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**Overview of the Japanese Longitudinal Survey on
Employment and Fertility (LOSEF; the Internet Version):
Generational Differences in Employment, Wages, and
Lifestyle in Japan**

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Outline

- ▶ Part 1. Overview of the Japanese Longitudinal Survey on Employment and Fertility (LOSEF; the Internet Version)
- ▶ Part 2. Generational Differences in Employment, Wages, and Lifestyle in Japan
 - ▶ Characteristics of Respondents
 - ▶ Generational Differences in Employment, Wages, and Lifestyle
 - ▶ Differences between people who experienced job displacement and those who did not

What is LOSEF Internet Version

▶ Main contents

- ▶ Creation of a panel dataset from transcriptions of administrative data contained in Social Security Statements
- ▶ A retrospective panel survey based on the items contained therein
- ▶ A survey with many other questions related to current living and working circumstances

▶ Scope

- ▶ 2011 survey: People born 1951–1981
- ▶ 2012 survey: People born 1941–1956
- ▶ 2013 survey: People born 1978–1993
- ▶ 2013 special survey: People who experienced job displacement

Survey Items (Part 1)

- ▶ Pension records
 - ▶ Covered months of pension membership to date
 - ▶ The estimated amount of old-age pension benefits
 - ▶ Contributions paid to date
 - ▶ Status of contribution payment for the National Pension plan
- ▶ Job history
 - ▶ Standard monthly pensionable remunerations and bonuses for Employees' Pension Insurance on a monthly basis
 - ▶ Entry and leaving dates at each company
 - ▶ Company size, Industry, Type of work, Employment status, Length of contract, Job training before entering employment, Whether work engagement was limited within some specific region, Whether overtime work was limited, Part-time or full-time job, Whether the type of work was limited (*)
 - ▶ Reason for leaving employment (*)

(*) These items are not on the administrative record. (based on respondents' memory)

A Pension Record Sample Provided by the Pension Net Online System

xx-xx-xx, Nakamchi, Musashino, Tokyo 181-xxxx Ms. Xxxxx Xxxxx	Date last modified	September 10, 2010 (updated every month)
	Sex: Female	Date of birth: April 20, 1950
	Pension ID number	0045-135784

Pension record for Employees' Pension Insurance

Month and year of entry and leaving date of the company	Name of company	Month and year of pensionable remuneration modified or bonus received	Employees' pension funds	Amount of pensionable remuneration or bonus (JPY)
From Apr. 1962 To Dec. 1977	ABC company	Apr. 1962	Participated	245,000
		Oct. 1962	Participated	255,000
		Oct. 1963	Participated	267,000
		Oct. 1964	Participated	272,000
	
		Oct. 1976	Participated	312,000
		Dec. 1977	—	
From Apr. 2003 To Apr. 2006	DEF company	Apr. 2003	Not participated	240,000
		Jun. 2003	—	Bonus: 580,000
		Sep. 2003	Not participated	255,000
		Dec. 2003	—	Bonus: 530,000
	
		Sep. 2005	Not participated	280,000
		Apr. 2006	—	

Survey Items (Part 2)

- ▶ Retrospective panel data section based on transcript information
 - ▶ Employment status
 - ▶ Marital status
 - ▶ Employment status of his/her spouse
 - ▶ Number of children
 - ▶ Whether residing with parents
 - ▶ Area of residence

Survey Items (Part 3)

- ▶ Questions regarding current living and working circumstances
 - ▶ Respondent's sex, date of birth, marital status, number of children, final level of educational attainment, current employment status, yearly personal income
 - ▶ Items such as number of household members, relationship to head of household, yearly household income, monetary asset holdings
 - ▶ Spouse's age, final level of educational attainment, current employment status, yearly personal income
 - ▶ Items related to subjective well-being, future plans to work, upbringing, parents, and old age
 - ▶ Living circumstances of respondents at the age of 15

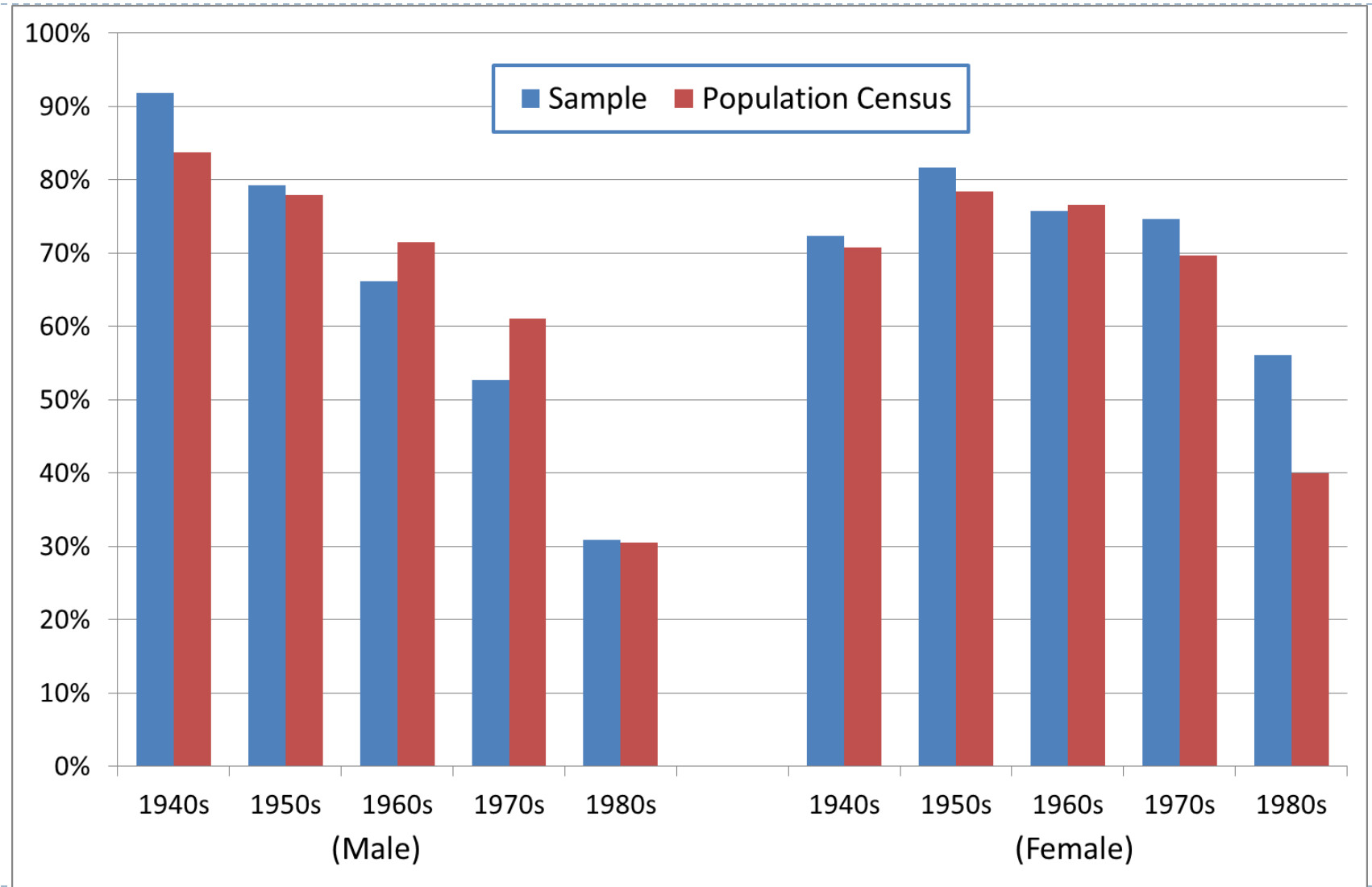
Number of Respondents

Fiscal year of birth	Cumulative total number of respondents			The 2013 special survey for those who experienced job displacement		
	Total	Male	Female	Total	Male	Female
Total	10,939	5,429	5,510	1,436	942	494
1941–49	911	709	202	172	158	14
1950–59	3,221	1,889	1,332	373	304	69
1960–69	1,595	841	754	453	293	160
1970–79	2,645	1,254	1,391	330	154	176
1980–89	2,400	683	1,717	108	33	75
1990–92	167	53	114	0	0	0

