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# What are the costs of mental ill health at work? What can we do about them?

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## Aim of study

To assess the importance to employers of mental health problems in the workforce:

- scale
- financial implications



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# Prevalence (1)

- **People with mental health problems are almost as likely to be working as anybody else**
- **Mental health problems are almost as common in the workplace as they are anywhere else**
- **Nearly 1 in 6 of the workforce is affected by depression, anxiety or other mental health condition at any one time (over 1 in 5 if alcohol and drug dependence are also included)**
- **Less than 20% of mental ill health in the workforce is work-related**



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## Prevalence (2)

### Employers' perceptions:

- nearly half of employers think that *none* of their workers will *ever* suffer from a mental health problem
- over two-thirds think prevalence is in the range 0 – 5 per cent



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# Financial implications

- **Sickness absence**
- **Reduced productivity at work (“presenteeism”)**
- **Staff turnover**



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## Sickness absence (1)

- **Mental health problems account for 40% of all sickness absence**
- **2.8 working days lost per average employee**
- **70 million days lost each year**
- **10 million days lost because of mental health problems which employees say are directly caused by their work or working conditions**



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## Sickness absence (2)

- According to CBI and CIPD surveys, the cost of sickness absence is put at £75 – 80 a day by employers
- Research evidence suggests this is too low
- Based on a revised figure of £120 a day, the annual cost of mental health-related absence is estimated at £335 for every employee in the workforce, or £8.4 billion at the national level



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# Presenteeism (1)

- **Presenteeism is the loss in productivity that occurs when employees come to work but function at less than full capacity because of ill health**
- **Presenteeism is difficult to measure, but accumulating international evidence is highlighting its scale**
- **On a conservative estimate, presenteeism attributable to mental health problems accounts for 1.5 times as much working time lost as sickness absence in the UK**



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## Presenteeism (2)

- The average cost of presenteeism is estimated at £145 a day (higher than the daily cost of sickness absence)
- The annual cost of presenteeism attributable to mental health problems amounts to £605 for every employee in the workforce, or £15.1 billion at the national level



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## Staff turnover

- About 4 million employees leave their jobs each year and mental health problems may account for up to 5% of the total
- The cost to employers of a job change is around 40% of average gross pay
- The annual cost of staff turnover attributable to mental health problems is £95 per average employee, or £2.4 billion at the national level



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# Total cost per average employee

**Total cost - £1,035**



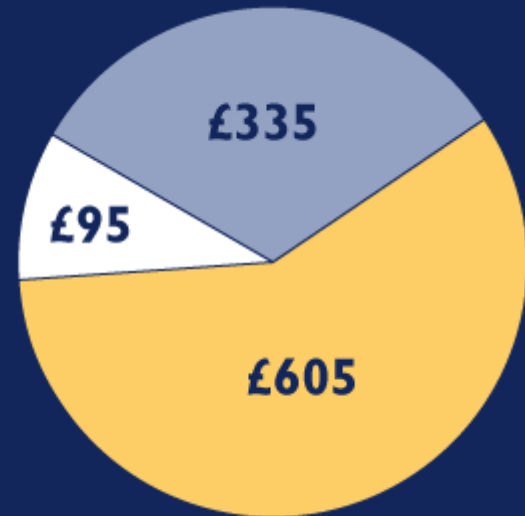
Sickness absence



Reduced productivity at work



Staff turnover





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## Aggregate cost to employers

- Total cost to employers = £25.9 billion
- Equivalent to 3.6% of the national pay bill



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# Implications for employers

- Mental ill health is *the* dominant health problem of working age
- The overall scale of costs measures the potential benefits of better mental health at work
- Simple steps to improve the management of mental health at work should enable employers to save 30% or more of the costs – at least £300 per employee
- Mental health in the workforce is important to all employers – as a business matter



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## Some ideas...

- Develop Mindful Employer  
[www.mindfulemployer.net](http://www.mindfulemployer.net)
- Line manager training – Beyond Blue  
[www.beyondblue.org.au](http://www.beyondblue.org.au)