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Top Income Shares and Income Mobility in Japan

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Abstract

Since the publication of *Capital in the Twenty-First Century* by Thomas Piketty (2014), growing trends in the concentration of income and wealth around the world have attracted much attention. Do we observe the same trends in Japan? In this study, I extend the estimates of top income shares by Moriguchi and Saez (2008) to 2012 and provide new evidence on mobility of the top income groups in Japan between 1950 and 2006. I find that the top income shares in Japan increased modestly but steadily since the early 1990s, but began to decline after the 2008 financial crisis. Compared to the U.S. where comparable estimates are available for 1991-2006, the mobility of the top 1% income group was substantially lower in Japan. During an episode of major asset price appreciation, however, the mobility of the top 0.1% (and above) increased sharply in Japan. This suggests that individuals who receive top capital gains are relatively disassociated with individuals who earn top labor incomes in postwar Japan.

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1. Introduction

In *Capital in the Twenty-First Century*, Thomas Piketty has argued that income inequality has been rising quickly around the world, driven by the accumulation of wealth at the top of income distribution (Piketty 2014). His claim is based on rich historical data, the *World Wealth and Incomes Database*, that include long-run estimates of top income shares in more than 30 countries (Alvaredo et al. 2015).

Figure 1 depicts the share of total personal income accrued to the top 0.1% of population in a variety of countries based on this database. It shows that, although the degree of income concentration fell substantially in the mid-20th century due to “historical accidents” of the two great wars, the top income share has been on the rise since 1980 in many places. Such trend is most pronounced among Anglo-Saxon countries (**Figure 2**), but it is also true for emerging economies (**Figure 3**) as well as some Asian countries (**Figure 4**).

In Japan, there is a common and popular perception that Japan is no longer an egalitarian society it used to be, but instead it is a society of growing disparity (*kakusa shakai*). However, such perception is often based on journalistic reports and anecdotal evidence. The purpose of this paper is to marshal hard evidence and assess whether or not income inequality is growing in Japan, and if so, what are the driving factors.

Main conclusions of my analysis (explained in more detail in my presentation slides) are: (1) in terms of market income before transfers and taxes, Japan was one of the most egalitarian societies among the OECD countries as late as in 1995 (**Figure 5**); (2) income inequality measured by the Gini index increased from 1985 to 2010, driven by a steady rise in poverty rate defined by the share of households with income below 50% of the median income (**Figure 6**); (3) the rise in poverty rate is due mainly to a demographic change of ageing (an increase in elderly single-person households) and economic stagnation of the lost decades (an increase in married households with children with neither husband nor wife holding a regular job); and (4) contrary to what Piketty predicts, top income shares grew only modestly in Japan in recent decades. In other words, the growing inequality in Japan is caused mainly by the widening disparity at the *lower* tail of income distribution. This is in contrast to the case in the U.S. where the polarization of income distribution has taken place.

Below, I elaborate on recent trends in top income shares in Japan and then present new evidence on top income mobility in the post-WWII period.

2. Top Income Shares in Japan, 1886-2012

Figures 7 compares the distributions of household income (market income before transfers and taxes) in Japan and the U.S. based on 2012 household surveys. Clearly, U.S. distribution has higher density at the upper income brackets than Japan's distribution. Most notably, 4.5% of U.S. households are top coded at the highest income bracket of \$200,000 and over, whereas only 1% of Japanese households are top coded. To examine the upper end of the distribution in more detail, it is useful to estimate top income shares based on income tax statistics, following the methodology pioneered by Piketty (2003).

The Japanese government has annually published detailed income tax statistics since 1887, a remarkably early date by international standards to establish comprehensive income tax (Moriguchi and Saez 2008). The tax statistics report the number of taxpayers and their taxable income by finely graded income brackets (see **Table 1**). Income is defined as the sum of all income components reported on tax returns, including wages and salaries, pensions, business income, capital income (dividends, interest, and rents), and realized capital gains, but it excludes government transfers and non-taxable income such as fringe benefits. Therefore, our income definition is close to cash market income before transfers and taxes. We combine the tax statistics with population census data and national account data (**Table 1**) to estimate the share of total personal income accruing to upper-income groups using Pareto interpolation. Upper-income groups are defined relative to adult population (aged 20 and above) in Japan.

To provide historical background, **Figure 8** shows the growth of real GDP per capita in Japan, against that of the U.S., from 1870 to 2010. As a latecomer, Japan's industrialization began in earnest in 1890. Real income grew rapidly in 1890-1939 but fell sharply in WWII (1938-1945). After the U.S. Occupation (1945-1952), the economy entered the High Growth Period (1955-1974) and then the Stable Growth Period (1975-1990). After the burst of the asset bubble in 1990, Japan experienced the Lost Decade of prolonged economic stagnation and deflation.

Figures 9 and 10 depict the top 1%, 0.5%, 0.1%, and 0.01% income shares from 1886 to 2012 (see also **Table 2**). Because capital gains were not taxable before 1947, to produce long-run estimates, we exclude capital gains in computing top income shares in Figures 9 and 10. As discussed in Moriguchi and Saez (2008), top income shares in Japan was once extremely high, but dropped precipitously under the war regime (1938-1945), and remained low throughout the period of extremely rapid economic growth. These observations are consistent with the fact that Japan achieved “economic miracle” twice, pre- and post-WWII, under a very different set of economic, legal, and political institutions. Most notably, in the postwar economic system, absentee landlords were replaced by small owner farmers, large shareholders by interlocking institutional shareholders, and owner managers by salaried managers. It was only in the High Growth Period that the Japanese-style corporate governance and employment practices were established and egalitarianism took roots in Japan.

Since the early 1990s, however, there was a modest but steady increase in top income shares in Japan. For example, in 2003 the top 1% income share rose to 8.9%, surpassing the previous postwar record of 8.7% observed in 1962, and reached 9.7% by 2008. This seemingly new trend, however, was short-lived as top income shares began to decline after the 2008 financial crisis. As shown in **Figures 11 and 12**, this is in a sharp contrast to the case in the U.S., where the top 1% and 0.1% income shares has recovered quickly from the Great Recession of 2007-2009 (Saez 2015). Furthermore, in the U.S. the top 0.1% income share is growing *faster* than the top 1% income, while the opposite is true in Japan (see **Figure 9**). This implies that income inequality within the top percentile is widening in the U.S. but narrowing in Japan, indicating different dynamics at work.

3. Top Income Mobility in Japan, 1950-2006

To derive welfare implications, it is important to understand the *mobility* of top income groups. If constituents of the top 1% change little from year to year, an increase in the top 1% income share is indeed of a great social concern. However, one cannot observe income mobility from annual cross-section data such as tax statistics. To address this problem, recent studies have used micro panel data, such as U.S. Internal Revenue

Service data or Social Security data, to trace individuals across time (Auten and Gee 2009; Kopczuk, Saez, Song 2010; Auten, Gee, and Turner 2013a, b).

Although no equivalent micro data are available in Japan, income tax statistics from 1950 to 2006 include a mobility table every year that tabulates the number of taxpayers by the current year's income and the previous year's income (presented in income brackets). To my knowledge, these data have never been used to study income mobility. Below, I estimate retention rates of top income groups using the mobility data.

I define the one-year retention rate of the top $x\%$ income group in year t as the probability of individuals in the top $x\%$ in year t to remain in the top $x\%$ in year $t+1$. Because the mobility table in year t is tabulated in nominal income brackets in year t and year $t+1$, I use the nominal threshold income of each top income group (estimated by Saez and Moriguchi (2008), extended to 2012, **Table 3**) to provide a mapping from a nominal income in year t to a corresponding top income group in year t .

There are important data limitations. First, mobility tables are compiled only for those who filed self-assessed income tax returns. In Japan, due to a sophisticated system of withholding income tax at source, a majority of taxpayers (most notably taxpayers whose income consists solely of wages and salaries that are below 20 million yen or 20,000 dollars) do not file self-assessed income tax returns. As a result, it is difficult to estimate retention rate below the top 5% income group as more taxpayers are missing from the statistics.

Second, income reported in mobility tables includes realized capital gains that are taxable. Due to several tax reforms, capital gains from land were taxed partially to a varying degree (at 50% or greater) from 1947 to 2012, while capital gains from stocks became fully taxable only from 1989. Consequently, realized capital gains are substantially underestimated in our estimates.

Third, due to inflation and tax reforms, relationships between income brackets and threshold income for upper-income groups change greatly from 1950 to 2006. For example, it is not possible to estimate retention rate for the top 0.01% after 1980 because the top 0.01% threshold income became far greater than the highest income bracket in the tabulation.

These limitations notwithstanding, a transition matrix produced from raw mobility data exhibits stable and monotonic relationships between income bracket and retention rate in almost all years (except 1955). Moreover, the number of income brackets is sufficiently large to permit simple linear interpolation to compute a retention rate at the threshold income for most upper-income groups in most years.

Top income shares with capital gains in 1947-2012 are presented in **Table 2-b**. **Figure 13** depicts the top 0.5% and 0.05% income shares with and without capital gains from 1950 to 2006. There were large spikes in the top income shares due to a surge in realized capital gains in 1969-1973 and 1987-1991. The 1969-1973 spike coincides with land price appreciation stimulated by the national infrastructure investment plan, and the 1987-1991 spike mirrors land and stock price appreciation during the bubble period. Observe that the share of capital gains is greater in the top 0.05% income than in the top 0.5% income.

Figure 14 presents the one-year retention rate of various top income groups in Japan from 1950 to 2006 (see also **Table 4**). The retention rate of the top 5% was high and stable at 90-95% in 1950-1965 and declined somewhat to 85-90% in 1980-2006. Even for the top 1% group, their retention rate is remarkably stable, staying within the 80-90% range for the last 55 years (except in 1973). This is likely due to the fact that a majority of the top 1% income group are executives and top managers whose salary tend to increase steadily with their age (until mandatory retirement) according to Japanese employment practices. By contrast, the retention rate of the top 0.1% and above changed greatly by year, declining sharply whenever the capital gains component surged (see **Figures 13 and 14**). For example, the retention rate of the top 0.1% dropped from 85% in 1968 to 22% in 1973 (at the height of land inflation), and from 62% in 1986 to 39% in 1990 (at the height of the asset bubble). It means that during the episode of major asset price appreciation, many individuals became “super rich” by selling their assets, but it often was a one-time realization, resulting in very high turnover.

Finally, I compare the mobility of the top 1% income group in Japan and the U.S., using the estimates provided by Auten, Gee, and Turner (2013a, b) based on individual-level income tax returns data. The data and methods are roughly comparable between this study and their studies with two important differences: (1) U.S. income definition is more

comprehensive than that of Japan, as it fully includes non-taxable component of capital income and realized capital gains, and (2) the sample is all adults aged 20 and above for Japan, while the sample of Auten, Gee, and Turner (2013a, Table 3) is all taxpayers aged 25-60 (to remove income mobility due to school-to-work transition and work-to-retirement transition) and the sample of Auten, Gee, and Turner (2013b, Table 5) is all taxpayers aged 25 and above. **Figure 15** compares the one-year retention rate of the top 1% in Japan and the U.S. between 1980 and 2009. It shows that the retention rate is consistently higher by more than 10 percentage points in Japan than in the U.S. (despite the narrower age ranges that would bias U.S. estimates upwards). Moreover, the retention rate in the U.S. falls more sharply with a recession. It is important to note that, due to the growing income inequality in the U.S. since 1980, the top 1% income group in the U.S. were considerably richer than the top 1% in Japan in absolute terms: for example, in 2002 the threshold income for the top 1% (excluding capital gains) was about \$255,000 in the U.S. in contrast to \$110,000 in Japan (using the 2002 exchange rate of \$1=125 yen).

Next, I compute *continuous* retention rate to examine longer-term persistence. The k -year continuous retention rate of the top $x\%$ is the probability that individuals appear in the top $x\%$ for the k consecutive years starting from the base year (= the product of one-year retention rates over k years). **Figure 16** shows the continuous retention rates of the top 10%, 5%, 1%, 0.1%, and 0.05% in Japan up to 5 years, taking 2000 as the base year. It also shows the continuous retention rate of the top 1% (aged 25-60) in the U.S. In Japan, 37% of individuals who were in the top 1% in 2000 were continuously in the top 1% for 5 years, and 20% of the top 0.1% in 2000 were in the same top 0.1% group consecutively for 5 years. In the U.S., the level of the continuous retention rate of the top 1% is considerably below that in Japan, but the rate declines more slowly over the years. **Figures 17 and 18** plot the continuous retention rate of the top 1% up to 5 years in Japan and the U.S. (aged 25-60) for the base year between 1991 and 2001. As one can see, the continuous retention rate in Japan hardly vary with the base year and are consistently above the U.S. rate regardless of the base year, but the difference in the continuous retention rate between the two countries narrows with k and there is little difference after 5 years.

