

Unemployment and the well-being of couples

The mediating role of relationship quality and the financial situation

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Motivation

- The negative effects of unemployment on the well-being of individuals may extend to partners.
- We test the two most discussed mechanisms for spillover effects: relationship quality and financial situation.
- We examine transitions into unemployment, as entering and leaving unemployment are different experiences.

Research questions

- How large are the spillover effects of unemployment on the well-being of partners?
- Are spillover effects explained by changes in the relationship quality or the financial situation?
- How do these effects differ for women and men?

Theoretical expectations



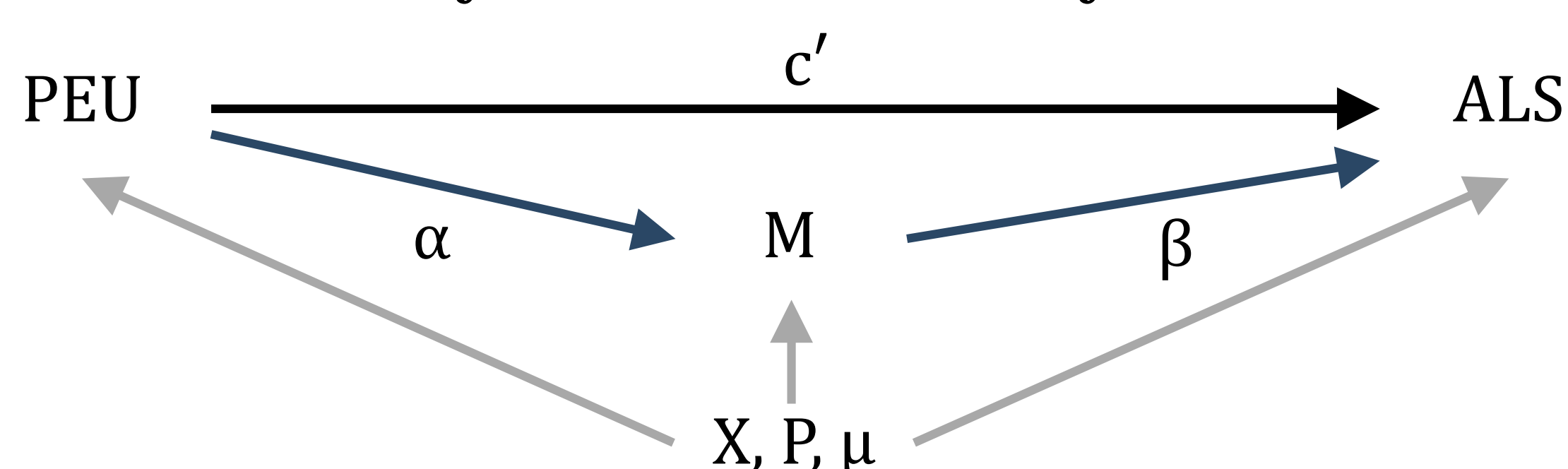
- Psychological family stress models: **“family crisis”**
- Economic health capital models: **“compensation”**

Data and measures

- **Data:** German Family Panel (pairfam), 10 waves
- **Employment spells:** E-U (treatment), E-E (control)
- **IV:** Partner unemployed (1) vs. employed (0) (PEU)
- **DV:** Anchor’s life satisfaction (0-10) (ALS)
- **Mediators:** relationship satisfaction (0-10), relationship quality, conflict styles and behavior; financial satisfaction (0-10), household income (M)

