



# 58. Poverty, economic inequality and mental health

Ed Davie

## Summary

The Covid-19 pandemic is being accompanied by a substantial rise in demand for mental health services. Whilst investment in mental health services is vital, it is also necessary to tackle the factors that cause and worsen mental ill health in the first place.

The evidence is clear that poverty, deprivation, and economic inequality are toxic to mental and physical health, and therefore policy makers should prioritise reducing them as an urgent public health necessity.

Rates of depression, serious mental illness, and suicide (not to mention nearly every physical illness and injury) worsen with increased poverty and deprivation in a very clear dose-response relationship – the more the exposure, the worse the outcomes.

Although mental and physical health harm increases with deprivation, economic inequality is bad for everyone: rich, poor and those in between. The most unequal developed economies, including the UK and the US, experience higher levels of stress, social problems, and instability than more equal ones such as those in Scandinavia, New Zealand and Japan (Wilkinson and Pickett, 2010). Michael Marmot calls this phenomenon

‘status syndrome’, with a gradient of worsening mental and physical health correlating with one’s economic and social position in society (Marmot, 2004).

Economic inequality intersects with other disadvantages such as those caused by structural racism – many racialised communities in the UK suffer from worse poverty and mental health outcomes, creating multiple disadvantages.

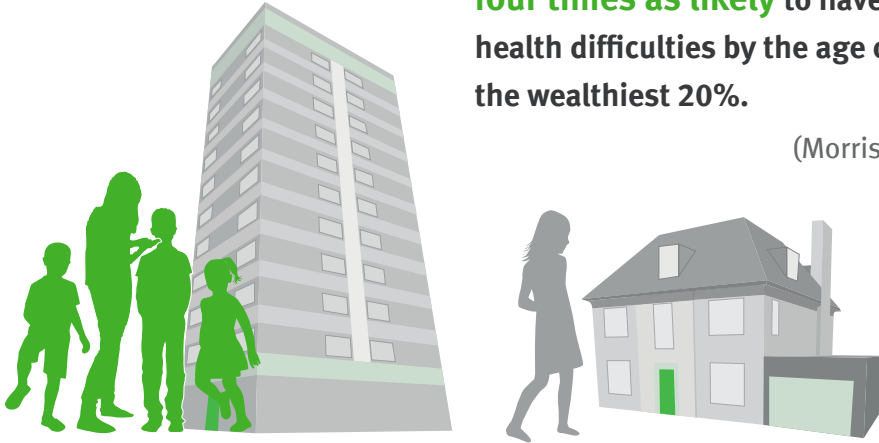
In the UK, poverty, deprivation and inequality are getting worse, with high inflation overlapping with the Covid-19 pandemic and compounding the economic harm of Brexit (Office for Budget Responsibility, 2022) and the austerity which followed the global financial crash of 2007.

If the current trajectory of deepening poverty and deprivation, widening economic inequality and worsening health continues, millions of people will suffer preventable harm and health and social care services will be overwhelmed by demand.

This is a public health emergency that requires action to increase the incomes and reduce the costs of the most deprived 40% of the population.

Children from the poorest 20% of households are **four times as likely** to have serious mental health difficulties by the age of 11 as those from the wealthiest 20%.

(Morrison Gutman *et al.*, 2015)



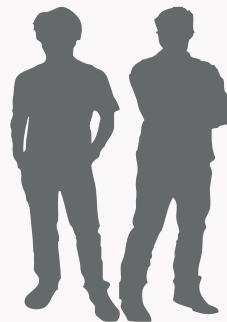
Men living in the most deprived areas are

**51%**

more likely to have depression

than those living in areas that are not deprived.

(Remes, 2018)



Suicide rates among middle-aged people are **more than double** in the most deprived areas



compared to the least deprived.

(Windsor-Shellard, 2020)

## Definition of terms

### Poverty

There are several definitions of poverty. For example, the Government prefers to use ‘absolute poverty’ and often excludes housing costs – but when this briefing refers to ‘poverty’ it means relative poverty, where households have less than 60% of contemporary median income after housing costs.

### Deprivation

Deprivation encompasses a wide range of an individual’s or household’s living conditions. People may be considered to be living in poverty if they lack the financial resources to meet their needs, whereas people can be regarded as deprived if they lack any kind of resources, not just income. The Indices of Multiple Deprivation, for example, which are an important measure of different areas’ challenges include weighted measures of income (22.5%), employment (22.5%), health deprivation and disability (13.5%), education, skills, training (13.5%), crime (9.3%), barriers to housing and services (9.3%) and living environment (9.3%).

### Economic inequality

Economic inequality is the unequal distribution of incomes and wealth.

### Mental health

The World Health Organisation defines mental health as a state of wellbeing in which an individual can realise his or her own potential, cope with the normal stresses of life, work productively and make a contribution to the community (WHO, 2001).

Everyone has mental health, and at any given point it is on a spectrum between healthy and unwell, depending on a combination of ‘bio-psycho-social’ factors:

- Biological – such as genetic predisposition and physical health
- Psychological – such as cultural beliefs and thinking patterns
- Social – the circumstances of life including income, status, inclusion.

Centre for  
Mental Health



### Mental health spectrum



© Centre for Mental Health 2017

[www.centreformentalhealth.org.uk](http://www.centreformentalhealth.org.uk)

## Introduction

Even before the Covid-19 pandemic, mental ill health was one of the most prevalent forms of illness in the UK (Office for National Statistics, 2017), accounting for over a fifth of all illness. One in six people experience diagnosable mental health difficulties at any time, at a cost of over £119 billion in England alone (Centre for Mental Health, 2020).

In 2020 over 5,000 suicides were recorded in England and Wales. There are well over half a million people in England registered as having a serious mental illness who will live, on average, 20 years less long than someone without such a diagnosis (PHE, 2018).

After a lag, the pandemic has been accompanied by a spike in mental illness presentations – for example, referrals to children’s mental health services are up 134% in a year, and emergency crisis care presentations are up 80% (RC Psych, 2021).

