

Research Project on Low-Income Single Mothers & Youth to
Promote Financial Health in Japan

Research Report on Financial Health among Low-Income Single Mothers and Youth

April 2020



Japan NPO Center
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Table of contents

1 **Summary**

3 **1. Research overview**

1.1. Purpose and background

1.2. Research framework

5 **2. Desk research**

2.1. Social circumstances of single mothers

2.2. Social circumstances of youth

2.3. Existence of multiple intersecting issues

11 **3. Survey**

3.1. Current circumstances and issues of single mothers

3.2. Current circumstances and issues of youth

26 **4. Interviews**

4.1. Method of interviews

4.2. Major comments from interviews

32 **5. Findings**

5.1. Findings from single mothers

5.2. Findings from youth

5.3. The existence of gaps between measures/systems and needs

5.4. Relevance to household budget/financial issues

34 **6. Recommendations**

6.1. Fundamental Ideas

6.2. Recommendations for public policies

6.3. Recommendations for support programs



Summary

Japan has one of the highest poverty rates among developed countries. The risk of poverty is especially high among groups such as single mothers, young people, senior citizens, and people with disabilities. The causes of poverty are diverse, and tend to overlap. Single mothers and youth are more likely to have jobs that are not full-time employment, which makes it difficult for them to become financially independent.

The public and private sectors offer many different support measures, but in reality, these measures are inadequate. The goals of this research are to understand the current circumstances and financial health of low-income single mothers and youth by conducting desk research, surveys, and interviews, to consider which measures and social programs are effective, and to make policy and program recommendations.

This research has uncovered the following gaps between the needs of single mothers and youth and the current government support measures and policies. Additional support is offered by the nonprofit sector, such as NPOs, but this is still inadequate.

i There are many measures regarding employment support and revenue compensation, but the coverage is insufficient, especially in cases of low-income and non-fulltime workers. Due to lower income, these workers' expenditures are more likely to become unbalanced, which often leads to delayed payment of taxes and bills.

ii There are very few measures offered other than employment support and revenue compensation. As for pensions and insurance, non-fulltime workers are part of the national pension, but there have been cases of delayed national pension payments. There are also cases where low-income people are forced to cancel their private insurance because they cannot afford the payments. There are no particular support measures to relieve such cases.

iii One of the reasons for the increase in expenditure is the student loans used to pay for university, etc., and many people with low income find it difficult to repay them. With regards to loans, public support systems are not used much and there have been many comments that many of the systems are difficult to use. For single mothers, there is a need for financial aid when they start to live independently.

iv Many people with low income have little or no savings, which makes their daily lives a struggle. They may be unable to keep track of a household budget or have poor literacy, in some cases due to developmental or mental disabilities. It is necessary to provide an integrated consulting system, including money/financial education and household budget management education, to increase literacy and capability levels.



Recommendations for public policies

- Promotion of child support payment agreements, assistance measures to collect unpaid child support
- Consideration of financial aid when mother and child start living independently
- Consideration of housing assistance and increasing the payment frequency of Child Rearing Allowances from the current three-times-a-year payments
- Enhancement of grant-type scholarships, clarification of exemption rules for student loan repayment, improvement of the operation of public loan systems
- Appropriate regulation of the financial industry
- Expansion of the household improvement support project under the independence support system for the poor and needy
- Improvement of the means and media for delivering information to those who have difficulty receiving information
- Creation of new comprehensive and accompaniment administrative services

Recommendations for support programs

- Promotion of practical education and training on money and household budgeting to improve financial literacy capabilities
 - Provision of seminars on practical knowledge of and habits regarding household income and expenditure plans, plus individual consulting
 - Development of household management support IT tools, especially for single mothers and young people, and promotion of accompaniment support
 - Development of a long-term financial/life planning simulation IT tool that can easily be used by single mothers and youth, and promotion of accompaniment support
- Enhancement of interactive programs to prevent isolation of affected individuals
 - Widespread development of peer networking and group consultations
 - Creation of a network of organizations to support affected individuals and enhancement of such networks



1

Research overview

1.1. Purpose and background

Japan has one of the highest poverty rates among developed countries. In 2015, the relative poverty rate in Japan was 15.7%¹. The number of people on welfare is 2,089,461². As is evident from various studies, such as the 'Nationwide Survey on Single-Parent Households', 'Labor Force Survey', 'Comprehensive Survey of Living Conditions' and 'Annual Report on Government Measures for Persons with Disabilities', the risk of poverty is especially high among groups such as single mothers, youth, senior citizens, and people with disabilities. The causes of poverty are diverse and tend to overlap. A high percentage of single mothers and youth are unable to achieve financial independence. Many single mothers have difficulty finding full-time employment with sufficient income, and many youth have non-fulltime occupations or are unemployed.

Although national and local governments provide consultation, information, financial aid, and employment aid, and there are NPOs that provide aid for single mothers and youth who cannot be financially independent, there is still not enough support. Despite an awareness that gaps must be closed between existing policies and systems and the actual needs of affected persons, it is believed that there are no effective means to accomplish such improvements.

Therefore, along with effective management of existing support measures and the enhancement of public support, there is a need for additional private-sector support programs by NPOs and private businesses. Because issues of multiple debts and repayment of student loans have become a social problem in recent years, the Independence Support System for the Poor and Needy has been initiated. Rather than thinking only in terms of poverty alleviation measures or employment support, there is a need to reconsider the problem from a new conceptual angle of financial health in order to prevent poverty and promote continued post-poverty economic independence.

The main focus of this research is the current status and financial health of low-income single mothers and youth. Our goal is to identify which measures and social contribution programs are effective and to suggest policies and proposals to resolve the issues.

1.2. Research framework

1.2.1 Definitions

In this research, the following terms will be defined as below.

Low-income

A person who has had some kind of income within the past three years, but the average income is below 2,000,000 yen³ per year

Single mother

A mother who is raising a child/children under 20 years of age on her own

Youth

A person who is between 15 and 39 years old

Financial health

Based on the understanding that we must consider both expenditure and income, as well as household finance including stock information such as savings and debt, household financial management ability, and the use of financial services, we define the term "financial health" as "a measure of health regarding money", indicating a state of well-balanced income and expenditure, an ability to withstand some income fluctuation, and an ability to understand and utilize finance.

1. According to the Ministry of Health, Labor and Welfare's 'Comprehensive Survey of Living Conditions' (2016), the relative poverty rate in 2015 was 15.7%.

2. According to the 'Survey on Welfare Recipients' (approximate figures for February 2019), the number of welfare recipients is 2,089,461.

3. There is no clear definition for low-income or working poor, but it is commonly considered to mean an annual income less than ¥2,000,000. This amount is based on the average national minimum wage in 2019 being ¥901 per hour. When this is calculated as annual income, the amount sums up to ¥1,874,080 (¥901 x 40 hours per week x 52 weeks).

1.2.2 Research procedure

This research was conducted based on the following procedure.

① Establishment of research board

The research board was established with five experts in order to discuss the research objectives, targeted groups, method of implementation, and consideration of the research results.

Name	Title/ Affiliation
Ren ONISHI	Chairperson, Moyai Support Center for Independent Living
Takashi KOSEKI	Professor of Faculty of Business Administration, Meiji University
Yayoi KOZONO	Director, South Yokohama Center of Gender Equality
Toru SASAKI	Managing Director, Head of Japan Markets Research, JP Morgan Chase Bank - Tokyo Branch
Gen MIYAGAKI	Professor of Department of Comprehensive Policy, Keio University

② Desk research

The purpose of the desk research is to develop a better overview and understanding of the current systems and measures, research and studies, and initiatives of NPOs targeting low-income people, and to link these efforts together.

③ Survey

Surveys were conducted with single mothers and youth with the intent to understand their current financial health and needs.

④ Interviews

Interviews were conducted with single mothers/youth, support NPOs, local governments, and researchers to better understand perceptions, needs and suggestions concerning financial health.

⑤ Findings, analysis and recommendations

The results of desk research, surveys, and interviews are used to analyze financial health circumstances and issues among low-income single mothers and youth and to identify gaps in the systems, measures and support programs currently provided. The results will also be used to identify which interventions and social programs are effective and suggest policies and proposals to resolve the issues.

1.2.3 About the concept of financial health

In this research, the term "financial health" is defined as "a measure of health regarding money", indicating a state of well-balanced income and expenditure, an ability to withstand some income fluctuation, and an ability to understand and utilize finance.

- ① To maintain a balance between income and expenditure, one needs (i) not only income but also control of expenses, (ii) knowledge, skills and a technical environment allowing one to balance income and expenditure and (iii) Ability to handle imbalances between income and expenditure (such as multiple debts and poor living conditions).
- ② To withstand some income fluctuation, (i) when there is a decrease in income and expenditure exceeds income, one needs to be able to make up the deficit through financial resources such as savings, borrowing/loans, and insurance, (ii) not only income, but also assets are needed, (iii) access to financial instruments and appropriate services is required.
- ③ To understand and utilize finance, one needs to acquire (i) literacy (=knowledge) and (ii) capability (=competence, skills, and environment). In this case, improvement of the social environment is included along with the development of personal competence.

From this perspective, it is important not only to increase income through employment support benefits, but also through household and financial interventions, including support for balance of income and expenditure and asset management. In the case of the breakdown of households caused by such conditions as mental illness or gambling addiction, it is critical to deal with the fundamental issues rather than focusing only on household and finance problems. It is also important to consider the need for a response to social issues such as unstable employment and institutional flaws, in addition to the individual and household issues that cause poverty such as illness, disability, and domestic violence.

With these considerations in mind, this research proceeds from the analytic viewpoint that the elements of financial health are varied and multilayered.

2.1. Social circumstances of single mothers

2.1.1 Current status of single mothers

According to the '2016 Nationwide Survey on Single-Parent Households'⁴, there are an estimated 1.419 million single-parent households in Japan, of which 187,000 are single father families. The number of single mother households is 1,232,000, more than six times that of single father households, and 90% of single-parent households are single mother households.

The average annual income of a single mother is 2.43 million yen, of which employment income is 2 million yen, and the average annual income of single mother households (the income per household including cohabiting relatives) is 3.48 million yen. According to the '2016 Comprehensive Survey of Living Conditions', the income of single mother households is quite low, only reaching 49.1% of the average national income of 7,078,000 yen for households with children⁵.

81.8% of single mothers are employed, of whom 44.2% are full-time managers and employees, and 43.8% are part-time workers. It is a social and structural problem in Japan that women's wages are kept lower than men's wages. In addition, some single mothers choose irregular employment in spite of its lower income because they have difficulty in maintaining full-time employment while raising children, want to reduce the psychological burden of balancing housework and work, or want to limit their income to qualify for more public financial aid.

39.7% of single mother households have savings of less than 500,000 yen. They risk an immediate collapse of their lifestyle if they become unable to work due to health issues or other reasons. Meanwhile, while 42.9% of single mothers make a child support agreement at the time of divorce, only 24.3% of them currently receive child support payments. These conditions tell us that it is difficult for single mothers to supplement their income with child support.

2.1.2 Systems and interventions to support single mothers

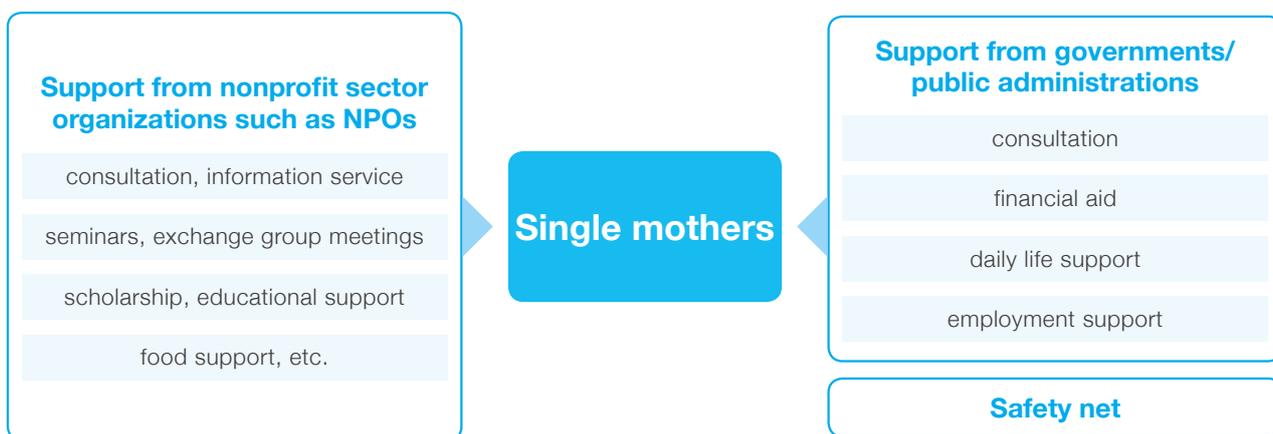
During World War II, many fatherless families were created through bereavement. In the depressed post-war economy, those fatherless families faced tough living conditions with difficulties in both raising children and finding employment, and combatting this problem became a major social issue. The government took measures to provide public assistance to single mother households and improve their living environment, and also developed welfare policies for the children raised in these households.

Because the economic and social difficulties of single mother households are the same regardless of whether they are separated from their partners or bereaved, the 'Child Rearing Allowance System' was established in 1961 to provide monetary benefits to all single mother households with difficulties, including those who are separated. Since then, welfare measures for single mother households have been implemented separately under various laws and systems, but now single-father households are also eligible for childcare benefits, and under the 'Act on Welfare of Mothers with Dependents, Fathers with Dependents, and Widows', single father households are included in support measures such as loans and employment assistance.

Along with public support, the private sector has also engaged in various interventions tailored to the needs of single mothers, such as consultation, networking programs, and support for child care and education. There is a wide variety of programs and measures to support single mothers.

4. The Ministry of Health, Labor and Welfare conducts a survey almost every five years to understand the actual circumstances of single mother and single father households and to enhance welfare measures. In FY 2016, the survey was conducted on November 1st.

5. Every year, the Ministry of Health, Labor and Welfare conducts this survey to collect data on health, medical care, welfare, pensions, employment, and income, in order to grasp a wide range of matters related to daily life. This data is used for measures against the decline of child birthrates and an aging population.



a. Major support from nonprofit sector organizations such as NPOs

(Those that do not specialize in single-parent families are marked with an asterisk (*) next to their names.)

The following services provided by Single Mothers Forum and other NPOs were used as a reference, but few single mothers are connected to support organizations.

Consultation

As single mothers have various difficulties, highly specialized NPOs provide opportunities for consultation meetings and e-mail consultations at the stage before consulting with government agencies, or for cases that are difficult for government agencies to handle.

Information service

Many NPOs that support single mothers send information regularly regarding administrative systems, operations and various events through newsletters and SNS.

Seminars

Highly specialized NPOs provide seminars for single mothers such as improving their business skills and manners.

Exchange group meetings

Many NPOs that support single mothers provide group meetings where single mothers, who tend to be isolated from society, can casually talk about topics such as child raising and work problems.

Educational support*

Many NPOs provide forms of learning support, such as free schools and tutoring, to children and students who have limited educational opportunities. Children of single mothers participate in these programs as well.

Events

Many NPOs that support single mothers plan and offer group meetings where mothers and children can participate together.

Student loans*

The Japan Student Services Organization and corporate foundations provide "loans" or "benefits" to students who have difficulty in continuing their studies for financial reasons.

Food support

Food banks run by organizations such as NPOs provide support to poor families, including single mothers.

Children's cafeteria

Children's cafeterias run by NPOs provide meals as well as learning support to children, including children of single mothers.

b. Major support by governments/public administrations

(Those that do not specialize in single-parent families are marked with an asterisk (*) next to their names.)

Consultation

■ Consultation and assistance by 'Single-Mother, Single-Father Independence Support Staff'

For single parent families, the support necessary to become independent is provided at welfare offices nationwide, including information, consultation guidance, training in vocational skills, and job search assistance.

