

Social impacts of recession: The impact of job loss and job insecurity on social disadvantage

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1 Background

1.1 Objectives of the study

The UK is currently experiencing a deep economic recession. In the first half of 2008, the number of people claiming Jobseekers Allowance began to rise and other UK labour market indicators worsened (ONS, 2009¹). Evidence from previous recessions shows that unemployment and worklessness are not evenly spread across the population (Muriel and Sibieta, 2009²). Early indications from this recession suggest that, as in earlier recessions, the social groups worst affected include low-skilled, low-educated, and young people, and those living in deprived areas³.

Policy makers are interested in identifying those who may experience complex and enduring difficulties as a result of recession. To inform the evidence base, this research explores the extent to which people who lose their job and people who feel insecure in their job go on to experience other social disadvantages, such as depression, financial stress and relationship breakdown. Importantly the research looks at the duration of these social disadvantages, observing for how many years they were experienced after losing a job or feeling insecure in a job. The research also examines whether these outcomes are more likely for people who face employment difficulties during a recession. Finally, the research investigates whether people have resilience factors, such as education, social support networks and strong mental health, which protect against these social disadvantages after experiencing employment difficulties.

1.2 Methodology

The research requires survey data that contains a wide range of economic and social information at the time of the current and previous recessions. The data also needs to track individuals, to be able to measure how long social difficulties lasted after experiencing employment difficulties. The previous major economic recession that Britain experienced was in 1991/2. The only longitudinal dataset that continuously covers that and the current recession is the British Household Panel Survey.

The data

The British Household Panel Survey (BHPS) began in 1991 and is a multi-purpose study that follows the same representative sample of individuals (the panel) over a period of years. It is household-based, interviewing every adult member of sampled households. The wave 1 panel consists of some 5,500 households and 10,300 individuals drawn from 250 areas of Great Britain. The sample was increased in 1999 and 2001 to accommodate extra samples from Wales and Scotland, and Northern Ireland, respectively. The latest data available from the BHPS is for 2008 - interviewing for which took place between September and December,

¹ ONS (2009) *The impact of the recession on the labour market* ([http://www.statistics.gov.uk/downloads/theme_labour/Impact of recession on LM.pdf](http://www.statistics.gov.uk/downloads/theme_labour/Impact_of_recession_on_LM.pdf))

² Muriel, A. and Sibieta, L. (2009), *Living standards during previous recessions*, IFS Briefing Notes , BN85

³ *ibid.*

corresponding with the start of the current recession⁴. Exactly when the BHPS interviews take place, and the timing of the interview in relation to the economic circumstances of the individual and the wider economy, may have a significant impact on our findings.

The BHPS provides information on household organisation, employment, accommodation, tenancy, income and wealth, housing, health, socio-economic values, residential mobility, marital and relationship history, social support, and individual and household demographics. Many of the questions in the survey are repeated in subsequent waves. Some are repeated in all waves; these are the 'Core' questions (including current employment, current finances, neighbourhood and health). Some variables appear in alternating waves or on a cyclical basis; these are known as the 'Rotating Core' questions (including attitudes to morality and religion, life satisfaction, government roles and responsibilities, the environment).

Clearly some people drop out of panel surveys such as the BHPS. Previous research has shown that people who drop out of the BHPS are more likely to be older, work irregular hours, live in accommodation difficult to access (such as gated communities) and live in high unemployment areas⁵. We account for this attrition in our analysis to some extent by using the longitudinal weights supplied with the BHPS data.

The analytical model

The analysis is comprised of a number of stages, illustrated here by a conceptual framework (Figure 1.1). At each stage, the analysis looks at the two recession years (1991 and 2008) and a year outside of recession (2001). This allows for a comparison of the two recession years and of each with a year in better economic times.

The first stage of analysis categorises people who experienced employment difficulties, that is who either lost their job that year or who felt insecure in their job. Each group is profiled to illustrate the type of people that underwent such experiences. Comparisons will be made across the three years to see whether different types of people were affected in the recession years.

The second stage illustrates the social disadvantages for people who experienced employment difficulties. Short-term outcomes will be measured in the year of the economic event, and longer-term outcomes will be measured across a period following the economic event (taking advantage of the panel element of the BHPS, which re-interviews the same people on an annual basis)⁶.

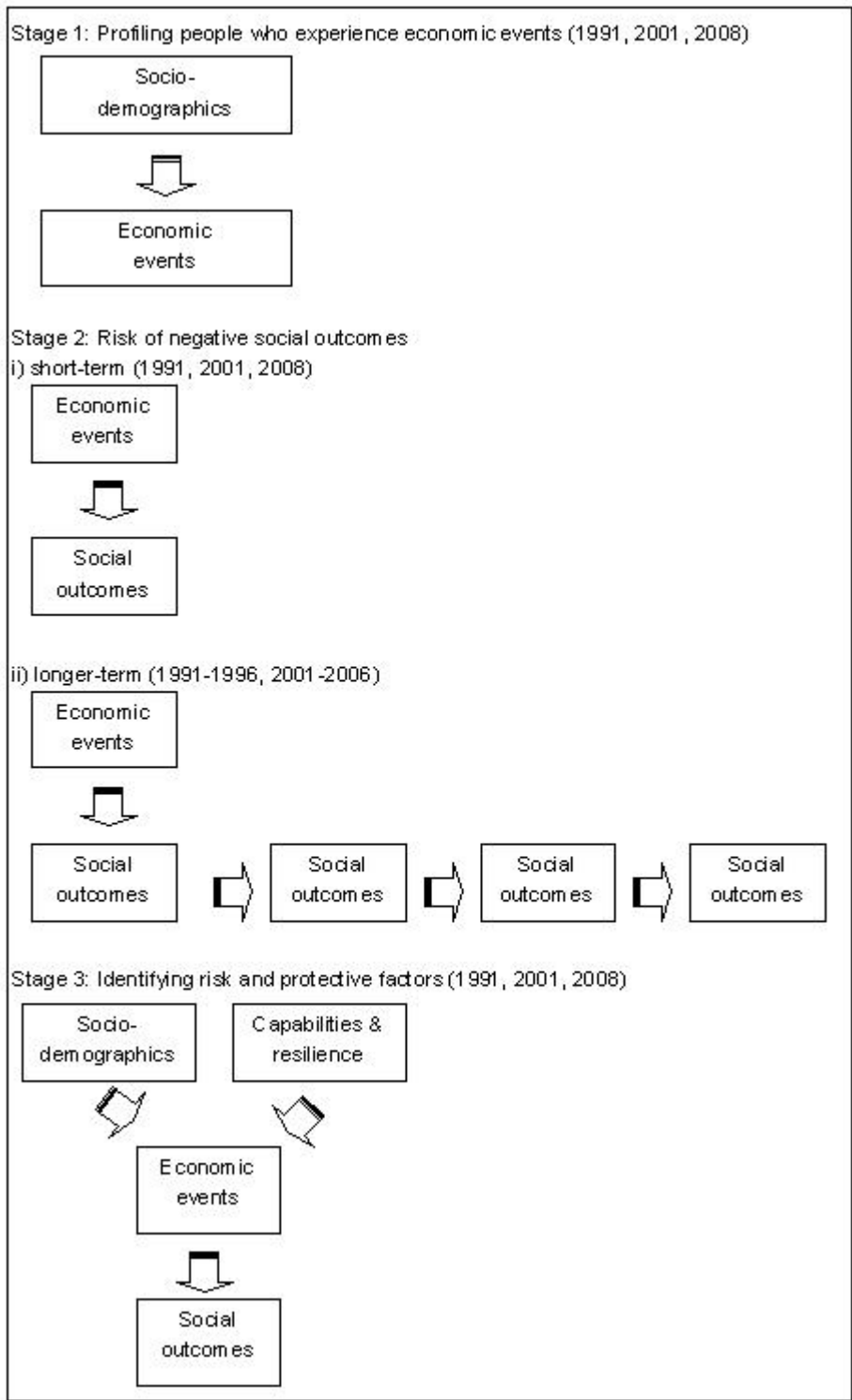
The final stage will use multivariate analysis to explore which factors are associated with each of the negative outcomes. Part of this analysis is to investigate the range of capabilities and resilience factors that can help people avoid experiencing negative social outcomes. We use two types of multivariate analysis in this study; logistic regression and ordinal logistic regression. These are both explained in the methods section below.

Figure 1.1 Conceptual framework

⁴ We are grateful to the Institute for Social and Economic Research (ISER) for allowing us early access to the 2008 wave of the BHPS. This was an early release of the dataset, due to be made publicly available in the spring of 2010.

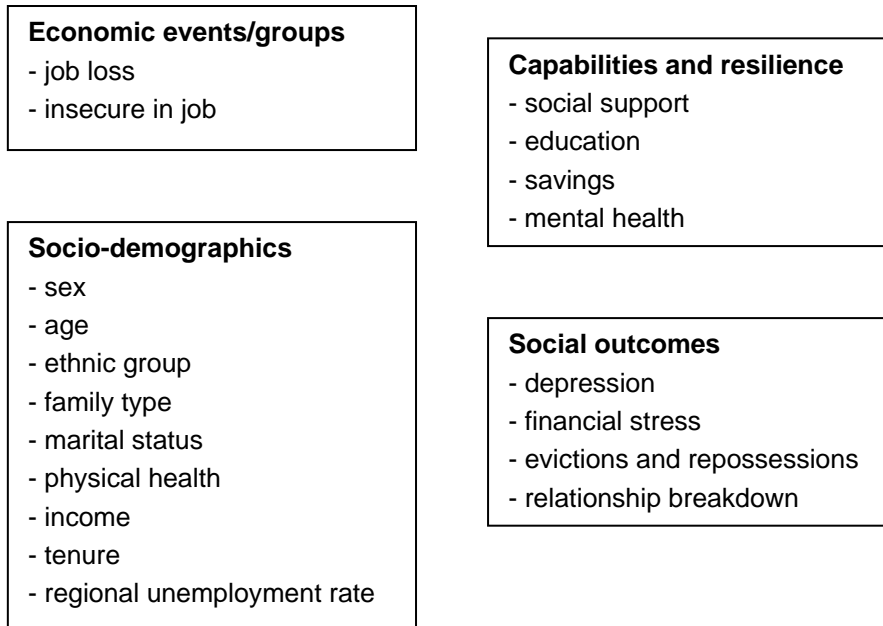
⁵ Uhrig, S.C. Noah (2008) *The Nature and Causes of Attrition in the British Household Panel Study* ISER Working Paper, No. 2008-05, Colchester: University of Essex.

⁶ Clearly we can not measure social outcomes after the current recession year (2008).



Main measures to be used in the analysis

The main measures to be used in the analysis are illustrated below.



We now go on to describe the key measures used in the analysis; that is, measures of employment difficulties, social outcomes and capabilities and resilience factors. We also list the socio-demographic variables and their categories, which are mainly used as controls in the analysis.

