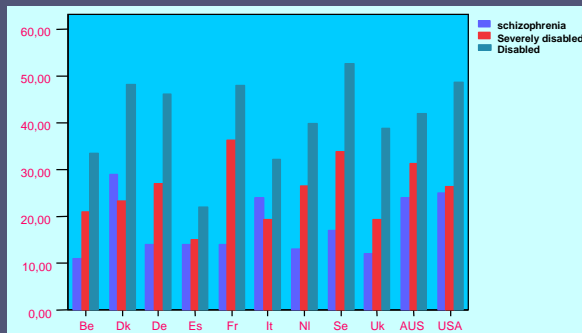


Structural socioeconomic characteristics and employment of people with severe mental illness

Reinhold Kilian, Thomas Becker

University of Ulm
Department of Psychiatry II
Section of Mental Health Service Research
Günzburg, Germany
reinhold.kilian@bkh-guenzburg.de

Employment rates of people with schizophrenia¹ in comparisons to disabled² and non-disabled² persons in selected countries in the late 1990s



¹ Marwaha & Johnson 2003; ² Eurostat

Research questions

- Can the variance in employment rates of people with schizophrenia be explained by socioeconomic parameters at the structural level?
- To what extent will common hypotheses about potential barriers of employment supported by empirical data?

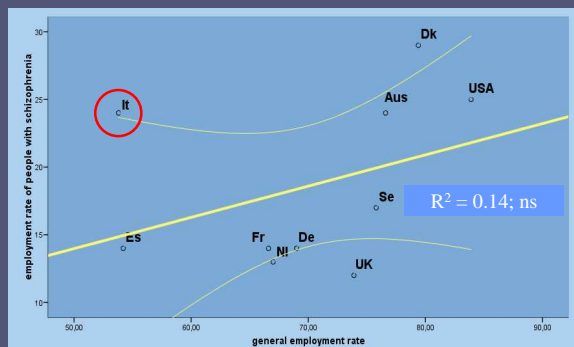
Barriers to employment faced by people with mental health problems

- Inadequate work opportunities
- Economic disincentives
- The welfare trap
- Stigma and discrimination

Barriers to employment faced by people with mental health problems

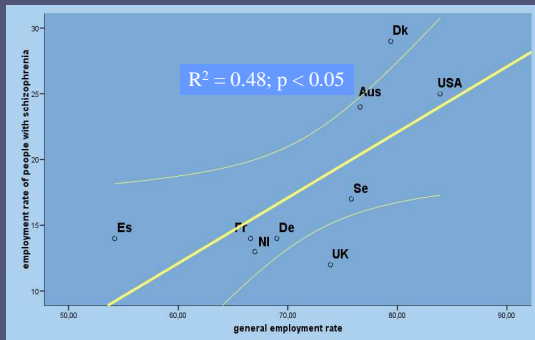
- **Inadequate work opportunities**
- Economic disincentives
- The welfare trap
- Stigma and discrimination

General employment rate¹ and employment rate for people with schizophrenia²



¹Malo & Garcia-Serrano 2001 ² Marwaha & Johnson 2003

General employment rate¹ and employment rate for people with schizophrenia² (Italy excluded)



¹Malo & Garcia-Serrano 2001 ² Marwaha & Johnson 2003

Barriers to employment faced by people with mental health problems

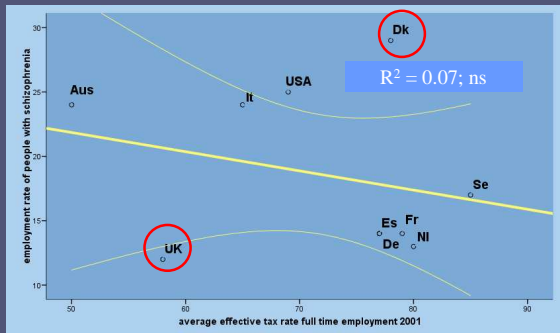
- Inadequate work opportunities
- **Economic disincentives**
- The welfare trap
- Stigma and discrimination

