

A clean bill of health for the economy: engaging business to address ill health in our shrinking workforce

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- Sharlene McGee

The costs of ill health hit everyone's pockets in a multitude of ways. The direct consequences for individuals are most obvious when it comes to income and health. People in the bottom 40% of the income distribution are almost [twice as likely](#) to report poor health than those in the top 20%. Lower income can be bad for your health: it can move good quality employment even further out of reach. Being in poor health can also make good quality work inaccessible and so restrict your income.

The COVID-19 pandemic's legacy on the economy can be seen in the increasing numbers of people leaving the labour market. Recent figures show that 2.5 million people are now economically inactive in the UK, [an increase of 500,000 since 2019](#). A longer term trend, with deep roots, is becoming clearer. Health Foundation [analysis](#) in October showed that the number of people aged 50–69 with poor health had increased between 2014 and 2019, and last month's [data from the Office for National Statistics](#) reaffirmed this pattern.

Poverty and poor health are mutually reinforcing, and the ill health workforce exodus is set to exacerbate poverty levels. In today's cost-of-living crisis, people's finances are increasingly squeezed by unaffordable costs of basic items such as food and heating bills. The risk is that there will be further damage to people's health causing them to drop out of work permanently, in turn generating self-sustaining workforce shortages.

Good health: the building blocks for economic growth

We heard at the Health Foundation's recent annual [REAL Challenge lecture](#) how participation in work has always been a key determinant of the nation's health. Economic productivity and the rapid increase in people in work during the industrial revolution had [a dramatic effect on life expectancy and living standards](#). Today, businesses are starting to become more aware of how ill health hurts their bottom line. Workforce shortages and demand/supply issues have helped to focus minds on employees as an essential asset to productivity. Businesses are feeling the effects both from losing skilled employees to ill health and also having a depleted pool of incoming replacements.

Employers are starting to take notice of the effect they have on health. Here at the Health Foundation we've been exploring how to improve understanding of this impact for all businesses across three pillars – as employers, through goods and services and in their wider impact on the community. Do their jobs make employees healthier? Do their products and services negatively affect the health of consumers? Also, more indirectly, what kind of local, national or even international footprint are they having through how they conduct their business?

It's easy to see how harnessing business's interests could help tackle health inequalities by considering the links between where you live and how this increases your risk of ill health. In the 15% of council areas in Britain where [over a fifth](#) of the working age population have a work-limiting health condition or disability, incentivising business action could make a positive difference. Without investment, however, these areas not only face a much-depleted skills base now, but also risk even greater skills shortages in the future.

Engaging with business: as an employer

Access to employment – and whether it is good work, and of high quality – is the most direct way that companies influence the health of the working age population. Through this, businesses have significant power to tackle the UK's growing ill health and the high dropout rate that we are currently witnessing. There are three groups to specifically focus on here: unemployed people, those who have fallen out of work due to sickness (both short term and

long term) and people who are currently working while contending with illness and are at risk of falling out of the labour market.

To help employers rise to the challenge, we are embarking on new partnerships with business to better understand their impact on health. We're supporting [Business for Health](#) – a coalition who, in partnership with the Confederation of British Industry (CBI), have developed a [Work Health Index](#). This survey enables businesses to understand their role in shaping the health of their own workforce, benchmarking according to health-promoting metrics and signposting to solutions from other organisations similar in size, sector and region. The survey is in its beta phase with ongoing opportunities to shape the indicators appraising business performance.

There is so much that businesses can do beyond simply enhancing their occupational health offer through employee perks. Working conditions will determine whether you can keep your job when ill, or work with a long-term health condition or disability. Poor quality jobs can even exacerbate symptoms and force people out of work. We want to make sure that employers are addressing the questions that are central to health but are often forgotten: how to introduce jobs with health-promoting job design, job quality, career and pay progress.

Engaging with business: goods and services

Companies also have a profound impact on consumer health in the availability of healthy products and services. Smoking, poor diet and harmful alcohol use are the [leading risk factors](#) driving the UK's high burden of preventable ill health, premature mortality and widening health inequalities. Through the [Long-term Investors in People's Health \(LIPH\) programme](#), we are supporting [ShareAction](#) – a responsible investment NGO – to influence investor action to improve health.

This is a new frontier and we are keen to understand more about how investors can have a positive impact on health. A good example is ShareAction's recent [Healthy Markets initiative](#), aiming to influence UK retailers to account for their role in making healthy food accessible and affordable. Having just launched last month, LIPH is at the start of its journey, but with 36

investors signing to the tune of \$5.7tn assets under management, it's a very exciting chapter ahead.

Engaging with business: impact on community

Through our [Economies for Healthier Lives programme](#) we are working with councils to understand how to take effective joint action between economic development and public health, and how inclusive economies can build healthier communities. This involves connecting community needs with business needs in five distinct places: working directly with local young people to develop cooperative businesses in Salford; driving up standards with the private sector in Leeds; accounting for health in employment support in Havant and Liverpool; and working with businesses to assess their health impact when commissioning major capital spending projects in Glasgow.

Uniting a coalition of interests

In the past, business has offered solutions to drive forward health improvements. This has often been in partnership with government, who play an essential role in creating their operating environment, through regulation, setting taxation and providing incentives for action. Leadership from business was crucial in the introduction of landmark health and safety legislation and banning smoking in public places, both now considered sufficiently valuable to account for any resulting costs. Now is the time for a similar reckoning to collectively agree the value of workforce health and to determine who should bear the costs of action between the individual, business and the government.

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<https://www.health.org.uk/news-and-comment/blogs/a-clean-bill-of-health-for-the-economy-engaging-business-to-address-ill>