

Unemployment

For people living with mental illness, work can be a critical factor that helps promote health, recovery, and social inclusion.¹ Yet, 60-80 percent of people who live with mental illness are unemployed² and, for people living with the most severe mental illnesses, unemployment rates can be as high as 90 percent.³

This disproportionately high unemployment of people living with mental illness is both unnecessary and very costly. Our nation pays a high price in loss of productivity, earnings and human potential, as well as in disability benefits and use of public services. An estimated \$25 billion is spent annually for disability payments to people with mental illness.⁴

The majority of people living with mental illness want to work and are one of the largest disability groups referred to the federal Vocational Rehabilitation system (VR). Unfortunately, employment outcomes in the VR system are worse for people with mental illness than for any other disability group.⁵ As a result, too many people living with mental illness that are willing and able to work remain unemployed or underemployed.

Many states have been able to remedy the shortcomings of federal work programs through proven, cost-effective supported employment programs. Effective supported employment models closely integrate mental health and vocational services, consider client preference and skills in job placement and provide individualized ongoing supports and benefits counseling. About two-thirds of people who receive supported employment services become competitively employed, compared to less than one-fourth of those receiving traditional vocational services.⁶

Investing in evidence-based, supported employment programs can reduce unemployment, promote social inclusion and save millions in public assistance costs while increasing productivity and tax revenues.⁷

By the Numbers

The unemployment rate for adults living with mental illness is three to five times higher than for those without mental illness.⁸

Many people who live with serious mental illness who do work are underemployed; about 70 percent who hold college degrees earn less than \$10 per hour.⁹

On average, people who receive SSI benefits have incomes that are just 18.2 percent of the median one-person household income.¹⁰

An estimated one-third to one-half of people who live with serious mental illness lives at, or near, the federal poverty level.¹¹

Saving Money, Saving Lives

Programs that provide needed and appropriate services and supports help people living with mental illness work and experience recovery.

- Supported employment, integrated with mental health services, promotes well-being and saves millions in disability costs.¹² Supported employment has been shown to be more effective in achieving competitive employment for people living with mental illness compared to other vocational interventions, with successful work outcomes across diverse ethnic and cultural groups.¹³ Evidence-based supported employment programs have been implemented in over a dozen states across the country, from Kansas to Connecticut.
- State implementation or expansion of "Medicaid buy-in" programs can facilitate competitive employment by allowing working individuals who live with mental illness to continue their Medicaid coverage. In 2006, 32

states used this program to help remove disincentives to work. With 91 percent of program participants employed during 2006, Minnesota's buy-in program has made significant progress in reducing barriers to employment for people with disabilities.¹⁴

- The International Center for Clubhouse Development (ICCD) Clubhouse model is a community-based approach that reduces disconnectedness and compliments psychiatric treatment. Clubhouses, like Fountain House in New York and Vincent House in Florida, bring a community of people living with mental illness together for education, employment and/or other recovery activities. Clubhouses have shown successful supported employment outcomes in terms of length of employment, total hours worked and earnings.¹⁵
- For people who require intensive, integrated clinical care, a vocationally-integrated Assertive Community

| Distribution of Medicaid Buy-In Participants by Primary Disabling Conditions, 2006 | | |
|------------------------------------------------------------------------------------|------------------------------|-------------------------------|
| | Number of Total Participants | Percent of Total Participants |
| Nationwide Total | 97,491 | 100.0 |
| Primary Disabling Condition (TRF) | | |
| Severe mental illness | 24,424 | 25.1 |
| Other mental disorders | 7,370 | 7.6 |
| Mental retardation | 11,523 | 11.8 |
| Musculoskeletal system | 9,131 | 9.4 |
| Sensory impairment | 2,058 | 2.1 |
| All other conditions | 20,368 | 20.9 |
| Unknown (in TRF) | 6,649 | 6.8 |
| Unknown (NOT in TRF) | 15,968 | 16.4 |

Source: Medicaid Buy-In finder files; SSA's Ticket Research File, 2006.

Treatment (ACT) team can help to provide both clinical care and employment supports.¹⁶ ACT teams have long demonstrated strong outcomes for individuals at high risk. The addition of effective vocational services helps keep people successfully engaged in both treatment and employment services.

Endnotes

- ¹ Boardman, J., Grove, B., Perkins, R., and Shepherd, G., "Work and Employment for People with Psychiatric Disabilities," *British Journal of Psychiatry* (182), (2003).
- ² National Association of State Mental Health Program Directors (NASMHPD) and Advocates for Human Potential, Inc., *Promoting Independence and Recovery through Work: Employment for People with Psychiatric Disabilities*, (National Governors Association, Center for Best Practices: 2007), www.nga.org/Files/pdf/0707MHWEBCASTBRIEF.pdf.
- ³ National Governors Association, *Strategies States Can Use to Employ Persons with Mental Illness*, (National Governors Association, Center for Best Practices: October 2002), www.nga.org/cda/files/0703MENTALILLNESS.pdf.
- ⁴ United States Department of Health and Human Services, Substance Abuse and Mental Health Services Administration, Center for Mental Health Services, "High Unemployment and Disability for People with Serious Mental Illness," <http://mentalhealth.samhsa.gov/publications/allpubs/NMH02-0144/unemployment.asp>.
- ⁵ *Ibid.*
- ⁶ Drake, R.E., Skinner, J.S., Bond, G.R., and Goldman, H.H., "Social Security and Mental Illness: Reducing Disability with Supported Employment," *Health Affairs* 28(3), (2009).
- ⁷ *Ibid.*
- ⁸ Burke-Miller, J.K., et al., "Demographic Characteristics and Employment Among People with Severe Mental Illness in a Multisite Study," *Community Mental Health Journal* 42(2), (April 2006).
- ⁹ National Association of State Mental Health Program Directors (NASMHPD) and Advocates for Human Potential, Inc., *Promoting Independence and Recovery through Work: Employment for People with Psychiatric Disabilities*, (National Governors Association, Center for Best Practices: 2007), www.nga.org/Files/pdf/0707MHWEBCASTBRIEF.pdf.
- ¹⁰ *Ibid.*
- ¹¹ Cook, J.A., "Employment Barriers for Persons with Psychiatric Disabilities: Update of a Report for the President's Commission," *Psychiatric Services*, 57 (10), (October 2006).
- ¹² Drake, R.E., et al., "Social Security and Mental Illness: Reducing Disability with Supported Employment," *Health Affairs* 28(3), (2009).
- ¹³ Supported employment has been shown to be more effective in achieving competitive employment for people living with mental illness compared to other vocational interventions, with successful work outcomes across diverse ethnic and cultural groups.
- ¹⁴ Gimm, G., et al., *The Three E's: Enrollment, Employment, and Earnings in the Medicaid Buy-In Program, 2006 Final Report*, Centers for Medicare & Medicaid Services, (April 2008).
- ¹⁵ Macias, C., et al., "Supported Employment Outcomes of a Randomized Controlled Trial of ACT and Clubhouse Models," *Psychiatric Services* 57(10), (October 2006).
- ¹⁶ *Ibid.*

