



The Economic Impact
of Mental Illness:
**Absenteeism &
Presenteeism**

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It is a unanimous concern that mental health in North America is on a decline.

Over the last decade, we've seen mental health awareness campaigns grown in pockets of urban areas to reduce stigma and advocate that people seek the help they need. In certain geographic areas and industries, we've seen a growing openness to talk about mental health. In others, the impact has remained stagnant.

Today we know that **1 in 5** adults in U.S. and Canada will struggle with their mental health. That's over 49 million people in North America who will report symptoms of anxiety, depression, insomnia, substance abuse and/or suicidal ideation this year. Since the mid-2000's researchers and think-tanks began studying and validating the economic impact of the global mental health epidemic. Specifically, the impact of absenteeism and presenteeism wherein **absenteeism is defined as one's absence from work or school; and presenteeism is defined as lost productivity due to an illness of some form.**

After reading this research paper, you will be well acquainted with the leading causes of absenteeism and presenteeism in the workplace, in addition to the impact. You'll also learn about popular research on the overwhelmed employee, how stress impacts us all, and how it is hurting business growth and organizational outcomes. Most importantly, you will be up-to-date on the leading solution for addressing unhealthy levels of stress and mental illness in the workplace.



1 in 5
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Superdry

ORLEBAR BROWN

Every year,
49 million
people in North America
report symptoms of

- ⚠ Anxiety
- ⚠ Depression
- ⚠ Insomnia
- ⚠ Substance abuse
- ⚠ Suicidal ideation

The Leading Cause of Absenteeism & Presenteeism

There are many reasons why people miss work (absenteeism) and even when at work, do not perform optimally (presenteeism). Today we know that globally, depression and mental illness symptoms are the leading cause of disability worldwide.

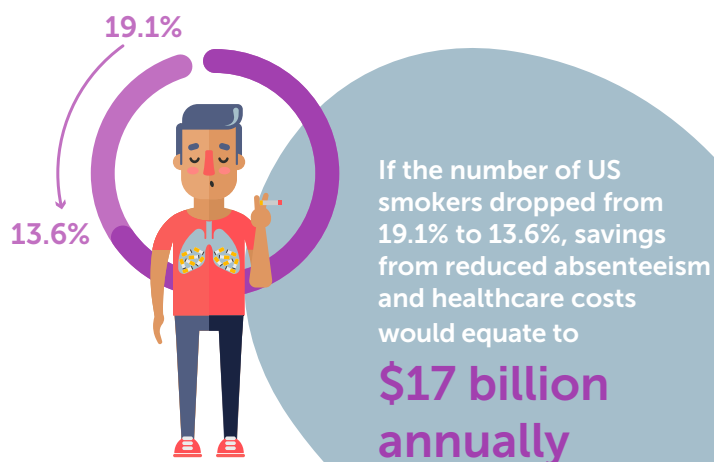
Depression and mental health symptoms like anxiety and substance abuse are highly correlated with an increase in the number of sick days one takes. Declining mental health is also heavily connected to a decrease in productivity at work. In high-income countries like the U.S. and Canada, trends show that absenteeism due to depression and other mental health concerns are on an upward trend.

Research also tells us that presenteeism is costing organizations more than its counterpart, absenteeism. Absenteeism is straightforward to track given that organizations typically have a good understanding of losses due to missed work days. Presenteeism, on the other hand, is much more difficult to quantify. It is estimated that rates are 3-10 times higher than absenteeism.

Another cause of absenteeism and presenteeism is toxic workplace cultures. Organizations with hostile environments due to workplace bullying/harassment, poor leadership, and unfair reward structures are more likely to report higher losses due to

absenteeism and presenteeism. For employees with lower stress thresholds, toxic workplaces can also bring out or exacerbate underlying mental health issues.

Physiological health issues are the second leading cause of absenteeism and presenteeism. Namely, obesity, diabetes and illnesses due to smoking. A 2013 Gallup survey found that if the number of US smokers dropped from 19.1% to 13.6%, savings from reduced absenteeism and healthcare costs would equate to \$17 billion annually. Similarly, if there were 5.6% less obese workers in the U.S., organizations could save \$4 billion annually.



Absenteeism & Presenteeism Costs Due to Depression

Over the years, a considerable amount of research has been released that equates depression to high losses in productivity for employers and economies at large.

