Long-term Impacts of Economic Collapse: Effects on Health, Human Development and Overall Quality of Life

Originally Prepared for:
ECCSSA Conference, March 31-April 2, 2011
Erie Community College, Buffalo, NY

Shriti Bhadel, Carmen Cornejo, Nilofar Moayyer, and Baffour Agyemanduah

Northern Virginia Community College, Loudoun Campus
ECONOMIC IMPACT
OF THE GREAT RECESSION 2007

HOW HAS IT IMPACTED EMPLOYMENT?

HOW DOES EMPLOYMENT AFFECT OVERALL QUALITY OF LIFE?
INCREASED UNEMPLOYMENT RATE IN UNITED STATES SINCE 2007

UNEMPLOYMENT RATE IN UNITED STATES

http://www.youtube.com/watch?v=BI7iel2Ypyc&feature=mfu_in_order&list=UL
DOT COM BUBBLE AND RECESSION OF 2001-2003

UNEMPLOYMENT RATE HISTORY

<table>
<thead>
<tr>
<th>Year</th>
<th>% Unemployment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1999</td>
<td>4.2</td>
</tr>
<tr>
<td>2001</td>
<td>4.7</td>
</tr>
<tr>
<td>2002</td>
<td>5.8</td>
</tr>
<tr>
<td>2003</td>
<td>6.0</td>
</tr>
<tr>
<td>2004</td>
<td>5.5</td>
</tr>
<tr>
<td>2005</td>
<td>5.1</td>
</tr>
<tr>
<td>2006</td>
<td>4.6</td>
</tr>
<tr>
<td>2007</td>
<td>4.6</td>
</tr>
</tbody>
</table>
REGIONAL DIFFERENCES IN UNEMPLOYMENT RATE BUT SIMILAR TREND

UNEMPLOYMENT RATE BY STATES

North East

<table>
<thead>
<tr>
<th>State</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>NJ</td>
<td>4.3</td>
<td>5.5</td>
<td>9.1</td>
<td>9.5</td>
</tr>
<tr>
<td>NY</td>
<td>4.5</td>
<td>5.3</td>
<td>8.4</td>
<td>8.6</td>
</tr>
<tr>
<td>PA</td>
<td>4.3</td>
<td>5.3</td>
<td>8.2</td>
<td>8.7</td>
</tr>
<tr>
<td>DC</td>
<td>3.5</td>
<td>4.4</td>
<td>7.1</td>
<td>7.1</td>
</tr>
<tr>
<td>MD</td>
<td>3.5</td>
<td>4.7</td>
<td>7.5</td>
<td>7.5</td>
</tr>
<tr>
<td>VA</td>
<td>3.9</td>
<td>6.7</td>
<td>6.7</td>
<td>6.9</td>
</tr>
</tbody>
</table>

South Atlantic

<table>
<thead>
<tr>
<th>Region</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>AL</td>
<td>3.5</td>
<td>5.2</td>
<td>10.1</td>
<td>9.5</td>
</tr>
<tr>
<td>KY</td>
<td>5.6</td>
<td>6.6</td>
<td>10.7</td>
<td>10.5</td>
</tr>
<tr>
<td>TX</td>
<td>4.4</td>
<td>4.9</td>
<td>7.6</td>
<td>8.2</td>
</tr>
<tr>
<td>IL</td>
<td>5.1</td>
<td>6.4</td>
<td>10.3</td>
<td>10.3</td>
</tr>
<tr>
<td>KS</td>
<td>4.1</td>
<td>4.5</td>
<td>7.1</td>
<td>7.1</td>
</tr>
<tr>
<td>MI</td>
<td>7.1</td>
<td>8.3</td>
<td>13.6</td>
<td>12.5</td>
</tr>
<tr>
<td>CA</td>
<td>5.3</td>
<td>7.2</td>
<td>14.4</td>
<td>12.4</td>
</tr>
<tr>
<td>CO</td>
<td>3.7</td>
<td>4.8</td>
<td>8.9</td>
<td>8.9</td>
</tr>
<tr>
<td>ID</td>
<td>2.9</td>
<td>4.7</td>
<td>7.7</td>
<td>7.3</td>
</tr>
</tbody>
</table>

