

Worklessness and Wellbeing: What is the Evidence?

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what works
wellbeing



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Looking at the evidence (1)



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- **Already a lot of evidence about levels of wellbeing associated with being in different work(lessness) states.**
 - **This is useful information for policy targeting (which groups are the worst off?), but doesn't necessarily tell us how best to improve wellbeing – for that we need causal effects of different transitions or policy interventions.**
 - **In this review, we focus on the effects of transitions into or out of worklessness on wellbeing**
 - Future reviews look at effects of wellbeing on transitions, and at effects of 'welfare-to-work' interventions on wellbeing.

Looking at the evidence (2)



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- **Systematic Review focussing on 99 studies containing the best evidence (narrowed down from 4,028 papers identified in scientific databases).**
 - **Focus is on causal effects, so include mainly studies looking directly at changes (e.g. transition into unemployment and accompanying change in wellbeing, longitudinal evidence).**
 - **4 groups of studies:**
 1. Unemployment (49 studies)
 2. Re-entry to employment or job-job transitions (9 studies)
 3. School to work transitions (9 studies)
 4. Retirement (32 studies)
 - **2 and 3 are highly policy relevant but there appears to be limited evidence...**



How is wellbeing measured?

- **We look at personal wellbeing as measured by:**
 - life satisfaction
 - happiness
 - anxiety
 - depression
 - other generic mental health measures
 - self efficacy
 - etc
- **Previous reviews (esp of unemployment) tended to focus on mental health, studies of YP and unemployment look at self-efficacy, studies of retirement look at anxiety and depression**

Unemployment and wellbeing



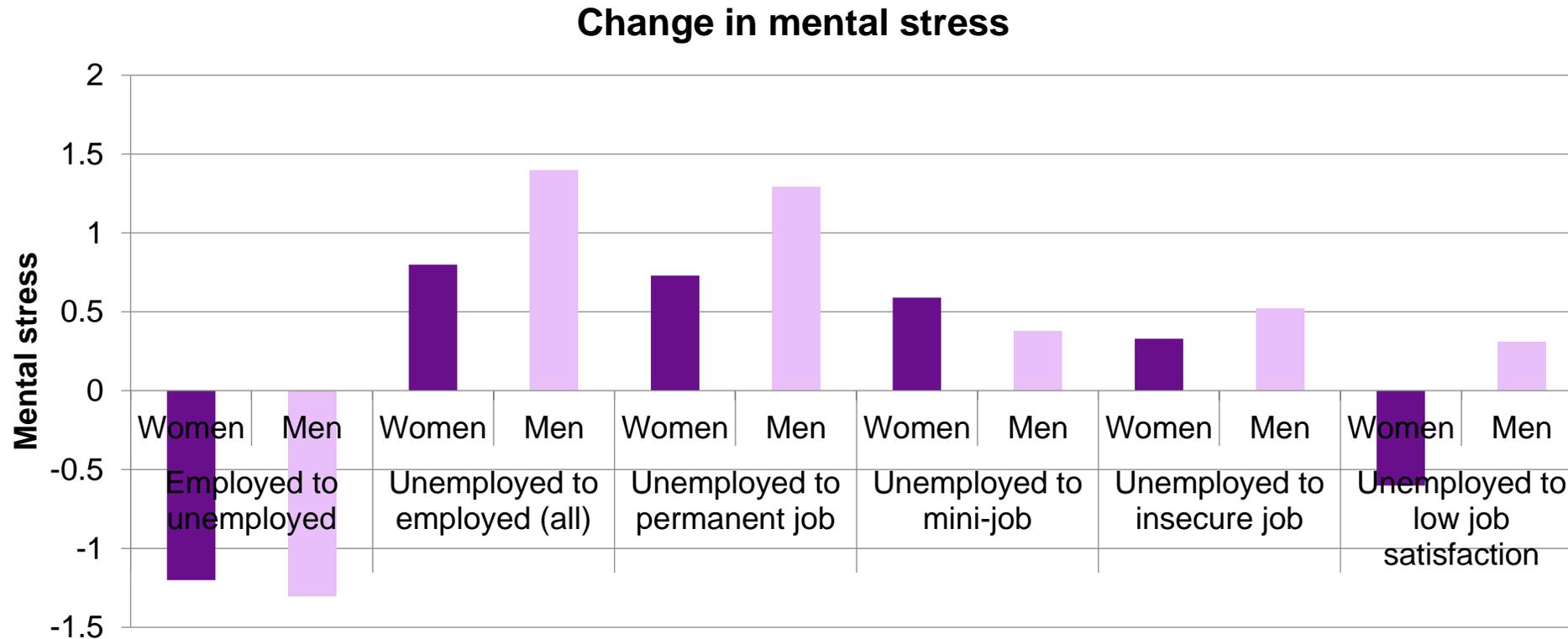
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- **Unemployment is always bad for wellbeing**
 - Wellbeing declines on job loss and does not recover (little / no adaptation).
 - Wellbeing may even decline further for young people.
 - Even after re-employment, past unemployment has a scarring effect on wellbeing (though it may help reduce effect of later spells of unemployment – habituation).
 - Unemployment also affects spouse's wellbeing.

