

BOOK OF ABSTRACTS

SOEP 2018, July 19–20 at the Berlin-Brandenburg Academy of Sciences and Humanities



Local organizers: D. Schacht, J. Britzke, C. Kurka, C. Bartels

Welcome to the 13th International German Socio-Economic Panel (SOEP) User Conference at the Berlin-Brandenburg Academy of Sciences and Humanities (BBAW)! The biennial SOEP User Conference offers a forum for discussing recent SOEP-based research with colleagues from a wide range of disciplines, including sociology, economics, demography, political science, public health, and psychology. Over the last two years, the “family” of SOEP studies has grown to include a number of innovative new studies, and the increasing interest in these datasets is reflected in the presentations at the conference.

We were stunned by the number and quality of submissions to our call for papers. This program provides information on the 16 parallel sessions and more than 60 presentations. We hope you enjoy the 2018 SOEP User Conference, with the many exciting talks and opportunities to meet and network with other researchers from the SOEP community.

Supported by:



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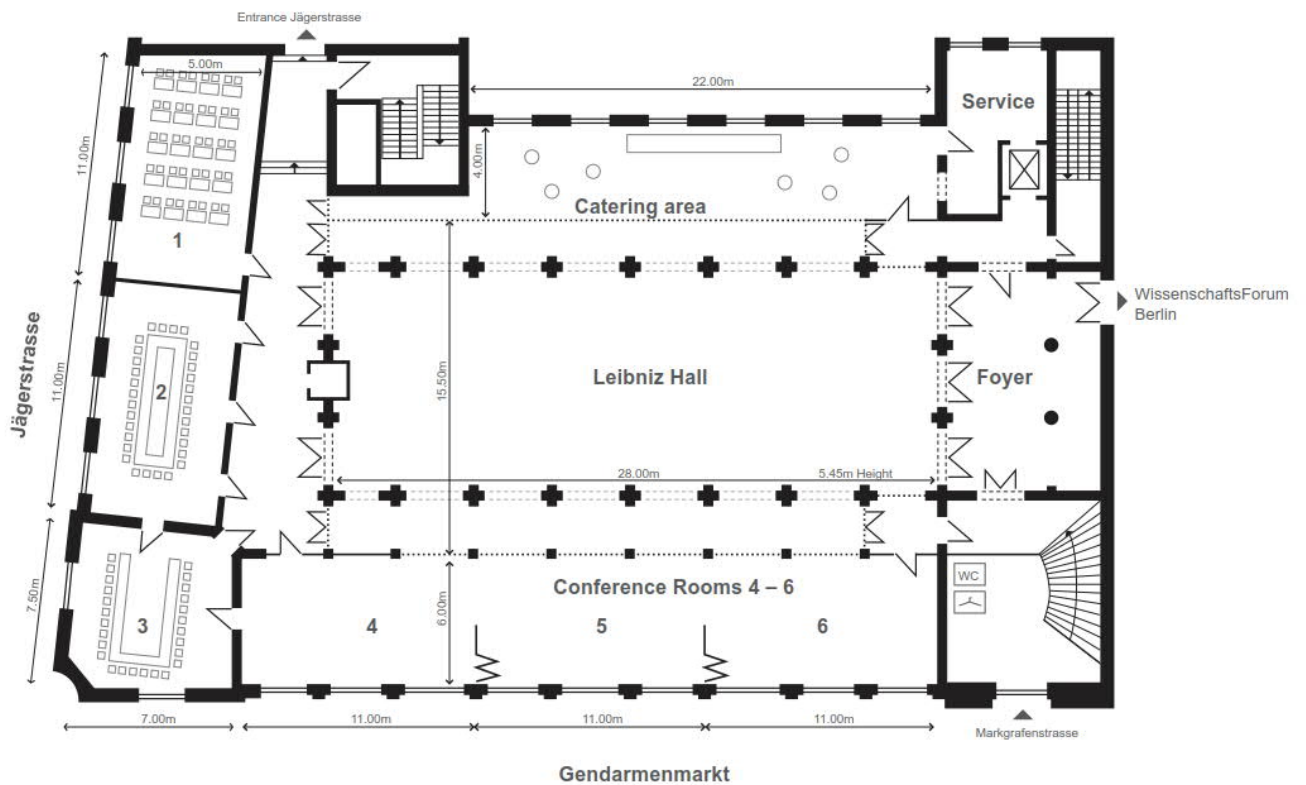
SOEP 2018 – 13th International German Socio-Economic Panel User Conference

THE VENUE | Berlin-Brandenburg Academy of Sciences and Humanities (BBAW)

If you have any questions, please don't hesitate to contact us!

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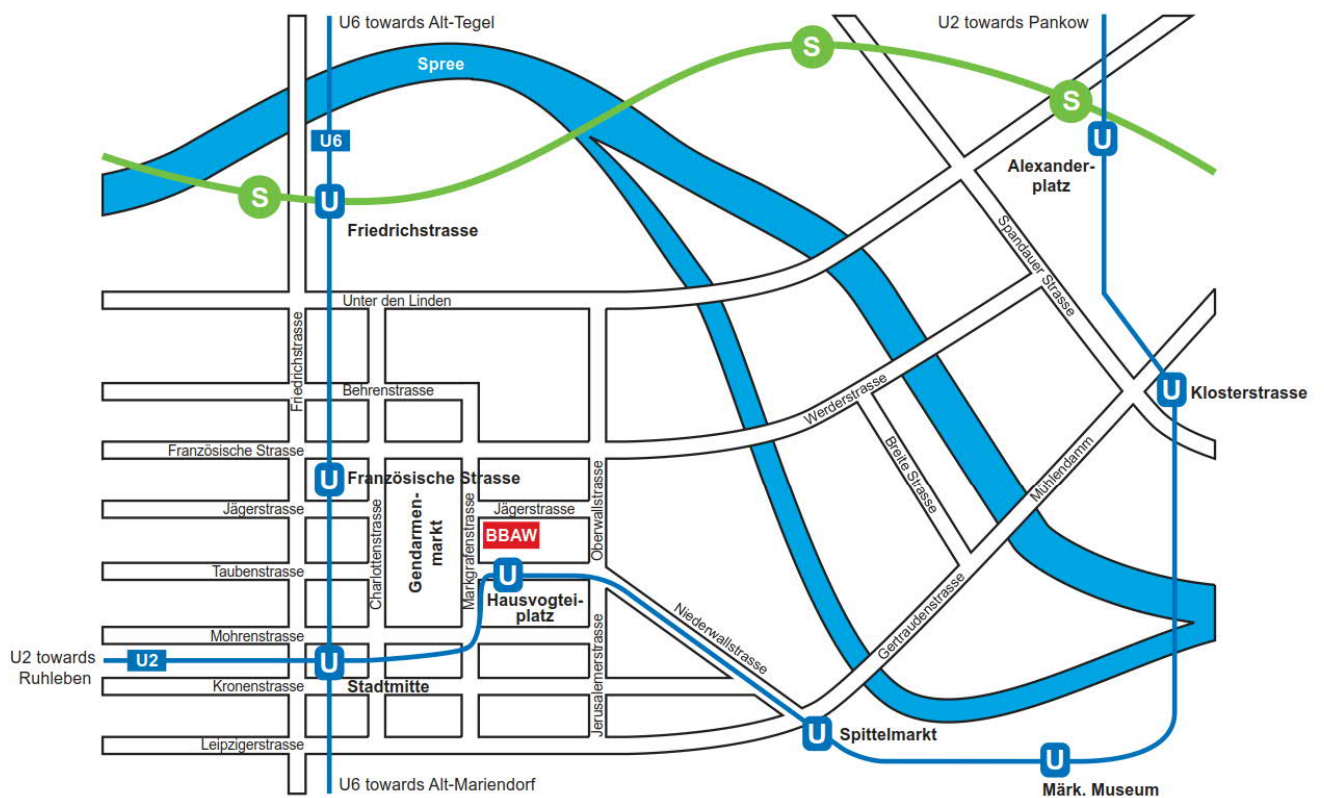


MAP OF THE SURROUNDINGS

Address:

BBAW — Berlin-Brandenburg Academy of Sciences and Humanities

Conference and Event Centre, Entrance Markgrafenstr a e 38, 10117 Berlin/Germany



If you are coming by car, we recommend you use one of the nearby car parks.

- S-Bahn to Friedrichstrasse
- U2 to Hausvogteiplatz or Stadtmitte
- U6 to Franz sische Strasse or Stadtmitte

SOEP 2018 – 13th International German Socio-Economic Panel User Conference

DETAILED TIMETABLE THURSDAY, JULY 19, 2018

08:30 – 09:00	Registration
09:00 – 10:30	Plenary Session I (Leibniz Hall) Welcome Address Dr. Jutta Koch-Unterseher, Berlin Senate Chancellery – Department of Research, Head of Department Recent Developments in the SOEP Prof. Dr. Stefan Liebig, Director of SOEP and DIW Berlin Executive Board Member
10:30	Coffee Break
11:00 – 12:00	Keynote Speech I (Leibniz Hall) Prof. Stephen Jenkins (Ph. D.), London School of Economics (LSE) How valid are synthetic panel estimates of poverty dynamics? New evidence from HILDA and the BHPS.
12:00 – 13:00	Lunch (Coffee Break Area)
13:00 – 15:00	Parallel Sessions with 3-4 presentations each Parallel S1: Labor Market I (Chair: Marco Giesselmann, Conference Room 1) Much Ado About Nothing? The Effect of Cash-for-Childcare on Mothers' Paid and Unpaid Work in Germany (Julia Höppner) Working Hours and the Persistence of the Gender Wage Gap in Western Germany (Laila Schmitt, Katrin Auspurg) Does low job satisfaction lead to higher job mobility? Investigating the role of local labor market conditions (Tina Hinz, Daniel S. J. Lechmann)
	Parallel S2: Well-Being (Chair: Jürgen Schupp, Conference Room 3) Employment status duration, psychosocial resources, and well-being: Any evidence for cumulative (dis)advantage? (Maria K. Pavlova) Income or Leisure? On the Hidden Benefits of (Un-)Employment (Adrian Chadi, Clemens Hetschko) Unfairness at Work: Well-Being and Quits (Marta Barazzetta, Andrew E. Clark, Conchita D'Ambrosio) Alternative "Recipes" for High and Low Levels of Life Satisfaction: Structural Equation Models of SOEP Longitudinal Data 1990-2016 & Innovation sample Data 2015 (Bruce Headey)
	Parallel S3: Health I (Chair: Hannes Kröger, Conference Room 2) The Impact of Housing Quality on Health and Labor Market Outcomes: The German Reunification (Steffen Künn, Juan Palacios)

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Unemployment and health in Germany - selection, anticipation, causation and rehabilitation (Franziska Förster, Thorsten Schneider)

The Effect of Unemployment on the Smoking Behavior of Couples (Jakob Everding, Jan Marcus)

Health Inequalities in Germany: Is the Healthy Immigrant Effect (HIE) Operative? (Manuel Holz)

Parallel S4: Preferences (Chair: Gert G. Wagner, Leibniz Hall)

Optimal Taxation Under Different Concepts of Justness (Robin Jessen, Maria Metzing, Davud Rostam-Afschar)

Economic experiences, target-specific beliefs and demands for redistribution (Christina Fong, Ilpo Kauppinen, Panu Poutvaara)

Economic Insecurity and Voting Behavior (Anthony Lepinteur, Andrew E. Clark, Conchita D'Ambrosio)

Time preferences and political regimes: Evidence from reunified Germany (Tim Friehe, Markus Pannenberg)

15:00

Coffee Break

15:30 – 17:30

Parallel Sessions with 3-4 presentations each

Parallel S5: Intergenerational Transmission I (Chair: Daniel D. Schnitzlein, Leibniz Hall)

Like Father, Like Son? A Comparison of Absolute and Relative Intergenerational Labour Income Mobility in Germany and the US (Maximilian Stockhausen)

Inequality of Opportunity, and Intergenerational Transmission of (Dis-)Advantages – Empirical Evidence from Selected Countries (Veronika Eberharter)

Intergenerational economic mobility in Germany: Levels and trends (Iryna Kyzyma, Olaf Groh-Samberg)

Absolute Income and Wealth Mobility in Postwar Germany (Timm Bönke, Astrid Harnack, Holger Lüthen)

Parallel S6: Technological Change (Chair: Jan Goebel, Conference Room 3)

Skill Adaptation to Shifting Job Tasks in the Face of Offshoring (Irene Palnau, Thomas Gries)

Does the internet increase the job finding rate? Evidence from a period of internet expansion (Manuel Denzer)

Automation and individual unemployment risk - A task-based approach (Michael Otto, Andreas Damelang)

Quantifying Biogas Plant Externalities Using Well-Being and Hedonic Price Data (Julia Rechlitz, Alexander Zerrahn, Johannes Rohde, Christian Krekel)

Parallel S7: Migration I (IAB) (Chair: Elisabeth Liebau, Conference Room 2)

Determinants of application for the recognition of foreign degrees - Evidence from

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a German Legislation Change (Silke Anger, Jacopo Bassetto, Malte Sandner)

Coming to Germany: Pre-migration language skills, job search and labor market outcomes (Huy Le-Quan)

Self-Selection of Asylum Seekers: Evidence from Germany (Lucas Guichard)

