A weighty issue revisited: the effect of body weight on earnings and satisfaction in Germany

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Abstract
Among the various fields in which the rising prevalence of overweight and obesity may lead to increasing costs, the relationship between weight and labor market outcomes has received substantial attention from economists. In contrast to the US and other countries, previous research with cross-sectional data has not found a systematic relationship for the German labor market, though. We pool several waves of the German Socio-Economic Panel to estimate a dynamic model for earnings and four dimensions of satisfaction among employees. While there is evidence of negative consequences of weight gain on satisfaction, we still find no systematic negative effect of weight on labor earnings. To be sure, these results may be related to institutions that are specific to the German labor market; they do indicate, though, that psychic costs are an important dimension of the obesity pandemic.

Keywords: Obesity, earnings, Arellano-Bond estimator, GSOEP

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