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MENTALE

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CANADIAN  
MENTAL HEALTH  
ASSOCIATION

**ENHANCING PRODUCTIVITY IN CANADA:  
Benefiting from the contributions of all Canadians**

**A Submission to the House of Commons  
Standing Committee on Finance**

Submitted by:  
Canadian Mental Health Association

Date:  
September 2005

## Executive Summary

In this pre-budget consultation, the Standing Committee of Finance has how to improve Canada's productivity performance contributes to the economic growth of the nation. The Canadian Mental Health Association would like to challenge the committee to look outside of the traditional business/ economic model of small, medium and large businesses to consider whether Canada is making the most out of the existing potential of all its citizens.

Depression and other mental health issues have surpassed cardio-vascular disease and are now the fastest-growing category of disability costs in the country.<sup>1</sup> Health Canada estimates the economic burden on employers is now close to \$30 billion a year for mental health and addiction problems.<sup>2</sup> In 2001, the World Health Organization estimated that one in every four families work-wide had a member experiencing a mental illness.

Access to meaningful paid work is a basic human right for every citizen and that those who experience serious mental illness should have equal access to the fundamental elements of citizenship which include: housing, education, income and work. Of all persons with disabilities, those with a serious mental illness face the highest degree of stigmatization in the workplace and the greatest barriers to employment.

Employing talented Canadians no matter the disability is good business and contributes to Canada's prosperity. When employers invest in the health of their employees, savings are seen in reduced absenteeism and an increase in productivity.

### **Recommendations:**

**In the next federal budget, the government should dedicate \$25 million of the \$41 billion designated for health care reform to ensure the proper diagnosis and treatment of Canadians affected by mental illness; promotion and prevention of mental illness and other mental health problems and overall mental health promotion.**

**Substantial funding should be committed for the development and implementation of a Pan-Canadian Strategy for Mental Illness and Mental Health that will include:**

- **The eradication of stigma through a public education campaign that will foster workplace and community cultures to permit open and informed communication of mental illness and addictions;**
- **The inclusion of mental illnesses in a Pan-Canadian chronic disease strategy; and**
- **Tax relief for companies that implement mental wellness programs.**

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<sup>1</sup> The Standard (St. Catharines), Employees deserve help to deal with mental illness: Statistics show early treatment can save employers thousands in lost employees' wages, April 15, 2005

<sup>2</sup> Ibid.

Income security is a key determinant of health related to the mental health of the community. In 1999, there were 1,025,000 families and 1,677,000 unattached individuals living in poverty in Canada for a total of 4.9 million. In the midst of prosperity, low income families with children are living on average more than \$9,000 below the poverty line. More than 40 per cent of these families were headed by persons who were employed. The working poor, especially those with dependents, are not able to make ends meet.

**Recommendation:**

**That the federal government take action to address the limitation of income security programs as these impact the people of Canada and their mental health. To address this issue, CMHA recommends that in the next federal budget, the government:**

1. Establish reasonable social assistance, disability support programs and minimum wages rates that reflect what is actually needed for basic food and housing needs and to encourage the active participation of persons affected by mental illness in the workforce according to their capacity to work.
2. Provide progressive subsidies for supports such as for training and child care.
3. Institute a Child Tax Benefit that will allow families on assistance to hold on to their monies rather than have it clawed back by provincial and territorial governments.
4. Improve employment provisions for temporary or contract workers and pro-rate benefits for part-time workers.
5. Focus on the strong link between education level and income

Canada has a fairly healthy housing system – one that works well for the top half of the income percentiles. However, Canada is failing miserably for the lower end of the income spectrum. Housing location can determine access to opportunities and employment, sustainability and employability work hand in hand to ensure that the workforce produces as effectively as possible.

The lack of affordable housing reduces access to supportive communities, limits employment possibilities and represents an enormous waste of human potential.

