The true richness: savings and children among German, Swiss and Australian families

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Research on costs of children focuses usually on household income. The accumulation of wealth or debt is clearly another very important aspect to evaluate the economic situation of families with children. On the one hand, children might encourage precautionary savings and a thriftier lifestyle, on the other hand, children might generate financial strain until their complete independence. In this context, parents might face a radical change in their saving attitudes before and after the arrival of a baby. Furthermore, saving might depend on the age of the children. In Anglo-Saxon countries, children are generally found to have a very low impact on the accumulation of parental wealth, but such effects may diverge depending on family policies. A comparative study of the SOEP data with the Swiss Household Panel (SHP) and HILDA from Australia might therefore provide useful insights about the ability of families to save in different social and political settings. In addition, we will take account of children's age, family structure and the consequences of mother's cuts in labour supply on wealth accumulation in the longer term. Empirically, we will first estimate ordinary regression models on net worth, using the same variables for all three countries. Secondly, we exploit longitudinal information using fixed effect models. The SOEP and HILDA offer wealth information for three time points. Whereas the SHP provides wealth levels only for 2012, it includes an annual categorical variable of wealth accumulation.