■ **'Child Support Consultation Centers'**

The Centers provide information on various procedures related to child support expenses. Local government and other public organizations implement human resource development programs and workshops for those who want to become consultants on child support expenses.

Financial support

■ **'Child Rearing Allowance'**

A public allowance paid to single parents, intended to promote child welfare by contributing to the independence and stability of households where the parents are not equally involved in the children's lives due to divorce, etc. Payments used to be paid three times a year, but starting in November 2019 they are being paid bi-monthly, six times a year.

■ **'Child Allowance'***

A public allowance provided to parents until their children graduate from junior high school.

■ **'Mothers with Dependents, Fathers with Dependents, and Widows Welfare Fund Loan System'**

Loans for single parents who do not have a spouse and are raising children under the age of 20.

■ **'Single-Parent Family Medical Expenses Subsidy Program'**

Subsidies for part of the co-payment of various medical insurance programs, such as National Health Insurance.

Daily life support

■ **'Maternal and Child Living Support Facilities'**

Facilities for the mother and child, stipulated by the 'Child Welfare Act', to provide support for single mothers or women who are raising children under the age of 18 and who are not legally divorced. It provides support for their independence by encouraging physical and emotional security through consultation and assistance.

Employment support

■ **'Mothers Hello Work'***

Reemployment support for women who are raising children, including single mothers. In addition to maintaining a child-friendly environment, the facilities provide detailed consultations and secure job recruitment based on needs. They also provide comprehensive support for reemployment, such as day-care center information, in cooperation with local governments.

■ **'Single Mothers Employment and Independence Support Program'**

It provides consistent employment support services to single mothers, from employment consultation to employment support seminars. Specialized consulting by lawyers on topics such as child support agreements is provided as well.

■ **'Single Mother and Single Father Families Independence Support Program'**

By interviewing Child Rearing Allowance recipients to understand their living conditions, willingness to work, and efforts to acquire qualifications, staff from public welfare offices design a unique independence support program based on each case, combining different support menus. The staff regularly follow up with the recipients to boost their independence.

Safety net

■ **'Independence Support System for the Poor and Needy'***

A support system which is outsourced to local governments or nonprofit sector organizations such as NPOs and aims to promote independence by giving personalized assistance to individuals who may be financially distressed and unable to maintain a minimum living standard. There are two mandatory programs: the 'Independence Consultation Support' program and the 'Housing Security Benefits' program. There are four optional programs, including the 'Work Preparation Support' program and the 'Household Budget Improvement Support' program, which assist the person in need in managing their own household budget and beginning the early stages of rebuilding their lives by creating a support plan.

■ **'Welfare system'***

A basic public aid system that guarantees a wholesome and cultured standard of living for people in financial need. Depending on the level of poverty, financial aid is provided to guarantee a minimum standard of living as well as to encourage independence.

Other than the systems and organizations mentioned above, there are more public support menus for single mothers, which may seem like a rich variety. However, the public awareness and usage rate of some of these support options are relatively low⁶.

2.2. Social circumstances of youth

2.2.1 Current status of youth

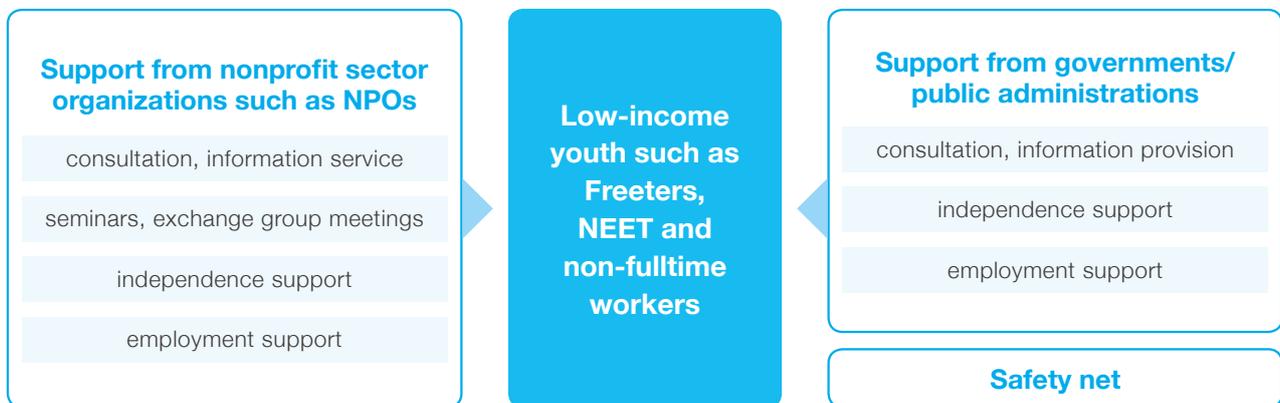
According to the 'Labor Force Survey' (2018) by the Ministry of Internal Affairs and Communications, there are 1.43 million 'freeters'⁷ in total, of whom 660,000 are men and 770,000 are women. The total number of 'NEET'⁸ (Not in Education, Employment or Training) is 530,000, and the age breakdown is as follows: 70,000 are between ages 15-19, 140,000 are between ages 20-24, 150,000 are between ages 25-29, and 170,000 are between ages 30-34. Among non-fulltime workers, 49.8% are between ages 15-24 and 24.9% are between ages 25-34.

According to the National Tax Agency's 'Survey on Private Salary Statistics' (2017), the average annual salary of full-time employees was 4,937,000 yen, and for non-fulltime workers was 1,751,000 yen, which is about 2.8 times lower. Many youth in Japan are working on a part-time on non-fulltime basis; their annual income tends to be about 30% of that of full-time employees. Many of them are assumed to have severe financial health and independence issues.

2.2.2 Systems and interventions to support youth

In Japan, youth had not been recognized as a target for governmental/administrative support until after 1991, when the rising unemployment rate among youth and the increase of Freeters due to the recession became a social issue. Current public support measures focus mainly on the employment of NEET, youth who are sometimes considered an extension of truancy and 'hikikomori' (or social withdrawals). NPOs also engage in various initiatives, which can be summarized as follows.

(Interventions that do not specialize in youth are marked with an asterisk (*) next to their names.)



a. Major support from nonprofit sector organizations such as NPOs

The following programs by Sodateage Net and other youth support NPOs were used as a reference. However, programs and support provided by the private sector mainly focus on youth who are suffering from truancy, social withdrawal, unemployment, etc. Few organizations target working youth with low income as their main clients.

6. As will be shown in the Survey section (on "Accessibility and awareness of public support systems") more than 25% of single mothers replied that they do not know about seven out of fourteen support systems listed.

7. Japanese term for young people seeking part-time jobs. The 'Labor Force Survey' defines the ages of young people as between 15 and 34.

8. People between ages 15 and 34, who are unemployed and are not engaged in housework or attending school.

Consultation, information service, independence support

There are many NPOs that work with truant youth and social withdrawals, and they provide consultation, information, and independence support.

Employment support

In recent years, there has been an increase in the number of NPOs which provide employment support to NEET youth. Many of them are conducting support activities in conjunction with commissioning public employment support facilities and public employment support programs.

b. Major support by governments/public administrations

(Interventions that do not specialize in youth are marked with an asterisk (*) next to their names.)

Consultation, information service, independence support

■ **'Hikikomori Regional Support Centers'**

Centers provide a specialized consultation service focused on hikikomori (or social withdrawals). Coordinators provide consultations and visiting support to the people affected as well as their families while recommending appropriate institutions when needed.

Employment support

■ **'Regional Youth Support Stations'**

Scattered in 177 locations nationwide, Regional Youth Support Stations (often referred as 'Saposute') provide consulting services to encourage the vocational independence of unemployed youth. The Ministry of Health, Labor and Welfare certifies various organizations including NPOs and commissions them to provide consultation, counseling, group work, and interview training.

■ **'Wakamono (Youth) Hello Work'**

28 locations nationwide, employment support navigators in this public institution provide support to youth (or wakamono) who are seeking full-time employment.

■ **'Job Café'**

Job Café is a public support facility that aims to improve the abilities and promote the employment of youth. It provides employment related services, such as work experience and job placement, tailored to regional situations. There are 47 locations nationwide.

■ **Fixed-term hands-on training**

This public training program is provided for workers who are under term-restricted contracts, to help acquire the necessary skills to become full-time employees. This is an advantage for both companies and job seekers, as it enables companies to secure the employees they need, and job seekers to increase their chances of full-time employment.

■ **Job seeker support system**

A governmental support system to support the rapid employment of those who are seeking jobs but are not eligible for unemployment benefits. It offers free vocational training and vocational training funds.

Safety net

- 'Independence Support System for the Poor and Needy'
- Welfare system

2.3. Existence of multiple intersecting issues

The desk research revealed the existence of many low-income single mothers and youth with financial health problems, as well as a certain number of support systems and interventions. On the other hand, these single mothers and youth are assumed to experience multiple issues, which makes it hard for them to break free of the downward spiral. The following are possible issues that are derived from the findings of the desk research.

The following are possible issues that are derived from the findings of the desk research.

Income

Low income deriving from unstable employment status, such as non-fulltime employment, difficulty in career advancement, difficulty of collecting child support, etc.

Unstable income due to type of employment, illness, loss of job, and collateral payment timing of various benefits.

Expenditure

Living expenses such as rent, children's educational costs, and student loan repayment account for a big part of expenditure.

Loans

Persistent debt due to the large burden of cost of living, etc., or constant use of services such as cash advance on credit cards.

Credit guarantee

Payment delinquency of cell phone bills, rent, and utility bills, which often results in blacklisting, causing difficulty in making new contracts, such as for cell phones or housing. Difficulty in rebuilding credit. Debt at the time of divorce for single mothers.

Savings

Because they are low-income and have difficulty in making long-term money plans, many have a low rate and amount of savings. Low savings makes it difficult to cope with unexpected decreases in income.

Social capital

No support from family, no one to consult with or talk to, lack of relationships.

With the possible multiple intersecting issues in mind, the surveys and interviews are to reveal: 1. current circumstances, 2. necessary approach to solving the issues and problems, and 3. prospective programs/initiatives needed in the future, with the following viewpoints gained from the desk research findings:

- Necessary systems and programs are lacking.
- The systems and programs do not fit actual situations.
- Awareness of support systems and programs is low.
- Procedures to access support systems and programs are complicated.
- There is reluctance to use systems and programs.

3.1. Current circumstances and issues of single mothers

3.1.1 Method of single mothers survey

An online survey for single mothers was conducted with the cooperation of Single Mothers Forum under the following procedures.

Subject

Survey was sent by e-mail to Single Mothers Forum's e-mail magazine subscribers (about 2,000). It should be noted that more than 20% of the respondents have an annual income of 3 million yen or more and an income exceeding their expenditure, which does not make them "low-income earners" as defined in this research.

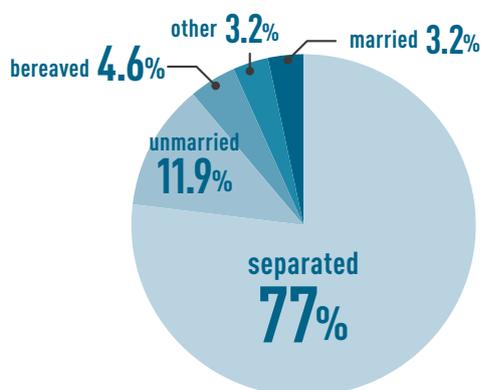
Implementation Period September, 2019

Number of Replies 370

3.1.2 Summary of single mothers survey results

In the survey, a total of 39 question items, broadly categorized as "basic information", "housing", "employment", "income and expenditure", and "support system", were used in order to clarify the presence of possible intersecting issues. The results excerpted and described are topics which were considered especially important with respect to financial health.

Marital Status n=370

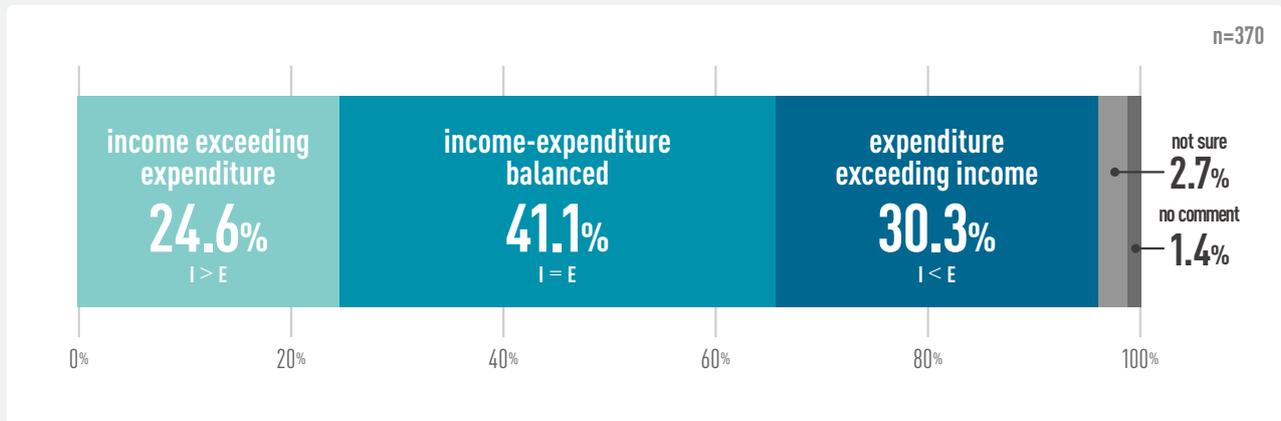


For marital status, "separation" was the highest at 77.0%, followed by "unmarried" at 11.9% and "bereaved" at 4.6%.