Risk Attitudes and the Skill Structure of Immigrants (Agnese Romiti, Ehsan Vallizadeh)

Parallel S8: Inequality I (Chair: Markus M. Grabka, Conference Room 1)

Earnings inequality in Germany: A decomposition-analysis (Ulrike Stein)

Real income growth in Germany: Which income groups benefited most? (Carsten Schlieper, Judith Niehues)

Individual Labour Market Poverty Polarisation in Eastern and Western Germany (Jean-Yves Gerlitz)

Wage inequality in Germany: The role of non-standard employment (Alexander Herzog-Stein, Ulrike Stein)

17:30 – 18:30 Laudatio to Gert G. Wagner (Leibniz Hall)

(Former Director SOEP, Max Planck Research Fellow)

By Prof. Dr. Ralph Hertwig, Director Max Planck Institute for Human Development

18:30 – 19:00 Poster Session I: 5 Poster Presentations
(Chair: Philipp M. Lersch, Coffee Break Area)

A new comparative earnings potential measure to study mobility processes in Germany and the UK (Laura Langner, Jonathan Gershuny)

Internet Use and Health. Exploring the Role of Social Capital (Nicoletta Balbo, Valentina Rotondi, Luca Stella)

The effect of housework on migrants' and native-born individuals' wages (Tanja Fendel)

The Determination of Extended Income Equivalence Scales from Income Satisfaction and Time Use Data (Melanie Borah)

19:00 Conference Dinner (sponsored by the Society of Friends of DIW Berlin, VdF)

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DETAILED TIMETABLE FRIDAY, JULY 20, 2018

09:30 – 11:30	<p>Parallel Sessions with 3-4 presentations each</p> <p>Parallel S9: Attitudes towards Migration (Chair: Martin Kroh, Conference Room 2)</p> <p>Justice delayed is assimilation denied: Rightwing terror, fear and social assimilation of Turkish immigrants in Germany (Sumit S. Deole)</p> <p>The Impact of Exposure to Xenophobic Violence on the Integration of Immigrants – Insights from Germany (Max Friedrich Steinhardt)</p> <p>Cumulative deprivation and fear of immigration in Germany: An intersectional, dynamic life course approach (Fabian Kratz)</p>
	<p>Parallel S10: Family (Chair: Christian Schmitt, Conference Room: 3)</p> <p>The Accumulation of Wealth in Marriage - Over-Time Change and Intra-Couple Inequalities (Nicole Kapelle, Philipp M. Lersch)</p> <p>Does the Expansion of Early Public Child Care Raise Germany's Fertility? (Eric Schuss, Mohammed Azaouagh)</p> <p>Reinforcing at the Top or Compensating at the Bottom? Family Background and Academic Performance in Germany, Norway, and the United States (Michael Graetz, Øyvind N. Wiborg)</p> <p>The effects of unemployment on couples' division of labor (Stefanie Heyne, Jonas Voßemer)</p>
	<p>Parallel S11: Inequality II (Chair: Stefan Liebig, Leibniz Hall)</p> <p>Income Distribution and Concern About Crime: Evidence from Germany (Michelle Acampora, Conchita D'Ambrosio)</p> <p>Do Workers in Creative Industries have a Different Work Orientation? (Lisa Basten, Sigurt Vitols)</p> <p>The German Minimum Wage and Wage Growth: Heterogeneous Treatment Effects Using Casual Trees (Patrick Burauel, Carsten Schröder)</p>
	<p>Parallel S12: Labour Market II (Chair: Carsten Schröder, Conference Room 1)</p> <p>What Makes an Employer-Entrepreneur? (Marco Caliendo, Frank M. Fossen, Alexander S. Kritikos)</p> <p>Overtime and Trade Union Membership (Laszlo Goerke, Gabriel Schultze)</p> <p>Estimating Private and Fiscal Returns to Higher Education over the Life Cycle: A Microsimulation Analysis (Benjamin Fischer, Dominik Hügle)</p> <p>A Comparative analysis of apprenticeship training in France and Germany (Clément Brébion)</p>
11:30 – 11:45	Coffee Break

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11:45 – 13:00	Keynote Speech II: Global Evidence on Economic Preferences Prof. Dr. Armin Falk, briq – Institute on Behavior and Inequality and Bonn University
13:00 – 14:15	Lunch
14:15 – 16:15	Parallel Sessions with 3-4 presentations each Parallel S13: Health II (Chair: Annette Brose, Leibniz Hall) Health Effects of Instruction Intensity Evidence from a Natural Experiment in German High-Schools (Johanna Sophie Quis, Simon Reif) The effect of maternal education on offspring's mental health (Daniel Graeber, Daniel D. Schnitzlein) Do children affect health outcomes around divorce? A causal analysis for maternal health depending on children's age (Katharina Loter, Oliver Arránz Becker, Małgorzata Mikucka, Christof Wolf) Explaining emotional and behavioural problems in immigrant children: the role of general risk factors and immigration-related characteristics (Ronja A. Runge, Heide Glaesmer, Yuriy Nesterko)
	Parallel S14: Intergenerational Transmission (Chair: Conchita D'Ambrosio, Conference Room 3) Assortative Mating, Intergenerational Mobility of Women and Inequality (Timm Bönke, Miriam Wetter) The Evolution of Inequality of Opportunity in Germany: A Machine Learning Approach (Paolo Brunori, Guido J. Neidhöfer) The Impact of Gender on the Wealth-Health Gradient: Longitudinal Evidence from Germany using Personal Wealth (Dina Maskileyson, Philipp)
	Parallel S15: Migration II (Chair: Silke Anger, Conference Room 2) Neighborhood Level Immigrant Share, Economic Differences and Charitable Giving (Zbignev Gricevic) Transnational family arrangements of refugee families: the case of Syrians in Germany (Lenore Sauer, Elisabeth Kraus, Laura Wenzel) Networks, Education, and Migration: The Ability to Bridge Geographical Distances (Jana Brandt, Kyra Hagge) The German Emigration and Remigration Panel Study (GERPS): Aim, Scope and Design of a new SOEP Related Study (Marcel Erlinghagen, Andreas Ette)
	Parallel S16: Labour market III (Chair: Alexandra Fedorets, Conference Room 1) Fostering Integration through Sports? Analyzing the Long-Term Effect of Youth Sports Activities on Subsequent Labor Market Success of Migrants (Christiane Lübke, Sophia Fauser) Labor market integration of migrants: Are family migrants worse off? (Hanna Brenzel)

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The Effect of Initial Placement Restrictions on Refugees' Language Acquisition in Germany (Felicitas Schikora)

Pace of life and labor market integration of migrants (Julia Hoppe, Kirsten Thommes)

16:15

Coffee Break

16:30 – 17:00

Poster Session II: 4 Poster Presentations (Chair: Holger Lüthen, Coffee Break Area)

Private Insurance and Partisanship. A longitudinal analysis of new policy feedback effects (Diana Burlacu)

Commuting distance and family stability: evidence from the GSOEP (Kristina Hrehova, formerly Jablonicka)

Happy mother, happy child? Maternal role satisfaction affects parenting, child emotional development, and life satisfaction (Nina Richter, Rebecca Bondü, Gisela Trommsdorff)

17:00 – 18:00

Closing Plenary Session (Leibniz Hall)

Award Ceremony:

- Felix Büchel Award 2018*

- Joachim R. Frick Memorial Prize 2018* for the best three papers & best poster

- Goodbye

*sponsored by the Society of Friends of DIW Berlin – VfF

18:00 – 19:30

Farewell

THURSDAY, July 19, 2018

Parallel Sessions 1-4

Much Ado About Nothing? The Effect of Cash-for-Childcare on Mothers' Paid and Unpaid Work in Germany

Julia Höppner, University of Kassel

The German cash-for-childcare (CFC) benefit, implemented in 2013 and abolished only two years later, was one of the most controversial issues of Germany's family policy of the last years. Politicians opposing the benefit as well as researchers were concerned that the benefit would hamper mothers' employment and support a traditional distribution of paid work and care between mothers and fathers. And indeed, several studies have identified such effects of the benefit. However, it is not clear whether these effects are caused by the CFC benefit itself or by a self-selection of mothers who choose to receive the benefit.

In this paper I deal with this question by investigating mothers who – based on their child's age – could have received the CFC benefit. To study mothers' behaviour before and after childbirth the 2011–2015 waves of the SOEP are used. Taking mothers' working time in a paid job, time spend with housework and time spend with childcare as dependent variables I estimate quadratic growth curve models for mothers who used the CFC benefit and mothers who did not but could have used it, thereby controlling for mothers' sociodemographic characteristics. With this method I can identify differences between the two groups of mothers for three points in time: before the child was born as well as before and at the time the benefit can be received.

The findings show that already before the period of benefit-receipt there are significant differences between the two groups for mothers' working time and time spend with housework, suggesting mothers' self-selection. Only in the case of mothers' time spend with childcare there is an independent effect of the benefit as significant differences between the two groups appear first at the time the benefit is paid.

Working Hours and the Persistence of the Gender Wage Gap in Western Germany

Laila Schmitt, Ludwig-Maximilians-Universität München (LMU)

Katrin Auspurg, Ludwig-Maximilians-Universität München (LMU)

Despite women's rising participation in education and their increasing attachment to the labor market, both in the U.S. and in Germany women's hourly wages still remain approximately 10 percent lower than wages of similarly qualified men. Recent analyses for the U.S. suggest that this stall in the gender revolution is mainly caused by a gender specific engagement in long working hours. Returns to overwork increased during the last decades in the U.S. Given that a greater proportion of men than women

overwork, these increasing overwork premiums might have counteracted an otherwise closing gender wage gap. In this article, we replicate and extend these analyses using the German Socio-Economic Panel. We use Juhn-Murphy-Pierce methods to decompose the effects of working hours on the change of the gender wage gap during the last 30 years (1985-2014). Using the example of Western Germany with a high rate of part-time employment, we are able to study not only overwork premiums but also penalties for short hours (marginal employment, part-time work). From theories on compensating wage differentials we can expect that in particular these short hour employments could have exacerbated the gender wage gap. Indeed, findings shows that primarily increasing proportions of women involved in (marginal) part-time work widened the gender wage gap in Western Germany. In further analyses we explore how (gender-specific) part-time penalties relate to characteristics of occupations, such as autonomy in occupational actions. Although not the main focus of our study, it is notably that in the last years of our observation period (the late 2000s), within (marginal) part-time employment we found no gender wage gaps anymore (even converted gaps, disadvantaging men). Conclusions from our work relate to the literature on family friendly work policies and their side-effects on gender inequalities in the labor market.

Keywords: Gender Wage Gap; Working Hours; Overwork Premiums; Part-Time Penalties; Trends in Gender Inequality; Decomposition Methods

Does low job satisfaction lead to higher job mobility? Investigating the role of local labor market conditions

Tina Hinz, Friedrich-Alexander-Universität Erlangen-Nürnberg (FAU)

Daniel S. J. Lechmann, Friedrich-Alexander-Universität Erlangen-Nürnberg (FAU)

One predictor of job mobility is job satisfaction. However, not being satisfied with one's job is merely a necessary condition for changing jobs. For a job change to actually take place, better jobs need to be available and affordable (in terms of switching costs). Consequently, the effect of job satisfaction on job turnover should vary strongly with the (local) availability of alternative jobs (cf., e.g., Muchinsky & Morrow 1980). Previous studies still mostly look separately at either the effect of job satisfaction¹ or the effect of labor market conditions² on job mobility.

Against this background, we have a closer look at the interaction of job satisfaction, local labor market conditions (LLMC) and job mobility. We use German SOEP (2017) from 2000 to 2015 to investigate to what extent the effect of job satisfaction on job change varies with LLMC. We examine whether there

¹ See, e.g., Freeman 1987, Clark et al. 1998, Lévy-Garboua et al. 2007, Cornelißen 2009, Green 2010.

² See, e.g., Finney & Kohlhase 2008, Bleakley & Lin 2012. One exemption is Trevor (2001) who investigates the interaction effect between job satisfaction and the availability of alternative jobs on turnover using US data from 1980 to 1992.

are important nonlinearities in the effect of job satisfaction on job change by taking into account the ordinal nature of job satisfaction (see, e.g., Green 2010).

Our results confirm that job satisfaction predicts job mobility, even when controlling for the LLMC. We find that this relationship is highly nonlinear. Increasing job satisfaction of an individual with median satisfaction hardly changes her job move probability, whereas increasing the job satisfaction of extremely unsatisfied individuals just a little bit results in large changes in their job move probabilities. When taking the local labor markets into account we find that only dissatisfied individuals do respond to better (worse) LLMC with a higher (lower) probability of job change. We also study effect heterogeneity with respect to other variables that affect the costs and benefits of job mobility such as family status, education and age.

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- Trevor CO (2001): Interactions among actual ease-of-movement determinants and job satisfaction in the prediction of voluntary turnover. *Academy of Management Journal* 44, 621-638.

Employment status duration, psychosocial resources, and well-being: Any evidence for cumulative (dis)advantage?