Methods

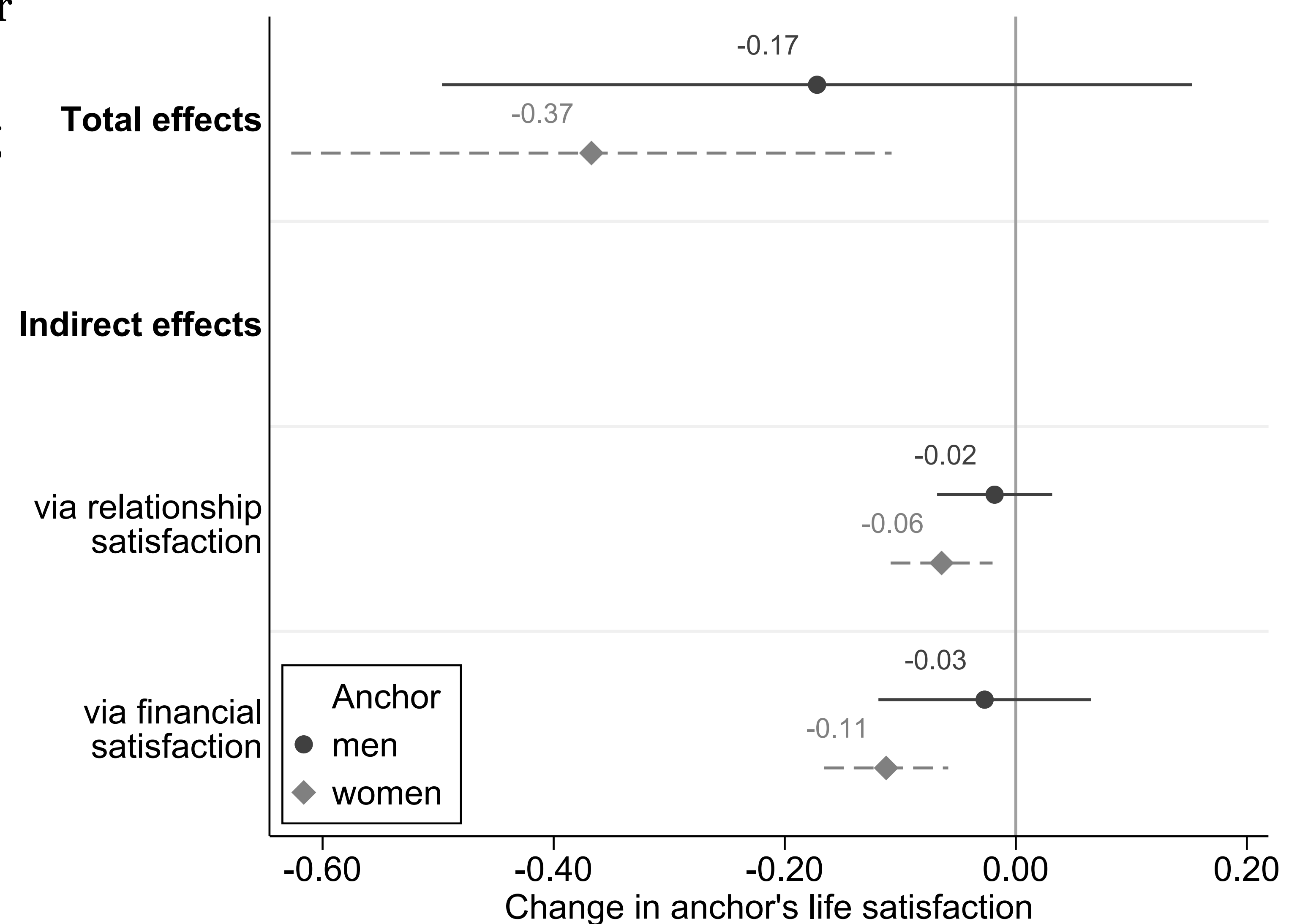
- Linear fixed-effects regression models (clustered SE)
- Mediation analyses (normal theory SE)



- (1) Total effect: $ALS_{st} = cPEU_{st} + \theta_1 X_{st} + \pi_1 P_t + \mu_{1s} + \varepsilon_{1st}$
- (2) Path α : $M_{st} = \alpha PEU_{st} + \theta_2 X_{st} + \pi_2 P_t + \mu_{2s} + \varepsilon_{2st}$
- (3) Path β : $ALS_{st} = c'PEU_{st} + \beta M_{st} + \theta_3 X_{st} + \pi_3 P_t + \mu_{3s} + \varepsilon_{3st}$
- (4) Indirect effect: $IE = \alpha\beta$

Results

Total and indirect effects of partner’s transition into unemployment on anchor’s life satisfaction (95% confidence intervals).



- The effects are more negative for women than men.
- For women, relationship but especially financial satisfaction partially explain the spillover effects.
- Men’s relationship and financial satisfaction are unaffected by their partners becoming unemployed.
- Other measurements of relationship quality confirm the findings for relationship satisfaction.
- Household income does not explain the spillover effects, as it only has small effects on life satisfaction.

Conclusions

- The negative effects of unemployment on well-being extend to partners, especially women.
- For women, these spillover effects are only to a small extent explained by relationship quality.
- For women, changes in subjective but not objective financial situation is a relevant mediator.

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