Annual losses vary depending on the parameters used to measure, but we consistently see that absenteeism and presenteeism cost U.S. organizations anywhere from \$23 to 44 billion annually. The [World Health Organization](#) refers to stress as the “health epidemic of our time” given that 80% of U.S. workers feel highly stressed. They estimate that this results in losses of up to \$300 billion in lost productivity annually.



A 2016 [research paper](#) published in the *Journal of Social Psychiatry and Psychiatric Epidemiology* found that the mean presenteeism cost per person in the U.S. is \$5524. The researchers who published this

paper also cross-examined the growing body of presenteeism statistics and found that depression is ranked as the leading cause of disability worldwide. Furthermore, among all medical conditions, depression is believed to have the greatest impact on time management and productivity.

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Another [study](#) found that nearly 50% of total workplace lost productive time (LPT), is due to depression. Of the employees who report being diagnosed with depression, less than 30% self-reported the use of antidepressants and the mean reported that medication was only moderately effective in treating symptoms of depression.

This same study estimates that depression costs U.S. employers \$44 billion per year exclusive of costs associated with short and long-term disability. Furthermore, most estimates do not take into account lost productivity from co-morbid depression symptoms such as migraines/headaches, hypertension, gastrointestinal issues like irritable bowel syndrome, and low back pain. It would be safe to assume that estimates would be much higher if physical co-morbid symptoms were factored in.

Additionally, a [2013 Gallup poll](#) surveyed over 303,000 U.S. employees and reported that workers who are depressed miss 68 million more work days per year compared to employees who are not depressed. They estimate that this costs the economy over \$23 billion in lost productivity per year.

Costs associated with depression would be higher if co-morbid depression symptoms were factored in.

- ⚠️ **Migraines/headaches**
- ⚠️ **Gastrointestinal issues like irritable bowel syndrome**
- ⚠️ **Hypertension and low back pain**

Similarly, [two articles](#) published by the Journal of American Medical Association reported that depression sets U.S. employers back by \$35 billion every year because people aren't fully present at work. They report that pain conditions related to depression such as headaches, back problems and hypertension cost organizations nearly \$47 billion. We do not need to look much further to know that mental illness is deeply impacting us.



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Other research investigates this issue from the flipped perspective. Namely, how are happiness and well-being scores connected to productivity and innovation? In 2017 Gallup and Sharecare [announced](#) that they completed more than 2.6 million interviews since 2008 to track and analyze the factors that contribute to higher levels of well-being for Americans. The Gallup-Sharecare Well-being Index dropped during 2017 due to declining emotional health, social well-being and purpose well-being. This was especially true for minorities, women, low-income groups and Democrats. In the next section, we take a look at how workplace conditions are contributing to declining mental health.

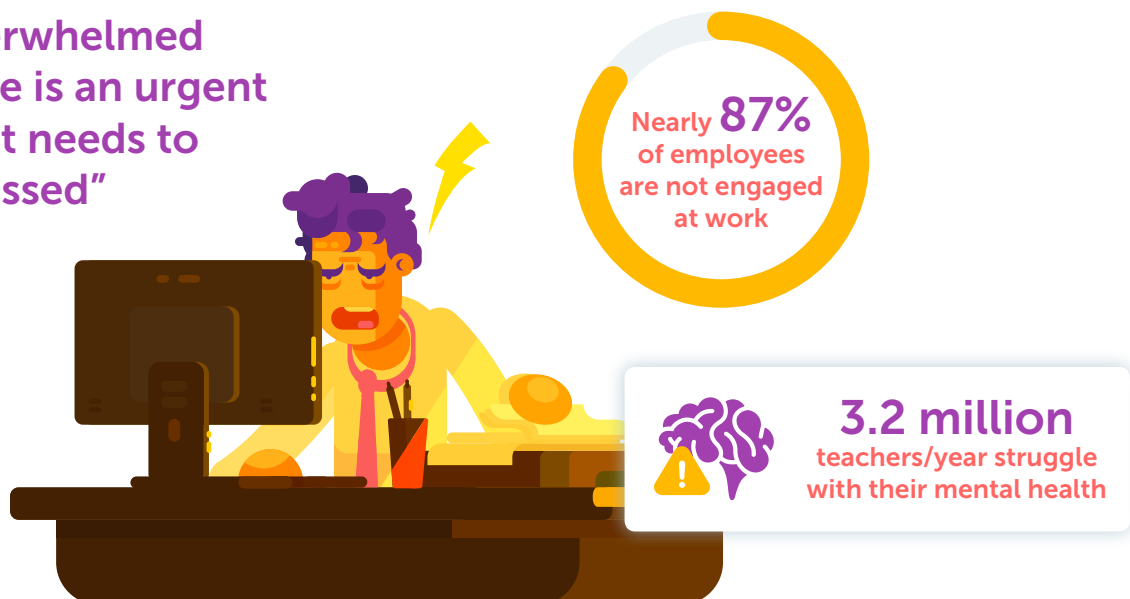
Increasing Work Stress & The Overwhelmed Employee