Employment difficulties/groups

Job loss

To measure job loss we identify people who were working last year but who lost their job and were unemployed (i.e. actively looking for work) this year. There are two questions in the BHPS that respectively enquire about labour force status, one about their current position and another about their employment status on September 1st in the year prior to the year of current interview.

Which best describes your current situation?

And which best describes your situation on 1st September last year?

- Self employed
- **In paid employment**
- **Unemployed**
- Retired
- Family care
- Full-time student
- Long term sick/disabled
- On maternity leave
- Govt training scheme
- Something else

These questions allow us to identify people's employment status at two snapshots roughly 12 months apart. From this we are able to identify people whose employment status has

recently changed. There are a number of caveats to this way of measuring job loss. First, by looking at employment status at just two snapshots we miss any changes that happen in between these time points. Here we are in danger of grouping together people who are recurrently in and out of work, and those who have experienced unemployment from a more permanent job. There is also the issue of the timing of the BHPS interview and the subsequent length of time between the interview and September 1st of the previous year. Not all respondents are interviewed in September, meaning the gap between current and previous status is not 12 months for all respondents. However, the vast majority of respondents are interviewed between September and November, meaning the gap between current and previous employment status is 12-14 months. Finally, the propensity for people to report a negative social outcome may depend on the time since job loss occurred. However, we do not take into account when the job loss occurred during this time frame, just that it happened.

Insecure in job

To measure job insecurity we use a question that asks respondents of their level of satisfaction with job security in their current employment. People respond to this question using a 7-point scale from 1'Not satisfied at all' to 7'Completely satisfied'. We categorise those who give answers 1 to 3 as being dissatisfied with their job security, i.e. insecure in their job. This was based on the distribution of responses across all workers, which clearly showed a clustering of responses below and above the middle category.

Which best describes how satisfied or dissatisfied you are with that particular aspect of your own present job - Your job security?

1. Not satisfied at all

2.

3.

4. Neither satisfied or dissatisfied

5.

6.

7. Completely satisfied

Clearly this is a subjective question – one person's dissatisfaction with their job security may not equate with another's. However, tapping into individual feelings of insecurity is what the question is trying to do and our research then seeks to explore how these feelings relate to other social outcomes.

Also, this type of question does not specifically link insecurity to unemployment expectations, which may lead to respondents considering the wider implications of insecurity, such as the stability of their employment conditions⁷, though clearly there may be some overlap. In the 1997 and 1998 waves of the BHPS, workers were asked to assess their level of job security in terms of the probability of becoming unemployed within the next year. However, these questions were only asked in these two waves and hence are not useful for this study.

Social outcomes

⁷ Burchell, B.J. (1999). 'The unequal distribution of job insecurity'. *International Review of Applied Economics* 13: 439-460.

Depression

Measured using the General Health Questionnaire (GHQ), a 12-question battery originally developed as a screening instrument for psychiatric illness, but often used as an indicator of subjective well-being. The twelve items that make up the General Health Questionnaire are.

Have you recently:

- *Been able to concentrate on whatever you are doing?*
- *Lost much sleep over worry?*
- *Felt that you are playing a useful part in things?*
- *Felt capable of making decisions about things?*
- *Felt constantly under strain?*
- *Felt you could not overcome your difficulties?*
- *Been able to enjoy your normal day-to-day activities?*
- *Been able to face up to your problems?*
- *Been feeling unhappy and depressed?*
- *Been losing confidence in yourself?*
- *Been thinking of yourself as a worthless person?*
- *Been feeling reasonably happy all things considered?*

This measure converts valid answers to the 12 GHQ questions into a single scale by recoding so that the response to each question is deemed positive if it is greater than one and the number of positives provides the score⁸. This results in a score between 0 and 12 for each individual. We then choose a cut-off point of 4 to define a case of mental disorder, which we call depression.

A GHQ measure that uses a threshold of 4 identifies 18 per cent of the working age population as 'depressed', according to the 1991 wave of the BHPS. This definition, and threshold, has been used in a number of studies (e.g. Blekesaune, 2009 and Lampard, 1994) to identify people with poor mental health.

We create two measures of depression, one short term - which measures depression at the same interview as the respondent was asked about job loss and job insecurity, and one longer-term – which counts the subsequent number of interviews a respondent was defined as depressed. The longer-term measure has three categories: '0 years', '1-2 years' and '3-6 years' with a GHQ measure of 4 or more⁹.

Financial situation

Measured using a question that asks '*How well would you say you yourself are managing financially these days? Would you say you are ...?*'

1. Living comfortably
2. Doing alright
3. Just about getting by
4. **Finding it quite difficult**
5. **Finding it very difficult**

We group people into two categories: those finding it quite or very difficult to manage, and the rest. We create two measures of financial situation, one short term - which measures

⁸ See Cox, B.D et al, The Health and Lifestyle Survey. (London: Health Promotion Research Trust, 1987).

⁹ In the report we sometimes refer to the longer-term social outcomes as measuring 'duration'. The term duration may imply a continuous period, whereas in this research we simply count the number of interviews after the employment difficulty that the respondent experienced the negative social outcome. So, for example, a 'duration' of 4-6 years does not necessarily mean someone experienced depression in the four years immediately after the employment difficulty, it could have been during any 4 of the 6 years.

financial situation at the same interview as the respondent was asked about job loss and job insecurity, and one longer-term – which counts the subsequent number of interviews a respondent was finding it quite or very difficult to manage. The longer-term measure has three categories: '0 years', '1-2 years' and '3-6 years'.

Evictions

Measured using a question from a suite of questions that enquires about why a respondent moved house.

What were your (other) main reasons for moving? (the previous question asked whether the respondent moved house for reasons that were wholly or partly to do with your own job, or employment opportunities). One of a number of possible responses is:
'moved house because of eviction or repossession'

Because these events do not occur that frequently across the population, we define an eviction or repossession event if it happened within five years of the time in which we measure employment difficulties, for example when looking at job loss in 2001, we look to see whether an eviction or repossession occurred across the period from 2001 to 2006¹⁰¹¹.

Relationship breakdown

Measured according to the respondent experiencing a change in relationship status from 'married' or 'living as a couple (i.e. cohabitating)' to either 'divorced' or 'separated' or 'never married' (the last one being applicable in the case of cohabitating couples). Widowed is not classified as a relationship breakdown. It is worth noting here that relationship status is measured at the point of interview, so using annual measures to detect change in status will clearly miss any additional changes during the year. Again, as these events are relatively infrequent from one year to the next, relationship breakdown is measured within five years of the employment difficulties, in the same way as evictions¹².

Capabilities and resilience

One of the aims of the research is to investigate the extent to which different forms of capabilities and resilience can help protect people against negative social outcomes. We consider the following factors in this study:

Social support

Having someone to turn to in times of need may protect people from negative social outcomes. Social support is measured by creating an index from responses to five questions about having people to turn to at particular times. For each question, the respondent answers: 'Yes, more than one person', 'Yes, one person' or 'No one'. To measure low levels of social support we categorise people who have 'no one' to turn to in any one of the scenarios listed below.

- *Is there anyone who you can really count on to listen to you when you need to talk?*
- *Is there anyone who you can really count on to help you out in a crisis?*
- *Is there anyone who you can totally be yourself with?*

¹⁰ Note that the reason for moving house question was not asked in the 1991 wave of the BHPS. Hence for analysis of the 1990s recession we measured evictions or repossession across the period from 1992-1996.

¹¹ Again, we can not create this measure for people who faced employment difficulties in 2008.

¹² Again, we can not create this measure for people who faced employment difficulties in 2008.

- *Is there anyone who you feel really appreciates you as a person?*
- *Is there anyone who you can really count on to comfort you when you are very upset?*

Education

Having higher levels of education may be a resource people draw on in poor economic times, either to help them to find work, or more suitable work, or to reassure themselves that economic opportunities are within their grasp. The BHPS contains a measure of respondent's highest educational qualification attained and we compare the social outcomes of people with the following levels:

1. Degree/equiv or higher
2. A-level/equiv
3. O-level/equiv
4. CSE/equiv
5. None

Savings

Having financial resources in the form of savings can provide income for people to draw on in hard economic times, particular if they experience a drop in income from losing their job. Although the BHPS does not ask how many savings a household has, it collects information on income received from savings and investments. We use this income as a proxy for the amount of savings a household can draw on (although we do not know how easy it is for people to access these resources). We categorise people into five groups, in based on the amount of savings and investment income they receive each year.

- 1 'Nothing'
- 2 '£1-100'
- 3 '£101-500'
- 4 '£501-1000'
- 5 '£1001+'.

Mental health

Although we measure depression and financial stress as a social outcome, to try to understand the social impact of employment difficulties, they can also be treated as protective factors against other social outcomes – such as relationship breakdown. Therefore we include mental health and financial stress as protective factors in our analysis of the other social outcomes used in this study.

Socio-demographics

Sex: Male / Female

Age: 16-24 years / 25-44 years / 45-64 years

Ethnic Group: White / Black / Asian / Other

Family type: Single Non-Elderly / Couple No Children / Couple with dependent children only / Couple with non-dependent children / Lone parent with dependent children only / Lone parent with non-dependent children / Households with two or more unrelated adults / Other Households

Tenure: Owned outright / Owned with mortgage / Social rented / Private rented / Other rented

Regional unemployment rate: 0-<4.5% / 4.5-<6% / 6-<7.5% / 7.5-<9% / 9+%

Health (self-reported): Fair, good or excellent health / Poor or very poor general health

Analysis methods

Much of the analysis in this report uses descriptive statistics to show the percentage of people in employment difficulty who also experienced social disadvantage. Comparisons are made with people who did not face such employment difficulties and also across years, to see if there were differences in the recession years. Because the numbers of people in the BHPS data who experienced employment difficulties was relatively low, some of these findings should be treated with caution.

We also use regression analysis to explore relationships between employment difficulties and social outcomes when taking other, potentially confounding factors, into account. These analyses also help to illustrate the factors that can protect people from social disadvantage. Regression analysis aims to summarise the relationship between a 'dependent' variable (a social outcome in our analysis) and one or more 'independent' variables (in our analysis these include one of our economic difficulties, such as job loss, the protective factors and the range of background characteristics). All regression analysis assumes that the relationship between the dependent and each of the independent variables takes a particular form.

We use logistic regression for the shorter-term social outcomes, that is where the outcome is measured at the same interview as when people are asked about their job loss or job insecurity. These outcomes have two values, either the person has the negative social outcome, such as depression, or not. Results of logistic regression analysis are usually presented in the form of odds ratios. An odds ratio is a relative measure of risk, telling us how much more likely it is that someone who is exposed to the factor under study (for example job loss) will develop the outcome as compared to someone who is not exposed.

