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Economic Aspects of Subjective Attitudes towards the German Minimum-Wage Reform

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**Economic Aspects of Subjective Attitudes towards the** 

German Minimum Wage Reform

by

Alexandra Fedorets<sup>†</sup>

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**Abstract** 

Despite skepticism among experts about the effects of a minimum wage, there is re-

markably widespread public support for such policies. Using representative survey data

from 2015 and 2016, we investigate the subjective attitudes driving public support for

Germany's minimum wage reform. We find that socio-economic characteristics and po-

litical orientations explain a minor part of the variation in attitudes, whereas beliefs that

the reform will improve earnings of workers with low wages and help people to main-

tain or improve their overall economic situation (measured by living standards, income,

hours worked, and job security) play a major role as well as experience with circumvention

measures.

JEL-Classification: D71, E64, J38.

Keywords: Public Opinion, Public Policy, Minimum Wage Reform.

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### 1 Introduction

Public and academic debate over the merits of a minimum wage is longstanding. Although many economists agree that minimum wages reduce inequality among employees in society, they disagree over the possible adverse impacts, such as increasing unemployment, rising prices, and declining economic growth (Brown et al., 1982; Card, 1992; Card and Krueger, 1992; Machin and Manning, 1994; König and Möller, 2009; Dube et al., 2010; Frings, 2013; Neumark et al., 2014).

Germany introduced a statutory minimum wage of € 8.50 per hour as of January 2015. Prior to the reform, many economic simulation studies warned of high societal costs resulting from substantive negative employment effects. Evaluations using post-reform labor-market data, however, find rather moderate employment effects (Caliendo et al., 2018; Bossler and Gerner, 2016; Garloff, 2016), along with an increase in low wages (Caliendo et al., 2017) and job satisfaction (Bossler and Broszeit, 2017). Nevertheless, in February 2016 the majority of economists in Germany (56 percent) rated the introduction of the minimum wage as an economic mistake (Jäger et al., 2016), with an additional 12 percent partly sharing this opinion. Similarly critical views are express by economists, for example, in the United States.

In contrast to the critical view shared among many economists, pre-reform opinion polls in Germany documented widespread public support. For example, a representative survey in 2014 suggested that about 80 percent of the population is in favor and only 10 percent against the introduction, with agreement varying only slightly with party preference.<sup>3</sup> An opinion

<sup>&</sup>lt;sup>1</sup>Sachverständigenrat zur Begutachtung der gesamtwirtschaftlichen Entwicklung (2013); Müller and Steiner (2010, 2013); Knabe et al. (2014)

<sup>&</sup>lt;sup>2</sup>75 percent of economists in the American Economic Association agree with the statement that minimum wages lead to higher unemployment among the low-skilled (Fuller and Geide-Stevenson, 2014).

<sup>&</sup>lt;sup>3</sup>See the poll by the Allenbach Institute (https://www.ifd-allensbach.de/uploads/tx\_reportsndocs/PD\_2014\_02.pdf). Another poll in 2008 found a similarly high share of supporters (Bieräugel et al., 2010).

poll conducted shortly after the reform in 2015 finds similarly high approval rates.<sup>4</sup> In other countries, minimum wages also enjoy strong public support.<sup>5</sup>

The motivations behind experts' critical assessments – disemployment effects, higher prices, and loss of international competitiveness – are extensively explored (Kearl et al., 1979; Frey et al., 1984; Alston et al., 1992; Whaples, 1996; Fuller and Geide-Stevenson, 2014; O'Neill, 2015). This is not the case for the public's assessment. At the same time, understanding the drivers of people's assessments is important for several reasons. First, it is the public that is meant to benefit from the reform and who carries its economic burden. Secondly, policy makers consider the public assessment in the political decision processes, including minimum-wage legislation. The aim of this paper is to better understand the drivers behind people's assessments regarding the German minimum-wage introduction. Do people support the minimum wage for general fairness reasons? Or because they benefit directly? And how do motives and assessments differ between those who are directly affected by the reform compared to the others?

To answer these questions, the SOEP commissioned two representative cross-sectional surveys, conducted in 2015 and 2016, that allow not only for assessing the support of the minimum wage reform in general and by groups, but also for linking it to the underlying motives. In each year, about 2,000 respondents provided their assessment of the minimum wage introduction, personal and household socio-demographics, and political orientation. In addition, they provided their expectations regarding the effects of the minimum wage introduction and how it affects their daily life. For example, it asks if the introduction, in general, contributed to a fairer distribution of income and improved the income situation of low-income workers?

<sup>&</sup>lt;sup>4</sup>http://www.dgb.de/themen/++co++8a5f5b5e-6c5c-11e7-af59-525400e5a74a.

<sup>&</sup>lt;sup>5</sup>See http://www.gallup.com/poll/165794/americans-raising-minimum-wage.aspx for the United States and https://www.gov.uk/government/statistics/national-minimum-wage-rates-survey-of-awareness-october-2014 for United Kingdom.

We also asked if the introduction affected their own standard of living, gross income, working hours, and job security.

In our data, we find enormous support for the reform: 89 percent of respondents in 2015 and 92 percent of respondents in 2016 said they supported the introduction of a minimum wage. It is astonishing that high support rates are also found among those respondents who believe that the minimum wage contributed neither to improving the incomes of low-wage workers nor to a fairer income distribution. This belief is supported by self-assessments: among the group with wages below €8.50 prior to the reform, only a minority 20 to 30 percent reported that their living standard improved, and more than 50 percent responded that they experienced circumvention measures by their own employer. Expected and perceived impacts of the minimum wage reform show a substantial correlation with support rates. In particular, beliefs about reform's positive re-distributive effect on low-income earners and on the whole wage distribution positively contribute to the reform's support. On the contrary, unstable working hours and experience of circumvention measures lower reform's support. Socio-economic characteristics and political orientations (dimensions typically used in opinion polls to provide differentiated statistics) explain only a negligible share of variation in the general assessment of the reform.

The remainder of the paper is organized as follows. The next section describes the German minimum wage reform and explains negative perceptions of the reform by many in the expert community. Section 3 describes the survey questionnaire and presentÑŃ our samples. Section 4 gives an overview of public support for the reform and motives. Section 5 investigates how support is driven by motives and socio-economic characteristics. Section 6 concludes.

### 2 Minimum wages in Germany

The minimum wage in Germany was implemented at a level of  $\in 8.50$  per hour on January 1, 2015.<sup>6</sup> The minimum wage is binding for the vast majority of dependent employees. Only some groups are exempt, i.e. trainees, employees under the age of 18 without formal training, and formerly long-term unemployed persons during the first six months of their new job. Furthermore, an extended transition period applies to employees in industries with a minimum wage set by collective agreement.

