

Long-term Care and the Aging Labor Force in Japan



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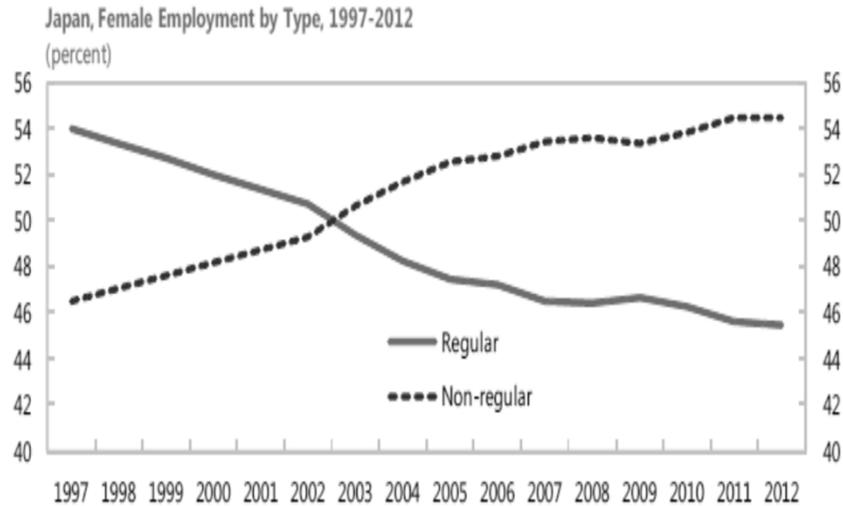
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Women's employment in Japan flat



“Regular” employment for women down



What Discourages Japanese Women’s LFP?

- Lack of affordable day care;
 - Unpopularity of parental leave;
 - Gender wage gap;
 - Long commuting times;
 - Lifetime employment for men;
 - Culture, expectations, tradition.
- *Produces labor market sclerosis and few “regular” FT jobs for women.*
- Responsibilities for elderly care?

Japan Introduced National LTC in 2000:

1. Reduce elderly home care burden (esp. for women);
2. Reduce “social hospitalization:” elderly stayed in hospital due to lack of alternatives;
3. Clarify links between LTC benefits & premiums;
4. Provide consumer choice over care and type of care institutions (incl. for-profit firms).



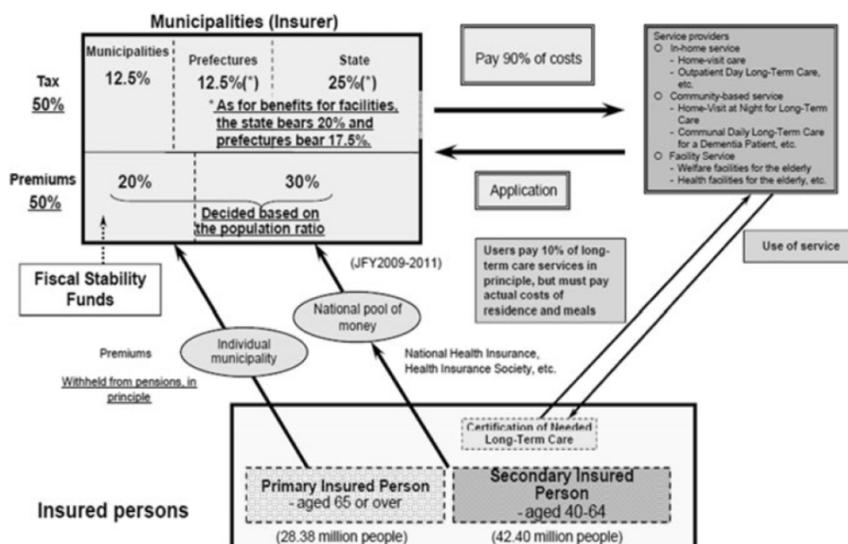
Did LTC Enable Middle-aged Women to Keep Working? Prof. Kondo's study

- D-D pre/post study: LTC “capacity” not associated with more working middle-aged (45-60) women (or men).
 - Capacity measured by # services provided: daycare, short-stay, LTC nursing homes, other residential
 - Excluded home visits.
- Result ‘discouraging’ as govt wants to encourage women to enter/stay in LF (*aka* “*Womenomics*”)

