

A Search for Potential Female Labor Force in Japan's Aging Society

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A kid



A kindergarten

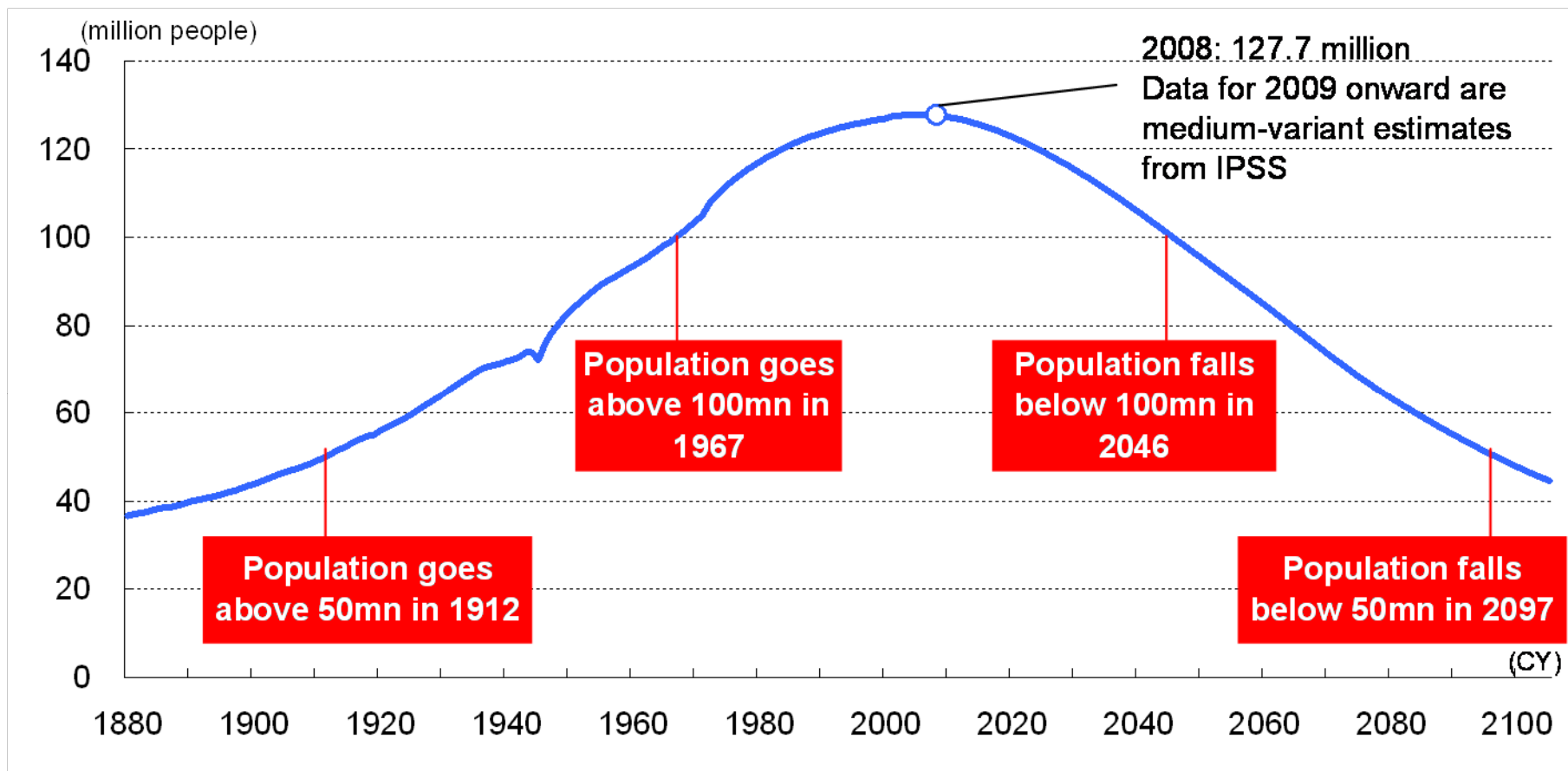


A Halloween party



Japanese population is expected to decline to less than half in 100 years

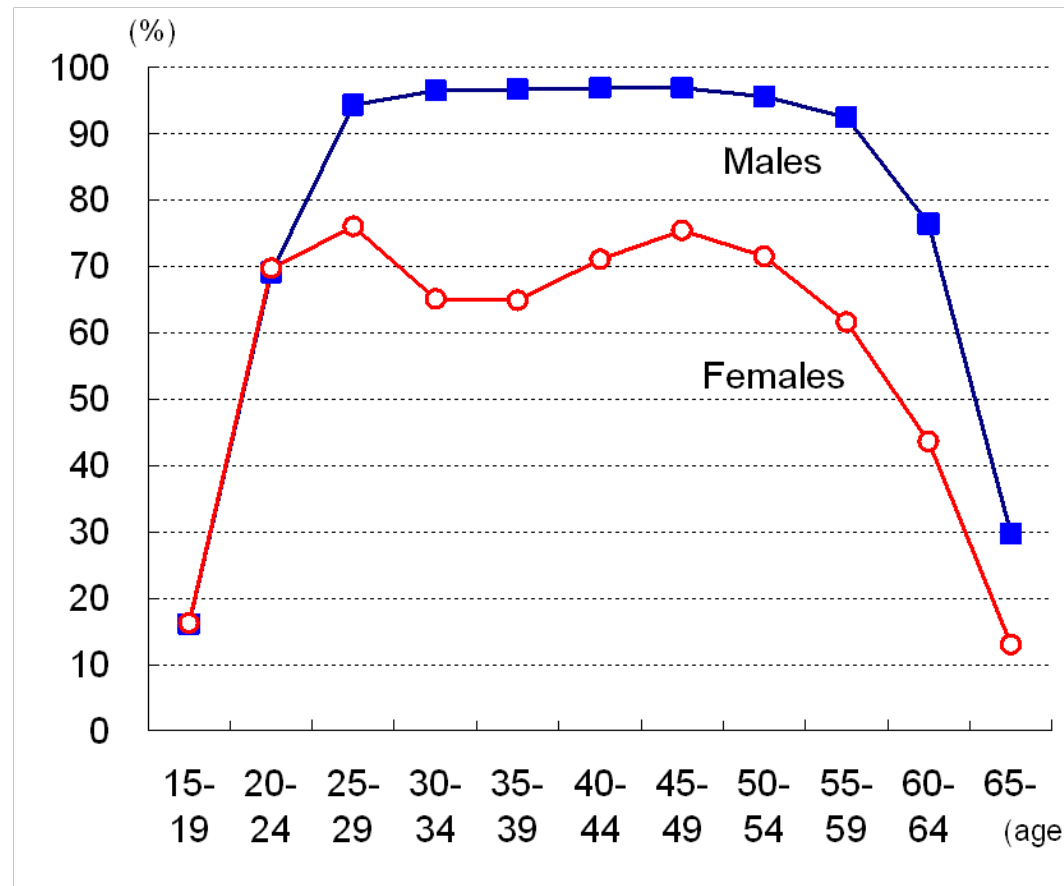
Japan's population projections



Source: Nomura, based on National Institute of Population and Social Security Research, Ministry of Internal Affairs and Communications

Low female labor force participation in Japan (1)

Japan's labor force ratios (2008)