East/West South Central

Midwest

<table>
<thead>
<tr>
<th>Region</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>AL</td>
<td>3.5</td>
<td>5.2</td>
<td>10.1</td>
<td>9.5</td>
</tr>
<tr>
<td>KY</td>
<td>5.6</td>
<td>6.6</td>
<td>10.7</td>
<td>10.5</td>
</tr>
<tr>
<td>TX</td>
<td>4.4</td>
<td>4.9</td>
<td>7.6</td>
<td>8.2</td>
</tr>
<tr>
<td>IL</td>
<td>5.1</td>
<td>6.4</td>
<td>10.3</td>
<td>10.3</td>
</tr>
<tr>
<td>KS</td>
<td>4.1</td>
<td>4.5</td>
<td>7.1</td>
<td>7.1</td>
</tr>
<tr>
<td>MI</td>
<td>7.1</td>
<td>8.3</td>
<td>13.6</td>
<td>12.5</td>
</tr>
<tr>
<td>CA</td>
<td>5.3</td>
<td>7.2</td>
<td>14.4</td>
<td>12.4</td>
</tr>
<tr>
<td>CO</td>
<td>3.7</td>
<td>4.8</td>
<td>8.9</td>
<td>8.9</td>
</tr>
<tr>
<td>ID</td>
<td>2.9</td>
<td>4.7</td>
<td>7.7</td>
<td>7.3</td>
</tr>
</tbody>
</table>

West

Legend:
- 2007
- 2008
- 2009
- 2010
STATES WITH HIGHEST UNEMPLOYMENT RATE 2010

Source: CNBC.COM

Mississippi: 9.9
Georgia: 10.1
Kentucky: 10.2
Oregon: 10.6
South Carolina: 10.6
Rhode Island: 11.6
Florida: 12
California: 12.4
Michigan: 12.4
Nevada: 14.3

% UNEMPLOYMENT
WHICH SECTORS WERE HIT THE HARDEST?

Data: Bureau of Labor Statistics
*Nonfarm, as of July 2008
UMARRIED WOMEN LOSE MORE JOBS

Unemployment rate of women age 20 and over, by marital status and race, October 2008 and October 2009

YOUTH UNEMPLOYMENT SOARS IN ECONOMIC RECESSION

Youth (16-24 years) Unemployment in U.S (Summer)

<table>
<thead>
<tr>
<th>Year</th>
<th>Employed</th>
<th>Unemployed</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>58%</td>
<td>10.8%</td>
</tr>
<tr>
<td>2008</td>
<td>56%</td>
<td>14%</td>
</tr>
<tr>
<td>2009</td>
<td>49.4%</td>
<td>18.5%</td>
</tr>
<tr>
<td>2010</td>
<td>48.9%</td>
<td>19.1%</td>
</tr>
</tbody>
</table>
NUMBER OF LONG-TERM UNEMPLOYED INCREASED SIGNIFICANTLY AFTER THE GREAT RECESSION

LONG-TERM UNEMPLOYED IN U.S

Source: Plotted from data cited in Katz, 2010

% LONG-TERM UNEMPLOYED

- November 2007: 1.7
- October 2009: 5.6
- March 2010: 5
IMPACTS OF EMPLOYMENT OR UNEMPLOYMENT ON OVERALL QUALITY OF LIFE

(HEALTH, LABOR MARKET, MIGRATION, ECONOMY)
IMPACTS OF ECONOMIC COLLAPSE ON FAMILY AND HUMAN DEVELOPMENT

Economic collapse

- Unemployment
  - Homelessness
    - Dangerous environment
  - Higher Crime rate
  - Child abuse & domestic Violence
- Poverty
  - Changes in family dynamic
    - Marital Problems (divorce)
    - Inconsistent and passive parenting
NATIONAL POVERTY LEVEL RISES SINCE 2007

National Poverty Rates USA
2000-2009
By: U.S Census Bureau
Percentage of People in Poverty in the Past 12 Months by State and Puerto Rico: 2009

- Percentage of people living below poverty level:
  - 16.0 or more
  - 13.0 to 15.9
  - 11.0 to 12.9
  - 11.0 to 12.9
  - Less than 11.0

United States = 14.3 percent
WHO AND HOW?
IMPACTS OF POVERTY ON SOCIETY

- **Children**
  - Poor Nutrition
  - Emotional distress
  - Increased risk in academic failure
  - Teenage pregnancy

- **Adult Men & Women**
  - High risk of Poor Heath
  - High risk of Violence

- **Seniors**
  - Unable to care for themselves
  - Unable to obtain prescription Medication
RATE OF HOMELESS INDIVIDUALS PER 10,000 IN 2009 IN THE U.S

Homeless Rate Per 10,000 People (National Rate = 21)
- 0 to 11
- 12 to 14
- 15 to 21
- 22 to 104

State Indicator Rates higher than National Rate
# of Indicator Rates
- 0 to 2
- 3
- 4
- 5

Indicator Rates: unemployment rate, foreclosure rate, cost burdened households, uninsured rate, and rate of doubling up.
HOMELESSNESS POPULATION PERCENT CHANGES FROM 2008-2009

