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BY IGNORING HOUSEHOLD WORK, OFFICIAL MEASUREMENTS IN KOREA AND MANY OTHER COUNTRIES VASTLY UNDERESTIMATE BREADTH AND DEPTH OF POVERTY, NEW LEVY ECONOMICS INSTITUTE PAPER SAYS

ANNANDALE-ON-HUDSON, N.Y. —Official poverty measurements in Korea and many countries ignore the fact that unpaid household production contributes to the material needs and wants that are essential to attaining a minimum standard of living. These standard measurements of poverty assume that all households and individuals have enough time to adequately attend to the needs of household members—including, for example, caring for children. To incorporate the hardships some households experience because of these “time deficits,” the **Levy Economics Institute of Bard College** developed a two-dimensional measure, the **Levy Institute Measure of Time and Income Poverty (LIMTIP)**, that takes into account both the necessary income and the household production time needed to achieve a minimum living standard. In a new paper exploring time deficits and poverty in Korea, Levy scholars find significantly higher poverty rates when household production and time deficits are considered.

“Our estimates for Korea for 2008 show that the LIMTIP poverty rate of employed households (i.e., households in which either the head or spouse is employed) was about *three times higher* than the official poverty rate (7.5 percent versus 2.6 percent),” write Levy Research Scholars Kijong Kim and Thomas Masterson and Senior Scholar Ajit Zacharias in their new One-Pager, ***Time Deficits and Hidden Poverty in Korea***. “The size of the hidden poor (those above the official poverty line but below our time-adjusted poverty line) suggests that the official measure’s disregard for time deficits in household production resulted in a serious undercount of the working poor.”

The gap between the official and LIMTIP poverty rates was notably higher for households with an employed female, such as the ones headed by a nonemployed male with an employed spouse, single-female-headed households, and dual-earner households. The LIMTIP estimates reveal a stark gender disparity in the incidence of time poverty among the employed, even after controlling for hours of employment. “Time poverty was sizable among part-time (defined as working less than 35 hours per week) female workers, while it was miniscule among part-time male workers (18 percent versus 2 percent),” the scholars

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write. Among full-time workers, the time-poverty rate of women was nearly twice that of men (70 percent versus 36 percent). This suggests that the source of the gender difference in time poverty does not lie mainly in the difference in hours of employment; rather, it lies in the greater share of household production activities undertaken by women.”

To conclude, the authors suggest that tackling the problem of time and income deficits that stem from excessively long hours of paid work and an unequal sharing of the burden of household production will require, in addition to creating more jobs, integrated policies aimed at regulating the length of the standard workweek, prioritizing child-care provisioning for dual-earner and single-headed households, strengthening public assistance for the poor, and establishing a regime of decent wages.

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One-Pager No. 45: *Time Deficits and Hidden Poverty in Korea*

To read the full text of this policy paper, please visit:
<http://www.levyinstitute.org/publications/?docid=1982>

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