

An aerial photograph of a busy city sidewalk. The pavement is made of large, light-colored rectangular tiles. Several people are walking in different directions. In the center, a man in a brown vest and a woman in a white jacket are walking together. To their right, a woman in a white t-shirt and blue shorts is walking away. In the foreground, a woman in a red top and blue jeans is walking towards the camera. The background shows more people and a building with a glass facade on the right side.

LIVING in Germany

WELLBEING



INCOME



WORK



LEARNING

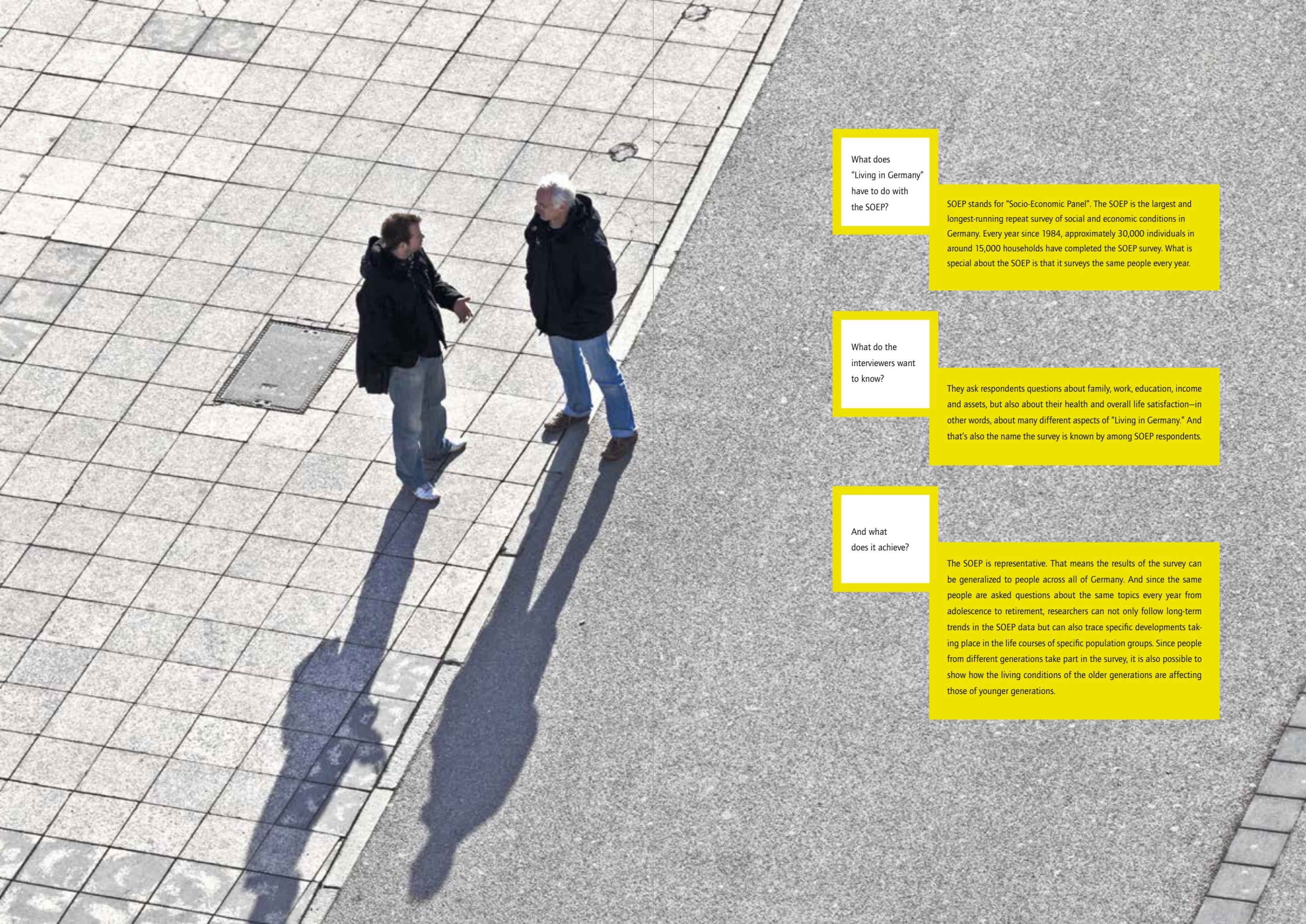


PERSONALITY



MIGRATION





What does
"Living in Germany"
have to do with
the SOEP?

SOEP stands for "Socio-Economic Panel". The SOEP is the largest and longest-running repeat survey of social and economic conditions in Germany. Every year since 1984, approximately 30,000 individuals in around 15,000 households have completed the SOEP survey. What is special about the SOEP is that it surveys the same people every year.

What do the
interviewers want
to know?

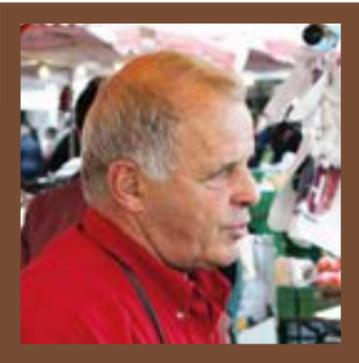
They ask respondents questions about family, work, education, income and assets, but also about their health and overall life satisfaction—in other words, about many different aspects of "Living in Germany." And that's also the name the survey is known by among SOEP respondents.

And what
does it achieve?

The SOEP is representative. That means the results of the survey can be generalized to people across all of Germany. And since the same people are asked questions about the same topics every year from adolescence to retirement, researchers can not only follow long-term trends in the SOEP data but can also trace specific developments taking place in the life courses of specific population groups. Since people from different generations take part in the survey, it is also possible to show how the living conditions of the older generations are affecting those of younger generations.

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LEARNING



WORK

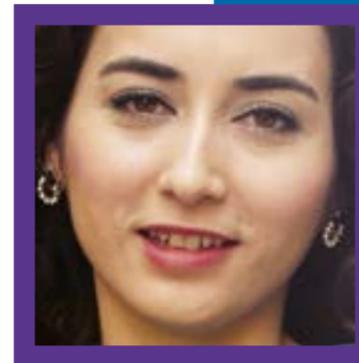
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Dear Readers,



For people in Germany, the year 1984 brought several premieres. Private television was launched. The first official report on the condition of German forests was published, with the finding that one-third of German forests were severely degraded. And Richard von Weizsäcker was elected Federal President of Germany. That same year, interviewers from Infratest (now Kantar Public) rang the doorbells of future SOEP respondents across Germany for the first time. They interviewed a total of 12,245 adults and 3,928 children in 5,921 households. Back then, no one would have believed that the SOEP study would one day become the largest and longest-running repeat household survey on social and economic conditions in Germany, with 30,000 respondents participating every year. We are delighted that Kantar Public has been by our side from the very beginning, and that they continue to conduct the SOEP survey to this day.

The Socio-Economic Panel (SOEP), based at the German Institute for Economic Research (DIW Berlin), is among the most important data research infrastructures worldwide in the social, behavioral, and economic sciences. Every year, more than 500 researchers from across the world use the SOEP data for their analyses.

Since the SOEP study's beginnings, it has been constantly adapting to changing social and political conditions and contexts. In 1990, just months after the fall of the Berlin Wall, the study was expanded to include 2,179 East German households. And in 2016, one year after hundreds of thousands of refugees came to Germany seeking asylum, the SOEP Refugee Survey was launched. The SOEP takes up current social developments and is continually expanding the range of themes that can be subjected to statistical analysis using SOEP data. The methodologies used in the longitudinal study are also continuously being refined through the use of new survey techniques.

Today, the SOEP covers a wide range of topics reflecting the diverse living conditions and life courses of people in Germany. Studies based on SOEP data examine how social resources and the opportunities connected with them—as well as the risks that arise in the absence of these resources—are distributed across the life course. A key focus is on the distribution of income and wealth, but also on access to education and work, and the transition to retirement. The question of how social and economic living conditions affect people's life satisfaction and well-being is also a focus of research with the SOEP data. For more than ten years, researchers have been using the potentials of the SOEP survey in personality and developmental psychology. Since its beginning, the SOEP has been the largest repeat survey of migrants focusing on the processes of their integration into German society.

In this brochure, we present some of the key findings from more than 7,000 publications released to date based on SOEP data. And we highlight some of the most important phases in our history.

Prof. Dr. Jürgen Schupp
Director of the Socio-Economic Panel (SOEP) at DIW Berlin

Dear Readers,

"Living in Germany": That's the name SOEP respondents know our survey by. And when interviewers from the Munich survey institute Kantar Public knock on their doors, they can be proud. After all, the analyses that are conducted using respondents' answers not only lead to outstanding international research; they also serve as the basis for independent policy advice.

To ensure that the SOEP sample of respondents is representative—that it can be generalized to people across all of Germany—respondents are selected at random. Being selected is therefore not a result of personal accomplishments or achievements. But from the moment someone has become part of the sample and begins responding to the "Living in Germany" survey on an annual basis, he or she belongs to a very important group of people in Germany.

Every year, around 30,000 adults are surveyed. Some of them have been selected—also randomly—to join us on special occasions. In 2012, Federal President Joachim Gauck invited four SOEP respondents to a summer party at Schloss Bellevue, his residence in Berlin, honoring their civic engagement as SOEP survey respondents. The year before, in 2011, he invited a group from the SOEP—including an interviewer—to give a presentation on the SOEP at his residence. Without the professionalism of the more than 500 interviewers who conduct our survey every year, the SOEP study would not be as successful as it is today.

The SOEP received a very special honor in 2015, when around 60 randomly selected SOEP respondents were invited to take part in a Citizens' Dialogue in Berlin with Chancellor Angela Merkel.

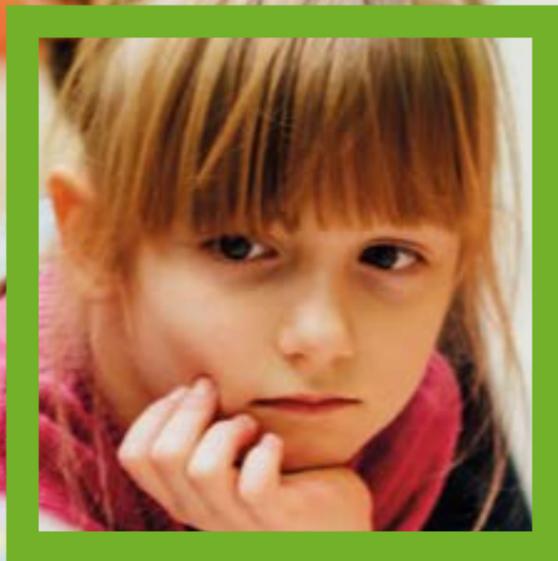
As former longtime director of the SOEP and now the representative of the SOEP on the executive board of DIW Berlin, I would like to recognize the many achievements of the entire staff of the SOEP, headed by Professor Jürgen Schupp in Berlin and Axel Glemser in Munich.

