

Recovering from job loss: Most report few long-term psychological effects, study finds

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Losing a job is a profoundly distressing experience, but the unemployed may be more resilient than previously believed – the vast majority eventually end up as satisfied with life as they were before they lost their jobs, according to a new analysis published by the American Psychological Association.

"[Unemployment](#) rates continue to be historically high in the United States and other countries," said the study's lead author, Isaac Galatzer-Levy, PhD, who is now at New York University School of Medicine. "There's a real concern that this will have long-term implications on the mental well-being of a large portion of the work force. But this analysis suggests that people are able to cope with a job loss relatively well over time."

Galatzer-Levy and his colleagues analyzed results of the German Socioeconomic Panel Data study. This is a nationally representative survey of German households conducted yearly from 1984 to 2003. Their findings are published in the latest issue of the *Journal of Neuroscience, Psychology and Economics*.

For this analysis, the researchers used data from 774 participants who had all lost their jobs at some point during the study. Included in this analysis were the participants' own reports of well-being in the three years before they lost their jobs until four years after the job loss. Specifically, they were asked, "How satisfied are you nowadays with your life as a whole?" Respondents rated this question on a scale of 0 to

10, with 10 being completely satisfied. They were also asked about their sex, age, education and employment status. The researchers also gathered national and regional unemployment rates during the time of the study.

"Because we used a large representative sample, unemployment follows broad economic trends in Germany," said Galatzer-Levy. "Just like in the current climate, these are people who are losing jobs not due to fault of their own, but because they're the victims of large market forces."

The researchers divided the participants into four groups based on their life satisfaction reports. The largest group (69 percent) reported a relatively high and stable level of life satisfaction before losing their jobs. These people were more likely to be negatively affected at the time they lost their jobs but a year later, their average life satisfaction had returned to its pre-unemployment level. The researchers also observed that people in this group were no more or less likely to regain employment by the end of the study.

For the second largest group, 15 percent of respondents, their well-being was gradually improving before losing their jobs and then leveled off in the four years following their unemployment.

Another group (13 percent) reported relatively low levels of life satisfaction before job loss, and their levels stayed more or less the same throughout the time of the researchers' analysis.

Well-being levels among the smallest group (4 percent) were already declining in the years leading up to unemployment and continued to decline after job loss until it began to go back up in the third year. But these people never fully returned to pre-unemployment levels, according to the findings. This last group was also the least likely to be re-employed in the years after they lost their jobs.

"Previous analysis of this same data suggested that people never really returned to pre-unemployment levels of [life satisfaction](#). Using a different analytical model, we are able to identify these distinct patterns that are more representative of people's different responses to unemployment," said Galatzer-Levy. "Our model suggests responses to unemployment do not represent a unified phenomenon as previously believed. In fact, most people cope well with this event and report few long-term effects on their overall well-being."

The findings are quite similar to a pattern of resilience psychologists see across a wide range of stressful events, according to the study's co-author, George Bonanno, PhD, a psychology professor at Columbia University. "We've looked at other traumatic events such as the death of a loved one, terrorist attack, traumatic injury, and we generally always see high proportions of resilience. This is one of the first studies to show that this same pattern relates to unemployment," he said.

Furthermore, they found that broad economic patterns have a strong effect on people's sense of well-being before but not during unemployment. Also, people seemed to be more negatively affected by regional unemployment rates than national unemployment rates.

"This suggests that people are more stressed out when they fear losing their jobs than they are when they actually get laid off," said Bonanno. "When massive job layoffs come closer to home and are observed in their communities, people are more likely to feel they are next and their well-being drops significantly as a result."

More information: Article: "From Marienthal to Latent Growth Mixture Modeling: A Return to the Exploration of Individual Differences in Response to Unemployment," Isaac R. Galatzer-Levy and George A. Bonanno, PhD, Columbia University; Anthony D. Mancini, PhD, Pace University. *Journal of Neuroscience, Psychology and*

Economics, Vol. 3, No.2.

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