

The impact of long-term sickness on workers, businesses, and the economy

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Zurich offers an in-house team of rehabilitation specialists to all Group Income Protection customers. The insurer's comprehensive service includes mental health support, a Rehab Access Clinic, presenteeism support and early intervention services, return to work planning, and free online workshops for HR and people managers.

Zurich UK commissioned the Centre for Economics and Business Research (Cebr) to detail the impact of absenteeism due to long-term sickness on the economy. Cebr's report used publicly available data to forecast how these trends could continue over the next six years.

OnePoll, on behalf of Zurich UK, surveyed 1,000 working UK adults who were on, or had been on in the preceding 12 months, long term sick leave. "Long term sick" in this case refers to employees who have had to take 25 or more consecutive days off work due to a health condition.

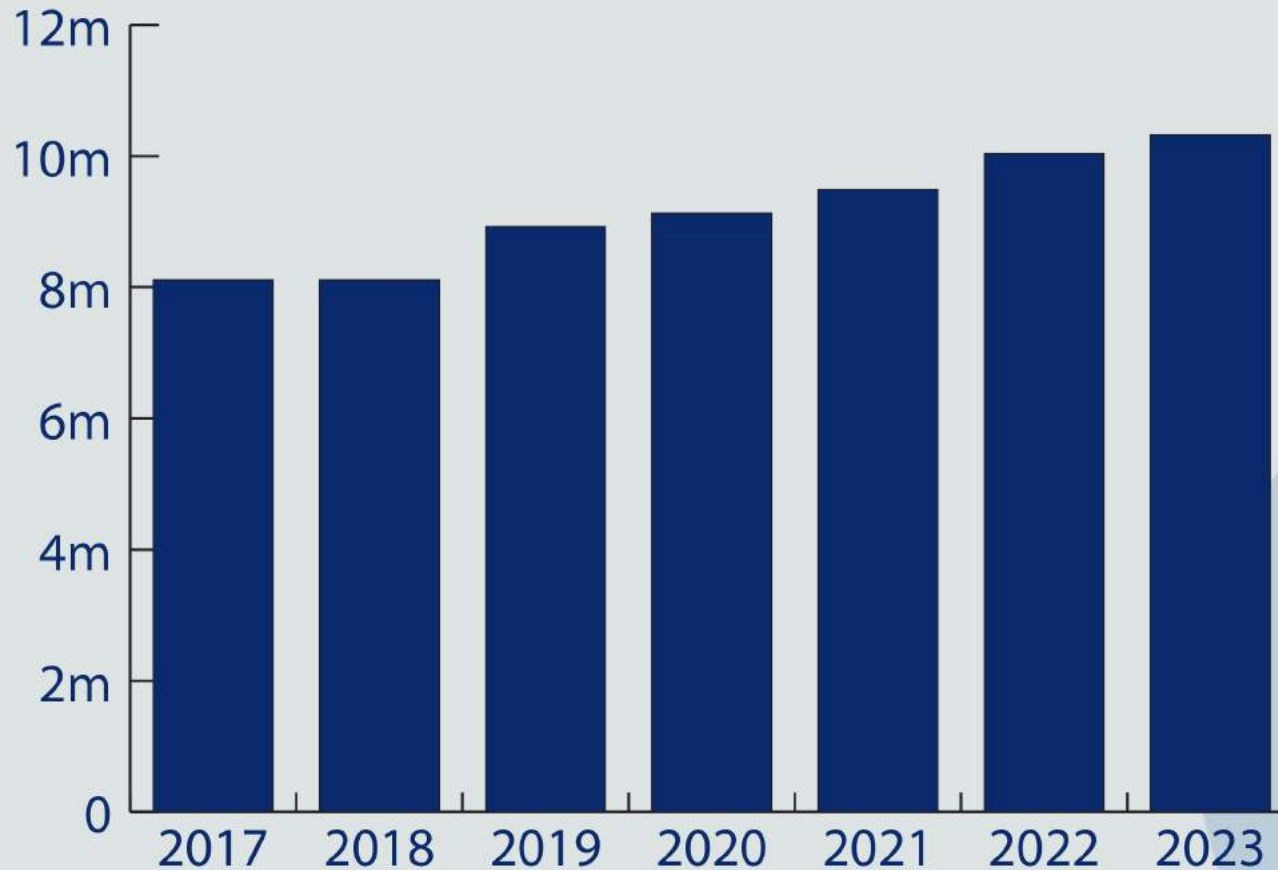
This report presents those findings. For more information, please contact pressoffice@uk.zurich.com.