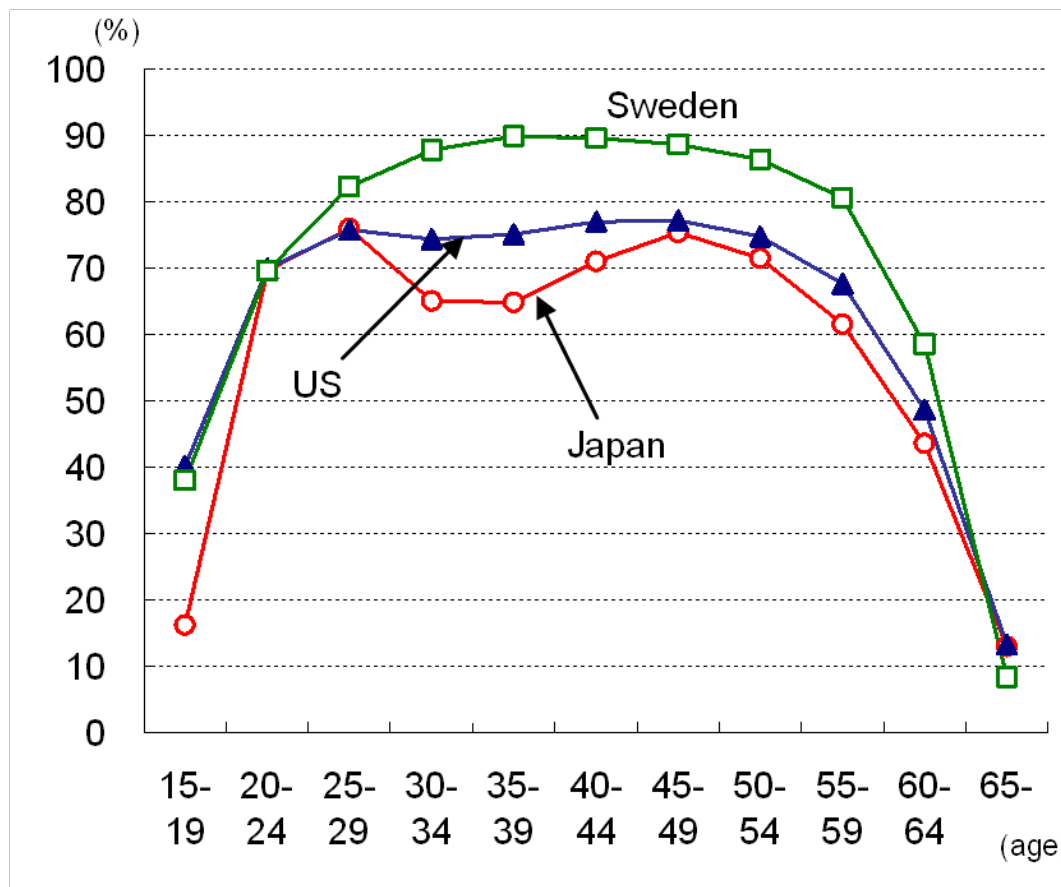


Note: Labor force ratio = #labor force/#population

Source: Ministry of Internal Affairs and Communications

Low female labor force participation in Japan (2)

Female labor force ratios (2008)

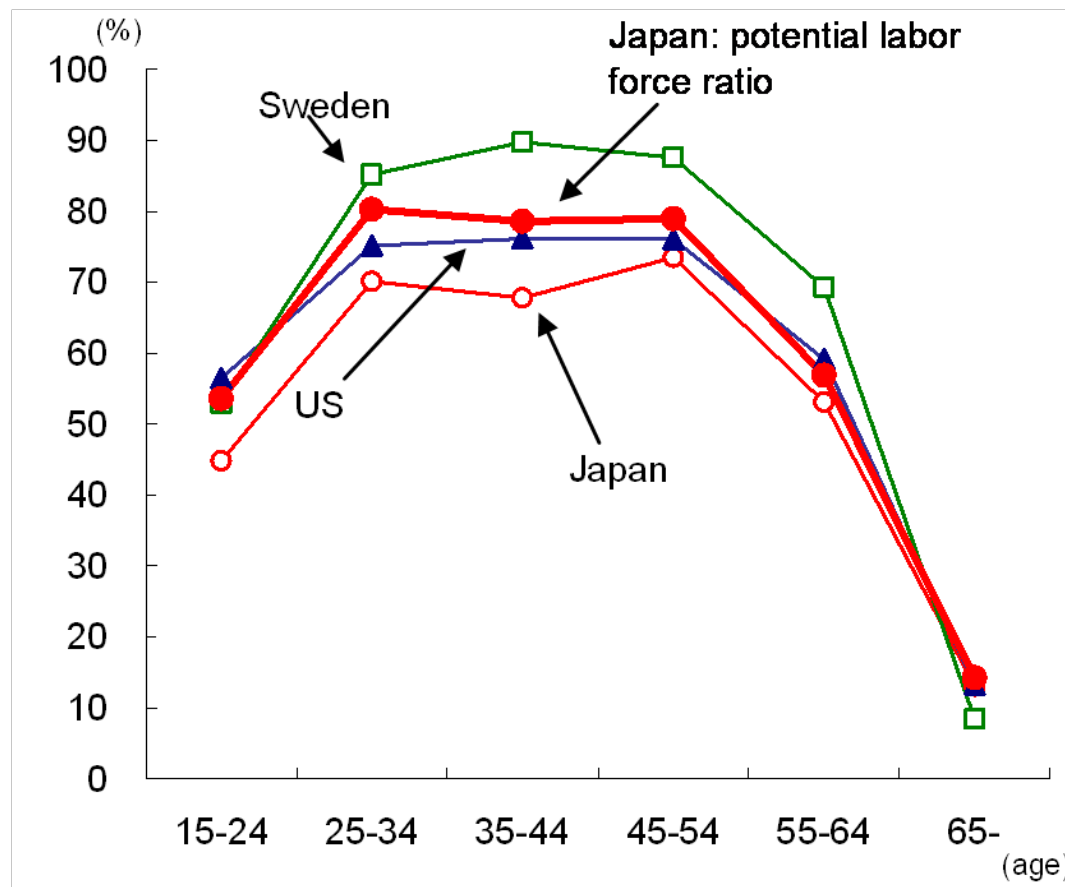


Note: The survey for the US only includes people aged 16 and above. The survey for Sweden only includes people aged 72 and below.

Source: Nomura, based on Japan Ministry of Internal Affairs and Communications and International Labour Organization

More than three million in potential female labor force

Potential female labor force ratios in Japan (2008)



Note: Potential labor force ratio is calculated by adding the number of people who wish to work but are not seeking jobs to actual labor force. The survey for the US includes people aged 16 and above. The survey for Sweden includes people aged 72 and below.

Source: Nomura, based on Japan Ministry of Internal Affairs and Communications and International Labour Organization

Potential outsourcing demand for household services

Value of unpaid household work (2006)

