Single Mothers and Poverty in Japan: The Role of Living Arrangements

James M. Raymo
University of Wisconsin
(with Sawako Shirahase, Univ. of Tokyo)
Research questions

1) To what extent do official poverty figures overstate the economic disadvantage of single mothers?

2) To what extent has the increase in single-mother families contributed to rise in poverty rates?

3) To what extent has intergenerational coresidence limited the rise in poverty among (single) mothers?

4) What are the relative contributions of earnings, public support, and intergenerational coresidence to limiting poverty among single mothers?
Research questions

1) To what extent do official poverty figures overstate the economic disadvantage of single mothers?

2) To what extent has the increase in single-mother families contributed to rise in poverty rates?

3) To what extent has intergenerational coresidence limited the rise in poverty among (single) mothers?

4) What are the relative contributions of earnings, public support, and intergenerational coresidence to limiting poverty among single mothers?
Research questions

1) To what extent do official poverty figures overstate the economic disadvantage of single mothers?

2) To what extent has the increase in single-mother families contributed to rise in poverty rates?

3) To what extent has intergenerational coresidence limited the rise in poverty among (single) mothers?

4) What are the relative contributions of earnings, public support, and intergenerational coresidence to limiting poverty among single mothers?
Research questions

1) To what extent do official poverty figures overstate the economic disadvantage of single mothers?

2) To what extent has the increase in single-mother families contributed to rise in poverty rates?

3) To what extent has intergenerational coresidence limited the rise in poverty among (single) mothers?

4) What are the relative contributions of earnings, public support, and intergenerational coresidence to limiting poverty among single mothers?
Overview

• Background on family change and poverty in Japan
• Discussion of living arrangements and private support
• Data
• Results
Trends in poverty in Japan

Source: http://www.mhlw.go.jp/toukei/saikin/hw/k-tyosa/k-tyosa10/2-7.html
Trends in poverty in Japan
Where does Japan stand in comparison to other countries?

• Overall poverty rate: 4th highest in OECD
  – (behind Mexico, Turkey, and US)
• Child poverty: middle of the pack
• Single-parent households: #1
Poverty in single-parent households

Source: OECD Society at a Glance 2006
Trends in single-parent families

Trends in divorce

- Number of divorces: 250,000 to 300,000
- Divorces involving children: 100,000 to 150,000

Source: Vital Statistics (NIPSSR 2009)
Pathways to single motherhood

Source: 2006 National Survey on Single Mother Households
(Ministry of Health, Labour, and Welfare)
Research on SPF and poverty in the US

• Well-documented contribution of change in family structure to rise in poverty rates in U.S. (e.g., Lerman 1996; Karoly and Burtless 1999, Martin 2006)

• Growing recognition that coresidential living arrangements are important (Haider and McGarry 2006; Magnuson and Smeeding 2005)
  – Reduction in public income support
  – Emphasis on employment
  – Limited employment opportunities

• Similar relationships largely unexplored in Japan
Research on SPF and poverty in the US

• Well-documented contribution of change in family structure to rise in poverty rates in U.S. (e.g., Lerman 1996; Karoly and Burtless 1999, Martin 2006)

• Growing recognition that coresidential living arrangements are important (Haider and McGarry 2006; Magnuson and Smeeding 2005)
  – Reduction in public income support
  – Emphasis on employment
  – Limited employment opportunities

• Similar relationships largely unexplored in Japan
Research on SPF and poverty in the US

• Well-documented contribution of change in family structure to rise in poverty rates in U.S. (e.g., Lerman 1996; Karoly and Burtless 1999, Martin 2006)

• Growing recognition that coresidential living arrangements are important (Haider and McGarry 2006; Magnuson and Smeeding 2005)
  – Reduction in public income support
  – Emphasis on employment
  – Limited employment opportunities

• Similar relationships largely unexplored in Japan
What do we know about single mothers in Japan?

• High rates of labor force participation
• Low earnings
  – limited labor market opportunities (W-F balance)
  – discontinuous work trajectories
  – selection
• Limited public support
  – Child allowance (児童手当)
  – Childrearing allowance (児童扶養手当)
  – Public assistance (生活保護)
• Limited paternal support / involvement
• High prevalence of coresidence with parents
What do we know about single mothers in Japan?