The minimum wage "bites" at the 15th percentile of the wage distribution (Brenke, 2014), which corresponds to the OECD average (OECD, 2015), but is substantially higher than the minimum wage level in the US (Autor et al., 2016). Thus, many in the German expert community expected higher disemployment effects than those found in the US literature. Moreover, findings of disemployment effects in studies on industry-specific minimum wages (Bachmann et al., 2008; König and Möller, 2009) and predictions of negative outcomes in simulation studies (Müller and Steiner, 2010, 2013; Knabe et al., 2014) supported the widespread skepticism in the expert community. Leading research institutes published commentaries emphasizing the reform's potential drawbacks. Headlines included "False hope in the minimum wage" by M. Fratzscher and G. Wagner (DIW Berlin) in *Tagesspiegel*, "Magnificent mistake" by K. Zimmermann (IZA Bonn) in *Die Welt*, "A recipe for stagnation" by H.-W. Sinn (ifo Munich) in *Süddeutsche Zeitung*. Another leading newspaper *Frankfurter Allgemeine Zeitung* published an open letter to politicians signed by 130 renowned professors of economics with the warning of high and rising unemployment following the introduction of a minimum wage at such a high level. Only few studies provided more optimistic scenarios (Bosch, 2007; Möller, 2012). As the

<sup>&</sup>lt;sup>6</sup>Gesetz zur Regelung eines allgemeinen Mindestlohns (MiLoG), http://www.gesetze-im-internet.de/milog/.

<sup>7</sup>See also Castillo-Freeman and Freeman (2004), who estimate the effect of a minimum wage that "really bites".

result, the German Council of Economic Experts' advised against a statutory minimum wage (Sachverständigenrat zur Begutachtung der gesamtwirtschaftlichen Entwicklung, 2013).

### 3 Questionnaire and description of the sample

Our study builds on representative surveys conducted in June 2015 and 2016, the first two years after introduction of the minimum wage. The survey was commissioned by the Socio-Economic Panel (SOEP) study, based at the German Institute for Economic Research (DIW Berlin), and conducted by TNS Infratest. The survey data were collected using computer-assisted personal interviews as a part of omnibus surveys of representative samples of the German population aged 14 or older and living in private households. The total sample comprises 2,013 respondents in 2015 and 2,033 respondents in 2016. Frequency weights allow the computation of representative statistics.<sup>8</sup>

In addition to standard questions on socio-demographic characteristics and political orientations (e.g., voting in the 2013 federal election), respondents were asked about their general attitude toward the minimum wage, how it changed incomes of those at the bottom and the fairness of the income distribution, as well as how it affected their own lives with respect gross monthly income, total monthly working hours (including paid and unpaid overtime), job security, and living standard (i.e., the goods and services they are able to afford; hence a measure post taxes and transfers). Further, we asked the respondents if they (or people they know) experienced circumvention measures, such as requiring employees to work unpaid overtime or increase their productivity. Appendix A contains the full questionnaire for 2015.9

<sup>&</sup>lt;sup>8</sup>As a robustness test, we re-estimate our main results without applying frequency weights and come to qualitatively same conclusions.

<sup>&</sup>lt;sup>9</sup>The 2016 questionnaire was identical except for a change in wording when referring to the pre-reform period ("in 2014" was used instead of "last year").

Based on their employment status and wages in 2014, we define three mutually exclusive groups of respondents who are exposed to the minimum wage reform to differing extents:

- Affected Employed (AE) are eligible for the minimum wage and earned below €8.50 prior to the reform (102 respondents in 2015 and 112 respondents in 2016).
- 2. Not Affected Employed (NAE) are eligible but earned more than €8.50 prior to the reform (753 respondents in 2015 and 739 respondents in 2016).
- 3. **Not Affected Others (NAO)** comprises self-employed people, trainees, interns, and all non-employed including stay-at-home spouses or retired persons (1158 respondents in 2015 and 1182 respondents in 2016).

The division of the respondents into groups generally mirrors the labor market structure: about one-half of the respondents in the respective age are employed, with about 15 percent directly affected by the minimum wage reform. Further note that the NAO group greatly contributes to the public opinion due to its size, though it is neither affected by the reform, nor is it represented in the Minimum Wage Commission.

Table 1 provides an overview of the socio-demographic characteristics and political orientations of the three groups of respondents. With regard to gender composition, the NAE and NAO groups exhibit an even gender distribution in both 2015 and 2016, whereas the AE group contains more women. The average age in the AE and NAE group was about 41-45 years in both years, whereas NAO is about 9 years older. In NAE, about 60 percent are married compared with about 40 to 50 percent in AE and NAO. NAE is also the group with the highest share of persons with a personal monthly income of € 1,500 and above (56.4%), followed by NAO (34.3%), and AE (10.2%). By definition, all respondents in AE and NAE are salaried workers, and none in NAO. In the latter group, we find self employed and trainees, who are exempt from

the minimum wage, as well as the non-employed (including unemployed and retired persons).

Regarding the political orientation, the majority of respondents did not vote or did not provide a specific answer to this question. Among those who voted, the highest shares of votes went to the largest political parties in Germany: the Social Democratic Party (SPD) and the Christian Democratic Union / Christian Social Union (CDU/CSU). Strikingly, the Left (Die Linke) had higher shares of votes among respondents affected by the reform (AE group).

Table 1 about here

## 4 Descriptive statistics on support rates and impact channels

#### 4.1 Support rates

The opening question of the survey is whether the respondent agrees that introducing the statutory minimum wages was a good idea or not. In the next step, the supporters of the reform are asked if they are aware that the reform can have negative consequences, such as price increases. Opponents of the reform are asked whether they are against minimum wages in general, because the current minimum wage level is too high or too low, or for other reasons. Table 2 provides distributions of answers to these questions by survey year and by group (AE, NAE, NAO). The differences between years are tested for significance (see the star notation at the mean values for 2016). We also test the significance of the differences in the approval rates between groups (see the right panel of the table).

To the opening question of the survey, about 90% of the overall population in both years support the minimum wage introduction. In 2015, approval rates for NAE and NAO are at the similar level, whereas the approval rate for the directly affected AE group is substantially

lower (73%). Between 2015 and 2016, the approval rates for the AE group increases, such that the difference in approval rate between the groups vanishes in 2016. Given the limited sample size of the AE group, the strong rise should not be over-interpreted.

Supporters of the reform were asked if they would change their opinion when faced with negative consequences of the reform, such as price increases. In all groups and both years, the vast majority of the respondents would support the reform despite the increase in prices.

Opponents of the reform were asked about the reasons for their opinion. Among the NAO and NAE groups, about 30 percent in 2015 and 20 percent in 2016 said they were generally against minimum wages. Within the AE group, this share was much higher – 42.6 percent in 2015 and 50.3 percent in 2016. Interestingly, about 9 percent of the NAO group and 13-16 percent of the NAE group thought that the minimum wage was too high. Only a small minority of the AE group shared this view. A substantial share of respondents in both years reported thinking that the introduced minimum wage was too low.

