

Summary of Comments on “How households’ balance sheets affect their asset allocation?”  
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This paper shows that the age profile of risky asset holding is hump shaped for Japanese households: the share of risky assets in total financial assets monotonically increases up until age fifty, then gradually decreases with age. Based on this fact, the paper argues that Japanese households will be willing to take more risks in the near future, simply because of population ageing. My first comment is that a hump-shaped age profile is not a special feature for Japanese households. Instead, we observe a similar age profile for major industrial countries including the US and UK.

My second comment is that change in risk-taking behavior due to population ageing will not be quantitatively important. According to my simple calculation, the demographic factor will contribute to an increase in the share of equity in total financial assets from 6.5 percent in 2005 to 7.0 percent in 2025, and 7.2 percent in 2050.