**HONEYMOON TO HANGOVER: Evidence from Germany that changing jobs does not guarantee long-run happiness**

The boost in happiness from changing jobs is short-lived and relies on people having left their jobs willingly. These are among the findings of research by Adrian Chadi and Clemens Hetschko, to be presented at the annual congress of the European Economic Association in Geneva in August 2016.

Their study analyses survey data from Germany, and finds that people who recently resigned from their job to start a new one report being a quarter of a point happier (on a 0-10 scale) – roughly the same as the life satisfaction gain from getting married.

But this ‘honeymoon’ ends within a year, and does not happen at all if the person did not want to leave their job in the first place. In the latter case, people end up feeling less happy with their family life, and may often have to work longer hours while in their probationary period. The authors comment:

‘Our study suggests that changing jobs neither increases nor decreases wellbeing. In fact, when policies encourage people to change jobs to solve work-family conflicts, fostering job changes will be detrimental as it reduces satisfaction with family life.’

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Job changes yield ‘honeymoon-hangover effects’ in wellbeing. The happiness gain achieved through deliberately switching employers is short-lived. Involuntary job changes do not improve satisfaction with one’s life at all, but reduce satisfaction with family life. Switching does not improve wellbeing per se.

These are among the findings of research on the effects of employment changes on people’s wellbeing by Adrian Chadi and Clemens Hetschko, which the former will present at the annual congress of the European Economic Association in Geneva.

Looking at longitudinal survey data from Germany, the researchers find that people who recently resigned an employment contract and started a new job report above-average life satisfaction of about a quarter point on a scale from 0 to 10 – which more or less corresponds to the average life satisfaction gain accompanying marriage.

This peak, however, is followed by a sharp decline, bringing satisfaction back to its average level within a year. This honeymoon-hangover pattern is even more pronounced in job satisfaction. Indicators of wellbeing with respect to other areas of life, such as satisfaction with family life or with free time, do not respond to a voluntary change of employers.

An essential question is whether the honeymoon effect is a necessary consequence of switching employers or not. If job changes generally benefit workers because, for example, they produce variation in tasks, routines and the work environment, high labour turnover will be desirable from a social perspective.
But it is also possible that the honeymoon effect of voluntary switches originates from the reasons why workers have deliberately decided to leave the old job, such as an anticipated improvement in earnings.

To shed light on these rival hypotheses, the researchers also look at job changes triggered by plant closures. Here, workers have not decided to leave the initial job, for example, for better working conditions elsewhere, but have been forced to switch.

It turns out that these unintended switches of employer do not affect satisfaction with one’s life in general. Of course, this assumes that workers have already found a new job after they lost the former one. Previous studies have shown that staying unemployed is very detrimental to workers’ wellbeing.

**Further findings and policy implications …**

The study’s further findings point to negative consequences of switching employers. Workers having recently changed jobs are working above-average hours, probably because they need to establish themselves at the beginning of their new job in order to survive probation.

In addition, changes triggered by plant closures reduce satisfaction with family life by about half a point. These two findings might be linked to each other: the more hours spent working, the less time is available for family and friends.

Policy implications are straightforward. Easing employment protection facilitates voluntary switches of employer by increasing labour turnover and vacancies. But the argument is clearly limited to voluntary mobility. Changing jobs in general neither increases nor decreases wellbeing. In fact, when policy aims at helping people to solve work-family conflicts, fostering job changes will be detrimental as it reduces satisfaction with one’s family life.

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