

# **Intra-temporal Substitution between Tradable and Non-tradable Goods**

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Very preliminary

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## **Abstract:**

We estimate the intratemporal elasticity of substitution between tradable and nontradable goods using Japanese survey-based household data. In contrast to previous studies based on aggregate time-series data, this study therefore sheds light on the heterogeneity in consumption behavior among consumers. Among other conclusions, we confirm consumption behaviors are different among consumers with different social and economic backgrounds. In particular substitution elasticity is high among low income and large families, and substitution elasticity during slow economic growth periods is significantly higher than that during a bubble period.

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**Keywords:** Intratemporal elasticity of substitution, tradable and nontradable goods, economic goods and services, survey-based household data, Japan

**JEL classification:** D1