Take It Easy!

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Imagine

Commuting to work

▶ For most people, commuting to work is a daily routine which adds up to a tremendous amount of time over the course of a life time.

▶ The average commute is about 30 min one-way.

▶ Less than 5 % of the employees work from home.

Research Question

Can flexible working arrangements mitigate the negative effects of commuting on well-being?

Method and Data

Data

▶ German Socio-Economic Panel (13 waves 2003-2019)
▶ Annually conducted since 1984, large-scale panel study that is representative of the German population.
▶ Information on the participants' income, education, occupation, health and other demographic characteristics.

Sample

- ▶ Age 18 to 65
- ▶ Full-time worker from the private sector
- ▶ 24,631 observations stemming from 9,661 individuals

Variables

▶ Satisfaction. Self-report from 0 to 10.

▶ Commuting. Self-report one-way distance in km.

▶ Flexibility. Fixed work time (0), work time account (1)

▶ Controls. age, gender, marital status, health status, number of children, number of persons in the household, highest school qualification, working hours, equivalence household income, as well as regional and year dummies.

Identification strategy

How can we estimate the causal effect of commuting distance on subjective well-being?

► Problem: Self-selection into commuting (endogeneity)
► Gold standard: Randomized experiment

Identification strategy

How can we conduct a commuting experiment with people?

▶ Problem: Not feasible/ethical to assign people to commuting.
▶ Best we can do: Quasi-experiment

Identification strategy

What is a quasi or natural experiment?

- ▶ Individuals are exposed to the experimental conditions that are determined by nature or by other factors
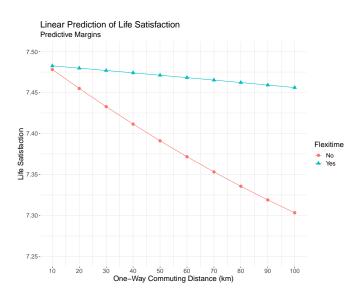- ▶ Firm relocation: Employer-induced changes in commuting
- ▶ Time for another story ...

Results

Results

The results suggest that the **loss in overall life satisfaction** is **eight times higher** for employees **in a non-flexible work arrangements** in comparison to a flexible work regime.

Predictions

Linear Prediction of Life Satisfaction
Predictive Margins

Thank you