

# The economic and social costs of mental ill health

Parliamentary briefing

March 2024

## Summary

- In our latest analysis, we estimate the total cost of mental ill health in 2022 was **£300 billion**. This draws on the latest as well as wider sources of evidence.
- It is estimated that 1 in 6 people in England report a common mental health problem, such as anxiety and depression, in any given week ([NHS Digital 2016](#)).
- Similarly, 1 in 6 children and young people in England also reported a common mental health problem in 2023 ([NHS Digital, 2023](#)).
- Our previous analysis suggests that 10 million people (8.5 million adults and 1.5 million children and young people) in England will require support for their mental health as a result of the coronavirus pandemic and its effects ([O'Shea, 2021](#)).
- The annual cost of mental ill health increased to £119 billion in 2020 from our original cost estimates of £77 billion in 2002–2003 ([O'Shea and Bell, 2020](#)).
- The overall costs of mental ill health in 2022 equates to double the NHS's entire budget in England in 2022 (£153bn). They are similar to the estimated impact of Covid-19 on the UK economy in 2020 (£260bn in 2020 prices) – a comparable impact, economically, to having a pandemic every year.
- Given the severity of the economic, human and health and care costs associated with mental ill-health, there is an urgent need for action as well as investment in prevention and support.
- Along with over 60 organisations, we have developed a comprehensive plan to tackle the mental health crisis and build a [mentally healthier nation](#).

## The economic and social costs of mental ill health

The mental health of the nation has been getting worse in recent years. Sickness absence due to mental health problems is soaring and rates of poor mental health are increasing at an alarming rate across all age groups. Mental health services have been struggling to keep up with rising demands and there are significant challenges impacting the workforce from recruitment to retention.

In light of these difficulties, our report, [The economic and social costs of mental ill health](#), sought to recalculate the economic and social costs of mental ill health in England drawing on wider costs, such as presenteeism and staff turnover due to mental ill-health for the very first time.

The report was developed through the Mental Health Economics Collaborative, a partnership between the NHS Confederation's Mental Health Network, Centre for Mental Health, and London School of Economics.

### **Our findings:**

The annual cost of mental ill-health has been increasingly steadily over the past 20 years, according to analysis by the Centre for Mental Health. It grew significantly from our initial cost projections of £77 billion in 2002–2003 to £119 billion in 2020 ([O'Shea and Bell, 2020](#)).

In 2022, the total economic and social costs of mental ill health was **£300 billion**. This figure considers a few broader expenses than our original costings, such as the effects of presenteeism and staff turnover brought on by mental ill-health. The effects that mental health issues may have on a person's capacity to carry out unpaid work (such as housework) are also factored in.

This figure is made up of three major elements:

1. **Economic costs (£110bn):** Losses to the economy due to mental ill health. These include the business costs of sickness absence and 'presenteeism' at work, as well as staff turnover and unemployment among people with mental ill health.
2. **Human costs (£130bn):** The value, expressed in monetary terms, of reduced quality of life among people living with mental health difficulties.
3. **Health and care costs (£60bn):** The costs of providing health and care services for people with mental health difficulties. This includes support provided by public services, privately-funded health care, and informal care provided by families and friends.

These can be divided into two overarching categories of costs: (i) economic and human costs, relating to productivity and quality-of-life losses associated with mental ill health; and (ii) health and care costs. Importantly, the latter should not be seen as a 'burden' to society imposed by people living with mental ill health. Rather, the analysis indicates that changes in one area could impact on another and thus takes a relational approach to economic analysis. For instance, more money spent on mental health prevention and treatment, together with the related expenses, might lead to a decrease in overall financial and human costs.

A large share of the costs stemming from mental ill health are mostly assumed by those living with mental health difficulties and their families: a total of £175bn. Businesses carry a total cost of £101bn, while for government the cost is £25bn annually. Importantly, our report suggests that the majority of costs deriving from mental ill health do not fall on health care systems, and are instead reflected in decreases in wellbeing and productivity

losses. Mental ill health presents an enormous burden on individuals, support networks, government, businesses, and society.

### How can we address this?

Given the magnitude of the costs, we need urgent action to protect and promote the public's mental health, alongside sustained investment in mental health services.

Centre for Mental Health and the NHS Confederation's Mental Health Network are calling for a comprehensive ten-year mental health strategy, as set out by more than 60 organisations in [A Mentally Healthier Nation](#). This outlines three priority areas:

**Prevention:** By effectively addressing social determinants, like poverty and discrimination, and environmental factors, including housing and pollution, more of us can have better mental health. Investing in giving children the best start in life and in more powerful public health infrastructure is also key to preventing illness and promoting better health.

**Equality:** Discrimination and disadvantage mean that risks to mental health are much higher in some groups, such as racialised communities. People with mental health difficulties are often treated less well in the social security and justice systems. Building a mentally healthier nation requires concerted action to tackle these inequalities and close the health gaps between different groups.

**Support:** Everyone should be able to get timely access to local mental health services when they first need them. By properly resourcing these services, minimising the use of coercion and widening access, especially for children and young people, we can majorly improve people's mental health outcomes.

### What can you do to support?

- Raise the report and key findings parliamentary debates and oral and written questions.
- Share the report on social media using #CostsOfMentalIllHealth
- Meet with us to discuss the key findings from the report and how we can support you in your work.

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