

Submission to the Productivity Commission Inquiry on Mental Health
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Mental health issues in parents are linked to a higher prevalence of disadvantage among young-adult children. Yet the intergenerational impacts may not only be driven by biology; other mechanisms may be at play.

New research conducted at the Life Course Centre shows that young people aged 18 to 26 years are also more likely to receive social assistance if their parents received Disability Payments for mental health (DSP-M). We look at parental receipt of DSP-M when young-adult children were aged between the ages of 8 and 15.

Using novel administrative data from welfare records, we show that parental receipt of DSP-M contributes to an increase in the probability that young-adult children will receive DSP-M themselves. It also increases the chance that young-adult children will receive other types of social assistance payments, such as carer payments, unemployment payments, and parenting payments (Figure 1). Such cross-correlations suggest that the intergenerational impacts of parental mental health issues are wide-ranging.

The extent to which social assistance is linked across generations is more sensitive to whether or not parents receive DSP-M than many other payment types, such as partnered-parent payments (PPP) or unemployment payments (NA). For example, the likelihood of young adults receiving social assistance is 1.6 times larger if their parents received DSP-M than if they did not (Figure 1). In contrast, partnered-parent payments and unemployment payments are associated with rates of social assistance receipt among young people that are only 1.3–1.4 times higher (Figure 2 and Figure 3).

Parent's receipt of DSP-M also increases the amount of social assistance their young-adult children receive. Young people growing up with parents who received DSP-M, for example, receive 2.4 times the amount of social assistance as their peers growing up in families not receiving them, and four times the social assistance received by youths with no family history of social assistance at all. In contrast, NA and PPP benefits are less strongly linked to the intensity of youths' social benefits. Youths receive 1.5 (1.7) times as much assistance if their parents received PPP (NA) benefits than if they did not.

Any differences in the intergenerational patterns of social assistance across payment types may have more to do with the impact of parental disadvantage and less to do with growing up on a payment versus no payment. This is because Centrelink payment programs have broadly similar incentive structures, which means the type of payment received by a low-income parent primarily depends on the nature of the parental disadvantage.

Mental health issues in parents may constitute one of the most harmful types of family disadvantage for young people because they hamper parents' ability to invest time and attention in children. Parents on DSP-M payments receive a higher median amount of social assistance per fortnight than parents on any other payment and approximately \$50 more per fortnight than parents receiving Disability Payments for physical disabilities. This greater reliance of social assistance for mental health-related reasons suggests that this source of disadvantage can severely constrain a parent's ability to function in a way that enables them to generate their own source of income.

Parental mental health issues are also associated with higher caring responsibilities for the child. For example, young people are more than six times more likely to have received a carer payment if their parents received DSP-M payments than if they did not. This ratio is higher for parental receipt of DSP-M than any other parental payment.

Our results make an important contribution to furthering our understanding of how parental mental health issues compare with other sources of disadvantage in perpetuating social inequalities in future generations.

