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CONTENTS

THE COST OF MARRIAGES AND MARRIAGE-RELATED SAVING IN JAPAN*

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I Introduction

It is often said that wedding ceremonies are unusually lavish in Japan and that other marriage-related expenses are also greater than in other countries. It is sometimes further argued that the high level of marriage-related expenses makes it necessary for Japanese households to save in advance and that this is one factor behind Japan's exceptionally high household saving rate. The foregoing assertions are examined in detail in this paper.

The organization of the paper is as follows: In Section II, data on the level and composition of marriage-related expenses and on the importance of saving for marriage as a motive for saving are presented and analyzed. In Section III, the aggregate amount of marriage-related saving is computed. There is a brief concluding section.

To anticipate the main findings of the analysis, marriage-related expenses are considerable in Japan, with the cost per couple ranging from 1.2 to 1.6 times average annual household disposable income. Such a high level of marriage-related expenses makes it necessary for Japanese households to save in advance, and indeed, saving for one's children's marriage expenses is one of the top five motives for saving in Japan. Somewhat surprisingly, however, the aggregate amount of marriage-related saving in Japan is negligible (far less than one percent of household disposable income) because, even though the marriage-related saving of households with pre-marriage children is substantial, it is almost fully offset by the marriage-related dissaving of households in which someone marries during the current year.

II The Cost of Marriages

It is fortunate that at least two surveys of marriage-related expenses are conducted on a regular basis in Japan, one by the Keio Department Store and one by the Sanwa Bank.[1] Both surveys collect information on all marriage-related expenses including

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1) Edwards (1987) analyzes earlier data from the same Sanwa Bank survey as well as data obtained from field research at a commercial wedding facility.

not only the cost of the wedding ceremony/reception itself but also the cost of betrothal gifts (yuinō), engagement gifts, gifts for wedding guests, gifts for the go-between (nakōdo), the honeymoon trip, furnishings and appliances for the new home, and other expenses. Data from both surveys on the average cost of a marriage are shown in Table 1, and as this table shows, marriage costs in Japan are high by any standard. The average cost of a marriage is 1.2 to 1.4 times average annual household disposable income according to the Keio Department Store survey and 1.4 to 1.6 times average annual household disposable income according to the Sanwa Bank survey. Of course,

Table 1.   Trends over Time in Marriage-related Expenses in Japan

Year	Keio Dept. Store Survey		Sanwa Bank Survey	
	Amount per couple (in yen)	Ratio to disposable income	Amount per couple (in yen)	Ratio to disposable income
1972	1,827,000	1.20	na	na
1973	2,485,000	1.37	na	na
1974	3,011,000	1.34	na	na
1975	3,317,000	1.28	na	na
1976	3,637,000	1.30	4,028,000	1.44
1977	3,971,000	1.29	4,288,000	1.39
1978	4,211,000	1.30	4,518,000	1.39
1979	4,344,000	1.26	5,056,000	1.47
1980	4,647,000	1.27	5,745,000	1.57
1981	5,144,000	1.35	6,124,000	1.61
1982	5,526,000	1.37	6,076,000	1.51
1983	5,773,000	1.40	6,312,000	1.53
1984	5,965,000	1.38	6,778,000	1.57
1985	6,099,000	1.36	7,111,000	1.59
1986	6,236,000	1.37	7,479,000	1.64

Notes :   na denotes not available.

Both marriage expense surveys collect data on a midyear-to-midyear basis. The data have been converted to a calendar year basis by averaging the figures for consecutive years.

The Keio Department Store survey is conducted only every other year. Figures for the intervening years were interpolated by assuming a constant rate of increase.

Data on the average annual disposable income of salaried worker households were used.

Sources: For marriage expense data, Keio Department Store (Keiō Hyakkaten), *Keio Biweekly*, Buraidaru Tokushū (Special Bridal Issue), various issues, and Sanwa Bank (Sanwa Ginkō), *Kyoshiki Zengo no Suitobō* (Account Book of Expenses at or about the Time of the Wedding Ceremony), Sanwa Ginkō Hōmu Konsarutanto Chōsa Repōto (Sanwa Bank Home Consultant Research Report), no. 146, September 1987, p. 3.

