



# The Economic Impact of Behavioral Health in the Workplace

Behavioral Health Impact Study



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**Behavioral health conditions are receiving more attention in the news, making many of us reexamine how we treat employees—especially those with mental health and substance abuse challenges.**

Mental health issues, such as depression, burnout, anxiety, and substance abuse issues affect a broad range of people and are likely affecting a significant number of employees, whether we're aware or not.

These conditions can greatly affect an individual's emotional, physical, social and financial health. But the impact isn't limited to the individual employee. Behavioral health conditions in the workforce can also significantly impact the financial health of an organization and the broader economy.

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To learn more about how behavioral health conditions can result in lower productivity, missed work, employee stigmatization and other challenges, The Standard conducted the Behavioral Health Impact Study. In this report you'll learn about the status of behavioral health in the workplace, the financial costs behavioral health issues have on organizations, and how fostering a healthy workplace can improve the health of workers—and the bottom line.



**39%**

**of U.S. workers suffer from  
mental health distress**



**31% of workers with  
serious mental health  
conditions also reported  
suffering from an addiction**

## The Impact on Productivity

In order for an organization to run smoothly, it needs productive employees.

Whether it's mental health or addiction, workers struggling with behavioral health challenges can lose a substantial amount of work productivity. **And if employees are struggling with behavioral health obstacles, the company will feel the effects.**

