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Evidence from the Great Recession and Its Aftermath

Michael D. Hurd, Susann Rohwedder, Caroline Tassot

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The Impact of Employment Transitions on Subjective Well-being: Evidence from the Great Recession and its Aftermath

Michael Hurd

RAND, NBER, NETSPAR, MEA and SMU

Susann Rohwedder

RAND, NETSPAR and SMU

Caroline Tassot

USC

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Abstract

We use 42 waves of the Financial Crisis Surveys collected in the American Life Panel to estimate the causal effect of work transitions, in particular unemployment and reemployment, on subjective well-being (SWB) between November 2009 and April 2013 in the US. We find unemployment to negatively affect evaluative and experienced SWB in the first month of unemployment, with very little changes in subsequent months, thus indicating a lack of adaptation. Reemployment leads to significant increases in SWB, with no evidence of adaptation after the first month. The consequences of work transitions spill over at the household level, with individuals being affected by their spouses' work transitions. We find no evidence of a "scarring" effect of unemployment. Given this lack of adaption to unemployment, policies supporting the unemployed are necessary. Financial support is crucial, but should also be complemented with measures targeting the non-pecuniary loss in SWB suffered due to unemployment, for instance through the provision of a support network or job search assistance.

1. Introduction

Labor force status, and in particular unemployment, is a recurring source of concern for governments in Western economies. The cost of high rates of unemployment for an economy are tremendous, extending well beyond the pecuniary cost of economies operating below their potential, as unemployment also affects people's lives at the social level (Winkelmann and Winkelmann, 1998).

Empirical analyses have consistently found unemployment to be associated with lower individual well-being (Clark and Oswald 1994; McKee-Ryan et al., 2005; Clark, Knabe and Rätzl, 2010). For instance, life satisfaction scores were found to be between 5 and 15% lower among unemployed individuals compared to employed individuals (Dolan, Peasgood and White, 2008).

This effect can be broken down into two major components. First, pecuniary effects reflect the reduction in subjective well-being due to reduced income. Second, non-pecuniary effects are the result of the reversal of latent functions of employment, such as a sense of self-esteem or access to a social network, independently of any changes in income.

The pecuniary effect has overwhelmingly been assessed by looking at how a decrease in income as a result of unemployment impacts subjective well-being. While estimates of the income loss following employment range from 40% to 50% of pre-unemployment income, studies estimate this drop in income to represent only about 14% of the total well-being cost in Germany, and at most 10% in the UK (Winkelmann and Winkelmann, 1998; Clark and Oswald, 2002).

The non-pecuniary cost of unemployment has been evaluated in numerous studies, typically by controlling for income when estimating models that have subjective well-being as the dependent variable and unemployment as an independent variable (Dolan, Peasgood and White, 2008). Using this methodology to study the German Socio-Economic Panel, Lucas et al. (2004) find a half-point difference in satisfaction on a ten-point scale after individuals became unemployed. Based on the British Household Panel Study, Clark and Oswald (2002) and Wildman and Jones (2002) report an average loss in subjective well-being due to unemployment of 1.3 and 1.65 points respectively on a 36 point-scale, while Winkelmann (2006) finds a 0.85 point loss on a 0-10 scale in Germany.

The role played by the duration of unemployment spells on subjective well-being is particularly interesting. From a theoretical point of view, the 'hedonic treadmill' model and set-point theory in psychology predict that while individuals' happiness might be temporarily affected by events, they could actually adjust to their new circumstances and thereby adapt back to 'hedonic neutrality' – that is, their pre-event initial levels of happiness (Diener, Lucas and Scollon, 2006). However, as pointed out by Lucas et al. (2004), testing the set-point theory requires longitudinal data that would allow for the observation of subjective well-being levels during the months or years leading up to an event. One such longitudinal study found indications of adaptation, while tracking the subjective well-being levels of 115 recent college graduates (Suh, Diener and Fujita, 1996). Subjective well-being was shown to fluctuate in response to a range of life events the study subjects experienced, and then return to prior levels with time. But it is unclear whether this study represents an empirical consensus about set-point theory. There is for instance a debate around the evidence of adaptation to marital transitions, with some claiming evidence supporting a quick and complete return to pre-marriage levels (see for example Lucas et al., 2003; Lucas and Clark, 2006) – thus supporting the set-point theory-, and others finding a lasting effect of marriage (Easterlin, 2003; Zimmermann and Easterlin, 2006). A similar debate revolves around the adaptation to health events (see Easterlin, 2003).

In regards to the event of unemployment, the evidence of such adaptation is mixed. On the one hand, for Clark and Oswald (1994) find evidence of adaptation when comparing members of the British Household Panel Study who had been employed for less than six months with other members who had been out of work for at least two years. Their finding was that, as an unemployment spell lengthens, its adverse effect on subjective well-being weakens. On the other hand, German data from the GSOEP does not support the adaptation theory. Winkelmann and Winkelmann (1998) find an insignificant coefficient of unemployment duration on life satisfaction in a model including individual fixed effects. Clark et al. (2008) and Clark and Georgellis (2012) show a long lasting effect of lower life satisfaction several years after the onset of unemployment, again using the GSOEP and BHPS. However, they also observe a positive interaction between past and current unemployment, meaning that someone newly unemployed who has experienced unemployment in the past will experience less negative effects from the current event of unemployment. This process is identified as "habituation."

In another study, using weekly surveys of individuals receiving unemployment insurance in New Jersey between 2009 and 2010, Krueger and Mueller (2011) find little change in life satisfaction over the course of an unemployment spell, though they do find an increase in self-reported bad mood and a decrease in self-reported good mood. While their weekly data provides a unique high-frequency picture of possible adaptation, the restriction of the sample to unemployed individuals receiving unemployment benefits is challenging. For instance, it does not permit the study of the effect of transitions in work status, since throughout the survey respondents are consistently unemployed. Instead, the responses of the unemployed in New Jersey in 2009 are compared to nationwide data collected in 2006 from a sample of the employed in the Princeton Affect and Time-Use Survey. Another limitation is the assumption that adaptation is linear in the duration of unemployment. A further constraint of this study is that only the receipt of unemployment benefits is taken into account, with no consideration for any other sources of income. Thus the evidence in the US in terms of adaptation is limited, since only the effect of experiencing unemployment for at least one month in the past 10 years (Louis and Zhao, 2002), and the time path of subjective well-being following unemployment for up to 24 weeks in New Jersey (Krueger and Mueller, 2011) have been examined.

While one would expect the pecuniary effects of unemployment to be shared in the household, it is less obvious whether the same would apply to the non-pecuniary effects. The non-pecuniary effects for other household members could arise in several ways. For example, they could be due to altered behaviors of the unemployed person towards other household members or due to other household members' responses to observing the change in satisfaction and happiness of the unemployed person. Such externalities can for example put children of unemployed fathers at increased risk for deviant behavior, lower aspirations and expectations (Clark, Knabe and Rätzl, 2010). Unemployment can also significantly affect spouses, who are faced with their partner's lower well-being and increased presence in the household (Winkelmann and Winkelmann, 1995; Frey and Stutzer, 2002, Kim and Do, 2013); though this effect can interestingly be attenuated if the spouse becomes unemployed as well (Clark, 2003).

The number of studies dedicated to studying the effects of unemployment on subjective well-being stands in sharp contrast to the number of studies focusing on the effect of reemployment. One of

the few studies is that by Lucas and al. (2004) which uses data from the German Socio-Economic Panel (GSOEP). The authors find an increase in life satisfaction, but do not find evidence of a return to pre-unemployment levels of well-being after unemployment spells end. Rather, they conclude that unemployment spells decrease the set-point for life satisfaction. Others have also found past unemployment to be associated with lower subjective well-being for those who are currently employed using the same panel (Clark et al., 2008; Clark, Georgellis and Sanfey, 2001). Turning to the US, data from the General Social Survey from 1989 to 1994 show that individuals who have been consistently employed in the past 10 years have higher well-being scores than those who had been through unemployment spells (Louis and Zhao, 2002). These findings point towards a “scarring” of individuals who experience unemployment. The thesis behind that notion is that an individual’s satisfaction level will be lower, even if reemployed, according to the number of months or years spent out of work during their lifetime. This in turn could be due to the characteristics of subsequent jobs, which could be of lower quality, or provide less job security.

Overall, there is a broad range of empirical evidence that documents the importance of individuals’ employment status for their own and others’ subjective well-being. Nonetheless, the studies so far are subject to several limitations. Some of the limitations are due to constraints presented by the data. For instance data may only be cross-sectional (Clark and Oswald, 1994), the panels based on a low-frequency (yearly) (Winkelmann and Winkelmann, 1998; Clark, 2003; Kim and Do, 2013), and the sample restricted (Krueger and Mueller, 2011). Another issue is that these studies may not take into account intra-household dynamics. What is more, mostly they focus on a single subjective well-being outcome, such as satisfaction with life in general. Finally, they are mainly based on European data where the outcomes may be different from those in the US due to a greater level of social support in Europe.

In this study we use panel data from the RAND American Life Panel Financial Crisis Surveys, a unique high-frequency longitudinal dataset to estimate the causal effects of income shocks induced by employment transitions in the wake of the Financial Crisis on subjective well-being. The contribution of our paper is four-fold. First, the high-frequency data allow us to observe on a

monthly basis the employment status, subjective well-being, and income of respondents. Thus we are able to closely track evolutions that otherwise might be lost in data collected yearly. Second, the panel nature of the data allows us to draw causal inference on the impact of unemployment spells as we can control for fixed effects by estimating a first-difference model. Third, we investigate the effect of unemployment on multiple dimensions of subjective well-being over and beyond those related to general life satisfaction, including experienced subjective well-being measures such as issues with sleep or depression. Fourth, we study spill-over effects of spousal unemployment on an individual's subjective well-being: we examine an individual's change in subjective well-being in response to the spouse's unemployment and compare the response to that observed in response to an individual's own unemployment.

The remainder of the paper is structured as follows. The next section describes the data, including the analytical sample and survey items that are central to our analysis. Section 3 provides descriptive statistics for labor market transitions observed in our sample and the various measures of subjective well-being. Section 4 presents the empirical strategy implemented to answer the above-mentioned research questions. Section 5 presents results, first regarding the effects of unemployment on subjective well-being, then in the case of reemployment and subjective well-being. Section 6 discusses those results, while Section 7 concludes.

2. Data

We use 42 waves of panel data from the Financial Crisis Surveys which were collected in the RAND American Life Panel to track the experience of American households during the Great Recession and its aftermath. They were initiated, designed, and fielded by Susann Rohwedder and Michael Hurd¹. The first wave was collected in November 2008, and the second in February/March of 2009. Between May 2009 and April 2013 the ALP Financial Crisis Surveys were conducted every month. Every third interview was longer than the intervening other monthly interviews to accommodate the collection of additional information every quarter. Since April 2013 the ALP Financial Crisis Surveys have been fielded every quarter. Our sample covers the

¹ Rohwedder and Hurd obtained funding for the ALP Financial Crisis Surveys through various grants from the National Institute on Aging and from the Social Security Administration.

period from November 2009 to April 2013. This period covers the rise of the unemployment rate associated with the Great Recession and the years with the highest unemployment rates observed since the early 1980s. At the beginning of the observation period, the sample had about 2,500 respondents, with response rates averaging close to 80% (Hurd and Rohwedder, 2010). Refresher samples were added in November 2011 and in October and November of 2012. The current sample has about 4,000 respondents, with response rates averaging 78% (see Table A1 in the Appendix).

The data are collected over the Internet; respondents who do not have access to the Internet are provided a Web TV or a laptop, including an Internet access subscription and an e-mail account. Accordingly the sample does not suffer from selection due to a lack of Internet access. The surveys cover a broad range of topics, including various dimensions of life satisfaction, self-reported health measures and indicators of affect, labor force status, recent job loss and chances of future job loss, as well as various measures of wealth and income.

The subjective well-being measures of interest in this study cover various dimensions of subjective well-being, and include both evaluative and experienced measures.

In particular, we use the following measures, which have been collected on a monthly basis:

Question	Answer options
Taking all things together, how satisfied are you with your life as a whole these days?	Very satisfied, Satisfied, Neither satisfied nor dissatisfied, Dissatisfied, Very dissatisfied
How satisfied are you with the total income of your household ?	
How satisfied are you with your overall economic situation ?	
How satisfied are you with your job or other daily activities ?	
During the past 30 days, how much of the time have you felt worn out ?	All of the time, Most of the time, A good bit of the time, Some of the time, A little of the time, None of the time
During the past 30 days, how much of the time have you been a happy person?	
Overall in the last 30 days, how much difficulty did you have sleeping , such as falling asleep, waking up frequently during the night or waking up too early in the morning?	None, Some, Moderate, Severe, Extreme
Overall in the last 30 days, how much of a problem did you have with feeling sad, low, or depressed ?	

Note: emphasis in bold as shown in the surveys.

Overall life satisfaction, as well as satisfaction with particular domains such as total household income, the overall economic situation or one's job or daily activities are categorized as evaluative well-being measures. The latter involve the elicitation of the respondent's assessment of his or her situation through a retrospective judgment. In contrast, items referring to the frequency of feeling happy or worn out, as well as the intensity of sleep or depression problems represent experienced well-being measures. Those measures focus on the respondent's emotional state for a defined reference period (see Kapteyn et al, 2013 for a review of categories of subjective well-being).

Information about respondents' household income received "last calendar month" is also queried every month. For our analysis we construct total household income as the sum of the respondent's earnings, his/her spouse's earnings – if any -, plus "any other income" such as "income from investments such as dividends, interest or rental income"; "retirement income such as Social Security, pensions or other annuities"; and "government benefits such as unemployment, disability, Social Security benefits, or other welfare benefits".

We restrict the analytical sample to individuals younger than 70 years old, living in stable households, that is, without any changes in the number of household members and with a constant marital status between any two consecutive months. These sample restrictions aim at eliminating potentially confounding factors associated with changes in the household structure that could affect the estimated parameters of interest. The analysis focuses on respondents in their working years, for whom unemployment is a meaningful concept. The effect of unemployment on subjective well-being may be confounded by the effect of a spouse being unemployed simultaneously. We thus exclude person-waves in which both the respondent and his/her spouse experienced unemployment spells at the same time. This eliminates 259 person-waves pertaining to 95 respondents. The analytical sample is further limited to individuals for whom the employment status is observed and accounted for in the count of durations, whether during employment or unemployment. Our analytical sample for this study has a total of 37,081 person-wave observations, pertaining to 2,456 individuals. The details of the sample selection are presented in the Table A2 in the Appendix.

3. Descriptive statistics

Table 1 displays the distribution of observed employment transitions for respondents and their spouses from one month to the next, pooling all 42 waves. Respondents were allowed to indicate multiple options for their work status in the survey. We excluded person-wave observations where the respondent indicated self-employment in addition to working for pay or being unemployed, because income and unemployment among self-employed is difficult to interpret. We applied the same restrictions for the spouse's employment transitions. The majority of person-wave transitions do not involve a change, whether occurring from employment to employment (92% of respondents, 94% of spouses), or from unemployment to unemployment (5.5% of respondents, 3.5% of spouses). About 1.3% of person-wave transitions for the respondent and 1% for the spouses however represent changes from unemployment to employment and vice-versa.

Figure 1 shows the distribution of evaluative measures, such as satisfaction with "life as a whole" and other domains of satisfaction, measured on a 5-point Likert scale ranging from "Very satisfied" to "Very dissatisfied." The distribution in our sample resembles that of a very similar item in the Panel Study of Income Dynamics for the period 2007-2009 (see for example Huang, 2012). On average, our sample shows the lowest satisfaction with regards to the respondents' economic situation (3.0), and the highest when they are rating their life in general (3.7).

Figure 2 shows the distribution of evaluative measures for the frequency respondents reported having "felt worn out" and having "been happy" in the last 30 days, on a 6-point scale (from "All of the time" to "None of the time"). More than half of the sample reported being happy "most of the time" while around 41% reported feeling worn-out "a little of the time". Finally, figure 3 shows the distribution of depression problems and difficulties sleeping on a 5-point scale (from "None" to "Extreme"). About half the respondents report having some problems with sleep or depression.

Figure 4 displays the average of the changes in respondents' subjective well-being between month $t-1$ and t by employment transition. Respondents whose employment status does not change from one month to the next do not experience any changes in subjective well-being on average, irrespective of the measure of subjective well-being and irrespective of whether they are employed or unemployed. Respondents transitioning from employment to unemployment experience losses

in satisfaction with life, household income, their economic situation, as well as with their job or daily activities. They also feel less happy, experience more difficulties sleeping and report more severe depression problems. The opposite transition, from unemployed to employed, appears to trigger the opposite effect, with higher evaluative well-being, increased happiness, fewer difficulties sleeping, and fewer depression symptoms on average. The differences in the reported frequency of feeling worn-out seem to reflect a reduction of fatigue when becoming unemployed, and an increase when finding employment again.

Figure 5 displays the average of the changes in respondents' subjective well-being between month $t-1$ and t by the employment transition of his or her spouse. About two-thirds of the person-wave observations (65.1%, $N=24,126$) in the sample pertain to married persons or those in a marriage-like relationship (planning their financial future together). The changes in respondents' subjective well-being in response to the spouse becoming unemployed are qualitatively similar to those displayed in figure 4, with respondents whose spouses transitioned from employment to unemployment experiencing losses in satisfaction with life, household income, with their economic situation, as well as with their job or daily activities. They also feel less happy, experience more difficulties sleeping and report more severe depression. The re-employment of a spouse following his or her unemployment leads to higher evaluative well-being, and less depression. In contrast with figure 4, the differences in feeling worn-out seem to reflect a slight increase in fatigue when a spouse becomes unemployed, and a reduction in fatigue when one's spouse finds a job.

The panel nature of our data allows us to control for individual fixed effects, so that the effect of an onset of unemployment and reemployment on subjective well-being displayed in Figures 4 and 5 can be interpreted as causal without any further assumptions. The subsequent analysis confirms those findings, and further allows us to study the time path of subjective well-being by distinguishing varying durations of unemployment and re-employment. The regression framework also permits the inclusion of changes in income as an explanatory variable, and therefore to draw causal conclusions as to the pecuniary and non-pecuniary effects.

4. Empirical strategy

To estimate the causal effect of unemployment on SWB and its time trajectory as unemployment persists we use a first-difference model.

To identify the total effect of unemployment on subjective well-being as a function of unemployment duration, consider the following model:

$$\Delta SWB_{it} = \beta_1 Month1_{it} + \beta_2 Month2_{it} + \dots + \beta_T MonthT_{it} + \Delta \epsilon_{it} \quad (1)$$

Where the $Month1$ through $MonthT_{it}$ variables represent indicators of whether the individual i reached a certain unemployment spell length (measured in months) at the time SWB_{it} is measured. By construction, individuals who remained employed throughout the past and current month and thus have a zero length of unemployment will serve as the control group. The left-hand side variables, represented by SWB_{it} , are the subjective well-being items described above, i.e. life satisfaction, satisfaction with total household income, the economic situation and one's job or daily activities, as well as the frequency of feeling worn-out or happy, and the intensity of problems with sleep and depression. We regressed the change in those subjective well-being items between month t and month $t-1$ on indicators for the duration of the unemployment spell, using ordinary least squares (OLS), adjusting the standard errors for the fact that each respondent contributes multiple observations.

This model specification allows for non-linear effects of unemployment duration on individual subjective well-being through the inclusion of duration indicators rather than a continuous duration variable. In order to assess the differences in the total effects of unemployment for individuals who are married (or in marriage-like relationships and planning their financial future together) and those who are single, we estimated this model separately for the married and singles samples.

In order to distinguish between the pecuniary and non-pecuniary effects of unemployment, we extended the model above to include changes in household income as an explanatory variable:

$$\Delta SWB_{it} = \beta_1 Month1_{it} + \beta_2 Month2_{it} + \dots + \beta_T MonthT_{it} + \gamma_1 \Delta Income_{it} + \Delta \epsilon_{it} \quad (2)$$

The variable $Income$ represents the log value of total monthly household income. The coefficient γ_1 identifies the pecuniary impact of unemployment on subjective well-being. The non-pecuniary costs

of own unemployment are identified by the indicators of unemployment spell length, the β coefficients, which also show the estimated time trajectory of subjective well-being. For instance, the coefficient β_1 indicates the effect of a respondent starting an unemployment spell and thus being in his or her first month of unemployment rather than staying employed. The coefficient β_2 then shows the effect of transitioning from his first month of unemployment into his second month of unemployment. β_2 not being not statistically significant would then suggest a lack of change when entering the second month of unemployment, whereas if β_2 is negative (positive) it would indicate a decrease (increase) in subjective well-being between the first and second month of unemployment. Like the previous model, we also estimated this model separately for single and married persons.

To investigate how an individual's own subjective well-being is affected when the unemployment is experienced by the spouse rather than the individual him or herself, the logic will be similar, now including unemployment variables related to the spouse's unemployment duration:

$$\Delta SWB_i = \beta_1 Month1_{st} + \beta_2 Month2_{st} + \dots + \beta_T MonthT_{st} + \Delta \epsilon_i \quad (3)$$

Where the $Month1_{st}$ through $MonthT_{st}$ variables represent indicators of whether individual i 's spouse s has reached a certain length of unemployment spell measured in months. Finally, in order to disentangle the pecuniary and non-pecuniary effects of unemployment in this framework, we added the difference in log household income:

$$\Delta SWB_{it} = \beta_1 Month1_{st} + \beta_2 Month2_{st} + \dots + \beta_T MonthT_{st} + \gamma_1 \Delta Income_{it} + \Delta \epsilon_{it} \quad (4)$$

Comparing estimates from models (1) and (3), and in particular the difference between the coefficients on spouse ($MonthT_{st}$) and respondent ($MonthT_{it}$) unemployment spell duration indicators allows us to measure the differences in the impact of unemployment depending on who experiences it in the household. Similarly, comparing the estimates from models (2) and (4) provides information on the differences in non-pecuniary effects resulting from unemployment, since household income will be kept constant.

Finally, we study the effect of re-employment on subjective well-being by replicating models (1) through (4), using indicators for the number of months that have elapsed since a respondent or his/her spouse got reemployed. Because the effect of re-employment could plausibly vary

depending on how long someone had been unemployed prior to re-employment we added to the model an interaction between the length of unemployment experienced prior to the reemployment spell and the onset of reemployment. Individuals or spouses with continuous unemployment throughout the past and current month serve as the control group in this estimation.

5. Results

The Effect of Unemployment

This section presents the results of models (1) through (4), using as explanatory variables the duration of unemployment following a transition from employment to unemployment as well as the log of total household income. The unemployment duration is included through a set of indicator variables reflecting a period of one month, two months, three months, four to five months, six to seven months, eight to eleven months, one year or more.

Own Unemployment and Subjective Well-Being: Overall Effects

The coefficient estimates for model (1) for single individuals are displayed in Table 2. The various subjective well-being indicators are specified in the top row of the table. Each column represents the estimates of the effects of the explanatory variables on the subjective well-being measure listed in the top-row. Columns 1 through 4 report the results of the model, when specified with evaluative subjective well-being measures. Columns 5 and 6 display the results when explaining the frequency of feeling happy or worn out in the past 30 days. Finally, columns 7 and 8 display the results with the intensity of sleep and depression problems as left-hand side variables. Figure 6 provides a visual display of the coefficients for the evaluative well-being measures, as well as of their 95% confidence intervals, while Figure 7 displays those estimates for experienced well-being items. Thus, estimates with confidence intervals crossing the 0-line are not statistically significant at the 5% significance level.

According to our estimates single individuals experience a statistically significant deterioration in all subjective well-being measures at the time when they become unemployed (duration of unemployment of one month), with just one exception ("feeling worn out"). In terms of magnitudes, the evaluative satisfaction measures are all elicited using a 5-point scale and the

point estimates of the reductions in subjective well-being at the onset of unemployment are -0.21 for satisfaction with life, -.29 for satisfaction with household income, -0.32 for satisfaction with one's own economic situation and -0.47 for satisfaction with job or daily activities (-0.47). The frequency of reporting to be happy in the last 30 days (Table 2, column 5) is also reduced (-0.12 on a 6-point scale) at the onset of unemployment for single individuals in comparison to those who remained employed, but barely statistically significant. Finally, recently unemployed single individuals experience an increase in the intensity of problems with sleep (column 7) and depression (column 8).

Turning to the time path of subjective well-being following the onset of unemployment, we find very few further changes. Most importantly, there appear to be no signs of improvements in subjective well-being suggesting that there is no adaptation as individuals remain unemployed: because the specification is in first differences, adaptation would require that the coefficients on successive months be positive, indicating that the paths of subjective well-being to return toward their prior levels. Rather, the coefficients at two months are mostly small and a mix of positive and negative with the exception of satisfaction with economic situation (-0.13, statistically significant 5 percent). Our estimates show evidence of additional deterioration at about 6 to 7 months of unemployment in three of the subjective well-being measures. These are statistically significant (at 5% or 10%) for satisfaction with one's economic situation, frequency of feeling happy and intensity of sleep problems. Joint significance tests of the coefficients of unemployment duration excluding the first month of unemployment confirm the overwhelming lack of adaptation. The time path of subjective well-being starting in the second month of unemployment is insignificant for all subjective well-being measures, with the exception of satisfaction with the own economic situation (p-value=0.03) and problems with sleep (p-value=0.01).

