher living standards so that they fit the narrative of macroeconomic conditions having positive impact on people's perceptions, the correlation is not strong. As for GDP, the growth rate does not show positive correlation with people's perceptions. Disposable income of workers' households, which is the single most important factor, in fact, shows negative correlation.

It should be noted that, regarding scheduled cash earnings of male and female, the corresponding gender specific perception data on the standard of living were used to calculate the values of the correlation coefficients. Interestingly enough, positive correlation exists between scheduled cash earnings for female and women's perception of higher relative living standards while those for male indicate negative correlation. This is most likely a mere reflection of the fact that female cash earnings have been growing albeit slowly, while male earnings

Table 6 Correlation coefficients of wider-sense middle, middle-or-higher percentages and various economic indicators (2000-2015)

	wider sense middle	middle or higher
real GDP	0.53	0.51
growth rate: real GDP	-0.27	-0.19
unemployment rate	-0.50	-0.50
disposable income: worker's households	-0.55	-0.54
net increase in financial assets	0.15	0.06
scheduled cash earnings	-0.33	-0.28
scheduled cash earnings (male)	-0.66	-0.55
scheduled cash earnings (female)	0.69	0.78

Sources) Author's calculations, data on GDP from Cabinet Office, other indicators from the Ministry of Internal Affairs and Communications

have been stagnant for the last 15 years. It is safe to say that a majority of Japanese households still have male breadwinners, so the level of male scheduled cash earnings is most likely the dominant factor in determining the actual standard of living of a household. The fact that this indicator is negatively correlated with people's perception of living standards indicates that economic reality does not necessarily determine people's perceptions.

As regards gender differences, an additional point warrants mentioning. The proportion of wider-sense middle class perception is almost identical between male and female, whereas women have consistently had higher ratio of middle-or-higher class perception since the beginning of this century. The difference is due to the difference in the proportion of a narrow sense middle class perception. Women consistently have higher middle class perception than men. Men, on the other hand, have consistently higher lower-middle and low class perception than women. Little difference is seen in the high and upper-middle class perception. Most likely, this is an indication that women more than men tend to prefer being 'average'.

Table 7 shows values of the coefficient of specialization by type of dwelling. Similar to the findings of Momma (2004), home ownership and perception of living standards are clearly related. Owners of residential homes and condominiums are concentrated in middle-or-higher class perception while renters are concentrated in low and lower-middle class perception. Renters of employer provided housing show a peculiar pattern. Upper-middle class perception is high, but low class perception is also slightly higher than in the overall sample. Corporations that provide housing for employees are major companies that tend to pay their employees well. This accounts for the higher percentage of people considering themselves to be in the upper-middle class. The fact that they are not home owners may have contributed to the slightly higher than average ratio of a low class perception. No visible change in the pattern is seen as regards the relation between home ownership and living standard perception compared to the results of Momma (2004). It is to

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Table 7 coefficient of specialization by type of dwelling

type of dwelling/perception	high	upper-middle	middle	lower-middle	low
home owner	1.17	1.04	1.04	0.94	0.69
condominium owner	0.00	1.49	1.00	0.90	0.42
renter: residential home	0.39	0.42	0.71	1.50	3.72
renter: condominium	0.54	0.72	0.84	1.30	2.33
renter: employer provided housing	0.00	1.30	0.98	0.92	1.13
other	0.00	0.59	0.71	1.10	5.31
unknown	0.00	0.00	1.30	1.06	0.00

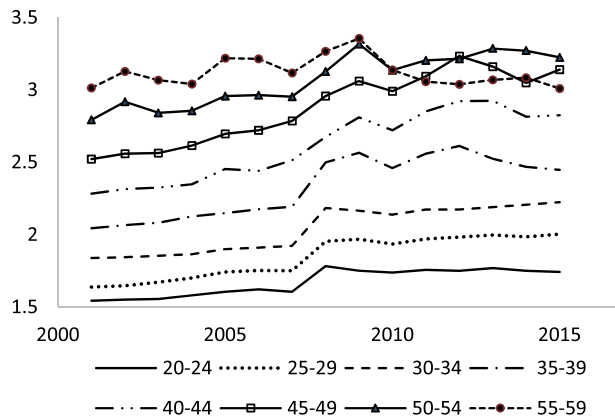
Source) Author's calculations using data from Survey on People's Lifestyle in Japan, Cabinet Office

be noted that the question regarding the type of dwelling no longer distinguish between homeowners with mortgages and those without mortgages. Due to this restriction, the findings here are more limited in scope than the findings of the 2004 paper.

