Does Parenthood Increase Happiness?
Evidence from Panel Data
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Background

- Does it pay off to have children?
- arguments in favor:
  - economic approach:
    - emotional benefits, support in income provision, security in old age (Leibenstein 1957)
  - ‘the value of children’ concept
    - having children improves social status (Hoffman & Hoffman 1973)
  - evolutionary theories
    - enjoing nurturing is a trait that evolved among humans (Foster 2000; Rodgers et al. 2001)
- arguments against:
  - increased financial responsibility (Zimmerman & Easterlin 2006, Stanca 2009)
  - difficult reconciliation of work and family duties (Matysiak & Vignoli 2009)
  - time conflict and additional strain on parents (Pailhe and Solaz 2009)
  - reduced leisure (Sanchez & Thomson 1997)

- Summing up, do children increase couples’ well-being?

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Review of previous studies

- cross-sectional studies with international comparison
  - Aassve et al. (2009): a significantly positive effect of having at least one child among females in Europe
  - Margolis & Myrskyla (2011): a significantly negative effects of children

- single-country studies controlling for unobserved heterogeneity
  - Kohler et al. (2005) for Denmark: a significantly positive effect of the 1st child, but negative effect of 2nd and 3rd+ child, the effects are stronger for women than men
  - Clark & Oswald (2002) for Germany: no significant effect of first child on happiness; negative influence of higher order births
  - Angeles (2009) for Great Britain: no significant effect of children

Polish context

- Poland in European cross-country comparisons
  - ranks very high in terms of valuing family (Fokkema & Esveldt 2008; Pongracz & Spéder 2008; Stankuniene & Mašlauskaitė 2008)...
  - but belongs to the countries with low fertility levels (Total Fertility Rate of 1.39 in 2009)

- so far the research on fertility in Poland focused on the direct and opportunity costs of childbearing:
  - extremely limited financial support of the welfare state for families with children (Kotowska et al. 2008) ➔ high direct costs
  - incompatibility of work and parenthood (Matysiak 2009; Muszynska 2007) ➔ high opportunity costs

- research question in this paper - what are the benefits in terms of subjective well-being
Data and methods

- **panel data - Social Diagnosis 2003–2009**
  - a panel survey established to monitor the well-being of the Poles
  - the cumulative dataset contains 4 waves with a comparable question on happiness: 
    "Taking all things together, would you say you are:
    1 - not at all happy, 2 - somewhat happy, 3 - quite happy, 4 - very happy"
  - single-item question – not sophisticated but a relatively robust indicator of subjective well-being (Dolan et al. 2008; Diener 1984; Veenhoven 1993)

- **Methods:**
  - taking selection bias into account, but also respecting the ordinal nature of data - correlated random effects ordered probit, BUC fixed effects estimator (Baetschmann et al. 2011)

- **Variables:**
  - key explanatory variables: number of children + age of the youngest child
  - controls: age, education attainment, marital status, labour market status of respondent and his/her partner, self-rated health and standard of living
  - separate models for men and women

Results from correlated random effects ordered probit model for women

- marginal effects show how the probability of indicating “very happy” increases with an arrival of a child depending on the parity
- "baseline" predicted probability is estimated for: a woman aged 27, who completed upper secondary education, with well self-rated health and standard of living (6 rank on 1-7 scale), employed, with a working partner, with no children

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Results from correlated random effects ordered probit model for men

- Marginal effects show how the probability of indicating “very happy” increases with an arrival of a child depending on the parity.
- “Baseline” predicted probability is estimated for: a man aged 27, who completed upper secondary education, with well self-rated health and standard of living (6 rank on 1-7 scale), employed, with a working partner, with no children.

Conclusions

- Having children increases happiness, although for women these positive effects seem more robust and stronger.
- The arrival of first child increases chances of being very happy by over 9 percentage points for women and by almost 6 percentage points for men.
- Parents with two or more children are happier than childless … but the marginal effects appear insignificant and the apparent increase in well-being related to a birth of the second or higher order child is negligible.
THANK YOU FOR YOUR ATTENTION