Mental health in an age of austerity

Martin Knapp

Given the current economic climate, it might well be assumed that it is a poor time to advocate greater expenditure on people with mental health needs. With the push to reduce government spending, a strong light is being directed to every corner where cuts might be made and mental health services are not likely to prove exempt. But might there be a case for quite the opposite course. Research shows that some expenditure on selected interventions may actually reduce public spending in the short or longer term, in addition to improving the well-being of individuals, families and local communities.

LINKS BETWEEN MENTAL ILLNESS AND FINANCIAL PROBLEMS

The links between financial problems and mental illness are quite well known to those working in the mental health field. Unemployment, a drop in income, unmanageable debt, housing problems and social deprivation can lead to lower well-being and resilience, more mental health needs and alcohol misuse, higher suicide rates, greater social isolation and worsened physical health. To give one example, 45% of people who are in debt have mental health problems, compared with only 14% of those who are not in debt. Moreover, the effects of a macro-economic downturn affect the mental health not only of some adults but also of their children. Numerous studies have also shown the effect of general economic recession and unemployment on the rate of suicides and suicide ideation.

Of course, there are also causal links in the other direction. People with mental health problems are at elevated risk of economic hardship, with a higher risk of unemployment, early retirement, rent arrears and other debt, lower personal and household income and social isolation. Care must therefore be taken in interpreting associations and building an evidence base for action.

Correspondence to Martin Knapp, London School of Economics and Political Science; and Institute of Psychiatry, King’s College London, PSSRU, LSE, Houghton St, London WC2A 2AE, UK; m.knapp@lse.ac.uk

There is no question that current economic problems are very real. There are more than 2.7 million people currently unemployed in the UK, of whom over 860,000 have been unemployed for more than a year. About 13.5 million people (22%) are ‘income-poor’ (income below 60% of median income after housing costs paid), and average household debt is high and rising. In 2011, 99 properties were repossessed each day, and one person was declared insolvent or bankrupt every few minutes. This is at a time when economic growth prospects are sombre and public expenditure plans austere.

The economic consequences of mental illness are many and wide-ranging. They include not only high direct expenditure by the National Health Service (NHS), but substantial effects on other public agencies, such as those responsible for benefits, social care, employment and the criminal justice system. In addition, productivity losses associated with mental illness are enormous. It has been shown, for instance, that though there was considerable NHS spending on treating depression in England in 2000, the costs of lost productivity as a result of unemployment or absenteeism among this population were more than 20 times greater.

Another study suggested that the costs to businesses of employees’ mental health problems amounted to £9.4 billion from absenteeism, £15.1 billion from ‘presenteeism’ (where people are at work, but less productive) and £2.4 billion from staff turnover because people leave their jobs.

Dementia, in particular, is a costly group of illnesses mainly because of the effects it has on social care budgets, individuals and families, though healthcare costs are high. In 2010, over 40% of sickness benefit claimants in Britain had ‘mental and behavioural disorders’ recorded as their primary health condition.

SOME INTERVENTIONS

The central question for decision-makers is not so much the nature of the links between the state of the economy and mental health-related needs, but what can be done to break or weaken them through prevention and early intervention. Of at least equal importance in an age of austerity is there a chance that any proposals might be implemented in practice. If an economic case can be made, then the chances of implementation should be greater. In fact, there are a number of targeted interventions that have been shown to be effective in preventing or meeting needs and simultaneously to more than repay their costs over time.

Researchers at the London School of Economics and King’s College London investigated 25 evidence-based mental health interventions and modelled 15 of them, supported by funding from the Department of Health. For each intervention, there was already well-established evidence of effectiveness. Our aim was to examine whether there were economic pay-offs from these interventions in terms of direct (immediate or longer term) cash savings to the public sector or to employers or to the wider society (eg, through crimes averted). Investigating the wider impacts was important, given the extensive impact of many mental health problems. Of course, this economic focus is in no way intended to minimise the significant value of health and quality of life benefits to individuals and families. Five examples from our programme of work are described here.

Programmes provided in the workplace to improve mental well-being were shown to be inexpensive to introduce (around £80 per employee per year) and to save more than £9 for every £1 invested, these pay-offs accruing mostly to employers. These programmes include a health risk appraisal, and information and advice tailored to an employee’s situation, based on evidence from the USA and Australia (and from one UK company) that stress levels and absenteeism were significantly reduced and productivity was improved.