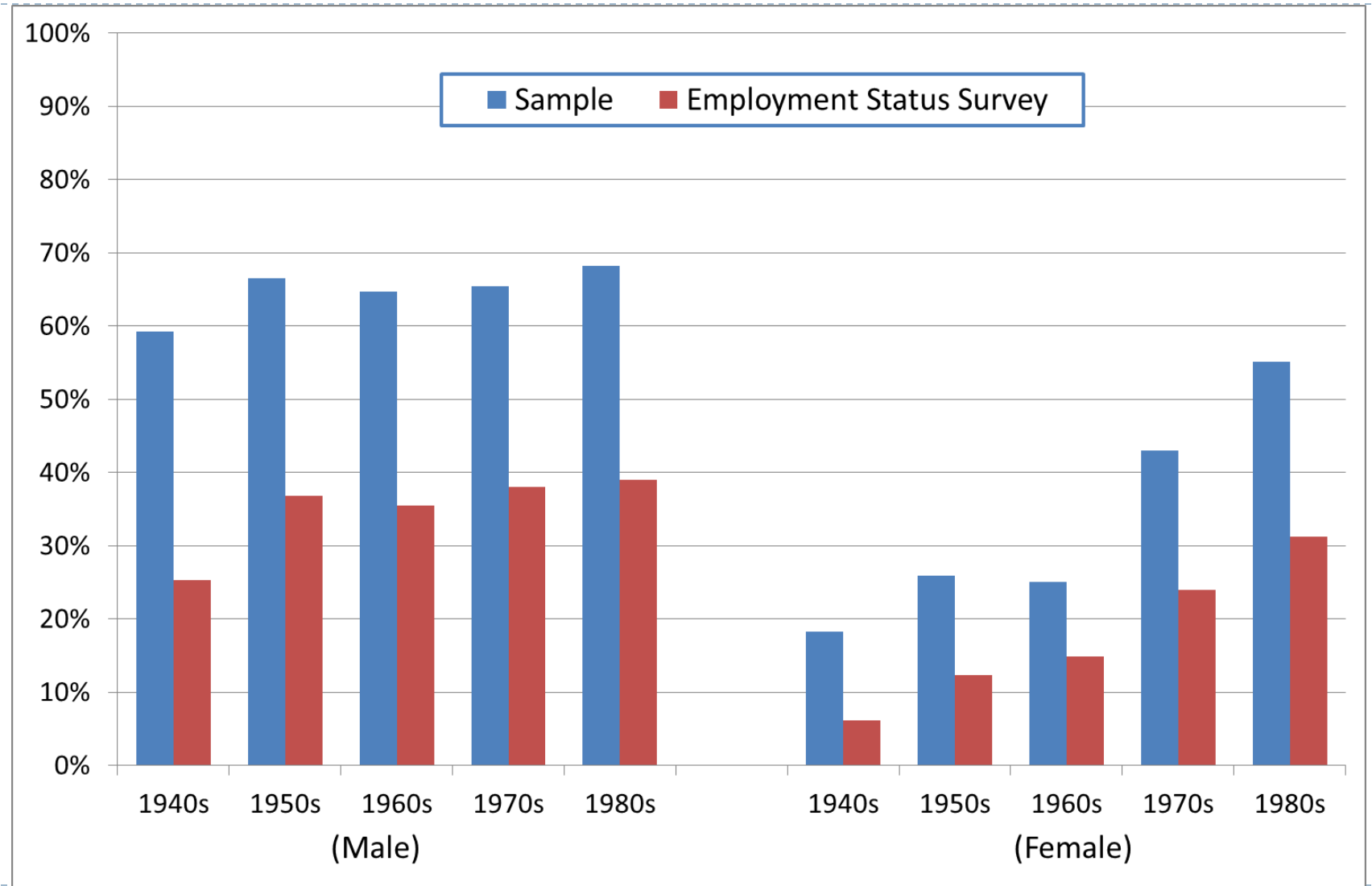
Characteristics of Respondents

- ▶ Characteristics (Takayama et al., 2012, 2013, 2014)
 - ▶ Higher educational attainment
 - ▶ Stronger Interest in the public pension scheme
 - ▶ Less busy
- ▶ Comparison (cumulative sample vs. official statistics)
 - ▶ Marital status
 - ▶ Educational attainment
 - ▶ Current employment status
- ▶ The sample is skewed toward respondents with higher educational attainment, but it is not similarly skewed concerning marital and current employment status.

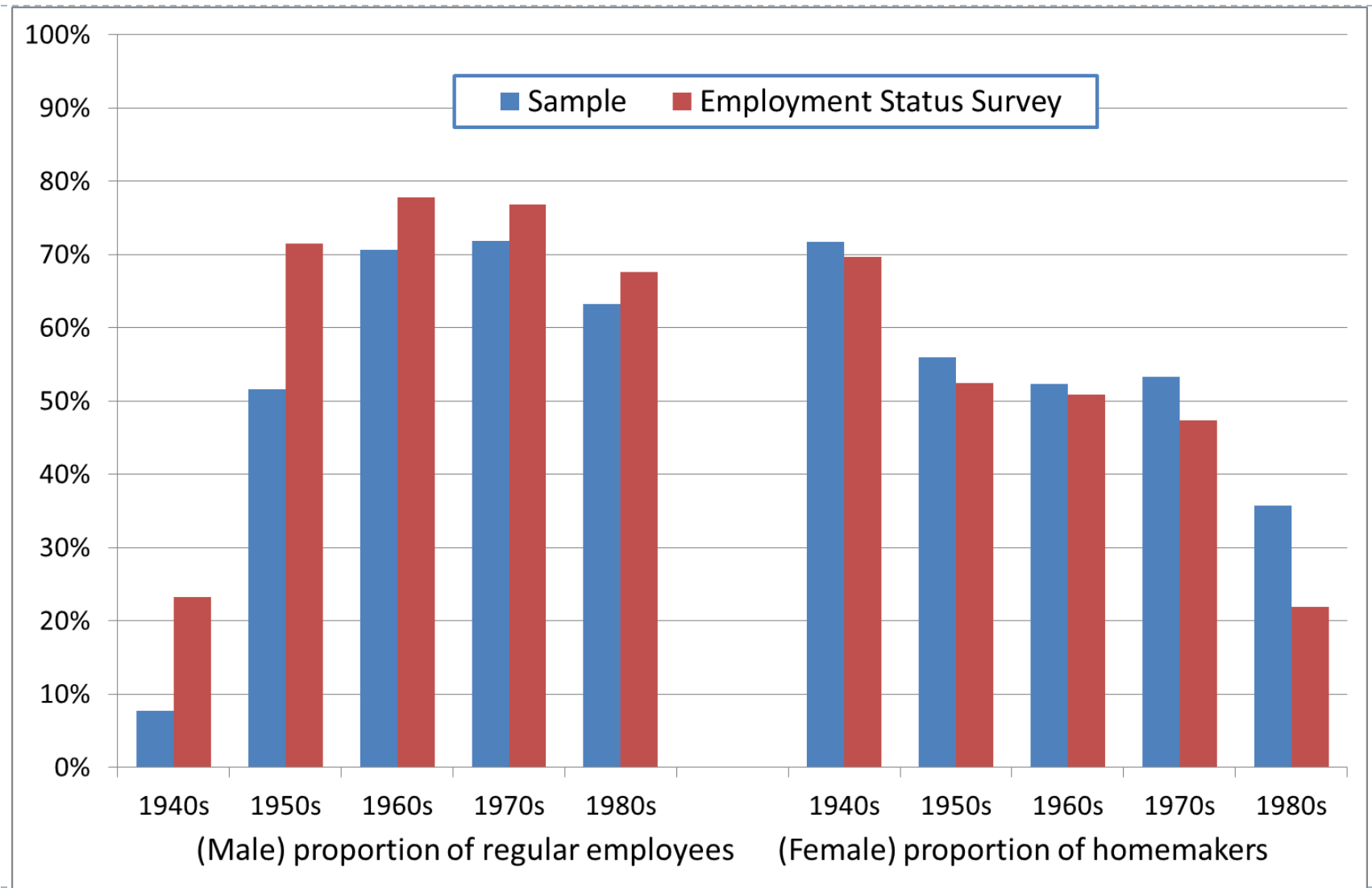
Proportion of Married People



Proportion of University Graduates



Proportion of Regular Employees (Male) or Homemakers (Female)

