The price and value of children: NTA approach

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Main Aims:

a) Show methodology for calculating cost of children for the economy;

b) Suggest possible way to cover costs without great burden to the state budget.

Methodological approach

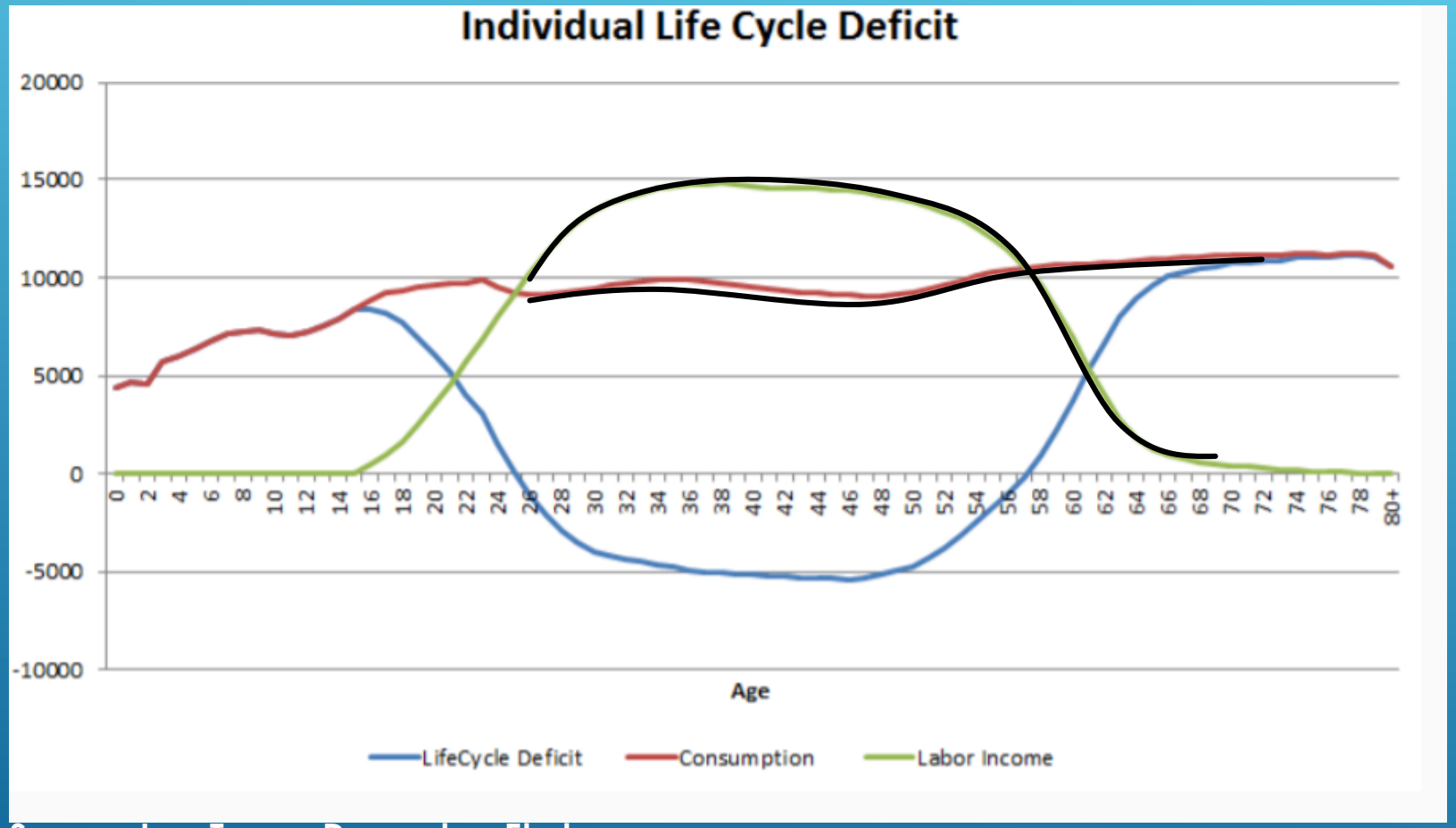
NTA approach – is approach based on national transfer accounts which systematize and detail system of national accounts (SNA) with respect to saving behavior, age groups, generations, sex, legal and marital status.

