

# Childhood psychological problems create long-term economic losses, study finds

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A first-of-its-kind study examining the long-term economic consequences of childhood psychological disorders finds the conditions diminish people's ability to work and earn as adults, costing \$2.1 trillion over the lifetimes of all affected Americans.

People who suffer from childhood conditions such as [depression](#) and substance abuse are less likely to be married, attain less [education](#) and see their income reduced by about 20 percent over their lifetimes, according to findings published online by the journal [Social Science & Medicine](#).

"This study shows childhood [psychological disorders](#) can cause significant long-lasting harm and can have far-reaching impact on individuals over their lifetimes," said James P. Smith, the study's lead author and corporate chair of economics at RAND, a nonprofit research organization. "Our findings illustrate what the enormous potential might be of identifying and treating these problems early in life."

Researchers examined information from a large study that has followed American families for more than 40 years and found evidence that the impact of childhood psychological problems have lasting impact across many measures of economic success. The study is unique because siblings from the same family were followed in the panel, allowing the researchers to compare one sibling with childhood psychological problems to a brother or sister who did not have such problems.

People who reported having psychological problems during childhood averaged \$10,400 less income per year when compared to siblings who did not have similar problems. The lower income was partly a consequence of working an average of seven weeks fewer per year.

If about one in 20 adult Americans experienced these psychological problems during their childhood years (about the current prevalence), the total lifetime economic damages for all those affected would be \$2.1 trillion. This estimate does not take into consideration the non-economic costs such as lower quality of life.

Researchers also found that people who reported childhood psychological problems were 11 percentage points less likely to marry than their siblings who did not suffer such problems. Even when people in the group do marry, the income earned by their spouse is lower than seen among other couples.

People who reported psychological problems during childhood on average reported about half a year less of schooling than those who did not report problems. The schooling differences were greater among those who reported drug or alcohol problems.

"Not all of the people who have psychological problems during childhood will carry these problems into adulthood," said Smith. "But they are 10 to 20 times more likely than others to have these shortfalls during adulthood. There clearly are large economic costs during adulthood caused by childhood psychological conditions."

The results in the study are drawn from the Panel Study of Income Dynamics, the largest ongoing study of American families. The study has periodically collected extensive economic and demographic information on a nationally representative sample of about 35,000 people from 5,000 American families over the past 40 years.

Participants in the project were surveyed in 2007 about their childhood psychological and medical history using a module designed by Smith. This survey asked whether study participants had any of 14 important physical illnesses before age 17 and whether they had suffered from depression, drug or alcohol abuse, or other psychological conditions when they were young.

Researchers were able to test whether their findings were caused by some type of unmeasured family or neighborhood impacts by examining the life course of siblings where one reported childhood psychological problems and another did not.

Smith and co-author Gillian C. Smith of Washington University School of Medicine in Saint Louis also adjusted their analysis to account for any problems that might have been caused by any childhood physical illnesses. Thus, these psychological problems were not the result of physical illnesses during the childhood years.

Six percent of the people in the study reported some psychological problem as a child -- consistent with the proportion found among the nation as a whole. About 4 percent reported having depression, 2 percent reported alcohol or drug abuse and another 2 percent reported other psychological problems. Some people reported having more than one of the conditions during childhood.

Researchers say the principal cause of the economic shortfalls during adulthood appears to be recurring psychological problems.

Among those with no psychological conditions during childhood, 5.4 percent report having an adult psychological problem. In contrast, 35.8 percent of those who reported a psychological condition during childhood also report an adult psychological condition -- a seven times higher risk. People who experienced depression as a child were those

most likely to report an adult psychological problem.

Provided by RAND Corporation

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