



The impact of benefit sanctions on mental health: research dissemination paper

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Introduction

The UK social security system relies on the threat and imposition of benefit sanctions to enforce the various requirements of benefit receipt. Policymakers assume that such financial penalties will lead to improved employment outcomes for claimants, as well as wider positive effects. Recent reforms, however, have led to increasing concern regarding the adverse impact of benefit sanctions on claimants.

This dissemination paper summarises the findings of a recently completed doctoral thesis (Williams, 2020b), which uses large-scale longitudinal data and a variety of quantitative methods to investigate the mental health impacts of sanctions. The four empirical studies carried out in the thesis combine to provide robust evidence that sanctions are associated with adverse mental health impacts, measured in terms of antidepressant prescribing and self-reported anxiety/depression.

Key points

- The start of the Coalition government (2010-15) coincided with stricter sanctions for missed interviews and an increase in the application of sanctions.
- This initial period is associated with an increase in unemployed claimants newly experiencing anxiety/depression.
- In 2012, the Department for Work and Pensions (DWP) implemented reforms that substantially increased the severity of benefit sanctions for all reasons.
- In the period after the 2012 reforms, increases in the application of sanctions are associated with increases in both anxiety/depression and the prescription of antidepressants.
- The 2012 reforms continue to underpin the enforcement of conditions under Universal Credit.
- Benefit sanctions are associated with adverse mental health impacts and a policy response is therefore required to minimise the harm of sanctions under Universal Credit.

Policy context

The research focuses on Jobseekers Allowance (JSA) sanctions during the period of Coalition government (2010-15). This period is marked by an historically high application of sanctions, in which nearly a quarter (24%) of JSA claimants received at least one sanction. The rate of sanctions increased from the onset of the Coalition in May 2010 and peaked in October 2013, before gradually returning to their pre-Coalition level by 2015. In 2012, the minimum sanction length was increased from 1 to 4 weeks and the maximum from 26 to 156 weeks. More detail can be found in an accompanying [blogpost](#).

Policymakers assume that benefit sanctions will lead to improved employment outcomes for claimants, and that these will in turn bring about wider positive effects for individuals and wider society. The available evidence paints a mixed picture in terms of employment outcomes, however, whilst existing qualitative research highlights a range of negative outcomes associated with sanctions. This research conducts a quantitative investigation into impacts on mental health.

Findings

In the period before the 2012 reforms:

- Changes to sanctions policy brought about at the start of the Coalition government are associated with an increase of approximately 1-2 percentage points in the prevalence of unemployed claimants newly experiencing anxiety and/or depression.

In the period after the 2012 reforms:

- Every 10 additional sanctions at the local authority-level are associated with approximately 5 additional prescriptions for antidepressants. This is equivalent to one additional person receiving treatment for every 10 sanctions imposed. More detailed results are in Williams ([2019](#)) and an accompanying [blog](#).
- Every 10 additional sanctions at the local authority-level are associated with up to 8 additional people self-reporting that they suffer from anxiety and/or depression. More detailed results are in Williams ([2020a](#)) and an accompanying [blog](#).
- A one percentage point increase in the local authority-level sanctions rate was associated with a 2-3 percentage point increase in the likelihood that unemployed claimants reported suffering from anxiety and/or depression.

These findings provide robust evidence that JSA sanctions have adverse impacts on mental health outcomes. Sanctions policy within Universal Credit is based on a similar regime of conditions, sanctions and associated hardship payments. The findings therefore indicate the need for a policymaking response in order to minimise the harm associated with sanctions within Universal Credit.

Policy implications

The UK Government and Department for Work and Pensions (DWP) should:

- Broaden the concerns of sanctions policy, beyond its current focus on employment-related outcomes, and assess the impacts of sanctions on health and well-being. Impacts on mental health will be interrelated with impacts on employment.
- Reduce the length of sanctions and/or the proportion of benefit that is withdrawn. Universal Credit sanctions are consecutive, which means that some will be affected by penalties that exceed the new 26 week maximum.
- Limit the overall application of sanctions. This could be achieved by: implementing a warning system; limiting the number of reasons for which sanctions apply; and/or establishing a more lenient conception of ‘good reason’ for which benefit rules might be contravened.
- Address the low take-up of hardship payments. Universal Credit hardship payments are awarded for a restricted set of reasons compared with JSA and are repayable.

Data and methods

Local authority-level sanctions data are relied upon (DWP, 2018), due to the current unavailability of individual-level data for use in academic research. Four analyses are carried out that involve different data sources, mental health outcomes and research designs. The methods are chosen to more accurately estimate the independent effect of sanctions on mental health outcomes and therefore to underpin causal inferences.

Summary of data and methods for each empirical study

Outcome variable	Level of analysis	Method	Robustness tests
Anxiety / depression (ONS, 2018a)	Individual-level	Difference-in-differences	Falsification, placebo and matching tests
Antidepressant prescribing (NHS Digital, 2018)	Local authority-level	Fixed effects regression	Falsification and Granger tests
Anxiety / depression (ONS, 2018b)	Local authority-level	Fixed effects regression	Falsification and Granger tests
Anxiety / depression (ONS, 2018b)	Multi-level	Random intercept regression	Falsification test

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