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## Wellness in work:

The economic arguments for investing in the health and wellbeing of the workforce in Wales



### Funded by Public Health Wales

Public Health Wales is an NHS organisation providing professionally independent public health advice and services to protect and improve the health and wellbeing of the population of Wales. Production of this report was funded by Public Health Wales. However, the views in the report are entirely those of the authors and should not be assumed to be the same as those of Public Health Wales.



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# Wellness in work report

The Wellness in work report presents the economic arguments for investing in the health and wellbeing of the workforce in Wales.

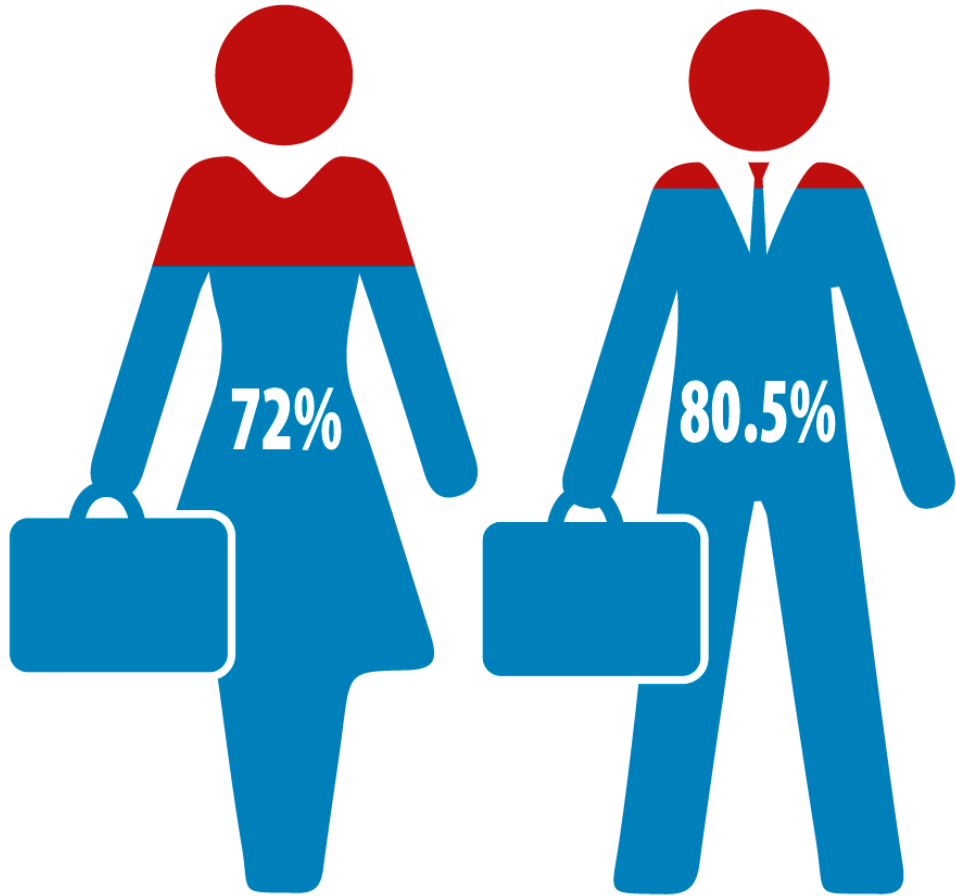
The Wellbeing of Future Generations Act (2015) has a goal of Wales having an economy which generates wealth and provides employment opportunities, allowing people to take advantage of the wealth generated through securing decent work.

Through discussion with Public Health Wales, we focussed our attention on:

1. A diverse and inclusive workforce in Wales;
2. Valuing employees and keeping healthy for a cost-effective workforce;
3. Worklessness and returning to work.



# Rates of **employment** and **unemployment** in Wales



1.5 million people in employment in Wales (NOMIS Official Labour Market Statistics, 2018).



14.3% of the employed are self employed (StatsWales, 2018).



67.2% of older people aged between 50 and 64 are in employment (Department for Work and Pensions, 2015).

