



# Poverty, Hardship and Depression<sup>1</sup>

Dr. Colleen Heflin and Dr. John Iceland



Dr. Colleen Heflin is a Policy Research Scholar at the Institute of Public Policy, and an Assistant Professor at the Harry S Truman School of Public Affairs.



John Iceland is Professor of Sociology and Demography and Senior Research Scientist in the Population Research Institute at Penn State University.

## Introduction

This report summarizes research that examined the relationship between five measures of material hardship and depression. The measures of material hardship were:

- 1) Difficulty paying bills;
- 2) Telephone turned off;
- 3) Presence of free food;
- 4) Lack of medical care; and
- 5) Unstable housing.

All measures were positively associated with depression but the first two, difficulty of paying bills and telephone turned off, were statistically significant, using standard tests of statistical significance.

Mental health disorders that may be associated with material hardship are of interest because of the social, economic and policy implications. Current research examines the association between mental health and poverty, socioeconomic status or income, but very few examine the relationship with the components described above. Material hardships may have a negative, but differential, impact on an individual's mental health through nutritional shortfalls, exposure to unhealthy housing conditions or deterioration in other basic living conditions (Lynch et al. 2000). This research found that these material hardships explain much of the link between poverty and depression.

## Links between Poverty, Hardships and Mental Health

Nearly all studies looking at poverty use the federally established poverty threshold. The threshold was established in the 1960s based on the cost of a minimum diet and is updated annually. While certainly a valid measure for poverty, there are some criticisms of using the threshold as the only measure of poverty, primarily because income poverty does not take into account all resources available to individuals or families (Ruggles 1990; National Research Council 1995; Iceland 2006). A household's wealth or debt is typically not factored into income deprivation. For example, some people may have tremendous wealth but do not work and thus are income poor. However, they would likely not report frequent hardships. As a result, measures of material hardships can better capture a household's wealth or debt than the income poverty measure.

Research shows a moderate association between income poverty and hardship in the United States (Mayer and Jencks 1989, 1993; Mayer 1995; Rector et al. 1999; Beverly 2000; Boushey et al. 2001; Perry 2002; Bradshaw and Finch 2003). Income poverty has been found to be more strongly associated with hardships such as food insecurity, difficulty paying bills and possession of consumer durables (Boushey et al. 2001; Iceland and Bauman, 2001).

The relationship between income poverty, hardships and mental health is still being explored, but most recent research on mental health uses income or socioeconomic status as the measure of poverty (Perreira et al. 2005; Hawkins and Booth 2005; Turner et al. 2004). Previous research shows the association between income and depression, finding that there is generally a higher incidence of depression among low-income individuals, including those who live in or near poverty (Kessler et al, 1994; Lynch et al., 2004; Pratt, Dey and Cohen, 2007). The few studies that show the broader relationship between hardships and mental health primarily focus on one material hardship. There is no research explicitly examining whether material hardships can explain the link between poverty and mental health.

## Data and Methods

This report uses data collected from the Fragile Families and Child Wellbeing Study (FF), which follows a cohort of newborn children and their parents in 20 U.S. cities. The data was collected from one year and three year follow-up interviews and is restricted to mothers with valid data on all variables in the study. This data provides insights about a population (households with new births) that is vulnerable to poverty and hardships and have been the focus of policy interventions in recent years, such as welfare reform initiatives.

Mental health was assessed using an indicator from American Psychiatric Association's Diagnostic and Statistical Manual of Mental Disorders (DSM-III-R). Material well-being in this study is based on five factors: free food, difficulty paying bills, lack of medical care, telephone turned off and unstable housing. Each of these hardships is measured as either being present or not based on whether the respondent reported the following in the past 12 months:

- Free food was present if the respondent reported receiving free food or meals.
- Difficulty paying bills was present if respondent reported not paying the full amount of rent/mortgage; not paying the full amount of gas, oil or electricity bill; or had to borrow money from family or friends to help pay bills.
- Lack of medical care was present if respondent reported there was someone in their household who needed to see a doctor or go to the hospital but couldn't because of cost.
- Telephone turned off was present if respondent reported their telephone service was disconnected at any time in the past year.

- Unstable housing was present if respondent reported being evicted for nonpayment; stayed at a shelter, in an abandoned building, an automobile, or any other place not meant for regular housing even for one night; or moved in with other people even for a little while because of financial problems.

Poverty was measured based on the federal income-to-needs ratio. A ratio of less than one indicates that the family is below the poverty line. A ratio between 2 and 4 generally captures middle income families. Hardships were also captured through the data. The most common hardship was difficulty paying bills, with 39% reporting the hardship during the year 1 follow-up and 37.9% reporting it for the year 3 follow-up. The least common hardship was free food (see Table 1).

<i>Hardships</i>	<i>Year 1 Follow-up</i>	<i>Year 3 Follow-up</i>
Difficulty paying bills	39.0%	37.9%
Telephone turned off	12.9%	20.9%
Unstable housing	12.1%	9.7%
Free food	7.8%	9.6%
Lack of medical care	5.3%	6.1%
<b>Sample Size</b>	3541	3516

Statistical analysis enabled researchers to see the relationship between these five hardships and poverty through the income-to-needs ratio. Prior research had not extensively showed the association between hardships on depression, so that relationship was also analyzed. Of all the participants in the data, 15.9% reported depression in the year 1 follow-up. This increased to 20.1% in the year 3 follow-up.

## Results

The findings suggest that each of the five forms of material hardship are positively associated with an elevated risk for depression. These relationships are consistent with current theories that hardships can have an indirect and direct effect on health (Lynch et al. 2004). The two most prominent hardships were problems paying bills and having the phone turned off. The results take into account a variety of demographic factors that may influence mental health. These include education, race, age, number of children, age of youngest child, marital status and self-reported health status. To see the impact of hardships, Table 2 shows the probability of depression for a woman with a certain set of characteristics<sup>2</sup> set by the researchers.

Table 2

Indicator for base case	Probability of depression
BASE: No poverty or hardships present	11.83%
Poverty present only (below federal poverty threshold)	13.90%
Difficulty paying bills present alone	17.59%
Phone turned off present alone	17.16%
All five hardships present	56.55%
All five hardships and poverty present	62.82%

Through this and another analysis, it was also found that hardships help mediate much, though not all, of the link between poverty and depression. This suggests that there are also other avenues by which income affects mental health, such as increased presence of other chronic stressors due to, for example, living in poor neighborhoods.

### Conclusion

The findings suggest material hardships are positively associated with an elevated risk for depression, but some types of material hardship have a greater impact on the likelihood of depression than others. The two most prominent hardships were problems paying bills and having the phone turned off. Furthermore, it was found that hardship helped explain much, though not quite all, of the link between poverty and depression. These findings have implications for the potential focus of future policies. Based on the findings, it may be appropriate to center social policy interventions on alleviating material hardships instead of the current income based policy to reduce the risk of depression.

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## Notes

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<sup>2</sup> The researchers used the case of a black unmarried woman with a high school diploma and good self-rated health with the median sample age, the median number of children in the sample and the median age of youngest child and income above twice the poverty line and no reports of our measures of material hardship.

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Institute of Public Policy  
137 Middlebush  
University of Missouri  
Columbia, MO 65211  
<http://www.truman.missouri.edu/ipp>