

UNEMPLOYMENT

Unemployment is a significant problem in the United States:

As of May 2003, 9.4 million people in the U.S. were unemployed. Currently, the unemployment rate in the U.S. is 6.4%. This rate is the highest since July 1994. Approximately 67% of people with disabilities are unemployed. As unemployment rates increase, costs to American citizens increase two-fold: Costs in lost productivity and the costs of unemployment payments.

Costs: In fiscal year (FY) 2003 \$52.7 billion will be paid in unemployment insurance benefits. Estimates place this number at \$40.2 billion in FY 2004.

Nearly 70% of unemployed adults with severe mental illness want to work.

- Approximately 90% of adults with severe mental illness--2.5 million--are unemployed.
- One in three individuals with severe mental illness has been turned down for a job due to a psychiatric label.
- Most people with mental illnesses want to work and can work but for a variety of reasons are not given the opportunity to work.

Modifying a job for a person with a mental illness costs less than \$500.

- Individual Placement and Support programs are in place in 30 states. These programs have achieved employment rates of 60-80%.
- 70% of employers who are involved with supportive employment programs report that their employees with disabilities are excellent workers.
- Employment for people with mental illness may lead to improvements in outcomes by increasing self-esteem, alleviating psychiatric symptoms, and reducing dependency.

Approximately \$25 billion is spent annually in Supplemental Security Income (SSI) and Social Security Disability Insurance (SSDI) support payments for people with severe mental illness.

- SSA income support expenditures may fall 20-40% by increasing the number of people with mental illness in the workforce.
- Only half of 1% of SSI/SSDI recipients go off these benefits. Improving provisions in these programs to allow people with disabilities to reenter the workforce without risking immediate loss of income supports and medical benefits will help ease independence on this system and save money in the long run.
- People with serious mental illnesses who do work are less likely to use community health and emergency psychiatric services.

Administrative costs of paying unemployment insurance reached \$4 billion in FY 2003. The cost of unemployment may exceed state revenues by \$16.7 billion in FY 2002. The cost of unemployment rose by 138% between 1996 and 2003. It rose 80% between 2001 and 2002, and another 5% in 2003. While unemployment rates and costs of unemployment are rising, the number of people receiving benefits only rose 10% between 1996 and 2003.

Helping unemployed people get jobs will cut state costs:

Many of these people can work with the right assistance.

The nation now spends \$92 billion on the direct treatment of mental illness. An additional investment in treatment of \$5 billion could yield between a 200% and 1,000% savings by reducing absenteeism, unemployment, and reliance on public benefits.