Centre for Mental Health analysis shows that 10 million people (8.5 million adults and 1.5 million children and young people) in England will need support for their mental health as a direct result of the pandemic, and the measures taken to control it, over the next three to five years (O’Shea, 2021).

Whilst the causes of worsening mental health and rising health care demand are complex, we do know that poverty has increased by 10% over the last 15 years (JRF, 2020) and that it is a major contributor to mental – and physical – health outcomes.

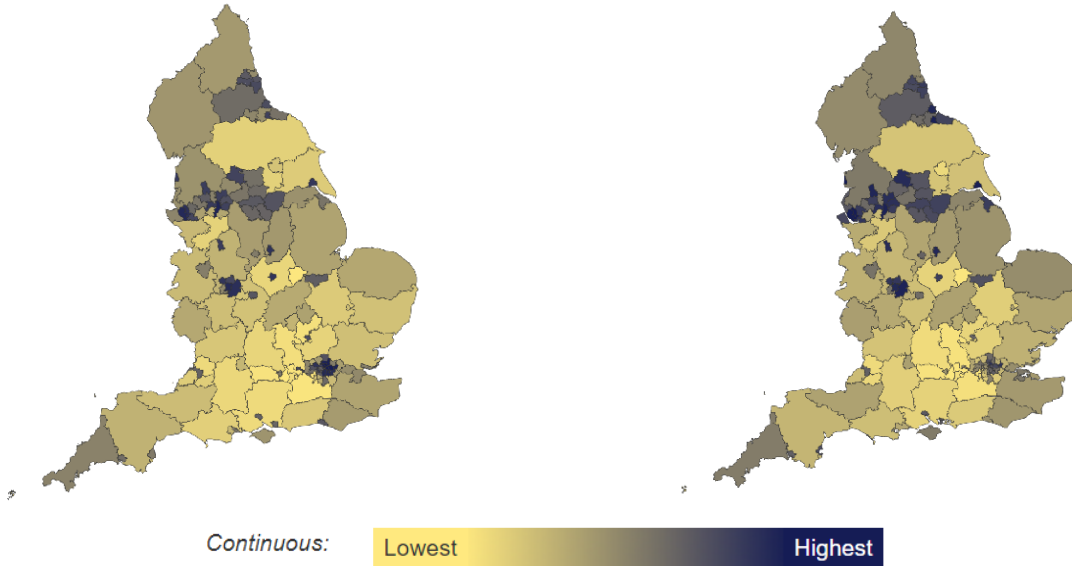
The Government’s economic interventions during the worst of the Covid-19 pandemic, including furlough and increasing Universal Credit, undoubtedly blunted the economic impact, and in doing so may have protected many people’s mental health during the lockdowns of 2020 and 2021.

## The correlation between deprivation and poor mental health

**Figure 1: Correlation between deprivation and common mental health difficulties**

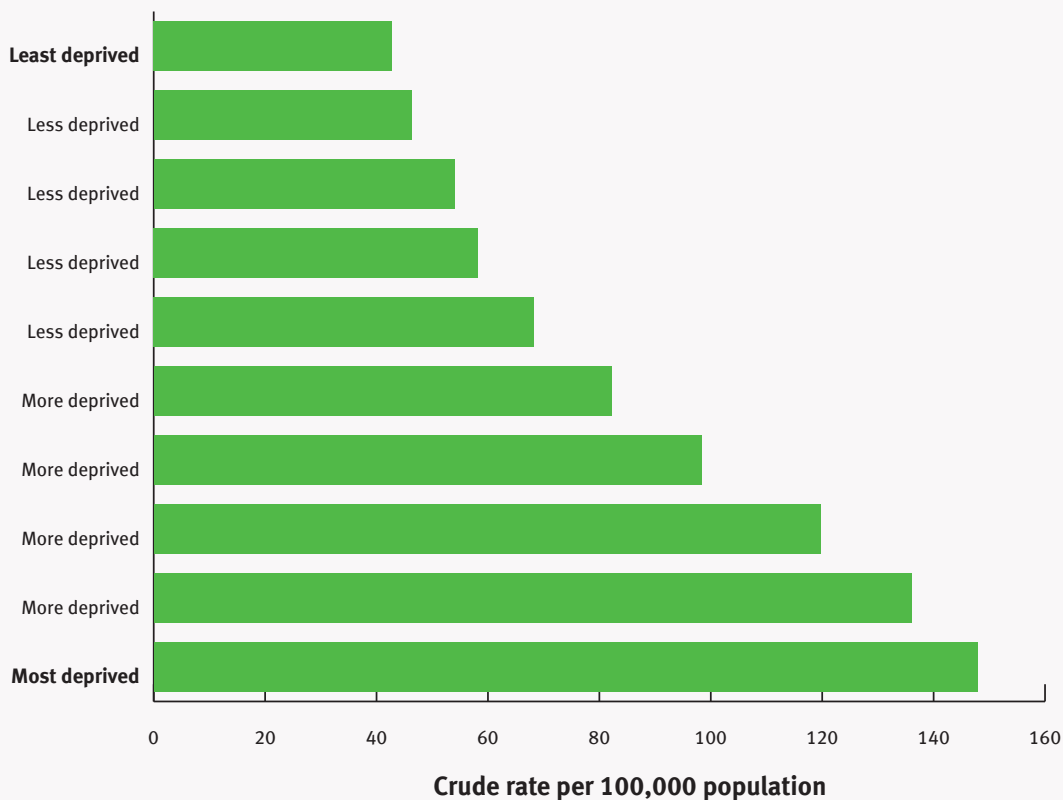
Map of County & UA (pre 4/19)s in England for  
 Estimated prevalence of common mental disorders:  
 % population aged 16 & over (Percentage point - per  
 100 2017)

Map of County & UA (pre 4/19)s in England for  
 Deprivation score (IMD 2015)  
 (Score - 2015)