Table 2 about here

### 4.2 The role of non-compliance

Previous experiences from other countries and recent empirical evidence from Germany suggests that minimum wages increase hourly wages at the bottom of the distribution but not necessarily as much as intended by the law (Caliendo et al., 2017). To better understand this issue of non-compliance, we asked respondents whether they knew of cases in which employers had attempted to avoid paying the minimum wage, either from their own experience or from someone else.

Table 3 contains descriptive statistics on experiences of non-compliance with the reform

reported by respondents in the three groups. Results are rather consistent in both years: in the NAO group, almost no one had an employer who had avoided paying the minimum wage by using what we refer to as circumvention methods, and only few people knew someone else who had experienced this from an employer. In the NAE group, the majority (77–78 percent) had not experienced circumvention methods from an employer themselves, and only 18–20 percent knew someone who had. Within the AE group, the percentage who had experienced circumvention methods was much higher: more than half of the affected workers had experienced circumvention methods from their own employer, and 13 to 19 percent knew someone else who had.

The results make clear that circumvention measures, though very present among the affected population, are not highly visible to the non-target and non-affected population. However, the small size of the AE group impedes the circulation of knowledge about circumvention methods undertaken by employers, which are therefore likely to have only a small impact on public opinion about the minimum wage reform.

Table 3 about here

#### 4.3 Impact channels of the public opinion

The survey asked respondents a series of questions on their beliefs about the minimum wage effects and the dynamics of their own labor market outcomes. In particular, it gathers information on perceived changes in the following six domains:<sup>10</sup> (1) income of low-income earners in general; (2) fairness of income distribution in general; (3) their own living standard; (4) their own gross income; (5) their own working hours; and (6) their own job security. Table 4

<sup>&</sup>lt;sup>10</sup>Please consult Appendix A for the exact wording, see, respectively, questions 5, 6, 4, 14, 16, 17.

describes the distribution of respondents' responses across the answer categories.

In general, the surveys from 2015 and 2016 show coherent patterns. First, concerning the opinion about the reform's effect on income of low-income earners (Table 4, upper panel), most respondents think that it remains unchanged.

Second, the majority of respondents believes that income fairness was not improved, while about 25 percent believes the opposite. The question fairness is more general than that on the situation of low-income earners. However, the two questions are closely related, as the panel 'Fairness income' in Table 4 reveals.

Third, for the vast majority of the respondents, the living standard did not change since the introduction of the minimum wage reform (Table 4, panel 'Living standard'). Among the affected group, 20 to 30 percent reported that their living standard increased.

Fourth, the majority of the population also reports no changes in their gross income, while some among the AE group report its improvement since the minimum wage reform. While gross income and living standard supposedly are closely related, the former may describe a more objective measure for the employed.

Fifth, the affected group reports more dynamics in the distribution of their working hours than the NAE and NAO groups - both regarding working hours decrease and increase (Table 4, panel 'Working hours').

Sixth, the vast majority of the respondents in all groups reports no changes in the own job security, whereas some in the AE group report lower job security due to the reform.

Table 4 about here

### 5 Drivers of individual attitudes towards the reform

This section addresses the question of whether individual characteristics and motives correlate with the support of the respondents. We explain the support of respondent i,  $S_i$ , with  $S_i \in \{0,1\}$ , by means of a logit model that takes the form  $P(S_i = 1|X_{s,i}) = \Lambda(\alpha + \gamma \times \mathbf{X}_{k,i})$ , where  $\Lambda$  is the logistic cumulative density function.  $\mathbf{X}_{k,i}$  is the set of control variables included in regression specifications, k = 1, ..., 6:

- $X_{1,i}$  encompasses five sets of explanatory variables, all explained in detail below: sociodemographics  $(X_{2,i})$ , exposure to the reform  $X_{3,i}$ ; political preferences  $X_{4,i}$ ; experienced circumvention measures  $(X_{5,i})$ ; and expected impact channels  $(X_{6,i})$ .
- X<sub>2,i</sub> includes gender, age, marital status (with single as reference category), monthly individual income (with income over € 3000 as reference category) and employment status (with salaried employee as reference category).
- $X_{3,i}$  is set of dummies denoting exposure to the reform (belonging to AE, NAE or NAO group), with the NAO group being the reference category.
- $\bullet$   $X_{4,i}$  comprises political preferences according to the voting decision in the 2013 Bundestag elections, with the SPD, the party that advocated most vigorously for the reform, as the reference category.
- $X_{5,i}$  contains two (not mutually exclusive) dummies that equal one if the respondent experienced circumvention methods (CM) herself or knows others who experienced circumvention methods.
- $X_{6,i}$  comprises dummies related to the six impact channels of the reform (improvement of low-income, overall income fairness, own living standard, monthly income, monthly

working hours, and job security). For each channel, we use the category "no change" as the reference category and include categories "decrease" and "increase" in the regression specification. Note that some variables have valid entries only for the employed, which leads to a lower number of observations in regression specifications (1) and (6).

Since the previous analysis did not detect profound differences between the annual variable distributions, we estimate the regression jointly for 2015 and 2016 and include a year dummy in the specification. The marginal effects from the logit regressions are displayed in Table 5.

Table 5 shows the results from six regressions, each including one set of explanatory variables detailed above. So, specification (1) includes  $X_{1,i}$ , specification (2) includes  $X_{2,i}$ , and so on. As specification (1) includes all sets of controls including  $X_{6,i}$ , it explains the support among the working population. The considered variables in specification (1) together with the year dummy explain about 17 percent of variation in the support. Regression coefficients for most of the socio demographics are insignificant. Only civil servants have a significantly higher support rate. There are also no significant differences in the support across voters of different parties, or across persons who are personally or know someone else affected by circumvention measures. Among the considered six potential impact channels, we find, however, some significant differences. Support is higher among those respondents who believe the income of low-income-earners or fairness improved, and lower among those whose working hours decreased.

Specifications (2) to (6) each include only one set of controls, thus providing associations that are unconditional on the controls that are left out. Specifications (2) to (5) also include those respondents that are not working.

The general findings from specification (2) are consistent with those from specification (1):

<sup>&</sup>lt;sup>11</sup>As being employed is perfectly collinear with belonging to the AE group, the former variable is omitted.

Personal characteristics, frequently considered as the only set of controls in opinion polls, have little explanatory power, and civil servants are more in favor of the minimum wage. Specification (3) indicates that the support rate is lowest for the voters of the liberal party (FDP) and highest for the Green party (Gruene). This is surprising against the background that the left-wing parties (SPD and Linke) are the strongest advocates for the introduction of the minimum wage. Specification (4) reveals that the affected group expresses less support to the reform than the NAO group. Specification (5) shows that being personally affected by circumvention measures is associated with lower reform approval. Specification (6) considers the role of beliefs about the reform and changes in the respondent's individual economic situation. The findings are consistent with those from specification (1): The support is higher among those respondents who believe the income of low-income-earners or fairness improved, and lower among those working hours decreased.