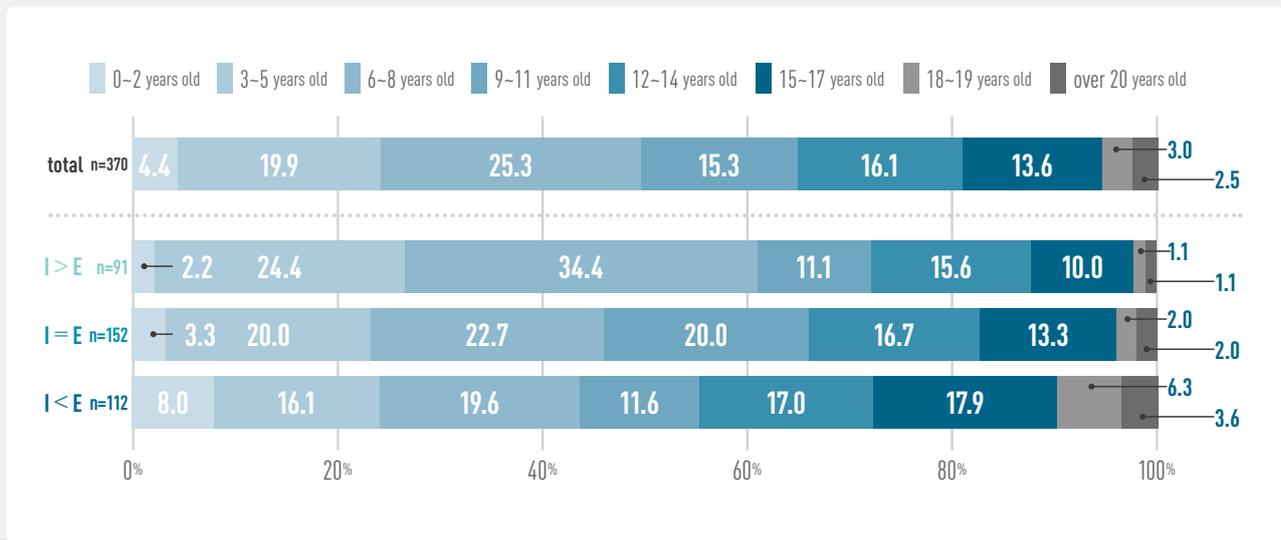
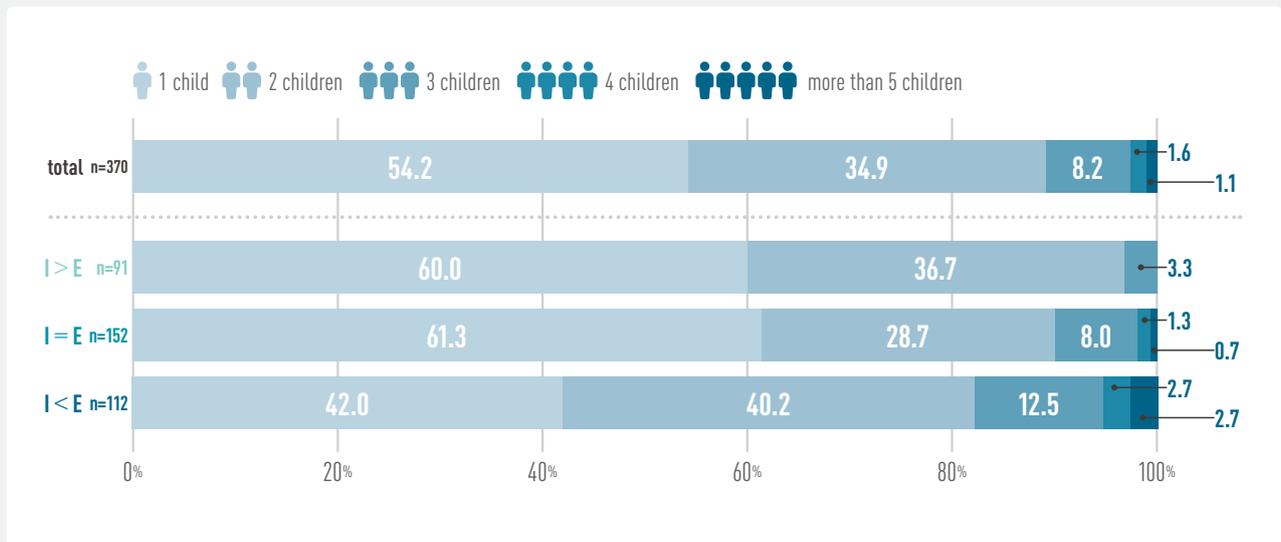
Current balance of income and expenditure n=370

In descending order of frequency, 41.1% of the surveyed single mothers answered "income and expenditure are about the same" (hereafter "income-expenditure balanced"), 30.3% answered "expenditure exceeds income" (hereafter "expenditure exceeding income"), and 24.6% answered "income exceeds expenditure" (hereafter "income exceeding expenditure").



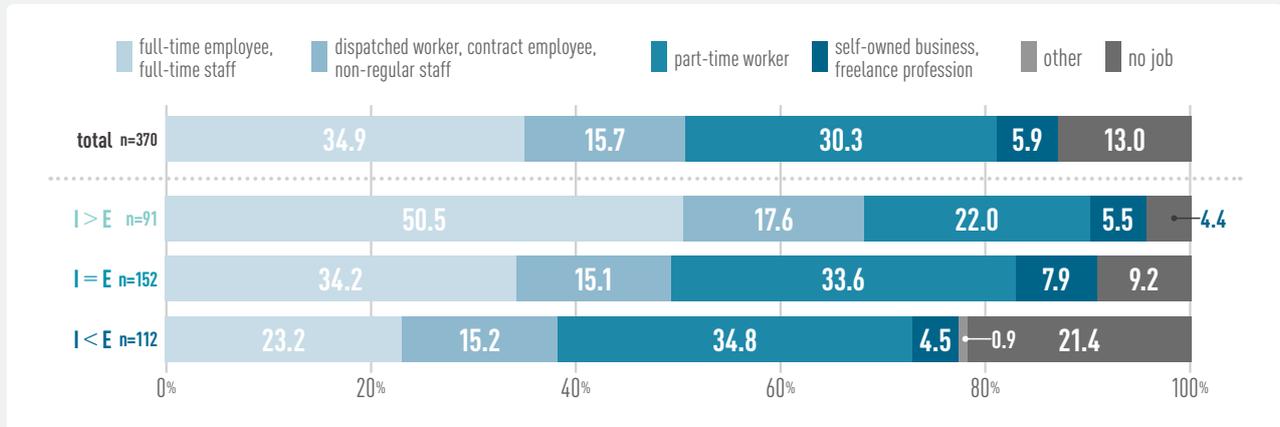
Number of children and age of youngest child living together n=367 (Mothers living with children)

The expenditure exceeding income group generally had more children (two or more) and had a youngest child aged fifteen years or older.



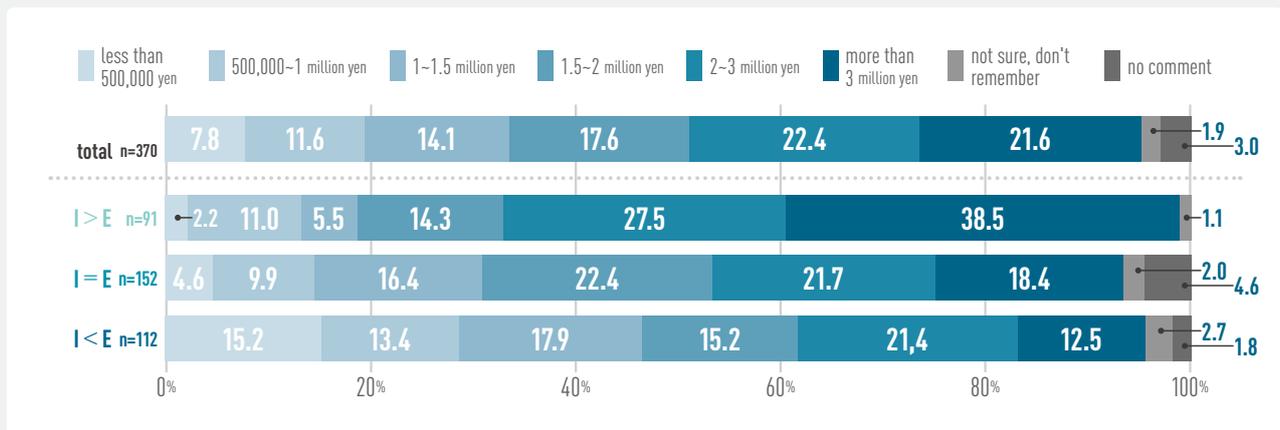
Type of employment n=370

50.5% of the income exceeding expenditure group were "full-time employees", but the percentage of "full-time employees" among the expenditure exceeding income group was low at 23.2%, and 34.8% were "part-time workers".



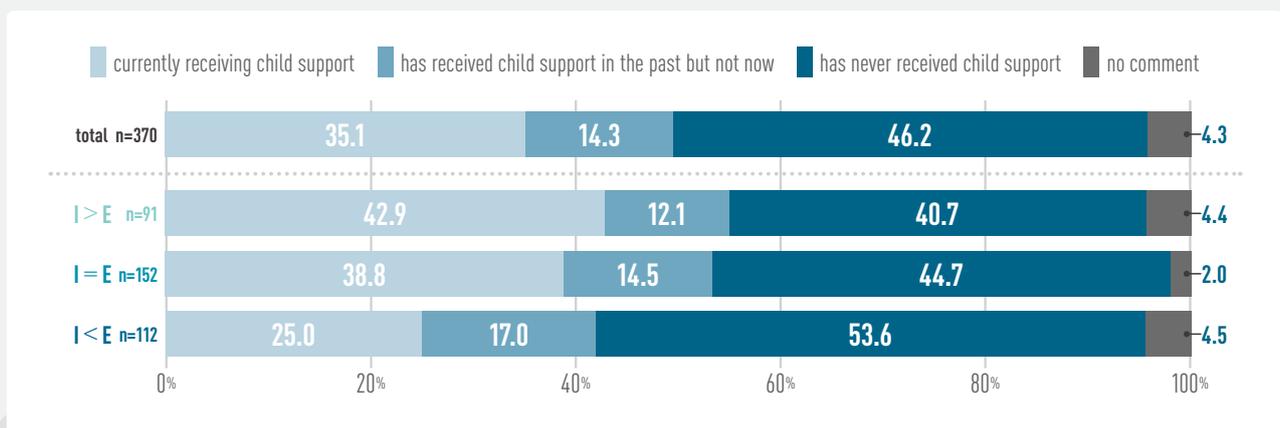
Annual income before tax n=370

More than half (51.1%) of 370 single mother respondents answered that their annual income is less than 2 million yen; 61.7% of the expenditure exceeding income group belongs to this category. Also, 53.3% of the income-expenditure balanced group and 33% of the income exceeding expenditure group earn an income of less than 2 million yen, which indicates that many single mothers are balancing a low income with low expenditure.



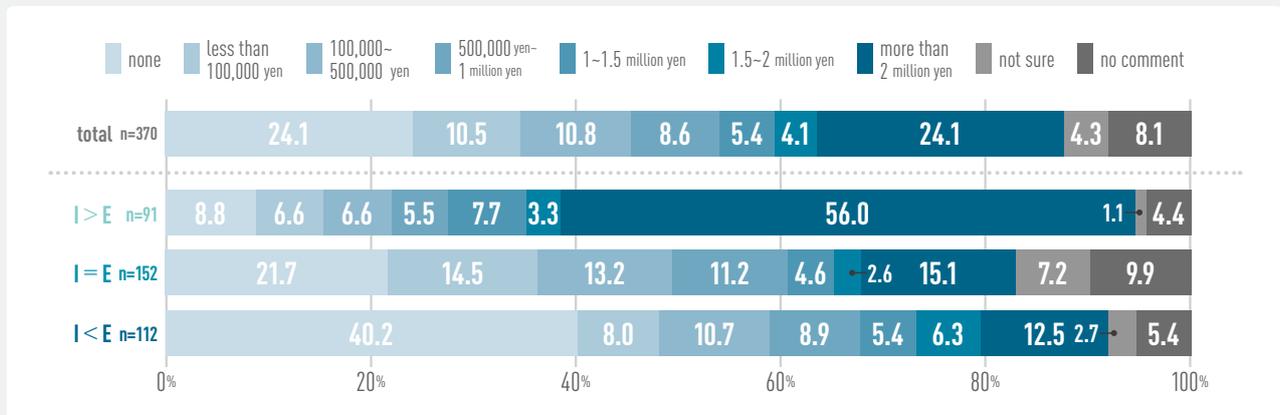
Child support expenses n=370

Only 35.1% of all single mother respondents replied that they were "currently receiving child support" from an ex-spouse/partner. The same answer accounted for 25.0% of the expenditure exceeding income group, which suggests that a lack of child support negatively affects the income and expenditure balance.



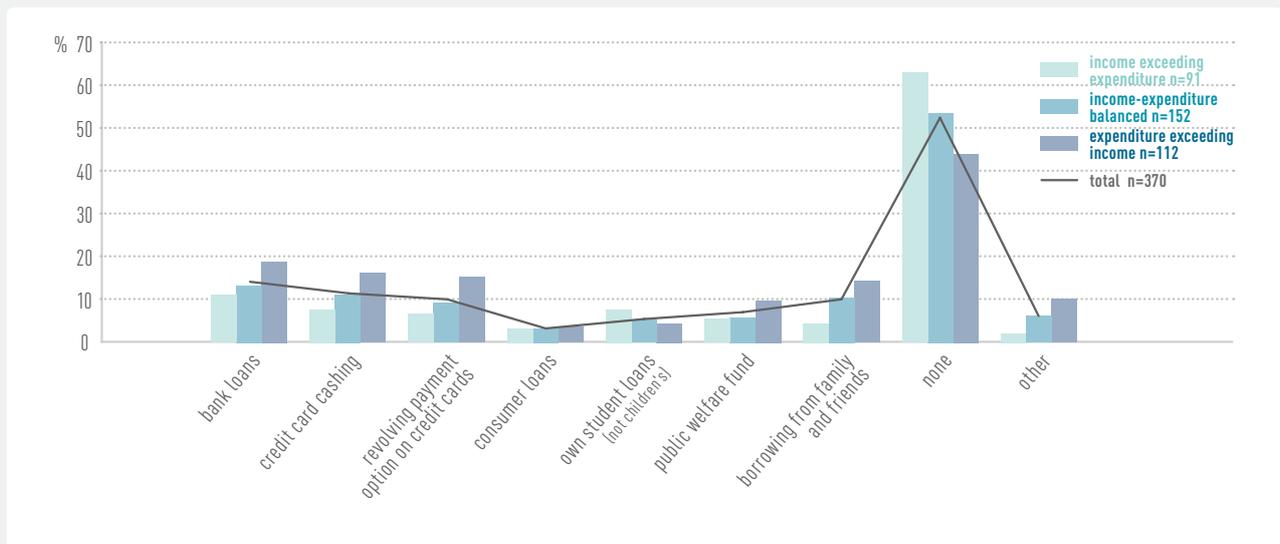
Savings n=370

Regarding their savings amount, 40.2% of the expenditure exceeding income group and 21.7% of the income-expenditure balanced group responded that they had "none". One can imagine that once their income is cut off, many single mothers will have difficulty carrying on with daily life.



Types of loans used n=162 (single mothers having outstanding debt)

Regarding the types of loans they are using, 43.8% of respondents answered that they currently had an outstanding debt. Examining the breakdown, the expenditure exceeding income group tended to have more debt in "bank loans", "credit card cashing", "revolving payment option on credit cards", and "borrowing from family and friends" than other groups.



