

The relationship between recessions and health

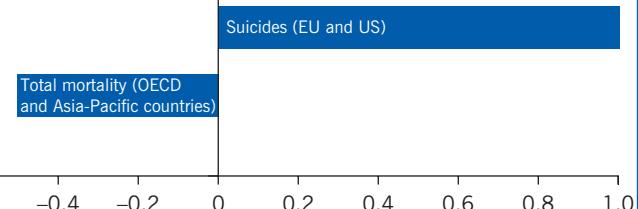
Economic recessions seem to reduce overall mortality rates, but increase suicides and mental health problems

Keywords: recessions, unemployment, mortality, suicides, health, mental health

ELEVATOR PITCH

Recessions are complex events that affect personal health and behavior via various potentially opposing mechanisms. While recessions are known to have negative effects on mental health and lead to an increase in suicides, it has been proven that they reduce mortality rates. A general health policy agenda in relation to recessions remains ambiguous due to the lack of consistency between different individual- and country-level approaches. However, aggregate regional patterns provide valuable information, and local social planners could use them to design region-specific policy responses to mitigate the negative health effects caused by recessions.

Decline in total mortality and increase in suicides when unemployment increases



Note: Bars correspond to a weighted average result when unemployment increases by one percentage point. Studies use comparable panel data techniques, but different time periods, ranging from 1960 to 2010.

Source: [1], [2], [3], [4], Stuckler, D., S. Basu, M. Suharcke, A. Coutts, and M. McKee. "The public health effect of economic crises and alternative policy responses in Europe: An empirical analysis." *The Lancet* 374 (2009): 315–323.

IZA
 World of Labor

KEY FINDINGS

Pros

- ⊕ Substantial country-level research shows that mortality declines (i.e. people live longer) during recessions.
- ⊕ Recessions can make more time available for individuals to lead a healthy lifestyle.
- ⊕ Motor vehicle deaths have been shown to decrease during recessions.
- ⊕ Some studies suggest that during recessions the stigma of being unemployed decreases.

Cons

- ⊖ A plethora of individual-level studies show that recessions lead to adverse mental health, especially for working-age and low-income people.
- ⊖ The number of suicides appears to increase during periods of recession.
- ⊖ Income loss due to recessions decreases investments in health-enhancing goods and services.
- ⊖ Austerity measures that may be common during recessions, such as budget cuts to social welfare, mainly affect vulnerable population groups and the long-term unemployed.

AUTHOR'S MAIN MESSAGE

Evaluations of the health-related impacts of economic recessions have shown inconsistent results. However, if recessions cause a greater deterioration in individuals' mental health and a larger number of suicides, then governments should be motivated to work even harder to recover the world's economies after downturns occur. Governments should acknowledge that the potential impact of recessions on people's health depends on the extent to which people are protected from vulnerability. Welfare policies, such as labor market programs, debt relief programs, and access to health and mental health services, should thus play a significant role as a mediator in the relationship between recessions and health.