



2024 | REPORT

Activity and growth of Employee Assistance Programs

Mental health benefits continue to be a priority for many employees and employers.

Employee Assistance Programs (EAP)s are well-positioned to help working Canadians navigate anxiety, fear, depression, and stress.



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The impact of poor mental health

The effects of mental health issues on employee performance cannot be overstated. There is a direct and inverse relationship between employee stress levels and productivity levels. When stress levels increase, productivity goes down, and when stress is alleviated, employee engagement, job satisfaction and productivity all go up.¹

Poor mental health also influences rates of absenteeism and presenteeism, which can cost companies up to 49 days of lost productivity per employee per year.²

Aside from the impact mental health issues have on employees who continue working, having someone off work due to a mental health issue is also costly. Today, mental illness is a leading cause of disability in this country, preventing nearly 500,000 employed Canadians from attending work each week. To make matters worse, the cost of disability leave as a result of mental illness is about double the cost of a leave due to physical illness.³

All in, the economic burden of mental illness in Canada is an estimated \$51 billion per year, including healthcare costs, lost productivity, and reductions in health-related quality of life.⁴



Sources

- 1 - [Workplace Stress and Productivity: A Cross-Sectional Study - PMC \(nih.gov\)](#)
- 2 - [Wellness Report 2023 – key findings and highlights | Manulife](#)
- 3, 4 - [The Centre for Addiction and Mental Health \(2022\)](#)

"The cost of disability leave as a result of mental illness is about **double** the cost of leave due to physical illness."³

[The Centre for Addiction and Mental Health \(2022\)](#)

What is an employee assistance program?

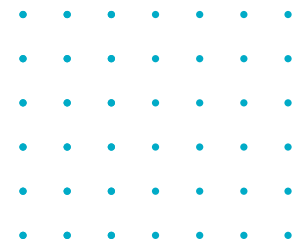
An employee assistance program (EAP), also commonly referred to as an Employee Family Assistance Program (EFAP), provides employees and their eligible dependents with confidential support and counselling with accredited professionals to help work through some of life's challenges. Counselling services are typically offered in-person, by phone, or through virtual mediums.

EAPs can assist in the following areas:

- Stress and anxiety
- Financial and real estate advisory
- Marital and relationship support
- Substance abuse
- Legal counsel
- Career coaching
- Child and eldercare issues
- Diet and nutrition advisory

[Blog: what is an employee assistance program \(EAP\) and what's included?](#)





More employers are adding employee assistance programs to their employee benefit plans

An employee’s wellbeing, both in their professional and personal lives, is incredibly important. One positive is that Canadians are utilizing mental health benefits when available. In fact, claims for mental health practitioners have more than doubled since 2019.⁵ Since most EAP services offer free counselling, they can help employees by removing barriers to access caused by cost.

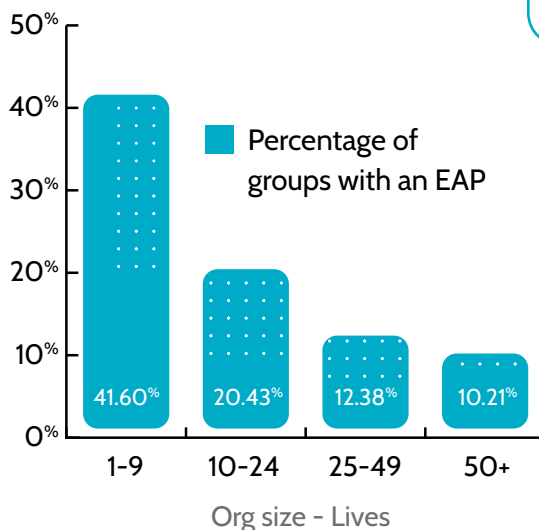
“EAP intervention [also] has a positive impact on job productivity, and has demonstrated a 34% reduction in costs related to lost productivity.”⁶ It’s not surprising then, that EAP uptake has been steadily growing. In fact, from April 2019 to April 2024, the percentage of companies BBD covers with an EAP more than doubled, up to 18%.