#### 5.1 Factor Analysis

The six impact channels of the reform (beliefs about the effect on income of low-income earners and the overall income fairness, as well as own living standard, gross income, working hours and job security) are likely to be correlated with each other. Table 6 shows the correlation structure among these variables and confirms that there are correlations between the opinion on the reform's effect on low-income earners, the overall income fairness, and changes in own living standard. The latter also correlates with changes in gross income. Interestingly, the variables on potential negative effects of the reform (on working hours and job security) hardly correlate with other impact channels.

Table 6 about here

Based on the given correlation structure, in addition to the above regression exercises, we also perform a factor analysis. It reveals two meaningful factors<sup>12</sup> – the first comprising information about the beliefs about the reform's effects and changes in the own living standard, and the second one having higher weights on such objective measures as changes in gross income, working hours, and job security.

The two identified factors are used to re-estimate the logit regression above, account for multicollinearity among the six impact channels.

Table 7 shows that the first factor (called beliefs about the reform's effects) contributes positively to the opinion, whereas the second factor (objective measures) contributes negatively, but insignificantly. Though this estimation generally re-confirms the main results, it masks the existing negative effect of reduced working hours on the opinion, which is a part of the factor with higher loadings on objective measures. Moreover, our main results allow accounting for a nuanced estimation of non-linearities, e.g. lower reform's support when deviating from the 'no-change' status of a variable, which is the case for both working hours and job security.

Table 7 about here

### 6 Discussion

This paper studies the factors affecting individual attitudes toward the German minimum wage reform within three population groups – Affected Employed (AE), who are eligible for the minimum wage and earned below  $\leq 8.50$  per hour prior to the reform; Not Affected Employed (NAE), who are eligible and earned above  $\leq 8.50$  prior to the reform; Not Affected Others

<sup>&</sup>lt;sup>12</sup>With eigenvalues over one.

(NAO) including civil servants, the self-employed, trainees, and non-employed (including pensioners).

In line with other opinion studies, we find very high support for the reform in the population of about 90 percent, irrespective if people directly benefited or not. We also find some interesting new insights. First, the directly affected employees express less support for the reform. However, the size of this group is so small that it does not strongly contribute to the overall opinion. Second, we show that employees who experiences circumvention measures themselves, are less likely to support to the minimum wage reform. A remarkable two-thirds of affected workers were either directly affected by circumvention measures or knew someone else who had. Third, stable working hours and beliefs about the positive re-distributive effect and fairness aspects of the reform are related to higher support rates. Fourth, supporters of the reform were unlikely to change their opinions when confronted with potential price increases brought about by the reform.

Our results suggest that many of the negative consequences of the minimum wage reform discussed in the academic community are socially acceptable. One example is the stability of the attitudes when confronted with potential price increases. Another example includes the high support for the reform found among employees whose job situation became insecure due to the minimum wage introduction. Our findings have certain limitations. Although beliefs about the reforms' effects are shown to drive opinions, they belong to subjective attitudes, the formation of which remains obscure. Moreover, our findings do not explicitly explain why critical expert assessments do not translate into the public opinion. Therefore, future studies should examine whether the objective results from economic studies indeed affect the beliefs of the public about the merits of minimum wages.

## **Tables and Figures**

Table 1: Descriptive statistics, by group

	Α	E	N	AE	NA	AO
	2015	2016	2015	2016	2015	2016
Gender, Age						
Observations	102	112	753	739	1158	1182
Women	0.823	0.601	0.497	0.514	0.501	0.507
Men	0.177	0.399	0.503	0.486	0.499	0.493
Age, mean	41.212	45.749	44.611	45.268	54.106	53.797
s.d.	14.736	14.917	12.731	12.092	22.722	23.084
Marital status						
Observations	101	109	744	728	1155	1168
Single	0.356	0.280	0.273	0.270	0.284	0.315
Married	0.401	0.487	0.608	0.584	0.505	0.485
Widowed	0.030	0.020	0.032	0.021	0.146	0.145
Separated	0.213	0.213	0.086	0.125	0.065	0.054
Personal monthly income						
Observations	102	112	753	739	1158	1182
less than € 1000	0.604	0.490	0.218	0.184	0.455	0.397
€ 1000 to less than € 1500	0.294	0.335	0.218	0.249	0.201	0.228
€ 1500 to less than € 3000	0.102	0.158	0.500	0.469	0.256	0.274
€3000 and more	0.000	0.017	0.064	0.098	0.087	0.101
Labor market status						
Observations	102	112	753	739	1141	1161
Salaried workers	1	1	1	1	0	0
Civil servant	0	0	0	0	0.057	0.059
Self-employed	0	0	0	0	0.120	0.113
Trainee/Intern	0	0	0	0	0.062	0.088
Non-employed	0	0	0	0	0.761	0.740
Voting decision at Bundestag elections 2013						
Observations	102	112	753	739	1158	1182
SPD	0.235	0.157	0.174	0.208	0.184	0.172
CDU/CSU	0.117	0.075	0.186	0.195	0.199	0.220
FDP	0.042	0.008	0.026	0.014	0.026	0.012
Gruene	0.059	0.020	0.086	0.118	0.047	0.072
Linke	0.137	0.074	0.062	0.029	0.052	0.052
other	0.074	0.072	0.052	0.069	0.035	0.032
did not vote / n.a.	0.335	0.592	0.415	0.367	0.458	0.440

Source: Special omnibus survey to representative samples of German citizens, 2015 and 2016. Designed by SOEP, conducted by TNS Infratest. Own calculations, weighted using frequency weights.  $\Delta t$  documents the results of testing the 2015 and 2016 distributions of each variable and for each of the group AE, NAE and NAO. Tests base on regression analysis of the respective variable on the year dummy (logit for binary outcomes, OLS for continuous variables, ordered logit for ordered categorical outcomes) and a Pearson's chi-squared test (for unordered outcomes). For all categories and all variables, the differences prove to be statistically insignificant. The only exception is the distribution of gender and age in the AE group. However, the difference in these variables in the overall subsamples in 2015 and 2015 is insignificant.

