



# Child Poverty—Problems and Initiatives

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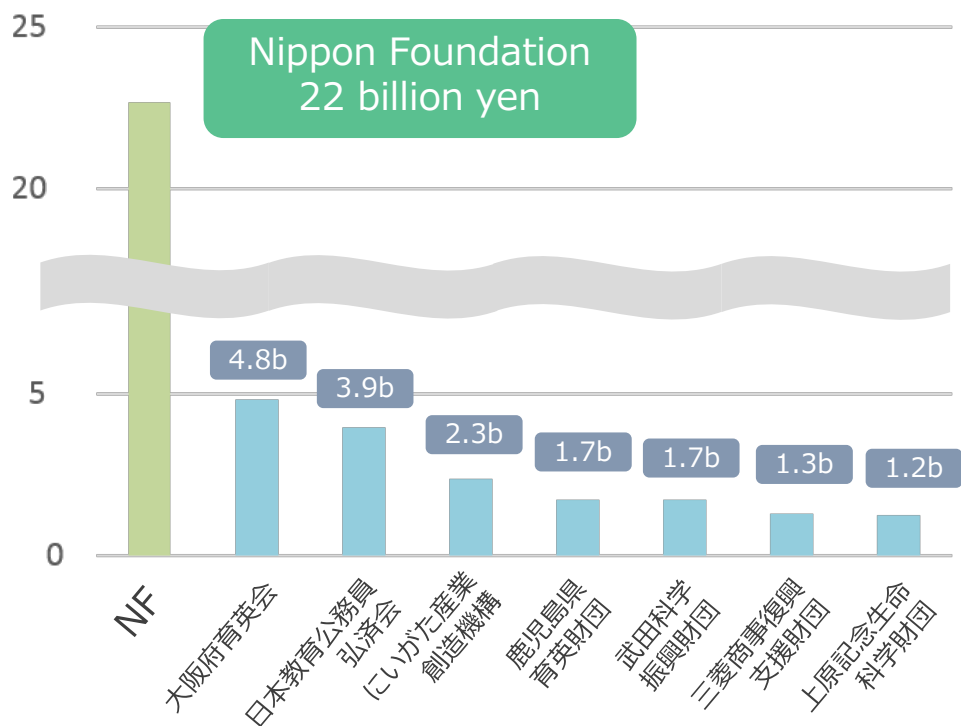
# 1. About The Nippon Foundation

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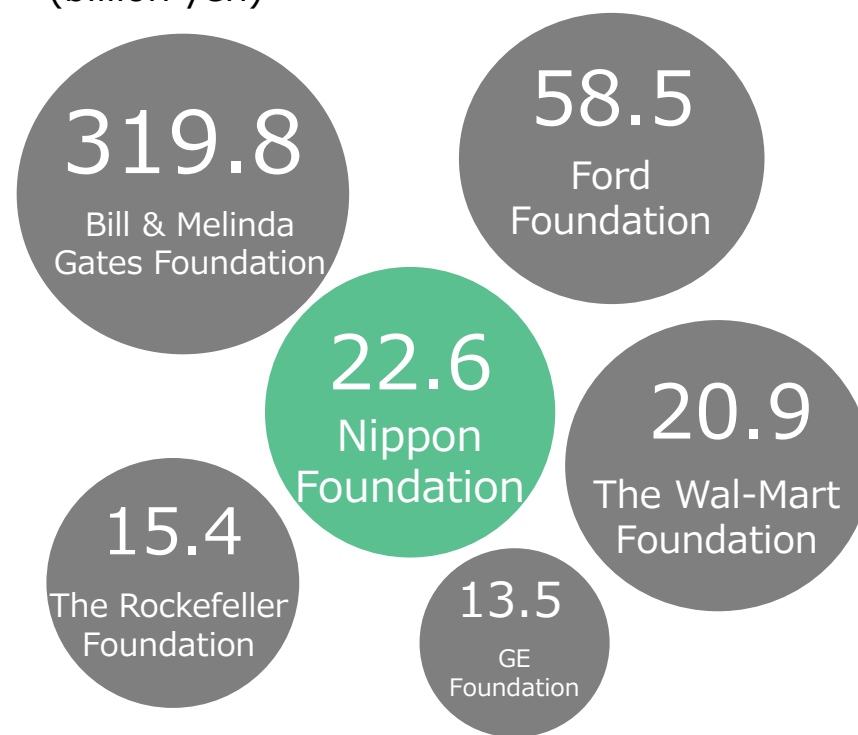
# (1) The Nippon Foundation: An Overview

- With 2.6% of proceeds from boat racing as its primary source of funding (approx. 23 billion yen), The Nippon Foundation assists in charitable and philanthropic activities that serve to promote public good.
- It is the largest private foundation in Japan and is comparable in size to major foundations in the U.S.

Top 8 Japanese Foundations  
by Total Amount Granted (2013)



Comparison with Notable Foundations in US  
(billion yen)



The amount granted in FY2013 for foundations in Japan, and the amount granted in FY2012 for foundations in the U.S.

Source: compiled from the websites of The Japan Foundation Center and the Foundation Center in the U.S.

## (2) The Nippon Foundation's Activities for Children

- The Nippon Foundation has been a longtime supporter of children in difficult circumstances including those living in poverty.
- In 2016, The Nippon Foundation announced the launch of the "Project to Address Child Poverty," investing 5 billion yen (50 million dollars) over 5 years to identify effective measures against child poverty.



