Education Choice and Human Capital Accumulation with Endogenous Fertility Model

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Abstract
This paper sets the endogenous fertility model with endogenous education investment and examines how the share of households that selects public education, income growth, income inequality and fertility are determined. Our paper considers some types of policies as child allowance, education subsidy for private education and examines how these policies affects the education choice and others. The results show that child allowance raises the share of household that selects the public education. Because of the tax burden, the subsidy for private education can not always raise the share of households that selects the private education. In addition, an increase in the subsidy for private education investment can not always raise the aggregate human capital accumulation. In the latter of this paper, we derive the policy allocations as the result of voting system and check the robustness of the results obtained by this paper.

Keywords: Education Choice, Endogenous Fertility, Subsidy, Income Growth, Income Inequality
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