

The Effects of Unemployment on Society and the Economy

<http://www.job-interview-site.com/the-effects-of-unemployment-on-society-and-the-economy.html>

The Effects of Unemployment on Society and the Economy

Unemployment means being out of job or a situation where the individual is willing to work but has none.

This article brings and discusses the main issues/effects of the unemployment on our society and economy.

How does unemployment affect the economy?

Some of the well-known effects of unemployment on the economy are:

Unemployment financial costs

The government and the nation suffer. In many countries the government has to pay the unemployed some benefits. The greater the number of the unemployed or the longer they are without work the more money the government has to shell out.

Therefore, the nation not only has to deal with the lost income and decreased production but also with additional cost.

Spending power

The spending power of an unemployed person and his/her family decreases drastically and they would rather save than spend their money, which in turn affects the economy adversely.

Reduced spending power of the employed

Increased taxes and the insecurity about their own work may affect the spending power of the working people as well and they too may start to spend less than before thus affecting the economy and also the society in a negative manner.

Recession

With the increase rates of unemployment other economy factors are significantly affected, such as: the income per person, health costs, quality of health-care, standard of living and poverty.

All these affect not just the economy but the entire systems and the society in general. Here are some aspects of the impact of unemployment on our society:

The effect of unemployment on our society

Unemployment affects not just the person himself but also his/her family and in the long run the society where he lives.

Unemployment brings with it despair, unhappiness and anguish. It forces people to live their lives in a way they do not wish to – The life expectancy is negatively affected.

Life expectancy is the ease by which people living in a time/place are able to satisfy their needs/wants. Here are the main aspects:

Mental health: Mental health problems like: Low self-confidence, feeling unworthy, depression and hopelessness. With the lost income and the frustration involved in it, the recently unemployed may develop negative attitudes toward common things in life and may feel that all sense of purpose is lost. Frequent emotions could be – low self-esteem, inadequateness and feeling dejected and hopeless.

Health diseases: The unemployment overall tension can increase dramatically general health issues of individuals.

Tension at home: Quarrels and arguments at home front which may lead to tension and increased numbers of divorces etc.

Political issues: Loss of trust in administration and the government which may lead to political instability

Tension over taxes rise: Unemployment also brings up discontent and frustration amongst the tax paying citizens. In order to meet the demands of the unemployment fund the government many a times may have to increase the taxes thus giving way to restlessness amongst the tax paying citizens.

Insecurity amongst employees: The prevailing unemployment and the plight of the unemployed people and their families may create fear and insecurity even in the currently employed people.

Crime and violence: Increase in the rate of crime.

Suicide cases: Increase in the rate of suicide attempts and actual suicides as well.

Social outing: Unemployment may bring a decrease in social outings and interactions with other people, including friends.

Stigma: Unemployment brings with more than just 'no work'. It also brings with it the disgrace that the person has to bear. Nobody likes to be termed as unemployed.

Standard of living: In times of unemployment the competition for jobs and the negotiation power of the individual decreases and thus also the living standard of people with the salaries packages and income reduced.

Employment gaps: To further complicate the situation the longer the individual is out of job the more difficult it becomes to find one. Employers find employment gaps as a negative aspect. No one wants to hire a person who has been out of work for some time even when there's no fault of the individual per say.

Lose of skills' usage: The unemployed is not able to put his/her skills to use. And in a situation where it goes on for too long the person may have to lose some of his/her skills.