

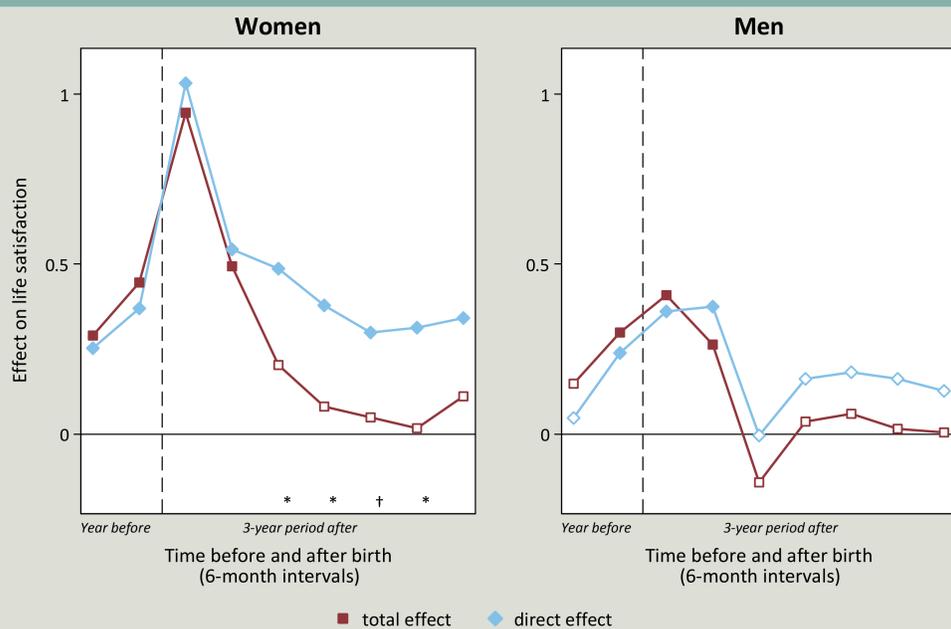
Background & Motivation

- 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).

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

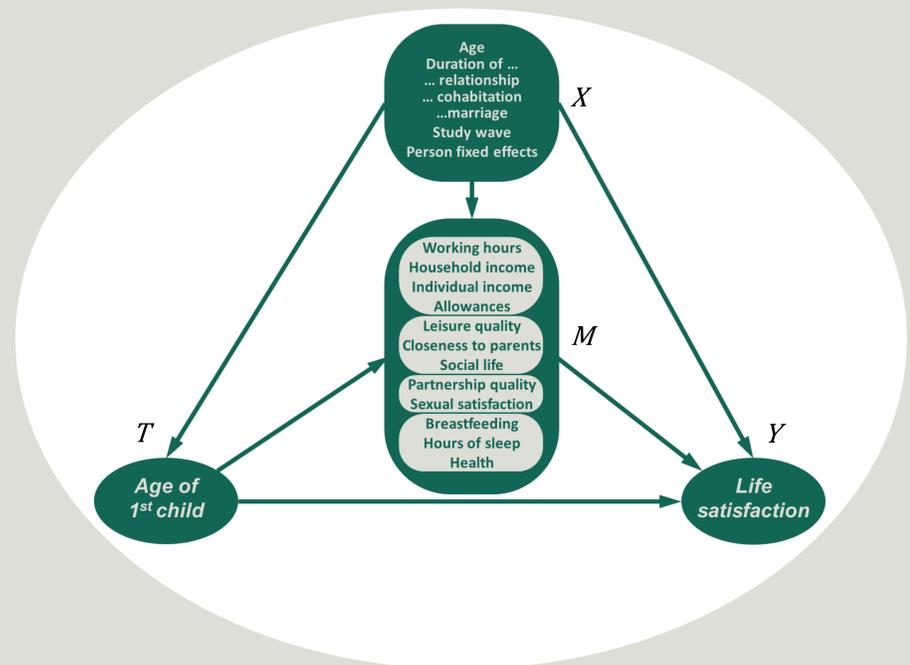


Note: Solid markers indicate effects significantly different from 0 (p<.05), hollow markers indicate insignificant effects; asterisks indicate statistical significance of the grand indirect effect (†p<.10, * p<.05)

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).