I second the opinion of the DIW Berlin Scientific Advisory Board, which in 2016 described the SOEP as a world-class research project. The respondents, interviewers, and staff of the SOEP together make that possible.

Prof. Dr. Gert G. Wagner
Representative of the Socio-Economic Panel (SOEP) on the DIW Berlin Executive Board



LEARNING



1 Laughing, playing, and learning lessons for life: Daycare expansion benefits children and boosts parents' life satisfaction.

Singing songs with other kids, doing arts and crafts, or building castles: Boys and girls aged one and above have been guaranteed the right to early childhood care and education with an in-home daycare provider or at a daycare facility since August 2013. And according to data from the SOEP and the additional Families in Germany (FiD) sample, not only do children have fun together—they also benefit directly from the expansion of daycare services.

"The everyday skills of two- and three-year-olds who were supervised in a daycare situation are somewhat more developed than those of children in the same age group who did not attend daycare," says Katharina Wrohlich, an economist at DIW Berlin. Children who attended daycare are better at using a spoon without assistance and wiping their nose, and tend to already be potty trained. Whether the benefits of early daycare are lasting has not yet been studied. However, learning skills and practicing at an early age can at least be



expected to provide a developmental head start. Empirical studies have established that skills are self-enhancing: skills developed early facilitate the development of new skills.

The data on a different aspect show that girls and boys who attended daycare when they were between two and three benefit in the medium term. Elementary school children with multiple years of daycare experience are more stable in their socio-emotional behavior than children who attended daycare for shorter periods. In particular, elementary school children from households with lower incomes or families with three or more children exhibit more stable socio-emotional behavior: They adapt more easily, are more willing to cooperate, and are more easily integrated into groups.

Ultimately, everyone benefits from expanding public daycare facilities—both children and their parents. The SOEP data also show that parental satisfaction has increased as a result

of the increased number of daycare slots available. Parents report a higher level of satisfaction extending even beyond the childcare situation to a more positive view of family life in general. For mothers in western Germany, where there were traditionally fewer daycare slots available than in the East, the expansion of daycare has been accompanied by an increase in satisfaction with life in general and with health and personal income. The researchers hypothesize that the expansion of daycare for young children reduced the dual burden of work and family, especially for women.

Further reading: Kai-Uwe Müller, C. Katharina Spieß and Katharina Wrohlich, "Kindertagesbetreuung: Wie wird ihre Nutzung beeinflusst und was kann sie für die Entwicklung von Kindern bewirken?" Vierteljahreshefte zur Wirtschaftsforschung 83 no. 1 (2014) 49-67. Pia S. Schober and Christian Schmitt, "Ausbau der Kinderbetreuung – Entlastung der Eltern erhöht Zufriedenheit," DIW Wochenbericht no. 50 (2013).

A sizeable financial buffer functions as a strong safety net, and has a direct influence on children's decisions about education and careers. Young people who know that failing in their studies or career will not mean catastrophe have a greater sense of freedom in choosing their educational path and field of study. The Swedish registry data support this finding. Recent studies show that children from well-to-do families tend to choose exotic "luxury" subjects, later earning high incomes from these degrees.

In the US, educational opportunities are even more strongly linked to parental assets than they are in Germany (and Sweden). Wealthy people there tend to live in enclaves with better schools and universities due to the tax system. Often, young people in the US are only able to enroll in a particular school or university because their parents can finance an expensive, high-tuition education. In Germany, parental wealth does not have this type of "purchasing function" because students typically do not have to pay high tuition, but, like in the US, it does make it easier to climb the career ladder.

Further reading: Fabian T. Pfeffer and Martin Hällsten, "Mobility Regimes and Parental Wealth: The United States, Germany and Sweden in Comparison," SOEPpaper no. 500 (2012).

2 Wealthy parents, successful children: Parental assets increase children's educational opportunities and chances of social advancement.

A home of one's own, a bulging bank account, and a good stock portfolio usually mean a comfortable life. And that's not all. Wealth also significantly affects children's social advancement, even if children don't need their parents' money to pay for their education. What's more important than the availability of the money is its psychological effect.

"Wealth creates a sense of security," says Fabian Pfeffer, a German sociologist at the University of Michigan in Ann Arbor. "Anxiety about failure at the university is lower among young people who know they will be able to rely on their parents' capital if worst comes to worst." Pfeffer's research focuses

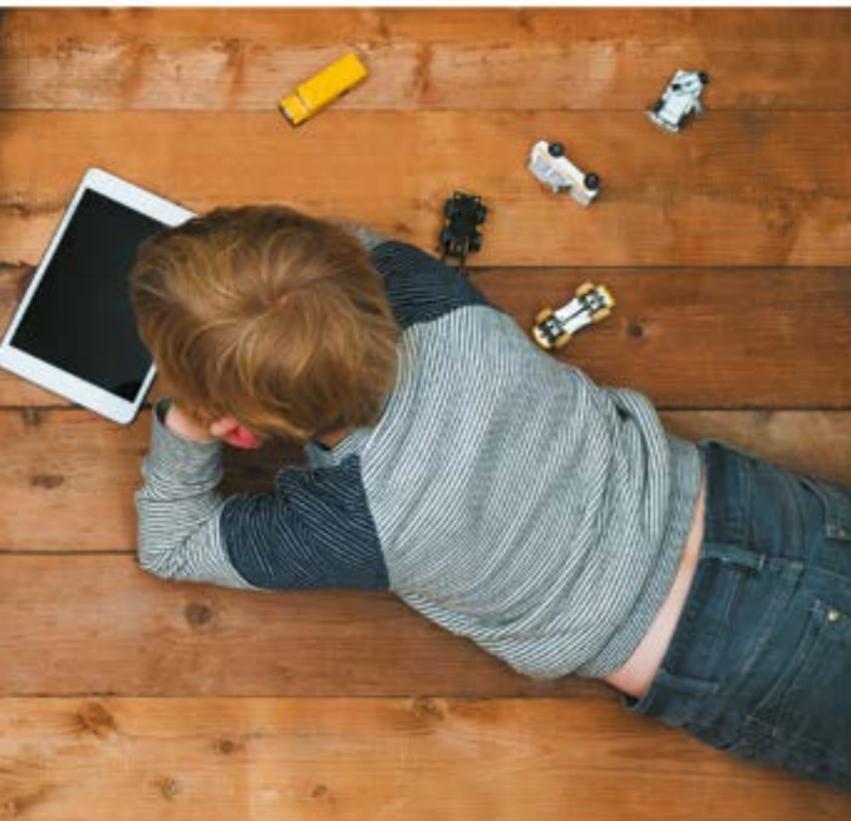
on issues of social inequality. In a comparative international study, he evaluated data from the German SOEP in addition to information from the Panel Study of Income Dynamics (PSID) from US and Swedish tax registries. He found that along with parental education, professional status, and earnings, a fourth factor is responsible for making children's professional lives run more smoothly: parental wealth. In Germany as well as Sweden and the US, the distribution of wealth is far more unequal than the distribution of regular income. Ten percent of the population possess more than half of each country's total private assets.



1985 SOEP MILESTONES

The premiere: The first article based on SOEP data is published in a specialist journal in April 1985. In the article, social scientist Christoph F. Büchtemann—then a researcher on the SOEP team at DIW Berlin—reports that the much-touted "new poverty" is far less widespread than many thought. Most of the two million people unemployed at the time in the Federal Republic of Germany are covered by unemployment insurance.

Christoph F. Büchtemann: Soziale Sicherung bei Arbeitslosigkeit und Sozialhilfebedürftigkeit – Datenlage und neue Befunde, in: Mitteilungen aus der Arbeitsmarkt- und Berufsforschung (MittAB) 18, no. 4 (1985): 450-466.



3 Piano and flute instead of TV and computer: Learning an instrument improves young people's educational outcomes.

Whether violin, flute, drums, or piano, it pays to invest in music lessons for children. Young people who started learning an instrument in early childhood have better grades than their non-musical peers. And those who play an instrument are more conscientious, open, and ambitious.

SOEP Director Jürgen Schupp and economist Adrian Hille evaluated data collected on almost 4,000 young people between 2001 and 2012. Because playing an instrument often tends to be predominant in socially advantaged households, the researchers only compared young musicians and non-musicians of the same age and similar socio-economic backgrounds. Their findings clearly show that 17-year-olds who have consistently taken music lessons in their leisure time since the age of eight have better grades than others. The "music effect" is particularly strong among young people from less educated families. In families with highly educated parents, the differences between young musicians and non-musicians of the same age are much smaller. The researchers presume that this comes from living in homes where there are abundant incentives for children to develop their abilities. For them, playing an instrument is only factor in success among many. However, for children from families with lower levels of education and significantly less input, playing an instrument turns out to be key.

The SOEP data also confirm that musical young people are more conscientious, open to new experiences, and much more ambitious than those who do not play an instrument in their leisure time. For example, they are much more likely to want to continue school after grade ten and pursue a university-track secondary education.

However, the majority of children who take extracurricular music lessons continue to be from higher social classes. What girls and boys do in their free time—whether they learn to play the guitar, trumpet, or cello—is still highly dependent on their parents' level of education. SOEP data also show that above all, the mother's highest degree is a key determinant in whether her child is active in music or athletics. Twenty percent fewer children whose mothers have only a tenth-grade education take part in musical or athletic leisure activities than children of the same age whose mothers completed university-track secondary school or earned a university degree.

Because these children are the ones who benefit the most from learning a musical instrument, according to the researchers, it would be beneficial if the state provided more support for extracurricular music lessons and initiated more programs like An Instrument for Every Child (Jedem Kind ein Instrument, JeKi). "(The program) enables all children and young people to learn an instrument free of charge for a year," said Hille. "Initiatives like this tap the potential of young people while reducing social inequality at the same time."

Further reading: Adrian Hille and Jürgen Schupp, "How Learning a Musical Instrument Affects the Development of Skills," Economics of Education Review 44 (2015): 56-82.

PROF. DR. C. KATHARINA SPIESS



C. Katharina Spiess is Head of the Education and Family Department at DIW Berlin and Professor of Family and Educational Economics at Freie Universität Berlin. An economist, Spiess has always been interested in research on early childhood and wrote her dissertation on the subject. She is also fascinated by the other educational topics that can be researched using SOEP data.

WHY IS THE SOEP IDEAL FOR RESEARCH ON EDUCATION?

