

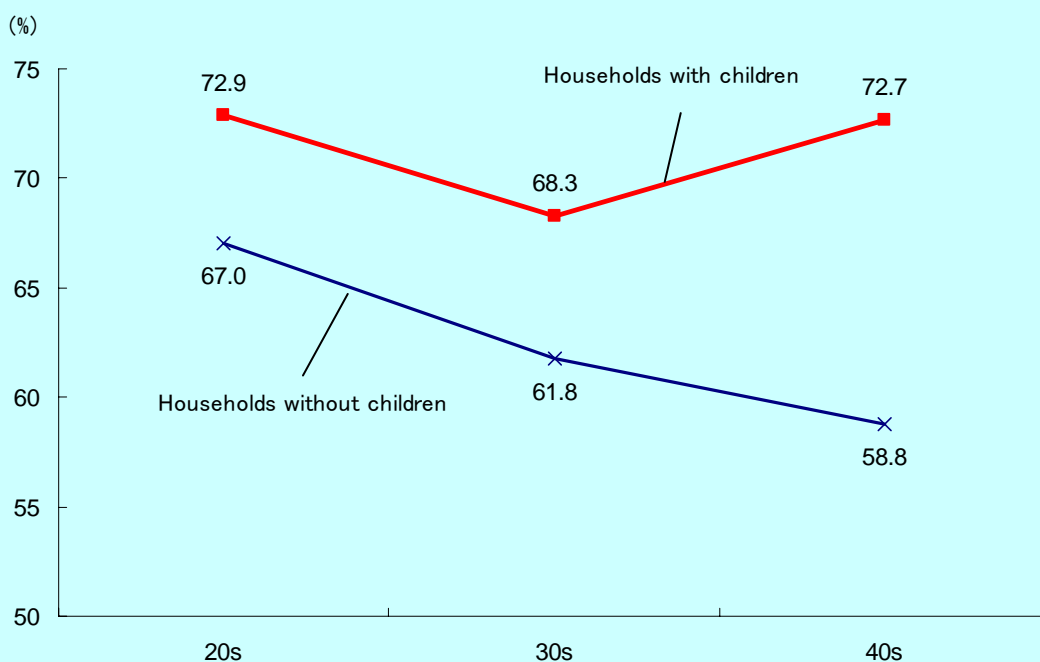
Chapter 3 The cost and time of child rearing

Section 1 The cost of child rearing

- The average propensity to consume of households with children is highest amongst the low-income 20s group and those in their 40s, whose children are in high school or university and whose child rearing expenses are at their peak.

Fig. 3-1-5 Average propensity to consume of households with children increases amongst those in their 20s and 40s

Average propensity to consume of households with and without children by age group of the household head(2003)