Maria K. Pavlova, University of Vechta

I investigated how the long-term stability of one's employment status (i.e., employment or unemployment) affects psychosocial resources and subjective well-being (SWB) over time. Drawing on the cumulative advantage/disadvantage perspective, I expected a longer duration of continuous employment and of tenure with the firm to have positive effects and a longer duration of continuous unemployment to have negative effects. I used data from 28 waves of the SOEP (1985 to 2012). To calculate employment status duration, I combined information from the yearly reports on employment status, the biography questionnaire, and yearly calendar data. I operationalized economic well-being via equalized household income, financial worries, and perceived employability. Social integration was represented by the frequency of socializing, feeling lonely, and having no one to turn to in case of serious illness (social isolation). I modeled mastery as a latent variable comprised of optimistic future beliefs and internal/external control beliefs. Life satisfaction and emotional well-being (latent) represented SWB. I considered a range of potential confounders and controlled for anticipatory and short-term effects of major employment changes.

I conducted twolevel analyses with observations nested within participants, with full information ML estimation for continuous and Bayesian estimation for categorical outcomes. Ultimately, I tested a mediational model with employment status duration predicting SWB via psychosocial resources, all occasion-specific (at the within level), using Bayesian estimation.

Additionally, I investigated the moderating effects of sex, age, and education. Longer unemployment duration reduced economic well-being and increased the probability of social isolation; via these variables, it decreased SWB. Longer employment duration protected against financial worries and thereby increased SWB. Tenure had mixed effects: increased income and frequency of socializing, but also increased financial worries, decreased perceived employability, and decreased mastery; its total effects on SWB were negative. However, all effects were very small, yielding limited evidence for cumulative (dis)advantage.

Income or Leisure? On the Hidden Benefits of (Un-)Employment

Adrian Chadi, University of Konstanz
Clemens Hetschko, Freie Universität Berlin

We study the usually assumed trade-off between income and leisure in labor supply decisions by comparing non-employed individuals with employed people regarding both income and time use. To analyze the roles of income and leisure in the trade-off between work and unemployment, we make use of rich longitudinal data from the German Socio-Economic Panel (SOEP) study. This household survey

includes information on people's income levels and their daily time allocation and it asks individuals to subjectively assess how they perceive these factors in their current lives. This provides us with a very comprehensive picture of the consequences of unemployment following job terminations. Of special interest are exogenously triggered changes in people's working lives, for which we focus on plant closures. Following previous studies investigating plant closures, we make use of the rich survey data and apply matching tools as our main empirical method in order to establish causal evidence on the implications of individual unemployment. To tackle remaining unobserved differences in individual characteristics between treatment and control group, we exploit the panel structure of the data and consider fixed-individual effects in the analyses. We find that the gain of non-working time translates into higher satisfaction with free time, while time spent on hobbies increases to a lesser extent than home production. Additionally, satisfaction with family life increases, which may be a hidden benefit of being unemployed. In contrast, satisfaction with income strongly declines when becoming jobless. Identity utility from earning a living may play the role of a hidden benefit of employment. Finally, we examine subjective assessments of income and leisure as potential predictors for job take-up. Nonemployed people are particularly likely to take up a job soon when they are dissatisfied with their income.

JEL Classification: D01; D13; I31; J22; J64; J65

Keywords: labor supply, plant closure, leisure, work-family conflict, life satisfaction, income satisfaction, free time satisfaction, family satisfaction

Unfairness at Work: Well-Being and Quits

Marta Barazzetta, University of Luxembourg
Andrew E. Clark, Paris School of Economics – CNRS
Conchita D'Ambrosio, University of Luxembourg

We consider the effect of unfair income on both subjective well-being and objective future job quitting. In five waves of German Socio-Economic Panel data, the extent to which labour income is perceived to be unfair is significantly negatively correlated with subjective well-being, both in terms of cognitive evaluations (life and job satisfaction) and affect (the frequency of feeling happy, sad and angry). Perceived unfairness also translates into objective labour-market behaviour, with current unfair income predicting future job quits.

Keywords: Fair income, subjective well-being, quits, SOEP

JEL Classification Codes: D63, J28, J31

Alternative "Recipes" for High and Low Levels of Life Satisfaction: Structural Equation Models of SOEP Longitudinal Data 1990-2016 & Innovation sample Data 2015

Bruce Headey, University of Melbourne

One size fits all?

In most previous empirical research on the determinants of Life Satisfaction (LS), there has been an assumption, usually unstated, that 'one size fits all'. That is, it has been assumed that the covariates and potential causes of high and low LS are the similar for everyone, or at least everyone in the Western world (Diener et al, 1999). Even the newer literature on LS in low and middle income countries appears to be based on the same assumption, except for recognition of the greater importance of income, health and governmental corruption (Helliwell, Layard & Sachs, 2012-17).

In this paper, using longitudinal data from the German Socio-Economic Panel (SOEP), supplemented by data from the SOEP Innovation Sample (2015), we investigate evidence of alternative 'recipes' for high and low LS. Specifically, we indicate that there appear to be four distinct 'recipes', which are primarily based on the values/life priorities of different subsets of the population. These values/life priorities, measured in SOEP since 1990, are: altruistic/pro-social values, family values, materialistic (money and career) values, and religious values (Kluckhohn & Strodtbeck, 1961).

The evidence indicates that the 'recipes' which prioritise altruistic, family or religious values are linked to above average levels of long term LS, whereas the materialistic values 'recipe' is linked to below average LS. Individuals who regard all the listed values as relatively unimportant record exceptionally low levels of LS.

Partners

An interesting finding is that individuals who prioritise altruistic values or family values record significantly higher domain satisfactions and LS if their spouse/partner shares the same values.

What is meant by a 'recipe' for happiness?

A 'recipe' is a conceptually and empirically linked set of values, behavioural choices and domain satisfactions which prove to have substantial effects on LS. For example, the altruistic 'recipe' involves giving high priority to altruistic, pro-social values and making the behavioural choices of engaging in volunteer work, attending community events, and meeting often with friends, relatives and neighbours to provide help/support as well as friendship. Altruistic values and behavioural choices are then linked to high levels of satisfaction with volunteering and with one's social life.

Data analysis

Using Stata's structural equation modelling software, we estimate models based on the causal and temporal sequence.

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The Impact of Housing Quality on Health and Labor Market Outcomes: The German Reunification

Steffen Künn, Maastricht University
Juan Palacios, Maastricht University

Environmental hazards such as ambient air pollution and extreme temperatures have a significant impact on individuals' health and generate massive economic costs in industrialized countries. However, individuals spend on average 90% of their time indoors reducing their exposure to outdoor hazards. While economist and policy makers are certain that the provision of decent housing should lead to increased health and well-being, empirical evidence is largely missing or based on small scale experiments on poor households in developing countries.

This paper studies the massive renovation wave in East Germany in the aftermath of the German reunification to contribute population-representative evidence on the impact of improved housing conditions on occupants' health and labour market outcomes in industrialized countries. During the 90s, the German government implemented several programs to modernize the East German housing portfolio. The largest program spent a total of € 40 billion and renovated 3.6 million dwellings in East Germany. Using the German Socio-Economic Panel (SOEP) and applying a fixed effect approach exploiting the exogenous variation in the exact timing of the renovation, we find that a major renovation of a dwelling significantly improves tenants' subjective and objective health outcomes. Sensitivity analysis with respect to time-varying unobserved factors confirm the robustness of the results.

Keywords: Housing quality, renovation program, health, labor market outcomes

JEL codes: H54, I18, R38

Unemployment and health in Germany – selection, anticipation, causation and rehabilitation

Franziska Förster, University of Leipzig
Thorsten Schneider, University of Leipzig

Associations between unemployment and health are well documented by current research. Nevertheless, the direction of causality is not completely understood. Based on Jahoda's Theory on manifest and latent functions of employment, Conservation of Resources Theory, and Human Capital Theory we derive four major hypotheses on (1) selection in unemployment due to poor health, (2) anticipation of unemployment as a trigger for health problems before the unemployment actually starts, (3) duration of unemployment as an amplifier of health problems, and (4) complete rehabilitation of health after re-entering employment. In addition, gender-specific differences are brought into focus as several theories assume alternative, non-market based roles for women, particularly mothers, and therefore less impact of unemployment on women than on men. To test these hypotheses we use all waves from the German Socio-Economic Panel (SOEP) and estimate fixed effect regression models. The dependent variable is self-rated general health satisfaction, measured on an 11 point scale. For the main covariates we apply a highly differentiated coding scheme on periods before, during and after unemployment. Preliminary findings show a selection of less healthy workers into unemployment and a decrease of health satisfaction with duration of unemployment, but strong recovery after starting a new job. Notably, while the duration of unemployment had significantly more impact on fathers than mothers, rehabilitation after re-entering employment is equally strong.

Keywords: health, unemployment, panel regression, selection hypothesis, causation hypothesis

The Effect of Unemployment on the Smoking Behavior of Couples

Jan Marcus, University of Hamburg
Jakob Everding, University of Hamburg

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.

JEL Classification: I12, J63, J65, C23

Keywords: smoking, risky health behaviors, unemployment, job loss, spillover effects, post-double-selection method

Health Inequalities in Germany: Is the Healthy Immigrant Effect (HIE) Operative?

Manuel Holz, University of Chemnitz

The aim of the study is to compare health outcomes of migrants and the native German population, testing for the existence of a Healthy Immigrant Effect (HIE). The study contributes a broad theoretical analysis of the HIE and makes use of a wide spectrum of variables to model health (using the SF-12). The HIE is marked by an observed health advantage for migrants, when compared to the host population, which declines with the years since migration. Assessing different types of selection processes, it is assumed that mass migration to post-industrial countries is characterized by favouring the inflow of healthy individuals from weaker economies working in the low-wage sector due to the cost aspect of migration and differences in wages for adequate work. Socioeconomic and -structural differences of migrant and host population as well as psychosocial stressors like acculturation cause the deterioration of the health advantage with increasing years since migration. Using cross-sectional data from the 2016 wave of the Socio-Economic Panel this study compares health outcomes (generated from the SF-12) between recent migrants (≤ 10 years since migration), non-recent migrants (> 10 years since migration) and the native German-born population. Propensity score matching analyses reveal a health advantage for recent migrants compared to non-recent migrants as well as to the native German-born population, while non-recent migrants remain statistically indistinguishable from the native German-born population, implying a health assimilation effect.

Optimal Taxation Under Different Concepts of Justness

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Maria Metzging, SOEP/DIW Berlin
Davud Rostam-Afschar, University of Hohenheim

A common assumption in the optimal taxation literature is that the social planner maximizes a welfarist social welfare function with weights decreasing with income. However, high transfer withdrawal rates in many countries imply very low weights for the working poor in practice. We reconcile this puzzle by generalizing the optimal taxation framework by Saez (2002) to allow for alternatives to welfarism. We calculate weights of a social planner's function as implied by the German tax and transfer system based on the concepts of welfarism, minimum absolute and relative sacrifice, as well as subjective justness. For the latter we use a novel question from the German Socio-Economic Panel. We find that the minimum absolute sacrifice principle is in line with social weights that decline with net income. Absolute subjective justness is roughly in line with decreasing social weights, which is reflected by preferences of men, West Germans, and supporters of the grand coalition parties.

Keywords: Justness, Optimal Taxation, Income Redistribution, Equal Sacrifice, Inequality, Subjective Preferences

JEL Classification: D63, D60, H21, H23, I38

Economic experiences, target-specific beliefs and demands for redistribution

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Christina Fong, Carnegie Mellon University
Panu Poutvaara, Ludwig-Maximilians-Universität München

Attitudes towards redistribution depend, among other factors, on beliefs about the role of effort and luck in determining income. Those who believe in the importance of luck and exogenous circumstances support more redistribution than those who believe in the importance of effort. Fong (2016) shows that beliefs and demands have a target-specific component. Beliefs about why the poor are poor are different from beliefs about why the rich are rich, and the former belief has stronger effects on demands for transfers to the poor while the latter has stronger effects on demands for taxation of the rich. We use questions that we proposed to the SOEP 2014 wave to examine beliefs about the determinants of incomes, and how these affect attitudes towards increasing taxes on those with high incomes and increasing transfers to those with low incomes. We find a strong link between beliefs about the causes of low incomes and high incomes, and attitudes towards increasing transfers to those with low incomes and taxes on those with high incomes. Those believing more strongly in the primacy of effort demand less redistribution. Further, those with higher incomes attribute a larger role for own effort. Economic experiences also play a role. Those whose father was unemployed when they were 15 are more sensitive to the role that bad luck can play in economic hardships. Those who lived in East Germany in 1989 also attach more weight on external circumstances and favor more redistribution.

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Fong, Christina, 2016. Target-Specific Beliefs and Demands for Redistribution. Mimeo.

Economic Insecurity and Voting Behavior

Anthony Lepinteur, University of Luxembourg
Andrew E. Clark, Paris School of Economics – CNRS
Conchita D'Ambrosio, University of Luxembourg

We contribute to the literature by analysing the predictive power of an innovative measure of economic insecurity on political preferences. We first show that economic insecurity increases support for political parties and so reduces abstention in both the U.K. and Germany. We also demonstrate that economic insecurity benefits mainly to conservative and liberal parties, except in East Germany where the support for SPD also increases with economic insecurity.