We estimated the same model for married persons and those in marriage-like relationships (Table 3).

Here again, those who just became unemployed report reductions in the scores for all life and domain satisfaction items, a reduced frequency of feeling happy (-0.1), as well as an increase in problems with sleep (0.13) and depression (0.15). The time path of subjective well-being beyond the onset of unemployment shows little change implying that there is no adaptation among

married persons either, with the one exception of an increase in satisfaction with household income when reaching about 8-11 months of unemployment. However, satisfaction with one's job or other daily activities deteriorates further after 3 months of unemployment and again after about one year (statistically significant at the 5% level). The significant estimates in column (3) for the effect of longer durations of unemployment on satisfaction with one's economic situation are difficult to interpret, because of their alternating signs, hence not showing a clear pattern. Joint tests of significance of the coefficients in each of the eight models confirm that the time path of unemployment beyond the first month is only relevant when explaining satisfaction with household income (p-value=0.04), and with the individual's own economic situation (p-value=0.01).

Own Unemployment and Subjective Well-Being: Pecuniary and Non-Pecuniary Effects

To disentangle the pecuniary and non-pecuniary effect of unemployment we added the change in log household income to the model as a right-hand variable, as specified in model (2).

We first note (Table 4, displayed as graphs in Figures 10 and 11) that the estimates of the impact of unemployment on single individuals, whether at onset or in later transitions through unemployment durations, remain virtually identical to those previously obtained when not controlling for changes in income. Changes in log household income are statistically significantly related to increases in satisfaction with life, the economic situation and job or other daily activities. The proportion of explained variance in subjective well-being is slightly higher when including income, though quite low. Here again, we cannot reject the null hypothesis of all duration coefficients beyond the first month of unemployment being equal to zero, with the exception of the models explaining satisfaction with the economic situation, and when explaining problems with sleep.

The findings are similar for the married sample (Table 5, Figures 12 and 13), for whom the inclusion of changes in log household income does not change the previous findings. One exception however is the previously observed decrease in respondents' satisfaction with their job or daily activities when reaching one year of unemployment (Table 3, Column 4) that is now statistically insignificant. Joint significance tests again indicate that the duration of unemployment beyond the first month of unemployment is insignificant except when explaining satisfaction with household income or the economic situation. In contrast with single individuals, log household

income is statistically insignificant throughout all specifications for the married sample, possibly due to the fact that in a couple the person losing a job is not always the sole earner in the household. The proportion of explained variance in subjective well-being does not increase when adding income to the set of unemployment duration indicators.

Spouse's Unemployment and Subjective Well-Being: Overall Effects

We now turn to the effect of spousal unemployment on a person's own subjective well-being. Table 6 displays the estimates from model (3), and Figures 14 and 15 display those results in a graph. By definition, the sample is limited to married individuals, so that Table 6 can be compared to Table 3, and Figures 14 and 15 can be compared to Figures 8 and 9.

Qualitatively the changes in the respondents' subjective well-being in response to the spouse becoming unemployed are similar to those in response to the respondent's own unemployment. In particular, the onset of a spouse's unemployment spell leads to a decrease in the respondent's satisfaction with life, household income, or own economic situation; as well as a decrease in the frequency of feeling happy. The magnitude of the effects of spousal unemployment is mostly smaller compared to the response to a person's own unemployment. There is however no increase in problems with sleep or depression at the onset.

Interestingly, the dissatisfaction with one's job or daily activities does not emerge at the onset of unemployment, but appears when the spouse is transitioning from two months to three months of unemployment duration. Satisfaction with one's job or daily activities further deteriorates until it reaches the eighth month of unemployment. The satisfaction about the economic situation decreases for individuals whose spouse remains unemployed in the long-term (more than one year). Finally, respondents experience an increase in depression when their spouses are entering their sixth month of unemployment. The tests of joint significance confirms that unemployment duration is only significant following the immediate transition when explaining satisfaction with one's job or daily activities ($p\text{-value}=0.01$) and problems with depression ($p\text{-value}=0.04$).

Spouse's Unemployment and Subjective Well-Being: Pecuniary and Non-Pecuniary Effects

Table 7 shows estimates (also displayed in Figures 16 and 17) when including changes in log income as an explanatory variable. Comparison to Table 6 (Figures 14 and 15) shows there is

virtually no change in the estimated impact of unemployment durations on subjective well-being, and changes in income do not lead to statistically significant (at the 5 or 1% level) changes in subjective well-being. Only for satisfaction with total household income do we find the expected positive relationship, but the estimated effect is extremely small and only statistically significant at the 10% level.

The Effect of Reemployment following Unemployment

This section presents the results of models (1) through (4), now using the duration of employment following a transition from unemployment to reemployment as explanatory variables.

The impact of a transition from unemployment to reemployment may differ depending on how long an individual had been unemployed. To account for this possibility we included the interaction terms between the variable indicating the onset of reemployment (i.e. 1 month duration) and an indicator variable of the length of the immediately preceding unemployment spell (1 month, between 2 and 6 months, 6 months or more). We also examined the interaction with the length of the preceding unemployment spell for the subsequent time path of reemployment beyond the immediate onset, but the coefficients on these were not significant. We therefore focus our discussion of the results on the estimations that only include the interaction of unemployment duration with the first month of reemployment (i.e. 1 month)².

Own Reemployment and Subjective Well-Being: Overall Effects

Table 8 (Figures 18 and 19) displays the results. Single respondents who had been unemployed for one month and just found a job reported statistically significant increases in the various dimensions of evaluative well-being – that is, life satisfaction, satisfaction with household income, their economic situation or their job or daily activities – compared to those who remained unemployed. Respondents who had previously been unemployed for longer (between two and six months and also those with 6 months or more of unemployment) experienced larger increases in evaluative well-being when finding a job. Furthermore, they experienced a decrease in depression problems upon reemployment. With respect to changes in feeling happy, the point estimates are suggestive of increases in the frequency of feeling happy which appear to be

² Results are for those models are shown in Tables A7 through A12 in the Appendix.

larger the longer the individual was previously unemployed. However, the estimate is only statistically significant (at the 1% level) for those who had been unemployed for 6 month or more.

Tests of equality of those coefficients for each group are shown at the bottom of Table 8. We observe statistically significant differences between the previously short term (one month) unemployed and those who were unemployed for more than six months when explaining satisfaction with household income (p-value=0.01), the economic situation (p-value=0.05) and their job or daily activities (p-value=0.01).

Figure 18 shows graphically that the coefficients of the difference in evaluative well-being following a transition into reemployment are larger in magnitude for respondents who were previously unemployed for longer periods of time.

Turning to the subsequent time path of subjective well-being following the first month of reemployment, we found that single individuals in their fourth or fifth month of reemployment report a further increase in their satisfaction with household income, while those reemployed for more than one year experience a decrease with difficulties sleeping. Overall, the improvement of single individuals' subjective well-being, while not further increasing – with the exception of the two previously mentioned findings - in subsequent months of reemployment, does not decrease either. We cannot reject the hypothesis that the coefficients of reemployment duration beyond the first month of reemployment are jointly equal to zero for all subjective well-being measures. This suggests that here again there is no adaptation following reemployment, implying that individuals' subjective well-being remains higher than those who remained unemployed even after several months of reemployment.

Table 9 and Figures 20 and 21 show the results for the married sample. Here too, the significant effects are largely concentrated in the first month of reemployment and there are very few – if any – significant effects in subsequent months of reemployment.

More specifically, evaluative subjective well-being improves significantly following the onset of reemployment. Life satisfaction however only improves for those who had previously been unemployed between two and six months. This is confirmed by a test of equality of the coefficients for the interaction terms. Furthermore, these tests show a significant difference in the effect of

reemployment on their satisfaction with their job or daily activities for those previously unemployed for two to six months in comparison to those only unemployed for one month. Married respondents who had been unemployed for more than two months – similar to single individuals – also experience a decrease in the intensity of their problems with depression.

As to the time path beyond the first month of reemployment married individuals going into their second month, and those going into their twelfth month of reemployment experienced increases in how frequently they felt worn-out. Life satisfaction increased further when individuals reached their fourth or fifth month of reemployment. Overall however, we can only reject the Null Hypothesis of all duration past the first month of reemployment being jointly insignificant for the model explaining the frequency of feeling worn out.

Own Reemployment and Subjective Well-Being: Pecuniary and Non-Pecuniary Effects

The inclusion of changes in log income as an explanatory variable for changes in subjective well-being for single individuals shown in Table 10 does not change the previous findings from Table 8. Single individuals experience a significant improvement in their subjective well-being immediately following their reemployment. Here again, we observe a statistically significant difference in the effect of reemployment for those previously unemployed for only one month and those unemployed for longer periods of time, with larger increases in subjective well-being for the long-term unemployed when explaining their satisfaction with household income, economic situation, and their job or daily activities. The positive effect of reemployment is however once again only significant in the first month of reemployment, as we cannot reject the Null Hypothesis that all other indicators or reemployment duration are jointly statistically insignificant.

There is however a positive and significant relationship between changes in log household income and changes in all evaluative well-being measures. The estimates are all statistically significant at the 5 or 1% level with the exception of the coefficient in the model for life satisfaction (significant at the 10% level). The magnitudes of the coefficients are still very small, though, suggesting that the non-pecuniary effects dominate the pecuniary effects by far.

The same observations apply to the decomposition of pecuniary and non-pecuniary effects of reemployment for the married sample (Table 11, Figures 24 and 25). Similar to the previous

observations in Table 9, evaluative well-being only improves in the first month of reemployment, and only for those who had been unemployed between two and six months prior to their reemployment for life satisfaction. This difference is statistically significant when comparing to the coefficients of reemployment for those who had been unemployed for only one month. Depression symptoms decrease for all married respondents who just became reemployed but those who had been previously unemployed only for one month. Once again, there is no evidence of adaptation. While the frequency of feeling worn out and life satisfaction increased following reemployment, the indicators of duration starting in the 2nd month are jointly insignificant with the exception of feeling worn out.

Spouse's Reemployment and Subjective Well-Being: Overall Effects

Estimations of the effect on subjective well-being of one's spouse becoming reemployed are shown in Table 12. The results differ noticeably from those in Table 9 where the impact of reemployment of the respondent was estimated. In particular, reemployment of one's spouse is not associated with any decreases in own problems with depression (Table 12, Column 8), or any increase in life satisfaction (column 1). Satisfaction with household income increases when spouses who had been unemployed for more than one month become reemployed. Respondents also feel significantly happier when their spouse had been unemployed between two and six months and is now reemployed in comparison to those whose spouse was unemployed for one month (p -value=0.03) and those whose spouse was unemployed for longer than six months (p -value=0.00).

Beyond the first month of reemployment, respondents become more satisfied with their job or daily activities as their spouses have been reemployed for at least 6 months (column 4), and also experience an increase in life satisfaction when entering the 4th month of their spouse's reemployment. Overall, the coefficients on the duration of a spouse's reemployment after the first month are jointly statistically significant when explaining the respondent's life satisfaction, satisfaction with household income (though only at the 10% level), and with their job or daily activities.

Spouse's Reemployment and Subjective Well-Being: Pecuniary and Non-Pecuniary Effects

Finally, when including the changes in income to the previously estimated model (Table 13, Figures 28 and 29), we observe that the effects of a spouse finding employment following an unemployment spell described above persist. Changes in income themselves are however not statistically significantly related to any subjective well-being measure.

6. Discussion

With respect to unemployment, we find that whether experienced directly or through a spouse, unemployment is associated with a statistically significant decrease in evaluative subjective well-being, albeit smaller in magnitude when experienced through a spouse. This negative effect is experienced at the onset of an unemployment spell, in particular with regards to satisfaction with life, household income, and own economic situation; as well as through a decrease in happiness.

Respondents however only suffer an increase in sleep and depression problems when going themselves through a transition into unemployment. Additionally, they also experience a decrease in their satisfaction with their job or daily activities when becoming unemployed themselves. Married individuals appear to be able to buffer the shock of unemployment better than single individuals, as the magnitudes of the effect of unemployment on subjective well-being are overall smaller for those who are married.

Subsequent months of unemployment do not show consistent changes in subjective well-being, suggesting a lack of adaptation. In the great majority of models the coefficients explaining changes in subjective well-being beyond the first month of unemployment are not jointly statistically significant.

Accounting for the pecuniary changes by including changes in household income in addition to the set of unemployment duration variables does not change the previously observed impact of unemployment on subjective well-being.

Changes in income itself account for little variance in subjective well-being measures, with a positive and statistically significant relationship being limited to evaluative measures in the sample

of single individuals. While this confirms previous findings whereby the non-pecuniary effects of unemployment on subjective well-being are much larger than its pecuniary effects, caution must apply when interpreting those results. In particular, while we find that pecuniary costs of unemployment are quite low in comparison to non-pecuniary costs, we cannot conclude that income does not matter in explaining the loss of subjective well-being experienced following unemployment. There are two main reasons for this. The first reflects possibly some limitations in our data, while the second one reflects a broader issue with pecuniary effects being measured solely based on income.

First, the effect of changes in income on subjective well-being may occur as soon as the individual finds out about the impending job loss, which may happen before the change in income actually materializes. This would for example be the case if the individual receives one month's notice before losing the job or if the individual still receives one or two months' pay after being terminated. In some cases individuals may also anticipate the job loss and the associated income loss well before being notified. In our model, we only account for the month-to-month realized change in income, and do not find evidence of systematic lags in income that significantly influence subjective well-being. However, the pecuniary effects may occur in response to changes in expected income. The effect of anticipating a decrease in income as a result of unemployment may result in a decrease in subjective well-being prior to the onset of unemployment or prior to the time the income change materializes. This would not be captured in our estimated models. Thus, if there is a delay between individuals' knowledge of changes in income and those changes occurring, then our analytical design will underestimate the pecuniary effects. We do not have information on individuals' income expectations in our data to address this issue.

Second, taking only income into account may ignore other dimensions of the financial hardship, and thus of the pecuniary dimension experienced due to unemployment. For instance, we do not take into account the possibility that individuals may have anticipated their unemployment, or have other means of dealing with the loss in income. In terms of anticipation, Hurd and Rohwedder (2013) find a decrease in a large subset of spending categories of 19 percent for a change in subjective probability of unemployment from zero to 1 for employed individuals. In theory, these savings could be used to smooth consumption, at least partially, should the

unemployment become a reality. Individuals could also sell assets to buffer the shock, whether in anticipation or when unemployment actually occurs.

We therefore study the potential moderating effect of wealth³. We compute wealth terciles separately for single and married individuals in each year. The respondent's wealth position immediately prior to entering unemployment determines whether the household can smooth consumption when experiencing an income shock due to unemployment. Respondents in low wealth households would be least likely to be able to smooth the income shock and therefore may exhibit stronger changes in subjective well-being in response to income changes. To investigate this in the data we expanded model (2) and included interaction terms between the wealth terciles prior to the onset of unemployment and the subsequent changes in income. We find however no statistically significant difference between the three wealth terciles, and therefore no empirical evidence in our data of wealth being a moderating factor in the pecuniary effects of unemployment. It is possible that classification error resulting from measurement in wealth makes it difficult to detect this effect.

Turning to reemployment and its effect on subjective well-being, we again find a strong, now positive, effect on subjective well-being in the first month following a transition from unemployment to reemployment. Thus, rather than experiencing a continuous evolution of increasing subjective well-being, the effect of a transition into employment is immediate. Individuals experience higher subjective well-being across all (or almost all for the married sample) evaluative measures and regardless of their prior length of unemployment. If individuals were scarred by the duration of unemployment they experienced prior to becoming reemployed, we would expect those who had been unemployed for longer periods to not benefit as much from reemployment than those who were unemployed for a shorter period. This does not seem to be the case. We rather find evidence of an opposite effect, with significantly larger improvements with reemployment for those previously unemployed for longer periods of time in comparison with short prior unemployment spells. A positive effect is also observed following a spouse's reemployment, but is smaller in

³ In particular, we have yearly data on respondents' wealth given by the net value of real estate (including primary and secondary housing, farm or business as well as any other real estate) and transportation assets. We also account for financial assets in the form of retirement accounts, stocks outside of retirement accounts, bonds, CDs, checking and savings accounts, other savings, and trusts. Finally, we deduct any debt, through credit card or other to compute the respondent's net wealth.

magnitude, and unlike own reemployment does not lead to significant increases in life satisfaction or decreases with depression problems.

Once again, we find no evidence of an adaptation process that would lead the reemployed to eventually experience a decrease in subjective well-being following the initial increase during their transition. The positive pecuniary effect of reemployment on evaluative well-being is again limited to the sample of single individuals. Estimates of the time path after the first month of reemployment are in their majority jointly insignificant in the case of own reemployment. The reemployment of a spouse is experienced as positive for an individual's subjective well-being. Once again, we observe no decrease in respondents' subjective well-being over time following their spouse's reemployment. Rather, the respondents are more satisfied with their lives and with their job or daily activities.

Turning to the set-point theory, we ask whether individuals who experience unemployment spells return to their levels of subjective well-being prior to their unemployment when becoming reemployed. In order to establish whether individuals experience long-term differences in subjective well-being, we first look at the raw data. We observe 192 cases in our analytical sample in which individuals experienced employment followed by unemployment, and thereafter became reemployed. Testing the means of subjective well-being before and after the unemployment spell shows no statistically significant differences in those levels, and rather show an improvement in respondents' satisfaction with their job or daily activities post-unemployment. Estimating the models of unemployment and reemployment for the subsample of respondents who experience the three states in the period of observation is not feasible in our data due to sample size issues. We can however trace out the subjective well-being path implied by our model estimates. In particular, we anchor the various subjective well-being measures to the average observed level preceding the onset of unemployment in the subsample. To reduce the potential effect of measurement error and to account for possible anticipation effects we compute this average over the two months preceding the onset of unemployment. We then apply the time trajectories given by the models of unemployment and reemployment on subjective well-being, distinguishing between the length of experienced unemployment, and accounting for pecuniary

effects as estimated in the sample of single respondents (shown in Table 4 and Table A9). Figures 30 through 37 display those paths for each subjective well-being measure.

Evaluative subjective well-being (Figures 30 through 33) improves to a level at least equivalent to the pre-unemployment baseline level following reemployment, in particular for individuals who had been unemployed for more than one month. The reemployed who had been previously unemployed for one month experience a return to baseline levels following reemployment. The frequency of feeling happy or worn out also indicate a return to baseline levels following reemployment at a minimum, though as previously discussed the frequency of feeling worn out actually decreased with unemployment and increases with reemployment (Figures 34 and 35). Finally, the intensity of problems with sleep returns to pre-unemployment levels following reemployment (Figure 36). The trend is similar when looking at the intensity of problems with depression, although individuals who had been unemployed for one month remain at higher levels in comparison with the baseline (Figure 37). Overall, these findings seem to indicate that individuals do return to pre-unemployment levels in their subjective well-being following reemployment, thus contradicting the scarring theory. Comparing those findings with those by Lucas et al. (2004) who found unemployment to permanently alter the subjective well-being set-point is somewhat difficult, since their estimates are based on yearly data, focused solely on life satisfaction, and are based on a German panel.

7. Conclusion

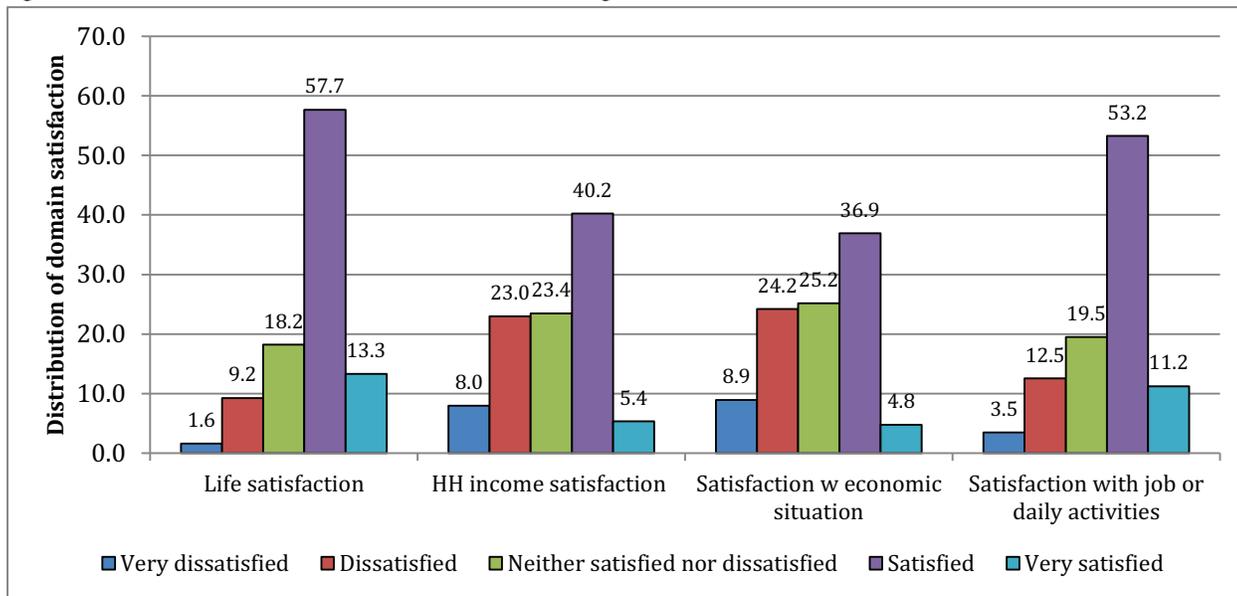
In this paper, we investigate the effect of labor market transitions experienced by individuals and their spouses on various subjective well-being measures based on monthly reports of subjective well-being collected in the Financial Crisis Surveys of the American Life Panel, a nationally representative survey in the US.

We found that unemployment negatively affects subjective well-being beyond changes in income, and regardless of who experiences it in a married household – respondent or the respondent’s spouse. The decrease in subjective well-being is however larger when unemployment is experienced directly by individuals. The negative effects immediately following transitions into unemployment are found throughout both evaluative and experienced subjective well-being. Beyond the changes in the first month of unemployment however, we find very little changes in subsequent months, and conclude that individuals do not adapt to their new work status. Moreover, this finding holds when taking changes in income into account. While non-pecuniary effects of unemployment on subjective well-being may be much larger than those due to the loss in income, the latter represent a conservative estimate of the pecuniary cost of unemployment.

Reemployment, whether experienced directly or through a spouse, leads to improvements in subjective well-being, with statistically significant and positive effects for all evaluative well-being measures as well as decreased depression in the first month following the transition, though smaller in magnitude when experienced through a spouse. Here again, these findings suggest no adaptation to reemployment. We find no evidence of individuals being scarred by longer previous unemployment spells, and more so find larger magnitudes of improvements for those who experienced unemployment for longer periods of time prior to becoming reemployed.

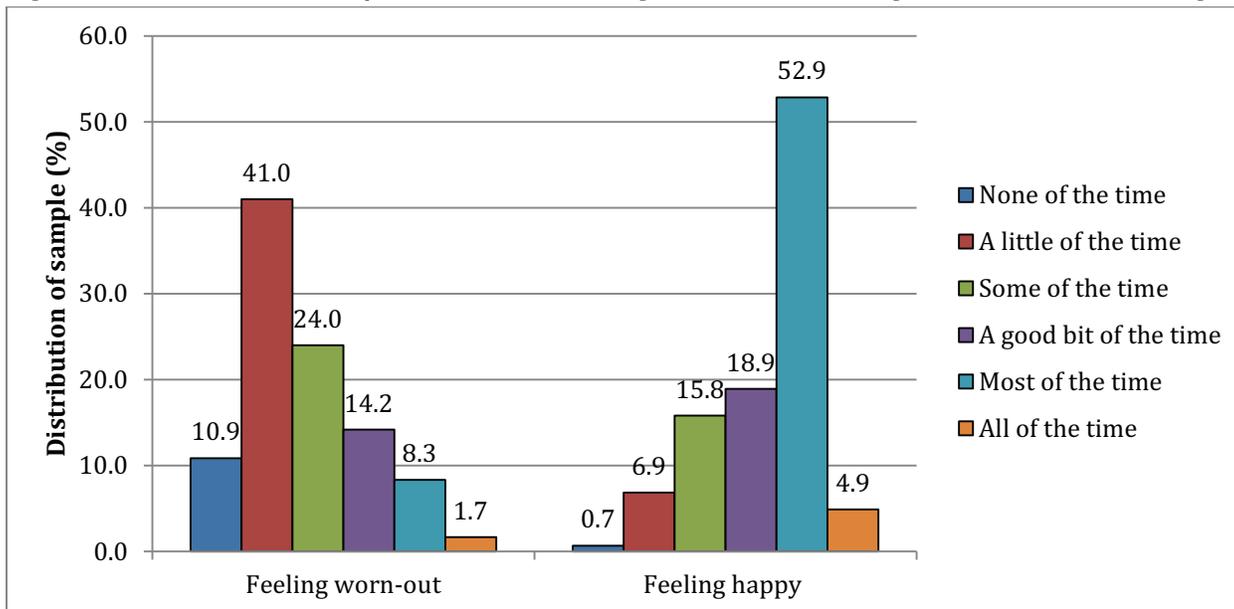
Thus, given the lack of adaption, there is a substantial role to be played by policies supporting the unemployed throughout their unemployment spells. Financial support is without a doubt crucial in supporting the unemployed, but may not help individuals recover from the loss of sense of identity or stability offered by employment. Policies focusing on job search assistance, providing a network of support and social contacts may however help alleviate some of this distress.

