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Article

The impact of housing payment problems on health status during economic recession: A comparative analysis of longitudinal EU SILC data of 27 European states, 2008–2010



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ABSTRACT

Although the recent Great Recession had its origins in the housing sector, the short-term health impact of the housing crisis is not well understood. We used longitudinal data to evaluate the impact of housing payment problems on health status among home-owners and renters in 27 European states. Multi-level and fixed-effects models were applied to a retrospective cohort drawn from the EU Statistics on Income and Living Conditions survey of employed persons, comprising those without housing arrears in the base year 2008 and followed through to 2010 ($n=45,457$ persons, 136,371 person-years). Multi-variate models tested the impact of transitioning into housing payment arrears on self-reported health (0-worst to 4-best), adjusting for confounders including age, sex, baseline health, and individual fixed effects. Transitioning into housing arrears was associated with a significant deterioration in the health of renters (-0.09 units, 95% CI -0.05 to -0.13), but not owners (0.00, 95% CI -0.05 to 0.06), after adjusting for individual fixed effects. This effect was independent of and greater than the impact of job loss for the full sample (-0.05 , 95% CI -0.002 to -0.09). The magnitude of this association varied across countries; the largest adverse associations were observed for renters in Belgium, Austria, and Italy. There was no observed protective association of differing categories of social protection or of the housing regulatory structure for renters. Women aged 30 and over who rented appeared to have worse self-reported health when transitioning into arrears than other groups. Renters also fared worse in those countries where house prices were escalating. We therefore find that housing payment problems are a significant risk factor for worse-self reported health in persons who are renting their homes. Future research is needed to understand potential sources of health resilience among renters, especially at a time when housing prices are rising in many European states.

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Introduction

The recent Great Recession had its origins in the U.S. housing market, as growing numbers of people fell into rent or mortgage arrears. However, research on the health effects of the recent crisis has focused primarily upon the consequences of job loss and, to a lesser extent, on homelessness, with relatively little attention paid to impact of housing payment problems (Burgard & Kalousova, 2015). This is perhaps surprising given the importance of housing as a determinant of health (Britten, 1934; Muir Gray, 1978; Pevalin,

Taylor, & Todd, 2008; Thomson & Thomas, 2015; Thomson, Thomas, Sellstrom, & Petticrew, 2013; Winslow, 1937) and the large number of families who have fallen into rent or mortgage arrears during the recession, estimated to be around 3.5 million people across Europe.

Yet as shown in Table 1, not all countries fared equally during the Great Recession. Some countries, such as Italy, saw a slight decline in arrears, falling from 4.3% in 2008 to 4.2% in 2010, while Greece (among others) experienced a substantial rise, from 5.5% to 10.2% during this same period. These marked differences create a unique opportunity to investigate how housing payment problems influence health.

Housing arrears is one of the so-called 'soft' ways in which housing influences health (Shaw, 2004), especially mental health,

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Table 1
Prevalence of housing payment arrears in Europe, 2008 and 2010.

	2008	2010	Change 2008–2010
Iceland	5.5	11.2	5.7
Greece	5.5	10.2	4.7
Slovakia	3.0	6.8	3.8
Latvia	3.2	5.8	2.6
Cyprus	3.4	5.6	2.2
Portugal	2.8	4.8	2.0
Spain	4.5	6.4	1.9
Hungary	3.8	5.6	1.8
Denmark	1.1	2.7	1.6
Estonia	1.1	2.7	1.6
Czech Republic	2.3	3.5	1.2
United Kingdom	3.7	4.8	1.1
Lithuania	0.5	1.3	0.8
Netherlands	2.4	3.1	0.7
EU 27	3.3	4.0	0.7
Sweden	1.7	2.3	0.6
Poland	0.6	1.0	0.4
France	5.8	6.1	0.3
Luxembourg	1.1	1.4	0.3
Finland	4.4	4.7	0.3
Bulgaria	1.5	1.7	0.2
Belgium	3.3	3.4	0.1
Austria	3.9	3.9	0.0
Romania	0.6	0.6	0.0
Italy	4.3	4.2	–0.1
Norway	5.0	4.8	–0.2
Slovenia	2.7	2.4	–0.3
Malta	1.5	1.1	–0.4

Notes: Data from Eurostat (n.d.). The average across the 27 countries was 0.7, as such 13 countries are above average and 13 are below, with the Netherlands reporting the average number of arrears.