Table 2: Follow-up questions on support for the minimum wage reform by group and year

	Year	All	AE	NAE	NAO	AE vs NAE	AE vs NAO	NAE vs NAO
Observations	2015	1940	102	732	1106			
	2016	1960	1111	719	1130			
MW Reform was a good idea	2015	868	73.2	89.1	92.0	* * *	* * *	
out of which								
despite price effects	2015	96.2	93.3	6.96	95.9			
Not a good idea if prices increase	2015	3.8	6.7	3.1	4.1			
MW Reform was a good idea	2016	91.5	92.5**	92.9*	90.4			
out of which								
despite price effects	2016	97.9**	98.6*	97.5	98.1**			
Not a good idea if prices increase	2016	2.1**	1.4*	2.5	1.9**			
MW Reform was a bad idea	2015	10.2	26.8	10.9	8.0	* * +	* * +	
out of which								
Opposed to MW in general	2015	32.5	42.6	31.4	30.1			
Think € 8.50 is too high	2015	11.0	0.6	13.0	9.4			
Think $\in$ 8.50 is too low	2015	34.3	34.1	39.5	28.3			
Disapprove due to other reasons	2015	22.3	14.3	16.1	32.2			*
MW Reform was a bad idea	2016	2.1	1.4**	2.5*	1.9			
out of which								
Opposed to MW in general	2016	22.5	50.3	19.7	21.5			
Think € 8.50 is too high	2016	11.0	$0.0^{\circ}$	16.4	0.6	0	0	
Think € 8.50 is too low	2016	55.0***	49.7	8.09	52.2***			
Disapprove due to other reasons	2016	$11.4^{*}$	$0.0^{o}$	3.1**	17.3	0	0	* * 

Source: Special omnibus survey to representative samples of German citizens, 2015 and 2016. Designed by SOEP, conducted by TNS Infratest. Own calculations,

weighted using frequency weights. Significance levels produced by weighted logit regressions of the respective outcome on the survey year or on respectively on affectedness by the reform. o marks cases where significance tests were not feasible due to a lack of variation. Significance levels: \*\*\* - p < 0.01, \*\* - p < 0.05, \*\* - p < 0.10.

Table 3: Experience of circumvention methods (CM) and support for the minimum wage reform

	Year	All	AE	NAE	NAO	AE vs NAE	AE vs NAO	NAE vs NAO
Observations	2015	1940	102	732	1106			
Personally affected by CM	2015	5.0	51.9	3.1	1.8	* * +	* * +	÷
know someone affected by LiM Neither know someone nor personally affected	2015 2015	77.8	12./ 35.9	76.7	14.5 83.0	* * *	* * * *	` * <del> </del> *
N/A	2015	$0.6^{\circ}$	$0.0^{\circ}$	$0.4^{o}$	$0.8^{\circ}$	0	0	
Personally affected by CM	2016	6.1	53.4	3.6	2.2	* * +	* * +	
Know someone affected by CM	2016	13.7*	18.7	18.4	9.5		*+	* * +
Neither know someone nor personally affected	2016	80.0	34.5	78.1	87.1*	* * *	* * *	* * *
N/A	2016	1.1	$1.6^{\circ}$	0.5	1.4			***

Source: Special omnibus survey to representative samples of German citizens, 2015 and 2016. Designed by SOEP, conducted by TNS Infratest. Own calculations, weighted using frequency weights.

Significance levels produced by weighted logit regressions of the respective outcome on the survey year or on respectively on affectedness by the reform. o marks cases where significance tests were not feasible due to a lack of variation. Significance levels: \*\*\* - p < 0.01, \*\* - p < 0.05, \* - p < 0.10.

 Table 4: Impact channels

Income of low-income earners	Year	All	AE	NAE	NAO	AE vs NAE	AE vs NAO	NAE vs NAO
Observations	2015	1867	101	708	1058			
	2016	1890	109	702	1079			
Answer categories:								
Decrease	2015	4.3	9.9	3.4	4.3			
No change	2015	70.0	44.6	71.9	71.2	*		
Increase	2015	25.7	45.5	24.7	24.5			
Decrease	2016	4.7	4.6	4.0	5.1			
No change	2016	65.7	53.2	65.8	66.8			
Increase	2016	29.7	42.2	30.2	28.1			
Δt		*		*				
Fairness income	Year	All	AE	NAE	NAO	AE vs NAE	AE vs NAO	NAE vs NAO
Observations	2015	1871	102	709	1060			
	2016	1888	108	700	1080			
Answer categories:								
Decrease	2015	8.6	12.7	8.5	8.3			
No change	2015	64.2	45.1	66.1	64.7			
Increase	2015	27.2	42.2	25.4	27.0			
Decrease	2016	10.1	9.3	10.4	9.9			
No change	2016	64.2	64.8	63.7	64.5			
Increase	2016	25.7	25.9	25.9	25.6			
$\Delta$ t								
Living standard	Year	All	AE	NAE	NAO	AE vs NAE	AE vs NAO	NAE vs NAO
Observations	2015	1921	99	727	1095			
	2016	1936	108	716	1112			
Answer categories:								
Decrease	2015	4.1	5.1	3.3	4.6			
No change	2015	91.4	61.6	92.7	93.2	***	***	
Increase	2015	4.5	33.3	4.0	2.2			
Decrease	2016	4.1	3.7	4.1	4.1			
No change	2016	91.0	74.1	90.8	92.7	**	***	
Increase	2016	5.0	22.2	5.2	3.1			
$\Delta$ t								
Gross income	Year	All	AE	NAE	NAO	AE vs NAE	AE vs NAO	NAE vs NAO
Observations	2015	928	85	654	189			
	2016	880	92	617	171			
Answer categories:								
Decrease	2015	1.6	2.4	0.6	4.8			
No change	2015	83.9	32.9	89.8	86.8	***	***	**
Increase	2015	14.4	64.7	9.6	8.5			
Decrease	2016	2.5	3.3	2.3	2.9			
No change	2016	72.8	37.0	77.3	76.0	***	***	
Increase	2016	24.7	59.8	20.4	21.1			
$\Delta$ t		***		***	***			
Working hours		All	AE	NAE	NAO	AE vs NAE	AE vs NAO	NAE vs NAO
working nours	Year	AII						
Observations	Year 2015	926	86	658	182			
					182 170			
	2015	926	86	658				
Observations	2015	926	86	658				
Observations Answer categories:	2015 2016	926 879	86 88	658 621	170			

Decrease	2016	5.5	18.2	4.2	3.5			
No change	2016	79.5	61.4	82.0	80.0			
Increase	2016	15.0	20.5	13.8	16.5			
$\Delta$ t								
Job security	Year	All	AE	NAE	NAO	AE vs NAE	AE vs NAO	NAE vs NAO
Observations	2015	913	81	649	183			
	2016	863	83	613	167			
Answer categories:								
Decrease	2015	6.9	19.8	5.9	4.9			
No change	2015	88.4	70.4	90.4	89.1			
Increase	2015	4.7	9.9	3.7	6.0			
Decrease	2016	8.3	30.1	6.0	6.0			
No change	2016	86.0	67.5	88.6	85.6	***	***	
Increase	2016	5.7	2.4	5.4	8.4			
Δt								

Source: Special omnibus survey to representative samples of German citizens, 2015 and 2016. Designed by SOEP, conducted by TNS Infratest. Own calculations, weighted using frequency weights. p-val shows the p-value of the difference in mean outcomes in 2015 and 2016, produced by a weighted ordered logit (for the distribution between categories) regression of the respective outcome on the survey year. Significance levels: \*\*\* - p < 0.01, \*\* - p < 0.05, \* - p < 0.10.