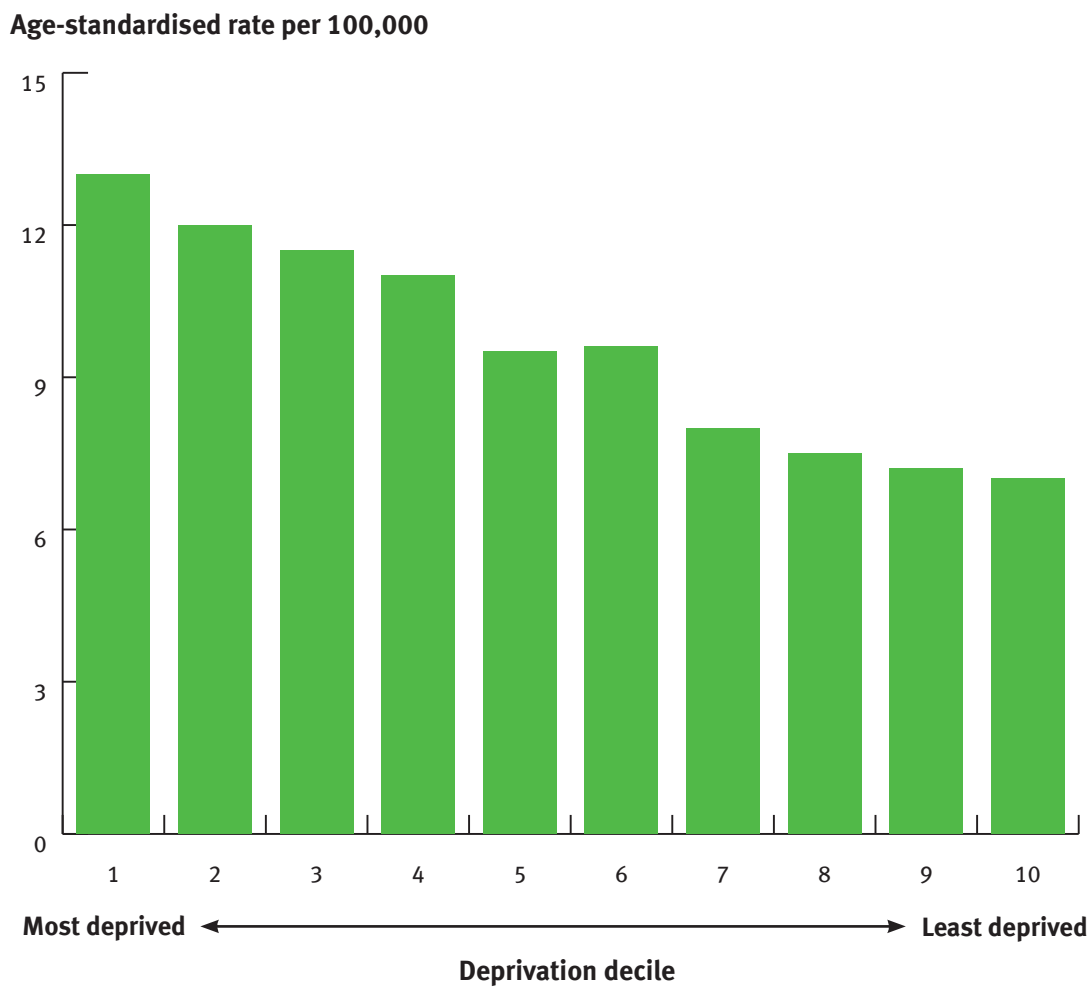
Used with permission from Public Health England

**Figure 2: Sections under the Mental Health Act by indices of deprivation**



Source: NHS Digital

**Figure 3: Age-standardised mortality rate for suicide, by deprivation decile, persons, England, 2014 to 2016**



Source: Public Health England analysis based on mortality and population data from ONS and Index of Multiple Deprivation 2015 from Ministry of Housing, Communities and Local Government

## How poverty causes and worsens mental ill health

The World Health Organisation (WHO, 2017), among other experts, says that the main factors influencing health outcomes (whether people stay well, become unwell or die prematurely) are:

- Social determinants like poverty and discrimination
- Environmental factors like air quality and housing
- Individual factors like genetic predisposition and behaviour
- Access to health care.

### Poverty can lead to a 'cascade' of illnesses

Research has firmly established that poverty is associated with increased risk for at least 16 diseases, including psychiatric disorders, that form a 'cascade' of interrelated health conditions including later heart disease, lung cancer and dementia (Kivamaki *et al.*, 2020). It is clear that poverty is a key social determinant of health and illness and responsible for a large proportion of ill health, early deaths and costly health and care services.

### Reductions in income lead to worse mental health

In 2020 researchers from the Massachusetts Institute of Technology (MIT) and Harvard University brought together the evidence linking poverty to mental ill health (Ridley *et al.*, 2020).

They found multiple studies showing that job loss leads to reduced income and precedes episodes of mental illness (Olesen *et al.*, 2013; Alloush, 2018).

Evidence from natural experiments confirms that this relationship is causal. For instance, increased rates of depression and suicide in rural parts of Indonesia followed a drought-induced fall in agricultural income (Christian *et al.*, 2019). Similarly, job losses due to plant closures in Austria were associated with higher subsequent antidepressant use and mental health-related hospitalisation (Kuhn *et al.*,

2009), and areas in the USA that saw more jobs lost had increased mortality through drug overdoses among those same groups (Pierce and Schott, 2016).

Whether job loss worsens mental health beyond the impacts of the associated loss of income is unclear, but both mechanisms are argued to play a role in the phenomenon of 'deaths of despair' where alcohol, drug and suicide mortality increases following economic shocks (Case and Deaton, 2020).