Last but not least, according to Austen and Gee (2009), U.S. income mobility results in 1987-1996 are *virtually identical* whether capital gains are included or excluded from the income definition (p.311, p.325). This is surprising yet consistent with Atkinson and Lakner (2013)'s findings that top labor income and top capital income in the U.S. have become more strongly associated in recent decades. For instance, the top 1% labor income earners were more likely to be top capital income receivers in 2000 than in 1980. In other words, their results indicate that more top labor income earners in the U.S. today are top wealth holders who are likely to receive large capital gains. If this in fact is the case, income mobility at the top would remain unchanged with or without the inclusion of capital gains. By contrast, in Japan, income mobility has been highly sensitive to the share of capital gains in the top income, which suggests that top labor income and top capital income are relatively disassociated.

4. Conclusion

[To be added.]

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Figure 1

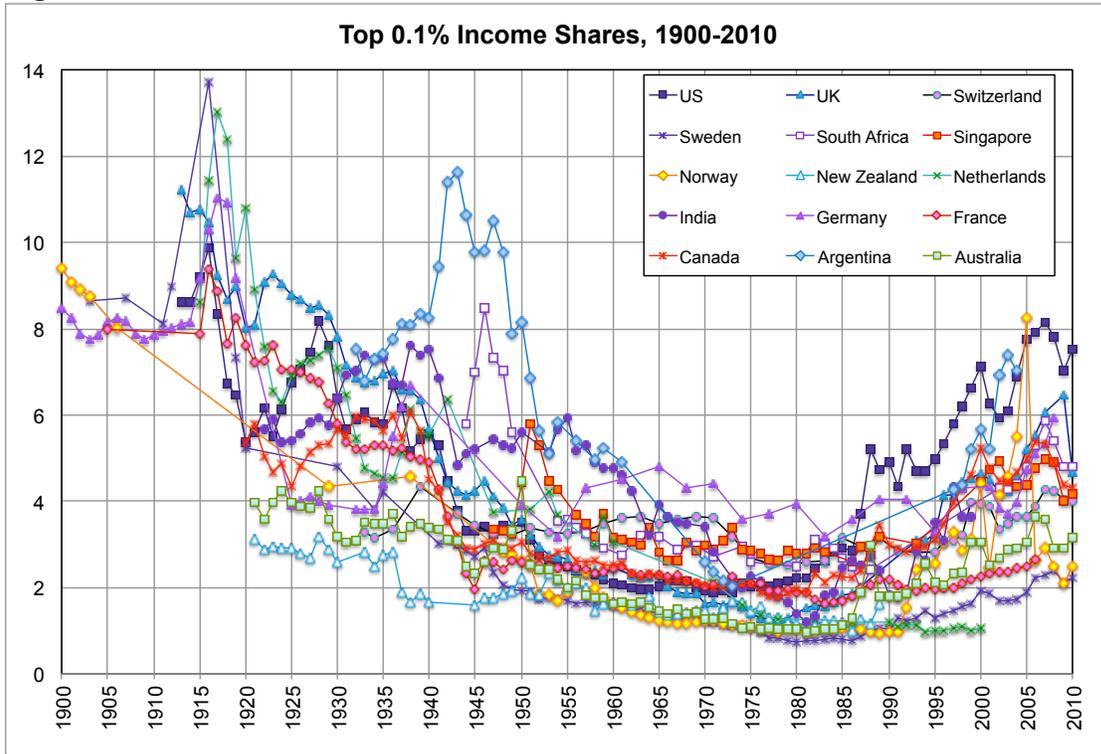


Figure 2

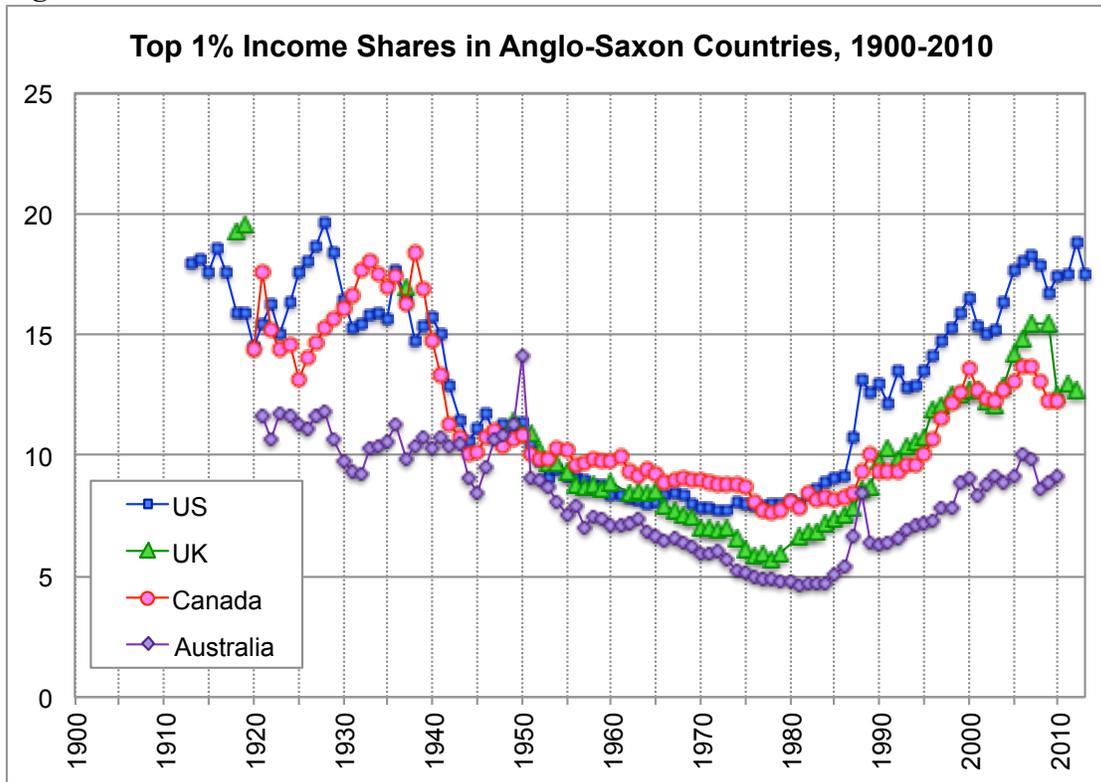


Figure 3

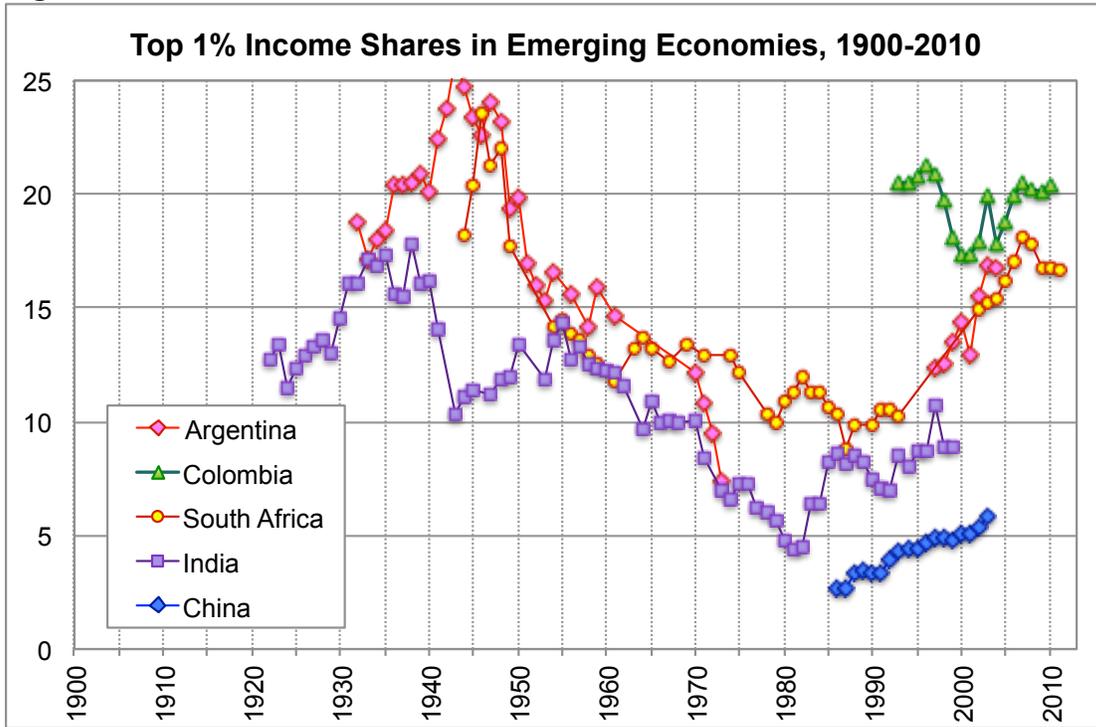


Figure 4

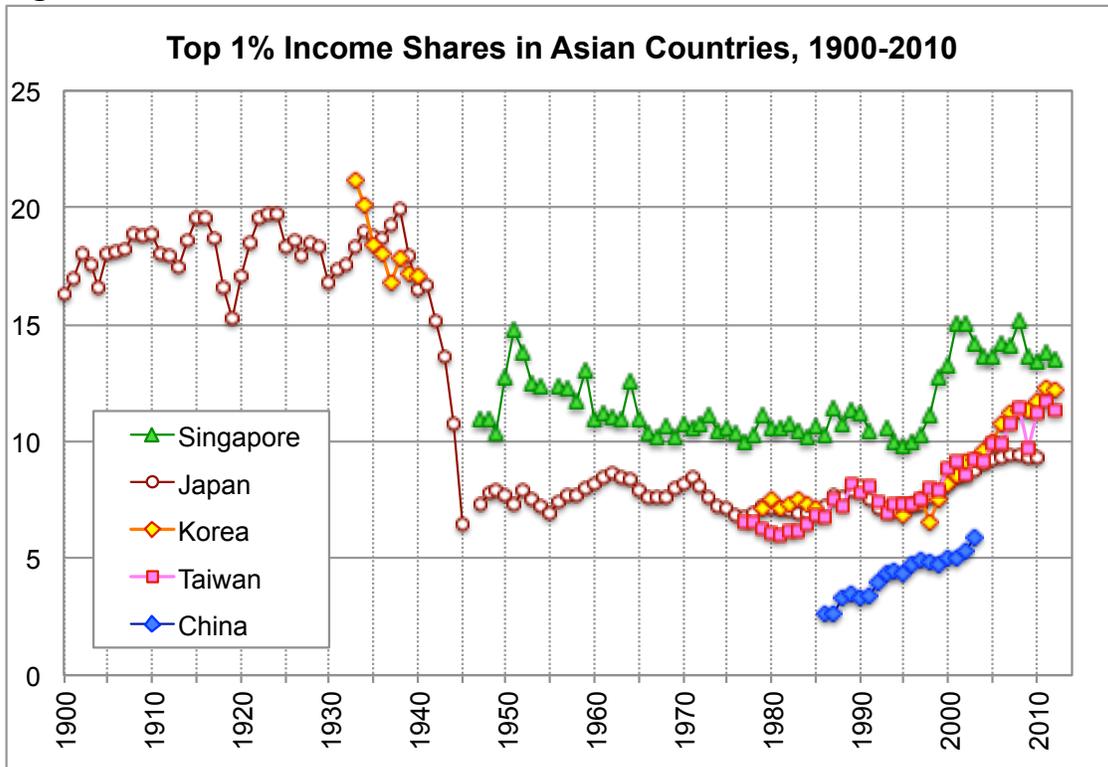


Figure 5

A. HH Income **Before** Tax & Transfer

1995		2000		2005		2010	
UK	0.507	UK	0.512	Israel	0.513	UK	0.523
Israel	0.494	Israel	0.504	Italy	0.512	Italy	0.507
NZ	0.488	France	0.490	UK	0.503	France	0.505
Finland	0.480	NZ	0.484	Germany	0.499	Israel	0.501
US	0.477	Czech	0.483	US	0.486	US	0.499
France	0.473	Australia	0.476	France	0.485	Germany	0.492
Australia	0.467	Finland	0.476	Finland	0.481	Japan	0.488
Italy	0.467	US	0.476	NZ	0.473	Finland	0.485
Germany	0.459	Italy	0.475	Australia	0.465	Australia	0.469
Czech	0.442	Germany	0.471	Czech	0.465	Czech	0.454
Sweden	0.438	Sweden	0.446	Japan	0.462	NZ	0.454
Canada	0.430	Canada	0.440	Norway	0.447	Canada	0.447
Denmark	0.417	Japan	0.432	Canada	0.436	Sweden	0.441
Norway	0.404	Norway	0.426	Sweden	0.432	Denmark	0.429
Japan	0.403	Denmark	0.416	Denmark	0.416	Norway	0.423