# Sickness absence rates in Wales are higher than the UK average



Keeping people healthy and in work prevents loss of productivity and benefits the Welsh economy. Dealing with preventable health issues, unhealthy behaviours and reducing the risk of injuries will decrease premature mortality and keep many working people who want to work in employment for longer.



**Sickness absence rates in 2017: 2.7% (Wales) 1.9% (UK)**

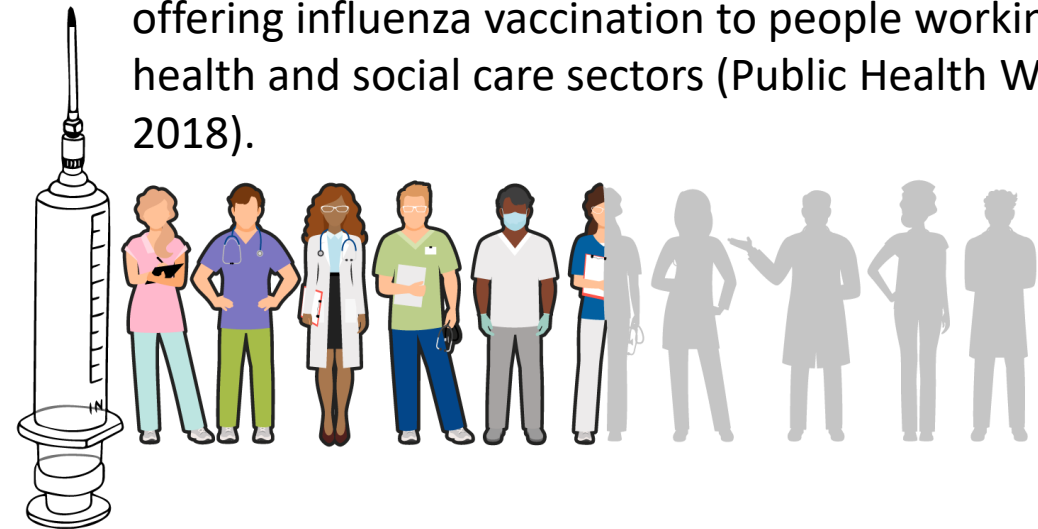


# The NHS is a major employer in Wales

Physical inactivity results in sickness absence costing the Welsh economy £134 million per year. Promoting physical activity in workplaces can increase physical participation at a cost of £4.11 per person (NHS Wales, 2016).



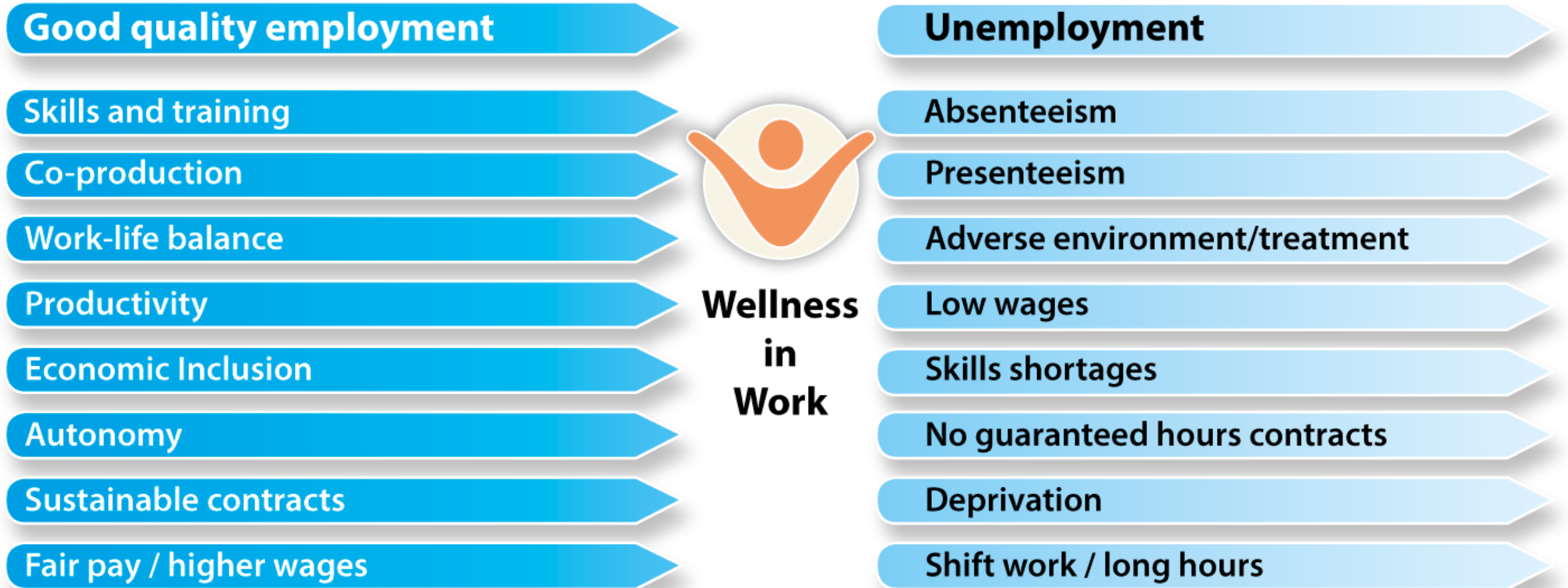
It can be cost-effective to target at risk workers in order to reduce sickness absence, for example, by offering influenza vaccination to people working in health and social care sectors (Public Health Wales, 2018).