The data are extremely multi-faceted. They provide information on factors that are profoundly relevant to education, for instance, the educational qualifications that individual people have earned over their entire lives. In recent years, we have added other relevant characteristics and now collect data on non-cognitive traits, such as personality and risk aversion. We also measure young people's cognitive abilities. And because the SOEP is a longitudinal survey, we can track how trends develop over time. Some years ago, for example, high-income households were the primary users of tutoring services. The SOEP data show that now a large number of middle-income households are also providing their children with tutors. And because we are currently able to observe the results of education across three generations with the SOEP, we can use the data to make highly accurate statements about how family background influences the education of subsequent generations.

WHAT IS THE ROLE OF THE MOTHER-CHILD QUESTIONNAIRE LAUNCHED BY SOEP IN 2003?

It allows us to closely analyze the development of children from the time they are born. For example, we can use it to show that going to daycare has an influence on the everyday skills of two- and three-year-olds, that the health and health-related behavior of parents is passed down to their daughters and sons at a very early age, and that many families need the active support of grandparents in organizing daily life.

YOU HAVE WORKED WITH THE SOEP DATA FOR A LONG TIME.

HAVE ANY OF THE RESULTS SURPRISED YOU?

We are surprised on a regular basis—especially when looking at the socio-economic characteristics of parents and the utilization of educational programs. We see that equal opportunity is a question of parental education and income: inequality begins in the cradle. Families with higher levels of education are much more likely to enroll in parent-child groups such as PEKiP, an educational program for parents with babies, or gymnastics for toddlers. Parents with lower educational levels and migrants use programs like these to a much lesser extent. This is a general pattern. Up to now, a disproportionate number of families with higher levels of education have benefited from the expansion of daycare. And SOEP studies have shown that parents with lower levels of education are simply not part of the trend toward private schools.

WHAT MOTIVATES YOUR RESEARCH?

To eliminate or at least reduce the inequality in opportunity, we must document where it exists and how it changes over time.

“OFTEN A QUESTION OF PARENTAL EDUCATION AND INCOME, EQUAL OPPORTUNITY BEGINS IN THE CRADLE.”

1988

1989

WORK



1 Office versus "home office":
In Germany, working from home is on the decline.

Instead of facing the stress of rush-hour traffic, many people prefer to work at home. One in three employed persons in Germany would like to work from home, but in many cases, supervisors require that they work in the office. In Germany, only 12 percent of all employees work from home most or at least part of the time. The percentage has been declining since 2008, even though 40 percent of jobs could theoretically be done from home.

Most of those who do work at home have jobs that require higher professional qualifications, according to the SOEP data on home-based work gathered since 2014. Indeed, three-quarters of jobs that require a university degree could be done within the employee's own four walls.

In Germany, working from a "home office" is widespread in the service sector as well as in large companies. According to employees of banks and insurance companies as well as civil servants, it could be used much more. "In these sectors, it is obvious that dinosaurs are still at the helm of human resources departments," said Karl Brenke, an economist at DIW Berlin. "They rigidly maintain compulsory presence at the office, using hours and minutes instead of output to measure their employees' performance."

Given the impending scarcity of qualified personnel, job market expert Brenke advises the heads of human resources departments to update their personnel policies. After all, the SOEP data also show that home-based employees are more satisfied with their jobs. And with an average work week of 46 hours, they work even more than their co-workers who work in the office—often without being compensated for overtime with time off or pay. The employees who are the least satisfied with their jobs are those who would like to work from home but are not allowed to do so.

According to the SOEP data, the primary reason for wanting to work at home is not a desire for better work-family balance but a desire for more autonomy with regard to working hours. Single people without children enjoy working from home as much as single parents, and couples without children take advantage of the opportunity to work from home more frequently than families with children.



In comparison to other countries, Germany is now below the EU average in the percentage of employees working from home. Whereas the number of employees who work from home is rising in France, the UK, and Scandinavia, it has been falling in Germany over recent years. At the same time, the technological possibilities to work from home—and avoid the daily rush-hour stress—have steadily improved.

Karl Brenke, "Home Office: Plenty of Untapped Potential", DIW Economic Bulletin no. 8 (2016).

2 The apple doesn't fall far from the tree: Unemployment is passed down from fathers to sons.

According to recent research based on SOEP data, the saying "like father, like son" applies to more than just facial features or behavioral similarities. For the first time, researchers in Halle and Erlangen have documented that unemployment is passed down from fathers to sons in Germany. The SOEP data show that young men whose fathers were unemployed for some period of time when they were between the ages of 10 and 15 are more frequently unemployed themselves between the ages of 17 and 24.

Time is also a factor in this type of inheritance. Each additional year of paternal unemployment increases the duration of the son's unemployment by an average of two weeks. The relationship is particularly strong for fathers who left school after completing grade ten (*mittlere Reife*). The likelihood that the male progeny of fathers with lower or higher educational attainment than grade ten will temporarily follow in their fathers' footsteps is not as great.

1990 SOEP MILESTONES

Not even a year passes between the fall of the Berlin Wall on November 9, 1989, and the reunification of Germany on October 3, 1990. The founders of the SOEP are even faster: In June 1990, they send out 214 interviewers to conduct the first SOEP survey in the former GDR. This makes SOEP the only social scientific survey to have followed the transformation of Germany from a divided country through the reunification process to the present-day Federal Republic. Almost 25 years after the fall of the Wall, SOEP researchers took stock of this process and found that German reunification has been more than just an economic success—people in the former East are more satisfied with their lives today than ever before.

Maximilian Priem and Jürgen Schupp, "Everyone Happy: Living Standards in Germany 25 Years after Reunification", DIW Economic Bulletin no. 40 (2014): 65-71.

1991

The SOEP data also document that unemployment is not passed down from generation to generation in all segments of the population. In eastern Germany, the relationship is much weaker than in western Germany. The authors surmise this is due to the higher level of overall unemployment in the “new” federal states since reunification.

In families with a migration background, the phenomenon appears to be nonexistent. To the researchers, this is an indication of greater intergenerational social mobility in these families. “Sons (of migrant fathers) are less influenced by the professions of their fathers than sons whose families are deeply rooted in Germany,” said economist Steffen Müller from the Halle Institute for Economic Research (IWH). “As people who have migrated to a new country, they are undergoing major transitions and are less bound to their social environment.”

Unemployment is not passed down from one generation to the next due to the father’s unemployment per se. Instead, shared familial factors first lead to higher unemployment in fathers, and then in their sons. The authors of the study hypothesize that as a result of upbringing and behavioral patterns in German families, occupational profiles, values and attitudes toward education, diligence, and work are passed down from grandfathers to fathers, sons, and grandsons. The chances of social advancement within a family are therefore low. Those who want to effectively counter youth unemployment are therefore well advised to address not only the employment status of the father, but above all the social environment of the son.

Further reading: Miriam Mäder, Steffen Müller, Caroline Schwientek, and Regina T. Riphahn, “Intergenerational Transmission of Unemployment—Evidence for German Sons,” *Jahrbücher für Nationalökonomie und Statistik* 235, no. 4/5 (2015): 355-75.

3 Doing dishes, cooking, and cleaning: Parental role models contribute to daughters’ career choices—and to the future of gender-typed job profiles.

Electrician or receptionist? The career choices of young women with intermediate school-leaving qualifications is highly dependent on the role models they had at home during childhood and adolescence. Parents who shared responsibility equally for doing the dishes, cooking, and cleaning are more likely to have daughters that choose “more masculine” professions that are atypical for women, such as a career as an electrician.

“At the same time, traditional family models in the parental home are more likely to lead to more traditional career choices in daughters,” says Anne Busch-Heizmann. The sociologist from the University of Duisburg-Essen analyzed data from the SOEP Youth Questionnaire to understand why the job market in Germany is still split into “classic” men’s and women’s professions. SOEP data show that the average female career entrant with an intermediate school-leaving qualification works in a job performed predominantly—up to 70 percent—by women. Male career entrants, on the other hand, typically choose “male professions” in which the proportion of women is only 22 percent.

1992



The gender-typed jobs of mothers and fathers seem to have left less of a mark on survey respondents than the division of household labor between parents. If a mother worked in a “typically female profession,” however, daughters were more likely to choose a “typically male profession”—and vice versa.

Busch-Heizmann hypothesizes that this is due to young women’s first-hand observation of the disadvantages their mothers faced in their careers. For example, women in “men’s jobs” earn more and often have better career opportunities but more frequently experience other disadvantages in their work.

For young men, factors such as high income, opportunities for promotion, and job prestige are more important than they are for young women. Young women place greater importance on social values, having contact with other people, and doing work that is important for society—for instance, helping others. The SOEP data show no difference between men and women with regard to the desire for a healthy work-life balance.

Further reading: Anne Busch, “Die Geschlechtersegregation beim Berufseinstieg – Berufswerte und ihr Erklärungsbeitrag für die geschlechtstypische Berufswahl,” *Berliner Journal für Soziologie* 23 no. 2 (2013): 145-79.

1993

IN YOUR DISSERTATION, YOU STUDIED THE EFFECTS THAT MIGRATION HAS ON THE LABOR MARKET...

The year was 1992 and I was living in Munich. At that time, the wars in Yugoslavia and forced migration from war zones were major issues. People everywhere were saying that the large number of refugees would keep wages low. From the SOEP, I had representative data on the migrants that had come to Germany in the past 20 years. This allowed me—a foreigner—to find out how migration really impacted the labor market in Germany. My study showed that in reality, migration had only a slight effect on wages back then.

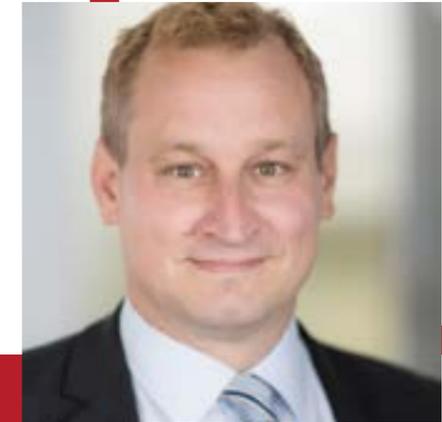
YOU HAVE NOW WORKED WITH SOEP DATA FOR OVER 20 YEARS. WHAT MAKES THESE DATA SPECIAL TO YOU?

When you study economics, what you learn is often extremely theoretical and not particularly descriptive. Mostly it deals with Commodity A or Commodity B that Person 1 or Person 2 is buying. But the SOEP data are from real people. The respondents are born, they marry, get divorced. Some lose their jobs. These are real lives.

1994

PROF. RR. JOHN P. HAIKEN-DENEW

John Haisken-DeNew is Professor of Economics at the University of Melbourne. He was born in the industrial city of Hamilton in Ontario, Canada. Haisken-DeNew had worked as a researcher in Munich, in the Ruhr Valley, and until 2011, in the Socio-Economic Panel at DIW Berlin. His research focuses on migration, life satisfaction, and the significance of work.