Figure 1. Distribution of Evaluative Well-Being Measures



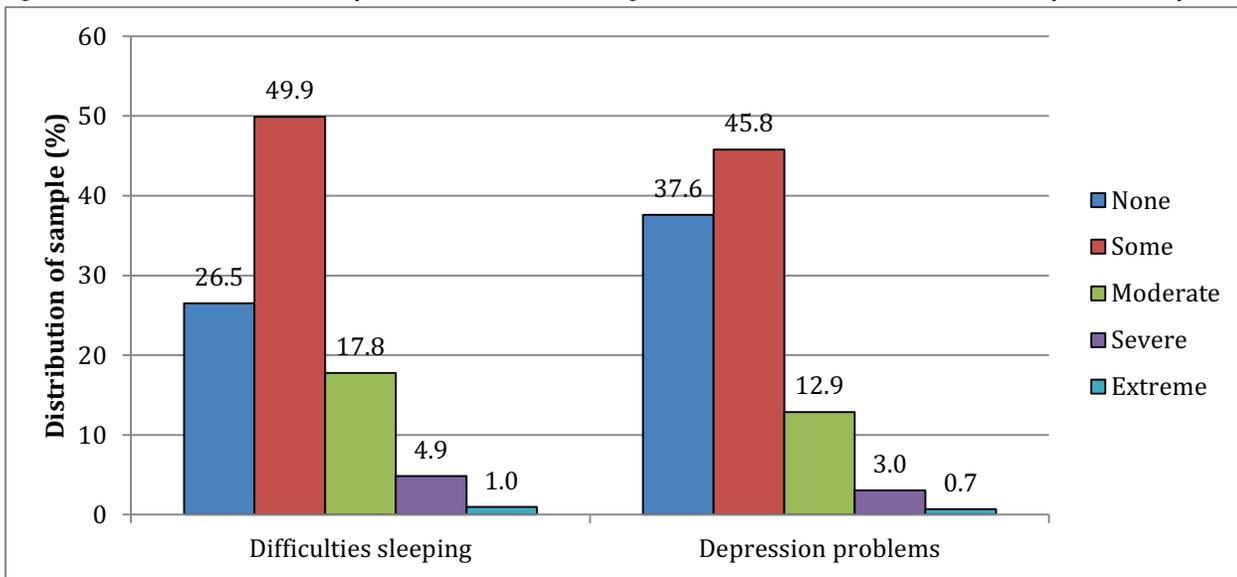
Note: Distribution based on analytical sample.

Figure 2. Distribution of Experienced Well-being Measures: Feeling Worn out and Feeling Happy



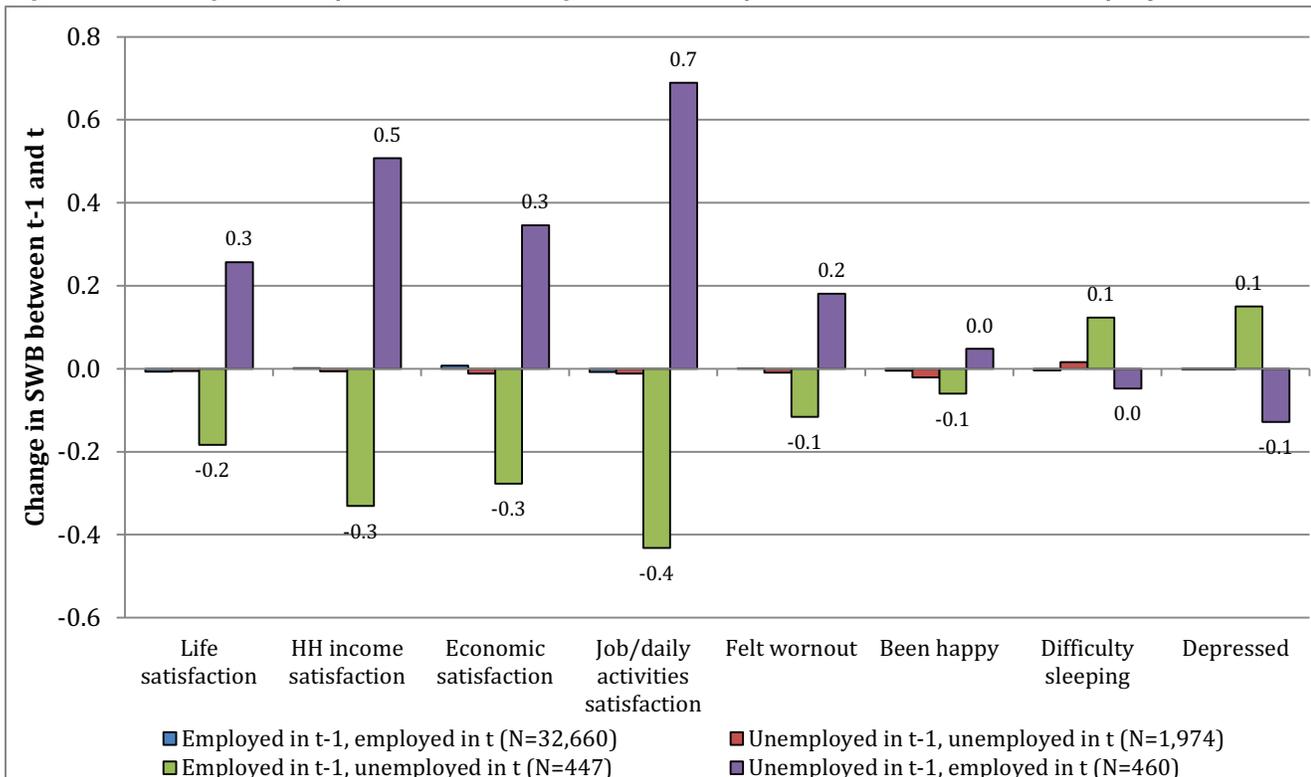
Note: Distribution based on analytical sample.

Figure 3. Distribution of Experienced Well-being Measures: Problems with Sleep and Depression



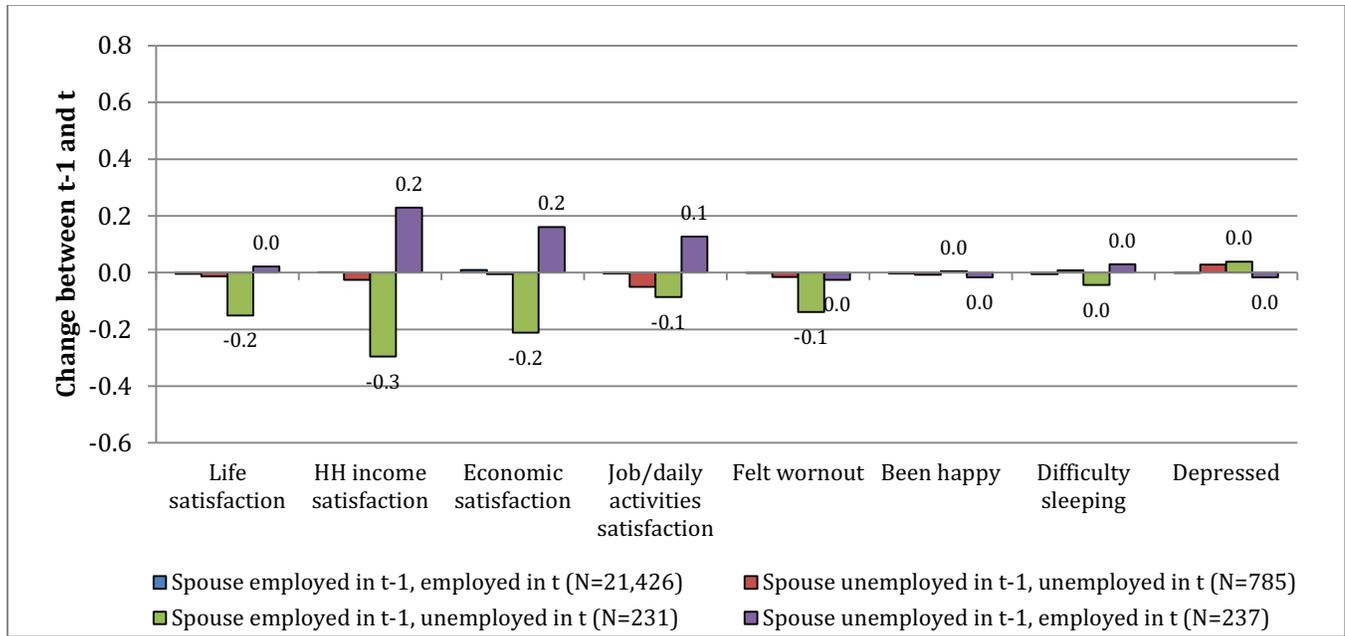
Note: Distribution based on analytical sample.

Figure 4. Change in Subjective Well-being Measures Upon Transitions in Own Employment Status



Note: Average change in subjective well-being between two consecutive months, holding constant the spouse's work status (no transition from employment to unemployment and vice versa), marital status and the number of household members.

Figure 5. Change in subjective well-being measures upon transitions in spouse's employment status keeping respondent's employment status constant



Note: Average change in subjective well-being between two consecutive months, holding constant the spouse's work status (no transition from employment to unemployment and vice versa), marital status and the number of household members.

Table 1. Distribution and Frequencies of Employment Transitions Experienced by Respondents and their Spouses

Labor force status		Respondent		Spouse	
t-1	t	%	# of waves	%	# of waves
Employed	Employed	91.86	34,062	94.41	22,476
Unemployed	Unemployed	5.55	2,057	3.47	827
Employed	Unemployed	1.29	477	1.04	248
Unemployed	Employed	1.31	485	1.08	257
	All	100.00	37,081	100.00	23,808

Note: Distribution and frequencies as observed in the analytical sample.

Table 2. Overall Effects of Own Unemployment on SWB for Single Individuals

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	Life	HH income	Δ Satisfaction with:		Δ Frequency of feeling:		Δ Intensity of problems:	
			Econ. Situation	Job or other daily activities	Happy	Worn out	Sleep	Depression
1 Month	-0.206*** (0.057)	-0.289*** (0.061)	-0.325*** (0.052)	-0.473*** (0.069)	-0.120* (0.068)	-0.044 (0.062)	0.129*** (0.050)	0.167*** (0.057)
2 Months	0.058 (0.065)	-0.070 (0.049)	-0.126** (0.056)	-0.048 (0.062)	-0.103 (0.082)	-0.108 (0.086)	0.053 (0.064)	0.034 (0.060)
3 Months	-0.082 (0.076)	-0.053 (0.054)	-0.059 (0.066)	-0.011 (0.091)	-0.000 (0.104)	-0.121 (0.081)	0.009 (0.066)	0.091 (0.063)
4 -5 Months	0.094* (0.048)	0.006 (0.031)	0.049 (0.044)	0.005 (0.045)	0.043 (0.064)	0.062 (0.052)	0.057 (0.041)	0.035 (0.039)
6-7 Months	-0.022 (0.046)	-0.017 (0.033)	-0.070* (0.039)	-0.008 (0.053)	-0.112* (0.060)	0.002 (0.056)	0.115** (0.047)	0.008 (0.044)
8-11 Months	0.007 (0.032)	-0.004 (0.021)	-0.026 (0.028)	0.020 (0.030)	0.043 (0.036)	0.022 (0.037)	0.030 (0.031)	-0.036 (0.029)
1 Year +	-0.003 (0.023)	0.014 (0.017)	0.019 (0.020)	0.026 (0.027)	-0.007 (0.020)	0.024 (0.022)	-0.012 (0.018)	-0.012 (0.017)
Constant	-0.007** (0.003)	-0.000 (0.003)	0.005 (0.003)	-0.016*** (0.003)	-0.000 (0.004)	-0.013*** (0.004)	-0.009*** (0.003)	-0.002 (0.003)
N	12,334	12,330	12,329	12,334	12,327	12,331	12,330	12,330
R2	0.002	0.004	0.005	0.008	0.001	0.001	0.001	0.002
Duration >2mths	0.63	0.54	0.03	0.85	0.35	0.31	0.01	0.24

Robust standard errors in parentheses *** p<0.01, ** p<0.05, * p<0.1

Note: RHS variables represent the duration of unemployment experienced by the respondent. First difference model estimated through OLS with standard errors clustered at the individual level. Satisfaction with life, household income, own economic situation and job or daily activities are measured on a 5-point scale ranging from "Very dissatisfied" (1) to "Very satisfied" (5). Frequency of feeling happy or worn-out is measured on a 6-point scale ranging from "None of the time" (1) to "All of the time". Intensity of problems with sleep or depression is measured on a 5-point scale ranging from "None" (1) to "Extreme" (5). "Duration>2mths" refers to the significance level of a joint statistical significance test of all duration coefficients - excluding the first month of unemployment -, i.e. . $H_0: \beta_2 = 0, \beta_3 = 0, \beta_{45} = 0, \beta_{67} = 0, \beta_{811} = 0, \beta_{12} = 0$ against $H_a: \text{at least one is nonzero}$.

Figure 6. Overall Effects of Own Unemployment on Evaluative Well-Being for Single Individuals

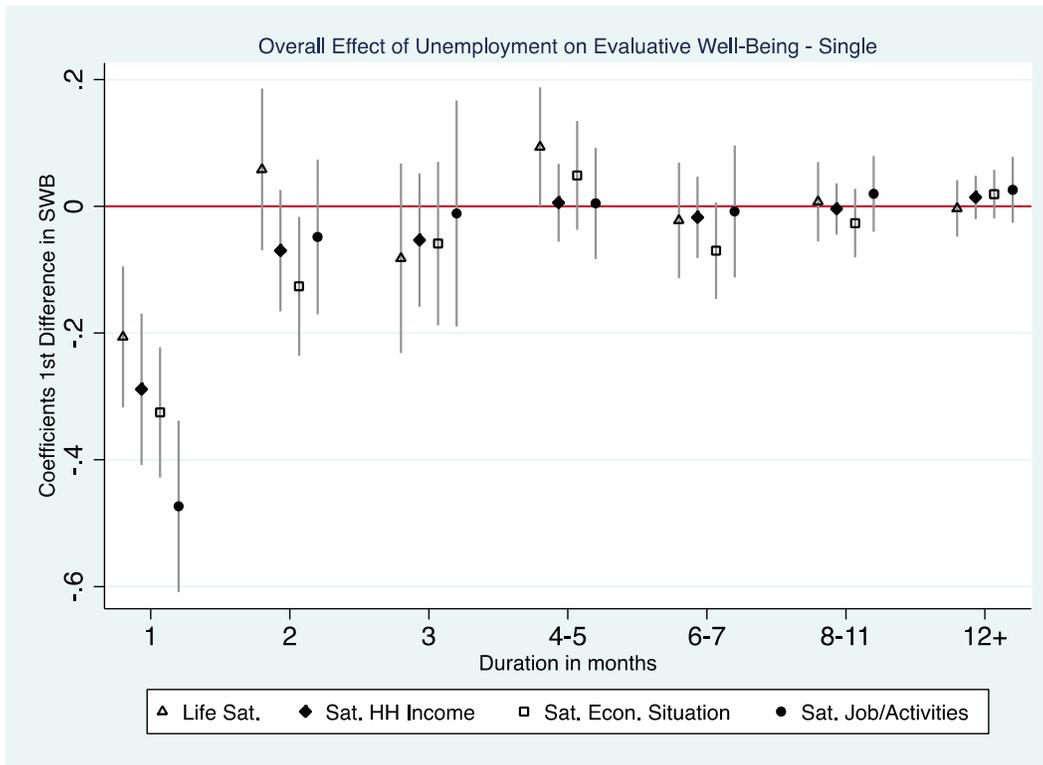
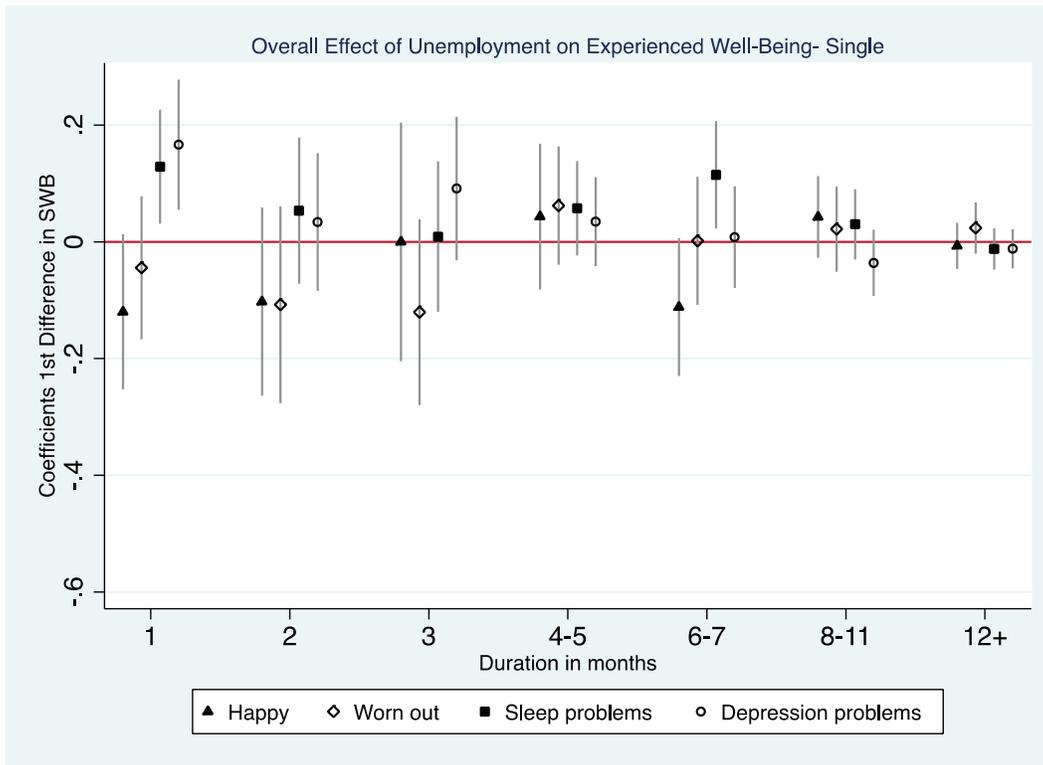


Figure 7. Overall Effects of Own Unemployment on Experienced Well-Being for Single Individuals



Note: Line segments represent 95% confidence intervals. Graph based on estimates from Table 2. X-axis refers to the coefficients of unemployment durations.

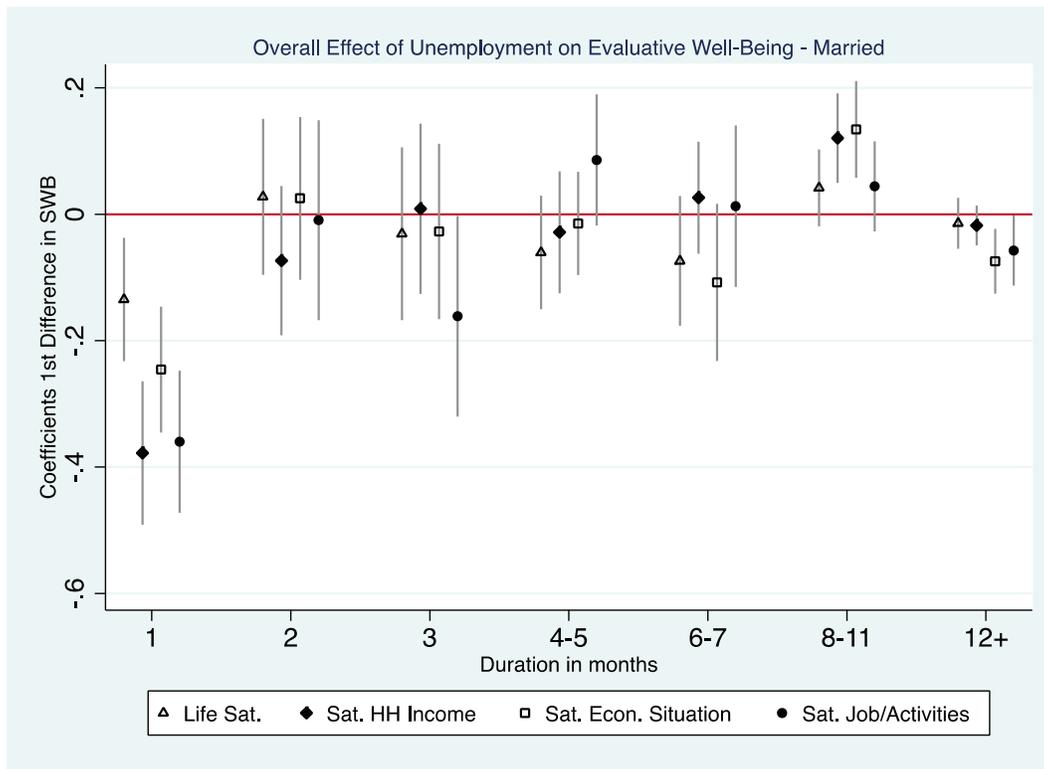
Table 3. Overall Effects of Own Unemployment on SWB for Married Individuals

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	Δ Satisfaction with:				Δ Frequency of feeling:		Δ Intensity of problems:	
	Life	HH income	Econ. Situation	Job or other daily activities	Happy	Worn out	Sleep	Depression
1 Month	-0.135*** (0.050)	-0.378*** (0.058)	-0.246*** (0.051)	-0.360*** (0.057)	-0.112** (0.055)	-0.064 (0.063)	0.127** (0.053)	0.138*** (0.049)
2 Months	0.028 (0.063)	-0.074 (0.060)	0.025 (0.066)	-0.009 (0.081)	0.047 (0.069)	-0.072 (0.068)	-0.032 (0.054)	-0.053 (0.059)
3 Months	-0.031 (0.070)	0.009 (0.069)	-0.027 (0.071)	-0.161** (0.081)	-0.009 (0.075)	-0.019 (0.076)	-0.048 (0.068)	0.019 (0.060)
4-5 Months	-0.061 (0.046)	-0.029 (0.049)	-0.015 (0.042)	0.086 (0.053)	-0.006 (0.054)	0.055 (0.060)	0.049 (0.047)	-0.028 (0.047)
6-7 Months	-0.074 (0.052)	0.026 (0.045)	-0.108* (0.063)	0.013 (0.065)	0.010 (0.067)	-0.063 (0.069)	-0.008 (0.049)	-0.037 (0.053)
8-11 Months	0.042 (0.031)	0.120*** (0.036)	0.134*** (0.039)	0.044 (0.036)	-0.040 (0.042)	-0.060 (0.042)	0.015 (0.033)	0.013 (0.030)
1 Year +	-0.014 (0.021)	-0.018 (0.016)	-0.074*** (0.026)	-0.057** (0.028)	-0.005 (0.022)	0.001 (0.028)	0.001 (0.024)	-0.006 (0.026)
Constant	-0.008*** (0.002)	0.001 (0.002)	0.008*** (0.002)	-0.004 (0.002)	-0.001 (0.002)	-0.001 (0.003)	-0.001 (0.002)	0.001 (0.002)
N	23,058	23,058	23,057	23,064	23,056	23,061	23,063	23,061
R2	0.001	0.004	0.002	0.003	0.000	0.000	0.001	0.001
Duration >2mths	0.37	0.04	0.014	0.09	0.96	0.51	0.86	0.87

Robust standard errors in parentheses *** p<0.01, ** p<0.05, * p<0.1

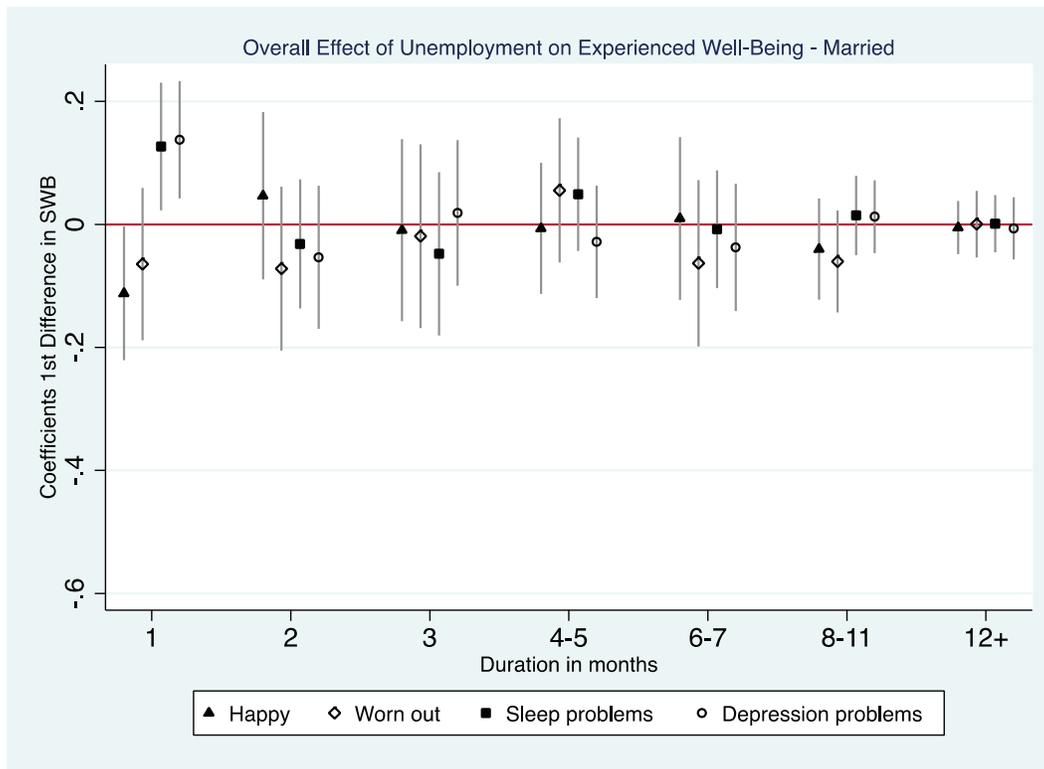
Note: RHS variables represent the duration of unemployment experienced by the respondent. First difference model estimated through OLS with standard errors clustered at the individual level. Satisfaction with life, household income, own economic situation and job or daily activities are measured on a 5-point scale ranging from "Very dissatisfied" (1) to "Very satisfied" (5). Frequency of feeling happy or worn-out is measured on a 6-point scale ranging from "None of the time" (1) to "All of the time". Intensity of problems with sleep or depression is measured on a 5-point scale ranging from "None" (1) to "Extreme" (5). "Duration>2mths" refers to the significance level of a joint statistical significance test of all duration coefficients - excluding the first month of unemployment -, i.e. $H_0: \beta_2 = 0, \beta_3 = 0, \beta_{45} = 0, \beta_{67} = 0, \beta_{811} = 0, \beta_{12} = 0$ against $H_A: \text{at least one is nonzero}$.

