



PEOPLE & ORGANIZATIONS

## The Rising Economic Threat Of Non-Contagious Health Issues

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### OVERVIEW

Non-contagious health issues like heart disease and lung cancer, many of which are at least partially avoidable through changes in lifestyle, are costing the economy hundreds of billions of dollars every year. Today, non-communicable diseases (NCDs) are already responsible for half of all deaths worldwide – and this figure is projected to increase by 17 percent in the next decade.

Of particular concern for business – over half of those affected by NCDs are of working age. This is why this isn't just a human tragedy, it's an economic one – which is why combatting the rise of NCDs should not only concern public health authorities.

It could even be a sensible investment for encouraging future economic growth: The World Economic Forum estimates that costs related to NCDs will account for up to 4 percent of annual global GDP by 2030. That is a staggering \$47 trillion.

Perhaps surprisingly, these silent illnesses are affecting more people in the developing world than in the developed. The greatest increase, 27 percent, is projected in Africa, with sub-Saharan countries stuck with the worst predictions. In lower-income countries it is primarily respiratory diseases that are the biggest killer, often linked to smoking and poor air quality, while heart disease and stroke, associated with sedentary lifestyles, are the biggest killers in richer countries, according to WHO data.

The rise of NCDs is increasingly undermining the productivity of workers all over the world and has devastating effects on the economic potential of the poorest of nations. Boosting the health levels of employees and participating in public-private partnerships to reduce the impact of NCDs in wider society should be seen as a profitable strategy, not a burden.



## IN DEPTH

Two myths surround non-communicable diseases: that they primarily affect people in wealthy countries and that they are a disease of the old.

Historically, that was the case. Cancer, diabetes, respiratory or heart diseases were an illness of the developed world, largely caused by risk behaviours such as smoking, drinking, living a sedentary lifestyle and having a bad diet. Today, of the 38 million people who die each year from NCDs, 28 million live in developing countries. That is a 40 percent increase since 1990.

“While it may seem easy for businesses to ignore this trend, especially in markets with government-centric health systems,” says Jim Winkler, Chief Innovation Officer of Aon Health, “organizations need to focus on the adverse impact poor health has in the ability for working people to do their jobs effectively.”

Business leaders are beginning to take notice. The World Economic Forum’s Global Competitiveness Report shows that about half of all business leaders worry that at least one of the four biggest NCDs (heart disease, cancer, diabetes and lung disease) will impact their company’s bottom line, especially where the quality of local healthcare is poor.

A disproportionate 80 percent of deaths from NCDs are premature, taking the lives of people during their most economically productive years. The WHO says that 23 percent of Indonesian people between the ages of 30 and 70 are expected to die from NCDs. In the United States, this figure is 14 percent.

“Chronic and complex diseases such as heart disease, diabetes, and other obesity-related conditions lead to declines in physical output, mental acuity, and emotional resiliency,” warns Winkler. All of these will affect productivity – which is why this is a growing crisis not just for people’s health but also for the global economy.

### **The Economic Burden of NCDs**

Hundreds of studies have linked individual NCDs with economic losses. The World Economic Forum and the Harvard School of Public Health estimate that people dying of heart disease in India (26 percent of the all deaths) will cost the economy \$2.7 trillion from 2012 to 2030. Along with other NCDs and mental illnesses, the total economic loss, measured by taking into account money spent by health providers on treatment and the reduction in the number of working people due to deaths, will be two and a half times the country’s GDP in that period.

Productivity losses for businesses due to NCDs can be measured by calculating the cost of Disability Adjusted Life Years (DALYs), sick leave, unemployment and days lost by caregivers. In Nigeria, more than half of stroke survivors take a year and a half to return to work. A comprehensive study by the European Journal of Epidemiology found that the workplace productivity of stroke victims' caregivers also continues to fall one to two years after they become carers. The same study found that, in the US, absenteeism one year after a cancer diagnosis costs the economy \$20.9 billion annually. Aon's European Sick Leave Index report, meanwhile, found that the average direct cost per individual sick leave day was at least €160.

### How Can Business Help?

The WHO has put combatting NCDs at the forefront of its agenda, with businesses playing an important role in helping stop the spread of the epidemic. The 2013–2020 Global Action Plan for the prevention and control of NCDs calls for a collaboration between states, NGOs and the private sector to develop affordable strategies that would help prevent the continued rise of these diseases.

The cost of inaction far outweighs the potential economic benefit of taking action on NCDs. The WHO calculates that implementing its Global Action Plan proposals would come in at just \$1.20 per person per year.

Business leaders are increasingly aware of the benefits that health programs bring to the organization. Aon's 2015 Health Care Survey found that the top change US employers want to implement in their rewards system in order to appeal to the 2020 workforce is "more opportunities and support to connect health and wealth."

The spread of NCDs is a trend businesses should not ignore. They are increasingly taking the lives of people during their most productive years, and have a huge impact on productivity before, during and after their development. The question is not whether businesses should act upon this global epidemic, but how.

These initiatives not only save lives but help businesses reduce health care costs and productivity losses. For instance, Johnson & Johnson's Health and Wellness program saved the company \$250 million on health care costs over ten years. The return on investment was \$2.71 per dollar spent on tackling smoking and physical inactivity.

To tackle this growing global crisis, targeting the risk behaviours that increase the chances of dying from NCDs is key. This is where businesses can have a significant impact – by improving availability of healthy food, promoting physical activity, setting up programs to help employees quit smoking, and giving better access to preventative healthcare.



## TALKING POINTS



"The challenge... goes beyond health ministries... Non-communicable diseases undermine productivity and result in the loss of capital and labour. These costs are unbearable and clearly call for innovative solutions and an all-of-society approach, with strong partnerships between government, the private sector and civil society." – David Bloom, member of the World Economic Forum Global Health Advisory Board and professor at the Harvard School of Public Health



"Creating an effective, collaborative response against NCDs requires cross-sector and cross-industry action – it can't be achieved by any one business, nor one sector alone." – Dr. Fiona Adshead, Chief Wellbeing and Public Health Officer at Bupa



"We should encourage individuals to make the smart choices that will protect their health. Exercise, eat well, limit alcohol consumption and stop smoking. We can do more than heal individuals – we can safeguard our very future." – Ban Ki-moon, Secretary-General of the United Nations

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## FURTHER READING

- How to Shrink Employees' Waistlines to Help Your Bottom Line – The One Brief, September 8, 2015
- People are Living Longer — But There's a Catch – Business Insider, September 10, 2015
- Blueprint to Combat Non-Communicable Diseases Released – BusinessWorld, October 29, 2015
- WHO Decision is Critical to the Fight Against Obesity and Non-Communicable Diseases – The Lancet Global Health Blog, October 21, 2015
- Wanted: A Roadmap to Tackle Non-Communicable Diseases – The Hindu Business Line, October 16, 2015
- European Sick Leave Index – Aon report
- 2015 Health Care Survey – Aon report