Types of debt that are difficult to repay

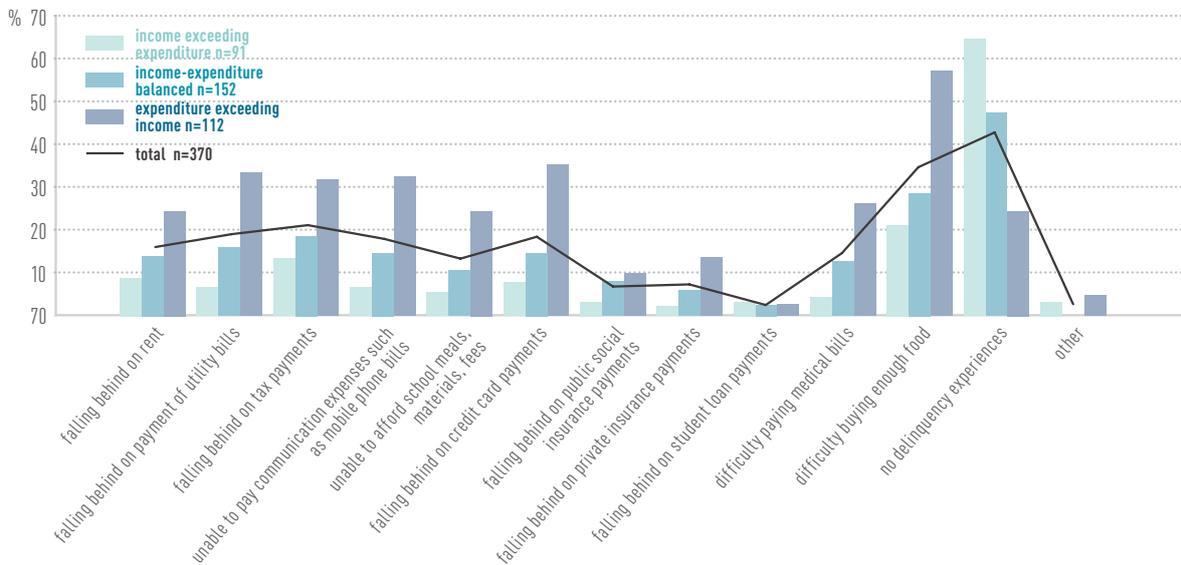
Overall, the respondents replied that all types of loans are hard to repay, and 42% answered that it is even difficult to repay loans from public welfare funds, which are intended to support low-income earners. Regardless of the type of loan, repayment is shown to be difficult.

	bank loans	credit card cashing	revolving payment option on credit cards	consumer loans	own student loans	public welfare fund	borrowing from family and friends
number who responded "difficult to repay"	27	24	20	8	12	11	19
number using the loan	52	42	37	12	20	26	37
percentage using the loan	51.9%	57.1%	54.1%	66.7%	60.0%	42.3%	51.4%

Delinquency in payments and other shortages n=370

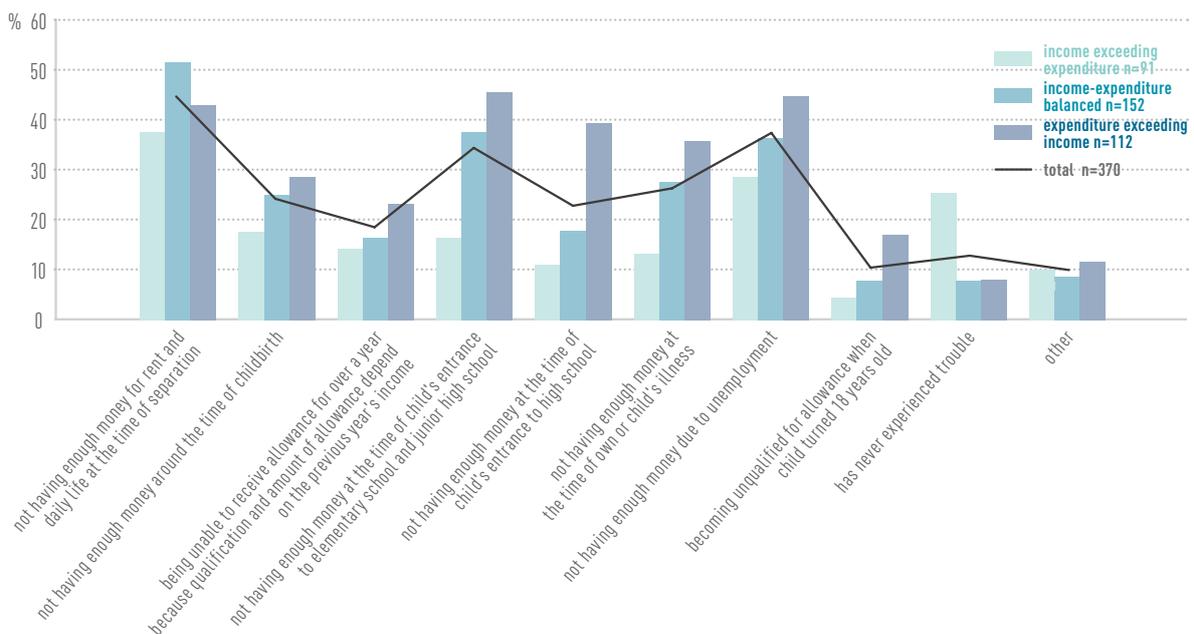
The most striking common financial difficulty among single mothers was "not being able to buy enough food", followed by various types of delinquency in payments such as "falling behind on rent", "falling behind on payment of utility bills", "falling behind on tax payments", "unable to pay communication expenses such as mobile phone bills", "unable to afford school meals/materials/fees", "falling behind on credit card payments", and "difficulty paying medical bills."

Especially noteworthy is the fact that the expenditure exceeding income group has a much higher rate of payment delinquency than other groups, which shows the degree of their financial hardship.



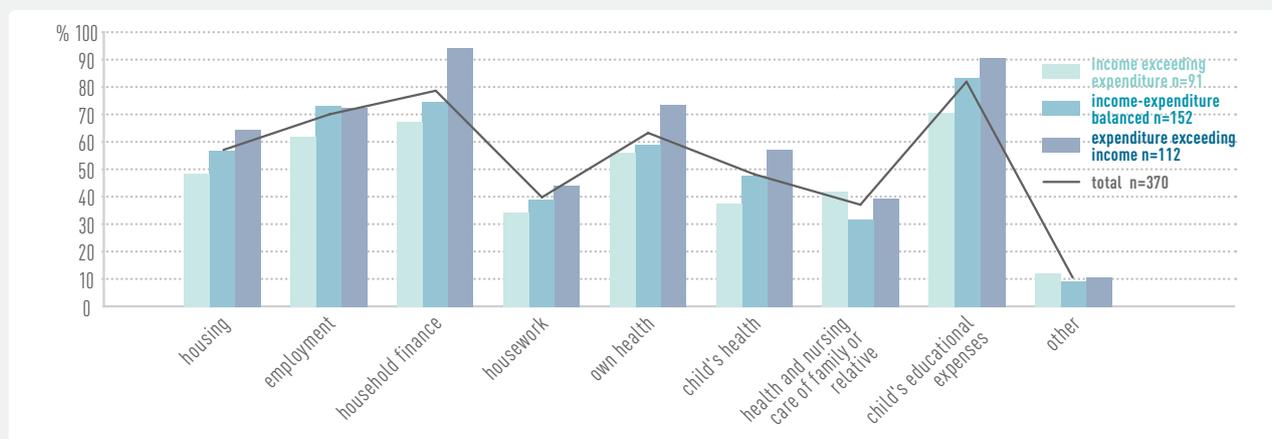
Past troubles n=370

The most frequently cited trouble experienced in the past was "not having enough money for rent and daily life at the time of separation from partner". 40% of the income exceeding expenditure group also had this experience, which shows the distressing circumstances of pre-single mothers (women who are not officially divorced and do not qualify for public support).



Current troubles n=370

With regard to troubles and concerns in their current daily lives, "child education expenses" and "household finance" were the highest, reaching more than 90% in the expenditure exceeding income group. This group also expressed a higher rate of concern about their "own health" when compared to other groups.



Accessibility and awareness of public support systems

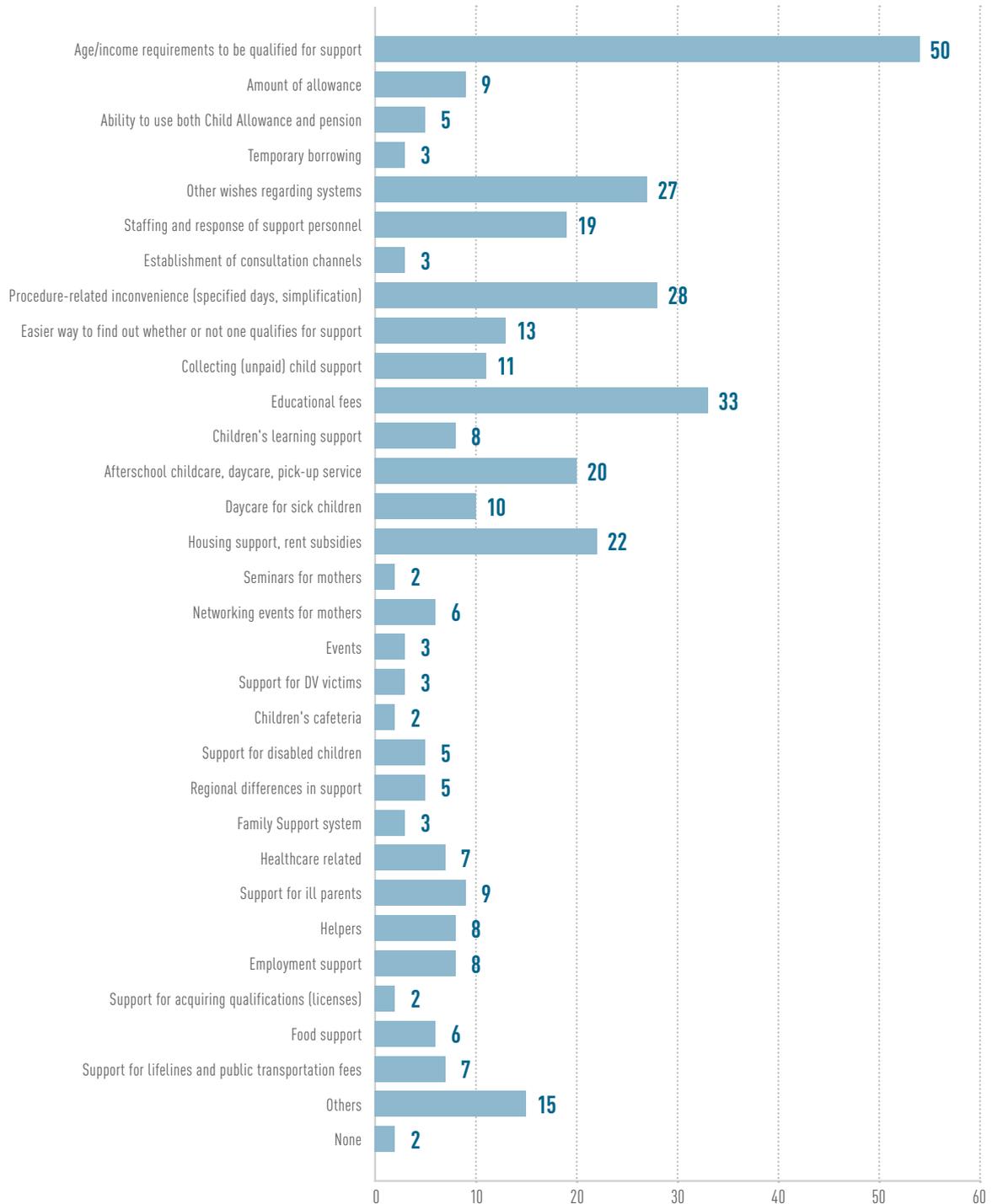
Among public support systems, 'Child Allowance' was most often considered "easy to use" at the rate of 74.9%, followed by 'Single-Parent Family Medical Expenses Subsidy/Child Medical Expenses Subsidy' (65.1%), 'Mothers Hello Work' (50.5%), 'School expense subsidy' (49.4%) and 'Child Rearing Allowance' (43.5%). Regarding the 'Child Rearing Allowance', 36.3% felt that "procedures are difficult and troublesome".

One out of four single mothers replied that they do not know what the following systems are: 'Mother and Child Housing Allowance', 'Independence Support Education and Training Benefit', 'Mother with Dependents, Father with Dependents and Widow Welfare Fund Loan', 'Consulting and Assistance by Single-Mother, Single-Father Independence Support Staff', 'Child Support Consultation Support Center', 'Maternal and Child Living Facility', and 'Housing Security Benefits Program, under the Independence Support System for the Poor and Needy'. This indicates that these public support systems have not been well publicized even to those who are aware of their existence.

	Recognizable n=370	easy to use	procedures are difficult	reluctant to use	don't know what it is	support does not meet actual needs	none of the above
Child Rearing Allowance n=361	97.6	43.5	36.3	1.7	0.6	20.2	9.1
Child Allowance n=366	98.9	74.9	13.1	0.3	0.5	9.8	7.1
School Expense Subsidy n=326	88.6	49.4	25.3	6.4	5.8	13.4	7.9
Mother and Child Housing Allowance n=217	58.6	5.5	8.3	2.8	32.7	21.2	30.9
Independence Support Education and Training Benefit n=284	76.8	6.3	25.4	3.5	25.0	20.1	25.0
Single-Parent Family Medical Expenses Subsidy /Child Medical Expenses Subsidy system n=338	91.4	65.1	15.4	2.4	2.4	9.5	9.2
Mother with Dependents, Father with Dependents and Widow Welfare Fund Loan n=273	73.8	5.9	26.0	13.9	31.1	11.7	18.7
Consulting and assistance by Single-Mother, Single-Father Independence Support Staff n=252	68.1	13.9	10.3	14.3	28.6	13.9	23.4
Child Support Consultation Support Center n=205	55.4	9.3	6.8	12.7	35.6	11.2	25.9
Maternal and Child Living Facility n=256	69.2	5.5	12.9	20.3	25.4	16.8	23.4
Mothers Hello Work n=287	77.6	50.5	6.3	3.5	9.4	15.3	18.1
Housing Security Benefit program, under the Independence Support System for the Poor and Needy n=189	51.1	2.6	10.6	16.4	38.6	13.8	24.3
Welfare n=342	92.4	2.6	22.8	46.2	7.9	17.0	19.0
Living Welfare Fund by the Social Welfare Council n=208	56.2	3.4	21.2	20.7	23.1	15.4	22.1

Requests concerning public systems and support services

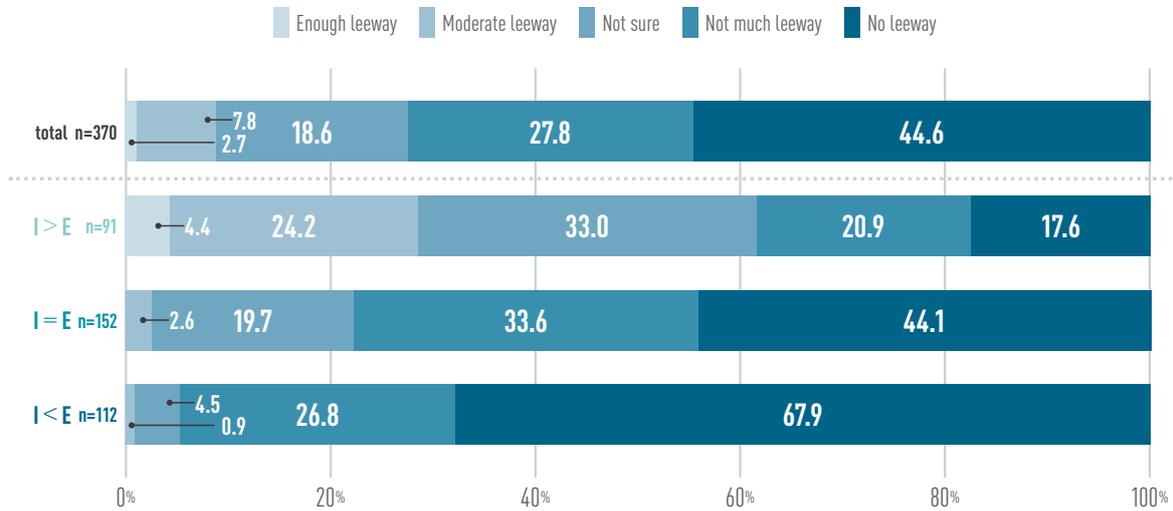
Upon categorizing and tabulating many comments in the comment sections by key phrases, requests and wishes regarding 'age and income requirements to qualify for support' were most frequent, followed by 'education expenses', 'procedure effectiveness', 'wishes regarding systems (other than indicated above)', 'housing support and rent aid', 'afterschool child care, daycare, pick-up service', and 'staffing and response of public support personnel'.