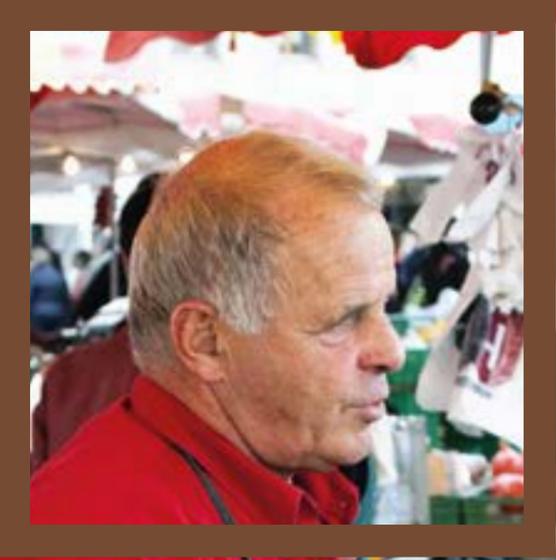
DOES YOUR RESEARCH ALSO RELATE TO YOUR LIFE?

Yes, my research projects also have personal significance. They help me understand what is important in life. I think back on my hometown in Ontario, for example. Fifty years ago, it was an economically powerful industrial city—very similar to Bochum. Then people lost their jobs due to structural changes. With the help of my research on life satisfaction, I can measure and express in numbers the extent to which people suffer as a result of unemployment. And in my opinion, this knowledge is indispensable when making policy decisions.

“MY RESEARCH PROJECTS ALSO HAVE PERSONAL SIGNIFICANCE. THEY HELP ME UNDERSTAND WHAT IS IMPORTANT IN LIFE.”

→ A longer conversation with Professor John P. Haisken-DeNew is included in the video series SOEP People: www.diw.de/soeppeople

1995



INCOME

1 Working hard for the money:
Despite a rise in employment, Germany's
middle income segment is shrinking.

The poor are increasing in numbers and the rich are getting richer, despite the consistent decline in unemployment since 2006. But what about middle income earners—the backbone of the German economy? Economists define the middle income segment as households that earn between 67 and 200 percent of the population's mean gross annual income. In 2013, the mean gross annual income of a three-person household was around 53,500 euros.



The SOEP data show that the middle income segment shrunk between 1983 and 2013—from 69 to 61 percent of the adult population. The percentage fell by 5 percent from the first SOEP survey of reunited Germany in 1991 to 2013 alone. However, at 61 percent, middle income earners still make up the largest income group in the country.

The percentage of the population with very low incomes and those with very high incomes grew at virtually the same rate between 1991 and 2013. Incomes in the small high-income segment increased from 22 percent to 31 percent of the German population's overall income. The low-income group doubled in size, but still earned only around ten percent of the overall national income. The oft-cited gap between the rich and poor is thus growing wider. The rich in Germany have become richer, and there is no indication that the poor have experienced any change in their real income. The proportion of young adults ages 18 to 29 in the lower income group has also risen. For retired people, however, the financial situation in Germany has improved: More of them find themselves in the middle income segment, and their proportion in the lowest income group has fallen by 15 percent. Equal proportions of non-German nationals exited the middle income segment and entered the low income segment.

"Due to the relatively strong upswing in employment as of 2006, we would have expected growth in the middle income segment," said economist Markus Grabka, SOEP researcher at DIW Berlin. "The fact that this is not the case indicates the prevalence of a variety of different and often poorly paid forms of employment." In order to stop the middle income segment from shrinking further, SOEP income distribution experts recommend, for example, upgrading jobs in the service industry and providing more incentives to promote workers in "mini-jobs" to positions that are subject to social insurance contributions.

Further reading: Markus M. Grabka, Jan Goebel, Carsten Schröder, and Jürgen Schupp, "Shrinking Share of Middle-Income Group in Germany and the US," DIW Economic Bulletin no. 18 (2016): 243-49, (2016): 199-210.

Researchers from Düsseldorf and Hamburg surveyed former non-professional athletes who received support from Deutsche Sporthilfe, a private foundation that funds top athletes, during their time as competitive athletes. They compared their incomes to those of SEOP respondents who were not top athletes but were similar with regard to age, gender, education, and profession, as well as character traits such as communication skills and stress tolerance.

With the data, researchers Ralf Dewenter and Leonie Giessing were not only able to demonstrate that competitive sports continue to bear fruit later in professional life. They also found that former athletes who played team sports such as volleyball or handball benefited more from their sports careers financially than athletes in individual sports. "The athletes' ability to play on a team presumably has a positive effect on professional life," says Dewenter, an economist at Helmut Schmidt University in Hamburg, explaining the income difference of up to 100 euros per month.

However, women do not benefit from their athletic backgrounds to the same extent as men, who earn around 850 euros more than their less athletic counterparts. Former female athletes earn around 560 euros more per month than women without a competitive sports background. This puts salary levels of former top female athletes at the same level as those of male non-athletes, allowing them to at least close the income gap that still exists between men and women.

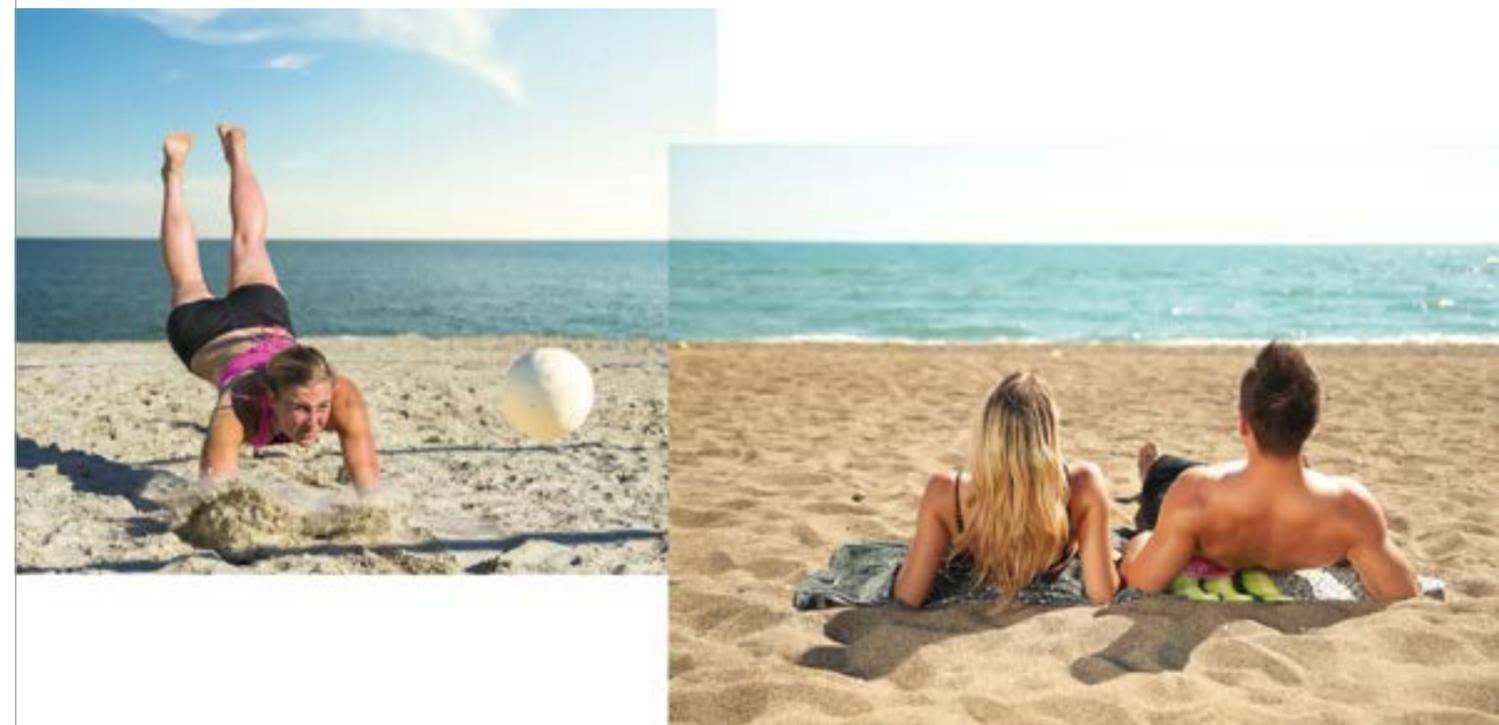
The researchers presume that pursuing sports at a competitive level promotes characteristics such as stamina, discipline, and motivation that are also advantageous at work. They also suspect that former competitive swimmers, wrestlers, and hockey players have higher levels of charisma. These individuals are able to signal to employers that their athletic career has made them particularly ambitious, disciplined, and assertive—characteristics that managers appreciate and reward.

Further reading: Ralf Dewenter and Leonie Giessing, "Die Langzeiteffekte der Sportförderung. Auswirkungen des Leistungssports auf den beruflichen Erfolg," SOEPpaper no. 734 (2015).

2 Life after competitive sports: Former top athletes are more successful in their careers than others.

Whether in track and field, judo, or volleyball, competitive sports pay off for a lifetime. This is not only because top athletes often lead healthier lives: they are also more successful in the professions they pursue after retiring from sports and earn more than others in the same field. The difference is

significant: former athletes earn an average of 750 euros per month more than coworkers without a sports background in comparable professions and positions. The average income of former competitive athletes is 3,046 euros per month.



1996

1997



3 The key to happiness at work: Regular raises and a regular working schedule increase life satisfaction.

Can money buy happiness? It's a widely debated question, and people usually agree that the answer is "no". But as it turns out, they're wrong. As the SOEP data show, more money does mean increased life satisfaction, but this depends on the form the additional income takes. Neither temporary added income, such as sales commissions, nor one-time bonuses increase people's overall life satisfaction—their influence is slight at best.

So what's the recipe for increased life satisfaction? A high regular income without excessive working hours. After all, people need time to enjoy added income. Work can be annoying, and overtime puts people in bad moods. "People who are constantly working overtime are unhappier," says economist Christian Bayer from the Hausdorff Center for Mathematics at the University of Bonn. Together with fellow researcher Falko Jüssen from Wuppertal, he analyzed the SOEP data from 1984 to 2010 to find out how income and working hours affect levels of personal happiness. Their study was the first to include the dynamics of income growth

in the analysis. This allowed them to show the conditions under which money does, in fact, buy happiness—a feat that previous studies had been unable to accomplish.

But why does consistently higher income make people happier than large one-time bonuses? According to Bayer and Jüssen, this probably has to do with the effects of increased income on people's consumption patterns. Most people will deposit a one-off windfall in their savings to have a little extra for lean times. On the other hand, regular extra income offers people the opportunity to improve their standard of living on an ongoing basis. "A permanent income increase allows for permanently higher consumption," explains Bayer.