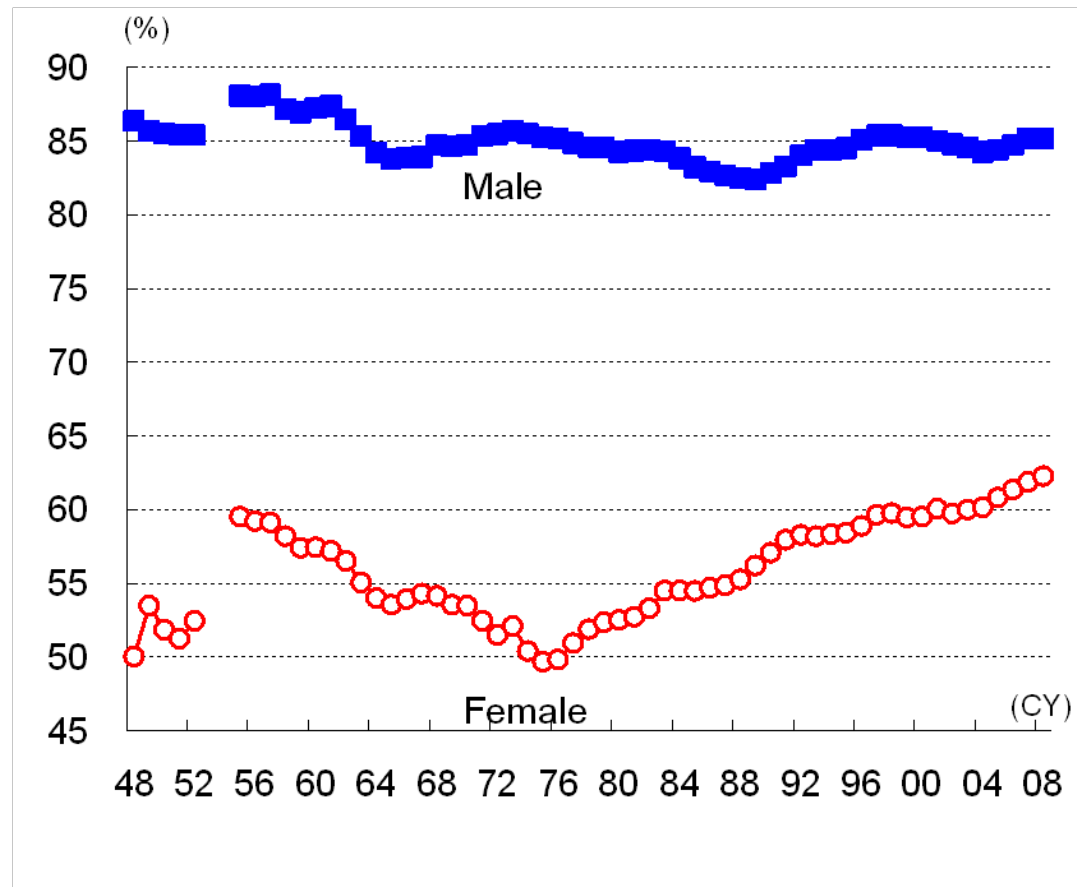
(trillion yen)

	Total										
		Male					Female				
		Working		Non-working		Working		Non-working			
		15-64	65-	15-64	65-	15-64	65-	15-64	65-		
Total	101.7	17.0	9.8	1.2	1.9	4.1	84.7	33.1	3.3	30.2	18.1
House chore	67.5	8.0	3.5	0.7	1.1	2.7	59.5	23.1	2.8	18.9	14.7
Cooking	35.4	3.0	1.3	0.2	0.4	1.1	32.4	12.8	1.6	10.0	7.9
Cleaning	16.8	2.9	1.2	0.3	0.4	1.0	13.9	5.2	0.6	4.7	3.5
Laundry	12.1	0.9	0.5	0.1	0.1	0.3	11.2	4.4	0.5	3.6	2.7
Sewing	0.6	0.0	0.0	0.0	0.0	0.0	0.6	0.1	0.0	0.2	0.3
Others	2.6	1.1	0.5	0.1	0.2	0.4	1.4	0.7	0.1	0.4	0.3
Shopping	19.6	6.1	4.0	0.3	0.7	1.1	13.6	5.8	0.4	4.9	2.5
Child care	12.8	2.5	2.1	0.1	0.1	0.2	10.3	3.7	0.1	6.0	0.5
Elderly care	1.7	0.4	0.2	0.0	0.0	0.1	1.3	0.5	0.1	0.4	0.4

Source: Nomura, based on Ministry of Internal Affairs and Communications "Survey on Time Use and Leisure Activities" and Ministry of Health, Labor and Welfare "Basic Survey on Wage Structure".

Rising female labor force participation

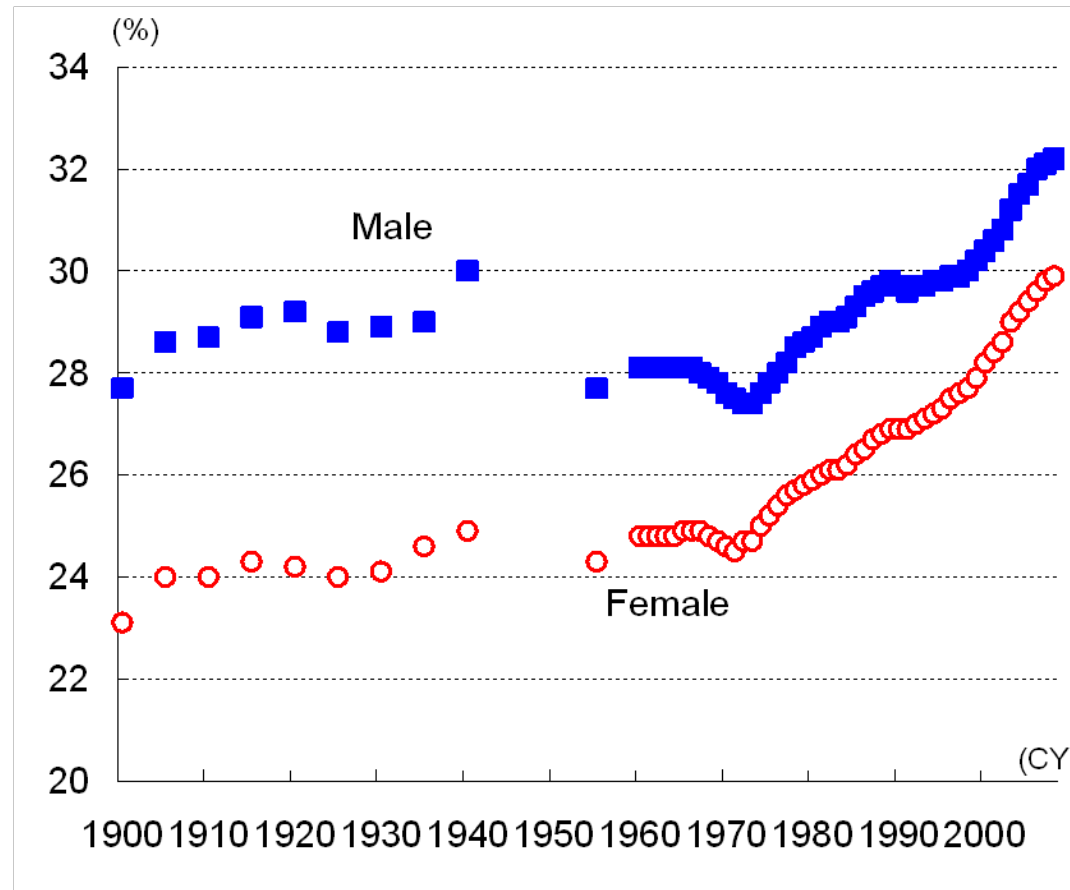
Labor force ratios in Japan: age 15-64



Source: Nomura, based on Ministry of Internal Affairs and Communications "Labor Force Survey"

