**Maternity Leave and Long-Term Health Outcomes of Children**

**ABSTRACT DGGÖ 2019 (max 2800 Zeichen, NOCH 19 verbleibend)**

**EINLEITUNG**

This paper assesses the impact of the length of maternity leave on children’s long-run health outcomes. Our quasi-experimental design evaluates an expansion in maternity leave coverage from two to six months, which occurred in the Federal Republic of Germany in 1979. The expansion came into effect after a sharp cutoff date and significantly increased the time working mothers stayed at home with their newborns during the first six months after childbirth. In our analysis, we exploit German hospital registry data, containing detailed information about the universe of inpatients' diagnoses for the years 1995 to 2014.

**METHODEN**

In order to estimate the causal effect of the length of maternity leave on child health outcomes we exploit the exogenous variation stemming from the reform, which provides a treatment assignment that is as good as random. In order to eliminate potential season of birth effects, we combine a regression discontinuity with a difference-in-difference approach: health outcomes of children, who were born shortly before and after the implementation of the policy reform, are compared to the outcomes of children who are born in the same calendar months but in the previous year in which no legislative change took place.

**ERGEBNISSE**

By tracking the health of treated and control children from age 16 up to age 35, we provide new insights into the trajectory of health differentials over the life-cycle.

We find a positive effect of the legislative change on several measures of long-term child health. Our intention-to-treat estimates suggest that children who were born shortly after the implementation of the reform experience fewer hospital admissions.

In particular, we see that this decline in hospital admissions is due to fewer diagnoses of mental and behavioral disorders (the most common diagnoses for individuals aged 15-35) and that the effect is mostly driven by males and occurs towards the end of the observed time period (at the end of 20s up to 35). Last, the largest effect is observed for mental and behavioral disorders due to psychoactive substance use and schizophrenia.

Investigating other health outcomes, we see either positive (diseases of the respiratory and digestive system, and injuries) or null effects.

**FAZIT**

These results illustrate the vast impact that early childhood conditions can have on later life (health) outcomes. Our intention-to-treat estimates suggest that the expansion in maternity leave from two to six months has a positive impact on children’s health in the long-run.

Due to the fact that (long-run) health outcomes were not so much in the center of the discussion and the health effects under investigation only materialize later in life, we hope to add to the current debate about the costs and benefits of such leave schemes.

Satz zu external validity (counterfactual mode of care)

Some effects only materialize/become obvious later in life.

Noch nicht so viel effekte auf health outcomes, erst später, evaluation und abwegung von Kosten und Nutzen berücksichtigt werden muss. (loken: rausgeschmissenes Geld)

**166 words**

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(JEL I10,J13,J18)

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Rausgenommen: For men, we find significant reductions in sick leave.