Further reading: Christian Bayer and Falko Jüssen, "Happiness and the Persistence of Income Shocks," American Economic Journal: Macroeconomics 7 no. 4 (2015) 160-87.

“WHETHER OR NOT AN INCREASE IN POVERTY FROM 12 TO 15 PERCENT AFTER 2000 SHOULD BE VIEWED AS A ‘POVERTY EXPLOSION’ LIES IN THE EYE OF THE BEHOLDER.”

WHAT MAKES THE SOEP SO SPECIAL FOR INCOME ANALYSIS?

From the very beginning, detailed questions about income were included because the SOEP was developed primarily for the purpose of improving the analysis of income distribution. Now we can observe individual income trends across decades and also make precise statements about the “intergenerational mobility” of income, meaning that we can give answers to how grandparents’ income positions are passed down to their children and grandchildren.

WHAT DO THE SOEP DATA TELL US ABOUT THE DEVELOPMENT OF POVERTY AND WEALTH IN GERMANY?

My personal interpretation is that not much has changed since the 1980s. As a result of reunification, we have a somewhat higher risk of poverty. And whether or not an increase in poverty from 12 percent to 15 percent after 2000 should be viewed as a “poverty explosion” lies in the eyes of the beholder. We must also remember that a very high proportion of single parents are among those at high risk of poverty. Their risk was also high in the 1980s, but there were fewer of them back then. Income inequality has also increased—but international comparison shows that the level of inequality is not extreme by any measure.

PROF. DR. GERT G. WAGNER

Gert G. Wagner is a Professor of Empirical Economic Research and Economic Policy at Technische Universität Berlin, a Max Planck Fellow at the Max Planck Institute for Human Development, and Member of the Board at DIW Berlin. As the managing director of Collaborative Research Center 3 at Goethe University Frankfurt and the University of Mannheim, he was involved in the preparations for “the Panel,” as the SOEP was initially called. He headed the SOEP from 1989 to 2011, and his enthusiasm for the countless research opportunities the SOEP data provide remains unabated. Even after three decades, Wagner is still discovering new avenues for research.



AND WHAT IS THE SITUATION OF THE MIDDLE CLASS IN GERMANY?

The percentage of the population in Germany’s middle income segment has not declined in recent years. However, the proportion of income they earn has fallen somewhat. In my opinion, this is not a catastrophe. What is more alarming is that equality of opportunity still depends heavily on social origins. And more and more migrants will no longer achieve middle class status. I consider that highly problematic. It indicates that our training and continuing education system are no longer adequate to integrate them into society or the employment world. If we do not work to improve the situation, our society will change dramatically. This is not the result of globalization in and of itself. Instead, it has to do with Germany’s unsatisfactory integration policy.

AFTER OVER THREE DECADES, WHAT ACCOUNTS FOR YOUR UNFLAGGING PASSION FOR THE SOEP?

It is like a child I helped raise. Now and then, my advice was also helpful. The SOEP will never be boring—neither in terms of content nor in terms of the technical developments that constantly enable new ways of accessing the data. I am currently exploring the field of qualitative social research beyond statistics. Computers can evaluate answers to the SOEP’s free-response questions much better than they could a few years ago.

2000

SOEP MILESTONES

Young adults in SOEP households are interviewed personally as part of the survey. Since the year 2000, all 17-year-olds in SOEP households have completed the SOEP youth questionnaire, which includes questions about school, relationships to parents and siblings, leisure-time, and hopes and plans for the future. The youth data can be linked to the data on other family members in the same household. Using these data, researchers can find answers to questions of how the parental household affects young people’s futures. SOEP researchers Jürgen Schupp and Adrian Hille have found, for instance, that music lessons in childhood and adolescence lead to better educational outcomes—especially in families with lower overall levels of education.

Adrian Hille and Jürgen Schupp: “How Learning a Musical Instrument Affects the Development of Skills”, Economics of Education Review 44, 2015, pp. 56-82.

2001



MIGRATION

1 Language, education, friendship:
Integration makes migration successful—
economically and socially.

Language proficiency, recognition of professional qualifications, and contact with locals—these three factors help migrants integrate successfully into German society. And the more solid the foothold they gain in Germany, the more they benefit from migration—in many ways, including economically. This is documented by data from the IAB-SOEP Migration Sample. Working together with the Institute for Employment Research (IAB) in Nuremberg, the SOEP launched the new

longitudinal study in 2013. It surveys the same approximately 5,000 people with migration backgrounds in around 2,700 households once a year.

"Once they have arrived in Germany, migrants invest significantly in language and education," said migration researcher Elisabeth Liebau, who works in the SOEP at DIW Berlin, after initial analyses of the migration sample data. "That investment pays off." The data show that migrants with high language proficiency earn almost 22 percent more than those who have little or no command of German. And migrants who are successful in having their professional qualifications recognized earn more and also have good prospects of finding work that matches their qualifications and experience. On average, migration pays off for all migrants who find employment. Their nominal net incomes in Germany (1,273 euros) are more than twice as high as in their respective countries of origin (506 euros). Of course, the real difference is lower due to the higher cost of living in Germany.

Migrants apparently also feel that contact and friendships with native Germans are just as important for their successful integration and sense of well-being as improvements in

their financial situation. Three-quarters of the people who have moved to Germany since 1995 and almost 85 percent of those who have been here longer have regular personal interactions with native Germans. They are significantly more satisfied with their general situation in life than migrants who only socialize with other migrants. Of course, the discrimination the discrimination that people from Turkey and countries with an Arab Muslim majority encounter when looking for a job and at public authorities puts a damper on their optimism. Yet people with migration backgrounds are, on average, just as satisfied with their general situation in life as the German population.

*Further reading: Institute for Employment Research (IAB) and DIW Berlin, "Leben, lernen, arbeiten – wie es Migranten in Deutschland geht," DIW Wochenbericht no. 43 (2014).
Elisabeth Liebau and Agnese Romiti, "Migranten investieren in Sprache und Bildung," DIW Wochenbericht no. 43 (2014).
Herbert Brücker, Elisabeth Liebau, Agnese Romiti, and Ehsan Vallizadeh, "Anerkannte Abschlüsse und Deutschkenntnisse lohnen sich," DIW Wochenbericht no. 43 (2014).
Ingrid Tucci, Philipp Eisnecker, and Herbert Brücker, "Wie zufrieden sind Migranten mit ihrem Leben?," DIW Wochenbericht no. 43 (2014).*

2 Low wages, higher unemployment: Integration into the job market is more difficult for refugees than for other migrants.

Lower pay, job-skill mismatch, and higher unemployment rates: Refugees find it more difficult to gain a foothold in the German labor market than other migrants. It also takes them longer to find jobs. Data from the SOEP and the IAB-SOEP Migration Study, which surveyed people who sought asylum in Germany between 1990 and 2010, revealed these findings. Respondents to the study came primarily from civil-war-torn regions of former Yugoslavia, as well as Muslim and Arab countries.

Although refugee women in some cases have higher occupational qualifications than men, they face greater difficulties integrating into the German labor market, even after many years. Less than 50 percent of female refugees have jobs after ten years in Germany, compared to 80 percent of male refugees. "Over the years, female refugees in Germany differ increasingly from other migrants in their employment biographies," said Zerrin Salikutluk, a social scientist at Humboldt-Universität zu Berlin. She thinks one possible cause for this difficulty is their lower use of daycare facilities for child care.

Both male and female refugees are paid significantly less for their work than the rest of the working population in Germany. The SOEP data document an average gross hourly wage of around 12 euros among refugees, while other migrants receive around 15 euros. Persons without a migration background earn around 17 euros per hour. Refugees primarily find positions in the hospitality and manufacturing industries. The majority work in smaller companies with fewer than 20 employees. They are significantly underrepresented in the health care sector and civil service. And as with other migrants, they frequently have jobs for which they are overqualified.

What conclusions do the experts draw from their study about the labor market integration of refugees who have arrived in Germany since summer 2015? "We are not as pessimistic about their integration into the job market as some occasionally are," said social scientist Martin Kroh, Deputy Head of the SOEP at DIW Berlin. He points to a number of integration measures launched since 2015 that are making it easier for refugees to enter the job market, and that also help to better tap the potentials people bring with them to Germany.

Further reading: Zerrin Salikutluk, Johannes Giesecke, and Martin Kroh, "Refugees Entered the Labor Market Later Than Other Migrants," DIW Economic Bulletin no. 34/35 (2016): 407-13.



2003 SOEP MILESTONES

The discovery of early childhood: SOEP researchers develop the first mother-child questionnaire, which is used to collect annual information on the care situations of two-to-three-year-old children in SOEP households—on their health, personality, talents, and development. Using data from the mother-child questionnaire, researchers at DIW Berlin have discovered that daycare attendance has a positive influence on children's everyday life skills.

Kai-Uwe Müller, C. Katharina Spieß, and Katharina Wrohlich: "Kindertagesbetreuung: Wie wird ihre Nutzung beeinflusst und was kann sie für die Entwicklung von Kindern bewirken?," Vierteljahreshefte zur Wirtschaftsforschung 83, no. 1 (2014): 49-67.

DR. INGRID TUCCI



Ingrid Tucci is a sociologist and CNRS researcher at the Institute for Labor Economics and Industrial Sociology in Aix en Provence, France. Before returning to France—her country of origin—in November 2015, she spent over ten years as a researcher in the Socio-Economic Panel at DIW Berlin. Ingrid Tucci lived in Germany for 21 years. Her research focuses on migration and integration, particularly in German-French comparison.

“EDUCATION IS A MAJOR ISSUE IN GERMANY. THAT MAKES IT EVEN MORE SURPRISING TO SEE TIME AND TIME AGAIN IN THE SOEP DATA HOW SLOWLY EDUCATIONAL OUTCOMES IMPROVE AMONG THE CHILDREN OF MIGRANTS.”

DID YOUR RESEARCH INTEREST IN MIGRATION HAVE ANYTHING TO DO WITH THE FACT THAT YOU WERE A MIGRANT TO GERMANY YOURSELF?

Not really. When I came to Germany in 1994, I was surprised at the absence of unrest like there had been in French suburbs since the 1980s, even though Germany was and is a country of immigration. This made me wonder, so I decided to find out why it was like that.

WHAT DID YOU FIND OUT?

Germany and France have different histories in connection with migration. The subject is a very emotional one in France because of colonization, while Germany deals with its Turkish guest workers, who came to the country in the 1960s, very rationally and much less emotionally. The children of migrants in France have always been French citizens, and they want to be treated as such.

WHICH OF YOUR FINDINGS ON MIGRATION USING SOEP DATA HAVE SURPRISED YOU THE MOST SO FAR?