Model



Total causal effect: $Y_{it} = \alpha_{Ri} + \sum_k \theta_R^k T_{it}^k + \beta'_R X_{it} + \epsilon_{it}$

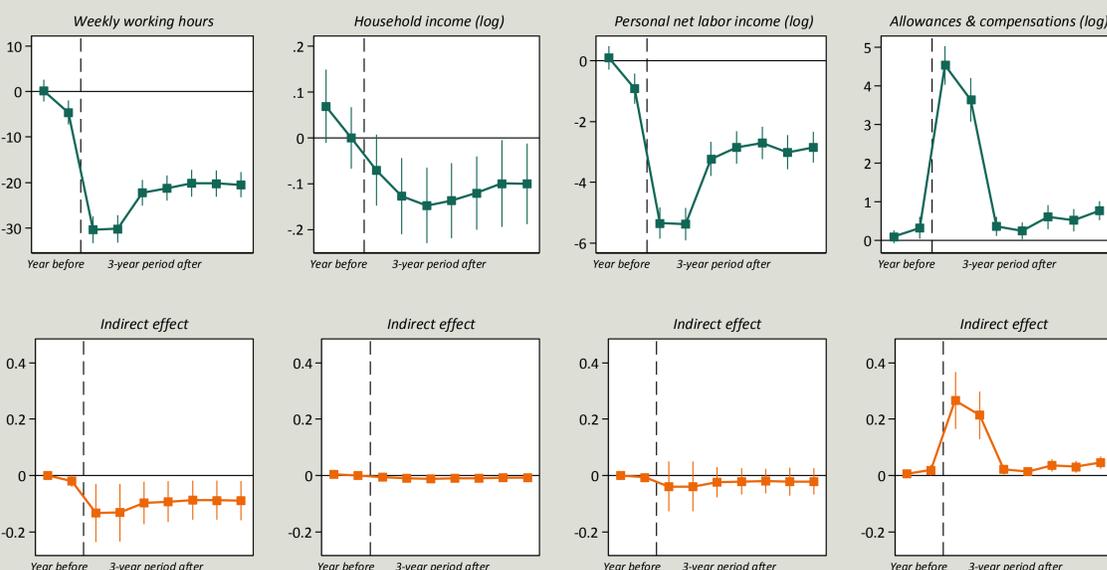
Direct effect: $Y_{it} = \alpha_{Fi} + \sum_k \theta_F^k T_{it}^k + \gamma'_F M_{it} + \beta'_F X_{it} + \epsilon_{it}$

Grand indirect effect: $\theta_I^k = \theta_R^k - \theta_F^k$

Work, income and transfers as mechanisms

Summary of mediating mechanisms

Women



Mediators	Women	Men
Working hours	-	0
Household income	0	0
Individual income	0	0
Allowances	+	+
Leisure quality	-	-
Social life	-	-
Closeness to parents	0	0
Partnership quality	0	0
Sexual satisfaction	-	(-)
Breastfeeding	0	0
Hours of sleep	(-)	0
Health	(+)	0

Note: Parentheses indicate short-term effects

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:

- Breen, R., Karlson, K., & Holm, A. (2013) Total, Direct, and Indirect Effects in Logit and Probit Models. *Sociological Methods & Research*, 42, 164-191.
- Kahneman, D. (1999). Objective Happiness. In D. Kahneman, E. Diener, & N. Schwarz (Eds.), *Well-being: the Foundations of Hedonic Psychology* (pp. 3-25). New York: Russell Sage.
- Pollmann-Schult, M. (2014). Parenthood and Life Satisfaction: Why Don't Children Make People Happy? *Journal of Marriage and Family*, 76, 319-336.