Children with an intractable disease

Children with developmental disabilities

Children refusing to go to school

**Project to Address Child Poverty**

Adoption of children, foster care

Support for extracurricular education

Financial aid for orphans

Investment of 5 billion yen over five years to address child poverty

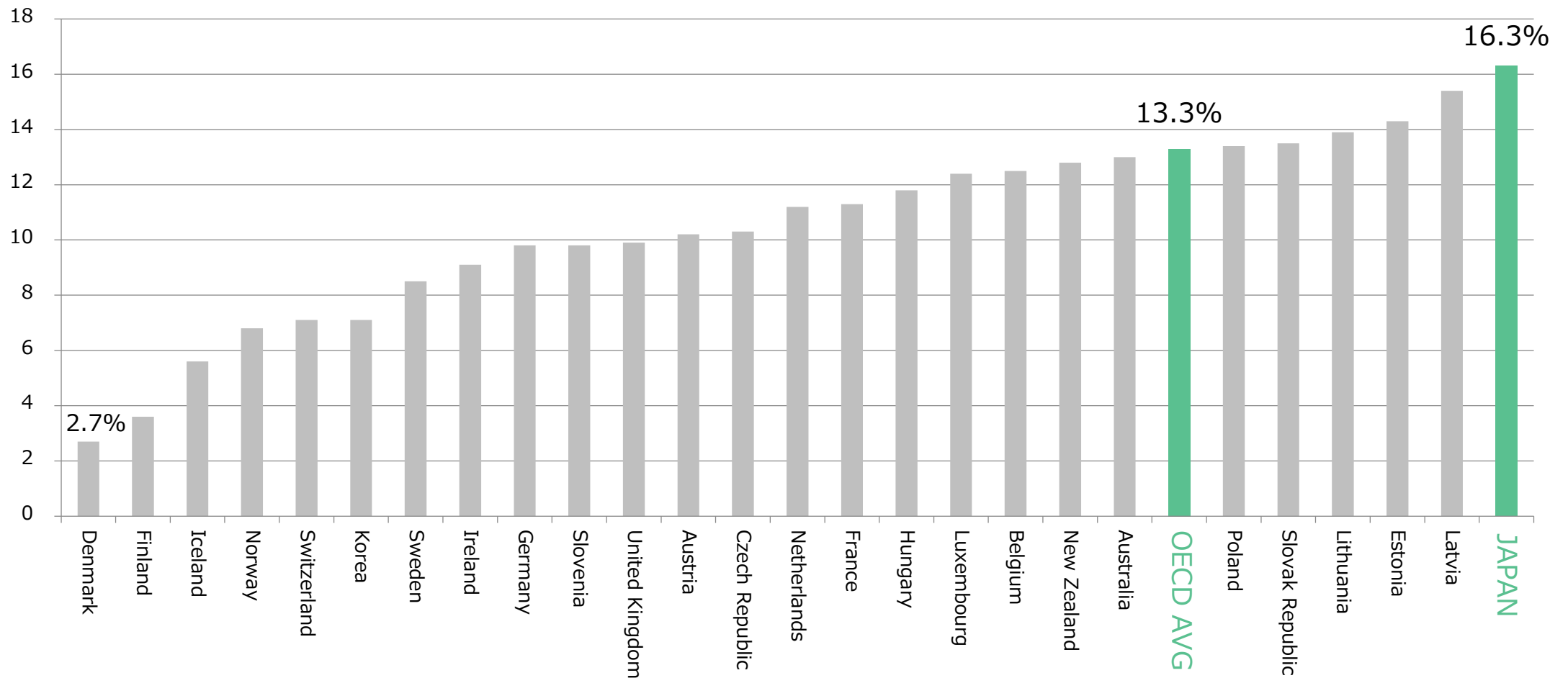
## 2. Present Situation of Child Poverty in Japan

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# (1) Child Poverty Rate in Japan

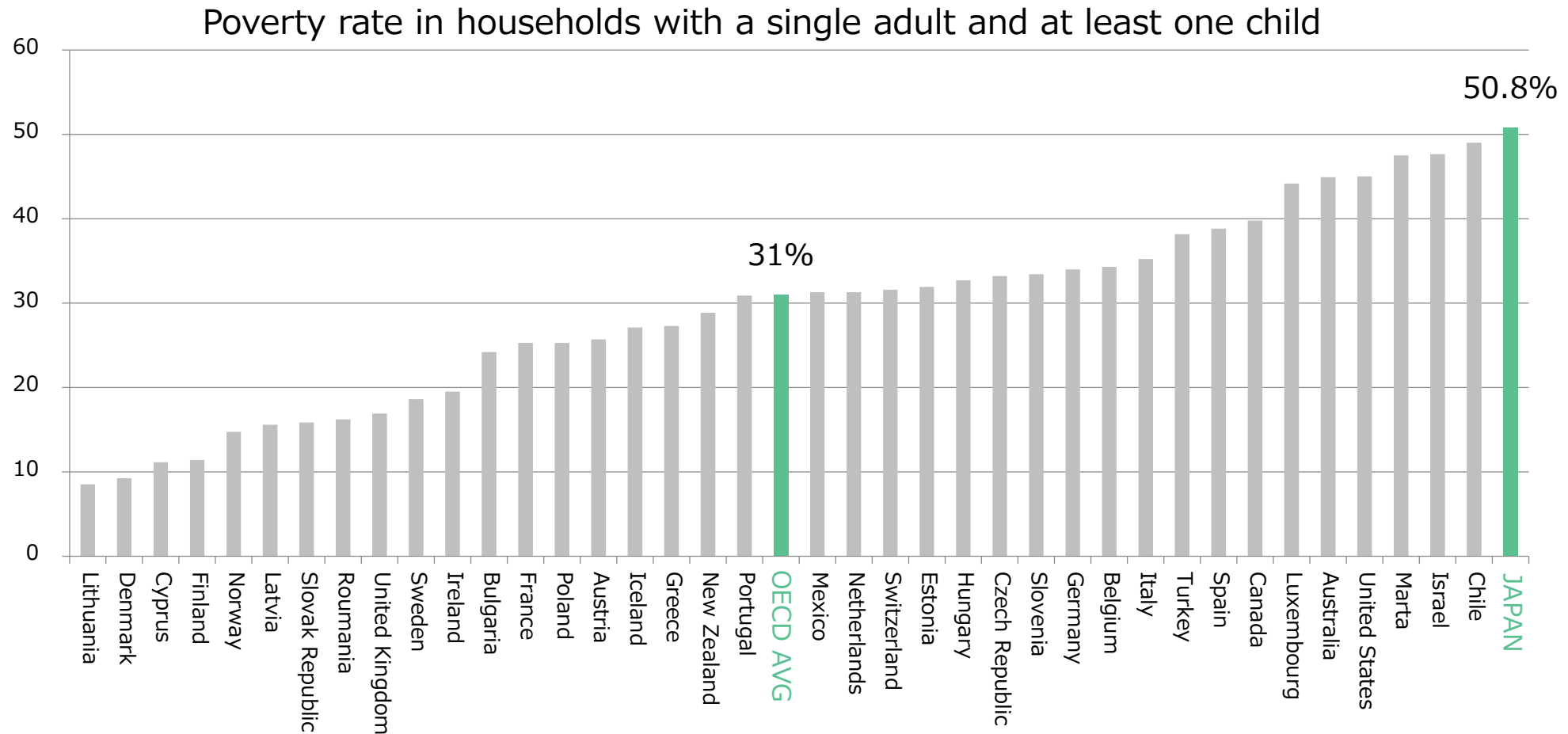
- Child poverty rate in Japan is 16.3%. Roughly one in six children lives in poverty.
- Japan's child poverty rate is high even among OECD countries.