When we look at longer-term outcomes, our dependent variable has more than two categories - for example the number of years a respondent experienced the social outcome, such as depression, over a period after the economic event. Here we categorise the 'duration' of the social outcome into categories such as 'none', '1-2 years' and '3-6 years'. Because these categories can be ordered in terms of duration, *ordinal* logistic regression is applicable. The odds ratios in ordinal logistic regression have a similar interpretation to those in binary logistic regression, except in this case there are two transitions estimated instead of one. An odds ratio higher than 1 indicates an increased chance that a subject with a higher score on the independent variable will be observed in a higher category of the outcome (e.g. higher number of years experiencing depression).

2 Exploring the groups at risk

This chapter focuses on the two risk groups that are of interest to this study: people who lost their job and people who were not satisfied with the security of their job. We first assess the prevalence of both groups in the years of recessions (1991 and 2008) and a year outside of recession (2001). We also present the size of the groups in the BHPS sample and discuss its consequences for further analysis. Then, the chapter moves on to present the profiles of both risk groups in terms of a range of socio-demographic characteristics, paying particular attention to the differences between the years of recession and the non-recession year.

2.1 Prevalence

Table 2.1 presents the proportions of people who lost their job and those insecure in their job in the years under investigation. All analysis is carried out on people of working age only. We also focus only on employees, thereby excluding self-employed people from our analysis.

Table 2.1 Percentage of people who lost their job and those insecure in their job

| People who lost job | 1991 | 2001 | 2008 |
|---|------|------|------|
| Of all working age people: | | | |
| Lost job (became unemployed) | 3 | 1 | 1 |
| Remained in job | 56 | 59 | 61 |
| Other status | 41 | 40 | 39 |
| | 100 | 100 | 100 |
| Of people in work last year (employees only): | | | |
| Lost job (became unemployed) | 5 | 2 | 2 |
| Remained in job | 90 | 94 | 95 |
| Lost job (not looking for work) | 5 | 4 | 3 |
| | 100 | 100 | 100 |
| People insecure in job | 1991 | 2001 | 2008 |
| Of people in work (employees only): | | | |
| Insecure in job | 18 | 12 | 11 |
| Secure in job | 82 | 88 | 89 |
| All working age | 100 | 100 | 100 |

Clearly only relatively few people lost their job in each of the three years (Table 2.1) although more people appear to have lost their job in the 1991 recession and marginally more in the most recent recession year.

According to our definition of job insecurity (see Chapter 1) there were higher proportions of people feeling insecure in their jobs in the previous recession (18 per cent of employees in 1991 and 12 per cent in 2001).

Having only few people to focus on in our study means that our analysis will be restricted due to the small sample sizes available in the BHPS. The BHPS is a population survey and hence does not focus on particular sub-groups of people or households, for example it does not over-sample people who lose their job.

The sample sizes of people who lost their job and those insecure in their job are given in Table 2.2. The first number for each year is simply the number of people in a given risk group in that year (for example, there were 224 people that lost their job in the 1991 wave). The second number for each year is the number of people in a given risk group in that year who

were interviewed in the five subsequent waves of the BHPS. We use this sample of people to track their social outcomes over time (for example of the 224 people who lost their job in the 1991 wave, 137 took part in all interviews from 1991-1996).

Table 2.2 Economic groups at risk, BHPS sample sizes

| | People who lost job (N) | People insecure in job (N) |
|------------------------|-------------------------|----------------------------|
| 1990s recession: | | |
| 1991 | 224 | 863 |
| 1991-1996 panel sample | 137 | 640 |
| Non-recession: | | |
| 2001 | 172 | 1046 |
| 2001-2006 panel sample | 86 | 678 |
| 2000s recession: | | |
| 2008 | 129 | 675 |

Bases: Working age people (job loss); Employees (job insecurity)

The sample sizes are rather small, particularly in the case of the group who lost their job. Having between 129 and 224 people to focus on in each year means that certain analysis is restricted and hence many of the findings in this report should be treated with caution. As a form of quality check we do not present findings based on a sample size of less than 50 people and present findings based on less than 100 people in square brackets.

2.2 Profile

This section explores the socio-demographic characteristics of people who experienced employment difficulties using a range of contextual variables as described in Chapter 1. We first focus on each of the groups in turn, investigating the differences between the people in the risk group and their respective groups of reference (for example we compare people who lost their job with people who remained in work). Next, we focus on the differences between the two risk groups.

We begin by profiling people who lost their job and compare their characteristics to people who remained in work (Table 2.3).

There are a number of general patterns in the characteristics of people who lost their job.

- In general people who lost their job were more likely than those who remained in work to be: younger (aged 16-24 years), non-White, a lone parent, never married, have lower income, live in social rented housing, have no investment income, have lower levels of social support and have no educational qualifications.

When comparing profiles across years, particularly years some time apart as is the case here, it is important to bear in mind that changes in the profiles of our risk groups may be affected by any changes to the general socio-demographic make-up of the working-age population. To avoid making false assertions, we only report changes in our risk groups when there has not been a corresponding change in the comparison group. For example, Table 2.3 shows a decreasing proportion of younger people who lost their job, but we also see a decreasing proportion of younger people who remained in work. Hence these findings are quite likely due to a general trend linked to the ageing of the population.

However, taking these points into account, we do still see suggestions of differences between job loss in the recession years and better economic times.

- Older people and those close to retirement (45-64) are more likely to lose their jobs during a recession.
- Compared to more stable economic times single people are at increased risk of job loss during recessions.
- During the 1990s recession, job loss appears to affect people with different incomes unevenly. While generally people with mid-level income constitute the group most at risk of job loss in economically stable times, during the 1990s recession this burden shifts and those with the lowest level of income become the group most vulnerable to employment loss. The association between income and job loss appears to be relatively evenly distributed in the 2008 recession.

It is also important to note that there were some differences between the 1991 and 2008 recession years.

- Those in privately rented accommodation were more at risk during the 2008 recession while those in the social rented sector tended to be better protected than they would have been in 1991's recession.
- The adverse effects of having no extra income from savings appeared worse in 1991, although more people did not have income from savings in 2008.

Table 2.3 Profiling people who lost their job in 1991, 2001 and 2008

Col%

| Individual characteristic | | 1991 | | 2001 | | 2008 | |
|---|---------------------------------|----------|------------------|----------|------------------|----------|------------------|
| | | Lost job | remained in work | Lost job | remained in work | Lost job | remained in work |
| Socio-demographics | | | | | | | |
| Sex | Male | 69 | 54 | 67 | 53 | 63 | 50 |
| | Female | 31 | 46 | 33 | 47 | 37 | 50 |
| age group | 16-24 years | 35 | 16 | 31 | 10 | 22 | 10 |
| | 25-44 years | 38 | 53 | 54 | 54 | 48 | 52 |
| | 45-64 years | 27 | 31 | 15 | 36 | 30 | 38 |
| ethnic group membership | white | 90 | 96 | 90 | 98 | 88 | 97 |
| | non-white | 10 | 4 | 10 | 2 | 12 | 3 |
| household type | single | 10 | 7 | 6 | 10 | 20 | 14 |
| | couple, no children | 24 | 29 | 22 | 28 | 19 | 26 |
| | Couple, dependent children only | 35 | 38 | 35 | 36 | 38 | 39 |
| | Couple, non-dependent children | 17 | 20 | 23 | 18 | 20 | 16 |
| | lone parent | 14 | 7 | 14 | 8 | 2 | 4 |
| marital status | Married | 43 | 64 | 38 | 59 | 35 | 58 |
| | living as couple | 11 | 9 | 18 | 13 | 23 | 17 |
| | wid/div/sep | 10 | 6 | 9 | 8 | 7 | 8 |
| | never married | 37 | 21 | 35 | 20 | 38 | 18 |
| self-reported general health | fair, good or excellent | 94 | 96 | 92 | 96 | 92 | 96 |
| | poor or very poor | 6 | 4 | 8 | 4 | 8 | 4 |
| equivalised household income - quintiles | lowest quintile | 26 | 7 | 13 | 4 | 20 | 10 |
| | second quintile | 24 | 18 | 22 | 13 | 22 | 17 |
| | middle quintile | 22 | 23 | 28 | 22 | 21 | 22 |
| | fourth quintile | 17 | 26 | 19 | 27 | 20 | 25 |
| | highest quintile | 11 | 27 | 17 | 34 | 17 | 26 |
| housing tenure | owned outright | 13 | 13 | 16 | 15 | 20 | 18 |
| | owned with mortgage | 47 | 67 | 41 | 67 | 43 | 65 |
| | social rented | 31 | 13 | 30 | 10 | 20 | 9 |
| | private/other rented | 9 | 8 | 12 | 7 | 17 | 9 |
| regional unemployment rate ¹³ | 4.5-<6% | 20 | 21 | 91 | 91 | 23 | 26 |
| | 6-<7.5% | 21 | 18 | 9 | 9 | 16 | 14 |
| | 7.5-<9% | 41 | 39 | 0 | 0 | 27 | 33 |
| | 9+% | 19 | 22 | 0 | 0 | 34 | 26 |
| Capabilities and resilience | | | | | | | |
| annual household investment income | nothing | 45 | 24 | 56 | 41 | 61 | 49 |
| | £1-100 | 14 | 16 | 12 | 18 | 11 | 13 |
| | £101-500 | 10 | 15 | 19 | 20 | 14 | 16 |
| | £501-1000 | 14 | 20 | 0 | 7 | 5 | 7 |
| | £1001+ | 18 | 25 | 13 | 14 | 10 | 16 |
| social support | high level | 79 | 90 | 79 | 84 | 88 | 94 |
| | lower level | 21 | 10 | 21 | 16 | 12 | 6 |
| highest educational qualification ¹⁴ | degree/equiv or higher | 20 | 31 | 38 | 52 | 54 | 61 |
| | a-level/equiv | 9 | 12 | 13 | 12 | 22 | 13 |
| | o-level/equiv | 32 | 27 | 24 | 21 | 15 | 16 |
| | cse/equiv | 10 | 8 | 10 | 5 | 2 | 4 |

¹³ Note that the unemployment rate was markedly lower outside the recession years and hence in 2000 no one was living in an area with an unemployment rate of 7.5 per cent or above.

¹⁴ The distribution of percentages across the education qualification categories in 2001 and 2008 should be treated with caution due to the low base number of people with no qualifications.

| | | | | | | |
|------|-----|-------|----|------|-----|------|
| None | 29 | 22 | 15 | 10 | 7 | 6 |
| Base | 224 | 4,380 | 78 | 4029 | 129 | 2802 |

Base: Working age people

Table 2.4 presents the socio-demographic profile of people who felt insecure in their job and compares their characteristics to people who remained in work. Differences across socio-demographic groups were less pronounced than when looking at job loss, however a number of general patterns still emerged.

- People who felt insecure in their job were more likely to be: male, and have lower levels of social support (although levels were still high).

There are a number of differences between the recession years and better economic times.

- The groups of people whose feelings of insecurity seemed to be greater in the recession years (most notably in 1991) were: those aged 25-44 years, couples with dependent children and those with lower incomes.