Figure 6

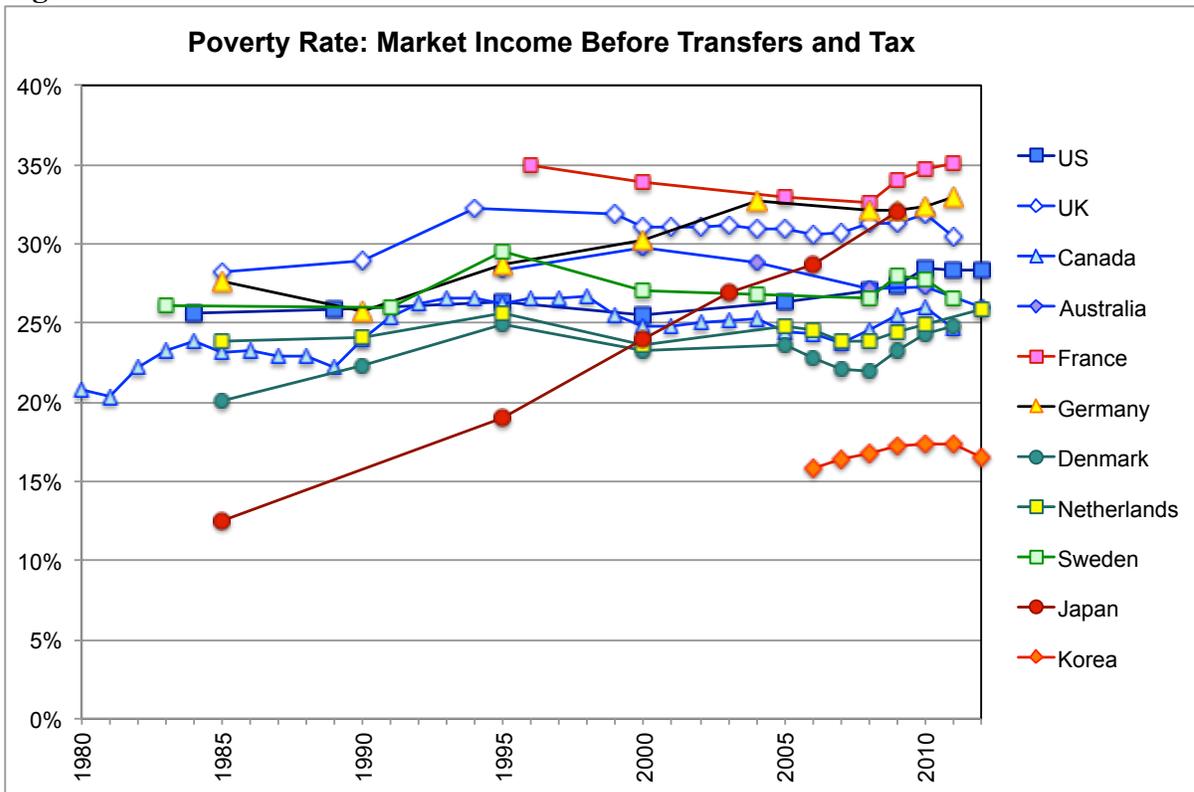


Figure 7

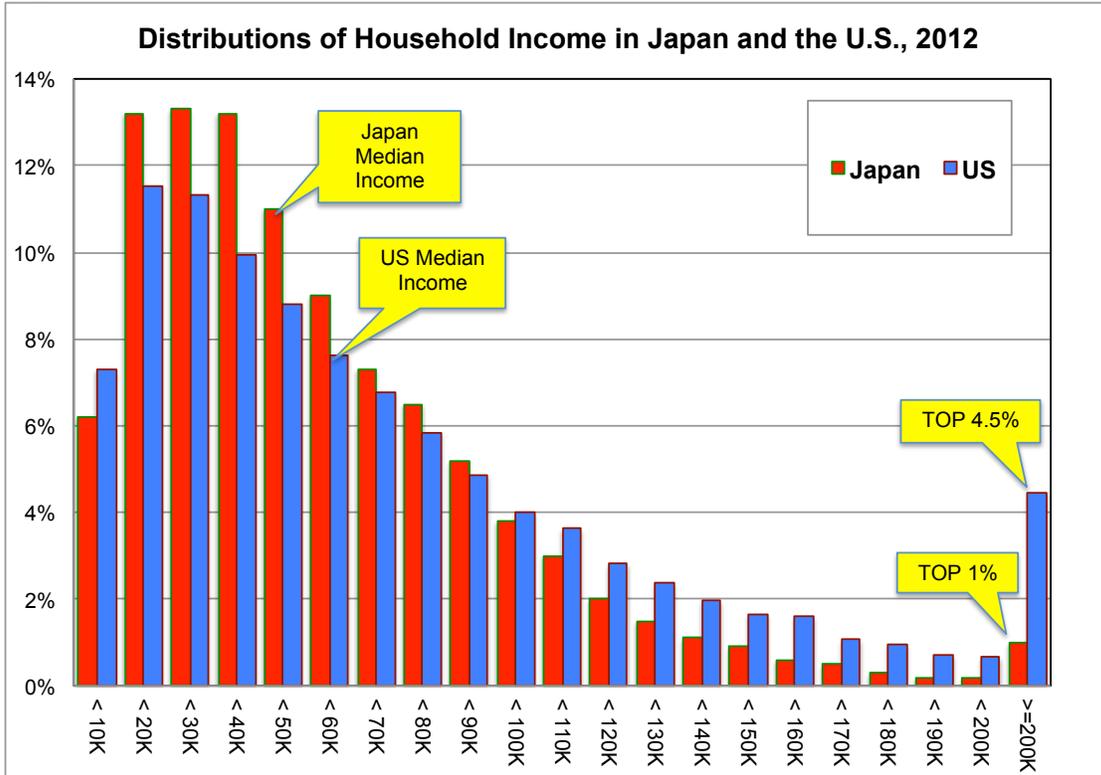


Figure 8 Real GDP per Capita in Japan and the U.S., 1870-2010

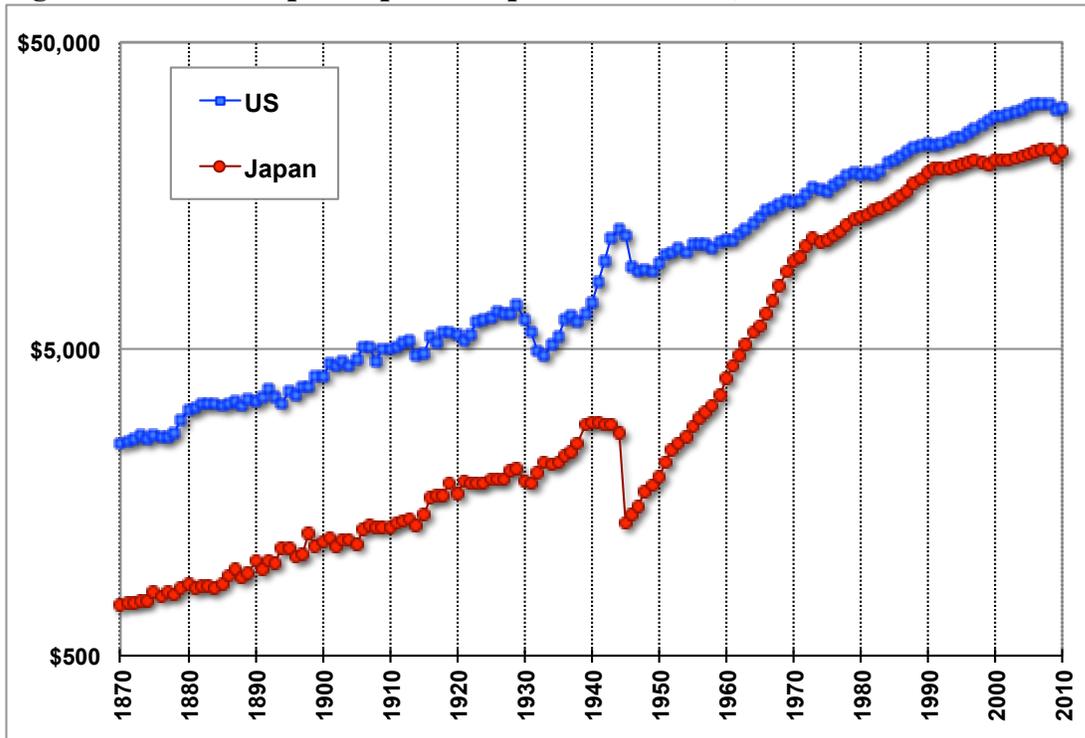


Figure 9

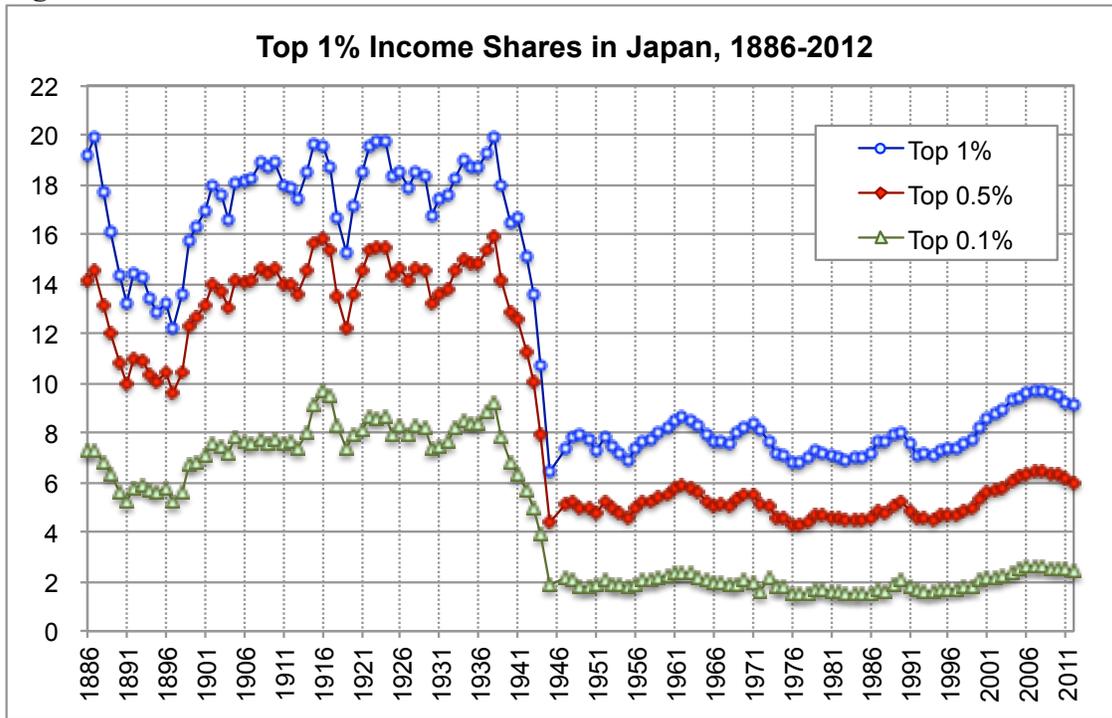


Figure 10