Child poverty rates of the OECD countries (% , 2014)



## (2) Poverty Rate in Households with a Single Adult and at Least One Child

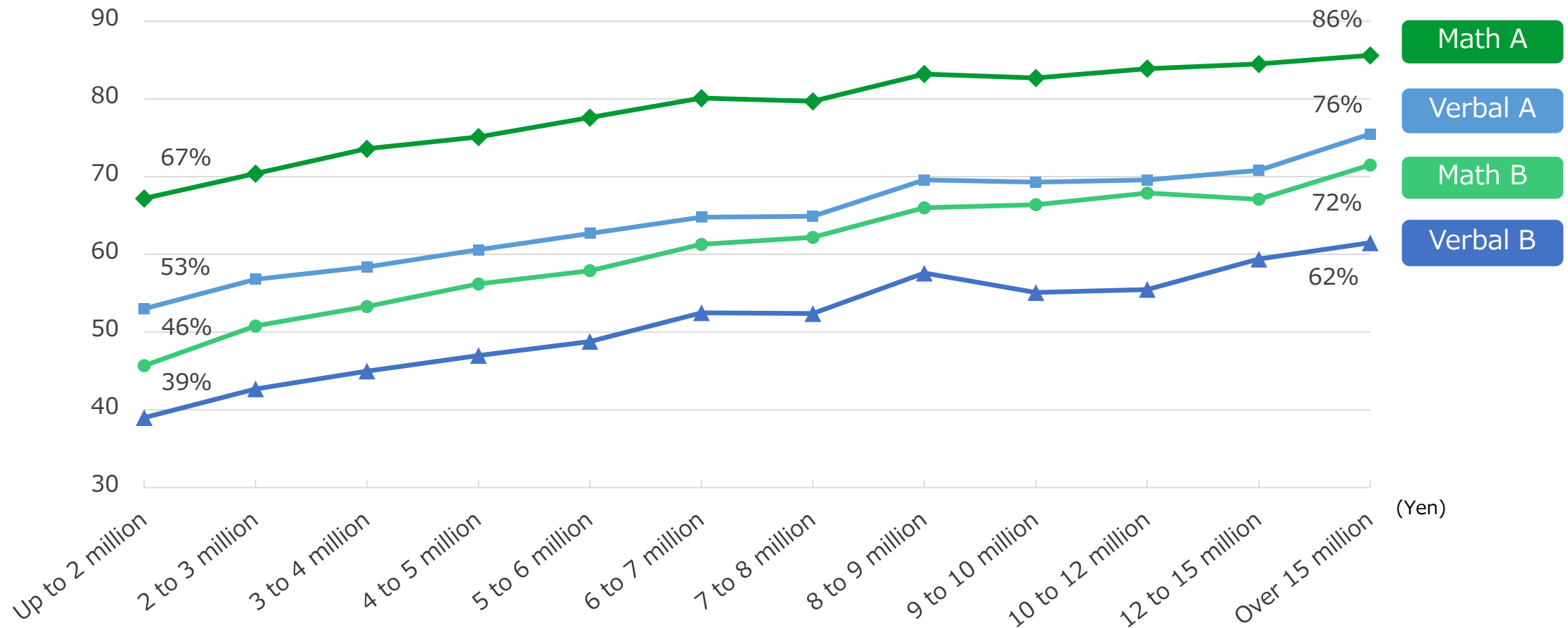
- Japan's poverty rate in households with a single adult and at least one child is the worst among OECD countries. Issues related to Japan's social structure, such as wage gap between men and women and unavailability of systems to encourage women to return to employment after giving birth, may be pushing the poverty rate up.



### (3) Inequality in Academic Achievement and Education

- Analysis of a national survey on scholastic aptitude and study (National Assessment of Academic Ability) shows that the lower the household income, the lower the scholastic aptitude of children.

