

THE EFFECT OF UNEMPLOYMENT ON THE SMOKING BEHAVIOR OF COUPLES*

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Abstract

Although unemployment is likely to entail various externalities affecting the spouses of the unemployed, research examining the spillover effects of unemployment on spouses is scarce. In this paper, we estimate the effects of unemployment on the smoking behavior of spouses, which has not been studied to date. Our empirical strategy exploits plausibly exogenous entries into unemployment using German Socio-Economic Panel (SOEP) data. To identify causal effects, we combine matching and difference-in-differences estimation and employ the post-double-selection method based on Lasso regressions for selecting control variables. We find that the unemployment of one spouse increases the smoking probability and intensity of both spouses to a similar degree. The effects are driven by smoking relapses among former smokers and decreased smoking cessation among smokers. Moreover, the effects of own and spousal unemployment are stronger among individuals whose partner already smokes. The spillover effects are more pronounced if the male partner becomes unemployed.

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