Figure 8. Overall Effects of Own Unemployment on Evaluative Well-Being for Married Individuals



Note: Line segments represent 95% confidence intervals. Graphs based on estimates from Table 3. X-axis refers to the coefficients of unemployment durations.

Figure 9. Overall Effects of Own Unemployment on Experienced Well-Being for Married Individuals



Note: Line segments represent 95% confidence intervals. Graphs based on estimates from Table 3. X-axis refers to the coefficients of unemployment durations.

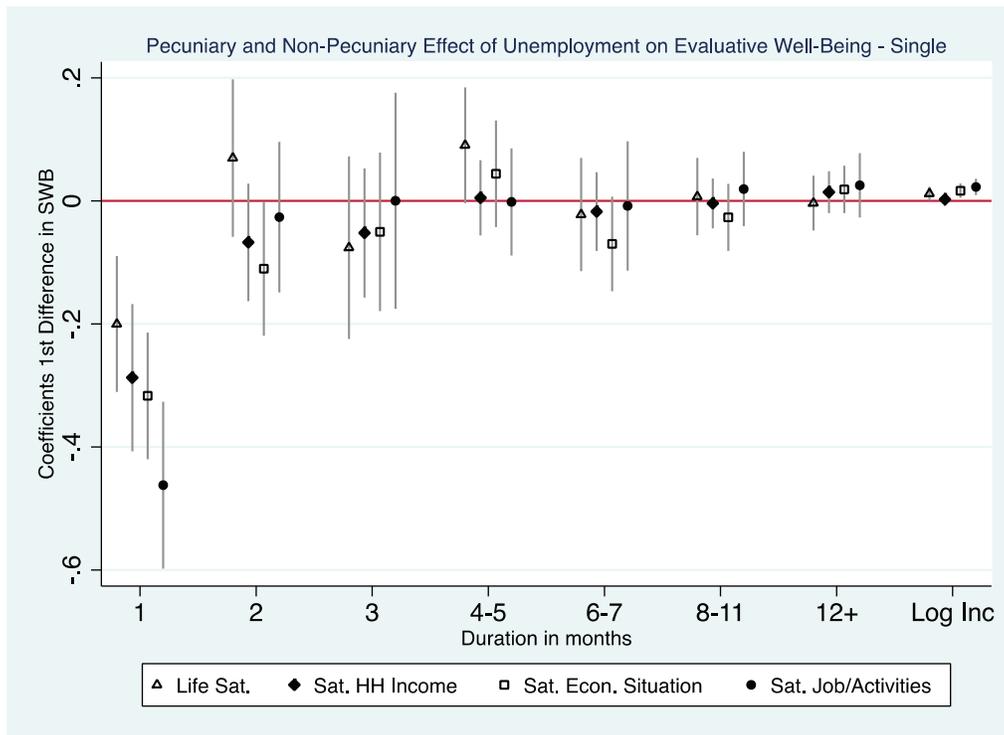
Table 4. Pecuniary and Non-Pecuniary Effects of Own Unemployment on SWB for Single Individuals

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	Δ Satisfaction with:				Δ Frequency of feeling:		Δ Intensity of problems:	
	Life	HH income	Econ. Situation	Job or other daily activities	Happy	Worn out	Sleep	Depression
1 Month	-0.200*** (0.0563)	-0.287*** (0.0610)	-0.317*** (0.0524)	-0.462*** (0.0692)	-0.115* (0.0680)	-0.0437 (0.0632)	0.127** (0.0500)	0.163*** (0.0568)
2 Months	0.0696 (0.0652)	-0.0674 (0.0487)	-0.110** (0.0556)	-0.0264 (0.0624)	-0.0925 (0.0834)	-0.106 (0.0849)	0.0490 (0.0637)	0.0280 (0.0603)
3 Months	-0.0760 (0.0756)	-0.0520 (0.0535)	-0.0504 (0.0657)	0.000195 (0.0895)	0.00549 (0.104)	-0.120 (0.0809)	0.00649 (0.0659)	0.0883 (0.0628)
4-5 Months	0.0905* (0.0480)	0.00499 (0.0313)	0.0442 (0.0441)	-0.00170 (0.0444)	0.0402 (0.0638)	0.0615 (0.0517)	0.0587 (0.0411)	0.0363 (0.0388)
6-7 Months	-0.0222 (0.0469)	-0.0174 (0.0327)	-0.0700* (0.0391)	-0.00811 (0.0536)	-0.112* (0.0605)	0.00155 (0.0560)	0.115** (0.0469)	0.00800 (0.0445)
8-11 Months	0.00707 (0.0320)	-0.00403 (0.0207)	-0.0268 (0.0278)	0.0193 (0.0308)	0.0423 (0.0357)	0.0218 (0.0372)	0.0301 (0.0306)	-0.0361 (0.0289)
1 Year +	-0.00348 (0.0227)	0.0141 (0.0174)	0.0187 (0.0197)	0.0253 (0.0267)	-0.00728 (0.0202)	0.0237 (0.0224)	-0.0120 (0.0180)	-0.0117 (0.0172)
Δ Ln Income	0.0118** (0.00571)	0.00247 (0.00556)	0.0166*** (0.00594)	0.0227*** (0.00677)	0.0109 (0.00730)	0.00157 (0.00880)	-0.00450 (0.00485)	-0.00617 (0.00558)
Constant	-0.00756** (0.00332)	-0.000331 (0.00331)	0.00483 (0.00333)	-0.0160*** (0.00340)	-0.000232 (0.00383)	-0.0134*** (0.00425)	-0.0086*** (0.00330)	-0.00196 (0.00309)
N	12,334	12,330	12,329	12,334	12,327	12,331	12,330	12,330
R-squared	0.003	0.004	0.006	0.009	0.001	0.001	0.001	0.002
Duration >2mths	0.64	0.57	0.07	0.93	0.41	0.30	0.01	0.25

Robust standard errors in parentheses *** p<0.01, ** p<0.05, * p<0.1

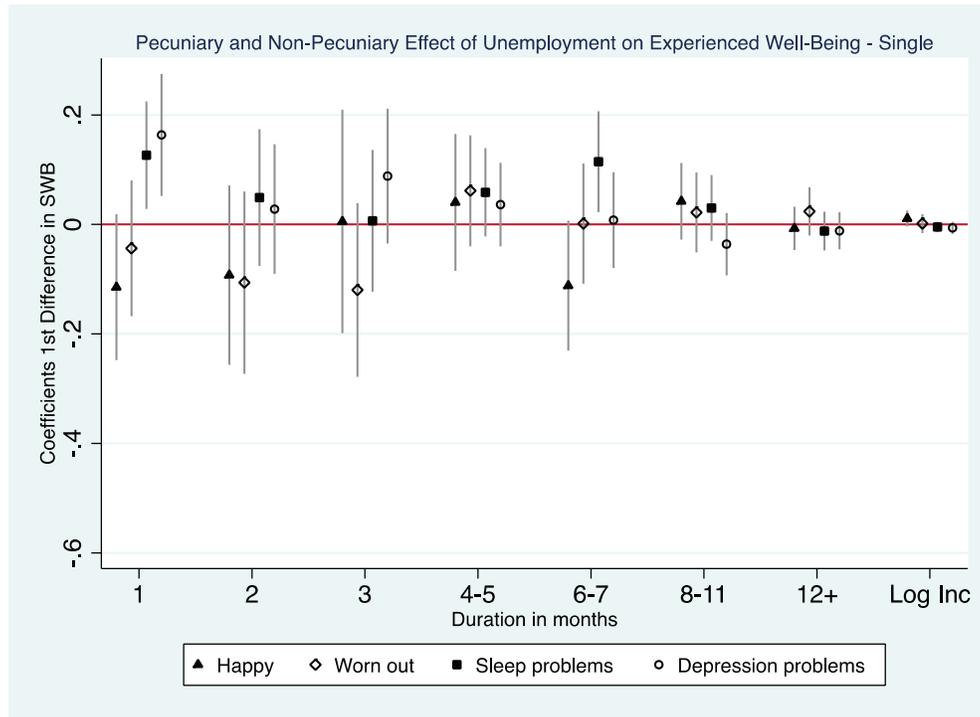
Note: RHS variables represent the duration of unemployment experienced by the respondent as well as the difference in household income. First difference model estimated through OLS with standard errors clustered at the individual level. Satisfaction with life, household income, own economic situation and job or daily activities are measured on a 5-point scale ranging from "Very dissatisfied" (1) to "Very satisfied" (5). Frequency of feeling happy or worn-out is measured on a 6-point scale ranging from "None of the time" (1) to "All of the time". Intensity of problems with sleep or depression is measured on a 5-point scale ranging from "None" (1) to "Extreme" (5). "Duration>2mths" refers to the significance level of a joint statistical significance test of all duration coefficients - excluding the first month of unemployment -, i.e. $H_0: \beta_2 = 0, \beta_3 = 0, \beta_{45} = 0, \beta_{67} = 0, \beta_{811} = 0, \beta_{12} = 0$ against H_a : at least one is nonzero.

Figure 10. Pecuniary and Non-Pecuniary Effects of Own Unemployment on Evaluative Well-Being for Single Individuals



Note: Line segments represent 95% confidence intervals. Graphs based on estimates from Table 4. "Log Inc" represents the first difference in log household income, while the rest of the x-axis refers to the coefficients of unemployment durations.

Figure 11. Pecuniary and Non-Pecuniary Effects of Own Unemployment on Experienced Well-Being for Single Individuals



Note: Line segments represent 95% confidence intervals. Graphs based on estimates from Table 4. "Log Inc" represents the first difference in log household income, while the rest of the x-axis refers to the coefficients of unemployment durations.

Table 5. Pecuniary and Non-Pecuniary Effects of Own Unemployment on SWB for Married Individuals

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	Δ Satisfaction with:				Δ Frequency of feeling:		Δ Intensity of problems:	
	Life	HH income	Econ. Situation	Job or other daily activities	Happy	Worn out	Sleep	Depression
1 Month	-0.135*** (0.0497)	-0.378*** (0.0579)	-0.246*** (0.0508)	-0.360*** (0.0573)	-0.112** (0.0554)	-0.0645 (0.0632)	0.127** (0.0530)	0.138*** (0.0486)
2 Months	0.0299 (0.0638)	-0.0659 (0.0601)	0.0265 (0.0662)	-0.0205 (0.0813)	0.0389 (0.0697)	-0.0739 (0.0688)	-0.0295 (0.0539)	-0.0495 (0.0595)
3 Months	-0.0211 (0.0705)	0.00924 (0.0695)	-0.0371 (0.0707)	-0.144* (0.0816)	7.48e-05 (0.0754)	-0.0198 (0.0771)	-0.0475 (0.0683)	0.00831 (0.0603)
4-5 Months	-0.0610 (0.0458)	-0.0288 (0.0492)	-0.0148 (0.0416)	0.0854 (0.0529)	-0.00611 (0.0543)	0.0555 (0.0598)	0.0487 (0.0470)	-0.0279 (0.0467)
6-7 Months	-0.0741 (0.0524)	0.0260 (0.0451)	-0.108* (0.0634)	0.0125 (0.0652)	0.00973 (0.0675)	-0.0630 (0.0689)	-0.00816 (0.0489)	-0.0370 (0.0528)
8-11 Months	0.0420 (0.0310)	0.121*** (0.0361)	0.134*** (0.0390)	0.0445 (0.0363)	-0.0402 (0.0420)	-0.0606 (0.0422)	0.0151 (0.0328)	0.0123 (0.0302)
1 Year +	-0.0202 (0.0199)	-0.0180 (0.0163)	-0.0749*** (0.0263)	-0.0468 (0.0304)	-0.00497 (0.0220)	0.000588 (0.0276)	0.000967 (0.0238)	-0.00625 (0.0259)
Δ Ln Income	0.00358 (0.00488)	0.00241 (0.00599)	0.00197 (0.00606)	0.00386 (0.00585)	-0.00217 (0.00660)	-0.00245 (0.00888)	0.00397 (0.00521)	-0.00372 (0.00542)
Constant	-0.00795*** (0.00197)	0.00111 (0.00206)	0.00776*** (0.00210)	-0.00368 (0.00224)	-0.000479 (0.00212)	-0.000430 (0.00266)	-0.00122 (0.00193)	0.000903 (0.00186)
N	23,050	23,052	23,051	23,056	23,051	23,056	23,057	23,056
R2	0.001	0.004	0.002	0.003	0.000	0.000	0.001	0.001
Duration >2mths	0.33	0.04	0.01	0.18	0.96	0.50	0.87	0.87

Robust standard errors in parentheses *** p<0.01, ** p<0.05, * p<0.1

Note: RHS variables represent the duration of unemployment experienced by the respondent as well as the difference in household income. First difference model estimated through OLS with standard errors clustered at the individual level. Satisfaction with life, household income, own economic situation and job or daily activities are measured on a 5-point scale ranging from "Very dissatisfied" (1) to "Very satisfied" (5). Frequency of feeling happy or worn-out is measured on a 6-point scale ranging from "None of the time" (1) to "All of the time". Intensity of problems with sleep or depression is measured on a 5-point scale ranging from "None" (1) to "Extreme" (5). "Duration>2mths" refers to the significance level of a joint statistical significance test of all duration coefficients - excluding the first month of unemployment -, i.e. $H_0: \beta_2 = 0, \beta_3 = 0, \beta_{45} = 0, \beta_{67} = 0, \beta_{811} = 0, \beta_{12} = 0$ against $H_a: \text{at least one is nonzero}$.

Figure 12. Pecuniary and Non-Pecuniary Effects of Own Unemployment on Evaluative Well-Being for Married Individuals

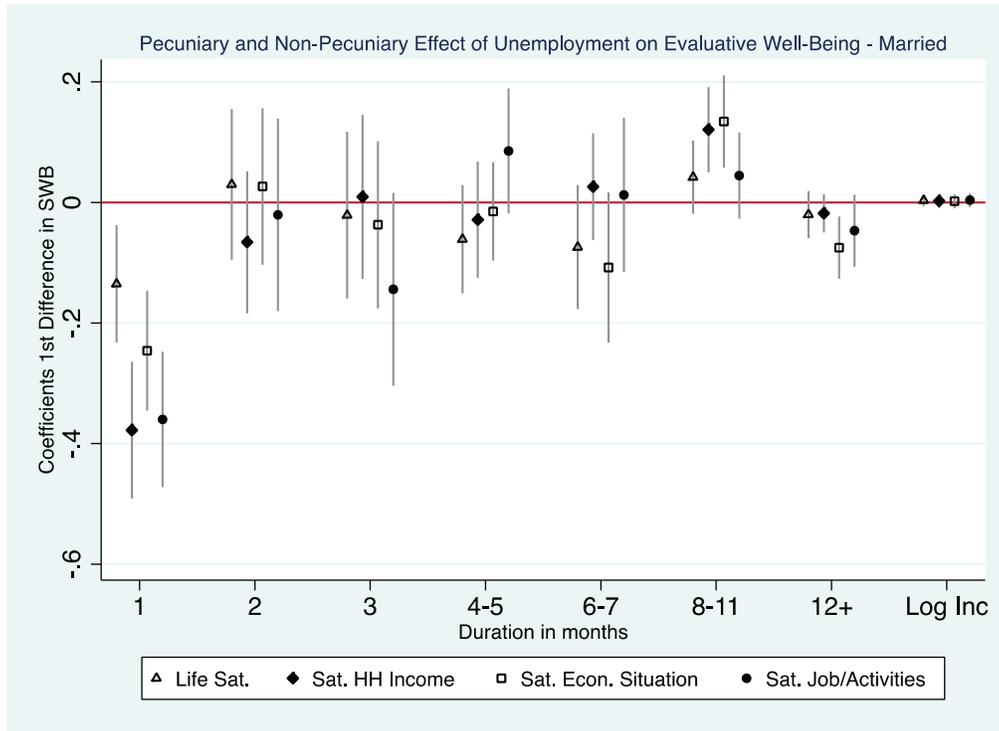
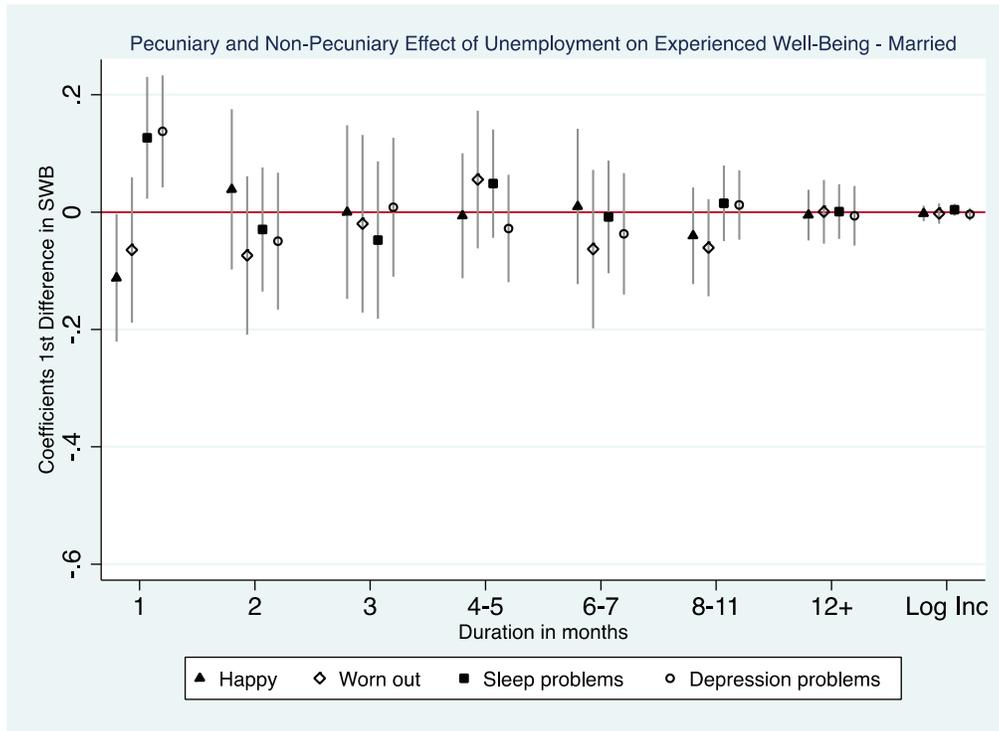


Figure 13. Pecuniary and Non-Pecuniary Effects of Own Unemployment on Experienced Well-Being for Married Individuals



Note: Line segments represent 95% confidence intervals. Graphs based on estimates from Table 5. "Log Inc" represents the log household income, while the rest of the x-axis refers to the coefficients of unemployment durations.

Table 6. Overall Effects of Spouse's Unemployment on SWB

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	Δ Satisfaction with:				Δ Frequency of feeling:		Δ Intensity of problems:	
	Life	HH income	Econ. Situation	Job or other daily activities	Happy	Worn out	Sleep	Depression
1 Month	-0.152*** (0.0455)	-0.283*** (0.0587)	-0.221*** (0.0515)	-0.0663 (0.0479)	-0.117** (0.0583)	-0.00994 (0.0641)	-0.0547 (0.0460)	0.0260 (0.0471)
2 Months	0.0522 (0.0498)	0.0204 (0.0564)	0.0146 (0.0602)	0.0313 (0.0619)	0.115* (0.0634)	0.0328 (0.0736)	-0.00772 (0.0566)	0.0248 (0.0521)
3 Months	-0.119* (0.0675)	-0.0563 (0.0509)	-0.0358 (0.0520)	-0.130** (0.0652)	-0.0518 (0.0756)	-0.0850 (0.0797)	0.0394 (0.0633)	-0.0433 (0.0653)
4-5 Months	0.0326 (0.0463)	-0.0608 (0.0524)	0.0190 (0.0494)	-0.0774* (0.0427)	-0.0634 (0.0676)	0.0241 (0.0540)	0.00433 (0.0475)	0.0863* (0.0522)
6-7 Months	-0.0817 (0.0540)	-0.0894* (0.0490)	-0.0191 (0.0369)	-0.113** (0.0463)	-0.0658 (0.0474)	0.00272 (0.0632)	0.0615 (0.0499)	0.115*** (0.0424)
8-11 Months	0.0191 (0.0399)	0.0189 (0.0333)	0.00551 (0.0415)	0.00120 (0.0426)	-0.0142 (0.0460)	-0.00480 (0.0458)	-0.00319 (0.0393)	0.00812 (0.0391)
1 Year +	-0.0105 (0.0373)	-0.00368 (0.0274)	-0.0533*** (0.0202)	-0.0136 (0.0335)	-0.0139 (0.0391)	0.0246 (0.0267)	-0.0176 (0.0195)	-0.00670 (0.0279)
Constant	-0.00405** (0.00193)	0.00368* (0.00204)	0.00953*** (0.00217)	-0.00120 (0.00211)	-0.000875 (0.00220)	-0.00272 (0.00261)	-0.00433** (0.00200)	-0.000599 (0.00188)
N	22,746	22,745	22,747	22,749	22,744	22,749	22,748	22,749
R2	0.001	0.003	0.001	0.001	0.001	0.000	0.000	0.000
Duration >2mths	0.37	0.24	0.19	0.01	0.33	0.92	0.75	0.04

Robust standard errors in parentheses *** p<0.01, ** p<0.05, * p<0.1

Note: RHS variables represent the duration of unemployment experienced by the respondent's spouse. First difference model estimated through OLS with standard errors clustered at the individual level. Satisfaction with life, household income, own economic situation and job or daily activities are measured on a 5-point scale ranging from "Very dissatisfied" (1) to "Very satisfied" (5). Frequency of feeling happy or worn-out is measured on a 6-point scale ranging from "None of the time" (1) to "All of the time". Intensity of problems with sleep or depression is measured on a 5-point scale ranging from "None" (1) to "Extreme" (5). "Duration>2mths" refers to the significance level of a joint statistical significance test of all duration coefficients - excluding the first month of unemployment -, i.e. $H_0: \beta_2 = 0, \beta_3 = 0, \beta_{45} = 0, \beta_{67} = 0, \beta_{811} = 0, \beta_{12} = 0$ against $H_a: \text{at least one is nonzero}$.