### Conversely, income or wealth increases can improve mental health

It is difficult to conduct experiments to establish how increasing incomes affects health in ways that control for other influences, but sometimes so-called 'natural experiments' occur where this can be established. Such a natural experiment occurred in the course of the Great Smoky Mountains Cohort Study where 1,420 children in a region of North Carolina were studied, including annual psychiatric assessments, over the course of their lives. The study continues to this day. The cohort contained a substantial group of Native American children who lived on a reservation where a casino was built halfway through the study, which gave a share of the profits to every resident family. This moved 14% of families out of poverty, and children from these families subsequently recorded rapid and substantial improvements in their psychiatric score assessments. Children from the natural 'control' group, who did not benefit financially from the casino deal, saw no such improvement, demonstrating that increasing income to move children out of poverty has a significant benefit to mental health (Costello *et al.*, 2003). This effect has been confirmed studying other American communities that opened casinos, seeing substantial rises in income and reductions in anxiety relative to those that did not (Wolfe *et al.*, 2012). To note, it was the increase in income which made the difference, not the source of income – gambling – which is itself a source of mental health difficulties and problematic debt.

## How poverty harms health

### Social determinants

- Those with lowest incomes are harmed the most by economic inequality as it increases risk factors and reduces protective ones whilst harming self-esteem and control
- Increases the risk of adverse childhood events
- Intersects with discrimination including structural racism leading to worse outcomes for racialised communities.

### Environmental factors

- Reduces access to healthy food
- Makes living in overcrowded, insecure housing more likely
- Lessens access to green space and exercise
- Increases exposure to air pollution
- Increasing risk of smoking, substance misuse and inactivity.

### Individual factors

- Makes genetic risk more likely to convert to illness
- Increases stress and the stress hormone Cortisol
- Reduces sense of control, self-esteem and confidence
- Cuts 'mental bandwidth' for 'good' health choices (Mullainathan and Shafir, 2013)
- Can lead to 'comfort' behaviour thereby increasing risk of smoking, substance misuse and inactivity.



### Access to health care and other support

'Inverse care law' means deprived communities have less access to quality health care and other support services.



Another US study found that increasing the minimum wage by \$1 an hour (about 8% depending on the state) reduces the suicide rate by up to 6% among the beneficiaries (Kaufman *et al.*, 2022).

The most compelling causal evidence that poverty causes mental illness comes from randomised-controlled trials that evaluate anti-poverty programmes. The MIT/Harvard researchers cite several studies evaluating cash transfer and broader anti-poverty programmes which have found significant positive impacts on mental health, including over long time horizons, after the effects of any initial celebratory reactions among recipients have worn off. Across a wide range of populations and study designs, positive economic 'shocks' to individuals are shown to improve mental health, whereas negative economic shocks undermine mental health. This robust evidence on the effects of changes in economic circumstances indicates that poverty can cause mental illness.

### **Poverty increases risk of experiencing multiple adverse childhood events leading to increased risk of mental ill health**

Rates of child abuse and neglect are five times higher for children in families with low socioeconomic status compared to those with higher socioeconomic status (CDC, 2022). In a national sample of Scottish children, those living in households in the lowest quintile (20%) of household income were almost 12 times more likely to experience three or more adverse childhood events by age eight compared with those in the highest quintile (Marryat and Frank, 2019).

A new study has found that a 1% increase in child poverty in the UK was associated with an additional five children entering care, mainly due to abuse and neglect, per 100,000 children. Researchers concluded that children's exposure to poverty creates and compounds adversity, driving poor health and social outcomes in

later life. They recommend that national anti-poverty policies are key to reducing poor outcomes and improving wellbeing (Bennett *et al.*, 2022). It has also been found that children and young people living in the 20% least well-off households are four times more likely to experience severe mental health problems than those in the highest income households (Gutman *et al.*, 2015). The relationship between poverty and experiencing adverse childhood events such as violence may be causal, as suggested by research that shows that cash transfers to households reduce intimate partner violence (Haushofer *et al.*, 2019).

There is a great deal of high-quality scientific evidence demonstrating that adverse childhood events lead to a substantially higher risk of poor wellbeing, mental ill health, and other negative outcomes during the whole lifetime of the person affected (Lippard and Nemeroff, 2019).

For example, analysis shows that 46% of individuals with depression (Nelson *et al.*, 2017) and 57% of people diagnosed with bipolar disorder (Post *et al.*, 2014) report high levels of childhood maltreatment.

Given the clear link between poverty, adverse childhood events, poor wellbeing and mental health outcomes, reducing child poverty and inequality should be the priority. Measuring and having strategies and targets to reduce child poverty should be an explicit mission of 'levelling up' and the cross-government mental health strategy. Where there is heightened risk of abuse, neglect and bullying, and therefore higher risk of low wellbeing and poor mental health, we should have the resources to intervene early and effectively.

## Poverty, mental illness and institutional racism

Figure 4: Black African and Bangladeshi origin households in the UK have 10 times less wealth than white British people (Khan, 2017 - the Runnymede Trust)



Research from Synergi (2017) finds that people from racialised communities are more likely to receive certain mental health diagnoses and are more likely to experience coercive treatment.



**Ten times** as many Black people as white people get Community Treatment Orders

**Five times** as many Black people and twice as many Asian people as white people are diagnosed with schizophrenia

**Four times** as many Black people and twice as many Asian people are detained under Mental Health Act as white people

## Poverty and mental illness intersect with institutional racism

Despite the fact there is no heightened genetic predisposition, people from some racialised communities in the UK experience much poorer mental health outcomes than white British people, and this intersects with levels of poverty. It is important to note that racism, in itself and independently of poverty, causes and worsens mental ill health (Paradies *et al.*, 2015).

Poverty rates vary significantly by ethnicity, but all racialised groups are more likely to be living in poverty. For Indian people the rate is 22%, for Chinese people, 29%; for Bangladeshi people the rate of poverty is 45% and for Pakistani people it is 46%. This is due to lower wages, higher unemployment rates, higher rates of part-time working, higher housing costs in England's large cities (especially London), and slightly larger household sizes.

Around 18% of Bangladeshi workers, 11% of Pakistani and Chinese workers, and 5% of Black African and Indian workers are paid below the National Minimum Wage, compared to 3% of white workers.