Methodological approach

$$\underbrace{C(a) - Y^{l}(a)}_{Life\ cycle\ deficit} = \underbrace{\tau^{+}(a) - \tau^{-}(a)}_{Net\ transfers} + \underbrace{Y^{A}(a) - S(a)}_{Asset-based\ reallocations}.$$

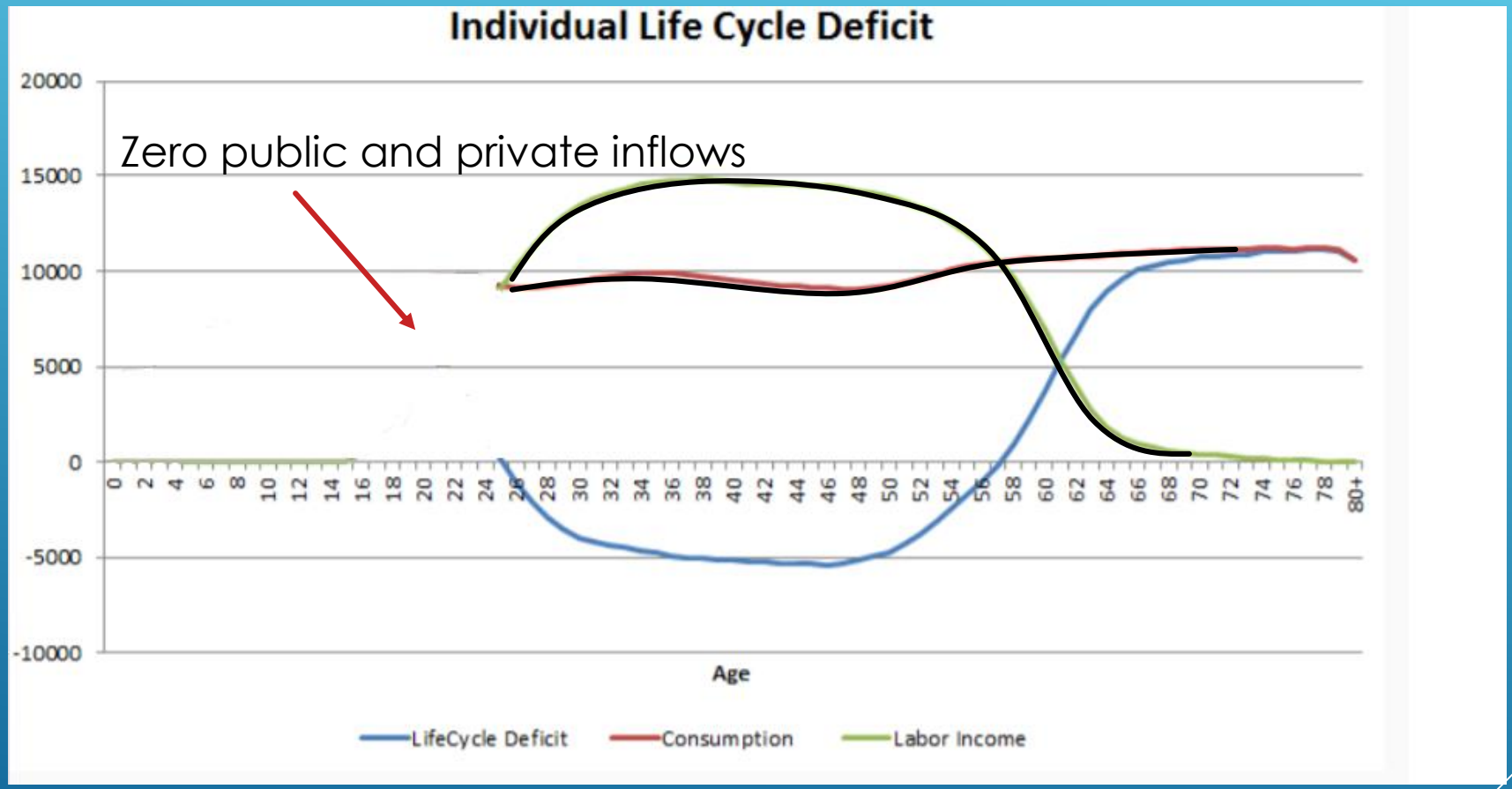
$$C^{f}(a) + C^{g}(a) - Y^{l}(a) = \\ = \tau^{inter}(a) + \tau^{intra}(a) + \tau^{g}(a) + Y^{Af}(a) + Y^{Ag} - S^{f}(a) - S^{g}(a).$$

Methodological approach



Source: Ing. Tomas Domonkos Et al.

Methodological approach



Methodological approach

Value of child is:

$$V = (\tau^{g} + Y^{Af}) * m$$

$$V_{total} = \tau^{inter} + \tau^{intra} + (\tau^{g} + Y^{Af}) * m$$

Where: **m** – migrants' factor which shows how much childcare costs compensate 1 migrant; τ^{g} – net public (government) transfers; Y^{Af} – private asset income; τ^{inter} and τ^{intra} – net inter- and intra-household transfers.

Conclusion

1. Migrants could be a good way for financing fertility growth in the country;

2. Including migrants' factor into NTA could provide additional information for system of national account and help understand better costs for childcare.

THANK YOU FOR ATTENTION

Q&A