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1. LEITUNG

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2. HOCHSCHULLEHRER/INNEN

Prof. Dr. Andreas Knabe

3. FORSCHUNGSPROFIL

- Labor market and social policy
- Economic determinants of subjective well-being
- Sustainable public finances
- Family policies
- Intergenerational wealth transmission and social mobility

4. FORSCHUNGSPROJEKTE

Projektleitung: Prof. Dr. Andreas Knabe, Dr. Melanie Borah
Förderer: Haushalt - 01.01.2025 - 31.12.2026

Decomposing the Saddening Effect of Unemployment

This project investigates why unemployed individuals report lower emotional well-being than employed individuals—even during leisure time. Previous research (e.g., Knabe, Schöb, Rätzel, and Weimann, *Economic Journal*, 2010) showed that unemployment reduces life satisfaction not only through income loss or lack of work-related purpose, but also because leisure itself becomes less enjoyable—a phenomenon known as the "saddening effect" of unemployment.

The project aims to unpack and quantify the channels through which this saddening effect arises. Using time-use and well-being diary data from the UK Time Use Survey (UKTUS 2014–2015), American Time Use Survey (ATUS 2010–2013, 2021), and German Socio-Economic Panel (SOEP 2012–2015), we analyze how unemployed and employed individuals experience emotional well-being across different daily activities.

The empirical strategy combines mediation analysis and Oaxaca–Blinder decompositions.

Preliminary results from the UKTUS data confirm a significant saddening effect of unemployment, particularly for men and during core leisure activities. However, differences in income, activity duration, or education explain little of this gap. The most consistent factor is that unemployed individuals spend more of their leisure time alone, which strongly reduces the emotional payoff from non-work activities.

By integrating evidence from multiple countries and datasets, the project seeks to clarify the mechanisms behind the emotional costs of unemployment and to identify potential policy levers for mitigating its psychological burden.

Projektleitung: Prof. Dr. Andreas Knabe, Dr. Melanie Borah
Förderer: Haushalt - 01.01.2025 - 31.12.2026

How Do People Evaluate Their Day? Testing Assumptions of the Day Reconstruction Method

The Day Reconstruction Method (DRM), developed by Daniel Kahneman and colleagues, is a diary-based approach designed to measure people's emotional well-being throughout the day. Participants divide the previous day into distinct episodes and report how they felt during each one. Researchers then calculate an individual's overall well-being—what Kahneman has termed "*objective happiness*"—as the duration-weighted average of emotional experiences across all episodes.

However, it remains unclear whether this is actually how people evaluate their day. In existing well-being research using the DRM, this assumption has rarely been questioned or tested empirically. Other psychological studies, including those by Kahneman himself, suggest that retrospective evaluations of experiences often follow different cognitive rules—such as the peak-end rule (judging experiences by their most intense and final moments) or duration neglect (disregarding how long episodes lasted).

This project examines how people truly aggregate their emotional experiences when evaluating their day. Using novel data from the German Job Seeker Panel (GJSP)—to our knowledge, the first DRM study that also asks respondents to rate their *overall* emotional experience of the day—we will test which aggregation models best predict people's overall evaluations. By comparing the predictive power of duration-weighted averages, peak-end models, and other heuristics, this study will provide new insights into how individuals form summary judgments of their daily well-being and improve the interpretation of time-use and well-being data.

Projektleitung: Prof. Dr. Andreas Knabe, Dr. Melanie Borah
Förderer: Haushalt - 01.01.2025 - 31.12.2026

Intergenerational wealth transfers and labor market outcomes

Intergenerational wealth transfers - that is, gifts and inheritances - intensify inequality of opportunity in wealth accumulation and income generation. Such transfers can enable individuals to purchase or retain real estate, start or run a business, or invest in other assets (at possibly higher rates of return). At the same time, these transfers may reduce recipients' own efforts by diminishing their incentive to work - a phenomenon often referred to as the Carnegie effect. This project contributes to the relatively small body of literature that provides empirical evidence for this latter effect.

Earlier studies have restricted their attention to realized labor supply decisions following the receipt of wealth (inheritances, gifts, or lottery wins) or when gifts or inheritances are expected. Most of them support the finding that labor force participation and working hours tend to decline after a transfer is received or expected.

In this project, we analyze rich household survey data from different sources (the Dutch National Bank Household Survey and the HFCs). These datasets provide detailed individual-level information on received inheritances and gifts, including their monetary value, as well as wealth transfer expectations. In addition to labor market status and working hours they also include information regarding retirement expectations. These responses may be particularly informative, as labor supply changes may manifest primarily toward the end of one's working life. Detailed micro-econometric analyses taking the specific characteristics of each dataset into account then allow us to test if intergenerational transfers alter recipients' opportunity to work less and retire earlier.

Projektleitung: Prof. Dr. Andreas Knabe, Dr. Carina Keldenich, Manja Derlin
Förderer: Haushalt - 01.01.2025 - 31.12.2027

Income and Affective Well-Being

The economic literature generally recognizes three main components of well-being. Cognitive well-being (evaluative measures), affective well-being (emotional experience) and eudaimonic (sense of purpose). While many papers have been written about the relationship between income and cognitive well-being, generally finding a positive relationship, evidence for the relationship between affective well-being is less numerous and occasionally contradictory.