Well-known research from Deloitte surveyed over 2,500 business and HR leaders in 94 countries and found that 65% agree with the statement: “the overwhelmed employee is an urgent issue that needs to be addressed”.

These business leaders also agree that it is a growing trend explained by information overload, increasing workloads and expectations, and declining engagement. Gallup estimates that today, nearly 87% of employees are not engaged at work. High among occupational groups are K-12 school teachers who miss an estimated 2.3 million work days compared to teachers who are engaged. We also know that teaching is one of the most stressful professions wherein 3.2 million teachers struggle with their mental health every year.

Mental health has quickly become a growing epidemic wherein world leaders are calling out for solutions. Education is cited as a leading solution to address well-being. An article from the Harvard Business Review suggests that it “takes more than low-cost education programs”. Organizations also need to offer better solutions to help their people build strength and resilience to growing stressors. New technologies are quickly emerging to help organizations achieve this.

“The overwhelmed employee is an urgent issue that needs to be addressed”



How CBT & Mental Fitness Reduces Absenteeism & Presenteeism

In recent years, HR thought leader Josh Bersin from Deloitte Consulting has written increasing amounts on employee well-being and the role HR is taking to improve well-being scores.

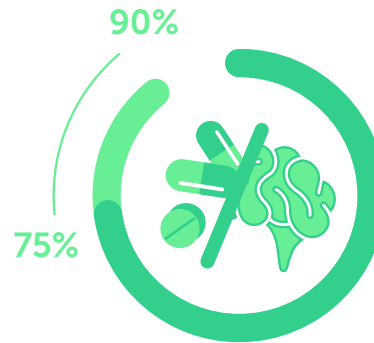
Deloitte releases annual trend reports based on their annual survey of world business leaders. In the past 4 years, there has been a growing focus on employee well-being because businesses now see that poor physical and mental health greatly impacts the bottom line. For organizations who seek to remain competitive, employee benefit

programs now span health, fitness and well-being perks to help their people better manage growing stressors in their lives. These organizations understand that happier, healthier and energized employees equate to better customer service, higher levels of innovation and increased productivity.



It is a well-known scientific fact that genes play a prominent role in an individual's ability to cope with stress. Our genetic makeup predisposes us to certain stress thresholds that vary greatly from one person to another. We know that for those with lower tolerance levels, stressful environments elicit higher physiological responses which are closely linked to greater susceptibility to depression, anxiety, and traumatic stress disorders.

We also know that cognitive behavioral therapy (CBT), is an evidence-based solution for helping people reframe thought patterns to better cope and manage stress.



Research shows that CBT is

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CBT concentrates on the connection between thought patterns, emotional states, and physical sensations to guide people to change thinking and behavioral patterns that exacerbate mental health issues like anxiety and depression. Research shows that CBT is 75-90% effective when used in combination with medication. Since CBT is instructed and integrated via education and practice, it is also proven to be equally effective in an online learning format wherein people can learn, reflect and practice from the comfort of their homes. There are a few online CBT programs like Starling Minds that have been developed to do offer this confidential service. Data collected from anonymous users in Starling Minds tell us that 86% of people who engage in online CBT training will improve mental health scores. To learn more offering online CBT and mental fitness programs to your employees, get in touch with [Starling Minds](#).

About Starling Minds

Founded by Dr. Andrew Miki in 2013, Starling Minds is a diverse group of people unified with a common mission: to improve the well-being of others by making evidence-based mental health support available for everyone. Today, over 150,000 people have access to the Starling platform through their organization so they can build mental fitness and learn new skills that help them become more resilient and confident.

Starling Build Resilient Minds.

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