Education is a major issue in Germany. That makes it even more surprising to see time and time again in the SOEP data how slowly educational outcomes improve among the children of migrants. The German educational system is relatively inflexible, and the opportunities available to children are determined by social origins – parental levels of education. Yet children of migrants in Germany who have a difficult time in the education system still are successful in entering the job market.

THE IAB-SOEP MIGRATION SAMPLE WAS LAUNCHED IN 2013.

WHAT IS SO SPECIAL ABOUT THESE DATA??

Until now, there have been a lack of comprehensive data on migration biographies, the routes the migrants traveled, and their experiences on their way to Germany. The IAB-SOEP study also collects very interesting retrospective data that allow us to study migrants' life courses on a personal level. Many of these people did not come directly to Germany from their home countries, but lived temporarily in other countries in order to work. Many of them are highly mobile. With the quantitative information from the SOEP questionnaire and personal qualitative interviews carried out among a small group of selected respondents, we investigate, for example, how they self-assess their social position, and whether they feel disadvantaged or privileged given their experiences in different countries and their different points of comparison.

2004

SOEP MILESTONES

Personality and developmental psychologists discover the SOEP. One of the first is US American happiness researcher Ed Diener. Together with other researchers, he uses SOEP data to show that the loss of a job leads to long-lasting declines in subjective well-being, especially among men.

Richard E. Lucas, Andrew E. Clark, Yannis Georgellis, and Ed Diener, "Unemployment Alters the Set Point for Life Satisfaction", Psychological Science 15, no. 1 (2004): 8-13.

2005



WELLBEING



1 Happier all around:
People in both eastern and western Germany are satisfied with their lives overall.

People in Germany are currently more satisfied with their lives than they have been in years. In the West, people have returned to the levels of life satisfaction they reported in 1984, when the SOEP survey began. And in eastern Germany—where the SOEP survey was launched just before the June 1990 economic, currency, and social union—people reported record high levels of life satisfaction in 2013.

The difference in life satisfaction between East and West was large immediately after reunification. Since then, it has diminished continuously to a fraction of its post-reunification level, but still has not disappeared completely. The SOEP data show that on average, the eastern German population is still less satisfied than the western German population with certain areas of life, despite the 25 years that have elapsed since the fall of the Wall. Part of this is due to wage levels in eastern Germany, which are still lower than in the West. Eastern Germans also rate their satisfaction with health lower than western Germans do. This is largely the result of demographic trends: there are simply more elderly people in the East than in the West. People in eastern Germany report higher levels of satisfaction with pre-school daycare options than western Germans. And ratings for living situations, household chores, and leisure activity options have reached the same levels in East and West.

People's reported worries and concerns—which the SOEP surveys annually—are also a testament to the progress of the reunification effort. There are no longer any differences in concerns about the environment or about xenophobia. As for the

economic situation (personal financial health in particular) and job security, eastern Germans are still more concerned than western Germans. "However, the commonalities are now greater than the differences," says social scientist Maximilian Priem of the Freie Universität Berlin. "Despite some minor issues, German reunification is an unparalleled success story."

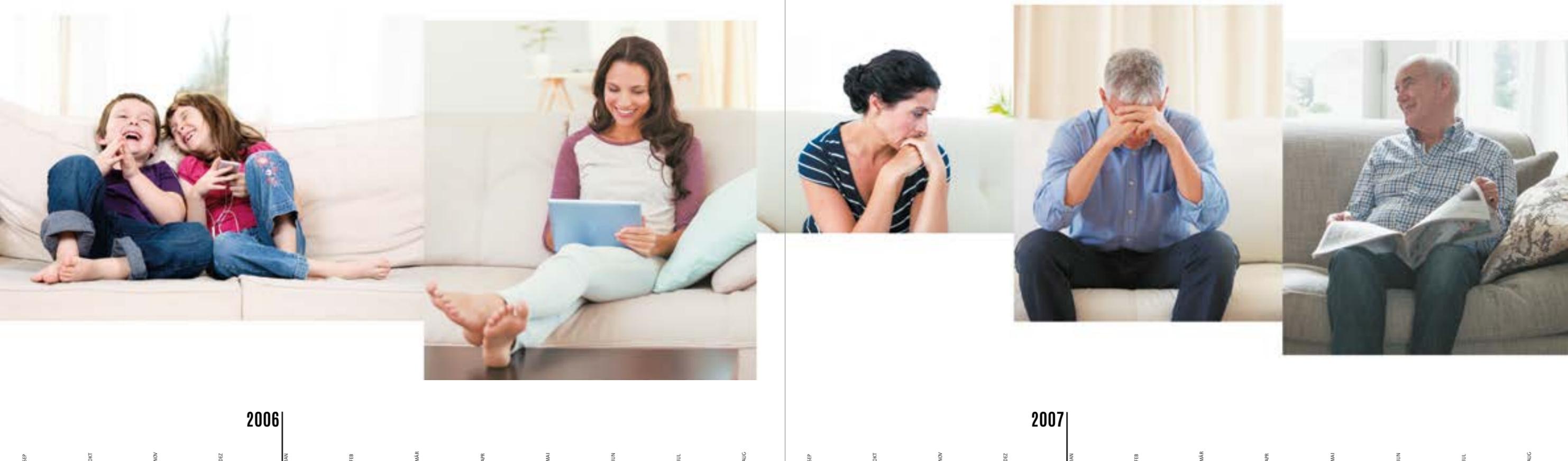
The SOEP data document more than how the two formerly separate German nations are growing together. The satisfaction trends in the data also reflect structural reforms as well as global events and influences. For example, the data show a marked drop in general life satisfaction and a dramatic rise in concerns around the turn of the century, when the Hartz IV unemployment reform went into effect, after the terrorist attacks of September 11, 2001, and after the 1986 nuclear catastrophe in Chernobyl.

Further reading: Maximilian Priem and Jürgen Schupp, "Everyone Happy: Living Standards in Germany 25 Years after Reunification," DIW Economic Bulletin no. 40 (2014): 65-71.

2 Ups and downs: Life happiness follows a U-shaped curve.

It's a phase when people question everything that has felt right and good until that point. They often feel overwhelmed and unsure about the meaning of life, and they wonder if they can still achieve all their goals. According to experts, people who are going through a midlife crisis have reached the low point in their personal happiness curve. "In Germany, people between 45 and 50 are the least satisfied with their

lives overall," says economist Andrew Oswald of Warwick University in the UK, who uses longitudinal studies including the SOEP to scientifically document the well-known existential crisis of middle age. "Everyone goes through this crisis at some point around this age, although with varying intensity," he notes.



The data also show, however, that after people hit bottom, things start picking up again. Life's happiness curve turns out to be U-shaped. Children, teens, and young adults are the happiest. Sometime after age 21, satisfaction values gradually start to fall, but after reaching their low point in middle age, they rise again continuously until approximately age 75. At that age, if physically fit and healthy, people are as happy as they were in young adulthood. Toward the end of life, the U-shaped curve no longer applies. A few years before the end of life, elderly people's satisfaction values plummet.

This U-shaped happiness curve appears throughout all of society, independent of income, gender, and marital status. And having children versus being childless has no effect on reported happiness, in Germany or elsewhere. The U-shaped happiness curve is not an exclusively German phenomenon. "We find the pattern everywhere in the world," says Oswald, who analyzed the satisfaction values of over 50,000 adults from Germany, the UK, and Australia across a large portion

of the lifespan. Like the German SOEP, longitudinal data from the other two countries provide annual information on men's and women's life satisfaction.

Researchers still do not know why the happiness curve bottoms out in the middle of life. It could be that people suffer at that point because they are starting to confront their mortality or because they are having to give up on some of their unfulfilled dreams. However, there could be a biological explanation: life's "U" is not specific to humans. Oswald studied chimpanzees and orangutans and found that they, too, experience a midlife crisis, although a bit earlier, around the age of 30.

Further reading: Terence C. Cheng, Nattavuh Powdthavee, and Andrew Oswald, "Longitudinal Evidence for a Midlife Nadir in Human Well-being: Results from Four Data Sets," The Economic Journal (2015).

3 Short peaks and long-term lows: Some events change satisfaction in the short term, but unemployment has a life-long effect.

Marriage, the birth of a child, and the death of a partner are life-changing experiences. But do they also have permanent effects on well-being? "Only to a limited extent," say happiness researchers.

Getting married, for instance, results in a brief rise in life satisfaction. After around one year, people return to their original (lower) levels of satisfaction. The death of a partner and divorce have similar effects: After a relatively brief drop in life satisfaction, people return to prior levels. And a second divorce apparently hurts much less than the first one. According to the SOEP data, even the birth of a child—often something people yearn and plan for—does not generate the feelings of happiness that young parents expect. Parents' life satisfaction initially goes downhill after a child is born, and their satisfaction with their relationship suffers in particular. But in this case as well, people typically return to previous levels of life satisfaction after a period of time.

The SOEP data show that many events do not have a long-term effect on well-being, supporting the psychological set-point theory of happiness. According to this theory, subjective well-being is determined primarily by personality, and all people have a fixed "average" level of happiness, from which they may occasionally deviate due to various events, but only temporarily.

The SOEP data also show, however, that a person's happiness set point is not actually fixed in stone, contrary to what psychologists have long believed. For example, people who have been unemployed never return to their original levels of satisfaction. "Unemployment leaves deep scars," says psychologist Maïke Luhmann from the University of Cologne, "and each new job loss leads to further reductions in satisfaction." This affects not only the unemployed people themselves but also their partners. If these couples have children, their sense of well-being diminishes more than that of childless couples.

The SOEP data also show that people in relationships are better off: married people are happier overall than unmarried people. This may be because these individuals were already happier on average prior to marriage. In fact, happy single people have good prospects of finding a life partner, and of feeling like they're on cloud nine—at least for a year.

Further reading: Maïke Luhmann, Wilhelm Hofmann, Michael Eid, and Richard E. Lucas, "Subjective well-being and adaption to life events: A meta-analysis," Journal of Personality and Social Psychology 102 no. 3 (2012): 592-615. Maïke Luhmann, Pola Weiss, George Hosoya, and Michael Eid, "Honey, I got fired! A longitudinal dyadic analysis of the effect of unemployment on life satisfaction in couples", Journal of Personality and Social Psychology 107 (2014): 163-80.

2008 SOEP MILESTONES

On March 3, 2008, German news magazine *Der Spiegel* publishes an article entitled "The quiet death of the middle class". It sparks a social and political debate that continues to the present day. The article is based on the first SOEP study on the distribution of income in Germany, focusing on the middle class. The authors are SOEP economists Markus M. Grabka and Joachim R. Frick.