For data on household disposable income, Management and Coordination Agency, Statistics Bureau (Sōmu-chō, Tōkei-kyoku), *Kakei Chōsa Nenpō* (Annual Report on the Family Income and Expenditure Survey), 1986 edition (Tokyo: Zaidan Hōjin Nihon Tōkei Kyōkai [Japan Statistical Association], 1987), p. 40.

this amount is borne jointly by the bride's family and the groom's family, but even so, each side must put up 0.6 to 0.8 times its annual disposable income. It would be next to impossible to finance an amount of this magnitude out of current income, and thus it appears virtually certain that Japanese households save in advance for marriage expenses.

Table 2 presents data on the breakdown of marriage-related expenses by category, and as the table shows, marriage-related expenses can be grouped into those relating to the engagement, those relating to the wedding, those relating to the honeymoon trip, and those relating to setting up the new household, with the four categories accounting

Table 2. The Composition of Marriage-related Expenses, 1985–86

Category	In yen	In U.S. dollars	Percent of total
Betrothal gifts (yuinō)	¥732,000	$4,880	—
Engagement gifts	494,000	3,293	6.7%
Miscellaneous engagement-related expenses	170,000	1,133	2.3
Wedding ceremony and reception	2,118,000	14,120	28.8
Wedding ceremony	79,000	527	(1.1)
Food/drinks at reception	1,113,100	7,540	(15.4)
Wedding costumes	484,000	3,227	(6.6)
Other expenses (gifts for wedding guests, photography costs, etc.)	424,000	2,827	(5.8)
Gift for go-between (nakōdo)	120,000	800	1.6
Miscellaneous (gratuities, transportation costs, etc.)	227,000	1,513	3.1
Honeymoon trip	1,026,000	6,840	14.0
Furniture, electrical appliances, kitchen goods, etc.	1,806,000	12,040	24.6
Kimonos, Western-style clothes, accessories, etc.	848,000	5,653	11.5
Housing (if newly rented)	535,000	3,567	7.3
Total expenses	8,076,000	53,840	—
Betrothal gifts	732,000	4,880	—
Total actual expenses	7,344,000	48,960	100.0

Notes : The conversion to U.S. dollars was done using an exchange rate of 150 yen per dollar.

The percentage figures take total actual expenses (net of betrothal gifts) as the base. Betrothal gifts are cash gifts from the groom's family to the bride's family and vice versa and hence do not constitute a net expense from the point of view of the two families collectively.

Source: Sanwa Bank (Sanwa Ginkō), *Kyoshiki Zengo no Suitōbo* (Account Book of Expenses at or about the Time of the Wedding Ceremony), Sanwa Ginkō Hōmu Konsarutanto Chōsa Repōto (Sanwa Bank Home Consultant Research Report), no. 138, September 1986, p. 3.

for 9.0, 33.6, 14.0, and 43.4 percent of the total, respectively. The largest engagement-related expense is the engagement gifts (6.7 percent); betrothal gifts are not a true expense because they are merely transfers of cash from one side to the other. The largest wedding-related expenses are the reception (15.4 percent) and the wedding costumes (6.6 percent), while household formation expenses include furniture, electrical appliances, kitchen goods, etc., for the new home (24.6 percent), clothes and accessories (11.5 percent), and housing (if newly rented) (7.3 percent).

These data provide some insights into the reasons why marriage-related expenses are so high in the case of Japan. First, there are a number of expenses that are necessary in the case of Japan but not necessary in the case of many other countries (for example, multiple wedding costumes [ironaoshi], gifts for the wedding guests, gifts for the go-between, etc.). As another example, the cost of setting up a new home is incurred more often in the case of Japan. The reason is that, in Japan, it is common for both the bride and the groom to live with their parents (or in a company dormitory) until marriage and to set up an independent household for the first time at marriage, whereas in many other countries, the bride and/or the groom often live independently of their parents even before marriage, as a result of which there is no need to set up a new household at marriage (the bride can merely move into the groom's home or vice versa). Moreover, not only is it more often necessary to set up a new home in the case of Japan but the cost of doing so is also higher. For example, up to six months' rent must be paid in a lump sum when renting an apartment to cover gift money for the landlord, the security deposit, the realtor's fee, and the first month's rent, and in addition, since furnished apartments are virtually unavailable in Japan, unlike elsewhere, a full set of furniture, electrical appliances, etc., must generally be procured.