**That the federal government addresses the lack of affordable housing as it impacts the people of Canada and their mental health. To address this issue, CMHA recommends that in the 2006 federal budget, funds continue to be allocated for the following:**

- 20,000 new housing units, 10,000 units of rehabilitated housing
- \$300 million to ramp up the Affordable Housing Framework Agreement
- \$150 million for homelessness initiatives
- \$500 million over five years for a new housing rehabilitation fund

**Enhancing Productivity in Canada  
Pre-Budget Consultations 2005  
Canadian Mental Health Association**

***Introduction***

In its pre-budget consultations for the fall of 2005, the Standing Committee of Finance has indicated an interest in receiving input on how improvements to Canada's productivity performance contributes to the economic growth of the nation. Normally one would think about how to make existing businesses more productive and ensuring adequate financing as well as address peak output of human capital to ensure the best return on investment.

The Canadian Mental Health Association would like to challenge the committee to look outside of the traditional business/ economic model of small, medium and large businesses to consider whether Canada is making the most out of the potential of all its citizens.

**What is the CMHA?**

Founded in 1918, the Canadian Mental Health Association (CMHA) is Canada's only voluntary, charitable organization that promotes the mental health of all people and supports the recovery and resilience of people experiencing mental illness. CMHA's vision of *Mentally healthy people in a healthy society* provides the framework for the work that we do. As a leading organization for mental health and mental illness in Canada, CMHA works in over 135 communities across the country and advocates for policy change related to mental illness and mental health through the strong connections forged with policy-makers, mental health consumers and their families, educators, the media, employers, stakeholders and other service providers.

With 12 provincial and territorial offices and over 125 local Branches from coast-to-coast-to-coast, CMHA is well-positioned in communities across the country. On an annual basis, CMHA serves over 100,000 people with the support of 10,000 volunteers. Communities in Canada are served by CMHA with programmes and services in education, advocacy, research, programmes, direct service, promotion, information, and public policy development. Our funding comes from government, corporations, foundations and individuals.

## **CMHA's Role in Public Policy Development**

CMHA has had a proud history of contributing to public policy development at all levels of government. Our recent contributions to public policy at the federal level include submissions to the Senate Committee on Science, Social Affairs & Technology; submissions to the Commission on the Future of Health Care in Canada (Romanow Commission); previous submissions to the House of Commons Standing Committees on Finance, Health and Justice as well as programmes and research which have informed our work, the stakeholder community and government (eg: *Citizens for Mental Health; Routes to Work*).

CMHA plays an important role in providing a voice for a community of people who have not been active in public policy development until recently. CMHA is a strong supporter of increasing the role of all stakeholders in the mental illness and mental health communities in public policy development, most particularly the users of services.

CMHA will continue to be active in public policy development and looks forward to increasing its capacity in this area in the years to come.

### ***Food for thought:***

- Depression and other mental health issues have surpassed cardio-vascular disease and are now the fastest-growing category of disability costs in the country.<sup>3</sup>
- Health Canada estimates the economic burden on employers is now close to \$30 billion a year for mental health and addiction problems.<sup>4</sup>
- In 2001, the World Health Organization estimated that one in every four families work-wide had a member experiencing a mental illness.

### ***Employing the “unemployable”: Dealing with episodic illnesses and qualified workers***

“The achievement of recovery from, and living with, the disabling effects of illness, injury or accident of birth doesn't disqualify a person, it qualifies them to do good, productive and exceptional work, obstacles or not.”<sup>5</sup>

The Canadian Mental Health Association supports the positions in the Brief from the Episodic Disability Network, all of which are applicable to individuals experiencing a mental illness or other mental health problem.

## **Issues, Barriers and Opportunities to Employment**

Of all persons with disabilities, those with a serious mental illness face the highest degree of stigmatization in the workplace and the greatest barriers to employment. Many and varied employment obstacles face adults with psychiatric disabilities, such as gaps in work history, limited employment experience, lack of confidence, fear and anxiety,

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<sup>3</sup> The Standard (St. Catharines), Employees deserve help to deal with mental illness: Statistics show early treatment can save employers thousands in lost employees' wages, April 15, 2005

<sup>4</sup> Ibid.