Employee assistance program uptake by company size

The size of an organization is a contributing factor to whether an employee benefits plan includes an EAP. As the size of the organization decreases, the chances of them having an EAP increases. Interestingly, this is the opposite of what we saw last year, where organizations with 25-49 lives had a 32% EAP uptake, and those with 1-9 lives had a 12.9% uptake.

From April 2019 to April 2024, the percentage of companies we cover with an EAP more than doubled.

Organization size and EAP adoption



Sources

- 5 - [Design for Health report – Paramedical and drug claims | Sun Life](#)
- 6 - [Report_Impact_on_Health_and_Prod_EN.docx \(shepellfgi.com\)](#)

[Blog: How to Increase Employee Assistance Program EAP usage](#)





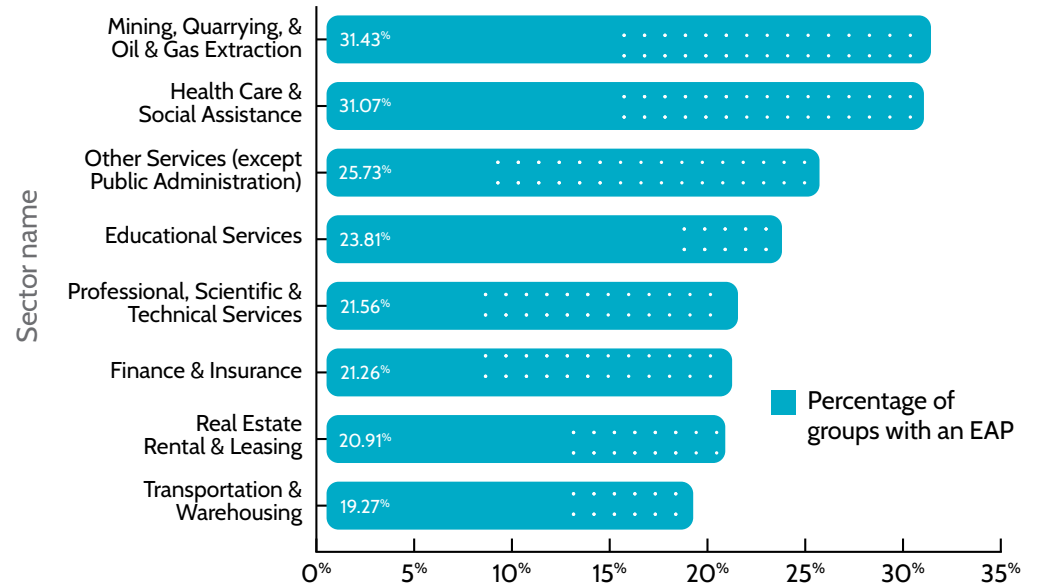
Employee assistance program uptake by industry

Industry also factors into whether or not an organization offers an EAP. Professional, educational, finance and insurance services, and scientific and technical services have a higher chance of including EAPs as part of their group insurance plan.

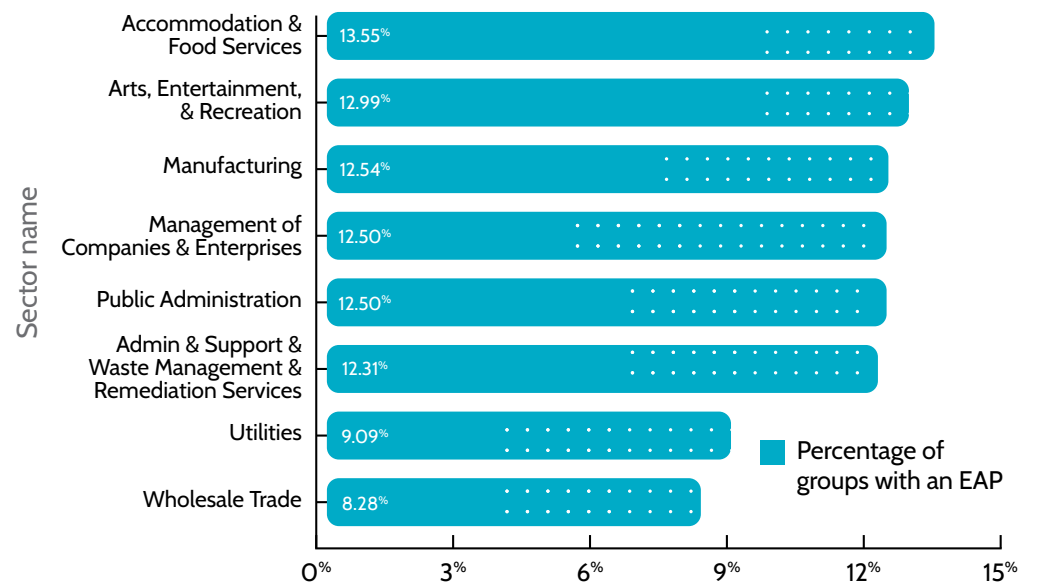
However, they don't top the list! Over 30% of our business block in the mining, quarrying, oil and gas extraction industries have an EAP. Groups in the Health Care and Social Assistance industries also have over 30% EAP uptake. Both industries have high stress and anxiety due to the higher risk of exposure to dangerous or difficult emotional situations.

