

# Childcare Expenditure in the Collective Model<sup>i</sup>

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## ABSTRACT

The present paper aims at clarifying impacts of a wife's bargaining power on the child's consumption within a family. The analysis is based on a collective model where each household member has his/her own utility, maximizing the entire family welfare composed of each member's utility. We focus on the wife's relative wage to the husband's as the wife's bargaining power within the household, and investigate whether it alters the expenditure share for individual household members. We provide three main results, using the Japanese Panel Survey of Consumers (JPSC) which contains exhaustive information on consumption expenditure. First, the wife's bargaining power does affect the allocation of the household resources among the members. Second, the power can change the intra-household resource allocation to children. Third, it increases the child's relative consumption to the husband's in poor households, but decreases the child's consumption compared to the wife's in wealthy households.

**Keywords:** intra-household allocation, childcare expenditure

**JEL classification:** D12, D13, J13

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<sup>i</sup> I would like to express the deepest appreciation to Associate Professor Kohara Miki, Professor Sasaki Masaru and Professor Nomura Yoshiyuki who provided helpful comments and suggestions. The responsibility of any errors is of course mine.

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