

# Mental disorders cost society billions in unearned income

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Major mental disorders cost the nation at least \$193 billion annually in lost earnings alone, according to a new study funded by the National Institutes of Health's National Institute of Mental Health (NIMH). The study was published in the May 2008 issue of the American Journal of Psychiatry.

“Lost earning potential, costs associated with treating coexisting conditions, Social Security payments, homelessness and incarceration are just some of the indirect costs associated with mental illnesses that have been difficult to quantify,” said NIMH Director Thomas R. Insel, M.D. “This study shows us that just one source of these indirect costs is staggeringly high.”

Direct costs associated with mental disorders like medication, clinic visits, and hospitalization, are relatively easy to quantify, but they reveal only a small portion of the economic burden these illnesses place on society. Indirect costs like lost earnings likely account for enormous expenses, but they are very difficult to define and estimate.

In the new study, Ronald C. Kessler, Ph.D., of Harvard University, and colleagues analyzed data from the 2002 National Comorbidity Survey Replication (NCS-R), a nationally representative study of Americans age 18 to 64.

Using data from 4,982 respondents, the researchers calculated the amount of earnings lost in the year prior to the survey among people

with serious mental illness (SMI). SMI is a broad category of illnesses that includes mood and anxiety disorders that have seriously impaired a person's ability to function for at least 30 days in the year prior to the survey. It also includes cases of any mental disorder associated with life-threatening suicidal behaviors or repeated acts of violence.

Eighty-six percent of respondents reported earning income in the previous year. But those with SMI reported earning significantly less—around \$22,545—than respondents without SMI, who averaged \$38,852. Although men with SMI took a greater hit in earnings than women with SMI, men still earned more overall than women with and without SMI.

By extrapolating these results to the general population, the researchers calculated that SMI costs society \$193.2 billion annually in lost earnings. The researchers attributed about 75 percent of this total to the reduced income that people with SMI likely earn, while 25 percent is attributed to the increased likelihood that people with SMI would have no earnings.

“The results of this study confirm the belief that mental disorders contribute to enormous losses of human productivity,” said Kessler. “Yet this estimate is probably conservative because the NCS-R did not assess people in hospitals or prisons, and included very few participants with autism, schizophrenia or other chronic illnesses that are known to greatly affect a person's ability to work. The actual costs are probably higher than what we have estimated.”

The researchers concluded by recommending that future studies on the effectiveness of treatments should consider measuring employment status and earnings over the long term to document the effects of mental disorders on a person's functioning and ability to remain productive.

Source: National Institute of Mental Health

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