



# Mental Health at Work:

*Duration, Cost & the Path to Recovery*

---

**Sera-Leigh Ghouralal, PhD**

Director of Research

*IBI Regional Event · Wayne, PA · April 2026*

# A snapshot of the data:



## COST

**\$9,235**

average cost per mental health STD claim

**\$1.18B**

total MH claim payments in 2023

**71%**

above the overall claim average

Mental health is the highest-cost diagnostic category



## TIME

**54 days**

lost per claim — 15% longer than average

**12 wks**

the window before RTW odds drop sharply

**39%**

of employees never use a single benefit

Every week of delayed intervention closes the window for recovery.



## WELLBEING

**287%**

stronger wellbeing link when employees use benefits

**40.7%**

long-term disability RTW rate

**17.3%**

higher wellbeing for engaged employees

The right support doesn't just cut costs; it gives people their lives back.

**15%**

of workers globally  
experience a mental  
health condition

**\$1T+**

lost annually to  
depression & anxiety  
in global productivity

**193K+**

mental health short-term  
disability claims filed  
in 2023 (IBI data)

**The utilization gap:** 85% of large employers offer mental health benefits, yet only 23% of eligible employees use them. This gap between access and action is where costs accumulate.

**9.9%**

of all new  
STD claims

**53.9**

lost workdays  
per closed claim

**\$9,235**

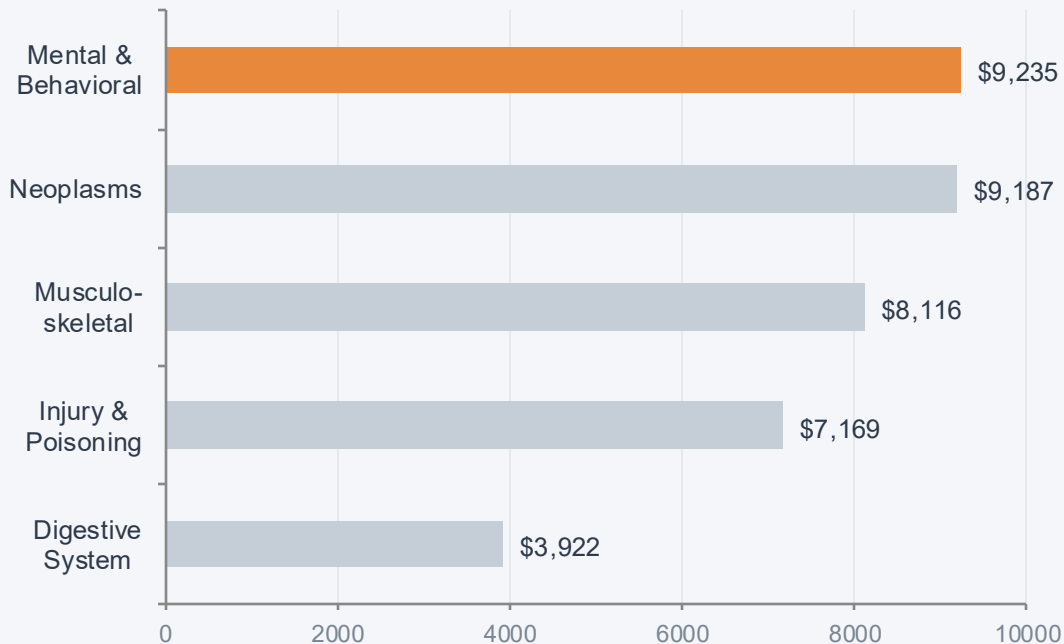
average payment  
per closed claim

**4.2%**

convert to  
long-term disability

*12.3% of total payments — disproportionate to their 9.9% share of claims.*

# Highest Cost Per Claim — Across All Diagnostic Categories



**71%**

higher than the overall  
average cost per claim (\$5,406)

**25.4%**

reach maximum  
benefit duration

RTW rate (40.7%) rivals  
Musculoskeletal, recovery  
IS achievable.

## Gender

Women (STD)  64.4%

Women (LTD)  66.9%

Men (STD)  35.6%

Men (LTD)  33.1%

*Women make up ~65% of mental health claimants — far exceeding their share in other diagnostic categories.*

## Age — A Younger Profile

48.9%

of STD mental health claimants  
are under age 40

### Compare:

17.4% for musculoskeletal · 15.4% for neoplasms

Earlier onset = longer career impact. This isn't just a claims cost story — it's a workforce pipeline story.

# Industry Spotlight: Not All Sectors Are Equal

## Finance & Insurance

**16.0% of claims** · 52.6 avg lost days

High incidence, moderate duration — likely signals lower stigma and better access.

## Transportation / Utilities

**12.5% of claims** · 66.9 avg lost days

Longest duration of any sector. 51% reach maximum benefit duration.

## Manufacturing

**9.6% of claims** · 54.6 avg lost days

\$11,341 avg payment per claim — highest per-claim cost of any industry.

## Public Administration

**9.4% of claims** · 64.7 avg lost days

Highest LTD conversion (11.9%) yet best RTW rate (51.8%). Structure works.

