Parenthood and Well-being: The Early Years
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Background & Motivation
- Inconclusive research on the parenthood-happiness nexus.
- Cross-sectional comparisons often find a negative relation (“parental happiness gap”) but are likely prone to selection bias.
- Longitudinal analysis suggest positive anticipation and short-term effects.
- Competing hypotheses: hedonic adaptation (e.g., Kahneman 1999) vs. mediating mechanisms (costs/benefits of children, e.g., Pollmann-Schult 2014).

Data & Methods
- Data: German Family Panel (pairfam), release 7.0.
- Dependent variable: General satisfaction with life.
- Explanatory variable: Birth/age of 1st child.
- Methods: Fixed effects regression with distributed impact function. Mediation analysis and decomposition of mechanisms as proposed by Breen et al. (2012).

Research questions
- What is the causal effect of having a first child on overall life satisfaction, considering possible anticipation and adaptation?
- Can the effect pattern be explained by mediating mechanisms?

Effect of having a first child on life satisfaction

Model

Effect of having a first child on life satisfaction

Work, income and transfers as mechanisms

Summary of mediating mechanisms

Discussion
- We find a short-term effect of a first child on life satisfaction, more pronounced for women.
- The patterns that we find reinforce the notion of hedonic adaptation.
- However, for women, adaptation is in part, attributable to endogenous mechanisms following motherhood.
- Current income drops play only a minor role, also because they are offset by transfers.
- However, mothers face welfare losses due to reduced labor force participation.
- For both, men and women, there are negative indirect effects via reduced quality in social, leisure and sexual activities.

References: