

# ALLEVIATING DEPRESSION IN THE UNEMPLOYED: ADEQUATE FINANCIAL SUPPORT, HOPE AND EARLY RETIREMENT

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**Abstract**—Results of a longitudinal study on older blue-collar workers in the Federal Republic of Germany ([1] *Soc. Sci. Med.* 25, 173–178, 1987) showed that people who retired out of unemployment improve in depression similar to those people who found a job. Furthermore, financial problems and disappointed hope were important in the development of depression in the unemployed. These results are relevant for measures to alleviate depression in the unemployed in three areas: early retirement and an increase of financial unemployment compensation are recommended. Furthermore, all those programs (like counseling or therapeutic programs) that increase hope to find a job without increasing the chances to find a job have to be viewed with skepticism because they might actually turn out to be dysfunctional.

*Key words*—unemployment, depression, therapy, financial situation, retirement

## INTRODUCTION

There are a number of studies that show that depression is a result of unemployment. The best way to reduce depression that results from unemployment, is, of course, to reduce unemployment itself; however, as most countries have not been able to do this, it is necessary to ask what can be done to reduce depression, given that there is unemployment. There are three prominent measures that are taken to reduce depression in the unemployed: (1) financial support, (2) the induction of hope to find a job again, and (3) change of the status of the unemployed (e.g. early retirement, schooling, etc.).

These measures are discussed here as a sequel to the article by Frese and Mohr [1]. While Frese and Mohr present the design and results of a study on German male blue-collar workers, this article concentrates on the practical implications of these results. Thereby some further results of this study will be presented when needed. Since this discussion tries to give practical recommendations, it is necessarily a little more speculatively. Frese and Mohr have presented data on a longitudinal study in which all the subjects were unemployed in 1975 and there were four groups 16 months later: the 'employed', the 'retired', the 'unemployed' and the people who had worked in the meantime but had lost their jobs again (the 'reunemployed'). The two unemployed groups were not different from each other and are therefore combined. The main results of this study were that prolonged unemployment leads to depression (and not vice versa) that the retired are much better off than the unemployed and that there are two effective moderator effects: financial situation and disappointed hope.

## FINANCIAL SUPPORT

Financial support is a rather straightforward social measure to alleviate the lot of the unemployed. It is usually given in the form of unemployment insurance

or welfare. There are interesting theoretical notions that are connected to this problem, however, one could argue that money as a *general* means of exchanging commodities determines the freedom of the person in the market. Only with money can one buy the necessities of one's livelihood. Moreover, money is needed for nearly all aspects of life. Among other things, it is used to keep up friendships (money needed to travel, to entertain, and to meet friends, e.g. in restaurants), to satisfy cultural and aesthetic needs (e.g. going to exhibitions, buying books, going to the movies), to make marriage acceptable (e.g. by common leisure activities or by buying household goods), to give the appearance of respectability (e.g. through wearing certain clothes, by being able to invite people, etc.), and to provide education for the children (buying educational games, supporting them as college students, etc.). Thus, money is the most general means of controlling one's everyday life. It follows that a withdrawal of financial support can lead to a general loss of control and a subsequent feeling of general helplessness and depression (cf. [2], for the notion that a repeated exposure to non-controllable events lead to depression; Fig. 1).

Figure 2 of Frese and Mohr [1] shows that financial problems are much higher in the unemployed and reemployed (and increase over time). Furthermore,

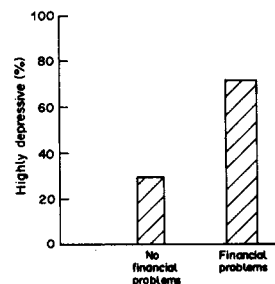


Fig. 1. High depression as a function of financial problems (both measured 1977).

financial problems and depression correlate  $r = 0.46$ , ( $P < 0.01$ ,  $N = 51$ , at time  $t_2$ ). A high level of depression is evident in 76% of those who have financial problems (compare Fig. 1). Other studies have reported similar results on the relationship between financial problems and ill health [3]. Thus, financial problems moderate the relationship between unemployment and depression. Apparently, there is a link between daily financial worries, the reduction of the scope of one's social life that accompanies poverty, and the development of depression. Various politicians and economists have suggested cutting unemployment compensation to reduce the 'incentive' to stay unemployed. Such cuts not only increase the financial problems that already burden the unemployed, but also lead to higher social, human, and monetary costs of depression. Moreover, lack of financial support may actually make people less active in their job search because they become depressed. Thus, adequate financial support is not only necessary for humanistic reasons but may also make good economic sense. An increase of unemployment compensation may reduce the risk of depression.

#### UNEMPLOYMENT AND HOPE

Inducing hope to find a job is done within various frameworks. Governments often proclaim hope that the economy will thrive again and the unemployed will find jobs. Similarly, counseling programs try to induce hope either by direct persuasion or by giving the unemployed skills such as better application strategies in their job search. Personal friends of the unemployed will also often try to instill hope when the unemployed seems to be giving up or when he or she is depressed about the situation. Thus, a strategy of hope induction seems to be the 'natural' response of the environment to counter the potential development of helplessness and passivity in the unemployed. Hope seems to be a necessary precondition for being active and for preventing depression. Empirical work seems to support this contention (e.g. [4]). However, there may be an additional problem: What happens when hope turns out to be unrealistic? What happens when there are no job opportunities even for the active and hopeful? Do hope 'induction' methods decrease the chances of depression even when hope turns out to be unrealistic, or do they even increase the chances of becoming depressed under these conditions?