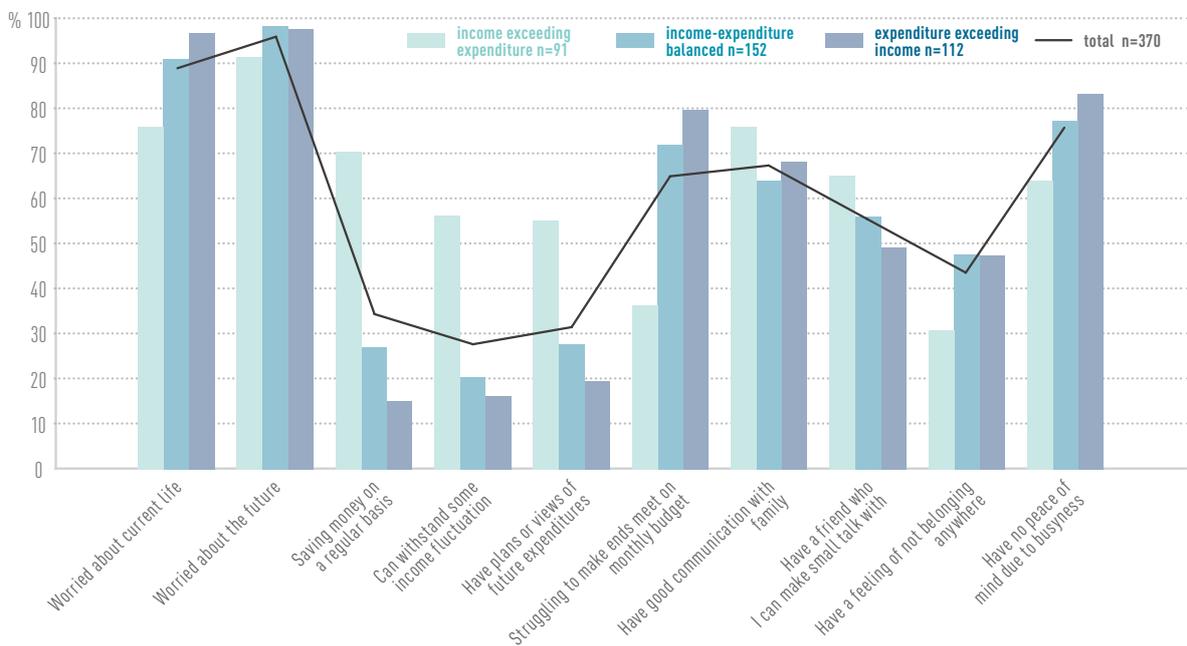
Perception of and issues with living conditions

Among the questions asking single mothers about their living conditions, the following are responses on questions related to financial health:

■ Financial leeway in current life n=370



■ Rate of respondents who answered "applicable" or "largely applicable" to the following question items n=370



The results in the chart above show that a high percentage of single mothers, particularly in the expenditure exceeding income group, are in poor financial health; they also tend to lack social capital and emotional reserves.

3.1.3 Summary of single mothers survey free description sections

The following are comments from the survey's additional comments sections, chosen and compiled for their relevance to financial health.

Housing

- Because I'm a single parent, both a guarantor and a guarantee agency were required for me to sign a lease agreement. I have also been refused rentals in the past.
- I was able to secure municipal housing after applying for eight years. I'm thankful the rent is reasonable, but as my income increases, the rent also rises.

Employment

- Holding three jobs is necessary to sustain daily life, but I don't have enough time to spend with my children.
- I was refused a job at an interview because my youngest child is less than one year old.
- Because my part-time job is on weekdays and paid by the hour, my household budget is tight when there are many holidays.
- I have no time to work and no emotional reserves because of my own health issues and my child's truancy.
- I went for employment consulting to get hands-on job training, but was told that I should save enough money for living expenses before applying.

Income and expenditure

- I'm making the utmost effort to save for my child's educational expenses, and I can't even think about my old age.
- My kid is taking an entrance exam, and I worry about money all the time.
- The balance on my student loan is over 6 million yen, but it's difficult to repay when my life is such a struggle.
- Because my income is low, I rely on credit cards, which is a financial juggling act.
- When I don't have money for food or cost of living at hand, I buy things on a credit card.
- Interest rates on cashing are high, and my debt does not shrink.
- Though my ex-husband is earning enough to pay child support, he refuses to pay, perhaps as a way to harass his wife and child for not responding to his demands.
- I've never received child support. I thought about having payments enforced, but gave up because of the complicated and difficult procedures. There needs to be a child support collection service.
- You just have to give up on receiving child support when the payer is a spendthrift and has no savings or property.
- There should be a system that automatically calculates the amount for child support and forces payment.

Support system

- Though I am essentially a single mother, I'm not qualified for public support because the divorce is not officially complete. The time of separation is when we most need help. But until the divorce is finalized, applications are denied.
- Because I'm already receiving a disability pension, I can't receive the Child Rearing Allowance. Being both disabled and a single mother, that's a double whammy, and I want to have both forms of support.
- The income limit to qualify for the Child Rearing Allowance is too low. When I became a full-time employee, I lost my aid qualification, which ended up decreasing my income.
- I can't understand why, as an unmarried single mother, I'm not eligible for child support because I live with my parents.
- As my current income is not enough to save money, I don't want to use the savings I already have, but I was told that I can't qualify for welfare as long as there is money in the savings account.
- It is better to not work too hard because if I work full-time and my income increases, I'm disqualified from tax-exemption and my health insurance and pension costs increase considerably.
- As it is difficult to take weekdays off from work, it would be helpful if weekend registrations and e-mail based inquiries were possible for the public support systems.
- As public application documents are often very complicated, I wish for a comprehensive consulting service to assist in the procedures.
- I would want a support that tells me what kinds of support systems are available and how to use them.

Other

- Because of my depression and panic disorder, I can't take my child to the hospital when ill or send them to high school.
- Because my child has a developmental disability, I chose to work part-time, but my income is not enough and life is difficult.
- The burden of raising a child with a disability as a single parent is exceeding my physical and mental limits.
- I'm worried that my child may be taken away by my abusive husband if I give in to menopausal exhaustion.
- My husband, who has been violent to my child in the past, is now claiming custody, but I don't want to give up my custody.
- I have no one to depend on and no one I can talk to. I'm almost isolated. I feel so anxious to think that if I should pass away, my child would be totally alone.

3.2. Current circumstances and issues of youth

3.2.1 Method of youth survey

An online survey for youth was conducted with the cooperation of Sodateage Net under the following procedures.

Subject

Youth who visited employment support organizations (in Saitama, Tokyo, Kanagawa, and Osaka prefectures), which Sodateage Net runs, were asked to take the survey. Included in the survey were low-income youth, unemployed youth, and youth who were employed but had been unemployed quite recently. As a result, the number of lower income respondents in this survey is higher than in the single mothers survey.

Implementation time September, 2019

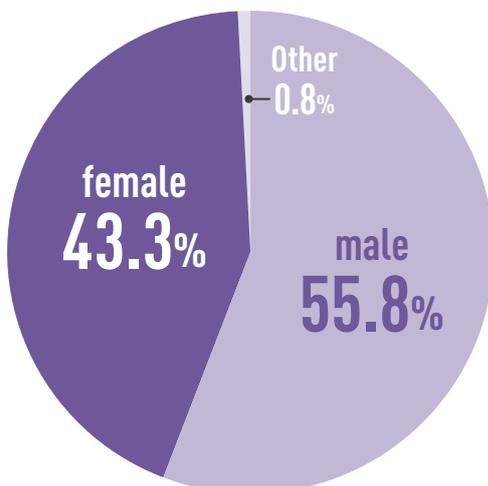
Number of replies 120

3.2.2 Summary of youth survey results

In the survey, 34 questions, broadly categorized as, 'basic information', 'housing', 'employment', 'income and expenditure', and 'support system', were used in order to clarify the presence of possible intersecting issues. The results excerpted and described are topics which were considered especially important with respect to financial health.

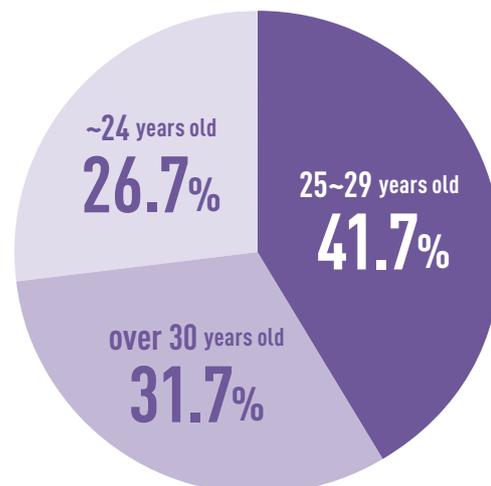
Gender n=120

55.8% were male and 43.3% were female.



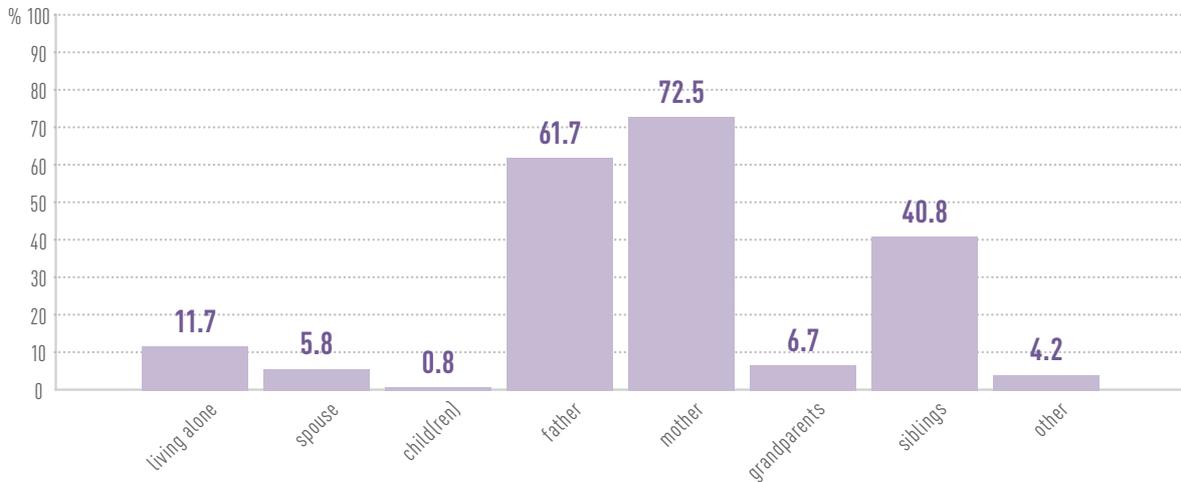
Age n=120

26.7% of the surveyed youth were under 24 years old, 41.7% were between 25 to 29 years old, and 31.7% were over 30 years old.



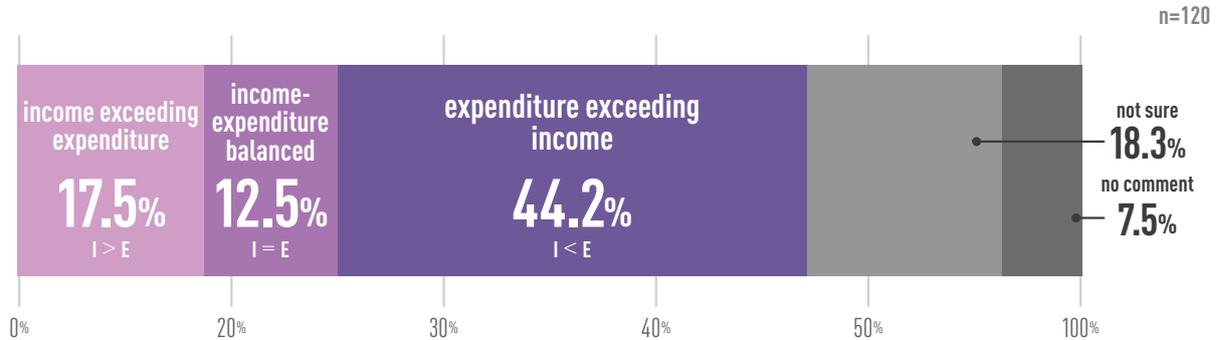
Person(s) living together n=120

Asked who they live with, 72.5% of youth respondents answered "mother" and 61.7% "father". In these cases, the youth's parent(s) are presumed to support the household.

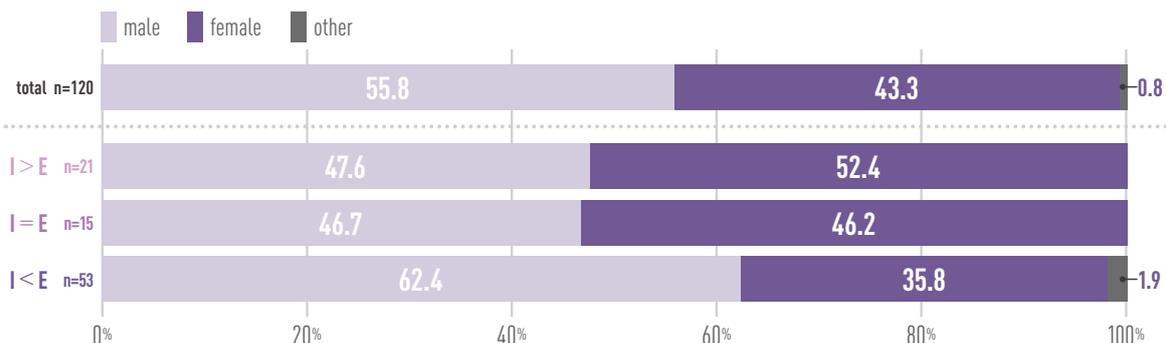


Current balance of income and expenditure n=120

In order of descending percentage, the expenditure exceeds income group was 44.2%, followed by income exceeds expenditure (17.5%) and income-expenditure balanced (12.5%). It should be noted there was a sizable proportion of youth who either were not sure about the balance (18.3%) or did not want to answer the question (7.5%).

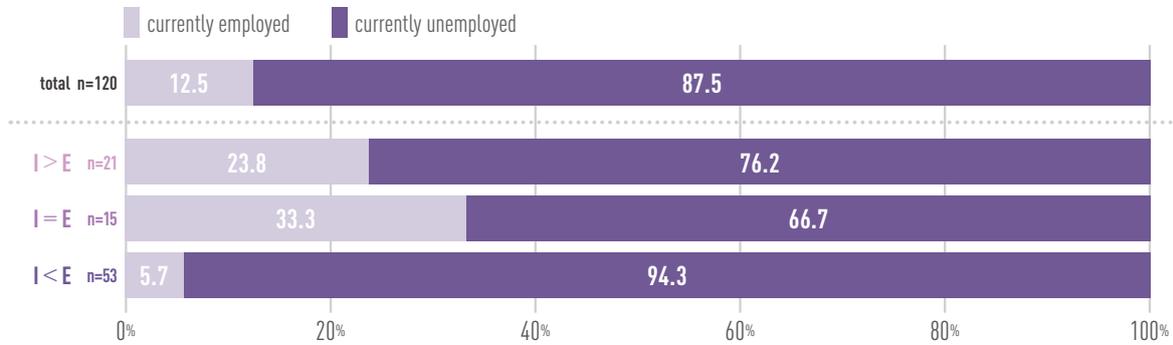


Looking at the gender breakdown by current income and expenditure balance, it is noted that in the expenditure exceeding income group, 62.4% were male and 35.8% were female, showing a higher percentage of males.

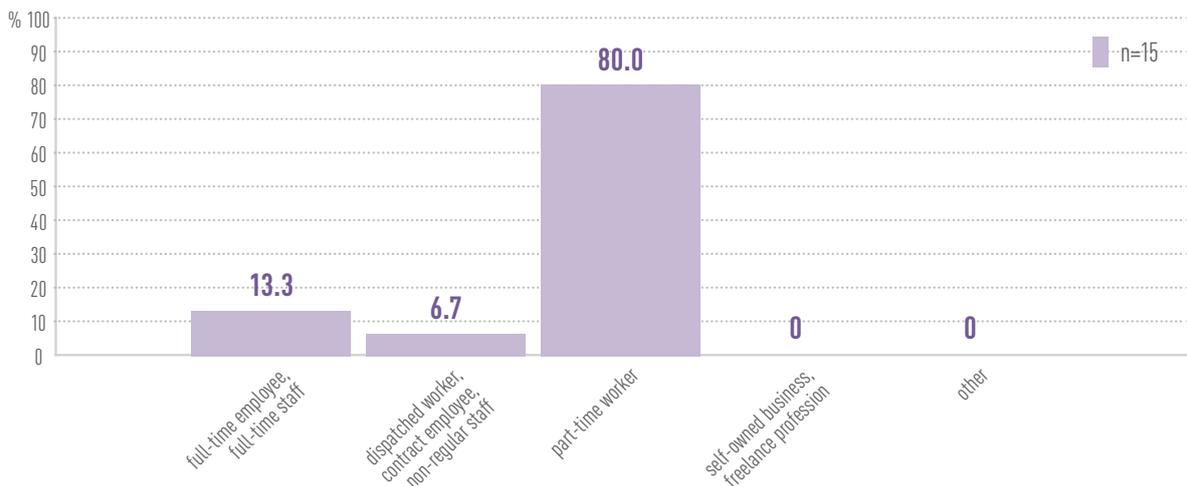


Type of employment n=120

In total, 12.5% were "currently employed"; the proportion was relatively higher in the income exceeding expenditure group and the income-expenditure balanced group. On the other hand, 94.3% of the expenditure exceeding income group was currently "unemployed".