Table 2.4 Profiling people who felt insecure in their job in 1991, 2001 and 2008 Col%

| Individual characteristic | | 1991 | | 2001 | | 2008 | |
|--|---------------------------|---------------|-------------|---------------|-------------|---------------|-------------|
| | | Felt insecure | Felt secure | Felt insecure | Felt secure | Felt insecure | Felt secure |
| Socio-demographics | | | | | | | |
| Sex | Male | 61 | 51 | 57 | 50 | 53 | 51 |
| | Female | 39 | 49 | 43 | 50 | 47 | 49 |
| age group | 16-24 years | 15 | 19 | 12 | 13 | 13 | 14 |
| | 25-44 years | 58 | 51 | 49 | 54 | 49 | 48 |
| | 45-64 years | 27 | 29 | 39 | 33 | 38 | 38 |
| ethnic group membership | white | 96 | 96 | 93 | 99 | 93 | 95 |
| | non-white | 4 | 4 | 7 | 1 | 7 | 5 |
| household type | single | 7 | 6 | 11 | 10 | 18 | 16 |
| | couple, no children | 28 | 28 | 29 | 26 | 24 | 22 |
| | Couple, dep children only | 42 | 38 | 36 | 37 | 38 | 37 |
| | Couple, non-dep children | 16 | 21 | 15 | 18 | 18 | 18 |
| | lone parent | 6 | 7 | 9 | 9 | 3 | 7 |
| marital status | Married | 62 | 62 | 56 | 57 | 56 | 54 |
| | living as couple | 9 | 8 | 15 | 13 | 19 | 18 |
| | wid/div/sep | 6 | 6 | 8 | 8 | 8 | 8 |
| | never married | 22 | 23 | 21 | 22 | 18 | 21 |
| self-reported general health | fair, good or excellent | 95 | 96 | 94 | 96 | 93 | 96 |
| | poor or very poor | 5 | 4 | 6 | 4 | 7 | 4 |
| equivalised household income - quintiles | lowest quintile | 9 | 8 | 4 | 6 | 8 | 7 |
| | second quintile | 20 | 18 | 14 | 14 | 19 | 17 |
| | middle quintile | 22 | 23 | 21 | 23 | 22 | 23 |
| | fourth quintile | 24 | 25 | 30 | 25 | 26 | 26 |
| | highest quintile | 25 | 26 | 31 | 32 | 25 | 28 |
| housing tenure | owned outright | 12 | 12 | 13 | 15 | 16 | 18 |
| | owned with mortgage | 68 | 66 | 67 | 66 | 64 | 65 |
| | social rented | 15 | 13 | 12 | 11 | 9 | 8 |
| | private/other rented | 6 | 8 | 7 | 7 | 11 | 9 |
| regional unemployment rate | 4.5-<6% | 19 | 21 | 91 | 91 | 23 | 27 |
| | 6-<7.5% | 18 | 18 | 9 | 9 | 14 | 14 |
| | 7.5-<9% | 44 | 39 | 0 | 0 | 33 | 33 |
| | 9+% | 19 | 22 | 0 | 0 | 30 | 26 |
| Capabilities and resilience | | | | | | | |
| annual household investment income | nothing | 26 | 25 | 44 | 41 | 47 | 44 |
| | £1-100 | 15 | 16 | 16 | 18 | 14 | 14 |
| | £101-500 | 14 | 15 | 21 | 19 | 17 | 17 |
| | £501-1000 | 19 | 20 | 7 | 7 | 7 | 8 |
| | £1001+ | 26 | 25 | 12 | 14 | 16 | 18 |
| social support | high level | 87 | 91 | 83 | 84 | 87 | 94 |
| | lower level | 13 | 9 | 17 | 16 | 13 | 6 |
| highest educational qualification | degree/equiv or higher | 32 | 30 | 57 | 51 | 60 | 65 |
| | a-level/equiv | 13 | 12 | 10 | 12 | 15 | 12 |
| | o-level/equiv | 27 | 28 | 17 | 21 | 14 | 15 |
| | cse/equiv | 7 | 8 | 5 | 5 | 5 | 4 |
| | None | 22 | 21 | 11 | 10 | 5 | 4 |
| Base | | 863 | 3910 | 524 | 3873 | 610 | 5075 |

Base: Employees

3 Investigating social outcomes

We now focus our attentions on the social outcomes for people who lost their job or who felt insecure in their jobs. We present the social outcomes in turn, beginning with mental health, and present short-term and longer-term outcomes where the data allows for their measurement (as discussed in Chapter 1). We first present descriptive analysis showing the proportion of people in each risk group who also experienced the social outcome (we also present comparative statistics for people not in the risk groups).

Some caveats need to be re-emphasised at the outset. Our measure of job loss uses information collected about current employment status (measured at time of interview) and employment status one year ago (also asked about at same interview). We are therefore looking at people who lost their job over the previous year (for example, the period from September 1990 to September 1991). This means that our measure of shorter-term outcomes, again measured at current interview, occurs after job loss - which may give more weight to assertions that the social outcome is a result of job loss. This is impossible to prove in the data of course, as we are only looking at relationships, not cause and effect.

We use regression analysis to explore the characteristics of people who experienced negative social outcomes.¹⁵ In this analysis we consider the impact of the economic event (e.g. job loss) and also the range of other characteristics outlined in the previous chapter. The aim of this analysis is to see whether the economic event is associated with the social outcome when other, potentially confounding factors are added to the mix. We can also explore the association between the other factors and the social outcomes while paying particular attention to the impact of the 'capabilities and protective factors'.

3.1 Mental health

As discussed in Chapter 1, we use the GHQ to measure mental health and the commonly used threshold of 4 to indicate depression (Bleksaune, 2009; Lamprad, 1994). In the shorter-term, people who lost their job were more likely than those who remained in work to have depression, particularly in the recession year (Table 3.1). They were also slightly more likely to have depression for one or two years over the longer-term. As for the people who felt insecure in their job, in the shorter-term they were more likely than those who felt secure to experience depression, although this was only marginal in 1991. People who felt insecure were no more likely to have depression for one or two years over the longer term.

¹⁵ A degree of caution needs to be exercised when interpreting the results of the regression analyses, due to small sample sizes on which the modelling was based. For example, of people who lost their job in the 1991 data, only 83 had depression that same year and just 31 people had depression for 3 to 6 years.

Table 3.1 Risk groups and mental health

| | | Depression | | | | |
|-----------------------|------------------|--|-----|--|-----------|-----------|
| | | Short term (in the same year as job loss / job insecurity) | | Over the longer-term (across the same year as job loss / job insecurity and the following 5 years) | | |
| | | No | Yes | 0 years | 1-2 years | 3-6 years |
| Job loss | | | | | | |
| 1991 | Lost job | 63 | 37 | 33 | 44 | 23 |
| | Remained in work | 84 | 16 | 49 | 35 | 16 |
| | All working age | 82 | 18 | 47 | 35 | 18 |
| 2001 | Lost job | 64 | 36 | [41] | [34] | [26] |
| | Remained in work | 82 | 18 | 49 | 36 | 15 |
| | All working age | 79 | 21 | 47 | 35 | 18 |
| 2008 | Lost job | 63 | 39 | N/A | N/A | N/A |
| | Remained in work | 82 | 18 | N/A | N/A | N/A |
| | All working age | 81 | 21 | N/A | N/A | N/A |
| Job insecurity | | | | | | |
| 1991 | Felt insecure | 78 | 22 | 39 | 37 | 24 |
| | Felt secure | 86 | 14 | 51 | 35 | 14 |
| | All working age | 82 | 18 | 47 | 35 | 18 |
| 2001 | Felt insecure | 72 | 28 | 39 | 39 | 22 |
| | Felt secure | 83 | 17 | 50 | 35 | 15 |
| | All working age | 79 | 21 | 47 | 35 | 18 |
| 2008 | Felt insecure | 72 | 27 | N/A | N/A | N/A |
| | Felt secure | 83 | 17 | N/A | N/A | N/A |
| | All working age | 79 | 21 | N/A | N/A | N/A |

Bases: Working age people (job loss); Employees (job insecurity)

The results of the regression analysis are presented in Table 3.2. First considering depression in the short-term, measured in 1991 (the first column of odds ratios), we see the association between job loss and depression is significant, which implies that people who lost their jobs were more likely to suffer from depression in the short-term than people who remained employed. The same relationship is also true for the 2008 recession. Among the socio-demographic variables, being female and having bad or very bad general health are strongly associated with the risk of depression both in the short and the longer term. It is important to note that women are particularly more vulnerable to longer-term risks of depression as a result of job loss in a recession¹⁶.

Good financial situation and high social support are the two most important factors protecting against the risk of depression. We tested for interactions between job loss and the protective factors to see if the effect of the factors is the same for the people who lost their jobs and those who remained employed. None of the interactions were significant, which indicates that good financial situation and high social support protect all people against the risk of depression, regardless of whether they lost their jobs or not.

The second column in Table 3.2 looks at depression over the longer term. It is important to note that these long-term patterns only relate to the data from 1991 recession as, clearly, there are no longitudinal data available for people who were just recently affected by the 2008 recession. Overall, the effect of job loss on longer-term depression is statistically significant, which implies that job loss may influence people's susceptibility to depression in the long run. Similarly, being female and suffering from poor health also increases the chance of

¹⁶ This is one of a small number of interaction terms that were significant in the regression modelling. We do not present interaction terms in the tables but do mention them in the text.

depression in the long run. Conversely, having a good financial situation offers a degree of protection against long-term depression. Full ownership of the respondent's home is also a protective factor that seems to provide a unique advantage in time of recession (interaction effect).