Second, even expenses that are incurred in other countries as well (such as engagement gifts, the wedding reception, and the honeymoon trip) appear to be much more costly in the case of Japan.

Thus, the exceptionally high level of marriage-related expenses in Japan is apparently due to a number of factors. Turning next to the way in which these expenses are financed, Table 3 presents data on this point, and as the table shows, the most important source of funds is the savings of the bride and of the groom, which account for 47.1 percent of the total. The second most important source of funds is the parents of the bride and groom, with assistance (outright gifts) and loans from the parents accounting for 38.2 and 2.4 percent of the total, respectively. The parents thus provide 40.6 percent of the total in one form or another, and the bulk of this amount presumably comes from the parents' savings. Hence, the savings of the bride, the groom, and their parents collectively account for a full 87.7 percent of the total, with the remaining 12.3 percent being financed by loans from those other than the parents, wedding gifts, and other sources. This finding confirms my earlier conjecture that Japanese households must save in advance in order to meet their marriage-related expenses.

Further evidence on the importance of saving for marriage-related expenses is provided in Table 4, which presents data collected by the Central Council for Savings

Table 3.   The Financing of Marriage-related Expenses, 1985–86

Source of funds	Amount in yen	Amount in U.S. dollars	Percent of total
The bride and groom's own savings	¥3,802,000	$ 25,347	47.1%
Assistance from parents	3,085,000	20,567	38.2
Loans from parents	195,000	1,300	2.4
Loans from those other than parents	414,000	2,760	5.1
Wedding gifts, etc.	580,000	3,867	7.2
Total expenses	8,076,000	53,840	100.0
Betrothal gifts received	−732,000	−4,880	—
Total actual expenses	7,344,000	48,960	—

Notes :   The conversion to U.S. dollars was done using an exchange rate of 150 yen per dollar.
The percentage figures take total expenses (gross of betrothal gifts) as the base.

Source: Sanwa Bank (Sanwa Ginkō), *Kyoshiki Zengo no Suitōbo* (Account Book of Expenses at or about the Time of the Wedding Ceremony), Sanwa Ginkō Hōmu Konsarutanto Chōsa Repōto (Sanwa Bank Home Consultant Research Report), no. 138, September 1986, p. 3.

Table 4.   Saving Motives

Motive	Year 1984	Year 1985	Year 1986
For illness and other unforeseen disasters	75.0 34.4	77.2 31.4	75.0 31.6
For one's children's educational expenses	41.6 13.8	43.0 14.6	44.7 14.3
For one's children's marriage expenses	17.6 4.5	17.1 3.5	15.3 3.3
For the purchase, expansion, or renovation of land/housing	26.3 12.3	19.8 9.0	20.5 9.9
For living expenses during old age	42.1 15.5	42.5 16.6	42.5 15.9
For the purchase of consumer durables	7.5 1.1	10.5 0.9	10.8 0.8
For leisure expenses	9.7 1.0	4.8 0.5	5.2 0.3
For the payment of taxes	5.2 0.9	5.4 0.7	5.5 0.5
No specific motive but for peace of mind	25.7 6.5	26.4 6.6	25.3 7.1
Other	1.2 0.7	1.6 1.0	1.4 0.9

Notes :   The top figure shows the percent of respondents for whom each motive is one of their top three motives for saving, while the bottom figure shows the percent of respondents for whom each motive is their single most important motive for saving.