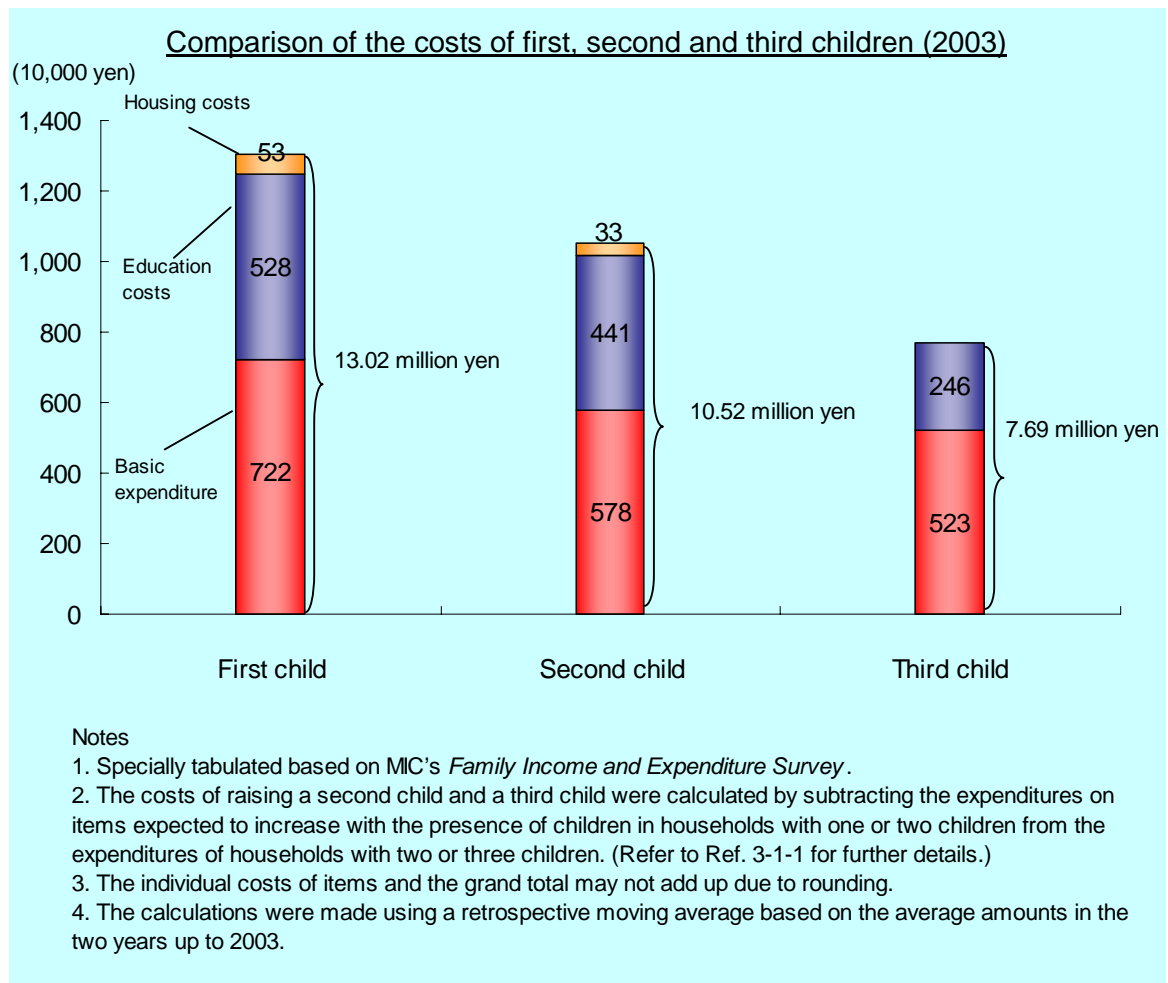


Notes

1. Specially tabulated based on MIC's Family Income and Expenditure Survey.
2. Households with children are defined as working households composed of a couple and children aged 21 or less, in which the household head is a male in his 20s, 30s or 40s.
3. Households without children are defined as working households composed of a couple only, in which the household head is a male in his 20s, 30s or 40s, and which do not remit an allowance to any third party.
4. The figures are monthly average values.