<sup>5</sup> Henderson, Helen, Healthy Employees Good for Business, Toronto Star, November 3, 2002

workplace discrimination and inflexibility, social stigma and the rigidity of existing income support/benefit programs. The unemployed rate of persons with serious mental illness reflect these obstacles and has been commonly reported to range from 70 to 90 per cent depending on the severity of the disability. These statistics are particularly disturbing in light of the fact that productive work has been identified as a leading component in promoting positive mental health and in paving the way for a rich and productive life, thereby increasing the nation's productivity overall.

Access to meaningful paid work is a basic human right for every citizen and that those who experience serious mental illness should have equal access to the fundamental elements of citizenship which include: housing, education, income and work. The right to work is so fundamental that the United Nations included it in its Universal Charter of Rights. In particular article 23 of the charter states:

“(1) Everyone has the right to work, to free choice of employment, to just and favourable conditions of work and to protection against unemployment.

(2) Everyone, without any discrimination, has the right to equal pay for equal work.

(3) Everyone who works has the right to just and favourable remuneration ensuring for himself and his family an existence worthy of human dignity, and supplemented, if necessary, by other means of social protection.”<sup>6</sup>

As a member of the United Nations, Canada has an obligation to find innovative ways to support Canadians finding employment in the mainstream workforce, rather than being labelled as a client in a training program or a sheltered workshop.

### **The Cost to Business of Mental Illness**

While employers today accommodate for the most part physical disabilities, mental health issues still remain sidelined, partially because employees are reluctant to discuss their illness and partly because of the stigma associated with the illness, most employers don't know how to deal with it. Often limitations are placed on an employee's ability to work when the disability is psychiatric in nature.

- “In 2001, there were more than 1.8 million working age Canadians – between the ages of 25 and 64 with a physical or mental disability or a serious health problem according to Statistics Canada. Of this total, more than 780,000, or about 45 per cent were employed.”<sup>7</sup>
- “By 2010, a Royal Bank study predicts, there will be more than seven million working age Canadians with some form of disability or serious illness.”<sup>8</sup>
- Mental health problems account for 30 to 40 percent of disability claims reported by Canada's major insurers and employers.<sup>9</sup>

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<sup>6</sup> United Nations, Universal Declaration of Human Rights, Adopted and proclaimed by General Assembly resolution 217 A (III) of 10 December 1948

<sup>7</sup> Johne, Marjo, Illness, disability not a career death knell, Globe and Mail, Wednesday, August 24, 2005.

<sup>8</sup> Ibid.

- Mental illness costs Canadian businesses \$33 billion a year in lost productivity for Canadian businesses. Related health care costs add another \$10 to \$20 billion to that total.<sup>10</sup>
- A Harvard Medical school study shows it costs employers \$10 to \$35 (US) per day for each employee with undiagnosed and untreated depression. With proper treatment, within a year all costs are recovered and a firm actually makes an extra \$1,100 to \$1,800 per year per employee. Depressed employees take from 15 to 24 days excess sick leave per year<sup>11</sup>

Clearly, the facts demonstrate that as a country, Canada must find ways to address these issues to remain productive and competitive on the international front.

### **Ensuring a Positive Contribution to Economic Growth**

Employing talented Canadians no matter the disability is good business and contributes to Canada's prosperity. According to Mental Health Works, a program developed by CMHA Ontario, when employees get early access to treatment and services, employers save \$ 5,000 to \$10,000 per worker per year in the costs of prescription drugs, sick leave and wage replacement. Workers who are diagnosed with depression and who take the prescribed medication save employers an average of 11 absentee days per year.

When employers invest in the health of their employees, savings are seen in reduced absenteeism and an increase in productivity. An example of such a program is Husky Injection Molding Systems in Bolton, Ontario, which calculates it saved \$8 million in less absenteeism and increased productivity after investing \$4 million in its employees' wellbeing and a healthy workplace environment. In addition, annual drug costs for their workers were \$157 in 1997.<sup>12</sup> For similar businesses, their costs that year were on average \$495.