Unemployment and re-employment



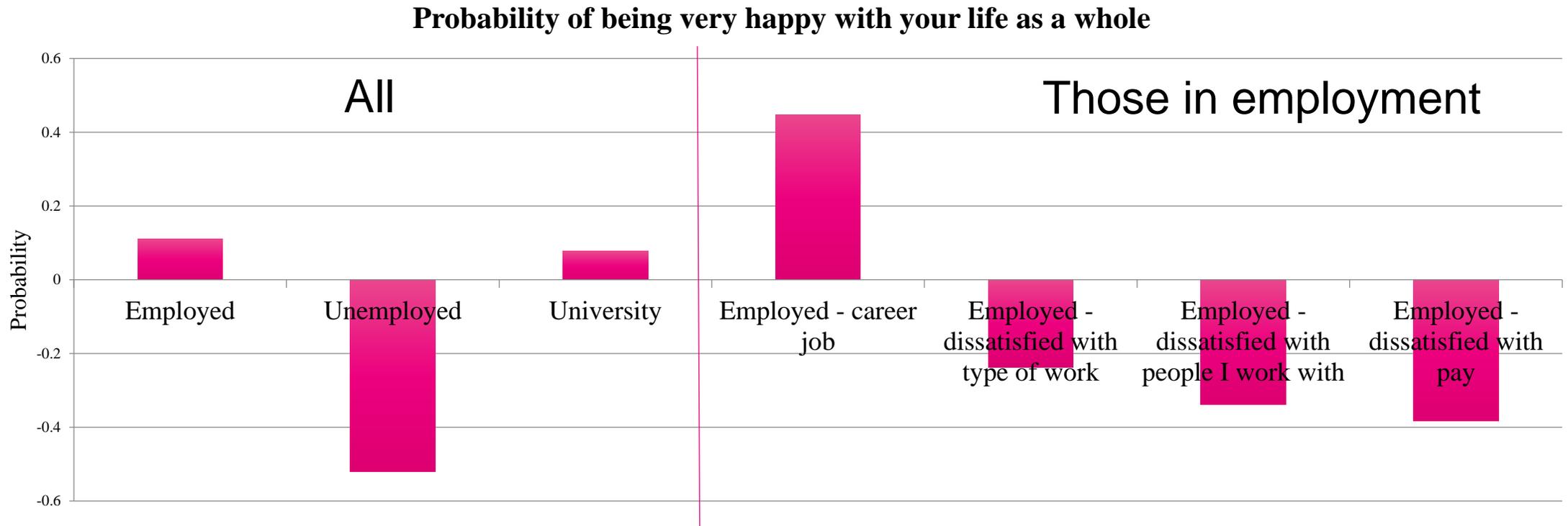
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- **Re-employment is good for wellbeing**
 - But less good for entry into jobs with less prestige, lower pay or lower autonomy.
 - Also less good for entry into temporary jobs (and wellbeing declines if move from standard to non-standard employment).
 - Bad job may be worse than no job for young people's happiness.
 - **Effects of (un)employment transitions appear bigger for men (because of gender norms or specialisation?)**
 - Bigger direct effect and more scarring (though also more habituation).
 - But men experience a bigger rebound on regaining employment.
 - Female spouses may be more affected by male's unemployment than vice versa.

Example: Work transitions and mental health – gender differences



Reference: Llena-Nozal, A., *The Effect of Work Status and Working Conditions on Mental Health in Four OECD Countries*. National Institute Economic Review, 2009(209): p. 72-87.

Example: Transitions from school



Reference: Dockery, A.M., *The Happiness of Young Australians: Empirical Evidence on the Role of Labour Market Experience*. *Economic Record*, 2005. **81**(255): p. 322-335.

Can anything mitigate the negative effect of unemployment?



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- **Other people being unemployed**
 - The higher the local unemployment rate the smaller the reduction in wellbeing (mental health) from being unemployed – likely due to social comparison or norm effects.
 - **Personality (Big 5 traits)**
 - Extraverts suffer less but conscientious individuals suffer more (life satisfaction)
 - **“Employability” (e.g. skills and adaptability)**
 - **Social capital?**
 - Little evidence of mitigating effects from most social participation activities, including voluntary work.
 - But regular religious attendance has buffering effect.
 - **Social support from family and friends**

Policy implications – for discussion



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- **Unemployment is bad, and effects go well beyond earnings loss and affect other household members.**
 - **For max wellbeing boost after unemployment, policy should focus on good quality, sustainable jobs (apprenticeships for YP).**



Moving into retirement (1)

- **Is retirement good or bad for wellbeing?**
- **It all depends... a key element is choice**
- **Wellbeing improves if retirement is anticipated**
- **Wellbeing declines if retirement is involuntary**
 - Especially if due to poor health (less so if for organisational reasons)
- **But note wellbeing change depends on both the quality of the job and the quality of retirement**
 - E.g. wellbeing may only increase because job is so bad or may fall because of low income

Moving into retirement (2)



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- **Evidence that retiring from low-status jobs improves wellbeing; opposite for high-status jobs.**
 - **But also some evidence that retirement lowers wellbeing for the low educated but raises it for the highly educated**
 - Better educated have better pensions, but is education also a marker for other coping strategies?
 - **Bridge jobs can help manage the transition, especially if voluntary and motivated by enjoyment or social concerns.**
 - **Household factors may also matter (mainly for men)**
 - Larger improvement of wellbeing on retirement for men whose wives don't work or who experienced work-life conflict in mid-life

Policy implications – for discussion



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- **Measures to increase control over retirement timing and resources would increase wellbeing**
 - Support for pension saving and planning
 - Help workers with health problems stay in work
 - **Note current policy to induce later working operates by making retirement less attractive relative to work.**
 - Could measures to increase job quality have similar effects?
 - Role for bridge jobs

Missing from the evidence base?



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- **Only 1 study (US) examines links between unemployment and wellbeing with ethnicity.**
 - **No UK longitudinal study on the impact on wellbeing of various transitions from school into HE, employment or unemployment.**
 - **Limited evidence on the impact of parental leave upon wellbeing.**
 - **No studies of retirement which look at ethnicity**

Next steps



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- **Response and publicise 1st SR**
 - **Future reviews look at effects of wellbeing on transitions, and at effects of ‘welfare-to-work’ interventions on wellbeing.**

THANK YOU!

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