# The Utilization Gap

*Offering benefits is not enough — engagement is the missing link.*

**39%**

of employees  
never use any MH  
benefit offered

**287%**

stronger correlation  
between utilization  
& wellbeing (vs. access alone)

**20%**

unaware their  
employer offers  
any MH benefits

**The data ask us to shift our focus:** from a benefit catalog to a benefit culture, from what's offered to who's actually using it and why.

## 01 RTW Is a Process, Not an Event

Employees must shift from a patient mindset to an employee mindset. Returning workers navigate contradiction and uncertainty throughout, not just on day one.

## 02 Stigma Shapes Every Decision

Workers weigh disclosure carefully: Will telling my manager help or hurt me? Stigma affects whether people seek care, ask for accommodations, or feel safe returning at all.

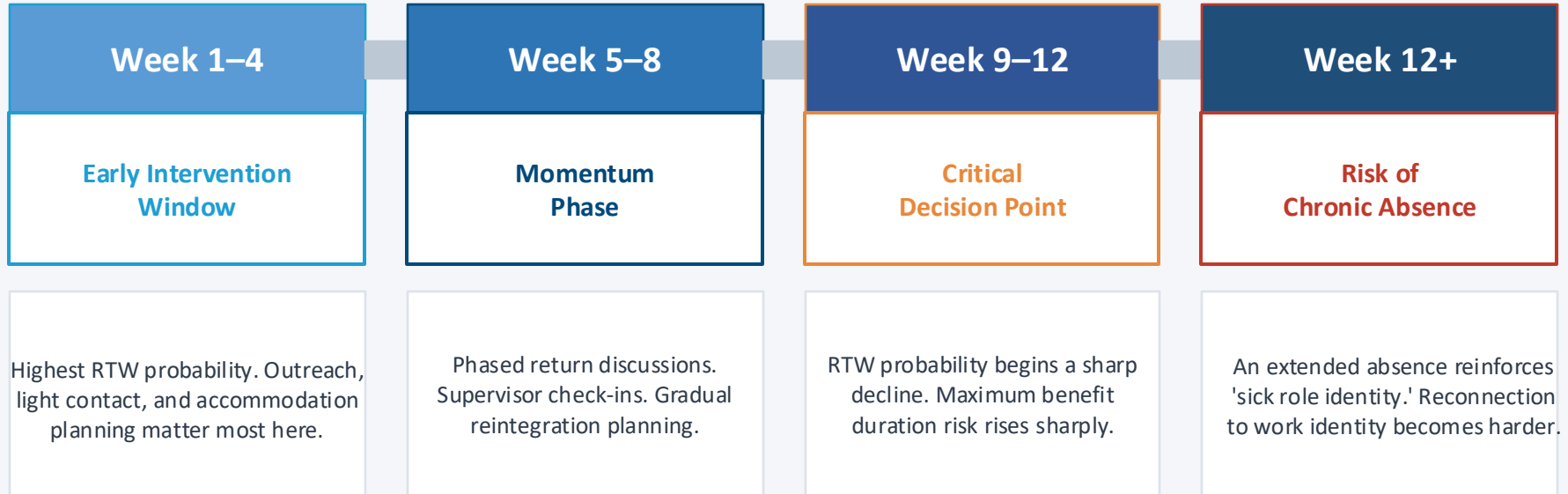
## 03 Supervisor Support = The #1 Factor

Supportive supervisors, those who check in, adjust workloads, and stay flexible, are consistently linked to successful returns. Poor supervisor support directly causes failed ones.

## 04 System Complexity Overwhelms

Navigating HR, insurers, healthcare providers, and government agencies while struggling with concentration is itself a barrier. Workers describe the process as feeling 'too many loose threads.'

# The 12-Week Cliff: Why Timing Is Everything



1

## Multi-Domain Interventions

Clinical treatment + workplace accommodation + care coordination. Either alone is insufficient; together they compound.

2

## Early, Proactive Outreach

Contact within the first 4 weeks. Even a check-in from HR signals the organization cares and preserves work identity.

3

## Supervisor Training

Managers need mental health literacy and relational skills. Procedural knowledge alone won't prevent failed returns.

4

## Phased, Flexible Return

Gradual re-entry with evolving accommodations. One-size-fits-all solutions consistently underperform collaborative ones.

5

## Cultural Interventions Scale

Manager training, peer support, and flex work show the strongest correlations with well-being. These are underfunded relative to their impact.

6

## Stigma Reduction

Education campaigns, normalized help-seeking, and psychological safety all require intentional, ongoing investment.

## For Employers

- Invest in early outreach — don't wait 12 weeks
- Train supervisors in MH literacy and relational skills
- Build flexible, individualized RTW pathways
- Shift success metric: from availability to utilization
- Reduce stigma through culture, not campaigns

## For Insurers & Administrators

- Build early intervention into case management
- Facilitate provider–workplace communication
- Shift from reactive to proactive disability management

## The Bottom Line

Mental health disability is costly — but it is not unmanageable. With the right structures, most employees can and do return to productive work. The organizations that get this right invest in early action, supervisor capability, and cultures that make asking for help feel safe.

*Key Takeaway*

**Utilization over availability.**

**Culture over clinics.**

**Early action over late reaction.**

---

Mental health drives disability duration and cost — and it is a place where employers can make a real difference.