Recommendations from the Runnymede Trust (Khan, 2017) include strengthening discrimination laws, as well as the need for targeted policies to tackle longstanding inequalities, and for ensuring racial inequalities are considered in thinking about how to design a fairer, more resilient economy.

## Poverty and environmental factors

If a person lives in poverty, they are also much more likely to be exposed to environmental hazards.

These include fresh food 'deserts' (where there is less choice of affordable healthy food), lack of green space and other amenities (Calloway *et al.*, 2019) and pollution, temperature extremes, and challenging sleep environments (Dean *et al.*, 2018). Many of these factors have been linked directly to mental illness.

## Poverty and individual factors

### Genetics

Individual factors, such as genes and behaviour, do not exist in a vacuum. Genetic predisposition to certain conditions, like schizophrenia, is also heavily influenced by what happens to a person and the environment they live in (Carey, 2012) – this 'turning on' of a genetic predisposition by social or environmental factors is known as 'epigenetics' or, when genetic risk converts into illness, 'gene expression'. Principal among factors that make 'gene expression' for conditions like schizophrenia more likely is exposure to multiple adverse childhood events such as sexual, physical and emotional abuse, bullying, and neglect. The worse the poverty, the greater the risk of adverse childhood events, as explained earlier in this briefing.

### Behaviour

Behaviour, such as whether we 'choose' to smoke or drink too much (accounting for up to 40% of health outcomes), is also largely a product of our circumstances (Mullaintathan and Shafir, 2013) – for example, the poorest fifth of the population are four times as likely to smoke as the richest (Office for National Statistics), most probably due to the stress of their economic circumstances.

## Poverty and access to mental health support

With NHS health care free at the point of delivery to every citizen, regardless of income, the UK is relatively well insulated from what is known as the 'inverse care law'.

The inverse care law was suggested 50 years ago by Julian Tudor Hart in *The Lancet*, to describe a perverse relationship between the need for health care, its availability and use. In other words, health care, like GP surgeries, is harder to access in the most deprived areas. Despite the egalitarian model of the NHS it is still nonetheless susceptible to this inefficient distribution.

There is also plenty of evidence now from routine health service data – such as the NHS performance indicators and surveys of NHS patients – that there is an unequal distribution and standard of care depending on deprivation.

In areas with high needs, such as inner cities and deprived rural and coastal areas, there tend to be fewer doctors working with higher caseloads and sicker patients.

This comes at a time when over a decade of austerity has reduced the availability of support, especially in areas of deprivation. Since 2010 cuts have seen local government spending power reduce by 16% (Institute for Government, 2022). Public health has suffered even sharper reductions, down 24% in real terms (King's Fund, 2021) with deprived communities suffering the most severe cuts.

A new study published in *The Lancet* has found that disproportionately large cuts to council and public health budgets led to worsening population health (Stokes, 2022). Researchers concluded: 'Fiscal austerity is associated with worse multimorbidity and health-related quality of life. Policymakers should consider the potential health consequences of local government expenditure cuts and knock-on effects for health systems.'

This combination of cuts to income and services, disproportionately heavier in already deprived areas, means growing numbers of the least well-off families are falling into worse poverty, with fewer support services available in the areas they are needed most. As a result, health and wellbeing outcomes are worsening: inequality in life expectancy has increased, for example (Office for National Statistics, 2021).

This, and other health crises created or worsened by austerity, have necessitated investment in acute health services. For example, Covid mortality is nearly twice as high for the most deprived fifth compared to the least deprived (UKHSA, 2022).

As the work of Richard Wilkinson and Kate Pickett has demonstrated, poverty is not only bad for health – the gap between rich and poor itself harms the whole of society, with higher rates of inequality linked to higher rates of mental illness.

## Actions to reduce poverty, deprivation and economic inequality

### National government

In essence, it is clear that mental and physical health can be improved by increasing the incomes and reducing the costs of the poorest.

The first step is committing to make ending poverty a national, regional, and local mission. Between 2010 and 2016, it was a statutory duty for central and local government to measure and have strategies in place to reduce child poverty – this and previous policies helped halve child poverty from 4.4 million to 2.2 million. It would be sensible to restore a form of this duty and involve the whole community in eradicating child poverty.

#### Increase incomes of the poorest by:

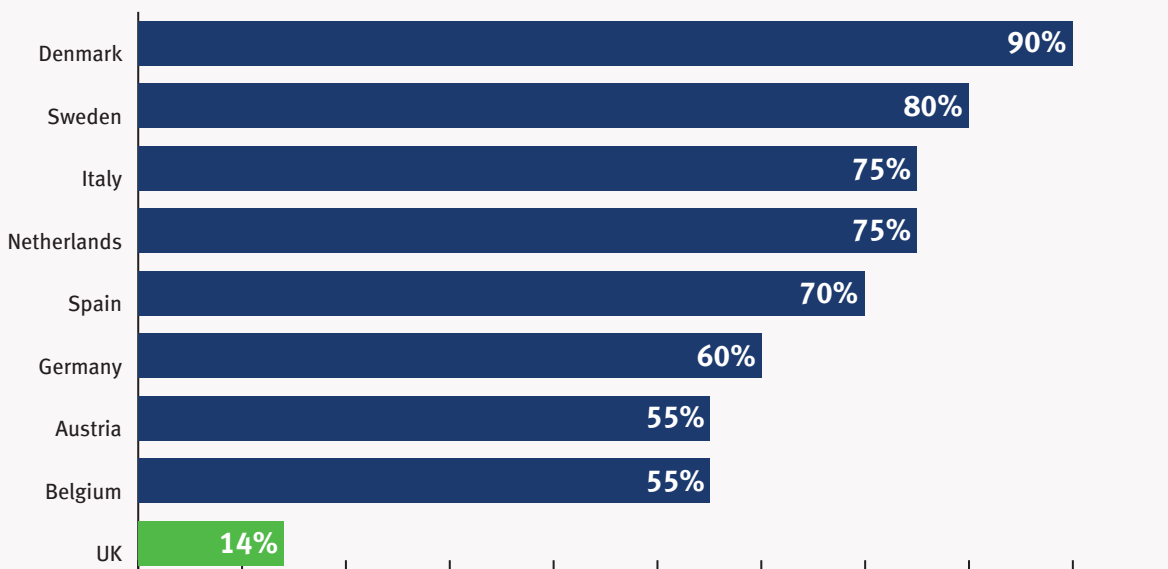
- Increasing social security payments (especially child benefit) and restore child benefit to third and subsequent children
- Ending the overall cap on benefits which disproportionately harms larger families and those living in areas with higher housing costs like London.
- Increasing the minimum wage to the Living Wage Foundation rate (an independently judged hourly amount)
- Providing financial advice
- Providing education, training, career development.

