In the United States and other countries, rates of unemployment have increased during the economic downturn in the early part of the 21st century. Thus, unemployment remains a serious economic problem. It is also a major public health issue. An extensive body of literature has revealed that unemployment is associated with mental health problems.

Defining Unemployment

Studies on mental health usually measure unemployment status by including those who are seeking jobs and those who are “out of the labor force” and not looking for work. There is a difference, however, between involuntary and voluntary unemployment. Those who chose to be out of the paid labor force for different reasons, such as attending school, focusing on being a parent, and keeping house are considered voluntarily unemployed. Those who are actively looking for employment and are unable to succeed are involuntarily unemployed.

Does unemployment when looking for a job and being “out of the labor force” when not seeking work have distinct mental health ramifications? Longitudinal research in the United States has shown that the duration of being out of the labor force when not looking for a job does not predict symptoms of depression or heavy alcohol consumption among young adults, but the duration of unemployment when seeking work is a significant risk factor for depression and heavy drinking. More mental health research should distinguish between these different forms of unemployment.

According to the life course perspective, unemployment can have different meanings for individuals during specific life stages, depending on their personal expectations about their lives and the social norms during different historical periods or economic climates. Thus, if employment is not achieved at an age when it is typically expected by young adults, persistent unemployment can become chronically stressful and increase the risk of becoming mentally ill. The onset of mental illness can often occur during the transition to adulthood, of which employment is considered to be a key marker. Midlife is a time when employed people expect to have achieved more job security as their careers and experience have advanced. Yet this may no longer be the case for younger generations who are growing up during an economic downturn and changing social norms. It is becoming more common for young people to change jobs, perhaps experiencing episodes of involuntary or voluntary unemployment during this process and sometimes completely switching careers. In contrast, it is more likely for members of older generations to have had longer careers with the same employer. In sum, the effect of unemployment on mental health can vary by life stage or birth cohort and be explained in part by life-
course expectations about the timing of entry into adult social roles.

**Measuring Mental Health**

Many social scientific studies have primarily focused on symptoms of depression to assess psychological distress as a form of human suffering. It has been argued, however, that to more comprehensively measure mental health problems, research should examine symptoms of internalized mental disorders such as depression as well as symptoms of externalized mental disorders such as alcohol abuse/dependence. Studies suggest that in general, females are more likely to internalize their distress via depression, while males are more likely to externalize their distress through substance abuse/dependence such as heavy alcohol consumption. The literature has not yet reached a consensus about the relationship between unemployment and heavy drinking of alcohol in general. Stress has been identified as a conduit through which unemployment and job loss increase the probability of heavy drinking.

**The Relationship Between Unemployment and Mental Illness**

An important question has motivated numerous studies: Which comes first, unemployment or mental illness? Two approaches have been posited: the social causation hypothesis, which contends that mental illness is caused by unemployment, and selection/drift hypothesis, in which mental illness can limit job opportunities and lead to unemployment.

According to the social causation hypothesis, individuals who experience unemployment have a significantly increased risk of developing symptoms of mental illness. Moreover, it is crucial to differentiate between a causal relationship and an association. For example, the association between unemployment and mental illness is measured at a single point in time. To come closer to proving social causation, temporal ordering needs to be established to demonstrate that unemployment precedes mental illness. Longitudinal data sets that follow respondents over time can determine temporal ordering.

Why does unemployment cause subsequent mental illness? Social stress theory contends that the experience of unemployment is linked with economic hardship, which exposes the individual to financial stressors and damages social and psychological coping resources, which in turn impair mental health and lead to mental illness. From a social and psychological perspective, employment and specifically an occupation provide a social identity that is often a salient part of the self-concept. The self-concept is a vital resource for coping with stress. According to social stress theory, the self-concept is the mechanism through which stress leads to mental illness. To elaborate, employment can bolster psychological, social, and financial resources, whereas being unemployed can be stressful and negatively affect an individual's thoughts and feelings about him/herself, leading ultimately to mental illness. The deleterious effect of an individual's unemployment status on his/her mental health is called intragenerational social causation.

In addition, the mental health of children, adolescents, and young adults can be negatively affected by the unemployment status of their parents as well as their disadvantaged socioeconomic status. This is considered intergenerational social causation.

In contrast to the social causation hypothesis, the selection/drift hypothesis posits that mental illness can inhibit socioeconomic attainment via job loss or prolonged unemployment and lead people to eventually drift into a lower social class. From this perspective, mental illness comes first and is
followed by job loss or ongoing unemployment. Severe symptoms of mental illness can limit social functioning to the extent that a person may have difficulty keeping a job or finding a job and sink downward in socioeconomic status and even enter poverty. The selection hypothesis can be tested by taking into account earlier mental health with longitudinal data.

In essence, there is some evidence that earlier mental health problems help to explain why there is a relationship between unemployment and mental illness, but there is more evidence for social causation.

**Longitudinal Studies and Future Research**

A number of longitudinal studies have provided compelling evidence of social causation by demonstrating that past unemployment and its duration have harmful effects on mental health. U.S. longitudinal research has indicated that prior unemployment and job disruption (being fired, laid off, downgraded, or leaving work because of illness) during two- to 15-year intervals were linked with subsequent symptoms of depression. Many of these studies controlled for prior symptoms of depression to test for selection, and they found that earlier mental health did not entirely explain the relationship between unemployment and depression. Finally, an international meta-analysis of longitudinal studies indicated that changing one’s status from employment to unemployment, measured between six months and three years, led to worse mental health in general.

Additional longitudinal research will help disentangle the reciprocal relationship between unemployment and different types of mental illness. Regarding gender differences, a topic for future research is whether mental health problems among wives who are in or out of the labor force are affected by their husbands’ unemployment or out-of-the-labor-force status. Moreover, longitudinal studies on mental health will help to further explore the timing of unemployment entries and exits for different cohorts or generations, as well as underemployment, which refers to poverty-level wages and involuntary part-time work.

Future mental health studies need to specify involuntary and voluntary unemployment. For example, voluntary unemployment can be because of wealth and having enough assets to live on without needing an income from a job, which is a very different financial situation than involuntary unemployment, having a low level of education, and negative net worth (more financial debts than assets). Therefore, studies on mental health should include multiple indicators of socioeconomic status to capture economic well-being, such as employment status, occupational prestige, income, education, and wealth (net worth).

Unemployment status should not simply be conceptualized as being attached to the individual or family but also the neighborhood or state. Unemployment rates at the neighborhood or state level encompass a more macrostructural analysis of socioeconomic status and the economy. Neighborhood-level indicators of economic deprivation are gaining more attention in the mental health literature. In economically deprived neighborhoods, residents report a higher frequency of unemployment, criminal activities, vandalism, graffiti, loitering, abandoned buildings, broken windows, garbage, and noise. In conclusion, unemployment status is an integral piece of the puzzle of social inequality in an individual’s daily life, neighborhood, community, and country.

**See Also:** Alcoholism Economics Employment Environmental Causes Gender Life Course Measuring Mental Health Neighborhood Quality Social Causation Social Class Stress Women Work–Family Balance

**Further Readings**

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