Trend of later marriage

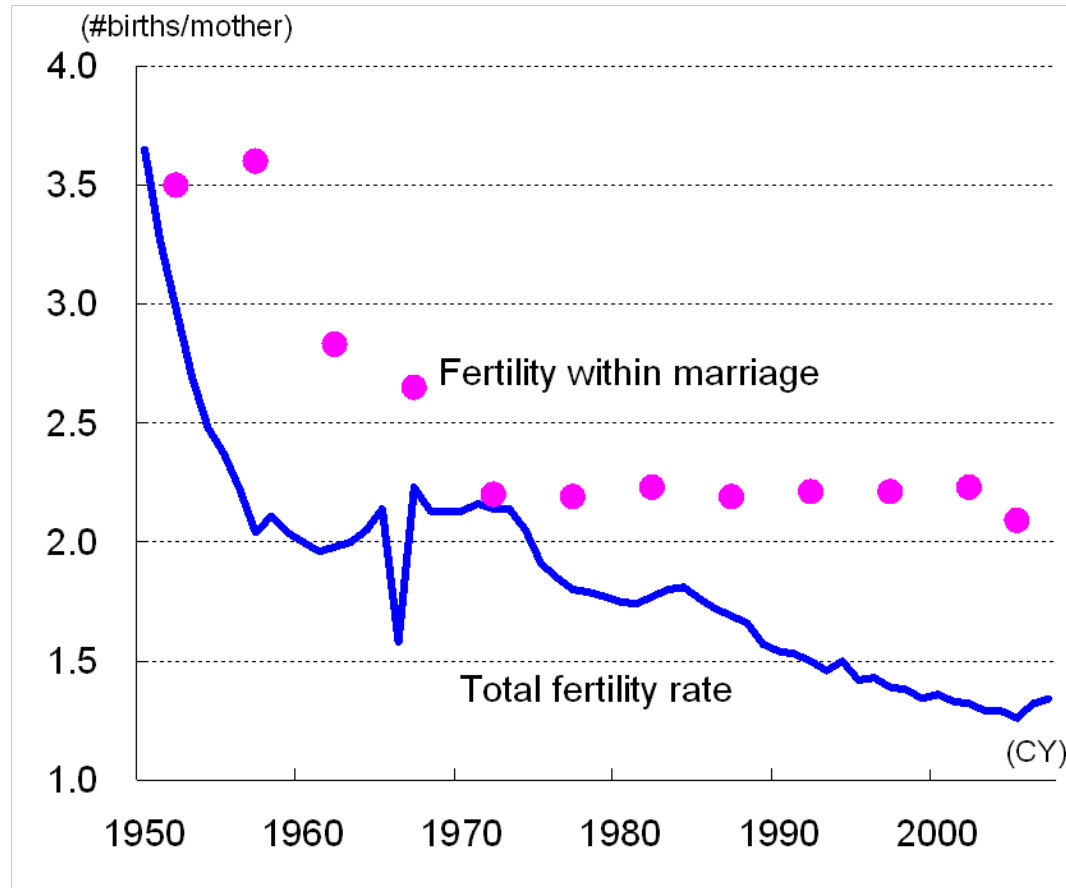
Average age of marriage in Japan



Source: Nomura, based on Ministry of Health, Labor and Welfare

Fertility within marriage is still above two

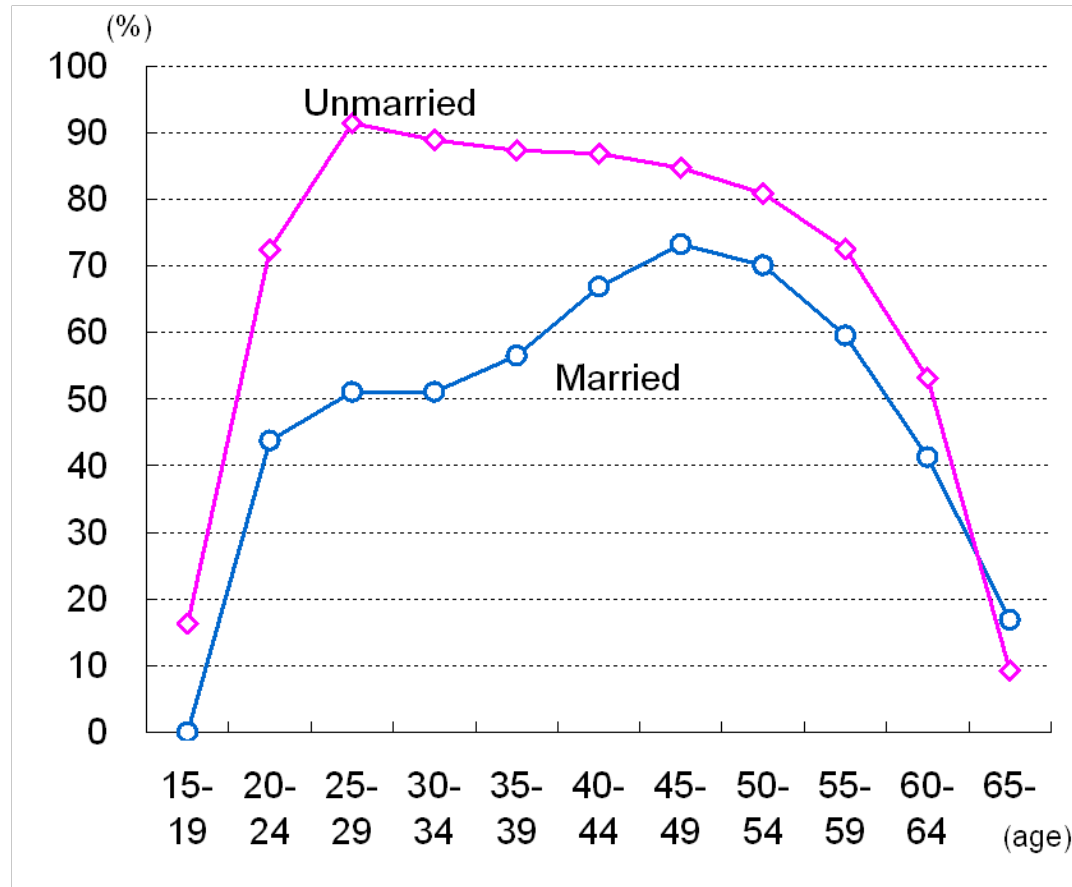
Fertility rates in Japan



Source: Nomura, based on Ministry of Health, Labor and Welfare, and National Institute of Population and Social Security Research

Tradeoff between marriage and work

Female labor force ratios by marital status (2008)



Note: Labor force ratio = #labor force/#population

Source: Nomura, based on the Ministry of Internal Affairs and Communications

Want a job, but not in labor market

Number of females not in labor force but wishing to work: by reason for not seeking a job

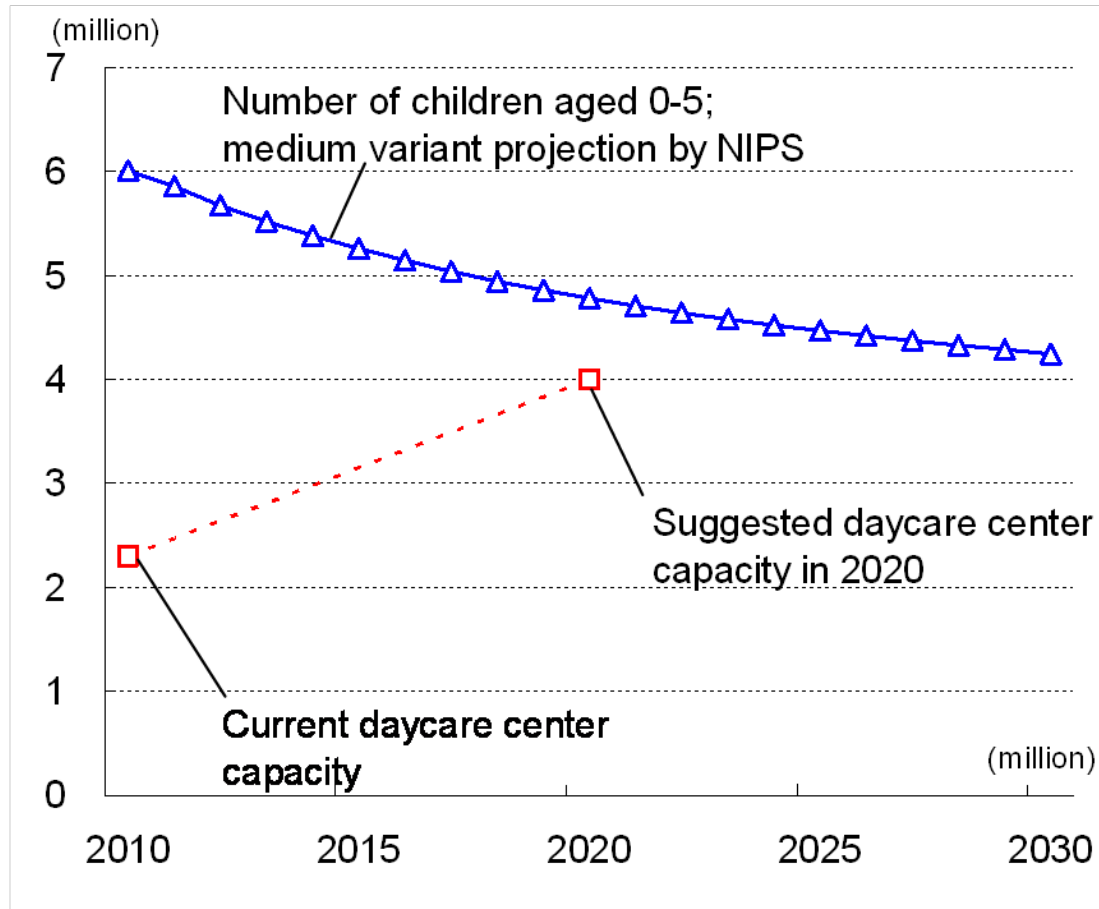
(million people)

