

Bad Economy Can Affect Health

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Despite the collapse of housing and credit markets and the inflation-induced rise in crude oil and gas prices, the US economy has so far avoided the official designation of being in recession. We prefer to reassure ourselves with euphemisms such as economic “downturn” or “lull” or “slowdown.”

Recent employment reports, however, provide little comfort to those who want to work but can't find a job.

The Bureau of Labor Statistics reports that in April the nation's unemployment rate fell by one-tenth of a percentage point to 5 percent, yet the national economy lost another 20,000 jobs since the March report on top of job losses that totaled 240,000 in the first three months of 2008.

Similarly, the Nevada Department of Employment, Training, and Rehabilitation reports that the state's unemployment rate dipped by one-tenth of a percentage point to 5.7 percent in April, yet was still 1.1 percentage points higher than a year ago. Particularly hard hit have been the construction and casino gaming sectors in Nevada, which have shed, respectively, an estimated 11,000 and 3,000 jobs over the past year.

Additionally, the “long term” unemployed – that is, those who have been looking for work for more than half a year and still are out of work – represent nearly one-in-five unemployed workers (17.8 percent) as compared to 11.1 percent in 2001.

And, when the official unemployment rate of 5.1 percent is combined with those who want to work but are discouraged from working and those working part time because they can't find full-time jobs, the nation's “unofficial” unemployment rate currently stands at 9.2 percent – nearly two percentage points higher than at the start of the last recession.

From a public health perspective, the prospect of rising unemployment always has been of concern given the well-documented relationship between involuntary job loss and adverse health outcomes.

The health-damaging consequences of unemployment include poorer physical health, mental health problems and negative health behaviors such as immoderate alcohol consumption and drug use in the short run, to elevated risk of suicide, chronic disease and disability, and mortality over the long term.

In addition to the obvious financial strains associated with job loss, rising unemployment acts to reduce social support, self-esteem, and resistance to disease for the unemployed and their families,

as well as those who remain employed in highly stressed workplaces and industry sectors experiencing the greatest job losses.

All things being equal, job loss is bad for one's health and rising unemployment is bad for most measures of population health.

One current concern is those who have exhausted regular unemployment benefits or soon will. Congress did not include a temporary extension of unemployment benefits in the stimulus package passed earlier this year.

On top of the loss of income, economic security, and precarious unemployment benefits associated with job loss is the "double whammy" of also losing one's employment-based health insurance. While employer-sponsored health insurance has been eroding for the past decade, more than 60 percent of adults still are covered through employment-based plans.

A recent report from the Kaiser Commission on Medicaid and the Uninsured concluded that for every one point rise in the nation's unemployment rate, the number of uninsured is projected to increase by 1.1 million people. The number of uninsured, which has grown relentlessly in good economic times and bad for the past 15 years, currently stands at 46.5 million or 16 percent of the US population.

The same report projects that for every percentage-point increase in the unemployment rate, Medicaid and State Child Health Insurance Program (SCHIP) Programs would increase by 600,000 children and 400,000 nonelderly adults – enrollment jumps with an estimated price tag of \$3.4 billion, of which \$1.4 billion would come from state budgets.

Given that 27 states, including Nevada, are forecasting a budget deficit for fiscal year 2009 and at least a dozen states are proposing cuts to current Medicaid and SHIP Programs, the report concludes that "Medicaid and other assistance is most likely to be cut when state residents have the greatest need for help."

Economic recessions and associated unemployment are part and parcel of life in a market economy. How public policies respond to the periodic problem of unemployment, though, remains literally a matter of life and death.

The most comprehensive source of information on health insurance coverage and the Kaiser Commission report on the impact of rising unemployment can be found at the Kaiser Family Foundation Web site at www.kff.org.

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