Map showing percentage changes in homelessness from 2008 to 2009 across the United States. States are color-coded based on the percentage change:

- **White** (excluding states): -31.42% to -7.14%
- **Light Blue**: +0.01% to +14.80%
- **Yellow**: -7.13% to 0.00%
- **Dark Blue**: +14.81% to +111.47%
- **National Change**: +3.11%

Legend below the map explains the color coding.
IMPACT OF ECONOMIC RECESSION ON QUALITY OF FAMILY LIFE

Figure 1
Conceptual Framework of Family Quality of Life

Family Quality of Life

Family as a Whole
- Daily Family Life
- Family Interaction
- Financial Well-Being
- Parenting

Impact of Individual Family Members
- Advocacy
- Health
- Productivity
- Emotional Well-Being
- Physical Environment
- Social Well-Being
FINANCIAL PROBLEMS CAN CREATE CONFLICTS IN RELATIONSHIPS
CHILD ABUSE INCREASE WITH ECONOMIC COLLAPSE

Reports of child abuse and neglect to congress
By: US. Department of Health and Human Services (2010)

Children of Unemployed Parents
Children of lower income Parents
Children of employed families w/ Average income

- Abuse
- Neglect

2x
3x
3x
41%
59%

7x
NUMBER OF CHILD DEATH DUE TO CHILD ABUSE IS RISING

Child Fatality Rates per 100,000 Children, 2005–2009
By: U.S. Department of Health & Human Services

Rate per 100,000 Children
CONSEQUENCES OF CHILD ABUSE

• Child Abuse & Criminal Behavior
  – 14% of all men in prison in the USA were abused as children
  – 36% of all women in prison were abused as children
  – Children who experience child abuse & neglect are 59% more likely to be arrested as a juvenile, 28% more likely to be arrested as an adult, and 30% more likely to commit violent crime.

• Child Abuse Consequences
  – 25% more likely to experience teen pregnancy
  – Abused teens are 3 times less likely to practice safe sex, putting them at greater risk for STDs

• Child Abuse & Substance Abuse
  – 2.5 times more likely to abuse alcohol
  – 3.8 times more likely develop drug addictions
  – Nearly two-thirds of the people in treatment for drug abuse reported being abused as children
IMPACTS OF ECONOMIC COLLAPSE ON HUMAN DEVELOPMENT

Economic collapse

- Unemployment
- Poverty

  - Homelessness
    - Dangerous environment
  - Higher Crime rate
  - Child abuse & domestic Violence
  - Changes in family dynamic
    - Marital Problems (divorce)
    - Inconsistent and passive parenting
“We reaffirm that education is a fundamental human right, to be respected at all times. It is one of the most effective tools for achieving inclusive and sustainable economic growth and recovery, reducing poverty, hunger and child labor, improving health, incomes and livelihoods, for promoting peace, democracy and environmental awareness. Education empowers individuals with the knowledge, values and skills they need to make choices and shape their future.” ---- United Nations Oslo Declaration
IMPACTS OF EDUCATION ON HEALTH

• INCOME AND ACCESS TO HEALTH

• LABOR MARKET – better job opportunities and safer working environment

• VALUE OF THE FUTURE

• INFORMATION AND COGNITIVE SKILLS
BUDGET CUTS AFFECT STUDENTS

From 2008-2010, budget cuts in education sector did not impact the student directly. But for the current school year (2010-11), most districts have had to make cuts that affect students more directly. These cuts include:

- Laying off teachers, which in turn increases class size
- Cutting extracurricular activities
- Cutting courses not required for graduation
- Eliminating summer school
- Adopting a four-day school week
- Eliminating field trips
- Cutting instructional programs
- Cutting professional development for teachers and staff.
## IMPACT ON AREAS OF SPECIALIZATION

<table>
<thead>
<tr>
<th>Positions Cut</th>
<th>2009-2010</th>
<th>2010-2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Core subject classroom teachers</td>
<td>37% of districts</td>
<td>61% of districts</td>
</tr>
<tr>
<td>Art/music/physical education teachers</td>
<td>13</td>
<td>33</td>
</tr>
<tr>
<td>Foreign language teachers</td>
<td>7</td>
<td>19</td>
</tr>
<tr>
<td>Special education teachers</td>
<td>10</td>
<td>23</td>
</tr>
<tr>
<td>Teacher/aides/assistants</td>
<td>36</td>
<td>59</td>
</tr>
<tr>
<td>School secretaries</td>
<td>16</td>
<td>25</td>
</tr>
<tr>
<td>School librarians</td>
<td>10</td>
<td>19</td>
</tr>
<tr>
<td>School nurses</td>
<td>4</td>
<td>8</td>
</tr>
<tr>
<td>Maintenance/cafeteria/transportation staff</td>
<td>25</td>
<td>41</td>
</tr>
<tr>
<td>Central office/administration</td>
<td>23</td>
<td>37</td>
</tr>
<tr>
<td>Other</td>
<td>10</td>
<td>24</td>
</tr>
</tbody>
</table>