	Total	No prospect of finding a job					Cannot keep working due to housekeeping or childcare	Health problem	Others	
		nearby	suitable for own knowledge or skill	with favorable working hours or salary	because of economic or seasonal cycle	Others				
Total	3.16	0.98	0.18	0.11	0.45	0.06	0.17	1.14	0.38	0.57
Age										
15-24	0.57	0.16	0.02	0.02	0.06	0	0.06	0.05	0.03	0.27
25-34	0.84	0.14	0.02	0.02	0.07	0.01	0.02	0.54	0.08	0.07
35-44	0.96	0.3	0.04	0.03	0.19	0.01	0.03	0.47	0.09	0.09
45-54	0.43	0.2	0.04	0.02	0.09	0.02	0.03	0.06	0.09	0.08
55-64	0.36	0.18	0.06	0.02	0.04	0.02	0.03	0.02	0.09	0.06

Source: Nomura, based on Ministry of Internal Affairs and Communications "Labor Force Survey"

We need more daycare centers

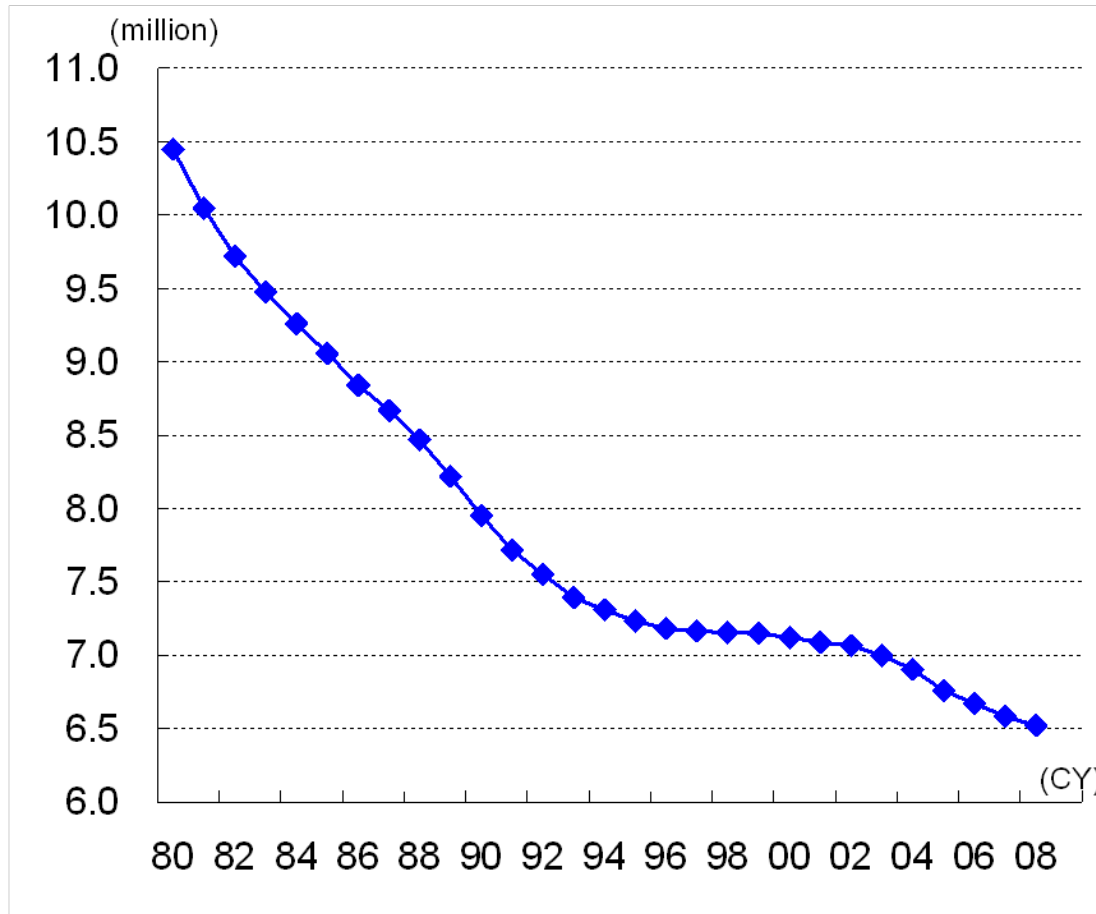
How much more daycare capacity do we need?



Source: Nomura, based on National Institute of Population and Social Security Research, and Ministry of Health, Labour and Welfare