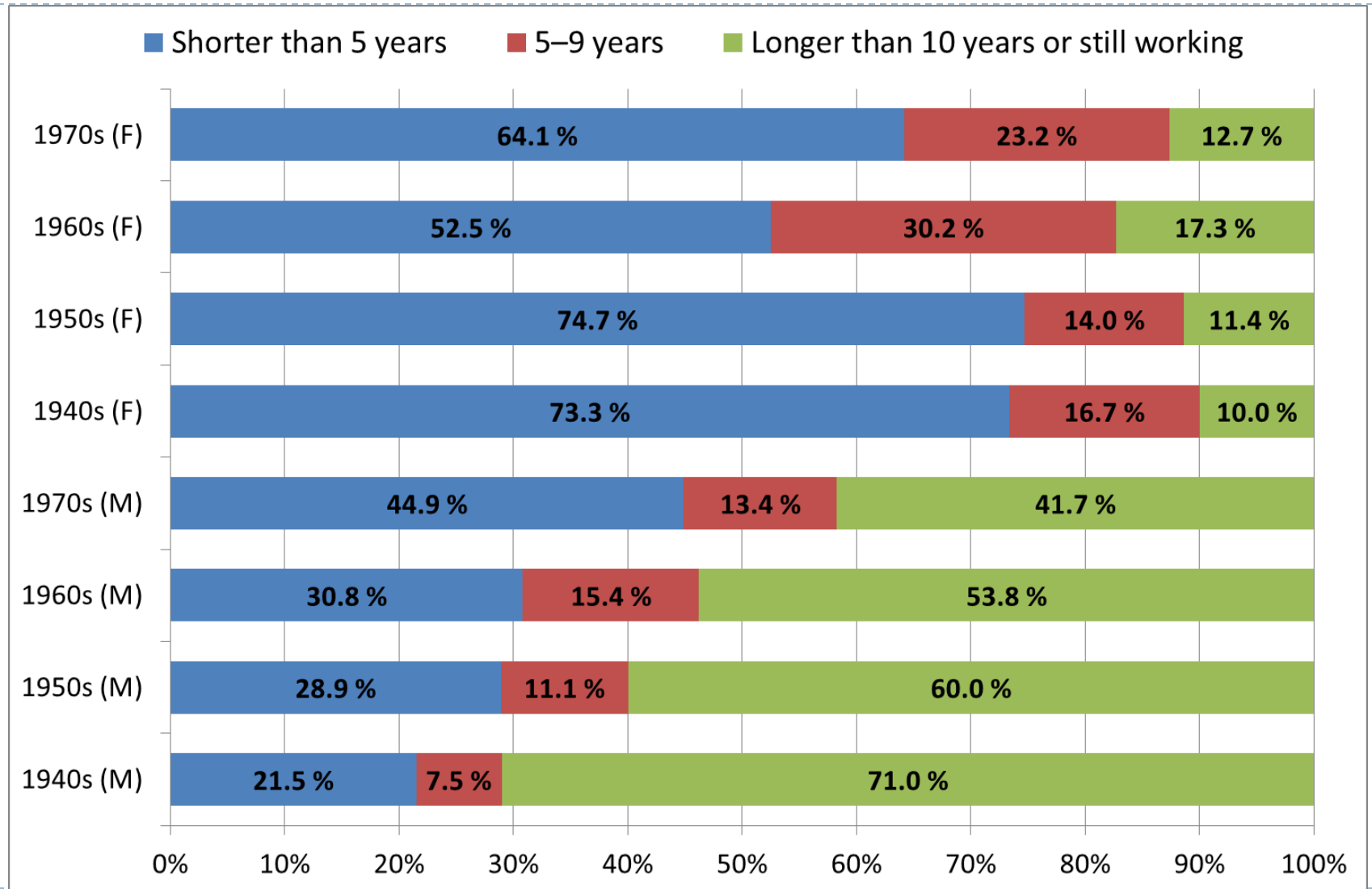


Some Descriptive Statistics

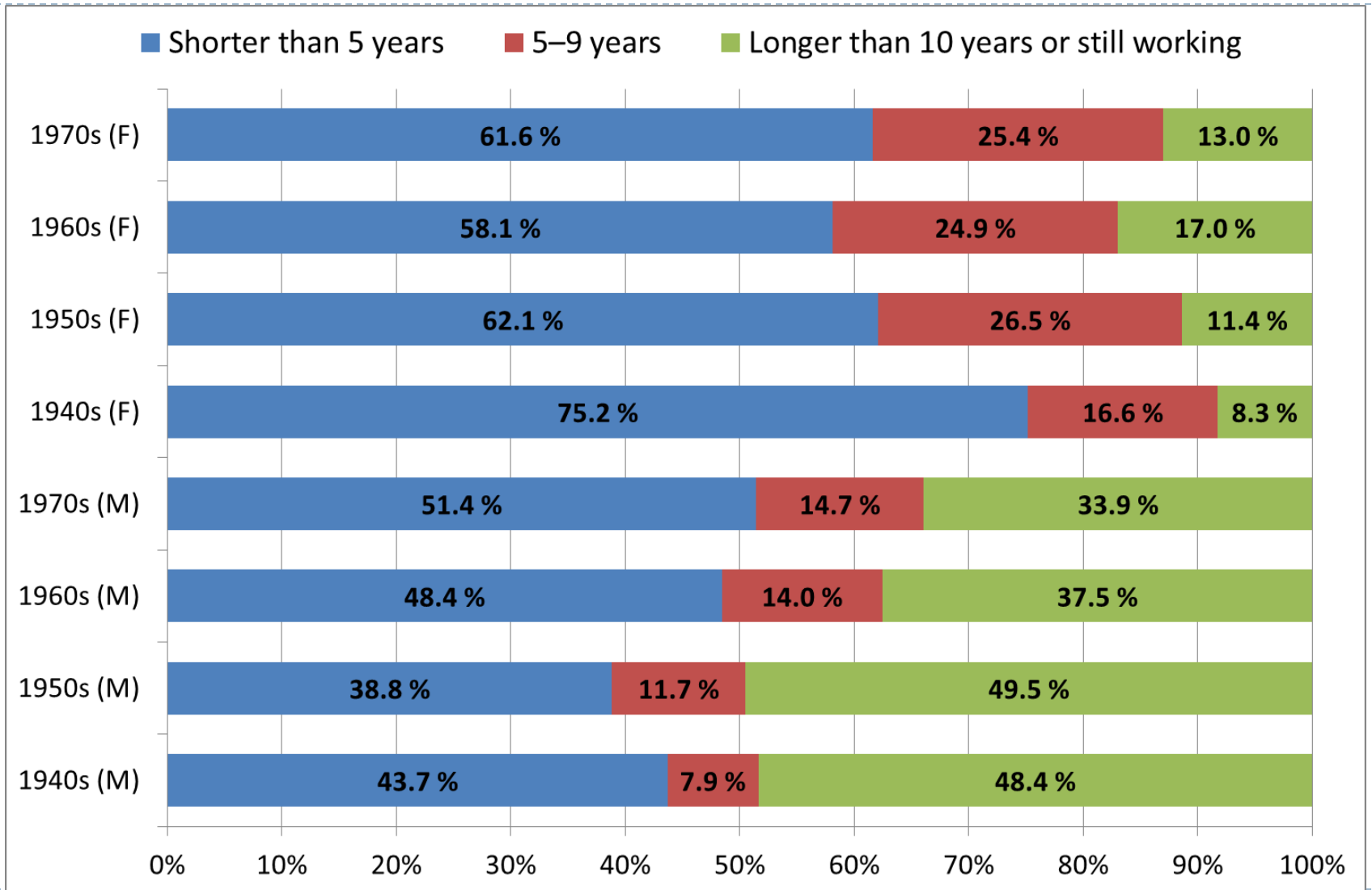
- ▶ Generational Differences in Employment, Wages, and Lifestyle
 - ▶ Years of service for the first job
 - ▶ Reasons for separation from the first job
 - ▶ Wage profile (pensionable remunerations revaluated to 2014)
 - ▶ Wage disparities (Gini coefficients)
- ▶ Differences between people who experienced job displacement (*) and those who did not
 - ▶ Proportion of married people
 - ▶ Proportion of university graduates
 - ▶ Wage profile (pensionable remunerations revaluated to 2014)