Joachim R. Frick and Markus M. Grabka, "Schrumpfende Mittelschicht – Anzeichen einer dauerhaften Polarisierung der verfügbaren Einkommen?" DIW-Wochenbericht 75 (2008).

2009 SOEP MILESTONES

In April, Germany's first Management Monitor is published, commissioned by the Federal Ministry of Family Affairs, Senior Citizens, Women, and Youth (BMFSFJ) and based on SOEP data. The authors of the report—a research group headed by DIW Gender Expert Elke Holst—analyze the situation of women and men in private-sector management positions. The findings from the first report: Little progress has been made since 2001 in the percentage of women in management. The top positions in the German economy are still held almost exclusively by men. Women in full-time executive management jobs earn around 25% less than men in the same positions.

Elke Holst, "Führungskräfte-Monitor 2001-2006" Bundesministerium für Familie, Senioren, Frauen und Jugend, Forschungsreihe Band 7 (2009), Nomos Verlag, Baden-Baden.

PROF. DR. JÜRGEN SCHUPP

Since the Socio-Economic Panel (SOEP) longitudinal study was launched in 1984, each year over 10,000 people in Germany have been surveyed on their life satisfaction. Director of the SOEP since 2011, social scientist Jürgen Schupp is one of around 200 researchers worldwide using SOEP data to study human happiness.



SOEP DATA CAN BE USED TO MEASURE AND STATISTICALLY ANALYZE HAPPINESS.

HOW DOES THAT WORK?

In the SOEP, we use a very simple indicator to measure levels of happiness. In our questionnaire, we ask, "All in all, how satisfied are you with your life right now?" Respondents answer on an 11-point satisfaction scale. The same scale is used in many other studies around the world. It measures the cognitive—that is, a relatively rational, evaluative—dimension of satisfaction that researchers also call "subjective well-being." Many studies equate this with happiness.

WHY IS HAPPINESS RESEARCH IMPORTANT FOR SCIENCE AND POLITICS?

Personal life satisfaction is a key variable for measuring quality of life. When talking about the quality of life, it's important to look not only at objective living conditions but also at people's subjective life satisfaction. This of course also applies to policy makers, who shape and change people's living conditions. Before an election is not the only time they should be wondering how changes in living conditions affect the well-being of the people in our society.

WHICH OF THE SOEP-BASED FINDINGS ON HAPPINESS HAVE IMPRESSED YOU THE MOST SO FAR?

Rainer Winkelmann is an economist who does research in Switzerland. Over 20 years ago, he presented representative findings for Germany showing that unemployment leads to a massive reduction in life satisfaction—and not only due to lower levels of disposable in-

"WHEN TALKING ABOUT THE QUALITY OF LIFE, IT'S IMPORTANT TO LOOK NOT ONLY AT OBJECTIVE LIVING CONDITIONS BUT ALSO AT PEOPLE'S SUBJECTIVE LIFE SATISFACTION."

come. The drop in life satisfaction diminishes the affected person's quality of life for a very long time: even if they find a new job, the scar does not really heal. Men are more strongly affected than women.

WHAT DOES HAPPINESS MEAN TO YOU PERSONALLY?

I am happy when in good health and persisting bit by bit in getting closer to the goals I've set for myself. When I am involved with other people in that process, and when others also appreciate what I or we are doing as a group, it makes me even happier. But all of that would be worth much less if I had to live in a country without civil liberties or social stability.

2010

2011

PERSONALITY



1 Firstborn, middle children, and the babies of the family: How does birth order affect personality?

According to stereotypes, firstborn children are perfectionists, dominant, and emotionally intelligent. Middle children are socially skilled, independent, and tend to seek harmony. And the babies of the family are charming, manipulative, and rebellious. Stereotypes like these about personality and birth order are handed down from generation to generation and embellished by personal experiences. Since natural scientists and psychologists first began to investigate the subject in the last third of the 19th century, science has repeatedly provided evidence either for or against the popular theory that birth order affects people's personalities.



Is this idea merely a cliché, or does it contain some grain of truth? Psychologists in Leipzig and Mainz asked themselves the same question. They evaluated data on over 10,000 SOEP respondents together with data on another 10,000 respondents from two other longitudinal studies, the National Longitudinal Survey of Youth (NLSY) in the US and the National Child Development Study (NCDS) in the UK. Their findings provided conclusive evidence that birth order has no influence on personality traits: How outgoing, emotional, agreeable, or conscientious people turn out to be has nothing to do with the order in which they were born.

The researchers did, however, find one small difference. When it comes to intelligence, firstborn children seem to be “a tiny bit” superior to their younger siblings. Eldest children more often reported having a large vocabulary and a good grasp of abstract ideas. Apparently they are correct in this self-assessment: 60 percent of firstborn children have a slightly higher IQ than their younger sisters or brothers. This could indeed be a result of their birth order. “Oldest children enjoy taking their siblings by the hand and explaining the world to them,” says psychologist Julia M. Rohrer of DIW Berlin. “And everyone knows that people who explain things to others learn them the best.”

Compared to previous research, this study used a higher case number and an internationally comparative approach. Because the results are consistently very similar across all three countries, standard clichés about personality and birth order can finally be banished to the realm of fiction.

Further reading: Julia M. Rohrer, Boris Egloff, and Stefan C. Schmukle, “Examining the Effects of Birth Order on Personality,” Proceedings of the National Academy of Sciences of the United States of America (PNAS) 112 no. 46 (2015): 14224–29.

2012

2 Across all sectors of society, concerns about migration are higher among people who are bitter about their own lives.

In 2015, war, political persecution, and hopes of a better life drove more people from other countries to Germany than ever before. The issue of how these migrants can be successfully integrated into German society is widely debated. And some people are also worried about migration. A recent study based on the SOEP data has provided novel evidence that the more bitter Germans are, the more concerned they are about migration. The phenomenon spans all sectors of society and applies equally to men and women, those with and without employment, people of all levels of education, and to both eastern and western Germans.

Economists in Munich and Hamburg investigated what people with critical attitudes toward migration have in common. They found a link between responses to two questions in the SOEP survey, which has a sample size of over 16,000 adults. One of the questions asked whether respondents believed they had achieved what they deserve in life compared to others. Those who strongly believed they had not achieved what they deserved also expressed stronger concerns about migration in another question. Forty-three percent of respondents who believed they had drawn the short straw in life—and are therefore considered to exhibit a high level of bitterness—expressed great concern. Only 15 percent of the respondents who did not exhibit bitterness were very concerned.

What causes this link? The Greek philosopher Aristotle described bitterness as a mixture of resignation and passive anger. People who are bitter feel they have been treated unjustly—by a partner, supervisor, or fate itself—and that they are at a disadvantage. “One possible explanation is that people who are bitter feel deeply disappointed by life and feel that other people, including migrants, should not have it better than they do,” says economist Max Friedrich Steinhardt of the Helmut Schmidt University in Hamburg.

However, this feeling is not necessarily unchanging. The SOEP data also show that concerns about migration abate as individual bitterness subsides. The researchers also emphasize that not everyone who is concerned about migration is also bitter.

Further reading: Panu Poutvara and Max Friedrich Steinhardt, “Bitterness. Bitterness in life and attitudes towards immigration,” SOEPpaper no. 800 (2015).

2013 SOEP MILESTONES

Since the start of the study, the SOEP has surveyed an above-average proportion of households with adult household members from Turkey, Italy, Spain, Greece, and the former Yugoslavia. The SOEP is the largest repeat survey of foreign nationals in the Federal Republic of Germany. In 2013, an additional sample of around 5,000 immigrants is added to the SOEP: the IAB-SOEP Migration Study. The data show, among other things, that the better people from other countries are able to establish themselves in Germany, the more they profit economically from migration.

Institut für Arbeitsmarkt- und Berufsforschung and DIW Berlin, “Leben, lernen, arbeiten – wie es Migranten in Deutschland geht,” DIW-Wochenbericht no. 43 (2014).

3 Thrills and adventure, or care and caution: What influences people's risk attitudes?

Skydiving, playing the stock market, or just changing jobs—many people dream of these things. But not everybody makes their dreams a reality. After all, taking action is always tied to some degree of risk: the parachute that doesn't open, the company whose stock value plummets because of a scandal, or the new job that is different but just as bad as the old one. Why do some people dare to take risks while others prefer to play it safe? And does the tendency to make risky decisions and behave boldly change as people grow older?

An international team of researchers from the Socio-Economic Panel, the Max Planck Institute for Human Development in Berlin, the University of Basel, Switzerland, and Yale University in the US looked for answers. Examining the SOEP data collected on adults between the ages of 18 and 85 over a period of ten years, they found that individual attitudes to risk are a part of personality and are related to other personality traits. People who are extroverted and open to new experiences are more often risk-takers than those who are introverted, emotionally unstable, or extremely conscientious.

But attitudes to risk can change over time. The data show that in general, risk aversion increases with age. The greatest changes occur when people are young adults (up to 30)

and again after they turn 65. While young people are more willing to take risks, this propensity drops among senior citizens. Evolutionary biology has an explanation for this behavior. "Young people have to try things out to achieve goals," says psychologist David Richter, a researcher in the SOEP at DIW Berlin. "Development is impossible without risk." In middle age, people have to work to maintain the position they fought for when they were young. And the elderly are more interested in security: They avoid acting in ways that could pose a danger to their health or their pocketbooks, and are unlikely to drive dangerously.

Social life is the only area in which risk preferences remain virtually the same with increasing age. The willingness to trust other people remains almost constant over the course of life. This is true among both men and women. However, the SOEP data reveal gender-specific differences in all other areas: women are more averse to risk than men across the life course.

Further reading: Anika K. Josef, et al., "Stability and change in risk-taking propensity across the adult lifespan," Journal of Personality and Social Psychology 111, no. 3 (2016): 430-50.



What defines a "good life" in Germany? Which aspects are most important to people? Where are improvements needed? In 2015, 60 randomly selected SOEP respondents meet with Chancellor Angela Merkel for a Citizens' Dialogue to discuss the topic of "Living Well in Germany". As a result of the Citizens' Dialogue, an indicator system is developed to provide current information on the quality of life in Germany and how it is developing over time.

PROF. DR. JULE SPECHT



Psychologist Jule Specht is a professor at Universität zu Lübeck and a research fellow in the Socio-Economic Panel (SOEP) at DIW Berlin. She is also a blogger and the author of numerous popular scientific articles and books. Since completing her dissertation, she has been studying personality development across the lifespan. The SOEP data are the basis for her work.

YOU ARE A PROFESSOR OF PSYCHOLOGICAL DIAGNOSTICS AND DIFFERENTIAL PSYCHOLOGY. BUT YOU STARTED OFF WITH VERY DIFFERENT PLANS.