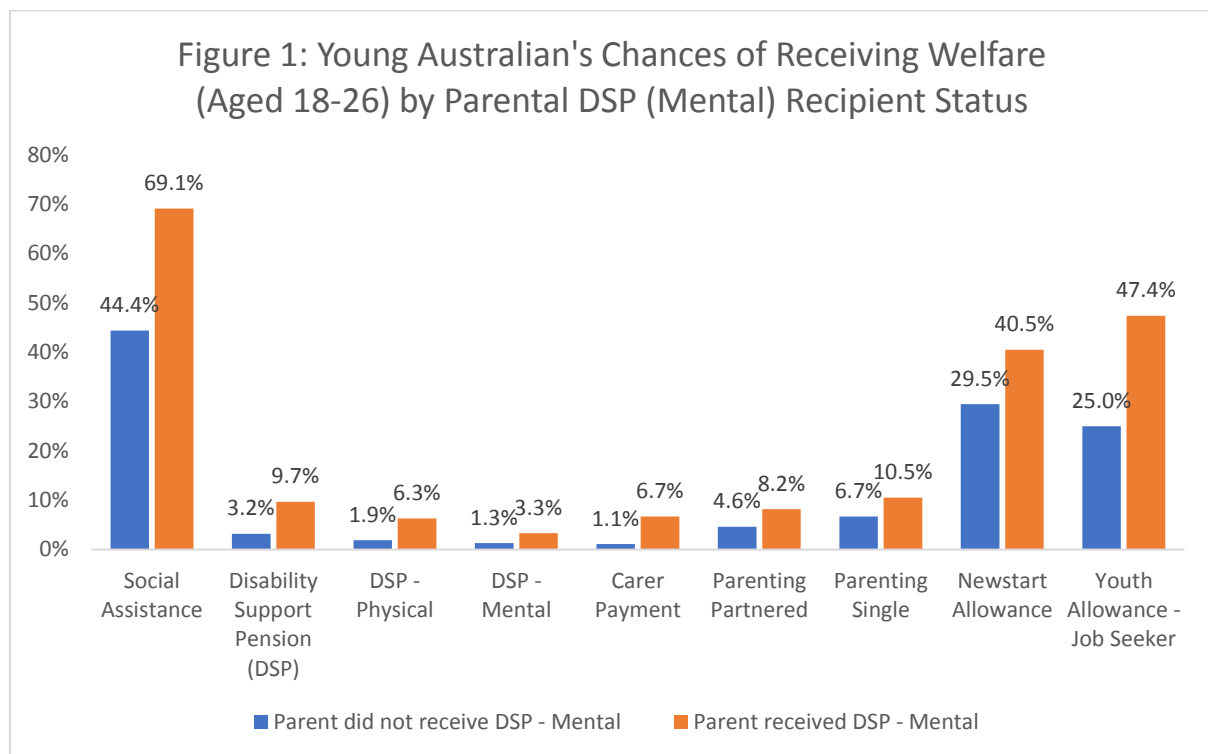


Figure 2: Young Australian's Chances of Receiving Welfare (Aged 18-26) by Parental Parenting Payment (Partnered) Recipient Status

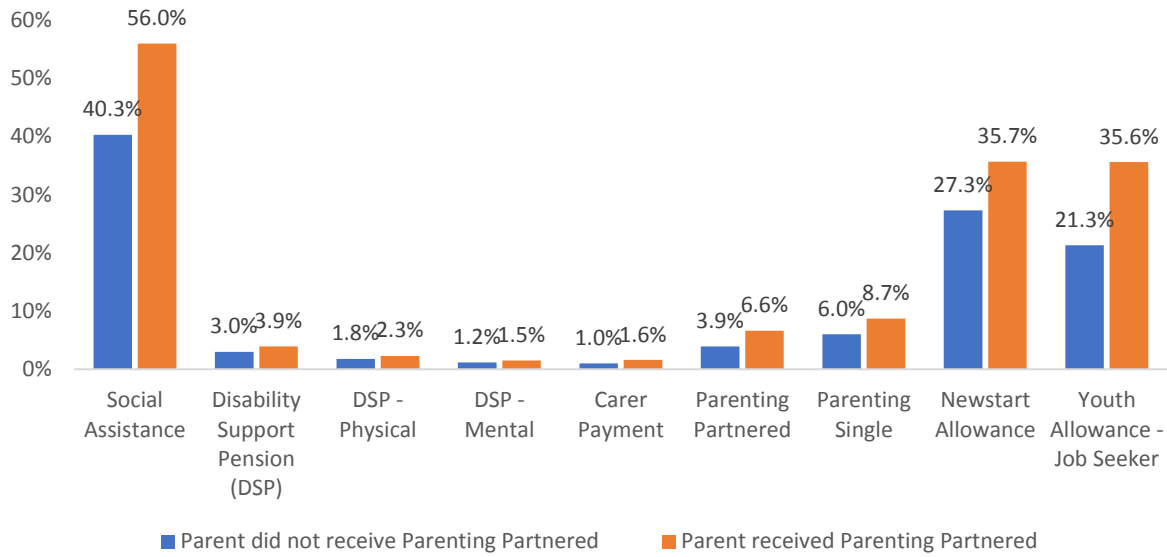


Figure 3: Young Australian's Chances of Receiving Welfare (Aged 18-26) by Parental Newstart Allowance Recipient Status