Types of dwellings are clearly proxy variables of income. According to the 2015 Family Income and Expenditure Survey (Ministry of Internal Affairs and Communications), among the two-or-more-person workers' households, average income of home owners was 544,339 yen while that of renters of privately owned houses was 446,557 yen, and the renters of publicly owned rented houses had an average income of 332,767 yen. Renters of issued houses (employee provided housing), on the other hand, had an average income of 618,441 yen, nearly twice the average of renters of publicly owned homes. It is to be noted that the average age of the household head in the survey was 50.6 for home owners, 43.1 for renters of privately owned houses, 45.9 for renters of publicly owned houses, and 40.9 for renters of issued housing. Renters of employer provided housing are the youngest yet the highest income earners.

The analysis so far indicates that economic shocks and conditions do not have a large impact on people's perception of their living standards. What about inequality then? Is economic inequality affecting people's perception of their living standards? To contemplate this question, data on workers' wages, taken from the Basic Survey on Wage Structure (Ministry of Health, Labour and Welfare) are analyzed. Figure 2 depicts the ratio of the earnings of the top 10% earner versus the bottom 10% earner by age for male workers between 2001 and 2015. As can be seen, the ratio is rising with a sharp increase at 2008 at the onset of the global financial crisis. Although there are some ups and downs, income inequality as a whole has an upward trend with the exception of the age group 50-59. There is at least a 0.2 point increase from 2001 to 2015 in every age group except for age group 55-59, which showed zero increase. Note that only age groups below 59 are depicted in the graph since many people retire at age 60 and often take less paying jobs, thereby distorting the

Figure 2 90 percentile/10 percentile Earnings Ratio: Male Workers



Source) Author's calculations from Basic Survey on Wage Structure, Ministry of Health, Labor and Welfare

earnings pattern. Comparing figures 1 and 2, the rise in income equality does not seem to disrupt the 'over 90% middle class' perception.

To search for other possible factors affecting people's perception of their living standards, various indicators of microeconomic conditions of workers' households are depicted in Table 8. Values of the Gini coefficients were calculated from data on workers' households classified by income level, from the Family Income and Expenditure Survey (Ministry of Internal Affairs and Communications). The steady increase of the Gini coefficient confirms the argument of above that income inequality among workers' households is rising. Real average income denotes income adjusted for price change. More precisely, average income of workers' households was standardized using CPI for all items (year 2000=100) to account for possible inflation and/or deflation. It is clear from the table that real income is declining steadily since the beginning of the century, indicating the deteriorating condition of workers' households. Not only is the income declining, but the social burden is increasing. This is seen from the increase in the non-consumption expenditure/income ratio. As regards after-tax income (disposable income) and consumption expenditures, consumption rate is increasing. And finally, studying the content of consumption expenditures, it is seen that consumption on basic necessities (food, housing and utilities combined) is on the rise and is now approaching 40% of the entire consumption.

All indicators point to the fact that the economic condition of the workers' households on average is declining since the beginning of the century, and the gap between the haves and have-nots is widening. Yet, as seen in Figure 1, people's perception of their relative living standards is improving. A more detailed study of the economic factors may produce additional insights, but it is not very likely that a strong link between the actual economic condition and people's perception will appear as a result.

What, then, is causing the gradual rise of people's perception of their living standards? Momma (2004) has inferred the possibility of an aging society having negative impact on people's perceptions. Recent data show the opposite happening. It can be argued that it is still too early to feel the effect of the aging society and that the older generation of today are well provided for under the current generous pension system. One thing is certain. People's perception of living standards cannot be explained simply by macro and/or micro economic conditions. There are other factors to consider.

