



Economic insecurity, mental health, and the economic crisis in New York City.(Report)



The Western Journal of Black Studies

September 22, 2011 | Momjian, Veronica; Munroe, Kaleefa

Background

After almost a decade of steady growth in employment, housing prices, and consumer credit, the United States, along with other global economies, experienced a sudden and massive economic downturn beginning in 2008. According to economist Nuriel Roubini, this was largely the result of unregulated lending, the accumulation of toxic assets in the housing sector, and excessive debt-driven consumer spending (Martin & Schaffler, 2008). As in any time of economic uncertainty, Americans worry about their economic security, particularly their employment status--that is, whether they can keep jobs, find jobs, or will become underemployed.

An indication of the severity of the effect of the economic crisis on jobs shows that the unemployment rate jumped from 6.5% at the start of the recession in 2008, to 9.4% in December of 2010 (Bureau of Labor Statistics, 2011; New York City Council Revenue Forecast, 2008). In December 2010, the number of Americans who sought unemployment compensation had reached the highest since 1983, second only to the levels during the Great Depression. Further, according to the US Department of Labor, 15.8% of the Black population in the United States was unemployed as of December 2010 (Bureau of Labor Statistics, 2011). This rate was significantly higher than that of Hispanics, whose unemployment rate was 13%, and that of Whites, at 8.5%. It is important to note that as unemployment increases, its effects are disproportionately felt by people of color (McGeehan & Warren, 2009).

The recession and its consequences are of great concern to the general public. As individuals feel job insecurity and thus experience increased stress, reports of depression and other mental health issues increase (In accordance with the Medical

Outcomes Trust (2006), "mental health" throughout this paper refers to depression, although it may also include anxiety related issues). New York City's current unemployment rate is slightly lower than that of the rest of the country at 8.3% (New York State Department of Labor, 2011). Given these numbers and the diversity of the city's population, New York City presents an ideal space to examine the ways in which the economic recession, particularly employment issues, are affecting diverse peoples within a global city. Further, considering these dismal unemployment figures, it is important to revisit the research on economic insecurity and mental health, and factors that ameliorate this relationship. In particular, this paper focuses on the effect of social buffers on mental health in times of economic insecurity.

Economic insecurity may emerge in several ways. Among these are loss of jobs (unemployment), low salaries due to unequal compensation for skills/education, and working part-time when in need of full-time work (underemployment). Much of the research on economic security as it relates to work and mental health has focused on unemployment and has neglected part-time workers. Therefore, this research attempts to fill the gap by addressing mental health among unemployed individuals, as well as those who work part-time.

Economic Insecurity and Mental Health

In general, unemployment is a negative life event, with a demonstrably harmful impact on psychological and physical health. This has been supported by research showing that poor health is more common among unemployed persons than it is among those who are employed (Schuring, Burdorf, Kunst, Vorrham, & Mackenbach, 2009), and that declining resources increase stress and negative health outcomes due to the risk of unemployment and job insecurity (Blakely, Collings, & Atkinson 2003; Brenner, 1984; Brenner & Mooney, 1983; Catalano & Dooley, 1983; Dean & Wilson, 2009; Krisberg, 2009; Murphey & Athanasou, 1999; Tausig & Fenwick, 1999; Viinamaki, Hintikka, Kontula, Niskanen, & Koskela, 2000). In addition, research indicates that people who lose their jobs for reasons other than job performance become frustrated and may turn to such harmful habits as substance abuse, or may act more aggressively (Catalano, 2009). It is expected that the effects of an economic crisis characterized by layoffs and fewer jobs may be magnified and more widespread, particularly the effects of unemployment on mental health. The current economic crisis has produced feelings of panic, anxiety and fear (Sperling, Bleich, & Reulbach, 2008), and it can be expected that much of this fear is linked to real and possible job loss.

Less present in the research is how part-time work is implicated in mental health. Part-time employment can be either voluntary, as with students who work to support

themselves through college, or involuntary, as with individuals who settle for part-time work or become part-time workers even though they would prefer or need full-time employment. In the cases where employment status is involuntary, part-time work can be considered underemployment (Dooley, 2003). Given that underemployment has not been clearly defined in the literature, and therefore less consistently measured, very little research has addressed part-time work, much less as it relates to health (Dooley & Catalano, 2003). However, Prause and Dooley (1997) show that self esteem among involuntary part-time or low hour workers was as low as those who were unemployed, and that both these groups rated lower in self-esteem than those who were employed. Dooley, Catalano, & Hough (1992) also found that the underemployed, or the inadequately employed, were also more likely to abuse alcohol compared to those who were employed.

Despite the various studies connecting mental health with unemployment and underemployment, the direct negative relationship between the two is still under consideration. As Catalano (2009) notes, the association between unemployment and health may not necessarily be a negative one. Times of economic hardship may produce some positive health outcomes; people may reduce their overall consumption of unnecessary products and purchase more essential but costlier goods instead of cheaper, frivolous ones. Further, even if the relationship is negative, as Blakely, Collings, & Atkinson (2003) demonstrate, part of the association between economic hardship and poor mental health may be attributable to preexisting mental illnesses and other mediating factors.

With that in mind, researchers have found that such mediating factors as an individual's attitude towards employment status (e.g. Pernice & Long, 1996), the type of unemployment, such as long-term or short-term layoffs, and the duration of unemployment (e.g. Bjorklund & Eriksson, 1998) play a role in the relationship between employment status and mental health. Other mediating factors related to economic hardship and mental health include such demographic factors as socioeconomic status, race, education, and gender.

The National Public Health Report (Astbury, 2001), for example, has indicated that living in economically and socially deprived neighborhoods is linked to poor mental health. Further, it has been found that among the unemployed, mental health is worse among individuals who have lower prospects of finding employment, particularly individuals who have less than a bachelor's degree or who identify as African American (Charles & DeCicca, 2008). This is corroborated by research that shows that the health of the unemployed varies significantly by ethnicity (Schuring, Burdorf, Kunst, Vorrham, & Mackenbach, 2009). Moreover, Blacks, particularly

those of lower socioeconomic background, have more acute responses to negative life events (such as unemployment) than do Whites, even though Whites tend to be more sensitive to chronic economic stress (Ulbrich, Warheit, & Zimmerman, 1989).

Given the effects of an economic crisis on mental health, it is beneficial to develop ways to ameliorate mental health issues among those most affected in times of economic strain. Scholars have pointed to the need for government policy to help individuals who are unemployed, or facing economic hardship, by addressing their mental health needs, especially in a time of severe economic downturn (Bjorkund & Eriksson, 1998; Figueira-McDounough, 1978; Krisberg, 2009; Pernice & Long, 1996; Schuring et al., 2009). However, these studies do not propose specific policy reform measures or program initiatives that might prove beneficial. Other studies, such as Sperling et al. (2009), call for a therapeutic approach to managing declining mental health related ...

COPYRIGHT 1999 The Western Journal of Black Studies. This material is published under license from the publisher through the Gale Group, Farmington Hills, Michigan. All inquiries regarding rights or concerns about this content should be directed to [Customer Service](#).

[Subscribe and get access to articles from thousands of credible publications](#)

HighBeam Research is operated by Cengage Learning. © Copyright 2013. All rights reserved.

[www .highbeam.com](http://www.highbeam.com)