Yoga interventions can be cost-effective in terms of reducing absenteeism due to musculoskeletal disorders which accounts for 25% of sickness absence in the NHS in Wales. For every £1 spent on yoga there is an estimated £10.17 societal benefit generated largely due to increased productivity at work (Public Health England, 2017).



# From good quality employment to unemployment



## Unemployment is linked to:



- **A 20-25% increased risk of death in the decade following job loss (e.g. due to the increased risk of heart disease, stroke and suicide) (Clark, 2003, NHS Wales, 2016).**
- **Increased financial hardship**
- **Increased mental health problems**

# Worklessness and returning to work

Moving a person from unemployment into sustainable employment in Wales benefits the local economy by £10k per year and benefits society by £24k per year.



**Source:** £10K calculations based on GVA for Wales from Office for National Statistics (2018) and informed by Public Health England (2016) calculations [19,80] £24K calculations using the Public Health England (2017) 'Movement into employment: return on investment tool' inflated from 2016 to 2017 using the North East of England as a best fit regional comparator to Wales (Public Health England, 2017).



# Unhealthy behaviours costs the Welsh Government millions of pounds a year



Unhealthy behaviours such as drug and alcohol abuse can have a wide ranging impact on employment including increasing the risk of unemployment and absences from work.

The impact of alcohol misuse is estimated to cost £500million in terms of productivity losses in Wales (Knapp, et al, 2011, Institute of Alcohol Studies, 2014, 2017).

Smoking breaks (in addition to standard rest breaks) cost £2K each year for a full-time employee (CEBR, 2014).



Gambling costs the Welsh Government between £2million and £8million in terms of lost tax revenue due to sickness absence, presenteeism and unemployment (Thorley et al., 2016).

# Mental health problems and interventions



## 1 in 6

employees in Wales suffer from a mental health problem, at an estimated annual economic cost of £4.68 billion due to mental health problems at work.



Workplace mental health interventions can offer a positive return on investment: up to £9 generated for every £1 spent (Kigozi et al, 2017; Farmer and Stevenson, 2017; Deloitte UK, 2017).