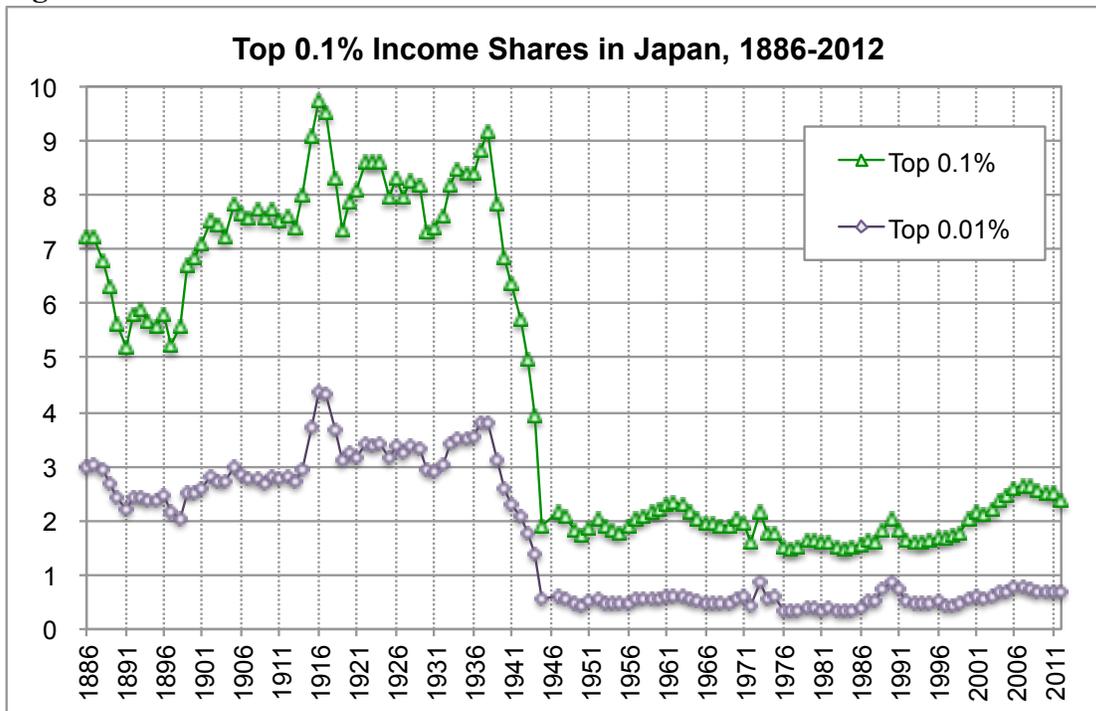


Figure 11

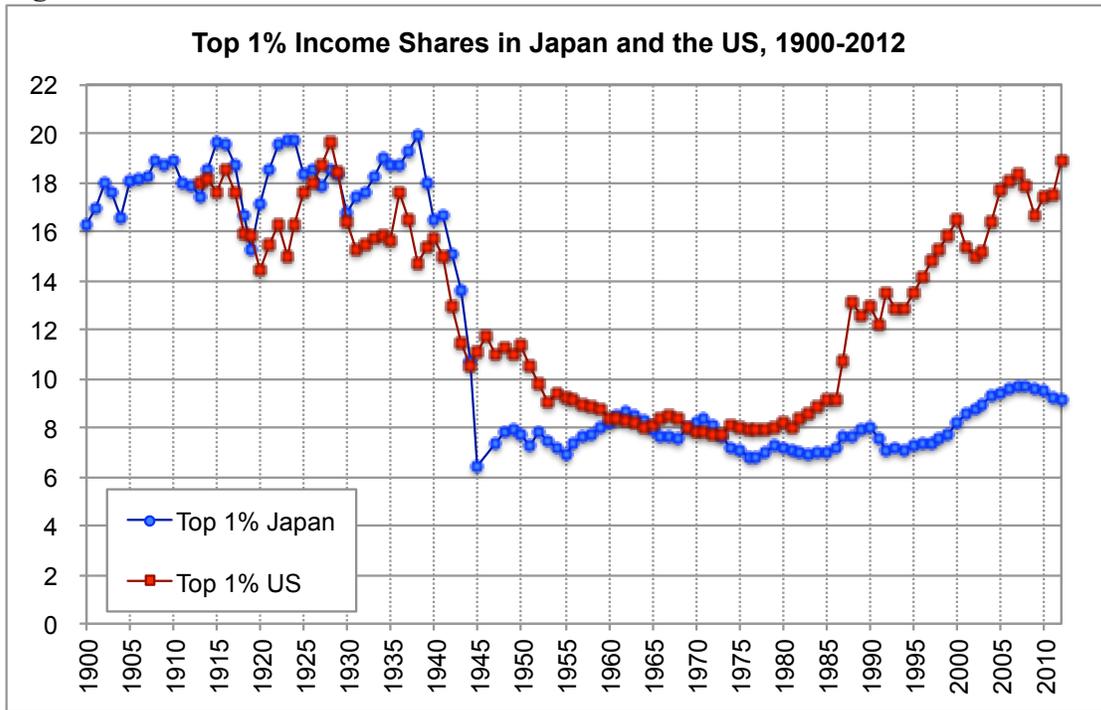


Figure 12

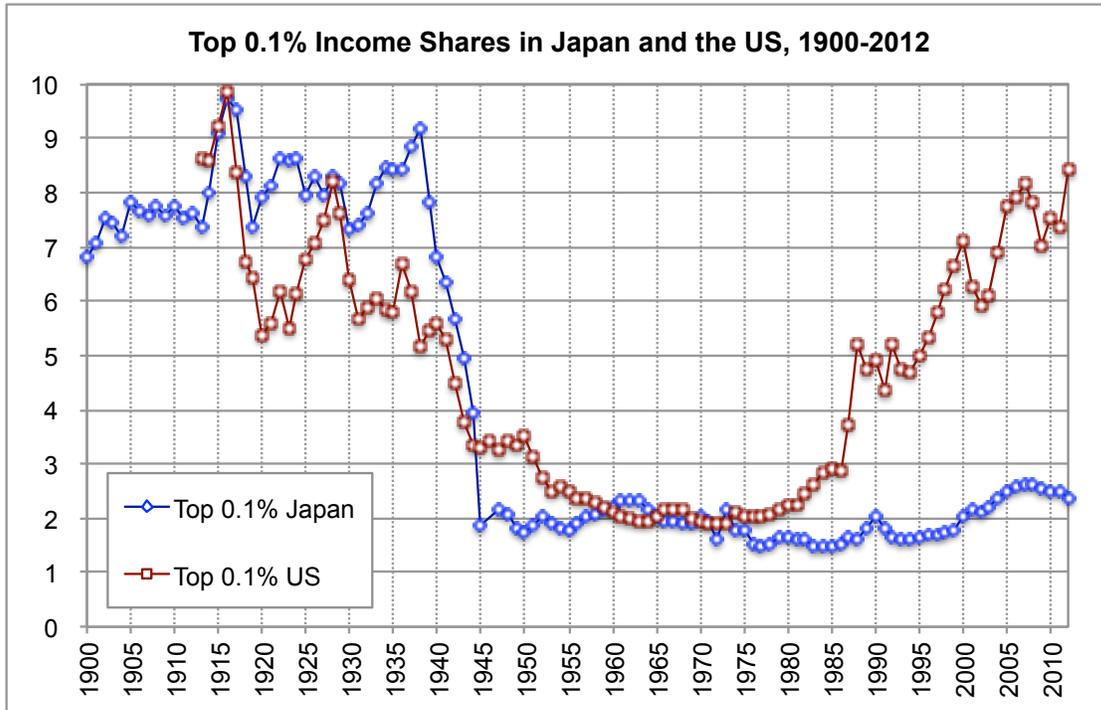


Figure 13

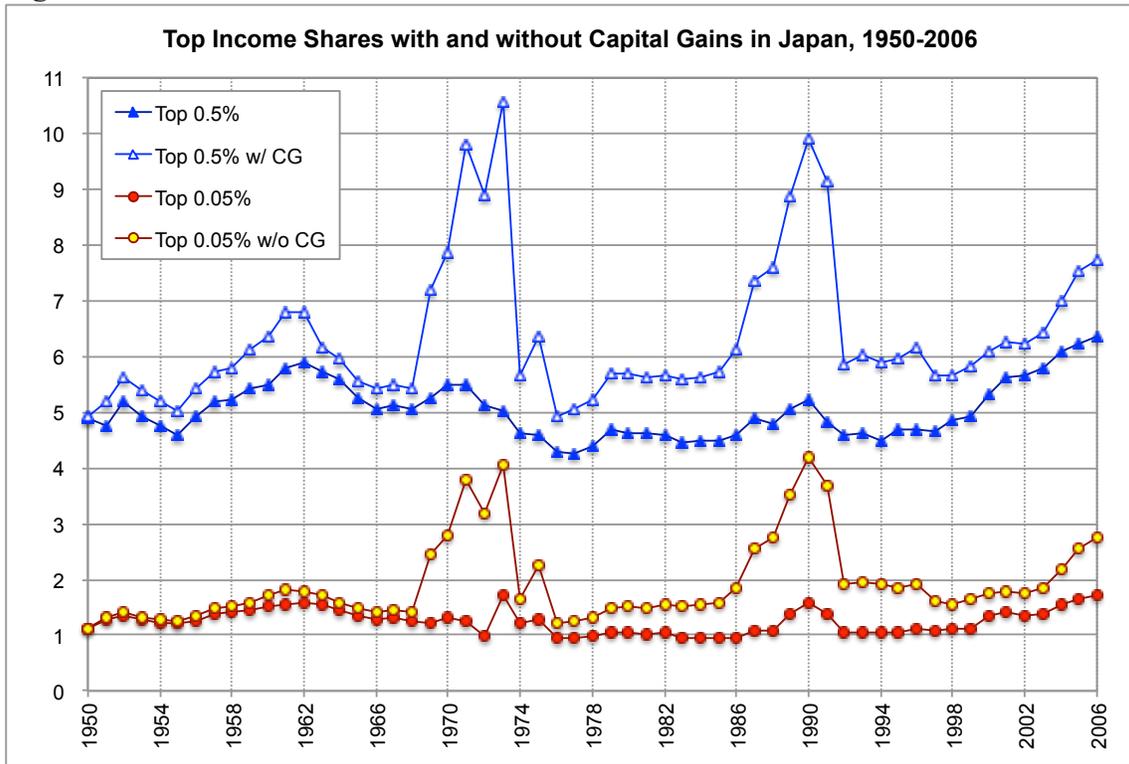


Figure 14

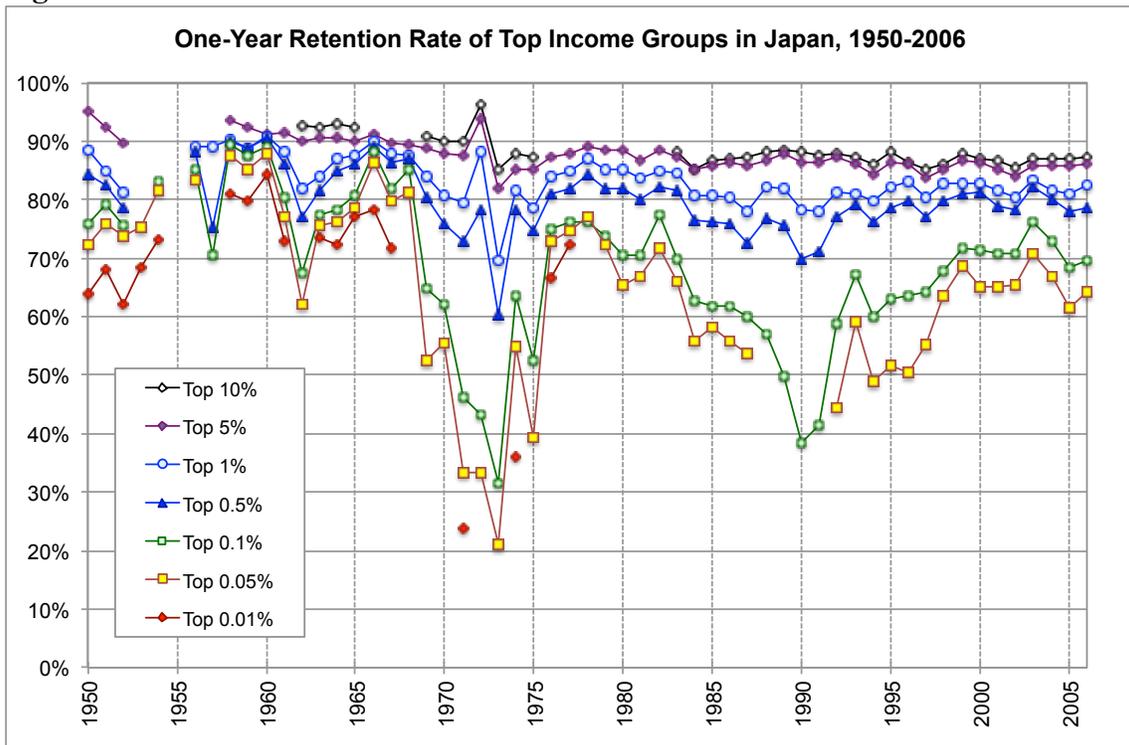


Figure 15

