

Transformation

A path to better workplace mental health

22 June 2023

Key takeaways

- A December 2022 Gallup poll shows a mere 31% of Americans rating their mental health as "excellent" - the lowest percentage in over 20 years. And in 2021, not even one-third of the US population was living in an area with a sufficient supply of mental health professionals to meet the exigent local demand (source: KFF).
- With depression alone costing the US economy over \$210 billion each year from lost productivity and absences (source: Center for Workplace Mental Health), employers are looking to make progress in their mental health offerings - especially as today's employees continue to re-evaluate and re-define their relationship with work.
- According to Gartner's 2021 EVP Benchmarking Survey, while 87% of employees have mental and emotional well-being offerings available to them, just 23% actually use them. Bank of America's recent Workplace Mental Health report aims to illustrate today's mental health landscape and provide ideas and strategies for organizations to consider when building a more sustainable workplace for the future.

In the last three years, the COVID-19 pandemic has raised employee mental well-being from an underrepresented line item in company wellness offerings to a strategic imperative for many organizations. Throughout the pandemic and into recent economic uncertainties, more than three in four workers report having experienced at least one symptom of a mental health condition in the last year, and over one in three report that their symptoms have lasted five months to a year (source: Mind Share Partners).

In response to the changing environment, employers have made unprecedented investments in mental health. In fact, 90% of employers increased their investment in 2022 (source: Wellable Labs), and 80% of human resources (HR) leaders globally report mental health and well-being as a top organizational priority (source: McKinsey). Additionally, the catalogue of workplace mental health solutions has also grown—from digital tools to new paradigms of employer responsibility.

Bank of America's recent [Workplace Mental Health report](#) seeks to contribute to the conversation around how the workplace mental health landscape has evolved and provide a framework for employers to understand and address where the gaps in their current mental health strategies lie.

An evolving workplace mental health landscape

Even prior to the COVID-19 pandemic, workplace support for mental health was evolving. The conventional expectation of mental health as a personal topic, separate from work responsibilities, has given way to a greater understanding of the importance of mental health in the workplace as a driver of individual and organizational success.

Not only are employers uniquely positioned to influence a positive shift in the mental well-being of their employees—as full-time employees spend an average of 50% of their waking life at their place of work—but employers have also recognized that creating a supportive environment for employee mental health makes good business sense.

Poor employee mental health drives negative outcomes in the workplace, from low engagement to diminished productive capacity to greater rates of absenteeism. Depression alone costs the US economy over \$210 billion each year from lost productivity and absences (source: Center for Workplace Mental Health). Inadequate mental health support also increases attrition. Employees struggling with their well-being at work are four times more likely to report an intent to leave the organization (source: McKinsey).

Moreover, supporting employee mental health makes an impact on vital HR priorities. A strong system of support for workplace mental health can not only reduce employee turnover, saving employers time and money associated with recruiting and training new employees, but also increase workforce satisfaction and productivity, and help an employer stand out in attracting and retaining high-quality talent.

Spurred on by the COVID-19 pandemic, four key trends have further reshaped the workplace mental health landscape:

1. Greater mental health needs

The stress and economic uncertainty of COVID-19 both surfaced and exacerbated pre-existing workplace mental health challenges. In just the first year of the pandemic, the global prevalence of anxiety and depression grew by 25% (source: World Health Organization). This growth has disproportionately impacted diverse employees, elevating the importance of mental health as a diversity, equity, inclusion and belonging issue. A 2021 employee survey by Mind Share Partners found employees of color, LGBTQ+(lesbian, gay, bisexual, transgender, and queer) employees, women, and younger workers reporting both worse mental health outcomes and a lower likelihood of seeking help for their mental health challenges.

2. Greater employee expectations

Employees, especially younger employees, are taking an increasingly holistic view of their well-being—prioritizing additional facets of well-being like financial and mental well-being alongside their physical health, and they are placing increased expectations on employers to do the same. In fact, 81% of employees surveyed by the American Psychological Association identified an employer’s mental health support as an important factor when looking for future work opportunities.