Figure 14. Overall Effects of Spouse's Unemployment on Evaluative Well-Being

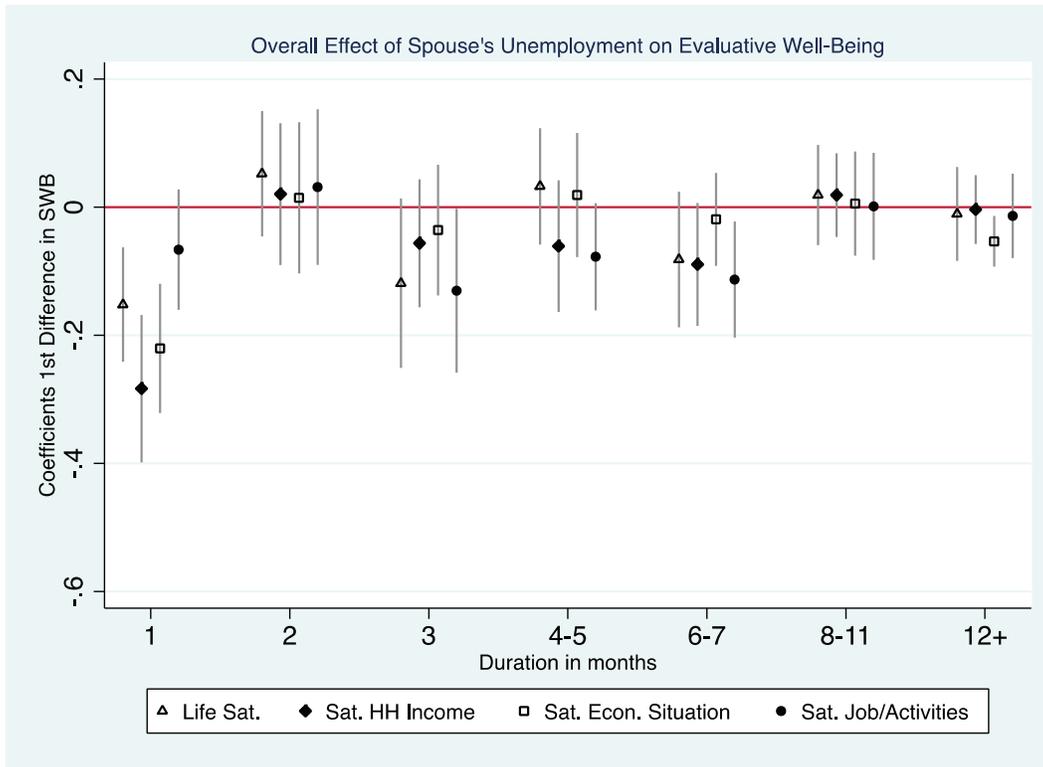
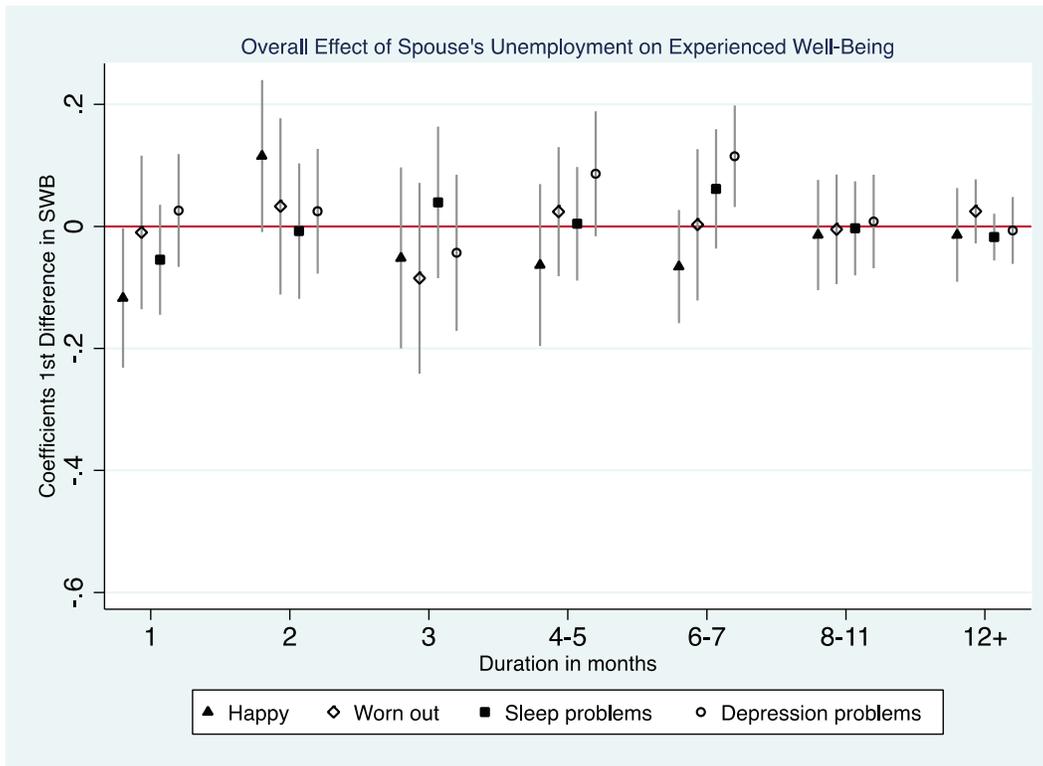


Figure 15. Overall Effects of Spouse's Unemployment on Experienced Well-Being



Note: Line segments represent 95% confidence intervals. Graphs based on estimates from Table 6. X-axis refers to the coefficients of unemployment durations.

Table 7. Pecuniary and Non-Pecuniary Effects of Spouse's Unemployment on SWB

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	Δ Satisfaction with:				Δ Frequency of feeling:		Δ Intensity of problems:	
	Life	HH income	Econ. Situation	Job or other daily activities	Happy	Worn out	Sleep	Depression
1 Month	-0.151*** (0.0455)	-0.281*** (0.0589)	-0.219*** (0.0514)	-0.0673 (0.0479)	-0.118** (0.0584)	-0.00962 (0.0642)	-0.0547 (0.0460)	0.0258 (0.0471)
2 Months	0.0536 (0.0499)	0.0244 (0.0565)	0.0178 (0.0603)	0.0296 (0.0620)	0.115* (0.0633)	0.0334 (0.0738)	-0.00762 (0.0567)	0.0244 (0.0522)
3 Months	-0.119* (0.0676)	-0.0572 (0.0510)	-0.0365 (0.0519)	-0.130** (0.0653)	-0.0516 (0.0756)	-0.0851 (0.0797)	0.0394 (0.0633)	-0.0432 (0.0653)
4-5 Months	0.0326 (0.0464)	-0.0609 (0.0524)	0.0190 (0.0492)	-0.0773* (0.0426)	-0.0634 (0.0676)	0.0241 (0.0540)	0.00433 (0.0475)	0.0863* (0.0522)
6-7 Months	-0.0821 (0.0541)	-0.0906* (0.0491)	-0.0200 (0.0372)	-0.113** (0.0463)	-0.0656 (0.0474)	0.00255 (0.0632)	0.0614 (0.0499)	0.115*** (0.0423)
8-11 Months	0.0194 (0.0400)	0.0199 (0.0330)	0.00631 (0.0415)	0.000758 (0.0426)	-0.0143 (0.0461)	-0.00466 (0.0458)	-0.00317 (0.0393)	0.00800 (0.0390)
1 Year +	-0.0106 (0.0374)	-0.00391 (0.0272)	-0.0535*** (0.0202)	-0.0135 (0.0336)	-0.0139 (0.0392)	0.0246 (0.0268)	-0.0176 (0.0195)	-0.00667 (0.0279)
Δ Ln Income	0.00397 (0.00526)	0.0117* (0.00602)	0.00926 (0.00571)	-0.00505 (0.00653)	-0.00215 (0.00771)	0.00167 (0.00814)	0.000282 (0.00554)	-0.00134 (0.00554)
Constant	-0.0041** (0.00193)	0.0036* (0.00204)	0.0095*** (0.00217)	-0.00116 (0.00211)	-0.000859 (0.00220)	-0.00273 (0.00262)	-0.00433** (0.00200)	-0.000588 (0.00188)
N	22,746	22,745	22,747	22,749	22,744	22,749	22,748	22,749
R2	0.001	0.003	0.001	0.001	0.001	0.000	0.000	0.000
Duration >2mths	0.36	0.23	0.19	0.01	0.33	0.92	0.75	0.04

Robust standard errors in parentheses *** p<0.01, ** p<0.05, * p<0.1

Note: RHS variables represent the duration of unemployment experienced by the respondent's spouse as well as household income. First difference model estimated through OLS with standard errors clustered at the individual level. Satisfaction with life, household income, own economic situation and job or daily activities are measured on a 5-point scale ranging from "Very dissatisfied" (1) to "Very satisfied" (5). Frequency of feeling happy or worn-out is measured on a 6-point scale ranging from "None of the time" (1) to "All of the time". Intensity of problems with sleep or depression is measured on a 5-point scale ranging from "None" (1) to "Extreme" (5). "Duration>2mths" refers to the significance level of a joint statistical significance test of all duration coefficients - excluding the first month of unemployment -, i.e. $H_0: \beta_2 = 0, \beta_3 = 0, \beta_{45} = 0, \beta_{67} = 0, \beta_{811} = 0, \beta_{12} = 0$ against $H_a: \text{at least one is nonzero}$.

Figure 16. Pecuniary and Non-Pecuniary Effects of Spouse's Unemployment on Evaluative Well-Being

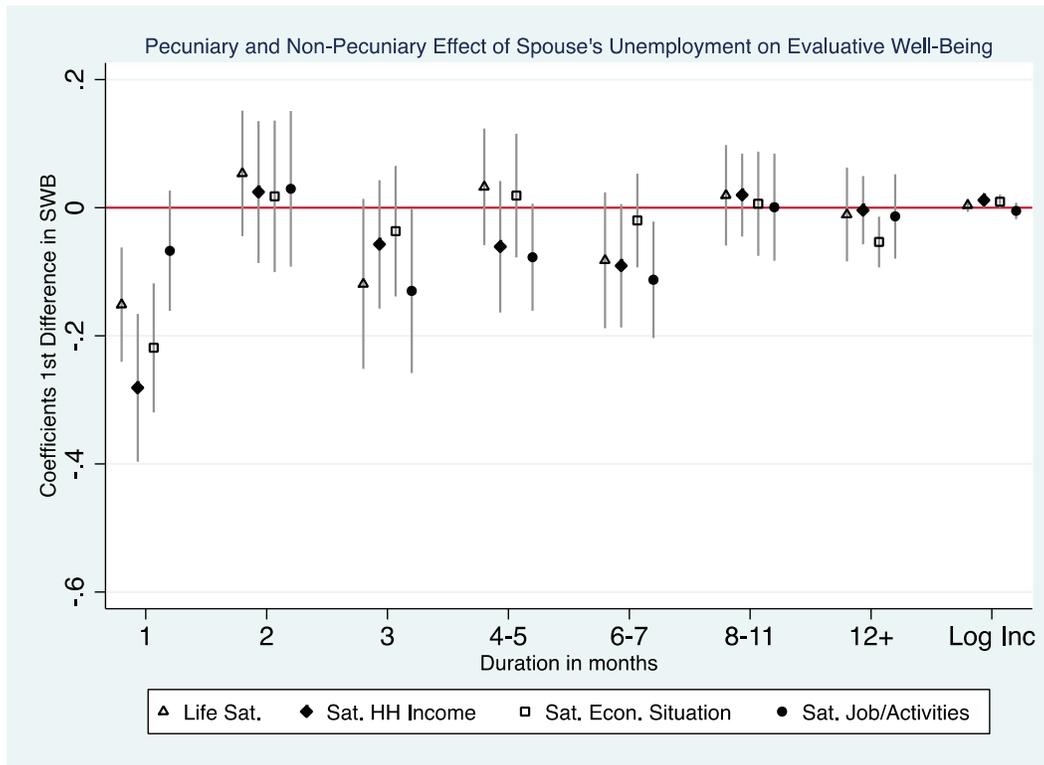
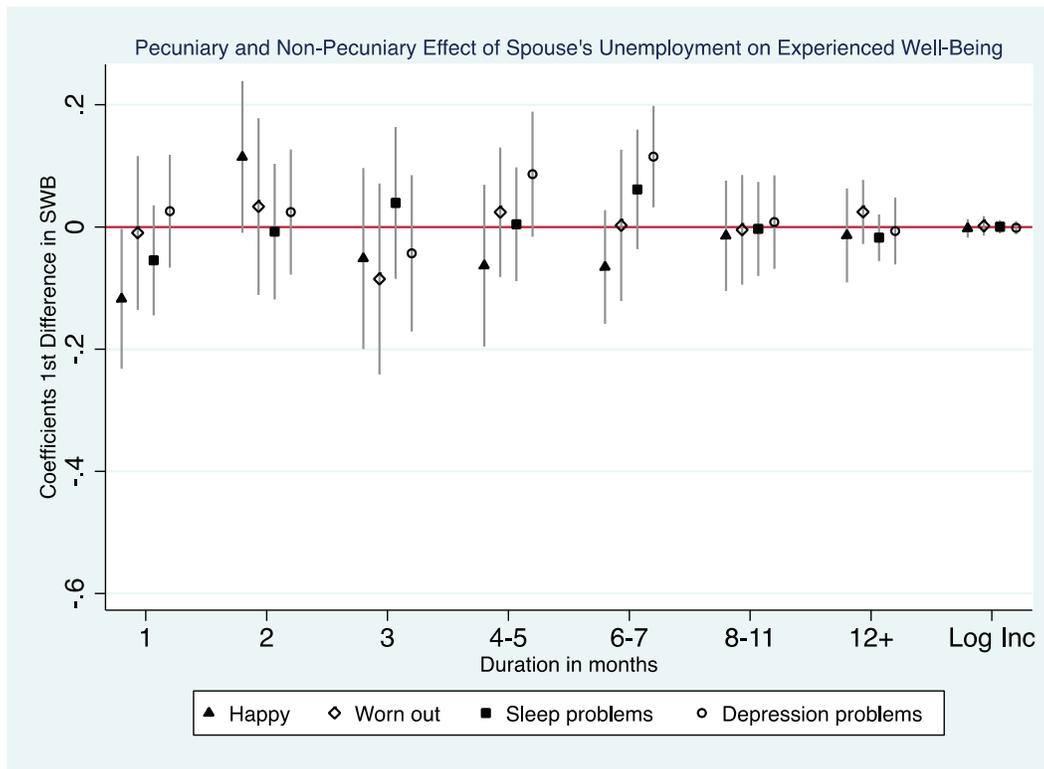


Figure 17. Pecuniary and Non-Pecuniary Effects of Spouse's Unemployment on Experienced Well-Being



Note: Line segments represent 95% confidence intervals. Graphs based on estimates from Table 7. Note: "Log Inc" represents the log household income, while the rest of the x-axis refers to the coefficients of unemployment durations.

Table 8. Overall Effects of Own Reemployment on SWB for Single Individuals

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	Δ Satisfaction with:				Δ Frequency of feeling:		Δ Intensity of problems:	
	Life	HH income	Econ. Situation	Job or other daily activities	Happy	Worn out	Sleep	Depression
1 Month * 1 U	0.271** (0.108)	0.325*** (0.115)	0.250** (0.109)	0.560*** (0.145)	0.177 (0.118)	0.064 (0.126)	-0.076 (0.086)	-0.045 (0.099)
1 Month * 2-6 U	0.412*** (0.124)	0.626*** (0.132)	0.471*** (0.125)	0.788*** (0.154)	0.226 (0.178)	0.318** (0.147)	-0.088 (0.113)	-0.282** (0.119)
1 Month * 6+ U	0.491*** (0.097)	0.750*** (0.108)	0.537*** (0.094)	1.050*** (0.107)	0.345*** (0.100)	-0.014 (0.090)	-0.120 (0.081)	-0.194*** (0.069)
2 Months	-0.043 (0.058)	-0.050 (0.065)	0.049 (0.069)	-0.108* (0.063)	-0.039 (0.079)	0.088 (0.084)	-0.086 (0.062)	-0.042 (0.055)
3 Months	0.008 (0.058)	-0.005 (0.056)	0.031 (0.064)	0.066 (0.057)	0.049 (0.095)	-0.055 (0.087)	0.041 (0.061)	-0.009 (0.054)
4-5 Months	-0.042 (0.051)	0.105** (0.042)	0.015 (0.043)	-0.023 (0.049)	0.070 (0.052)	0.063 (0.057)	-0.045 (0.049)	-0.034 (0.048)
6-7 Months	-0.015 (0.049)	-0.044 (0.040)	-0.010 (0.048)	-0.089* (0.049)	-0.009 (0.059)	-0.036 (0.065)	-0.049 (0.048)	0.092* (0.050)
8-11 Months	0.005 (0.027)	0.003 (0.029)	-0.004 (0.033)	-0.025 (0.029)	-0.016 (0.043)	0.024 (0.039)	0.014 (0.037)	-0.028 (0.032)
1 Year	-0.033 (0.025)	-0.002 (0.025)	0.001 (0.022)	-0.001 (0.027)	0.029 (0.026)	0.047 (0.030)	-0.062** (0.026)	0.036 (0.024)
Constant	0.009 (0.016)	-0.012 (0.010)	-0.015 (0.011)	-0.016 (0.015)	-0.016 (0.019)	-0.020 (0.018)	0.018 (0.013)	0.001 (0.013)
N	2,357	2,356	2,357	2,357	2,357	2,357	2,357	2,355
R2	0.03	0.07	0.03	0.09	0.01	0.00	0.00	0.01
Duration >2mths	0.13	0.28	0.96	0.21	0.69	0.65	0.22	0.30
1 Mth*1 U=1 Mth*2-6 U	0.36	0.07	0.17	0.30	0.82	0.18	0.94	0.12
1 Mth*1 U=1 Mth*6+ U	0.13	0.01	0.05	0.01	0.28	0.59	0.70	0.21
1 Mth*6+ U=1 Mth*2-6 U	0.61	0.46	0.67	0.13	0.58	0.04	0.82	0.52

Robust standard errors in parentheses *** p<0.01, ** p<0.05, * p<0.1

Note: RHS variables represent the duration of reemployment experienced by the respondent, with the onset of reemployment interacted with prior unemployment lengths (1 month, 2 to 6 months, and 6 months or more). For instance, "1 Month * 1 U" refers to 1 month of reemployment interacted with 1 month of prior unemployment length for the respondent. First difference model estimated through OLS with standard errors clustered at the individual level. Satisfaction with life, household income, own economic situation and job or daily activities are measured on a 5-point scale ranging from "Very dissatisfied" (1) to "Very satisfied" (5). Frequency of feeling happy or worn-out is measured on a 6-point scale ranging from "None of the time" (1) to "All of the time". Intensity of problems with sleep or depression is measured on a 5-point scale ranging from "None" (1) to "Extreme" (5). "Duration>2mths" refers to the significance level of a joint statistical significance test of all duration coefficients - excluding the first month of reemployment -, i.e. $H_0: \beta_2 = 0, \beta_3 = 0, \beta_{45} = 0, \beta_{67} = 0, \beta_{811} = 0, \beta_{12} = 0$ against $H_a: \text{at least one is nonzero}$. "1 Mth*1 U=1 Mth*2-6 U" refers to the significance level of a test of equality of coefficients between the coefficients for the interaction of 1 month of prior unemployment with 1 month of reemployment and the interaction of 2-6 months of prior unemployment with 1 month of reemployment. "1 Mth*1 U=1 Mth*6+ U" refers to the significance level of a test of equality of coefficients between the coefficients for the interaction of 1 month of prior unemployment with 1 month of reemployment and the interaction of 6+ months of prior unemployment with 1 month of reemployment. "1 Mth*6+ U=1 Mth*2-6 U" refers to the significance level of a test of equality of coefficients between the coefficients for the interaction of 6+ months of prior unemployment with 1 month of reemployment and the interaction of 2-6 months of prior unemployment with 1 month of reemployment.

Figure 18. Overall Effects of Own Reemployment on Evaluative Well-Being for Single Individuals

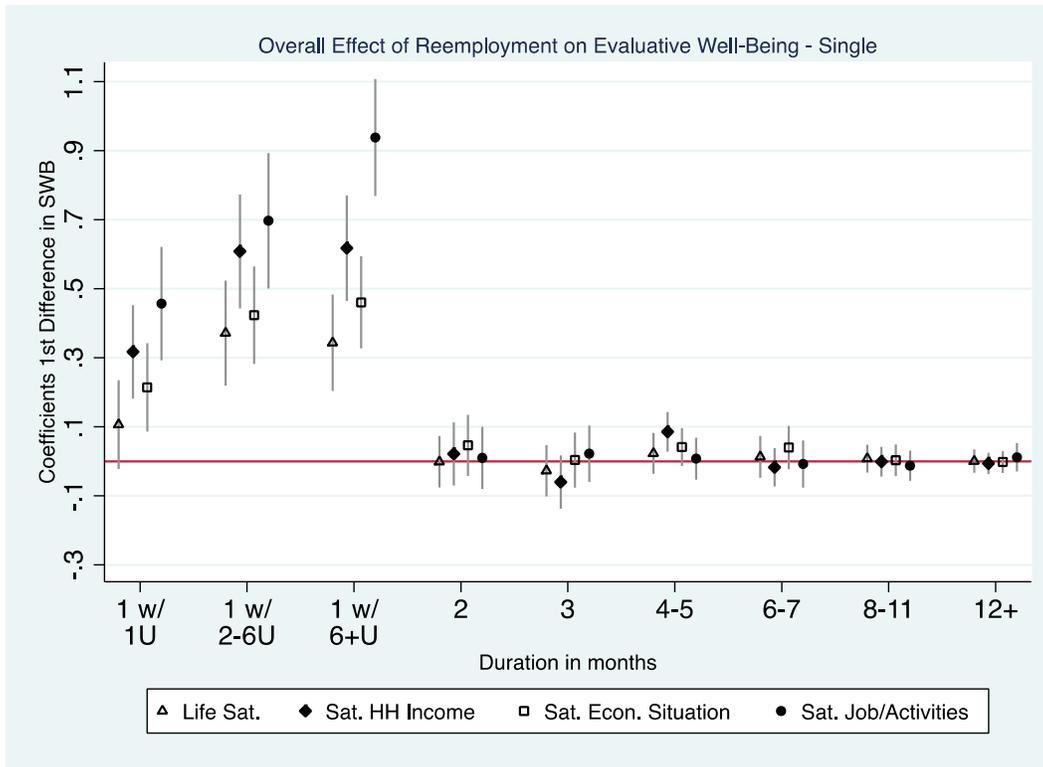
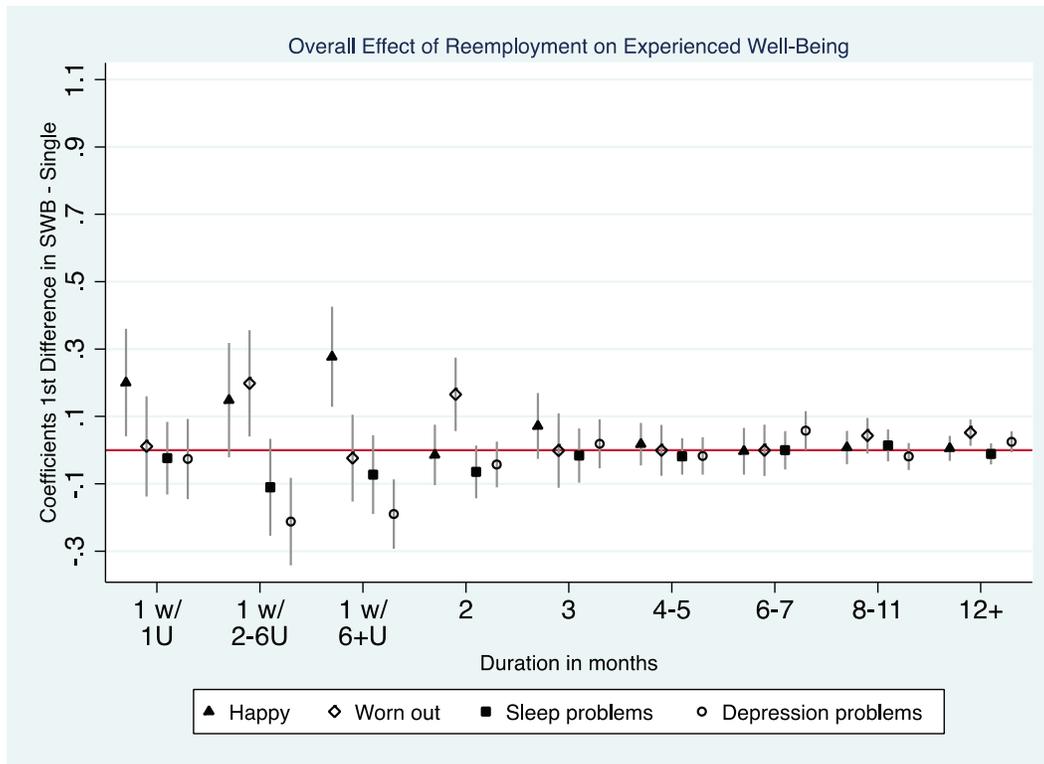


Figure 19. Overall Effects of Own Reemployment on Experienced Well-Being for Single Individuals



Note: Line segments represent 95% confidence intervals. Graph based on estimates from Table 8. X-axis displays the duration of reemployment, as well as the interactions between onset of reemployment and prior unemployment length.