#### Lower costs for the poorest by:

- Building many more energy efficient social rent homes
- Insulating homes
- Supporting household and community renewable energy production
- Extending free childcare, early years education, school meals, period products, council tax exemption
- Providing better access to free or cheap bikes, bike storage, and cheaper public transport.
- Implement the recommendations of the Khan Review into making smoking obsolete in full (Khan, 2022).

**Figure 5: Universal Credit is worth less than a fifth of average earnings**

Standard rate unemployment benefits for a single person, as a percentage of previous earning



Source: MISSOC

## Ensure better services in areas of greatest need by:

- Ensuring minimum levels of primary, secondary and tertiary NHS care within reasonable distances of communities, especially those in deprivation
- Increasing availability of wider services such as children's centres, libraries, community centres and parks
- Weighting public health and local government grants from central government according to deprivation, taking into account pockets of deprivation especially in rural and coastal communities.

## Regional and local government

### Regional and local government, integrated care systems, NHS trusts, other anchor institutions and major employers can also play their part by:

- Getting Living Wage Foundation accredited
- Using social value procurement to employ and buy more locally, especially from vulnerable groups
- Supporting more energy efficient, genuinely affordable housing including insulating existing buildings and equipping them with renewable energy arrays (like solar panels)
- Making excellent financial advice widely and easily available
- Encouraging access to Healthy Start Vouchers, free early years education and other schemes to support the poorest who have lower uptake
- For councils, being as generous with their council tax relief schemes as possible.

You can read more on what integrated care systems can do in our [Mentally healthier ICSs briefing](#), and for local government our [Mentally healthier council areas manifesto](#).

## References

- Alloush, M. (2018) *Income, psychological well-being, and the dynamics of poverty: Evidence from South Africa*.
- Bennett, D., Shulter, D., Melis, G. *et al.* (2022) *Child poverty and children entering care in England, 2015-20*. The Lancet Public Health. Available here: [https://www.thelancet.com/journals/lanpub/article/PIIS2468-2667\(22\)00065-2/fulltext](https://www.thelancet.com/journals/lanpub/article/PIIS2468-2667(22)00065-2/fulltext)
- Calloway, E. Parks, C. Bowen, A. (2019) *Environmental, social and economic factors related to the intersection of food security, dietary quality, and obesity*. Translational Behavioral Medicine, Volume 9, Issue 5, October 2019, Pages 823–826. Available from: <https://doi.org/10.1093/tbm/ibz097> [Accessed: 05/07/2022]
- Carey, N. (2012) *The epigenetics revolution*. London: Icon Books
- Case, A and Deaton, A. (2020) *Deaths of Despair and the Future of Capitalism*. Princeton, NJ: Princeton University Press
- Centre of Disease Control and Prevention. (2022) *Fast facts: preventing child abuse and neglect*. Atlanta, GA, USA: CDC. Available here: <https://www.cdc.gov/violenceprevention/childabuseandneglect/fastfact.html#:~:text=%20Children%20living%20in%20poverty%20experience%20more%20abuse,to%20children%20in%20families%20with%20higher%20socioeconomic%20status> [Accessed: 05/07/2022]
- Christian, C., Hensel, K., and Roth, C. (2019) Income Shocks and Suicides: Causal Evidence From Indonesia. *Rev. Econ. Stat.*, December 2019, **101**(5), 905–920.
- Costello, J. Compton, S. Keeler, G. Angold, A. (2003) Relationships between poverty and psychopathology: a natural experiment. *JAMA*. 2003 Oct 15; **290**(15):2023-9. Available here: <https://pubmed.ncbi.nlm.nih.gov/14559956/> [Accessed: 05/07/2022]
- Dean, E. Schilbach, F and Schofield, H. (2018) *Poverty and cognitive function, The economics of poverty traps*, pp. 57–118.
- Gutman, L., Joshi, H., Parsonage, M., & Schoon, I. (2015). *Children of the new century: Mental health findings from the Millennium Cohort Study*. London: Centre for Mental Health. Available here: <https://www.centreformentalhealth.org.uk/sites/default/files/2018-09/newcentury.pdf> [Accessed: 05/07/2022]
- Hart, J. (1971) The inverse care law. *The Lancet*, February 27. Available at: [https://www.thelancet.com/journals/lancet/article/PIIS0140-6736\(71\)92410-X/fulltext](https://www.thelancet.com/journals/lancet/article/PIIS0140-6736(71)92410-X/fulltext) [Accessed: 05/07/2022]
- Haushofer, J. and Fehr, E. (2014) On the psychology of poverty. *Science*. 2014 May 23;344(6186):862-7. doi: 10.1126/science.1232491. PMID: 24855262.
- Institute for Government. (2022) *Local government funding in England*. Available here: <https://www.instituteforgovernment.org.uk/explainers/local-government-funding-england> [Accessed: 05/07/2022]
- Johnson, S. Leedom, L. Muhtadie, L. (2012) The dominance behavioral system and psychopathology: evidence from self-report, observational, and biological studies. *Psychol Bull*. 2012 Jul; **138**(4):692-743. doi: 10.1037/a0027503. Epub 2012 Apr 16. Available here: <https://pubmed.ncbi.nlm.nih.gov/22506751/> [Accessed: 05/07/2022]
- Joseph Rowntree Foundation. (2020) *Overall UK poverty rates*. Available here: <https://www.jrf.org.uk/data/overall-uk-poverty-rates> [Accessed: 05/07/2022]
- Kaufman, J. Salas-Hernández, L. Komro, K. *et al.* (2020) Effects of increased minimum wages by unemployment rate on suicide in the USA. *J Epidemiol Community Health* 2020;74:219-224. Available here: <https://jech.bmj.com/content/74/3/219> [Accessed: 05/07/2022]
- Khan, J. (2022) Making smoking obsolete: independent review. HM Government. Available here: <https://www.gov.uk/government/publications/the-khan-review-making-smoking-obsolete/making-smoking-obsolete-summary> [Accessed: 23/07/2022]