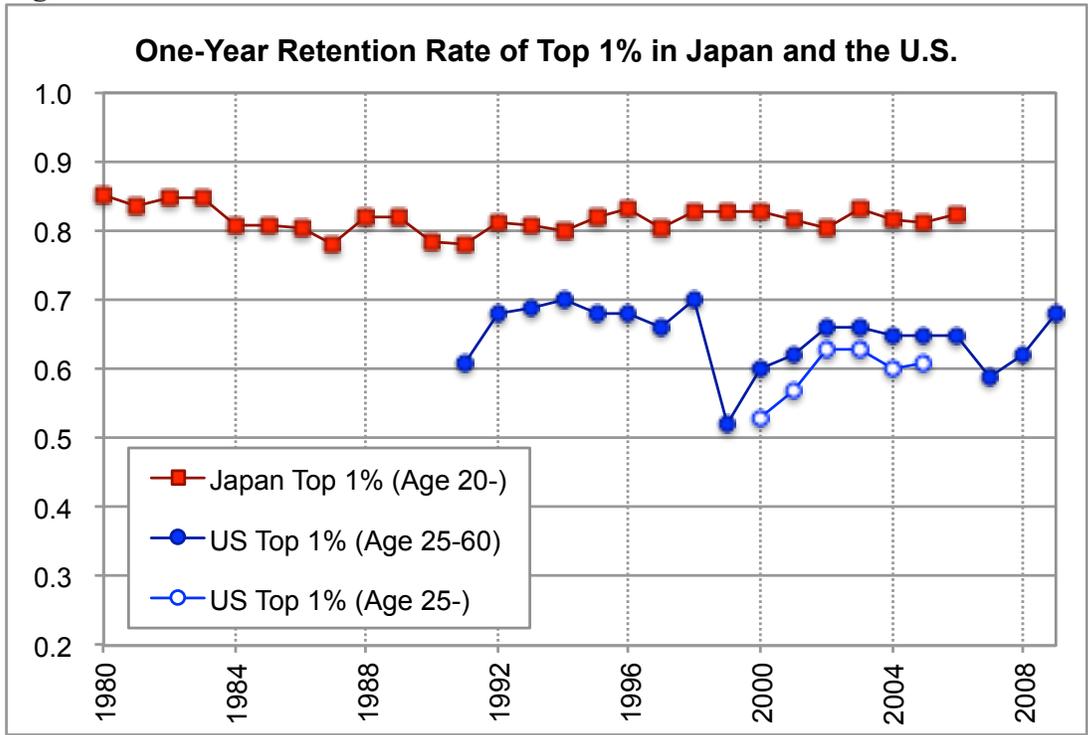


Figure 16

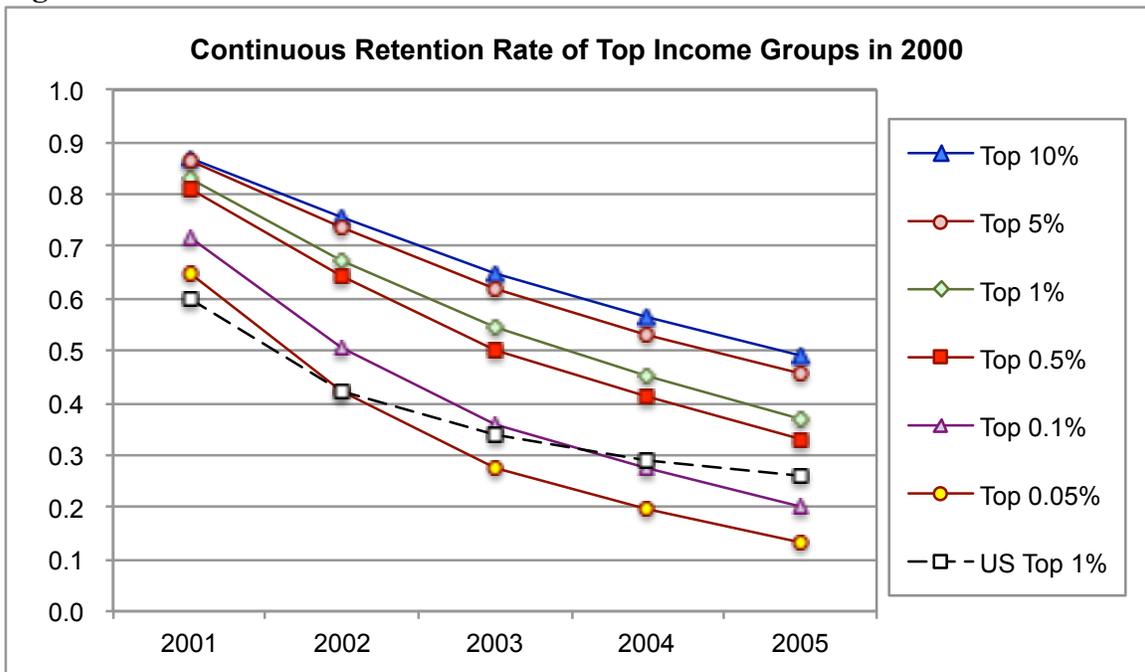


Figure 17

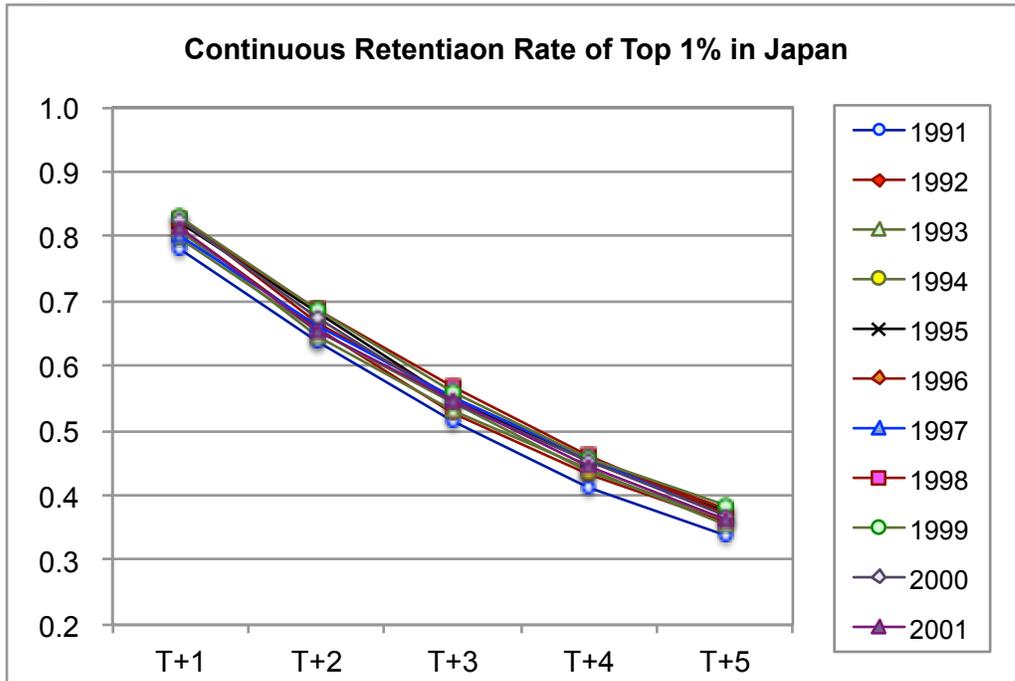


Figure 18

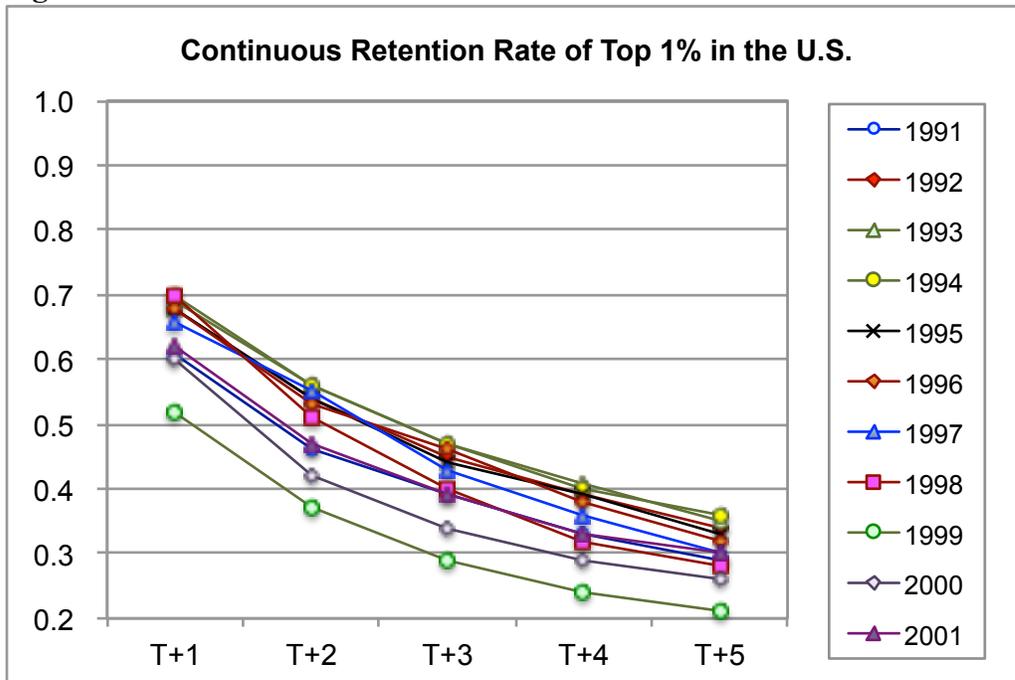


Table 1-a: Reference Totals for Population, Income, Inflation, and Marginal Tax Rates, 1886-1945