Table 9. Overall Effects of Own Reemployment on SWB for Married Individuals

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	Δ Satisfaction with:				Δ Frequency of feeling:		Δ Intensity of problems:	
	Life	HH income	Econ. Situation	Job or other daily activities	Happy	Worn out	Sleep	Depression
1 Month * 1 U	-0.001 (0.077)	0.309*** (0.085)	0.186** (0.080)	0.384*** (0.098)	0.217* (0.111)	-0.025 (0.093)	0.021 (0.071)	-0.009 (0.076)
1 Month * 2-6 U	0.356*** (0.099)	0.593*** (0.110)	0.389*** (0.087)	0.639*** (0.131)	0.096 (0.079)	0.121 (0.090)	-0.117 (0.097)	-0.162** (0.077)
1 Month * 6+ U	0.129 (0.095)	0.426*** (0.103)	0.350*** (0.094)	0.777*** (0.139)	0.179 (0.112)	-0.037 (0.092)	-0.006 (0.087)	-0.185** (0.082)
2 Months	0.041 (0.050)	0.073 (0.065)	0.042 (0.060)	0.101 (0.064)	0.004 (0.054)	0.226*** (0.074)	-0.041 (0.053)	-0.040 (0.045)
3 Months	-0.042 (0.050)	-0.104* (0.055)	-0.019 (0.053)	-0.008 (0.059)	0.088* (0.050)	0.040 (0.073)	-0.050 (0.055)	0.043 (0.052)
4-5 Months	0.078** (0.036)	0.069* (0.040)	0.056 (0.037)	0.030 (0.041)	-0.018 (0.039)	-0.041 (0.050)	0.007 (0.032)	-0.002 (0.036)
6-7 Months	0.045 (0.039)	0.000 (0.039)	0.075* (0.042)	0.055 (0.048)	0.001 (0.044)	0.028 (0.048)	0.043 (0.036)	0.035 (0.035)
8-11 Months	0.021 (0.031)	-0.007 (0.033)	0.005 (0.034)	-0.001 (0.033)	0.025 (0.030)	0.059 (0.037)	0.021 (0.032)	-0.008 (0.028)
1 Year	0.036 (0.024)	-0.012 (0.023)	-0.007 (0.024)	0.023 (0.029)	-0.013 (0.026)	0.058** (0.026)	0.033 (0.021)	0.020 (0.023)
Constant	-0.031* (0.018)	-0.000 (0.016)	-0.005 (0.016)	-0.023 (0.017)	-0.015 (0.017)	-0.028 (0.018)	-0.011 (0.015)	-0.012 (0.018)
N	2,528	2,526	2,528	2,528	2,528	2,528	2,528	2,526
R2	0.01	0.04	0.02	0.04	0.01	0.01	0.00	0.01
Duration >2mths	0.33	0.35	0.18	0.67	0.62	0.03	0.25	0.63
1 Mth*1 U=1 Mth*2-6 U	0.00	0.03	0.07	0.10	0.35	0.24	0.24	0.14
1 Mth*1 U=1 Mth*6+ U	0.27	0.37	0.19	0.02	0.80	0.92	0.80	0.11
1 Mth*6+ U=1 Mth*2-6 U	0.09	0.23	0.74	0.46	0.54	0.21	0.41	0.83

Robust standard errors in parentheses *** p<0.01, ** p<0.05, * p<0.1

Note: RHS variables represent the duration of reemployment experienced by the respondent, with the onset of reemployment interacted with prior unemployment lengths (1 month, 2 to 6 months, and 6 months or more). For instance, "1 Month * 1 U" refers to 1 month of reemployment interacted with 1 month of prior unemployment length for the respondent. First difference model estimated through OLS with standard errors clustered at the individual level. Satisfaction with life, household income, own economic situation and job or daily activities are measured on a 5-point scale ranging from "Very dissatisfied" (1) to "Very satisfied" (5). Frequency of feeling happy or worn-out is measured on a 6-point scale ranging from "None of the time" (1) to "All of the time". Intensity of problems with sleep or depression is measured on a 5-point scale ranging from "None" (1) to "Extreme" (5). "Duration>2mths" refers to the significance level of a joint statistical significance test of all duration coefficients - excluding the first month of reemployment -, i.e. $H_0: \beta_2 = 0, \beta_3 = 0, \beta_{45} = 0, \beta_{67} = 0, \beta_{811} = 0, \beta_{12} = 0$ against $H_a: \text{at least one is nonzero}$. "1 Mth*1 U=1 Mth*2-6 U" refers to the significance level of a test of equality of coefficients between the coefficients for the interaction of 1 month of prior unemployment with 1 month of reemployment and the interaction of 2-6 months of prior unemployment with 1 month of reemployment. "1 Mth*1 U=1 Mth*6+ U" refers to the significance level of a test of equality of coefficients between the coefficients for the interaction of 1 month of prior unemployment with 1 month of reemployment and the interaction of 6+ months of prior unemployment with 1 month of reemployment. "1 Mth*6+ U=1 Mth*2-6 U" refers to the significance level of a test of equality of coefficients between the coefficients for the interaction of 6+ months of prior unemployment with 1 month of reemployment and the interaction of 2-6 months of prior unemployment with 1 month of reemployment.

Figure 20. Overall Effects of Own Reemployment on Evaluative Well-Being for Married Individuals

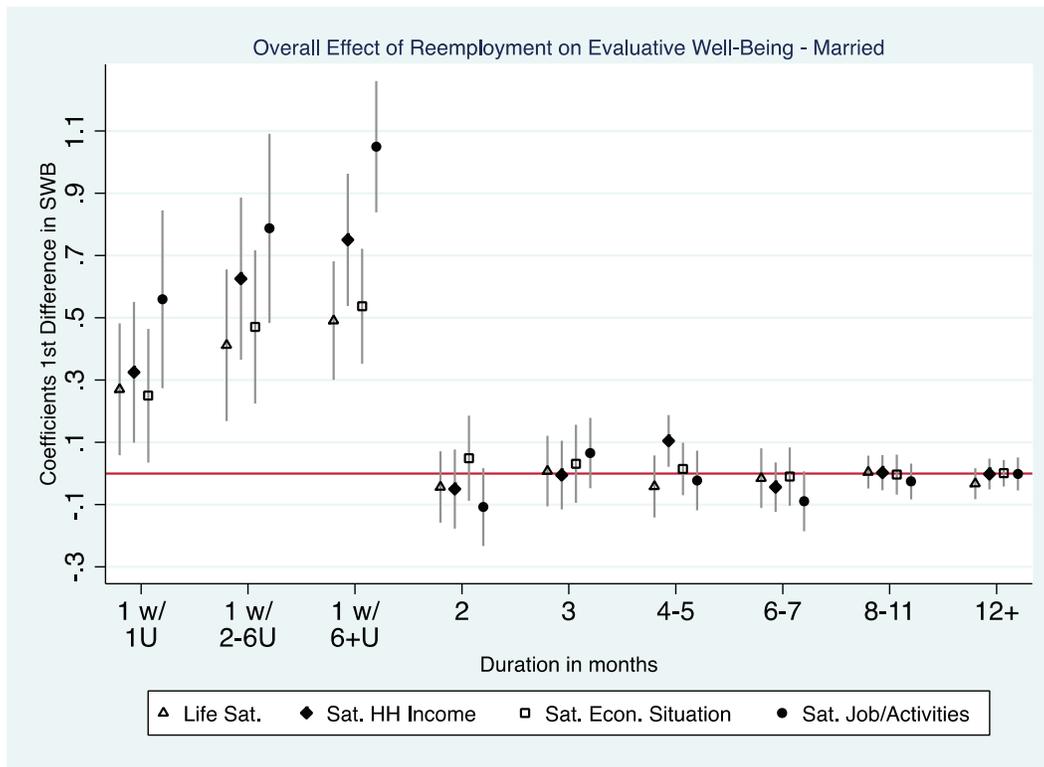
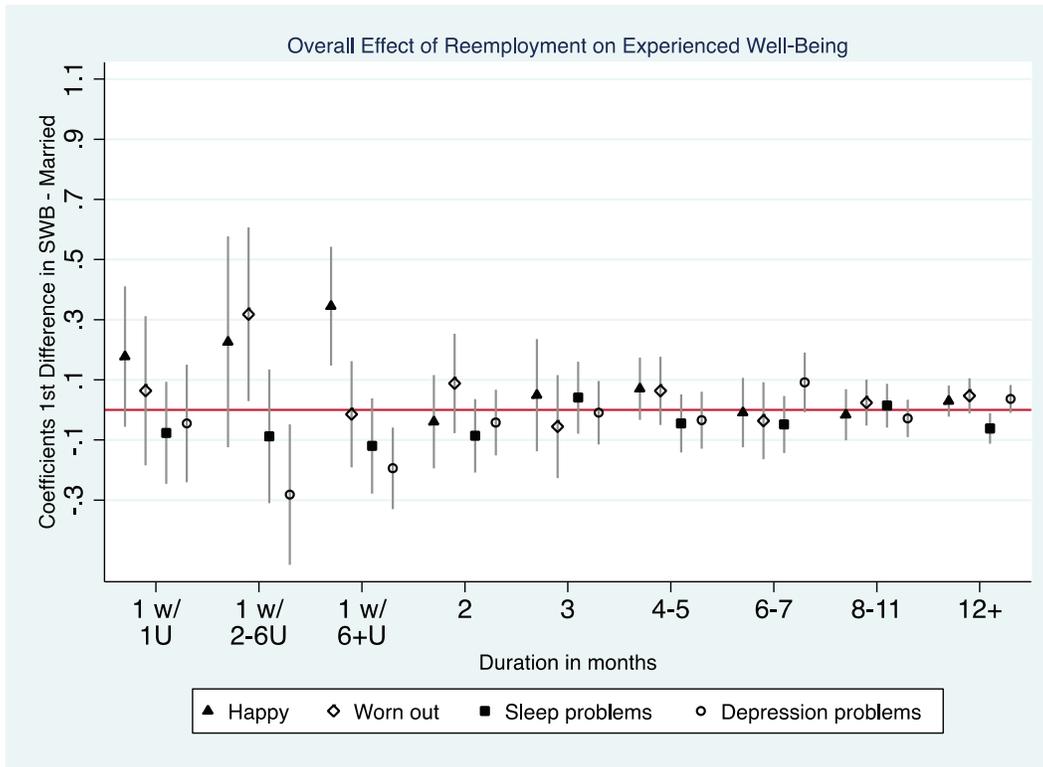


Figure 21. Overall Effects of Own Reemployment on Experienced Well-Being for Married Individuals



Note: Line segments represent 95% confidence intervals. Graph based on estimates from Table 9. X-axis displays the duration of reemployment, as well as the interactions between onset of reemployment and prior unemployment length.

Table 10. Pecuniary and Non-Pecuniary Effects of Own Reemployment on SWB for Single Individuals

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	Δ Satisfaction with:				Δ Frequency of feeling:		Δ Intensity of problems:	
	Life	HH income	Econ. Situation	Job or other daily activities	Happy	Worn out	Sleep	Depression
1 Month * 1 U	0.262** (0.107)	0.313*** (0.115)	0.236** (0.107)	0.547*** (0.145)	0.170 (0.118)	0.063 (0.126)	-0.073 (0.086)	-0.041 (0.100)
1 Month * 2-6 U	0.396*** (0.125)	0.606*** (0.132)	0.443*** (0.123)	0.762*** (0.156)	0.213 (0.179)	0.316** (0.145)	-0.082 (0.114)	-0.274** (0.119)
1 Month * 6+ U	0.487*** (0.096)	0.746*** (0.108)	0.531*** (0.094)	1.044*** (0.107)	0.342*** (0.100)	-0.015 (0.090)	-0.118 (0.080)	-0.192*** (0.069)
2 Months	-0.063 (0.060)	-0.073 (0.065)	0.016 (0.069)	-0.138** (0.065)	-0.055 (0.081)	0.086 (0.085)	-0.079 (0.062)	-0.033 (0.056)
3 Months	0.003 (0.058)	-0.011 (0.056)	0.023 (0.064)	0.058 (0.057)	0.045 (0.095)	-0.056 (0.087)	0.043 (0.061)	-0.007 (0.053)
4-5 Months	-0.042 (0.051)	0.104** (0.042)	0.013 (0.043)	-0.024 (0.049)	0.070 (0.053)	0.063 (0.057)	-0.045 (0.049)	-0.034 (0.048)
6-7 Months	-0.018 (0.049)	-0.048 (0.040)	-0.015 (0.048)	-0.094* (0.049)	-0.012 (0.058)	-0.036 (0.065)	-0.047 (0.048)	0.093* (0.050)
8-11 Months	0.001 (0.027)	-0.001 (0.028)	-0.009 (0.033)	-0.031 (0.029)	-0.019 (0.043)	0.024 (0.039)	0.016 (0.037)	-0.027 (0.031)
1 Year	-0.035 (0.025)	-0.005 (0.025)	-0.003 (0.022)	-0.005 (0.027)	0.027 (0.026)	0.047 (0.030)	-0.061** (0.026)	0.038 (0.023)
Δ Ln Income	0.017* (0.010)	0.020** (0.008)	0.029*** (0.010)	0.026** (0.011)	0.014 (0.011)	0.002 (0.012)	-0.006 (0.007)	-0.007 (0.009)
Constant	0.011 (0.016)	-0.009 (0.010)	-0.011 (0.011)	-0.013 (0.015)	-0.014 (0.019)	-0.019 (0.018)	0.017 (0.013)	0.000 (0.013)
N	2,357	2,356	2,357	2,357	2,357	2,357	2,357	2,355
R2	0.031	0.072	0.037	0.095	0.010	0.004	0.004	0.011
Duration >2mths	0.81	0.21	0.99	0.13	0.68	0.66	0.24	0.30
1 Mth*1 U=1 Mth*2-6 U	0.39	0.08	0.19	0.33	0.84	0.18	0.96	0.12
1 Mth*1 U=1 Mth*6+ U	0.12	0.01	0.04	0.01	0.27	0.60	0.69	0.21
1 Mth*6+ U=1 Mth*2-6 U	0.55	0.41	0.58	0.11	0.55	0.04	0.79	0.55

Robust standard errors in parentheses *** p<0.01, ** p<0.05, * p<0.1

Note: RHS variables represent the duration of reemployment experienced by the respondent as well as household income, with the onset of reemployment interacted with prior unemployment lengths (1 month, 2 to 6 months, and 6 months or more). For instance, "1 Month * 1 U" refers to 1 month of reemployment interacted with 1 month of prior unemployment length for the respondent. First difference model estimated through OLS with standard errors clustered at the individual level. Satisfaction with life, household income, own economic situation and job or daily activities are measured on a 5-point scale ranging from "Very dissatisfied" (1) to "Very satisfied" (5). Frequency of feeling happy or worn-out is measured on a 6-point scale ranging from "None of the time" (1) to "All of the time". Intensity of problems with sleep or depression is measured on a 5-point scale ranging from "None" (1) to "Extreme" (5). "Duration>2mths" refers to the significance level of a joint statistical significance test of all duration coefficients - excluding the first month of reemployment -, i.e. $H_0: \beta_2 = 0, \beta_3 = 0, \beta_{45} = 0, \beta_{67} = 0, \beta_{811} = 0, \beta_{12} = 0$ against $H_a: \text{at least one is nonzero}$. "1 Mth*1 U=1 Mth*2-6 U" refers to the significance level of a test of equality of coefficients between the coefficients for the interaction of 1 month of prior unemployment with 1 month of reemployment and the interaction of 2-6 months of prior unemployment with 1 month of reemployment. "1 Mth*1 U=1 Mth*6+ U" refers to the significance level of a test of equality of coefficients between the coefficients for the interaction of 1 month of prior unemployment with 1 month of reemployment and the interaction of 6+ months of prior unemployment with 1 month of reemployment. "1 Mth*6+ U=1 Mth*2-6 U" refers to the significance level of a test of equality of coefficients between the coefficients for the interaction of 6+ months of prior unemployment with 1 month of reemployment and the interaction of 2-6 months of prior unemployment with 1 month of reemployment.

Figure 22. Pecuniary and Non-Pecuniary Effects of Own Reemployment on Evaluative Well-Being for Single Individuals

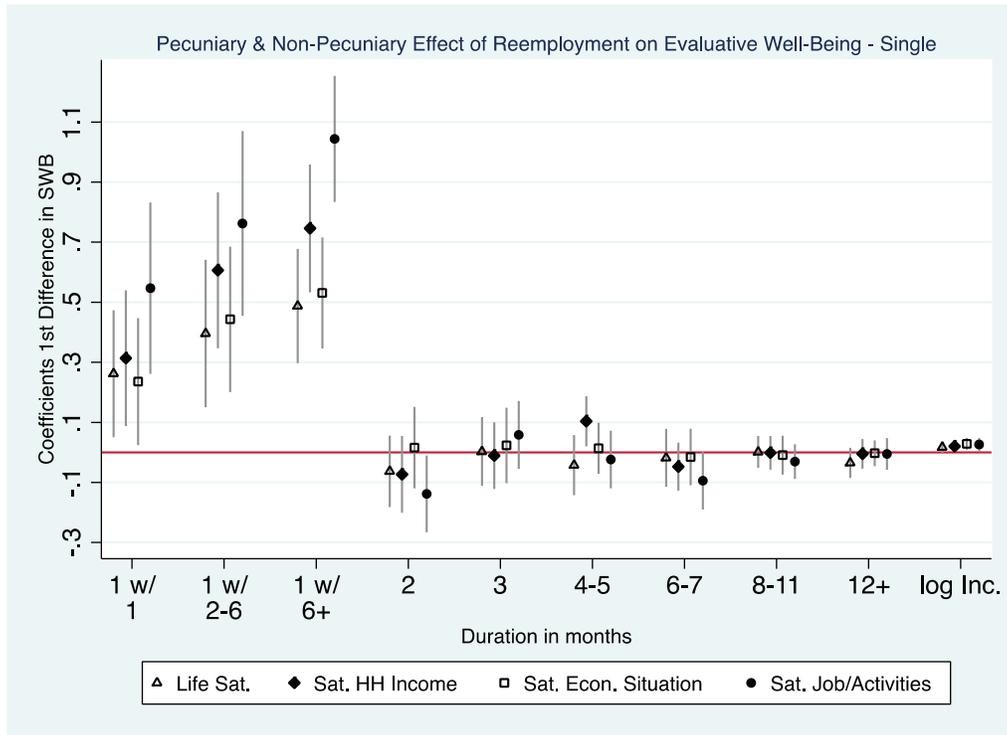
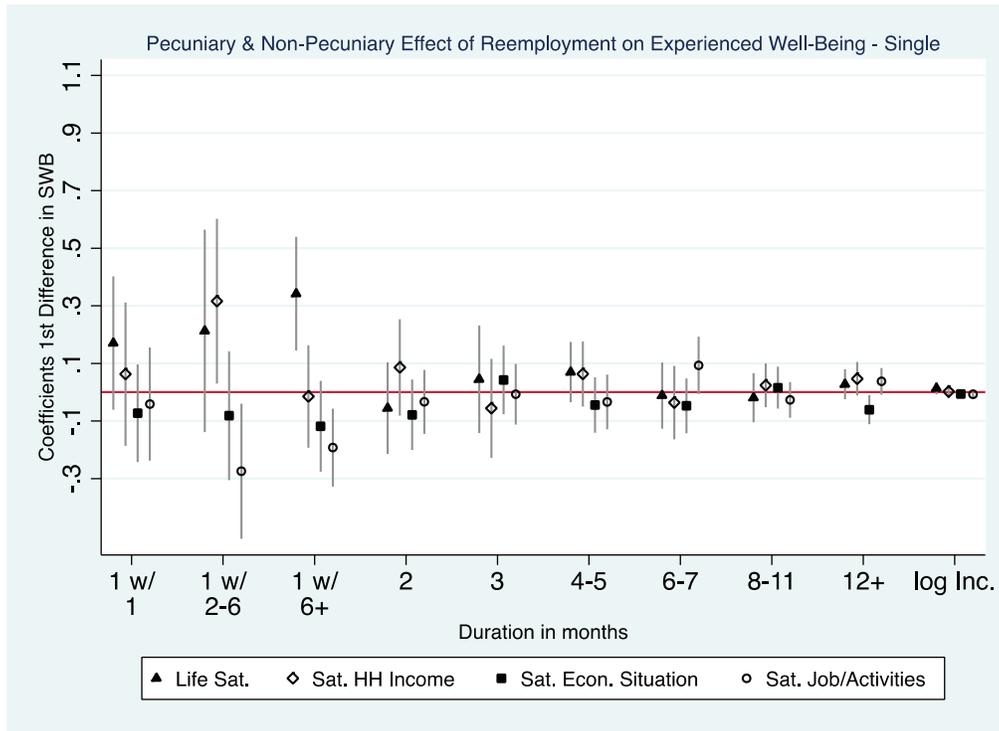


Figure 23. Pecuniary and Non-Pecuniary Effects of Own Reemployment on Experienced Well-Being for Single Individuals



Note: Line segments represent 95% confidence intervals. Graph based on estimates from Table 10. "Log Inc" represents the log household income, while the rest of the x-axis displays the duration of reemployment, as well as the interactions between onset of reemployment and prior unemployment length.