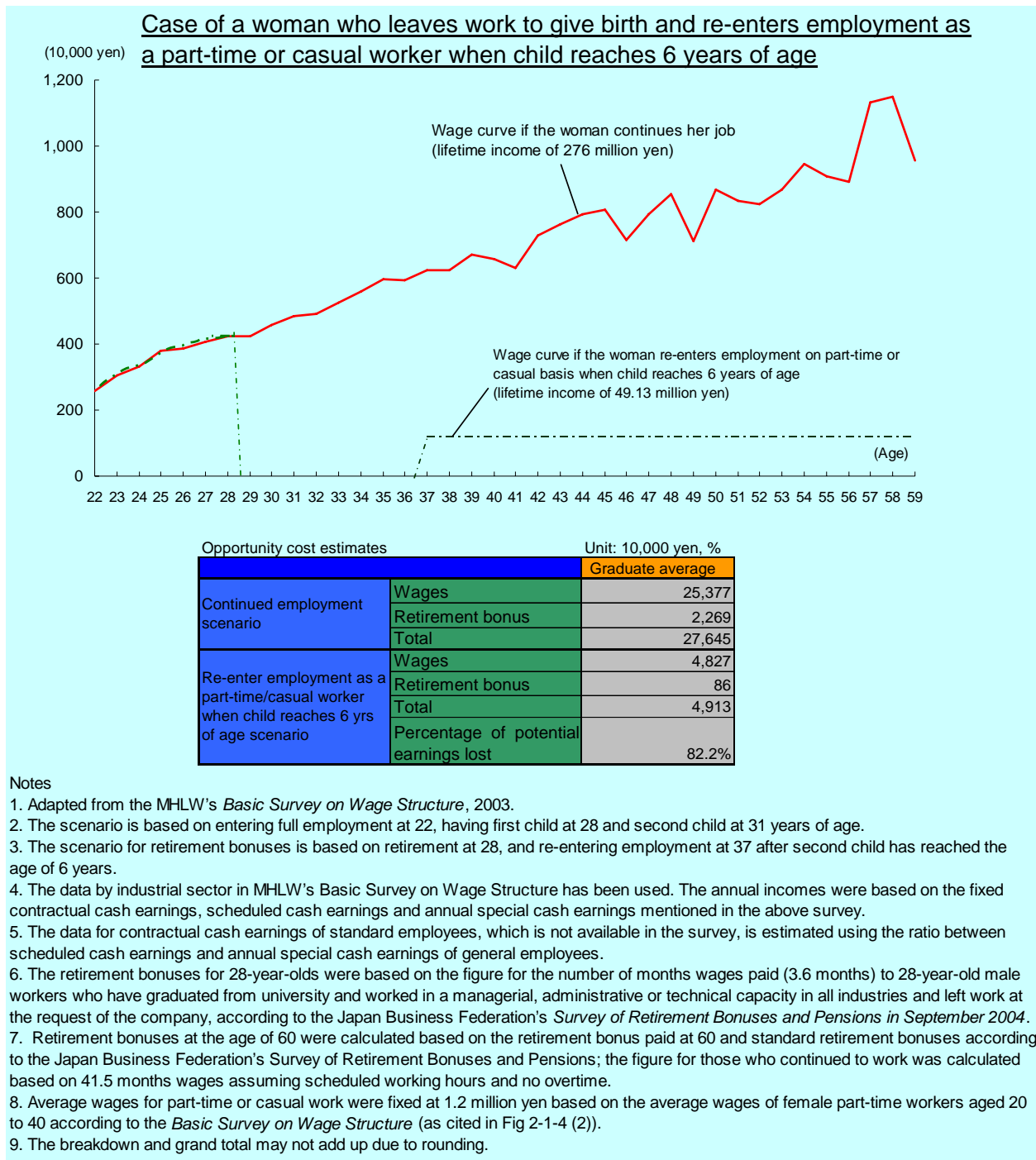
- The cost of bringing up a child is just over ¥13 million (based on a period of 22 years).
- The additional costs of a second child decrease to slightly less than 80% of those of the first child. The additional costs of a third child decrease to slightly less than 60% of the costs of the first child.

Fig. 3-1-14 The costs of rearing a second and third child decrease



- Women lose a large amount of their potential income as a consequence of leaving work to give birth and raise children. If a female university graduate returns to employment as a part-time or casual worker, her lost earnings rate will be over 80% of her potential lifetime wages.