This project aims to establish the relationship between income and affective well-being using multiple datasets and estimation methods to identify common patterns. The primary analysis will be based on datasets containing Day Reconstruction Method (DRM) data, which is a method originally developed by Daniel Kahneman and colleagues. Participants record what they were doing over the course of a day in a time-use diary and also report their emotional experience in those (or some of these) episodes. The diaries are typically filled out shortly after the end of the day covered by the diary. This allows researcher to get a detailed picture of the emotional experience of participants with minimal recall bias. The analysis may be supplemented with datasets containing other types of data on affective well-being, such as Experience sampling Method (ESM) data, where respondents are contacted at various points throughout the day and asked to report their emotional experience in that particular moment.

Core questions to be addressed with these analyses are:

Are there systematic differences between how affective and cognitive well-being relate to income?

Are there plateaus in relationship or does the association change substantially beyond some level of income?

Following the purely descriptive analyses, this project will continue with a first tentative investigation of the reasons for the established relationships. Such as by analyzing differences in the time use of respondents across income levels.

Projektleitung: Prof. Dr. Andreas Knabe, Dr. Carina Keldenich, Manja Derlin
Förderer: Haushalt - 01.01.2025 - 31.12.2027

Parental Benefits and Couples' Division of Labor

Many developed countries have made it an explicit policy goal to support equal sharing of childcare and household responsibilities as well as market work. Differences in labor supply of men and women typically emerge after the birth of the first child and often remain permanently. Thus, the birth of the first child marks a critical transition. Consequently, policy instruments targeting this time have the potential to change long-run outcomes substantially by preventing the gap from opening up in the first place. In this context, parental benefits have received special attention because depending on the particular regulations embedded in the benefit scheme, they have the potential to counteract or reinforce specialization according to traditional gender roles and naturally directly target the crucial transition into parenthood.

This project analyzes how different parental benefit schemes affect the division of labor by couples. Initially the focus will be on the German parental benefit called "Elterngeld" and specifically the ElterngeldPlus regulations. However, the project can be extended to analyze other aspects of the parental benefit scheme or reform suggestions. To this end, the project employs different research methodologies, including the analysis of data from existing large scale household surveys and data gained from experiments specifically designed for this project.

Besides analyzing the consequences of specific regulations, a second focus of this project is to investigate the circumstances which may prevent the regulations from reaching their full potential impact, such as insufficient information provision regarding the actual incentives incorporated in the benefit scheme.

Projektleitung: Prof. Dr. Andreas Knabe, Dr. Carina Keldenich
Förderer: Haushalt - 01.09.2023 - 31.12.2027

Ökonomische Analyse familienpolitischer Maßnahmen

Viele ökonomische Entscheidungen von Individuen werden im Kontext einer Familie getroffen, entweder weil diese explizit kollektiv gefällt werden oder weil einzelne Haushaltsmitglieder die anderen Familienmitglieder bei ihren Entscheidungen berücksichtigen. Familienpolitische Maßnahmen können diese Entscheidungen beeinflussen, indem sie die Rahmenbedingungen, unter denen die Entscheidungen getroffen werden, ändern. So könnte z.B. das Recht auf einen Betreuungsplatz für Kleinkinder die Arbeitsmarktteilnahme sowie das Lebenseinkommen erhöhen und Altersarmut reduzieren. Darüber hinaus haben einige familienpolitische Maßnahmen auch das Ziel die Familienstruktur selbst zu ändern und nehmen somit auch über diesen Kanal Einfluss auf das Leben der Individuen. So wurde z.B. bei der Einführung des Elterngeldes eine Steigerung der Geburtenrate als explizites Ziel genannt. In diesem Projekt sollen verschiedene familienpolitische Maßnahmen evaluiert werden.

Berücksichtigung finden dabei sowohl die explizit genannten Ziele der unterschiedlichen Maßnahmen aber auch anderer Zielgrößen wie Arbeitsmarktpartizipation, Niveau der Beschäftigung, individuelles Wohlbefinden, Gleichstellung der Geschlechter und die kindliche Entwicklung.

Projektleitung: Prof. Dr. Andreas Knabe
Förderer: Haushalt - 01.01.2023 - 31.12.2027

Unemployment and Subjective Well-Being

This research project investigates the effects of unemployment on the subjective well-being of affected individuals and of people in their social environment. For this purpose, data from social surveys such as the German Socio-Economic Panel (SOEP) and comparable surveys from other countries, as well as time-use and well-being studies (such as the American Time Use Survey), are analyzed.

Previous work in this project has examined, for example, how participants in public employment programs feel compared to unemployed and regularly employed individuals; how entering retirement affects satisfaction and whether it matters if one was employed or unemployed just before retirement; and for which groups in the labor market employment protection legislation and restrictions on fixed-term contracts have positive or negative effects on well-being.

