

Carola Grün, Wolfgang Hauser and Thomas Rhein (Institute for Employment Research, Germany),
“Finding a Job: Short- and Medium-Term Consequences for Life Satisfaction and Interactions with Job Quality. Evidence from German and British Panel Data”

Abstract

There is much evidence on the impact of unemployment on various dimensions of psychological wellbeing. In our paper, we analyse what impact the transition from unemployment to full-time employment has on life satisfaction. In line with previous studies we find that for the previously unemployed, life satisfaction rises on average. We also find that satisfaction increases further for those who are still in employment one year later. However, this positive link does not hold for all newly employed – a quarter of them even experience a decrease in life satisfaction. We take a closer look at these differences by controlling for various socio-economic variables. In particular, we analyse whether life satisfaction is affected for those who find a “good job” and those who find a “bad job”. Our analysis is based on German (GSOEP) and British panel data (BHPS) for the years 1995-2005. For this comparison, we reduce the “good-job/bad-job” distinction to two criteria: Low wage / higher wage jobs and fixed-term / permanent contracts.

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