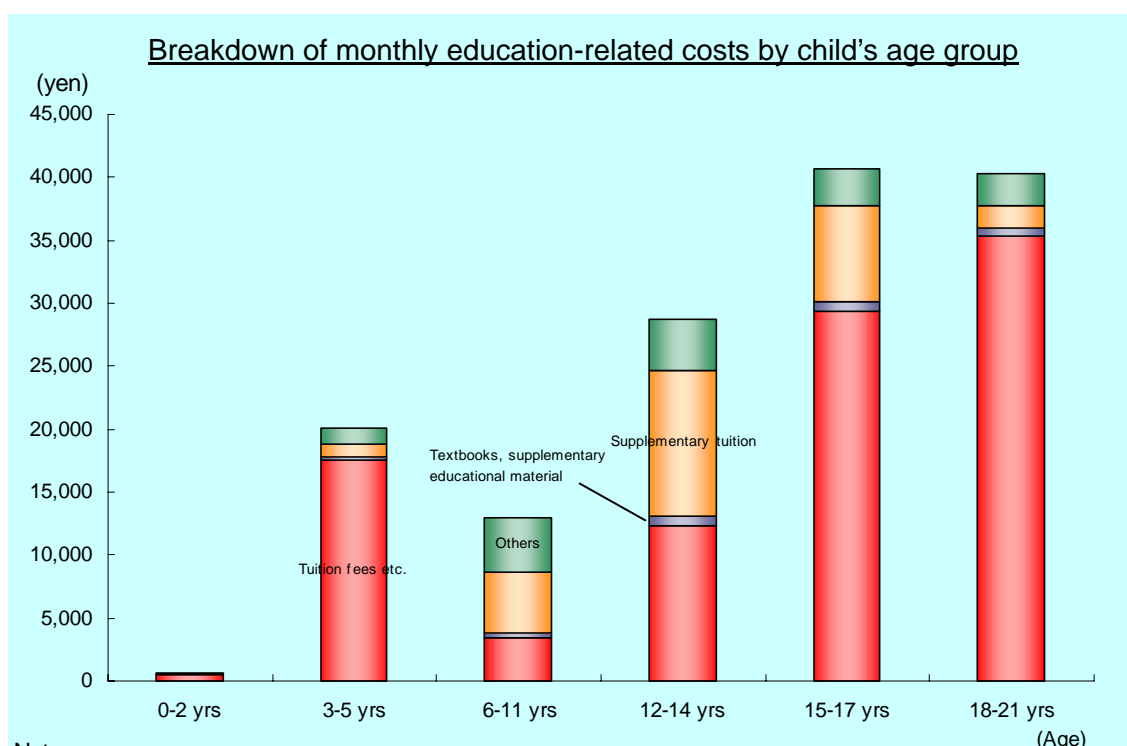
Fig. 3-1-24 The opportunity cost of a former full-time worker re-entering employment as a part-time or casual worker is large



Section 2 The cost of education

- Education, as well as food, account for a large share of the costs of raising children, and place a considerable burden on households with children.
- Expenses related to education are rising at a faster rate than incomes; kindergarten, high school and university tuition and the costs of supplementary education are inflating the overall expense.

