The Emotional Timeline of Unemployment: Anticipation, Reaction, and Adaptation

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Unemployment continues to be one of the major challenges in industrialized societies. Historically, massive rises in unemployment have often exacerbated social frictions in industrialized countries, as seen in record unemployment in the US and Germany during the Great Depression and in the UK during the early 1980s. The recent spikes in unemployment in many Western countries are seen as a consequence of the post-2007 financial crisis, with jobless rates in the Eurozone reaching 12% in April 2013, with some 19 million unemployed people across Europe (EUROSTAT 2013: Euro area unemployment rate at 12,1% in Eurostat news release 70/2013).

Aside from its economic dimensions and societal repercussions, questions concerning the individual experience of unemployment have attracted increasing attention. Research on the individual experience of job loss can be dated back at least to the 1930s, when Jahoda, Lazarsfeld, and Zeisel sought to bring life to the bare figures of unemployment statistics and to investigate what unemployment actually means for those involuntarily excluded from the workforce (Jahoda et al. 1971. Marienthal - The Sociography of an unemployed community. London: Tavistock.). In their famous Marienthal study, they documented not only the rapidly worsening economic situation that results from unemployment but also notable changes in the daily life routines of the unemployed. They were among the first to establish links between unemployment and overall mental and physical health, and showed that the unemployed became passive, apathetic, fatigued, and generally lacking in motivation almost immediately after losing their job. As a consequence, they were hardly able to continue their previous everyday life.

Recently, many studies aim to identify the individual costs of unemployment by investigating its impact on the individual’s subjective well-being. Although the concept of subjective well-being includes both, a cognitive (representing life satisfaction) as well as an emotional (representing positive and negative affect) dimension (Lucas et al. 1996 Discriminant Validity of Well-Being Measures in Journal of Personality and Social Psychology 71:616–28), studies overwhelmingly focus on life satisfaction as the cognitive dimension of well-being. So far, little is known about the emotional antecedents and consequences of unemployment.

In our recent study (von Scheve et al. 2013. The Emotional Timeline of Unemployment: Anticipation, Reaction, and Adaptation in SOEPpapers 593), we therefore aim at tracking the emotional timeline of unemployment and answer the question of how people’s feelings change both on their way into unemployment as well as after becoming unemployed. In order to investigate the impact of unemployment on emotional well-being we analyze the frequency with which specific negative emotions (anger, anxiety, sadness) as well as positive emotions (happiness) are experienced in anticipation of and reaction to job loss.

To investigate the impact of unemployment on emotional well-being, we use data from the German Socio-Economic Panel (SOEP), a longitudinal and representative survey comprising more than 20,000 respondents living in private households in Germany (Wagner et al. 2007 The German Socio-Economic Panel Study (SOEP) – Scope, Evolution and Enhancements in Schmollers Jahrbuch 127:161–91). Aside from a wide array of standard socio-demographic indicators and unemployment data that have been collected since the beginning of the study in 1984, since 2007
the SOEP has also included measures tapping the experience of certain discrete emotions (assessed on an annual basis) that have been conceptualized to represent the affective components of well-being.

Using the longitudinal data of the SOEP (2007-2012) and applying fixed effects panel regression models we are able to analyze the changes in emotional and cognitive well-being depending on the timing of job loss and hence, are able to identify a possible causal relationship between unemployment and the individual’s well-being. To investigate how people’s feelings change when becoming unemployed as well as after becoming unemployed, we compare the respondent’s well-being of the final year of employment with their well-being in first year of unemployment as well as all available subsequent years, respectively. Similar to that we compare respondents’ reported well-being 3 to 4 years before unemployment with their well-being in all subsequent years until the first year during unemployment to investigate the changes in respondent’s well-being on their way towards unemployment.

Our study supports previous findings showing that unemployment decreases life satisfaction and that the unemployed tend to adapt to previous levels after approximately two years. Most importantly, our analyses uncover the emotional components of changes in well-being and show that individuals more often feel anxious and sad, and less often happy when transitioning into unemployment. Whereas increased sadness tends to become prolonged during unemployment, adaptation of anxiety and happiness to pre-unemployment levels occurs much more rapidly, that is, in terms of months, than adaptation of life satisfaction. Interestingly, our results show that anger increases only within the first three months of job loss and then again after several years in unemployment. This is probably because working life is one of the most frequent elicitors of anger. We also find evidence for anticipatory changes in emotional well-being, that is, changes that take place before unemployment actually occurs. Those who become unemployed within the next two years more often feel anxious, angry, and sad than three to four years prior to losing their job. Only sadness also seems to be experienced more often within the year immediately preceding job loss. Although our findings cannot definitively settle the question of whether decreases in well-being prior to unemployment are an actual cause of unemployment, they suggest that these decreases may in principle be a contributing factor to job loss.

In sum, our research therefore contributes to a better understanding of the individual, in particular emotional, consequences of and precursors to unemployment. Knowledge about how the individual experience of discrete emotions changes in the face and as a consequence of unemployment not only helps to better comprehend the individual challenges related to unemployment, but also gives insights into likely behavioral patterns that are associated with unemployment. Given that anxiety, sadness and a lack of happiness dominate what individuals feel during the first year of unemployment, withdrawal, avoidance, and passiveness are likely behavioral tendencies that could be detrimental to quickly finding a job again. Likewise, the lack of anger during prolonged unemployment might keep the unemployed from taking action to counter their situation. Similarly, overly anxious and angry employees may act in ways (e.g., being overly passive or taking excessive risks) that increase the odds of being laid off.

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