Another example of a good business approach to enhancing employee productivity, Montreal-based aluminium producer, Alcan has taken a leading role. Managers are being trained to identify indicators of stress and employees are encouraged to raise concerns with their bosses. They have a medical centre, where employees can seek treatment for mental illness and a confidential assistance network, where they can find advice and support.<sup>13</sup>

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<sup>9</sup> The Standard, Employees deserve help to deal with mental illness: Statistics show early treatment can save employers thousands in lost employees' wages, St. Catherine, April 15, 2005

<sup>10</sup> Doucette, Chris, Toronto Sun, The \$50B Problem: Mental Illness Hurts Businesses, April 13, 2005

<sup>11</sup> Harvey, Robin, Depression Costs Business, Toronto Star, April 15, 2005

<sup>12</sup> <http://www.mentalhealthworks.ca/>

<sup>13</sup> Moxley, Mitch, Depression, Stress Cost Economy \$33B a Year: business leaders not Dealing with Issue, Mercer Study Finds, National Post, August 2, 2004

**Recommendation:**

**In the next federal budget, the government should dedicate \$25 million of the \$41 billion designated for health care reform to ensure the proper diagnosis and treatment of Canadians affected by mental illness; promotion and prevention of mental illness and other mental health problems and overall mental health promotion.**

**Recommendation:**

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*Income Security and Productivity*

**Income Security**

Income security is a key determinant of health related to the mental health of the community. Canadian and international studies support the role income security plays in defining the socio-economic status and its relation to health outcomes. Those representing higher social and economic strata are more likely to experience more positive states of (mental) health and well being than those in lower strata. Additionally, evidence indicates that as the gap between rich and poor increases, the health of the population suffers.

**Income Trends in Canada**

The economic boom of the late 1990's did not benefit most of the people of Canada. Recent figures from Statistics Canada show that between 1984 and 1999, the wealth of the top 20 per cent of families rose by 43 per cent while the wealth of the bottom 20 per cent fell by 51 per cent. Canadian society has become increasingly polarized on the basis of income and has led to significant consequences in economic terms affected the employers, employed and unemployed.

In 1999, there were 1,025,000 families and 1,677,000 unattached individuals living in poverty in Canada for a total of 4.9 million. In the midst of prosperity, low income families with children are living on average more than \$9,000 below the poverty line. More than 40 per cent of these families were headed by persons who were employed. The working poor, especially those with dependents, are not able to make ends meet.

Seniors poverty rates declined from 20 per cent to 17 per cent over the last decade. A major reason is the trend of making CPP premiums available. The CPP/QPP was established in the mid-seventies and has only recently paid out full benefits to Canadians.

HRDC research shows that those who are poor for an extended period of time have lower education and are more likely to be unemployed or working fulltime

### **The Consequences of Low Income**

Low income Canadians are most vulnerable to poor health. For example, those with the highest incomes live five years longer and are one-quarter less likely to die of heart disease. It has taken the poorest fifth of urban Canadians until the mid-1990s to reach the life expectancy experienced by the richest fifth 25 years earlier.

Chronic and episodic illnesses such as arthritis, rheumatism, diabetes, heart problems, mental illnesses, cancer and hypertension are twice as common for an Aboriginal person who generally also has a much lower socioeconomic status than non-Aboriginals. Chronic conditions are also more prevalent in poorer regions of Canada. Maritime residents in 1996 reported higher blood pressure scores compared to the national average.

In Canada, approximately 15 percent of children and youth (one in seven) experience mental health problems serious enough to affect their development and functioning. Poor children are more likely than children from higher-income families to experience low self-esteem and associated mental health difficulties, disabilities, injury and exclusion from cultural activities and/or sports.

Children are our future; Canada can not stand by and allow these issues to continue. It is time that significant investments are made to enable a stronger economic base in this country by ensuring that programmes and services are available to promote the mental health of all, support the recovery and resilience of people experiencing a mental illness and ensure that children and their families have the support and services available before the problems escalate.

### **A Case of Social Exclusion**

Those who live in poverty have constraints on their ability to participate fully in the community as a result of isolation, discrimination and marginalization from decision-making and from an adequate quality of life.