BECAUSE OF A  
**MENTAL HEALTH  
ISSUE**



61%

BECAUSE OF A  
**SUBSTANCE  
ABUSE ISSUE**

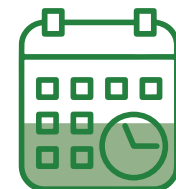


45%

**LESS PRODUCTIVE OR HAVE KNOWN  
SOMEONE WHO WAS LESS PRODUCTIVE  
AT THEIR JOB**



60%



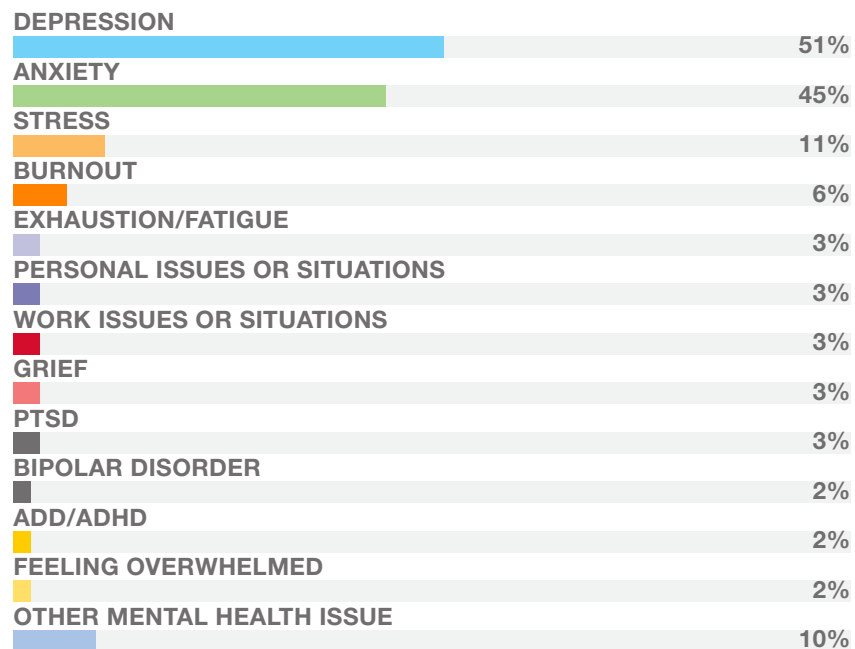
44%

**MISSED A DAY OF WORK OR HAVE  
KNOWN SOMEONE WHO MISSED A  
DAY OF WORK**

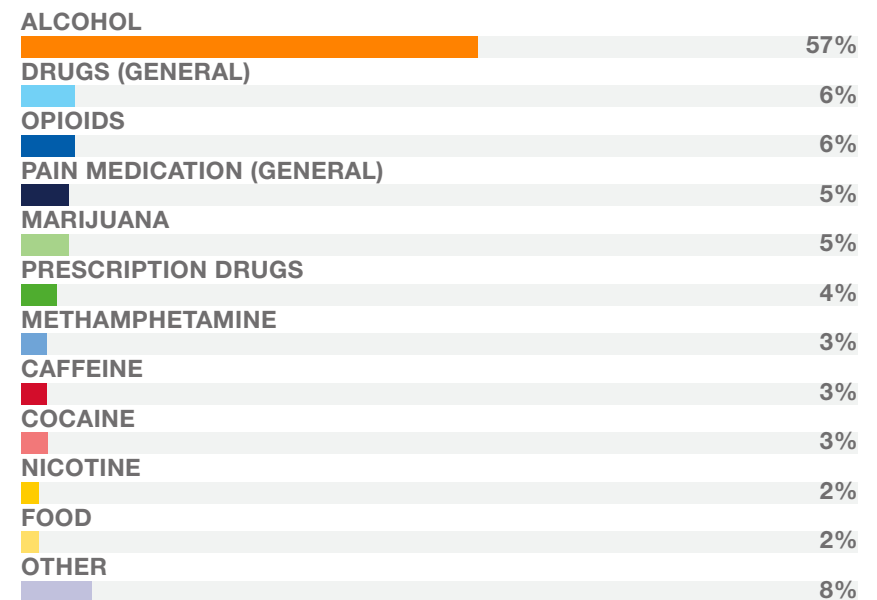




## WHAT MENTAL HEALTH ISSUES ARE EMPLOYEES STRUGGLING WITH?



## WHAT ADDICTION OR SUBSTANCE ABUSE ISSUES ARE EMPLOYEES STRUGGLING WITH?



# Lost Time at Work

If employees struggling with behavioral health issues are losing productivity and missing work, an organization will need to make up that lost productivity due to behavioral health issues elsewhere through additional staff, longer work hours, and other tactics. **Understanding the amount of lost productivity can shine a light on how significant the impact is to an organization.**

And the amount of less productive time due to behavioral health conditions is often more than just a few moments here and there.

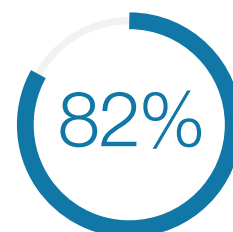
MORE  
THAN  
1 IN 3

35% of employees described ever having experienced lower productivity and/or missing work due to mental health issues

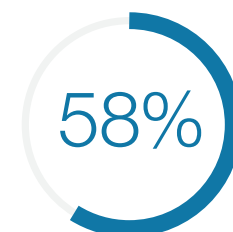


## TIME LOST WHEN PRODUCTIVITY IS IMPACTED

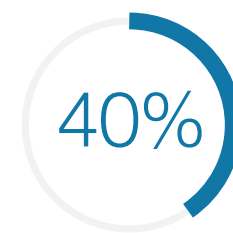
### MENTAL HEALTH ISSUES



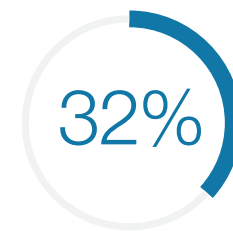
5+  
hours



10+  
hours

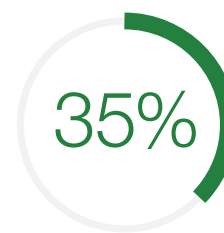
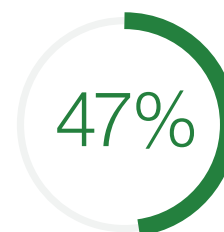
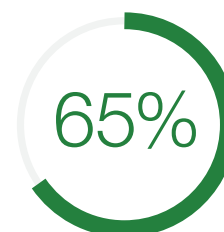


15+  
hours



20+  
hours

### ADDICTION OR SUBSTANCE ABUSE ISSUES





# The Real Cost of Behavioral Health

Behavioral health issues can result in wages being paid for work hours that are at a lower level of performance than the organization needs them to be, resulting in a real monetary cost to an organization.

According to the U.S. Bureau of Labor Statistics the average wage of a U.S. worker is \$919 per week.<sup>1</sup>



\$459.50

EMPLOYER COULD BE LOSING IN  
WAGES FOR AN EMPLOYEE THAT IS  
LESS PRODUCTIVE 20 HOURS PER WEEK

It's important to remember that behavioral health conditions aren't just affecting a single employee. They are affecting a significant portion of the workforce.

And employees are affected by these conditions for more than a single week. **Here are some examples of how this can add up over the year.**



$$\left[ \$459.50 \text{ per week} \times 52 \text{ weeks} \times 10\% \text{ of employee base} \right] =$$

## ANNUAL COST

100 employees	\$238,940
1,000 employees	\$2,389,400
5,000 employees	\$11,947,000

<sup>1</sup> Usual Weekly Earnings Summary, U.S. Bureau of Labor Statistics, January 17, 2020, <https://www.bls.gov/news.release/wkyeng.nr0.htm>

## Every Industry is Affected

Our study found that every type of organization, whether it's government, for-profit or not-for-profit has employees with behavioral health needs. And all industries — from healthcare to education, tech to manufacturing — have employees struggling with mental health issues.