(*) Job displacement includes bankruptcy, layoff, voluntary redundancy, or

Years of Service for the First Job by Sex and Generation (University Graduate)

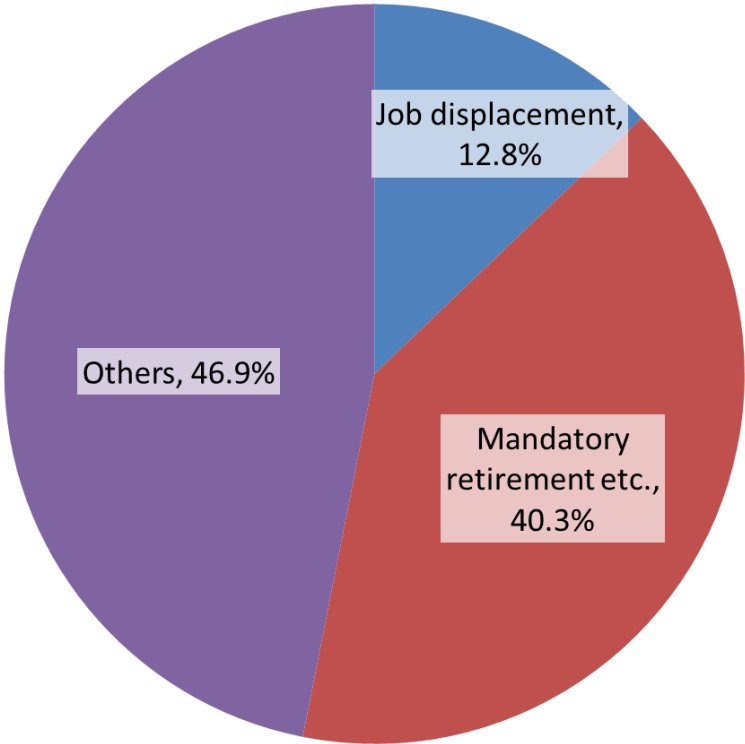


Years of Service for the First Job by Sex and Generation (Under graduate)

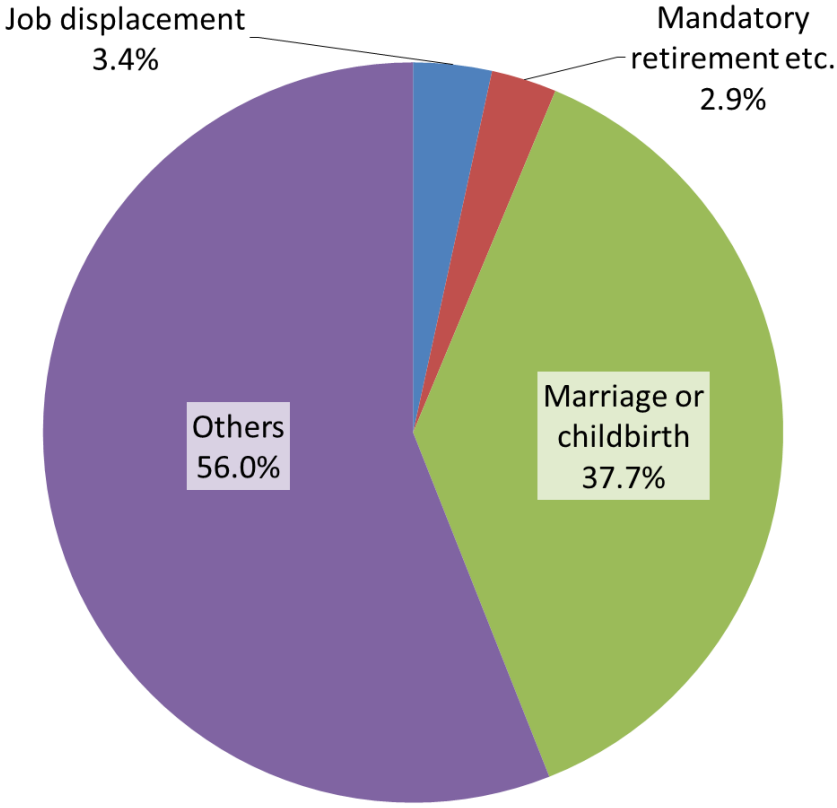


Reasons of Separation for the First Job (People Born in 1940s)

[Males]