Social exclusion can increase the risk of mental health difficulties. Research suggests that good social relationships and community involvement can help to protect people in poor material circumstances from adverse effects to their mental health.

### **Working Poor**

The National Council on Welfare's 1993 report underlined the sharp declines in the value of minimum wages since 1976 and the trend towards part-time, precarious and temporary work instead of well-paid, secure jobs. One result of the diminishing minimum wage is that no minimum wage worker could even reach the 1998 poverty line by working 40

hours a week – even if the worker was without dependents. Such an individual, with one child to support, would have to work 58 hours per week to reach the poverty line in Vancouver where minimum wages are the highest in the country and 103 hours a week in Winnipeg. A couple with two children would have to work 113 hours a week to reach the poverty line in Prince Edward Island and 151 hours a week in Winnipeg.

The economic reality is that greater numbers of middle class Canadians are being exposed to economic insecurity. 45 per cent of adult employees between the ages of 25-59 are employed in flexible forms of work (less than full-time tenured workers). Flexible workers lack job ladders and have few opportunities to increase their real income earning capacity over time. 53 per cent of the adult workforce is in vulnerable employment situations because they lack employment stability and/or market sufficiency. Frequent lay-offs or irregular work without benefits are becoming more prevalent.

**Recommendation:**

**That the federal government take action to address the limitation of income security programs as these impact the people of Canada and their mental health. To address this issue, CMHA recommends that in the next federal budget, the government:**

6. Establish reasonable social assistance, disability support programs and minimum wages rates that reflect what is actually needed for basic food and housing needs and to encourage the active participation of persons affected by mental illness in the workforce according to their capacity to work.
7. Provide progressive subsidies for supports such as for training and child care.
8. Institute a Child Tax Benefit that will allow families on assistance to hold on to their monies rather than have it clawed back by provincial and territorial governments.
9. Improve employment provisions for temporary or contract workers and pro-rate benefits for part-time workers.
10. Focus on the strong link between education level and income.

***Investing in the Bricks and Mortar***

**Putting a Roof over the Head of Every Canadian: A Case for Affordable Housing**

*“Housing is a necessity of life. Yet, many households in Canada cannot afford acceptable shelter. In fact, at least count, roughly one in five Canadians households were considered in this situations. Even more troubling, ten years of economic expansion have barely put a dent in the problem. As Canadian households struggle to find shelter and still make ends meet, their plight is spawning a series of related social problems in communities all across the*

*country making the shortage of affordable housing one of the nation's more pressing public policy issues today.”<sup>14</sup>*

Canada has a fairly healthy housing system – one that works well for the top half of the income percentiles. However, Canada is failing miserably for the lower end of the income spectrum. Cities can be more competitive when there are a number of options to provide housing for low-income households. Housing location can determine access to opportunities and employment, sustainability and employability work hand in hand to ensure that the workforce produces to its potential

Having no fixed address means being excluded from all that is associated with having a home, a surrounding neighbourhood and a set of established community networks. Having no fixed address also means being excluded from mainstream patterns of day-to-day life.

Without a physical place to call “home” in the social, psychological and emotional sense, the hour-to-hour struggle for physical survival replaces all other possible activities. This social exclusion also increasingly means physical exclusion from many locations and neighbourhoods by municipal ordinances and police harassment. People with no permanent place to live is the most completely excluded group of people in society.

### **Housing: a Health and Productivity Determinant**

While adequate housing is an obvious prerequisite for health, including mental health, the ways in which housing represent a socio-economic determinant of health are complex; we all must remember that homelessness is about more than just housing. It has been suggested that “housing is a medium through which socio-economic status is expressed and through which health determinants operate.”<sup>15</sup> Dunn and colleagues have developed a framework that provides a useful conceptualization of the complexities of housing and its impacts. According to Dunn, “these dimensions ... that have the potential to generate social inequalities, and either directly or indirectly, health consequences...may combine with other types of social disadvantage and vulnerability among several population subgroups to undermine health and development. The model implicitly poses the question, “Are some groups in society more vulnerable to health effects of socio-economic dimensions of housing and domestic life?”

