Life Events and Subjective Well-being - The Case of Having Children

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The literature on Happiness and Subjective Well-Being (SWB) has been dominated by studies of the impact from income and labour market status - and the impact on happiness from changes in these determinants. It seems obvious to expect an impact from non-economic factors as well. In the present paper we focus on the eventual impact on SWB from having children. The dominant result in the rather few studies until now is the finding of no – or even a negative - impact on subjective well being following birth of a child. We focus on the impact from having children using two very big panel data sets. The first is the European Community Household Panel (ECHP) with data collected over 8 annual waves from 1994 to 2001 in the EU member countries. Two advantages for the study using these data are, first the panel property where data were collected over 8 annual waves implying that pre- and post birth satisfaction level is available for a large number of individuals. Secondly, these observations are available for up to 15 countries with big differences in fertility levels, child care institutions and labour force participation for married women. At the same time, the ECHP data contains a lot of relevant demographic and labour market background variables to be included in the econometric analyses of the SWB impact from children. The second data set is The German Socio Economic Panel (GSOEP) where panel data are available for the years 1984 – 2009. Like the ECHP, the GSOEP data contains many relevant background factors. This presents a unique opportunity to combine the cross country perspective in the ECHP data with the possibility presented by the GSOEP of following the impact from birth order and the impact over the full cycle from birth and until the child leaves home.

**Key words:** Subjective well-being, life events, panel data

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