Investment in suicide awareness training for general practitioners (GP) and other key health professionals, followed by cognitive behavioural therapy (CBT) for those identified as at risk, have both been found to be highly effective. They reduce premature death, self-harm, grief to families and loss of productivity. Suicide awareness training can increase the detection rate of suicide risk by 20% in the short term; in the case of training for GPs, our analyses suggested a total return of £44 from each £1 invested, mostly linked to employment and productivity.

Turning to interventions with a more direct effect on public sector expenditure, CBT for people with medically unexplained symptoms in primary care (who account for almost one quarter of all
consultations in primary care\textsuperscript{11} has been found to be highly effective. A review of trials concluded that CBT is effective.\textsuperscript{12} The result is lower NHS costs (from reduced GP consultations, attendance at A and E and other hospital consultations and reduced prescriptions) as well as lower absence from work.\textsuperscript{13} Total savings of £1.75 for every £1 invested were calculated for a comprehensive programme, and £7.82 for every £1 invested for a targeted programme, with most of the pay-offs accruing to the NHS.

Early intervention teams for young people (aged 15–35 years) with a first episode of psychosis can reduce relapse rates and improve both vocational recovery and quality of life. Comprising both medical and other professionals, these teams provide an assertive approach to maintaining contact and a heavy emphasis on vocational recovery. A total return from our modelling was found of around £18 from each £1 invested, including almost £10 in direct public sector expenditure (almost all of which accrued to the NHS).\textsuperscript{14}

Extensive research has been undertaken on parenting programmes for children with conduct disorder (which has a prevalence of 4.9\% among children aged 5–10 years), including 20 randomised control trials.\textsuperscript{15} Economic pay-offs include reduced use of the health, social care and special education services, as well reduced crime in later years. These cost an average of £1177 per family, with a total return over a 25-year period of between 2.8 and 6.1 times the intervention cost. The savings could be much greater if the tendency for high drop out from such programmes could be reduced.\textsuperscript{15}

Another 10 mental health interventions were modelled to explore their economic pay-offs. There is no reason to believe that the 15 interventions that we modelled should be prioritised over other courses of action that we did not evaluate, although each of them has been found to be both effective and, in some sense, economically attractive. The 15 were simply the interventions for which we could obtain the necessary data in the time available to us.

**CONCLUSIONS**

As the global economic recession continues and many governments continue to pursue austerity policies, mental health services could find themselves in the eye of the storm. It would be a mistake to cut back expenditure on those that are directly tackling some of the consequences of recession, whether they are preventing problems emerging, intervening early to lessen impact or promoting mental well-being. It would be especially regretful if support was reduced for those that can generate savings or cost-effectiveness gains. There has always been a strong argument for providing selected services on the grounds of improving the quality of people’s lives, but increasingly, research has shown that there can be an equally powerful argument on economic grounds.

Indeed, one can go further. If spending on mental health services is seen as an investment that generates dividends – sometimes substantial – in terms of economic savings, then it could well be argued that such investment should be increased. Such spending may need to be allied to better incentives, both individual and institutional, and should certainly be monitored. Whether this will happen is a moot point. Given the enormous financial pressures they face, decision-makers will probably find it even harder than usual to break out of their ‘silos’ and the heavy emphasis on annual budgetary cycles, even though they will surely recognise the societal and economic benefits of thinking broad (across different budgets) and thinking long (across future years).

**Competing interests** None.

**REFERENCES**

7. From tabulation tool on Department of Work and Pensions website.
Mental health in an age of austerity

Martin Knapp

Evid Based Mental Health 2012 15: 54-55
doi: 10.1136/ebmental-2012-100758

Updated information and services can be found at:
http://ebmh.bmj.com/content/15/3/54.full.html

These include:

References
This article cites 6 articles, 2 of which can be accessed free at:
http://ebmh.bmj.com/content/15/3/54.full.html#ref-list-1

Email alerting service
Receive free email alerts when new articles cite this article. Sign up in the box at the top right corner of the online article.

Notes

To request permissions go to:
http://group.bmj.com/group/rights-licensing/permissions

To order reprints go to:
http://journals.bmj.com/cgi/reprintform

To subscribe to BMJ go to:
http://group.bmj.com/subscribe/