Key trends in long term sickness

Since comparable records began, the number of people classified as being in employment and with a long-term health condition has increased, reaching a series high of 10 million in 2022.

Cebr expects this figure to have increased in 2023, reaching an estimated 10.3 million. This would represent a 22% rise over the past five years.

The aggregate number of working days lost to absence among those with long-term conditions has also been on an upward trend. The total number of sick days taken among this group reached a series high of 104.9 million in 2022. Cebr estimates this climbed further to 112.5 million in 2023.



Source: Cebr

Year	Number
2017	8,114,100
2018	8,114,100
2019	8,923,300
2020	9,129,800
2021	9,493,100
2022	10,039,600
2023	10,324,377

How much does it cost?

Cebr's estimates suggest that the economy lost £32.7 billion worth of Gross Value Added (GVA) because of workplace absence among those with long term conditions in 2023. This would mark a third consecutive year of increase, having also ticked up in 2021 and 2022, when the estimates stood at £24.6 billion and £30.7 billion, respectively.

In 2017, people with long-term conditions accounted for 25.4% of those in employment, though this has since risen to 30.7% as of 2022. A continuation of this current trend would see the share hit 36.1% by 2027, before rising further to 40.1% by 2030.

If trends continue, the costs associated with absence amongst those with long-term health conditions would rise significantly in the coming years, reaching an estimated £66.3 billion by 2030.

Year	Value (£bn)
2017	£19
2018	£22.4
2019	£22.8
2020	£17.7
2021	£24.6
2022	£30.7
2023	£32.7



Who is off sick?

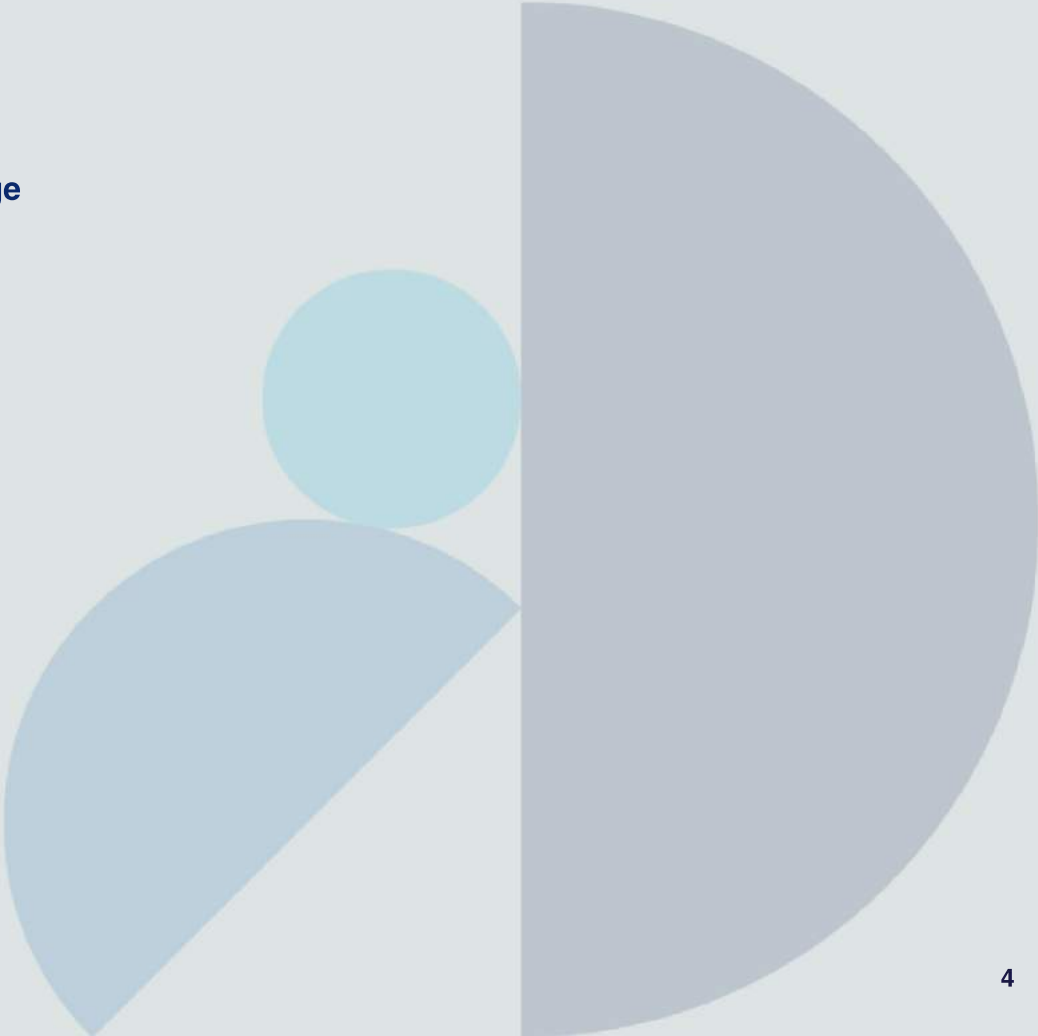
According to the OnePoll survey, 44% of long-term absentees were signed off due to mental health problems, 14% musculoskeletal, 7% respiratory conditions, and 7% gastrointestinal issues.