Declining child population

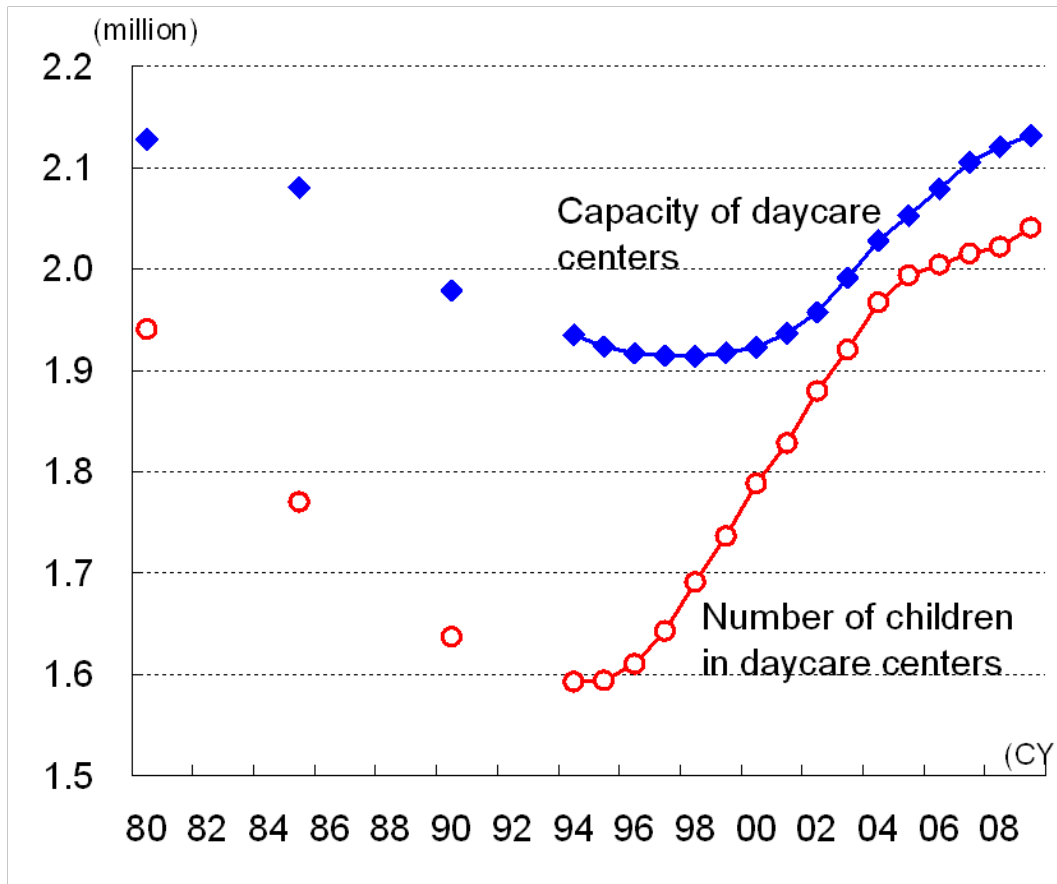
Number of children aged 0-5



Source: Nomura, based on Ministry of Internal Affairs and Communications

A surprise turn in daycare demand

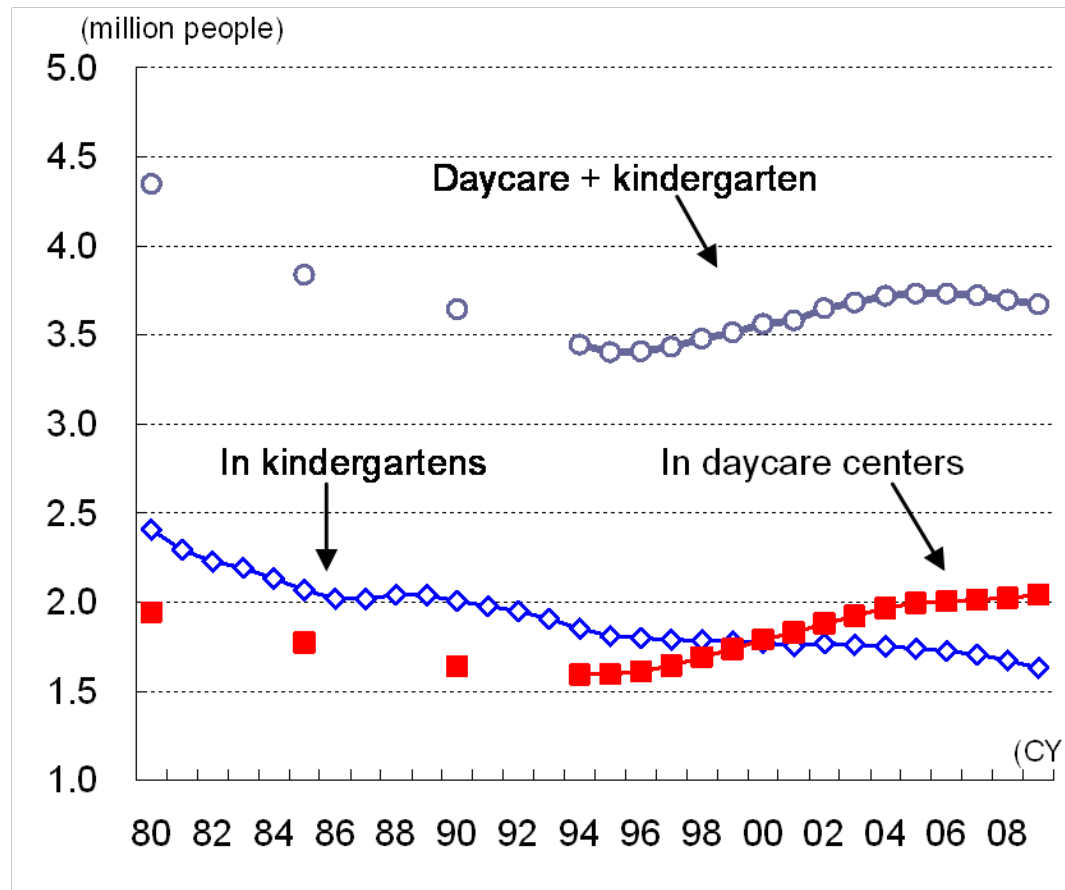
Daycare centers in Japan



Source: Nomura, based on Ministry of Health, Labour and Welfare

Substitution between daycare and kindergarten services?

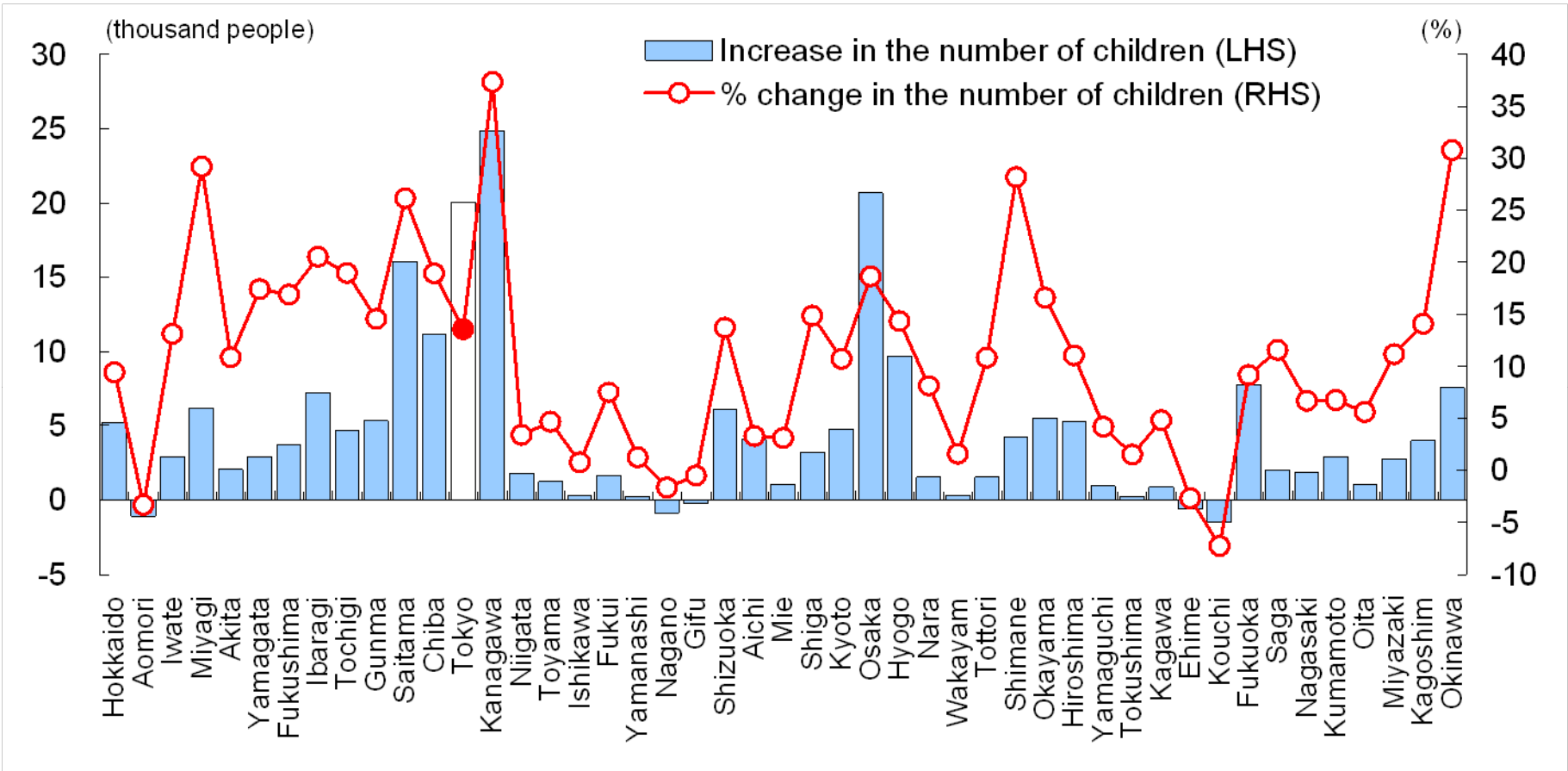
Number of children in kindergartens and daycare centers