Table 3.2 Job loss and mental health, regression analysis

Odds ratios

| | 1991 | | 2001 | | 2008 | |
|---|------------|-----------|------------|-----------|------------|-----------|
| | Short term | Long term | Short term | Long term | Short term | Long term |
| Main independent variable | | | | | | |
| Job loss (empty model) | 3.19*** | 1.81*** | 2.57*** | 1.61 | 2.99*** | N/A |
| Job loss (full model) | 2.63*** | 1.65** | 2.33** | 1.07 | 1.98*** | N/A |
| Socio-demographics | | | | | | |
| Sex: Female | 1.42*** | 1.72*** | 1.86*** | 1.95 | 1.55*** | N/A |
| Age (ref: 25-44) | | | | | | |
| 16-24 | 1.04 | 0.96 | 0.79 | 0.90 | 0.89 | N/A |
| 45-64 | 0.96 | 1.05 | 0.87 | 0.77 | 0.92 | N/A |
| Ethnicity: Non-white | 0.89 | 1.69 | 1.37 | 1.27 | 1.53 | N/A |
| Household type (ref: couple, non-dep children) | | | | | | |
| Single | 1.38 | 1.45 | 1.60 | 1.33 | 1.02 | N/A |
| Couple, no children | 1.01 | 1.23 | 0.97 | 1.06 | 0.94 | N/A |
| Couple with dep children | 1.10 | 1.25 | 1.22 | 1.25 | 0.95 | N/A |
| Lone parent | 1.14 | 1.28 | 1.80 | 1.29 | 0.93 | N/A |
| Marital status (ref: married) | | | | | | |
| Cohabiting | 1.25 | 1.18 | 1.22 | 1.26 | 0.43 | N/A |
| Widowed/ divorced/ separated | 1.01 | 0.91 | 0.87 | 0.97 | 0.96 | N/A |
| Never married | 0.84 | 0.86 | 0.69 | 1.07 | 1.06 | N/A |
| Health: Poor/ very poor | 3.64*** | 3.68*** | 4.22*** | 2.57*** | 4.10*** | N/A |
| Income (ref: middle quintile) | | | | | | |
| Lowest quintile | 0.82 | 0.90 | 1.26 | 1.04 | 1.03 | N/A |
| 2 nd quintile | 1.02 | 1.12 | 0.97 | 0.98 | 0.92 | N/A |
| 4 th quintile | 1.05 | 0.90 | 1.09 | 1.19 | 0.94 | N/A |
| Highest quintile | 0.84 | 0.97 | 1.31 | 1.04 | 0.87 | N/A |
| Housing tenure (ref: own with mortgage) | | | | | | |
| Own outright | 0.78 | 0.64*** | 0.76 | 0.94 | 0.88 | N/A |
| Social rented | 1.00 | 1.00 | 0.85 | 0.95 | 0.84 | N/A |
| Private rented | 0.89 | 0.95 | 1.10 | 1.15 | 0.98 | N/A |
| Regional unemployment rate (ref: 4.5-6%) | | | | | | |
| 6-7.5% | 0.77 | 0.87 | 0.95 | 0.95 | 1.00 | N/A |
| 7.5-9% | 0.86 | 0.87 | - | - | 1.01 | N/A |
| 9+% | 1.00 | 0.94 | - | - | 1.12 | N/A |
| Protective factors | | | | | | |
| Income from savings (ref: nothing) | | | | | | |
| £1-100 | 1.19 | 1.13 | 1.37 | 1.16 | 0.93 | N/A |
| £101-500 | 1.34* | 0.99 | 1.10 | 0.96 | 1.00 | N/A |
| £501-1000 | 1.31 | 0.98 | 1.37 | 0.99 | 0.97 | N/A |
| £1001+ | 0.94 | 1.05 | 1.15 | 1.10 | 1.09 | N/A |
| Social support: High | 0.44*** | 0.54*** | 0.57*** | 0.69** | 0.51*** | N/A |
| Qualifications (ref: none) | | | | | | |
| Degree | 1.33 | 1.63*** | 1.19 | 1.33 | 1.32 | N/A |
| A-level | 1.09 | 1.39* | 1.27 | 1.41 | 1.07 | N/A |
| O-level | 1.06 | 1.28* | 0.93 | 1.08 | 1.23 | N/A |
| CSE | 0.87 | 1.17 | 0.82 | 0.92 | 1.39 | N/A |
| Financial situation: Good | 0.33*** | 0.57*** | 0.26*** | 0.38*** | 0.25*** | N/A |
| N | 4,395 | 3,132 | 7,438 | 4,882 | 4,972 | N/A |

The regression analysis for the relationship between job insecurity and mental health is presented in Table 3.3. Feeling insecure was significantly associated with an increased risk

of depression in the short-term. Moreover, both being female and suffering from poor health has separate adverse affects on the likelihood of both short-term and longer-term depression. The findings also suggest that during the 1991 recession, those with degree or A-level qualifications were more likely to feel depressed than those with no educational qualifications. This factor however did not seem to pose a great risk during the 2008 recession.

Of the protective factors considered in this analysis, having a high degree of social support and feeling good about your financial situation lessens the risk of depression in the short and longer term. These protective factors remained in place whether people felt insecure in their job or not (interaction effects were not significant). During a recession owning a home seems to reduce the risk of longer-term depression.

Table 3.3 Job insecurity and mental health, regression analysis

| | 1991 | | 2001 | | 2008 | |
|---|------------|-----------|------------|-----------|------------|-----------|
| | Short term | Long term | Short term | Long term | Short term | Long term |
| Main independent variable | | | | | | |
| Job insecurity (empty model) | 1.67*** | 1.71*** | 1.91*** | 1.54*** | 1.77*** | N/A |
| Job insecurity (full model) | 1.59*** | 1.69*** | 1.90*** | 1.66*** | 1.48*** | N/A |
| Socio-demographics | | | | | | |
| Sex: Female | 1.55*** | 1.82*** | 1.87*** | 2.01*** | 2.02*** | N/A |
| Age (ref: 25-44) | | | | | | |
| 16-24 | 1.18 | 1.00 | 0.85 | 0.98 | 0.74* | N/A |
| 45-64 | 0.92 | 1.02 | 0.81 | 0.76** | 1.09 | N/A |
| Ethnicity: Non-white | 0.80 | 1.56* | 1.42 | 1.53 | 1.36 | N/A |
| Household type (ref: couple, non-dependent children) | | | | | | |
| Single | 1.45 | 1.21 | 1.62 | 1.34 | 0.97 | N/A |
| Couple, no children | 0.90 | 1.08 | 1.03 | 1.09 | 0.79 | N/A |
| Couple with dep children | 0.95 | 1.11 | 1.31 | 1.22 | 0.97 | N/A |
| Lone parent | 1.36 | 1.15 | 1.86 | 1.22 | 1.26 | N/A |
| Marital status (ref: married) | | | | | | |
| Cohabiting | 1.19 | 1.18 | 1.22 | 1.20 | 0.48 | N/A |
| Widowed/ divorced/ separated | 0.91 | 0.91 | 0.89 | 0.99 | 0.86 | N/A |
| Never married | 0.68 | 0.87 | 0.71 | 1.11 | 1.02 | N/A |
| Health: Poor/ very poor | 3.58*** | 3.48*** | 4.25*** | 2.54*** | 4.88*** | N/A |
| Income (ref: middle quintile) | | | | | | |
| Lowest quintile | 0.97 | 0.95 | 1.29 | 0.84 | 1.11 | N/A |
| 2 nd quintile | 1.00 | 1.01 | 0.94 | 1.02 | 1.02 | N/A |
| 4 th quintile | 1.10 | 0.91 | 1.08 | 1.19 | 0.94 | N/A |
| Highest quintile | 0.85 | 1.00 | 1.31 | 1.03 | 0.96 | N/A |
| Housing tenure (ref: own with mortgage) | | | | | | |
| Own outright | 0.74 | 0.64*** | 0.76 | 0.98 | 0.92 | N/A |
| Social rented | 1.06 | 0.96 | 0.88 | 0.98 | 0.94 | N/A |
| Private rented | 0.87 | 0.91 | 1.14 | 1.25 | 1.22 | N/A |
| Regional unemployment rate (ref: 4.5-6%) | | | | | | |
| 6-7.5% | 0.78 | 0.89 | 0.91 | 0.94 | 0.88 | N/A |
| 7.5-9% | 0.87 | 0.88 | - | - | 0.98 | N/A |
| 9+% | 1.03 | 0.95 | - | - | 1.23 | N/A |
| Protective factors | | | | | | |
| Income from savings (ref: nothing) | | | | | | |
| £1-100 | 1.28 | 1.15 | 1.35 | 1.13 | 0.94 | N/A |
| £101-500 | 1.50** | 1.09 | 1.08 | 0.95 | 0.91 | N/A |
| £501-1000 | 1.42* | 1.00 | 1.37 | 0.92 | 0.83 | N/A |
| £1001+ | 1.02 | 1.02 | 1.11 | 1.10 | 1.08 | N/A |
| Social support: High | 0.42*** | 0.51*** | 0.53*** | 0.69** | 0.38*** | N/A |
| Qualifications (ref: none) | | | | | | |
| Degree | 1.33* | 1.52*** | 1.19 | 1.36 | 1.69 | N/A |
| A-level | 1.12 | 1.31* | 1.27 | 1.47* | 1.80 | N/A |
| O-level | 1.01 | 1.17 | 0.94 | 1.11 | 1.98 | N/A |
| CSE | 0.77 | 1.11 | 0.69 | 0.91 | 1.95 | N/A |
| Financial situation: Good | 0.32*** | 0.54*** | 0.28*** | 0.38*** | 0.29*** | N/A |
| N | 4,555 | 3,250 | 7,942 | 5,187 | 5233 | N/A |

3.2 Financial difficulty

People who lost their job were more likely than those who remained in work to say they find it difficult or very difficult to manage financially. This remained true whether we look at the recession years or not. People who lost their job were also more likely to face financial difficulties over the longer term.

Furthermore, people who felt insecure in their job were also more likely than those who felt secure to say they find it difficult or very difficult to manage financially. Again, the magnitude of this difference varied little according to whether it was a recession year or not, although clearly more people experienced financial difficulty in 1991 and 2008 than 2001.

Table 3.4 Risk groups and financial difficulty

| | | Financial difficulty | | | | |
|-----------------------|------------------|--|-----|--|-----------|-----------|
| | | Short term (in the same year as job loss / job insecurity) | | Over the longer-term (across the same year as job loss / job insecurity and the following 5 years) | | |
| | | No | Yes | 0 years | 1-2 years | 3-6 years |
| Job loss | | | | | | |
| 1991 | Lost job | 60 | 40 | 37 | 40 | 24 |
| | Remained in work | 91 | 9 | 74 | 20 | 6 |
| | All working age | 85 | 15 | 54 | 33 | 13 |
| 2001 | Lost job | 73 | 27 | [58] | [33] | [10] |
| | Remained in work | 96 | 4 | 82 | 14 | 3 |
| | All working age | 93 | 7 | 79 | 16 | 5 |
| 2008 | Lost job | 63 | 37 | N/A | N/A | N/A |
| | Remained in work | 94 | 6 | N/A | N/A | N/A |
| | All working age | 90 | 10 | N/A | N/A | N/A |
| Job insecurity | | | | | | |
| 1991 | Felt insecure | 85 | 15 | 63 | 28 | 8 |
| | Felt secure | 91 | 9 | 74 | 20 | 6 |
| | All working age | 85 | 15 | 66 | 24 | 10 |
| 2001 | Felt insecure | 91 | 9 | 75 | 21 | 4 |
| | Felt secure | 96 | 4 | 83 | 14 | 3 |
| | All working age | 93 | 7 | 79 | 16 | 5 |
| 2008 | Felt insecure | 89 | 11 | N/A | N/A | N/A |
| | Felt secure | 94 | 6 | N/A | N/A | N/A |
| | All working age | 90 | 10 | N/A | N/A | N/A |

Bases: Working age people (job loss); Employees (job insecurity)

Regression analysis is presented in Table 3.5. The analysis confirms that people who lost their jobs were more likely to suffer from short- and longer-term financial difficulties than people who remained in work. In 1991, being a member of a low or medium income group and not being married increased the risk of financial difficulties, whereas having no children, whether single or as a couple, offered protection in both the short and the long-term. The analysis suggests that cohabitation or being in the lowest income bracket are risk factors that have an increased adverse effect during a recession compared with times of more economic stability. However, in the case of cohabitation, this may well be because of changing behaviours and attitudes across society as a result of more people cohabiting now than in the early 1990s.