3. Greater societal and employer attention

Sharper public scrutiny of workplace mental health strategies has resulted in increased employer attention to workplace mental health around the world. A 2022 McKinsey study found that four out of five HR leaders identify mental health and well-being as an organizational top priority. A 2022 Employee Wellness Industry Trends report by Wellable Labs reveals that nearly all surveyed employers (90%) increased their investment in mental health programs—and around three out of four had increased investments in related programs for stress management, resilience, and mindfulness and meditation.

4. More mental health solutions

Under this elevated attention and investment, mental health solutions have proliferated. In particular, the digital mental health space has grown rapidly to meet the accelerated demand. From 2020 to 2021, the mental health apps market saw a 23.7% increase in revenue growth (source: Grand View Research). In fact, 20,000 mental health apps are available across Android and Apple operating systems (source: European Connected Health Alliance).

Despite the need, employee utilization rates remain low

However, despite the proliferation of solutions and the evident need for mental health support, individuals are not seeing a corresponding benefit to their mental health. According to Gartner’s 2021 Employee Value Proposition (EVP) Benchmarking Survey, while 87% of employees have mental and emotional well-being offerings available to them, just 23% actually use them. Employee assistance program (EAP) expansions, for instance, have been a particularly popular checklist item for many workplaces’ mental health strategies, but are extremely underutilized by employees due to discomfort with their one-size-fits-all approach, the fact that many EAPs are only accessible through a phone call, and privacy concerns.

Consequently, even as the COVID-19 pandemic abates, mental health remains a challenge. A December 2022 Gallup poll shows a mere 31% of Americans rating their mental health as excellent—the lowest percentage in over 20 years. Additionally, the American Psychiatric Association’s Healthy Minds Monthly Poll found that, in December 2022, 37% of Americans considered their mental health as fair or poor, compared to 31% in December 2021. And the same poll also revealed that over one in four Americans expect their stress to grow in 2023, up from one in five in 2022.

A multi-level perspective of mental health challenges

Creating an effective workplace mental health strategy requires a clear understanding of the mental health barriers that employees face. These barriers result from a combination of persistent dynamics at three different levels: the systemic, the organizational, and the individual experience. Recognizing which dynamics are at play and how they shape employee access to, and utilization of, mental health supports can help an employer better achieve their intended impact.

Systemic barriers

The fragmentation of the healthcare landscape, which separates mental health services from other medical services in terms of their delivery and financing mechanisms, poses a major challenge to both employers and employees seeking mental health solutions. Just 20% of mental health practitioners accept some forms of insurance, and psychiatrists are 50% more likely to manage single-provider practices than other physician specialties (source: Harvard Medical School). Therefore, care seekers trying to enter the pipeline often do not know where to begin and these service silos can make it more difficult for individuals to navigate the care landscape.

In addition to the complexity of the mental health care ecosystem—from therapists to psychologists to psychiatrists—mental health providers are typically not as readily accessible as other medical providers given the ongoing, chronic shortage of high-quality mental health providers. In fact, over 129 million Americans lived in a federally designated mental health “professional

shortage area” in 2021 (source: Kaiser Family Foundation or KFF). In other words, not even one-third of the US population was living in an area with a sufficient supply of mental health professionals to meet the exigent local demand.

Accelerated by the pandemic, telehealth options for mental health care have proliferated to fill in some of the gaps in the ecosystem. However, they bring their own set of challenges ranging from access issues (think lack of a smartphone, internet or computer) to potential expirations in policy changes linked to the government’s public health emergency declaration (PHE) during the pandemic.

Organizational barriers

Challenges at the organizational level can also limit employee access and drive low utilization. Existing mental health resources, for instance, may not be the “right” ones for the employee population (e.g., they are not available in the preferred platform, do not offer the preferred services or have a financial barrier) and an employer’s mental health strategy may not include the right mix of benefits to appeal to different individual preferences or provide the right kinds of support.

A lack of effective data collection and measurement mechanisms reinforces this barrier. The ability to measure which solutions are working and which are not, is crucial to help employers understand where they are succeeding and where they can improve. However, measuring the effectiveness of a mental health program requires defining what “good” looks like in the organizational context, and considering how indicators are used for analyzing a highly complex and multi-dimensional concept of “improved mental health.”