Women make up the majority of workers with long-term health conditions despite being a minority in the workforce. 47.8% of the workforce is women, but 51.4% of long-term sick are women, according to OnePoll's survey.

Workers in professional occupations accounted for the largest share of forgone output when splitting by occupational groups according to Cebr, equating to an estimated £10.4 billion in 2023, or 31.9% of the total.

Condition	Percentage
Mental health conditions	44%
Musculoskeletal problems	14%
Respiratory conditions	7%
Gastrointestinal problems	7%
Heart, blood pressure, and circulation problems	6%
Progressive medical condition (eg. cancer)	6%
Headaches and migraines	4%
Genito-urinary problems	2%
Eye/ear/nose/mouth/dental problems	2%

Source: OnePoll



Which businesses are hit the hardest?

Manufacturing contributes the largest share to the economic costs associated with absence at an estimated £4 billion, or 12.2% of the total.

Relative to 2017, all sector groupings have witnessed an increase in the costs associated with absence, mirroring the trend for the economy as a whole.

The public sector accounted for an estimated £7.9 billion of the forgone output in 2023, equivalent to 24.2% of the total. The remainder, £24.8 billion or 75.8%, was attributed to the private sector.

Among business size groupings, Cebr estimates that costs are greatest amongst employers with between 50 and 499 staff, amounting to £11.7 billion in 2023 or 35.6% of the total.

Occupation

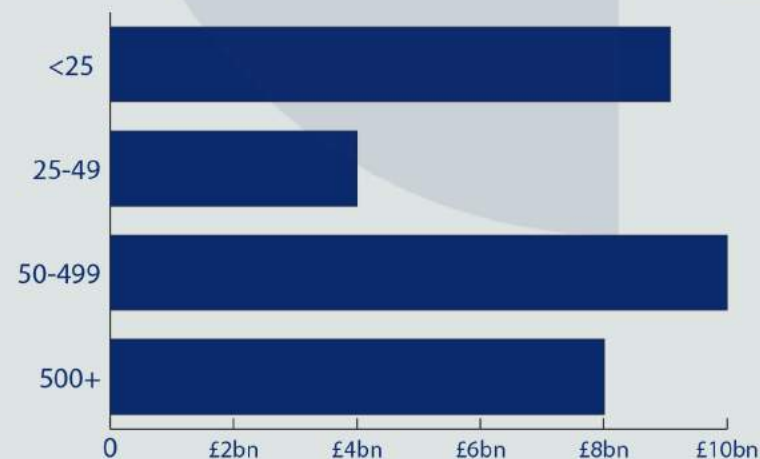
Sales and Customer Service Occupations
Process, Plant and Machine Operatives
Elementary Occupations
Skilled Trades Occupations
Caring, Leisure and Other Service Occupations
Administrative and Secretarial Occupations
Managers and Senior Officials
Associate Professional and Technical
Professional Occupations

Value

£1,503,890,176
£1,860,836,101
£2,423,629,408
£2,561,856,343
£2,646,299,250
£2,820,907,615
£4,076,001,425
£4,422,080,492
£10,432,170,906

Source: Cebr

Loss by business size (2023)