Source: Central Council for Savings Promotion (Chochiku Zōkyō Chūō Iinkai), *Chochiku ni kansuru Seron Chōsa* (Public Opinion Survey on Saving), 1986 edition, Tables 8–9, p. 112.

Promotion on the percent of households saving for each motive. The motives "for illness and other unforeseen disasters" and "'no specific motive but for peace of mind" are both essentially precautionary motives, and if the two are considered collectively, they constitute by far the most important motive for saving. "For one's children's educational expenses" and "for living expenses during old age" are roughly tied for second place and are followed by "for the purchase, expansion, or renovation of land/housing" in fourth place and "for one's children's marriage expenses" in fifth place. Thus, saving for marriage-related expenses is one of the top five motives for saving in Japan with one in six households counting this motive as one of their top three motives and one in twenty to thirty households counting it as their single most important motive. Note, moreover, that these figures may be underestimates because the marriage-related category in the questionnaire includes only saving for one's *children's* marriage expenses

Table 5.   Saving Targets by Motive

Motive	The average target per motive for households saving for each motive (thousands of yen)	The percent of households saving for each motive	The aggregate target for each motive as a percent of the aggregate target for all motives
Old age	3389(1)	42.5(3)	53.5(1)
Future business capital	3089(2)	na	na
Purchase of land/housing	2550(3)	20.5(4)	19.4(2)
Children's education	726(4)	44.7(2)	12.1(3)
Children's marriage	614(6)	15.3(5)	3.5(5)
Unexpected expenditures	363(7)	75.0(1)	10.1(4)
Purchase of durables	192(8)	10.8(6)	0.8(6)
Recreation	136(9)	5.2(8)	0.3(8)
Payment of taxes	na	5.5(7)	na
Other	662(5)	1.4(9)	0.3(7)

Notes : na denotes not available.

The figures in parentheses denote the rank of each motive.

Sources: The target data in the first column are from the "Shōhisha no Seikatsu Ishiki to Shōhi Chochiku Kōdō ni kansuru Jittai Chōsa" (Survey concerning the Attitudes and Consumption/Saving Behavior of Consumers), which was conducted by the Research Institute on National Life (Kokumin Seikatsu Kenkyūsho) in November 1966.   551 regular households living in the 23-ward area of Tokyo, Musashino City, and Mitaka City were surveyed.   The data are presented in Research Institute on National Life (Kokumin Seikatsu Kenkyūsho), ed., *Kokumin Seikatsu Tōkei Nenpō* (Statistical Yearbook on National Life), 1969 edition (Tokyo: Shiseidō, 1969), Table 160, p. 164.

The data on the percent of households saving for each motive (second column) are reproduced from Table 4.   The figures are for 1986 and denote the percent of households for which each motive is one of the three most important motives for saving.

The figures in the third column were computed from the figures in the first two columns as follows: the product of the first two columns was calculated and scaled so that the sum of the products would equal 100.

and excludes saving for one's *own* marriage expenses, even though we found the latter to be the most important source of funds for marriage-related expenses.

Still further evidence on the importance of saving for marriage-related expenses is given in Table 5. The first column of this table presents data on saving targets by motive from a 1966 survey conducted by the Research Institute on National Life, and as the figures show, the saving target for one's children's marriage expenses is the sixth largest (behind old age, future business capital, purchase of land/housing, children's education, and other, in that order).

Finally, the third column of the same table presents data on the aggregate target for each motive as a percent of the aggregate target for all motives and shows that the aggregate target for marriage is the fifth largest, accounting for 3.5 percent of the aggregate target for all motives.

In sum, the foregoing evidence has shown that marriage-related expenses are exceptionally high in Japan, with the cost per couple ranging from 1.2 to 1.6 times average annual household disposable income. Such a high level of marriage-related expenses makes it necessary for Japanese households to save in advance, and indeed, saving for one's children's marriage expenses is one of the top five or six motives for saving in Japan.

