

HumbleDollar

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No Kidding

DO CHILDREN BRING happiness? As someone who has invested heavily in small people over the years—I have two children and two stepchildren—I want to believe the answer is “yes.” But the evidence suggests otherwise.

This, I realize, is a touchy subject, so let me offer a few crucial caveats before you fire off that fiery email. The studies cited here offer conclusions based on broad averages. Your experience could be entirely different. Moreover, it may be that children give special meaning to our lives, but that isn't getting captured by the questions that researchers ask.

That said, I think the whole subject of kids and happiness is fascinating, for three reasons. First, it highlights—yet again—how bad we are at figuring out what will make us happy. Prospective parents are convinced children will enrich their lives. The data suggest otherwise.

Second, having kids is a huge investment. Many—and perhaps most—U.S. parents spend more on their children than they end up saving for their own retirement. The Department of Agriculture estimates it costs almost \$234,000 for a middle-class family to raise a child through age 17. If the kid goes on to an in-state university, that would add another \$85,000 to the tab.

No doubt some parents will bristle at my description of children as a “huge investment”—which brings me to the third reason I'm fascinated by the debate over kids and happiness. Over the years, I've discovered there are two groups you never want to argue with.

The first group: Financial salespeople who are handsomely compensated for pushing particular products. The commissions they collect buy their undying loyalty, and they react

with outrage whenever anybody questions the virtue of their overpriced merchandise.

Who's the second group? That would be folks who have made a major decision and then are belatedly confronted with evidence that their choice wasn't necessarily the right one. I see this with retirees who have already claimed Social Security—and are now told they would have been better off delaying. I see it with folks who lease cars or buy overly large homes. And I see it with parents who are shown the sorry data on children and happiness.

I first came across such data a dozen years ago. An academic paper charted satisfaction with life, as reported by parents who were approaching their first child's birth. As the happy day got nearer, reported life satisfaction climbed ever higher—only to come crashing down in the years after the birth. By the time the kids were age three or four, both mothers and fathers were reporting life satisfaction that was significantly below their long-term baseline.

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Indeed, countless studies suggest children either don't have much impact on happiness or the effect is somewhat negative. One study even found that women rated child care 16th out of 19 daily activities, putting it just above commuting and just below housework.

Are all parents in denial, insisting that their children are their greatest joy, even as they struggle through one miserable day after another? I think not. Rather, it seems parental happiness has a lot to do with the amount of work and aggravation involved. The least happy parents seem to be those who have young children, are young themselves, are raising kids alone or have children with problems.

Older parents, by contrast, report greater happiness. That might be because the parents are more emotionally mature. But it could also reflect their stronger finances: Raising children is less of a financial strain than it is for younger parents.

That brings me to an intriguing study that looked at 22 countries. It found wide disparities in happiness: Parents in Portugal, Hungary, Spain and five other countries were happier than nonparents in those countries. But in the other 14 nations, nonparents were happier. The bad news: The U.S. sat at the bottom of this ranking, just below Ireland and Greece.

What drove differences in national happiness? The study's authors conclude that the results were heavily influenced by government policies. Parents were happier in those

countries with family-friendly laws that mandated such things as paid family leave, subsidized child care, and guaranteed paid sick and vacation days.

In the absence of such policies, you may want to make every effort to get your finances in good shape before you have children, so their arrival doesn't prove too much of a financial strain. You might also consider living closer to family, who could provide invaluable support.

What if you're an aspiring grandparent? Offering to subsidize your adult child's growing family may get you the grandchildren you want. I realize that might sound crass, but it could be a great investment. While the research suggests having children is a mixed blessing, there doesn't seem to be much doubt about grandchildren: They're a huge boost to happiness.