Press Release

Childhood psychological problems associated with substantial economic losses during adulthood

The estimated impacts of childhood psychological health problems on adult economic life are severe and substantially larger than the impacts of a wide range of childhood physical health problems, according to work co-authored by IFS researchers and published this week in the Proceedings of the National Academy of Sciences.

Psychological problems during childhood are associated with an average family income loss of more than one quarter by age 50. Individuals who had such problems are shown to be 11 percentage points less likely to be in work at age 50 and, if employed, to have an hourly wage that is on average 15% lower. All this is true after controlling for the estimated impacts of a large number of correlated factors, such as parental education and childhood family structure.

Few physical health problems during childhood are found to have significant impacts on adult economic outcomes; and those physical conditions which do have significant impacts, such as speech defects, tend to have notably smaller lifetime impacts than psychological health problems. One important reason for the difference is that the impacts of early physical health problems tend to accumulate as adults age, whereas the impacts of psychological problems are large from the start of adulthood.

The research, conducted jointly with Professor James P. Smith of the RAND Corporation, used data about a cohort of nearly 18,000 individuals who were born in Great Britain in March 1958 and have been tracked throughout childhood and into middle-age. On two occasions during childhood, parents were asked whether the child had ever seen a psychologist or psychiatrist and doctors were asked whether the child displayed symptoms of emotional maladjustment. About 7% of the sample had a psychological problem by age 16, according to these criteria. Other studies have suggested that the prevalence of mental health issues among young people in the UK has been rising over time. The scale of the problem, and its implications for public policy, may therefore be greater in cohorts born after 1958.

Robert Joyce, research economist at IFS and a co-author of the research, said “The economic impacts of growing up with psychological health problems seem to hit much harder and much earlier in adulthood than the impacts of physical health problems. Finding effective ways of addressing psychological problems early in life is likely to have large long term payoffs.”
Notes to Editors:

1. For queries, contact Bonnie Brimstone at IFS: 020 7291 4800, bonnie_b@ifs.org.uk.

2. The embargo time of 21:00 BST on Monday 28th March corresponds to 15:00 U.S. Eastern time, which is the embargo time imposed by the journal. The paper, ‘The Long Shadow Cast by Childhood Physical and Mental Problems on Adult Life’ by Alissa Goodman, Robert Joyce and James Smith, will be published in the PNAS online Early Edition (http://www.pnas.org/content/early/recent) at some time during week beginning Monday 28th March, and will appear in print shortly thereafter.

3. The research was funded by the National Institute on Aging (grant numbers P01AG008291 and AG029409) and the ESRC Centre for the Microeconomic Analysis of Public Policy at IFS (grant number RES-544-28-5001).