Enjoying a better mental health (a score of 1-3 on the GHQ) and having any income from savings were strong protective factors against short and long term financial stress. Owning

ones' house outright seems to protect against the risk of financial difficulty only in the long-term. Moreover, having a high level of social support has no bearings on the risk of financial stress in the short term; it does however provide a unique long-term protective factor that provides an advantage in a recession time. Similarly, having a degree level qualification offers the same long-term advantage during a recession.

Table 3.5 Job loss and financial difficulty, regression analysis

| | 1991 | | 2001 | | 2008 | |
|---|------------|-----------|------------|-----------|------------|-----------|
| | Short term | Long term | Short term | Long term | Short term | Long term |
| Economic event | | | | | | |
| Job loss (empty model) | 6.76*** | 4.83*** | 8.41*** | 3.40*** | 5.84*** | N/A |
| Job loss (full model) | 3.83*** | 2.88*** | 5.94*** | 2.33* | 6.48*** | N/A |
| Socio-demographics | | | | | | |
| Sex: Female | 1.12 | 1.16 | 0.80 | 0.85 | 1.18 | N/A |
| Age (ref: 25-44) | | | | | | |
| 16-24 | 0.68 | 0.93 | 0.72 | 0.97 | 0.70* | N/A |
| 45-64 | 0.90 | 0.91 | 0.91 | 0.98 | 1.37* | N/A |
| Ethnicity: Non-white | 1.24 | 1.88* | 2.74** | 0.90 | 1.37 | N/A |
| Household type (ref: couple, non-dependent children) | | | | | | |
| Single | 0.37*** | 0.56* | 0.65 | 0.57 | 0.90 | N/A |
| Couple, no children | 0.61* | 0.99 | 0.98 | 1.00 | 0.53*** | N/A |
| Couple with dep children | 0.86 | 1.19 | 0.88 | 1.42 | 0.97 | N/A |
| Lone parent | 0.67 | 1.11 | 0.54 | 1.00 | 0.93 | N/A |
| Marital status (ref: married) | | | | | | |
| Cohabiting | 1.73** | 1.82*** | 0.97 | 1.66** | 1.38 | N/A |
| Widowed/ divorced/ separated | 3.13*** | 2.26** | 3.70** | 3.40*** | 1.89*** | N/A |
| Never married | 1.77* | 1.43 | 2.46* | 2.79*** | 1.50** | N/A |
| Health: Poor/ very poor | 1.25 | 1.49* | 1.76 | 2.51*** | 1.64*** | N/A |
| Income (ref: middle quintile) | | | | | | |
| Lowest quintile | 2.67*** | 2.11*** | 1.49 | 2.68*** | 2.18*** | N/A |
| 2 nd quintile | 1.73** | 1.49** | 2.19** | 1.31 | 1.61** | N/A |
| 4 th quintile | 0.77 | 0.69** | 0.75 | 0.81 | 0.66** | N/A |
| Highest quintile | 0.69 | 0.71* | 0.27*** | 0.58** | 0.39*** | N/A |
| Housing tenure (ref: own with mortgage) | | | | | | |
| Own outright | 0.66 | 0.58** | 0.70 | 0.60 | 0.50*** | N/A |
| Social rented | 0.80 | 1.11 | 0.87 | 1.27 | 1.08 | N/A |
| Private rented | 1.27 | 1.36 | 0.38 | 1.08 | 1.30 | N/A |
| Regional unemployment rate (ref: 4.5-6%) | | | | | | |
| 6-7.5% | 0.84 | 0.75* | 1.02 | 1.88* | 1.01 | N/A |
| 7.5-9% | 0.73* | 0.78* | - | - | 0.73* | N/A |
| 9+% | 0.60** | 0.80 | - | - | 0.65*** | N/A |
| Protective factors | | | | | | |
| Income from savings (ref: nothing) | | | | | | |
| £1-100 | 0.60** | 0.68** | 0.51** | 0.58** | 0.82 | N/A |
| £101-500 | 0.47*** | 0.52*** | 0.40** | 0.47*** | 0.61** | N/A |
| £501-1000 | 0.21*** | 0.43*** | 0.45 | 0.32** | 0.58 | N/A |
| £1001+ | 0.29*** | 0.37*** | 0.62 | 0.47** | 0.33*** | N/A |
| Social support: High | 0.75 | 0.57*** | 0.73 | 0.78 | 0.77 | N/A |
| Qualifications (ref: none) | | | | | | |
| Degree | 0.89 | 0.75* | 0.79 | 1.14 | 0.82 | N/A |
| A-level | 1.53* | 1.01 | 0.42 | 1.22 | 0.69 | N/A |
| O-level | 1.00 | 0.84 | 0.69 | 1.00 | 0.81 | N/A |
| CSE | 0.76 | 0.80 | 0.53 | 0.65 | 0.94 | N/A |
| Mental health: High resilience (GHQ score 1-3) | 0.33*** | 0.48*** | 0.25*** | 0.43*** | 3.29*** | N/A |
| N | 4,395 | 3,139 | 7,438 | 4,974 | 5083 | N/A |

The results for the regression analysis for job insecurity are presented in Table 3.6. Having job insecurity was significantly associated with financial difficulty in both the short and longer term. Being married, or having ever been married, increased the risk of financial stress in the short and longer term in a recession, while being single offered some protections from short term and long-term financial difficulties. The short-term protective effect of being single is a source of advantage during a recession. These associations however are not significant for the 2008 recession. Being in a relationship, without any children, can also provide some protection though only in the short term. Further, suffering from poor health also increases the long-term risk of financial difficulty, though this risk is not exclusive to recessions. It is also important to note that, unlike in previous years, age was a significant factor in 2008, where older working people (46-64) were found to be at great risk of financial stress.

Being insecure at work and having a low-income (lowest and second quintile), increases the risk of short- and longer-term financial stress. While these risks remain regardless of the general economic climate, people who were members of the second lowest income quintile were more vulnerable to longer-term effects of job insecurity during recession. Conversely, being the member of the second highest income group (fourth quintile) offers extra advantage during a recession both in the short and long term. The same advantage holds for those who own property outright.

Furthermore, having a higher income, enjoying good mental health, and having any income from savings all help to reduce the risk of short- and longer-term financial difficulties. Those whose income from saving was more than £500 per year were further protected against short-term difficulties in recessions.

It is also important to note that having a university degree, while not offering any short-term benefits against the risk of financial stress, proves to be a valuable long-term advantage in time of a recession.

Table 3.6 Job insecurity and financial difficulty, regression analysis

| | 1991 | | 2001 | | 2008 | |
|---|------------|-----------|------------|-----------|------------|-----------|
| | Short term | Long term | Short term | Long term | Short term | Long term |
| Economic event | | | | | | |
| Job insecurity (empty model) | 1.88*** | 1.67*** | 2.24*** | 1.55** | 2.06*** | N/A |
| Job insecurity (full model) | 1.87*** | 1.67*** | 2.20*** | 1.53* | 2.33*** | N/A |
| Socio-demographics | | | | | | |
| Sex: Female | 1.15 | 1.15 | 1.02 | 0.92 | 1.28 | N/A |
| Age (ref: 25-44) | | | | | | |
| 16-24 | 0.77 | 0.90 | 0.84 | 0.97 | 0.80 | N/A |
| 45-64 | 1.12 | 0.99 | 0.88 | 0.92 | 1.56** | N/A |
| Ethnicity: Non-white | 1.44 | 1.70* | 2.12* | 1.41 | 1.89 | N/A |
| Household type (ref: couple, non-dependent children) | | | | | | |
| Single | 0.39** | 0.53** | 0.79 | 0.61 | 0.95 | N/A |
| Couple, no children | 0.62* | 1.00 | 0.77 | 0.92 | 0.48** | N/A |
| Couple with dep children | 0.94 | 1.29 | 1.12 | 1.28 | 0.99 | N/A |
| Lone parent | 0.78 | 1.26 | 0.56 | 0.95 | 1.02 | N/A |
| Marital status (ref: married) | | | | | | |
| Cohabiting | 2.09*** | 1.85*** | 1.40 | 1.55* | 1.25 | N/A |
| Widowed/ divorced/ separated | 2.89*** | 2.20** | 2.57 | 3.11*** | 1.54 | N/A |
| Never married | 1.73* | 1.53* | 1.79 | 2.38** | 1.06 | N/A |
| Health: Poor/ very poor | 1.29 | 1.61* | 1.61 | 2.32*** | 1.37 | N/A |
| Income (ref: middle quintile) | | | | | | |
| Lowest quintile | 2.95*** | 2.20*** | 1.99* | 1.82* | 1.81** | N/A |
| 2 nd quintile | 1.62** | 1.39* | 2.39*** | 1.20 | 1.50* | N/A |
| 4 th quintile | 0.67* | 0.68** | 0.72 | 0.81 | 0.68 | N/A |
| Highest quintile | 0.59* | 0.74* | 0.26*** | 0.59** | 0.46** | N/A |
| Housing tenure (ref: own with mortgage) | | | | | | |
| Own outright | 0.59* | 0.62** | 0.81 | 0.66 | 0.51** | N/A |
| Social rented | 0.75 | 1.06 | 0.84 | 1.31 | 0.82 | N/A |
| Private rented | 1.31 | 1.35 | 0.51 | 1.19 | 0.93 | N/A |
| Regional unemployment rate (ref: 4.5-6%) | | | | | | |
| 6-7.5% | 0.83 | 0.66** | 1.22 | 1.39 | 0.95 | N/A |
| 7.5-9% | 0.76 | 0.74* | - | - | 0.85 | N/A |
| 9+% | 0.69 | 0.78 | - | - | 0.61* | N/A |
| Protective factors | | | | | | |
| Income from savings (ref: nothing) | | | | | | |
| £1-100 | 0.51*** | 0.63*** | 0.41** | 0.55** | 0.64 | N/A |
| £101-500 | 0.43*** | 0.47*** | 0.38** | 0.42*** | 0.57* | N/A |
| £501-1000 | 0.20*** | 0.42*** | 0.51 | 0.43** | 0.43** | N/A |
| £1001+ | 0.28*** | 0.37*** | 0.65 | 0.47** | 0.25*** | N/A |
| Social support: High | 0.81 | 0.66** | 0.64* | 0.76 | 1.03 | N/A |
| Qualifications (ref: none) | | | | | | |
| Degree | 0.88 | 0.75* | 0.86 | 1.16 | 1.08 | N/A |
| A-level | 1.34 | 1.09 | 0.47 | 1.21 | 1.13 | N/A |
| O-level | 0.99 | 0.84 | 0.87 | 1.10 | 0.98 | N/A |
| CSE | 0.83 | 0.79 | 0.69 | 0.66 | 1.13 | N/A |
| Mental health: High resilience (GHQ score 1-3) | 0.32*** | 0.45*** | 0.27*** | 0.43*** | 0.24*** | N/A |
| N | 4,555 | 3,258 | 7,942 | 5,283 | 4960 | N/A |

3.3 Eviction from accommodation

One of the most extreme consequences of job loss would be having to move house because of eviction or repossession. One in ten people who lost their job in 1991 experienced this event between then and 1996 – markedly higher than those who remained in work in 1991. There was hardly any difference in these rates between 1991 and 2001, suggesting that evictions were no more likely amongst people who lost their job in recession years than they would have been in other years.

