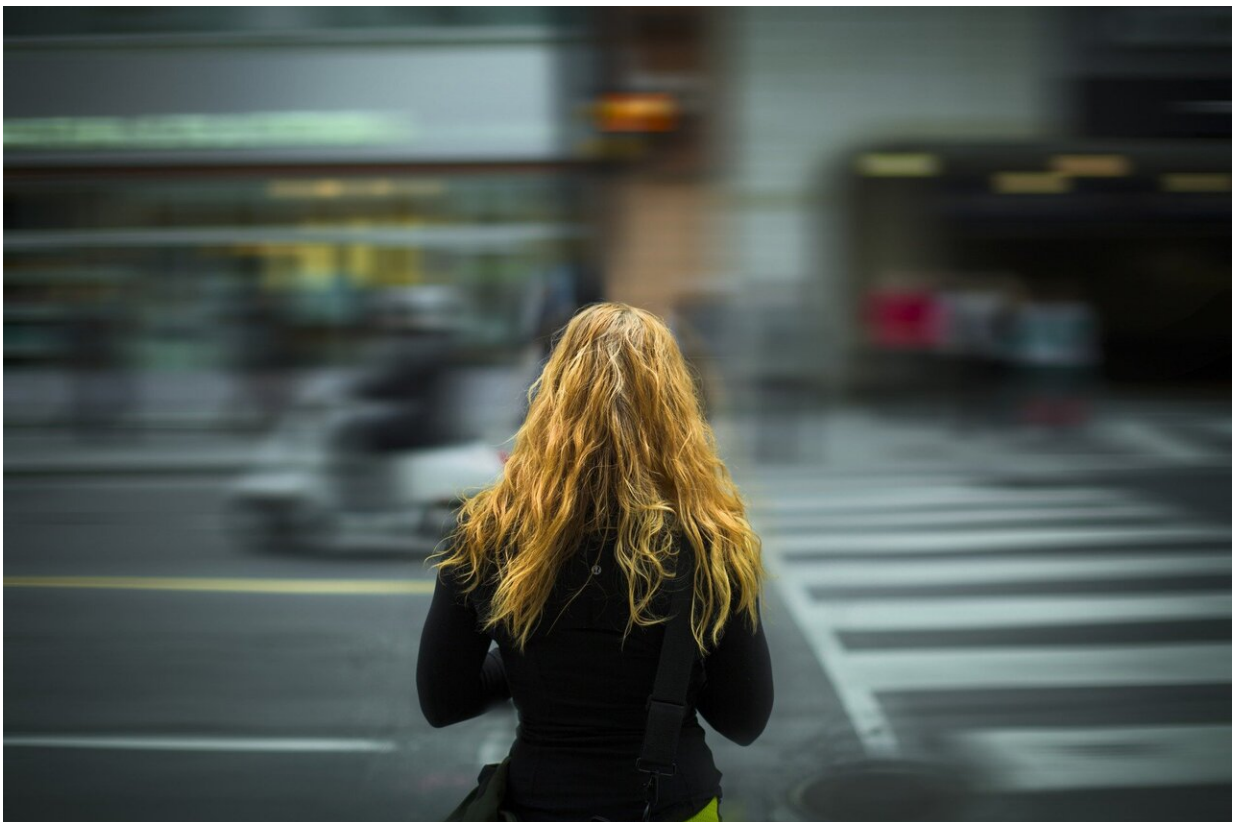


New study explores link between job losses and the health of young adults during the great recession

July 8 2022



Credit: CC0 Public Domain

A new study published in the journal *Health Economics* is the first to comprehensively examine the impact of job losses during the U.S. Great

Recession of 2008-09 on the mental health, physical health and the health behavior of young adults. Critically, researchers find young adults' living situation—whether they lived alone or with their parents—particularly affected whether they experienced negative mental and physical health impacts from job loss.

The study by Dickinson College economist Shamma Alam and Harvard T.H. Chan School of Public Health economist Bijetri Bose used Panel Study of Income Dynamics (PSID) data for [young adults](#) aged 18 to 27, a time associated with maturation and significant social, psychological and economic changes.

"The findings of this study offer some important nuances that [policy makers](#) should consider as they try to find ways to support young adults impacted by recessions," said Alam.

Family matters

The researchers found young adults living by themselves who suffered [job losses](#) were more likely to experience doctor-diagnosed mental-health problems. Job losses also led to statistically significant increases in the frequency of feeling discouraged about the future, the frequency of worry about future jobs and an overall increase in worry. While young adults living by themselves might face more [mental health issues](#) after a job loss, the researchers found no evidence that job losses during the Great Recession impacted physical health, health behavior and risky health behavior, like drinking or taking [illicit drugs](#).

In contrast, those job losses among [young people](#) living with their parents did not negatively affect their own well-being with one critical exception: Alam and Bose noted that fathers' job losses led to worse [mental health](#), physical health and health behavior outcomes for young adults living with their parents.

"The living situation is noteworthy," explained Alam. "Job losses of fathers, who are the primary earners in most households in our sample, cause more psychological pressure for young adults."

The study finds this increase in pressure is likely due to the loss of the main source of household income compounded by young adults being forced to take on important household financial responsibilities, possibly for the first time in their lives.

Money matters

The researchers also looked at how household wealth affected outcomes on young adults after a job loss. Low-wealth individuals suffered from increased worries, obesity and binge drinking following job loss.

Wealthier individuals were spared most of these effects, but the authors did note an increase in illicit drug use compared to the poorest individuals.

"We do see important differences in physical health and behavior by wealth, as poorer individuals tend to have worse outcomes compared to their wealthier peers," said Alam. "They end up worrying more about the future when they lose jobs and also face other health problems."

Further research

Alam and Bose have also studied the link between economic shock and physical inactivity, which could lead to worse [physical health](#) outcomes including increases in obesity. Additionally, they have studied links between the Great Recession and declining birth rates. Alam's academic interests focuses on different aspects of international development, such as [health economics](#) and health measurements, fertility issues, agricultural economics, public finance and microcredit.

More information: Shamma Adeeb Alam et al, Stepping into adulthood during a recession: Did job losses during the Great Recession impact health of young adults?, *Health Economics* (2022). [DOI: 10.1002/hec.4535](https://doi.org/10.1002/hec.4535)

Shamma Adeeb Alam et al, The Great Recession and Physical Activity of Young Adults, *American Journal of Lifestyle Medicine* (2021). [DOI: 10.1177/15598276211008400](https://doi.org/10.1177/15598276211008400)

Shamma Adeeb Alam et al, Did the Great Recession Affect Fertility? Examining the Impact of Job Displacements on the Timing of Births in the United States, *Southern Economic Journal* (2019). [DOI: 10.1002/soej.12408](https://doi.org/10.1002/soej.12408)

Provided by Dickinson College

Citation: New study explores link between job losses and the health of young adults during the great recession (2022, July 8) retrieved 9 May 2024 from <https://phys.org/news/2022-07-explores-link-job-losses-health.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.