Time preferences and political regimes: Evidence from reunified Germany

Markus Pannenberg, Bielefeld University
Tim Friehe, Philipps-Universität Marburg

Time preferences are crucial to major life-impacting choices such as saving for the future, educational decisions, and both labor-market and health-related behavior. This paper explores whether the socialist regime of the German Democratic Republic (GDR) has caused a lasting variation in its former residents' time preferences. We use survey measures from the SOEP for present bias and patience that are significantly correlated with corresponding time preference parameters elicited from incentivized experiments (SOEP-TIMEPREF). To identify the effect of the GDR's political regime, we use two identification strategies. First, we treat the separation and reunification of Germany as a natural experiment and present OLS-findings. To strengthen these results, we test for robustness against bias from local unobservables. Second, we adopt a geographic regression discontinuity design with border-segment fixed effects (GRDD). Thereby we address concerns about unobserved local heterogeneity by comparing only people who have lived close to the former FRG/GDR border.

Our results show that the GDR's socialist regime significantly diminished the present bias of its former citizens in the long run. In contrast, the regime's influence on patience is insignificant. When we split the sample into birth cohorts, we find results that are consistent with the proposition that a sufficiently long exposure to the socialist regime was necessary for a notable effect on individual present bias. Furthermore, we disentangle the direct regime effect on economic behavior from the indirect effect through its influence on present-bias by means of a mediation analysis. We show that present-bias is a good predictor for individual choices in health, finance, and education domains.

Our results suggest that the GDR's socialist regime enduringly diminished the present bias of its former citizens. Given that present bias can cloud and negatively distort an individual's long-term interests, our results speak to a positive consequence of the GDR's political regime.

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Parallel Sessions 5-8

Like Father, Like Son? A Comparison of Absolute and Relative Intergenerational Labour Income Mobility in Germany and the US

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Social inequalities are complex and multidimensional. Opinions on what makes a good life and what is fair vary widely. The same applies to social mobility, which in economic terms usually refers to the relationship between the income of parents and that of their children. The focus is on income because of the considerable influence it exerts on people's opportunities to develop and to participate in our society. Ultimately, it's about the belief that, ideally, children should be better off than their parents. It is therefore examined what absolute and relative income mobility persist across generations. The results show that in western Germany 63 per cent of sons born between 1955 and 1975 earned a significantly higher wage or salary than their fathers. Those with fathers from the lowest earnings bracket were particularly successful in improving their status. Our analysis focuses on fathers and sons because they still tend to have more continuous employment biographies than mothers and daughters, making a comparative analysis much easier. Eastern Germany was not included in the study due to the fundamental differences in economic conditions before and after the German reunification. Furthermore, the remaining observation period is too short for our purposes. A direct comparison with the US makes clear that Germany has the higher income mobility. This applies to both absolute and relative income mobility. In recent decades, economic growth in Germany has been distributed more widely, so that large sections of the population have been able to share in the country's rising prosperity. Social advancement is possible in Germany and today's adults are better off than their parents.

Inequality of Opportunity, and Intergenerational Transmission of (Dis-)Advantages – Empirical Evidence from Selected Countries

Veronika Eberharter, University of Innsbruck

The structuring impact of the change of macroeconomic indicators, the institutional settings of the labor markets, as well as the relative demand for skills count among the explanations of increasing inequality of the earnings distributions in many industrialized countries since the 1990ies (Jenkins 2011). Technological and demographic change reinforce job polarization and the heterogeneity of employees concerning age, gender, occupations and industries contribute to increasing economic and social stratification (Acemoglu 2003, Atkinson and Piketty 2010). Understanding economic and social inequality experienced in childhood gains in importance from a perspective caring about the equality of opportunity (Smeeding and Rainwater 2004). The negative consequences of economically and socially disadvantaged children for the society may be considerable (Vleminckx and Smeeding 2001), because child poverty often feeds a vicious circle that implies a higher risk of impoverishment in adulthood (Atkinson et. al. 1983, Corcoran 2001, Corak 2006).

Studies on intergenerational income mobility adopt the logic of the neoclassical human capital approach (Becker 1964, Mincer 1974) which assumes that parental investments increase the children's human

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capital, which in turn increases the children's economic and social performance (Becker and Tomes 1986, Solon 1999, Solon 2002, Chadwick and Solon 2002). Income inequality, the inequality of opportunity and the intergenerational mobility of the social and economic position are correlated (Friedman 1962), but the causality is ambiguous so that income inequality can stifle upward social mobility (Causa and Orsetta 2010). The degree of intergenerational income mobility is an indicator of the equality of opportunity in a society and the flexibility of the labor market.

Based on longitudinal nationally representative data from the German Socio-Economic Panel (SOEP), the British Household Panel Survey (BHPS), and the US Panel Study of Income Dynamics (PSID), which were made available by the Cross-National Equivalent File (CNEF) project at the College of Human Ecology at the Cornell University, Ithaca, N.Y. (Frick et al. 2007) the paper analyzes the degree of income inequality and intergenerational income mobility as well as the determinants of social and economic dynamics of different birth cohorts. We analyze the relationship between income inequality and the inequality of opportunities, which is the degree to which the conditions at birth and early childhood determine the economic and social chances as adults. We proceed multivariate analysis to answer the question which parental characteristics are associated with the relative risk of the children at birth or early childhood to be at the bottom/at the top of the income distribution (Mc Fadden 1973, Maddala 1983, Heckman 1981, Greene 2003). We evaluate the social and economic status of these children as adults employing multi-dimensional capability indicators (Sen 1992, Mehrotra 2006, Redmond 2008, Robeyns 2005). To analyze the intergenerational mobility we employ linear and non-linear regression approaches for different cohorts of child-adult pairs (Hertz 2004, Couch and Lillard 2004, Grawe 2004) introducing income inequality – inequality of opportunity indicators as exploratory variables.

The paper is organized as follows. Section 1 introduces, section 2 provides the theoretical background and the related literature. Section 3 presents the data base and the methodological issues. Section 4 discusses the empirical results, and section 5 concludes with a summary of findings and the implications and recommendations for economic and social policy.

JEL Classifications: D31; J24; J32; J62

Keywords: personal income, wealth and their distribution; income inequality; human capital; measurement and analysis of multidimensional poverty; intergenerational mobility

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Intergenerational economic mobility in Germany: Levels and trends

Iryna Kyzyma, Luxemburg Institute of Socio-Economic Research (LISER) and IZA Bonn
Olaf Groh-Samberg, University of Bremen

This paper provides new evidence on intergenerational economic mobility in Germany by analyzing the degree of intergenerational persistence in ranks – positions, which parents and children occupy in their respective income distributions. Using data from the German Socio-Economic Panel, we find that the association of children's ranks with ranks of their parents is about 0.242 for individual labor earnings and 0.214 for household pre-tax income. The evidence points that mobility of earnings across generations is higher for daughters than for sons whereas the opposite applies to the mobility of household pretax income. We also find that intergenerational rank mobility of earnings decreased twice for children born in 1973-1977 as compared to children born in 1968-1972.

JEL codes: D31, J31, J62

Keywords: intergenerational economic mobility, absolute rank mobility, relative rank mobility, income inequality, changes over time

Absolute Income and Wealth Mobility in Postwar Germany

Timm Bönke, Freie Universität Berlin
Holger Lüthen, DIW Berlin and Freie Universität Berlin
Astrid Harnack, Freie Universität Berlin

We link various German microdata sources to analyze if children are economically better off than their parents. Combining the data yields detailed cross-sectional wealth and income distributions on a household level for both parents and children around age 30. Using panel data from the SOEP, we estimate intergenerational transition probabilities to obtain non-parametric copulas. These link the child wealth and income distributions to the distributions of parental wealth and income.

The combined data serves to identify intergenerational trends in wealth and income mobility for children born 1962 through 1984. In particular, we estimate the share of children with higher income and wealth than their parents. We measure both income and wealth in 2015 real values.

We find that income mobility declines for cohorts 1962 through 1984. The decline especially shows for children born after the 1970s. For the upper end of the distribution, intergenerational wealth transfers counteract the loss of income.

Skill Adaptation to Shifting Job Tasks in the Face of Offshoring

Thomas Gries, Paderborn University
Irene Palnau, Paderborn University

Skill demand shifts through offshoring are commonly considered to especially affect low-skilled manufacturing labor, performing tasks that are relatively more 'offshorable'. Whether this group nevertheless gains in terms of wage through offshoring is uncertain since several mechanisms are at work (Grossman and Rossi-Hansberg, 2008). A mechanism that has received very little attention is skill adaptation. We use the German Socio-Economic Panel in combination with industry-level and occupational data to assess whether training participation aimed at adaptation to shifting job tasks is associated with higher wages, depending on the degree of exposure to offshoring. We find that workers adapting to new job requirements through training earn more the higher the degree of occupational exposure to offshoring. The difference in training returns between the 90th and the 10th percentile of the offshoring distribution amounts to 6.73 percent, i.e. 1.31 EUR per hour. In above-average offshoring segments training aimed at adaptation is sufficient to compensate potential negative wage effects of skill demand shifts.

Does the internet increase the job finding rate? Evidence from a period of internet expansion

Manuel Denzer, Johannes Gutenberg University Mainz

The emergence of the internet has led to a considerable change in the efficiency of the individual job search process. In most of the cases, this shift is theoretically characterized as a beneficial one which is primarily driven by a massive reduction in search costs and information frictions. Using an instrumental variable strategy, the authors exploit data on municipal broadband availability to analyze how the outcome of the individual job search process is affected by a private internet access. While the internet's impact on the individual chances to (re-)gain employment is in focus of this study for the groups of unemployed, inactive and non-employed individuals, the effect on the likelihood to voluntarily move to a new position is investigated for workers. In contrast to the theory, the authors do not find any clear beneficial effects of residential internet access on the job finding rate for the groups of unemployed and non-employed individuals. For employed individuals only weak hints for a negative effect are found. The results suggest that previous related studies are more prone to problems of a positive selection on unobservables than expected. Moreover, they indicate that owning a private internet access is rather a signal for possessing more valued individual characteristics on the labor market than a determinant of (re-)gaining employment.

JEL Classification: J64, L86, R23

Keywords: Internet job search, employment outcome, individual job finding rate, broadband access

Automation and individual unemployment risk - A task-based approach

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Michael Otto, Friedrich-Alexander-Universität Erlangen-Nürnberg (FAU)

Most recent studies suggest that technological change and automation technology will not necessarily affect total employment but lead to a displacement of occupational task. Thus, especially manual and cognitive routine-tasks are expected to have a higher risk of being replaced by machines. To measure the impact of automation current researchers commonly use two different types of measures: 1) the abstract measurement of occupational substitution potential, which do not enable statements about actual automation or 2) technology measures on the level of firms or industries with no information which groups of employees are affected. In this study, we combine these two types of measurements to investigate whether the substitution of occupational tasks indeed leads to a higher risk of getting unemployed. We expect that a high share of routine-task will only lead to a displacement of labour for individuals working in industries with a high degree of robotic installations. In our sociological individual-level approach we also examine, whether there is a variation in the impact of different social groups of employees (e.g. low qualified). To test these hypotheses we use employment data from the socio-economic panel (1994-2014) merged with yearly information about the installation of industrial robots in Germany (IFR data) and information about the occupational tasks. Our findings support the assumption of a routine-biased technological change: As expected a significant difference in the individual unemployment risk due to the share of routine-tasks only can be demonstrated for employees in industries with huge investments in robotics. Furthermore, by now only manual routine-task, compared to cognitive routine-task, seem to be affected by automation processes.

Quantifying Biogas Plant Externalities Using Well-Being and Hedonic Price Data

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Johannes Rohde, Technische Universität Darmstadt

Christian Krekel, London School of Economics and Political Science (LSE),

This paper quantifies the negative external effects of biogas plants using well-being data and hedonic price data. We combine a new panel data set comprising more than 13,000 installations in Germany with rich longitudinal household data from the German Socio-Economic Panel for the period 2000 to 2012. Our empirical strategy rests on a difference-in-differences design exploiting exact geographical coordinates of both installations and households. Propensity-score and spatial matching ensures comparability of the treatment and control group. Results show that the construction of biogas plants closer than 750 metres to households has significant negative impacts on the well-being of household members as well as on real estate prices. The quantified negative externality, however, is rather small: about 100 Euro per affected household per year.

Determinants of application for the recognition of foreign degrees – Evidence from a German Legislation Change

Silke Anger, Institute for Employment Research (IAB) and University of Bamberg

Jacopo Bassetto, Institute for Employment Research (IAB)

Malte Sandner, Institute for Employment Research (IAB)

The labor market integration of immigrants is a key step towards their smooth overall integration within the host society and the utilization and preservation of incoming human capital. The recognition of schooling and professional certificates acquired abroad is therefore crucial, particularly in Germany where many professions can be only practiced conditional on the possession of a valid certificate. Still, a large share of migrants does not apply for recognition, mainly due to bureaucratic hurdles or because they underpredict the success rate. With the aim of raising the application rate by streamlining the procedure and increasing the information availability, Germany implemented the Federal Recognition Act (Anerkennungsgesetz) in 2012. Exploiting the rich set of information available in the four waves of the IAB-SOEP Migration Sample, in this paper we first investigate the determinants of applying for recognition of certificates and examine which factors prevent migrants from applying. We then assess the effect of the 2012 Recognition Act on the rate of applications. To this end, we use a Difference-in-Differences design, in which we compare non-EU/EEA migrants as the treated with the control group of EU/EEA migrants. The latter should have not been affected by the Recognition Act as previous European Directives had already simplified their recognition process. Preliminary results show that higher educational levels (stronger incentives for the transferability of human capital) and better knowledge of the German language (lower information barriers) increase the likelihood of applying. With regards to the law, it seems that the Anerkennungsgesetz has had only a modest effect on the application rate of non EU/EEA migrants.