The problem with the analysis thus far, however, is that it has neglected to take account of the dissaving for each motive. In the case of all motives other than the precautionary motive, households save with the intention of eventually drawing down their savings in order to realize the motive in question. For example, households with pre-marriage children save for their children's marriage expenses until the date of the marriage, at which time they draw down those savings in order to meet their children's marriage expenses. Furthermore, at any given time, there will be those saving for a particular motive as well as those dissaving in order to realize that same motive, and the saving of the former will be partly or fully offset by the dissaving of the latter, with the offset being complete in the case of a stationary economy. Thus, no matter how large is the amount of saving for a particular motive, its contribution to the aggregate household saving rate will not necessarily be large and may even be zero or negative, depending on the relative amounts of saving and dissaving for that motive.

In the following section, I will calculate the aggregate amount of marriage-related saving taking full account of these considerations.

III The Aggregate Amount of Marriage-related Saving

As argued above, the aggregate amount of (net) marriage-related saving can be calculated as the (gross) marriage-related saving of households with pre-marriage children minus the marriage-related dissaving of households in which someone marries during the current year. The amount of marriage-related dissaving can easily be calculated since detailed data on actual marriage-related expenses are available, but unfortunately, direct data on marriage-related saving are not available. I have therefore

had to resort to computing the amount of marriage-related saving indirectly. I have done so by assuming that households begin saving for a given child's marriage expenses a certain period of time before the date of the marriage and that they save at the rate needed to accumulate the necessary amount by the date of the marriage. In particular, I have assumed that the household begins saving for a given child's marriage four years before the year in which the marriage takes place and that it saves two-ninths of the present value of its share of the total cost of the marriage in each year, financing the remaining one-ninth out of current income. The assumption about financing one-ninth out of current income is reasonable because marriages take place in June, on average, meaning that the household has only six months in which to save during the year in which the marriage takes place and can therefore be expected to save only one-half of the amount saved in previous years.

The only other assumption requiring justification is the assumption that households begin saving four years before the marriage. There are at least four justifications that can be given for this assumption, to wit:

(1) According to Ministry of Health and Welfare (1987, p. 67, p. 385), there were 735,850 marriages in 1985 and a population of 120,265,700. Thus, there were 0.61 marriages per 100 people, meaning that 1.22 percent of the population was married in that year. Moreover, according to Management and Coordination Agency (1986a, p. 38), the average household size in 1985 was 3.71 persons, meaning that a marriage took place in 4.54 percent of households in 1985. Next, recall from Table 4 that 17.1 percent of households were saving for their children's marriage expenses in 1985.

Since the percent of households saving for marriage is $17.1/4.54 = 3.77$ times greater than the percent of households in which a marriage took place, we can deduce that Japanese households begin saving for their children's marriage expenses 3.77 years before the marriage.

(2) It can be calculated from the data in Ministry of Health and Welfare (1987, pp. 98, 358–359) that the father is on average about 55 to 59 years old when his children marry. Moreover, according to Central Council for Savings Promotion (1985, pp. 40–41), the percent of households saving for their children's marriage expenses is by far the highest for households in which the head is in his fifties. Thus, Japanese households apparently do not begin saving for their children's marriage expenses until just before the marriage. For example, if we assume that households begin saving for marriage when the head is 55, that is only zero to four years before the marriage.

(3) According to Ministry of Health and Welfare (1987, p. 359), the mean age at first marriage in 1985 was 28.2 years for males and 25.5 years for females. If we bear in mind that the average age of graduation from college is 22 to 23 in Japan and that Japanese parents are unlikely to be able to begin saving for their children's marriage expenses before their children graduate from college because of the burden of college-related expenses, we can surmise that Japanese parents (at least the parents of college graduates) begin saving for their children's marriage expenses *at most* five to six years beforehand in the case of sons and 2.5 to 3.5 years beforehand in the case of daughters,

even if they have only one child, and even later if they have more than one child. Moreover, since parents are unlikely to be able to begin saving for the marriage expenses of younger children (or those marrying later) before their older children (or those marrying earlier) marry, this will further delay the start of marriage-related saving, at least for the younger children (or those marrying later).

