

# The impact of parental health shocks on well-being and development in early adulthood: Evidence from Germany

Alessandro Ferrara (WZB) | Jan Paul Heisig (WZB) | Jonas Radl (WZB & UC3M)

## 1. Research Gap & Question

### Background:

- Parental illness can affect child well-being, mental health, cognitive and non-cognitive skills (Le & Nguyen, 2017)
- Health is socially stratified → important for inequality & mobility

### Gaps in the literature:

- Few child outcomes & parental health events considered
- Lack of empirical strategies to address selection
- Limited to school-age children & adolescents

### Question:

What is the effect of parental health shocks on young adults (aged 17-25) in Germany?

- Health shocks: hospitalization, cancer, stroke, depression, death
- Child outcomes: life satisfaction, mental health, non-cognitive skills and personality traits, educational attainment

## 3. Data & Measures

### Data

- German Socio-Economic Panel (GSOEP) between from 1991 to 2019
- Matched young adults (age 17-25) with parental health data
- Varying sample size depending on outcomes and shocks considered

### Parental health shocks

Parental health shock / Survey year	91	92	93	94	95	96	97	98	99	00	01	02	03	04	05	06	07	08	09	10	11	12	13	14	15	16	17	18	19
Long hospital stay (20+ days)																													
Diagnosed cancer																													
Diagnosed stroke																													
Diagnosed depression																													

### Child outcomes

Child outcome / Survey year	91	92	93	94	95	96	97	98	99	00	01	02	03	04	05	06	07	08	09	10	11	12	13	14	15	16	17	18	19
Well-being																													
Life satisfaction																													
Mental health component (SF-12)																													
Educational attainment																													
Not in employment, education, or training (NEET)																													
Non-cognitive skills & personality traits																													
Locus of control																													
BIG 5: Agreeableness																													
BIG 5: Conscientiousness																													
BIG 5: Extraversion																													
BIG 5: Neuroticism																													
BIG 5: Openness																													

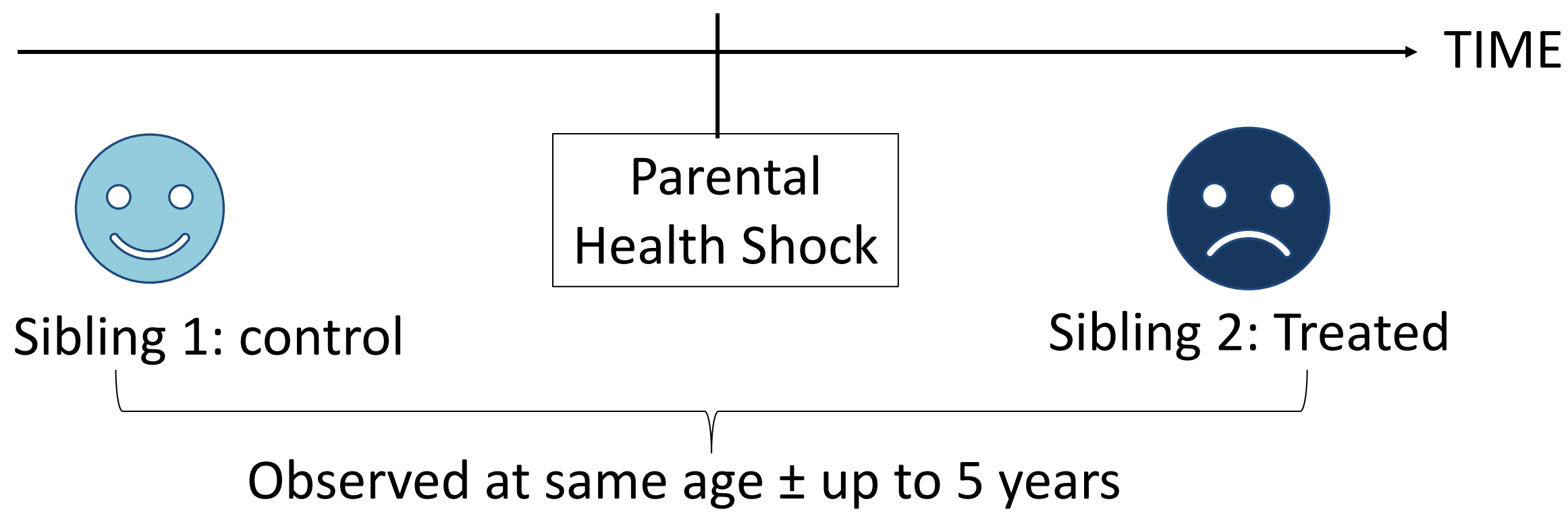
## 2. Theory

Why would we expect a negative effect of parental health shocks on the outcomes of children?

