When Money and Mental Health Problems Pile Up: The reciprocal relationship between income and psychological distress

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Our Methods

Data: New York City Longitudinal Study on Wellbeing (Poverty Tracker)
• 2015-2019 cohort: 5-wave with yearly measure for key outcomes
• 18-64 year old New Yorkers (N=3,103)

Measures:
1. Individual earnings in past 12 months (percentiles)
2. Psychological distress over the last 30 days: Kessler-6 for distress (e.g., felt nervous, hopeless, depressed)

Control variables: gender, age, race/ethnicity, education level, immigrant status, partnership status, number of children

Analytical approach: cross-lagged panel model with fixed effects
• all relationships in the same model
• controlling for unobserved differences between individuals
Effect of individual earnings → psychological distress in last month

Reciprocal effects of individual earnings and psychological distress among working age adults (n=3,103)

Fit statistics: RMSEA = .050; CFI = .999; TLI = .980; SRMR = .013
Control variables: SEM model adjusted for gender, age, race/ethnicity, educational level, immigration status, number of children, and partnership status at baseline

† p<.1, *p<.05, **p<.01, ***p<.001
Conclusions

Money & mental health problems pile up!

Individual earnings $\leftrightarrow$ psychological distress:
- Individual earnings $\rightarrow$ psychological distress
- Psychological distress $\rightarrow$ individual earnings

The Reciprocal Relationship Theory

POVERTY

MATERIAL HARDSHIP:
- FINANCIAL
- HOUSING
- FOOD
- BASIC NEEDS
- INDEBTEDNESS
- FINANCIAL STRESS
- SOCIAL COMPARISON/SHAME
- POOR PSYCH CARE

UN/UNDEREMPLOYMENT
- INDEBTEDNESS
- GEOGRAPHIC DRIFT
- SOCIAL CAPITAL DECLINE

PSYCHOLOGICAL DISTRESS
Money & mental health problems pile up!

**Individual earnings ↔ psychological distress:**
- Individual earnings → psychological distress
- Psychological distress → individual earnings

- Recent earnings (last 12 months): stronger impact on psychological distress than income further back in time (13-24 months prior)

- Family income (last 12 months): stronger impact than income 13-24 months prior

- Need to integrate economic policies (e.g., cash, unemployment supports) and mental health services

**Future research:**
- Replicate with other Poverty Tracker cohorts
- Other measures of poverty (e.g., material hardship)
- Different/shorter time lags
- Longer observation periods to examine cumulative effects