Household Economies of Scale: Benefits for Age-grouped Children?

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Abstract

Estimates of economies of scale in household size and composition have long been used to adjust calculations of household welfare. It is suggested here that there are similar economies found in other aspects of household structure, such as the age distribution of the children within it. Age-grouped children may benefit from economies of scale that act as price-effects for time-intensive child rearing inputs. As the number of children benefiting at once from the time investment increases, the cost per child decreases. Such price effects may significantly increase demand for child-quality inputs, particularly in poor countries. An empirical test for such economies examines the effect of age-cohort size on demand for childhood immunizations in Senegal. Results offer evidence that economies of scale do arise from clumpy age distribution.

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