

Divorce and well-being in the short and long run

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In the last decades, research has focused on understanding the consequences of divorce and separation for former spouses' well-being (see Jordi et al., 2015 for a recent contribution for European countries). While there is general consensus in recognizing that marital dissolution can potentially generate uneasiness in an individual's life (Amato, 2000), scholars also recognize the need to better understand the heterogeneity of outcomes according to individuals' and couples' characteristics (Amato, 2010) and the channels driving such detrimental effect.

In this paper we investigate the effect of divorce on well-being and the possible channels explaining this causal relationship by means of a retrospective panel based on the third wave of SHARE, the Survey of Health, Ageing and Retirement in Europe covering 14 European countries.

The internationally comparable nature of this dataset allows evaluating the effect of divorce on well-being across different socio-economic and cultural environments. The longitudinal structure of the data allows to implement fixed-effects panel data models to control for unobservable characteristics, such as personality traits (Roberts et al., 2007), potentially correlated with both well-being and marriage dissolution. Moreover, the richness of SHARELIFE data and the length of the retrospective panel make it possible to include in our specifications a wide set of time-varying explanatory variables, such as the onset of diseases and physical limitations. In order to construct our dependent variable, we look at a question asking the beginning and the end of a period in which the respondent declares to be happier than during the rest of her life. We construct a dummy variable turning from zero to one in each year for which the respondent declares she went through this exceptional period of happiness.

Then, we run an individual's fixed effects model that controls for time-invariant unobserved heterogeneity. We also include a polynomial in age and year fixed effects in order to control for events, such as business-cycle phases, occurred at specific points in time common to all respondents. Our key explanatory variable is a dummy variable turning from zero to one in the year in which a divorce occurs. Following Myrskylä and Margolis (2014), we also include leads and lags of this variable in order to check for eventual anticipatory effects and for the duration of the detrimental effect of divorce on respondents' well-being. The sample is large enough to check for heterogeneous effects with respect to gender, country and cohort of former spouses. Preliminary results point to differential effects across gender: divorce has a statistically significant and negative effect on former spouses' well-being, but the effect is stronger for women with respect to men, bigger in the short but persistent in the long-run.

Well-being is a multidimensional concept reflecting a variety of aspects relevant for individuals' lives. Once ascertained that divorce negatively impacts on well-being, it becomes relevant to understand the channels according to which this effect materializes. Similarly to happiness, the SHARELIFE questionnaire asks respondents specific questions to declare whether they experienced particular periods of financial hardship or stress. Exploring whether divorce increases the probability of financial hardship episodes is important to understand

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whether the impact of divorce on well-being is mediated by income effects. This might be the case for women who were housewives until the divorce and then need to enter the labour market to complement alimony payments and maintain their financial well-being at the pre-divorce levels. Moreover, finding that divorce raises the incidence of stressful periods might suggest that one driver of our relationship of interest can have long-lasting effects on well-being by boosting the occurrence of emotional and psychiatric disorders, as suggested by Rainnie et al. (2004) or by triggering a sequelae of stress episodes leading to late life depression (Pearlin et al. 2005).

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