



Supported Employment Policy Bulletin - #2

For many people with a mental illness, employment is part of their recovery.

✓ The majority of people with severe mental illness want to work. Studies indicate that approximately 2 out of every 3 people with mental illness are interested in competitive employment,¹⁻³ but less than 15% are currently employed.^{4,5}

Individual Placement and Support (IPS) supported employment is evidence-based.

✓ IPS, also known as evidence-based supported employment, helps clients in community mental health services to become a part of the competitive labor market.⁶ IPS is nearly three times more effective than other vocational approaches in helping people with mental illness to work competitively.⁷

IPS is cost-effective.

✓ Severe mental illness is a leading contributor to the global burden of disease⁸ and constitutes the largest and fastest growing group of participants in Social Security disability programs.⁹ IPS is an excellent investment, with an annual cost of \$4000 per client in 2010 dollars.¹⁰

✓ IPS is cost-effective when the costs of mental health treatment are considered. Several studies have found a reduction in community mental health treatment costs for supported employment clients,¹¹⁻¹⁴ while other studies have found a reduction in psychiatric hospitalization days and emergency room usage after enrollment in supported employment.¹⁵⁻¹⁷ Service agencies that have replaced their day treatment programs with IPS have reduced service costs by 29%.¹²

✓ Another promising line of research has examined the long-term reduction in mental health treatment costs when clients return to work. A 10-year follow-up study of clients with co-occurring severe mental illness and substance abuse disorder found an average annual savings of over \$16,000 per client in mental health treatment costs for steady workers compared to clients who remained out of the labor market.¹⁸

✓ An enormously promising area for cost savings concerns young adults who are experiencing early psychosis. If supported employment were available, the nation could save \$368 million annually in Medicaid, Social Security and other federal and state programs.¹⁹

IPS has a positive long-term impact on overall well-being.

✓ People who obtain competitive employment through IPS have increased income, improved self-esteem, improved quality of life, and reduced symptoms.^{15,20-22} Approximately half of clients who enroll in IPS become steady workers and remain competitively employed a decade later.^{23,24}

For more information and resources about IPS supported employment:

<http://www.dartmouth.edu/ips/>

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