

## Editorial

### SOEP after 25 Years: 8<sup>th</sup> International Socio-Economic Panel User Conference

#### Introduction

The year 2008 was a special one for the German Socio-Economic Panel Study (SOEP): Wave 25 of the two original subsamples, which were started in West Germany in 1984, went into the field. At the beginning of the 1980s, when the SOEP was conceived and received its first round of financing from the *German Research Foundation (DFG)*, nobody was able to foresee the scientific success and long life this longitudinal study would have. The 8<sup>th</sup> International Socio-Economic Panel User Conference, held at the Social Science Research Center (WZB) in Berlin from July 9 to 11, 2008, provided a perfect opportunity to celebrate SOEP's 25<sup>th</sup> anniversary with the scientific and political community and the general public, and to reflect on the study's success story.

At the conference, a “Special Session: 25 Waves of SOEP” was held, with invited speakers who were honoured their role in SOEP's scientific success. This special session also provided the perfect setting in which to honour *Bernhard von Rosenbladt* for his invaluable work as head of the SOEP fieldwork team at TNS Infratest from the beginning of the study until very recently, when he passed the torch to *Nico A. Siegel*.

The conference opening session on *Educational Inequality over Three Generations* with contributions from *Marek Fuchs* and *Rolf Becker*, as well as *Armin Falk's* keynote speech on the *Prevalence, Determinants and Consequences of Risk Attitudes* were dedicated to demonstrating the power that the SOEP provides particularly for intergenerational analysis covering multiple generations, as well as for innovative measures on personal traits and economic behaviour.

Finally, the conference provided a platform for researchers from all over the world to present their work based on SOEP data. Given the time and space constraints, we had to select 42 papers for presentation among the almost 100 high-quality submissions. The paper presentations were accompanied by two poster sessions presenting 11 posters from international SOEP users and 13 posters from the SOEP team at DIW Berlin. The articles in this special issue of *Schmollers Jahrbuch* are a peer-reviewed selection of the papers presented

at the 8<sup>th</sup> International Socio-Economic Panel User Conference. They discuss, demonstrate, and improve the rapidly evolving state of the art of international panel data research based on SOEP data.

The *first* group of papers deals with education and demonstrates the power of the three most important research perspectives offered by long-running household panel data: intergenerational, time-series, and life-course analysis of educational inequalities.

*Rolf Becker* makes use of one of the most promising features of long-running household panel surveys, multi-generational analysis. He extends inter-generational research by bringing in the generation of grandparents. *Becker* shows that those generations who first profited from educational expansion themselves are also likely to pass on their educational success to the next generation. This mechanism helps explain how educational expansion has gained such a momentum in recent years.

One of the most radical changes that has occurred during the phase of educational expansion is the reduction or even reversal of gender inequalities in education. *Legewie* and *DiPrete* tackle this issue in a cross-national comparative study including the US and Germany. Unlike in the US, German women have not yet overtaken men in terms of educational attainment due to the persistent gender gap among *Fachhochschule* graduates, and as the authors argue in their conclusion, also due to the more persistent gender discrimination in Germany among the lower educated households.

Finally, *Kratzman* and *Schneider* take on a life-course perspective to analyse the effects of early childcare on the risk of delayed school entry at the very beginning of the educational career. They show that children with lower-educated parents have a higher risk of delayed school entry, and that early childcare attendance in general decreases the risk of delayed school entry. Their most important finding, however, is that early childcare attendance is powerful enough to level out the disadvantage associated with lower educational background, strongly corroborating arguments for early childcare reforms in Germany.

The *second* group of papers is dedicated to research on wages and the labour market.

*Giesecke* and *Verwiebe* address changes in the wage distribution in Germany during the last two decades. While the German wage distribution remained quite stable up to the early 1990s, since the mid-1990s wage inequality has substantially increased. Their findings of a decrease in the wage differentials between educational groups and a simultaneous increase in inter-class wage differentials lead them to the conclusion that these wage dynamics are better explained structurally than by skill-biased technological change.