Correlation between Household Income and Test Scores (Ochanomizu University, 2014)





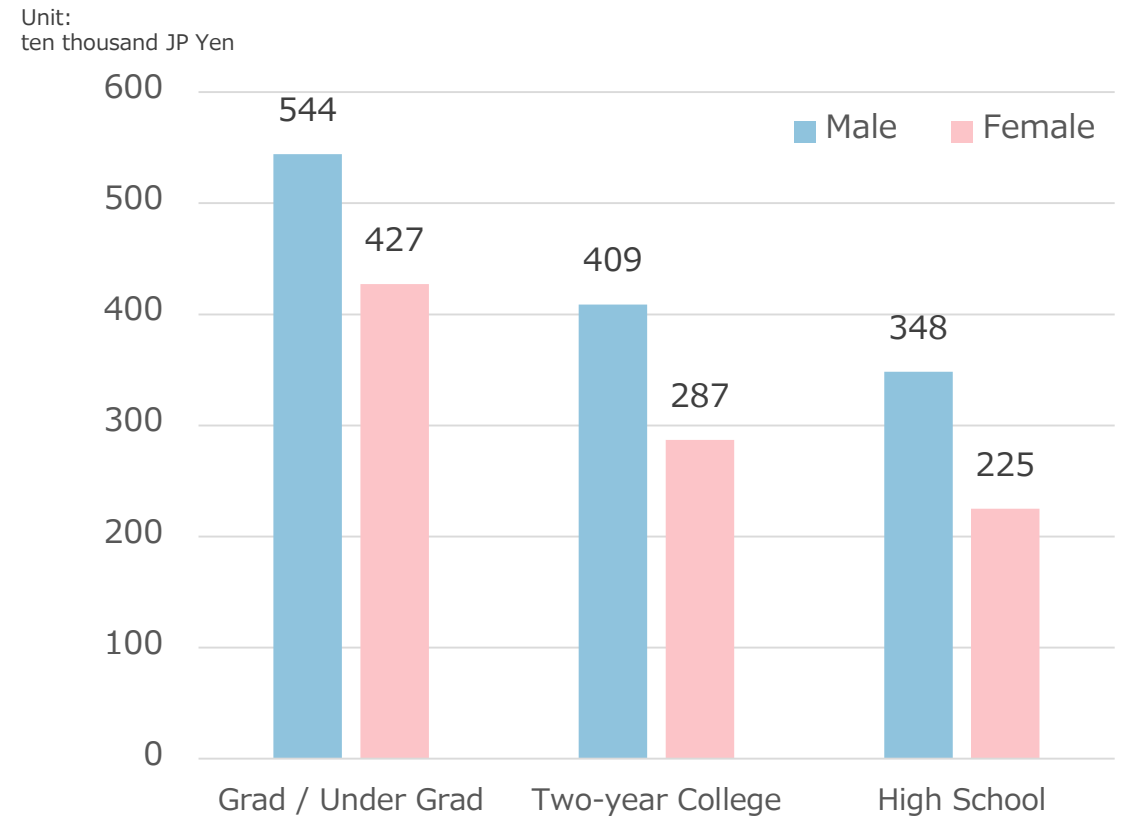
## (4) Inequality in College Enrollment Rate and Income

- Difference in aptitude leads to difference in the final academic attainment, which leads to difference in earnings (poverty chain).

College-Going Rate by Family Type (Cabinet Office, 2014)



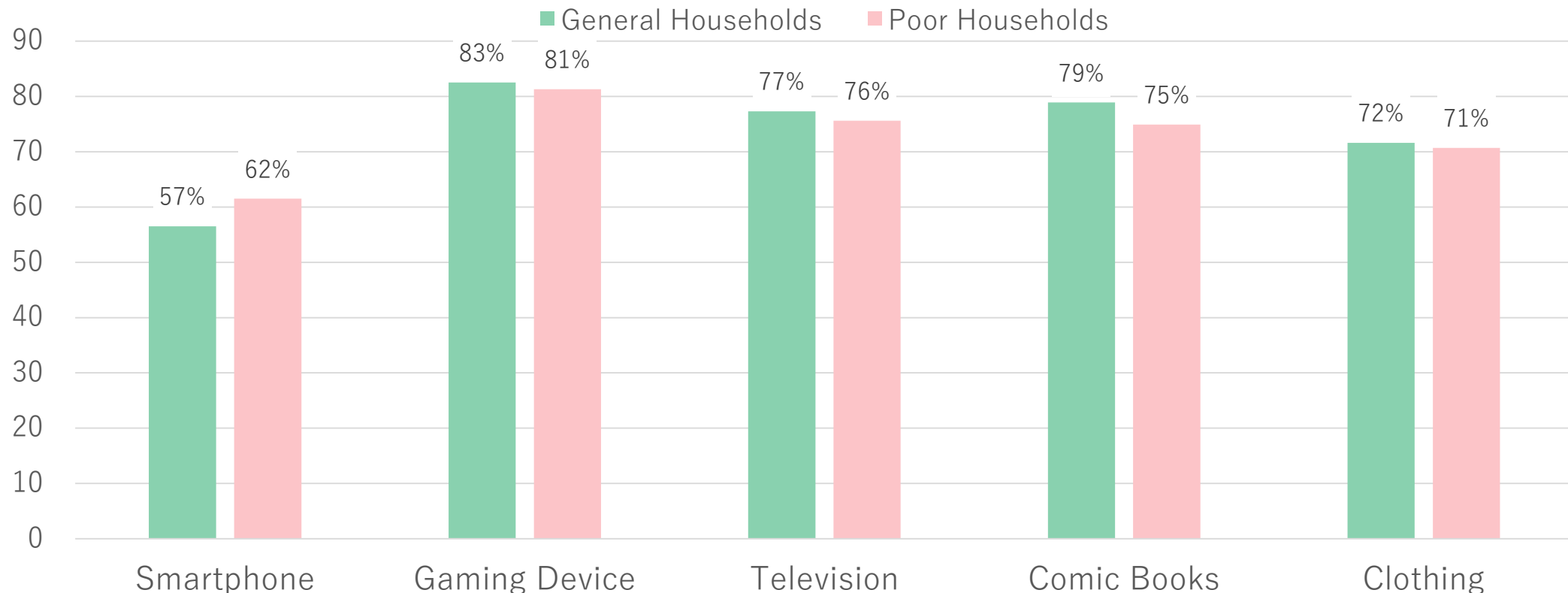
Peak Earnings by Educational Background in Japan



## (5) Often Indiscernible State of Poverty

- Even in poor households, most children have smartphones and the like, so that there is little to tell children apart from their appearances.