Fig. 3-2-4 Tuition fees account for the bulk of education costs



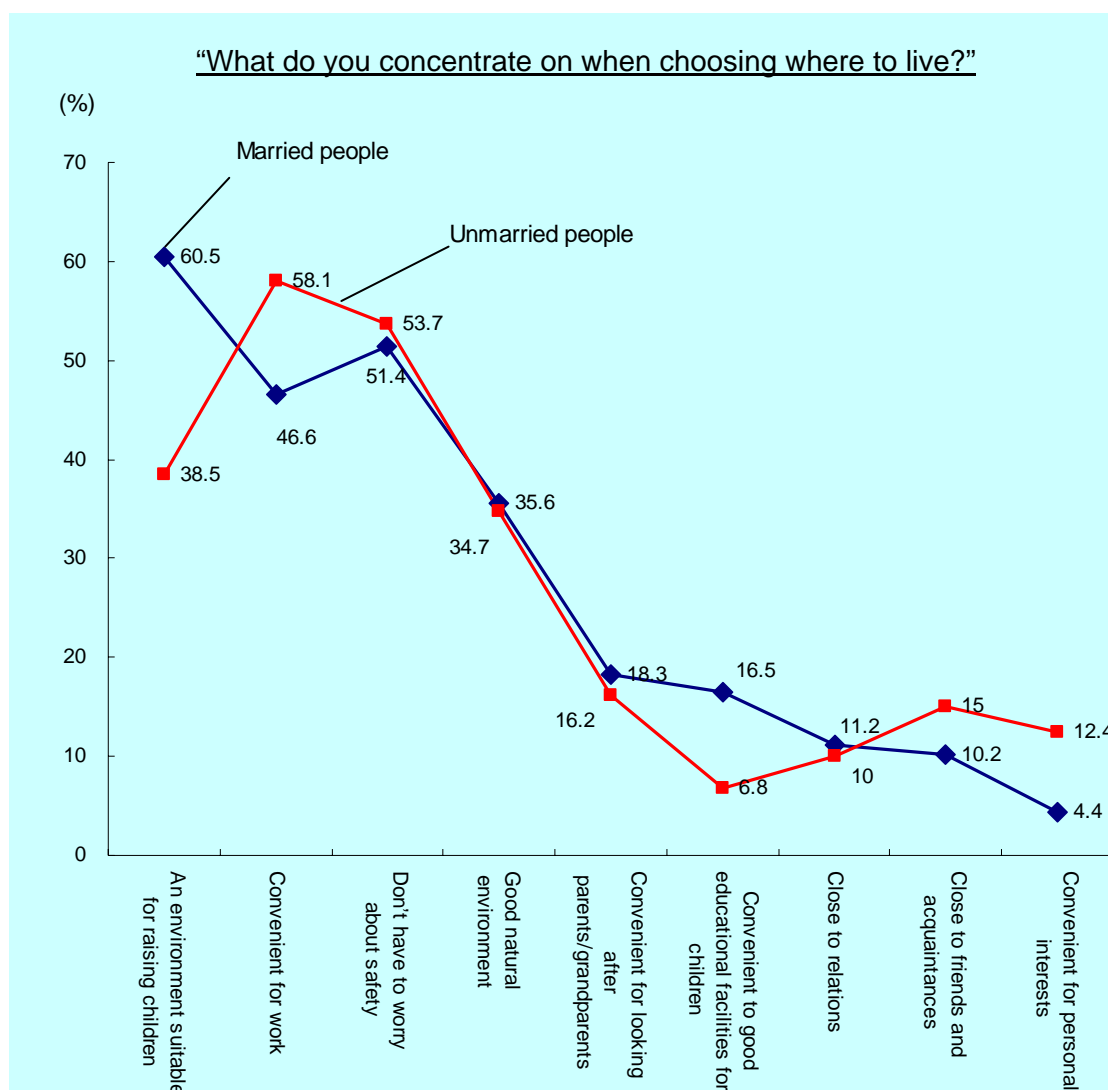
Notes

1. Specially tabulated based on MIC's *Family Income and Expenditure Survey*, 2001-2003.
2. The chart shows the composition of education costs by age group of child in working households consisting of a couple and an unmarried child, in which the head of the household is a male, not remitting allowances to any third party.
3. In addition to tuition fees, textbooks, supplementary educational material and supplementary tuition (education costs) education-related costs include: school meals, school uniforms (girls' and boys'), season tickets, bus passes, writing/studying desks, chairs, satchels, stationery excluding certain paper products and certain other stationery, and school trip costs.
4. 'Others' are education-related costs minus education costs.

Section 3 The cost of a good environment for raising children

- People place an emphasis on safety and a child-friendly environment when choosing where to live.

Fig. 3-1-13 An emphasis is placed on child-friendly environment, convenience and safety

