

Does the Expectation of Having to Look after Parents in the Future Affect Current Fertility?

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Abstract

This paper argues that the expectation of future care for aging parents may be a major factor contributing to the current low fertility rate in Japan. Using data from the 1998 and 2008 National Family Research of Japan (NFRJ) surveys and a Poisson-logit hurdle model, this paper examines whether the expectation of having to look after parents in the future affects a couple's current fertility. The first stage model is a logit model which examines the decision of whether or not to have any children, and then in the second stage a Poisson model is applied to explain the number of children a couple has conditional on the couple having at least one child. The empirical evidence presented suggests that there are strong generational effects, and that for the post-war cohort, the probability of having to look after a parent increases the probability of couples being childless. On the other hand, the older generation reacts in the opposite direction by increasing their family size.

Keywords: age care, fertility, hurdle model

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