The Psychological and Social Effects of Unemployment

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The concept of painless unemployment helped to justify public acceptance of recession as a necessary tool of public policy and to make less repugnant a steady chipping away of benefits and supportive social services for the jobless. Measures that would throw additional millions out of work became much more acceptable.

—11th report of the National Advisory Council on Economic Opportunity, June 1979

Our nation continues to grapple with a deep depression that colors and shapes all aspects of American life. After more than a year of massive unemployment, high interest rates, and a growing sense of vulnerability among working and non-working citizens, the promise of economic recovery remains simply that—an unfulfilled promise. These economic conditions are taking their toll on the health of our nation's citizens. Unemployment, in particular, touches every aspect of family and community life, resulting in higher divorce rates, increased incidence of alcoholism and drug abuse, child and spouse abuse, and juvenile delinquency.

Since the recession began in July 1981—more than one year ago—the number of individuals out of work has increased by over 2.5 million. The Department of Labor said that 9.5% of our nation's population, more than 10 million people, sought work in May of this year. And nearly 100,000 others in the first quarter of 1982 have dropped out of the active workforce altogether. These are the "discouraged workers," who cannot find work, who may have exhausted their unemployment compensation benefits, and who have begun to resign themselves to long stretches without employment.

Even these figures fail to account for the full extent of the problems caused by this economic disaster. Where are the figures or economic categories for those forced into early retirement after years of dedicated service as a result of abrupt plant closings or massive layoffs? Where do we account for our citizens who can only find part-time or low-paying, unskilled jobs—whose aspirations and abilities to work for a better and more...
secure life for themselves and their children have been transformed suddenly into a struggle for basic survival?

There are other victims of this recession. Labor statistics offer little insight into the lives of workers strained to the breaking point by long-term unemployment and plagued by stress-related conditions such as alcohol and drug abuse, depression, heightened family tensions, and chronic health problems.

M. Harvey Brenner, a Johns Hopkins University sociologist, has studied the effects of long-term unemployment on the health of the population. He found that when unemployment rose one percentage point, suicides increased 4.1%, homicides 5.7%, deaths from heart disease, liver cirrhosis, and other stress-related disorders, 1.9%, and 4.3% more men and 2.3% more women were admitted to mental hospitals. These alarming figures, compiled from analysis of 30 years of data, suggest a wide array of serious problems that may manifest themselves long after a recession ends.

The experience of unemployment has been physically and mentally debilitating for many people, and their ability to assume job responsibilities has been seriously undermined.

Work in America is the means whereby a person is tested as well as identified. It is the way a youngster becomes an adult. Work shapes the thoughts and life of the worker. A change in atmosphere and life-style can be effected by an individual by simply changing the way he or she makes a living. For most of us in adult life, being without work is not living.

—Secretary of Education Terrel H. Bell, in his former role as U.S. Commissioner of Education

You have to believe me that it wasn’t like this when I was working. This was a successful family—emotionally, I mean—before my wife and I lost our jobs. Things just fell apart in the last year.

—Detroit auto parts worker unemployed as a result of plant’s closing

Work is a fundamental aspect of the American experience. It provides our citizens with a reason and means by which to live. Nowhere has the scarcity of work had a more profound effect on the lives of the citizenry than in my own home state of Michigan. I have developed a special understanding of the value of work in my role as the senior Senator from a state now in its 29th month of double-digit unemployment. The work ethic is an integral part of the fabric of the lives of Michiganders, 617,000 of whom are currently unemployed. Highly industrialized Michigan, previously known for its skilled, well-paid, and secure labor force, has now held the dubious distinction of having the highest unemployment rate in the nation for two consecutive years. The painful toll of long-term unemployment is clearly evident in Michigan. Equally clear is the tenacity and courage of people who are determined to survive and to thrive under conditions that, for many, can only be described as desperate.

The serious predicament in Michigan raises profound questions about the responsibility of all levels of government to assist individuals and families in times of severe economic hardship. In the U.S. economy, health insurance is tied to employment. Consequently, an almost immediate result of unemployment is that precisely at the time when the unemployed worker and his or her family are undergoing severe stress, health insurance coverage is no longer available. In Michigan, 400,000 of the state’s workers have lost health insurance benefits as a result of the current recession. If an unemployed auto worker in Michigan were to maintain his or her health benefits after layoff, the financial contribution would be equivalent to 60% of the worker’s unemployment compensation check. This predicament forces the unemployed worker to make difficult and unreasonable choices among basic needs. Unemployed workers and their families become hesitant to seek health care services as just as stress-related health problems may be beginning to surface, allowing many minor problems to turn into serious health conditions.