- Stress, trauma, grief
- Deterioration of parent-child relationship
- Reduced economic resources

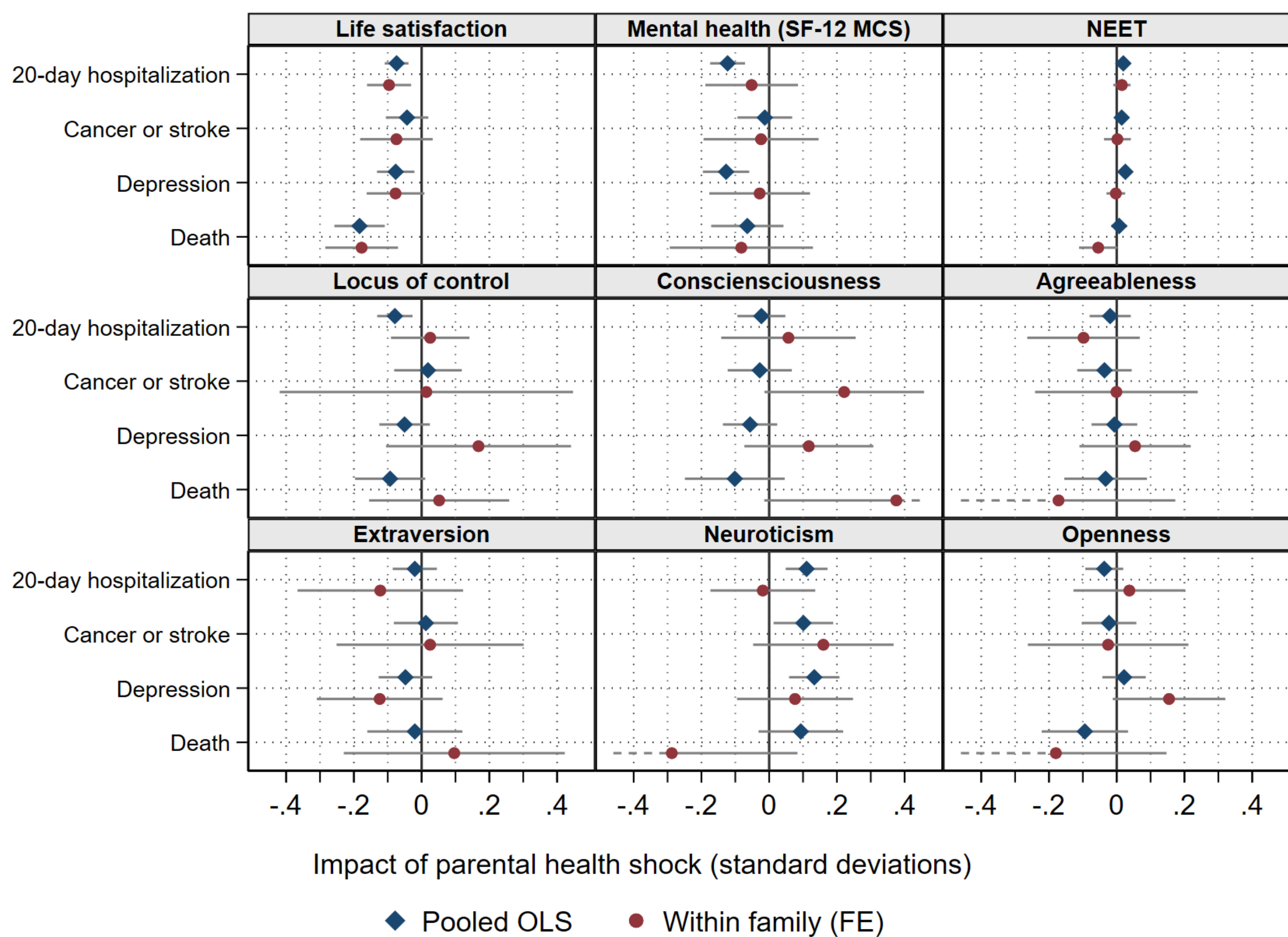
## 4. Analytical strategy

1. Pooled OLS models controlling for survey year, age, sex, parental edu, parental age at birth, migration
2. Family FE models to address unobserved family confounding (exploit random timing of health shock)



N of families : Max= 640 (life satisfaction & hospital stay); Min = 44 (locus of control & cancer/stroke)

## 5. Results



### Main Effects

- Consistent small to moderate negative effect of different parental health shocks on child life satisfaction (OLS & FE)
- Small effects on mental health in Pooled OLS, but not corroborated in FE
- Small to null effects on personality traits in OLS, but not corroborated in FE
- No effect on educational attainment

### Heterogeneity

- Analyses limited by sample sizes → only suggestive evidence
- Negative effect for life satisfaction higher for low-SES, boys, paternal shocks

### Robustness

- Robust to varying age difference between siblings
- Robust to considering only non-lethal health shocks

## 6. Conclusions

- Negative effects of parental health shock on children's life satisfaction, net of family-level confounding
- Patterns are less clear for personality traits and control beliefs, but large and persistent effects seem unlikely (consistent with prior literature)

## 7. Limitations & future steps

- Sample size issues & heterogeneity
- Testing mechanisms
- Measure upper end of educational distribution (HE attendance/completion)