NORC at the University of Chicago

National Safety Council

Turnover and Substance Use: What It Costs and What Can Be Done

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Workers with an untreated substance use disorder (SUD) are less likely to stay with an employer through a year than their peers who do not have an SUD or who have recovered from one.

Overall, three-quarters of workers report having a single employer in the previous 12 months. A worker who experienced an SUD within the last year was less likely to have only one employer (67%) in the prior year. Workers who have recovered from substance misuse are virtually indistinguishable from their peers who never experienced an SUD.

Turnover disproportionately impacts specific industries. The table below shows the sharp differences in turnover rates by industry. Information and utilities, mining, retail, arts, entertainment recreation, food service, and other service industries have greater turnover problems associated with substance use. Note that workers who have recovered from substance misuse in these and other industries have turnover rates similar to sector averages, and much lower than their peers with SUDs.

Exhibit 1: Turnover rates by industry sector (percentage of workers with one employer in the last year)

Industry	**No SUD %**	**SUD %**	**Recovered %**	**% diff no SUD to SUD**
Agriculture, forestry, fishing	80	72	76	10
Mining	75	58	80	22
Construction	74	67	70	9
Manufacturing, nondurable	82	68	80	17
Manufacturing, durable	83	71	84	14
Transportation	79	69	78	14
Information and utilities	79	58	81	26
Wholesale, durable	80	65	75	19
Wholesale, nondurable	80	75	87	6
Retail	75	61	71	19
Finance, insurance, real estate	80	72	70	10

Professional, scientific technical	76	68	75	11
Education, healthcare, social services	76	64	77	16
Arts/entertainment recreation, food service	67	52	61	22
Public administration	82	75	83	9
Other services (except public administration)	75	57	80	24
AVERAGE	**77**	**67**	**75**	**17**

Looking at turnover rates by occupation, there are several instances where the difference between workers with SUDs and those with no SUDs differ dramatically. Protective services, service, sales, and farm, fishing and forestry workers showed large gaps. Turnover rates of workers in recovery are nearly identical to their non-SUD peers in every occupational category, and some rates such as transportation are even lower.

Exhibit 2: Turnover by occupational category (percentage of workers with one employer in the last year)

Occupation	**No SUD %**	**SUD %**	**Recovered %**	**% diff no SUD to SUD**
Executive	83	74	85	11
Professional, scientific, technical	78	71	78	9
Education	74	62	78	16
Entertainment, communications	68	57	61	14
Technical	73	67	74	8
Sales	76	60	68	21
Office & Admin support	79	63	73	20

Protective services	75	55	82	31
Service	70	52	68	26
Farm, fishing, forestry	76	60	74	21
Installation	80	59	79	14
Construction	71	65	68	14
Production	80	70	84	12
Transportation	75	67	85	11
AVERAGE	**77**	**67**	**75**	**17**

The cost of turnover is substantial. Missed work, recruitment and training are estimated to cost employers 21% of the annual salary of a worker.[i] The greater the salaries of workers who leave unexpectedly, the greater the cost to employers to replace, retrain and get new workers up to speed.

Using current information[ii], the fully loaded hourly wage of workers in each of these industry sectors comes from data collected by the Department of Labor. The table below indicates extra costs of turnover per worker with an untreated SUD. Turnover rate of workers who recover from substance misuse are nearly indistinguishable from their peers. There are comparable savings for each worker with an SUD who is successfully treated compared to a worker who never experienced an SUD.

