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Short report

Inequality and the association between involuntary job loss and depressive symptoms

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ABSTRACT

Although socioeconomic status (SES) has been to shown to be associated with susceptibility to involuntary job loss as well as with health, the ways in which individual SES indicators may moderate the job loss-health association remain underexplored. Using data from the Americans' Changing Lives study, we estimate the ways in which the association between job loss and depressive symptoms depends on five aspects of SES: education, income, occupational prestige, wealth, and homeownership. Our findings indicate that higher SES prior to job loss is not uniformly associated with fewer depressive symptoms. Higher education and lower prestige appear to buffer the health impacts of job loss, while financial indicators do not. These results have a number of implications for understanding the multidimensional role that social inequality plays in shaping the health effects of job loss.

Introduction

Involuntary job loss is an important and widespread feature of economic downturns. Losing one's job is not only a financial burden, but it has enduring health consequences as well. People who lose their jobs have higher depressive symptoms and greater risk of chronic conditions than those with steady work (e.g., Catalano & Dooley, 1983; Gallo, Bradley, Siegel, & Kasl, 2000). We examine whether people can draw on their other social statuses to buffer against the health consequences of involuntary job loss. Most of the existing literature describes the overall social patterning of job loss itself, finding that individuals of lower social standing are more likely to experience involuntary job displacement than their more advantaged peers (Burgard, Brand, & House, 2007; Kasl & Jones, 2000). While some literature finds heterogeneity by socioeconomic status (SES) in the relationship between unemployment and depression (e.g. Artazcoz, Benach, Borrell, & Cortes, 2004), little research examines job loss itself. We assess whether depressive symptoms following involuntary displacement differ according to several measures of SES. That is, we ask whether individuals can draw on statuses from domains such as education, income, occupational prestige or homeownership to ease the health consequences of involuntary job loss.

Stress as a pathway

Work related to the association between involuntary job loss and mental health outcomes is situated in a wider literature that examines the connection between stress (and stressful events) and depression. Overall, these studies offer evidence for a strong, positive association between stress and depression; persons who experience stress, on average, present higher depressive symptoms. (See Hammen, 2005 and Kessler, 1997 for an overview.)

This literature also posits differential vulnerabilities to stress. For example, "social stratification" (House & Mortimer, 1990) and "social status" (Aneshensel, 1992; Kessler & Cleary, 1980) may pattern individuals' responses to stressors. Others also find that SES and stress are inversely related (Lynch, Kaplan, & Salonen, 1997; McLeod & Kessler, 1990) for largely unknown reasons, although one hypothesis is the co-presence of numerous stressors throughout the life course (Lynch & Kaplan, 2000). Young and Schieman (2012), for example, find evidence for a stress amplification process.

Specifically, job loss may initiate interpersonal and familial conflict (Broman, Hamilton, & Hoffman, 2001; Pearlin, Schieman, Fazio, & Meersman, 2005), provoke a perceived loss of control (Price, Choi, & Vinokur, 2002), and necessitate drawing on financial savings (Pearlin, Menaghan, Lieberman, & Mullan, 1981). The first two consequences fall into the domain of "self-concept" (Turner, 1995); displaced workers' socially approved roles are eliminated and their social worth is depreciated (Schlozman & Verba, 1979). Differences in social standing, however, may shape this impact.

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Persons may draw on accumulated social resources (e.g., social ties, social standing, and sense of self-worth) to protect themselves or, alternatively, may lose more of that capital through a demoted status. Similarly, they may draw on financial resources to cushion economic effects.

Beyond the conceptual support for this project, there is also some, albeit incomplete, empirical evidence that indicates that inequality may affect the job loss-health association. Burgard et al. (2007) find that education and occupational standing are significantly associated with post-job loss depressive symptoms, while income is not. This finding suggests that different components of SES may have different effects on the health consequences of job loss, but the authors do not explore whether the job loss-health association depends on them.

Turner (1995) examines this interaction more directly. He investigates how the relationship between post-displacement employment status and depression depends on education, finding a positive effect only for those still unemployed at follow-up. He argues that unemployment's financial strain affects persons with lower education, while a perceived loss in standing and control affects persons with higher education. Despite its numerous strengths, Turner's account only includes one measure of SES and examines the moderating effect on re-employment status, not job loss itself. Additionally, while he believes that counterbalancing forces may affect the estimates of differential vulnerability, as SES may operate in both directions due to both psychological and material consequences of job loss, he is unable to test this directly.

Together, these accounts suggest that individuals' social standing may affect the emotional and physiological effects of job loss via differential vulnerability to acute stressors. Social standing, however, is a multidimensional construct; each of the four common indicators of SES reflects a different aspect of overall social position (Braveman et al., 2005; Liberatos, Link, & Kelsey, 1988). Some components of individuals' profiles may operate in one direction (e.g., act as buffers and resources), while others may act in an opposite direction or not at all.