alongside the ‘hard’, physical impacts of the infrastructure itself, such as damp, mould, and cold. A growing body of scholarship indicates that people who experience housing insecurity, independent of other financial difficulties, experience declines in mental health (Gili, Roca, Basu, McKee, & Stuckler, 2012; Keene, Cowan & Baker, 2015; Meltzer, Bebbington, Brugh, Farrell & Jenkins, 2013; Meltzer et al., 2011; Nettleton & Burrows, 1998). In Australia, analysis of the longitudinal HILDA dataset found that those in lower income households who had moved into unaffordable housing experienced a worsening in mental health (Bentley, Baker, Mason, Subramanian, & Kavanagh, 2011), with male renters faring worse (Bentley, Baker & Mason, 2012; Mason, Baker, Blakely, & Bentley, 2013). Similarly, research comparing US cities found that foreclosures were associated with greater rates of hospital visits (Currie & Tekin, 2011). A qualitative study in five US cities, which included 14 focus groups of low- and mid-income homeowners facing foreclosure as well as foreclosure avoidance professionals, identified housing payment difficulties as a major trigger of psychological feelings of insecurity and worse mental health (Libman, Fields, & Saegert, 2012). Evidence from the US also suggests that foreclosure and eviction during the housing crisis was associated with increased suicide rates (Fowler, Gladden, Vagi, Barnes, & Frazier, 2015; Houle & Light, 2014).

Here we seek to expand this literature by investigating how housing payment arrears are related to people's health in Europe, and, based on previous findings, how this impact varies across countries, tenures and individual characteristics. The relationship between housing payment arrears and health will likely vary according to housing tenure given the different circumstances of renters and owners in many nations. Renters tend to have fewer savings, including a lack of equity associated with home ownership, which may render housing hardship more hazardous (Kemeny, 1978; Lowe, 2004; Mason et al., 2013). Such differences in

outcomes by tenure have been identified in other nations including Australia and the USA (Bentley et al., 2011; Bentley et al., 2012; Mason et al., 2013), here we investigate whether the same is true in Europe.

The health impacts of economic shocks such as job loss have been shown to vary across countries dependent on social support and protection, a stark example being the difference between Iceland and Greece's responses and resulting health issues during the Great Recession (Stuckler & Basu, 2013). Housing market characteristics, such as prices and the ownership rate, vary considerably across Europe, as do levels of social protection and informal social support, such as social capital. Here we investigate whether experiencing housing payment problems has different consequences, including health impacts, depending on where a person lives and what differences in social support may best explain this variation.

Both owners and renters risk housing payment problems, with potentially differing consequences for health. Renters are more likely to experience homelessness as a result of arrears, whereas those who have mortgages face the potential additional loss of substantial accumulated capital. However, owners may also have greater resilience, resulting from greater financial resources and housing market options. To our knowledge, while it is very plausible that renters may be more vulnerable than those with a mortgage, few studies have sought to differentiate these groups (Mason et al., 2013; Pollack, Griffin, & Lynch, 2010).

The causes and consequences of transitioning into housing payment arrears are similarly likely to vary according to individual characteristics and life stages. Women, who often still take on the bulk of caring duties, may experience a greater reduction in health when facing payment problems than men, for example, although Australian evidence suggests that men may fare worse and evidence from Britain indicates men are more likely to seek medical support (Nettleton & Burrows, 1998). Older people who fall into arrears may have fewer options available to them, increasing the risk of health consequences. In contrast, younger adults may have fewer resources available, having had less time to accumulate savings for example, but may have parental support.

Using the only source of longitudinal data from 27 European nations which covers both housing and health data, we test the hypotheses that transitioning into housing arrears worsens people's health and that this effect is worse for renters than owners, varies across countries and according to individual characteristics.

Methods

Data sources

We use the 2010 longitudinal EU-SILC dataset to construct a retrospective cohort of employed persons who had no housing payment arrears in 2008. Details of EU SILC have been described elsewhere (Arora et al., 2015; Europa, 2015; Iacovou, Kaminska, & Levy, 2012), but briefly it uses a four-year rotating panel sample with 25% of the sample being replaced in each wave. The precise methods of data collection vary across the (then) 27 Member States, although standards are set centrally. Following previous analyses of effects of the Great Recession (Gili et al., 2012; Reeves, Basu, Meissner, McKee, & Stuckler, 2013; Reeves, McKee, & Stuckler, 2015; Stuckler, Basu, Meissner, Fishback, & McKee, 2012; Stuckler, Basu, Suhrcke, Coutts, & McKee, 2009), we selected the 2010 dataset and used 2008 as the baseline year as, empirically, it corresponds with the onset of the recession and associated rise in housing payment arrears across Europe. Selecting this 3 year period means that our analysis can cover the period of the recession while ensuring a decent longitudinal sample size as fewer

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