The moderators of Subjective Well-Being during Crises.

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Despite that economic shocks and their consequent macroeconomic fluctuations have been consistently demonstrated as the source of large declines in subjective well-being, findings on their magnitude of their impact remain inconclusive. During the EU crisis of 2008 there were large discrepancies in how countries responded in terms of happiness (WHR, 2013). In some regions the crises was not very painful but in other regions the crisis had damaging effects. In the World Happiness Report (2013) it was concluded that "*Countries which exceeded the expected happiness loss from the economic crises were undergoing some other in combination of economic, political and social stresses*" (WHR, 2013).

Building on the narrative provided in the World Happiness Report, this article explores the moderating impact of ***three indicators*** on subjective well-being during crises.

1. The first part explores the moderating impact of financial distress of households for 28 European countries for the period 2008 to 2012. We examine whether employed individuals are affected by the economic crisis and we further disentangle this relationship by exploring the financial distress of their households. This supports the idea that the level of financial distress of a household is an important moderator.
2. The second part focuses on a major adverse event that took place during the crisis in Europe; the announcement of the Greek bailout referendum. We explore whether people with higher expectations before the announcement of the referendum experienced smaller decreases in subjective well-being and adapted quicker to this adverse event compared to individuals that held negative expectations regarding the future. This supports the view that positive expectations is a moderator and can be a source of resilience, allowing individuals to cope and adapt quicker to adverse events.
3. The third part examines regional quality of governance- a mediating factor that has received less of attention, at least in empirical research. More specifically, we assess whether regional differences in quality of governance drive the variation in the way European regions responded to the economic downturn in terms of life satisfaction. We use individual-level data on life satisfaction and personal information taken from Eurobarometer for 28 European countries for the period of 2005-2014, combined with regional unemployment, regional GDP growth and inflation data from Eurostat, complemented with the regional Combined EQI.