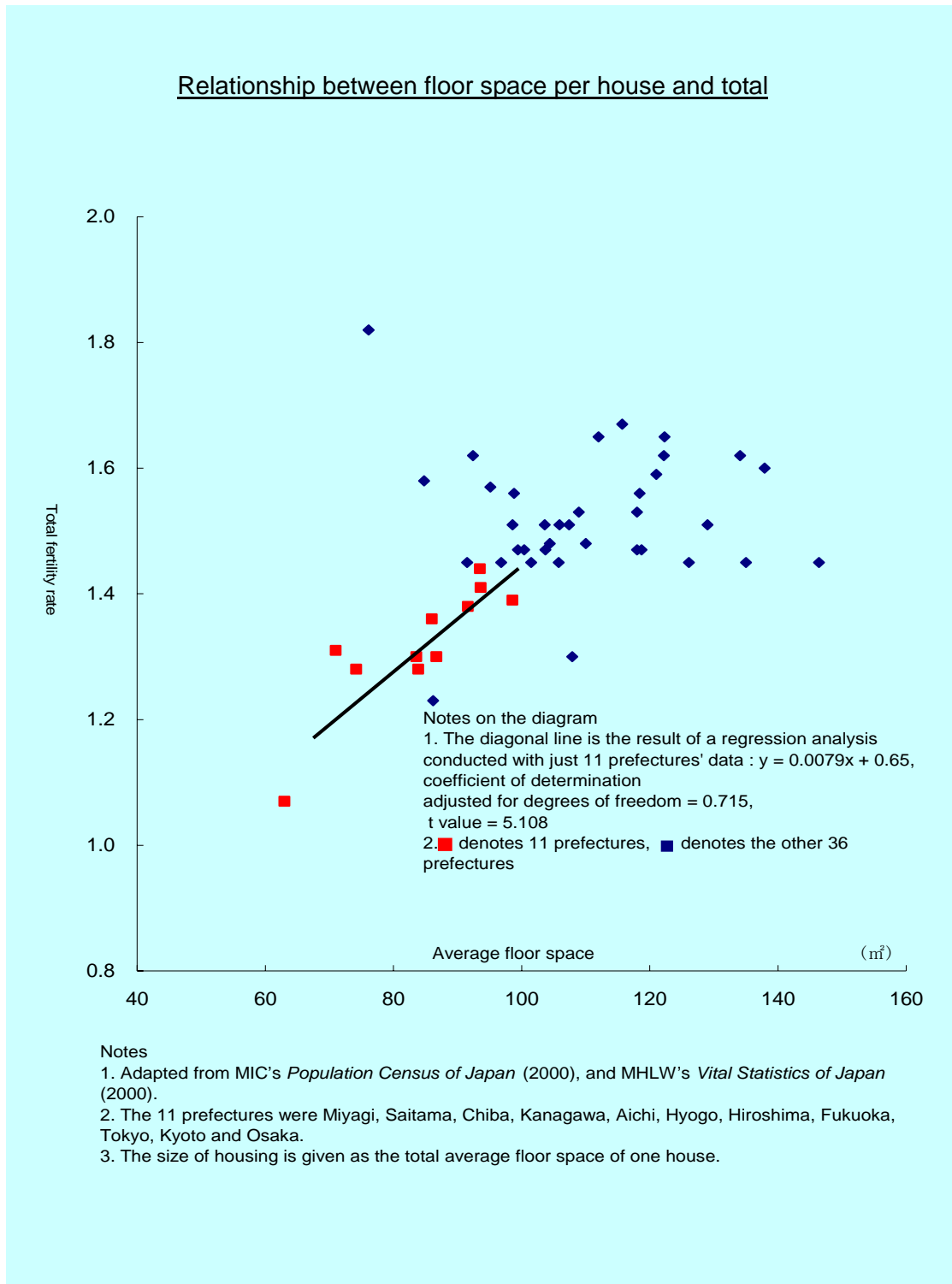


Notes

1. Adapted from the Cabinet Office's *National Survey on Lifestyle Preferences* (2005).
2. The graph shows the responses of people who were asked on what they place the emphasis when choosing where to live (up to 3 responses were allowed). The response 'Other(s)' has been omitted.
3. Respondents were 1,588 married and unmarried men and women aged between 20 and 49 from across Japan; divorcees and widows or widowers were not included.