Years		Population and Tax Units				Income		Inflation	Tax Rates		
(1)	(2a)	(2b)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Actual Year (incomes earned in)	Fiscal Year (tax paid in)	Fiscal Year (Japanese Calendar)	Population ('000s)	Number of adults 20+ ('000s)	Number of tax returns ('000s)	(5)/(4) (%)	Total income (2002 billion yen)	Average income per adult (2002 '000 yen)	CPI (2002 base =100)	No. of Income Brackets	Top Marginal Tax Rate (%)
1886	1887	M20	38,541	21,853	118.6	0.54	3,708	170	0.0151	5	3.0
1887	1888	21	38,703	21,908	139.5	0.64	3,552	162	0.0161	5	3.0
1888	1889	22	39,029	22,054	115.6	0.52	3,867	175	0.0158	5	3.0
1889	1890	23	39,473	22,267	115	0.52	4,072	183	0.0168	5	3.0
1890	1891	24	39,902	22,471	116	0.52	4,363	194	0.0179	5	3.0
1891	1892	25	40,251	22,629	117	0.52	4,991	221	0.0171	5	3.0
1892	1893	26	40,508	22,734	124	0.55	5,186	228	0.0160	5	3.0
1893	1894	27	40,860	22,892	129	0.56	5,438	238	0.0161	5	3.0
1894	1895	28	41,142	23,011	135	0.59	5,943	258	0.0167	5	3.0
1895	1896	29	41,557	23,203	152	0.65	6,387	275	0.0182	5	3.0
1896	1897	30	41,992	23,405	173	0.74	6,222	266	0.0201	5	3.0
1897	1898	31	42,400	23,623	195	0.83	6,636	281	0.0224	12	3.0
1898	1899	32	42,886	23,884	289	1.21	6,754	283	0.0243	12	5.5
1899	1900	33	43,404	24,162	350	1.45	7,425	307	0.0229	12	5.5
1900	1901	34	43,847	24,399	406	1.67	6,808	279	0.0257	12	5.5
1901	1902	35	44,359	24,674	458	1.86	7,117	288	0.0251	12	5.5
1902	1903	36	44,964	25,000	508	2.03	6,928	277	0.0261	12	5.5
1903	1904	37	45,546	25,313	543	2.15	7,111	281	0.0274	12	9.4
1904	1905	38	46,135	25,630	581	2.27	8,021	313	0.0281	12	20.4
1905	1906	39	46,620	25,889	638	2.47	7,614	294	0.0291	12	20.4
1906	1907	40	47,038	26,110	702	2.69	7,827	300	0.0297	12	20.4
1907	1908	41	47,416	26,234	860	3.28	7,864	300	0.0328	12	20.4
1908	1909	42	47,965	26,452	930	3.52	8,079	305	0.0317	12	20.4
1909	1910	43	48,554	26,689	948	3.55	8,453	317	0.0305	12	20.4
1910	1911	44	49,184	26,947	964	3.58	8,738	324	0.0305	15	20.4
1911	1912	T1	49,852	27,223	1,014	3.72	9,290	341	0.0328	15	20.4
1912	1913	2	50,577	27,528	708	2.57	9,342	339	0.0346	15	22.0
1913	1914	3	51,305	27,832	727	2.61	9,602	345	0.0357	15	22.0
1914	1915	4	52,039	28,137	718	2.55	9,760	347	0.0329	15	22.0
1915	1916	5	52,752	28,427	713	2.51	11,040	388	0.0308	15	22.0
1916	1917	6	53,496	28,732	771	2.68	12,513	436	0.0332	15	22.0
1917	1918	7	54,134	29,046	779	2.68	14,128	486	0.0408	15	30.0
1918	1919	8	54,739	29,341	1,080	3.68	15,488	528	0.0549	15	30.0
1919	1920	9	55,033	29,469	994	3.37	15,556	528	0.0730	18	36.0
1920	1921	10	55,963	29,937	1,168	3.90	14,618	488	0.0764	18	36.0
1921	1922	11	56,666	30,283	1,281	4.23	14,615	483	0.0700	19	36.0
1922	1923	12	57,390	30,639	1,400	4.57	15,192	496	0.0690	19	36.0
1923	1924	13	58,119	30,997	1,390	4.48	14,726	475	0.0683	19	36.0
1924	1925	14	58,876	31,369	1,432	4.57	15,022	479	0.0689	20	36.0
1925	1926	S1	59,737	31,796	804	2.53	15,885	500	0.0698	18	36.0
1926	1927	2	60,741	32,298	732	2.27	16,380	507	0.0666	19	36.0
1927	1928	3	61,659	32,805	694	2.11	17,008	518	0.0656	18	36.0
1928	1929	4	62,595	33,323	701	2.10	17,653	530	0.0631	18	36.0
1929	1930	5	63,461	33,803	678	2.01	17,717	524	0.0617	18	36.0
1930	1931	6	64,450	34,350	569	1.66	18,521	539	0.0554	18	36.0
1931	1932	7	65,457	34,907	528	1.51	18,558	532	0.0490	17	36.0
1932	1933	8	66,434	35,449	570	1.61	19,515	551	0.0496	18	36.0
1933	1934	9	67,432	36,002	630	1.75	20,430	567	0.0511	18	36.0
1934	1935	10	68,309	36,491	679	1.86	20,914	573	0.0518	18	36.0
1935	1936	11	69,254	37,018	741	2.00	22,612	611	0.0531	19	36.0
1936	1937	12	70,114	37,499	815	2.17	23,754	633	0.0543	20	65.8
1937	1938	13	70,630	37,646	1,227	3.26	24,982	664	0.0585	23	55.0
1938	1939	14	71,013	37,921	1,404	3.70	25,666	677	0.0641	24	55.0
1939	1940	15	71,380	38,260	219	0.57	26,544	694	0.0802	12	65.0
1940	1941	16	71,933	38,686	266	0.69	25,016	647	0.1021	12	65.0
1941	1942	17	72,218	38,879	726	1.87	25,727	662	0.1137	12	72.0
1942	1943	18	72,880	39,275	879	2.24	24,509	624	0.1387	12	72.0
1943	1944	19	73,903	39,867	1,054	2.64	24,277	609	0.1595	12	74.0
1944	1945	20	74,433	40,194	1,115	2.77	23,415	583	0.1960	13	74.0
1945	1946	21	72,147	38,999	343	0.88	11,690	300	0.9026	10	67.0

Notes: See Moriguchi and Saez (2008) for details.

Actual year is the year in which income subject to taxation was earned, and fiscal year is the year in which tax returns were processed and income tax was paid.

Tax unit is defined as adult individuals aged 20 and above. Population estimates are based on Census data (Population Estimates by Statistical Bureau).

Number of income tax returns are based on national income tax return statistics.

Total income is based on personal disposable income from Ohkawa et al. (1974) for 1886-1930 and personal income from National Accounts for 1930-2005.

CPI is from Ohkawa et al. (1967) for 1886-1950 and *Japan Statistical Yearbook* for 1950-2012.

Top marginal tax rate is the highest statutory marginal tax rate from the National individual income tax stipulated by the law before exemptions and deductions.

Table 1-b: Reference Totals for Population, Income, Inflation, and Marginal Tax Rates, 1946-2012

Years			Population and Tax Units				Income		Inflation	Tax Rates	
(1)	(2a)	(2b)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Actual Year (incomes earned in)	Fiscal Year (tax paid in)	Fiscal Year (Japanese Calendar)	Population ('000s)	Number of adults 20+ ('000s)	Number of tax returns ('000s)	(5)/(4) (%)	Total income (2002 billion yen)	Average income per adult (2002 '000 yen)	CPI (2002 base =100)	No. of Income Brackets	Top Marginal Tax Rate (%)
1946			75,750	40,988			14,104	344	2.56		
1947	1947	22	78,101	42,303			15,881	375	5.76	16	75.0
1948	1948	23	80,002	43,377			17,436	402	10.58	15	85.0
1949	1949	24	81,773	44,382			20,120	453	11.93	15	85.0
1950	1950	25	84,115	45,700			22,049	482	12.99	9	55.0
1951	1951	26	84,541	46,410			24,838	535	15.19	9	55.0
1952	1952	27	85,808	47,591			26,494	557	16.03	11	55.0
1953	1953	28	86,981	48,734			28,845	592	17.08	11	65.0
1954	1954	29	88,239	49,938			30,177	604	18.12	11	65.0
1955	1955	30	90,077	51,488			33,581	652	18.02	11	65.0
1956	1956	31	90,172	52,053			37,025	711	18.12	11	65.0
1957	1957	32	90,928	53,004			39,796	751	18.65	11	70.0
1958	1958	33	91,767	54,012			42,193	781	18.54	11	70.0
1959	1959	34	92,641	55,051			46,655	847	18.75	11	70.0
1960	1960	35	94,302	56,572			52,254	924	19.49	11	70.0
1961	1961	36	94,287	57,255			59,875	1,046	20.43	11	70.0
1962	1962	37	95,181	58,496			63,825	1,091	21.90	11	75.0
1963	1963	38	96,156	59,801			68,789	1,150	23.47	11	75.0
1964	1964	39	97,182	61,153			76,794	1,256	24.41	11	75.0
1965	1965	40	99,209	63,156			81,413	1,289	25.98	11	75.0
1966	1966	41	99,036	63,773			88,093	1,381	27.34	11	75.0
1967	1967	42	100,196	65,256			96,820	1,484	28.39	11	75.0
1968	1968	43	101,331	66,739			108,873	1,631	29.96	12	75.0
1969	1969	44	102,536	68,285			119,673	1,753	31.53	12	75.0
1970	1970	45	104,665	70,471			129,932	1,844	33.94	12	75.0
1971	1971	46	106,100	71,661			139,118	1,941	35.93	12	75.0
1972	1972	47	107,595	72,898			154,480	2,119	37.61	12	75.0
1973	1973	48	109,104	74,150			174,082	2,348	42.01	12	75.0
1974	1974	49	110,573	75,382			175,294	2,325	52.28	12	75.0
1975	1975	50	111,940	76,550			178,216	2,328	58.46	14	75.0
1976	1976	51	113,094	77,578			182,898	2,358	64.01	14	75.0
1977	1977	52	114,165	78,554			184,025	2,343	69.14	14	75.0
1978	1978	53	115,190	79,502			190,082	2,391	71.66	14	75.0
1979	1979	54	116,155	80,413			197,884	2,461	74.28	14	75.0
1980	1980	55	117,060	81,286			199,401	2,453	80.25	14	75.0
1981	1981	56	117,902	82,375			202,045	2,453	84.12	14	75.0
1982	1982	57	118,728	83,459			206,216	2,471	86.43	14	75.0
1983	1983	58	119,536	84,537			211,202	2,498	88.00	14	75.0
1984	1984	59	120,305	85,595			216,400	2,528	89.99	14	70.0
1985	1985	60	121,049	86,641			222,357	2,566	91.77	14	70.0
1986	1986	61	121,660	87,598			228,828	2,612	92.19	14	70.0
1987	1987	62	122,239	88,536			233,344	2,636	91.98	14	60.0
1988	1988	63	122,745	89,427			243,538	2,723	92.40	14	60.0
1989	1989	H1	123,204	90,288			255,023	2,825	94.60	18	60.0
1990	1990	2	123,611	91,114			267,931	2,941	97.53	18	50.0
1991	1991	3	124,101	92,200			279,316	3,029	100.68	18	50.0
1992	1992	4	124,567	93,273			282,987	3,034	102.35	18	50.0
1993	1993	5	124,938	94,281			280,040	2,970	103.51	18	50.0
1994	1994	6	125,265	95,259			281,051	2,950	104.03	18	50.0
1995	1995	7	125,570	96,224			278,375	2,893	103.71	18	50.0
1996	1996	8	125,864	97,185			280,811	2,889	103.71	18	50.0
1997	1997	9	126,166	98,155			280,467	2,857	104.65	18	50.0
1998	1998	10	126,486	99,142			274,510	2,769	104.54	18	50.0
1999	1999	11	126,686	100,039			270,358	2,703	103.82	18	37.0
2000	2000	12	126,926	100,970			269,892	2,673	102.47	18	37.0
2001	2001	13	127,291	101,642			260,997	2,568	100.91	18	37.0
2002	2002	14	127,435	102,175			251,801	2,464	100.00	18	37.0
2003	2003	15	127,687	102,724			250,535	2,439	99.70	18	37.0
2004	2004	16	127,687	103,281			247,869	2,400	99.70	18	37.0
2005	2005	17	127,768	103,830			251,990	2,427	99.39	18	37.0
2006	2006	18	127,770	103,910			252,486	2,430	99.70	18	37.0
2007	2007	19	127,771	104,196			253,866	2,436	99.70	18	37.0
2008	2008	20	127,692	104,360			247,664	2,373	101.09	18	40.0
2009	2009	21	127,510	104,421			237,276	2,272	99.70	18	40.0
2010	2010	22	128,057	105,126			240,175	2,285	99.01	18	40.0
2011	2011	23	127,799	104,923			239,979	2,287	98.71	18	40.0
2012	2012	24	127,515	104,817			239,971	2,289	98.71	18	40.0

Notes: See Moriguchi and Saez (2008) for details.

Actual year is the year in which income subject to taxation was earned, and fiscal year is the year in which tax returns were processed and income tax was paid.

Tax unit is defined as adult individuals aged 20 and above. Population estimates are based on Census data (Population Estimates by Statistical Bureau).

Number of income tax returns are based on national income tax return statistics.

Total income is based on personal disposable income from Ohkawa et al. (1974) for 1886-1930 and personal income from National Accounts for 1930-2005.

CPI is from Ohkawa et al. (1967) for 1886-1950 and *Japan Statistical Yearbook* for 1950-2012.

Top marginal tax rate is the highest statutory marginal tax rate from the National individual income tax stipulated by the law before exemptions and deductions.