Children's Personal Belongings by Household Income (Osaka Prefectural Government survey, 2017)

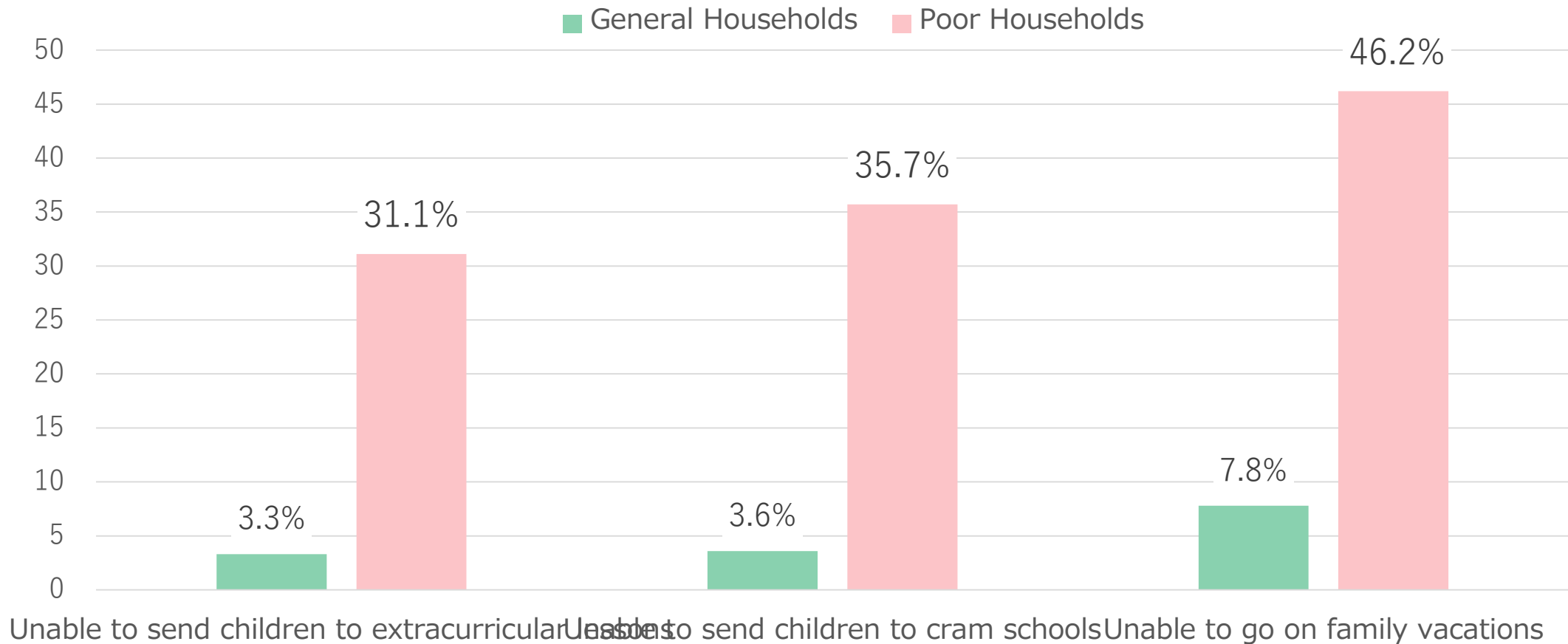


\*"General households" are those with the median household income or above. "Poor households" are those in relative poverty with less than 50% of the median household income.

## (5) Often Indiscernible State of Poverty

- The more dire a family is in poverty, the more it robs their children of opportunities to take non-academic extracurricular lessons, go on trips, engage in other forms of cultural experiences, and study.