- Khan, O. *The colour of money*. (2019) London: Runnymede Trust. Available at: [https://assets.website-files.com/61488f992b58e687f1108c7c/61bcc1c736554228b543c603\\_The%20Colour%20of%20Money%20Report.pdf](https://assets.website-files.com/61488f992b58e687f1108c7c/61bcc1c736554228b543c603_The%20Colour%20of%20Money%20Report.pdf) [Accessed: 05/07/2022]
- Kivimäki, M., Batty, D., Pentti, J., Shipley, M., Sipilä, N., Suominen, S., Oksanen, T., Stenholm, S., Virtanen, M., Marmot, M., Singh-Manoux, A., Brunner, E., Lindbohm, J., Ferrie, J., Vahtera, J. (2020) Association between socioeconomic status and the development of mental and physical health conditions in adulthood: a multi-cohort study. *The Lancet Public Health*. March. Volume 5. (Issue 3). Available from: <https://pubmed.ncbi.nlm.nih.gov/32007134/> [Accessed: 05/07/2022]
- Kuhn, A. Lalive, R and Zweimüller, J. (2009) The public health costs of job loss. *J. Health Econ.*, December 2009, 28 (6), 1099–1115.
- Lippard, E. Nemeroff, C. (2019) The devastating clinical consequences of child abuse and neglect. *The American Journal of American Psychiatry*. Available here: <https://ajp.psychiatryonline.org/doi/full/10.1176/appi.ajp.2019.19010020> [Accessed: 05/07/2022]
- Marmot, M. (2004) *The Status Syndrome*. London: Holt.
- Marryat, L., Frank, J. (2019) Factors associated with adverse childhood experiences in Scottish children: a prospective cohort study. *BMJ Paediatrics Open*. Available here: <https://pubmed.ncbi.nlm.nih.gov/30815585/> [Accessed: 05/07/2022]
- Mullainathan, S. Shafir, E. (2013) *Scarcity – the true cost of not having enough*. London: Penguin
- Nelson, J. Klumparendt, A. Doebler P, et al. Childhood maltreatment and characteristics of adult depression: meta-analysis. *Br J Psychiatry* 2017; 210:96–104. Available here: <https://pubmed.ncbi.nlm.nih.gov/27908895/> [Accessed: 05/07/2022]
- Office for Budget Responsibility. (2022) *The latest evidence on the impact of Brexit on UK trade*. Available here: <https://obr.uk/box/the-latest-evidence-on-the-impact-of-brexit-on-uk-trade/> [Accessed: 05/07/2022]
- Office for National Statistics (2018) Likelihood of smoking four times higher in England’s most deprived areas than least deprived. Available from: <https://www.ons.gov.uk/peoplepopulationandcommunity/healthandsocialcare/drugusealcoholandsmoking/articles/likelihoodofsmokingfourtimeshigherinenglandsmostdeprivedareasthanleastdeprived/2018-03-14> [Accessed: 05/07/2022]
- Office for National Statistics. (2021). *Health state life expectancies by deprivation deciles, England: 2018 to 2020*. Available at: <https://www.ons.gov.uk/peoplepopulationandcommunity/healthandsocialcare/healthinequalities/bulletins/healthstatelifeexpectanciesbyindexofmultipledeprivationimd/2018to2020> [Accessed: 05/07/2022]
- Olesen, S. Butterworth, P. Leach, L. Kelaher, M and Pirkis, J. (2013) Mental health affects future employment as job loss affects mental health: findings from a longitudinal population study. *BMC Psychiatry*, May 2013, 13 (1), 144.
- O’Shea, N. (2021) *Covid-19 and the nation’s mental health: May 2021. Forecasting needs and risks in the UK*. London: Centre for Mental Health. Available from: <https://www.centreformentalhealth.org.uk/publications/covid-19-and-nations-mental-health-may-2021> [Accessed: 05/07/2022]
- Paradies Y, Ben J, Denson N, Elias A, Priest N, Pieterse A, Gupta A, Kelaher M, Gee G. (2015) Racism as a Determinant of Health: A Systematic Review and Meta-Analysis. *PLoS One*. 2015 Sep 23; 10(9). Available here: <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC4580597/> [Accessed: 05/07/2022]
- Pierce, J and Schott, P. (2016) *Trade Liberalization and Mortality: Evidence from U.S. Counties*. Finance and Economics Discussion Series 2016-094. Washington: Board of Governors of the Federal Reserve System, <https://doi.org/10.17016/FEDS.2016.094>.