**Source:** AASA. Cliff Hanger: How America’s public schools continue to feel the impact of the economic downturn. (April 2010)

Percent of districts reporting they will cut positions for the 2010-11 school year.
IMPACTS ON EDUCATIONAL FUNDING

- The number of $1 million and up gifts from individual donors decreased from 269 to 170, or almost 37%.
- The number of corporate, foundation, and other institutional gifts decreased from 418 to 310, or almost 26%.
- The number of corporate donations fell from 90 to 70, or over 22%.
- The number of foundation gifts fell from 270 to 228, or almost 16%.
- The total number of gifts from all donors fell from 687 to 480, or over 30%. Excluding gifts for disaster relief, the number of gifts fell from 675 to 469, a decrease of over 30%.
• In **Connecticut**, the Governor asked agencies to submit budgets with a 10% reduction, including funding for schools. Four million dollars in Reading Recovery money has been eliminated in distressed cities.

• **Georgia** expects $765 million in cuts to public education with over $380 million in additional austerity cuts to the state Quality Basic Education Formula. These cuts have meant reductions in school nurses, elimination of Regional Education Service Authorities (which provide most of the professional development activities and school reform trainings), and no supplements for National Board Certified Teachers.
IMPACT OF ECONOMIC RECESSION ON EDUCATION IS GLOBAL

- **Latvia**: 48% budget cut (higher education) in 2009 and additional 18% cut in 2010
- **Italy**: expected to lose 20% funds by 2013
- **Greece**: Government targets to cut the budget by 30%.
- **United Kingdom**: Will have cut 40% education funds by 2014.
- **Sub-Saharan Africa**: Education funds fell by 4.6 billion U.S dollars in 2009 and 2010
With regard to the implications of the current economic crisis for the globalization and the development of higher education (sections 5 and 6 of the report), the author identifies six ways in which these have been affected:

- 1) Job prospects of graduates;
- 2) Reduced funding for education (government/private sector/households);
- 3) Loss of investments of some universities;
- 4) (Near) bankruptcy of providers of student loans;
- 5) Freeze on programs and staff recruitment; and
- 6) The possible decline in aid to education by bilateral and multilateral agencies
A more educated society may lead to higher rates of invention; may make everybody more productive through the ability of firms to introduce new and better production methods; and may lead to more rapid introduction of new technologies.
LONG-TERM IMPACTS OF ECONOMIC CRISIS ON HEALTH
National Health expenditure in 2008

Total = 2.3 trillion
HIGH AND RISING COST OF HEALTH INSURANCE KEEP PEOPLE FROM GETTING THE CARE THEY NEED

More Than Half Can’t Get Needed Care at Affordable Price
Are you able to get the health care you need at a price you can afford?

NO: 62%  YES: 48%

Uninsured, People Falling Behind, Young Adults, Hispanics and Singles Especially Say They Can’t Afford Needed Care

Overall  Uninsured  People who are falling behind economically  Single people  18- to 29-year-olds  Hispanics

52%  96%  76%  56%  61%  62%
ECONOMIC COLLAPSE AND HEALTHCARE CRISIS

Economic Downturn Affects Most Quite a Bit or Very Much
How has the economic downturn affected your household in the past year?

- 43% Quite a bit
- 33% Very much
- 20% Not very much
- 4% It hasn’t

Almost a Third Say They Are ‘Falling Behind’
Which of the following best describes your household’s financial situation today?

- 56% Having just enough
- 32% Falling behind
- 12% Getting ahead
Most Pay More Than $1,000 in Out-of-Pocket Costs

How much did you and your household spend out of your own pockets for health care in the past year? (Include premiums, deductibles, co-pays, prescription costs)

- 67% spend more than $1,000 out of pocket
- Almost half of people had out-of-pocket health care expenses
- One in five reporting out-of-pocket costs of more than $5,000.

79% say their health care costs increased some or a lot in the past year.
80% with insurance say their health care costs increase
Worry runs deep about problems paying for health care.
More than 78% are somewhat or very worried.
Nonunion households are especially concerned

Costs Have Grown for More Than Three-Quarters

How have your health care costs overall changed in the past year?