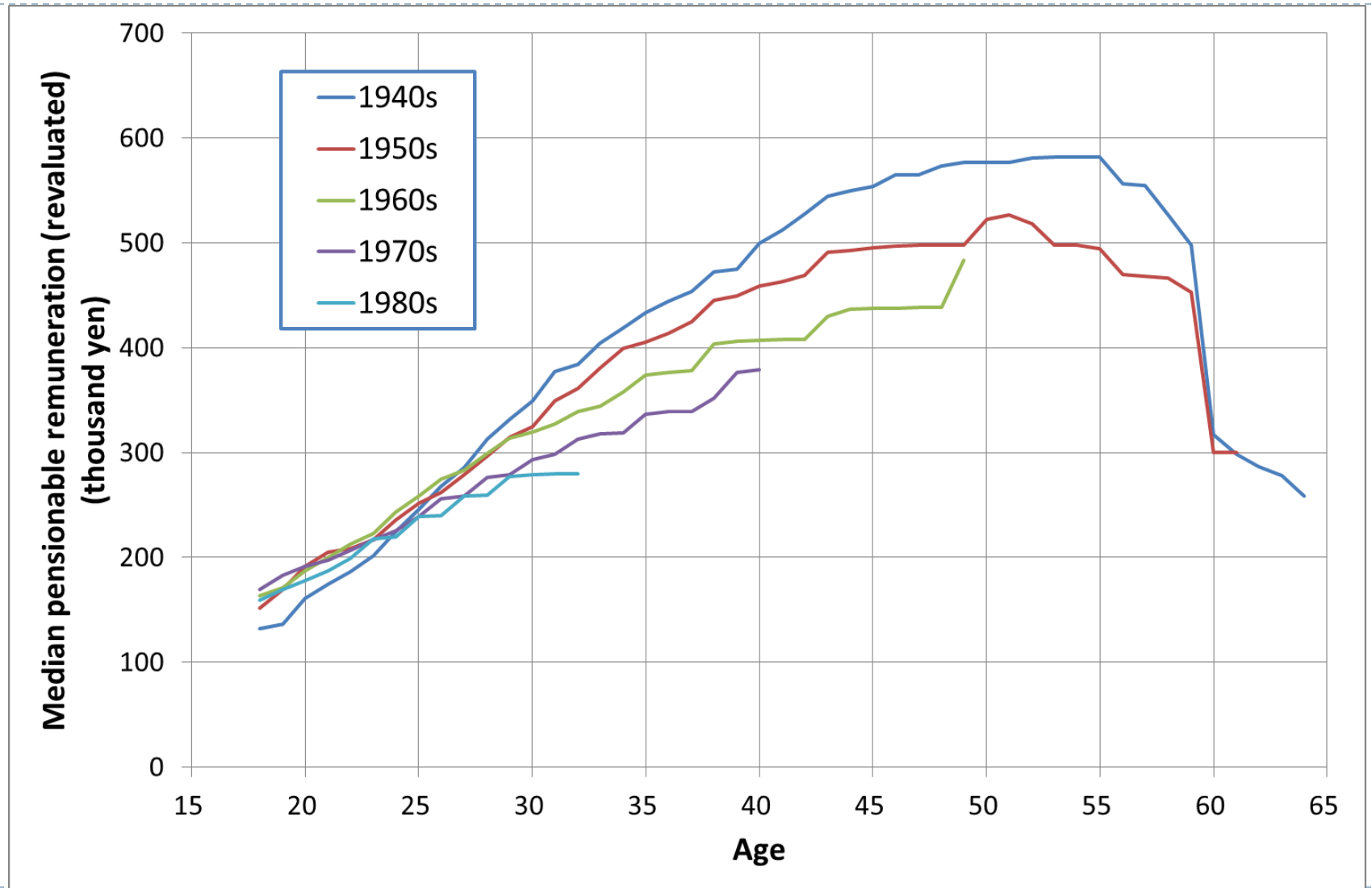


[Females]



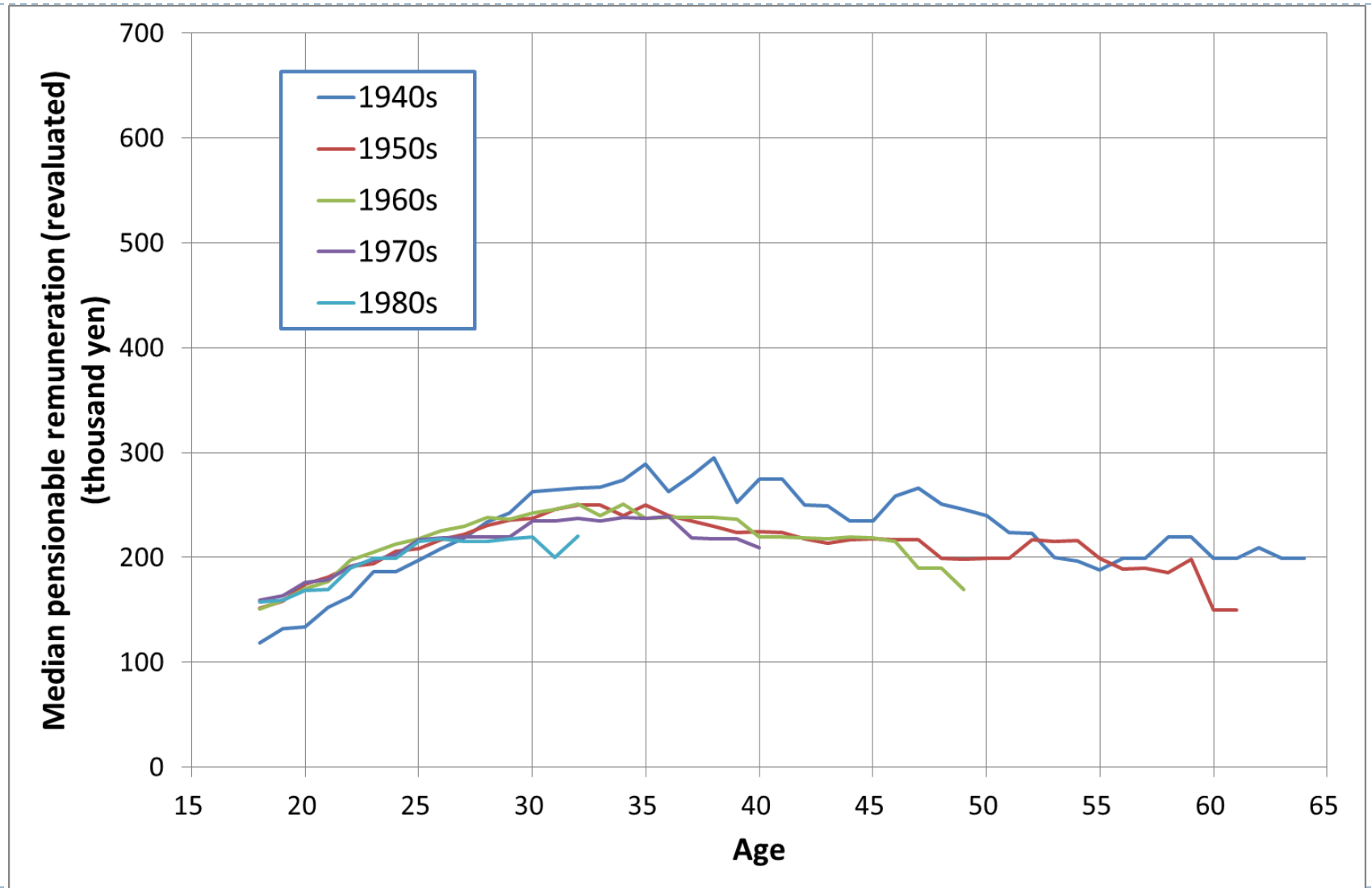
Wage profile (Male)

(in revaluated pensionable remuneration)