# Supporting all employees to thrive in work



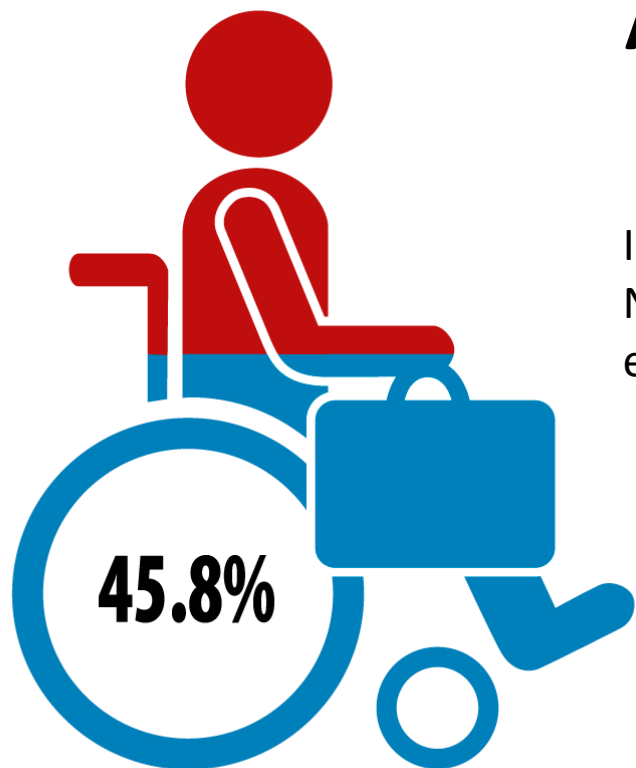
Source: Thriving at work framework (adapted from Farmer and Stevenson, 2017).

# A diverse and inclusive workforce can boost the Welsh economy

In Wales 45.8% of people with disabilities are in employment. The Welsh Government National Strategy supports people with disabilities to remain in work, return to work or enter work as soon as possible .

Young people have diverse needs. Interventions to prevent young people becoming NEET (Not in Education, Employment or Training) can save £522 million to the economy.

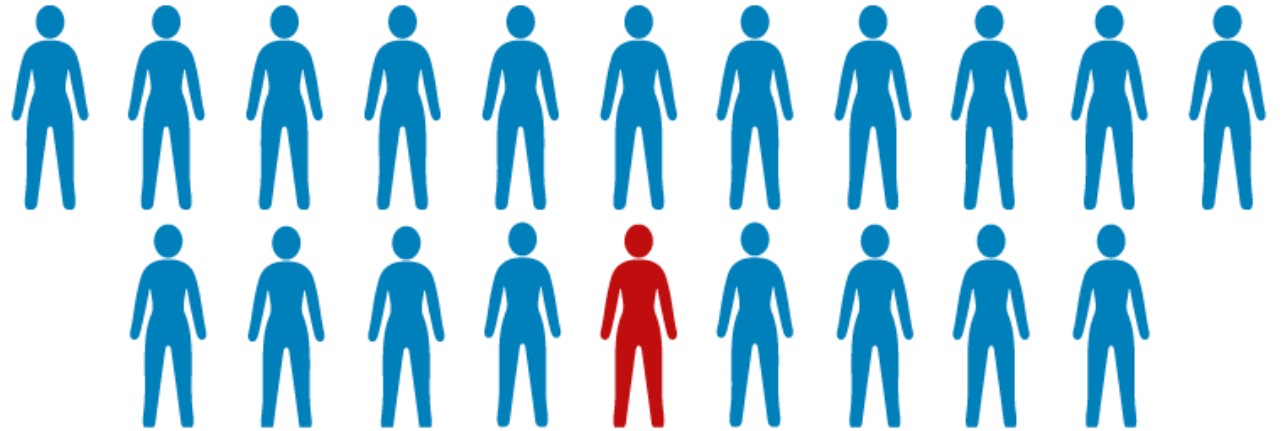
Older people in employment can feel valued, keep well, earn more money, and contribute more tax to the Government.



