

# Psychological consequences of youth unemployment

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Contribution to the session “*Lost generation? How to prevent long-term consequences of rising youth unemployment?*”

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# 1. A scar for the young?

- Based on longitudinal follow-up of large databases: *socio-economic scarring effect*
  - **Franzen & Kassman (2005, Sweden)**: economically inactive at 20-24 years -> elevated risk of being economically inactive when followed-up seven years later  
*Especially of foreign-borns and those with the lowest level of education*
  - **Wadsworth, Montgomery & Bartley (1999, British national birth cohort)**: men's youth unemployment inflicts potential long-term damage to future socioeconomic chances (combination of income, occupational status, and home ownership) at 33 yrs old.

- What about *health and well-being*?
- Fergusson, Horwood & Lynskey (1997):  
exposure to unemployment at age 16 -> increasing risks of psychological problems at age 18: anxiety and substance use
- Wadsworth, Montgomery & Bartley (1999, British national birth cohort): men's youth unemployment -> potential long-term damage to aspects of future physical health (e.g. body mass index, eating fresh fruit and smoking) at 33 yrs old
- Hammarstrom & Janlert (2002): Unemployment while young -> significant effect on smoking, psychological symptoms and (men only) somatic symptoms after a follow up of 14 years

## 2. Are the young 'worse off'?

- Is unemployment *more of a burden* to the young, compared to other age categories?
- Literature review: **No...** -> especially problematic for those **between 30-50 years old**
- **Older category** (above 50):
  - Can prepare themselves to go into retirement
  - “did already contribute...”
  - a large group (‘accepted’)

- The **young** seem to be able to cope well...(especially when compared to others)
  - Less *financial* responsibilities
  - Better *chances of finding work* in the near future
  - Less *loneliness* (keep social network)
  - Do not yet lose their occupational *identity*
  - -> perceive (slightly) *more advantages*
  
- **However:** Unemployment is **also problematic** for them, but more so for the middle category

### 3. But what in the *long* term?

- Does unemployment **harm** the *psychological development* of the young?
- Delay of *insertion* & continuation of 'youth status' -> better able to cope
- But... unable to fulfil 3 basic developmental tasks:
  - Become (financial) *independent* from family
  - Finalise *identity development*
  - *Integrate in society*: starting up a family

- **Employment** *key* to these tasks & to integration in society
- Research suggests:
  - Financial independence hampered
  - Identity: probably not 'a big issue' after all...
  - Delay of starting a family & children
- Conclusion: *paradox*: “renounce and you shall be saved” ...but “don't enter society”
- What in the long term: how long can they wait before 'scarring' occurs? -> unclear

## 4. To conclude: all is well that ends well?

- Perhaps the is reason to put 'youth unemployment' *into perspective*: modify the '*warning cry*' – '*moral panic*'
- Probably not *the* category which needs priority 'as such'
- Even though *specific subcategories* might need attention from policy