ABSTRACT:

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Effects of Unemployment Insurance Duration on Mental and Physical Health

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Using administrative data for Upper Austrian workers from 2003-2013, we show that a 9-week extension in unemployment insurance (UI) duration increases nonemployment length and impacts worker physical and mental health. These effects vary by gender. Specifically, we find that female workers eligible for an additional 9 weeks of UI benefits fill fewer opioid and antidepressant prescriptions and experience a lower likelihood of filing a disability claim. Moreover, we find some evidence of beneficial within-household spillovers for young children. For male workers, we find no health effects of extending UI benefit duration. We posit that these differential effects are driven by a combination of income and occupational changes that also vary by gender.