Access to mental health treatment and employment

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There has been growing evidence in the recent literature on the relationship between negative job market shocks and worsened mental health. Our research asks whether increasing access to mental health treatment improves job market outcomes. Specifically, we analyze if having psychiatric outpatient care closer to individuals improves the likelihood of employment of working age adults. We analyze a large administrative dataset from Hungary that links job histories with medical care utilization data between 2009-2017. New outpatient service locations were established in Hungarian micro-regions in 2010-2012, which had lacked such capacities before. This creates a quasi-experimental variation in access to treatment that our analysis exploits. As documented before, we find that more access increases health utilization. Psychiatric outpatient visits increase by around 16% and antidepressant-use increases by 8% for working age adults compared to the matched control group. We find no evidence that hospitalization would be improved for working age adults. We also find no evidence of the increased access having a positive effect on employment outcomes.

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