Coming to Germany: Pre-migration language skills, Job search and Labor market outcomes

Huy Le-Quan, Institute for Employment Research (IAB)

This paper investigates the impact of pre-migration German language skills on current labor market outcomes of immigrants in Germany by exploring the mediation effect of job search methods. Using a large representative migration sample in Germany, I show that immigrants who speak better the German language at arrival are less likely to rely on their informal social networks to look for jobs, which in turn increases their earnings and level of job complexity. One possible explanation could be due to their small, homogeneous and low-quality social network, which does not help them succeed in the labor market. This is reflected in the high proportion of unemployed and low-educated friends that they have. Further, the mediation effect of using informal networks to obtain jobs accounts for approximately 13 to 15 percent of the total effect, which points to the importance of using mediation analysis to unpack the "black-box" to explain why and how language skills exert such an influence on the labor market performance.

Keywords: language skills, job search, labor market outcomes, immigrants

JEL Classification: I26, J24, J30

Self-Selection of Asylum Seekers: Evidence from Germany

Lucas Guichard, Institute for Employment Research (IAB)

We examine the pattern of selection on education of asylum seekers recently arrived in Germany from five key source countries, namely Afghanistan, Albania, Iraq, Serbia and Syria. The analysis relies on original individual-level data collected in Germany combined with surveys conducted in the five countries of origin. The results reveal a positive pattern of selection on education for asylum seekers who were able to flee Iraq and Syria, while the selection is neutral for individuals seeking asylum from Afghanistan. By contrast, asylum seekers from Albania and Serbia are found to be drawn from the lower tail of the education distribution associated to the origin population. We provide an interpretation of these patterns based on differences in the expected length of stay at destination, in the migration costs faced by asylum seekers to reach Germany, and in the size of migration networks at destination.

Risk Attitudes and the Skill Structure of Immigrants

Agnese Romiti, Institute for Employment Research (IAB)

Ehsan Vallizadeh, Institute for Employment Research (IAB)

This paper examines theoretically and empirically how risk attitudes of immigrants affect their decision to invest in human capital in the host economy. We develop a simple model to show that risk aversion reduces investment in human capital when either of the following factors increases: i) the uncertainty about the return to human capital investment, ii) the cost of investment, and iii) the opportunity costs. Our empirical exercise provides several insights. First, we show that immigrants and natives differ in risk preferences, and that immigrants face a higher earnings and unemployment risk than otherwise similar natives. Second, our results show that risk preferences do play a substantial role in explaining investment decision in human capital for immigrants. Third, we find that the role of risk preferences is higher for the decision to invest in higher education (university degree) than to invest in vocational education, a result that is in line with our evidence that investing in vocational education is relatively less risky.

Earnings inequality in Germany: A decomposition-analysis

Ulrike Stein, Macroeconomic Policy Institute (IMK)

Several studies have shown that income inequality has risen in Germany until 2005. Less focus was put on the rise of earnings inequality which continued to rise until 2010. We distinguish different groups in the labour market with respect to working-time, gender and region by exploiting data from the German Socio-Economic panel (GSOEP) for the years 1995 till 2014. Using the decomposition of the Theil1-index we demonstrate that the increase in earnings inequality is primarily the result of diverging average earnings of the various groups in the labour market (between-group inequality) and to some extent due to increasing earnings heterogeneity within groups (within-group inequality). The former effect is larger than the latter. Without the inequality reducing effect on earnings inequality due to the continuous decrease in the share of full-time working employees and the increase in the female labour participation rate (compositional effect) earnings inequality would have actually further increased after 2010. Independent of the policy target, policy measures to reduce inequality need always to be designed in such a way that they take the whole work force into account in order to achieve measurable effects.

Real income growth in Germany: Which income groups benefited most?

Carsten Schlieper, German Economic Institute (IW Köln)

Judith Niehues, German Economic Institute (IW Köln)

A frequently cited result derived from the SOEP suggests that the poorest two quintiles of the German population had hardly experienced any real income growth since the reunification, and in addition, they did not benefit from the recent positive economic development in Germany. It should be noted, though, that the lowest two quintiles at the time of reunification hardly coincidence with the lowest two quintiles nowadays. The composition of deciles can have changed for three different reasons: First, the underlying population may change due to migration and life cycle effects. Besides these real changes of the represented population, the sample of the SOEP may also change on account of subsequently adding extra subsamples which focus on specific parts of the population (migration sample, low income families etc.). Finally, even if observing a completely balanced panel, the composition of deciles may vary due to income mobility between deciles. In the paper, we investigate the importance of these three effects to explain observed real income development. The preliminary results suggest that negative real income development turns into a positive development for all income groups if a) the integration of additional subsamples is controlled for and b) if the analysis is restricted to balanced panels of longitudinal five-year periods. Nevertheless, even when analysing a balanced panel, recent real income growth for the lowest income decile is significantly lower than for all other income groups. This is, however, less due to stagnating incomes of respondents remaining in the lowest decile at all time points but rather due to a changing composition of this income group and thus, due to descending households with very low incomes.

Individual Labour Market Poverty Polarisation in Eastern and Western Germany

Jean-Yves Gerlitz, University of Bremen

Income poverty is strongly connected with work intensity. To analyse causes of poverty, several studies have explored whether non-employment and non-standard employment are polarised, i.e., clustered within certain households. However, rising poverty rates among full-time full-year workers show that the protective function of standard employment has eroded, which makes it worth to look at the polarisation of poverty directly. Considering poverty as the phenomenon of interest, I ask whether individual labour market poverty, defined as individual gross labour market incomes below the poverty line, is clustered in Eastern and Western German households, how polarisation has developed in the context of demographic change and the major labour market and social policy reforms (Hartz reforms), and what role shared socio-demographic characteristics and employment patterns have played. Using data of the German Socio-Economic Panel from three decades, I have calculated a polarisation index that measures differences between observed household labour market poverty and rates that would occur if individual labour market poverty was randomly distributed across households. Descriptive trend analysis show negative polarisation in Western Germany and positive polarisation in Eastern Germany. Since the consolidation of the labour market and social policy reforms, polarisation has increased in the western part, while staying stable in the eastern part. Index decompositions reveal that polarisation in both parts can be primarily attributed to intra-household differences (west) and similarities (east) in work intensity, and that increased polarisation in Western Germany was mainly driven by a rising share of single-adult households, growing inequalities between two-adult households, and households where all adults were inactive.

Wage inequality in Germany: The role of non-standard employment

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Ulrike Stein, Macroeconomic Policy Institute (IMK), Hans Böckler Foundation

Wage inequality increased in Germany after reunification until 2010 and stagnated thereafter. Given that Germany experienced an enormous increase in part-time employment it is important to take the whole work force into account in contrast to the majority of studies that are restricted on full-time employees (paying social security contributions) only. Using data from the Socio-economic panel (SOEP) for the years 1995 till 2014 we find above average changes of hourly wages in the groups of full-time employees and below average changes for the groups of employees working part-time. The same holds true for group-specific wage inequality. All these observations suggest that there are other factors as well that contributed to the increase in wage inequality.

In addition to the increase in part-time employment and female participation rates the German labour market experienced a significant change in employment arrangements away from standard employment. In the time period between 1995 and 2006 not only the overall share of non-standard employment increased but also the concentration of non-standard employment characteristics among jobs (part-time, non-permanent employment contracts, marginal employment). To our knowledge, the impact of non-standard employment on wage inequality has not yet been analysed.

With a decomposition analysis we show how much of the increase in wage inequality is driven by the increasing spread of average wages between the groups of full-time working males and females in

permanent employment and those groups of workers in jobs with non-standard employment characteristics (non-permanent employment, part-time employment, and in particular the combination of both characteristics). In addition we work out the impact of non-standard employment on wage inequality with a semiparametric procedure using kernel density methods proposed by DiNardo, Fortin and Lemieux (1996).

Poster Session I

A new comparative earnings potential measure to study mobility processes in Germany and the UK

Laura Langner, University of Oxford, Nuffield College
Jonathan Gershuny, University of Oxford, Nuffield College

This paper proposes a new UK-Germany comparative earnings capacity measure for the study of mobility processes, similar to economists' notion of human capital. In essence, it is an index of characteristics which determine an individual's reasonable earnings expectations, based upon current and past labour-market-related behavior—the cumulated effect of all the individual's previous human capital investments. The measure has two advantageous characteristics as an indicator of individuals' social position and life-chances: it has comprehensive coverage, including both those currently in employment and the un- or non-employed; and it is continuous. The measure is calculated using UK and German longitudinal data (SOEP and BHPS/Understanding Society). One potential application is demonstrated: Modelling changes in social position between decades.

Internet Use and Health. Exploring the role of Social Capital

Nicoletta Balbo, Bocconi University
Valentina Rotondi, Bocconi University
Luca Stella, Bocconi University and Institute of Labor Economics (IZA)

In this paper, we exploit the longitudinal dimension of the German Socio-Economic Panel (SOEP) to study the effects of high-speed Internet on individual health, focusing on the role of social capital as a potential mechanism through which Internet access may affect health. We find evidence of a negative impact of high-speed Internet on physical and mental health. Individuals with DSL access tend to be 1.5 percent more likely to be in poor health compared to their counterparts without DSL Internet, 1.7 percent more likely to declare mental health problems, and to report higher levels of BMIs. Furthermore, they are 2.5 percent more likely to be in time pressure. Our mediation analysis suggests that social capital is indeed a key factor underlying the relationship between Internet use and health. While the increased availability of social capital brought about by high-speed Internet may provide a source of social support, it can simultaneously lead to a communication and social interactions overload. Using data from the German Time Use Survey (German TUS), we also show that playing video games, using PC or smartphones, watching TV or movies are correlated with a reduction in social activities and a more sedentary lifestyle, which in turn may explain the negative effects of broadband Internet on physical health.

JEL Codes: I10, O33, A13

Keywords: Internet, Health, Social Capital

The effect of housework on migrants' and native-born individuals' wages

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While the low earning potential of female migrants—relative to the earnings of their spouses—may often lead to an uneven division of housework tasks, housework may also have negative effects on earnings, thereby worsening the labour market performance of female migrants. This study examines the effects of housework on the wages of migrants and native-born individuals based on data obtained from the German Socio-Economic Panel from 2000-2015 and conducts instrument variable estimations to account for simultaneity between wages and housework. Significant negative and comparable high effects of housework on wages are found for native-born and migrant women. For migrants, effects are higher for those living with a partner than for those not living with a partner. In contrast to the effects on native-born men which are comparable to those on native-born women, the effects on migrant men are lower than those on migrant women or are not significant also when controlling for threshold effects. An Oaxaca-Blinder wage decomposition further displays that gender differences in housework for those in coupled households explain almost three times as much of the explained share of the gender wage gap for migrants as for native-born individuals. Hence, an assumed main reason for the higher wage gap among migrants than among native-born individuals is the highly uneven division of time spent on housework tasks among migrants. Ensuring that female migrants with inferior labour market prospects have access to education is important to prevent this uneven division within a household.

JEL Classification: D13, J16, F22

Keywords: household production, wages, female migrant's labor market integration, instrument variables estimation

The Determination of Extended Income Equivalence Scales from Income Satisfaction and Time Use Data

Melanie Borah, Otto-von-Guericke-University Magdeburg

In this paper, I estimate extended income equivalence scales from income satisfaction and time-use data contained in the German Socio-Economic Panel. Designed to capture the needs of additional household members, these scales account for both, increases in households' money income and domestic production requirements. The estimation procedure determines equivalence weights in these two components separately. My findings suggest relatively low equivalence weights in monetary incomes, especially for children whose parents do not work full-time. At given levels of monetary well-being, the value of household production increases massively in the presence of an adult partner and a bit less, but still considerably, in the number of children. The resulting extended income equivalence scale assigns greater weights to both, adults and children, with the difference between them being smaller than in the money equivalence scale. I illustrate the implications of these estimates for measures of income inequality using the same dataset.

JEL Classification: D13, I32, J13, J22

Keywords: equivalence scales, income satisfaction, household production

FRIDAY, July 20, 2018

Parallel Sessions 9-12

Justice delayed is assimilation denied: Rightwing terror, fear and social assimilation of Turkish immigrants in Germany

Sumit S. Deole, Martin Luther University Halle-Wittenberg

In 2011, German police accidentally stumbled upon a previously unknown right-wing extremist group called the National Socialist Underground (NSU). Further investigations implicated the group in previously unexplained murders of mostly ethnically Turkish individuals and in other crimes targeting Islamic immigrants in Germany. Using German Socioeconomic Panel (SOEP) data, this paper offers the first evidence that the 2011 revelations of the delayed justice for NSU crimes resulted in an increase in perceived fears of xenophobic hostility among NSU's targeted groups, an indication of the minority's perceived maltreatment by German institutions while investigating the NSU crimes. The paper further asks whether these revelations had affected social assimilation outcomes. The results show that they significantly reinforced a feeling of estrangement among Turks, who were now less likely to self-identify as Germans and more likely to see themselves as foreigners; they, therefore, tended to bond more strongly with the ethos of their country of origin. The results also demonstrate that Turks reported a substantial decrease in their health satisfaction and subjective wellbeing. In conclusion, the findings suggest that the fears of victimhood induced by the 2011 revelations have affected social assimilation and the wellbeing of Turks and other Islamic immigrants living in Germany. The paper discusses pertinent implications for assimilation policies.