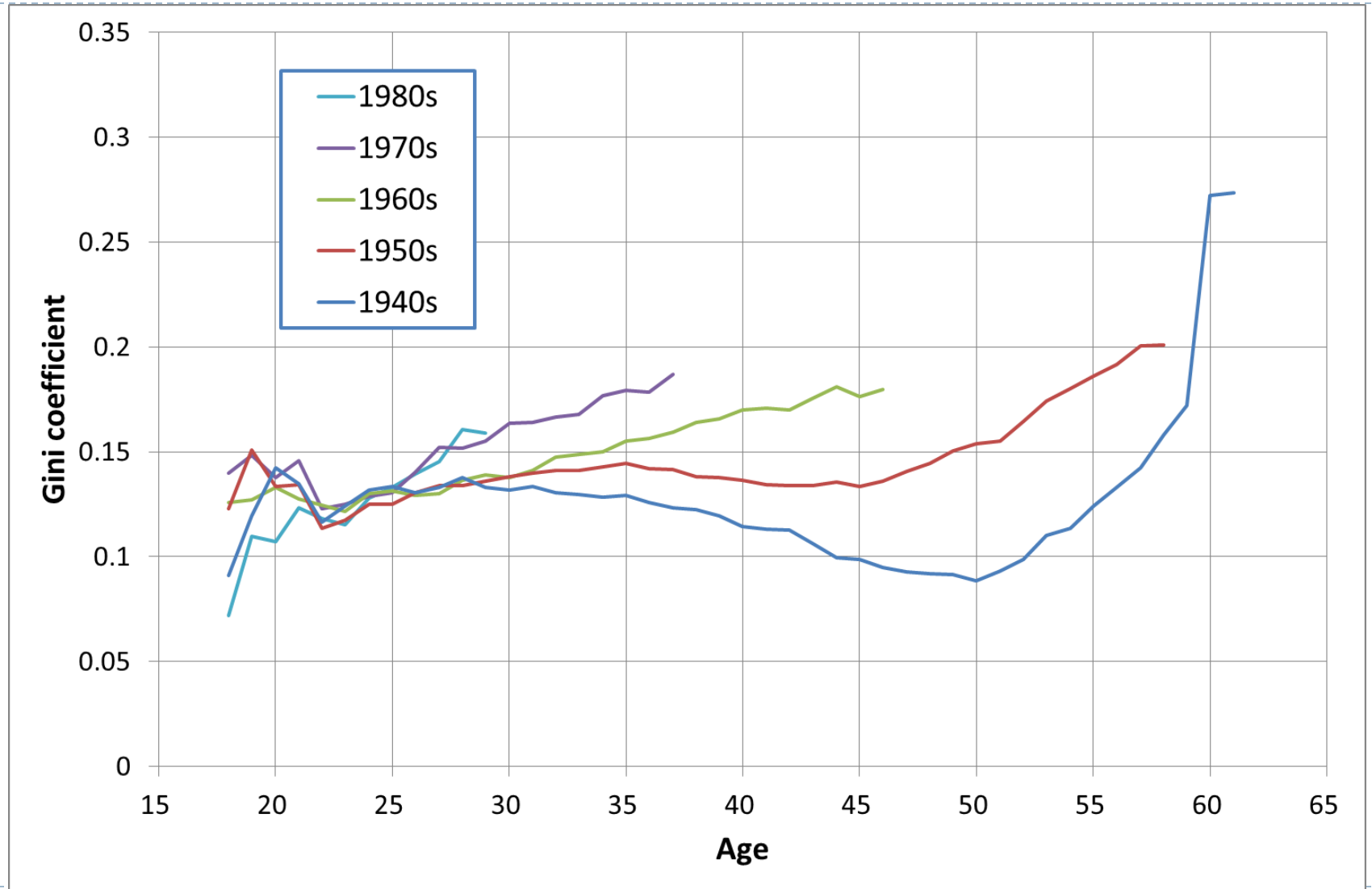


Wage profile (Female)

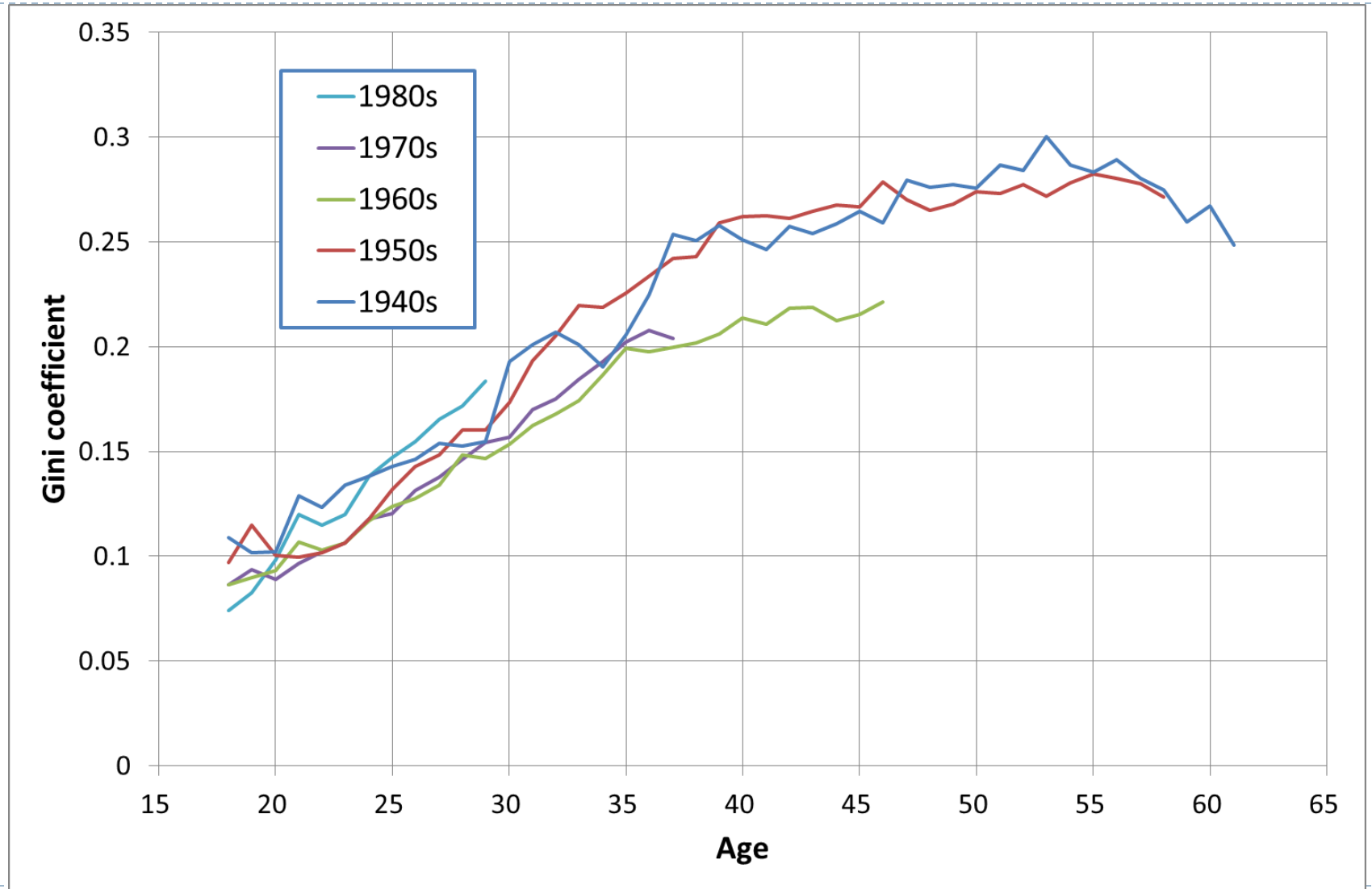
(in revaluated pensionable remuneration)



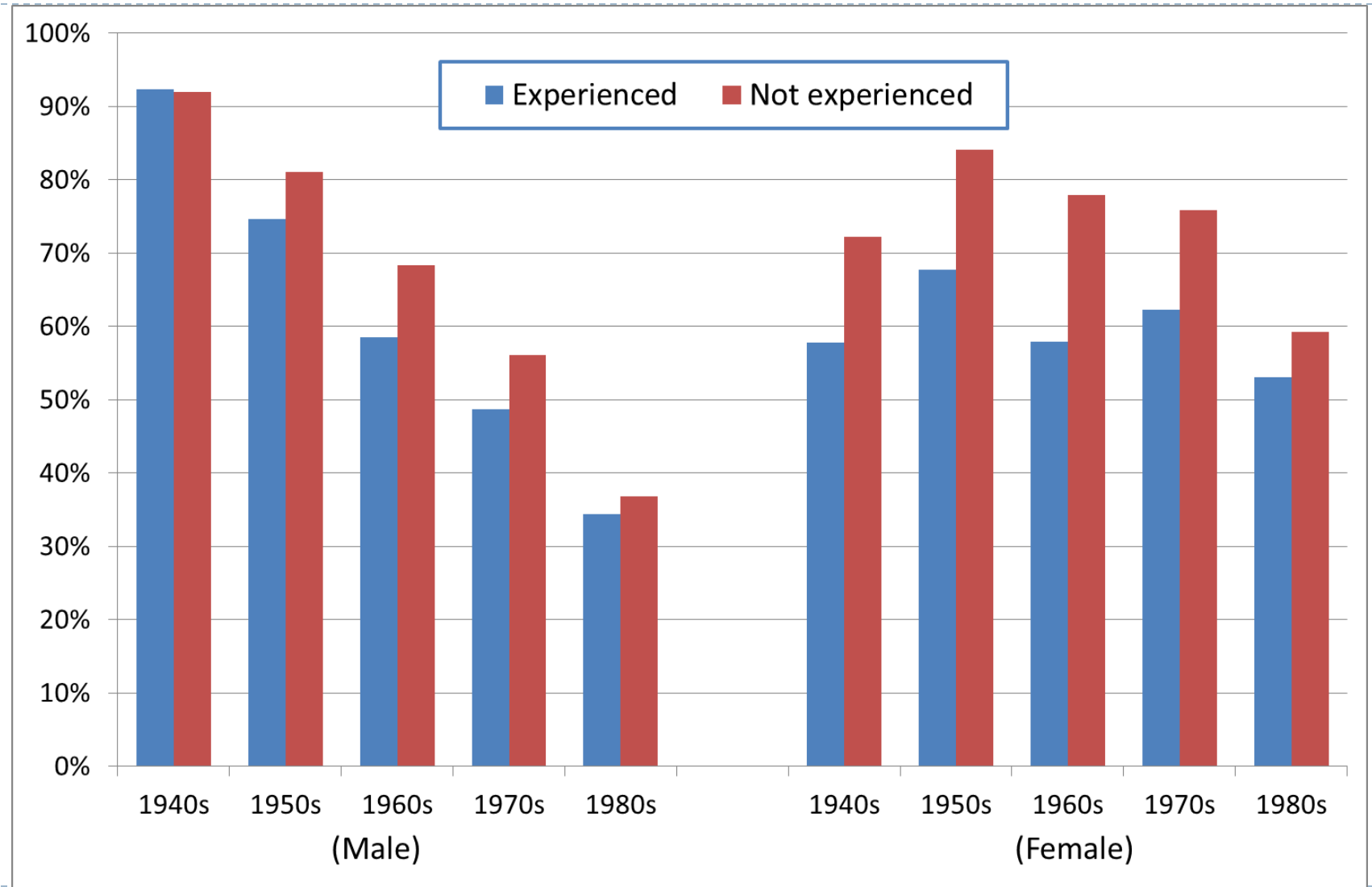
Gini Coefficients (Male)