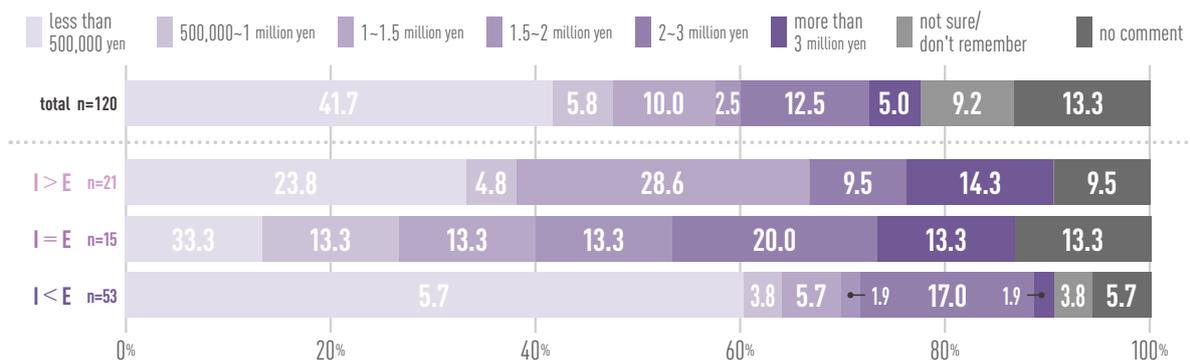


In addition, 80% of those who answered "currently employed" were working on a part-time-basis.



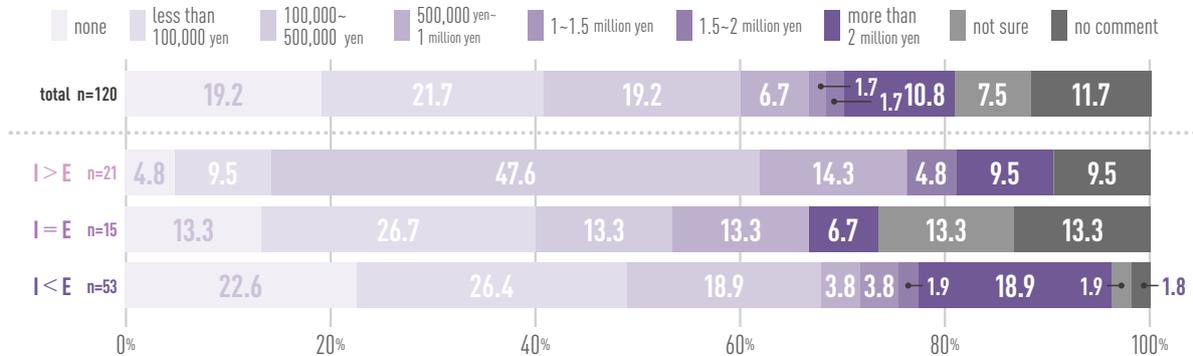
Annual income before tax n=120

60% of the total (or more than 75% if excluding "not sure" and "no comment") were low-income earners with an annual income less than 2 million yen.



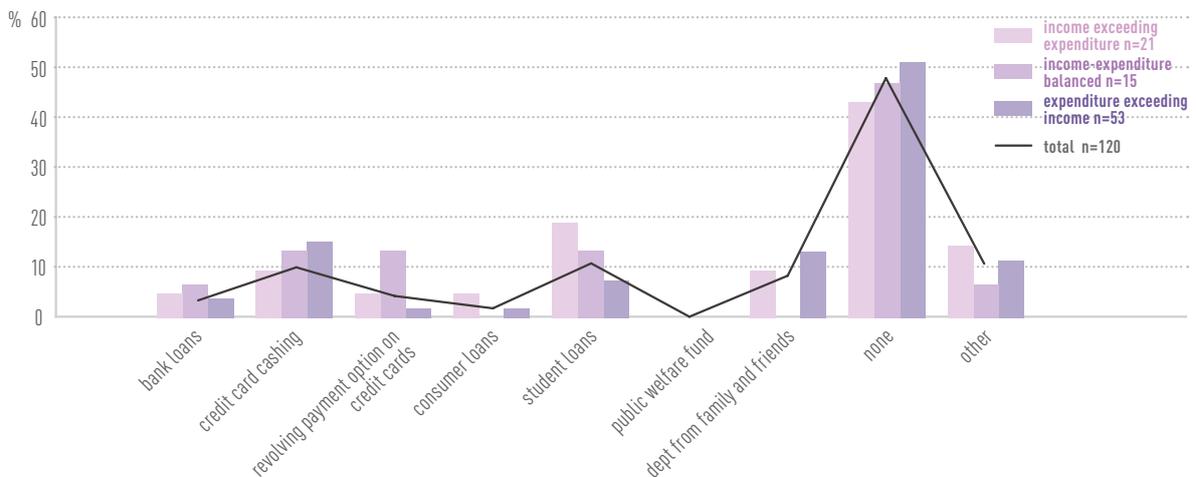
Savings n=120

About 20% of the total respondents (or about 24% if excluding "not sure" and "no comment") answered that they have no savings. The percentage of youth with savings of "less than 500,000 yen" was 67.9% for the expenditure exceeding income group, 61.9% for the income exceeding expenditure group, and 53.3% for the income-expenditure balanced group. These numbers show that a majority in every group were unable to save part of their income.



Types of loans used n=120

Although about 50% of respondents answered that they were not currently using money loans, the two most frequently used loans were "credit card cashing" and "student loans".



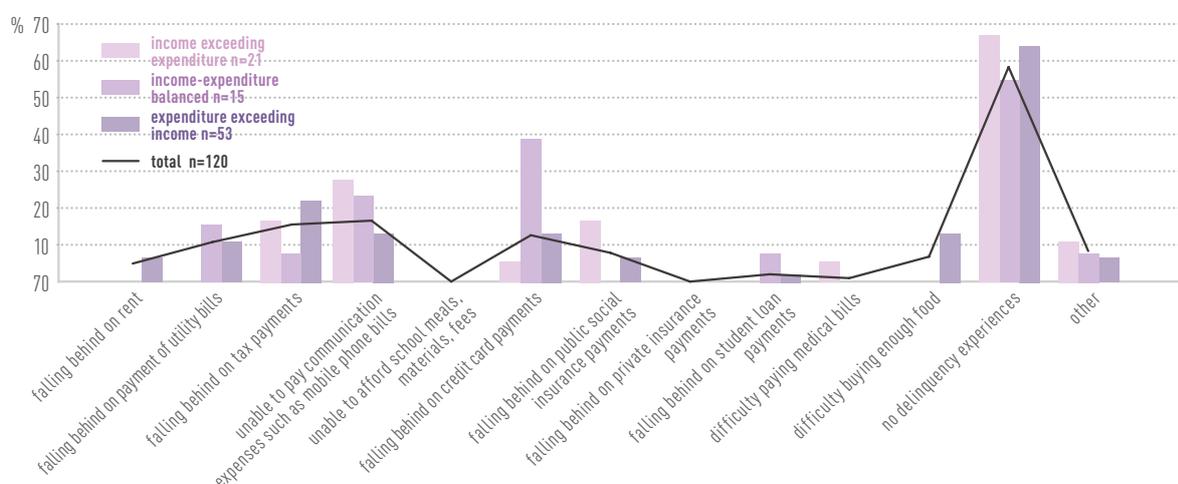
Types of debt that are difficult to repay

Among loans considered difficult to repay, the highest ranked was "student loans", followed by "debt from family and friends" and "credit card cashing". 8 out of 13 people who used student loans replied that they were having difficulty in repaying, which shows that the repayment of student loans is an especially heavy burden for youth.

	bank loans	credit card cashing	revolving payment option on credit cards	consumer loans	student loans	public welfare fund	debt from family and friends
number who responded "difficult to repay"	0	3	0	1	8	0	4
number using the loan	4	12	5	2	13	0	10
percentage using the loan	0.0%	25.0%	0.0%	50.0%	61.5%	-	40.0%

Delinquency in payments and other shortages n=120

As seen in the chart, a certain proportion of youth have such experiences as "falling behind on tax payments", "being unable to pay communication expenses such as mobile phone bills", and "falling behind on credit card payments".



Accessibility and awareness of public support systems

"Regional Youth Support Stations" have the highest "easy to use" rating among youth at 86.8%, followed by Wakamono (Youth) Hello Work (58.7%). However, youth awareness of other public support systems is fairly low.

	Recognizable	easy to use	procedures are difficult	reluctant to use	don't know what it is	support does not meet actual needs	none of the above
Wakamono (Youth) Hello Work n=75	62.5	58.7	2.7	12.0	22.7	4.0	2.7
Trial Employment n=27	22.5	18.5	3.7	22.2	40.7	0.0	18.5
Job Seeker Support System n=37	30.8	21.6	21.6	16.2	27.0	8.1	10.8
Fixed-Term Hands-On Training n=17	14.2	11.8	29.4	5.9	41.2	11.8	11.8
Regional Youth Support Station n=106	88.3	86.8	2.8	0.9	1.9	1.9	6.6
Job Café n=29	24.2	27.6	0.0	6.9	51.7	0.0	13.8
Hikikomori Regional Support Center n=20	16.7	20.0	5.0	20.0	45.0	15.0	10.0
Housing Security Benefit Program, Under the Independence Support System for the Poor and Needy n=8	6.7	0.0	0.0	0.0	25.0	37.5	37.5
Welfare n=69	57.5	0.0	15.9	27.5	29.0	20.3	24.6
Living Welfare Fund by the Social Welfare Council n=6	5.0	0.0	0.0	0.0	33.3	16.7	50.0

Requests concerning public systems and support services

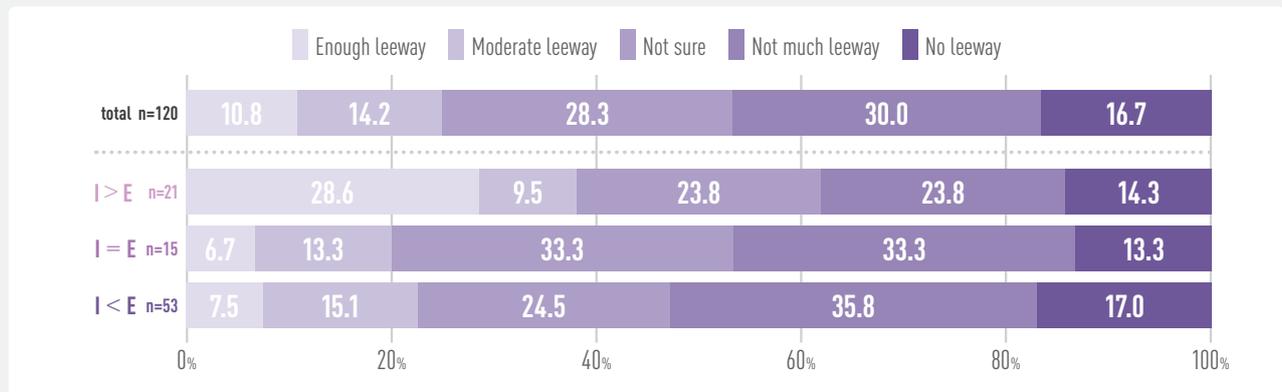
The following requests and desires are gathered from the comment sections.

- I want more employment support for people over 30 years old.
- Job hunting would be easier if the public support system was more flexible and not so sectionalized.
- It is difficult to understand the different systems because information is scattered all over the place. More publicity, such as having a comprehensive and easily understandable list of public support systems on a website, would be useful.
- Many youth are unaware of the different support systems for youth, so there should be more PR.
- I want more places where I can comfortably ask for advice on daily life.
- It would be convenient to make reservations for interviews and seminars online or by phone.

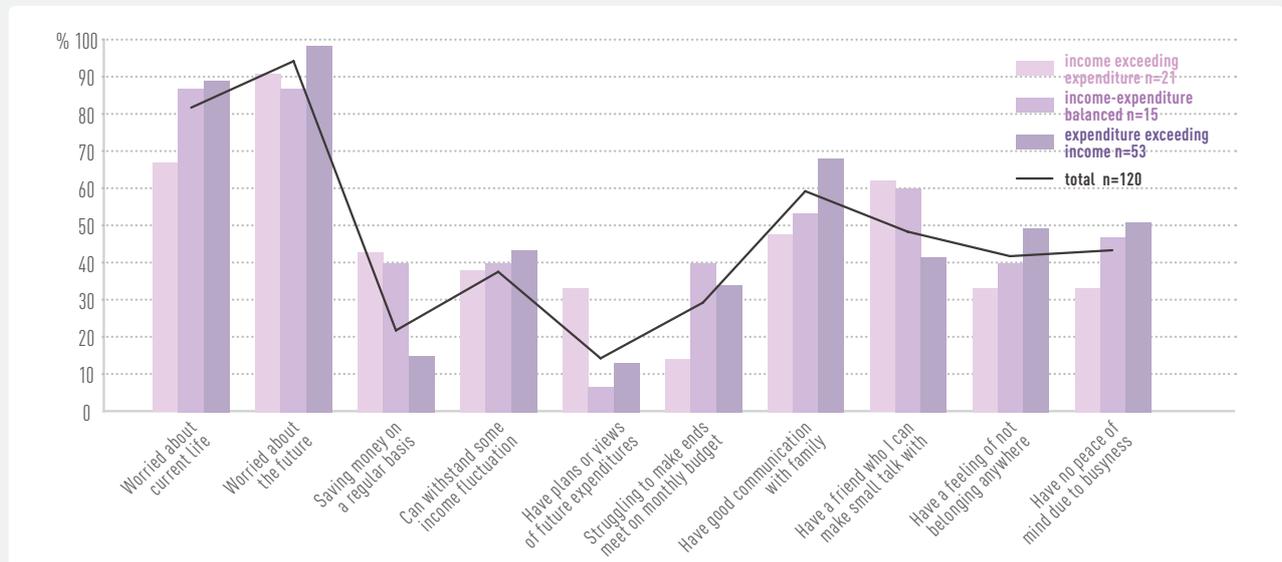
Perception of and issues with living conditions

Among the questions asking youth about their living conditions, the following are responses on questions related to financial health.

■ Financial leeway in current life n=120



■ Rate of respondents who answered "applicable" or "largely applicable" to the following question items



Similar to the results of the single mothers, the results in the chart show that a high percentage of youth have poor financial health, as well as a lack of social capital and emotional reserves.

3.2.3 Summary of youth survey free description sections

Although there were fewer responses from youth compared to single mothers, the following comments from the survey's additional comments sections were chosen and compiled for their relevance to financial health.

Income and expenditure

- Repayment of student loans is a concern to me since my current income is low.

Support system

- It is hard to understand the different systems because information is scattered all over the place. A comprehensive list of public support systems would be useful.
- It would be helpful if easily understandable information was posted on support organization websites or at facility offices.
- It would be helpful to receive comprehensive support and advice on what's needed to get work in the future.

Other

- Currently I'm living with my parents, but because I don't have any siblings I feel a sense of uneasiness that I will have to shoulder responsibility in the future.
- I'm worried that I don't yet have a job as my parents are approaching retirement age.

4 Interviews

4.1. Method of Interviews

To deepen our understanding of the current conditions of low-income single mothers and youth, semi-structured interviews were conducted with the following targets: affected parties, support NPOs, local governments, and researchers. The following questions were included in all the interviews: ① current situation, ② necessary approach to solving the issues and problems, and ③ prospective programs and initiatives needed in the future.