 Table 5: Logit regression

	(1)	(2)	(3)	(4)	(5)	(6)
Survey year	0.03*	0.02	0.02	0.01	0.02	0.03**
	(0.02)	(0.01)	(0.01)	(0.01)	(0.01)	(0.02)
Male	-0.00	-0.02	. ,	, ,	` ,	, ,
	(0.02)	(0.01)				
Age	0.00	-0.00				
	(0.00)	(0.00)				
Married	-0.01	-0.04*				
	(0.02)	(0.02)				
Widowed	-0.00	-0.05				
	(0.05)	(0.04)				
Divorced	0.01	-0.02				
	(0.02)	(0.03)				
Less than € 1000	0.00	-0.04				
	(0.03)	(0.03)				
€ 1000 to less than € 1500	0.01	-0.02				
	(0.02)	(0.03)				
€ 1500 to less than € 3000	-0.02	-0.02				
	(0.02)	(0.02)				
Civil Servant	0.04**	$0.07^{***}$				
	(0.02)	(0.02)				
Self-employed	-0.01	-0.05				
	(0.04)	(0.03)				
Trainee/Intern	0.02	0.02				
	(0.03)	(0.03)				
Non-employed		0.02				
		(0.02)				
NAE	-0.00		-0.00			
	(0.03)		(0.01)			
AE			$-0.08^*$			
			(0.04)			
CDU/CSU	-0.03			-0.01		
	(0.03)			(0.02)		
FDP	-0.11			-0.19**		
	(0.10)			(0.09)		
Gruene	0.02			$0.05^{**}$		
	(0.03)			(0.02)		
Linke	0.03			-0.00		
	(0.02)			(0.03)		
Other	-0.04			-0.05		
	(0.05)			(0.05)		
Did not vote / n.a.	-0.02			-0.02		
	(0.03)			(0.02)		
Personally affected by CM	-0.02				-0.10**	
	(0.04)				(0.04)	
Know someone affected by CM	0.02				0.01	
	(0.01)				(0.02)	
Income of low-income earners, decrease	-0.07					-0.09
	(0.05)					(0.07)
Income of low-income earners, increase	0.05***					0.05***
	(0.02)					(0.02)
Fairness income, decrease	-0.01					-0.02
	(0.03)					(0.03)

Fairness income, increase	0.05***					0.06***
	(0.01)					(0.01)
Living standard, decrease	-0.00					-0.01
	(0.03)					(0.04)
Living standard, increase	-0.08					-0.07
	(0.06)					(0.05)
Gross income, decrease	0.01					-0.02
	(0.03)					(0.05)
Gross income, increase	-0.01					-0.01
	(0.02)					(0.02)
Working hours, decrease	-0.11*					-0.11*
	(0.06)					(0.06)
Working hours, increase	-0.03					-0.04
	(0.03)					(0.03)
Job security, decrease	-0.03					-0.03
	(0.03)					(0.03)
Job security, increase	-0.05					-0.05
	(0.04)					(0.04)
Observations	1656	3843	3900	3900	3900	1669
Pseudo R <sup>2</sup>	0.17	0.02	0.01	0.02	0.01	0.13

Note: Marginal effects. Special omnibus survey to representative samples of German citizens, 2015 and 2016. Designed by SOEP, conducted by TNS Infratest. Own calculations, weighted using frequency weights. CM - Circumvention methods. In specification 1 belonging to the AE group is perfectly collinear with the employment status, which is why the respective marginal effect is omitted.

Standard errors in parentheses. Significance levels: \* p<0.1, \*\* p<0.05, \*\*\* p<0.01

**Table 6:** Correlation structure between the impact channels

	(1)	(2)	(3)	(4)	(5)	(6)
(1) Income of low-income earners	1.00					
(2) Fairness income	0.31	1.00				
(3) Living standard	0.40	0.22	1.00			
(4) Gross income	0.17	0.06	0.29	1.00		
(5) Working hours	0.01	-0.10	-0.06	0.07	1.00	
(6) Job security	0.11	0.09	0.12	-0.02	-0.12	1.00

Source: Special omnibus survey to representative samples of German citizens, 2015 and 2016. Designed by SOEP, conducted by TNS Infratest. Own calculations, weighted using frequency weights.

Table 7: Logit regression using factors on impact channels

	(1)	(2)	(3)	(4)
Dep. Var.: Approval MW reform				
Survey year	0.03	0.02	0.03	0.02
	(0.02)	(0.02)	(0.02)	(0.02)
Beliefs about the reform's effects	0.04***	$0.03^{***}$		0.03***
	(0.01)	(0.01)		(0.01)
Objective measures	-0.02		-0.01	-0.01
	(0.01)		(0.01)	(0.01)
Socio-economic controls	Yes	Yes	Yes	Yes
Employment status	Yes	Yes	Yes	Yes
AE/NAE/NAO	Yes	Yes	Yes	Yes
Political preferences	Yes	Yes	Yes	Yes
Circumvention measures	Yes	Yes	Yes	Yes
Observations	1669	1656	1656	1656
Pseudo R <sup>2</sup>	0.06	0.10	0.08	0.11

Note: Marginal effects. Special omnibus survey to representative samples of German citizens, 2015 and 2016. Designed by SOEP, conducted by TNS Infratest. Own calculations, weighted using frequency weights. Standard errors in parentheses. Significance levels: \*p<0.1, \*\*p<0.05, \*\*\*p<0.01

## A Appendix: Questionnaire // Support for the minimum wage

### reform

- In January 2015, with only a few exceptions, a uniform statutory minimum wage of € 8.50 an hour went into effect in Germany. Do you think it was a good idea to introduce the minimum wage?
  - I think it was a good idea (skip to question  $\rightarrow$  3)
  - I don't think it was a good idea
- 2. Why don't you think it was a good idea to introduce the minimum wage?
  - I am opposed to the minimum wage in general
  - I think that a minimum wage of € 8.50/hour is too high
  - I think that a minimum wage of € 8.50/hour is too low
  - Other reasons (skip to question  $\rightarrow$  4)
- 3. One possible effect of introducing a minimum wage could be an increase in the prices of goods and services, such as cab fares and restaurant meals. Do you still think introducing the minimum wage was or wasn't a good idea?
  - I still think the minimum wage was a good idea
  - I don't think the minimum wage was a a good idea due to the possibility of inflation
- 4. How has your standard of living that is, the goods and services you are able to afford changed since the introduction of the minimum wage: Has your standard of living gone up, gone down, or stayed about the same?
  - My standard of living has gone up
  - My standard of living has gone down
  - My standard of living has stayed about same
- 5. One of the goals of the statutory minimum wage was to improve the income situation of low-income workers. In your opinion, are low-income workers better off, worse off, or about the same as last year?
  - Better off

