

# Does the stork deliver happiness? Parenthood and life satisfaction

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## Abstract

This paper examines the relationship between parenthood and life satisfaction using longitudinal data on women from the German Socio-Economic Panel. Previous studies have focused on satisfaction differences between parents and comparable childless adults, mostly finding small and often negative effects of parenthood. These comparisons of *ex-post* similar individuals are problematic if a self-selection into motherhood exists. In this study we examine the selection issue in detail by exploiting the extended longitudinal dimension of the panel to track self-reported life satisfaction of women eventually to become mothers and of women eventually attaining a completed fertility of zero. We document that these groups' satisfaction paths diverge around five years before mothers' first birth, even after adjusting for differences in observables. In our estimations, we employ matching and regression techniques which account for this selection into motherhood. We find motherhood to be associated with substantial positive satisfaction gains.

**Keywords:** Happiness, subjective well-being, children, fertility, motherhood, parenthood, life cycle, selection, matching, fixed effects.

**JEL classification:** D10, J11, J12, J13.

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