

# The Cost of Marriage and Child Care and Its Effect on Fertility: A Note on the Economic Factors of Below-Replacement Fertility in Japan

Noriyuki TAKAYAMA, Hiroshi OGAWA, Hiroshi YOSHIDA,  
Arita FUMIKO, Yoshihiro KANEKO, Katsuhisa KOJIMA

The purpose of this paper is to investigate the economic factors of fertility rate by making empirical studies on the costs of marriage that are considered in general as the reasons for delaying marriage and declining number of children. For these empirical studies, we took into account the change in household structures before and after marriage and used "Comprehensive Survey of the Living Conditions of People on Health and Welfare". The empirical analyses lead us to the following results:

(1) Since the birth rate of unmarried couples is very low in Japan, we focused on the relation between the marriage and the birth rate. Although the Becker model which is a standard model of economics of family has a presumption that a pair of male and female determine the timing of marriage and the choice of birth being independent of their parents, the empirical analysis based on "Comprehensive Survey" suggested that female's decision of marriage is influenced by the difference in income between their parents and her male partner (her husband after marriage). (2) The regression analysis of the fertility rate showed the following results: male wage rate has a positive effect, female wage rate and cost of housing have negative effects, and child care allowance and the age of first marriage have also negative effects.

The negative correlation between fertility rate and female wage rate implies that the wage subsidy during childcare leave would decrease the opportunity cost of the female and that this subsidy could have some effect of increase in fertility rate. On the other hand, according to the result (1), since the female can expect that her male partner's income could be increased by child care allowance on her birth behavior, it is expected that this subsidy have positive effect on the rate of marriage and consequently on the fertility rate.