Methods

Our data are taken from the Americans' Changing Lives (ACL) study (House, 2008). The ACL is a longitudinal cohort composed of a multistage stratified area probability sample of 3617 adults aged 25 and older. Four waves of data have been collected: 1986, 1989, 1994, and 2001/2002. Additional information about the design and implementation of the ACL is described elsewhere (House, Lantz, & Herd, 2005). Although weights are available, we do not use them, as our sample differs from the original ACL sample with respect to sociodemographic characteristics due to our exclusion criteria and person-spell approach (described below). However, our results are robust to weighting. No ethics review was necessary, since the project used de-identified, secondary data available from the Inter-University Consortium for Political and Social Research (www.icpsr.umich.edu).

Following the analytic strategies of other job loss studies, we use a person-spell approach to data structuring. That is, we examine waves in pairs (1986–1989, 1989–1994, 1994–2002), with up to three spells per participant (mean = 1.4). We exclude respondents who did not complete at least two consecutive interviews ($n = 536$) or did not report employment at the start of each person-spell ($n = 793$). In order to reduce the threat from health selection, we exclude respondents ($n = 1285$) who report a cardiovascular event, stroke, or diagnosis of hypertension at the start of the person-spell or before. We then drop cases missing data on any of the primary variables or covariates. Such restrictions leave a sample of 2150 person-spells for 1510 individuals. The majority of person-spells were from Wave 1 to Wave 2 (64.49%) and from Wave 2 to Wave 3 (32.05%).

The characteristics of this sample are presented in Table 1. As expected, those who involuntarily lost their jobs (17.28% of the sample) differed from those who did not: displaced workers were younger, less likely to be married (although if they were, their spouses were more likely to be working) and were less wealthy. Additionally, job losers reported more depressive symptoms in the next wave than those who did not experience job loss.

Measures

Depressive symptoms

We examine respondents' depressive symptoms with an 11-item subset of the 20-item Center for Epidemiological Studies Depression Scale (CES-D). Scores are standardized to the 1986 ACL score distribution (sample range: −1.16 to 4.47). To account for baseline differences, we control for previous wave depressive symptoms.

Socioeconomic status

As individuals can draw on different aspects of their status, we examine individual SES indicators separately rather than through a composite index. Educational attainment is measured by years of schooling completed. Occupational status is measured by Siegel occupational prestige scores (Siegel, 1971), which are constructed using the 1970 Census occupation and industry codes. We divide scores by 100 to scale coefficients. Income is measured by logged annual household earnings. Two variables are used to describe wealth: dichotomous measures of financial assets (<$50,000, ≥$50,000) and homeownership. Interaction terms involving the continuous measures are also centered.

Involuntary job loss

The primary exposure of interest is involuntary job loss, which is retrospectively reported at waves 2, 3, and 4. At each wave, participants are asked, "Have you involuntarily lost a job for reasons other than retirement since [last interview]?" For our analyses, the involuntary job loss exposure variable is dichotomized.

Table 1
Demographic characteristics and percentages/means by experience of involuntary job loss, ACL data ($N = 1510$).

	Involuntary job loss[a]		p
	No ($N = 1249$)	Yes ($N = 261$)	
Age (years)[b]	45.72 (13.91)	37.74 (10.26)	<0.001
Male (%)	45.56	49.43	0.254
White (%)	64.45	60.15	0.189
Education (years)	12.78 (2.87)	12.87 (2.69)	0.624
Married (%)[b]	61.81	54.41	0.026
Marital duration (years)[b]	21.88 (14.13)	15.58 (10.81)	<0.001
Spouse education (years)[b]	12.56 (3.03)	12.72 (2.48)	0.512
Spouse employed (%)[b]	67.06	76.29	0.004
Income (dollars)[b]	31,551 (23,559)	29,119 (21,839)	0.125
Income (logged)[b]	10.053 (0.024)	9.965 (0.054)	0.133
Occupation prestige (Siegel score)	406.5 (144.8)	402.4 (143.2)	0.638
Assets (% ≥$50,000)[b]	23.54	10.34	<0.001
Own home (%)[b]	68.45	56.32	<0.001
Any dependents (%)[c]	50.92	61.30	0.002
Other stressful life event (%)[d]	61.97	64.75	0.399
Depressive symptoms[e]	−0.34 (0.82)	−0.16 (0.99)	0.017

[a] Involuntary job loss reported at Wave 2, 3, or 4.
[b] At Wave 1 (1986).
[c] At Wave 2 (1989).
[d] Other stressful events include death of a spouse, parent, child or friend, divorce, robbery, or attack.
[e] Standardized 11-item CES-D score, interview after reported job loss.