Exhibit 3: Excess Cost of Turnover per Worker with Untreated SUDs

	Fully loaded annual compensation	Excess turnover cost per worker with untreated SUD
Agriculture	$24,800	$521
Mining	$74,147	$3,426
Construction	$84,725	$1,601
Manufacturing, nondurable	$83,803	$2,992

Manufacturing, durable	$83,803	$2,464
Transportation and utilities	$81,981	$2,410
Information, communications	$122,155	$6,670
Wholesale, durable	$79,174	$3,159
Wholesale, nondurable	$79,174	$998
Retail	$43,022	$1,717
Finance, insurance, real estate	$112,289	$2,358
Professional, mgmt., admin	$101,398	$2,342
Education, health, social services	$78,714	$2,645
Entertainment, recreation, food	$33,094	$1,529
Public administration	$104,121	$1,968
Other services except public administration	$61,831	$3,116
Overall average all industries	**$77,562**	**$2,769**

Why address alcohol and other SUDS at work?

Some employers are reluctant to address substance use in their workforce as they do other illnesses and injuries. One of the best reasons for employers to help workers with an alcohol or other drug use disorder is that when workers recover from these issues, their medical, unplanned leave, disability and turnover costs are practically indistinguishable from their peers who have never had an SUD.

SUDs can bring about biological changes in the brain that impair judgment, reaction and coordination, potentially putting the person and others at risk on and off the job. Recreational, or occasional, substance use that does not qualify as a substance use disorder can also impair. Prolonged and heavy use of alcohol, especially, is associated with more than 50 illnesses and injuries. Where the average worker misses about 15 days annually for illness, injury or other reasons, workers with an untreated SUD miss slightly fewer than 25 days of work, while workers in recovery miss only 10.9 days. Although evidence is inconsistent on whether workers with SUDs are more likely to be

injured on the job, the research is clear that if injured workers out on short- or long-term disability receive opioid pain medications for more than a few days, their period of disability is longer and their return to work less likely. As shown in the tables above, workers with an SUD are over 40% more likely to report having more than one employer in the last year. Turnover exposes employers to problems of workload, continuity of operations, loss of expertise and experience, recruitment, and training costs.

What employers can do

Low-cost, easy-to-implement workplace programs are widely available that can help assess, treat and support recovery of workers with an SUD.

- *Health insurance*: 97% of businesses with more than 50 workers offer at least some of their employees individual health insurance options.[iii] Since 2008, the Mental Health Parity and Addiction Equity Act[iv] has required health insurance plans to cover substance use like any other medical or surgical condition. Employers should ask what their health plans are actively doing to identify and treat workers with an SUD, and to minimize risks of creating opioid use disorders in the course of treating worker illnesses and injuries.
    - Employers should ask any health insurer they work with to demonstrate what they are doing to manage prescription opioid use and require that prescribers abide by the CDC guidelines for opioid prescribing. Employers can ask to see whether rates of prescription opioid prescribing by primary care physicians are declining, and can ask which active steps the health insurers are taking to identify and treat members with an opioid addiction. Employers can also ask their pharmacy benefits manager its procedures for identifying members at high risk for opioid addiction.
    - Employers can exercise greater influence on the performance of their health vendors by working with other employers. The National Alliance of Healthcare Purchasing Coalitions,[v] state business coalitions on health, the national Business Group on Health,[vi] the Center for Workplace Mental Health,[vii] the Disease Management Employer Coalition[viii] and the National Safety Council all leverage the power of purchasers for this purpose. Learn more about addressing opioids and substance use in the workplace at nsc.org/opioidsatwork.
    - Employers should compare their health plan's rates of substance use initiation and engagement with likely SUD rates in their workforce

computed by the National Safety Council/NORC's Substance Use Cost Calculator.[ix] If there is a gap, employers should ask their health plan what active steps it will take to identify and treat plan members with an SUD.