(4) We saw earlier that each side must contribute about 0.6 to 0.8 times average annual household disposable income toward the cost of each child's marriage. Assuming that the most a household can comfortably afford to save for a given motive is fifteen percent of its disposable income, both sides would have to begin saving about four years before the marriage.

The above considerations suggest that our best estimate of when households begin saving for marriage expenses is four (or less) years beforehand. Thus, the assumption I have made appears to be a reasonable one.

I am now ready to discuss the specific calculation method used. Gross saving, dissaving, and net saving for marriage were calculated as follows:

$$(1) \quad \text{Gross saving } GS_t = \frac{2}{9} \sum_{i=1}^{4} \left[\frac{N_{t+i} W_{t+i}}{\prod_{j=1}^{i} (1+r_{t+j})} \right] = \frac{2}{9} \sum_{i=1}^{4} \left[N_{t+i} W_t \frac{\prod_{j=1}^{i} (1+g_{t+j})}{\prod_{j=1}^{i} (1+r_{t+j})} \right]$$

$$(2) \quad \text{Dissaving } DS_t = \frac{8}{9} N_t W_t$$

(3)   Net saving $NS_t = GS_t - DS_t$,

where the variables were defined as follows:

   N = the number of marriages
   W = marriage-related expenses per couple
   g = the growth rate of W
   r = the interest rate.

These formulas reflect the assumptions discussed earlier and therefore do not require further explanation except on one point: Dissaving is calculated as eight-ninths of marriage expenses incurred during the current year because we assumed that eight-ninths of the total amount is financed out of past savings and the remaining one-ninth out of current income.

Note that the formulas confirm that the amount of gross marriage-related saving will equal the amount of marriage-related dissaving, meaning that net marriage-related saving will be zero, in a stationary economy in which the number of marriages is constant and the growth rate of marriage-related expenses equals the interest rate. If, however, the number of marriages is increasing (either because the population is increasing or because the marriage rate is increasing, due for example to an increase in the proportion of the population that is of marriageable age) or the growth rate of marriage-related expenses exceeds the interest rate, the amount of gross marriage-related saving will exceed the amount of marriage-related dissaving, leading to a positive amount of net marriage-related saving.

Turning next to a discussion of the data used in the calculations, refer to the notes

to Table 1 for the source of the data on marriage-related expenses.[2] Data on the interest rate were taken from Management and Coordination Agency (1986b, Table 12–25, pp. 418–419) and the corresponding table of earlier editions of the same; the daily average of the interest rate on one-year term deposits at banks from July 1 of the previous year to June 30 of the current year was used. Finally, data on the number of marriages were taken from Ministry of Health and Welfare (1987, Table 3–2, pp. 66–67).

Table 6. Trends over Time in the Aggregate Amount of Marriage-related Saving

Year	Keio Dept. Store Survey			Sanwa Bank Survey		
	Gross Saving	Dissaving	Net Saving	Gross Saving	Dissaving	Net Saving
1972	3.82 22.23	3.00 17.45	0.82 4.78			
1973	3.22 17.28	3.23 17.35	−0.01 −0.07			
1974	2.66 12.75	2.94 14.11	−0.28 −1.36			
1975	2.37 11.26	2.61 12.43	−0.24 −1.16			
1976	2.18 10.23	2.34 10.96	−0.15 −0.73	2.48 11.63	2.59 12.13	−0.11 −0.50
1977	2.11 10.61	2.19 11.03	−0.08 −0.42	2.46 12.36	2.37 11.91	0.09 0.45
1978	2.05 10.81	2.06 10.88	−0.01 −0.07	2.40 12.67	2.21 11.68	0.19 0.99
1979	2.02 12.78	1.99 12.59	0.03 0.19	2.33 14.75	2.32 14.65	0.01 0.09
1980	1.98 13.04	1.94 12.78	0.04 0.26	2.24 14.71	2.40 15.80	−0.17 −1.09

Notes: The upper figure shows marriage-related saving as a percent of household disposable income, while the lower figure shows marriage-related saving as a percent of household saving.

Refer to the text for a description of the calculation method and data source for marriage-related saving.

