Childhood poverty is a serious social problem in Japan. However, little research has been conducted, particularly in Japan, to examine the relationship between experiences of poverty in childhood and their living standard in later life. The purpose of this study is to investigate the major factors affecting the intergenerational transmission of poverty. This study focused on several mechanisms which may cause a difficulty for people growing up in poor households to escape from poverty when they become adults. To examine these mechanisms and main factors contributing to the intergenerational transmission of poverty, research hypotheses are derived from various theories including the Human Capital Theory. In order to test the hypotheses, I analyzed two micro datasets, the internet research (retrospective research) and the longitudinal panel data (prospective research).

The summary of the results is as follows:
1. The possibility of receiving social assistance after becoming an adult for people who were raised in poverty is significantly higher than those who did not experience childhood poverty. In addition to educational attainment and attitudes towards hard work, the subjective health, marital status and social capital are the important factors affecting the probability of people falling into poverty.
2. The experience of receiving social assistance in junior high school negatively affects their educational attainment, because the payment of high school tuition fees from social assistance benefits was prohibited by the government for a long time. Thus, many children in poverty were not able to receive high school education, and even if entered high school, they could not concentrate on their studies. Moreover, although those who experienced childhood poverty are not receiving social assistance at present, the living standards in adulthood measured by their equivalent household incomes are lower than those who did not experience poverty as a child.
3. According to the covariance structure model, people raised in poverty tend to have poor social inheritance including little monetary investment, lack of cultural capital in households and poor quality of child rearing. Not only poverty but also the parents’ values are found to influence the quality of social inheritance. The parents’ values depend on their educational level rather than their employment status. Additionally,
growing up in poverty has more negative effects on female human development rather than that of male.

This study differs from others in the following aspects.

1: It clarifies several mechanisms and paths of intergenerational transmission of poverty by using theoretical inquiries and the multivariate analysis. It seeks to expand on previous studies, by combining “culture capital theory in the household” by Bourdieu and “parental resources theory” by Kohn.

2: This study is the first to investigate the intergenerational transmission of poverty by using retrospective research data and the panel data.

These findings have important implications for policies directed at improving childhood poverty. First, concerning social security policy, child rearing allowance might improve the stability of life of low income families. It is also important to enrich the quality of childcare and expand the eligibility for social insurance for workers with fixed-term employment contracts. Finally, for educational policy, the early intervention program, such as pre-school education, aimed at enriching the home learning environment would improve their human development.