I actually wanted to become a journalist. But I was always hearing that if you want to be a journalist, you should study anything but journalism. I ended up in science, and that was definitely the right decision. My findings often add only a small piece to the body of knowledge that already exists and what will be added to that in the future.. But I get goose bumps when I see that I'm on the right track.

WHAT HAS BEEN YOUR MOST EXCITING RESEARCH FINDING SO FAR?

With the help of the SOEP data, I found out that significant personality changes take place in old age. Researchers used to assume that personality changes a great deal in early adulthood, that these changes reach a plateau in middle age, and that from then on, the personality remains basically the same. Personality psychologists have done little research on what happens in old age—partly because there is not much data available on the subject.

WHAT MAKES THE SOEP DATA SO INTERESTING FOR THE FIELD OF PSYCHOLOGY?

The SOEP surveys a large number of people over a long period of time. It also collects information on important psychological constructs such as personality, worries and concerns, and life satisfaction. This combination makes the SOEP a fantastically useful data set.

“MY FINDINGS OFTEN ADD ONLY A SMALL PIECE TO THE EXISTING BODY OF KNOWLEDGE, BUT IT STILL GIVES ME GOOSE BUMPS WHEN I SEE I'M ON THE RIGHT TRACK.

YOU HAVEN'T GIVEN UP ON JOURNALISM COMPLETELY.

YOU WRITE A BLOG, NEWSPAPER COLUMNS, AND POPULAR SCIENCE BOOKS.

HOW DID THAT COME ABOUT?

I had an epiphany. I was sitting on a train and the person next to me asked what I do. I started telling him enthusiastically all about my dissertation and about how people change—but only a little, since overall people stay approximately the way they are. He looked at me and said: “Well, if personality doesn't change then there's nothing to study.” That experience made me realize that as a scientist, I always have to ask whether what I am researching is important for “normal” life, and what exactly the connection to real life is. After that train trip, I started writing my blog.

→ A longer conversation with Professor Jule Specht is featured in the video series SOEP People: www.diw.de/soepeople

2016

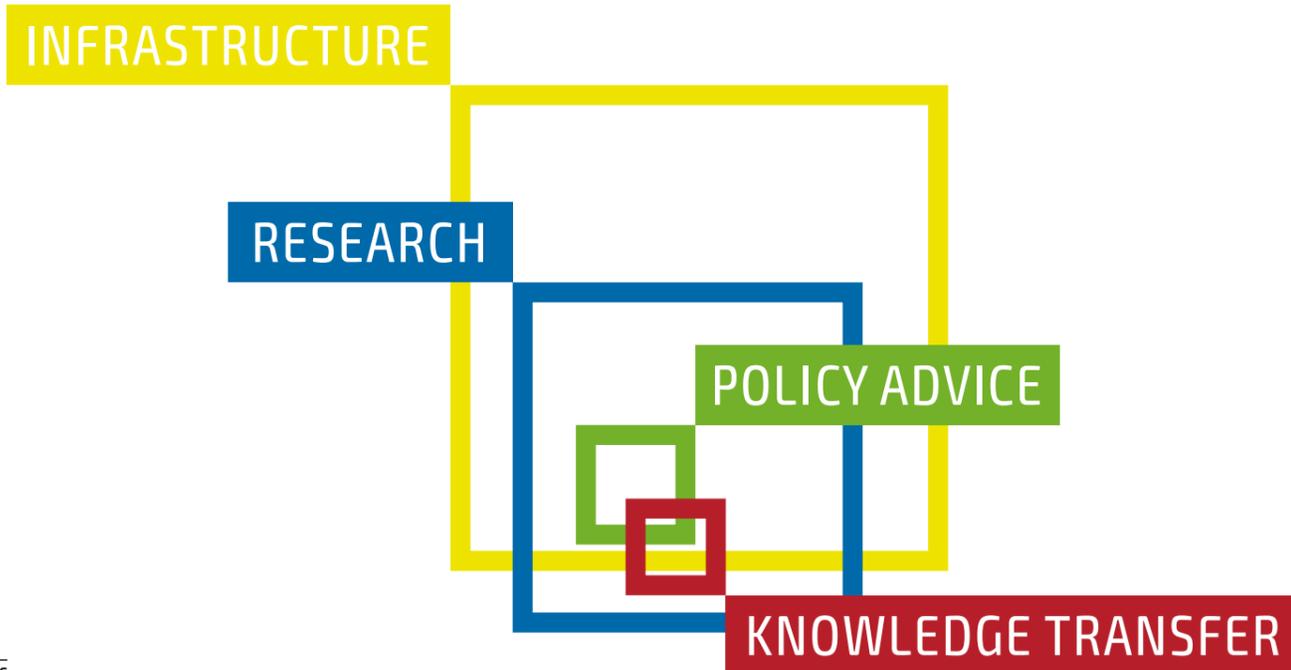
SOEP MILESTONES

What kinds of training have refugees brought with them to Germany? How quickly can they be integrated into the labor market? What attitudes do Germans have toward the newcomers? The newly launched IAB-BAMF-SOEP Refugee Survey provides answers to these questions from an annual survey of 2,000 refugees. One of the first findings from the study: Most refugees associate Germany with rule of law, respect for human rights, and freedom of religion.

Herbert Brücker, Astrid Kunert, Ulrike Mangold, Barbara Kalusche, Manuel Siegert, and Jürgen Schupp, "Geflüchtete Menschen in Deutschland: eine qualitative Befragung; Studie im Rahmen der IAB-BAMF-SOEP-Befragung von geflüchteten Menschen in Deutschland", IAB-Forschungsbericht Nr. 9, 2016, Institut für Arbeitsmarkt- und Berufsforschung der Bundesagentur für Arbeit.

2017

The Socio-Economic Panel (SOEP) research infrastructure



Infrastructure

The Socio-Economic Panel (SOEP), based at the German Institute for Economic Research (DIW Berlin), is the longest-running and largest multidisciplinary survey in Germany. The data collected as part of the SOEP survey are not only used by the staff of DIW Berlin but are also distributed to researchers worldwide for use in their own studies.

As such, the SOEP is one of the most important research infrastructures in the social, behavioral, and economic sciences worldwide, and it is also part of the German Federal Ministry for Education and Research (BMBWF) National Roadmap for Infrastructures. As a member institute of the Leibniz Association, the SOEP receives federal and state funding.

The SOEP Research Data Center offers researchers from outside DIW Berlin access to anonymized SOEP data, which are provided exclusively for scientific research purposes. SOEP experts offer guidance and advice to researchers who want to use the SOEP as a data source or control sample. More than 7,000 research papers and other publications have been published to date using the SOEP data.

→ www.diw.de/soeppapers_en

Research

Over 500 researchers from a range of disciplines are currently using SOEP data for empirically oriented research in the social and economic sciences. → www.diw.de/soeppeople Since the start of the SOEP study in 1984, the focus has been on "Living in Germany", as the study is known among its respondents. → www.leben-in-deutschland.info (in German only).

Research based on the SOEP data examines processes of both continuity and change in our society. Studies using SOEP data explore the distribution of social resources—not just income and wealth but also access to education and work—and how this affects people's chances of social advancement. Other studies look at how social and economic living conditions affect people's life satisfaction and well-being—a question that has been a subject of SOEP research since the outset.

In 2004, researchers in developmental psychology began to discover the SOEP's potential for use in psychological research. Since then, the SOEP data have been used to study personality development across the life course.

The SOEP is also one of the largest repeat surveys of immigrants in Germany. In 2016, the SOEP conducted its first survey of refugees to Germany.

Policy advice

The SOEP is an independent, non-partisan research infrastructure. That means that the topics of the SOEP study are selected solely according to scientific criteria. At the same time, findings from the SOEP study make a substantive contribution to the social and economic policy debate. The results of research using SOEP data are published regularly in the DIW Berlin Wochenbericht (in German) and the Economic Bulletin (in English). These publications serve to promote the exchange of ideas between experts and representatives of important social groups. In so doing, the DIW Wochenbericht and Economic Bulletin provide an empirical foundation for public policy decisions both within Germany and at the European and international level.

→ www.diw.de/wochenbericht and www.diw.de/econbull_en



Knowledge transfer

The SOEP is engaged in numerous activities aimed at informing the broader public about its research findings. SOEP staff members engage in diverse press and public relations activities. The SOEP team regularly takes part in the Long Night of Sciences in Berlin together with colleagues from Kantar Public Germany (previously known as TNS Infratest Sozialforschung) and is active on social media. The SOEP is also involved in the German Data Report, a joint project of the Federal Statistical Agency (Destatis), the Federal Agency for Civic Education (bpb), the Berlin Social Science Center (WZB), and the SOEP.

The SOEP also supports universities and non-university research facilities in providing methodological training to SOEP data users. The workshops offered as part of the SOEPcampus program are oriented toward young researchers in the fields of sociology, economics, education, and psychology.

→ www.diw.de/soepcampus



The future of the SOEP

Since the beginning of the study more than 30 years ago, the SOEP has been adapting constantly to changing social contexts. When the Berlin Wall fell in November 1989, the study quickly expanded to include households in the former GDR, with the first survey going out to this group in June 1990. Since 1994, the SOEP has included an additional sample of immigrants to Germany from the former Soviet Union. And in 2016, after hundreds of thousands of refugees came to Germany in 2015 seeking protection, the IAB-BAMF-SOEP Refugee Survey was launched. The SOEP is constantly monitoring current social developments and expanding the range of topics that can be studied using SOEP data.

The study is also constantly being refined methodologically—for instance, through the use of new technologies for surveying. Over time, the paper version of the SOEP questionnaire has gradually been replaced by computer-assisted personal interviews conducted on laptops. And with the SOEP Refugee Survey, the survey institute stays in contact with respondents by means of a mobile phone app. For respondents who agree to register linkages, SOEP data are linked with data from other sources: Since 2013, SOEP survey data have been linked with administrative data (when respondents give written consent) for use in migration and integration research. The linked data are subject to special data protection requirements and are accessible to only a limited number of researchers.

In 2012, the SOEP Innovation Survey was launched for use in addressing innovative new research questions. It now has around 5,500 respondents in close to 3,000 households. The SOEP Innovation Survey allows researchers from institutes worldwide to contribute their own survey questions. It has already been used in research on happiness to test innovative methods for measuring life satisfaction, and in economics for behavioral experiments on risk-taking in adults.

The SOEP team is also working to facilitate linkages between the SOEP study and data from household panel studies in other countries. Numerous research groups from outside Germany are already using the SOEP data—from countries from Australia to the United States of America. Around 1,000 of the publications using SOEP data are internationally comparative studies. One of these has shown that in Germany as well as in Sweden and the USA, parental wealth plays a significant role in determining whether or not children manage to climb the social ladder. In the coming years, the SOEP will be working to promote increased use of the data by the international research community.

IMPRINT

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