The relationship between the possibility of eviction and feeling insecure at work was much less apparent. Overall relatively few people (three per cent) were evicted from their accommodation in the years under investigation, and this did not vary according to whether they felt insecure in their job or not.

Table 3.7 Risk groups and eviction from accommodation

| | | Evicted from accommodation across the same year as job loss / job insecurity or during the following 5 years | |
|-----------------------|------------------|--|-----|
| | | No | Yes |
| Job loss | | | |
| 1991 | Lost job | 91 | 9 |
| | Remained in work | 97 | 3 |
| | All working age | 95 | 5 |
| 2001 | Lost job | 92 | 8 |
| | Remained in work | 97 | 3 |
| | All working age | 96 | 4 |
| 2008 | Lost job | N/A | N/A |
| | Remained in work | N/A | N/A |
| | All working age | N/A | N/A |
| Job insecurity | | | |
| 1991 | Felt insecure | 97 | 3 |
| | Felt secure | 97 | 3 |
| | All working age | 95 | 5 |
| 2001 | Felt insecure | 97 | 3 |
| | Felt secure | 97 | 3 |
| | All working age | 96 | 4 |
| 2008 | Felt insecure | N/A | N/A |
| | Felt secure | N/A | N/A |
| | All working age | N/A | N/A |

Bases: Working age people (job loss); Employees (job insecurity)

Note: Eviction and repossession only possible to measure in BHPS from 1992 onwards.

Regression analysis for job loss is presented in Table 3.8. Job loss was significantly associated with evictions in the empty model, but not when the full model was used, where having never been married and occupying a privately rented residence emerged as significant factors. There was no strong association between the protective factors and eviction.

Table 3.9 presents the regression analysis of job insecurity and eviction. As suggested by the descriptive analysis, there was no relationship between job security and evictions. Being a private renter and having never been married, or being widowed/divorced/separated seem to have a slight adverse effect on the possibility of eviction. This negative effect however seems to be consistent regardless of wider economic trends (no interaction effects).

Table 3.8 Job loss and eviction from accommodation, regression analysis

| | 1991 | 2001 |
|---|---------|----------|
| Economic event | | |
| Job loss (empty model) | 2.85** | 2.83 |
| Job loss (full model) | 1.72 | 2.52 |
| Socio-demographics | | |
| Sex: Female | 0.95 | 1.21 |
| Age (ref: 25-44) | | |
| 16-24 | 1.66 | 0.64 |
| 45-64 | 0.57 | 1.20 |
| Ethnicity: Non-white | 0.00 | 0.00 |
| Household type (ref: couple, non-dependent children) | | |
| Single | 0.50 | 0.25* |
| Couple, no children | 1.34 | 1.66 |
| Couple with dep children | 1.57 | 0.46 |
| Lone parent | 0.97 | 0.08*** |
| Marital status (ref: married) | | |
| Cohabiting | 1.73 | 7.59** |
| Widowed/ divorced/ separated | 2.85 | 39.81*** |
| Never married | 4.20*** | 75.63*** |
| Health: Poor/ very poor | 1.27 | 0.66 |
| Income (ref: middle quintile) | | |
| Lowest quintile | 0.66 | 4.02* |
| 2 nd quintile | 1.76 | 2.95* |
| 4 th quintile | 0.88 | 0.37 |
| Highest quintile | 1.36 | 0.64 |
| Housing tenure (ref: own with mortgage) | | |
| Own outright | 0.87 | 0.93 |
| Social rented | 1.39 | 0.94 |
| Private rented | 6.99*** | 9.18*** |
| Regional unemployment rate (ref: 4.5-6%) | | |
| 6-7.5% | 0.67 | 0.71 |
| 7.5-9% | 0.37** | - |
| 9+% | 0.48* | - |
| Protective factors | | |
| Income from savings (ref: nothing) | | |
| £1-100 | 0.64 | 0.86 |
| £101-500 | 0.34 | 0.76 |
| £501-1000 | 0.84 | 1.76 |
| £1001+ | 0.49 | 0.51 |
| Social support: High | 0.57 | 2.34 |
| Qualifications (ref: none) | | |
| Degree | 0.83 | 1.99 |
| A-level | 0.92 | 2.25 |
| O-level | 0.80 | 2.92 |
| CSE | 0.22 | 1.07 |
| Mental health: High resilience (GHQ score 1-3) | 0.83 | 0.28** |
| Financial situation: Good | 0.66 | 0.57 |
| N | 3,055 | 4,870 |

Table 3.9 Job insecurity and eviction from accommodation, regression analysis

| | 1991 | 2001 |
|---|---------|----------|
| Economic event | | |
| Job insecurity (empty model) | 1.02 | 0.96 |
| Job insecurity (full model) | 0.88 | 0.82 |
| Socio-demographics | | |
| Sex: Female | 0.89 | 0.96 |
| Age (ref: 25-44) | | |
| 16-24 | 1.17 | 0.65 |
| 45-64 | 0.68 | 1.31 |
| Ethnicity: Non-white | 0.00 | 0.00 |
| Household type (ref: couple, non-dependent children) | | |
| Single | 0.39 | 0.34 |
| Couple, no children | 1.06 | 1.93 |
| Couple with dep children | 1.49 | 0.54 |
| Lone parent | 0.97 | 0.11** |
| Marital status (ref: married) | | |
| Cohabiting | 1.63 | 5.06** |
| Widowed/ divorced/ separated | 3.28* | 23.74*** |
| Never married | 3.87** | 63.14*** |
| Health: Poor/ very poor | 1.17 | 0.69 |
| Income (ref: middle quintile) | | |
| Lowest quintile | 0.85 | 3.86* |
| 2 nd quintile | 1.38 | 2.23 |
| 4 th quintile | 0.94 | 0.42 |
| Highest quintile | 1.18 | 0.60 |
| Housing tenure (ref: own with mortgage) | | |
| Own outright | 0.58 | 1.18 |
| Social rented | 1.77 | 1.10 |
| Private rented | 7.61*** | 7.40*** |
| Regional unemployment rate (ref: 4.5-6%) | | |
| 6-7.5% | 0.84 | 0.60 |
| 7.5-9% | 0.57 | - |
| 9+% | 0.62 | - |
| Protective factors | | |
| Income from savings (ref: nothing) | | |
| £1-100 | 0.77 | 0.73 |
| £101-500 | 0.38 | 0.73 |
| £501-1000 | 0.99 | 1.61 |
| £1001+ | 0.50 | 0.37 |
| Social support: High | 0.62 | 2.45 |
| Qualifications (ref: none) | | |
| Degree | 0.95 | 1.85 |
| A-level | 0.98 | 1.96 |
| O-level | 0.91 | 2.38 |
| CSE | 0.48 | 1.92 |
| Mental health: High resilience (GHQ score 1-3) | 0.77 | 0.27*** |
| Financial situation: Good | 0.71 | 0.64 |
| N | 3,176 | 5,160 |

3.4 Relationship breakdown

More than one in ten people who lost their job experienced relationship breakdown in the following five years after job loss. This was higher than for people who stayed in their job,

suggesting there may be a link between job loss and relationship problems. Again the difference between rates in an out of the recession years was minimal, suggesting no evidence of a ‘recession effect’.

Around one in ten people who felt insecure in their job experienced relationship breakdown in the following five years from job insecurity. Again there was no difference according to job security or whether relating to 1991 or 2001.

Table 3.10 Risk groups and relationship breakdown

| | | Relationship breakdown happened in the same year as job loss / job insecurity or during the following 5 years | |
|-----------------------|------------------|---|-----|
| | | No | Yes |
| Job loss | | | |
| 1991 | Lost job | 87 | 13 |
| | Remained in work | 92 | 8 |
| | All working age | 90 | 10 |
| 2001 | Lost job | 85 | 15 |
| | Remained in work | 91 | 9 |
| | All working age | 90 | 10 |
| 2008 | Lost job | N/A | N/A |
| | Remained in work | N/A | N/A |
| | All working age | N/A | N/A |
| Job insecurity | | | |
| 1991 | Felt insecure | 91 | 9 |
| | Felt secure | 92 | 8 |
| | All working age | 90 | 10 |
| 2001 | Felt insecure | 91 | 9 |
| | Felt secure | 91 | 9 |
| | All working age | 91 | 9 |
| 2008 | Felt insecure | N/A | N/A |
| | Felt secure | N/A | N/A |
| | All working age | N/A | N/A |

Bases: Working age people (job loss); Employees (job insecurity) - in couple relationship in first year

Note: Relationship breakdown uses only people married or cohabiting in previous year.

Note: Relationship breakdown only possible to measure in BHPS from 1992 onwards.

The regression analysis for job loss and relationship breakdown is presented in Table 3.11. Job loss had no significant association with the likelihood of relationship breakdown. Factors that were significant included marital status and age. Those that were cohabiting rather than married were more likely to experience relationship breakdown, as were those between the ages of 16 and 24 (clearly those that were cohabiting were also likely to be younger). This latter group appear particularly vulnerable to relationship breakdown during a recession.

Furthermore, having a higher income from investments and savings, and enjoying a high level of resilience (good mental health) provided a degree of protective advantage during a recession. Other research (e.g. Blekesaune, 2008) has used the family history information in the BHPS to look at relationship breakdown over a longer period (1991-2005). That study was able to look at the yearly relationship between job loss and relationship breakdown using pooled data over this longer time period. This research found that unemployment significantly increases the risk of partnership dissolution, and that this is true for both male and female unemployment. Our research uses a different approach, focusing on relationship breakdown in the five years after job loss. That we do not find a direct relationship between job loss and relationship breakdown could be because we focus on job loss in one year (e.g. 1991) and look for an impact on relationship breakdown in later years – clearly other events can happen during this which may impact on relationships, such as re-entry into the labour market.

