

# **Intra-family division of inherited property: Empirical evidence from a survey on Japanese households**

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## **Abstract**

This paper examines the underlying mechanism of the intra-family division of inherited property in Japan. Predictions by economic models, such as the altruism model and the exchange model, lead to unequal bequests division. We estimate a function of the deviation of respondent's (or his/her spouse's) bequests share from his/her statutory one with various control variables, based on a unique micro dataset. Dividing our sample into those from the case of the first parent's death and the second parent's one, we examine whether and how the existence of a surviving parent would affect the bequests division. Our empirical results show that unequal division is more likely to be observed in the case of the first parent's death. One of the main reasons behind this observation would be an exchange behavior of the surviving parent. For example, if a child lives with the surviving parent, the parent is likely to give up his/her right of inheriting the property (from the first deceased parent) and allocate some of their property to such an attentive child as rewards. On the other hand, in the case of the second parent's death, the bequests tend to be divided equally, probably because the bequests are divided only among children.

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