Keywords: NSU, rightwing crimes, delayed justice, fears, social assimilation

JEL Classification: F22, J15, Z10

The Impact of Exposure to Xenophobic Violence on the Integration of Immigrants – Insights from Germany

Max Friedrich Steinhardt, Helmut-Schmidt-Universität der Bundeswehr Hamburg

Integration of immigrants is a two-way process involving immigrants and the host society. An underexplored question is how xenophobia in the host country affects the integration of immigrants. For this purpose, we exploit a unique series of anti-immigrant attacks in the early 1990s in West Germany. Using a difference-in-differences regression framework, we find that macro exposure to xenophobic violence has an impact on several dimensions of social and economic integration of immigrants. Our results indicate that an unexpected rise in right-wing extremist violence increases return intentions and induces outmigration. Among those staying, it strengthens home country ties and reduces investment in German language skills. From a policy perspective, the paper shows that anti-immigrant violence can have non-negligible, indirect costs by impairing the integration of those immigrants who belong to the target group of xenophobic attacks.

JEL Classification: A14, J15, J61

Keywords: Immigration, integration, xenophobia

Cumulative deprivation and fear of immigration in Germany: An intersectional, dynamic life course approach

Fabian Kratz, Ludwig-Maximilians-Universität München (LMU)

While a large literature on the determinants of negative attitudes towards immigration exists, only very few studies use panel data to assess dynamic interdependencies over the life course. This contribution employs an intersectional life course perspective to examine how cumulative deprivation experiences increase the fear of immigration. I use multi-cohort panel data (SOEP v33, 1999-2016) and employ growth curve modelling techniques and distributed fixed effect models. Being a key determinant of risks and chances over the life course I examine how educational attainment shapes age-specific trajectories. To scrutinize implications of the intersectional approach, I assess heterogeneity in education-specific trajectories by geographic origin (East-West-Germany), social origin (parental education) and gender. To test the proposition that low educational achievement increases the risk and vulnerability of negative critical life events that increase fear of immigration, I test how becoming and staying unemployed affects the fear of immigration on an individual level.

The Accumulation of Wealth in Marriage - Over-Time Change and Intra-Couple Inequalities

Philipp M. Lersch, Humboldt-Universität zu Berlin and SOEP/DIW Berlin
Nicole Kapelle, University of Cologne

The assumption that marriage is equally beneficial for all family members has long been criticised. However, how marriage is associated with personal wealth rather than household-level wealth is largely under-researched. Recent studies have illustrated that wealth premiums at the household level seem to extend to personal-level premiums for married men and women compared to never-married individuals. These studies have also revealed substantial gender disparities in wealth between spouses, disadvantaging wives. Nevertheless, these studies have largely disregarded overtime variations and hence overlooked that entry into marriage is a major life course event that uniquely shapes husband's and wife's wealth trajectories in all subsequent years. Going beyond previous research, we use a longitudinal approach to examine the accumulation of personal wealth within married couples over time and investigate the development of intra-couple wealth inequalities. Using high-quality data from the German Socio-Economic Panel Study (2002, 2007, and 2012), we apply random-effects and fixed-effects regression models to describe wealth patterns of first-time married couples. We find a delayed marriage wealth premium about 5 years after entering marriage compared to never-married respondents. Further, our results suggest that spouses particularly increase their personal housing wealth, while marriage seems less beneficial for the accumulation of financial wealth over time. Considering intra-couple wealth inequalities, our results show a pronounced wealth gap at the start of the marriage whereby husbands hold 40 percent (approx. €45,000) more personal wealth than their wives. The gap stays fairly constant throughout marriage. While the intra-couple wealth gap during early years of marriage is mainly defined by differences in personal housing wealth, differences in personal financial wealth constitute the gap during later years. Overall, our results point out that although husbands and wives benefit from a growing marriage premium, a stable within-couple gap may place wives at persistent disadvantage.

Does the Expansion of Early Public Child Care Raise Germany's Fertility?

Eric Schuss, University of Duisburg-Essen
Mohammed Azaouagh, University of Duisburg-Essen

Theoretical considerations and empirical evidence on the effect of child care on fertility come to contradictory results. We use quasi-experimental expansion of child care slots for children from Germany and exploit regional variations in this large-scale expansion to account for endogenous and selective fertility decisions. To be concrete, we evaluate whether the short term expansion of child care slots for children under the age of three since the mid-2000s and the introduction of a (conditional) legal claim to a slot for children aged one and above since 2010 decrease childlessness and increase the number of children per family. To account for right censoring and left truncation, we implement this quasi-experimental framework into the setting of the Cox hazard model. Its semi-parametric form enables a parity-specific analysis on the individual level and allows the modeling of non-proportional impacts of socio-economic characteristics on fertility decisions. Difference-in-differences (DiD) estimations and estimations using child care coverage as continuous information do not show significant impacts of child care expansion on first and second birth probabilities. DiD analyses demonstrate, however, that this insignificance is due to the fact that growth in child care slots is higher in municipalities where fertility is generally low, female employment is high and the family-work-conflict is

sharp. By exploiting this fact, we find significant fertility effects for employed women and couples, where both parents are in labor force. This is demonstrated for the intensive and the extensive margin. Robustness checks take potential biases due to selective migration, shifts in the institutional background and endogenous residency choices into account. Knowledge on different reactions between natives and migrants on interventions of family policy is sparse. This research gap is tackled by examining different fertility responses between natives and migrants and other heterogeneous effects due to socio-economic status, which provides further important implications.

Keywords: Early public childcare, fertility, cox hazard model
JEL Classification: C41, D15, J13

Reinforcing at the Top or Compensating at the Bottom? Family Background and Academic Performance in Germany, Norway, and the United States

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Research on educational mobility examining associations between family background and children's educational performance usually fails to consider possible variations in the associations between social origin and academic performance across the distribution of performance. We argue, however, that theories of social mobility between and of resource allocation within families, do indeed predict such variations. We use quantile regression models to estimate variation in the associations between different indicators of family background (parental education, occupation, earnings, and wealth) and children's educational performance. The countries upon which we focus—Germany, Norway, and the United States—represent different kinds of welfare regimes and educational systems that may affect educational mobility. We use data from the German Socio-Economic Panel Study (SOEP), the United States' Panel Study of Income Dynamics (PSID), and register data from Norway. Our results indicate a stronger association between family background and academic performance at the bottom than at the middle and the weakest association at the top of the distribution. These findings are robust to employing four alternative indicators of family background. In addition, we find no systematic differences in the patterns of variation across the three countries studied. We conclude that analyzing variation in the association between family background and academic performance across the performance distribution is important for advancing our understanding of the intergenerational transmission of educational advantage.

Keywords: Cross-national comparison, education, social mobility, quantile regression, siblings

The effects of unemployment on couples' division of labor

Stefanie Heyne, Ludwig-Maximilians-Universität München (LMU)
Jonas Voßemer, University of Bamberg

Despite of large changes in gender inequality in education and the labor market, the division of labor within households is still highly gendered with women carrying out much more housework than men (e.g. Bianchini et al. 2000, Bianchini et al. 2012). Previous research has suggested that the employment status of both partners plays an important role, but most previous studies have relied on cross-sectional data (e.g. van der Lippe et al. 2017) meaning that they cannot take into account selection on unobserved characteristics.

This paper aims to complement the few available longitudinal studies (e.g. Gershuny et al. 2005, Gough and Killewald 2011) by analyzing the effects of transitions from employment into unemployment on the household division of labor using data from the German Socio Economic Panel (SOEP), 1992-2015. We estimate fixed effects regression models to examine the effects of unemployment of one partner on the housework hours of both partners as well as couples' total amount of housework allowing for a detailed picture of changes in the division of labor. Moreover, the data enable us distinguishing between hours in housework and childcare as well as differentiating different tasks of housework (e.g. female-typed tasks such as washing, cleaning, cooking and male-typed tasks such as repairs).

Already Marie Jahoda and her colleagues observed in their famous Marienthal study (1975) that women tend to increase their housework hours during unemployment while men did not, but this gendered reaction to unemployment has rarely been analyzed in recent times (e.g., Shamir 1986, Gough and Killewald 2011). An analysis of the potential gender differences in the consequences of employment transitions for the household division of labor also provides a good opportunity to test different theories and hence contributes to the ongoing debates about the persistence of the gendered division of housework.

Income Distribution and Concern About Crime: Evidence from Germany

Michelle Acampora, University of Zurich

Conchita D'Ambrosio, University of Luxembourg

We explore the link between concern about crime and income inequality in Germany. We here not exclusively rely upon the Gini index as a global measure of inequality but consider other aspects of the income differences between individuals such as measures of inequality at the individual (individual polarization, relative deprivation, relative satisfaction) and at the societal level (aggregate Polarization, Gini index). By making use of microdata from the German Socio economic Panel (SOEP) for the years from 2004 to 2016, we show, that both individual polarization and relative deprivation are found to have a statistically significant effect on the expressed level of concern about crime, while relative satisfaction play no relevant role. That is people who are more at the bottom of the income distribution c.p. may be less likely to perceive and express concern about crime relative to higher-income individuals. At the aggregate level we find that aggregate polarization is the main driver to explain fear of crime, while the standard index of inequality namely the Gini no longer have a significant effect.

Do Workers in Creative Industries have a Different Work Orientation?

Lisa Basten, Berlin Social Science Center (WZB Berlin)

Sigurt Vitols, Berlin Social Science Center (WZB Berlin)

High levels of atypical and hybrid employment have implications for inclusion in state social security systems and for social participation. This is exemplified in the branches of the cultural and creative industries. So far, however, this connection does not lead to a decline in the attractiveness of the industries nor to successful self-organization. This is usually attributed to the fact that the workers in these fields have specific values. Good pay and planning security are less important to them than creative freedom, individual self-realization more important than political participation.

The paper proposed here examines these relationships on the basis of representative data from the Socio-Economic Panel (SOEP). The independent variable is conceptualized on the basis of the "European Framework for Cultural Statistics" (ESSnet-Culture final report 2012), so that both its relevance to the German discourse about the cultural and creative industries (Bertschek 2017, Söndermann 2016) and its comparability within the UNESCO Framework for Cultural Statistics. For this, creative employment is defined by a combination of NACE Rev. 2 classification (industry-related) and ISCO-08 classification (occupational) (see Mercy and Beck-Domzalska 2016, pp. 71-73).

Can other values be confirmed for this group? To answer this question, the results of the 33rd wave of the SOEP regarding job satisfaction, the importance of self-fulfillment and the importance of political commitment are examined. In particular, the status of employment is checked.

The results are highly relevant against the background of a postulated change of values in the labor market (see, for example, "White Paper Work 4.0" BMAS 2016) and the importance attributed to creative work in the context of digitization and knowledge work. In addition, the statistical coverage of the cultural and creative industries is breaking new ground in SOEP.

The German Minimum Wage and Wage Growth: Heterogeneous Treatment Effects Using Casual Trees

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Carsten Schröder, SOEP/DIW Berlin and Freie Universität Berlin

A broad economic literature seeks to understand how public policies change socio-economic outcomes. The standard micro-econometric workhorses are difference-in-differences or regression discontinuity designs. To better understand effect heterogeneities, i.e. differences in policy-induced changes by population subgroups, models are usually estimated by subgroup, or interactions between treatment and subgroup dummies are added to the model. Both approaches raise problems of multiple hypothesis testing: the more subgroups are distinguished the more likely erroneous inferences are to occur.

A powerful approach to evaluate heterogeneous treatment effects for randomized control trials without the need to specify pre-analysis plans which addresses the multiple testing problem is based on regression trees. Regression trees are a popular machine learning algorithm which systematically splits the covariate space into recursively smaller subsets and estimates the value of an individual's outcome Y_i as the mean outcome of those Y_j with similar covariates. The estimation involves a parameter which penalizes model complexity. Since this parameter and the structure of the tree are estimated on independent subsamples, overfitting is avoided. Athey and Imbens (2016)³ modify such regression trees to have differences in treatment effects rather than mere outcomes as maximand of the tree. Since this approach enables us to distill heterogeneity in a purely data-driven manner, we obviate the multiple testing problem.

We apply causal trees to study heterogeneities in subgroup-specific wage growth rates resulting from a major labor market intervention in Germany, the introduction of a statutory gross minimum wage of EUR 8.50 per hour on January 1st, 2015. We analyze whether there is evidence for effect heterogeneity by gender, level of education, type of work, age, migratory background, place of residence, and combinations of these characteristics.

³ Athey & Imbens. (2016). Recursive partitioning for heterogeneous causal effects. Proceedings of the National Academy of Sciences, 113(27), 7353-7360.

What Makes an Employer-Entrepreneur?

