

## **Abstract**

Consumer behavior changes with life cycle and generation, as well as with macroeconomic shocks. We estimate Japanese demand system from the 5 waves of national surveys that cover 21 years by allowing for varying taste parameters and household equivalence scale. Out of 11 broad consumption categories, significant age effects are found in housing, transportation, leisure, education and miscellaneous expenditures. Cohort effects appear in younger age in leisure and transportation but they taper off with age. Housing is strongly affected by wave effects and show irregular movement. We propose a method to estimate equivalence scales and implement it. The results indicate that equivalence scale is roughly in between 0.3 and 0.5, a slightly less than the conventional value, and a degree of economy of family scale is decreasing with time.