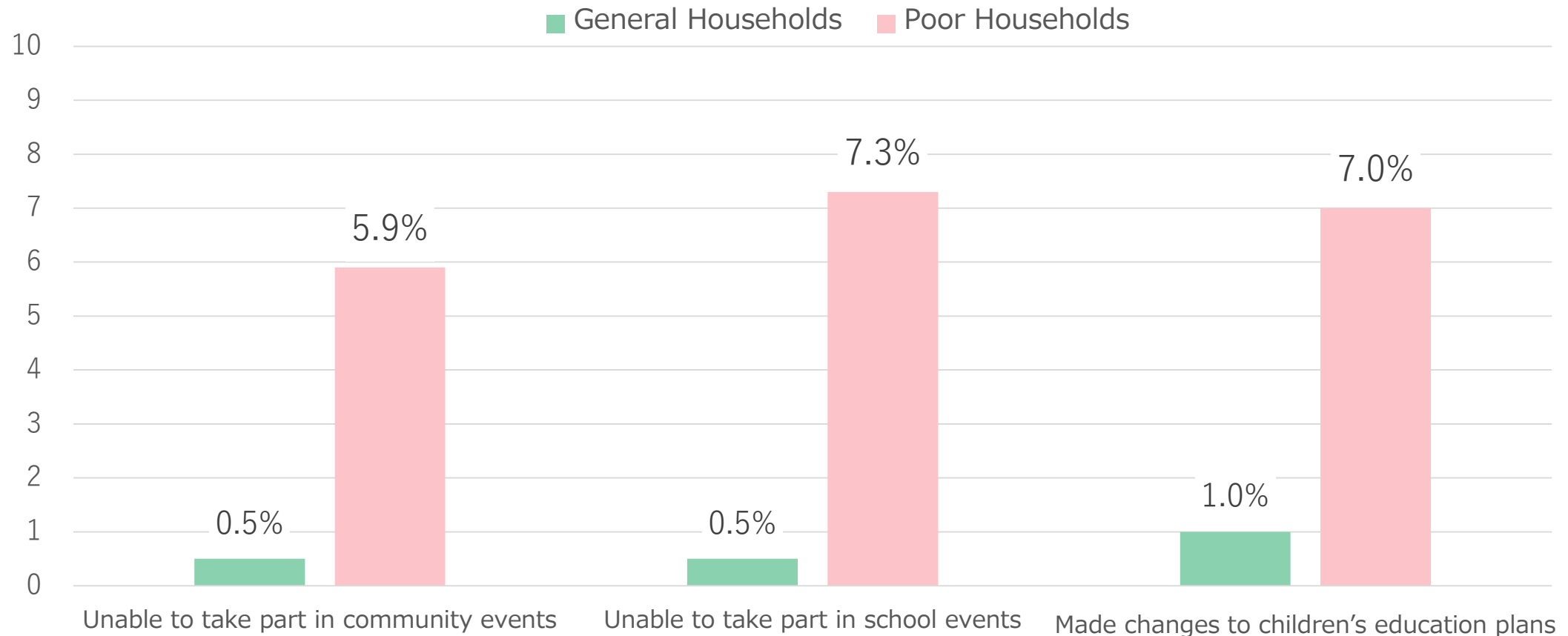
Lost Opportunities Due To Economic Reasons by Household Income (Osaka Prefectural Government survey, 2017)



## (5) Often Indiscernible State of Poverty

- The more dire a family is in poverty, the more it severs ties to the regional community and school.

Lost Opportunities Due To Economic Reasons by Household Income (Osaka Prefectural Government survey, 2017)



## ( 6 ) Economic Costs of Childhood Poverty in Japan

- Child poverty causes a tremendous negative impact on the Japanese economy.
- The Nippon Foundation estimated the economic costs of child poverty of a single age group. Improving this issue will increase their total income by 2.9 trillion yen. Furthermore, if this problem is left unaddressed, the government will have an additional burden of 1.1 trillion yen.

	Income	National revenue	Full-time Worker	
① Current Scenario	¥ 22.6 trillion	¥ 5.7 trillion	8.1 thousand	<div style="background-color: #555; color: white; padding: 10px; border-radius: 10px; margin-bottom: 10px;">Shrinking of the Domestic Markets</div> <div style="background-color: #555; color: white; padding: 10px; border-radius: 10px; margin-bottom: 10px;">Declining Labor Productivity and Labor Participation Rate</div> <div style="background-color: #555; color: white; padding: 10px; border-radius: 10px;">Increasing Social Welfare Spending</div>
② Improved Scenario	¥ 25.5 trillion	¥ 6.8 trillion	9.0 thousand	
Amount of Difference (①-②)	¥ -2.9 trillion	¥ -1.1 trillion	-0.9 thousand	

### Simulation Design :

We conducted income simulation on 15-year-olds children living on welfare, in single-parent households, or in children's institutions (about 180,000), and compared the results of the two scenarios; one where their high school enrollment and drop-out rate improved, and one where both stay at current levels.

### 3. Current State of Measures in the Public and Private Sectors

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# (1) Measures by the Government to Address Child Poverty

## -National Government

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- After the Act to Promote Measures Against Child Poverty was established in 2013, the government has been expanding the children-related budget.
- The government, however, has stopped short of setting numerical targets for improvement in poverty rate or the percentage of students who advance to the next higher level of education.

2014

- The law to deal with child poverty came into effect
- Policy guidelines for addressing the problem were endorsed by the Cabinet

2015

- The central government began distributing subsidies to local governments running programs providing gratuitous learning support for children from poor families (19 million dollars in total/year)

2016

- Cash grants increased for single-parent families with more than one child (1.7 billion dollars in total/year)

2017

- Scholarship grants and loans program expanded mainly for university students from poor families (1 billion dollars in total/year)

## (2) Measures by the Government to Address Child Poverty -Local Governments

- Local governments are taking greater interest in the issue of child poverty.
- A few advanced local governments have conducted large-scale surveys on poor families and single-parent families.

