

Effect of national minimum wage 'similar to prescribing antidepressants'

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A new study finds that low-paid workers who received the national minimum wage in April 1999 reported a decline in symptoms of depression for at least 22 months afterwards.

Through statistically modelling, researchers found a significant improvement in the overall level of mental health in those receiving the national [minimum wage](#) equivalent to the effect of taking antidepressants. The paper, published in the journal *Health Economics*,

concludes that wage rises for low-paid [workers](#) reduce feelings of anxiety and depression partly, at least, because they are under less financial strain.

The study is led by the University of Oxford, with the London School of Hygiene and Tropical Medicine; the Erasmus University Medical Centre in Rotterdam, Netherlands; and the University of Liverpool. It examines changes in health among those earning less than £3.60 an hour in 1998 after they receive an hourly wage of between £3.60 and £4.00 due to the introduction of the national minimum wage in 1999. This created a rare so-called [natural experiment](#) because some workers received the wage increase but others did not (either because they already received the national minimum wage or were slightly above, or because their employers did not comply). The researchers used this natural experiment study design to compare workers' health before and after their wage rise with other low-paid workers whose wages did not increase at the time.

Researchers analysed data from the British Household Panel Survey, a nationally representative longitudinal survey of approximately 5,500 households and 10,000 individuals, covering 1991 to 2009. They focused, in particular, on survey responses in the months leading up to the introduction of the national minimum wage and the months directly afterwards. The survey included a General Health Questionnaire, a validated diagnostic tool for assessing common mental health problems such as depression, in which respondents were asked to score how they felt. The survey also asked whether respondents felt 'constantly under strain' or 'unhappy and depressed', high blood pressure, as well as how many cigarettes they smoked.

The study finds substantial mental-health improvements in workers whose wages increased due to the national minimum wage. The difference in the scores after the wage rise was measured using the General Health Questionnaire and was equivalent to the effect estimated

for taking antidepressants. These improvements, however, were not seen in people who had similar social and economic backgrounds but did not receive a wage rise.

One argument against [wage increases](#) for the low paid has been that they could lead to a rise in health damaging behaviours, such as smoking, or worsen working conditions. The study finds no evidence to show that wage rises for this group in 1999 led to low-paid worker smoking more cigarettes than they did before. It also did not find workers had fewer hours of work or were more likely to lose jobs.

Lead author Dr Aaron Reeves, from Oxford's Department of Sociology, said: 'This study proves that wage rises significantly improve the mental health of low-paid workers. This suggests that the new national living wage is likely to have a similar positive effect in the short-term for low-wage workers.'

Professor David Stuckler, also from the University of Oxford, added: 'Our study found that increasing wages for low-income workers can have as powerful an effect on mental health as prescribing antidepressants.'

Professor Martin McKee, from the London School of Hygiene and Tropical Medicine, commented: 'The publication of the study coincides with the introduction of the national living wage and makes an important contribution to the debate on low pay in the UK. So far, it has focused on jobs and profits of employers but, as our research shows, increasing the income of the lowest paid can make an important contribution to their [mental health](#) at a time when the NHS faces unprecedented pressure.'

More information: Aaron Reeves et al. Introduction of a National Minimum Wage Reduced Depressive Symptoms in Low-Wage Workers: A Quasi-Natural Experiment in the UK, *Health Economics* (2016). [DOI:](#)

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