Source: Nomura, based on Ministry of Health, Labour and Welfare and Ministry of Education, Culture, Sports, Science and Technology

Daycare demand increase is widespread in Japan

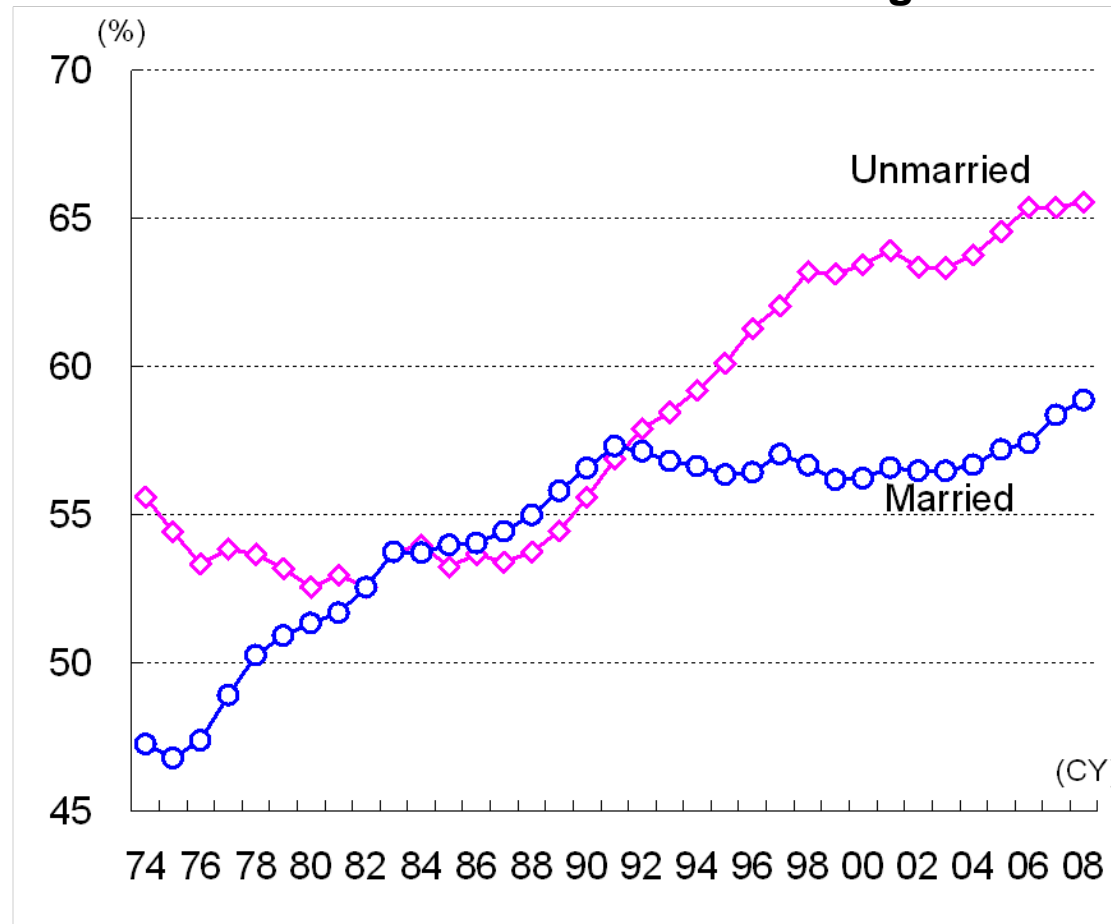
Change in the number of children in daycare centers between 2001-2009



Source: Nomura, based on Ministry of Health, Labour and Welfare

Labor participation of married females started rising again

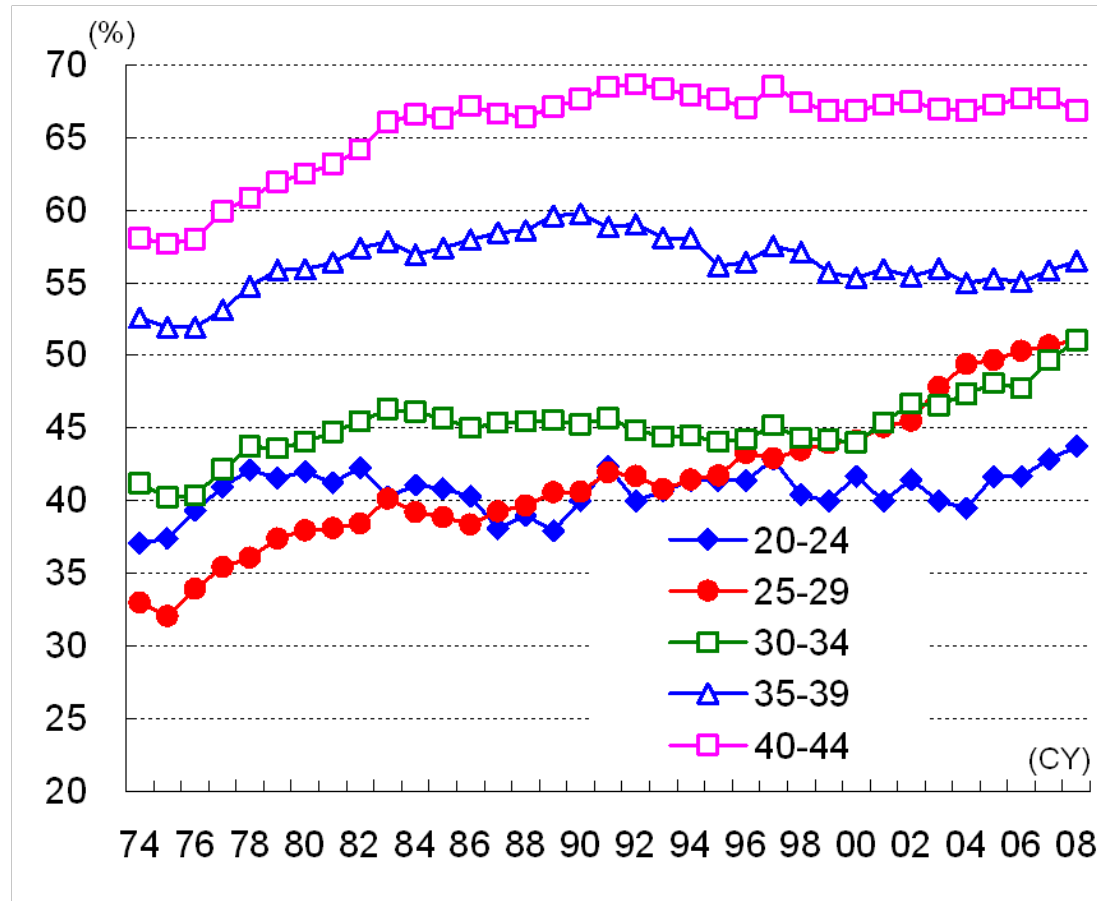
Female labor force ratio for those aged 15-64



Source: Nomura, based on Ministry of Internal Affairs and Communications "Labor Force Survey"

More and more young mothers are working?