- Worse off
- About the same
- 6. In your opinion, is the distribution of income in Germany fairer than last year, less fair, or about the same?
  - Fairer
  - Less fair
  - About the same
- 7. There has been discussion surrounding the introduction of the minimum wage about employers who use various methods to avoid paying the minimum wage (such as requiring employees to work unpaid overtime, giving them added work responsibilities, or increasing performance expectations). Have you been affected by such methods yourself or do you know someone who has? Please tick all that apply!
  - Yes, I have been affected
  - Yes, someone I know has been affected
  - No, I have not been affected, and I do not know anyone who has
- 8. What was your employment status last year, that is, in the year before the introduction of the statutory minimum wage? → If you had more than one job, we are referring to the main one here and in the following questions!
  - Salaried employee
  - Civil servant
  - Self-employed
  - Trainee (→ 12)
  - Intern
  - Does not apply, I was not employed in the last year  $(\rightarrow 10)$
- 9. Was your gross hourly wage less than € 8.50 last year, that is, in the year before the introduction of the minimum wage?
  - Yes, my hourly gross hourly wage was less than € 8.50
  - No, my hourly gross hourly wage was already € 8.50 or more last year

- 10. What is your employment status now? → If you have more than one job, we are referring to the main one here and in the following questions!
  Salaried employee
  - Civil servant
  - Self-employed

  - Trainee (→ 12)
  - Intern
  - Does not apply, I am not employed ( $\rightarrow$  18)
- 11. Do you work part-time, full-time, or in marginal or irregular jobs?
  - Full-time
  - Part-time
  - In marginal or irregular jobs
- 12. Is your current hourly gross wage less than € 8.50?
  - Yes, my hourly gross wage is less than € 8.50. (→ Additional questions 12a)
  - No, my hourly gross wage is € 8.50 or more.
  - 12a. What sector do you work in? (Open question) (Q8 = does not apply  $\rightarrow$  18)
- 13. Are you still in the same job as last year, before the introduction of the minimum wage?
  - Yes, in the same job as last year
  - No, I switched jobs
- 14. Has your gross monthly income changed since the introduction of the minimum wage?
  - No, my gross monthly income has not changed
  - Yes, my gross monthly income has increased
  - Yes, my gross monthly income has decreased
- 15. Have your variable wage components, for instance, profit-sharing or bonuses, changed in any way since the introduction of the minimum wage?

- No, the rules for variable wage components have stayed the same
- Yes, variable wage components were increased or introduced
- Yes, variable wage components were reduced or eliminated
- Does not apply, I do/did not have variable wage components
- 16. What about the total number of hours you work (including any paid or unpaid overtime): Have your total working hours increased, decreased, or stayed the same?
  - My total working hours have increased
  - My total working hours have decreased
  - My total working hours have stayed the same
- 17. One possible effect of the introduction of the minimum wage could be that employment opportunities change. What about you: How secure is your job since the introduction of the minimum wage?  $(\rightarrow 20)$ 
  - My job is just as secure as last year
  - My job is more secure than last year
  - My job is less secure than last year
- 18. Are you looking for a new job?
  - Yes (→ 19)
  - No (→ 20)
- 19. One of the possible effects of the introduction of the minimum wage could be that employment opportunities change. How do you think your chances are of finding a job now compared to last year?
  - My chances of finding a job are just as good as last year
  - My chances of finding a job are better than last year
  - My chances of finding a job are worse than last year
- 20. May we ask you a further question regarding your political orientation?
  - Yes (→ 21)
  - No ( $\rightarrow$  End of the module)
- 21. What party did you vote for in the last Bundestag election on September 22, 2013?

- SPD
- CDU
- CSU
- FDP
- Bündnis 90/Die Grünen
- Die Linke
- Piratenpartei
- AfD
- NPD/Republikaner/Die Rechte
- Another party
- I did not vote
- I was not eligible to vote

End of the module

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# **Supplementary Material (not for publication)**

 Table 5a:
 Logit regression - excluding individuals who think minimum wage is too low

					Č	
	(1)	(2)	(3)	(4)	(5)	(6)
Survey year	0.02*	0.03***	0.03***	0.03**	0.03***	0.02*
	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)
Male	0.01	-0.01				
	(0.01)	(0.01)				
Age	-0.00	-0.00				
	(0.00)	(0.00)				
Married	-0.00	-0.02				
	(0.01)	(0.01)				
Widowed	$0.01^{*}$	-0.01				
	(0.01)	(0.02)				
Divorced	-0.01	-0.03				
	(0.01)	(0.03)				
Less than € 1000	0.01	0.00				
	(0.01)	(0.02)				
€ 1000 to less than € 1500	0.01	0.00				
0 1000 10 1000 1000	(0.01)	(0.02)				
€ 1500 to less than € 3000	-0.00	0.00				
C 1500 to less than C 5000	(0.01)	(0.02)				
Civil Servant	0.01	0.03**				
Givii bervant	(0.01)	(0.01)				
Self-employed	0.00	-0.06*				
ben-employed	(0.01)	(0.03)				
Trainee/Intern	0.01)	-0.02				
france/mem	(0.01)	(0.03)				
Non-employed	(0.01)	0.03)				
Non-employed		(0.01)				
NAE	0.01	(0.01)	0.00			
IVAL	(0.02)		(0.01)			
AE	(0.02)		-0.05			
AE						
CDII/CCII	0.05		(0.04)	0.04		
CDU/CSU	-0.05			-0.04		
EDD	(0.03)			(0.03)		
FDP	-0.10			-0.20*		
Comment	(0.09)			(0.10)		
Gruene	-0.01			0.01		
T 1	(0.02)			(0.02)		
Linke	0.02**			-0.00		
	(0.01)			(0.03)		
Other	-0.07			-0.07		
	(0.06)			(0.06)		
Did not vote / n.a.	-0.03			-0.03		
	(0.02)			(0.02)		
Personally affected by CM	0.00				-0.06*	
	(0.01)				(0.04)	
Know someone affected by CM	0.02***				0.01	
	(0.00)				(0.01)	
Income of low-income earners, decrease	-0.04					-0.05
	(0.03)					(0.05)
Income of low-income earners, increase	0.01					0.01
	(0.01)					(0.01)

Fairness income, decrease	0.00					0.00
	(0.01)					(0.02)
Fairness income, increase	0.03***					0.04***
	(0.01)					(0.01)
Living standard, decrease	-0.01					-0.02
	(0.02)					(0.03)
Living standard, increase	-0.02					-0.02
	(0.02)					(0.03)
Gross income, decrease	0.01**					0.01
	(0.01)					(0.01)
Gross income, increase	0.00					0.01
	(0.01)					(0.01)
Working hours, decrease	-0.08					-0.07
	(0.05)					(0.06)
Working hours, increase	-0.04**					-0.04*
	(0.02)					(0.03)
Job security, decrease	-0.02					-0.02
	(0.02)					(0.02)
Job security, increase	-0.01					-0.01
	(0.01)					(0.02)
Observations	1594	3665	3720	3720	3720	1607
Pseudo R <sup>2</sup>	0.25	0.04	0.02	0.03	0.02	0.16

Note: Marginal effects. Special omnibus survey to representative samples of German citizens, 2015 and 2016. Designed by SOEP, conducted by TNS Infratest. Own calculations, weighted using frequency weights. CM - Circumvention methods. In specification 6 belonging to the AE group is perfectly collinear with the employment status, which is why the respective marginal effect is omitted.