Target	Interviewee	Classification
Affected party	Single mothers (4 people)	Single mothers
	Youth (4 people)	Youth
NPO	Single Mothers Forum Kansai	Single mothers support
	Japan Workers' Co-operative Union, Center Jigyodan, Tokyo Central Headquarters	Youth support
	Wakamono Shuro-shien Network Shizuoka (Shizuoka Employment Support Network for Youth)	Youth support
	Worker's Collective Association	Poor and needy support
Local government	Akashi City (Child-rearing Support Office & Child Welfare Division, Children's Bureau)	Single mothers support
	Yokohama City (Youth Development Division, Youth Bureau)	Youth support
	Yokohama City Youth Counseling Center	
	Yasu City (Civic Life Consultation Division)	Poor and needy support
Researcher	Michiko Miyamoto (Affiliate and Emeritus Professor, Open University of Japan/ Emeritus Professor, Chiba University)	Expert on single mothers and youth
	Hiroshi Tsutomi (Professor, University of Shizuoka)	Expert on youth and single mothers

4.2. Major comments from interviews

4.2.1 Viewpoints of single mothers and youth

Single mothers

About the current situation

- When I divorced, I had no financial leeway and I had to surrender all my private insurance.
- It's pretty difficult to rent an apartment as a single mother with a little boy.
- My ex-husband has a mental illness and the main reason for the divorce was related to financial issues. He may be on welfare now, so there's no way of receiving child support from him.
- I can't afford to pay for my monthly bills such as electricity, so I pay them when I receive my Child Rearing Allowance.
- When I don't have money for food and other living costs, I shop with credit cards using the revolving payment option.
- I survived by using consumer loans and credit card loans during the time when I couldn't work, but now my balance hardly decreases.
- I always have a remaining balance of revolving payments, but when low on cash, I have no choice but to pay for food and living costs with my credit card, so I keep missing payments for the national pension and taxes.
- Because I want to avoid borrowing cash on credit as much as I can, I shop with credit cards and delay the payment timing instead, but the interest rate on revolving payments is very high. It's difficult to pay off the balance unless my income increases, and I'm stuck in a cycle of paying off the balance and borrowing again.

- Since there's no school lunch during summer break, expenses increase during this time for costs such as travel and meals.

Necessary approach to solving issues and problems

- When my child was little I worked part-time in order to spend more time with him, but now I wish that I had worked more and made more savings.
- I currently have two part-time jobs, but am also studying in order to be able to work from home because my child is autistic and needs to go to special classes for autistic children.
- Some mothers try to limit their income in order to receive the full amount of Child Rearing Allowance, but I think young mothers should earn as much as possible while they can.
- The Child Rearing Allowance is not paid in full for every child. It is paid in full if there's only one child in the family, but the amount provided per child decreases with each child. In this day and age of declining birthrates, the calculation method should be changed.
- When my child was one and a half years old, I applied for a Child Allowance but was declined because my income exceeded the limit. I was feeling helpless when a public health nurse happened to take notice of us. That person kindly listened to me, introduced me to the 'Maternal and Child Support Facility', and helped me go through the necessary procedures for housing and other support. It made a big difference.
- When I was mentally unstable, a nice worker at the Maternal and Child Support Facility took good care of us.
- People hesitate to be on welfare because they're afraid they'll rely too much on it and won't be able to regain independence, but I think it is fundamentally a system that assists those who are unable to live on their own.
- When my children were small and times were tough, I could only think about the immediate issues I was facing. It was only after my kids got older that I could think about the future. At a financial planning class, I heard: "Think about 5-10 years ahead" and "When your child gets into middle school, you need 150,000 yen for the entrance fee." I realized I should have known many things earlier.

Programs and initiatives needed in the future

- Documents required at the public office have a lot of confusing parts and are very complicated and time consuming to fill out. Since the office has all the information, I wish they would inform me of what support options are available to me and give suggestions.
- When your child gets sick, you have to use special day care for sick children, and that's a hurdle for mothers who want to work outside the home. It would be good if there were free childcare centers, as well as free medical services.
- I wish there were such things as "Click here if considering a divorce" buttons or "Divorce Emergency Call".

Youth

About the current situation

- When I had a talk with my parents about living expenses, they told me not to worry, but I feel bad and I want to work on my own.
- I have a vague anxiety when I think about what could happen in the future. I'm looking for a job that suits me, but having quit a job due to health problems in the past, I'm being overly cautious.
- I want to pull my life together and start living by myself, but I'm unable to find a full-time job. Currently, I have a part-time job and can make a living without having to overwork, but I know that I should change things to make a steady income and not continue living the way I do now.
- I update website designs as a part time job, 5 hours, three days a week. It's my first job. I went to a writing school for two years and am taking an advanced course once a week. I have a developmental disorder and have difficulty working. This is one reason I'm still dependent on my parents.
- When I was a college student, I wasn't familiar enough with credit card systems and their payment terms, which led to overdue payments.

Necessary approach to solving issues and problems

- It's hard to find the information that you're really looking for on the internet. Even when I find a support system or government website, the descriptions are often lengthy and I get discouraged. It'd be better if the information was more accessible.
- I know a bit about the advantages of using support systems, but the disadvantages are unclear. It's hard to seriously consider something I don't really understand.
- The Regional Youth Support Station requires you to have a meeting with the staff before deciding what programs to

take. I understand consultation makes the programs better, but it's bothersome that I can't decide on my own.

- My parents and I usually end up quarreling, so I'm more comfortable consulting with counselors at the Regional Youth Support Station, because they understand what I've gone through and they aren't too close. Also, when I find a course that interests me, the support station will handle the registration, but I'm used to registering for things online, so applying by phone is a big hurdle for me.
- I was advised to take vocational training when I told the career counselor at Hello Work that I quit my previous job. But the training session that I was interested in was 5 or 6 days a week for 6 months, so I wasn't sure if I could manage it, especially because I quit the previous job due to my poor health. I was then introduced to the Regional Youth Support Station, which supports me in getting back to work at my own pace, and I am now taking seminars once a week.

Programs and initiatives needed in the future

- There are so many different flyers at the career support institutions, and I don't know which ones to pick.
- It'd be helpful if the various support systems were cataloged and the flyers could be picked up according to category. Also, it would be good if there were some entertaining materials such as YouTube videos that explained the necessary support systems in a simple way.

4.2.2 Viewpoints of NPO

About the current situation

- There are single mothers who are unable to work due to the double responsibilities of raising children and caring for parents. Different people have various social difficulties, including youth who have no work experience, or who have work experience but have taken a leave of absence due to mental or physical injury.
- The biggest difference between single mothers and youth is that many single mothers are unable to depend on their parents. With no support from parents, they can only depend on money lenders. They have no choice but to rely on student loans or Single Mothers and Widows Welfare Loans.
- We hear that at first many people are hesitant to use loans, but once you borrow money, it often gets out of control and the debt keeps mounting.
- When in need of a large amount of money, such as for education, housing, or finding employment, single mothers without savings have to apply for loans. However, loan applications usually require a guarantor, which is difficult to secure for single mothers.
- Many young people are financially dependent on their parents, and they are not prepared after their parents are gone.
- Youth who have employment difficulties often have some kind of disability. There are also cases in which a possible developmental disorder is found during the process of consultation and training.
- We find many people who aren't even aware of how much money it takes to get by.

Necessary approach to solving issues and problems

- Employment support should be based on the consuler's needs by listening to what they want to do, instead of the support personnel taking the lead. Many people seeking jobs aren't sure what they want to do, but often they can say what they don't want to do. It's important to start from there and move forward with the remaining choices. Even simple jobs contribute to an increased employment rate as long as they're acceptable to the workers.
- The difficulties facing the affected parties are complex. For those who have trouble starting regular work after training, creating an intermediate employment system with a financial incentive will be a steppingstone to employment. After one year of training, there are some people who we know will have difficulty working. Having nowhere to go can cause social withdrawal, so a way for them to stay connected with society is important.
- Our Support Station doesn't reject anyone. We even provide counseling for people over 40 years old, and that's the strength of being an NPO.
- Local governments are not good with publicity. That's why we are trying our best to share beneficial information with affected people.
- A place where people can go with their concerns, a place where they have someone to talk to, and a place where they have trusted relationships, these are the keys.
- Employment preparation support service under the Independence Support System for the Poor and Needy is based upon three pillars consisting of daily life independence, social independence, and financial independence by employment. But those who come for consultation have no money or job, and employment training alone doesn't

solve the problem. Those who are in serious trouble should be on welfare, even for a short time, and get help to the point where they can search for jobs.

Programs and initiatives needed in the future

- We've been commissioned by the city to host various seminars for single mothers on financial issues, child education, life planning, laws related to divorce, etc., and seminars on laws and educational expenses were of strong interest to them.
- The Child Rearing Allowance has been improved from payment every four months to payment every other month, but it's still not easy managing a household budget. There needs to be a constant review and enhancement of the Child Rearing Allowance system and tax systems.
- Offering a nominal one-stop service system is meaningful only if the public officials in charge provide follow-up support. If attempts are hampered by administrative regulations, they should outsource the work to NPOs or the private sector.
- Early detection and action before the problem escalates is vital, and a one-stop service to deal with this is important. The attentive civic service that Yasu City provides is a good model. It's best for local governments to deal with the problem before it grows bigger.
- SNS is a useful communication tool for youth to access information. Progress in the use of IT needs to be made. Providing contact points and better access to easy consulting for youth is necessary.
- To meet the needs of each person's work style and to accept people with difficulties in the community, comprehensive, regional support such as training, employment, and provision of a place to belong is necessary.
- Financial education such as Money Connection by Sodateage Net is effective. Our Support Station has also provided such courses, collaborating with a former consumer loan company and insurance companies, where participants learned about taxes, insurance, and financial products related to savings such as life insurance, and made a life plan. I think money education is effective and will be necessary hereafter.
- I supported financial management by teaching the consulter how to fix weekly budgets, going shopping together, and keeping a record of expenses, and the consulter completed repayment of all debts in half a year.
- In an employment preparation course for youth, we taught basic life skills, such as cleaning, tidying up, and cooking, as well as financial management. We're hoping that these skills will help the young people understand the importance of financial management and have a different attitude towards money and life.
- Financial education should be provided to make real-life skills part of the school curriculum, preferably during the compulsory education period before high school.
- For people around the age of becoming adults, such as college students or youth in their 20s, it would be good to provide financial education such as financial planning for the future.

4.2.3 Viewpoints of local governments

About the current situation

- There is no mechanism to provide a safe and secure living environment for youth who are starting to live on their own.
- Concerning youth support, there aren't enough independence support programs that help develop their ability to make a living, including financial knowledge.
- There aren't many clients who understand their household income and expenditure. They are badly off and have no time to look at their household budget, so they don't know about the amount of balance and debt, or even in some cases about their rent. Many single parents want their children to take after-school lessons, but doing that sometimes causes difficulty in paying taxes or rent.

Necessary approach to solving issues and problem

- Employment and housing are closely related, so secure residence is very important.
- Instead of suppressing expenses, it's important to focus on increasing funds for living by utilizing applicable systems according to the person's actual circumstances, such as benefits plans and reduction and exemption of payments. Improvement of household budget depends on how well the public personnel understand the beneficial systems and provide the consulter with proper information. Filling the gaps by using effective systems is important. We should fit systems to people, instead of trying to fit people into systems.
- Through cooperation among youth independence support organizations, we are providing step-by-step and seamless support such as social participation support, consultations, a place for youth who are recovering from social withdrawal, and comprehensive and continuous employment support as well as follow up. A broad network is necessary in order to deal with diverse cases and introduce appropriate organizations.

- Problems and issues are different for each young person, so providing accompanying support and a safe environment to meet with trusted adults is necessary.
- It's effective for clients themselves to understand the troubles they are facing and find ways to improve the situation by themselves by keeping the household account book together and visualizing the budget. A trusting relationship is needed to work together in keeping household accounts.

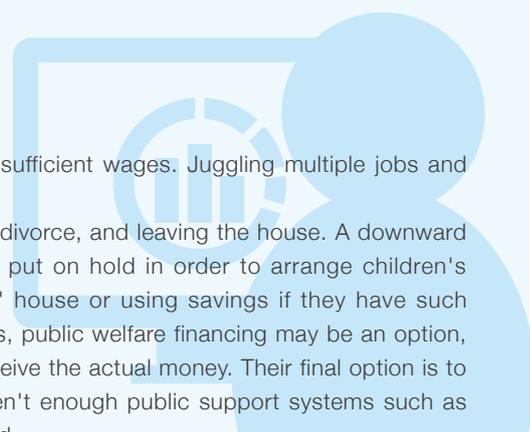
Programs and initiatives needed in the future

- We try to spot single mothers whenever they happen to come to the municipal office, such as at the time of "present situation report" submission, and provide necessary information and consultation in order to solve daily problems. Also by directly talking to them, we try to find out what problems they are having and take action at an early stage.
- In Akashi City, we started monthly issues of Child Rearing Allowance. Based on the results of the model project, in fiscal year 2018, we have started a full-scale operation of "The single parent household support loan project" to all applicants for monthly issue. Foreseeing an increase of users, both loan and reimbursement are made through account transfer payments instead of hand delivery. The service users say that it gives them a sense of security to have money every month. We hear from many people that the project makes it possible for them to predict their household budget and that it makes them feel safe to have money on hand for unexpected expenses.
- I think the Independence Support for the Poor and Needy system is a pioneering one in that multiple municipal divisions have come together under this law to make the most of it. Many users don't have the leeway to figure out what their problems are. The personnel work together with them to take in and assess the issues that need to be solved, and consider what services they can utilize. It's important that the user truly comes to understand the issues by thinking together with the consultant.
- In Yasu City, many consultation requests regarding independence support services come from different divisions within the city and not the users themselves. Instead of waiting for the users to come asking for support, public health nurses and employment consultants try to spot people with difficulties through Child Rearing Allowance applications or employment consultations for single parents, and connect them to the Civic Life Consulting Division.
- The Civic Life Consulting Division of Yasu City acts as a contact point or concierge to support users by cooperating with related divisions and outside organizations, including NPOs. The personnel don't know everything, but having face-to-face connections with the heads of other divisions makes it possible to give and receive advice among divisions.
- The municipal office makes the utmost effort to find users and provide support. Specifically, the public office approaches people who are overdue on taxes to understand their situation with debt.
- It's effective to help the user improve their household budget by keeping household accounts along with them and making the balance of income and expenditure visible, so that they understand what problems need to be solved. A trusting relationship is necessary to work together in keeping household accounts and making expenditure visible.

4.2.4 Viewpoints of researchers

About the current situation

- An issue on the part of employers is the fact that women are not paid sufficient wages. Juggling multiple jobs and having children is a tightrope for single mothers.
- Securing a new residence is a top priority for women, before and after a divorce, and leaving the house. A downward spiral of having no job and no income occurs when the job search is put on hold in order to arrange children's schooling or housing. Some can survive by returning to their parents' house or using savings if they have such options. For those who can't depend on family, friends, or acquaintances, public welfare financing may be an option, but application procedures are often complicated and it takes time to receive the actual money. Their final option is to use credit cards, which has a higher risk of ruining their lives. There aren't enough public support systems such as providing emergency funds for single mothers until their lives are stabilized.
- There are many people who don't apply for welfare because of strong feelings of resistance toward it. People in desperate need may find it arduous to use the system, and they may get difficult explanations or angry reactions at public offices, causing them to become fed up with the offices.
- Mental issues such as minor intellectual disability or addiction should be part and parcel of what we think of as financial education. For those who have minor disabilities or are in the "gray zone", it's difficult to manage their finances and control expenses.
- Regional Youth Support Stations were initially established to support jobless youth, but eventually it became apparent that many of the consulters are youth in the "gray zone" who have possible illnesses or disabilities. As there is a labor shortage these days, it's quite clear that the ratio of youth in the gray zone who come to regional youth support



stations is higher than before. Regional Youth Support Stations as a system tend to push out those who have "great difficulty in working". Organizations outsourced by the government struggle with a dilemma because it doesn't help their performance when they keep working with youth who are unable to find employment in spite of their continuous support. Organizations with a large capacity may be able to continue to support such youth, but organizations with less capacity need to cut them off.