Joblessness, coupled with the loss of health care benefits, also inhibits the ability of individuals and families to take preventive health care measures. Recent studies indicate that the nutritional needs of pregnant women and children are frequently neglected as a direct result of reduced family income from unemployment. The correlation between proper nutrition for pregnant women and healthy offspring has been well-documented. In fact, the infant mortality rate, which had steadily declined in Michigan, has now begun to rise, with a particularly alarming increase in Detroit.

Michigan researchers have also discovered that a high number of children of the unemployed suffer from digestive problems, irritability, and retarded physical and mental development. Louis Ferman from the University of Michigan has noted that these physical problems may result from a decrease in parental nurturance. Unemployed parents are often too worried about mere survival to meet other essential developmental needs. During the past year, the number of children receiving...
psychological counseling because of problems related to their parents' unemployment has risen nearly 30% at Children's Hospital of Michigan. At the same time the number of substantiated reports of child abuse and neglect in Wayne County rose from 815 to 1,112—an increase of 36%.

The increased incidence of alcoholism and drug abuse has been noted in virtually every research study on the social effects of joblessness. Michigan treats approximately 75,000–85,000 victims of alcohol and drug abuse each year in publicly supported facilities. Approximately 70% of those undergoing treatment are experiencing alcohol-related problems. In the last four years, the number of unemployed clients in alcohol-related treatment has increased by 12%. In the first six months of this year, 30% of the individuals seeking treatment for drug abuse were unemployed. Unemployed workers may turn to drugs and alcohol to deal with depression and to alleviate the tedium of days no longer structured around work. Alcohol and drug abuse can exacerbate social problems also linked to long-term unemployment such as spouse abuse, child abuse, and crime and can intensify the depression, anxiety, and feelings of despair that inspired misuse in the first place.

The social services network in Michigan, both public and private, has long been known as both progressive and responsive. Nevertheless, Michigan's continuing severe economic crisis has eroded the ability of this network of service providers to meet the needs of the many citizens in deep financial and, in many cases, emotional trouble. Ironically and regrettably, the increased demand for social services, health care, and income assistance has been met in Michigan and across the nation by massive cutbacks in federal support for these programs. The federal contributions to programs created and designed to meet the needs of individuals and families in economic distress—unemployment compensation, Aid to Families with Dependent Children, Food Stamps, Medicare-Medicaid, child nutrition, child abuse prevention, alcoholism and drug abuse treatment services—have been reduced under the Reagan administration by 25% to 50%. At the same time, eligibility requirements for income assistance programs have been tightened, denying benefits to many of the unemployed while providing work disincentives to the working poor.

The more than 10 million Americans now out of work merit our immediate and urgent attention. In their June 1979 report, the National Advisory Council on Economic Opportunity offered this conclusion regarding unemployment: "The Council stresses that when high unemployment is an inevitable part of the economy, the nation should greatly increase the support available to those out of work and others who are affected."

This Administration's lack of commitment to the unemployed will have a lasting impact on future generations. Our nation will be forced to deal with the results of this recession for many years. Instead of looking at the damage its economic policies have done to the people of this country, this Administration has provided an enormous increase for the defense budget, placing it at the top of the list of national priorities at the expense of the working poor, the elderly, and the disadvantaged.

There has been one encouraging development from this otherwise grim situation. Increasing numbers of people and organizations are working to lend assistance to those in need. Religious and private service-oriented organizations are responding to the plight of those caught in the middle during these difficult times. The United Community Services of Metropolitan Detroit, for instance, has printed and distributed approximately 4.5 million pamphlets advising people on how to survive unemployment and personal crisis, how to cope with the emotional impact of unemployment, and how to search for jobs and take advantage of opportunities for retraining. Other organizations are distributing food to needy families. Some families are responding to their crisis by spending more time together, creating a closer bond of understanding.

I hope that this trend will continue and that the people of this country will choose to rearrange our national priorities to include those who are in need of assistance. I also hope that as a nation we will encourage a greater sense of compassion and empathy for our fellow Americans as well as for citizens of other nations.