In her research on labour market outcomes of spatially mobile couples, *Nisic* demonstrates the importance of the regional opportunity structure for

women's economic outcomes. Since women tend to be secondary earners, they often play a subordinate role in household migration decisions and hence suffer detrimental career effects due to mobility. When couples move to metropolitan areas, however, they can often take advantage of a wider availability of job options, which benefits educated women in particular.

A cross-country analysis is presented by *Fouarge* and *Muffels*, who study the long-term effects of part-time employment on wage careers in Germany, the UK, and the Netherlands. They find a scarring effect of part-time work history in the last ten years on the current wage for females in all three countries, and for males in the UK. They argue that the lack of institutional and social support for part-time work might be responsible for the stronger part-time wage penalty in the UK.

While many studies on maternal labour supply focus solely on the decision of mothers to participate in the labour market, *Sommerfeld* asks whether mothers of older babies are more active in terms of the number of working hours. She finds that the maternal labour supply is not affected by the mother's potential wage at age one of the child, which may be interpreted as evidence for the importance of non-pecuniary factors like childcare availability and traditional attitudes. However, maternal labour supply becomes increasingly responsive to economic incentives as the child grows older.

The *third* part of this special issue focuses on the research on well-being.

The article by *Schimmack* deals with the measurement of well-being. He compares several well-being measures, in particular affective (occurrence of pleasant versus unpleasant experiences) and cognitive (satisfaction with life in general and with life domains) measures of well-being, and examines their validity. The well-being measure he proposes is a composite subjective measure of well-being combining life-satisfaction, average domain satisfaction, and affect balance.

*Clark, Knabe, and Rätzel* present a paper on well-being and unemployment. To examine the personal and external effects of unemployment on the well-being of both employed and unemployed persons, they relate the individual unemployment status and regional unemployment rates to individual life satisfaction. Their finding that unemployed men are less negatively affected by regional unemployment than employed men is consistent with a social norm effect of unemployment in Germany.

In his paper on life cycle patterns of subjective well-being, *van Landeghem* further assesses the U-shaped pattern of the relation between life satisfaction and age that has been found in previous studies. In his estimations, which attempt to account for potential calendar effects, he verifies a turning point in life satisfaction in middle age, and also finds a second turning point later in life.

The paper by *Wunder* addresses a weak point in subjective well-being theory, i.e., the question of whether and to what extent people change their standard of judgment when responding to subjective well-being questions. He provides a framework for estimating the degree of adaptation to income over time, and finds a significant adaptation effect, suggesting that inter-temporal comparability of subjective well-being might be misleading. He finally discusses the consequences of his findings for theory and survey methodology.

The relationship between an individual's economic well-being and life satisfaction is the focus of many studies that typically rely on the current household income to measure economic welfare. *D'Ambrosio, Frick* and *Jäntti* suggest a more comprehensive measure of well-being by considering permanent income, which they show to simultaneously determine satisfaction with life. Life satisfaction is found to be particularly high for those who are at the top of both the income and the wealth distribution.

The *fourth* group of papers deals with health and old-age topics.

The presentation by *Jürges* deals with differences in physician behaviour depending on the health insurance status of patients. He shows that, conditional on health, privately insured patients are less likely to contact a physician than publicly insured patients, but more frequently visit a doctor following a first contact. This gives indirect evidence for the over-treatment of privately insured patients, as physicians can charge fees for identical services that are more than twice as high for privately insured as for statutorily insured patients.

The paper by *Frick* and *Headley* compares economic well-being of pensioners in Germany and Australia. Making use of detailed wealth data their results correct the existing picture of the differences between European and Anglo-American countries' retirement living standards. Considering only current income reveals the expected lower level of income and higher inequality among Australian pensioners. By subsequently introducing imputed rent and the estimated future income flows from wealth, they show that living standards appear to be largely comparable for the elderly in both countries.