Necessary approach to solving issues and problems

- With respect to the financial health of affected parties, creating a social system of support with prospects for their future life is more important than trying to raise their awareness.
- Financial health is an issue of spending rather than inability to earn money or having insufficient income. In addition to issues of budget management ability, vulnerable people such as those with risk factors need to be protected legally by regulating the financial services industry which lends money to them and leads them to spend more.
- Financial health improvement is based on the assumption that the affected party has sufficient comprehension ability. However, many people whose problems are not improving have mild mental disabilities, such as difficulty with calculations or learning kanji (Chinese characters used in written Japanese), and these at-risk people often have trouble with administrative procedures. Other than congenital disabilities, divergences can emerge while people are growing up or once they are adults, resulting in social exclusion. Systems and supports should take into account the possibility that there is a certain proportion of such people among single mothers and youth.
- Given that some people who come for consultation have possible intellectual disabilities, administrations need to explain the systems in a comprehensible way. Requiring a certain level of literacy to utilize the systems will lead to a downward spiral of exclusion for people who really need support.
- To prevent impoverished people with complex issues from falling into the so-called "cracks between systems", the Independence Support System for the Poor and Needy handles as wide a range of consultations as possible and operates as one unit to clarify circumstances, find clues to solve problems, make support plans, and foster independence in living and employment. It has an important role to play, and expectations are high.
- I think we should uphold the vulnerable with mutual-aid systems, invest more in the at-risk groups, and create places where they can bring out their abilities.

Programs and initiatives needed in the future

- There are complicated reasons behind the cases where child support payments are not being properly made, such as weak public enforcement of payments, spouse's low income, and domestic violence. If payments were properly made until children grew up, many single mothers would not be facing such hardship. This situation can be improved if the public agencies take charge of collecting the child support instead of leaving it to individual efforts. Education and enlightenment for affected parties are necessary to advance their understanding of the system. Creating joint custody as in western countries, where divorced parents share custody of the children, may be considered in the future.
- Substantial public systems are needed to support people during employment gaps until they achieve a stable life.
- It needs to be widely understood that the welfare system is a safety net which should be used when in real distress, and it is a temporary source of money used to achieve independence. It shouldn't be viewed solely as money provision, but also as a period of rest and treatment with the goal of getting one's life together and moving on to employment preparation and job search activities.
- Taking into consideration the situations of evening schools, correspondence schools, and troubled schools, there are cases where schools provide education in finances, life skills and workplace experiences, and this kind of education is necessary for the students to get by in the real world.
- Daily life support on decision-making for issues such as pregnancy, relationships, and the risks of debt is necessary to stop the youth from getting into dangerous situations. Ideally, it will be effective to set up consultation bases in the same manner as school social workers at junior high schools or high schools that the affected people attend. They don't need consulting from the beginning. They need a place where adults in the community can listen to what they have to say.



5 Findings

5.1. Findings from single mothers

This research has clarified the living conditions of low-income single mothers. Findings considered especially relevant to financial health are excerpted as follows, along with the survey questions.

Housing

- Contracts are often rejected due to difficulty in securing a guarantor.
- The burden of rent greatly affects household budgets

Employment

- Many single mothers are unable to work due to health issues.
- Though the employment rate is relatively high, many single mothers are irregular employees with low wages.
- Women's wages are low compared to men.

Income and expenditure

- Imbalance of household budget is often due to insufficient incomes from employment, benefits, and child support.
- A large portion of expenditure consists of living expenses such as food, housing, and education; the proportion of housing expenses is especially high, and the burden of higher education costs is great.
- An income and expenditure balance tends to be harder to maintain when there are more children and their ages are older.
- Single mothers tend to lack savings due to low income and resort to loans when short of savings.
- The repayment amount on student loans is high, which becomes a heavy burden.
- Many single mothers are unable to think about their future because they are fully preoccupied with their daily lives and have no savings.
- Many single mothers have concerns about the future regarding their own or their children's health and the household budget.

Support system

- Many single mothers expressed that accessing support systems is not easy.
- Many feel reluctant to use welfare because they worry they may be stuck with it or worry about how people would see them.

Other

- Many single mothers are dealing with some kind of disability, either their own or their children's.
- Many single mothers lack life skills and financial literacy.
- There are single mothers who have little social capital/few relationships, becoming isolated because they have nowhere to belong and no friends to chat with.

5.2. Findings from youth

Findings considered especially relevant to financial health are excerpted as follows, along with the survey questions.

Housing

- Many youth live with their parents or rely on their parents for rent.

Employment

- Many youth are either unemployed or are irregular employees with low wages.
- Many are unable to work due to some kind of disability.

Income and expenditure

- Many rely on their parents for their household budget, such as living expenses.
- Due to their low income, it is difficult to afford insurance, which makes them vulnerable to risks such as illness.
- The repayment amount of student loans is high, which becomes a large burden.
- When short of money to live on, many youth fall behind on bills or tend to reduce expenses for food and medical services.

Support system

- Many youth feel that accessing support systems is not easy.
- Many youth are dissatisfied with the way public administrations handle their situations.

- Many youth have disadvantages such as social withdrawal or a developmental disorder.
- Many youth lack life skills and financial literacy.
- Youth who have no savings and struggle to make a living have trouble coping with even small incidents.
- There are youth who have few social resources/relationships, becoming isolated because they have nowhere to belong and no friends to chat with.

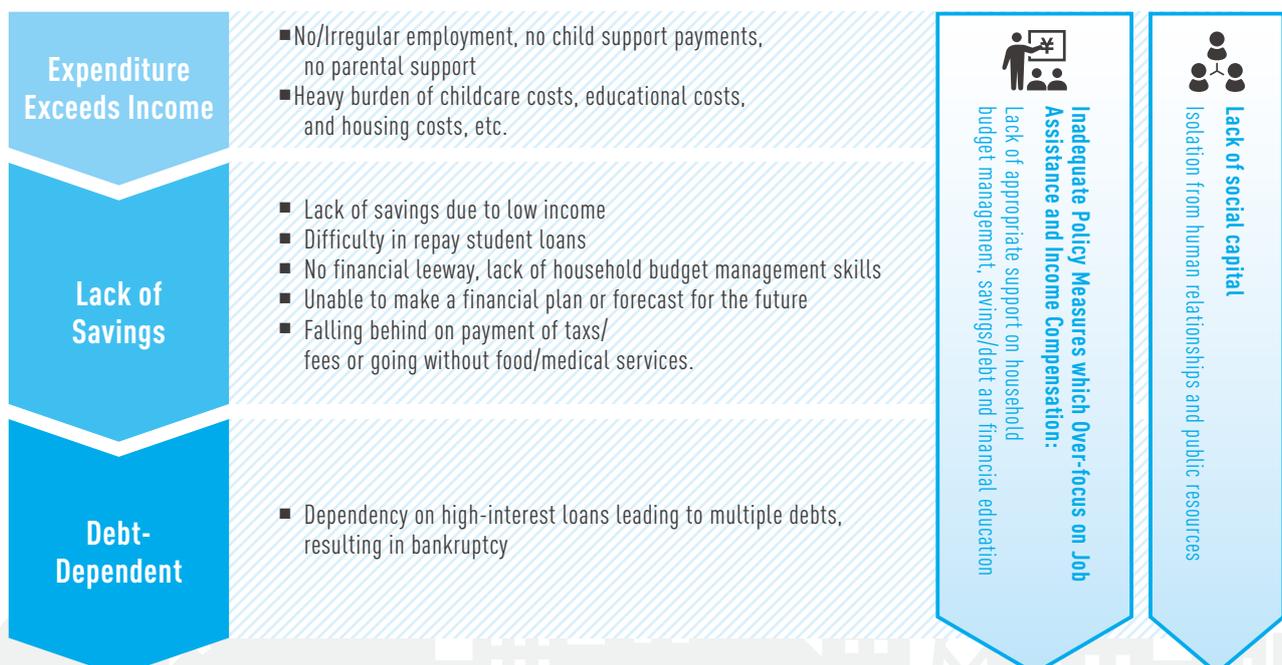
5.3. Existence of gaps between measures/systems and needs

There are various public support measures for single mothers and youth. However, the following gaps have been confirmed between the current measures and the perceived needs of single mothers and youth.

- i There are many measures regarding employment support and revenue compensation, but the coverage is insufficient, especially in cases of low-income and non-fulltime workers. Due to lower income, these workers' expenditures are more likely to become unbalanced, which often leads to delayed payment of taxes and bills.
- ii There are very few measures offered other than employment support and revenue compensation. As for pensions and insurance, non-fulltime workers are part of the national pension, but there have been cases of delayed national pension payments. There are also cases where low-income people are forced to cancel their private insurance because they cannot afford the payments. There are no particular support measures to relieve such cases.
- iii One of the reasons for the increase in expenditure is the student loans used to pay for university, etc., and many people with low income find it difficult to repay them. With regards to loans, public support systems are not used much and there have been many comments that many of the systems are difficult to use. For single mothers, there is a need for financial aid when they start to live independently.
- iv Many people with low income do not have any savings, which makes their daily lives a struggle. They may be unable to keep track of a household budget or have poor literacy, some due to developmental or mental disabilities. It is necessary to provide an integrated consulting system, including financial education and household budget management education, to increase literacy and capability levels.

5.4. Relevance to household budget/financial issues

Based on this research, in the following diagram, the downward spiral of household budget/financial issues among low-income single mothers and youth is confirmed. Inadequate public systems and lack of social capital are factors that accelerate the negative spiral. In the next chapter, we make recommendations for public measures and support programs to stem the flood.



6

Recommendations

6.1. Fundamental ideas

Importance of recognizing that issues stem from social structures

- i Financial circumstances tend to be ascribed to personal issues, but they should rather be recognized as issues affecting the whole of society, with a background of deeply rooted problems caused by social structures and social conventions. While individual services are essential, it is also important to have the perspective and interventions necessary to change such social structures and conventions.
- ii Concerning employment, there are clearly obstacles unique to single mothers, such as child-raising, holding two or more jobs at the same time, and low wages compared to men, in addition to the issue of low income due to irregular employment, which is common to both single mothers and youth. Furthermore, issues such as not receiving child support reflect the women's socially vulnerable position. It is important to recognize that single mothers' difficulties have two layers, financial vulnerability and social vulnerability.
- iii While public administrations and media will continue to play large roles, private businesses could also contribute by creating job opportunities as well as developing financial products and services and expanding consumer protection.

Response to multilayered issues

- i As the interviews suggest, there are many cases, especially for youth, where risk factors such as disability are closely linked to medical and welfare issues and educational issues such as literacy and educational status.
- ii When considering the financial health of low-income people, a comprehensive perspective is needed, including not only balance of income and expenditure, understanding of finance, and access to support services, but also relevant fields such as welfare and education.
- iii Currently, private sector organizations such as NPOs are playing a major role, but public responsibility for these support endeavors should also be considered.

Dissolving social isolation

- i There are gaps in public awareness of different support policies, and it is not clear that programs are reaching the single mothers or youth who need support. For many of the public support programs, about 30 percent of the survey respondents commented that they did not know the details. Awareness raising is necessary.
- ii Unilateral delivery of information is insufficient for single mothers and youth, who have little time and mental space. As the results of the survey show, many people in the expenditure exceeding income group feel isolated, which reveals a need for psychological support and a place to belong.
- iii Concerning accessibility of information, support workers need to connect affected parties to the necessary information and interventions on a regular basis and build a close relationship with them. A close relationship not only prevents isolation, but also helps to detect the affected people's needs and react at an early stage.

Scope of support targets

- i A predominantly high number of youth live with their parents, and it is obvious that they will need appropriate support in the future. However, leaving them to make their own support plans has certain limitations, given that they are currently barely making a living and/or suffering from social withdrawal.
- ii Meanwhile, as a form of possible support, it is necessary to obtain understanding from the families of the affected parties who are closest to them, as well as support from the NPOs responsible for individual support activities.

Scope of research targets

- i It should be noted that this research focused on specific regions and targets, and so the identification and analysis of the current circumstances of single mothers and youth cannot be over-generalized. This is not a flaw in the research so much as an indication of the challenges in understanding the current situation of single mothers and youth.
- ii This research focused on single mothers and youth. However, there are many other financially vulnerable groups. We consider it necessary to conduct more extensive research on the current state of financial health in Japan, including other vulnerable groups, and to utilize this research for future policy discussions.

6.2. Recommendations for public policies

This research has revealed various policy-related issues, such as a low rate of child support, the difficulty for single mothers in living on their own immediately after separation, and a low frequency of Child Rearing Allowance payments for single mothers. For both single mothers and youth, the research has documented difficulty in repaying consumer loans, revolving payments, and student loans, low awareness of and difficulty in accessing public support systems, and problems with the sectionalized structure of those systems.

Based on these findings, we propose the following public policy recommendations on revision of existing projects, flexible operation of programs, and consideration of new support programs for the overlooked areas. It should also be noted when considering policies that inclusion of the affected parties' voices is essential to a multi-tiered approach to support.

(The items with * (asterisk) are targeted towards single mothers only; others are recommendations for both single mothers and youth.)

- Promotion of child support payment agreements and assistance measures to collect unpaid child support *
- Consideration of financial aid when mother and child start living independently *
- Consideration of housing assistance and increasing the payment frequency of Child Rearing Allowances from the current three-times-a-year payments *
- Enhancement of grant-type scholarships, clarification of exemption rules for student loan repayment, improvement of the operation of public loan systems
- Appropriate regulation of the financial industry
- Expansion of the Household Budget Improvement Support Program under the Independence Support System for the Poor and Needy
- Improvement of the means and media for delivering information to those who have difficulty receiving information
 - Promoting easy to understand publicity, such as utilizing SNS and videos
- Establishment of new public services that are inclusive and provide accompaniment to the users
 - Making service counters available on Saturdays and Sundays
 - Training and arrangement of information concierges
 - Creation of new, one-stop, comprehensive and accompaniment public services and outreach services

6.3. Recommendations for support programs

This research has also confirmed that a great number of both single mothers and youth are facing issues with household budget management, as shown in the survey responses to "Struggling to make ends meet on monthly budget" and "Slight income fluctuation immediately affects daily life". Based on these results, we recommend the following support programs. When considering these programs, more effective support methods should be pursued, which could be achieved by collaborating with NPOs, corporations and public administrations.

- Promotion of practical education and training on money and household budgeting to improve financial literacy
 - Provision of seminars on practical knowledge regarding household income and expenditure plans, types of loans and cautionary points in using them, social insurance and social security, etc., plus individual consulting.
- Development of a household management support IT tool and promotion of accompanying support, specialized for single mothers and youth, including information on a wide variety of support systems. Also, training for supportive staff who will be well acquainted with the various support systems and the tool to implement accompanying support.

In addition, as clearly shown in the responses to "having plans or views of future expenditure" and "having anxiety about the future", a large number of people are unable to imagine their futures. Based on these results, the following support program is recommended.

- Development of an easy-to-use long-term financial planning tool tailored to the life stages of single mothers and youth and the growth phases of children. In addition, training for supportive staff who will be well acquainted with the tool and will implement accompanying support.

The research also revealed that many low-income single mothers and youth lack social capital, as seen in the responses to "having a friend whom I can make small talk with" or "having a feeling of not belonging anywhere". We consider it necessary to enhance and broaden the existing programs.

- Amplification of interactive exchange programs to prevent the isolation of low-income single mothers and youth
 - Expanding peer group meetings and group consultation meetings, including by reaching out and involving more affected groups, and extending the interventions to a wider area.
 - Building and strengthening networks of support organizations.

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**Research Report on
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