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Alexander S. Kritikos, DIW Berlin

Why do increasing numbers of entrepreneurs remain solo while fewer of them start hiring employees and grow? And which characteristics help entrepreneurs to remain an employer? A better understanding of what makes an employer-entrepreneur is of high interest as the policy debate on entrepreneurship centers on start-ups that create jobs and have growth potential. Using the German Socio-economic Panel (SOEP), we analyze the full dynamics of transitions between the labor-market states of solo- and employer-entrepreneurship, paid employment and non-employment. We take into account personality traits and other individual characteristics influencing entrepreneurial choice. We distinguish between individuals who hire directly when they become entrepreneurs and those who become employers stepwise via initial solo-entrepreneurship, and we find important differences. Using various proxies for entrepreneurial abilities, we observe that those who have better abilities are more likely to hire immediately and also survive a longer time span as employer-entrepreneurs. In contrast, high levels of risk tolerance not only drive selection into but also out of employer-entrepreneurship. Overall, we reveal that personality traits matter more for survival than for the selection into employer-entrepreneurship.

JEL Classification: J22, J23, L26.

Keywords: Employer, entrepreneurship, business creation, firm exit, personality

Overtime and Trade Union Membership

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The large number of overtime hours may be the cause of the substantial degree of working hours mismatch in Germany. If, due to collective agreements, contractual hours are basically fixed from an individual's and from a firm's point of view, overtime can help to align actual working time to the preferences of firms and employees. Whether employees work overtime, and if doing so, how much overtime they actually work both depend on employees' abilities to implement their working time preferences and resist possibly conflicting demands by their employers. In this paper, we investigate empirically the impact of individual trade union membership on overtime in Germany. Since unions can support their members in conflicts with employers and also in legal disputes, we expect that union members are better able to realize their working time preferences than non-members. The direction of such union membership effect on overtime is, however, basically ambivalent. Still, the empirical evidence on working hours mismatch suggests that, in the large majority of cases, employees would like to reduce actual working time. Therefore, trade union members are likely to work overtime less often and with a lower total number of overtime hours. For the empirical investigation we use SOEP data and focus on the time span from 1998 until 2015 and utilize those six waves in which information on individual trade membership is available. Our results indicate that there is no effect of trade union membership on the incidence of overtime in Germany, but throughout the whole analysis a negative and statistically significant effect on the amount of overtime hours prevails. Controlling for time invariant unobserved heterogeneity confirms the finding of a negative effect on overtime hours. With regard to economic significance, our estimates correspond to half an hour less overtime per week for trade union

members. Since our analysis may suffer from an endogeneity problem of our main variable of interest – trade union membership – we employ an IV approach as a further robustness check, which confirms our results.

Keywords: overtime, working time, trade union membership, German Socio-Economic Panel
JEL Classification: J2, J51

Estimating Private and Fiscal Returns to Higher Education over the Life Cycle: A Microsimulation Analysis

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Dominik Hügler, Freie Universität Berlin

Compared to other OECD countries the share of young adults entering higher education in Germany is quite low (OECD, 2017). Even having obtained a university entrance degree, a large fraction of pupils decides to start a vocational training rather than going to university. At the same time, the universities are highly subsidized by taxpayer money. A highly relevant question is therefore whether completing higher education pays off financially both for the individual and for the state and to what extent these returns depend on the tax-and-transfer system.

In this paper, we aim at estimating the private and fiscal returns to higher education over the life cycle for Germany. We build a dynamic microsimulation model to simulate an individual's life-cycle in terms of several key variables of interest, such as employment, fertility, marriage and divorce (for a similar modeling approach see Bonin et al., 2016, or Courtioux et al., 2014). In order to predict an individual's gross wage given the simulated key characteristics, we estimate standard Mincer wage equations. To estimate the internal rates of return to higher education, we link our dynamic microsimulation model with a static tax-benefit simulator for Germany (STSM, see Steiner et al., 2012). The tax-benefit simulator allows to convert gross wages into disposable income, accounting for the various interactions between the income tax, social contributions and transfers at the individual and the household level. In the next step, we simulate the effects of changes in the tax system on private and fiscal returns accounting for behavioral responses in educational choice and labor supply.

A Comparative analysis of apprenticeship training in France and Germany

Clément Brébion, Paris School of Economics (PSE – EHESS)

This paper is a comparative analysis of the impact of apprenticeship training on the conditions of access to the Labour Market the year following the school exit as well as three years later in France and Germany. Using the German Socio-Economic Panel and the Enquêtes Génération, I first show that the difference in youth unemployment is mostly driven by the 24 first post-exit months. I find that apprenticeship training is associated with a stronger advantage over full-time students in France than in Germany at the secondary education level while no causal effect can be evidenced among students

exiting higher education in both countries. I bring elements of proof suggesting that, at the secondary level, the average apprentices' advantage on the labour market follows a divergent pattern in the two countries. In Germany, it mostly stems from a high retention rate from the training firms' part whereas, in France, the advantage of apprentices is also rooted in their position on firms' external labour market. These results allow me to discuss the literature of the Aix School and of the Varieties of Capitalism.

Parallel Sessions 13-16

Health Effects of Instruction Intensity Evidence from a Natural Experiment in German High-Schools

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A large literature aims to establish a causal link between education and health using changes in compulsory schooling laws. It is however unclear how well more education is operationalized by marginal increases in school years. We shed a new light on this discussion by analyzing the health effects of a reform in Germany where total years of schooling for students in the academic track were reduced from nine to eight while keeping cumulative teaching hours constant by increasing instruction intensity the sequential introduction of the reform allows us to implement a triple difference-in-differences estimation strategy with data from the German Socio-Economic Panel. We find that increased weekly instruction time has negative health effects for females while they are still in school. However, after graduation, females even seem to benefit from reduced school years. We find no effects on males' health.

Keywords: education and health; instruction intensity; natural experiment; SOEP

JEL Classification: I19, I21, I28

The effect of maternal education on offspring's mental health

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Mental health conditions are a leading cause of disability-adjusted life years and health costs worldwide (Bloom et al., 2011). At the same time, recent contributions have shown a strong intergenerational transmission of mental health status (Johnston et al., 2013). Thus, we answer the question: Does maternal education affect the offspring's mental health in late adolescence and adulthood? The data we use is the Socio-Economic Panel³. We exploit exogenous variation in maternal education caused by a compulsory schooling law reform in Germany to estimate the causal effect of maternal education on the offspring's mental health by means of a 2SLS strategy. Our 2SLS estimates reveal a negative and small effect of maternal education on the daughters' mental health outcomes. Additionally, we find that the reform results in a more favorable environment for the offspring during childhood. Thus, we are able to rule out these as potential mechanisms driving our results.

Do children affect health outcomes around divorce? A causal analysis for maternal health depending on children's age

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Małgorzata Mikucka, Martin Luther University Halle-Wittenberg
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Although there is a growing body of research on the impact of divorce on health in general, our study is the first that aims at estimating the intra-individual causal effect of divorce on maternal health depending on the age of the youngest biological child. In terms of substantive theory, we rely on the set point model that predicts a nonlinear, homeostatic self-regulation process with an anticipatory divorce effect and a subsequent recovery phase. Taking on the notion of buffering effects, we expect the age of the youngest biological child (five distinct groups: childless, pre-school child, primary school child, secondary school child and adult child) to moderate the strength of the divorce-health nexus. We use SOEP data and restrict our sample to females who were married when entering the panel and count for them 1,713 transitions to divorce between 1992 and 2014. Our dependent variables are self-rated health and the SF-12v2 health survey instrument. We conduct fixed-effects panel regressions using a parametric impact function with years after the divorce as process time. This allows us to model effect heterogeneity on the group level using the nested effects parametrization in an interaction term multiplying treatment (divorce) by group. We observe a significant increase in physical health immediately after divorce for mothers of pre-school and school children what might indicate physical relief from stress, possibly due to conflicts prior to divorce and the divorce process itself. Further, mothers decrease first in mental health and start to recover in the second year after divorce, what may be a sign of anxiety and worry about everyday life when starting over as a single mother. In contrast, childless divorced women first show an increase and then a decrease in mental health, suggesting an initial adjustment to being single, followed by loneliness and a delayed grief reaction.

Keywords: divorce; health inequalities; children; life course; SOEP

Explaining emotional and behavioural problems in immigrant children: the role of general risk factors and immigration-related characteristics

Ronja A. Runge, University of Hildesheim
Heide Glaesmer, University of Hildesheim
Julian Schmitz, University of Hildesheim
Yuriy Nesterko, University of Hildesheim

Previous research has found mixed results when examining emotional and behavioural problems in immigrant children. This study compares the level of emotional and behavioural problems in 5- to 6- year old 2nd and 3rd generation immigrant children in Germany with native peers. The impact of (1) socio-demographic characteristics of the children and their mothers (child's gender; age, socioeconomic status and partnership status of the mother), (2) immigration-related characteristics of the mothers (perceived discrimination, German language skills and length of stay in Germany) and (3) the impact of the mental health status of the mother on the child's emotional and behavioural problems were analysed. Data (N=1746) on maternal characteristics and the Strengths and Difficulties Questionnaire (SDQ) as outcome variable from a population-based survey in Germany were used (SOEP). Immigrant and native children

did not differ in the level of emotional and behavioural problems. However, while maternal mental health served as predictor for native as well as immigrant children, socioeconomic status only had an effect for native children, and immigration-related characteristics of the mother were only associated with emotional and behavioural problems of the 2nd generation immigrant children.

Overall, our findings indicate no difference in the level of emotional and behavioural problems between immigrant and native children and an impact of immigration-specific characteristics on 2nd generation, but not 3rd generation immigrant children's emotional and behavioural problems.

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Assortative Mating, Intergenerational Mobility of Women and Inequality

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Assortative mating is discussed to be one of the drivers of increased income inequality. In this context, assortativeness is measured by similarity of educational attainment of spouses. The general findings is that the probability of both partners having the same educational attainment within a couple has increased over time. As higher education is associated with higher income and vice versa, an increase in assortative mating might lead to a higher concentration of household income and hence a rise in inequality. However, we show that the increase in educational homogamy is not due to a fundamental structural change in mating patterns but rather due to an increase in women's educational attainment and changing labor force participation. Linking assortativeness to intergenerational educational mobility and parental background, our results imply that sorting based on social background has remained stable over the past decades. Therefore, we argue that the rise in assortative mating and its influence on the income distribution of households is rather driven by the rise of women's education and labor force participation. In short, the increase in assortative mating mirrors a process of economic emancipation and increasing participation opportunities of woman and not a change in mating behavior.

JEL codes: D31, J12, J16

Keywords: household income, assortative mating, intergenerational transmission

Acknowledgements: We would like to thank the participants of BeNA Winter Workshop 2017 and Canazei Winter School on Inequality and Social Welfare Theory for fruitful discussions and helpful comments.

The Evolution of Inequality of Opportunity in Germany: A Machine Learning Approach"

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We adopt a machine learning approach to estimate inequality of opportunity in Germany between 1990 and 2016 using the Socio-Economic Panel. Inequality of opportunity is measured following Roemer (1998). Roemer's approach distinguishes between two components of inequality: inequality due to effort and inequality of opportunity. Inequality of opportunity is hereby defined as differences in outcomes due to circumstances beyond individual control, like place of birth, race or socioeconomic status of parents. According to Roemer these two components can be separated following a two-step procedure. First, identifying socioeconomic types, i.e. sets of individuals who share the same combination of circumstances. Second, measuring the degree of effort exerted by each individual within the specific types. This procedure allows to estimate inequality of opportunity: i.e. inequality between individuals exerting the same level of effort but characterized by different circumstances beyond their individual control. We implement the first step using conditional inference regression trees, a machine learning algorithm based on regression trees (Hothorn et al., 2016). This method has been shown to produce reliable identification of Romerian types in a large sample of European countries (Brunori et al., 2018). A second advantage of using conditional inference trees is that they can be displayed graphically and are easily interpreted (below the German opportunity tree for 2016), allowing an intuitive representation of

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the evolution of inequality of opportunity in Germany during the three decades after reunification (Figure 1 shows the opportunity tree for 2016). To identify the degree of effort that individuals exert, we follow Roemer (1998) and extend the procedure proposed by Brunori et al. (2018). We estimate the type-specific outcome distribution of all types, assuming that all individuals in one specific quantile of their within-type income distribution have exerted the same degree of effort. Furthermore, we apply cross-validation techniques to reduce the possible bias deriving from small subsample sizes within types, on the one hand, or low number of types, on the other.

The Impact of Gender on the Wealth-Health Gradient: Longitudinal Evidence from Germany using Personal Wealth

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This study focuses on the intersection of economic inequality and gender in the production of health. We argue for a more systematic examination of the interaction between, on the one hand, economic wealth personally owned by individuals and wealth owned by their partners and, on the other hand, gender in the social patterning of health within heterosexual couples. Thereby, we go beyond a simplistic view that wealth is fully pooled within households. To the best of our knowledge, no other study has provided a direct examination of the extent to which the effect of wealth on health differs by gender yet. More specifically, we ask how personal wealth and partners' wealth is associated with health for women and men in Germany. Thereby, this study contributes to the literature on the wealth-health gradient and gender inequality by providing an examination of the strength of the association between wealth and health by gender.

