Worklessness and Wellbeing: What is the Evidence?

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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.
• Systematic Review focusing 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

- **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

• **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

Change in mental stress

Example: Transitions from school

Can anything mitigate the negative effect of unemployment?

- **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

• 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).
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
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

• **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?

- 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

- 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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