Table 11. Pecuniary and Non-Pecuniary Effects of Own Reemployment on SWB for Married Individuals

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	Δ Satisfaction with:				Δ Frequency of feeling:		Δ Intensity of problems:	
	Life	HH income	Econ. Situation	Job or other daily activities	Happy	Worn out	Sleep	Depression
1 Month * 1 U	-0.005 (0.076)	0.305*** (0.085)	0.184** (0.080)	0.383*** (0.097)	0.218* (0.111)	-0.027 (0.093)	0.019 (0.072)	-0.008 (0.076)
1 Month * 2-6 U	0.347*** (0.099)	0.586*** (0.110)	0.385*** (0.087)	0.636*** (0.131)	0.099 (0.079)	0.117 (0.089)	-0.123 (0.097)	-0.160** (0.077)
1 Month * 6+ U	0.123 (0.096)	0.422*** (0.104)	0.347*** (0.094)	0.775*** (0.139)	0.181 (0.111)	-0.040 (0.093)	-0.010 (0.086)	-0.183** (0.082)
2 Months	0.030 (0.051)	0.065 (0.068)	0.037 (0.063)	0.097 (0.064)	0.007 (0.054)	0.222*** (0.075)	-0.048 (0.054)	-0.037 (0.045)
3 Months	-0.044 (0.050)	-0.105* (0.054)	-0.020 (0.053)	-0.008 (0.059)	0.088* (0.050)	0.040 (0.073)	-0.051 (0.055)	0.043 (0.052)
4-5 Months	0.077** (0.036)	0.068* (0.040)	0.056 (0.037)	0.030 (0.041)	-0.018 (0.039)	-0.041 (0.050)	0.006 (0.032)	-0.002 (0.035)
6-7 Months	0.043 (0.040)	-0.002 (0.040)	0.074* (0.042)	0.055 (0.047)	0.001 (0.044)	0.027 (0.048)	0.042 (0.036)	0.036 (0.035)
8-11 Months	0.018 (0.031)	-0.009 (0.033)	0.004 (0.034)	-0.002 (0.033)	0.026 (0.030)	0.058 (0.037)	0.020 (0.033)	-0.008 (0.028)
1 Year	0.034 (0.024)	-0.014 (0.023)	-0.008 (0.024)	0.022 (0.029)	-0.012 (0.026)	0.057** (0.026)	0.032 (0.021)	0.020 (0.023)
Δ Ln Income	0.022 (0.014)	0.016 (0.019)	0.010 (0.019)	0.008 (0.012)	-0.006 (0.017)	0.009 (0.018)	0.013 (0.012)	-0.006 (0.014)
Constant	-0.029 (0.018)	0.001 (0.016)	-0.004 (0.016)	-0.022 (0.017)	-0.015 (0.017)	-0.027 (0.018)	-0.009 (0.015)	-0.013 (0.018)
N	2,528	2,526	2,528	2,528	2,528	2,528	2,528	2,526
R2	0.01	0.04	0.02	0.04	0.01	0.01	0.00	0.01
Duration >2mths	0.37	0.38	0.18	0.69	0.61	0.04	0.24	0.65
1 Mth*1 U=1 Mth*2-6 U	0.00	0.04	0.08	0.11	0.36	0.25	0.24	0.15
1 Mth*1 U=1 Mth*6+ U	0.28	0.38	0.19	0.02	0.81	0.92	0.80	0.11
1 Mth*6+ U=1 Mth*2-6 U	0.09	0.24	0.75	0.46	0.54	0.21	0.40	0.82

Robust standard errors in parentheses *** p<0.01, ** p<0.05, * p<0.1

Note: RHS variables represent the duration of reemployment experienced by the respondent as well as household income, with the onset of reemployment interacted with prior unemployment lengths (1 month, 2 to 6 months, and 6 months or more). For instance, "1 Month * 1 U" refers to 1 month of reemployment interacted with 1 month of prior unemployment length for the respondent. First difference model estimated through OLS with standard errors clustered at the individual level. Satisfaction with life, household income, own economic situation and job or daily activities are measured on a 5-point scale ranging from "Very dissatisfied" (1) to "Very satisfied" (5). Frequency of feeling happy or worn-out is measured on a 6-point scale ranging from "None of the time" (1) to "All of the time". Intensity of problems with sleep or depression is measured on a 5-point scale ranging from "None" (1) to "Extreme" (5). "Duration>2mths" refers to the significance level of a joint statistical significance test of all duration coefficients - excluding the first month of reemployment -, i.e. $H_0: \beta_2 = 0, \beta_3 = 0, \beta_{45} = 0, \beta_{67} = 0, \beta_{811} = 0, \beta_{12} = 0$ against $H_a: \text{at least one is nonzero}$. "1 Mth*1 U=1 Mth*2-6 U" refers to the significance level of a test of equality of coefficients between the coefficients for the interaction of 1 month of prior unemployment with 1 month of reemployment and the interaction of 2-6 months of prior unemployment with 1 month of reemployment. "1 Mth*1 U=1 Mth*6+ U" refers to the significance level of a test of equality of coefficients between the coefficients for the interaction of 1 month of prior unemployment with 1 month of reemployment and the interaction of 6+ months of prior unemployment with 1 month of reemployment. "1 Mth*6+ U=1 Mth*2-6 U" refers to the significance level of a test of equality of coefficients between the coefficients for the interaction of 6+ months of prior unemployment with 1 month of reemployment and the interaction of 2-6 months of prior unemployment with 1 month of reemployment.

Figure 24. Pecuniary and Non-Pecuniary Effects of Own Reemployment on Evaluative Well-Being for Married Individuals

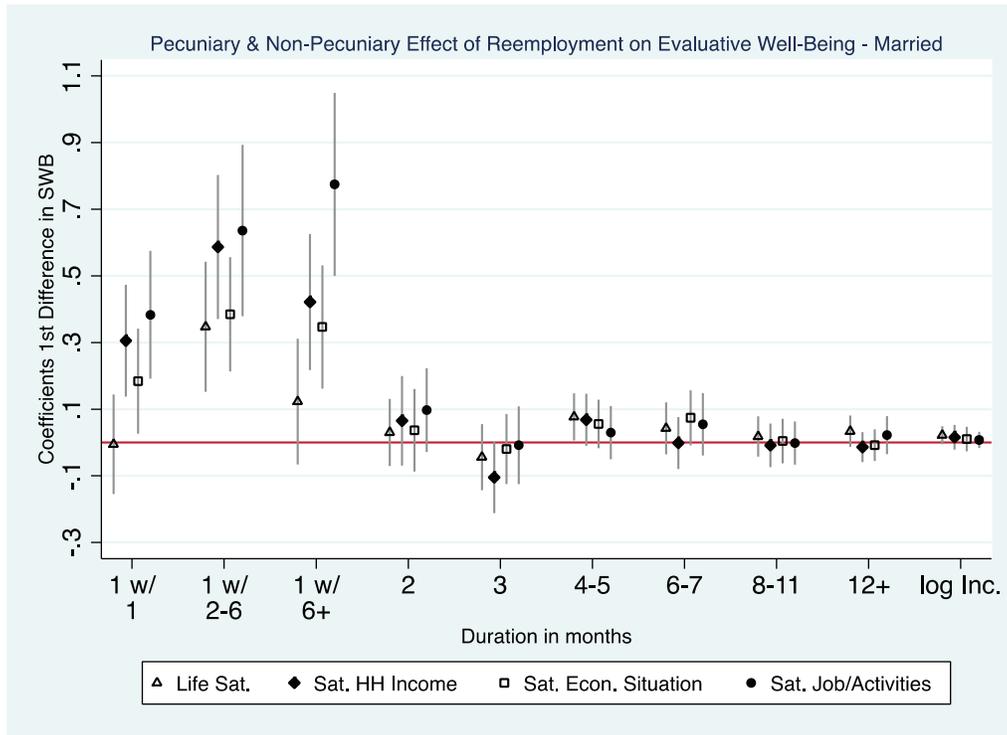
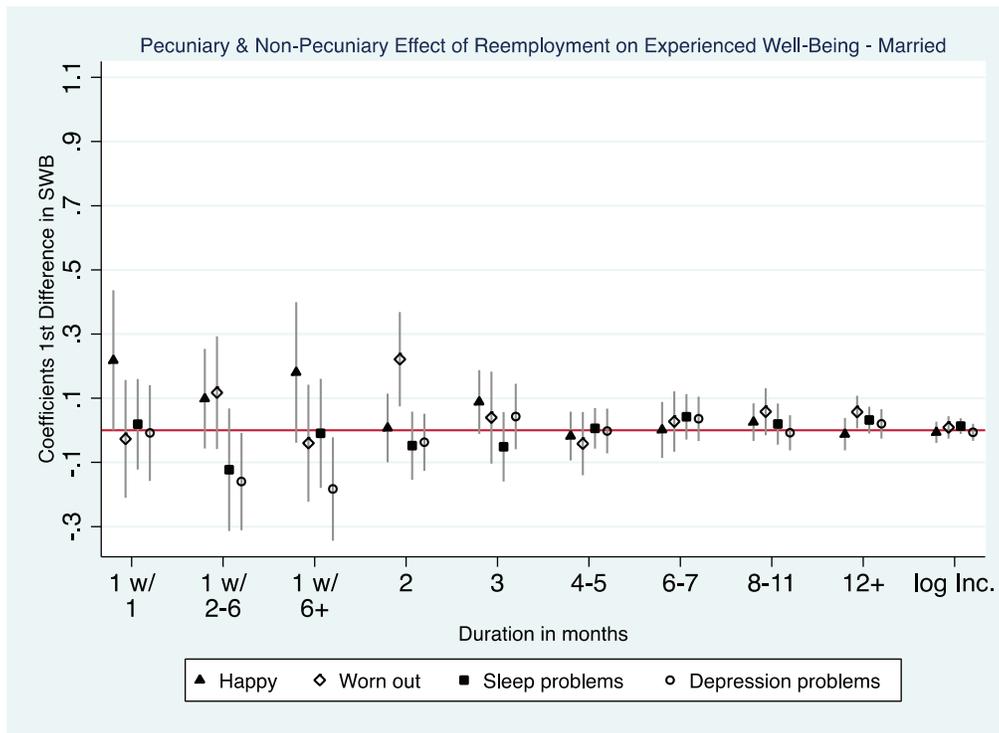


Figure 25. Pecuniary and Non-Pecuniary Effects of Own Reemployment on Experienced Well-Being for Married Individuals



Note: Line segments represent 95% confidence intervals. Graph based on estimates from Table 11. "Log Inc" represents the log household income, while the rest of the x-axis displays the duration of reemployment, as well as the interactions between onset of reemployment and prior unemployment length.

Table 12. Overall Effects of Spouse's Reemployment on SWB

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	Δ Satisfaction with:				Δ Frequency of feeling:		Δ Intensity of problems:	
	Life	HH income	Econ. Situation	Job or other daily activities	Happy	Worn out	Sleep	Depression
1 Month * 1 U	0.083 (0.080)	0.110 (0.090)	0.148* (0.087)	0.242*** (0.079)	-0.031 (0.092)	0.030 (0.096)	0.196** (0.085)	0.022 (0.081)
1 Month * 2-6 U	0.121 (0.081)	0.318*** (0.097)	0.106 (0.083)	0.229*** (0.073)	0.231** (0.099)	-0.069 (0.108)	-0.109 (0.076)	-0.164* (0.089)
1 Month * 6+ U	-0.051 (0.081)	0.307*** (0.102)	0.163** (0.080)	0.014 (0.098)	-0.183* (0.103)	-0.101 (0.099)	-0.108 (0.089)	-0.024 (0.097)
2 Months	0.094* (0.049)	0.097* (0.050)	0.062 (0.054)	0.006 (0.052)	0.038 (0.059)	0.013 (0.068)	-0.011 (0.055)	-0.058 (0.049)
3 Months	-0.047 (0.064)	0.085 (0.059)	-0.008 (0.057)	0.039 (0.068)	0.020 (0.063)	0.064 (0.074)	-0.066 (0.052)	-0.010 (0.051)
4-5 Months	0.096*** (0.032)	0.056 (0.037)	0.014 (0.038)	0.070* (0.039)	0.050 (0.044)	-0.094* (0.049)	-0.035 (0.040)	-0.090** (0.038)
6-7 Months	0.030 (0.044)	-0.015 (0.037)	0.009 (0.039)	0.120*** (0.042)	0.085* (0.045)	-0.004 (0.052)	-0.027 (0.041)	0.024 (0.044)
8-11 Months	0.003 (0.036)	0.031 (0.031)	0.020 (0.031)	0.057* (0.031)	0.065** (0.032)	-0.036 (0.037)	-0.008 (0.028)	-0.055* (0.032)
1 Year	0.019 (0.021)	0.004 (0.024)	-0.004 (0.025)	0.049** (0.023)	0.050 (0.032)	-0.007 (0.034)	-0.011 (0.025)	-0.008 (0.024)
Constant	-0.014 (0.016)	-0.017 (0.015)	0.001 (0.015)	-0.046*** (0.017)	-0.027 (0.019)	0.004 (0.021)	0.011 (0.017)	0.024 (0.016)
N	2,398	2,397	2,396	2,395	2,396	2,397	2,396	2,397
R2	0.00	0.01	0.00	0.01	0.01	0.00	0.01	0.00
Duration >2mths	0.04	0.07	0.87	0.02	0.25	0.43	0.77	0.19
1 Mth*1 U=1 Mth*2-6 U	0.72	0.08	0.74	0.90	0.03	0.50	0.01	0.10
1 Mth*1 U=1 Mth*6+ U	0.20	0.14	0.90	0.07	0.26	0.32	0.01	0.70
1 Mth*6+ U=1 Mth*2-6 U	0.11	0.94	0.62	0.07	0.00	0.81	0.99	0.27

Robust standard errors in parentheses *** p<0.01, ** p<0.05, * p<0.1

Note: RHS variables represent the duration of reemployment experienced by the respondent's spouse, with the onset of reemployment interacted with prior unemployment lengths (1 month, 2 to 6 months, and 6 months or more). For instance, "1 Month * 1 U" refers to 1 month of reemployment interacted with 1 month of prior unemployment length for the spouse. First difference model estimated through OLS with standard errors clustered at the individual level. Satisfaction with life, household income, own economic situation and job or daily activities are measured on a 5-point scale ranging from "Very dissatisfied" (1) to "Very satisfied" (5). Frequency of feeling happy or worn-out is measured on a 6-point scale ranging from "None of the time" (1) to "All of the time". Intensity of problems with sleep or depression is measured on a 5-point scale ranging from "None" (1) to "Extreme" (5). "Duration>2mths" refers to the significance level of a joint statistical significance test of all duration coefficients - excluding the first month of reemployment -, i.e. $H_0: \beta_2 = 0, \beta_3 = 0, \beta_{45} = 0, \beta_{67} = 0, \beta_{811} = 0, \beta_{12} = 0$ against $H_a: \text{at least one is nonzero}$. "1 Mth*1 U=1 Mth*2-6 U" refers to the significance level of a test of equality of coefficients between the coefficients for the interaction of 1 month of prior unemployment with 1 month of reemployment and the interaction of 2-6 months of prior unemployment with 1 month of reemployment. "1 Mth*1 U=1 Mth*6+ U" refers to the significance level of a test of equality of coefficients between the coefficients for the interaction of 1 month of prior unemployment with 1 month of reemployment and the interaction of 6+ months of prior unemployment with 1 month of reemployment. "1 Mth*6+ U=1 Mth*2-6 U" refers to the significance level of a test of equality of coefficients between the coefficients for the interaction of 6+ months of prior unemployment with 1 month of reemployment and the interaction of 2-6 months of prior unemployment with 1 month of reemployment.

Figure 26. Overall Effects of Spouse's Reemployment on Evaluative Well-Being

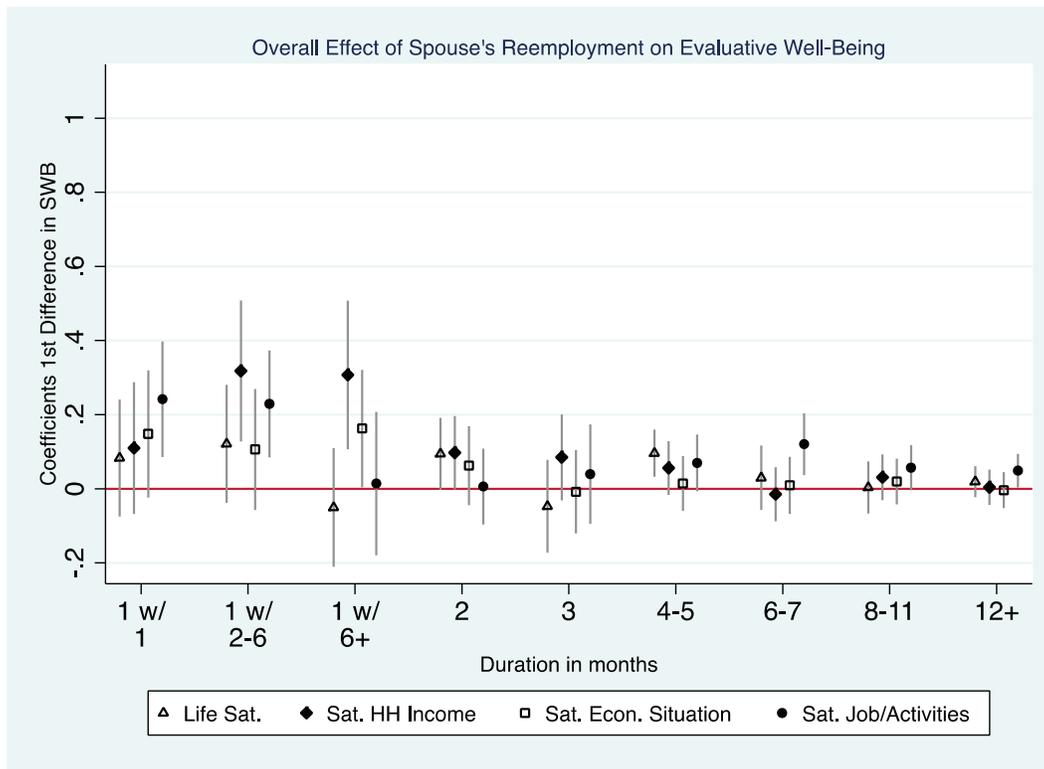
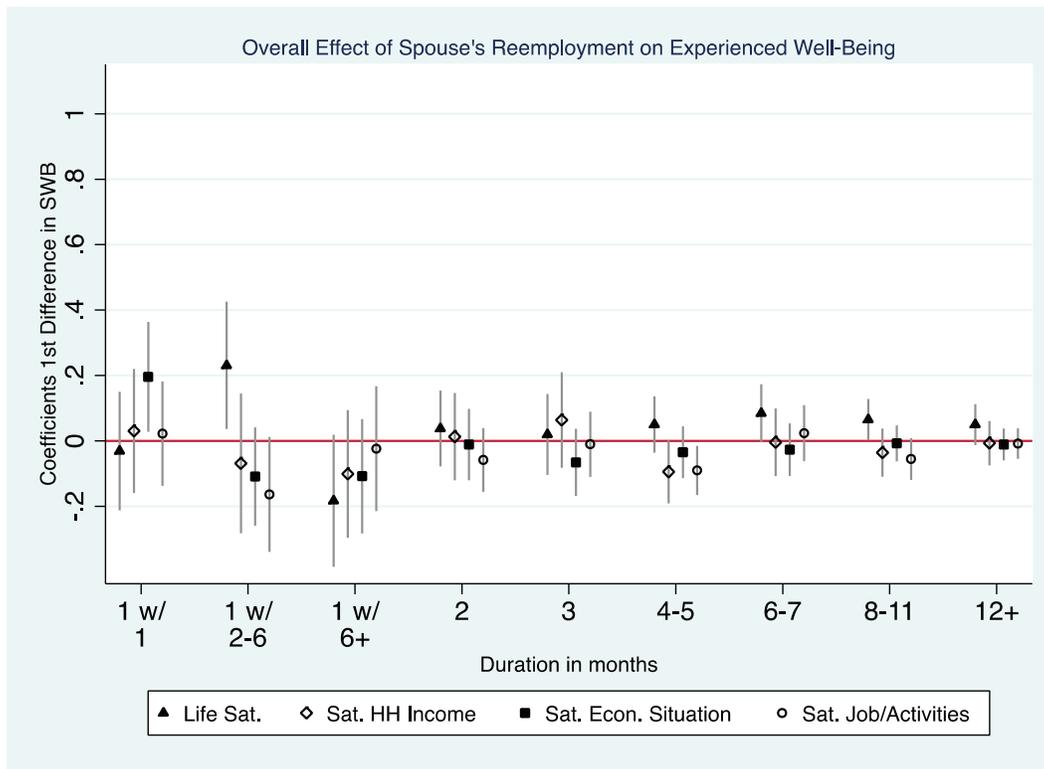


Figure 27. Overall Effects of Spouse's Reemployment on Experienced Well-Being



Note: Line segments represent 95% confidence intervals. Graph based on estimates from Table 12. X-axis displays the duration of reemployment, as well as the interactions between onset of reemployment and prior unemployment length.

Table 13. Pecuniary and Non-Pecuniary Effects of Spouse's Reemployment on SWB

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	Δ Satisfaction with:				Δ Frequency of feeling:		Δ Intensity of problems:	
	Life	HH income	Econ. Situation	Job or other daily activities	Happy	Worn out	Sleep	Depression
1 Month * 1 U	0.083 (0.080)	0.110 (0.090)	0.148* (0.087)	0.241*** (0.079)	-0.033 (0.093)	0.032 (0.096)	0.195** (0.085)	0.025 (0.082)
1 Month * 2-6 U	0.120 (0.080)	0.318*** (0.097)	0.107 (0.083)	0.227*** (0.073)	0.224** (0.098)	-0.061 (0.108)	-0.113 (0.077)	-0.154* (0.089)
1 Month * 6+ U	-0.051 (0.081)	0.307*** (0.102)	0.163*** (0.081)	0.013 (0.098)	-0.187* (0.103)	-0.097 (0.099)	-0.110 (0.088)	-0.019 (0.097)
2 Months	0.094* (0.050)	0.098* (0.050)	0.063 (0.054)	0.005 (0.052)	0.033 (0.059)	0.019 (0.068)	-0.014 (0.056)	-0.051 (0.050)
3 Months	-0.048 (0.063)	0.085 (0.059)	-0.008 (0.057)	0.039 (0.068)	0.018 (0.063)	0.066 (0.074)	-0.067 (0.052)	-0.008 (0.051)
4-5 Months	0.096*** (0.032)	0.056 (0.037)	0.014 (0.038)	0.069* (0.039)	0.049 (0.044)	-0.093* (0.049)	-0.035 (0.040)	-0.089** (0.038)
6-7 Months	0.030 (0.044)	-0.015 (0.037)	0.009 (0.039)	0.120*** (0.042)	0.084* (0.045)	-0.004 (0.052)	-0.027 (0.041)	0.024 (0.044)
8-11 Months	0.003 (0.036)	0.031 (0.031)	0.020 (0.031)	0.057* (0.031)	0.065** (0.032)	-0.036 (0.037)	-0.008 (0.028)	-0.055* (0.032)
1 Year	0.019 (0.021)	0.004 (0.024)	-0.004 (0.025)	0.049** (0.023)	0.049 (0.032)	-0.006 (0.034)	-0.012 (0.025)	-0.008 (0.024)
Δ Ln Income	0.003 (0.014)	-0.001 (0.015)	-0.003 (0.013)	0.005 (0.013)	0.018 (0.017)	-0.019 (0.019)	0.011 (0.014)	-0.024* (0.014)
Constant	-0.014 (0.016)	-0.017 (0.016)	0.001 (0.015)	-0.046*** (0.017)	-0.026 (0.019)	0.004 (0.021)	0.011 (0.017)	0.023 (0.016)
N	2,398	2,397	2,396	2,395	2,396	2,397	2,396	2,397
R2	0.004	0.014	0.004	0.008	0.007	0.003	0.006	0.006
Duration >2mths	0.04	0.08	0.87	0.02	0.25	0.42	0.74	0.22
1 Mth*1 U=1 Mth*2-6 U	0.73	0.08	0.74	0.89	0.04	0.53	0.01	0.11
1 Mth*1 U=1 Mth*6+ U	0.20	0.14	0.90	0.06	0.25	0.32	0.01	0.71
1 Mth*6+ U=1 Mth*2-6 U	0.11	0.93	0.63	0.07	0.00	0.79	0.98	0.28

Robust standard errors in parentheses *** p<0.01, ** p<0.05, * p<0.1

Note: RHS variables represent the duration of reemployment experienced by the respondent's spouse as well as household income, with the onset of reemployment interacted with prior unemployment lengths (1 month, 2 to 6 months, and 6 months or more). For instance, "1 Month * 1 U" refers to 1 month of reemployment interacted with 1 month of prior unemployment length for the spouse. First difference model estimated through OLS with standard errors clustered at the individual level. Satisfaction with life, household income, own economic situation and job or daily activities are measured on a 5-point scale ranging from "Very dissatisfied" (1) to "Very satisfied" (5). Frequency of feeling happy or worn-out is measured on a 6-point scale ranging from "None of the time" (1) to "All of the time". Intensity of problems with sleep or depression is measured on a 5-point scale ranging from "None" (1) to "Extreme" (5). "Duration>2mths" refers to the significance level of a joint statistical significance test of all duration coefficients - excluding the first month of reemployment -, i.e. $H_0: \beta_2 = 0, \beta_3 = 0, \beta_{45} = 0, \beta_{67} = 0, \beta_{811} = 0, \beta_{12} = 0$ against $H_a: \text{at least one is nonzero}$. "1 Mth*1 U=1 Mth*2-6 U" refers to the significance level of a test of equality of coefficients between the coefficients for the interaction of 1 month of prior unemployment with 1 month of reemployment and the interaction of 2-6 months of prior unemployment with 1 month of reemployment. "1 Mth*1 U=1 Mth*6+ U" refers to the significance level of a test of equality of coefficients between the coefficients for the interaction of 1 month of prior unemployment with 1 month of reemployment and the interaction of 6+ months of prior unemployment with 1 month of reemployment. "1 Mth*6+ U=1 Mth*2-6 U" refers to the significance level of a test of equality of coefficients between the coefficients for the interaction of 6+ months of prior unemployment with 1 month of reemployment and the interaction of 2-6 months of prior unemployment with 1 month of reemployment.