Meanwhile, poor leadership and organizational stigma about mental health could also undercut the benefits that an employer provides. In 2021, a lack of leadership communication on mental health was the most cited obstacle to self-care (source: Mind Share Partners) and in that same year, McKinsey found that 75% of employees believe that stigma around mental health persists in their workplaces, but just 6% reported knowing of an anti-stigma campaign at work.

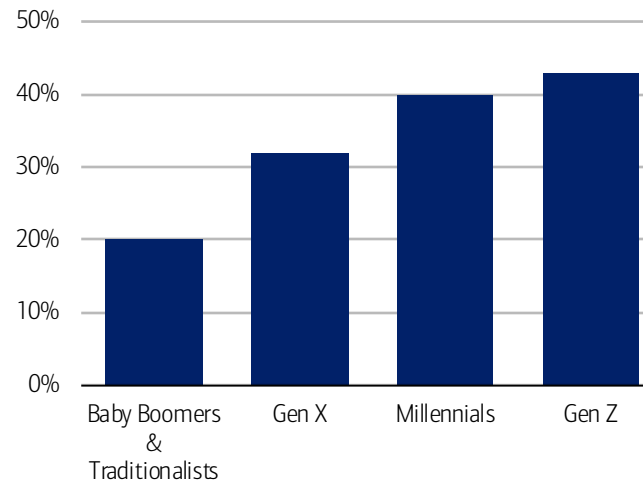
Individual experience barriers

Accessing mental health support often takes time and resources—and employees, especially frontline employees, may not have the extra capacity to spare. Childcare, a lack of reliable transportation, and other personal responsibilities and unmet social needs can all place competing pressures on employees. And when employees have two or more unmet social needs, they become 30% more likely to find it difficult to access counselling or other mental health services (source: McKinsey).

Privacy concerns can also prevent employees from seeking out the support they need through workplace resources, especially amongst minority groups. Fewer than 50% of employees feel comfortable sharing their mental health with supervisors or coworkers (source: Mind Share Partners) and employees see privacy and anonymity protections as their number one consideration when accessing online support services (source: The Decision Lab). Younger employees, in particular, feel they are just establishing their reputation and may worry that seeking help will lead their supervisors and colleagues to view them as less capable of performing their job duties.

Exhibit 1: Percentage of US workers who report their job has had a negative impact on their mental health over the past 6 months (%)

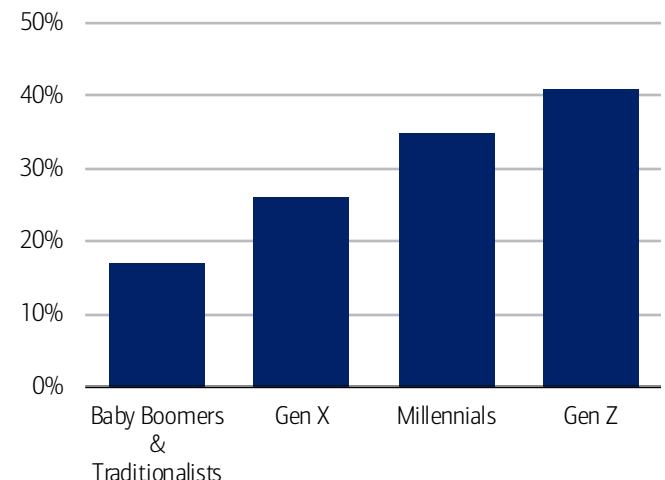
Younger generations are more likely to report their job has had a negative impact on their mental health



Source: 2023 State of Mental Health, SHRM, 2023

Exhibit 2: Percentage of US workers who report their job has made them feel anxious at least weekly in the past 6 months (%)

Younger generations are more likely to report their job has made them feel anxious weekly in the past 6 months



Source: 2023 State of Mental Health, SHRM, 2023

Evaluating emerging trends in workplace mental health solutions

Employers have four primary levers at their disposal to address key challenges and improve mental health in their workplaces:

1. Principles: The overarching framework through which employers understand their responsibility

COVID-19 has spurred a fundamental shift in how employers think about what good workplace mental health looks like and what it takes to get there. Central to this shift is the understanding that mental health is something employees have all the time, whether good or bad, and that it intersects with all aspects of their lives. As a result, the benchmark for “good” has grown into a more holistic tapestry of support for employee well-being, with an understanding of the interrelationship between its physical, social, financial, career and mental dimensions.

