

# **Why managerial women are less happy than managerial men**

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## **Abstract**

The underrepresentation of women in leadership positions is discussed as a general problem. In 2015, Germany passed a law that set a gender quota for women in corporate boards. But women with managerial careers are significantly less satisfied with their life than their male counterparts. Why? In a representative German panel dataset (GSOEP) we find biological constraints and substitutive mechanisms which differently determine the subjective well-being of female managers. Women's terminated fertility has a negative impact on women's life satisfaction between the ages of 35 and 45, when managerial careers usually take off. Money and spare time can compensate for this biological difference, but women substitute (spare) time for much more income than do male managers. So, in order to reach better gender equality in leadership positions, women must be either paid higher incomes (on average around ten per cent) or must be incentivized with more spare time than men. In the conclusion, we speculate on a new mix of carrots and sticks for advanced careers in order to boost female representation in leadership positions.