FINANCIAL INEQUALITY AND YOUTH MENTAL HEALTH

Mr. Dilip Ramchandra Pawar
Assistant Professor and Head Department of Psychology Savitribai Phule Mahila Mahavidyalaya, Satara **dilip.rayat2013@gmail.com**

ABSTRACT:

A significant socioeconomic issue that affects many facets of human well-being, especially young people's mental health, is financial disparity. Due to unemployment, growing educational expenses, wage inequality, and economic instability, young people today are under more financial strain. Psychological issues including anxiety, melancholy, stress, low self-esteem, and emotional instability are frequently brought on by these financial difficulties. The current study intends to investigate the connection between youth mental health problems and income inequality. The study investigates how economic differences impact psychological well-being using secondary data sources like papers, journals, and government publications. The results show that juvenile mental health issues are largely caused by financial disparity, underscoring the critical need for inclusive economic policies, mental health education, and focused support networks.

KEYWORDS: Financial Inequality, Youth, Mental Health, Economic Stress, Psychological Well-being

1. INTRODUCTION:

Young people are the most productive and energetic group in society, and they are vital to both social and economic advancement. However, their general well-being has faced significant obstacles due to growing financial disparity. The unequal distribution of wealth, income, and economic opportunities among people or groups is referred to as financial inequality. Young people's financial stress has increased recently due to economic instability, rising unemployment, student loan debt, and unequal access to resources. These financial difficulties have an impact on mental health both directly and indirectly, resulting in problems like stress, anxiety, sadness, and a lower level of life satisfaction. Designing successful interventions and policies requires an understanding of the relationship between teenage mental health and financial inequality.

India faces extreme income inequality, with recent data (World Inequality Report 2026) showing the top 10% capturing around 58% of national income and the bottom 50% receiving only 15%, while the top 1% holds nearly 40% of total wealth, creating a "Billionaire Raj" scenario where extreme wealth coexists with poverty, despite some claims of improved Gini coefficients. (https://thewire.in/political-economy/in-charts-world-inequality-report-2026)

2. Statement of the Problem:

Financial inequality keeps growing despite economic expansion in many nations, disproportionately impacting young people. Financial instability, a lack of employment possibilities, and unequal access to healthcare and education are problems that many young people face. These financial difficulties can lead to mental health issues, which are underreported and insufficiently treated. The issue is the absence of thorough knowledge and policy attention about the effects of income disparity on young people's mental health.

3. OBJECTIVES OF THE STUDY:

1. To understand the concept of financial inequality in youth.
2. To examine the mental health issues met by youth.
3. To identify key factors contributing to

mental stress among financially deprived youth.

4.To suggest measures to reduce the impact of financial inequality on youth mental health.

4. Scope of the Study:

The study focuses on youth aged 15–29 years and examines the impact of financial inequality on their mental health. It is limited to secondary data collected from national and international sources. The scope includes economic, social, and psychological dimensions but does not involve clinical assessment or primary field surveys.

5. Significance of the Study:

This study is important because it draws attention to the frequently disregarded relationship between youth mental health and economic inequality. Policymakers, educators, mental health specialists, and social organizations can use the data to create inclusive economic policies and mental health support initiatives. By combining psychological and economic viewpoints, it also advances scholarly research.

6. Limitations of the Study:

1.The study is based only on secondary data.

2.Lack of primary data limits in-depth behavioral analysis.

3.Findings may vary across regions and cultures.

4. Mental health outcomes are influenced by multiple factors beyond financial inequality.

7. Research Methodology:

The study adopts a descriptive and analytical research design based on secondary data.

7.1 Secondary Data:

Secondary data have been collected from:

- Research journals.
- Government reports.
- World Health Organization (WHO) publications.
- National Mental Health Surveys.
- Reports by World Bank and UNICEF.
- Books and online academic sources.

8. Theoretical Framework:

The study is based on the Social Determinants of Health Theory, which suggests that economic conditions, income inequality, and social environment significantly influence mental health outcomes. Additionally, Strain Theory explains how financial stress and lack of opportunities create psychological pressure among youth, leading to mental health issues.

8.1 How Financial Inequality Affects Youth Mental Health

 Increased Stress and Anxiety: Greater income disparities lead to increased stress, which in turn causes symptoms of anxiety and depression, especially in teenagers.

 Social Comparison: Mental health issues are associated with feeling poorer than peers (perceived income inequality).

 Behavioral Problems: Higher rates of anxiety, sadness, and behavioral disorders in youth are linked to greater inequality.

 Neurodevelopment: During adolescence, inequality can impact social cognition and emotion control by shaping neurodevelopmental pathways.

 Reduced Life Satisfaction: Young people who live in more unequal places report feeling less satisfied with their lives in general.

8.2 Uneven Impacts of Financial Inequality:

Gender Differences: Females often experience a stronger negative impact from neighbourhood income inequality on depression.

Changing Republic Situations: The strength of the link depends on societal factors, requiring country-specific understanding, notes ScienceDirect and The Lancet.

9. Findings and Suggestions:

9.1 Findings:

1. Youth who experience financial disparity are more likely to experience stress,

anxiety, and sadness.

2. Young people from low-income families are more vulnerable to mental health issues.

3. Life happiness and self-esteem are adversely affected by economic uncertainty.

4. Mental health issues are made worse by limited access to work and education.

9.2 Suggestions:

- Government should put in place inclusive employment and economic policies for young people.
- To make available more reasonably priced mental health services available.
- Launch stress-reduction and financial literacy initiatives.
- Encourage awareness-raising efforts to lessen the stigma associated with mental health.
- Make educational institutions' counselling services and social support networks stronger.

10. Conclusion:

Youth's emotional stability, productivity, and quality of life are all significantly impacted by financial inequality. Psychological issues are greatly influenced by economic stressors like poverty, unemployment, and uneven chances. In addition to professional therapies, economic measures targeted at lowering inequality are necessary to address youth mental health. Building a healthy and resilient society requires a comprehensive strategy that incorporates youth empowerment, mental health awareness, and economic fairness.

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