Table 2-a: Top Income Shares in Japan, 1886-1945

Year	Excluding Capital Gains						Including Capital Gains					
	Top 10% (1)	Top 5% (2)	Top 1% (3)	Top 0.5% (4)	Top 0.1% (5)	Top 0.01% (6)	Top 10% (7)	Top 5% (8)	Top 1% (9)	Top 0.5% (10)	Top 0.1% (11)	Top 0.01% (12)
1886			19.14	14.19	7.22	2.98						
1887			19.89	14.52	7.24	3.03						
1888			17.67	13.16	6.78	2.95						
1889			16.07	12.03	6.30	2.68						
1890			14.33	10.76	5.63	2.44						
1891			13.19	9.92	5.19	2.22						
1892			14.45	10.96	5.79	2.43						
1893			14.27	10.94	5.87	2.44						
1894			13.40	10.37	5.69	2.40						
1895			12.82	10.03	5.59	2.38						
1896			13.23	10.39	5.80	2.47						
1897			12.16	9.55	5.21	2.15						
1898			13.57	10.46	5.58	2.02						
1899			15.72	12.27	6.72	2.51						
1900			16.26	12.63	6.83	2.51						
1901			16.93	13.14	7.09	2.62						
1902			17.99	13.97	7.55	2.80						
1903			17.55	13.66	7.43	2.74						
1904			16.58	13.01	7.21	2.74						
1905			18.07	14.13	7.82	2.97						
1906			18.12	14.08	7.64	2.83						
1907		32.25	18.26	14.12	7.58	2.76						
1908		33.82	18.93	14.62	7.74	2.79						
1909		33.71	18.74	14.43	7.56	2.68						
1910		33.54	18.88	14.61	7.75	2.81						
1911		31.40	17.99	13.98	7.52	2.77						
1912		31.48	17.91	13.93	7.61	2.83						
1913		30.56	17.45	13.56	7.38	2.73						
1914		32.53	18.55	14.49	7.98	2.92						
1915		32.79	19.60	15.63	9.09	3.70						
1916		30.87	19.52	15.87	9.72	4.38						
1917		28.98	18.68	15.32	9.52	4.31						
1918		25.55	16.62	13.54	8.30	3.68						
1919		24.83	15.25	12.24	7.37	3.12						
1920		28.12	17.09	13.62	7.90	3.23						
1921		31.47	18.48	14.51	8.10	3.15						
1922		32.96	19.55	15.38	8.63	3.40						
1923		33.58	19.72	15.45	8.60	3.37						
1924		33.60	19.72	15.45	8.62	3.43						
1925			18.32	14.34	7.96	3.16						
1926			18.55	14.64	8.29	3.39						
1927			17.89	14.12	7.96	3.22						
1928			18.51	14.64	8.28	3.37						
1929			18.35	14.51	8.17	3.33						
1930			16.78	13.21	7.32	2.95						
1931			17.38	13.62	7.42	2.92						
1932			17.56	13.81	7.61	3.03						
1933			18.28	14.48	8.16	3.40						
1934			18.96	15.01	8.46	3.49						
1935			18.74	14.83	8.41	3.49						
1936			18.68	14.76	8.40	3.57						
1937		31.34	19.26	15.33	8.83	3.80						
1938		31.81	19.92	15.90	9.19	3.81						
1939			17.95	14.16	7.83	3.10						
1940			16.45	12.82	6.82	2.59						
1941			16.67	12.58	6.36	2.31						
1942			15.11	11.28	5.69	2.07						
1943			13.63	10.04	4.96	1.78						
1944			10.74	7.91	3.93	1.40						
1945			6.43	4.42	1.89	0.56						

Notes: Computations based on income tax return statistics and wage income tax statistics as in Moriguchi and Saez (2008). Year refers to "actual year" in Tables 1-a and 1-b.

Income is defined comprehensively to include taxable employment income, business income, farm income, and capital income. Capital gains were not taxed before 1947.

Top groups are defined relative to adult population (age 20 and above) in Japan.

The total income denominator is defined as total personal income in Japan from National Accounts.

Table 2-b: Top Income Shares in Japan, 1947-2012

Year	Excluding Capital Gains						Including Capital Gains					
	Top 10% (1)	Top 5% (2)	Top 1% (3)	Top 0.5% (4)	Top 0.1% (5)	Top 0.01% (7)	Top 10% (8)	Top 5% (9)	Top 1% (10)	Top 0.5% (11)	Top 0.1% (12)	Top 0.01% (14)
1947	26.81	18.50	7.36	5.16	2.15	0.61	26.86	18.54	7.38	5.17	2.15	0.61
1948	29.59	20.37	7.79	5.24	2.06	0.55	29.70	20.46	7.84	5.28	2.08	0.56
1949	32.11	21.66	7.89	4.97	1.82	0.46	32.23	21.75	7.94	5.00	1.84	0.47
1950	31.66	20.96	7.69	4.90	1.73	0.42	31.70	21.00	7.71	4.92	1.74	0.42
1951	30.27	19.90	7.28	4.77	1.87	0.53	32.90	21.89	8.05	5.19	1.97	0.54
1952	32.23	21.19	7.85	5.18	2.02	0.55	35.01	23.29	8.67	5.62	2.12	0.56
1953	30.50	20.17	7.46	4.94	1.91	0.49	33.13	22.17	8.24	5.38	2.02	0.50
1954	30.20	19.73	7.20	4.76	1.83	0.47	32.80	21.69	7.96	5.19	1.94	0.48
1955	28.89	18.87	6.91	4.59	1.78	0.46	31.38	20.75	7.65	5.01	1.88	0.48
1956	29.59	19.55	7.37	4.94	1.90	0.49	32.20	21.54	8.19	5.43	2.04	0.51
1957	30.38	20.15	7.68	5.20	2.05	0.54	33.09	22.24	8.57	5.73	2.22	0.57
1958	30.38	20.17	7.74	5.23	2.08	0.54	33.14	22.30	8.67	5.80	2.26	0.58
1959	30.73	20.48	7.97	5.44	2.15	0.54	33.69	22.81	9.05	6.14	2.40	0.60
1960	30.76	20.74	8.17	5.51	2.22	0.58	33.99	23.34	9.47	6.36	2.56	0.67
1961	30.46	20.68	8.44	5.79	2.31	0.60	33.94	23.51	9.91	6.79	2.69	0.71
1962	31.09	21.19	8.68	5.91	2.35	0.61	34.48	23.92	10.03	6.80	2.66	0.70
1963	30.97	21.03	8.50	5.74	2.31	0.60	31.73	21.73	9.01	6.17	2.52	0.68
1964	30.39	20.62	8.33	5.59	2.18	0.56	31.04	21.22	8.76	5.95	2.37	0.64
1965	29.82	20.04	7.90	5.26	2.04	0.52	30.38	20.55	8.26	5.56	2.20	0.58
1966	29.18	19.47	7.62	5.07	1.94	0.49	29.84	20.08	8.04	5.42	2.14	0.56
1967	29.76	19.86	7.63	5.11	1.96	0.49	30.46	20.51	8.11	5.50	2.18	0.56
1968	29.40	19.45	7.56	5.05	1.91	0.46	30.06	20.06	8.01	5.42	2.12	0.53
1969	30.68	20.38	8.01	5.27	1.91	0.46	32.85	22.52	10.03	7.19	3.41	1.12
1970	31.90	21.13	8.19	5.50	2.04	0.57	34.59	23.79	10.71	7.88	3.85	1.32
1971	32.93	21.67	8.42	5.49	1.94	0.62	37.79	26.49	12.99	9.82	5.12	1.88
1972	32.68	21.49	8.10	5.14	1.60	0.44	37.05	25.81	12.16	8.92	4.41	1.45
1973	32.18	21.01	7.62	5.02	2.18	0.86	38.70	27.50	13.82	10.58	5.54	1.90
1974	30.96	19.93	7.20	4.61	1.78	0.57	32.27	21.21	8.35	5.66	2.37	0.68
1975	30.52	19.58	7.08	4.60	1.76	0.61	32.64	21.66	8.99	6.38	3.06	1.04
1976	30.64	19.52	6.81	4.28	1.51	0.34	31.51	20.35	7.54	4.94	1.86	0.43
1977	30.59	19.45	6.77	4.26	1.48	0.34	31.62	20.44	7.64	5.05	1.93	0.46
1978	30.98	19.74	6.96	4.39	1.52	0.35	32.08	20.80	7.91	5.23	2.00	0.48
1979	31.63	20.23	7.25	4.68	1.65	0.38	32.95	21.52	8.40	5.69	2.25	0.54
1980	31.34	20.10	7.16	4.64	1.65	0.38	32.68	21.42	8.36	5.71	2.33	0.56
1981	31.24	20.07	7.11	4.61	1.59	0.36	32.52	21.32	8.25	5.63	2.28	0.55
1982	31.12	19.98	7.02	4.60	1.62	0.40	32.45	21.28	8.22	5.67	2.35	0.61
1983	31.34	20.02	6.94	4.46	1.50	0.34	32.76	21.42	8.23	5.59	2.28	0.58
1984	31.50	20.09	6.95	4.48	1.49	0.35	32.96	21.52	8.25	5.63	2.30	0.60
1985	31.92	20.25	7.03	4.50	1.50	0.35	33.45	21.74	8.38	5.72	2.36	0.64
1986	32.36	20.60	7.21	4.58	1.54	0.40	34.23	22.44	8.87	6.12	2.66	0.79
1987	33.31	21.42	7.66	4.88	1.65	0.51	36.21	24.27	10.30	7.37	3.52	1.21
1988	33.62	21.52	7.63	4.79	1.62	0.53	36.87	24.72	10.57	7.60	3.73	1.34
1989	33.77	21.70	7.90	5.06	1.83	0.72	38.06	25.93	11.90	8.86	4.65	1.83
1990	33.70	21.78	8.05	5.22	2.04	0.86	38.92	26.95	12.98	9.90	5.44	2.29
1991	32.94	21.16	7.54	4.84	1.81	0.73	37.87	26.03	12.14	9.15	4.85	1.95
1992	32.32	20.58	7.12	4.60	1.64	0.50	33.73	21.96	8.42	5.85	2.65	0.90
1993	32.68	20.72	7.15	4.61	1.62	0.49	34.29	22.31	8.64	6.02	2.72	0.92
1994	33.14	20.93	7.06	4.50	1.62	0.49	34.77	22.53	8.55	5.91	2.69	0.88
1995	34.02	21.47	7.30	4.68	1.64	0.47	35.53	22.95	8.67	5.97	2.60	0.82
1996	34.33	21.61	7.36	4.70	1.69	0.50	36.04	23.28	8.90	6.16	2.73	0.86
1997	34.69	21.72	7.32	4.66	1.69	0.45	35.92	22.92	8.40	5.67	2.36	0.67
1998	35.51	22.30	7.59	4.85	1.74	0.45	36.53	23.29	8.47	5.67	2.29	0.63
1999	36.15	22.77	7.76	4.93	1.77	0.47	37.28	23.86	8.74	5.84	2.41	0.70
2000	37.15	23.52	8.22	5.32	2.04	0.57	38.13	24.47	9.06	6.09	2.55	0.74
2001	38.21	24.49	8.60	5.63	2.17	0.61	39.10	25.05	9.26	6.25	2.61	0.76
2002	38.72	25.03	8.73	5.66	2.11	0.56	39.60	25.30	9.29	6.22	2.55	0.72
2003	39.19	25.47	8.92	5.81	2.20	0.61	40.21	25.82	9.56	6.45	2.70	0.79
2004	39.78	25.99	9.29	6.08	2.38	0.71	41.13	26.67	10.21	6.99	3.08	0.97
2005	39.56	25.96	9.42	6.22	2.48	0.70	41.38	27.08	10.77	7.52	3.49	1.24
2006	39.70	26.28	9.62	6.38	2.60	0.76	41.59	27.40	11.00	7.74	3.70	1.42
2007	40.00	26.38	9.64	6.40	2.62	0.76	41.88	27.55	11.06	7.80	3.76	1.45
2008	39.86	26.37	9.71	6.45	2.63	0.73	41.17	26.95	10.61	7.36	3.38	1.20
2009	39.42	25.98	9.56	6.38	2.55	0.70	40.39	26.34	10.19	7.01	3.08	1.04
2010	39.56	25.98	9.51	6.32	2.52	0.68	40.61	26.40	10.20	7.00	3.07	1.01
2011	39.48	25.34	9.25	6.16	2.50	0.70	40.66	26.48	10.29	7.12	3.22	1.10
2012	39.27	25.09	9.08	6.01	2.38	0.69	40.66	26.44	10.31	7.15	3.27	1.21

Notes: Computations based on income tax return statistics and wage income tax statistics as in Moriguchi and Saez (2008). Year refers to "actual year" in Tables 1-a and 1-b. Income is defined comprehensively to include taxable employment income, business income, farm income, and capital income. Capital gains were not taxed before 1947. Top groups are defined relative to adult population (age 20 and above) in Japan. The total income denominator is defined as total personal income in Japan from National Accounts.