- *Employee Assistance Programs (EAPs)*: Although the majority of workers are covered by these free, confidential, problem-focused programs,[x] few employers press their EAPs to aggressively screen workers contacting the EAP about substance use. A survey of EAPs found a utilization rate for behavioral health services of only 4.5% of the covered workers, far fewer than the prevalence of substance use and mental health concerns in typical workforces.[xi] When EAPs routinely assess for risky substance use as part of routine intake, rates jump to 20% – 25% on telephonic intake calls.
- *Disease and disability management*: workers on short- and long-term disability for injury or illnesses are often treated with opioid pain medications for more than a few days. Use of long-acting opioid pain medications or short-acting opioids for more than 5 days is associated with increased length of disability, reduced likelihood of returning to work and greatly increased risk of developing an opioid addiction, in addition to whatever injury or illness caused the work absence. Employers should insist that their EAP, disability or disease management contractors be watchful for any SUD that returning workers may have acquired during their medical care.
    - *Short- and Long-Term Disability:* employers should offer both short- and long-term disability coverage as employee benefits, as opposed to individual employee purchase of personal disability insurance. Financial and job stability are critical while working through any physical or mental injury, distress or illness, or substance use disorder.
        - If employers contract for disease or disability management services, they should require vendors provide for evidence that they are actively tracking data and requiring prescribers abide by the CDC prescribing guides when prescribing opioid use for pain, assessing workers for possible opioid misuse and intervening to assist them to use alternative, less risky pain management strategies.
- Provide a Drug-Free Workplace Program that has:

- A workplace substance use education component – employee engagement and education leads to a safer workplace. Everyone should be able to recognize the signs and symptoms of impairment, potential substance use disorders and mental distress, and understand how to access employer resources and treatment.
- Confidential screening and treatment referrals by an EAP or health professional when needed
- Confidential follow-up care to support individuals in recovery
- Supervisor training – supervisors play a critical role in addressing opioids in the workplace. They are often the first to notice a difference in an employee's performance, personality and activities, and they may be the first to notice impairment. It is imperative to provide them with the tools to protect the safety of the workplace and the privacy of employees.

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[i] Boushey H, Glynn S. There are Significant Business Costs to Replacing Employees. Center for American Progress. 2012. https://cdn.americanprogress.org/wpcontent/uploads/2012/11/16084443/CostofTurnover0815.pdf. Tracey JB, Hinkin TR. Contextual factors and cost profiles associated with employee turnover. Cornell Hosp Quart. 2008;49:12–27.

[ii] Fully loaded hourly and annual wages for all industry sectors other than mining and agriculture derived from "Employer Costs for Employee Compensation News Release December 18, 2019 USDL-19-2195 https://www.bls.gov/news.release/pdf/ecec.pdf: Mining wages from https://www.bls.gov/iag/tgs/iag21.htm Agriculture from https://www.bls.gov/ooh/farming-fishing-and-forestry/agricultural-workers.htm. Wages are adjusted to February 2020 from Bureau of Labor Statistics, U.S. Department of Labor, The Economics Daily, Real average weekly earnings https://www.bls.gov/opub/ted/2020/real-average-weekly-earnings-up-0-point-7-percent-from-february-2019-to-february-2020.htm.

[iii] Percent of private sector establishments that offer health insurance by firm size and state: United States, 2018. Table II A.2. AHRQ, Center for Financing, Access and Cost Trends. 2018 Medical Expenditure Panel Survey – Insurance Component. https://meps.ahrq.gov/data_stats/summ_tables/insr/state/series_2/2018/tiia2.pdf .

[iv] https://www.cms.gov/CCIIO/Programs-and-Initiatives/Other-Insurance-Protections/mhpaea_factsheet

[v] https://www.nationalalliancehealth.org/home

[vi] https://www.businessgrouphealth.org/

[vii] http://workplacementalhealth.org/

[viii] http://dmec.org/

[ix] https://www.nsc.org/forms/substance-use-employer-calculator

[x] https://www.bls.gov/opub/ted/2016/employer-provided-quality-of-life-benefits-march-2016.htm

[xi] Attridge M, Cahill T, Granberry SW, Herlihy PA. The National Behavioral Consortium industry profile of external EAP vendors. Journal of Workplace Behavioral Health. 2013 Oct 1;28(4):251-324.