The industries that have the lowest EAP uptake do not have much in common. However, these are all industries with higher-than-average turnover (with the exception of public administration), suggesting that adding an EAP service could help with employee attrition.

Industries with the highest EAP uptake



Industries with the lowest EAP uptake



Picking up the pieces and moving forward after COVID-19

Canadians are still figuring out how to cope with the aftermath of the pandemic. While things have appeared to reset, there were many big changes that will be staying with us. Zoom fatigue, remote and hybrid work options, feelings of isolation and loneliness, and a fear that it could all happen again have kept us on high alert. Coupled with financial concerns brought on by supply chain issues that are still unresolved from the pandemic, along with inflation and a housing crisis, it's clear why employees are asking for help.



Sources

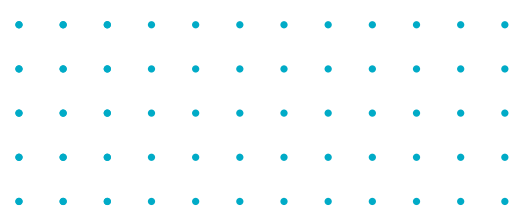
7 - [TELUS Health Mental Health Index](#)

8 - [Milot, Marc. The impact of a Canadian external Employee Assistance Program on mental health and workplace functioning: Findings from a prospective quasi-experimental study. Journal of Workplace Behavioural Health, 2019. Vol. 34, No. 3, 167-191](#)

Today, 75% of Canadians have a high or moderate mental health risk. And of those, 37% have been diagnosed with anxiety or depression. For those with a high mental health risk, the percentage has more than doubled from pre-pandemic levels.⁷

Companies whose employees use the services of an EAP see “significant reductions in overall psychological distress (including work-related distress) and symptoms of depression and anxiety, as well as increases in life satisfaction” compared to those without an EAP. Overall, “the greatest impacts of the EAP were observed on mental health and life satisfaction, followed by workplace functioning.”⁸

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Putting a price on employee assistance programs

The benefits of an EAP are difficult to assign monetary value. Benefits such as lost productivity due to stress or anxiety, reduction in presenteeism, or costs sustained on other parts of the company benefits plan. Not to mention the cost of back-filling the role of an employee on mental health leave.

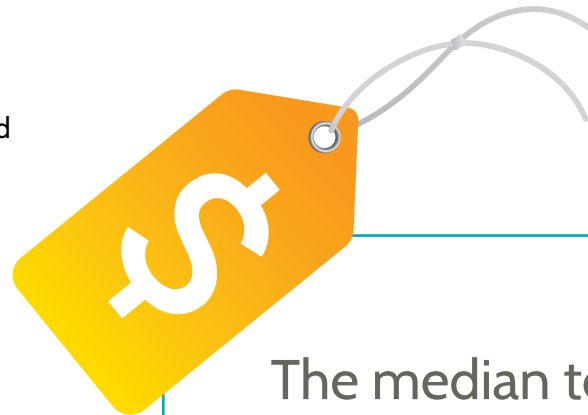
So, how much does an EAP cost employers? Within our organization, we have the ability to work with multiple EAP providers. Our unique position in the market has taught us that EAPs cost anywhere from \$3.00 to \$6.00 per employee per month. Using the median amount of \$4.50, the **total annual cost of an EAP amounts to \$54.00 per employee.**