Table 3: Top Threshold Income in Japan, 1947-2012

Year	Threshold Income w/o Capital Gains (in 2002 thousand yen)						Threshold Income w/ Capital Gains (in 2002 thousand yen)					
	Top 10%	Top 5%	Top 1%	Top 0.5%	Top 0.1%	Top 0.01%	Top 10%	Top 5%	Top 1%	Top 0.5%	Top 0.1%	Top 0.01%
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
1947	500	768	1,584	2,150	4,383	11,994	497	771	1,593	2,159	4,386	12,026
1948	578	926	1,865	2,467	4,759	12,159	577	931	1,872	2,477	4,787	12,293
1949	736	1,138	2,147	2,725	5,016	11,488	738	1,145	2,157	2,737	5,035	11,696
1950	827	1,214	2,254	2,965	5,299	12,017	828	1,215	2,255	2,969	5,315	12,164
1951	886	1,302	2,360	3,020	5,479	14,966	942	1,403	2,637	3,397	6,027	15,463
1952	963	1,417	2,613	3,381	6,359	16,402	1,024	1,530	2,918	3,800	6,984	16,874
1953	931	1,421	2,658	3,434	6,429	16,831	987	1,530	2,967	3,862	7,072	17,462
1954	1,022	1,461	2,632	3,392	6,394	16,682	1,085	1,576	2,940	3,812	7,030	17,332
1955	1,075	1,546	2,698	3,466	6,580	17,132	1,141	1,667	3,011	3,899	7,239	17,867
1956	1,141	1,669	3,049	3,987	7,678	20,454	1,211	1,800	3,409	4,494	8,481	21,646
1957	1,220	1,795	3,308	4,357	8,505	23,666	1,295	1,937	3,699	4,925	9,463	25,214
1958	1,258	1,861	3,471	4,574	9,058	25,333	1,334	2,006	3,884	5,181	10,143	27,234
1959	1,378	2,031	3,804	5,026	10,435	27,395	1,465	2,195	4,279	5,750	11,872	30,375
1960	1,498	2,188	4,217	5,605	11,452	31,103	1,595	2,369	4,784	6,510	13,303	35,694
1961	1,652	2,389	4,814	6,593	13,573	36,391	1,761	2,598	5,511	7,762	15,901	42,471
1962	1,791	2,521	5,241	7,174	14,420	38,333	1,911	2,741	5,959	8,343	16,601	43,384
1963	1,914	2,685	5,447	7,362	15,212	39,790	1,924	2,714	5,566	7,691	16,210	44,236
1964	2,079	2,891	5,986	8,159	15,845	40,922	2,088	2,917	6,105	8,455	16,676	45,448
1965	2,134	2,946	5,862	7,816	15,130	39,803	2,145	2,973	5,961	8,064	15,900	43,460
1966	2,267	3,100	6,144	8,109	15,772	39,765	2,278	3,131	6,277	8,421	16,792	44,576
1967	2,575	3,462	6,611	8,648	17,148	43,423	2,586	3,493	6,771	9,041	18,363	48,919
1968	2,777	3,723	7,137	9,375	18,607	45,773	2,794	3,758	7,288	9,766	19,874	51,607
1969	3,140	4,142	7,993	10,583	22,157	46,565	3,146	4,165	8,192	11,448	27,276	95,466
1970	3,423	4,563	8,484	11,270	24,766	52,814	3,433	4,595	8,747	12,466	32,060	112,381
1971	3,751	4,949	9,807	12,662	26,166	52,436	3,764	5,004	10,284	15,065	41,470	157,297
1972	4,119	5,403	10,710	13,899	26,953	47,185	4,138	5,469	11,315	16,380	41,541	153,798
1973	4,548	5,938	10,866	12,810	23,872	89,274	4,562	6,007	12,210	18,798	54,816	209,053
1974	4,473	5,826	10,542	13,131	23,406	65,769	4,483	5,862	10,794	14,386	29,080	86,320
1975	4,410	5,751	10,215	12,628	22,853	65,979	4,428	5,803	10,558	13,987	31,273	116,358
1976	4,625	5,922	10,545	12,850	23,176	50,726	4,636	5,954	10,743	13,735	26,725	63,534
1977	4,573	5,890	10,449	12,800	22,586	49,967	4,586	5,927	10,660	13,770	26,861	66,425
1978	4,706	6,053	10,776	13,362	23,945	53,550	4,717	6,089	11,033	14,448	28,846	71,668
1979	4,900	6,297	11,273	14,226	26,635	59,396	4,913	6,337	11,648	15,575	32,372	83,234
1980	4,900	6,231	10,742	13,599	27,004	58,501	4,912	6,266	11,065	14,833	33,127	85,045
1981	4,880	6,261	10,720	13,798	26,536	55,025	4,893	6,294	11,030	14,894	32,188	82,378
1982	4,869	6,288	10,578	13,687	26,673	57,786	4,882	6,322	10,901	14,831	32,611	87,179
1983	4,940	6,438	10,681	13,846	26,380	52,710	4,956	6,474	11,048	15,085	32,578	85,512
1984	5,023	6,563	11,018	14,236	26,669	53,359	5,040	6,606	11,391	15,464	32,922	88,039
1985	5,229	6,804	11,411	14,670	27,345	53,597	5,247	6,852	11,768	15,895	33,622	92,358
1986	5,376	6,974	12,037	15,263	28,664	55,251	5,394	7,030	12,399	16,639	35,871	107,518
1987	5,515	7,074	12,759	16,161	30,354	61,362	5,532	7,143	13,177	18,051	42,205	146,295
1988	5,810	7,526	13,567	16,614	30,153	63,307	5,831	7,610	13,995	18,698	44,379	160,320
1989	5,950	7,696	13,927	17,060	30,545	81,468	5,976	7,777	14,523	20,050	52,609	206,772
1990	6,132	7,932	14,291	17,609	32,317	93,664	6,159	8,017	15,027	21,571	59,393	250,010
1991	6,232	8,050	14,340	17,627	31,011	86,196	6,264	8,151	15,215	21,901	57,512	230,816
1992	6,218	8,083	13,975	17,042	32,450	70,146	6,230	8,116	14,171	17,915	37,906	126,017
1993	6,195	7,993	13,678	17,065	31,537	68,153	6,210	8,032	13,932	18,181	38,208	126,868
1994	6,281	8,134	13,649	16,436	30,767	68,507	6,297	8,176	13,906	17,623	37,900	124,268
1995	6,328	8,176	13,741	16,904	31,241	67,575	6,345	8,218	14,003	18,057	37,518	117,448
1996	6,434	8,252	13,735	16,085	31,278	71,227	6,454	8,301	14,019	17,419	39,140	123,146
1997	6,495	8,298	13,608	16,159	31,077	69,587	6,514	8,342	13,859	17,294	36,393	103,380
1998	6,404	8,201	13,571	16,406	31,675	68,233	6,420	8,238	13,781	17,297	35,405	96,604
1999	6,293	8,141	13,707	16,323	31,272	67,590	6,311	8,182	13,925	17,206	35,040	100,044
2000	6,343	8,203	13,785	16,676	32,638	80,419	6,358	8,240	13,994	17,519	36,307	105,019
2001	6,341	8,208	13,713	17,111	33,074	82,530	6,354	8,242	13,913	17,871	36,202	104,331
2002	6,260	8,101	13,519	16,919	32,468	75,318	6,273	8,134	13,702	17,602	35,232	98,435
2003	6,221	8,067	13,526	16,875	32,984	77,951	6,239	8,110	13,740	17,624	35,941	103,846
2004	6,127	8,017	13,568	16,841	33,647	84,026	6,149	8,067	13,832	17,789	37,852	117,908
2005	6,149	8,003	13,720	17,392	34,439	81,501	6,176	8,067	14,062	18,566	39,355	128,228
2006	6,110	8,006	13,980	17,600	35,132	88,033	6,135	8,067	14,311	18,764	40,367	138,443
2007	6,178	8,078	14,077	17,644	35,241	83,607	6,200	8,134	14,376	18,753	40,423	132,667
2008	5,985	7,835	13,736	17,279	34,533	80,975	6,000	7,875	13,951	18,065	38,028	114,417
2009	5,641	7,414	12,695	16,478	32,825	78,831	5,653	7,445	12,866	17,072	35,232	103,226
2010	5,742	7,487	12,760	16,502	32,513	80,330	5,757	7,521	12,953	17,175	35,321	106,544
2011	5,748	7,511	12,745	16,342	32,494	80,186	5,762	7,545	12,945	17,063	35,633	110,291
2012	5,777	7,521	12,659	16,298	31,341	75,235	5,791	7,558	12,881	17,093	34,830	110,646

Table 4: One-Year Retention Rate of Top Income Groups in Japan, 1950-2006

Year	Top 10%	Top 5%	Top 1%	Top 0.5%	Top 0.1%	Top 0.05%	Top 0.01%	Year
1950		0.950	0.883	0.843	0.759	0.724	0.640	1950
1951		0.923	0.848	0.825	0.793	0.760	0.681	1951
1952		0.896	0.813	0.787	0.756	0.737	0.621	1952
1953						0.754	0.684	1953
1954					0.831	0.817	0.733	1954
1955								1955
1956			0.890	0.882	0.852	0.832		1956
1957			0.891	0.754	0.705			1957
1958		0.934	0.901	0.900	0.894	0.877	0.809	1958
1959		0.925	0.889	0.886	0.876	0.853	0.799	1959
1960		0.911	0.909	0.906	0.891	0.879	0.844	1960
1961		0.916	0.881	0.861	0.805	0.770	0.729	1961
1962	0.927	0.899	0.817	0.770	0.674	0.621		1962
1963	0.923	0.904	0.841	0.815	0.775	0.755	0.734	1963
1964	0.931	0.906	0.870	0.848	0.784	0.763	0.723	1964
1965	0.923	0.901	0.874	0.860	0.806	0.787	0.770	1965
1966		0.912	0.901	0.890	0.882	0.862	0.783	1966
1967		0.897	0.880	0.862	0.820	0.798	0.716	1967
1968		0.895	0.875	0.870	0.851	0.813		1968
1969	0.910	0.886	0.839	0.803	0.649	0.524		1969
1970	0.899	0.878	0.807	0.759	0.622	0.554		1970
1971	0.899	0.875	0.793	0.730	0.461	0.333	0.236	1971
1972	0.962	0.937	0.882	0.783	0.432	0.335		1972
1973	0.852	0.818	0.695	0.602	0.316	0.211		1973
1974	0.878	0.852	0.815	0.783	0.637	0.551	0.361	1974
1975	0.872	0.852	0.785	0.746	0.525	0.394		1975
1976		0.873	0.841	0.809	0.749	0.730	0.666	1976
1977		0.877	0.848	0.819	0.761	0.748	0.722	1977
1978		0.890	0.869	0.842	0.761	0.771		1978
1979		0.883	0.853	0.818	0.738	0.724		1979
1980		0.885	0.852	0.820	0.704	0.654		1980
1981		0.866	0.838	0.802	0.704	0.669		1981
1982		0.884	0.848	0.823	0.774	0.718		1982
1983	0.883	0.873	0.846	0.815	0.699	0.660		1983
1984	0.853	0.853	0.807	0.766	0.627	0.559		1984
1985	0.867	0.857	0.807	0.761	0.619	0.582		1985
1986	0.868	0.864	0.805	0.759	0.619	0.558		1986
1987	0.874	0.858	0.781	0.727	0.599	0.536		1987
1988	0.882	0.868	0.821	0.769	0.571			1988
1989	0.885	0.880	0.819	0.757	0.498			1989
1990	0.883	0.865	0.784	0.700	0.386			1990
1991	0.875	0.862	0.781	0.711	0.414			1991
1992	0.879	0.872	0.814	0.771	0.589	0.445		1992
1993	0.872	0.860	0.809	0.791	0.671	0.591		1993
1994	0.860	0.843	0.799	0.761	0.602	0.489		1994
1995	0.882	0.865	0.821	0.787	0.630	0.515		1995
1996	0.864	0.862	0.831	0.798	0.635	0.504		1996
1997	0.853	0.837	0.803	0.772	0.643	0.553		1997
1998	0.861	0.851	0.827	0.799	0.679	0.636		1998
1999	0.880	0.867	0.829	0.810	0.718	0.687		1999
2000	0.870	0.864	0.828	0.812	0.715	0.650		2000
2001	0.867	0.851	0.815	0.790	0.709	0.652		2001
2002	0.856	0.840	0.805	0.782	0.709	0.653		2002
2003	0.870	0.859	0.833	0.822	0.762	0.707		2003
2004	0.870	0.857	0.817	0.801	0.728	0.669		2004
2005	0.870	0.858	0.811	0.779	0.683	0.614		2005
2006	0.873	0.862	0.825	0.785	0.696	0.641		2006

Notes: Computations by the author based on mobility tables in self-assessed income tax return statistics. Retention rate is the probability of an individual in a top income group in the current year staying in the same top income group in the next year. Income includes realized capital gains. Empty cells mean that estimates are not available.