ABSTRACT

This study aims to analyze household poverty in Indonesia through the factors that influence it. These factors consist of education of the head of the family, familiy size, household income and area of residence. The data used is secondary data obtained from the Indonesian Family Life Survey 5 (IFLS-5). The subjects in this study were 16,412 households that fall into the category of poor and non-poor. The data analysis used a probit regression model and was processed using STATA16 software. There are 4 variables used in this study, namely education of the head of the family, family size, household income and area of residence. The estimation results using the probit model found that the education of the head of the household, family size, household income and area of residence significantly affect the level of household poverty in Indonesia. The results of the average marginal effect of the estimated probit model show that the education level of the head of the household and increasing household income can reduce the probability of household poverty in Indonesia.

Keywords: Household Poverty, Probit Model, IFLS.