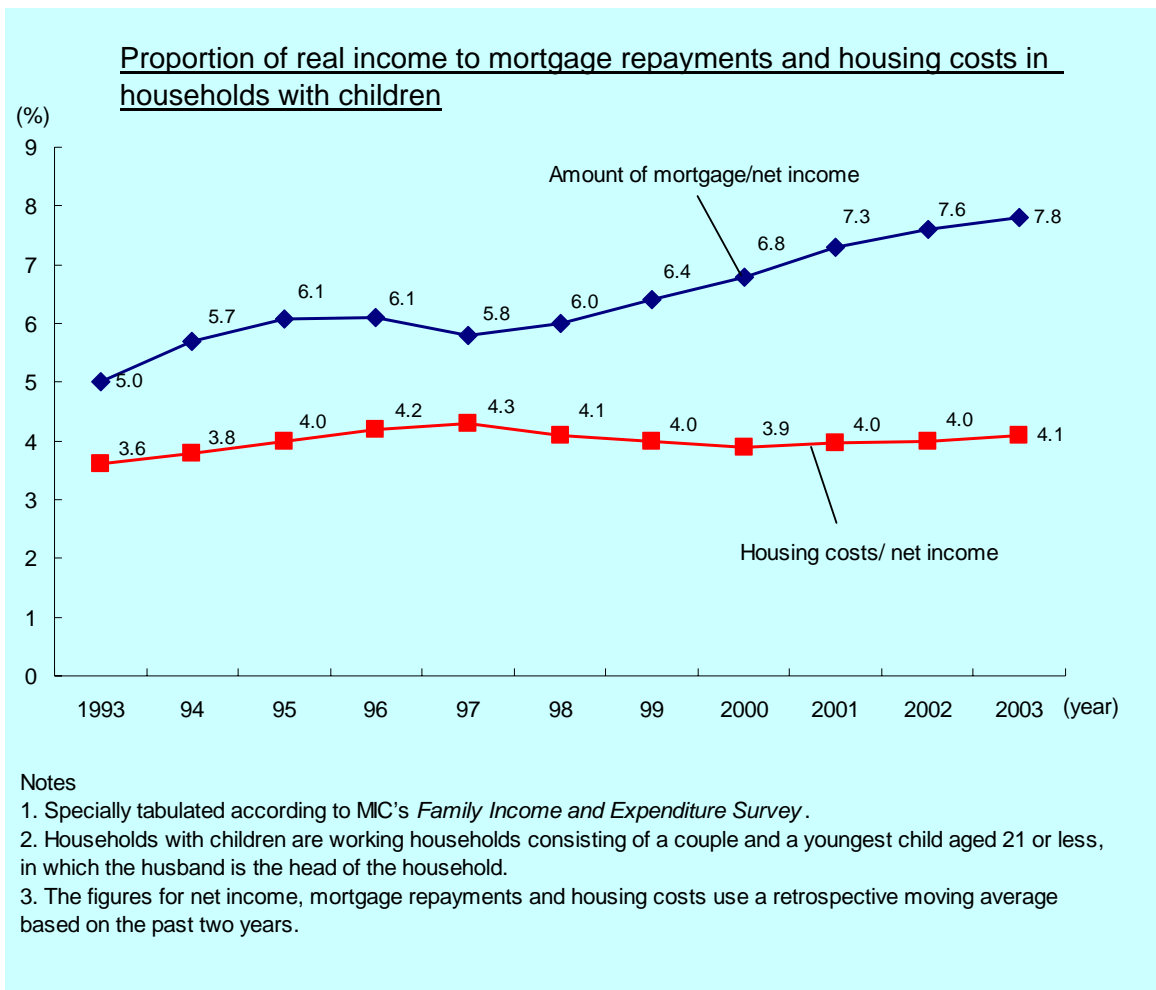
- The fertility rate is low in the cities and prefectures in large metropolitan areas, where housing is cramped.

Fig. 3-3-4 The fertility rate is low in areas with cramped living conditions



- The house ownership rate is high amongst households with children; the growth of mortgage repayments is outstripping that of incomes.

