

Cost of depression in the workplace across eight diverse countries – collectively US\$250 billion

by Sara Evans-Lacko and Martin Knapp

Depression is a leading cause of disability worldwide. **Previous research** has shown that by far the greatest contributor to the overall economic impact of depression is loss in productivity; including both increased absenteeism and presenteeism-related costs in the workplace. However, there is very little research on the costs of depression outside of Western countries and high-income countries. Using data from a survey of 8,000 employees across 8 countries spanning diverse cultures and levels of economic development, we found that workplace depression collectively costs almost US\$250 billion. When analysing data from Brazil, Canada, China, Japan, South Korea, Mexico, South Africa and the USA, we found that between 0.1% and 4.9% of a country's GDP was lost due to absenteeism and presenteeism in the workplace.

The costs that arose from employees attending work while dealing with depression, known as presenteeism, were around five to ten times higher than the costs that arise when employees take time off work to recover from depression, known as absenteeism. Differences in absenteeism and presenteeism rates were associated with economic climate and per capita GDP as follows. In general, individuals who reported being more reluctant to disclose their depression to their employer due to fear of losing their job had lower levels of presenteeism. However, there were differences in the impact by country GDP. Individuals living in countries with higher per capita GDP who did not disclose their depression to their employer, because they feared losing their job, tended to take days off of work and so had higher levels of absenteeism. In contrast, individuals from lower-GDP countries who did not disclose their depression to their employer, because they feared losing their job seemed to be more impacted by presenteeism. Thus, it seems that in higher-income countries, individuals with depression who experience additional stress due to the economic climate may cope through taking time off of work. The reason could be that this might be more acceptable when living in a country where the economy is stable, as there is likely to be a stronger social safety net.

On the other hand, individuals in lower-income countries who fear disclosing their depression because they may lose their job may not feel comfortable taking time off of work. As a result, they may remain at work, but have lower levels of productivity, and this is reflected in their relatively lower levels of presenteeism.

There were some other interesting country differences. For example, the USA and Brazil experienced the highest productivity losses due to presenteeism (\$84.7 billion and \$63.3 billion, respectively). Asian countries reported lower productivity losses due to depression, and this seemed to be attributable in part to a cultural reluctance to disclose mental health issues. Japan, however, had the highest aggregate costs associated with employees taking time off for depression and employees reported longer periods of absenteeism, with 22% (costing \$14 billion) of people taking 21 or more days. This suggests that employees in Japan may have stayed at work longer until their depression became more severe.

Previous research which has examined the economic case associated with depression in the workplace has mainly been based in Western and high-income countries and so is not necessarily relevant for low- and middle-income countries or non-Western countries. Because we included nationally representative data from a diverse set of countries, in terms of both cultural factors and GDP, we were able to show that the impact of depression in the workplace is considerable across all countries and cultures, both in absolute monetary terms and in relation to proportion of a

country's GDP. Crucially, this means that depression is an issue deserving attention, regardless of a country's economic development or culture.

Given the **high prevalence** and the significant economic consequences associated with depression, employers need to be proactive in supporting their employees who experience depression. Additionally, **given the growth in non-communicable diseases globally** – to which mental illnesses contribute substantially – the scale of the problem is likely to increase. However, many workplaces underestimate its impact.

There is evidence that workplace interventions focused on mental health promotion and treatment of depression can be **cost-effective**. Almost all of the evidence for these programmes, however, comes from high-income countries. And even in high-income countries, only a minority of companies participate in these programmes. Further attention needs to be given to develop, adapt, implement and evaluate effective programmes across workplaces, particularly in low and middle income countries in order to mitigate, the personal, societal and economic impacts of depression in the workplace.

Further information

Evans-Lacko S, Knapp M (2016) **Global patterns of workplace productivity for people with depression: absenteeism and presenteeism costs across eight diverse countries**, *Social Psychiatry and Psychiatric Epidemiology*, 51, 11, 1525–1537.

A video is also available at: <https://youtu.be/lrPMAMHjpPI>

Separate infographics for each country are available here: **Brazil, Canada, China, Japan, Mexico, South Africa, South Korea**, the **US** and a **global** infographic.

The study was funded by **Lundbeck**, a pharmaceutical company which specialises in the treatment of mental health, and conducted by Ipsos MORI, a leading market research company in the UK.

Data was also collected from the Global IDEA (Impact of Depression in the Workplace in Europe Audit) survey.

About the authors

Dr Sara Evans-Lacko is Associate Professorial Research Fellow within the Personal Social Services Research Unit at the LSE.

Professor Martin Knapp is Professor of Social Policy and Director of the Personal Social Services Research Unit at the LSE.

November 15th, 2016 | [Mental Health](#) | [0 Comments](#)