- Increased a lot: 36%
- Increased some: 43%
- Stayed the same: 19%
- Decreased some: 1%
- Decreased a lot: 1%
IMPACT ON PEOPLE WHO BUY THEIR OWN COVERAGE

People Who Buy Their Own Coverage Have Greater Problems Affording the Care They Need...
Are you able to get the care you need at a price you can afford?

<table>
<thead>
<tr>
<th></th>
<th>Employer-Provided Coverage</th>
<th>Medicare</th>
<th>Buy Their Own Coverage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Did not visit a doctor when sick because of cost</td>
<td>25%</td>
<td>19%</td>
<td>33%</td>
</tr>
<tr>
<td>Skipped medical test, treatment or follow-up recommended by a doctor because of cost</td>
<td>30%</td>
<td>24%</td>
<td>40%</td>
</tr>
<tr>
<td>Did not fill a prescription or skipped doses because of cost</td>
<td>25%</td>
<td>25%</td>
<td>30%</td>
</tr>
</tbody>
</table>
“SICKO” A MUST-WATCH DOCUMENTARY
MEDICAL HEALTH IMPACT OF THE ECONOMIC RECESSION
LONG-TERM EFFECTS OF ECONOMIC CRISIS ON CHILDHOOD DEVELOPMENT

Family Wealth: Income, Education, Health

Early Child Development

Education

Health

Income, Education, Health

Next Generation
IMPACT OF ECONOMIC CRISIS ON CHILDHOOD NUTRITION

1. Childhood Undernutrition (wasting and stunting)
2. Micronutrient Deficiency (Vitamin A, Zinc)
3. Maternal Undernutrition (thinness and micronutrient deficiency)
4. Economic Crisis / Increased Food Prices

- 50% of childhood mortality attributable to undernutrition
- Vitamin A supplementation reduces childhood mortality by 30%
- Zinc supplementation reduces mortality by 18% among 1-3 y old

Increased infant and child mortality

Increased risk of low birth weight, preterm and IUGR

Increase in infectious morbidity
MENTAL HEALTH IMPACT
IMPACT OF ECONOMIC COLLAPSE ON MENTAL HEALTH

Suicide Rates in the U.S. 1999–2007

Overall Suicide Rate*  

Year


10.46  10.43  10.74  11.00  10.85  11.08  11.04  10.96  11.26

*Rate Per 100,000 People

Data courtesy of CDC
IMPACT OF RECESSION ON DAILY LIVES

Demographics (for lifetime prevalence)\(^5\)

- **Sex:** Women are 60% more likely than men to experience an anxiety disorder over their lifetime.
- **Race:** Non-Hispanic blacks are 20% less likely, and Hispanics are 30% less likely, than non-Hispanic whites to experience an anxiety disorder during their lifetime.
- **Age:**

  - 18–29: 35.1%
  - 30–44: 35.8%
  - 45–59: 30.2%
  - 60+: 15.3%

Treatment/Services Use\(^6\)

12-month Healthcare Use: 36.9% of those with disorder are receiving treatment

- **Percent Received Minimally Adequate Treatment:** 34.3% of those receiving treatment are receiving minimally adequate treatment (12.7% of those with disorder)

12-month Any Service Use (including Healthcare): 42.2% of those with disorder are receiving treatment

- **Percent Received Minimally Adequate Treatment:** 33.8% of those receiving treatment are receiving minimally adequate treatment (14.3% of those with disorder)
Mental Healthcare Costs for All Americans (1996–2006)

Total Expenditures (in billions)

- 1996: $35.2 billion
- 2002: $47.5 billion
- 2004: $52.0 billion
- 2006: $57.5 billion

Number of Americans (millions)

- 1996: 19.3 million
- 2002: 31.2 million
- 2004: 33.8 million
- 2006: 36.2 million

Average Expenditure Per Person

- 1996: $1,825
- 2002: $1,522
- 2004: $1,538
- 2006: $1,591

Data courtesy of AHRO
REFERENCES


REFERENCES


References:


National Alliance to end homelessness (2007) Homeless counts http://www.endhomelessness.org/content/general/detail/1440


REFERENCES


• Chan, Margaret Dr., WHO Director-General. Impact of global financial and economic crisis on health statement. November 12, 2008

• Mayer-Foulkes, David CIDE Intergenerational Impact of Health on Economic Growth. Written for the Global Forum for Health Research, Forum 8, Mexico City, November 16-20, 2004

• http://www.aflcio.org/issues/healthcare/survey/2009results.cfm
• http://www.benzinga.com/print/480563
• http://www.goldandsilverexchange.inf/economic-collapse.html