Figure 28. Pecuniary and Non-Pecuniary Effects of Spouse's Reemployment on Evaluative Well-Being

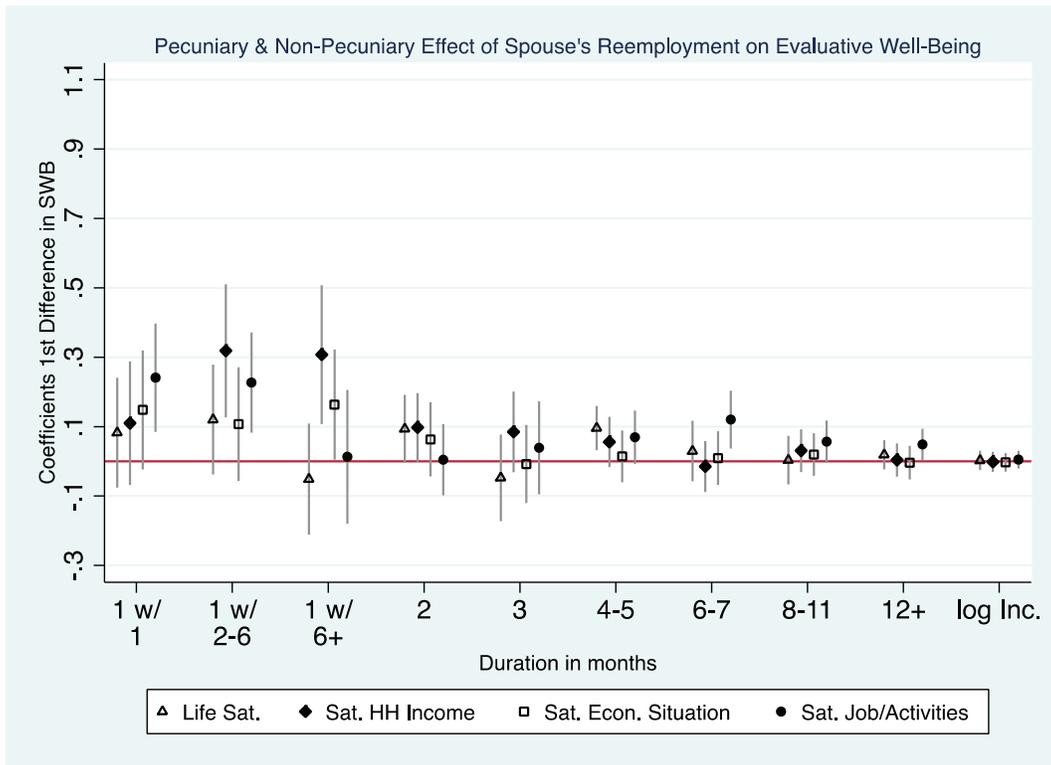
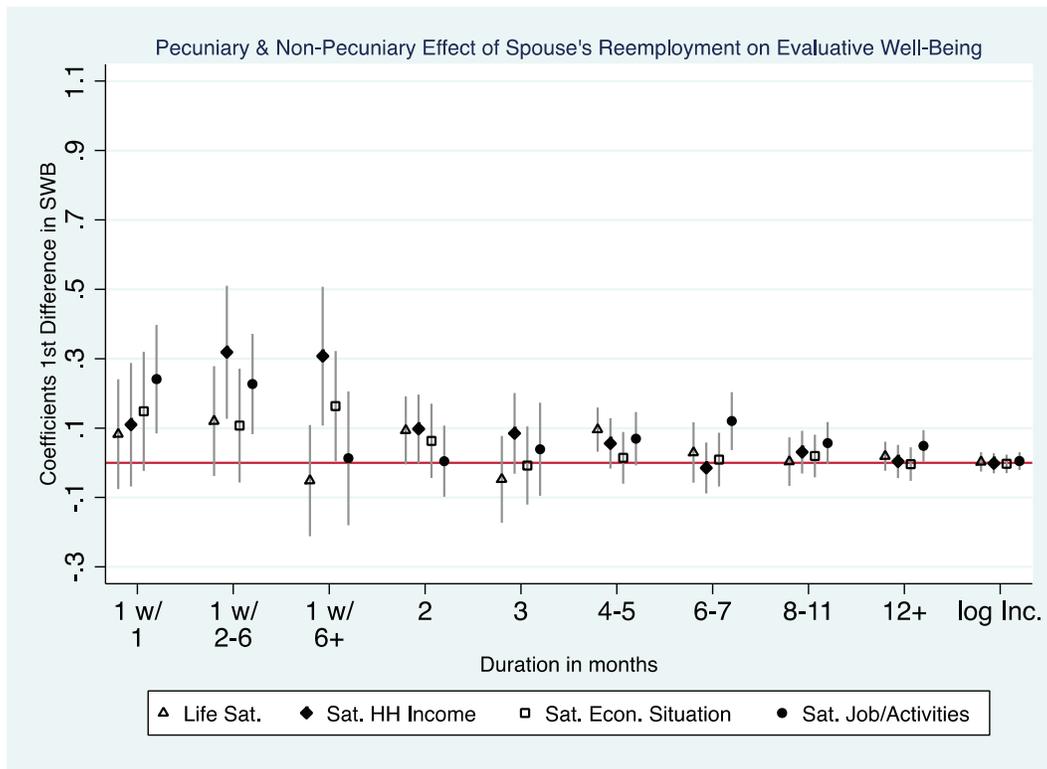
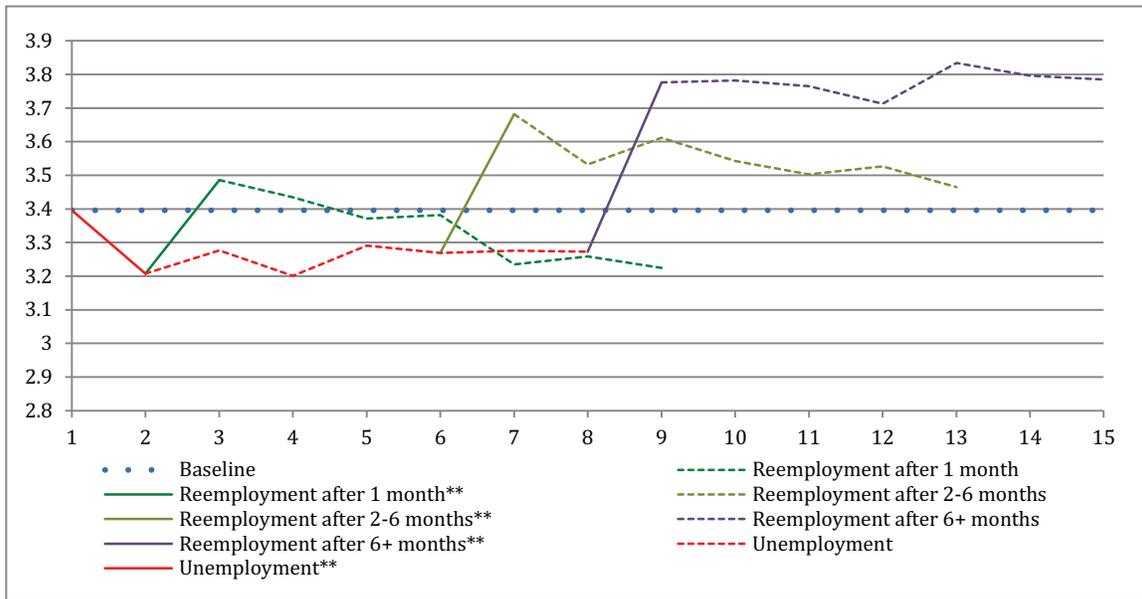


Figure 29. Pecuniary and Non-Pecuniary Effects of Spouse's Reemployment on Experienced Well-Being



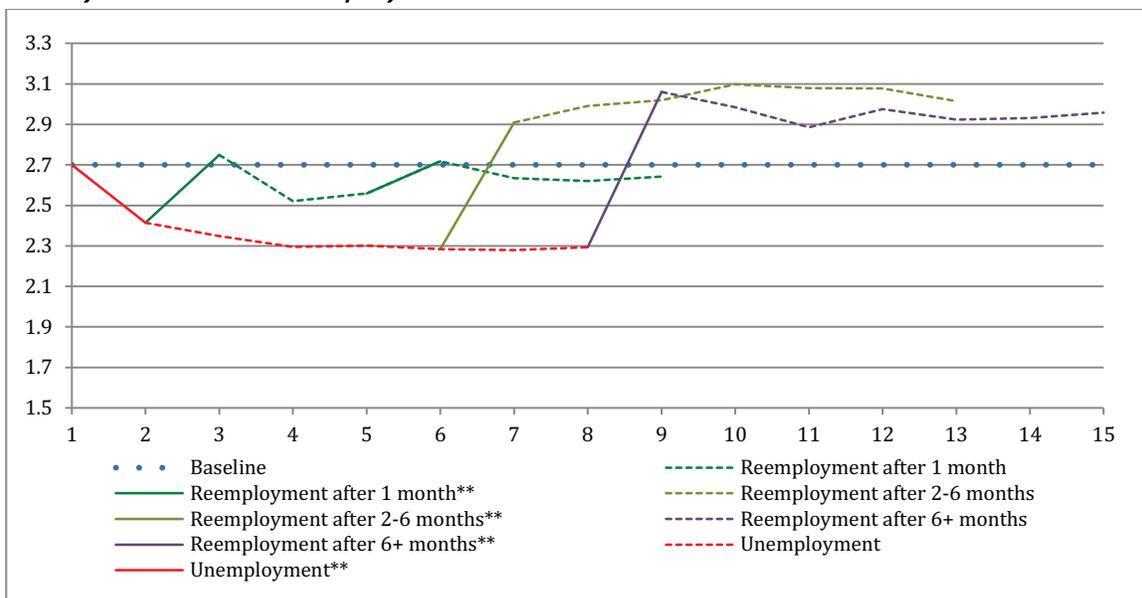
Note: Line segments represent 95% confidence intervals. Graph based on estimates from Table 13. "Log Inc" represents the first difference in log household income, while the rest of the x-axis displays the duration of reemployment, as well as the interactions between onset of reemployment and prior unemployment length.

Figure 30. Life Satisfaction: Path from Employment to Unemployment and Reemployment by Duration of Unemployment



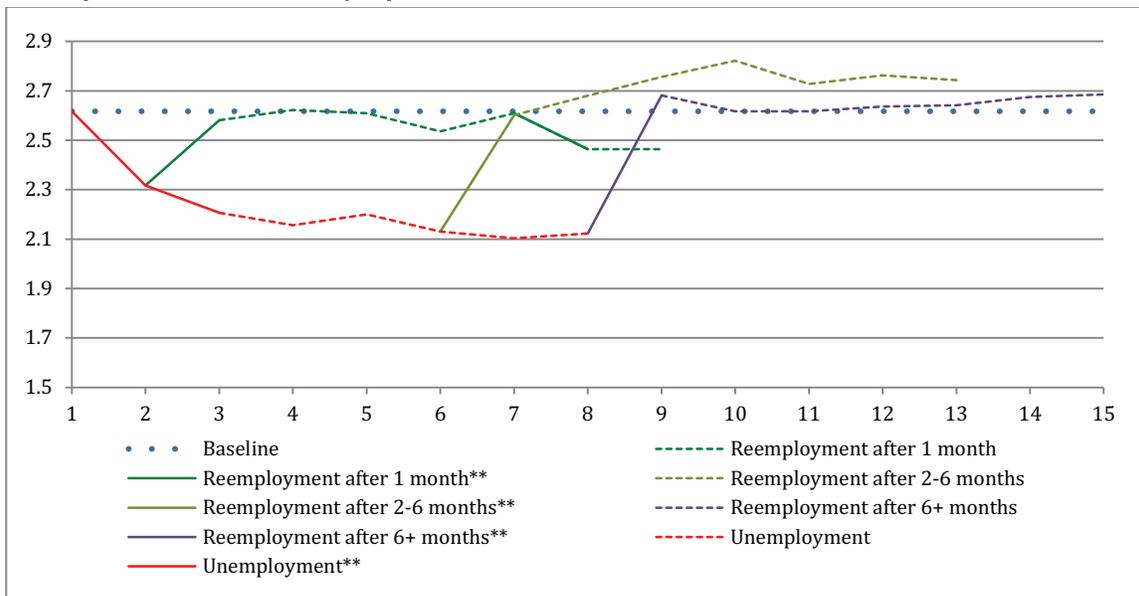
Path anchored at average level of life satisfaction in two periods preceding onset of unemployment for single respondents (baseline), thereafter applying estimates from Tables 4 and A9. Solid lines show the path estimated through coefficient statistically significant at the 5% level.

Figure 31. Satisfaction with Household Income: Path from Employment to Unemployment and Reemployment by Duration of Unemployment



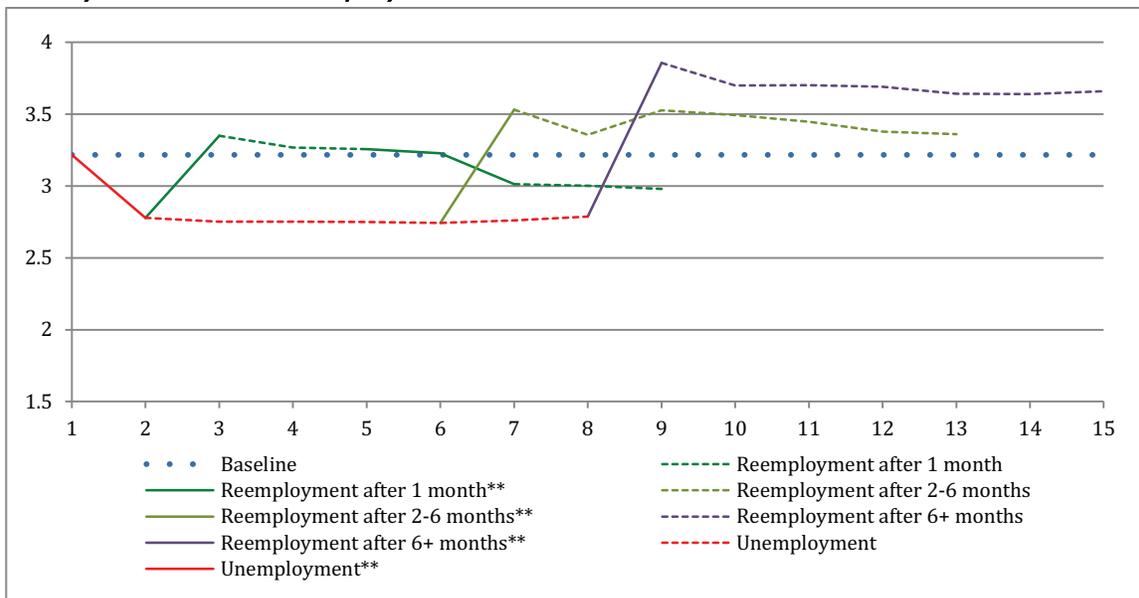
Path anchored at average level of satisfaction with household income in two periods preceding onset of unemployment for single respondents (baseline), thereafter applying estimates from Tables 4 and A9. Solid lines show the path estimated through coefficient statistically significant at the 5% level.

Figure 32. Satisfaction with Economic Situation: Path from Employment to Unemployment and Reemployment by Duration of Unemployment



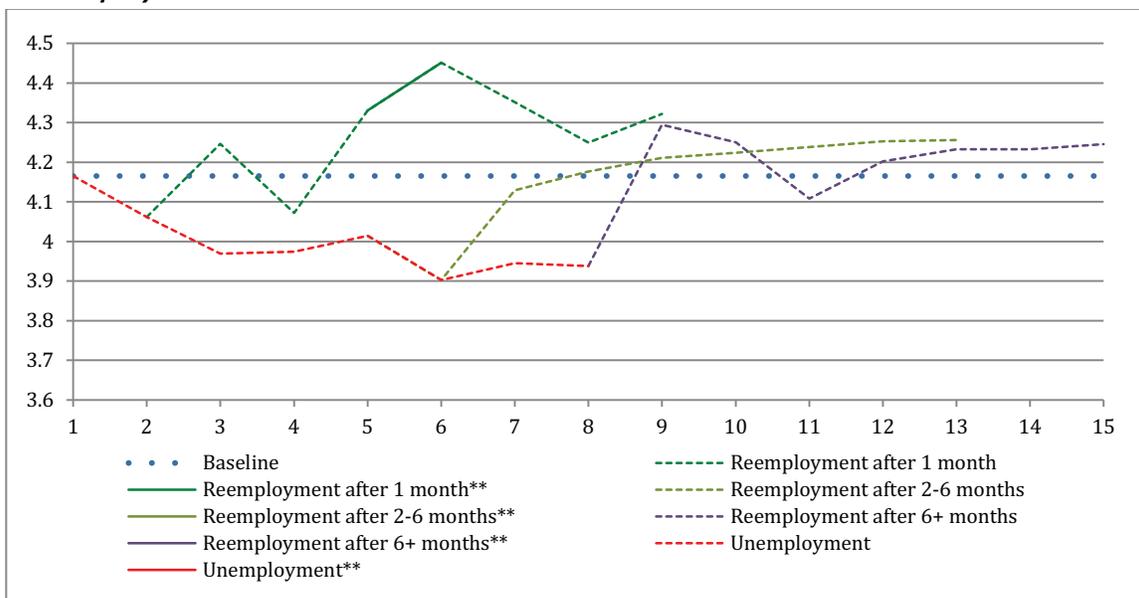
Path anchored at average level of satisfaction with the economic situation in two periods preceding onset of unemployment for single respondents (baseline), thereafter applying estimates from Tables 4 and A9. Solid lines show the path estimated through coefficient statistically significant at the 5% level.

Figure 33. Satisfaction with Job or Daily Activities: Path from Employment to Unemployment and Reemployment by Duration of Unemployment



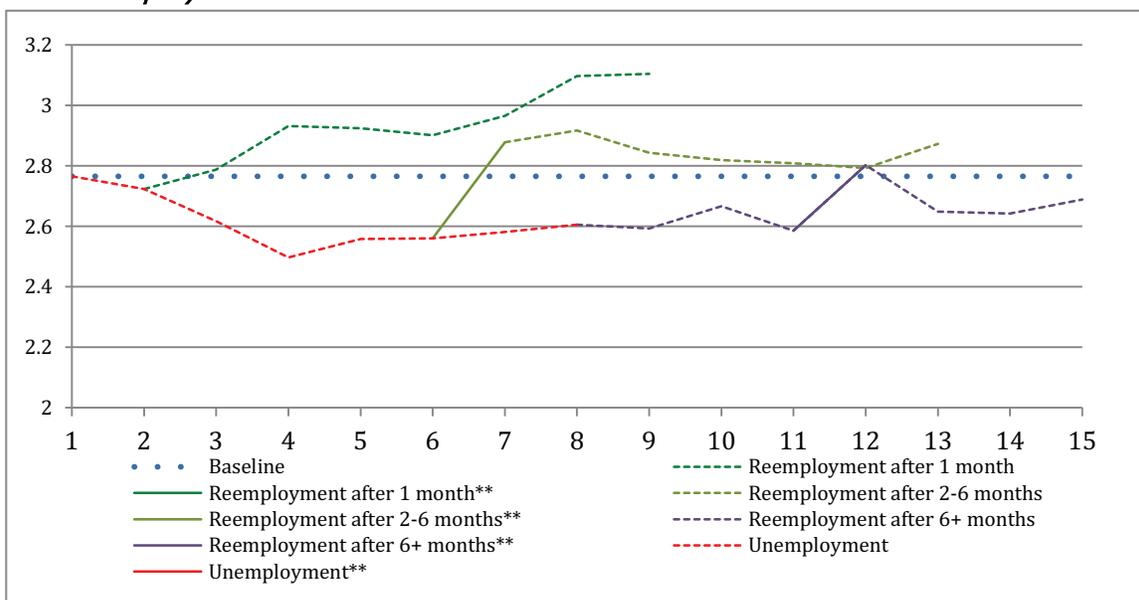
Path anchored at average level of satisfaction with job or daily activities in two periods preceding onset of unemployment for single respondents (baseline), thereafter applying estimates from Tables 4 and A9. Solid lines show the path estimated through coefficient statistically significant at the 5% level.

Figure 34. Frequency of Feeling Happy: Path from Employment to Unemployment and Reemployment by Duration of Unemployment



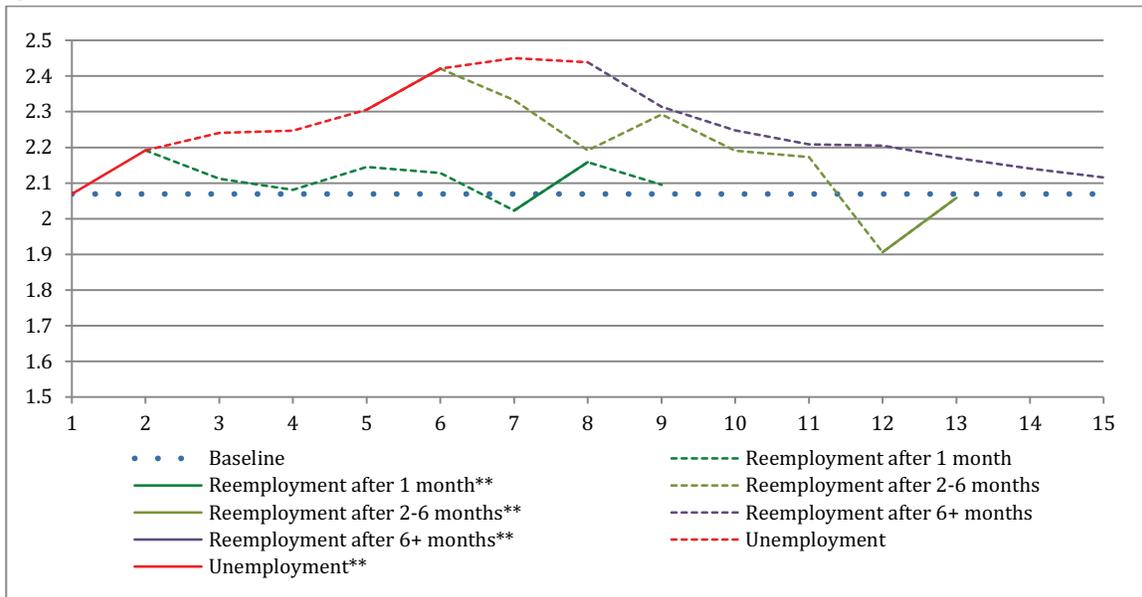
Path anchored at average level of frequency of feeling happy in two periods preceding onset of unemployment for single respondents (baseline), thereafter applying estimates from Tables 4 and A9. Solid lines show the path estimated through coefficient statistically significant at the 5% level.

Figure 35. Frequency of Feeling Worn Out: Path from Employment to Unemployment and Reemployment by Duration of Unemployment



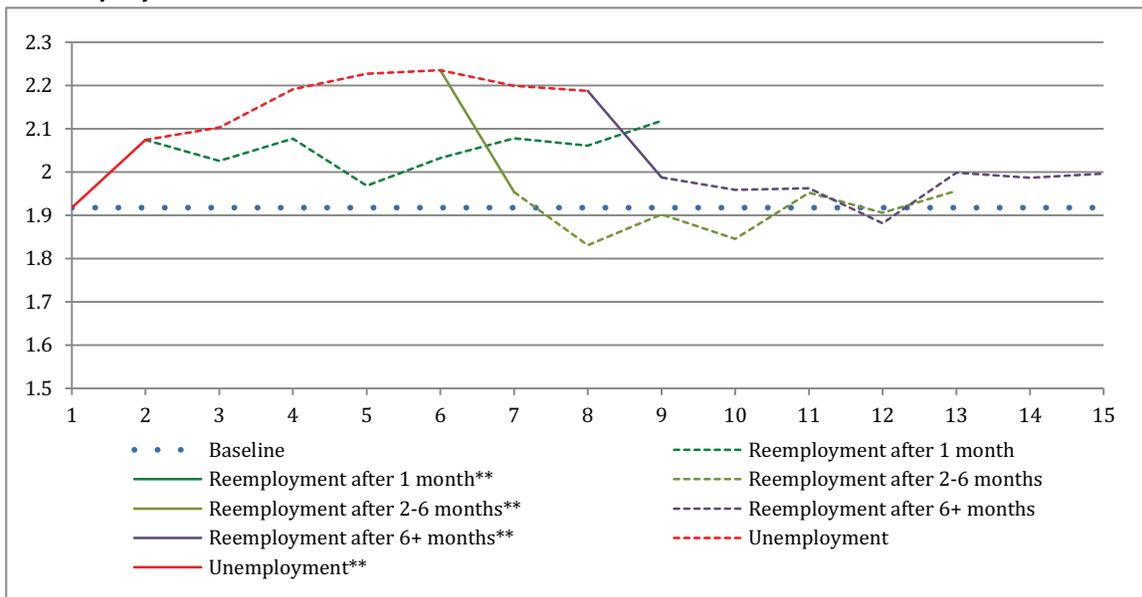
Path anchored at average level of frequency of feeling worn out level in two periods preceding onset of unemployment for single respondents (baseline), thereafter applying estimates from Tables 4 and A9. Solid lines show the path estimated through coefficient statistically significant at the 5% level.

Figure 36. Problems with Sleep: Path from Employment to Unemployment and Reemployment by Duration of Unemployment



Path anchored at average level of problems with sleep in two periods preceding onset of unemployment for single respondents (baseline), thereafter applying estimates from Tables 4 and A9. Solid lines show the path estimated through coefficient statistically significant at the 5% level.

Figure 37. Problems with Depression: Path from Employment to Unemployment and Reemployment by Duration of Unemployment



Path anchored at average level of problems with depression in two periods preceding onset of unemployment for single respondents (baseline), thereafter applying estimates from Tables 4 and A9. Solid lines show the path estimated through coefficient statistically significant at the 5% level.

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