A particular focus of this research project is on the multidimensionality of well-being. In addition to cognitive measures, affective well-being indicators are also analyzed. Previous findings show that unemployment has a negative impact on cognitive well-being but not on affective well-being.

Further research will focus on analyzing in more detail the determinants of affective well-being and their interaction with experiences of unemployment.

Projektleitung: Prof. Dr. Andreas Knabe, Dr. Philipp Biermann
Förderer: Haushalt - 01.01.2025 - 31.12.2026

Differences in Charitable Giving Between East and West Germany: An Analysis of Tax Data

In this project, we examine whether and to what extent patterns of charitable donations still differ between the two parts of Germany more than 30 years after reunification. Despite significant convergence in living standards and many social attitudes, earlier studies have shown persistent differences in social behavior and solidarity-related values. This project asks whether such differences are also reflected in real-world acts of generosity.

Using anonymized individual data from the German income tax statistics (FAST) for the years 1998–2020, the project analyzes the incidence and amount of charitable donations and compares them between East and West Germany. These administrative data offer a large and detailed sample, allowing robust analysis over time.

Preliminary results suggest that people in East Germany donate less frequently and in smaller amounts than those in West Germany. While income differences initially explained much of this gap, the analysis indicates that over time, the unexplained (likely cultural or attitudinal) component has grown. Overall, the project will produce insights whether solidarity-related behaviors such as charitable giving still display a persistent East–West divide, which would suggest that historical, cultural, and institutional legacies of the socialist period continue to shape social behavior in reunified Germany.

Projektleitung: Dr. Philipp Biermann, Prof. Dr. Andreas Knabe
Förderer: Sonstige - 01.03.2024 - 31.12.2026

Convergence in Pro-Social Behavior in East and West Germany: Do Charitable Donations Converge?

Auch mehr als drei Jahrzehnte nach der Wiedervereinigung bestehen weiterhin Unterschiede im Sozialverhalten zwischen Ost- und Westdeutschen. Anhand von Daten aus der anonymisierten Einkommensteuerstatistik

untersuchen wir, ob eine Angleichung im prosozialen Verhaltensmuster zu beobachten ist, wobei wir uns auf Spenden für wohltätige Zwecke konzentrieren. In Übereinstimmung mit früheren Ergebnissen aus Laborexperimenten und der Analyse von in Umfragedaten stellen wir fest, dass Unterschiede im Spendenverhalten insgesamt persistent bestehen bleiben. Weiterhin zeigen unsere Analysen, dass die Unterschiede innerhalb der Geburtskohorten nicht konvergieren, sondern dass es sogar Anzeichen für eine Divergenz gibt. Andererseits weisen jüngere Geburtskohorten, die nach der Wiedervereinigung sozialisiert wurden, geringere Unterschiede auf als ältere, die in zwei unterschiedlichen Systemen sozialisiert wurden. Unsere Ergebnisse stützen die Hypothese, dass die Altersstruktur und ihre Entwicklung im Laufe der Zeit die Konvergenz prosozialer Verhaltensmuster erschweren. Dabei wirkt der Alterungseffekt anfangs noch stärker als der Sozialisationseffekt. Im Laufe der Zeit sollte die natürliche Veränderung der Kohorten-Struktur (Unterschiede zwischen den Kohorten) zu einer Verringerung der Unterschiede im Sozialverhalten führen. Dass dies (noch) nicht zu beobachten ist, ist darauf zurückzuführen, dass sich die älteren Kohorten schneller auseinanderentwickeln als jüngere Generationen nachwachsen. Bei einer entsprechenden Fortschreibung dieses Prozesses ergibt sich mit dem Ableben älterer Jahrgänge eine stärkere Konvergenz im Bevölkerungsquerschnitt.

Projektleitung: Prof. Dr. Andreas Knabe, Thi Truong An Hoang
Förderer: Haushalt - 01.01.2018 - 31.12.2026

Time-Use, Well-Being and Unemployment

While studies of global life evaluation mainly reaffirm the undesirable impacts of unemployment on subjective well-being, there are only few studies examining its impact on daily emotional experiences. In this project, we attempt to examine the impact of unemployment on different aspects of subjective well-being, particularly the emotional well-being experienced on a day-to-day basis and the channels through which unemployment influences these experiences, using micro data from the UK (UK Time-Use Survey) and the US (American Time-Use Survey). A previous study by Knabe et al. (2010) showed that unemployment is negatively linked to how individuals assess their general life and the level of pleasure they attain while doing an activity, but hardly has an effect on the emotional balance over the course of the day. The conflicting finding was obtained by Krueger and Mueller (2012) who reported that jobless people felt significantly sadder than employed people both in participation of specific activities and on an average of the day.

Building on these previous studies, we will extend this line of research in several dimensions. We take into account the differentiation of time-use and well-being by gender, by days of the weeks and by social contact possibilities. Furthermore, we will provide attempts to identify the origin and magnitude of saddening effect by examining the relationship between social contacts and time composition.

5. VERÖFFENTLICHUNGEN

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