At the same time, a new growing framework for employer responsibility seeks to provide a psychologically safe, sustainable space where employees can access the mental health services they choose. It sees the gap between growing employer investment and stagnant-to-declining employee mental health as the result of an overreliance on a checklist of singular or siloed solutions. Specific mental health resources remain crucial but insufficient—as a 2021 Mind Share Partners’ report reveals, an open mental health culture is the “resource” that employees most desire.

2. Policies: The baseline benefits an employer provides to address mental health needs

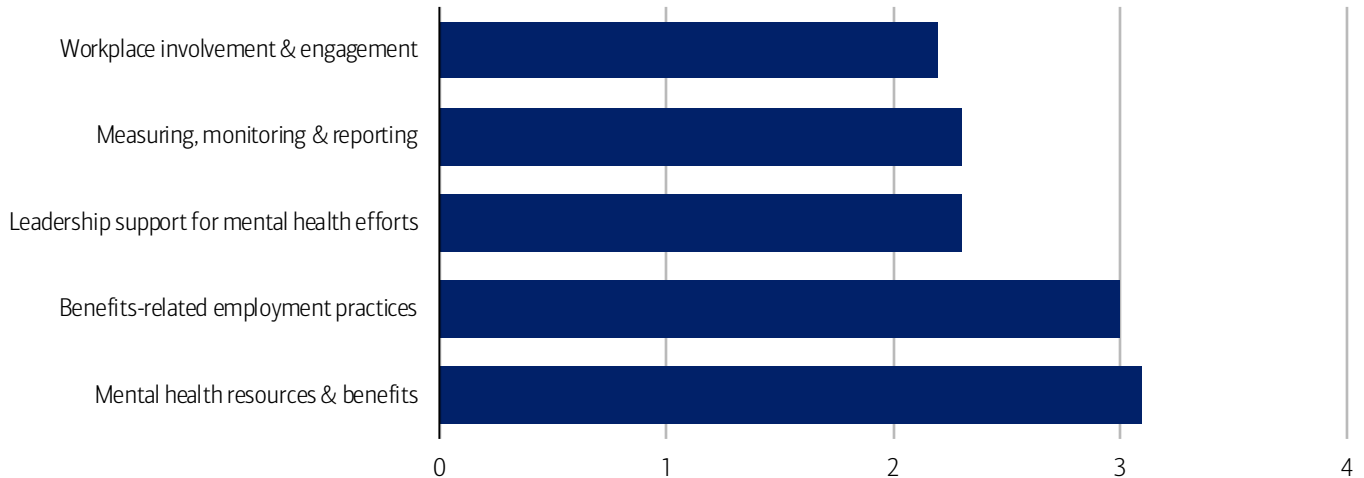
- **A well-being umbrella of benefits:** In understanding that employee well-being relies on interrelated factors, employers have rolled out more holistic benefits that recognize the role of social determinants on health and cover a broader spectrum of needs, from prevention to treatment. These include exercise programs, meditation services, financial education and planning, and parental support. However, in the hierarchy of information-sharing, benefits information is often deprioritized, resulting in an incomplete understanding and underutilization of available benefits.
- **Building role flexibility:** Employers have increasingly attempted to attract top talent with remote work options and greater control over managing their work-life balance. These policies have aligned well with employee priorities: a 2022 Harris poll found that employees consider work-life balance to be the number one workplace factor influencing their mental health, and 86% of workers report satisfaction with the flexibility in their work schedule (source: American Psychological Association).
- **Growth of digital services:** Even before COVID-19, employers showed interest in exploring the opportunities provided by digital services to address the geographical, logistical, and time constraints that limit employee access to quality mental health resources. Digital tools provide scalable, affordable, personalized, and anonymous support to employees when they need it. However, digital mental health offerings alone are not an equal substitute for face-to-face counseling services. Ultimately, employers that leverage digital tools most effectively continue to pair them with robust coverage for in-person therapy with quality providers.
- **Greater scrutiny of benefits providers:** Employers are beginning to pay more attention to the benefits they are buying, both digital and in-person, holding provider systems proactively accountable for high-quality, evidence-based, value-driven service. Beyond availability, other criteria include the expertise and training of in-network providers, satisfaction of employees who use these services, and the demographics of the provider network with the goal of achieving inclusive mental health care.