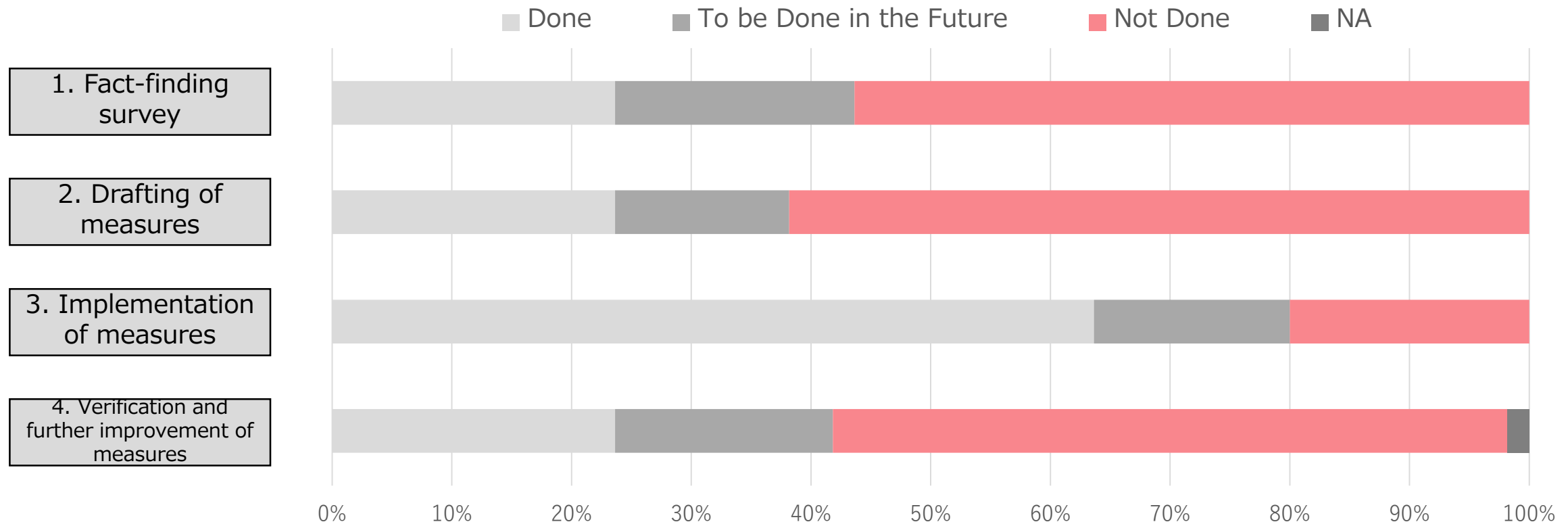
### Recent Surveys Conducted by Local Governments

Local Government	General Description of the Survey
Osaka Prefecture (2017)	Osaka Prefectural Government conducted a survey on 80,000 households in all 43 municipalities in the prefecture with cross tabulation of some 60 survey items, including the households' economic conditions, time spent studying at home, breakfast frequency, and engagement in cultural experiences. (*Results shown on pages 8-10 in this document)
Tokyo Metropolis (2017)	The Tokyo Metropolitan Government conducted a survey on students in primary schools and junior high schools in Tokyo and their parents (8,000 parents), which showed that about 20% were in poverty with some households experiencing inability to buy food for monetary reasons and children with little experience of going on family vacations.
Okinawa Prefecture (2017)	Okinawa Prefectural Government conducted a survey on all 60 prefectural senior high schools in the prefecture to understand the effect household economy had on decisions about educational plans and lifestyle. The survey showed that about 30% of the students were in poverty.
Aichi Prefecture (2016)	Aichi Prefectural Government conducted a survey on the economic and health conditions of students in primary schools and junior high schools in the prefecture and their parents (25,000 parents). Following the survey, an expert committee is set to compile a set of policy recommendations to the prefectural government.



### (3) Measures by the Government to Address Child Poverty: Challenges

- While stopgap measures have been implemented, many local governments have not engaged in fact-finding surveys, implemented programs and systems, and verified the effect of such programs and systems.
- A model needs to be presented to the national and local governments to show where problems lie, what is needed, and what measures are effective.



Compiled from results of a questionnaire survey conducted by The Nippon Foundation at a briefing session for local governments in 2016 (n = 55)

## (4) Measures by Private Organizations to Address Child Poverty

- Non-profit organizations, volunteer groups, and other private organizations are also expanding their efforts to address the problem of child poverty.
- Limitations in funding and staffing for many of these organizations, however, have confined their efforts to low-frequency programs of providing meals to children only about once a month or study support to children about once a week, which do not go to fully addressing the problems.

Programs Offered by Private Organizations

Programs	General Descriptions
Soup kitchens for children	<ul style="list-style-type: none"> <li>✓ Organized once or twice a month providing food to children for free or at low prices.</li> <li>✓ Run by non-profit organizations, volunteer groups, and local communities.</li> <li>✓ Television and newspaper coverage of child poverty led to a rapid upsurge in the number of such programs. According to a survey (Asahi Shimbun, 2016), there are 300 such facilities nationwide.</li> </ul>
Free study support programs	<ul style="list-style-type: none"> <li>✓ Volunteer university students and retired teachers help with school assignments and give advice on future education plans about once a week to children.</li> <li>✓ Most programs are for junior and senior high school students, and few for primary school and preschool children.</li> </ul>

## 4. Outlines of the Project

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# (1) Overview

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- The project will set up 100 sites nationwide for validating measures considered effective in severing the chain of poverty.
- The hypothesis will be verified through randomized controlled trials (RCT) at the sites.
- We will widely disseminate the outcomes in reports and scientific papers and make policy recommendations to bring about an increase in children-related government budget allocations.

Hypothesis construction on effective measures

Based on advanced research from overseas, we collaborated with researchers, private companies, NPOs, and other partners to work out hypothesis for measures that would be effective against child poverty.

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Validation of hypothesis at sites

We will establish 100 sites nationwide over the next three to five years to test the validity of the hypothesis.

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Policy recommendations and implementation nationwide

Once the validity of the hypothesis has been verified, we will submit policy recommendations for implementation by the government.

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Public opinion and expanded budget allocation

We will drum up support in the public opinion in favor of national effort to assist children in poverty and aim to secure expanded children-related government budget allocations.