Hope for control (CHOPE) means that a person is hopeful either that s/he can do something to change the situation or that other agents (like the government) will improve the situation so that it is easier to get a job. The cross-sectional correlations between hope for control and depression are negative ( $r = -0.55$ ,  $N = 51$ ,  $P > 0.01$  in 1977 and  $r = -0.11$ , n.s. in 1975). This is partial support for the contention that it is useful to instill hope in the unemployed in order to reduce the risk of depression. However, the more important test of this hypothesis is to examine it longitudinally. What happens when hope for control turns out to be unrealistic, when people stay unemployed? Here, hope for control in

1975 becomes *positively* predictive of depression in 1977.

Unemployed:

$$r_{\text{CHOPE/75, DEP/77}} = 0.39 \quad (P < 0.05, N = 26).$$

Employed and retired:

$$r_{\text{CHOPE/75, DEP/77}} = -0.27 \quad (P = 0.098, N = 25).$$

These two correlations are significantly different from each other ( $z = 2.31$ ,  $P < 0.05$ , one-sided test). The results suggest that persons whose hopes are destroyed by reality become depressed. In contrast, the corresponding correlation for people whose hopes were not crushed (the employed and the retired) is negative, although it is not quite significant.

There is a second way to look at the impact of hope for control. One can compare those with high hopes and low hopes in 1975. Therefore, the subject pool (not including the retired) was split in two halves along the median of hope for control in 1975 and the correlations between unemployment (a dichotomous variable excluding the retired) and depression in 1977 were calculated:

Low CHOPE<sub>75</sub> group:

$$r_{\text{Unempl, DEP/77}} = 0.12 \quad (N = 21, \text{ n.s.})$$

High CHOPE<sub>75</sub> group:

$$r_{\text{Unempl, DEP/77}} = 0.73 \quad (P < 0.001, N = 20)$$

The correlations for these two groups are again significantly different from each other ( $z = 2.4$ ,  $P < 0.01$ , one sided test), suggesting that long-term unemployment or reemployment leads to depression only in those subjects who had high hopes for future control during their initial period of unemployment.

These results suggest that hope may be dysfunctional when it turns to be unrealistic. With all due respect to the humanitarian aspirations and to the therapeutic value in some cases, I think that counseling programs may actually turn out to be dysfunctional. The following problems are particularly important:

(a) Counseling and therapeutic measures attempt to increase the hope of finding a job again; but an increase of hope may turn out to be dysfunctional, if the hopes are unrealistic. Since unemployment rate and time spent unemployed increase in most countries, it may be more useful to actually reduce the hope of finding a job, thus reducing the risk of becoming more depressed if unemployment continues. Some kind of 'existentialistic' attitude toward unemployment—one knows that it will be extremely hard to find a job, but at the same time one does not give up trying—may be more successful in preventing depression.

(b) Counseling programs usually attempt to decrease passivity and depression and increase motivation to search for a job. However, according to our data, prolonged unemployment does not seem to be a result of depression and passivity (in older workers, at least). Apparently, objective factors such as age, sickness, lack of qualifications, and simple random elements (being the first one to apply, etc.) as well as who is given what kind of jobs by the employment agency determine whether one will get a

job and not personal factors such as depression and passivity.

(c) Counseling and therapeutic programs do not change the amount of unemployment in a society. If such programs geared toward the individual are effective for those participating in them, it only means that *other* people stay unemployed longer. These programs only change one's position in the 'line of the unemployed' waiting for a job; they do not change the length of the line itself. Such programs may only be useful if a person is qualified in an area in which there is an abundance of jobs but where he does not get those jobs because of personal problems. This is probably a rather infrequent case, however.

(d) Counseling and therapeutic programs with their individual orientation can lead to a specific attribution: unemployment is seen as an individual problem instead of a societal one. This attribution might divert attention away from the societal and political task of reducing unemployment by societal measures.

There are, of course, positive aspects of counseling and therapeutic programs, as well. If unemployment leads to clinical depression, the unemployed is in need of professional help just as any other depressed client is. One effect of counseling may be to increase social support systems among the unemployed. Social support may have positive effects here as in other stress situations [5]. Finally, programs for the unemployed may, in fact, teach new work skills (though these programs should not be called therapeutic, of course). Even when they do increase qualifications, however, there is the problem that these programs may increase hope without actually leading to getting a job.

#### RETIREMENT

There are various social measures that by design or by accident imply some kind of change of the status of the unemployed. Such a change takes place when unemployed youths get some kind of schooling or when older workers retire early. There is some research that shows that young unemployed who are going to school under the British government's Youth Opportunities Programme [6] and disabled persons attending employment rehabilitation centres

[7] show fewer psychiatric problems than unemployed who are not in such programs.

Our data show, similarly, that the retired are much less depressed than the unemployed. Retirement seems to take off the burden of having to call oneself 'unemployed', and it also leads to a better financial situation than unemployment. The retired do not show any differences from the employed in our sample. Given that older workers have many more difficulties finding jobs [8], early retirement may be a useful social policy to reduce the negative effects of unemployment.

#### CONCLUSION

Three measures of alleviating depression in the unemployed were discussed: financial support, hope induction, and early retirement. Financial support and early retirement are recommended. Hope induction, as it happens in many counseling programs, is viewed with skepticism because it might just increase the long term development of depression as a result of problems of disappointed hope.

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