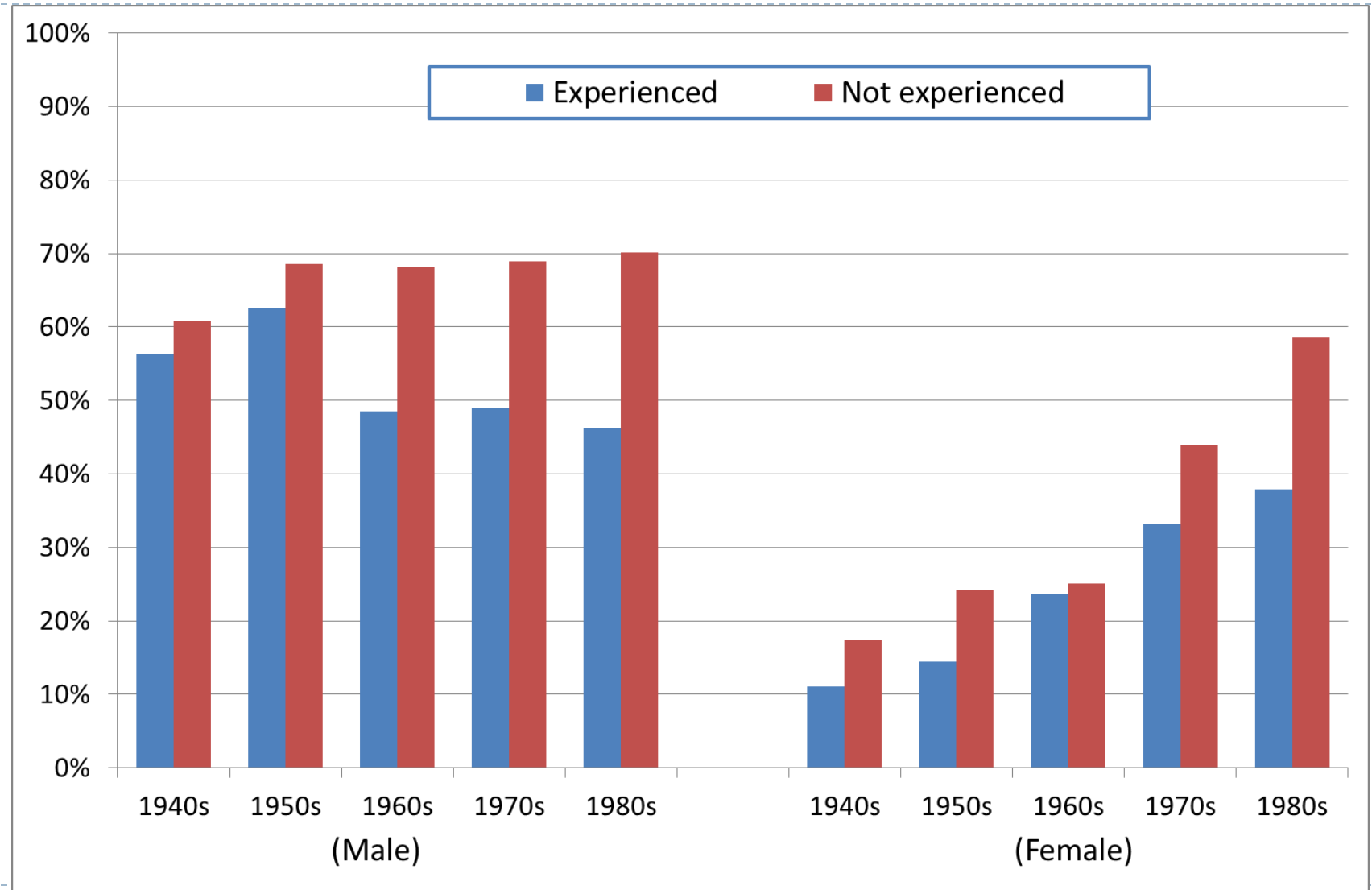
Gini Coefficients (Female)