3. Programming: The approach for disseminating information and connecting individuals to available solutions

- **Leadership signaling:** While baseline benefits are important, employees are looking to build an open, positive, and safe mental health workplace culture. How leaders talk about mental health has a particularly significant influence on how it is perceived within an organization—increasingly leveraging their visibility within organizations to highlight mental health as a priority, share their own experiences, and shift their workplaces towards a more open, psychologically safe culture. According to Mind Share Partners’ 2021 Report, the number of employees who felt their leaders were advocates for mental health grew by 27% from 2019 to 2021.
- **Centralized portals:** To address the immense, broadly reported gap between the mental health resources that are available and employee perception of their availability, many employers have begun curating their sometimes-disparate portfolios of mental health resources on a single platform. These portals not only allow employees to see all of an organization’s well-being resources—they can also guide employees to the right resources based on their individual set of needs. In doing so, they can offer a more personalized, relevant experience that helps employees avoid the cognitive tendency to treat available mental health resources as “not meant for me.”
- **Strengthening measurement practices:** Employers are also leveraging new tools for measuring the complex impact of their mental health strategies—both in terms of their services offered and their progress towards culture change. New comprehensive indices bring the rigor used in tracking traditional business milestones to measure benchmarks in mental health. Some employers have further strengthened their accountability regimes by creating a standardized, routinized, and more transparent process for reporting on their mental health commitments.

Exhibit 3: The Mental Health at Work Index examines the current state of workforce mental health strategies

A breakdown of maturity level by focus area, on average, suggests that employers have thus far prioritized certain efforts over others



Source: One Mind at Work, 2023

4. People management: How the organization interacts with employees

- **Strengthening Human Capital Management departments:** An HR or talent management department with a clear, explicit mandate to support the different intersecting dimensions of employee well-being can signal a strong organizational commitment to employees. Human capital managers occupy a central role in raising awareness of mental health resources, connecting workers with support, and educating managers on supporting their teams. HR should also promote and amplify the voices of senior leaders, managers, and peers throughout the organization and if a centralized navigational tool does not exist, HR departments can point employees towards the resources that they need.
- **Manager training at all levels:** Managers are often the first point of contact for employees experiencing mental health issues, and therefore play a leading role in creating a supportive and safe work environment. Regular trainings can improve communication skills at all levels to help managers engage in mental health conversations, recognize early signs of mental health issues, and prepare for difficult conversations. Trainings can also help managers further reduce the stigma around mental health in the workplace by encouraging them to model sustainable work behavior.
- **Making mental health a KPI:** One way that managers are modeling mental health as a priority in their day-to-day management is by encouraging their teams to leverage key performance indicator (KPI) goals to promote improved well-being—and integrating a practice of checking in regularly on their team’s status against these KPIs alongside traditional, business-oriented ones.
- **Using pulse surveys to shed a light on employee needs:** Finally, employers are leveraging pulse surveys to better understand what kinds of support their employees prefer, and where they experience challenges to their wellness in the workplace. Distinct from measurements of workplace mental health strategies, these pulse surveys focus less on employees’ engagement with employer-provided mental health resources and instead take a more human-centered approach in seeking to understand employees’ work experience more broadly.

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Sources

A path to better workplace mental health: Reorienting approaches and priorities

2023 Workplace Mental Health report, Bank of America in partnership with High Lantern Group

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