People experiencing serious mental illness are at increased risk of living in core housing and of facing homelessness. Like other vulnerable groups – which include, but are not limited to, Aboriginals, immigrants and refugees, and sole support mothers – people with serious mental illness are more likely than the general population to live in conditions of

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<sup>14</sup> TD Economics, Special Report, *Affordable Housing in Canada: In Search of a New Paradigm*, June 17, 2003

<sup>15</sup> Dunn, J.R. (June 2003), Housing as a socio-economic determinant of health: Assessing research needs. *Research Bulletin #15*. Centre for Urban and Community Studies, University of Toronto

poverty. For those with mental illness, the challenge presented by conditions of poverty is compounded by the challenge of the illness itself.

### **Facts to Consider**

- As many as 30% of people in core housing live with a mental illness
- An estimated 75% of homeless single women live with a mental illness
- Those with mental illness who are housed often live in substandard conditions
- As of 1996, 1.7 million households were in core housing need due almost exclusively to problems of affordability<sup>16</sup>.
- In 2001, 34.6% of renter households spent 30% or more of gross income on shelter<sup>17</sup>.
- Since low-income households spend proportionately more of their income on housing, on average 67% of renter households earning less than \$30,000 spent above the affordability benchmark in 2001<sup>18</sup>.
- Between 1980 and 2000, the number of affordable housing units created by the Government of Canada dropped from 24,000 to 940.

*“The lack of affordable housing cuts significant numbers of Canadians off from supportive communities, access to employment and indeed from the exercise of their citizenship rights. Quite apart from the morality of the situation, this represents an enormous waste of human potential with serious consequences for the community at large.”<sup>19</sup>*

### **Recommendation:**

**That the federal government addresses the lack of affordable housing as it impacts the people of Canada and their mental health. To address this issue, CMHA recommends that in the 2006 federal budget, funds be allocated for the following:**

- 20,000 new housing units, 10,000 units of rehabilitated housing
- \$300 million to ramp up the Affordable Housing Framework Agreement
- \$150 million for homelessness initiatives
- \$500 million over five years for a new housing rehabilitation fund

### **Conclusion**

To maintain and grow a healthy and highly competitive economy, Canada must address high levels of homelessness, household debt, child poverty, diminishing health care services and the exclusion of many segments of Canadian society from a quality of life

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<sup>16</sup> Canada Mortgage and Housing Corporations, Special Studies on 1996 Data: Canadian Housing Conditions, *Socio-economic Series*, Issue 55-1

<sup>17</sup> Canada Mortgage and Housing Corporations (September 2003) 2001 Census Housing Series Issue 1: Housing Affordability Imporv4es, *Socio-economic Series* 03-017

<sup>18</sup> Ibid.

<sup>19</sup> Hulchanski, J. David, Canadian Policy Branch Research Networks News Release, January 17, 2003

that should be expected in Canada. The health of the people of Canada must be considered when examining these issues.

Canadian businesses are better off when the health of their workers is addressed. In order to extend the benefits of economic growth, the Government of Canada must demonstrate its leadership with the development and implementation of a Pan-Canadian Strategy on Mental Illness and Mental Health, including an investment in work wellness programs and flexible working conditions, affordable housing and enhancing income security for all people of Canada. The overall health of this country – in the broadest sense of the word – can only benefit.

## **Conclusion**

Canada stands proud of being singled out internationally for so much of what it has accomplished over the years. However, it has not joined the other G-8 countries in the development and implementation of a Pan-Canadian Strategy on Mental Illness and Mental Health. Looking at the UK, Australia and New Zealand are examples the overall benefit of a nation-wide strategy to address the concerns of the mental health of its citizens has seen positive impacts in a myriad of ways. It is now time that Canada showed the rest of the world that it too believes that the mental health of its citizens is important and that people experiencing a mental illness or other mental health problem have the same rights of citizenship as others.

The Canadian Mental Health Association, the only nation-wide voluntary organization dedicated to mental health and mental illness, is ready to work with government, business, labour and the voluntary sector.