Data on household disposable income and household saving were taken from Economic Planning Agency (Keizai Kikaku-chō), ed., *Shōwa 55-nen Kijun Kaitei Kokumin Keizai Keisan Hōkoku* (Report on Revised National Accounts on the basis of 1980), volume 1 (Tokyo: Ōkura-shō Insatsu-kyoku [Ministry of Finance Printing Bureau], 1986), Account 5, pp. 108–111, and Economic Planning Agency (Keizai Kikaku-chō), ed., *Kokumin Keizai Keisan Nenpō* (Annual Report on National Accounts), 1987 edition (Tokyo: Ōkura-shō Insatsu-kyoku [Ministry of Finance Printing Bureau], 1987), Account 5, pp. 102–103. However, following Hayashi (1986), the consumption of fixed capital, which is valued at historical cost in the above sources, was re-valued at replacement cost.

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2) Note that the data on marriage-related expenses represent total expenditures thereon and cannot be broken down into price and quantity components. Thus, increases therein reflect both increases in price and increases in quantity.

Data on household expectations concerning the date of marriage, the growth rate of marriage expenses, and the interest rate were needed to compute the marriage-related saving of households with pre-marriage children. I have adopted the assumption that households have perfect foresight about all of these variables. I also tried other expectations mechanisms but found that the results were not significantly affected.

Table 6 presents the results of the calculations, and as the table shows, the amount of gross marriage-related saving is substantial, ranging from two to four percent of household disposable income and ten to twenty-two percent of household saving, but is offset by almost as large an amount of marriage-related dissaving (two to three percent of household disposable income and ten to seventeen percent of household saving). Consequently, the amount of net marriage-related saving is negligible and often negative, ranging from —0.3 to 0.04 percent of household disposable income and —1.4 to 1.0 percent of household saving if the year 1972 is excluded. The amount of net marriage-related saving was unusually large in 1972 (0.8 percent of household disposable income and 4.8 percent of household saving), but this was because the growth rate of marriage expenses was exceptionally high in the subsequent two years (36 percent in 1972–73 and 21 percent in 1973–74).

As for why the amount of net marriage-related saving was negligible and often negative after 1972, there are two reasons. First, despite the continued growth of the population, the number of marriages has been declining steadily since 1972, when the number of marriages of the postwar baby boom generation (born in 1947–49) reached its peak. Second, the growth rate of marriage expenses has stabilized at roughly the same level as the interest rate and was *lower* than the interest rate in certain years.

The amount of net marriage-related saving must have been greater before 1972 because the number of marriages increased steadily from 1951 until 1972 and because the growth rate of marriage expenses probably exceeded the interest rate,[3] but an exact calculation could not be done due to the unavailability of data on marriage expenses prior to 1972. I was able to perform a rough calculation, however, which showed that the amount of net marriage-related saving was far less than one percent of household disposable income and five percent of household saving in every case.

IV   Conclusion

The analysis in the previous section showed that, despite the importance of marriage expenses and marriage-related saving from the point of view of individual households, the aggregate amount of net marriage-related saving has been negligible, explaining far less than one percentage point of Japan's household saving rate, which has recently averaged fifteen to twenty percent.

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3) Edwards (1987) describes the rapid rise of the commercialized wedding industry and the attendant increase in wedding costs during the 1960s and early 1970s. He suggests that improved living standards are one factor behind this trend, a reasonable assertion since wedding services are presumably a luxury good with an income-elastic demand.

Moreover, I have conducted similar analyses of education-related saving and housing-related saving (Horioka (1985) and Horioka (forthcoming)) and have found that they, too, are important from the point of view of individual households but unimportant at the aggregate level, explaining less than one and less than two to three percentage points, respectively, of Japan's household saving rate. Thus, saving for these three motives collectively accounts for less than five percentage points of Japan's household saving rate. My conjecture is that the remaining ten to fifteen percentage points is primarily saving for old age, bequests, and precautionary purposes, and I therefore hope to analyze saving for these motives as part of my future research agenda.

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