One of the industry challenges with EAP adoption continues to be the return on investment (ROI) factor. Results from the 2020 Workplace Outcome Suite (WOS) Annual Report show that each EAP case yielded an estimated cost savings of between \$2,034 to \$3,497.⁹

The following year's report furthered this research by suggesting a modest ROI of \$3.25 per business dollar spent, using the lowest amount saved of \$2,034. Businesses with more employees, or with higher EAP usage, have increased ROI.¹⁰

Another 2014 study from Morneau Shepell suggests an ROI of 3:1 for small companies, 5:1 for medium-sized companies, and 9:1 for large-sized companies.

Although these numbers vary, one thing that is clear is that these programs do not under-deliver. No matter how big or small, companies with an EAP will be rewarded.



The median total annual cost of an EAP amounts to **\$54.00** per employee.



Sources

9 - [WOS-annual-report-2020-part1-.pdf \(lifeworks.com\)](#)

10 - [\(PDF\) Workplace Outcome Suite Annual Report 2021: EAP Counseling Use and Outcomes, COVID-19 Pandemic Impact, and Best Practices in Outcome Data Collection \(researchgate.net\)](#)

Employers are making changes for better mental health

Employers have been prioritizing mental health benefits for the past several years as demand has increased and the benefits became evident. The 2023 Benefits Canada Health Care Survey shows that Canadian employers have made significant changes to improve their offerings.

Four out of five employers said they offer at least one workplace wellness program, with the highest being mental health services, at 48%. Another third of employers plan to increase their mental health counselling maximums, coinciding with a similar amount who believe their maximums are insufficient.¹¹

However, 12% do not offer any amount for mental health counselling services whatsoever.¹² An EAP can be an extremely cost-effective way to provide some hours of counselling for bereaved employees.

Over the past five years, the number of plan sponsors that have mental health training programs for managers and/or employees to help them appropriately respond to signs of mental illness has risen significantly. In 2023, 55% of plan sponsors offered this type of program, up from 37% in 2018.¹³

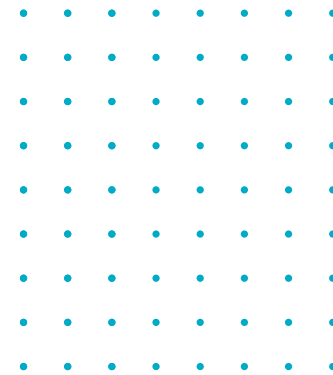


Sources

11, 12, 13 - [2023 Benefits Canada Health Care Survey](#)

We expected and saw an increase in EAPs over the last few years as employers prioritized improving the mental health support they provide to employees. Because the mental health of Canadians has not really improved since the beginning of the pandemic, look to see this trend continue.

[Blog: How an Employee Assistance Plan \(EAP\) Improves Mental Health](#)

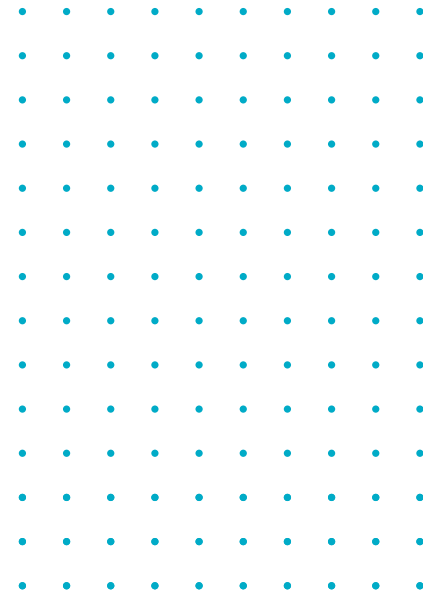


An EAP can be an extremely cost-effective way to provide some hours of counselling for bereaved employees.



Data analysis

Data represents 4,000 small- to medium-sized employers and a portion of People Corporation's group benefits business. These small- to medium-sized employers reflect a cross-section of industries located across Canada, including construction, manufacturing, retail trade, finance, and more.



You have the data – now let us help you put it into action.

Contact your group benefits advisor for more information.