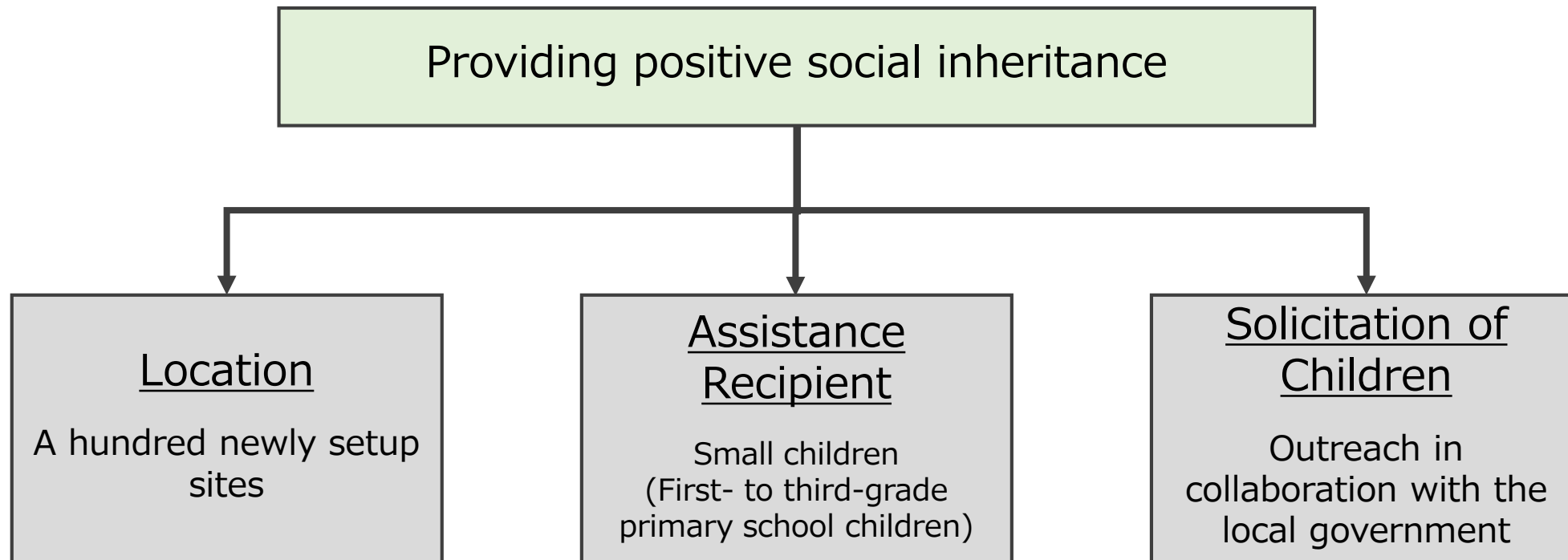
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## (2) Hypothesis to Be Tested

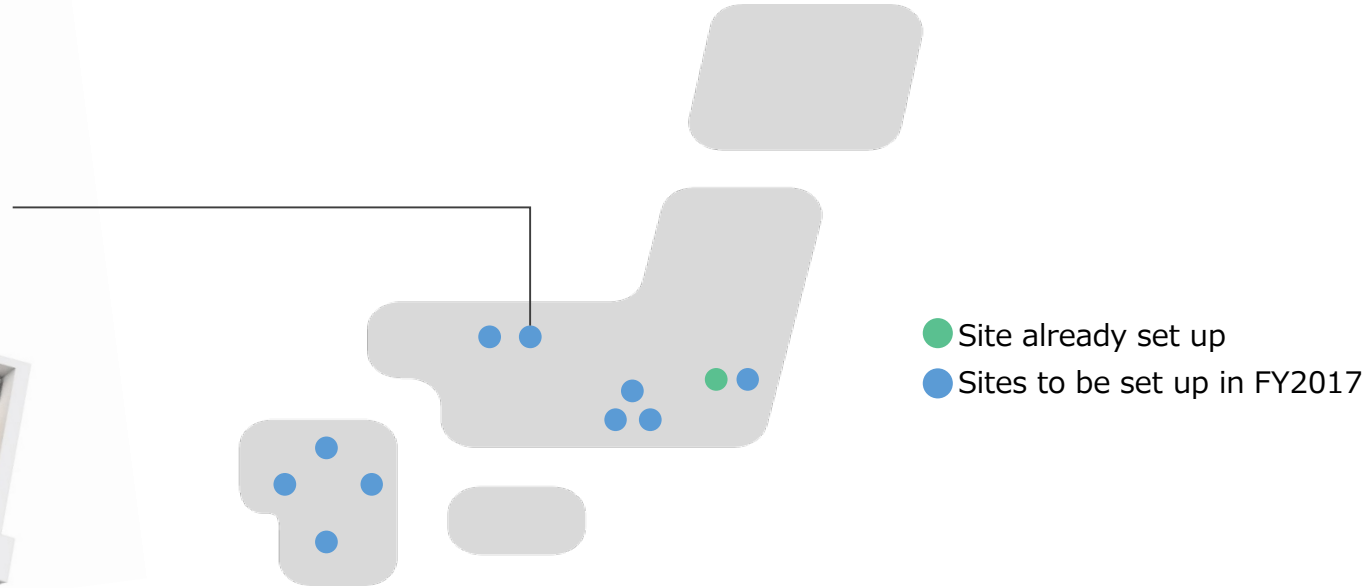
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- The hypothesis will be built around “social inheritance” and “non-cognitive skills,” which are considered important in cutting off the chain of poverty.
- A team, formed through collaboration with the local government, will run a program for small children in each of the 100 sites nationwide.

### Hypothesis to Be Tested



### (3) Overview of the Sites



Item	Outlines
Eligible Children	Mainly children from poor families enrolled in the first few grades in primary schools (20 children per site)
Opening Hours	Monday to Friday from after school to around 21:00
Facilities	Space for study and reading, kitchen, shower, laundry washing machine
Staff	Six childcare workers, social workers
Program	Giving children a place to stay, assistance in lifestyle habit formation, reading activities, learning support, and meal provision