

# Measurement of Child Poverty with Intra-household Resource Allocation in Japan

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This paper provides empirical evidence that child poverty in Japan is underestimated due to the existence of intra-household resource allocation. In the literature, child poverty has been captured with variables at the household level such as household income and expenditure, which are considered to be insufficient to characterize what children actually receive in the household because of its ignorance of heterogeneity in resource allocation patterns. Taking this heterogeneity into account, we estimate the pattern of resource allocation from the collective household model with the National Survey of Family Income and Expenditure to calculate child poverty rate in Japan. As a result, we show that the current naive index represents overall child poverty with 43% downward bias. The result also implies that, by incorporating intra-household resource allocation, the government can improve child poverty more efficiently.