

New research confirms connection between job loss and poor health

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Employees who lose their jobs because of their health suffer more significant depression and detrimental health outcomes than people who lose their jobs for non-health reasons, new research shows.

The study also suggests that people who are reemployed quickly have better health outcomes than those who remain unemployed.

It's not clear how many people involuntarily lose their jobs for health-related reasons, but shaping policy to meet the needs of this population of the unemployed is critical, a University of Michigan professor says.

"We need to know more about this population for intervention and policy reasons," said Sarah Burgard, assistant professor of sociology with appointments in the Institute for Social Research and the School of Public Health. "Re-employment appears to be key for mitigating these health effects for people who lose their jobs---either for health-related reasons or other reasons, say a layoff."

Much existing research suggests a link between involuntary job loss and health consequences, but those analyses don't account for an employee's pre-existing health or other outside factors, such as socioeconomic background, that may actually make the link spurious

People who have lost their jobs and want to get back to work may need the assistance of interim health insurance coverage, unemployment benefits, and re-employment programs. This may be particularly true for

people who have health problems that caused them to lose their jobs. However, these traditional employment benefits were designed to meet the needs of workers in standard full-time jobs,

Increasingly, part-time, temporary or short-term service industry jobs are replacing the standard, full-time jobs disappearing from manufacturing and other industries, and the new jobs often lack health insurance coverage or unemployment insurance eligibility. This means that people working part-time or with other nonstandard employment contracts will face the greatest challenges getting back into the labor force if they experience a job loss; they don't benefit from these programs, Burgard says.

These findings underscore the social and economic importance of structuring health insurance, unemployment benefits, and re-employment programs to meet the needs of an evolving workforce, as nonstandard employment contracts become more common. For example, since health insurance is often tied to full-time, long term employment, the most vulnerable workers in the new service economy have no access to employer-sponsored health care while they are employed. After a job loss for health reasons, such workers would have few resources to aid recover and help with a new job search, she says.

Burgard and her co-authors, James House, professor at the U-M Institute for Social Research, the Ford School of Public Policy and the sociology department, and Jennie Brand, assistant professor of sociology at the University of California, Los Angeles, improved on existing research by distinguishing between health-related job losses and other involuntary job losses, such as layoffs, to reassess the effect of involuntary job loss on health. Burgard and her co-authors wanted to know if involuntary job loss caused the health decline, or if pre-existing poor health or an acute negative health shock caused the job loss, which then precipitated an even greater health decline.

Source: University of Michigan

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