• High rates of labor force participation
• Low earnings
  – limited labor market opportunities (W-F balance)
  – discontinuous work trajectories
  – selection
• Limited public support
  – Child allowance（児童手当）
  – Childrearing allowance（児童扶養手当）
  – Public assistance（生活保護）
• Limited paternal support / involvement
• High prevalence of coresidence with parents
What do we know about single mothers in Japan?

• High rates of labor force participation
• Low earnings
  – limited labor market opportunities (W-F balance)
  – discontinuous work trajectories
  – selection
• Limited public support
  – Child allowance (児童手当)
  – Childrearing allowance (児童扶養手当)
  – Public assistance (生活保護)
• Limited paternal support / involvement
• High prevalence of coresidence with parents
What do we know about single mothers in Japan?

• High rates of labor force participation
• Low earnings
  – limited labor market opportunities (W-F balance)
  – discontinuous work trajectories
  – selection
• Limited public support
  – Child allowance (児童手当)
  – Childrearing allowance (児童扶養手当)
  – Public assistance (生活保護)
• Limited paternal support / involvement
• High prevalence of coresidence with parents
What do we know about single mothers in Japan?

• High rates of labor force participation
• Low earnings
  – limited labor market opportunities (W-F balance)
  – discontinuous work trajectories
  – selection
• Limited public support
  – Child allowance (児童手当)
  – Childrearing allowance (児童扶養手当)
  – Public assistance (生活保護)
• Limited paternal support / involvement
• High prevalence of coresidence with parents
Coresidence with parents
(multiple data sources)

Motivation for research questions

• Official figures reflect poverty in single-parent households
  – Presumably overstates disadvantage in societies where coresidence is common

• Theoretical value of understanding poverty-limiting impact of living arrangements
  – Intergenerational coresidence as a family adaptation to social/economic change

• Policy value of quantifying the importance of shared income via intergenerational coresidence
Motivation for research questions

• Official figures reflect poverty in single-parent households
  – Presumably overstates disadvantage in societies where coresidence is common
• Theoretical value of understanding poverty-limiting impact of living arrangements
  – Intergenerational coresidence as family adaptation to social/economic change
• Policy value of quantifying the importance of shared income via intergenerational coresidence
Motivation for research questions

• Official figures reflect poverty in single-parent households
  — Presumably overstates disadvantage in societies where coresidence is common

• Theoretical value of understanding poverty-limiting impact of living arrangements
  — Intergenerational coresidence as a family adaptation to social/economic change

• Policy value of quantifying the importance of shared income via intergenerational coresidence
Data

• Basic Survey of People’s Living Conditions (国民生活基礎調査)
• Trend data (1986-2007)
• Large sample size (N = 77,176, weighted N = 69,434,042)
• Information on income for all adult household members
• Information on multiple income sources (from 1995)
Trends in single motherhood and poverty among single mothers
Mothers’ poverty, by living arrangements

% mothers in poverty


- Married - not coresiding with parents
- Married - coresiding with parents
- Single - not coresiding with parents ("official" measure)
- Single - coresiding with parents
Question #1

• Recalculate poverty rate for single mothers based on all single mothers
• What would poverty rate be if single mothers coresiding with parents were included?
Results #1

The graph illustrates the percentage of mothers in poverty from 1986 to 2007. The lines represent different measures:
- Red line: Not coresiding with parents ("official" measure)
- Black line with dots: Coresiding with parents
- Black line with dashes: Adjusted measure

The graph shows fluctuations over the years, with the "official" measure generally remaining lower than the other two measures.
Question #2

• Simple counterfactual analysis \[
\frac{P_t}{N_t} = \sum \frac{M_{tc} \cdot C_{jt} \cdot P_{jte}}{N_t \cdot M_{tc} \cdot C_{jt}}
\]

• What would (mothers’) poverty rate be if marital status distribution remained at 1986 values?

• What would (mothers’) poverty rate be if living arrangement distribution remained at 1986 values?

• What would (mothers’) poverty rate be if group-specific poverty rates remained at 1986 values?
Results #2

The graph shows the percentage of mothers in poverty from 1986 to 2007, with two lines: one for observed data (black) and one for marital status held constant (red). The percentage of mothers in poverty generally increases over time, with a peak around 2001.
Results #2

The graph shows the percentage of mothers in poverty from 1986 to 2007. The data is represented for different scenarios:

- **Observed**: Black line
- **Marital status held constant**: Red line
- **Living arrangements held constant**: Gray line

The graph indicates an increasing trend in poverty rates over time.
Results #2

The graph shows the percentage of mothers in poverty from 1986 to 2007. The lines represent different scenarios:
- **Oberved**: The actual percentage of mothers in poverty.
- **Marital status held constant**: The impact of holding marital status constant.
- **Living arrangements held constant**: The impact of holding living arrangements constant.
- **Poverty rates held constant**: The impact of holding poverty rates constant.