Average Effective Tax Rate

=

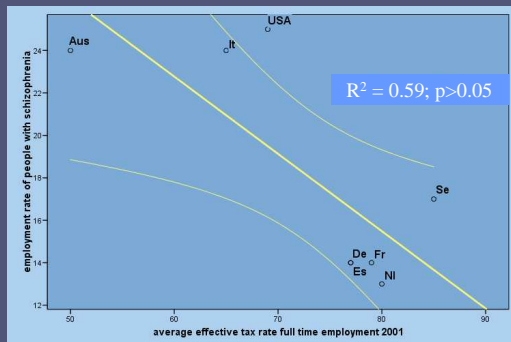
The average effective tax rate published by the OECD is the proportion of additional income, gained by change from unemployment to employment, which will be taxed away by increased taxes and reduced benefit payments.

Average Effective Tax Rate for fulltime employment¹ and employment rates of people with schizophrenia²



¹OECD 2004 ² Marwaha & Johnson 2003

Average Effective Tax Rate for fulltime employment¹ and employment rates of people with schizophrenia² (DK and UK excluded)



¹OECD 2004 ² Marwaha & Johnson 2003

Barriers to employment faced by people with mental health problems

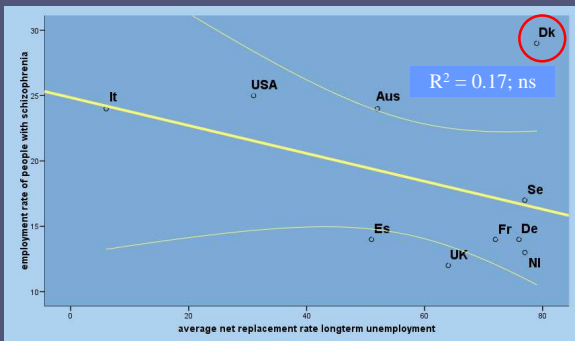
- Inadequate work opportunities
- Stigma and discrimination
- Economic disincentives
- **The welfare trap**

Average Net Replacement Rate

=

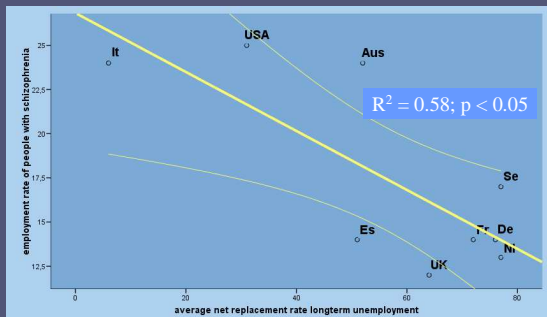
The average net replacement rate is the percentage of previous net income which will be substituted by social benefits in the case of unemployment

Average Net Replacement Rate for long term unemployment¹ and employment rates for people with schizophrenia²



¹OECD 2004 ²Marwaha & Johnson 2003

Average Net Replacement Rate for long term unemployment¹ and employment rates for people with schizophrenia² (Denmark excluded)



¹OECD 2004 ²Marwaha & Johnson 2003

Barriers to employment faced by people with mental health problems

- Inadequate work opportunities
- Economic disincentives
- The welfare trap
- **Stigma and discrimination**

- Stigma is regarded as a main barrier to employment by people with mental illness, relatives and mental health staff members (Schulze & Angermeyer 2003)
- 30% of general population would refuse to work with a persons who has schizophrenia (Angermeyer & Matschinger 1997)
- More than 50% of US employers would refuse to employ people with severe mental illness (Manning & White 1995)
- Data on stigmatization of people with schizophrenia do not exist at an international level

Summary of results

Employment rate of people with schizophrenia:

- increases with the general employment rate (Exception It)
- decreases with economic disincentives (exceptions UK and DK)
- decreases with welfare trap (exception DK)
- increases with level of stigmatization???

Conclusions

- International variation in employment rates of people with schizophrenia can be partly explained by structural socioeconomic characteristics
- Exceptions from general trends suggest that negative effects of structural disadvantages on employment rates of people with severe mental disorder can be reduced by mental health policy
- Interpretations must be handled with care due to limitation of data quality
- Systematic collection of data on employment and stigmatization of people with mental illness should become constituent parts of European mental health policy