 Table 5b:
 Logit regression - excluding the variable on labor market status

	(1)	(2)	(3)	(4)	(5)	(6)
Survey year	0.03*	0.02	0.02	0.01	0.02	0.03**
Survey year	(0.02)	(0.01)	(0.01)	(0.01)	(0.01)	(0.02)
Male	-0.00	-0.02	( , , ,	(	( )	(
	(0.02)	(0.01)				
Age	-0.00	0.00				
-	(0.00)	(0.00)				
Married	-0.01	-0.05**				
	(0.02)	(0.02)				
Widowed	-0.01	-0.06				
	(0.05)	(0.04)				
Divorced	0.01	-0.04				
	(0.03)	(0.04)				
Less than € 1000	0.00	-0.02				
01000 1 1 01500	(0.03)	(0.03)				
€ 1000 to less than € 1500	0.00	-0.01				
€ 1500 to less than € 3000	(0.03)	(0.03) -0.01				
€ 1500 to less than € 5000	-0.02 (0.02)	(0.03)				
NAE	-0.01	(0.03)	-0.00			
IVAL	(0.02)		(0.01)			
AE	-0.01		-0.08*			
7111	(0.04)		(0.04)			
CDU/CSU	-0.03		(0.01)	-0.01		
	(0.03)			(0.02)		
FDP	-0.12			-0.19**		
	(0.10)			(0.09)		
Gruene	0.02			$0.05^{**}$		
	(0.03)			(0.02)		
Linke	0.03			-0.00		
	(0.03)			(0.03)		
Other	-0.05			-0.05		
D11 /	(0.06)			(0.05)		
Did not vote / n.a.	-0.02			-0.02		
Developed the offerend has CM	(0.03)			(0.02)	-0.10**	
Personally affected by CM	-0.02 (0.04)				(0.04)	
Know someone affected by CM	0.04)				0.04)	
Know someone affected by GW	(0.01)				(0.02)	
Income of low-income earners, decrease	-0.08				(0.02)	-0.09
	(0.06)					(0.07)
Income of low-income earners, increase	0.05***					0.05***
,	(0.02)					(0.02)
Fairness income, decrease	-0.02					-0.02
	(0.03)					(0.03)
Fairness income, increase	0.05***					0.06***
	(0.01)					(0.01)
Living standard, decrease	-0.01					-0.01
	(0.03)					(0.04)
Living standard, increase	-0.08					-0.07
0 1	(0.06)					(0.05)
Gross income, decrease	0.00					-0.02
	(0.04)					(0.05)

Gross income, increase	-0.01					-0.01
	(0.02)					(0.02)
Working hours, decrease	$-0.10^{*}$					-0.11*
	(0.06)					(0.06)
Working hours, increase	-0.04					-0.04
	(0.03)					(0.03)
Job security, decrease	-0.04					-0.03
	(0.03)					(0.03)
Job security, increase	-0.05					-0.05
	(0.04)					(0.04)
Observations	1656	3867	3900	3900	3900	1669
Pseudo R <sup>2</sup>	0.17	0.01	0.01	0.02	0.01	0.13

Note: Marginal effects. Special omnibus survey to representative samples of German citizens, 2015 and 2016. Designed by SOEP, conducted by TNS Infratest. Own calculations, weighted using frequency weights. CM - Circumvention methods. In specification 6 belonging to the AE group is perfectly collinear with the employment status, which is why the respective marginal effect is omitted.

 Table 5c:
 Logit regression - unweighted

	(1)	(2)	(3)	(4)	(5)	(6)
Survey year	0.02**	0.02*	0.02*	0.01	0.02*	0.02**
, and a second s	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)
Male	0.00	-0.02**				
	(0.01)	(0.01)				
Age	0.00	-0.00				
	(0.00)	(0.00)				
Married	-0.00	-0.01				
	(0.01)	(0.01)				
Widowed	-0.02	-0.04				
	(0.04)	(0.03)				
Divorced	0.00	-0.01				
	(0.01)	(0.02)				
Less than € 1000	-0.00	-0.02				
	(0.02)	(0.02)				
€ 1000 to less than € 1500	0.01	-0.01				
	(0.02)	(0.02)				
€ 1500 to less than € 3000	-0.01	0.01				
	(0.01)	(0.02)				
Civil Servant	$0.03^{*}$	$0.06^{***}$				
	(0.02)	(0.02)				
Self-employed	-0.04	-0.06**				
	(0.04)	(0.03)				
Trainee/Intern	0.00	-0.01				
	(0.03)	(0.03)				
Non-employed		0.01				
		(0.01)				
NAE	-0.02		0.01			
	(0.02)		(0.01)			
AE			-0.00			
			(0.02)			
CDU/CSU	-0.04**			-0.04**		
	(0.02)			(0.02)		
FDP	-0.14*			-0.23***		
	(0.08)			(0.07)		
Gruene	$0.03^{*}$			0.04**		
	(0.01)			(0.02)		
Linke	$0.03^{*}$			-0.02		
	(0.01)			(0.03)		
Other	-0.04			-0.05		
	(0.03)			(0.03)		
Did not vote / n.a.	-0.02			-0.03**		
	(0.02)			(0.01)		
Personally affected by CM	-0.01				-0.08***	
	(0.02)				(0.03)	
Know someone affected by CM	$0.02^{*}$				-0.00	
	(0.01)				(0.01)	
Income of low-income earners, decrea	-0.05					-0.07
	(0.03)					(0.04)
Income of low-income earners, increase	$0.02^{**}$					0.03**
	(0.01)					(0.01)
Fairness income, decrease	-0.02					-0.02
	(0.02)					(0.02)

Fairness income, increase	0.06***					0.07***
	(0.01)					(0.01)
Living standard, decrease	-0.04					-0.04
	(0.03)					(0.03)
Living standard, increase	-0.05					-0.05
	(0.03)					(0.03)
Gross income, decrease	-0.01					-0.03
	(0.03)					(0.04)
Gross income, increase	-0.01					-0.02
	(0.01)					(0.01)
Working hours, decrease	-0.03					-0.02
	(0.03)					(0.03)
Working hours, increase	-0.02					-0.02
	(0.02)					(0.02)
Job security, decrease	-0.05*					-0.04*
	(0.02)					(0.02)
Job security, increase	-0.05*					-0.07**
	(0.03)					(0.03)
Observations	1656	3843	3900	3900	3900	1669
Pseudo R <sup>2</sup>	0.18	0.01	0.00	0.02	0.01	0.13

Note: Marginal effects. Special omnibus survey to representative samples of German citizens, 2015 and 2016. Designed by SOEP, conducted by TNS Infratest. Own calculations, weighted using frequency weights. CM - Circumvention methods. In specification 6 belonging to the AE group is perfectly collinear with the employment status, which is why the respective marginal effect is omitted.