LTC in Japan

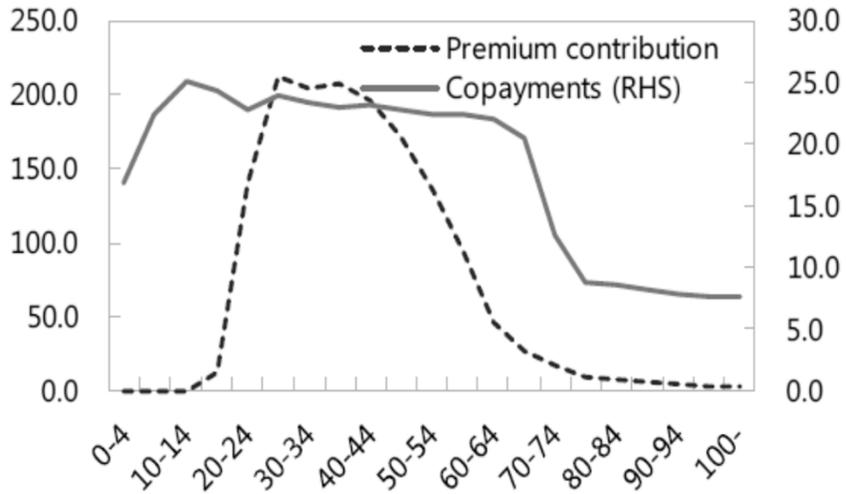
- Covers services at home and in facilities.
 - At home: home visits, bathing, nursing, rehab, equipment, day services (bathing, toileting, eating, exercise).
 - Facilities: nursing homes, and geriatric/facilities for older adults include rehab, nursing, personal care.
- Financed by taxes, premiums, & co-pays (means tested) on elderly LTC recipients.
- Cost-control measures a major concern.

Japan's LTC System Financing

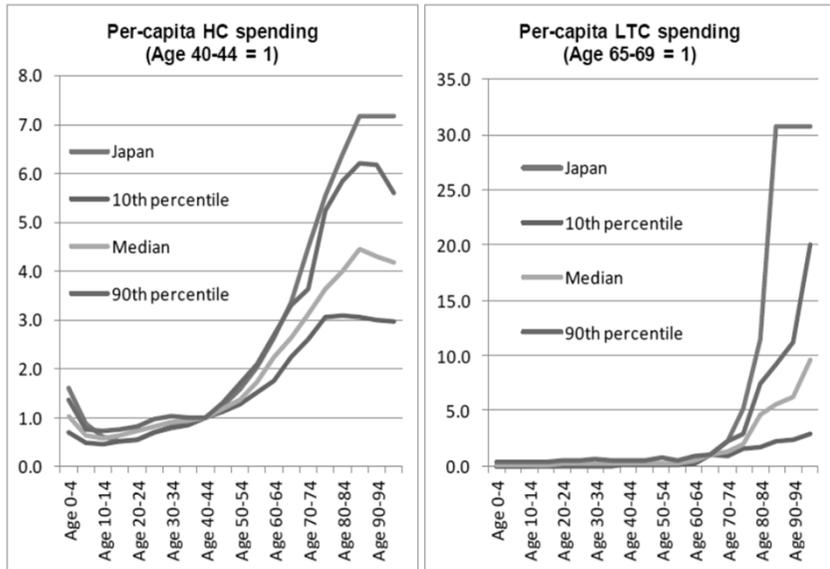


Note: Primary Insured Person is from Report on Long-Term Care Insurance Operation (provisional) (April, 2008), Ministry of Health, Labour and Welfare
 Secondary Insured Person is a monthly average for JFY2008, calculated from medical insurers' reports used by the Social Insurance Medical Fee Payment Fund in order to determine the amount of long-term care expenses.

Premiums and Patient Copays for Health Care by Age (As % of spending for each age group; 2010)

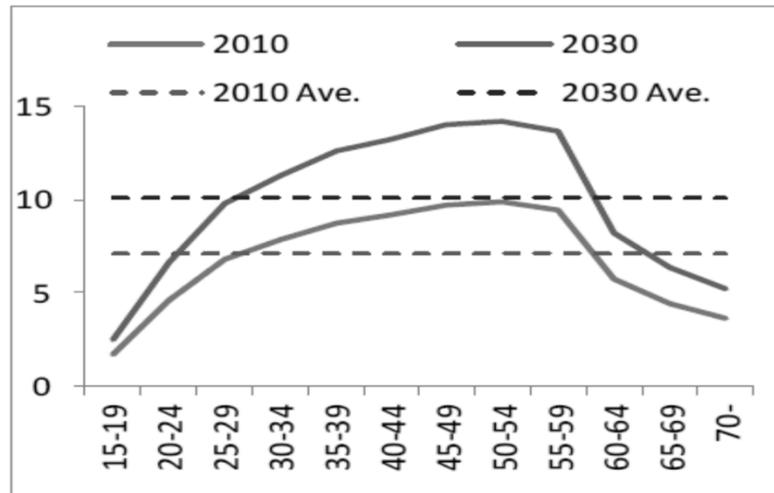


Health Spending by Age: OECD



Projected HC Premiums by Age Over Time

(as % of earnings or pension benefits, 2010–30)



The Outlook

- Rising longevity in Japan will drive LTC costs up more;
- May have several generations in care at once!
- LTC premiums and taxes on workers have work disincentive effects.
- I predict: More aged-care means testing to come.

Thank you!



- Wharton Pension Research Council:
<http://www.pensionresearchcouncil.org/>