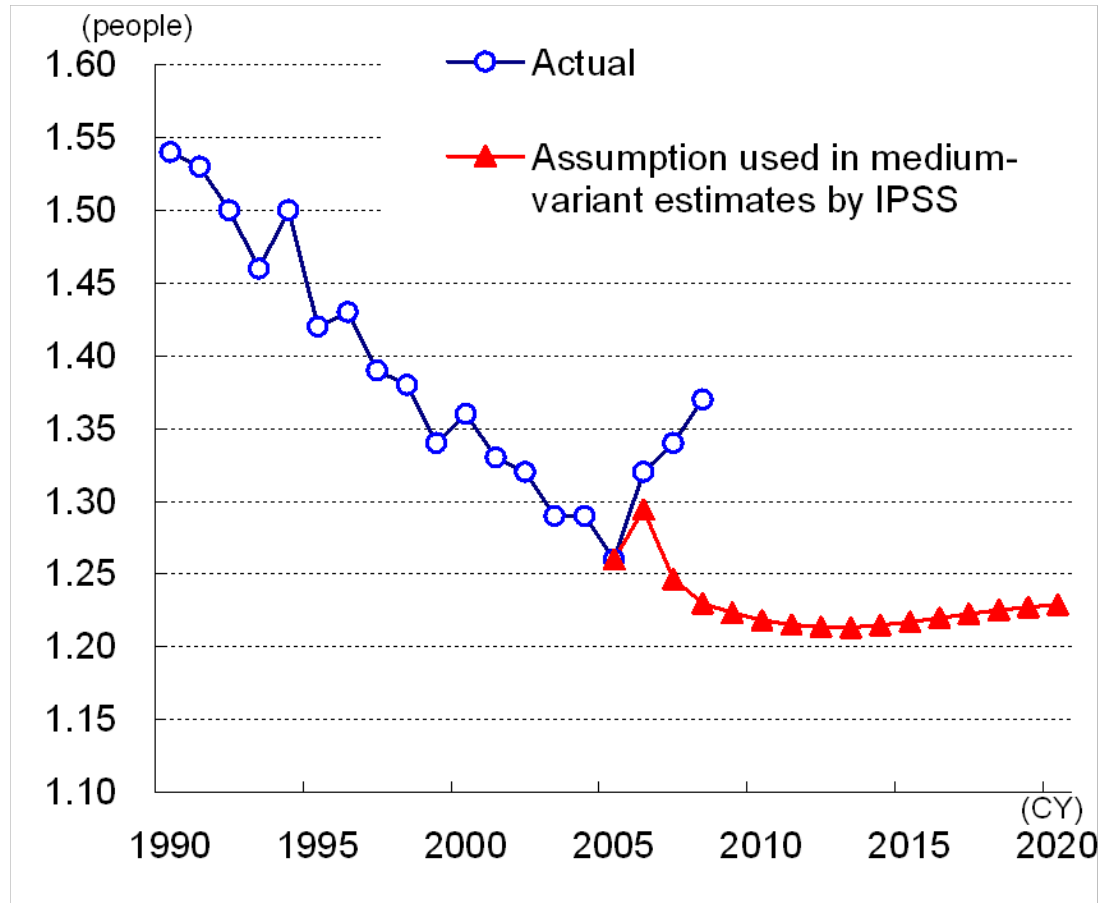
Labor force ratio of married females by age



Source: Nomura, based on Ministry of Internal Affairs and Communications "Labor Force Survey"

Total fertility rate rose for three years in a row

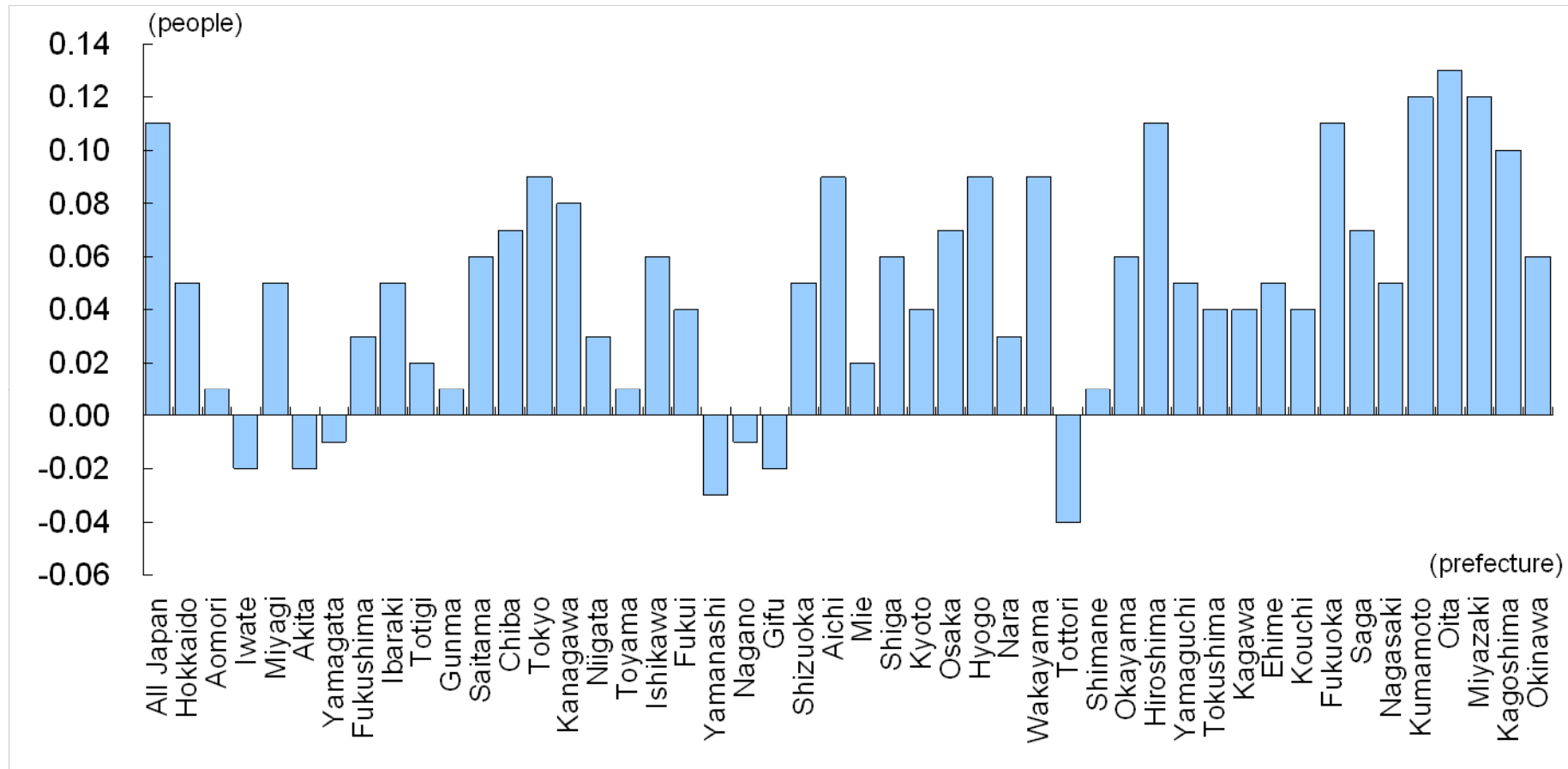
Total fertility rate in Japan



Source: Nomura, based on Ministry of Health, Labour and Welfare, and National Institute of Population and Social Security Research

Widespread increases in total fertility rates

Change in TFR from 2005 to 2008



Source: Nomura, based on Ministry of Health, Labour and Welfare