The data for this study were from the German Socio-Economic Panel (SOEP) for the survey years 2002, 2007 and 2012. We estimated a series of longitudinal regression models predicting health of individuals as a function of their personal wealth, their partners' wealth, gender, personal income, household income and other socio-demographic attributes. Such an analysis allowed examining whether the association between personal economic resources, partners' resources and health differs by gender. The preliminary results revealed gender differences in wealth-health gradient. Specifically, we found that wealth inequalities in health were higher among women than among men across the three years studied. Our results emphasize the importance of using an integrated approach for the analysis of health inequalities, simultaneously considering wealth and gender, in order fully to understand the social determinants of health.

Keywords: Wealth-health gradient, gender inequality, health inequality, longitudinal analysis, personal wealth

Neighborhood Level Immigrant Share, Economic Differences and Charitable Giving

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Enormous amount of literature in political science, sociology and economics argues that ethnic differences and economic disparities hinder pro social attitudes and behaviors. The following paper explores if immigrant share in one's residential environment affects charitable giving to refugees. Methodological shortcomings of previous studies are addressed by combining individual level data from Socio-Economic Panel with indicators of immigrant share measured at the neighborhood level. Evidence that charitable giving among natives decreases in increasing immigrant share is reported. Importantly, this negative association is driven by respondents who are economically well-off, but reside in the economically deprived residential settings.

Transnational family arrangements of refugee families: the case of Syrians in Germany

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Laura Wenzel, Federal Institute for Population Research (BiB)

Transnational families in which one partner and / or one or several children remain in the country of origin while one or both partners migrate to another country are a common phenomenon that has been increasingly analysed by previous research since the late 1990s. Focusing mainly on labour migration it finds that left behind family members, mainly children, are suffering emotionally and physically as a consequence of the geographic separation. Furthermore, the migrants themselves are experiencing negative effects concerning their emotional well-being and transnational family ties are also influencing the migrants' integration into the host society. It can be assumed that these consequences are even more pronounced in the context of flight and forced migration. However, until now only few studies have dealt comprehensively with transnational family arrangements of refugee families. This paper aims to fill this research gap by comparing transnational – with at least one partner and/or child at origin – and non-transnational – with the nuclear family residing in Germany – families disentangling their different family structures. On the basis of the IAB-BAMF-SOEP Survey of Refugees (M3/M4) we are taking a closer look on the heterogeneity of Syrian nuclear families and the major driving forces that explain these differences. First descriptive analyses reveal that most Syrian refugee families live with both partners and all children in Germany and that transnational family arrangements are rather rare. Nevertheless, the paper shows important differences between transnational and non-transnational families, and between male and female refugees. In order to further examine these differences we performed several multivariate regression analyses accounting for socio-economic and demographic characteristics, the migration history and the legal status in Germany as well as the actual and past financial situation.

Spatial Dispersion of Social Networks: The Realized Ability to Bridge Geographical Distances

Jana Brandt, Giessen University

Kyra Hagge, Giessen University

As a result of social, economic, and civic transformations, individuals face the problem of large spatial distances between themselves and their relatives and friends, which have to be overcome to preserve social connections and to access material and immaterial resources embedded in these relationships. Against this background, this paper analyzes the general capability of receiving social support over larger distances within social networks, divided according to the different types of social support as introduced by House (1981). Applying ordinal logit estimations, we find that individuals with higher levels of education are more likely to receive social support over large geographical distances in all support dimensions. Education influences the ability to bridge spatial distances for natives and migrants alike. Migrants benefit most from obtaining a university degree: the odds for receiving support over larger special distances are significantly higher as compared to the group of migrants holding the lowest level of general education.

Keywords: Returns to Education, Social support, Social networks, Migrants, Logit-regression, Interaction effects

JEL Classification: I26, I14, C30

The German Emigration and Remigration Panel Study (GERPS): Aim, Scope and Design of a new SOEP Related Study

Marcel Erlinghagen, University of Duisburg-Essen

Andreas Ette, University of Duisburg-Essen

The new German Emigration and Remigration Panel Study (GERPS) will be launched in March 2018. The presentation concentrates on the aim, scope and design of this new and unique data base for research on international migration and social inequalities. During a period of three years and funded by the German Research Foundation (DFG), GERPS will survey international mobile German citizens in four consecutive waves. People who have recently emigrated abroad as well as people who have recently re-migrated back to Germany will be interviewed via web-based questionnaires. Beside standard socio-economic and demographic information, the project concentrates on longitudinal individual data about changing living conditions as well as life events linked to the migration process to learn more about the individual consequences of cross-border mobility. To evaluate such consequences GERPS will be closely connected to the Socio-Economic Panel (SOEP) since the SOEP will provide necessary information about the internationally non-mobile population as a reference. Comparing emigrants and re-migrants with internationally non-mobile individuals will help us to identify possible positive as well as negative outcomes of migration in different relevant fields like income, employment, family and social ties as well as well-being. The presentation illustrates the capacity of this new official SOEP Related Study and the important links between GERPS and SOEP based on selected results from a previously conducted pilot study.

Fostering Integration through Sports? Analyzing the Long-Term Effect of Youth Sports Activities on Subsequent Labor Market Success of Migrants

Christiane Lübke, University of Duisburg-Essen

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Sports has been proven to be beneficial for various different life course outcomes: It not only enhances well-being and health, engaging in sports also fosters educational success and labor market participation as it improves individuals' skills such as self-confidence and provides access to social networks. For these reasons, both researchers and social policymakers consider sports activities to be an effective tool for the integration of migrants and refugees in particular. There is, however, no sufficient research on the integrative effect of sports activities so far. Above all, it is still an open question whether the positive effects of sports endure over the life course and can therefore contribute to a long-term integration of migrants.

Adopting a life-course approach, this study investigates the long-term effects of youth sports activities on subsequent labor market success of migrants in Germany. It uses data from the Socio-Economic Panel. This representative household panel contains detailed information on youth sports activities along with information on respondents' further life course development. Thereby, this study focuses on the effect of sports on labor market success later on in life, as this is a main indicator of successful integration. The results confirm the beneficial effects of sports. Migrants who were involved in sports at the age of 17 are for example more likely to be employed at the end of their 20s compared to migrants who did no sports. However, this effect is only visible under certain conditions of youth sport participation.

Labor market integration of migrants: Are family migrants worse off?

Hanna Brenzel, Institute for Employment Research (IAB)

Research on labor market integration of migrants is predominantly possessed by focusing on male migrants. The paper addresses the labor market implications of migration in the partnership and family context and analyzes whether there is any systematic variation in the labor market performance of single and family migrants. Three different indicators of labor market integration are examined by employing piecewise constant exponential models with time-dependent effects and fixed-effects regressions. According to preliminary results, based on the IAB-SOEP-MIG-ADIAB dataset, the paper shows that there are major differences within the family categories in terms of their labor market performance. Especially for family migrants who moved as the second ones or at the same time as their partners, longer entry rates are observed. Concerning the employment stability, the findings show significant higher employment stability of family migrants compared to single migrants. Therefore, the negative effect of being a family migrant which is especially pronounced for female migrants, is not as high as often presumed and claimed by economic theory and in public debates.

The Effect of Initial Placement Restrictions on Refugees' Language Acquisition in Germany

Felicita Schikora, SOEP/DIW Berlin

This paper disentangles the effects of a recently introduced policy reform on participation measures and language development of refugees in Germany. The residence rule puts limitations on initial residence decisions for refugees with a permanent residence permit. Given that treatment intensity varies distinctly across states, I use this exogenous variation in a Differences-in-Differences approach. I assess the reform's effect on participation in language courses and refugees' language skills. The results indicate that living in a state with strict statutory provisions has a positive effect on the probability to complete a language course and on certified language levels.

Keywords: Migration, Refugees, Language Acquisition, Placement Restriction, Residence Rule, Quasi-Experiment

JEL codes: J15, J60, K37, R23

Pace of life and labor market integration of migrants

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The aim of this paper is to emphasize how interactions between different paces of life govern the dynamics of migrants' labor market participation, by comparing individuals born in Germany and individuals born abroad. Following social psychology, pace of life is imprinted during the very early on and affects many economic and non-economic decisions. We found differences in the personal pace of life with the pace of life of the society, which lead to adaptation problems. In particular, we study whether pace of life mismatches may contribute to an explanation of worse labor market participation of migrants. Therefore, we use the German Socio-economic Panel (G-SOEP), which contains at least one person who had either immigrated to Germany since 1994 or whose parents had done so. In our paper, we compute the pace of life differences between Germany and the country of origin of the migrants and find evidence that pace of life differences may contribute to our understanding of migrant labor market integration.

Poster Session II

Private Insurance and Partisanship. A longitudinal analysis of new policy feedback effects

Diana Burlacu, Humboldt-Universität zu Berlin

In the last 30 years private alternatives have been introduced in most of European welfare states and private insurance membership has doubled or even tripled. How does privatization affect political preferences? Do people support certain parties more after they purchase private insurance? Building on feedback effects theory as well as theories of partisanship, attitude formation and cognitive dissonance, I argue that people who purchase private insurance become stronger supporters of right-leaning parties because of the new economic interest in lower taxes and the shift from ideological principles of collective responsibility to individual responsibility. That is expected primarily among apertisans, as partisans will see the new information and social status through the partisan lenses. As such, private insurance is expected to have a weaker but still eroding effect on partisan strength among left-wing supporters and a weaker but boosting effect among existent right-wing partisans. The above propositions are empirically tested using 20 waves of SOEP data. I find a strong effect of private health insurance, both primary and supplementary, among apertisans. They become supporters of right-wing partisans, especially CDU, after moving to private insurance. The eroding effect among left-wing supporters is evident only for smaller parties, e.g. Greens and the Left. These results are then compared with results from a similar analysis using data from the British Household Panel. This paper opens a new field of research in political science focused on the increasingly significant role of private insurance and makes a substantial contribution to research on policy feedback effects by testing causal effects of a policy element on political preferences. Empirically, the paper draws attention to the power of insurance as political means right-wing parties can use to create new constituents.

Commuting distance and family stability: evidence from the GSOEP

Kristína Hrehova (Jablonická), Charles University – CERGE

Predictors and causes of high divorce and separation rates are important in studying how marital status influences economic decisions. Certain labor market characteristics such as commuting distance may affect marital separation. Two of the possible factors causing high marital separation rates are long commute time and long commuting distance. However, commuting decisions and marital separation may be influenced by unobserved omitted variables. To solve this problem, I propose two identification strategies in connection with German Socio-Economic Panel data. One strategy entails using employer-induced changes in commuting distance. A second strategy uses geographic codes and merges them with information about major road repairs and railroad construction projects. My findings could further understanding of how long commutes may affect separation rates. My preliminary results show that employer-induced commuting distance does not seem to have an effect on the probability of separation.

Happy mother, happy child? Maternal role satisfaction affects parenting, child emotional development, and life satisfaction

Nina Richter, University of Konstanz
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Being satisfied in the maternal role and feeling self-efficient as a mother has considerable impact on the quality of parenting and the child's psychosocial adjustment. The present study aims to investigate whether early maternal role satisfaction has implications on parenting style as well as on children's development, including emotion regulation and life satisfaction across an 11-year period. Moreover, we assume bidirectional effects between emotional problems of the child and emotional warm parenting style of the mother. Survey-data from the German Socio-Economic Panel Study (SOEP) with a total of 6 measurement points (T1 – T6) across 11 years were analyzed using structural equation modeling. The study sample consisted of 251 mothers and their children. Mothers completed questionnaires to assess their early maternal role satisfaction (T1, corresponds age 1 of the child), parenting style (T4, age 8), children's emotion regulation (T1 and T2, age 1 and 3), and children's emotional problems (T3 and T5, age 6 and 10). At age 12 (T6), children self-reported their life satisfaction. Early maternal role satisfaction (age 1) had positive, long-term implications for emotional warm parenting style (age 8) and children's emotion regulation (age 1 and 3). Furthermore, less maternal role satisfaction (age 1) predicted increased children's emotional problems nine years later. Moreover, results revealed an indirect positive effect of maternal role satisfaction on children's subjective life satisfaction at age 12 (via parenting). In addition, children's emotion regulation (age 3) predicted less emotional problems three years later. However, data did not support our hypotheses on bidirectional effects between children's emotional problems and mother's emotional warm parenting style. We extended prior literature by focusing on positive aspects of maternal well-being, e.g. role satisfaction, and analyzing its positive longitudinal effects on parenting and child outcomes throughout childhood.

Keywords: maternal role satisfaction, parenting style, emotion regulation, emotional symptoms, youth life satisfaction, German Socio-Economic Panel Study, SOEP

Great Expectations: Reservation Wages and the Minimum Wage Reform

Alexandra Fedorets, SOEP/DIW Berlin
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We use the German Socio-Economic Panel to show that introducing a high-impact statutory minimum wage causes an increase in reservation wages of approximately 4 percent at the low end of the distribution. The shifts in reservation wages and observed wages due to the minimum wage reform are comparable in their magnitude. Additional results show that German citizens adjust their reservation wages more than immigrants. Moreover, suggestive evidence points to a compensation mechanism in which immigrants trade wage growth against job security.

Keywords: minimum wage; reservation wage; labor supply
JEL Classification: J22, J3

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