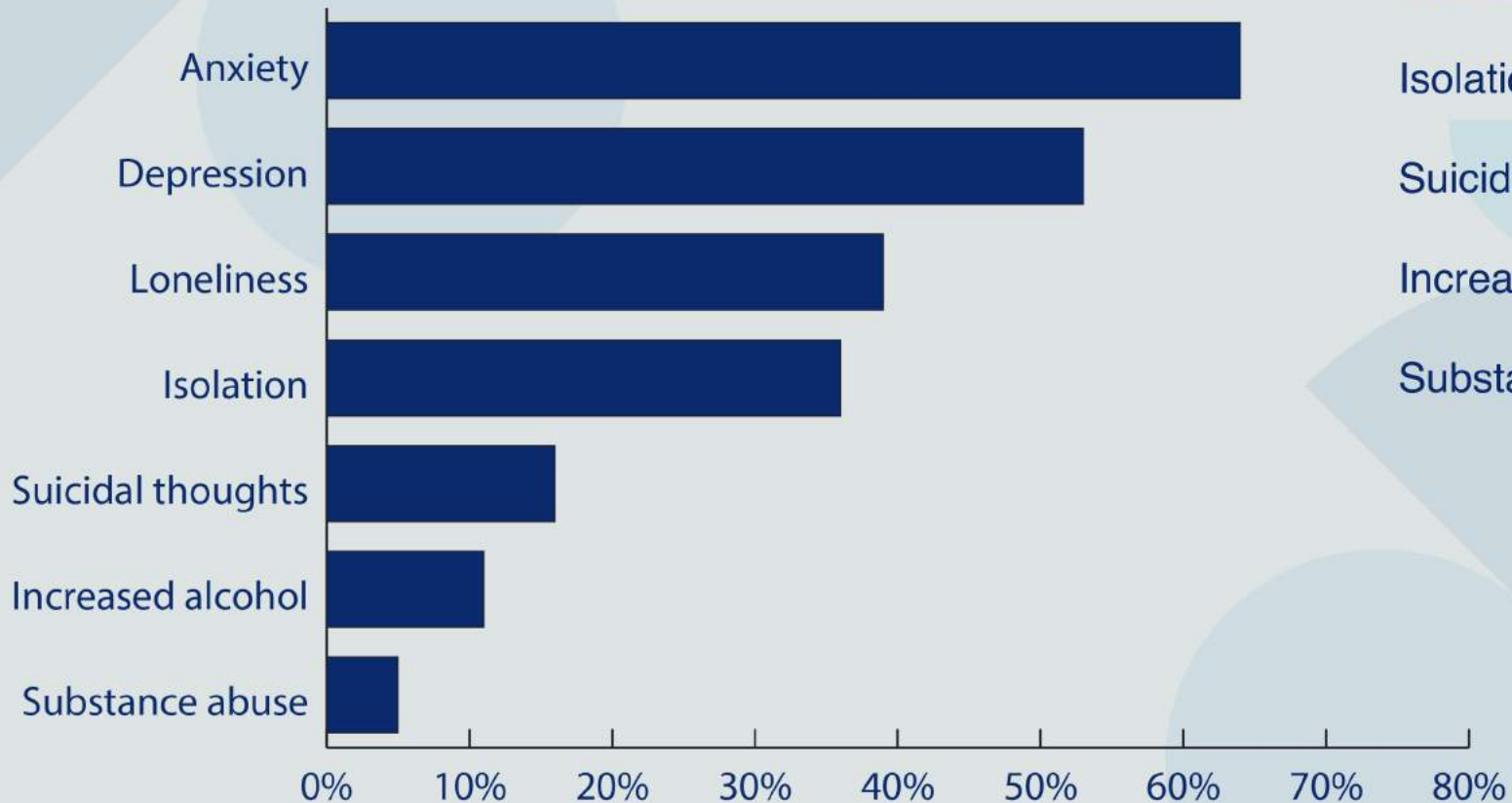
Source: Cebr

How does this impact workers' mental health?

According to the OnePoll survey, nearly two thirds of long-term sick (64%) said that taking time off had led to feelings of anxiety, and 53% experienced depression.

More than a third had feelings of loneliness and isolation (39% and 36% respectively). Some 16% said that their long-term absence had led to thoughts of suicide.

Despite this, just 33% were offered rehab services by their employer, and just 22% were offered relapse prevention services.



Source: OnePoll

What is the solution?

Data from the Association of British Insurers (ABI) shows that insurers are already making a major contribution towards reducing the length and frequency of long-term sickness absence and ensuring that people do not drop out of the labour market altogether.

In 2021, over 1.6 million people used the health services available to them through insurance. This encompasses services for prevention, early care, diagnosis, treatment, recovery, and support.

These customers used the services 5.5 million times in 2021, 3.5 times per person on average. An analysis of around 16,000 vocational rehabilitation cases found that nearly nine in 10 (86%) people remained in the workforce following access to rehabilitation services through insurance.

Peter Hamilton, Head of Market at Zurich comments: “We’d really like to see the Government set out a long-term roadmap to tackle the issue head on and for rehabilitation – the unsung hero which helps people back to work – to be an integral part of this. Whilst we wait with anticipation for the outcome of the spring budget, this feels like a ticking time bomb for the economy which simply can’t be ignored any longer.

“Income protection is not always perceived as an essential offering for jobhunters. However, if there were mandatory disclosures enforced, this could become as important to job seekers as a competitive pension or a fair amount of holiday leave.”