4. Concluding Remarks

People's perception of relative living standard has been improving over the last dozen years. Data indicate that neither the global financial crisis nor the natural disaster had a prominent impact on this perception, and the influence of macroeconomic conditions seem questionable as well. Examining the wage structure

Table 8 Gini Coefficient and other Economic Measures of Workers' Households

year	Gini coefficient	real income adjusted by CPI:all items (2000=100) yen/month	nonconsumption expenditure/income (%)	consumption/disposable income (%)	basic necessities/consumption (%)
2000	0.230	562,754	15.7	72.1	34.6
2001	0.231	556,666	15.7	72.1	34.7
2002	0.244	548,784	16.0	73.0	34.9
2003	0.240	535,069	16.0	74.1	35.0
2004	0.242	542,083	16.1	74.3	34.3
2005	0.246	536,495	15.9	74.7	34.6
2006	0.254	535,995	16.0	72.5	34.9
2007	0.247	539,098	16.3	73.1	34.7
2008	0.243	536,944	17.1	73.4	34.7
2009	0.249	528,356	17.4	74.6	34.9
2010	0.248	534,721	17.4	74.0	35.2
2011	0.251	524,982	17.6	73.4	36.2
2012	0.240	534,137	18.0	73.9	35.8
2013	0.250	537,139	18.6	74.9	35.5
2014	0.249	519,237	18.5	75.3	36.1
2015	0.252	520,938	18.7	73.8	37.0

Source) Author's calculations from the Family Income and expenditure Survey, Ministry of Internal Affairs and Communications

Notes: Gini coefficient was calculated using workers' household data classified by yearly income Real income was calculated using CPI for all items after adjusting so that year 2000=100 Basic necessities is defined as consumption on food, housing, and fuel, light & water charges

of Japan, it is seen that income inequality is on the rise. Data on workers' household expenditure indicate a worsening of the economic conditions in real life.

So why do most people still consider themselves to be in the middle class? The answer may lie not in the economic but in the cultural and the social characteristics of the Japanese people. For better or for worse, Japan is a homogeneous country in more than one way, and this could be a defining factor in people's perceptions. There has not been a major social upheaval in Japan for years. While we have experienced devastating natural disasters, it did not create a chasm among people, at least not in a major way. And although there have been political movements, compared to the rest of the world, Japan has been relatively uneventful and peaceful in the new century. We are somewhat removed from the terrorism threat nor the problem of immigration that plague many of the industrialized countries nowadays. The aging society is a serious problem, but somehow still not seen as imminent by many. This social stability may have contributed to people's perception of a middle class.

Another factor possibly contributing to the strong middle class perception is the fact that the survey is conducted by an interview and the phrase 'compared to the general public' is a part of the questionnaire. It is difficult for us Japanese to say we belong to an extreme class, either low or high, especially when talking to a stranger of some authority. As a national trait, we like to be somewhat inconspicuous, to be a part of a majority. There is no other way of explaining that only about 1~2% of those participating in the survey consider themselves to have a high living standard. To stress this point further, just look at the results of the Tokyo Residents Survey, in which, basically the same question is asked. Although Tokyo is, in every sense, the richest prefecture in Japan, well over 80% of the people interviewed consider themselves to be in the wider-sense middle class. Less than 1% of the participants say they have high living standards even though many well-to-do people live in the Metropolitan Tokyo area.

Finally, there is also the possible influence of the non-respondents. As has been discussed in Section 2, if it turns out that both the high and the low income people are choosing not to participate in the survey, the result can be significantly biased, especially now that the response rate of the survey is down to a little over 60%.

Whatever the underlining reason, a vast majority of the Japanese people still consider themselves to be in the middle class. There are no visible conflicts between the working class and the elites, as are seen in some developed countries. Things are relatively stable, people are calm. Whether this tendency will continue into the future is yet to be seen.

One last point should be noted. People with middle class perception do not necessarily feel that their income or savings are at a satisfactory level. In the Survey on People's Lifestyle in Japan, people were also asked about how satisfied they were about their income and savings. Cross tabulating the responses of these questions and

the standard of living question and calculating the conditional ratio reveals that people who consider their standard of living as either high or upper-middle class are generally satisfied with their earnings and savings level, while people who consider themselves to be in the narrow sense middle class are ambivalent at best. More precisely, over 80% of the people who rate their standard of living as high or upper-middle class state that both their savings and earnings are satisfactory or somewhat satisfactory. In comparison, 55% of the people with narrow sense middle class perception say they are satisfied or somewhat satisfied with their income, while 43% say they are not satisfied or somewhat not satisfied. As for savings, the situation is worse. 48% of the people say they are satisfied or somewhat satisfied while 49% say they are not satisfied or somewhat not satisfied. These results indicate that a considerable chunk of people claiming to be in the middle class are not exactly happy about their economic situations. Roughly half of the people with narrow sense middle class perception are not satisfied with their standard of living. To be in the 'middle class' in the true sense of the word, people should be free from economic woes. There is still much room for improvement.

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