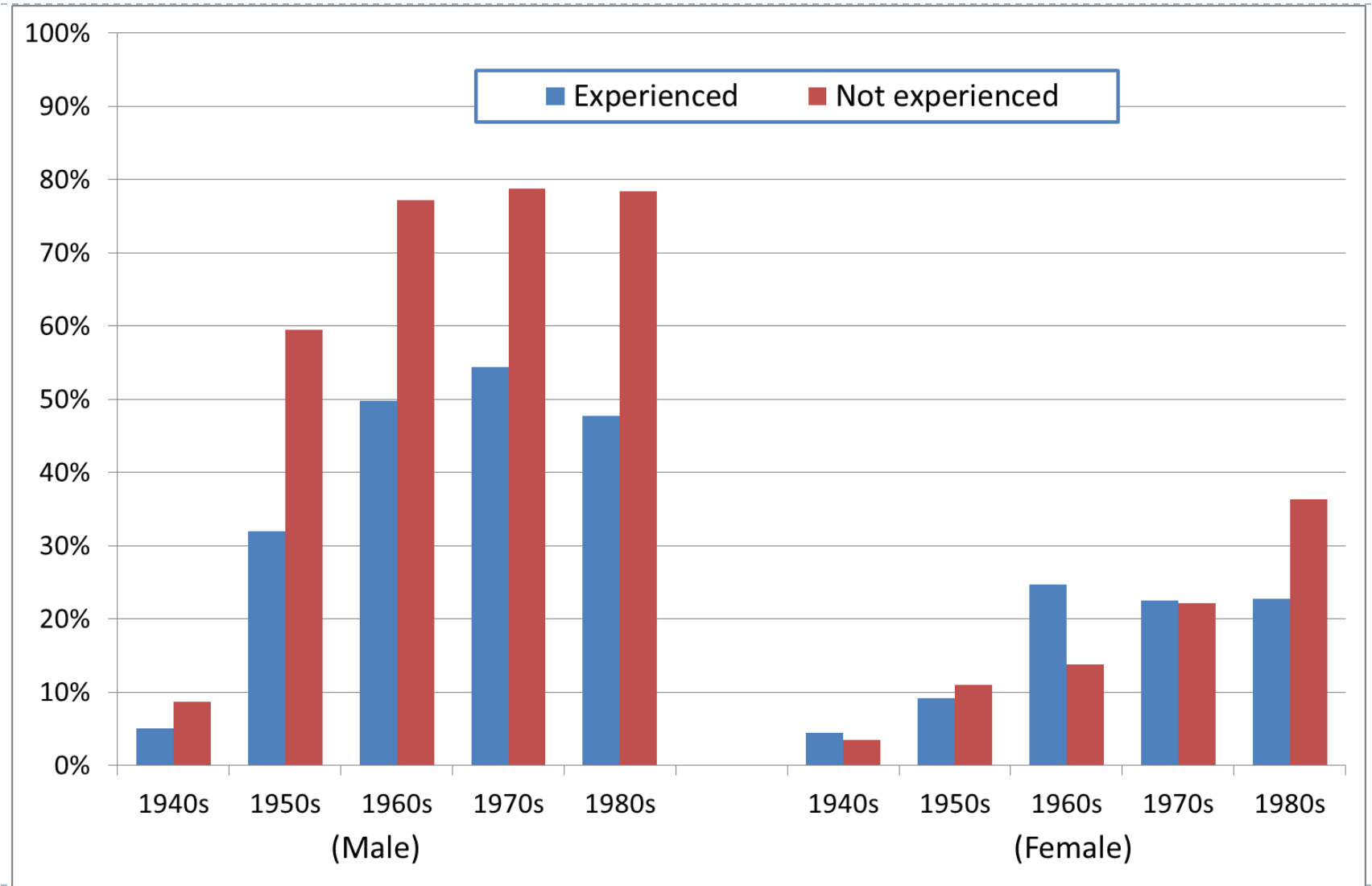
Proportion of Married People



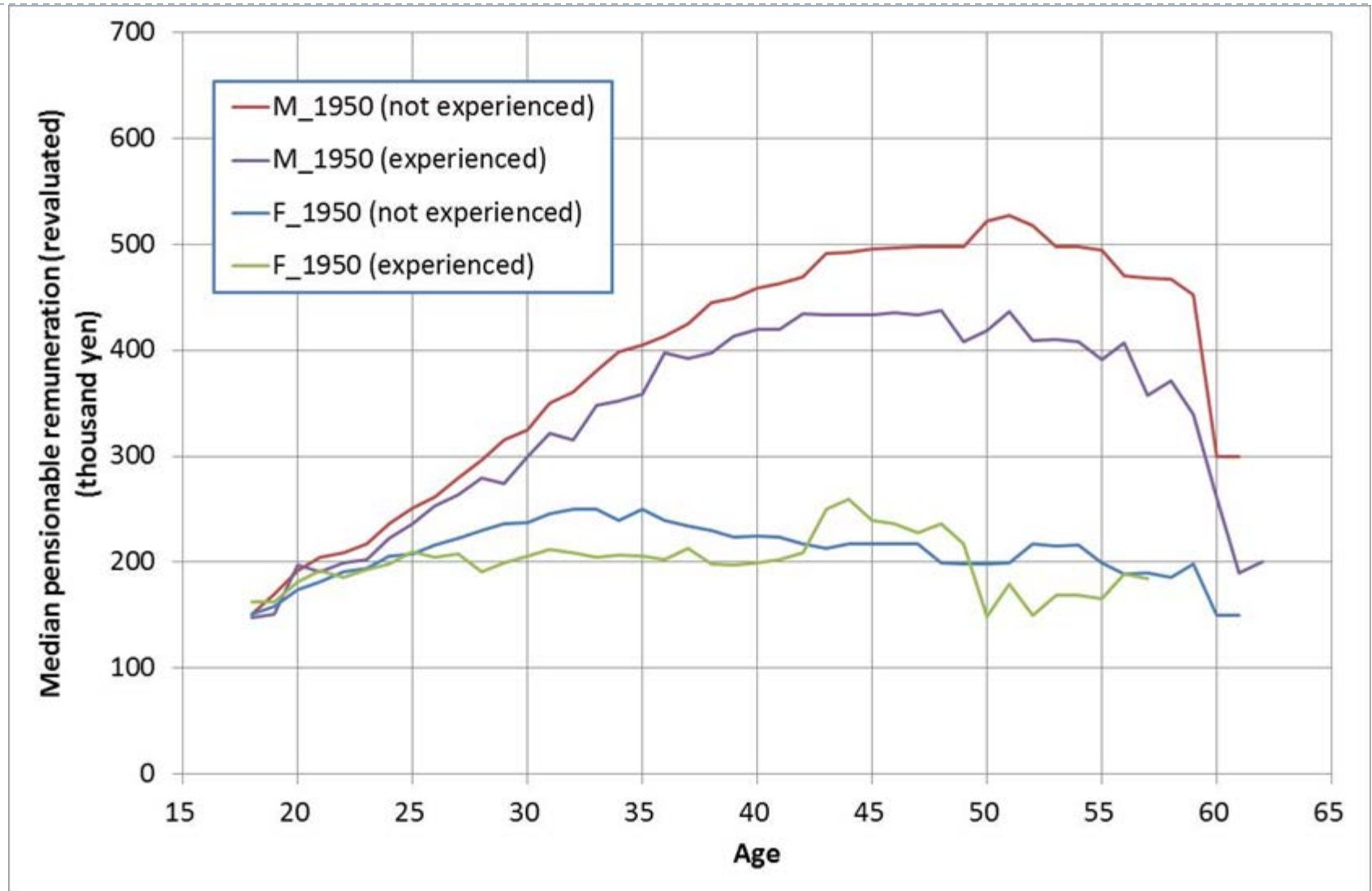
Proportion of University Graduates



Proportion of Regular Employees



Wage profile (People Born in the 1950s)



Conclusion

- ▶ Life style in Japan during dramatic economic growth from 1954 to 1973
 - ▶ People's lifestyles were more or less uniform, and most Japanese were considered as part of the middle class.
 - ▶ In other words, income disparity at that time was very small.
 - ▶ Almost all men and women got married.
 - ▶ Husbands worked as full-time employees under the lifetime employment and a seniority-based wages system, whereas wives were full-time homemakers.

Conclusion (Cont.)

- ▶ Employment situation in Japan during dramatic economic growth from 1954 to 1973
 - ▶ Under the division of gender roles, most women resigned from their jobs during their twenties.
 - ▶ Women were generally employed for simple clerical work with restrictions on their advancement, and there was great disparity in wages between men and women.
- ▶ Even though this type of employment situation has seen considerably improved, many problems still remain concerning the disparity in treatment and employment opportunities between men and women.

Conclusion (Cont.)

- ▶ The descriptive statistics are derived from official records of employment/wages for each person, vividly demonstrating changing situations of the Japanese society.
- ▶ Men work much longer in their first job than women do. This difference between men and women has become narrow over time, but it is still large for people born in the 1970s.
- ▶ The younger generation left their first job earlier than the older generation did for males and vice versa for females.
- ▶ Males in the lower educational attainment groups left their first job earlier than those in the higher ones did, but few differences exist for females among different educational attainment groups.

Conclusion (Cont.)

- ▶ Approximately 40% of males born in the 1940s left their first job because they reached the mandatory age of retirement or were transferred to an affiliated company. This percentage has been dropping with each subsequent generation.
- ▶ Approximately 40% of females born in the 1940s, 1950s, and 1960s left their first job within 10 years because of marriage or childbirth. Although this behavior has been changing, 27% of females born in the 1970s still left their first job because of these reasons.
- ▶ For males, wage profile clearly indicates a seniority-based system, and the Gini coefficients of their wage distribution among regularly employed males under the age of 50 are low, while those for younger generations have been increasing.

Conclusion (Cont.)

- ▶ Job displacement may have negative effects on later life.
 - ▶ Descriptive statistics on proportions of married people, regular employees, and wage profiles among displaced workers demonstrates this negative effect.
 - ▶ It also indicates that degrees of educational attainments affects the job displacement experience.
- ▶ Future work
 - ▶ Various statistical methods exist for analyzing LOSEF panel data to obtain new findings.

Acknowledgements

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Thank you for your attention