Table 3.11 Job loss and relationship breakdown, regression analysis

| | 1991 | 2001 |
|---|---------|---------|
| Economic event | | |
| Job loss (empty model) | 1.72 | 1.94 |
| Job loss (full model) | 1.07 | 0.50 |
| Socio-demographics | | |
| Sex: Female | 1.17 | 1.10 |
| Age (ref: 25-44) | | |
| 16-24 | 3.23*** | 0.82 |
| 45-64 | 0.66 | 0.57 |
| Ethnicity: Non-white | 1.37 | 0.67 |
| Household type (ref: couple, non-dependent children) | | |
| <i>Couple, no children</i> | 0.86 | 0.93 |
| <i>Couple with dep children</i> | 0.63 | 0.49 |
| Marital status (ref: married) | | |
| <i>Cohabiting</i> | 2.55*** | 4.17*** |
| Health: Poor/ very poor | 1.37 | 1.09 |
| Income (ref: middle quintile) | | |
| <i>Lowest quintile</i> | 0.84 | 2.26 |
| <i>2nd quintile</i> | 0.83 | 1.65 |
| <i>4th quintile</i> | 1.38 | 1.39 |
| <i>Highest quintile</i> | 1.17 | 0.82 |
| Housing tenure (ref: own with mortgage) | | |
| <i>Own outright</i> | 0.78 | 0.56 |
| <i>Social rented</i> | 1.46 | 1.16 |
| <i>Private rented</i> | 1.95 | 2.12 |
| Regional unemployment rate (ref: 4.5-6%) | | |
| 6-7.5% | 0.78 | 1.10 |
| 7.5-9% | 0.77 | - |
| 9+% | 1.14 | - |
| Protective factors | | |
| Income from savings (ref: nothing) | | |
| £1-100 | 0.88 | 0.68 |
| £101-500 | 0.50* | 1.50 |
| £501-1000 | 0.58* | 1.53 |
| £1001+ | 0.22*** | 1.14 |
| Social support: High | 0.47** | 0.99 |
| Qualifications (ref: none) | | |
| <i>Degree</i> | 0.95 | 0.63 |
| <i>A-level</i> | 1.51 | 0.88 |
| <i>O-level</i> | 1.39 | 1.13 |
| <i>CSE</i> | 1.33 | 0.52 |
| Mental health: High resilience (GHQ score 1-3) | 0.58** | 0.67 |
| Financial situation: Good | 1.09 | 0.29** |
| N | 2,363 | 3,820 |

The regression analysis for job insecurity and relationship breakdown is presented in Table 3.12. The general story is similar to that for job loss, as job insecurity had no significant association with the likelihood of relationship breakdown. Again, cohabiting rather than being married, and being younger, increased the risk of relationship breakdown. Similarly, having higher income from investments and good mental health were strong protective factors against the risk of relationship breakdown during recession.

Table 3.12 Job insecurity and relationship breakdown, regression analysis

| | 1991 | 2001 |
|---|---------|---------|
| Economic event | | |
| Job insecurity (empty model) | 1.16 | 0.97 |
| Job insecurity (full model) | 1.05 | 0.92 |
| Socio-demographics | | |
| Sex: Female | 1.10 | 1.14 |
| Age (ref: 25-44) | | |
| 16-24 | 2.76*** | 0.86 |
| 45-64 | 0.70 | 0.61 |
| Ethnicity: Non-white | 1.46 | 0.77 |
| Household type (ref: couple, non-dependent children) | | |
| <i>Couple, no children</i> | 0.83 | 0.79 |
| <i>Couple with dep children</i> | 0.61 | 0.46 |
| Marital status (ref: married) | | |
| <i>Cohabiting</i> | 3.15*** | 4.44*** |
| Health: Poor/ very poor | 1.11 | 1.04 |
| Income (ref: middle quintile) | | |
| <i>Lowest quintile</i> | 1.05 | 1.44 |
| <i>2nd quintile</i> | 0.92 | 1.70 |
| <i>4th quintile</i> | 1.41 | 1.34 |
| <i>Highest quintile</i> | 1.25 | 0.77 |
| Housing tenure (ref: own with mortgage) | | |
| <i>Own outright</i> | 0.81 | 0.54 |
| <i>Social rented</i> | 1.40 | 1.44 |
| <i>Private rented</i> | 2.01 | 2.40** |
| Regional unemployment rate (ref: 4.5-6%) | | |
| 6-7.5% | 0.64 | 0.90 |
| 7.5-9% | 0.82 | - |
| 9+% | 1.11 | - |
| Protective factors | | |
| Income from savings (ref: nothing) | | |
| £1-100 | 0.80 | 0.77 |
| £101-500 | 0.50* | 1.83 |
| £501-1000 | 0.56* | 1.49 |
| £1001+ | 0.20*** | 1.05 |
| Social support: High | 0.49** | 1.12 |
| Qualifications (ref: none) | | |
| <i>Degree</i> | 0.91 | 0.78 |
| <i>A-level</i> | 1.44 | 1.12 |
| <i>O-level</i> | 1.34 | 1.43 |
| <i>CSE</i> | 1.25 | 0.59 |
| Mental health: High resilience (GHQ score 1-3) | 0.57** | 0.69 |
| Financial situation: Good | 0.77 | 0.26*** |
| N | 2,432 | 3,998 |

4 Summary

This research has used data from the British Household Panel Survey (BHPS) to investigate the extent to which people who lose their job and people who feel insecure in their job go on to experience other social disadvantages, including depression, relationship breakdown and evictions. It has looked at evidence across a number of years, two of which occurred within the last two recessions of the late 2000s and early 1990s. The research has also examined

whether people have certain resilience factors, such as education, social support networks and strong mental health, which protect against these social disadvantages.

The BHPS is uniquely positioned to investigate the issues explored in this research because it collects information on employment position as well as on a range of social disadvantages. Because the BHPS began in 1991, and collects information at annual intervals, it spans a period covering both of the recent recessions. The BHPS is also a panel study; it re-interviews the same people, which means that people's outcomes can be tracked over the longer as well as shorter term.

Despite being a comprehensive and timely survey, there are limitations to using the BHPS – most notably the relatively small samples of people who lose their jobs and experience social disadvantages. This problem is magnified by the non-random attrition that panel surveys face, although when appropriate our analysis has used the longitudinal weights supplied with the BHPS dataset. Any analysis of survey data also faces the usual difficulties of operationalising difficult concepts, such as job insecurity or mental health, and our findings are sensitive to the measurement decisions we have made. The timing of the BHPS interviews is crucial in trying to predict any impact of a recession. The data from recession years was collected in the autumn of 1991 and 2008, and it may be that stronger 'recession effects' may have been found if the data had used a different time reference.

A number of key findings emerged from the analysis. First, the incidence of job loss and job insecurity appeared higher in the 1991 recession. There is a raft of evidence to show that unemployment rises during and after a recession, but our analysis has shown that job insecurity can increase too. Our estimates for 2008 are not markedly different from the year in 'better economic times', though this may be because the data was collected early in this latest recession period.

We used regression analysis to explore the association between job loss, and job insecurity, and a range of social disadvantages. Clearly it is not possible to determine cause and effect with survey data. So even though social disadvantages were recorded after the economic event had occurred, and we controlled for other factors associated with social disadvantage in the regression models, we can only report relationships between the variables of interest. Furthermore we did not take into account the previous status of an individual's social disadvantage, nor vary the period between job loss, or job insecurity, and social disadvantage – both of which may have enhanced our understanding of the data, but were beyond the scope of this study.

Both job loss and job insecurity were associated with increased risk of depression when depression was measured in the year after job loss. There was a greater differential in risk between those who lost their job and those who remained in work, rather than between those who are secure and insecure in their jobs. Overall, the effect of job loss on longer-term depression was also statistically significant, which implies that job loss may influence people's susceptibility to depression in the long run too. Among the socio-demographic variables, being female and having bad or very bad general health were strongly associated with the risk of depression both in the short- and the longer-term.

The regression analysis included a number of factors that may be seen to protect people from social disadvantage. High income from investments, high social support and good financial situation appeared to reduce the risk of depression in the short-term. The data suggested

that these protective factors functioned regardless of whether or not people experienced job loss or job insecurity. However, they are still potentially useful protection strategies that can be applied to people who face labour market difficulties, especially during a recession.

Of the other social disadvantages we looked at, both job loss and job insecurity were associated with financial stress, in both the short and longer term. Again, there was a greater differential in risk between those who lost their job and those who remained in work, rather than between those who are secure and insecure in their jobs. And a similar picture emerged regarding possible protective factors. There was less of an association between job loss and evictions or relationship breakdown, and no association at all for those insecure in their jobs. High social support and high income from investments appeared to decrease the risk of separation.

Our study suggests a number of pointers for policy makers. The research has highlighted the social disadvantages that individuals and families can experience as a result of unemployment or job insecurity. Because we have seen that the incidence of unemployment and job insecurity can increase during a recession, and other evidence suggests for a period after recession too (ONS, 2009¹⁷), it seems imperative that policy aims to prevent and reduce social disadvantage, in addition to containing purely economic problems that can arise during these times.

By profiling the people at risk of job loss and job insecurity we provide a mechanism for designing and targeting policy solutions at particular types of people. This suggests that, with the appropriate data, service providers may be able to use profiling technologies to identify people's needs and better target service delivery.

Looking at protective factors can help draw attention to the capitals that play a part in making people less likely to experience social disadvantage. This can help the formulation of policies that strive to prevent or reduce the impact of economic events. These policies may well be best situated alongside those designed to increase economic participation – such as through services for the unemployed or other social support services. For example, our research suggests that having strong and secure relationships with family and friends can protect individuals from social disadvantage. These forms of social capital could be enhanced through providing money, advice, employment links or psychological support for people who face difficult economic experiences. Furthermore, a more comprehensive policy approach would be to combine the profiling capacity of service providers to identify the groups at risk early on, with services that help cultivate people's protective capitals in a pre-emptive bid to avoid dealing with disadvantage in a more developed and longer term form at a later stage.

Financial capital also emerged as a strong protective factor. Having a reserve of money or an income through savings or investments can help to cushion the blow of job loss or provide short-term assurance for those feeling insecure in their job. The Government has sought to encourage people to save for the long-term, for example by including a duty on employers to automatically enrol all eligible workers into a good quality workplace pension scheme. A similar focus on shorter-term saving or on unemployment insurance for those at risk of job loss may encourage people to actively prepare for future labour market difficulties.

¹⁷ ONS (2009) *The impact of the recession on the labour market*, Newport: Office for National statistics.

There was also evidence that having good mental health can reduce the risk of social disadvantage. This suggests that being able to cope with job loss or job insecurity may ward off the potential of other social disadvantages, through, for example, being motivated to look for work or to progress within the workplace. Relevant, efficient and targeted training within the workplace is one way of creating and enhancing motivations and aspirations. For those without work, especially those who have recently lost their job, services should be focused on improving and maintaining mental health, particularly during jobsearch.

Of course studies such as this always open up possibilities for further research. Using more years of BHPS data would allow us to look at trends in more detail. Also applying more sophisticated panel data models, beyond the scope of this relatively small project, would allow the exploration of the complex and dynamic relationship between economic events and social disadvantage.