The graph indicates a general increase in the percentage of mothers in poverty over the years, with fluctuations depending on the held constant factors.
Question #3

• Simple counterfactual analysis
• What would poverty rate be if mothers’ own earnings were eliminated?
• What would poverty rate be if public income transfers were eliminated?
• What would poverty rate be if shared income via intergenerational coresidence were eliminated?
Results #3

The bar chart shows the proportion of people in poverty in different scenarios:

- **Not coresiding**:
  - Observed: Not specified
  - w/o earnings: 0.60
  - w/o benefits: 0.00
  - w/o coresidence: 1.00

- **Coresiding**:
  - Observed: 0.40
  - w/o earnings: 0.50
  - w/o benefits: 0.30
  - w/o coresidence: 0.00
Results #3

![Bar chart showing proportions in poverty by coresiding status.](chart)

- **Not coresiding**:
  - Observed
  - w/o earnings
  - w/o benefits
  - w/o coresidence

- **Coresiding**:
  - Observed
  - w/o earnings
  - w/o benefits
  - w/o coresidence
Results #3

The graph illustrates the proportion of poverty for different scenarios:

- **Not coresiding**:
  - **Observed**: Red bar
  - **w/o earnings**: Black bar
  - **w/o benefits**: Gray bar

- **Coresiding**:
  - **w/o coresidence**: Green bar

The x-axis represents the scenarios, and the y-axis shows the proportion of poverty.
What have we learned?

• Intergenerational coresidence central to single mothers’ economic well-being.

• Also true for health (Raymo and Zhou 2012)

• Rise in single parenthood accounts for a significant portion of the increase in poverty among mothers

• Living arrangements of little relevance for understanding trends in poverty (at least between 1986-2007)
What don’t we know?

• Role of living arrangements for:
  – Other indicators of economic deprivation
    • Near poverty
    • Need
  – Health (physical and mental)
  – Children’s well-being
    • Behavior
    • Health
    • Schooling
  – Intergenerational transmission of disadvantage via single parenthood

• What does coresidence provide?
  – Shared resources
  – Support
  – Childcare
  – Etc.
Next Steps

• Alternative assumptions about income sharing
• More attention to inter-household transfers
• Alternative measures of economic well-being?
  – Consumption
  – Need
• Focus on children rather than mothers
  – Behavior
  – Academic performance
  – Health
  – Transition to adulthood
• New surveys conducted by JILPT
  (子どものいる世帯の生活状況および保護者の就業に関する調査)
Remaining slides are extra
図22 等価可処分所得金額別にみた世帯員数の累積度数分布

Source: http://www.mhlw.go.jp/toukei/saikin/hw/k-tyosa/k-tyosa10/2-7.html
Trends in inequality

Intergenerational coresidence among single mothers
Mothers’ marital status and living arrangements

- 90%: Mom with spouse living with no parents
- 100%: Mom with spouse living with parents
- 70%: Single mom living with no parents
- 80%: Single mom living with parents

第1-3-1图 "子どものいる世帯"の貧困率(2000年)

出所：OECD対日経済審査報告書(2005年)
第 1-4-1 図 母子世帯の収入構成（2009 年）

データ出所：厚生労働省「国民生活基礎調査」（2009 年） 所得票第 40 表より作成。
Trends in Public Assistance Receipt

![Graph showing trends in public assistance receipt over time.](image-url)
Results #3, by year

The graph shows the proportion in poverty for different years and conditions:

- **Not coresiding**
  - Observed
  - w/o earnings
  - w/o benefits

- **Coresiding**
  - w/o coresidence

Question 3
Alternative assumption re income sharing

Proportion in poverty


Observed - assume full sharing  Assume half sharing  Observed - not coresiding
Question 3

Alternative assumption re work hours

![Bar chart showing the proportion in poverty for not coresiding and coresiding between 2004 and 2007. The chart indicates that the proportion in poverty for not coresiding is higher in 2004 compared to 2007, while for coresiding, the proportion in poverty is consistent between the two years. The chart also includes bars for observed and switch work hours.]
Results #2