



Security Matters

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Declining Economic Opportunity, Rising Overdose Rates and DI Receipt

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Practitioner applications provided by the Center for Financial Security, UW-Madison

Summary

The death rate from drug overdose, and Supplemental Security Income (SSI) and Social Security Disability Insurance (SSDI) program participation among working age adults have increased in recent decades. Our research suggests that fading economic opportunities resulting from increasing industrial automation may explain an important part of these worrisome trends. Encouragingly, greater social capital and more generous safety net programs appear to lessen the adverse consequences of this trend.

Key Findings

- Increases in automation over the period 1993–2007 led to substantial increases in drug overdose mortality for both men and women, particularly in manufacturing counties.
- Counties with higher levels of social capital and more college graduates experienced fewer drug overdose deaths after similar changes in labor market automation, as did counties in states with more generous Medicaid programs.
- Counties in states with lower rates of opioid prescriptions experienced larger increases in drug overdose mortality as a result of automation.
- Social capital and safety net social programs may help buffer the potential adverse health effects of rising automation.

As automation technologies continue to increase, job loss due to automation is also expected to increase. These trends may have negative effects on an individual's health, such as with increased opioid use and increased rates of suicide, and lead to increases in disability program applications in the short- and medium-run.

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Practitioner Ideas

It's natural for individuals to feel shock, anger, and discouragement when they are impacted by a job loss. Unemployment means a loss of income and financial stability, as well as a loss of identity and community for many employees. Some individuals are able to start over by relocating or retraining, while others seem to never fully rebound from the job loss.

Financial counselors and coaches can:

- Help individuals who have been laid off to develop a financial plan starting with adjusting their budget, prioritizing expenses, and listing current debt.
- Review resources for increasing income, such as unemployment insurance, food assistance and other economic support programs, and workforce development programs for employment training and placement services.
- Provide information about any additional social and socioeconomic supports in your community. This research shows a connection between access to safety nets for support and a decrease in drug overdose deaths and suicides. Does your community offer unemployment support groups, job fairs, or networking events?
- Consider Social Security programs when reviewing their client's overall financial picture. The client may be at or nearing their minimum retirement age, or they may have a physical or mental limitation. Note that drug or alcohol abuse does not automatically qualify an individual for Social Security Disability Insurance. There must be an underlying condition regardless of current substance abuse.

Financial professionals are not mental health counselors, and yet there may be times when you're concerned about a client's health and coping. As a matter of routine with all clients, freely share contact information for community mental health services and helplines so that if or when a client is ready to reach out for emotional support, they know where to start.

Key Resources

Substance Abuse and Mental Health Services Administration (SAMHSA)

Website: <https://www.samhsa.gov/find-help/national-helpline>

Helpline: 1-800-662-HELP (4357) – available 24/7 in English and Spanish

Social Security Administration Website

<https://www.ssa.gov/>

Federal Regulations on Drug Addiction and Alcoholism

https://www.ssa.gov/OP_Home/cfr20/416/416-0935.htm

American Job Center Finder

<https://www.careeronestop.org/localhelp/americanjobcenters/find-american-job-centers.aspx>