# Women make a huge contribution to the economy of Wales through working and through unpaid caring



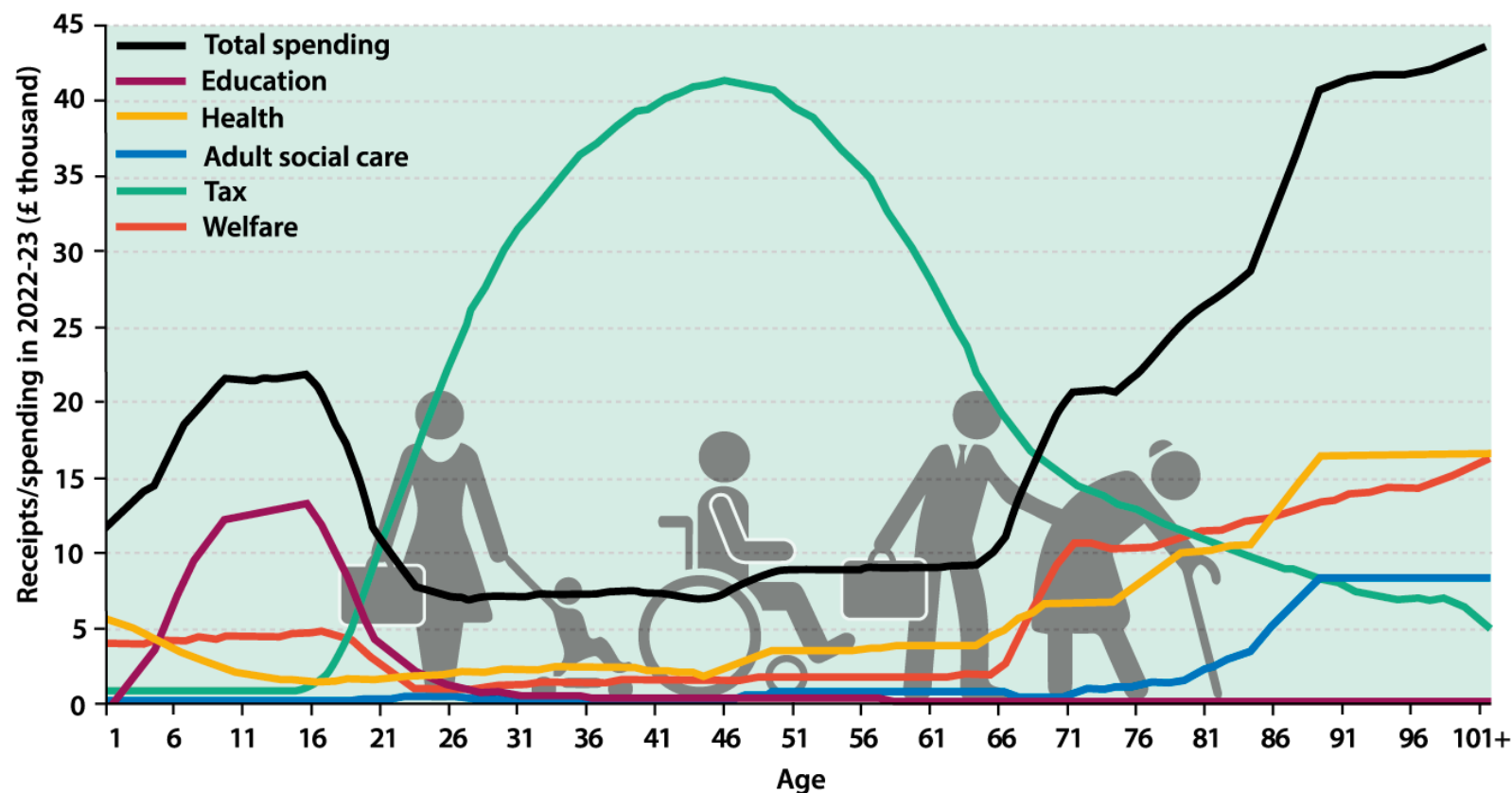
**1 in 20**



Women complete more than fifty hours or more of unpaid care work each week. The economic value of unpaid care by women in Wales is £3.8billion of the £8.6billion per year for all unpaid carers.



# Taxation and Spending through the life course



- In the UK, most adults pay taxes throughout their working years.
- This figure shows taxation and spending through the life course and highlights the fact that taxes paid peaks at around 46 years of age and then drops to a lower level from then on.
- It is at this point also that government spending starts to increase with age.

Per capita United Kingdom taxation and spending through the life course – the working years. Source: Office for Budget Responsibility (2018)

## For more information:

Infographic summary and full version of the report **“Wellness in work: The economic arguments for investing in the health and wellbeing of the workforce in Wales”** is available to download at:

<http://cheme.bangor.ac.uk/reportspublications.php.en>

See full report for references.

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