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To learn more about how these different industries are affected by behavioral health issues, read our other report, [An Industry Comparison of Employee Behavioral Health](#)

WORKERS WITH **SERIOUS MENTAL ILLNESS**  
**OR MODERATE MENTAL DISTRESS**  
THAT WARRANTS TREATMENT



45% of **Education workers**



38% of **Technology workers**



37% of **Finance workers**



37% of **Healthcare workers**



36% of **Government workers**



34% of **Manufacturing workers**





# Concerns in the Workplace

Seeking help for a behavioral health condition is a crucial step toward getting better.

However, there are many things employees worry about when considering asking their employers for help, from being treated differently to getting fired.

## FOR MENTAL HEALTH ISSUES:

HAVING COWORKERS FIND OUT

35%

PEOPLE TREATING THEM DIFFERENTLY

33%

BEING TALKED ABOUT BEHIND THEIR BACK

31%

BEING PASSED OVER FOR OPPORTUNITIES/PROMOTIONS

25%

PEOPLE THINKING THEY ARE WEAK

25%

## FOR ADDICTION OR SUBSTANCE ABUSE ISSUES:

GETTING FIRED

46%

HAVING COWORKERS FIND OUT

38%

PEOPLE TREATING THEM DIFFERENTLY

36%

BEING TALKED ABOUT BEHIND THEIR BACK

33%

HAVING THEIR MANAGERS FIND OUT

32%

## Seeking Help



**94%** of workers believe people with mental health or substance abuse issues can get better

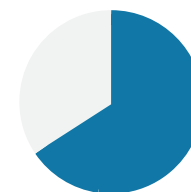
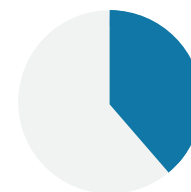
But to get better, they need to feel comfortable seeking help. And it's important to remember **employees don't always feel comfortable seeking help from their employer.**

They are more comfortable seeking help from a benefits provider, so working with the right one can make a big impact.

### WORKERS COMFORTABLE SEEKING HELP FOR MENTAL HEALTH ISSUES



vs.



### WORKERS COMFORTABLE SEEKING HELP FOR SUBSTANCE ABUSE ISSUES



vs.





# Fostering Behavioral Health

As we've seen, the impacts of behavioral health issues on businesses is real:

- ▶ **Nearly a third of employees described lower productivity and/or missing work due to mental health issues**
- ▶ **Organizations could be paying thousands—or even millions—of dollars in wages for less productive hours due to behavioral health issues**
- ▶ **Creating a workplace culture that fosters good mental health—especially during times of disruption and added stress—can help businesses in both the short and long term**

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Find additional resources related to behavioral health in the workplace by visiting the behavioral health resource center at [standard.com/behavioralhealth](https://standard.com/behavioralhealth). You'll find more reports developed from our Behavioral Health Impact Study and other helpful tools.

## WHAT CAN EMPLOYERS DO TO CREATE A WORKPLACE CULTURE THAT SUPPORTS EMPLOYEES WITH MENTAL HEALTH AND SUBSTANCE ABUSE ISSUES?

- **Include employee health into company mission and values, and ensure that leadership and policies reflect these values**
- **Offer comprehensive employee benefit options to treat mental health and substance abuse issues**
- **Provide wellness programs and incentives to encourage employee participation**
- **Educate employees about where to access benefits information and resources, and who to contact for help**
- **Partner with experts, like your disability carrier, who understand effective behavioral health accommodations and solutions**
- **With increased telecommuting, ensure remote workers and teams are supported and included in positive work culture programs**
- **Offer flexibility to employees during disruptive times, and to those experiencing behavioral health challenges**

# Research methodology

The Standard commissioned Versta Research, an independent research firm, to design and execute a survey of 2,004 full-time employees in the U.S. about mental and behavioral health issues in the workplace. All respondents were aware of employer sponsored disability benefits, whether or not their employer offered those benefits and whether or not they participated. All industries and economic sectors except federal government employees were included. The survey was fielded in September and October, 2019.

In addition to the survey, selected respondents were invited to participate in follow-up phone interviews to gain deeper insight related to worker perspectives on how effectively employers are dealing with behavioral health issues, and the critical workplace needs of employees with behavioral health issues. The follow-up interviews were conducted in January and February, 2020.

In the survey, mental health was measured using the Kessler K6 scale with cut off criteria recommended by Judith J. Prochaska, Hai-Yen Sung, Wendy Max, Yanling Shi, and Michael Ong in “Validity Study of the K6 Scale as a Measure of Moderate Mental Distress based on Mental Health Treatment Need and Utilization” published in *The International Journal of Methods in Psychiatric Research*, June 2012, Volume 21(2): 88–97.

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