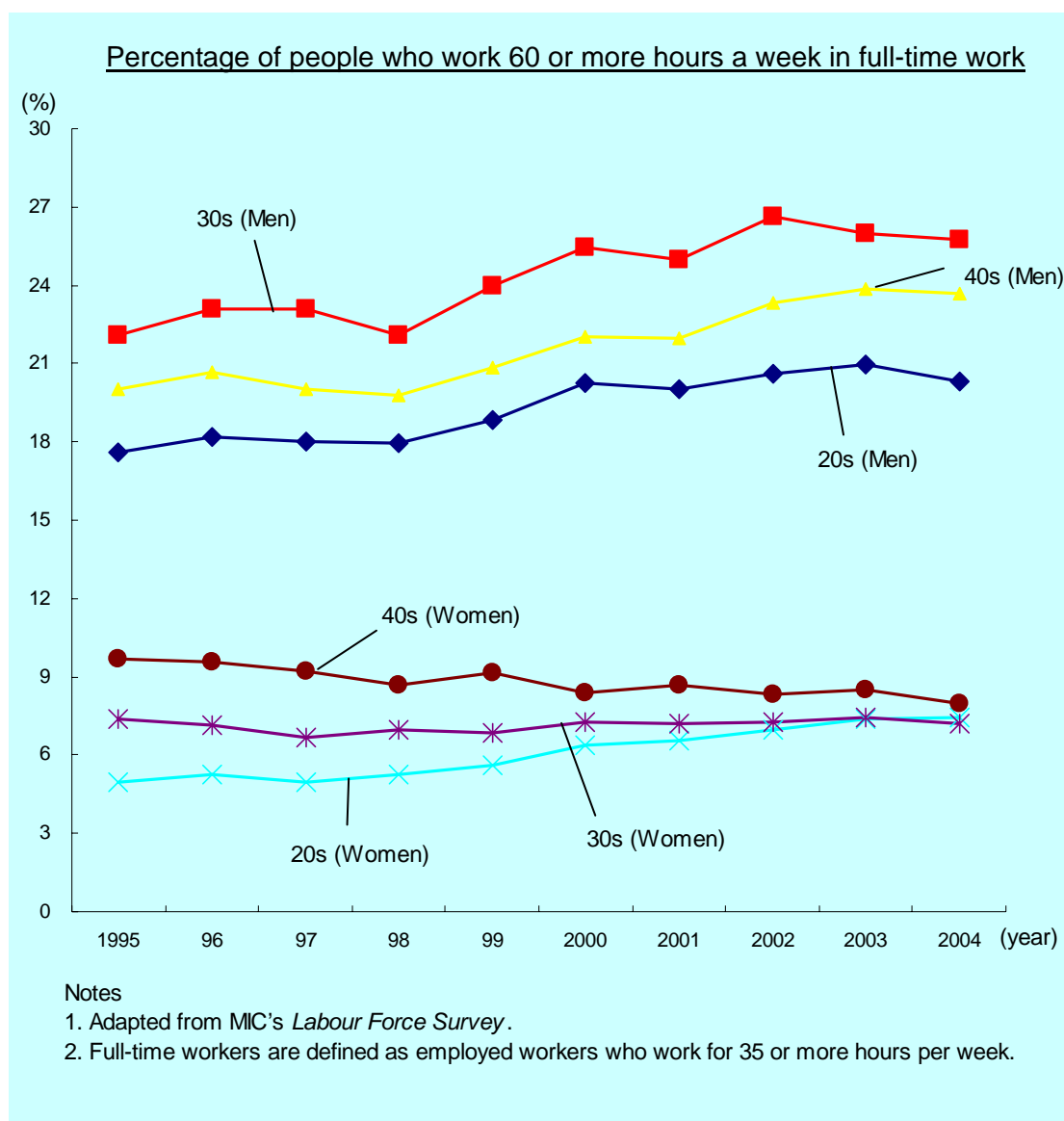
Fig. 3-3-11 The growth rate of mortgage repayments is outstripping that of net income



Section 4 The time spent on raising children

- People are anxious to make the most of their leisure time, and the amount of free time is also increasing in households with children.
- But there is an increase in the number of couples who are starved of free time, despite having good incomes like those who are both in full time employment.

Fig. 3-4-10 Many men in their 30s work 60 or more hours a week, and this trend is increasing



- It appears that the fact that the time required in child rearing precludes time-consuming activities – such as sport, travel and cinema-going – may be a factor in deciding not to have children.

Fig. 3-4-14 Households with children spend less than childless households on cultural and leisure activities until children reach the age of six

