Are economic recessions at the time of leaving school associated with worse health in later life?

by Philipp Hessel and Mauricio Avendano

Men who leave school or university during a recession experience better health in later life than men graduating during a boom, while women experience worse health if leaving school or university during a recession.

Youth unemployment in Europe has recently reached unprecedented levels with about a quarter of those aged between 15 and 24 unemployed, making this group the most affected by the recession. Recent graduates spend an average of 5.5 months looking for a job, and face serious concerns about their future career prospects.

Our study assessed whether the state of the economy at the time of completing full-time education had long-term effects on health in old age. We compared more than 10,000 people from across Europe who had left full-time education between 1956 and 1986 with the national unemployment rates at the time of their graduation. We found that greater unemployment rates during the school-leaving year were associated with better health at ages 50-74 among men, but worse health among women.

What might explain these puzzling results for men? Permanent changes in lifestyle in early adulthood could provide an explanation for why men who completed their education during a recession fare better. A potential hypothesis is that temporary economic downturns promote healthy living in men in the critical ages of early adulthood, as they may be unable to ‘afford’ smoking and/or alcohol and have limited budgets for food. On the other hand, we found some evidence that women that left school during a recession married and had children earlier, leading them to opt out of the labour force earlier. Among women, poor economic conditions in the year of leaving school may have negatively influenced their income and career prospects, leading to poor health.

Will the health of the recent recession-graduates be affected in the long-run? As usual the answer to this question will depend on many factors, and cohorts of graduates today are likely to be very different from cohorts graduating in the mid-20th century. However, the encouraging news may be that graduating in a recession may not lead in all circumstance to worse health in old age.

Read the full paper

About the authors

Philipp Hessel is a fourth year PhD student in demography at the LSE addressing the relationship between macroeconomic conditions, labour market-trajectories and health at later-life, and is working on a larger project funded by the European Research Council (ERC) studying the relationship between economic cycles and health, both in Europe and the United States.

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