- Post, R. Altshuler L. Leverich G, *et al.* (2013) *More stressors prior to and during the course of bipolar illness in patients from the United States compared with the Netherlands and Germany*. *Psychiatry Res* 2013; 210:880–886. Available here: <https://www.sciencedirect.com/science/article/abs/pii/S0165178113004678?via%3Dihub> [Accessed: 05/07/2022]
- Public Health England. (2018) *Reducing inequalities in mental health*. Available at: <https://www.gov.uk/government/publications/health-matters-reducing-health-inequalities-in-mental-illness/health-matters-reducing-health-inequalities-in-mental-illness> [Accessed: 05/07/2022]
- Raphael, D. (2012) *The social determinants of sports injury*. The Atlantic Collaborative on Injury Prevention. Available here: [http://www.acip.ca/Document-Library/ACIP%20Publications%20\(All\)/ACIP%20Social%20Determinants%20of%20Injury%202011.pdf](http://www.acip.ca/Document-Library/ACIP%20Publications%20(All)/ACIP%20Social%20Determinants%20of%20Injury%202011.pdf) [Accessed: 05/07/2022]
- Remes, O., Lafortune, L., Wainwright, N., *et al.* (2019) *Association between area deprivation and major depressive disorder in British men and women: a cohort study*. *BMJ Open* 2019;9:e027530. Available here: <https://pubmed.ncbi.nlm.nih.gov/31767575/> [Accessed: 05/07/2022]
- Resolution Foundation. (2022). *Inflation nation*. London: Resolution Foundation. Available at: <https://www.resolutionfoundation.org/publications/inflation-nation/> [Accessed: 05/07/2022]
- Ridley, M., Rao, G., Schilbach, F., Patel, P. (2020) *Poverty, Depression, and Anxiety: Causal Evidence and Mechanisms*. Available here: <https://economics.mit.edu/files/18694.pdf> [Accessed: 05/07/2022]
- Royal College of Psychiatrists (2021) *Record number of children referred to mental health services*. London: RC Psych. Available at: <https://www.rcpsych.ac.uk/news-and-features/latest-news/detail/2021/09/23/record-number-of-children-and-young-people-referred-to-mental-health-services-as-pandemic-takes-its-toll> [Accessed: 05/07/2022]
- Stokes, J. *et al.* (2022) *Cuts to local government spending, multimorbidity and health related quality of life*. *The Lancet*, June 09 2022. Available here: [https://www.thelancet.com/journals/lanepi/article/PIIS2666-7762\(22\)00130-2/fulltext#articleInformation](https://www.thelancet.com/journals/lanepi/article/PIIS2666-7762(22)00130-2/fulltext#articleInformation) [Accessed: 05/07/2022]
- Synergi. (2017) *Ethnic Inequalities in the UK Mental Health System*. London: Synergi Collaborative Available here: [https://legacy.synergicollaborativecentre.co.uk/wp-content/uploads/2017/11/Synergi\\_Report\\_Web.pdf](https://legacy.synergicollaborativecentre.co.uk/wp-content/uploads/2017/11/Synergi_Report_Web.pdf) [Accessed: 05/07/2022]
- The King's Fund (2021) *The Covid-19 pandemic has reinforced the need for a much greater focus on and investment in prevention and public health*. Available here: <https://www.kingsfund.org.uk/projects/positions/public-health> [Accessed: 05/07/2022]
- WHO. (2001) *Key terms and definitions in mental health*. (Geneva) Available here: <https://www.who.int/southeastasia/health-topics/mental-health/key-terms-and-definitions-in-mental-health> [Accessed: 05/07/2022]
- Wilkinson, R. and Pickett, K. (2010) *The spirit level: why equality matters for everyone*. London. Penguin.
- Windsor-Shellard, B. (2020) *How does living in a more deprived area influence rates of suicide?* London: ONS. Available here: <https://blog.ons.gov.uk/2020/09/10/how-does-living-in-a-more-deprived-area-influence-rates-of-suicide/#:~:text=The%20impact%20of%20deprivation%20and%20suicide&text=Living%20in%20a%20deprived%20area%20increases%20suicide%20risk%20for%20nearly,compared%20to%20the%20least%20deprived.> [Accessed: 05/07/2022]
- Wolfe, B. Jakubowski, J. Haveman, R. and Courey, M. (2012) *The Income and Health Effects of Tribal Casino Gaming on American Indians*. *Demography*, May 2012, 49(2), 499–524.
- Ridley, M., Rao, G., Schilbach, F., Patel, P. (November, 2020) *Poverty, Depression, and Anxiety: Causal Evidence and Mechanisms*. Available here: <https://economics.mit.edu/files/18694.pdf> [Accessed: 05/07/2022]

# Poverty, economic inequality and mental health

Published July 2022

Image: <https://www.istockphoto.com/portfolio/Artistan>

Centre for Mental Health is an independent charity and relies on donations to carry out further life-changing research. Support our work here: [www.centreformentalhealth.org.uk](http://www.centreformentalhealth.org.uk)

© Centre for Mental Health, 2022

Recipients (journals excepted) are free to copy or use the material from this paper, provided that the source is appropriately acknowledged.



## Summary

The Covid-19 pandemic, by being accompanied by a substantial rise in demand for mental health services. Whilst investment in mental health services is vital, it is also necessary to tackle the factors that cause and worsen mental ill health in the first place.

The evidence is clear that poverty, deprivation, and economic inequality are toxic to mental and physical health, and therefore policy makers should prioritise reducing them as an urgent public health necessity.

Rates of depression, serious mental illness, and suicide (not to mention nearly every physical illness and injury) worsen with increased poverty and deprivation in a very clear dose-response relationship – the more the exposure, the worse the outcomes.

Although mental and physical health harm increases with deprivation, economic inequality is bad for everyone: rich, poor and those in between. The most unequal developed economies, including the UK and the US, experience higher levels of stress, social problems,

'status syndrome', with a gradient of worsening mental and physical health correlating with one's economic and social position in society (Marmot, 2004).

Economic inequality intersects with other disadvantages such as those caused by structural racism – many racialised communities in the UK suffer from worse poverty and mental health outcomes, creating multiple disadvantages.

In the UK, poverty, deprivation and inequality are getting worse, with high inflation overlapping with the Covid-19 pandemic and compounding the economic harm of Brexit (Office for Budget Responsibility, 2022) and the austerity which followed the global financial crash of 2007.

If the current trajectory of deepening poverty and deprivation, widening economic inequality and worsening health continues, millions of people will suffer preventable harm and health and social care services will be overwhelmed by demand.