*Corneo, Keese* and *Schröder* explore the effects of the so-called "Riester" pension reform in Germany on private savings. Given that the Riester pension aims at fostering private wealth accumulation, in particular for low-income households, they employ a treatment group design to address the impact of the reform on private savings of a low-income treatment group. Although their regression analyses show no significant increase of the propensity or rate of private savings caused by the Riester reform, they are cautious in interpreting their results due to an ambiguity in the survey questionnaire.

The focus of the *fifth* group of papers is on migration and religion.

In their paper on labour market assimilation of migrants in Germany, *Gang, Landon-Lane*, and *Yun* propose a new measure of assimilation based on Mar-

kov-chain models. Using data on earnings mobility across five years, they estimate the limiting income distribution for migrants and native Germans, and compare this with the initial income distribution of both groups. They find no indication for any converging trend of the income distributions of migrants and natives in Germany, and hence conclude that assimilation is not taking place.

*Hartung* and *Neels* analyse the school-to-work transition of various migrant groups in Germany using event history models. Improving on the existing literature in considering the type of job attained additional to finding a job at all, they find considerable differences in the hazards of entering blue-collar vs. white-collar destinations and the factors influencing these hazards. Thus, they show that conclusions on the labour market integration of migrants drawn solely on the basis of finding a job vs. becoming unemployed are inconclusive and misleading.

Whether religion can serve to build social trust is investigated by *Traunmüller*. The joint evaluation of effects of individual religiosity and regional religious context reveals a double positive effect of Protestantism, as Protestants tend to be more trusting and also increase other people's trust by providing a regional surrounding of Protestant beliefs and cultural traditions. While individual church attendance is a powerful predictor, religious diversity in a region is not found to affect social trust.

Furthermore, we would like to draw attention to an article published subsequent to the papers of the 8<sup>th</sup> International Socio-Economic Panel User Conference at the end of this volume. As a special part of the European Data Watch section of *Schmollers Jahrbuch*, this supplement gives an overview of recent SOEP innovations. The article by *Siedler, Schupp, Spiess, and Wagner* provides information on SOEP's potential as a reference dataset for researchers who collect their own datasets that do not represent the full target population. It provides recommendations for selections of topics, sets of questions, and practical survey and fieldwork issues that will facilitate comparisons with the SOEP.

Finally, we would like to express our gratitude to several persons and institutions. The success of the conference and the preparation of this special issue were enabled by the involvement and hard work of many more or less visible people. First of all we are grateful to the Social Science Research Center (WZB) in Berlin for hosting the conference in its inspiring building. We thank the Vice President of the Leibniz Association, *Prof. Dr. Eckhard George*, and the Chairman of the Society of Friends of DIW Berlin, *Dr. Holger Hatje*, for having attended and enriched the conference by their speeches.

The organization of the 8<sup>th</sup> International Socio-Economic Panel User Conference – which includes everything from booking the venue to planning the logistics, catering, designing the flyer, conference website, and acting in constant

exchange with participants – was handled by Christine Kurka, Michaela Engelman, Uta Rahmann, and many student assistants at DIW Berlin. Last, but not least, we thank the sponsors of the conference, StataCorp LP, Ditttrich & Partner Consulting GmbH, and Statista GmbH, for their generous financial support.

The successful and timely completion of the special issue of *Schmollers Jahrbuch* was the achievement of Gabi Freudenmann, who prepared the papers for publishing. Special thanks go to Deborah Anne Bowen for ensuring a consistent use of English. We are also very grateful for the work of the referees, who provided indispensable suggestions for improving the quality of the papers that appear here.

Finally, we would like to thank the two other members of the program committee for the 8<sup>th</sup> International Socio-Economic Panel User Conference, Jutta Allmendinger and Mick P. Couper, for their contributions to the success of the conference.

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*Silke Anger  
Olaf Groh-Samberg  
Bruce Headey, and  
Gisela Trommsdorff*